



KLEMURS

2009 EARNINGS: SUSTAINED GROWTH IN NET CURRENT CASH FLOW

<i>In millions of euros</i>	<i>December 31, 2009</i>	<i>December 31, 2008</i>	<i>Change (%)</i>	<i>Change on a constant portfolio basis</i>
Lease income	42.8	33.7	27.1%	
Net lease income	40.1	31.3	28.0%	
Cash flow from operations	39.9	31.0	28.7%	
<i>In euros per share</i>				
Net current cash flow	2.62	2.09	25.7%	
Net income	-0.74	0.25		
RNAV, excluding transfer duties ⁽¹⁾	16.1	23.1	-30.3%	
RNAV, including transfer duties ⁽¹⁾	20.5	27.6	-25.9%	
Distribution	1.0⁽²⁾	1.0⁽²⁾		

⁽¹⁾ After taxation on unrealized capital gains and marking to market of financial instruments.

⁽²⁾ Distribution of 1€ as repayment of share premium.

GROWTH IN CASH FLOW FROM OPERATIONS: +28.7%

The increase in rents (+27.1%, to 42.8 M€) was driven by **constant portfolio growth of 6.4%** (index-linked adjustments, rental reversions: +2.6 M€), but also and above all by the **solid contribution of acquisitions and development in 2008 and 2009** (+7.2 M€).

With a **financial occupancy rate of 99.7%** and a **late payment rate of 0.1%**, the business fundamentals of Klémurs remain very healthy, permitting growth in cash flow from operations of 28.7% over 1 year, to 39.9 million euros.

NET CURRENT CASH FLOW PER SHARE: +25.7%

After factoring in the net cost of debt (18.2 M€), **net current cash flow** for 2009 came to 21.6 million euros, or **2.62 euros per share, compared with 2.09 euros per share for 2008 (+25.7%)**.

Despite the significant increase in rents during the year and even if the long-term assets of Klémurs are still in a situation of unrealized capital gains, Klémurs reports a consolidated net loss of -6.1 million euros (versus a net income of 2.0 M€ in 2008). This reflects the higher provisions (19.9M€) linked to the decline in appraised values.

Its **Loan-to-Value** ratio (60.8% on December 31, 2009, versus 60.6% for the year ended December 31, 2008) **remains below the threshold set under bank covenants** (65%).

RNAV: 20.5 EUROS PER SHARE

The value of Klémurs' holdings, its RNAV and consolidated net earnings were penalized in 2009 by the higher **requirement placed by its appraisers on the yields of its assets**.

- The portfolio's average yield was therefore 7.06% on December 31, 2009, compared with 6.22% on December 31, 2008.
- Consequently, the appraised value of holdings, duties included, was 619.4 million euros on December 31, 2009, versus 642.1 million euros one year earlier. The unrealized capital gain on these holdings (duties included) is 58.0 million euros at year-end 2009.
- **RNAV, transfer duties included, before distribution, after taxes on unrealized capital gains and marking to market of financial instruments, was 20.5 euros per share**, compared with 27.6 euros one year prior (**-25.9% over 12 months**).

DISTRIBUTION OF 1€ PER SHARE

Klépierre Conseil, the Management of Klémurs, will recommend at the annual meeting next April 6th that shareholders approve a distribution of 1 euro per share, in the form of a repayment of share premium. This distribution is stable compared with the previous year.

OUTLOOK FOR 2010

In terms of rents, excluding disposals or new investments in 2010, Klémurs expects positive development in 2010, as external growth transactions completed in 2009 offset the negative impact of index-linked adjustments.

However, given the higher cost of debt which will have an impact on a full-year basis, the net current cash flow is expected to decline slightly.

With regard to investment, Klémurs will continue to offer retailers its tried and true outsourcing solution, and will remain attentive to any new opportunities that arise which meet its investment criteria, not only in terms of financial profitability, but also in terms of commercial and real estate potential.

Upcoming events and releases:

April 6, 2010	Annual Shareholders' meeting
April 21, 2010	2010 1 st quarter revenues (after the stock market closes)

For all additional information, please contact:

KLÉMURS

Caroline FINTZ
Tel: +33 1 40 67 57 92 / caroline.fintz@klepierre.com

Julien ROUCH
Tel: +33 1 40 67 53 08 / julien.rouch@klepierre.com

KEIMA COMMUNICATION

Emmanuel DOVERGNE
Tel: +33 1 56 43 44 63 / emmanuel.dovergne@keima.com

Alix HERIARD DUBREUIL (Media)
Tel: +33 1 56 43 44 62 / alix.heriard@keima.com

APPENDICES

Management report for the year ended December 31, 2009

A	BUSINESS FOR THE YEAR ENDED DECEMBER 31, 2009	4
1-	Rental business.....	4
2-	Development and disposals	5
B.	CONSOLIDATED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2009	6
C.	CHANGE IN CASH FLOW PER SHARE	7
D.	BUSINESS OUTLOOK FOR 2010	7
E.	PARENT COMPANY EARNINGS AND DISTRIBUTION	7
F.	VALUATION OF ASSETS AND RNAV	8
1-	Methodology.....	8
2-	Valuation of property assets	8
3-	Determining RNAV	9
G.	FINANCING POLICY	10
1-	Financing resources	10
2-	Interest rate hedges	10
3-	Financial ratios	11
4-	Cost of the debt	11
H.	EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE	11

A BUSINESS FOR THE YEAR ENDED DECEMBER 31, 2009

1- Rental business

Steady rise in rents

In 2009, rents collected by Klémurs amounted to **42.8 million euros**, which on a current portfolio basis represents an increase of 9.1 million euros (+27.1%).

Rents rose by 6.4% on a constant portfolio basis, attributable to the following factors:

- Index-linked adjustments on minimum guaranteed rents, with an impact of +7.2% (+2.3 M€); the ICC¹ index for the 2nd quarter of 2008 (+8.85%) was applied to 70% of all leases in value terms as of January 1, 2009.
- Several rental reversions, which had a significantly beneficial effect on rents (+0.3 M€); the principal one concerned the re-letting of the Rue de Flandre property in the 19th arrondissement of Paris to Castorama (DIY chain), effective June 1, 2009.
Other operations include the re-letting of some assets in Clermont-Ferrand to Animalis (pet shops), in Creil to Celio (clothing chain) and in Chambray-lès-Tours to Compagnie du Lit (bedding stores) as well as the lease-up to Leader Price (supermarket) of a vacant space in Saint-Etienne-du-Rouvray (effective May 2009).
- A decrease in additional variable rents (-0.5 M€), as the strong index-linked adjustment helped to absorb them.

The rise in rents on a current portfolio basis (+27.1%) breaks down as follows:

- The addition of 77 retail assets to the portfolio in April 2008, in connection with the Défi Mode-Vivarte agreement and the acquisition in 2009 of 26 additional assets: overall, these external growth transactions had an impact of +2.5 million euros on rents.
- The acquisition in June 2008 of 17 additional Buffalo Grill restaurants, a transaction that was followed by the purchase of 4 other restaurants in February 2009. These acquisitions, which were realized in connection with an outsourcing agreement generated, 1.7 million euros.
- The acquisition in December 2008 of 21 stores operated by the King Jouet group (+1.4 M€).
- The acquisition in 2008 and 2009 of 25 assets (Chaussée, Feu Vert, etc.), with an impact on rents of 1.0 million euros.
- The inauguration on September 1, 2009 of the Chalon Sud 2 retail park (+0.6 M€).
- The loss of 0.2 million euros in rent due to the restructuring of the Rue de Flandre property (re-letting to Castorama) and the sale of the store occupied by the gardening and pets chain Truffaut (Quai de la Gare, Paris 13th arrondissement).

Rents paid by Buffalo Grill represented 61% of total rents in 2009, compared with 69% for the year ended December 31, 2008. This decrease reflects the retail partner diversification policy that was implemented. The second largest tenant of Klémurs is the Vivarte group, which provides 16% of total rents paid.

The financial occupancy rate² was 99.7% on December 31, 2009, compared with 99.6% on December 31, 2008. The only vacant asset in the portfolio is located in downtown Rouen and was occupied until June 2009.

¹ Cost of construction index

² The financial occupancy rate is the ratio between the annual contractual rent payable on occupied premises and the total amount of contractual rent payable on occupied premises, plus the target rents for vacant premises (estimated on the basis of market data).

The late payment rate is virtually zero (0.1%).

2- Development and disposals

2.1. Investments made in 2009

Klémurs pursued its development very selectively, investing 46.7 million euros in 2009 of which 40.7 million euros were dedicated to assets in operation that are going to generate 3.0 million euros of additional net rents on a full-year basis. Most of these investments are in connection with some outsourcing agreements that had already been negotiated.

The partnership forged with the restaurant chain Buffalo Grill continued to bear fruit in 2009 with the acquisition in February of 4 additional restaurants (Château-Thierry, Cherbourg, Liévin and Vesoul). This acquisition brings to 157 the number of Buffalo Grill restaurants owned by Klémurs.

The original outsourcing agreement signed in 2007 with Vivarte was also followed with the acquisition of 26 additional assets (11 in July, 4 in November and 11 in December) out of which 16 fly the Défi Mode banner.

In January 2009, Klémurs also acquired 6 assets (4 stores operated by Chausséa, 1 La Halle aux Chaussures store and 1 King Jouet store).

Finally, in March of 2009 Klémurs acquired from Klépierre two Feu Vert points of sale located in Barentin and in Toulon.

The year 2009 was also marked by the opening in September under good conditions of the Chalon-sur-Saône retail park (Saône-et-Loire), the first development project that Klémurs has completed for itself. In 2009, 6.0 million euros were allocated to this project, bringing the total outlaid since it commenced to 13.5 million euros.

2.2. Disposal made in 2009

On September 30, 2009, Klémurs sold a retail space located at Quai de la Gare (Paris, 13th arrondissement) and occupied by Truffaut for a total of 7.1 million euros, transfer duties included.

The sale, which followed the renewal of the lease with Truffaut in the 1st quarter of 2009, was made at a level slightly above the appraisal done on June 30, 2009.

B. CONSOLIDATED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2009

<i>In millions of euros</i>	December 31, 2009	December 31, 2008	Change	Change (%)
Lease income	42.8	33.7	9.1	27.1%
Other rental income	0.7	0.0	0.7	
Non-recovered rental expenses	-0.1	0.0	-0.1	
Building expenses	-3.3	-2.3	-0.9	39.8%
Net lease income	40.1	31.3	8.8	28.0%
Other operating income	0.3	0.2	0.1	71.6%
Amortization allowance	-14.1	-10.9	-3.2	29.7%
Depreciation allowance	-19.9	-5.1	-14.7	
Other general expenses	-0.1	-0.1	0.0	
Operating result	6.3	15.4	-9.1	-58.8%
Net cost of debt	-16.8	-13.8	-3.0	21.6%
Profit on the sale of assets	4.5	0.0	4.5	
Effect of discounting	-0.1	0.2	-0.3	
Pre-tax earnings	-6.0	1.8	-7.9	
Corporate income tax	-0.1	0.2	-0.3	
Net income	-6.1	2.0	-8.1	

In addition to the lease income that has been commented on above, other lease income (0.7 M€) refers primarily to the deferred portion of the entry fee that was charged when the Castorama lease was signed for the Rue de Flandre property in Paris.

Building expenses for the year totaled 3.3 million euros, of which 2.4 million euros in management fee income and other outside fes income.

Depreciation and amortization allowances increased by 3.2 million euros, reflecting growth in the portfolio of holdings (acquisitions in 2008 and 2009, opening of the Chalon Sud 2 retail park).

Since provisioning was done on a line by line basis, an allowance of 19.9 million euros was recorded for the period, even though, taken together, the assets in the portfolio of holdings show a global capital gain of 58.0 million euros compared with their net book values. It is calculated as the difference between the net book value of the assets on the balance sheet and their market value excluding transfer duties, estimated by an independent appraiser. The total reflects the rise in the yield on assets owned by Klémurs, i.e. 7.06% transfer duties included on December 31, 2009, versus 6.22% on December 31, 2008.

The net cost of debt rose due to the increase in average debt resulting from investments made. The average cost of financing for the year was 4.5%.

In 2009, Klémurs generated 4.5 million euros in net proceeds from the sale of assets, related to the sale on September 30, 2009 of the Truffaut property in Paris.

For the year ended December 31, 2009, Klémurs reported a consolidated loss of 6.1 million euros.

C. CHANGE IN CASH FLOW PER SHARE

<i>In millions of euros</i>	December 31, 2009	December 31, 2008	Change
Operating result	6.3	15.4	-58.8%
+ Depreciation and amortization allowance	33.5	15.6	
Cash flow from current operations	39.9	31.0	28.7%
- Net cost of debt	-18.2	-13.8	31.9%
- Corporate income tax	-0.1	0.0	
Net current cash flow	21.6	17.2	25.7%
<i>Per share (in €)</i>			
Number of shares	8,230,170	8,230,791	
Net current cash flow per share	2.62	2.09	25.7%

Unlike the income statement, the net cost of debt used to determine cash flow includes interest on the perpetual subordinated loan granted by Klépierre on June 30, 2009. Considered as equity under IAS 32, related interest is not posted in the income statement.

Net current cash flow per share increased by 25.7% over one year, thanks to the good performance of the holdings in terms of rents on a constant portfolio basis (+6.4% or +2.1 M€), which generates cash flow without additional debt, and also thanks to the investments that were made in both 2008 and 2009.

D. BUSINESS OUTLOOK FOR 2010

In terms of rents, excluding disposals or new investments in 2010, Klémurs expects positive development in 2010, as growth transactions completed in 2009 offset the negative impact of index-linked adjustments.

However, given the higher cost of debt which will have an impact on a full-year basis, net current cash flow is expected to decline slightly.

With regard to investment, Klémurs will continue to offer retailers its tried and true outsourcing solution, and will remain attentive to any new opportunities that arise which meet its investment criteria, not only in terms of financial profitability, but also in terms of commercial and real estate potential.

E. PARENT COMPANY EARNINGS AND DISTRIBUTION

<i>In millions of euros</i>	December 31, 2009	December 31, 2008	Change	Change (%)
Operating income	40.6	31.6	8.9	28%
Operating expenses	-36.8	-23.9	-13.0	54%
Operating result	3.7	7.8	-4.0	-52%
Share of income from subsidiaries	0.0	0.0	0.0	
Financial result	-16.8	-8.9	-7.9	89%
Pre-tax result	-13.1	-1.1	-12.0	
Non-recurring result	3.1	-2.4	5.5	
Corporate income tax	0.0	0.0	0.0	
Net income	-10.0	-3.5	-6.4	

For the year ended December 31, 2009, the SCA Klémurs reported an operating loss of 10.0 million euros. Nonetheless, it closed the year with a taxable gain of 5.1 million euros in its tax-exempt sector. In fact, significant expenses are not tax deductible, such as tangible asset impairment allowances. The long-term assets of the SCA Klémurs are globally in a situation of unrealized capital gains – and the land portion of the finance lease rents.

Because of its SIIC status, the SCA Klémurs is obliged to distribute 85% of its taxable earnings (exempt segment), and 50% of the net proceeds of the sale of assets that fall within this same segment, limited to its accounting results/corporate earnings. Since this figure is negative, the distribution obligation is carried forward to future accounting periods.

On December 31, 2009, the cumulative distribution obligation carried forward totals 9.4 million euros.

Klépierre Conseil, the management of Klémurs, intends to recommend to the shareholders at their annual meeting on April 6, 2010 that a distribution of 1 euro per share be maintained, corresponding to 38% of net current cash flow. Since the parent company earnings for Klémurs SCA were negative, this distribution will be carried out in the form of a repayment of share premium.

F. VALUATION OF ASSETS AND 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 appraiser and the net book values as carried in the Company's consolidated financial statements, which are established using the cost method.

N.B. For additional information on the methodology used to calculate RNAV, please consult the financial report for the first half of 2009 (p. 7 and following), available on www.klemurs.fr.

Qualified appraisers always performed in accordance with the specifications developed in the French Real Estate Appraisal Charter and the recommendations issued by the COB/CNC "Barthès of Ruyter Work Group". In addition, they comply with the standards set forth by the International Valuation Standards Council.

Fees paid to appraisers are set prior to their property valuation work, on a lump sum basis in accordance with the number, size and complexity of the assets being appraised, and completely independently of the appraised value of the assets. The amounts paid are indicated in the table below:

in K€	December 31, 2009	
	Appraisal Fees	Consulting Fees
The Retail Consulting Group	201.3	126.3
BNP Paribas Real Estate	163.4	3.0
Total	364.7	129.3

(Amounts do not include tax)

2- Valuation of property assets

The change in the appraised value of the real estate holdings, transfer duties included, is provided in the table below:

In millions of euros	December 31, 2009	December 31, 2008	Change	Change (%)
Constant Portfolio	565.8	628.3	-62.5	-9.9%
Variable Portfolio	53.6	13.8	39.8	
Total Holdings	619.4	642.1	-22.7	-3.5%

The constant portfolio includes assets owned on December 31, 2008 and not subsequently sold.

The variable portfolio includes, in 2008, the Truffaut property in Paris that was sold in 2009, as well as the outstanding expenditures as of December 31, 2008 on the Chalon Sud 2 retail park. In 2009, it includes the Chalon Sud 2 retail park, inaugurated on September 1, 2009, and the acquisitions made in 2009.

The average yield on assets held by Klémurs is 7.06%, versus an average yield rate of 6.22% at year end 2008. This increase reflects the change in the commercial real estate market in the course of 2009, and explains the decrease in the value of holdings on a constant portfolio basis.

3- Determining RNAV

RNAV evolved in the following manner over the course of the year:

<i>In millions of euros</i>	December 31, 2009	December 31, 2008	Change (%)
Consolidated shareholders' equity ⁽¹⁾	110.5	133.1	-17.0%
Unrealized capital gains in real estate portfolio (duties included)	58.0	94.2	-38.4%
Taxes on unrealized capital gains	0.0	0.0	
Taxes and fees related to asset disposals	-36.0	-37.5	
RNAV excluding transfer duties, after taxes on unrealized capital gains and marking to market of financial instruments (EPRA triple NAV)	132.4	189.8	
<i>Number of shares</i>	<i>8,233,688</i>	<i>8,229,405</i>	
RNAV excluding transfer duties, after taxes on unrealized capital gains and marking to market of financial instruments (€ per share)	16.09	23.07	-30.3%
RNAV including transfer duties, after taxes on unrealized capital gains and marking to market of financial instruments (€ per share)	20.46	27.62	-25.9%

⁽¹⁾ After the marking to market of financial instruments but excluding the perpetual subordinated loan

The change in consolidated shareholders' equity, a decrease of 22.6 million euros, is due to the distribution paid out to the shareholders of Klémurs (repayment of share premium) made in the 2nd quarter of 2009 (-8.2 M€), the decline in the value of interest rate hedging instruments (-7.0 M€), the year's net loss (-6.1 M€) and interest on the perpetual subordinated loan (-1.4 M€).

On June 30 2009, Klépierre granted a subordinated loan of 40 million euros to Klémurs, the characteristics of which led to its being recorded as equity. Nonetheless, for the calculation of RNAV, it was excluded from the shareholders' equity.

On December 31, 2009, duties and fees on the sale of assets are calculated based on 6.2% of the appraised value excluding duties for all of the assets including the assets under finance leases. For the Chalon Sud 2 retail park, the rate used was 5.00%, as Klémurs agreed to acquire 100% of the shares of the SARL Immo Dauland (the company that owns the retail park) on June 13, 2008.

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

G. FINANCIAL POLICY

1- Financial resources

The net debt of Klémurs stood at 376.4 million euros on December 31, 2009, compared with 389.2 million euros on December 31, 2008.

The 12.8 million euro decrease is primarily attributable to the following factors:

- On June 30, 2009, Klépierre granted Klémurs a perpetual subordinated loan of 40 million euros, for which Klémurs can opt to defer the payment of interest. 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;
- The disposal of the Truffaut store generated 6.7 million euros of cash;
- The free cash flow for the year also helped to partly finance investment outlays.

As of December 31, 2009, the principal financing resources of Klémurs are the following:

- The credit facility of up to 150 million euros, which was set up in December 2006, fully drawn down. It will fall due in December 2011.
- The subordinated equity loan from Klépierre, granted in 2008, for a total of 130.1 million euros, due July 2011.
- The property finance leases that were acquired with the assets of Buffalo Grill, Cap Nord, Défi Mode and King Jouet, representing a total outstanding balance of 45 million euros on December 31, 2009; the average remaining term on these finance leases is 5.7 years.
- Short-term financing in the amount of 48.6 million euros, essentially from the Klépierre group's centralized treasury management facility.

The average duration of the Klémurs debt is 2.3 years, which allows Klémurs to maintain a moderate cost of debt at a reduced risk of refinancing, to the extent that Klépierre represented 48% of its total debt outstanding on December 31, 2009. Klépierre has access at this time to 875 million euros in available lines of credit.

2- Interest rate hedges

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

As of December 31, 2009, 94% of Klémurs' debt is hedged against interest rate changes. This percentage falls to 85% if the 40-million euro loan granted by Klépierre and recorded 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% (excluding the credit margin) for an average duration of 5 years.

3- Financial ratios

On December 31, 2009, the principal financial ratios of Klémurs are aligned with the targets that have been set and with its bank financing covenants:

Principal covenants	Amount of the financing (M€)	Contractual limit	Value at 12/31/2009	Value at 12/31/2008
Loan-To-Value (Net debt / Value of holdings)		Total ratio $\leq 65\%$	60,8%	60,6%
		<i>Senior ratio</i> ⁽¹⁾ $\leq 55\%$	39,8%	40,4%
EBITDA / Net interest expense	150	Total ratio $\geq 1,8$	2,4	2,2
		<i>Senior ratio</i> ⁽¹⁾ $\geq 2,5$	3,0	3,5
Secured financing debt / Value of holdings		$\leq 20\%$	7,2%	8,1%
Value of holdings, Group share		≥ 300 M€	619,4	642,1

(1) Excluding subordinated debts

4- Cost of the debt

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

This slight improvement is attributable to the easing of short-term interest rates, which Klémurs took advantage of with regard to that portion of its floating rate debt which is not hedged (7% on average in 2009).

On December 31, 2009, a 100bps interest rates hike would increase the cost of debt by about 6bps based on the average cost of debt, which corresponds to an increase in the cost of debt of 0.2 million euros. It would also increase interest on the equity loan from Klépierre by 0.4 million euros. On top of that, it would increase by 14.0 million euros the market value of the financial instruments.

H. 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 since December 31, 2009, the date on which the period ended, and the date on which this report was drawn up.