



# KLEMURS

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

<sup>(1)</sup> 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 2<sup>nd</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 Chausséa, 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 3<sup>rd</sup> quarter revenue release

### For additional information, please contact:

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