2012 Annual report

KLEPIERRE

CONTENTS

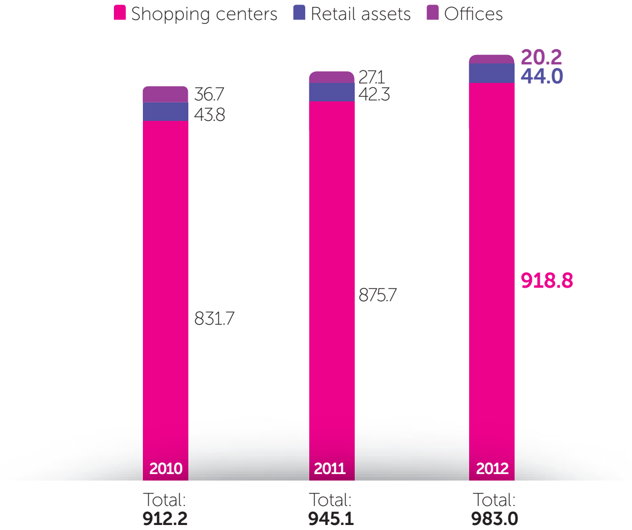
PROFILE

With a property portfolio valued at 16.4 billion euros essentially comprises large shopping centers in 13 countries of Continental Europe Klépierre is today one of the largest pure players in the shopping center business in Europe. The Group, which combines development, rental, property and asset management skills, is a key partner for leading retailers, to which it proposes unique locations, attracting more than a billion and a half visitors per year. To win new customers and retain existing ones, Klépierre is constantly renewing the retail offer and enhancing the customer experience. The Group undertakes large developments and extension-refurbishment projects with the aim not only of making sure that its shopping centers are unique locations, but also that they are meeting places between brands and customers, that constantly offer greater comfort, services and innovation and hospitality.

For more information
read the "Background" section (page 230)

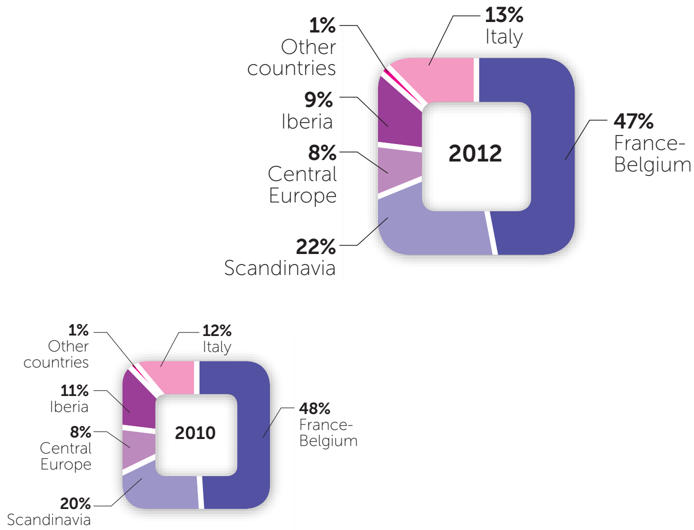
Operating and financial performances

GROSS RENTS*
(total share, in millions of euros)



The Group is steadily refocusing on the shopping center business that represents 94% of rents in 2012 with a 4.9% increase in rents year-on-year.

GEOGRAPHICAL BREAKDOWN
(total share, in % of gross rents)



The priority development regions for the Group are France, Belgium, Scandinavia and Northern Italy – areas that represent 82% of rents. In those regions, Klépierre owns dominant shopping centers in their catchment areas.

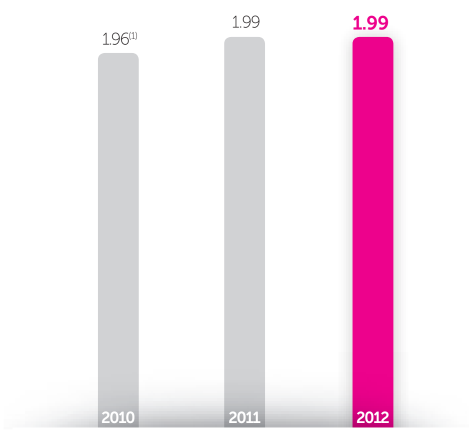
A CONSTANTLY EXPANDING EUROPEAN PLATFORM

	2010	2011	2012
Number of shopping centers owned	273	271	261
Appraisal value[(1)]	15 114	16 176	16 445
Workforce	1 495	1 476	1 467
Number of shopping centers under management	356	335	333

(1) Total share, in millions of euros.

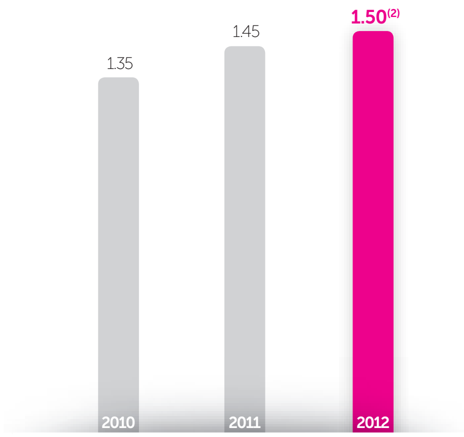
97.9%
of the business is retail real estate*

NET CURRENT CASH FLOW*
(in euro per share)



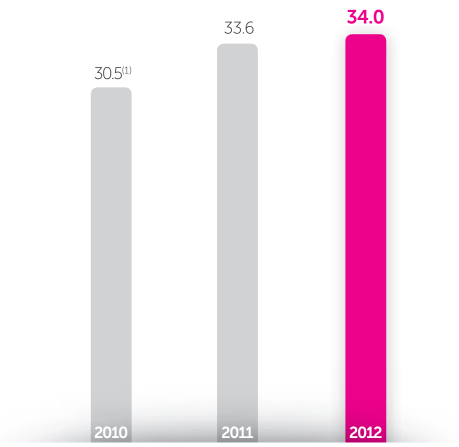
Net current cash flow is stable, after taking into account the 2011 scrip dividend payment. Excluding scrip dividend, it is up by 2.5% through 2012, in line with the objectives stated.

DIVIDEND
(in euro per share)



Klépierre raised its pay-out ratio to 79% of net current cash flow, through the payment of a 1.50 euro dividend per share[2], or an increase of 3.4% compared to 2011. The payment of this dividend is proposed in cash.

EPRA NAV*
(in euros per share)



EPRA NAV per share is up by 1.1% compared to 2011. This change is attributable to the rise in the Group's property portfolio valuation in core regions and partly to the positive impact of the fair value of financial instruments relating to the compression of Klépierre's secondary spread on fixed-rate debt and of the drop in interest rates.

12.9%
of new leases signed in 2012

1 467
workforce

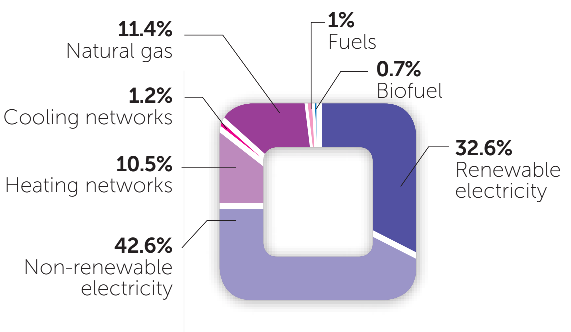
16 625
leases under management

96.5%
Financial occupancy rate*

(1) Data restated following May 2010 capital increase (scrip dividend).
(2) Submitted to a vote of the shareholders at their April 11, 2013 general meeting.
** See glossary.*

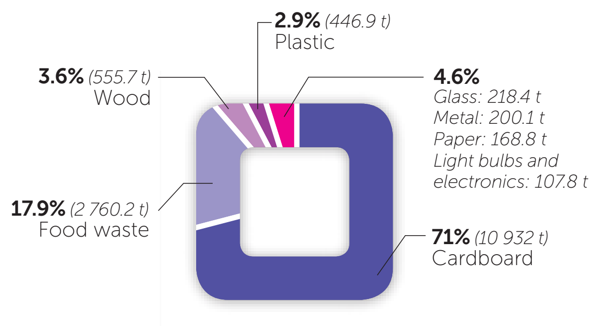
Environmental data

THE GROUP'S ENERGY MIX



The Group's energy mix is 75% electricity, 12% urban heating networks and 13% combustible. The percentage of electricity from renewable sources in overall electricity consumption is 43.3%.

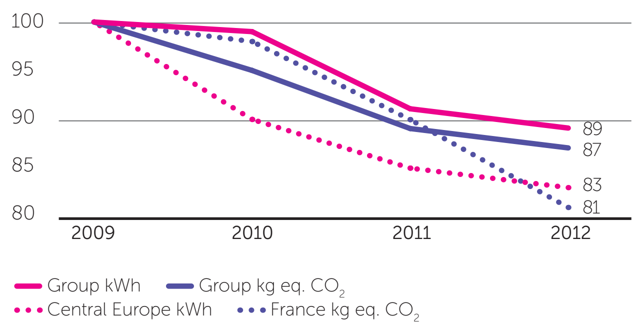
BREAKDOWN OF SORTED WASTE BY TYPE



Nearly 15 400 tons of waste sorted, which is the amount of waste produced annually by 30 000 Europeans. More than 39% of all waste is recycled, 69% is enhanced.

NEARLY
1 MILLION
OF SQ.M. CERTIFIED AT THE END OF 2012.

ENERGY AND CARBON INTENSITY



Energy consumptions and greenhouse gas emissions, by sq.m., respectively decreased by 11% and 13% between 2009 and 2012 on average in Europe.

Societal data

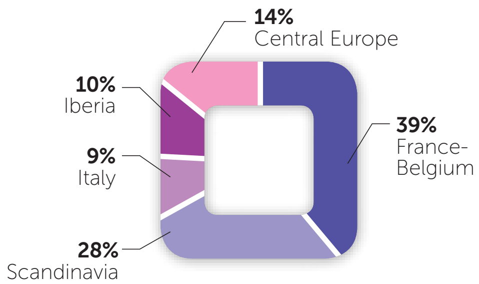
72%
of customers on average use mass transit or soft transportation
to get to the six new shopping centers opened since 2010[1].

100%
of all leases signed in France in 2012 contain an environmental clause.
857 green leases have been signed in France since 2010.

(1) Odysseum, Corvin, Aqua Portimão, Le Millénaire, St.Lazare Paris, Emporia.

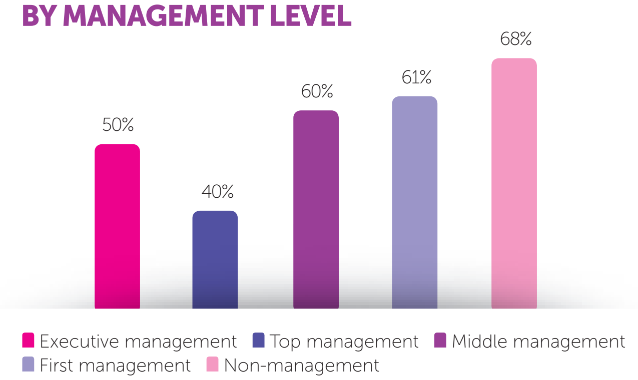
Social data

WORKFORCE BREAKDOWN BY REGION



On December 31, 2012, Klépierre employed a total of 1 467 people. The average headcount for 2012 was 1 473 people.

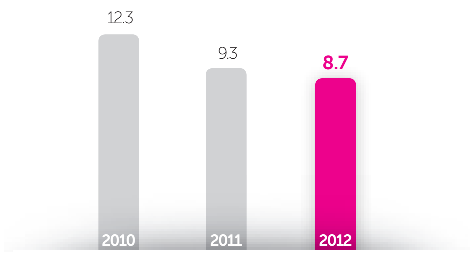
PERCENTAGE OF WOMEN IN RECRUITMENTS BY MANAGEMENT LEVEL



56% of Klépierre's employees are women. The Group strives to prevent discrimination and to promote equal opportunity in its hiring processes and at every stage in employee careers. By way of example, 56% of the beneficiaries of internal mobility opportunities in 2012 were female employees.

EMPLOYEE TURNOVER

(in %)



Employer turnover has fallen in each of the last three years. As for the absentee rate, it is basically unchanged at 2.2%.

705

CAREER REVIEWS

conducted in the last two years. These review sessions offer a special opportunity for career managers to understand the aspirations and aptitudes of employees, in order to optimize their career path and provide the support needed at key moments in their professional development.

05

55 503

customers were solicited in 2012 for customer satisfaction surveys.

77% of the Group's assets in value terms have been surveyed since 2010.

More than **€1.1M**

allocated to philanthropic initiatives

in Group shopping centers in 2012.

For more information

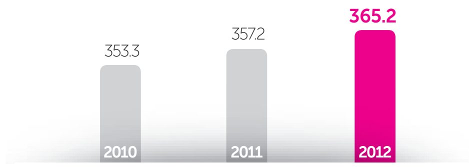
Consult the social and environmental data (pages 113 to 143)

EPRA 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).

EPRA EARNINGS

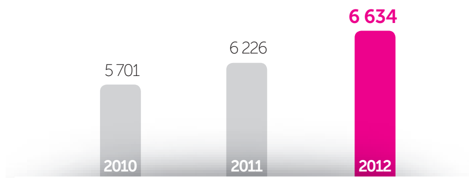
Measure of the underlying operating performance of an investment property company excluding changes in fair value, investment property disposals and limited other items that are not considered to be part of the core activity of an investment property company.



(in millions of euros)

EPRA NAV

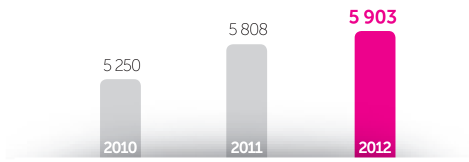
Measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities, debt, and financial instruments are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize.



(in millions of euros)

EPRA NNNAV

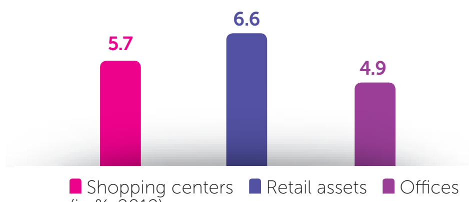
Indicator similar to EPRA NAV except it includes the fair value of deferred tax liabilities, debt, and financial instruments.



(in millions of euros)

EPRA NET INITIAL YIELD

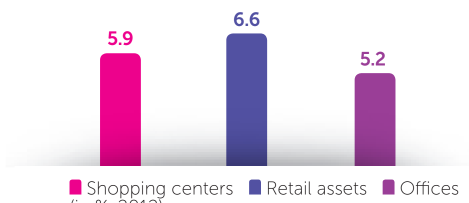
Ratio calculated as the annualized rental income based on the cash rents passing at the balance sheet date (but adjusted as set out below), less non-recoverable property operating expenses, divided by the gross market value of the property.



(in %, 2012)

EPRA "TOPPED-UP" NET INITIAL YIELD

Ratio calculated by making an adjustment to EPRA Net Initial Yield in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent free periods and step rents).



(in %, 2012)

EPRA VACANCY RATE

Ratio 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).

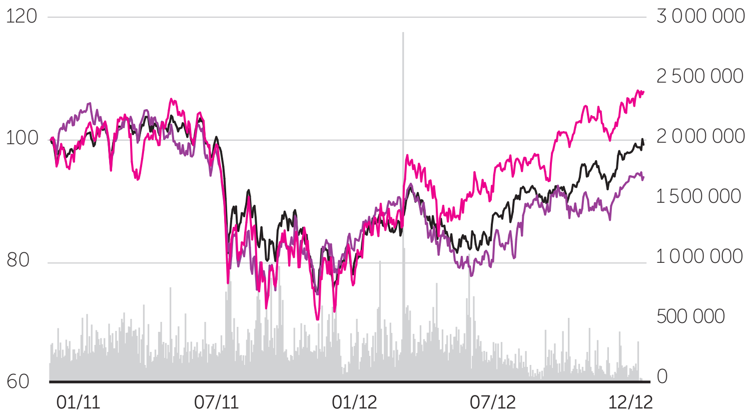
Not available, Klépierre publishes a financial occupancy rate that is not following the EPRA methodology.

For more information

on EPRA performance indicators, read pages 71 and following

Stock performance

KLEPIERRE SHARE PERFORMANCE OVER TWO YEARS



Source: Thomson Reuters, EPRA (base 100 at 01/01/2011).

STOCK INFORMATION

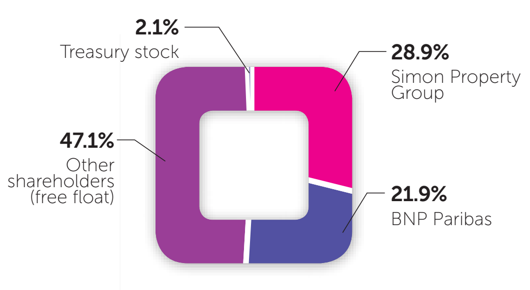
ISIN Code	FR0000121964
Mnemonic Code	LI
Market	Euronext Paris™ – Compartment A
Number of shares	199 470 340
Indexes	SBF80, SBF120, SBF250, EURONEXT 100, SIIC FRANCE, CAC AllShares, CAC Financials, CAC Real Estate, Next Prime, DJ STOXX 600, EPRA Euro Zone, GPR 250 Index
Sustainable development indexes	Dow Jones Sustainability Index World, FTSE4Good Index, ASPI Eurozone
Member of the following investment registers	Ethibel Excellence and Ethibel

	2005	2006	2007	2008	2009	2010	2011	2012
Closing price	25.71	46.37	34.01	17.50	28.39	27.00	22.04	**30.02**
Change year-on-year (%)	21.7%	80.4%	-26.6%	-48.6%	62.2%	-4.9%	-18.37%	**36.21%**
Change in CAC 40 index (%)	23.4%	17.5%	1.3%	-42.7%	22.3%	-3.3%	-16.95%	**15.23%**
Change in EPRA Euro Zone index (%)	23.5%	45.5%	-26.5%	-45.4%	34.4%	8.8%	-18.36%	**21.84%**

Source: Thomson Reuters.

Shareholder base

SHAREHOLDER BREAKDOWN



Klépierre's largest shareholders are Simon Property Group, world leader in the shopping center industry, and BNP Paribas, the number one bank in the Euro Zone. Half of the capital is free float, mainly held by institutional investors.

2013 FINANCIAL AGENDA

2012 Annual results	01/31/2013[2]
General meeting of shareholders	04/11/2013
Ex-dividend date[1]	04/15/2013
Record date[1]	04/17/2013
Dividend payment[1]	04/18/2013
2013 1st quarter revenues	04/24/2013[2]
2013 1st half results	07/22/2013[2]

(1) Submitted to a vote of the shareholders at their 04/11/2013 general meeting.
(2) Press release after stock market close.

For more information
on investors' relations and the dividend policy,
www.klepierre.com

DAVID SIMON, CHAIRMAN OF KLEPIERRE SUPERVISORY BOARD

"We have performed well in this environment and we will continue to focus on providing vibrant retail shopping experiences to our customers."

Almost one full year has passed since I became the President of the Supervisory Board. During relatively short time period we have experienced mixed global financial conditions which fluctuate more rapidly than ever before. We have performed well in this environment and we will continue to focus on providing vibrant retail shopping experiences to our customers.

Klépierre has delivered good operating and financial performance in 2012: rents were up 4.0% from the prior year, or 2.3% on a like-for-like basis; completed in excess of 700 million euros of asset disposals which resulted in a reduction in our Loan-to-Value ratio by 220 basis points; and we have proposed to increase the dividend from 1.45 euro per share to 1.50 euro per share.

We have executed on our strategy to improve our operations by focusing on our retail shopping centers. We unified our company's operations under the Klépierre brand and a new logo has reinvigorated the Klépierre brand while we say farewell to Ségécé. We have already made significant progress in disposing many of our office buildings; this will allow us to focus on our retail properties. Similarly, we have commenced a tender offer for the purchase of the minority interest in Klémurs that we do not own. This will provide us with flexibility to embark on various strategic alternatives with the commercial properties owned by Klémurs, including the disposition of its portfolio of properties.

Finally, I was pleased that Jean-Marc Jestin joined Klépierre's *Directoire* as our Chief Operating Officer. He joins our CEO Laurent Morel and Jean-Michel Gault our CFO and the team is working tirelessly to execute on our strategy of creating and operating the best retail shopping centers in order to enhance long-term shareholder value.

LAURENT MOREL, CHAIRMAN OF KLEPIERRE EXECUTIVE BOARD

"The performance of the shopping centers we inaugurated in 2012 exceeds our expectations, attesting to the wisdom of our investment choices and the relevance of our development strategy."

In 2012, the Klépierre Group achieved every single objective that it had set for itself. Total rents were up by 4.0% on a current portfolio basis and by 2.3% on a constant portfolio basis, in line with our forecasts. In addition, we have executed a dynamic asset disposal program and we are ahead of schedule at this time (1 billion euros worth of assets harvested by the end of 2013). Finally, we have also successfully refinanced our debt in the bond markets, which has not only strengthened our financial profile but has given us additional confidence as we look ahead.

SIMON PROPERTY GROUP, KLEPIERRE'S MAJOR SHAREHOLDER

The key highlight for 2012 is the arrival of the Simon Property Group – the world's leading retail property group – as Klépierre's major shareholder. It offers Klépierre an additional source of strength, as the Group's shareholder base is now solidified by two powerhouses, Simon Property Group and BNP Paribas. From an operational perspective, this alliance provides an unparalleled opportunity to strengthen Klépierre's teams know-how in the areas of customer acquisition and retention and, in so doing, further improve the customer experience in our shopping centers. The premier partner of America's top retailers, Simon Property Group also boosts our ability to import innovative leading concepts from the other side of the Atlantic and work collaboratively with major global retailers.

EMBLEMATIC INAUGURATIONS

Development was at the forefront in 2012 with an exceptional series of major openings that included St.Lazare Paris, of course, but also Emporia in Malmö, Sweden's third-largest city, and the extension-refurbishment of Claye-Souilly in the Greater Paris Area. These are three major achievements whose initial performances have exceeded expectations, attesting to the wisdom of our investment decisions, concentrated in the most dynamic regions of Europe, and the relevance of our strategy, based on development for our own account. The year 2013 will see further deliveries of new assets that will create significant value, such as the extensions at Bègles – Rives d'Arcins (in the Greater Bordeaux Area) and our new development on Jaude square in Clermont-Ferrand.

A NEW IDENTITY, CONVEYING A STRONG PROMISE

In geographic regions that show high potential, the premium shopping center continues to win rave reviews from both consumers and retailers. But while consumer needs and expectations remain high, economic realities have accentuated their price sensitivity. This is why our lease management and marketing teams constantly enhance the retail mix, striving for balance between retailers with value for money positioning, original concepts and high-end brands, in order to offer even more to consumers. This ongoing daily attention to the customer is reflected in our new brand identity, which places us squarely in the world of retail for the success of our brands and to appeal to consumers. We convey a promise that mobilizes all of the skills and knowledge of our employees, day after day, making constant improvements to the retail setting in order to create conditions that are conducive to a unique experience ("We make it better every day"). The Executive Board, strengthen with the arrival of a new Chief Operating Officer, support this renewed ambition to consolidate our position as the European leader in the shopping center segment.

THE EXECUTIVE BOARD

The Executive Board is responsible for managing Klépierre's operations, assisted by the Executive Committee expertise and experience.

LAURENT MOREL
Chairman of the Executive Board

Laurent Morel has served as Chairman of the Klépierre Executive Board since January 1, 2009, and has been a member of the Executive Board since June 2005, the year he joined the Group to lead its Shopping Center Division. Since then, his focus has been on strengthening Klépierre's shopping center development and management businesses as well as the Group's expansion in Europe. Previously, Laurent Morel held a number of executive leadership positions, mainly in the commercial facilities financing business. After beginning his career with Compagnie Bancaire, Laurent Morel took part in the 1989 founding of the Arval group, where he was head of international business development and then Chief Financial Officer. In 1999, he became the first CEO of the newly created Artegy, a subsidiary of BNP Paribas specializing in industrial vehicle leasing. He was in charge of business development in France and the United Kingdom.

51 years old – Engineering degree from the École centrale de Paris.

JEAN-MICHEL GAULT
Deputy CEO
Member of the Executive Board

Jean-Michel Gault has served as Deputy CEO of Klépierre in charge of Finance and the Office Property Division since January 1st, 2009. He has been a Member of the Executive Board since June 1st, 2005. Jean-Michel Gault joined Klépierre in 1998 as Chief Financial Officer, after a 10 years career in the Paribas Group. He notably supervised Klépierre merger with Compagnie Foncière for which he was acting as Chief Financial Officer within the real estate investment division of Paribas. Previously, he was Head of Financial Services and then appointed Chief Financial Officer at Cogedim, a Paribas subsidiary at that time. Jean-Michel Gault began his career with GTM International (Vinci group) as a financial controller.

53 years old – A graduate of the École supérieure de commerce de Bordeaux.

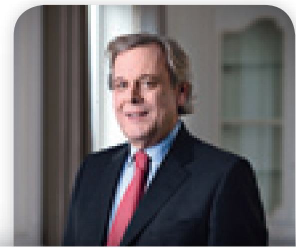
JEAN-MARC JESTIN
Chief Operating Officer
Member of the Executive Board

Jean-Marc Jestin has served as Chief Operating Officer and is Member of the Klépierre Executive Board since October 18, 2012. Previously, Jean-Marc Jestin held a number of positions in real estate companies. He was CFO and then COO of the pan-European platform Simon Ivanhoe from 1999 to 2007. He then changed to Unibail Rodamco International team, acting as Deputy Chief Investment Officer in charge of acquisitions, sales and M&A transactions. Jean-Marc Jestin started his career in 1991 at Arthur Andersen in an Audit function where he contributed to the development of the Real Estate Practice.

45 years old – A graduate of HEC.

THE EXECUTIVE COMMITTEE

This Committee, that gathers the members of the Executive Board and the 7 main executives of the Company, takes part in developing strategy. It meets at least weekly.

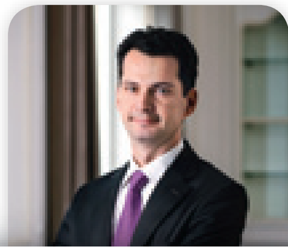


ÉRIC DEGOUY
Chief Property Management Officer – Member of the Executive Committee since April 1, 2008

After joining Ségécé in 1976 as a Shopping center Manager, Éric Degouy was appointed Program Manager and then Head of Operations and Deputy General Manager in charge of France. Since January 2005, he has served as Chief Property Management Officer for the Group in Europe.
61 years old – A graduate of the IUT de Paris.

BERNARD DESLANDES
Chief Development Officer – Member of the Executive Committee since April 1, 2008

Bernard Deslandes joined Ségécé in 1992 and held a number of program management positions before he was appointed Chief International Development Officer in 1998. In August 2007, he became Chief Development Officer for the Group.
52 years old – A post-graduate degree in urban planning from the Université Bordeaux III.



FRÉDÉRIC DE KLOPSTEIN
Chief Investment Officer – Member of the Executive Committee since April 1, 2008

After working for L'Oréal where, as Management control officer, he took part in setting up the Czech subsidiary, Frédéric de Klopstein joined the Financial Management Division of Paribas in 1996 as a Special projects manager. In 2000, he joined Klépierre and began managing the Company's external growth projects (Carrefour, Finiper, Central Europe, etc.). Since September 2006, he has been the Group's Chief Investment Officer.
42 years old – A graduate of HEC.

MARIE-THÉRÈSE DIMASI
Chief Legal and Human Resources Officer – Member of the Executive Committee since April 1, 2008

After being Head of Legal of a public authority, Marie-Thérèse Dimasi joined a real estate affiliate of the Caisse des Dépôts group. As the group's Chief Legal Counsel, she spearheaded several transactions in France and abroad before joining Klépierre in 2001 as Chief Corporate Legal Officer. She was later appointed Chief Corporate Officer for the Group and, in June 2011, her role was expanded to include responsibility for Group Human Resources.
51 years old – A post-graduate degree in international business law and an MBA from HEC.

SANDRINE QUESNEL
Chief Communication and Marketing Officer – Member of the Executive Committee since February 1, 2012

After spending the first ten years of her career with a communications agency, where her focus was on major mass retail accounts, Sandrine Quesnel joined GrandVision in 1998 as Head of communications. In 2003, she was asked to manage the marketing strategy for the GrandVision central purchasing unit on behalf of various brands, and in 2007 became a GrandOptical executive and Head of the group's marketing-communications department. She is currently Chief Communication and Marketing Officer for the Klépierre Group.
48 years old – A graduate of the Institut d'études politiques de Paris.

GONTRAN THÜRING
Chief Leasing Officer – Member of the Executive Committee since January 1, 2012

Gontran Thüring began his career with French Trade Commission in New York, and then joined the Bernard Krief group as a consultant. He then took part in the introduction of the Usines Center mall factory outlet concept in France before joining Ségécé in 1988, where he held a number of different positions in the areas of development, marketing and sales. In January 2012, he was appointed Chief Leasing Officer for the Group.
54 years old – A graduate of the ESCP Europe and the Institut d'études politiques de Paris, he also has a law degree from Université Paris 13 and an MBA from Georgia State University.

BRUNO VALENTIN
Chief Accounting, Management Reporting and IT Systems Officer – Member of the Executive Committee since April 1, 2008

Bruno Valentin began his career as an auditor with Conseils Associés before joining the Banking and Real Estate Division of Ernst & Young Audit. He began working for Klépierre in 2004 as Head of the Corporate Accounting Department. In August 2006, his role was expanded to include Management Reporting, and since July 2010 he has supervised Information Systems and Ongoing Control as well and finally Rental Management.
47 years old – A post-graduate degree in finance from the Université Paris-Dauphine, CPA.

THE SUPERVISORY BOARD

The role of the Supervisory Board is to oversee the management of the Company by its Executive Board which report to the Supervisory Board on strategy and business on a quarterly basis. In order to accomplish its mission and ensure that the shareholders' interests are protected the Supervisory Board relies on the works of 4 special-purpose committees: the Investment Committee, the Audit Committee, the Selection and Compensation Committee and the Sustainable Development Committee.

15 – NUMBER OF MEETINGS IN 2012

91.41 % – ATTENDANCE RATE

DAVID SIMON
Chairman of the Supervisory Board

First appointed:
March 14, 2012

David Simon is Chairman of the Board and Chief Executive Officer of Indianapolis-based Simon Property Group, Inc. He joined the organization in 1990. In 1993 he led the efforts to take Simon Property Group public. He became CEO in 1995. Before joining the organization, he was a Vice President of Wasserstein Perella & Co., a Wall Street firm specializing in mergers and acquisitions and leveraged buyouts. He is a member and former Chairman of the National Association of Real Estate Investment Trusts (NAREIT) Board of Governors and is a former trustee of the International Council of Shopping Centers (ICSC).
52 years old – B.S. degree from Indiana University and MBA from Columbia University's Graduate School of Business – American nationality.

VIVIEN LÉVY-GARBOUA
Vice Chairman of the Supervisory Board

First appointed:
April 12, 2000

Vivien Lévy-Garboua began his professional career in the Research Department at the Banque de France, and then joined BNP Paribas in 1980. He occupied a number of different executive positions before being appointed Senior Adviser in September 2008.
66 years old – Graduate of the École polytechnique and engineer from the corps des Mines, he also has a PhD in economics from Harvard University – French nationality.

DOMINIQUE AUBERNON
Member of the Supervisory Board

First appointed:
March 31, 2010

Dominique Aubernon held a number of different positions within BNP Paribas, particularly in the areas of fixed income and structured finance, before being appointed in March 2008 to serve on the Strategic Board, in charge of defining and implementing the financial policy of BNP Paribas.
57 years old – Post-graduate degree in financial management and diploma in corporate management and business strategy from the Université Paris-Dauphine – French nationality.

BERTRAND DE FEYDEAU[1]
Member of the Supervisory Board

First appointed:
July 21, 1998

Bertrand de Feydeau has held and continues to hold a number of positions in companies whose focus is real estate. Currently the Chairman of Foncière Développement Logements, he is also Chairman of both the Fondation Palladio and the Fondation des Bernardins.
65 years old – Master of law degree and graduate of Institut d'études politiques de Paris – French nationality.

STEVEN FIVEL
Member of the Supervisory Board

First appointed:
March 14, 2012

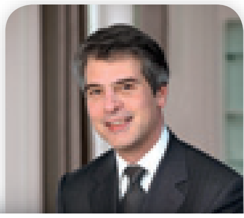
Steven Fivel began its career as Deputy Attorney General at the Office of the Attorney General of the State of Indiana. In 1988 he handled shopping center finance transactions, real estate development and re-development transactions, joint ventures and corporate transaction as an Attorney. In 1997, he joined Bright-Point and occupied the functions of Executive Vice President, General Counsel and Secretary. On March 2011 he joined Simon Property Group as Assistant General Counsel and Assistant Secretary where he is in charge of Development Legal Department, Operations Legal Department and Tax Department. Since March 14, 2012, he is also Chairman of the Supervisory Board of Klémurs.
52 years old – B.S. degree from Indiana University and J.D. from The John Marshall Law School of Chicago – American nationality.

(1) Independent Director.

BERTRAND JACQUILLAT[1]
Member of the Supervisory Board

First appointed:
April 12, 2001

Chairman and CEO of Associés en Finance and the Cercle des Économistes, and professor at Sciences-Po (Institut d'études politiques de Paris), Bertrand Jacquillat has published several books and over a hundred articles, many of them in peer reviewed scientific journals.
69 years old – Graduate of HEC, Sciences-Po (Institut d'études politiques de Paris), Harvard MBA, a doctorate in economics and financial management from the Paris-Dauphine University, and a law degree – French nationality.



FRANÇOIS KAYAT
Member of the Supervisory Board

First appointed:
March 14, 2012

After having begun its carreer at Kleinwort Benson, François Kayat joins Credit Suisse First Boston and became Managing Director, Co-head of French Investment Banking then Chairman Mergers & Acquisitions Europe.
From 2006 to 2009 he was World Head of Mergers & Acquisitions and Investment Banking at Calyon. Since 2010 he is Associate and Managing Partner at Lazard Frères. François Kayat is also member of the Supervisory Board of Klémurs since March 14, 2012.
51 years old – Graduate of ESCP Europe – French nationality.

CATHERINE SIMONI[1]
Member of the Supervisory Board

First appointed:
December 20, 2012

Catherine Simoni joined Carlyle Group 12 years ago in Real-Estate. Catherine Simoni was previously a Director at SARI Development, the development division of Nexity, where she was responsible for implementing business plans on several major French office developments, including leasing and sale of such developments. Prior to SARI Development, Catherine was a Manager at Robert & Finestate, a subsidiary of J.E. Robert Company, where she worked on transactions in real estate and real estate-backed loan portfolios in France, Spain, Belgium and Italy.
49 years-old – Engineering degree from University of Nice, France – French nationality.

ROSE-MARIE VAN LERBERGHE[1]
Member of the Supervisory Board

First appointed:
April 12, 2012

Rose-Marie Van Lerberghe began her career as an Inspector at IGAS (General Inspectorate, Social Affairs) and then became Assistant Director for the defense and promotion of jobs at the French Labor Ministry. In 1986 she joined the Danone Group, where she was General Director of Human Resources, notably. In 1996 she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. Then she became Executive Director of APHP (Public Assistance – Hospitals of Paris). From 2006 to 2011 she was Chairman of the Executive Board of Korian.
66 years old – Graduate of ENA, of Sciences-Po (Institut d'études politiques de Paris) and of École normale supérieure, graduate teaching in philosophy and under-graduate degree in history – French nationality.

For more information

on the role of the Supervisory Board and the work of the special-purpose committees, read the report of the Chairman of the Supervisory Board (pages 248 and following)

A robust model and continuously improving financial profile

Klépierre's business is built on a robust model that has consistently demonstrated its value over the years. Shopping centers, which now account for 94.0%[1] of its business, provide revenues that are both recurring and secured and offer attractive yields. With growth in rents of 4.9% in 2012 on a current portfolio basis, an occupancy rate of 96.5% and the successful opening of three major shopping centers (St.Lazare in Paris, Emporia in Malmö and the Claye-Souilly extension), the year 2012 attests yet again to the resilience of Klépierre's retail partners, profitable and still in search of new spaces despite the crisis. The quality of its property portfolio, valued at 16.4 billion euros at year-end 2012, also offers Klépierre upside reversion potential on its rents mainly materialized when leases are renewed.

OPTIMIZING THE FINANCIAL STRUCTURE

Klépierre's objective consists in enhancing its financial profile to bring it to the same quality level than the best operators in the world: this translated into a more moderate use of leverage, notably. In 2012, Klépierre demonstrated its capacity to achieve this goal and thereby created the conditions conducive to improving its medium-term rating (BBB+, stable outlook). The Group has embarked on an active strategy aimed at lowering its debt by selling off mature assets in order to improve both the quality and consistency of its property portfolio. With 698 million euros worth of asset sales in 2012 (68% of them shopping centers in France), the Group is in fact ahead of its stated goal of divesting of 1 billion euros worth of assets in 2012-2013. Through the payment of a scrip dividend and asset sales proceeds, the Group was able to reduce its Loan-to-Value (LTV) to 43.6% i.e. by 220 basis points, a performance that exceeds the objective stated in the beginning of 2012 (-200 basis points). Klépierre is on track to meet its 40% LTV ratio objective over the medium term *(see inset)*.

DIVERSIFICATION OF FINANCING SOURCES

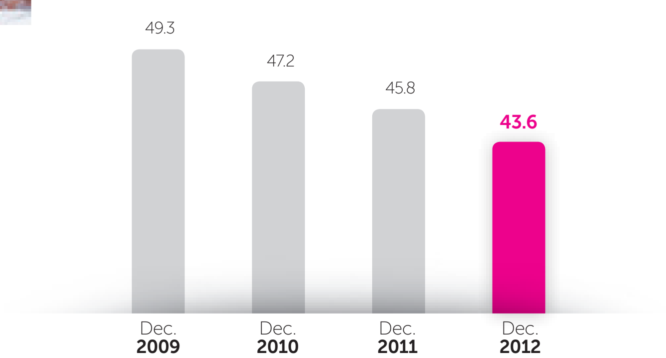
While financing remains a significant challenge for some businesses, Klépierre confirmed in 2012 its good access to the debt markets. Increasing its level of liquidity, lowering the cost of its debt, ensuring a broader independence of financing were the main objectives pursued. These were ambitious targets after facing a challenging environment in 2011 – volatile financial markets, tensions in the sovereign debt market, shareholder uncertainty. When 2012 brought clear signs of improvement, Klépierre was able to take advantage of better borrowing conditions and the positive impact of the arrival of the Simon Property Group as a shareholder. In all, the Group successfully raised one billion euros in the bond markets at attractive rates and long maturities. In addition, its liquidity reserve now totals 2 billion euros and its financing needs are mostly covered until 2015. The duration of its debt is now 5.6 years (an increase of 0.7 year since the end of 2011), while the cost its debt

1 Grand Vitrolles.
2 Le Millénaire.
3 Place d'Armes.
4 Val d'Europe.

went down to 3.95% in 2012 (-22 basis points compared with 2011). These operations confirm Klépierre's access to debt financing and enable the Group to diversify its sources of debt in favor of the debt capital markets, which now represent more than 50% of total debt (compared with 35% at the end of 2011). By reducing its proportion of bank financing, Klépierre gives itself greater latitude to return to this source of financing should the need arise.

(1) 94% of the Group's consolidated rents.

FURTHER REDUCTION IN LTV
(in %)



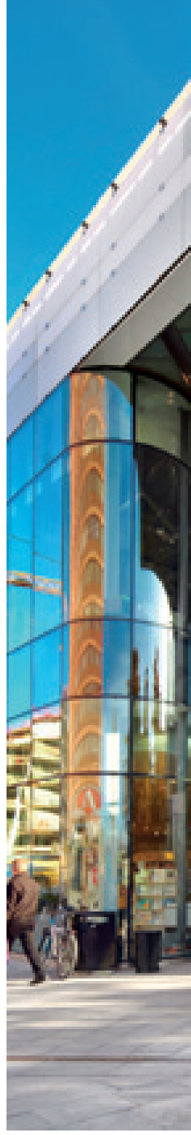
For more information

read the "Financial policy"/Business for the year/ Financial report section (pages 73 and following)

RETAIL IS IN OUR DNA

Klépierre's dual affiliation, to the worlds of real estate and retail, make the Group a top-ranking player in the European retail real estate market. This position has been gradually reinforced in the past decade through a series of acquisitions and major developments.

1



A pure player in shopping centers

TODAY, KLEPIERRE RANKS AMONG THE MOST IMPORTANT PURE PLAYERS IN THE EUROPEAN SHOPPING CENTER PROPERTY MARKET. SHOPPING CENTERS NOW PROVIDE 94% OF ITS REVENUES.

1 St.Lazare Paris.
2 Sollentuna Centrum.
3 Le Millénaire.
4 Odysseum.

The year 2012 marked the acceleration of Klépierre's planned divestment from a historical segment, the office property market, in order to focus on shopping center properties. Offering recurrent and secure revenues, this segment has consistently demonstrated its ability to weather economic down cycles. In 2012, the Group further pursued its strategy of improving the quality and consistency of its portfolio via an ambitious disposal program targeting 698 million euros worth of assets, mainly offices and small shopping centers. With real estate holdings valued at 16.4 billion euros, 98.0% in retail properties, Klépierre demonstrates more than ever that it ranks among the key pure players in European retail real estate.

PARTNER OF CHOICE FOR LEADING RETAILERS

A veritable platform whose reach spans Europe, with a presence in 13 countries on the European continent and 1.5 billion visitors flocking to its centers each year, the Group offers unique development leverage to winning retailers. Klépierre has become a partner of choice for Europe's leading retailers, sharing with them a long-term vision and the capacity to innovate: Inditex (Zara, Bershka, Mango, Stradivarius, etc.) and McDonald's, not to mention Sweden's mega ready-to-wear specialist H&M and the French-based Sephora, two players for which Klépierre has become the top lessor over the years. For these dynamic and constantly evolving retailers, the Group is able to offer new space in the centers it is developing or extending. Its pan-European reach also enables the Group to identify innovative concepts that could benefit from broader deployment – a win-win cross-fertilization process.

By creating a unique global offer in the shopping center industry, the arrival of the Simon Property Group as a shareholder has definitely expanded its horizons. This transatlantic alliance is not only a remarkable opportunity to share expertise, it also offers retailers unrivaled capacity for attraction.

Located in Europe's most dynamic regions

80% OF KLEPIERRE'S SHOPPING CENTERS ARE LOCATED IN THE MOST PROMISING RETAIL CATCHMENT AREAS, REPRESENTING A MARKET OF 80 MILLION CONSUMERS.

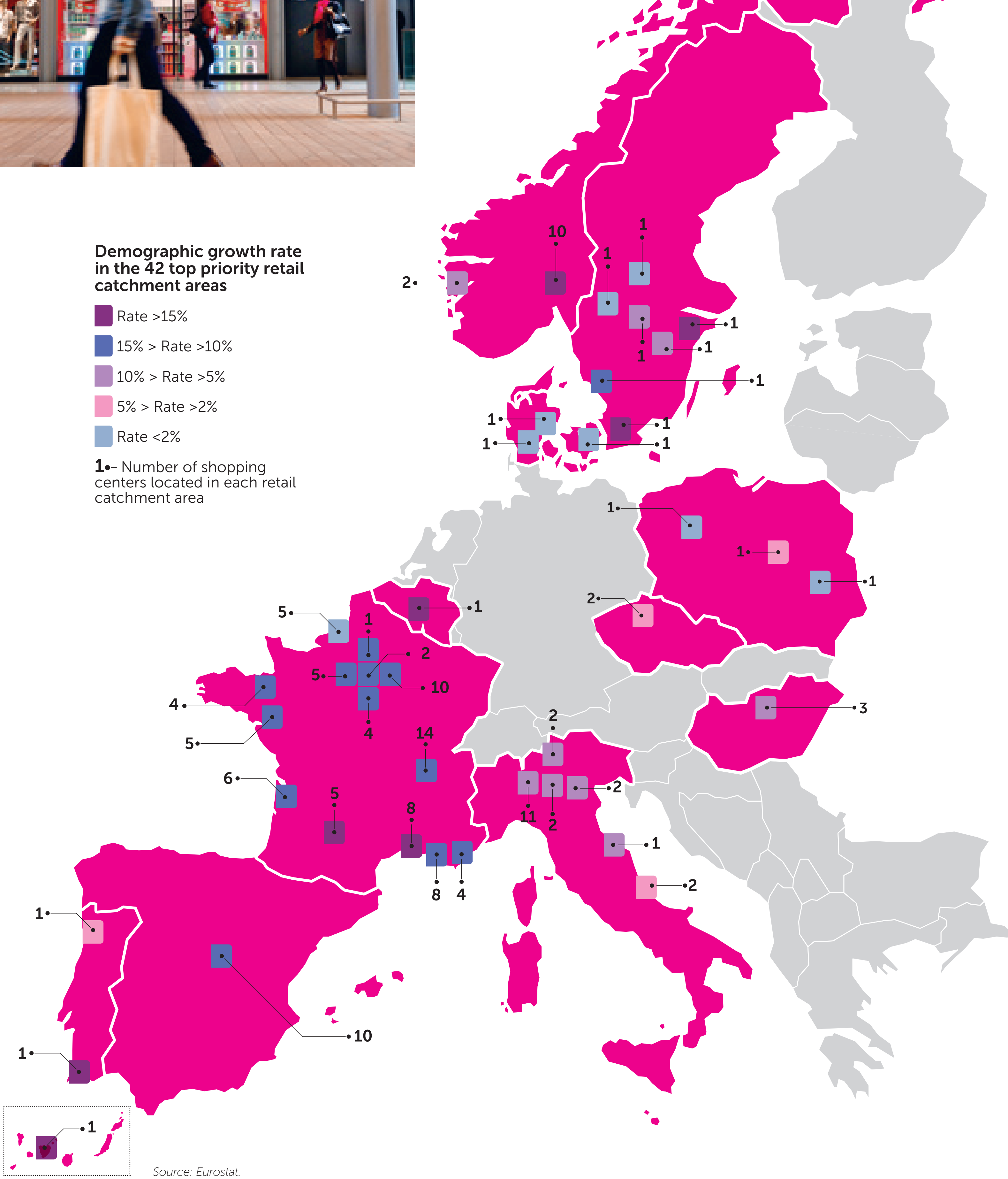
Klépierre has identified 42 top priority retail catchment areas in continental Europe based on a specific set of criteria (demographic growth, GDP, purchasing power, etc.). 80% of the Group's revenues are generated by these regions, which show the greatest potential for consumer spending. Most of them are located in France, Scandinavia and Northern Italy. In the most densely populated and dynamic of these regions, most of the assets owned by the Group assets are vital retail elements – i.e., they dominate their catchment area and are the most sought-after locations by the biggest retailers – and local convenience shopping malls, leading to the emergence of full-fledged retail clusters with regional appeal. In all, Klépierre opens up access to 80 million consumers for its retail partners.

FRANCE: FOCUS ON THE SOUTH AND TO THE WEST OF PARIS

In France, where the population is expected to reach 71 million by 2040, Klépierre is the number one operator of shopping centers based on the number of facilities and stores. The Group's strategy in France is centered on around ten priority catchments: the Greater Paris Area, particularly the east; the major metropolises (Rouen, Rennes, Nantes, Lyon, Marseille and Nice); and the South and West of France, in particular the areas in and around the cities of Bordeaux, Montpellier and Toulouse. Thanks to the sustained presence and development of the aerospace industry in and around the Greater Toulouse hub, ten-year industrial planning projections predict growth in both jobs and demographics.

SCANDINAVIA AND NORTHERN ITALY: PROVEN COMMERCIAL POTENTIAL

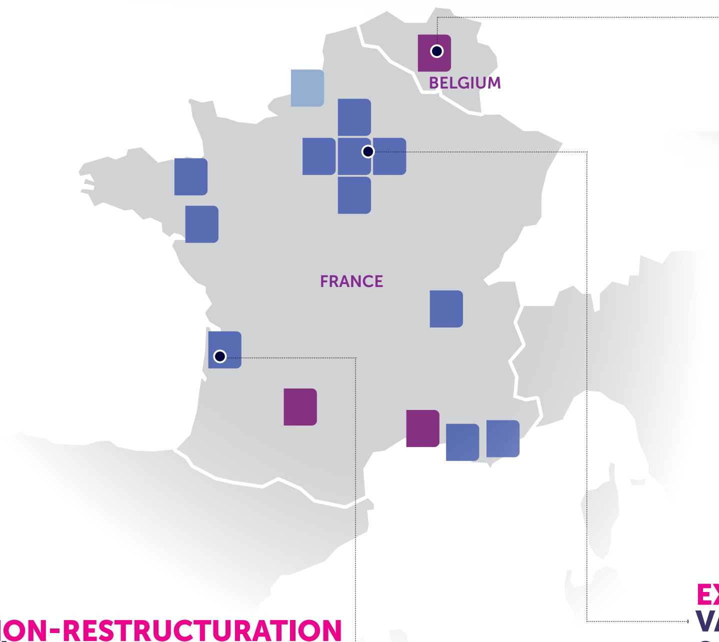
With 12 priority retail catchment areas, the three Scandinavian countries represent a second sector of predilection for the Group. The outlook – economic as well as demographic – remain attractive in this region, particularly in Sweden, on the country's west coast and in the area surrounding the city of Stockholm. The Swedish capital, in addition to being home for 40% of the country's population, benefits from a commercial potential estimated to be an additional 3.4 billion euros in ten years. As for Northern Italy, its most densely populated areas contain 6 of these dynamic priority retail catchment basins. Both the Veneto region and the Greater Milan Area, with revenues that are 20% above the national average, high-quality infrastructures and a strong draw for tourists, are focal points for the Group.



Source: Eurostat.

A 2.7 billion euro development pipeline

SELECTIVE INVESTMENTS CONCENTRATED ON PROJECTS WITH GOOD VISIBILITY AND STRONG COMMERCIAL PROSPECTS, LOCATED IN AREAS THAT OFFER HIGH GROWTH POTENTIAL.



EXTENSION
L'ESPLANADE
Bruxelles Greater Area
Opening: 2016-2017
Total investment planned: €130 M

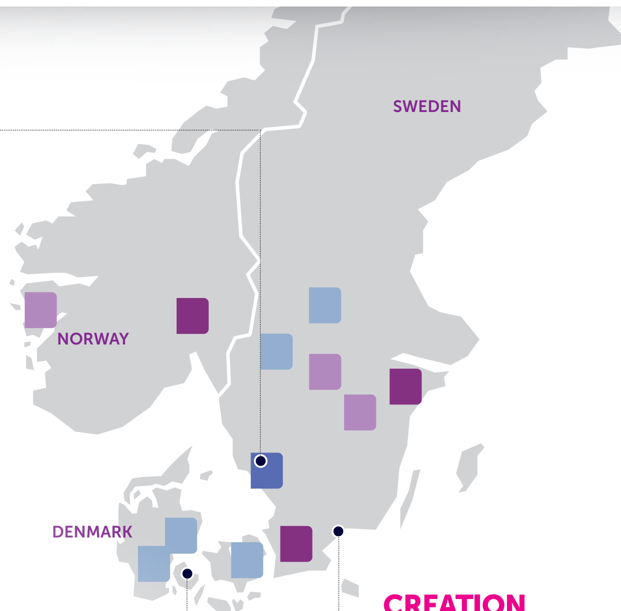
EXTENSION-RESTRUCTURATION
BÈGLES – RIVES D'ARCINS
Greater Bordeaux Area
Opening: May 2013
Total investment planned: €68 M

EXTENSION
VAL D'EUROPE
Greater Paris Area
Opening: 3rd quarter of 2016
Total investment planned: €94 M

Klépierre's location strategy is proactive and is based on the ongoing reallocation of its investments in regions where growth is the most dynamic. The Greenfield creations – most often associated with a sweeping urban renovation plan or located within a zone in flux, such as a train station – represent 45% of all projects, while projects involving the extension-refurbishment of existing facilities constitute the other key component in Klépierre's development pipeline.

ENHANCING THE VALUE OF REGIONAL CLUSTERS

Decided on the basis of several criteria (the economic performance of the retailers, demographic growth potential, purchasing power, transport infrastructure and urban setting, etc.), extensions-refurbishments enhance the value of regional clusters whose commercial viability has long ago been demonstrated. The Group's development pipeline extending out to 2017 is valued at 2.7 billion euros, of which 1.7 billion euros entails committed or controlled projects – i.e., projects whose development is in Klépierre's hands. The openings scheduled over the medium term illustrate the Group's strategy: the extension underway at the Bègles – Rives d'Arcins center on the dynamic Atlantic façade (scheduled to open in April 2013), the Val d'Europe extension to the east of Paris, and the extension of L'esplanade in Belgium (around 2016) are three examples. The creation of the Viva shopping center in Odense (at year-end 2015), a genuine city within the city located in Denmark's third-largest metropolitan area, also ranks among the flagship medium-term development programs.



EXTENSION-RESTRUCTURATION
ALLUM
Göteborg Greater Area
Opening: 2015
Total investment planned: €58 M

CREATION
VIVA
Odense
Opening: 4th quarter of 2015
Total investment planned: €228 M

CREATION
KRISTIANSTAD
Kristianstad
Opening: 4th quarter of 2014
Total investment planned: €128 M

For more information
read the "Development Pipeline"/Business for the year/Financial Report section (page 61)

Experts in the creation of premium shopping centers

A DECADE OF MAJOR ACHIEVEMENTS AND 1,5 BILLION VISITORS A YEAR, ATTESTING TO THE EXPERTISE OF THE BUILDER COUPLED WITH THE TALENT OF THE MANAGER.

Klépierre is one of the only players in its field that masters the entire shopping center creation chain, from selecting the location to building the facility to managing it once it opens. Klépierre shares this expertise with its Scandinavian subsidiary Steen & Strøm, in which it gained a controlling interest in 2008. A full-fledged developer, the Group has, over the years, built up a portfolio of highly diversified assets that are both high quality and high performing. In addition to offering full control over these projects, this development strategy ensures a cost price that is more competitive than the cost of acquiring existing sites and ultimately ensures that the assets are more profitable. For each asset, a medium-term strategic plan is devised, expressing a five-year vision for the shopping center from an architectural, marketing and commercial perspective that is used to aid in the decision-making process (sale, extension-refurbishment, work on the retail mix) that ensures that the portfolio delivers optimized value.

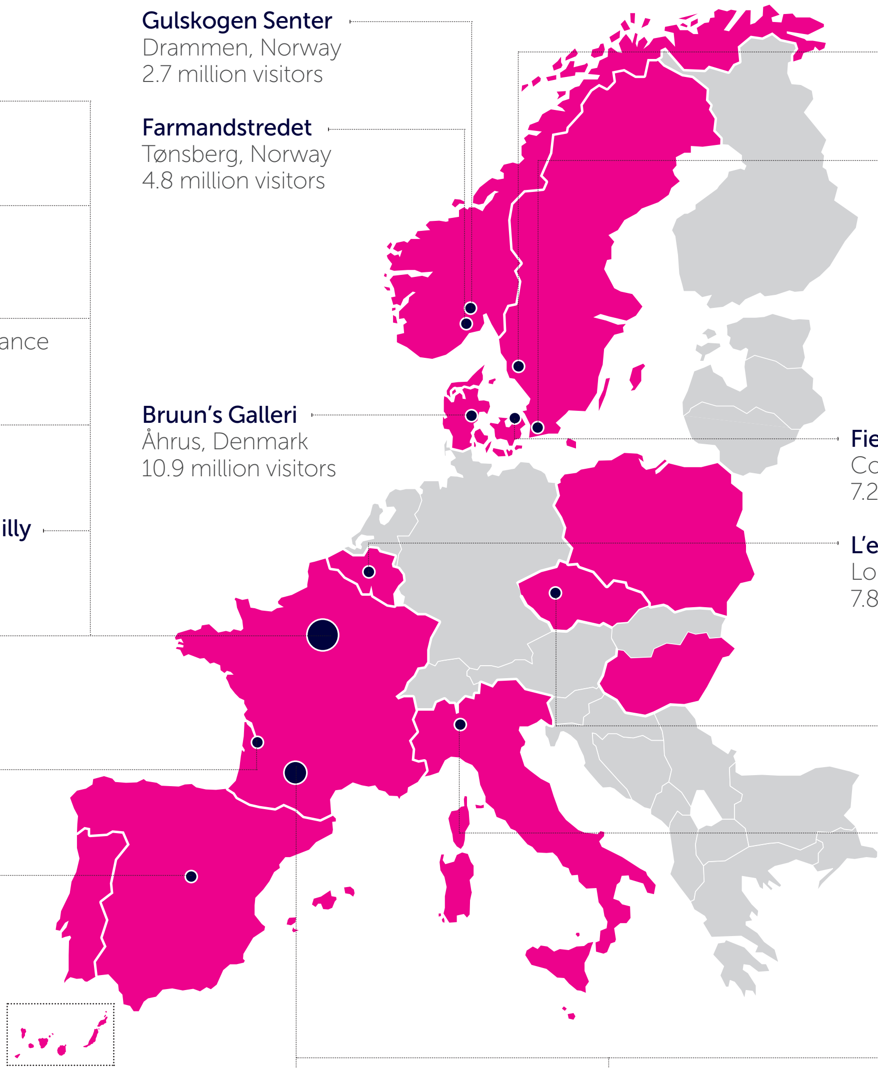
A PORTFOLIO WITH 68 PREMIUM CENTERS

This expertise, whether applied to creations, extensions or refurbishments of existing retail facilities, is the source of the Group's string of successes. Today, Klépierre's portfolio includes 68 premium centers, which together account for more than two-thirds of the total value of its shopping center holdings. For the last twelve years or so, the Group has achieved a string of successes that reflect its expertise, such as the Val d'Europe center that opened in the year 2000 near Disneyland® Resort Paris. With its unique architecture, a full range of services and a retail mix that has been constantly upgraded, Val d'Europe has become one of the top five retail hubs in France in just ten years, attracting 16 million visitors a year. Other successes worth mentioning include Nový Smíchov in Prague (2001), Les Passages de l'Hôtel de Ville in Boulogne-Billancourt (2001), L'esplanade in Belgium (2005), Odysseum in Montpellier (2009), Le Millénaire in the north of Paris (2011). These centers, entirely developed by Klépierre, all of which rank among the top 20 Group assets, have already been joined by three successful launches in 2012: the spectacular Emporia in Malmö, Sweden – which attests to the arrival of a new generation of shopping centers, which combine emblematic architecture and a retail mix specially designed for the space, the super-performer St.Lazare Paris, in the heart of the second train busiest station in Europe, as well as Les Sentiers de Claye-Souilly in the Greater Paris Area, a high value added extension-refurbishment that gives the site, metamorphosed, a strong identity and new positioning.

Val d'Europe, opened in 2000, ranks among the top 5 French malls in terms of sales.

Emporia, the Group lastest greenfield development, is located 6 minutes from downtown Malmö and 10 minutes from Copenhagen airport.

TOP 20[1]



Arcades
Noisy-le-Grand, France
17.0 million visitors

Créteil Soleil
Créteil, France
18.0 million visitors

Val d'Europe
Marne-la-Vallée – Serris, France
15.9 million visitors

St.Lazare Paris
Paris, France
Opened in March 2012

Les Sentiers de Claye-Souilly
Claye-Souilly, France
6.0 million visitors

Villiers-en-Bière
France
5.6 million visitors

Rives d'Arcins
Bègles, France
4.7 million visitors

La Gavia
Vallecas (Madrid), Spain
11.6 million visitors

Gulskogen Senter
Drammen, Norway
2.7 million visitors

Farmandstredet
Tønsberg, Norway
4.8 million visitors

Bruun's Galleri
Åhrus, Denmark
10.9 million visitors

Allum
Göteborg, Sweden
5.6 million visitors

Emporia
Malmö, Sweden
Opened in October 2012

Field's
Copenhague, Denmark
7.2 million visitors

L'esplanade
Louvain-la-Neuve, Belgium
7.8 million visitors

Nový Smíchov
Prague, Czech Republic
19.8 million visitors

Milanofiori
Assago (Milan), Italy
5.0 million visitors

Blagnac
Toulouse, France
7.4 million visitors

Saint-Orens
Toulouse, France
4.6 million visitors

Grand Portet
Portet-sur-Garonne, France
6.0 million visitors

(1) Ranking based on appraisal value.


MICHEL
Desigual

WE MAKE IT BETTER EVERY DAY

A new logo: “K”, which is Klépierre’s initial, is more than ever the signature of a brand that is creative, constructive and connected to the times as well as to its retail partners and its customers. This letter conveys the promise to constantly do more, day in and day out, to promote the retail business of tomorrow.

Preferred partner of retailers

Over the years, Klépierre has managed to forge trust-based relationships with leading brands which – because they have understood consumer needs – rank among the most attractive and highest-performing retailers in the world. This is one of the key drivers of the success of the Group, which continues to turn in solid performances in a weak economy.

Though consumers have changed, their desire to consume remains basically intact. Genuinely restorative, moments spent shopping are experienced by consumers as moments of pleasure that enable them to reassert their identity amid the ongoing quest for reinvention. Klépierre understands this evolution, and so do the retail brands the Group supports, many of which now fully embrace the seasonal nature of fashion and its increasingly rapid pace of change, as they seek to win over customers for whom the quest for novelty is constant. Veritable sources of vitality for shopping centers, these brands – with names like H&M, Zara (Inditex), McDonald's and Sephora, whose first collaboration with the Group dates back to the creation of the Belle Épine center in 1971! In 2012, this powerhouse in the field of cosmetics (53 stores in the Klépierre portfolio) set its sights for Scandinavia, opening its first two shopping center locations there (at Field's in Denmark and at Emporia in Sweden). Thanks to its close relationships with these retailers, Klépierre is able to accompany them across Europe. Klépierre has in fact become one of the primary partners of H&M and Inditex (Zara, Bershka, Pull & Bear, Stradivarius, etc.), two heavy hitters in retail ready-to-wear that continue to open new points of sale at a rapid clip. These leaders are constantly trying on new concepts and take advantage of Klépierre's European reach to roll them out. For example the Field's center in Copenhagen, which already counts Monki – an H&M's concept for younger buyers – among its retail tenants, is opening the first H&M Home store in Denmark.

A SPRINGBOARD FOR NEW GENERATION CONCEPTS

Alongside these retail champions, brands consumers know and love, Klépierre also introduces patrons of its shopping centers to a new generation of concepts whose positioning – excellent value for money, style – responds to their new expectations. The current economic context, and its tensions, is pushing consumers

We make it better every day

Hema: a breath of fresh air for shopping centers

A variety store that offers a broad range of products at affordable prices, the Dutch retailer Hema quickly made it onto Klépierre's radar screen. Its first store in one of the Group's shopping centers, at L'esplanade (Louvain-la-Neuve, Belgium), opened in 2005. In light of its success, Klépierre helped Hema establish operations in France with a dedicated space at Créteil Soleil in 2009, followed by the Place d'Armes center (Valenciennes) in 2010. Recently the Group stepped up the expansion of Hema in France, offering space within Klépierre centers and malls: Le Millénaire in 2011 and St.Lazare Paris in 2012. Today, Hema operates 6 stores in Klépierre shopping centers.

1 St.Lazare Paris.
2 Montebello.
3 Meridiano.
4 Les Sentiers de Claye-Souilly.

to think about their needs and combine the pleasure of shopping with purchasing power. Whether the retailer is the Dutch drugstore Hema, the Spanish shoe store Marypaz, the Irish ready-to-wear specialist Primark or the low cost cosmetic store Kiko, all these newcomers have successfully located within the Group's holdings. Klépierre has been instrumental in boosting Kiko's development in France, after identifying the retailer as a success story in its Italian shopping centers. The retailer now has ten or so points of sale in French shopping centers. Since its first location at L'esplanade, in 2005, Hema has also been able to capitalize on the springboard provided by Klépierre *(read inset)*.

Connecting consumers and brands

Klépierre makes unique locations available to its retail partners, special places where a broad customer base can be captured at the source. The world of retail now comes to customers and is constantly enhanced by the arrival of new concepts that give a powerful boost to other brands.

To attract increasingly sophisticated customers, who do not hesitate to compare retailers, through virtual or in-store visits or a combination of the two, retail brands need to build their proximity with consumers, capturing them at the source. By proposing retail space within the most densely populated catchment areas, in shopping centers that receive thousands of visitors every day, accessible and hyper-connected, Klépierre offers retail partners a fantastic opportunity to raise their visibility.

CATALYST FOR ENCOUNTERS BETWEEN BRANDS AND CONSUMERS

For Klépierre, retail business must go out in search of consumers and not the other way around. The shopping center ceases to be relegated to the margins and instead is an integral part of its urban setting. In Denmark, Bruun's Galleri is in fact a natural extension of the train station. A lively and bustling place in the heart of the city, the center capitalizes on the daily passage of 40 000 commuters. The 450 000 people who transit through the Saint-Lazare station in Paris are also a captive mobile audience ready to transform their obligatory commute into useful time, to the great satisfaction of retailers. The retailers at the St.Lazare Paris center are reporting record sales revenue with, for the top performers, yields of more than 40 000 euros per square meter.

A RETAIL MIX THAT'S A POWERFUL COCKTAIL

Refined and adapted constantly by the Group's rental management teams, which sometimes means an extension, the retail mix of a shopping center is never left to chance. Klépierre is constantly adapting its mix in response to consumer demand and the expansion dynamic of its retail tenants, by offering the latter space that is best suited to their needs. Because consumer habits vary from one region to the next, the positioning of each center is highly specific. In the region surrounding Bordeaux, for example, the Mérignac Soleil center located in a residential area caters primarily to families, while Rives d'Arcins, on the banks of the Garonne and more outlying, offers a mix that corresponds to its pioneer spirit. The same logic is at work at Milanofiori, in Italy, where the retail mix has evolved to appeal to the cohort of 20-30 years old rather than families. Alongside the recognized retail brands (Zara, Bershka and Oysho), new qualitative retailers (Guess Jeans, Hollister, etc.) have been added. Creating value for both retailers and the shopping center, the elaboration of a sophisticated retail mix that is constantly refined initiates a genuinely virtuous circle: the arrival of new retail brands attracts new consumers, who themselves generate the arrival of yet other brands that boost sales for other retail tenants. Apple, which illustrates this concept perfectly, is increasingly present at Klépierre centers. This highly qualitative brand with the apple logo, already present at the Odysseum center in Montpellier and in Spain, at Nueva Condomina, opened two new stores in 2012: one at Il Leone di Lonato, in Italy, and the other at Val d'Europe, to the east of Paris, upstream from a major lease renewal campaign that signals the center's rise in positioning.

1 Val d'Europe.
2 Créteil Soleil.

We make it better every day

Val d'Europe, the value creation champion

Allocating the right spaces to the right retailers, constantly anticipating new trends, supporting the development of brands by making better adapted and more spacious premises available and coming up with creative events: these are the many facets of rental management paying off at Val d'Europe by creating value on two levels: for merchants, it means steady growth in sales revenue since the facility first opened in 2001. This performance was recognized by the Procos Federation, whose members include 240 retailers in France, which chose Val d'Europe as the recipient of its award for the greatest commercial success in the past 20 years.

The promise of an unforgettable shopping experience

Because the customer who chooses a shopping center expects more than just a place to shop and attractive window dressing, Klépierre seeks to offer an incomparable shopping experience through multiple acts of hospitality. Comfort, services, animations and events: not a single detail is overlooked.

In an age of increasing standardization – of places and products – consumers are looking for a more personal relationship. Beyond the simple act of buying, the customer who enters a shopping center is looking for an experience and pleasures that only the spaces, services and retail mix of a shopping center designed with his or her needs in mind can offer.

THE SHOPPING CENTER AS A RESTORATIVE SPACE

This is why Klépierre strives to make sure its shopping centers cater to customers in terms of comfort, pleasure and animation through a winning mix designed for consumers who are looking for an emotional connection. This approach was initiated in 2009 with the deployment of the USE (Unique Shopping Experience) concept, whose aim is to make ongoing improvements to the customer experience by ensuring that it includes access to services designed and mapped out to provide moments of comfort and relaxation. Zen spaces for a rest between two stores, special spaces for parents, play areas for children, Wi-Fi zones where shoppers can easily connect to and surf the net… no detail is overlooked! Architecture, acoustics and high-quality services combine to form a tableau that is perfectly aligned with the positioning of the center, as illustrated at Milanofiori in Italy. It is equipped with high-speed Wi-Fi access to appeal to shoppers in the 20-30 years old age range, but also features restaurants and play areas for the numerous families that frequent the center. This approach was also adopted at Les Sentiers de Claye-Souilly, a large shopping center to the east of Paris that emerged from two years of work with an entirely new look. Inspired by the surrounding forest, this metamorphosis blends nature, design and new technologies to ensure the maximum degree of comfort for visitors to the center. Their shopping experience is interspersed with original and innovative surprises: a giant interactive screen equipped with an enhanced reality system, a 12-meter long aquarium where more than 500 aquatic species swim, monumental animal sculptures, etc.

THE SHOPPING CENTER AS NEW MEDIA

Receiving up to 20 million visitors a year, as the Nový Smíchov center in Prague did in 2012, Klépierre's shopping centers offer great potential in terms of creating events and commercial animations. A captive audience that retailers can communicate with directly – for example, if they wish to launch a new product or raise their visibility – assisted by the expertise of Steen & Strøm Media Partner (for operations in Scandinavia) or Klépierre Brand Ventures (France and the rest of Europe). Specialists in marketing and multimedia applications, both teams offer up an array of turnkey promotional tools and design customized operations as well (events, pop-up stores, etc.). In 2012, Klépierre Brand Ventures rolled out no fewer than 230 events with nationwide reach, 1 500 local events, deployed retail mobile units and pop-up stores

and 500 chalets for Christmas markets, generating revenue in excess of close to 8.0 million euros.
Marketing operations represent a unique occasion to create buzz and reach out to an audience that is wild about new technologies, through demos involving high-tech tools as well as the games that are played on them. This is the case of the SMS contest dreamed up by Steen & Strøm Media Partner and sponsored by Samsung in 16 Norwegian shopping centers. Designed to reward the participant who typed a text message the fastest, the event drew a young crowd (the priority target) to the shopping centers and helped the sponsor boost its image as an innovator. The same logic was applied in France with the particularly original demo of the functionalities of Galaxy Note, the latest Samsung mobile device. The idea was to have a caricaturist draw passing visitors at the shopping center. These portraits, which were drawn directly on the tablet using an integrated software program, were then sent by Bluetooth to a device that could print them on t-shirts that were offered to the subjects. Featured at four French shopping centers (Val d'Europe, Créteil Soleil, Noisy Arcades and Belle Épine) and at La Gavia in Madrid, the demonstration won over its intended audience. Klépierre intends to beef up this media offering *(see inset)*, a source of additional revenue and differentiation, by multiplying happenings and other occasions to bring consumers and brands together.

We make it better every day

The Voice, on roadshow in Klépierre's malls

Happenings, sources of traffic and animation within a shopping center, offer guaranteed buzz when they target young consumers. A total of nine Klépierre centers in France are embarking on an adventure with *The Voice*, a wildly successful television program that airs on TF1. The second edition is scheduled to begin in February 2013. The tie-in idea is to offer television viewers the chance to be photographed against an embedded background which, after treatment, gives the impression that they are sitting with the other celebrity jurors of the program. This operation will generate plenty of buzz thanks to relays on the TF1 & Vous website, on social media – young people are asked to become fans on Facebook and Twitter – and in the press!

1 Lomme.
2 Villiers-en-Bière.

Thanks to digital technology, a closer than ever relationship

Digital technologies offer multiple opportunities to make contact with the consumer. Klépierre maintains this close relationship with customers throughout their shopping center experience, an experience that is increasingly digital. The trend among the various buying and communication channels is toward greater converge and dialogue.

Hooked on his or her smartphone and increasingly nomadic, the omni-channel consumer of today uses the various channels available simultaneously, to meet an immediate goal or need. To satisfy these expectations, Klépierre is designing applications and tools that increase interactivity and proximity with consumers. The goal is to anticipate their desires and capture their attention by offering the qualitative information that is of interest to them.

TARGETED AND CUSTOMIZED INFORMATION

The Group has thus embarked on an omni-channel strategy that largely consists of intensifying the social network presence of shopping centers. By creating a personalized link, emitting relational signs to the consumer and fostering the emergence of customer groups based on shared interests, the Group is conducting a real-time dialogue with users that will consolidate their relationship to the shopping center.

This dynamic is constantly reinforced by such innovative features as geo-location, which has been available at the Val d'Europe center since 2012. By simply consulting their smartphone, shoppers can instantly know exactly where they are in the shopping center, easily find their car in the parking lot and get directions to a particular store. Above all, this new service can be used to send targeted and customized information to consumers, suggesting a shopping itinerary based on their preferences or their latest shopping center purchases. Geo-positioning paves the way for a panoply of other innovative services, like games and geo-location social network applications that allow users to find friends, not to mention loyalty programs that reward visitors for their presence (check-in). Innovations such as 3D functions or enhanced reality may also be added in the future.

A WEB-TO-STORE APPROACH

Genuine drivers of traffic, shopping center websites are increasingly viewed as a powerful resource for retailers and their products, part of the web-to-store approach. For many consumers, the web is considered to be a simple search tool that facilitates the physical act of buying at a store, which makes the in-store buying experience more digital in nature. Working alongside retailers that offer click & collect services – the smartphone application called *Mon Panier Carrefour City* developed for the St.Lazare Paris center allows users to shop online and then go and pick up purchases in person – Klépierre is innovating with a new application designed to make life easier for consumers. Developed in partnership with a start-up, the *Accès Produits* application is being tested with some 20 stores at the Le Millénaire center. This application offers consumers real-time information about the product they are looking for – from their computer, their smartphone or their tablet. Photos of the product, prices, and the store where it is available: this vital information is immediately accessible. By allowing stores to combine the virtual with the real, this small revolution, will increase their visibility.

1 Le Millénaire.
2 Le Millénaire.
3 Grand Vitrolles.

We make it better every day

The number 1 digital screens network

The agreement signed in 2011 by and between Klépierre and Clear Channel, one of the major players in external communications, has given rise to the top network of digital advertising supports in France. These screens enable advertisers to send targeted ad messages to the centers where their products are sold. For customers, these screens offer a multitude of information, constantly updated, from the location of a store to events at the shopping center and advertising content and more. They help to bring customers and brands closer, in particular when the support in question is a touchscreen totem, which expands the possibilities for interaction. In light of the success encountered, the number of shopping centers equipped with totems will jump from 20 to 44 by the end of 2013, for a total of 460 screens deployed.

Combining performance and responsibility

A key player in regional development, Klépierre has long been committed to a responsible and voluntary approach. The Group shares this ambition, which is both visionary and demanding, with its various key stakeholders: retail tenants, shopping center customers, partners, public policymakers and its own employees.

Klépierre designs and manages shopping centers that respond to multiple criteria, including urban integration, public accessibility, environmental performances, respect for biodiversity, comfort and services offered to its visitors. More than ever before, the shopping center has a crucial role to play at the heart of the urban fabric it helps to enrich and deeply transform. This evolution can be seen is at work at Aubervilliers, for example, since the Le Millénaire opened in 2011. In the place of an abandoned industrial site, an exemplary building with remarkable architectural features was erected – a genuine slice of the city that has since become a standard bearer in terms of the shopping mix, as well as offering visitors open space, paths for strolling and entertainment. This urban revolution was made possible thanks to the Group's talent for dialoguing with its stakeholders, local players and public policymakers alike, in order to design projects that are closely tied to regional planning needs in line with a shared long-term vision.

SUSTAINABLY BUILT AND MANAGED

The Group builds and renovates its assets in accordance with demanding sustainability criteria. They are most visible in the decision Klépierre made back in 2008 to pursue BREEAM ratings (at least Very Good) for each of its development projects (both creations and extensions-refurbishments). This method of assessment is a recognized benchmark in the commercial real estate industry, both in France and abroad. In 2012, the extensions at Claye-Souilly and at Bègles – Rives d'Arcins, both in France, were awarded BREEAM ratings of Very Good. The new Scandinavian center Emporia (Sweden) followed suit. Klépierre applies the same discipline to the management of its assets, as attested to by those located in Spain and Portugal, two countries that seek ISO 14001 certification for all of their shopping centers under property management and their corporate offices.

A VOLUNTARY APPROACH TO REDUCING OUR ENVIRONMENTAL FOOTPRINT

More generally, Klépierre endeavors to accurately gauge its environmental impacts so that it can take targeted and effective action to reduce them. Its reporting system has been steadily enhancing its content with new data since 2011, so well that nearly 80 environmental indicators, designed in alignment with the Group's environmental management system, are today tracked on a constant basis by the Sustainable Development teams. In addition, the Group has developed efficient systems of measurement which, coupled with investments and initiatives, make it possible to reduce consumption dramatically, as the Louvain-la-Neuve example indicates. This center's energy bill was reduced by 42%. The deployment of these tools, which are now in use at 43 shopping centers, paves the way for regular, substantial improvement in reducing the organization's environmental footprint. Klépierre also solicits buy-in from its retailers on this source of savings-for the Group and for its tenants. The addition of the green lease to the traditional lease is now automatic for the Group's assets in France. To date, 857 green leases have been signed. The green lease was also been rolled out in Iberia, Italy and Poland in 2012 and will be extended to all of Klépierre's European holdings in 2013.

1 Les Sentiers de Claye-Souilly.
2 Roques-sur-Garonne.
3 Emporia.

A DRIVER OF PERFORMANCE

The Group works to create a workplace environment that is rich and that promotes the involvement and satisfaction of every employee through proactive human resource management. Easy access to training, measures that foster gender equality and that encourage seniors to continue working, opportunities for advancement within an international group: all of these factors contribute to build Klépierre's image as an efficient and humane organization while also creating conditions that are conducive to growth.

For Klépierre, there is a strong link between social and environmental responsibility and economic performance. This is also why the Group develops and maintains regular relationships with the extra financial rating agencies and seeks regular assessments of its sustainable development policy.

For more information

read the Sustainability Report available on Klépierre website: **www.klepierre.com**

We make it better
every day

Emporia: an illustration of Klépierre's *savoir-faire*

Optimal accessibility, with a preference for soft transportation, a roof-top garden spanning 27 000 sq.m. – which, in addition to being an excellent source of thermal and phonic insulation, also absorbs pollution – spectacular architecture, a retail mix composed of 200 stores carefully chosen to appeal to all customer targets, a wide range of restaurants and cafés… the Emporia shopping center, which was inaugurated in October 2012 in Malmö, was designed using a global, responsible approach. Almost fully leased up when it opened, with 180 000 visitors a week on average, it boasts a remarkable visitor rate.

OUR ACTIVITIES IN CONTINENTAL EUROPE

In 2012, a year that was marked by mixed trends from northern to southern Europe, Klépierre outperformed nationwide consumer spending indices in every country in which it operates. This outperformance reflects the quality of its property portfolio and efficient management. The Group also made its mark by opening new leading shopping centers.

Klépierre's shopping centers

OUR TOP 10 ASSETS
(gross rents, total share)

€3.6 Bn (total share, excluding duties) is the value of the Group's top 10 assets in gross rents terms.

1. Créteil Soleil, Créteil (France)
€35.0 M

2. Val d'Europe, Marne-la-Vallée (France)
€24.1 M

3. Field's, Copenhagen (Denmark)
€23.4 M

4. Blagnac, Toulouse (France)
€17.8 M

SHOPPING CENTERS PROPERTY PORTFOLIO

€15.5 Bn

94.4% of the Group's total property portfolio valuation

SHOPPING CENTERS RENTS

€918.8 M

93.5% of the Group's consolidated rents

For more information

read the Business for the year/Financial Report section (pages 54 and following)

5. Arcades, Noisy-le-Grand (France)

€16.7 M

6. La Gavia, Vallecas – Madrid (Spain)

€16.5 M

7. Bruun's Galleri, Åhrus (Denmark)

€16.2 M

8. L'esplanade, Louvain-la-Neuve (Belgium)

€14.4 M

9. Nový Smíchov, Prague (Czech Republic)

€14.1 M

10. Allum, Göteborg (Sweden)

€13.0 M

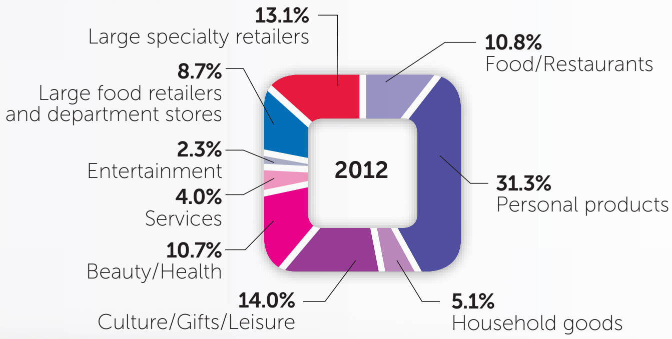
TOP 10 TENANTS

(in % of rents)

1 – **H&M** 2.3%
2 – **ZARA** 1.2%
3 – **CAMAIEU** 1.0%
4 – **FNAC** 0.9%
5 – **SEPHORA** 0.9%
6 – **CELIO** 0.8%
7 – **MCDONALD'S** 0.8%
8 – **ARMAND THIERY** 0.7%
9 – **C&A** 0.7%
10 – **ALAIN AFFLELOU** 0.6%

BREAKDOWN BY ACTIVITIES

(in % of rents)



France-Belgium

91 CENTERS – 1 216 108 SQ.M. IN RENTABLE FLOOR AREA

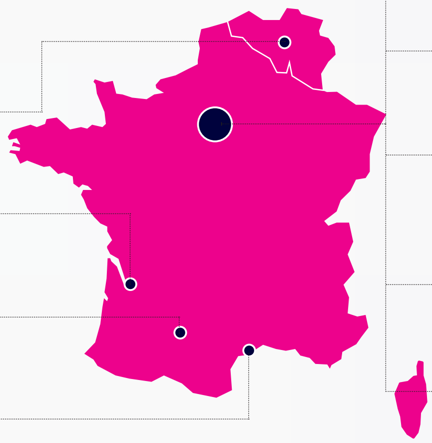
7.1 billion euros (43.3% of the property portfolio valuation – total share, excluding duties)

400.3 million euros in gross rents (40.7% of consolidated rents)

98.5% financial occupancy rate

5.9% yield rate (excluding duties)

TOP 10 ASSETS(1)



L'esplanade – Louvain-la-Neuve, Belgium
55 684 sq.m. in gross leasable area
7.8 million visitors – €14.4 M in gross rents

Rives d'Arcins – Bègles, France
54 706 sq.m. in gross leasable area
4.7 million visitors – €11.0 M in gross rents

Blagnac – Toulouse, France
48 165 sq.m. in gross leasable area
7.4 million visitors – €17.8 M in gross rents

Odysseum – Montpelllier, France
45 000 sq.m. in gross leasable area
6.3 million visitors – €7.5 M in gross rents

Créteil Soleil – Créteil, France
125 500 sq.m. in gross leasable area – 18.0 million visitors – €35.0 M in gross rents

Val d'Europe – Marne-la-Vallée, Serris, France
98 400 sq.m. in gross leasable area – 15.9 million visitors – €24.1 M in gross rents

Arcades – Noisy-le-Grand, France
63 000 sq.m. in gross leasable area – 17.0 million visitors – €16.7 M in gross rents

Les Passages de l'Hôtel de Ville – Boulogne-Billancourt, France
24 398 sq.m. in gross leasable area – 6.5 million visitors – €6.0 M in gross rents

Le Millénaire – Aubervilliers, France
60 000 sq.m. in gross leasable area – 6.0 million visitors – €6.6 M in gross rents

Les Sentiers de Claye-Souilly – Claye-Souilly, France
61 152 sq.m. in gross leasable area – 6.0 million visitors – €8.5 M in gross rents

(1) Based on gross rents.

In France, where the Group has the largest portfolio of holdings and where rents rose by 5.1% in 2012 on a constant basis, the year's highlight was the delivery of two projects that are emblematic of Klépierre's expertise in terms of architectural quality, leasing prowess and retail performance. Opened since March 2012, St.Lazare Paris is a stunning achievement in the heart of Europe's top retail district. The shopping center, which is located in Europe's second busiest rail station and frequented by 450 000 people each day, attracted a plethora a retail tenants. In addition to brand names inaugurating their first point of sale in a shopping center (like Kusmi Tea and Kickers), it also landed exclusive concepts such as Muji to Go, the Japanese retailer's first store of this type in Europe. With more than 80 top-performing stores *(see inset)*, St.Lazare Paris already looks like a winner. Another major accomplishment is the extension-refurbishment of Claye-Souilly (an additional 13 000 sq.m.), renamed Les Sentiers de Claye-Souilly and opened in November 2012. Totally reinvented, as a nature and family center, this new retail space received a BREEAM Very Good rating for the quality of its environmental management. Fully leased up when it opened, the center has already increased the number of visitors by 36% since then. Le Millénaire, which opened in April 2011, is gradually becoming the shopping destination of choice for inhabitants in northern Paris, attracting more than 6 million visitors in 2011, with yields/sq.m. up sharply. The success of Odysseum, inaugurated in November 2009, is ongoing: the center dominates the Greater Montpellier Area, with a 10.5% increase in sales for the year as a whole.

A CONSTANTLY ADAPTED RETAIL MIX

In 2012, a total of 287 leases were renewed or signed with new tenants over the course of the year, resulting in a particularly high rate of reversion (+15.2%). Val d'Europe, which completed its first major renewal campaign, has added new retail tenants to the mix that include Apple, Hema, Eden Shoes, Bonobo, La Chaise Longue and Veng-Hour (Asian food). In light of this center's success – it is the only one among the top five in France based on sales revenue that is less than ten years old – McDonald's created a second 550 sq.m. outlet and Gap introduced a new and innovative concept. The Group continues to strengthen its partnerships with major global retail names.

Les Sentiers de Claye-Souilly, entirely refurbished, already posted a 36% increase in footfall since its re-opening in November 2012.

Their performances have been consistently remarkable in a gloomy economic climate, with Zara, Bershka, Mango and Undiz reporting revenue growth of more than 20% compared with 2011. The winning concepts that have located in France more recently continue to expand their footprint nationwide thanks to Klépierre. The extension at Bègles – Rives d'Arcins (opening in April 2013) is proving to be attractive for many retailers hoping to take advantage of the Bordeaux region's growth potential, such as Hema, Mango – which is introducing its masculine concept inside a large department store – Lush, Kiko, Du bruit dans la cuisine, G-Star, Geox and Aubade.

A place to share and stroll, retail centers are attracting increasingly mobile shoppers. Klépierre is answering the call by proposing innovative and interactive initiatives, such as the Box'R'Us concept installed at St.Lazare Paris last holiday season: for the entire month of December, customers were able to choose from a selection of 34 must-have toys by simply scanning the product's QR Code on a virtual screen from their smartphone in order to order it online.

REGIONAL DEVELOPMENT PREFERENCES

In addition to Bègles – Rives d'Arcins in Bordeaux and Jaude in Clermont-Ferrand (opening at the end of 2013), the Group is planning a number of other extension-refurbishment projects: Perpignan-Claira (end 2013); L'esplanade in Louvain-la-Neuve, Belgium, which is expected to nearly double in size by around 2016; and Val d'Europe. This center, which attracts around 16 million visitors a year, including a large number of foreign tourists, will be expanded over a floor area of 17 000 sq.m. between now and the end of 2016.

STEPPED-UP ROTATION OF THE PORTFOLIO'S ASSETS

New developments are partially financed by selling mature assets. In 2012, these sales involved some 700 million euros worth of French assets, including shopping centers (68% of total disposals) and office properties. Klépierre intends to pursue this gradual divestment of its office portfolio (2% of the total value of the Group's holdings at year-end 2012). The Group plans to restructure several buildings to enhance their value before seeking investors interested in assets that combine architectural quality and high visibility with respect to future income streams.

The Group also owns a portfolio of assets located in urban and suburban areas in France via its subsidiary Klémurs (4.5% of consolidated rents). This portfolio has turned in solid performances, with a financial occupancy rate above 99% and a late payment rate of close to zero. In January 2013, Klémurs renewed all of its leases with Buffalo Grill for a firm term of 12 years.

Also in early 2013, Klépierre launched a strategic review to assess the company's outlook and the assets in its portfolio.

We make it better
every day

St.Lazare Paris: now departing for success

Finalized several months before opening, the lease-up of the new retail space at St.Lazare Paris was a sure sign of the site's appeal. And retail tenants were not wrong! The success was immediate, with every store finding its customers and achieving sales that topped forecasts. The average yield per sq.m. is thus 14 000 euros, with the best-performing concepts exceeding 40 000 euros per sq.m.

Scandinavia

29 CENTERS – 896 647 SQ.M. IN RENTABLE FLOOR AREA

4.2 billion euros (25.4% of the property portfolio valuation – total share, excluding duties)

218.0 million euros in gross rents (22.2% of consolidated rents)

96.1% financial occupancy rate

5.6% yield rate (excluding duties)

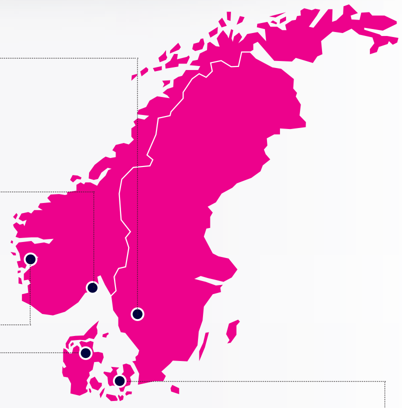
TOP 5 ASSETS[1]

Allum – Göteborg, Sweden
61 705 sq.m. in gross leasable area
5.6 million visitors
€13.0 M in gross rents

Farmandstredet – Tønsberg, Norway
54 375 sq.m. in gross leasable area
4.8 million visitors
€11.2 M in gross rents

Åsane Storsenter – Bergen, Norway
55 881 sq.m. in gross leasable area
7.8 million visitors
€7.9 M in gross rents

Bruun's Galleri – Århus, Denmark
36 675 sq.m. in gross leasable area
10.9 million visitors
€16.2 M in gross rents



Field's – Copenhagen, Denmark
91 342 sq.m. in gross leasable area
7.2 million visitors
€23.4 M in gross rents

(1) Based on gross rents.

Located in the region where the Group has its second largest shopping center real estate portfolio, which produces 22.2% of consolidated rents (up by 7.5% on a current basis), Emporia created a buzz when it opened on October 25, 2012 in the Swedish city of Malmö. Ideally situated in the heart of Øresund, a populous region with 3.6 million inhabitants, Emporia features nearly 200 stores and restaurants. Its retail mix combines international names (Hollister, Levis, Sephora, etc.) with Scandinavian ones (Cubus, Gina Tricot, H&M, Lindex, etc.) and caters to every need. The spectacular building, composed of sweeping lines and curves, includes vast esplanades, a curved façade made of glass sheets, and a roof spanning four soccer fields, which has been transformed into a rooftop garden with remarkable views of the region. Built as part of an ambitious urban development project, the easily accessible Emporia is one of the architectural centerpieces of its surroundings and will be the first shopping center in Sweden to earn a Very Good rating from BREEAM. Attracting nearly 2 million visitors in the first two months of operation, Emporia is already a success. The Farmandstredet center in Tønsberg (Norway) reopened after a major renovation designed to restore the space to its original vocation: that of a lively square in the city center, a genuine meeting place lined with cafés, shops and convenient services. Customers clearly like the concept, as attested to by retail sales revenue, which jumped by 60% on the first day of business. Highly qualitative, the renovations conducted by Steen & Strøm, a subsidiary in which Klépierre owns 56.1%, are regular award winners. This was the case for the Gulskogen center in Norway which, after a contest that attracted projects from

After four months of opening, Emporia in Malmö, with its iconic architecture, has already attracted 3.2 million visitors.

24 different countries, won the ICSC European Shopping Center Award for the quality of its restructuring.

A MAJOR FORCE IN THE DEVELOPMENT PIPELINE

The Group plans to reinforce its presence in this region, one of Europe's most dynamic, in the years ahead. Scandinavian projects account for nearly 40% of all committed and controlled projects in the development pipeline for the years 2013 to 2017. The Nya Galleria project in the Southern Sweden city of Kristianstad, which lies in the center of a catchment area with high potential, will cover 28 500 sq.m. The project to restructure Åsane, in Norway, will create a full-fledged neighborhood in Bergen, the country's second largest urban center. Offices, cafés, schools, walkways and 170 stores will compose this new urban environment as of 2017. In Odense, Denmark's third largest city, the future center Viva is already drawing high praise. A city within the city, Viva will form an integral part of its urban setting and will be the largest downtown shopping center in the country. The project calls for sidewalks, outdoor areas, parking lots and a gigantic interior glass wall that will link the center to the main station and the historic retail district.

We make it better every day

Steen & Strøm, the best retail real estate developer in the Baltic region

Steen & Strøm's force comes from its ambitious investment plan, working to the benefit of local development. Its disciplined approach was recently recognized by the magazine *Euromoney*, which bestowed the title of best retail real estate in Northern Europe on Steen & Strøm after completing its 8th international real estate survey. This latest survey, the largest ever conducted by the magazine, analyzed more than 1 900 replies given by various parties (bankers, developers, investors, consultants, etc.) present in around 70 countries. In a challenging economic context, this distinction demonstrates the ability of the winner to innovate as well as capitalize on its powerful fundamentals.

LASTING APPEAL

Retail tenants in the Scandinavian shopping centers continue to report strong growth in sales (+2.4%) and several international retailers have indicated their commitment to pursuing development in the Nordic countries. Sephora has opened its first stores in Scandinavian shopping centers, at Emporia and at Field's (Copenhagen), a center that H&M chose for the *début* of its first H&M Home store in Denmark. The famous London-based toy retailer Hamleys chose Emporia for its first foray into Scandinavia, as did Apple and Hollister, both for the first time in Steen & Strøm centers.

Fluid zones that attract millions of visitors annually, shopping centers are the ideal locus of sales and marketing initiatives. The Danish center Bruun's Galleri (Århus) organizes an annual campaign celebrating the arrival of the fall season during the last week of September. Baptized "City Life Weeks", the drive is a way to showcase four major currents that combine the latest fashion trends and different urban lifestyles – Uptown Ghetto, Spice Market, Hipster Ville and Zoo Central – stressing the preeminent role played by the center when it comes to shopping and fashion. The center's advertising, entrances and interior sported the colors of the campaign, magazines, leaflets etc. The drive led to a 4% increase in visitors and an average increase of 7% in retailers' sales revenue. Shopping centers and retailers also regularly solicit the expertise of Steen & Strøm Media Partner, a specialist in event organization and marketing operations. The subsidiary entered into an original partnership with the Australian chain Gold Buyers, which buys gold jewelry from retail sellers for recycling. In order to hit a large target, Gold Buyers now has stands inside 16 Norwegian shopping centers from which it performs free estimates on all types of gold objects.

Italy

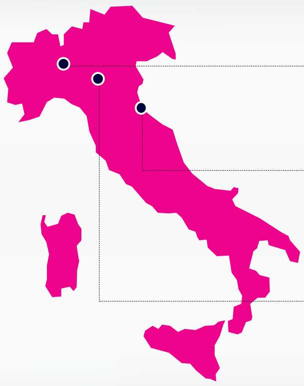
35 CENTERS – 435 026 SQ.M. IN RENTABLE FLOOR AREA

1.8 billion euros (10.8% of the property portfolio valuation – total share, excluding duties)

123.6 million euros in gross rents (12.6% of consolidated rents)

98.1% financial occupancy rate

6.5% yield rate (excluding duties)



TOP 3 ASSETS[(1)]

Milanofiori – Assago (Milan)
47 485 sq.m. in gross leasable area
5.0 million visitors – €12.4 M in gross rents

Romagna Center – Savignano s. Rubicone
30 779 sq.m. in gross leasable area
6.1 million visitors – €8.7 M in gross rents

Il Leone di Lonato – Lonato
45 959 sq.m. in gross leasable area
6.0 million visitors – €5.8 M in gross rents

(1) Based on gross rents.

Klépierre strives to constantly enhance the value of its holdings through renovation and improvements in the retail mix and by developing new shopping experience for mall customers. In Milan, Metropoli unveiled its new face in November 2012, after completing a major architectural restructuring and reworking the retail mix. In all, 9 new retail outlets were created in the existing space, 19 new retailers were added, and an extra 1.1 million euros in rent was generated. Similarly, the achievement of 1 500 sq.m. of sales area carried out at Belforte (Varese) in 2011, permitted to improve the retail mix with the extension of the sportswear retailer Game7 and the addition in August 2012 of the clothing retailer Terranova in a 1 200 sq.m. space. In addition, major international retailers are increasingly opting to open stores located in Group shopping centers. Apple opened its first store on Group-owned property in Italy in September 2012, at Il Leone di Lonato. And Teddy Spa, a fashion retailer, inaugurated its first two points of sale, at Varese and Montebello with the brand Terranova. Other retailers that signed new leases last year include Burger King (3rd store), Tommy Hilfiger (2nd), Kiko (20th) and Camaieu (13th). This active approach to rental management has increased rents from Italian shopping centers by 2.2% on a constant portfolio basis.

AT THE CUTTING EDGE OF NEW TECHNOLOGIES

Always quick to jump on new trends, shopping centers are increasingly likely to have their own Facebook page. In 2012, both Metropoli and Val Vibrata opened FB pages that have already attracted 2 860 and 360 fans, respectively. Leasing teams are also quick to adopt new technologies: during the 2012 MAPIC international retail real estate market for industry professionals, the brochure produced to unveil the Romagna shopping center extension in Rimini (where an additional 8 000 sq.m. will be delivered in early 2014) includes a QR code that allows readers to connect directly to a smartphone application (for Android and Apple). It offers access to detailed information about the facility's location and catchment area, the retail space for lease, the status of the project and leasing team contact information. This information is being updated in real time until the new site opens.

IN SYNC WITH SOCIETY

Because education has a critical role to play in protecting the environment, the Cavallino shopping center in Lecce rolled out a special event for children, whose aim was to show them how waste collected at the center (paper, plastic, aluminum, glass, etc.) can be reprocessed and reused. A total of 1 300 school-age children took part in a series of workshops held over a 20-day period.

Il Leone di Lonato, opened in 2007, is one of the top 3 assets in Italy.

Iberia

In Spain and Portugal, two countries that have been hard hit by a deteriorating macroeconomic situation, the Group's biggest centers – La Gavia in Madrid, Meridiano, in Tenerife (Canary Islands) and Parque Nascente in Gondomar, which together represent nearly 40% of the total value of the peninsula's portfolio – continue to show resilience. Aqua Portimão, which opened in April 2011 in Portugal, attracted a record 650 000 monthly visitors in August of 2012 and sales were up by 4.7% for the fourth quarter of the year. The retailer Primark chose this center for its first store in the Algarve region. In Spain, the Irish clothing giant, already present at La Gavia, is expected to open a 4 000 sq.m. store at Meridiano between now and the beginning of 2014. This choice is particularly resonant given that this center, which attracts some 7 million visitors each year, is launching a major renovation and restructuring project in the first half of 2013. The La Gavia shopping center, which dominates the Greater Madrid Area, has continued to expand its unique retail mix (176 stores) since it first opened in November 2008. New arrivals include Samsung and Bershka, the latter opening its largest single-level store in the world last November.

UNPARALLELED COMFORT AND PRO-ACTIVE MARKETING

To attract customers during a period of fairly lackluster retail sales, teams working in Iberia have made ongoing efforts to enhance the level of service offered to visitors. The USE* concept is being rolled out at all Portuguese shopping centers. Already in operation at half of the Spanish shopping centers, the concept will be fully implemented across Iberia within the new two years.

Aqua Portimão, in Portugal, posted for the first time a footfall above 650 000 monthly visitors in August 2012.

In addition, a pro-active marketing strategy has been adopted to raise the visibility and appeal of centers. It includes work on signage, dual promotions (restaurant + movie), commercial animations, etc. To generate additional traffic, Aqua Portimão beefed up its exterior signage in the most strategic locations while also distributing flyers offering access to 10-euro coupons and ongoing animations for its 14 000 fans on Facebook.

AN EXEMPLARY CERTIFICATION PROCESS

Three new centers have been granted ISO 14001 environmental management certification, bringing to eight the total number of centers in the region that meet the standard. In addition, La Gavia received ISO 50001 energy management certification, and work initiated in 2011 to improve accessibility has paid off. The center was awarded UNE 170 001-2 universal accessibility certification, a standard that vastly exceeds regulatory requirements in force.

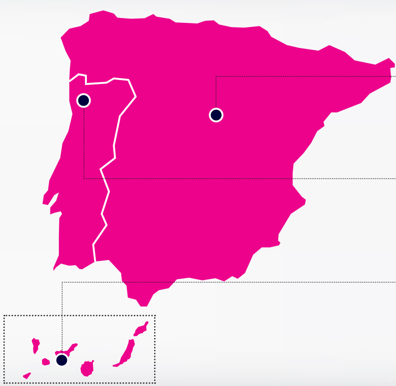
76 CENTERS – 449 199 SQ.M. IN RENTABLE FLOOR AREA

1.3 billion euros
(7.9% of the property portfolio valuation – total share, excluding duties)

93.1 million euros in gross rents
(9.5% of consolidated rents)

90.3% financial occupancy rate

7.6% yield rate (excluding duties)



TOP 3 ASSETS(1)

La Gavia – Vallecas-Madrid, Spain
94 285 sq.m. in gross leasable area
11.6 million visitors – €16.5 M in gross rents

Parque Nascente – Gondomar (Porto), Portugal
63 500 sq.m. in gross leasable area
12.3 million visitors – €7.6 M in gross rents

Meridiano – Santa Cruz de Tenerife, Spain
44 650 sq.m. in gross leasable area
6.4 million visitors – €8.1 M in gross rents

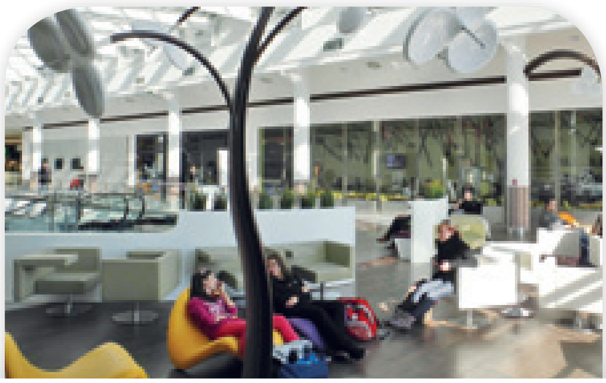
(1) Based on gross rents.

Central Europe

Despite the challenging economic environment, the quality of Klépierre's portfolio continues to win over retailers in Central Europe. At Nový Smíchov (Czech Republic), a total of nine new global retailers made their appearance, including Celio, Levi's, Mango, Intimissimi and Calvin Klein. And at the Novodvorská Plaza center in Prague, vast improvements were made to the customer experience, as well as to hospitality and information services (including the creation of rest areas and the restructuring of parking facilities). In addition, work has begun on a new, split-level store that will be completed in the spring of 2013. The 1 400 sq.m. space will house an H&M store. The Stradivarius store (Inditex), which opened in November 2012 at Lublin Plaza in Poland, is already the retailer's top location in that country based on sales. Klépierre also signed an agreement with Polish ready-to-wear specialist LLP under which 11 stores will open in several shopping centers across the country. In Hungary, the parking facilities and subway access at the Duna Plaza center in Budapest are being renovated with the arrival of an Apple Center, while the Corvin center is adding both a KFC outlet and the first clothing store to fly the KIK banner at Hungarian centers.

THE ART OF GENERATING TRAFFIC

Remarkably efficient in conveying commercial messages, shopping centers are adept at capitalizing on their infrastructures to attract the public. At Plzeň Plaza (Czech Republic), the amphitheater located in front of the shopping center hosted 14 shows, concerts and sports events in 2012. When the center celebrated its fifth anniversary in December, more than 15 000 people turned out to watch the display of fireworks and holograms. The Corvin center in Hungary is testing the Corvin Pass, based on an electronic NFC (Near Field Communication) chip inserted into smartphones. The aim is to build customer loyalty by offering smartphone users access to promotions and allowing them to signal their presence in the center on Facebook by means of a special terminal. For Klépierre, the system will also populate a database with information on customers, some of it gleaned from Facebook profiles, to be used to improve targeted marketing. Klépierre shopping centers are also ideal venues for displaying solidarity and support for the most disadvantaged members of society. In December, Novodvorská Plaza gave a thousand orphans the opportunity to choose a holiday gift for the fourth year in a row, offered by shopping center visitors.



Nine new international retailers joined Nový Smíchov in 2012, a center that welcomes 20 million visitors each year.

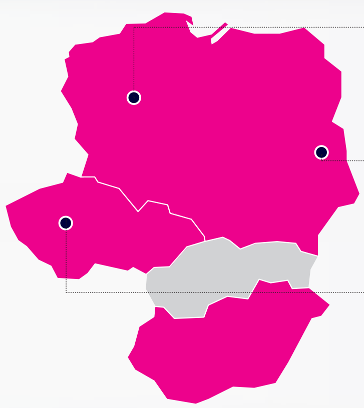
23 CENTERS – 458 277 SQ.M. IN RENTABLE FLOOR AREA

1.1 billion euros
(6.7% of the property portfolio valuation – total share, excluding duties)

78.4 million euros in gross rents
(8.0% of consolidated rents)

94.3% financial occupancy rate

7.2% yield rate (excluding duties)



TOP 3 ASSETS[1]

Poznań Plaza – Poznań, Poland
29 504 sq.m. in gross leasable area
5.6 million visitors
€8.6 M in gross rents

Lublin Plaza – Lublin, Poland
25 875 sq.m. in gross leasable area
6.0 million visitors
€7.4 M in gross rents

Nový Smíchov – Prague, Czech Republic
57 206 sq.m. in gross leasable area
19.8 million visitors
€14.1 M in gross rents

(1) Based on gross rents.

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BUSINESS FOR THE YEAR

1.1. ECONOMIC ENVIRONMENT[(1)]

After having contracted slightly in 2012 (-0.4%), Eurozone activity should start to slowly recover in 2013, as sovereign debt tensions ease. However, the overall outlook remains weak, with disparities from one country to the next. GDP growth is expected to be measured in France (+0.3%), Belgium (+0.5%) and the Czech Republic (+0.8%), and flat in Hungary (-0.1%). Growth should be more sustained in other countries where Klépierre has significant operations, notably in Scandinavia: Norway (+2.5%), Sweden (+1.9%) and Denmark (+1.4%). In Central Europe, Poland (+1.6%) is expected to maintain a certain degree of momentum. As for Southern Europe, GDP is expected to further contract in Portugal (-1.8%), Spain (-1.4%) and Italy (-1.0%).

Overall, household spending is expected to remain resilient across Europe. Despite the deterioration in employment, the low inflation environment should help keep it at current levels.

Expected GDP changes for 2013

France-Belgium		Scandinavia				Iberia		Central Europe		
France	Belgium	Norway	Sweden	Denmark	Italy	Spain	Portugal	Poland	Hungary	Czech Republic
0.3%	0.5%	2.5%	1.9%	1.4%	-1.0%	-1.4%	-1.8%	1.6%	-0.1%	0.8%

1.2. CHANGE IN RETAIL TENANT SALES

Retail sales in Klépierre shopping malls were stable (+0.1%) for the 12 months ended December 31, 2012 compared to the same period in 2011. On a like-for-like basis (excluding the impact of asset sales and the opening of new spaces), retail sales proved resilient (-0.4%) in a deteriorating macroeconomic and private consumption environment.

Year-on-year retail tenant sales change through December 2012	Current portfolio	Comparable portfolio
France	0.4%	0.0%
Belgium	0.1%	0.1%
France-Belgium	**0.3%**	**0.0%**
Norway	-1.2%	1.0%
Sweden	8.4%	2.1%
Denmark	3.3%	3.3%
Scandinavia	**2.4%**	**1.7%**
Italy	**-2.3%**	**-2.3%**
Spain	-9.8%	-9.8%
Portugal	1.8%	-3.8%
Iberia	**-6.9%**	**-8.3%**
Poland	1.5%	1.5%
Hungary	4.7%	4.7%
Czech Republic	2.4%	2.4%
Central Europe	**2.6%**	**2.6%**
SHOPPING CENTERS	**0.1%**	**-0.4%**

1.2.1. France-Belgium

Sales held up well on a 12-month basis (0.0%) in France despite the slowdown observed during the 4th quarter (-1.6%). Sales trended upward in both the Health and Beauty (+2.6%) and Personal Products (+1.6%) segments. Overall, business activity is being driven by regional shopping centers* such as Odysseum (Montpellier: +10.5%), Blagnac (Toulouse: +3.7%), Val d'Europe (Greater Paris Area: +2.3%) and by city center malls (Rennes Colombia: +5.3%, Les Passages de l'Hôtel-de-Ville, Boulogne-Billancourt: +0.9%).

In Belgium, sales at L'esplanade (Louvain-la-Neuve) were flat overall for the year (+0.1%).

1.2.2. Scandinavia

Sales growth has continued for the Group in these 3 countries (+1.7%).

In Norway, sales were up 1.0% year-over-year. Performance remains solidly driven by Gulskogen (Drammen: +9.8%) and Amanda (Haugesund: +4.5%).

In Sweden, sales were up at almost every mall (+2.1%). Sollentuna (Stockholm), the Group's largest shopping center in the country, and Mirum Galleria (Hageby) once again recorded the best sales performances (+8.5% and +5.0%, respectively). Emporia, which opened at the end of October, got off to a very good start and had attracted close to 2 million visitors by the end of 2012.

In Denmark, sales for the Group's three shopping malls were up in 2012, most notably for Field's in Copenhagen (+5.0%). Overall, business growth was a healthy 3.3%.

** See glossary.*
(1) Source: OECD (November 2012).

1.2.3. Italy

Despite the recovery in sales observed in Italy in December (-0.8%), sales decreased by 2.3% in 2012. The Personal Products segment, which is the biggest contributor to sales, showed the smallest decrease (-1.2%). Overall, footfall in Klépierre's shopping centers continued to increase compared to the previous year.

1.2.4. Iberia

The Spanish economy continued to deteriorate, particularly on the unemployment front. The downward trend in sales volume accelerated in the last quarter, bringing the 12-month decline to 9.8%. Despite this context, La Gavia (Madrid) managed once again to post resilient and satisfactory sales volume (-1.0%).

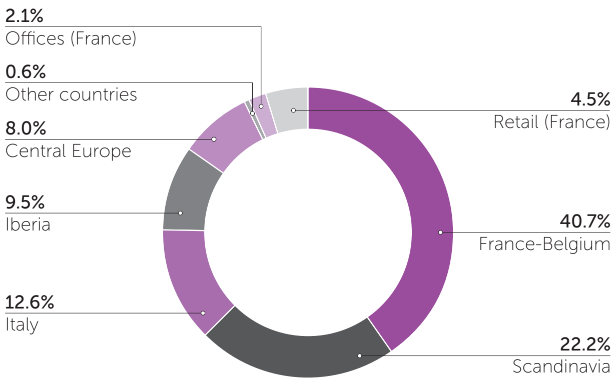
In Portugal, sales on a like-for-like basis decreased by 4.5%. Aqua Portimão, which opened in April 2011 in Algarve, posted a 4.7% increase in sales for the last quarter of 2012 compared with 2011. For Parque Nascente in Gondomar (the Group's largest center in the country), the fall in sales was limited to 1.2%.

1.2.5. Central Europe

Sales remained solid in Poland, up by a cumulative +1.5% since year-end 2011. All shopping centers reported higher sales.
In Hungary, lease renegotiations translated into higher sales volume (+4.7%). More than 2 years after it opened, the Corvin shopping center continues to turn in an excellent sales performance (+24.8% for the 12 months ended December 31, 2012).
The Czech Republic continues to report higher sales (+2.4% for the year).

1.3. RENTAL BUSINESS

Breakdown of consolidated rents (€983.0 M) at year-end 2012 by region/segment



Klépierre's consolidated rents for 2012 came to 983.0 million euros (+4.0% compared to 2011). Shopping center rents totaled 918.8 million euros (+4.9% on a current portfolio basis*), rents from retail assets (Klémurs) 44.0 million euros (+4.1%), and office building rents 20.2 million euros (-25.4%). On a like-for-like portfolio and forex basis, the increases were +2.3% for total rents, +2.2% for shopping center rents, +2.4% for retail assets rents and +8.1% for office building rents.

Lease income amounted to 992.1 million euros for the year, compared to 958.7 million euros in 2011 (+3.5%).

Fee income for 2012 reached 90.3 million euros, up by 6.1%.

Overall, revenues for 2012 came to 1 082.5 million euros, an increase of 3.7% compared to 2011.

1.3.1. Shopping center segment (93.4% of consolidaded rents)

	Rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros)	**2012**	2011	Change current portfolio	Change like-for-like	**2012**	2011	**2012**	2011
France-Belgium	400.3	369.2	8.4%	5.0%	98.5%	98.8%	1.1%	0.9%
Scandinavia	218.0	202.8	7.5%	3.0%	96.1%	95.7%	0.3%	0.3%
Italy	123.6	120.4	2.7%	2.2%	98.1%	99.1%	2.6%	2.5%
Iberia	93.1	96.8	-3.9%	-4.1%	90.3%	90.8%	2.9%	3.0%
Central Europe	78.4	79.7	-1.6%	-2.7%	94.3%	94.9%	4.1%	4.0%
Other countries	5.4	6.9	–	–				
TOTAL	**918.8**	**875.7**	**4.9%**	**2.2%**	**96.5%**	**96.8%**	**1.6%**	**1.8%**

(1) Rate 6-months out.

In 2012, the like-for-like scope for the shopping center segment represents 92.5% of total.

* *See glossary.*

1.3.1.1. France-Belgium (40.7% of consolidated rents)

(in millions of euros)	Rents 12 months **2012**	2011	Change current portfolio	Change like-for-like	Financial occupancy rate **2012**	2011	Late payment rate[1] **2012**	2011
France	385.9	355.3	8.6%	5.1%	98.5%	98.8%	1.1%	0.8%
Belgium	14.4	14.0	2.8%	2.8%	99.3%	99.2%	1.6%	2.2%
FRANCE-BELGIUM	**400.3**	**369.2**	**8.4%**	**5.0%**	**98.5%**	**98.8%**	**1.1%**	**0.9%**

(1) Rate 6-months out.

In France, rents were up by 5.1% on a like-for-like basis, an outperformance over index-linked rent adjustments attributable to the positive impact of new leases signed in 2011 (with an average rate of reversion of +18.8%). In 2012, 287 lease renewals/changes in tenant mix were recorded, with a 15.2% increase in financial conditions. Among the leases signed, retailers Hema and Adidas Performance opened stores in Val d'Europe (Greater Paris Area), where they were joined on October 1st of this year by an Apple Store (777 sq.m.). Kiko also pursued its expansion with Klépierre, opening stores at both Rennes Colombia and Boulogne-Billancourt. Zara opened a new store at Annecy Courier, bringing the total Zara stores in Klépierre's French malls to 19. Hema inaugurated its fifth store in Klépierre's French shopping malls. Rents also got a boost from the addition of a Saturn sales outlet (now operating under the name Boulanger) at Créteil Soleil (Greater Paris Area).

On a current portfolio basis*, growth reached 8.6%, driven mainly by additions to the scope: i) the acquisition of the Roques-sur-Garonne regional shopping center* in November 2011 (Toulouse); ii) the full-year contribution of the Le Millénaire shopping center, which opened for business just outside Paris on April 27, 2011; and iii) the contribution of St.Lazare Paris, the new retail space at Saint-Lazare train station that was inaugurated on March 21, 2012.
Rents were also impacted by disposals completed in 2011 (Aire-sur-la-Lys, La Roche-sur-Yon, Melun-Boissénart) and in 2012 (Nîmes, Flins-sur-Seine, Bourges, Aulnoy-lez-Valenciennes, Dijon, Mulhouse, Lormont and Rambouillet, in particular).

In Belgium, rents from retail tenants at L'esplanade (Louvain-la-Neuve) rose by 2.8%, driven by index-linked rent adjustments.

1.3.1.2. Scandinavia (22.2% of consolidated rents)

(in millions of euros)	Rents 12 months 2012	2011	Change current portfolio	Change like-for-like	Financial occupancy rate 2012	2011	Late payment rate[1] 2012	2011
Norway	98.2	94.3	4.1%	2.9%	97.9%	96.4%	0.1%	0.1%
Sweden	75.6	66.0	14.5%	2.3%	96.0%	97.0%	0.4%	0.4%
Denmark	44.2	42.4	4.2%	4.1%	93.6%	93.0%	0.4%	0.8%
SCANDINAVIA	**218.0**	**202.8**	**7.5%**	**3.0%**	**96.1%**	**95.7%**	**0.3%**	**0.3%**

(1) Rate 6-months out.

Rents from Norwegian shopping centers were up by 2.9% on a like-for-like basis, outperforming index-linked rent adjustments. The Gulskogen center in Drammen, whose extension was inaugurated in November 2010, turned in a satisfactory performance. The Arkaden shopping center in Oslo got a boost from lease renegotiations that were completed in 2011 (+18% on average). Leasing activity was particularly strong in 2012: 86 lease-ups were completed and 311 renewals/changes in tenant mix were signed, with financial conditions up by 5.6%. New retailers include Bolia (design and innovative home furnishing specialist) at Gulskogen (Drammen) and Arkaden Torgterrassen (Stavanger); New Yorker, which opened its first two Norwegian stores in Arkaden Torgterrassen and Farmandstredet (Tønsberg); and Aldo in Amanda (Haugesund).
On a current portfolio basis, rents were impacted by the sale of Sjøsiden in November 2011.

In Sweden, rents rose by 2.3% on a like-for-like basis thanks to sound fundamentals. From a rental management perspective, fiscal year 2012 was particularly productive: 386 leases were signed for 16.5 million euros in annual rent, with conditions up slightly on average. The change on a current portfolio basis is boosted by Emporia, a 79 000 sq.m. shopping center that opened for business in Malmö, the third largest Swedish city, on October 25, 2012.

In Denmark, rents rose by 4.1% on a like-for-like basis, reflecting the impact of index-linked rent adjustments and a lower vacancy rate*. Field's (Copenhagen) welcomed the first Sephora (in September) and Starbucks (in November) points of sale in a Danish shopping center. H&M Home also chose Field's when it opened its first store in Denmark.

** See glossary.*

1.3.1.3. Italy (12.6% of consolidated rents)

	Rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros)	**2012**	2011	Change current portfolio	Change like-for-like	**2012**	2011	**2012**	2011
ITALY	**123.6**	**120.4**	**2.7%**	**2.2%**	**98.1%**	**99.1%**	**2.6%**	**2.5%**

(1) Rate 6-months out.

Rents from Italian shopping centers rose by 2.2% on a like-for-like basis, slightly outperforming the average index-linked rent adjustments, thanks in particular to changes in the tenant mix at Metropoli (Milan) in 2011 (including the addition of Foot Locker and Douglas). International retailers strengthened their presence in Klépierre's Italian malls in 2012, including Kiko, which opened two additional stores, bringing the total to 20. Il Leone di Lonato also welcomed new international retailers: Apple in September and Tommy Hilfiger in November. Burger King opened its third store in Klépierre's Italian malls in June 2012, at La Romanina (Rome).

On a current portfolio basis, rents reflected the impact of the acquisition of the retail parks Romagna Center (Savignano, acquired in January 2011) and Montebello (final acquisition completed in February 2012).

1.3.1.4. Iberia (9.5% of consolidated rents)

	Rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros)	**2012**	2011	Change current portfolio	Change like-for-like	**2012**	2011	**2012**	2011
Spain	75.3	78.6	-4.2%	-3.9%	89.7%	90.0%	3.1%	3.1%
Portugal	17.8	18.3	-2.5%	-5.1%	93.2%	95.1%	2.0%	2.4%
IBERIA	**93.1**	**96.8**	**-3.9%**	**-4.1%**	**90.3%**	**90.8%**	**2.9%**	**3.0%**

(1) Rate 6-months out.

In Spain, rents declined by 3.9% on a like-for-like basis. While the centers La Gavia (Madrid) and Meridiano (Tenerife) – which represent close to 40% of Spanish portfolio value – have been resilient, the rest of the property portfolio is being impacted by Spain's current economic and social situation. Retail tenant sales revenue fell by 9.8% in 2012, a situation that is weighing adversely on the late payment rate*. Lease renegotiation conditions were down slightly for leases signed during the year (-4.8%). The financial occupancy rate* is stable compared to December 31, 2011.

In Portugal, rents were down by 5.1% on a like-for-like basis. The vacancy rate rose by 1.9 percentage point compared to the situation on December 31, 2011, while financial conditions on lease renegotiations declined. Nonetheless, the late payment was down compared to December 31, 2011.

On a current portfolio basis, rents were positively impacted by the full-year contribution of Aqua Portimão, which successfully opened on April 14, 2011 and which continues to post satisfactory performances.

1.3.1.5. Central Europe (8.0% of consolidated rents)

	Rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros)	2012	2011	Change current portfolio	Change like-for-like	2012	2011	2012	2011
Poland	35.3	34.7	1.7%	0.3%	95.5%	97.9%	3.6%	3.1%
Hungary	22.1	25.1	-11.9%	-13.2%	89.5%	88.4%	5.4%	5.9%
Czech Republic	21.1	19.9	5.9%	5.6%	98.0%	98.3%	3.2%	3.0%
CENTRAL EUROPE	**78.4**	**79.7**	**-1.6%**	**-2.7%**	**94.3%**	**94.9%**	**4.1%**	**4.0%**

(1) Rate 6-months out.

In Poland, rents were quite stable (+0.3%) on a like-for-like basis. The vacancy rate continued to rise for the Kraków and Sosnowiec centers. Lease renegotiations over the year resulted in an average decline in guaranteed rent of 4.5%. International retailers continue to expand in the country: Starbucks opened a new coffee shop at Poznań Plaza in September and Stradivarius (Inditex Group) inaugurated a new store in Lublin Plaza in November 2012.

In Hungary, additional measures were taken in 2011 to support tenants. Rebates were higher in 2012 than in 2011 and lease renegotiations led to a 13.2% decline in rents on a like-for-like basis. The financial occupancy rate was up by 110 basis points compared to December 31, 2011, thanks mainly to the arrival of new retailers in centers located in Budapest: KFC at Corvin in November, Deichmann at Duna Plaza and at Csepel Plaza in April, and H&M at Nyír Plaza in March.

In the Czech Republic, the like-for-like basis increase in rents outperformed the average index-linked rent adjustment, reflecting lease renegotiations in Nový Smíchov (Prague). The latter welcomed several new retailers, including Celio, Levis', Mango, Lindex and Calvin Klein. Aldo also opened new stores, one in Nový Smíchov and one in Novodvorská Plaza (Prague).

** See glossary.*

1.3.2. Impact of foreign exchanges over 12 months

12-months change like-for-like (total share)	Excluding currency impact	Including currency impact
Norway	2.9%	7.1%
Sweden	2.3%	6.1%
Denmark	4.1%	4.2%
Scandinavia	**3.0%**	**6.1%**
Poland	0.3%	1.7%
Hungary	-13.2%	-11.9%
Czech Republic	5.6%	5.9%
Central Europe	**-2.7%**	**-1.6%**
SHOPPING CENTERS	**2.2%**	**3.0%**
TOTAL RENTS	**2.3%**	**3.0%**

1.3.3. Retail segment – Klémurs (4.5% of consolidated rents)

	Rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros)	**2012**	2011	Change current portfolio	Change like-for-like	**2012**	2011	**2012**	2011
RETAIL – KLÉMURS	**44.0**	**42.3**	**4.1%**	**2.4%**	**99.1%**	**99.0%**	**0.5%**	**0.4%**

(1) Rate 6-months out.

On a like-for-like basis, rents from retail properties/Klémurs rose by 2.4%, reflecting the following items:

- the impact of index-linked rent adjustments (+4.1%) on minimum guaranteed rents, with 65% of leases pegged to the ICC* for the 2nd quarter of 2011, up by 5.01%;
- a decrease in variable rents.

On a current portfolio basis* the change in rents also reflects the contribution of the acquisitions completed in October 2011 (Delbard garden centers and a restaurant building lease), which more than offsets the impact of the disposal of a cafétéria in Saint-Malo that was also completed in 2011.

1.3.4. Office property segment (2.1% of consolidated rents)

	Rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros)	**2012**	2011	Change current portfolio	Change like-for-like	**2012**	2011	**2012**	2011
OFFICES	**20.2**	**27.1**	**-25.4%**	**8.1%**	**83.7%**	**95.0%**	**0.0%**	**0.1%**

(1) Rate 6-months out.

On a like-for-like basis, office rents rose by 8.1%, reflecting the combined impact of index-linked rent adjustments (+€0.6 M) and changes involving leases made in 2011 and 2012 (+€1.2 M).

On a current portfolio basis, rents reflected the impact of several asset disposals completed in 2011 for 64.2 million euros and in 2012 for 224 million euros. The 2012 disposals included the following buildings: Anatole France, Collines de l'Arche, Séreinis and most recently Equilis, in December. Conversely, rents for 2012 got a boost from the addition of Les Bureaux du Canal building adjacent to the Millénaire shopping mall in Aubervilliers (17 194 sq.m.). This asset (Klépierre and Icade each own a 50% share) is 71% leased up.

As of December 31, 2012, the financial occupancy rate* was 83.7% compared with 95.0% one year earlier. Excluding the impact of the Neuilly-sur-Seine Charles de Gaulle building, which is being considered for refurbishment, the financial occupancy rate stands at 94.8%.

** See glossary.*

1.3.5. Fee income

Fee income for 2012 increased to 90.3 million euros, up 6.1% compared to 2011. The increase is attributable to the rise in fees due to the status of the development projects included in Klépierre's committed development pipeline.

1.3.6. Lease expiry schedules as of December 31, 2012

Shopping centers lease expiry schedule

Country/Area	< 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021 +	**Total**	Average lease length
France	6.8%	5.1%	5.0%	4.6%	8.5%	10.3%	8.1%	7.9%	13.8%	29.9%	100.0%	5.8
Belgium	0.2%	1.4%	60.6%	4.1%	10.4%	2.1%	2.6%	12.5%	1.9%	4.1%	100.0%	3.5
France-Belgium	**6.5%**	**5.0%**	**7.0%**	**4.6%**	**8.5%**	**10.0%**	**7.9%**	**8.0%**	**13.4%**	**29.1%**	**100.0%**	**5.7**
Denmark	–	–	–	–	–	–	–	–	–	–	–	–
Norway	6.7%	22.2%	13.3%	16.5%	16.5%	11.8%	8.2%	2.8%	1.6%	0.6%	100.0%	3.1
Sweden	5.6%	23.8%	21.5%	19.9%	12.2%	9.8%	2.0%	1.9%	2.6%	0.7%	100.0%	2.8
Scandinavia	**6.2%**	**23.0%**	**17.3%**	**18.2%**	**14.4%**	**10.8%**	**5.2%**	**2.3%**	**2.1%**	**0.6%**	**100.0%**	**2.9**
Italy	**2.2%**	**9.1%**	**10.8%**	**9.4%**	**15.0%**	**12.2%**	**6.3%**	**8.0%**	**7.8%**	**19.3%**	**100.0%**	**5.5**
Spain	0.8%	9.8%	7.8%	8.0%	11.1%	7.7%	7.6%	8.1%	2.7%	36.3%	100.0%	6.7
Portugal	4.4%	7.1%	7.1%	15.0%	12.3%	25.3%	8.0%	0.9%	1.3%	18.5%	100.0%	5.1
Iberia	**1.6%**	**9.3%**	**7.7%**	**9.5%**	**11.4%**	**11.4%**	**7.7%**	**6.6%**	**2.4%**	**32.6%**	**100.0%**	**6.3**
Poland	0.8%	9.9%	5.8%	31.8%	7.7%	37.7%	0.4%	0.7%	3.1%	2.0%	100.0%	3.3
Hungary	1.3%	15.2%	20.9%	35.4%	8.5%	10.4%	2.5%	0.3%	0.0%	5.6%	100.0%	5.7
Czech Republic	3.8%	11.2%	7.3%	11.8%	25.0%	22.2%	4.9%	3.1%	0.3%	10.5%	100.0%	4.7
Central Europe	**1.8%**	**12.0%**	**10.9%**	**27.2%**	**12.9%**	**24.7%**	**2.3%**	**1.3%**	**1.3%**	**5.5%**	**100.0%**	**4.4**
TOTAL	**4.9%**	**10.4%**	**10.2%**	**10.5%**	**11.3%**	**11.8%**	**6.6%**	**6.1%**	**8.2%**	**20.1%**	**100.0%**	**5.1**

Retail segment/Klémurs lease expiry schedule

< 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021+	**Total**	Average lease length
1.6%	2.2%	1.1%	3.3%	2.6%	0.3%	6.2%	4.2%	14.5%	64.1%	100.0%	9.4

Office segment lease expiry schedule

(in millions of euros)	2013	2014	2015	2016	2017	2018	**Total**	Average lease length
By date of next exit option	**7.7**	**6.9**	**0.2**	**0.0**	**0.0**	**2.1**	**16.9**	**1.3**
as a % of the total	*45.3%*	*41.0%*	*1.3%*	*0.0%*	*0.0%*	*12.5%*	*100.0%*	
By end of lease date	**7.7**	**6.2**	**0.0**	**0.0**	**0.3**	**2.7**	**16.9**	**2.1**
as a % of the total	*45.3%*	*36.8%*	*0.0%*	*0.0%*	*1.9%*	*16.1%*	*100.0%*	

The 2013 expirations mainly concern the Monte Paschi leases in the Meyerbeer building (Paris 9th arrondissement), which is in the process of being restructured, and the tenant Lexisnexis at 141, rue de Javel (Paris 15th arrondissement), whose renewal is being negotiated.

1.4. DEVELOPMENT – DISPOSALS

1.4.1. The retail real estate investment market in continental Europe in 2012(1)

In 2012, transactions in the retail real estate* market in Continental Europe totaled 13.5 billion euros, a decrease of 37% compared to 2011 (21.4 billion euros) due to lack of large high quality schemes being transacted.
Shopping centers represented 73% of retail investment in Continental Europe.
Majority of activity remains focused on the large, liquid markets of Germany and France (which represent 33% and 9% of the retail investment respectively). This year many transactions occurred in Sweden and Norway which represent for 2012 11% and 10% of activity in Continental Europe.
In France, the year 2012 was active with the acquisition of a building located on the Champs-Elysées completed by a Qatari fund for an amount of 500 million euros. The latter gave a significant boost to the French market. The gap supply/demand gap persists for prime products. Yields appear to have stabilized at low levels. Although domestic investors are still active, the French market remains attractive to foreign investors, in particular from the English-speaking countries and the Middle-East.

1.4.2. Investments made in 2012

(in millions of euros)	Total	Operating assets at year-end 2012	Development projects
France-Belgium	**212.5**	106.2	106.3
		St.Lazare Paris Claye-Souilly (extension-refurbishment)	Bègles Rives d'Arcins (extension) Clermont Jaude (extension) Perpignan-Claira (extension-refurbishment) Val d'Europe (extension) L'esplanade (extension)
Scandinavia	**189.5**	137.8	51.8
		Emporia	Kristianstad Viva Vinterbro (extension-refurbishment)
Italy	**48.8**	47.2	1.6
		K2 Fund (10%) Montebello (retail park)	–
Other	**7.4**	**0.4**	**7.0**
TOTAL	**458.2**	**291.6**	**166.6**

291.6 million euros were, for the most part, invested in successfully opened shopping center located in regions that enjoy strong purchasing power and a favorable demographic outlook for the years ahead:

- St.Lazare Paris, the new 10 000 sq.m. retail space in one of the busiest transportation and retail hubs of the French capital, opened on March 30, 2012. St.Lazare Paris retailers are posting revenues above expectations, with revenues per sq.m. among the highest for French shopping malls.
- Emporia, the new 79 000 sq.m. structuring retail facility in Malmö's large urban redevelopment plan. Since it opened on October 25, 2012, Emporia's 220 stores and restaurants have attracted 182 000 visitors a week on average.
- The Claye-Souilly extension-refurbishment (+13 000 sq.m.) inaugurated on December 6, 2012 in the Greater Paris Area. Footfall rose by 36.1% compared with the period before refurbishment and extension work began.

Klépierre raised its equity stake in the K2 Fund, which owns 4 shopping malls located in the most dynamic urban areas in Northern Italy.

166.6 million euros were allocated to the Group's development projects, mainly in France, Belgium and Scandinavia *(see the section "2013-2017 Development pipeline*" below).*

** See glossary.*
(1) Source: Jones Lang LaSalle.

1.4.3. 2013-2017 development pipeline

The Group's global development pipeline has a value of 2.7 billion euros, which includes 340 million euros worth of committed projects(1), 1.4 billion euros worth of controlled projects(2), and 1.0 billion euros worth of identified(3) projects. Expressed in group share terms, the respective amounts are 2.2 billion euros, 285 million euros, 1.1 billion euros and 0.8 billion euros.

For the period 2013-2017, the Group plans to invest 2.2 billion euros (total share), which breaks down as follows: 0.2 billion euros for committed projects, 1.1 billion euros for controlled projects, and 0.9 billion euros for identified projects.

(in millions of euros)	Estimated cost(1)	Amounts to outlay 2013-2017	Expected net initial yield(2)	Floor area (sq.m.)	Expected opening date	Pre-let rate (%) MGR(3)	Pre-let rate (%) Floor area
Perpignan-Claira (extension/refurbishment, France)	37.3	7.5	8.2%	8 200	Q2 2013	87%	86%
Bègles Rives d'Arcins (extension – France)	67.5	12.9	7.7%	12 900	Q2 2013	98%	89%
Vinterbro (extension/refurbishment – Norway)	33.4	4.7	7.6%	7 600	Q2 2013	90%	90%
Carré Jaude 2 (extension, Clermont-Ferrand – France)	101.2	57.4	7.2%	16 000	Q1 2014	53%	51%
Marseille Bourse (extension/refurbishment – France)*	17.2	15.0	6.4%	2 660	Q4 2014	–	–
Besançon Pasteur (France)	55.8	42.9	6.4%	15 000	Q1 2015	30%	30%
Other operations							
TOTAL COMMITTED OPERATIONS	**340.4**	**153.1**	**7.4%**	**72 688**			
Romagna Center (extension – Italy)	26.4	25.6	7.8%	8 000	Q1 2014		
Kristianstad (Sweden)	128.4	86.7	7.2%	28 500	Q4 2014		
Chaumont (France)	39.6	38.9	8.9%	31 600	Q1 2015		
Allum (extension/refurbishment – Sweden)	57.7	53.7	8.4%	14 500	2015		
Viva (Denmark)	227.5	188.5	6.4%	48 500	Q4 2015		
Grand Portet (extension/refurbishment – France)	50.7	47.3	9.9%	8 000	Q3 2016		
Val d'Europe (extension – France)	93.7	86.1	7.1%	17 000	Q3 2016		
L'esplanade (extension – Belgium)	130.3	113.0	7.6%	26 000	2016-2017		
Åsane (extension/refurbishment – Norway)	111.0	104.8	8.4%	52 000	Q4 2017		
TOTAL CONTROLLED OPERATIONS	**1 353.1**	**1 128.9**	**≈8%**	**391 997**			
TOTAL IDENTIFIED OPERATIONS	**956.4**	**926.1**	**–**	**273 649**			
TOTAL	**2 650.1**	**2 208.1**	**–**	**738 334**			

** Klépierre share (50%).*
(1) Estimated cost price before financial costs.
(2) Expected net rents/Total estimated cost price before financial costs.
(3) MGR: Minimum guaranteed rent.

In the years to come, the Group will continue to deliver development schemes included on the committed part of its pipeline for which pre-let rates rose significantly, demonstrating their appeal for retailers.

The Group's committed and controlled investments scheduled for the 2013-2017 period will remain focused on regions enjoying sound fundamentals and in which it already owns a large asset base. Those investments will thus be concentrated in France, Belgium and Scandinavia (92.7%). 54.5% of the committed and controlled projects are extension-refurbishment projects that enables the Group to capitalize on retail facilities that have proven their leadership in their respective catchment areas. 45.5% are greenfield projects that are part of large urban redevelopment programs supported by powerful transportation network plans, housing and office building projects.

Supported by a strong level of liquidity (close to 2.0 billion euros at year-end 2012), the Group will be able to strengthen its presence in targeted areas in Continental Europe, whether by launching projects included in the controlled part of its development pipeline or by seizing accretive acquisition opportunities.

(1) Projects that are in the process of completion, for which Klépierre controls the land and has obtained the necessary administrative approvals and permits.
(2) 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).
(3) Projects that are in the process of being put together and negotiated.

1.4.4. Disposals

Assets	Sale price *(in millions of euros, exl. duties)*	Date
Claye-Souilly – 45% stake (Greater Paris Area, France)(1)		04/16/2012
Bourges (Centre, France)		06/27/2012
Flins-sur-Seine (Greater Paris Area, France)		06/28/2012
Portfolio of 5 assets (France)(2)		06/29/2012
Lormont (Bordeaux, France)		07/23/2012
Nîmes Étoile (Languedoc-Roussillon, France)		08/02/2012
Dijon Quetigny (Burgundy, France)		11/23/2012
Mulhouse Illzach (Alsace, France)		11/23/2012
Rambouillet (Greater Paris Area, France)		12/13/2012
Shopping centers	**473.7**	
Anatole France – 50% stake (Levallois-Perret)(3)		03/19/2012
Séreinis (Issy-les-Moulineaux)		07/11/2012
Collines de l'Arche – 30.44% stake (La Défense)(4)		07/17/2012
Equilis (Issy-les-Moulineaux)		12/19/2012
Offices	**224.0**	
TOTAL	**697.8**	

(1) 45% stake (17% stake sold by CNP Assurances and 28% stake by Klépierre).
(2) Aulnoy-lez-Valenciennes, Beaune, Moulins, Guingamp, retail park La Roche-sur-Yon.
(3) Disposal of a jointly-owned 50% stake.
(4) Disposal of a jointly-owned 30.44% stake.

In 2012, Klépierre sold 697.8 million euros worth of assets (excluding transfer duties). These sales involved both shopping centers located in France and office buildings situated within the inner rim of Paris. The total exceeds Klépierre's 0.5 billion euros disposal target for 2012, putting the Group on track to achieve its 1 billion euros disposal target for the 2012-2013 period.

These sales were completed for prices slightly above the latest appraised values, attesting to the high level of investor interest in real estate assets offering secure yields over long periods.

1.5. CONSOLIDATED EARNINGS AND CASH FLOW

1.5.1. Earnings by segment

1.5.1.1. Shopping center segment

(in millions of euros)	**12/31/2012**	12/31/2011	Change
Rents	918.8	875.5	4.9%
Other rental income	8.7	13.5	-35.8%
Lease income	**927.5**	**889.0**	**4.3%**
Rental and building expenses	-104.0	-102.6	1.4%
Nets rents	**823.5**	**786.5**	**4.7%**
Management and other income	102.8	103.5	-0.7%
Payroll expense and other general costs	-138.6	-126.3	9.7%
EBITDA	**787.7**	**763.6**	**3.2%**
Depreciation and amortization	-359.4	-298.1	20.6%
Proceeds from sales	164.0	43.4	277.6%
Share in earnings in equity-methods investees	1.5	1.5	1.0%
SEGMENT EARNINGS	**593.9**	**510.5**	**16.3%**

Shopping centers rents for the year came to 918.8 million euros, an increase of 43.3 million euros over 2011 (+4.9%).

The change in other rental income is primarily attributable to the end of entry fee straight-lining from the Blagnac and Saint-Orens extensions (Toulouse) launched in 2008 and 2009.

Rental and building expenses rose by 1.4 million euros, reflecting the implementation of new taxes, such as the IMU *(Imposta Municipale Unica)* in Italy and the CVAE *(Cotisation sur la Valeur Ajoutée des Entreprises)* in France, partially offset by a tax rebate in Denmark. Expenses also include the impact of the temporary occupation permit signed with SNCF for the new retail space at the Saint-Lazare train station (Paris).

Management and other income was virtually unchanged at 102.8 million euros. The rise in fees attributable to the status of the development projects included in Klépierre's committed development pipeline* was neutralized by a decrease in other income due to lower work re-invoicing.

Payroll and general operating expenses totaled 138.6 million euros, an increase of 9.7% compared to the previous year. Some of this increase is attributable to a rise in staffing levels in France and Sweden in H2 2011 related to the openings of Le Millénaire, St.Lazare Paris and Emporia.

EBITDA for the year was 787.7 million euros, up by 24.1 million euros *versus* 2011.

Depreciation and amortization for the period was 289.7 million euros, an increase of 17.6 million euros that reflects the development of the property portfolio. Asset impairment allowances for the period (€68.7 M) were up by 45.5 million euros compared with the preceding period.

Proceeds from the sale of assets include the impact of the sales completed primarily in France: the Flins-sur-Seine, Bourges, Lormont, Nîmes-Étoile, Dijon, Mulhouse and Rambouillet centers as well as a portfolio of 5 retail properties[(1)]. Including the disposal of a 45% stake in the Claye-Souilly center, asset sales amounted to 473.7 million euros.

Including the impact of earnings from equity method investees (Progest group) totaling 1.5 million euros, shopping center segment income reached 593.9 million euros, an increase of 16.3%.

	France-Belgium		Scandinavia		Italy		Iberia		Central Europe		Other countries	
(in millions of euros)	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011
Rents	400.3	369.1	218.0	202.8	123.6	120.4	93.1	96.8	78.4	79.7	5.4	6.9
Other rental income	6.5	11.1	0.0	0.2	1.8	2.0	0.2	0.2	0.2	0.1	0.0	0.0
Lease income	**406.8**	**380.1**	**218.0**	**203.0**	**125.4**	**122.4**	**93.2**	**97.0**	**78.6**	**79.8**	**5.4**	**6.9**
Rental and buiding expenses	-33.6	-28.6	-28.8	-33.1	-14.0	-11.0	-11.3	-10.7	-14.5	-16.0	-1.9	-3.2
Net rents	**373.2**	**351.5**	**189.2**	**169.8**	**111.4**	**111.4**	**81.9**	**86.3**	**64.2**	**63.8**	**3.6**	**3.7**
Management and other income	50.9	57.1	31.8	28.3	7.6	7.1	6.9	6.5	5.4	4.4	0.2	0.2
Payroll expense and other general costs	-60.2	-53.5	-43.4	-38.6	-12.2	-11.3	-14.5	-13.3	-7.8	-9.1	-0.4	-0.5
EBITDA	**363.9**	**355.1**	**177.6**	**159.6**	**106.9**	**107.2**	**74.3**	**79.4**	**61.7**	**59.0**	**3.3**	**3.4**
Depreciation and amortization	-129.2	-99.1	-81.1	-91.3	-34.9	-33.1	-50.6	-41.6	-49.6	-24.1	-13.9	-8.9
Proceeds from sales	164.4	38.1	-0.3	2.6	0.0	0.0	0.0	3.0	0.0	-0.3	0.0	0.0
Share in earnings in equity-methods investees	1.5	1.5	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
SEGMENT EARNINGS	**400.6**	**295.6**	**96.2**	**70.9**	**72.0**	**74.0**	**23.7**	**40.9**	**12.1**	**34.6**	**-10.6**	**-5.5**

** See glossary.*
(1) Aulnoy-lez-Valenciennes, Beaune, Moulins, Guingamp, retail park La Roche-sur-Yon.

1.5.1.2. Retail segment – Klémurs

(in millions of euros)	**12/31/2012**	12/31/2011	Change
Rents	44.0	42.3	4.1%
Other rental income	0.0	0.1	-63.8%
Lease income	**44.0**	**42.4**	**3.9%**
Rental and building expenses	-1.3	-1.6	-21.3%
Nets rents	**42.8**	**40.8**	**4.8%**
Management and other income	0.4	0.2	137.7%
Payroll expense and other general costs	-2.0	-2.0	-2.3%
EBITDA	**41.2**	**38.9**	**5.8%**
Depreciation and amortization	-18.7	-9.7	NA
Proceeds from sales	0.0	0.3	-100.0%
SEGMENT EARNINGS	**22.4**	**29.6**	**-24.1%**

Rental income from retail properties rose by 3.9% (€+1.6 M), to 44.0 million euros.

Rental, building and land expenses were 1.3 million euros for the period, primarily reflecting the fees paid to outside service providers.

Rental and administrative management fees paid to Klépierre Conseil have been eliminated from this presentation.

Payroll and general operating expenses for the period amounted to 2.0 million euros, primarily reflecting the allocation of costs for personnel in charge of management and development for the company.

EBITDA for the period was 41.2 million euros, up by 2.3 million euros.

Following the decrease in the value of holdings, a 4.5 million euros provision for impairment was recorded for the period ending December 31, 2012. For the year ended December 31, 2011, valuations allowed for the reversal of a provision for impairment of 4.2 million euros.

Segment income for the period showed a 22.4 million euros profit.

1.5.1.3. Office segment

(in millions of euros)	**12/31/2012**	12/31/2011	Change
Rents	20.2	27.3	-25.9%
Other rental income	0.4	0.0	NA
Lease income	**20.6**	**27.3**	**-24.6%**
Rental and building expenses	-3.1	-2.9	4.6%
Nets rents	**17.6**	**24.4**	**-28.1%**
Management and other income	1.2	1.7	-30.1%
Payroll expense and other general costs	-0.9	-0.9	2.3%
EBITDA	**17.9**	**25.3**	**-29.3%**
Depreciation and amortization	-5.9	-9.6	-39.1%
Proceeds from sales	40.8	22.6	80.7%
SEGMENT EARNINGS	**52.8**	**38.2**	**38.2%**

Lease income for the period was 20.6 million euros, a 24.6% decrease that reflected disposals completed in 2011 and 2012.

Rental and building charges for the period reflected the cost of the vacancy at the Equilis (Issy-les- Moulineaux, sold in December) and 192 Charles de Gaulle (Neuilly-sur-Seine) buildings, as well as fees paid to outside service providers.

Payroll and general operating expenses came to 0.9 million euros.

EBITDA for the period reached 17.9 million euros, a decline of 29.3% compared with the period ended December 31, 2011.

Depreciation and amortization expense for the period decreased by 3.8 million euros, attributable to asset sales completed.

The Office segment generated proceeds from asset sales of 40.8 million euros following the sale of a 50% stake in the Anatole France building (Levallois-Perret), the sale of a 33.44% stake in the Collines de l'Arche building (La Défense), and the sale of the Séreinis and Equilis buildings (Issy-les-Moulineaux).

Segment income at the December 31, 2012 reporting date came to 52.8 million euros, up by 38.2%.

1.5.2. Consolidated earnings and cash flow

1.5.2.1. Earnings

(in millions of euros)	12/31/2012	12/31/2011	Change €M	Change %
Rents	**983.0**	**945.1**	**37.9**	**4.0%**
Other rental income	9.1	13.6	-4.5	-33.4%
Lease income	**992.1**	**958.7**	**33.4**	**3.5%**
Rental and building expenses	-108.3	-107.1	-1.2	1.1%
Net lease income	**883.8**	**851.6**	**32.2**	**3.8%**
Management and administrative income	90.3	85.1	5.2	6.1%
Other operating income	14.1	20.4	-6.3	-30.8%
Payroll expense	-120.5	-109.9	-10.5	9.6%
Other general expenses	-46.0	-40.2	-5.8	14.4%
EBITDA	**821.8**	**807.0**	**14.8**	**1.8%**
Depreciation and amortization on investment property	-385.5	-314.2	-71.3	22.7%
Depreciation and amortization on contingencies	0.3	-3.7	4.0	NA
Proceeds of sales	204.8	66.3	138.5	208.8%
Results of operations	**641.4**	**555.4**	**85.9**	**15.5%**
Net cost of debt	-317.7	-315.9	-1.8	0.6%
Change in the fair value of financial instruments	-41.6	-21.4	-20.2	NA
Share in earnings for equity method investees	1.5	1.5	0.0	1.0%
Pre-tax current income	**283.6**	**219.7**	**63.9**	**29.1%**
Corporate income tax	-21.7	-21.9	0.2	-1.0%
Net income	**261.9**	**197.8**	**64.1**	**32.4%**
Non-controlling interests	-95.3	-55.4	-39.9	72.1%
NET INCOME (GROUP SHARE)	**166.6**	**142.4**	**24.2**	**17.0%**

Lease income amounted to 992.1 million euros, with 927.5 million euros of the total provided by shopping centers, 44.0 million euros provided by retail properties and 20.6 million euros provided by office properties.

Net rents for the year came to 883.8 million euros, an increase of 3.8% compared with the period ended December 31, 2011.

Management and administrative income (fees) from service businesses totaled 90.3 million euros, up by 5.2 million euros. Other operating income primarily includes gains on charges reinvoiced to tenants and various indemnities.

Owner's building expenses for the period came to 108.3 million euros, an increase of 1.2 million euros (+1.1%).

Payroll expense for the period was 120.5 million euros, *versus* 109.9 million euros for the preceding period. Total headcount was 1 467 on December 31, 2012 *versus* 1 476 on December 31, 2011.

Other general expenses came to 46.0 million euros, up by 14.4%.

EBITDA for the period was 821.8 million euros, a 1.8% increase compared with the period ended December 31, 2011.

Depreciation and amortization for buildings was 385.5 million euros for the period, up by 71.3 million euros compared with 2011. This decrease includes an asset impairment allowance of 73 million euros, an increase of 54 million euros. The rise in depreciation and amortization allowance (€17.3 M) was partly offset by the impact of asset sales.

Depreciation and amortization expense for contingencies for the period came to 0.3 million euros, *versus* -3.7 million euros in 2011.

Proceeds from the sale of assets reached 204.8 million euros for the period, compared with 66.3 million euros for the previous year.

Operating income, 641.4 million euros for the period, rose by 15.5% compared with 2011.

The net cost of debt amounted to 317.7 million euros (+0.6%), virtually unchanged compared to December 31, 2011. The decrease in the average cost of debt – the ratio of interest expense to average financing debt – by 22 basis points to 3.95% was offset by the rise in average outstanding debt, which was partly due to the appreciation of Scandinavian currencies against the euro and to the status of development projects (previously accounted as capitalized costs).

Change in the fair value of financial instruments was -41.6 million euros in 2012, *versus* -21.4 million euros in 2011. This represents the disqualification from cash flow hedge to trading of hedging instruments following the strong rise in fixed rate debt in 2012.

Klépierre's financial policy and structure are described in more detail in paragraph 1.10.

Tax expense was 21.7 million euros, compared to 21.9 million euros for the period ended December 31, 2011:

- Tax payable was 26.8 million euros, *versus* 24.1 million euros for the preceding period.
- Deferred taxes amounted to a credit of 5.1 million euros, *versus* 2.2 million euros for the preceding period.

Consolidated net income was 261.9 million euros, up by 32.4% compared with December 31, 2011.

Minority share of net income (non-controlling interests) for the period was 95.3 million euros, mainly from the shopping center segment, bringing group share of net income to 166.6 million euros, an increase of 17.0%.

1.5.2.2. Change in net current cash flow

			Change	
(in millions of euros)	**12/31/2012**	12/31/2011	€M	%
Total share				
EBITDA-Shopping centers	787.7	763.6	24.1	3.2%
EBITDA-Offices	17.9	25.3	-7.4	-29.3%
EBITDA-Retail properties	41.2	38.9	2.3	5.8%
Corporate and shared expenses	-25.0	-20.8	-4.2	20.2%
EBITDA	**821.8**	**807.0**	**14.8**	**1.8%**
Restatement payroll and deferred expenses	6.3	3.2	3.1	95.9%
Operating cash flow	**828.1**	**810.2**	**17.8**	**2.2%**
Net cost of debt	-317.7	-315.9	-1.8	0.6%
Restatement financial allowance	21.4	17.2	4.2	24.2%
Net current cash flow before taxes	**531.7**	**511.5**	**20.2**	**3.9%**
Share in equity method investees	1.5	1.5	0.0	1.0%
Current tax expenses	-24.4	-22.3	-2.1	9.4%
NET CURRENT CASH FLOW (TOTAL SHARE)	**508.9**	**490.8**	**18.1**	**3.7%**
Group share before scrip dividend				
NET CURRENT CASH FLOW (GROUP SHARE)	**378.2**	**371.1**	**7.1**	**1.9%**
Group share after scrip dividend				
NET CURRENT CASH FLOW (GROUP SHARE)	**380.8**	**371.1**	**9.7**	**2.6%**
Restatement payroll expenses (employee benefits, stock options)	-5.9	-3.0	-3.0	
Restatement amortization allowances and provisions for contingencies and losses	-8.8	-10.7	1.8	
Other restatements related to tax	-0.8	-0.3	-0.5	
EPRA EARNINGS	**365.2**	**357.2**	**8.0**	**2.2%**
Number of shares before dividend payment in shares	185 296 480	186 336 909		
Number of shares after dividend payment in shares	191 271 591	186 336 909		
Before scrip dividend				
NET CURRENT CASH FLOW PER SHARE (IN EUROS)	**2.04**	**1.99**	**0.05**	**2.5%**
After scrip dividend				
NET CURRENT CASH FLOW PER SHARE (IN EURO)	**1.99**	**1.99**	**0.00**	**0.0%**
EPRA EARNINGS PER SHARE (IN EURO)	**1.91**	**1.92**	**-0.01**	**-0.4%**

After-tax, global net current cash flow for the period came to 508.9 million euros, an increase of 3.7%. Group share, it was 380.8 million euros (2.04 euros per share), up by 2.6% (+2.5% per share) *versus* 2011 (before scrip dividend). After scrip dividend, net current cash flow* per share for the year is unchanged at 1.99 euro.

* *See glossary.*

1.6. OUTLOOK

Looking forward, Klépierre will continue to strengthen its positioning as a pure player in shopping centers, and will pursue its strategy of disengaging from the office segment while considering various alternatives for Klémurs assets.

In the shopping center segment, Klépierre will continue to focus selectively on dynamic and prosperous regions of Continental Europe where the Group intends to further consolidate its positions. Klépierre will continue to dispose of shopping center assets that fall outside its core targets while investing in new projects. The ongoing development projects will contribute to this objective, with three extension-refurbishments scheduled to open around mid-2013.

To ensure the success of its shopping centers and support future revenue growth, Klépierre will focus efforts on regularly updating the retail offer, strengthening customer relationships and enhance the appeal of its malls. Special attention will be paid to relationships with retailers and brands by responding to their development needs and evolving concepts as well as by helping them improve the staging of their products, whether on a permanent or a temporary basis. Various initiatives are already underway in this area and will intensify in 2013 thanks to the Simon Property Group's proven expertise in the US market.

On the operating level, new initiatives will be pursued to optimize costs, including the creation of a centralized purchasing department, the maintenance of energy cost savings programs, streamlining, and motivating teams to embrace new qualitative objectives.

Lastly, on the financial strategy front, Klepierre has the potential to further reduce its cost of debt. In the medium term, lowering the Loan-to-Value* ratio to around 40% should lead to a higher rating. At the same time, the ongoing strategy of asset rotation and calibrated capital recycling should enable Klépierre to eventually seize targeted acquisition opportunities.

In 2013, Klépierre expects total rents to grow by around 2% on a like-for-like basis. On a current basis, depending on the precise timing of disposals, rent growth should nevertheless be of the same magnitude. As for the net current cash flow per share, taking into account the slightly dilutive effect of the 2011 dividend paid in shares, Klépierre expects an increase of around 2% to 2.5%.

1.7. PARENT COMPANY EARNINGS AND DISTRIBUTION

Summary earnings statement for the parent company Klépierre SA

(in millions of euros)	**12/31/2012**	12/31/2011	Change €M	Change %
Operating income	27.5	31.1	-3.6	-11.6%
Operating expenses	-31.6	-27.4	-4.3	15.6%
Operating result	**-4.1**	**3.7**	**-7.8**	**-211.0%**
Share of income from subsidiaries	371.9	201.2	170.8	84.9%
Financial result	104.1	37.0	67.1	181.6%
Pre-tax income	**471.9**	**241.8**	**230.1**	**95.1%**
Non-recurring result	43.4	-1.2	44.6	NA
Corporate income tax	-0.5	-0.3	-0.2	63.2%
NET INCOME	**514.8**	**240.3**	**274.5**	**114.2%**

Net income for Klépierre SA came to 514.8 million euros in 2012, *versus* 240.3 million euros in 2011. The increase is mainly attributable to the following items:

- The rise in the share of income from subsidiaries, reflecting the impact of several shopping center disposals by Klécar for 2012 (Bourges, Flins-sur-Seine, Aulnoy-lez-Valenciennes, Beaune, Moulins, Guingamp, Lormont, Nîmes Étoile, Dijon Quetigny, Rambouillet and Mulhouse).
- The rise in the non-recurring result, which reflects the impact of several office disposals in 2012 (Anatole France, Collines de l'Arche, Séreinis and Equilis).

The mandatory distribution is 261.4 million euros after discharging the obligation relative to capital gains on asset sales.

The Supervisory Board will recommend that the shareholders assembled or represented at the general meeting of shareholders on April 11, 2013 approve the payment of a cash dividend in respect of fiscal year 2012 of 1.50 euro per share, *versus* 1.45 euro per share in respect of fiscal year 2011 (+3.4%), reflecting a payout ratio of 79% of the group share of net current cash flow.

** See glossary.*

1.8. NET ASSET VALUE (NAV)

1.8.1. Appraisal of the Group's assets

1.8.1.1. Methodology

On December 31 and June 30 of each year, Klépierre adjusts the value of its net assets per share (NAV per share). 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 recorded in the consolidated financial statements.

Klépierre entrusts the task of appraising its real estate assets to various appraisers. As of December 31, 2012, these appraisals were carried out by the following appraisers:

Appraisers	Portfolios	Number of assets	Valuation(1)	%	June report	December report
RCGE 45%	France	219	5 069	29.7%	summarized	detailed + summarized
	Italy	27	1 644	9.6%	summarized	detailed + summarized
	Spain: KFE and KFV	36	729	4.3%	summarized	detailed + summarized
	Portugal	7	286	1.7%	summarized	detailed + summarized
	Greece	5	40	0.2%	summarized	detailed + summarized
JLL 21%	France	29	1 788	10.5%	summarized	detailed + summarized
	Poland	7	444	2.6%	summarized	detailed + summarized
	Hungary	7	164	1.0%	summarized	detailed + summarized
	Belgium	2	258	1.5%	summarized	detailed + summarized
	Norway	7	976	5.7%	summarized	detailed + summarized
DTZ 24%	Italy: Klépierre Italie	8	368	2.2%	summarized	detailed + summarized
	Spain: KFI	34	318	1.9%	summarized	detailed + summarized
	Hungary	7	144	0.8%	summarized	detailed + summarized
	Czech Republic and Slovakia	4	350	2.0%	summarized	detailed + summarized
	Norway	9	941	5.5%	summarized	detailed + summarized
	Sweden	10	1 063	6.2%	summarized	detailed + summarized
	Denmark	3	856	5.0%	summarized	detailed + summarized
Auguste-Thouard/ BNPP Real Estate 10%	France (Offices, shopping centers and retail properties)	198	1 650	9.7%	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 Évaluation 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.

1.8.1.2. Fees paid to appraisers

The fees paid to appraisers are set prior to their property appraisal work, on a lump sum basis in accordance with the size and the complexity of the assets being appraised, and entirely independently of the appraised value of the assets.

No fees were paid to these four appraisers for consulting assignments in the course of fiscal year 2012.

Appraisers *(in thousands of euros, excluding taxes)*	Appraisal fees	Consulting fees
RCG Expertise	857.3	–
Jones Lang LaSalle	229.3	–
DTZ	418.4	–
Auguste-Thouard	335.9	–
TOTAL	**1 840.9**	**–**

** See glossary.*

1.8.1.3. Results of appraisals

The value of Klépierre's property portfolio excluding transfer duties was 16.4 billion euros total share and 12.8 billion euros group share at December 31, 2012. Total share, shopping centers accounted for 94.4%, retail properties for 3.6% and office properties for 2.0%. Group share, these percentages are respectively 93.5%, 3.9% and 2.5%.

In accordance with IAS 40, the Group's committed development projects are taken into account at fair value using appraisals established by in-house teams. In particular, the following projects or recent openings have been assessed at fair value: Emporia in Malmö (Sweden – October 2012), Jaude 2 in Clermont-Ferrand (France) and Besançon Pasteur (France). Projects that are not appraised are carried at their cost price. These are mainly Scandinavian projects: Kristianstad (Sweden) and Viva in Odense (Denmark). Projects under development represent 2.5% of the Group's property portfolio valuation.

On a constant portfolio and exchange rate basis, the change in the valuation of assets over 6 months is +1.7% for the shopping center segment, -5.0% for the retail segment and -1.0% for the office segment. Over 12 months, the change is +2.1% for shopping centers, -5.6% for retail properties and -3.3% for office properties.

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

(in millions of euros)	12/31/2012	In % of total holdings	06/30/2012	Change over 6 months Current portfolio basis	Change over 6 months Constant portfolio basis(1)	12/31/2011	Change over 12 months Current portfolio basis	Change over 12 months Constant portfolio basis(1)
France	6 841	41.6%	6 856	-0.2%	2.6%	6 704	2.0%	4.4%
Belgium	277	1.7%	272	1.6%	0.6%	250	10.5%	2.9%
France-Belgium	**7 118**	**43.3%**	**7 128**	**-0.1%**	**2.5%**	**6 954**	**2.4%**	**4.4%**
Norway	1 706	10.4%	1 581	7.9%	5.1%	1 503	13.5%	5.2%
Sweden	1 540	9.4%	1 383	11.3%	0.8%	1 308	17.7%	3.2%
Denmark	930	5.7%	906	2.7%	2.8%	892	4.2%	4.1%
Scandinavia	**4 176**	**25.4%**	**3 870**	**7.9%**	**3.3%**	**3 703**	**12.7%**	**4.3%**
Italy	**1 780**	**10.8%**	**1 777**	**0.2%**	**0.2%**	**1 779**	**0.1%**	**-0.6%**
Spain	1 047	6.4%	1 066	-1.8%	-1.8%	1 110	-5.7%	-5.7%
Portugal	248	1.5%	253	-2.1%	-2.1%	266	-6.7%	-6.7%
Iberia	**1 295**	**7.9%**	**1 320**	**-1.9%**	**-1.9%**	**1 376**	**-5.9%**	**-5.9%**
Poland	441	2.7%	439	0.4%	0.4%	431	2.5%	2.5%
Hungary	324	2.0%	331	-2.1%	-1.9%	363	-10.7%	-11.4%
Czech Republic	334	2.0%	330	1.4%	1.4%	310	7.9%	7.9%
Central Europe	**1 100**	**6.7%**	**1 100**	**0.0%**	**0.1%**	**1 104**	**-0.4%**	**-0.4%**
Other countries	**56**	**0.3%**	**66**			**83**		
TOTAL SHOPPING CENTERS	**15 525**	**94.4%**	**15 261**	**1.7%**	**1.7%**	**14 999**	**3.5%**	**2.1%**
TOTAL RETAIL ASSETS	**596**	**3.6%**	**627**	**-5.0%**	**-5.0%**	**630**	**-5.3%**	**-5.6%**
TOTAL OFFICES	**324**	**2.0%**	**534**	**-39.3%**	**-1.0%**	**547**	**-40.7%**	**-3.3%**
TOTAL HOLDINGS	**16 445**	**100.0%**	**16 422**	**0.1%**	**1.4%**	**16 176**	**1.7%**	**1.6%**

(1) For Scandinavia change is indicated on constant portfolio and forex basis.

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

(in millions of euros)	12/31/2012	In % of total holdings	06/30/2012	Change over 6 months Current portfolio basis	Change over 6 months Constant portfolio basis(1)	12/31/2011	Change over 12 months Current portfolio basis	Change over 12 months Constant portfolio basis(1)
France	5 464	42.8%	5 482	-0.3%	2.5%	5 443	0.4%	4.1%
Belgium	277	2.2%	272	1.6%	0.6%	250	10.5%	2.9%
France-Belgium	**5 741**	**44.9%**	**5 755**	**-0.2%**	**2.4%**	**5 693**	**0.8%**	**4.1%**
Norway	957	7.5%	887	7.9%	5.1%	843	13.5%	5.2%
Sweden	864	6.8%	776	11.3%	0.8%	734	17.7%	3.2%
Denmark	522	4.1%	508	2.7%	2.8%	501	4.2%	4.1%
Scandinavia	**2 343**	**18.3%**	**2 171**	**7.9%**	**3.3%**	**2 078**	**12.7%**	**4.3%**
Italy	**1 556**	**12.2%**	**1 520**	**2.4%**	**0.2%**	**1 523**	**2.2%**	**-0.6%**
Spain	917	7.2%	932	-1.7%	-1.7%	967	-5.2%	-5.2%
Portugal	248	1.9%	253	-2.1%	-2.1%	266	-6.7%	-6.7%
Iberia	**1 165**	**9.1%**	**1 185**	**-1.7%**	**-1.7%**	**1 233**	**-5.5%**	**-5.5%**
Poland	441	3.5%	439	0.4%	0.4%	431	2.5%	2.5%
Hungary	324	2.5%	331	-2.0%	-1.9%	363	-10.7%	-11.4%
Czech Republic	334	2.6%	330	1.4%	1.4%	310	7.9%	7.9%
Central Europe	**1 100**	**8.6%**	**1 100**	**0.0%**	**0.1%**	**1 104**	**-0.3%**	**-0.4%**
Other countries	**50**	**0.4%**	**58**			**72**		
TOTAL SHOPPING CENTERS	**11 954**	**93.5%**	**11 789**	**1.4%**	**1.5%**	**11 703**	**2.1%**	**1.6%**
TOTAL RETAIL ASSETS	**501**	**3.9%**	**528**	**-5.0%**	**-5.0%**	**530**	**-5.3%**	**-5.6%**
TOTAL OFFICES	**324**	**2.5%**	**534**	**-39.3%**	**-1.0%**	**547**	**-40.7%**	**-3.3%**
TOTAL HOLDINGS	**12 779**	**100.0%**	**12 850**	**-0.6%**	**1.1%**	**12 779**	**0.0%**	**1.2%**

(1) For Scandinavia change is indicated on constant portfolio and forex basis.

Shopping centers

The value of the shopping center portfolio, transfer duties excluded, was 15 525 million euros (€11 954 M group share) at year-end 2012, an increase of 264 million euros compared with June 30, 2012 (+1.7%). Over 12 months, the portfolio increased in value by 525 million euros (+3.5%).

On a constant portfolio and exchange basis, the value of the shopping center holdings, excluding transfer duties, increased by 1.7% (+€238 M) over 6 months. Over one year, the increase is 2.1% (+€282 M).
The change on a current portfolio basis* included the exchange rate impact related to the appreciation of Scandinavian currencies since December 31, 2011 (for €132 M).

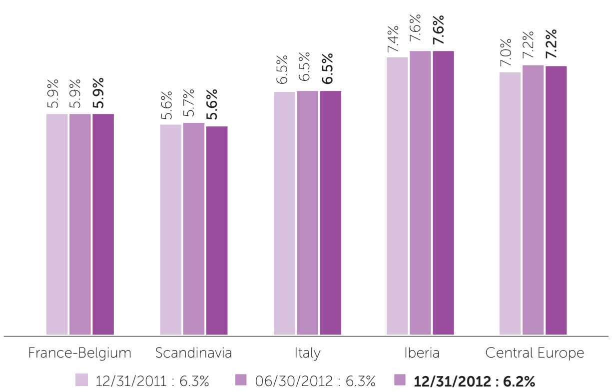
External growth added 463 million euros to the increase in the value of this portfolio over 12 months on a current basis*. Most of the increase is attributable to developments and openings in France (+€240 M), in Scandinavia (+€192 M) and in Belgium (+€19 M). Significant changes are listed below:

- In France, the first appraisal of St.Lazare Paris, which was completed by external appraisers in December 2012, and the status of the Claye-Souilly, Bègles Rives d'Arcins (Bordeaux) and Jaude (Clermont-Ferrand) extension projects;
- In Belgium, the acquisition of the land for the future extension of L'esplanade shopping center (Louvain-la-Neuve);
- In Sweden, the opening of Emporia (Malmö).

This change is partly offset by the impact of the disposal program (-€352 M) in France: Bourges, Flins-sur-Seine, Aulnoy-lez-Valenciennes, Beaune Saint-Jacques, Moulins, Guingamp, Grand Nîmes, Lormont, Mulhouse, Quetigny, Rambouillet shopping centers and a retail park in La Roche-sur-Yon.

The portfolio's average yield rate* stands at 6.2% excluding duties, a decrease of 10 basis points compared with June 30, 2012 and December 31, 2011.

Change in yields – Shopping center portfolio



Retail assets – Klémurs

The value of the portfolio of retail assets, excluding transfer duties, stands at 596 million euros (€501 M in group share), i.e., a decrease of 5.0% over 6 months and a decrease of 5.3% over 12 months.

On a constant portfolio basis*, the change in the value of the retail assets is -5.0% over 6 months (-5.6% over 12 months) reflects the renewal of the Buffalo Grill restaurant leases signed on December 26, 2012 with an adjustment on guaranteed rents and a 12-year binding period.

On a current portfolio basis, the change in the valuation of assets includes the acquisition of 4 Delbard garden centers and a restaurant under building lease completed in October 2011.

The average yield rate of the retail asset portfolio stands at 7.1% excluding duties, an increase of 10 bps compared with June 30, 2012 and December 31, 2011.

Offices

The value of the office portfolio stands at 324 million euros excluding duties.

On a constant portfolio basis, the value of the assets decreased by 1.0% over 6 months (-3.3% over 12 months).

On a current portfolio basis the change is -39.3% over 6 months (-40.7% over 12 months). The decrease takes into account several disposals, including the Anatole France building (Levallois-Perret – March 2012), the Séreinis building (Issy-Les-Moulineaux – July 2012), the Collines de L'Arche building (La Défense – July 2012) and the Equilis building (Issy-Les-Moulineaux – December 2012).

The portfolio's average yield rate stands at 5.9% excluding duties, down by 30 basis points compared with June 30, 2012 and down by 40 basis points compared with December 31, 2011.

** See glossary.*

1.8.2. Change in EPRA NNNAV per share

(in millions of euros)	12/31/2012	06/30/2012	12/31/2011		Change over 6 months		Change over 12 months
Consolidated shareholders' equity (group share)	**2 210**	**2 108**	**2 101**	**102**	**4.8%**	**109**	**5.2%**
Unrealized capital gains on holdings (duties included)	4 032	3 894	3 880	139	3.6%	152	3.9%
Fair value of financial instruments	413	371	306	42	11.3%	107	34.9%
Differed tax on asset values on the balance sheet	306	321	320	-15	-4.7%	-14	-4.3%
Reconstitution NAV	**6 961**	**6 694**	**6 607**	**267**	**4.0%**	**354**	**5.4%**
Duties and fees on the sale of assets	-327	-341	-381	14	-4.2%	54	-14.2%
EPRA NAV	**6 634**	**6 352**	**6 226**	**282**	**4.4%**	**408**	**6.6%**
Effective taxes on capital gains	-210	-210	-235	-1	0.4%	24	-10.4%
Fair value of financial instruments	-413	-371	-306	-42	11.3%	-107	34.9%
Fair value of fixed-rate debt	-108	-2	123	-106	NA	-231	NA
Liquidative NAV (EPRA NNNAV)	**5 903**	**5 770**	**5 808**	**133**	**2.3%**	**95**	**1.6%**
Number of shares, end of period excl. treasury stock	195 217 631	195 108 986	185 250 832				
Per share							
RECONSTITUTION NAV (in euros)	**35.7**	**34.3**	**35.7**	**1.3**	**3.9%**	**0.0**	**0.0%**
EPRA NAV (in euros)	**34.0**	**32.6**	**33.6**	**1.4**	**4.4%**	**0.4**	**1.1%**
LIQUIDATIVE NAV (EPRA NNNAV) (in euros)	**30.2**	**29.6**	**31.4**	**0.7**	**2.3%**	**-1.1**	**-3.6%**

EPRA NNNAV stands at 30.2 euros per share, *versus* 29.6 euros per share on June 30, 2012 and 31.4 euros per share on December 31, 2011.

The change in EPRA NNNAV per share reflects the valuation of the portfolio (+0.7 euro) and the positive impact (+2.0 euros) of cash flow for 2012, offset by the change in the fair value of financial instruments (-1.8 euro), which reflects an improvement in Klépierre's secondary spread on fixed debt rate and the decrease in interest rates during the year. The payment of the dividend to shareholders had an impact of -1.45 euro. Pursuant to the dividend payment in shares, 9 822 100 new shares were issued: the impact on EPRA NNNAV per share was -0.4 euro.

1.9. EPRA 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).

1.9.1. 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 of euros)	2012	2011	2010
Net current cash-flow, group share	**380.8**	**371.1**	**365.3**
Restatement payroll expense (employee benefits, stock options)	-5.9	-3.0	-3.9
Restatement amortization allowances and provisions for contingencies and losses	-8.8	-10.7	-7.7
Other restatements related to tax	-0.8	-0.3	-0.5
EPRA EARNINGS	**365.2**	**357.2**	**353.3**

(in euro per share)	2012	2011	2010
Average number of shares, excl. treasury stock	191 271 591[(1)]	186 336 909	186 738 812
EPRA EARNINGS PER SHARE	**1.91**	**1.92**	**1.89**

(1) On May 21, 2012, 9 822 100 shares were issued in response to the shareholders who opted for a stock dividend.

1.9.2. EPRA NAV

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. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize.

(in millions of euros)	**2012**	2011	2010
EPRA NAV	**6 634**	**6 226**	**5 701**

(in euros per share)	**2012**	2011	2010
Number of shares, end of period, excl. treasury stock	195 217 631[1]	185 250 832	186 768 082
EPRA NAV PER SHARE	**34.0**	**33.6**	**30.5**

(1) On May 21, 2012, 9 822 100 shares were issued in response to the shareholders who opted for a stock dividend.

1.9.3. EPRA NNNAV

EPRA NNNAV (Triple Net Asset Value) is similar to EPRA NAV except it includes the fair value of deferred tax liabilities, debt, and financial instruments.

(in millions of euros)	**2012**	2011	2010
EPRA NNNAV	**5 903**	**5 808**	**5 250**

(in euros per share)	**2012**	2011	2010
Number of shares, end of period, excl. treasury stock	195 217 631[1]	185 250 832	186 768 082
EPRA NNNAV PER SHARE	**30.2**	**31.4**	**28.1**

(1) On May 21, 2012, 9 822 100 shares were issued in response to the shareholders who opted for a stock dividend.

1.9.4. EPRA "Topped-up" Net Initial Yield et EPRA 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 (but adjusted as set out below), 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).

	2012		
(in millions of euros)	Shopping centers	Retail assets	Offices
Klépierre yields	**6.2%**	**7.1%**	**5.9%**
Effect of vacant units	-0.3%	0.0%	-1.2%
Effect of EPRA adjustments on rents	0.2%	-0.1%	0.7%
Effect of estimated transfer taxes and transaction costs	-0.2%	-0.4%	-0.3%
EPRA "Topped-up" Net Initial Yield	**5.9%**	**6.6%**	**5.2%**
Effect of lease incentives	-0.1%	0.0%	-0.2%
EPRA Net Initial Yield	**5.7%**	**6.6%**	**4.9%**

1.9.5. 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).

The financial occupancy rate* published by Klépierre is the ratio of annual contractual rents occupied to total contractual rents occupied plus target rents for all vacant spaces (the latter are estimated on the basis of market data). Klépierre measures these rates by using the notion of minimum guaranteed rent (MGR*) for occupied properties and not the market rents used by EPRA to calculate EPRA Vacancy rate.

** See glossary.*

1.10. FINANCIAL POLICY

1.10.1. Financial resources

1.10.1.1. Change in net debt

Consolidated net debt stands at 7 353 million euros at December 31, 2012, compared to 7 618 million euros at December 31, 2011 (-€265 M). Excluding forex impact, consolidated net debt decreased by 349 million euros:

- the main financing needs for the period came from investments (458 million euros) and the 2011 dividend distribution (€270 M);
- the Company's own resources covered the yearly financing needs and were divided between disposals (€698 M), the capital increase related to scrip dividend (€218 M) and free cash flow;
- the translation into euros of net debt stated in foreign currencies generated a positive forex impact of 84 million euros, which reflects the appreciation of Scandinavian currencies against the euro.

The decrease in net debt translates into a significant improvement in the Loan-to-Value* ratio, which stands at 43.6% (i.e., a decrease of 220 basis points compared to December 31, 2011).

1.10.1.2. Available resources

The Group's level of liquidity (available credit lines and net cash) rose sharply over the year and now stands at approximately 2 billion euros, i.e., an increase of close to 1.3 billion euros compared to December 31, 2011. This amount covers all the financing needs of the Group until 2015. The improvement is the consequence of the satisfactory execution of the disposal program and the completion of financing operations carried out in 2012:

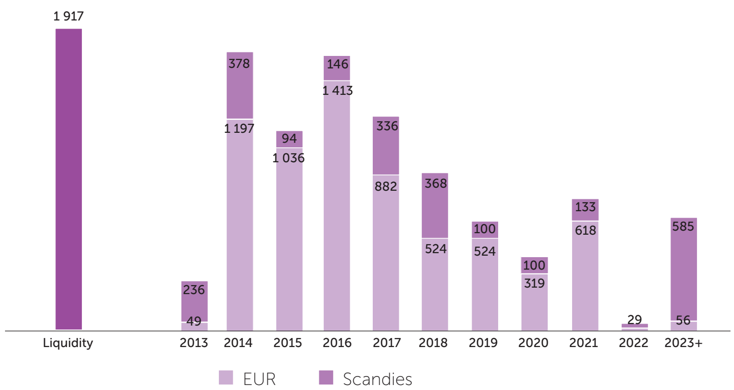
- in the 1st quarter of 2012, the maturity of a 1 billion euros credit line due in 2013 was extended to 4 years on average;
- Klépierre confirmed its good access to the bond market by raising 1 billion euros on both the private (€500 M) and the public markets (€500 M raised in September). All these transactions involved a large number of pan-European investors, allowing Klépierre to raise long-term financing (average duration of 7.8 years) at a very competitive cost (3.26%). These operations allow Klépierre to increase the liquidity of its credit curve and narrow its credit spread.

Klépierre secondary spread (in pbs)

Source: Thomson Reuters.

- In Scandinavia, Steen & Strøm ensured the refinancing of a 2 billion Norwegian Krona mortgage loan (€265 M) through two medium-term bond issues (NOK1.3 Bn) and two mortgage loans (NOK620 M). Steen & Strøm has also anticipated most of its refinancing for 2013, both in NOK and in SEK, by raising NOK600 M and SEK1 500 M through several mortgage loans with longer maturities (around 11.5 years in average). Generally, the Group's access to the Scandinavian markets remains very satisfactory: at the end of 2012, Steen & Strøm had 80 million euros in available liquidities.

Klépierre Group's financing by due date (Authorizations – in millions of euros)

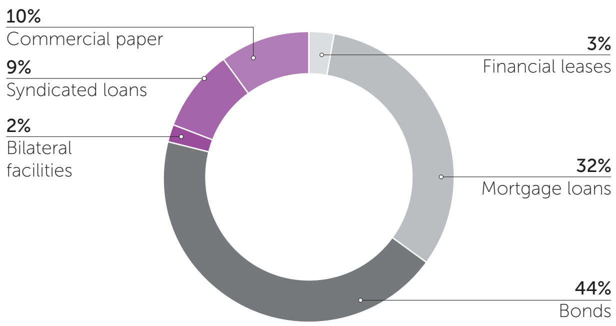


* See glossary.

1.10.1.3. Debt structure and duration

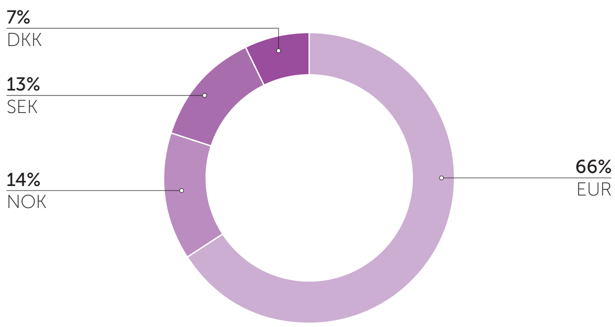
The bond issues completed in 2012 have enabled the Group to further diversify the overall balance of its various sources of financing, tilting the balance toward the bond market, which now represents more than 44% of financing resources.

Klépierre Group's financing breakdown by type of resource (Utilizations)



The currency breakdown of financing resources remains consistent with the geographic exposure of the Group's portfolio of assets.

Klépierre Group's financing breakdown by currency (Utilizations)



With the implementation of the two new bilateral facilities, the completion of bond issues and the Scandinavian operations, the average duration of the debt has been raised by 0.7 year compared to December 31, 2011, and is currently high at 5.6 years.

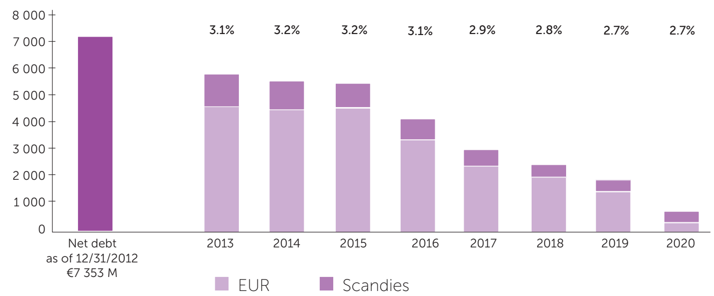
1.10.2. Interest rate hedging

The Group hedging position was adjusted during the year to take into account:

- the issuance of fixed-rate bonds with an average maturity of 7.8 years;
- the decrease in debt subsequent to the completion of the disposal program.

Since the new bonds are being kept at fixed rates, the Group's hedge ratio is unchanged (81%). Klépierre managed to lengthen its hedging duration while reducing by approximately 60 basis points the average fixed rate of its debt.

Interest rate risk hedge profile Annual average swaps and fixed-rate debt (in millions of euros)



1.10.3. Cost of debt

The average cost of debt for Klépierre over the period is 22 basis points lower than in 2011 and currently stands at 3.95%. Based on the structure of interest rates on December 31, 2012, the cost of debt for the Group would increase by 0.09% in the event of a 0.50% increase in rates, i.e., a 7 million euro impact on the cost of debt.

1.10.4. Financial ratios and rating

As of December 31, 2012, the Group's financing covenants remain in line with the commitments agreed to under its financing agreements.

The financial rating of Klépierre by Standard & Poor's was maintained in October 2012 at BBB+/A2 (long- and short-term ratings, respectively) with a stable outlook.

Financing	Ratios/covenants	Limit [1]	12/31/2012	12/31/2011
Syndicated loans and bilateral loans Klépierre SA	Net debt/Value of holdings (Loan-to-Value)	≤ 60%	43.6%	45.8%
	EBITDA/Net interest expenses	≥ 2.0	2.6	2.5
	Secured debt/Value of holdings	≤ 20%	15.7%	14.5%
	Value of holdings, group share	≥ €6 Bn	€13.1 Bn	€13.2 Bn
	Ratio of financings of subsidiaries (excluding Steen & Strøm) over total gross financial debt	≤ 30%	3.6%	7.9%
Bond issues Klépierre SA	Secured debt/Revalued Net Asset Value (excluding Steen & Strøm)[2]	≤ 50%	9.0%	9.2%

(1) Most constraining contract limit.
(2) NAV including transfer duties after deferred tax.

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, 2012, this ratio was 31.3%.

1.11. OTHER INFORMATION

1.11.1. Outcome of the 2012 share buyback program (data provided under the terms of article L. 225-211 of the French Commercial Code)

		Existing stock option plans								
(in number of treasury shares)	Liquidity	2006 plan	2007 plan	2009 plan	2010 plan	2011 plan	Future stock options	Bonus shares	External growth	Total
POSITION AT 12/31/2011	**253 827**	**539 823**	**398 805**	**445 312**	**479 500**	**603 000**	**216 300**	**0**	**1 460 841**	**4 397 408**
Stock option allocation							-260 200	260 200		0
Stock option plan adjustements[1]		-9 309	-10 865	-14 500	-19 500	-19 500	73 674			0
Options exercised during the year										0
Purchases	1 116 691	0	0	0	0		0		0	1 116 691
Sales	-1 261 390	0	0	0	0		0			-1 261 390
POSITION AT 12/31/2012	**109 128**	**530 514**	**387 940**	**430 812**	**460 000**	**583 500**	**29 774**	**260 200**	**1 460 841**	**4 252 709**
As percentage of share capital (199 470 340 shares)	*0.05%*	*0.27%*	*0.19%*	*0.22%*	*0.23%*	*0.29%*	*0.01%*	*0.13%*	*0.73%*	*2.13%*

(1) Updating of the number of beneficiaries to reflect employee turnover.

During 2012 as whole, 1 116 691 shares were bought back at an average price per share of 25.79 euros and 1 261 390 shares were sold at an average price per share of 26.12 euros. At December 31, 2012, Klépierre held 4 252 709 of its own shares (directly or indirectly) representing a total value of 99.21 million euros based on book value and 5.95 million euros at par value.

1.11.2. Financial summary for the past 5 fiscal years (data provided under the terms of article R. 225-102 of the French Commercial Code)

(in euros)	**12/31/2012**	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Capital at year-end					
Share capital	279 258 476(1)	265 507 536	265 507 536(2)	254 761 022(3)	232 700 203(4)
Number of existing ordinary shares	199 470 340(1)	189 648 240	189 648 240(2)	181 972 159(3)	166 214 431(4)
Transactions and income for the fiscal years					
Pre-tax revenues	23 618 808	28 575 435	33 082 883	44 666 344	49 093 264
Earnings before tax, employee profit-sharing, amortization and povisions	552 229 958	187 635 663	259 470 314	446 756 018	219 551 284
Corporate income tax	491 187	301 213	229 379	1 774 181	-8 077 108
Earnings after tax, employee profit-sharing, amortization and povisions	514 767 021	240 306 181	121 138 449	396 113 665	172 937 402
Dividends paid (5)	299 205 510	274 989 948	256 025 124	227 465 199	207 768 039
Earnings per share					
Earnings before tax, employee profit-sharing, amortization and povisions	2,77	0,99	1,37	2,46	1,32
Earnings after tax, employee profit-sharing, amortization and povisions	2,58	1,27	0,64	2,18	1,04
Net dividend per share	1,50(6)	1,45	1,35	1,25	1,25
Personnel					
Average labor force employed during the fiscal year, total payroll and employee benefits			Nil		

(1) Creation of 9 822 100 shares on May 21, 2012 following option to receive dividend payment in shares.
(2) Creation of 7 676 081 shares on May 14, 2010 following option to receive dividend payment in shares.
(3) Creation of 15 757 728 shares on Friday 15 May 2009 following option to receive dividend payment in shares.
(4) Creation of 3 976 826 shares on May 7, 2008 following option to receive dividend payment in shares and of 23 744 918 shares on December 2, 2008 following capital increase.
(5) Does not incorporate the cancellation of dividends on treasury stock on the pay date.
(6) Subject to the approval of the shareholders at their general meeting of shareholders on April 12, 2012.

1.11.3. Acquisition of equity holdings and movements in equity securities impacting the corporate financial statements of Klépierre SA

By resolution of an extraordinary general meeting of June 28, 2012, France SNC Klécar distributed its entire stake in SCI Portes de Claye to Klépierre, for an amount of 140 million euros with the delivery of 3 500 475 shares.

1.11.4. Average supplier payment period (data provided under the term of article L. 441-6-1 of the French Commercial Code)

On average, suppliers are paid approximately thirty days from the billing date. On December 31, 2012, Klépierre SA's suppliers were owed 1 390 thousand euros for payment no later than January 31, 2013.

1.12. EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

In January 2013, Klépierre unwound 300 million euros of short-term payer swaps. Subsequent to these operations, the hedge ratio of the Group stands at 77%.

On January 31, 2013, Klépierre announced the filing with the Autorité des marchés financiers (the "AMF") of a draft simplified tender offer for the purchase of the shares of Klémurs it did not own (ie 15.89% of the share capital and voting rights) at a price of €24.60 per Klémurs share. On February 19, the AMF approved the offer. The offer has been opened from February 21 to March 8 included. The AMF published the results of the offer on March 15, 2013: 1 218 137 shares, ie 14.77% of Klémurs' outstanding capital, were tendered in Klépierre's offer. Klépierre therefore owned 98.88% of Klémurs' shares as of March 15. The total acquisition price of shares tendered in the offer was 30.0 million euros (excluding expenses and fees).

Pursuant to article L. 433-4 III of the Code monétaire et financier and articles 237-14 to 237-19 of the AMF's General Regulations, the Initiator reserved its right to petition the AMF to implement a squeeze-out procedure in respect of the 92 491 shares of Klémurs (1.12% of capital) not tendered in the offer.

No other events have occurred between the end of the last fiscal year and the date of this report that would have a material impact on the assessment of Klépierre's financial condition and position compared with the data presented in this report.

PROPERTY PORTFOLIO AS OF DECEMBER 31, 2012

2.1. SHOPPING CENTERS

FRANCE-BELGIUM

91 shopping centers* – 1 216 108 sq.m of rentable floor area*
7.1 billion euros (43.3% of value of the portfolio [1])
400.3 million euros in rents (40.7% of consolidated rents)

FRANCE

Region	City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
ALSACE										
	Strasbourg, La Vigie	67	1990	R 1996	1990	Conforama, 6 units	21 360	18 215	99.0%	40.9 %
AQUITAINE										
	Bègles, Rives d'Arcins	33	1995	2010	1996	Carrefour, 86 units	54 706	18 405	100.0%	52.0%
	Bègles, Rives d'Arcins, Les Arches de l'Estey	*33*	*2010*			*Retail park, 12 units*	*15 013*	*15 013*	*100.0%*	*52.0%*
	Bordeaux, Saint-Christoly	33	1985	R 1999/2004	1995	Monoprix, 23 units	10 765	8 666	91.1%	100.0%
	Libourne, Verdet	33	1973		2001	Carrefour, 44 units	20 945	2 648	100.0%	83.0%
AUVERGNE										
	Clermont-Ferrand, Jaude	63	1980	R 1990 R/E 2008	1990	Fnac, C&A, 73 units	24 499	24 499	100.0%	100.0%
BRITTANY										
	Brest, Iroise	29	1969	R/E 2007	2001	Carrefour, 45 units	33 256	11 057	100.0%	83.0%
	Lorient, K2	56	1981		2001	Carrefour, 26 units	19 840	4 466	98.4%	83.0%
	Paimpol	22	1978		2001	Carrefour, 8 units	10 349	1 580	100.0%	83.0%
	Quimper, Kerdrezec	29	1978		2002	Carrefour, 35 units	23 710	7 770	100.0%	83.0%
	Rennes, Colombia	35	1986		2005	Monoprix, Fnac, H&M, 72 units	23 200	17 057	96.3%	100.0%
	Langueux (Saint-Brieuc)	22	1973	R/E 1998	2001	Carrefour, 39 units	24 128	6 018	100.0%	83.0%
	Vannes, Le Fourchêne	56	1969		2002	Carrefour, 50 units	26 000	6 762	99.9%	83.0%
BURGUNDY										
	Marzy (Nevers)	58	1969	R 1999	2001	Carrefour, 37 units	24 172	9 942	99.6%	83.0%
CENTER										
	Chartres, La Madeleine	28	1967		2001	Carrefour, 15 units	22 239	7 109	100.0%	83.0%
	Châteauroux	36	1995		2001	Carrefour, 20 units	18 901	3 461	90.4%	83.0%
	Saran (Orléans), Cap Saran	45	1971	R/E 2007	2001	Carrefour, 50 units	26 600	9 420	95.1%	83.0%
CHAMPAGNE-ARDENNE										
	Charleville-Mézières, La Croisette	08	1985		2001	Carrefour, 21 units	14 325	2 470	100.0%	83.0%
	Cernay (Reims)	51	1981		2001	Carrefour, 20 units	18 120	3 132	94.9%	83.0%
	Tinqueux (Reims), Mont Saint-Pierre	51	1969		2004	Carrefour, 20 units	29 000	6 050	82.2%	83.0%
	Saint-André-les-Vergers (Troyes)	10	1975		2001	Carrefour, 28 units	13 000	890	100.0%	83.0%
ÎLE-DE-FRANCE										
	Athis-Mons	91	1971	R 1999	2001	Carrefour, 23 units	26 498	3 688	93.1%	83.0%
	Aubervilliers, Le Millénaire	93	2011		2011	Carrefour, Boulanger, Toys'RUs, 130 units	60 000	59 570	89.3%	50.0%
	Boulogne-Billancourt, Les Passages de l'Hôtel-de-Ville	92	2001		2001	Inno, Fnac, 61 units	24 398	23 303	99.3%	50.0%
	Champs-sur-Marne	77	1981		2001	Carrefour, 15 units	14 748	1 778	86.0%	83.0%
	Claye-Souilly, Les Sentiers de Claye-Souilly	77	1992	E 2012	2001	Carrefour, H&M, Zara, 74 units	61 152	33 202	98.2%	55.0%
	Créteil, Créteil Soleil	94	1974	R/E 2000	1991	Carrefour, 221 units	125 500	90 783	93.5%	80.0%
	Drancy, Avenir	93	1995		2008	Carrefour, 56 units	27 386	11 326	87.1%	100.0%
	Marne-la-Vallée – Serris, Val d'Europe	77	2000	E 2003 E 2009	2000	Auchan, 140 units	98 400	66 863	99.7%	55.0%
	Boissénart, Maisonément	77	2008		2008	Retail park, 35 units	42 000	40 365	76.9%	50.0%
	Montesson	78	1973	R/E 1985/1999/ 2005	2001	Carrefour, 55 units	40 276	10 794	100.0%	83.0%
	Noisy-le-Grand, Arcades	93	1978	R 1992/E 2009	1995	Carrefour, 160 units	63 000	40 658	98.3%	53.6%
	Pontault-Combault	77	1993	R/E 1993	2001	Carrefour, Go Sport, Darty, 71 units	38 774	30 953	95.9%	83.0%

** See glossary.*
(1) Appraised value (excluding duties, total share).

Region	City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
FRANCE										
	St.Lazare Paris	75	2012			Carrefour City, Esprit, 80 units	11 730	11 370	98.0%	100.0%
	Sartrouville, Le Plateau	78	1976	E 1999	2001	Carrefour, 28 units	25 274	5 602	100.0%	83.0%
	Sevran, Beau Sevran	93	1973		2003	Carrefour, 96 units	43 809	26 197	88.6%	83.0%
	Stains	93	1972		2001	Carrefour, 23 units	20 120	1 946	100.0%	83.0%
	Villejuif, Villejuif 7	94	1980	R/E 2008	2001	Carrefour, 30 units	13 871	3 086	94.6%	83.0%
	Villiers-en-Bière	77	1990	R 2005	2001	Carrefour, Fnac, 88 units	65 849	30 521	99.8%	83.0%
LANGUEDOC-ROUSSILLON										
	Lattes, Grand Sud	34	1986	R/E 1993	2002	Carrefour, 71 units	37 650	14 357	100.0%	83.0%
	Montpellier Odysseum	34	2009		2009	Géant Casino, 94 units	45 000	12 234	99.1%	50.0%
	Montpellier, Saint-Jean-de-Védas	34	1986		2001	Carrefour, 28 units	16 240	2 331	100.0%	83.0%
	Nîmes Sud, Portes de Camargue	30	1980		2002	Carrefour, 18 units	19 655	1 796	100.0%	83.0%
	Perpignan, Claira	66	1983	R/E 1997	2002	Carrefour, 25 units	24 985	3 310	94.8%	83.0%
LORRAINE										
	Épinal, Jeuxey	88	1983		2001	Carrefour, 11 units	21 417	1 917	100.0%	83.0%
LOWER NORMANDY										
	Condé-sur-Sarthe (Alençon)	61	1972	R 1999	2001	Carrefour, 30 units	15 301	3 918	85.9%	83.0%
	Hérouville, Saint Clair	14	1976	R/E 1995	2001	Carrefour, 72 units	40 469	11 886	87.9%	83.0%
MIDI-PYRÉNÉES										
	Portet-sur-Garonne, Grand Portet	31	1972	R/E 1990	2001	Carrefour, 118 units	60 600	24 632	98.3%	83.0%
	Roques-sur-Garonne	31	1995	E/2008-2009	2011	E. Leclerc, 100 units, 6 mid-sized units	53 194	37 942	96,9%	100.0%
	Toulouse, Blagnac	31	1993	E 2009	2004	E. Leclerc, 122 units	48 165	48 227	99.9%	54.0%
	Toulouse, Purpan	31	1991		2006	Carrefour, 38 units	23 600	7 693	100.0%	83.0%
	Toulouse, Saint-Orens	31	1991	R/E 2008	2004	E. Leclerc, 110 units	58 100	37 560	99.6%	53.6%
NORD – PAS-DE-CALAIS										
	Auchy-les-Mines, Porte de Flandres	62	1993		2001	Carrefour, 24 units	11 650	2 588	99.9%	83.0%
	Calais, Mivoix	62	1973		2001	Carrefour, 20 units	17 576	4 299	97.1%	83.0%
	Denain, Jean Bart	59	1979		2003	Carrefour, 21 units	13 006	387	81.0%	83.0%
	Fourmies	59	1985		2001	Carrefour, 16 units	11 000	1 842	100.0%	83.0%
	Hazebrouck	59	1983		2001	Carrefour, 16 units	8 799	1 295	100.0%	83.0%
	Lomme	59	1984	R 2009	2001	Carrefour, 46 units	30 204	6 619	99.8%	83.0%
	Saint-Martin-au-Laërt	62	1991		2001	Carrefour, 12 units	8 452	944	88.8%	83.0%
	Valenciennes, Place d'Armes	59	2006		2006	Match, 53 units	16 200	15 801	99.9%	100.0%
PAYS DE LA LOIRE										
	Angers St Serge	49	1969	E 2006	2001	Carrefour, 25 units	21 800	5 150	92.8%	83.0%
	Cholet	49	1970		2001	Carrefour, 29 units	12 225	4 659	100.0%	83.0%
	Nantes, La Beaujoire	44	1972		2001	Carrefour, 32 units	28 662	3 653	100.0%	83.0%
	Nantes, Saint-Herblain	44	1969		2001	Carrefour, 9 units	15 067	666	96.4%	83.0%
PICARDY										
	Amiens	80	1973		2001	Carrefour, 21 units	20 434	3 258	100.0%	83.0%
	Château-Thierry	02	1972		2001	Carrefour, 35 units	16 920	644	100.0%	83.0%
	Venette (Compiègne)	60	1974		2001	Carrefour, 34 units	28 476	5 123	100.0%	83.0%
	Laon, Espace Romanette	02	1990	R/E 2008	2001	Carrefour, 36 units	16 920	4 743	100.0%	83.0%
POITOU-CHARENTES										
	Angoulême, Galerie Champ de Mars	16	2007		2007	Monoprix, H&M, Zara, 44 units	16 122	16 122	93.3%	100.0%
	Angoulins	17	1973		2002	Carrefour, 35 units	23 679	4 088	100.0%	83.0%
PROVENCE-ALPES-CÔTE D'AZUR										
	Aix-les-Milles, La Pioline	13	1971	R 1997	2001	Carrefour, 30 units	32 617	4 726	99,9%	83.0%
	Antibes	06	1973		2001	Carrefour, 33 units	29 880	4 160	100.0%	83.0%
	Châteauneuf-les-Martigues	13	1973		2001	Carrefour, 17 units	20 831	12 665	89,2%	83.0%
	Marseille Bourse	13	1977	R 1991, R 1997	1990	Galeries Lafayette, Fnac, 64 units	29 245	17 315	99.9%	50.0%
	Marseille, Le Merlan	13	1976	R 2006	2003	Carrefour, 54 units	32 330	7 993	84.8%	100.0%
	Nice Lingostiere	06	1978	R 1998	2001	Carrefour, 49 units	37 100	7 645	100.0%	83.0%

** See glossary.*

FRANCE										
Region	City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
	Orange	84	1986	R 1996	2001	Carrefour, 36 units	18 086	3 984	100.0%	83.0%
	Trans-en-Provence (Draguignan)	83	1970	R 1993	2001	Carrefour, 29 units	15 330	3 684	100.0%	83.0%
	Vitrolles, Grand Vitrolles	13	1970	R 2007	2001	Carrefour, 79 units	61 111	24 282	99.8%	83.0%
RHÔNE-ALPES										
	Annecy, Courier	74	2001		2001	Monoprix, H&M, 39 units	19 393	19 099	99.9%	58%
	Bourg-en-Bresse, Site de Brou	01	1977		2003	Carrefour, 35 units	17 000	2 236	100.0%	83.0%
	Bassens (Chambéry)	73	1969	E 1996	2001	Carrefour, 20 units	19 749	2 643	100.0%	83.0%
	Échirolles (Grenoble)	38	1969		2001	Carrefour, 118 units	58 945	4 715	100.0%	83.0%
	Écully, Grand Ouest	69	1972	R/E 1997	2001	Carrefour, 85 units	46 078	13 394	100.0%	83.0%
	Givors, 2 Vallées	69	1976	R 1997	2001	Carrefour, Castorama, 37 units	32 528	19 565	100.0%	83.0%
	Meylan (Grenoble)	38	1972		2001	Carrefour, 12 units	19 751	1 602	100.0%	83.0%
	Saint-Égrève (Grenoble)	38	1986	R 2006	2001	Carrefour, 27 units	19 300	4 506	100.0%	83.0%
	Valence, Victor Hugo	26	1994		2007	Fnac, H&M, Zara, 38 units	12 674	10 435	100.0%	100.0%
	Vaulx-en-Velin, Les Sept Chemins	69	1988	E 2009	2001	Carrefour, 45 units	36 000	6 039	100.0%	83.0%
	Vénissieux	69	1966	R/E 2000-2002	2002	Carrefour, 24 units	35 913	3 156	100.0%	83.0%
UPPER NORMANDY										
	Guichainville (Évreux)	27	1970		2001	Carrefour, 13 units	20 900	2 068	100.0%	83.0%
	Le Havre, Espace Coty	76	1999		2000	Fnac, Monoprix, 81 units	27 000	18 193	98.9%	50.0%
TOTAL FRANCE							**2 700 241**	**1 160 424**	**98.5%**	

BELGIUM										
Region	City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
BRABANT WALLON										
	Louvain-la-Neuve, L'esplanade		2005		2005	Delhaize, Cinéscope, 132 units	55 684	55 684	99.3%	100.0%
TOTAL BELGIUM							**55 684**	**55 684**	**99.3%**	
TOTAL FRANCE-BELGIUM							**2 755 925**	**1 216 108**	**98.5%**	

MISCELLANEOUS ASSETS							
Region	City, center	Dpt	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
AQUITAINE							
	Mérignac	33	Darty, Flunch, McDonald's	7 591	7 591	100.0%	83.0%
BRITTANY							
	Vannes Le Fourchêne Pac 2	56	Fnac, Darty, Esprit	5 511	5 511	100.0%	100.0%
	Vannes Nouvelle Couture	56	Mim, Pimkie, MS Mode	1 325	1 325	100.0%	100.0%
FRANCHE-COMTÉ							
	Besançon	25	Monoprix	4 604	4 604	100.0%	100.0%
LANGUEDOC-ROUSSILLON							
	Carcassonne	11	Salvaza shopping center	3 278	3 278	99.7%	37.0%
	Carcassonne	11	McDonald's	1 662	1 662	100.0%	37.0%
	Montpellier	34	Pizza Pino	565	565	100.0%	50.0%
	Sète Balaruc	34	Carrefour shopping center	16 620	3 911	100.0%	38.0%
PICARDY							
	Creil (Beauvais)	60	Cora shopping center	23 235	4 070	100.0%	100.0%
	Creil – Forum Rebecca	60	Boîtes commerciales	67 452	67 452	100.0%	70.0%
SEINE-MARITIME							
	Dieppe	76	Belvédère shopping center	5 728	5 728	100.0%	20.0%
	Tourville-la-Rivière (Rouen)	76	Carrefour shopping center	27 480	7 761	100.0%	85.0%
TOTAL MISCELLANEOUS ASSETS				**165 051**	**113 458**		

** See glossary.*

SCANDINAVIA

29 shopping centers* – 896 647 sq.m of rentable floor area*

4.2 billion euros (25.4% of value of the portfolio(1))
218.0 million euros in rents (22.2% of consolidated rents)

NORWAY

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Ås, Vinterbro Senter	1996	1999	2008	Coop, Bohus, Elkjop, G sport, 78 units	37 064	34 224	99.7%	56.1%
Bergen, Åsane Storsenter	1985/ 1976	2007, 2009	2008	H&M, Meny, Clas Ohlson, KappAhl, 130 units	55 881	46 099	99.6%	28.0%
Drammen, Gulskogen Senter	1985	1986, 2000, 2008, 2009, 2010	2008	Meny, H&M, Cubus, Clas Ohlson, G-Sport, Lefdal, XXL, Torshov Bilrekv., Match, Home & Cottage, Kappahl, Lindex, Kiwi, 105 units	51 119	38 119	99.7%	56.1%
Fredrikstad, Torvbyen	1988	1995, 2009	2008	Clas, Ohlson, Cubus, KappAhl, Lindex, 53 units	19 092	13 597	98.3%	56.1%
Halden, Halden Storsenter	1998		2008	ICA, Posten, Cubus, Lindex, G Sport, 35 units	14 207	9 214	93.9%	56.1%
Hamar, Hamar Storsenter	1933	1987, 1988, 1992, 2000, 2006	2008	ICA, H&M, Go Sport, Clas Ohlson, Cubus, 71 units	24 632	21 269	100.0%	56.1%
Haugesund, Amanda	1997		2008	H&M, KappAhl, Lindex, Cubus, 63 units	22 612	14 500	99.1%	56.1%
Haugesund, Markedet	1988	1995	2008	H&M, Cubus, Vinmonopolet, 25 units	17 006	9 868	99.7%	56.1%
Larvik, Nordbyen	1991	1995, 1997, 2007, 2009	2008	Meny, H&M, KappAhl, Cubus, Clas Ohlson, 52 units	20 089	15 792	100.0%	56.1%
Lørenskog, Metro Senter	1988	2007, 2008, 2009	2008	Coop, Ica, G-Sport, Cubus, Møbelringen, SATS, 103 units	65 382	54 517	96.3%	28.1%
Oslo, Arkaden Torgterrassen	1993	2005, 2010	2008	H&M, Cubus, Lindex, KappAhl, 55 units	27 592	20 841	99.6%	56.1%
Oslo, Økernsenteret	1969		2008	Bertel O. Steen, Expert, Kiwi, Posten, 30 units	56 417	37 857	97.8%	28.1%
Oslo, Stovner Senter	1975	1998	2008	Ultra Stovner, H&M, Rimi, Posten, 105 units	51 005	37 598	97.6%	56.1%
Skedsmo, Lillestrøm Torv	1985	1997, 2006	2008	H&M, Cubus, ICA, 78 units	36 424	21 071	95.7%	56.1%
Tønsberg, Farmandstredet	1997	2002, 2006, 2008	2008	H&M, Meny, Clas Ohlson, KappAhl, 113 units	54 375	34 848	92.7%	56.1%
Tromsø, Nerstranda	1998		2008	H&M, KappAhl, Notabene, 45 units	15 637	11 460	100.0%	56.1%
TOTAL NORWAY					**568 534**	**420 874**	**96.4%**	

SWEDEN

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Åstorp, Familia	2006		2008	H&M, Gina Tricot, Lindex, Cassels, Intersport, 55 units	19 669	15 711	83.5%	56.1%
Borlänge, Kupolen	1989	1995, 2005	2008	Jula, ICA, H&M, Gina Tricot, Lindex, Ahlens, Stadium, KappAhl, 84 units	52 277	35 405	98.1%	56.1%
Karlstad, Mitt i City	2006		2008	Clas Ohlson, Gina Tricot, Intersport, Konsum, 51 units	20 082	15 796	96.0%	56.1%
Malmö, Emporia	2012		2012	Hollister, New Yorker, Clas Ohlson, Desigual, 200 units	68 282	67 135	91.0%	56.1%
Norrköping, Mirum	1966	2000, 2010	2008	ICA, Willys, H&M, Lindex, Systembolaget, 78 units	27 378	20 080	83.2%	56.1%
Örebro, Marieberg	1991	2009	2008	Clas Ohlson, Intersport, Gina Tricot, Lindex, H&M, Jula, 102 units	44 307	32 712	99.7%	56.1%
Partille, Allum	2006		2008	ICA, H&M, Gina Tricot, Lindex, Clas Ohlson, Systembolaget, Åhlens, Willys, Intersport, Stadium, 113 units	61 705	51 660	99.1%	56.1%
Sollentuna, Sollentuna centrum	1975	1993, 1999, 2010	2008	ICA, Lindex, Gina Tricot, H&M, Systembolaget, 126 units	105 000	88 600	94.5%	56.1%
Trollhättan, Etage	2004		2008	Harald Nyborg, Expert, Intersport, Cervera, 39 units	20 996	16 544	98.4%	56.1%
Uddevalla, Torp	1991	1998, 2000, 2001	2008	H&M, Gina Tricot, Lindex, Intersport, Stadium, Jula, Ica, Systembolaget, 72 units	37 435	31 578	98.8%	56.1%
TOTAL SWEDEN					**457 131**	**375 221**	**97.0%**	

** See glossary.*
(1) Appraised value (excluding duties, total share).

DENMARK								
City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Åhrus, Bruun's Galleri	2003		2008	Kvikly, Cinemaxx, H&M, Stadium, Bahne, 100 units	36 675	33 638	100.0%	56.1%
Copenhague, Field's	2004		2008	Bilka, Magasin, H&M, Elgiganten, Fitnessdk, 152 units	91 342	79 839	91.4%	56.1%
Viejle, Bryggen	2008		2008	Kvikly, Inspiration, Intersport, Matas Bestseller, 75 units	25 613	21 590	91.0%	56.1%
TOTAL DENMARK					**153 630**	**135 067**	**93.0%**	
TOTAL SCANDINAVIA					**1 179 295**	**931 162**	**96.1%**	

ITALY

35 shopping centers* – 435 026 sq.m of rentable floor area*
1.8 billion euros (10.8% of value of the portfolio[1])
123.6 million euros in rents (12.6% of consolidated rents)

ITALY									
Region	City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
ABRUZZO									
	Citta S. Angelo, Pescara Nord	1995	R/E 2010	2002	IPER, 74 units	34 125	19 635	100.0%	83.0%
	Colonnella (Teramo), Val Vibrata	2000	R/E 2007	2002	IPER, 56 units	29 076	15 795	98.6%	71.3%
APULIA									
	Bari, Viale Pasteur	1997	E 2002/ E 2007-2008	2003	Ipercoop, 24 units	18 562	4 881	77.5%	100.0%
	Lecce, Cavallino	2001		2005	Conad Leclerc, 27 units	18 826	5 806	99.7%	100.0%
BASILICATA									
	Matera	1999		2003	Ipercoop, 7 units	10 093	1 637	92.7%	100.0%
CAMPANIA									
	Capodrise (Caserta), I Giardini Del Sole	1992		2002	Despar, 25 units	18 997	6 327	54.5%	83.0%
EMILIA-ROMAGNA									
	Savignano s. Rubicone (Rimini), Romagna Center	1992		2002	IPER, 57 units	30 779	13 097	99.5%	71.3%
	Savignano s. Rubicone (Rimini), Parco Romagna	*2004*		*2011*	*Retail park, 44 units*	*39 039*	*39 039*	*89.1%*	*71.3%*
LATIUM									
	Rome, La Romanina	1992	R/E 2009	2002	Carrefour, 124 units	32 089	19 462	91.0%	83.0%
	Rome, Tor Vergata	2004		2005	Carrefour, 63 units	25 740	11 659	98.9%	100.0%
LOMBARDY									
	Assago (Milan), Milanofiori	1988	E 2004/2005	2005	Carrefour, 98 units	47 485	24 876	98.6%	100.0%
	Bergame, Brembate	1977	R 2002	2002	IPER, 17 units	11 033	2 190	100.0%	71.3%
	Bergame, Seriate, Alle Valli	1990	R/E 2001 & 2008	2002	IPER, 53 units	29 667	10 865	99.3%	71.3%
	Côme, Grandate	1999		2002	IPER, 16 units	13 732	2 310	90.3%	71.3%
	Cremona (Gadesco), Cremona Due	1985		2002	IPER, 33 units	16 524	6 340	100.0%	71.3%
	Gran Giussano (Milan)	1997	E 2006	2002	Carrefour, 44 units	19 087	8 210	100.0%	83.0%
	Lonato, Il Leone di Lonato	2007		2008	IPER, 116 units	45 959	30 239	99.6%	50.0%
	Novate Milanese, Metropoli	1999	R 2011/2012	1999	Ipercoop, 88 units	30 737	16 610	100.0%	95.0%
	Paderno Dugnano (Milan), Brianza	1975	R/E 1995, R 2006	2002	Carrefour, 70 units	36 248	15 302	99.3%	83.0%
	Pavie, Montebello della Battaglia, Montebello	1974	E 2005	2002	IPER, 59 units	33 349	16 800	100.0%	71.3%
	Pavie, Montebello della Battaglia, Parco Montebello			*2011*	*Retail park, 10 units*	*27 183*	*27 188*	*100.0%*	*71.3%*
	Roncadelle (Brescia), Le Rondinelle	1996		1998	Auchan, 79 units	36 880	13 720	100.0%	95.0%
	Settimo Milanese, Settimo	1995	2003	1999	Coop, 30 units	9 461	9 460	100.0%	95.0%
	Solbiate Olona, Le Betulle	2002	R 2006	2005	IPER, 23 units	17 406	4 273	100.0%	100.0%
	Varese, Belforte	1988	E 2006, E 2012	2002	IPER, 38 units	25 494	10 173	100.0%	71.3%
	Vignate (Milan), Acquario center	2002		2003	Ipercoop, 62 units	40 753	20 057	100.0%	95.0%
	Vittuone, Il Destriero	2009		2009	IPER, 65 units	32 500	15 697	100.0%	50.0%

** See glossary.*
(1) Appraised value (excluding duties, total share).

ITALY									
Region	City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
MARCHES									
	Pesaro, Rossini Center	2000	R 2008	2002	IPER, 37 units	19 807	8 595	99.5%	71.3%
PIEDMONT									
	Burolo (Turin)	1995		2002	Carrefour, 13 units	10 581	968	94.7%	83.0%
	Collegno (Turin), La Certosa	2003		2003	Carrefour, 40 units	19 982	6 336	95.5%	100.0%
	Moncalieri (Turin)	1998	R/E 2000 R 2009	2002	Carrefour, 29 units	12 758	7 297	96.5%	83.0%
	Montecucco (Turin)	1989		2002	Carrefour, 11 units	9 670	1 122	100.0%	83.0%
	Serravalle Scrivia, Serravalle	2003		2004	IPER, 30 units	20 455	8 067	98.4%	100.0%
	Vercelli	1987		2002	Carrefour, 21 units	12 528	1 747	96.7%	83.0%
TUSCANY									
	Massa Carrara, Mare e Monti	1995	R 2007	2002	Carrefour, 40 units	17 467	7 220	97.2%	83.0%
VENETO									
	Thiene (Vicenza)	1993		2002	Carrefour, 38 units	20 855	5 691	90.7%	83.0%
	Verona, Le Corti Venete	2006		2008	IPER, 73 units	31 165	16 342	99.1%	50.0%
TOTAL ITALY						**906 092**	**435 026**	**98.1%**	

IBERIA

76 shopping centers* – 449 199 sq.m of rentable floor area*

1.3 billion euros (7.9% of value of the portfolio[1])
93.1 million euros in rents (9.5% of consolidated rents)

SPAIN									
Region	City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
ANDALUSIA									
	Almería	1987	R 2011	2000	Carrefour Planet, 28 units	8 483	990	98.4%	83.0%
	Cordoue, Córdoba-Zahira	1977	R 2011	2000	Carrefour, 17 units	11 804	944	78.9%	83.0%
	Grenade	1990	R 2011	2000	Carrefour Planet, 31 units	13 315	2 024	77.6%	83.0%
	Jerez de la Frontera-Cádiz, Jerez Norte	1997	R 2011	2000	Carrefour Planet, 46 units	16 958	6 950	93.6%	83.0%
	Jerez de la Frontera-Cádiz, Jerez Sur	1989		2000	Carrefour, 34 units	17 744	3 330	66.0%	83.0%
	La Línea de la Concepción, (North Gibraltar)-Cádiz, Gran Sur	1991	R/E 2007-2012	2000	Carrefour, Inditex, 58 units	29 477	7 457	89.2%	83.0%
	Los Barrios (West Gibraltar)-Cádiz, Algeciras I	1980		2000	Carrefour, 30 units	11 406	1 748	97.6%	83.0%
	Lucena	2002		2003	Carrefour, 17 units	6 980	785	73.9%	83.0%
	Málaga, Los Patios	1975	R 2004-2011	2000	Carrefour Planet, C&A, 57 units	19 547	4 350	81.5%	83.0%
	Málaga, Málaga I-Alameda	1987		2000	Carrefour, 37 units	18 541	7 550	88.7%	83.0%
	Seville, Sevilla I-San Pablo	1979	R 2011	2000	Carrefour Planet, 34 units	14 062	2 404	95.5%	83.0%
	Seville, Sevilla II-San Juan de Aznalfarache	1985	R 2011	2001	Carrefour Planet, 46 units	17 931	4 223	82.5%	83.0%
	Séville, Sevilla III-Macarena	1992		2000	Carrefour, 30 units	11 393	1 883	85.0%	83.0%
	Seville, Sevilla IV-Dos Hermanas	1993		2000	Carrefour, 22 units	10 320	1 465	95.6%	83.0%
	Seville, Sevilla V-Montequinto	1999		2003	Carrefour, 18 units	7 387	879	85.4%	83.0%
ARAGON									
	Saragosse, Actur	1990		2000	Carrefour, 31 units	18 273	5 085	69.9%	83.0%
	Saragosse, Augusta	1995		2000	Carrefour, 119 units, H&M, AKI, Kiabi, PC City	62 447	24 337	72.2%	83.0%
ASTURIAS									
	Lugones, Azabache	1977	R 2011	2003	Carrefour Planet, Decathlon, Toys'R'Us, Kiabi, 36 units	18 750	4 304	91.3%	83.0%
	Oviedo, Los Prados	2002		2003	Carrefour, Saturn, Yelmo Cineplex, 88 units	35 627	24 699	86.3%	83.0%

** See glossary.*
(1) Appraised value (excluding duties, total share).

SPAIN									
Region	City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
BALEARIC ISLANDS									
	Palma de Mallorca, General Riera	1977		2000	Carrefour, 25 units	9 358	592	97.3%	83.0%
BASQUE COUNTRY									
	Bilbao II – Sestao	1994	R 2012	2000	Carrefour, 24 units	17 136	1 325	89.0%	83.0%
	Oyarzun – San Sebastian	1979	R 2011	2000	Carrefour Planet, 19 units	10 835	745	89.6%	83.0%
CANARY ISLANDS									
	Santa Cruz de Tenerife, Meridiano	2003		2003	Carrefour, Inditex, C&A, Yelmo Cineplex, 119 units	44 650	26 928	97.6%	83.0%
CANTABRIA									
	Santander, El Alisal	2004		2004	Carrefour, Worten, AKI, 37 units	25 338	14 463	88.3%	83.0%
	Santander, Peñacastillo	1982	R 2011	2001	Carrefour Planet, 57 units	28 491	10 203	96.4%	83.0%
	Torrelavega	1996		2000	Carrefour, 16 units	15 000	901	100.0%	83.0%
CASTILLA LA MANCHA									
	Albacete, Los Llanos	1990		2003	Carrefour, Worten, 40 units	19 930	5 505	91.6%	83.0%
CASTILLA-Y-LEÓN									
	León	1990	R 2011	2003	Carrefour Planet, 25 units	13 247	2 466	57.2%	83.0%
	Salamanque	1989		2000	Carrefour, 15 units	11 548	794	98.5%	83.0%
	Valladolid I, Parquesol	1981	R 2011	2000	Carrefour Planet, C&A, 32 units	21 450	3 221	87.8%	83.0%
	Valladolid II	1995		2000	Carrefour, 22 units	14 161	3 395	75.0%	83.0%
CATALONIA									
	Cabrera del Mar (North Barcelona), Cabrera	1980	R 2011	2000	Carrefour Planet, AKI, 32 units	18 502	5 913	96.9%	83.0%
	Lérida	1986		2000	Carrefour, 18 units	5 982	526	82.9%	83.0%
	Reus (East Tarragona)	1991	R 2004	2000	Carrefour, 27 units	19 226	2 936	95.6%	83.0%
	Tarragone	1975	R 2011	2000	Carrefour Planet, 19 units	12 605	1 199	88.7%	83.0%
ESTRAMADURA									
	Badajoz, Granadilla	1990		2000	Carrefour, 20 units	15 492	889	95.8%	83.0%
	Badajoz, Valverde	1996		2000	Carrefour, 30 units	12 537	2 095	96.5%	83.0%
	Cáceres	1993		2000	Carrefour, 17 units	9 600	1 436	98.7%	83.0%
	Mérida	1992		2000	Carrefour, 20 units	9 277	1 048	96.8%	83.0%
	Plasencia	1998		2000	Carrefour, 13 units	7 574	815	96.9%	83.0%
	Villanueva de la Serena	1995		2000	Carrefour, 14 units	7 182	654	97.1%	83.0%
GALICIA									
	Lugo	1993		2000	Carrefour, 22 units	9 109	1 410	65.9%	83.0%
	Orense	1995	R 2011	2003	Carrefour Planet, 21 units	10 525	1 034	98.5%	83.0%
	Pontevedra	1998	R 2011	2003	Carrefour Planet, 21 units	10 769	1 101	80.5%	83.0%
MADRID									
	Alcalá de Henares	2001		2001	Carrefour, 26 units	9 169	1 667	92.9%	83.0%
	Alcobendas (North Madrid)	1982	R 2011-2012	2000	Carrefour Planet, McDonald's, 49 units	18 973	3 570	96.2%	83.0%
	El Pinar de Las Rozas (North-West Madrid)	1981	R 2010	2000	Carrefour Planet, 37 units	21 788	2 177	88.6%	83.0%
	Los Angeles (South Madrid)	1992	R 2010	2004	Carrefour, 51 units	17 782	6 972	92.5%	83.0%
	Móstoles	1992	R 2010	2000	Carrefour Planet, 33 units	15 008	2 602	89.1%	83.0%
	Pozuelo, Ciudad de la Imagen	1995	R 2012	2000	Carrefour, 27 units	11 266	1 936	69.2%	83.0%
	Rivas Vaciamadrid, Parque Rivas	1999		2002	Carrefour, 57 units	37 005	1 522	92.3%	83.0%
	San Sebastian de Los Reyes	2001		2001	Carrefour Planet, IKEA, Leroy Merlin, Mediamarkt, Plaza Norte 2, 23 units	149 697	1 455	95.1%	83.0%
	Vallecas, La Gavia	2008		2008	Carrefour, IKEA, Primark, Inditex, H&M, FNAC, 176 units	94 285	47 609	96.0%	100.0%
MURCIA									
	Cartagène, Alfonso XIII	1988		2000	Carrefour, 23 units	11 334	1 129	65.4%	83.0%
	Molina de Segura, Vega Plaza	2005		2006	Oportunidades Corte Inglés, 97 units	15 000	10 594	70.2%	100.0%
	Murcia, Zaraiche	1985	R 2005	2000	Carrefour Planet, Burger King, 27 units	11 080	1 865	86.0%	83.0%

* *See glossary.*

SPAIN

Region	City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
VALENCIA									
	Alicante, Puerta de Alicante	2002		2002	Carrefour, Inditex, Yelmo Cineplex, 83 units	34 500	20 812	77.6%	83.0%
	Alzira (South Valencia)	1991		2000	Carrefour, 25 units	15 293	1 031	74.2%	83.0%
	Benidorm	1989	R 2012	2000	Carrefour, 25 units	12 909	1 627	100.0%	83.0%
	Castellón	1985		2000	Carrefour, 25 units	8 722	820	81.8%	83.0%
	Elche	1983		2000	Carrefour, Decathlon, Kiabi, 18 units, boxes*	27 600	9 361	63.7%	83.0%
	Elda-Petrer	1989	R 2006	2001	Carrefour, 33 units	19 370	3 427	96.5%	83.0%
	Gandía	1994		2000	Carrefour, 24 units	10 758	1 460	96.5%	83.0%
	Sagunto	1989		2000	Carrefour, 15 units	7 979	981	93.1%	83.0%
	Torrevieja	1994	R 2011	2000	Carrefour Planet, 20 units	16 129	1 094	100.0%	83.0%
	Valencia I, Alfafar	1976	R 2011	2000	Carrefour Planet, Conforama, 45 units	21 614	6 992	97.8%	83.0%
	Valencia II, Campanar	1987	R 2005-2011	2000	Carrefour Planet, 34 units	16 060	2 502	99.3%	83.0%
	Valencia III, Paterna	1979	R 2011	2002	Carrefour, 22 units	12 498	1 016	85.0%	83.0%
	Villarreal (West Castellon de la Plana)	1995		2000	Carrefour, 18 units	9 180	905	97.2%	83.0%
	Vinaroz	2003		2003	Carrefour, 15 units	10 744	868	100.0%	100.0%
TOTAL SPAIN						**1 365 712**	**332 995**	**89.7%**	

PORTUGAL

Region	City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
LISBONNE									
	Lisboa, Telheiras	1990		2003	Continente, Worten, AKI, 33 units	31 398	13 617	98.2%	100.0%
	Loures, Loures	2002		2002	Continente, AKI, Decathlon, 75 units	39 277	17 370	83.1%	100.0%
NORTH									
	Braga, Minho Center	1997	R 2011	2006	Continente, Worten, Sport Zone, Toys R Us, 68 units	21 603	9 602	93.5%	100.0%
	Gondomar (Porto), Parque Nascente	2003		2003	Jumbo, Leroy Merlin, Mediamarkt, Primark, 152 units	63 500	47 094	94.5%	100.0%
	Vila Nova de Gaia (Porto), Gaia Jardim	1990	R 2011	2003	Continente, Worten, Espaço Casa, Fabio Lucci, 36 units	22 112	5 179	87.8%	100.0%
ALGARVE									
	Portimão, Aqua Portimão	2011		2011	Jumbo, Primark, H&M, Inditex, 118 units	35 499	23 342	90.4%	50.0%
TOTAL PORTUGAL						**213 389**	**116 204**	**93.2%**	
TOTAL IBERIA						**1 579 101**	**449 199**	**90.3%**	

See glossary.

CENTRAL EUROPE

23 shopping centers* – 458 277 sq.m of rentable floor area*

1.1 billion euros (6.7% of value of the portfolio [1])
78.4 million euros in rents (8.0% of consolidated rents)

POLAND

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Kraków, Kraków Plaza	2001	R 2008	2005	Carrefour, Cinema City, KappAhl, Zara, Smyk, Royal Collection, Reserved, 120 units	29 692	29 596	85.7%	100.0%
Lublin, Lublin Plaza	2007		2007	Stokrotka, Cinema City, H&M, Reserved, Carry, Smyk, Pure, 117 units	25 875	25 790	96.7%	100.0%
Poznań, Poznań Plaza	2005		2005	Piotr i Pawel, Cinema City, Zara, H&M, Reserved, Smyk, 137 units	29 504	29 325	98.8%	100.0%
Ruda Śląska, Ruda Śląska Plaza	2001	R 2008	2005	Carrefour, Cinema City, KappAhl, 56 units	14 618	14 504	96.9%	100.0%
Rybnik, Rybnik Plaza	2007		2007	Cinema City, H&M, RTV EURO AGD, Reserved, Delima, 73 units	18 197	18 107	91.6%	100.0%
Sosnowiec, Sosnowiec Plaza	2007		2007	Stokrotka, Cinema City, C&A, 70 units	13 494	13 445	89.6%	100.0%
Warsaw, Sadyba Best Mall	2000		2005	Carrefour, Cinema City, RTV EURO AGD, Smyk, 116 units	22 840	22 684	98.5%	100.0%
TOTAL POLAND					**154 220**	**153 450**	**95.5%**	

HUNGARY

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Budapest, Corvin	2010		2009	CBA, H&M, Euronics, 137 units	34 348	34 348	76.6%	100.0%
Budapest, Csepel Plaza	1997		2004	CBA, Háda, Fitness Csepel, 67 units	13 805	13 805	88.8%	100.0%
Budapest, Duna Plaza	1996	R 2002	2004	Match, Media Saturn, Cinema City, H&M, 202 units	48 574	48 574	87.5%	100.0%
Debrecen, Debrecen Plaza	1999	R 2007	2004	CBA, Cinema City, 82 units	14 697	14 697	86.8%	100.0%
Győr, Győr Plaza	1998	R 2008	2004	CBA, Cinema City, Euronics, 76 units	15 245	15 245	90.0%	100.0%
Kaposvár, Kaposvár Plaza	2000	E 2008	2004	Match, Hervis, Cinema City, 52 units	10 075	10 075	88.5%	100.0%
Miskolc, Miskolc Plaza	2000		2004	C&A, Cinema City, H&M, 103 units	14 925	14 925	92.7%	100.0%
Nagykanizsa, Kanizsa Plaza	2000		2004	CBA, Cinema, Jysk, 39 units	7 559	7 559	86.0%	100.0%
Nyíregyháza, Nyír Plaza	2000		2004	Cinema City, H&M, 72 units	13 927	13 927	88.0%	100.0%
Szeged, Szeged Plaza	2000		2004	CBA, Cinema City, Hervis, H&M, 78 units	16 441	16 441	90.2%	100.0%
Székesfehérvár, Alba Plaza	1999		2004	C&A, Hervis, Cinema City, 80 units	15 151	15 151	96.1%	100.0%
Szolnok, Szolnok Plaza	2001		2004	Spar, Hervis, Cinema City, 38 units	6 995	6 995	89.6%	100.0%
Zalaegerszeg, Zala Plaza	2001		2004	Cinema City, CBA, 44 units	7 431	7 431	96.6%	100.0%
TOTAL HUNGARY					**219 171**	**219 171**	**89.5%**	

CZECH REPUBLIC

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Plzeň, Plzeň Plaza	2007		2008	Cinema City, H&M, Bowling Plaza, Supermarket Albert, Hervis, Esprit, 105 units	20 240	20 240	95.1%	100.0%
Prague, Novodvorská Plaza	2006		2006	Tesco, Datart, Lindex, Sportisimo, 117 units	26 937	26 937	93.0%	100.0%
Prague, Nový Smíchov	2001		2001	Tesco, C&A, Cinema City, H&M, ZARA, M&S, 162 units	57 206	38 479	99.9%	100.0%
TOTAL CZECH REPUBLIC					**104 383**	**85 656**	**98.0%**	
TOTAL CENTRAL EUROPE					**477 774**	**458 277**	**94.3%**	

** See glossary.*
(1) Appraised value (excluding duties, total share).

OTHER COUNTRIES

6 shopping centers* - 49 441 sq.m of rentable floor area*
0.56 billion euros (0.3% of value of the portfolio[1])
5.4 million euros in rents (0.6% of consolidated rents)

GREECE

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Athens, Athinon	2002		2003	Carrefour, 8 units	13 600	1 588	100.0%	83.0%
Larissa	1994	E 2002	2007	Carrefour, 27 units	26 714	13 129	75.2%	100.0%
Patras	2002		2003	Carrefour, Kotsovolos, Intersport, 25 units	16 789	8 039	98.0%	83.0%
Thessalonica, Efkarpia	1995		2003	Carrefour, 14 units	12 212	802	100%	83.0%
Thessalonica, Makedonia	2000	R 2005	2001	Carrefour, Ster Century cinema, bowling, 36 units	26 772	13 722	97.9%	83.0%
TOTAL GREECE					**96 086**	**37 279**	**95.9%**	

SLOVAKIA

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Bratislava, Danubia	2000		2000	Carrefour, Nay, McDonald's, 44 units	25 962	12 162	86.2%	100.0%
TOTAL SLOVAKIA					**25 962**	**12 162**	**86.2%**	
TOTAL OTHER COUNTRIES					**122 048**	**49 441**	**–**	

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2.2. RETAIL PROPERTIES

0.6 billion euros (3.6% of the value of the portfolio[1])
44.0 million euros in rents (4.5% of consolidated risks)

Portfolio	Region/City	Composition	GLA
Buffalo Grill	Throughout France	**157 restaurant premisses**	88 726
Vivarte	Throughout France	**95 store premisses including:** ■ 82 store premisses operated by Défi Mode ■ 4 store premisses operated by La Halle ■ 9 store premisses operated by La Halle aux Chaussures	94 589
King Jouet	Throughout France	**28 store premisses including:** ■ 27 operated by King Jouet ■ 1 operated by Joupi	23 803
Mondial moquette	Throughout France	**6 store premisses operated by Mondial Moquette, 2 operated by Saint Maclou and 1 operated by Kalico**	9 084
Sephora	Metz and Avignon	**2 store premisses operated by Sephora**	1 177
Delbard	Throughout France	**4 store premisses operated by Delbard and 1 store operated by Tablapizza**	10 374[2]
Diversified assets	Throughout France	**40 store premisses including :** ■ 2 store premisses operated by Animalis ■ 2 store premisses operated by Chauss Expo ■ 5 store premisses operated by Chaussea ■ 3 store premisses operated by Feu Vert ■ 2 store premisses operated by Gémo ■ 2 store premisses operated by Générale d'Optique ■ 2 store premisses operated by Heytens ■ 3 Leader Price supermarkets ■ 19 stores operated by diverses	41 145
Other assets	Throughout France	**5 store premisses**	2 495
TOTAL	**THROUGHOUT FRANCE**	**341 ASSETS**	**271 392**

** See glossary.*
(1) Appraised value (excluding duties, total share).
(2) Including Aubière land leasehold.

2.3. OFFICE PROPERTIES

0.3 billion euros (2.0% of value of the portfolio[1])
20.2 million euros in rents (2.1% of consolidated rents)

City	Location	Description	WFA* (sq.m)
PARIS [9th]	7, rue Meyerbeer	Haussmanian style building in the heart of the Opéra district, 2 below-ground levels of retail and office space.	4 189
PARIS [15th]	141, rue de Javel	Complex comprised of two buildings of 7 and 5 stories, respectively, plus two floors below ground. Completed in 1993.	5 969
PARIS [15th]	43, quai de Grenelle	Built in 1969 and renovated in 1995. Fully air-conditioned.	12 433
PARIS [16th]	21, rue La Pérouse	A beautiful, five-story building plus three floors below ground. Entirely restructured in 1999.	2 076
PARIS [16th]	21, avenue Kléber	Near the Étoile, this 5-story building (plus basement) erected in 1900 was partly restructured in 1999.	1 933
NEUILLY-SUR-SEINE [92]	192, avenue Charles-de-Gaulle	Built in 1980, this luxury condominium complex in a joint ownership benefiting from a great location with the angle of the Bridge of Neuilly.	13 517
AUBERVILLIERS [93]	19-21-25, rue Madeleine Vionnet	Delivered in 2011, the Bureaux du Canal (50% owned by Klépierre), adjoining the shopping center Le Millénaire, two buildings over 7 floors, linked by a footbridge. Designed in line with the principles of sustainable development, these buildings are HQE®* services certified.	13 291
TOTAL		**7 ASSETS**	**53 408**

** See glossary.*
(1) Appraised value (excluding duties, total share).

RISK FACTORS

3.1. RISKS RELATED TO KLEPIERRE STRATEGY AND ACTIVITIES

3.1.1. Risks related to the economic environment

Since the majority of the Klépierre real estate asset portfolio comprises shopping centers*, changes in the key macroeconomic indicators of the countries in which the Group operates are likely to impact its lease income and real estate portfolio value, as well as shape its investment and new asset development policy, and therefore its growth prospects. The key factors likely to affect Klépierre's business are as follows:

- the economic environment is likely to encourage or depress demand for new retail space and therefore affect the growth prospects of Klépierre's shopping center* portfolio (in terms of construction of new centers, extension of existing centers and acquisition or disposal transactions). It may also have a long-term impact on occupancy rates and the ability of tenants to pay their rent;
- a downward trend or slower growth in the indices against which most rents payable under Klépierre leases are indexed may also compromise Klépierre lease income, as could any change in the indices used for this purpose. The overall impact on all the leases in the Klépierre portfolio could be reduced by the fact that indexation is country specific (usually against national inflation indices or, in the case of France, indices specific to commercial leases);
- the ability of Klépierre to increase rents – or even to maintain them at current levels – depends, at the point of lease renewal, principally on its tenants' current and forecast revenue levels, which in turn depend in part on the state of the economy. Tenants' revenue trends also impact on the variable element of rents;
- any prolonged worsening of economic conditions could also result in an increase in unlet units in Klépierre centers, which would have a negative effect on Group lease income and operating income as a direct result of the loss of lease income and the increase in non-billable expenses where vacant premises require repairs and renewals before they can be re-let. These costs cannot be passed on to tenants;
- the profitability of Klépierre's real estate letting activities depends on the solvency of its tenants. In particular, during periods of difficulty in the economy, tenants may delay payment of rent, fail to pay rent at all, or encounter financial problems that would cause Klépierre to review tenancy conditions downwards.

3.1.2. Risks related to the real estate market

Klépierre may not always execute its investments and divestments at the most opportune time because of the cyclical nature of the real estate sector. In overall terms, a downturn in the commercial real estate market (particularly shopping centers*, but also offices to a lesser degree) could have a negative effect on the Company's investment policy and disposal policy, as well as on the development of new assets, the value of its asset portfolio, the conduct of its business, its financial position, its operating income and its future prospects.
More specifically, a downturn in the real estate market could have a significant negative effect on the conditions applying to Klépierre funding, and therefore on the business itself. In particular:

- the Company plans to cover part of its funding needs by selling existing real estate assets. In unfavorable market conditions, these assets could take longer to sell and achieve lower prices than would otherwise be the case, which could limit the flexibility of Klépierre in the way it implements its development strategy;
- the Company is bound by certain covenants related to asset values contained in the loan agreements signed by Klépierre and its subsidiary companies. Unfavorable market conditions could reduce the value of Group assets, making it more difficult for the Company to comply with the financial ratios fixed under loan agreements. If Klépierre were to find itself unable to maintain these ratios, it could be obliged to sell assets or raise funds by issuing equity securities in order to repay the debt or ask lenders to amend certain loan agreement provisions. At December 31, 2012, the Loan-to-Value* ratio referred to in the loan agreements stood at 43.6%, giving the group substantial room for manoeuvre given the maximum limit of 60%. Assuming the level of debt remains the same, the value of the portfolio would have to decline by more than 27% to reach the limit set in the loan agreements.

By way of illustration, note that in 2012 the independent experts who valued Klépierre's real estate assets were of the opinion that the yield rate* used for the appraisals could be reduced by an average of 10 basis points, considering the improved situation in the markets where the Group is present. Accordingly, the value of Klépierre holdings increased 1.2% over one year, of which 1.1% from income growth and 0.1% from reducing yield rates*. This improvement in asset values is one of the elements that contributed to the reduction of the loan-to-value ratio (one of the Group's main covenants) from 45.8% to 43.6% over one year. As of December 31, 2012, a 1% appreciation in asset value would cause a 0.4% increase in this ratio, all other things being equal.
Any prolonged worsening of economic conditions and its consequences on the rental market could result in a negative impact the Group's level of activity, its results, the valuation of its assets and its investment and development policy.

3.1.3. Risks related to the departure or closure of flagship chains

The Group's shopping centers are often supported by one or more flagship chains with high levels of customer appeal. A decline in the attractiveness of such chains, any slowdown or cessation in their businesses (particularly as a result of an unusually depressed economy), any failure to renew their leases, any termination of their leases and any delay in re-letting the vacated premises could result in a decline in attractiveness of the shopping centers* concerned. The resulting decline in footfall could trigger lower sales volumes for other stores, which would thus have a significant negative effect on the total rental income from certain centers, and the financial position and growth prospects of the Group.

3.1.4. Risks related to the development of new real estate assets

Klépierre is involved in real estate development on its own account. This business poses the following significant risks:

- the cost of construction may turn out to be higher than initially estimated: the construction phase may take longer than expected, technical difficulties or completion delays may be encountered due to

* See glossary.

the complexity of some projects and the price of construction materials may change adversely;
- Klépierre's investments (in new projects, renovations and extensions) are subject to obtaining the necessary regulatory approvals, which may be granted to Klépierre and/or its partners later than anticipated or even refused;
- Klépierre may require the consent of third parties, such as flagship chains, lenders or the associates involved in partnership developments, and these consents may not be given;
- Klépierre may fail to obtain satisfactory funding for these projects;
- up-front costs (such as the costs of feasibility studies) cannot normally be deferred or canceled in the event of projects being delayed or abandoned;

The real estate development and investment risks referred to may then result in investment projects being delayed, canceled or completed at a cost above that initially estimated in the budgets prepared by Klépierre, which could in turn affect the Group's financial results.

3.1.5. Risks related to lease renewals and the letting of real estate assets

When existing leases expire, Klépierre could find itself in the position of being unable to let or re-let vacant units within an acceptable period and/or under conditions as favorable as those offered by its current leases. The Company may not be able to attract sufficient tenants or high-profile retail chains into its shopping centers*, and may not be successful in maintaining occupancy rates and lease income at satisfactory levels, which could have an unfavorable effect on Klépierre revenue, operating income and profitability *(see Business of the year, section 1.3 Rental business)*.

3.1.6. Risks related to the marketing of developments

Klépierre meets the cost of marketing the shopping centers developed by the Company and other real estate assets it acquires, and therefore bears the risk of any marketing failures. Klépierre may encounter difficulties in securing retail chain tenants that are both attractive to consumers and prepared to accept the level and structure of rents that the Company offers. The retail real estate* sector in which Klépierre operates is a rapidly-changing business environment in which change is driven by customer demand. The possibility cannot be ignored that at some future time Klépierre may not be able to let its centers with a portfolio of retailers sufficiently attractive to ensure high occupancy rates and the opportunity to achieve high rental yields. This could in turn affect Klépierre's business volumes and operating income.

3.1.7. Risks related to the competitive environment

The Company's rental activities operate in a highly competitive market. Competition may arise as a result of current or future developments in the same market segment, other shopping centers, mail order, hard discount stores, e-commerce or the attraction exerted by certain retail chains located in competitor centers. More particularly, the development by competitors of new shopping centers located close to existing Klépierre centers and renovations or extensions to competitor shopping centers may impact unfavorably the Company's ability to let its retail premises, and therefore on the rent levels it can charge and its forecast financial results.

As part of its business, the Company competes with many other players, some of which may have greater financial resources and larger portfolios. Having the financial leverage and ability to undertake large-scale development projects from their own resources gives the larger market players the opportunity to bid for development projects or asset acquisitions offering high profitability potential at prices that do not necessarily meet the investment criteria and acquisition objectives set by Klépierre, which may raise uncertainty on the Company's business forecasts.

3.1.8. Risks related to the estimation of asset values

At December 31 and June 30 every year, Klépierre calculates its revalued net assets per share. The measurement method used is as follows: calculation of the unrealized capital gains (or losses) held in the Klépierre portfolio arising as a result of the difference between the independently-appraised market value and the net book value shown in the consolidated financial statements, and adding these to (or deducting them from) consolidated balance sheet equity. The independently-appraised market value depends on the relationship between supply and demand in the market, interest rates, the economic environment and many other factors likely to vary significantly in the event of poor shopping center performance and/or a downturn in the economy.

The IFRS book value of the Company's portfolio is based on the historical cost method. It is not immediately adjusted to reflect fluctuations in market value, and cannot therefore reflect the effective realizable value of the holdings. The appraised value of its assets may not therefore reflect their realizable value in the event of disposal, which could have a negative impact on the Group's financial position and operating results.

The form and frequency of the expert appraisals conducted are detailed in Business of the year (1.8 Net asset value); the valuation method is described in Note 11.1, (Disclosures about the fair value model) of the Notes to the consolidated financial statements.

The value of the Company's real estate assets is sensitive to the main appraiser assumptions (detailed in Note 11.1 (Disclosures about the fair value model) of the Notes to the consolidated financial statements.

3.1.9. Risks related to the international business profile of Klépierre

Klépierre owns and operates shopping centers in 13 Continental European countries. Some of these countries may have risk profiles higher than those of the Company's major markets (France, Scandinavia, Italy). The economic and political context of these countries may be less stable, their regulatory frameworks and entry barriers may be less favorable and business may be conducted in more volatile local currencies. The risks posed by individual countries, combined with a failure to manage those risks effectively, may have a negative impact on the operating income and financial position of Klépierre. The distribution of the Group's business and performance by country are detailed in Business of the year (1.3 Rental business).

** See glossary.*

3.1.10. Risks related to partners' agreements

Klépierre owns a significant proportion of its shopping centers* in France, Spain and, to a lesser degree, Italy and Greece, under the terms of a series of partnership agreements signed with CNP Assurances and Écureuil Vie. These partnership agreements provide the usual protections for minority partners: pre-emption right, joint exit right and the decision-making process applying to investment or divestment. The principal clauses of the partnership agreement are shown in Note 9.3. of the Notes to the consolidated financial statements.

If the minority partners were to exercise their exit rights, and Klépierre was not willing to acquire their stake, with the result that those minority partners sell their investments to a third party at a price below that of the revalued net asset value* of the underlying assets, Klépierre would then be obliged to compensate them for any shortfall (which could go up to 20% of the revalued net asset value of the underlying assets). In the event of a significant shortfall, the obligation to make the corresponding payments in compensation could have a negative impact on Klépierre liquidity, and could require the Company to defer or cancel other investments.

3.1.11. Acquisition risks

The acquisition of real estate assets or companies owning such assets is part of the Klépierre growth strategy. This policy poses the following significant risks:

- Klépierre could overestimate the expected yield from these assets, and therefore acquire them at too high a price compared with the funding put in place to facilitate such acquisitions, or be unable to acquire them under satisfactory conditions, especially where the acquisitions are made via a tender offer or in a period of significant economic volatility or uncertainty. The comprehensive due diligence conducted with the assistance of specialist external consultants prior to any acquisition aims to minimize these risks;
- where an acquisition is financed by the disposal of other assets, market conditions or unfavorable deadlines, this could delay or compromise the ability of Klépierre to complete the acquisition;
- the assets acquired could contain hidden defects, such as subletting, violations by tenants of applicable regulations (and particularly environmental regulations) or a failure to comply with the construction plans which would not be covered by the guarantees contained in the sale and purchase agreement. The due diligence process referred to above is also beneficial in this respect;
- Klépierre could also encounter difficulties in incorporating a new acquisition as a result of its impact on the Company's internal organizational structure (IT, human resources). However, the possible impacts of any acquisition on these aspects are systematically evaluated as part of the acquisition decision-making process whenever necessary.

3.2. RISKS RELATED TO KLEPIERRE'S FINANCING POLICY AND FINANCIAL ACTIVITIES

The exposure of Klépierre to the range of financial risks and the policy it applies to manage and hedge against those risks are described in greater detail in Note 8 of the Notes to the consolidated financial statements, and in the report of the Chairman of the Supervisory Board.

3.2.1. Liquidity risks

Klépierre's strategy depends on its ability to raise financial resources in the form of loans or equity for the purpose of funding its investments and acquisitions and refinancing maturing debts. Klépierre is committed to distributing a significant proportion of its profits to its shareholders in order to qualify for SIIC* status. It therefore relies significantly on debt to fund its growth. This method of funding may not be available under advantageous conditions. This situation could arise in the event of a crisis in capital markets or debt markets, the occurrence of events impacting on the real estate sector, a reduction in the rating of Klépierre debt, restrictions imposed by covenants included as part of loan contracts, or any other change to the business, financial position or shareholding profile of Klépierre capable of influencing the perception that investors or lenders have of its creditworthiness or the attractiveness of investing in the Group.

Klépierre is also exposed to the general risks associated with all types of borrowing, and particularly the risk of operating cash flows falling to a level at which the debt could not be serviced. If such a shortfall were to occur, the result could be an acceleration or early repayment and the calling in of any security given, with the possibility of the assets concerned being seized.

The Group's debt maturity schedule and the management of liquidity risk are treated in further detail in the Notes to the consolidated financial statements (Notes 5.15 and 8).

Risks related to the covenants and other commitments contained in certain loan agreements

In addition to the usual covenants and commitments, the loan agreements entered into by Klépierre also contain covenants obliging the Company to comply with specific financial ratios, as detailed in Business over the year (section 1.10 Financial policy). If Klépierre were to default on one of its financial commitments and be unable to remedy that failure within the time allowed in the loan agreement, the lenders could demand early repayment of the loan or seize the assets concerned where the loan is secured. Some loan agreements also contain cross default clauses allowing lenders to demand early repayment of outstanding amounts in the event that Klépierre fails to meet the commitments contained in other loan agreements (unless any shortcoming is regularized within the period allowed). Consequently, any failure to meet its financial commitments could have a negative impact on the financial position of Klépierre, its earnings, its flexibility in conducting its business and pursuing growth (for example, by impeding or preventing certain acquisitions), its ability to meet its obligations, and its share price.

** See glossary.*

Risks related to any downgrading of the Klépierre debt rating

Klépierre's existing debt rating is periodically reviewed by the rating agency Standard & Poor's. At the time this report was prepared (and throughout 2012), this agency rated the Company's long-term debt as "BBB+, stable outlook"; and its short-term debt as "A-2, stable outlook". These ratings reflect the ability of Klépierre to repay its debts, as well as its liquidity, key financial ratios, operational profile and general financial position, and other factors considered as being significant in respect of the Company's business sector and the economic outlook.

Any downgrading of the Klépierre debt rating could impact negatively the ability of the Group to fund its acquisitions or develop its projects under acceptable conditions and could also increase the cost of refinancing its existing loans. Any increase in interest charges would compromise Klépierre operating income and the yield of development projects. If funding were not to be available under satisfactory conditions, the ability of Klépierre to grow its business through acquisition and development would be reduced.

3.2.2. Rate risk

Klépierre is exposed to the general risks associated with all types of borrowing, and particularly the risk of operating cash flows falling to a level at which the debt could not be serviced. If such a shortfall were to occur, the result could be a faster rate of repayment or early repayment and the calling in of any security, with the possibility of the assets concerned being seized.

Klépierre's significant debt also exposes it to risks due to interest rate variations:

- the interest charges paid by Klépierre on its variable- rate borrowings could therefore rise significantly;
- a significant rise in interest rates would impact negatively on the value of the Company's holdings inasmuch as the yield rates* applied by real estate appraisers to the rentals of commercial buildings are determined partly on the basis of interest rates;
- Klépierre uses derivative instruments such as swaps to hedge against interest rate risks which enable it to pay a fixed or variable rate, respectively, on a variable or fixed rate debt. Developing an interest rate risk management strategy is a complex task, and no strategy can protect the Company fully against the risk posed by interest rate fluctuations. The valuation of derivatives also varies depending on interest rate levels, is reflected in the Klépierre balance sheet, and may also impact on its income statement if hedging relationships are not sufficiently justified by documentation or if the existing hedges are only partly efficient.

The use made by Klépierre of interest rate hedge contracts could expose the Company to additional risks, and particularly the risk of failure of the counterparties to such contracts, which could in turn result in payment delays or defaults that would impact negatively on the results of Klépierre.

Quantified illustrations of the effects of interest rate fluctuations before and after hedging are given in Note 8.1 of the Notes to the consolidated financial statements.

3.2.3. Currency risk

Klépierre conducts business activities in certain countries that have not joined the Eurozone (currently Czech Republic, Denmark, Hungary, Norway, Poland and Sweden). In these countries, Klépierre's exposure to exchange rate risks derives from the following elements:

- local currencies could depreciate between the invoicing of rents in euros and the payment of the aforesaid rents by the tenants, which would create exchange rate losses for Klépierre. Moreover, some leases are not invoiced in euros, but in dollars (Central Europe) or in local currencies (particularly in Scandinavia), which creates an additional risk related to the rent amount effectively recovered in euros;
- fluctuations in local currencies also impact on the level at which local financial statements are translated into euros and integrated into Klépierre's consolidated financial statements;
- since a proportion of subsidiary Company expenses are denominated in the local currency, although their income (fees) are denominated in euros, any appreciation in the local currency may reduce operating profit;
- since rent bills are usually denominated in euros (apart from Scandinavia) tenants may have difficulty in paying their rent if their local currency depreciates significantly. Any resulting deterioration in their solvency could have a negative impact on Klépierre lease income.

For details of the measures taken by the Group to reduce currency risks, please refer to Note 8.3 of the Notes to the consolidated financial statements.

3.2.4. Counterparty risk

When Klépierre uses derivatives, such as swaps, to hedge a financial risk, its counterparty may be liable to Klépierre for certain payments throughout the term of the instrument. Insolvency of said counterparty may lead to delay or default in such payments, which would have an adverse impact on Klépierre's results.

Klépierre has also received confirmed financing commitments from banks in the form of revolving credit facilities. Accordingly, the company is exposed to counterparty risk, since the inability of the relevant banks to honor their commitments may prevent the group from honoring its own financial commitments.

Klépierre is also exposed to counterparty risks in respect of its short-term investments; since these investments are made for reduced amounts, in simple forms and for a short term, this risk is, however, barely significant on the Group scale.

The risk monitoring policy and control system implemented by Klépierre are presented in Note 8.4 of the Notes to the consolidated financial statements.

** See glossary.*

3.3. LEGAL, TAX AND REGULATORY RISKS

3.3.1. Risks related to applicable regulations

As an owner and manager of real estate assets, Klépierre must comply with the regulations in force in all of its operating countries. These rules apply to several fields, including corporate law, health and safety, environment, building construction, commercial licenses, leases and urban planning. Changes in the regulatory framework may require Klépierre to make changes to its business, assets or strategy. Klépierre may also suffer financially should one or more tenants in one of its shopping centers* fail to comply with the applicable standards. This may take the form of a loss of rent following a store closure or a loss of marketability of the asset. The regulatory risks described in this paragraph could impose additional costs on Klépierre which could have a negative effect on its business, results and financial position, as well as the value of the Klépierre asset portfolio.

The specific risk posed by legal or regulatory provisions applying to leases

In certain of Klépierre's operating countries, and especially France, the contractual conditions applying to lease periods, lease voidance, lease renewal and rent indexation may be a matter of public policy. More specifically, some legal provisions in France limit the conditions under which property owners may increase rents to align them with market levels or maximize lease income. In France, certain types of lease must be entered into for minimum periods, and the process of evicting tenants in the event of non-payment may be lengthy.

Any change to the regulations applying to commercial leases, and particularly their maturity, the indexation and capping of rents or the way in which eviction penalties are calculated, could have a negative effect on the value of the Klépierre asset portfolio, as well as the Company's operating income and financial position.

Risks relating to the SIIC tax regime

Since the Company has SIIC* status, it is subject to a special tax regime, referred to as the "SIIC regime". As such, and subject to certain conditions (see the Glossary in the section 11 of this registration document for further details), it is exempt from paying corporate income tax. Although there are significant benefits involved in adopting SIIC status, it is a complex regime that poses certain risks for the Company and its shareholders:

- the requirement for the Company to distribute a significant proportion of the profits earned in each fiscal year, which could, for example, affect its financial position and liquidity;
- the Company is exposed to the risk of future changes to the SIIC-scheme, and certain changes could have a significant negative impact on the Company's business, financial position and results;
- the Company is also exposed to the risk posed by future interpretation of the SIIC scheme provisions by the French tax and accounting authorities.

Legal intelligence

The Klépierre Legal Department, supported by the relevant functions, works in partnership with outside counsels to ensure that information regarding new laws and regulations that could have a material impact on the Group's financial position and growth is gathered, processed and disseminated throughout the Group. This intelligence-gathering process extends to legislation and regulations in every country in which the Group has equity interests.

** See glossary.*

3.4. RISKS RELATED TO SUBSIDIARY COMPANIES

3.4.1. Risks related to the shareholding structure of Steen & Strøm

Steen & Strøm is 43.9% owned by ABP Pension Fund and 56.1% by Klépierre. The equity percentage, together with certain provisions contained in the shareholder agreement between the two shareholders, gives ABP Pension Fund significant influence in certain areas of strategic decision-making, such as major investment and disinvestment transactions involving Steen & Strøm. Under the terms of the agreement, certain decisions may be made on the basis of an 85% qualified majority vote, the effect of which is to give ABP Pension Fund an effective right of veto over these decisions. For certain Steen & Strøm growth decisions, the interests of ABP Pension Fund may diverge from those of Klépierre. The successful growth of Steen & Strøm's business therefore depends to a certain extent on good relations between its shareholders. The possibility of some divergence of approach occurring between the shareholders cannot be excluded, which could disrupt the operation of Steen & Strøm, with a negative impact on the results, financial position and prospects of Klépierre.

3.4.2. Risks related to Klémurs

The loan agreements entered into by Klémurs provide for a maximum Loan-to-Value* ratio (net financial debt to reappraised asset value) of 60%. If the value of the Klémurs portfolio decreased, this limit may be reached, which would thus limit the ability of Klémurs to incur additional debt to fund acquisitions or development projects. Moreover, Klémurs could, if necessary, be forced to raise additional capital to comply with these covenants. Although Klépierre has no contractual obligation to increase its equity holding in Klémurs, any failure to do so could lead to the dilution of Klépierre's stake in Klémurs, and compromise the ability of Klémurs to raise capital.

3.5. ENVIRONMENTAL RISKS

In all its operating countries (i.e. within Europe), Klépierre must comply with environmental protection laws applying to the presence or use of hazardous or toxic substances, and the use of facilities capable of generating pollution and impacting public health, particularly in terms of epidemics (especially in the Shopping center* segment).
Regulations on the control and maintenance of wastewater networks, domestic supply water stations and distribution networks, and hydrocarbon evacuation and storage facilities exist in all countries.
Internal measures have been implemented to cover certain risks that are not covered by regulatory obligations. These good practices include building structure audits, energy audits, analyses to control rates of legionnaire's disease, and thermal checks on electrical installations.

The families of risks identified could have a range of diff erent consequences:

- the health risks resulting, for example, from internal pollution would produce a hazard to users and neighbors. A failure of this kind would have immediate local consequences in terms of footfall, reduced revenues for retailers and the loss of rent for Klépierre on the site concerned, as well as a negative impact on the Group's reputation;
- an environmental incident caused by human error could reflect badly on the image of the Group and its management. The damage caused to the image of the Company as a result of an environmental incident is a risk whose potential consequences are hard to quantify;
- under current environmental laws and regulations, Klépierre, as the current or previous owner and/or operator of an asset, may be liable for identifying hazardous or toxic substances affecting an asset or a neighboring asset, and removing and cleaning up any such contamination found. The existence of contamination or the failure to take measures to resolve it may also impact negatively Klépierre's ability to sell, rent, or redevelop an asset, or to use it as a security for a loan.

In addition to the civil liability cover contracted to cover the risk of accidental pollution, Klépierre also has special insurance policies to cover the assets that include classified facilities subject to authorization. These policies insure against the liability of Klépierre in respect of physical injury, damage to property, and consequential loss arising as a result of gradual pollution. In terms of personal safety, the Group's civil liability policies cover third parties against any prejudice suffered.
Depending on its intensity, extreme weather may also impact the business activity of one or more assets. Exceptional snowfall could, for example, result in buildings being evacuated or pose a structural risk resulting in cessation of trading on a given site. Property damage insurance addresses this type of risk by covering harm to assets.
Any failure to comply with safety measures or control procedures could result in an official shutdown of the site, with local consequences for the future of the business and image of the site concerned. Property damage insurance addresses this type of accidental damage.
Risks are managed by means of permanent and periodic compliance measures. The permanent compliance measures use a "risk matrix" to check the procedures implemented and the monitoring points fundamental to the full coverage of the assets and the claims history. The periodic compliance measures ensure compliance with the regulations and procedures implemented (drafting of reports, recommendations and implementation plans) (see report of the Chairman of the Supervisory Board on section 9 of this registration document).

* See glossary.

3.6. RISKS ASSOCIATED WITH LOCK-UP COMMITMENTS

The purchase agreement relating to the acquisition of a block of shares of Klépierre representing 28.7% of its share capital that was entered into on March 7, 2012 between Simon Property Group and BNP Paribas (and closed on March 14, 2012) contains a lock-up commitment from the BNP Paribas Group under which the BNP Paribas Group agreed, subject to certain exceptions, not to transfer, directly or indirectly, shares of Klépierre for a period of 13 months from the completion of the transfer of the block, i.e., until and including April 14, 2013, except in the event of an early expiration. Information relating to this lock-up commitment is available on pages 238 and 239 of this registration document.

As a result, the BNP Paribas Group will no longer be bound by this lock-up commitment as from April 15, 2013 (or earlier in the event of an early expiration).

The sale, or the perception that a significant number of shares could be sold, through market trades by the BNP Paribas Group could have an adverse effect on the market price of the shares of the Company and future sales of substantial amounts of shares in the public market could adversely affect the prevailing or future market price of Klépierre shares.

CORPORATE GOVERNANCE

4.1. MANAGEMENT AND SUPERVISORY BODIES

4.1.1. The Executive Board

4.1.1.1. Executive Board appointments, operation and powers

The Company is managed by an Executive Board. The Supervisory Board elects the members of the Executive Board and determines their number within the limits of the law. The Board is appointed for three years.

The Supervisory Board elects one of the Executive Board members as its Chairman. The Chairman carries out his duties throughout his term as a member of the Executive Board. The Chairman of the Executive Board represents the Company in its relations with third parties.

The Supervisory Board may assign the same power of representation to one or more members of the Executive Board who will then bear the title of Chief Executive Officer.

The Executive Board meets as often as the Company's interests require. These meetings are held at the head office or at any other venue as indicated in the notice of meeting.

At least half of the Executive Board members must be present for proceedings to be considered valid. Decisions are adopted by the majority of votes of members present and represented.

The Executive Board is vested with the most extensive powers to act on the Company's behalf in all circumstances. It exercises these powers within the limits of the corporate purpose, subject however to those expressly attributed by law and the bylaws to the Supervisory Board or general meetings of shareholders.

Under the control of the Supervisory Board, it must, in particular:

- present the Supervisory Board with a report on the Company's business at least once every quarter;
- present the Supervisory Board with the corporate financial statements, and where applicable, the consolidated financial statements for audit and control, within three months of each reporting date.

The Executive Board draws up rules of procedure governing the ways in which it exercises its powers and grants delegations.

4.1.1.2. List of mandates and positions of Executive Board members

Information on the professional experience of Executive Board members is provided on page 10 of this registration document.

LAURENT MOREL – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS(1)
Chairman of the Executive Board
Date of first appointment as Chairman of the Executive Board: January 1, 2009(2)
Date of first appointment as member of the Executive Board: June 1, 2005
Period of appointment as member of the Executive Board: June 22, 2010 – June 21, 2013
Nationality: French
Number of shares: 3 958
Managing partner of SCS Ségécé(3)

JEAN-MICHEL GAULT – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS(1)
Member of the Executive Board
Date of first appointment: June 1, 2005
Period of appointment: June 22, 2010 – June 21, 2013
Nationality: French
Number of shares: 2 105
Permanent representative of Klépierre, member of the Supervisory Board of SCS Ségécé(3)

(1) In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all those Klépierre subsidiary companies in which the corporate officers are also, or have been in the previous five years, a member of the governing, management or supervisory body.
(2) Appointment on December 19, 2008 with effect on January 1, 2009.
(3) The extraordinary general meeting of SCS Ségécé, deliberating on January 1, 2013, has adopted as new corporate name "Klépierre Management".

JEAN-MARC JESTIN – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS[1]

Member of the Executive Board
Date of first appointment: October 18, 2012[4]
Period of appointment: October 18, 2012 – June 21, 2013
Nationality: French
Number of shares: –
Appointments expired during the last five years

Chairman and Deputy CEO
- SAS Immobilière Lidice
- Rodamco France

Managing Non Partner of Société Foncière Immobilière

Chairman of Uni-Commerces

Deputy CEO
- Alba
- SAS Immobilière Château Garnier
- Unibail Management

Co-Managing Director
- Unibail Rodamco SIF France
- Groupe BEG
- Foncière d'Investissement
- Unibail Rodamco SIF Services
- BAY 1 BAY 2
- BEG Investissements
- TC Design

Director
- Union Internationale Immobilière
- Rodamco France

Member of the management board
- «ANDRAKA» BeteiligungsverwaltungsgmbH (Austria)
- DONAUZENTRUM Betriebsführungsgesellschaft m.b.H. (Austria)
- DX - DONAUPLEX Betriebsgesellschaft m.b.H (Austria)
- SCS Infrastruktur GmbH (Austria)
- SCS Liegenschaftsverwertung GmbH (Austria)
- SCS Motor City Süd Errichtungsges.m.b.H. (Austria)
- SCS Werbegesellschaft mbH (Austria)
- Shopping Center Planungs- und Entwicklungsgesellschaft mbH (Austria)
- Unibail-Rodamco Austria Verwaltungs GmbH (former Shopping Center Vösendorf Verwaltungsgesellschaft m.b.H.) (Austria)
- Unibail-Rodamco Invest GmbH (Austria)
- Unibail-Rodamco Austria Beteiligungsverwaltung GmbH (Austria)
- Aupark a.s. (Austria)

Managing Director/Board Member
- Rodamco Česká republia s.r.o. (today renamed to „Unibail-Rodamco Česká republia s.r.o.") (Czech Republic)
- CENTRUM ČERNÝ MOST a.s. (Czech Republic)
- Centrum Praha Jih - Chodov s.r.o. (Czech Republic)
- Rodamco Pankrác a.s. (Czech Republic)
- Moravská Obchodní, a.s. (Czech Republic)
- EURO-MALL Kft (Hungary)
- Vezér Center Kft (Hungary)
- Rodamco Deutschland GmbH (Germany)

Administrative board member
- Immobilien-Kommanditgesellschaft Dr. Mühlhäuser & Co. Einkaufs-Center Magdeburg (after disposal renamed to „Allee-Center Magdeburg KG") (Germany)
- Kommanditgesellschaft Schliebe&Co Geschäftszentrum FrankfurterAllee (Friedrichshein) (today renamed to „Ring-Center I Berlin KG") (Germany)

Board member/Director
- Rodamco Europe Beheer B.V. (Netherlands)
- Rodamco Russia B.V. (Netherlands)
- Rodamco Nederland B.V. (Netherlands)
- Unibail-Rodamco Nederland B.V. > former 'RNN Monumenten B.V. (Netherlands)
- Rodamco Nederland Winkels B.V. (Netherlands)
- Rodamco Central Europe B.V. (Netherlands)
- Rodamco Espana B.V. (Netherlands)
- Rodamco Autria B.V. (Netherlands)
- Rodamco Czech B.V. (Netherlands)
- Unibail-Rodamco Poland 1 B.V. (Netherlands)
- Unibail-Rodamco Poland 2 B.V. (Netherlands)
- Rodamco Deutschland B.V. (Netherlands)
- Rodamco Hungary B.V. (Netherlands)
- Rodamco Project 1 B.V. (Netherlands)
- Cijferzwaan B.V. (Netherlands)
- Dotterzwaan B.V. (Netherlands)
- European Retail Enterprises II B.V (Netherlands)

Management Board Member
- Arkadia Centrum Handlowe Sp. z o.o. (Poland)
- Wileńska Centrum Handlowe Sp. z o.o. (Poland)
- Gdańsk Station Shopping Mall Sp. z o.o. (Poland)
- Wileńska Station Shopping Mall Sp. z o.o.
- Łódź Nord Shopping Mall Sp. z o.o.(liquidated) (Poland)
- Wroclaw Garage Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Bydgoszcz Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Gliwice Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Polskie Domy Handlowe Sp. z o.o. (liquidated) (Poland)

Supervisory Board Member
- Rodamco CH1 Sp. z o.o. (Poland)

Director
- UR Steam SLU (Spain)
- Essential Whites SLU (Spain)
- Proyectos Immobiliarios Time Blue SLU (Spain)
- Promociones Immobiliarias Gardiner SLU (Spain)
- UR Inversiones SLU (Spain)
- UR Proyecto Badajoz SLU (Spain)
- UR Spain SAU (Spain)
- UR Ocio SLU (Spain)
- Proyactos Immobiliarios New Visions SLU (Spain)

(1) In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all those Klépierre subsidiary companies in which the corporate officers are also, or have been in the previous five years, a member of the governing, management or supervisory body.
(2) Appointment on December 19, 2008 with effect on January 1, 2009.
(3) The extraordinary general meeting of SCS Ségécé, deliberating on January 1st, 2013, has adopted as new corporate name "Klépierre Management".
(4) Appointment on October 9, 2012 with effect on October 18, 2012.

4.1.2. The Supervisory Board

4.1.2.1. Supervisory Board appointments, operation and powers

The Supervisory Board is composed of a minimum of 3 and a maximum of 12 members who are elected by the ordinary general meeting of shareholders.
Each member of the Supervisory Board must hold at least 60 shares throughout their term of office.
The term of office as member of the Board shall be three years.
The duties of a Supervisory Board member terminate at the close of the ordinary general meeting of shareholders called to approve the financial statements in the year during which the relevant Board member's term of office expires.
The Supervisory Board elects a Chairman and a Vice Chairman amongst its members.
The Supervisory Board meets as often as the interests of the Company require, either at the head office or in any other location it is convened by the Chairman and examines any item included in the agenda by the Chairman or by a simple majority of the Supervisory Board.

A quorum of at least half the members of the Supervisory Board is required in order to conduct business.
Resolutions are adopted on the basis of a majority vote of those members present or represented.
The Supervisory Board is responsible for the permanent oversight of the Executive Board's management of the Company. For this purpose, it may conduct any verifications or checks as it sees fit at any time of the year, and may request any and all documents it deems useful to the accomplishment of its mission.
The Supervisory Board may decide to set up committees to investigate issues submitted for review by itself or by its Chairman.
The Supervisory Board draws up rules of procedure governing the ways in which it exercises its powers and grants authorizations to its Chairman.
All other information relating to the Supervisory Board is recorded in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (p. 248).

4.1.2.2. List of mandates and positions of Supervisory Board members

DAVID SIMON – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
David Simon is Chairman of the Board and Chief Executive Officer of Indianapolis-based Simon Property Group, Inc. He joined the organization in 1990. In 1993 he led the efforts to take Simon Property Group public. He became CEO in 1995. Before joining the organization, he was a Vice President of Wasserstein Perella & Co., a Wall Street firm specializing in mergers and acquisitions and leveraged buyouts. He is a member and former Chairman of the National Association of Real Estate Investment Trusts (NAREIT) Board of Governors and is a former trustee of the International Council of Shopping Centers (ICSC).
51 years old – B.S. degree from Indiana University and MBA from Columbia University's Graduate School of Business – American nationality

Main position outside the Company: Chairman of the board and Chief Executive Officer of Simon Property Group, Inc.
Main position within the Company: Chairman of the Supervisory Board

Date of first appointment: March 14, 2012
Period of appointment: April 12, 2012 – 2015 AGM

Chairman of the Investment Committee

Number of shares: 62

Current appointments as per December 31, 2012

Director, Chairman of the Board and Chief Executive Officer:
• Simon Property Group, Inc.
• Simon Property Group (Delaware), Inc.
• The Retail Property Trust
• M.S. Management Associates, Inc.

Chairman of the Board and Chief Executive Officer:
• Simon Management Associates, LLC
• CPG Holdings, LLC

Appointments expired during the last five years

–

VIVIEN LÉVY-GARBOUA – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Vivien Lévy-Garboua began his professional career in the Research Department at the Banque de France, and then joined BNP Paribas in 1980. He occupied a number of different executive positions before being appointed Senior Adviser in September 2008.
65 years old – Graduate of the École polytechnique and engineer from the corps des Mines, he also has a PhD in economics from Harvard University – French nationality

Main position outside the Company: Senior Advisor to BNP Paribas
Main position within the Company: Vice Chairman of the Supervisory Board

Date of first appointment: April 12, 2000
Period of appointment: April 8, 2010 – April 11, 2013[1]

Member of the Audit Committee
Member of the Nomination and Compensation Committee
Member of the Sustainable Development Committee

Number of shares: 1 800

Current appointments as per December 31, 2012

Vice Chairman of Linedata Supervisory Board
Member of the Supervisory Board of BNP Paribas Immobilier

Director:
- Société Sicovam Holding
- Société Coe-Rexecode
- Financière BNP Paribas
- Compagnie d'Investissements de Paris
- Bank of the West
- Euroclear SA
- LCH Clearnet

Appointments expired during the last five years

Compliance and Internal Control Manager at BNP Paribas
Member of the Executive Board of BNP Paribas
Vice Chairman of the Supervisory Board of *Presses Universitaires de France*
Member of the Board of SFEF
(Société de Financement de l'Économie Française)

Director:
- BNP Paribas Luxembourg
- BNP Paribas SA (Switzerland)
- BNP Paribas (GB)
- BGL BNP Paribas (Luxembourg)

(1) Proposed for reappointment at the ordinary general meeting of shareholders on April 11, 2013.

DOMINIQUE AUBERNON – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Dominique Aubernon held a number of different positions within BNP Paribas, particularly in the areas of fixed income and structured finance, before being appointed in March 2008 to serve on the Strategic Board, in charge of defining and implementing the financial policy of BNP Paribas.
56 years old – Post-graduate degree in financial management and diploma in corporate management and business strategy from the université Paris-Dauphine – French nationality

Main position outside the Company: Strategic Advisory manager, BNP Paribas
Main position within the Company: Member of the Supervisory Board

Date of first appointment: March 31, 2010
Period of appointment: April 7, 2011 – 2014 AGM

Member of the Investment Committee

Number of shares: 60

Current appointments as per December 31, 2012

Director of BNP Paribas New Zealand LTD

Appointments expired during the last five years

Chairman and CEO and Director
of Financière du Marché Saint-Honoré SA
Permanent representative of BNP Paribas SA,
Chairman of Capstar Partners SAS

Director:
- BNP Paribas Lease Group SA
- Parilease SAS

BERTRAND DE FEYDEAU – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Bertrand de Feydeau has held and continues to hold a number of positions in companies whose focus is real estate. Currently the Chairman of Foncière Developpement Logements, he is also Chairman of both the Fondation Palladio and the Fondation des Bernardins.
64 years old – Master of Law degree and graduate of Institut d'études politiques de Paris – French nationality

Main position outside the Company: Chairman of the Board of Directors of Foncière Développement Logements
Main position within the Company: Member of the Supervisory Board – Independent director

Date of first appointment: July 21, 1998
Period of appointment: April 8, 2010 – April 11, 2013(1)

Chairman of the Nomination and Compensation Committee
Member of the Investment Committee

Number of shares: 939

Current appointments as per December 31, 2012

Chairman and CEO of (SMAF) Société des Manuscrits des Assureurs Français
Member of the Supervisory Board of SCA Klémurs
Director:
- Foncière des Régions
- Affine
- Société Beaujon SAS
- Sefri Cime

Board appointments:
- Chairman of the Fondation des Bernardins
- Chairman of the Fondation Palladio
- Vice Chairman of the Fondation du Patrimoine
- Vice Chairman of the Vieilles Maisons Françaises
- Director of the Fédération des Sociétés Immobilières et Foncières (FSIF)
- Director of the Club de l'Immobilier

Appointments expired during the last five years

Head of Economic Affairs – Archdiocese of Paris
Chairman and CEO of AXA Immobilier SAS

Director:
- AXA Aedificandi
- Gécina
- SITC SAS

(1) Proposed for reappointment at the ordinary general meeting of shareholders on April 11, 2013.

STEVEN FIVEL – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Steven Fivel began his career as Deputy Attorney General at the Office of the Attorney General of the State of Indiana. In 1988 he handled shopping center finance transactions, real estate development and re-development transactions, joint ventures and corporate transaction as an Attorney. In 1997, he joined BrightPoint and occupied the functions of Executive Vice President, General Counsel and Secretary. In March 2011 he joined Simon Property Group as Assistant General Counsel and Assistant Secretary where he is in charge of the Development Legal Department, Operations Legal Department and Tax Department. Since March 14, 2012, he is also Chairman of the Supervisory Board of Klémurs.
52 years old – B.S. degree from Indiana University and J.D. from The John Marshall Law School of Chicago – American nationality.

Main position outside the Company: Assistant General Counsel and Assistant Secretary of Simon Property Group, Inc.
Main position within the Company: Member of the Supervisory Board

Date of first appointment: March 14, 2012
Period of appointment: April 12, 2012 – 2015 AGM

Member of the Investment Committee
Member of the Nomination and Compensation Committee
Member of the Sustainable Development Committee

Number of shares: 62

Current appointments as per December 31, 2012

Chairman of the Supervisory Board of SCA Klémurs
Assistant General Counsel:
- Simon Property Group, Inc.
- Simon Property Group (Delaware), Inc.
- The Retail Property Trust
- MS Management Associates, Inc.
- Simon Management Associates, LLC

Appointments expired during the last five years

Executive Vice President, General Counsel & Secretary:
- Brightpoint, Inc.
- Brightpoint North America, Inc.

Director, Executive Vice President, General Counsel & Secretary of Brightpoint International Ltd.

Director of Brightpoint Latin America, Inc.
Managing Director of Brightpoint Holdings, B.V.

BERTRAND JACQUILLAT – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Chairman and CEO of Associés en Finance and Vice Chairman the Cercle des Économistes, and professor at *Institut d'études politiques de Paris*, Bertrand Jacquillat has published several books and over a hundred articles, many of them in peer reviewed scientific journals.
68 years old – Graduate of HEC, Institut d'études politiques de Paris, Harvard MBA, a doctorate in economics and financial management from the université Paris-Dauphine, and a law degree – French nationality

Main position outside the Company: Professor at Institut d'études politiques de Paris
Main position within the Company: Member of the Supervisory Board – Independent director

Date of first appointment: April 12, 2001
Period of appointment: April 12, 2012 – 2015 AGM

Chairman of the Audit Committee

Number of shares: 1 000

Current appointments as per December 31, 2012

Chairman and CEO of Associés en Finance
Member of the Supervisory Board of the Presses Universitaires de France

Appointments expired during the last five years

Director of Total SA

FRANCOIS KAYAT – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
After having begun his carreer at Kleinwort Benson, François Kayat joins Credit Suisse First Boston and became Managing Director, Co-head of French Investment Banking then Chairman Mergers & Acquisitions Europe. From 2006 to 2009 he was World Head of Mergers & Acquisitions and Investment Banking at Calyon. Since 2010 he is Associate and Managing Partner at Lazard Frères. François Kayat is also member of the Supervisory Board of Klémurs since March 14, 2012.
50 years old – Graduate of ESCP Europe – French Nationality

Main position outside the Company: Associate and Managing partner at Lazard Frères bank
Main position within the Company: Member of the Supervisory Board

Date of first appointment: March 14, 2012
Period of appointment: April 12, 2012 – 2015 AGM

Member of the Investment Committee
Member of the Audit Committee
Member of the Sustainable Development Committee

Number of shares: 60

Current appointments as per December 31, 2012

Member of the Supervisory Board of SCA Klémurs

the last five years Appointments expired during

–

CATHERINE SIMONI – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Catherine Simoni joined Carlyle Group 12 years ago in Real-Estate. Catherine Simoni was previously a Director at SARI Development, the development division of Nexity, where she was responsible for implementing business plans on several major French office developments, including leasing and sale of such developments. Prior to SARI Development, Catherine Simoni was a Manager at Robert & Finestate, a subsidiary of J.E. Robert Company, where she worked on transactions in real estate and real estate-backed loan portfolios in France, Spain, Belgium and Italy.
48 years-old – Engineering degree from the university of Nice (France) – French nationality

Main position outside the Company: Managing Director France/The Carlyne Group
Main position within the Company: Member of the Supervisory Board – Independent director

Date of first appointment: December 20, 2012
Period of appointment: December 20, 2012 – 2014 AGM(1)

Number of shares: -

Current appointments as per December 31, 2012

–

Appointments expired during the last five years

–

(1) Catherine Simoni was coopted by the Supervisory Board teld on December 20, 2012 to replace Jérôme Bédier, who has resigned.

ROSE-MARIE VAN LERBERGHE – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Rose-Marie Van Lerberghe began her career as an Inspector at IGAS (General Inspectorate, Social Affairs) and then became Assistant Director for the defense and promotion of jobs at the French Labor Ministry. In 1986 she joined the Danone Group, where she was General Director of Human Resources, notably. In 1996 she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. Then she became Executive Director of APHP (Public Assistance – Hospitals of Paris). From 2006 to 2011 she was Chairman of the Executive Board of Korian.
66 years old – Graduate of ENA (École nationale d'administration), of Institut d'études politiques of Paris and of École normale supérieure, graduate teaching in philosophy and undergraduate degree in history – French nationality

Main position outside the Company: -
Main position within the Company: Member of the Supervisory Board – Independent director

Date of first appointment: April 12, 2012
Period of appointment: April 12, 2012 – 2015 AGM

Member of the Audit Committee
Member of the Nomination and Compensation Committee

Number of shares: 100

Current appointments as per December 31, 2012

Director:
- Société Air France
- Société Casino Guichard-Perrachon
- Fondation Hopital Saint-Joseph
- Fondation Institut Pasteur

Appointments expired during the last five years

Chairman of the Executive Board of the Korian group

•••

MICHEL CLAIR

Career
A Magistrate for the *Cour des comptes* since 1975, Michel Clair has occupied a number of different positions within various French government agencies and ministries. From 1986 to 1988, he was head of the office of the French Trade Minister. In 1991, he joined Compagnie Bancaire as Corporate Secretary and a member of the Executive Board. After the Paribas-Compagnie Bancaire merger, he became a member of the Paribas Executive Committee in charge of real estate business and pooled corporate services. He joined the Klépierre Group in 1996 as a member of the Board of Directors, and then became the Board's Chairman the following year. He was Chairman of the Klépierre Executive Board from 1998 to 2008.
66 years old – Graduate of ENA (École nationale d'administration) – French nationality

Main position outside the Company: Chairman of Astria Action Logement

Date of first appointment: January 1, 2009
Period of appointment: April 7, 2011 – March 14, 2012(1)

Number of shares: 88 011(2)

Current appointments as per March 14, 2012

Chairman of the Supervisory Board of Holding Sociale Richelieu
Chairman of the Board of Directors of SGRHVS
Chairman:
- SAS Astria Développement (Groupe Astria)
- SAS RHVS 1% Logement

Director:
- Domaxis SA HLM
- Pax-Progrès-Pallas SA HLM (Groupe Domaxis)
- Société Immobilière du Palais des Congrès
- GIE Astria (Groupe Astria)

Non-voting director:
- France-Habitation SA HLM (Groupe Astria)
- Omnium de Gestion Immobilière de l'Île-de-France (Groupe Astria)

Appointments expired during the last five years

Chairman of the Executive Board of Klépierre
Chairman of the Supervisory Board:
- Klépierre
- SCA Klémurs
- SCS Ségécé

(1) Resigned with effect from March 14, 2012. On March 14, 2012, the Supervisory Board co-opted Mr David Simon as a new member of the Supervisory Board, replacing Mr Michel Clair. The same Supervisory Board appointed Mr David Simon as Chairman. The ratification of the cooptation of Mr David Simon as new member of the Supervisory Board has been approved by the vote of the shareholders during their general meeting of April 12, 2012.
(2) Shares owned at March 14, 2012.
(3) The extraordinary general meeting of SCS Ségécé, deliberating on January 1st, 2013, has adopted as new corporate name "Klépierre Management".

JÉRÔME BÉDIER

Career
Executive Chairman of the Fédération des Entreprises du Commerce et de la Distribution and Chairman of the Board of Directors of the Union d'Économie Sociale pour le Logement, Jérôme Bédier was a partner with Deloitte & Touche, where he was in charge of international development. Previously, he worked for various government ministries (Industry, Economy and Finance, and Trade and Crafts).
57 years old – Graduate of the Institut d'études politiques de Paris and of the École nationale d'administration – French nationality

Main position outside the Company: Vice Chairman of Capgemini Consulting

Date of first appointment: April 8, 2004
Period of appointment: April 7, 2011 – May 9, 2012(1)

Number of shares: 3 320(2)

Current appointments as per May 9, 2012

Chairman and Director of the Fondation Oeuvre de la Croix Saint-Simon	**Director of the Société Nationale Immobilière (SNI – Caisse des Dépôts Group)**

Appointments expired during the last five years

Member of the Supervisory Board of Klépierre **Medef Executive Committee member** **Permanent representative of the Fédération des Entreprises du Commerce et de la Distribution, Director of Éco-Emballages**	**Chairman of the Supervisory Board of the Union d'Économie Sociale pour le Logement**

(1) Resigned with effect from May 9, 2012. The Supervisory Board coopted Mrs Catherine Simoni on December 20, 2012.
(2) Shares owned at May 9, 2012.

DOMINIQUE HOENN

Career
Dominique Hoenn spent his entire professional career within BNP Paribas group and was Senior Adviser there until 2009. He served as Chairman of the Supervisory Boards of both Klépierre and Klémurs, respectively, from 2005 to 2008 and 2006 to 2008. He is also a member of the Collège de l'Autorité de contrôle prudentiel (Prudential Control Authority).
72 years old – Graduate of ESSEC – French nationality

Main position outside the Company: –

Date of first appointment: April 8, 2004
Period of appointment: April 8, 2010 – March 14, 2012(1)

Number of shares: 426(2)

Current appointments as per March 14, 2012

Chairman of the Board of Directors of BNP Private Equity **Director of Clearstream International (Luxembourg)**	**Member of the Collège de l'Autorité de Contrôle Prudentiel**

Appointments expired during the last five years

Senior Advisor to BNP Paribas **Chairman of the Board of Directors of BNP Paribas International** **Member of the Supervisory Board of:** • Klépierre • SCA Klémurs • NYSE Euronext Group • Euronext N.V. (Amsterdam)	**Director:** • BNP Paribas Securities Services • BNP Paribas Luxembourg SA • LCH Clearnet (London) • Member of the Collège de l'Autorité des marchés financiers (AMF)

(1) Resigned with effect from March 14, 2012. On March 14, 2012, the Supervisory Board co-opted Mr François Kayat as new member of the Supervisory Board, replacing Mr Dominique Hoenn. The ratification of the cooptation of Mr François Kayat as new member of the Supervisory Board has been approuved by the vote of the shareholders during their general meeting of April 12, 2012.
(2) Shares owned at March 14, 2012.

BERTRAND LETAMENDIA

Career
Bertrand Letamendia has spent his entire career in the real estate business. He was Head of Development for STIM (the Bouygues Group), Head of Kaufman & Broad, and then Head of Real Estate for the insurance group AGF from 1997 to 2008. In 2009, he founded AITA Conseils SAS (an economic, commercial and real estate consulting firm).
66 years old – Graduate of ESSEC – French nationality

Main position outside the Company: Chairman of AITA Conseils SAS

Date of first appointment: July 21, 1998
Period of appointment: April 9, 2009 – April 12, 2012(1)

Number of shares: 1 200(2)

Current appointments as per April 12, 2012

Director of Sogeprom
Director of SFL
Vice Chairman and member of the Supervisory Board of TEXA

Appointments expired during the last five years

Member of the Supervisory Board of Klépierre
Director of Immovalor Gestion
Chairman:
- SAS Établissements Paindavoine
- SAS Étoile Foncière et Immobilière
- SAS Financière Cogedim Laennec
- SAS INVCO
- SAS Madeleine Opéra
- SAS Société Foncière Européenne
- SAS Société de Négociations Immobilières et Mobilières Maleville "SONIMM"
- Vernon SAS

Managing partner:
- SNC AIP
- SNC Laennec Rive Gauche
- SNC AGF Immobilier
- SNC Phénix Immobilier
- Allianz Immo 3 EURL
- EURL Business Vallee II
- EURL 20/22 rue Le Peletier
- SARL Relais de la Nautique
- SCCV 48/50 Henri-Barbusse
- SCCV 33 rue La Fayette
- SCI Tour Michelet
- SCI Remaupin
- SCI 3 Route de la Wantzenau "Les Portes de l'Europe"
- SC Prelloyd Immobilier
- SCI Via Pierre 1
- SCI Le Surmelin
- Société de Construction et de Gestion Immobilière des Mesoyers

Liquidator of SCCV 33 La Fayette

(1) The general meeting of shareholders on April 12, 2012 appointed in quality as new member of the Supervisory board Mrs Rose-Marie Van Lerberghe to replace Mr Bertrand Letamendia.
(2) Shares owned at April 12, 2012.

PHILIPPE THEL

Career
Philippe Thel has been with BNP Paribas throughout his entire career, and held a number of executive positions in the Corporate Banking division before becoming Head of Real Estate Financing for France. In 2000, his responsibilities were expanded to encompass European Real Estate Financing at BNP Paribas.
58 years old – Graduate of the École supérieure de commerce de Toulouse (France), degree in economics – French nationality

Main position outside the Company: Head of European Real Estate Financing, BNP Paribas

Date of first appointment: April 7, 2006
Period of appointment: April 9, 2009 – March 14, 2012 (1)

Number of shares: 805(2)

Current appointments as per March 14, 2012

Director:
- CILGERE
- ERIGERE
- BNP Paribas Immobilier SAS

Permanent representative:
- BNP Paribas Immobilier, Director of Promogim
- BNP Paribas, Director of Sofibus

Appointments expired during the last five years

Member of the Supervisory Board of Klépierre

(1) Resigned with effect from March 14, 2012. On March 14, 2012, the Supervisory Board co-opted Mr Steven Fivel as new member of the Supervisory Board, replacing Mr Philippe Thel. The ratification of the cooptation of Mr Steven Fivel as new member of the Supervisory Board has been approuved to the vote of the shareholders during their general meeting of April 12, 2012.
(2) Shares owned at March 14, 2012.

4.2. COMPENSATION AND BENEFITS

4.2.1. Executive Board members' compensation and benefits

Table summarizing compensation, options and shares awarded to each executive corporate officer (table no. 1 AMF recommendations – AFEP/Medef code)

	Laurent Morel Chairman of the Executive Board Member of the Executive Board		Jean-Michel Gault Deputy CEO Member of the Executive Board		Jean-Marc Jestin Chief Operating Officer Member of the Executive Board	
(in euros)	2011	**2012**	2011	**2012**	2011	**2012**
Compensation due for the fiscal year (detailed in table no. 2)	517 173	576 085	439 534	480 073	–	283 656
Valuation of the options granted during the fiscal year	244 860	–	209 880	–	–	–
Valuation of the performance shares granted during the fiscal year (detailed in table no. 6)	–	465 850	–	399 300	–	1 103 500
TOTAL	**762 033**	**1 041 935**	**649 414**	**879 373**	**–**	**1 387 156**

Table summarizing compensation of each executive corporate officer (table no. 2 AMF recommendations – AFEP/Medef Code)

	Laurent Morel Chairman of the Executive Board Member of the Executive Board				Jean-Michel Gault Deputy CEO Member of the Executive Board				Jean-Marc Jestin Chief Operating Officer Member of the Executive Board	
	2011		**2012**		2011		**2012**		**2012**	
(in euros)	Amount due	Amount paid	**Amount due**	**Amount paid**	Amount due	Amount paid	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	258 613	258 613	251 493	251 493	214 974	214 974	215 513	215 513	43 656	43 656
Variable compensation(1)	229 000	180 000	275 000	224 650	200 000	160 000	240 000	200 000	90 000	–
Exceptional compensation	–	–	20 032(3)	20 032(3)	–	–	–	–	150 000(4)	150 000(4)
Directors' fees	25 000	25 000	25 000	25 000	20 000	20 000	20 000	20 000	–	–
Benefits in kind(2)	4 560	4 560	4 560	4 560	4 560	4 560	4 560	4 560	–	–
TOTAL	**517 173**	**468 173**	**576 085**	**525 735**	**439 534**	**399 534**	**480 073**	**440 073**	**283 656**	**193 656**

(1) Variable compensation is determined using a cash flow table, according to which the variable compensation payable to the members of the Executive Board is set at between 40% and 80% of their fixed annual compensation.
In addition to this criterion based on the Company's performance, individual performance criteria are set in line with the targets defined for each member. This may result in additional variable compensation capped at 40% of the fixed annual compensation.
(2) Benefits in kind consist solely of a Company car and associated expenses such as petrol and insurance.
(3) The compensation for Laurent Morel is a long service award paid to him in August 2012.
(4) Signing bonus paid to Jean-Marc Jestin when he joined the Company.

Options to subscribe to new shares or purchase existing shares granted during the year to each executive corporate officer by the issuer or by any group company (table no. 4 AMF recommendations – AFEP/Medef Code)

No option to subscribe to new shares or purchase existing shares were granted to the Executive Board members during fiscal year 2012.

Options to subscribe to new shares or purchase existing shares exercised during the year by each executive corporate officer (table no. 5 AMF recommendations – AFEP/Medef Code

Members of the Executive Board did not exercise any purchase options during the 2012 fiscal year. Moreover, the delegations granted to the Executive Board do not cover the allotment of stock subscription options.

Performance shares awarded to each corporate officer (table no. 6 AMF recommendations – AFEP/Medef Code)

Performance shares awarded by the general meeting of shareholders during the fiscal year to each corporate officer par the issuer or any subsidiary of the Group	No. and date of plan (1)	Number of shares granted during the fiscal year	Value of options based on method used in the consolidated financial statements *(in euros)*	End of period of acquisition	End of period of conservation	Performance condition
Laurent Morel Chairman of the Executive Board Member of the Executive Board	Plan no. 1 Date: October 23, 2012	35 000	465 850	10/23/2015	10/23/2017	Performance condition assessed through 2 criteria: – absolute performance of the Klépierre share assessed relative to its Total Shareholder Return ("TSR") – relative performance of the Klépierre share assessed based on the FTSE EPRA Euro Zone index
Jean-Michel Gault Deputy CEO Member of the Executive Board	Plan no. 1 Date: October 23, 2012	30 000	399 300	10/23/2015	10/23/2017	Performance condition assessed through 2 criteria: – absolute performance of the Klépierre share assessed relative to its Total Shareholder Return ("TSR") – relative performance of the Klépierre share assessed based on the FTSE EPRA Euro Zone index
Jean-Marc Jestin Chief Operating Officer Member of the Executive Board	Plan no. 1 Date: October 23, 2012	10 000	133 100	10/23/2015	10/23/2017	Performance condition assessed through 2 criteria: – absolute performance of the Klépierre share assessed relative to its Total Shareholder Return ("TSR") – relative performance of the Klépierre share assessed based on the FTSE EPRA Euro Zone index
		40 000	970 400	01/31/2016	01/31/2018	No performance condition.

(1) The general meeting of the shareholders on April 12, 2012 authorized the Executive Board for a period of 38 months to make allotments, at its discretion, of either bonus existing shares in the Company resulting from repurchases made by it or of bonus shares to be issued (excluding any preferred stock).
The number of bonus shares may not entitle grantees to a total number of shares exceeding 0.5% of the capital stock on the day of the Executive Board's decision, it being stipulated that the total number of bonus shares allotted pursuant to this authorization is deducted from the 1% limit authorized by the aforementioned general meeting on April 12, 2012 in its twelfth resolution for allotments of stock purchase options.
Pursuant to this authorization, 260 200 bonus shares were allotted on October 23, 2012 based on the par value of shares at this date.
The shares allotted to the members of the Executive Board are subject to a holding obligation as bearer shares until the end of the allottees' duties in respect of 50% of the gain on the purchase net of tax and charges calculated upon delivery of the shares.

More information is available on page 196 of this registration document.

Performance shares which became available to each corporate officer (table no. 7 AMF recommendations – AFEP/Medef Code)

No performance shares became available to corporate officers during current or previous fiscal years.

Other disclosures (table no. 10 AMF recommendations – AFEP/Medef Code)

Executive corporate officers	Employment contract		Supplementary pension scheme[5]		Benefits due or conditionally due on termination or change of function		Compensation related to non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Laurent Morel Chairman of the Executive Board[1] Member of the Executive Board Start of term[2]: 06/22/2010 End of term[3]: 06/21/2013		X[4]	X			X		X
Jean-Michel Gault Deputy CEO Member of the Executive Board Start of term[2]: 06/22/2010 End of term[3]: 06/21/2013	X		X			X		X
Jean-Marc Jestin Chief Operating Officer Member of the Executive Board Start of term: 10/18/2012 End of term: 06/21/2013	X			X		X		X

(1) Date of first appointment as Chairman of the Executive Board: 12/19/2008 effective on 01/01/2009.
(2) Date of first appointment as Member of the Executive Board: 06/01/2005.
(3) As Member of the Executive Board.
(4) Having observed that Laurent Morel's position as Executive Board Chairman took up more of his time than initially, the Company deemed it advisable to terminate his employment contract with Ségécé, with effect from November 30, 2011. Since then, Laurent Morel has been receiving compensation from the Company as Chairman of the Executive Board, while serving as Managing Partner of Ségécé for no compensation.
(5) Laurent Morel and Jean-Michel Gault are covered by the supplementary pension plan for senior executives of the former Compagnie Bancaire. This plan provides for a top-up pension when they leave the BNP Paribas group to take their retirement. Given their entitlement to this income which will be revalued on their retirement, a calculation should be performed taking into account the amount of their pensions on retirement and 54.5% of their compensation over their last 12 working months, in order to decide whether or not this income applies and to determine the amount involved.

4.2.2. Compensation and benefits received by Supervisory Board members

Table summarizing directors' fees and other compensation paid to non-executive corporate officers (table no. 3 AMF recommendations – AFEP/Medef Code)

(in euros)	Amounts paid during 2011 fiscal year[1]	Amounts paid during 2012 fiscal year[1]
Michel Clair	56 813[2]	53 322[2]
Vivien Lévy-Garboua	30 274	33 851
Jérôme Bédier	37 126	35 593
Bertrand de Feydeau[3]	50 085	48 903
Bertrand Jacquillat	30 696	30 948
Bertrand Letamendia	33 147	33 252
Dominique Aubernon[4]	15 150	18 833
Sarah Roussel[5]	3 876	–
Dominique Hoenn[3]	34 437	37 147
Philippe Thel	22 050	21 736
TOTAL	**313 654**	**313 583**

(1) Compensation accruing to non-executive corporate officers consists solely of directors' fees paid by Klépierre and its subsidiaries Klémurs (84.6%) and Ségécé (100%).
(2) Directors' fees in relation to Klépierre, Klémurs and Ségécé Supervisory Board membership.
(3) Directors' fees in relation to Klépierre and Klémurs Supervisory Board membership.
(4) Dominique Aubernon has been a member of the Klépierre Supervisory Board since March 31, 2010. The corresponding directors' fees for the 2010 fiscal year were paid during the 2011 fiscal year.
(5) Sarah Roussel mandate as member of the Supervisory Board ended on March 31, 2010. The corresponding directors' fees for the 2010 fiscal year were paid during the 2011 fiscal year.

4.2.3. Information on stock subscription and purchase options

Overview of stock subscription and purchase options granted in previous years – Information on stock subscription and purchase options (table no. 8 AMF recommendations/AFEP/Medef Code)

	Plan no. 1	Plan no. 2
General meeting date	April 7, 2006	April 7, 2006
Date of the Executive Board	May 30, 2006	May 15, 2007
Total number of shares which can be subscribed or purchased	603 490	443 146
o/w shares that can be subscribed or purchased by corporate officers	*108 574*	*86 876*
Michel Clair	*46 532*	*34 130*
Laurent Morel	*31 021*	*27 924*
Jean-Michel Gault	*31 021*	*24 822*
Jean-Marc Jestin	–	–
Start date for exercising options	May 31, 2010	May 16, 2011
Expiration date	May 30, 2014	May 15, 2015
Subscription or purchase price	29.49 euros[(1)]	46.38 euros[(1)]
Exercise conditions (when the plan includes several tranches)	See text below	See text below
Number of shares subscribed at December 31, 2012	–	–
Total number of options that have been canceled or become null and void	72 976	55 206
Outstanding options at year-end	530 514	387 940

(1) Adjusted to reflect the 3-for-1 stock split and after additional adjustment to reflect the discount granted as part of the preferential subscription rights capital increase of December 2008.

At December 31, 2012, given the adjustments (stock split in 2007 and impact of the discount granted for the December 2008 rights issue) and departures, the number of stock purchase options outstanding stood respectively at 530 514 for the plan dated May 30, 2006, 387 940 for the plan dated May 15, 2007 and 430 812 for the plan dated April 6, 2009.

Stock purchased through the exercise of options allotted on May 30, 2006 and May 15, 2007 may be sold unencumbered by any restrictions.

Stock purchased through the exercise of options allotted on April 6, 2009 is subject to a holding requirement in bearer form until cessation of their duties in respect of 50% of the net capital gain arising upon the purchase made when the options are exercised by Executive Board members.

The general meeting of the shareholders on April 9, 2009 authorized the Executive Board for a period of 38 months to grant on one or more occasions options to buy the Company's stock resulting from purchases made by the Company as provided for in law.

The number of options granted may not entitle grantees to a total number of shares exceeding 1% of the capital stock on the day of the Executive Board's decision.

Pursuant to this authorization, 493 000 stock purchase options were allotted on June 21, 2010 and 606 000 on May 27, 2011 based on the par value of the shares at these dates.

The lock-up period for the options granted was set at four years with effect from the date of allotment and their life at eight years.

At December 31, 2012, given departures, the number of stock purchase options outstanding stood respectively at 460 000 for the plan dated June 21, 2010 and 583 500 for the plan dated May 27, 2011.

Stock purchased through the exercise of options allotted on June 21, 2010 and May 27, 2011 is subject to a holding requirement in bearer form until cessation of their duties in respect of 50% of the net capital gain resulting upon the purchase made when the options are exercised by Executive Board members.

The general meeting of the shareholders on April 12, 2012 authorized the Executive Board for a period of 38 months to grant on one or more occasions options to buy the Company's stock resulting from purchases made by the Company as provided for in law.

The number of options granted may not entitle grantees to a total number of shares exceeding 1% of the capital stock on the day of the Executive Board's decision.

The Executive Board did not make use of this authorization during the 2012 financial year.

Plan no. 3		Plan no. 4		Plan no. 5	
Without performance conditions	With performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
April 7, 2006	April 7, 2006	April 9, 2009	April 9, 2009	April 9, 2009	April 9, 2009
April 6, 2009	April 6, 2009	June 21, 2010	June 21, 2010	May 27, 2011	May 27, 2011
378 500	102 500	403 000	90 000	492 000	114 000
–	*65 000*	–	*65 000*	–	*78 000*
–	–	–	–	–	–
–	*35 000*	–	*35 000*	–	*42 000*
–	*30 000*	–	*30 000*	–	*36 000*
–	–	–	–	–	–
April 6, 2013	April 6, 2013	June 21, 2014	June 21, 2014	May 27, 2015	May 27, 2015
April 5, 2017	April 5, 2017	June 20, 2018	June 20, 2018	May 26, 2019	May 26, 2019
22.60 euros	between 22.60 and 27.12 euros	22.31 euros	between 22.31 and 26.77 euros	27.94 euros	between 27.94 and 33.53 euros
See text below		See text below		See text below	
3 750	938	–	–	–	–
45 500	–	33 000	–	22 500	–
329 250	101 562	370 000	90 000	469 500	114 000

Stock subscription and purchase options granted to and exercised by the top ten employee employees (not corporate officers) (table no. 9 AMF recommendations – AFEP/Medef Code)

No stock subscription and purchase options has been neither granted to nor exercised by the top ten employee employees (not corporate officers) during the fiscal year. Information relating to bonus shares allotments are displayed on pages 210 and 211 of this registration document.

4.3. OTHER DISCLOSURES

4.3.1. Loans and guarantees granted to corporate officers and Supervisory Board members

None.

4.3.2. Conflicts of interest – Convictions for fraud

To the best of the Company's knowledge:

- there are no family ties between members of the Executive Board and/or members of the Supervisory Board;
- none of the members of the Executive Board and/or members of the Supervisory Board have been convicted for fraud in the last five years;
- none of the members of the Executive Board or the Supervisory Board have been associated with a bankruptcy or receivership as a member of an administrative, management or supervisory body or as Chief Executive Officer within the last five years;
- no conviction and/or official public sanction has been recorded against any member of the Executive or Supervisory Boards; no member has been prevented by a court from acting as a member of an administrative, executive or supervisory body of an issuing company or from managing or running the affairs of an issuing company in the last five years;
- there is no potential conflict of interest between the exercise of the duties relating to the issuing company and the private interests and/or other duties of any Executive Board or Supervisory Board member.

4.3.3. Insiders

Supervisory Board and Executive Board members, individuals with close personal ties to executives and other management personnel (as defined by current regulations), are all required under current regulations to disclose any transactions they make involving securities issued by the Company, and are prohibited from conducting any personal transactions in Klépierre securities during the following periods:

- in respect of each quarter of the calendar year: during the period from the first day of the quarter and the day on which the Klépierre consolidated revenue figures are published for the quarter considered;
- in respect of each six-month period of the calendar year: between the first day of the six-month period and the day on which the Klépierre annual or interim consolidated financial statements are published for the half-year considered;
- during the period between the date on which Klépierre comes into possession of an item of information which, if it were made public, could have a material impact on the price of the securities and the date on which this information is made public.

This prohibition on trading has been extended to include all employees with ongoing or occasional access to insider information.

The related policies and procedures are set out in an internal procedure updated on a regular basis by the Business Ethics Department of the Klépierre group.

EXTRA FINANCIAL INFORMATION

5.1. NOTE ON METHODOLOGY

5.1.1. Goals and principles of environmental, societal and social monitoring

This monitoring is used to quantify and identify the principal environmental, societal and social impacts imposed by the Klépierre group and its activities. This practice has already been in place for several years, and has an established methodology that has been gradually refined.

The indicators and their calculation methods have been selected on the basis of the major environmental and social impacts imposed by the Group in conducting its business to address external information requirements (Grenelle 2* in France, GRESB*, analysts, investors, ratings agencies*, etc.) and ensure compliance with industry best practice (EPRA*(1), GRI* CRESS, etc.)

In accordance with the goals set out above, this program of monitoring is governed by the following principles:

- Relevance: The significant sources of impacts are addressed for each topic grouping;
- Accuracy of representation: The indicators adopted are representative of Group business activities and locations;
- Consistency: They ensure relevant comparability of data by geographical region or year-on-year;
- Transparency: The assumptions adopted and the calculation methods used are explicitly set out in this document;
- Accuracy and dependability: Records are kept by individual locations, and a range of consolidation levels are used to ensure data traceability.

5.1.2. Reporting procedures

Environmental, societal and social performance monitoring is subject to three levels of consolidation and verification.

The contributing entity:

- ensures compliance with the principles and procedures set;
- supplies the data for the current year and forwards those data to the intermediary entity, or checks them when forwarded to it by the intermediary entity or corporate level;
- checks the data for the two previous years, where necessary;
- checks the consistency of data escalated to a higher level.

The intermediary entity:

- structures the monitoring process at its own level within the framework defined by the methodological principles.
- collects and consolidates data for those locations within its own scope of responsibility.
- checks the consistency of data escalated by contributors.
- checks the consistency of data escalated to the corporate level.

The Corporate level:

- controls and manages the scope of Group monitoring by maintaining an up-to-date database of Group assets consistent with the list of assets published page 77;
- works in conjunction with individual business sectors to define relevant environmental and social monitoring indicators in accordance with sector initiatives and regulatory obligations;
- collects data from each 'contributor';
- checks the data consistency and traceability;
- consolidates all figures at Group level.

The contributor and intermediary entities together are specified for each source data type.

5.1.3. Controls and verification

Data and indicators are controlled and audited both internally and externally. In respect of article 225 of the French Grenelle 2 law, we asked one of our auditors to issue a statement that all information required by the decree of 24 April 2012 had been provided and a report expressing limited assurance on a selection of environmental and social indicators (identified which a ✓). This statement and report are published in full section 5.5.

Considering internal controls, any significant variances between year N-1 and year N, and between assets in the same geographical region, must be explained at all three levels: "contributor", "intermediary" and/or "Corporate".

Additional control ratios may also be applied. Each calculation will be checked, and those checks will be formalized in accordance with the segregation of tasks between those parties involved in the process.

5.1.4. Methodology for environmental and societal indicators

Societal and environmental indicators are grouped together according to the following breakdown:

	Assets and New developments portfolios	Managed portfolio
Environmental indicators		
Environmental certifications and labels	x	
Energy		x
Greenhouse gas emissions		x
Water		x
Waste		x
Limiting environmental damage		x
Societal indicators	x	

5.1.4.1. Reporting period

The major factor to be taken into account is that two different monitoring periods are used:

- from January 1 to December 31, 2012 for indicators in the Asset and New developments portfolios;
- from October 1, 2011 to September 30, 2012 for indicators in the Managed portfolio(2).

** See glossary.*
(1) European Real Estate Association.
(2) From Nov 1st 2011 to Oct 31st 2012 for the Scandinavian portfolio due to technical reasons.

This distinction is explained by the Group's commitment to minimizing the use of estimates, and making it possible to collect and consolidate actual data.
The technical operating data relating to energy consumption, water consumption and waste generation can be compiled monthly on the basis of bills that can be obtained with a time lag up to several months. The Group has decided to adopt a one-year rolling period in order to reflect actual consumption as accurately as possible.

5.1.4.2. Scopes of reporting

Assets and New developments portfolios
The Assets portfolio is defined on a current portfolio basis* and covers all shopping centers in which the Group's level of ownership is greater than or equal to 25% at December 31, 2012 (i.e. excluding those offices, retail premises and retail facilities defined page 87).
The reference list of shopping centers is published page 78.
The New developments portfolio scope covers those centers under construction and/or completed by the Group in the period from January 1 to December 31, 2012.

Managed Portfolio
The scope covers the shopping centers owned by the Group at December 31, 2012, excluding those offices, retail premises and retail facilities defined in the Group Annual report.
The reference list of shopping centers is published page 78.
The indicators for the Managed portfolio group cover a rolling annual period from October 1, 2011 to September 30, 2012. The monitoring scope represented by shopping centers will therefore be corrected for assets that were not managed by Klépierre between October 1, 2012 and December 31, 2012.

Additional exclusion rules apply to this monitoring scope. The following are excluded:

- shopping centers where the Group is not responsible for real estate management;
- shopping centers where all or part of energy, water and/or waste management (non-sorted waste and/or cardboard) is provided, or rebilled, by a third party, thereby preventing access to reliable quantitative data;
- shopping centers whose rentable floor area* (RFA) is less than 10 000 square meters at December 31, 2012.

These methodological choices have been made on the basis of our commitment to communicate the most reliable data. As a result, the methodology is based only on those centers over which the Group exercises full management and has full control of energy consumption, water consumption and waste generation data.

Coverage rate
The coverage rate defined for the different indicators provides an indication of the actual portfolio tracked compared to December 31, 2012 current's Klépierre portfolio of shopping centers in% of rentable floor area.
Discrepancies, mainly in the France-Belgium and Italy regions, can be explained by the structure of the holdings, and by the fact that, for a number of assets in France and Belgium, data on energy consumption, waste generation and water consumption are re-invoiced on a lump-sum basis by a third party (in most cases, by the hypermarket* adjacent to the shopping center or by the local authority services). See for example additional exclusion rules in the paragraph above.

5.1.4.3. Current scope/constant scope

The distinction made between current scope and constant scope applies Group-wide to all indicators relating to the Managed Portfolio scope only.

- Current scope allows readers to assess the value of an indicator for a given year. It does not define any additional selection rules beyond those used to define the Managed Portfolio scope.
- Constant scope* is designed to interpret and explain the effects of external and organic growth (new development or extension of assets) and of the disposal of assets or entities.

The following rules apply to constant scope:

- exclusion of data relating to assets disposed of or acquired during rolling year 2012 and/or assets for which the Group has not provided real estate management for the full period, and which therefore do not have data available for a full rolling year;
- real estate developments are not included in the monitoring scope of the Assets and Managed Portfolio during their development and construction phase, but only following final acceptance and with effect from the first full rolling year;
- assets extended by 20% or more of their RFA during rolling year 2012 are excluded from the monitoring scope of the Assets and Managed Portfolios until the full rolling year N+1 following completion of works;
- assets subject to minor refurbishment or extension by less than 20% of their RFA during rolling year 2012 remain part of the monitoring scope of the Assets and Managed Portfolios for fiscal year 2012.

5.1.4.4. Intensity indicators

Energy, greenhouse gas emissions* and water data is reported using intensity indicators, expressed on constant scope basis.
The intensity ratios are expressed per square meter but also per shopping center visit to better reflect Klépierre's business activity. Denominators are defined as:

For energy and greenhouse gas emissions indicators:

- **Shared spaces and installations:** the total area air-conditioned by common equipments in square meters. This comprises all common areas, public or non-public, in each shopping center* that are kept air-conditioned, plus all private areas served by the common heating and cooling systems. In 93% of the centers reporting under the energy scope, the common aircon facilities also serve all or some of the private spaces. The Group wishes to limit the use of estimates: in these shopping centers therefore, the area of the private spaces served, and these spaces only, are included unweighted in the total air-conditioned area.

** See glossary.*

- **shopping centers as a whole:** Total area of shopping centers in sq.m. defined as the sum of common spaces accessible to the public and rentable floor areas;
- **visits:** number of visitors entering the centers over the period of one year, calculated through automated visitor counting systems.

For water indicators:

- **common spaces and common facilities:** Total area of indoor common spaces of the shopping centers accessible to the public in sq.m.;
- **shopping centers as a whole:** Total area of shopping centers in sq.m. defined as the sum of common spaces accessible to the public and rentable floor areas;
- **visits:** number of visitors entering the centers over the period of one year, calculated through automated visitor counting systems.

5.1.4.5. Estimates

Estimates made as a result of data non-availability on the monitoring date must be arrived at using the actual data for the previous year and correcting that data to reflect relevant changes in business scope that impact on the fiscal year under consideration.
Estimates made as a result of data non-availability on the monitoring date must be arrived at using the actual data for the previous year and correcting that data as necessary to reflect events or trends observed during the fiscal year under consideration.

5.1.5. Methodology for social indicators

5.1.5.1.Reporting period and scope of reporting

For all social indicators, the monitoring period used is the period from January 1 to December 31, 2012.
The scope of reporting covers all Klépierre subsidiaries having employees under contract with the Group on December 31, 2012.
Changes in scope are the result of acquiring new entities or disposing of existing entities. The workforce of these entities will be incorporated into or removed from Klépierre reporting with effect from the month following the transaction date.
For fiscal year 2012, the scope of reporting covers 12 countries across 5 regions of operations.

5.1.5.2. Definitions and clarifications

Total workforce: refers to the total number of physical employees at December 31, regardless of their number of hours worked and period of employment during the year.
This indicator is the sum total of open-ended and fixed-term contracts.

Average workforce: refers to the sum total of employees at the end of each month (open-ended and fixed-term contracts), divided by 12.

All calculations are based on one of these two indicators, depending on their nature.

5.2. ENVIRONMENTAL DIMENSION

5.2.1. Principle No. 1: A demanding environmental policy

Klépierre is at the same time landlord, developer and property manager. Designing for management therefore requires that it considers the entire life cycle of the building, as part of a continual improvement process.

5.2.1.1. Environmental certifications and labels

The environmental certifications favored by Klépierre are benchmarks in the real estate sector. They testify to the validity of the environmental choices made when buildings are in their development phase and when they are operational.

	Group-level benchmark	Additional national benchmarks
Development	BREEAM	HQE® (France)
Operation	ISO 14001, ISO 50001	Eco-Lighthouse (Norway), Key2Green (Denmark)

Percentage of assets certified in the development phase and/or when operational (GRI CRE8)

	Surface certified (in sq.m. RFA)	% in value
2010	657 154	19%
2011	777 447	21%
2012	**964 633**	✓ **27%**

2012 coverage rate: 100%.

5.2.1.2. Environmental risks management

The tools and organization devoted to preventing and reducing environmental risks have been reinforced in recent years.
A review of all environmental risks and resources allocated to their prevention was carried out in 2011 and 2012. New resources and warning systems implemented supply the regular data needed to correct issues when identified, according to the following steps:

- identification of roles and responsibilities in every country;
- review of all procedures, documents and operational modes;
- identification of all possible emergency situations;
- planning of tests.

Control procedures are following a 2-step process and integrate every asset. Internal dashboards track these controls at all levels and an Annual report is made to the Executive Board:

- permanent control: 1st level by the shopping center* management, 2nd level by the operational departments;
- periodic control: by internal audit functions and teams in charge of operational supervision at the Corporate level.

Mappings include notably the following environmental risks, among other types of risk:

- natural risks: extreme climate patterns (drought, snowfall, heat waves and cold spells, storms), earthquakes, sea flooding, river flooding, fire, etc.;
- technological risks: proximity to specific installations;
- materials and chemical products: asbestos, lead, paints, cleaning products, etc.;
- soil and water pollution: wastewater quality, drainage systems, oil separators, etc.;
- health risks: legionnella, bacterial and virus infections, etc.;
- noise and odor pollution.

Special training in identifying, understanding and reacting appropriately to such situations is provided, most recently at the end of 2011 and beginning of 2012. All shopping center managers and teams at the national and regional operational levels have received it.
Thanks to this thorough system of safeguards, the Group has neither been involved in nor responsible for any breaches of environmental regulations, nor has it made any provisions or guarantees for environmental risks in the last two years.

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations and provisions and guarantees for environmental risks (GRI EN28)

	Value of significant fines *(in euros)*	Number of non monetary sanctions	Provisions and guarantees for environmental risks fines *(in euros)*
2011	0	0	0
2012	**0**	**0**	**0**

2012 coverage rate: 100%.

5.2.2. Principle No. 2: Effective and consistent actions to reduce the environmental footprint

5.2.2.1. Energy

The reasons for improving the holdings' energy efficiency are twofold: environmental and economic.
By optimizing consumption, and by making the smartest energy choices, Klépierre can protect itself and its tenants against increasingly volatile energy prices and the increasing scarcity of hydrocarbon resources.

There are many avenues for improvement, which can be grouped into the following themes:

- **bioclimatic approach:** where possible, favor passive methods to cut energy consumption by, for example, designing for building density and insulation in order to improve thermal inertia and limit energy loss;
- **continual facility improvements:** by upgrading to more efficient facilities or by automating the operation of the shopping center facilities through centralized technical management (CTM) systems;
- **air conditioning and heating:** for example, use heat exchanges to recover heat or cold or limit direct sunlight to reduce the need for air conditioning, continuous improvement of heating and/or cooling facilities;
- **lighting:** emphasize the use of natural daylight and install low-energy bulbs and tubes;
- **use of renewable energies*:** generate energy on-site, notably via photovoltaic panels, and/or enter into specific agreements guaranteeing electricity from renewable sources.

Total energy consumption of shopping centers' common spaces and common heating and/or cooling facilities in kWh (GRI EN3 and EN4)

On a current scope basis	Surface in sq.m. RFA	Coverage rate	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
2010	2 351 574	71%	83 954 274	140 591 403	37 827 671	30 982 988	77 321 756	370 678 092
2011	2 516 277	72%	88 029 543	117 624 804	39 435 927	31 771 122	83 133 723	359 995 118
2012	**2 518 454**	**71%**	**84 238 029**	**116 300 206**	**43 071 849**	**32 601 116**	**80 540 944**	**356 752 144**
Δ 2012/2011			-4%	-1%	9%	3%	-3%	-1%
Δ 2012/2010			0%	-17%	14%	5%	4%	-4%

* See glossary.

On a constant scope basis	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
2010	72 492 122	119 712 603	36 676 488	30 982 988	61 152 891	321 017 092
2011	67 251 429	102 719 166	36 119 766	30 282 148	57 874 905	294 247 414
2012	**63 721 950**	**102 359 465**	**36 403 909**	**29 328 370**	**56 403 081**	**288 216 775**
Δ 2012/2011	-5%	0%	1%	-3%	-3%	-2%
Δ 2012/2010	-12%	-14%	-1%	-5%	-8%	-10%

2012 Coverage rate: 58%.

The Group's total energy consumption fell by 4% between 2010 and 2012 while the reporting scope grew 7% in RFA* terms.
On a constant scope basis*, savings of nearly 33 million kWh were made over two years, a 10% reduction. The bulk of this fall came in France and Scandinavia, but all the Group's regions achieved some reduction in energy consumption, which is testament to their unanimous commitment on this issue.

Breakdown by type of energy in kWh (EPRA and GRI EN3 and EN4)

On a current scope basis			Coverage rate	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total kWh	Total %
2010	Electricity			61 601 292	91 558 026	28 227 819	27 903 741	56 271 237	265 562 115	72%
	Heating and cooling networks			7 666 300	39 476 515	0	0	8 307 409	55 450 224	15%
	Fuels			14 686 682	9 556 862	9 599 852	3 079 247	12 743 110	49 665 753	13%
	TOTAL		**71%**	**83 954 274**	**140 591 403**	**37 827 671**	**30 982 988**	**77 321 756**	**370 678 092**	**100%**
2011	Electricity			65 175 769	81 484 599	29 994 779	29 311 137	63 575 619	269 541 903	75%
	Heating and cooling networks			8 618 486	29 009 837	0	0	6 600 082	44 228 405	12%
	Fuels			14 235 288	7 130 368	9 441 148	2 459 985	12 958 022	46 224 811	13%
	TOTAL		**72%**	**88 029 543**	**117 624 804**	**39 435 927**	**31 771 122**	**83 133 723**	**359 995 118**	**100%**
2012	Electricity	renewable		12 648 980	73 712 828	0	25 653 523	4 187 538	116 202 868	33%
		non-renewable		51 622 376	6 669 145	32 523 384	4 311 782	57 008 826	152 135 513	43%
	SUBTOTAL ELECTRICITY			**64 271 356**	**80 381 973**	**32 523 384**	**29 965 305**	**61 196 364**	**268 338 382**	**75%**
	Heating networks			7 789 679	23 035 202	0	0	6 563 468	37 388 349	10%
	Cooling networks			0	4 244 404	0	0	0	4 244 404	1%
	SUBTOTAL NETWORKS			**7 789 679**	**27 279 606**	**0**	**0**	**6 563 468**	**41 632 753**	**12%**
	Gas			11 724 800	5 358 795	8 075 384	2 635 811	12 781 112	40 575 902	11%
	Fuel			452 194	851 014	2 473 081	0	0	3 776 289	1%
	Biofuel			0	2 428 818	0	0	0	2 428 818	1%
	SUBTOTAL FUELS			**12 176 994**	**8 638 627**	**10 548 465**	**2 635 811**	**12 781 112**	**46 781 009**	**13%**
	TOTAL		**71%**	**84 238 029**	**116 300 206**	**43 071 849**	**32 601 116**	**80 540 944**	**356 752 144**	**100%**

The breakdown of consumption by type of energy changed little between 2010 and 2012. The combined share of heating networks and fuels in total energy consumption was higher in 2010 (28%) due to the harsher winter in parts of Europe. Consumption by urban heating and cooling networks fell sharply over the period, down by 25% in 2012 compared to 2010.
More than 43.3% of the electricity consumed by the Group came from renewable sources.

Energy intensity of shopping center's common spaces and common heating and/or cooling facilities in kWh per sq.m. and per visit (EPRA and GRI CRE1)

On a constant scope basis		France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Per sq.m.	2010	136	96	184	170	139	123
	2011	126	82	181	166	132	113
	2012	**119**	**82**	**183**	**161**	**128**	**111**
	Δ 2012/2011	-5%	0%	1%	-3%	-3%	-2%
	Δ 2012/2010	-12%	-14%	-1%	-5%	-8%	-10%
Per visit	2012	0.41	0.99	0.81	0.60	0.63	0.66

Total final energy consumption/Total area air-conditioned by common facilities in sq.m. or number of visitors.
Coverage rate: 58%.

** See glossary.*

Improving the energy efficiency of its holdings is the core of the Group's environmental policy and clear progress is being made in all regions. The energy efficiency of the French-Belgian and Scandinavian assets improved markedly from 2010 to 2012 with savings of 17 and 14 kWh/sq.m./year, respectively. The energy per visitor ratio is very low, averaging 0.66 kWh/visitor across the Group.

Energy intensity of shopping centers as a whole (including tenants) in kWh per sq.m. and per visit (EPRA and GRI CRE1)

On a constant scope basis		France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Per sq.m.	2011	NA	258	NA	NA	338	285
	2012	**NA**	**254**	**NA**	**NA**	**340**	**283**
Per visit	**2012**	**NA**	**2.29**	**NA**	**NA**	**1.75**	**2.04**

NA: Information from lessees not statutorily available at the present time.
Total final energy consumption including lessees/Total area of shopping centers in sq.m. or number of visitors.
2012 coverage rate: 35%.

Wherever it is statutorily and technically possible, the Group endeavors to determine the total overall energy consumption of its assets, and thus to be aware of and communicate the energy impact of its tenants as well.
This is already the case for all of the Scandinavian and Central European holdings (see Energy Efficiency table). On these two territories, **the energy from common spaces and common heating and/or cooling facilities** represent in proportion **42.5% of the overall energy consumption** of the shopping centers monitored.
Several different methods (metering systems, green leases, etc.) are being rolled out to the other regions so that this information is accessible to the Group.

Energy audits are also among the tools of choice for identifying and prioritizing actions aimed at improving buildings' energy efficiency. Coupled with efficient measurement systems and targeted action plans, they are widely used at the Group's holdings.

Proportion of shopping centers that have undergone an energy audit in the last 3 years

Surface audited (in sq.m. RFA)	% in value
1 050 357	38%

2012 coverage rate: 73%.

5.2.2.2. Greenhouse gas emissions

Fighting climate change and adapting to its effects are major challenges for the Group.
The impacts expected will vary depending on the Group's different assets and regions where it has a presence.

There are two key potential impacts: a possible increase in operating budgets (volatility in the price of energy, water, etc.) and in insurance premiums, or the risk of official shutdowns related to more extreme climate events (floods or drought, heavy snowfalls, etc.).

The locations of its assets, in the most dynamic regions in Europe, tend to limit the likelihood of extreme patterns, especially aridity or demographic shifts due to climate change. Still, the Group addresses those issues by continuously improving the energy efficiency of its assets and the carbon mix of its energy supplies and by implementing a proactive risk management system.

Adapting to change therefore requires more acute risk management and a more responsive crisis management procedure.

The quantification of CO_2 emissions in the tables below provides a clear picture of the Group's dependence on fossil energies. It provides an understanding of the vast majority of the impacts related to Scopes 1 and 2 of the GHG Protocol.

However, the impact of the shopping centers is not limited to the scope of the Group's direct responsibility. The emissions produced by the mix of retailers and the transportation modes used by customers outweigh the impacts related to operating the building. The Group is working with tenants and visitors to develop concrete action strategies in order to minimize these emissions.

The national emissions factors used to calculate the carbon footprint come from the French Base Carbone (Carbon Database) developed by the Ademe (the French Environment and Energy Management Agency).

Additional details:

- electricity: in accordance with the recommendations of the Ademe* and of the GHG Protocol, the percentage of electricity from renewable sources consumed by the assets is therefore not deducted from the calculation of CO_2 emissions resulting from electricity consumption, even though it is considerable in a number of the Group's regions;
- heating and cooling networks: there are as many emission factors as there are heating or cooling networks. When the specific emissions factor for a network is unknown, and to have a fairly broad spectrum, the Group has decided to use an average emissions factor of the French cooling and heating networks in these calculations.

* See glossary.

Greenhouse gas emissions resulting from energy consumed by common spaces and common heating and/or cooling facilities in $kgCO_2e$. (GRI EN16)

On a current scope basis	Surface in sq.m. RFA	Coverage rate	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
2010	2 351 574	71%	10 188 326	14 468 240	13 498 287	10 780 670	31 864 466	80 799 989
2011	2 516 277	72%	10 422 968	11 825 347	14 175 268	11 257 296	33 466 103	81 146 982
2012	**2 518 454**	**71%**	**9 352 827**	**11 401 054**	**15 435 984**	**11 600 270**	**32 418 596**	**80 208 731**
Δ 2012/2011			-10%	-4%	9%	3%	-3%	-1%
Δ 2012/2010			-8%	-21%	14%	8%	2%	-1%

On a constant scope basis	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
2010	8 815 396	12 627 577	13 090 753	10 780 670	27 254 102	72 568 498
2011	8 087 426	10 731 468	12 970 778	10 637 883	25 784 075	68 211 630
2012	**7 340 749**	**10 483 769**	**13 120 668**	**10 238 808**	**25 111 198**	**66 295 192**
Δ 2012/2011	-9%	-2%	1%	-4%	-3%	-3%
Δ 2012/2010	-17%	-17%	0%	-5%	-8%	-9%

2012 Coverage rate: 58%.

The Group's greenhouse gas emissions* fell by 1% on a current scope basis* and 9% on a constant scope basis* between 2010 and 2012. These changes do not correlate fully with the change in energy consumption as they also reflect shifts in the breakdown of energy types and the share of each country in total Group consumption. Because of the different energy mix used to generate electricity in each country, one kWh saved by the Group in Central Europe has far more impact on the Group's carbon emissions than a kWh saved in Norway.

Breakdown of greenhouse gas emissions by type of energy in $kgCO_2e$. (EPRA and GRI EN16)

On a current scope basis			Coverage rate	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total kgCO2e	Total %
2010		Electricity		5 677 084	5 413 321	11 404 039	10 159 586	27 632 699	60 286 729	75%
		Heating and cooling networks		1 548 938	6 919 702	0	0	1 661 482	10 130 122	13%
	Indirect	**SUBTOTAL**		**7 226 022**	**12 333 023**	**11 404 039**	**10 159 586**	**29 294 181**	**70 416 851**	**87%**
	Direct	Fuels		2 962 304	2 135 217	2 094 248	621 084	2 570 285	10 383 138	13%
		TOTAL	**71%**	**10 188 326**	**14 468 240**	**13 498 287**	**10 780 670**	**31 864 466**	**80 799 989**	**100%**
2011		Electricity		5 981 177	5 523 437	12 117 891	10 761 117	29 532 454	63 916 076	79%
		Heating and cooling networks		1 536 911	4 870 408	0	0	1 320 016	7 727 335	10%
	Indirect	**SUBTOTAL**		**7 518 088**	**10 393 845**	**12 117 891**	**10 761 117**	**30 852 470**	**71 643 411**	**88%**
	Direct	Fuels		2 904 880	1 431 502	2 057 377	496 179	2 613 633	9 503 571	12%
		TOTAL	**72%**	**10 422 968**	**11 825 347**	**14 175 268**	**11 257 296**	**33 466 103**	**81 146 982**	**100%**
2012		Electricity		5 499 010	5 364 528	13 139 447	11 068 627	28 527 952	63 599 564	79%
		Heating networks		1 366 833	4 607 040	0	0	1 312 694	7 286 567	9%
		Cooling networks		0	118 843	0	0	0	118 843	0%
	Indirect	**SUBTOTAL**		**6 865 843**	**10 090 411**	**13 139 447**	**11 068 627**	**29 840 646**	**71 004 974**	**89%**
		Natural Gas		2 364 892	1 080 869	1 628 805	531 643	2 577 950	8 184 159	10%
		Fuels		122 092	229 774	667 732	0	0	1 019 598	1%
	Direct	**SUBTOTAL**		**2 486 984**	**1 310 643**	**2 296 537**	**531 643**	**2 577 950**	**9 203 757**	**11%**
		TOTAL	**71%**	**9 352 827**	**11 401 054**	**15 435 984**	**11 600 270**	**32 418 596**	**80 208 731**	**100%**

** See glossary.*

Carbon intensity of shopping centers' common spaces and common heating and/or cooling facilities in $kgCO_2e$/sq.m. and $kgCO_2e$/visit (EPRA and GRI CRE3)

On a constant scope basis		France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Per sq.m.	2010	17	10	66	59	62	28
	2011	15	9	65	58	59	26
	2012	**14**	**8**	**66**	**56**	**57**	✓ **25**
	Δ 2012/2011	-9%	-2%	1%	-4%	-3%	-3%
	Δ 2012/2010	-17%	-17%	0%	-5%	-8%	-9%
Per visit	**2012**	**0.045**	**0.102**	**0.292**	**0.210**	**0.279**	**0.154**

Total greenhouse gas emissions/Total area air-conditioned by common facilities in m² or number of visitors.
2012 Coverage rate: 58%.

There are great disparities in per sq.m. and per visitor ratios between countries. These are due to a combination of differences in energy efficiency and differences in the carbon intensity of the energy consumed. On average, the Group's greenhouse gas emission ratio fell by 9% on a constant scope basis between 2010 and 2012.

Carbon intensity of shopping centers as a whole (including tenants) in $kgCO_2e$/sq.m. and $kgCO_2e$/visit (EPRA and GRI CRE3)

On a constant scope basis		France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Per sq.m.	2011	NA	21	NA	NA	163	69
	2012	**NA**	**21**	**NA**	**NA**	**163**	**68**
Per visit	**2012**	**NA**	**0.186**	**NA**	**NA**	**0.842**	**0.494**

NA: Information from lessees not statutorily available at the present time.
Total greenhouse gas emissions including lessees/Total area of shopping centers in sq.m. or number of visitors.
2012 coverage rate: 35%

Emissions related to refrigerant fluids, calculated from reload logs for each site, are **equivalent to 12 663 tons of CO_2e in 2012,** representing a significant amount of the Group's impacts on climate change. Action plans in this area consist in opting for gases with smaller global warming potentials when upgrading our cooling equipment.

Also, greenhouse gas emissions caused by professional travel by Group employees were estimated at around 2 000 tonnes of CO_2e annually. While this has only a small impact compared to the footprint of the shopping centers, the Group has nonetheless had a Europe-wide videoconferencing system in place for several years, which in 2012 saved around 60 to 90 journeys per month, mainly flights.

5.2.2.3. Water

The three biggest uses of water in a commercial building are:

- restrooms;
- climate control equipment, in particular cooling towers;
- green spaces.

Major efforts have been made in recent years to measure water use, with the introduction of numerous sub-meters and a more detailed analysis of consumption. The Group is thus better equipped to detect any leakage or abnormal consumption in both the common and private areas.
Introducing water-efficient equipment, modifying green spaces by selecting species that require less water, or recovering and reusing rainwater for watering and cleaning are some of the options that have been explored, with a particular emphasis on the countries likely to be exposed to strong water stress, such as the Iberian peninsula and Italy.

Lastly, close attention is paid to the quality of the wastewater. The drainage systems are cleaned on a regular basis, and a large majority of the parking lots managed by the Group is equipped with oil separators in order to treat run-off before it reaches the public networks. On-site infiltration may also be encouraged, in compliance with the authorized levels of pollution, in order to limit soil waterproofing.

Water consumption from shopping centers' common spaces and common facilities in cubic meters (EPRA and GRI EN8)

On a current scope basis	Surface in sq.m. RFA	Coverage rate	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
2010	2 135 664	64%	225 026	115 701	73 504	108 066	228 611	750 908
2011	2 489 206	71%	387 640	127 136	152 823	128 677	266 200	1 062 476
2012	**2 524 189**	**71%**	**357 015**	**124 050**	**138 836**	**161 134**	**271 218**	**1 052 253**
Of which volume pumped on site			7 144	0	0	4 215	0	11 359
Δ 2012/2011			-8%	-2%	-9%	25%	2%	-1%
Δ 2012/2010			59%	7%	89%	49%	19%	40%

On a constant scope basis	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
2010	169 419	101 412	73 504	108 066	203 105	655 506
2011	211 077	115 337	73 286	122 113	207 549	729 362
2012	**184 722**	**111 340**	**65 146**	**137 107**	**216 130**	**714 445**
Δ 2012/2011	-12%	-3%	-11%	12%	4%	-2%
Δ 2012/2010	9%	10%	-11%	27%	6%	9%

2012 Coverage rate: 52%.

Water intensity of shopping centers' common spaces and common facilities in liters per sq.m. and per visit (EPRA and GRI CRE2)

On a constant scope basis		France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Per sq.m.	2010	1 643	653	3 718	1 473	1 981	1 444
	2011	2 047	743	3 707	1 664	2 024	1 606
	2012	**1 792**	**717**	**3 295**	**1 869**	**2 108**	**1 573**
	Δ 2012/2011	-12%	-3%	-11%	12%	4%	-2%
	Δ 2012/2010	9%	10%	-11%	27%	6%	9%
Per visit	2012	1.6	1.1	3.9	2.8	2.4	1.9

Total water consumption/Total area of indoor common spaces in m² or number of visitors.
2012 Coverage rate: 52%.

The efforts made in recent years to improve measurement of water use have allowed the Group to extend its monitoring scope. This partly explains the rise in Group consumption on a current scope basis*.

Between 2011 and 2012, the Group's water consumption on a constant scope basis* fell by 2%, mainly because of savings in France-Belgium (-12%) and Italy (-11%).

Water intensity of shopping centers as a whole (including tenants) in liters per sq.m. and per visit (EPRA and GRI CRE2)

On a constant scope basis		France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Per sq.m.	2011	830	418	2 040	1 003	899	807
	2012	**832**	**408**	**1 714**	**981**	**954**	**785**
Per visit	**2012**	**4.3**	**3.7**	**8.1**	**6.0**	**4.9**	**4.8**

Total water consumption including tenants/Total area of shopping centers in m² or number of visitors.
2012 Coverage rate: 65%.

Average water consumption per sq.m. across all buildings was 785 l/sq.m./year in 2012, a decline of nearly 3%. Italy improved its ratio by 16%, and thus caught up significantly with other regions in 2012.
Improving water use ratios is a key part of Group strategy, for current projects and those under development. It was decided investment would take place in high-performance water-saving tools for the Le Millénaire shopping center in Aubervilliers, opened in 2011, and as a result water consumption at the center was just 134 l/sq.m./year in 2012, the best performance in the Group.

5.2.2.4. Waste

The Group's waste management policy consists of:

- **offering sorting solutions to its stakeholders*,** tenants and customers;
- **ensuring, with its service providers that the waste is subsequently disposed of properly,** limiting the percentage sent to landfill and encouraging recovery (recycling, composting, reuse, incineration with energy recovery, methanation, etc).

** See glossary.*

The Group has cultivated its relationships with the service providers responsible for collecting and processing waste in the last few years and also conducted an upstream review of the waste stream proposed to tenants at certain sites, to better understand their needs and expectations.
The Group also strives to increase the number of types of waste sorted, by studying every opportunity for improving waste disposal. Plastics have, for example, been on the top of the agenda this year in different countries. Studies conducted emphasize the link between environmental and economic benefits. The Group tries to prove to its tenants (main producers of waste in the shopping centers) and economic partners (those who handle waste) that "Trash is cash".
The local authorities retain responsibility for waste collection at a significant number of sites, notably in France and Italy. The Group is re-invoiced on a lump-sum basis and has no influence over the destination of the waste. These sites are not included in the reporting and explain why the coverage rate comes to 66% for the European holdings for the indicators presented below.

Average number of types of waste sorted in 2012

France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
3.2	**17.1**	**2.0**	**8.7**	**3.5**	**8.0**

Coverage rate: 66%.

Breakdown of sorted waste by type in tons and as percentage in 2012 (EPRA and GRI EN22)

	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total	
						In tons	As %
Cardboard	3 562.7	4 065.6	766.0	1 422.6	1 115.1	10 932.0	71.0
Paper	16.4	152.4	0.0	0.0	0.0	168.8	1.1
Glass	3.0	122.1	0.0	82.2	11.1	218.4	1.4
Plastics	19.0	270.8	0.0	142.7	14.4	446.9	2.9
Wood	4.0	479.5	0.0	72.2	0.0	555.7	3.6
Food waste	896.0	922.5	0.0	651.3	290.4	2 760.2	17.9
Batteries, light bulbs and electronic waste	0.0	98.2	0.0	6.0	3.6	107.8	0.7
Metals	0.1	189.8	0.0	10.2	0.0	200.1	1.3
Other waste recycled	0.0	5.1	0.0	0.0	0.0	5.1	0.0

Coverage rate: 66%.

Breakdown of waste by treatment method in tons and as percentage in 2012 (EPRA and GRI EN22)

	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total	
						In tons	As %
Recycled	3 346	9 835	766	1 709	1 609	17 265	36.7
Reused	0	81	0	0	0	81	0.2
Composted	0	767	0	332	45	1 144	2.4
Incinerated	3 476	6 043	0	0	0	9 519	20.2
Recovered in any other form(1)	3 183	705	0	347	188	4 423	9.4
Sent to landfill	5 117	102	1 732	3 007	4 672	14 630	31.1

1) Mainly methanation
Coverage rate: 66%

In 2012, the percentage of waste reused, recycled or composted was 39%.
If all the other forms of recovery are included (incineration with energy reuse or methanation, for example), this figure rises to 69%.

The Group also regularly installs multi-compartment containers for selective sorting of waste by shopping center customers in the mall area. Selective sorting is already in place in these areas in more than 46 shopping centers across Europe.

5.2.2.5. Limiting environmental damage

The Group takes action to limit damage to natural habitats, but with a particular focus on respect for the site itself, and the way in which buildings are integrated into the environment:

- conducting environmental impact studies for construction and renovation projects, in particular soil pollution studies;
- working with an ecologist within the framework of the BREEAM* certification to review all biodiversity* issues;
- respecting the topography and the slope of the land, and thus minimizing the impact on the natural environment.

** See glossary.*

- taking care in the quantity and quality of landscaping by favoring local plant species, to maintain the biodiversity* of the surrounding area;
- paying particular attention to the integration of the facilities, by landscaping the water-holding tanks and concealing the technical facilities, etc.;
- enhancing surroundings, for instance by using greenways wherever possible;
- installing special equipment to protect endangered plant and animal species.

In the construction phase, the Group works closely with property developers within an approved environmental framework:

- paying attention to "green building site" policies implemented by developers;
- systematic consideration of eco-friendly materials;
- paying attention to the origin of the raw materials used. Constructors must prove that wood is legally sourced and Klépierre favors certification under the PEFC or FSC schemes. Of the four shopping centers opened by the Group in 2012, three, covering 90% of the new RFA, provided traceability in compliance with these programs for more than 80% of the wood used.

EPRA Sustainability performance measures – Absolute measures

Broad issue type	Sustainability performance measure	Units of measurements	Page number
Energy	Total energy consumption from electricity (GRI: EN4)	kWh	117-118
	Total energy consumption from district heating and cooling (GRI: EN4)	kWh	117-118
	Total energy consumption from fuels (GRI: EN3)	kWh	117-118
Greenhouse gas emissions	Total direct GHG emissions (GRI: EN16)	kg CO_2e	120
	Total indirect GHG emissions (GRI: EN16)	kg CO_2e	120
Water	Total water withdrawal by source (GRI: EN8)	cubic metres (m^3)	122
Waste	Total weight of waste by disposal route (GRI: EN22)	metric tonnes	123
	Percentage of waste by disposal route	proportion by weight (%)	123

EPRA Sustainability performance measures – Intensity measures

Broad issue type	Sustainability performance measure	Units of measurements	Page number
Energy	Building energy intensity (GRI: CRESS - CRE1)	kWh/m^2/year	118-119
		kWh/visit/year	118-119
Greenhouse gas emissions	Greenhouse gas intensity from building energy (GRI: CRESS - CRE3)	kg CO_2/m^2/year	121
		kg CO_2/visit/year	121
Water	Building water intensity (GRI: CRESS - CRE2)	litres/m^2/year	122
		litres/visit/year	122

5.3. SOCIETAL DIMENSION

5.3.1. Principle No. 3: Meaningful and ongoing dialogue with stakeholders

Stakeholders* are an essential component of the societal and environmental responsibility plan instituted by the Group. They have legitimate expectations, but also undeniably play the role of intermediary to ensure the promotion or proper expression of the Group's actions. Collaboration on these issues requires meaningful two-way communication and the sharing of clear and specific objectives.

5.3.1.1. Tenants

Klépierre's relationships with its tenants are fundamental to its business. The Group's organization, expertise and solid pan-European presence make it a preferred platform for lessees' expansion projects. Boasting 261 shopping centers, Klépierre is the partner of choice for retailers seeking to conquer new markets or increase their presence in Europe.

Tenants are also key points of contact in the effort to improve the shopping centers' environmental footprint. This essential dialogue must be based on an exchange of information and on shared best practices. It must furthermore be specific to the challenges presented by each site, and include subjects as diverse as waste sorting, the choice of a particular equipment for heating or air conditioning, the necessary thermal exchanges between common areas and private areas, etc.

The French holdings now systematically include environmental clauses in their leases, which are consequently referred to as "green leases." These environmental clauses set out the conditions for the environmental dialogue during the operations phase. For two years now, all leases signed in France have been green leases. At December 31, 2012, there were 857 green leases in France, an 11-fold increase on two years previously. It is worth noting that the system is also applied in Scandinavia where monthly meetings with tenants have long addressed these issues.
In 2012, the system was voluntarily extended to Iberia, Italy and Poland. It will be applied to all the Group's holdings in 2013.

During the development phase, a guide covering the key recommendations for sustainable retail management is also distributed to retailers. This document was recently reworked to incorporate the inevitable changes on an ever-shifting topic.

Number of green leases in 2012

	France		
	Number of green leases	As a % of new leases	As a % of all leases
2010	76	15%	1%
2011	560	100%	10%
2012	**857**	**100%**	**15%**

2012 France coverage rate: 100%.

5.3.1.2. Customers

Klépierre would like to offer each customer a shopping center* experience that is suited to his or her needs. Convenience, accessibility, retail mix and conviviality are key concepts in meeting the expectations of an ever-changing public.
The aim of the USE* (Unique Shopping Experience) program is to meet these legitimate demands by improving the level of customer care and services at these shopping centers. It is based on two key elements: the customer's experience and the customer relationship.

Customer satisfaction surveys

	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
Number of shopping centers surveyed in the last 3 years	35	28	17	13	21	114
In value	69%	99%	63%	60%	98%	77%
Number of customers surveyed in 2012	30 649	11 930	2 111	6 918	3 895	55 503

Coverage rate: 100%.

Customer satisfaction surveys are indispensable tools for ensuring that the right policies have been put in place. Satisfaction surveys were held in 114 shopping centers over the last three years, a 14% increase on 2009-2011. In 2012, 55 503 answered these surveys in Europe.
In France, the overall score awarded by customers rose from 8.2 out of 10 in 2010 to 8.5 in 2012.

The Group also commissions independent consultants to evaluate whether the Group's expectations for customer care and services have been properly met. These visits, by so-called "mystery shoppers", have increased in number in recent years. The overall score from these audits rose from 79.5% to 89.3% for the French assets since 2010.

* See glossary.

Breakdown of visit by transportation method

	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Total
By motorized vehicules	63%	57%	86%	70%	34%	59%
By public transportation	16%	21%	6%	10%	46%	21%
By soft mobilitiy' travel methods	21%	23%	8%	20%	20%	20%

Coverage rate: 70%.

Local convenience and accessibility to transportation are some of the major criteria governing the retail projects proposed by the Group. The Saint-Lazare project, opened in 2012, perhaps more than any other, illustrates the Group's determination in this area. It is a genuine gateway to one of Europe's most retail-centric neighborhoods and the continent's second largest station in terms of frequentation with 5 metro lines, 2 RER lines and nearly 15 bus lines within the immediate vicinity. 97% of the 450 000 daily customers come visit this center by public transportation, bike or foot.
In Emporia in Malmö, opened in October 2012, around 40% of visitors already travel by public transportation or by foot and bicycle, and this figure is expected to grow as the density of the district's population increases.
Moreover, more than 144 parking places have been already equipped with charging stations for electric cars.

Measures to promote health and safety of consumers

Ensuring health and safety for its consumers is a major concern for the Group as it welcomes more than 1.5 billion visitors every year.
When developing, renovating or refurbishing the shopping centers, Klépierre pays close attention to the following issues:

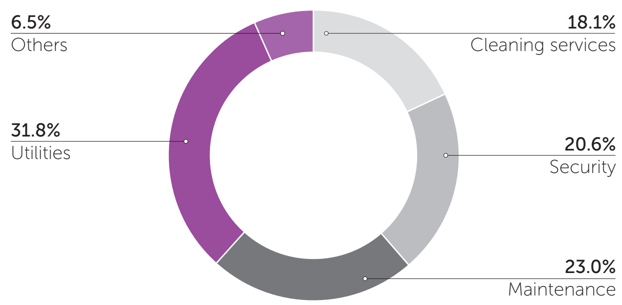
- daylighting: sizeable % of the common floor area and of the net lettable floor area to be adequately day lit;
- high frequency lighting for better visual comfort;
- indoor air quality: ensure that air intakes serving occupied areas avoid major sources of external pollution and recirculation of exhaust air;
- materials: avoidance of VOC compounds and other harmful substances.

A high level of safety is also provided everyday by having dedicated teams and security guards permanently on site. New parking facilities all incorporate better designed circulations and specific spaces for disabled and families. Sanitaries and rest areas are also arranged to meet the expectations of customers with specific needs.
Centers and cooling equipments in particular are also continuously monitored for legionella contaminations and bacteria and/or virus propagations.
The Group would also like to make its centers accessible to the broadest possible public. In France, audits have been conducted of all the holdings, improvement work is under way and 53.7% of the problems identified had already been remedied at the end of 2012. In Sweden, braille was introduced at all the assets to help the visually impaired feel more welcome.

5.3.1.3. Subcontracting and suppliers

As is the case with its tenants, the continual improvement process requires increased disclosure and the setting of clear and measurable targets.
The Group's relationships with its suppliers are governed by strict compliance to national and European regulations and a comprehensive set of internal rules and procedures. These frameworks form the backbone of our procurement policy.
The Group is only present in European countries, (and members of the European Union, except Norway) all signatories of ILO conventions on fundamental social rights.

Average breakdown of operating budgets of shopping centers and identification of main services provided[1]



(1) Based on the budgets of 7 centers in Italy, Spain, Czech Republic, Poland and Hungary, excluding marketing budgets, property taxes and fees.

The actions towards a more responsible supply chain management are implemented all over Europe according to 4 main steps:

Listing and selection of suppliers and service providers

Economic partners are selected through a competitive bidding process every three years for each shopping center* with a minimum of three competitors.

First, key services for shopping centers, such as security and safety issues, have been identified. Accreditation of service providers for these key issues has been gradually reinforced in the Group's main countries of operation. A particular effort was made for example in France and Italy to ensure a complete review of the service providers accredited to handle security for the shopping centers with respect to social criteria. 9 services providers are now accredited in France versus 35 in 2009, 4 in Italy.

The selection for each contract among the companies accredited now progressively incorporates more stringent sustainability criteria. These criteria have different weightings depending on the kind of service.

For cleaning services in France for example, close attention is paid for environmental criteria to the use of machines without chemicals (electrolysis) and eco-certified cleaning products, to noise pollution, the use of electric vehicles, waste sorting methods, etc.

Inclusion of sustainability clauses in the contracts

Sustainability clauses consistent with the Klépierre environmental and social commitments have been progressively incorporated into the contracts signed with our suppliers. These clauses include the following items:

- economy: financial position, turnover contracted with Klépierre, business ethics, etc.;
- environment: use of environmentally-sound products and materials, energy efficiency, waste, establishment of innovative processes, etc.;
- social: prevention of hidden work, forced or child labor, working hours, etc.

Contracts are signed for three-year duration only without automatic renewal.

Monitoring of suppliers and service providers

A majority of suppliers and service providers such as cleaning services, security guards and maintenance workers have their teams present daily in our shopping centers. These services represent more than 60% of our operating budgets in Europe *(see graph page 126)*. This makes monitoring and control mechanisms easier.

If we add in utilities, businesses that are strictly regulated in Europe, more than 93% of our operating budgets can be considered to be under a high level of control. Klépierre considers it a distinctive feature and an advantage of its business sector since its supply chain is mostly based on service providers present on its assets.

Teams on site are first in line for controlling and auditing the quality of the service provided. Procedures at Group level frame these controls for economic, environmental and social issues.

Internal audit departments also carry out controls on suppliers regarding respect of their contractual obligations and monitor as well the efficiency and quality of controls by teams on site.

Payment mechanisms

The internal functions that select and list the suppliers and the functions that proceed to payment are independent. This strict task allocation has been reinforced since the implementation of a new business management software solution. Only economic partners previously listed are to be paid.

5.3.1.4. Ethical practices

Klépierre's ethical practices are ruled by codes of conduct and internal procedures that covers the following aspects at Group level:

- corruption and bribery;
- conflicts of interest;
- money-laundering;
- insider trading;
- confidentiality of information;
- discrimination;
- security of staff, business partners and customers;
- health and safety, crisis management procedures, etc.

There are dedicated functions to ensure the full set of rules is complied with. They include the different departments and services: internal control and business ethics.

All of these entities report to the Executive Board and the Audit Committee on the fulfillment of their missions.

A whistle blowing procedure is in place and a dedicated person has been designated to receive compliance and ethics concerns raised by employees. Confidentiality is guaranteed where breaches to Klépierre's rules are alleged.

5.3.2. Principle No. 4: Responsible and caring action in the community

A unique living space, the shopping center has always been at the heart of the sustainable city challenge, in some cases actually becoming the driver of urban and social renewal. Shopping centers are also places where people meet, providing the perfect backdrop for community events.

5.3.2.1. Local employment

Beyond the urban and architectural renewal generated by a new shopping center, a genuine economic and social dynamic is kicking in. Indeed, the extension and development of our centers provide major opportunities to create jobs that cannot be off-shored. Development teams forge very close working relationships with local job agencies in the interest of organizing information sessions and presenting the various job opportunities. These close relationships keep on going once the center is opened and take various forms such as job forums or job creation initiatives.

** See glossary.*

5.3.2.2. Corporate philanthropy

As focuses for shopping and leisure, shopping centers have become local public spaces in the truest sense of the word, and are available to any group involved in local public life. Throughout Europe, they now host a large number of events organized and supported by social organizations. The Group's shopping centers hosted more than 500 initiatives to raise money for good causes in 2012.

The inventory taken at Group level has been realized according to the following categories:

- **charitable donations:** one-off or occasional support for publicly beneficial causes in response to the needs or requests of social organizations and/or NGOs, requests from employees, or as a reaction to unexpected events, such as natural disasters or other emergencies;
- **community investments:** long-term commitments and/or partnerships with not-for-profit associations and social organizations to help address social issues identified by Klépierre to protect its long-term business interests or improve its image;
- **commercial initiatives:** activities that support social projects, but do so in the context of the company's normal commercial activities: brand image promotion, etc. (limited solely to the sums that actually go to support associations or NGOs).

Philanthropic initiatives by type in 2012

No. of philanthropic initiatives	Charitable donations	Community Investments	Commercial Initiatives
529	72%	16%	12%

Coverage rate: 100%.

Funds allocated to philanthropic initiatives by type of contribution in 2012

Total contribution *(in euros)*	Monetary contributions	Employee time	Contribution in kind	Costs of internal organization
1 129 477	41%	7%	44%	8%

Coverage rate: 100%.

5.4. SOCIAL DIMENSION

5.4.1. Principle No. 5: Valued employees working to ensure organizational efficiency

Klépierre continues to pursue its dynamic approach to talent attraction and retention. The Group implements career management processes (induction, support, training, mobility…) aiming to develop and enhance its employees' proficiency, focusing on the continuous improvement of individual as well as collective performances.

5.4.1.1. Employment, workforce and staff turnover

Total workforce by region and employment contract (GRI LA1)

	12/31/2012	12/31/2011	12/31/2010
France-Belgium	**576**	**586**	**572**
of which fixed-term contracts	18	16	21
Scandinavia	**405**	**396**	**406**
of which fixed-term contracts	18	16	19
Italy	**133**	**128**	**128**
of which fixed-term contracts	9	11	18
Iberia	**152**	**165**	**165**
of which fixed-term contracts	8	7	8
Central Europe	**201**	**201**	**222**
of which fixed-term contracts	32	16	18
TOTAL	**✓ 1 467**	**1 476**	**1 495**
of which fixed-term contracts	85	66	84
In %	*5.8%*	*4.5%*	*5.6%*

NB: 2 employees were under contract in India in 2010. Klépierre has stopped its activities in this region since, which explains the difference in headcounts for 2010 (sum total of 5 regions = 1 493).

At December 31, 2012, Klépierre employed 1 467 persons at Group level; the average number of employees for 2012 is 1 473.
The increase in the number of fixed-term contracts in Central Europe is mainly justified by the need to replace employees on maternity leave.

New hires by region and gender (GRI LA2)

	2012	2011	2010
France-Belgium	**64**	**82**	**74**
of which women in new hires	76.6%	63.4%	52.7%
Scandinavia	**48**	**62**	**68**
of which women in new hires	47.9%	46.8%	42.6%
Italy	**15**	**17**	**21**
of which women in new hires	60.0%	41.2%	71.4%
Iberia	**20**	**16**	**13**
of which women in new hires	70.0%	56.3%	46.2%
Central Europe	**34**	**31**	**49**
of which women in new hires	70.6%	67.7%	53.1%
TOTAL	**181**	**208**	**225**
of which women in new hires	65.7%	56.7%	51.1%

Optimizing career development within the Group.
Klépierre continues to pursue an active **internal mobility** policy, designed to facilitate the professional development of its employees and promote equal opportunities in career paths:

- **98 employees moved into new positions in 2012,** an internal mobility rate of 7.1%;
- **56.1% of them are women** (*versus* 45.4% in 2011);
- **10.2% are employees aged 50 and over** (*versus* 7.2% in 2011).

France has been particularly active regarding internal mobility management: the internal mobility rate is 10.0% (8.9% in 2011). 66% of employees who have changed positions are women (45.1% in 2011) and 16.1% are aged 50 and more (11.8% in 2011).

At Group level, three employees have moved internationally. International mobility can be at any level of management, from strategic to operational positions. Thus for the first time, a Shopping center manager moved from the Czech Republic to France. Internal mobility processes include personalized follow-up and a specific training program, to enable the employees to be immediately operational and self-fulfilled in their new position.

Breakdown of departures by reasons

	2012	2011	2010
Resignations	44	58	75
Lay-offs	27	16	18
Negociated departures	25	27	22
Retirement	10	14	11
End of fixed-term contracts	59	72	64
Other reasons	25	38	62
TOTAL	**190**	**225**	**252**

NB: "Other reasons" include: end of trial periods, end of secondment contracts with BNP Paribas group, etc.

Group rate of turnover

	2012	2011	2010
Turnover rate	✓ 8.7%	9.3%	12.3%

The turnover rate is calculated according to the following formula: Sum total of departures excluding retirement and end of fixed-term contracts, divided by the average number of permanent employees.

Klépierre believes that being responsive and engaging in dialogue are priorities in preserving the quality of the industrial relations climate and its employees' work environment. Accordingly, **a professional appraisal campaign** is conducted each year at Group level. In 2012, this process allowed 90% of employees to discuss their accomplishments, goals and career aspirations with their managers. In addition, the Human Resources officers and managers meet regularly with employees for discussions on specific topics. In the last two years, **at least 705 career path interviews** were conducted, giving career managers a better understanding of employees' wishes and abilities so they can optimize their career path and support them at key moments in their professional development.

5.4.1.2. Work organization

Breakdown of employees by employment type: part-time workers (GRI LA1)

	12/31/2012	12/31/2011	12/31/2010
France-Belgium	**51**	**53**	**43**
% of total workforce	8.9%	9.0%	7.5%
Scandinavia	**16**	**17**	**21**
% of total workforce	4.0%	4.3%	5.2%
Italy	**14**	**13**	**9**
% of total workforce	10.5%	10.2%	7.0%
Iberia	**11**	**13**	**10**
% of total workforce	7.2%	7.9%	6.1%
Central Europe	**6**	**4**	**4**
% of total workforce	3.0%	2.0%	1.8%
TOTAL RATE	**6.7%**	**6.8%**	**5.8%**

The proportion of employees working part time has remained fairly constant from year to year. **Part-time work** is offered following employees' individual requests due to health or personal reasons. Jobs and working structure are then adjusted in line with the company's organizational structure.

Within the Group, only a few countries make use of **overtime hours** (France, Italy and Scandinavia), mainly in the accounting and financial functions during the end-of-year closing period, and more rarely in the technical functions. The number of overtime hours worked was 4 419 hours in 2012, against 4 697 in 2011 (-6%).

Interim staff

	2012	2011	2010
Average monthly temporary workforce	18.0	16.2	18.9
Percentage of temporary workers in staff at 12/31	1.8%	1.4%	2.1%
Number of fixed-term and open-ended contracts resulting from temporary contracts	12	11	15

The use of **temporary workers** (interim staff) is limited and usually serves to replace permanent staff who are absent for one reason or another. More rarely, teams may temporarily require assistance when workloads are particularly heavy. Klépierre works with licensed temporary manpower agencies. The contracts signed with these agencies include very strict clauses on compliance with employment law and the prevention of illegal subcontracting.

The use of external workforce (interim and service providers) is a useful tool for talent identification and recruitment: 7% of all new hires in 2012 resulted from the transformation of interim and service provider contracts into fixed-term or open-ended contracts (5% in 2011).

Breakdown of absenteeism by reason (GRI LA7)

(in number of days)	2012	2011	2010
Work accidents	**948**	**720**	**ND**
	0.2%	0.1%	ND
Sick leave	**8 232.5**	**ND**	**ND**
	1.5%	ND	ND
Parental leave [(1)]	**12 794**	**10 194**	**16 571**
	2.4%	1.9%	3.2%
Other reasons [(2)]	**2 418**	**11 240**	**10 577**
	0.5%	2.1%	1.9%
RATE OF ABSENTEEISM	✓ **2.2%**	**2.2%**	**1.9%**

The absenteeism rate is calculated according to the following formula: Sum total of days of absence, excluding paid leave and parental leave, divided by the average monthly workforce (permanent and temporary workforce), itself multiplied by 365.

In order to improve absenteeism monitoring tools, reasons for absenteeism have been refined compared to previous years:

- [(1)] **Parental leave:** it includes maternity, paternity and adoption leaves (maternity leaves only were tracked previously).
- [(2)] **"Other reasons"** include other unscheduled days of absence (family event, sick children, etc.).
- **"Sick leave"** is a new item. Until now, sick leaves were included in "other reasons".

5.4.1.3. Labor relations

Klépierre is particularly careful to comply with legislation on freedom of association and employee representation, at country as well as European levels.

62.5% of Klépierre employees are covered by collective agreements (France, Italy, Spain and Sweden). In all other countries of operation, and according to local legislation, employees are aware of their right to set up a union or to ask for staff representatives.

In France, the Health, Safety and Working Conditions Committee (CHSCT) mandate terminated and elections were therefore held in 2012. 13 employees stood as candidates (11 in 2010) and three of the six elected members were not part of the former Committee.

Always fruitful and constructive, labor relations in France also led to the **negotiation of 7 collective agreements in 2012,** 4 of which were linked to dynamic and transparent management of the change in shareholder structure and its consequences for the employees:

- compulsory annual negotiation on wages *(see page 135 for more details);*
- addition to the optional profit-sharing scheme*;*
- gender equality agreement *(see page 136);*
- mandatory profit-sharing scheme;
- supplemental healthcare for employees;
- 2 agreements on employee savings investment supports (PEE and PERCO) were negotiated late 2012 and signed at the beginning of 2013.

Other agreements previously negotiated remain in force:

- **the company-wide agreement** that was negotiated in 2009 and sets the framework for work contract, work organization and compensation issues;
- **the agreement on the individual right to training.** Once a year, all employees receive information on the number of training hours they are entitled to use. The Works Council is also informed on a yearly basis on the use of this right by employees;
- **the agreement on the reduction of working hours;**
- **the agreement on mature-aged employees.** This agreement was in force for the 2010-2012 period. It aimed at encouraging access to continuous education for employees aged 45 and over; proactively managing their career paths; and encouraging knowledge transfer between generations. The Works Council is informed of the main results and metrics on a yearly basis *(see page 137);*
- **the agreement on Sunday work and specific measures for disabled workers** *(see page* 136).

All these agreements are available to French employees on the intranet, with easy access via the HR web page.

In parallel with these negotiations, Klépierre continues to implement the social component of its 2010-2015 Sustainable Development* Action Plan, expanding on the commitments made as part of the French negotiations at Group level, in particular with respect to the promotion of diversity, occupational health and employee benefits *(see Sustainable Development Report for more details).*

As a signatory of th United Nations Global Compact, Klépierre is notably commited to respect and promote the fundamental principles related to human rights and labour standards.

All countries where Klépierre operates:

- have ratified the 8 International Labor Organization (ILO) Fundamental Conventions;
- are considered as free countries according to the 2012 Freedom in the World index. This survey is conducted on an annual basis by the independent organization Freedom House to assess political rights and civil liberties in 195 countries. The right to collective bargaining and trade unions as well as equality of opportunity and absence of economic exploitation are among the assessed criteria.

* *See glossary.*

5.4.1.4. Health and safety

Although no collective agreement on occupational health and safety has been negotiated, Klépierre makes sure that all employees benefit from related measures that are at least compliant with local and European requirements:

- **training and awareness-raising sessions on first aid and emergency issues:** these actions are part of the 2010-2015 Sustainable Development Action Plan applying at the Group level. Specific training sessions have been implemented in all countries. In 2012, more than 200 employees were trained in first aid and emergency issues (13.4% of total workforce);
- **training on risk management for Shopping center managers:** a specific training module was designed in 2011 and deployed throughout the Group (except Scandinavia). In total, a hundred of Shopping center managers have participated in this action that aimed at optimizing daily risk management processes and guaranteeing full respect of local legal obligations while sharing best practices at Group level. Occupational health and safety issues were among the topics discussed;
- **workplace inspections and assessments of occupational hazards are performed by outside specialists at least on an annual basis;**
- **medical examination:** 100% employees benefit from a medical follow-up. Relationships with occupational healthcare teams help the company assess well-being at work and exposure to occupational diseases. Several subsidiaries also offer vaccination campaigns to their employees to prevent seasonal flu;
- **health and safety committees:** 60% of employees are represented by internal committees in charge of health and safety issues. In all other countries, these issues are monitored by qualified external bodies;
- **occupational stress prevention and management:** various initiatives have been launched throughout the Group in order to prevent occupational stress according in local contexts. In **France,** a dedicated working group composed of a panel of employees and staff representatives has been working to set up a prevention and early warning system, and prepare an action plan. Following its recommendations, a specific training module on stress prevention has been designed for French employees by Klépierre University*. A pilot group and the Klépierre Executive committee participated in the module in 2012.
  In **Sweden,** professional stress identification and management is systematically included in managers' training on the work environment. Specific questions are also included in the medical examination, and a specialist examination can be ordered by the occupational healthcare teams. In **Norway,** the Finance Department attended a one-day lecture on stress.
  Assessments are regularly conducted in **Spain** and in **Italy** in order to identify and correct possible stress factors. In Italy for example, open-plan offices have been reorganized to solve noise issues that had been identified as a stress factor in 2010. Following this improvement, no other stress issue has been raised in 2012;
- **other implemented initiatives in favor of well-being in the workplace:** social events both with and without spouses, flexible working hours, provision of free fruits on a daily basis, financial contributions to sporting activities, information and diagnosis on ergonomics issues, etc.

Work accidents (GRI LA7)

	2012	2011
Number of work accidents	6	11
Number of lost days due to work accidents	948	720
Frequency rate	1.43%	2.59%
Severity rate	0.23%	0.17%

The total number of work accidents declined in 2012. In France, work accident data is analyzed on a quarterly basis by the Health, Safety and Working Conditions Committee (composed of: 6 elected staff representatives, HR and Internal Logistics representatives and the workplace doctor). Corrective measures are implemented when needed.

** See glossary.*

5.4.1.5. Training

Access to training (GRI LA10)

	2012	2011	2010
Total number of hours of training	24 370	38 889	29 640
Average hours of training per employee	25	39	27
Rate of access to training	77%	79%	78%

With a **77% rate of access to training, and almost 970 trained employees in 2012,** Klépierre maintains its commitment to lifelong professional learning.

The **Group-wide implementation of a new information system (SAP)** involved deep changes in terms of organization, core processes and daily practices. This required an outstanding involvement of project and operational teams (finance, accounting, leasing, etc.) during the design and deployment phases of the project. All the teams concerned have received several specific SAP training courses (around 20% of total training hours).

Teams' dedication to the SAP project and the demands of the economic environment significantly reduced staff's availability for training, especially in fields that were not connected to SAP implementation. The total number of training hours therefore slightly declined in 2012.

Klépierre University* deployed a specific e-learning training program in 2012 dedicated to the SAP project, which has not been included in the training figures above. In France for example, participation in these e-learning sessions represented 12% of the total number of training hours.

Access to training by employee category in 2012 (GRI LA10)

(in average hours of training)	Hommes	Femmes	Total
Executive management	17	37	24
Top management	23	29	24
Middle management	29	26	28
First line management	24	28	26
Non management	27	24	25
TOTAL	**26**	**24**	**25**

Aside from the SAP project, **Klépierre University has continued to roll out training sessions tailored to support Group strategy,** aimed at developing employees' proficiency, enhancing their performance, improving employability and anticipating changes in their professions. Klépierre University aims to reflect the Group's diversity by building on its multicultural components, encouraging international information sharing and promoting best practices.

The training offer has also been enriched with innovative training modules to professionalize day-to-day practice (waste management, risk management, health and safety law, etc.) Other courses have been offered in favor of employees' self-development and satisfaction (language learning, time and priorities management, etc.).

Professional training and use of work-study contracts (France only)

	2012	2011	2010
Average number of work-study participants for the year	39	34	32
% of average annual workforce	6.8%	5.8%	5.6%

In France, Klépierre remains actively involved in training and helping young people enter the labor force by offering **work-study contracts** for jobs at shopping centers and support functions at head office. With work-study contracts representing 6.8% of its average annual workforce, the Group significantly exceeds the minimum legal requirement, which is set at 4%.

** See glossary.*

5.4.1.6. Compensation and benefits

Average gross annual wages by region

(in euros)	**2012**	2011	2010
France-Belgium	52 059	49 536	48 150
Scandinavia	76 383	71 052	67 000
Italy	37 259	39 336	33 500
Iberia	38 797	38 079	37 900
Central Europe	25 595	24 410	22 200
GROUP	**52 924**	**49 722**	**47 068**

In 2012, **total compensation** (wages and variable compensation) **rose by 2%** based on individual performance. In addition, 67% of employees received variable compensation of as much as 30% of total compensation. These wage increases are discussed and approved within the framework of an annual process harmonized at Group level.
Klépierre has also implemented a bonus share plan aiming to retain the Group's most effective employees. 66 employees benefited from this plan in 2012. For 14% of them, the bonus shares attribution was determined by specific performance targets.
In France, the Compulsory annual wage negotiations resulted in agreement of a long-term measure for a general wage increase, for the fifth consecutive year.

In France, **employees benefit from both mandatory and optional profit-sharing agreements** that have a significant impact, and can be as much as 26% of gross annual salary. Employees' entitlements can be invested in the employee savings scheme or collective pension funds, matched by the Company, and can be added to through voluntary contributions.
Mandatory and optional profit sharing schemes represented **14% of total payroll in 2012** (15% in 2011 and 13% in 2010).

5.4.2. Principle No. 6: An organization committed to equal opportunity

With 20 different nationalities and as many cultures, Klépierre is naturally inclined to promote the value of diversity among its employees. The Group structures its actions around three principles: promoting gender balance and equality, supporting the inclusion of disabled workers and managing the age pyramid. The signature of the French Diversity Charter* in 2010 reflects Klépierre's commitment to implement HR processes that are based on the recognition and development of individual competencies to promote social cohesion and equity.

5.4.2.1. Guaranteeing gender balance and equality

Breakdown of employees by gender and management level (GRI LA13) ✓

		%	
	12/31/2012	In level	In total workforce
Executive management	**10**		**0.7%**
Men	8	80.0%	
Women	2	20.0%	
Top management	**47**		**3.2%**
Men	38	80.9%	
Women	9	19.1%	
Middle management	**61**		**4.2%**
Men	49	80.3%	
Women	12	19.7%	
First line management	**338**		**23.0%**
Men	204	60.4%	
Women	134	39.6%	
Non management	**1 011**		**68.9%**
Men	341	33.7%	
Women	670	66.3%	
TOTAL	**1 467**		**100.0%**
Men	640	43.6%	
Women	827	56.4%	

NB: This breakdown system based on management levels has been implemented in 2012 in order to give a homogeneous picture at Group level. This standardized framework based on job positions and descriptions is now applicable in all countries but historical data is not available.

* *See glossary.*

Klépierre has an active policy to prevent discrimination in the hiring processes. Close attention is also paid to equal treatment with respect to career advancement thanks to standardized and objective decision-making processes that allow each individual to be evaluated on the same criteria.

The results of these policies can be seen via indicators such as:

- **the increase in the percentage of women on the Executive Committee,** 20% against 14.3% in 2011;
- **the percentage of women in new hires:** 61% at first-line management level, 60% at middle management level and 40% at top management level;
- **the percentage of women in internal mobility processes,** which reached 56.1% in 2012 (45.4% in 2011).

A collective agreement on gender equality has been renegotiated in France in 2012. Among the objectives set out in this agreement are:

- **ensuring that at least 50% of participants in enhancive training sessions are women** (training in management, coaching, etc.);
- **promoting women to higher levels of management:** the target has been set at 30% of women in management positions by 2014;
- **improving work/life balance:** specific interviews must be systematically conducted with employees leaving for or returning from parental leave; paternity leave is fully paid during its legal duration, and Family Days in the workplace are organized on a yearly basis.

This agreement replaces the previous one which had been in force since 2007 and led to the following main achievements:

- 53% to 76% of women in new hires, varying by year;
- more than 80% of women employees accessing training;
- 52.5% to 55% of women among employees who benefited from individual performance compensation measures, varying by year;
- 60% of women on average among employees who got promoted.

Annual wage surveys are conducted in several countries in order to identify and correct wage gaps between men and women for comparable positions and performance.
At Group level, women represented 53% of the employees who benefited from a variable remuneration in 2012, and 55% of those who received an individual wage increase.

5.4.2.2. Supporting the inclusion of disabled workers

Disabled employees in the workforce (GRI LA13)

	12/31/2012	12/31/2011	12/31/2010
Number of disabled workers	23	15	18
% of total workforce	1.57%	1.02%	1.20%

In 2012, Klépierre recruited 8 disabled workers at Group level. Various initiatives have been implemented to facilitate these hires:

- contracts with agencies specialized in the recruitment of disabled workers (France and Italy);
- participation in dedicated recruitment forums (France);
- launch of an initiative aiming at recruiting at least on mentally challenged worker in each shopping center* (Denmark – *see our Sustainable Development Report for more information*).

In parallel, several subsidiaries contribute to the **indirect employment of disabled workers by contracting with companies belonging to the protected sector*,** for the provision of goods and services (catering, landscape maintenance, printing, office supplies, etc.).

In France, negotiations concerning Sunday work in 2011 included an article on vulnerable populations and disabled individuals. These negotiations had led to the implementation of two measures benefiting disabled employees: the granting of six days of paid leave per year to undertake medical examinations and/or administrative procedures, and reimbursement of up to 1 000 euros, gross, per year for non-reimbursed expenses related to the disability. One third of registered disabled employees asked to benefit from at least one of these measures in 2012.

Klépierre also pays attention to **inclusion and accessibility** to the broadest possible public. A training module on the accessibility of shopping centers to individuals with disabilities had already been deployed in 2011 for the French technical and management teams. In 2012, related actions were also organized for 48 new participants. A similar awareness-raising event on accessibility was held in La Gavia shopping center (Spain) for 33 employees.
Another initiative launched in support of the visually impaired: the e-accessibility of the electronic version of *Quintessence*, which can now be recognized and interpreted by screen readers used by the blind and visually impaired (these software packages transform the text displayed onscreen into speech, and allow users to interact with the computer's operating system).

** See glossary.*

5.4.2.3. Support for senior workers

Breakdown of workforce by age bracket (GRI LA13)

	12/31/2012	12/31/2011	12/31/2010
< 30 years old	11.7%	11.0%	10.0%
30-44 years old	55.3%	56.5%	59.2%
45-54 years old	23.1%	22.3%	20.3%
> 54 years old	9.9%	10.2%	10.5%

In 2012, the average age of the Group's employees was 41.4. Klépierre pays particularly close attention to keeping seniors* in the workforce and to their professional fulfillment. In France, pursuant to the mature-aged employee agreement in force, since 2010, 100% of employees aged 45 and over have participated in at least one specific interview with the Human Resources Department.

In addition, this population's rate of access to training reached 82% in 2012 and 84% for those aged 55 and over (average rate of access to training: 81%). It thus superiors the average rate of access to training for the second consecutive year.

** See glossary.*

5.5. STATUTORY AUDITORS' REPORT ON THE EXTRA FINANCIAL INFORMATION

Attestation of completeness and limited assurance report of one of the statutory auditors on selected social and environmental information

This is a free translation into English of the report provided by one of the statutory auditors issued in French and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the attention of the Executive Board,

Pursuant to your request and in our capacity as one of the statutory auditors of Klépierre, we hereby present you with our attestation of completeness on the consolidated social, environmental and other sustainable development information present in the annual report, including the management report prepared for the year ended December 31, 2012 pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the Company

The Executive Board is responsible for preparing a management report including the consolidated social, environmental and corporate information provided for in article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), prepared in accordance with the reporting criteria used by Klépierre (the "Reporting Criteria") available from the Human Resources and Sustainable Development Executive Management teams. A summary of the Reporting Criteria is provided in part 5.1 of the 2012 Group's annual report.

Independance and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures that aim to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the statutory auditor

Based on our work, our responsibility is:

- to attest that the required Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of article R. 225-105 of the French Commercial Code and decree no. 2012-557 of April 24, 2012 (Attestation of completeness);
- to express limited assurance on the fact that certain information[1] selected by the company and identified by the sign ✓ in part 5 of the 2012 annual report ("the Data"), are presented, fairly, in all material aspects, in accordance with the Reporting Criteria (limited assurance report).

To assist us in conducting our work, we referred to the sustainable development experts of our Firms.

1. Attestation of completeness

We conducted the following procedures in accordance with professional standards applicable in France:

- we have compared the Information presented in the management report with the list set forth in article R. 225-105-1 of the French Commercial Code.
- we have verified that the Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological note presented in part 5.1. of the annual report.
- in the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with decree no. 2012-557 of April 24, 2012.

Based on our work, we attest to the completeness of the required Information in the annual report.

2. Limited assurance report

Nature and scope of procedures

We conducted our procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements) and professional guidelines applicable in France.
We have carried out the following work to obtain limited assurance on the fact that the Data selected by the company and identified by the sign ✓ does not contain any material anomalies that would call into question its fairness, in all material aspects, in accordance with the Reporting Criteria. A higher level of assurance would have required more extensive work.

We performed the following procedures:

- we assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- we have verified the set-up within the Group of a process to collect, compile, process and check the selected information with regard to

(1) Social data: Total workforce, Breakdown of employees by gender, Rate of absenteeism, Turnover rate.
Environmental data: Percentage of assets certified in value, Total energy consumption of shopping centers' common spaces and common heating and/or cooling facilities, Percentage of electricity coming from renewable sources, Energy intensity of shopping center's common spaces and common heating and/or cooling facilities, Greenhouse gas emissions resulting from energy consumed by common spaces and common heating and/or cooling facilities, Carbon intensity of shopping centers' common spaces and common heating and/or cooling facilities.

its completeness and consistency. We have familiarized ourselves with the internal control and risk management procedures relating to the compilation of the Data. We have conducted interviews with individuals responsible for social and environmental reporting.

- concerning the selected Data:
  - for the consolidating entity and controlled entities, we have set up analytical procedures and verified, using sampling techniques, the calculations as well as the consolidation of this information;
  - at the sites that we have selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we have:
    - conducted interviews to verify the proper application of procedures and obtained information to perform our verifications;
    - conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the Data selected by the company and identified by the sign ✓, provided in part 5 of the 2012 annual report, has been presented fairly, in all material aspects, in accordance with the Reporting Criteria.

Comment

Without calling into question our conclusion above, we call your attention to the fact that the elements taken into account to calculate the indicators related to energy and greenhouse gas emissions intensity indicators of the shared spaces and installations include certain private areas, as disclosed in paragraph 5.1.4.4. of the note of methodology, as the Group wishes to limit the use of estimates.

Neuilly-sur-Seine, March 1st, 2013

French original signed by

Deloitte & Associés

Éric DUGELAY Partner Sustainable Development Services	Joël ASSAYAH Partner Statutory auditor

(1) For the social data: France, Italy and Poland; representing 52.6% of the Group's headcounts.
For the environmental data: nine shopping centers located in France (Val d'Europe, Valenciennes, Toulouse Blagnac, Saint-Orens), Spain (La Gavia, Augusta), Portugal (Parque Nascente), Czech Republic (Nový Smíchov) and Denmark (Field's); representing in average 18.9% of the value of the environmental data verified.

5.6. ACTION PLAN 2010-2015

Designed from the bottom up, Klépierre's sustainable development* action plan for 2010-2015 forms the backbone of the Group's commitments. This plan, which sets ambitious and realizable objectives, is the synthesis of the different national plans. It is reviewed annually and adapted in accordance with changes in regulations and changes related to Group activities.

Theme	Commitments/Targets	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Target date
ENVIRONMENT							
FIGHT AGAINST CLIMATE CHANGE							
Environmental management	Obtain BREEAM* certification with a minimum rating of *Very Good* for all the projects under development	●	●	●	●	●	2015
	Target ISO 14001* certification for operations at existing shopping centers		●		●	●	2015
	Implement an environmental management system for the head offices to pave the way for ISO 14001 certification		●		●	●	2015
Greenhouse gas emissions*	Step up the replacement of refrigerants	●	●	●	●	●	2015
	Reduce transportation-related greenhouse gas emissions* (business travel)	●	●	●	●	●	2015
	Develop concrete initiatives to reduce greenhouse gas emissions* related to Scope 3 of the GHG Protocol* (indirect responsibility)	●	●	●	●	●	2015
Energy	Roll out energy audits to all units under real estate management	●	●	●	●	●	2015
	Reduce consumption of energy managed (electricity, heat and natural gas) by 10% to 20%, depending on the country, *versus* 2010	●	●		●	●	2015
	Consume and/or produce 20% to 40% of electricity from renewable sources, depending on the country	●	●		●	●	2015
SUSTAINABLE USE OF RESOURCES							
Water	Optimize the quality of wastewater produced by our businesses	●	●	●	●	●	2015
	Reduce water consumption (savings of 5% to 10% *versus* 2010)	●	●	●	●	●	2015
Waste	Undertake actions with tenants to increase the amount of waste recovered at shopping centers	●	●	●	●	●	Annual
	Optimize the selective collection options while ensuring traceability	●	●	●	●	●	2015
	Develop selective sorting for center customers	●	●	●	●	●	2015
	Increase the number of waste categories sorted based on the systems in place in each country	●	●	●	●	●	2015
AIR QUALITY AND BIODIVERSITY*							
Air quality	Perform air quality audits	●	●	●	●	●	2015
Biodiversity	Protect an endangered species, directly or indirectly	●	●	●	●	●	2015
	Raise employee awareness of the importance of protecting biodiversity	●	●	●	●	●	Annual
	Actions to raise awareness of biodiversity protection among center customers	●				●	Annual
SOCIETAL/VALUES							
Promoting values	Involve all stakeholders* in the Group's sustainable development dynamic	●	●	●	●	●	Annual
	Draft and apply a Philanthropy Charter in line with Group values		●		●	●	2015
	Encourage employees to volunteer for charitable causes	●	●	●	●	●	Annual
	Ensure that one marketing event in every three has a community focus		●			●	2015

Key: *Achieved:* ■■■▶ *Partially achieved:* ■■□▶ *Started:* ■□□▶ *Not started:* □□□▶

* *See glossary.*

Performance indicators and tracking	Group progress status	Group achievements
Number of new projects having achieved BREEAM certification with a *Very Good* rating	■■□▶	Three new projects started in 2012 obtained BREEAM *Very Good* rating representing around 90% of the RFA* opened in 2012. Six projects started are undergoing certification.
Number of certified shopping centers	■■□▶	Eight centers in Iberia obtained ISO 14001 certification, +30% in value between 2011 and 2012. The 29 centers of the Scandinavian holdings will be certified by the first quarter of 2014. Process to be launched in Poland in 2013.
Number of offices that have put an environmental management system in place	■□□▶	Certification obtained in Spain and in progress in Norway, Sweden, Poland and Denmark.
Number of centers that stopped using R22	■■□▶	38 centers used R22 in 2012, compared to 81 in 2010, down 53%.
Actions taken and tonnes CO_2 equivalent avoided	■■□▶	The new centers are very accessible by public transport and greenways. The cumulative share of these modes of travel is 97% for the Gare Saint-Lazare. Emporia, Hérouville and Claye-Souilly are equipped with charging stations for electric vehicles (24 in total) and spaces for cyclists. They are also connected to the greenways. Eco-driving awareness sessions for employees with company cars in Poland.
Actions taken and tonnes CO_2 equivalent avoided	■■□▶	Consumption of overall buildings, tenants included, known for 35% of holding by area. 318 tCO_2e avoided in 2012 *versus* 2010 thanks to reduced energy consumption of Scandinavian tenants. Difference in tenants' consumption 2012/2011 = -0.3% «Night-hiking» initiatives in Scandinavia and Spain
Portion of units having conducted an energy audit by value	■■□▶	43% of centers under real estate management (in value terms) underwent an energy audit between 2008 and 2012, i.e. 83 centers.
Energy consumption in kWh/m^2 of air conditioned area at constant perimeter*	■■□▶	10% less consumption per m^2 between 2010 and 2012 (Group average).
Percentage of total electricity consumption from renewable sources	■■■▶	43.3% electricity from renewable sources (Group average) Belgium, Norway, Sweden and Spain 100%; France (16%); Denmark (41%); Portugal (51%); Hungary (5%); Poland (10%); Czech Republic (7%); Slovakia (21%)
Number and % of centers under real estate management having conducted an analysis	■■□▶	63 centers under real estate management underwent a wastewater audit between 2008 and 2012, i.e. 37.8% of centers by value
Water consumption in m^3/m^2 of shopping mall at constant perimeter	■□□▶	Consumption down 11% per m^2 in Italy. In progress for the rest of the Group.
Actions carried out and measurement of their impact	■■□▶	New signage for tenants in the passageways and waste collection areas at many centers and distribution of good practice handbooks to improve efficiency of waste sorting.
Portion of waste recovered	■■□▶	Waste traceability implemented at Group level, by use in 2011 and by type of waste sorted in 2012. Portion of waste recovered: 2011 (62.2%); 2012 (68.9%)
Number of shopping centers under real estate management that have introduced selective sorting in the communal areas	■■□▶	72 centers under real estate management have introduced selective sorting for customers in the common areas.
Average number of waste categories sorted per center.	■■□▶	Almost eight types of waste sorted on average at each center. In terms of tonnage, the main types of waste sorted are cardboard (10 932 t), food waste (2 760 t), wood (556 t), plastic (447 t), glass (218 t) and metals (200 t).
Number of audits conducted	■■□▶	Ten air quality audits at centers under real estate management between 2008 and 2012.
Number of actions taken	■■■▶	The Val d'Europe, Le Millénaire and Belle Épine shopping centers had beehives installed on their roofs. Ecologists recruited for the Emporia, Hérouville and Claye-Souilly projects.
Actions taken	■■■▶	Sustainable development week organized at head office on the topic of bees and their ecological role. Exhibition + involvement from the UNAF, France's national beekeeping association.
Number of centers having introduced an initiative on this topic	■■■▶	13 actions in 10 centers in Central Europe (WWF partnership for the protection of the lynx, Earth Hour event)
Actions aimed at stakeholders and channels used to promote them	■■□▶	Almost 1 600 retail brand representatives invited to the opening of Emporia in Sweden. The Group's communications materials used to promote the Group's responsibility policy: in-house and external magazines, newsletters, trade fairs, e-learning modules, website and intranet...
Existence of these charters in the regions concerned and actions taken	■■□▶	The creation of the Klécœur* endowment fund in November 2010 united all Group subsidiaries around a common charitable cause.
Actions for which the employees have volunteered	■■■▶	Employee involvement in a large number of actions in 2012. Example: "Christmas Breakfast" in Madrid and teams at Alba Plaza in Hungary encouraged to get involved in the seventh World Downs Syndrome Day.
Percentage of marketing events aimed at the public good	■■□▶	529 marketing events recorded as being aimed at the public good and/or a charitable cause in 2012 (figures for the Group, excluding France). Cumulative contributions from the Group's shopping centers estimated to be more than 1.1 million euros in 2012.

Theme	Commitments/Targets	France-Belgium	Scandi-navia	Italy	Iberia	Central Europe	Target date
Center life	Promote and roll out "green leases*"	•	•	•	•	•	2015
	Achieve a rate of 50% of service providers with ISO 14001 certification* or equivalent				•		2015
	Improve user experience at the shopping centers *via* the USE* program	•	•	•	•	•	Annual
	Improve center accessibility by remedying the issues identified in the audits	•	•			•	2015
SOCIAL/EMPLOYEES							
EMPLOYEE HEALTH AND WORKING CONDITIONS							
Health and welfare	Conduct an audit and introduce a supplementary healthcare system for all employees	•	•	•	•	•	2012
	Conduct an audit and introduce a welfare system for all employees (death, accidents outside work, accidents at work, etc.)	•	•	•	•	•	2013
Occupational health	Identify "first aid officers" in each department and provide awareness sessions and training	•	•	•	•	•	2012
	Distribute an ICE (In Case of Emergency) card to all employees					•	2015
	Train employees who use a vehicle for business purposes on road safety and eco-driving	•					2015
Improvement in working conditions	Conduct a workstation audit (air quality, lighting, IT) and remedy any issues identified	•	•	•	•	•	2015
SENSE OF BELONGING, GROUP LOYALTY, MOBILITY							
Compensation	Harmonize the compensation systems: audit of the various components of compensation, examination of legal systems and choice of amendments	•	•	•	•	•	2015
Clarification of duties and performance evaluation	Achieve a 100% annual performance appraisal rate	•	•	•	•	•	Annual
Training and skills development	Develop employee training in line with company requirements and employees career aspiration	•	•	•	•	•	Annual
	Introduce an Integration Day and/or a Skills Sharing Day for 100% of new hires		•		•	•	2015
Identification of high-potential employees	Identify and update the list of high potential employees	•	•	•	•	•	Annual
PROMOTION OF DIVERSITY AND FIGHT AGAINST DISCRIMINATION							
Communication and awareness-raising	Design and distribute a brochure on "Our Commitment to Diversity"	•		•	•	•	2010
Disability	Recruit at least one disabled employee per country	•		•	•	•	2015
	Raise all employees' awareness of disabilities	•		•	•	•	2015
	Improve accessibility at head offices	•	•	•	•	•	2011/2015
	Increase the use of service providers that employ disabled workers	•		•	•	•	2015
Better management of older workers* (over 55 years old)	Maintain job fit and workplace motivation	•	•	•	•	•	2015
Parenthood	Perform an audit of the maternity and paternity leave systems	•	•	•	•	•	2011
	Organize interviews with manager and/or HR before and after the maternity leave	•	•	•	•	•	Annual
	Introduce a Family Day	•	•	•	•	•	Annual
Gender equality	Conduct a yearly comparison of wages for comparable positions and comparable performance based on gender	•	•	•	•	•	Annual

Key: *Achieved:* ■■■▶ *Partially achieved:* ■■□▶ *Started:* ■□□▶ *Not started:* □□□▶

** See glossary.*

Performance indicators and tracking	Group progress status	Group achievements
Number of "green leases" signed	■■□▶	100% of leases signed in France in 2012 were green leases. Green leases to be deployed Groupwide by mid-2013.
Percentage of service providers with certification	■□□▶	As part of the ISO 14001 certification policy for centers in Iberia, the teams are demanding ever higher levels of commitment from service providers, including stricter environmental clauses in the contracts and selecting service providers with ISO 14001 certification. ISO 14001 certification one of the selection criteria for service providers in France.
Communication in Europe	■■□▶	The program was communicated Europe-wide in 2011. It is organised into five divisions with a Division Manager for each region, i.e. 20 people. The average satisfaction score for France went from 8.2 in 2010 to 8.5 in 2012.
Number of issues remedied	■■□▶	Work carried out in France remedied 53.7% of the issues in 2012. This figure increases to 95.6% if work underway as at January 1, 2013 is included.
Existence of a mutual insurance scheme in all countries, employee membership rates	■■■▶	The supplementary healthcare systems were audited late 2011 to identify ways to improve the benefits for each subsidiary. At the present time, 89% of the workforce benefits from supplementary healthcare cover.
Existence of a welfare scheme in all countries, employee membership rates	■■■▶	The welfare schemes were audited late 2011 to identify ways to improve the benefits for each subsidiary. At the present time, 93% of the workforce benefits from a welfare scheme.
Implementation of a training session and number of employees completing the training	■■■▶	All countries have introduced first aid awareness or training sessions, particularly for employees working in the shopping centers. Near on 200 employees were trained in 2012 (13% of total workforce)
Percentage of employees who have received the ICE card.	■□□▶	Poland began offering this card to its employees in 2010 and now systematically offers it to all new hires 48% are card holders.
Percentage of such employees given road risk and eco-driving training	■■□▶	70% of employees who regularly use a vehicle for business took part in a special training course.
One audit carried out for each country, rate of corrections implemented	■□□▶	In most subsidiaries, an annual audit of working conditions is carried out in accordance with the existing legal obligations. Similar audits are set to be rolled out by 2015 in the other countries.
Global study carried out and amendments selected	■□□▶	Prior to the planned audit, a Group tool, a shared calendar and standardized policies have already been deployed as part of the annual salary increase process.
Rate of annual performance appraisals carried out	■■□▶	The rate of annual performance appraisals carried out remains high, reaching 90% at Group level in 2012.
Change in rate of access to training per country	■■□▶	With a 77% rate to access training, the Group remains committed to constantly developing its employees' skills. Since 2010, this rate has varied between 77% and 79%.
Percentage of new hires having benefited from this type of program	■■□▶	With the exception of Iberia, all countries offer their new hires and induction program tailored to address local features: presentation of the company structure and teams, visits of shopping centers or even participation at the Welcome days organized in Paris by Klépierre University*.
Rate of high potential employees interviewed, update of the list and discussion with the Executive Committee	■■□▶	The processes for identifying and monitoring employees with potential are being reviewed Groupwide to adapt the system to the challenges faced by the company. This new policy will be launched in the course of 2013.
Writing and distribution of the brochure	■■■▶	The brochure was distributed to all employees in April 2010.
Number of disabled employees per country	■■□▶	4 of the 8 countries bound by this commitment have disabled employees in their workforce: 11 in France, 6 in Denmark, 5 in Italy and 1 in Spain.
Number of employees made aware of disabilities	■■□▶	Awareness initiatives have been taking place in all countries since 2010. 2012 initiatives include: simulation exercises on shopping center accessibility for people with reduced mobility, communication *via* internal newsletters....
Number of head offices having conducted an audit and rate of amendments implemented	■□□▶	Only France has carried out a formal audit to date but most of the other head offices meet the local statutory requirements in this area (mandatory inspections or recent buildings constructed in line with current regulations).
Number of orders placed with service providers that employ disabled workers	■■□▶	5 subsidiaries sourced services or ordered supplies from the protected sector* in 2012.
Rate of access to training for employees aged 55 and over	■■□▶	Groupwide, access of older workers to training was 67% in 2012. In France, this figure was 84% (global rate: 81%). In other countries, formal and informal mentoring and skills transfer systems have been put in place (Hungary, Italy, Norway, Sweden)
Performance of the audit	■■■▶	An audit was carried out at all subsidiaries late 2011. The results, accompanied by a benchmark of best local practices, have been communicated to HR officers.
Rate of interviews conducted	■■■▶	Discussions with employees going on or returning from maternity leave are automatic in all countries. In 2012, almost 80 interviews (96%) were thus held at the Group level.
Organization of the event	■■□▶	6 countries have already held a parenthood and life balance event at their level (Denmark, France, Hungary, Italy, Norway, Poland).
Budget allocated to closing the wage gap	■□□▶	France, Poland and Sweden are conducting an annual analysis and implementing corrective measures where required. The initiative has still to be formalized in the other countries.


UNISEX
SOLDES

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

6.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EPRA MODEL)

(in thousands of euros)	Notes	**12/31/2012**	12/31/2011
LEASE INCOME	**6.1.**	**992 121**	**958 745**
Land expenses (real estate)	6.2.	-7 159	-3 662
Non-recovered rental expenses	6.3.	-44 236	-37 574
Building expenses (owner)	6.4.	-56 935	-65 868
NET RENTS		**883 791**	**851 641**
Management, administrative and related income		90 329	85 135
Other operating revenue	6.5.	14 108	20 375
Survey and research costs		-2 413	-1 720
Payroll expenses	10.1.	-120 475	-109 938
Other general expenses		-43 568	-38 472
Depreciation and impairment allowance on investment property	6.6.	-374 603	-304 671
Depreciation and impairment allowance on intangible assets and property, plant and equipment	6.6.	-10 932	-9 572
Provisions		307	-3 665
Proceeds from disposal of investment properties and equity investments	6.7.	609 847	187 803
Net book value of investment properties and equity investments sold	6.7.	-405 018	-121 469
Income from the disposal of investment properties and equity investments		**204 829**	**66 334**
Profit on the disposal of short term assets		**–**	**–**
Goodwill impairment		**–**	**–**
OPERATING INCOME		**641 374**	**555 447**
Net dividends and provisions on non-consolidated investments		-16	161
Financial income		*134 311*	*153 245*
Financial expenses		*-452 021*	*-469 005*
Net cost of debt	6.8.	-317 709	-315 760
Change in the fair value of financial instruments		-41 589	-21 376
Effect of discounting		–	-293
Share in earnings of equity method investees		1 499	1 483
PROFIT BEFORE TAX		**283 559**	**219 662**
Corporate income tax	7.	-21 666	-21 885
NET INCOME OF CONSOLIDATED ENTITY		**261 892**	**197 777**
Of which			
Group share		*166 587*	*142 414*
Non-controlling interests		*95 305*	*55 363*
Undiluted average number of shares		**191 271 591**	**186 336 909**
Undiluted comprehensive earnings per share (euro)		**0.9**	**0.8**
Diluted average number of shares		**191 271 591**	**186 336 909**
Diluted comprehensive earnings per share (euro)		**0.9**	**0.8**

(in thousands of euros)	Notes	**12/31/2012**	12/31/2011
NET INCOME OF CONSOLIDATED ENTITY		**261 892**	**197 777**
Other comprehensive income items recognized directly as equity		**10 753**	**-163 845**
• Income from sales of treasury shares		*3 593*	*-1 246*
• Effective portion of profits and losses on cash flow hedging instruments (IAS 39)		*-57 264*	*-145 774*
• Translation profits and losses		*54 134*	*-44 516*
• Tax on other comprehensive income items		*10 290*	*27 691*
Share of other comprehensive income items of equity method investees		–	–
TOTAL COMPREHENSIVE INCOME		**272 645**	**33 932**
Of which			
Group share		*170 699*	*-12 899*
Non-controlling interests		*101 946*	*46 831*
Undiluted comprehensive earnings per share (euro)		**0.9**	**-0.1**
Diluted comprehensive earnings per share (euro)		**0.9**	**-0.1**

6.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)

ASSETS

(in thousands of euros)	Notes	**12/31/2012**	12/31/2011
Goodwill	5.1.	135 325	134 647
Intangible assets	5.2.	33 805	30 462
Property, plant and equipment and work in progress	5.3.	31 482	28 244
Investment property	5.4.	11 301 038	11 064 739
Investment property under construction	5.5.	446 270	748 084
Equity method securities	5.7.	19 789	19 914
Other non-current assets	5.9.	17 055	22 490
Non-current derivatives	5.16.	153 632	97 028
Deferred tax assets	7.	106 691	101 285
NON-CURRENT ASSETS		**12 245 087**	**12 246 893**
Investment property held for sale	5.6.	73 148	61 418
Inventory		389	408
Trade accounts and notes receivable	5.11.	133 165	98 939
Other receivables	5.12.	271 252	312 627
• Tax receivables		*33 533*	*37 471*
• Other debtors		*237 719*	*275 156*
Current derivatives		–	–
Cash and cash equivalents	5.13.	206 014	287 088
CURRENT ASSETS		**683 968**	**760 480**
TOTAL ASSETS		**12 929 055**	**13 007 373**

LIABILITIES

(in thousands of euros)	Notes	**12/31/2012**	12/31/2011
Share capital		279 259	265 507
Additional paid-in capital		1 773 630	1 569 970
Legal reserves		26 551	26 551
Consolidated reserves		-35 988	92 739
• Treasury shares		*-99 211*	*-101 088*
• Hedging reserves		*-371 065*	*-327 941*
• Other consolidated reserves		*434 288*	*521 768*
Consolidated earnings		166 587	142 414
Shareholders' equity, group share		2 210 040	2 097 181
Non-controlling interests		1 410 684	1 326 040
SHAREHOLDERS' EQUITY	**5.14.**	**3 620 725**	**3 423 221**
Non-current financial liabilities	5.15.	6 699 826	6 856 237
Long-term provisions	5.17.	13 417	13 602
Pension commitments	10.3.	16 169	14 389
Non-current derivatives	5.16.	419 327	454 455
Security deposits and guarantees		141 704	142 135
Deferred tax liabilities	7.	420 907	429 481
NON-CURRENT LIABILITIES		**7 711 350**	**7 910 299**
Current financial liabilities	5.15.	1 004 004	1 079 811
Bank facilities	5.13.	39 276	98 934
Trade payables		122 080	109 464
Payables to fixed asset suppliers		49 805	34 084
Other liabilities	5.18.	261 639	251 509
Current derivatives	5.16.	40 740	8 191
Social and tax liabilities	5.18.	79 437	91 860
Short-term provisions		–	–
CURRENT LIABILITIES		**1 596 981**	**1 673 853**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12 929 055**	**13 007 373**

6.3. CONSOLIDATED CASH FLOW STATEMENT (EPRA MODEL)

(in thousands of euros)	**12/31/2012**	12/31/2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	261 892	197 777
Elimination of expenditure and income with no cash effect or not related to operating activities		
• Depreciation, amortization and provisions	389 187	322 637
• Capital gains and losses on asset disposals net of taxes and deferred taxes	-207 860	-44 418
• Reclassification of financial interests and other items	399 819	367 822
Gross cash flow from consolidated companies	**843 038**	**843 818**
Paid taxes	-40 526	-32 788
Change in operating working capital requirement	20 091	11 318
CASH FLOWS FROM OPERATING ACTIVITIES	**822 603**	**822 348**
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from sales of investment properties	604 421	159 381
Income from sales of other fixed assets	427	359
Income from disposals of subsidiaries (net of cash disposed)	15 184	22 681
Acquisitions of investment properties	-91 019	-293 288
Acquisition costs of investment properties	-1 628	-6 559
Payments in respect of construction work in progress	-392 821	-328 861
Acquisitions of other fixed assets	-13 874	-16 690
Acquisitions of subsidiaries through deduction of acquired cash	-39 359	-20 169
Issuing/repayment of loans and advance payments granted and other investments	48 889	22 296
NET CASH FLOWS FROM INVESTING ACTIVITIES	**130 219**	**-460 850**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the parent company's shareholders(1)	-51 097	-252 227
Dividends paid to non-controlling interests	-95 271	-71 167
Capital increase	–	69 957
Repayment of share premium	–	–
Acquisitions/disposal of treasury shares	-1 409	-32 668
New loans, borrowings and hedging instruments	2 538 981	1 810 178
Repayment of loans, borrowings and hedging instruments	-3 053 594	-1 613 752
Interest paid	-427 116	-292 449
Other cash flows related to financing activities(2)	111 969	-13 786
NET CASH FLOWS FROM FINANCING ACTIVITIES	**-977 536**	**-395 914**
Effect of foreign exchange rate changes on cash and cash equivalents	**3 298**	**42 698**
CHANGE IN CASH AND CASH EQUIVALENTS	**-21 417**	**8 282**
Cash at year-start	**188 154**	**179 872**
Cash at year-end	**166 738**	**188 154**

(1) Dividend paid in 2012 for 268.8 million euros of which only 51.1 million euros was in cash.
(2) Cash Flow resulting from the change of in the ownership interest in Claye-Souilly without loss of control.

6.4. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF DECEMBER 31, 2012

(in thousands of euros)	Capital	Capital related reserves	Treasury stock	Hedging reserves	Consoli-daded reserves	Equity, group share	Equity, non-controlling interests	Total equity
EQUITY AT 12/31/2010	**265 507**	**1 595 446**	**-70 133**	**-220 980**	**827 966**	**2 397 806**	**1 267 666**	**3 665 472**
Share capital transactions		1 075			-1 075			
Share-based payments								
Treasury share transactions			-30 955			-30 955		-30 955
Dividends					-252 227	-252 227	-60 196	-312 423
Net income for the period					**142 414**	**142 414**	**55 363**	**197 777**
Gains and losses recognized directly in equity								
• Income from sales of treasury shares					-1 244	-1 244	-2	-1 246
• Income from cash flow hedging				-130 589		-130 589	-15 185	-145 774
• Translation profits and losses					-47 108	-47 108	2 592	-44 516
• Tax on other comprehensive income items				23 628		23 628	4 063	27 691
Other comprehensive income items	**–**	**–**	**–**	**-106 961**	**-48 352**	**-155 313**	**-8 532**	**-163 845**
Changes in the scope of consolidation					713	713	39 436	40 149
Other movements					-5 257	-5 257	32 303	27 046
EQUITY AT 12/31/2011	**265 507**	**1 596 521**	**-101 088**	**-327 941**	**664 182**	**2 097 181**	**1 326 040**	**3 423 221**
Share capital transactions	13 751	203 661				217 412		217 412
Share-based payments								
Treasury share transactions			1 877			1 877		1 877
Dividends					-268 755	-268 755	-95 271	-364 026
Net income for the period					**166 587**	**166 587**	**95 305**	**261 892**
Gains and losses recognized directly in equity								
• Income from sales of treasury shares					3 597	3 597	-4	3 593
• Income from cash flow hedging				-52 320		-52 320	-4 944	-57 264
• Translation profits and losses					43 762	43 762	10 372	54 134
• Tax on other comprehensive income items				9 288	-215	9 073	1 217	10 290
Other comprehensive income items	**–**	**–**	**–**	**-43 032**	**47 144**	**4 112**	**6 641**	**10 753**
Changes in the scope of consolidation				-92	-16 403	-16 495	104 084	87 589
Other movements					8 120	8 120	-26 115	-17 995
EQUITY AT 12/31/2012	**279 259**	**1 800 181**	**-99 211**	**-371 065**	**600 876**	**2 210 040**	**1 410 684**	**3 620 725**

6.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS OF THE FISCAL YEAR 2012

1.1. Investments

The Group invested a total of 458.2 million euros mainly in France (195.2 million euros), Scandinavia (189.5 million euros) and Italy (48.8 million euros).

The majority of this expenditure was invested in successfully opened shopping centers in Sweden (Emporia, October 2012) and in France (St.Lazare Paris, March 2012).

In Belgium, the Group invested 17.2 million euros in acquiring the site for the future Louvain-la-Neuve extension.

1.2. Disposals

Sixteen assets were sold for a total of 604.4 million euros (excluding the Claye-Souilly transaction):

- Four office buildings, including one held on undivided ownership terms (50%), located at 105, rue Anatole France in Levallois-Perret (16.5 million euros), a second office building held on undivided ownership terms (30,44%), Collines de l'Arche, located in La Défense (14.5 million euros), and also the Equilis (118.9 million euros) and Sereinis (92.6 million euros) office buildings located in Issy-les-Moulineaux;
- Twelve French shopping malls including Quetigny (88 million euros), Rambouillet (74.2 million euros), Illzach (63 million euros), Grand Nîmes (37.9 million euros), La Roche-sur-Yon (27.9 million euros), Aulnoy-lez-Valenciennes (17.1 million euros), Flins-sur-Seine (14.7 million euros), Beaune Saint-Jacques (11.7 million euros), Bourges (8 million euros) and Lormont (7.6 million euros).

The Group also disposed of 45% of the Claye-Souilly shopping center, as part of an asset transfer and shareholder restructuring.

1.3. Dividend

The shareholders approved at their annual meeting on April 12, 2012 the payout of a dividend of 1.45 euro per share in respect of fiscal year 2011, to be paid in cash or in shares, at the option of each shareholder. 81.4% of shareholders chose to have the dividend paid in shares. This resulted in a 217.7 million euros (excluding issue costs) increase in the equity and the creation of 9 822 100 new shares.

Cash dividend payments totaled 51.1 million euros.

Once this transaction was completed, Klépierre SA's share capital amounted to 279 258 476 euros and was divided into 199 470 340 shares with a par value of 1.40 euro.

1.4. Debt

Klépierre raised 1 000 million euros on the bond market during 2012. These issues were part of the Euro Medium Term Notes (EMTN) program:

- 50 million euros raised on the debt maturing on May 21, 2027 paying a 4.23% coupon;
- 50 million euros raised on the debt maturing on April 14, 2020 bringing the issue paying a 4.625% coupon to 300 million euros;
- 300 million euros raised on the debt maturing on March 14, 2021 bringing the issue paying a 4.75% coupon to 600 million euros;
- 100 million euros raised on the debt maturing on April 13, 2017 bringing the issue paying a 4% coupon to 850 million euros;
- 500 million euros raised on the debt maturing on September 17, 2019 paying a 2.75% coupon.

Two new credit lines were set up for a total of 1 billion euros, out of which 500 million euros expiring in 2016 and another 500 million euros expiring in 2018.

Klépierre waived 1 600 million euros of the 2 400 million euro bilateral credit line opened in October 2009, reducing the available amount to 800 million euros (500 million euros on tranche A and 300 million euros on tranche B of the loan).

The commercial paper program was increased by 100 million euros, bringing the total to 600 million euros.

In Scandinavia, Steen & Strøm ensured the refinancing of a 2 000 million Norwegian kroner mortgage loan (265 million euros) through two medium-term bond issues (1 350 million Norwegian kroner) and two mortgage loans (620 million Norwegian kroner). Steen & Strøm also arranged mortgages of 600 million Norwegian kroner and 1 500 million Swedish kronor.

1.5. Klépierre SA shareholder changes

On March 8, 2012 BNP Paribas announced the signature of an agreement with Simon Property Group to sell a block of 54 430 000 shares, representing a 28.7% equity stake in Klépierre, at 28 euros per share.

After this transaction BNP Paribas holds a 22.2% equity stake in Klépierre.

NOTE 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 21, avenue Kléber in Paris.

On January 23, 2013, the Executive Board approved the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2012 and authorized their publication.

Klépierre shares are traded on the Euronext Paris™ market (compartment A).

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 consolidated financial statements to December 31, 2012 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 to December 31, 2012 are presented in the form of complete accounts including all the information required by the IFRS framework.

The accounting principles applied to the consolidated financial statements as of December 31, 2012 are identical to those used in the consolidated financial statements as of December 31, 2011, with the exception of the adoption of the following new standards and interpretations, for which application is mandatory for the Group:

- Amendment to IFRS 7: Disclosures - Transfers of Financial Assets.

This amendment had no significant impact on the Group's financial statements at December 31, 2012.
This standard is applied prospectively and has no effect on the accounting treatment of transactions before January 1, 2012.
Klépierre has not applied early the new standards, amendments and interpretations adopted by the European Union where application in 2012 was optional. This applies to the following standards:

- Amendment to IAS 1: Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income;
- Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets;
- Amendment to IAS 19: Employee benefits;
- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities;
- Amendment to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 27: Separate Financial Statements;
- Amendment to IAS 28: Investments in Associates and Joint Ventures;
- Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time adopters;
- IFRS 10: Consolidated Financial Statements;
- IFRS 11: Joint Arrangements;
- IFRS 12: Disclosure of Interests in Other Entities;
- IFRS 13: Fair Value Measurement.

The measurement of the potential impacts of these texts on the consolidated accounts of Klépierre is ongoing.
The following texts have been published by the IASB but not yet adopted by the European Union:

- IFRS 9: Financial Instruments;
- Amendment to IFRS 10, 11, 12: Transaction guidance.

2.3. Consolidated financial statements – basis of preparation

The consolidated financial statements include the financial statements of Klépierre SA and its subsidiaries for the period to December 31, 2012.
The financial statements of subsidiaries are prepared for the same accounting period as that of the parent company using consistent accounting methods.
The Group's consolidated financial statements are prepared on the basis of the historical cost principle, with the exception of financial derivatives and available-for-sale financial assets, which are measured at fair value. The book value of assets and liabilities covered by fair-value hedges, which would otherwise be measured at cost, is adjusted to reflect changes in the fair value of the hedged risks.
The consolidated financial statements are presented in euros, with all amounts rounded to the nearest thousand unless otherwise indicated.

2.4. Use of material judgments and estimates

In preparing these consolidated financial statements in accordance with IFRS, the Group management was required to use estimates and make a number of realistic and reasonable assumptions. Some facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and earnings.
The principal assumptions made in respect of future events and other sources of uncertainty relating to the use of year-end estimates for which there is a significant risk of material change to the net book values of assets and liabilities in subsequent years are presented below:

Measurement of goodwill

The Group tests goodwill for impairment at least once a year. This involves estimating the value in use of the cash-generating units to which the goodwill is allocated. In order to determine their value in use, Klépierre prepares estimates based on expected future cash flows from each cash-generating unit, and applies a pre-tax discount rate to calculate the current value of these cash flows.

Investment property

The Group appoints independent appraisers to perform half-yearly appraisals of its real estate assets in accordance with the methods described in Note 2.12.2.
The appraisers make assumptions concerning future flows and rates that have a direct impact on the value of the buildings.

Financial instruments

The Group assesses the fair value of the financial instruments it uses in accordance with the standard models practiced on the market and described in Note 2.21.4.

2.5. Options used under IFRS 1

As part of the first application of the IFRS framework, IFRS 1 provides exemptions from some provisions of other IFRS standards. The application of these exemptions is optional.
For the Group, they relate mainly to:

- business combinations: non-restatements of business combinations occurring before the date of transition to IFRS;
- fair value or revaluation as deemed cost: use as deemed cost for property, plant and equipment and investment properties of the fair value applied in the consolidated financial statements in the revaluation carried out on January 1, 2003 following the adoption of SIIC* (listed real estate company) status;
- employee benefits: for post-employment defined benefits, the Group accounts for actuarial gains or losses on its commitments by applying the so-called "corridor" method;
- share-based payment transactions: only plans granted after November 7, 2002 whose rights were not yet vested at January 1, 2005 were recognized as an expense on the income statement.

* See glossary.

2.6. Scope and method of consolidation

2.6.1. Scope of consolidation

The Klépierre consolidated financial statements cover all those companies over which Klépierre exercises exclusive control, joint control or significant influence.

The percentage level of control takes account of the potential voting rights that entitle their holders to additional votes whenever these rights are immediately exercisable or convertible.

Subsidiaries are consolidated starting the date on which the Group gains effective control.

2.6.2. Consolidation method

The consolidation method is based on the degree of control exercised by the company.

- exclusive control: full consolidation. Control is presumed to exist where Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent company has the power to direct the financial and operational policies of the company and appoint, dismiss or convene the majority of the members of the Board of Directors or equivalent management body;
- joint control: proportional consolidation. Joint control exists where operational, strategic and financial decisions require unanimous agreement between the associates. The agreement is contractual, subject to bylaws and shareholder agreements;
- significant influence: consolidation using the equity method. Significant influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise sole or joint control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Investments in associates are initially recognized in the balance sheet at cost, plus or minus the share of the net cash position generated after the acquisition, minus impairment;
- no influence: the company is not consolidated.

Changes in equity of companies consolidated using the equity method are reported on the assets side of the balance sheet under "Investments in associates" and under the corresponding equity item on the liabilities and equity side. Goodwill on companies consolidated using the equity method is also reported under "Investments in associates".

2.6.3. Intercompany transactions

Intercompany balances and profits resulting from transactions between Group companies are eliminated. The internal profits eliminated relate in particular to the internal margin made on development fees incorporated into the cost price of capitalized assets or inventories by purchasing companies.

2.7. Accounting for business combinations

The accounting rules for business combinations comply with IFRS 3 (revised).

To decide whether a transaction is a business combination the Group notably considers whether an integrated set of activities is acquired besides the investment property. The criteria applied may include the number of property assets held by the target company, the extent of the acquired processes and, particularly, the auxiliary services provided by the acquired entity. If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

All business combinations are recognized using the acquisition method. The consideration transferred (acquisition cost) is measured as the fair value of assets given, equity issued and liabilities incurred at the transfer date. Identifiable assets and liabilities of the business acquired are measured at their fair value at the acquisition date. Any liabilities are only recognized if they represent a real obligation at the date of the business combination and if their fair value can be reliably measured.

For each business combination, the acquirer must measure all non-controlling interests held in the acquired company, either at their fair value at the acquisition date or at the corresponding share in the fair value of the assets and liabilities of the acquired company.

Any surplus of the consideration transferred and the value of non-controlling interests over the net fair value of the business' identifiable assets and liabilities is recognized as goodwill. Costs directly linked to the acquisition are recognized as expenses.

IFRS 3 (revised) stipulates a maximum period of twelve months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.

As regards the treatment of deferred tax assets, a gain in income for deferred tax assets unrecognized at the acquisition date or during the measurement period must be recognized.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date control is transferred. Any difference between fair value and net book value of this investment is recognized in income for the fiscal year.

The prospective accounting method of changes in the scope of consolidation was modified by the adoption of IAS 27 (revised), which specifies that:

"Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.

Transactions that do not affect control (additional acquisition or disposal) shall lead to a further distribution of shareholders' equity between the group share and the non-group share without an impact on profit or loss and/or a goodwill adjustment."

Goodwill is regularly reviewed by the Group and undergoes impairment testing at least once a year or if there is any indication of impairment. The method used by the Group to perform these impairment tests is explained in Note 2.12 Impairment of assets.

2.8. Translation of foreign currencies

The consolidated financial statements are presented in euros, which is the operating and reporting currency used by Klépierre. Each Group entity nominates its own operating currency, and all items in its financial statements are measured in this operating currency.

The Group's foreign subsidiaries conduct some transactions in currencies other than their operating currency. These transactions are initially recorded in the operating currency at the exchange rate applying on the transaction date.

On the balance sheet date, monetary assets and liabilities stated in foreign currencies are translated into the operating currency at the exchange rate for that day. Non-monetary items stated in foreign currencies and measured at their historical cost are translated using the exchange rates applying on the dates of the initial transactions. Non-monetary items stated in foreign currencies and measured at their fair value are translated using the exchange rates applicable on the dates when the fair values were calculated.

On the balance sheet date, the assets and liabilities of these subsidiaries are translated into the Klépierre SA reporting currency – the euro – at the exchange rate applying on that date. Their income statements are translated at the average weighted exchange rate for the year. Any resulting translation differences are allocated directly to shareholder equity under a separate item. In the event of disposal of a foreign operation, the total accrued deferred exchange gain/loss recognized as a distinct component of equity for that foreign operation is recognized in the income statement.

2.9. Intangible assets

An intangible asset is a non-monetary asset without physical substance. It must be simultaneously identifiable (and therefore separable from the acquired entity or arising from legal or contractual rights), controlled by the company as a result of past events and provide an expectation of future financial benefits.

IAS 38 states that an intangible asset should be amortized only where it has a known useful life. Intangible assets with an indefinite useful life should not be amortized, but should be tested annually for impairment (IAS 36) or whenever there is evidence of a loss of value.

Assets recognized as intangible assets with finite useful lives should be amortized on a straight-line basis over periods that equate to their expected useful life.

2.10. Investment property

According to IAS 40 almost all of Klépierre real estate meets the definition of "Investment property". Buildings occupied by the Group are recognized as tangible assets.

Klépierre opted to adopt IAS 40 using the cost accounting model on May 26, 2004 to maintain consistency between the accounting methods used by Klépierre and its then majority shareholder. Note 11.1 sets out pro forma financial data for investment properties on a fair value basis.

2.10.1. Cost model

Fixed assets are recognized at cost, inclusive of duties and fees, and are depreciated using the component method.

The distribution between non-depreciable values (land) and depreciable values (buildings) is established according to the methods set by the appraisers, i.e.:

- based on the land/building ratio for office buildings;
- by comparison with the reconstruction cost for shopping centers.

Depreciation of these assets must reflect consumption of the related economic benefits. It should be:

- calculated on the basis of the depreciable amount, which is equivalent to the acquisition cost less the residual value of the assets;
- spread over the useful life of the fixed assets components. Where individual components have different useful lives, each component whose cost is significant relative to the total cost of the asset must be depreciated separately over its own useful life.

After initial recognition, fixed assets are measured at cost, less any accumulated depreciation and impairment losses. These assets are straight-line depreciated over their useful life.

The depreciation period, depreciation method and residual asset values should be reviewed at each balance sheet date.

In addition, fixed assets are tested for impairment whenever there is evidence of a loss of value at June 30 or December 31. Where such evidence exists, the new recoverable asset value is compared against its net book value, and any impairment is recognized.

Capital gains or losses realized on investment property disposals are recognized under "Income from disposal of investment property" in the income statement.

2.10.2. The component method

The component method is applied based on the recommendations of the Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies) for components and useful life:

- for properties developed by the companies themselves, assets are classified by component type and recognized at cost;
- for other properties, components are broken down into four categories: business premises, shopping centers, offices and residential properties.

Four components have been identified for each of these asset types (in addition to land):

- structures;
- facades, cladding and roofing;
- general and technical installations (GTI);
- fittings.

Components are broken down based on the history and technical characteristics of each building.

Klépierre uses the following matrix to determine components:

	Offices		Shopping centers		Retail stores	
	Period	Share	Period	Share	Period	Share
Structures	60 years	60%	35 to 50 years	50%	30 to 40 years	50%
Facades	30 years	15%	25 years	15%	15 to 25 years	15%
GTI	20 years	15%	20 years	25%	10 to 20 years	25%
Fittings	12 years	10%	10 to 15 years	10%	5 to 15 years	10%

A wear and tear ratio is applied when the acquired property is not new. Purchase costs are split between land and buildings. The proportion allocated to buildings is amortized over the useful life of the structures. The residual value is equivalent to the current estimate of the amount the Company would achieve if the asset concerned were already of an age and condition commensurate with the end of its useful life, less disposal expenses.
Given the useful life periods applied, the residual value of components is zero.

2.11. Investment property held for sale

Investment properties under promise or mandate of sale are presented according to IFRS 5.
The accounting impacts are as follows:

- reclassification as held for sale at the lower of its carrying amount and fair value less costs to sell;
- investment properties concerned are presented separately in current assets;
- depreciation ceases.

2.12. Impairment of assets

IAS 36 applies to property, plant and equipment and intangible assets, including goodwill. This standard requires assessing whether there is any indication that an asset may be impaired.
Such indications may include:

- a major decline in market value;
- significant changes in the technological, economic or legal environment.

For the purposes of this test, assets are grouped into Cash Generating Units (CGUs). CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.
In most cases the Klépierre group treats each property and shopping center* as a CGU.
An impairment loss must be recognized wherever the recoverable value of an asset is less than its carrying amount.
The recoverable amount is the fair value minus selling expenses or its value use, whichever is the higher.
The method used to calculate the fair value of investment properties is described in Note 2.12.2.
Value in use is calculated on the basis of discounted future cash flows expected to arise from the planned use of an asset and from its disposal at the end of its useful life.
Under certain circumstances, the entity may later recognize all or part of such impairment losses in its income statement, with the exception of unallocated goodwill.

2.12.1. Measurement of goodwill and other intangible assets

Group goodwill relates chiefly to Ségécé and management companies. Appraisal tests are conducted at least annually by an independent appraiser. Appraisals are updated to take account of any significant event occurring during the year.
The appraisals conducted for Klépierre by Aon Accuracy are based chiefly on the range of estimated values generated by applying the Discounted Cash Flow (DCF) method over a period of five years. The first stage of this method involves estimating the future cash flows that could be generated by the business portfolio of each company, excluding any direct or indirect finance costs. In the second stage, cash flows and the probable value of the portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is arrived at 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 a third and final phase the value is obtained for each company's equity by deducting its net debt and any non-controlling interests on the valuation date from the value of its business portfolio.

Goodwill of Ségécé and management companies

The impairment test consists of comparing the net book asset value of the entities with the net asset value measured by the independent appraiser.
The main assumptions used to calculate the enterprise value are the following:

- the discount rate applied is 7.6% (7.6% at December 31, 2011);
- the free cash flows over the duration of the business plan are based on business volume and operating margin assumptions that take into account economic and market assumptions on the date on which the plan was established;
- a growth rate for the 2013-2017 period based on the assumptions of the internal business plan approved by the management;
- Ségécé's end value was determined with a growth rate applied from 2017 of 1%.

At December 31, 2012, based on the assumptions described, the fair value of the net assets of Ségécé and management companies is greater than its book value at the same date.
The change in assumptions deemed reasonably possible by the management, namely an EBIT margin decreased by 20% and a capping of investments made at 75% would still cause the net assets of Ségécé and management companies to be valued at greater than their net book value at December 31, 2012.
Finally, after initial recognition, other intangible assets are recognized at cost, less any related depreciation and impairment losses. Intangible assets with finite useful lives are straight-line depreciated over their useful life. Useful lives are examined annually and an impairment test is conducted if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized. The indefinite nature of the useful life is reviewed annually. These assets are tested for impairment annually, or if there is any indication of impairment, by comparing the book value against the recoverable value. In the event of impairment, an impairment loss is recognized in income. The Klépierre group's intangible assets are not subject to an external appraisal.

2.12.2. Fair value of investment property

Fair value is the amount at which an asset may be traded between fully informed, consenting parties acting under the conditions of normal competition.
The fair value is the most likely price (excluding transaction fees and expenses) that could be reasonably obtained in the market on the balance sheet date.

See glossary.

The fair value of Klépierre's investment properties is appraised by the independent appraisers responsible for valuing the Group's assets on June 30 and December 31 of each year, but excludes transfer duties and fees (fees are measured on the basis of a direct sale of the asset, even though these costs can, in some cases, be reduced by selling the company that owns the asset).

However, given the fact that these appraisals are, by their nature, estimates, it is possible that the amount realized on the disposal of some real estate assets will differ from the appraised value of those assets, even where such disposal occurs within a few months of the balance sheet date.

Klépierre entrusts the task of appraising its real estate assets to various appraisers. Offices are appraised by Auguste-Thouard.

Shopping centers are appraised by:

- Retail Consulting Group Expertise (RCGE) appraises French assets (with the exception of Progest, SCOO, Le Havre Coty, Klécar (North-Eastern and Western regions), Le Millénaire, Roques-sur-Garonne and Odysseum Montpellier portfolios), approximately 50% of Spanish assets, all of the Portuguese and Greek assets and the Italian portfolio excluding Klépierre Italy (shopping centers owned 100% by the Group);
- Jones Lang LaSalle (JLL) appraises the Progest, SCOO, Le Havre Coty, Le Millénaire and Odysseum Montpellier portfolios in France, all Polish and Belgian assets and 50% of Hungarian and Norwegian assets;
- Auguste-Thouard appraises the Klécar assets (North-Eastern and Western regions) and the Roques-sur-Garonne shopping center;
- DTZ appraises Danish, Swedish, Czech and Slovakian assets, 50% of Norwegian, Spanish and Hungarian assets and Klépierre Italy (shopping centers 100% owned by the Group).

Retail stores are appraised by:

- Retail Consulting Group Expertise (RCGE) appraises Feu-Vert assets, Buffalo Grill restaurants and the Chalon Sud 2 retail park;
- BNP Paribas Real Estate appraisers the Défi Mode, Sephora, King Jouet, Cap Nord, Akene, Da Costa and Delbard portfolios.

All appraisals are conducted in accordance with the principles of the *Charte de l'expertise en évaluation immobilière*, AMF recommendations of February 8, 2010 and RICS standards. The fees paid to appraisers, agreed prior to their appraisal of the properties concerned, are fixed on a lump sum basis to reflect the number and complexity of the assets appraised. The fee is entirely unrelated to the appraised value of the assets concerned.

(in thousands of euros)	Appraisal fees
RCGE	857
JLL	229
Auguste-Thouard	336
DTZ	418
TOTAL	**1 840**

2.12.3. Shopping centers

All Klépierre Group assets are systematically appraised using two methods: yield method and discounted cash flows.

According to the yield method, to determine the fair market value of a shopping center, appraisers apply a yield rate* to net annual rents for occupied premises, and to the net market rent for vacant properties, discounted for the anticipated period of vacancy.

The present value of rebates on minimum guaranteed rent payments, expenses payable on currently vacant premises and non-chargeable work is then deducted from the fair market value calculated above. A standard vacancy rate* is then defined for each asset. The discount rate applied is the same as the yield rate used in the fair market value calculation.

Gross rent* Includes the minimum guaranteed rent, the variable part of the rent and the market rental price for vacant properties. The net total rent is calculated by deducting the following expenses from the gross rent: management charges, non-reinvoiced charges, expenses relating to provisions for vacant premises and the average loss on bad debts over the previous five years.

The yield rate is set by the appraiser based on a range of parameters, the most important of which are: retail sales area, layout, competition, type and percentage of ownership, lease income and extension potential and comparability with recent transactions in the market.

The discounted cash flows method calculates the value of an asset as the sum of discounted future cash flows based on a discount rate defined by the appraiser.

The appraiser estimates anticipated total revenues and expenses relating to the asset, and then measures a "terminal value" at the end of an average ten-year analytical period. By comparing the market rental values with face rental values, the appraiser assesses the reversion potential of the asset, using the market rental value at the end of the lease, after deduction of the expenses incurred in remarketing the property. Lastly the appraiser discounts the forecast cash flow to determine the present value of the property.

The discount rate adopted reflects the market risk-free rate (ten-year OAT bond) plus a property market risk and liquidity premium and an asset-specific premium reflecting the location, specification and tenancy of each building.

Investment properties under construction and covered by irrevocable development permission also fall within the scope of IAS 40 and are subject to internal valuations.

2.12.4. Office properties

Auguste-Thouard adopts three approaches: the first is the discounted cash flow, the second involves a direct comparison with similar transactions completed in the market during the period, whilst the third involves capitalizing recognized or estimated revenue. Analysis of this revenue identifies the existence of one of three scenarios, depending on whether the rent is broadly in line with, higher than or lower than the market value.

In the first scenario, the rent used is the recognized rent.

In the second and third scenario, the rent used is the rent at market value and the calculation takes into account the capital gain (or the financial depreciation) arising from the difference between the recognized rent and the rent at market value. In these scenarios, appraisers have also considered the renewal date of the lease. According to the French decree of September 30, 1953, the rents of properties exclusively dedicated to office use are automatically aligned with the market rental value, at the renewal of the leases.

Appraisers base their work on the yield rate rather than the capitalization rate*. In other words, the rate used is that applied to the revenue calculated as described above in order to arrive at an appraised value "inclusive of transfer duties". Previously, the rate used resulted in a valuation exclusive of transfer duties. In arriving at the appraised value "exclusive of transfer duties", the transfer duties and fees were deducted at the rate applied in each country.

* *See glossary.*

2.13. Inventory

IAS 2 defines inventory as assets held for sale in the ordinary course of business, assets in progress and intended for sale and materials and supplies (raw materials) intended for consumption in the production of products and services.
Impairment must be recognized if the net realizable value (fair value net of estimated costs of completion and estimated costs needed to make the sale) is lower than the recognized cost.

2.14. Leases

2.14.1. Leases

According to IAS 17, the Group distinguishes two types of lease:

- finance lease, which is a lease that transfers substantially all the risks and rewards inherent in the ownership of an asset to the lessee. Title to the asset may or may not eventually be transferred at the end of the lease term;
- other leases are classified as operating leases.

2.14.2. Recognition of stepped rents and rent-free periods

Lease income from operating leases is recognized over the full lease term on a straight-line basis.
Stepped rents and rent-free periods are recognized as additions to, or deductions from, lease income for the fiscal year.
The reference period adopted is the first firm lease term.

2.14.3. Entry fees

Entry fees received by the lessor are recognized as supplementary rent. Entry fees are part of the net amount exchanged between the lessor and the lessee under a lease. For this purpose, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement or the rent payment schedule. Entry fees are spread over the first firm lease term.

2.14.4. Early termination indemnities

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties.
Such penalties are allocated to the terminated contract and credited to income for the period in which they are recognized.

2.14.5. Eviction compensation

When a lessor terminates a lease prior to the expiration date, he must pay eviction compensation to the tenant.

Replacement of a tenant

Where the payment of eviction compensation enables asset performance to be maintained or improved (higher rent, and therefore higher asset value), revised IAS 16 allows for this expense to be capitalized as part of the cost of the asset, provided that the resulting increase in value is confirmed by independent appraisers. Where this is not the case, the cost is recognized as an expense.

Renovation of a property requiring the removal of resident tenants

Where eviction compensation is paid as a result of the fact that major renovation or reconstruction of a property requires the prior removal of tenants, the cost of the compensation is treated as a preliminary expense and recognized as an additional component of the total renovation cost.

2.14.6. Building leases: IAS 40 and IAS 17

Land and building leases are classified as operating or finance leases, and are treated in the same way as leases for other types of assets.
Further to the improvements made to International Financial Reporting Standards (IFRS) 2009, IAS 17 was subject to an amendment related to the classification of land elements of leases. Until 2009, leased land was classified under operating leases (unless the ownership of the land was intended to be transferred to the lessee at the end of the lease).
With effect from January 1, 2010, when a lease comprises both land and building elements, an entity is required to assess the classification of each element as a finance or operating lease separately, based on criteria provided by IAS 17 (an important factor to take into account is that, in principle, land has an indefinite economic useful life).
Klépierre considered that, for the land elements of building contracts, the criterion of an operating lease was fulfilled.
Initial payments made in this respect therefore constitute pre-lease payments, and are amortized over the term of the lease in accordance with the pattern of benefits provided. Analysis is on a lease-by-lease basis.
Under the IAS 40 components method, these initial payments are classified as prepaid expenses.

2.15. Trade and other receivables

Trade receivables are recognized and measured at invoice face value minus accruals for non-recoverable amounts. Bad debts are estimated when it is likely that the entire amount receivable will not be recovered. When identified as such, non-recoverable receivables are recognized as losses.

2.16. Borrowing costs

Under IAS 23, borrowing costs directly attributable to the acquisition or construction of eligible assets are included in the cost of the respective assets.
When a loan is not directly attributable to an asset, Klépierre uses the capitalization rate applied to the expenses related to the asset in order to measure the attributable cost; if several non-specific borrowing lines exist, the capitalization rate is the weighted average rate of those loans.

2.17. Provisions and contingent liabilities

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized where the Group has a liability towards a third party, and it is probable or certain that an outflow of resources will be required to settle this liability without an equivalent or greater amount expected to be received from the third party concerned.
IAS 37 requires that non-interest-bearing long-term liabilities are discounted.

2.18. Current and deferred taxes

2.18.1. The tax status of Sociétés d'investissement immobilier cotées (SIIC)

At the general meeting of shareholders held on September 26, 2003, Klépierre was authorized to adopt the SIIC* tax status.

General features of the SIIC tax status

All SIICs are entitled to the corporate tax exemption status introduced by article 11 of the 2003 French Finance Act as implemented under the decree of July 11, 2003 provided that their stock is listed on a regulated French market, that they are capitalized at 15 million euros or more and that their corporate purpose is either the purchase or construction of properties for rent or direct or indirect investment in entities with that corporate purpose. The option to adopt SIIC status is irrevocable. Subsidiaries subject to corporate income tax and owned at least 95% by the Group may also claim SIIC status.

In return for tax exemption, companies must distribute 85% of their rental income, 50% of the capital gains made on property disposals and 100% of the dividends received from their subsidiaries subject to SIIC status.

Claiming SIIC status makes the entity concerned immediately subject to a 19% exit tax on unrealized gains on properties and on shares in partnerships not subject to corporate income tax. 25% of the exit tax is payable on December 15 of the year in which SIIC status is first adopted, with the balance payable over the following three years.

Discounting of exit tax liability

The exit tax liability is discounted on the basis of its payment schedule. This liability is payable over a four-year period, commencing at the point when the entity concerned adopts SIIC status.

Following initial recognition in the balance sheet, the liability is discounted and an interest expense is recognized in the income statement on each balance sheet date. In this way, the liability is reduced to its net present value on that date. The discount rate is calculated on the basis of the interest rate curve, taking into account the deferment period and the Klépierre refinancing margin.

Corporate income tax on companies not eligible for SIIC status

Since adopting SIIC status in 2003, Klépierre SA has made a distinction between SIICs that are exempt from property leasing and capital gains taxes, and other companies that are subject to those taxes.

Corporate income tax on non-SIICs is calculated in accordance with French common law.

2.18.2. French common law and deferred tax

The corporate income tax charge is calculated in accordance with the rules and rates adopted or virtually adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

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

Deferred taxes are recognized where there are timing differences between the carrying amounts of balance sheet assets and liabilities and their tax bases, and taxable income is likely in future periods.

A deferred tax asset is recognized where tax losses are carried forward on the assumption that the entity concerned is likely to generate future taxable income against which those losses can be offset.

Deferred tax assets and liabilities are measured using the liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax regulations adopted, or to be adopted before the balance sheet date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

All current and deferred tax is recognized as tax income or expense in the income statement, except for deferred tax recognized or settled at the time of acquiring or disposing of a subsidiary or investment and unrealized capital gains and losses on assets held for sale. In these cases, the associated deferred tax is recognized as equity.

Deferred tax is calculated at the local rate applicable at the closing date. The main rates applied are: France 34.43%, Spain 30%, Italy 31.40%, Belgium 33.99%, Greece 20%, Portugal 26.5%, Poland 19%, Hungary 10%, Czech Republic 19%, Slovakia 23%, Sweden 22% and Norway 28%.

2.19. Treasury shares

All treasury shares held by the Group are recognized at their acquisition cost and deducted from equity. Any gain arising on the disposal of treasury shares is recognized immediately as equity, such that disposal gains or losses do not impact the net income for the fiscal year.

2.20. Distinction between liabilities and equity

The difference between liabilities and equity depends on whether or not the issuer is bound by an obligation to make a cash payment to the other party. The fact of being able to make such a decision regarding cash payment is the crucial distinction between these two concepts.

2.21. Financial assets and liabilities

Financial assets include long-term financial investments, current assets representing accounts receivable, debt securities and investment securities (including derivatives) and cash.

Financial liabilities include borrowings, other forms of financing and bank overdrafts, derivatives and accounts payable.

IAS 39 "Financial instruments: recognition and measurement" describes how financial assets and liabilities must be measured and recognized.

2.21.1. Measurement and recognition of financial assets

Loans and receivables

These include receivables from investments, other loans and receivables. All are recognized at amortized cost, which is calculated using the effective interest rate method. The effective interest rate is the rate that precisely discounts estimated future cash flows to the net carrying amount of the financial instrument.

Available-for-sale financial assets

Available-for-sale financial assets include equity interests. Equity interests are the holdings maintained by the Group in non-consolidated companies.

Investments in equity instruments not listed in an active market and whose fair value cannot be reliably measured must be measured at cost.

** See glossary.*

Cash and cash equivalents

Cash and cash equivalents includes cash held in bank accounts, short-term deposits maturing in less than three months, money market funds and other marketable securities.

2.21.2. Measurement and recognition of financial liabilities

With the exception of derivatives, all loans and other financial liabilities are measured at amortized cost using the effective interest method.

Recognition of liabilities at amortized cost

In accordance with IFRS, redemption premiums on bonds and debt issuance expenses are deducted from the nominal value of the loans concerned and incorporated into the calculation of the effective interest rate.

Application of the amortized cost method to liabilities hedged at fair value

Changes in the fair value of (the effective portion of) swaps used as fair value hedges are balanced by remeasurement of the hedged risk component of the debt.

Given that the characteristics of derivatives and items hedged at fair value are similar in most instances, any ineffective component carried to hedging profit or loss will be minimal.

If a swap is canceled before the due date of the hedged liability, the amount of the debt adjustment will be amortized over the residual term using the effective interest rate calculated at the date the hedge ended.

Measurement and recognition of derivatives

As the parent company, Klépierre takes responsibility for almost all Group funding and provides centralized management of interest and exchange rate risks. This financial policy involves Klépierre in implementing the facilities and associated hedging instruments required by the Group.

Klépierre hedges its liabilities using derivatives and has consequently adopted hedge accounting in accordance with IAS 39:

- hedges to cover balance sheet items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fair value hedge);
- hedges to cover the exposure to future cash flow risk (cash flow hedges), which consists of fixing future cash flows of a variable-rate liability or asset.

The Klépierre portfolio meets all IAS 39 hedge definition and effectiveness criteria.

The adoption of hedge accounting has the following consequences:

- fair value hedges of existing assets and liabilities: the hedged portion of the asset/liability is accounted for at fair value in the balance sheet. The gains or losses resulting from changes in fair value are recognized immediately in profit or loss. At the same time, there is an opposite corresponding adjustment in the fair value of the hedging instrument, in line with its effectiveness;
- cash flow hedges: the portion of the gain or loss on the fair value of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and recycled to the income statement when the hedged cash transaction affects profit or loss. The gain or loss from the change in value of the ineffective portion of the hedging instrument is recognized immediately in profit or loss.

2.21.3. Recognition date: trade or settlement

IFRS aims at reflecting the time value of financial instruments as closely as possible by ensuring that, wherever possible, instruments with a deferred start date are recognized on the trade date, thus allowing calculation of the deferred start date.

However, this principle cannot be applied to all financial instruments in the same way. For example, commercial paper is often renewed a few days before its due date. If these instruments were recognized at their trade date, this would artificially inflate the amount concerned between the renewal trade date of a paper and its effective start date.

Klépierre applies the following rules:

- derivatives are recognized at their trade date, since their measurement effectively takes account of any deferred start dates;
- other financial instruments (especially liabilities) are recognized on the basis of their settlement date.

2.21.4. Method used to calculate fair value

Financial assets and liabilities recognized at fair value are measured either on the basis of market price or by applying measurement models that apply the market parameters that existed on the balance sheet date. The term "model" refers to mathematical methods based on generally-accepted financial theories. The realizable value of these instruments may differ from the fair value adopted when preparing the financial statements.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly on the basis of reliable levels of supply and demand, or in which transactions involve instruments that are very similar to the instrument being measured.

Where prices quoted on an active market are available on the closing date, they are used to determine fair value. Listed securities and derivatives traded on organized markets such as futures or option markets are therefore measured in this way.

Most OTC (Over The Counter) derivatives, swaps, futures, caps, floors and simple options are traded on active markets. They are measured using generally-accepted models (discounted cash flow, Black and Scholes, interpolation techniques, etc.) based on the market prices of such instruments or similar underlying values.

2.21.5. Tax treatment of changes in fair value

In Klépierre's case:

- the non-SIIC* part of the deferred tax on financial instruments recognized at fair value is calculated pro rata of net financial income;
- the financial instruments of foreign subsidiaries recognized at fair value generate a deferred tax calculation on the basis of the rates applying in the country concerned.

2.22. Employee benefits

Employee benefits are recognized as required by IAS 19, which applies to all payments made for services rendered, except for share-based payment, which is covered by IFRS 2.

All employee benefits, whether paid in cash or in kind, short term or long term, must be classified into one of the following four main categories:

- short-term benefits, such as salaries and wages, annual vacation, mandatory and discretionary profit-sharing schemes and company contributions;
- post-employment benefits: these relate primarily to supplementary pension payments in France, and private pension schemes elsewhere;
- other long-term benefits, which include paid vacation, long-service payments, and some deferred payment schemes paid in monetary units;
- severance pay.

Measurement and recognition methods vary depending on the category of benefit.

2.22.1. Short-term benefits

The Company recognizes an expense when it uses services provided by its employees and pays agreed benefits in return.

2.22.2. Post-employment benefits

In accordance with generally-accepted principles, the Group makes a distinction between defined contribution and defined benefit plans.

"Defined contribution plans" do not generate a liability for the Company, and therefore are not provisioned. Contributions paid during the period are recognized as an expense.

"Defined benefit plans" only do generate a liability for the Company, and are therefore measured and provisioned.

The classification of a benefit into one or other of these categories relies on the economic substance of the benefit, which is used to determine whether the Group is required to provide the promised benefit to the employee under the terms of an agreement or an implicit obligation.

Post-employment benefits classified as defined benefit plans are quantified actuarially to reflect demographic and financial factors.

The amount of the commitment to be provisioned is calculated on the basis of the actuarial assumptions adopted by the company and by applying the projected unit credit method. The value of any hedging assets (plan assets and redemption rights) is deducted from the resulting figure.

Measurement of the liabilities inherent in a plan and the value of its hedging assets may vary considerably from one accounting period to another as actuarial assumptions change, and may therefore give rise to actuarial gains or losses. The Group accounts for actuarial gains or losses on its commitments by applying the so-called "corridor" method. This method means that the proportion of actuarial gains or losses that exceeds the higher of the following values need not be recognized until the following period and may then be spread over time: 10% of the discounted value of the gross liability or 10% of the market value of the plan's hedged assets at the end of the previous period.

IAS 19 (revised) adopted by the European Union in June 2012 and effective for periods beginning on or after January 1, 2013, will have no effect on the income statement as the accumulated unrecognized actuarial loss at December 31, 2012 was within the corridor limit. Concerning the impact on equity, the amount of unrecognized obligations (accumulated actuarial differences and differences resulting from the change of tax status) was 904 thousand euros at December 31, 2012 (compared to 1 060 thousand euros at December 31, 2011). The resulting expense will booked in the equity at fist time application of the standard without being recycled through the income statement.

2.22.3. Long-term benefits

These are benefits other than post-employment benefits and severance pay, which are not payable in full within twelve months of the end of the financial year in which the employees concerned provided the services in question.

The actuarial measurement method applied is similar to that used for post-employment defined benefits, except that actuarial gains or losses are recognized immediately and no corridor is applied. Furthermore, any gain or loss resulting from changes to the plan, but deemed to apply to past services, is recognized immediately.

2.22.4. Severance pay

Employees receive severance pay if their employment with the Group is terminated before they reach the statutory retirement age or if they accept voluntary redundancy. Severance pay falling due more than twelve months after the balance sheet date is discounted.

2.23. Share-based payments

According to IFRS 2, all share-based payments must be recognized as expenses when use is made of the goods or services provided in return for these payments.

For the Klépierre group, this standard applies primarily to the purchase of shares to meet the commitments arising from its employee stock option scheme.

Stock subscription options granted to employees are measured at their fair value determined on the date of allocation. This fair value is not subsequently remeasured for equity-settled share-based payment transactions, even if the options are never exercised. This value, which is applied to the number of options eventually vested at the end of the vesting period (estimate of the number of options canceled owing to departures from the company) is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (i.e. the period during which employees must work for the Company before they can exercise the options granted to them).

This employee expense reflecting the options granted (corresponding to the fair value of services rendered by employees) is measured by a specialist third-party company. The model adopted complies with the basic assumptions of the Black & Scholes model, adapted to the specific characteristics of the options concerned.

*See glossary.

2.24. Segment information

IFRS 8 requires the presentation of information about the operating segments of the Group, and replaces the previous provisions applying to the determination of primary (business segments) and secondary segments (geographic segments).

Operating segments are identified on the basis of the internal reporting model used by management when evaluating performance and allocating resources. They are limited neither by lines of business nor geography.

The various operating segments adopted by Klépierre are presented in Note 3.

2.25. Net earnings per share

Earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of current shares in circulation, excluding treasury shares.

Diluted earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of current shares in circulation, excluding treasury shares, and adjusted to reflect the effects of the diluting options adopted.

In accordance with IAS 33, the average number of shares at the balance sheet date is adjusted after payment of the dividend in the form of shares if necessary.

NOTE 3. SEGMENT INFORMATION

3.1. Segment income statement at December 31, 2012

For management purposes, the Group is structured into business segments and geographic regions. There are eight operating segments.

Shopping centers are structured into six operating segments:

- France/Belgium (France, Belgium);
- Scandinavia (Norway, Sweden and Denmark);
- Italy;
- Iberia (Spain, Portugal);
- Central Europe (Hungary, Poland, Czech Republic);
- Other countries (Greece, Slovakia).

The remaining two operating segments are Retail assets and Office buildings.

The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation.

Group financial policy (including the impact of financial income and expenses), corporate activities and fiscal result calculation are handled at Group level, and are not allocated to the operating segments.

	Shopping centers			
	France-Belgium		Scandinavia	
(in millions of euros)	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011
Rents	*400.3*	*369.1*	*218.0*	*202.8*
Other lease income	*6.5*	*11.1*	–	*0.2*
Lease income	**406.8**	**380.1**	**218.0**	**203.0**
Rental and building expenses	-33.6	-28.6	-28.8	-33.1
Net rents	**373.2**	**351.5**	**189.2**	**169.8**
Management and other income	43.3	43.2	31.1	27.0
Payroll and other general expenses	-60.2	-53.5	-43.4	-38.6
EBITDA	**363.9**	**355.1**	**177.6**	**159.6**
Depreciation and allowance	-129.2	-99.1	-81.1	-91.3
Income from disposals	164.4	38.1	-0.3	2.6
Share in earnings of equity method investees	1.5	1.5	–	–
SEGMENT INCOME	**400.6**	**295.6**	**96.2**	**70.9**

	Shopping centers		Retail	
	Total		France	
(in millions of euros)	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011
Rents	*918.8*	*875.5*	*44.0*	*42.3*
Other lease income	*8.7*	*13.5*	–	*0.1*
Lease income	**927.5**	**889.0**	**44.0**	**42.4**
Rental and building expenses	-104.0	-102.6	-1.3	-1.6
Net rents	**823.5**	**786.5**	**42.8**	**40.8**
Management and other income	102.8	103.5	0.4	0.2
Payroll and other general expenses	-138.6	-126.3	-2.0	-2.0
EBITDA	**787.7**	**763.6**	**41.2**	**38.9**
Depreciation and allowance	-359.4	-298.1	-18.7	-9.7
Income from disposals	164.0	43.4	–	0.3
Share in earnings of equity method investees	1.5	1.5	–	–
SEGMENT INCOME	**593.9**	**510.5**	**22.4**	**29.6**
Net dividends and provisions on non-consolidated investments				
Net cost of debt				
Change in the fair value of financial instruments				
Effect of discounting				
PROFIT BEFORE TAX				
Corporate income tax				
NET INCOME				

	Shopping centers							
	Italy		Iberia		Central Europe		Other countries	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
	123.6	*120.4*	*93.1*	*96.8*	*78.4*	*79.7*	*5.4*	*6.9*
	1.8	*2.0*	*0.2*	*0.2*	*0.2*	*0.1*	*–*	*–*
	125.4	**122.4**	**93.2**	**97.0**	**78.6**	**79.8**	**5.4**	**6.9**
	-14.0	-11.0	-11.3	-10.7	-14.5	-16.0	-1.9	-3.2
	111.4	**111.4**	**81.9**	**86.3**	**64.2**	**63.8**	**3.6**	**3.7**
	6.1	5.8	6.6	6.1	2.5	3.0	0.1	0.1
	-12.2	-11.3	-14.5	-13.3	-7.8	-9.1	-0.4	-0.5
	106.9	**107.2**	**74.3**	**79.4**	**61.7**	**59.0**	**3.3**	**3.4**
	-34.9	-33.1	-50.6	-41.6	-49.6	-24.1	-13.9	-8.9
	–	–	–	3.0	–	-0.3	–	–
	–	–	–	–	–	–	–	–
	72.0	**74.0**	**23.7**	**40.9**	**12.1**	**34.6**	**-10.6**	**-5.5**

	Offices					
	France		Unallocated		Klépierre group	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
	20.2	*27.3*	*–*	*–*	*983.0*	*945.1*
	0.4	*–*	*–*	*–*	*9.1*	*13.6*
	20.6	**27.3**	**–**	**–**	**992.1**	**958.7**
	-3.1	-2.9	–	–	-108.3	-107.1
	17.6	**24.4**	**–**	**–**	**883.8**	**851.6**
	1.2	1.7	–	0.1	104.4	105.5
	-0.9	-0.9	-25.0	-20.9	-166.5	-150.1
	17.9	**25.3**	**-25.0**	**-20.8**	**821.8**	**807.0**
	-5.9	-9.6	-1.2	-0.5	-385.2	-317.9
	40.8	22.6	–	–	204.8	66.3
	–	–	–	–	1.5	1.5
	52.8	**38.2**	**-26.2**	**-21.3**	**642.9**	**556.9**
					–	0.2
					-317.7	-315.8
					-41.6	-21.4
					–	-0.3
					283.6	**219.7**
					-21.7	-21.9
					261.9	**197.8**

3.2. Net book value of investment property by operating segment

(in thousands of euros)	Net book value of investment poperty
Shopping centers	**10 561 466**
France-Belgium	3 877 245
Scandinavia	3 567 455
Italy	1 340 228
Iberia	1 014 025
Central Europe	712 558
Other countries	49 955
Retail	**524 905**
Offices properties	**214 667**
TOTAL	**11 301 038**

3.3. Investment by operating segment

Investments include acquisitions and changes of scope.

(in thousands of euros)	Shopping centers	Retail	Office properties	**Total 12/31/2012**
Property, plant and equipment	4 887	–	–	4 887
Investment property	99 715	168	–	99 883
Investment property under construction	385 126	165	7 530	392 821
TOTAL	**489 728**	**333**	**7 530**	**497 591**

Liabilities are unallocated.

3.4. Customer receivables by operating segment

(in thousands of euros)	**12/31/2012**	12/31/2011
Shopping centers	**129 079**	**92 975**
France-Belgium	57 056	27 362
Scandinavia	20 401	14 763
Italy	13 710	16 934
Iberia	11 661	10 484
Central Europe	22 735	19 937
Other countries	3 516	3 495
Offices properties	**2 099**	**3 533**
Retail	**1 988**	**2 431**
TOTAL	**133 165**	**98 939**

NOTE 4. SCOPE OF CONSOLIDATION

Companies	Country	Methods at 12/31/2012 (1)	% of interest 12/31/2012	% of interest 12/31/2011	% of interest Change	% of control 12/31/2012	% of control 12/31/2011	% of control Change
Offices								
SA Klépierre	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Shopping centers - France								
SAS KLE 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC SCOO	France	FC	53.64%	53.64%	–	53.64%	53.64%	–
SNC Klécar France	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SNC KC1	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC3	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC4	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC5	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC6	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC7	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC8	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC9	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC10	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC11	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC12	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC20	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SAS LP7	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Centre Jaude Clermont	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCS Klécar Europe Sud	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SC Solorec	France	FC	80.00%	80.00%	–	80.00%	80.00%	–
SNC Centre Bourse	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCS Bègles Arcins	France	FC	52.00%	52.00%	–	52.00%	52.00%	–
SCI Bègles Papin	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Sécovalde	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SAS Cécoville	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Soaval	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCA Klémurs	France	FC	84.11%	84.11%	–	84.11%	84.11%	–
SCS Cécobil	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI du Bassin Nord	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SNC Le Havre Vauban	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SNC Le Havre Lafayette	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Nancy Bonsecours	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Sodevac	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Odysseum Place de France	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SAS Klécar Participations Italie	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SNC Pasteur	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Holding Gondomar 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Holding Gondomar 3	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Participations et Financements	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Combault	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Klétransactions	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI La Plaine du Moulin à Vent	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Beau Sevran Invest	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SCI Valdebac	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SAS PROGEST	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI La Rocade	France	EM	38.00%	38.00%	–	38.00%	38.00%	–
SCI Girardin	France	PC	33.40%	33.40%	–	33.40%	33.40%	–
SARL Belvedere Invest	France	FC	55.00%	55.00%	–	55.00%	55.00%	–

Companies	Country	Methods at 12/31/2012 (1)	% of interest 12/31/2012	% of interest 12/31/2011	% of interest Change	% of control 12/31/2012	% of control 12/31/2011	% of control Change
SCI Haies Haute Pommeraie	France	FC	53.00%	53.00%	–	53.00%	53.00%	–
SCI Plateau des Haies	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI la Rocade Ouest	France	EM	36.73%	36.73%	–	36.73%	36.73%	–
SARL Forving	France	FC	93.15%	93.15%	–	93.15%	93.15%	–
SCI du Plateau	France	EM	19.65%	19.65%	–	30.00%	30.00%	–
SCI Saint Maximin Construction	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SCI Immobilière de la Pommeraie	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Pommeraie Parc	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI Champs des Haies	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI La Rive	France	FC	85.00%	85.00%	–	85.00%	85.00%	–
SCI Rebecca	France	FC	70.00%	70.00%	–	70.00%	70.00%	–
SCI Aulnes Développement	France	PC	25.50%	25.50%	–	50.00%	50.00%	–
SARL Proreal	France	FC	51.00%	51.00%	–	51.00%	51.00%	–
SNC Parc de Coquelles	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Achères 2000	France	EM	30.00%	30.00%	–	30.00%	30.00%	–
SCI Le Mais	France	FC	80.00%	80.00%	–	80.00%	80.00%	–
SCI le Grand Pré	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI Champs de Mais	France	EM	40.00%	40.00%	–	40.00%	40.00%	–
SCI LC	France	FC	88.00%	88.00%	–	100.00%	100.00%	–
SARL Société du bois des fenêtres	France	EM	20.00%	20.00%	–	20.00%	20.00%	–
SAS Kleprojet 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klecapnor	France	FC	84.11%	84.11%	–	100.00%	100.00%	–
SARL Immo Dauland	France	FC	84.13%	84.13%	–	100.00%	100.00%	–
SAS Carré Jaude 2	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Créteil	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Albert 31	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SCI Galeries Drancéennes	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Kleprim's	France	PC	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
SCI Porte de Clayes	France	FC	55.00%	0.00%	55.00%	55.00%	0.00%	55.00%
Service providers – France								
SCS Ségécé	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Conseil	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Galae	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Finance	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Shopping centers – International								
SA Coimbra	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Cinémas de L'esplanade	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Foncière de Louvain-la-Neuve	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Place de l'Accueil	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
Les Bureaux de L'esplanade II	Belgium	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Steen & Strøm Holding AS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Bryggen, Vejle A/S	Danmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Bruun's Galleri ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Copenhagen I/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Centerudvikling IV A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Eier I ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Eier II A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Prosjektselskabet af 10.04.2001 ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm CenterUdvikling VI A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Entreprenørselskapet af 10.04.2001 P/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
SA Klécar Foncier Iberica	Spain	FC	83.06%	83.06%	–	100.00%	100.00%	–
SA Klécar Foncier España	Spain	FC	83.06%	83.06%	–	100.00%	100.00%	–

Companies	Country	Methods at 12/31/2012 [1]	% of interest			% of control		
			12/31/2012	12/31/2011	Change	12/31/2012	12/31/2011	Change
SA Klépierre Vallecas	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Molina	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Nea Efkarpia	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Foncier Makedonia	Greece	FC	83.01%	83.01%	–	100.00%	100.00%	–
SA Klépierre Athinon A.E.	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Peribola Patras	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
Klépierre Larissa	Greece	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Szeged plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Szolnok plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Zalaegerszeg plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Nyiregyhaza Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Duna Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl CSPL 2002 (Cespel)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl GYR 2002 (Gyor)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Debrecen 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Uj Alba 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Miskolc 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Kanizsa 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl KPSVR 2002 (Kaposvar)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Corvin	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Corvin Vision	Hungary	FC	66.67%	66.67%	–	66.67%	66.67%	–
Klépierre Trading	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Spa IGC	Italy	FC	71.30%	71.30%	–	71.30%	71.30%	–
Spa Klécar Italia	Italy	FC	83.00%	83.00%	–	100.00%	100.00%	–
Spa Kléfin Italia	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Collegno	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Serravalle	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Assago	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Klépierre	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Cavallino	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Solbiate	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Clivia 2000	Italy	PC	50.00%	50.00%	–	50.00%	50.00%	–
K2	Italy	FC	95.06%	85.00%	10.06%	95.06%	85.00%	10.06%
Klépierre Matera	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Il Destriero	Italy	PC	50.00%	50.00%	–	50.00%	50.00%	–
SA Klépierre Luxembourg	Luxembourg	FC	100.00%	100.00%	–	100.00%	100.00%	–
Holding Klege	Luxembourg	PC	50.00%	50.00%	–	50.00%	50.00%	–
Storm Holding Norway	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Slagenveien 2 AS	Norway	FC	56.10%	0.00%	56.10%	100.00%	0.00%	100.00%
Nordbyen Senter 2 AS	Norway	FC	56.10%	0.00%	56.10%	100.00%	0.00%	100.00%
Amanda Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Åsane Storsenter DA	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Åsane Kulturutvikling AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Åsane Hotellutvikling AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Åsane Kontorutvikling AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Farmandstredet Eiendom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Farmandstredet ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Hovlandbanen AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nerstranda AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Os Alle 3 AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SSI Lillestrøm Torv AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–

Companies	Country	Methods at 12/31/2012 (1)	% of interest 12/31/2012	% of interest 12/31/2011	% of interest Change	% of control 12/31/2012	% of control 12/31/2011	% of control Change
Hamar Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Metro Senter ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Stavanger Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Stovner Senter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvbyen Senter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvbyen Utvikling AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum Ans	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
KS Markedet	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Gulskogen Senter ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvhjørnet Lillestrøm ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Vintebro Senter DA	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Åsane Senter AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Økern Eiendom ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Slagenveien AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Markedet Haugesund AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Markedet Haugesund II AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nordbyen Senter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nordbyen Senter DA	Norway	FC	56.10%	0.00%	56.10%	100.00%	0.00%	100.00%
Gulskogen Prosjekt & Eiendom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Lille Eiendom AS	Norway	FC	37.03%	37.03%	–	66.00%	66.00%	–
Steen & Strøm Mediapartner Norge AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum AS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Nordal ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Capucine BV	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Nordica	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klémentine	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Sadyba	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Kraków	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Poznań	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ruda Slaska Plaza spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sadyba Center SA	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Krakoẃ spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Poland	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Rybnik	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Sosnowiec	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Movement Poland SA	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Lublin	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Galeria Krakow Sp.z.o.o	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sadyba Best Mall Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klélou-Immobiliare	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Portugal SGPS SA	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Galeria Parque Nascente	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Gondobrico	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klenor Imobiliaria	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klétel Imobiliaria	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Kleminho	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klégé Portugal	Portugal	PC	50.00%	50.00%	–	50.00%	50.00%	–
Klépierre Cz	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Entertaimnent Plaza	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Plzeň	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Arcol	Slovakia	FC	100.00%	100.00%	–	100.00%	100.00%	–

Companies	Country	Methods at 12/31/2012 (1)	% of interest 12/31/2012	% of interest 12/31/2011	% of interest Change	% of control 12/31/2012	% of control 12/31/2011	% of control Change
Nordica Holdco	Sweden	FC	56.10%	56.10%	–	56.10%	56.10%	–
Steen & Strøm Holding AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB CentrumInvest	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Emporia	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Överby KölPentrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Detaljhandelshuset i Hyllinge AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Sollentuna Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Borlange KölPentrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Marieberg Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Västra Torp Mark AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
North Man Sverige AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Viskaholm	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Uddevallatorpet	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Hageby Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mitt i City i Karlstad FAB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Allum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Brodalen	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Partille Lexby AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Åkanten	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Porthälla	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mässcenter Torp AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Grytingen Nya AB	Sweden	FC	36.35%	36.35%	–	64.79%	64.79%	–
FAB Lackeraren Borlänge	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Centrum Västerort	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Lantmäteribacken	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Service providers – International								
Steen & Strøm CenterDrift A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm CenterService A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Denmark A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Ségécé España	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Hellas	Greece	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Magyarország	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Italia	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Nordbyen Senterforening AS	Norway	FC	41.85%	41.85%	–	74.60%	74.60%	–
Steen & Strøm Senterservice AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvbyen Drift AS	Norway	FC	21.32%	21.32%	–	38.00%	38.00%	–
Asane Storsenter Drift AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Steen & Strøm Norge AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Ségécé Polska	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Ségécé Portugal	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Česká republika	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Slovensko	Slovakia	FC	100.00%	100.00%	–	100.00%	100.00%	–
Steen & Strøm Sverige AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–

Deconsolidated companies	Country	Methods at 12/31/2012 (1)	% of interest 12/31/2012	% of interest 12/31/2011	% of control 12/31/2012	% of control 12/31/2011	Comments
SNC KC2	France	NC	0%	100.00%	0%	100.00%	Liquidated
SCI des Salines	France	NC	0%	50.00%	0%	50.00%	Liquidated
SCI les Bas Champs	France	NC	0%	50.00%	0%	50.00%	Liquidated
SCI Des Dunes	France	NC	0%	50.00%	0%	50.00%	Liquidated
SCI la Française	France	NC	0%	50.00%	0%	50.00%	Liquidated
SNC Kléber la Pérouse	France	NC	0%	100.00%	0%	100.00%	Liquidated
SCI La Roche Invest	France	NC	0%	100.00%	0%	100.00%	Liquidated
SC Boutiques St Maximin	France	NC	0%	42.50%	0%	42.50%	Liquidated
Investimenti Commerciali Savignano	Italy	NC	0%	71.30%	0%	100.00%	Liquidated
Ge.co	Italy	NC	0%	71.30%	0%	100.00%	Liquidated
Ségécé India	Inde	NC	0%	100.00%	0%	100.00%	Liquidated
Mölndal Centrum Byggnads FAB	Sweden	NC	0%	56.10%	0%	100.00%	Disposed
Mölndal Centrum Karpen FAB	Sweden	NC	0%	56.10%	0%	100.00%	Disposed
Mölndal Centrum Kojlan FAB	Sweden	NC	0%	56.10%	0%	100.00%	Disposed
Östra Centrum i Kristianstad Fastighets AB	Sweden	NC	0%	56.10%	0%	100.00%	Liquidated
Field's Eier II A/S	Denmark	NC	0%	56.10%	0%	100.00%	Liquidated

(1) FC: Full Control – PC: Proportional Control – EM: Equity Method – NC: Deconsolidated during the period.

At December 31, 2012 the Group scope of consolidation includes 244 companies compared to 254 at December 31, 2011, including 212 fully consolidated companies, 26 proportionally consolidated companies and 6 companies consolidated using the equity method.

Principal events of the year

Integration of five fully consolidated companies and one proportionally consolidated entity:

- the Belgian company Les Bureaux de L'esplanade II acquired by Coimbra on April 25, 2012, to carry the future expansion of the Louvain-la-Neuve shopping center;
- the French real estate company SCI Portes de Claye, a subsidiary of Klépierre (55%) and of Cardif Assurance Vie (45%). On April 16, 2012, the company received a contribution from SNC KC2 in the form of a real estate development in Claye-Souilly. Since SNC KC2 is 83% owned by the Klépierre group, this joint venture with Cardif Assurance Vie transferred to the latter the remaining 28% ownership of the asset;
- the French company Kléprim's, 50% owned by Kleprojet 1 and 50% owned by Holprim's. This company operates a real estate project in Riom (Puy-de-Dôme);
- in Norway, three new companies Slagenveien 2 AS, Nordbyen Senter 2 AS and Nordbyen DA were created. These companies are fully consolidated.

The investment in Klépierre Luxembourg was increased to 95% in the company K2 (repurchase of 10%) with no change in the method of consolidation.

The business combinations completed in 2012 were recognized using the acquisition method in accordance with IFRS 3 (Revised).

The contribution made by entities acquired during the year to the Group's main consolidated financial statement items was as follows:

(in thousands of euros)	Country	Acquisition date	Rents	Operating results	Net income	Intangible assets	Property, plant and equipment	Investment property and fixed assets in progress	Net fixed assets	Net indebtedness including bank overdrafts
Les Bureaux de L'esplanade II	Belgium	April 25, 2012	–	–	–	–	–	14 376	14 376	–

(in thousands of euros)	Purchase price of securities	Outflows for securities acquisitions in 2012	Outflows for the repayment of advances and loans in 2012	Cash at acquisition date
Les Bureaux de L'esplanade II	14 398	14 398	–	62

NOTE 5. NOTES TO THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

5.1. Goodwill

(in thousands of euros)	12/31/2011	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Other movements, reclassification	12/31/2012
Metropoli	913				913
Vignate	520				520
Galeria Parque Nascente	1 713				1 713
Ségécé España	10 877				10 877
Ségécé	52 374				52 374
Ségécé Magyarország	3 391				3 391
SCOO	546				546
ICD	910				910
IGC	36 458				36 458
Ségécé Italia	8 424				8 424
Steen & Strøm	12 154			678	12 832
Coimbra	3 378				3 378
Clivia	2 313				2 313
Other goodwill	677				677
NET GOODWILL	**134 647**	**–**	**–**	**678**	**135 325**

Goodwill at December 31, 2012 totaled 135.3 million euros, compared with 134.6 million euros at December 31, 2011. The change is attributable to the re-measurement of the goodwill on Steen & Strøm due to exchange rate movements.

5.2. Intangible assets

The "Software" item comprises software in service and current expenditure. The change in the item is explained by the deployment of the Group's new management and accounting system (Eastern Europe in 2009, France in 2010, 2011 and 2012).

(in thousands of euros)	12/31/2011	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	12/31/2012
Leasehold right	2 008				19		-223	1 804
Goodwill	3 571						2 814	6 384
Software	29 454	8 661			40		3 324	41 479
Concessions, patents and similar rights	5 106	2			31		-3 317	1 822
Other intangible assets	6 475	324			-3		-778	6 018
TOTAL GROSS VALUE	**46 614**	**8 987**	**–**	**–**	**87**	**–**	**1 820**	**57 507**
Leasehold right	-367			-110			5	-472
Goodwill	-521			-410			-2 409	-3 340
Software	-7 426			-4 062	-39		-2 634	-14 160
Concessions, patents and similar rights	-3 597			-51	-13		2 567	-1 094
Other intangible assets	-4 241			-508			114	-4 636
TOTAL DEPRECIATION AND AMORTIZATION	**-16 152**	**–**	**–**	**-5 141**	**-52**	**–**	**-2 357**	**-23 702**
INTANGIBLE ASSETS – NET VALUE	**30 462**	**8 987**	**–**	**-5 141**	**35**	**–**	**-537**	**33 805**

5.3. Property, plant and equipment and work in progress

Property, plant and equipment include the company's business premises at 21, rue la Pérouse, in Paris 16th arrondissement and the furniture and equipment.

(in thousands of euros)	12/31/2011	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	12/31/2012
Non-depreciable assets	10 210	–	–	–	–	–	–	10 210
Depreciable assets and work in progress	48 563	4 887	-1 128	–	1 704	35	4 458	58 519
TOTAL GROSS VALUE	**58 773**	**4 887**	**-1 128**	**–**	**1 704**	**35**	**4 458**	**68 729**
Depreciable assets	-30 529	–	810	-5 791	-1 184	-23	-530	-37 248
TOTAL DEPRECIATION AND AMORTIZATION	**-30 529**	**–**	**810**	**-5 791**	**-1 184**	**-23**	**-530**	**-37 248**
Impairment	–	–	–	–	–	–	–	–
PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**28 244**	**4 887**	**-318**	**-5 791**	**521**	**12**	**3 928**	**31 482**

5.4. Investment property

(in thousands of euros)	12/31/2011	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	12/31/2012
Non-depreciable assets	5 640 585	26 541	-99 522	–	72 267	–	-23 463	5 616 408
Depreciable assets	7 217 706	73 342	-153 294	–	122 467	–	558 991	7 819 213
TOTAL GROSS VALUE	**12 858 291**	**99 883**	**-252 816**	**–**	**194 734**	**–**	**535 528**	**13 435 620**
Amortization of depreciable assets	-1 493 290	–	47 629	-301 582	-21 761	–	4 817	-1 764 187
TOTAL DEPRECIATION AND AMORTIZATION	**-1 493 290**	**–**	**47 629**	**-301 582**	**-21 761**	**–**	**4 817**	**-1 764 187**
Impairment	-300 262	–	–	-63 472	–	–	-6 661	-370 395
INVESTMENT PROPERTY – NET VALUE	**11 064 739**	**99 883**	**-205 187**	**-365 054**	**172 973**	**–**	**533 684**	**11 301 038**

Acquisitions, excluding investment property under construction, totaled 99.9 million euros. The most significant investments were made in France (17.9 million euros in Portes de Claye and 13.1 million euros Clremont Jaude), in Italy (14.8 million euros in the Montebello retail park) and in Norway (8.7 million euros in Farmandstredet).

Disposals in France consisted mainly of four office buildings (Kléber Anatole France in Levallois-Perret, Séreinis, Collines de l'Arche and Equilis) and twelve French shopping centers including La Roche-sur-Yon, Aulnoy-lez-Valenciennes, Beaune Saint-Jacques, Bourges, Grand Nîmes, Quetigny, Illzach and Rambouillet.
The **"Other movements and reclassifications"** item represents the net balance arising as a result of the reclassification of investment properties as "Investment property held for sale", and assets brought into use during the fiscal year and so reclassified from "Investment property under construction".

The **"Impairment"** item recorded an impairment allowance net of reversals of 63.5 million euros.
- allowances, of 83.2 million euros, relate to shopping centers in Spain (22.4 million euros), France (14 million euros), Scandinavia (11.7 million euros), Greece (11.3 million euros), Hungary (6.8 million euros) and Poland (6 million euros);
- reversals, of 19.7 million euros, mainly relate to Scandinavia (11.5 million euros) and Portugal (3.5 million euros).

5.5. Investment property under construction

(in thousands of euros)	12/31/2011	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	12/31/2012
Investment property under construction	761 262	392 821	-7 859	–	11 900	-10 699	-691 607	455 818
Impairment	-13 178	–	–	-9 549	-44	13 223	–	-9 548
INVESTMENT PROPERTY UNDER CONSTRUCTION – NET VALUE	**748 084**	**392 821**	**-7 859**	**-9 549**	**11 856**	**2 524**	**-691 607**	**446 270**

The "**Other movements and reclassifications"** item relates to assets brought into use and, primarily, St.Lazare Paris (159 million euros), Claye-Souilly (89 million euros) and Emporia in Sweden (378 million euros).
The **"Impairment"** item includes a 9.5 million euro allowance relating to land held by Forving SARL.
Assets in progress at December 31, 2012 (gross amounts) were:

- in France: Bègles Arcins (58.8 million euros), new center creation project in Clermont-Ferrand (Clermont Jaude, 47.5 million euros);
- abroad: Field's and Odense (73.7 million euros) in Denmark, Vinterbro, Åsane and Økern (63.9 million euros) in Norway, and several projects (43.2 million euros) in Sweden.

5.6. Investment property held for sale

(in thousands of euros)	12/31/2011	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Other movements, reclassifica-tions	12/31/2012
INVESTMENT PROPERTY HELD FOR SALE	**61 418**	**–**	**-154 616**	**166 346**	**73 148**

Two properties are being held for sale: Lomme shopping center in France and Nordbyen shopping center in Norway.

5.7. Investment in associates

(in thousands of euros)	
INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD AT DECEMBER 31, 2011	**19 914**
Share in net income of associates 2012	1 499
Dividends received from companies accounted for under the equity method	-1 474
Change in the scope of consolidation	–
Changes in the Group's interest and the consolidation methods	-150
INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD AT DECEMBER 31, 2012	**19 789**

Six companies were consolidated under the equity method at December 31, 2012.
The key balance sheet and income statement data for companies consolidated under the equity method are shown below (100% values, reflecting consolidation restatements):

(in thousands of euros)	**12/31/2012**	12/31/2011
Investment property	49 327	49 348
Assets	**49 327**	**49 348**
Restated equity	*54 461*	*54 774*
Liabilities	**54 461**	**54 774**
Lease income	*5 504*	*5 431*
NET INCOME	**4 354**	**4 322**

5.8. Joint ventures

Joint ventures (see note 4 "Scope of consolidation") are consolidated using the proportional consolidation method.

(in thousands of euros)	**12/31/2012**	12/31/2011
Share in joint ventures' balance sheets		
Non-current assets	857 529	859 813
Current assets	52 341	58 175
Non-current liabilities	-353 882	-341 512
Current liabilities	-29 386	-34 426
NET ASSETS	**526 602**	**542 050**

(in thousands of euros)	**12/31/2012**	12/31/2011
Share in net income of joint ventures		
Revenues from ordinary activities	59 147	54 493
Operating expenses	-38 471	-35 475
Financial income	-11 715	-12 258
Profit before tax	8 961	6 761
Tax	-852	-1 149
NET INCOME	**8 109**	**5 612**

5.9 Other non-current assets

(in thousands of euros)	12/31/2011	Newly consolidated	Increases	Reductions	Other	**12/31/2012**
Other long-term investments	147	-5	11	–	-6	147
Loans and advances to non-consolidated companies, companies consolidated using the equity method and proportionally consolidated companies	6 832	–	7 260	-11 383	342	3 051
Loans	1 308	–	–	-1 437	246	117
Deposits	12 775	–	1 229	-1 407	-158	12 439
Other long-term financial investments	1 428	–	–	-136	9	1 301
TOTAL	**22 490**	**-5**	**8 500**	**-14 363**	**433**	**17 055**

5.10 Inventory

At December 31, 2012, inventory totaled 0.4 million euros. It consisted of real estate assets acquired to be sold in the ordinary course of business of the corresponding entities.

5.11. Trade accounts and notes receivable

Trade accounts include the effect of spreading benefits granted to tenants of offices and shopping centers.
All of the receivables have a maturity of less than one year, except stepped rents and rent-free periods which are spread over the fixed term of the lease.

(in thousands of euros)	**12/31/2012**	12/31/2011
Trade receivables	104 549	73 176
Bad debts	39 738	36 036
Stepped rents and rent-free periods of leases	20 040	21 783
Gross value	**164 327**	**130 995**
Provisions on bad debts	-31 161	-32 055
NET VALUE	**133 165**	**98 939**

5.12. Other receivables

	12/31/2012			12/31/2011
(in thousands of euros)	**Total**	**Less than one year**	**More than one year**	**Total**
Tax receivables	**33 533**	**33 428**	**105**	**37 472**
• Corporate income tax	5 986	5 986		6 837
• VAT	27 547	27 442	105	30 635
Other receivables	**237 719**	**175 395**	**62 324**	**275 156**
• Service charges due	44 269	44 269		106 627
• Down payments to suppliers	29 647	29 304	343	6 765
• Prepaid expenses	56 708	7 981	48 727	65 308
• Other	107 095	93 841	13 254	96 456
TOTAL	**271 252**	**208 823**	**62 429**	**312 627**

The "VAT" item includes outstanding refunds due from local tax authorities in respect of recent acquisitions or construction projects in progress.
Pre-lease payments on building leases or emphyteutic rights are amortized over the lifetime of the lease and recognized under prepaid expenses, totaling 48.8 million euros.
Funds managed by Ségécé on behalf of principals are recognized under "Other" and total 60.7 million euros, compared with 60.1 million euros at December 31, 2011. The management accounts of the principals are recognized under "Other debts" at the same amount.
All of the receivables have a maturity of less than one year, except the non-current portion of building leases, which totaled 48.7 million euros at December 31, 2012.

5.13. Cash and cash equivalents

(in thousands of euros)	**12/31/2012**	12/31/2011
Cash equivalents	**26 967**	**85 822**
• Treasury and certificates of deposit	–	13 000
• Money market investments	26 967	72 822
Cash	**179 047**	**201 266**
Gross cash and cash equivalents	**206 014**	**287 088**
Bank facilities	39 276	98 934
NET CASH AND CASH EQUIVALENTS	**166 738**	**188 154**

Cash equivalents refer to 27 million euros invested in French open-ended money market funds.
After taking into consideration the available funds managed by Ségécé on behalf of its principals (see note 5.12), the available cash and cash equivalents stand at 266.7 million euros.

5.14. Shareholders' equity

5.14.1. Share Capital

At December 31, 2012, capital was represented by 199 470 340 shares each of 1.40 euro par value. The capital is fully paid up. Shares are either registered or bearer.

(in thousands of euros)	Number of shares	Capital	Issue premiums
Authorized			
At January 1, 2012	189 648 240	265 507	1 569 970
Issuing of new shares over the 2012 fiscal year	9 822 100	13 751	203 660
AT DECEMBER 31, 2012	**199 470 340**	**279 258**	**1 773 630**

5.14.2. Treasury shares

	12/31/2012				12/31/2011		
	Stock options	**Free shares**	**Liquidity**	**External growth**	Stock options	Liquidity	External growth
Number of shares [1]	2 422 540	260 200	109 128	1 460 841	2 682 740	253 827	1 460 841
Acquisition value (in millions of euros)	58.1	5.5	4.8	30.9	64.8	5.4	30.9
Income from sale (in millions of euros)	–	–	3.6	–	–	-1.2	–
(1) Of which allocated	*2 392 766*				*2 466 440*		

The Group sold shares in Klépierre SA during the year, as authorized by the ordinary general meetings of shareholders.
The acquisition cost of purchased securities and gains made on sales of securities were respectively debited from, and credited to, equity.

5.14.3. Non-controlling interests

Non-controlling interests rose by 104.1 million euros, mainly because of the investment made in Portes de Claye SCI.

5.15. Current and non-current financial liabilities

5.15.1. Change in indebtedness

Current and non-current financial liabilities amount to 7 704 million euros as of December 31, 2012.

Net indebtedness totals 7 353 million euros, compared with 7 618 million euros at December 31, 2011. Net indebtedness is the difference between financial liabilities (excluding fair value hedge revaluation) plus bank overdrafts and minus available cash and marketable securities.

This 265 million euro decrease can be explained as follows:

- most of the financing needs for the period were generated by investments (458 million euros), and the payment of the dividend in respect of fiscal year 2011 (270 million euros);
- the yearly financing needs were covered by the company's own financing resources, these being a combination of asset disposals (698 million euros – including the impact of the change of ownership in Claye-Souilly), the capital increase related to the dividend paid in shares (218 million euros) and free cash flow;
- the conversion of foreign currency net debt into euros generated a positive foreign exchange impact of 84 million euros, which reflects the appreciation of Scandinavian currencies against the euro.

(in thousands of euros)	**12/31/2012**	12/31/2011
NON-CURRENT		
Bonds net costs/premiums	**3 280 751**	**2 124 032**
• Of which revaluation due to fair value hedge	123 302	69 614
Loans and borrowings from credit institutions – more than one year	**3 329 655**	**4 657 178**
Other loans and borrowings	**89 420**	**75 027**
• Advance payments to the Group and associates	89 420	75 027
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6 699 826**	**6 856 237**
CURRENT		
Bonds net costs/premiums	**81 795**	**–**
• Of which revaluation due to fair value hedge	–	–
Loans and borrowings from credit institutions – less than one year	**63 761**	**357 975**
Accrued interest	**99 291**	**83 571**
• On bonds	85 950	64 527
• On loans from credit institutions	10 239	16 230
• On advance payments to the Group and associates	3 102	2 814
Commercial paper	**756 774**	**635 577**
Other loans and borrowings	**2 383**	**2 688**
• Advance payments to the Group and associates	2 383	2 688
TOTAL CURRENT FINANCIAL LIABILITIES	**1 004 004**	**1 079 811**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7 703 830**	**7 936 048**

5.15.2. Principal sources of financing

The Group's main financial resources are detailed in the table following. The main changes lie in 1 000 million euros of bond issues through the bond market and the signature of two bilateral revolving credit facilities of 500 million euros each. These funds enabled the company to cancel part of the bilateral loan arranged in June 2009 (1 600 million euros) and to reduce the drawings on other credit lines.

In Scandinavia, Steen & Strøm ensured the refinancing of a 2 000 million Norwegian kroner mortgage loan (265 million euros) through two medium-term bond issues (1 350 million Norwegian kroner) and two mortgage loans (620 million Norwegian kroner). Steen & Strøm also arranged mortgages of 600 million Norwegian kroner and 1 500 million Swedish kronor.

Klépierre group's Financing

(in millions of euros)	Borrower	Issue currency	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount used at 12/31/2012
Bonds						**3 255**	**3 255**
	Klépierre	EUR	4.250%	16/03/2016	*In fine*	689	689
	Klépierre	EUR	4.000%	13/04/2017	*In fine*	850	850
	Klépierre	EUR	2.750%	17/09/2019	*In fine*	500	500
	Klépierre	EUR	4.625%	14/04/2020	*In fine*	300	300
	Klépierre	EUR	4.750%	15/03/2021	*In fine*	600	600
	Klépierre	EUR	4.230%	21/05/2027	*In fine*	50	50
	Steen & Strøm	NOK	NIBOR	29/10/2013	*In fine*	82	82
	Steen & Strøm	NOK	NIBOR	08/11/2016	*In fine*	85	85
	Steen & Strøm	NOK	NIBOR	14/09/2017	*In fine*	99	99
Syndicated loans						**1 000**	**705**
	Klépierre	EUR	Euribor	21/09/2014	*In fine*	1 000	705
Bilateral loans						**2 166**	**124**
	Klépierre	EUR	E3m	30/06/2015	*In fine*	500	–
	Klépierre (back-up)	EUR	E3m	30/06/2015	*In fine*	300	–
	Klépierre	EUR	E3m	07/03/2016	*In fine*	500	–
	Klépierre	EUR	E3m	28/10/2016	*In fine*	200	–
	Klépierre (back-up)	EUR	E3m	07/03/2018	*In fine*	500	–
	Kléprim's	EUR	E3m	31/01/2017	*In fine*	8	7
	Klépierre	SEK	STIBOR	31/03/2014	*In fine*	117	117
	S&S (back-up)	NOK	NIBOR	15/11/2014	*In fine*	41	–
Mortgage loans						**2 394**	**2 394**
of which:	IGC	EUR	E6m	30/09/2014	*In fine*	140	140
	Klécar Italia	EUR	E3m	30/06/2015	Amortized	97	97
	GC Assago	EUR	E3m	03/07/2015	Amortized	101	101
	K2	EUR	E3m	15/01/2023	Amortized	47	47
	Le Havre Vauban et Lafayette	EUR	E3m	31/12/2014	Amortized	24	24
	Steen & Strøm(3)	NOK	NIBOR	–	–	646	646
	Steen & Strøm(3)	SEK	STIBOR	–	–	808	808
	Steen & Strøm(3)	DKK	CIBOR/Fixed(2)	–	–	513	513
Property finance leases						**187**	**187**
Short-term lines and bank overdrafts						**120**	**–**
Commercial papers						**757**	**757**
	Klépierre	EUR	–	–	*In fine*	600	600
	Steen & Strøm	NOK	–	–	*In fine*	157	157
TOTAL FOR THE GROUP (1)						**9 237**	**7 421**

(1) Totals are calculated excluding the backup lines of funding since the maximum amount of the "commercial paper" line includes that of the back-up line.
(2) Of which fixed rate debt for 169 million euros.
(3) Steen & Strom has several loans in the three different Scandinavian currencies (NOK, SEK, DKK).

5.15.3. Financial covenants relating to financing and rating

The Group's main credit agreements contain financial covenants, which could lead to a mandatory prepayment of the debt.

As of Decembers 31, 2012, the Group's financing covenants remain in line with the commitments agreed to under its contracts. The financial ratios are disclosed in the management report (see 'Financial resources' Note).

5.15.4. Breakdown of borrowings by maturity date

Breakdown of current and non-current financial liabilities

(in thousands of euros)	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net costs/premiums	**3 280 751**	**–**	**1 830 751**	**1 450 000**
• Of which revaluation due to fair value hedge	123 302	–	123 302	–
Loans and borrowings from credit institutions – more than one year	**3 329 655**	**–**	**1 907 202**	**1 422 453**
Other loans and borrowings	**89 420**	**–**	**89 420**	**–**
• Advance payments to the Group and associates	89 420	–	89 420	–
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6 699 826**	**–**	**3 827 373**	**2 872 453**
CURRENT				
Bonds net costs/premiums	**81 795**	**81 795**		
• Of which revaluation due to fair value hedge	–	–		
Loans and borrowings from credit institutions – less than one year	**63 761**	**63 761**		
Accrued interest	**99 291**	**99 291**		
• On bonds	85 950	85 950		
• On loans from credit institutions	10 239	10 239		
• On advance payments to the Group and associates	3 102	3 102		
Commercial paper	**756 774**	**756 774**		
Other loans and borrowings	**2 383**	**2 383**		
• Advance payments to the Group and associates	2 383	2 383		
TOTAL CURRENT FINANCIAL LIABILITIES	**1 004 004**	**1 004 004**		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7 703 830**	**1 004 004**	**3 827 373**	**2 872 453**

Maturity schedule of financing including principal and interests (non-discounted) amounts are as follows:

Repayment year *(in millions of euros)*	2013	2014	2015	2016	2017	2018	2019	2020	2021 and after	Total
Principal	906	1 240	330	859	1 217	392	624	419	1 436	7 421
Interest	199	189	179	155	119	98	85	62	218	1 303
TOTAL FOR THE GROUP (principal + interests)	**1 105**	**1 429**	**508**	**1 013**	**1 336**	**490**	**708**	**481**	**1 654**	**8 724**

In 2013, the main borrowings falling due relate to 1 150 million Norwegian kroner (157 million euros) of commercial paper partially covered by a back-up line of 300 million Norwegian kroner (41 million euros), and a bond of 600 million Norwegian kroner (82 million euros). The commercial paper issued in euros (600 million euros) is fully covered by back-up lines (600 million euros).

At December 31, 2011, the amortization table for these contractual flows was as follows:

Repayment year *(in millions of euros)*	2012	2013	2014	2015	2016	2017	2018	2019	2020 and after	Total
Principal	1 010	1 004	1 574	772	806	937	370	110	1 154	7 736
Interest	217	192	181	143	104	74	57	46	173	1 189
TOTAL FOR THE GROUP (principal + interests)	**1 227**	**1 195**	**1 755**	**916**	**910**	**1 011**	**427**	**156**	**1 328**	**8 925**

5.16. Hedging instruments

5.16.1. Rate hedging portfolio

As part of its risk management policy (see note 8 "Exposure to risks and hedging strategy"), Klépierre has contracted interest rate swap agreements allowing it to switch from variable rate to fixed rate debt and vice-versa. Thanks to these instruments, the group's hedging rate (the proportion of gross financial debt arranged or hedged at fixed rate) was 81% at December 31, 2012.

At December 31, 2012, the breakdown of derivatives by maturity date was as follows:

Hedging relationship *(in millions of euros)*	Currency	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Cash flow hedge												**4 266**
	EUR	200	212	665	357	450	700	50	500	–	–	3 134
	NOK	–	204	–	164	119	–	–	–	–	–	487
	SEK	–	70	17	23	58	23	47	105	70	35	449
	DKK	27	67	–	40	–	–	–	–	62	–	197
Fair value hedge												**1 100**
	EUR	–	–	–	–	750	–	–	250	100	–	1 100
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
Trading												**800**
	EUR	200	200	–	400	–	–	–	–	–	–	800
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
TOTAL FOR THE GROUP		**427**	**753**	**682**	**984**	**1 378**	**723**	**97**	**855**	**232**	**35**	**6 166**

The corresponding contractual flows (interest) break down as follows (positive flows = payer flows):

(in millions of euros)	Hedging relationship	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Swaps	Cash flow hedge	72	79	76	56	33	20	9	–	–	–	345
Swaps	Fair value hedge	-29	-28	-26	-22	-10	-5	-4	-1	–	–	-125
Swaps/cap	Trading	11	13	12	3	–	–	–	–	–	–	39
EUR-denominated derivatives		54	63	63	37	24	14	5	-1	–	–	259
NOK-denominated derivatives		10	6	4	2	–	–	–	–	–	–	24
SEK-denominated derivatives		8	6	5	4	2	1	–	–	–	–	27
DKK-denominated derivatives		4	4	2	1	–	–	–	–	–	–	10
TOTAL FOR THE GROUP		**75**	**79**	**74**	**45**	**27**	**16**	**6**	**-1**	**–**	**–**	**321**

At December 31, 2011, the breakdown of derivatives by maturity date and the amortization schedule for the corresponding interest flows were as follows:

Hedging relationship *(in millions of euros)*	Currency	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Cash flow hedge												**6 149**
	EUR	300	300	278	1 508	750	450	700	50	500	–	4 836
	NOK	126	–	194	–	155	113	–	–	–	–	587
	SEK	123	–	67	17	22	56	22	45	101	67	521
	DKK	70	27	67	–	40	–	–	–	–	–	205
Fair value hedge												**1 100**
	EUR	–	–	–	–	–	750	–	–	250	100	1 100
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
Trading												**700**
	EUR	–	500	–	200	–	–	–	–	–	–	700
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
TOTAL FOR THE GROUP		**619**	**827**	**606**	**1 724**	**968**	**1 369**	**722**	**95**	**851**	**167**	**7 949**

The corresponding contractual flows (interest) break down as follows (positive flows = payer flows):

(in millions of euros)	Hedging relationship	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Swaps	Cash flow hedge	84	89	86	63	29	13	8	4	–	–	377
Swaps	Fair value hedge	-19	-20	-16	-11	-6	-1	-1	–	4	–	-71
Swaps/cap	Trading	4	4	3	–	–	–	–	–	–	–	10
EUR-denominated derivatives		68	73	73	52	23	12	7	4	4	–	317
NOK-denominated derivatives		6	5	3	1	–	–	–	–	–	–	17
SEK-denominated derivatives		4	6	4	3	2	–	–	–	–	–	19
DKK-denominated derivatives		4	2	2		–	–	–	–	–	–	8
TOTAL FOR THE GROUP		**83**	**87**	**82**	**56**	**25**	**12**	**7**	**4**	**4**	**–**	**362**

Fair value of the interest rate hedging portfolio

(in millions of euros)	**Fair value net of accrued interest at 12/31/2012**	Change in fair value during 2012	Counterparty
Cash flow hedge	-404,2	22,9	Shareholders' equity
Fair value hedge	123,3	53,7	Borrowings
Trading	-41,7	-20,5	Earnings
TOTAL	**-322,6**	**56,1**	

5.16.2. Exchange rate hedging

When it carried out the capital increase of its subsidiary Steen & Strøm, Klépierre SA raised funding in Swedish kronor in order to hedge its balance sheet position in that currency. This operation is booked as a *"net investment hedge"*.

5.17. Long-term provisions

Provisions came to 13.4 million euros, and showed a decrease by 1.6 million euros. They include a 6.6 million euro provision to cover the risk relating to the Major Retailer Tax established by the Principality of Asturias (Spain). The balance of 6.8 million euros mainly concerns provisions for litigation and provisions for other business-related risks (tenants, warranty claims, etc.).

5.18. Social and tax liabilities and other liabilities

(in thousands of euros)	**12/31/2012**	12/31/2011
Social and tax liabilities	**79 437**	**91 860**
Personnel and related accounts	29 556	22 623
Social security and other bodies	10 098	6 297
Tax payables		
• Corporate income tax	5 038	5 917
• VAT	31 833	38 204
Other taxes and duties	2 912	18 819
Other liabilities	**261 639**	**251 509**
Creditor customers	49 795	95 420
Prepaid income	54 067	28 179
Other liabilities	157 778	127 910

The 49.8 million euros advance payments received from tenants in respect of charges are recognized in "Creditor customers".

The "Other liabilities" item consists primarily of funds representing the management accounts of Ségécé's principals, balanced by an equal amount in "Other receivables" on the asset side of the balance sheet. These funds totaled 60.7 million euros at December 31, 2012, compared with 60.1 million euros at December 31, 2011.

NOTE 6. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

6.1. Lease income

Lease income includes:

- rents from investment property and rent-related income, such as car park rentals and early termination indemnities;
- other lease income: income from entry fees and other income.

Stepped rents, rent-free periods and entry fees are spread over the fixed term of the lease.

Charges invoiced to tenants are not included in lease income but deducted from rental expenses.

6.2. Land expenses (real estate)

Land expenses (real estate) correspond to lease payments (or depreciation of initial payments) for properties built on land subject to a building lease or an operating contract (concession). This applies primarily to shopping centers.

6.3. Non-recovered rental expenses

These expenses are stated net of charges re-invoiced to tenants and mainly comprise expenses on vacant premises.

6.4. Owners' building expenses

These expenses are composed of owners' rental expenses, expenses related to construction work, legal costs, expenses on bad debts and costs related to real estate management.

6.5. Other operating revenue

Other operating revenue includes:

- building works re-invoiced to tenants;
- other income.

6.6. Depreciation and impairment allowance on investment property, tangible and intangible assets

Depreciation and impairment allowance on investment property and other fixed assets increased by 71.3 million euros to 385.5 million euros. This increase includes an asset impairment allowance of 73 million euros, an increase of 54 million euros. Most of the increase in depreciation expense on real estate (18.4 million euros) is attributable to growth in investment properties. Moreover depreciation and impairment allowance on intangible assets increased by 1 million euro.

6.7. Income from disposals of investment properties and equity interests

Income from disposals totaled 204.8 million euros, from the sale of:

- twelve French shopping centers including Quetigny (41 million euros), Illzach (34.2 million euros), Rambouillet (25 million euros), Grand Nîmes (14.3 million euros), Aulnoy-lez-Valenciennes (12 million euros), Flins-sur-Seine (9.3 million euros), Beaune Saint-Jacques (6.7 million euros), Bourges (5.3 million euros) Lormont (5.2 million euros) and La Roche-sur-Yon (5 million euros);
- the office buildings Equilis (21.4 million euros) and Séreinis (12.7 million euros) located in Issy-les-Moulineaux, Collines de l'Arche (2.6 million euros) located in La Défense and Kléber Anatole France located in Levallois-Perret (4.1 million euros);
- equity investments in Swedish companies: Mölndal Centrum Karpen, Mölndal Centrum Koljan and Mölndal Centrum Byggnads (0.2 million euros).

6.8. Net cost of debt

The net cost of debt amounts to 317.7 million euros, compared with 315.8 million euros at December 31, 2011.
This 1.9 million euro increase reflects the rise in average debt during the year, the cost of debt having fallen since December 31, 2012 to 3.95%.
Capitalized financial expense was 16.3 million euros compared to 20.2 million euros at December 31, 2011.

(in thousands of euros)	**12/31/2012**	12/31/2011
Financial income	**134 312**	**153 245**
Income from sale of securities	574	1 148
Interest income on swaps	87 674	112 044
Deferral of payments on swaps	339	792
Capitalized interest	16 290	20 131
Interest on associates' advances	424	264
Sundry interest received	2 376	4 610
Other revenue and financial income	12 211	9 306
Currency translation gains	14 424	4 950
Financial expenses	**-452 021**	**-469 005**
Expenses from sale of securities	–	-256
Interest on bonds	-107 330	-99 063
Interest on loans from credit institutions	-117 045	-136 241
Interest expense on swaps	-165 886	-179 648
Deferral of payments on swaps	-20 826	-17 327
Interest on associates' advances	-3 070	-2 880
Sundry interest paid	-156	-1 123
Other financial expenses	-37 642	-24 006
Currency translation losses	-11 270	-9 439
Transfer of financial expenses	11 204	978
NET COST OF DEBT	**-317 709**	**-315 760**

NOTE 7. TAXES

(in thousands of euros)	**12/31/2012**	12/31/2011
Current taxes payable	-26 808	-24 057
Deferred tax	5 142	2 172
TOTAL	**-21 666**	**-21 885**

The Group's tax expense stands at -26.8 million euros, versus -24.1 million euros at December 31, 2011.
This includes a 4.2 million euro non-recurring tax expense at December 31, 2012 against a 2.6 million euro non-recurring tax expense in December 2011 (mainly from capital gains on disposal of assets and exit tax adjustments).

Excluding non-recurring items, tax expense was stable over the three tax sectors.
A breakdown of tax expense between the exempt (SIIC), common law in France and overseas sectors is shown in the reconciliation between theoretical and actual tax expense:

	France			
(in thousands of euros)	SIIC sector	Common law	Foreign companies	Total
Pre-tax earnings and earnings from equity-method companies	265 762	17 646	-1 349	282 059
Theoretical tax expense at 34.43%	**-91 502**	**-6 076**	**464**	**-97 113**
Exonerated earnings of the SIIC sector	**79 938**			**79 938**
Taxable sectors				
Impact of permanent time lags	24 367	7 642	-7 977	24 032
Untaxed consolidation restatements	4 145	-355	-4 719	-929
Impact of non-capitalized losses	-17 694	-2	6 676	-11 020
Assignment of non-capitalized losses	56	42	-2 613	-2 515
Exit tax on special reserve of long-term capital gains			-47	-47
Change of tax regime				–
Discounting of deferred tax following restructuring				–
Discounting of tax rates and other taxes	-278	-12	-13 311	-13 601
Rate differences		-1 372	961	-411
ACTUAL TAX EXPENSE	**-968**	**-133**	**-20 566**	**-21 666**

Deferred taxes are composed of:

(in thousands of euros)	12/31/2011	Change in net income	Cash flow hedging reserves	Asset, liability reclassifications	Other changes	**12/31/2012**
Investment properties	-495 995	46 558		2 380	-12 859	-459 916
Derivatives	13 218		3 020		582	16 820
Losses carried forward	46 031	-26 654		22 543	793	42 713
Other items	7 265	-18 013		-11 737	1 961	-20 524
Total for entities in a net liability position	**-429 481**	**1 891**	**3 020**	**13 186**	**-9 523**	**-420 907**
Investment properties	7 037	125		-2 380	200	4 982
Derivatives	62 665	420	7 270			70 355
Losses carried forward	37 389	1 435		-22 543	1 214	17 495
Other items	-5 806	1 271		11 737	6 657	13 859
Total for entities in a net asset position	**101 285**	**3 251**	**7 270**	**-13 186**	**8 071**	**106 691**
NET POSITIONS	**-328 196**	**5 142**	**10 290**	**–**	**-1 452**	**-314 215**

The deferred tax in the income statement showed a net gain of 5.1 million euros. This gain mainly comprised of:

- a 25.2 million euro expense resulting from variation of tax losses;
- a 46.7 million euro gain for variation in deferred taxes on investment properties, due to a decrease in temporary differences between fiscal and accounting values of investment properties;
- a 16.7 million euro expense related to the variation of the other temporary differences (including deferred taxes on translation differences).

The "Other changes" item, showing an amount of -1.5 million euros, recorded the impact of currency variations.
The ordinary tax losses carried forward are capitalized where their realization is deemed probable. The expected time scale for recovering tax loss carried forward capitalized for all entities within the Group is five to seven years.

Country	Statutory tax rate	Inventory of ordinary losses at 12/31/2011	Inventory of ordinary losses at 12/31/2012	Change in ordinary losses in 2012	Capitalized deferred tax at 12/31/2011	Change in capitalized amounts	Change in capitalized amounts	Deferred tax capitalized at 12/31/2012	Deferred tax not capitalized at 12/31/2012	Comments
Belgium	33.99%	(24 882)	(32 682)	(7 800)	4 004	11 109	824	4 828	6 281	Unlimited deferral of ordinary losses
Denmark	25.00%	(56 363)	(29 506)	26 857	14 091	7 377	(6 714)	7 377	–	Unlimited deferral of ordinary losses
Spain	30.00%	(48 308)	(45 714)	2 594	14 492	13 714	(1 180)	13 312	402	Losses can be deferred for 18 years Use of losses limited to 75% of taxable income (but only if revenues are greater than 20 million euros)
France	34.43% 33.00% 19.00%	(151 168)	(216 275)	(65 107)	6	58 996	1	7	58 989	Unlimited deferral of ordinary losses Use of losses limited to 60% of taxable income (beyond 1 million euros)
Greece	20.00%	(3 194)	(4 037)	(843)	637	807	(637)	–	807	Losses can be deferred for five years
Hungary	10.00%	(142 073)	(188 800)	(46 727)	4 310	18 880	(4 310)	–	18 880	Unlimited deferral of ordinary losses
India	30.00%	(169)	–	169	–	–	–	–	–	Unlimited deferral of ordinary losses
Italy	27.50% or 31.40%	(12 364)	(7 491)	4 873	2 682	2 190	(2 682)	–	2 190	Ordinary losses deferrable for five years except first three years, indefinitely deferrable
Luxembourg	28.59%	(45 919)	(52 171)	(6 252)	–	14 916	–	–	14 916	Unlimited deferral of ordinary losses
Norway	28.00%	(114 068)	(48 979)	65 089	12 997	13 715	718	13 715	–	Unlimited deferral of ordinary losses
Netherlands	25.50%	(7 233)	(7 317)	(84)	–	1 866	–	–	1 866	Losses can be deferred for nine years
Poland	19.00%	(32 862)	(24 046)	8 816	5 861	4 569	(1 292)	4 569	–	Losses can be deferred for five years
Portugal	26.50%	(7 779)	(11 096)	(3 318)	2 061	2 940	(1 980)	81	2 859	Losses deferrable for four years (for losses generated from 2010 and six years for losses prior to 2010)
Czech Republic	19.00%	(769)	(1 120)	(351)	144	213	69	213	–	Losses can be deferred for five years
Sweden	22.00%	(130 040)	(138 350)	(8 310)	22 135	30 437	(6 029)	16 106	14 331	Unlimited deferral of ordinary losses
TOTAL		**(777 191)**	**(807 584)**	**(30 393)**	**83 419**	**181 729**	**(23 212)**	**60 207**	**121 522**	

NOTE 8. EXPOSURE TO RISKS AND HEDGING STRATEGY

Klépierre identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, equity markets shares, etc.) and sets applicable management policies as required. The Group pays close attention to managing the financial risks inherent in its business activity and the financial instruments it uses.

8.1. Interests rate risk

8.1.1. Interest rate risk – exposure to variable-rate debt

Recurrence of variable-rate financing requirement

Variable-rate debt represents a significant proportion of the Group's borrowings (57% at December 31, 2012 before hedging). It includes: bank loans (standard and mortgages), draw downs on syndicated loans, commercial paper and the use of agreed overdrafts.

Identified risk

An increase in the interest rate against which variable-rate debts are indexed could result in an increase in future interest rate expenses.

Measurement of risk exposure

The two following tables show the exposure of Klépierre's income to an interest rate rise, before and after hedging.

Interest rate position before hedging

(in millions of euros)	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position before hedging	**4 259**	**42.6**
Marketable securities	-28	-0.3
NET POSITION BEFORE HEDGING	**4 231**	**42.3**

Interest rate position after hedging

(in millions of euros)	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position before hedging	**4 259**	**42.6**
Net hedge	-3 066	-30.7
Gross position after hedging	**1 192**	**11.9**
Marketable securities	-28	-0.3
NET POSITION AFTER HEDGING	**1 164**	**11.6**

Given that changes in the fair value of "cash flow hedge" swaps are recognized in equity, the following table quantifies the likely impact on equity of an interest rate rise based on Klépierre's cash flow hedge swaps portfolio at the period end (including deferred swaps).

Fair value of cash flow hedge

(in millions of euros)	Fair value net of accrued interest	Change in financial expenses caused by a 1% increase in interest rates
Cash flow hedge swaps at 12/31/2012		
Euro-denominated portfolio	-342	114.1
Steen & Strøm portfolio	-62	62.3
CASH FLOW HEDGE SWAPS AT 12/31/2012	**-404**	**176.4**

Breakdown of financial borrowings after interest rate hedging:

	Fixed-rate borrowings			Variable-rate borrowings			Total gross borrowings		**Average cost of debt, base 12/31/2012**
(in millions of euros)	Amount	Rate	Fixed part	Amount	Rate	Fixed part	Amount	Rate	
12/31/2009	5 613	4.56%	76%	1 773	1.73%	24%	7 386	3.88%	**4.08%**
12/31/2010	4 735	4.54%	63%	2 741	2.10%	37%	7 476	3.65%	**4.07%**
12/31/2011	5 872	4.46%	76%	1 865	2.72%	24%	7 736	4.04%	**4.20%**
12/31/2012	6 029	3.92%	81%	1 392	2.12%	19%	7 421	3.58%	**3.86%**

N.B.: The average cost of debt, "base 12/31/2012" is calculated on the basis of the interest rates and funding structure in place at December 31, 2012, and does not therefore constitute a forecast of the average cost of debt for Klépierre over the coming period. It includes the spreading of issue costs and premiums.

Hedging strategy
Klépierre has set a target hedging rate of approximately 70%. This rate is defined as the proportion of fixed-rate debt (after hedging) to gross borrowings. As the previous table shows, this proportion was 81% as at December 31, 2012.
In order to achieve its target rate, Klépierre focuses on the use of swap agreements, which enable fixed rates to be swapped for variable rates, and vice-versa.
Klépierre also hedges its risk from short-term rate increases by buying caps that limit the possible variations compared to a benchmark index.
Given the nature of its business as a long-term property owner and its growth strategy, Klépierre is structurally a borrower. Since the Group is not seeking to reduce the proportion of short-term debt in its total indebteness it is highly likely that its short-term variable-rate loans will be renewed in the medium term. This is the reason why Klépierre's hedging strategy includes both the long-term and short-term aspects of its borrowings.
Generally, hedge terms may exceed those of the debts hedged, on the condition that Klépierre's financing plan emphasizes the high probability of these debts being renewed.

8.1.2. Interest rate risk – exposure to fixed-rate debt

Description of fixed-rate borrowing
The majority of Klépierre's fixed-rate borrowing currently consists of bonds and mortgage loans in Scandinavia.
The main source of additional fixed-rate debt is potentially the bond market or convertible bonds and other "equity-linked" products.

Identified risk
Klépierre's fixed-rate debt exposes it to fluctuations in risk-free interest rates, as the fair value of fixed-rate debt increases as rates fall, and vice-versa.
At any given time, Klépierre may also find itself in the position of needing to increase its future fixed-rate debt (e.g.: for a future acquisition). It would then be exposed to the risk of a change in interest rate prior to arrangement of the loan. Klépierre may then consider hedging this risk, which is treated as a "cash flow hedge" risk under IFRS.

Measurement of risk exposure and hedging strategy
At December 31, 2012, fixed rate debt totaled 3,162 million euros before hedging.
The "fair value hedge" strategy is calibrated to meet the overall hedging rate target. It is also based on the use of rate swaps allowing fixed-rate payments to be swapped to variable-rate payments. The "credit margin" component is not hedged.
The duration of "fair value hedge" instruments is never longer than that of the debt hedged, since Klépierre wishes to obtain a very high level of "effictiveness", as defined by IAS 32/39.

8.1.3. Marketable securities
At December 31, 2012, Klépierre held 27 million euros of marketable securities.
Cash equivalents refer only to amounts invested in French open-ended money market funds (27 million euros).
These investments expose Klépierre to a moderate interest rate risk as a result of their temporary nature (cash investments) and the amounts involved.

8.1.4. Fair value of financial assets and liabilities
The Group recognizes the borrowings in the balance sheet at amortized cost.
The following table compares the fair values of debts with their corresponding par values. Fair values are established on the basis of these principles:
- variable-rate bank debt: the fair value is equal to the par value;
- fixed-rate bank debt: the fair value is calculated solely on the basis of rate fluctuations;
- bonds (and convertibles, where applicable): use of market quotations where these are available.

Klépierre has chosen not to revalue the margin component of these unlisted loans as the exceptionally difficult credit market conditions since the start of the financial crisis have accentuated the differences between margins in individual markets (bonds, corporate lending, mortgages, etc.) and made any assessment very uncertain.

	12/31/2012			12/31/2011		
(in millions of euros)	**Par value**	**Fair value**	**Change in fair value caused by a 1% increase in interest rate[1]**	Par value	Fair value	Change in fair value caused by a 1% increase in interest rate[1]
Fixed-rate bonds	2 995	3 247	-136	1 989	1 936	-33
Fixed-rate bank loans	169	178	-4	221	229	-5
Other variable-rate loans	4 258	4 258	–	5 526	5 527	–
TOTAL	**7 421**	**7 683**	**-140**	**7 737**	**7 692**	**-38**

(1) Change in the fair value of the debt as a result of a parallel shift in the rate curve.

Derivatives are recognized in the balance sheet at their fair value. At December 31, 2012, a 1% rise in rates would have resulted in a rise of 135 million euros in the value of the Group's euro-denominated interest rate derivatives.

8.2. Liquidity risk

Klépierre is attentive to the long-term refinancing needs of its business and the need to diversify maturity dates and the sources of finance in such a way as to facilitate renewals.

The average duration of indebtedness at December 31, 2012 was more than five years, with borrowings spread between different markets (the bond market and commercial paper represent 54%, with the balance being raised in the banking market). Withing banking market, the compagny uses a range of different loans types (syndicated loans, mortgage loans, etc.) and counterparties.

Outstanding commercial paper, which represents the bulk of short-term financing, never exceeds the "back-up" lines. This means that the company can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

Klépierre also has unused credit lines (including bank overdrafts) totaling 1 829 million euros at December 31, 2012. These lines will be sufficient to absorb the main refinancing scheduled for the next two years. Generally speaking, access to finance for real estate companies is facilitated by the security offered to lenders in the form of the companies' property assets.

Some Klépierre finance sources (bilateral loans, bonds, etc.) are accompanied by financial covenants. These covenants are based on the standard ratios applying to real estate companies, and the limits imposed leave Klépierre with sufficient flexibility. Failure to comply with these covenants may result in compulsory early repayment.

Klépierre SA bonds (2 989 million euros) include a bearer option, providing the possibility of requesting early repayment in the event of a change of control generating a change of Klépierre's rating to "non-investment grade". Apart from this clause, no other financial covenant refers to Standard & Poor's rating for Klépierre.

The main financial covenants are detailed in the financial report.

8.3. Currency risk

Until its acquisition of Steen & Strøm in October 2008, the majority of Klépierre's business was conducted within the Eurozone with the exception of the Czech Republic, Hungary and Poland.

The currency risk in these countries has not been assessed sufficiently high to warrant derivative hedging, since the acquisitions and the acquisition financing were denominated in euros.

Generally, rents are invoiced to lessees in euros and converted into the local currency on the billing date. Lessees have the choice of paying their rents in local currency or in euros (or in dollars for some minority leases). The currency risk on minimum guaranteed rents is therefore limited to any variance between the rent as invoiced and the rent actually collected if the currency should fall in value against the euro between the invoice date and the date of payment in local currency by the lessee.

At the same time, Klépierre ensures that rent payments from tenants do not represent an excessively high proportion of their revenue in order to avoid any worsening of their financial position in the event of a sharp increase in the value of the euro, which could increase the risk of their defaulting on payments due to Klépierre.

In Scandinavia though, leases are denominated in local currency. Funding is therefore also raised in local currency. The principal exposure of the Klépierre group to Scandinavian currency risk is therefore limited essentially to the funds invested in the company (share in equity of Steen & Strøm), which were partially financed in euros.

8.4. Counterparty risk

Counterparty risk is limited by the fact that Klépierre is structurally a borrower. This risk is therefore limited essentially to investments made by the Group and the Group's derivative transactions counterparties.

8.4.1. Counterparty risk on marketable securities

The counterparty risk on investments is limited by the type of products used:

- monetary UCITS managed by recognized institutions, and therefore carrying a range of signatures;
- Government debt (loans or borrowings) of countries in which Klépierre operates;
- Occasionally, deposit certificates issued by leading banks.

8.4.2. Counterparty risk on hedging instruments

Klépierre conducts derivative instrument transactions only with financial institutions recognized as financially sound.

8.5. Equity risk

Klépierre holds no equities other than its own shares (4 252 709 shares at December 31, 2012), which are recognized in equity at their historical cost.

NOTE 9. FINANCE AND GUARANTEE COMMITMENTS

9.1. Commitments given

(in thousands of euros)	**12/31/2012**	12/31/2011
Commitments related to the Group's consolidated scope	**2 154**	**2 154**
Purchase commitments	2 154	2 154
Commitments related to Group financing	**2 499 476**	**2 269 935**
Financial guarantees given	2 499 476	2 269 935
Commitments related to the Group's operating activities	**238 794**	**376 321**
Commitments on works contracts (Property development/Sale before completion)	166 909	196 759
Commitments under conditions precedent	25 669	54 919
Work completion commitments	32 129	101 456
Rental guarantees and deposits	1 362	1 288
Other commitments given	11 177	21 898
TOTAL	**2 738 875**	**2 648 409**

9.1.1. Commitments related to the Group's consolidated scope

Equity acquisition commitments

At December 31, 2012, this item comprised an earn-out payment of 2.1 million euros related to the acquisition of the Seriate and Pesaro shopping centers in Italy.

The price paid for Sadyba (part of the Polish acquisitions made in 2005) is subject to an earn-out clause. Klépierre does not own the land of the center fully but under a lease that expires July 31, 2021. An earn-out payment shall be made to the seller if the seller obtains, within ten years starting from July 2005, an extension of the lease or full ownership. As the probability of the lease being extended or full ownership being obtained cannot be measured, the earn-out payment is not currently recognized.

9.1.2. Commitments related to Group financing

Financial guarantees given

In general terms, the Group finances its assets from equity or debt contracted by its parent company, rather than pledging its own assets. In some cases, especially in Scandinavian country, Steen & Strøm mainly relies on local currency mortgages to fund its activities.

The breakdown by country of guaranteed debts and mortgages is shown in the following table:

(in thousands of euros)	**Loan amount at 12/31/2012**	Mortgage amount at 12/31/2012
France	79 157	103 812
Italy	400 640	960 000
Norway	808 866	930 073
Sweden	697 670	469 967
Denmark	513 143	532 143
TOTAL	**2 499 476**	**2 995 995**

9.1.3. Commitments related to the Group's operating activities

Commitments on works contracts (Property Development/Sale Before Completion)

The commitments on works contracts are reciprocal guarantees given under property development contracts and sale before completion contracts (under which payment is guaranteed by the buyer and completion by the developer).

At December 31, 2012, the Group's main commitments are related to shopping center and office construction projects, such as the Bègles Rives d'Arcins (3.8 million euros), Carré Jaude 2 (49.7 million euros), Besançon Pasteur (33.6 million euros) and Pantin (71.8 million euros) projects in France and the Emporia project in Sweden (7.9 million euros).

Commitments under conditions precedent

The commitments under conditions precedent relate to purchase promissory agreements on land or assets and earn-out payments on acquisitions.

Several commitments have been given for acquisitions of land (e.g. Corep – Rives d'Arcins, Chaumont and Perpignan-Claira), for a total amount of 15 million euros. The Group is committed to acquire assets as part of the Centre Bourse Grands Magasins project for a total amount of 6.5 million euros. The commitments related to the Claye-Souilly project represent 4 million euros.

In 2011 the Italian subsidiary IGC was committed to make an earn-out payment of 4 million euros related to the acquisition of the Varese Center. This earn-out payment was executed in the first quarter of 2012.

Work completion commitments

The decrease in work completion commitments compared to 2011 is mainly the result of progress made on extension and renovation projects for the centers of Hérouville (-14.5 million euros) and Perpignan-Claira (-11.5 million euros) in France and in Norway (-27.5 million euros).

The main ongoing extension and renovation projects are Claye-Souilly (5 million euros), Perpignan-Claira (3 million euros), Hérouville (2 million euros), Rives d'Arcins (7.5 million euros) in France and Vinterbro (5 million euros) in Norway.

Rental guarantees and deposits
The "Rental guarantees and deposits" item is mainly composed of deposits for the business premises of the Group's management subsidiaries (Ségécé) abroad.

Other commitments given
Other commitments are given for payment guarantees on amounts owed to the state (6.1 million euros) and deposits on loans to employees (5 million euros).

9.2. Commitments received

(in thousands of euros)	12/31/2012	12/31/2011
Commitments related to Group financing	**1 695 000**	**765 000**
Financing agreements obtained and not used	1 695 000	765 000
Commitments related to the Group's operating activities	**451 781**	**349 957**
Sale commitments	98 731	–
Deposits received guaranteeing the real-estate management activity (under the "Hoguet" law)	260 030	260 030
Deposits received from tenants	93 020	89 927
TOTAL	**2 146 781**	**1 114 957**

9.2.1. Commitments related to Group financing

Financing agreements obtained and not used
At December 31, 2012, Klépierre has 1,695 million euros of confirmed and undrawn credit lines on bilateral and syndicated loans.
An additional amount of 100 million euros is also available in the form of an uncommitted overdraft (BNP Paribas and Banca Intesa), as at December 31, 2012. Steen & Strøm has 13 million euros available credit lines as overdrafts.

Other subsidiaries have 21 million euros of unused credit lines available.

9.2.2. Commitments related to the Group's operating activities

Sale commitments
Klépierre signed commitments to sell the Lomme shopping center in France and the Nordbyen Senter in Norway. These commitments represent 98.7 million euros at December 31, 2012.

Deposits received guaranteeing the real estate management activity (under the "Hoguet" law)
As part of its real-estate management activities in 2012, the Klépierre group, via Ségécé, enjoyed a financial guarantee from BNP Paribas for a variable amount capped at 260 million euros.

Deposits received from tenants
As part of its rental business, the Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed by tenants.
To the best of our knowledge, we have not omitted any significant or potentially significant off-balance sheet commitment as defined by the applicable accounting standards.

9.3. Shareholders' agreements

Shareholder agreements relating to Klécar France, Klécar Europe Sud, Solorec and Klécar Participations Italie
The shareholder agreements between Klépierre and CNP Assurances and Écureuil Vie were amended by a rider signed on December 30, 2004, the effect of which was to cancel the liquidity commitments given by Klépierre to its partners.
The agreement provides the usual protections for non-controlling interests: pre-emption right, joint exit right and the decision-making process applying to investment or divestment. Each agreement contains two additional clauses:
- one in favor of Klépierre: an obligation for the non-controlling shareholders to exit at the request of Klépierre in the event of Klécar assets being sold to a third party;
- the other in favor of the non-controlling shareholders: a process enabling the non-controlling shareholder to consider a range of exit scenarios in 2016 and 2017 (for the Italian companies) or 2014 and 2015 (for the other shopping centers);
  - – asset sharing or sale;
  - – purchase of non-controlling shareholdings by Klépierre (with no obligation for Klépierre);
  - – disposal to a third party with payment of a discount by Klépierre if the offer is less than the net asset value*.

Partners' agreements in respect of Bègles Arcins
Signed on September 2, 2003, this agreement between Klépierre and Assurécureuil Pierre 3 contains provisions regulating the relationship between the company partners, and, more specifically, a dispute resolution clause.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCS Cecobil
Signed on October 25, 2007 following the transition of Cecobil to a limited partnership, this agreement provides the usual protections in the event of a proposed sale of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.
SNC Kléber la Pérouse is no longer party to this agreement since the transfer of its assets and liabilities (TUP) to Klépierre on July 4, 2012.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCI Secovalde and SCI Valdebac
Signed on October 25, 2007, this agreement provides the usual protections in the event of a proposed sale of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.
This partners' agreement amended on December 29, 2008 and November 23, 2010, also includes SCI Valdebac since December 8, 2010 when more than 99.99% of its shares were transferred from SNC Kléber La Pérouse and SCI Vendôme Commerces to SCI Secovalde. As a consequence, the partners' agreement relating to SCI Valdebac alone, signed by SNC Kléber La Pérouse and SCI Vendôme on June 21, 2010, was terminated on December 8, 2010.

** See glossary.*

Kléber la Pérouse is no longer party to this agreement since the transfer of its assets and liabilities (TUP) to Klépierre on July 4, 2012.

Partners' agreements between Klépierre, Kléfin Italia, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia, and between Klépierre, Kléfin Italia, Klépierre Luxembourg, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Immobiliare Gallerie Commerciali (IGC)
A partners' agreement was signed in 2002 during the acquisition of IGC shares by the Klépierre group.
Its main provisions – including those regarding Klépierre's preemption right – were restated in a new agreement in 2007 applying to IGC and/or Clivia (owner of the Lonato, Verona and Vittuone shopping centers). In the case of IGC, this was replaced by an agreement signed on July 23, 2009.
All these agreements grant Finiper a put (option to sell) enabling it to sell its shares in IGC and/or Clivia to Klépierre. This put expires in 2017 and can be split into two parts:
- one of 12% and one of 16.70% for IGC;
- two parts – each of 25% – for Clivia.

Any refusal by Klépierre regarding the second IGC part and both Clivia parts will result in a penalty becoming payable to the Finiper group.

Partners' agreements between Klépierre and Stichting Pensioenfonds ABP in respect of the Swedish company Nordica Holdco AB, and the Norwegian companies Storm Holding Norway AS and Steen & Strøm
The shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.
This agreement was made on July 25, 2008 and an amendment made on October 7, 2008. It includes the usual provisions to protect non-controlling interests: qualified majority voting for certain decisions, purchase option in the event of deadlock and joint exit rights, as well as the following provisions:
- a one-year inalienability period applied to Steen & Strøm shares from the date of acquisition;
- each party has a right of first offer on any shares which the other party wishes to transfer to a third party, subject to the proviso that where shares are transferred by one party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer;
- from the sixth year following acquisition, either party may request a meeting of shareholders to approve, subject to a two-thirds majority, the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company.

Through deeds of adherence dated December 23, 2009, Storm ABP Holding BV and APG Strategic Real Estate Pool NV adhered to this partners' agreement.
Through a deed of adherence dated September 30, 2011, Stichting Depositary APG Real Estate Pool adhered to this partners' agreement.

Partners' agreement between Klépierre Luxembourg SA and Torelli SARL in respect of Holding Klege SARL
Signed on November 24, 2008, this partners' agreement sets out the operating structure for Holding Klege SARL, and includes the usual provisions governing share capital transactions, decision-making and the right to information. Both parties enjoy preemption rights in the event of planned disposals of shares in the company to a third party.
Holding Klege SARL owns 100% of the share capital of Klégé Portugal SA, the company formed specifically to manage the construction of a shopping center* in Portimão, Portugal.

Partners' agreement between Kleprojet 1 and Holprim's in respect of Kleprims
Signed on September 20, 2010, the agreement gives Kleprojet 1 exit rights if the conditions precedent are unmet as well as the usual protections in the event of a proposed sale of equity shares to a third party (first refusal and total joint exit rights), change of control of a partner and other circumstances affecting the relationship between partners.

Partners' agreement between Klépierre and Cardif Assurance Vie in respect of SCI Portes de Claye
This agreement, signed on April 16, 2012, contains provisions governing relations between company partners.
It provides the usual protections in the event of proposed sale of equity shares to third parties:
- Reciprocal pre-emption right;
- Reciprocal total joint exit right;
- Total joint exit obligation by non-controlling partner in the event the majority partner plans to sell its full equity stake.

It also gives minority partner a right of first offer in the event of a sale of assets by the Company.
KC 2 SNC has not been party to this agreement since June 5, 2012, following its transfer of assets and liabilities (TUP) to Klécar France SNC.
By decision of the extraordinary general meeting of shareholders on June 28, 2012, Klécar France SNC distributed its entire investment in Portes de Claye SCI to Klépierre.

9.4. Commitments under operating leases – lessors

The main clauses contained in the lessor's lease agreement are described below:

9.4.1. Shopping centers

Rental periods vary in different countries. The terms governing the fixing and indexing of rents are set out in the agreement.
Indexation enables the review of the Minimum Guaranteed Rent. The indices used vary from country to country.

Indexation specific to each country
France indexes its leases to the French commercial rents index (ILC*) or cost of construction index (ICC*). The ILC is a compound index derived from the French consumer price index (IPC), retail trade sales value index (ICAV) and cost of construction index (ICC). Leases are modified in line with the index on January 1, each year. Most leases, 75%, are indexed to the ILC for the second quarter, which is published in October and applicable to the following January 1. Most leases have a duration of ten or twelve years, with an opt-out every three years for the tenant.
In Spain, the consumer price index (CPI) is recorded annually every January 1.
In Italy, the system is based on the consumer price indices (excluding tobacco) for working class and junior management (ISTAT), but is more complex in its implementation. Depending on the lease, either the ISTAT is applied at 75% ("locazione" regulated leases) or the full reference segment index is applied. Under "locazione" leases, the duration is twelve years with an opt-out for tenants after six years. For other types of leases, the duration is not regulated.

* *See glossary.*

In Portugal, the index used is the consumer price index (CPI), excluding properties.
In Greece, the consumer price index (CPI) is applied.
The Eurostat IPCH Eurozone index used in Central Europe is based on consumer prices in the EMU countries.
There is no obligatory minimum or maximum period in Norway. However leases are usually written for periods of five or ten years. Unless agreed otherwise, either party may request an annual rent review based on the trend in the Norwegian consumer price index.
In Sweden, the period of a commercial lease is agreed by the parties to the agreement. By default leases are open-ended, but most commercial leases are written for at least three years. Where the lease is written for a period in excess of three years, annual indexation linked to the national consumer price index is the norm.
In Denmark, the parties are free to agree the amount of rent and rent payment methods. Rents may be fixed or indexed against the revenue reported by the lessee. In most cases, the rent is reviewed annually on the basis of the trend in the Danish consumer price index. Under the terms of commercial lease legislation, either party may request that the rent is adjusted to reflect the market rate every four years. This provision applies unless the parties agree otherwise.

Minimum guaranteed rent and variable rent

Appraised on a year-by-year basis, the rent payable is equivalent to a percentage of the revenues generated by the lessee during the calendar year concerned. The rate applied differs depending on business type. The total amount of this two-part rent (a fixed part + a variable part) can never be less than the Minimum Guaranteed Rent (MGR*). The MGR is reviewed annually by application of the index according to the terms specified above. The variable part of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.
Wherever possible, all or part of the variable rent is consolidated into the MGR at the point of lease renewal. In this way, the variable part of the rent is usually reduced to zero at the end of the lease. Every year, it is mechanically deducted from the indexation rise in MGR.

9.4.2. Office properties

100% of Klépierre's offices property assets are located in France and are therefore governed by French law.
Commercial businesses are covered by articles L. 145-1 to L. 145-60 of the French Commercial Code and the non-codified articles of decree 53-960 of September 30, 1953 (the "statute"). Some of these clauses are public policies. For example: the length of leasing agreements, which may not be shorter than nine years (in terms of the lessor's commitment), the right to renewal, the formal conditions to be complied with in the event of cancellation, vacation, renewal, eviction, etc.
Exceptionally, leases of two years or less may be exempt from the statute. The most usual lease term is nine years, during which only the lessee may terminate the lease at the end of each 3-year period by sending a 6-month prior notice by extrajudicial act. The parties may grant exemption from this 3-yearly termination clause.

The rent is usually paid quarterly in advance and is indexed in full annually against the Insee Cost of Construction index. The rent may be progressive or constant, and may include rent-free periods, but is always set at the point when the lease is signed and for its full term (except for any riders added during the lease term).
All charges, including property and office taxes, are usually met by the lessee, with the exception of works regulated by article 606 of the French Civil Code, which are usually paid for by the lessor.
Professionals (lawyers, chartered accountants, architects, etc.) are not covered by the statute. The minimum duration for such leases is six years, with the lessee free to terminate at any time by giving six months' notice. These agreements are not renewable. The other conditions are similar to those of commercial leases.
A decree on the rent review index for tertiary activities (known as "ILAT") was published in the French Journal Officiel (gazette) on December 29, 2011. The ILAT can now be used as a reference when reviewing rents of office premises, for activities in the professional occupations and for activities carried out in logistics warehouses.
The use of this new index is dependent on the agreement of all parties. No leases are currently affected.
The ILAT is the weighted sum of three indexes: the consumer price index (50%), the cost of construction index (25%) and the level of gross domestic product (25%).

The total amount of conditional rents recognized in income

The conditional rent is that portion of the total rent which is not a fixed amount, but is a variable amount based on a factor other than time (e.g. percentage of revenues, degree of use, price indices, market interest rates, etc.).
Minimum payments made under the lease are those payments which the lessee is, or may be, required to make during the term of the lease, excluding the conditional rent, the cost of services and taxes to be paid or refunded to the lessor.
At December 31, 2012, the total future minimum rents receivable under non-cancelable operating leases were as follows:

(in thousands of euros)	**12/31/2012**
Less than one year	821 872
Between one and five years	1 332 092
More than five years	423 831
TOTAL	**2 577 795**

9.5. Retention commitments

In France, some assets are subject to the tax regime set out in article 210-E of the French General Tax Code, under which the buildings must be retained for at least five years after acquisition. These are:
- all buildings and property finance leases acquired by Klémurs, at the exception of Jardineries Delbard;

* See glossary.

- some equity investments in Galeries Drancéennes (owner of the Drancy Avenir retail park) and Immo-Dauland owner of the Chalon-sur-Saône retail park;
- the Annecy Courrier shopping center and Monoprix store;
- three finance leases acquired in 2011 and relating to real estate assets located in Roques-sur-Garonne.

NOTE 10. EMPLOYEE COMPENSATION AND BENEFITS

10.1. Payroll expenses

At December 31, 2012, total payroll expenses amounted to 120.4 million euros.
Fixed and variable salaries and wages plus incentives and profit sharing totaled 96.6 million euros, pension-related expenses, retirement expenses and other staff benefits were 21.5 million euros, taxes and similar compensation-related payments were 2.3 million euros.

10.2. Employees

At December 31, 2012, the Group had an average of 1 453 employees: 879 work outside France, including 399 in the Scandinavian real estate company Steen & Strøm. The average headcount of the Klépierre group in the first half of 2012 breaks down as follows:

	12/31/2012	12/31/2011
France-Belgium	574	578
Scandinavia	399	397
Italy	123	122
Iberia	157	162
Central Europe	200	212
TOTAL	**1 453**	**1 471**

10.3. Employee benefits

10.3.1. Defined contribution pension plans

In France, the Klépierre group contributes to a number of national and inter-profession basic and supplementary pension organizations.

10.3.2. Defined benefit pension plans

The provisions recognized for defined benefit pension plans totaled 12.7 million euros at December 31, 2012.

(in thousands of euros)	12/31/2011	Allowances for the period	Write-backs (provision used)	Write-backs (provision unused)	Other movements	Changes in the scope of consolidation	**12/31/2012**
Provisions for employee benefit commitments							
Defined benefit schemes	11 498	1 019		-13	201		12 705
Other long term benefits	2 891	578		-5			3 464
TOTAL	**14 389**	**1 597**	**–**	**-18**	**201**	**–**	**16 169**

The defined benefit plans in place **in France** are subject to independent actuarial appraisal, which uses the projected unit credit method to calculate the expense relating to rights acquired by employees and the outstanding benefits to be paid to pre-retirees and retirees. The demographic and financial assumptions used when estimating the discounted value of the plan obligations and financed schemes' assets reflect the economic conditions specific to the monetary zone concerned. The fraction of actuarial variances to be amortized after application of the 10% limit (corridor method) is calculated separately for each defined benefit plan.
Klépierre has set up supplementary pension plans under a corporate agreement. Under these supplementary plans, employee beneficiaries will, on retirement, receive additional income over and above their national state pensions (where applicable) in accordance with the type of plan they are entitled to.
Group employees also benefit from agreed or contractual personal protection plans in various forms, such as retirement gratuities.
In Italy, Ségécé Italia operates a "Trattamento di Fine Rapporto" (TFR) plan. The amount payable by the employer on termination of the employment contract (as a result of resignation, dismissal or retirement) is calculated by applying an annual coefficient for each year worked. The final amount is capped. Since the liability is known, it can be recognized under other liabilities and not as a provision for contingencies.

In Spain, a provision for retirement commitments may be recognized where specific provision is made in the collective agreement, but this does not affect the staff working in the Spanish subsidiaries of the Klépierre group.

Scandinavia has both general and supplementary pension schemes. Both impose annual contributions to pension funds. In addition to these schemes, Steen & Strøm has put in place a private scheme for some employees **in Norway.** Entitlement to full benefits conferred by this pension scheme is dependent on thirty years of contributions. The scheme pays 60% of the basic final salary applying on January 1 of the year in which the scheme member reaches 67 years of age. Survivor and disability arrangements are also covered by the scheme. Sixty-seven employees are scheme members and nine are currently receiving benefits.
The existing commitments for post-employment medical assistance

plans are measured on the basis of assumed rises in medical costs. These assumptions, based on historical observations, take into account the estimated future changes in the cost of medical services resulting both from the cost of medical benefits and inflation.

Components of net obligation (five-years comparison of acturial liabilities)

(in thousands of euros)	**2012**	2011	2010	2009	2008
Surplus of obligations over the assets of financed schemes					
Gross discounted value of obligations fully or partially financed by assets	20 087	18 710	17 798	9 290	10 194
Fair value of the schemes' assets	-6 537	-7 077	-7 290	-2 010	-2 454
Discounted value of non-financed obligations	**13 550**	**11 633**	**10 508**	**7 280**	**7 740**
Costs not yet recognized in accordance with the provisions of IAS 19	–	–	–	–	–
Cost of past services	-512	-85	-16	-424	-448
Net actuarial losses or gains	-58	-50	-242	-821	-1 439
Matured rights	-275	–	–	–	–
NET OBLIGATION RECOGNIZED IN THE BALANCE SHEET FOR DEFINED BENEFIT PLANS	**12 705**	**11 498**	**10 250**	**6 035**	**5 853**

Change in net obligation

(in thousands of euros)	**12/31/2012**
Net obligation at the beginning of the period	**11 498**
Retirement expense recognized in income of the period	1 207
Contributions paid by Klépierre recognized in income of the period	–
Acquisition/Disposal	–
Benefits paid to recipients of non-financed benefits unfunded	–
NET OBLIGATION AT THE END OF THE PERIOD	**12 705**

Components of retirement expense

(in thousands of euros)	**12/31/2012**
Cost of services rendered during the year	774
Financial cost	696
Forecasted yield of the scheme's assets	-201
Amortization of actuarial gains and losses	–
Amortization of past services	25
Effects of reduction or liquidation of the scheme	–
Currency effect	-275
TOTAL RECOGNIZED IN "PAYROLL EXPENSES"	**1 019**

Actuarial assumptions

	Group
Discount rate	3% -3.78%
Forecasted yield rate of the scheme's assets	3.55%
Forecasted yield rate of redemption rights	NA
FUTURE SALARY INCREASE RATE	**1.28% -2.20%**

The discount rate for the euro zone is taken from the yield on euro zone government bonds (iBoxx index) with a maturity equivalent to the date of the obligations being valued.

10.4. Stock options

There are currently five stock option plans in place for Group executives and employees.

10.4.1. Summary data

	Plan no. 1	Plan no. 2	Plan no. 3	
			Without performance conditions	With performance conditions
Date of the general meeting of shareholders	4/7/2006	4/7/2006	4/7/2006	4/7/2006
Date of the Executive Board	5/30/2006	5/15/2007	4/6/2009	4/6/2009
Start date for exercising options	5/31/2010	5/16/2011	4/6/2013	4/6/2013
Expiration date	5/30/2014	5/15/2015	4/5/2017	4/5/2017
Subscription or purchase price(1)	29.49	46.38	22.60	between 22.6 and 27.12
Stock purchase options originally granted before any adjustment	195 000	143 000	378 500	102 500
Stock purchase options originally granted (number adjusted to reflect the division of the face value per 3 and the discount of preferential rights granted for the capital increase of December 2008)	603 490	443 146	NA	NA
Stock purchase options canceled at December 31, 2012	72 976	55 206	45 500	
Stock purchase options exercised at December 31, 2012			3 750	938
Outstanding stock purchase options at December 31, 2012 (after additional adjustment to reflect the discount of preferential rights granted for the capital increase of December 2008)	530 514	387 940	329 250	101 562

(1) After adjustment of the division per three of the face value in 2007 and the discount of preferential rights granted for the capital increase of December 2008.

	Plan no. 4		Plan no. 5	
	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Date of the general meeting of shareholders	4/9/2009	4/9/2009	4/9/2009	4/9/2009
Date of the Executive Board	6/21/2010	6/21/2010	5/27/2011	5/27/2011
Start date for exercising options	6/21/2014	6/21/2014	5/27/2015	5/27/2015
Expiration date	6/20/2018	6/20/2018	5/26/2019	5/26/2019
Subscription or purchase price	22.31	between 22.31 and 26.77	27.94	between 27.94 and 33.53
Stock purchase options originally granted before any adjustment	403 000	90 000	492 000	114 000
Stock purchase options originally granted (number adjusted to reflect the division of the face value per 3 and the discount of preferential rights granted for the capital increase of December 2008)				
Stock purchase options canceled at December 31, 2012	33 000		22 500	
Stock purchase options exercised at December 31, 2012				
Outstanding stock purchase options at December 31, 2012	370 000	90 000	469 500	114 000

The first two are standard stock option plans, and are therefore not performance linked. The third, fourth and fifth plans are performance-related for Executive Board members and partly performance-related for the Executive Committee.

The characteristics of the plans are as follows:

Plans authorized in 2006 and 2007	Plan no. 1	Plan no. 2
Exercise price(1)	€29.49	€47.90
Share price on the date of allocation	€27.90	€47.30
Volatility	21.50%	21.20%
Risk-free interest rate (8-year maturity)	4.10%	4.51%
Dividend per share	€1.00	Growth of 10% in 2007, followed by assumed growth calculated as a straight-line regression of the dividends for previous years.
Estimated unit value	€4.60	€10.40
Expense for the period	–	–

(1) Restated for the threefold nominal reduction to the stock in 2007, but before correction of the discount granted as part of the preferential subscription rights capital increase in December 2008

10.4.2. Other information

The expense recognized for the period amounts to 1.7 million euros for all plans and takes into account an estimate of the population of beneficiaries at the end of each vesting period, as a beneficiary may lose his or her entitlements should he or she leave the Klépierre group during this period.

	Plan no. 3	
Plan authorized in 2009	Without performance conditions	With performance conditions
Exercise price	€22.60	
Share price on the date of allocation	€15.30 Level of EPRA Euro zone index 1 141.59	
Volatility	Klépierre share: 30.7%; EPRA: 19.4%; correlation: 0.87	
Risk-free interest rate (8-year maturity)	3.19%	
Dividend per share	€1.25 in 2009 then €1.06 thereafter	
Estimated unit value	€1.20	2009: €0.97
		2010: €1.12
		2011: €1.13
		2012: €1.12
Expense for the period	119 thousand euros	

	Plan no. 4	
Plan authorized in 2010	Without performance conditions	With performance conditions
Exercise price	€22.31	
Share price on the date of allocation	€23.43 Level of EPRA Euro zone index 1 202.90	
Volatility	Klépierre share: 33.3%; EPRA: 22.2%; correlation: 0.75	
Risk-free interest rate (8-year maturity)	2.83%	
Dividend per share	€1.25	
Estimated unit value	€5.53	2010: €5.39
		2011: €4.78
		2012: €5.03
		2013: €5.03
Expense for the period	610 thousand euros	

	Plan no. 5	
Plan authorized in 2011	Without performance conditions	With performance conditions
Exercise price	€27.94	
Share price on the date of allocation	€28.85 Level of FTSE EPRA Euro zone index 1 473.59	
Volatility	Klépierre share: 33.3%; EPRA: 22.2%; correlation: 0.75	
Risk-free interest rate (8-year maturity)	3.27%	
Dividend per share	€1.35	
Estimated unit value	€7.44	2011: €2.81
		2012: €6.87
		2013: €6.81
		2014: €6.81
Expense for the period	1 001 thousand euros	

10.5. Free shares

On October 23, 2012, 260 200 shares have been allocated to management and Group employees, as part of a free share plan authorized by the Executive Board.

10.5.1. Summary data

	Plan no. 1				
	France			Foreign countries	
Plan authorized in 2012	Without performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Date of the general meeting of shareholders	4/12/2012	4/12/2012	4/12/2012	4/12/2012	4/12/2012
Date of the Executive Board	10/23/2012	10/23/2012	10/23/2012	10/23/2012	10/23/2012
End of period of acquisition	1/31/2016	10/23/2015	10/23/2015	10/23/2016	10/23/2016
End of period of conservation	1/31/2018	10/23/2017	10/23/2017	–	–
Shares originally granted	40 000	22 100	159 000	13 600	25 500
Shares canceled at December 31, 2012					
Outstanding shares at December 31, 2012	40 000	22 100	159 000	13 600	25 500

10.5.2. Other information

The expense recognized for the period amounts to 0.2 million euros and takes into account an estimate of the population of beneficiary at the end of each vesting period, as a beneficiary may lose his or her entitlements should he or she leave the Klépierre group during this period.

	Plan no. 1				
	France			Foreign countries	
Plan authorized in 2012	Without performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Share price on the date of allocation Average of the 20 opening quotations preceeding October 23, 2012	€28.31	€28.31	€28.31	€28.31	€28.31
Volatility for Klépierre share quotes: Historical volatility over 8 years, as calculated as of October 22, 2012 based on daily variation	35% Klepierre share	35% Klépierre share; 23.2% FTSE EPRA Eurozone®; correlation: 0.82		35% Klépierre share; 23.2% FTSE EPRA Eurozone®; correlation: 0.82	
Dividend per share	€1.45	€1.45	€1.45	€1.45	€1.45
Share value	€24.26	€24.29	€13.31	€22.99	€12.53
Expense for the period	56 thousand euros	32 thousand euros	126 thousand euros	14 thousand euros	14 thousand euros

NOTE 11. ADDITIONAL INFORMATION

11.1. Disclosures about the fair value model

Klépierre chose to apply the IAS 40 cost model and, as a result, must disclose the fair value of investment property in the notes to the financial statements.

Comprehensive income statement at fair value (EPRA model) *(in thousands of euros)*	**12/31/2012 Fair value model**	12/31/2011 Fair value model
LEASE INCOME	**992 121**	**958 745**
Land expenses (real estate)	-4 880	–
Non-recovered rental expenses	-44 236	-37 574
Building expenses (owner)	-56 406	-65 346
NET RENTS	**886 599**	**855 825**
Management, administrative and related income	90 329	85 135
Other operating revenue	14 108	20 375
Change in the fair value of investment property	80 423	644 764
Survey and research costs	-2 413	-1 720
Payroll expenses	-120 475	-109 938
Other general expenses	-43 568	-38 472
Depreciation and impairment allowance on investment property	-9 549	-13 165
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-10 932	-9 572
Provisions	307	-3 665
Gains on the disposal of investment property and equity investments	609 847	187 803
Net book value of investment property and equity investments sold	-599 009	-175 585
Income from the disposal of investment property and equity investments	**10 838**	**12 218**
Profit on the disposal of short term assets	**–**	**–**
Goodwill impairment	**–**	**–**
OPERATING INCOME	**895 668**	**1 441 785**
Net dividends and provisions on non-consolidated investments	-16	161
Financial income	*134 311*	*153 245*
Financial expenses	*-452 021*	*-469 005*
Net cost of debt	-317 709	-315 760
Change in the fair value of financial instruments	-41 589	-21 376
Effect of discounting	–	-293
Share in earnings of equity method investees	1 397	3 372
PROFIT BEFORE TAX	**537 751**	**1 107 889**
Corporate income tax	-57 406	-126 634
NET INCOME OF CONSOLIDATED ENTITY	**480 344**	**981 255**
of which		
Group share	*275 130*	*764 066*
Non-controlling interests	*205 214*	*217 189*
Undiluted average number of shares	**191 271 591**	**186 336 909**
Undiluted comprehensive earnings per share (euros)	**1.4**	**4.1**
Diluted average number of shares	**191 271 591**	**186 336 909**
Diluted comprehensive earnings per share (euros)	**1.4**	**4.1**

Comprehensive income statement at fair value (EPRA model) *(in thousands of euros)*	**12/31/2012 Fair value model**	12/31/2011 Fair value model
NET INCOME OF CONSOLIDATED ENTITY	**480 344**	**981 255**
Other comprehensive income items recognized directly as equity	19 357	-168 260
• Income from sales of treasury shares	3 593	-1 246
• Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	*-57 264*	*-145 774*
• Translation profits and losses	*62 738*	*-48 931*
• Tax on other comprehensive income items	*10 290*	*27 691*
Share of other comprehensive income items of equity method investees	–	–
TOTAL COMPREHENSIVE INCOME	**499 701**	**812 995**
of which		
Group share	*285 925*	*604 140*
Non-controlling interests	*213 776*	*208 855*
Comprehensive earnings per share in euros	**1,5**	**3,2**
Diluted comprehensive earnings per share (euros)	**1,5**	**3,2**

Consolidated statement of financial position (EPRA model) *(in thousands of euros)*	**12/31/2012 Fair value model**	12/31/2011 Fair value model
Goodwill	130 675	117 844
Intangible assets	33 805	30 462
Property, plant and equipment and work in progress	31 482	28 244
Investment property at fair value	15 738 643	15 635 736
Investment property at cost model	286 677	207 495
Equity method securities	26 132	26 359
Other non-current assets	17 055	22 490
Non-current derivatives	153 632	97 028
Deferred tax assets	98 584	90 559
NON-CURRENT ASSETS	**16 516 685**	**16 256 217**
Fair value of property held for sale	96 901	65 539
Inventory	389	408
Trade accounts and notes receivable	133 165	98 939
Other receivables	220 456	257 251
• Tax receivables	*33 533*	*37 471*
• Other debtors	*186 923*	*219 780*
Current derivatives	–	–
Cash and cash equivalents	206 014	287 088
CURRENT ASSETS	**656 925**	**709 225**
TOTAL ASSETS	**17 173 610**	**16 965 442**
Share capital	279 259	265 507
Additional paid-in capital	1 773 630	1 569 970
Legal reserves	26 551	26 551
Consolidated reserves	3 046 822	2 533 853
• Treasury shares	*-99 211*	*-101 088*
• Hedging reserves	*-371 065*	*-327 941*
• Fair value of investment property	*3 089 254*	*2 460 370*
• Other consolidated reserves	*427 844*	*502 512*
Consolidated earnings	275 130	764 066
Shareholders' equity, group share	5 401 393	5 159 947
Non-controlling interests	2 170 205	1 971 069
SHAREHOLDERS' EQUITY	**7 571 598**	**7 131 016**
Non-current financial liabilities	6 699 826	6 856 237
Long-term provisions	13 417	13 602
Pension commitments	16 169	14 389
Non-current derivatives	419 327	454 455
Security deposits and guarantees	141 704	142 135
Deferred tax liabilities	714 588	679 755
NON-CURRENT LIABILITIES	**8 005 031**	**8 160 573**
Current financial liabilities	1 004 004	1 079 811
Bank facilities	39 276	98 934
Trade payables	122 080	109 464
Payables to fixed asset suppliers	49 805	34 084
Other liabilities	261 639	251 509
Current derivatives	40 740	8 191
Social and tax liabilities	79 437	91 860
Short-term provisions	–	–
CURRENT LIABILITIES	**1 596 981**	**1 673 853**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17 173 610**	**16 965 442**

Comprehensive income statement at fair value (EPRA model) *(in thousands of euros)*	12/31/2012 Cost model	Fair value restatements	12/31/2012 Fair value model
LEASE INCOME	**992 121**		**992 121**
Land expenses (real estate)	-7 159	2 279	-4 880
Non-recovered rental expenses	-44 236		-44 236
Building expenses (owner)	-56 935	529	-56 406
NET RENTS	**883 791**	**2 808**	**886 599**
Management, administrative and related income	90 329		90 329
Other operating revenue	14 108		14 108
Change in the fair value of investment property	–	80 423	80 423
Survey and research costs	-2 413		-2 413
Payroll expenses	-120 475		-120 475
Other general expenses	-43 568		-43 568
Depreciation and impairment allowance on investment property	-374 603	365 054	-9 549
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-10 932		-10 932
Provisions	307		307
Gains on the disposal of investment property and equity investments	609 847		609 847
Net book value of investment property and equity investments sold	-405 018	-193 991	-599 009
Income from the disposal of investment property and equity investments	**204 829**	**-193 991**	**10 838**
Profit on the disposal of short term assets	**–**		**–**
Goodwill impairment	**–**		**–**
OPERATING INCOME	**641 374**	**254 294**	**895 668**
Net dividends and provisions on non-consolidated investments	-16		-16
Financial income	*134 311*		*134 311*
Financial expenses	*-452 021*		*-452 021*
Net cost of debt	-317 709		-317 709
Change in the fair value of financial instruments	-41 589		-41 589
Effect of discounting	–		–
Share in earnings of equity method investees	1 499	-102	1 397
PROFIT BEFORE TAX	**283 559**	**254 192**	**537 751**
Corporate income tax	-21 666	-35 740	-57 406
NET INCOME OF CONSOLIDATED ENTITY	**261 892**	**218 452**	**480 344**
of which			
Group share	*166 587*	*108 543*	*275 130*
Non-controlling interests	*95 305*	*109 909*	*205 214*
Undiluted average number of shares	**191 271 591**	**191 271 591**	**191 271 591**
Undiluted comprehensive earnings per share (euros)	**0.9**	**0.6**	**1.4**
Diluted average number of shares	**191 271 591**		**191 271 591**
Diluted comprehensive earnings per share (euros)	**0.9**	**0.6**	**1.4**

(in thousands of euros)	12/31/2012 Cost model	Fair value restatements	12/31/2012 Fair value model
NET INCOME OF CONSOLIDATED ENTITY	**261 892**	**218 452**	**480 344**
Other comprehensive income items recognized directly as equity	**10 753**	**8 604**	**19 357**
• Income from sales of treasury shares	3 593		3 593
• Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	-57 264		-57 264
• Translation profits and losses	54 134	8 604	62 738
• Tax on other comprehensive income items	10 290		10 290
Share of other comprehensive income items of equity method investees			
TOTAL COMPREHENSIVE INCOME	**272 645**	**227 056**	**499 701**
of which			
Group share	*170 699*	*115 226*	*285 925*
Non-controlling interests	*101 946*	*111 830*	*213 776*
Comprehensive earnings per share in euros	**0,9**		**1,5**
Diluted comprehensive earnings per share (euros)	**0,9**		**1,5**

Consolidated statement of financial position (EPRA model) *(in thousands of euros)*	12/31/2012 Cost model	Fair value restatements	12/31/2012 Fair value model
Goodwill	135 325	-4 650	130 675
Intangible assets	33 805		33 805
Property, plant and equipment and work in progress	31 482		31 482
Investment property	11 301 038	-11 301 038	–
Investment property under construction	446 270	-446 270	–
Investment property at fair value		15 738 643	15 738 643
Investment property at cost model		286 677	286 677
Equity method securities	19 789	6 343	26 132
Other non-current assets	17 055		17 055
Non-current derivatives	153 632		153 632
Deferred tax assets	106 691	-8 107	98 584
NON-CURRENT ASSETS	**12 245 087**	**4 271 598**	**16 516 685**
Fair value of property held for sale	73 148	23 753	96 901
Inventory	389		389
Trade accounts and notes receivable	133 165		133 165
Other receivables	271 252	-50 796	220 456
• Tax receivables	*33 533*		*33 533*
• Other debtors	*237 719*	*-50 796*	*186 923*
Current derivatives	–		–
Cash and cash equivalents	206 014		206 014
CURRENT ASSETS	**683 968**	**-27 043**	**656 925**
TOTAL ASSETS	**12 929 055**	**4 244 555**	**17 173 610**
Share capital	279 259		279 259
Additional paid-in capital	1 773 630		1 773 630
Legal reserves	26 551		26 551
Consolidated reserves	-35 988	3 082 810	3 046 822
• Treasury shares	*-99 211*		*-99 211*
• Hedging reserves	*-371 065*		*-371 065*
• Fair value of investment property		*3 089 254*	*3 089 254*
• Other consolidated reserves	*434 288*	*-6 444*	*427 844*
Consolidated earnings	166 587	108 543	275 130
Shareholders' equity, group share	2 210 040	3 191 353	5 401 393
Non-controlling interests	1 410 684	759 521	2 170 205
SHAREHOLDERS' EQUITY	**3 620 724**	**3 950 874**	**7 571 598**
Non-current financial liabilities	6 699 826		6 699 826
Long-term provisions	13 417		13 417
Pension commitments	16 169		16 169
Non-current derivatives	419 327		419 327
Security deposits and guarantees	141 704		141 704
Deferred tax liabilities	420 907	293 681	714 588
NON-CURRENT LIABILITIES	**7 711 350**	**293 681**	**8 005 031**
Current financial liabilities	1 004 004		1 004 004
Bank facilities	39 276		39 276
Trade payables	122 080		122 080
Payables to fixed asset suppliers	49 805		49 805
Other liabilities	261 639		261 639
Current derivatives	40 740		40 740
Social and tax liabilities	79 437		79 437
Short-term provisions	–		–
CURRENT LIABILITIES	**1 596 981**	**–**	**1 596 981**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12 929 055**	**4 244 555**	**17 173 610**

11.2. Transactions with related parties

11.2.1. Transactions with the BNP Paribas group

As at December 31, 2012 the BNP Paribas group holds a 21.87% equity stake in Klépierre SA.

As at December 31, 2012, the BNP Paribas share of bank finance amounts to 2 115 million euros, of which 546 million euros has been used. This figure does not include two back-up lines for commercial paper (not drawn) totaling 600 million euros granted by BNP Paribas. This amount compares with total authorized financing of 9 137 million euros, of which 7 421 million euros have been used.

11.2.2. Transactions with the Simon Property Group

At December 31, 2012 the Simon Property Group holds a 28.89% equity stake in Klépierre SA.

At this date, there are no reciprocal transactions between the two companies.

11.2.3. Relationships between Klépierre group consolidated companies

A full list of Klépierre group companies is given in section 4 “Scope of consolidation”.

Transactions between related parties were governed by the same terms as those applying to transactions subject to normal conditions of competition.

The end-of-period balance sheet positions and transactions conducted during the period between fully consolidated companies are fully eliminated. The following tables show the positions and reciprocal transactions of proportionally consolidated companies (jointly controlled by the Group) and companies consolidated using the equity method (over which the Group has significant influence) that have not been eliminated.

Balance sheet positions with related parties at period-end

	12/31/2012		12/31/2011	
(in thousands of euros)	Proportionally consolidated companies	Companies consolidated using the equity method	Proportionally consolidated companies	Companies consolidated using the equity method
Non-current assets	847	–	1 033	–
NON-CURRENT ASSETS	**847**	**–**	**1 033**	**–**
Trade accounts and notes receivable	493	133	463	78
Other receivables	3 084	206	2 872	45
CURRENT ASSETS	**3 577**	**339**	**3 335**	**123**
TOTAL ASSETS	**4 424**	**339**	**4 368**	**123**
Non-current financial liabilities	–	–	–	–
NON-CURRENT LIABILITIES	**–**	**–**	**–**	**–**
Trade payables	101	–	31	–
Other liabilities	834	1 983	812	2 325
CURRENT LIABILITIES	**935**	**1 983**	**843**	**2 325**
TOTAL LIABILITIES	**935**	**1 983**	**843**	**2 325**

“Income” items related to transactions with related parties

	12/31/2012		12/31/2011	
(in thousands of euros)	Proportionally consolidated companies	Companies consolidated using the equity method	Proportionally consolidated companies	Companies consolidated using the equity method
Management, administrative and related income	2 060	333	8 917	317
Operating income	**2 060**	**333**	**8 917**	**317**
Net cost of debt	62	–	2 084	–
Profit before tax	**2 122**	**333**	**11 001**	**317**
NET INCOME OF THE CONSOLIDATED ENTITY	**2 122**	**333**	**11 001**	**317**

The majority of these items relate to management and administration fees and income on financing arrangements for these companies’ businesses.

"Off-balance sheet" items related to transactions with related parties

Commitments given *(in thousands of euros)*	12/31/2012	12/31/2011
Commitments related to the Group's consolidated scope	**–**	**–**
Purchase commitments	–	–
Commitments related to Group financing	**186 300**	**187 100**
Financial guarantees given	186 300	187 100
Commitments related to the Group's operating activities	**10 379**	**11 975**
Commitments on works contracts (Property development/Sale before completion)	–	–
Commitments under conditions precedent	–	–
Work completion commitments	–	–
Rental guarantees and deposits	36	36
Other commitments given	10 343	11 939
TOTAL	**196 679**	**199 075**

Commitments received *(in thousands of euros)*	12/31/2012	12/31/2011
Commitments related to Group financing	**1 547 500**	**765 000**
Financing agreements obtained and not used	1 547 500	765 000
Commitments related to the Group's operating activities	**260 030**	**260 030**
Deposits received guaranteeing the real-estate management activity (under the "Hoguet" law)	260 030	260 030
Deposits received from tenants	–	–
TOTAL	**1 807 530**	**1 025 030**

11.2.4. Post-employment benefit plans

The main post-employment benefits are severance pay and defined benefit or defined contribution pension plans.
Post-employment benefit plans are administered by insurance companies and other independent management companies external to the Klépierre group.

11.2.5. Compensation paid to the principal executives of the Klépierre group

Klépierre SA, the parent company of the Klépierre group, is a French corporation (Société anonyme) whose governance structure comprises an Executive Board and a Supervisory Board.
The amount of directors' fees paid to the members of the Supervisory Board totaled 270 000 euros. The annual allowance paid to the Chairman of the Supervisory Board for 2012 totaled 373 615 euros (including directors' fees).
Compensation paid to the Executive Committee breaks down as follows:

Compensation paid to the principal executives of the Klépierre group

(in euros)	12/31/2012
Short-term benefits excluding employer's contribution	3 088 565
Short-term benefits: employer's contribution	1 061 069
Post-employment benefits	388 774
Other long term benefits	–
Termination benefits	325 000
Share-based payment(1)	2 887 040

(1) Expense posted in the profit and loss account under stock-option plans and free share plans.

11.3. Contingent liabilities

In the last fiscal year, neither Klépierre nor its subsidiaries have been the subject of any governmental, judicial or arbitration action (including any action of which the issuer has knowledge, which is currently suspended or is threatened) which has recently had a significant impact on the financial position or profitability of the issuer and/or the Group.

11.4. Post-balance sheet date events

During January 2013, Klépierre canceled €300 million of fixed-rate paying swaps.

11.5. Statutory auditors' fees

	Deloitte				Mazars			
	Amount excl. VAT		%		Amount excl. VAT		%	
(in thousands of euros)	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Audit	**929**	**1 127**	**100%**	**100%**	**872**	**850**	**100%**	**100%**
Auditing, certification and review of individual								
• Issuer	229	240	25%	21%	148	144	17%	17%
• Fully-consolidated subsidiaries	575	783	62%	69%	651	648	75%	76%
Other diligences and services directly related to								
• Issuer	87	22	9%	2%	60	25	7%	3%
• Fully-consolidated subsidiaries	38	82	4%	7%	13	33	1%	4%
OTHER SERVICES PROVIDED BY STATUTORY AUDITORS TO FULLY-INTEGRATED SUBSIDIARIES								
• Legal, tax, employment-related and other services								
TOTAL	**929**	**1 127**	**100%**	**100%**	**872**	**850**	**100%**	**100%**

11.6. Identity of the consolidating companies

At December 31, 2012, Klépierre is consolidated using the equity method by Simon Property Group and BNP Paribas, which hold respectively a 28.89% and a 21.87% stake in the equity of Klépierre (including treasury shares).

6.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information to the specific verification of information given in the management report. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2012 on:
- the audit of the accompanying consolidated financial statements of Klépierre,
- the justification of our assessments,
- the specific verifications and information required by law.

These consolidated financial statements have been approved by Executive Board. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:
- Notes 2.4 and 2.12 to the consolidated financial statements specify that real estate assets are appraised by independent experts to estimate impairments, if any, and the fair values of investment properties. Our procedures consisted notably in examining the valuation methodology used by the experts and to ensure ourselves that the impairments as well as the fair values were based on external expert appraisals.
- Note 2.12 to the consolidated financial statements indicate that your Group used estimated methods regarding to the follow-up of the goodwill. Our procedures consisted in evaluating the appropriateness of the data and the hypothesis based on these estimates, in reviewing the calculation method of your Group, in examining the approval procedures of these estimates by the board and then, in verifying that notes to the consolidated financial statements provide correct information about the hypothesis used.
- Notes 2.21 and 5.16 to the consolidated financial statements set forth the accounting rules and methods to determine the fair value of derivative instruments as well as the characteristics of the Group's hedging instruments. We examined the classification criteria and the documentation required specifically by IAS 39 and verified the appropriateness of these accounting methods and the disclosures provided in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore served in forming our audit opinion expressed in the first part of this report.

III – Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information relative to the Group in the management report.
We have no matters to report regarding its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 1st, 2013

The Statutory auditors
French original signed by

Mazars		Deloitte & Associés	
Julien MARIN-PACHE	Gilles MAGNAN	Joël ASSAYAH	José-Luis GARCIA

CORPORATE FINANCIAL STATEMENTS AT DECEMBER 31, 2012

7.1. INCOME STATEMENT

(in thousands of euros)	**12/31/2012**	12/31/2011
OPERATING REVENUE		
Lease income	23 619	28 575
• Rents	20 333	26 066
• Repayment of expenses	3 286	2 510
Write-back of provisions (and depreciation and amortization) & expense transfers	3 085	774
Other income	778	1 721
TOTAL I	**27 481**	**31 070**
OPERATING EXPENSES		
Purchases and external expenses	-14 956	-13 676
Taxes and similar levies	-2 490	-3 094
Salaries and wages	-585	-220
Social security deductions	-1 878	-747
Allowances for depreciation and provisions:		
• on fixed assets and deferred expenses: depreciation and amortization allowances	-6 707	-7 955
• on fixed assets: provisions	-827	–
• on current assets: provisions	-183	-146
• for contingencies and losses: provisions	-1 132	-958
Other expenses	-2 853	-557
TOTAL II	**-31 609**	**-27 352**
Operating income (I + II) (Note 5.1.)	**-4 128**	**3 718**
SHARE OF INCOME FROM JOINT OPERATIONS		
Profits applied or losses transferred (III)	378 740	206 960
Losses borne or profits transferred (IV)	-6 795	-5 805
FINANCIAL INCOME (Note 5.3.1.)		
From investments	373 660	217 478
From other marketable securities and receivables from capitalized assets	–	–
Other interest and similar income	2 915	1 132
Write-back of provisions and transfer of expenses	53 896	90 863
Net proceeds from disposals of marketable securities	72	119
TOTAL V	**430 543**	**309 592**
FINANCIAL EXPENSES (Note 5.3.2.)		
Allowances for depreciation and provisions	-73 018	-53 486
Interest and similar charges	-253 433	-218 543
Negative exchange rate variances	-14	-605
Net expenses incurred on disposals of marketable securities	–	–
TOTAL VI	**-326 465**	**-272 634**
Net financial income (V + VI)	**104 078**	**36 958**
Pre-tax income (I + II + III + IV + V + VI)	**471 894**	**241 831**
NON-RECURRING REVENUE		
On management transactions	–	14
On capital transactions	246 567	59 123
Write-back of provisions and transfer of expenses	–	24 994
TOTAL VII	**246 567**	**84 131**
NON-RECURRING EXPENSES		
On management transactions	–	–
On capital transactions	-203 203	-85 355
Allowances for depreciation and provision	–	–
TOTAL VIII	**-203 203**	**-85 355**
NON-RECURRING INCOME (VII + VIII) (Note 5.4.)	**43 364**	**-1 224**
Employee profit sharing (IX)	**–**	**–**
Corporate income tax (Note 5.5.) (X)	**-491**	**-301**
Total revenue (I + III + V + VII)	**1 083 331**	**631 753**
Total expenses (II + IV + VI + VIII + IX + X)	**-568 564**	**-391 447**
NET INCOME	**514 767**	**240 306**

7.2. BALANCE SHEET

ASSETS

(in thousands of euros)	Gross	Depreciation and amortization	12/31/2012 Net	12/31/2011 Net
FIXED ASSETS				
Intangible assets (Note 3.1.)	**1 578**	**614**	**964**	**5 244**
Set-up costs	614	614	–	–
Research and development costs	–	–	–	–
Concessions, patents and similar rights	19	–	19	19
Goodwill	945	–	945	5 225
Property, plant and equipment (Note 3.1.)	**229 736**	**39 866**	**189 870**	**358 087**
Land	131 721	55	131 666	193 727
Buildings and fixtures	97 138	39 424	57 714	163 971
• Structures	60 733	17 684	43 049	113 875
• Facades, cladding and roofing	9 950	3 696	6 254	20 984
• General and technical installations	12 614	6 556	6 058	19 713
• Fittings	13 841	11 487	2 354	9 400
Technical installations, plant and equipment	377	376	1	1
Other	27	11	15	15
Property, plant and equipment in progress	474	–	474	373
Advances and pre-payments	–	–	–	–
Long-term financial investments	**7 979 735**	**100 873**	**7 878 862**	**7 503 242**
Investments (Note 3.2.1.)	4 737 921	98 865	4 639 056	4 413 817
Loans to subsidiaries and related companies (Note 3.2.2.)	3 160 122	1 830	3 158 292	3 007 825
Other long-term investments	179	179	–	–
Loans (Note 3.3.1.)	50 627	–	50 627	50 771
Other (Note 3.3.1.)	30 887	–	30 887	30 829
TOTAL I	**8 211 049**	**141 354**	**8 069 695**	**7 866 574**
CURRENT ASSETS				
Advances and pre-payments to suppliers	**3 485**	**–**	**3 485**	**1 000**
Receivables (Note 3.4.)	**10 532**	**466**	**10 066**	**9 425**
Trade accounts and notes receivable	3 719	466	3 253	4 492
Other	6 812	–	6 812	4 932
Marketable securities (Note 3.5.)	**87 635**	**–**	**87 635**	**64 878**
Treasury shares	68 346	–	68 346	61 927
Other securities	19 289	–	19 289	2 951
Cash & cash equivalents	**34 749**	**–**	**34 749**	**40 342**
Prepaid expenses (Note 3.6.)	**82 641**	**–**	**82 641**	**6 264**
TOTAL II	**219 042**	**466**	**218 576**	**121 909**
Deferred expenses (III) (Note 3.6.)	**15 830**	**–**	**15 830**	**7 989**
Loan issue premiums (IV) (Note 3.6.)	**9 582**	**–**	**9 582**	**8 420**
Translation adjustment – assets (V) (Note 3.7.)	**5 282**	**–**	**5 282**	**967**
GRAND TOTAL (I + II + III + IV + V)	**8 460 786**	**141 820**	**8 318 966**	**8 005 858**

7.2. BALANCE SHEET

LIABILITIES

(in thousands of euros)	**12/31/2012**	12/31/2011
SHAREHOLDERS' EQUITY (Note 4.1.)		
Share capital (of which paid-in)	279 258	265 508
Additional paid-in capital (from share issues, mergers and contributions)	1 605 577	1 401 916
Positive merger variance	197 952	197 952
Positive canceled share variance	18 557	18 557
Revaluation variances		
Legal reserve	26 551	26 551
Other reserves	168 055	168 055
Balance carried forward	408 857	437 306
Net income	**514 767**	**240 306**
Investment subsidies	–	–
Regulated provisions	–	–
TOTAL I	**3 219 573**	**2 756 149**
PROVISIONS FOR CONTINGENCIES AND LOSSES (Note 4.2.)	**50 742**	**24 531**
Provision for contingencies	50 423	24 449
Provision for losses	319	82
TOTAL II	**50 742**	**24 531**
DEBTS		
Borrowings (Note 4.3.)	**4 985 381**	**5 197 570**
Other bonds	3 075 050	2 053 628
Loans and borrowings from credit institutions	835 749	2 475 677
Other loans and borrowings	1 074 582	668 266
Trade accounts and notes receivable	**246**	**144**
Trade payables	**25 228**	**19 891**
Trade and other payables (Note 4.4.)	22 307	5 414
Social and tax liabilities (Note 4.5.)	2 921	14 477
Other payables	**2 151**	**2 805**
Payables to fixed asset suppliers	1 450	802
Other (Note 4.6.)	701	2 003
Prepaid expenses (Note 4.7.)	**32 179**	**4 153**
TOTAL III	**5 045 185**	**5 224 564**
Translation adjustment – liabilities (IV) (Note 4.8.)	**3 465**	**615**
GRAND TOTAL (I + II + III + IV)	**8 318 966**	**8 005 858**

7.3. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS

1.1. Changes to shareholder base

On March 8, 2012 BNP Paribas announced it had agreed to sell Simon Property Group a block of 54 430 000 shares, representing a 28.7% equity stake in Klépierre, at 28 euros per share.
This transaction will leave BNP Paribas holding 22.2% of Klépierre.

1.2. Payment of dividend in the form of shares

The general meeting of shareholders held on April 12, 2012 approved the payment of a net dividend of 1.45 euro per share in respect of the 2011 fiscal year and proposed the payment in cash or in shares.
The option to receive the dividend payment in shares was taken up by 81.4% of shareholders. The resulting increase in equity totals 217 657 736 euros, funded by the issue of 9 822 100 new shares.
Cash dividend payments totaled 51.1 million euros.
Following this transaction, the share capital of Klépierre SA totaled 279 258 476 euros divided into 199 470 340 shares, each with a par value of 1.40 euro.

1.3. New funding arrangements

On March 7, 2012, two new credit lines were arranged totaling 1 billion euros: 500 million euros expiring in 2016 and another 500 million expiring in 2018.
Klépierre raised 1 billion euros on the bond markets in fiscal year 2012. These issues were carried out under the Euro Medium Term Notes (EMTN) program as follows:

- on May 16, 2012, 50 million euros from a new 15-year issue maturing May 21, 2027 and paying a 4.23% coupon;
- on May 29, 2012, 50 million euros on the bond maturing April 14, 2020 with a 4.625% coupon, increasing the size of the issue to 300 million euros;
- on May 29, 2012, 200 million euros, followed on July 13, 2012, by 88.5 million euros and on November 29, 2012, another 11.5 million euros maturing March 14, 2021 with a 4.75% coupon, increasing the size of the issue to 600 million euros;
- on July 2, 2012, 100 million euros on the bond maturing April 13, 2017 with a 4% coupon increased the size of the issue to 850 million euros;
- on September 10, 2012, 500 million euros from a new 7-year issue maturing September 17, 2019 with a 2.75% coupon.

The commercial paper line was increased by 100 million euros and now totals 600 million euros.

1.4. Real estate asset transactions

Klépierre SA continued to apply its disposal policy during the year, resulting in the sales of the following office buildings:

- a 50% undivided ownership stake in 105, rue Anatole-France – Levallois (92);
- a 30.44% undivided ownership stake in Collines de l'Arche – La Défense (92);
- 32, rue Gallieni – Issy-les-Moulineaux (92);
- 46, rue Camille-Desmoulins – Zac Forum Seine – Issy-les-Moulineaux (92).

1.5. Internal restructuring

Transfer of assets and liabilities (TUP)

Klépierre SA resolved on May 30, 2012, to instigate simplified dissolution without liquidation and without retroactive tax effect of the following company:

- Kléber La Pérouse SNC.

The transaction qualified for favorable tax treatment under Article 210 A of the French General Tax Code.

NOTE 2. ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

2.1. Application of accounting conventions

The annual corporate financial statements for the period ended December 31, 2012, have been prepared in accordance with the general chart of accounts.
General accounting conventions have been applied in compliance with the following principles:

- prudence;
- independence of fiscal years;
- compliance with the general rules applying to the preparation and presentation of annual corporate financial statements, and on the basis of assumed continuity of operation.

No changes were made to methods or estimations during the fiscal year.

2.2. Measurement methods

2.2.1. Fixed assets

- **General criteria applied to the recognition and measurement of assets**

Property, plant and equipment and intangible assets are recognized as assets when all the following conditions are met:

- it is likely that the entity will enjoy the corresponding future financial benefits;
- their cost or value can be measured with a sufficient level of reliability.

At the date on which they enter the Company's asset base, asset values are measured either at their cost of acquisition or their cost of construction.
Financial interest relating specifically to the production of fixed assets is included in their cost of acquisition.

2.2.2. Intangible assets – the technical negative variance

Generally recognized for mergers or complete transfers of assets and liabilities measured at their book value, the technical negative variance, or «false» negative variance, is recognized when the net value of the acquired company's shares as stated in the assets of the acquiring company is higher than the net book asset contributed.
To determine whether the negative merger variance is "true" or "false", it must be compared with the underlying capital gains on the asset items recognized or not in the accounts of the acquired company after deduction of liabilities not recognized in the accounts of the absorbed company for lack of accounting obligation to do so (pensions accruals, deferred tax liabilities).
The technical negative variance shown in the Goodwill item is not amortizable, since the time over which its future economic benefits may be enjoyed cannot reliably be determined.

■ Impairment of technical negative variance

The negative variance is impaired when the present value (the market value or value in use, whichever is the greater) of one or more underlying assets to which a percentage of the negative variance has been assigned falls below the book value of the assets concerned plus the proportion of negative variance assigned.

2.2.3. Property, plant and equipment

■ Definition and recognition of components

Based on Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies) recommendations concerning components and useful life, the component method is applied as follows:

- for properties developed by the companies themselves, assets are classified by component type and measured at their realizable value;
- where investment properties are held in the portfolio (sometimes for long periods), components are broken down into four categories: business premises, shopping centers, offices and residential properties.

Four components have been identified for each of these asset types (in addition to land):

- structures;
- facades, cladding and roofing;
- general and technical installations (GTI);
- fittings.

When applying regulations 2004-06 and 2002-10, existing office buildings have been broken down using the following percentages (arrived at on the basis of the FSIF table):

Components	Office properties	Depreciable life (straight line)
Structures	60%	60 years
Facades	15%	30 years
GTI	15%	20 years
Fittings	10%	12 years

All component figures are based on assumed «as new» values. The Company has therefore calculated the proportions of the fittings, technical installations and facade components on the basis of the periods shown in the table applied since the date of construction or most recent major renovation of the property asset concerned. The proportion for structures is calculated on the basis of the proportions previously identified for the other components.

In accordance with the recommendations of the Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies), the depreciable lives have been determined in such a way as to obtain a zero residual value on maturity of the depreciation schedule.
Depreciation is calculated on the basis of the useful lifespan of each component.
The maintenance expenses involved in multi-year capital repairs programs or major refurbishments governed by legislation, regulations or the standard practices of the entity concerned must be recognized from the outset as distinct asset components, unless a provision has been recognized for capital repairs or major refurbishments. This convention is intended to cover those maintenance expenses whose sole purpose is to verify the condition and serviceability of installations and to carry out maintenance to such installations without extending their working life beyond that initially intended, subject to compliance with the applicable accounting recognition conditions.

■ Principles of asset impairment

At each balance sheet and interim reporting date, the Company carries out an appraisal to determine any indication that an asset could have suffered a significant loss in value (article 322-5 of the French General Accounting Code).
An asset is impaired when its actual value falls below that of its net book value. The actual value is the market value (appraised value excluding rights on the balance sheet date) or the value in use (article 322-1 of the French General Accounting Code), whichever is the higher.
The market value of the asset held is determined by independent appraisers, with the exception of those assets acquired less than six months earlier, whose market value is estimated as the cost of acquisition.
However, given the fact that these appraisals are, by their nature, estimates, it is possible that the amount realized on the disposal of some real estate assets will differ from the appraised value of those assets, even where such disposal occurs within a few months of the balance sheet date.
Assets covered by a contract of sale (mandat de vente) are appraised at their selling price net of exit expenses.

2.2.4. Long-term financial investments

Equity investments are recognized at their cost of acquisition.
Provisions for impairment may be entered for equity investments where their inventory value is less than their acquisition value at the fiscal year end. The inventory value of equities is equivalent to their value in use, as calculated to take account of the net reappraised situation and yield outlook.
The reappraised net position of real estate companies is estimated on the basis of appraisals conducted by third-party real estate appraisers.
Management Company shares are measured at each fiscal year end by a third-party appraiser.
Treasury shares acquired for the purpose of transfer to a vendor as part of an external growth transaction are provisioned if the average stock market price for the last month of the fiscal year is lower than the acquisition value.

2.2.5. Acquisition cost of fixed assets

Transfer duties, fees, commissions and legal expenses are included in the capitalized cost of the asset.
The Company has exercised the option of recognizing the acquisition cost of long-term financial investments as expenses (articles 321-10 and 321-15 of the French General Accounting Code).

2.2.6. Eviction *compensation*

When a lessor terminates a lease prior to the expiration date, he must pay eviction compensation to the lessee.
Where eviction compensation is paid as a result of major renovation or reconstruction work on a property requiring the prior removal of tenants, the cost is included in total renovation costs.
Expenditure that does not meet the combined criteria applying to the definition and recognition of assets and which cannot be allocated to acquisition or production costs is recognized as an expense: eviction compensation paid to tenants during commercial restructuring is recognized as an expense for the fiscal year.

2.2.7. Marketing expenditure

Marketing, re-marketing and renewal fees are recognized as expenses for the fiscal year.

2.3. Mergers and similar transactions

CNC recommendation 2004-01 of March 25, 2004, as approved on May 4, 2004, by the Comité de Réglementation Comptable (CRC), relating to the treatment of mergers and similar transactions states the following rule regarding positive or negative variances in respect of canceled shares:

Negative variance

A negative variance arising from these transactions must be treated in the same way as a negative merger variance:

- recognition of the technical negative variance in intangible assets;
- recognition of the balance of the negative variance in financial expenses.

Positive variance

The positive variance from these transactions must be treated in the same way as a positive merger variance. Any positive variance in the percentage of earnings accumulated by the merged entity (since the acquisition of the acquired company's equity by the acquiring company) remaining undistributed must be shown in the financial income of the acquiring company. Any residual balance is recognized as shareholders' equity.

2.4. Receivables, debts and cash and cash equivalents

Receivables, debts and cash and cash equivalents have been measured at par value.
Trade receivables are estimated individually at each balance sheet date and interim reporting date, and a provision entered wherever there is a perceived risk of non-recovery.

2.5. Marketable securities

Marketable securities are recognized at their cost of acquisition net of provisions.
Provisions for impairment of treasury shares are taken when their inventory value based on the average stock market price for the last month of the fiscal year is lower than their existing book value.
Provisions are made under liabilities for stocks granted to employees as soon as it becomes probable that the stock options will be exercised (continued service and performance conditions met and stocks likely to be exercised). The provision is recognized if the average purchase price exceeds the purchase price offered to employees.

2.6. Deferred expenses: loan issue costs

Expenditure that does not meet the combined criteria applying to the definition and recognition of assets must be recognized as an expense. It is no longer possible to amortize these costs over several periods.
CNC recommendation 2004-15 on assets dated June 23, 2004 does not apply to financial instruments and related expenditure, such as loan issue costs, issurance premiums and loan repayment premiums.
Bond insurance costs and the commissions and fees relating to bank loans are spread over the full loan period.

2.7. Forward financial instruments

Expenses and gains on forward financial instruments (swaps) entered into for the purpose of hedging the Company's risk exposure to interest rate fluctuations are recognized pro rata in the income statement.
Unrealized losses and gains arising as a result of the difference between the market value of agreements estimated at the end of the year and their par value are not recognized.

2.8. Translation adjustment (assets and liabilities)

Receivables and debts in foreign currencies are translated and recognized in local currency based on the Banque de France's last exchange rate.
When the application of the translation rate on the balance sheet date causes the amounts in local currency previously recognized to be modified, the translation differences are recorded under translation difference – assets, and translation difference – liabilities.
Unrealized gains are not recognized in income but are recorded under balance sheet liabilities. In contrast, a provision for risks is recognized for unrealized losses.
The regulations related to these receivables and debts are compared with the original historical values and result in the recognition of foreign exchange gains and losses without set-off.

2.9. Operating income and expenses

Rental income is recognized on a straight-line basis over the full duration of the lease agreement, building expenses are re-billed to clients on payment, and interest is entered on receipt or payment. At the end of the fiscal year, gains and expenses are adjusted by the addition of accrued amounts not yet due and the subtraction of pre-posted non-accrued amounts.
Accruals for building expenses are recognized as payables in «Suppliers – invoices to be received».

2.9.1. Leases

Rental income is recognized on a straight-line basis throughout the full period of the lease.
Stepped rents and rent-free periods are recognized every fiscal year by spreading the resulting increase or decrease in rental income over the reference period.
The reference period adopted is the first firm lease term.

2.9.2. Early termination indemnities

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties. This revenue is allocated to the terminated lease and credited to income for the period in which it is recognized.

2.10. Tax regime adopted by the company

As a result of opting to apply the tax regime provided for in article 11 of the French Finance Act of December 30, 2002, Klépierre SA is exempt from corporate income tax, subject to compliance with the three following conditions applying to the distribution of its profits:

- distribution of 85% of the profits generated from the rental of real estate assets prior to the end of the fiscal year following the year in which they were earned;
- distribution of 50% of capital gains made on the disposal of buildings, equity investments in companies covered by the provisions of article 8 and whose purpose is identical to that of an SIIC* or stocks in subsidiary companies subject to corporate income tax, where such companies have exercised the option prior to the second fiscal year following the year in which the gains were made;
- distribution of all dividends received from subsidiary companies exercising the option during the fiscal year following the year in which the dividends were paid.

Income relating to the exempt sector is distinguished from that of the taxable sector in accordance with the applicable legal requirements:

- direct allocation of expenses and income, wherever possible;
- allocation of general expenses pro rata to the income of both sectors;
- allocation of financial fees pro rata to the gross fixed assets of both sectors.

Klépierre SA also calculates the taxable income of the sector subject to corporate income tax.

NOTE 3. NOTES TO THE FINANCIAL STATEMENTS: BALANCE SHEET ASSETS

3.1. Intangible assets and property, plant and equipment

3.1.1. Gross fixed assets

(in thousands of euros)	Gross values at 12/31/2011	Acquisitions, new businesses and contributions	Reductions by disposals, retirement of assets	Inter-item transfers	Merger	Gross values at fiscal year-end
INTANGIBLE ASSETS						
Set-up costs	**614**	**–**				**614**
Other intangible assets	**5 244**	**–**	**-4 280**	**–**	**–**	**964**
• Technical negative variance	5 225		-4 280		–	945
• Other	19		–			19
TOTAL	**5 858**	**–**	**-4 280**	**–**	**–**	**1 578**
PROPERTY, PLANT AND EQUIPMENT – NET VALUE						
Land	**193 727**	**–**	**-63 731**	**–**	**1 725**	**131 721**
• Operating lease	183 517		-63 731		1 725	121 511
• Operational lease	10 210					10 210
Structures	**139 777**	**–**	**-79 820**	**–**	**776**	**60 733**
• Operating lease	135 114		-79 820		776	56 070
• Operational lease	4 664					4 664
Facades, cladding and roofing	**28 483**	**–**	**-18 975**	**–**	**442**	**9 950**
• Operating lease	27 593		-18 975		442	9 060
• Operational lease	889					889
General and technical installations	**31 777**	**–**	**-19 508**	**–**	**345**	**12 614**
• Operating lease	30 950		-19 508		345	11 787
• Operational lease	827					827
Fittings	**26 755**	**–**	**-13 173**	**–**	**259**	**13 841**
• Operating lease	26 253		-13 173		259	13 339
• Operational lease	502					502
Fittings and construction in progress	**373**	**7 530**	**-7 433**		**4**	**474**
Other property, plant and equipment	**403**	**–**		**–**	**–**	**403**
TOTAL	**421 295**	**7 530**	**-202 640**	**–**	**3 551**	**229 736**
TOTAL GROSS FIXED ASSETS	**427 153**	**7 530**	**-206 920**	**–**	**3 551**	**231 314**

* *See glossary.*

The decrease of fixed assets relates to the disposals of following office buildings:

- Kléber Levallois, 105, rue Anatole-France – Levallois-Perret (92);
- Séreinis, 32, rue Gallieni – Issy-les-Moulineaux (92);
- Collines de l'Arche – La Défense (92);
- Equilis, 46, rue Camille-Desmoulins – Issy-les-Moulineaux (92).

The transfer of assets and liabilities (TUP) item relates to the Cafétéria Casino in Tourville held by the wound-up Kléber la Pérouse.

3.1.2. Depreciation and amortization

(in thousands of euros)	Amortization at 12/31/2011	Allowances	Disposals	Other movements	Merger	Amortization at fiscal year-end
INTANGIBLE ASSETS						
Set-up costs	**614**		**–**	**–**	**–**	**614**
Other intangible assets	**–**	**–**	**–**	**–**	**–**	**–**
• Technical negative variance	–	–	–	–	–	–
• Other	–	–	–	–	–	–
TOTAL	**614**	**–**	**–**	**–**	**–**	**614**
PROPERTY, PLANT AND EQUIPMENT – NET VALUE						
Structures	**25 902**	**2 957**	**-12 082**	**–**	**80**	**16 857**
• Operating lease	24 967	2 853	-12 082		80	15 818
• Operational lease	935	104				1 039
Facades, cladding and roofing	**7 499**	**864**	**-4 741**	**–**	**74**	**3 696**
• Operating lease	7 192	830	-4 741		74	3 355
• Operational lease	307	34				341
General and technical installations	**12 064**	**1 544**	**-7 132**	**–**	**80**	**6 556**
• Operating lease	11 601	1 492	-7 132		80	6 041
• Operational lease	465	52				517
Fittings	**17 356**	**1 152**	**-7 141**	**–**	**120**	**11 487**
• Operating lease	16 845	1 147	-7 141		120	10 971
• Operational lease	511	5				516
Other property, plant and equipment	**387**	**1**		**–**		**388**
TOTAL	**63 208**	**6 518**	**-31 096**	**–**	**354**	**38 984**
TOTAL AMORTIZATION	**63 822**	**6 518**	**-31 096**	**–**	**354**	**39 598**

(in thousands of euros)	Provisions at 12/31/2011	Allowances	Write-backs	Inter-item transfers	Merger	Provisions at fiscal year-end
PROPERTY, PLANT AND EQUIPMENT – NET VALUE						
Land		**–**	**-130**	**–**	**185**	**55**
Buildings and fixtures	**–**	**827**	**–**	**–**	**–**	**827**
• Operating lease	–	827	–			827
TOTAL PROVISIONS	**–**	**827**	**-130**	**-**	**185**	**882**
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**63 822**	**7 345**	**-31 226**	**-**	**539**	**40 480**

3.1.3. Net fixed assets

(in thousands of euros)	Net values at 12/31/2011	Net increases in allowances	Net reduction in write-backs	Inter-item transfers	Merger	Net values at fiscal year-end
INTANGIBLE ASSETS						
Set-up costs	**–**	**–**	**–**	**–**	**–**	**–**
Other intangible assets	**5 244**	**–**	**-4 280**	**–**	**–**	**964**
• Technical negative variance	5 225	–	-4 280	–	–	945
• Other	19	–	–	–	–	19
TOTAL	**5 244**	**–**	**-4 280**	**–**	**–**	**964**
PROPERTY, PLANT AND EQUIPMENT – NET VALUE						
Land	**193 727**	**–**	**-63 601**	**–**	**1 540**	**131 666**
• Operating lease	183 517	–	-63 601	–	1 540	121 456
• Operational lease	10 210	–	–	–	-	10 210
Structures	**113 875**	**-3 784**	**-67 738**	**–**	**696**	**43 049**
• Operating lease	110 148	-3 680	-67 738	–	696	39 426
• Operational lease	3 729	-104	–	–		3 625
Facades, cladding and roofing	**20 984**	**-864**	**-14 234**	**–**	**368**	**6 254**
• Operating lease	20 402	-830	-14 234	–	368	5 706
• Operational lease	582	-34	–	–		548
General and technical installations	**19 713**	**-1 544**	**-12 376**	**–**	**265**	**6 058**
• Operating lease	19 349	-1 492	-12 376	–	265	5 746
• Operational lease	362	-52	–	–		310
Fittings	**9 400**	**-1 152**	**-6 032**	**–**	**139**	**2 355**
• Operating lease	9 408	-1 147	-6 032	–	139	2 368
• Operational lease	-9	-5	–	–	–	-14
Fittings and construction in progress	**373**	**7 530**	**-7 433**	**–**	**4**	**474**
Other property, plant and equipment	**16**	**-1**	**–**	**–**	**–**	**15**
TOTAL	**358 087**	**185**	**-171 414**	**–**	**3 012**	**189 870**
TOTAL NET FIXED ASSETS	**363 331**	**185**	**-175 694**	**–**	**3 012**	**190 834**

3.2. Financial assets

3.2.1. Equity investments

(in thousands of euros)	
GROSS EQUITY INVESTMENTS AT YEAR-START	**4 508 661**
Acquisitions of equities	**394 485**
• Received in payment for contributions of buildings or shares to subsidiaries	140 019
• Purchases, capital increase and contributions	254 466
Decrease in equities	**–**
• Decreases, capital reductions and contributions	
Disposals and transfers of equities	**-165 225**
• Retirement of shares	-165 225
GROSS EQUITY INVESTMENTS AT YEAR-END	**4 737 921**

The change in the «Acquisitions of equities» item refers chiefly to:

- the contribution of 140 million euros of Portes de Claye SCI shares by Klécar France SNC in consideration for additional paid-in capital (from issue premiums, mergers premiums and contribution premiums);
- the transfer of shares to a value of 223.2 million euros as part of the transfer of Kléber la Pérouse SNC's assets and liabilities (TUP);
- the recapitalization by set-off of liquid receivables from the following companies:

- Capucine BV (13.9 million euros);
- Foncière Louvain-la-Neuve SA (12 million euros);
- Klémentine BV (4.6 million euros).

The «Disposals and transfers of equities» item mainly relates to the cancellation of 165.2 million euros of shares following the TUP of Kléber la Pérouse SNC.

Provisions

(in thousands of euros)	Provisions at 12/31/2011	Allowances	Write-backs	TUP	**Provisions at 12/31/2012**
FINANCIAL ASSETS					
Investments	94 844	17 228	-14 183	976	98 865
TOTAL PROVISIONS	**94 844**	**17 228**	**-14 183**	**976**	**98 865**

The change in the «Provisions for holdings» item mainly relates to:

- impairment of shares in the following companies:

- Ségécé Portugal SPA (5.3 million euros);
- Klépierre Portugal SA (4.3 million euros);
- Ségécé Polska SPZOO (2.4 million euros);
- Klépierre Créteil SCI (1.7 million euros);
- Ségécé Magyarország KFT (1.6 million euros);
- Ségécé Česká republika SRO (1.5 million euros).

- write-backs of impaired shares in the following companies:

- Capucine BV (10.6 million euros);
- Holding Gondomar 1 SA (2.4 million euros);
- Klépierre Conseil SAS (1.2 million euros).

Financial information on subsidiaries and investments

Financial information on subsidiaries and investments *(in thousands of euros)*	Share capital	Shareholders equity other than share capital & net income	Percentage holding	Net income at year end	Pre-tax revenues	Gross book value	Net book value	Guarantees and sureties given	Loans and advances granted	Dividends received
1. Subsidiaries owned by more than 50%										
Bègles d'Arcins SCS	26 679	15 626	52,00	4 512	14 053	44 991	44 991	7 101	43 242	
Bègles Papin SCI	765	6 871	100,00	122	1 331	7 636	7 636		5 585	
Capucine BV	58 480	368 704	100,00	-213	0	659 346	606 497		0	
Cecobil SCS	5 122	10 163	50,00	4 869	14 139	7 642	7 642		19 170	
Cecoville SAS	2 723	159 285	100,00	-569	40 450	161 956	161 956	86 924	115 116	12 110
Centre Bourse SNC	3 813	0	100,00	2 496	4 478	47 419	47 419		2 100	
Clermont Jaude SAS	21 686	2 169	100,00	6 239	13 203	76 396	76 396		70 404	7 436
Combault SCI	778	6 984	100,00	760	1 638	7 762	7 762		3 210	
Foncière de Louvain-la-Neuve SA	12 062	- 27 251	100,00	-1 901	0	12 061	12 061		51 982	
Galeria Commerciale Klépierre SRL	1 560	37 859	100,00	1 099	4 763	41 052	41 052		4 500	1 237
Galeries Drancéennes SCI	4	600	100,00	3 394	6 004	58 596	58 596		7 985	
Holding Gondomar 1 SA	5 085	24 361	100,00	3 122	4 943	64 735	60 122		6 738	2 866
Holding Gondomar 3 SAS	835	6 419	100,00	485	0	8 021	8 021		688	
KLE 1 SAS	8 248	20 628	100,00	7 683	201	82 154	82 154		28 181	7 222
Klé projet 1 sas	3 754	27 312	100,00	-5 200	1 921	37 201	37 201		35 122	
Klécar Europe Sud SCS	315 260	300 228	83,00	20 105	0	523 247	523 247		0	
Klécar France SNC	500 881	285 701	83,00	355 768	105 565	831 462	831 462		0	178 599
Klécar Participations Italie SAS	20 456	736	83,00	6 420	0	17 587	17 587		85 224	3 657
Kléfin Italia SPA	15 450	91 629	100,00	-4 494	628	125 625	125 625		61 000	
Klémentine BV	2 244	19 926	100,00	-190	0	22 435	22 435		0	
Klémurs SCA	82 500	51 472	84,11	-1 617	44 166	124 519	124 519		300 000	8 327
Klépierre Conseil SAS	1 108	4 477	100,00	2 813	1 894	7 934	7 934		7 455	
Klépierre Créteil SCI	5 721	25 827	100,00	-1 550	2 865	57 201	33 717		29 684	

Financial information on subsidiaries and investments *(in thousands of euros)*	Share capital	Sharehol-ders equity other than share capital & net income	Percentage holding	Net income at year end	Pre-tax revenues	Gross book value	Net book value	Guarantees and sureties given	Loans and advances granted	Dividends received
Klépierre Finance SAS	38	-3	100,00	294	0	38	38		0	
Klépierre Luxembourg SA	117 834	234 112	100,00	33 348	0	315 626	315 626		27 510	
Klépierre Nordica BV	60 000	297 928	100,00	-24	0	358 016	358 016		120	
Klépierre Participation et Financements SAS	1 377	-793	100,00	-8	0	1 377	576		0	
Klépierre Portugal SA	250	-14 428	100,00	-918	0	4 250	0		153 948	
Klépierre Trading KFT	171	972	100,00	330	555	199	199		0	
Klétransactions SNC	348	403	100,00	8	58	751	751		0	
LP 7 SAS	45	40	100,00	-14	0	261	261		0	
Nancy Bonsecours SCI	3 054	3 053	100,00	-143	0	6 565	6 107		2 120	
Pasteur SNC	227	1 738	100,00	74	224	2 091	1 966	41 559	13 105	
Portes de Clayes SCI	63 645	190 935	55,00	4 081	8 449	140 019	140 019			
Progest SAS	7 703	25 461	100,00	11 905	654	116 055	116 055		36 927	
Saint Maximin Construction SCI	2	0	55,00	41	44	524	216			
SCOO SC	24 431	315 839	53,64	31 535	57 655	193 910	193 910		0	
Sécovalde SCI	12 189	115 929	55,00	11 131	32 827	92 482	92 482		23 474	
Ségécé Česká Republica SRO	119	443	100,00	739	3 750	10 500	9 000		0	1 173
Ségécé España SL	1 212	-221	100,00	-2 098	10 411	13 400	13 400		0	
Ségécé Hellas SA	207	-178	99,90	-191	203	269	0		0	
Ségécé Italia SRL	143	3 175	100,00	1 298	14 564	22 390	22 390		0	1 822
Ségécé Magyarország KFT	10	249	100,00	-257	2 632	7 900	6 300		0	
Ségécé Polska ZO O	12	1 687	100,00	436	3 338	10 900	8 500		0	159
Ségécé Portugal SA	200	893	100,00	-337	2 242	9 600	4 300		0	
Ségécé SCS	1 412	2 692	100,00	2 916	96 998	50 102	50 102	687	0	
Soaval SCS	4 501	32 782	98,76	-2 110	15 625	42 046	42 046		91 378	
Sodevac SNC	2 918	26 244	100,00	3 510	7 161	29 163	29 163		8 018	
TOTAL I				**499 699**	**519 632**	**4 455 412**	**4 357 455**	**136 271**	**1 233 986**	**224 608**
2. Investments of between 10% and 50%										
Bassin Nord SCI	103 889	31 450	50,00	-7 822	27 325	72 762	72 762		120 011	
Forving SARL	11	-12	26,03	-3	0	668	0			
Galae SNC	330	0	49,00	799	7 251	490	400		0	
La Plaine du Moulin à Vent SCI	28 593	25 285	50,00	-5 341	5 283	26 939	26 939		1 043	
Le Havre Vauban SNC	525	9	50,00	3 521	6 493	983	983		0	
Le Havre Lafayette SNC	300	5	50,00	6	429	237	237		0	
Odysseum Place de France SCI	97 712	1	50,00	4 736	15 005	49 004	49 004		53 245	
Plateau des Haies SCI	3	0	12,00	1 966	2 579	3 253	3 253			
Ségécé Slovensko SRO	7	2	15,00	13	282	4	3		0	1
Solorec SC	4 869	2 769	49,29	27 045	41 121	124 104	124 104		11 932	
TOTAL II				**24 920**	**105 768**	**278 444**	**277 685**	**0**	**186 231**	**1**
GRAND TOTAL I + II				**524 619**	**625 400**	**4 733 856**	**4 635 140**	**136 271**	**1 420 217**	**224 609**

3.2.2. Receivables from equity securities

(in thousands of euros)	**12/31/2012**	12/31/2011
Advances on equity securities	2 694 750	2 744 202
Interest accrued on advances	114 165	112 769
Share of net income	349 377	143 853
Dividends receivable	–	7 000
TOTAL	**3 158 292**	**3 007 825**

The majority of the change shown in the «Advances on equity securities» item refers to increases in advances from:

- Progest SAS, Cecobil SCS and Secovalde SCI (80 million euros) following the Kléber la Pérouse SNC's TUP;
- Clermont Jaude SAS (35 million euros);
- Soaval SCS (21 million euros) for the restoration of Saint-Lazare station.

And by reductions in advances from:

- Kléber la Pérouse SNC (120 million euros) following the transfer of its assets and liabilities (TUP) to Klépierre SA;
- Klécar France SNC (31 million euros);
- Klépierre Portugal SGPS (13 million euros);
- Klépierre Conseil SAS (12 million euros);
- Storm Holding Norway AS (9 million euros).

The shares in Klépierre Portugal SA having been fully impaired, a provision of 1.8 million euros were recognized in respect of the receivables. The change in the «Share of net income» item mainly relates to a 196 million euros increase in the share of net income of Klécar France SNC.

3.3. Other fixed assets

3.3.1. Loans and other long-term financial investments

Loans concern the 50 million euros subordinated loan agreement granted by Klépierre to Klémurs SCA on July 29, 2011 for three years term,

(in thousands of euros)	**12/31/2012**	12/31/2011
Deposits paid	22	23
Treasury shares	30 865	30 865
Impairment of treasury shares	–	-58
TOTAL	**30 887**	**30 829**

The «treasury shares» acquired for the purpose of transfer to a vendor as part of an external growth transaction totaled 30.9 million euros.

3.4. Trade and other receivables

All trade receivables (3.3 million euros) are less than one year old.
Other receivables are shown in the following tables, broken down by due date:

(in thousands of euros)	**12/31/2012**	12/31/2011
State	**5 444**	**1 748**
• VAT	5 225	1 748
• Tax	219	
Other receivables	**1 368**	**3 184**
• Other	1 368	3 184
TOTAL	**6 812**	**4 932**

Receivables maturity schedule

(in thousands of euros)	**Total**	Less than one year	One to five years	More than five years
State	**5 444**	**5 444**	**–**	**–**
• VAT	5 225	5 225		
• Tax	219	219		
Other receivables	**1 368**	**1 081**	**–**	**287**
• Other	1 368	1 081		287
TOTAL	**6 812**	**6 525**	**–**	**287**

3.5. Marketable securities and treasury shares

At December 31, 2012, the stock of treasury shares totals 4 252 709 (2.13% of all shares issued), with a net value of 99.2 million euros.
This stock is allocated as follows:
Account #5020000000 treasury shares

- 109 128 shares for the purpose of regulating share price in the framework of the market liquidity agreement;
- 387 940 shares to the stock options plan of 2007;
- 28 500 shares to the stock options plan of 2011;
- 29 774 shares to the stock options plan of future years.

Account #5021000000 treasury shares/stock options:

- 530 514 shares to the stock options plan of 2006;
- 430 812 shares to the stock options plan of 2009;
- 460 000 shares to the stock options plan of 2010;
- 555 000 shares to the stock options plan of 2011;
- 260 200 free shares were attributed on October 23, 2012 under the Klépierre 2012 plan.

1 460 841 shares to cover external growth transactions, and recognized in the financial assets.
1 261 390 treasury shares managed by the market liquidity agreement were sold during the 2012 fiscal year. These transactions resulted in a net gain of €3.6 million.
Totaling 19.3 million euros, the other shares item refers to short-term cash investments

3.6. Prepaid expenses and deferred expenses

(in thousands of euros)	**12/31/2012**	12/31/2011
Prepaid expenses	**82 641**	**6 264**
• Deferral of payment on swaps	80 450	3 335
• Construction lease	1 944	2 039
• Other	247	890
Deferred expenses	**15 830**	**7 989**
• Bond costs	6 108	3 733
• Lender loan issue costs	9 722	4 255
Bond premiums	**9 583**	**8 420**
TOTAL	**108 054**	**22 672**

The «Prepaid expenses» item mainly refers to deferred upfront payment of swap. The increase is due to the unwinding of swaps.
The increase in «Deferred expenses» refers to the costs of arranging new financing.

3.7. Translation adjustment (assets)

The translation adjustment for assets relates to the unrealized loss on the loan denominated in SEK.

NOTE 4. NOTES TO THE FINANCIAL STATEMENTS: BALANCE SHEET LIABILITIES

4.1. Shareholders' equity

(in thousands of euros)	12/31/2011	Allocation of profit	Distribution	Other	At fiscal year-end
Share capital(1)	**265 508**		**13 751 (2)**		**279 258**
Additional paid-in capital from issues, contributions and merger premiums					
• Issue premiums	855 288		203 662 (2)		1 058 950
• EOC issue premiums	174 012				174 012
• Contribution premiums	259 318				259 318
• Merger premiums	113 297				113 297
Positive merger variance	197 952				197 952
Positive canceled share variance	18 557				18 557
Statutory reserve	26 551				26 551
Other reserves					
• Regulated reserves	–				–
• Other reserves	168 055				168 055
Balance carried forward	**437 306**	**240 306**	**-274 990**	**6 235 (3)**	**408 857**
Net income/loss for the year	**240 306**	**-240 306**		**514 767**	**514 767**
TOTAL	**2 756 149**	**–**	**-57 577**	**521 002**	**3 219 573**
(1) Composition of share capital.					
Ordinary shares	189 648 240		9 822 100		199 470 340
Par value *(in euros)*	1.40		1.40		1.40

(2) The capital increase has been realized by dividend payment in shares.
(3) The increase in retained earnings refers to the dividends relating to allocated treasury shares (6 235 thousand euros).

4.2. Provisions for contingencies and losses

(in thousands of euros)	**12/31/2012**	Allowances	Write-backs	12/31/2011
Other provisions for contingencies and losses	50 742	49 644	- 23 433	24 531
TOTAL	**50 742**	**49 644**	**- 23 433**	**24 531**

Allowances correspond mainly to a 39.2 million euros provision for contingencies on trading swaps, a 5.2 million euros provision for contingencies on stock options and bonus shares and a 4.3 million euros provision for foreign exchange losses on the loan in SEK.
Write-backs mainly relate to a 21.5 million euros write-back of a provision for contingencies on trading swaps.

4.3. Loans and borrowings

(in thousands of euros)	**12/31/2012**	12/31/2011
Other bonds	**3 075 050**	**2 053 628**
• Debt principal	2 989 100	1 989 100
• Accrued interest (1)	85 950	64 528
Loans and borrowings from credit institutions	**835 749**	**2 475 677**
• Credit facilities	821 523	2 447 209
• Interest accrued on credit facilities	1 759	5 838
• Bank overdrafts	79	720
• Interest accrued on swaps	12 388	21 910
Other loans and borrowings	**1 074 582**	**668 266**
• Security deposits and guarantees received	1 676	2 474
• Cash centralization scheme	449 459	151 312
• Commercial paper	600 000	500 000
• Debts on equity investments	16 723	8 680
• Share of net income	6 724	5 800
TOTAL	**4 985 381**	**5 197 570**

(1) Coupon payable on March 15 and 16, April 13 and 14, May 21, September 17.

At December 31, 2012, the main sources of borrowing were as follows:

- a 689.1 million euros bond issued in March 2006 with a 4.25% coupon and a maturity date of March 2016;
- an 850 million euros bond issued in April 2010 with a 4% coupon and a maturity date of April 2017;
- a 300 million euros bond issued in April 2010 with a 4.625% coupon and a maturity date of April 2020;
- a 600 million euros bond issued in March 2011 with a 4.75% coupon and a maturity date of March 2021;
- a 50 million euros bond issued in May 2012 with a 4.23% coupon and a maturity date of May 2027;
- a 500 million euros bond issued in September 2012 with a 2.75% coupon and a maturity date of September 2019;
- a syndicated loan arranged in 2007 of which 705 million is currently drawn down (maximum authorized amount 1 000 million euros);
- 600 million euros from a commercial paper line (guaranteed by a 600 million euros back-up line).

Klépierre has cancelled 1 600 million euros of the 2 400 million euros bilateral loan arranged in October 2009, reducing the available funds to 800 million euros, i.e. 500 million euros on tranche A and 300 million on tranche B.

The maturity dates of financial debt at December 31, 2012 are as follows:

Debt maturity schedule

(in thousands of euros)	**Total**	Less than one year	One to five years	More than five years
Other bonds	**3 075 050**	**85 950**	**1 539 100**	**1 450 000**
• Debt principal	2 989 100		1 539 100(1)	1 450 000(2)
• Accrued interest	85 950	85 950		
Loans and borrowings from credit institutions	**835 749**	**14 226**	**821 523**	**–**
• Credit facilities	821 523		821 523	
• Interest accrued on credit facilities	1 759	1 759		
• Bank overdrafts	79	79		
• Interest accrued on swaps	12 388	12 388		
• Credit facilities	**1 074 582**	**1 056 183**	**16 723**	**1 676**
• Security deposits and guarantees received	1 676			1 676
• Cash centralization scheme	449 459	449 459		
• Commercial paper	600 000	600 000		
• Debts on equity investments	16 723		16 723	
• Share of net income	6 724	6 724		
TOTAL	**4 985 381**	**1 156 359**	**2 377 346**	**1 451 676**

(1) March 2016 € 689 100 000, April 2017 € 850 000 000.
(2) September 2019 € 500 000 000, April 2020 € 300 000 000, March 2021 € 600 000 000, May 2027 € 50 000 000.

4.4. Trade and other payables

On average, suppliers are paid approximately thirty days from the billing date.

4.5. Social and tax liabilities

(in thousands of euros)	**12/31/2012**	12/31/2011
Personnel and related accounts	433	309
Other taxes	2 488	14 168
TOTAL	**2 921**	**14 477**

The reduction in the "Other taxes" item mainly results from the settlement of a 13.9 million euros tax liability.

4.6. Other liabilities

(in thousands of euros)	**12/31/2012**	12/31/2011
Other (1)	701	2 003
TOTAL	**701**	**2 003**

(1) Less than one year.

4.7. Prepaid income

(in thousands of euros)	**12/31/2012**	12/31/2011
Prepaid income	**32 179**	**4 154**
• Deferral of payment on swaps	1 859	2 199
• Deferral of bond issue premiums	30 320	1 584
• Other	–	371
TOTAL	**32 179**	**4 154**

The increase in prepaid income refers mainly to issue premiums on bonds issued in 2012.
The issurance premiums of bonds is straight-lined over the term of bonds.

4.8. Translation adjustment (liabilities)

The translation adjustment (liabilities) corresponds to the unrealized gain on the loan denominated in SEK with Storm Holding Norway AS.

NOTE 5. NOTES TO THE FINANCIAL STATEMENTS: INCOME STATEMENT

5.1. Operating income

The decrease by 4.9 million euros on lease income at December 31, 2012, is mainly the result of office building sales totaling 4.3 million euros. The operating income comes mainly from rents of office buildings which are situated in Paris and the Paris Region.
Operating income for the year 2012 decreases by 7.8 million euros, compared to December 31, 2011.

5.2. Share of income from joint operations

These funds total 371.9 million euros at December 31, 2012.
It largely consists of:

- the company's share in the 2011 income reported by the limited partnerships (SCSs) Ségécé, Klécar Europe Sud and Bègles Arcins, which totals 14.2 million euros;
- 15.2 million euros in pre-payments against the Company's share in 2012 income reported by the limited partnerships (SCSs) Klécar Europe Sud and Bègles Arcins;
- the company's share in the 2012 income of SNC Klécar France, totaling 295.2 million euros, SC SCOO totaling 16.9 million euros and SCI Solorec totaling 13.3 million euros.

5.3. Net financial income

The financial income increases to 104 million euros profit at December 31, 2012 compared with 37 million euros at December 31, 2011.

5.3.1. Financial income

(in thousands of euros)	**12/31/2012**	12/31/2011
Income from sale of securities	72	119
Income from interest rate swaps[1]		
Income from equity investments	246 005	58 651
Positive variance from merger and canceled shares	2 982	29 032
Shareholder loans from associates	124 672	129 796
Sundry interest received	–	104
Other revenue and financial income	2 861	702
Write-back of financial provisions	42 693	89 885
Transfer of financial expenses	11 204	978
Foreign exchange gains	54	325
TOTAL FINANCIAL INCOME	**430 543**	**309 592**

(1) Swap-related income and expenses are netted.

The change in income from equity investments refers principally to:

- the decrease of dividend by 5.2 million euros from Ségécé Italia SRL, by 2.3 million euros from Klémurs SCA, by 2.3 million from Ségécé Portugal SA, by 1.5 million euros from Klécar Participations Italie and by 1 million from Galeria Commerciale Klépierre SRL;
- the increase of dividends by 201 million euros, composed mainly of the 179 million euro issue premium distributed by Klécar France SNC, and 21 million euros of Kléber la Pérouse SNC.

Other items:

- "Positive variance from cancelled shares" relates to the transfer of Kléber la Pérouse's assets and liabilities (TUP);
- "Other revenue and financial income" refers to the straight-lining of 2.2 million euros of issue premiums received on bond and 0.6 million euros of guarantee compensation;
- write-backs of financial provisions relate to the 21.4 million euros write-back from the provision for contingencies on trading swap, 14.2 million euros of write-backs from provisions for equity investments and a 7 million euros write-back from provisions for treasury shares;
- at December 31, 2012, the "Transfer of financial expenses" item refers to the spreading of bank commissions on new bonds and bilateral loans;
- foreign exchange gains correspond to the Steen & Strøm financing operations.

5.3.2. Financial expenses

(in thousands of euros)	**12/31/2012**	12/31/2011
Interest on bonds	101 461	94 266
Interest on loans to associates	614	943
Interest on loans from credit institutions	37 802	53 640
Swap-related expenses[1]	86 965	55 806
Interest on current accounts and credit deposits	3 689	4 530
Negative canceled share variance	–	406
Other financial expenses	22 902	8 952
Amortization allowance on bond premiums	1 723	1 908
Amortization allowance on loan issue fees	3 725	3 016
Allowances for financial provisions	67 570	48 563
Foreign exchange losses	14	605
TOTAL FINANCIAL EXPENSES	**326 465**	**272 634**

(1) Swap-related income and expenses are netted.

The 7.2 million euros increase in interest on bonds is the result of two new bond issues in May and September 2012.
The change in "Interest on loans from credit institutions" is the result of a decrease by 20.4 million euros in interest on the 2007 syndicated loan and the 2009 bilateral loan, of a decrease by 2.6 million euro in commercial paper interest, partly offset by increase in interest payments by 4.9 million euros on the 2012 bilateral loan and by 1.1 million euros on the 2011 bilateral loan.
The majority of the "Allowances for financial provisions" item is represented by:

- 39.2 million euros of provisions for risks on trading swaps;
- 17.3 million euros of provisions relating to equity investments;
- 4.8 million euros of provisions relating to treasury shares;
- 4.3 million euros of provisions for foreign exchange losses on the loan in SEK;
- 1.8 million of provisions of receivables from equity securities of Klépierre Portugal SA.

At December 31, 2012, net expenses relating to swaps comprises:
- net interest expense of 47.2 million euros;
- deferred upfront payment of swap with a net cost of 39.8 million euros.

The "Interest on loans from credit institutions" item comprises:
- 23 million euros interest in bilateral loan;
- 11 million euros interest in syndicated loan;
- 3.5 million euros in commercial paper.

The "Interest on current accounts and credit deposits" item comprises:
- 3.7 million euros interest in cash centralization scheme.

5.4. Non-recurring income

(in thousands of euros)	12/31/2012	12/31/2011
Capital gains and losses on tangible and financial assets	39 744	-24 997
Capital gains and losses on treasury shares	3 620	-1 234
Other non-recurring income and expenses	–	14
Write-back of non-recurring provisions	–	24 994
TOTAL	**43 364**	**-1 224**

The "Capital gains and losses on tangible and financial assets" item relates to the net capital gains on disposals of office buildings.

5.5. Corporate income tax

(in thousands of euros)	12/31/2012	12/31/2011
Corporate income tax and contributions	-491	-301
TOTAL	**-491**	**-301**

The majority of the -0.5 million euros shown for "Corporate income tax and contributions" refers to a proposed tax adjustment in respect of the 2009 and 2010 fiscal years.

NOTE 6. NOTES TO THE FINANCIAL STATEMENTS: OFF-BALANCE SHEET COMMITMENTS

6.1. Reciprocal commitments relating to interest rate hedging instruments

At December 31, 2012, Klépierre SA holds a portfolio of interest rate hedging instruments intended to hedge a proportion of current debt and future debt on the basis of the total funding requirements and corresponding terms set out in the Group financial policy.

The unrealized capital loss on interest rate hedge at December 31, 2012 rises to 221.93 million euros (excluding accrued coupons) in which a part relates to swaps provisioned for 39.2 million euros (excluding accrued coupons).

Firm Deals

(in thousands of euros)	12/31/2012	12/31/2011
Fixed-rate payer Klépierre – Variable-rate payer BNP Paribas and others	3 000 000	4 500 000
Fixed-rate payer BNP Paribas and others – Variable-rate payer Klépierre	1 100 000	1 100 000
Trading hedging instrument – Extendable fixed-rate payer Klépierre	200 000	200 000
Trading hedging instrument – Cap – Cap-rate buyer Klépierre	200 000	200 000

Impact on income (reference capital 1-10 years)

	12/31/2012	
(in thousands of euros)	Income	Expenses
Fixed-rate payer Klépierre – Variable-rate payer BNP Paribas and others	21 465	91 918
Fixed-rate payer BNP Paribas and others – Variable-rate payer Klépierre	46 405	23 143

(in thousands of euros)	12/31/2012	12/31/2011
Commitments given		
Commitments on purchases of securities and malls	–	–
Commitments on sale and purchase promissory agreement	–	–
Funding commitments given to credit institutions	143 451	123 984
Other commitments given	74 054	10 879
TOTAL	**217 505**	**134 863**
Commitments received		
Deposits received from tenants	2 497	3 881
Funding commitments received from credit institutions	1 695 000	765 000
Commitments to buy securities	–	–
Commitments on sale of buildings	–	–
TOTAL	**1 697 497**	**768 881**

The "Other commitments given" item mainly refers to a 71.8 million euros sale before completion contract (under which payment is guaranteed by the buyer and completion guaranteed by the developer) for an office building at Pantin.

The change in the "Funding commitments received from credit institutions" item is explained by the amount not used of 900 million euros from the 2011 and 2012 bilateral loans.

■ Shareholder agreements relating to Klécar France, Klécar Europe Sud, Solorec and Klécar Participations Italie

The shareholder agreements between Klépierre and CNP Assurances and Écureuil Vie were amended by a rider signed on December 30, 2004, the effect of which was to cancel the liquidity commitments given by Klépierre to its partners.

The agreement provides the usual protections for non-controlling interests: pre-emption right, joint exit right and the decision-making process applying to investment or divestment. Each agreement contains two additional clauses:

- one in favor of Klépierre: an obligation for the non-controlling shareholders to exit at the request of Klépierre in the event of Klécar assets being sold to a third party;
- the other in favor of the non-controlling shareholders: a process enabling the latter to consider a range of exit scenarios in 2016 and 2017 (for the Italian companies) or 2014 and 2015 (for the other malls):
  - asset sharing or sale;
  - purchase of non-controlling shareholdings by Klépierre (with no obligation for Klépierre);
  - sale to a third party with payment of a discount by Klépierre if the offer is less than the net asset value*.

Partners' agreements in respect of Bègles Arcins

Signed on September 2, 2003, this agreement between Klépierre and Assurécureuil Pierre 3 contains provisions regulating the relationship between the company partners, and, more specifically, a dispute resolution clause.

Partners' agreement between Klepierre and SCI Vendôme Commerces in respect of SCS Cecobil

Signed on October 25, 2007 following the transition of Cecobil to a limited partnerships, this agreement provides for the usual protections regarding the sales project of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.
SNC Kléber la Pérouse is no longer party to this agreement since the transfer of its assets and liabilities (TUP) to Klépierre on July 4, 2012.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCI Secovalde and SCI Valdebac

Signed on October 25, 2007, this agreement provides for the usual protections regarding sales projectof equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.
This partners' agreement amended on December 29, 2008 and November 23, 2010, also includes SCI Valdebac since December 8, 2010. For instance, in December 8, 2010 more than 99.99% of the shares were transferred from SNC Kléber La Pérouse and SCI Vendôme Commerces to SCI Secovalde. As a consequence, the partners' agreement that only concerns SCI Valdebac, signed by SNC Kléber La Pérouse and SCI Vendôme on June 21, 2010, was terminated on December 8, 2010.
Kléber la Pérouse is no longer party to this agreement since the transfer of its assets and liabilities (TUP) to Klépierre on July 4, 2012.

Partners' agreements between Klépierre, Kléfin Italia, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia, and between Klépierre, Kléfin Italia, Klépierre Luxembourg, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Immobiliari Galerie Commerciali (IGC)

A partners' agreement was signed in 2002 during the acquisition of IGC shares by the Klépierre group.
Its main provisions – including those regarding Klépierre's preemptive right – were restated in a new agreement of 2007 applying to IGC and/or Clivia (the owner of the Lonato, Verona and Vittuone malls). In the case of IGC, this was replaced by an agreement signed on July 23, 2009.
All these agreements grant Finiper a put (option to sell) enabling the latter to sell its shares in IGC and/or Clivia to Klépierre. This put expires in 2017 and can be split into two parts:
- one of 12% and one of 16.70% for IGC;
- two parts, each of 25%, for Clivia.

Any refusal by Klépierre regarding the second IGC part and both Clivia parts will result in a penalty becoming payable to the Finiper group.

Partners' agreements between Klépierre and Stichting Pensioenfonds ABP in respect of the Swedish company Nordica Holdco AB, and the Norwegian companies Storm Holding Norway AS and Steen & Strøm

The shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.
This agreement was made on July 25, 2008 and an amendment made on October 7, 2008. It includes the usual provisions to protect non-controlling interests: qualified majority voting for certain decisions, purchase option in the event of deadlock and joint exit rights, as well as the following provisions:
- a one-year inalienability period applied to Steen & Strøm shares from the date of acquisition;
- each party has a right of first offer on any shares which the other party wishes to transfer to a third party, subject to the proviso that where shares are transferred by one party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer;
- from the sixth year following acquisition, either party may request a meeting of shareholders to approve, subject to a two-thirds majority, the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company.

Through deeds of adherence dated December 23, 2009, Storm ABP Holding B.V. and APG Strategic Real Estate Pool N.V. adhered to this partners' agreement.
Through a deed of adherence dated September 30, 2011, Stichting Depositary APG Real Estate Pool adhered to this partners' agreement.

Ségécé counter-guarantee

Klépierre has an agreement with its subsidiary company Ségécé under which the latter is granted a global mandate to identify new investment projects. Under this agreement, Klépierre SA guarantees 75% of the expenses involved in these development projects and stocked by SCS Ségécé until completion of the transaction.

Shareholders' agreement signed by Klépierre and Cardif Assurance Vie regarding SCI Portes de Claye

This agreement, signed on April 16, 2012, contains provisions governing relations between company shareholders.
It provides the usual protection in the event of sales project of company shares to third parties:
- reciprocal pre-emption right;
- reciprocal total joint exit right;
- total joint exit obligation in the event of majority shareholder plans to sell its full equity stake.

It also contains minority shareholders' right of first offer in the event of a sale of assets by the Company.
KC 2 SNC has not been party to this agreement since June 5, 2012, following its transfer of assets and liabilities (TUP) in Klécar France SNC.
By decision of the extraordinary general meeting of shareholders on June 28, 2012, Klécar France SNC distributed its entire investment in Portes de Claye SCI to Klépierre.

** See glossary.*

NOTE 7. ITEMS CONCERNING RELATED COMPANIES

Items *(in thousands of euros)*	Amounts
Advances and pre-payments on fixed assets	–
Net equity investments	4 639 056
Loans to subsidiaries and related companies	3 158 292
Loans	50 627
Advances and pre-payments to suppliers (current asset)	–
Trade accounts and notes receivable	1 082
Other receivables	287
Accruals	–
Subscribed capital called but not paid	–
Convertible bonds	–
Other bonds	–
Loans and borrowings from credit institutions	–
Other loans and borrowings	472 906
Advances and pre-payments received	
Trade and other payables	2 916
Other liabilities	5
Operating revenue	1 953
Operating expenses	5 469
Financial income	388 474
Financial expenses	23 576

NOTE 8. OTHER DISCLOSURES

8.1. Automatic cash centralization

On November 30, 2000, Klépierre SA joined the cash centralization scheme managed by Klépierre Finance SAS.
At December 31, 2012, Klépierre SA owes 449.1 million euros to Klépierre Finance SAS.

8.2. Employees

The company has one employee. The company is managed and administered by Segece SCS.

8.3. Loans and guarantees granted and set up for corporate officers and Supervisory Board members

None.

8.4. Compensation paid to Supervisory Board members

Directors' fees totaling 270 000 euros were paid in respect of the 2012 fiscal year, including directors' fees paid to the Chairman of the Supervisory Board.
Compensation and directors' fees totaling 373 615 euros were paid to the Chairman of the Supervisory Board in respect of the 2012 fiscal year.

8.5. Post-balance sheet date events

During the month of January 2013, Klépierre processed the unwinding of 300 million euros of swaps with a due date on 2015

NOTE 9. CONSOLIDATION INFORMATION

The Klépierre corporate financial statements are fully consolidated by Klépierre SA.
At December 31, 2012, Klépierre is consolidated under the equity method by Simon Property Group and BNP Paribas holding respectively a 28.89% and a 21.87% stake in the equity of Klépierre (including treasury shares).

7.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2012, on:
- the audit of the accompanying financial statements of Klépierre,
- the justification of our assessments,
- the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
In our opinion, the financial statements give a true and fair view of the assets and the liabilities and of the financial position of the Company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention on the following matters:
- As indicated in Note 2.2.3 to the financial statements, real estate assets are appraised by independent experts to estimate impairments. Our procedures consisted notably in examining the valuation methodology used by the experts to ensure ourselves that the impairments were based on external expert appraisals.
- Equity investments recorded under assets on your company's balance sheet are valued as described in Note 2.2.4 to the financial statements. Our assessment of these valuations is based on the process implemented by your company to determine the value of equity investments. Our procedures notably consisted in assessing, based on expert valuations, the financial information used by your company to determine the value of the buildings owned by your subsidiaries and by your management's entities.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore served in forming our audit opinion expressed in the first part of this report.

III – Specific procedures and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.
We have no matters to report as to the fair presentation and the conformity with the financial statements of the information given in the management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.
Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remuneration and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.
In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, March 1st, 2013

The Statutory auditors
French original signed by

Mazars
Julien MARIN-PACHE Gilles MAGNAN

Deloitte & Associés
Joël ASSAYAH José-Luis GARCIA


Éttermek


ZARA
Donald's
ANT JAPONAIS
McDonald's

INFORMATION ON THE COMPANY AND THE CAPITAL

8.1. GENERAL INFORMATION

8.1.1. Background

Klépierre was formed at the end of 1990 from the demerger of Locabail-Immobilier, whose portfolio of operating leases it retained. Since then, Klépierre has focused on its two core businesses: the ownership and management of shopping centers* in France and continental Europe, and premium office buildings in Paris and the Paris Region.
At the end of 1998, Klépierre made the strategic decision to become a major player in the creation and development of new retail sites in continental Europe, and made its first acquisition in Italy. Klépierre develops its French projects through its subsidiary company Ségécé. The Group's principal shareholder at this time was Compagnie Bancaire, which held a 51% stake. The merger of Compagnie Bancaire with Paribas in May 1998 provided Klépierre with the opportunity to create a number of business combinations, including the inward merger of Compagnie Foncière and the contribution of a 100% equity investment in Foncière Chaptal. These acquisitions radically increased the size of the Company and strengthened its position in its core investment segments.

Since then, Klépierre has added continually to its portfolio of shopping centers and increased its presence in continental Europe through partnerships and ad hoc acquisitions:

- on July 17, 2000, Klépierre signed a major agreement with the Carrefour group for the acquisition of 160 shopping centers adjoining this leading retailer's hypermarkets*. The agreement also included management and development partnerships. In the space of four years, 151 shopping centers were acquired, mainly in France and Spain. The second part of the Carrefour agreement (consisting of a priority right on all new sites developed by Carrefour in continental Europe) was implemented for the first time at the end of 2001 for 5 new Spanish shopping centers and in 2002 for the acquisition of the Group's first center in Portugal;
- in 2002, Klépierre strengthened its position in Italy with the acquisition of 11 Carrefour shopping centers and the formation of the first Italian shopping center management company (PSG) in partnership with Finim. Klépierre also signed a major agreement with the Finiper retail group for the acquisition of a strategic 40% stake in IGC (owner of 9 Finiper shopping centers), as well as a partnership agreement covering the joint development of new shopping centers;
- in 2003, Klépierre consolidated its shopping center segment positions in France, Spain, Italy, Greece and Portugal with the acquisition of a further 28 centers. Klépierre also made its first investment in the Czech Republic (the Nový Smíchov center in Prague). It extended its network of management subsidiaries with the formation of Sogecaec in Portugal. 2003 was also the year in which Klépierre opted to adopt the French tax status of a *Société d'investissement immobilier cotée* or SIIC*;
- in 2004, the Group continued to grow with the addition of 6 centers in France, Italy and Spain, and also gained a strategic position in Hungary with the purchase of 12 shopping centers and the acquisition of a 50% investment in local management company Plaza Centers Management (PCM) through its subsidiary Ségécé. Ségécé strengthened its European management network with the formation of Ségécé Hellas in Greece and the acquisition of 100% of Centros Shopping Gestion in Spain;
- in 2005, Klépierre acquired 9 shopping centers, including 4 in Poland, a new country for the Group, following the agreement signed with Plaza Centers Europe at the end of July. The deal also included the 100% acquisition by Ségécé of the subsidiary responsible for managing these Polish centers, and assumed total control of PCM Hungary by acquiring the remaining 50% investment in this company. Klépierre also made its first investment in Belgium with the L'esplanade shopping center in Louvain-la-Neuve;
- in 2006, Klépierre continued its shopping center development program in 7 of the Group's 10 operating countries, and increased integration of the now wholly-owned management network in Italy and the Czech Republic. The Company also embarked on a new route to growth by outsourcing the real estate assets for major retailers to its subsidiary company Klémurs, which floated on the Stock Market in December 2006. At the end of 2006, Klémurs acquired 128 Buffalo Grill restaurant properties in France and signed an important partnership agreement with Buffalo Grill for the future;
- in 2007, Klépierre invested more than 1 billion euros, chiefly in shopping centers in France, Hungary, Poland and Portugal. Klépierre also acquired full ownership of Ségécé by acquiring the non-controlling interests held by BNP Paribas (15%) and AXA REIM (10%);
- the main event of 2008 was the acquisition of a 56.1% equity stake in Scandinavia's leading real estate company Steen & Strøm. The remaining 43.9% is held by ABP Pension Fund. Klépierre was now operating in 13 countries in continental Europe. During the year, the Company acquired newly-constructed centers in France, Italy and the Czech Republic, as well as starting work on 12 new projects, including new centers and retail parks* and extensions to existing sites;
- in 2009, Klépierre continued to grow (opening new extensions and upgrading projects in France, Norway, Sweden and Italy), at the same time as stepping up its asset rotation policy with sales totaling nearly 400 million euros. The majority of these sales involved office buildings and minority shares in major and smaller shopping centers;
- in 2010, several extension and renovation projects on existing centers were started in France (Arcades in the Paris region), Italy (Pescara Nord), Sweden (Sollentuna, Hageby) and Norway (Gulskogen). Klépierre also opened the Corvin shopping center* in Budapest, Hungary. The Group laid the foundation stone of the new Emporia shopping center (Malmö, Sweden) and continued to invest in large shopping center projects (Le Millénaire in Aubervilliers and St.Lazare in Paris). The financial structure of the Group was also strengthened through disposals (essentially concerning office buildings), the payment of the dividend in shares and the successful bond issue for 900 million euros;
- in 2011, Klépierre continued to expand its business by focusing on regions offering a solid foundation in terms of purchasing power and long-term demographic growth prospects (France and Scandinavia). The 650 million euros invested in 2011 mainly involved extensions or renovations in France (Claye-Souilly, Perpignan-Claira) and the development of new shopping centers such as the Emporia shopping center (Malmö, Sweden) or the St.Lazare retail space in Paris (opened in March 2012). Klépierre successfully inaugurated 2 shopping centers: Le Millenaire shopping center in Aubervilliers, on the outskirts of Paris, the largest retail development in France in a decade, and Aqua Portimão in the Algarve, a tourist region of Portugal. The Group acquired the E. Leclerc Roques shopping center in Toulouse, one of the most dynamic urban areas in France. As part of its policy of optimizing its portfolio on a regular basis, Klépierre

* See glossary.

disposed of nearly 190 million euros worth of retail and office premises. Nearly 900 million euros were also raised on the banking and credit markets over the fiscal year.

- 2012 will be remembered for the delivery of three development projects emblematic of Klépierre's expertise: St.Lazare Paris, a new retail space included in the second busiest railway station in Europe, Les Sentiers de Claye-Souilly extension-renovation (Greater Paris Area) and Emporia, a structuring retail facility of a large urban redevelopment scheme in Southern Malmö (Sweden). As a whole, Klépierre invested close to 460 million euros in 2012. The Group also completed sales for 700 million euros worth of stabilized assets (French shopping centers and Parisian office buildings) included in its 1 billion euros disposal program for the period 2012-2013. Klépierre rose close to 1.5 billion euros in the course of the year, bringing its level of liquidity close to 2 billion euros at year-end. In March 2012, Simon Property Group, world leader in the shopping center industry, acquired a 28.7% equity stake in Klépierre from BNP Paribas.

8.1.2. Company name

Klépierre

8.1.3. Paris Trade and Companies Register

SIREN: 780 152 914
SIRET: 780 152 914 00211
NAF/APE: 6820B

8.1.4. Term of the Company

The Company was registered as a *Société anonyme à conseil d'administration* (French corporation governed by a Board of Directors) on October 4, 1968. Its term was set at 99 years, expiring on October 3, 2067.

8.1.5. Legal form

Klépierre is a French corporation with an Executive Board and a Supervisory Board.
It is governed by the legal provisions applicable to *sociétés anonymes,* in particular articles L. 225-57 to L. 225-93 of the French Commercial Code and by its own bylaws.

8.1.6. Registered office

21, avenue Kléber – 75116 Paris
Tel.: +33 (0)1 40 67 57 40

8.1.7. Tax status

The Company has opted for the tax status of Sociétés d'investissement immobilier cotées (SIIC, French REIT) under the terms of article 208-C of the French General Tax Code. As such, it is exempt from corporate income tax on:

- earnings from the rental of buildings, provided that 85% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are earned;
- capital gains from the sale of buildings, investments in real estate partnerships (sociétés de personnes) and whose purpose is identical to that of an SIIC or in subsidiaries that have opted for the new tax status, provided that 50% of these capital gains are distributed to shareholders before the end of the second financial year after that in which the gains were made;
- dividends received from subsidiary companies which have opted for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from tax under the SIIC arrangements, subject to the proviso that they are distributed during the fiscal year following the year in which they were granted.

8.1.8. Legal and arbitration proceedings

No state or legal proceeding or arbitration of which the Company is aware to date, either pending or threatened, has had a material impact on the financial position or profitability of the Company and/or Group in the past 12 months, or is likely to do so.

8.1.9. Other disclosures

Corporate purpose (article 2 of the bylaws)

The Company's purpose is:

- to purchase all land, real estate rights or buildings in France or abroad and all property and rights which could either be accessory or annexed to the said buildings;
- to construct buildings and perform all operations directly or indirectly related to the construction of these buildings;
- to operate and turn to account these premises by renting or otherwise;
- to enter into all lease agreements for premises or buildings in France or abroad;
- to acquire direct or indirect interests in the persons indicated in article 8 and in paragraphs 1, 2 and 3 of article 206 of the French General Tax Code and, more generally, to acquire interests in all companies whose purpose is to operate rental real estate assets;
- incidentally, to acquire interests in any company or enterprise engaged in any activities whatsoever in the real estate sector;
- and more generally, to engage in all types of civil, commercial, financial, investment and real estate operations directly related to the abovementioned purpose or in the furtherance thereof, in particular, loans and the creation of any related guarantees or pledges.

Ownership and transfer of shares (article 7 of the bylaws)

Fully paid-up shares are in registered or bearer form, at the shareholder's discretion.
Shares are registered in an account in accordance with the statutory and regulatory provisions in force.
Shares may be sold or transferred freely in accordance with applicable legislation and regulations.
Shares resulting from a capital increase can be traded as soon as the capital increase has been completed.

Voting rights (article 8 of the bylaws)

Each share gives right to part ownership in the Company's assets, to a share in profits and liquidation surplus in a proportion corresponding to the share capital it represents.
All new or existing shares, provided they are of the same class and the same paid-up nominal value, are fully assimilated once they entitle holders to the same benefits, during the appropriation of any profit, and also during the total or partial refund of their nominal capital, holders receive the same net amount, and all the taxes and duties to which they may be subject are evenly divided among them.
Owners of shares are liable only up to the limit of the nominal amount of the shares they own.

General Meetings of shareholders (articles 25 to 29 of the bylaws)

Depending on the nature of the decisions to be taken, shareholders meet in either an ordinary or extraordinary General Meeting of shareholders.
Meetings are convened by the Executive or Supervisory Board, or by the persons designated by the French Commercial Code. They deliberate in accordance with applicable legal and regulatory provisions. Meetings take place either at the head office or at another venue specified in the notice.
In accordance with article R. 225-85-I of the French Commercial Code, to attend General Meetings, shareholders must have registered their securities either in the accounts of registered securities kept by the Company or in the accounts of bearer securities through an authorized intermediary, within the deadlines and according to the terms set out by applicable law. In the case of bearer securities, the registering of the securities is acknowledged by a certificate of participation issued by the authorized intermediary. Their representation at meetings is managed under the legislation and decrees in force.
The same applies for information to be provided or sent to shareholders. Shareholders may vote at all meetings by correspondence under the conditions specified by legal provisions. To be valid, the Company must receive all voting forms at least three days before the meeting.
The decisions of ordinary and extraordinary General Meetings of shareholders are only valid if quorum requirements are met. The quorum is calculated in relation to the total number of existing shares, subject to exceptions provided for by law.
Subject to the applicable legal restrictions, shareholders attending any meeting will have the same number of votes as shares owned or represented, with no maximum limit.

Fiscal year (article 30 of the bylaws)

The fiscal year begins on January 1 and ends on December 31.

Statutory Distribution of profits – Reserves (article 31 of the bylaws)

At least 5% of profits for the financial year, less any prior losses, are set aside to establish the statutory reserve fund, until such fund equals one-tenth of the share capital.
The balance and any retained earnings together constitute distributable profit, from which is deducted any amount that the General Meeting of shareholders, acting on the recommendation of the Executive Board, and subject to the approval of the Supervisory Board, may decide to assign to one or more discretionary, ordinary or extraordinary funds, with or without special appropriation, or to carry forward as retained earnings.

The balance is apportioned among the shares.

Any shareholder other than a physical person:
(i) which directly or indirectly holds at least 10% of rights to dividends in the Company; and,
(ii) whose own position or that of its shareholders which directly or indirectly hold 10% or more of its rights to dividends renders the Company liable for the 20% levy stipulated in article 208 C II ter of the French General Tax Code (the "Levy") (the said shareholder is called a "Taxpaying Shareholder"),
will owe the Company a sum equal to the amount of the Levy owed by the Company at the time of payment.

If the Company directly or indirectly holds 10% or more of one or more Sociétés d'investissement immobilier cotées cited in article 208-C of the French General Tax Code (a "SIIC* Daughter"), the Taxpaying Shareholder will also owe the Company, when a dividend payment is made, a sum equal to the difference (the "Difference") between (i) the amount which would have been paid to the Company by one or more SIIC Daughters if the said SIIC Daughter(s) had not been liable for the Levy because of the Taxpaying Shareholder multiplied by the percentage of the rights to dividends held by the shareholders other than the Taxpaying Shareholder and (ii) the amount actually paid by the said SIIC Daughter(s) multiplied by the percentage of the rights to dividends held by the shareholders other than the Taxpaying Shareholder, so that the other shareholders are not liable to pay any of the Levy paid by any of the SIICs in the chain of interests because of the Taxpaying Shareholder.
Shareholders other than Taxpaying Shareholders will be in credit with the Company for an amount equal to the Difference, in proportion to their dividend entitlement.
If there is more than one Taxpaying Shareholder, each Taxpaying Shareholder will owe the Company the portion of the Levy owed by the Company which its direct or indirect interest generates. The capacity of Taxpaying Shareholder is assessed on the date of the payment.
Subject to the information supplied pursuant to the matters set out on page 237 of this registration document, any shareholder other than a physical person, which directly or indirectly holds at least 10% of the Company's capital, will be presumed to be a Taxpaying Shareholder.
Any payment to a Taxpaying Shareholder is made by an entry in this shareholder's individual account (without generating interest), the chargeback from the account occurs within five business days of the entry after the sums owed by the Taxpaying Shareholder to the Com-

** See glossary.*

pany have been set off under the above provisions.
The General Meeting of shareholders can grant each shareholder an option between payment of all or part of a dividend or interim dividend in cash or shares. If the payment is in shares, the Taxpaying Shareholder will receive a portion in shares (no odd lots will be created) and the other portion in cash (paid by entry in the individual current account) so the set off mechanism described above can apply to the portion of the dividend entered in the individual account.
Except in the event of a share capital reduction, no distribution can be made to shareholders if shareholders' equity is, or would be as a result of the distribution, less than the amount of the share capital plus the reserves that cannot be distributed under the law or the bylaws.

8.2. GENERAL INFORMATION REGARDING CAPITAL

8.2.1. Share capital – Type of shares

At December 31, 2012, share capital totaled 279 258 476 euros, divided into 199 470 340 fully paid-up shares each with a par value of 1.40 euros.

In accordance with article 28 of the bylaws, each share confers a single vote. The ordinary and extraordinary general meeting held on April 12, 2012 and the special meeting of double vote rights shareholders held on April 23, 2012 have approved the cancellation of the double vote rights attached to the bearer shares owned for more than two years.

They are in registered or bearer form, at the shareholder's discretion.

Share capital may be modified under the conditions provided by law.

8.2.2. Delegations and authorizations granted to the Klépierre Executive Board

By virtue of the resolutions approved by the General Meetings of shareholders held on April 9, 2009, April 7, 2011 and April 12, 2012, the Executive Board was granted the following delegations or authorizations:

Authorization granted by the General Meeting of shareholders of April 9, 2009

Purpose of the resolution	Maximum amount	Duration	Utilizations
Authorization to grant stock options to employees and corporate officers(1)	1% of share capital	38 months from April 9, 2009 (21st resolution)	(2)

(1) This authorization ended on April 12, 2012.
(2) Stock option developments are shown on pages 195 to 197.

Delegations or authorizations granted by the General Meeting of shareholders of April 7, 2011

Purpose of the resolution	Maximum amount	Duration	Utilizations
Authorization for the Company to buy back its own shares(1)	Maximum program amount: 5% and 379 296 480 euros Maximum purchase price: **40 euros** per share with par value of **1.40 euro**	18 months from April 7, 2011 (8th resolution)	(2)
Authorization to reduce share capital by canceling treasury shares(1)	10% of capital in a 24-month period	24 months from April 7, 2011 (9th resolution)	None
Capital increase with preservation of preferential rights by issue of shares and/or securities conferring rights to receive shares and/or securities that confer entitlement to receive allocations of negotiable debt securities	Maximum nominal amount: **60 million** and **1.2 billion euros** for negotiable debt securities	26 months from April 7, 2011 (12th resolution)	None
Capital increase without preferential rights by issue of shares and/or securities conferring rights to receive shares and/or securities that confer entitlement to receive allocations of negotiable debt securities, through a public offering or private placement(3)	Maximum nominal amount **40 million** and **800 million euros** in negotiable debt securities	26 months from April 7, 2011 (13th and 14th resolutions)	None
Determination of issue price for shares, within the limit of 10% of share capital per year, within the framework of a share capital increase without preferential rights	The sum reverting or which is due to revert to the Company for each of the shares, after taking into account, in the event of the issue of share warrants, the issue price of the said warrants, must at least be equal to 85% of the average weighted share price for the last three market trading days prior to the date on which the issue conditions were set	26 months from April 7, 2011 (15th resolution)	None
Increase in the number of securities to be issued in the event of a capital increase with or without preferential rights	At the same price as that chosen for the initial issue, within the periods and limits specified by applicable legislation at the date of the issue(4)	26 months from April 7, 2011 (16th resolution)	None
Capital increase by issue of shares or securities conferring rights to receive shares to fund contributions in kind granted to the Company in the form of shares or securities conferring rights to receive shares, without preferential rights	up to 10% of capital	26 months from April 7, 2011 (17th resolution)	None
Capital increase by incorporation of reserves, profits or issue, merger or contribution premiums	**100** million euros	26 months from April 7, 2011 (18th resolution)	None
Authorization to attribute bonus shares to employees and corporate officer(1)	0.5% of share capital(5)	38 months from April 7, 2011 (20th resolution)	None

Maximum nominal amount of immediate or future share capital increases likely to be completed as a result of the authorizations granted by the Executive Board as shown above:
100 million euros(6) (21st resolution)
Maximum nominal amount of debt securities conferring a right to share capital:
1.2 billion euros (21st resolution)

(1) These delegations or authorizations expired on April 12, 2012.
(2) Share buyback developments are shown on page 75.
(3) Private placement: the issue may not exceed the limits specified by applicable legislation at the date of the issue (currently 20% of the share capital per year).
(4) Currently, within 30 days of the end of the subscription period and within the limit of 15% of the initial issue.
(5) The total number of bonus shares attributed under the authorization granted by the 20th resolution of the General Meeting of shareholders of April 7, 2011 would be deducted from the 1% ceiling specified in the 21st resolution of the General Meeting of shareholders of April 9, 2009 and shall be deducted from the ceiling of any new delegation concerning stock options.
(6)This nominal amount may be supplemented, where appropriate, by the nominal value of the shares to be issued in order to protect the rights of holders of securities conferring entitlement to shares.

Delegations or authorizations granted by the General Meeting of shareholders of April 12, 2012

Purpose of the resolution	Maximum amount	Duration	Utilizations
Authorization for the Company to buy back its own shares	Maximum program amount: 5% and 379 296 480 euros Maximum purchase price: **40 euros** per share with par value of **1.40 euro**	18 months from April 12, 2012 (9th resolution)	(1)
Authorization to reduce share capital by canceling treasury shares	10% of capital in a 24-month period	26 months from April 12, 2012 (10th resolution)	None
Authorization to issue bonus shares to employees and corporate officers	0.5% of share capital(2)	38 months from April 12, 2012 (11th resolution)	(3)
Authorization to grant stock options to employees and corporate officers	1% of share capital	38 months from April 12, 2012 (12th resolution)	None

(1) Share buyback developments are shown on page 75.
(2) Total number of bonus shares attributed deducted from the 1% threshold stipulated in the 12th resolution approved by the April 12, 2012 general meeting of shareholders.
(3) Developments regarding the issuance of bonus shares are stated on pages 264 and 265.

8.2.3. Dividends

The dividends distributed for the last five fiscal years are as follows:

Year of distribution	2008	2009	2010	2011	2012
Number of shares	138 492 687	166 214 431	181 972 159	189 648 240	189 648 240
Net dividend	1.25 euro	1.25 euro	1.25 euro	1.35 euro	1.45 euro
NET AMOUNT DISTRIBUTED	**173 115 858.75 euros**	**207 768 038.75 euros**	**227 465 198.75 euros**	**256 025 124.00 euros**	**274 989 948.00 euros**

During this period, there was no payment of interim dividends. Unclaimed dividends must be paid to the French government after a period of five years has elapsed as of the payment date.
Shares owned by the Company do not confer entitlement to dividends.

8.2.4. Share capital and stock market

Shares

All the Company's capital share stock is traded on the Euronext Paris™ market (compartment A).

	2008	2009	2010	2011	2012
Market capitalization (in millions of euros)(1)	2 909	5 166	5 120	4 180	5 988
Number of shares traded (daily average)	593 923	522 897	363 862	358 356	257 510
Share price					
• Highest	40,27	30,62	29,75	29,97	30,08
• Lowest	14,38	10,02	20,69	18,75	20,44
• Last	17,50	28,39	26,99	22,26	30,02

(1) Last quotation of the year.
Source: Thomson Reuters.

Trading volume over the last eighteen months (in number of shares and amount of equity traded)

(in millions of euros)		Highest price	Lowest price	Number of shares traded	Amount of equity traded
2011	September	24.82	19.30	9 936 388	214 181 023
	October	23.16	20.39	7 493 051	166 104 837
	November	23.30	18.75	7 526 579	158 899 705
	December	22.04	19.14	7 112 459	150 092 249
2012	January	23.58	20.44	5 479 399	122 089 682
	February	24.48	22.88	7 291 423	172 511 537
	March	26.89	23.30	10 747 889	275 778 546
	April	26.25	22.86	7 472 165	185 613 876
	May	25.05	23.60	7 879 436	190 696 616
	June	26.04	24.60	6 201 852	156 537 648
	July	26.87	25.82	4 443 343	117 329 470
	August	26.94	25.66	3 185 690	84 422 146
	September	28.05	25.60	4 162 941	113 846 001
	October	29.32	27.55	3 350 170	95 756 581
	November	29.48	27.60	3 331 079	94 797 939
	December	30.08	28.97	2 377 299	70 486 335
2013	January	30.54	29.05	3 516 917	105 502 692
	February	31.69	28.79	3 906 742	117 059 636

Source: Thomson Reuters.

8.2.5. Bonds

Issue date	Due date	Currency	Outstanding nominal	Coupon	ISIN Code
EUROBOND ISSUES LISTED ON THE LUXEMBOURG STOCK EXCHANGE (STAND-ALONE)					
03/16/2006	03/16/2016	EUR	689 100 000	4.25%	FR0010301705
EUROBOND ISSUES LISTED ON THE PARIS STOCK EXCHANGE (EMTN)(1)					
04/07/2010	04/13/2017	EUR	850 000 000	4%	FR0010885160
04/07/2010	04/14/2020	EUR	300 000 000	4.63%	FR0010885582
03/14/2011	03/14/2021	EUR	600 000 000	4.75%	FR0011019397
05/21/2012	05/21/2027	EUR	50 000 000	4.23%	FR0011255280
09/17/2012	09/17/2019	EUR	500 000 000	2.75%	FR0011321405

(1) The EMTN (Euro Medium Term Notes) prospectus is available on Klépierre's website (www.klepierre.com), under the "Finance" heading.

8.3. CHANGE IN SHARE CAPITAL – BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

8.3.1. Five-year change in share capital

Dates	Nature of increase	Number of shares issued	Premium	Share capital
05/07/2008	Payment of dividend in the form of shares	3 976 826	125 429 092.04 euros	199 457 318.20 euros
12/02/2008	Cash capital increase	23 744 918	322 930 884.80 euros	232 700 203.40 euros
05/15/2009	Payment of dividend in the form of shares	15 757 728	153 322 693.44 euros	254 761 022.60 euros
05/14/2010	Payment of dividend in the form of shares	7 676 081	178 775 926.49 euros	265 507 536.00 euros
05/21/2012	Payment of dividend in the form of shares	9 822 100	203 906 796.00 euros	279 258 476.00 euros

8.3.2. Changes in share capital breakdown and voting rights over the last three years

	Position at December 31, 2010			Position at December 31, 2011			**Position at December 31, 2012**		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	**Number of shares**	**% of capital**	**% of voting rights(1)**
Simon Property Group	–	–	–	–	–	–	57 634 148	28.89%	29.52%
BNP Paribas group	96 548 371	50.91%	56.74%	96 548 689	50.91%	57.45%	43 622 926	21.87%	22.35%
Free float	90 219 711	47.57%	43.26%	88 702 143	46.77%	42.55%	93 960 557	47.11%	48.13%
Treasury stock	2 880 158	1.52%	–	4 397 408	2.32%	–	4 252 709	2.13%	–

(1) After the decision to eliminate the double voting rights at the ordinary and extraordinary general meeting of shareholders on April 12, 2012 and the special meeting of double vote rights shareholders on April 23, 2012.

As of December 31, 2012, as far as the Company is aware, there were no:

- agreements whose implementation would lead to a change of control at a future date;
- shareholder agreements.

Information relating to the agreements concluded between BNP Paribas Group and Simon Property Group are shown on pages 238 and 239 of this registration document.

Employee profit-sharing schemes

There is no agreement providing for the involvement of employees in the Company's capital.

8.3.3. Breakdown of share capital and voting rights at December 31, 2012

At December 31, 2012, the main holders of the Company's 199 470 340 shares were:

				% of voting rights[1]	
	Number of shares	Total votes	% of capital	Treasury shares included	Treasury shares excluded[1]
Simon KP I S.à.r.l.	28 817 074	28 817 074	14.45%	14.45%	14.76%
Simon KP II S.à.r.l.	28 817 074	28 817 074	14.45%	14.45%	14.76%
TOTAL SIMON PROPERTY GROUP	**57 634 148**	**57 634 148**	**28.89%**	**28.89%**	**29.52%**
BNP Paribas SA	21 554 688	21 554 688	10.81%	10.81%	11.04%
Compagnie Financière Ottomane	6 530 924	6 530 924	3.27%	3.27%	3.35%
UCB Bail 2	1 899	1 899	0.00%	0.00%	0.00%
OGDI	15 528 147	15 528 147	7.78%	7.78%	7.95%
Cardif	7 268	7 268	0.00%	0.00%	0.00%
TOTAL BNP PARIBAS GROUP	**43 622 926**	**43 622 926**	**21.87%**	**21.87%**	**22.35%**
Other registered shares	673 112	673 112	0.34%	0.34%	0.34%
Other bearer shares	93 287 445	93 287 445	46.77%	46.77%	47.79%
TOTAL OTHER SHARES EXCL. TREASURY STOCK	**93 960 557**	**93 960 557**	**47.11%**	**47.11%**	**48.13%**
TREASURY STOCK[2]	**4 252 709**	**4 252 709**	**2.13%**	**2.13%**	**–**
TOTAL	**199 470 340**	**199 470 340**	**100%**	**100%**	**100%**

(1) After elimination of double voting rights as decided by the general meeting of shareholders on April 12, 2012 and by the special meeting of double vote rights shareholders April 23, 2012.
(2) Treasury shares confer no voting rights in accordance with article L. 225-210 of the French Commercial Code.

8.3.4. Breach of legal or statutory shareholding thresholds

According to article 7 of the bylaws, any physical person or legal entity, acting alone or in concert with others, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company of this fact by means of registered letter with acknowledgment of receipt setting out the number of shares held, and to do so within five trading days of the date on which each threshold is breached.

If the 10% threshold of the Company's capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than a physical person must state whether or not it is a Taxpaying Shareholder (as defined in article 31 of the bylaws), in its threshold breach declaration. If the said shareholder were to state that it was not a Taxpaying Shareholder, it would have to prove this if requested by the Company and provide the Company with a legal opinion from an internationally reputed tax law firm, on the Company's request. Any shareholder other than a physical person who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's capital must quickly notify the Company of any change in its taxation status causing it to acquire or lose the status of Taxpaying Shareholder.

Unless they have been disclosed in accordance with the conditions set out above, the shares exceeding the statutory threshold that should have been disclosed will be stripped of voting rights at general meetings of shareholders where the failure to disclose is brought to the attention of the meeting or where one or more shareholders together holding 2% or more of the Company's share capital ask the meeting to do so. This withdrawal of voting rights will apply to all general meetings of shareholders held within two years of the date on which the appropriate declaration is duly made.

All parties are also required to inform the Company, in accordance with the procedures and time schedules set out above, if their shareholding falls below any of the thresholds referred to above.

The chart below sums up the declarations of legal or by-laws breach of thresholds as received by the Company during fiscal year 2012:

	Date of breach	Number of shares held after breach of threshold	Date of the letter of notification sent to the Company	Breach of threshold in capital	Breach of threshold in voting rights
SIMON KP I S.à.r.l.[(1)]	14 March 2012	27 215 000	16 March 2012	Above	Above
SIMON KP II S.à.r.l.[(2)]	14 March 2012	27 215 000	16 March 2012	Above	Above
BNP PARIBAS SA[(3)]	14 March 2012	5 345 763	16 March 2012	Below	Below
OGDI[(4)]	14 March 2012	12 019 921	16 March 2012	Below	Below
SAS FONCIERE DE LA COMPAGNIE BANCAIRE[(4)]	14 March 2012	15 534 651	16 March 2012	Below	Below
CREDIT AGRICOLE SA	23 March 2012	3 882 519	28 March 2012	Above	Unchanged
BNP PARIBAS Group[(5)]	23 April 2012	44 057 739	26 April 2012	Unchanged	Below
CREDIT AGRICOLE SA	11 June 2012	3 553 375	15 June 2012	Below	Below
BNP PARIBAS ASSET MANAGEMENT[(6)]	7 June 2012	3 925 264	11 June 2012	Below	Unchanged
COHEN & STEERS	14 June 2012	4 113 309	19 June 2012	Above	Unchanged
BNP PARIBAS ASSET MANAGEMENT[(6)]	27 July 2012	4 254 723	30 July 2012	Above	Unchanged
BNP PARIBAS ASSET MANAGEMENT[(6)]	26 September 2012	3 947 012	27 September 2012	Below	Unchanged
BNP PARIBAS SA	30 September 2012	22 246 688	1 October 2012	Above	Above
BNP PARIBAS Group[(7)]	18 December 2012	43 794 926	19 December 2012	Below	Below

(1) Legal ownership threshold crossed individually and acting in concert with Simon KP II S.à.r.l. and declaration of intention (see pages 256 and 257 of the 2011 Registration document) following the acquisition of 54,430,000 shares from BNP Paribas and some of its subsidiaries.
(2) Legal ownership threshold crossed individually and acting in concert with Simon KP I S.à.r.l. (see pages 256 and 257 of the 2011 Registration document) following the acquisition of 54 430 000 shares from BNP Paribas and some of its subsidiaries.
(3) Legal ownership threshold crossed individually and acting in concert with some of its subsidiaries following the sale of 54 430 000 shares to Simon KP I S.à.r.l. and Simon KP II S.à.r.l.
(4) Legal ownership thresholds crossed individually and acting in concert with BNP Paribas and some of its other subsidiaries following the sale of 54 430 000 shares to Simon KP I S.à.r.l. and Simon KP II S.à.r.l.
(5) Legal ownership thresholds crossed individually by Companie Financière Ottomane and acting in concert with BNP Paribas and some of its other subsdiaries following the scraping of double voting right on 23 April 2012 (the number of shares indicated takes into account some trading positions).
(6) BNP Paribas Asset Management acting in its name and on its behalf, as well as on behalf of CamGestion, Fundquest France and Fortis Investments units incorporated within BNP Paribas Investment Partners for FCP, SICAV and FCPE funds, with delegation of voting rights.
(7) By-laws ownership threshold crossed by BNP Paribas acting in concert with some of its subsidiaries (the number of shares stated does not take into account trading position).

In accordance with article L. 233-11 of the French Commercial Code, the Company was informed of the main stipulations relating (a) to the holding and sale of the BNP Paribas Group's interest in Klépierre and (b) to the governance of Klépierre, contained in a purchase agreement entitled Share Purchase Agreement relating to the acquisition of a block of shares of Klépierre representing 28.7% of the share capital of Klépierre that was entered into on March 7 2012 between the Simon Property Group and BNP Paribas, acting directly or through its subsidiaries, which closed on March 14, 2012.

These stipulations are the following:

a) Transfer of shares

Lock-up commitment from the BNP Paribas Group: the BNP Paribas Group agreed not to transfer, directly or indirectly, shares of Klépierre for a period of 13 months from the completion date of the transfer of the block, subject to early expiration (i) on the date of the annual shareholders' meeting in 2013 or (ii) on the date that the Simon Property Group reduces its interest in Klépierre to 22% or less of the share capital or voting rights of Klépierre (the "Lock-up Period").

This lock-up commitment is subject to five exceptions:

- intra-group transfers within the BNP Paribas Group,
- transfers of Klépierre shares received within the framework of the distribution of a dividend in shares or of a subscription to a capital increase,
- loans of shares to members of the supervisory board,
- pledges of securities granted in exchange for financing received, provided that the beneficiary of the pledge in turn subscribes to a lock-up commitment, and
- contributions of securities to an offer targeting Klépierre in a case where such an offer is initiated for Klépierre by a third party and the Simon Property Group (or a person acting in concert with the Simon Property Group) makes a competing offer.

It is specified that these commitments do not apply to the Klépierre securities held by the BNP Paribas Group in treasury and not within the framework of its transactions on behalf of third parties.

Commitment of the Simon Property Group not to participate in a public takeover bid: during the Lock-Up Period, the Simon Property Group agrees not to submit a public takeover bid for Klépierre, unless it is a competing bid against that of a third party, and not to contribute its Klépierre securities to a public takeover bid, except in the case where the Simon Property Group has made a competing offer and the third party makes a higher bid.

Right of first offer: upon the expiration of the Lock-Up Period and for as long as the BNP Paribas Group holds at least 5% of the share capital and the voting rights of Klépierre, the BNP Paribas Group agreed to grant the Simon Property Group a right of first offer that may be exercised in respect of all of the securities offered for the price proposed by the selling entity within the BNP Paribas Group for a period of thirty business days from the receipt of the notice.
This right of first offer applies to cases where Klépierre securities are transferred to a third party, it being specified that the notion of "transfer" is intended to include any transfer of a property right, immediately or in the future, as well as any detachment of ownership, any form of security or trust and any derivative transaction.

However, the right of first offer does not apply to the following transactions: (i) contributions to a public takeover bid for Klépierre (ii) sales on a regulated market, (iii) derivative contracts providing for a settlement in cash, (iv) issues of indexed debt securities and (v) loans of securities and the other transactions involving the transfer of ownership on a temporary basis. As an exception to these exceptions, the BNP Paribas Group has agreed to give prior notice to the Simon Property Group in the case where the BNP Paribas Group contemplates a placement of Klépierre securities representing at least 3% or more of the share capital and voting rights of Klépierre (in the form of a placement on the market, an accelerated book-building procedure or any similar procedure). In this case, the Simon Property Group may, within a period of three business days, exercise a right of first offer for all of the securities concerned by this transaction for the closing price on the day that BNP Paribas informs the Simon Property Group of its plans.

b) Governance of Klépierre

Representation on the Supervisory Board: the purchase agreement provides for the representation of the Simon Property Group and BNP Paribas Groups on the supervisory board of Klépierre translating into reciprocal voting agreements at the shareholders' meeting and within the supervisory board (for appointments by co-opting) in favor of representatives presented by the other party.
It is agreed that the Supervisory Board will be composed of a maximum of nine members, among which the Simon Property Group will have three representatives (for as long as the Simon Property Group holds more than 25% of the share capital of Klépierre[(1)]) and the BNP Paribas Group will have two representatives (for as long as the BNP Paribas Group holds more than 15% of the share capital of Klépierre[(2)]). The four other members of the Board will be independent members freely appointed by the shareholders' meeting of Klépierre.
In addition, at the time of the re-composition of the Supervisory Board, the BNP Paribas Group agreed to vote for Mr. David Simon, representative of the Simon Property Group, to be appointed Chairman of the Supervisory Board of Klépierre.
These voting agreements will remain in force for as long as (i) the Simon Property Group does not control Klépierre, (ii) the Simon Property Group holds at least 5% of the share capital of Klépierre and (iii) the BNP Paribas Group holds at least 5% of the share capital and the voting rights of Klépierre. The BNP Paribas Group nevertheless reserves the right not to be represented on the Supervisory Board of Klépierre, in which case the voting agreements in respect of the Supervisory Board will no longer apply.

Representation on the supervisory committees: the purchase agreement also provides for the implementation of a new composition of the operating committees of the Supervisory Board and mutual voting agreements from the two groups of shareholders to this effect:

- Investment committee: Three of the six members (including the chairman) will be chosen from among the representatives of the Simon Property Group and a member will be chosen from among the representatives of the BNP Paribas Group.
- Appointment and compensation committee: One of the four members will be chosen from among the representatives of the Simon Property Group and one member will be chosen from among the representatives of the BNP Paribas Group.
- Audit committee: One of the four members will be chosen from among the representatives of the Simon Property Group and one member will be chosen from among the representatives of the BNP Paribas Group
- Sustainable development committee: Two of the four members will be chosen from among the representatives of the Simon Property Group and one member will be chosen from among the representatives of the BNP Paribas Group.

These voting agreements will remain in force for as long as (i) the Simon Property Group does not control Klépierre, (ii) the Simon Property Group holds at least 5% of the share capital of Klépierre and (iii) the BNP Paribas Group holds at least 5% of the share capital social and the voting rights of Klépierre and (iv) the BNP Paribas Group is represented on the Supervisory Board of Klépierre[(3)].

(1) This number of representatives will be reduced to two in the event that the participation of the Simon Property Group falls to between 15% and 25%, and to one representative in the event that the participation of the Simon Property Group falls to between 5% and 15%.
(2) This number of representatives will be reduced to one in the event that the participation of the BNP Paribas Group falls to between 5% and 15%.
(3) The parties also provided for a distribution of the seats on the committees for those cases where the Simon Property Group has only two or one representative(s) on the Supervisory Board and for those cases where the BNP Paribas Group no longer has more than one representative on the Supervisory Board.

8.4. LIST OF SIGNIFICANT CONTRACTS AND REGULATED AGREEMENTS

8.4.1. List of significant contracts

Significant contrats – Investments and disposals

Year 2011

Acquisition of the company Investimenti Commerciali Savignano S.r.l (Italy)

Date of signature: January 20, 2011

- Parties: Kléfin Italia (purchaser), Pradera Holdco S.A. and Commercial Investment Savignano S.à.r.l. (sellers)
- Purpose: 100% of the shareholder capital of the company Société Investimenti Commerciali Savignano S.r.l., (retail park of Savignano located near the Savignano mall held by IGC)
- Amount of the acquisition: 3.9 million euros (RNAV* taking into account a real estate appraisal of 69.2 million euros).

Disposal of an office building located at Rue Gallieni, rue Samarcq, rue Henri-Martin and rue du Chemin-Vert in Boulogne-Billancourt (Hauts-de-Seine)

Date of signature: May 31, 2011

- Parties: SNC Les Jardins des Princes in Boulogne-Billancourt (seller) and Immobilière Pénélope (buyer)
- Purpose: disposal of volume assets
- Amount of the disposal: 16.4 million euros net selling price

Disposal of an office building and parking lots located at 71-73, boulevard du Général-Valin and 1-1bis, boulevard Victor in Paris

Date of signature: June 30, 2011

- Parties: SNC Barjac Victor (seller) and SCI Le Barjac (buyer)
- Purpose: disposal of volume assets
- Amount of the disposal: 46.8 million euros net selling price

Partial disposals of rights held in leaseholds (BAC) as well as a portion of the property base of the ECI BAC (Val d'Europe – extension VR)

Date of signature: September 30, 2011

- Parties: SCI Valdebac (seller) and VR Val d'Europe SCI (buyer)
- Purpose: partial disposal of the land of the ECI BAC
- Amount of the disposal: 90 000 euros net selling price
- Parties: SCI Sécovalde (seller) and VR Paris SCI (buyer)
- Purpose: partial disposal of rights and buildings held as part of the garden center BAC and ECI
- Amount of the disposal: 9.9 million euros net selling price

Acquisition of a portion of the commercial premises located at Montebello della Battaglia (Italy)

Date of signature: October 13, 2011

- Parties: Immobiliare Gallerie Commerciali (buyer) and IPER Montebello (seller)
- Purpose: acquisition (*via* company contribution) of a part of the commercial premises located at Montebello
- Amount of the acquisition: 13.7 million euros excluding costs and fees

Acquisition of three lease agreements on the retail mall in the shopping center* as well as six mid-sized retail units located at Roques-sur-Garonne

Date of signature: November 29, 2011

- Parties: SAS Cécoville (buyer) and Horizon Galerie Marchande and Horizon Moyennes Surfaces (sellers)
- Purpose: acquisition of three lease agreements at the retail mall at the shopping center at Roques-sur-Garonne, as well as six mid-sized retail units
- Amount of the acquisition: 69.5 million euros net selling price

Disposal of a commercial building (shopping center at Boissénart) at the communes of Cesson and Savigny-le-Temple (Seine-et-Marne)

Date of signature: December 21, 2011

- Parties: SAS Cécoville (seller) and ESCF Boissénart (buyer)
- Purpose: disposal of joint ownership assets
- Amount of the disposal: 68.3 million euros net selling price (after exercise of the early option of the property lease agreement granted by Cicobail SA: 55.1 million euros)

Year 2012

Disposal of equity shares of the SCI Portes de Claye by KC 2 SNC to Cardif Assurance Vie (retail mall in the shopping center at Claye-Souilly)

Date of signature: April 16, 2012

- Parties: KC 2 SNC (seller) and Cardif Assurance Vie (buyer)
- Purpose: disposal of equity shares of the SCI Portes de Claye (share)
- Amount of the disposal: base price of 62.66 million euros increased by 2 possible additional price complements

Acquisition of the company Les bureaux de L'esplanade II (Belgium)

Date of signature: April 25, 2012

- Parties: Immoplex (seller) and Coimbra (buyer);
- Purpose: acquisition of 100% of the shares of the company Les bureaux de L'esplanade II of equity shares
- Amount of the acquisition: 14.4 million euros (RNAV taking account of a real estate appraisal of 14.9 million euros) increased by a possible price complement of 4.7 million euros for obtaining the permit to carry out the extension

* *See glossary.*

Disposal of real-estate assets located on a commercial property development called Regional Shopping Center of Flins at Flins-sur-Seine and Aubergenville
Date of signature: June 28, 2012
- Parties: Klécar France SNC (seller) and SAS CP Transaction (buyer)
- Purpose: disposal of joint volume assets
- Amount of the disposal: 14.7 million euros net selling price

Disposal of a portfolio called TEMPO – five assets for an overall amount of 65 679 000 euros net selling price that breaks down as follows:

1. ***A retail mall located in a commercial property development called the Centre commercial Carrefour Aulnoy-lez-Valenciennes located at Aulnoy-lez-Valenciennes (Nord).***
   Date of signature: June 29, 2012
   - Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer), Carrefour Property France (stakeholder).
   - Purpose: disposal of a retail mall
   - Amount of the disposal: 17.1 million euros net selling price

2. ***A retail mall located on a commercial property development called Saint-Jacques located at Beaune (Côte-d'Or), 40-42, rue du Faubourg Saint-Jacques, and 9, avenue Charles-de-Gaulle***
   Date of signature: June 29, 2012
   - Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer), Carrefour Property France (stakeholder).
   - Purpose: disposal of a retail mall
   - Amount of the disposal: 11.7 million euros net selling price

3. ***A retail mall located in a commercial property development, called Centre commercial Carrefour Guingamp located in Grâces and Guingamp (Côtes-d'Armor), Rond-Point Kennedy***
   Date of signature: June 29, 2012
   - Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer), Carrefour Property France (stakeholder).
   - Purpose: disposal of a retail mall
   - Amount of the disposal: 3.9 million euros net selling price

4. ***Some boutiques and a commercial building located in a property development called Centre commercial Carrefour Moulins located in Moulins (Allier), 169, route de Lyon***
   Date of signature: June 29, 2012
   - Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer)
   - Purpose: disposal of a number of boutiques and a commercial building
   - Amount of the disposal: 5.1 million euros net selling price

5. ***A property development for tertiary and commercial use composed of three commercial units (islands 1, 2 and 4b) located at La Roche-sur-Yon (Vendée), Zone d'Aménagement Concertée of La Roche Sud***
   Date of signature: June 29, 2012
   - Parties: SCI La Roche Invest (seller), TEMPO SPF1 (buyer)
   - Purpose: disposal of three commercial units
   - Amount of the disposal: 27.9 million euros net selling price

Disposal of an office building located at Issy-les-Moulineaux, Boulevard Gallieni (Séreinis)
Date of signature: July 11, 2012
- Parties: Klépierre (seller) and SCI ACM (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 92.6 million euros net selling price

Disposal of an office building located at Puteaux, Route de la Demi-Lune (Les Collines de l'Arche)
Date of signature: July 17, 2012
- Parties: Klépierre (seller with 30.44% ownership), Valeur Pierre Épargne and Valeur Pierre Patrimoine (sellers with 69.56% ownership) and Immorente and Efimmo 1 (buyers);
- Purpose: disposal of an office building
- Amount of the disposal (Klépierre share): 14.5 million euros net selling price

Acquisition of lessee rights in a leaseholding related to a jointly owned property and a strip of land located at Clermont-Ferrand (Puy-de-Dôme), rue d'Allagnat
Date of signature: July 18, 2012
- Parties: SCICLER (seller), SAS Centre Jaude Clermont (buyer)
- Purpose: acquisition of rights of the leaseholding and of the strip of land
- Amount of the acquisition: 12.2 million euros net selling price

Disposal of a commercial building (shopping center at Nîmes Étoile)
Date of signature: August 2, 2012
- Parties: Klécar France SNC (seller) and SAS "TUB SPF 1" (buyer)
- Purpose: disposal of a retail mall
- Amount of the disposal: 37.9 million euros net selling price

Disposal of a commercial building (shopping center at Mulhouse):
Date of signature: November 23, 2012
- Parties: Klécar France SNC (seller) and Warburg – Henderson Kapitalanlagegesellschaft Für Immobilien mbH, a German company (buyer)
- Purpose: disposal of a retail mall (volume assets and joint ownership units)
- Amount of the disposal: 63.1 million euros net selling price

Disposal of a commercial building (shopping center at Quetigny)
Date of signature: November 23, 2012
- Parties: Klécar France SNC (seller) and WH Dijon SNC (buyer)
- Purpose: disposal of a retail mall (volume assets and joint ownership units)
- Amount of the disposal: 88 million euros net selling price

Sale of a commercial building (shopping center at Rambouillet)
Date of signature: December 13, 2012
- Parties: Klécar France SNC (seller) and SCI PIAL 25 (buyer)
- Purpose: disposal of volume assets
- Amount of the disposal: minimum price of 73 million euros net selling price plus a price adjustment clause for up to 74.2 million euros net selling price depending on the renewal of the "Darty" property.

Sale of an office building at Issy-les-Moulineaux, rue Camille-Desmoulins (Equilis)
Date of signature: December 19, 2012
- Parties: Klépierre (seller) and SCI 46 Desmoulins (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 112.3 million euros net selling price

Significant financing contracts

Year 2011

Updating of the "Euro Medium Term Notes" issue program
- Purpose: determination of a legal framework to allow the rapid issue of a great variety of bonds
- Maximum amount: €5 bn
- Place of listing: Paris
- Law: French
- Dealers: BNP Paribas, ING, BoA Merrill Lynch, Crédit Mutuel, HSBC, Natixis, Intesa, BBVA, Den Norske Bank
- Program rating: BBB+
- Documentation identical to the issues in progress:
  - Securitized debt/RNAV* ≤ 50%
  - Option for early repayment to bearers in the case of a change of control causing a downgrading below BBB-

As part of this program, the company carried out a new bond issue for €100 M at a fixed rate that was replenished twice for a total amount of €200 M. In addition, two additional replenishments were also made for €50 M on each of the two issues carried out in 2010.

Loan agreement of March 30, 2011
- Purpose: loan of 1 bn Swedish kronor
- Lender: Skandinaviska Enskilda Banken AB
- Method of repayment: in totality by the maturity on March 30, 2014
- Use in the form of a sole drawdown
- Interest: interest is indexed on the three-month Stibor plus a margin
- Primary financial covenants:
  - a Loan-to-Value* ratio limited to 60%
  - hedging of financial expenses by the EBITDA of at least 2
  - and a percentage of securitized debts compared to the revalued assets limited to 20%.

Loan agreement of September 30, 2011
- Purpose: a mortgage loan of €140 M
- Borrower: Immobiliare Gallerie Commerciali Spa
- Lenders: BNP Paribas and ING REF
- Method of repayment: in totality by the maturity on September 30, 2014
- Use in the form of drawdowns
- Interest: interest is indexed on the six-month Euribor plus a margin
- Primary financial covenants:
  - a borrower's Loan-to-Value ratio limited to 50%
  - hedging of financial expenses and amortization of financial debt by the EBITDA of the borrower of at least 1.25
  - a Loan-to-Value ratio on the assets that are under a mortgage limited to 60%
  - hedging of financial expenses on the assets under a mortgage by the EBITDA of at least 2

Credit opening agreement of October 28, 2011
- Purpose: opening of a line of credit in the maximum amount of €200 M
- Lender: BNP Paribas
- Method of repayment: in totality by the maturity on October 28, 2016
- Use in the form of drawdowns
- Interest: interest is indexed on the three-month Euribor plus a margin defined according to a Loan-to-Value ratio scale
- Non-use fees, if any
- Primary financial covenants:
  - a Loan-to-Value ratio limited to 65%
  - hedging of financial expenses by the EBITDA of at least 1.8
  - and a percentage of securitized debts compared to the revalued assets limited to 20%.

** See glossary.*

Year 2012

Credit opening agreement of March 8, 2012

- Purpose: opening of a line of credit in the maximum amount of €500 M
- Lender: BNP Paribas
- Method of repayment: in totality by the maturity on March 8, 2016
- Use in the form of drawdowns
- Interest: interest is indexed on the three-month Euribor plus a fixed margin
- Non-use fees, if any
- Primary financial covenants:
  - a Loan-to-Value ratio limited to 65%
  - hedging of financial expenses by the EBITDA of at least 1.8
  - and a percentage of securitized debts compared to the revalued assets limited to 20%.

Credit opening agreement of March 8, 2012

- Purpose: opening of a line of credit in the maximum amount of €500 M
- Lender: BNP Paribas
- Method of repayment: in totality by the maturity on March 8, 2018
- Use in the form of drawdowns
- Interest: interest is indexed on the three-month Euribor plus a fixed margin
- Non-use fees, if any
- Primary financial covenants:
  - a Loan-to-Value ratio limited to 65%
  - hedging of financial expenses by the EBITDA of at least 1.8
  - and a percentage of securitized debts compared to the revalued assets limited to 20%.

Updating of the "Euro Medium Term Notes" issue program

- Purpose: determination of a legal framework to allow the rapid issue of a great variety of bonds
- Maximum amount: €5 bn
- Place of listing: Paris
- Law: French
- Dealers: BNP Paribas, ING, BoA Merrill Lynch, Crédit Mutuel, HSBC, Natixis, Intesa, BBVA, Den Norske Bank, Deutsche Bank, Goldman Sachs
- Program rating: BBB+
- Documentation identical to the issues in progress:
  - securitized debt/RNAV ≤ 50%
  - option for early repayment to bearers in the case of a change of control causing a downgrading below BBB-

As part of this program, the company has issued 2 new bond issues respectively of €500 M and €50 M at a fixed rate and also matched 3 other existing issues taken for a total amount of €450 M.

8.4.2 List of regulated agreements

Previously authorized regulated agreements remaining effective in 2012

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		Parties to the agreement
	Date	Purpose	
February 8, 2006	March 13, 2006	Bond: Subscription agreement	BNP Paribas, HSBC France and The Royal Bank of Scotland PLC
February 8, 2006	March 16, 2006	Bond: Fiscal agency agreement	BNP Paribas Securities Services and BNP Paribas Securities Services, Luxembourg Branch
October 3, 2008	October 6, 2008	Intra-group loan granted as part of the Steen & Strøm transaction	Nordica Holdco AB and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensionfonds ABP
October 3, 2008	October 7, 2008	Intra-group loan granted as part of the Steen & Strøm transaction	Storm Holding Norway AS and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensionfonds ABP
June 5, 2009	June 15, 2009	Intra-group loan agreement	Le Havre Lafayette and RPFFB Holding France SARL
June 5, 2009	June 15, 2009	Intra-group loan agreement	Le Havre Vauban and RPFFB Holding France SARL
June 5, 2009	June 15, 2009	Share pledge	Le Havre Lafayette, Le Havre Vauban, RPFFB Holding France SARL and Westdeutsche Immobilienbank AG
June 5, 2009	June 29, 2009	Opening of credit agreement	BNP Paribas
March 25, 2011	March 31, 2011	*Dealer agreement, known as the "amended and restated dealer agreement"*	BNP Paribas, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria SA, CM-CIC Securities, DnB NOR Bank ASA, HSBC Bank plc, ING Belgium SA/NV, Merrill Lynch International, Natixis
March 25, 2011	March 31, 2011	*Financial services contract, known as the "amended and restated agency agreement"*	BNP Paribas Securities Services
March 25, 2011	March 25, 2011	Intra-group loan agreement	Storm Holding Norway AS and Stichting Depositary APG Strategic Real Estate Pool assuming the rights of APG Strategic Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensionfonds ABP
May 26, 2011	July 25, 2011	Intra-group loan agreement	SCA Klémurs
December 13, 2011	20 décembre 2011	Intra-group loan agreement	SCA Klémurs

Regulated agreements authorized between January 1 and March 14, 2012, subject of a Special Report by the Statutory auditors, approved by the Ordinary General Meeting of shareholders of April 12, 2012

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		Parties to the agreement
	Date	Purpose	
January 18, 2012	January 31, 2012	Delivery of joint security by SCI Kleprim's in favor of BNP Paribas in connection with a facilities agreement	BNP Paribas and SCI Kleprim's
February 3, 2012	February 3, 2012	Disposal of 45% of the Claye-Souilly shopping center	Cardif Assurance Vie
February 3, 2012	March 7, 2012	Bank facilities agreement (new facility maturing 2016)	BNP Paribas
February 3, 2012	March 7, 2012	Bank facilities agreement (new facility maturing 2018)	BNP Paribas
March 14, 2012	March 14, 2012	Additional compensation granted to the Chairman of the Supervisory Board	Michel Clair

Regulated agreements authorized between March 14, 2012 and December 31, 2012

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		Parties to the agreement
	Date	Purpose	
April 11, 2012	August 2, 2012	Disposal of the Nîmes shopping center	TUB SPF1 (BNP Real Estate Investment Management France)
April 18, 2012	June 29, 2012	Disposal of real estate asset located at Aulnoy-lez-Valenciennes (23 stores, 5 247 sq.m. GLA)	TEMPO SPF1 (BNP Real Estate Investment Management France)
April 18, 2012	June 29, 2012	Disposal of real estate asset located at Beaune (22 stores, 3 722 sq.m. GLA)	TEMPO SPF1 (BNP Real Estate Investment Management France)
April 18, 2012	June 29, 2012	Disposal of real estate asset located at Guingamp (10 stores, 1 532 sq.m. GLA)	TEMPO SPF1 (BNP Real Estate Investment Management France)
April 18, 2012	June 29, 2012	Disposal of real estate asset located at Moulins (9 stores, 1 567 sq.m. GLA)	TEMPO SPF1 (BNP Real Estate Investment Management France)
April 18, 2012	June 29, 2012	Disposal of a retail park located at La Roche-Sur-Yon (25 stores, 17 006 sq.m. GLA)	TEMPO SPF1 (BNP Real Estate Investment Management France)
April 18, 2012	April 27, 2012	*Dealer agreement, known as the "amended and restated dealer agreement"*	BNP Paribas - Banca IMI S.p.A. – Banco Bilbao Vizcaya Argentaria SA – CM-CIC Securities – Deutsche Bank AG, London Branch – DnB NOR Bank ASA – Goldman Sachs International – HSBC Bank plc – ING Belgium SA/NV – Merrill Lynch International – Natixis – UBS Limited
April 18, 2012	April 27, 2012	*Financial services contract, known as the "amended and restated agency agreement"*	BNP Paribas Securities Services
April 18, 2012	April 23, 2012	Designation of Klépierre as tax representative in France of Simon KP I S.à.r.l. and Simon KP II S.à.r.l., with a collateral joint and several garantee granted by Simon Property Group	Simon Property Group, Simon KP I S.à.r.l. and Simon KP II S.à.r.l.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GENERAL MEETING

9.1. REPORT OF THE SUPERVISORY BOARD

Approval of financial statements for the year ended December 31, 2012

Dear Shareholders,

Pursuant to the provisions of article L. 225-68 of the French Commercial Code, we are required to make our observations concerning the Executive Board report which has just been read to you as well as concerning the corporate and consolidated financial statements for the year ended December 31, 2012.

The Supervisory Board has been kept regularly up to date by the Executive Board about the Group's business and has carried out the required audits and controls.

To do this, as part of its mission, the Supervisory Board called on the services of four special- purpose committees: the Investment Committee, the Audit Committee, the Nomination and Compensation Committee and the Sustainable Development Committee.

The Supervisory Board has no special observations to make concerning the Executive Board's report and the results of fiscal year 2012. It therefore invites you to approve the financial statements and the resolutions proposed, with the exception of the sixteenth resolution.

The Supervisory Board wishes to thank the Executive Board and all Company staff for their work and effort in 2012.

The Supervisory Board

9.2. REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Meeting of the Supervisory Board on January 29, 2013 concernning the 2012 financial year

Pursuant to article L. 225-68 of the French Commercial Code and in my capacity as Chairman of Klépierre's Supervisory Board, I have the honor of presenting to you this report, as approved by the Supervisory Board at its meeting on January 29, 2013 on the 2012 financial year. It includes information about:

- the composition of the Supervisory Board, application of the principle of gender balance on the Supervisory Board and the preparation and organization of the Supervisory Board's work;
- the internal control and risk management procedures implemented by the Klépierre group[(1)];
- corporate governance;
- arrangements for shareholders to participate at the Company's annual General Meetings;
- and publication of information concerning factors that may have an impact in the event of a public offer.

The corporate governance Code to which the Group has voluntarily referred for the purpose of drafting this report is the corporate governance Code for listed companies published in December 2008 and amended in April 2010 by AFEP (French association of private businesses) and Medef (French employers association).

It is worth noting that the Company has had the corporate form of a société anonyme (joint-stock corporation) with an Executive Board and Supervisory Board since July 21, 1998. This corporate form provides for separation between management of the Company and oversight of this management by the Supervisory Board[(2)].

I – Composition and application of the principle of gender balance on the Supervisory Board – preparation and organization of the Supervisory Board's work

The primary role of the Supervisory Board is to exercise permanent control of the Executive Board's management. To this end, at all times of the year, it carries out the checks and controls it deems appropriate and may ask for any documents that it deems useful for this task to be communicated to it.
The Executive Board must report to it on its management at least once every quarter and submit the financial statements for verification and inspection.
The Supervisory Board authorizes the transactions and agreements referred to in articles L. 225-68 para. 2 and L. 225-86 of the French Commercial Code.

Pursuant to article 16 of the articles of Association[(3)], it also authorizes:

- transactions likely to affect the strategy of the Company and its Group and to have an impact on their finances and the scope of their business;
- issues of negotiable securities, irrespective of their nature, which may lead to a change in the Company's capital stock;
- the following transactions where their unit amount exceeds €8 million or an equivalent amount in any other currency:

  a) acquiring or selling any shareholdings in any companies incorporated or to be incorporated, except for Klépierre group companies to which properties belonging to the Klépierre group are contributed or sold;
  b) acquiring or selling any real property assets, except where they are sold or contributed to a company belonging to the Klépierre group;

(1) The Klépierre group refers to all the subsidiaries of the Group in France and abroad, including Steen & Strøm, subject to the specific organizational features described below.
(2) AFEP-Medef corporate governance Code (Point 3).
(3) AFEP- Medef corporate governance Code (Point 4).

c) in the event of a dispute, entering into any agreement or settlement, and accepting any arbitration agreements.

The Supervisory Board has granted powers to its Chairman to authorize the Executive Board to carry out the transactions referred to in paragraphs a), b) and c) above where these individually do not exceed €46 million or an equivalent amount in any other currency.

The Chairman of the Supervisory Board and the Executive Board report to the Supervisory Board on the use made of these powers.

Composition of the Supervisory Board

The Supervisory Board has at least 3 members and no more than 12 members who are appointed by shareholders at the Ordinary General Meeting for a term of three years.

Each member of the Supervisory Board must hold at least 60 shares throughout his/her term in office.

The Supervisory Board chooses a Chairman and a Vice-Chairman from among these members.

From January 1 to March 14, 2012, the Supervisory Board had 9 members, namely Messrs Michel Clair (Chairman), Vivien Lévy-Garboua (Vice-Chairman), Jérôme Bédier, Bertrand de Feydeau, Dominique Hoenn, Bertrand Jacquillat, Bertrand Letamendia, Philippe Thel and Mrs Dominique Aubernon.

Upon the completion of BNP Paribas' sale of a 28.7% interest in Klépierre's capital stock to Simon Property Group, the composition of the Supervisory Board changed: on March 14, 2012, Messrs David Simon (Chairman), Steven Fivel and François Kayat were co-opted to replace Messrs Clair (Chairman), Dominique Hoenn and Philippe Thel, who resigned.

The Ordinary General Meeting of the shareholders on April 12, 2012:

- renewed the term in office of Mr Bertrand Jacquillat for a three-year period;
- appointed Mrs Rose-Marie Van Lerberghe to replace Mr Bertrand Letamendia, whose term in office expired for a three-year period;
- ratified and appointed Messrs David Simon, Steven Fivel and François Kayat for a further period of three years.

Mr Jérome Bédier resigned from his duties as a member of the Supervisory Board on May 9, 2012. The Supervisory Board co-opted Mrs Catherine Simoni on December 20, 2012.

At December 31, 2012, the Supervisory Board had 9 members, namely Messrs David Simon (Chairman), Vivien Lévy-Garboua (Vice-Chairman), Bertrand de Feydeau, Steven Fivel, Bertrand Jacquillat, François Kayat and Mrs Dominique Aubernon, Mrs Catherine Simoni and Mrs Rose-Marie Van Lerberghe.

These changes in the composition of the Supervisory Board led to an increase in the percentage of women at the Supervisory Board from 11% at year-end 2011 to 33.33% at year-end 2012[1].

Brief resumes of Supervisory Board members are provided in the Governance section of the 2012 Registration Document, and their appointments and duties are listed in the Corporate governance section of this document.

A member of the Supervisory Board is considered as independent when s/he has no relationship whatsoever with the Company, its Group or its management liable to compromise his/her freedom of judgment. According to the definition laid down in the AFEP-Medef Code, 4 of the 9 Supervisory Board members are independent based on the criteria presented, namely Messrs Bertrand de Feydeau and Bertrand Jacquillat, and Mrs Catherine Simoni and Mrs Rose-Marie Van Lerberghe[2], (i.e. 44,44%).

BNP Paribas held a majority interest in Klépierre until March 14, 2012 when it sold a 28.7% interest in Klépierre's capital stock to Simon Property Group. Since then, given the absence of a majority shareholder, half of the members of the Supervisory Board should have been independent, which is not yet the case. That said, to move closer towards this threshold, two additional independent members were appointed during 2012, namely Mrs Catherine Simoni and Mrs Rose-Marie Van Lerberghe.

Meetings of the Supervisory Board

The Supervisory Board meets as often as the interests of the Company require.

For the Supervisory Board to deliberate validly, at least half of its members must be present. Members may participate in the Board's deliberations by video link or by any other means of telecommunication identifying them and guaranteeing that they can participate, except for deliberations involving the verification and control of the annual and consolidated financial statements.

Decisions are made based on a majority of votes cast by members present or represented.

If votes are evenly split, the Chairman of the meeting holds the casting vote.

In accordance with the provisions of article L. 823-17 of the French Commercial Code, the Company's Statutory Auditors are asked to attend Board meetings reviewing or approving the annual or interim financial statements.

The Board met 15 times during the 2012 financial year, with an attendance rate of 91.41%[3].

The main points debated during these meetings were:

- the 2011 annual and consolidated financial statements and the corresponding management report;
- the Executive Board's quarterly business review;
- the interim individual and consolidated financial statements;
- the sale of a 28.7% interest in Klépierre's capital stock to Simon Property Group;

(1) AFEP-Medef corporate governance Code (Point 6).
(2) AFEP-Medef corporate governance Code (Points 7 and 8).
(3) AFEP-Medef corporate governance Code (Point 10).

- the report of the Chairman of the Supervisory Board;
- the renewal and appointment of Supervisory Board members;
- the appointment of the Chairman of the Supervisory Board';
- the amendment of the internal rules of the Supervisory Board and the special-purpose committees;
- the composition of the special-purpose committees;
- the appointment of a new member to the Executive Board;
- a review of the summary produced in connection with the formal assessment of the Supervisory Board;
- the bonus share allotment plan;
- investments and disposals in France and abroad;
- financing transactions;
- the authorization granted annually to the Executive Board to issue guarantees and endorsements;
- related party agreements.

A formal assessment was undertaken in late 2011[1] and presented to Supervisory Board members in January 2012. This assessment was conducted based on a questionnaire covering the organization, operation and principal areas of activity of the Supervisory Board, as well as the composition and work performed by the special-purpose committees.

The basis for the assessment consisted of 39 points for evaluation using a rating scale. The Supervisory Board's members were asked to submit their suggestions about how to make improvements in each of the topics covered. The Supervisory Board's members expressed a favorable opinion concerning the organization and operation of the Supervisory Board and its committees. The principal improvements proposed related to the time devoted to the Group's strategy and a more extensive review of compensation and benefits.

Because of the shareholding modification in 2012, Group strategy as well as compensation have been regularly examined par the Board members during 2012 exercice.

At its meeting on January 29, 2013, the Supervisory Board carried out a review of its composition, organization and operation during 2012. It completed a review of the principal work by the Supervisory Board and that of its special-purpose committees and concluded that this work demonstrated that it is perfectly able to meet shareholders' expectations.

The work of the Supervisory Board and that of the special-purpose committees is prepared and organized by their respective Chairmen.

Organization and operation of the special-purpose committees assisting the Supervisory Board

To fulfill its duties, the Supervisory Board has set up special-purpose committees[2]. Within its area of expertise, each committee issues proposals, recommendations and opinions, where required, and reports on its duties to the Supervisory Board.

Additional information about the duties and operation of these committees is provided in the "Committees" section of the business review.

The committees are:

The Investment Committee

This Committee has at least 3 and no more than 6 members chosen by the Supervisory Board from among its members.

Until March 14, 2012, the Investment Committee consisted of Messrs Bertrand de Feydeau (Chairman of the Investment Committee), Jérôme Bédier, Michel Clair, Dominique Hoenn, Philippe Thel and Mrs Dominique Aubernon.

With effect from March 14, 2012, the Investment Committee consisted of Messrs David Simon (Chairman of the Investment Committee), Jérôme Bédier, Bertrand de Feydeau, Steven Fivel, François Kayat and Mrs Dominique Aubernon. Its composition has been lowered from 6 to 5 members starting May 9, 2012, date at which Jérôme Bédier resigned from his mandate of member of the Supervisory Board. 1 of its 5 members (i.e. 20%) is regarded as independent, namely Mr Bertrand de Feydeau.

The role of this Committee is to consider potential investments and disposals proposed to it before they are formally authorized by the Supervisory Board. To this end, it reviews the real estate, commercial, legal and financial aspects of the transactions. In particular, it ensures that these transactions are consistent with the strategy and satisfy the investment criteria of the Klépierre group. Before giving the go-ahead, the Investment Committee may, if needed, ask for additional information about or recommend changes in some or all of the real estate, commercial, legal or financial aspects.

It met six times during the 2012 financial year, with an attendance rate of 96.88%[3].

Its work focused on 27 potential investments and disposals. Eighteen of these transactions have been completed or initiated and 5 are currently being studied or under negotiation. 4 of these transactions did not go ahead.

The most significant proposals related to:

- the Kristianstad development (Sweden),
- extension of the Louvain-la-Neuve (Belgium), Val d'Europe (France) and Romagna (Italy) shopping centers,
- the sale of the Equilis and Le Séreinis buildings in Issy-les-Moulineaux (France) the sale of Les Collines de l'Arche at La Défense (France),
- the sale of the Dijon Quetigny, Rambouillet, Nîmes Étoile, Flins-sur-Seine, Lomme (France) shopping malls.

(1) AFEP-Medef corporate governance Code (Point 9).
(2) AFEP-Medef corporate governance Code (Point 13).
(3) AFEP-Medef corporate governance Code (Point 10).

The Audit Committee[1]

This Committee has at least 3 and no more than 6 members chosen by the Supervisory Board from among its members. Committee members' term in office exactly replicates their appointment as a member of the Supervisory Board.

Until March 14, 2012, the Audit Committee consisted of Messrs Bertrand Jacquillat (Chairman of the Audit Committee), Dominique Hoenn, Bertrand Letamendia and Vivien Lévy-Garboua.

With effect from March 14, 2012, the Committee consisted of Messrs Bertrand Jacquillat (Chairman of the Audit Committee), François Kayat, Bertrand Letamendia and Vivien Lévy-Garboua. At the General Meeting held on April 12, 2012, Mrs Rose-Marie Van Lerberghe was appointed as member of the Supervisory Board in replacement of Bertrand Letamendia whose mandate was not renewed. Two of its 4 members (ratio of 50%) are considered as independent, namely Mr Bertrand Jacquillat and Mrs Rose-Marie Van Lerberghe[2].

The Committee meets at least twice per year based on a schedule of meetings determined by the Supervisory Board. Even so, the Committee may meet at the request of at least 2 of its members.

For it to be able to deliberate validly, at least half of the Committee's members must be present. One Committee member cannot be represented by another. Those attending Committee meetings are the Chairman of the Executive Board, Executive Board members, representatives of the Statutory Auditors and any other persons from whom the Committee wishes to hear.

The Audit Committee is tasked with:

- review and assessment of the financial documents distributed at the end of accounting periods;
- review and assessment of the conclusions and recommendations of the Statutory Auditors, as well as appointing them and determining their fees;
- review and assessment of internal control systems and how the Company discharges its regulatory internal control obligations.

To help it fulfill its tasks, the Committee may ask the Executive Board to conduct any interviews and provide it with any information it requires.

It met three times during the 2012 financial year, with an attendance rate of 66.67%[3]. Its work focused mainly on:

- reviewing the annual and interim individual and consolidated financial statements;
- monitoring the principal indicators, such as cash flow, net asset value and EPRA earnings;
- tracking bank covenants;
- keeping track of areas of expertise and expert methodology;
- tax review of the Group;
- reviewing the conclusions issued by the Statutory Auditors, their budgets for 2012 and 2013, the renewal of the signatories and their declaration of independence;
- assessing changes in the information system, and
- reviewing the Group's new internal control framework, the report by periodic control and permanent control on their activities during 2012 and validating their action plan for 2013.

The Nomination and Compensation Committee[4]

This Committee has at least 2 and no more than 5 members chosen by the Supervisory Board from among its members.

Until March 14, 2012, the Nomination and Compensation Committee had the following members, namely Messrs Bertrand Letamendia (Chairman of the Nomination and Compensation Committee until March 12, 2012, date at which he was replaced by Bertrand de Feydeau), Bertrand de Feydeau, Dominique Hoenn and Vivien Lévy-Garboua.

With effect from March 14, 2012, the Committee consisted of Messrs. Bertrand de Feydeau (Chairman of the Nomination and Compensation Committee), Steven Fivel, Bertrand Letamendia, Vivien Lévy-Garboua and Mrs Rose-Marie Van Lerberghe. At the General Meeting held on April 12, 2012, Mrs Rose-Marie Van Lerberghe was appointed as member of the Supervisory Board in replacement of Mr Bertrand Letamendia whose mandate was not renewed. Two of its 4 members (ratio of 50%) are considered as independent, namely Mr Bertrand de Feydeau and Mrs Rose-Marie Van Lerberghe[5].

This Committee, which meets at least once every year, prepares recommendations for the Supervisory Board concerning the nomination and compensation of Executive Committee members, pension and personal protection plans, benefits in kind, and stock option plans and bonus shares plans.

It met 7 times during the 2012 financial year, with an attendance rate of 100%[6]. Its work focused mainly on:

- the 2011 variable compensation of Executive Committee members as well as arrangements for determining the 2012 variable compensation;
- a review of the terms in office of Supervisory Board members due to expire and the appointment of a new member of the Supervisory Board;
- recruitment and compensation of a third Executive Board member;
- the composition of the special-purpose committees;
- the compensation and benefits of the Chairman of the Supervisory Board and the Chairman of the Executive Board;

(1) AFEP-Medef corporate governance Code (Point 14).
(2) AFEP-Medef corporate governance Code (Point 14): The composition of the Audit Committee is not fully compliant with the Code, which recommends that independent members should account for at least two-thirds of its members. The departure from these recommendations is justified by the change in the composition of the Supervisory Board during 2012 following the sale by the BNP Paribas Group of a 28.7% interest in Klépierre's capital stock to Simon Property Group. Nonetheless, the Supervisory Board ensured that the Audit Committee had two independent members in 2012 and will continue moving in the direction of compliance as soon as possible.
(3) AFEP-Medef corporate governance Code (Point 10).
(4) AFEP-Medef corporate governance Code (Point 15).
(5) AFEP-Medef corporate governance Code (Points 15 and 16): The composition of the Nomination and Compensation Committee is not fully compliant with the Code, which recommends that independent members should account for a majority of members. The departure from these recommendations is justified by the change in the composition of the Supervisory Board during 2012 following the sale by the BNP Paribas Group of a 28.7% interest in Klépierre's capital stock to Simon Property Group. Nonetheless, the Supervisory Board ensured that the Audit Committee had two independent members in 2012 and will continue moving in the direction of compliance as soon as possible.
(6) AFEP-Medef corporate governance Code (Point 10).

- the 2012 policy of granting bonus shares and stock options;
- achievement rating of the performance criteria for stock option plans set up in previous years;
- review of a 2012 bonus share allotment plan;
- amendments to the 2012 bonus share allotment plan.

The Sustainable Development Committee

This Committee has at least 2 and no more than 4 members chosen by the Supervisory Board from among its members.

Until March 14, 2012, the Sustainable Development Committee consisted of Messrs Jérôme Bédier (Chairman of the Sustainable Development Committee), Michel Clair, Vivien Lévy-Garboua and Philippe Thel.

With effect from March 14, 2012, the Committee consisted of Messrs. Jérôme Bédier (Chairman of the Sustainable Development Committee), who resigned with effect from May 9, 2012, Steven Fivel, François Kayat and Vivien Lévy-Garboua.

This Committee, which meets at least twice every year, is tasked with:

- cataloguing the principal categories of risk to which Klépierre's business is exposed;
- monitoring the action program drawn up to contend with these;
- and reviewing the Klépierre group's contribution to sustainable development.

It met once during the 2012 financial year, with an attendance rate of 100%[1]. Its work focused mainly on:

- 2012: developments, operations;
- Priorities and objectives for 2013.

II – Internal control and risk management framework

The Klépierre group's internal control framework is predicated on the general risk management and internal control principles laid down in the reference framework published by the Autorité des marchés financiers in July 2010.

I) Objectives and principles

Internal control is the organization of processes, procedures and controls implemented by management for the ultimate purpose of ensuring overall control of risks and providing reasonable assurance that strategic goals will be achieved.

In particular, this organization is predicated on:

- applying instructions and guidelines laid down by the Executive Board;
- making operations as efficient as possible and ensuring the Group's internal processes work smoothly;
- safeguard the reliability of information provided to internal and external users;
- complying with the laws and regulations.

Every manager needs to implement effective controls over the activities for which s/he is responsible. Every Klépierre group employee contributes to the internal control framework in an environment in which:

- the description of the Group's governance and organization of its business lines and functions provides the general framework for achieving its objectives;
- there is a repository of guidelines laying down and circulating the internal rules and procedures to be followed while systematically incorporating instructions about the controls to be carried out;
- the principle of delegation represents the cornerstone of the system. It is reflected in the use of correspondents who are responsible for consistent implementation of the Group's policies;
- duties are segregated by keeping the operational roles separate from supervisory roles;
- the corporate ethics policy targeting compliance with the laws and regulations puts an emphasis on ethical behavior through the introduction of conduct rules for employees, especially in relation to data confidentiality, a good practice code for relationships with third parties and the use of information system resources.

The internal control framework applies to all the (operational and corporate) entities in the Klépierre group.

The internal control framework designed to meet the various objectives outlined above does not, however, provide any certainty that the objectives set will be achieved owing to the inherent limitations of all procedures. Even so, it aims to make a major contribution towards attaining them.

II) Organization of risk management and internal control

To oversee developments of the Group's internal control framework, an internal control division was set up in December 2012. Reporting to the Executive Board, it encompasses the permanent control, periodic control and ethics & compliance functions.

The Internal Control division is ultimately responsible for ensuring the consistency and efficacy of internal control. Within the business lines and foreign subsidiaries, it has direct access to the risk and internal control officers, who form a functional network reporting to it. It is responsible for implementing risk monitoring and mitigation tools and systems, such as risk mapping and an incident database. It is also in charge of work on business continuity planning (BCP) and the crisis management unit. Lastly, it handles reporting to the Executive Board and the Audit Committee.

Risk management

The Klépierre group aims to anticipate and manage the major risk factors likely to affect attainment of its objectives and compromise compliance with the laws and regulations. Risks are catalogued as part of a risk mapping process updated periodically, especially through interviews conducted with Executive Committee members and operational managers. During each update, the Group ensures that it is able to:

- identify and assess the risks at strategic and operational level by adopting a process-based approach;

(1) AFEP-Medef corporate governance Code (Point 10).

- assess both inherent risks[1] and "controllable" risks;
- assess both risks and the internal control framework;
- reinforce and instill a culture of internal control within the Group.

During 2011, the Group updated the risk mapping ahead of implementation of ERP *(Enterprise Resource Planning)* software. This ERP suite, which has been implemented across Europe at the vast majority of subsidiaries, has transformed the overall information system and helped to modernize processes at every level of the business lines and functions, enhance the fluidity of data flows by providing a unified platform and to make the organization more effective and secure.

The European roll-out of this integrated ERP system has also helped to strengthen the internal control framework by introducing unified terminology and processes, together with common Group-wide rules. In addition, it has automated a large number of first-level controls, so teams can concentrate their efforts on second-level controls.

In 2012, the ERP system covered main regions of Klépierre such as France, Iberia and Central Europe. It has been extended to Italy from 2013. The progress of this project is one of the main subjects addressed by the Audit Committee, and it is also monitored on a regular basis by the Executive Committee.

Overall internal control plan

The internal control division draws up the overall permanent control and periodic control plan.

The role of the permanent control function is to coordinate a framework in which operational staff play the leading role. To this end:

- it raises their awareness and trains them in the principles of internal control;
- it coordinates the measures they take;
- it ensures that first- and second-level control plans exist and are integrated within formally defined procedures, and;
- it oversees the Group's regulatory watch.

The periodic control function is handled by the internal audit division, which is responsible for assessing the operation of the risk management and internal control frameworks, regularly monitoring them and making recommendations to enhance them. It plays a part in raising awareness and training managers in internal control, but is not involved in introducing the framework or implementing it on a daily basis. Its analyses and observations help to guide the work of the permanent control function and to identify areas for improvement and strengthen procedures.

The periodic control function's scope of action encompasses all the Group's activities and risks across all of its units, including the activities of subsidiaries and those outsourced contractually. In addition, the identification of a risk automatically justifies the use of the periodic control function's power to launch any investigation it deems necessary. The internal audit function conducted 9 assignments during 2012.

The Ethics & Compliance function ensures that the Group complies with ethical and professional standards, prevents insider trading and controls the anti-money-laundering measures taken. The Group introduced the Ethical Whistleblowing framework under which any employee can raise questions about the risk of compliance breaches that s/he may encounter.

Oversight and supervision

Under the supervision of the Supervisory Board, the Executive Board is responsible for the Group's overall internal control framework. The Executive Board's role is to lay down the general principles for the internal control framework, design and implement the appropriate internal control system and the corresponding roles and responsibilities and make sure that it works smoothly, improving it where necessary.

At least once every year, it reports to the Audit Committee on the Group's internal control framework, any changes in it and the findings of the work performed by the various framework participants. A presentation was given to the Audit Committee on activities during 2012 and the action plan for 2013.

Under the responsibility of the Internal Control Division, an internal control coordination committee will meet at least twice a year, bringing together the managers from the permanent control, periodic control, ethics & compliance, finance and legal affairs functions. Its work and conclusions will be reported to Klépierre's Executive Board, as well as to the Audit Committee.

Supervision also makes use of the comments and recommendations made by the Statutory Auditors or by the regulatory/supervisory bodies. Implementation of remedial action plans is monitored centrally by the Internal Control division and the Accounting division.

III) Control measures addressing major risks

The control measures are described by major risk area:

a) Security and safety of individuals and assets

The Klépierre group attaches great importance to ensuring the safety and security of individuals and assets across its entire portfolio.

During a project construction or extension phase, a dedicated team from the legal affairs division is responsible for consulting insurance companies and negotiating and arranging insurance policies covering every development, all aspects of project contracting and all project risks in line with a formal procedure. Suppliers are selected using an internal process based on various criteria concerning their qualification, reputation and financial position. Klépierre requires its suppliers to declare all their subcontractors, which are subject to Klépierre's approval. In addition, it has a compliance charter, and the compliance clause is incorporated in all contracts with suppliers.

Assets in service undergo security and safety checks performed by local teams, which report back to head office in a standardized format at least once every quarter. Regional technical managers conduct annual inspections of shopping centers, leading to the preparation of action

(1) It is worth noting that the risks described in the "Risk Factors" section of the management report correspond more to the risks inherent in Klépierre's business activities arising from the market, macroeconomic conditions and changes in the regulatory framework.

plans and a lifting of restrictions procedure. Furthermore, external control organizations also conduct safety and security checks. Every shopping center manager has an annual schedule of inspection visits. A Monitoring committee is held on a monthly basis to examine the weekly management chart on follow-up of the action plan. In addition, a Risk Management Committee meets 3 times every year and is charged with learning the lessons of incidents reported and performing the regulatory watch.

Since 2011, an incident database has been implemented across the French shopping centers. It is updated on a daily basis and helps to monitor the risks associated with the safety and security of individuals and assets in the shopping centers. These indicators are monitored by the Risk Management Committee.

At the same time, the Internal Audit function conducts audits in France of compliance with the regulations and internal procedures in connection with the management of shopping malls every three years using standard reference frameworks covering the safety and security of individuals and assets and in particular compliance with the regulations applicable to facilities open to the general public.

b) Investments

All proposals to acquire, develop or sell assets are studied during a pre-committee with the Investment Director before they are reviewed by the Development Committee. There is a standard file for the Development Committee containing all the data required for a decision to be made rapidly. For projects costing less than €8 million, the decision is handled by the Executive Board. For transactions in excess of €8 million are authorized by the Supervisory Board after they have been reviewed by the Investment Committee composed of some members of the Supervisory Board.

The services of lawyers, notaries and technical experts from highly reputed firms are used to identify risks of all types during the due diligence process.

Opportunities for development projects are discussed with the Director of Development and analyzed. Next the Development Committee selects projects for further analysis and approves a research budget. To gain greater insight into the competitive environment, an internal department handles the competitor watch–a role sometimes entrusted to external firms outside France. The legal affairs division reviews all aspects of compliance with the laws and regulations.

To keep a tighter grip on costs, a technical team dedicated to supporting the project leader determines the specifications and budget with the assistance of construction analysts and highly reputed project managers. The project's progress and use of the budgeted funds are tracked on a weekly basis by the operational team, which reports regularly to the regional managers and on a quarterly basis to the Operations Committee.

All of Klépierre's assets are valued by external firms twice a year. The asset managers in each area are tasked with providing checked data to experts, who may ask for explanations in the event of major fluctuations in values. The figures duly verified by expert assessments are then controlled and analyzed by the Investment department and by the Accounting department.
All of Klépierre's assets are scored each year using an internal qualitative and quantitative tool. Assets considered as sensitive are subject to extensive and regular tracking. Decisions concerning asset disposals are made in line with the same approach to authorizations as outlined above.

c) Commercialisation

The performance and returns on Klépierre's portfolio as a whole are monitored regularly. The Group has performance indicators covering its assets, revenues, footfall, etc., which are produced automatically. In the event of an abrupt or severe deterioration, meetings are held at the owner's request, and an action plan is then drawn up.

The inter-business Letting Committee meets every two weeks to review all the projects, raise difficulties and make the appropriate decisions. A rental grid and management chart are prepared with indicators used to monitor project lettings. The Development Committee approves the budget and rental grid for the project and makes any requisite adjustments in the event of warnings about the level of the occupancy cost ratio and financial terms.

The lease renewal report is reviewed by the Renewal Committee every two months. Vacant premises are monitored by a special monthly Committee using a specific management chart listing the measures to be carried out.

d) Business continuity

Under its risk management policy, Klépierre has to:

- identify its business continuity requirements;
- draw up the corresponding action plans;
- perform regular tests to measure the efficiency of this plan;
- define and implement a specific crisis management framework.

In 2010, the Group updated its business continuity plan (BCP) again. The framework is predicated on a set of organizational and functional procedures geared to the possible types of incident. The following scenarios are covered:

- a central building is damaged;
- the Group's server room is damaged;
- a pandemic is declared.

The BCP is fleshed out by individual divisions and departments: each manager defines the activities covered, the relevant staff and requisite requirements for ensuring continuity of business. If a central building is affected, teams are transferred to a failover site.

In the event of a crisis, a crisis unit is responsible for coordinating the overall response to the situation that has occurred, ensuring the safety of the Group's entire staff and business continuity. It also has to make sure that its response to the crisis helps to create confidence in the Group and to reduce the public's potential concerns.
During periods of crisis management, the crisis unit makes any decisions necessary for the smooth operation of the Group, until the situation reverts to normal.

e) Treasury and financing

Klépierre identifies and assesses on a regular basis its exposure to the various sources of risk (interest rate, liquidity, currency and counterparty). The interest-rate hedging strategy was outlined in the financial report, including the quantitative results of interest-rate sensitivity tests.

Financial risk management and in particular the Group's financial position, financing requirements and interest-rate risk hedging are handled by the Treasury and Financing division. From a financing standpoint, a special-purpose tool has been rolled out across Europe to record and value financing and derivative products. The Treasury and Financing division also has a system monitoring the capital markets in real time.

The Treasury and Financing division reports to the Deputy CEO in charge of Finance and Office Property Segment (Executive Board member), bearing in mind that all major financing and hedging transactions are validated in advance by the Supervisory Board. At the end of the year, the Supervisory Board validates projected financing plan for the following year, which lays down the major guidelines in terms of determining the size and type of borrowings and hedging interest-rate risk. During the year, the principal decisions in terms of financial transactions are presented individually for approval to the Supervisory Board, and a report on these transactions is given to it once they have been completed. Trends in the covenant situation (financial ratios) are monitored on a semi-annual basis and in particular when a new transaction is arranged, and this is one of main issues reviewed by the Audit Committee.

Treasury is managed by the Treasury and Financing division, which coordinates the reporting and monitoring of the subsidiaries' cash projections, supporting a cash pooling system covering the entire Group except for Scandinavia. Reporting takes place on a monthly basis.

The Treasury & Financing division also drafts internal procedures stating the roles of the Group's various participants in relation to cash management and the implementation of Klépierre's share buyback programs. In addition, it validates the choice of banks and financial terms every time the Group requests the opening of, changes to or close of a bank account.

f) Legal affairs and regulations

The Group Legal Affairs division, which reports to the Executive Board and has functional responsibility for the legal affairs units in each country, ensures that legal risks arising from the business lines and functions are managed properly in line with the integrated risk management process. The regulatory watch is carried out in constant liaison with specialized external firms.

The Group Legal Affairs division has developed a reporting procedure covering disputes. It works closely together with the relevant legal affairs units to defend the Group's interests. Accordingly, it helps to curb and to manage the legal risks to which the Group is exposed owing in particular to its owner/manager status.

It drafts and verifies the contractual undertakings given by the Group and ensures that they comply with the provisions of the law and the regulations. For example, the Group Legal Affairs division is working together with the legal affairs units in various countries on drafting a European-type lease to harmonize legal practices and establish unified positions vis-à-vis international store chains.

The Group Legal Affairs division assists operational staff with the arrangement of specific contracts and generally speaking with any out-of-the-ordinary requests to ensure that the applicable regulations are complied with, irrespective of the country in which the Group is operating.

Likewise, the procedures implemented by the Group Legal Affairs division to curb the risks to which the Group's operations are exposed and to ensure the proper completion of the requisite legal formalities.

The Group Legal Affairs division is also in charge of arranging delegations of authority governing the actions of all the Group's employees. It also ensures compliance with the selection procedures for the Group's corporate officers.

Finally, as a listed company, Klépierre also has to abide by the rules concerning publications (see the Financial Reporting section, hereafter), corporate governance (see the first section) and insider trading. To prevent the risk of insider trading, the Company has adopted a code of conduct governing transactions in its shares, which is updated regularly. Permanent insiders are authorized to carry out transactions in the Company's shares only during clearly defined periods.

g) Information system

Advances in information technology have paved the way for significant development of corporate information systems. Good information systems governance enhances the efficiency of internal control rules.

Klépierre, which is present in 13 European countries that used to have multiple interfaces between various tools, decided to implement an ERP system across all its principal subsidiaries with a view to:

- providing investors with reliable and consistent business and financial information;
- harmonizing and aligning processes to enhance the Group's image and create shared terminology and also to facilitate the integration of new units;
- simplifying the architecture of the corporate information system by curbing local systems and facilitating data exchanges;

- operational gain through automated transactions and organizational improvements.

The principal control measures are implemented at the project design stage:

- the use of an ERP system with a single data repository helps to eliminate the majority of interfaces between business lines and accounting and ensures the integrity of data;
- the activation of critical controls in the system safeguards the consistency of repositories in particular, thereby curbing manual inputs and guaranteeing the unity of records;
- the segregation of input and validation duties for transactions is a principle supported by the system through authorization profiles. Every time data considered as sensitive is created or edited, it has to be validated before it can be used in operations (bank data, commitments, etc.);
- the development of reporting supplements control measures that cannot be automated. Use of this reporting is incorporated in the operational procedures;
- the core model concept guarantees the consistency of the framework across all the countries in which the Group is present, thereby making the higher-level controls more reliable.

In 2012, the ERP system was rolled out in the Group's main countries covering regions such as France, Central Europe and Spain & Portugal. From the beginning of 2013, it has been extended to Italy.

All the data is processed using IT procedures, including daily backups, with the storage media being kept away from operating sites.

IV) Preparation and processing of financial and accounting data

The reliability of the financial and accounting data, as well as compliance with the regulations in force and internal instructions form two of the principal internal control goals in the accounting production process.

To ensure adequate coverage of the major accounting risks, accounting internal control is predicated on knowledge of the operational processes and how they are translated in the accounts, on the definition of the responsibilities of the various participants in the process and on information system security.

Accounting organization

Accounting tasks are carried out by the finance department in each country in which Klépierre has a presence. The individual and consolidated financial statements are prepared by the accounting, management control and information system division, which reports directly to the Executive Board.

The deployment of an ERP system across the Group makes it possible to record day-to-day transactions and enter accounting data in an integrated and automated manner. The whole process, which aims to deliver reliable and consistent data for internal and external users, is designed and built around a single repository and common rules, to guarantee data integrity and enhance the consistency of the quality of the accounting data and its traceability. Furthermore, the integration of what traditionally were manual controls in the ERP system helps to reduce sources of error. The restriction on manual entries helps to boost the quality of the data in the system.

All the processes used to prepare accounting data are subject to accounting control programs at various levels, including validation rules, authorizations and instructions concerning supporting evidence for and documentation of accounting tasks. The "accounting internal control" unit, which reports directly to the Director of accounting, management control and the information system is in charge of defining and distributing the accounting control rules and ensuring the smooth operation of the internal control environment. In particular, it is involved in the payment process at Group level with defining the segregation of duties and authorizations.

The quarterly reporting system for management control (present at the head office and at the subsidiaries) is used to track trends in the principal key performance indicators by country and by asset and to ensure that these are properly geared to the objectives laid down in the annual budget approved by management. In addition, global reconciliation is handled by Group management control to ensure the consistency of the accounting results with the consolidated management results.

The clarity of financial reporting and the pertinence of accounting methods are overseen by the Audit Committee, in tandem with the Statutory Auditors. Financial reporting and accounting data is then presented to and commented on by the Supervisory Board.

Account closing process and consolidation

The accounts are consolidated by the Consolidation division for the entire scope of the Group. Data for the consolidation system used at almost all Klépierre subsidiaries is provided by the finance department in each country via interfaces with the local accounts. Off-balance sheet commitments are also held centrally in it by consolidated unit.

The consolidated financial statements are prepared using a process laid down in instructions and predicated on a detailed schedule circulated to all the finance departments to ensure that the deadlines are met and that the data produced complies with the Group's accounting standards.

The principal accounting controls carried out at each quarterly close in the consolidation process are:

- controls on changes in the scope of consolidation;
- analysis of and supporting evidence for all consolidation adjustments;

- analysis of and explanations for all deviations from budgets and projections.

At each quarterly close, the Accounting division coordinates an internal certification process for the accounting data reported by country, as well as the controls performed, in which the finance director for each country certifies:

- the reliability and compliance of the accounting data provided with the regulations in force and the Group standards;
- smooth operation of the accounting internal control system, safeguarding the quality of the accounting data;
- significant events that occurred after the close of the accounts and their financial impact on the consolidated financial statements.

Financial reporting
(press releases, theme-based presentations, etc.)

The Financing and Financial Reporting department within the Finance division is responsible for managing the Group's financial reporting obligations vis-à-vis the market authorities. It is tasked with producing and drafting the financial reporting documents published with a view to presenting the Group's various activities to shareholders, institutional investors, financial analysts and rating agencies, explaining its results and outlining its expansion strategy.

The financial reporting team continuously monitors its reporting obligations. The disclosure of information to the financial markets takes place according to a precise schedule that is circulated internally. With support from various departments, the team designs the earnings and theme-based presentations. In conjunction with the Legal Affairs division, it makes sure that information is provided in line with the required deadlines and in compliance with the relevant laws and regulations.

III – Corporate Governance

At its meeting on December 19, 2008, the members of the Supervisory Board confirmed that the Company had agreed to adopt the corporate governance rules laid down in the AFEP/Medef Code (available on the web site at www.medef.fr).

Compensation of Supervisory Board and special-purpose committee members[1]:

The compensation paid to Supervisory Board and special-purpose committee members comprises attendance fees.

The overall allocation of attendance fees set aside for Supervisory Board members stood at 270 000 euros for 2012, to be paid out based on the following conditions:

- 90 000 euros to be allocated between Supervisory Board members appointed as Chairman or Vice-Chairman of the Supervisory Board, Chairman of the Audit Committee, Chairman of the Investment Committee, Chairman of the Nomination and Compensation Committee and Chairman of the Sustainable Development Committee, i.e. a fixed allocation of 15 000 euros.
- 126 000 euros to be allocated between Supervisory Board members appointed as members of said Supervisory Board, comprising:
  - 72 000 euros allocated as a fixed payment evenly between Supervisory Board members;
  - 54 000 euros allocated as a variable payment between Supervisory Board members based on their actual attendance at Supervisory Board meetings;
- 54 000 euros to be allocated as a variable payment between Supervisory Board members appointed as a member of one or more committees, based on their actual attendance at meetings of the committees on which they sit;

The share of the attendance fees paid individually to each member of the Supervisory Board in 2012 is shown in the Compensation and benefits paid to corporate officers section of the 2012 Registration Document.

Internal rules governing the Supervisory Board and its Committees

The internal rules of the Supervisory Board and each of its committees are part of a transparency-based approach, in line with the corporate governance principles applicable to listed companies.

These internal rules lay down the duties and modus operandi of the Supervisory Board and the various Committees. They have been reviewed by the Supervisory Board on March 14, 2012, at the time of the entry of the company Simon Property Group in the shareholding in order to facilitate the good running of the Committees and Supervisory Board meetings.

IV – Arrangements for shareholders to participate at the Company's Annual General Meetings

The rules applicable to General Meetings and in particular to shareholder participation are laid down in Section V of the Company's articles of Association and in the General Information section of the 2012 Registration Document.

V – Information about factors that may have an impact in the event of a public offer

Information about factors that may have an impact in the event of a public offer is disclosed in the General Information section concerning the capital stock in the 2012 Registration Document (capital structure/delegations of powers and authorizations granted to the Executive Board by the General Meetings of the shareholders on April 9, 2009, April 7, 2011 and April 12, 2012) and in the notes to the consolidated financial statements - Note 8.2. Liquidity risk (agreements entered into by the Company that may be terminated in the event of a change in control: bonds in case of the deterioration of the rating to "non investment grade" status resulting from a change of control).

David Simon,
Chairman of the Supervisory Board

(1) AFEP-Medef corporate governance Code (Point 18).

9.3. STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE COMPANY'S SUPERVISORY BOARD

This is a free translation into English of the Statutory auditors' report prepared pursuant to article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the company's Supervisory Board issued in the French language and is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Satutory auditors of Klépierre and in accordance with article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of the Supervisory Board of your company in accordance with article L. 225-68 of the French Commercial Code, for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by article L. 225-68 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:
- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- to attest that the report contains the other disclosures required by article L. 225-68 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of those disclosures.

We conducted our work in accordance with the professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures mainly consisted in:
- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, as well as of the existing documentation;
- obtaining an understanding of the work involved in the preparation of that information, and of the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information noted in the course of our engagement have been properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by article L. 225-68 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, March 1st, 2013

The Statutory auditors
French original signed by

Mazars
Julien MARIN-PACHE Gilles MAGNAN

Deloitte & Associés
Joël ASSAYAH José-Luis GARCIA

9.4. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article R. 225-58 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in article R. 225-58 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorized by the shareholders' meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of statutory auditors (Compagnie nationale des Commissaires aux comptes) relating to this engagement. These guidelines require that we agree the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorized during the year

Pursuant to article L. 225-88 of the French Commercial Code, the following agreements and commitments, previously authorized by your Supervisory Board, have been brought to our attention.

1. With BNP Real Estate Investment Management France

Members of the Supervisory Board concerned
Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua.
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 11, 2012, your Supervisory Board authorized the sale of the Nîmes shopping center.

Terms and conditions
The sale took place on August 2, 2012 for a consideration of €37 938 000.

2. With BNP Real Estate Investment Management France

Members of the Supervisory Board concerned
Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua.
These relate to agreements indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, your Supervisory Board authorized the sale of the following real estate assets:

Location	Terms
Shopping center located in Aulnoy-lez-Valenciennes	The sale took place on June 29, 2012 for a consideration of €17 100 000.
Shopping center located in Beaune	The sale took place on June 29, 2012 for a consideration of €11 680 000.
Shopping center located in Guingamp	The sale took place on June 29, 2012 for a consideration of €3 880 000.
Shopping center located in Moulins.	The sale took place on June 29, 2012 for a consideration of €5 095 000.
Parc d'Aménagement Concerté located in La Roche-Sur-Yon	The sale took place on June 29, 2012 for a consideration of €27 924 000.

3. With BNP Paribas

Members of the Supervisory Board concerned
Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua.
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, your Supervisory Board authorized the signing of an Amended and Restated Dealer Agreement, with BNP Paribas as a dealer-arranger and various other dealers, whereby dealers undertake to place and subscribe the securities issued by Klépierre in connection with the implementation of the EMTN program.

Terms and conditions
The agreement was signed between Klépierre, BNP Paribas and other dealers on April 27, 2012. The compensation from this agreement totaled €494 470 in respect of 2012.

4. BNP Paribas Securities Services

Members of the Supervisory Board concerned
Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua.
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, your Supervisory Board authorized the signing of an Amended and Restated Agency Agreement with BNP Paribas Securities Services, with a view to organizing relations between Klépierre as issuer, the Principal Paying Agent, who is also the Fiscal Agent, Covenant and Put Agent, and Calculation Agent and other paying agents, if any.

Terms and conditions
The agreement was signed between Klépierre and BNP Paribas Securities Services on April 27, 2012. The compensation from this agreement totaled €2 700 in respect of 2012.

5. With Simon Property Group

Members of the Supervisory Board concerned
Mr David Simon and Mr Steven Fivel.
This relates to an agreement directly involving Simon Property Group, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, your Supervisory Board appointed Klépierre as tax representative for Simon KP I S.à.r.l. and Simon and KP II S.à.r.l.

Terms and conditions
Guarantees were granted by Simon Property Group to Klépierre on April 23, 2012.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments authorized in previous years and having continuing effect during the year

Pursuant to article R. 225-57 of the French Commercial Code, we have been advised that the following agreements and commitments authorized in previous years have had continuing effect during the year.

1. With BNP Paribas Securities Services

Members of the Supervisory Board concerned
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 8, 2006, your Supervisory Board authorized the issuance of a bond for a maximum of €700 000 000. As part of this program, your company signed on March 13, 2006, the contract "Subscription Agreement" with BNP Paribas, HSBC France and The Royal Bank of Scotland. Through this contract, your company agrees to issue the bonds and syndicate agrees to purchase such obligations.

Terms and conditions
No compensation was paid in respect of this agreement in 2012.

2. With BNP Paribas and BNP Paribas Securities Services Luxembourg Branch

Members of the Supervisory Board concerned
Mr Dominique Hoenn, member of your company's Supervisory Board until March 14, 2012.
This relates to an agreement involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 8, 2006, your Supervisory Board authorized a bond issue for a maximum amount of €700 000 0000. As part of this program, your company signed on March 16, 2006, a contract "Fiscal Agency Agreement" with BNP Paribas Securities Services and BNP Paribas Luxembourg Branch. It is a financial services contract which organizes the relationship between the Issuer, the Principal Paying Agent, any other Paying Agents and Agent says "Covenant and Put Agent" throughout the life of the bonds.

Terms and conditions
No compensation was paid in respect of this agreement in 2012.

3. With Nordica Holdco AB, a subsidiary of Klépierre SA

This relates to an agreement involving Nordica Holdco AB, a subsidiary of your company.

Nature and purpose
On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Nordica Holdco AB in an amount of NOK 575 616 000 and bearing fixed interest of 6.5%.

Terms and conditions
This loan was granted on October 6, 2008. Interest received in respect of 2012 totaled €5 604 832.27.

4. With Storm Holding Norway AS, a subsidiary of Klépierre SA

This relates to an agreement involving Storm Holding Norway AS, a subsidiary of your company.

Nature and purpose
On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Storm Holding Norway AS in an amount of NOK 1 822 786 000 and bearing fixed interest of 6.5%.

Terms and conditions
A loan in an amount of NOK 1 822 784 000 was granted on October 7, 2008. Interest received in respect of 2012 totaled €15 593 403.14.

5. With Le Havre Lafayette, a subsidiary of Klépierre

This relates to an agreement involving Le Havre Lafayette, a subsidiary of your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board, approved the granting of an inter-group loan by Le Havre Lafayette to Klépierre for a maximum amount of €10 511 752.67.

Terms and conditions

This loan was granted on June 15, 2009 and amounted to €10 411 752.67 as at December 31, 2012. The loan carries interest of 5.50% and the interest recorded in respect of fiscal year 2012 totaled €551 634.95.

6. With Le Havre Vauban, a subsidiary of Klépierre

This relates to an agreement involving Le Havre Vauban, a subsidiary of your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board approved the granting of an inter-group loan by Le Havre Vauban to Klépierre for a maximum amount of €1 268 591.39.

Terms and conditions

This loan was granted on June 15, 2009 and amounted to €1 218 591.39 as at December 31, 2012. The loan carries interest of 5.50% and the interest recorded in respect of 2012 totaled €62 570.82.

7. With Le Havre Lafayette and Le Havre Vauban, subsidiaries of Klépierre

This relates to an agreement involving Le Havre Lafayette and Le Havre Vauban, subsidiaries of your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board approved the pledging by Klépierre of all of the shares that it owns in Le Havre Lafayette and Le Havre Vauban in favor of the Westdeutsche Immobilienbank AG bank and all beneficiaries as such term is defined in the loan agreement.

Terms and conditions

The loan agreement between Le Havre Lafayette, Le Havre Vauban and the Westdeutsche Immobilienbank AG bank was signed on June 15, 2009 and Article 12.6 provides that Klépierre shall pledge all of the shares that it owns in these two companies.

8. With BNP Paribas SA

Members of the Supervisory Board concerned

Mr. Vivien Lévy-Garboua

Messrs Philippe Thel and Dominique Hoenn members of your company's Supervisory Board and Mr Michel Clair, Chairman of your company's Supervisory Board until March 14, 2012.

This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board authorized the signature of a loan for a maximum amount of €2 400 000 000 that bears interest at 3-month Euribor plus a margin from 120 to 180 bps of up to 65% based on the LTV price grid mechanism.

Terms and conditions

This loan was granted on June 29, 2009 in the amount of €2 100 000 000. Interest and non-use commission totaled €13 008 168.21 and €2 911 000, respectively, in 2012.

9. With BNP Paribas

Members of the Supervisory Board concerned

Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua

Messrs Philippe Thel and Dominique Hoenn, members of your company's Supervisory Board until March 14, 2012.

This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose

On March 25, 2011, your Supervisory Board authorized the signing of an Amended and Restated Dealer Agreement, with BNP Paribas as a dealer-arranger and various other dealers, whereby dealers undertake to place and subscribe the securities issued by Klépierre in connection with the implementation of the March 31, 2011 EMTN program.

Terms and conditions

The agreement was signed between Klépierre, BNP Paribas and other dealers on March 31, 2011. No compensation was paid in respect of this agreement in 2012.

10. BNP Paribas Securities Services

Members of the Supervisory Board concerned

Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua

Messrs Philippe Thel and Dominique Hoenn, members of your company's Supervisory Board until March 14, 2012.

This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose

On March 25, 2011, your Supervisory Board authorized the signing of an Amended and Restated Agency Agreement with BNP Paribas Securities Services, with a view to organizing relations between Klépierre as issuer, the Principal Paying Agent, who is also the Fiscal Agent, Covenant and Put Agent, and Calculation Agent and other paying agents, if any.

Terms and conditions

The agreement was signed between Klépierre and BNP Paribas Securities Services on March 31, 2011. No compensation was paid in respect of this agreement in 2012.

11. With Storm Holding Norway, a subsidiary of Klépierre

This relates to an agreement involving Storm Holding Norway, a subsidiary of your Company.

Nature and purpose

On March 25, 2011, your Supervisory Board approved the granting of a loan from Klépierre to Storm Holding Norway for an undefined term and bearing fixed interest of 5.5%.

Terms and conditions
The SEK 635 478 025 loan agreement was signed on March 25, 2011. Interest recorded for fiscal year 2012 totaled €4 316 744.43.

12. With Klémurs, a subsidiary of Klépierre

Members of the Supervisory Board concerned
Mr Bertrand de Feydeau
Mr Dominique Hoenn member of your company's Supervisory Board and Mr Michel Clair, Chairman of your company's Supervisory Board until March 14, 2012.
This relates to an agreement involving Klémurs, a subsidiary of your company.

Nature and purpose
On May 26, 2011, your Supervisory Board approved the granting of a loan from Klépierre to Klémurs in a maximum amount of €60 000 000, for a term of 3 years expiring on July 28, 2014 and bearing interest at 3-month Euribor plus a margin of 200 basis points.

Terms and conditions
A €50 000 000 loan agreement was signed on July 25, 2011. Interest recorded for fiscal year 2012 totaled €1 400 333.33.

13. With Klémurs, a subsidiary of Klépierre

Members of the Supervisory Board concerned
Mr Bertrand de Feydeau
Mr Dominique Hoenn member of your company's Supervisory Board and Mr Michel Clair, Chairman of your company's Supervisory Board until March 14, 2012.
This relates to an agreement involving Klémurs, a subsidiary of your company.

Nature and purpose
On December 13, 2011, your Supervisory Board approved the granting of a loan from Klépierre to Klémurs in an amount of €250 000 000, for a term of 3 years ending on December 31, 2013 and bearing interest at 3-month Euribor plus a bi-annual revisable margin according to the LTV ratio.

Terms and conditions
The €250 000 000, loan agreement was signed on December 20, 2011. The interest due in respect of fiscal year 2012 totaled €6 728 493.06.

Agreements and commitments approved during the year

We have been advised of the following agreements entered into during the year that were already approved by the shareholders' Meeting of April 12, 2012 and presented in the statutory auditors' special report of March 15, 2012.

1. With BNP Paribas et SCI Klépríms

Members of the Supervisory Board concerned
Mrs Dominique Aubernon and Mr Vivien Lévy-Garboua
Messrs. Philippe Thel and Dominique Hoenn, members of your company's Supervisory Board until March 14, 2012.
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On January 18, 2012, your Supervisory Board authorized Klépierre to jointly and severally guarantee the payment of all amounts owed by SCI Klépríms to BNP Paribas under an initial credit facility agreement of €17 000 000. In consideration thereof, Klépierre will receive an annual minimum interest payment of 0.50% of the guaranteed amount.

Terms and conditions
The initial credit facility agreement between Klépríms and BNP Paribas was signed on January 31, 2012; pursuant to which Klépierre agreed to jointly and severally guarantee the payment of a principal amount of €17 000 000 to BNP Paribas. The remuneration for fiscal year 2012 totaled €77 917.

2. With Cardif Assurance Vie

Members of the Supervisory Board concerned
Mrs Dominique Aubernon
Mr Philippe Thel, member of your company's Supervisory Board until March 14, 2012.
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 3, 2012, your Supervisory Board, authorized the sale to Cardif Assurances Vie of a share of the Claye-Souilly shopping center.

Terms and conditions
On April 16, 2012, KC2, a subsidiary of Klépierre, sold 25.6% of the shares of the entity Portes de Claye, owner of the Claye-Souilly shopping center, to Cardif Assurances Vie for €62 660 000.

3. With BNP Paribas

Members of the Supervisory Board concerned
Mrs Dominique Aubernon
Mr Philippe Thel, member of your company's Supervisory Board until March 14, 2012.
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 3, 2012, your Supervisory Board authorized Klépierre to enter into a 4-year loan agreement with BNP Paribas for a total amount of €500 000 000, payable on maturity and bearing interest at 3-month Euribor plus a margin of 230 basis points.

Terms and conditions
The agreement was signed between Klépierre and BNP Paribas on March 7, 2012. Interest and non-use commission totaled €3 567 933.88 and €3 092 062.50 respectively, in 2012.

4. With BNP Paribas

Members of the Supervisory Board concerned
Mrs Dominique Aubernon
Mr Philippe Thel, member of your company's Supervisory Board until March 14, 2012.
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 3, 2012, your Supervisory Board authorized Klépierre to enter into a 6-year loan agreement with BNP Paribas for a total amount of €500 000 000, payable on maturity and bearing interest at 3-month Euribor plus a margin of 240 basis points.

Terms and conditions
The agreement was signed between Klépierre and BNP Paribas on March 7, 2012. Interest and non-use commission totaled €1 334 208.33 and €3 990 000, respectively, in 2012.

5. With Mr. Michel Clair

Member of the Supervisory Board concerned
Mr Michel Clair, Chairman of your company's Supervisory Board until March 14, 2012.

Nature and purpose
On March 14, 2012, your Supervisory Board authorized the payment of an additional gross compensation of €300 000 to Mr Michel Clair to thank him for his exceptional contribution to the development and growth of Klépierre in his capacity first as Chairman of the Executive Board and then Chairman of the Supervisory Board, as well as his participation in the chairmanship transition of the Supervisory Board.

Paris La Défense and Neuilly-sur-Seine, March 1st, 2013

The Statutory auditors
French original signed by

Mazars		**Deloitte & Associés**	
Julien MARIN-PACHE	Gilles MAGNAN	Joël ASSAYAH	José-Luis GARCIA

9.5. SPECIAL REPORT BY THE EXECUTIVE BOARD TO THE GENERAL MEETING CONCERNING TRANSACTIONS CARRIED OUT PURSUANT TO THE PROVISIONS PROVIDED FOR IN ARTICLES L. 225-197-1 TO L. 225-197-3 OF THE FRENCH COMMERCIAL CODE (ARTICLE L. 225-197-4 SUB-PARA. 1 OF THE FRENCH COMMERCIAL CODE)

Shares granted free of charge to corporate officers

Executive Board members	Date of grant[1]	Number of shares granted free of charge[2]	Vesting period and holding period	Value *(in euros)* by share at October 23, 2012
Laurent Morel Chairman of the Executive Board	October 23, 2012	35 000	Vesting period: from October 23, 2012 to October 23, 2015 Holding period: from October 23, 2015 to October 23, 2017	13.31[3]
Jean-Michel Gault Executive Board member	October 23, 2012	30 000	Vesting period: from October 23, 2012 to October 23, 2015 Holding period: from October 23, 2015 to October 23, 2017	13.31[3]
Jean-Marc Jestin Executive Board member (since October 18, 2012)	October 23, 2012	50 000	In respect of 10 000 shares: Vesting period: from October 23, 2012 to October 23, 2015 Holding period: from October 23, 2015 to October 23, 2017 In respect of 40 000 shares: Vesting period: from October 23, 2012 to January 31, 2016 Holding period: from January 31, 2016 to January 31, 2018	In respect of 10 000 shares: 13.31[3] In respect of 40 000 shares: 24.26[4]

(1) Date of the EGM at which the Executive Board was authorized to allot bonus shares: April 12, 2012.
(2) In accordance with article L. 225-185 of the French Commercial Code, the shares allotted are subject to a holding obligation as bearer shares in respect of 50% of the gain on acquisition net of tax and charges calculated upon delivery of the shares.
(3) Program France – 100% of the shares allotted are subject to performance conditions, as defined below.
(4) Program France – 20% of the shares allotted are subject to performance conditions as defined below.

Number and value of the shares allotted free of charge in 2012 by the Executive Board on October 23, 2012 to each of the ten employees not corporate officers to whom the highest number of shares was granted free of charge

Number of shares allotted free of charge	Value *(in euros)* by share at October 23, 2012
6 employees allottee each of 11 500 shares 3 employees allottee each of 3 500 shares 1 employee allottee of 2 500 shares	13.31 [1] ou 12.53 [2]
i.e. a total of 82 000 shares	13.31 [1] ou 12.53 [2]

(1) Program France - 100% of the shares allotted are subject to performance conditions, as defined below.
(2) Program abroad - 100% of the shares allotted are subject to performance conditions, as defined below.

Number and value of the shares allotted free of charge in 2012 to all beneficiary employees and corporate officers by the Executive Board on October 23, 2012

	Number of beneficiaries	Total number of shares allotted	Value *(en euros)* by share at October 23, 2012
Executive Board Laurent Morel (corporate officer not employee) Jean-Michel Gault Jean-Marc Jestin	3	115 000	13.31 [1] ou 24.26 [2]
Executive Committee (excl. Executive Board)	6	69 000	13.31[3]
Other employees (excl. the Executive Board, excl. the Executive Committee)	57	76 200	13.31 [4] ou 24.29 [5] ou 12.53 [6] ou 22.99[7]
TOTAL	**66**	**260 200**	**–**

(1) Program France – This value covers 75 000 shares allotted and subject to performance conditions as outlined below.
(2) Program France – This value covers 40 000 shares allotted and not subject to performance conditions.
(3) Progam France – This value regards 69 000 allotted shares subject to performance conditions as outlined below.
(4) Program France – This value covers 15 000 shares allotted and subject to performance conditions as outlined below.
(5) Program France – This value covers 22 100 shares allotted and not subject to performance conditions.
(6) Program abroad – This value covers 25 500 shares allotted and subject to performance conditions as outlined below.
(7) Program abroad – This value covers 13 600 shares allotted and not subject to performance conditions.

The Executive Board did not grant bonus shares prior financial year 2012.

Performance Condition

For certain Beneficiaries, vesting of the Performance Shares is subject to meeting of the Performance Condition assessed based on the following 2 criteria:

(i) the absolute performance of the Klépierre share assessed relative to its Total Shareholder Return ("TSR"):

This criterion affects 30% of the number of Performance Shares granted.

The "TSR" of the Klépierre share is equal to the sum of (i) the difference between the Final Price and the Reference Price plus (ii) the Dividends distributed by Klépierre over the course of that period, expressed relative to the Reference Price, or in other words:

$$\frac{\textbf{(Final Price – Reference Price) + Dividends}}{\textbf{Reference Price}}$$

For the purposes of the comparison described below, the result obtained is multiplied by one hundred in order to yield a percentage.

The rights to the Performance Shares will vest based on the TSR level of the Klépierre share in accordance with the following scale:

Absolute performance:
Total Shareholder Return of the Klépierre share

Concerns 30% of the number of Performance Shares

TSR Level	# of vested Performance Shares
≤ 20%	0%
24%	33.3%
27%	50%
30%	66.70%
33%	83.30%
≥ 36%	100%

(ii) the relative performance of the Klépierre share assessed based on the FTSE EPRA Euro Zone index:

This criterion affects 70% of the number of Performance Shares granted.

The performance of the Klépierre share and that of the Index will be each calculated in the following way:

$$\frac{\textbf{(Final Price – Reference Price)}}{\textbf{Reference Price}}$$

For the purposes of the comparison described below, the result obtained is multiplied by one hundred in order to yield a percentage.

The rights to benefit from the Performance Shares will vest based on the level of progression of the Klépierre share relative to the FTSE EPRA Euro Zone Index in accordance with the following scale:

Relative Performance:
Level of the Klépierre share relative to the FTSE EPRA Euro Zone Index

Concerns 70% of the number of Performance Shares

Klépierre share relative to the Index	# of vested Performance Shares
Index -1%	0%
Index	33.3%
Index +1%	50%
Index +2%	66.7%
Index +3%	100%

9.6. SPECIAL REPORT OF THE EXECUTIVE BOARD TO THE GENERAL MEETING OF SHAREHOLDERS CONCERNING TRANSACTIONS CARRIED OUT PURSUANT TO THE PROVISIONS OF ARTICLES L. 225-177 TO L. 225-186 OF THE FRENCH COMMERCIAL CODE (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

Options granted to corporate officers:

Executive Board member	Date of attribution	Number of options granted	Exercise period	Exercise price *(in euros)*	Number of options exercised in 2012	Options remaining to be exercised
Laurent Morel Chairman of the Executive Board	May 30, 2006[1][3]	31 021	May 31, 2010 to May 30, 2014	29.49	0	31 021
	May 15, 2007[1][3]	27 924	May 16, 2011 to May 15, 2015	46.38	0	27 924
	April 6, 2009[1][4]	35 000	April 6, 2013 to April 5, 2017	22.60[5]	0	35 000
	June 21, 2010[2][4]	35 000	June 21, 2014 to June 20, 2018	22.31[6]	0	35 000
	May 27, 2011[2][4]	42 000	May 27, 2015 to May 26, 2019	27.94[7]	0	42 000
	None in 2012	–	–	–	–	–
Jean-Michel Gault Executive Board member	May 30, 2006[1][3]	31 021	May 31, 2010 to May 30, 2014	29.49	0	31 021
	May 15, 2007[1][3]	24 822	May 16, 2011 to May 15, 2015	46.38	0	24 822
	April 6, 2009[1][4]	30 000	April 6, 2013 to April 5, 2017	22.60[5]	0	30 000
	June 21, 2010[2][4]	30 000	June 21, 2014 to June 20, 2018	22.31[6]	0	30 000
	May 27, 2011[2][4]	36.000	May 27, 2015 to May 26, 2019	27.94[7]	0	36 000
	None in 2012	–	-	–	–	–
Jean-Marc Jestin Executive Board member Since October 18, 2012	None in 2012	–	–	–	–	–

(1) Date of the Extraordinary General Meeting of shareholders which authorized the granting of stock options: April 7, 2006.
(2) Date of the Extraordinary General Meeting of shareholders which authorized the granting of stock options: April 9, 2009.
(3) The numbers and prices have been adjusted to reflect the 3-for-1 stock split in 2007 and the impact of the discount granted to holders of preferential subscription rights upon the occasion of the capital increase in December 2008.
(4) Pursuant to article 225-185 of the French Commercial Code, at least 50% of the net gain realized following the exercise of stock options by Executive Board members must be held in the form of registered shares until such time as said members leave the Company.
(5) Depending on the performance of the Klépierre share versus the FTSE Euro Zone Index (EPEU), this price can fluctuate from 22.60 euros to 27.12 euros. At each measure, if the performance of the Klépierre share is 20 points lower or more than the one of the index these options will automatically lapse and it will no longer be possible to exercise them.
(6) Depending on the performance of the Klépierre share versus the FTSE Euro Zone Index (EPEU), this price can fluctuate from 22.31 euros to 26.77 euros. At each measure, if the performance of the Klépierre share is 20 points lower or more than the one of the index these options will automatically lapse and it will no longer be possible to exercise them.
(7) Depending on the performance of the Klépierre share versus the FTSE Euro Zone Index (EPEU), this price can fluctuate from 27.94 euros to 33.53 euros. At each measure, if the performance of the Klépierre share is 20 points lower or more than the one of the index these options will automatically lapse and it will no longer be possible to exercise them.

Number, exercise price, and expiry dates of options granted in 2012 to each of the 10 employees – not including corporate officers – for which the number of options granted is the highest.

None.

Number and price of shares purchased in 2012 following the exercise of one or several options by each of the 10 employees – not including corporate officers – for which the number of shares purchased this way is the highest.

None.

Number, exercise price, and expiry dates of options granted in 2012 to all beneficiary employees.

None.

9.7. DESCRIPTION OF THE SHARE BUYBACK PROGRAM

Drawn up in compliance with the relevant sections of articles 241-1 and following of the General Regulations of the AMF *(Autorité des marchés financiers)*, this description of the share buyback program is intended to explain the purpose and workings of the program to repurchase company stock that will be submitted to a vote at the Ordinary and Extraordinary General Meeting of shareholders on April 11, 2013 ("the 2013 Share Buyback Program")

1. Date of the General Meeting of shareholders called to approve the 2013 Share Buyback Program

April 11, 2013.

2. Shares held by the Company at February 28, 2013

At February 28, 2013, Klépierre directly or indirectly holds 4 228 581 shares, representing 2.12% of its share capital for an overall amount of 99.11 million euros (at book value).
This information, and that which follows, takes into account the total number of shares that comprise the share capital of the Company at February 28, 2013 i.e. 199 470 340.

3. Breakdown by objective of shares held by Klépierre at February 28, 2013

At February 28, 2013,
- 4 143 581 shares are allocated to any stock option plans the Company offers and to the award of bonus shares, and
- 85 000 shares are allocated for use in connection with the liquidity agreement drawn up with Exane BNP Paribas in September 2005, in accordance with market practices accepted by the AMF and the Association Française des entreprises d'investissement ("AFEI") ethics charter for such agreements, authorizing their purchase, sale, conversion, disposal, transfer or loan, notably to stimulate trading in the market or counter adverse trends.

4. Objectives of the 2013 Share Buyback Program

The objectives of the 2013 Share Buyback Program are the following:
- to stimulate the secondary market – or the liquidity of Klépierre stock, through an investment services provider, within the framework of a liquidity agreement that complies with the ethics charter recognized by the AMF; or
- to remit shares (in exchange, payment or otherwise) as part of an acquisition, merger, spin-off or business transfer; or
- to implement any stock option plan the Company offers in accordance with the provisions of articles L. 225-177 et seq of the French Commercial Code or any similar plan; or
- in general, to honor obligations linked to stock option plans or other employee or corporate officer stock allocation, of the Company or any affiliates; or
- to remit shares in connection with the exercise of rights attached to securities convertible into the Company's shares, by way of redemption, ordinary conversion, exchange, presentation of a warrant or any other manner; or
- to cancel all or some of these repurchased shares, subject to adoption by the extraordinary General Meeting of shareholders, on April 11, 2013, of the ninth resolution submitted to a shareholder vote and under the terms indicated therein; or
- to allocate bonus shares pursuant to the provisions of articles L. 225-197-1 et seq of the French Commercial Code; or
- to grant or sell shares to employees in connection with profit-sharing programs offered by the Company or in connection with the implementation of any employee sponsored savings plan in accordance with the law, in particular articles L. 3332-1 et seq of the French Labor Code, through the transfer of shares acquired previously by the Company under the eighth resolution presented at the ordinary general meeting of April 11, 2013 or providing for a free grant of shares in respect of a contribution in shares by the Company and/or to replace the discount.

5. Maximum portion of the capital to be acquired and maximum number of shares that may be acquired under the 2013 Share Buyback Program

The number of shares that the Company will be authorized to purchase cannot exceed 5% of the shares comprising the share capital of the Company, at any time, and this percentage applies to a capital adjusted in accordance with the transactions affecting it after the General Meeting. For informational purposes, based on the share capital existing at February 28, 2013 minus the 4 228 581 shares held at that date, the maximum number of shares that can be purchased is 5 744 936.
The number of shares that the Company will be authorized to hold, at any given time, may not exceed 10% of the shares comprising its share capital on the date in question. For information purposes, based on the share capital existing at February 28, 2013, the maximum number of shares that can be held totals 19 947 034.

6. Maximum authorized purchase price per share

The maximum purchase price is 45 euros per share and it is specified that this price could be adjusted in the event of any capital transaction or any other transaction that affects the Company's share capital, to take into account its impact on the value of the share.
The maximum amount of funds that can be used to finance the 2013 Share Buyback Program is estimated at 448 808 265 euros, calculated on the basis of a maximum purchase price of 45 euros per share and the share capital of Klépierre on February 28, 2013.

7. Duration of the 2013 Share Buyback Program

Under the eighth resolution that will be submitted to the General Meeting of shareholders for a vote on April 11, 2013, the share buyback program can be implemented over a period of eighteen months following that date, i.e., until October 10, 2014.

9.8. TEXT OF THE PROPOSED RESOLUTIONS AT THE ORDINARY AND EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS TO BE HELD ON APRIL 11, 2013

By the power of the ordinary general meeting of shareholders

FIRST RESOLUTION
(Approval of the Company's financial statements for the financial year ending 31 December 2012)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, having taken into account the reports of the Executive Board, of the Supervisory Board, and of the statutory auditors, approves the Company's annual financial statements as they have been presented for the fiscal year ending December 31, 2012, including the balance sheet, the income statement and the annex, resulting in a profit of 514 767 021.18 euros.
It also approves the transactions reflected in those financial statements and summarized in those reports.

SECOND RESOLUTION
(Approval of the consolidated Company's financial statements for the financial year ending 31 December 2012)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, having taken into account the reports of the Executive Board, of the Supervisory Board, and of the statutory auditors, approves the Company's consolidated financial statements as they have been presented for the fiscal year ending December 31, 2012, including the balance sheet, the income statement and the annex, resulting in a profit of 261 892 000.00 euros.
It also approves the transactions reflected in those financial statements and summarized in those reports.

THIRD RESOLUTION
(Allocation of income for the financial year ending 31 December 2012)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, resolves to allocate as follows the distributable income of the fiscal year, which amounts to 514 767 021.18 euros:

Profits	514 767 021.18 euros
Allocation to the legal reserve	1 375 094,00 euros
Balance	513 391 927,18 euros
Retained earnings	408 857 184,82 euros
Resulting in distributable profits of	**922 249 112.00 euros**
Dividend to shareholders	**299 205 510,00 euros**
Including an exempted activity dividend of	273 274 365.80 euros
Including a taxable activities dividend of	25 931 144.20 euros
(resulting in a distribution of 1.50 euros per share)	
Balance of retained earnings	**623 043 602,00 euros**

The dividend amount of 299 205 510.00 euros, which represents a dividend of 1.50 euros per share, constitutes revenue eligible for an allowance at a rate of 40% (as stated in article 158-3-2° of the French General Tax Code) up to 0.13 euros per share. The balance (which would be 1.37 euros per share) corresponding to the exempted activity dividend is not eligible for this tax deduction. These figures were calculated using the total number of shares making up the capital stock at December 31, 2012.
In accordance with the provisions of article L. 225-210 of the French Commercial Code, the general meeting determines that the amount corresponding to treasury shares at the dividend payment date, as well as the amount in respect of which shareholders may waive, will be allocated to "retained earnings". Such sums will reduce the distributions deducted from the results of the exempted activity and of the taxable activities in the same proportions as those indicated above (i.e., 1.37 euro per share for the results of exempted activity and 0.13 euro per share for the results of taxable activities).
Dividend in cash will be paid on April 18, 2013.

As a reminder, according to article 243 bis of the French General Tax Code, the dividends of the last three fiscal years were as follows:

Fiscal Year	Total dividends to shareholders	Net dividend per share	Amount eligible for exemption under article 158-3-2° of the General Tax Code	Amount not eligible for exemption under article 158-3-2° of the General Tax Code
2009	227 465 198.75	1.25	227 465 198.75	–
2010	256 025 124.00	1.35	256 025 124.00	–
2011	274 989 948.00	1.45	91 031 155.20	183 958 792.80

(in euros)

FOURTH RESOLUTION
(Approval of the transactions and agreements referred to in article L. 225-86 of the French Commercial Code)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, having taken note of the special report of the statutory auditors on the agreements referred to in article L. 225-86 of the French Commercial Code and relating to the fiscal year ending December 31, 2012, approves such report and all of its provisions, as well as any new agreements that are referred to therein, in accordance with the provisions of article L. 225-88 of said Code.

FIFTH RESOLUTION
(Renewal of the term of office of Mr Bertrand de Feydeau as member of the Supervisory Board)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office of Mr Bertrand de Feydeau as a member of the Supervisory Board expires today, renews his term of office for a duration of three years, which shall end at the close of the general meeting convened to vote in 2016 on the financial statements for the fiscal year ended December 31, 2015.

Mr Bertrand de Feydeau announced his acceptance of the renewal of his term of office and that he neither performed a function nor was subject to any action that would prevent him from carrying out this role.

SIXTH RESOLUTION

(Renewal of the term of office of Mr Vivien Lévy-Garboua as member of the Supervisory Board)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office of Mr Vivien Lévy-Garboua as a member of the Supervisory Board expires today, renews his term of office for a duration of three years, which shall end at the close of the ordinary general meeting convened to vote in 2016 on the financial statements for the fiscal year ended December 31, 2015.

Mr Vivien Lévy-Garboua announced his acceptance of the renewal of his term of office and that he neither performed a function nor was subject to any action that would prevent him from carrying out this role.

SEVENTH RESOLUTION

(Ratification of the nomination of Mrs Catherine Simoni as a member of the Supervisory Board)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, ratifies the provisional nomination made by the Supervisory Board during its meeting on December 20th, 2012 of Mrs Catherine Simoni, living at 32, avenue Carnot – 75017 Paris, as a member of the Supervisory Board, to replace Mr Jérôme Bédier, whose resignation takes effect on May 9, 2012.

As a result, Mrs Catherine Simoni will exercise her functions for the remainder of her predecessor's term of office, which is until the close of the ordinary general meeting convened to vote in 2014 on the financial statements for the fiscal year ended December 31, 2013.

EIGHTH RESOLUTION

(Authorisation to be given to the Executive Board for a period of eighteen months to deal in the Company's own shares)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, having examined the report of the Executive Board, authorizes the Executive Board, with the power to sub-delegate under the conditions provided by law, in accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code, to purchase or arrange for the purchase of the Company's shares, in particular for the following purposes:

- to engage in market making activities with respect to Klépierre shares through an investment services provider, in the context of a liquidity contract conforming to the professional-conduct rules approved by the French Financial Market Authority *(Autorité des marchés financiers)*; or
- to deliver shares (by way of exchange, payment, or otherwise) within the context of acquisitions, mergers, spin-offs or contributions; or
- to implement any stock option plan in respect of the Company's shares in accordance with the provisions of articles L. 225-117 et seq. of the French Commercial Code, or any similar plan; or
- in general, to fulfill obligations relating to share option programs or other allocations of shares to employees or officers of the issuer or an affiliate; or
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital by way of repayments, conversion, exchange, exercise of a warrant or in any other manner; or
- to cancel all or part of the repurchased shares, subject to the extraordinary general meeting's adoption of the ninth resolution below and in accordance with the terms therewith; or
- to allocate free shares in accordance with the provisions of articles L. 225-197-1 et seq. and the French Commercial Code; or
- to allocate or sell shares to employees in order to allow them to participate in the Company's growth, or to implement any company or group savings plan as provided by law, including articles L. 3332-1 et seq. of the French Labor Code, through the transfer of shares acquired previously by the Company under this resolution, or providing for a free grant of shares in respect of a contribution in shares by the Company and/or to replace the discount.

This program is also intended to allow the implementation of any market practices that may subsequently be admitted by the French Financial Market Authority *(Autorité des marchés financiers)* or, more generally, the execution of any operation that complies with the applicable regulations. In such circumstances, the Company will inform its shareholders by means of a press release.

The number of shares purchased by the Company is subject to the following limitations:

- the number of shares that the Company purchases during the share repurchase program may not, at any time, exceed 5% of the Company's share capital, said percentage being applied to the capital adjusted to take into account any relevant transactions that may occur after this general meeting, i.e. for information only, 199 470 340 shares as at December 31, 2012;
- the number of shares that the Company holds at any time may not exceed 10% of the Company's share capital on the date in question.

Shares may be bought, sold or transferred at any time (including in pre-offering periods but not during the period of a takeover bid) to the extent permitted by current legal and regulatory provisions, as well as to the extent permitted by this resolution, and such transactions may be carried out by any means, on regulated markets, in multilateral trading systems, with systematic internalizers or in privately-negotiated transactions, including by the block trading of securities (with no limit on the proportion of the share repurchase program that may be carried out by this method), by public offers to purchase or exchange shares, or through the use of options or other future instruments traded on regulated markets, in multilateral trading systems, with systematic internalizers or in privately-negotiated transactions, or through delivery of shares following the issue of securities giving access to the Company's share capital by way of conversion, exchange, redemption, exercise of a warrant or otherwise, either directly or indirectly through an investment services provider acting under article L. 225-126 of the French Commercial Code.

The maximum purchase price of the shares pursuant to this resolution shall be forty-five (45) euros per share (or the equivalent of that amount in any other currency on the same date), such maximum price being applicable only to purchases decided upon as from the date of this meeting and not to future transactions entered into pursuant to an authorization granted by a previous general meeting providing for purchases of shares after the date of this Meeting.

The total amount allocated to the share repurchase program authorized above may not exceed 448 808 265 euros.

With effect from the date hereof, this authorization cancels any unused portion of any earlier authorization granted to the Executive Board to trade in the Company's shares. This authorization is granted for a period of eighteen months from the date hereof.

In the event of alteration of the nominal value of the shares, capital increase through the capitalization of reserves, allocation of free shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of capital or any other transaction affecting the equity capital, the general meeting grants the Executive Board, with power to sub-delegate as provided by law, the power to adjust the aforementioned maximum purchase price to take account of the impact of such transactions on the value of the shares.

The general meeting grants all necessary powers to the Executive Board, with power to sub-delegate as provided by law, to decide upon and implement this authorization, to specify, if necessary, the terms and to determine the manner of implementation thereof, to carry out the share repurchase program, in particular, by placing any stock exchange orders, entering into any agreement, allocating or re-allocating the shares acquired for the objectives pursued in accordance with the applicable law and regulation, to determine, if necessary, the conditions and manner of safeguarding the rights of the holders of the securities or options, in accordance with applicable legal, regulatory or contractually applicable provisions, to make any declarations to the French Financial Market Authority *(Autorité des marchés financiers)* and any other competent authority, carry out any formalities and, generally, take any necessary action.

By the power of the extraordinary general meeting of shareholders

NINTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to reduce the share capital by cancellation of treasury shares)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors, authorizes the Executive Board to reduce the share capital, at once or in several stages, in the proportions and according to the timing as decided by the Executive Board, by cancelling a quantity of treasury shares in its discretion, within the limits set forth by applicable law, in accordance with the provisions of article L. 225-209 et seq. of the French Commercial Code and article L. 225-213 of the same Code.

The maximum number of shares that may be cancelled by the Company pursuant to this authorization over a period of twenty-four months is ten percent (10%) of the Company's share capital, at any given moment, i.e. at December 31, 2012, 199 470 340 shares, provided that this limitation applies to the Company's share capital as may be adjusted, if necessary, to take into account transactions affecting such share capital which take place after this general meeting.

With effect from the date hereof, this authorization cancels any as yet unexercised part of any previous authorization granted to the Executive Board authorizing the reduction of the share capital by the cancellation of treasury shares. This authorization is given for a period of twenty-six months with effect from the date hereof.

The general meeting grants all necessary powers to the Executive Board, with power to sub-delegate as provided by law, to charge the difference between the book value of any cancelled shares and their nominal value to any reserve or premium account, to carry out the cancellation or capital reduction transactions authorized hereby, to change the Articles of Association accordingly, and to carry out any other necessary formalities.

TENTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to decide to issue shares and/or securities giving access to the share capital of the Company or its subsidiaries and/or securities conferring a right to the allocation of debt securities, with preferential subscription rights)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors, and pursuant to the provisions of articles L. 225-129 et seq., and, in particular, article L. 225-129-2 of said Code, and the provisions of article L. 228-91 et seq. of said Code:

1. Delegates to the Executive Board with the power to sub-delegate under the conditions provided by law, its authority, subject to the prior authorization of the Supervisory Board in accordance with article 16-3 of the Company's by-laws, to increase the share capital, at once or in several stages, in France or abroad, in the proportion and according to the timing as decided by the Executive Board, whether in euros or in any other currency or monetary unit established by reference to a basket of currencies, by issuing shares or negotiable securities giving access to the share capital of the Company (whether new or existing shares), for consideration or for free, in accordance with articles L. 225-149 et seq. and L. 228-91 et seq. of the French Commercial Code, provided that such shares and negotiable securities may be subscribed for in cash, by the set-off of debts or in part by the capitalization of reserves, profits or premiums, or, under the same conditions, to issue negotiable securities giving access to the existing share capital of the Company or conferring a right to the allocation of debt securities in accordance with articles L. 228-91 et seq. of the French Commercial Code;
2. Delegates to the Executive Board, with power to sub-delegate as provided by law, its authority to decide upon issuances of securities giving access to the share capital of a company which directly or indirectly owns more than half of its share capital, or of companies of which the Company directly or indirectly owns more than half of the capital, provided that such issuances of securities must have been authorized by the company for which such rights will be exercised;
3. Resolves that the maximum amounts of the capital increases authorized in the event that the Executive Board uses this authorization shall be as follows:
   - the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorization shall be fixed at sixty million (60 000 000) euros or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, it being specified that this amount will count towards the overall limit applicable to share capital increases set forth in the seventeenth resolution proposed at the present general meeting or, as the case may be, towards the overall limit set forth in a similar resolution succeeding such resolution that may be enacted during the period of validity of this delegation of authority. Said cap shall, if necessary, be increased by the nominal amount of shares that may be issued in addition in the event of further financial transactions, in order to preserve the rights in accordance with applicable law and applicable contractual provisions, if any of holders of negotiable securities giving access to the share capital, or to stock options or free allotment rights;

- In the event debt securities are issued pursuant to the present delegation, the maximum nominal amount of the debt securities that may be issued immediately or in the future under this delegation shall not exceed one billion two hundred million (1 200 000 000) euros or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, with this amount being further supplemented, as appropriate, by any redemption premium above the nominal value, it being specified that this amount will count towards the overall limit applicable to share capital increases set forth in the seventeenth resolution proposed at the present general meeting or, as the case may be, towards the overall limit set forth in a similar resolution succeeding such resolution that may be enacted during the period of validity of this delegation of authority.;

4. sets the period of validity of the authorization granted pursuant to this resolution at twenty-six months from the date hereof;
5. in the event that the Executive Board uses this authorization:
   - resolves that shareholders will have a preferential right to subscribe for the issue or issues on an irreducible basis in proportion to the number of shares then owned by them;
   - officially notes that the Executive Board has the power to introduce a reducible subscription right;
   - officially notes that this authorization automatically involves the waiver by shareholders, in favor of the holders of securities giving access to the share capital, of their preferential subscription rights in respect of shares into which such securities are convertible, whether immediately or in the future;
   - officially notes that in accordance with article L. 225-134 of the French Commercial Code, if irreducible, and, if applicable, reducible subscriptions do not absorb the entirety of the capital increase, the Executive Board may exercise one or more of the following options under the conditions provided by law and in such order as it shall determine:
     - in its discretion, to distribute all or part of the shares, or, in the case of securities giving access to the share capital, such securities, the issue of which has been decided upon but that have not been subscribed;
     - to offer all or part of the shares or, in the case of securities giving access to the share capital, securities which have not been subscribed for, to the public in France or abroad;
     - in general and including in the two cases referred to above, to limit the capital increase to the amount of the subscriptions, provided that said amount equals at least three quarters of the amount of the increase decided upon;
   - resolves that warrants to subscribe for the Company's shares may also be issued by way of rights offering, but also by free allocations to the owners of existing shares, provided that the Executive Board shall have the option to decide that allocation rights in respect of fractional shares shall be neither tradable nor transferrable and that the corresponding securities shall be sold;
6. resolves that the Executive Board, with power to sub-delegate as provided by law, will have all necessary powers to implement this delegation of authority, in particular in order to:
   - decide to increase the capital and determine the negotiable securities to be issued;
   - decide on the amount of the capital increase, the issue price and the amount of the premium that may, if necessary, be requested upon issue;
   - determine the dates and terms of the capital increase, and the nature, number and characteristics of the securities to be created; decide, in addition, in the case of bonds or other debt securities (including the negotiable securities conferring a right to the allocation of debt securities referred to in article L. 228-91 of the French Commercial Code), whether they will be subordinated or not, set their interest rate, and provide, if necessary, for compulsory or optional cases of suspension or non-payment of interest, provide for their term (fixed or perpetual), the possibility of reducing or increasing the nominal value of the securities and the other terms of issue and redemption; if necessary, these securities may be coupled with warrants conferring a right to the allocation, acquisition or subscription of bonds or other negotiable securities representing debt, or may provide for the Company to have the option to issue debt securities (whether of a similar nature or otherwise) by way of payment of interest payment of which has been suspended by the company, or alternatively could take the form of complex bonds as defined by the market authorities; and amend the terms referred to above during the term of the securities concerned, in compliance with the applicable formalities;
   - determine the manner of payment for the shares or negotiable securities giving access to the share capital to be issued immediately or in the future;
   - if necessary, determine the terms of exercise of the rights attached to the shares or negotiable securities giving access to the share capital to be issued and, in particular, determine, even retroactively, the effective date from which the new shares will carry entitlement to dividends, together with any other terms and conditions for completion of the capital increase;
   - set the terms and conditions under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange securities issued or to be issued, immediately or in the future, in order to cancel them or not, in accordance with the law;
   - provide for the suspension of the exercise of the rights attached to the issued securities as permitted by relevant laws and regulations, if necessary;
   - at its sole initiative, charge the costs of the capital increase to the amount of the associated premiums and deduct from said amount the sums necessary to fund the statutory reserve;
   - determine and make any necessary adjustments to take into account the impact of transactions on the Company's capital and define any other terms and conditions that ensure that holders of securities giving access to the share capital (including through cash adjustments) will be protected, if necessary, in accordance with applicable laws, regulations and contractual provisions, if applicable;
   - cause the shares or the securities to be issued to be admitted to trading on a regulated market;
   - record completion of each capital increase and amend the Articles of Association accordingly;
   - in general, enter into any agreement, in particular to ensure successful completion of the planned issuances, and take any measures and carry out any formalities relevant for the issuance, listing and financial servicing of the securities and transactions issued pursuant to this authorization, together with the exercise of the rights attached thereto;
7. officially notes that, with effect from the date hereof, this authorization cancels any as yet unused part of any previous authorization granted for the same purpose, i.e. any delegation of authority relat-

ing to capital increases with preferential subscription rights, covering the securities and transactions referred to in this resolution;

ELEVENTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to decide to issue, by way of public offer, shares and/or securities giving access to the share capital of the Company or its subsidiaries and/or securities conferring a right to the allocation of debt securities, without preferential subscription rights)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors, and in accordance with the provisions of articles L. 225-129 et seq. of the French Commercial Code, and in particular those of articles L. 225-129-2, L. 225-135, L. 225-136 and L. 225-148 of said Code and those of articles L. 228-91 et seq. of said Code:

1. delegates to the Executive Board, with the power to sub-delegate under the conditions prescribed by law, its authority to decide, subject to the prior authorization of the Supervisory Board in accordance with article 16-3 of the Company's by-laws, to increase the share capital, at once or in several stages, in the proportion and according to the timing as decided by the Executive Board, in France or abroad, by making a public offering of shares, whether in euros or in any other currency or monetary unit established by reference to a basket of currencies, by way of the issue of shares or negotiable securities giving access to the Company's share capital (whether new or existing shares), issued for consideration or for free, in accordance with articles L. 228-91 et seq. of the French Commercial Code, provided that the shares and other negotiable securities may be subscribed for in cash, by the set-off of receivables, or in part by the capitalization of reserves, profits or premiums, or, under the same conditions, to issue negotiable securities giving access to the existing share capital of the Company or conferring a right to the allocation of debt securities in accordance with articles L. 228-91 et seq. of the French Commercial Code. These negotiable securities may, in particular, be issued for the purpose of paying for securities transferred to the Company in the context of a securities exchange takeover bid made in France or abroad in accordance with local rules in relation to securities satisfying the conditions set out in article L. 225-148 of the French Commercial Code;
2. delegates to the Executive Board, with the power to sub-delegate as permitted by law, its authority to decide to issue shares or securities giving access to the Company's share capital following the issuance, by companies of which the Company directly or indirectly owns more than half the share capital, or by companies that own directly or indirectly more than half of its share capital, of securities giving access to the Company's share capital.

This resolution automatically entails an unconditional waiver, in favor of the future holders of securities that may be issued by Group companies, by existing shareholders of their preferential subscription rights with respect to shares or securities giving access to the share capital of the Company to which any such future securities may give access;

3. delegates to the Executive Board, with power to sub-delegate as provided by law, its authority to decide upon issuances of securities giving access to the share capital of a company which directly or indirectly owns more than half of its share capital, or of companies of which the Company directly or indirectly owns more than half of the capital, provided that such issuances of securities must have been authorized by the company for which such rights will be exercised;
4. resolves to limit the amounts of the capital increases authorized in the event that this authorization is used by the Executive Board as follows:
   - the maximum nominal amount of the capital increases that may be carried out pursuant to this delegation, whether immediately or in the future, shall be forty million (40 000 000) euros, or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, provided that said amount will count towards the overall limit applicable to share capital increases set forth in resolution seventeenth of this meeting or, if applicable, towards any limit that may be stipulated by any resolution of the same nature that may follow said resolution during the period of validity of this delegation of authority;
   - if necessary, said maximum amounts shall be increased by the nominal amount of any shares issued in the event of further financial transactions in order to preserve the rights in accordance with applicable law and applicable contractual provisions, if any of holders of securities giving access to the share capital;
   - in the event the debt securities should be issued pursuant to the present delegation, the maximum nominal amount of debt securities that may be issued immediately or in the future under this delegation shall not exceed eight hundred million (800 000 000) euros or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, with this amount being further supplemented, as appropriate, by any redemption premium above the nominal value, provided that this amount will count towards the overall limit applicable to the issuance of negotiable debt securities set forth in the seventeenth resolution of this meeting, or, if applicable, towards the overall limit set forth in a similar resolution succeeding such resolution and enacted during the period of validity of this delegation of authority;
5. sets the period of validity of the delegation of authority granted pursuant to this resolution at twenty-six months from the date hereof;
6. resolves to cancel the preferential subscription rights of shareholders in respect of the securities that are the subject matter of this resolution, while nevertheless granting the Executive Board the option, pursuant to article L. 225-135, sub-paragraph 2, to grant shareholders, for such period and on such terms as it shall determine in accordance with the applicable legal and regulatory provisions, and in respect of all or part of an issue, a priority subscription period not giving rise to the creation of tradable rights, and which must be exercised in proportion to the number of shares owned by each shareholder and may potentially be supplemented by a reducible subscription;
7. officially notes that if subscriptions, including those of shareholders, if applicable, do not absorb the entirety of the issue, the Executive Board may take, in the order it determines, any of the following actions:
   - freely allocate all or part of the securities not subscribed;
   - conduct a public offering for all or part of the securities not subscribed;

- limit the amount of the operation to the amount of the subscriptions received, on the condition that said amount is at least three quarters of the issue decided upon;

8. officially notes that this delegation automatically entails an express waiver, in favor of the holders of the issued securities giving access to the share capital, by the shareholders of their preferential subscription rights in respect of the shares to which said securities will entitle their holders;
9. officially notes the fact that, in accordance with article L. 225-136 1°, sub-paragraph 1 of the French Commercial Code:
   - the issue price of the shares issued directly shall be at least equal to the minimum provided by the regulatory provisions applicable on the date of issue (currently, the weighted average price of the three last trading days on the regulated market of Euronext Paris preceding the determination of the subscription price of the capital increase, minus 5%), after adjusting this average, if necessary, in the event of a difference between the dividend entitlement dates;
   - the issue price of the securities giving access to the share capital and the number of shares into which each security is convertible, redeemable, or otherwise transformable shall be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will be, for each share issued as a consequence of the issuance of such securities, at least equal to the minimum subscription price defined in the previous paragraph;
10. resolves that the Executive Board, with the power to sub-delegate as permitted by law, will have all necessary powers to implement this delegation of authority, in particular in order to:
    - decide to increase the capital and determine the negotiable securities to be issued;
    - decide the amount of the capital increase, the issue price and the amount of the premium that may, if necessary, be requested upon issue;
    - determine the dates and terms of the capital increase, and the nature, number and characteristics of the securities to be created; decide, in addition, in the case of bonds or other debt securities (including the negotiable securities conferring a right to the allocation of debt securities referred to in article L. 228-91 of the French Commercial Code), whether they will be subordinated or not, set their interest rate, and provide, if necessary, for compulsory or optional cases of suspension or non-payment of interest, provide for their term (fixed or perpetual), the possibility of reducing or increasing the nominal value of the securities and the other terms of issue and redemption; if necessary, these securities may be coupled with warrants conferring a right to the allocation, acquisition or subscription of bonds or other negotiable securities representing debt, or may provide for the Company to have the option to issue debt securities (whether of a similar nature or otherwise) by way of payment of interest payment of which has been suspended by the company, or alternatively could take the form of complex bonds as defined by the market authorities; and amend the terms referred to above during the term of the securities concerned, in compliance with the applicable formalities;
    - determine the manner of payment for the shares or negotiable securities giving access to the share capital to be issued immediately or in the future;
    - if necessary, determine the terms of exercise of the rights attached to the shares or securities giving access to the share capital to be issued and, in particular, determine, even retroactively, the effective date from which the new shares will carry entitlement to dividends, together with any other terms and conditions for completion of the capital increase;
    - set the terms and conditions under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange securities issued or to be issued, immediately or in the future, in order to cancel them or not, in accordance with the law;
    - provide for the suspension of the exercise of the rights attached to the issued securities as permitted by relevant laws and regulations, if necessary;
    - in the event of an issuance of securities for the purpose of paying for shares contributed in the context of a public exchange offer (Offre publique d'échange – OPE), draw up a list of securities to be contributed on the exchange, set the conditions for the issuance, the exchange ratio as well as the amount of any additional payment in cash (soulte), if any, the terms for setting the price provided for in paragraph 9 of this resolution not being applicable, and determine the terms and conditions of an issuance for an OPE, an alternative purchase or exchange offer, a single offer to buy or trade securities in consideration for a payment in securities or cash, a principal public tender offer (Offre publique d'achat – OPA) or public exchange offer accompanied by a subsidiary public exchange offer or public tender offer, or any other form of public offer complying with the law and regulations applicable to such a public offer;
    - on its sole initiative, charge the costs of the capital increases to the amount of the associated premiums and deduct from said amount the sums necessary to fund the statutory reserve;
    - determine and make any necessary adjustments to take into account the impact of transactions on the Company's capital and define the terms and conditions on which the rights of holders of securities giving access to the share capital (including through cash adjustments) will be protected, if necessary;
    - record completion of each capital increase and amend the Articles of Association accordingly;
    - cause the shares or the securities to be issued to be admitted to trading on a regulated market;
    - in general, enter into any agreement, in particular to complete the contemplated issues successfully, and take any measures and complete any formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this authorization, together with the exercise of the rights attached thereto;
11. officially notes that, with effect from the date hereof, this authorization cancels any as yet unused part of any previous authorization granted for the same purpose, i.e. any delegation of authority relating to capital increases without preferential subscription rights, by public offering, covering the securities and transactions referred to in this resolution;

TWELFTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to decide to issue, by way of private placement under article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving access to the share capital of the Company and/or securities conferring a right to the allocation of debt securities, without preferential subscription rights)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken note of the report of the Executive Board and the special report of the statutory auditors, and in accordance with the provisions of articles L. 225-129 et seq. of the French Commercial Code, and in particular those of articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code and those of articles L. 228-91 et seq. of said Code:

1. delegates to the Executive Board, with the power to sub-delegate under the conditions prescribed by law, its authority, subject to prior authorization of the Supervisory Board pursuant to article 16-3 of the Company's by-laws, to increase the share capital, at once or in several stages, in the proportion and according to the timing as decided by the Executive Board, in France or abroad, through an offer covered by article L. 411-2, II of the French Monetary and Financial Code, whether in euros or in any other currency or monetary unit established by reference to a basket of currencies, by way of the issue of shares or negotiable securities giving access to the Company's share capital (whether new or existing shares), issued for consideration or for free, in accordance with articles L. 228-91 et seq. of the French Commercial Code, provided that the shares and other negotiable securities may be subscribed for in cash, by the set-off of receivables, or in part by the capitalization of reserves, profits or premiums, or, under the same conditions, to issue negotiable securities giving access to the existing share capital of the Company or conferring a right to the allocation of debt securities in accordance with articles L. 228-91 et seq. of the French Commercial Code;
2. delegates to the Executive Board, with the power to sub-delegate as permitted by law, its authority to decide to issue shares or securities giving access to the Company's share capital following the issue, by companies of which the Company directly or indirectly owns more than half the share capital or by companies which directly or indirectly own more than half of its capital, of securities giving access to the Company's share capital.

This resolution automatically entails an unconditional waiver, in favour of the future holders of securities that may be issued by Group companies, by existing shareholders of their preferential subscription rights with respect to shares or securities giving access to the share capital of the Company to which any such future securities may give access;

3. delegates to the Executive Board, with the power to sub-delegate, its authority to decide upon issuances of securities giving access to the share capital of which the Company directly or indirectly owns more than half of the capital or companies which directly or indirectly own more than half of the capital; provided that such issuances of securities must have been authorized by the company for which such rights will be exercised.
4. resolves to limit the amounts of the capital increases authorized in the event that this authorization is used by the Executive Board as follows:
   - the maximum nominal amount of the capital increases that may be carried out pursuant to this delegation, whether immediately or in the future, shall be forty million (40 000 000) million euros or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, provided that said amount will count towards the overall limit applicable to share capital increases without subscription right set forth in article 4 of the eleventh resolution of this meeting and towards the overall limit applicable to share capital increases set in resolution seventeenth of this meeting or, if applicable, towards any limit that may be stipulated by any resolution of the same nature that may follow said resolution during the period of validity of this delegation of authority;
   - if necessary, said maximum amounts shall be increased by the nominal amount of any shares issued in the event of further financial transactions in order to preserve the rights in accordance with applicable law and applicable contractual provisions, if any of holders of securities giving access to the share capital; and
   - in the event that debt securities are issued pursuant to this delegation, the maximum nominal amount of debt securities that may be issued immediately or in the future may not exceed eight hundred million (800 000 000) euros or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies at the date of issue, with this amount being further supplemented, as appropriate, by any redemption premium above the nominal value, provided that this amount will count towards the overall nominal limit applicable to the issuance of debt securities set forth in paragraph 4 of resolution eleventh of this meeting and towards the overall limit applicable to the issuance of debt securities stipulated by resolution seventeenth of this meeting or, if applicable, towards the overall limit that may be stipulated by any resolution of the same nature that may follow said resolution during the period of validity of this delegation of authority;
5. sets the period of validity of the delegation of authority granted pursuant to this resolution at twenty-six months from the date hereof;
6. resolves to cancel the preferential subscription rights of shareholders in respect of the securities that are the subject matter of this resolution
7. officially notes that if subscriptions do not absorb the entirety of the issue, the Executive Board may take, in the order it determines, any of the following actions:
   - freely allocate all or part of the securities not subscribed;
   - limit the amount of the operation to the amount of the subscriptions received, on the condition that said amount is at least three quarters of the issue decided upon;
8. officially notes that this delegation automatically entails an express waiver, in favour of the holders of the issued securities giving access to the share capital, by the shareholders of their preferential subscription rights in respect of the shares to which said securities will entitle their holders;
9. officially notes the fact that, in accordance with article L. 225-136 1°, sub-paragraph 1 of the French Commercial Code:
   - the issue price of the shares issued directly shall be at least equal to the minimum provided by the regulatory provisions applicable on the date of issue (currently, the weighted average price of the three last trading days on the regulated market of Euronext Paris

preceding the determination of the subscription price of the capital increase, minus 5%), after adjusting this average, if necessary, in the event of a difference between the dividend entitlement dates;
- the issue price of the securities giving access to the share capital and the number of shares into which each security is convertible, redeemable, or otherwise transformable shall be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will be, for each share issued as a consequence of the issuance of such securities, at least equal to the minimum subscription price defined in the previous paragraph;

10. resolves that the Executive Board will have full powers, with the power to sub-delegate as permitted by law, to implement this delegation of authority, in particular in order to:
- decide to increase the capital and determine the negotiable securities to be issued;
- decide the amount of the capital increase, the issue price and the amount of the premium that may, if necessary, be requested upon issue;
- determine the dates and terms of the capital increase, and the nature and characteristics of the securities to be created; decide, in addition, in the case of bonds or other debt securities (including the negotiable securities conferring a right to the allocation of debt securities referred to in article L. 228-91 of the French Commercial Code), whether they will be subordinated or not, set their interest rate, and provide, if necessary, for compulsory or optional cases of suspension or non-payment of interest, provide for their term (fixed or perpetual), the possibility of reducing or increasing the nominal value of the securities and the other terms of issue and redemption; if necessary, these securities may be coupled with warrants conferring a right to the allocation, acquisition or subscription of bonds or other negotiable securities representing debt, or may provide for the Company to have the option to issue debt securities (whether of a similar nature or otherwise) by way of payment of interest payment of which has been suspended by the company, or alternatively could take the form of complex bonds as defined by the market authorities; and amend the terms referred to above during the term of the securities concerned, in compliance with the applicable formalities;
- determine the manner of payment for the shares or negotiable securities giving access to the share capital to be issued immediately or in the future;
- if necessary, determine the terms of exercise of the rights attached to the shares or securities giving access to the share capital to be issued and, in particular, determine, even retroactively, the effective date from which the new shares will carry entitlement to dividends, together with any other terms and conditions for completion of the capital increase;
- set the terms and conditions under which the company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange securities issued or to be issued, immediately or in the future, in order to cancel them or not, in accordance with the law;
- provide for the suspension of the exercise of the rights attached to the issued securities as permitted by relevant laws and regulations, if necessary;
- on its sole initiative, charge the costs of the capital increases to the amount of the associated premiums and deduct from said amount the sums necessary to fund the statutory reserve;
- make any necessary adjustments to take into account the impact of transactions on the Company's capital and define the terms and conditions on which the rights of holders of securities giving access to the share capital (including through cash adjustments) will be protected, if necessary;
- record the completion of each capital increase and amend the Articles of Association accordingly;
- cause the shares or the securities to be issued to be admitted to trading on a regulated market;
- in general, enter into any agreement, in particular to complete the contemplated issues successfully, and take any measures and complete any formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this authorization, together with the exercise of the rights attached thereto;

11. officially notes that, with effect from the date hereof, this delegation cancels any as yet unused part of any previous delegation granted for the same purpose, i.e. any general delegation of authority relating to capital increases without preferential subscription rights by an offering as defined in article L.411-2, II of the French Monetary and Financial Code, covering negotiable securities and the transactions described in this resolution.

12. officially notes that, in the event that the Executive Board uses the delegated authority granted to it by the present resolution, the Executive Board will report at the next ordinary general meeting, in accordance with applicable laws and the regulations, with respect to the use of such delegated authority conferred by the present resolution.

THIRTEENTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to increase the number of securities to be issued in the event of a share capital increase with or without preferential subscription rights)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors, and in accordance with article L.225-135-1 of the French Commercial Code:

1. delegates to the Executive Board, with the power to sub-delegate under the conditions prescribed by law, its authority, subject to prior authorization of the Supervisory Board pursuant to article 16-3 of the Company's by-laws, to increase the number of shares to be issued in the event of a capital increase by the Company with or without preferential subscription rights, at the same price as that determined for the issuance initially, within the time and other limitations specified under applicable regulations as of the date of issuance (as of this day, within 30 days following the closing of the subscription period and up to a maximum of 15% of the initial issuance) in particular with a view to granting an overallotment option in accordance with market practice;

2. resolves that the nominal amount of the capital increases made under this resolution shall count towards the limit stipulated in the resolution pursuant to which the initial issuance is determined and towards the overall limit applicable to capital increases set forth in resolution seventeenth of this meeting or, if applicable, towards the overall limit set forth in a similar resolution succeeding such resolution that may be enacted resolution during the period of validity of this delegation of authority;

This delegation is granted a period of 26 months starting from the date of this general meeting.

FOURTEENTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to issue shares and/or securities giving access to the share capital without preferential subscription as consideration for contributions in kind consisting of equity securities and/or securities giving access to the share capital)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors, and in accordance with articles L.225-129 et seq. of the French Commercial Code, and in particular those of article L.225-147, sub-paragraph 6 of said Code:

1. authorizes the Executive Board, with the power to sub-delegate under the conditions prescribed by law, and subject to the prior authorization of the Supervisory Board pursuant to article 16-3 of the Company's by-laws, to increase the share capital, at once or in several stages, up to a maximum of 10% of share capital, such limit being measured at any time taking into account the share capital figure as adjusted to reflect transactions subsequent to this meeting, i.e., as measured on December 31, 2012, 199 470 340 shares, to pay for contributions in kind made to the Company and consisting of equity securities or securities giving access to the share capital, when the provisions of article L. 225-148 of the French Commercial Code are not applicable, by issuing, at once or in several stages, shares or securities giving access to the share capital of the Company, provided that the maximum nominal amount of the capital increases that may be implemented whether immediately or in the future pursuant to this resolution will count towards the nominal limit of permitted capital increases without preferential subscription rights pursuant to paragraph 4 of the eleventh resolution of this meeting and towards the overall limit applicable to capital increases set forth in resolution seventeenth of this meeting or, if applicable, towards the overall limit as may be stipulated in a succeeding similar resolution during the period of validity of this delegation of authority;
2. takes note, as necessary, that this delegation shall act as a waiver by shareholders of their preferential subscription rights to shares in the Company to which the securities that may be issued on the basis of this delegation may create a right;
3. resolves that the Executive Board shall have all powers, subject to prior authorization of the Supervisory Board pursuant to article 16-3 of the Company's by-laws, with power to sub-delegate under the conditions prescribed by law, to implement this resolution, in particular in order to:
   - decide upon the capital increase to pay for the contributions in kind and determine the securities to be issued;
   - determine the list of the contributed securities, approve the valuation of the contributions, determine the conditions of the issue of the securities to pay for the contributions, and if necessary the amount of any additional cash payments (soulte) to be paid, approve the grant of special benefits, and, if the contributors consent, reduce the valuation of the contributions or the remuneration of the special benefits;
   - determine the characteristics of the securities issued to pay for the contributions and determine the terms upon which, if necessary, the rights of holders of securities giving access to the share capital will be preserved;
   - on its sole initiative, charge the costs of the capital increases to the amount of the associated premiums and deduct from such amount the sums necessary to fund the statutory reserve;
   - record completion of each capital increase and amend the Articles of Association accordingly;
   - cause the shares or the securities to be issued to be admitted to trading on a regulated market;
   - in general, take any measures and complete any formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this authorization, together with the exercise of the rights attached thereto;
4. officially notes that, with effect from the date hereof, this authorization cancels any as yet unused part of any previous authorization granted for the same purpose, i.e. any authorization relating to the issue of shares or negotiable securities giving access to the share capital, without preferential subscription rights, to pay for contributions in kind consisting of equity securities or negotiable securities giving access to the share capital. The authorization is given for a period of twenty-six months with effect from the date hereof.

FIFTEENTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of twenty-six months to increase the share capital through the capitalization of premiums, reserves, profits or other items)

The general meeting, acting in accordance with the quorum and majority requirements for ordinary general meetings, having taken into account the report of the Executive Board, and subject to prior authorization of the Supervisory Board pursuant to article 16-3 of the Company's by-laws and in accordance with article L. 225-130 of the French Commercial Code:

1. delegates to the Executive Board, with the power to sub-delegate under the conditions prescribed by law, its authority to increase the share capital, at once or in several stages, in the proportions and according to the timing as decided by the Executive Board, through the successive or simultaneous capitalization of all or some of the reserves, profits or premiums from equity issues, mergers or other forms of capitalization otherwise permitted by applicable law and the company's by-laws, to be implemented through the issuance or free allocation of shares or the increase of the par value of the shares or by a combination of these two procedures. The maximum nominal amount of the capital increases that may be carried out in this way may not exceed one hundred million (100 000 000) euros or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, provided that said amount will

be counted towards the total upper limit applicable to capital increases stipulated by the seventeenth resolution of this meeting or, if applicable, towards the amount of any total upper limit stipulated by a resolution of the same nature that may succeed said resolution during the period of validity of this delegation of authority;

2. in the event that the Executive Board uses this delegation of authority, grants the Board, with the power to sub-delegate under the conditions prescribed by law, all necessary powers to implement this authorization, in particular in order to
   - determine the amount and nature of the sums to be capitalized, determine the number of new equity securities to be issued and/or the amount by which the par value of the existing equity securities will be increased, set the effective date, even retroactively, from which the new equity securities will carry entitlement to dividends or the date on which the increase in the par value of the existing equity securities will take effect;
   - In the event of distributions of free equity securities, it is decided that:
     - the rights to fractional securities will not be tradable and that the relevant capital securities will be sold; the sums arising from the sale will be allocated to the holders of the rights under the conditions prescribed by the applicable law and regulation;
     - the shares allotted by virtue of the present delegation in respect of existing shares with double voting rights will benefit from this same right from the time of issuance;
   - make any necessary adjustments to take into account the impact of transactions affecting the capital of the Company and define the terms and conditions on which the rights of holders of securities giving access to the share capital (including through cash adjustments) will be protected, if necessary, and carry out all acts and formalities necessary in order to finalize capital increases;
   - record the completion of each capital increase and amend the Articles of Association accordingly;
   - cause the shares or the securities to be issued to be admitted to trading on a regulated market;
   - in general, enter into any agreement and take any measures and carry out any formalities relevant for the issuance, listing and financial servicing of the securities issued pursuant to this delegation, together with the exercise of the rights attached thereto;
3. officially notes that, with effect from the date hereof, this delegation cancels any as yet unused portion of any previous delegation granted for the same purpose, i.e. any delegation of authority relating to capital increases by the capitalization of premiums, reserves, profits or otherwise. This authorization is given for a period of twenty-six months with effect from the date of this meeting.

SIXTEENTH RESOLUTION

(Delegation of authority to be given to the Executive Board for a period of of twenty-six months to issue, without preferential subscription rights, shares or securities giving access to the share capital reserved for members of employee savings plans)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken into account the report of the Executive Board and the report of the statutory auditors, and in accordance with the provisions of articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code on the one hand, and with the provisions of articles L. 3332-1 et seq. of the French Labor Code on the other hand:

1. delegates to the Executive Board, with the power to sub-delegate under the conditions prescribed by law, its authority, subject to prior authorization of the Supervisory Board as described in article 16-3 of the by-laws, to increase the share capital, at once or in several stages, in the maximal nominal amount of three million (3 000 000) euros, or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, by issuing shares or securities giving access to the share capital reserved for the members of one or more employee savings plans (or any other plan under which a capital increase can be reserved to its members on equivalent terms according to articles L. 3332-1 et seq. of the French Labor Code or any other applicable legal and regulatory provisions) set up in one company or in a group of companies, French or foreign, within the scope of consolidation or combination of the Company's accounts, pursuant to article L. 3344-1 of the French Labor Code, provided that this resolution may be used for the purposes of implementing leveraged plans and that the maximal nominal amount of the share capital increases that can be made immediately or in the future will count towards the overall limit applicable to increases in share capital set forth in resolution seventeenth of this meeting or, if applicable, towards any limit set forth in a similar succeeding resolution during the period of validity of this delegation of authority;
2. sets the period of validity of the delegation granted under this authority to twenty-six months from the date hereof;
3. resolves that the issue price of the new shares or negotiable securities giving access to the share capital will be determined under the conditions provided for in article L. 3332-18 et seq. of the French Labor Code and will be at least equal to 80% of the Reference Price (as defined below) or at least equal to 70% of the Reference Price when the duration of unavailability as set forth in the plan under articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to ten years; however, the general meeting expressly authorizes the Executive Board to reduce or remove the discounts described above (within legal and regulatory limits), in its sole discretion, in order to take into account, *inter alia,* applicable local legal, accounting, tax and social security regimes; for purposes of this paragraph, the Reference Price will be the average prices of the Company's shares on the regulated market of NYSE Euronext Paris for the twenty trading days preceding the date of the decision setting the opening date of the subscription period for members of employee savings plans;
4. authorizes the Executive Board to decide upon the free allocation of shares or securities giving access to the share capital, to be issued or already issued, to the beneficiaries indicated above in addition to the shares or securities giving access to the share capital to be paid for in cash, to replace all or part of the discount relating to the Reference Price and/or the Company's matching contribution, it being understood that the benefit arising from said allocation may not exceed the applicable legal or regulatory limits as described in articles L.3332-10 et seq. of the French Labor Code;
5. resolves to cancel shareholders' preferential subscription rights in respect of the shares and securities giving access to the share capital pursuant to this delegation in favor of the beneficiaries indicated above, it being specified that such shareholders, in the event of the free allocation of shares or securities giving access to the share cap-

ital to the beneficiaries indicated above, also waive any right to the said shares or securities giving access to the share capital, including the part of the reserves, profits or premiums capitalized in respect of the free allocation of such securities pursuant to this resolution;

6. authorizes the Executive Board, under the conditions of this delegation, to sell shares to the members of an employee savings plan of the kind provided by article L.3332-24 of the French Labor Code, provided that the par value of the shares sold to members of one or more employee savings plans referred to in this resolution for a discounted price shall count towards the limit set forth in paragraph 1 above;
7. resolves that the Executive Board shall have all powers necessary to implement this delegation, with the power to sub-delegate under the conditions prescribed by law, subject to the limits and under the conditions specified above, in particular, the power to:
   - under the conditions prescribed by law, determine the list of the companies whose beneficiaries indicated above shall be entitled to subscribe for the shares or securities giving access to the share capital thus issued and, if applicable, to benefit from the free allocation of shares or securities giving access to the share capital;
   - decide that subscriptions may be made directly by beneficiaries who are members of an employee savings plan, or through company mutual funds or other structures or entities permitted by the applicable legal or regulatory provisions;
   - determine the conditions, including seniority, which must be satisfied by the beneficiaries of the capital increases;
   - determine the opening and closing dates of subscriptions;
   - set the amounts of the issues that will be carried out pursuant to this delegation and, in particular, set the issue price, dates, periods, terms and conditions of subscription, payment, delivery and entitlement to dividends of the securities (which may be retroactive), the rules of reduction applicable in the event of over-subscription and the other terms and conditions of the issues, pursuant to applicable legal and regulatory limits;
   - in the event of a free allocation of shares or securities giving access to the share capital, set the nature, characteristics and number of shares or securities giving access to the share capital to be issued, the number to be allocated to each beneficiary, and determine the dates, periods, terms and conditions of allocation of these shares or securities giving access to the share capital subject to the applicable legal and regulatory limits and choose either to completely or partially substitute the allocation of these shares or securities giving access to the share capital with discounts applied to the Reference Price referred to above, or to charge the equivalent value of these shares or securities against the total amount of the Company's matching contribution, or to combine these two approaches;
   - in the event of issuance of new shares, to charge, if necessary, against the reserves, profits or premiums, the sums required for the payment of such shares;
   - record the completion of the capital increases up to the amount of shares actually subscribed;
   - if applicable, charge the costs of the capital increases against the amount of associated premiums and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one tenth of the new capital after each of these capital increases;
   - enter into any agreements, carry out any and all operations and formalities directly or through an agent, including formalities relating to capital increases and related changes in the Articles of Association;
   - in general, enter into any necessary agreement, in particular for the successful completion of the planned issues, take any measures and decisions and carry out any formalities relevant for the issue, listing and financial servicing of the securities issued pursuant to this authorization and for the exercise of the rights attached thereto or arising from the achieved capital increases;
8. resolves that, with effect from the date hereof, this delegation cancels any as yet unused part of any previous delegation of authority granted to the Executive Board relating to capital increases through the issuance of shares or securities giving access to the share capital reserved for members of employee savings plans and all transactions referred to therein.

SEVENTEENTH RESOLUTION
(General limitation on authorizations for the issuance of shares and securities giving access to share capital)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken into account the report of the Executive Board, resolves to set the maximal nominal amount at one hundred million (100 000 000) euros, or the equivalent amount in any other currency or monetary unit established by reference to a basket of currencies, the maximum nominal amount of capital increases, at once or in several stages, which can be undertaken pursuant the authorizations conferred by the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth and sixteenth resolutions, provided that this nominal amount may be increased by the nominal amount of shares to be issued in order to preserve the rights of holders of securities giving access to the share capital of the Company.

The general meeting resolves to set at one billion two hundred million (1 200 000 000) euros, or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, the maximum nominal amount of debt securities issuances that may be undertaken pursuant to the authorizations conferred by the tenth, eleventh and twelfth resolutions.

EIGHTEENTH RESOLUTION
(Powers to carry out formalities)

The general meeting, acting in accordance with the quorum and majority requirements for extraordinary general meetings, grants all powers to the holder of an original, copy or extract of the minutes of its deliberations to carry out any filings and formalities required by law.

ADDITIONAL INFORMATION

10.1. COMPETITIVE POSITION

Main competitors of Klépierre

(in billions of euros)	Klépierre[1]	Unibail-Rodamco[1]	Corio[1]	Eurocommercial Properties[2]	Mercialys[1]
Market capitalization at December 31, 2012	6.0	17.3	3.3	1.2	1.6
Value of the property portfolio (excluding duties)	16.4	29.3[3]	7.1	2.7	2.6[3]

Breakdown of consolidated lease income per country/region

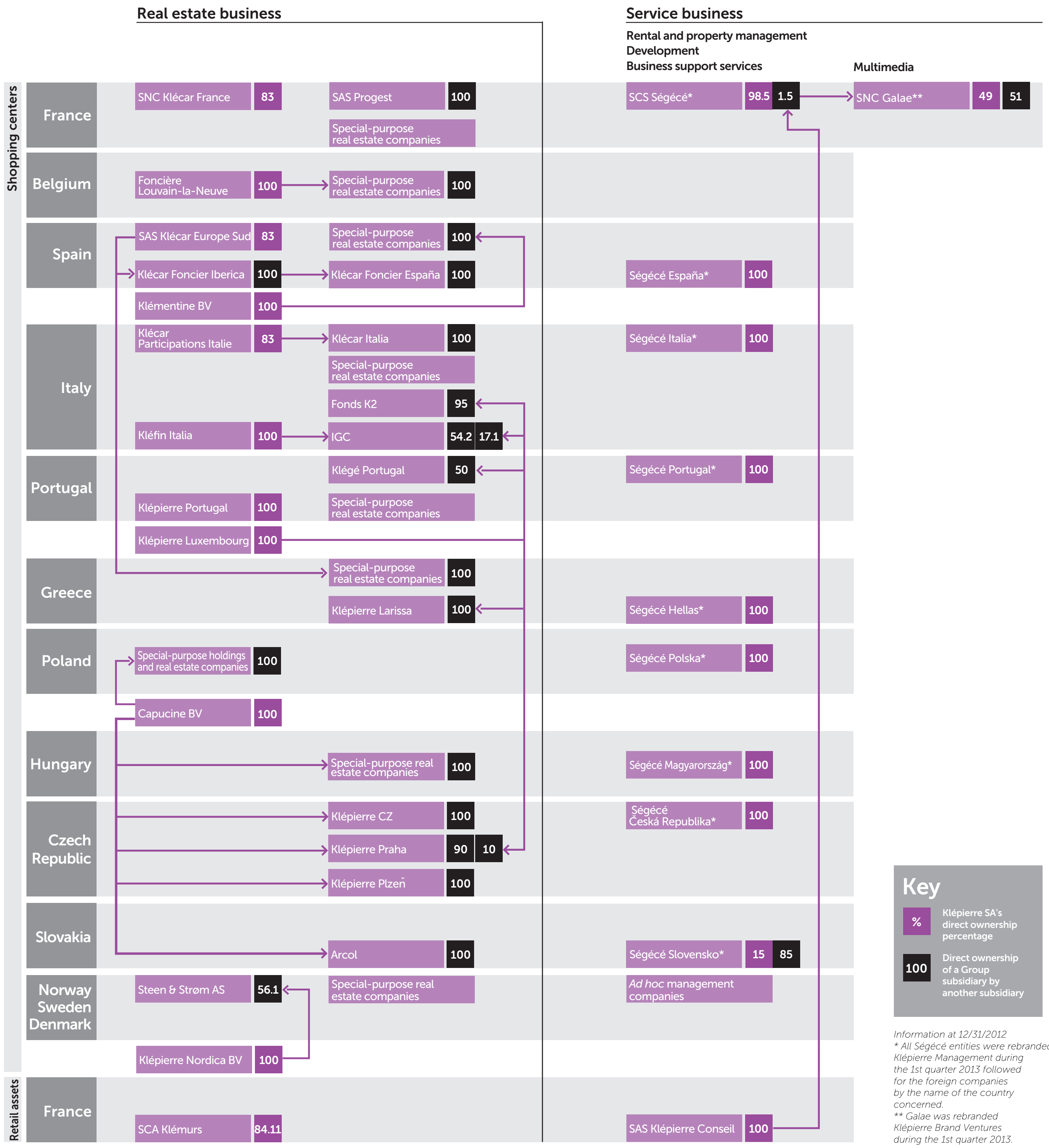
(in millions of euros)	Klépierre		Unibail-Rodamco		Corio		Eurocommercial Properties[4]		Mercialys	
France	471.4[5]	47.5%	944.8	61.5%	106.5	22.4%	53.7	32.9%	161.0	100.0%
Scandinavia	218.0	22.0%	107.5	7.0%	–	–	40.2	24.6%	–	–
Italy	125.4	12.6%	–	–	82.6	17.4%	69.2	42.4%	–	–
Spain and Portugal	93.2	9.4%	155.7	10.1%	59.0	12.4%	–	–	–	–
Netherlands	–	–	76.9	5.0%	147.2	31.0%	–	–	–	–
Other countries	84.1	8.5%	252.0	16.4%	80.3	16.9%	–	–	–	–
Consolidated lease income	**992.1**	**100.0%**	**1 536.9**	**100.0%**	**475.6**	**100.0%**	**163.0**	**100.0%**	**161.0**	**100.0%**
Other income	90.3		–		–		–		–	
Consolidated revenues	**1 082.5**		**1 536.9**		**475.6**		**163.0**		**161.0**	

Breakdown of consolidated rental income per activity

(in millions of euros)	Klépierre		Unibail-Rodamco		Corio		Eurocommercial Properties[4]		Mercialys	
Shopping centers and/or retail assets	971.5	97.9%	1 159.4	75.4%	475.6	100.0%	163.0	100.0%	161.0	100.0%
Offices	20.6	2.1%	182.7	11.9%	–	–	–	–	–	–
Other activities	–	–	194.8	12.7%	–	–	–	–	–	–
Consolidated lease income	**992.1**	**100.0%**	**1 536.9**	**100.0%**	**475.6**	**100.0%**	**163.0**	**100.0%**	**161.0**	**100.0%**
Other income	90.3		–				–			
Consolidated revenues	**1 082.5**		**1 536.9**		**475.6**		**163.0**		**161.0**	

(1) Value of the property portfolio at 12/31/2012.
(2) Value of the property portfolio at 06/30/2012.
(3) Including duties.
(4) Over 12 months at 06/30/2012.
(5) Including Belgium.
Source: Thomson Reuters, Companies.

10.2. ORGANIZATIONAL CHART



Information at 12/31/2012
** All Ségécé entities were rebranded Klépierre Management during the 1st quarter 2013 followed for the foreign companies by the name of the country concerned.*
*** Galae was rebranded Klépierre Brand Ventures during the 1st quarter 2013.*

10.3. OVERVIEW OF VALUATION REPORTS PREPARED BY THE INDEPENDENT EXTERNAL APPRAISERS

10.3.1. General context of the valuation

Context and instructions

In accordance with Klépierre's instructions ("the Company") as detailed in the signed valuation contracts between Klépierre and the valuers, we have valued the assets held by the Company, taking account of their ownership (freehold, ground lease, etc). This Summary Report has been prepared for inclusion in the Company's annual report.

The valuations were undertaken by our valuation teams in each of the various countries and have been reviewed by the pan-European valuation teams. In order to estimate the market value for each asset, we have not only taken into consideration domestic retail investment transactions but have also considered transactions on a European level. We confirm that our valuations have been prepared in a similar way to other valuations undertaken in Europe, in order to maintain a consistent approach and to take into consideration all the market transactions and information available.

The valuations are based on the discounted cash flow method and the capitalisation method, which are regularly used for these types of assets.

Our valuations were undertaken as at December 31, 2012.

Reference documents and general principles

We confirm that our valuations were undertaken in accordance with the appropriate sections of the 8th Edition of the RICS Valuation Standards (the "Red Book"). This is a valuation basis accepted on an international level. Our valuations are compliant with the IFRS accounting standards and the IVSC standards.

The valuations have also been prepared on the basis of the AMF recommendations on the presentation of valuations of real estate assets owned by listed companies, published on 8th February 2010. Furthermore, they take into account the recommendations of the Barthès de Ruyter report on valuation of real estate owned by listed companies, published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers as defined by the Red Book standards published by RICS.

Basis of valuation

Our valuations correspond to the market value and are reported to the Company as both gross values (market value before deduction of transfer costs) and net values (market value after deduction of transfer costs).

10.3.2. Valuation considerations and assumptions

Information

The Company's management were asked to confirm that the information provided relating to the assets and tenants is complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by our contacts within the Company that could impact value has been made available to us and that this information is up to date in all significant aspects. This includes running costs, works undertaken, financial elements, including doubtful debtors, turnover rents, lettings signed or in the process of being signed and rental incentives, in addition to the list of let and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions nor an environmental analysis. We have not investigated past events in order to determine if the ground or buildings have been contaminated. Unless provided with information to the contrary we have worked on the assumption that the assets are not and should not be affected by ground pollution and that the state of the land will not affect their current or future usage.

Town planning

We have not studied planning consents or other permits and have assumed that the assets have been built and are occupied and used in conformity with all necessary authorisations and that any outstanding legal issues have been resolved. We have assumed that the layout of assets conforms to legal requirements and town planning regulations, notably concerning the structural materials, fire safety and health and safety. We have also assumed that any extensions in progress are being undertaken in line with town planning rules and that all necessary permissions have been obtained.

Titres deeds and tenancy schedules

We have relied upon the tenancy schedules, summaries of complimentary revenues, non recoverable charges, capital projects and the business plans which were provided to us. We have assumed, with the exception of what may be mentioned in our individual asset reports, that the assets are not inhibited by any restriction which could impede a sale and that they are free from any restrictions or charges. We have not read the title deeds and have taken as correct the rental, occupational and all other pertinent information that has been provided to us by the Company.

Condition of the assets

We have taken note of the general condition of each asset during our inspection. Our instruction does not include a building or structural survey but we have indicated in our report, where applicable, any maintenance problems which were immediately apparent during our inspection. The assets have been valued based on the information provided by the Company according to which no deleterious material was used in their construction.

Taxation

Our valuations were undertaken without taking into account potential sales or legal fees or taxes which would come into effect in the case of a transfer. The rental and market values produced are net of VAT.

10.3.3. Confidentiality and disclosure

Finally, and in accordance with our standard practice we confirm that our valuation reports are confidential and are addressed solely to the Company. We accept no liability to third parties. Neither the whole reports, nor any extracts may be published in a document, declaration, memorandum or statement without our written consent as regards the form and context in which this information may appear. In signing this Summary Report, the valuation firms accept no liability for the valuations carried out by the other firms.

Christopher WICKER
President
The Retail Consulting Group

Jean-Philippe CARMARANS
President
DTZ Valuation France

Jean-Claude DUBOIS
President
BNP Paribas Real Estate Valuation France

Mike MORRIS
President
Jones Lang LaSalle Expertises

10.4. DOCUMENTS ACCESSIBLE TO THE PUBLIC

The bylaws, minutes of the general meeting of shareholders and other corporate documents, as well as historic financial information, all appraisals and declarations made by experts at the Company's request, and all other documents that have to be kept at the disposal of shareholders in accordance with the law, may be consulted at the Company's head office:

21 avenue Kléber – 75116 Paris (France)
Tel.: +33 1 40 67 55 50

Copies of this registration document are available free of charge from Klépierre (21, avenue Kléber – 75116 Paris – France), and on its website (www.klepierre.com) as well as on the website of the Autorité des marchés financiers (www.amf-france.org)

10.5. STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT WHICH SERVES AS THE ANNUAL FINANCIAL REPORT

I hereby certify, having taken all reasonable measures in this regard, that the information contained in this registration document is, to my knowledge, in accordance with the facts, with no omissions likely to affect its import.

I certify that, to my knowledge, the financial statements have been drawn up in compliance with the applicable accounting standards and present a true and fair view of the assets, liabilities, financial position and income of the Company and of all consolidated companies, and that the management report [pages 49 and seq.] presents a true and fair account of the development, income and financial position of the Company and of all consolidated companies and describes the main risks and uncertainties facing them.

I have obtained an audit completion letter from the statutory auditors in which they indicate that they have verified the information regarding the financial position and financial statements presented in this document and that they have read the document in its entirety.

The consolidated financial statements for the fiscal year ended December 31, 2010, presented in the registration document and filled with the Autorité des marchés financiers (AMF) on March 10, 2011 under registration number D. 11-0122, are the subject of a report issued by the statutory auditors which appears on page 194 of the registration document. They did not point out reservations and their report sets out one observation text is repeated whose hereafter: "Without qualifying our opinion, we draw your attention to the matter set out in Note 2 to the consolidated financial statements regarding the changes in accounting rules and methods."

Paris, March 18, 2013

Laurent MOREL
Chairman of the Executive Board

10.6. PERSONS RESPONSIBLE FOR AUDITS AND FINANCIAL DISCLOSURES

Persons responsible for audits

Statutory auditors

Deloitte & Associés
185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine
572028041 R.C.S. NANTERRE
Joël ASSAYAH/José-Luis GARCIA
1st appointment: GM of June 28, 2006
End of term: fiscal year 2015

Mazars
61, rue Henri Régnault
92400 Courbevoie
784824153 R.C.S. NANTERRE
Julien MARIN-PACHE/Gilles MAGNAN
1st appointment: GM of November 4, 1968
End of term: fiscal year 2015

Alternate statutory auditors

Société BEAS
7-9, villa Houssay
92200 Neuilly-sur-Seine
315172445 R.C.S. NANTERRE
1st appointment: GM of June 28, 2006
End of term: fiscal year 2015

Patrick DE CAMBOURG
61, rue Henri Régnault
92400 Courbevoie
1st appointment: GM of April 8, 2004
End of term: fiscal year 2015

Person responsible for financial disclosures

Jean-Michel GAULT
Member of the Executive Board – Deputy CEO
Tel.: +33 1 40 67 55 05

10.7. REGISTRATION DOCUMENT CONCORDANCE TABLE

No.	Sections shown in Annex I of Regulation (EC) no. 809/2004 of April 29, 2004	Page No.
21.	**Additional information**	
21.1.	**Share capital**	
21.1.1.	Amount of issued capital	233; 236
21.1.2.	Shares not representing capital	–
21.1.3.	Number, book value and par value of shares held by the issuer	75; 236; 267
21.1.4.	Total securities conferring a right to share capital	110-112
21.1.5.	Information about the terms of any acquisition rights over securities issued but not fully paid up	–
21.1.6.	Information about any capital of any member of the Group which is under option	191; 224-225
21.1.7.	History of the share capital	236
21.2.	**Memorandum of association and bylaws**	
21.2.1.	Corporate purpose	231
21.2.2.	Summary of bylaws	231-232
21.2.3.	Description of rights, preferences and restrictions attached to each class of existing shares	232
21.2.4.	Description of action required to change shareholder rights	232; 257
21.2.5.	Description of conditions for convening general meetings of shareholders	232
21.2.6.	Provisions of the bylaws relating to control of the Company	–
21.2.7.	Provisions setting the ownership thresholds above which shareholder ownership must be disclosed	237
21.2.8.	Description of the conditions governing changes in the capital	233-234
22.	**Material contracts**	**240-243**
23.	**Third party information, statements by experts and declarations of any interest**	
23.1.	**Experts' statements**	**282-283**
23.2.	**Information from third parties**	**–**
24.	**Documents publicly available**	**284**
25.	**Information on holdings**	**167-171; 218-219**

10.8. ANNUAL FINANCIAL REPORT CONCORDANCE TABLE

This registration document contains all of the elements of the annual financial report mentioned in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code and in article 222-3 of the General Regulations of the *Autorité des marchés financiers* ("the AMF"). A concordance table referencing the documents mentioned in article 222-3 of the AMF's General Regulations and the corresponding sections of this reference document is provided below.

Annual financial report	Page No.
Declaration of the persons responsible for the document	**284**
Management report	
Analysis of the results, financial situation and risks, and list of delegations regarding the capital increase of the parent company and consolidated group (art. L. 225-100 and L. 225-100-2 of the French Commercial Code)	53-76; 89-96; 233-234
Information required by article L.225-100-3 of the French Commercial Code concerning issues potentially relevant to any public offering	233-234; 257
Information concerning share buybacks (art. 225-211, paragraph 2 of the French Commercial Code)	75
Financial statements	
Parent company financial statements	207-226
Auditors' reports on the parent company financial statements	227
Consolidated financial statements	145-205
Auditors' reports on the consolidated financial statements	206

Pursuant to article 28 of EC Regulation no. 809-2004 of April 29, 2004, the following elements are incorporated by reference:

- the consolidated financial statements for the fiscal year ended December 31, 2011 and the corresponding statutory auditors' report, set out respectively on pages 159 to 223 and 224 of the registration document filed with the AMF under number D.12-0230 on March 28, 2012;
- the consolidated financial statements for the fiscal year ended December 31, 2010 and the corresponding statutory auditors' report, set out respectively on pages 132 to 193 and 194 of the registration document filed with the AMF under number D.11-0122 on March 14, 2011.

10.9. ENVIRONMENTAL, SOCIETAL AND SOCIAL INFORMATION CONCORDANCE TABLE

Articles R. 225-104 and R. 225-105 of the French Commercial Code (Code de commerce), and implementing decree of law no. 2012-557 of 24 April 2012 (known as Grenelle 2)	EPRA	GRI/CRESS	Page no.
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Recognition of any other activity-related pollution			117; 123-124; 127
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Water consumption and supply depending on local constraints	X	EN8 CRE2	121-122; 140-141
Raw material consumption and measures to improve efficiency in use			124; 140-141
Energy consumption, measures taken to improve energy efficiency and the use of renewable energy	X	EN3 EN4 CRE1	117-119; 140-141
Land use			121; 123
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Greenhouse gas emissions	X	EN16	119-121; 140-141
Recognizing the impact of climate change	X	CRE3	117; 119; 121
Protection of biodiversity			
Measures to limit damage to the biological balance, the natural environment and protected animal and plant species			123-124; 140-141
SOCIETAL INFORMATION			
Territorial, economic and social impact of activities			
Business impact on employment and regional development			127-128
Business impact on local populations			127-128
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Dialogue with stakeholders		PR5	125-127; 140-141
Support, partnership and sponsorship activities			127-128; 140-141
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Social and environmental challenges in purchasing policy			126-127
Importance of outsourcing			126-127
Social and environmental responsibility in supplier and outsourcing relations			126-127
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Measures to promote health and safety of consumers			126
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Employment			
Total workforce and breakdown by gender, age and region		LA1	129; 135-136
Hirings and redundancies		LA2	129-130
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Articles R. 225-104 and R. 225-105 of the French Commercial Code (Code de commerce), and implementing decree of law no. 2012-557 of 24 April 2012 (known as Grenelle 2)	EPRA	GRI/CRESS	Page no.
Work organization			
Work time organization		LA1	131
Absenteeism		LA7	131
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Social dialogue organization, and particularly procedures for information, consultation and negotiation with employees		LA4	132
Collective agreements achievements			132; 135-137
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Occupational health and safety conditions		LA6 LA7	133
Achievements of occupational health and safety agreements signed with trade unions and employee representatives		LA9	133
Work accidents, their frequency and severity, and occupational illness		LA7	133
Training			
Policies implemented regarding professional training for employees		LA11	134
Total number of training hours		LA10	136
Diversity and equal opportunities			
Implemented measures in favor of gender equality		LA13	135-136; 142-143
Implemented measures in favor of disabled people employment and integration			136; 142-143
Anti-discrimination and diversity policy		LA13	131; 136-137; 142-143
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Freedom of association and effective recognition of the right to collective bargaining		HR5	126; 132
Elimination of discrimination in respect of employment and occupation		HR4	126; 132; 135-137; 142-143
Elimination of all forms of forced or compulsory labor		HR7	126; 132
Effective abolition of child labor		HR6	126; 132

GLOSSARY

Ademe *(Agence de l'environnement et de la maîtrise de l'énergie)*
This French agency was created in 1990. It offers businesses, local governments and individuals sustainable development solutions.

Agenda 21
A concrete action plan intended to make sustainable development a reality in the field. The method was initiated by the Rio Earth Summit in 1992, and has since been widely developed locally.

Anchor
A retailer whose strong appeal as a consumer magnet plays a leading role in the animation and creation of traffic within a specific retail or commercial zone or a shopping center.

Bilan Carbone®
A tool for measuring greenhouse gas emissions that enables an accurate assessment of the individual contribution to climate change and dependency on fossil fuels.

Biodiversity
Biodiversity, or biological diversity, includes all of the living species that live on earth (plants, animals, microorganisms, etc.), the communities they form and the habitats in which they live.

Box
A stand-alone retail space that is generally situated near or in the parking lot of a retail mall or a retail park, designed to enhance the appeal of the latter.

BREEAM (Building Research Establishment Environmental Assessment Method)
Method of environmental assessment for buildings that was developed by the Building Research Establishment (UK).

Capitalization rate (cap rate)
The average capitalization rate corresponds to the ratio of total expected net rents for occupied and vacant properties to the value, transfer duties excluded, of these same properties. Transfer duties are the fees for any change in ownership when the asset or its owning company is sold (notary fees, deed and title, registration, etc.).

Catchment area
A habitual or theoretical area from which a point of sale or shopping center draws its potential customers. The scope of this area is influenced by the distance and time it takes to gain access.

CDAC *(Commission départementale d'aménagement commercial)*
A French administrative commission that rules on commercial and retail projects submitted for prior approval.

CNCC *(Conseil national des centres commerciaux)*
French professional organization that brings together the players that participate in the promotion and development of shopping centers: developers, owners, managers, retailers, service providers and merchant organizations.

Constant/current portfolio basis
The Group analyzes the change in some indicators either by taking into account all of the holdings it actually owned over the period or date of analysis (current portfolio), or by isolating the impact of any acquisitions, extensions or disposals during the period, in order to obtain a stable basis of comparison (constant portfolio).

Corporate governance
All of the relationships between the executive leadership of a business, its board of directors, its shareholders and other stakeholders. Corporate governance also provides the framework within which corporate objectives are set, the resources needed to achieve them are defined, and performance assessment standards are agreed to.

Development pipeline
Also called development potential, the development pipeline is the name given to all investments that the Group plans to undertake, over a given period of time, related to the creation, extension and/or renovation of portfolio assets or the acquisition of assets or of companies. The Klépierre development pipeline is generally set out over a five-year period and is broken down into 3 categories:

- ongoing operations: operations in progress, in which Klépierre has land ownership and has obtained all the required administrative authorizations;
- operations in development: operations at an advanced stage of planning, in which Klépierre has obtained land ownership (an acquisition has been completed or the sale has been agreed subject to associated conditions precedent, for example, the attainment of administrative authorizations);
- operations under negotiation, for which deal arrangements and negotiations are underway.

Directory
Information panel showing the location of all stores and services offered in a shopping center to assist customers in finding their way around. The information may also be displayed in the form of an interactive touch-screen.

Diversity charter
An initiative undertaken in late 2004, this document formally condemns discrimination in hiring and employment. It expresses the desire of the signatories to promote a better reflection of the diversity of the French population in their workforce. The Group signed it on July 31, 2010.

EMS (Environmental Management System)
A management tool that allows businesses to roll out processes that lead to reduced environmental impacts. These systems are designed to help organizations achieve lasting improvements and make continuous progress in the area of the environment.
The ISO 14001 standard, among others, sets forth specifications and guidelines for the use and implementation of EMS. It also defines the principles and procedures governing environmental audits as well as the criteria environmental auditors must satisfy.

EPRA (European Public Real Estate Association)
This trade association has more than 200 of Europe's public real estate companies as members. It publishes recommendations intended to ensure that the financial reporting disclosures of publicly-traded real estate companies are more standardized and more detailed.

EPRA NNNAV
This indicator corresponds to revalued net assets, excluding transfer duties, and after deferred taxes and marking to market of fixed-rate debt and financial instruments.

Extra-financial rating agencies
Agencies that rate businesses on their performances in the three areas of sustainable development: economic, environmental and social. They provide investors with a grid for assessing businesses from an extra-financial perspective.

Financial occupancy rate (vacancy rate)
The financial occupancy rate is the ratio of annual contractual rents occupied to total contractual rents occupied plus target rents for all vacant spaces (the latter are estimated on the basis of market data). A corollary to the financial occupancy rate, the vacancy rate expresses the percentage of vacant properties. Klépierre measures these rates by using the notion of minimum guaranteed rent (MGR) for occupied properties and not the market rents. The EPRA uses the latter for its definition of vacancy rate.

GLA (Gross Leasable Area)
Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.

Green lease
An added clause or schedule to a lease whose aim is to encourage a more constructive dialogue between lessees and lessors on environmental issues in general and energy efficiency in particular.

Greenhouse gases
Gases that absorb infrared rays emitted by the earth's surface, contributing to the greenhouse effect. Increasing the concentration of greenhouse gases in the earth's atmosphere is a decisive factor in climate change.

Grenelle de l'environnement
A legislative process initiated in France in 2007, the Grenelle Environmental Forum brought together five different collegial groups (elected officials, business, trade unions, NGOs and the government) for the purpose of bringing about a green revolution. A draft bill known as Grenelle 1 was adopted by the French Parliament on July 23, 2009. The Grenelle 2 Act, which specifies its application, was passed on June 29, 2010.

GRESB (Global Real Estate Sustainability Benchmark)
Non-profi t organization whose primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector.
Created in 2009, it brings together 15 of the leading pension fund managers and key property sector bodies, including EPRA (European Public Real Estate Association) and ECCE (European Centre for Corporate Engagement – an international research association based in the University of Maastricht).

GRI (Global Reporting Initiative)
Originally established in 1997, this initiative seeks to develop the directives that are applicable internationally in the area of sustainable development and report on the economic, environmental and social (HR) performances of companies. It proposes a benchmark of indicators that enable the measurement of progress made in corporate sustainable development programs.

Gross rent
Contractual rent composed of minimum guaranteed rent, to which is added any additional variable rent (percentage rent), which is calculated on the basis of the retail tenant's sales revenue.

HQE® *(Haute Qualité Environnementale)*
This label was first rolled out in 1996 to limit the environmental impacts of construction or renovation projects: natural resource consumption, waste management, noise pollution, etc. The label has identified 14 requirements, which pertain to respect for and protection of the outside environment and the creation of a satisfactory interior environment.

Hypermarket
A retail establishment that displays and sells a broad assortment of both food and non-food products over a sales space that exceeds 2 500 sq.m.

Hypermarket mall
A shopping center that generally features a limited number of shops whose retail mix is dominated by convenience services and whose retail anchor is a hypermarket.

ICC *(Indice du coût de construction)* – French Cost of Construction index
This is one of 2 reference indices used to adjust the rents on retail properties. It is published quarterly by Insee and calculated on the basis of data emerging from the quarterly survey on the trend in the cost price of new housing (PRLN). Using a representative sample of building permits, this survey provides information on markets trends, the characteristics of construction, as well as factors that can be used to derive land expenses (price of land, any demolitions, various taxes, etc.). It is also currently the reference index used to make adjustments to office rents.

ICSC (International Council of Shopping Centers)
The International Council of Shopping Centers was founded in 1957 and groups more than 75 000 players in 80 countries. It seeks to promote and develop shopping centers.

ILC *(Indice des loyers commerciaux)* – French Commercial Rent Index
The ILC is published monthly by Insee and is composed of the ICC (25%), the ICAV (retail trade sales index, expressed in value, for 25%), and the IPC (consumer price index, for 50%). The ICAV, published monthly by Insee, is calculated on the basis of a sample of sales revenue reports filed by 31 000 businesses. The IPC, published monthly in the Official Gazette, is an indicator that is commonly used to measure inflation. The use of the ILC for retail rental price adjustments is possible since the August 4, 2008 law on economic modernization went into effect pursuant to the application decree dated November 6, 2008.

ISO 14001
International environmental certification that acknowledges the implementation of an Environmental Management System (EMS).

Klécœur
Endowment fund of Klépierre that was set up in 2010 to help finance employee commitment to causes that benefit the community and publicize the initiatives in various countries.

Klépierre University
The Group's corporate university, whose objectives are to share know-how inside the company and promote the emergence of a common culture.

Late payment
Late payment (rent, utilities and taxes, including VAT sales tax) corresponds to any payment that has not been received on the due date, and integrated into reporting as of the first day the past due payment is observed. Considering that most unpaid amounts in fact correspond to late payments, Klépierre discloses a late payment rate at 6 months.

LTV (Loan-to-Value)
Consolidated net debt divided by the revalued asset value (for the whole consolidated group). If subordinated debt is included in the calculations it is called total LTV, otherwise it is senior LTV.

MGR
The minimum guaranteed rent payable under the terms of the lease. Also referred to as base rent.

Mid-sized unit
A retail outlet whose sales area covers more than 750 sq.m.

NAV (Net asset value)
NAV is an indicator that measures the break-up value of a real estate company. Schematically, it represents the difference between the value of the company's assets (as estimated by independent appraisers) and the total sum of its debts or liabilities. The management report describes in greater detail how NAV is calculated.

Net current cash flow
This indicator corresponds to the amounts generated by the routine operations and business of the Company, after taking interest and tax expense into account. The "Business for the year" section of the report describes in detail how net current cash flow is calculated.

Net rent
Gross rent less fees, non-recovered rental charges (in particular due to vacancies), expenses chargeable to the owner and, if applicable, expenses related to the land on which the rental unit sits.

Personal shopper
A personal adviser assisting customers with their purchases or making such purchases on their behalf.

Protected sector
In France, the sector that allows people with disabilities to exercise a professional activity under conditions adapted to their possibilities. In France, this activity may be carried out in an ESAT *(Établissement et Service d'Aide par le Travail)* or an EA *(Entreprise Adaptée)*. Similar sectors exist in Klépierre's other countries of location.

Regional shopping center
A shopping center that features a large number of stores, and whose retail mix is characterized by an integrated and broad range of goods and services, including several retail anchors (mid-sized units, hypermarket).

Renewable energies
Energies exploited by humans in such a way that reserves are not exhausted. In other words, they form faster than they can be used.

Rentable floor area
Gross leasable area owned by Klépierre and on which Klépierre collects rents.

Rental gain
Additional minimum guaranteed rent (MGR) obtained as a result of reletting or when a lease is renewed with the same tenant (excluding additional MGR obtained when a property is leased for the first time).

Retail park
An open air retail complex located on the outskirts or in the suburbs of a metropolitan area, which groups together a number of different retailers that offer related or complementary merchandise.

Retail real estate business
The business of owning and/or managing retail assets (shopping centers, retail parks, boxes, etc.).

Sale and purchase promissory agreement
A contractual instrument signed by and between a seller and a buyer, according to which both parties undertake to proceed to the sale of an asset at a given price and before a defined date, indicated in the same instrument.

Senior workers
Pursuant to applicable law in France, any employee who is aged 55 or more is considered to be a senior worker with respect to career management. For recruitment, the threshold is set at 50. The Group entered into an agreement pertaining to the employment of senior workers in October 2009.

Shopping center
A group of at least 20 stores and services that form a gross leasable area (GLA) of at least 5 000 sq.m., designed, built and managed as a single entity.

SIIC *(Société d'investissements immobiliers cotée – REIT)*

Tax regime allowed under article 208-C of the French General Tax Code that allows joint stock companies that are publicly listed and whose stated equity capital exceeds 15 million euros, optionally and subject to certain conditions, as part of their primary business activity of acquiring and/or constructing buildings for the purpose of leasing them and direct or indirect ownership of equity in corporations whose business purpose is identical, to qualify for corporate tax exemption on:

- earnings from the rental of buildings, provided that 85% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are earned;
- the capital gains realized on the sale of buildings, equity in partnerships or in subsidiaries that have opted for SIIC status, provided that 50% of these capital gains are distributed to shareholders before the end of the second fiscal year that follows their generation;
- dividends received from subsidiaries that qualify for SIIC status when these dividends arise as a result of profits and/or capital gains that are exempt from tax under the SIIC arrangements, subject to the provision they are 100% distributed in the course of the fiscal year that follows the year in which they were granted.

Klépierre opted for the SIIC status in 2003.

In 2008 tax provisions facilitating the sale of real estate assets to a SIIC (provisions of article 201 E, I of the French General Tax Code) commonly referred to as SIIC 3, were extended until December 31, 2011. Reduced taxation applicable to capital gains realized on the sale of properties sold to a SIIC under this regime is not in force since January 1st 2012 anymore. Further provisions, commonly referred as SIIC 4 and SIIC 5 which went into effect on January 1st 2010, stipulate that no shareholder, acting alone or in concert with others, may control more than 60% of the equity capital of a company that has opted for the SIIC status. In the event of non-compliance with this threshold, the Company would lose the SIIC status.

Specialty leasing

The term specialty leasing refers to a series of services offering a wide range of communication media to retail chains to promote their products (in-store and out-of-store poster campaigns for shopping centers, plasma screens, event organization, temporary lets for promotional purposes, etc.). Klépierre has two entities specifically dedicated to this activity: Klépierre Brand Ventures and Steen & Strøm Media Partner.

Stakeholders

Any individual or group that may affect or be affected by the accomplishment of the objectives of the organization. Stakeholders may be inside the Group (employees) or external to it (clients, suppliers, shareholders, lenders, etc.).

Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their needs. Development that is economically efficient, ecologically sustainable and socially equitable.

USE (Unique Shopping Experience)

A complete program of techniques and procedures whose aim is to optimize the experience of clients and the services they are offered at all Group shopping centers.

WFA (Weighted Floor Area)

Floor area figures are given as weighted sq.m. The various types of office spaces (Offices, Archives – Parking – Employee Food Services) are weighted to calculate a price per square meter of office space for all space in the office building.

Yield rate

This rate, which unlike the cap rate allows us to determine a transfer duties included value, is used by our appraisers to estimate the value of the holdings. It is defined on the basis of an analysis of comparable recent transactions and criteria specific to the type of asset under consideration (location, sales area, rental reversion potential, possibility of extensions, percentage ownership, etc.).

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