



TWO MAJOR ACQUISITIONS IN ITALY

Klépierre acquires 11 shopping malls, becomes Italy's leading shopping center manager

At the close of business on Monday, Klépierre and its subsidiary Ségécé, the leading shopping center manager in Europe, announced two major transactions in Italy, the completion of which makes them a pivotal player in the Italian market.

ACQUISITION OF 11 SHOPPING CENTERS

Klépierre has just completed the acquisition of 11 shopping malls from Carrefour in Italy, for a total of 226 million euros.

The 11 malls in question represent gross leasable area of 67,800 square meters and net rental revenues of 17 million euros. They are primarily located in northern Italy.

This acquisition gives Klépierre, which is number one in France and number two in Spain, a pivotal position in Italy, one of the hottest growth markets in Continental Europe.

The transaction also brings the number of centers owned by Klépierre in Italy to 14, with a total value of over 300 million euros.

With the completion of the latest acquisitions, more than 70% of Klépierre's total portfolio (71% in France, 15% in Spain and 13% in Italy) is composed of shopping centers.

Long-term bank loans will finance up to a maximum of 60% of this latest investment. The remainder will be funded via equity provided by Klépierre (83%) and CNP Assurances and Ecureuil Vie (17%), which both have participated in previous Carrefour acquisitions.

Klépierre's net debt after the transaction remains under the company's target threshold of 50% of its total assets.

CREATING THE LEADING SHOPPING CENTER MANAGER IN ITALY

At the same time, Klépierre considerably strengthens its shopping center management business in Italy, becoming the market leader in conjunction with its historical partner Finim.

Klépierre's subsidiary Ségécé has just acquired full ownership of Eurocenter, which manages in particular Carrefour's shopping malls in Italy. Eurocenter is a key player in the Italian market. Over the next few weeks, Finim and Ségécé will put the finishing touches on a business combination involving PSG and Eurocenter, thereby creating the largest Italian manager. The new unit will employ 71 people, and manage 51 shopping malls covering 1,300 leases and gross leasable area of 920,000 square meters.

KLÉPIERRE CONSOLIDATES ITS POSITION AS THE LEADER IN CONTINENTAL EUROPE

This transaction enables Klépierre to pursue planned growth in Continental Europe in line with the strategy disclosed at the beginning of the year.

“This acquisition, which extends those covered in the agreement concluded with Carrefour in July 2000, clearly demonstrates the significant growth potential to which we have access,” commented Michel Clair, Chairman of the Klépierre Executive Board. “It is typical of the value-added strategy we began executing four years ago, of which the first agreement with Carrefour for the acquisition of 160 malls, primarily in France and Spain, represented a major step forward. These malls were successfully integrated as planned, thanks notably to Ségécé, our shopping center management specialist, which has laid the foundations for strong development across Europe.

These two transactions will enable us to pursue our development in Italy, securing a strong position in one of Continental Europe's key growth markets, along with France and Spain.

They also accelerate the industrial logic of our business model, which targets double-digit growth in net current cash flow over the medium term, based on net capital investments of more than 100 million euros per annum. Combined with the 123 million euros invested since the start of the year, these acquisitions put us on track for our target of 600 million euros in investments and 15% growth in net current cash flow in 2002.”

Klépierre will publish its half-year revenues on July 24, 2002 and will report its half-year earnings on September 10, 2002.

KLÉPIERRE, THE LEADING SHOPPING CENTER MANAGER IN CONTINENTAL EUROPE

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Klépierre in Italy as of July 1, 2002

Klépierre's real estate holdings

The acquisition involves 11 shopping malls, with gross leasable area of 67,800 square meters and 407 lots, broken down as follows:

REGION		Surface area (GLA m ²)	Number of lots	Parking spaces
	THE NORTH 56% - 37,904 m²			
Piedmont	Burolo	939	11	2 230
Piedmont	Moncalieri (Torino)	5 791	31	985
Piedmont	Montecucco (Torino)	1 131	11	1 125
Lombardy	Vercelli	1 646	23	1 242
Lombardy	Paderno (Milano)	12 832	71	2 170
Lombardy	Giussano (Milano)	2 833	26	1 161
Veneto	Thiene	5 607	39	985
Liguria	Massa	7 125	40	1 627
	THE CENTER 35% - 23,659 m²			
Lazio	Roma	13 742	90	1 915
Abruzzes	Pescara	9 917	44	1 500
	THE SOUTH 9% - 6,237 m²			
Campania	Caserta (Napoli)	6 237	21	1 125
	TOTAL acquired on July 1, 2002	67 800	407	16 065
Lombardy	Novate (Milano)	30 578	79	2 000
Lombardy	Settimo (Milano)	7 363	27	500
Lombardy	Brescia (Milano)	37 750	77	3 500
	TOTAL	143 491	590	22 065

The new acquisitions are strategically positioned in high disposable income agglomerations (Milano, Torino, Roma) (56% of the total floor area and 70% of total rents).

With the exception of Montecucco (shopping mall in the Torino city center), all of the malls are located in peripheral sections, and are easily accessible via major thoroughfares.

Deal and financing

- An *ad hoc* vehicle (“Klécar Participations Italie” (KPI)) set up in France by Klépierre (83%) and CNP Assurances and Ecureuil Vie (17%). KPI sets up “Klécar Italia” in Italy to acquire the properties:
 - all of Alicentro 5, which owns 10 malls and was previously owned by Carrefour
 - the Pescara shopping center, jointly owned by Carrefour and Finiper.
- Klécar Italia finances up to a maximum of 60% via mortgage loans, the remainder using equity.

Stronger positioning in shopping center management

Key players

FINIM	Shopping center developer, manager and investor in Italy
PSG	Subsidiary of the Finim group, responsible for managing shopping centers
EUROCENTER	Shopping center manager; manages 18 malls for Carrefour and 7 for Finiper.

Milestones

Step 1	Ségécé acquires a 100% stake in Eurocenter
Step 2	Ségécé acquires a 50% stake in PSG from Finim
Step 3	PSG acquires a 100% stake in Eurocenter

	BEFORE		AFTER
	PSG	EUROCENTER	NEW PSG
Number of centers managed	24	27	51
(of which, centers owned by Klépierre)	3 ⁽¹⁾		15 ⁽²⁾
Number of leases (rental management)	414	897	1,311
Number of plots (property management)	794	897	1,691
Square meters managed	450,000	470,000	920,000
Revenues in 2001 (€M)	3.9	3.8	7.7 ⁽³⁾
Headcount	37	34	71

- (1) Through GFK (Gestione Finim Klépierre)
(2) Including Vignate, to be acquired in second half of 2002
(3) Estimate for 2002

Klépierre in Italy : situation as of July 1st, 2002

