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Klémurs management report  
Period from December 8 through 31,  
2006

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**KLEMURS**

## 1. BUSINESS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

The fiscal period that ended on December 31, 2006 began on December 8, 2006. On this date, Klémurs was listed for trading on the Euronext stock exchange in Paris. At this time, 8 250 000 shares were issued for trading, of which 1 500 000 existing shares and 6 750 000 new shares.

On December 18, 2006, Klémurs acquired the ownership of 128 Buffalo Grill restaurants, with entitlement to the rents as of this date. The total amount paid to acquire these real estate assets was 246.4 million euros.

This transaction was partially financed by drawing down 143 million euros on a line of credit with an authorized upper limit of 150 million euros, contracted for five years at the Euribor rate plus an adjustable margin of between 40 and 55bps, depending on the net debt of Klémurs. Two forward-starting swaps for a term of 7 years and fixed-rate payer, for a total of 50 million euros, were contracted to protect Klémurs against the interest rate risk: (i) depart on January 2, 2007 (fixed rate of 3.7875%) and (ii) depart on December 31, 2007 (fixed rate of 3.8025%).

The assets are divided into three sets: A, B and C.

- Of the 67 assets in set A, 23 assets are owned outright (fee simple) and 44 are being financed under finance leases.
- The 12 assets in set B are currently under finance leases with deferred amortization of the principal until the date of maturity, which is situated in the course of 2007.
- The 49 assets in set C are currently under finance leases, with deferred amortization of the outstanding principal until contract maturity dates or an early payment option dates, i.e. between 2007 and 2013 depending on the contract.

Under the terms of the agreement with Buffalo Grill, a retail lease will be drawn up for each restaurant whose deed is transferred to Klémurs. Each lease is signed for an initial firm period of nine years, renewable twice thereafter.

The assets sold by Buffalo Grill enhance the existing portfolio of Klémurs, which consisted of:

- The gardening store Truffaut, on Quai de la Gare in the 13<sup>th</sup> arrondissement of Paris
- The BHV department store, on Avenue de Flandre in the 19<sup>th</sup> arrondissement of Paris
- Rouen Candé, a complex of 8 ground-floor stores in downtown Rouen.

The financial statements for the period ended December 31, 2006 were closed out before the annual financial statements for the previous period had been approved by the shareholders. They do not reflect the proposed allocation of earnings made on December 7, 2006, which will be enacted by this meeting of the shareholders.

The proposed earnings allocation is the following:

- |   |                      |
|---|----------------------|
| • Earnings through December 7, 2006:    | 1 575 734,58 euros   |
| • Retained earnings before allocation : | 73,86 euros          |
| • Allocation to legal reserve:          | - 78 786,73 euros    |
| • Distribution:                         | - 1 477 351,09 euros |
| • Retained earnings:                    | - 19 670,62 euros    |

## 2. INCOME FOR THE PERIOD

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(in thousands of euros)	12/31/2006
<b>Rental income</b>	<b>883.0</b>
Finance lease fees	-499.9
Property management fees	-12.3
IPO fees	-23.7
Other fees	-9.2
Banking and related services	-57.3
Other operating expenses	-13.2
Depreciation and amortization	-76.7
<b>Operating profit</b>	<b>190.6</b>
<b>Net financial items</b>	<b>-153.6</b>
<b>Net exceptional items</b>	<b>-134.2</b>
<b>Net profit</b>	<b>-97.2</b>
Number of shares	8250000
Net earnings per share	-0.01

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Net lease income for the period was 883,000 euros, broken down as follows between the various assets owned by Klémurs:

- Buffalo Grill: 740,000 euros
- BHV rue de Flandres: 75,200 euros
- Truffaut Seine Rive Gauche: 15,200 euros
- Rouen Candé: 52,400 euros.

Rents on the Buffalo Grill assets relate to period running from December 18 through December 31, 2006. Expressed in full-year terms, they would be 19 297 800 euros.

Rents on other assets relate to the period running from December 8 through December 31, 2006. On an annual basis, rents total:

- BHV rue de Flandres: 1 153 300 euros
- Truffaut Seine Rive Gauche: 232 700 euros
- Rouen Candé: 804 300 euros.

Rents on property finance leases totaled 499 900 euros. For this fiscal period, they correspond to fees payable in arrears for 12 assets in set A for the fourth quarter of 2006, as well as fees for assets in sets B and C for which payment is due in arrears for the period running from December 18 through December 31, 2006.

Property management fees of 12 300 euros, correspond to rental management fees and rental capital gains on the BHV rue de Flandres, Truffaut Seine Rive Gauche and Rouen Candé assets. The rental capital gain fees are 40% of the difference between the rents collected excluding index-linked adjustments with respect to the previous year, pro rated over the last 14 days of the year just ended.

Fees of 23 700 euros related to the IPO were charged against income. Out of total IPO fees of 2.2 million euros, a percentage was expensed on a pro rated basis, corresponding to the securities sold by Klépierre in the IPO (73 125 of the 8 250 000 made available in the offering). The remaining fees related to the IPO were charged against shareholders' equity (deducted from additional paid-in capital).

Other fees, totaling 9 200 euros, relate to outside consulting or auditing fees.

Banking and related services totaled 57 300 euros and include 51 600 euros of fees on amounts drawn in connection with the Buffalo Grill transaction.

Other operating expenses totaled 13 200 euros.

Depreciation expense for the period of 76 700 euros breaks down as follows:

- Buffalo Grill owned outright: 40 400 euros
- BHV rue de Flandres: 22 300 euros
- Truffaut Seine Rive Gauche: 4 000 euros
- Rouen Candé: 7 600 euros
- Amortization of borrowing costs: 2 400 euros.

Please note that borrowing costs are amortized over a period of five years.

Net financial expense was 153 600 euros, composed of interest on borrowings (229 600 euros), miscellaneous financing charges (2 100 euros) and income from cash and cash equivalents (78 000 euros).

Net exceptional items were a loss of 134 200 euros, composed mainly of an exceptional writedown (133 300 euros) of lease rights. These rights may not be amortized from an accounting perspective but are amortizable from a tax perspective for the portion that relates to buildings. The amortization period is 30 years.

### 3. BALANCE SHEET

ASSETS	Dec. 31, 2006	LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2006
Intangible assets	195 702	Share capital	82 500
Depreciation of intangible assets		Merger premium	67 827
Property, plant & equipment	73 767	Reserves	15
Depreciation of tangible assets		Retained earnings	1 576
Tangible assets in progress		Interim dividend	-1 477
		Profit for the year	-97
		Statutory reserves	133
<b>Net non-current assets</b>	<b>267 244</b>	<b>Shareholders' equity</b>	<b>150 477</b>
		Financing debt	143 230
Trade receivables	39 778	Guarantee deposits	5 313
Cash & cash equivalents and short-term investments	3 748	Trade payables	10 545
Prepaid expenses		Other payables	1
Accrued expenses	<b>308</b>	Short-term bank payables	1 513
<b>TOTAL ASSETS</b>	<b>311 708</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>311 708</b>

Intangible assets correspond to the value of lease rights on the 105 assets under finance lease. This value was calculated as the difference between the acquisition price and the principal amount (or capital) outstanding and payable to the finance lessor.

The gross value of tangible fixed assets is 73 767 000 euros (net value of 71 541 000 euros). The net book value per asset is provided below:

- Buffalo Grill (23 assets owned outright): 50 680 000 euros
- BHV rue de Flandres: 10 907 000 euros
- Truffaut Seine Rive Gauche: 1 857 000 euros
- Rouen Candé: 8 097 000 euros.

To calculate the building values for each Buffalo Grill restaurant, a standard cost of construction was determined from the development budget for a typical restaurant. The building value for each restaurant was established by adjusting this standard cost on the basis of the floor area of the

restaurant. Land values were determined as the difference between the acquisition price and the building values that were derived in this manner, with a lower threshold value of 25% for land.

On average, for all of the Buffalo Grill assets that are owned outright, the land value is equal to 51% and the building value is 49%.

Asset depreciation and amortization is calculated on a parts (or components) basis using the following matrix:

- Structural works: 50% of the gross value of buildings
- Façades, weather-proofing roofing: 15%
- General and technical installations: 25%
- Fixtures and fittings: 10%.

The average depreciation period is 30 years for buildings.

Trade receivables include:

- 39 300 000 euros of VAT credit recorded following the Buffalo Grill acquisitions
- 463 400 euros of payments to the managing agent
- 14 400 euros of client receivables.

Short-term investments and cash and cash equivalents include:

- 3 433 000 euros of available cash invested in the Klepierre group's treasury pool
- 187 000 euros of units in money market funds
- 127 600 euros of treasury shares.

Prepaid expenses pertain to borrowing expenses to be spread over subsequent periods.

Statutory reserves are comprised of the exceptional writedowns of the building portion of lease rights.

Borrowings and other financing debt include:

- 143 000 000 euros of principal on the loan granted to finance the Buffalo Grill transaction
- 230 100 in accrued interest on this loan

Operating debt includes:

- 5 854 300 euros of fees payable on the Buffalo Grill transaction
- 1 096 600 euros of supplier payables related to the IPO
- 777 100 euros of other supplier payables
- 2 619 600 euros of VAT to be transferred to Buffalo Grill
- 189 300 euros of utility provisions received from tenants
- 7 700 euros of miscellaneous social charges and taxes.

Other liabilities pertain to the cash contribution of the general partner (1 000 euros).

## 4. REVALUED NET ASSETS

RNA (revalued net assets) per share is calculated on December 31 and June 30 each year. The method consists of adding to net worth the unrealized capital gains on the portfolio resulting from the difference between the appraised market values and the net book values in the company's financial statements.

On December 31, 2006, only the BHV Rue de Flandres, Truffaut Seine Rive Gauche and Rouen Candé assets were appraised. The Buffalo Grill assets that were acquired in December 18, 2006 will not be appraised for company reporting purposes until June 30, 2007.

The Retail Consulting Group appraised the three aforementioned assets. The appraisers work in accordance with the specifications of AFREXIM (*Association Française des Sociétés d'Expertise Immobilière*) and the recommendations of the COB/CNC "Barthès de Ruyter working party."

To determine the market value of a retail property, the appraiser applies a yield to the total net rent in the case of occupied premises, and to the net market rent with a discount based on the expected vacancy period in the case of unoccupied premises. The net present value of all deductions relating to guaranteed minimum rents and the net present value of all charges on vacant premises are then deducted from the total. The rate used to discount these sums is equal to the yield used to calculate market value.

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.

An internal rate of return (IRR) is also calculated using a method that involves discounting a series of cash flows, generally to 10 years, based on a number of predefined assumptions. The appraiser then verifies that the resulting IRR is reasonable.

At December 31, 2006, the RNA of Klémurs is the following:

<i>(in thousands of euros)</i>	
<b>NET WORTH</b>	<b>150 169</b>
Unrealized capital gains on assets	16549
Appraised value of revalued assets	37410
Net book value of revalued assets	20861
<b>RNA (replacement value)</b>	<b>166718</b>
Transfer duties and fees	5498
RNA (break-up value)	161220

<i>(in euros per share)</i>	
<b>Net worth</b>	<b>18.20</b>
<b>RNA (replacement value)</b>	<b>20.21</b>
<b>RNA (break-up value)</b>	<b>19.54</b>

It should be noted that, in accordance with the SIIC tax regime, capital gains on the sale of assets are exempt from taxation provided that the assets acquired under this regime are held for at least five years. As a result, no deferred taxes are applied to the break-up value of RNA.

Yields, including transfer duties, used by Retail Consulting Group to appraise the assets at December 31, 2006 are provided in the table below:

	<b>YIELD</b>	<b>YIELD</b>
	<b>12/31/2006</b>	<b>12/31/2005</b>
BHV rue de Flandres	6,50%	7,00%
Truffaut Rive Gauche	6,00%	7,00%
Rouen Candé	5,90%	6,75%

The average yield, excluding transfer duties on the Buffalo Grill acquisition was 6.40%.

## **5. PROFORMA INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2006**

In accordance with the recommendations of the AMF, a proforma income statement was prepared at the December 31, 2006 reporting date to present what the company's business would have been in 2006 had the Buffalo Grill restaurants been acquired on January 1, 2006.

<b>PRO FORMA INCOME STATEMENTS December, 31 2006</b>				
<b>(in thousands of euros)</b>	<b>Klémurs 8 at 31December</b>	<b>Former scope of Klémurs Jan 1 to December 7</b>	<b>Impact Of Buffalo Grill Jan 1 to Dec 7</b>	<b>Pro forma</b>
<b>REVENUES</b>	<b>883</b>	<b>2 047</b>	<b>17 381</b>	<b>20 311</b>
Expense transfers	310			310
<b>OPERATING INCOME</b>	<b>1 193</b>	<b>2 047</b>	<b>17 381</b>	<b>20 621</b>
<b>OTHER PURCHASES &amp; EXTERNAL CHARGES</b>	<b>-923,5</b>	<b>-99,9</b>	<b>-7 438</b>	<b>-8 461</b>
Rental and co-ownership expenses	-500		-6 690	-7 190
Maintenance and repair		-9		-9
Insurance premiums		-6		-6
Miscellaneous	-10			-10
Internal remuneration and fees	-45,5	-84,9	-715	-846
Advertising and public relations	-1		-10	-10
Banking and related services	-367		-23	-390
<b>TAXES AND EQUIVALENT</b>	<b>-1</b>	<b>-3</b>	<b>-28</b>	<b>-29</b>
<b>DEPRECIATION</b>	<b>-77</b>	<b>-488</b>	<b>-1054</b>	<b>-1 619</b>
<b>OPERATING PROFIT</b>	<b>-1001,5</b>	<b>-591</b>	<b>-8 520</b>	<b>-10 109</b>
<b>NET FINANCIAL RESULT</b>	<b>192</b>	<b>1 456</b>	<b>8 861</b>	<b>10 512</b>
<b>FINANCIAL INCOME</b>	<b>78</b>			<b>78</b>
<b>FINANCIAL EXPENSE</b>	<b>-232</b>	<b>-614</b>	<b>-4 202</b>	<b>-5 048</b>
<b>FINANCIAL RESULT</b>	<b>-154</b>	<b>-614</b>	<b>-4 202</b>	<b>-4 970</b>
Non-recurring expenses on capital transactions	-1			-1
Exceptional writedowns	-133		-3 342	-3 475
<b>Exceptional expenses</b>	<b>-134</b>	<b>0</b>		<b>-3 476</b>
<b>NET EXCEPTIONAL ITEMS</b>	<b>-134</b>	<b>0</b>	<b>-3 342</b>	<b>-3 476</b>
<b>NET EARNINGS</b>	<b>-97</b>	<b>842</b>	<b>1 317</b>	<b>2 066</b>

The corporate financial statements for the period ended on December 31, 2006 include the acquisition of the Buffalo Grill restaurants as of December 18, 2006, and are not comparable with financial statements from previous periods.

The proforma income statement was drawn up for the period ended December 31, 2006 from historical financial statements on the basis of twelve months of operation—i.e., assuming that the Buffalo Grill restaurants had been fully acquired on January 1, 2006.

The principal restatements are indicated below:

- Contractual rents for Buffalo Grill, but restated for the impact of index-linked rent adjustments for 2006
- Financing of the company via bank debt of 143 million euros, paying interest at the average Euribor rate for the year (3.08%) plus a margin of 45bps
- Additional depreciation expense on restaurants owned by Klémurs outright
- Fees calculated as of January 1, 2006 for the finance lease acquisitions
- Exceptional writedowns on the finance leases, in accordance with accounting regulations. Lease rights are not amortizable from an accounting perspective, but the percentage of the

right that relates to buildings is amortizable from a tax perspective. The amortization period is 30 years.

In addition, please note that the line item for rental and co-ownership expenses totaling 7.2 million euros, pertaining to the annual repayment on finance leases (2.8 million on interest expense and 4.4 million euros on the principal).

The table below provides proforma cash flow information. In particular, it isolates the cash-flow impact of the portion of the annual repayments that correspond to reimbursement of the principal amount on the finance leases.

<b>TRANSITION TABLE: INCOME TO CASH FLOW, DEC 31, 2006</b>	
in €M	
<b>Operating profit</b>	<b>10 512,0</b>
Net financial profit	- 4 970,0
<b>Current profit</b>	<b>5 542,0</b>
Reintegration of amortization	1 619,0
Reintegration of principal repayment/ finance leases	4 404,0
<b>Current cash flow from operations</b>	<b>11 565,0</b>
Repayment of principal /finance leases	- 4 404,0
<b>Net cash flow</b>	<b>7 161,0</b>

## 6. CAPITAL AND SHAREHOLDERS

At December 31, 2006, the share capital amounts to 82 500 000 euros, divided into 8 250 000 fully paid-up shares in face value of 10 euros. The shares are registered or bearer in the choice of the shareholder.

Klépierre SA owned, at December 31, 2006, 6 939 375 titles of Klémurs, a 84.1 % of the share capital.

Besides, Klémurs owned, at December 31, 2006, 4 165 treasury stocks for a balance-sheet valuation in historical cost of 127 552 euros.

## 7. OUTLOOK

The rents from properties held by Klémurs are pegged to the French Index of Construction Costs (ICC) for the second quarter of the preceding fiscal year, and will therefore move in line with the index. The ICC measures the cost of building new non-communal residential buildings.

Accordingly, in 2007 the percentage for 2Q2006 (7.05%) will be applied to the rents collected on assets already owned prior to the IPO (i.e., BHV Rue de Flandres, Truffaut Seine Rive Gauche and Rouen Candé).

In addition, the agreement with Buffalo Grill goes beyond the deal that was completed in late 2006. It is a long-term partnership that offers Klémurs the possibility of acquiring up to thirty new projects within a time frame of five years. Over the same time frame, Buffalo Grill has agreed to grant Klémurs

the right of first refusal on all new projects that it may come to consider, above and beyond the aforementioned thirty new projects.

More generally, Klémurs has opted to focus on developing a portfolio of strategic business assets primarily comprised of the investment property outsourced by major groups and, in 2007, will enjoy a tax environment (SIIC III) that encourages this type of outsourcing by granting sellers a reduction in the capital gains tax.

Longer term, the objective of Klémurs is to develop in this segment in France and then to expand to other countries in Continental Europe. Klémurs seeks to triple in size over a period of three to five years, as market opportunities arise.

## 8. DIVIDENDS PREVIOUSLY DISTRIBUTED

In accordance with Article 243 bis of the French General Tax Code, the sums distributed as dividends in the three previous fiscal years were as follows:

- For fiscal year 2003: no dividends
- For fiscal year 2004: 205,500.00 euros, equal to 13.70 euros per share
- For fiscal year 2005: 403,050.00 euros, equal to 26.87 euros per share.

In addition, for the fiscal year that started on January 1, 2006 and ended on December 7, 2006, an interim dividend of 1 477 351.09 euros was distributed on December 29, 2006.

## 9. EVENTS SUBSEQUENT TO PERIOD END

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 since the date on which the period closed and this report was drawn up.

## 10. LIST OF MANDATES AND DUTIES

The list of mandates and duties exercised in Klémurs by the company's officers and directors is as follows:

- Management

The Manager of the company is Klepierre Conseil, a simplified joint-stock corporation with capital of 500,000 euros, whose head office is located at 21, Avenue Kléber 75116 Paris, registered at the Paris RCS (French Company Register) under number 398 967 000. Klepierre Conseil is represented by its Manager, the Klepierre company, which is in turn represented by the members of its Executive Board:

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**Michel Clair**

**Chairman of the Klépierre Executive Board**

**Chairman of the Duna Plaza Executive Board (Hungary)**

**Chairman of the Arcol Supervisory Board (Slovakia)**

**Permanent representative of Klépierre, member of the SCS Ségécé Supervisory Board**

**Member of the Executive Board:**

Krakow Plaza (Poland)

Poznan Plaza (Poland)

Ruda Slaska Plaza (Poland)

Sadyba Centre SA (Poland)

Klépierre Novo (Czech Republic)

**Chairman of the Board of Directors:**

Klépierre Foncier Makédonia (Greece)

Klépierre Athinon A.E. (Greece)

Klépierre Nea Efkarpia (Greece)

Klépierre Péribola Patras (Greece)

Effe Kappa (Italy)

Finascente (Portugal)

Galeria Parque Nascente (Portugal)

Gondobrico (Portugal)

Klélou-Imobiliaria SA (Portugal)

Klénord Imobiliaria (Portugal)

Klépierre Portugal SGPS SA (Portugal)

Klétel Imobiliaria (Portugal)

Cinémas de l'Esplanade (Belgium)

Coimbra (Belgium)

Foncière Louvain La Neuve (Belgium)

Kléminho (Portugal)

Capucine bv (Netherlands)

Michel Clair (cont'd)

**Member of the Board of Directors:**

GIE Astria

Les Trois Vallées

France-Habitation

Place de l'Accueil (Belgium)

**Trustee:**

Kléber La Pérouse SNC

Kanizsa 2002 (Hungary)

Duna Plaza Offices (Hungary)

Bestes (Czech Republic)

Entertainment Plaza (Czech Republic)

Michel Clair (cont'd.)

Klépierre representative, sole director of Klépierre Vallecas (Spain)

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Jean-Michel Gault

**Member of the Klépierre Executive Board**

**Member of the Soaval Board of Directors**

Chairman of the Place de l'Accueil Board of Directors (Belgium)

**Member of the Board of Directors:**

Krakow Plaza (Poland)

Sadyba Centre SA (Poland)

**Vice Chairman of the Board of Directors:**

Galleria Commerciale Assago (Italy)

Galleria Commerciale Cavallino (Italy)

Galleria Commerciale Collegno (Italy)

Galleria Commerciale Klépierre (Italy)

Galleria Commerciale Solbiate (Italy)

Galleria Commerciale Serravalle (Italy)

Klécar Italia (Italy)

Kléfin Italia (Italy)

**Managing Director:**

Immobiliare Magnolia (Italy)

Novate (Italy)

ICD (Italy)

**Member of the Board of Directors:**

Cinémas de l'Esplanade (Belgium)

Coimbra (Belgium)

Foncière de Louvain La Neuve (Belgium)

Klépierre Foncier Makédonia (Greece)

Klépierre Athinon A.E. (Greece)

Klépierre Nea Efkarpia (Greece)

Klépierre Péribola Patras (Greece)

IGC spa (Italy)

Effe Kappa (Italy)

Capucine bv (Pays-Bas)

Kléminho (Portugal)

Klélou-Imobiliaria SA (Portugal)

Klé nord Imobiliaria (Portugal)

Klépierre Portugal SGPS SA (Portugal)

Klétel Imobiliaria (Portugal)

**Member of the Supervisory Board:**

Duna Plaza (Hungary)

Nyiregyhaza Plaza (Hungary)

Arcol (Slovakia)

Delcis CR (Czech Republic)

Klépierre Novo (Czech Republic)

**Trustee of KPSVR 2002 (Hungary)**

**Jean-Michel Gault  
(cont'd)**

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**Claude Lobjoie**

**Member of the Klépierre Executive Board**

**Trustee of SNC Klégestion**

**Sole director of GIE Klépierre Services**

**Chairman of SAS CB Pierre**

**Member of the SCS Ségécé Supervisory Board**

**Member of the Sadyba Centre SA (Poland) Executive Board**

**Member of the Duna Plaza (Hungary) Supervisory Board**

**Member of the Board of Directors:**

Klépierre Foncier Makédonia (Greece)

Klépierre Athinon A.E. (Greece)

Klépierre Nea Efkarpia (Greece)

Klépierre Péribola Patras (Greece)

IGC spa (Italy)

**Trustee:**

Debrecen 2002 (Hungary)

Zalaegerszeg Plaza (Hungary)

## Independent advisor of SAS COMADIM

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**Laurent Morel**

**Member of the Klépierre Executive Board**  
**Trustee of SCS Ségécé**  
**Member of the Arcol (Slovakia) Board of Directors**  
**Chairman of the Delcis CR (Czech Republic) Supervisory Board**

**Chairman of the Board of Directors:**

SAS Soaval  
Galleria Commerciale Assago (Italy)  
Galleria Commerciale Cavallino (Italy)  
Galleria Commerciale Solbiate (Italy)  
Galleria Commerciale Collegno (Italy)  
Galleria Commerciale Klépierre (Italy)  
Galleria Commerciale Serravalle (Italy)  
IGC (Italy)  
Klécar Italia (Italy)  
Kléfin Italia (Italy)

**Laurent Morel (cont'd)**

**Vice Chairman of the Board of Directors:**

ICD (Italy)  
Immobiliare Magnolia (Italy)  
Novate (Italy)

**Member of the Supervisory Board:**

Ségécé Magyarorszag (Hungary)  
Duna Plaza (Hungary)  
AMC - Prague sro (Czech Republic)  
Ségécé Ceska Republika (Czech Republic)  
Klépierre Novo (Czech Republic)  
Ségécé Polska (Poland)  
Ségécé Slovensko (Slovakia)

**Member of the Board of Directors:**

Ségécé España (Spain)  
Ségécé Hellas (Greece)  
Ségécé Italia (Italy)  
Ségécé Portugal (Portugal)

**Trustee:**

GYR 2002 (Hungary)  
UJ Alba 2002 (Hungary)  
Klépierre Corvin (Hungary)  
Klépierre Krakow (Poland)  
Klépierre Pologne (Poland)  
Klépierre Poznan (Poland)  
Klépierre Sadyba (Poland)  
Klépierre Galeria Krakow (Poland)  
Klépierre Rybnik (Poland)  
Klépierre Warsaw (Poland)  
Klépierre Galeria Poznan (Poland)  
Klépierre Sosnowiec (Poland)

Klépierre Lublin (Poland)  
Klépierre CZ (Czech Republic)  
CSPL 2002 (Hungary)

**Premanent representative of Ségécé, member of the Board of Directors:**

Devimo Sud (Belgium)  
Devimo Consult (Belgium)  
Devimo Progresso (Belgium)

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<b>Dominique Hoenn</b>	<b>Chairman of the Klépierre Supervisory Board</b> <b>Chairman of the Klémurs Supervisory Board</b>  <b>Senior Adviser of BNP Paribas</b> <b>Chairman of the Paribas International Board of Directors</b> <b>Chairman of the BNP Private Equity Board of Directors</b> <b>Vice Chairman of the Euronext N.V. Supervisory Board (Amsterdam)</b> <b>Member of the College of the Autorité des Marchés Financiers</b>  <b>Member of the Board of Directors :</b> BNP Paribas Securities Services BNP Paribas Luxembourg SA Clearstream International (Luxembourg) LCH Clearnet (London)
<b>Catherine Bréart de Boisanger</b>	<b>Member of the Klémurs Supervisory Board</b>
<b>François Demon</b>	<b>Member of the Klépierre Supervisory Board</b> <b>Member of the Klémurs Supervisory Board</b> <b>Chairman and CEO of Société de Participations Immobilières</b> <b>Chairman of SAS BNP Paribas Participations</b>  <b>Managing Director and non-member of the Board of Directors of OGD I</b>  <b>Member of the Board of Directors:</b> Cobépa Technology (Belgium) Claireville (Belgium) Sagip (Belgium) BNP Paribas International BV (Netherlands)  Non-partner trustee of Paribas Dérivés Garantés  Permanent representative of SAS BNP Paribas Participations, member of the CAPEFI board of Directors
<b>Bertrand de Feydeau</b>	<b>Member of the Klépierre Supervisory Board</b> <b>Member of the Klémurs Supervisory Board</b> <b>CEO of Association Diocésaine de Paris</b> <b>Chairman and CEO of AXA Immobilier SAS</b>  <b>Member of the Board of Directors:</b> AXA Aedificandi Foncière des Régions Gécina Société Beaujon SAS SITC SAS Ahorro Familiar  <b>Independent advisor:</b> Affine Sefri Cime

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**Benoît Fournial**

**Member of the Klémurs Supervisory Board  
Chairman of Compagnie de Romas**

**Member of the Supervisory Board:**

Logement Français

SaggeI Holding

Immobilière Dassault

SCA Foncière Masséna

Société Anonyme d'Habitations à Loyer Modéré de Paris et ses Environs-SAPE

Member of the Dolmea Real Estate Board of Directors

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## 11. REMUNERATION OF GOVERNING BODIES

- Remuneration of governing bodies on the account of their mandates within Klémurs. As regards of the financial year from December 8 to 31, 2006, no directors' fees were paid to the members of the supervisory board of Klémurs.
- Remuneration of Managing general partner  
As regards of the financial year from 8 to 31 December 2006, the Managing general partner, Klépierre Conseil company, benefited a remuneration of 2 894 916,59 euros corresponding to acquisition fees on the Buffalo Grill transaction.  
Besides it benefited of 74 851.09 euros instalment on December 29th, 2006, deducted from the profit on December 7th, 2006.
- Directors' fees paid in 2006 by the governing bodies  
The following amounts were collected in 2006 as regards of the fiscal year 2005:
  - Dominique Hoenn : 14 974.81 euros,
  - François Demon : 10 398.68 euros,
  - Bertrand de Feydeau: 17 058.15 euros.

## 12. AUTHORIZATIONS TO INCREASE SHARE CAPITAL

The following delegations and authorizations were granted to the Manager by the Klémurs shareholders at their annual general meeting of October 31, 2006:

Resolution	Purpose of resolution	Maximum amount
10	Authorization for the Company to buy back its own shares	Maximum amount of the capital increase: <b>5,000,000</b> euros  Maximum purchase price per share: 200% of the price at which the Company's shares are floated on Eurolist by Euronext Paris  Validity: 18 months as of the date of the shareholders' meeting
11	Authorization to increase the share capital with pre-emptive subscription rights maintained, through the issue of shares or securities conferring entitlement to a portion of the capital or the attribution of debt securities	<b>100</b> million euros <b>300</b> million euros: debt securities  Validity: 26 months as of the date of the shareholders' meeting
12	Authorization to increase the share capital with pre-emptive subscription rights withheld, through the issue of shares or securities conferring entitlement to a portion of the capital or the attribution of debt securities	<b>100</b> million euros <b>300</b> million euros: debt securities  Validity: 26 months as of the date of the shareholders' meeting
13	Authorization to increase the share capital with pre-emptive subscription rights withheld, through the issue of shares or securities conferring entitlement to a portion of the capital, as consideration for contributions in kind to the Company	10% of the adjusted share capital at the time of the capital increase  Validity: 26 months as of the date of the shareholders' meeting

14	Determination of the price of share issues, up to 10% of the capital per year, through a capital increase involving the issue of shares with pre-emptive subscription rights withheld	10% of the adjusted share capital at the time of the capital increase. Issue price set at 85% of the average price during the previous three trading sessions  Validity: 26 months as of the date of the shareholders' meeting
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15	Authorization to increase the share capital by capitalizing reserves, earnings, premiums or other sums that may be capitalized	<b>100</b> million euros Validity: 26 months as of the date of the shareholders' meeting
16	Authorization to increase the number of shares to be issued in connection with a capital increase with pre-emptive subscription rights maintained or withheld	15% of the initial issue amount within 30 days of the end of the subscription period Validity: 26 months as of the date of the shareholders' meeting
18	Authorization to reduce the share capital by canceling shares	10% of the capital within a 24-month period Validity: 26 months as of the date of the shareholders' meeting

The par value of the capital increases liable to be carried out pursuant to the authorizations in Resolutions 11 to 16, whether immediately or in the future, may not exceed **200** million euros.