



**HALF-YEAR EARNINGS FOR 2011:**  
**EPRA NNAV : +2.2€ PER SHARE**  
**NET CURRENT CASH-FLOW: €1.34 PER SHARE**

<i>In millions of euros</i>	<i>June 30, 2011</i>	<i>June 30, 2010</i>	<i>Change (%)</i>	<b>Change on a constant portfolio basis</b>
<b>Rents</b>	<b>21.1</b>	<b>22.1</b>	<b>-4.6%</b>	<b>+0.5%</b>
<b>Net rents</b>	<b>19.8</b>	<b>21.0</b>	<b>-5.5%</b>	
<b>Cash flow from operations</b>	<b>19.9</b>	<b>20.8</b>	<b>-4.5%</b>	
<b><i>In euros per share</i></b>				
<b>Net current cash flow</b>	<b>1.34</b>	<b>1.30</b>	<b>+3.1%</b>	
	<i>June 30, 2011</i>	<i>December 31, 2010</i>	<i>June 30, 2010</i>	<b>Change over 6 months</b>
<b>Reconstitution NAV <sup>1</sup></b>	<b>32.4</b>	<b>31.1</b>	<b>25.7</b>	<b>+4.2%</b>
<b>EPRA NNAV <sup>2</sup></b>	<b>25.4</b>	<b>23.2</b>	<b>16.9</b>	<b>+9.4%</b>

*The interim financial statements were subject to a limited examination by the Company's statutory auditors.*

<sup>1</sup> *Including transfer duties, before deferred taxation and marking to market of financial instruments.*

<sup>2</sup> *Excluding transfer duties, after deferred taxation and marking to market of financial instruments.*

### **RENTS UP BY 0.5% ON A CONSTANT PORTFOLIO BASIS**

On a constant portfolio basis, the rise in rents was 0.5%, primarily reflecting the following items:

- The average impact of index-linked rent adjustments (+1.0%) on minimum guaranteed rents. It should be noted that the Buffalo Grill leases (which account for 62% of all rents invoiced on a constant portfolio basis) were pegged to the ICC for the 2<sup>nd</sup> quarter of 2010, up by 1.27%.
- The increase in variable rents, based on tenant retail revenues.
- The impact of vacancy, which nonetheless remains limited to 3 properties.

Klémurs confirms that its key performance indicators are robust: the **financial occupancy rate is very high (99.4%) and the late payment rate low (0.6%)**.

In the absence of investments, change in rents on a current portfolio is attributable to disposals (-€1.1M), mainly completed in the course of the 2<sup>nd</sup> half of 2010.

**NET CURRENT CASH FLOW PER SHARE: +3.1%**

After factoring in cost of net debt (€8.8M), **net current cash flow** was 11.0 million euros at June 30, 2011, or **1.34 euro per share, versus 1.30 euro per share a year earlier (+3.1%)**.

**EPRA NNAV PER SHARE: 25.4 EUROS (+9.4%)**

The value of real estate holdings, excluding transfer duties, comes to **608.2 million euros** as of June 30, 2011, compared with 596.7 million euros at year-end 2010 (**+1.9% on a constant portfolio basis**) following the decline in yield rates used by appraisers: 7.0% on June 30, 2011 (-10 bps over 6 months).

**EPRA NNAV<sup>1</sup>** was **25.4 euros per share (+€2.2 over 6 months)** boosted by appreciation in asset values and the improvement in the fair market value of the portfolio of financial instruments. As a reminder, a dividend of 1.54 euro was paid up to shareholders on April 12, 2011.

Reconstitution NAV stood at 32,4 euros per share (+4,2%).

**2011 OUTLOOK**

Considering the resilience of its revenues and external growth operations under review, Klémurs expects a stable cash-flow over the year.

The gradual stabilization of the economic environment should enable real estate outsourcing operations to start up again. Klémurs will keep on focusing on those transactions although the Company will nonetheless not rule out other opportunistic acquisitions in the retail sector.

**About Klémurs**

*Klémurs is a SIIC (Société d'investissements immobiliers cotée) managing and developing a property portfolio composed of assets in the restaurant, mass retailing, services, and retail industries.*

*As of June 30, 2011, the valuation of Klémurs' property portfolio reached 608.2 million euros (excluding transfer duties); EPRA NNAV was 25.4 euros per share.*

*Klémurs was listed on December 2006. Its major shareholder (84.1%) is the Klépierre group, a major player of retail real estate, present in 13 countries of Continental Europe. Klémurs' shares are admitted to trading on compartment C of Euronext Paris<sup>TM</sup>.*

For more information: [www.klemurs.fr](http://www.klemurs.fr)

<b>AGENDA</b>	<b>October 20, 2011</b> <b>February 7, 2012</b>	<b>3<sup>rd</sup> quarter revenues for 2011</b> (after stock market close) <b>2011 annual results</b> (after stock market close)
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## A. CONSOLIDATED FINANCIAL STATEMENTS

## COMPREHENSIVE INCOME STATEMENT ( EPRA MODEL)

<i>in thousands of euros</i>	June, 30, 2011	June, 30, 2010
<b>Lease income</b>	21 191	22 534
Land expenses (real estate)	-3	-4
Non-recovered rental expenses	-	-2
Building expenses (owner)	-1 342	-1 521
<b>Net lease income</b>	<b>19 846</b>	<b>21 007</b>
Management, administrative and related income	-	-
Other operating income	48	54
Payroll expense	-	-
Other general expenses	-38	-38
D&A allowance on investment property	-4 827	1 500
Provisions for contingencies and losses	-	-
Gains on the sale of investment property and equity interests	1 007	11 250
Net book value of investment property and equity interests sold	-1 064	-7 898
<b>Income from the sale of investment property and equity interests</b>	<b>-57</b>	<b>3 352</b>
<b>OPERATING INCOME</b>	<b>14 972</b>	<b>25 875</b>
Net cost of debt	-8 816	-8 698
Change in the fair value of financial instruments	-	-
Effect of discounting	-20	-40
<b>PRE-TAX EARNINGS</b>	<b>6 136</b>	<b>17 137</b>
Corporate income tax		-17
<b>NET INCOME OF CONSOLIDATED ENTITY</b>	<b>6 136</b>	<b>17 120</b>
<b>of which</b>		
Group share	6 136	17 120
Non-controlling interests		
<b>NET EARNINGS PER SHARE IN EUROS</b>	<b>0,7</b>	<b>2,1</b>

<i>in thousands of euros</i>	June, 30, 2011	June, 30, 2010
<b>NET INCOME OF CONSOLIDATED ENTITY</b>	<b>6 136</b>	<b>17 120</b>
<b>Other comprehensive income items</b> (gross of tax) recognized directly as equity	<b>7 421</b>	<b>-11 770</b>
Income from sales of treasury shares	58	32
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	7 363	-11 588
Translation profits and losses	-	-
Tax on other comprehensive income items	-	-214
Share of other comprehensive income items for associates	-	-
<b>TOTAL COMPREHENSIVE NET INCOME</b>	<b>13 557</b>	<b>5 350</b>
<b>of which</b>		
Group share	13 557	5 350
Non-controlling interests	-	-
<b>COMPREHENSIVE EARNINGS PER SHARE (EUROS)</b>	<b>1,6</b>	<b>0,6</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)**

<i>in thousands of euros</i>	June 30, 2011	December 31, 2010
Investment property	538 497	544 274
Fixed assets in progress	-	-
Non-current assets	90	95
Interest rate swaps	-	-
Deferred tax assets	-	-
<b>NON-CURRENT ASSETS</b>	<b>538 587</b>	<b>544 369</b>
Investment property held for sale		-
Trade accounts and notes receivable	1 536	1 353
Other receivables	3 028	2 102
<i>Tax receivables</i>	589	858
<i>Other debtors</i>	2 439	1 244
Cash and cash equivalents	742	453
<b>CURRENT ASSETS</b>	<b>5 306</b>	<b>3 908</b>
<b>TOTAL ASSETS</b>	<b>543 893</b>	<b>548 277</b>
Capital	82 500	82 500
Additional paid-in capital	45 207	45 207
Legal reserve	918	212
Consolidated reserves	4 449	-31 511
<i>Treasury shares</i>	-256	-223
<i>Fair value of fi nancial instruments</i>	-20 761	-28 124
<i>Other equity instruments</i>	-	-
<i>Reserves on other equity instruments</i>	-3 457	-3 457
<i>Other consolidated reserves</i>	28 862	13 763
<i>Balance carried forward</i>	61	-13 470
Consolidated earnings	6 136	42 642
Shareholders' equity, group share	139 210	139 050
Non-controlling interests	6	6
<b>SHAREHOLDERS' EQUITY</b>	<b>139 216</b>	<b>139 056</b>
Non-current financial liabilities	41 580	44 936
Long-term allowances	-	-
Interest rate swaps	22 892	30 538
Security deposits and guarantees	7 188	7 106
Deferred tax liabilities	-	-
<b>NON-CURRENT LIABILITIES</b>	<b>71 660</b>	<b>82 580</b>
Current financial liabilities	330 100	322 951
Bank overdrafts	66	18
Trade payables	1 381	774
Payables to fi xed asset suppliers	-	806
Other liabilities	515	618
Social and tax liabilities	955	1 474
Short-term allowances		-
<b>CURRENT LIABILITIES</b>	<b>333 017</b>	<b>326 641</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>543 893</b>	<b>548 277</b>

## COMPREHENSIVE INCOME STATEMENT - EPRA MODEL (FAIR VALUE)

<i>in thousands of euros</i>	June, 30 2011	June, 30 2010
<b>Lease income</b>	21 191	22 534
Land expenses (real estate)	-	-
Non-recovered rental expenses	-	-2
Building expenses (owner)	-1 311	-1 493
<b>Net lease income</b>	<b>19 880</b>	<b>21 039</b>
Management, administrative and related income	-	-
Other operating income	48	54
Change in the fair value of investment property	12 526	14 788
Payroll expense	-	-
Other general expenses	-38	-38
D&A allowance on investment property	-	-
Provisions for contingencies and losses	-	-
Gains on the sale of investment property and equity interests	1 007	11 250
Net book value of investment property and equity interests sold	-1 050	-11 852
<b>Income from the sale of investment property and equity interests</b>	<b>-43</b>	<b>-602</b>
<b>OPERATING INCOME</b>	<b>32 373</b>	<b>35 241</b>
Net dividends and provisions on non-consolidated investments	-	-
Net cost of debt	-8 816	-8 698
Change in the fair value of financial instruments	-	-
Effect of discounting	-20	-40
<b>PRE-TAX EARNINGS</b>	<b>23 537</b>	<b>26 503</b>
Corporate income tax	-	-17
<b>NET INCOME OF CONSOLIDATED ENTITY</b>	<b>23 537</b>	<b>26 486</b>
<b>of which</b>		
Group share	23 537	26 486
Non-controlling interests	-	-

<i>in thousands of euros</i>	June, 30, 2011	June, 30, 2010
<b>NET INCOME OF CONSOLIDATED ENTITY</b>	<b>23 537</b>	<b>26 486</b>
<b>Other comprehensive income items</b> (gross of tax) recognized directly as equity	<b>7 421</b>	<b>-6 943</b>
Income from sales of treasury shares	58	12
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	7 363	-7 197
Translation profits and losses	-	-
Tax on other comprehensive income items	0	242
<b>Share of other comprehensive income items for associates</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE NET INCOME</b>	<b>30 958</b>	<b>19 543</b>
<b>of which</b>		
Group share	30 958	19 543
Non-controlling interests	-	-
<b>COMPREHENSIVE EARNINGS PER SHARE (EUROS)</b>	<b>3,8</b>	<b>2,4</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EPRA MODEL (FAIR VALUE)**

<i>in thousands of euros</i>	June 30, 2011	December 31, 2010
Investment property	-	-
Fair value of investment property	607 637	596 047
Fixed assets in progress	-	-
Non-current assets	90	95
Interest rate swaps	-	-
Deferred tax assets		
<b>NON-CURRENT ASSETS</b>	<b>607 727</b>	<b>596 142</b>
Fair value of investment property held for sale	-	-
Trade accounts and notes receivable	1 536	1 353
Other receivables	2 903	1 943
<i>Tax receivables</i>	589	858
<i>Other debtors</i>	2 314	1 085
Cash and cash equivalents	742	453
<b>CURRENT ASSETS</b>	<b>5 181</b>	<b>3 749</b>
<b>TOTAL ASSETS</b>	<b>612 908</b>	<b>599 891</b>
Capital	82 500	82 500
Additional paid-in capital	45 207	45 207
Legal reserve	918	212
Consolidated reserves	56 064	-9 277
<i>Treasury shares</i>	-256	-223
<i>Fair value of financial instruments</i>	-20 761	-28 124
<i>Fair value of investment property</i>	51 615	22 234
<i>Other equity instruments</i>	-	-
<i>Reserves on other equity instruments</i>	-3 457	-3 457
<i>Other consolidated reserves</i>	28 862	13 763
<i>Balance carried forward</i>	61	-13 470
Consolidated earnings	23 537	72 023
Shareholders' equity, group share	208 225	190 665
Non-controlling interests	6	5
<b>SHAREHOLDERS' EQUITY</b>	<b>208 231</b>	<b>190 670</b>
Non-current financial liabilities	41 580	44 936
Long-term allowances	-	-
Interest rate swaps	22 892	30 538
Security deposits and guarantees	7 188	7 106
Deferred tax liabilities	-	-
<b>NON-CURRENT LIABILITIES</b>	<b>71 660</b>	<b>82 580</b>
Current financial liabilities	330 100	322 951
Bank overdrafts	66	18
Trade payables	1 381	774
Payables to fixed asset suppliers	0	806
Other liabilities	515	618
Social and tax liabilities	955	1 474
Short-term allowances		-
<b>CURRENT LIABILITIES</b>	<b>333 017</b>	<b>326 641</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>612 908</b>	<b>599 891</b>

## **B. ACCOUNTING PRINCIPLES AND METHODS**

### **1. Principles of financial statement preparation**

In accordance with European Regulation (EC) No. 1126/2008 of November 3, 2008 on the application of international accounting standards, the Klémurs Group consolidated financial statements to June 30, 2011 have been prepared in accordance with IFRS released by the IASB as adopted by the European Union and applicable on that date.

The IFRS framework as adopted by the European Union includes the IFRS rules (International Financial Reporting Standards) as well as the IAS rules (International Accounting Standards) and their interpretations.

The accounting principles applied to the consolidated interim financial statements to June 30, 2011 are identical to those used in the consolidated financial statements to December 31, 2010, with the exception of the following IFRS and following interpretations, which have no significant effect on the Group's financial statements:

- IAS 24: Related Party disclosures (revised) ;
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments ;
- Amendment to IFRS 1: Exemptions from disclosures under IFRS 7;
- Amendment to IFRIC 14: Prepayments of a Minimum Funding Requirement;
- Amendments to IAS 32: Classification of Rights Issues.

These revised standards are applied prospectively and have no effect on the accounting treatment of transactions before January 1, 2010. The effective date or amendment of other standards for which application is mandatory as from January 1, 2010 had no effect on the interim financial statements at June 30, 2011.

Finally, Klémurs has not applied early the new standards, amendments and interpretations adopted by the European Union where application in 2011 was optional.

### **2. Scope of consolidation**

The scope of the Group consolidation was unchanged during the 1<sup>st</sup> half of 2011 and includes 3 companies that are fully integrated.

## **C. BUSINESS FOR THE PERIOD UNDER REVIEW**

In the course of the first six months of 2011, Klémurs collected rents totaling 21.1 million euros, versus 22.1 million euros over the same period last year (-4.6%).

On a constant portfolio basis, the rise in rents was 0.5% (+€0.1M), primarily reflecting the following items:

- The average impact of index-linked rent adjustments (+1.0%) on minimum guaranteed rents. It should be noted that the Buffalo Grill leases (which account for 62% of all rents invoiced on a constant portfolio basis) were pegged to the ICC<sup>1</sup> for the 2<sup>nd</sup> quarter of 2010, up by 1.27%.
- The increase in variable rents, based on tenant retail revenues.
- The impact of vacancy, which nonetheless remains limited to 3 rental properties.

On a current portfolio basis, change in rents also reflected the impact of disposals:

- The sale of a retail complex located at Rue de la Champmeslé in downtown Rouen (Rouen Candé assets) in June 2010 and of the Paris Flandre asset (leased to Castorama) in November 2010.
- The sale of a retail property located in Montesson in June 2011.

At the June 30, 2011 reporting date, the financial occupancy rate was 99.4%, compared with 100% one year earlier. The late payment rate remains low (0.6%).

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<sup>1</sup> Cost of Construction Index



**D. CONSOLIDATED EARNINGS FOR THE PERIOD**

<i>in millions of euros</i>	June 30, 2011	June 30, 2010	Change	Change (%)
<b>Rents</b>	<b>21,1</b>	<b>22,1</b>	<b>-1,0</b>	<b>-4,6%</b>
Other rental income	0,1	0,4	-0,3	
Non-recovered rental expenses	0,0	0,0	0,0	
Building expenses	-1,3	-1,5	0,2	
<b>Net lease income</b>	<b>19,8</b>	<b>21,0</b>	<b>-1,2</b>	<b>-5,5%</b>
Other operating income	0,0	0,1	0,0	
Amortization allowance	-6,9	-7,4	0,6	
Depreciation write-off	2,0	8,9	-6,9	
Other general expenses	0,0	0,0	0,0	
<b>Operating result</b>	<b>15,0</b>	<b>22,5</b>	<b>-7,5</b>	
Net cost of debt	-8,8	-8,7	-0,1	1,4%
Profit on the sale of assets	-0,1	3,4	-3,4	
Effect of discounting	0,0	0,0	0,0	
<b>Pre-tax earnings</b>	<b>6,1</b>	<b>17,1</b>	<b>-11,0</b>	
Corporate income tax	0,0	0,0	0,0	
<b>Net income</b>	<b>6,1</b>	<b>17,1</b>	<b>-11,0</b>	

In 2010, other lease income mainly included the deferred payment of the entry fee paid by Castorama when it signed the lease for the Rue de Flandre retail property (Paris, 19<sup>th</sup> arrondissement).

The decrease in depreciation and amortization for the period is attributable to disposals (Paris-Flandre asset and Rouen Candé assets).

Thanks to the appreciation in the market values of assets held by Klémurs, a 2.0 million euros provision for investment property was reversed, resulting in a much lower figure than that recorded for the six months ended June 30, 2010 (8.9 M€).

In the month of June 2011, Klémurs also sold an asset occupied by retail tenant Saint-Maclou in Montesson, in connection with an expropriation process that was initiated by the *Etablissement Public Foncier des Yvelines*. This transaction resulted in a capital loss of 0.1 million euros. It should be noted that a capital gain of 3.4 million euros was recorded on the sale of an asset in the financial statements for the first six months of 2010.

**E. CHANGE IN CASH FLOW PER SHARE**

<i>In millions of euros</i>	June 30, 2011	June 30, 2010	Change
<b>Operating result</b>	<b>15,0</b>	<b>22,5</b>	
+ Depreciation and amortization allowance	4,8	-1,7	
<b>Cash flow from current operations</b>	<b>19,9</b>	<b>20,8</b>	<b>-4,5%</b>
- Net cost of debt <sup>1</sup>	-8,8	-10,0	-12,2%
<b>Current cash flow before taxes</b>	<b>11,0</b>	<b>10,8</b>	
- Corporate income tax	0,0	0,0	
<b>Net current cash flow</b>	<b>11,0</b>	<b>10,7</b>	<b>2,8%</b>
<i>Per share (in €)</i>			
Number of shares	8 238 629	8 233 918	
<b>Net current cash flow per share</b>	<b>1,34</b>	<b>1,30</b>	<b>3,1%</b>

<sup>1</sup> Cost of the equity-like financing included for June 30, 2010

Net current cash flow per share increased by 3.1% over one year, as completion of the repayment of the equity loan in December 2010 reduced interest expense.

## F. OUTLOOK FOR 2011

Considering the resilience of its revenues and external growth operations under review, Klémurs expects a stable cash-flow over the year.

The gradual stabilization of the economic environment should enable real estate outsourcing operations to start up again. Klémurs will keep on focusing on those transactions although the Company will nonetheless not rule out other opportunistic acquisitions in the retail sector.

## G. VALUE OF HOLDINGS AND NAV (NET ASSET VALUE)

### 1. Methodology

NAV per share is calculated each year on December 31 and June 30. The method used to establish NAV is to add to the consolidated shareholders' equity 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.

The assignments entrusted to the appraisers are carried out in accordance with the SIIC Code of Business Ethics, as well as with the specifications contained in the valuation guidelines for real estate appraisers (*Charte de l'Expertise en Evaluation immobilière*), the recommendations issued by the COB/CNC working group chaired by Mr. Barthès de Ruyther, and the RICS and IVSC standards. For the 1<sup>st</sup> half-year of 2011, these appraisals were carried out by the following appraisers:

	Portfolios	Number of assets	Valuation (M€)	%		June report	December report
<b>RCGE</b>	- Buffalo Grill	157	403	63%	66%	summarized	detailed and summarized
	- Other	6	20	3%		summarized	detailed and summarized
<b>BNP Paribas Real Estate</b>	- Défi Mode	102	128	20%	34%	summarized	detailed and summarized
	- Cap Nord	13	38	6%		summarized	detailed and summarized
	- King Jouet	21	22	3%		summarized	detailed and summarized
	- Akene	3	19	3%		summarized	detailed and summarized
	- Sephora	2	10	2%		summarized	detailed and summarized
	- Da Costa	6	5	1%		summarized	detailed and summarized
<b>TOTAL</b>		<b>310</b>	<b>645</b>	<b>100%</b>	<b>100%</b>		

### 2. Valuation of real estate holdings

The change in the value of holdings, transfer duties excluded, is indicated in the table below:

In millions of euros	June 30, 2011	December, 31 2010	Change	Change (%)
Constant portfolio	608,2	595,6	12,6	2,1%
Variable portfolio	0,0	1,1	-1,1	-
<b>Total Holdings</b>	<b>608,2</b>	<b>596,7</b>	<b>11,6</b>	<b>1,9%</b>

The constant portfolio includes all assets held and appraised on December 31, 2010 and not disposed of since.

In 2010, the variable portfolio includes the Montesson property that Klémurs sold in June 2011.

The average yield rate used by appraisers to determine the value of assets owned by Klémurs is 7.0% excluding transfer duties (6.5% duties included), compared with an average yield rate of 7.1% excluding transfer duties (6.7% duties included) on December 31, 2010. This compression explains most of the increase in the value of real estate holdings on a constant portfolio basis.

### 3. Determining NAV

Net asset value (NAV) has evolved as follows over the period:

<i>In millions of euros</i>	June 30, 2011	December 31, 2010	Change (%)	June 30, 2010
Consolidated shareholders' equity <sup>(1)</sup>	139,2	139,1	0,1%	106,9
Unrealized gains on holdings (duties included)	106,8	88,7		68,2
Fair value of financial instruments	20,8	28,1	0,0%	36,1
<b>Reconstitution NAV</b>	<b>266,8</b>	<b>255,9</b>	<b>4,3%</b>	<b>211,2</b>
Duties and fees on the sale of assets	-37,1	-36,8	0,8%	-36,3
<b>EPRA NAV</b>	<b>229,7</b>	<b>219,1</b>	<b>0,8%</b>	<b>174,9</b>
Effective taxes on unrealized capital gains	0,0	0,0	-	0
Fair value of financial instruments	-20,8	-28,1	0,0%	-36,1
<b>EPRA NNAV (Liquidative NAV)</b>	<b>208,9</b>	<b>191,0</b>	<b>-</b>	<b>138,8</b>
<i>Number of shares</i>	<i>8 237 298</i>	<i>8 235 844</i>	<i>0,0%</i>	<i>8 232 469</i>
<b>Reconstitution NAV</b>	<b>32,4</b>	<b>31,1</b>	<b>4,8%</b>	<b>25,7</b>
<b>EPRA NAV</b>	<b>27,9</b>	<b>26,6</b>	<b>9,4%</b>	<b>21,3</b>
<b>EPRA NNAV (Liquidative NAV)</b>	<b>25,4</b>	<b>23,2</b>	<b>9,4%</b>	<b>16,9</b>

<sup>1</sup> After the marking to market of financial instruments but excluding the perpetual subordinated loan

Consolidated shareholders' equity did not change significantly over the period, reflecting the positive impact of earnings for the period (€6.1M) and the improvement in the fair market value of interest rate hedging instruments (+€7.3M). It also reflects the impact of dividends paid out in respect of 2010 (-€13.4M), which occurred in April 2011.

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

EPRA NNAV<sup>2</sup> came to 25.4 euros per share, an increase of 9.4% compared with December 31, 2010 (+2.2€). This increase is attributable to the appreciation in the market values of assets, which leads to an increase in the portfolio's unrealized capital gains (+18.1 M€) as well as the positive impact over the period of the change in the fair value of the portfolio of financial instruments.

## H. FINANCING POLICY

### 1. Financing resources

The net debt of Klémurs amounted to 371.2 million euros on June 30, 2011, versus 367.5 million euros on December 31, 2010.

This 3.5 million euro increase primarily reflects the following items:

- A distribution of 12.7 million euros was made to shareholders in April 2011.
- Net current cash flow for the 1<sup>st</sup> half generated 11 million euros.

On June 30, 2011, the financing resources of Klémurs were broken down as follows:

- A club deal of up to 150 million euros, which was set up in December 2006 and is fully drawn down. It falls due in December 2011.
- A subordinated loan contracted with Klépierre in 2008, for a total of 130.1 million euros, due in July 2011.
- A senior loan granted by Klépierre in June 2010 for 20 million euros, falling due in June 2013.
- The property finance leases purchased when the assets of Buffalo Grill, Cap Nord, Défi Mode and King Jouet were acquired represent a total outstanding of 27.7 million euros on June 30, 2011. The average residual duration of these leases is around 6 years.
- Short-term financing of 43 million euros, primarily via the Klépierre Group's cash pooling.

<sup>2</sup> Excluding transfer duties, after deferred taxation and marking to market of financial instruments

The average duration of Klémurs' debt is 0.9 year, which allows the Company to maintain a moderate cost of debt with a low risk of refinancing, to the extent that as of June 30, 2011 Klépierre ensures 52% of Klémurs' debt. Klépierre can mobilize nearly 1.4 billion euros through its available credit lines. Nonetheless, the objective of Klémurs is to extend the duration of its debt by the end of 2011 through future refinancings.

## 2. Interest rate hedging

In light of changes in its debt situation, Klémurs did not add interest rate hedging instruments during the period.

For the six months ended June 30, 2011, 96% of the debt of Klémurs is hedged against changes in interest rates. The hedging portfolio contains only plain vanilla swaps, for a notional amount of 350 million euros in total. The average fixed rate is 4.06%, for an average residual duration of 3.4 years.

## 3. Financial ratios

At the June 30, 2011 reporting date, the principal financial ratios of Klémurs are in line with stated objectives and with the covenants related to its bank financing (€150M):

Principal covenants	Contractual limit	Value at 06/30/2011	Value at 12/31/2010
Loan-To-Value (Net debt / Value of holdings)	Total ratio $\leq 65\%$	<b>57,5%</b>	<b>58,2%</b>
	Senior ratio <sup>(1)</sup> $\leq 55\%$	<b>37,4%</b>	<b>37,6%</b>
EBITDA / Net interest expense	Total ratio $\geq 1.8$	<b>2,3</b>	<b>2,4</b>
	Senior ratio <sup>(1)</sup> $\geq 2.5$	<b>2,7</b>	<b>2,8</b>
Secured financing debt / Value of holdings	$\leq 20\%$	<b>4,3%</b>	<b>5,0%</b>
Value of holdings, group share	$\geq 300$ M€	<b>645,3</b>	<b>633</b>

<sup>(1)</sup> excluding subordinated debts

## 4. Cost of debt

The average cost of Klémurs' debt, calculated as the ratio of interest expense to the average outstanding financing debt, was unchanged compared with 2010 (4.8%).

This stability can be attributed to the high rate of hedging (96%), which makes the cost of debt relatively insensitive to changes in short-term interest rates. As of June 30, 2011, a 100 basis point rise in rates would lead to an increase in the average cost of debt of around 4 basis points, which amounts to an increase in the cost of debt of 0.15 million euros. It would also lead to an increase of 11.2 million euros in the fair market value of the financial instruments and hence the NAV.

## I. EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

To the best of management's knowledge, no events have occurred between the balance sheet closing date and the date of this report that would have a material impact on the assessment of Klémurs' financial condition and position compared with the data presented in this report.