2011 INTERIM FINANCIAL REPORT

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Management report for the 1st half of 2011

A) ECONOMIC ENVIRONMENT

I) Macroeconomic situation[1]

- Growth forecasts for 2011 and 2012

	France-Belgium		Scandinavia			Italy-Greece		Iberia		Central Europe			
	France	Belgium	Norway	Sweden	Denmark	Italy	Greece	Spain	Portugal	Poland	Hungary	Czech Rep.	Slovakia
2011	2,2%	2,4%	2,5%	4,5%	1,9%	1,1%	-2,9%	0,9%	-2,1%	3,9%	2,7%	2,4%	3,6%
2012	2,1%	2,0%	3,0%	3,1%	2,1%	1,6%	0,6%	1,6%	-1,5%	3,8%	3,1%	3,5%	4,4%

- According to the OECD, the economic recovery will continue to gain strength in Europe in 2011. The current obstacles to recovery (higher commodity prices, the fallout from the earthquake in Japan, tensions caused by sovereign debt woes, etc.) will only temporarily disrupt the positive underlying dynamic in place. The macroeconomic outlook has been raised: growth is now expected to reach 2% in the Eurozone for 2011 (the forecast six months ago called for 1.7%). With the exception of Greece and Portugal, this improvement should be felt in every country where the Group has a presence, in particular the countries of Scandinavia, France and Belgium.
  - Economic forecasters and analysts anticipate GDP growth to come in globally higher in 2012, especially for the countries of Central Europe.

II) Change in retailer revenues (year-to-date through June 30, 2011)[2]

- Retail tenant revenues, boosted by France and Scandinavia, were up by 2.2%.

- On a comparable portfolio basis (excluding new spaces) the rise was 0.9%.
  - For the Group's malls, the rise in sales during the 2nd quarter (+2.4%) allowed a significant boost to revenues.

France-Belgium	Scandinavia	Italy-Greece	Iberia	Central Europe	TOTAL
2,3%	2,1%	-2,2%	-4,8%	-0,8%	**0,9%**

- At the retail segment level, Personal Products (the top segment in terms of sales revenue) recorded the strongest gains on the half-year (+4.0%). Sales were also up in the Beauty/Health (+2.7%) and Restaurant (+0.7%) segments. The Culture/Gifts/Leisure segment was down slightly (-1.0%), while for Household goods the decline versus the corresponding period last year was more marked (-5.9%).

- **France – Belgium**

  - In France, sales growth was robust in the 2nd quarter of the current year (+4.0%, with 3 straight months of growth). Sales in June got a boost from the earlier start for the summer sales period (from June 22 rather than from June 30 in 2010) and showed sharp growth (+8.4%). Y-t-d since January, growth is now 2.2% higher than it was last year at this time.
  - The L'esplanade shopping center in Belgium also reported more intense activity, with y-t-d sales through the first five months of 2011 up by 7.0%.

- **Scandinavia**

  - In Norway, retail sales revenue showed a clear improvement in the 2nd quarter. Sales have picked up slightly (+0.2% compared with the corresponding period in 2010) y-t-d since January 2011.
  - In Sweden (+5.3%), business is trending upward, with all centers reporting higher.
  - In Denmark, a significant increase in sales revenue was reported for the period (+2.5%).

[1] Source: OECD, May 2011
[2] Year-to-date January – June, except for Belgium, Spain and Greece (y-t-d January-May)

Italy-Greece

- Though Italy posted negative sales growth over the first six months of the year linked to the decline in Household goods sales (-1.9%), it should be noted that sales growth for the same period last year was exceptionally high (first 6 months of 2010 / first 6 months of 2009: +5.8%). Last year, the Household goods segment got a considerable boost in sales from the purchase of new television sets or decoders after the adoption of digital television service in the region of Lombardy. Other retail segments continued to grow: Culture/Gifts/Leisure (+3.0%), Beauty/Health (+1.9%), Personal products (+1.1%), Restaurant (+0.1%).
  La Romanina got a sales boost from its renovation, posting revenue growth of +5.9%. Il Destriero (Vittuone), which opened in April of 2009, also posted a substantial gain in sales (+3.2%).
- In Greece, consumer spending continues to be severely penalized by the government's austerity measures. Y-t-d through five months, sales are down by -14.3%.

Iberia

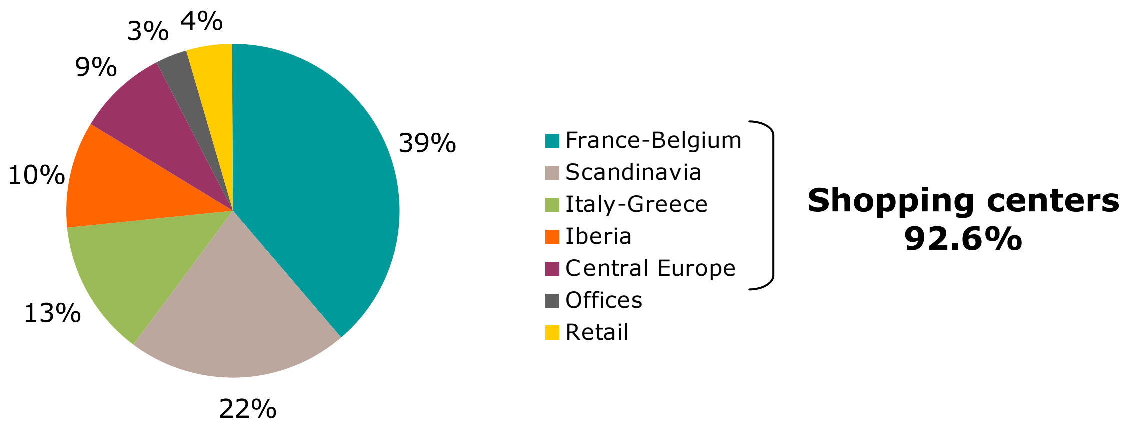
- In Spain, sales revenue y-t-d through the first five months of 2011 is down by 5.3% compared with the same period last year. Personal products, which is the top segment in terms of sales, fell more moderately (-1.1%), however. The La Gavia center continues to turn in satisfactory performances: +7.3% y-t-d since January.
  In Portugal, against a difficult backdrop that includes new government austerity measures, the decrease for the six-month period ended June 30, 2011 was nonetheless limited to 3.2%. Footfalls continue to trend upward and are higher than last year. The new Aqua Portimão shopping center in Algarve got off to a very positive start, both in terms of revenues (not included in the indicators for the 1st half) and visitor numbers. Since it opened on April 14, 2011, the center welcomed more than 1.5 million visitors welcomed (through June).

Central Europe

- In Poland, revenues were up sharply in the 2nd quarter (+4.7%); as a result of this surge, total sales are now up by 1.5% y-t-d through June. Most of the centers posted a growth in sales and in particular the three most important ones: Sadyba (Warsaw ; +2.6%), Lublin (+3.6%) and Poznan (+3.0%) ;
- In Hungary, the performance at the half-year point remains in negative territory (-4.2%) with, however, a slight improvement in sales in May and June. The Duna Plaza (Budapest; +8.6%) and Alba (+0.8%) centers in particular show y-t-d growth compared with the same period last year. Since it opened on October 27, 2010, the Corvin center in downtown Budapest has attracted a high number of visitors (6 million since opening).
- In the Czech Republic, sales for the six months ended are down slightly (-1.1%). Novy Smichov, the principal asset (-3.6%) is pursuing its renovation work. Revenues were up sharply at the Novo shopping center (+11.3%) and up slightly at Plzeň (+1.2%).

B) RENTAL BUSINESS

- **Analysis of consolidated rents by region/business: €471.0M**



I) Shopping center segment (92.6% of consolidated rents)

06/30/2011	Δ retailers revenues[1]	RENTS (€M)		Δ current portfolio basis	Δ constant portfolio and forex basis[2]	Financial occupancy rate		Late payment rate[3]	
		2011	2010			2011	2010	2011	2010
France-Belgium	2,3%	**181,6**	178,1	2,0%	1,7%	98,8%	98,8%	0,6%	0,7%
Scandinavia	2,1%	**101,3**	89,6	13,0%	3,3%	95,7%	96,1%	0,5%	0,7%
Italy-Greece	-2,2%	**62,6**	58,7	6,7%	0,4%	98,1%	98,0%	4,5%	2,6%
Iberia	-4,8%	**48,3**	47,8	1,0%	-0,7%	92,2%	93,1%	2,2%	2,1%
Central Europe	-0,8%	**42,2**	38,7	9,2%	2,4%	93,7%	94,7%	5,2%	5,3%
TOTAL	**0,9%**	**436,0**	**412,9**	**5,6%**	**1,6%**	**96,7%**	**97,0%**	**1,9%**	**1,7%**

[1] Y-t-d through 6 months, except for Belgium, Spain and Greece (through 5 months).
[2] On a constant portfolio and current forex basis, the changes are +7.2% for Scandinavia, +3.1% for Central Europe, and +2.4% for the entire Shopping center segment.
[3] Rate 6 months out.

- **Rents from the shopping center segment are up by 1.6% on a constant portfolio and exchange rate basis.**
  - The average impact of index-linked rent adjustments is 1.2% for the entire Shopping center segment.
  - All of the countries where the Group is present posted growth on a constant portfolio basis, with the exception of Spain, Hungary and Greece, whose economy has been severely impacted by the government's budget austerity measures.

- **The high financial occupancy rate and the continued low late payment rate** attest to the **basic robustness of the portfolio.**

- **On a current portfolio basis, growth is attributable to the contribution of development projects** such as Millénaire (Paris) and Aqua Portimão (Portugal), two shopping centers that were inaugurated in the course of the first six months of this year.

1. France – Belgium (38.6% of consolidated rents)

06/30/2011	Δ retailers revenues	Rents		Δ on a current basis	Δ on a constant basis	Financial occupancy rate		Late payment rate[1]	
		2011	2010			2011	2010	2011	2010
France	**2,2%**	**174,7**	**171,6**	**1,8%**	**1,6%**	**98,8%**	**98,8%**	**0,6%**	**0,7%**
Belgium	**7,0%**	**6,9**	**6,4**	**7,4%**	**3,6%**	**1,0**	**1,0**	**0,0**	**0,0**
TOTAL	**2,3%**	**181,6**	**178,1**	**2,0%**	**1,7%**	**98,8%**	**98,8%**	**0,6%**	**0,7%**

[1] Rate 6 months out.

1.1. France (37.1% of consolidated rents)

- On a constant portfolio basis, rents rose by 1.6% in spite of the quasi-nonexistent impact of index-linked rent adjustments (+0.1%).

- The French centers present a post-crisis profile, which is characterized by a lower rate of late payments and a high financial occupancy rate, unchanged compared with June 30, 2010. High rates of reversion are also observed for the new rental terms agreed to in the course of the first six months of 2011.
  - 73 leases were renewed and 69 spaces were let to new tenants for a total rental gain of 1.7 million euros full year, with financial conditions up by 16.0%.

- On a current portfolio basis, rents got a boost in particular from the opening of the Le Millénaire shopping center in Aubervilliers, at the gates of Paris (+€1.5M). Since it opened on April 27 of this year, the center has almost attracted a million and a half visitors.
  - The rise in rents is also due to the acquisition of a retail/restaurant complex in the immediate vicinity of the Odysseum center in Montpellier (November 2010; +€0.7M), as well as to the extension completed at Auchy-les-Mines (December 2010; +€0.2M) and the acquisition of a mid-sized Monoprix grocery store at Annecy Courier (December 2010; +€0.2M).
  - The impact of disposals was -1.0 million euros.

1.2. Belgium (1.5% of consolidated rents)

- The rise in rents on a constant portfolio basis is attributable to index-linked rent adjustments (+2.6%) and the positive impact of rental reversions.
  - In the month of October 2010, the Inditex group strengthened its presence in L'esplanade through the expansion of retail space occupied by Zara and the arrival of Berskha and Pull & Bear.

2. Scandinavia (21.5% of consolidated rents)

06/30/2011	Δ retailers revenues	Rents		Δ on a current portfolio and forex basis [1]	Δ on a constant portfolio and forex basis [1]	Financial occupancy rate		Late payment rate[2]	
		2011	2010			2011	2010	2011	2010
Norway	0,2%	47,5	45,4	4,6%	1,6%	96,7%	97,6%	0,3%	0,5%
Sweden	5,3%	32,7	26,7	22,7%	6,0%	96,4%	96,9%	0,4%	0,9%
Denmark	2,5%	21,0	17,5	20,0%	3,2%	92,6%	90,0%	1,4%	0,9%
TOTAL	2,1%	101,3	89,6	13,0%	3,3%	95,7%	96,1%	0,5%	0,7%

[1] On a constant portfolio and current forex basis, the change was +4.0% for Norway, +16.0% for Sweden, +3.0% for Denmark, and +7.2% for the entire Scandinavian region.
[2] Rate 6 months out.

2.1. Norway (10.1% of consolidated rents)

- Rents rose by 1.6% on a constant portfolio and exchange rate basis. While index-linked rent adjustments (+2.0%) and lease modifications agreed to in 2010 had a positive impact on revenues, the very slight increase in tenant sales revenue had an adverse impact on variable rents compared to June 2010.
  - Lease renegotiations continued in the 1st half of 2011, with 101 rental reversions carried out and related financial conditions up by 5.7%.

- On a current portfolio basis, rents were buoyed by the opening of the extension at Gulskogen (November 2010; +€1.2M).

2.2. Sweden (7.0% of consolidated rents)

- Rents were up sharply on a constant portfolio and exchange rate basis (+6.0%), notably thanks to the positive impact of index-linked rent adjustments (+1.5%). The increase is also due to the good performances of the Marieberg, Kupolen and Allum centers. The latter two are undergoing a major lease renewal campaign, which has produced reversion rates of 10% and 8%, respectively.
  - Growth in retail tenant revenues (+5.3%) led to higher variable rents and a lower late payment rate.

- On a current portfolio basis, rents were positively impacted by the delivery in 2010 of the Hageby and Sollentuna extensions, and by the acquisition of additional retail space at Kupolen.

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2.3. Denmark (4.5% of consolidated rents)

- Growth in rents from Danish centers is attributable to the positive impact of index-linked rent adjustments (+2.0%), as well as by the increase in the financial occupancy rate. Several vacant spaces were relet at various shopping centers around the country:
  - H&M and Burger King took out leases at Bryggen.
  - Vacancy is now quasi-nonexistent at Brunn's, where just one space remains vacant, compared with seven a year earlier.
  - Since October 2010, Field's has a new space dedicated to fashion for young people, baptized Hi'street. It has attracted a number of trendy retailers that include Gina Tricot, Noa Noa, Jack & Jones and Vero Moda. The space is located next to the existing H&M store, which was expanded at the same time.

3. Italy-Greece (13.3% of consolidated rents)

06/30/2011	Δ retailers revenues	Rents		Δ on a current basis	Δ on a constant basis	Financial occupancy rate		Late payment rate[1]	
		2011	2010			2011	2010	2011	2010
Italy	-1,9%	59,6	54,7	9,0%	2,2%	98,7%	98,1%	3,4%	2,2%
Greece	-14,3%	3,0	4,0	-24,9%	-24,9%	89,0%	97,2%	25,3%	8,6%
TOTAL	-2,2%	62,6	58,7	6,7%	0,4%	98,1%	98,0%	4,5%	2,6%

[1] Rate 6 months out.

3.1. Italy (12.7% of consolidated rents)

- On a constant portfolio basis, rents increased by 2.2% due to the average impact of index-linked rent adjustments (+1.7%) and the positive effect of the lease renewals completed in both 2010 and over the course of the first six months of 2011 at several particularly dynamic centers, such as Metropoli, Le Rondinelle and Milanofiori.
  - The 55 leases renewed and changes in tenant mix that were carried out in the course of the 1st half of the year were signed with financial conditions up by 8.5%.

- On a current portfolio basis, rents were boosted by the acquisition in January 2011 of a retail park adjacent to the Romagna Center (Rimini) and by the December 2010 opening of the Pescara Nord extension.

3.2. Greece (0.6% of consolidated rents)

- The country's economic situation continues to weigh adversely on the performances of the Greek shopping centers.

4. Iberia (10.3% of consolidated rents)

06/30/2011	Δ retailers revenues	Rents		Δ on a current basis	Δ on a constant basis	Financial occupancy rate		Late payment rate[1]	
		2011	2010			2011	2010	2011	2010
Spain	-5,3%	39,5	39,9	-1,0%	-1,0%	91,5%	94,2%	2,1%	1,9%
Portugal	-3,2%	8,8	8,0	10,9%	0,7%	96,0%	87,7%	2,9%	2,7%
TOTAL	-4,8%	48,3	47,8	1,0%	-0,7%	92,2%	93,1%	2,2%	2,1%

[1] Rate 6 months out

4.1. Spain (8.4% of consolidated rents)

- The gains attributable to the positive impact of index-linked rent adjustments (+2.7%) were offset by the higher vacancy rate.
  - Nonetheless, 115 rental reversions were negotiated, with financial conditions up slightly (+2.1%).

- The La Gavia center (Vallecas-Madrid) continues to show strength, with rents up by 8.8%.

4.2. Portugal (1.9% of consolidated rents)

- In a troubled economic environment, the reletting of vacant premises at Parque Nascente led to a rise in rents on a constant portfolio basis and a higher financial occupancy rate.

- The Aqua Portimão center, which opened on April 14 of this year, has been a genuine success story: more than a million and a half visitors through June 2011.

5. Central Europe (9.0% of consolidated rents)

06/30/2011	Δ retailers revenues	Rents		Δ on a current portfolio and forex basis [1]	Δ on a constant portfolio and forex basis [1]	Financial occupancy rate		Late payment rate[2]	
		2011	2010			2011	2010	2011	2010
Poland	1,5%	17,7	16,3	8,9%	5,0%	97,4%	98,9%	3,5%	3,4%
Hungary	-4,1%	13,5	11,9	13,5%	-2,4%	88,3%	87,8%	6,5%	7,9%
Czech Rep. & Slovaquia	-1,7%	10,9	10,4	4,7%	3,9%	94,9%	97,3%	6,4%	4,4%
TOTAL	-0,8%	42,2	38,7	9,2%	2,4%	93,7%	94,7%	5,2%	5,3%

[1] On a constant portfolio and current forex basis, the change is +5.3% for Poland, -1.3% for Hungary, +4.7% for the Czech Republic and Slovakia, and +3.1% for the entire region of Central Europe.
[2] Rate 6 months out.

5.1. Poland (3.8% of consolidated rents)

- Rents for the period got a boost from index-linked rent adjustments (+1.9%) as well as the positive impact of the renewal campaigns conducted in 2010 at Sadyba (average reversion rate of +18%) and at Poznan (+8%).
    - The leases renegotiated in the 1st half of 2011 at these two centers were carried out with financial conditions up by 10%.
    - For the country as a whole, renewals and relets led to an average rental gain of +3.2%.

5.2. Hungary (2.9% of consolidated rents)

- The performances of the Hungarian shopping centers are still stymied by the economic crisis the country is experiencing. Under these circumstances, vacancy rates remain high and the occupancy cost ratio is adversely weighing on late payments.

- The significant increase in rents on a current portfolio basis is attributable to the opening of the Corvin center in October 2010.
    - Through June and since it opened, the center has attracted 6 million visitors.

5.3. Czech Republic / Slovakia (2.3% of consolidated rents)

- On a constant portfolio basis, rents rose due to the positive impact of index-linked rent adjustments (+2.0%) and to the increase in additional variable rents from Novy Smichov tenants.

II) Retail segment – Klémurs (4.5% of consolidated rents)

06/30/2011	Rents (€M)		Δ on a constant portfolio basis	Δ on a current portfolio basis	Financial occupancy rate		Late payment rate	
	2011	2010			2011	2010	2011	2010
Retail-Klémurs	21,1	22,1	-4,6%	0,5%	99,4%	100,0%	0,6%	0,2%

- 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 2nd 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.

- On a current portfolio basis, rents also reflect the impact of disposals:
  - The sale of a retail complex located on Rue de la Champmeslé in downtown Rouen (Rouen Candé assets) in the month of June 2010, and the sale of the Paris Flandre asset (leased to retailer Castorama), which was completed in November 2010.
  - The sale for the benefit of the *Etablissement Public Foncier des Yvelines* of a retail space located in Montesson and occupied by a Saint-Maclou store.

III) Office segment (2.9% of consolidated rents)

06/30/2011	Rents (€M)		Δ on a constant portfolio basis	Δ on a current portfolio basis	Financial occupancy rate		Late payment rate[1]	
	2011	2010			2011 [2]	2010	2011	2010
Offices	13,8	18,8	-26,4%	4,7%	95,1%	81,5%	0,0%	0,0%

[1] Rate 6 months out.
[2] Rate on July 20, 2011, after the leasing of Séreinis.

- On a constant portfolio basis, rents for the period were up by 4.7% (+€0.6M), reflecting the impact of the renegotiations and lease renewals carried out in 2010 and 2011, with the slightly positive impact of index-linked rent adjustments having little effect.

- On a current portfolio basis, rents were impacted by the following asset disposals:
  - In 2010, Général Leclerc (Levallois-Perret) on April 6, Marignan-Marbeuf (Paris, 8th arrondissement) on October 19, and Diderot (Paris, 12th arrondissement) on December 28;
  - In 2011, Jardins des Princes (Boulogne-Billancourt) on May 31.

- Two buildings were sold in the course of the first half of the year for a global amount of 64.2 million euros (excluding transfer duties), which is 2.2% higher than the latest appraisal values:
  - Jardins des Princes;
  - Le Barjac (Paris, 15th arrondissement) dated June 30, 2011.
  - These fully leased assets had been recently leased or were subject to lease renewals under conditions that were close to prevailing market conditions.

- On July 20, 2011, Klépierre signed a lease with Veolia Transdev for all of the space in the Séreinis office building, located at 32 Rue Gallieni, Issy-les-Moulineaux (Hauts–de-Seine), which comprises 12 025 sq.m. spread over 7 floors. A key player in the commuter transport market, with a presence in 28 countries worldwide, Veolia Transdev chose this building as its global headquarters. The lease will take effect as of September 1, 2011, for a term of 9 years without penalty.
  - The lease terms also include environmental aspects, with Klépierre and Veolia Transdev each agreeing to work together to optimize the building's energy performances.

- The financial occupancy rate was 77.6% on June 30, 2011. If Séreinis is included, the rate jumps to 95.1%. A total of 3 880 sq.m. was vacant on July 25, 2011, compared with 21 156 sq.m. on June 30, 2010, mainly confined to two buildings for which serious contacts have been made:
  - 1 355 sq.m. at Collines de l'Arche (La Défense), where renovation work was completed at year-end 2010.
  - 2 525 sq.m. at 192 Charles de Gaulle (Neuilly-sur-Seine), a building that is being considered for restructuring and hence is offered for month-to-month rental.

  - The tenant Steria has announced its intention to leave the premises it currently occupies in the Camille Desmoulins building (Issy-les-Moulineaux), effective October 31, 2011.

IV) Fee income

- Fee income for the period came to 39.7 million euros, an increase of 6.8% that reflected higher property management fee income.

C) DEVELOPMENT - DISPOSALS

I) The commercial real estate investment market over the 1st half of 2011

1. The retail real estate market in Continental Europe[3]

- Over the course of the first six months of 2011, transactions in the retail real estate market in Continental Europe came to 8.1 billion euros, an amount that was similar to the volume recorded over the 1st half of 2010. For the full year 2010, the total volume of transactions was 14.1 billion euros.

- The scarcity of available products led investors to focus on alternatives, including retail parks and factory outlets. Transaction levels were sustained for small volumes, easier to obtain financing for and within reach for very active private investors.
  - Germany remains the most active market, with 51% of all transactions completed over the course of the 1st half of this year. For Sweden (11%), the amount of transactions completed in the first six months of 2011 was higher than the volumes posted for all of 2010. France accounted for 6% of all transactions, followed by Poland (4%).

- After a year that was especially eventful in terms of transactions, the French market so far in 2011 seems to have returned to a shortage in the supply of quality products and large-scale ones. As a result of this trend:
  - Transaction volume (€0.7Bn) showed a sharp drop (-45%) compared with the first six months of 2010.
  - The market was very competitive: a lot of investors were involved in a very scarce number of available assets.
  - The market was dominated by small transaction volumes (80% < €25M), with the most significant being the sale of the Saint-Jacques shopping center (Metz; €96.4M) and the sale of Carré Feydeau (Nantes; €75M).
  - After the compression of around 100bps observed in 2010, the range of prime yields remained at low levels.
  - Retail parks showed a particularly marked decline in yields over the period under review.

2. The office property investment market in Ile-de-France[4]

- With 1.1 million sq.m. let over the period, placed demand was up slightly over the 1st half of 2011 (+3%) compared with the same period in 2010. The most dynamic segment driving the market was transactions on properties measuring between 1000 sq.m. and 5000 sq.m.
  - Immediate supply is unchanged versus the situation on January 1, 2011, at 3.6 million sq.m.
  - The vacancy rate is globally unchanged at 6.7%, although the gap between Paris CBD (5.1%) and the Western Crescent (9.8%) is substantial.

- Average face rents are also unchanged at €306/sq.m., but behind this apparent stability lie significant discrepancies in terms of rental trends:
  - Rents on second hand buildings are down;
  - Rents on new or restructured buildings are unchanged;
  - Rents on prime properties are up.

- Concessions remain very significant, and can go as high as 15 to 20% of the firm term of the corresponding lease.

- The search for savings remains the primary rationale behind tenant decisions to move.

- The real estate investment market revived somewhat at the end of the 2nd quarter of this year, reaching 4.4 billion euros in France:
  - Offices are still the most sought-after type of asset, accounting for 81% of all commitments, three-fourths of them on buildings located in Paris or in the Western Crescent.
  - For prime assets, yields are unchanged (around 5%).

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[3] Source: Jones Lang LaSalle
[4] Source: CBRE

II) Investments made over the 1st half of 2011

- Klépierre invested **296.5 million euros** over the course of the 1st half of 2011: 90% of the investments was allocated to its principal regions of operation (France, Scandinavia and Italy).

  - Investments mainly concerned the Group's two current flagship projects and renovation-extension projects underway in France:
    - St-Lazare Paris (France), which is scheduled to open in the 1st quarter of 2012 and which is 89% pre-leased to date.
    - Emporia (Sweden), which will welcome its first clients in the fall of 2012 and which is 77% pre-leased so far.
    - Claye-Souilly (Greater Paris Area), which is being remodelled and expanded will welcome clients in a brand new setting in the 4th quarter of 2012 is 46% pre-leased to date.
    - Perpignan-Claira (France), which is being expanded and renovated and which is 71% pre-leased so far, will be inaugurated in the 3rd quarter of 2012.

  - The Group has also made two important acquisitions:
    - Effective January 20, 2011, Klépierre completed the acquisition of a retail park at Savignano (Rimini, Italy) for a total of 69.2 million euros, including transfer duties, and net rents of 4.9 million euros. Covering 39 537 square meters, this real estate complex is located in the immediate vicinity of the Romagna Center, a shopping center owned by Klépierre (71.3%) and its partner Finiper (28.7%). This transaction gives Klépierre greater control over the land surrounding this regional retail hub, which is located in a steadily developing catchment area that counts 270 000 inhabitants, a population that practically triples during the summer months.
    - On March 4, 2011, Steen & Strøm acquired the land and building permits related to the design and production of a commercial real estate complex (around 35 000 sq.m. GLA of retail space and 15 000 sq.m. of office space) located in Odense, Denmark's third largest urban area, with nearly 200 000 inhabitants.

  - Lastly, a portion of the investments focused on two shopping centers that opened in course of the 1st halp of 2011:
    - Le Millénaire (Aubervilliers), which opened on April 27, 2011, has already attracted close to 1.5 million visitors.
    - Aqua Portimão (Algarve, Portugal), which opened on April 14, 2011, had attracted 1.5 million visitors by the end of June.

For more information, download the related press releases from the company's website, under Information Space: www.klepierre.com

In €M	Total	Operating assets	Projects
France-Belgium	**77,3**	**34,0**	**43,4**
		o/w Le Millénaire* (opened 04/27/2011)	o/w St-Lazare Paris (11 700 sq.m) ; Clermont Jaude (13 800 sq.m) ; Claye-Souilly (extension-révovation) ; Perpignan Claira (extension-rénovation)
Scandinavia	**118,1**		**115,8**
		-	o/w Emporia (79 000 sq.m) ; Odense (50 000 sq.m)
Italy-Greece	**70,0**	**70,0**	**-**
		Retail park Romagna Center	-
Iberia	**23,8**	**9,8**	**14,0**
		Aqua Portimão* (opened 04/14/2011)	o/w La Gavia (land) ; Elche (extension-renovation)
Central Europe	**7,2**	**7,2**	**-**
		Corvin (opened 10/27/2010)	-
TOTAL	**296,5**	**123,3**	**173,2**

* Klépierre share (50%)

III) Development pipeline for the 2nd half of 2011-2015

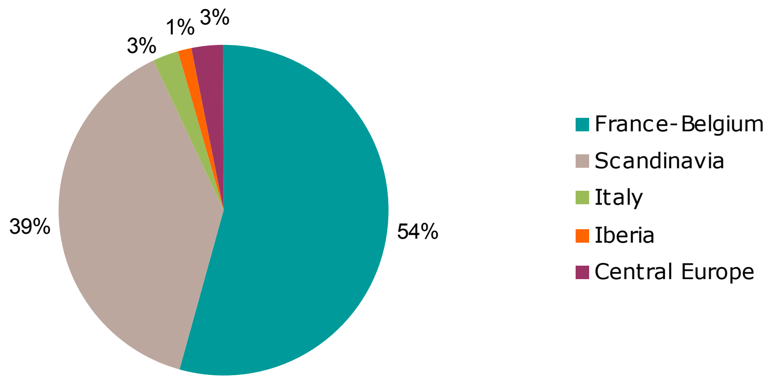
- The Group has a global pipeline global representing 3.6 billion euros in terms of project value (group share is €2.9Bn), of which 1.0 billion euros in committed projects (group share is €0.8Bn) and 1.5 billion euros in controlled projects, in Klépierre's hands (group share is €1.1Bn).
    - Tentative investment outlay for the period running from the 2nd half of 2011 through 2015 is estimated to be 2.8 billion euros (group share is €2.2Bn), of which 0.5 billion euros in committed projects (group share is €0.4Bn) and 1.2 billion euros in controlled projects (group share is €0.9Bn).

In millions of euros	Estimated cost[1]	Amounts to outlay H2 2011-2015	Expected net initial yield[2]	Floor area (sq.m.)	Expected opening date	Pre-let rate (%)	
						MGR[3]	floor area
Gare Saint-Lazare (Paris)	156,3	35,0	8,0%	11 700	Q1 2012	89%	80%
Emporia (Malmö, Sweden)	342,2	138,5	7,7%	79 000	Q3 2012	77%	71%
Claye-Souilly (extension/renovation - France)	94,9	59,6	7,0%	13 000	Q4 2012	46%	42%
Perpignan Claira (extension/renovation, France)	35,0	28,4	8,3%	8 200	Q4 2012	71%	70%
Bègles Rives d'Arcins (extension - France)	60,0	53,7	8,1%	12 900	Q3 2013	-	-
Carré Jaude 2 (Clermont-Ferrand - France)	99,6	76,1	7,5%	13 800	Q1 2014	-	-
Besançon Pasteur (France)	52,8	44,2	7,4%	14 800	Q1 2015	-	-
Other operations							
COMMITTED OPERATIONS [4]	**993,1**	**501,7**	**7,4%**	**213 371**			
*Marseille Bourse (extension/renovation - France)**	16,4	15,9	-	5 500	Q4 2013		
Chaumont (France)	38,3	38,0	-	28 900	Q4 2013		
Grand Portet (extension/renovation - France)	56,5	55,6	-	7 700	2013-2014		
Val d'Europe (extension - France)	73,5	73,0	-	16 000	Q4 2014		
Torp (Sweden)	119,4	117,0	-	56 400	2015		
Nancy-Bonsecours (France)	146,0	99,6	-	53 400	Q4 2016		
Asane (Norway)	106,1	102,8	-	100 000	2016		
CONTROLLED OPERATIONS [5]	**1 451,2**	**1 247,7**	**~ 8%**	**553 735**			
IDENTIFIED OPERATIONS [6]	**1 141,9**	**1 002,0**	**-**	**410 494**			
TOTAL	**3 586,1**	**2 751,3**	**-**	**1 177 600**			

* Klépierre share

1 Estimated cost price, after provisions, before financial costs
2 Expected net rents / Total investment forecast, before financial costs
3 MGR: Minimum Guaranteed Rent
4 Committed operations: Transactions in the process of completion, for which Klépierre controls the land and has obtained the necessary administrative approvals and permits.
5 Controlled operations: Transactions that are in the process of advanced review, for which Klépierre has control over the land (acquisition made or under condition precedents contingent on obtaining the necessary administrative approvals and permits).
6 Identified operations: Transactions that are in the process of being put together and negotiated.

- **Committed and controlled investment outlays for the period running from the 2nd half of 2011 through 2015 will continue to focus almost exclusively on the Group's main regions of operation: France (54%), Scandinavia (39%) and Italy (3%):** These are the regions of continental Europe that are the most dynamic and that offer the strongest prospects for economic and demographic growth in the years ahead. Projects involve:
    - Either the completion of **dominant shopping center projects** such as the Saint-Lazare retail space in Paris or the Emporia shopping center (Malmö, Sweden), which have already met with the approval of retailers;
    - Or **extension-renovation projects** for existing shopping centers, whose commercial appeal is proven and whose growth potential has been clearly detected.



IV) Asset sales completed over the course of the 1st half of 2011

Assets	Sale price (M€, exl. duties)	Date
Shopping centers	**12,2**	
Aire sur la Lys (France)		1Q 2011
Huelva (Spain)		2Q 2011
Retail assets	**1,0**	
Saint Maclou Montesson		2Q 2011
Offices	**64,2**	
Barjac Boulevard Victor - Paris 15th		2Q 2011
Jardin des Princes - Boulogne		2Q 2011
TOTAL	**77,4**	

- The total amount of asset sales over the 1st six months of 2011 was 77.4 million euros.
  - On average, these transactions were completed for higher amounts (+4%) than the last appraised values.

D) CONSOLIDATED CASH FLOW AND EARNINGS

I) Segment earnings

1. Shopping center segment

In millions of euros	06/30/11	06/30/10	Change
Rents	*436,0*	*412,9*	5,6%
Other rental income	*6,7*	*8,6*	-21,7%
Rental income	**442,7**	**421,4**	**5,0%**
Rental & building expenses	- 48,9	- 45,8	6,8%
Nets rents	**393,8**	**375,6**	**4,8%**
Management and other income	47,8	50,1	-4,5%
Payroll expense and other general costs	- 61,8	- 58,4	5,9%
EBITDA	**379,8**	**367,3**	**3,4%**
D&A	- 161,9	- 189,3	-14,5%
Proceeds from sales	6,7	26,2	-74,4%
Share in earnings in equity-methods investees	0,7	0,8	-16,5%
SEGMENT EARNINGS	***225,3***	***205,0***	***9,9%***

Rental income for the period came to 442.7 million euros, an increase of 21.3 million euros (+5.0%) over the prior corresponding period.

The change observed for other rental income is mainly attributable to the end of the straightlining of entry fees that were billed for the extensions at Rambouillet and Orléans.

The 3.1 million euro increase in rental and building expenses reflects higher asset maintenance and marketing costs.

Management and other income fell by 2.3 million euros versus the six months ended June 30, 2010 and include, in particular, development fee income.

Payroll and general operating expenses totaled 61.8 million euros, an increase of 5.9% compared with the six months ended June 30, 2010.

EBITDA for the period was 379.8 million euros, up by 12.5 million euros versus the corresponding period in 2010.

Depreciation and amortization on investment property and property held for sale was 132.8 million euros for the period, an increase of 4.7 million euros that reflects the development of the portfolio of holdings. Asset impairment allowances for the period (€26.5M) declined by 33.7 million euros compared with the preceding period.

Contingency and loss allowance for the period was 2.6 million euros.

Proceeds from the sale of assets, 6.7 million euros, includes the impact of the sale of the Aire-sur-la–Lys (France) and Huelva (Spain) centers for a total of 12.2 million euros.

Including the impact of earnings from equity method investees (Progest group), totaling 0.7 million euros, the shopping center segment produced earnings for the half-year period of 225.3 million euros, an increase of 9.9%.

In millions of euros	France-Belgium		Scandinavia		Italy-Greece		Iberia		Central Europe	
	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10
Rents	*181,6*	*178,1*	*101,3*	*89,6*	*62,6*	*58,7*	*48,3*	*47,8*	*42,2*	*38,7*
Other rental income	*5,6*	*6,1*	*-*	*-*	*0,9*	*0,9*	*0,1*	*0,0*	*0,0*	*1,5*
Rental income	**187,2**	**184,2**	**101,3**	**89,6**	**63,5**	**59,6**	**48,4**	**47,9**	**42,2**	**40,2**
Rental & buiding expenses	- 14,9	- 13,7	- 15,8	- 13,3	- 6,2	- 6,1	- 4,8	- 4,8	- 7,1	- 7,9
Net rents	**172,3**	**170,5**	**85,5**	**76,3**	**57,3**	**53,5**	**43,6**	**43,0**	**35,1**	**32,3**
Management and other income	23,6	24,5	15,6	14,7	3,5	5,2	3,1	3,8	1,9	1,9
Payroll expense and other general costs	- 27,0	- 25,0	- 17,8	- 16,8	- 5,7	- 5,4	- 6,7	- 6,9	- 4,6	- 4,3
EBITDA	**168,9**	**170,1**	**83,3**	**74,2**	**55,0**	**53,3**	**40,1**	**40,0**	**32,5**	**29,8**
D&A	- 47,7	- 39,9	- 38,9	- 57,9	- 21,4	- 16,5	- 23,2	- 24,0	- 30,6	- 50,9
Proceeds from sales	3,4	13,2	0,2	13,6	-	-	3,1	-	0,0	- 0,6
Share in earnings in equity-methods investees	0,7	0,8	-	-	-	-	-	-	-	-
SEGMENT EARNINGS	***125,3***	***144,1***	***44,6***	***29,9***	***33,7***	***36,8***	***19,9***	***16,0***	***1,9***	***-21,7***

2. Retail segment-Klémurs

In millions of euros	06/30/11	06/30/10	Change
Rents	*21,1*	*22,1*	-4,6%
Other rental income	*0,1*	*0,4*	-83,7%
Rental income	**21,2**	**22,5**	**-6,0%**
Rental & building expenses	- 0,7	- 0,8	-9,6%
Nets rents	**20,5**	**21,8**	**-5,8%**
Management and other income	0,3	0,3	-6,3%
Payroll expense and other general costs	- 1,1	- 1,1	-4,1%
EBITDA	**19,7**	**20,9**	**-5,9%**
D&A	- 4,8	1,7	nc
Proceeds from sales	- 0,1	3,5	nc
SEGMENT EARNINGS	***14,8***	***26,1***	***-43,3%***

For the six months ended June 30, 2010, rental income from retail properties fell by 6.0% (-€1.3M), to 21.2 million euros, due to asset sales completed in June 2010 (storefront properties in Rouen) and in November 2010 (the Castorama store located in the 19th arrondissement of Paris).

Other rental income in 2010 included the entry fee paid by Castorama.

Rental, building and land expenses were 0.7 million euros for the period, primarily reflecting the fees paid to outside service providers. Rental and administrative management fees paid to Klépierre Conseil have been eliminated from this presentation.

Payroll and general operating expenses for the period came to 1.1 million euros, primarily reflecting the allocation of costs for personnel in charge of management and development for the company.

EBITDA for the period was 19.7 million euros, down by 1.2 million euros.

The decline in depreciation and amortization for the period is attributable to asset sales. Appreciation in the market values of the retail properties owned by Klémurs enabled the reversal of a provision on investment properties of 2.0 million euros.

The Retail segment generated proceeds from the sale of assets of -0.1 million euros. In June, Klémurs sold an asset it owns in Montesson to the *Etablissement Public Foncier des Yvelines* as part of an expropriation process. The transaction was completed close to equilibrium (-€57K).

Segment earnings for the period were a profit of 14.8 million euros.

3. Office segment

In millions of euros	06/30/11	06/30/10	Change
Rents	*13,8*	*18,8*	-26,4%
Other rental income	-	-	nc
Rental income	**13,8**	**18,8**	**-26,4%**
Rental & building expenses	- 1,8	- 1,7	5,2%
Nets rents	**12,0**	**17,1**	**-29,6%**
Management and other income	0,2	0,0	-
Payroll expense and other general costs	- 0,5	- 0,6	-14,9%
EBITDA	**11,7**	**16,5**	**-29,0%**
D&A	- 4,8	- 5,6	-14,1%
Proceeds from sales	22,5	15,9	41,9%
SEGMENT EARNINGS	***29,5***	***26,8***	***9,9%***

Rental income for the period was 13.8 million euros, a -26.4% decline that was primarily due to the impact of asset sales completed in 2010, including Général Leclerc (Levallois-Perret), Marignan-Marbeuf (Paris, 8th arrondissement) and Diderot (Paris, 12th arrondissement).

Rental and building charges for the period reflect the amortization of the building lease for the building located at 43 Grenelle, the cost of the vacancy at the Séreinis building (Issy-les-Moulineaux) and fees paid to outside service providers.

Payroll and general operating expenses came to 0.5 million euros.

EBITDA for the period reached 11.7 million euros, a decline of 29.0% compared with the six months ended June 30, 2010.

Depreciation and amortization expense for the period decreased by 0.8 million euros, due to asset sales completed.

The Office segment generated proceeds from asset sales of 22.5 million euros following the sale of the Jardins des Princes (Boulogne-Billancourt) on May 31 and Le Barjac (Paris, 15th arrondissement) buildings on June 30 for a total of 64.2 million euros.

Earnings for the Office segment at the June 30, 2011 reporting date came to 29.5 million euros, up by 9.9%.

KLEPIERRE

II) Consolidated earnings and cash flow

1. Earnings

In millions of euros	June 30, 2011	June 30, 2010	Change	
			€M	%
Rental income	477,7	462,7	15,0	3,2%
Rental & building expenses	- 51,4	- 48,3	- 3,1	6,5%
Net lease income	**426,3**	**414,4**	**11,9**	**2,9%**
Management and administrative income	39,7	37,2	2,5	6,8%
Other operating income	8,8	13,2	- 4,3	-33,0%
Payroll expense	- 54,1	- 49,8	- 4,3	8,7%
Other general expenses	- 20,4	- 20,3	- 0,1	0,7%
EBITDA	**400,3**	**394,8**	**5,6**	**1,4%**
D&A on investment property	- 168,6	- 192,3	23,7	-12,3%
D&A on PPE	- 3,1	- 1,0	- 2,1	200,7%
Proceeds of sales	29,2	45,5	- 16,3	-35,9%
Results of operations	**257,8**	**247,0**	**10,8**	**4,4%**
Net cost of debt	- 154,1	- 151,7	- 2,4	1,6%
Share in earnings for equity method investees	0,7	0,8	- 0,1	-16,5%
Pre-tax current income	**104,4**	**96,1**	**8,3**	**8,6%**
Corporate income tax	- 12,1	2,2	- 14,3	-644,1%
Net income	**92,3**	**98,3**	**- 6,0**	**-6,1%**
Non-controlling interests	- 31,8	- 34,8	3,0	-8,7%
NET INCOME (GROUP SHARE)	***60,5***	***63,5***	***-3,0***	***-4,7%***

Net rental income for the first half of the year came to 426.3 million euros, an increase of 2.9% compared with the same period last year. Rental income amounted to 477.7 million euros, with 442.6 million euros of the total provided by shopping centers, 13.9 million euros provided by office properties and 21.2 million euros provided by retail properties. Compared with June 30, 2010, lease income from shopping centers rose by 5.6% on a current portfolio basis (+1.6% on a constant basis). Lease income from retail properties fell by 4.6% on a current basis (+0.5% on a constant basis), while lease income from office properties declined by 25.9% on a current basis (+4.7% on a constant basis).

Management and administrative income (fees) from service businesses totaled 39.7 million euros, up by 2.5 million euros. Of the total, 64% is attributable to recurrent property and rental management business carried out for third parties.

Other operating income primarily includes gains on charges reinvoiced to tenants and various indemnities.

Owner's building expenses for the period came to 51.4 million euros, an increase of 3.1 million euros or 6.5%. This increase is attributable to higher maintenance costs for the holdings and higher marketing expenses.

Payroll expense for the period was 54.1 million euros, versus 49.8 million euros for the preceding period. Staffing level was unchanged, with the total headcount at 1 511 on June 30, 2011.

Other general expenses were unchanged at 20.4 million euros.

The operating ratio (total expenses/net operating income) for the period was 15.7% for the six months ended June 30, 2011, versus 15.1% for the 1st half of 2010.

EBITDA for the period was 400.3 million euros, a 1.4% increase compared with the six months ended June 30, 2010.

Depreciation and amortization for buildings was 168.6 million euros for the period, down by 23.7 million euros compared with the six months through June 30, 2010. This decrease includes an asset impairment allowance of 24.5 million euros, a decline of 26.6 million euros. The change in depreciation and amortization allowance (3.0 M€) was offset by the impact of asset sales.

Depreciation and amortization expense for contingencies for the period came to 3.1 million euros, versus 1.0 million euros for the six months ended June 30, 2010.

Proceeds from the sale of assets came to 29.2 million euros for the period, compared with 45.5 million euros for the six months through June 30, 2010. This line item includes the proceeds from the sale of the Aire-sur-la-Lys and Huelva (in Spain) shopping centers, and of the Jardins des Princes (Boulogne-Billancourt) and Le Barjac (Paris, 15th arrondissement) office buildings.

Results from operations, 257.8 million euros for the period, rose by 4.4% compared with the first six months of 2010.

The financial result for the period is a loss of 154.1 million euros, compared with a loss of 151.7 million euros for the six months ended June 30, 2010. The Group' interest expense rose by 2.4 million euros. The cost of Klépierre's debt observed for the first half of 2011 – the ratio of interest expense to average financing debt – is basically unchanged.

Klépierre's financial policy and structure are described in more detail in paragraph I.

For the six months ended June 30, 2011, tax expense is 12.1 million euros, an increase of 14.3 million euros.

- Tax expense for the period is 14.5 million euros, versus 11.2 million euros on June 30, 2010.
- Deferred tax credits amount to 2.4 million euros, versus 13.4 million euros for the first half of 2010. The change is mainly due to deferred tax credits recorded for asset impairment allowances.

Consolidated net income for the six months ended June 30, 2011 was 92.3 million euros, down by 6.1% compared with June 30, 2010.

Minority share of net income (non-controlling interests) for the period was 31.8 million euros, mainly from the shopping center segment, bringing group share of net income to 60.5 million euros, a decrease of 4.7%.

2. Change in net current cash flow

In millions of euros	June 30, 2011	June 30, 2010	Change	
			€M	%
Total share				
EBITDA-Shopping centers	379,7	367,3	12,4	3,4%
EBITDA-Offices	11,8	16,5	- 4,7	-28,4%
EBITDA-Retail properties	19,7	20,9	- 1,2	-5,9%
Corporate and shared expenses	- 10,9	- 10,0	- 0,9	8,9%
EBITDA	**400,3**	**394,8**	**5,6**	**1,4%**
Restatement payroll and deferred expenses	1,6	- 0,1	1,7	nc
Operating cash flow	**402,0**	**394,7**	**7,3**	**1,8%**
Financial result	- 154,1	- 151,7	- 2,4	1,6%
Restatement financial allowance	11,1	10,9	0,2	1,6%
Net current cash flow before taxes	**259,0**	**254,0**	**5,0**	**2,0%**
Share in equity method investees	0,7	0,8	- 0,1	-16,5%
Current tax expenses	- 12,7	- 10,3	- 2,5	23,9%
Net current cash flow	***246,9***	***244,5***	***2,4***	***1,0 %***
Group share				
Operating cash flow (group share)	316,5	313,6	2,9	0,9%
Net current cash flow group share	***184,1***	***185,0***	***-0,8***	***-0,4 %***
Number of shares	186799951,5	186749331,2		
Net current cash flow per share	**0,99**	**0,99**		**-0,5%**

After-tax, global net current cash flow for the period came to 246.9 million euros, an increase of +1.0%. Expressed in terms of group share, it was 184.1 million euros (0.99 euro per share), unchanged versus the first six months of 2010.

E) 2011 OUTLOOK

- For 2011, Klépierre confirms it expects to record slightly increasing rents and at least stable net current cash flow per share.
  - The full lease-up (12 025 sq.m.) of the Séreinis office building in Issy-les-Moulineaux, effective as of September 1, 2011, supports this outlook.
  - Klépierre expects to invest al least 600 million in the year 2011.
  - In light of negotiations underway on assets in the shopping center portfolio, amounts of disposals are expected to total 200 million euros.

- Lease expiration schedule for Shopping center segment (as of 06/30/2011)

Country/Area	< or = 2011	2012	2013	2014	2015	2016	2017	2018	2019+	Total
France	6,4%	9,0%	5,6%	6,2%	5,4%	9,1%	9,7%	8,3%	40,4%	100,0%
Belgium	0,6%	0,1%	0,6%	69,1%	8,0%	4,3%	2,5%	3,0%	11,9%	100,0%
France-Belgium	**6,2%**	**8,7%**	**5,4%**	**8,3%**	**5,5%**	**8,9%**	**9,5%**	**8,1%**	**39,4%**	**100,0%**
Denmark	-	-	-	-	-	-	-	-	-	-
Norway	11,9%	16,4%	20,6%	11,9%	16,4%	10,1%	3,5%	5,4%	3,9%	100,0%
Sweden	8,5%	23,0%	18,8%	19,8%	15,7%	10,6%	1,7%	0,9%	1,1%	100,0%
Scandinavia	**10,6%**	**18,8%**	**19,9%**	**14,8%**	**16,1%**	**10,3%**	**2,8%**	**3,7%**	**2,9%**	**100,0%**
Italy	10,7%	10,1%	9,9%	10,6%	9,8%	12,4%	8,8%	4,6%	23,2%	100,0%
Greece	11,2%	9,7%	0,3%	14,3%	0,9%	1,2%	4,5%	2,7%	55,1%	100,0%
Italy-Greece	**10,7%**	**10,1%**	**9,4%**	**10,7%**	**9,3%**	**11,9%**	**8,6%**	**4,5%**	**24,8%**	**100,0%**
Spain	11,7%	10,9%	7,6%	8,4%	9,1%	7,0%	4,1%	11,8%	29,5%	100,0%
Portugal	1,6%	12,6%	12,9%	6,0%	16,0%	7,6%	19,5%	5,5%	18,2%	100,0%
Iberia	**9,6%**	**11,2%**	**8,7%**	**7,9%**	**10,6%**	**7,1%**	**7,3%**	**10,4%**	**27,1%**	**100,0%**
Hungary	13,1%	13,6%	15,2%	15,1%	31,2%	4,2%	2,2%	1,6%	3,7%	100,0%
Poland	6,1%	35,1%	7,6%	4,1%	29,6%	3,2%	10,6%	0,2%	3,4%	100,0%
Czech Republic & Slovakia	19,9%	22,2%	7,7%	6,1%	14,7%	13,7%	4,7%	1,3%	9,7%	100,0%
Central Europe	**12,1%**	**24,4%**	**10,2%**	**8,3%**	**26,2%**	**6,3%**	**6,2%**	**1,0%**	**5,1%**	**100,0%**
TOTAL	**8,6%**	**12,5%**	**9,5%**	**9,8%**	**10,5%**	**9,2%**	**7,6%**	**6,4%**	**25,9%**	**100,0%**

- Lease expiration schedule for Retail segment-Klémurs (as of 06/30/2011)

< or = 2011	2012	2013	2014	2015	2016	2017	2018+	Total
1,5%	0,7%	2,0%	1,2%	54,3%	5,9%	5,4%	28,8%	100%

- Lease expiration schedule for office segment (06/30/2011)

Years	≤ 2011	2012	2013	2014	2015	2016	2017+	Total
By date of next exit option	9,6	4,6	8,9	0,6	0,0	0,5	0,7	24,9
as a percentage of the total	*38,3%*	*18,3%*	*35,8%*	*2,6%*	*0,0%*	*2,1%*	*2,9%*	*100,0%*
By end of lease date	9,6	3,2	6,6	0,3	0,0	2,2	3,0	24,9
as a percentage of the total	*38,3%*	*13,0%*	*26,7%*	*1,0%*	*0,0%*	*9,0%*	*12,0%*	*100,0%*

  - The 2011 expirations mainly concern tenants Steria at Camille Desmoulins (Issy-les-Moulineaux) and Ingenico at 192 Charles de Gaulle (Neuilly-sur-Seine), effective October 31, 2011.

F) NET ASSET VALUE

I) Appraisal of Group assets

1. Methodology

- Klépierre adjusts the value of its net assets per share on December 31 and June 30 of each year. The valuation method used entails adding unrealized capital gains to the book value of consolidated shareholders' equity. These unrealized gains reflect the difference between estimated market values and the net values recorded in the consolidated financial statements.

- Klépierre entrusts the task of appraising its real estate holdings to various experts. Appraisals done in connection with the June 30, 2011 reporting date were carried out by the following experts:

Experts	Portfolios	Number of assets	Valuation[1]	%		June report	December report
RCGE	- France (incl. retail properties)	256	5 151	0	54%	résumé	détaillé + résumé
	- Italy	34	1 893	0		résumé	détaillé + résumé
	- Spain : KFE and KFV	37	722	0		résumé	détaillé + résumé
	- Czech Rep. And Slovakia	4	315	0		résumé	détaillé + résumé
	- Portugal	6	226	0		résumé	détaillé + résumé
	- Greece	5	77	0		résumé	détaillé + résumé
	- Hungary	4	127	0		résumé	détaillé + résumé
JLL	- France: Progest, Scoo, Le Havre Coty, Odysseum	22	1 438	0	17%	résumé	détaillé + résumé
	- Poland	7	425	0		résumé	détaillé + résumé
	- Spain: KFI	33	364	0		résumé	détaillé + résumé
	- Hungary	8	230	0		résumé	détaillé + résumé
	- Belgium	1	246	0		résumé	détaillé + résumé
DTZ	- Denmark	3	829	0	14%	résumé	détaillé + résumé
	- Norway	9	831	0		résumé	détaillé + résumé
	- Sweden	6	592	0		résumé	détaillé + résumé
NEWSEC	- Norway	8	896	0	8%	résumé	détaillé + résumé
	- Sweden	3	332	0		résumé	détaillé + résumé
Auguste Thouard / BNPP Real Estate	- Offices and retail properties	181	1 136	0	7%	résumé	détaillé + résumé

[1] Amounts include transfer duties and are expressed in millions of euros

- All of these appraisal assignments were awarded in compliance with the Code of Ethics governing SIICs, the prescriptions contained in the Real Estate Appraisal Guidelines (*Charte de l'Expertise en Evaluation Immobilière*), the recommendations issued by the COB/CNC work group chaired by Mr. Barthès de Ruyther, and pursuant to the RICS and IVSC standards.

2. Results of the appraisals

The value of Klépierre's real estate holdings transfer duties excluded was 15.6 billion euros (total share) and 12.3 billion euros (group share). Total share, shopping centers represent 93.0%, retail properties represent 3.9%, and offices 3.1%. Group share, the respective percentages are 92.0%, 4.1% and 3.9%.

Pursuant to IAS 40, the Group appraises the value of its sufficiently advanced development projects using a team of in-house valuation experts. Currently, appraised development projects include the renovation of Gare Saint-Lazare in Paris and the Emporia project in Sweden. Two projects that were completed and opened during the first half of the current year were also appraised by in-house experts: Aqua Portimão (Portugal) and Aubervilliers (France). Projects that are not appraised are carried at their cost price. They include Lackeraren (Sweden), Hovlandsbanen (Norway), and Odense and the extensions at Field's (Denmark). Projects under development represent 4.2% of all real estate holdings.

Assets acquired during the first six months of 2011 are carried at their acquisition price.

Assessed on a constant portfolio and exchange rate basis, the value of shopping center assets increased by 2.2% over 6 months, while for the retail and office segments the increase in value was 2.1% and 0.4%, respectively. Over 12 months, the change in values for these same asset types is as follows: +5.2% for shopping centers, +8.2% for retail, and +0.4% for offices.

☐ VALUE OF HOLDINGS, TOTAL SHARE (excluding transfer duties)

In millions of euros	06/30/2011	In % of total holdings	Change over 6 months			Change over 12 months		
			12/31/2010	Current portfolio basis	Constant portfolio basis*	06/30/2010	Current portfolio basis	Constant portfolio basis*
France	6 397	40,9%	6 197	3,2%	2,0%	5 884	8,7%	6,7%
Belgium	246	1,6%	235	4,6%	4,6%	219	12,0%	12,0%
France- Belgium	**6 643**	**42,5%**	**6 432**	**3,3%**	**2,1%**	**6 103**	**8,8%**	**6,9%**
Norway	1 514	9,7%	1 460	3,7%	2,7%	1 416	6,9%	4,8%
Sweden	1 180	7,6%	1 087	8,5%	6,5%	943	25,1%	9,3%
Denmark	890	5,7%	844	5,4%	1,8%	842	5,7%	3,0%
Scandinavia	**3 584**	**22,9%**	**3 392**	**5,7%**	**2,9%**	**3 201**	**12,0%**	**5,2%**
Italy	1 746	11,2%	1 638	6,6%	2,4%	1 609	8,5%	3,0%
Greece	77	0,5%	83	-7,5%	-7,5%	89	-13,6%	-13,6%
Italy - Greece	**1 823**	**11,7%**	**1 721**	**5,9%**	**1,9%**	**1 698**	**7,4%**	**2,1%**
Spain	1 099	7,0%	1 066	3,1%	2,5%	1 059	3,8%	3,1%
Portugal	271	1,7%	272	-0,3%	-4,5%	265	2,4%	-5,8%
Iberia	**1 370**	**8,8%**	**1 338**	**2,4%**	**1,2%**	**1 324**	**3,5%**	**1,5%**
Poland	422	2,7%	401	5,3%	5,3%	383	10,0%	10,0%
Hungary	380	2,4%	405	-6,4%	-7,0%	451	-15,9%	-4,4%
Czech Republic / Slovakia	315	2,0%	290	8,5%	8,5%	283	11,3%	11,3%
Central Europe	**1 116**	**7,1%**	**1 096**	**1,8%**	**1,8%**	**1 117**	**-0,1%**	**5,9%**
TOTAL SHOPPING CENTERS	**14 536**	**93,0%**	**13 979**	**4,0%**	**2,2%**	**13 443**	**8,1%**	**5,2%**
TOTAL RETAIL ASSETS	**608**	**3,9%**	**596,7**	**1,9%**	**2,1%**	**588**	**3,5%**	**8,2%**
TOTAL OFFICES	**478**	**3,1%**	**539**	**-11,3%**	**0,4%**	**712**	**-32,8%**	**0,4%**
TOTAL HOLDINGS	**15 623**	**100,0%**	**15 114**	**3,4%**	**2,1%**	**14 742**	**6,0%**	**5,2%**

**** For Scandinavia change is indicated on constant portfolio and forex basis***

☐ VALUE OF HOLDINGS, GROUP SHARE (excluding transfer duties)

In millions of euros	06/30/2011	In % of total holdings	Change over 6 months			Change over 12 months		
			12/31/2010	Current portfolio basis	Constant portfolio basis*	06/30/2010	Current portfolio basis	Constant portfolio basis*
France	5 162	41,8%	4 978	3,7%	2,3%	4 729	9,2%	6,8%
Belgium	246	2,0%	235	4,6%	4,6%	219	12,0%	12,0%
France- Belgium	**5 408**	**43,8%**	**5 213**	**3,7%**	**2,4%**	**4 949**	**9,3%**	**7,1%**
Norway	849	6,9%	819	3,7%	2,7%	794	6,9%	4,8%
Sweden	662	5,4%	610	8,5%	6,5%	529	25,1%	9,3%
Denmark	499	4,0%	474	5,4%	1,8%	472	5,7%	3,0%
Scandinavia	**2 011**	**16,3%**	**1 903**	**5,7%**	**2,9%**	**1 796**	**12,0%**	**5,2%**
Italy	1 518	12,3%	1 414	7,3%	2,4%	1 390	9,2%	3,0%
Greece	66	0,5%	71	-7,9%	-7,9%	76	-13,9%	-13,9%
Italy - Greece	**1 583**	**12,8%**	**1 486**	**6,6%**	**1,9%**	**1 467**	**8,0%**	**2,1%**
Spain	958	7,8%	928	3,2%	2,5%	922	3,9%	3,2%
Portugal	271	2,2%	272	-0,3%	-4,5%	265	2,4%	-5,8%
Iberia	**1 229**	**10,0%**	**1 200**	**2,4%**	**1,0%**	**1 186**	**3,6%**	**1,3%**
Poland	422	3,4%	401	5,3%	5,3%	383	10,0%	10,0%
Hungary	380	3,1%	405	-6,4%	-7,0%	451	-15,9%	-4,4%
Czech Republic / Slovakia	315	2,6%	290	8,5%	8,5%	283	11,3%	11,3%
Central Europe	**1 116**	**9,0%**	**1 096**	**1,8%**	**1,8%**	**1 117**	**-0,1%**	**5,9%**
TOTAL SHOPPING CENTERS	**11 347**	**92,0%**	**10 898**	**4,1%**	**2,2%**	**10 515**	**7,9%**	**5,2%**
TOTAL RETAIL ASSETS	**512**	**4,1%**	**501,9**	**1,9%**	**2,1%**	**494**	**3,5%**	**8,2%**
TOTAL OFFICES	**478**	**3,9%**	**539**	**-11,3%**	**0,4%**	**712**	**-32,8%**	**0,4%**
TOTAL HOLDINGS	**12 337**	**100,0%**	**11 939**	**3,3%**	**2,1%**	**11 721**	**5,3%**	**5,1%**

**** For Scandinavia change is indicated on constant portfolio and forex basis***

3.1. Shopping centers

Klépierre's shopping center holdings are valued at 14 536.3 million euros (11 346.9 million euros, group share), an increase of 558 million euros compared with December 31, 2010 (+4.0%). Over 12 months, the portfolio has increased in value by 1 093 million euros since June 30, 2010 (+8.1%).

59 facilities and projects have an estimated unit value that exceeds 75 million euros, representing 63.3% of the estimated value of this portfolio; 104 have a unit value of between 15 and 75 million euros (26.7%); 111 have a unit value that is below 15 million euros (10.0%).

On a constant portfolio and exchange rate basis, the transfer duties excluded value of the shopping center assets increased by 2.2% (+€277.9M) over 6 months, with 1.5% attributable to lower yields and 0.6% attributable to higher revenues. Over one year, the 5.2% increase (+€637.4M) is attributable to lower yields (4.2%) and higher revenues (1.0%).

The change on a current portfolio basis incorporates a currency translation impact related to the depreciation in Scandinavian currencies since December 31, 2010 for -28.3 million euros.

External growth contributed 308.2 million euros to the increase over 6 months in the value of the holdings.

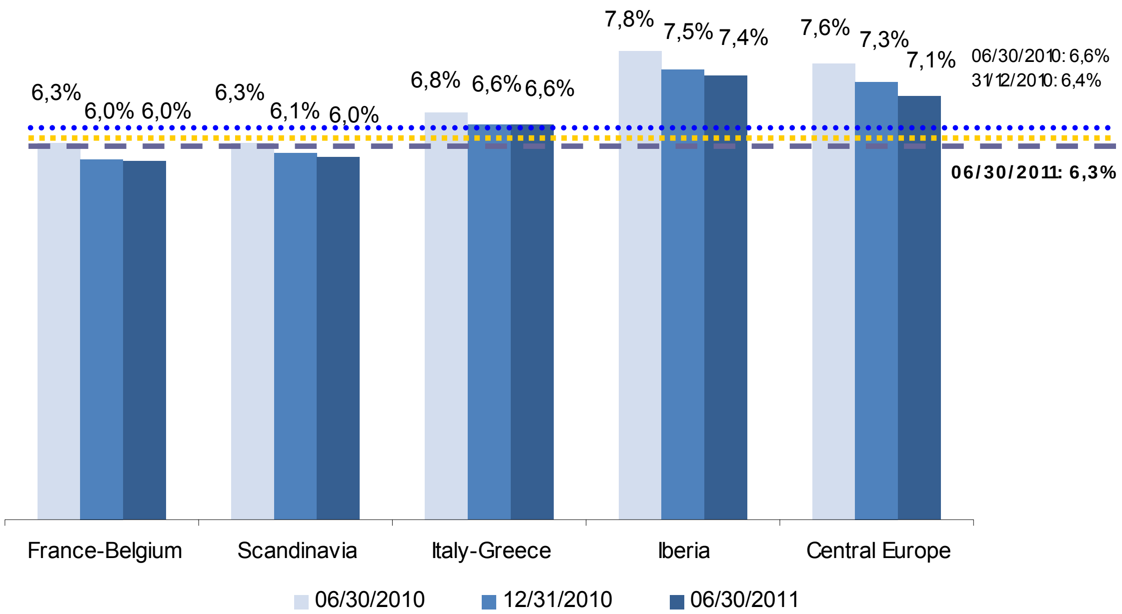
The change is primarily attributable to developments and acquisitions: Scandinavia (+€124.9M), France (+€90.1M), Italy (+€70.8M), Portugal (+€9.8M), Spain (+€6.9M). Significant changes are listed below:

- in France, the opening of the Le Millénaire center in Aubervilliers, the status of the Saint-Lazare train station retail space project and the Claye Souilly shopping center extension;
- in Italy, the acquisition of retail park Savignano Romagna Center;
- in Portugal, the opening of the Aqua Portimão center;
- in Sweden, the status of the Emporia project.

The change is offset in particular by the sale of the Aire Sur La Lys (France) and Huelva (Spain) shopping centers.

The average yield on the portfolio excluding transfer duties was 6.3% for the period, down by 10 points compared with December 31, 2010 (6.4%) and down by 30 basis points compared with June 30, 2010 (6.6%).

☐ **Change in yields (excluding transfer duties) for the shopping center portfolio**



3.2. Retail properties-Klémurs

The value of the retail property portfolio was 608.2 million euros (511.6 M€, group share), an increase of 1.9% over 6 months (3.5% over 12 months).

On a constant portfolio basis, the value of retail properties (transfer duties excluded) increased by 2.1% (12.6 million euros) over 6 months (+8.2% over 12 months), of which 3.1% is the result of lower yields and -1.0% of lower revenues.

On a current portfolio basis, the change in the value of these assets incorporates the sale in the 2nd half of 2010 of the Castorama space located on Rue de Flandre (Paris 19th) for 26.1 million euros.

The average yield (transfer duties excluded) on the portfolio is 7.0% as of June 30, 2011, a decline of 10 basis points versus December 31, 2010 (7.1%) and down by 40 basis points since June 30, 2010 (7.4%).

3.3. Office properties

The office portfolio is valued at 478.0 million euros.

4 of these properties have an estimated unit value that exceeds 75 million euros, representing 68.1% of the total appraised value of this portfolio; 6 of these properties have an estimated unit value that falls below 50 million euros.

On a constant portfolio basis, the value of Klépierre's office assets increased by 0.4% over 6 months (0.4% over 12 months), with -0.6% of the increase due to higher yields and +0.9% due to higher revenues.

On a current portfolio basis, the change is -11.3% over 6 months (-32.8% over 12 months). The decrease reflects the impact of the sale of the Jardins des Princes and Le Barjac buildings in the first six months of 2011. Over 12 months, the change also reflects the sale of Marignan-Marbeuf (Paris 8th) and 5 bis Diderot (Paris 12th) in the 2nd half of 2010.

Transfer duties excluded, the immediate yield on the portfolio is 6.6%, up by 10 basis points since December 31, 2010 (6.5%) and down by 20 basis points since June 30, 2010 (6.8%).

II) Change in EPRA NNNAV per share

In millions of euros	June 30, 2011	December 31, 2010	June 30, 2010	Change over 6 months		Change over 12 months	
Consolidated shareholders' equity (group share)	**2 301**	**2 398**	**2 206**	**- 97**	**-4,0%**	**95**	**4,3%**
Unrealized capital gains on holdings (duties included)	3 420	3 084	2 877	336	10,9%	543	18,9%
Fair value of financial instruments	171	221	308	- 50	-22,6%	- 137	-44,5%
Differed tax on asset values on the balance sheet	320	327	336	- 7	-2,1%	- 15	-4,6%
Reconstitution NAV	**6 212**	**6 030**	**5 727**	**183**	**3,0%**	**486**	**8,5%**
Duties and fees on the sale of assets	- 335	- 328	- 338	- 7	2,1%	3	-0,9%
EPRA NAV	**5 877**	**5 701**	**5 389**	**176**	**3,1%**	**489**	**9,1%**
Effective taxes on capital gains	- 226	- 214	- 214	- 12	5,6%	- 12	5,5%
Fair value of financial instruments	- 171	- 221	- 308	50	-22,6%	137	-44,5%
Fair value of fixed-rate debt	- 22	- 17	- 13	- 5	32,1%	- 9	69%
Liquidative NAV (EPRA NNAV)	**5 458**	**5 250**	**4 853**	**209**	**4,0%**	**605**	**12,5%**
Number of shares, end of period (after dilutive effect)	186 779 092	186 768 082	186 683 885				
Per share (€)							
Reconstitution NAV per share	***33,3***	***32,3***	***30,7***	***1,0***	***3,0 %***	***2,6***	***8,4 %***
EPRA NAV per share	***31,5***	***30,5***	***28,9***	***0,9***	***3,1 %***	***2,6***	***9,0 %***
Liquidation NAV (EPRA NNNAV) per share	***29,2***	***28,1***	***26,0***	***1,1***	***4,0 %***	***3,2***	***12,4 %***

EPRA Triple NAV[5] was 29.2 euros per share, versus 28.1 euros on December 31, 2010, an increase of 1.1 euro per share (+4.0%).

As a reminder, Klépierre distributed a dividend per share of 1.35 euro on April 14, 2011.

[5] NAV excluding transfer duties and after taxation of unrealized gains and marking to market of debt.

G) FINANCIAL POLICY

I) Financial resources

1. Change in net debt

- Consolidated net debt of Klépierre on June 30, 2011 was 7 464 million euros, compared with 7 325 million euros on December 31, 2010 (+€139M).

- Excluding the forex impact, net debt rose by 151 million euros:
  - Most of the financing needs for the period were generated by investments (€296.5M), as well as by the payment of the dividend distributed in respect of fiscal year 2010 (252.2 M€).
  - Resources were divided between proceeds from asset sales (€77.4M) and free cash flow for the period.
  - The conversion into euros of net liability stated in other currencies generated a negative forex impact of 11.6 million euros, a development that reflects the depreciation of Scandinavian currencies against the euro.

2. Available resources

- In the interest of strengthening its financing sources and in preparation for an important bond due date in July 2011 (€ 600 M), Klépierre took advantage of good conditions in the bond market over the first half of 2011, raising on long maturities (9-10 years) 400 million euros in the form of private placements in connection with its EMTN program. Thanks to the funds raised, the Company was able to reduce its reliance on credit lines and repay the bilateral credit agreement set up in October 2008.

- In addition, Klépierre raised a 1-billion Swedish krona credit facility (with a 3-year maturity) to finance the development program rolled out by Steen & Strøm in Sweden. In doing so, Klépierre improved its hedging net investment hedge on investments in this country.

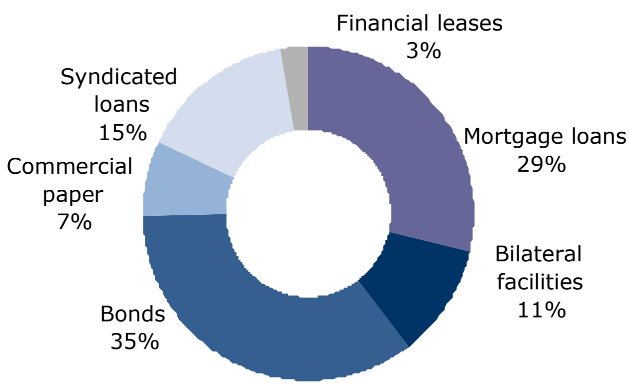
- Through these transactions, the Group had 1 395 million euros in available credit lines on June 30, 2011, which included 37 million euros at the level of Steen & Strøm.

3. Debt structure and due dates

- The bonds issued in 2010 and over the first six months of 2011 have allowed the Group to diversify and tilt the balance in the distribution of its financing sources in favour of the bond market, which on June 30, 2011 represented 35.2% of its resources.

- The distribution by currency remains consistent with the geographic distribution of the Group's asset portfolio.

Klépierre group's financing breakdown by type of ressource
Utilizations



Klépierre group's financing breakdown by currency
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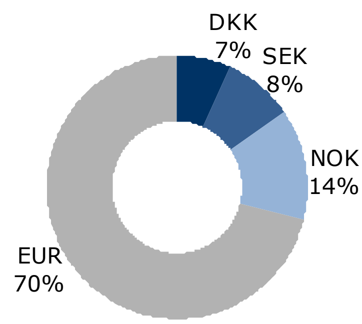
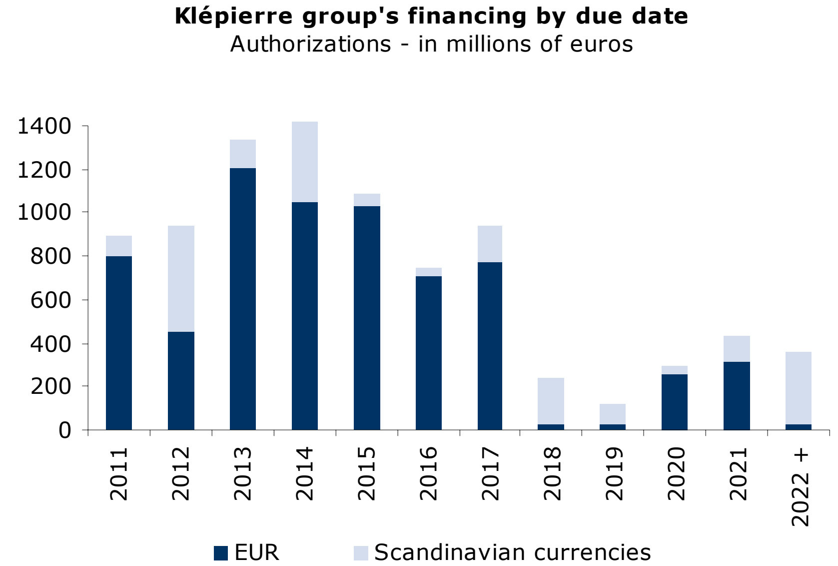


- As of June 30, 2011, the average duration of the Group's debt is 4.8 years compared to 5.5 years at December 31, 2010.



II) Interest rate hedges

- Over the course of the six months ended June 30, 2011, Klépierre strengthened its interest rate hedging portfolio over the period 2013-2017, notably:
  - 600 million euros in swaps with deferred state dates were purchased, bringing its hedges on fixed-rate debt to 69% (of the debt in euros). Of the 400 million euros in privately placed bonds, 200 million euros were maintained at fixed rate over 10 years with an average rate of 3.3%.
  - The repayment of a portion of its debt after the company raised capital automatically increased the rate of Steen & Strøm's hedged debt.

- After completing these transactions, the average duration of the Group's hedge is 4.7 years, for an average fixed rate of 3.8% (excluding the credit margin). In all, the rate of hedged debt on June 30, 2011 was 67%. Between now and the end of 2012, Klépierre expects this rate to exceed 70% thanks to swaps with deferred start dates acquired in 2010.

III) Cost of debt

- The average cost of debt observed for Klépierre over the six months ended on June 30, 2011 – cost of debt being defined as the ratio of interest expense to average financing debt – was unchanged (4.44%) versus the 1st half of 2010.

- Based on the financial structure and prevailing rates on June 30, 2011, the cost of the Group's debt would increase by 0.33% if short-term rates rose by 1%, which would have a negative impact on the cost of debt of around 25.3 million euros over a full year.

- It should be noted, however, that this same movement in rates would have a positive impact of around 258 million euros on the fair market value of financial instruments and hence on the company's NAV (Net asset value), since the fair market value of financial instruments is included in the calculation of NAV.

IV) Financial ratios and ratings

- On the June 30, 2011 reporting date, all of the Group's ratios remain in compliance with the applicable commitments on its financing agreements.

- Klépierre's financial strength rating by Standard & Poor's was reconfirmed in March 2011: BBB+/A2 (long-term and short-term notes, respectively), with a stable outlook.

- Around 28.8% of Steen & Strøm's debt is accompanied by a financial covenant requiring that shareholders' equity be equal to at least 20% of revalued net assets at all time. For the six months ended June 30, 2011, this ratio was 32%.

Financing	Ratios / covenants	Limit [1]	06/30/2011	12/31/2010
Syndicated loans and bilateral loans of Klépierre SA	Net debt / Value of holdings ("Loan to Value")	**≤ 60%**	**46,5%**	**47,2%**
	EBITDA / Net interest expenses	**≥ 2,0**	**2,6**	**2,6**
	Secured debt / Value of holdings	**≤ 20%**	**14%**	**15%**
	Value of holdings, group share	**≥ €6 Bn**	**€12,7 Bn**	**€12,3 Bn**
	Ratio of financings of subsidiaries (excluding Steen & Strøm) over total gross financial debt	**≤ 30%**	**8%**	**11%**
Bond issues of Klépierre SA	Secured debt / Revalued Net Asset Value (excluding Steen & Strøm) [2]	**≤ 50%**	**8,3%**	**8,4%**

[1] The most restrictive threshold on an agreement contracted by the Group
[2] RNAV transfer duties included and after taxation of unrealized gains

H) EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

To the best of management's knowledge, no significant event has occurred between the half-year reporting date (June 30, 2011) and the date on which this report was drawn up that could change the assessment of the financial position of Klépierre with respect to the presentation of it that is contained in this report.

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COMPREHENSIVE INCOME STATEMENT AT JUNE 30, 2011 (EPRA MODEL)

in thousands of euros	Notes	June 30, 2011	June 30, 2010
Lease income	*6.1*	477 716	462 736
Land expenses (real estate)	*6.2*	-1 242	-1 430
Non-recovered rental expenses	*6.3*	-17 565	-19 324
Building expenses (owner)	*6.4*	-32 601	-27 535
Net rents		***426 308***	***414 447***
Management, administrative and related income		39 717	37 188
Other operating revenue	*6.5*	8 839	13 183
Survey and research costs		-644	-895
Payroll expenses	*9.1*	-54 092	-49 751
Other general expenses		-19 801	-19 406
Depreciation and provisions on investment property	*6.6*	-163 931	-189 088
Depreciation and provisions on PPE	*6.6*	-4 665	-3 204
Provisions		-3 145	-1 046
Gains on the disposal of investment property and equity investments	*6.7*	83 382	108 544
Net book value of investment property and equity investments sold	*6.7*	-54 189	-63 018
Income from the disposal of investment property and equity investments		***29 193***	***45 526***
Profit on the disposal of short term assets		***0***	***0***
Goodwill impairment		***0***	***0***
Operating income		**257 779**	**246 954**
Net dividends and provisions on non-consolidated investments		109	-426
Net cost of debt	*6.8*	-154 273	-149 599
Change in the fair value of financial instruments		420	-1 346
Effect of discounting		-330	-290
Share in result of associates		657	787
Pre-tax earnings		**104 362**	**96 080**
Corporate income tax	*6.9*	-12 061	2 217
Net income of consolidated entity		**92 301**	**98 297**
of which			
Group share		*60 534*	*63 460*
Non-controlling interests		*31 767*	*34 837*
Net earnings per share in euros	*10.2*	**0,3**	**0,3**
Diluted earnings per share in euros	*10.2*	**0,3**	**0,3**

in thousands of euros	Notes	June 30, 2011	June 30, 2010
Net income of consolidated entity		**92 301**	**98 297**
Other comprehensive income items recognized directly as equity		109 495	-99 150
Income from sales of treasury shares		*531*	*-897*
Effective portion of profits and losses on cash flow hedge instruments (IAS 39)		*63 360*	*-137 847*
Translation profits and losses		*56 236*	*16 827*
Tax on other comprehensive income items		*-10 632*	*22 767*
Share of other comprehensive income items of associates			0
Total comprehensive income		**201 796**	**-853**
of which			
Group share		*157 923*	*-29 840*
Non-controlling interests		*43 873*	*28 987*
Comprehensive earnings per share in euros	*10.2*	**0,8**	**-0,2**
Diluted comprehensive earnings per share in euros	*10.2*	**0,8**	**-0,2**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2011 (EPRA MODEL)

in thousands of euros	Notes	June 30, 2011	December 31, 2010
Non-allocated goodwill	*4.1*	134 786	132 264
Intangible assets	*4.2*	25 284	24 146
Property, plant and equipment	*4.3*	27 981	27 693
Investment property	*4.4*	11 071 270	10 879 023
Fixed assets in progress	*4.4*	677 714	795 600
Investments in associates	*4.6*	20 480	21 101
Financial assets		2 512	2 515
Non-current assets	*4.8*	25 533	37 580
Interest rate swaps	*4.14*	2 159	28 207
Deferred tax assets	*4.16*	64 205	84 566
NON-CURRENT ASSETS		***12 051 924***	***12 032 695***
Investment property held for sale	*4.5*	16 947	0
Property under construction held for sale			0
Inventory		390	454
Trade accounts and notes receivable	*4.9*	96 868	100 108
Other receivables	*4.10*	342 920	319 890
Tax receivables		*38 377*	*36 731*
Other debtors		*304 543*	*283 159*
Interest rate swaps	*4.14*	24 713	20 024
Cash and cash equivalents	*4.11*	334 701	300 557
CURRENT ASSETS		***816 539***	***741 033***
TOTAL ASSETS		**12 868 463**	**12 773 728**
Capital		265 507	265 507
Additional paid-in capital		1 569 970	1 569 970
Legal reserve		26 551	25 476
Consolidated reserves		378 123	412 279
Treasury shares		*-70 143*	*-70 133*
Fair value of financial instruments		*-171 400*	*-220 980*
Other consolidated reserves		*619 666*	*703 392*
Consolidated earnings		60 534	124 574
Shareholders' equity, Group share		2 300 685	2 397 806
Non-controlling interests		1 308 560	1 267 666
SHAREHOLDERS' EQUITY	*4.12*	***3 609 245***	***3 665 472***
Non-current financial liabilities	*4.13*	6 073 636	5 952 508
Long-term provisions	*4.15*	12 909	10 523
Pension commitments	*9.3*	13 681	12 864
Non-current interest rate swaps	*4.14*	225 220	279 060
Security deposits and guarantees		142 119	142 186
Deferred tax liabilities	*4.16*	430 586	434 714
NON-CURRENT LIABILITIES		***6 898 151***	***6 831 855***
Current financial liabilities	*4.13*	1 604 150	1 618 400
Bank overdrafts	*4.13*	193 444	120 685
Trade payables		109 394	122 722
Payables to fixed asset suppliers		46 235	50 943
Other liabilities	*4.17*	318 235	270 077
Current interest rate swaps	*4.14*	2 886	0
Social and tax liabilities	*4.17*	86 723	93 574
Short-term provisions		0	0
CURRENT LIABILITIES		***2 361 067***	***2 276 401***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12 868 463**	**12 773 728**

CONSOLIDATED CASH FLOW STATEMENT AT JUNE 30, 2011 (EPRA MODEL)

in thousands of euros	June 30, 2011	June 30, 2010
Cash flows from operating activities		
Net income from consolidated companies	92 301	98 297
Elimination of expenditure and income with no cash effect or not related to operating activities		
- Depreciation, amortization and provisions	173 092	195 812
- Capital gains and losses on asset disposals net of taxes and deferred taxes	- 11 263	- 50 788
- Reclassification of financial interests and other items	169 617	172 256
Gross cash flow from consolidated companies	**423 747**	**415 577**
Paid taxes	- 10 831	- 18 002
Change in operating working capital requirement	49 893	- 1 726
Cash flows from operating activities	**462 809**	**395 849**
Cash flows from investment activities		
Income from sales of investment properties	81 292	77 251
Income from sales of properties under construction	-	-
Income from sales of other fixed assets	9	307
Income from disposals of subsidiaries	- 3	30 861
Acquisitions of investment properties	- 67 563	- 55 276
Acquisition costs of investment properties	- 169	- 3 036
Payments in respect of construction work in progress	- 162 454	- 185 776
Acquisitions of other fixed assets	- 6 316	- 3 984
Acquisitions of subsidiaries through deduction of acquired cash	- 25 693	- 22 510
Change in fixed assets under the "real estate agent" regime	-	-
Change in loans and advance payments granted and other investments	12 113	- 359
Net cash flows from investment activities	**- 168 784**	**- 162 522**
Cash flows from financing activities		
Dividends paid to the parent company's shareholders (1)	- 252 227	- 34 441
Dividends paid to non-controlling interests	- 57 093	- 45 338
Dividends payable	2 487	1 883
Change in net cash position	56 072	5 706
Repayment of share premium	-	
Acquisitions/disposal of treasury shares	- 815	- 1 749
New loans, borrowings and hedging instruments	771 324	2 123 666
Repayment of loans, borrowings and hedging instruments	- 686 022	- 2 150 147
Interest paid	- 161 426	- 154 825
Net cash flows from financing activities	**- 327 700**	**- 255 245**
Currency fluctuations	**- 4 940**	**4 742**
CHANGE IN CASH AND CASH EQUIVALENTS	**- 38 615**	**- 17 176**
Cash at the beginning of the period	***179 872***	***154 851***
Cash at the end of the period	***141 257***	***137 675***

(1) At June 30, 2010: Dividend paid was 223.9 million euros of which only 34.4 million euros was in cash.

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STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT JUNE 30, 2011

in thousands of euros	Capital	Capital related reserves	Treasury shares	Hedging reserves	Consolidated reserves and earnings	Shareholders' equity, group share	Shareholders' equity, non-controlling interests	Total equity
Equity at 06/30/2010	**265 507**	**1 595 524**	**-81 936**	**-308 131**	**734 730**	**2 205 694**	**1 247 246**	**3 452 940**
Changes in accounting methods					-	-		-
Equity at 06/30/2010 - corrected	**265 507**	**1 595 524**	**-81 936**	**-308 131**	**734 730**	**2 205 694**	**1 247 246**	**3 452 940**
Capital transactions	-	- 78				- 78		**- 78**
Share-based payments								
Treasury share transactions			11 803		- 9 769	2 034		**2 034**
Dividends							- 14 628	**- 14 628**
Net income for the period					**61 114**	**61 114**	**23 030**	**84 144**
Gains and losses recognized directly in equity								
Income from sales of treasury shares					763	763	2	**765**
Income from cash flow hedging				104 932	**-**	104 932	9 608	**114 540**
Translation profits and losses					37 834	37 834	6 848	**44 682**
Tax on other comprehensive income items				- 17 781		- 17 781	- 2 271	**- 20 052**
Other comprehensive income items	**-**	**-**	**-**	**87 151**	**38 597**	**125 748**	**14 187**	**139 935**
Changes in the scope of consolidation					667	667	- 2 850	**- 2 183**
Other movements					2 627	2 627	681	**3 308**
Equity at 12/31/2010	**265 507**	**1 595 446**	**-70 133**	**-220 980**	**827 966**	**2 397 806**	**1 267 666**	**3 665 472**
Changes in accounting methods					-	-		-
Equity at 12/31/2010 - corrected	**265 507**	**1 595 446**	**-70 133**	**-220 980**	**827 966**	**2 397 806**	**1 267 666**	**3 665 472**
Capital transactions		1 075			- 1 075	-	52 785	**52 785**
Share-based payments								
Treasury share transactions			- 10		670	**660**		**660**
Dividends					- 252 227	**- 252 227**	- 57 093	**- 309 320**
Net income for the period					60 534	**60 534**	**31 767**	**92 301**
Gains and losses recognized directly in equity								
Income from sales of treasury shares					522	**522**	9	**531**
Income from cash flow hedging				59 516	-	**59 516**	3 844	**63 360**
Translation profits and losses					47 287	**47 287**	8 949	**56 236**
Tax on other comprehensive income items				- 9 936	-	**- 9 936**	- 696	**- 10 632**
Other comprehensive income items	**-**	**-**	**-**	**49 580**	**47 809**	**97 389**	**12 106**	**109 495**
Changes in the scope of consolidation					1 160	**1 160**	- 196	**964**
Other movements					- 4 637	**- 4 637**	1 525	**- 3 112**
Equity at 06/30/2011	**265 507**	**1 596 521**	**-70 143**	**-171 400**	**680 200**	**2 300 685**	**1 308 560**	**3 609 245**

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1. SIGNIFICANT EVENTS OF THE FIRST HALF OF 2011

1.1. Investments made

During the first half of 2011, the Group invested a total of 296.5 million euros in committed ongoing projects: Gare Saint-Lazare, Emporia (Sweden), extension and renovation of Claye-Souilly and Perpignan-Claira and in projects completed and put into service at June 30, 2011: Le Millénaire (Aubervilliers) and Aqua Portimão (Portugal).

On January 20, Klépierre acquired a retail park covering 39,537 sq.m. located in Savignano (Italy), in the immediate vicinity of the Romagna Center shopping already owned by Klepierre (71.3%) with the Finiper Group (28.7%). This asset was valued at 69.2 million euros.

1.2. Disposals

Two office buildings (68.1 million euros) and shopping malls (12.2 million euros) were sold during the second quarter of 2011:

- the Jardins des Princes office building (3,702 sq.m.) located in Boulogne in the west of Paris;
- the Barjac office building (7,317 sq.m.) located in the 15th arrondissement of Paris;
- the Val de Lys mall (2,362 sq.m.);
- the Huelva mall in Spain (1,602 sq.m.).

1.3. Dividend

Klépierre's general meeting of shareholders held on April 7, 2011 approved the payment of a dividend of 1.35 euros per share in respect of the 2010 fiscal year.

Dividend payments, made entirely in cash, totaled 252.2 million euros.

1.4. Debt

Klépierre made several bond issues in the first half of 2011:

- On January 20, 2011, a 9-year bond for 50 million euros, maturing April 14, 2020 paying a 4.625% coupon.
- On February 28, 2011, a 7-year bond for 50 million euros, maturing April 13, 2017 paying a 4% coupon.
- On March 14, 2011, a 10-year bond for 100 million euros, maturing March 14, 2021 paying a 4.75% coupon.
- On June 6 and 10, 2011, a 10-year bond for 200 million euros, maturing March 14, 2021 paying a 4.75% coupon.

The amounts raised allowed to the Group to make early repayments on credit lines maturing in less than twelve months.

Klépierre raised a 1-billion Swedish krona (109 million euro) credit facility (with a 3-year maturity) in April 2011 with a Scandinavian bank to partially refinance its share in the equity of Steen & Strøm.

2. ACCOUNTING PRINCIPLES AND METHODS

2.1. Corporate reporting

Klépierre is a French corporation (*société anonyme* or SA) subject to French company legislation, and more specifically the provisions of the French Commercial Code. The Company's registered office is located at 21 avenue Kléber in Paris.

On July 19, 2011, the Executive Board finalized the Klépierre SA condensed consolidated financial statements for the period from January 1 to June 30, 2011 and authorized their publication.

Klépierre shares are traded on the Euronext Paris™ market (Compartment A).

2.2. Principles of financial statement preparation

As of January 1, 2011, the interim consolidated financial statements are prepared and presented in the form of condensed financial statements, according to IAS 34, relative to Interim Financial Reporting. As the accounts are condensed financial statements, they do not include all the information required by IFRS, do not integrate all the information and notes required to prepare annual financial statements and, in this respect, they have to be read alongside the published consolidated financial statements (or the registration document) relative to fiscal year 2010.

In accordance with European Regulation (EC) No. 1126/2008 of November 3, 2008 on the application of international accounting standards, the Klépierre Group consolidated interim 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 at this 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 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
▪ Amendment to IAS 32	Classification of Rights Issues

These revised standards are applied prospectively and have no affect on the accounting treatment of transactions before January 1, 2011.

The effective date or amendment of other standards for which application is mandatory as from January 1, 2011 had no effect on the interim financial statements at June 30, 2011.

Finally, Klépierre has not opted for early application of the new standards, amendments and interpretations adopted by the European Union where application in 2011 was optional.

Information on IFRS adopted by the European Union at June 30, 2011 can be found on the European Commission website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

2.3. Condensed consolidated Financial Statements – Basis of preparation

The consolidated financial statements comprise the financial statements of Klépierre SA and its subsidiaries for the period to June 30, 2011. The financial statements of subsidiaries are prepared for the same accounting period as that of the parent company using consistent accounting methods.

Subsidiaries are consolidated with effect from the date on which they were acquired, which is the date on which the Group acquired a controlling interest; this accounting treatment continues until the date on which control ceases.

The Group's consolidated financial statements are prepared on the basis of the historical cost principle, with the exception of financial derivatives and financial assets held for sale, which are measured at fair value. The book value of assets and liabilities covered by fair-value hedges, which would otherwise be measured at cost, is adjusted to reflect changes in the fair value of the hedged risks.

The consolidated financial statements are presented in euro, with all amounts rounded to the nearest thousand unless otherwise indicated.

2.4. Use of material judgments and estimates

In preparing these consolidated financial statements in accordance with IFRS, the Group management was required to use estimates and make a number of realistic and reasonable assumptions. Some facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and earnings.

The principal assumptions made in respect of future events and other sources of uncertainty relating to the use of year-end estimates for which there is a significant risk of material change to the net book values of assets and liabilities in subsequent years are presented below:

- ***Measurement of goodwill***

The Group tests goodwill for impairment at least once a year. This involves estimating the value in use of the cash-generating units to which the goodwill is allocated. In order to determine their value in use, Klépierre prepares estimates based on expected future cash flows from each cash-generating unit, and applies a pre-tax discount rate to calculate the current value of these cash flows.

- ***Investment property***

The Group appoints third-party appraisers to conduct half-yearly appraisals of its real estate assets in accordance with the methods described in the notes to the consolidated financial statements at December 31, 2010 (paragraph 9.1). The appraisers make assumptions concerning future flows and rates that have a direct impact on the value of the buildings.

2.5. Investment property

IAS 40 defines investment property as property held by the owner or lessee (under a finance lease) for the purpose of rental income or capital growth or both, rather than:

- using in the production or supply of goods or services or for administrative purposes,
- or selling in the ordinary course of business (trading).

Almost all of Klépierre real estate meets this definition of "Investment property". Buildings occupied by the Group are recognized as property, plant and equipment.

After initial recognition, investment property is measured:

- either at fair value (with changes in value recognized in the income statement);
- or at cost in accordance with the methods required under IAS 16, in which case the company must disclose the fair value of investment property in the notes to the financial statements.

Klépierre chose to apply the IAS 40 cost model.

2.5.1. Cost model

Fixed assets are recognized at cost, inclusive of duties and fees, and are amortized using the component method.

The amounts have been apportioned between non-amortizable (land) and amortizable (buildings) values in accordance with the methods set by the appraisers, i.e.:

- on the basis of land/building apportionment rates for office buildings;
- by comparison with rebuilding costs for shopping centers.

Depreciation of these assets must reflect consumption of the related economic benefits. It should be:

- calculated on the basis of the depreciable amount, which is equivalent to the acquisition cost less the residual value of the assets;
- spread over the useful life of the PPE components. Where individual components have different useful lives, each component whose cost is significant relative to the total cost of the asset must be depreciated separately over its own useful life.

After initial recognition, fixed assets are measured at cost, less any accumulated depreciation and impairment losses. These assets are straight-line depreciated over their useful life.

The depreciation period, depreciation method and residual asset values should be reviewed at each balance sheet date.

In addition, fixed assets are tested for impairment whenever there is evidence of a loss of value at June 30 or December 31. Where such evidence exists, the new recoverable asset value is compared against its net book value, and any impairment is recognized (see section 2.12 of the notes to the consolidated financial statements at December 31, 2010).

Capital gains or losses realized on investment property disposals are recognized under "Income from sale of investment property" in the income statement.

2.5.2. The component method

The component method is applied based on the recommendations of the *Federation des Sociétés Immobilières et Foncières* (French Federation of Property Companies) for components and useful life:

- for properties developed by the companies themselves, assets are classified by component type and measured at their realizable value;
- for other properties, components are broken down into four categories: business premises, shopping centers, offices and residential properties.

Four components have been identified for each of these asset types (in addition to land):

- Structures;
- Facades, cladding and roofing;
- General and Technical Installations (GTI);
- Fittings.

Components are broken down based on the history and technical characteristics of each building.

Klépierre uses the following table to calculate the components:

	Offices		Shopping centers		Retail	
	Duration	Share of total	Duration	Share of total	Duration	Share of total
Structures	60 years	60%	35 to 50 years	50%	30 to 40 years	50%
Facades	30 years	15%	25 years	15%	15 to 25 years	15%
GTI	20 years	15%	20 years	25%	10 to 20 years	25%
Fittings	12 years	10%	10 to 15 years	10%	5 to 15 years	10%

An age-related weighting ratio is applied when the property acquired is not new.

Purchase costs are divided between land and buildings. The proportion allocated to buildings is amortized over the useful life of the structures.

The residual value is equivalent to the current estimate of the amount the company would achieve if the asset concerned were already of an age and condition commensurate with the end of its useful life, less disposal expenses.

Given the useful life periods applied, the residual value of components is zero.

2.6. Business combinations as from January 1, 2010

Revised IFRS 3 "Business Combinations" is applicable prospectively to business combinations for which the acquisition date is January 1, 2010 or later. Revised IAS 27 "Consolidated and Separate Financial Statements" is applicable from January 1, 2010.

3. SCOPE OF CONSOLIDATION

At June 30, 2011 the Group scope of consolidation includes 266 companies compared to 263 in December 31, 2010, of which 233 companies are fully consolidated, 26 companies are proportionally consolidated and 7 companies are consolidated using the equity method.

The main changes in consolidation scope compared to December 31, 2010 are:

Integration of six fully-consolidated entities:

- On January 20, 2011, Kléfin Italia acquired 100% of the Italian company ICS, which owns 100% of Ge.co.
- Three companies were created in Norway: Slagenveien AS, Markedet Haugesund AS and Nordbyen Senter AS. The first two entities are 100% owned by Steen & Strøm AS. The last entity is 100% owned by Steen & Strøm Norge AS.
- Acquisition at the end of May 2011 of the Swedish company Östra Centrum i Kristianstad Fastighets AB.

Companies	Country	Method at 06/30/2011	% interest	% de control
ICS	Italy	FC	100%	100%
Ge.co	Italy	FC	100%	100%
Nordbyen Senter AS	Norway	FC	56,10%	100%
Slagenveien AS	Norway	FC	56,10%	100%
Markedet Haugesund AS	Norway	FC	56,10%	100%
Östra Centrum i Kristianstad Fastighets AB	Sweden	FC	56,10%	100%

Deconsolidation of three companies:

- The assets and liabilities of the company Foncière Saint Germain, inactive since its asset was sold on November 24, 2009, were transferred to Klépierre;
- The company CB Pierre was absorbed by Klépierre;
- The Polish company Poznan Plaza was liquidated after selling its shares in its subsidiary Klépierre Galeria Poznan to Klépierre Poznan.

Business combinations carried out as from January 1, 2010 are recognized using the acquisition method in application of Revised IFRS 3.

4. NOTES TO THE FINANCIAL STATEMENTS: BALANCE SHEET

4.1. Non-allocated goodwill

Goodwill at June 30, 2011 totaled 134.8 million euros compared to 132.3 million euros at December 31, 2010.

The change is mainly due to goodwill recognized in Clivia (Italy) to balance a provision for deferred taxes (2.3 million euros). The other changes correspond to the revaluation of Steen & Strøm's goodwill to reflect the currency exchange rate fluctuations.

4.2. Intangible assets

The item "intangible assets in progress" includes the costs for upgrading the Group management and accounting system. These costs are gradually transferred into "software" as the system is put into service (Central Europe in 2009 and part of France in 2011).

in thousands of euros	December 31, 2010	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Changes in the scope of consolidation	Currency fluctuations	Other movements, reclassification	June 30, 2011
Leasehold right	1 804							1 804
Goodwill	4 623				15	411		5 049
Software	17 012	17				28	4 901	21 958
Other intangible assets	12 348	134			24	40	-297	12 249
Intangible assets in progress	4 273	3 180					-6 462	991
TOTAL GROSS VALUE	**40 059**	**3 330**	**0**	**0**	**38**	**478**	**-1 859**	**42 050**
Leasehold right	-252			-55				-307
Goodwill	-1 180			-204		-411		-1 795
Software	-7 287			-1 124		-22	1 561	-6 872
Other intangible assets	-3 198			-257		-15		-3 470
Intangible assets in progress	-3 995			-327				-4 322
TOTAL DEPRECIATION AND AMORTIZATION	**-15 912**	**0**	**0**	**-1 967**	**0**	**-448**	**1 561**	**-16 766**
INTANGIBLE ASSETS - Net value	**24 146**	**3 330**	**0**	**-1 967**	**38**	**30**	**-298**	**25 283**

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4.3. Property, plant and equipment

Property, plant and equipment includes business premises at 21, rue La Pérouse, in Paris' 16th arrondissement and the furniture and equipment.

in thousands of euros	December 31, 2010	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	June 30, 2011
Land	10 210							10 210
Buildings and fixtures	6 878							6 878
Furniture and equipment	39 463	2 957	- 1 261		- 77		107	41 189
TOTAL GROSS VALUE	**56 551**	**2 957**	**- 1 261**	**-**	**- 77**	**-**	**107**	**58 277**
Buildings and fixtures	- 2 008			- 97				- 2 105
Furniture and equipment	- 26 851		1 228	- 2 601	29		3	- 28 192
TOTAL DEPRECIATION AND AMORTIZATION	**- 28 859**	**-**	**1 228**	**- 2 698**	**29**	**-**	**3**	**- 30 297**
Provision for impairment								-
PROPERTY, PLANT AND EQUIPMENT - Net value	**27 693**	**2 957**	**-33**	**-2 698**	**-48**	**0**	**110**	**27 981**

4.4. Investment property and fixed assets in progress

in thousands of euros	December 31, 2010	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances and change in provisions for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	June 30, 2011
Land	5 394 342	40 341	- 28 695		- 6 798	31 733	191 231	5 622 154
Buildings and fixtures	7 056 660	22 716	- 31 334		9 656	58 065	53 665	7 169 428
TOTAL GROSS VALUE	**12 451 002**	**63 057**	**- 60 029**	**-**	**2 858**	**89 798**	**244 896**	**12 791 582**
Buildings and fixtures	- 1 273 697		10 037	- 139 415	- 2 642	-	5 026	- 1 400 691
TOTAL DEPRECIATION AND AMORTIZATION	**- 1 273 697**	**-**	**10 037**	**- 139 415**	**- 2 642**	**-**	**5 026**	**- 1 400 691**
Provision for impairment	- 298 282			- 18 516			- 2 823	- 319 621
INVESTMENT PROPERTY - Net value	**10 879 023**	**63 057**	**-49 992**	**-157 931**	**216**	**89 798**	**247 099**	**11 071 270**

Acquisitions, excluding fixed assets in progress, totaled 63.1 million euros. The most significant investments were made in Denmark (Odense for 31 million euros), Spain (Elche for 10.1 million euros and Vallecas for 3.6 million euros), Sweden (Kristianstad for 4.2 million euros) and Norway (Stavanger Storsenter for 2.4 million euros, Gulskogen for 2 million euros and Farmandstredet for 2.1 million euros).

Assets were **sold** in France (offices in Boulogne Billancourt and Boulevard Victor in Paris, Val de Lys mall) and in Spain (Huelva mall).

"**Changes in scope**" refer to Italy, with the acquisition of Savignano, and Sweden, with the acquisition of the commercial premises of Östra Centrum i Kristianstad Fastighets AB.

The "Other movements and reclassifications" item represents the net balance arising from the reclassification of investment property as "Property held for sale", and assets put into service during the period, which have been reclassified from "Fixed assets in progress".

The "**Provision for impairment**" item includes a net allowance of 18.5 million euros. Allowances of 33.2 million euros correspond to shopping centers in Hungary (14 million euros), Portugal (8.2 million euros), Greece (2.3 million euros), Spain (2.4 million euros), Scandinavia (1.1 million euros) and Italy (3.2 million euros).

Write-backs of 14.7 million euros mainly correspond to Scandinavia (6.8 million euros) and the Czech Republic (3.5 million euros).

in thousands of euros	December 31, 2010	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances and provisions for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	June 30, 2011
Fixed assets in progress	798 424	171 667	- 10 014		- 3 969		- 272 394	683 714
Provision for impairment	- 2 823			- 6 000			2 823	- 6 000
NET FIXED ASSETS IN PROGRESS	**795 601**	**171 667**	**-10 014**	**-6 000**	**-3 969**	**0**	**-269 571**	**677 714**

The "Other movements and reclassifications" item reflects assets put into service during the first semester, specifically: Le Millénaire in Aubervilliers (140.7 million euros), the majority of the former BHV premises in the Créteil Soleil center renovated for the retailer Saturn (58 million euros) and Aqua Portimão (42 million euros).

Assets in progress at June 30, 2011 (gross amounts) were:

- In France: Gare Saint Lazare (129.2 million euros), extension and renovation of Claye Souilly (37.4 million euros), Perpignan-Claira (8.3 million euros) and Bègles Arcins (7.2 million euros) shopping centers, offices at Le Millénaire (33.6 million euros), projects to create new shopping centers in Clermont-Ferrand (Le Grand Carré de Jaude, 25.9 million euros) and Besançon (11.8 million euros), the last part of the former BHV premises in Créteil (26 million euros) and Nancy Bonsecours (8.3 million euros).
- Internationally: Emporia project (182 million euros) in Sweden, Hovlan, Farkjo and Okern (32.5 million euros) in Norway, and Field's (30 million euros) in Denmark.

4.5. Property held for sale

The Bordeaux Saint Christoly shopping mall is held for sale at June 30, 2011. Its net book value is 16.9 million euros.

4.6. Investments in associates

Investments in companies accounted for by the equity method at	December 31, 2010	*in thousands of euros*		**21 101**
Share in net income of associates 2011				657
Dividends received from companies accounted for by the equity method			-	1 278
Departures from the scope of consolidation				-
Other movements				-
Investments in companies accounted for by the equity method at June 30, 2011		*in thousands of euros*		**20 480**

Seven companies are consolidated using the equity method at June 30, 2011.

4.7. Joint ventures

Joint ventures are consolidated using the proportional consolidation method.

in thousands of euros	June 30, 2011	December 31, 2010
Share in joint ventures' balance sheets		
Non-current assets	857 213	807 797
Current assets	80 592	68 838
Non-current liabilities	- 401 110	- 359 625
Current liabilities	- 44 693	- 53 632
Net assets	**492 002**	**463 378**

in thousands of euros	June 30, 2011	June 30, 2010
Share in earnings of joint ventures		
Revenues from ordinary activities	25 450	22 628
Operating expenses	- 17 321	- 17 115
Financial income	- 6 047	- 2 262
Pre-tax earnings	2 082	3 251
Tax	984	1 524
Net income	**3 066**	**4 775**

4.8. Non-current assets

in thousands of euros	December 31, 2010	Newly consolidated companies	Increases	Reductions	Other	June 30, 2011
Loans and advances to non-consolidated companies, companies consolidated using the equity method and proportionally consolidated companies	**10 199**	694	2 221	- 4 826	- 539	**7 749**
Loans	**1 660**	-	16	- 82	- 5	**1 589**
Deposits	**23 694**	1	3 042	- 11 974	1	**14 764**
Other long-term financial investments	**2 027**	-		- 37	- 559	**1 431**
TOTAL	**37 580**	**695**	**5 279**	**-16 919**	**-1 102**	**25 533**

4.9. Trade accounts and notes receivable

Trade accounts include the effect of spreading benefits granted to lessees of offices and shopping centers.

All these receivables mature in less than one year, except for rent-free periods and stepped rents spread over the firm term of the lease.

in thousands of euros	June 30, 2011	December 31, 2010
Trade receivables	71 707	76 916
Bad debts	36 616	32 883
Rent-free periods and stepped rents of leases	20 583	18 890
Gross value	**128 906**	**128 689**
Provisions for bad debts	- 32 038	- 28 581
Net value	**96 868**	**100 108**

in thousands of euros	June 30, 2011	December 31, 2010
Shopping centers	93 894	95 744
Offices	1 297	3 009
Retail	1 676	1 353
Other - unallocated	1	2
Total	**96 868**	**100 108**

4.10. Other receivables

in thousands of euros	June 30, 2011	December 31, 2010
Tax receivables	**38 377**	**36 732**
- Corporate income tax	4 749	6 286
- VAT	33 628	30 446
Other receivables	**304 543**	**283 159**
- Calls for funds	116 265	126 057
- Down payments to suppliers	7 763	6 823
- Prepaid expenses	70 255	68 118
- Other	110 260	82 161
Total	**342 920**	**319 891**

The "VAT" item includes outstanding refunds due from local tax authorities, specifically Le Millénaire in Aubervilliers for 4.6 million euros and Odense for 7.9 million euros.

Pre-lease payments on construction leases or emphyteutic rights are amortized over the lifetime of the lease and recognized under "Prepaid expenses", totaling 58.9 million euros.

Funds managed by Ségécé on behalf of principals total 78.5 million euros, compared to 52 million euros at December 31, 2010, and are recognized under "Other".

All the receivables are due in less than one year, with the exception of the non-current part of construction leases which amounts to 58.9 thousand euros at June 30, 2011.

4.11. Cash and cash equivalents

in thousands of euros	June 30, 2011	December 31, 2010
Cash equivalents	**100 650**	**86 828**
- Treasury bonds and short-term notes	10 029	13
- Money market investments	90 621	86 815
Cash	**234 051**	**213 729**
Gross cash and cash equivalents	**334 701**	**300 557**
Bank credit balances	193 444	120 685
Net cash and cash equivalents	**141 257**	**179 872**

The item “cash equivalents” refers to investments in open-ended money market funds (UCITS) in France for 90.6 million euros and certificates of deposit (3 months) in Italy for 10 million euros.

Funds managed by Ségécé on behalf of its principals are classified under "Other receivables" (78.5 million euros at June 30, 2011 and 52 million euros at December 31, 2010).

The available cash and marketable securities are made up of "Cash and cash equivalents", plus the amount of funds managed by Ségécé on behalf of principals (78.5 million euros), and totaled 413.2 million euros.

4.12. Shareholders' equity

4.12.1. Share capital

At June 30, 2011, capital was represented by 189,648,240 shares each of 1.40 euros par value. The share capital is fully paid up. Shares are either registered or bearer.

in thousands of euros	Number of shares	Share capital	Issue premiums
Authorized			
At January 1, 2011	189 648 240	265 508	1 569 970
Creation of shares in the first half of 2011	NA	NA	NA
At June 30, 2011	**189 648 240**	**265 508**	**1 569 970**

4.12.2. Treasury shares

	June 30, 2011		December 31, 2010	
	Stock options	Liquidity	Stock options	Liquidity
Number of shares	2 682 740	186 408	2 682 740	197 418
Acquisition value (in millions of euros)	64,8	5,3	64,8	5,3
Income from sales (in millions of euros)	0	0,5	0	-0,2

The Group sold shares in Klépierre SA during the year, as authorized by the ordinary general meetings of shareholders.

The acquisition cost of purchased securities and gains made on sales of securities were respectively debited from, and credited to, equity.

4.13. Current and non-current financial liabilities

4.13.1. Change in indebtedness

Current and non-current financial liabilities totaled 7,678 million euros at June 30, 2011.

Net debt amounted to 7,464 million euros compared to 7,325 million euros at December 31, 2010. It corresponds to the difference between a) financial liabilities (excluding reevaluation due to the fair value hedge) plus bank overdrafts and b) cash and cash equivalents and marketable securities.

This 140 million-euro increase is attributable to the following:

- Most of the financing needs for the period were driven by investments (296.5 million euros), and payment of the 2010 dividend (252.2 million euros).
- Resources derived from disposals (77.4 million euros net of fees and transfer duties) and free cash flow for the first semester.
- The conversion into euros of net liability stated in other currencies generated a negative forex impact of 11.6 million euros. This reflects the depreciation of Scandinavian currencies against the euro.

in thousands of euros	June 30, 2011	December 31, 2010
NON-CURRENT		
Bonds net costs/premiums	**2 045 729**	**1 658 616**
** Of which reevaluation related to fair value hedge*	- 6 925	5 099
Loans and borrowings from credit institutions - more than one year	**3 927 720**	**4 233 516**
Other loans and borrowings	**100 187**	**60 376**
** Advance payments to the Group and associates*	100 187	60 376
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6 073 636**	**5 952 508**
CURRENT		
Bonds net costs/premiums	**600 587**	**609 246**
** Of which reevaluation related to fair value hedge*	587	
Loans and borrowings from credit institutions - less than one year	**402 527**	**296 541**
Accrued interest	**55 316**	**67 371**
* on bonds	48 432	63 088
* on loans from credit institutions	5 652	2 233
* on advance payments to the Group and associates	1 232	2 050
Commercial papers	**543 680**	**641 205**
Other loans and borrowings	**2 040**	**4 037**
* Advance payments to the Group and associates	2 040	4 037
TOTAL CURRENT FINANCIAL LIABILITIES	**1 604 150**	**1 618 400**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7 677 786**	**7 570 908**

4.13.2. Principal sources of financing

The Group's main lines of financing are detailed in the two tables below.

The main changes are the result of the issue of 400 million euros in privately-placed bonds and the raising of financing of 1 billion Swedish kronor (109 million euros). Thanks to the funds raised, the Company was able to reduce its reliance on credit lines and to repay in full the bilateral credit agreement set up in October 2008 (200 million euros).

In addition, Steen & Strøm benefited from a capital increase of 1.6 billion Norwegian kroner which allowed it to repay a part of its bank credit lines and to finance its development.

PRINCIPAL SOURCES OF KLEPIERRE GROUP FINANCING IN EUROS								
In millions of euros		Borrower	Klépierre % interest	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount used
Bonds							**2 589**	**2 589**
	of which:	Klépierre	100%	4,625%	15/07/2011	*Bullet*	600	600
		Klépierre	100%	4,250%	16/03/2016	*Bullet*	689	689
		Klépierre	100%	4,000%	13/04/2017	*Bullet*	750	750
		Klépierre	100%	4,625%	14/04/2020	*Bullet*	250	250
		Klépierre	100%	4,750%	15/03/2021	*Bullet*	300	300
Syndicated loans							**1 150**	**1 150**
	of which:	Klépierre	100%	Euribor	21/09/2014	*Bullet*	1 000	1 000
		Klémurs	84,1%	Euribor	12/12/2011	*Bullet*	150	150
Bilateral loans							**2 509**	**774**
	of which:	Klépierre	100%	E3m	30/06/2015	*Amortizable*	2 100	665
		Klépierre (back-up)	100%	E3m	30/06/2015	*Bullet*	300	0
		Klépierre	100%	STIBOR	31/03/2014	*Bullet*	109	109
Mortgage loans							**296**	**296**
	of which:	Klécar Italia	83%	E3m	30/06/2015	*Amortizable*	102	102
		GC Assago	100%	E3m	03/07/2015	*Amortizable*	101	101
		GC Collegno	100%	E3m	15/07/2015	*Amortizable*	16	16
		K2	85%	E3m	15/01/2023	*Amortizable*	49	49
		Le Havre Vauban et Lafayette	50%	E3m	31/12/2014	*Bullet*	24	24
Property finance leases							**213**	**213**
	of which:	IGC	71%	E3m	12/03/2022	*Amortizable*	27	27
		Cecoville	100%	E3m	27/12/2019	*Amortizable*	37	37
		Cecoville	100%	E3m	03/04/2020	*Amortizable*	55	55
		Clivia	50%	E3m	02/07/2022	*Amortizable*	57	57
		Kleprojet 1	100%	E3m	13/12/2013	*Amortizable*	0	0
		Klémurs / Cap Nord	84,1%	E3m / fixed rate	-	*Amortizable*	28	28
Short-term lines and bank overdrafts							**105**	**73**
	of which:	Klépierre Finance (overdraft)	100%	Euribor	-	-	70	38
		IGC	71%	E3m	30/09/2011	*Bullet*	35	35
Commercial papers							**500**	**409**
		Klépierre (commercial paper)	100%	-	-	*Bullet*	500	409
Total Klépierre Group in euros [1]							**7 361**	**5 504**

[1] Totals are calculated excluding the backup lines of funding, since the maximum amount of the "commercial papers" line includes that of the backup line.

STEEN & STRØM FINANCING						
In millions of euros or equivalent	Issue currency	Klépierre % interest	Reference rate	Repayment profile	Maximum amount	Amount used
Bond market	NOK	56,1%	NIBOR	*Bullet*	77	77
Mortgage loans	NOK	56,1%	NIBOR	-	814	814
Commercial papers	NOK	56,1%	NIBOR	*Bullet*	134	134
Sub-total NOK					**1 025**	**1 025**

In millions of euros or equivalent	Issue currency	Klépierre % interest	Reference profile	Repayment rate	Maximum amount	Amount used
Bond market	SEK	56,1%	STIBOR	-	0	0
Mortgage loans	SEK	56,1%	STIBOR	-	535	535
Commercial papers	SEK	56,1%	STIBOR	-	0	0
Sub-total SEK					**535**	**535**

In millions of euros or equivalent	Issue currency	Klépierre % interest	Reference profile	Repayment rate	Maximum amount	Amount used
Bond market	DKK	56,1%	CIBOR	-	0	0
Mortgage loans *	DKK	56,1%	CIBOR / fixed rate	-	517	517
Bank overdrafts	DKK	56,1%	CIBOR	-	0	0
Commercial papers	DKK	56,1%	CIBOR	-	0	0
Sub-total DKK					**517**	**517**
* of which fixed rate: 215 million euros						
Total Steen & Strøm					**2 078**	**2 078**
TOTAL for the Group (Klépierre + Steen & Strøm)					**9 439**	**7 581**

4.13.3. Financial covenants relating to financing and rating

The Group's main credit agreements include clauses, which, if not complied with, could result in demands for early repayment of the corresponding finance.

The stipulated financial ratios and amounts and their actual levels at June 30, 2011, are shown in section 7. "Exposure to risks and hedging strategy", paragraph 7.2 "Liquidity risk".

4.13.4. Breakdown of borrowings by maturity date

in thousands of euros	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net costs/premiums	**2 045 729**			**2 045 729**
** Of which reevaluation related to fair value hedge*	- 6 925			- 6 925
Loans and borrowings from credit institutions - more than one year	**3 927 720**		**2 815 644**	**1 112 076**
Other loans and borrowings	**100 187**	**-**	**100 187**	**-**
** Advance payments to the Group and associates*	100 187	-	100 187	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6 073 636**	**0**	**2 915 831**	**3 157 805**
CURRENT				
Bonds net costs/premiums	**600 587**	**600 587**		
** Of which reevaluation related to fair value hedge*	587	587		
Loans and borrowings from credit institutions - less than one year	**402 527**	**402 527**		
Accrued interest	**55 316**	**55 316**		
** on bonds*	48 432	48 432		
** on loans from credit institutions*	5 652	5 652		
** on advance payments to the Group and associates*	1 232	1 232		
Commercial papers	**543 680**	**543 680**		
Other loans and borrowings	**2 040**	**2 040**		
** Advance payments to the Group and associates*	2 040	2 040		
TOTAL CURRENT FINANCIAL LIABILITIES	**1 604 150**	**1 604 150**		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7 677 786**	**1 604 150**	**2 915 831**	**3 157 805**

Between now and the end of 2011, the main financing maturity dates relate to a bond issue of 600 million euros in July and a syndicated loan of 150 million euros in December. To cover these maturity dates, Klépierre has 1,395 million euros in available credit lines at June 30. In addition, the commercial paper issued in euros (409.3 million euros) is covered by backup lines (500 million euros).

4.14. Hedging instruments

4.14.1. Rate hedging portfolio

As part of its risk management policy (section 7 “Exposure to risks and hedging strategy”), Klépierre has contracted interest rate swap agreements allowing it to switch from variable-rate to fixed-rate debt and vice-versa. Under this arrangement, the Klépierre hedge rate (the proportion of gross financial debt arranged or hedged at fixed rate) was 67% at June 30, 2011.

At June 30, 2011, the breakdown of derivatives by maturity date was as follows:

KLEPIERRE GROUP DERIVATIVES BY MATURITY DATE													
in millions of euros	Hedging relationship	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Klépierre	Cash flow hedge	150	300	200	-	1450	650	450	700	50	500	-	**4450**
	. Of which spot start swaps	*150*	*300*	*200*	-	*1450*	*150*	-	*100*	-	-	-	*2350*
	. Of which forward start swaps	-	-	-	-	-	*500*	*450*	*600*	*50*	*500*	-	*2100*
	Fair value hedge	600	-	-	-	-	-	750	-	-	250	100	**1700**
Klémurs	Cash flow hedge	-	-	-	100	250	-	-	-	-	-		**350**
	. Of which spot start swaps	-	-	-	*100*	*250*	-	-	-	-	-		*350*
	. Of which forward start swaps	-	-	-	-	-	-	-	-	-	-		-
GC Assago	Cash flow hedge	-	-	-	-	-	*85*	-	-	-	-		**85**
GC Collegno	Cash flow hedge	-	-	-	-	-	15	-	-	-	-		**15**
Le Havre Vauban et Lafayette	Cash flow hedge				22								**22**
K2	Cash flow hedge	1	2	2	2	13	5	-	-	-	-		**25**
EUR-denominated derivatives		**751**	**302**	**202**	**124**	**1 713**	**755**	**1 200**	**700**	**50**	**750**		**6 647**
Steen & Strøm	Cash flow hedge												
	. Of which swaps	-	*124*	-	*192*	-	*154*	*111*	-	-	-	-	**581**
	. Of which caps/collars	*38*	-	-	-	-	-	-	-	-	-	-	**38**
NOK-denominated derivatives		**38**	**124**	**-**	**192**	**-**	**154**	**111**	**-**	**-**	**-**	**-**	**619**
Steen & Strøm	Cash flow hedge												
	. Of which swaps	*55*	*99*	-	-	*16*	*22*	*55*	*22*	*44*	*66*	-	**379**
	. Of which caps/collars	-	*22*	-	*65*	-	-	-	-	-	-	-	**87**
	. Of which trading	*44*	-	-	-	-	-	-	-	-	-	-	**44**
SEK-denominated derivatives		**99**	**121**	**-**	**65**	**16**	**22**	**55**	**22**	**44**	**66**	**-**	**510**
Steen & Strøm	Cash flow hedge												
	. Of which swaps	-	*70*	-	*67*	-	-	-	-	-	-		**137**
	. Of which caps/collars			*27*	-	-	*40*	-	-	-	-		**67**
DKK-denominated derivatives		**-**	**70**	**27**	**67**	**-**	**40**	**-**	**-**	**-**	**-**		**204**
TOTAL GROUP*		**888**	**617**	**229**	**448**	**1 729**	**971**	**1 366**	**722**	**94**	**816**		**7980**

**Of which forward start swaps of 2,339 million euros, comprising 2,100 million euros in euros and 239 million euros in Scandinavian currencies.*

Fair value of the interest rate hedging portfolio

Derivatives *in millions of euros*	Fair value net of accrued interest at 06/30/2011	Change in fair value during 2011	Counterparty
Cash flow hedge	-208,5	53,4	Shareholders' equity
Fair value hedge	-6,4	-20,2	Financial liabilities
Trading	-0,2	0,4	Income statement
TOTAL	**-215,1**	**33,6**	

4.14.2. Exchange rate hedging portfolio

Klepierre financed the capital increase of its subsidiary Steen & Strøm by a loan subscribed in Swedish kronor to cover its balance-sheet position in this currency. This operation is classified as a "net investment hedge".

4.15. Long-term provisions

This item includes a 5.5 million euro provision to cover the risk presented by a Major Retailer tax investigation instigated by the Principality of Asturias.

4.16. Deferred taxes

in thousands of euros	December 31, 2010	Change in net income	Cash flow hedging reserves	Other changes	June 30, 2011
Buildings	- 491 704	- 216		- 3 326	- 495 246
Derivatives	4 001	- 121	- 1 586	- 18	2 276
Deficits	46 194	- 6 679		- 522	38 993
Other items	6 795	19 475		- 2 879	23 391
Total for entities in a net liability position	**-434 714**	**12 459**	**-1 586**	**-6 745**	**-430 586**

in thousands of euros	December 31, 2010	Change in net income	Cash flow hedging reserves	Other changes	June 30, 2011
Buildings	3 622	2 077		692	6 391
Derivatives	44 221	- 60	- 9 046	59	35 174
Deficits	36 085	641		- 6 992	29 734
Other items	638	- 12 714		4 982	- 7 094
Total for entities in a net asset position	**84 566**	**-10 056**	**-9 046**	**-1 259**	**64 205**
NET POSITIONS	**-350 148**	**2 403**	**-10 632**	**-8 004**	**-366 381**

The item "Other changes" results from the change in currency exchange rates and provisions recognized in consideration of goodwill.

4.17. Social and tax liabilities and other liabilities

in thousands of euros	June 30, 2011	December 31, 2010
Social and tax liabilities	**86 723**	**93 574**
Personnel and related accounts	23 367	25 111
Social security and other bodies	6 636	6 895
State		
* Corporate income tax	13 965	13 128
* VAT	22 476	26 627
Other taxes and duties	20 279	21 813
Other liabilities	**318 234**	**270 078**
Creditor customers	117 200	113 298
Prepaid income	31 339	24 713
Other liabilities	169 695	132 067

The 117.2 million euros in advance payments received from tenants in respect of charges are recognized in "Creditor customers".

The "Other liabilities" item consists primarily of funds representing the management accounts of Ségécé's principals, balanced by an equal amount in "Other receivables" on the asset side of the balance sheet. These funds totaled 78.5 million euros at June 30, 2011 compared to 52 million at December 31, 2010.

5. SEGMENT INFORMATION

IFRS 8, obligatory since January 1, 2009, requires that information be presented on the Group's operating segments.
Operating segments are identified on the basis of the internal reporting model used by management when evaluating performance and allocating resources. They are limited neither by lines of business nor geography.

5.1. Segment income statement at June 30, 2011

For management purposes, the Group is structured into business segments and geographic regions. There are 7 operating segments.

Shopping centers are structured into 5 operating segments:

- France - Belgium
- Scandinavia
- Italy - Greece
- Iberia (Spain and Portugal)
- Central Europe

The 2 remaining operating segments are Retail assets and Office buildings.

The management team monitors the operating income of each business segment independently as a basis for segment decision-making and performance evaluation.

Group financial policies (including the impact of financial expenses and income), corporate activities and fiscal result calculation are handled at Group level, and are not allocated to the operating segments.

In millions of euros	SHOPPING CENTERS									
	France - Belgium		Scandinavia		Italy - Greece		Iberia		Central Europe	
	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10
Rents	*181,5*	*178,1*	*101,3*	*89,6*	*62,6*	*58,7*	*48,3*	*47,8*	*42,2*	*38,7*
Other rental income	*5,6*	*6,1*	*-*	*-*	*0,9*	*0,9*	*0,1*	*0,0*	*0,0*	*1,5*
Lease income	**187,1**	**184,2**	**101,3**	**89,6**	**63,5**	**59,6**	**48,4**	**47,9**	**42,2**	**40,2**
Rental and real-estate expenses	- 14,9	- 13,7	- 15,8	- 13,3	- 6,2	- 6,1	- 4,8	- 4,8	- 7,1	- 7,9
Net rental income	**172,2**	**170,5**	**85,5**	**76,3**	**57,3**	**53,5**	**43,6**	**43,0**	**35,1**	**32,3**
Management and related income	23,6	24,5	15,6	14,7	3,5	5,2	3,1	3,8	1,9	1,9
Payroll and other general expenses	- 27,0	- 25,0	- 17,8	- 16,8	- 5,7	- 5,4	- 6,7	- 6,9	- 4,6	- 4,3
EBITDA	**168,8**	**170,1**	**83,3**	**74,2**	**55,0**	**53,3**	**40,1**	**40,0**	**32,5**	**29,8**
Depreciation, amortization and provisions	- 47,7	- 39,9	- 38,9	- 57,9	- 21,4	- 16,5	- 23,2	- 24,0	- 30,6	- 50,9
Income from disposals	3,4	13,2	0,2	13,6	-	-	3,1	-	0,0	- 0,6
Share in result of associates	0,7	0,8	-	-	-	-	-	-	-	-
SEGMENT EARNINGS	***125,2***	***144,1***	***44,6***	***29,9***	***33,7***	***36,8***	***19,9***	***16,0***	***1,9***	***-21,7***
Net dividends and provisions on non-consolidated investments										
Net cost of debt										
Change in the fair value of financial instruments										
Effect of discounting										
PRE-TAX EARNINGS										
Corporate income tax										
NET INCOME										

In millions of euros	SHOPPING CENTERS Total		RETAIL France		OFFICES France		UNALLOCATED		KLEPIERRE GROUP	
	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10	06/30/11	06/30/10
Rents	*435,9*	*412,9*	*21,1*	*22,1*	*13,9*	*18,8*	-	-	*471,0*	*453,8*
Other rental income	*6,7*	*8,6*	*0,1*	*0,4*	-	-	-	-	*6,8*	*8,9*
Lease income	**442,6**	**421,4**	**21,2**	**22,5**	**13,9**	**18,8**	**-**	**-**	**477,7**	**462,7**
Rental and real-estate expenses	- 48,9	- 45,8	- 0,7	- 0,8	- 1,8	- 1,7	-	-	- 51,4	- 48,3
Net rents	**393,7**	**375,6**	**20,5**	**21,8**	**12,1**	**17,1**	**-**	**-**	**426,3**	**414,4**
Management and related income	47,8	50,1	0,3	0,3	0,2	0,0	0,3	-	48,6	50,4
Payroll expenses	- 46,6	- 43,2	- 0,7	- 0,7	- 0,3	- 0,3	- 6,4	- 5,5	- 54,1	- 49,8
General expenses	- 15,2	- 15,2	- 0,3	- 0,4	- 0,2	- 0,3	- 4,8	- 4,5	- 20,4	- 20,3
EBITDA	**379,7**	**367,3**	**19,7**	**20,9**	**11,8**	**16,5**	**- 10,9**	**- 10,0**	**400,3**	**394,8**
***Cost to income ratio* (1)**	*14,0%*	*13,7%*	*5,1%*	*5,0%*	*3,9%*	*3,3%*			*15,7%*	*15,1%*
Depreciation, amortization and provisions	- 161,9	- 189,3	- 4,8	1,7	- 4,8	- 5,6	- 0,2	- 0,2	- 171,7	- 193,3
Income from disposals	6,7	26,2	- 0,1	3,5	22,5	15,9	-	-	29,2	45,5
Share in result of associates	0,7	0,8	-	-	-	-	-	-	0,7	0,8
SEGMENT EARNINGS	***225,2***	***205,0***	***14,8***	***26,1***	***29,6***	***26,8***	***-11,1***	***-10,2***	***258,4***	***247,7***
Net dividends and provisions on non-consolidated investments									0,1	- 0,4
Net cost of debt									- 154,3	- 149,6
Change in the fair value of financial instruments									0,4	- 1,3
Effect of discounting									- 0,3	- 0,3
PRE-TAX EARNINGS									**104,4**	**96,1**
Corporate income tax									- 12,1	2,2
NET INCOME									***92,3***	***98,3***

(1) (Payroll + general expenses)/(Net rents + fees + other income)

5.2. Net book value of investment property by segment

Net book values of investment property by operating segments at June 30, 2011 break down as follows:

in thousands of euros	Net book value of investment property
Shopping centers	**10 189 996**
France - Belgium	*3 716 733*
Scandinavia	*3 184 540*
Italy - Greece	*1 404 446*
Iberia	*1 070 731*
Central Europe	*813 547*
Retail	**537 208**
Offices	**344 065**
Total	**11 071 269**

5.3. Investment by segment

Investments, acquisitions and changes in scope, by segment, break down as follows at June 30, 2011:

in thousands of euros	Shopping centers	Retail	Offices	Total June 30, 2011
Property, plant and equipment	2 957	-	-	**2 957**
Investment properties	62 943	114	-	**63 057**
Fixed assets in progress	171 663	-	4	**171 667**
TOTAL	**237 563**	**114**	**4**	**237 681**

6. NOTES TO THE FINANCIAL STATEMENTS: COMPREHENSIVE INCOME STATEMENT

Group revenues include rents and management and administration income earned by service companies.

6.1. Lease income

Lease income includes:

- Rents from investment property and rent-related income, such as car park rentals and early termination indemnities,
- Other lease income: income from entry fees and other income.

Rent-free periods, stepped rents and entry fees are spread over the firm term of the lease.

Charges re-invoiced to tenants are not included in lease income but deducted from rental expenses.

6.2. Land expenses

Land expenses correspond to fees paid (or amortization of initial payments) for properties built on land subject to a leasehold or operated under an operating contract (concession). This mainly applies to shopping centers.

6.3. Non-recovered rental expenses

These expenses are net of rebillings to tenants and mainly correspond to expenses for vacant premises.

6.4. Building expenses

These mainly comprise rental expenses to be paid by the owner, expenses related to construction work, litigation expenses, charges related to doubtful accounts and expenses related to property management.

6.5. Other operating revenue

Other operating revenue includes:

- Building works re-invoiced to tenants,
- Other income.

6.6. Depreciation and provisions on investment properties and other fixed assets

Depreciation and provisions on investment property and other fixed assets were down by 23.7 million euros to 168.6 million euros.

This variation includes an asset impairment allowance of 24.5 million euros, which decreased by 26.6 million euros, primarily due to write-backs of provisions recognized during the first semester. The increase in depreciation and allowance (2.9 million euros) is mainly due to the increase in investment property.

6.7. Income from sales of investment property and equity investments

Income from sales totaled 29.2 million euros. This total consists of:

- 22.7 million euros, from the sale of the office buildings "Le Barjac Victor", boulevard Victor in Paris and "Les Jardins des Princes", rue Henri Martin in Boulogne Billancourt,
- 6.5 million euros, from the sale of the Val de Lys and Huelva shopping malls respectively located in France and Spain.

6.8. Net cost of debt

The net cost of debt totaled 154.3 million euros, compared with 149.6 million euros at June 30, 2010.

The majority of this 4.7 million euro increase reflects the rise in outstanding debt, the cost of debt being stable compared with June 30, 2010 at 4.44%.

Capitalized interests amounted to 10 million euros compared to 12.8 million euros at June 30, 2010.

in thousands of euros	June 30, 2011	June 30, 2010
Capitalized interest	10 026	12 816
Interest on advances	-1 161	-1 205
Interest on bonds	-51 492	-37 017
Interest on loans from credit institutions	-67 548	-64 151
Other bank interest	-112	-20
Other interest	1 388	1 259
Income from currency transactions	-387	249
Income from sale of securities	497	165
Net interest on swaps	-31 956	-50 548
Net deferral of payments on swaps	-9 751	-7 360
Transfer of financial expenses	78	2 475
Other financial income and expense	-3 855	-6 262
Cost of indebtness	**-154 273**	**-149 599**

6.9. Taxes

in thousands of euros	June 30, 2011	June 30, 2010
Current taxes payable	- 14 464	- 11 166
Deferred tax	2 403	13 383
Total	**- 12 061**	**2 217**

The Group reported a net tax expense of 12 million euros. A breakdown into SIIC, France common law and international segments is shown in the reconciliations between theoretical and effective tax expense:

in thousands of euros	France		Foreign companies	Total
	SIIC sector	Common law		
Pre-tax earnings and earnings from equity-method companies	95 895	11 200	- 3 390	**103 705**
Theoretical tax expense at 34.43%	**- 33 017**	**- 3 856**	**1 167**	**- 35 706**
Exonerated earnings of the SIIC sector	31 914			**31 914**
Taxable sectors				
Impact of permanent time lags	5 271	1 934	- 5 951	**1 254**
Untaxed consolidation restatements	14	- 163	- 3 916	**- 4 065**
Impact of non-capitalized deficits	- 4 561	- 22	2 686	**- 1 897**
Assignment of non-capitalized deficits		21	- 6 213	**- 6 192**
Exit tax on special reserve of long-term capital gains			- 7	**- 7**
Change in tax regime				**-**
Discount to present of deferred tax following restructuring				**-**
Discounting of tax rates and other taxes	- 135	495	1 730	**2 090**
Rate differences		- 76	624	**548**
Actual tax expense	**- 514**	**- 1 667**	**- 9 880**	**- 12 061**

- ***Tax expense payable by the Group was 14.5 million euros compared to 11.2 million euros at June 30, 2010***

At June 30, 2011 this item includes an expense of 1.7 million euros for non-recurring taxes, in particular capital gains tax on the sale of an asset. Stripping out non-recurring effects, the tax expense payable increased by 1.5 million euros.

- ***Deferred tax assets were 2.4 million euros compared to 13.4 million euros at June 30, 2010***

They mainly comprised:

in millions of euros		June 30, 2011	June 30, 2010
Deficits		- 7,1	- 2,2
Exchange rate differences		- 9,0	2,2
Bulidings and other restatements		18,5	13,4
Total		**2,4**	**13,4**

Ordinary tax loss carryforwards are capitalized where their realization is deemed probable.

Capitalized deferred tax for ordinary tax loss carryforwards at June 30, 2011 totaled 68.7 million euros compared to 65.0 million euros at June 30, 2010.

Uncapitalized deferred tax for ordinary tax loss carryforwards at June 30, 2011 totaled 85.2 million euros compared to 66.1 million euros at June 30, 2010.

7. EXPOSURE TO RISKS AND HEDGING STRATEGY

Klépierre identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, equity markets, lawsuits, etc.) and sets applicable management policies as required.

The Group pays close attention to managing the financial risks inherent in its business activity and the financial instruments it uses.

7.1. Interest rate risk

7.1.1. A) Cash flow hedge rate risk

- ***Recurrence of variable rate financing requirement***

In structural terms, variable rate debt represents a significant proportion of the Group's borrowings (63% of debt at June 30, 2011, before hedging). It includes: bank loans (standard and mortgages), draw downs on syndicated loans, commercial paper and the use of agreed overdrafts.

- ***Identified risk***

An increase in the interest rate against which variable rate debts are indexed (primarily three-month Euribor) could result in an increase in the future interest rate expenses.

- ***Measurement of risk exposure***

The first two of the following tables show the exposure of Klépierre's income to an interest rate rise, before and after hedging.

Interest rate position before hedging *(in millions of euros)*	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position	**4 770**	**47,7**
- Marketable securities	-101	-1,0
Net position before hedging	**4669**	**46,7**

Interest rate position after hedging *(in millions of euros)*	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position before hedging	**4 770**	**47,7**
- Net hedge	-2240	-22,4
Gross position after hedging	**2 530**	**25,3**
- Marketable securities	-101	-1,0
Net position after hedging	**2429**	**24,3**

Given that changes in the fair value of cash flow hedge swaps are recognized in equity, the following table quantifies the likely impact on equity of an interest rate rise based on Klépierre's cash flow hedge swaps portfolio at the period end (including forward start swaps).

Fair value of cash flow hedge (in millions of euros)	Fair value net of accrued interest	Change in equity caused by a 1% increase in interest rates
Cash flow hedge swaps at 06/30/2011		
. Euro-denominated portfolio	-201,6	168
. Steen & Strøm portfolio	-6,97	36
Cash flow hedge swaps at 06/30/2011	**-208,5**	**205**

The breakdown of borrowings after interest-rate hedging is as follows:

In millions of euros	Fixed-rate borrowings			Variable-rate borrowings			Total gross financial debts		Average cost of debt, base 06/30/2011
	Amount	Rate	Fixed part	Amount	Rate	Variable part	Amount	Rate	
31/12/2009	5 613	4,56%	76%	1 773	1,73%	24%	7 386	3,88%	**4,08%**
31/12/2010	4 735	4,54%	63%	2 741	2,10%	37%	7 476	3,65%	**4,07%**
30/06/2011	5 051	4,50%	67%	2 530	2,62%	33%	7 581	3,87%	**4,24%**

N.B.: The average cost of debt, "base June 30, 2011" is calculated on the basis of the interest rates and funding structure in place at June 30, 2011, and does not therefore constitute a forecast of the average cost of debt for Klépierre over the coming period. It includes non-utilization commissions and the spreading of issue costs and premiums.

- ***Hedging strategy***

Klépierre has set a target hedging rate of approximately 70%. This rate is defined as the proportion of fixed-rate debt (after hedging) to gross financial debt. As the previous table shows, this proportion was 67% at June 30, 2011.

In order to achieve its target level, Klépierre focuses on the use of swap agreements, which enable fixed rates to be swapped for variable rates, and vice-versa.

Klépierre can also cover its cash flow hedge rate risk by limiting the scope for variation around the benchmark index by buying a cap on that index, for example.

Given the nature of its business as a long-term property owner and its growth strategy, Klépierre is structurally a borrower. Since the Group is not seeking to reduce short-term debt as a proportion of total indebtedness, it is highly likely that its short-term variable rate loans will be renewed in the medium term. This is the reason why Klépierre's hedging strategy includes both the long-term and short-term aspects of its borrowings.

Generally, hedge terms may exceed those of the debts hedged, on the condition that Klépierre's financing plan emphasizes the high probability of these debts being renewed.

7.1.2. *Fair value hedge rate risk*

- ***Description of fixed-rate borrowing***

The majority of Klépierre's fixed-rate borrowing currently consists of bonds and mortgage loans in Scandinavia.

The main source of additional fixed-rate debt is potentially the bond market or convertible bonds and other "equity-linked" products.

Identified risk

Klépierre's fixed-rate debt provides a risk-free exposure to fluctuations of interest rates, as far as the fair value of fixed-rate debt increases while rates fall, and vice-versa.

At any given time, Klépierre may also find itself in the position of needing to increase its fixed-rate debt (e.g. in a future acquisition). It would then be exposed to the risk of a change in interest rate prior to an arrangement of the loan. Klépierre may then consider hedging against this risk, which is treated as a "cash flow hedge" risk under IFRS.

Measurement of risk exposure and hedging strategy

At June 30, 2011, fixed-rate debt totaled 2,811 million euros before hedging.

The "fair value hedge" strategy is calibrated to address the overall hedge rate target. It is also based on the use of rate swaps allowing fixed-rate payments to be swapped to variable rate payments. The "credit margin" component is not hedged.

The duration of "fair value hedge" instruments is never longer than that of the debt hedged, since Klépierre wishes to obtain a very high level of "efficiency", as defined by IAS 32/39.

7.1.3. Marketable securities

At June 30, 2011 Klépierre held 101 million euros of marketable securities.

Cash equivalents refers to investments in open-ended money market funds (UCITS) in France for 91 million euros and certificates of deposit in Italy for 10 million euros.

These investments expose Klépierre to a moderate interest rate risk as a result of their temporary nature (cash investments) and the amounts involved.

7.1.4. Fair value of financial assets and liabilities

As the Group did not opt for recognizing financial liabilities at fair value, financial debts are recognized in the balance sheet at amortized cost.

The following table compares the fair values of debts with their corresponding nominal values. Fair values are arrived at on the basis of these principles:

- Variable-rate bank debt: the fair value is equivalent to the nominal amount;
- Fixed-rate bank debt: the fair value is calculated solely on the basis of rate fluctuations;
- Bonds (and convertibles, where applicable): use of market quotations where these are available.

Klépierre has chosen not to revaluate the margin component of these unlisted loans inasmuch as the exceptionally difficult conditions seen in the credit markets since the beginning of the financial crisis have accentuated the differences between margins in individual markets (bonds, corporate lending, mortgages, etc.) and made any assessment very uncertain.

	30/06/2011			31/12/2010		
In millions of euros	Par value	Fair value	Change in fair value caused by a 1% increase in interest rates*	Par value	Fair value	Change in fair value caused by a 1% increase in interest rates*
Fixed-rate bonds	2 589	2 605	-102	2 189	2 220	-84
Fixed-rate bank loans	222	216	-17	224	231	-6
Other variable-rate loans	4770	4770	-	5064	5064	-
Total	**7581**	**7591**	**-119**	**7476**	**7514**	**-90**

** change in fair value of the debt as a result of a parallel "shift" in the rate curve*

Derivatives are recognized in the balance sheet at their fair value. At June 30, 2011, a 1% rise in rates would have resulted in a rise of 139 million euros in the value of the Group's euro-denominated interest rate swaps (cash flow hedge and fair value hedge).

On the asset side, unconsolidated securities are recognized under "securities available for sale", and are therefore measured at their fair value. Given the nature of business conducted by the companies concerned, it is estimated that their net book value is close to their fair value.

7.1.5. *Measures and resources for managing interest rate exposure*

Given the importance to Klépierre of managing interest rate risk, its management team is involved in all decisions concerning the hedging portfolio. The Finance Department uses IT systems to provide real-time tracking of market trends and calculate the market values of its financial instruments, including derivatives.

7.2. Liquidity risks

Klépierre is attentive to the long-term refinancing needs of its business and the need to diversify maturity dates and the sources of finance in such a way as to facilitate renewals.

With this objective in mind, the average loan period at June 30, 2011 was 4.8 years, with borrowings spread between markets (the bond market and commercial paper account for 42% of the debt, with the balance being raised in the banking market). A range of different sources (syndicated loans, mortgage loans, etc.) and counterparties are used within the banking market itself.

Outstanding commercial paper in euros (which represents the bulk of short-term financing) never exceeds the "backup" lines, which would enable immediate refinancing of this borrowing in the event of refinancing problems in the market.

Klépierre also had unused lines of credit (including bank overdrafts) totaling 1.395 million euros at June 30, 2011. These lines will be easily sufficient to absorb the main refinancing transactions scheduled for the second half of the year.

Generally speaking, access to finance for real estate companies is facilitated by the security offered to lenders in the form of the companies' property assets.

Some Klépierre finance sources (syndicated loans, bonds, etc.) are accompanied by financial covenants. Failure to comply with these covenants may result in compulsory early repayment (see the note concerning financial liabilities). These covenants are based on the standard ratios applying to real estate companies, and the limits imposed leave Klépierre with sufficient flexibility.

Klépierre SA bonds (2,589 million euros) include a bearer option, providing the option of requesting early repayment in the event of a change of control capable of changing Klépierre's rating to "non-investment grade". Apart from this clause, no other financial covenant refers to Standard & Poor's rating for Klépierre.

Principal covenants	Maximum amount of related finance (millions of euros)	Impact of non-compliance	Contractual limit (1)	Level at 06/30/2011	Level at 12/31/2010
Klépierre financing					
Loan-To-Value	3 600	Default	≤ 60%	46,5%	47,2%
EBITDA / Net cost of financing			≥ 2	2,6	2,6
Secured debt / Revalued assets			≤ 20%	14%	15%
Revalued asset value - group share			≥ €6Bn	12,7	12,3
Percentage of financial debt belonging to subsidiaries (excl. Steen & Strøm)			≤ 30%	8%	11%
Secured debt / RNAV	2 189	Default	≤ 50%	8,3%	8,4%
Klémurs financing					
Loan-To-Value	150	Default	Total ratio ≤ 65%	57,5%	58,2%
			Senior ratio ≤ 55% *	37,4%	37,6%
EBITDA / Net cost of financing			Total ratio ≥ 1.8	2,25	2,4
			Senior ratio ≥ 2.5*	2,7	2,78
Secured debt / Revalued assets			≤ 20%	4,3%	5,0%
Revalued asset value - group share			≥ €300M	645,31	633,01
* excluding subordinated debt					
Steen & Strøm financing					
"Book equity ratio" (shareholders' equity/revalued total asset)	565	Default	≥ 20%	32,0%	27,7%

(1) *where applicable, the limit imposed by the most restrictive contract is adopted*

In most of Klépierre's borrowing agreements, covenant ratios limiting the share of securitized debt exclude Steen & Strøm mortgages from the calculation, since these are without recourse to Klépierre and, in any case, Steen & Strøm's independent financing in its domestic markets is a welcome source of diversification for the group. For the same reasons, as stated in its bond prospectuses, the covenants governing Klépierre's bonds followed the same practice as their bank borrowings.

7.3. Currency risk

Until its acquisition of Steen & Strøm in October 2008, the majority of Klépierre's business was conducted within the Eurozone, with the exception of the Czech Republic, Hungary and Poland.

To date, the currency risk posed by these countries has not been assessed sufficiently high to warrant derivative hedging, since the acquisitions and the acquisition financing were denominated in euros.

Generally, rents are invoiced to lessees in euros and converted into the local currency on the billing date. Lessees have the choice of paying their rents in local currency or in euros (or in dollars for some minority leases). The currency risk on minimum guaranteed rents is therefore limited to any variance between the rent as invoiced and the rent actually collected if the currency should fall in value against the euro between the invoice date and the date of payment in local currency by the lessee.

At the same time, Klépierre ensures that lease payments from lessees do not represent an excessively high proportion of their revenue in order to avoid any worsening of their financial position in the event of a sharp increase in the value of the euro, which could increase the risk of their defaulting on payments due to Klépierre.

In Scandinavia though, leases are denominated in the local currency. Funding is therefore also raised in the local currency. The principal exposure of the Klépierre Group to Scandinavian currency risk is therefore limited essentially to the funds invested in the company (share in equity of Steen & Strøm), which were partially financed in euros.

7.4. Counterparty risk

Counterparty risk is limited by the fact that Klépierre is structurally a borrower. This risk is therefore limited essentially to those investments made in derivative transactions by the Group and its counterparties.

7.4.1. Counterparty risk on investment securities

The counterparty risk on investments is limited by the type of products used:

- monetary UCITS managed by recognized institutions, and therefore carrying a range of signatures;
- loans from the governments of countries in which Klépierre operates (in the form of loans/borrowings);
- occasionally, certificates of deposit issued by leading banks.

7.4.2. Counterparty risk on hedging instruments

Klépierre conducts derivative instrument transactions only with financial institutions recognized as financially sound. In no event would the Group deal with an institution rated lower than A- by S&P or an equivalent agency.

7.5. Equity risk

Klépierre holds no equities other than its own shares (2,869,148 shares at June 30, 2011), which are recognized as treasury stock at their historical cost.

7.6. Legal and tax risks

In 2009, Buffalo Grill had decided to withhold payment of a portion of some rents, corresponding to the application of the indexation clause contained in its lease. Following the issue of a provisional court order (*ordonnance de référé*), confirmed on appeal, upholding the application made by Klémurs, Buffalo Grill is now up to date with all its rental payments. However, the underlying suit is ongoing. Excluding this situation, in the six months covered by these consolidated financial statements, neither Klépierre nor its subsidiary companies have been the subject of any governmental, judicial or arbitration action (including any action of which the issuer has knowledge, is currently suspended or is threatened) which has recently had a significant impact on the financial position or profitability of the issuer and/or the Group.

In May 2008, Klépierre and Finim set up a REIF in Italy (K2 fund). Before the fund could take on assets the Group had to pay a flat-rate tax and exit tax.

Italy brought in a new law affecting the taxation of real estate funds on May 5, 2011. It specified part of the new regulatory constraints on real estate investment funds. All funds must pay a tax of 5% calculated based on the revalued net asset value, unless considered a qualified investors fund. This qualification will be specified in a future implementing decree. In the meantime, Klépierre has booked no provisions.

8. FINANCE AND GUARANTEE COMMITMENTS

8.1. Reciprocal commitments

The reciprocal commitments shown are reciprocal guarantees given under property development contracts and sale before completion contracts (under which payment is guaranteed by the buyer, and completion by the developer).

in thousands of euros	June 30, 2011	December 31, 2010
Guarantees under Property Development/ Sale Before Completion contracts	236 185	297 399
Total	**236 185**	**297 399**

8.2. Commitments received and given

in thousands of euros	June 30, 2011	December 31, 2010
Commitments given		
- Security deposits on loans to employees	6 933	7 681
- Guarantees and deposits	15 860	22 230
- Purchase commitments	94 196	119 591
Total	**116 989**	**149 502**
Commitments received		
- Deposits received as guarantees in real-estate management and transactions	260 030	260 030
- Sale commitments	-	-
- Deposits received from tenants	88 603	82 922
- Other guarantees received	-	-
- Unused confirmed lines of credit	1 325 700	1 315 000
Total	**1 674 333**	**1 657 952**

8.2.1. Purchase commitments

The majority of purchase commitments have been given in relation to extension and renovation work in France and Scandinavia.

Earnout clauses exist for some acquisitions. In accordance with articles 32 and 34 of IFRS 3, the price adjustment applied to the cost of the business combination on the acquisition date must be recognized where adjustment is likely and can be reliably estimated on the balance sheet date.

The price paid for Sadyba (part of the Polish acquisitions made in 2005) is subject to an earnout clause. Klépierre does not own outright the land on which the center is built, but holds a lease with an expiry date of July 31, 2021. It will pay the seller an additional sum if the seller can arrange an extension of the lease or full ownership within ten years from July 2005. Since the likelihood of the lease being extended or full ownership granted cannot be measured, this additional payment is not currently recognized.

8.2.2. Deposits received as guarantees in real-estate management

As part of its real-estate management activities in 2011, the Klépierre Group, via Ségécé, enjoyed a financial guarantee from BNP Paribas for a variable amount capped at 260 million euros.

8.2.3. Unused confirmed lines of credit

At June 30, 2011, Klépierre had access to 1,326 million euros in lines of credit confirmed but not used. This total was made up as follows:

- 1,235 million euros in lines of credit available under the bilateral loan from BNP Paribas (maturing 2012 and 2013);
- 91 million euros in potential issues of commercial paper (difference between the amount of backup lines and outstanding paper issued).

An additional amount of 32 million euros is also available in the form of an unconfirmed BNP Paribas overdraft, partly drawn at June 30, 2011. Steen & Strøm also has 37 million euros in the form of unconfirmed overdrafts.

- **Other guarantees received**

To the best of our knowledge, we have not omitted any significant or potentially significant off-balance sheet commitment as defined by the applicable accounting standards.

8.3. Guarantees

In general terms, the Group finances its assets from equity or debt contracted by its parent company, rather than pledging its own assets, except in Scandinavia, where Steen & Strøm mainly rely on local currency mortgages to fund their activities.

Debts secured by pledges are as follows:

in thousands of euros	Amount of loan at June 30, 2011	Amount of mortgage
on investment property		
France	27 703	54 670
Italy	268 126	673 000
Denmark	517 197	532 285
Norway	799 986	885 815
Sweden	390 997	439 801
TOTAL	**2 004 009**	**2 585 571**

8.4. Shareholders' agreements

The Group is subject to shareholders' and partners' agreements signed in previous fiscal years and which correspond to those applied in 2010, as indicated in section 8.4 of the notes to the Group's consolidated financial statements for the year ended December 31, 2010.

8.5. Commitments under operating leases – Lessors

The main clauses contained in the lessor's lease agreement correspond to those applied in 2010, as indicated in section 8.5 of the notes to the Group's consolidated financial statements for the year ended December 31, 2010.

At June 30, 2011, the total future minimum rents receivable under non-cancelable operating leases were as follows:

in thousands of euros	**June 30, 2011**
less than one year	734 092
between 1 and 5 years	1 234 639
more than five years	292 730
Total	**2 261 462**

9. COMPENSATION AND EMPLOYEE BENEFITS

9.1. Payroll expenses

At June 30, 2011, total payroll expenses amounted to 54.1 million euros.

Fixed and variable salaries and wages plus incentives and profit sharing totaled 41.3 million euros, pension-related expenses, retirement expenses and other staff benefits were 11.8 million euros, taxes and similar compensation-related payments were 1 million euros.

9.2. Employees

In the first half of 2011, the Group's average headcount was 1,483 employees: 904 work outside of France, including 403 in the Scandinavian real estate company Steen & Strøm. The Klépierre Group's average headcount in the first half of 2011 breaks down as follows:

Regions	1st half of 2011	1st half of 2010	2010
France - Belgium	579	555	557
Scandinavia	403	437	428
Italy - Greece	122	117	119
Iberia	163	169	166
Central Europe	216	220	221
Total	**1 483**	**1 498**	**1 491**

9.3. Employee benefit commitments

9.3.1. *Defined contribution pension plans*

In France, the Klépierre Group contributes to a number of national and inter-profession basic and supplementary pension organizations.

9.3.2. *Defined benefit pension plans*

The defined benefit pension plans set up by Klépierre, as well as their actuarial appraisals, correspond to those indicated in section 8.9 of the notes to the Group's consolidated financial statements for the year ended December 31, 2010.

The provisions recognized for defined benefit pension plans totaled 10.8 million euros at June 30, 2011.

in thousands of euros	December 31, 2010	Allowances for the period	Write-back (provision used)	Write-back (provision unused)	Other movements	Changes in the scope of consolidation	June 30, 2011
Provisions for employee benefit commitments							
. Defined benefit plans	10 250	578	- 1	- 1	- 9		10 817
. Other long-term benefits	2 614	250					2 864
Total	**12 864**	**828**	**-1**	**-1**	**-9**	**0**	**13 681**

The assumptions used at December 31, 2010 are given in section 8.9.2 of the notes to the Group's consolidated financial statements for the year ended December 31, 2010.

At June 30, 2011, the main assumptions used were reviewed to take into account of any changes during the first semester.

9.4. Stock options

There are currently five stock option plans in place for Group executives and employees.

	Plan no. 1	Plan no. 2	Plan no. 3	
			without performance conditions	with performance conditions
Date of the general meeting of shareholders	4/7/2006	4/7/2006	4/7/2006	4/7/2006
Date of the Executive Board meeting	5/30/2006	5/15/2007	4/6/2009	4/6/2009
Start date for exercising options	5/31/2010	5/16/2011	4/6/2013	4/6/2013
Expiration date	5/30/2014	5/15/2015	4/5/2017	4/5/2017
Subscription or purchase price (1)	29,49	46,38	22,60	between 22.6 and 27.12
Stock purchase options originally granted before any adjustment	195 000	143 000	378 500	102 500
Stock purchase options originally granted (number adjusted to reflect the division of the face value by 3 and the discount of preferential rights granted for the capital increase of December 2008)	603 593	443 146		
Stock purchase options canceled at June 30, 2011	45 000	34 717	25 500	
Stock purchase options exercised at June 30, 2011			3 750	938
Number of shares subscribed at June 30, 2011 (number only adjusted by the division of the face value by 3)				
Outstanding stock purchase options at June 30, 2011 (after additional adjustment to reflect the discount of preferential rights granted for the capital increase of December 2008)	558 593	408 429	349 250	101 562

(1) after adjustment of the division by 3 of the face value in 2007 and the discount of preferential rights granted for the capital increase of December 2008.

	Plan no. 4		Plan no. 5	
	without performance conditions	with performance conditions	without performance conditions	with performance conditions
Date of the general meeting of shareholders	4/9/2009	4/9/2009	4/9/2009	4/9/2009
Date of the Executive Board meeting	6/21/2010	6/21/2010	5/27/2011	5/27/2011
Start date for exercising options	6/21/2014	6/21/2014	5/27/2015	5/27/2015
Expiration date	6/20/2018	6/20/2018	5/26/2019	5/26/2019
Subscription or purchase price (1)	22,31	between 22.31 and 26.77	27,94	between 27.94 and 33.53
Stock purchase options originally granted before any adjustment	403 000	90 000	492 000	114 000
Stock purchase options originally granted (number adjusted to reflect the division of the face value by 3 and the discount of preferential rights granted for the capital increase of December 2008)				
Stock purchase options canceled at June 30, 2011	4 500			
Stock purchase options exercised at June 30, 2011				
Number of shares subscribed at June 30, 2011 (number only adjusted by the division of the face value by 3)				
Outstanding stock purchase options at June 30, 2011 (after additional adjustment to reflect the discount of preferential rights granted for the capital increase of December 2008)	398 500	90 000	492 000	114 000

The first two are standard stock option plans, and are therefore not performance-linked. The third, fourth and fifth plans are performance-related for Executive Board members and partly performance-related for the Executive Committee.

In accordance with the provisions of IFRS 1, only stock options granted after November 7, 2002 are recognized.

In accordance with IFRS 2, Klépierre appraises the market value of options on their grant date and recognizes a pro rata expense during the vesting period. This appraisal is made by a specialist third-party company. The model adopted complies with the basic assumptions of the Black & Scholes model, adapted to the specific characteristics of the options concerned (particularly dividends in discrete amounts and the possibility of exercising options since May 31, 2010 for the plan authorized in 2006 and from May 16, 2011 for the plan authorized in 2007).

On May 27, 2011, 606,000 options were awarded as part of the new stock options plan authorized by the Executive Board. The allocation is divided into two fractions with the following characteristics:

	Plan no. 5	
	without performance conditions	with performance conditions
Exercise price	€ 27,94	
Share price on the date of allocation	€ 28.85 Level of the FTSE EPRA Eurozone Index: 1,473.59	
Volatility	Klépierre share: 33.3%; EPRA 22.2%; correlation: 0.75	
Risk-free interest rate (eight years maturity)	3,27%	
Dividend per share	€ 1,35	
Estimated unit value	€ 7,44	2011: € 2.81 2012: € 6.87 2013: € 6.81 2014: € 6.81
Expense for the period	97 thousand euros	

The features of the other plans are unchanged and can be consulted in section 8.10 of the notes to the Group's consolidated financial statements for the year ended December 31, 2010.

The calculated expense of the period amounts to 804 thousand euros for all the plans and also reflects the estimated population of beneficiaries at the end of each vesting period, because beneficiaries may lose their rights if they leave the Klépierre Group during this period.

10. ADDITIONAL INFORMATION

10.1. Disclosures about the fair value model

INCOME STATEMENT AND BALANCE SHEET

Comprehensive income statement at fair value (EPRA model) *in thousands of euros*	June 30, 2011 Fair value model	June 30, 2010 Fair value model
Lease income	477 716	462 736
Land expenses (real estate)	0	0
Non-recovered rental expenses	-17 565	-19 324
Building expenses (owner)	-32 339	-27 308
Net rents	***427 812***	***416 104***
Management, administrative and related income	39 717	37 188
Other operating revenue	8 839	13 183
Change in the fair value of investment property	290 523	72 743
Survey and research costs	-644	-895
Payroll expenses	-54 092	-49 751
Other general expenses	-19 801	-19 406
Depreciation and provisions on investment property	0	0
Depreciation and provisions on PPE	-4 665	-3 204
Provisions	-3 145	-1 046
Gains on the disposal of investment property and equity investments	83 382	108 544
Net book value of investment property and equity investments sold	-77 373	-91 318
Income from the disposal of investment property and equity investments	**6 009**	**17 226**
Profit on the disposal of short term assets	**0**	0
Goodwill impairment	0	
Operating income	**690 553**	**482 142**
Net dividends and provisions on non-consolidated investments	109	-426
Net cost of debt	-154 273	-149 599
Change in the fair value of financial instruments	420	-1 346
Effect of discounting	-330	-290
Share in result of associates	-366	4 457
Pre-tax earnings	**536 113**	**334 938**
Corporate income tax	-72 406	-22 155
Net income of consolidated entity	**463 707**	**312 783**
of which		
Group share	*347 099*	*232 121*
Non-controlling interests	*116 609*	*80 663*
Net earnings per share in euros	**1,9**	**1,2**
Diluted earnings per share in euros	**1,9**	**1,2**

in thousands of euros	Notes	June 30, 2011	June 30, 2010
Net income of consolidated entity		**463 707**	**312 783**
Other comprehensive income items recognized directly as equity		109 362	-99 879
Income from sales of treasury shares		*531*	*-897*
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)		*63 360*	*-137 847*
Translation profits and losses		*56 103*	*16 098*
Tax on other comprehensive income items		*-10 632*	*22 767*
Share of other comprehensive income items of associates		*0*	*0*
Total comprehensive income		**573 069**	**212 904**
of which			
Group share		*442 508*	*139 742*
Non-controlling interests		*130 562*	*73 162*
Comprehensive earnings per share in euros		**2,4**	**0,7**
Diluted comprehensive earnings per share in euros		**2,4**	**0,7**

Balance Sheet Fair Value (EPRA model) *in thousands of euros*	June 30, 2011 Fair value model	Dec. 31, 2010 Fair value model
Non-allocated goodwill	118 090	115 531
Intangible assets	25 284	24 146
Property, plant and equipment	27 981	27 693
Investment property	0	0
Fair value of investment property	15 245 850	14 740 385
Fixed assets in progress	89 890	96 714
Investments in associates	24 013	25 657
Financial assets	2 512	2 515
Non-current assets	25 533	37 580
Interest rate swaps	2 159	28 207
Deferred tax assets	48 339	70 554
NON-CURRENT ASSETS	***15 609 651***	***15 168 982***
Fair value of property held for sale	20 245	0
Inventory	390	454
Trade accounts and notes receivable	96 868	100 108
Other receivables	283 377	259 437
Tax receivables	38 377	36 731
Other debtors	245 000	222 706
Interest rate swaps.	24 713	20 024
Cash and cash equivalents	334 701	300 557
CURRENT ASSETS	***760 294***	***680 580***
TOTAL ASSETS	**16 369 944**	**15 849 562**
Capital	265 507	265 507
Additional paid-in capital	1 569 970	1 569 970
Legal reserve	26 551	25 476
Consolidated reserves	2 819 284	2 501 757
Treasury shares	-70 143	-70 133
Fair value of financial instruments	-171 400	-220 980
Fair value of investment property	2 459 888	2 104 121
Other consolidated reserves	600 939	688 749
Consolidated earnings	347 099	480 483
Shareholders' equity, Group share	5 028 411	4 843 193
Non-controlling interests	1 878 245	1 752 448
SHAREHOLDERS' EQUITY	***6 906 656***	***6 595 641***
Non-current financial liabilities	6 073 636	5 952 508
Long-term provisions	12 909	10 523
Pension commitments	13 681	12 864
Non-current interest rate swaps	225 220	279 060
Security deposits and guarantees	142 119	142 186
Deferred tax liabilities	634 656	580 379
NON-CURRENT LIABILITIES	***7 102 221***	***6 977 520***
Current financial liabilities	1 604 150	1 618 400
Bank overdrafts	193 444	120 685
Trade payables	109 394	122 722
Payables to fixed asset suppliers	46 235	50 943
Other liabilities	318 235	270 077
Current interest rate swaps	2 886	0
Social and tax liabilities	86 723	93 574
Short-term provisions	0	0
CURRENT LIABILITIES	***2 361 067***	***2 276 401***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**16 369 944**	**15 849 562**

INCOME STATEMENT AND BALANCE SHEET: TRANSITION FROM COST METHOD TO FAIR VALUE

Comprehensive income statement (EPRA model) in thousands of euros	June 30, 2011	Fair value restatements	June 30, 2011 Fair value model
Lease income	477 716		477 716
Land expenses (real estate)	-1 242	1 242	0
Non-recovered rental expenses	-17 565		-17 565
Building expenses (owner)	-32 601	262	-32 339
Net rents	***426 308***	***1 504***	***427 812***
Management, administrative and related income	39 717		39 717
Other operating revenue	8 839		8 839
Change in the fair value of investment property		290 523	290 523
Survey and research costs	-644		-644
Payroll expenses	-54 092		-54 092
Other general expenses	-19 801		-19 801
Depreciation and provisions on investment property	-163 931	163 931	0
Depreciation and provisions on PPE	-4 665		-4 665
Provisions	-3 145		-3 145
Gains on the disposal of investment property and equity investments	83 382		83 382
Net book value of investment property and equity investments sold	-54 189	-23 184	-77 373
Income from the disposal of investment property and equity investments	***29 193***	***-23 184***	***6 009***
Profit on the disposal of short term assets	***0***		***0***
Goodwill impairment	***0***		***0***
Operating income	**257 779**	**432 774**	**690 553**
Net dividends and provisions on non-consolidated investments	109		109
Net cost of debt	-154 273		-154 273
Change in the fair value of financial instruments	420		420
Effect of discounting	-330		-330
Share in result of associates	657	-1 023	-366
Pre-tax earnings	**104 362**	**431 751**	**536 113**
Corporate income tax	-12 061	-60 345	-72 406
Net income of consolidated entity	**92 301**	**371 406**	**463 707**
of which			
Group share	*60 534*	286 565	*347 099*
Non-controlling interests	*31 767*	*84 841*	*116 609*

in thousands of euros	Notes	June 30, 2011	Fair value restatements	December 31, 2010 Fair value model
Net income of consolidated entity		**92 301**	**371 406**	**463 707**
Other comprehensive income items (gross of tax) recognized directly as equity		109 495	-133	109 362
Income from sales of treasury shares		*531*		*531*
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)		*63 360*		*63 360*
Translation profits and losses		*56 236*	*-133*	*56 103*
Tax on other comprehensive income items		*-10 632*		*-10 632*
Share of other comprehensive income items of associates		-		*0*
Total comprehensive income		**201 796**	**371 273**	**573 069**
of which				
Group share		157 923		442 508
Non-controlling interests		43 873		130 562
Comprehensive earnings per share in euros		**0,8**		**2,4**

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BALANCE SHEET (EPRA model) in thousands of euros	June 30, 2011	Fair value restatements	June 30, 2011 Fair value model
Non-allocated goodwill	134 786	-16 696	118 090
Intangible assets	25 284		25 284
Property, plant and equipment	27 981		27 981
Investment property	11 071 270	-11 071 270	0
Fair value of investment property		15 245 850	15 245 850
Fixed assets in progress	677 714	-587 824	89 890
Investments in associates	20 480	3 533	24 013
Financial assets	2 512		2 512
Non-current assets	25 533		25 533
Interest rate swaps	2 159		2 159
Deferred tax assets	64 205	-15 866	48 339
NON-CURRENT ASSETS	***12 051 924***	***3 557 727***	***15 609 651***
Investment property held for sale	16 947	-16 947	0
Fair value of property held for sale	0	20 245	20 245
Inventory	390		390
Trade accounts and notes receivable	96 868		96 868
Other receivables	342 920	-59 543	283 377
Tax receivables	*38 377*		*38 377*
Other debtors	*304 543*	*-59 543*	*245 000*
Interest rate swaps.	24 713		*24 713*
Cash and cash equivalents	334 701		334 701
CURRENT ASSETS	***816 539***	***-56 245***	***760 294***
TOTAL ASSETS	**12 868 463**	**3 501 481**	**16 369 944**
Capital	265 507		265 507
Additional paid-in capital	1 569 970		1 569 970
Legal reserve	26 551		26 551
Consolidated reserves	378 123	2 441 161	2 819 284
Treasury shares	-70 143		*-70 143*
Fair value of financial instruments	-171 400		*-171 400*
Fair value of investment property		*2 459 888*	*2 459 888*
Other consolidated reserves	619 666	*-18 727*	*600 939*
Consolidated earnings	60 534	286 565	347 099
Shareholders' equity, Group share	2 300 685	2 727 726	5 028 411
Non-controlling interests	1 308 560	569 685	1 878 245
SHAREHOLDERS' EQUITY	***3 609 245***	***3 297 411***	***6 906 656***
Non-current financial liabilities	6 073 636		6 073 636
Long-term provisions	12 909		12 909
Pension commitments	13 681		13 681
Non-current interest rate swaps	225 220		225 220
Security deposits and guarantees	142 119		142 119
Deferred tax liabilities	430 586	204 070	634 656
NON-CURRENT LIABILITIES	***6 898 151***	***204 070***	***7 102 221***
Current financial liabilities	1 604 150		1 604 150
Bank overdrafts	193 444		193 444
Trade payables	109 394		109 394
Payables to fixed asset suppliers	46 235		46 235
Other liabilities	318 235		318 235
Current interest rate swaps	2 886		2 886
Social and tax liabilities	86 723		86 723
Short-term provisions	0		0
CURRENT LIABILITIES	***2 361 067***		***2 361 067***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12 868 463**	**3 501 481**	**16 369 944**

Fair value is the amount at which an asset may be traded between fully-informed, consenting parties acting under the conditions of normal competition.

The fair value is the most likely price (excluding transaction fees and expenses) that could be reasonably obtained in the market on the balance sheet date.

The fair value of Klépierre buildings is determined by third-party appraisers who appraise the Group's portfolio on June 30 and December 31 of each year, exclusive of transfer duties and fees.

However, given the fact that these appraisals are, by their nature, estimates, it is possible that the amount realized on the disposal of some real estate assets will differ from the appraised value of those assets, even where such disposal occurs within a few months of the balance sheet date.

Klépierre entrusts the task of appraising its real estate holdings to various experts. Offices are appraised by BNP Paribas Real Estate Valuation.

Shopping centers are appraised by the following firms:

- Retail Consulting Group Expertise (RCGE) appraises all French assets (with the exception of the Progest, SCOO, Le Havre Coty, Klécar Nord-Est and Montpellier Odysseum portfolios), approximately 50% of Spanish assets (the centers held by Klécar Foncier España and Klépierre Vinaza), five Hungarian assets and all the Italian, Czech, Slovakian, Portuguese and Greek portfolios;
- Jones Lang LaSalle (JLL) appraises the Progest, SCOO, Le Havre Coty and Montpellier Odysseum portfolios in France, all Polish and Belgian assets, 8 Hungarian assets and the Spanish assets managed by Klécar Foncier Iberica;
- Auguste-Thouard appraises 22 assets owned by Klécar Nord-Est;
- DTZ appraises Denmark, 50% of Norwegian assets and 50% of Swedish assets;
- NEWSEC appraises 50% of Norwegian assets and 50% of Swedish assets.

Retail units are appraised by the following firms:

- Retail Consulting Group Expertise (RCGE) appraises Feu Vert assets, Buffalo Grill restaurants and the Chalon Sud 2 retail park;
- BNP Paribas Real Estate Valuation appraises the Défi Mode, Sephora, King Jouet, Cap Nord, Akene and Da Costa portfolios.

All appraisals are conducted in accordance with the principles of the Charte de l'Expertise en Evaluation Immobilière, the "Barthès de Ruyter" COB/CNC work group recommendations and RICS standards. The fees paid to appraisers are agreed prior to their appraisal of the properties concerned, and are fixed on a lump sum basis to reflect the number and complexity of the assets appraised. The fee is entirely unrelated to the appraised value of the assets concerned.

The market value is the value as appraised by the independent appraisers responsible for valuing the Group's holdings on June 30 and December 31 of each year, but excludes transfer duties and fees (fees are measured on the basis of a direct sale of the building, even though these costs can, in some cases, be reduced by selling the company that owns the asset).

The valuation methodology for the valuation of Office and Shopping Center assets correspond to those used in 2010, as indicated in section 9 of the notes to the Group's consolidated financial statements for the year ended December 31, 2010.

10.2. Earnings per share

Earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of current shares in circulation, excluding treasury shares.

Diluted earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of current shares in circulation, excluding treasury shares, and adjusted to reflect the effects of the diluting options adopted.

In accordance with IAS 33, the average number of shares at June 30, 2011 was adjusted after payment of the dividend in the form of shares in May 2011.

		June 30, 2011	June 30, 2010
Numerator			
Net income/loss, group share (thousands of euros)	***a***	**60 534**	**63 460**
Comprehensive net income/loss, group share (thousands of euros)	***a'***	***157 923***	***-29 840***
Denominator			
Average weighted number of shares before dilutive effect '(1)	***b***	**186 799 952**	**186 749 331**
Effect of dilutive options *Stock options*		*0*	*0*
Total potential dilutive effect	***c***	**0**	**0**
Average weighted number of shares after dilutive effect	***d=b+c***	**186 799 952**	**186 749 331**
Undiluted earnings per share, group share (in euros)	***a/b***	**0,3**	**0,3**
Diluted earnings per share, group share (in euros)	***a/d***	**0,3**	**0,3**
Undiluted comprehensive earnings per share, Group share (in euros)	***a'/b***	***0,8***	***-0,2***
Diluted comprehensive earnings per share, Group share (in euros)	***a'/d***	***0,8***	***-0,2***

(1) Average number of shares excluding treasury shares.

10.3. Related companies

10.3.1. Transactions with the BNP Paribas Group

The BNP Paribas group holds a 50.91% equity stake in Klépierre SA. Excluding this holding, the Klépierre Group is unaware of any shareholder agreement or group of individuals capable of exercising control over the Klépierre Group.

At June 30, 2011, the BNP Paribas share of bank finance totaled 2,742 million euros, of which 1,475 million euros had been used. This figure does not include backup lines of commercial paper (not drawn down) totaling 500 million euros agreed by BNP Paribas. This amount compares with authorized total funding of 8,976 million euros, of which 7,581 million euros have been used.

10.3.2. Relationships between Klépierre Group consolidated companies

A full list of Klépierre Group companies is given in section 3 "Scope of consolidation" of the notes to the Group's consolidated financial statements for the year ended December 31, 2010, taking into account changes in scope taking place in the first half of 2011 and as listed in note 3 of these notes.

Transactions with related parties are conducted using the same methods as those used for transactions subject to normal conditions of competition.

The end-of-period balance sheet positions and transactions conducted during the period between fully consolidated companies are fully eliminated. The following tables show the positions and reciprocal transactions conducted by proportionally consolidated companies (jointly controlled by the Group) and those consolidated using the equity method (over which the Group has significant influence) that have not been eliminated.

Balance sheet positions with related parties at period end:

in thousands of euros	June 30, 2011		December 31, 2010	
	Proportionally consolidated companies	Companies consolidated using the equity method	Proportionally consolidated companies	Companies consolidated using the equity method
Non-current assets	1 034	0	803	48
NON-CURRENT ASSETS	***1 034***	***0***	***803***	***48***
Trade accounts and notes receivable	2 416	81	1 040	17
Other receivables	1 023	52	704	0
CURRENT ASSETS	***3 439***	***133***	***1 744***	***17***
TOTAL ASSETS	**4 473**	**133**	**2 547**	**65**
Non-current financial liabilities	0	0	7	2 084
NON-CURRENT LIABILITIES	***0***	***0***	***7***	***2 084***
Trade payables	38	-	16	-
Other liabilities	684	1 499	561	-
CURRENT LIABILITIES	***722***	***1 499***	***577***	***0***
TOTAL LIABILITIES	**722**	**1 499**	**584**	**2 084**

Income items related to transactions with related parties:

in thousands of euros	June 30, 2011		June 30, 2010	
	Proportionally consolidated companies	Companies consolidated using the equity method	Proportionally consolidated companies	Companies consolidated using the equity method
Management, administrative and related income	2 401	183	5 717	303
Operating income	**2 401**	**183**	**5 717**	**303**
Net cost of debt	2 055	-	2 456	-
Pre-tax earnings	**4 456**	**183**	**8 173**	**303**
Net income of consolidated entity	**4 456**	**183**	**8 173**	**303**

The majority of these transactions relate to management and administration fees and revenues from financing the activity of these companies.

Off-balance sheet items related to transactions with related parties:

in thousands of euros	June 30, 2011	December 31, 2010
Commitments given		
- Security deposits on loans to employees	6 933	7 681
- Guarantees, deposits and mortgages	4 536	21 705
- Purchase commitments	61	121
Total	**11 530**	**29 507**
Commitments received		
- Deposits received as guarantees in real-estate management and transactions	260 030	260 030
- Unused confirmed lines of credit	1 325 700	1 315 000
Total	**1 585 730**	**1 575 030**

in thousands of euros	June 30, 2011	December 31, 2010
Secured debts	117 100	117 100
Total	**117 100**	**117 100**

10.3.3. Post-employment benefit plans and compensation of the principal executives of the Klépierre Group

More detailed information on the post-employment benefit plans and compensation of the Supervisory Board and Executive Board is available on pages 116 to 120 of the 2010 registration document.

10.4. Post-balance sheet date events

There were no significant post-balance sheet events.

10.5. Identity of the consolidating company

At June 30, 2011, Klépierre was fully consolidated by the BNP Paribas group. BNP Paribas holds a 50.91% equity stake in Klépierre (including treasury shares).

KLEPIERRE

Limited Liability Company *(Société Anonyme)*

21, avenue Kléber
75016 PARIS

Statutory Auditors' review report on the first half-year financial information

Period from 1 January 2011 to 30 June 2011

Mazars
61, rue Henri Regnault
92400 Courbevoie

Deloitte & Associés
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine

KLEPIERRE

Limited Liability Company *(Société Anonyme)*

21, Avenue Kléber
75016 PARIS

Statutory Auditors' review report on the first half-year financial information

Period from 1 January 2011 to 30 June 2011

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Klépierre covering the period January 1 to June 30, 2011;
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the interim management report commenting the condensed half-year consolidated financial statements subject to our limited review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Signed in Courbevoie and Neuilly-sur-Seine, July 27, 2011

The statutory auditors

French original signed by

Mazars		**Deloitte & Associés**	
Guillaume Potel	Julien Marin-Pache	Pascal Colin	Laure Silvestre-Siaz

STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

Paris – August 30, 2011

I certify that, to the best of my knowledge, these condensed consolidated financial statements for the 1st half of the year, have been drawn up in accordance with the applicable accounting standards and accurately reflect the assets, financial position and earnings of the company and all of its consolidated subsidiaries, and that the attached interim management report presents a faithful description of the important events arisen during the first six months of the fiscal year, their incidence on the accounts, the main related-party transactions as well as a description of the principal risks and uncertainties for the remaining six months of the fiscal year.

Laurent MOREL
Chairman of the Executive Board

PERSONS RESPONSIBLE FOR AUDITS

STATUTORY AUDITORS

DELOITTE & ASSOCIÉS
185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine
572028041 R.C.S. NANTERRE
Pascal Colin/Laure Silvestre-Siaz
1st appointment: OGM of June 28, 2006.
End of term: fiscal year 2015.

MAZARS
61, rue Henri Régnault
92400 Courbevoie
784824153 R.C.S. NANTERRE
Guillaume Potel/Julien Marin-Pache
1st appointment: OGM of November 4, 1968.
End of term: fiscal year 2015.

ALTERNATE STATUTORY AUDITORS

Société BEAS
7-9, villa Houssay
92200 Neuilly-sur-Seine
315172445 R.C.S. NANTERRE
1st appointment: OGM of June 28, 2006.
End of term: fiscal year 2015.

Patrick DE CAMBOURG
61, rue Henri Régnault
92400 Courbevoie
1st appointment: OGM of April 8, 2004.
End of term: fiscal year 2015.

PERSON RESPONSIBLE FOR FINANCIAL DISCLOSURES

Jean-Michel GAULT
Member of the Executive Board, Deputy CEO
Tel: +33 1 40 67 55 05