



## ***KLÉPIERRE SET TO DOUBLE REVENUES IN 2001***

For the six months ended June 30, 2001, Klépierre's revenues increased by 82.9% versus the corresponding prior period, to 147.1 million euros, driven by significant shopping center business growth.

<i>in millions of euros</i>	<b>1st half 2001</b>	<b>1st half 2000</b>	<b>Change (%)</b>
Lease income	126.3	71.0	+ 77.8
<i>of which shopping centers</i>	85.3	29.2	+ 192.1
<i>of which office properties</i>	41.0	41.8	- 1.9
Development sales*	7.9		
Fee income	12.9	9.4	+ 36.6
Total revenues	147.1	80.4	+ 82.9

\* Annecy Courier, inaugurated on March 6, 2001

On a constant structural basis, lease income for the period totaled 72.2 million euros, up 7.8% compared with the six months ended June 30, 2000.

### **SHOPPING CENTER LEASE INCOME NEARLY TRIPLES**

For the six months ended June 30, 2001, shopping centers generated lease income of 85.3 million euros, a 192.1% increase versus the corresponding prior period.

### **Acquisitions and new developments make a significant contribution**

This increase is attributable to the integration of 116 shopping malls acquired from Carrefour (of the 167 provided for in the memorandum of agreement) as of January 1, 2001. The newly integrated malls contributed lease income of 43.9 million euros through June 30, 2001 (51% of total shopping center lease income).

Growth in lease income also reflects developments and other acquisitions that Klépierre has initiated (other than Carrefour) since the second half of 2000. These new assets represent 130,000 square meters of additional commercial floor area and concern the following shopping centers: *Val d'Europe* in Marne la Vallée, *René Coty* in Le Havre, *Les Passages* in Boulogne, *Courier* in Annecy, *Danubia* in Bratzlava and *Le Rondinelle* in Brescia. They contributed a combined total of 9.8 million euros in additional revenue, 11.5% of shopping center lease income.

### **Existing malls turn in satisfactory performance**

The shopping center rental business also benefited from the very good performance turned in by Klépierre's pre-Carrefour portfolio of properties, on which rents have risen by 8.6%. At nearly 99%, the occupancy rate was unchanged. The rise in lease income reflects both rigorous rental management practices and the decision to enhance the value of portfolio assets through improvements or extensions. It also attests to the expertise of Ségécé professionals, which is being put to maximum use on the assets acquired from Carrefour.

### **Strong expansion in Europe**

Lease income from shopping malls located outside France now account for nearly 20% of shopping center rents. Mainly located in Spain, there are also malls in Italy and the Republic of Slovakia. As lease income from these assets grows, Klépierre will be able to diversify its revenue sources and capitalize on the positive growth outlook for Southern and Central Europe.

### **Continued growth in the second half of the year**

Revenues are expected to continue to rise in the second half of the year as the scheduled Carrefour acquisitions are pursued. Two large shopping malls are currently being acquired for a total of 120 million euros (Portet sur Garonne and Makedonia-Greece), bringing the completion rate on Carrefour related acquisitions to 78%. Other acquisitions are planned later this year in France and Spain, at the end of the third and beginning of the fourth quarters. By the end of 2001, 93% of all such properties will have been transferred to Klépierre.

### **OFFICE PROPERTY LEASE INCOME UP 7.2% ON A CONSTANT STRUCTURAL BASIS**

Lease income on Klépierre office properties increased by 7.2% on a constant structural basis, reflecting the impact of applying prevailing market rates to leases that have expired since early 2000.

On a constant structural basis, the decrease in office property lease income was only 1.9% versus the corresponding period, despite the fact that 145 million euros worth of office properties have been sold in the last two years as part of Klépierre's arbitrage program.

This change, in line with Klépierre's real estate optimization policy, enables the company to refocus on its most attractive office property assets, which are more resistant to cyclical downturns in the office property market.

In the near term, Klépierre expects to continue to record further growth in lease income from its portfolio of office properties. Some 41% of its office leases will expire within the next three years, and rental upside potential on these properties is estimated at 50 %.

### **STRONG GROWTH IN REAL ESTATE SERVICES**

The 36.6% increase in fee income reflects the reinforcement of the real estate services division. Most of the increase relates to fee income earned in France on shopping center and utilities management services provided to operators of the shopping malls acquired from Carrefour.

Klépierre will publish its 2001 interim financial statements on September 18, 2001.

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

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