



***KLEPIERRE STRENGTHENS EQUITY BY €130 MILLION
FOLLOWING THE CONVERSION OF 99 % OF
CONVERTIBLE BONDS***

The initial results of the early redemption of Klépierre's 3 % 2006 convertible bonds outstanding, which wrapped up on November 14, already indicates that almost all the bonds outstanding at July 23, 2002 have now been converted, resulting in an increase over a year of shareholder's equity by 130 M€ and of free float by 41 %.

ALMOST FULL REDEMPTION OF THE KLÉPIERRE 2006 CONVERTIBLE BOND

On July 23, 2002, Klépierre decided, in accordance with the conditions set out in the bond issue contract, to exercise its early retirement options on the 673,707 November 1998/January 2006 convertible bonds outstanding out of a total 970,681 bonds worth €191,633,277 (FF 1,257,031,895). The conditions were as follows :

- Bonds were redeemable as of August 14, 2002 at a price of €199.86 per bond plus €3.63 in interest accrued since January 1, 2002, representing a total of €203.49 per bond
- These bonds stopped earning interest as of August 14, 2002 ;
- Throughout the three-month period running from August 14, 2002 to November 14, 2002, bondholders could, at their option :
 - redeem their bonds outright for €203.49 per bond (including interest),
 - request that their bonds be converted into shares on the basis of 2.06 shares per bond tendered.

660,389 bonds have been redeemed, that is to say 98 % of the bonds outstanding at July 23, 2002, creating 1,360,491 new shares. Those shares will be listed alongside the existing shares on the Euronext Paris Premier Marché and will be eligible for dividend as from January 1, 2002.

In total, 99 % of the original bonds have been converted.

Bonds non converted will entitle the bearer to a cash payment of €203.49 per bond on November 27, 2002.

KLÉPIERRE STRENGTHENS ITS SHAREHOLDERS' EQUITY BY €130 MILLION AND INCREASES ITS FLOAT BY 41 %

These redemptions have strengthened Klépierre's shareholders' equity by more than €130 million since June 30, 2002. Accordingly, the Loan to Value ratio, which was 46.8 % at June 30, 2002, was recalculated to 43.9 % on the basis of current shareholders' equity.

The redemptions have also had a favorable impact on the free float. For total capitalization of almost €1.8 billion at November 15, 2002, the float represents €827 million, an increase of 41 % versus December 31, 2001. Equity interest held by Klépierre's primary shareholder, BNP-Paribas, will decrease from 59.2 % to 53.1 %.

Michel Clair, Chairman of the Klépierre Executive Board stated : *"In a difficult stockmarket environment, the high conversion rate clearly attests to the confidence of investors in the development strategy anchored in shopping centers that we have pursued since 1998. In less than five years, we have consolidated our leadership position in France, have acquired a first rank position in Spain and Italy, and we have become the leading European shopping center manager thanks to our subsidiary, Ségécé.*

Klépierre now has a strong growth potential thanks to our solid footholds, quality partnerships and dedicated work teams. These strengths will enable us to post double-digit growth in net current cash flow in the years ahead. The equity increase, that results from this conversion, strengthens our ability to fuel this strategy".

The final results of the redemption of the 3 % 2006 convertible bonds will be published on November 25, 2002.

**KLÉPIERRE: THE LEADING SHOPPING CENTER MANAGER
IN CONTINENTAL EUROPE**

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