KLEPIERRE

For immediate release

2015 FULL-YEAR EARNINGS

Paris – February 9, 2016

2015: A YEAR OF MAJOR STRATEGIC MOVES

Net current cash flow per share of 2.16 €, above initial February 2015 target range of 2.10-2.15 €

Strong operating and financial performances

- Successful integration of Corio, with faster and higher delivery of cost synergies, reaching 34 million euros in 2015 and expected to reach 67 million euros in 2017;
- Shopping center net rental income: +3.4% like-for-like[1] over 12 months;
- Retailer sales: +4.4% like-for-like[2] over 12 months;
- Cost of debt below 2.5% (-50 bps) and Loan-to-Value ratio stable over 12 months at 39.2%;
- Net current cash flow per share: 2.16 euros; +4.2%;
- A 22.1 billion euro portfolio of retail assets up by 5.1% like-for-like[1 3];
- EPRA NAV per share: 34.7 euros, +8.0%; EPRA NNNAV per share: 33.2 euros, +12.2%;
- Dividend per share: 1.70 euros[4], +6.3%.

Acceleration in shopping center portfolio transformation

- Shopping center footprint in European cities strengthened through the addition of leading assets of Corio and the acquisitions of Plenilunio (Madrid, Spain) and Oslo City (Norway), with strong potential for growth;
- Portfolio profile enhanced through circa 850 million euros of disposals.

Ideally positioned to keep driving value further up

- 3.6 billion euro development pipeline;
- 3 major projects to be delivered in 2017: Val d'Europe extension, first phases of Prado (France) and Hoog Catharijne (Netherlands);
- Rollout of Klépierre's retail operating expertise across the portfolio to promote store transformation, unique marketing and animation initiatives and deploy innovation, notably through digital tools.

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[1] Assuming Corio had been fully consolidated as of January 1, 2014 but excluding the contribution from acquisitions, new centers and extensions, spaces under restructuring, disposals completed since January 2014, and foreign exchange impacts.

[2] Retailer sales performance has been restated, i.e., assuming that the Corio and the Plenilunio acquisitions occurred on January 1, 2014. Change excludes the impact of asset sales, acquisitions and new centers opened since January 1, 2014. Retailer sales from the Dutch portfolio are not included in these numbers as retailers do not report sales to Klépierre.

[3] Total share, excluding duties.

[4] Submitted to a vote of the shareholders at their April 19, 2016 meeting.

Laurent Morel, Chairman of Klépierre's Executive Board, stated: *"Driven by a clear roadmap in terms of territorial focus and operational excellence, this year was one of intense activity, in which we delivered solid organic growth and swiftly executed on both the Corio integration and major portfolio enhancement initiatives. Once again, this effort translated into strong value creation for our shareholders, as illustrated by the significant growth of our net current cash flow per share. For the years to come, I am confident in our ability to unlock further value through our 22 billion euro platform of leading shopping centers in continental Europe, which offers a clear competitive edge for international retailers wanting to expand in the right location and with the right format."*

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SOLID OPERATING PERFORMANCES

Successful integration of Corio with cost synergies exceeding initial target

On January 8, 2015, Corio's 7 billion euro portfolio was integrated with and into Klépierre's, adding a large number of irreplaceable shopping centers to Klépierre's property portfolio and enhancing its coverage of Europe's most dynamic cities to bring its total value to 22.1 billion euros (excluding duties). The integration was rapidly carried out and led to the delivery of 34 million euros in cost synergies in 2015 (19 million euros in financing synergies and 15 million euros in general and administration cost synergies), expected to reach 67 million euros per annum in 2017.

Retailer sales: +4.4% over full-year 2015

Like-for-like[5] retailer sales were strong in Klépierre shopping centers and rose by 4.4% in 2015 compared to 2014 (+3.8% like-for-like excluding extensions). Retailer sales outperformed national indices in most countries.

In **France-Belgium**, retailer sales grew by 2%, mainly driven by sound performances from retailers that have reformatted and refurbished their stores, further re-tenanting campaigns, and the introduction of "category-killer" brands to each segment of the tenant mix. French malls outperformed the national sales index (CNCC) by 200 bps over the first 11 months of the year. In **Italy**, backed by a more favorable economic environment and a unique platform of prime shopping centers, retailer sales recorded a 5.8% increase over the year, with assets such as Porta di Roma (Rome), Le Gru (Turin), and Campania (Naples) confirming their leadership once again. In **Scandinavia,** retailer sales were up 3.0%, driven by Sweden (+7.9%), with Emporia in Malmö posting the highest increase, and Denmark (+3.7%), where Field's strengthened its position as the largest shopping mall in the Copenhagen region. Norway recorded a slight contraction in sales (-0.8%). In **Iberia**, Klépierre malls benefitted from the strong economic recovery and posted a 7.0% increase. In **CEE & Turkey**, retailer sales were up +7.3%, driven by Turkey (+15.3%), Hungary (+11.5%), and Czech Republic (+7.6%), mitigated by Poland (-1.9%). In **Germany**, retailer sales (+14.8%) were fueled by the good performance of Centrum Galerie (Dresden) following the opening of Primark and in Boulevard Berlin by the introduction of a new supermarket operator.

[5] Retailer sales performance has been restated, i.e., assuming that the Corio and the Plenilunio acquisitions occurred on January 1, 2014. Change excludes the impact of asset sales, acquisitions and new centers opened since January 1, 2014. Retailer sales from the Dutch portfolio are not included in these numbers as retailers do not report sales to Klépierre.

Sustained organic growth

Shopping center net rental income amounted to 1,035.0 million euros, up 328.1 million euros (+46.4%) on a current basis compared to 2014, which includes (i) 360.6 million euros of additional net rental income from former Corio assets[6] consolidated since January 1, 2015 and from the contribution of Plenilunio (Madrid), acquired in March 2015; (ii) a 53.0 million euro decrease due to asset disposals; (iii) a 25.4 million euro increase reflecting net rental income growth on a like-for-like basis; and (iv) a 4.9 million euro decrease linked to foreign exchange rate impacts.

On a like-for-like pro forma basis, shopping center net rental income was up 3.4% for 2015, outperforming index-related rental adjustments by 300 basis points. All regions, except Germany and the Netherlands, posted growth rates above 3.0%. In the top-performing countries, growth was also driven by an improvement in rent collection, an overall decrease in vacancy, and higher variable rents.

Close to 1,900 leases were signed throughout the year, translating into additional annual minimum guaranteed rents of 28.0 million euros. These signatures included 1,530 leases that were renewed or relet, representing 12.5 million euros worth of additional annual minimum guaranteed rents, i.e., an 11.6% average reversion rate. The shopping center vacancy rate (EPRA format), which was higher for the former Corio assets, decreased by 60 basis points at the Group level, to 3.8%, compared to June 30, 2015 (4.4%), highlighting Klépierre's ability to extract additional revenue from Corio's assets.

Net rental income was up by 3.0% in **France-Belgium**, outperforming index-linked rental adjustments (-0.2%) by 320 basis points, reflecting the positive contribution of active re-tenanting campaigns. The **Italian** portfolio recorded a 3.3% increase, which is a 320 basis point outperformance above index-linked rental adjustments (+0.1%). In **Scandinavia**, like-for-like net rental growth reached 4.8%, boosted by solid performances in all three countries, in particular Denmark. In **Iberia**, net rental income was up 4.2%. Portugal recorded a 4.7% growth in like-for-like net rental income. In **CEE and Turkey**, all countries contributed to the 4.4% increase in net rental income. Hungary in particular delivered a strong performance that more than offset the impact of disposals completed in 2015 (5 centers) and October 2014 (1 center). In the **Netherlands**, net rental income was slightly down (-0.8%). In **Germany**, net rental income was stable.

SOUND FINANCIAL PERFORMANCES

Net current cash flow at 2.16 euros per share: +4.2% per share

Operating cash flow reached 966.6 million euros, a 41% increase versus 2014. Net interest expense was 141.2 million euros, down 24.7% compared with 2014 due to lower cost of debt and financial structure optimization. Group share, net current cash flow amounted to 663.1 million euros, up 63.1%. On a per share basis, net current cash flow grew by 4.2% to reach 2.16 euros.

Shopping center portfolio valuation at 21.7 billion euros: +5.3% like-for-like[7] over 12 months

The value of the shopping center portfolio, transfer duties excluded, was 21.7 billion euros on December 31, 2015, an increase of 8.4 billion euros compared to December 31, 2014 (+63.0%), mainly due to the

[6] Including a 28.4 million euro contribution from the portfolio of 9 convenience shopping centers in the Netherlands sold to Wereldhave on August 26, 2015.

[7] Assuming that the Corio acquisition has occurred on January 1, 2014. Excludes the impact of new centers opened, acquisitions, asset sales completed since January 1, 2014, extension capex and foreign exchange impacts.

Corio, Plenilunio and Oslo City acquisitions. The change on a current portfolio basis also includes exchange rate impacts related to Scandinavian currencies.
In group share, the value of the shopping center portfolio is 18.4 billion euros with a 5% like-for-like increase[5] (+0.8 billion euros) over 12 months. The average yield rate of the portfolio stands at 5.7%, down by 40 basis points over 12 months on a pro forma basis (including Corio).

Adding other activities (retail in France), total portfolio valuation (excluding duties) reached 22.1 billion euros and 18.8 billion euros in group share.

EPRA NAV at 34.7 euros per share: +8% over 12 months

EPRA NAV per share was 34.7 euros, versus 32.1 euros on December 31, 2014. Over 12 months the EPRA NAV is up by 8.0%, this change can be explained by the cash flow for the period (+2.16 euros) the increase in assets value (+3.0 euros),[8] partly offset by the dividend (-1.3 euros) and transaction costs and purchase price adjustments (-0.3 euros) in connection with the Corio acquisition. EPRA NNNAV was 33.2 euros per share, up 12.2% versus year-end 2014.

Continuous improvement in financial profile

As of December 31, 2015, consolidated net debt is 8.9 billion euros, compared to 5.3 billion euros on December 31, 2014. The increase is mainly attributable to the consolidation of Corio's debt for a total nominal amount of 3.2 billion euros. As of December 31, 2015, the Loan-to-Value ratio stands at 39.2%, unchanged versus year-end 2014.

During the year, Klépierre repurchased a total of 0.4 billion worth of bonds and 0.9 billion worth of US Private Placement, while amending and extending existing revolving credit facilities for a total amount of 1.6 billion euros and issuing new bonds for 1.2 billion euros. These new financings offered an average weighted maturity of more than 7 years and an average yield of 1.7%, compared to an average weighted maturity of less than 3 years and an average yield of 4.8% for the former ones.

At year-end, the average duration of the debt reached 5.5 years (versus 5.3 at year-end 2014 on a pro forma basis) and the average group cost of debt continued to fall over the period, to below 2.5%. This figure reflects the low level of short-term interest rates, the restructuring of the hedging portfolio, and the first impact (-19 million euros) of the financing cost synergies following the integration of Corio. In 2015, 60% of the acquired debts have been refinanced. Full impact of financing cost synergies is expected to reach 32 million euros in 2016.

FURTHER DIVIDEND PER SHARE INCREASE

In respect of fiscal year 2015, the Supervisory Board will propose at the shareholders meeting on April 19, 2016 the payment of a cash dividend of 1.70 euros per share versus 1.60 euros in respect of fiscal year 2014 (+6.3% per share). This amount reflects a payout of 81% of the net current cash flow group share and will come from the SIIC related activity of Klépierre for 0.5 euros. The proposed payment date is April 26, 2016 (ex-date: April 22, 2016).

[8] Including management companies valuation uplift : 0.5 euros

ACCELERATION OF ASSET ROTATION AND PORTFOLIO TRANSFORMATION

In 2015, Klépierre continued to further strengthen its retail footprint through targeted landmark acquisitions and selective divestments.
In March 2015, Klépierre acquired Plenilunio, one of the major shopping centers in the Madrid region (Spain), covering 70,000 sq.m. and welcoming more than 11 million visitors a year, for a total consideration of 375 million euros. In December 2015, the Group completed the acquisition of Oslo City, Norway's leading shopping center in terms of sales per sq.m. and footfall, located in the city's main transportation hub, for a total investment of 336 million euros. Through these transactions, Klépierre reinforced its presence in two of the most dynamic and wealthiest capital cities of Europe.

In line with its capital allocation strategy, the Group completed a total of circa 850 million euros worth of disposals (excluding duties) at appraised values. These disposals mainly include a portfolio of 9 convenience shopping centers in the Netherlands (for a total consideration of 730 million euros); retail galleries in Hungary (5 assets), Poland (1 asset), and Spain (1 asset); and 2 portfolios of retail assets in France.

IDEALLY POSITIONED TO KEEP DRIVING VALUE FURTHER UP

The Group's development pipeline represents 3.6 billion euros worth of investments, including 2.0 billion euros of committed and controlled projects focused on France, Belgium, Scandinavia, Italy, and the Netherlands. 79% are extension-refurbishment schemes aimed both at capitalizing on shopping destinations that have demonstrated their leadership and at accelerating the retail offer transformation. 21% are greenfield projects located in some of the most dynamic cities of Europe and integrated into large urban development programs supported by efficient transportation network plans and residential and office building projects.

The next major shopping center projects to be delivered illustrate the Group's ability to further enhance its portfolio quality through expanding and refurbishing or seizing unique development opportunities. A 17,000 sq.m. extension will be unveiled in the first half of 2017 at **Val d'Europe** (Paris region), a 100,000 sq.m. shopping mall that has experienced record retailer sales and footfall growth in France since it first opened in 2000. **Prado** (Marseille, France), a new 23,000 sq.m. new development designed by Benoy and located in the most affluent district of the third city of France, will gather 50 stores and a 9,400 sq.m. Galeries Lafayette flagship store in the second half of 2017. **Hoog Catharijne** will be the largest mall in the Netherlands, offering flagship stores for the most renowned and powerful international brands operating in a new generation state-of-the-art scheme. The first phase of the extension-refurbishment of this leading shopping hub – built over Utrecht's train station, which welcomes 26 million passengers a year – will be delivered between the end of 2017 and the first half of 2018.

OUTLOOK

For 2016, rental income like-for-like is expected to continue to grow and additional synergies will also be delivered, while net divestments of 2015 will only slightly impact the year. Consequently, Klépierre has a reasonable view that its **net current cash flow** should achieve a comparable pace of growth as that posted in 2015 and reach **2.23-2.25 euros per share**.

FINANCIAL HIGHLIGHTS FOR THE FULL YEAR 2015

in million euros (total share)	2015	2014
Shopping centers	1161.1	782.0
Other activities	34.6	40.6
TOTAL GROSS RENTS	**1195.7**	**822.7**
Other rental income	12.6	10.4
TOTAL GROSS RENTAL INCOME	**1208.4**	**833.0**
Fees	86.8	70.8
TOTAL REVENUES	1295.1	903.8
Shopping centers	1035.0	706.9
Other activities[1]	33.0	38.4
TOTAL NET RENTAL INCOME	1068.0	745.2
NET CURRENT CASH FLOW (group share)	663.1	406.5
Net current cash-flow per share (€)	**2.16**	**2.07**
Dividend per share (€)	**1.70** [2]	**1.60**
PROPERTY PORTFOLIO VALUATION (total share, excl. duties)	22 127	13 821
Reconstitution NAV[3] per share (€)	36.0	33.5
EPRA NAV[4] per share (€)	**34.7**	**32.1**
EPRA NNNAV[5] per share (€)	33.2	29.6

(1) This segment refers to standalone retail units located in France and mostly in the vicinity of shopping center areas (ex-Klémurs assets)
(2) Submitted to a vote of the shareholders at their April 19, 2016 meeting
(3) Including transfer duties, before transfer duties, before taxes on unrealized capital gains and marking to market of financial instruments.
(4) Excluding transfer duties, before taxes on unrealized capital gains and marking to market of financial instruments.
(5) 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 4, 2016 to examine the full-year financial statements approved by the Executive Board on January 29, 2016.
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 FULL YEAR 2015

in million euros	12/31/2015	12/31/2014	12/31/2015	12/31/2014
France	392.8	341.3	324.4	271.9
Belgium	16.4	15.4	16.4	15.4
France-Belgium	**409.2**	**356.7**	**340.8**	**287.3**
Italy	**199.2**	**100.4**	**193.7**	**95.4**
Norway	57.3	58.7	32.2	32.9
Sweden	67.9	76.3	38.1	42.8
Denmark	51.1	47.4	28.7	26.6
Scandinavia	**176.3**	**182.4**	**98.9**	**102.3**
Spain	86.3	44.7	82.6	40.5
Portugal	20.5	15.0	20.4	15.0
Iberia	**106.8**	**59.7**	**103.0**	**55.5**
Poland	35.6	34.9	35.6	34.9
Hungary	20.5	21.2	20.4	21.1
Czech Republic	24.5	23.2	24.5	23.2
Turkey	35.3	-	31.9	-
Others	3.2	3.6	2.9	3.3
CEE and Turkey	**119.1**	**82.9**	**115.4**	**82.4**
Netherlands	**94.1**	**-**	**92.1**	**-**
Germany	**56.4**	**-**	**52.5**	**-**
Shopping centers	**1161.1**	**782.0**	**996.5**	**622.9**
Other activities	34.6	40.6	34.6	40.6
TOTAL GROSS RENTS	**1195.7**	**822.7**	**1031.1**	**663.6**
Other rental income	12.6	10.4	9.5	7.6
Fees	86.8	70.8	80.0	68.9
TOTAL REVENUES	**1295.1**	**903.8**	**1120.6**	**740.1**

Revenues from Equity method Accounted Investments[9]

Gross rents	96.1	53.2	89.5	58.5

[9] Equity method accounted investments represent a shopping center portfolio of 1.9 billion euros fair value total share as at December 31, 2015 (1.6 billion euros group share). These revenues are not included in Klépierre's consolidation scope.

QUARTERLY CHANGE IN REVENUES (TOTAL SHARE)

in million euros (total share)	2015				2014 (published)
	Q4	Q3	Q2	Q1	Q4
France	98.6	97.9	98.9	97.3	79.9
Belgium	4.2	4.2	4.0	4.1	4.2
France-Belgium	**102.8**	**102.1**	**102.9**	**101.4**	**84.1**
Italy	**50.2**	**49.7**	**50.1**	**49.2**	**24.6**
Norway	14.2	13.8	14.9	14.4	14.2
Sweden	17.5	16.3	17.0	17.1	16.5
Denmark	13.4	12.5	13.2	12.0	11.9
Scandinavia	**45.1**	**42.7**	**45.1**	**43.4**	**42.6**
Spain	23.0	22.7	23.3	17.3	7.8
Portugal	5.1	5.2	5.1	5.1	3.8
Iberia	**28.1**	**27.9**	**28.4**	**22.4**	**11.7**
Poland	9.3	8.7	8.7	8.9	9.1
Hungary	5.0	5.1	4.8	5.6	5.5
Czech Republic	6.4	6.2	6.0	6.0	5.8
Turkey	8.5	8.8	9.1	8.8	-
Others	0.6	0.8	0.9	0.8	0.7
CEE and Turkey	**29.8**	**29.7**	**29.5**	**30.1**	**21.2**
Netherlands	**15.8**	**23.6**	**27.6**	**27.1**	**-**
Germany	**13.2**	**14.6**	**14.8**	**13.7**	**-**
Total Shopping centers	**285.1**	**290.3**	**298.4**	**287.4**	**184.1**
Other activities	8.4	8.2	8.8	9.2	9.6
TOTAL GROSS RENTS	**293.5**	**298.5**	**307.2**	**296.6**	**193.6**
Other rental income	3.6	3.6	1.4	4.0	1.8
Fees	21.5	20.2	25.7	19.5	15.4
TOTAL REVENUES	**318.5**	**322.2**	**334.3**	**320.1**	**210.8**

Revenues from Equity Method Accounted Investments[10]					
Gross rents	24.2	23.5	24.2	24.2	13.0

[10] Equity method accounted investments represent a shopping center portfolio of 1.9 billion euros fair value as at December 31, 2015 (1.6 billion euros group share). These revenues are not included in Klépierre's consolidation scope.

WEBCAST – PRESENTATION AND CONFERENCE CALL – 2015 FULL-YEAR EARNINGS

The members of the Executive Board of Klépierre will be presenting the 2015 Full Year Earnings on **Wednesday, February 10, 2016 at 9:00 a.m. (8:00 am London time)**. Please visit Klépierre's website *www.klepierre.com* to listen to the webcast or flash the QR code below. A replay will be also available after the event.

ABOUT KLÉPIERRE

A leading shopping center property company in Europe, Klépierre combines development, rental, property, and asset management skills. Its portfolio is valued at 22.1 billion euros on December 31, 2015. It 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 (20.3%), world leader in the shopping center industry and APG (13.1%), a Netherlands-based pension fund firm. Klépierre is a French REIT (SIIC) listed on Euronext ParisTM and Euronext Amsterdam included the CAC 40, EPRA Euro Zone and the GPR 250 indexes. Klépierre is also included in several ethical indexes - DJSI World and Europe, Euronext Vigeo France 20 and World 120, Euronext Low Carbon 100 Europe - and 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 19, 2016	**General meeting of shareholders**
April 28, 2016	**2016 First 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*

APPENDICES

1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EPRA MODEL)

in millions of euros	12/31/2015	12/31/2014
Gross rental income	1 208,4	833,0
Land expenses (real estate)	-15,4	-7,5
Non-recovered rental expenses	-67,0	-36,3
Building expenses (owner)	-58,0	-44,0
Net rental income	***1 068,0***	***745,2***
Management, administrative and related income	86,8	*70,8*
Other operating revenue	13,9	*15,8*
Survey and research costs	-2,8	*-4,0*
Payroll expenses	-149,2	*-109,1*
Other general expenses	-77,4	*-47,6*
Depreciation and impairment allowance on investment property	-444,2	*-384,9*
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-17,1	*-12,4*
Provisions	-0,3	*-3,6*
Proceeds from disposal of investment properties and equity investments	850,8	*2 027,9*
Net book value of investment properties and equity investments sold	-836,8	*-1 181,0*
Income from the disposal of investment properties and equity investments	***14,1***	***846,9***
Goodwill impairment	***-704,5***	
Operating income	**-212,8**	**1 117,0**
Net dividends and provisions on non-consolidated investments	0,1	0,0
Financial income	*161,1*	*99,5*
Financial expenses	*-378,2*	*-369,1*
Net cost of debt	-217,1	-269,6
Change in the fair value of financial instruments	-30,6	-17,3
Effect of discounting		
Share in earnings of equity method investments	19,1	8,3
Profit before tax	**-441,3**	**838,5**
Corporate income tax	3,6	-30,4
Net income of consolidated entity	**-437,7**	**808,1**
Of which		
Group share	*-499,8*	*640,0*
Non-controlling interests	*62,2*	*168,1*
Undiluted average number of shares	**306 803 561**	**195 912 339**
Undiluted comprehensive earnings per share (euro) - Group share	**-1,6**	**3,3**
Diluted average number of shares	**306 803 561**	**195 912 339**
Diluted comprehensive earnings per share (euro) - Group share	**-1,6**	**3,3**

Net income of consolidated entity	**-437,7**	**808,1**
Other comprehensive income items recognized directly as equity	**-6,9**	**-66,0**
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	70,7	-4,3
Translation profits and losses	-84,0	-67,8
Tax on other comprehensive income items	0,6	5,4
Items that will be reclassified subsequently to profit or loss	**-12,8**	**-66,8**
Result from sales of treasury shares	4,1	2,6
Actuarial gains	1,8	-1,8
Items that will not be reclassified subsequently to profit or loss	**5,9**	**0,8**
Share of other comprehensive income items of equity method investees		
Total comprehensive income	**-444,6**	**742,1**
Of which		
Group share	*-501,6*	*601,8*
Non-controlling interests	*57,0*	*140,3*
Undiluted comprehensive earnings per share (euro) - Group Share	**-1,6**	**3,1**
Diluted comprehensive earnings per share (euro) - Group share	**-1,6**	**3,1**

Excluding the non-recurring accounting technical impact of the 704.5 million euro impairment and write-off of Corio's goodwill (please refer to section "Scope of consolidation" of the present document for more information), the consolidated net income group share would have been a profit of 204.7 million euros (profit of 0.7 euros per share).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)

in millions of euros	12/31/2015	12/31/2014
Goodwill	834,6	129,9
Intangible assets	45,7	46,5
Property, plant and equipment and work in progress	20,6	13,0
Investment property	13 901,6	8 451,0
Investment property under construction	807,9	400,0
Equity method securities	1 161,5	443,5
Other non-current assets	371,8	173,0
Non-current derivatives	96,5	118,1
Deferred tax assets	53,0	48,7
NON-CURRENT ASSETS	***17 293,2***	***9 823,7***
Investment property held for sale	23,9	3,5
Inventory	0,0	0,4
Trade accounts and notes receivable	164,3	103,2
Other receivables	410,4	201,0
Tax receivables	*180,4*	*37,4*
Other debtors	*230,1*	*163,6*
Current derivatives	4,3	3,7
Cash and cash equivalents	413,7	140,6
CURRENT ASSETS	***1 016,6***	***452,4***
TOTAL ASSETS	**18 309,8**	**10 276,1**
Share capital	440,1	279,3
Additional paid-in capital	5 818,1	1 773,6
Legal reserves	44,0	27,9
Consolidated reserves	-30,3	-299,4
Treasury shares	*-78,4*	*-82,0*
Hedging reserves	*-104,0*	*-172,0*
Other consolidated reserves	*152,1*	*-45,3*
Consolidated earnings	-499,8	640,0
Shareholders’ equity, group share	5 772,0	2 421,4
Non-controlling interests	1 267,2	1 144,5
SHAREHOLDERS’ EQUITY	***7 039,2***	***3 565,9***
Non-current financial liabilities	6 714,1	4 880,4
Long-term provisions	43,1	17,4
Pension commitments	13,0	17,6
Non-current derivatives	76,2	173,4
Security deposits and guarantees	145,7	110,8
Deferred tax liabilities	693,1	322,3
NON-CURRENT LIABILITIES	***7 685,3***	***5 521,9***
Current financial liabilities	2 584,0	697,4
Bank facilities	265,1	53,8
Trade payables	227,1	117,7
Payables to fixed asset suppliers	17,7	13,0
Other liabilities	298,7	182,8
Current derivatives	0,5	25,3
Social and tax liabilities	192,2	98,3
CURRENT LIABILITIES	***3 585,4***	***1 188,3***
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**18 309,8**	**10 276,1**

SEGMENT EARNINGS

in millions of euros	France-Belgium (1)		Scandinavia		Italy		Iberia		Netherlands	
	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14
Gross rental income	**453,3**	**403,0**	**177,0**	**182,7**	**201,1**	**102,2**	**107,2**	**59,8**	**94,1**	
Rental & building expenses	-41,9	-35,7	-20,4	-20,6	-16,2	-10,7	-16,6	-9,1	-18,1	
NET RENTAL INCOME	**411,4**	**367,3**	**156,6**	**162,1**	**184,9**	**91,6**	**90,6**	**50,7**	**76,0**	
Management and other income	47,5	52,5	14,4	17,4	12,4	6,3	7,4	5,9	6,7	
Payroll and other general expenses	-70,5	-62,1	-29,0	-34,7	-25,1	-12,4	-15,0	-9,2	-29,4	
EBITDA	**388,4**	**357,7**	**142,0**	**144,7**	**172,2**	**85,4**	**82,9**	**47,4**	**53,4**	
Depreciation and allowance	-166,4	-125,0	-70,1	-101,0	-49,3	-29,0	-48,9	-71,6	-36,2	
Income from disposals	12,2	744,8	4,3	-1,5	0,5	78,2	-2,1	11,9	6,0	
Share in earnings of equity method investees	-14,7	-2,8	7,1	8,9	15,1	3,5	1,5	-1,3		
SEGMENT INCOME	**219,5**	**974,7**	**83,3**	**51,1**	**138,6**	**138,1**	**33,4**	**-13,7**	**23,1**	
Goodwill depreciation										
Cost of debt										
Change in the fair value of financial instruments										
PROFIT BEFORE TAX										
Corporate income tax										
NET INCOME										

in millions of euros	Germany		CEE &Turkey		Unaffected (2)		Klepierre Group	
	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14
Gross rental income	**56,5**		**119,3**	**83,0**		**2,4**	**1 208,4**	**833,0**
Rental & building expenses	-14,0		-13,2	-11,3	0,0	-0,4	-140,3	-87,8
NET RENTAL INCOME	**42,4**		**106,0**	**71,8**	**0,0**	**1,9**	**1 068,0**	**745,2**
Management and other income	6,2		6,0	4,1	0,1	0,4	100,7	86,5
Payroll and other general expenses	-11,2		-13,3	-7,9	-35,8	-34,4	-229,4	-160,7
EBITDA	**37,4**		**98,7**	**68,0**	**-35,8**	**-32,1**	**939,4**	**671,1**
Depreciation and allowance	-28,0		-62,6	-74,6		0,3	-461,6	-401,0
Income from disposals	-0,1		-6,7	0,4		13,2	14,1	846,9
Share in earnings of equity method investees			10,0				19,1	8,3
SEGMENT INCOME	**9,3**		**39,3**	**-6,2**	**-35,8**	**-18,7**	**510,8**	**1 125,3**
Goodwill depreciation							-704,5	
Cost of debt							-217,0	-269,5
Change in the fair value of financial instruments							-30,6	-17,3
PROFIT BEFORE TAX							**-441,2**	**838,5**
Corporate income tax							3,6	-30,4
NET INCOME							**-437,7**	**808,1**

(1) Shopping centers and retail assets
(2) Corporate including remaining Offices portfolio in first half of 2014

Excluding the non-recurring accounting technical impact of the 704.5 million euro impairment and write-off of Corio's goodwill (please refer to section "Scope of consolidation" of the present document for more information), the consolidated net income group share would have been a profit of 204.7 million euros (profit of 0.7 euros per share).

CONSOLIDATED CASH FLOW STATEMENT (EPRA MODEL)

in millions of euros	12/31/2015	12/31/2014
Cash flows from operating activities		
Net income from consolidated companies	-437,7	808,1
Elimination of expenditure and income with no cash effect		
or not related to operating activities		
• *Depreciation, amortization and provisions*	*458,5*	*401,7*
• *Goodwill impairment*	*704,5*	*0,0*
• *Capital gains and losses on asset disposals and income taxes*	*-17,4*	*-811,4*
• *Reclassification of financial interests and other items*	*261,1*	*287,0*
Gross cash flow from consolidated companies	**969,0**	**685,3**
Paid taxes	-25,5	-40,1
Change in operating working capital requirement	-17,6	3,8
Net cash flows from operating activities	**926,0**	**649,0**
Cash flows from investing activities		
Income from sales of investment properties	833,3	1 565,3
Income from sales of other fixed assets	-	-
Income from disposals of subsidiaries (net of cash disposed)	-5,2	450,2
Acquisitions of investment properties	-114,2	-39,9
Acquisition costs of investment properties	-0,8	-0,6
Payments in respect of construction work in progress	-294,1	-155,4
Acquisitions of other fixed assets	-11,3	-26,2
Acquisitions of subsidiaries through deduction of acquired cash	-543,4	-4,3
Movement of loans and advance payments granted and other investments	-276,6	204,7
Net cash flows from investing activities	**-412,1**	**1 995,1**
Cash flows from financing activities		
Dividends paid to the parent company's shareholders	-393,2	-303,5
Dividends paid to non-controlling interests	5,5	-304,6
Capital increase	-	-
Repayment of share premium	-	-
Acquisitions/disposal of treasury shares	3,6	11,5
New loans, borrowings and hedging instruments	2 999,9	800,1
Repayment of loans, borrowings and hedging instruments	-2 636,0	-2 468,7
Interest paid	-331,1	-352,9
Other cash flows related to financing activities (1)	-103,8	-31,3
Net cash flows from financing activities	**-455,1**	**-2 649,4**
Effect of foreign exchange rate changes on cash and cash equivalents	**3,0**	**-4,3**
CHANGE IN CASH AND CASH EQUIVALENTS	**61,8**	**-9,5**
Cash at year-start	***86,8***	***96,3***
Cash at year-end	***148,6***	***86,8***

(1) The flow of the period corresponds to the interim dividend of 103,8 million euros paid out by Corio on January 12, 2015

COMPREHENSIVE INCOME STATEMENT (EPRA MODEL) PRESENTATION IN FAIR VALUE

Comprehensive income statement at fair value (EPRA model) *in millions of euros*	12/31/2015 Fair value model	12/31/2014 Fair value model
Gross rental income	1 208,4	833,0
Land expenses (real estate)	-14,8	-6,9
Non-recovered rental expenses	-67,0	-36,3
Building expenses (owner)	-57,1	-43,2
Net rental income	***1 069,6***	***746,6***
Management, administrative and related income	86,8	70,8
Other operating revenue	13,9	15,8
Change in the fair value of investment property	883,3	197,4
Survey and research costs	-2,8	-4,0
Payroll expenses	-149,2	-109,1
Other general expenses	-77,4	-47,6
Depreciation and impairment allowance on investment property	-0,1	
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-17,1	-12,4
Provisions	-0,3	-3,6
Gains on the disposal of investment property and equity investments	850,9	2 027,9
Net book value of investment property and equity investments sold	-852,0	-2 106,9
Income from the disposal of investment property and equity investments	**-1,1**	**-79,0**
Goodwill impairment	-922,6	
Operating income	**882,9**	**774,8**
Net dividends and provisions on non-consolidated investments	0,1	0,0
Financial income	*161,1*	*99,5*
Financial expenses	*-378,2*	*-369,1*
Net cost of debt	-217,1	-269,6
Change in the fair value of financial instruments	-30,6	-17,3
Share in earnings of equity method investees	97,6	35,1
Profit before tax	**732,9**	**523,1**
Corporate income tax	-204,6	-54,1
Net income of consolidated entity	**528,3**	**469,0**
of which		
Group share	*274,7*	*328,5*
Non-controlling interests	*253,6*	*140,5*
Undiluted average number of shares	**306 803 561**	**195 912 339**
Undiluted comprehensive earnings per share (euro) - Group share	**0,9**	**1,7**
Diluted average number of shares	**306 803 561**	**195 912 339**
Diluted comprehensive earnings per share (euro) - Group share	**0,9**	**1,7**

Net income of consolidated entity	**528,3**	**469,0**
Other comprehensive income items recognized directly as equity	**-13,5**	**-77,1**
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	70,7	-4,3
Translation profits and losses	-90,6	-79,0
Tax on other comprehensive income items	0,6	5,4
Items that will be reclassified subsequently to profit or loss	**-19,3**	**-78,0**
Result from sales of treasury shares	4,1	2,6
Actuarial gains	1,8	-1,8
Items that will not be reclassified subsequently to profit or loss	**5,9**	**0,8**
Share of other comprehensive income items of equity method investees		
Total comprehensive income	**514,8**	**391,9**
Of which		
Group share	*271,3*	*286,8*
Non-controlling interests	*243,5*	*105,1*
Undiluted comprehensive earnings per share (euro) - Group Share	**0,9**	**1,5**
Diluted comprehensive earnings per share (euro) - Group share	**0,9**	**1,5**

Excluding the non-recurring accounting technical impact of the 922.6 million euro impairment and write-off of Corio's goodwill (please refer to section "Scope of consolidation" of the present document for more information), the consolidated net income group share would have been a profit of 1,197.3 million euros (profit of 3.9 euros per share).

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

Consolidated statement of financial position (EPRA model) *in millions of euros*	**12/31/2015** **Fair value model**	**12/31/2014** **Fair value model**
Goodwill	612,5	125,9
Intangible assets	45,7	46,5
Property, plant and equipment and work in progress	20,6	13,0
Investment property at fair value	18 750,5	12 362,2
Investment property at cost model	1 076,1	304,1
Equity method securities	1 455,9	663,8
Other non-current assets	371,8	173,0
Non-current derivatives	96,5	118,1
Deferred tax assets	67,6	54,1
NON-CURRENT ASSETS	***22 497,1***	***13 860,7***
Fair value of property held for sale	23,9	3,2
Trade accounts and notes receivable	164,3	103,2
Other receivables	380,3	167,3
Tax receivables	*180,4*	*37,4*
Other debtors	*199,9*	*129,9*
Current derivatives	4,3	3,7
Cash and cash equivalents	413,7	140,6
CURRENT ASSETS	***986,5***	***418,0***
TOTAL ASSETS	**23 483,6**	**14 278,7**
Share capital	440,1	279,3
Additional paid-in capital	5 818,1	1 773,6
Legal reserves	44,0	27,9
Consolidated reserves	2 949,5	3 000,7
Treasury shares	-78,4	-82,0
Hedging reserves	-104,1	-172,0
Fair value of investment property	2 990,8	3 325,1
Other consolidated reserves	141,3	-70,3
Consolidated earnings	274,7	328,5
Shareholders' equity, group share	9 526,4	5 410,0
Non-controlling interests	2 202,9	1 892,7
SHAREHOLDERS' EQUITY	***11 729,3***	***7 302,7***
Non-current financial liabilities	6 714,1	4 880,4
Long-term provisions	43,1	17,4
Pension commitments	13,0	17,6
Non-current derivatives	76,2	173,4
Security deposits and guarantees	145,7	110,8
Deferred tax liabilities	1 176,9	588,2
NON-CURRENT LIABILITIES	***8 169,0***	***5 787,7***
Current financial liabilities	2 584,0	697,4
Bank facilities	265,1	53,8
Trade payables	227,1	117,7
Payables to fixed asset suppliers	17,7	13,0
Other liabilities	298,7	182,8
Current derivatives	0,5	25,3
Social and tax liabilities	192,2	98,3
CURRENT LIABILITIES	***3 585,4***	***1 188,3***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**23 483,6**	**14 278,7**

2. ACCOUNTING PRINCIPLES AND METHODS

2.1. CORPORATE REPORTING

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

On January 29, 2016, the Executive Board approved the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2015 and authorized their publication.

Klépierre shares have been admitted for trading on Euronext Paris TM (compartment A) and on Euronext Amsterdam since January 15, 2015. Moreover, Klépierre joined the CAC 40 index – the French stock market's leading index – on December 21, 2015.

2.2. 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 through December 31, 2015 have been prepared in accordance with IFRS published by the IASB, as adopted by the European Union and applicable on that date.

The IFRS framework as adopted by the European Union includes the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), and their interpretations (SIC and IFRIC).This framework is available on the website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The consolidated financial statements through December 31, 2015 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, 2015

The accounting principles applied to the consolidated financial statements as of December 31, 2015 are identical to those used in the consolidated financial statements as of December 31, 2014, with the exception of the adoption of the following new standards and interpretations, for which application is mandatory for the Group:

- Annual improvements of IFRS — Cycle 2011 – 2013
- IFRIC 21 — Levies

The first application of the IFRIC 21 interpretation resulted in the recognition in the interim consolidated financial statements of the yearly property tax expenses in France, Spain, Italy, the Netherlands, and Germany. As of December 31, 2015, the IFRIC 21 interpretation has no impact.

Standards, amendments and interpretations of non-compulsory application as from January 1, 2015

The following norms and amendments have been adopted by the European Union as of December 31, 2015, but with a later effective date of application, and were not applied in advance by the Group:

■ Amendment to IAS 19	Defined Benefit Plans: Employee Contributions
■ Annual improvements of IFRS	Cycle 2010 – 2012
■ Amendments to IAS16 and IAS38	Clarification of acceptable methods of depreciation and amortization
■ Annual improvements of IFRS	Cycle 2012 – 2014
■ Amendment to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
■ Amendment to IAS 1	Disclosure initiative. Presentation of Financial statements

The measurement of the potential impacts of these norms and amendments on the consolidated accounts of Klépierre is ongoing.

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

■ Amendment to IAS 28 and IFRS 10	Sale or asset contribution between associates and Joint Ventures
■ IFRS 9	Hedge accounting (final and complete version July 2014)
■ IFRS 14	Regulatory Deferral Accounts. EU has decided not to endorse IFRS 14 and instead to wait until the standard on rate-regulated activities is issued
■ IFRS 15	Revenue from Contracts with Customers
■ Amendment to IAS 27	Equity Method in Separate Financial Statements

3. SCOPE OF CONSOLIDATION

As of December 31, 2015, the Group's scope of consolidation includes 309 companies compared to 245 at December 31, 2014, including 266 fully consolidated companies and 43 companies consolidated using the equity method.

Main events of the year

Within the acquisition of the Corio Group, the Group has integrated 98 new companies, including 88 fully consolidated companies and 10 companies consolidated using the equity method. Corio NV was merged into Klépierre SA on March 31, 2015 (see "Public Exchange Offer on Corio NV" below).

On March 26, 2015, Klépierre acquired 100% of Orion Columba from the Orion Group for 160.9 million euros. This company owns a prime shopping center in Madrid. The acquisition was treated as a business combination in accordance with IFRS 3. The net amount of the identifiable assets and liabilities at their fair value at the acquisition date stands at 114.1 million euros. The 46.8 million euro goodwill is allocated to the possibility of optimizing income taxes when disposing of the assets. In accordance with IFRS 3, this purchase price allocation is provisional and could be subject to change for a period of 12 months after the acquisition date. Since the acquisition date, Orion Columba has contributed with 15.1 million euros to rental income and 14.4 million euros to the net rental income of the Group. If the acquisition had taken place at the beginning of the year, the contribution of the company would have been 19.9 million euros to rental income and 18.4 million euros to net rental income.

In France, the companies Klécapnor and Immo Dauland were merged into Klémurs on March 3 and March 9, 2015, respectively. Centre Jaude Clermont, Carré Jaude 2, and Klépierre Participations et Financements were merged into Klépierre SA, and Corio France SARL was merged into Klépierre Management.

In Scandinavia, the companies Torvbyen Utvikling AS and FAB Viskaholm were sold during the period. On April 1, 2015, Klépierre completed the sale of three shopping centers in Hungary. The Hungarian entity Szeged Plaza is no longer included in the scope of consolidation. In November, two additional shopping centers were disposed of; as a consequence, Szolnok plaza and KPSVR 2002 are no longer in the scope of consolidation.

On December 31, 2015, the Group acquired 66.70% of Oslo City Kjøpesenter AS for 336 million euros. According to the shareholder agreement concluded with Group Entra (which owns the remaining 33.30%), the Group has decided to consolidate Oslo City Kjøpesenter AS under the equity method.

Public Exchange Offer on Corio NV

On July 29, 2014, Klépierre S.A and Corio N.V reached an agreement for a strategic combination of their businesses by means of a Public Exchange Offer followed by a cross-border merger. The aim of this combination was to create a leading pure player retail property company in Europe.

The Public Exchange Offer was launched on October 27, 2014 after obtaining the authorization of the Dutch “Autoriteit Financiële Markten” (the “AFM”) and from the French “Autorité des Marchés Financiers” (the “AMF”). The exchange ratio for the Public Exchange Offer was 1.14 new Klépierre shares with a nominal value of 1.40 euros for each Corio share.

On January 8, 2015, the Public Exchange Offer was declared unconditional. 84,727,783 Corio shares, representing approximately 84.07% of the issued and outstanding shares, were tendered under the Offer.
A Post-Acceptance period was reopened between January 12, 2015 and January 16, 2015. Following the Post-Acceptance period of the Offer, Klépierre SA issued 10,976,874 new shares as compensation for the 9,628,837 additional Corio shares tendered.

Upon completion of the Offer and of the Post-Acceptance period, Klépierre held 93.6% of Corio shares. The share capital of Klépierre SA was increased from 279 million euros to 430 million euros. The share issue premium amounts to 3.8 billion euros. Issuance costs related to the issue of Klépierre shares amount to 28.9 million euros and were deducted from the share issue premium.

On March 31, 2015, Klépierre and Corio finalized the merger. The exchange ratio applied for the merger tallies with the one used in the Offer, 1.14 new Klépierre shares for each Corio share. By the end of the merger, 7,319,177 new Klépierre shares had been issued in exchange for 6,420,331 Corio shares, increasing the capital of Klépierre SA from 430 million euros to 440 million euros.

Accounting for Business Combination

In accordance with IFRS 3 (Business Combinations), the cost of the business combination is equal to the market value of Klépierre shares issued in exchange for Corio shares. The consideration given and fair value of Non-Controlling Interests has been determined as follows at the acquisition date:

Number of Corio shares		100 776 951
Exchange ratio into Klépierre shares		1,14
Number of Klépierre shares issued (exchange offer)	84,07%	96 589 672
Number of Klépierre shares issued (post-acceptance)	9,55%	10 976 874
Number of Klépierre shares issued following the merger	6,37%	7 319 177
Klépierre Stock share price (as of January 8, 2015) (in euros)		37,185
Total consideration given (M€)		**4 272**

The purchase price allocation was processed based on Corio's financial statements as of December 31, 2014, restated for the main impacts of the period from January 1 to 8, 2015. Moreover, the following main restatements have been made to complete the fair value of assets and liabilities identifiable at the acquisition date:

- The Corio fixed-rate debt was revalued by 331.2 million euros and so increased to its fair value at the acquisition date. In addition, the foreign exchange effect between January 1 and January 8, 2015, resulted in the increase of the USD denominated debt by 18.5 million euros.
- Financial instruments were reassessed at 28.9 million euros to take into consideration the changes in interest rates between January 1 and January 8, 2015, leading to an additional increase in the assets.
- 71 million euros of historical goodwill from previous business combinations on the balance sheet of Corio were withdrawn.
- Investment Properties and Investment Properties under construction were subject to external and internal valuations and an impairment of 54.1 million euros was recognized (mainly on properties under construction).
- The review of deferred tax positions, tax liabilities, and the tax impact over restatements mentioned above resulted in the recognition of a liability of 44.3 million euros.

The amounts by category of assets and liabilities recognized at the acquisition date are:

in million of euros	January 8, 2015
Property, plant and equipment	19,6
Investments properties	6 419,6
Equity method securities	418,2
Financial assets and other non-current assets	110,6
Deferred tax assets*	-
NON-CURRENT ASSETS	**6 968,0**
Trade receivables	21,7
Other receivables	176,4
Derivatives	71,1
Cash and cash equivalents	19,0
CURRENT ASSETS	**288,2**
Total Assets	**7 256,2**
SHAREHOLDERS' EQUITY, Group share	**2 909,1**
Non-controlling interests	**48,4**
Non-current financial liabilities	3 005,0
Long-term provisions	28,9
Security deposits and guarantees	29,9
Deferred tax liabilities*	353,6
NON-CURRENT LIABILITIES	**3 417,5**
Current financial liabilities	**456,4**
Trade payables	137,9
Other liabilities	286,9
CURRENT LIABILITIES	**881,2**
Total Liabilities	**7 256,2**

(*) Both current and future income taxes are offset where such offsetting is legally permissible and where they originate within the same tax consolidation Group are subject to the same tax authority.

The difference between the total consideration given (4,272 million euros) and Corio Shareholders' equity group share (2,909 million euros) represents a goodwill of 1,363 million euros.

During the period, the Group sold a portfolio of nine shopping centers located in the Netherlands. A portion of Corio's goodwill was allocated to the sold operation for 110 million euros and was consequently written off.

After the disposal of the nine Netherlands assets, gross goodwill amounts to 1,253 million euros.

According to IAS 36, the Group has twelve months after the end of the financial year of the acquisition to allocate goodwill to the cash generating units (CGU) or group of CGUs. As of December 31, 2015, Corio's goodwill had not yet been allocated. Consequently, Corio's goodwill has been tested for impairment based on the recoverable amount of the Corio operations as a whole. This recoverable amount was determined based on:

- the fair value of investment properties acquired through the Corio transaction as determined by external appraisals as of December 31, 2015. For a description of the valuation methodology used by external appraisals, please refer to the paragraph "Methodology" in the "Property portfolio valuation" section of the present document;
- the value of management activities, including cost synergies, as estimated by independent appraisal as of December 31, 2015. For the valuation methodology used by external appraisals,

please refer to the paragraph “Methodology” in the “Property portfolio valuation” section of the present document;

- the expected gain on deferred taxes calculated as the difference between the deferred tax liability recognized on the investment property and the optimized value of this deferred tax as of December 31, 2015.

The result of the impairment tests as of December 31, 2015 is presented below:

In millions of euros		
Fair value of Corio investments properties		6 515
Value of Management activities		175
Optimized value of deferred taxes		265
Total Recoverable amount	**A**	**6 955**
Carrying net amount of Corio assets		6 297
Goodwill as of January 8, 2015		1 363
Goodwill write-off following Netherlands assets disposal		-110
Total Net accounting value	**B**	**7 550**
Goodwill impairment	**=A-B**	**-595**
Residual Goodwill		**658**

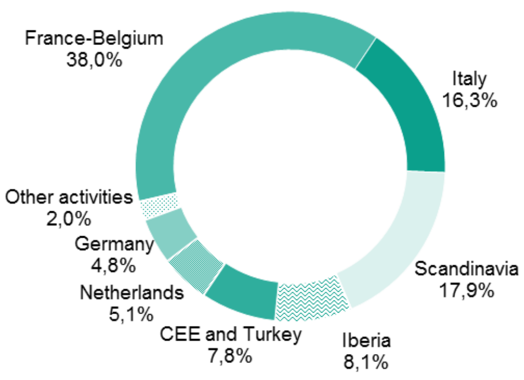
Taking in consideration the recoverable amount as of December 31, 2015, a portion of the goodwill cannot be documented or justified with reasonable assumptions and was thus impaired for 595 million euros. The remaining goodwill stands at 658 million euros and will be subject to impairment testing in the future. The Group will finalize the goodwill allocation to the cash generating units or group of CGUs next year in accordance with IFRS standards.

Corio began contributing to Klépierre’s results starting in fiscal year 2015. The acquisition was completed on January 8, 2015 but the consolidation date is January 1, 2015. Since the impact of the period from the January 1 to 8 is not significant on net income, it has not been restated.

Operational reporting

The Group is organized into 7 main territories for shopping centers (France-Belgium, Italy, Scandinavia, Netherlands, Iberia, Germany, and CEE and Turkey) and one division for other activities.

Total valuation breakdown by region as of December 31, 2015 (total share, excluding duties)[11]



[11] Investments in assets consolidated under the equity method are included based on the fair value of the shares and taking into account receivables and facilities granted by the Group.

4. SHOPPING CENTER OPERATIONAL BUSINESS OVERVIEW

4.1. ECONOMIC ENVIRONMENT

According to the OECD[12], the economic outlook has generally improved in Europe since the beginning of 2015. In the Eurozone, GDP growth should finally reach 1.5% in 2015 (versus 1.4% forecast last May), and is projected to continue this pace into 2016 and 2017 on the back of sustained monetary stimulus, a broadly neutral fiscal stance, cheaper oil prices, and lower unemployment levels. In this context, inflation should edge up to just under 1.5% percent by the end of 2017. These positive trends are expected in most countries where Klépierre operates, except in part of Norway. In Spain, the robust economic recovery should also continue into 2016 and 2017, though at a gradually slowing pace.
According to the IMF[13] – which revised downwards its growth forecasts in January 2016 – a number of factors will weigh on the global economic outlook: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States.

Expected GDP Changes - OECD (November 2015)			
		2016E	2017E
France-Belgium	France	1,3%	1,6%
	Belgium	1,5%	1,6%
Italy		1,4%	1,4%
Scandinavia	Norway	1,1%	1,9%
	Sweden	3,1%	3,0%
	Denmark	1,8%	1,9%
Iberia	Spain	2,7%	2,5%
	Portugal	1,6%	1,5%
CEE and Turkey	Poland	3,4%	3,5%
	Hungary	2,4%	3,1%
	Czech Rep.	2,3%	2,4%
	Turkey	3,4%	4,1%
Netherlands		2,5%	2,7%
Germany		1,8%	2,0%

12 OECD (November 2015)
13 World Economic Outlook Update, January 2016

4.2. CHANGE IN RETAILER SALES

Retailer sales[14] in Klépierre shopping malls rose by 4.4% throughout the year 2015 compared to 2014. Excluding extensions and new centers opened,[15] activity maintained a certain momentum (+3.8%), as private consumption has generally shown positive trends since the beginning of 2015. Performance is mainly driven by Iberia, CEE and Turkey – both posting retailer sales growth rates above 7% – Italy (+5.8%) and, to a lesser extent, Scandinavia (+3.0%). Retailer sales in France were up by 2.1%.

Year-on-year retail sales change through December 2015	Like-for-Like	Like-for-Like excluding extensions
France	2,1%	2,1%
Belgium	1,7%	1,7%
France-Belgium	**2,0%**	**2,0%**
Italy	**5,8%**	**5,3%**
Norway	-0,8%	-0,8%
Sweden	7,9%	5,7%
Denmark	3,7%	3,7%
Scandinavia	**3,0%**	**2,2%**
Spain	7,0%	7,0%
Portugal	7,1%	7,1%
Iberia	**7,0%**	**7,0%**
Poland	-1,9%	-1,9%
Hungary	11,5%	11,5%
Czech Republic	7,6%	7,6%
Turkey	15,3%	15,3%
CEE and Turkey	**7,3%**	**7,3%**
Netherlands	**N/A**	**N/A**
Germany	**14,8%**	**1,4%**
SHOPPING CENTERS	**4,4%**	**3,8%**

[14] Retailer sales performance has been restated, i.e., assuming that the Corio and the Plenilunio acquisitions occurred on January 1, 2014. Change excludes the impact of asset sales, acquisitions and new centers opened since January 1, 2014. Retailer sales from the Dutch portfolio are not included in these numbers as retailers do not report sales to Klépierre.

[15] Romagna Shopping Valley in Italy, Centrum Galerie and Boulevard Berlin in Germany, Galleria Boulevard in Sweden, Passages Pasteur in France (opened in November 2015) and Nave de Vero in Italy (opened in April 2014).

4.3. GROSS RENTAL INCOME

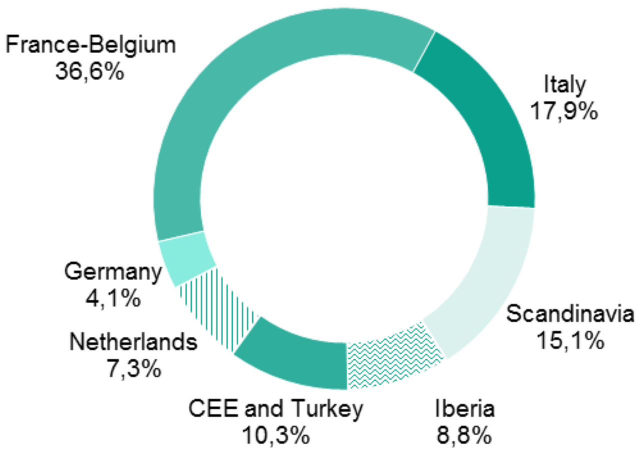
in million euros (total share)	12/31/2015	12/31/2014	Change current
France-Belgium	418,7	364,7	14,8%
Italy	201,1	102,2	96,7%
Scandinavia	177,0	182,7	-3,1%
Iberia	107,2	59,8	79,4%
CEE and Turkey	119,3	83,0	43,6%
Netherlands	94,1	-	-
Germany	56,5	-	-
TOTAL SHOPPING CENTERS	1173,8	792,4	48,1%

Shopping center gross rental income total share amounted to 1,173.8 million euros for the full year 2015, compared with 792.4 million euros for 2014. This 48.1% increase primarily reflects the acquisition of Corio combined with the disposals completed since January 1, 2014.

Gross rental income generated by assets consolidated under the equity method[16] amounted to 97.1 million euros, versus 53.9 million euros in 2014, up 80.1% mainly due to the contribution of former Corio assets.

4.4. NET RENTAL INCOME

Shopping center breakdown in net rental income by region
Period ended December 31, 2015 (total share)



[16] In France: Espace Coty (Le Havre), Le Millénaire (Paris), Passages (Paris), Maisonément (Paris region), Centre Mayol (Toulon); in Italy: Porta di Roma (Rome), Il Corti Venete (Verona), Il Leone di Lonato (Lonato), Il Destriero (Vittuone), Udine (Città Fiera); in Norway: Oslo City (Oslo), Økernsenteret (Oslo), Metro Senter (Oslo region), Nordbyen (Larvik) and Åsane Storsenter (Bergen); in Portugal: Aqua Portimão (Portimão) ; in Turkey: Akmerkez (Istanbul).

in million euros (total share)	12/31/2015	12/31/2014	Change current	Change like-for-like proforma	Index-linked rental adjustments
France-Belgium	378,3	330,8	14,4%	3,0%	-0,2%
Italy	184,9	91,6	101,9%	3,3%	0,1%
Scandinavia	156,6	162,1	-3,4%	4,8%	1,2%
Iberia	90,6	50,7	78,9%	4,2%	0,0%
CEE and Turkey	106,1	71,8	47,7%	4,4%	1,0%
Netherlands	76,0	-	NA	-0,8%	1,0%
Germany	42,4	-	NA	0,0%	0,0%
TOTAL SHOPPING CENTERS	1035,0	706,9	46,4%	3,4%	0,4%

Shopping center net rental income amounted to 1 035.0 million euros, up 328.1 million euros compared to 2014 and including:

- 360.6 million euros in additional net rental income from former Corio assets[17] consolidated since January 1, 2015 and the contribution of Plenilunio (Madrid), acquired in March 2015;
- a 53.0 million euro decrease due to asset disposals,[18] in particular 126 retail galleries sold to Carmila in April 2014;
- a 25.4 million euro increase reflecting net rental income growth on a like-for-like basis;
- a 4.9 million euro decrease linked to foreign exchange rate impacts.

Net rental income generated by assets consolidated under the equity method[19] amounted to 79.7 million euros versus 44.0 million euros in 2014, up 81% mainly due to the contribution of former Corio assets.

On a like-for-like basis and pro forma Corio,[20] shopping center net rental income was up by 3.4%, a 300 basis point outperformance over index-linked rental adjustments (+0.4%). All regions except for Germany and the Netherlands posted growth rates above 3.0%.

Foreign exchange impact on like-for-like pro forma net rental income over 12 months

	12-month change like-for-like (total share)	
	constant forex	current forex
Norway	3,5%	-3,4%
Sweden	4,4%	1,5%
Denmark	7,0%	7,0%
Scandinavia	**4,8%**	**1,3%**
Poland	2,8%	3,9%
Hungary	5,8%	6,2%
Czech Republic	3,6%	4,3%
Turkey	3,4%	5,5%
CEE and Turkey	**4,4%**	**5,6%**
SHOPPING CENTERS	3,4%	2,9%

[17] Including a 28.4 million euro contribution from the portfolio of 9 convenience shopping centers sold to Wereldhave on August 26, 2015.

[18] For more information on disposals completed in 2015, please refer to the section "Investments, development and disposals" of this report.

[19] For the full list of assets consolidated under the equity method, please refer to footnote on Gross rental income on the previous page.

[20] Assuming Corio had been fully consolidated as of January 1, 2014 but excluding the contribution from new spaces (acquisitions, new centers and extensions), spaces under restructuring, disposals completed since January 2014, and foreign exchange impacts.

4.5. SHOPPING CENTER BUSINESS SUMMARY

	Volume of leases renewed and relet (€M)	Reversion (%)	Reversion (€M)	OCR(1)	EPRA Vacancy rate	Late payment rate (2)
France-Belgium	30,3	16,2%	4,9	12,5%	3,0%	2,0%
Italy	24,1	9,5%	2,3	11,2%	2,1%	2,0%
Scandinavia	23,0	5,8%	1,3	11,0%	4,5%	0,4%
Iberia(3)	9,6	8,9%	0,9	13,7%	6,3%	0,7%
CEE and Turkey(3)	18,5	15,9%	2,9	12,6%	5,2%	2,1%
Netherlands	1,2	7,5%	0,1	-	3,3%	3,3%
Germany	0,8	2,7%	0,0	12,6%	8,0%	4,7%
TOTAL	107,5	11,6%	12,5	12,0%	3,8%	1,7%

Scope includes assets consolidated under the equity method
(1) Occupancy cost ratio. Data not provided for the Netherlands as retailers do not report sales to Klépierre.
(2) Rate 12-month rolling
(3) Data including temporary rental discounts

Property management in 2015 led to the signature of 1,862 leases, translating into additional annual minimum guaranteed rents of 28.0 million euros. These signatures included 1,530 leases that were renewed or relet, representing 12.5 million euros worth of additional annual minimum guaranteed rents, i.e., an 11.6% reversion rate.

At the Group level, the shopping center vacancy rate (EPRA format) decreased by 60 basis points and the late payment rate was down by 60 basis points compared to June 30, 2015, highlighting the positive outcome of re-tenanting campaigns and the improvement in rent collection across the portfolio.

4.6. LEASE EXPIRY SCHEDULE AS OF DECEMBER 31, 2015

Country/Area	< 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024+	TOTAL	Average lease length
France	13,1%	7,1%	7,8%	6,5%	8,5%	9,7%	11,4%	12,1%	9,9%	13,9%	100,0%	4,5
Belgium	0,8%	10,3%	1,9%	1,5%	10,5%	1,2%	1,2%	3,5%	61,2%	8,1%	100,0%	6,3
France-Belgium	**12,7%**	**7,2%**	**7,6%**	**6,3%**	**8,6%**	**9,4%**	**11,0%**	**11,8%**	**11,7%**	**13,6%**	**100,0%**	**4,6**
Italy	**3,7%**	**10,0%**	**12,2%**	**10,3%**	**14,1%**	**11,8%**	**9,9%**	**9,5%**	**4,5%**	**13,9%**	**100,0%**	**4,6**
Denmark												
Norway	2,6%	18,4%	18,0%	23,4%	15,6%	11,1%	3,4%	1,1%	2,3%	4,2%	100,0%	2,9
Sweden	4,6%	14,9%	22,5%	19,5%	16,6%	9,5%	1,8%	5,0%	1,5%	4,0%	100,0%	2,9
Scandinavia	**3,5%**	**16,8%**	**20,1%**	**21,6%**	**16,0%**	**10,4%**	**2,7%**	**2,9%**	**1,9%**	**4,1%**	**100,0%**	**2,9**
Spain	1,5%	9,9%	4,5%	7,8%	11,0%	8,8%	8,6%	4,4%	5,5%	37,9%	100,0%	7,4
Portugal	0,8%	17,3%	13,3%	7,2%	8,4%	10,9%	12,3%	1,4%	3,1%	25,3%	100,0%	5,0
Iberia	**1,4%**	**11,6%**	**6,5%**	**7,7%**	**10,4%**	**9,3%**	**9,4%**	**3,7%**	**5,0%**	**35,1%**	**100,0%**	**6,9**
Poland	0,1%	9,4%	33,1%	6,6%	7,4%	23,7%	3,9%	2,0%	1,0%	12,9%	100,0%	5,0
Hungary	2,2%	13,5%	17,5%	23,7%	12,2%	21,2%	4,3%		0,5%	4,9%	100,0%	3,9
Czech Republic	0,1%	24,5%	27,8%	18,1%	8,9%	9,4%	3,5%	3,4%	0,2%	3,9%	100,0%	2,5
Turkey	2,4%	15,1%	19,0%	21,9%	10,3%	12,3%	1,3%	3,7%	7,4%	6,7%	100,0%	3,5
CEE and Turkey	**1,2%**	**15,3%**	**24,9%**	**16,9%**	**9,4%**	**16,3%**	**3,0%**	**2,6%**	**2,8%**	**7,6%**	**100,0%**	**3,8**
Netherlands	**0,5%**	**13,3%**	**25,9%**	**10,2%**	**15,7%**	**11,4%**	**5,1%**	**8,0%**	**2,5%**	**7,5%**	**100,0%**	**3,5**
Germany	**0,2%**	**1,8%**	**6,2%**	**20,0%**	**10,2%**	**1,5%**	**7,8%**	**26,7%**	**5,3%**	**20,4%**	**100,0%**	**6,7**
TOTAL	6,4%	10,1%	12,2%	10,8%	11,3%	10,4%	8,6%	9,2%	6,9%	14,2%	100,0%	4,6

For Denmark leases are open-ended.

5. BUSINESS ACTIVITY BY REGION

5.1. FRANCE-BELGIUM (35.4% of Net rental income)

in million euros	Net rental income current			Net rental income proforma like-for-like			EPRA Vacancy rate	
(total share)	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
France	364,3	317,7	14,7%	361,6	351,5	2,9%	3,1%	3,4%
Belgium	14,0	13,0	7,3%	14,0	13,0	7,3%	0,5%	0,9%
France-Belgium	**378,3**	**330,8**	**14,4%**	**375,6**	**364,5**	**3,0%**	**3,0%**	**3,3%**

France

According to INSEE (the French National Statistics Agency), the 2015 GDP growth rate is expected to reach 1.1%, a level which is still under the Eurozone average but the highest in 4 years. At the country level, retailer sales increased slightly over the first 11 months of the year (+0.4% according to CNCC[21] and +1.4% according to IFLS[22]). Over the same period, retailer sales rose 2.4% in Klépierre malls. The yearly trend was positive until October (+3.0%) but was followed by a slowdown in November (-3.3%; CNCC: -5.9%) and December (-0.0%) due to the Paris terrorist attacks and mild temperatures that were unfavorable for winter ready to-wear collections. For 2015 as a whole, sales grew by 2.1%, mainly driven by the outcome of significant re-tenanting campaigns aimed at (i) providing large international retailers adapted spaces for them to widen and refurbish their existing stores while deploying their latest concepts and (ii) accelerating the expansion of category-killer brands.

On a like-for-like and pro forma basis,[23] net rental income was up by 2.9%, outperforming by 310 basis points index-linked rental adjustments (-0.2%), reflecting the positive contribution of leasing actions implemented in 2014 and 2015.

The change in net rental income on a current basis is attributable to the combined impact of the sale of 56 retail galleries in April 2014 and the addition of 12 shopping centers from the acquisition of Corio. On November 18, 2015, Klépierre opened Les Passages Pasteur, a new 11,200 sq.m. downtown shopping center positioned as a ClubStore®. H&M (2,780 sq.m.), Mango, Bershka and Monoprix count among the new brands present in the new retail heart of Besançon.

As a whole, 285 leases were signed, with relet or renewed leases recording a 16.0% reversion rate. The vacancy rate is down by 30 basis points versus June 30, 2015. The year 2015 was marked by a series of landmark deals concluded with leading international retailers in connection with large-scale re-tenanting campaigns implemented in both Klépierre and former Corio centers. Building on the success it has met with since opening in June 2014, Primark signed for additional space at Créteil Soleil (Paris area). In the third quarter of 2016, this store will be the largest in France, covering close to 11,000 sq.m. In the same center, Bershka and Pull & Bear inaugurated brand new stores and Zara deployed its full offer in an expanded and fully renovated store. Covering 3,240 sq.m., this store is currently its largest one in Ile-de-France. The clothing chain inaugurated a brand new 2,900 sq.m. store at Val d'Europe (Paris region) in November. At the same center, Kiabi opened a 2,000 sq.m. department store. Mango inaugurated one of its biggest stores in the country, over 2,200 sq.m., at Grand'Place (Grenoble), and implemented its new concept at Lattes (Montpellier region). JD Sports opened at Mondeville (Caen) in May. Galeries Lafayette leased space at both Nailloux Outlet Village (Toulouse region) and Cholet Marques Avenue (Nantes region). In Saint-Orens (Toulouse), Gulli unveiled its new concept, Gulli Park (1,450 sq.m.), and Tati now operates

[21] Conseil National des Centres Commerciaux

[22] Institut Français du Libre Service

[23] Excluding 56 retail galleries sold to Carmila on April 16, 2014, shopping centers sold by Corio in 2014 (Quai d'Ivry, La Mayenne, Cherbourg, Espace du Palais and La Grande Porte) and assuming that Corio acquisition was completed on January 1st, 2014.

over 1,800 sq.m. The latter will pursue its expansion in the Toulouse region by opening a 2,200 sq.m. store at Roques in March 2016. C&A inaugurated its new concept over 2,820 sq.m. at Villiers-en-Bière (Greater Paris Area) in December. After having taken additional space to reach 3,300 sq.m. at Val d'Europe as part of the extension scheme due to open in the first half of 2017, H&M will deploy its full concept (women, men, children and home) over 3,200 sq.m. at Centre Saint-Jacques (Metz) in the fourth quarter of 2016.

Leasing teams were also active in refreshing the food and restaurant offer. At Val d'Europe, the food court welcomed Exki, Factory & Co, and 2 exclusive concepts for a shopping center setting - Indiana Café and Big Fernand. Exki also opened a new restaurant at Passages (Paris region), which was joined by Veng Hour and Kusmi Tea. Other leases signed include Vapiano at Créteil-Soleil, Starbucks at Bègles Rives d'Arcins, and Burger King, which pursued its expansion with leases signed at Le Millénaire (Paris), Odysseum (Montpellier), and Toulon Mayol (Marseille region). At Le Millénaire, Carrefour opened its 3,000 sq.m. extension in June, to reach more than 9,000 sq.m.

On November 27, 28 and 29, Klépierre organized the XXL Days across 40 centers in France and Belgium, aimed at fueling traffic and retailer sales. Deployed under a single marketing banner and strong media coverage, and with 85% of the retailers proposing discounts up to -70%, this operation was a real success, with a 510 bps outperformance in footfall[24] in Klépierre centers versus a panel of 240 French shopping centers and a 12% increase in retailer sales versus the same days in 2014.

Belgium

Belgian GDP is expected to post a 1.4% increase in 2015.[25] L'esplanade in Louvain-la-Neuve (Brussels area) continues to post strong operating performances with retailer sales (+1.7%) and net rental income growth (+7.3%) fueled by an ongoing re-tenanting and renewal campaign.

5.2. ITALY (17.3% of Net rental income)

in million euros	Net rental income current			Net rental income proforma like-for-like			EPRA Vacancy rate	
(total share)	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Italy	**184,9**	**91,6**	**101,9%**	**156,6**	**151,7**	**3,3%**	**2,1%**	**2,6%**

With GDP growth of 0.9% expected in 2015,[26] the Italian economy's recovery is expected to strengthen in 2016 and 2017. Low inflation, employment growth, and tax cuts are set to support real disposable income and thus private consumption.

Backed by this more favorable environment, retailer sales in Klépierre malls posted a 5.8% increase over the year.[27] All retail segments were on the rise, in particular household goods (boosted by electronics – after the drops seen in the last few years) and fashion (the main segment in terms of sales, which already supported growth in 2014). Dominant assets (such as Porta di Roma in Rome: +5.3%, Le Gru in Turin: +6.0%, Campania in Naples: +14.4%) confirmed their leadership again. Among the other shopping centers, Il Destriero (Vittuone: +8.8%) benefited from the proximity of Expo 2015 and Varese (+9.8%) attracted Swiss customers following the appreciation of the Swiss franc versus the euro. Excluded from the like-for-

[24] Change in footfall between November 28-29, 2014 and November 27-28, 2015 in the 40 Klépierre participating centers versus change in a panel of 240 French shopping centers for the same period.

[25] Source: National Bank of Belgium

[26] Source: European Commission

[27] +5.3% excluding Romagna Shopping Valley

like scope, Nave de Vero (opened in April 2014 in Venice) recorded retailer sales up by 27% over the period from May 2015 to December 2015 compared to the same period of 2014.

On a current basis, net rental income doubled compared with 2014 thanks to the addition of 10 shopping centers following the Corio acquisition and the full-year contribution of the Romagna Shopping Valley (Rimini region) extension-refurbishment that opened in November 2014. These additions have more than offset the impact of the sale of 7 retail galleries to Carmila completed in April 2014. The Italian portfolio recorded a 320 basis point outperformance in net rental income like-for-like versus index-linked rental adjustments (+0.1%). Rental growth was driven by an overall increase in variable rents in all centers, with Campania posting the highest growth rate, an improvement in rent collection, and an overall decrease in vacancy.

Leasing activity was sustained throughout the year, with a total of 277 leases signed in 2015. The reversion rate recorded on lease renewals and relets reached 9.5%. Vacancy was reduced by 50 basis points versus the level as of June 30, 2015. Both international and Italian retailers continue to expand across the Klépierre portfolio, opening new stores and implementing their latest concepts or enhancing existing ones. Inditex inaugurated a larger Pull & Bear store in Porta di Roma and a new Stradivarius store at GrandEmilia (Modena). Zara is currently expanding its premises at Porta di Roma to open a new 3,300 sq.m. store in the second quarter of 2016. H&M opened a 2,700 sq.m. store at La Romanina in November. OVS (fashion) opened its 17th department store in the Italian portfolio, covering 1,000 sq.m., at Montebello (Pavia). Other major signatures include M.A.C. Cosmetics (Estée Lauder Group) at Milanofiori (Milan), Pandora (jewelry) at Il Destriero (Vittuone), and Vans at Campania. Lui Jo signed for a new shop at Il Leone di Lonato (Lonato), which will strengthen and upgrade the center’s fashion offer, and it has just inaugurated its new concept for men at Porta di Roma and Nave de Vero. Nespresso chose Romagna Shopping Valley to open a high quality pop-up store.

5.3. SCANDINAVIA (14.7% of Net rental income)

in million euros	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
(total share)	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Norway	51,1	53,4	-4,2%	51,5	49,8	3,5%	2,8%	3,0%
Sweden	60,8	67,1	-9,5%	56,8	54,5	4,4%	3,7%	2,1%
Denmark	44,7	41,6	7,6%	43,7	40,8	7,0%	8,3%	8,5%
Scandinavia	**156,6**	**162,1**	**-3,4%**	**152,1**	**145,1**	**4,8%**	**4,5%**	**4,1%**

Norway

In 2015, GDP growth is expected to reach 1.2%[28] in a context of lower oil prices impacting consumer confidence, with a more significant effect on cities located on the Western coast. Unemployment is expected to rise slightly but will remain under 4.5%. The country nevertheless still enjoys one of the highest GDPs per capita in Europe. Against this backdrop and despite the increasing competition from two malls, Klépierre shopping centers posted a slight decrease in sales over the year (-0.8%) despite shopping centers located in Oslo region posting increasing retailer sales: Metro Senter (+13.4%), Vinterbro (+6.2%), and Gulskogen (+4.5%). On November 27, all Norwegian centers welcomed Black Friday events: sales were up 162% compared to an average day.
On a like-for-like basis, net rental income is up by 3.5%, outperforming index-linked adjustments (+2.0%). The negative change on a current portfolio basis mainly reflects the depreciation of the Norwegian krone versus the euro (-7% over 2015).

[28] Source OECD

On December 31, 2015, Klépierre acquired Oslo City, downtown Oslo's dominant shopping center, located on the city's main transportation hub and featuring the highest footfall and sales per sq.m. in Norway. Through this investment, Klépierre further increases its leadership position in Scandinavia and reinforces its presence in one of the most dynamic and wealthiest capital cities in Europe.[29]

International brands pursue their development across the country. Among the 202 leases signed in 2015, M.A.C. (Estée Lauder Group) chose Amanda Storsenter (Haugesund) to open a new store. Superdry (fashion) inaugurated its store at Gulskogen (Drammen) and Wagner (Danish menswear) chose Metro Senter to pursue its expansion in the country. Burger King will open a restaurant at Lillestrøm Torv (Oslo region) in March. The reversion rate on renewals and relets is 4.4%. Vacancy is down by 20 basis points versus the level recorded as of June 30, 2015.

Sweden

Sweden is expected to post a 3.0% increase in GDP[30] in 2015, helped by a rise in exports. Domestic demand remains the main driver, however. Medium-term, employment growth and steadily rising disposable income, combined with low interest rates, should provide continued support for private consumption.

In this favorable context, retailer sales were very dynamic throughout the year in each and every shopping center. Like-for-like growth in sales reached 7.9%, fueled by sound performances recorded at Emporia (Malmö), which continues, 3 years after its opening, to post strong rises in rental income, footfall and market share. The first edition of the Black Friday was a tremendous success in this center with footfall up by 171% compared to an average day.

On a like-for-like basis, net rental income was up by 4.4%, while average index-linked adjustments were at 0% for the year. Solid performances were recorded in large malls, at Emporia (Malmö) in particular. Growth was driven by positive effects of re-tenanting campaigns and an increase in variable rents. On a current portfolio basis, the significant decrease in net rental income is due to the sale of five shopping centers effective July 1, 2014 and the depreciation of the Swedish krone versus the euro.

162 leases were signed in 2015, with a 10.1% reversion rate on renewals and relets. International retailers continue to expand in the country through the Klépierre portfolio. At Emporia, Victoria's Secret opened its first store in a Scandinavian shopping center in April and was followed by Tesla in December, which inaugurated its first store in the Klépierre portfolio. Thomas Sabo chose Emporia to open its third exclusive store in the country. At Kupolen (Borlänge), ICA (supermarket) rebuilt and completely refurbished its premises, creating additional stores which allowed the arrival of Rituals (Dutch cosmetics) and Pizza Hut. Cubus (mens, womens and childrens apparel) chose this center to open a 750 sq.m. store. At Torp (Uddevalla), Sportshopen opened a 3,600 sq.m. department store in June. At Allum (Partille), the fashion offer was upgraded with the opening Volt. Wagner – a Danish menswear retailer already present in Klépierre's three Danish centers – chose Marieberg (Örebro) to open its first store in Sweden.

[29] Please refer to press releases published on December 14, 2015 and January 4, 2016 available on Klépierre website: *www.klepierre.com*

[30] Source: European Commission

Denmark

The Danish economy should post 1.8% GDP growth[31] in 2015, helped by improved consumer confidence, recovering house prices, and low interest rates.

Retailer sales in Klépierre malls were up 3.7% over the year, increasing in the three shopping centers owned by the Group. Black Friday events organized on November 27 were a great success across the country, with footfall up 150% compared to an average Friday.

Net rental income was up by 7.0% on a like-for-like basis, outperforming index-linked rental adjustments by 520 bps. This performance was mainly driven by Field's, which has continued to post increasing sales and footfall since 2014, strengthening its leading position in the Copenhagen region. The Nordisk Film Biografer flagship cinema, which opened in August, helped to enhance the appeal of Field's for retailers. New international brands joining the center this year include Victoria's Secret (first store in a Danish shopping center), JD Sport (first store in Scandinavia), Tiger of Sweden, Brun & Stengade and Room 1006 in the Hi'Street fashion area. New food operators also joined the center: LOFT (gourmet chef restaurant, exclusive to Field's) and Dalle Valle (large restaurant and bar) have posted impressive levels of sales since their opening. The change in net rental income on a current portfolio basis includes the impact of a non-recurring property tax refund in the first half of 2014.

5.4. IBERIA (8.5% of Net rental income)

in million euros (total share)	Net rental income current 12/31/2015	Net rental income current 12/31/2014	Net rental income current Change	Net rental income proforma like-for-like 12/31/2015	Net rental income proforma like-for-like 12/31/2014	Net rental income proforma like-for-like Change	EPRA Vacancy rate 12/31/2015	EPRA Vacancy rate 06/30/2015
Spain	72,3	36,6	97,3%	57,4	55,1	4,1%	5,3%	5,7%
Portugal	18,3	14,0	30,6%	18,3	17,5	4,7%	9,7%	16,4%
Iberia	**90,6**	**50,7**	**78,9%**	**75,7**	**72,6**	**4,2%**	**6,3%**	**8,4%**

Spain

GDP is forecast to expand by 3.1% in 2015. Growth is expected to remain robust for 2016 and 2017, driven by sound domestic demand due to strong job creation, lower interest rates, cheaper energy prices, and enhanced confidence.[29]

For the year 2015 as a whole, retailer sales in Klépierre malls posted a 7.0% increase, significantly higher than the retail sales index at the country level (+3.3% according to INE[32]). Performance was essentially fueled by leading assets: La Gavia (Madrid: +6.2%), Plenilunio (Madrid: +12.8%), and Meridiano (Tenerife: +15.7%).

Net rental income on a like-for-like basis was up by 4.1%, outperforming average index-linked rental adjustments by 410 basis points. As for retailer sales, the increase is driven by sound performances posted by the largest malls and an improvement in rent collection. The change in net rental income on a current basis reflects the impact of the sale of 56 retail galleries in 2014[33] and of the sale of Vega Plaza (Molina de Segura) in 2015, the addition of 9 centers to the portfolio following the Corio acquisition and the one of Plenilunio (Madrid). The addition of Plenilunio was one of the key transactions of the year in the European commercial real estate investment market. The mall, in addition to strong growth in retailer sales posted

[31] Source: European Commission
[32] Instituto Nacional de Estadistica (Spanish Statistical Office)
[33] 56 retail galleries sold to Carmila.

through 2015, continues to drag more customers (footfall was up 7.1% this year) and posted reversion rates above 20%.[34]

Spain is increasingly attracting international brands, backed by a solid economic recovery. 187 leases were signed in 2015 with an average reversion rate of 11.4%. The vacancy rate is down by 40 basis points versus June 30, 2015. Fashion retailers were particularly dynamic. Bata (Italian shoe retailer) reinforced its presence in the country by implementing its new concept AW LAB for the first time in Madrid, at Plenilunio and La Gavia. These two centers were also chosen by Original Marine (Italian fashion retailer for kids) to open its first two Spanish stores. At La Gavia, Intimissimi (Calzedonia Group) opened a new store and Pandora and Douglas upgraded their premises by implementing their latest concepts. At Plenilunio, Mango opened one of its largest department stores in the Madrid region with its full concept. Meridiano (Tenerife) benefited from its brand new interior design under the ClubStore® umbrella in July, which followed the arrival of Primark in February 2014. Both have been instrumental in attracting new international retailers to the Canaries Islands, such as H&M (opening over 2,100 sq.m. scheduled for the end of March 2016) and Kiko. Calzedonia signed a lease to expand and renovate its current store. Mercadona, a successful Spanish supermarket operator, opened a brand new 3,000 sq.m. supermarket in Sexta Avenida (Madrid) in July and has already had a positive effect on footfall. In the Food and restaurant segment, the American chain Taco Bell reinforced its presence in Spain, opening in la Gavia in June 2015. New Spanish food concepts are also active: The Good Burger (TGB) is spreading around Spain through a strong franchise network and opened a new restaurant in December 2015 in Principe Pio (Madrid).

Portugal

The economic recovery consolidated over the course of 2015, with GDP expected to be up 1.7%, helped primarily by domestic demand and a slight increase in the employment level.[35]

Retailer sales were up 7.1% in 2015 with positive performances recorded in all centers. The three largest shopping centers posted strong growth rates in sales: Aqua Portimão (+13.7%), Espaço Guimarães (+10.9%), and Parque Nascente (+3.8%).

On a current basis, net rental income growth is due to the Corio acquisition. On a pro forma like-for-like basis, it is up by 4.7%, with no contribution from indexation thanks to a significant improvement in rent collection.

Retailers are also developing their network in Portugal. Leases were renewed with improved financial terms. The vacancy rate was divided almost by two compared with the level at June 30, 2015 (16.4%), mainly thanks to the large-scale ongoing re-tenanting campaign at Espaço Guimarães. Lefties (Inditex Group) opened here a new store (1,610 sq.m.) after the one inaugurated at at Aqua Portimão (Algarve, 1,020 sq.m.). The latter welcomed the 3 Calzedonia Group stores (Calzedonia, Intimissimi and Tezenis), Desigual, and Deichmann (shoes). Salsa expanded its current store while unveiling its new digital concept store.

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[34] Please refer to the press releases published on March 16, 2015 available on Klépierre website: *www.klepierre.com*

[35] Source: European Commission

5.5. CEE AND TURKEY (9.9% of Net rental income)

in million euros (total share)	Net rental income current 12/31/2015	12/31/2014	Change	Net rental income proforma like-for-like 12/31/2015	12/31/2014	Change	EPRA Vacancy rate 12/31/2015	06/30/2015
Poland	32,9	31,6	3,9%	32,9	32,0	2,8%	1,8%	4,7%
Hungary	17,9	16,5	8,3%	16,2	15,3	5,8%	8,0%	11,0%
Czech Republic	23,9	23,0	4,3%	23,9	23,1	3,6%	1,1%	0,6%
Turkey	29,6	-	NA	30,5	29,5	3,4%	8,6%	6,4%
Others	1,8	0,7	NA	2,0	1,2	NA	NA	NA
CEE and Turkey	**106,1**	**71,8**	**47,7%**	**105,5**	**101,1**	**4,4%**	**5,2%**	**5,6%**

Poland

Polish GDP growth is forecast to reach 3.5% in 2015 and is expected to stay on the same strong trend in 2016 and 2017 thanks to sound private consumption, falling unemployment, and higher exports.[36] Retailer sales contracted by 1.9% throughout the year, mainly due to strong competition in Lublin. The two other main shopping centers continued to show positive trends (Sadyba Best Mall: +4.0% and Poznan Plaza: +0.7%).

Like-for-like net rental income is up 2.8%, outperforming index-linked rental adjustments by 250 basis points. On a current basis, the change is attributable to forex effects. On December 15, 2015, Krakow Plaza (30,520 sq.m.) was disposed of.

Retailers are currently focusing on optimizing their operations in the country, favoring well-established shopping centers. A successful renewal campaign is currently being pursued at Poznan Plaza, where leasing teams renewed or relet 40% of the center’s GLA (11,000 sq.m.), representing a total of 57 leases in one calendar year with a positive reversion of 4.9%: leases were signed with Douglas, Zara, Sephora, Samsonite, and Swarovski, and the Piotr I Pawel supermarket completely refurbished its premises. At Sadyba Best Mall (Warsaw), leases were signed with Samsonite, Sephora, and Swarovski. New Balance opened two new stores (Lublin Plaza and Poznan Plaza). Okaïdi (kids fashion) inaugurated two stores, in Sadyba Best Mall and Lublin Plaza. New Look (young fashion) decided to open its first store in Poznan at Poznan Plaza. In all, 137 leases were signed in 2015, translating into a 14.8% reversion rate on renewals and relets. Vacancy was significantly reduced (-290 basis points over 6 months).

Hungary

In 2015, Hungarian GDP is expected to post 2.9% growth, driven by higher household expenditure, which was helped by low inflation and high nominal wage growth and better performances in the labor market.[36] In this context, sales were up by 11.5% in Klépierre malls. The implementation of the Sunday closing regulation (since mid-March) had only a limited impact on retailer sales. In Budapest, Corvin (+14.6%) and Duna Plaza (+14.0%) continued to post the highest increases in sales.

Each of the country’s centers recorded net rental income growth that more than offset the impact of disposals completed in 2015 (Zala, Csepel and Szeged in March and Kaposvar and Szolnok in November) and October 2014 (Kanisza). On a like-for-like basis, net rental income was up 5.8%, driven by a significant decrease in both vacancy and late-payment rates and cost streamlining efforts.
Leases were signed with iStyle (Apple premium reseller) at Corvin, with Pepco (a new fashion brand in Hungary) at Debrecen Plaza, Nyír Plaza and Duna Plaza; and with KFC at Győr Plaza and Miskolc Plaza. The fashion offer was strengthened at Corvin with the signing of leases with LPP Group brands for a total

[36] Source: European Commission

of 4,200 sq.m. (Reserved, Cropptown, House and Sinsay). Starbucks inaugurated its new store at Corvin in December. Vacancy has been reduced by 3,700 sq.m. over the last 12 months.

Czech Republic

The strong 4.3% GDP growth forecast for 2015 – partly due to the drawing of funds available under European Union funding – should come back to a more sustainable level in 2016 (+2.3%)[37] and will still be helped by strong internal demand and a sound positive contribution from net exports. Retailer sales continued to post increases (+7.6%) at the three shopping centers owned by Klépierre (Nový Smìchov: +4.9%, Plzeň Plaza: +13.2%, Novo Plaza: +14.8%).

Net rental income was up 3.6% thanks to the sound performances of the country's three centers, once again outperforming index-linked rental adjustments, driven by very successful re-tenanting – 54 lettings or relettings, translating into a 48.8% reversion rate – and cost streamlining campaigns.

New leases signed in 2015 confirm Nový Smìchov's (Prague) status as the preferred center for retailers entering or expanding in the Czech market, highlighting strong demand for prime locations. Kusmi Tea and Jeff de Bruges opened their first stores in the country. Starbucks also inaugurated a store in July and Desigual opened one in November. The center's Beauty/Health offer was strengthened by leases signed with Estée Lauder, Korres, and The Body Shop. Pandora opened a new store at Plzeň Plaza in October.

Turkey

GDP growth is projected to increase from 3.4% in 2015 to above 4% in 2017, as political uncertainties are expected to fade and employment continues to rise[38] while inflation remains high (+8.8% over the year). Klépierre malls recorded strong retailer sales performances throughout the year in local currency (+15.6%), especially Tarsu (+26.3%) and Teraspark (+20.3%), thanks to significant re-tenanting campaigns. Anatolium also posted robust figures (+18.1%), helped by strong performances from Turkish brands such as Koçtaş (the leading DIY retailer in Turkey), Koton, and LC Waïkiki (fashion).

Net rental income is up by 3.4% on a like-for-like pro forma basis (excluding Akmerkez[39]).

Significant re-tenanting actions were completed during the year: a total of 112 leases were renewed or relet with a 13% upside. In Akmerkez (Istanbul), whose full refurbishment is now completed, a lease was signed with the Beymen Group – one of the largest retailers in the country – to open a 6,600 sq.m. department store offering luxury brands under the new and exclusive Beymen Phoenix concept. L'Occitane (cosmetics) opened a renovated store in October and Intimissimi will open its first store in the center in February 2016. In Anatolium (Bursa), FLO (one of the leading shoe retailers in Turkey) agreed to expand its premises to reach 1,300 sq.m. Deichmann (a German shoe retailer) opened a larger store in March and Koçtaş inaugurated a 14,000 sq.m. store in April.

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[37] Source: European Commission

[38] Source: OECD

[39] Consolidated under the equity method.

5.6. NETHERLANDS (7.1% of Net rental income)

in million euros (total share)	Net rental income current 12/31/2015	12/31/2014	Change	Net rental income proforma like-for-like 12/31/2015	12/31/2014	Change	EPRA Vacancy rate 12/31/2015	06/30/2015
Netherlands	**76,0**	**-**	**NA**	**25,4**	**25,7**	**-0,8%**	**3,3%**	**5,6%**

In the Netherlands, GDP is expected to grow by 2.5% in 2015, driven by a surge in investment, helped in turn by a recovering housing market.[40] Consumer confidence reached its highest level since 2008, supporting household consumption, which has grown steadily in recent quarters. Footfall increased in Klépierre malls by 1.0% (and especially in Hoog Catharijne: +3.4% despite the current refurbishment and extension works) and outperformed the index at the national level (-1.1%).

On a like-for-like pro forma basis,[41] net rental income is slightly down (-0.8%) due to the loss in rental income on vacant premises that were let before December 31, 2015.

In July 15, 2015, Klépierre acquired Markthal (Rotterdam), an 11,200 sq.m. retail scheme featuring a fresh food hall and a unique array of gourmet restaurants in an impressive architectural gesture. In August 2015, Klépierre sold to Wereldhave a portfolio of 9 convenience and district shopping centers for a total consideration of 730 million euros (excluding duties).[42] These 9 assets contributed 28.4 million euros to net rental income in 2015.

Notable leasing transactions include H&M, which almost doubled its size at Hoog Catharijne by inaugurating a 3,500 sq.m. store in late August; the Bestseller group, which opened the first Only & Sons store (men fashion) in the Netherlands at Alexandrium (Rotterdam); and Kiko, which opened its third store in the country here.

5.7. GERMANY (4.0% of Net rental income)

in million euros (total share)	Net rental income current 12/31/2015	12/31/2014	Change	Net rental income proforma like-for-like 12/31/2015	12/31/2014	Change	EPRA Vacancy rate 12/31/2015	06/30/2015
Germany	**42,4**	**-**	**NA**	**41,1**	**41,1**	**0,0%**	**8,0%**	**8,2%**

EPRA Vacancy rate as of June 30, 2015 has been restated to include Centrum Galerie (Dresden) and Boulevard Berlin whose restructurings were completed in H2 2015.

2015 GDP is forecast to grow by 1.6%, a level which is expected to improve thanks to a robust labor market, favorable financing conditions, and additional public spending.[38]

Retailer sales at Klépierre malls (+14.8%) were fueled by the good performance of Centrum Galerie in Dresden following the completion of its refurbishment and the opening of Primark and, to a lesser extent, by the arrival of a new supermarket operator at Boulevard Berlin. On a like-for-like basis (excluding Boulevard Berlin and Centrum Galerie), retailer sales were up 1.4%.

Net rental income was stable on a like-for-like pro forma basis.[43]

Current re-tenanting actions led to the signing of significant leases across the portfolio, driving a strong increase in revenues and footfall. Following a complete restructuring of the basement level, Kaiser's opened a 2,100 sq.m. supermarket in September 2015 at Boulevard Berlin. The latter welcomed a San Francisco Coffee Company shop close to its main entrance, which was joined by a Kusmi Tea shop and a Superdry store. DM (drugstore) opened a larger, renovated store with its latest concept.

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[40] Source: European Commission

[41] Assuming that the Corio acquisition was completed on January 1, 2014. Excluding Markthal (Rotterdam), acquired on July 15, 2015, the portfolio of 9 convenience shopping centers sold on August 26, 2015, and Hoog Catharijne (Utrecht), currently under redevelopment.

[42] Please refer to press releases published on June 24, 2015 and August 26, 2015 available on Klépierre website: www.klepierre.com

[43] Assuming that the Corio acquisition was completed on January 1, 2014.

5.8. OTHER ACTIVITIES (3.1% of Net rental income)

This segment refers to standalone retail units located in France and mostly in the vicinity of shopping center areas (ex-Klémurs assets).

in million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Other activities	33,0	38,4	-13,9%	30,6	31,2	-2,1%	2,6%	2,2%

Net rental income on a like-for-like basis was down by 2.1% due to a slight increase in the vacancy rate. On a current basis, the decrease is also attributable to the disposals completed since January 1, 2014 (please refer to the section “Investments, developments and disposals” in the present document).

6. INVESTMENTS, DEVELOPMENTS AND DISPOSALS

6.1. INVESTMENTS MADE IN 2015

The first quarter of 2015 was marked by the completion of the Corio acquisition, following an exchange offer that was launched in the fourth quarter of 2014: 93.6% of Corio shareholders tendered their shares during the public exchange offer that closed on January 16, 2015. Klépierre and Corio merged on March 31, 2015. Corio’s property portfolio valuation was 7 billion euros (total share, excluding duties) as of December 31, 2014.

A total of 948 million euros was invested throughout 2015:

- 375 million euros were dedicated to the acquisition of 100% of Plenilunio, completed on March 26. This acquisition complements Klépierre’s existing retail platform in Spain and enhances its portfolio profile. Opened in 2006, Plenilunio welcomed 11.3 million visitors in 2015 and is one of the major shopping centers in the region around Madrid, where Klépierre already owns two of the most prominent shopping malls: La Gavia (Southeast Madrid) and Principe Pio (Madrid center).[44]
- 336 million euros were devoted to the acquisition of Oslo City, completed on December 31. This center is downtown Oslo’s leading shopping center, located in the city’s main transportation hub (Oslo’s central station) and featuring the highest footfall and sales per sq.m. in Norway. Through this investment, Klépierre further increases its leadership position in Scandinavia and reinforces its presence in one of the most dynamic and wealthiest capital cities in Europe.[45]
- Other investments were allocated to projects in the Group’s committed development pipeline: Marseille Bourse and Val d’Europe extension-refurbishments, Prado construction in France and Hoog Catharijne extension-redevelopment in the Netherlands (see “Development pipeline” section).

[44] Please refer to press release published on March 16, 2015 available on Klépierre website: www.klepierre.com

[45] Please refer to press releases published on December 14, 2015 and January 4, 2016 available on Klépierre website: www.klepierre.com

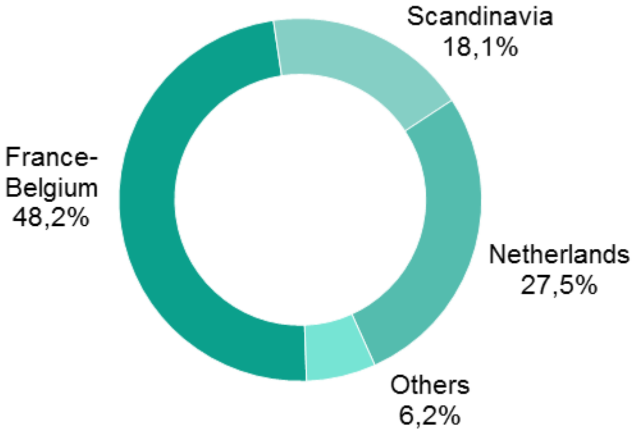
6.2. DEVELOPMENT PIPELINE

The Group's development pipeline represents 3.6 billion euros worth of investments, including 0.7 billion euros worth of committed projects[46] with an average expected yield of 7.1%, 1.3 billion euros worth of controlled projects,[47] and 1.6 billion euros of identified projects.[48] In group share, the total pipeline represents 3.1 billion euros: 0.5 billion euros committed, 1.1 billion euros controlled, and 1.4 billion euros identified.

The Group focuses its development capabilities on France, Belgium, Scandinavia, Italy, and the Netherlands:

- 79% of committed and controlled projects are extension-refurbishment schemes aimed both at capitalizing on shopping destinations that have demonstrated their leadership and at accelerating the retail offer transformation;
- 21% of committed and controlled projects are greenfield projects located in some of the most dynamic cities of Europe and integrated into large urban development programs supported by efficient transportation network plans and residential and office building projects.

Shopping center committed and controlled development pipeline breakdown by region (total share)



Work on committed projects is progressing well:

- Hoog Catharijne (Utrecht, Netherlands): the second phase of the extension-refurbishment of this leading shopping hub – built over Utrecht's train station, which welcomes 26 million passengers a year – will be delivered between end of 2017 and first half of 2018. On completion, Hoog Catharijne will be the largest mall of the country, offering flagship stores for the renowned and powerful international brands operating in a new generation state-of-the-art scheme.
- Val d'Europe (Paris region): this shopping mall has experienced one of the strongest retailer sales and footfall growths in France since its opening in 2000. The 17,000 sq.m. extension, which will be added to this 100,000 sq.m. retail scheme, has already attracted international retailers such as Primark, H&M, Nike, Rituals and Kusmi Tea, which are expected to inaugurate their stores in the first half 2017.

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

[47] 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).

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

- Prado (Marseille, France): in the second half of 2017, this 23,000 sq.m. new development designed by Benoy and located in the most affluent districts of Marseille, will gather 50 stores and a 9,400 sqm. Galeries Lafayette flagship store.
- Centre Bourse (Marseille, France), whose new façades unveiled in June 2015 won the first Versailles architectural prize, will open its extension-refurbishment under the ClubStore® umbrella in September 2016.

Development project	Country	City	Type	Klépierre equity interest	Estimated cost (1) €M	Cost to date €M	Floor area (sq.m.)	Expected opening date
Centre Bourse (2)	France	Marseille	extension-refurbishment	50,0%	18	14	5 448	H2 2016
Val d'Europe	France	Paris region	extension	55,0%	94	53	17 000	H1 2017
Hoog Catharijne Phase 2	Netherlands	Utrecht	extension-refurbishment	100,0%	288	140	42 100	2017-2018
Other projects (incl. Prado)					267	59	61 051	
TOTAL COMMITTED PROJECTS					**668**	**265**	**125 599**	
Créteil Soleil - Phase 1	France	Paris region	extension-refurbishment	80,0%	76	3	10 200	H2 2018
Bègles Rives d'Arcins	France	Bordeaux	extension	52,0%	24	4	11 500	2017-2020
Grand Portet	France	Toulouse region	extension-refurbishment	83,0%	65	8	8 000	H2 2019
Grand Littoral extension	France	Marseille	extension	100,0%	30	0	12 000	H1 2019
Grenoble Grand Place	France	Grenoble	extension	100,0%	39	0	15 600	H2 2018
Montpellier Odysseum	France	Montpellier	extension	100,0%	31	6	8 400	H2 2018
Allum	Sweden	Allum	redevelopment	56,1%	75	5	20 000	H2 2019
Gran Reno	Italy	Bologna	extension	100,0%	122	1	15 900	H1 2019
L'esplanade	Belgium	Brussels region	extension	100,0%	131	16	20 650	H2 2020
Hoog Catharijne Phase 3	Netherlands	Utrecht	extension refurbishment	100,0%	187	32	23 700	2018-2020
Vitrolles	France	Marseille region	extension	83,0%	80	0	18 050	H2 2019
Viva	Denmark	Odense	new development	56,1%	175	39	48 500	H2 2020
Givors	France	Lyon region	extension	83,0%	80	8	16 000	H2 2020
Arcades	France	Paris region	extension	53,6%	91	0	18 000	H2 2020
Økernsenteret (3)	Norway	Oslo	redevelopment	28,1%	89	4	54 468	H2 2020
Other projets					52	12	33 289	
TOTAL CONTROLLED PROJECTS					**1 347**	**138**	**334 257**	
TOTAL IDENTIFIED PROJECTS					**1 561**	**24**	**277 400**	
TOTAL					**3 576**	**427**	**737 256**	

(1) Estimated cost price before financial costs.
(2) For this project estimated cost and cost to date are reported for Klépierre share of equity. Floor area is the total area of the project.
(3) Asset consolidated under equity method. For this project estimated cost and cost to date are reported for Klépierre share of equity. Floor area is the total area of the project.

6.3. DISPOSALS COMPLETED SINCE JANUARY 1, 2015

Since January 1, 2015, the Group completed a total of around 850 million euros (excluding duties) worth of disposals, in line with its asset rotation strategy, whose aim is to reinforce the retail portfolio's exposure to prime shopping destinations located in the most dynamic regions and cities of Continental Europe.

Sales were completed across the whole portfolio, specifically:

- 9 convenience and district shopping centers, mostly located in cities outside the affluent Randstad region in the Netherlands, for a total consideration of 730 million euros;[49]
- Retail galleries in Hungary (5 assets), Poland (1 asset), and Spain (1 asset);
- 2 portfolios of Buffalo Grill restaurants in France (31 restaurants as a whole).

Assets	GLA (sq.m.)	Sale price (€M, excl. duties)	Date
Hovlandsbanen (Norway) (50% land-call in Nordbyen disposal)	0		3/2/2015
Zala, Csepel and Szeged (Hungary)	37 688		3/31/2015
Vega Plaza (Murcia, Spain)	10 428		4/10/2015
Cremona Due (Italy) (1 shop : Poste)	92		5/11/2015
Portfolio of 9 convenience shopping centers (Netherlands)	236 973		8/26/2015
Kaposvar and Szolnok (Hungary)	16 856		11/4/2015
Krakow (Poland)	30 520		12/15/2015
TOTAL SHOPPING CENTERS		**760,3**	
Portfolio Galaxy (13 Buffalo Grill restaurants) (France)	7 618		2/18/2015
Franconville (Portfolio of 3 assets) (France)	2 052		3/16/2015
Boras (storage, office) (Sweden)	13 475		9/1/2015
Balaruc (Norauto) (France)	483		9/29/2015
Portfolio Perial (18 Buffalo Grill restaurants) (France)	9 456		10/15/2015
Berck (Twinner) (France)	943		12/16/2015
TOTAL OTHER ACTIVITIES		**83,6**	
TOTAL DISPOSALS		**843,9**	

[49] Please refer to press releases published on June 24, 2015 and August 26, 2015 available on Klépierre website: *www.klepierre.com*

7. CONSOLIDATED EARNINGS AND CASH FLOW

7.1. CONSOLIDATED EARNINGS

in millions euros	12/31/2015	12/31/2014
Gross rental income	**1208,4**	**833,0**
Rental & building expenses	-140,3	-87,8
Net rental income	**1068,0**	**745,2**
Management and administrative income	86,8	70,8
Other operating income	13,9	15,8
Payroll expense	-149,2	-109,1
Survey & research costs	-2,8	-4,0
Other general expenses	-77,4	-47,6
EBITDA	**939,4**	**671,1**
D&A on investment property & PPE	-461,3	-397,4
Provisions	-0,3	-3,6
Proceeds of sales	14,1	846,9
Goodwill depreciation	-704,5	0,0
Results of operations	**-212,8**	**1117,0**
Net cost of debt	-217,0	-269,5
Change in the fair value of financial instruments	-30,6	-17,3
Share in earnings for equity method investees	19,1	8,3
Pre-tax current income	**-441,3**	**838,5**
Corporate income tax	3,6	-30,4
Net income	**-437,7**	**808,1**
Non-controlling interests	-62,1	-168,0
NET INCOME (GROUP SHARE)	**-499,8**	**640,0**

Excluding the non-recurring accounting technical impact of the 704.5 million euro impairment and write-off of Corio's goodwill (see below), the consolidated net income group share would have been a profit of 204.7 million euros.

The merger of Corio with Klépierre on January 8, 2015 significantly impacts the comparison with last year.

Net rental income for the year came to 1,068.0 million euros, an increase of 322.8 million euros compared with the year ended December 31 2014. For further explanations please refer to the "Shopping center operational business overview" and "Business per region" sections of the present document.

Management and administrative income (fees) from service businesses totaled 86.8 million euros. They are mainly composed of development fees (12.7 million euros) and management fees (74.1 million euros). The Corio contribution was partly neutralized by a decrease related to disposals, mainly in France and Sweden, as well as the termination, effective June 30 2015, of a management contract for 13 Danish shopping centers owned by the pension fund Danica.

Other operating income of 13.9 million euros primarily includes gains on work reinvoiced to tenants and various indemnities.

Payroll expenses and other general expenses totaled 226.6 million euros, versus 156.7 million euros for last year, mainly driven by the Corio integration, which represented nearly 50% of the initial Klépierre cost base. They also include one off costs in connection with the Corio integration and the implementation of synergy plans generating their first results in 2015 (15 million euro impact) but expected to deliver additional cost savings to a broader extent in 2016 (28 million euro expected impact) and in 2017 (35 million euro expected impact).

EBITDA for 2015 was 939.4 million euros.

Depreciation and impairment allowance on property & PPE was 461.3 million euros for the period and included:

- 391.0 million euros of depreciation on investment properties
- 53.2 million euros of investment property impairment allowance, a decrease of 75.1 million euros versus last year
- 17.1 million euros of depreciation and impairment allowance on intangible assets and equipment (versus 12.4 million euros for the year ended December 31, 2014).

Net proceeds from the sale of assets reached 14.1 million euros, compared with 846.9 million euros for the same period last year. This item mainly included capital gains on the disposal of retail galleries to Carmila on April 16, 2014. In 2015, a 9 district and convenience shopping center portfolio located in the Netherlands was sold to Wereldhave for a total consideration of 730 million euros (excluding duties). Other assets disposed of included several retail galleries shopping centers in Hungary (5 centers), Spain (1 center), and Poland (1 center), and other retail assets located in France.

A part of the goodwill related to the Corio acquisition was allocated to the 9 Dutch shopping centers disposed, for an amount of 110 million euros that was consequently written off. In addition, as a result of the implementation of IAS 36, an impairment test was performed on this goodwill as of December 31, 2015 and resulted in a 595 million euro impairment. As a consequence, a total of 704.5 million euro impairment was recorded for the year.

The residual goodwill in the financial statements amounts to 658 million euros and can be split as follows:

- 265 million euros relating to optimization of deferred taxes;
- 175 million euros relating to the additional value of management activities (including cost synergies);
- 218 million euros relating to an increase in the valuation of Corio assets recorded since the acquisition date.

Including this non-recurring effect, results of operation were -212.8 million euros.

The net cost of debt amounted to 217 million euros. The debt restructuring (bond buyback and hedging adjustments) set up in 2015 has allowed the Group to refinance itself at lower rates for longer durations.

Klépierre’s financial policy and structure are described in more detail in the “Financial policy” section.

Further to the acquisition and according to IFRS rules, Corio’s debt has been reappraised at market value in the consolidated financial statements. As a consequence, the net cost of debt for the year ended 2015 includes a 72.5 million euro positive restatement. This amount has been eliminated from the net current cash flow (see “Change in Net current cash flow” section).

The share of earnings for equity investees reached 19.1 million euros including, in particular, the contribution of Porta di Roma (Rome, Italy) and Akmerkez (Istanbul, Turkey), both former Corio assets.
Corporate income tax for the period was a tax credit of 3.6 million euros:

- Tax payable was 32.8 million euros, taking into account the effect of Corio first consolidation. This amount includes the 3% tax dividend in France, which is significantly lower than last year. Moreover, tax payable in respect of 2014 included a non-recurring charge related to capital gain taxation on the disposals completed in Spain and Italy.
- The deferred tax was a tax credit of 36.4 million euros. Fiscal year 2015 recorded a non-recurring item in connection with a tax rate decrease in Italy.

Consolidated net income

Total share, consolidated net income was -437.7 million euros, as a non-recurring technical effect of 704.5 million euro impairment and write-off relating to the Corio acquisition is impacting this income. The minority share of net income (non-controlling interests) for the period was 62.1 million euros mainly coming from the shopping center segments in France and Scandinavia bringing group share consolidated net income to -499.8 million euros. Excluding the non-recurring technical accounting impact related to Corio, the consolidated net income group share would have been a profit of 204.7 million euros.

7.2. CHANGE IN NET CURRENT CASH FLOW

in millions euros	12/31/2015	12/31/2014	Δ	(%)
Total share				
Rental income	1208,4	833,0	375,4	45,1%
Rental & building expenses	-140,3	-87,8	-52,6	59,9%
Net rental income	**1068,0**	**745,2**	**322,8**	**43,3%**
Management and other income	100,7	86,5	14,2	16,4%
G&A expenses	-229,4	-160,7	-68,6	42,7%
EBITDA	**939,4**	**671,1**	**268,3**	**40,0%**
Adjustments to calculate operating cash flow exclude :				
Employee benefits, stock-options expenses and non-current operating expenses	22,7	9,9	12,8	
Acquisition costs on share deals and non-controlling joint venture interests	4,5	4,6	0,0	
Operating cash flow	**966,6**	**685,6**	**281,1**	**41,0%**
Net cost of debt	-217,0	-269,5	52,6	
Adjustments to calculate net current cash flow before taxes exclude :				
Corio's debt mark to market amortization	-72,5		-72,5	
Financial instruments close-out costs	75,8	82,0	-6,3	
Net current cash flow before taxes	**752,9**	**498,0**	**254,9**	**51,2%**
Share in equity method investees	62,4	38,9	23,4	
Current tax expenses	-32,8	-16,5	-16,3	
Net current cash flow (total share)	**782,5**	**520,4**	**262,1**	**50,4%**
Group share				
Net current cash flow (group share)	**663,1**	**406,5**	**256,5**	**63,1%**
Number of shares [1]	306 803 561	195 912 339		
Per share				
Net current cash flow per share (in euros)	**2,16**	**2,07**	**0,09**	**4,2%**

(1) Average number of shares, excluding treasury shares. Further to the Corio acquisition, the average number of shares takes into account the creation of 96 589 672 new shares on January 8, 2015, 10 976 874 new shares on January 15, 2015 and 7 319 177 new shares in March 2015.

Net current cash flow for the period came to 782.5 million euros. Group share, it amounted to 663.1 million euros. On a per share basis, net current cash flow is up 4.2% to 2.16 euros, exceeding February 2015 target of 2.10-2.15 euros per share.

The cost structure for the period is impacted by the acquisition of Corio. In order to correct these non-recurring effects, a total amount of 20 million euros has been offset from the Net current cash flow.

EPRA Earnings are presented in the section entitled “EPRA Key performance indicators” of the present document.

8. PARENT COMPANY EARNINGS AND DISTRIBUTION

Summary earnings statement for the parent company Klépierre SA

in million euros	2015	2014
Operating revenues	34,9	7,7
Operating expenses	-48,0	-21,1
Operating income	**-13,1**	**-13,4**
Share income from subsidiaries	75,4	776,6
Net financial income	29,2	-32,9
Net income from ordinary operations before tax	**91,5**	**730,3**
Non-recurring income	-207,0	-8,6
Corporate income tax	0,1	-3,8
NET INCOME	**-110,9**	**717,9**

Excluding a non-recurring accounting technical impact due to the merger of Corio into Klépierre (see below), net income would have been a profit of 74.1 million euros.

As a reminder, share income from subsidiaries in 2014 was mainly due to the non-recurring income relating to the disposal of 56 retail galleries in France to Carmila. 2015 Net financial income includes an exceptional dividend (40 million euros) received from subsidiaries involved in the same transaction.

Following the merger of Corio into Klépierre, an intangible asset (technical merger loss) of 748 million euros was recorded in the balance sheet as of March 31, 2015. According to French GAAP requirements, this intangible asset is subject to impairment testing. The Group performed such tests as of December 31, 2015 based on values in use for equity interests. These values correspond:

- For property company shares, to their restated value computed with the similar methodology as in NAV calculation (including deferred taxes optimization);
- For management companies, to the value stated by external appraisals.

As a result, an impairment of 185 million euros has been booked as a non-recurring loss.

The Supervisory Board will recommend that the shareholders present or represented at the shareholders meeting on April 19, 2016 approve the payment of a cash dividend in respect of fiscal year 2015 of 1.70 euros per share versus 1.60 euros in respect of fiscal year 2014 (+6.3% per share). This amount reflects a payout of 81% of the net current cash flow group share and will come from the SIIC related activity of Klépierre for 0.5 euros. Proposed pay date is April 26, 2016 (ex-date: April 22, 2016).

9. PROPERTY PORTFOLIO VALUATION

9.1. 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, 2015, these appraisals were carried out by the following appraisers:

Appraisers	Portfolios	Number of assets	Valuation[1]	%	June report	December report
JLL 30%	France	43	3 844	17,0%	summarized	detailed + summarized
	Belgium	2	352	1,6%	summarized	detailed + summarized
	Italy	20	1 995	8,8%	summarized	detailed + summarized
	Greece	3	20	0,1%	summarized	detailed + summarized
	Turkey	4	671	3,0%	summarized	detailed + summarized
CUSHMAN & WAKEFIELD 41%	France	22	3 594	15,9%	summarized	detailed + summarized
	Norway	11	1 326	5,9%	summarized	detailed + summarized
	Sweden	5	1 280	5,7%	summarized	detailed + summarized
	Denmark	3	970	4,3%	summarized	detailed + summarized
	Italy	1	589	2,6%	summarized	detailed + summarized
	Poland	6	439	1,9%	summarized	detailed + summarized
	Hungary	9	211	0,9%	summarized	detailed + summarized
	Czech Republic and Slovakia	4	439	1,9%	summarized	detailed + summarized
	Netherlands	4	161	0,7%	summarized	detailed + summarized
	Turkey	3	166	0,7%	summarized	detailed + summarized
CBRE 21%	France	11	1 232	5,4%	summarized	detailed + summarized
	Italy	12	1 402	6,2%	summarized	detailed + summarized
	Spain	16	1 469	6,5%	summarized	detailed + summarized
	Portugal	8	368	1,6%	summarized	detailed + summarized
	Netherlands	1	319	1,4%	summarized	detailed + summarized
BNPP Real Estate 7%	France (retail properties)	266	464	2,0%	summarized	detailed + summarized
	Germany	5	1 018	4,5%	summarized	detailed + summarized
SAVILLS 1%	Italy (Fund K2)	4	301	1,3%	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.

Appraisal of Klépierre management service activity

The appraisal as of December 31, 2015 was performed by Accuracy on behalf of Klépierre and is based on the Discounted Cash Flow (DCF) method. This method, which is used in every country where the Klépierre Group conducts management service activity, consists of three stages. The first stage consists of cash flows that may be generated in the future by activity strictly interpreted (i.e., before consideration of explicit or implicit financing costs), estimated on the basis of the specific business plans developed in each country where the Group conducts management service activity for itself and for third parties. The cash flows include synergies already achieved or anticipated following the merger with Corio on March 31, 2015. In the second stage, forecast cash flows and the probable value of the management activity portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is determined on the basis of the Capital Asset Pricing Model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast average market risk premium multiplied by the beta coefficient for the business portfolio), and a specific market risk premium (which takes account of the proportion of specific risk not already included in flows). In the third and final stage, the value of shareholders' equity is obtained by deducting its net debt on the valuation date from the value of its business portfolio.

This estimate of management service activities is used to determine the Klépierre Group's NAV through the unrealized capital gain calculated in comparison with the net book value of such activities in the consolidated financial statements. This same estimate and the underlying estimates for each of the countries involved are also used in impairment tests for the goodwill recognized for such activity in the Group's consolidated balance sheet.

9.2. RESULTS OF APPRAISALS

9.2.1. Property portfolio valuation

The value of the combined portfolio, including former Corio assets which are included in property portfolio valuations since June 30, 2015, was 22.1 billion euros total share and 18.8 billion euros group share (excluding transfer duties). In total share, shopping centers accounted for 98.0% of the portfolio and other activities for 2.0%. On a group share basis, these percentages are 97.7% and 2.3%, respectively. Projects under development (Investment properties under construction) represent 2.0% of the Group's property portfolio. Such projects are taken into account at fair value, whenever a reliable value can be established, based on internal assessment. Projects that are not appraised are carried at their cost price.

Investments in assets consolidated under the equity method are included based on the fair value of the shares and taking into account receivables and facilities granted by the Group. As of December 31, 2015 these shopping center assets were valued at 1,858 million euros (1,590 million euros group share).

In order to offer more insight into the evolution of the combined portfolio, the like-for-like increase over 12 months has been computed on a pro forma basis including Corio's assets as at December 31, 2014.

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

in millions euros	12/31/2015	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2015	Current portfolio basis	Like-for-like* change	12/31/2014	Current portfolio basis	Like-for-like* pro forma change
France	8 032	36,3%	7 814	2,8%	2,1%	6 216	29,2%	3,7%
Belgium	371	1,7%	366	1,4%	1,4%	323	14,9%	15,8%
France- Belgium	**8 403**	**38,0%**	**8 180**	**2,7%**	**2,1%**	**6 539**	**28,5%**	**4,2%**
Italy	**3 606**	**16,3%**	**3 504**	**2,9%**	**2,8%**	**1 514**	**138,1%**	**7,7%**
Norway	1 510	6,8%	1 209	24,9%	7,4%	1 179	28,0%	9,5%
Sweden	1 389	6,3%	1 279	8,6%	7,7%	1 214	14,4%	11,6%
Denmark	1 057	4,8%	1 024	3,2%	1,4%	1 020	3,6%	1,6%
Scandinavia	**3 955**	**17,9%**	**3 512**	**12,6%**	**5,7%**	**3 413**	**15,9%**	**7,9%**
Spain	1 461	6,6%	1 400	4,4%	3,4%	495	194,9%	9,4%
Portugal	324	1,5%	311	4,1%	4,1%	251	29,2%	4,2%
Iberia	**1 785**	**8,1%**	**1 711**	**4,4%**	**3,6%**	**746**	**139,3%**	**8,2%**
Poland	439	2,0%	428	2,5%	4,9%	434	1,2%	3,8%
Hungary	216	1,0%	227	-4,6%	-1,2%	265	-18,5%	-13,7%
Czech Republic	424	1,9%	388	9,5%	9,9%	358	18,6%	19,0%
Turkey	617	2,8%	584	5,6%	-5,1%	0	-	-4,8%
Others	39	0,2%	49	-20,1%	-4,7%	38	1,6%	-7,7%
CEE and Turkey	**1 736**	**7,8%**	**1 675**	**3,6%**	**1,4%**	**1 095**	**58,5%**	**1,1%**
Netherlands	**1 139**	**5,1%**	**1 810**	**-37,1%**	**-1,3%**	**0**	**-**	**1,3%**
Germany	**1 068**	**4,8%**	**1 082**	**-1,2%**	**-0,2%**	**0**	**-**	**1,9%**
TOTAL SHOPPING CENTERS	**21 693**	**98,0%**	**21 474**	**1,0%**	**2,6%**	**13 308**	**63,0%**	**5,3%**
TOTAL OTHER ACTIVITIES	**434**	**2,0%**	**472**	**-8,1%**	**-0,1%**	**513**	**-15,4%**	**-1,8%**
TOTAL PORTFOLIO	22 127	100,0%	21 946	0,8%	2,6%	13 821	60,1%	5,1%

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

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

in millions euros	12/31/2015	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2015	Current portfolio basis	Like-for-like* change	12/31/2014	Current portfolio basis	Like-for-like* pro forma change
France	6 631	35,2%	6 476	2,4%	1,8%	4 930	34,5%	3,3%
Belgium	371	2,0%	366	1,4%	1,4%	323	14,9%	15,8%
France- Belgium	**7 002**	**37,2%**	**6 842**	**2,3%**	**1,8%**	**5 253**	**33,3%**	**3,8%**
Italy	**3 560**	**18,9%**	**3 456**	**3,0%**	**2,8%**	**1 466**	**142,8%**	**7,7%**
Norway	847	4,5%	678	24,9%	7,4%	662	28,0%	9,5%
Sweden	779	4,1%	717	8,6%	7,7%	681	14,4%	11,6%
Denmark	593	3,1%	575	3,2%	1,4%	572	3,6%	1,6%
Scandinavia	**2 219**	**11,8%**	**1 970**	**12,6%**	**5,7%**	**1 915**	**15,9%**	**7,9%**
Spain	1 423	7,6%	1 363	4,4%	3,4%	466	205,0%	9,7%
Portugal	324	1,7%	311	4,1%	4,1%	251	29,2%	4,5%
Iberia	**1 747**	**9,3%**	**1 674**	**4,3%**	**3,5%**	**717**	**143,5%**	**8,4%**
Poland	439	2,3%	428	2,5%	4,9%	434	1,2%	3,8%
Hungary	216	1,1%	227	-4,6%	-1,2%	265	-18,5%	-13,7%
Czech Republic	424	2,3%	388	9,5%	9,9%	358	18,6%	19,0%
Turkey	593	3,2%	561	5,8%	-5,8%	0	NA	-5,3%
Others	35	0,2%	45	-21,2%	-4,5%	34	3,3%	-7,1%
CEE and Turkey	**1 708**	**9,1%**	**1 648**	**3,6%**	**1,3%**	**1 091**	**56,5%**	**1,1%**
Netherlands	**1 139**	**6,1%**	**1 810**	**-37,1%**	**-1,3%**	**0**	**NA**	**1,3%**
Germany	**1 014**	**5,4%**	**1 028**	**-1,3%**	**-0,2%**	**0**	**NA**	**1,8%**
TOTAL SHOPPING CENTERS	**18 390**	**97,7%**	**18 429**	**-0,2%**	**2,3%**	**10 443**	**76,1%**	**5,0%**
TOTAL OTHER ACTIVITIES	**434**	**2,3%**	**472**	**-8,1%**	**-0,1%**	**513**	**-15,4%**	**-1,8%**
TOTAL PORTFOLIO	18 824	100,0%	18 901	-0,4%	2,3%	10 956	71,8%	4,8%

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

At year-end 2015, the value of the portfolio, transfer duties excluded, amounted to 22,127 million euros total share (18,824 million euros group share). Including duties, this value was 22,618 million euros total share (19,242 million euros group share).

Portfolio valuation (total share) reconciliation with figures from the fair value balance sheet

in million euros	
Investment property at fair value	**18 751**
+ Investment property at cost model	1 076
+ Fair value of property held for sale	24
+ Duties & fees on the sale of asset optimization	413
+ Equity account investees (including receivables)	1 863
TOTAL PORTFOLIO VALUATION (total share)	**22 127**

Shopping centers

The value of the shopping center portfolio, transfer duties excluded, was 21,693 million euros (18,390 million euros group share) on December 31, 2015, an increase of 8,385 million euros compared to December 31, 2014 (+63.0%), mainly due to the Corio, Plenilunio and Oslo City acquisitions and to the disposal of a portfolio of 9 convenience shopping centers in the Netherlands. The change on a current portfolio basis also includes the exchange rate impact related to the depreciation of the Norwegian krone and the appreciation of the Swedish krone since December 31, 2014 (combined impact of -44 million euros).

A change in 10 bps in yield would result in a 300 million euro change in group share portfolio valuation.

On a like-for-like pro forma portfolio and exchange rate basis, the group share value of the shopping center portfolio, excluding transfer duties, increased by 5.0% (+790 million euros) over 12 months. Over 6-months, the increase in the like-for-like portfolio valuation is 2.3% (+379 million euros).

12-month Shopping center portfolio valuation bridge (group share)

in million euros	
Shopping center portfolio group share at 12/31/2014	**10 443**
Disposals	-10
Acquisitions / developments	+7727
Like for like growth	+238
Forex	+31
Shopping center portfolio group share at 06/30/2015	**18 429**
Disposals	-751
Acquisitions / développements	+381
Like for like growth	+379
Forex	-48
SHOPPING CENTER PORTFOLIO VALUATION at 12/31/2015	**18 390**

Change in yields (group share, excluding duties) – shopping center portfolio

	12/31/2014	12/31/2014 pro-forma	06/30/2015	12/31/2015
France-Belgium	5,5%	5,6%	5,4%	5,3%
Italy	6,5%	6,3%	6,2%	6,0%
Scandinavia	5,4%	5,4%	5,4%	5,1%
Iberia	6,7%	7,1%	6,6%	6,0%
CEE and Turkey	7,0%	7,4%	7,5%	7,3%
Netherlands		7,0%	7,0%	6,4%
Germany		5,6%	5,3%	5,2%
AVERAGE SHOPPING CENTERS	**5,9%**	**6,1%**	**6,0%**	**5,7%**

The average yield rate of the portfolio stands at 5.7% (excluding duties), down by 40 basis points over 12 months on a pro forma basis (including Corio assets). This change is attributable to (i) a 10 basis point effect due to disposals and the Plenilunio acquisition and to (ii) a 30 basis point yield compression reflecting a buoyant investment market and the decrease in long term interest rates.

Other activities

The value of the retail asset portfolio excluding transfer duties stands at 434 million euros, down by 8.1% over 6 months and by 15.4% over 12 months. The change on a current portfolio basis is due to the disposal of 35 units in February, March, November and December 2015.
On constant portfolio basis, the change in the value of the retail assets is stable over 6 months (-1.8% over 12 months). The average yield rate of the portfolio stands at 7.4% excluding duties, an increase of 10 bps compared with June 30, 2015 and +21 bps compared with December 31, 2014.

9.2.2. Management service activity

On December 31, 2015, the estimated market value of the Klépierre Group management business, after taking into account the net debt associated, stood at 324.1 million euros compared to a value of 134.9 million euros as of December 31, 2014 before Corio acquisition.

10. EPRA KEY PERFORMANCE INDICATORS

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (*European Public Real estate Association*) in its *Best Practices Recommendations* guide, available on EPRA's website (*www.epra.com*).

10.1. EPRA EARNINGS

EPRA Earnings is a measure of the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items that are not considered to be part of the core activity of an investment property company.

in millions euros	31/12/2015	31/12/2014	31/12/2013
Net current cash-flow, group share	**663,1**	**406,5**	**403,7**
Restatement payroll expenses (employee benefits, stock options)	-4,2	-8,8	-7,6
Restatement amortization allowances and provisions for contingencies and losses	-15,2	-12,6	-10,3
Other restatements related to tax	0,0	-0,9	-1,0
EPRA EARNINGS	**643,6**	**384,3**	**384,8**
(in euros per share)			
Average number of shares [(1)]	306 803 561	195 912 339	195 400 982
EPRA EARNINGS PER SHARE	**2,10**	**1,96**	**1,97**

(1) Average number of shares, excluding treasury shares. Further to the Corio acquisition, the average number of shares takes into account the creation of 96 589 672 new shares on January 8, 2015, 10 976 874 new shares on January 15, 2015 and 7 319 177 new shares in March 2015.

10.2. EPRA NET ASSET VALUE AND TRIPLE NET ASSET VALUE

EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. EPRA NNNAV (Triple Net Asset Value) is similar to EPRA NAV, except that it includes debt and financial instruments at fair value and the optimized calculation of deferred tax liabilities.

Methodology

The EPRA NAV and NNNAV are calculated by restating consolidated shareholder's equity on several items:

Goodwills

Goodwills as a result of deferred taxes are excluded for NAV calculation as the corresponding deferred tax liability is also eliminated as explained hereunder. Goodwills on other assets related to Klépierre management business are excluded because these assets are taken at their fair market value in NAV calculation.

Unrealized capital gains on real estate portfolio (duties included)

The difference between the market values and the book values recorded in the consolidated financial statements (cost accounting model) is added to the consolidated shareholder's equity. The valuation of properties is initially presented inclusive of property transfer duties. Properties that are held for sale under a firm commitment on the date of the valuation are valued at their probable selling price, less related fees and taxes. For properties acquired less than six months before the date of the calculation, acquisition prices are used. Investment properties under construction and covered by irrevocable development permission are taken into account at fair value, whenever a reliable value can be established, based on internal assessment. Projects that are not appraised are carried at their cost price.

Unrealized capital gains on management companies

The management companies are appraised annually using the method as described in detail above. The difference between the market values and the book values recorded in the consolidated financial statements is included in NAV and NNNAV calculation.

Fair value of financial instruments

The net mark-to-market adjustment to the value of financial instruments which are used for hedging purposes - and where the company has the intention of keeping the position until the end of the contractual duration - is excluded for NAV calculation and added-back for Triple Net Asset Value (NNNAV). NNNAV also incorporates the fair value of debt and interest rate hedging instruments that are not recorded under consolidated net assets pursuant to IAS 32-39, which essentially involves marking to market the fixed rate debt.

Deferred tax on asset values

The EPRA NAV measures the fair value of net assets on an ongoing, long-term basis. As such, Deferred taxes included in the financial statement under IFRS are excluded as they would only become payable if the assets were sold. Deferred taxes recognized pursuant to accounting regulations in force, for the portion which corresponds to the difference between the net book values and the tax values, as determined by capital gains tax rates in force in each country, are restated for NAV calculation.

For NNNAV calculation purposes, tax on unrealized capital gains is then calculated property by property, on the basis of applicable local tax regulations, using the most likely scenario, between the direct sale of the property and the disposal through the sale of shares of a company owning the property.

Duties and fees on the sale of assets

Transfer duties and fees on the sale of assets are calculated property by property using the same approach as that used to determine effective tax on unrealized capital gains on the basis of applicable local tax regulations.

EPRA NAV and NNNAV Calculation

in millions euros	12/31/2015	06/30/2015	12/31/2014	Change over 6 months		Change over 12 months	
Consolidated shareholders' equity (group share)	**5 772**	**6 408**	**2 421**	**-636**	**-9,9%**	**3351**	**138,4%**
Unrealized capital gains on portfolio (duties included)	5 204	4 595	3 753	608	13,2%	1451	38,7%
Unrealized capital gains on other assets	293	136	136	157	115,3%	157	115,8%
Goodwill restatement	-835	-1 491	-130	656	-44,0%	-705	542,6%
Fair value of financial instruments	38	43	119	-5	-12,0%	-81	-68,2%
Deferred taxes on asset values on the balance sheet	739	709	273	30	4,2%	466	170,8%
Reconstitution NAV	**11 211**	**10 401**	**6 572**	**810**	**7,8%**	**4639**	**70,6%**
Duties and fees on the sale of assets	-419	-432	-283	13	-3,1%	-136	48,0%
EPRA NAV	**10 792**	**9 969**	**6 289**	**823**	**8,3%**	**4503**	**71,6%**
Optimized deferred taxes on unrealized capital gains	-257	-201	-149	-57	28,2%	-108	72,6%
Fair value of financial instruments	-38	-43	-119	5	-12,0%	81	-68,2%
Fair value of fixed-rate debt	-146	-119	-210	-27	22,9%	64	-30,4%
EPRA NNNAV	**10 351**	**9 606**	**5 811**	**745**	**7,8%**	**4540**	**78,1%**
Number of shares, end of period (after dilutive effect)	311 457 530	311 192 385	196 104 723				
Per share (€)							
Reconstitution NAV per share	**36,0**	**33,4**	**33,5**	**2,6**	**7,7%**	**2,5**	**7,4%**
EPRA NAV per share	**34,7**	**32,0**	**32,1**	**2,6**	**8,2%**	**2,6**	**8,0%**
EPRA NNNAV per share	**33,2**	**30,9**	**29,6**	**2,4**	**7,7%**	**3,6**	**12,2%**

Number of shares end of period (excluding treasury share . Further Corio acquisition, creation of 96 589 672 new shares on January 8, 2015, 10 976 874 new shares on January 15, 2015 and 7 319 177 new shares in March 2015.

EPRA NAV per share was 34.7 euros, versus 32.1 euros on December 31, 2014. Over 12 months the EPRA NAV is up by 8.0%, this change can be explained by the cash flow for the period (+2.16 euros) the increase in assets value (+3.0 euros),[50] partly offset by the dividend (-1.3 euros) and transaction costs and purchase price adjustments (-0.3 euros) in connection with the Corio acquisition. EPRA NNNAV was 33.2 euros per share, up 12.2% versus year-end 2014.

EPRA NNNAV 12-month bridge per share

in euros per share	
EPRA NNNAV at 12/31/2014	**29,6**
Cash flow	2,2
Dividend	-1,3
Like-for-like asset revaluation	3,0
Transaction costs and purchase price adjustments	-0,3
Forex and others	-0,4
EPRA NNNAV at 12/31/2015	**32,8**
Change in fair value of financial instruments	0,4
EPRA NNNAV at 12/31/2015	**33,2**

[50] Including management companies valuation uplift : 0.5 euros

10.3. EPRA NET INITIAL YIELD AND EPRA "TOPPED-UP" NET INITIAL YIELD

EPRA NIY (Net Initial Yield) is calculated as the annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent free periods and step rents).

	12/31/2015		12/31/2014	
	Shopping centers	Retail assets	Shopping centers	Retail assets
Klépierre yields	**5.7%**	**7.4%**	**5.9%**	**7.2%**
Effect of vacant units	-0.3%	-0.2%	-0.3%	-0.1%
Effect of EPRA adjustments on rents	-0.1%	-0.2%	0.0%	0.1%
Effect of estimated transfer taxes and transaction costs	-0.1%	-0.3%	-0.1%	-0.5%
EPRA "TOPPED-UP" NET INITIAL YIELD	**5.2%**	**6.8%**	**5.5%**	**6.7%**
Effect of lease incentives	-0.1%	0.0%	-0.2%	0.0%
EPRA NET INITIAL YIELD	**5.1%**	**6.8%**	**5.3%**	**6.7%**

10.4. EPRA VACANCY RATE

EPRA Vacancy rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces).

in thousands euros	France-Belgium	Italy	Scandinavia	Iberia	CEE and Turkey	Netherlands	Germany	TOTAL
Estimated rental value (ERV)	455 566	250 923	196 533	122 696	113 857	35 036	54 486	1 229 096
ERV of vacant space	13 765	5 288	8 908	7 766	5 970	1 166	4 384	47 247
EPRA VACANCY RATE	**3,0%**	**2,1%**	**4,5%**	**6,3%**	**5,2%**	**3,3%**	**8,0%**	**3,8%**

10.5. 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 euros	12/31/2015	06/30/2015	12/31/2014
Administrative / operating expense line per IFRS income statement	-280,1	-145,7	-212,5
Net service charge costs/fees	-67,0	-33,8 (1)	-36,3
Management fees less actual/estimated profit element	86,8	45,2	70,8
Other operating income/recharges intended to cover overhead expenses less any related profit	13,9	8,8	15,8
Share of Joint Ventures Expenses	-17,3	-9,8	-9,0
Exclude (if part of the above):			
Invesment Property depreciation	NA	NA	NA
Ground rents costs	NA	NA	NA
Service charge costs recovered through rents but not separately invoiced	NA	NA	NA
EPRA Costs (including vacancy costs) (A)	**-263,6**	**-135,4**	**-171,2**
Direct vacancy costs	-27,9	-17,4	-16,1
EPRA Costs (excluding vacancy costs) (B)	**-235,7**	**-118,0**	**-155,1**
Gross Rental Income less ground rents - per IFRS	**1193,0**	**599,0**	**825,5**
Less: service fee / cost component of Gross Rental Income	NA	NA	NA
Add: share of Joint ventures (Gross Rental Income less ground rents)	97,6	55,8	52,8
Gross Rental Income (C)	**1290,6**	**654,9**	**878,3**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**20,4%**	**20,7%**	**19,5%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**18,3%**	**18,0%**	**17,7%**

(1) Restated from IFRIC 21 H2 impact (-9.5 million euros)

The cost structure for the year ended 2015 is impacted by the acquisition of Corio and restructuring initiatives following this acquisition. In order to correct these non-recurring effects, 20 million euros have been offset from the line “Administrative / operating expenses”.

As a reminder, Corio’s last disclosed EPRA cost ratio (including direct vacancy costs) was 23.9% (December 31, 2014).

11. FINANCIAL POLICY

11.1. FINANCIAL RESOURCES

11.1.1. Change in net debt

As of December 31, 2015, consolidated net debt is 8 857 million euros, compared to 5,325 million euros on December 31, 2014. This 3,532 million euro increase is mainly attributable to the consolidation of Corio's debt for a total nominal amount of 3.2 billion euros. The other factors explaining the change are:

- Klépierre paid a dividend of 393 million euros, of which 180 million euros were paid in January and 213 million euros in April 2015.
- Investments during the year amounted to 946 million euros, including the acquisition of Plenilunio, Oslo City, and development expenses, mainly Hoog Catharijne, Val d'Europe, and Prado. In the meantime, 850 million euros worth of assets were disposed.
- The free cash-flow, debt restructuring costs, minorities' contribution and foreign exchange impacts represent the balance and contributed to reduce the net debt by circa 200 million euros.

11.1.2. Loan-to-Value ratio

At the end of year, the Loan-to-Value ratio stood at 39.2%. Compared to year-end 2014 this ratio is stable on a pro forma basis (including Corio).

in million euros, total share	
Current financial liabilities (total share)	2 584
+ Bank facilities	265
+ Non current financial liabilities	6 714
- Fair Value revaluation of debt	-70
- Purchase price adjustments impact	-148
Gross financial liabilities excluding fair value hedge	9 345
Cash and near cash (incl. Cash managed for principals)	-488
Net debt	8 857
Value of property portfolio including duties	22 618
LOAN-TO-VALUE RATIO	39,2%

11.1.3. Available resources

During the year, Klépierre actively managed its debt through several transactions that both lowered its cost of debt and increased its average duration:

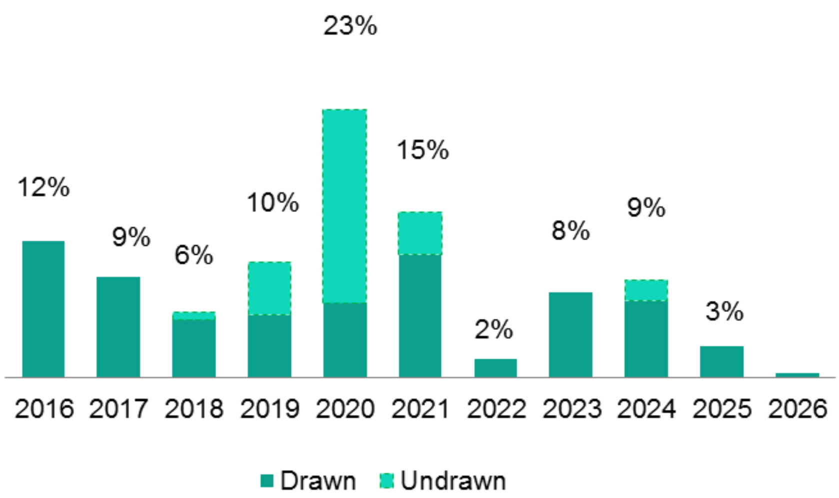
- Klépierre repurchased 359 million euros worth of its short dated notes through a tender offer (April) and through open market transactions.
- At the same time, Klépierre issued 880 million euros worth of new long-term notes denominated in euros by reopening the bond maturing November 2024 (130 million euros) and by placing a new benchmark tranche maturing April 2023 (750 million euros) with a record low coupon (1%). These transactions were complemented in October 2015, by the placement of 255 million euros of new 10 year notes to several institutional investors on the private market.
- On the banking market, Klépierre successfully renegotiated the terms of and extended for a period of 2 years its 750 million euro syndicated revolving credit facility. At the same time, all of the former revolving credit facilities of Corio were replaced by a new 850 million euro 5-year (with two

extension options by one year) syndicated revolving credit facility granted by a syndicate of 16 international banks.

- On December 9, Klépierre fully prepaid the US Private Placements issued by Corio in March 2007. After taking into account, the early termination of all the swaps related to this transaction, total consideration was 897 million euros.

Through all these successful transactions, Klépierre demonstrated undisputed access to capital markets and its ability to take advantage of the best market conditions to strengthen its balance sheet at the lowest cost. As a consequence, the average duration of the debt reached 5.5 years at year-end (against 5.3 at year-end 2014 on a pro forma basis). The Group's level of liquidity remains high at more than 2.2 billion euros, a total which includes 2.1 billion euros worth of unused committed credit lines with an average remaining maturity of 5.2 years. In early January of 2016, Klépierre completed a new 5-year term loan worth 350 million euros for its Dutch subsidiary with a pool of 4 European banks. After this transaction, the Group's liquidity position was over 2.5 billion euros.

Debt maturity schedule
(% of authorized debt)

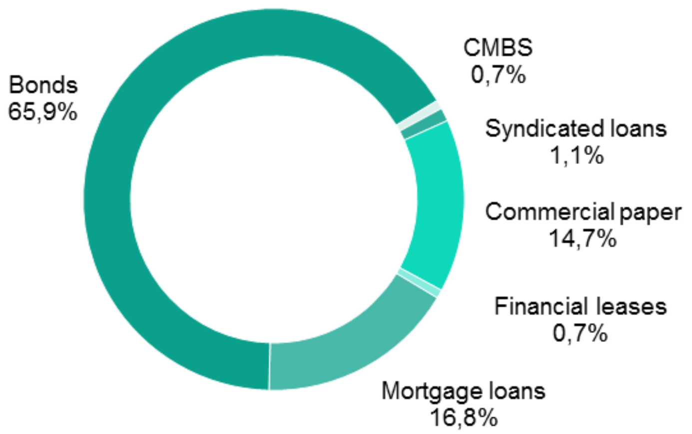


11.1.4. Debt structure and duration

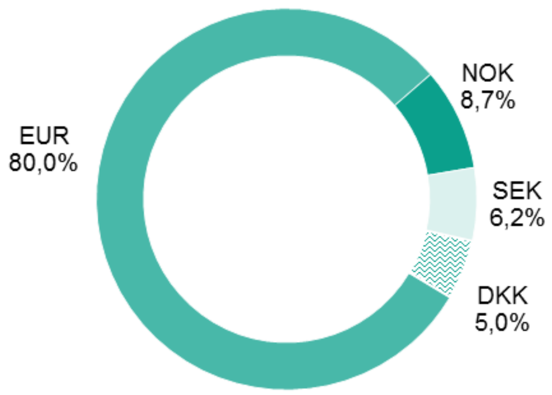
Following to the integration of Corio's debt, the share of capital market sources in the combined debt reached 81%. This access to capital market resources has also enabled the Group to pursue the reduction of secured debts in the total balance.

The breakdown by currency remains consistent with the geographic exposure of the Group's portfolio of assets. Assets located in Turkey that generate rents denominated in USD are hedged through rolling of FX swaps.

Financing breakdown by type of resource (Utilizations)



Financing breakdown by currency (Utilizations)



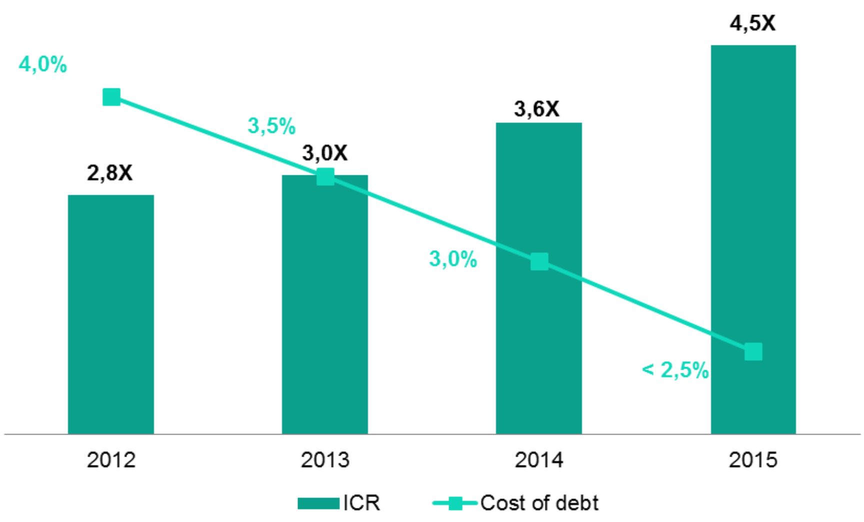
11.2. INTEREST RATE HEDGING

Since Corio's debts were mainly fixed rate, the hedging ratio remained above its 70% target with the integration of Corio. During the period, the Group continued to restructure its fixed-rate portfolio through swap restructuring and liability management exercises on the bond portfolio.
At the end of the period, it reached 77% and the average duration of the fixed-rate position (4.5 years) remains compliant with the balance-sheet structure.

11.3. COST OF DEBT

The average group cost of debt continued to fall over the period below 2.5%. This figure reflects the low level of short-term interest rates, the restructuring of the hedging portfolio, and the first impact of the financing costs synergies following the merger of Corio into Klépierre (2015 impact of 19 million euros; 2016 and 2017 impact expected at 32 million euros). The low cost of debt led to a strong 4.5x covering of interest expense by EBITDA (ICR). Based on the structure of interest rates on January 31, 2015, the Group's annual cash-cost at risk stood at 9 million euros, i.e., the loss due to short-term interest rate movements would be less than 9 million euros 99% of the time.

Historical ICR and Cost of debt



11.4. FINANCIAL RATIOS AND RATING

As of December 31, 2015, the Group's financing covenants remain in line with the commitments in its financing agreements.

In December 2015, Standard's & Poor's confirmed the A- rating and its stable outlook. Moody's continues to rate A3 (stable outlook) the notes initially issued by Corio NV.

Financing	Ratios / covenants	Limit [1]	12/31/2015	12/31/2014
Syndicated loans and bilateral loans Klépierre SA	Net debt / Portfolio value ("Loan to Value")	≤ 60%	39,2%	37,6%
	EBITDA / Net interest expenses [2]	≥ 2.0	4,5	3.6
	Secured debt / Portfolio value (excluding Steen & Strøm)	≤ 20%	0,9%	1,3%
	Portfolio value, group share	≥ €8 Bn	€19.2 Bn	€11.2 Bn
Bond issues Klépierre SA	Secured debt / Revalued Net Asset Value (excluding Steen & Strøm)	≤ 50%	1,5%	2,3%

[1] Ratios are based on the 2015 revolving credit facility
[2] The ICR does not include the liability management impact

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, 2015, this ratio was 41%.

12. OUTLOOK

The Group will continue to ensure its shopping center portfolio is permanently profiled to meet leading retailers' expansion plans and upgraded to reach shoppers' expectations. Klépierre strongly believes that irreplaceable locations in catchment areas with strong demographic growth perspectives and wealthy sustainable economic fundamentals are key drivers to generate higher retailer sales, enhance company earnings and create long-term shareholder value.

Klépierre will continue to promote and accelerate store transformation, organize unique marketing and animation initiatives to reinforce attractiveness, and integrate innovations, notably through digital tools.

Extensions will be launched to further support this strategy of reinforcing our retail destinations. At the same time, Klépierre will pursue its portfolio upgrading strategy by seizing best acquisition or development opportunities and disposing of selected assets.

For 2016, rental income like-for-like is expected to continue to grow and additional synergies will also be delivered, while net divestments of 2015 will only slightly impact the year. Consequently, Klépierre has a reasonable view that its **net current cash flow** should achieve a comparable pace of growth as that posted in 2015 and reach **2.23-2.25 euros per share**.