



2009 HALF YEAR RESULTS: STRONG CONTRIBUTION FROM EXTERNAL GROWTH

The Supervisory Board, meeting on July 24, 2009, reviewed the business of the Company and approved its financial statements for the six months ended June 30, 2009, as presented by the Manager.

<i>In millions of euros</i>	<i>June 30, 2009</i>	<i>June 30, 2008</i>	<i>Change (%)</i>	<i>Change on a constant portfolio basis</i>
Lease income	20.8	15.1	37.7%	+6.4%
Net lease income	19.6	14.2	38.0%	
Cash flow from operations	19.3	14.0	38.4%	
<i>In euros per share</i>				
Net current cash flow	1.31	1.01	29.9%	
Net earnings	-1.19	0.53	n/a	
RNAV, excluding transfer duties ⁽¹⁾	17.27	26.72	-35.4%	
RNAV, including transfer duties ⁽¹⁾	21.57	31.07	-30.6%	

⁽¹⁾ after taxes on unrealized capital gains and marking to market of financial instruments.

RENTS GROW BY 37.7% ON A CURRENT PORTFOLIO BASIS

Rents came to 20.8 million euros for the six months ended June 30, 2009, an increase of 6.4% on a constant portfolio basis (+€0.9M) that reflects the combined impact of:

- index-linked rent adjustments with a global impact of 7.5% on minimum guaranteed rents (+€1.0M): 80% of leases are pegged to the French ICC (cost of construction index) for 2nd quarter 2008 (+8.85%);
- a decrease in additional variable rents (-€0.3M) due to the significant index-linked adjustments;
- the contribution of rental capital gains realized thanks to rental reversion transactions.

On a current portfolio basis, the 37.7% increase is primarily driven by the acquisitions completed in 2008 and over the 1st half of 2009.

On June 30, 2009, the Buffalo Grill group accounted for 63% of total rents (compared with 74% one year earlier). Operating under various brand banners, the Vivarte group is the second biggest tenant of Klémurs, providing 15% of total rents (as opposed to 7% one year earlier).

The default rate on June 30, 2009 was very low: 0.2%.

The financial occupancy rate was 99.7% (versus 99.6% one year earlier), following the reletting of vacant space to two new tenants in the course of the six-month period.

INVESTMENTS: DISCIPLINED ASSET SELECTION PROCESS

A total of 18.4 million euros was outlaid for investments made in the course of the 1st half of 2009:

- the acquisition of 4 additional Buffalo Grill restaurants for a total of 6.9 million euros including transfer duties and expected net rent of 0.5 million euros a year;
- the addition of 6 stores to the retail property portfolio, mainly operated by Chaussée, for 4.4 million euros and net rents of 0.3 million euros;
- the acquisition of 2 Feu Vert points of sale (located in the retail districts of Barentin and Toulon) for 2.8 million euros and net rents of 0.2 million euros;
- a total of 4.2 million euros devoted to pursuing the development of the Retail Park in Chalon-sur-Saône, whose first shops began doing business in the month of July.

NET CURRENT CASH FLOW PER SHARE: +29.9%

Cash flow from operations rose by 38.4%, reaching 19.3 million euros for the six months ended June 30, 2009. After the net cost of debt is factored in, net current cash flow comes to 10.8 million euros. It is 1.31 euro per share, compared with 1.01 euro per share for the six months ended June 30, 2008, an increase of 29.9%.

Net debt decreased from 389.2 million euros on December 31, 2008 to 363.7 million euros on June 30, 2009, a change that mainly reflects the impact of a subordinated loan of 40 million euros that Klépierre granted Klémurs on June 30, 2009, which is booked as equity. Thanks to this transaction, Klémurs is able to fully respect its banking covenants, and has a Loan-To-Value ratio of 59.3% on June 30, 2009 (the upper threshold is 65%). The average cost of debt on June 30, 2009 is 4.5%, compared with 4.6% for the full year 2008.

Consolidated net income for the period was -9.8 million euros, and includes an asset impairment allowance of 14.2 million euros.

RNAV: €21.57 PER SHARE

The value of Klémurs' holdings, transfer duties included, was 614.2 million euros at the June 30, 2009 reporting date, compared with 642.1 million euros at year-end 2008 (a decline of 4.3%). On a constant portfolio basis, the decline is 7.2%, as higher rents only partly offset the correction in yield rates (+80bps over 6 months) that reflects the prevailing trend in the commercial real estate market.

RNAV, transfer duties includes, after taxes on unrealized capital gains and marking to market of financial instruments, came to 21.57 euros per share, versus 27.62 euros for the year ended December 31, 2008 (-21.9%).

OUTLOOK

For the full year, Klémurs expects to see double-digit growth in its net current cash flow per share, primarily driven by the full-year impact of acquisitions made in 2008-2009.

Upcoming events and publications:

October 27, 2009

2009 3rd quarter revenue release

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INCOME STATEMENT

<i>In thousands of euros</i>	June, 30 2009	December, 31 2008	June, 30 2008
Lease income	21 078	33 667	15 095
Land expenses (real estate)	-4	-10	-
Non-recovered rental expenses	-88	-18	-8
Building expenses (owner)	-1 426	-2 329	-916
Net lease income	19 560	31 310	14 171
Management, administrative and related income	-	-	10
Other operating income	73	201	100
Payroll expense	-	-	-
Other general expenses	-38	-50	-77
Depreciation and amortization allowance on investment property	-20 776	-16 049	-4 773
Depreciation and amortization allowance on PPE	-	-	-
Provisions for contingencies	-	-	-
RESULTS OF OPERATIONS	-1 181	15 412	9 431
Gains on the sale of investment property and equity interests	-	-	-
Net book value of investment property and equity investment sold	-	-	-
Results of the sale of investment property and equity interests	-	-	-
Net dividends and provisions on non-consolidated investments	-	-	-
Net cost of debt	-8 531	-13 803	-5 607
Change in the fair value of financial instruments	-	-	-
Effect of discounting	-57	230	310
PRE-TAX EARNINGS	-9 769	1 839	4 134
Corporate income tax	-13	206	197
NET INCOME OF CONSOLIDATED ENTITY	-9 782	2 045	4 331
of which			
Group share	-9 782	2 045	4 331
Minority interests	-	-	-
Net income per share (in euro)	-1.2	0.2	0.5

GLOBAL INCOME STATEMENT (REVISED IAS 1 STANDARD APPLICABLE AS OF JANUARY 1ST, 2009)

<i>in thousands of euros</i>	June, 30 2009	December, 31 2008	June, 30 2008
NET INCOME OF CONSOLIDATED ENTITY	-9 782	2 045	4 331
Other elements of the global income (excluding taxes):	-4 494	-22 703	10 276
<i>Results on the sale of treasury shares</i>	-43	-108	-8
<i>Effective portion of the gains and losses on cash flow hedge instruments (IAS 39)</i>	-4 676	-22 709	10 320
<i>Gains and losses from the conversion of financial statements of foreign activities</i>	-	-	-
<i>Taxes on other elements of the global income</i>	225	114	-36
Share of other elements of the global income from equity method securities	-	-	-
TOTAL GLOBAL INCOME	-14 276	-20 658	14 607
GLOBAL INCOME per share (in euros)	-1.7	-2,5	1.8

BALANCE SHEET

<i>In thousands of euros</i>	June, 30 2009	December, 31 2008	June, 30 2008
Investment property	538 959	543 205	529 473
Fixed assets in progress	8 448	4 304	4 556
Property held for sale	-	-	-
Non current assets	116	115	121
Interest rate swaps	-	-	16 183
Deferred tax assets	197	9	-
NON-CURRENT ASSETS	547 720	547 633	550 333
Inventory	-	-	-
Trade accounts and receivables	3 529	1 701	1 711
Other receivables	2 369	5 989	3 997
<i>Tax receivables</i>	<i>1 810</i>	<i>3 861</i>	<i>3 185</i>
<i>Other debtors</i>	<i>559</i>	<i>2 128</i>	<i>812</i>
Cash and near cash	235	517	957
CURRENT ASSETS	6 133	8 207	6 665
TOTAL ASSETS	553 853	555 840	556 998
Capital	82 500	82 500	82 500
Additional paid-in capital	53 457	61 707	61 707
Statutory reserve	212	212	212
Consolidated reserves	24 221	-13 359	19 573
- <i>Treasury shares</i>	-268	-276	-324
- <i>Fair value of financial instruments</i>	-21 792	-17 341	15 538
- <i>Other equity instruments</i>	40 000	-	-
- <i>Other consolidated reserves</i>	9 782	4 242	4 343
- <i>Carried forward</i>	-3 501	16	16
Consolidated earnings	-9 782	2 045	4 331
Shareholders' equity, group share	150 608	133 105	168 323
Minority interests	-	-	-
SHAREHOLDERS' EQUITY	150 608	133 105	168 323
Non-current financial liabilities	319 668	322 576	325 635
Long-term allowances	-	-	-
Interest rate swaps	23 919	16 439	-
Security deposits and guarantees	7 382	8 005	8 247
Deferred tax liabilities	-	28	178
NON-CURRENT LIABILITIES	350 969	347 048	334 060
Current financial liabilities	44 293	67 096	47 986
Trade payables	1 366	2 424	2 094
Payables to fixed asset suppliers	300	300	200
Other liabilities	3 040	2 773	818
Social and tax liabilities	3 277	3 094	3 517
Short-term allowances	-	-	-
CURRENT LIABILITIES	52 276	75 687	54 615
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	553 853	555 840	556 998

A. BUSINESS THROUGH JUNE 30, 2009

1. Rental business

In the course of the first six months of 2009, Klémurs collected lease income of 20.8 million euros, an increase of 37.7% compared with the six months ended June 30, 2008 (+5.7 M€).

On a constant portfolio basis, rents increased by 0.9 million euros or 6.4%, reflecting the combined effects of:

- index-linked rent adjustments, with an average impact of 7.5% on minimum guaranteed rents (+€1.0M); it should be noted that 80% of the leases were indexed to the French ICC (cost of construction index) for the 2nd quarter of 2008 (+8.85%);
- the contribution of capital gains resulting from rental reversion;
- a decrease in additional variable rents (-€0.3M) due to the significant index-linked adjustments that contributed to their absorption.

On a constant portfolio basis, Klémurs also benefited from several external growth initiatives, as follows:

- the acquisition in the month of April 2008 of 77 store properties, 67 of them operated by Défi Mode, (+€2.1M) and of 14 retail assets located in Avranches, Messac and Rochefort-sur-Mer (+€0.4M);
- the addition of 17 additional Buffalo Grill restaurants in June 2008 and of 4 others in February 2009 (+€1.3M);
- the contribution made since December 2008 by 21 stores operated under the King Jouet retail banner (+€0.7M) and of 3 retail assets (+€0.1M) located in Berck-sur-Mer (Twinner), Saint-Malo (Casino Cafétéria) and Wasquehal (Feu-Vert);
- the acquisition of 6 retail assets mostly operated by Chaussée and 2 Feu Vert points of sale (located in the parking lots of Carrefour hypermarkets in Barentin and Toulon), completed in the course of the 1st quarter of 2009 (+€0.2M).

Finally, the premises located on rue de Flandre in the 19th arrondissement of Paris, which were vacated on December 31, 2008 by department store tenant BHV, were rehabilitated and redesigned. When this work was completed, they were delivered to Castorama, which opened a retail outlet there on June 9, 2009. This change in tenant was accomplished with an increase in financial conditions of 22.5%.

Rental reversions in the first six months produced the following results:

- a space located in Clermont-Ferrand, which was vacated by King Jouet on January 12, 2009 and then relet to retailer Animalis on January 15, 2009: the new 12-year lease includes a variable rent clause;
- a vacant space in Saint-Étienne-du-Rouvray (Seine-Maritime) was leased to Leader Price on May 19, 2009;
- retail tenant Truffaut (located at Quai de la Gare in the 13th arrondissement of Paris) renewed its lease as of January 1, 2009 for a 12-year term, also with a variable rent clause.

The Buffalo Grill group accounted for 63% of total rents (compared with 74% one year earlier). Operating under various banners (Défi Mode, La Halle and La Halle aux Chaussures in particular), the Vivarte group is the second largest tenant of Klémurs, providing 15% of total rents (as opposed to 7% one year earlier).

The financial occupancy rate on June 30, 2009 was 99.7%, compared with 99.6% on June 30, 2008.

The default rate was 0.2%, versus 0.1% one year earlier.

Business outlook for the 2nd half of 2009

In the course of the 2nd half of 2009, the rise in rents will be driven by the contribution of acquisitions made throughout 2008 and in early 2009. In particular, the 21 stores operated by the King Jouet group and acquired in December 2008 will have an impact of 1.4 million euros on net rents through 2009.

In addition, Klémurs will get a boost from the opening of the Chalon-sur-Saône Retail Park in the 3rd quarter of 2009.

Tenant Buffalo Grill decided to refuse to pay a portion of the rent due on some of its restaurants, payable July 1 for the period extending from July 1 to September 30, 2009. This amount, which pertained to the implementation of the index-linked adjustment clause in its lease, comes to around 600 000 euros excluding taxes. Klémurs considers the position of Buffalo Grill to have no legal basis and has already taken steps to ensure recovery of the amount.

2. Investments made in the first six months of 2009

In the course of the first six months of 2009, Klémurs made investments totaling 18.4 million euros, as follows:

- the acquisition of 4 additional Buffalo Grill restaurants (Liévin, Château-Thierry, Cherbourg and Vesoul) for a total of 6.9 million euros including transfer duties and expected net rents of 0.5 million euros a year: this acquisition brings to 157 the number of restaurant properties owned by Klémurs on June 30, 2009;
- the addition of 6 stores to the retail property portfolio, mainly operated by Chaussée, for 4.4 million euros and net rents of 0.3 million euros;

- the acquisition from Klépierre of 2 Feu Vert points of sale (Barentin and Toulon) for 2.8 million euros and net rents of 0.2 million euros;
- a total of 4.2 million euros devoted to pursuing the development of the Retail Park in Chalon-sur-Saône (which brings the total invested since inception to €11.7M€, out of a total of €14.3M for full year net rents of €1.1M).

Opening of the first shops in the Chalon-sur-Saône Retail Park

The retail outlets Top Office (office supplies and furniture), Maxizoo (pet specialist) and Grand Optical (optics) opened their doors for business in the month of July. In August, both Boulanger (multimedia and home appliances) and Tati (general store) are scheduled to open, while music retailer Milonga (musical instruments and accoutrements) plans to begin doing business in September. All premises in the Retail Park are now leased up.

Located in the most dynamic shopping area of Chalon-sur-Saône, this Retail Park – the first project developed by Klémurs – will get a boost from the immediate proximity of a Castorama outlet and a mall featuring 50 shops and a Carrefour hypermarket.

Investment outlook for the 2nd half of 2009

During the 2nd half of 2009, Klémurs will pursue its investments in the Chalon-sur-Saône Retail Park. An amendment to the agreement forged in 2007 by and between Klémurs and Foncière Montel, which pertains to the acquisition of shops that mostly operate under the Défi Mode banner, is expected to be signed by the end of July. Under the terms of this agreement, the number of sites to be acquired will be lowered from 50 to 25 for a total outlay of around 28 million euros.

B. CONSOLIDATED EARNINGS AND CASH FLOW

1. Consolidated earnings for the six months ended

<i>in millions of euros</i>	June 30, 2009	June 30, 2008	Change	Change (%)
Lease income	20.8	15.1	5.7	37.7%
Other lease income	0.3	0.0	0.3	
Non-recovered rental expenses	-0.1	0.0	-0.1	
Building expenses	-1.4	-0.9	-0.5	55.7%
Net rents	19.6	14.2	5.4	38.0%
Other operating income	0.1	0.1	0.0	
Depreciation and amortization expense	-20.8	-4.8	-16.0	
Other general expenses	0.0	-0.1	0.0	-51.9%
Operating result	-1.2	9.4	-10.6	
Cost of debt	-8.5	-5.6	-2.9	51.9%
Effect of discounting	-0.1	0.3	-0.4	
Pre-tax earnings	-9.8	4.1	-13.9	
Corporate income tax	0.0	0.2	-0.2	
Net income	-9.8	4.3	-14.1	

Other lease income is attributable to the deferred payment of the signing fee that was billed when the Castorama lease for the rue de Flandre property in Paris was concluded.

Building expenses came to 1.4 million euros and mainly include 0.8 million euros of rental management fees, appraisal fees and audit fees paid to independent auditors.

The increase (+€0.5 M) is primarily due to the rise in fees on rents collected, concomitant to rent increases, as well as to higher appraisal fees following new acquisitions.

For the six months ended June 30, 2009, depreciation and amortization totaled 20.8 million euros, including 14.2 million euros for asset impairment allowances. These are calculated on the basis of the difference between the net book value of assets and their current market value excluding transfer duties, as estimated by an independent appraiser. The assets in question are mainly certain Buffalo Grill restaurants, certain Défi Mode retail outlets and the 2 Sephora stores.

The cost of debt rose due to the cost of financing acquisitions, particularly those completed at the end of the 1st half of 2008. The cost of debt for the first six months of 2009 is 4.5%.

For the six months ended June 30, 2009, Klémurs generated a consolidated loss of 9.8 million euros.

2. Change in cash flow per share

<i>in millions of euros</i>	June 30, 2009	June 30, 2008	Change (%)
Operating result	-1.2	9.4	-112.5%
+ Depreciation and amortization – investment property	20.5	4.5	
Current cash flow from operations	19.3	14.0	38.4%
- Net cost of debt	-8.5	-5.6	
Pre-tax current cash flow	10.8	8.4	29.3%
- Current corporate income tax	0.0	0.0	
Net current cash flow	10.8	8.4	29.3%
<i>Per share (in euros)</i>			
Number of shares	8 228 457	8 231 980	
Cash flow from operations	2.35	1.70	38.2%
Pre-tax current cash flow	1.31	1.01	29.9%
Net current cash flow	1.31	1.01	29.9%

Net current cash flow per share increased by 29.9% in one year, thanks in part to the satisfactory performances of the real estate portfolio in terms of rents on a constant portfolio basis (+6.4% or +€0.9M) but mainly to the investments made, particularly at the end of the 2nd half of 2008, whose rate of return is higher than the average cost of the debt.

C. VALUE OF HOLDINGS AND REVALUED NET ASSETS (RNAV)

1. Methodology

RNAV (revalued net assets) per share is calculated each year on December 31 and on June 30. The method used to establish RNAV is to add the unrealized capital gains on the real estate portfolio resulting from the difference between their market values as estimated by an independent appraiser and the net book values as carried in the Company's consolidated financial statements, which are established using the cost method.

Valuation of the real estate assets

For the six months ended June 30, 2009, the task of appraising the assets in the Klémurs portfolio was entrusted to two appraisers. The Retail Consulting Group (RCG) performed this appraisal for the Paris Flandre, Paris Seine Rive Gauche and Rouen Candé assets, as well as for the 153 Buffalo Grill restaurant properties in the portfolio on December 31, 2008 and the 5 assets acquired from Klépierre in 2008-2009. Atisreal performed the appraisal for the following assets: the portfolio of retail assets which joined Klémurs' holdings via the acquisition of Cap Nord in April 2007, the 2 Sephora retail properties acquired in December 2007, one in Metz and the other in Avignon, the 14 assets located in Avranches, Messac and Rochefort-sur-Mer, the 77 stores, mainly operating under the Défi Mode banner, acquired in April 2008, and the 21 King Jouet retail stores acquired in December 2008.

This appraisal was conducted in accordance with the specifications developed by AFREXIM¹ (*Association Française des Sociétés d'Expertise Immobilière*) and with the recommendations issued by the COB/CNC "Barthès of Ruyter Work Group"². Fees paid to appraisers are set prior to their property valuation work, on a lump sum basis in accordance with the size and complexity of the assets being appraised, and completely independently of the appraised value of the assets. For the six months ended June 30, 2009, the fees corresponding to the appraisers' work are summarized in the table below:

<i>In thousands of euros (Excluding taxes)</i>	June 30, 2009	
	Appraisal fees	Consulting fees
The Retail Consulting Group	59.8	0
Atisreal	75.3	0
TOTAL	135.1	0

To determine the fair market value of a retail property, appraisers apply a yield rate to annual lease income net of all non-chargeable fees for leased-up premises, and to the net market rental price for vacant properties estimated for the expected vacancy period. From this value are deducted the net present value of all reductions or rebates on leases with step rents, the net present value of all expenses on vacant premises, and all work carried that is done but not re-invoiced to tenants. The discount rate used is equal to the yield rate applied to determine fair market value.

¹ <http://www.afrexim.fr/>

² http://www.amf-france.org/documents/general/3401_1.pdf

Gross rent includes the minimum guaranteed rent (MGR), the variable rent, and the market rate for vacant properties. Net rent is determined by deducting all expenses from gross rent: management fees, expenses that are not re-invoiced to tenants, expenses incurred on vacant buildings, and losses recorded on unpaid receivables past due.

The appraiser determines the yield rate on the basis of numerous variables, in particular retail sales area, layout, competition, type and percentage of ownership, rental reversion and extension potential, and comparability with recent market transactions, plus any difference between the rent paid to Klémurs and the going rental rate, and the recurrence of the income stream to the leasing owner.

The assets appraised by Atisreal were also valued using the discounted future cash flow (DCF) method. This second method determines the value of a real estate asset as the sum of discounted cash flows using the discount rate defined by the appraiser.

The appraiser estimates all of the asset's expected revenues and expenses and derives a terminal future value at the end of the period of analysis (10 years). By comparing market rental values and face rent values, the appraiser captures the property's rental potential by using market rental values at lease expiration less costs incurred to relet the property. Finally, the appraiser discounts these projected cash flows in order to determine the present value of the property asset.

The discount rate takes into account the prevailing risk-free rate, to which will be added a risk and liquidity premium based on the location, the key features and the occupation of each property.

On June 30, 2009, the assets acquired in the course of the 1st half of the year were not appraised and are valued and carried at their acquisition price. They will be appraised for the first time on December 31, 2009 (with the exception of the two Feu Vert stores acquired from Klépierre in the course of the 1st quarter of 2009, which were appraised for the six months ended June 30, 2009).

Valuation of interest rate hedging instruments and debt

In compliance with IAS 39, the fair value of instruments used to hedge future cash flows is directly recorded under consolidated net worth. Consolidated net assets also include the fair value of interest rate and debt hedging instruments that are not recorded under consolidated net worth, as they primarily involve the marking to market of fixed-rate debt that is not hedged. Conversely, the credit margins on floating or variable rate debt are not revalued.

2. Value of holdings

The change in the value of real estate holdings, including duties, is indicated in the table below:

<i>in millions of euros</i>	June 30, 2009	December 31, 2008	Change	Change (%)
Constant portfolio	595.8	642.1	-46.3	-7.2%
Variable portfolio	18.4	0.0	18.4	-
Total portfolio	614.2	642.1	-27.9	-4.3%

The constant portfolio includes assets owned on December 31, 2008. The variable portfolio includes acquisitions that have been made since January 1, 2009, as well as expenditures committed in 2009 for the Retail Park development project in Chalon-sur-Saône, which will be inaugurated in September 2009.

The average yield rate used by appraisers to determine the value of real estate assets owned by Klémurs is 7.00%, compared with an average yield rate of 6.22% for the year ended December 31, 2008. The increase in rate reflects the change in the broader commercial real estate market in the 1st half of 2009, and explains the decline in the portfolio's value on a constant portfolio basis.

3. Determining Revalued Net Assets (RNAV)

Revalued net assets (RNAV) evolved as follows over the period:

<i>in millions of euros</i>	June 30, 2009	December 31, 2008	Change (%)	June 30, 2008
Net worth ⁽¹⁾	110.6 ⁽²⁾	133.1		168.3
Unrealized capital gains real estate portfolio	66.8	94.2		87.4
Taxes on unrealized capital gains	0.0	0.0	-	0.0
Taxes and fees related to the sale of assets	-35.4	-37.5		-35.8
RNAV excluding transfer duties and after taxes on unrealized gains and marking to market of financial instruments	142.1	189.8	-25.2%	220.0
<i>Number of shares</i>	8 226 087	8 229 405	-	8 233 124
RNAV excluding transfer duties and after taxes on unrealized capital gains and marking to market of financial instruments (in euros per share)	17.27	23.07	-25.1%	26.72
RNAV including transfer duties and after taxes on unrealized capital gains and marking to market of financial instruments (in euros per share)	21.57	27.62	-21.9%	31.07

⁽¹⁾ including the marking to market of financial instruments.

⁽²⁾ eExcluding the 2009 subordinated loan granted by Klépierre.

On June 30, 2009, Klépierre granted Klémurs a subordinated loan for a total of 40 million euros, qualified as equity under IFRS and recorded so. Nonetheless, for the calculation of RNAV, it was excluded from net worth.

On June 30, 2009, as was the case on December 31, 2008, duties and fees on the sale of assets are calculated based on 6.20% of the appraised value excluding duties for all of the assets of the Klémurs group, including the assets under finance leases. This assumption leads to a more conservative approach to the rate, and takes into account future options to be exercised, following which Klémurs will acquire full ownership of the assets.

Unrealized capital gains on investment property owned by Klémurs concerns properties that fall under SIIC status and as such are not subject to taxation.

D. FINANCING POLICY

1. Financing resources

The net debt of Klémurs stood at 363.7 million euros on June 30, 2009, versus 389.2 million euros on December 31, 2008.

This 25.5 million euro decrease is primarily the result of the following events and factors:

- on June 30, 2009, Klépierre granted Klémurs a perpetual subordinated loan of 40 million euros, for which Klémurs can opt to defer all payments due. This loan, which is booked as equity in accordance with the terms of IAS 32, has enabled Klémurs to respect its banking covenants while decreasing its level of short-term debt;
- free cash flow for the period also helped to finance investment outlays (€18.4M) as well as the payment of the dividend for 2008 (€8.2M);

For the six months ended June 30, 2009, the principal financing resources of Klémurs are the following:

- the club deal of up to 150 million euros that was set up in December 2006 has been fully drawn down. It will fall due in December 2011;
- The subordinated equity loan from Klépierre, which was contracted in 2008 for a total of 130.1 million euros, will fall due in July 2011;
- the property finance leases that were purchased when Buffalo Grill, Cap Nord, Défi Mode and King Jouet assets were acquired represent a total outstanding of 48.3 million euros on June 30, 2009 and an average remaining term to maturity of 6.1 years;
- Klémurs also has 34.8 million euros outstanding short-term financing, primarily by making use of the Klépierre Group's cash pooling.

The average duration of the Group's debt is 2.8 years, which allows Klémurs to maintain a moderate cost of debt at a reduced risk of refinancing, to the extent that Klépierre represents 45% of its total debt outstanding for the six months ended June 30, 2009.

2. Interest rate hedges

In light of changes in its debt situation, Klémurs did not acquire any additional hedges in the course the first half of 2009.

On June 30, 2009, 99% of its debt is hedged against interest rate changes. This percentage falls to 89% if the Klépierre loan of 40 million euros carried as equity is taken into account, for which the interest rate is indexed to the Euribor 3 months.

The hedging portfolio contains only plain vanilla swaps, for which the average fixed rate is 4.06% for an average duration of 5.4 years.

3. Financial ratios

At the June 30, 2009 reporting date, the principal financial ratios for Klémurs are in line with the targets set and the covenants related to its bank financing:

Principal covenants	Maximum amount of financing concerned (€M)	Contractual limit	Value at June 30, 2009
Loan-To-Value (LTV) ratio	150	Total ratio $\leq 65\%$	59.3%
		Senior ratio ⁽¹⁾ $\leq 55\%$	38.1%
EBITDA / Net interest expense		Total ratio ≥ 1.8	2.3
		Senior ratio ⁽¹⁾ ≥ 2.5	3.1
Secured debt / Value of holdings		$\leq 20\%$	7.9%
Value of holdings, group share		$\geq \text{€}300\text{M}$	614.2

⁽¹⁾ Excluding subordinated debts

4. Cost of debt

The cost of Klémurs' debt, which is calculated as the ratio of interest expense to the average outstanding financing debt, was 4.5% for the period ended at June 30, 2009, versus 4.6% for 2008 as a whole.

This slight improvement is attributable to easing of short-term interest rates, which Klémurs took advantage of with regard to its floating rate debt: indeed, the loan from Klépierre of 40 million euros was not set up until June 30, 2009 and the short-term debts that it refinanced were indexed to 1-month Euribor.

On June 30, 2009, since the quasi-totality of Klémurs' debt post-hedging is fixed rate, a 100bp rise would be non significant for the average cost of its debt (<1 basis point), corresponding to an increase in the cost of debt of 0.03 million euros. It would however increase the payments due on the Klépierre loan, which is classified as equity, by 0.4 million euros.

E. EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

To the best of Management's knowledge, no events of a material nature that could change investor assessment of the financial position or condition of Klémurs as presented in this report have occurred between June, 30 2009 and the date on which report was drawn up.