



KLÉPIERRE SIGNS STRATEGIC AGREEMENT WITH FINIPER ON SHOPPING CENTERS IN ITALY

Klépierre is now the leader in Italy

Just a few days after the acquisition of 11 shopping malls in Italy, and the formation with Finim of the largest shopping center manager in Italy, Klépierre and its subsidiary Ségécé have sealed another major agreement in this country with the Finiper group. Founded and managed by Marco Brunelli, Finiper owns the Iper hypermarket chain, and is a pivotal player in the Italian mass retail market.

ACQUISITION OF 40% OF THE COMPANY THAT OWNS FINIPER'S SHOPPING CENTERS

Klépierre has acquired a 40% stake in Finiper's subsidiary, IGC, which owns nine shopping centers in Italy. Klépierre also has an option to purchase a tenth center currently under development in Ortona (Marches). Its equity interest will increase to 50% within three years.

These nine centers, which are located primarily in Northern Italy within high disposable income pockets, cover gross leasable area of 67,315 square meters and produced net lease income of 10.6 million euros in 2001. All are adjacent to Iper hypermarkets, and offer substantial rental reversion potential. In addition, most of the centers can be extended.

PSG/Eurocenter, recently formed by Ségécé and Finim and now Italy's largest shopping center manager with 53 centers in its portfolio, will provide rental management services.

Klépierre is investing a total of 31 million euros to acquire a 40% equity interest in IGC. The deal values IGC at 77 million euros, based on a net lease income capitalization rate of 7% and mainly after deduction of 65 million euros in long-term bank loans. IGC will be proportionately consolidated as of July 1.

The transaction is subject to approval by the European Competition Authorities. Once completed, it will bring Klépierre's shopping center portfolio to 178 properties, with 101 located in France, 52 in Spain and 23 in Italy. In terms of value, Italy and Spain now each represent 14% of total shopping centres real estate holdings, while 71% are in France.

AGREEMENT TO DEVELOP NEW CENTERS ALREADY IN PLACE

This acquisition lays the foundation for a broader agreement between Klépierre and Finiper to develop new shopping centers in Italy.

Finiper is currently considering a number of projects in the planning and development stage, and scheduled for completion in the next three to five years.

Under the terms of their agreement, Klépierre has a priority right on the purchase of any new centers developed by Finiper. Klépierre will acquire such properties directly or via IGC, as the circumstances warrant.

ITALY: KLEPIERRE'S THIRD KEY MARKET

As announced at the beginning of the year, the group is pursuing its strategy of developing shopping centers in Continental Europe's key growth markets. Its business model combines solid local management expertise via its subsidiary and leading shopping center management specialist Ségécé, leading positions in target markets, and a rigorous selection process favoring projects that offer good short- and medium-term growth potential.

As Klépierre Chairman of the Executive Board Michel Clair explains: *"The strategy that we began executing five years ago is to achieve double-digit growth in net cash flow from operations over the medium term by fully leveraging the stable lease income base offered by our shopping centers and the growth potential that these properties offer.*

The critical change in scale we have achieved over the last 18 months and Ségécé's reputation were decisive factors for Finiper, which was looking for a partner to support its development. Our growth is the direct result of our business model, which has made Klépierre a major player in all major European projects. This crucial agreement gives us solid positioning in the one of the highest growth markets in Europe.

Italy has a particularly low shopping center density, with gross leasable area of only 97 square meters per 1,000 inhabitants in 2001 – 50% less than Spain and 40% less than France. Consequently, Italy offers genuine medium-term development potential for the market leaders. PSG/Eurocenter, our joint management company, provides a solid foundation for sustainable growth in Italy and the assets needed to fully harness this potential.

This agreement strengthens our capacity for growth, which we estimated earlier this year as being one million square meters over five years, while at the same time helping us to achieve a better spread of risks. We have now achieved a leading position in three key markets, France, Italy and Spain, and we are confident in our ability to meet the ambitious growth and profitability targets we have set for ourselves."

KLEPIERRE WILL PUBLISH ITS INTERIM REVENUES AT THE CLOSE OF BUSINESS ON JULY 23, EARLIER THAN PREVIOUSLY ANNOUNCED

In light of the number of companies on the Paris stock market planning to release financial data near the end of July, Klépierre has decided to publish its interim revenues 24 hours earlier than initially announced, at the close of business on Tuesday, July 23rd.

KLÉPIERRE, THE LEADING SHOPPING CENTER MANAGER IN CONTINENTAL EUROPE

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Klépierre-Finiper Agreement

DESCRIPTION OF SHOPPING MALLS

Northern Italy: 46% - 30.855 m ²	REGION	Surface area (GLA m ²)	Number of lots	Inaugurated in
Montebello	Lombardy	8 079	27	1975
Cremona	Lombardy	6 678	53	1985
Brembate	Lombardy	1 536	13	1977
Grandate	Lombardy	2 162	15	1999
Seriate	Lombardy	7 562	31	1990
Varese	Lombardy	4 838	19	1988
Central Italy: 54% - 36460 m ²				
Savignano (Rimini)	Emilie Romagna	12 342	40	1992
Pesaro	Emilia Romagna	8 599	32	2000
Val Vibrata	Marches	15 519	32	2000
TOTAL		67 315	262	

Ortona (option)	Marches	4 151	25	2001
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TOTAL	Italie	71 466	287	
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KLEPIERRE'S REAL ESTATE HOLDING IN ITALY



