Retail real estate
in Continental Europe

2009 Annual Report

KLEPIERRE

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*** Glossary**

Look up the definition of all terms marked by an asterisk (*) in the glossary, on pages 236-237.

Klépierre,
retail real estate in Continental Europe

Owner, manager and developer of retail real estate for more than fifty years, the **Klépierre Group offers a unique range of retail locations in Continental Europe**, within shopping centers that constantly strive to meet the evolving needs of local consumers.

The Group is mainly present in the most dynamic economic regions of Europe with the strongest growth potential (particularly in Scandinavia, in France and in Northern Italy). Its geographic diversity (13 countries) is one of the factors behind steady financial performances, and also facilitates the development of partnerships with retail tenants.

This positioning in the most resilient real estate segment allows the Group to affirm its value creation ambitions through steady growth in its cash flows and dividends.
Solid performances combined with a healthy financial structure (S&P rating of BBB+ stable for eight years) and a stable shareholder base.

274 shopping centers owned

374 shopping centers managed

3.4 M[1] sq.m. rentable floor area

Nearly **1.5** Bn visitors each year

Real estate holdings: **€14.7** Bn[1]

(1) Including retail and office properties.

Our operating and financial performances at a glance

A constantly expanding European platform

	2005	2006	2007	2008	2009
Number of centers owned	230	236	240	276	274
Appraised values, including transfer duties [1]	7 446	9 127	11 312	14 786	14 750
Workforce	991	1 032	1 103	1 516	1 519
Number of centers managed	330	342	342	378	374

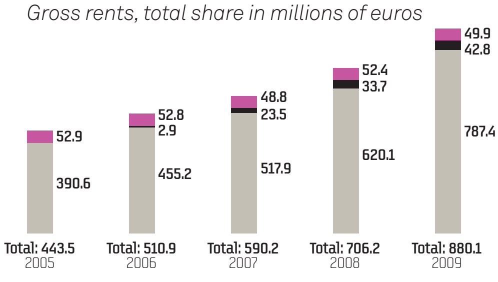
(1) in millions of euros (total share).

Business:
94%
retail property assets

Workforce:
1 519
employees

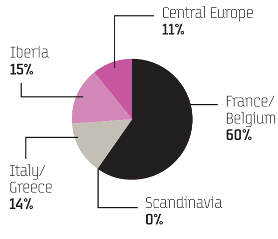
Rents up substantially and increasingly diversified geographically

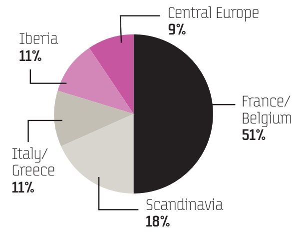
Gross rents, total share in millions of euros



- Steady growth in rents, combining organic and external growth (respectively 1.9% and 22.7% in 2009).
- Ongoing refocus on retail properties.

Geographic breakdown





- In 2009, 80% of rents were produced by the 3 most resilient regions in terms of both shopping center tenant revenues and rents.

Leases managed:

> 19 000

Late payment rate*:

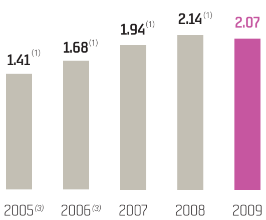
1.1%

Financial occupancy rate*:

97.4%

Change in current cash flow

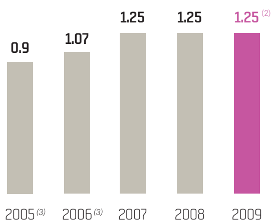
in euros per share



- Increase of 8.3% of the net current cash flow* (group share) to 369.7 million euros in 2009
- The new shares issued in connection with the December 2008 and May 2009 capital increases explain the observed decrease per share in 2009 (-3.1%).

Dividend

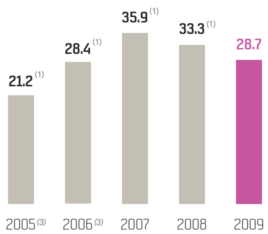
in euro per share



- The dividend paid in 2009 in respect of 2008 was maintained.
- It was 86.4% paid out in shares, in accordance with shareholder options.

Revalued net assets

in euros per share



- RNAV* per share and duties included fell by 14.1% between year-end 2008 and year-end 2009 (-12.8% of which is attributable to the decline in real estate values due to the rise in yields as estimated by appraisers).

(1) Data adjusted following the capital increase in December 2008 and/or May 2009 (payment of the dividend in shares).
(2) Submitted to a vote of the shareholders at their annual meeting on April 8, 2010.
(3) Data restated to reflect the stock split on September 3, 2007.

Our societal and environmental performances at a glance

A demonstrated and ongoing commitment to training and parity

Training

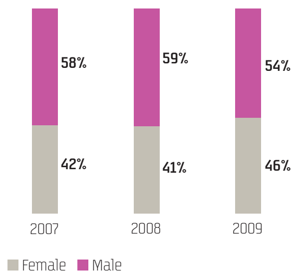
Rate of access to training and number of hours of training offered

	Group	France
Rate of access to training	77%	85%
Number of hours completed	25 131 *which is 3 days of training per employee trained on average over the year*	11 732 *which is 3.5 days of training per employee trained on average over the year*
Number of internships carried out		1 108

64% of all training is disseminated through SégéCampus, the Group's corporate university

Gender breakdown

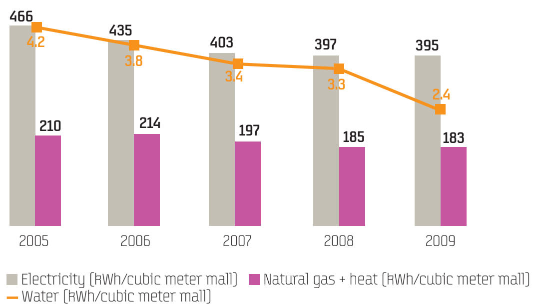
among managers (Group)



Significant progress in the area of environmental performance

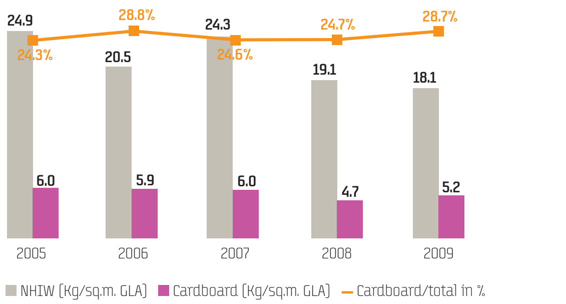
Fluid consumption

(electricity, natural gas and/or heat, water)



Between 2008 and 2009, consumption of electricity, natural gas/heat and water declined by 0.5%, 1.4% and 25.9%, respectively.

Production of Non-Hazardous Industrial Waste (NHIW) and cardboard, international holdings



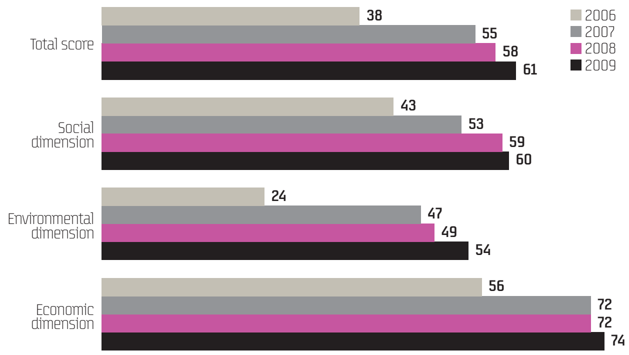
A transparent rating process

Klépierre maintains ongoing relationships with the extra-financial rating agencies, as well as with SRI (Socially Responsible Investment) analysts and investors. The Vigeo and SAM Research ratings for Klépierre have shown steady improvement for several years, demonstrating both the relevance of the measures adopted by Klépierre and its efforts to achieve greater transparency.

Once again this year, Klépierre remains the only listed real estate company in Continental Europe that is included in the following 4 indices, which cover the SRI universe:

- Dow Jones Sustainability Indexes World and STOXX
- ASPI Eurozone
- Ethibel Excellence.

SAM Research rating



Vigeo rating – January 2009

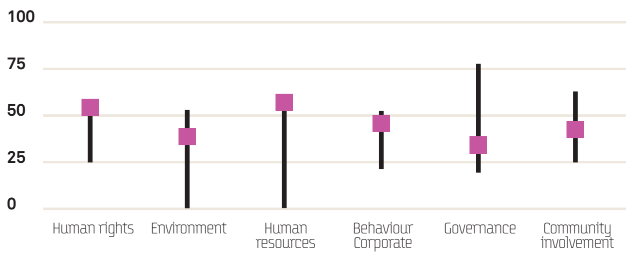
Environmental, social and corporate governance performance

	11/2006		01/2009	
Domains	**Ratings**	**Scores**	**Ratings**	**Scores**
Human resources	+	61	++	55
Human rights	+	52	++	52
Environment	=	36	+	34
Business Behaviour	+	62	+	47
Corporate Governance	-	44	-	34
Community involvement	+	54	+	40

++ The company is ranked as a leading performer in its sector.
\+ The company is ranked as an active performer in its sector.
= The company is ranked as an average performer in its sector.
\- The company is ranked as a below average performer in its sector.
-- The company is ranked as a poor performer in its sector.

Respective positioning of the performance of Klépierre (■) compared with other companies in its segment (min — max)

www.vigeo.com



Governance

"Klépierre has a clear ambition:
to remain the reference real estate company in Continental Europe for major retailers."

Laurent Morel, Chairman of the Executive Board
since January 1, 2009

What is your assessment of 2009?
Laurent Morel: Against a general backdrop of economic slowdown, the asset allocation strategy adopted by Klépierre, focused on the retail property market* in Continental Europe, turned out to be profitable. On both a current* and a constant* portfolio basis our lease income rose and, in so doing, demonstrated a unique ability among real estate assets to withstand pressure. Other important achievements include the fact that we were able to sell nearly 400 million euros worth of assets under our planned disposal program, under financial conditions that were satisfactory. These disposals, combined with the payment of the dividend in shares and the easing of Klépierre's bank covenants, provide us with an increased financial flexibility to meet the challenges of 2010.

How would you describe your business?
L. M.: Our strength lies in the fact that we are specialists: we focus our efforts on understanding the key issues facing retailers and their expectations as our tenants, i.e., as retail tenants present in our shopping centers. Our objective is to create value by improving the yield of our assets, and to do so we need to promote higher retail sales for our retail tenants in the shopping malls. Having fifty years of experience helps us a lot: invent new complexes or reinvent our existing shopping centers in ways that increase footfall —these are our daily challenges. The value enhancement and development of the centers are the two key drivers of growth in our net current cash flow*.

What's your strategy for the years to come?
L. M.: We have chosen to be the reference real estate company for major retailers. We have positioned ourselves as the preferred partner of these clients at the continental European level.
Now, more than ever, the kind of clients we deal with need strong players with an established presence in several countries, which gives them access to regions that can meet their needs as they roll out new retail concepts. In this respect, Klépierre is and intends to remain a partner unlike any other, capable of offering a broad range of retail facilities, ideally situated and well managed, while also guaranteeing high consumer footfall every year and a sharp understanding of their business.

How are you dealing with 2010?
L. M.: The effects of the financial turmoil are beginning to wane. In my opinion, the real challenges of tomorrow are industrial, and this crisis is just the symptom of a more fundamental change in consumer attitudes and global economic balances. It is up to us to continue to listen to our clients so that we can meet and even exceed their needs based on their business models. I am confident: our tenants are major retailers, and they have managed to take advantage of these months of transition to adapt their organization and their product lines to the new landscape coming into view now for after the crisis. Klépierre has a unique platform for the value enhancement and development of its holdings, focused on the most dynamic regions of Europe. Beyond 2010, a year in which Klépierre expects to generate slight rental growth and maintain its net current cash flow per share, our Group remains poised to ensure steady growth in these indicators over the years to come.

The Executive Board

The Executive Board is responsible for managing Klépierre's operations. It is assisted by the Klépierre-Ségécé Executive Committee which has been providing since it was set up in 2008 substantial expertise and experience in key areas.

Laurent MOREL

Member of the Executive Board since June 1, 2005 and its Chairman since January 1, 2009

After having begun his career with Compagnie Bancaire, Laurent Morel took part in the 1989 founding of the Arval group, where he was head of international business development and then Chief Financial Officer. In 1999, he became the first CEO of the newly created Artegy, a subsidiary of BNP Paribas specializing in industrial vehicle leasing. He was in charge of business development in France and the United Kingdom before joining the Klépierre group in February 2005. He became the CEO of Ségécé on January 1, 2006.

47 years old – An engineering degree from the École Centrale de Paris

Jean-Michel GAULT

Member of the Executive Board since June 1, 2005 and Deputy CEO in charge of Finance and the Office Property segment since January 1, 2009

Jean-Michel Gault began his career with GTM International (Vinci group) as a financial controller, before joining Cogedim, where he served as Head of Financial Services before being appointed Chief Financial Officer. In 1996, he joined the real estate investment division of Paribas, and became the CFO of Compagnie Foncière, where he supervised its merger with Klépierre. He became Klépierre's CFO in 1998.

50 years old – A graduate of the École Supérieure de Commerce of Bordeaux

The Klépierre-Ségécé Executive Committee

This committee, which gathers the members of the Executive Board and the principal executives of the Company, was formed to monitor the operations and business of the Group, and takes part in developing strategy. It meets on at least a weekly basis.

Éric DEGOUY

Chief Property Management Officer

Member of the Executive Committee since April 1, 2008

After joining Ségécé in 1976 as a shopping center general manager, Éric Degouy was appointed Program Manager and then Head of Operations and Deputy General Manager in charge of France. Since January 2005, he has served as Chief property management officer for the Group in Europe.

58 years old – A graduate of the IUT de Paris

Bernard DESLANDES

Chief Development Officer

Member of the Executive Committee since April 1, 2008

After having served in diverse executive capacities in the area of development for the commercial property developers Michel Laurent and then SINVIM, Bernard Deslandes joined Ségécé in 1992. He held a number of Program Management positions and then, in 1998, was appointed Chief International Development officer. In August of 2007, he became Chief development officer for the Group as a whole.

49 years old – A post-graduate degree in urban planning from the Université Bordeaux-III

Frédéric de KLOPSTEIN

Chief Investment Officer

Member of the Executive Committee since April 1, 2008

After working for L'Oréal, where as head of management reporting he took part in setting up the Czech subsidiary, Frédéric de Klopstein joined the Financial Management Division of Paribas in 1996 as a special projects manager. In 2000, he began managing Klépierre's external growth projects (Carrefour, Finiper, Central Europe, etc.). Since September 2006, he has been the Group's Chief investment officer.

39 years old – A graduate of HEC

Marie-Thérèse DIMASI

Head of Legal

Member of the Executive Committee since April 1, 2008

After having worked for an SEM (mixed private/public company), where she was in charge of public/private relations in connection with the assembly of a new transport infrastructure, Marie-Thérèse Dimasi joined a real estate affiliate of the Caisse des Dépôts group where, as Chief Legal Counsel she spearheaded several complex transactions in France and abroad. She joined the Klépierre Group in 2001 as Chief Corporate Legal Counsel, before taking on the role of General Counsel for the Group.

49 years old – A post-graduate degree in international business law and an MBA from HEC

Alphonse MARDIVIRIN

Corporate Secretary

Member of the Executive Committee since April 1, 2008

Alphonse Mardivirin joined the BNP Paribas group in 1992, where he held a number of positions before being appointed to the Investment Solutions Division as Corporate Secretary for the Real Estate Business, then BNP Paribas Real Estate. He then became Chairman of the Executive Board of BNP Paribas REIM in 2005. In 2007, he joined BNP Paribas ITP as head of the Efficiency & Process Department. He began working for the Klépierre Group in late 2008.

43 years old – A post-graduate degree in money, banking and finance from the Université Aix-Marseille III

Bruno VALENTIN

Head of Accounting and Management Control

Member of the Executive Committee since April 1, 2008

Bruno Valentin began his career as an auditor with Conseils Associés before joining the Banking and Real Estate Division of Ernst & Young Audit. He began working for Klépierre in 2004 as head of the Corporate Accounting Department. In August 2006, his role was expanded to include Management Control.

44 ans – Master's in management science from the Université Paris-Dauphine, CPA

"Sometimes, economic events obscure deeper structural changes that it is the duty of the Supervisory Board to reconsider and assess."

Michel CLAIR
Chairman of the Supervisory Board
A *Conseiller Référendaire* for the *Cour des comptes*, Michel Clair has occupied a number of different positions within various French government agencies and ministries. In 1991, he joined Compagnie Bancaire as Corporate Secretary and a member of the Executive Board. After the Paribas–Compagnie Bancaire merger, he became a member of the Paribas Executive Committee in charge of real estate business and pooled corporate services. He joined the Klépierre group in 1996 as a member of the Board of Directors, and then became the Board's Chairman the following year. He was Chairman of the Klépierre Executive Board from 1998 to 2008.

62 years old – A graduate of ENA (École Nationale d'Administration)

Two years of strong financial and economic turbulence cannot fail to have an impact on the results of a company like Klépierre, naturally sensitive to changes in household spending. Both net current cash flow* and the value of our assets have decreased, but so far the impact of the crisis has been rather moderate. This observation does not obviate the need for a thorough review of our strategy and our business model – on the contrary, in fact. Sometimes, economic events obscure deeper structural changes that it is the duty of the Supervisory Board to reconsider and assess.
Steady growth in consumption and retail revenues, the development of retail distribution channels and retail concepts that are favorable to the shopping center model* and, finally, the ongoing enhancement in the value of assets authorize the financing of development through higher gearing—these are the three pillars supporting the expansion of Klépierre in the past few years. And they are also the challenges we face in the years ahead.

While the return to growth in consumer spending depends on factors outside the control of the Company, it appears quite clear today that Klépierre's ability to withstand in the face of crisis owes much to its geographic diversification, as well as to its investment in many different shopping center formats.
Despite the development of alternative web-based modes of distribution, the relevance of the shopping center as a preferred place for making individual purchases does not seem to us obsolete. The Internet is not equally adapted to the selling of all consumer goods and services that are offered through the shopping center. Moreover, retailers are adapting: they are making their various channels of distribution complementary and they continue to invest massively in their physical retail chains.

Last but not least, on the financial level the value correction phase seems to be over, and the investment development policy can be executed with a good level of security thanks to a conservative strategy of interest rate hedging and a moderate reinforcement of shareholders' equity.
The proposal being made to the shareholders–that of opting for a dividend payout in the form of shares, as we have done in the past two years–will help us achieve this goal. At 1.25 euro per share, the dividend has been maintained while the number of shares earning dividends has risen by 10%. This increase in the distribution should be viewed as a clear sign of the level of confidence in the Company's future.

1

2

3

1. Bryggen, Viejle, Denmark
2. Kupolen, Borlänge, Sweden
3. El Destriero, Vittuone, Italy

The Supervisory Board: a demonstrated commitment to pragmatic and consistent governance

The role of the Supervisory Board is to oversee the management of the Company by its Executive Board. The latter submits a management report on a quarterly basis. The Klépierre Supervisory Board meets at least 4 times a year.

The Board, in terms of its composition as well as its organizational structure, has taken the steps required to guarantee both shareholders and the markets that its missions are carried out with the necessary degree of independence and objectivity. To this end, the Company has reiterated its commitment to good corporate governance practices by adopting the AFEP/MEDEF code of compliance for listed companies in France, which was published in December 2008.
In particular, the Board seeks to ensure that its independent directors are over-represented. Today, there are four independent members of the Board, who chair the special-purpose committees that have been set up by the Supervisory Board. These sub-committees are considered to be an important resource that supports the Board, enabling it to accomplish its duties as efficiently as possible (see the next page).

Every year, some of the Board members are up for re-election by the shareholders at their annual meeting, depending on the number of members in service, in order to ensure that board positions are regularly reviewed and that a complete rotation is brought about every three years (in accordance with article 11 of the bylaws).
Supervisory Board members are paid only in the form of director's fees. The amounts paid are determined on a case-by-case basis, depending on the duties performed on the various sub-committees and on the actual attendance of each member at each meeting of the Board and of its sub-committees.

11
meetings in 2009

4
independent directors

4
special-purpose committees

91%
global attendance rate

Members of the Supervisory Board

Vivien LÉVY-GARBOUA
Vice-Chairman of the Supervisory Board

Date of initial appointment: April 12, 2000

Vivien Lévy-Garboua began his professional career in the research department at the Banque de France, and then joined BNP Paribas in 1980. He occupied a number of different executive positions before being appointed Senior Adviser in September 2008.

63 years old – A graduate of Polytechnique, he also has a PhD in economics from Harvard

Jérôme BÉDIER
Independent director (1)
Chairman of the Sustainable Development Committee

Date of initial appointment: April 8, 2004

Executive chairman of the Fédération des Entreprises du Commerce et de la Distribution and chairman of the Board of Directors of the Union d'Économie Sociale pour le Logement, Jérôme Bédier was a partner with Deloitte & Touche, where he was in charge of international development. Previously, he worked for various government ministries (Industry, Economy and Finance, and Commerce and Artisanat).

54 years old – A graduate of the Institut d'Études Politiques de Paris and of the École Nationale d'Administration

Bertrand de FEYDEAU
Independent director (1)
Chairman of the Investment Committee

Date of initial appointment: July 21, 1998

Bertrand of Feydeau has held and continues to hold a number of positions in companies whose focus is real estate. Currently the chairman of Foncière Développement Logements, he is also the general manager of economic affairs for the Archbishop of Paris, and chairman of both the Fondation Palladio and the Fondation des Bernardins.

61 years old – Master of law degree and a graduate of Institut d'Études Politiques de Paris

Bertrand JACQUILLAT
Independent director (1)
Chairman of the Audit Committee

Date of initial appointment: April 12, 2001

Chairman-CEO of Associés en Finance and the Cercle des Économistes, professor at Institut d'Études Politiques de Paris, Bertrand Jacquillat has published several books and over a hundred articles, many of them in peer reviewed scientific journals.

65 years old – A graduate of HEC, Institut d'Études Politiques de Paris. He also has a MBA from Harvard, a doctorate in economics and financial management from Université Paris – Dauphine, and a law degree

Four special-purpose sub-committees for the Supervisory Board

The Selection and Compensation Committee

(Internal regulations amended on April 8, 2004)

Set up in 1998, this Committee meets at least once a year. In addition to its standard and usual role (forms recommendations on executive and board appointments and on Executive Board and Supervisory Board compensation), in 2009 this Committee performed a review of the independence of the members of the Supervisory Board, in compliance with the recommendations formulated by the code of corporate governance published by AFEP and MEDEF.

Number of meetings in 2009: 3
Attendance rate: 100%

The Audit Committee

(Internal regulations amended on April 8, 2004)

Set up in 1998, the role of the Audit Committee is to examine and assess the various financial documents that are published by the Company as part of its annual and interim accounting process; the Committee is also responsible for overseeing the Company's internal and external control and audit systems. It meets twice a year and can solicit the Executive Board at any time for information or a hearing related to its areas of oversight. The members of the Executive Board and the representatives of the statutory auditors attend meetings of the Audit Committee.

Number of meetings in 2009: 3
Attendance rate: 75%

Bertrand LETAMENDIA

Independent director [1]

Chairman of the Selection and Remuneration Committee

Date of initial appointment: July 21, 1998

Bertrand Letamendia has spent his entire career in the real estate business. He was successively head of development for STIM (the Bouygues group), head of Kaufman & Broad, and head of real estate for the insurance group AGF from 1997 to 2008. In 2009, he founded AITA Conseils SAS (an economic, commercial and real estate consulting firm).

63 years old – A graduate of ESSEC

Dominique HOENN

Date of initial appointment: April 8, 2004

A Senior Advisor at BNP Paribas, and a member of the Collège de l'Autorité des Marchés Financiers (AMF) and of the NYSE Euronext Group Board of Directors, Dominique Hoenn has been with BNP Paribas throughout his professional career. He also served as chairman of the Supervisory Boards of Klépierre and of Klémurs, from 2005 to 2008 and from 2006 to 2008, respectively.

69 years old – A graduate of ESSEC

Sarah ROUSSEL

Date of initial appointment: January 1, 2009

Sarah Roussel has spent her entire career with the BNP Paribas group, where she was project chief within the Inspection Générale before joining the financial management team in the Finance and Development division of BNP Paribas. She assumed responsibility for this team in 2007.

36 years old – A graduate of ESSEC, an MBA from INSEAD

Philippe THEL

Date of initial appointment: April 7, 2006

Philippe Thel has spent his entire career with BNP Paribas, where he has held a number of executive positions in the Corporate Banking division before becoming head of real estate financing for France. In 2000, his responsibilities were expanded to encompass European real estate financing at BNP Paribas.

55 years old – A graduate of the École Supérieure de Commerce de Toulouse, degree in economics.

(1) An independent director not only has no executive management role in the Company, its Group or its executive management, but also has no particular interest-based relationship with the Company or its Group (i.e., a significant shareholder, salaried position, etc.) that could interfere with his or her independent judgment.

► For more information on the positions held by members of the Supervisory Board, please consult pages 106 and following.

The Investment Committee

(Internal regulations amended on February 6, 2009)

Instituted in 1998, this Committee meets at least twice a year, for the purpose of recommending the Group's investment and disposal policies. It is a genuine decision-making support for the Supervisory Board in this area. The members of the Executive Board attend the meetings of the Investment Committee as well. The Committee is empowered to commission Executive Board audits and request additional information at the behest of at least 2 of its members.

Number of meetings in 2009: 5
Attendance rate: 80%

The Sustainable Development Committee

(Internal regulations amended on October 31, 2008)

Since it was formed in April 2008, this committee has been charged with identifying the principal risk categories to which the Group's business is exposed, monitoring the action place put in place to deal with them, and examining the Group's contribution to sustainable development.

Number of meetings in 2009: 4
Attendance rate: 100%

► For more information on the composition and work of the Committees, please consult the report of the Chairman of the Supervisory Board (pages 140 and following).

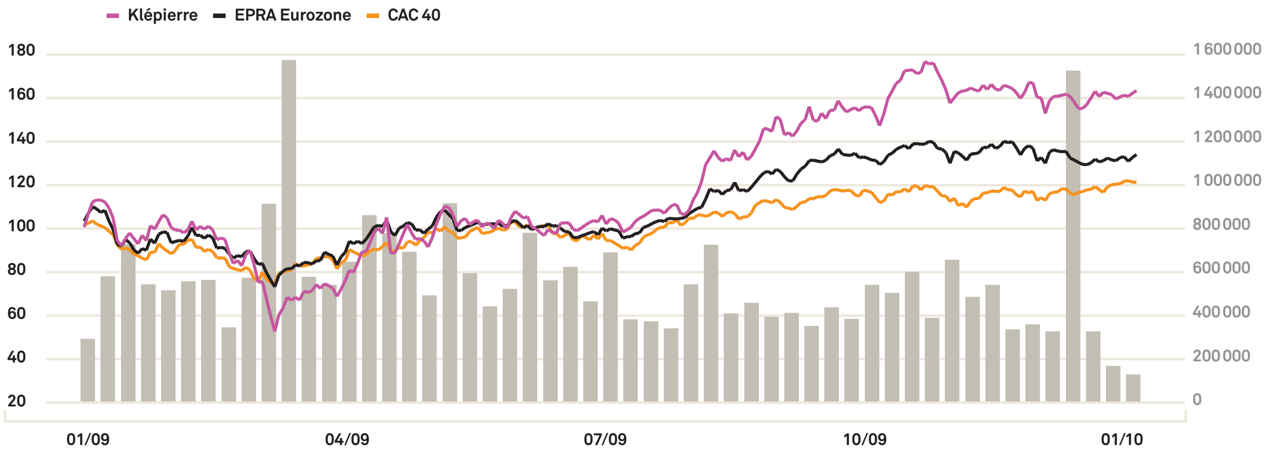
Klépierre stock up sharply despite last year's high volatility in the market

2009 will be remembered as a year of particularly significant volatility and of abrupt reversals in sentiment on the part of equity investors.
Klépierre's stock was no exception to the rule: shunned in the first quarter of 2009, the stock price fell to a nine-year low, trading at just 10 euros a share. The following three quarters witnessed a substantial recovery, however, and the year ended with Klépierre stock trading at 28.39 euros, an increase of 62.2%. The EPRA Eurozone index recovered 34.4% over the same period. The average daily volumes traded on Euronext Paris™ were down slightly compared with 2008 (around 523 000 shares daily versus 594 000 one year earlier). This decline should be put in perspective, however, due to the development of alternative trading platforms.
For Klémurs the stock price ended the year up by 16.8%, trading at 14.60 euros.

Information sheet

ISIN code: FR0000121964/**Mnemonic code:** LI/**Market:** Euronext Paris™ - Compartment A/**Number of shares:** 181 972 159/**Indices:** SBF80, SBF120, SBF250, Euronext 100, SIIC FRANCE, CAC AllShares, CAC Next20, CAC Financials CAC Real Estate, DJ STOXX 600, EPRA Eurozone, GPR 250 Index.

Klépierre stock price performance



Source: Euronext, EPRA (base 100 as of 12/31/2008).

Klépierre stock price performance

	2002	2003	2004	2005	2006	2007	2008	2009
Closing price	14.34	15.47	21.13	25.71	46.37	34.01	17.50	28.39
% increase	20.3%	10.9%	36.6%	21.7%	80.4%	- 26.6%	- 48.6%	62.2%
Increase in CAC 40	- 33.7%	16.1%	7.4%	23.4%	17.5%	1.3%	- 42.7%	22.3%
Increase in EPRA Eurozone index	9.7%	13.2%	31.0%	23.5%	45.5%	- 26.5%	- 45.4%	34.4%

Source: Euronext.

Klépierre and its shareholders:
a long-term, trust-based relationship

Beyond the strict compliance with regulatory obligations, Klépierre makes sure the public has access to financial information that meets the most stringent possible requirements and standards of disclosure, in accordance with its desire to build long-term, trust-based relationships with its shareholders. Shareholders receive a steady stream of information via regular press releases that touch on strategy, major events and, naturally, financial results: revenues are reported quarterly and earnings every six months. The website, which is continuously updated, offers access to all financial disclosures required by law and, more generally, all of the information the Group makes available to the market as a whole. Shareholder meetings provide an important opportunity for individual shareholders to obtain information about the Group, while analysts and institutional investors are offered access to half-yearly presentations and quarterly conference calls. Each year, they are invited to take part in a special visit to a selected portion of the Group's assets and have the opportunity to meet its teams in the field as part of the Investor's Days. In June of 2009, the destination was Scandinavia.

Meeting of individual shareholders, Rennes

The payment of a dividend of 1.25 euro per share in respect of fiscal year 2009 will be submitted to a vote of the shareholders at their annual general meeting, which is scheduled for April 8, 2010. The option of receiving stock in lieu of a cash dividend will also be put forth.

www.klepierre.com ▸ The information pertaining to the final terms and procedures of this distribution are available on the Klépierre website.

▸ For more information about equity capital and ownership, please consult the section of this report entitled Capital and Shareholding structure (pages 119 and following).

2010 Agenda

Revenues for 4th quarter 2009 and full-year 2009	**01/26/2010**
2009 earnings	**02/10/2010(1)**
Annual meeting of the shareholders	**04/08/2010**
Option period for payment of the dividend in shares	**04/19/2010 through 04/30/2010**
1st quarter 2010 revenues	**04/21/2010**
Settlement and delivery of the dividend	**05/14/2010**
2nd quarter 2010 revenues and half-year 2010 earnings	**07/27/2010(1)**
3rd quarter 2010 revenues	**10/21/2010**

(1) Press release and conference call after the stock market closes

.01 Strategy

Klépierre's positioning in the retail real estate segment in Continental Europe reflects a long-standing strategic choice.

While Klépierre maintains office properties in its portfolio, it remains mostly focused on the retail property segment, which accounted for 94% of its total rents in 2009.

In 2009, the retail property segment* demonstrated that it was particularly resilient to the real estate cycle. This resilience is due to a number of fundamental factors. First of all, this segment is closely tied to consumer spending: even if shopping center rents* are mainly comprised of minimum guaranteed rents* (see inset on opposite page), their long-term trend remains linked to that of the sales revenue of the retail tenants.
Although consumption is subject to slowdowns, and may fall substantially during periods of crisis, as we saw in 2009, it remains fundamentally sound over the medium to long term. Retail real estate holdings are useful for spreading the counterparty risk among several different tenants operating in distinct retail segments (see illustrations on page 33).
As a result, vacancy rates are generally quite low (usually one figure percentages as opposed to double digits in the office property segment) and leases are generally long-term.
Last but not least, shopping center development is highly regulated in Continental Europe, as part of urban development and sustainable development policies adopted by local governments. This ensures long-term visibility for established owners.

The increasingly international character of retailers is one of the major trends to have emerged in recent years in the area of consumer goods. From Prague to Madrid and Toulouse, the range of boutiques is now not very different from one center to the next. The major retailers deploy their development strategies across Europe, and they need reliable partners that understand their real estate needs if they are to succeed: a presence across Europe, efficient retail facility management and opportunities for expansion.
While global consumer trends across Europe are convergent, each geographic region has nonetheless retained its specific features. A place to purchase, but also one of hospitality and relaxation, the shopping center has become a key component of land use planning and local community life. From this perspective, retail spaces cannot be designed or managed without taking the local economic, social and political fabric into consideration, and without assessing the catchment area* and its potential for growth.

Consumer expectations are increasingly focusing on hospitality, confidence in pricing and responsibility. This other major consumer trend will also be decisive for the future of shopping centers. The retail client needs to feel authentic pleasure in buying, while also being sure that the price is right – a protective reflex that has been accentuated in the current economic context. While certain retailers have already won consumer accolades from this perspective, others still need to build trust by explaining their pricing, but also by adding value and meaning to the product itself. This is a complex process to which the choice of location can and should contribute.

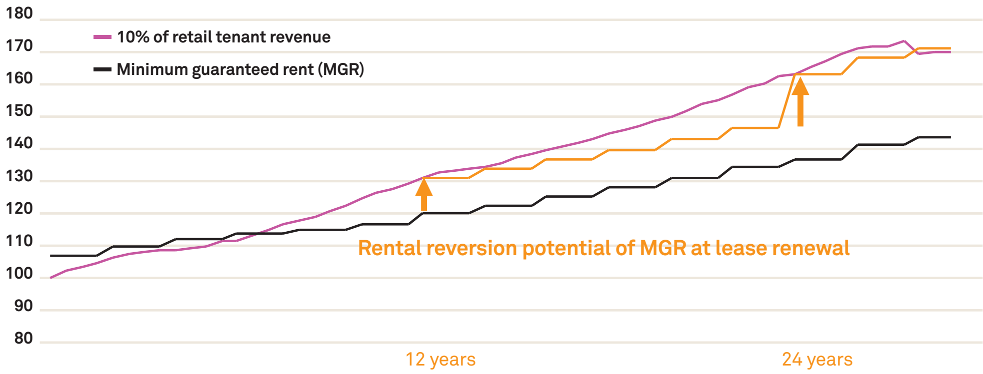
6.4 years [1]
This is the average length of a lease* for the Group
(1) Excluding Denmark, where leases have no fixed term.
Data through 12/31/2009.

1

1. Lublin Plaza, Lublin, Poland
2. Gulskogen Senter, Drammen, Norway

2

Shopping center lease mechanism:
Over the medium term, rent trends in line with retailers revenues trends



Retailers revenues trends are estimated here based on trends in consumer spending across Europe since 1995 (source: ECB).

Changes in minimum guaranteed rent are estimated based on indexing linked to the Harmonized Index of Consumer Prices for Europe (source: ECB).

Contractual rent is defined as the maximum between the percentage of the revenues of retailers, for example 10%, and the minimum guaranteed rent indexed. The latter is revised each time the lease is renewed.

Fifty years of experience are clearly required to select a diversified portfolio of retail properties that offer the best growth outlook.

If Klépierre has opted to make retail properties its core business, it is not just because this segment of the real estate market is considered to be particularly attractive. It is also because the Company is convinced that this business requires specialist expertise. The extent of this expertise is substantial and varied, but linked to state-of-the-art knowledge of consumption and retailers.
Site selection, setting design, relationships with retailers or local governments, agreement on which services to offer – the possibility of benefiting from obvious synergies among these various fields of expertise convinced the Group that the ideal strategy entailed the simultaneous development, ownership and management of shopping centers*.

From a geographic point of view, Klépierre's approach is resolutely European. In line with the international expansion strategy adopted by its major retail clients. Klépierre has deployed its integrated model within all of its regions of operation. The acquisition in 2008 of Steen & Strøm, Scandinavia's leading shopping center real estate specialists, offered—among other things—the advantage of giving this particularly robust economic region an integrated platform: development, ownership and management of shopping centers.

There is no best retail property format; there are only formats that are best suited to every retail space. This strong statement has guided Klépierre's product approach. Large retail centers* that offer a broad array of shops with high appeal, hypermarket malls* that offer convenience services near an exclusive urban catchment area*, stand-alone assets on city outskirts, often as a complement of the hypermarket mall—all of these formats can respond to retailer needs, as long as they are adapted to the needs of consumers in terms of proximity, retail mix, comfort and responsibility.

This vision of the market allows Klépierre to set itself a clear objective: that of creating value for its shareholders and its stakeholders, through five pillars that drive its actions:
- the management and value enhancement of its existing holdings;
- the expansion of this portfolio, accompanied by the rotation of a portion of it;
- the optimization of the financial structure of its investment activity;
- the management of human resources as a key factor in performance for each of the preceding pillars;
- the deployment of all businesses in accordance with the principles of development that is sustainable for the environment and the society.

Klépierre has devised several indicators, the first of which is net current cash flow* (read inset on opposite page), for the purpose of accurately analyzing its performances against its value creation target. Each of the Group's strategic pillars has an influence, direct or indirect, on this indicator, whose regularity and growth also guarantee dividend growth. Revalued net assets (RNAV)*, an indicator that expresses the value of the company as the difference between the market value of its assets and of its debts, is also important.
However, it shows greater volatility and random variance due to the importance of the expert appraisal of the value of Klépierre's assets. In fact, growth in net current cash flow is the surest way to grow RNAV.

More than **50**, that's the number of years of experience that the Group has in the shopping center segment of the real estate market

1

2

1. Lublin Plaza, Lublin, Poland
2. Gulskogen Senter, Drammen, Norway

Net current cash flow, an indicator of value creation

Net current cash flow* (NCCF) is one measurement of the Company's ability to generate positive cash flows on a regular basis, through the collection of rents, fees and other operating income, after paying all of its recurrent expenses (related to operations and payroll in particular) as well as after factoring in the cost of its net debt and the tax burden.
Beyond these macro-economic factors that can have an impact on NCCF, Klépierre intends to leverage its five strategic pillars (read below) to achieve regular growth in this indicator:

Principal components in the growth of net current cash flow per share

Principal exogenous factors	Principal drivers of NCCF growth	Sources of leverage for Klépierre
Macro-economic trends (consumption, indexation)	**Rental growth, constant portfolio**	**Management of existing holdings** Promote sales revenue growth for retail tenants, improve occupancy rates, diversify revenue sources (by country and by tenant)
Competitive and regulatory environments	**Rental growth, current portfolio**	**Expansion and rotation of the portfolio** Extend existing centers, create new ones, acquire centers, sell them if they show less residual potential for growth
Macro-economic environment (interest rates, financial markets)	**Optimization of the financial structure**	**Conservative use of leverage effect** Assure the permanence of the financial resources needed to develop business by reconciling cost optimization and the management of all related financial risks
		Management of human resources Attract the best employees, motivate them to excel and give them the resources they need to make individual and collective progress
		Societal responsibility At all levels of the Group, adopt a sustainable development approach that integrates social, employment and environmental concerns

Proximity, relevant retail mix, hospitality and responsibility. For Klépierre, these are the key ingredients that comprise the appeal of its retail facilities.

Given the diversity of the range of goods and services available to consumers, why would they choose to go to a Klépierre-owned shopping center* rather than to another? The response is multi-faceted, combining notions of proximity, retail mix, hospitality (atmosphere, customer care and services) and responsibility (environmental, social and societal).
For the Group, revenue growth depends on sales revenue growth for its tenants; this is why Klépierre has enlisted major resources to augment center patronage.
In addition to key relationships with its primary clients—the retailers it leases space to—the Group needs to be able to attract and retain consumers who today have necessarily become more fickle.
Klépierre's response is to constantly invent or reinvent the shopping center concept, so that it is always in alignment with the new standards of consumption.

First of all, it is the retail mix that keeps a center alive; accordingly, it must always be in sync with the prevailing mood. In essence, a shopping center is a living product that speaks to a public that is also in perpetual mutation. One of the key challenges facing Klépierre is that of ensuring the lasting appeal of its assets. To detect new trends and adjust the retail mix of its malls, Klépierre uses a number of tools: perception surveys, monthly tracking of retail tenant revenues, analysis of retail segment performances, etc.
The lease renewal efforts are also an opportunity to work in-depth and upstream on enhancing and refreshing the mix.
Managing around a hundred centers for third parties in addition to the 274 centers it owns also gives the Group a valuable vantage point. Klépierre takes pride in being the first to introduce a new brand outside of its country of origin – Desigual and Primark are striking examples. More local retail brands that offer novel concepts are also identified in order to enhance the retail mix on a case by case basis.

Anticipating client needs is a major challenge for Klépierre, which conducts a relational policy dedicated to its international retailers, around sixty in all, which are present in at least 2 of the countries in which the Group has operations. The aim is to handle both leases in force and future potential for development by offering them a single point of entry.

While the primary clients of Klépierre are its retail tenants, the Group must also and above all meet the needs of the consumer; after all, the clients of its clients are its clients. For this reason, in 2009 the USE *(Unique Shopping Experience)* project was launched to harmonize and develop the level of care and service at its centers. USE will lead to the definition of shared standards and shared best practices that seek to attain excellence. It is also a training and knowledge sharing tool.
Two key principles structure the actions conducted under USE: the improvement of the client experience (fluidity, atmosphere, ergonomics, etc.) and the improvement of the customer relationship (the sum, of all relational signs turned toward the client). The mystery customer surveys are being pursued in 2010, so that the expected short-term progress can be measured.
Finally, aware of the environmental dimension of customer expectations, Klépierre has been working for several years to integrate a sustainable development approach into center management, cutting down on energy consumption as well as increasing waste sorting and treatment efforts.

Marketing is also a tool for attracting consumers to the shopping centers, while also providing an additional source of revenue. Above all, a shopping center is a great crossroads, which can be exploited to advertise events and products, including cultural ones. An exhibition on biodiversity will be shown at some 50 centers in 2010, after the project was assembled in late 2009. In parallel, the operations conducted by Galae, Klépierre's specialty leasing subsidiary, are ongoing. The aim is to valorize shared spaces.
The principle is to sell brands the possibility of exposure

for a defined period of time or to use display screens to show advertising. These actions can provide additional revenue for the Group and offer additional animation for end clients.

To deal with all these aspects and guarantee a consistent approach to the value enhancement of its portfolio, Klépierre makes use of medium-term strategic plans for every one of its assets, based on defined five-year objectives. The Group's new organization around five regional directors, supported by asset managers dedicated by region, facilitates the rollout of this policy for the entire portfolio. Specifically, these plans make it possible to project trends for the shopping center based on observed trends for the catchment area* nearly urban projects or the competition. An action plan can be made to cover the short and mediums terms, which may result in plans to extend centers as well as sell them, depending on the specific circumstances.

Shopping centers in the Internet age

With the development of the Internet and social network sites, the web has also become a preferred communication space for the Group. The Novy Smichov center in the Czech Republic recently opened a new site that has rapidly become the most popular in Klépierre's portfolio, based on the number of visitors—it gets 40 000 clicks per month! This team was the first to implement dynamic management via the Internet, create a friends' page on Facebook, and publish videos online. In Italy, the La Romanina center, which was renovated and inaugurated last December, chose to strengthen its event communication via a teaser-based online campaign.

40 000
That's the number of clicks that the Group's most visited shopping center website, Novy Smichov in the Czech Republic, gets each month.

1

2

1. Odysseum, Montpellier, France
2. La Gavia, Vallecas, Spain

Strategy/Expanding and rotating the portfolio

1

1. **Gulskogen Senter,** Drammen, Norway
2. **Lublin Plaza,** Lublin, Poland
3. **Metro Senter,** Lørenskog, Norway

2

3

Contribution of development to growth in rents

	2005	2006	2007	2008	2009
Rental growth	+ 11.4%	+ 15.2%	+ 15.5%	+ 19.6%	+ 24.6%
o/w external growth	*+ 7.1%*	*+ 10.3%*	*+ 9.9%*	*+ 14.1%*	*+ 22.7%*

€2.8 Bn that's the Group's investment pipeline over the next 5 years

Klépierre's growth strategy is fundamentally driven by asset optimization, shopping center creation and external growth.

Enhancing the value of its assets remains the top priority of Klépierre. Its analyses of the market prove that the principal growth challenges lie in the modernization and value enhancement of Klépierre's existing holdings. In this mature and highly regulated segment of the market, particularly in France, the creation of new shopping centers is the result of a long process, and it is less risky to invest in regions that have proven their commercial drawing power. Accordingly, the extension of existing centers accounts for nearly one-third of the Group's committed development pipeline.

In parallel, the Group is pursuing its process of creating new centers. Before initiating new development projects, Klépierre makes sure that their profitability is in line with the risks assumed—real estate, land and commercial alike. It is also necessary to be able to meet pre-lease-up standards by capturing retailers that can make the difference. This pertains in particular to the mid-sized units* whose presence is vital for bringing in other tenants and, in the end, the consumer.
The yield requirements for new centers can only be defined case by case; however, when an existing asset offers a yield of around 6%, for example, the profitability requirement for the construction of a new and comparable asset would be around 8%.
Most large shopping centers owned by Klépierre were originally developed by the company. As a result, in the course of the last decade, several key centers have illustrated the Group's ability to create its own assets: Val d'Europe, Novy Smichov, Louvain-la-Neuve, La Gavia and others.

The acquisition of existing assets is the third source of portfolio expansion. Klépierre is always attentive to opportunities that may arise for increasing its European presence, particularly those in its key regions. Klépierre is more interested in retail relevance than volume, however: its unwavering vocation is to support its retail clients wherever they find promising opportunities for growth. In fact, the financial crisis has not—at least so far—created as many investment opportunities at bargain prices as might have seemed possible—at least insofar as Klépierre's criteria are concerned: the assets that have been put on the market by developers in trouble have not all been designed to produce lasting rental values of the kind Klépierre can hope to have as a long-term investor, and the prices need to be analyzed as a result.

Thanks to its diversified portfolio of 274 centers in Europe, Klépierre can envision the sale of some of its assets without jeopardizing the industrial rationale of its corporate mission: the funds freed up by the sale of assets can be ploughed back into new projects that offer better growth prospects. Moreover, rotating the portfolio also makes good financial as well as real estate sense. The year 2009 offers a case in point of the approach the Group would like to apply systematically in the years ahead: asset sales last year concerned office properties—which are a secondary business for the Group—as well as its minority shares in certain regional shopping centers, or the sale of stand-alone assets that offer less potential for growth.

To ensure a global, dynamic vision of the portfolio's development at the European level, the Group is supported by both local and corporate level teams in each of its 5 regions. Achieving solid positioning in the field, within the regional economy and in terms of local relationships, is of critical importance. This positioning enables the Group to have a voice in local government, and even play a role in discussions on the development of the local retail offering. Even though the volume of investments was limited in 2009 due to the specific constraints of the financial backdrop, Klépierre employees were active, reinforcing their knowledge of the market (projects, sellers, buyers). These efforts have given the Group access to an investment pipeline valued at nearly 2.8 billion euros over the five years to come (see p. 84). In 2010, it will lead to the opening of new projects.

Financial management, the primary goal of which is to ensure that resources are permanently available, also supports the aim of optimizing growth.

To finance its development, Klépierre has access to 4 types of resources: after paying the dividend to shareholders, the cash flows generated by the business (free cash flow), the proceeds of asset sales, recourse to debt and equity capital increases.

The exact balance between these various forms of financing must be adapted to the risk profile of the business and to the quality of the assets that are being financed. In the case of Klépierre, the almost exclusive positioning in retail property,* with diversity that is geographic as well as in terms of asset and tenant types, ensures recurrent revenues for the Group. Accordingly, Klépierre decided to structure its financing policy around a maximal Loan To Value ratio of around 50%, and an interest cover ratio of at least approximately 2.5. These levels are well below the most restrictive thresholds in the financing agreements of Klépierre (respectively, 63% and 1.9 at end 2009). They are also in line with the expectations of the rating agency Standard & Poor's, which has given Klépierre a rating of BBB+/A2 for more than eight years.

Unlike previous years, Klépierre did not make use of debt to finance its investments in 2009. This one-off decision was made to preserve the leverage ratio at a time when the value of its assets troughed in the real estate cycle. It also reflects a more general trend: the significant growth in the Group's holding in recent years has naturally led to an increase in cash flow available to finance development. Disposals will also make a more regular contribution to financing growth in the years to come, with more active management of the real estate portfolio (see diagram on opposite page). Equity financing will remain limited to measured one-off transactions (such as the payment of the dividend in shares in 2004, 2008 and 2009), except in case of significant development transactions like the acquisition of Steen & Strøm.

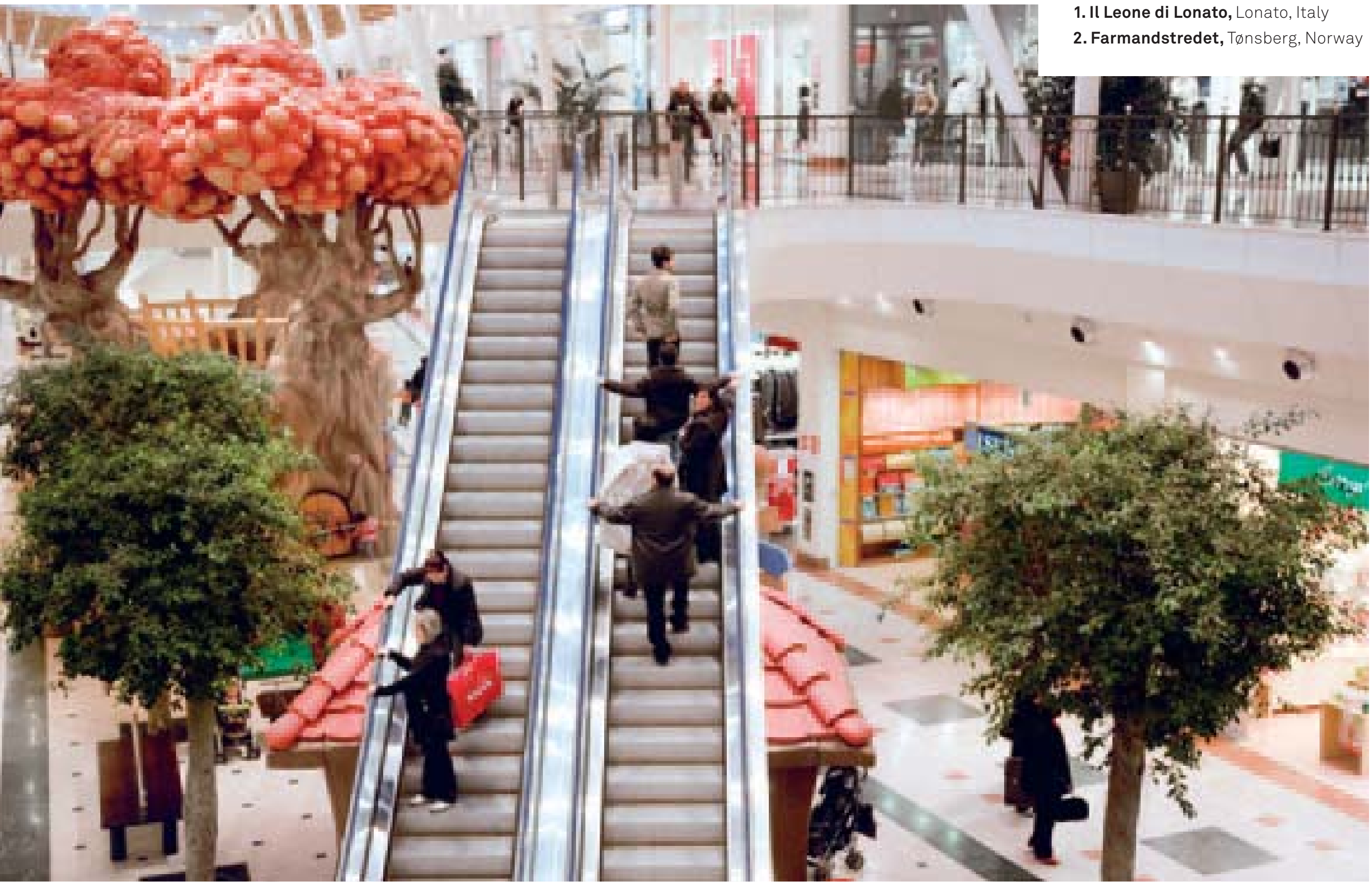
Klépierre is committed to the conservative management of its financial risks. In the interest of reducing the risks that are intrinsic to debt financing and to thereby preserve their positive impact on growth in net current cash flow* per share, in both the long and the short term, Klépierre conducts a policy that is highly disciplined.

Type of risk	Potential impact	Actions intended to limit the risk
Liquidity risk	Problem finding the resources needed to fund the Group's development or renew financing that reaches its term	• Maintain a significant level of unused credit lines open (€875 M at end 2009) • Diversify the sources of debt financing (bond market, short-term borrowing, traditional bank loan, mortgage, etc.) • Spread due dates around a reasonable average maturity on debt (six years at end 2009)
Interest rate risk	Increase in the average cost of debt in the event of a rise in short-term rates	• Maintain at least 70% of debt at fixed rates through the use of derivative instruments (76% end 2009)
Forex risk	Exposure of cash flows generated in Scandinavia in local currency to the depreciation of this currency against the euro	• Finance Steen & Strøm assets in local currency • Reinvest Steen & Strøm cash flows back into its business

► For more information on the financing policy and risk management, please consult pages 97-98 of this document, and pages 186 and following.

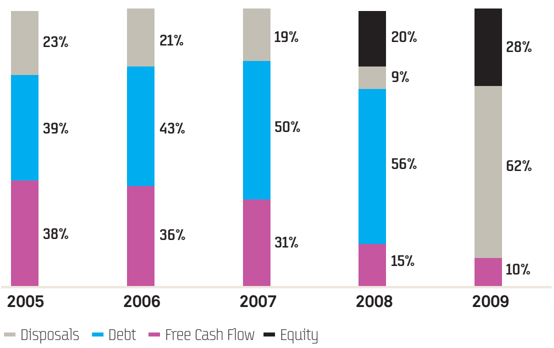
1

1. **Il Leone di Lonato,** Lonato, Italy
2. **Farmandstredet,** Tønsberg, Norway



2

Investments by financing



Klépierre's teams form an essential link in the value creation chain and therefore constitute one of its most valuable assets.

What would Klépierre's real estate assets be without the people who, on a daily basis, dream up, design and lease them, in addition to managing and animating the shopping centers*? Klépierre has more than 1 500 employees in Europe, and they embody a unique skills set that they have mostly acquired through years of work in the field. The Group stands for values that are important and meaningful for every employee: act in partnership, promote equity, anticipate and imagine, undertake. This corporate approach is part of a strong historical legacy. Klépierre's assets naturally have a long life cycle: for this reason, it is necessary to ensure that expertise is lasting and continuous, that employees are engaged and trained for the long term, that knowledge is transmitted internally and that new talents are attracted and retained. The Group offers its employees a space where they can express their professional aspirations, the opportunity to thrive and carry out projects, boosted by the confidence acquired in the company over the years.

Klépierre gets directly involved in career path guidance for every employee. The Group makes a constant effort to detect the strengths of every employee and to propose career path development that meets the needs of the company and the wishes expressed by the employee, in particular during the individual interviews that are conducted. These interviews provide an opportunity for exchange between managers, employees and human resources. The performance appraisal and annual review process has been rolled out across the Group and, by year end 2009, had reached more than 95% of the workforce. As an illustration of the active in-house promotion and career mobility policy at Klépierre, assistants have become asset managers and support staff members (information systems and technical maintenance) have been appointed to run shopping centers.
A program designed to detect tomorrow's talent and manage their careers over time, known as the Talent Development Program, has also been up and running for several years.
The apparent stability of the workforce in 2009 masks the reality, which reveals a high degree of staff mobility: the organization by region generated many promotions from within (a total of 97 in 2009), and the workforce continued to move, with 199 new hires and 196 departures in 2009. The Group has always had a historically low departure rate, and 2009 was no exception: around 4.6%.

Klépierre promotes continuing education for employees in every possible way, whether the subject is occupational or more personal. Some 3% of total payroll was allocated to the training budget in 2009. The amount allocated to SégéCampus, the corporate university set up in 2005, will be repeated in 2010. The same is true for other types of training (personal development, individualized support, language learning, legal training, etc.).
In addition, Klépierre seeks to hire young employees who are as operational as possible while also promoting diversity in its workforce. Accordingly, the Group has stepped up the hiring of young people under work-study arrangements: there were 55 in 2009 (5% of the staffing level for France), up from just 7 in 2005.

Klépierre's commitment to its employees springs from a responsible vision over the long term. For example, the Group pays particular attention to ensuring respect for the principles of diversity: non-discrimination on the basis of gender, integration of the disabled into the workplace, human resource management based on skills forecasting, agreement on the employment of older workers, etc. One tangible illustration of this commitment is the CARE program (Concrete Actions for Responsibility and Equality), which has mobilized employees over the past year. The aim of CARE is to promote work-life balance for greater efficiency. Thanks to CARE, the Parent Charter was signed in 2009 to ensure the equal treatment of employees who are also parents.
Since September 2009, several employees have benefited from priority daycare spots for their children, financed by Klépierre. This initiative is part of a broader effort that includes the creation in November 2005 of the only daycare in Italy that is the result of a partnership between the city and the employer, in this case the shopping center* La Romanina in Rome, where 50% of the spots are reserved for shopping center personnel.

1

2

1. Lublin Plaza, Lublin, Poland
2. Gulskogen Senter, Drammen, Norway

Global People Survey [1]: listening to employees

For the first time in 2009, a survey on employee attitudes and morale (*Global People Survey*) was conducted with employees in France, in Spain and in Italy.
The results are eloquent: 93% of employees surveyed say they are proud to work for Klépierre and 91% say they do more than what is asked of them to ensure the success of the business. Another highlight revealed by the survey: the ability of the company to train its people, in particular via SégéCampus, is appreciated (83% say they have ample opportunity to get the training they need to improve their skills in their current position).
Working conditions are considered to be excellent overall, with employees stating that they feel valued and respected in the workplace (85% said that their direct manager recognizes the quality of their work when it is well done). And the ethical, responsible dimension was praised by employees, who say they like working for a company that is committed to sustainable development.

(1) Survey conducted from June 3 through 22, 2009 on 412 employees of the Group working in 3 countries: Spain, France and Italy.

93% of employees say they are proud to work for Klépierre

83% of employees say they are offered sufficient training opportunities to improve their skills in their current position

1


2


1. **Rives d'Arcins,** Bègles, France
2. **Farmandstredet,** Tønsberg, Norway
3. **Odysseum,** Montpellier, France
4. **Odysseum,** Montpellier, France

3


4


Klépierre designs and manages its shopping centers in accordance with principles of sustainable development that encompass employment, societal and environmental concerns.

For Klépierre, being a responsible corporate citizen with regard to the community means anticipating the emerging needs of its clients and its partners and creating bonds and energy at the regional level. The challenges are to develop high-performing shopping centers from an environmental and energy perspective, to provide meaningful shopping experiences that give clients pleasure, to embed the centers durably into their surroundings, to mobilize employee strengths and skills… all of these are key factors in the achievement of sustainable growth for the Group.

Creators of social bonds in cities and regions, shopping centers contribute to local appeal in a major way. This is why Klépierre designs retail real estate within the confines of global urban layout partnerships that participate fully in the vitality of the region or the city, by creating direct and indirect employment, which are priority objectives for cities.
A long-standing partner of local governments, Klépierre understands their socio-economic objectives and can propose adapted solutions that also take on board their constraints, social and environmental in particular.

In 2009, Klépierre defined its Plan of Action for Sustainable Development for 2010-2015, which sets ambitious targets and will serve as the backbone of the Group's commitments in this area. Established for all of Europe to take specific country variations into account, this plan is structured around 3 facets (environmental, social and societal) of sustainable development. In 2015, the Group will draw up a quantified assessment of its progress and, if needed, will reinforce its action in specific areas so that it can comply with or even exceed public international commitments.

Klépierre has identified 6 priority guidelines for action, which have already led to specific initiatives in 2009.

- **Practice dynamic management of human resources**, in order to promote employee improvement and fulfillment by taking specific steps to develop diversity and equality for all.
- **Place consumers-clients at the heart of sustainable management of shopping centers.** To attract and retain clients, Klépierre optimizes its quality approach and works with retail tenants to make progress in terms of customer care and accessibility.
- **Optimize the energy performances of shopping centers and fight against greenhouse gas emissions**, in particular via energy audits (25 carried out in 2009) and measurements of carbon footprint, which can be used to target actions. The Group has also rolled out a process for obtaining environmental certification (HQE®/BREEAM).
- **Improve water management and waste enhancement**, working closely in partnership with retailers and service providers. In 2009, around thirty chemical and water free restrooms were installed in France and in Poland: every one of these facilities makes it possible to save around 185 cubic meters of water per year. As for waste products, the challenge is to find ways to optimize their recovery, treatment and enhancement.
  Some centers (Parque Nascente in Portugal, Los Prados in Spain, Metro in Norway, etc.) are already sorting around fifteen different types of waste.
- **Release less pollution and preserve biodiversity,** by making a special effort to limit impairment to natural habitats and reduce impacts on the continuity of ecosystems. The Group takes great pride in respecting and enhancing the fauna and flora that surround its shopping centers.
- **Acquire a secure place in the local community by playing an active role in local initiatives** that position shopping centers in the heart of towns and local life. The Group supports job creation, especially for disadvantaged young people, and offers its assistance to NGOs by giving them free access to permanent stands within centers.

www.klepierre.com ▸ More information on the Klépierre website.


SØSTRENE

.02 Business

Shopping centers

The shopping center portfolio of Klépierre: diversity that creates wealth and balance for the Group

The fruit of development as well as acquisitions from its various partners over the last fifteen years, the shopping centers properties owned by Klépierre (274 assets) are remarkable first and foremost for its diversity which, combined with the professionalism of its staff, constitute one of the Group's greatest strengths.
Klépierre was first able to take in 2009 full advantage of its geographic diversity: the 13 countries in which it operates (subdivided into 5 regional territories), turned in mixed performances however the most recent region of operation, Scandinavia, showed superior resilience to the crisis.
Diversity is also in terms of the type of retail assets owned, since the portfolio includes numerous major centers with broad regional appeal as well as hypermarket malls whose range is more local.
Although varied, these centers also share points of commonality: proximity and optimal accessibility for their primary catchment area, a rich and relevant retail mix, hospitality and comfort for consumers, and responsible management of environmental and social issues.
These qualitative criteria, combined with financial profitability requirements, determine the selection of the Group's future projects. Today, it has an investment pipeline of 2.8 billion euros (*cf*. page 84).

10 largest assets: €3.1 Bn (1)

(gross rent* in millions of euros, total share)

Assets	
Créteil-Soleil (Paris, France)	**30.8**
Val d'Europe (Paris, France)	**21.0**
Field's (Copenhague, Denmark)	**21.0**
Noisy Arcades (Paris, France)	**14.8**
La Gavia (Madrid, Spain)	**14.3**
L'Esplanade (Louvain-la-Neuve, Belgium)	**14.3**
Bruun's Galleri (Århus, Denmark)	**13.1**
Novy Smichov (Prague, Czech republic)	**12.2**
Saint-Orens (Toulouse, France)	**11.4**
Blagnac (Toulouse, France)	**11.2**

(1) Appraised value (totale share).

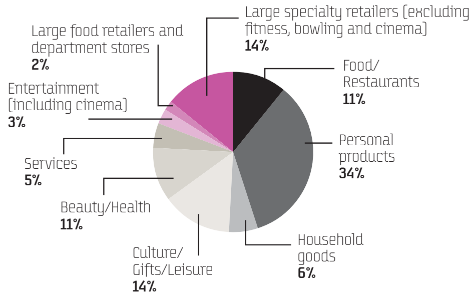
10 biggest tenants

(% of total rents)

H&M	**2.2%**
Zara	**1.3%**
Fnac	**1.0%**
Camaïeu	**1.0%**
Sephora	**0.9%**
Celio	**0.8%**
McDonald's	**0.8%**
C&A	**0.7%**
Promod	**0.5%**
GO SPORT	**0.5%**

Breakdown by retail segment

(% of rents)



France-Belgium:
a major operating region

A resolutely European player today, Klépierre initially based its positioning on dense coverage within French borders. With 40% of its 2009 revenues generated in the France-Belgium region, Klépierre remains strongly anchored in this historic territory.
The holdings in this region can be described as balanced between regional centers* and hypermarket malls* and extensive (105 centers owned, covering a total of 1.2 million sq.m. of GLA; 134 centers under management). The Group will continue to expand in this region in 2010, and has a number of projects already under development.
Despite a challenging economic environment in 2009 (GDP shrunk by an estimated 1.9% and 1.5% in France and Belgium,

Top 5 assets

Total GLA*

1 - Créteil-Soleil – Créteil, France

125 500 sq.m.

Located about ten kilometers from downtown Paris, Créteil-Soleil has a vast catchment area* of more than 700 000 people thanks to its remarkably easy access (freeways, direct access via the Paris métro) and its central location.

2 - Val d'Europe – Marne-la-Vallée, France

98 397 sq.m.

With both Disneyland® Resort Paris and the international Roissy-Charles de Gaulle airport nearby, Val d'Europe is today more than just a regional shopping center. The presence next door of La Vallée Village, a village of outlet boutiques, combined with the exponential development of Marne-la-Vallée, bestows exceptional growth potential on the center.

3 - Arcades – Noisy-le-Grand, France

58 900 sq.m.

Located 20 km from Paris, the Arcades regional center is getting a boost from the rapid expansion of the third service hub in Île-de-France, as well as easy access (an RER station is located inside the center) and a very dynamic catchment area counts a million inhabitants. Its recent extension/renovation makes Arcades a necessary stop on the Shopping-sur-Marne itinerary.

4 - L'Esplanade – Louvain-la-Neuve, Belgium

55 650 sq.m.

A downtown shopping mall located in the heart of Louvain-la-Neuve, L'Esplanade offers a broad range of highly diversified retail properties set in a friendly pedestrian city. The center's dynamism is all the more marked in that it is located in a part of Belgium that is undergoing rapid demographic growth.

5 - Saint-Orens – Toulouse, France

37 517 sq.m.

Conveniently located in the Greater Toulouse Area, Saint-Orens got a boost in late 2008 when an ambitious project to renovate and extend the shopping center was completed, giving it a regional dimension: GLA doubled and 50 new retailers arrived, many of them new to the region.

respectively), performances were satisfactory, as attested to by the constant portfolio* rise in rents (+5.0%) and globally high occupancy rates (99.0%). Retailers present in the Group's centers have withstood the drop in consumer spending better than their peers on average (average decline in revenues for 2009 was 1.9%).

Rental management: 2009 was globally positive

There were a number of restructuring projects in 2009. Among the most emblematic were the arrival of New Look, a ready-to-wear brand, at Créteil-Soleil in June 2009, and the restructuring of the old cafeteria in the Montesson mall, for occupancy by Vero Moda (a global women's ready-to-wear retailer owned by the Bestseller group) and one of the largest pharmacies in Île-de-France. The management teams also encountered a string of successes in terms of placing novel concepts in Group-owned centers. The extension in February 2009 at Val d'Europe (see Top 5) is a case in point: this project added 2 000 sq.m. of GLA to the center and paved the way for the arrival of such retail brands as Vero Moda and Jack & Jones of the Bestseller group, as well as a store carrying the flag of Spanish retailer Desigual. For the latter, this marked the first inauguration in France of its full shopping center concept.

In addition to the marketing initiatives launched by each center to attract additional visitors, the France-Belgium region will be the first to take advantage of the USE (Unique Shopping Experience) program initiated in 2009. The total rethink of the customer care, hospitality and service strategy of each asset should rapidly generate positive commercial fallout.

Successful openings confirm the relevance of the projects developed

The year 2009 was marked by a key inauguration, that of Odysseum in Montpellier, in September. 50% owned by Klépierre, Odysseum is a major regional center that covers around 50 000 sq.m. of GLA and includes 96 stores plus a hypermarket* operated by Géant Casino. Among its retail tenants, the center has a number of newcomers to the region, such as Stradivarius and Pull and Bear (Inditex group), as well as the first Apple Store outside Paris.

Annual visitors	Composition	Klépierre ownership and date of opening/ acquisition	Gross rents* and financial occupancy rate*
25 million visitors	**220** units, 1 Carrefour hypermarket	**80.0%** **1974/1991** (renovation in 1990 and extension in 2000)	**€30.8 M** **100%**
18 million visitors	**135** units, 1 Auchan hypermarket	**55.0%** **2000/2000** (extension in 2003 and 2008)	**€21.0 M** **100%**
12.5 million visitors	**132** units, 1 Carrefour hypermarket	**53.6%** **1978/1995** (renovation in progress)	**€14.8 M** **99.8%**
7.5 million visitors	**132** units, 1 Delhaize hypermarket	**100%** **2005/2005**	**€14.3 M** **97.5%**
5 million visitors	**110** units, 1 Leclerc hypermarket	**53.6%** **1991/2004** (extension/ renovation in 2008)	**€11.4 M** **94.4%**

The year was also marked by several other successful extension-renovation projects, as attested to by occupancy and visitor indicators. This is the case for Nîmes Étoile (the arrival of 20 new retail brands and a substantial change in the retail mix, with some fifteen stores moved and/or renovated), the Lomme center near Lille (renovation-restructuring project and the arrival of 10 new retailers), and Vaulx-en-Velin (renovation and extension of the mall and the arrival of 14 additional retail properties). Finally, despite the relatively sluggish investment market for much of last year, Klépierre was able to sell some mature properties or shares of ownership, offering a good illustration of the Group's disposal strategy. Mall disposals involved small centers that had reached relative maturity (Le Mans Centre Sud and Tours Galerie Nationale); for larger centers such as Noisy-Arcades, Toulouse Blagnac and Toulouse Saint-Orens, Klépierre sold minority interests of around 25%.

Development projects

In addition to the major projects in the Greater Paris Area, the Group is involved in a number of other significant construction projects: the 2010 opening of the retail park* La Goutte d'Eau as an extension to the Bègles Rives d'Arcins shopping center and, in 2011, of numerous centers including Passages Pasteur in Besançon, Bonsecours in Nancy, Nouvelle Coutume in Vannes, and Carré Jaude 2 in Clermont-Ferrand. Klépierre is also pursuing a major renovation-extension program on existing holdings, such as the Rives d'Arcins center in Bègles and Claye-Souilly (Greater Paris Area).

Saint-Lazare – Paris, France

A center in the heart of the France's top retail district

The result of ongoing collaboration between Klépierre and the SNCF since 1996, the project to renovate and modernize the Gare Saint-Lazare in Paris was officially launched in May 2009. Some 80 stores (including 3 mid-sized units*) are scheduled to open during the first quarter of 2012. The space, which measures 10 000 sq.m. GLA*, will benefit from the passage of 1.2 million commuters and travelers a day and the convenience of the largest retail and business districts of Paris.

Total floor area	**10 000 sq.m. GLA**
Composition	**80 units including 3 mid-sized units**
Date of commencement of work	**May 2009**
Expected opening date	**1st quarter 2012**
Estimated cost price *o/w outlaid on 12/31/2009*	**€135.5 M** ***€73.2 M***
Net initial yield expected (1)	**7.6%**

Le Millénaire – Aubervilliers, France

New retail neighborhood just outside Paris

The result of a 50/50 partnership between Klépierre and Icade, this shopping center was conceived as a pilot project, since the site, which is under construction, will be one of the first shopping centers to have obtained HQE® Retail certification. Extremely well served by transportation networks (immediate proximity to the Paris ring road, numerous mass transit options built or under construction), this center is in the heart of an exclusive catchment area exclusive of 1 million inhabitants. It will open its doors in the spring of 2011. 20 000 sq.m. of office properties will also be added to this district.

Total floor area	**56 000 sq.m. GLA**
Composition	**18 mid-sized units, 1 medium-sized food outlet Carrefour, 95 units, 6 restaurants**
Date of commencement of work	**July 2008**
Expected opening date	**2nd quarter 2011**
Estimated cost price *o/w outlaid on 31/12/2009*	**€190.4 M** ***€92.6 M***
Net initial yield expected (1)	**7.2%**

(1) Net rents expected for the full year/estimated cost price*

Toulouse, France

Toulouse-Blagnac

Toulouse-Blagnac is one of the most modern retail complexes in the Greater Toulouse Area. Its size was doubled in 2009 when a vast renovation/extension project was completed.

Proximity

Located ten minutes from downtown Toulouse, which is France's fifth largest city (650 000 inhabitants), the center is in the heart of a region with a young and affluent population, which underwent a demographic boom that is far from over (15 000 new arrivals each year). In fact, Toulouse has become one of the fastest-growing metropolitan areas in Europe.

The center also gets a boost from the proximity of the airport (6 million passengers a year, exceptional mass transit and auto infrastructure) and the numerous multinationals that have chosen to locate here.

Growth of urban zones in France with more than 300 000 inhabitants

1. Toulouse	**+ 1.9%**
2. Montpellier	**+ 1.5%**
3. Rennes	**+ 1.3%**

Source: Insee, 2008.

Retail mix

111 stores now make up the retail mix, which was increased by the extension of 2009. It now counts a number of new retailers that were not previously present in France, such as He–Homini Emerito, Mango's new concept for men, and Arena, the first store opened by this water sports specialist. The center is also home to other retailers that were not previously present in Toulouse, such as Le Temps des Cerises and Desigual, both of which sell men and women's ready-to-wear. There are also several exclusivities, including Victoria Magdalena, a high-end costume jewelry store, and Lola Espeleta, which sells women's ready-to-wear. The presence onsite of a highly popular E. Leclerc hypermarket is an additional source of appeal for consumers.

Hospitality

In addition to the numerous animations (fashion shows, workshops for kids, tai-chi-chuan courses) that are offered at the shopping center, the recent extension/renovation considerably improved the shopping experience for the consumer: 4 000 free and monitored parking slots are now available, and the recreational offering is enhanced by the creation of a food court next to the cinemas.

Responsibility

The management teams at Toulouse Blagnac have set ambitious environmental and societal objectives. This ambition has resulted in actions that run the gamut from the implementation of a system for collecting and sorting wastes that is both efficient and eco-friendly to the establishment of partnerships with local public officials and associations, such as the one forged with the city of Blagnac as part of the 21 km of Blagnac.

▶ Identity card

Total GLA: 46 080 sq.m.

Annual visitors: 15 million visitors in 2009

Composition: 111 units, 1 E. Leclerc hypermarket, Desigual, Mango, Pull and Bear, Guess, etc

Klépierre ownership: 53.6%

Date of opening/acquisition: 1993/2004 (extension/renovation completed in October 2009)

Gross rents in 2009: €11.2 M

Financial occupancy rate: 99.2%

Scandinavia: a market with great potential

Klépierre has been present in Scandinavia since October 2008, when it acquired Steen & Strøm, Scandinavia's leading owner of shopping centers*. The Group's Scandinavian portfolio is composed of 30 centers, most of them located in the heart of retail hubs and perfectly interconnected with mass transit infrastructures. Like Klépierre, Steen & Strøm has long been active in third-party shopping center management business.

Scandinavia, first in its class for Europe

The performances of the Scandinavian portfolio demonstrate the strength of economies with high purchasing power. Norway – which is the principal country of the region with 18 centers – is among those countries in which the Group operates that suffered the least during the economic downturn of 2009. Its GDP contracted by just 1.5% compared with 2008.
Against this economic backdrop, Klépierre's performances in the region were satisfactory: mall sales revenue rose by 0.5%, rents by 2.7% on a constant portfolio and exchange rate basis [1], and occupancy levels were stable (97.2%).

2009, a year of extensions-renovations

The ambitious program of extensions-renovations that Steen & Strøm has been executing for several years in both Sweden and Norway is comparable to that undertaken by Klépierre in

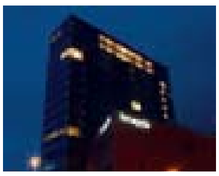
Top 3 assets

Total GLA*

1 - Field's – Copenhague, Denmark

91 342 sq.m.

Field's is located in the heart of Øresund, the most dynamic region of Scandinavia, which has close to 4 million inhabitants and generates one-fourth of the GDP of Sweden and Denmark combined. This center, which boasts excellent accessibility (subway, freeway, international airport, etc.), was designed and built at the same time as the new and rapidly developing city of Ørestad, which is located just 5 kilometers from Copenhagen.



2 - Bruun's Galleri – Århus, Denmark

36 675 sq.m.

Seamlessly integrated into downtown Århus, directly accessible from the city's main station, Bruun's is a facility that structures the retail and recreational offering of the second largest metropolitan hub of Denmark (300 000 inhabitants). The center dominates the region, and has a catchment area* of nearly one million inhabitants.

3 - Farmandstredet – Tønsberg, Norway

54 375 sq.m.

Built in 1997, renovated and enlarged several times (2002, 2006), Farmandstredet is now the largest shopping center in the Vestfold region (south of Oslo). Located in the heart of downtown Tønsberg, it combines the strengths of a regional center (numerous shops and a highly varied retail mix) with convenience services that appeal to the 300 000 inhabitants of its catchment area.

France. Centers whose retail appeal and potential have been detected and tested in the past are chosen for renovation and extension. These major projects are for the most part themselves embedded in vast projects of urban renewal, carried out in close collaboration with local policymakers. In the course of 2009, the final phases of extensions for the Metro (Norway) and Marieberg (Sweden – see page 41) centers were inaugurated. Located in Lorenskog, fifteen minutes from Oslo, the Metro mall was both expanded and underwent a major renovation. Its size was tripled, from 30 000 to nearly 90 000 sq.m., making this shopping center facility the most modern in the urban conglomeration to the north of Oslo.

As for the final phase in the Marieberg extension, it was completed in the month of August.

(1) Change calculated over one year on an indicative basis only, since the acquisition of Steen & Strøm was finalized on 10/08/2008.

21% is the average rental gain* on lease renewals and relets in 2009 for this region as a whole

Annual visitors	Composition	Klépierre ownership and date of opening/ acquisition	Gross rents* and financial occupancy rate*
6.6 million visitors	**152** units	**56.1%** **2004/2008**	**€21.0 M** **93.0%**
10.5 million visitors	**100** units	**56.1%** **2003/2008**	**€13.1 M** **98.0%**
3.7 million visitors	**113** units	**56.1%** **1997/2008** (extension/ renovation in 2002, 2006 and 2008)	**€10.4 M** **97.6%**

Development projects

Several additional extensions will be delivered in 2010. Because of their magnitude and scope, these projects will be opened in successive phases.

In Norway, work on the fifth and final phase of the extension of Gulskogen, adding 22 000 sq.m. GLA*, is expected for the month of November 2010. This will make the mall the principal retail hub of Drammen (50 kilometers southwest of Oslo). In Sweden, the final phases of the extensions at Hageby and Sollentuna, where work commenced in early 2005 and 2006, respectively, will be delivered and inaugurated in the month of April. The Sollentuna center, a genuine focal point for the metropolitan area of the same name, which is located about ten kilometers to the north of Stockholm, will be enlarged to 48 000 sq.m. GLA. The mall will offer 130 shops in all. Hageby (Norrköping, 170 kilometers south of Stockholm) will have 110 shops covering 45 000 sq.m. GLA, and access to the center will be facilitated by the extension of the tramway network, scheduled for the month of August 2010.

The Group has a number of development projects in the pipeline for this region as well, for which it already controls the land or has the necessary building permits. The future Emporia retail complex (Malmö, Sweden) is an illustration of these many construction projects, which comprise an important part of the Group's development pipeline for the years to come.

Emporia - Malmö, Sweden

A retail complex with an international vocation

Situated to the southeast of Malmö, in the heart of Øresund, the most dynamic region of Scandinavia (4 million inhabitants, level of income above the OECD average) and close to Denmark, Emporia is an integral part of a vast urban development project that includes a shopping center, residential units and office space.

With its very strong primary catchment area, the center benefits from high value added facilities (new road and rail infrastructures, a conference center, a sports complex, etc.) and the 37 million travelers who transit between Copenhagen and Malmö annually.

Total floor area	**80 000 sq.m. GLA**
Composition	**More than 200 units, 30 restaurants**
Date of commencement of work	**-**
Expected opening date	**2013**
Estimated cost price *o/w outlaid on 12/31/2009*	**€357.5 M** ***€94.3 M***
Net initial yield expected [1]	**7%**

(1) Net rents expected for the full year/estimated cost price*

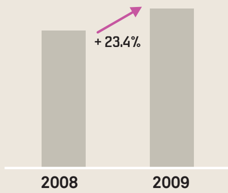
Örebro, Sweden
Marieberg

The largest retail hub of Sweden's sixth largest metropolitan area, the Marieberg center's architecture is among the most modern in the country.

Proximity

Marieberg is located in the middle of a catchment area of more than 300 000 inhabitants. Extremely dynamic, the center's sphere of influence is characterized by a steadily growing population, and average spending is expected to rise sharply in the years to come (for the consumption of durable goods, the increase is estimated to be 8%). Just 9 kilometers from downtown Örebro, the center is directly linked to the freeway and only ten minutes away by bus.

Change in mall sales revenue



Retail mix

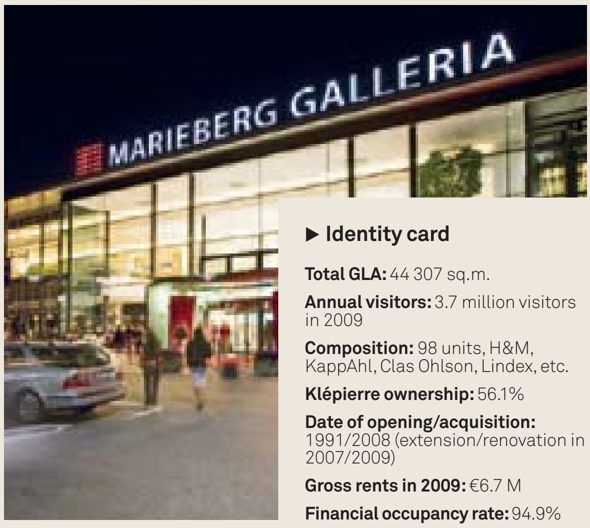
The retail mix is balanced, offering a subtle combination of renowned nationwide and international retailers, up and coming brands, and original concept stores that respond to the needs of the region's consumers. In terms of the total floor area, the perfect fit between supply and demand is particularly striking (Personal products 43%; Culture/Gifts/ Leisure 14%; Food/Restaurants 10%; Department stores 9%).

Hospitality

Spacious setting, indoor basin, and excellent use of natural light... ergonomically, the center is particularly well thought out. Considerable effort went into this project to ensure that the experience of visitors is enjoyable and relaxing: the center provides shoppers with a nursery and several play areas for children.
A number of special events are put on during the year: contests, animations (fashion shows, art and dance exhibitions), special evening events during which the center stays open later and offers animation associated with promotions organized by retail tenants.

Responsibility

Waste sorting, installation of an eco-friendly air conditioning system, intelligent lighting (captors help to reduce the consumptions of electricity), a number of basins that capture rain water... Respect for and protection of the environment are integral to the life of the shopping center. Marieberg is also partner to a number of events put on by local organizations (including the Red Cross, for example), schools and choral groups.



▶ Identity card

Total GLA: 44 307 sq.m.

Annual visitors: 3.7 million visitors in 2009

Composition: 98 units, H&M, KappAhl, Clas Ohlson, Lindex, etc.

Klépierre ownership: 56.1%

Date of opening/acquisition: 1991/2008 (extension/renovation in 2007/2009)

Gross rents in 2009: €6.7 M

Financial occupancy rate: 94.9%

Italy-Greece:
holdings concentrated in Northern Italy's purchasing power strongholds

After having taken its first steps in Italy in 1999 as part of a partnership with the group Finim, Klépierre stepped up its development in 2002, thanks to the implantation of the Carrefour agreement signed in 2000 (which also concerned the Greek centers) as well as to the initiation of a collaboration with the distribution group Finiper (Iper hypermarkets*). The Group now has 40 centers (of which 35 in Italy) and in all manages 50 centers in this region. 70.9% of these holdings are concentrated in the three most prosperous regions of Italy (Lombardy, Piedmont, and Venetia), which together account for nearly 40% of Italy's GDP. These regions also boast higher per capita income, about 20% above the national average, and household expenditures there are growing more rapidly than in other parts of Italy[1].

2009: the region resists

In 2009, Klépierre's malls turned in encouraging results. Even though macro-economic indicators were not very positive, with

Top 3 assets

Total GLA*

1 - Milanofiori – Assago/Milan, Italy

47 624 sq.m.

The regional center of Milanofiori is located in the heart of a rapidly expanding region that lies to the southeast of Milan. It features a blend of office properties, residential units, sports facilities and an international conference center. The extension of the subway network expected for 2010 will link Milanofiori to downtown Milan in less than thirty minutes, and will also extend its catchment area*, which already has 1.3 million inhabitants.

2 - Metropoli – Milan, Italy

27 374 sq.m.

Ideally accessible via the freeway and the ring road, Metropoli is a center that attracts visitors from Milan as well as from towns in the back country. In December 2009, work to renovate the exterior façades that began in April 2008 was completed. The new exterior architecture, very avant-garde, is now consistent with the originality of the interior decor.

3 - Le Rondinelle – Brescia, Italy

36 095 sq.m.

La Rondinelle is located in the immediate vicinity of Brescia, in Lombardy, one of Italy's wealthiest regions. The mall's retail mix, combined with that of the adjacent hypermarket, meets the needs of a large catchment area (450 000 inhabitants). The center also boasts excellent accessibility, both from the suburbs of Brescia ans from the freeway that links Milan and Venice.

Italian GDP estimated to have fallen by 4.8% and Greek GDP expected to show a decline of 2.6%, the sales revenue of retail tenants reached levels that were almost identical to those observed for 2008 (-0.1%). Rents for the region increased by 2.9%, and the occupancy rate remained high (97.7%). The centers located in Northern Italy proved particularly resilient, and even managed to generate slightly higher revenues on average.

Development: reinforcing the Group's position in Northern Italy

In the course of the fourth quarter, Klépierre pursued the partnership initiated with the Finiper group a decade ago, by increasing its ownership of 9 shopping centers that were already part of the portfolio, and by going forward with the acquisition of the Vittuone center that opened in April 2009. This asset is in addition to Verona and Lonato (see page 45), which were acquired in February 2008. Most of these centers are located in the Lombardy region, near Milan. They are easy to access by car and occupy leading positions within their respective catchment areas.

In late December, the extension-restructuring of the La Romanina center (located in the outskirts overlooking Rome, in the heart of a catchment area of more than 900 000 inhabitants) was inaugurated.
This retail restructuring made possible in particular by reducing the floor area occupied by the hypermarket Carrefour.
With the completion of this long-tail project, the center also got a strong visual identity (new façade, new logo, new website, etc.).
The retail mix was also completely revised to make room for new retailers, including Kiko, Jack & Jones and Arena, which will help to increase the appeal of the center as it faces particularly stiff competition in the suburbs of Rome. The extension of the mall made it possible to add more than 5 000 sq.m. GLA* with the creation of 2 mid-sized units* and 10 additional units. The center now features 106 retail units, in addition to the Carrefour hypermarket, for total GLA* of 32 107 sq.m.

(1) Source: ISTAT data.

Annual visitors	Composition	Klépierre ownership and date of opening/acquisition	Gross rents* and financial occupancy rate*
5.5 million visitors	**96** units, 1 Carrefour hypermarket	**100%** **2004/2005** (extension en 2005)	**€11.2 M** **99.4%**
5.0 million visitors	**80** units, 1 Ipercoop hypermarket	**85.0%** **1999/1999**	**€6.6 M** **97.6%**
6.5 million visitors	**76** units, 1 Auchan hypermarket	**85.0%** **1996/1998**	**€6.3 M** **98.1%**

Development project

Pescara - Abruzzo, Italy

A concrete example of enhancing the value of an existing asset, the extension-renovation of Pescara, on which work began in August 2009, will be inaugurated sometime during the fourth quarter of 2010.

This mall, which opened in 1995 and was acquired by Klépierre from Carrefour in 2002, is located in the center of a catchment area* of more than 400 000 inhabitants (less than thirty minutes away). It is also easily accessible by freeway. The extension/restructuring project will bring the center 30 additional retail units (including 3 mid-sized units*) spread over 6 000 sq.m. GLA.* In addition, 150 new parking slots will be available, and the center will be more visible from the freeway. In addition to new retail anchors*, this project will enhance the existing retail mix and the center's appeal to consumers.

Total floor area	**33 204 sq.m. GLA (among which a 6 136 sq.m. extension)**
Composition	**73 units (after extension)**
Date of commencement of work	**August 2009**
Expected opening date	**4^{th} quarter 2010**
Estimated cost price *o/w outlaid on 12/31/2009*	**€34.5 M** ***€10.1 M***
Net initial yield expected [1]	**7.2%**

(1) Net rents expected for the full year/estimated cost price*

Lonato, Italy

Il Leone di Lonato

A recent center with regional reach, Il Leone di Lonato is located in a region of Europe that ranks among those with the greatest purchasing power.

Proximity

Located near the freeway linking Brescia (around 200 000 inhabitants, 25 kilometers from the center) and Verona (270 000 inhabitants, less than 50 kilometers away), the center is easy to get to. It is five minutes from Desenzano and thirty minutes from Sirmione, two of the most popular tourist destinations in the Garda Lake region, with free daily shuttle service. Il Leone di Lonato is in the middle of a catchment area that counts nearly 500 000 inhabitants, in Lombardy, a region with significant purchasing power.

GDP per capita

European average (basis 100)	**100**
Italy	**104**
Lombardy	**> 125**

Source: Eurostat.

Retail mix

The center features both global and Italian retailers of note (Zara, H&M, Sportland, Euronics), and its retail mix is perfectly aligned with the needs of local consumers. The appeal of the range of stores is enhanced by the presence of a 15 000 sq.m. GLA Iper hypermarket.
The retail appeal of the center is promoted in regular marketing campaigns. In addition to traditional advertising media (radio, print and billboards), the center leverages its location in a region that is popular with tourists by targeting hotels and campsites around the Lake Garda region in its advertising campaigns.

Hospitality

Open Monday through Sunday, Il Leone di Lonato has set up a number of special facilities to welcome visitors. For example, it offers a huge number of free parking slots (5 300), 12 restaurants/bars and numerous spaces designed and planned for children: a free nursery, dedicated play areas, cinema, etc.

Responsibility

The center is well integrated into the local community. Every month, a group that supports and promotes farming sells locally grown products in the mall.
A fund-raising drive was mounted to aid the victims of the earthquake that devastated the Abruzzi region in 2009 and, each year, the center sponsors a toy drive for the Santa Lucia (December) for the region's disadvantaged children.

▶ Identity card

Total GLA: 60 000 sq.m.

Annual visitors: 5.9 million visitors in 2009

Composition: 103 units, including 8 mid-sized units, 1 Iper hypermarket, H&M, Sportland, Euronics, Sephora etc.

Klépierre ownership: 50.0%

Date of opening/acquisition: 2007

Gross rents in 2009: €5.4 M (Klépierre share)

Financial occupancy rate: 98.7%

Iberia:
Klépierre, a major player on the Peninsula

Klépierre began operating in Spain in 2000 and in Portugal in 2003. The implementation of the agreement signed with the Carrefour group in 2000 led to the Group's rapid development in this region. In just a few years, Klépierre became a key player on the Iberian peninsula (104 centers under management, including 76 centers owned).

Holdings whose critical strengths helped resist in a time of crisis

The Iberian peninsula was one of the regions hardest hit by the most recent economic crisis (Spanish and Portuguese GDP fell by an estimated 3.7% and 2.7%, respectively, in 2009), with activity down substantially. Nonetheless, thanks to the opening of the La Gavia center (see page 49), which was an immense success, not to mention the preservation of a relatively high occupancy rate (made possible by an efficient policy of selective temporary rent abatements), resulted in higher rents (+9.1%) last year. The relative strength of revenues is even more encouraging given that revenues are driven by the performance

Top 3 assets

Total GLA*

1 - La Gavia – Vallecas/Madrid, Spain

94 285 sq.m.

The wealth and variety of its retail mix (H&M, Primark, etc.), its direct link to the Spanish capital (via the subway and major freeways), and the high density of its catchment area (4.5 million people) are strengths that have made La Gavia the largest shopping center* in the region in the space of a few months.

2 - Meridiano – Santa Cruz de Tenerife, Spain

44 650 sq.m.

In the heart of a residential and retail neighborhood that is undergoing rapid growth, Meridiano is an urban center with a mix of shops that are aligned with consumer needs (both residents and tourists). It has become the top personal product hub for the Canaries because of its perfect balance between space dedicated to recreation and fashion and the presence of a powerful hypermarket.

3 - Parque Nascente – Gondomar, Portugal

63 501 sq.m.

Parque Nascente is located to the east of Porto, the country's second largest metropolitan area, with more than 1 200 000 inhabitants. The center is uniquely situated in the heart of one of the most dynamic regions in the country, on a site that is undergoing rapid development and that is easy to access by car or via mass transit (a subway station is scheduled to open soon onsite).

of hypermarket malls*, a retail format that withstood the crisis better than regional centers* (the fall in retail revenue for mall retailers was two times lower than for tenants in regional centers). In fact, with 65 centers out of a total of 76 assets owned, and nearly 60% of total retail revenues of the Group's retail tenants, hypermarket malls comprise the main ingredient of this region's holdings. Their resilience is due to the fact that they offer both a powerful magnet in the hypermarket and a retail mix in the adjacent malls that focuses on convenience services—a retail segment that was less impacted by the slowdown in consumer spending.
Now located on the borders of urban centers, which in recent years have sprawled considerably, hypermarket malls have become a medium-term source of potential future extensions.

2009, a year of retail restructuring
Ever attentive to the challenge of enhancing the value of its existing holdings, Group management teams have completed a number of retail restructurings. The Parque Nascente center (see top 3 assets below) saw its visitor levels rise substantially in the month of December 2009 (+23% compared with December 2008) after the mid-sized retailer Primark opened. Primark is currently one of the hottest ready-to-wear brands on the market.
The Los Llanos center in Albacete (Castile-La Mancha region) benefited from a successful restructuring of its recreation and leisure space. The arrival of Worten, one of the peninsula's most well-known hi-fi/electronics brand names, will give Los Llanos a strong additional retail anchor*. And a new leading asset is gaining ground: with 9.5 million visitors welcomed in 2009, the La Gavia center (see page 49) has become a major retail magnet in the Greater Madrid Area, where consumer spending has been more resilient than in other parts of Spain.

(1) See History, page 119.

Annual visitors	Composition	Klépierre ownership and date of opening/ acquisition	Gross rents* and financial occupancy rate*
9.5 million visitors	**176** units, 1 Carrefour hypermarket, 1 Ikea	**100%** **2008/2008**	**€14.3 M** **96.8%**
8.2 million visitors	**119** units, 1 Carrefour hypermarket	**83.0%** **2003/2003**	**€8.2 M** **95.7%**
10.1 million visitors	**162** units, 1 Jumbo hypermarket	**100%** **2003/2003**	**€7.6 M** **88.0%**

Development projects

The opening of the Aqua Portimão center (see below) will bring to 6 the number of shopping centers the Group owns in the Portuguese market, where Klépierre manages a total of 18 centers. In addition to this major project, management teams will continue to enhance the value of the Spanish and Portuguese portfolios, as attested to by recent restructuring-renovation projects like the work carried out at Villa Nova de Gaia (Porto, Portugal), a center covering 22 000 sq.m. GLA.*

Aqua Portimão – Portimão, Portugal

A project that is emblematic of the Group's sustainable development policy

Owned 50/50 by Klépierre and Generali, this project is located on one of Portugal's most popular coasts for tourists, the Algarve, whose population nearly quadruples during the summer period. With 35 500 sq.m. of floor area, it will be the largest retail hub of Portimão. The center will have 132 stores on 3 levels, a Jumbo (Auchan) hypermarket covering 11 750 sq.m., 20 restaurants and 1 800 parking slots. Patrons will find a full range of retail products and services in a clean and modern architectural structure that integrates open and green spaces. The design process was part of a quest for ISO 14001 environmental certification (energy consumption and waste management in particular). It will be open for business sometime in the second quarter of 2011.

Total floor area	**35 500 sq.m. GLA**
Composition	**1 hypermarket, 20 restaurants and 132 units**
Date of commencement of work	**June 2009**
Expected opening date	**2nd quarter 2011**
Estimated cost price (1) *o/w outlaid on 12/31/2009*	**€48.4 M** ***€15.4 M***
Net initial yield expected (2)	**7.1%**

(1) Estimated cost on completion after provisions (Klépierre share).
(2) Net rents expected for the full year/estimated cost price.*

Vallecas, Spain

La Gavia

The largest retail hub of Madrid, La Gavia has welcomed more than 11 million visitors since it opened in November 2008.

Proximity

La Gavia is located in the heart of one of the densest catchment areas, with a direct connection to the Spanish capital: 1.0 million inhabitants live ten minutes away from the center, and 4.5 million live less than twenty minutes away. Located 11 km from downtown Madrid, at the crossroads of many major thoroughfares and serviced by a subway line that is directly linked to Puerta del Sol, access to the center is incredibly simple.

Catchment area

Less than five minutes away	**123 446 inhabitants**
Less than ten minutes away	**975 704 inhabitants**
Less than fifteen minutes away	**2 835 380 inhabitants**
Less than thirty minutes away	**4 866 899 inhabitants**

Retail mix

Both balanced (GSA/GSS 33%; Personal products 29%; Food/Restaurants 13%) and complementary with regard to the two major international retailers present on the site (IKEA and Carrefour), the retail mix brings together some of the most dynamic global retailers (Primark, H&M, C&A, the Inditex group), whose product positioning offers a price/quality tradeoff that is in line with the current needs of Spanish consumers.

Hospitality

Bright and spacious, the center was designed to ensure the most agreeable possible customer experience. It offers a large number of free parking slots (5 000), as well as many information centers and wifi terminals.
Events are also an important part of the center's appeal, and there are numerous animations organized on a regular basis for young and old alike: games, contests, fashion shows, sports and other forms of entertainment.

Responsibility

La Gavia wants to set the example in the area of respect for the environment, and has undertaken a number of initiatives in support of this goal: it is in the process of obtaining ISO 14001 certification, which should happen in the near future; it has taken measures to reduce water consumption, as well as the consumption of natural gas and electricity (partnership with Ambilamp1 to collect used light bulbs and batteries). La Gavia is also sponsoring many events put on by the Spanish Red Cross and the city of Madrid.

(1) Ambilamp is a non-profit organization that promotes the defense of the environment.

11 M
visitors since 2008

▶ **Identity card**

Please consult "Top 3 assets", page 46.

Central Europe:
a market that continues to hold promise

Klépierre made its initial foray into Central Europe in 2003 with the acquisition of the Novy Smichov center in the Czech Republic. In 2004, the Group extended its presence to Hungary and, in 2005, established a presence in Poland as part of a partnership with the developer Plaza Centers Europe.
The holdings in this geographic region include 23 shopping centers (12 in Hungary, 7 in Poland, 3 in the Czech Republic and 1 in Slovakia) that have solid primary catchment areas* that are easy to access because they are mainly located in downtown neighborhoods or in the immediately outlying suburbs. These assets generally benefit from the presence of a hypermarket* or a supermarket that boost the site's appeal to visitors.

Mixed performances from one country to the next
The general slowdown in consumer spending was combined with the depreciation of local currencies in Central Europe. As a result, rents payable in euros by Klépierre tenants increased (especially in the fist six months of 2009). However, the decline in retail revenues for the retailers present in Group centers (-5.1%) was fairly modest, and the 2.5% decrease in rents was also contained. However, these figures mask individual situations that are quite diverse: the dynamism of the Czech and Polish centers (which together account for 65.4% of rents produced by the region) stands in contras to the problems encountered by Hungary. Performances were disparate but consistent with the differences observed between the

Top 3 assets

Total GLA*

1 - Novy Smichov – Prague, Czech Republic

Located in the heart of Prague, in a highly sought-after retail neighborhood, Novy Smichov is an urban center that is easily accessible by car and by mass transit: it is accessible via Andel, the city's most frequented subway station, as well as via 7 tramway lines. With 1.2 million inhabitants, its catchment area* is extremely vast.

57 107 sq.m.

2 - Poznan Plaza – Poznan, Poland

With 138 stores, a food court and a Piotr i Paweł supermarket, Poznan Plaza is now one of the top retail hubs of Poznan, which is the fifth largest metropolitan area in the country (600 000 inhabitants). Easy access via mass transit (2 tramway lines and 7 bus lines), as well as by car, add to the dynamism of this urban center.

29 512 sq.m.

3 - Lublin Plaza – Lublin, Poland

Lying in the heart of downtown Lublin, one of Poland's main metropolitan areas, Lublin Plaza offers the city's 350 000 inhabitants a diverse array of choices in terms of shopping, culture and entertainment. Without any real competitors close by, Lublin Plaza has quickly become Lublin's largest shopping center, and is considered to be a young, modern and family-oriented place.

25 691 sq.m.

underlying domestic economies (Polish GDP rose by an estimated 1.7%, whereas Hungary expects a 6.7% drop for 2009).

Enhancing the appeal of centers

In light of this context, management teams focused their efforts on maintaining the appeal of the shopping centers and on monitoring the financial situation of its tenants closely, in order to maintain occupancy rates (which average 95.5% for the region as a whole). In Hungary, hard work on the part of rental management personnel led to the signature of several leases with Oviesse (ready-to-wear), not to mention the arrival of Swiss ready-to-wear retailer Tally Weijl, replacing brands that clients have shown less interest in.

These efforts carry on with projects afoot to bring in global retailers like H&M, which will be able to dynamize the existing retail mix. Marketing initiatives have also been introduced to support sales, such as that introduced by Novy Smichov. Its website is the most visited among all Klépierre shopping centers since it opened a friends group on Facebook.

455 This is the number of leases signed in 2009 across the region

Annual visitors	Composition	Klépierre ownership and date of opening/ acquisition	Gross rents* and financial occupancy rate*
15 million visitors	155 units, 1 Tesco hypermarket	100% 2001/2003	€12.2 M 100%
6.5 million visitors	138 units, 1 Piotr i Paweł hypermarket	100% 2005/2005	€7.5 M 98.4%
6.3 million visitors	128 units, 1 Stokrotka hypermarket	100% 2007/2007	€6.5 M 99.7%

Development projects

Corvin Atrium (see below) is currently the only project under development for the Group in Central Europe. As the urban areas where the Group is already present are dynamic and relatively lacking in retail facilities, other restructuring or renovation projects involving the existing holdings are possible, especially in the Czech Republic.

Corvin Atrium – Budapest, Hungary

A shopping center at the heart of a massive urban renewal project

In 2007, Klépierre acquired the project involving the Corvin shopping center, which will be part of the most ambitious urban renewal effort currently underway in Central Europe. The Corvin Promenade Project is located in the neighborhood where the celebrated theater of the same name is located (it was recently turned into a movie house). Covering 22 hectares, the global project also includes 2 800 new apartments, 150 000 sq.m. of office space, including a scientific hub, and 10 000 sq.m. of public space, surrounded by 20 000 sq.m. dedicated to recreation and leisure. The shopping center, known as Corvin Atrium, covers 34 600 sq.m. GLA*, and will house more than 150 stores on 4 floors, one of which will be reserved for a food court and recreation. There will be 1 200 parking slots on 3 underground levels.

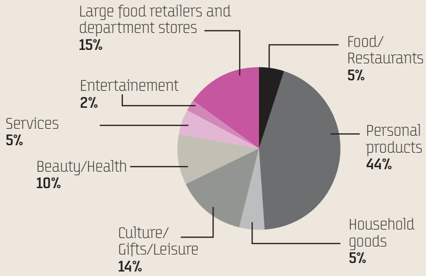
Total floor area	**34 600 sq.m. GLA**
Composition	**1 supermarket, 9 mid-sized units, 150 units**
Date of commencement of work	**August 2007**
Expected opening date	**4th quarter 2010**
Estimated cost price (1) *o/w outlaid on 12/31/2009*	**€187.0 M** ***€189.8 M***
Net initial yield expected (2)	**5.8%**

(1) Estimated cost on completion after provisions (Klépierre share).
(2) Net rents expected for the full year/estimated cost price.*

Poznan, Poland

Poznan Plaza

Located in the immediate vicinity of the fifth largest Polish city, Poznan Plaza has become one of the most attractive assets in the region in just five years.



Proximity

Poznan Plaza is located in the heart of a densely populated catchment area: some 200 000 inhabitants live within ten minutes of the center; more than 300 000 live within twenty minutes. The center is less than ten minutes from downtown Poznan, and is easy to get to via mass transit (2 tramway lines and 7 bus lines) as well as by car (located near two major thoroughfares, Lechicka and Mieszka I).

Retail mix

By combining recreation and entertainment (Fantasy Park, Cinema City), a major retailer (the Piotr i Paweł supermarket) and a number of the most attractive names in retail (Sephora, H&M, etc.), the center offers consumers a full range of retail options.
The lease renewal campaign that has just begun will lead to further improvement in the quality of the retail mix: more choices in terms of personal products and retail services, the inauguration of new and promising brands, etc.

Hospitality

The lease renewal campaign also concerns the renovation of some stores in a bid to make the center even more appealing. In addition, a number of events sere organized throughout the year to enhance the center's drawing power: games, contests for Valentine's Day and the shopping center's anniversary celebration, fashion shows, art exhibitions, animations for kids (installation of a skating rink), etc.

Responsibility

Poznan Plaza conducts a number of actions that contribute to the protection of and respect for the environment: water, electricity and heat consumption tracking; and major work to modernize facilities and equipment, especially the air conditioning and lighting systems, so that they consume less energy.
The center's commitment to the community is also of fundamental importance. It has forged a number of partnerships with local organizations and government offices. It takes part in Smoke Free Day and has a cooperative agreement with Odeta Moro-Figurska's Foundation, which supports pregnant women.

▶ Identity card

Please consult "Top 3 assets", page 50.

Retail properties

Via Klémurs, Klépierre is involved in the retail real estate outsourcing market that caters to major retailers.

An 84.1% subsidiary of Klépierre, Klémurs made its début on the stock market in December 2006. It is a SIIC* (Société d'Investissements Immobiliers Cotée) whose shares are traded on compartment C of Euronext Paris™. Its retail real estate holdings are valued at 619.4 million euros (as of December 31, 2009).

Backed by its full range of real estate expertise, Klémurs offers nationwide retailers an original solution: it becomes the owner of their real estate holdings and manages them day-to-day, while also offering development support. The assets in question are retail properties located in peri-urban areas, of the retail box type, or retail parks. More marginally, it offers retail storefront properties in downtown areas.
This solution allows retailers to focus their financial and managerial resources on their core business, which in turn helps them to develop a competitive edge.
By entrusting the management of their assets to Klémurs, retailers also benefit from fifty years of experience provided by the Klépierre-Ségécé Group, a leading player in this segment and able to understand all of their issues.

From an operational perspective, 2009 was a wholly satisfactory year in spite of the adverse environment, featuring very good rental and revenue performances: rents rose substantially, by around 27.1% (6.4% on a constant portfolio basis*), and net current cash flow per share* (+25.7%) also showed significant growth. For the year ended December 31, 2009, the occupancy rate* was 99.7%, while the late payment rate* was close to zero (0.1%).

2009 was a year in which the investment program was temporarily cut back to 47 million euros. This slowdown in investment does not cast doubt on the business model adopted by Klémurs. In fact, 2009 was an atypical year, with the decline in values triggering a wait-and-see attitude on the part of sellers, leading to lower supply, especially in the retail outsourcing niche market.

As a result, all of the year's acquisitions were made based on decisions and agreements dating prior to 2009.
For example, in February, as part of the partnership with Buffalo Grill, Klémurs acquired an additional 4 restaurants.
Under the terms of the Défi Mode-Vivarte agreement, 26 assets were added to the retail portfolio. They included 6 stores that were mostly operated by Chaussea, in January, followed by 2 Feu Vert points of sale in March. On the disposal side, the Paris Seine Rive Gauche retail space was sold for a total of 7.1 million euros.

In terms of events, 2009 will be remembered as the year that the retail park* Chalon Sud 2 opened (Chalon-sur-Saône) in September. The first project developed for its own account by Klémurs, this open air retail park covers 10 000 sq.m. GLA.* Located in the heart of a retail corridor serving 250 000 inhabitants, it represents a total investment of 14.3 million euros for 1.1 million euros of rent expected full-year. The retail park has already created the equivalent of 100 full-time jobs.

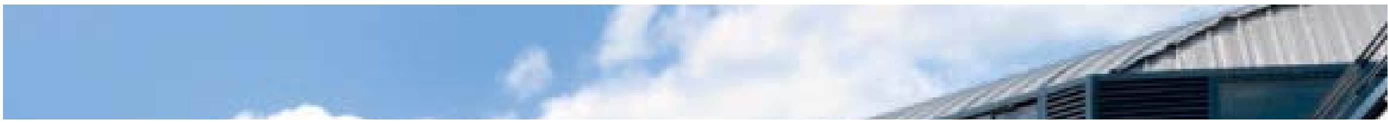
▶ For further details consult the annual report published by Klémurs and available at www.klemurs.fr.

Klémurs key figures:

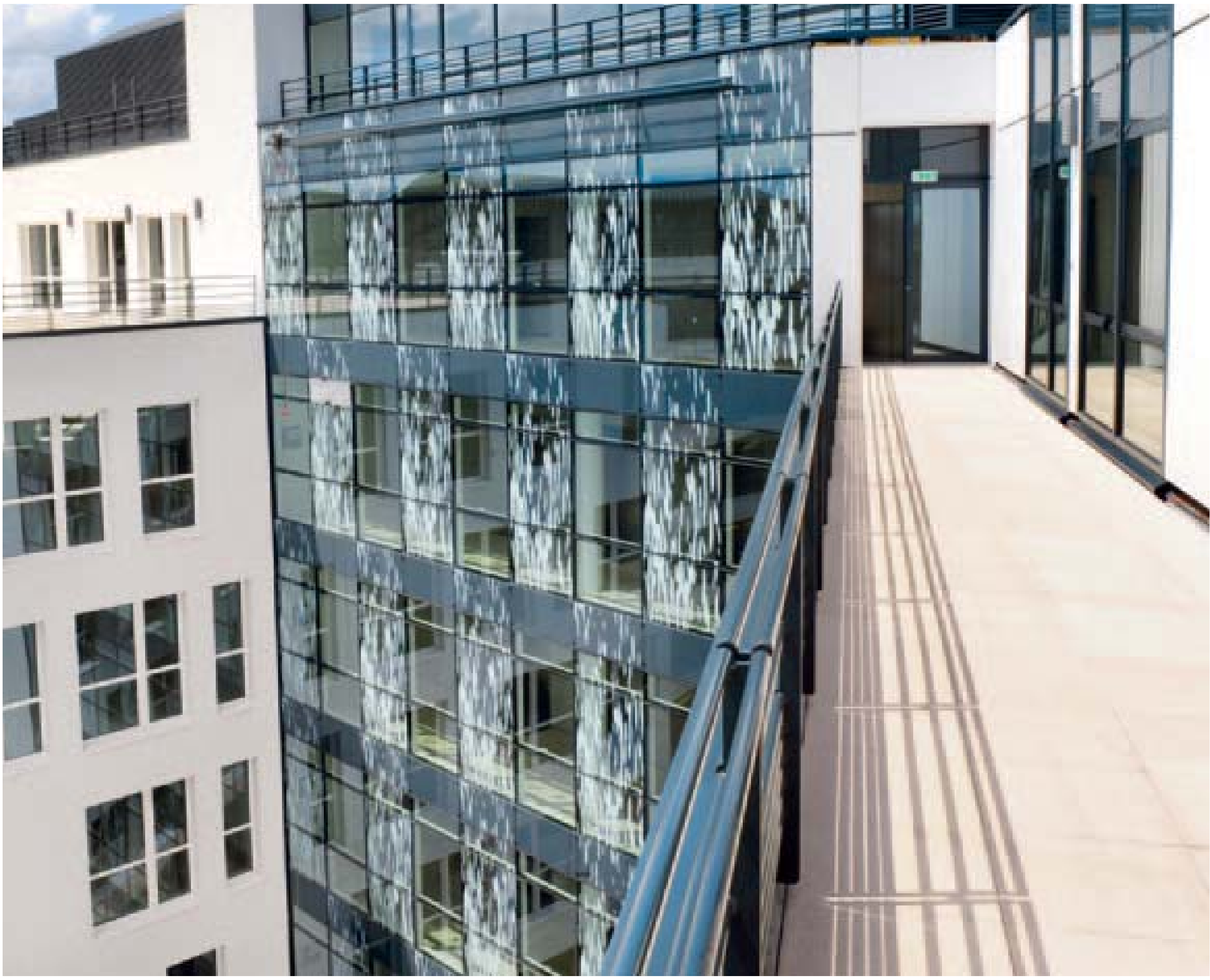
345 assets, covering almost **273 400 sq.m.** GLA*

4.9% of the Group's consolidated rents

4.2% of the total value of the Group's real estate holdings



Office properties



Office properties occupy a secondary position in the Group's portfolio. However, this has not prevented Klépierre from being a recognized player in the Paris market.

As one of the Group's historical business strengths, office properties comprise 5.3% of Klépierre's current holdings. They include 15 high-quality buildings housing prestigious tenants (large French or multinational corporations and government departments), all of which are located in the central business district of Paris or in the service hubs of the greater Paris Area (the Western and Southern parts of the first crown).

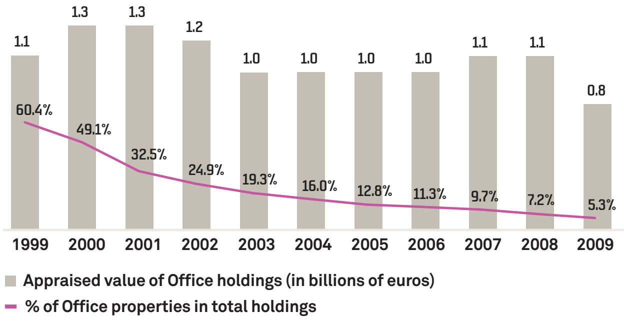
Deliberately restricted, the office property portfolio responds to an opportunistic logic whose goal is to take advantage of the cyclical nature of the this segment of the real estate market, which is more sensitive to economic cycle factors than the retail property segment*. Because it is minor, the office property business is more apt to offer supplemental value creation opportunities. Indeed, investments are only committed in cases where the level of return offered is higher than that required for investment in retail property projects. As for the proceeds of office asset sales, they are generally reinvested in retail properties.

Since 2000, Klépierre has generated more than 1 billion euros through the sale of office properties, with a high return on investment thanks to the strong appreciation in real estate values over the period.
In 2009, 2 buildings were sold in the second half of the year for nearly 150 million euros: 18/20 La Pérouse (Paris, 16th), 3 251 sq.m. of weighted useful floor area*; 23/25 Kléber (Paris, 16th), 9 851 sq.m. of weighted useful floor area, at levels that were globally equivalent to the appraised values on June 30, 2009.
In spite of the economic downturn, the Group reported no late payments* in 2009, and relet a total of 6 900 sq.m. of space. The financial occupancy rate* was 81.1% for the year: vacant space concerned 2 buildings, one undergoing work and the other being considered for renovation, and Séreinis, which was delivered in April.

Another highlight of 2009 was the inauguration, in April, of the Séreinis building, which illustrates the Group's sustainable development approach. Designed in alignment with the 14 target criteria of the HQE® label (Haute Qualité Environnementale) for high environmental quality, this 12 000 sq.m. building, located in Issy-les-Moulineaux (Hauts-de-Seine), just outside Paris, reconciles comfort, technology and respect for the environment. Its performances naturally will be part of the HQE® Exploitation qualification for the future tenant.

Disposing as it does of historical expertise in the Paris office property market, Klépierre is also a seasoned investor, able to detect and position itself with respect to potential investment projects, if needed in partnership with development specialists. For this reason, the Group wishes to remain present in this market while also continuing with its disposal program in 2010.

Change in Office holdings since 1999



16 buildings covering nearly **110 000 sq.m.** of weighted useful floor area*

5.7% of the Group's consolidated rents

5.3% of the value of the Group's holdings

.03 Properties

Shopping centers properties, as of December 31, 2009

France-Belgium

105 centers – 1 180 301 sq.m. rentable floor area

City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
France									
Alsace									
Illzach (Mulhouse), île Napoléon	68	1978	R/E 1999	2001	Carrefour, 60 units	31 852	10 301	100%	83%
Strasbourg, La Vigie	67	1990	R 1996	1990	Conforama, 10 units	16 215	16 215	100%	37.50%
Aquitaine									
Bègles, Rives d'Arcins	33	1995		1996	Carrefour, 88 units	63 206	46 378	100%	52%
Bordeaux, Saint-Christoly	33	1985	R 1999/2004	1995	Monoprix, 32 units	8 668	8 668	93.9%	100%
Libourne, Verdet	33	1973		2001	Carrefour, 14 units	19 195	2 648	100%	83%
Lormont, Rive Droite	33	1973	R 1997	2002	Carrefour, 86 units	29 851	1 799	100%	83%
Auvergne									
Clermont-Ferrand, Jaude	63	1980	R 1990 R/E 2008	1990	Fnac, 75 units	24 400	19 962	100%	100%
Moulins	03	1978		2001	Carrefour, 21 units	16 615	1 516	100%	83%
Lower Normandy									
Condé-sur-Sarthe (Alençon)	61	1972	R 1999	2001	Carrefour, 30 units	15 301	3 918	95.8%	83%
Hérouville-Saint-Clair	14	1976	R/E 1995	2001	Carrefour, 80 units	40 469	11 837	97.4%	83%
Burgundy									
Beaune, Saint-Jacques	21	1975		2003	Champion, 23 units	10 000	3 722	100%	83%
Marzy (Nevers)	58	1969	R 1999	2001	Carrefour, 38 units	24 172	7 842	100%	83%
Quétigny (Dijon), Grand Quétigny	21	1968	E 1992 R/E 2005	2001	Carrefour, 70 units	46 568	12 772	100%	83%
Brittany									
Brest, Iroise	29	1969	R/E 2007	2001	Carrefour, 50 units	33 256	10 925	100%	83%
Guingamp	22	1974		2001	Carrefour, 10 units	11 836	1 532	100%	83%
Langueux (Saint-Brieuc)	22	1973	R/E 1998	2001	Carrefour, 31 units	24 128	6 007	100%	83%
Lorient, K2	56	1981		2001	Carrefour, 26 units	19 840	4 545	100%	83%
Paimpol	22	1978		2001	Carrefour, 8 units	10 349	1 580	100%	83%
Quimper, Kerdrezec	29	1978		2002	Carrefour, 41 units	23 710	7 770	100%	83%
Rennes, Colombia	35	1986		2005	Inno, 80 units	19 176	12 871	96.6%	100%
Vannes, Le Fourchêne	56	1969		2002	Carrefour, 53 units	26 000	11 478	92.1%	83%
Centre									
Bourges	18	1969		2001	Carrefour, 19 units	21 834	1 660	100%	83%
Chartres, La Madeleine	28	1967		2001	Carrefour, 15 units	22 239	7 053	100%	83%
Châteauroux	36	1995		2001	Carrefour, 20 units	18 901	3 473	100%	83%
Saran (Orléans), Cap Saran	45	1971	R/E 2007	2001	Carrefour, 44 units	26 600	9 420	100%	83%
Champagne-Ardenne									
Cernay (Reims)	51	1981		2001	Carrefour, 31 units	18 120	3 132	100%	83%
Charleville-Mézières, La Croisette	8	1985		2001	Carrefour, 20 units	14 325	2 467	100%	83%
Saint-André-les-Vergers (Troyes)	10	1975		2001	Carrefour, 28 units	13 000	890	100%	83%
Tinqueux (Reims), Mont-Saint-Pierre	51	1969		2004	Carrefour, 22 units	29 000	6 049	100%	83%
Upper Normandy									
Guichainville (Évreux)	27	1970		2001	Carrefour, 16 units	20 900	1 956	100%	83%
Le Havre, Espace Coty	76	1999		2000	Monoprix, 82 units	27 000	18 163	98.5%	50%
Île-de-France									
Athis-Mons	91	1971	R 1999	2001	Carrefour, 24 units	26 498	3 677	100%	83%
Boissénart, Maisonément	77	2008		2008	Retail park, 40 units	39 041	38 691	92.0%	50%
Boulogne-Billancourt, Les Passages de l'Hôtel de Ville	92	2001		2001	Inno, 56 units	23 191	23 221	100%	50%

City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Champs-sur-Marne	77	1981		2001	Carrefour, 20 units	14 748	1 758	100%	83%
Claye-Souilly	77	1992		2001	Carrefour, 83 units	48 152	20 250	100%	83%
Créteil, Créteil-Soleil	94	1974	R/E 2000	1991	Carrefour, 220 units	125 500	92 708	100%	80%
Drancy, Avenir	93	1995		2008	Carrefour, 58 units	28 605	11 344	100%	100%
Flins-sur-Seine	78	1973		2001	Carrefour, 72 units	41 191	1 656	100%	83%
Marne-la-Vallée – Serris, Val d'Europe	77	2000	E 2003 E 2009	2000	Auchan, 135 units	98 397	72 826	100%	55%
Melun, Boissénart	77	1977	R 1996 E 2005	1995	Auchan, 55 units	34 500	11 882	100%	100%
Montesson	78	1973	R/E 1985/ 1999/2005	2001	Carrefour, 62 units	40 276	10 787	95.1%	83%
Noisy-le-Grand, Arcades	93	1978	R 1992 ongoing	1995	Carrefour, 132 units	58 900	40 652	99.8%	53.6%
Pontault-Combault	77	1993	R/E 1993	2001	Carrefour, 70 units	53 563	30 910	100%	83%
Rambouillet, Bel Air	78	1976	R/E 2007	2001	Carrefour, 56 units	27 000	10 787	100%	83%
Sartrouville, Le Plateau	78	1976	E 1999	2001	Carrefour, 35 units	25 274	5 506	90.4%	83%
Sevran, Beau Sevran	93	1973		2003	Carrefour, 98 units	43 809	26 107	99.8%	83%
Stains	93	1972		2001	Carrefour, 23 units	20 120	1 927	100%	83%
Villejuif, Villejuif 7	94	1980	R/E 2008	2001	Carrefour, 30 units	15 371	3 079	100%	83%
Villiers-en-Bière	77	1990	R 2005	2001	Carrefour, 90 units	65 849	30 147	100%	83%
Languedoc-Roussillon									
Lattes, Grand Sud	34	1986	R/E 1993	2002	Carrefour, 66 units	37 650	14 280	100%	83%
Montpelllier, Odysseum	34	2009		2009	Géant Casino, 96 units	50 000	12 234		50%
Montpellier, Saint-Jean-de-Védas	34	1986		2001	Carrefour, 28 units	16 442	2 347	100%	83%
Nîmes, Nîmes Étoile	30	1981	R 1997 E 2009	2001	Carrefour, 30 units	19 834	4 844	100%	83%
Nîmes Sud, Portes de Camargue	30	1980		2002	Carrefour, 22 units	19 655	1 791	100%	83%
Perpignan, Claira	66	1983	R/E 1997	2002	Carrefour, 31 units	24 985	2 906	100%	83%
Lorraine									
Épinal, Jeuxey	88	1983		2001	Carrefour, 16 units	21 209	1 917	100%	83%
Midi-Pyrénées									
Portet-sur-Garonne, Grand Portet	31	1972	R/E 1990	2001	Carrefour, 112 units	60 600	24 580	100%	83%
Toulouse, Blagnac	31	1993	E 2009	2004	Leclerc, 111 units	46 080	46 080	99.2%	53.6%
Toulouse, Purpan	31	1991		2006	Carrefour, 41 units	23 600	7 683	100%	83%
Toulouse, Saint-Orens	31	1991	R/E 2008	2004	Leclerc, 110 units	37 517	37 517	94.4%	53.6%
Nord - Pas-de-Calais									
Aire-sur-la-Lys, Val de Lys	62	1977		2001	Carrefour, 20 units	11 899	2 362	100%	83%
Auchy-les-Mines, Porte de Flandres	62	1993		2001	Carrefour, 18 units	8 681	1 333	98.9%	83%
Aulnoy-lez-Valenciennes, La Briquette	59	1972		2001	Carrefour, 27 units	20 456	5 263	100%	83%
Calais, Mivoix	62	1973		2001	Carrefour, 23 units	17 576	4 311	94.3%	83%
Denain, Jean Bart	59	1979		2003	Carrefour, 22 units	13 006	387	62.7%	83%
Douai, Flers-en-Escrebieux	59	1983		2002	Carrefour, 47 units	27 606	7 463	98.1%	83%
Fourmies	59	1985		2001	Carrefour, 16 units	11 000	1 841	100%	83%
Hazebrouck	59	1983		2001	Carrefour, 16 units	8 799	1 295	97.3%	83%
Lomme	59	1984	R 2009	2001	Carrefour, 36 units	30 204	6 486	87.2%	83%
Saint-Martin-au-Laërt	62	1991		2001	Carrefour, 12 units	8 452	943	78.2%	83%
Valenciennes, Place d'Armes	59	2006		2006	Match, 56 units	16 200	15 790	94.8%	100%
PACA									
Aix-les-Milles, La Pioline	13	1971	R 1997	2001	Carrefour, 33 units	32 617	4 743	99.9%	83%
Antibes	06	1973		2001	Carrefour, 33 units	29 880	4 152	100%	83%
Châteauneuf-les-Martigues	13	1973		2001	Carrefour, 20 units	20 831	12 475	78.2%	83%
Marseille, Bourse	13	1977	R 1991/ R 1997	1990	Galeries Lafayette, 62 units	29 245	17 289	100%	50%

Properties

City, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Marseille, Le Merlan	13	1976	R 2006	2003	Carrefour, 56 units	32 330	7 942	98.7%	100%
Nice, Lingostière	06	1978	R 1998	2001	Carrefour, 49 units	37 100	7 537	100%	83%
Orange	84	1986	R 1996	2001	Carrefour, 36 units	18 086	3 983	100%	83%
Trans-en-Provence (Draguignan)	83	1970	R 1993	2001	Carrefour, 30 units	15 926	3 630	100%	83%
Vitrolles, Grand Vitrolles	13	1970	R 2007	2001	Carrefour, 84 units	61 111	24 254	100%	83%
Pays de la Loire									
Angers, Saint-Serge	49	1969	E 2006	2001	Carrefour, 28 units	21 800	5 153	100%	83%
Cholet	49	1970		2001	Carrefour, 29 units	12 225	2 268	100%	83%
La Roche-sur-Yon	85	1973		2001	Carrefour, 10 units	9 114	476	100%	83%
La Roche-sur-Yon, Sud Avenue	85	2008		2008	Retail park, 35 units	23 000	13 033	88.6%	100%
Nantes, La Beaujoire	44	1972		2001	Carrefour, 33 units	28 662	3 646	100%	83%
Nantes, Saint-Herblain	44	1969		2001	Carrefour, 9 units	15 067	644	87.2%	83%
Picardy									
Amiens	80	1973		2001	Carrefour, 24 units	20 434	3 258	100%	83%
Angoulins	17	1973		2002	Carrefour, 35 units	23 679	4 088	100%	83%
Château-Thierry	02	1972		2001	Carrefour, 21 units	11 102	644	91.7%	83%
Laon, Espace Romanette	02	1990	R/E 2008	2001	Carrefour, 35 units	16 956	2 930	100%	83%
Venette (Compiègne)	60	1974		2001	Carrefour, 34 units	28 476	5 101	100%	83%
Poitou-Charentes									
Angoulême, Champ de Mars	16	2007		2007	Monoprix, 40 units	16 122	16 122	97.3%	100%
Rhône-Alpes									
Annecy, Courier	74	2001		2001	Monoprix, 40 units	19 393	13 524	99.9%	58.4%
Bassens (Chambéry)	73	1969	E 1996	2001	Carrefour, 24 units	19 749	2 456	100%	83%
Bourg-en-Bresse, Site de Brou	01	1977		2003	Carrefour, 27 units	17 000	2 293	50.1%	83%
Échirolles (Grenoble)	38	1969		2001	Carrefour, 118 units	58 942	4 696	100%	83%
Écully, Grand Ouest	69	1972	R/E 1997	2001	Carrefour, 84 units	46 078	13 359	100%	83%
Givors, 2 Vallées	69	1976	R 1997	2001	Carrefour, 38 units	32 528	19 557	100%	83%
Meylan (Grenoble)	38	1972		2001	Carrefour, 12 units	19 751	1 586	100%	83%
Saint-Égrève (Grenoble)	38	1986	R 2006	2001	Carrefour, 27 units	19 260	4 504	100%	83%
Valence, Victor Hugo	26	1994		2007	Fnac, 39 units	12 674	10 431	100%	100%
Vaulx-en-Velin, Les 7 Chemins	69	1988	E 2009	2001	Carrefour, 38 units	22 772	5 621	100%	83%
Vénissieux	69	1966	R/E 2000-2002	2002	Carrefour, 25 units	35 913	3 141	100%	83%

104 centers – 1 124 653 sq.m. rentable floor area – Financial occupancy rate: 99.1%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Belgium								
Brabant wallon								
Louvain-la-Neuve, L'Esplanade	2005		2005	Delhaize, 132 units	55 650	55 648	97.5%	100%

1 center – 55 648 sq.m. rentable floor area – Financial occupancy rate: 97.5%

Region	Dpt	Center	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Sundry retail facilities							
Aquitaine	33	Mérignac	Darty, Flunch, McDonald's	7 591	7 591	100%	83%
Brittany	44	Rezé (Nantes)	Shopping center Océane	19 000	10 175	100%	15%
	56	Vannes Le Fourchêne Pac 2	Fnac, Darty	5 504	5 504	100%	83%
	56	Vannes Nouvelle Coutume	Mim, Pimkie	1 325	1 325	100%	83%
Franche-Comté	25	Besançon	Krys	127	127	100%	100%
Île-de-France	95	Osny (Cergy)	Shopping center Osny Nord	11 956	2 796	100%	37%
Languedoc-Roussillon	11	Carcassonne	Shopping center Salvaza	13 980	4 570	100%	37%
			Commercial premises	1 662	370	100%	37%
	34	Montpellier	Pizza Pino	565	565	100%	50%
	34	Sète Balaruc (Montpellier)	Shopping center Carrefour	16 620	3 267	100%	38%
Picardy	60	Creil (Beauvais)	Shopping center Cora	40 000	4 063	100%	90%
			Commercial premises	150 000	74 903	100%	90%
Rhône-Alpes	1	Beynost (Lyon)	Shopping center Beynost	18 500	2 775	97.8%	33%
Seine-Maritime	76	Dieppe	Shopping center Belvédère	35 500	5 692	100%	24%
	76	Tourville-la-Rivière (Rouen)	Shopping center Carrefour	27 480	6 291	100%	47%

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1. Blagnac, Toulouse, France
2. Odysseum, Montpellier, France

Scandinavia
30 centers – 806 682 sq.m. rentable floor area

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Norway								
Ås, Vinterbro Senter	1996	1999	2008	Coop, Bohus, Elkjop, G Sport, 78 units	37 064	34 073	99.7%	56.1%
Bergen, Åsane Storsenter	1985/ 1976	2007, 2009	2008	H&M, Meny, Clas Ohlson, KappAhl, 132 units	55 881	46 233	99.1%	27.9%
Drammen, Gulskogen Senter	1985	1986, 2000, 2008, 2009 ongoing	2008	Meny, H&M, Cubus, Clas Ohlson, G Sport, Lefdal, XXL, 75 units	36 000	25 615	100%	56.1%
Fredrikstad, Torvbyen	1988	1995, 2009	2008	Clas Ohlson, Cubus, KappAhl, Lindex, 50 units	19 092	14 306	100%	56.1%
Halden, Halden Storsenter	1998		2008	ICA, Posten, Cubus, Lindex, G Sport, 30 units	14 207	9 192	96.4%	56.1%
Hamar, Hamar Storsenter	1933	1987, 1988, 1992, 2000, 2006	2008	ICA, H&M, G Sport, Clas Ohlson, Cubus, 69 units	24 632	20 732	100%	56.1%
Haugesund, Amanda	1997		2008	H&M, KappAhl, Lindex, Cubus, 63 units	22 612	14 500	100%	56.1%
Haugesund, Markedet	1988	1995	2008	H&M, Cubus, Vinmono-polet, 26 units	17 006	10 712	93.9%	56.1%
Larvik, Nordbyen	1991	1995, 1997, 2007, 2009	2008	Meny, H&M, KappAhl, Cubus, Clas Ohlson, 52 units	20 089	16 137	99.7%	56.1%
Lørenskog, Metro Senter	1988	2007, 2008, 2009	2008	Coop, Ica, G Sport, Cubus, Møbelringen, 105 units	64 806	50 957	87.2%	50.0%
Møsjoen, Sjøsiden	1994	1998	2008	Posten, Lindex, Cubus, 28 units	11 460	7 783	96.2%	56.1%
Oslo, Karl Johansgt. 16	n/a	2000	2008	H&M	4 500	4 500	100%	56.1%
Oslo, Økernsenteret	1969		2008	Bertel O. Steen, Expert, Kiwi, Posten, 30 units	56 417	37 857	94.4%	28.1%
Oslo, Stovner Senter	1975	1998	2008	Ultra Stovner, H&M, Rimi, Posten, 105 units	51 005	36 382	99.5%	56.1%
Skedsmo, Lillestrøm Torv	1985	1997, 2006	2008	H&M, Cubus, ICA, 78 units	36 424	21 071	98.4%	56.1%
Stavanger, Stavanger Storsenter	1993	2005	2008	H&M, Cubus, Lindex, KappAhl, 57 units	27 592	23 171	97.0%	56.1%
Tønsberg, Farmandstredet	1997	2002, 2006, 2008	2008	H&M, Meny, Clas Ohlson, KappAhl, 113 units	54 375	34 848	97.6%	56.1%
Tromsø, Nerstranda	1998		2008	H&M, KappAhl, Notabene, 45 units	15 637	11 460	98.5%	28.1%

18 centers – 419 529 sq.m. rentable floor area – Financial occupancy rate: 98.6%

Sollentuna Centrum, Sollentuna, Sweden

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Sweden								
Åstorp, Familia	2006		2008	H&M, Gina Tricot, Lindex, Cassels, Intersport, 49 units	19669	15711	92.5%	56.1%
Borlänge, Kupolen	1989	1995, 2005	2008	Jula, ICA, H&M, Gina Tricot, Lindex, Ahlens, Stadium, KappAhl, 77 units	50762	35405	97.8%	56.1%
Karlstad, Mitt i City	2006		2008	Clas Ohlson, Gina Tricot, Intersport, Konsum, 53 units	20082	15796	96.0%	56.1%
Norrköping, Hageby	1966	2000, ongoing	2008	ICA, Willys, H&M, Lindex, Systembolaget, 35 units	27378	20080	99.5%	56.1%
Örebro, Marieberg	1991	2009	2008	Clas Ohlson, Intersport, Gina Tricot, Lindex, H&M, Jula, 98 units	44307	32712	94.9%	56.1%
Partille, Allum	2006		2008	ICA, H&M, Gina Tricot, Lindex, Clas Ohlson, Systembolaget, Åhléns, Willys, Intersport, Stadium, 113 units	61705	51660	98.5%	56.1%
Sollentuna, Sollentuna Centrum	1975	1993, 1999, ongoing	2008	ICA, Lindex, Gina Tricot, H&M, Systembolaget, 99 units	42480	32600	99.3%	56.1%
Trollhâttan, Etage	2004		2008	Harald Nyborg, Expert, Intersport, Cervera, 39 units	20996	16544	88.4%	56.1%
Uddevalla, Torp	1991	1998, 2000, 2001	2008	H&M, Gina Tricot, Lindex, Intersport, Stadium, Jula, Ica, Systembolaget, 80 units	37435	31578	96.2%	56.1%

9 centers –252 086 sq.m. rentable floor area – Financial occupancy rate: 96.3%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Denmark								
Ahrus, Bruun's Galleri	2003		2008	Kvikly, Cinemaxx, H&M, Stadium, Bahne, 100 units	36675	33638	98.0%	56.1%
Copenhagen, Field's	2004		2008	Bilka, H&M, Zara, 152 units	91342	79839	93.0%	56.1%
Viejle, Bryggen	2008		2008	Kvikly, Inspiration, Intersport, Vero Moda, 75 units	25613	21590	75.0%	56.1%

3 centers –135 067 sq.m. rentable floor area – Financial occupancy rate: 95.0%

Italy-Greece

40 centers – 397 846 sq.m. rentable floor area

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Italy								
Abruzzo								
Citta S. Angelo, Pescara Nord	1995		2002	IPER, 45 units	25 810	13 226	94.2%	83%
Colonnella (Teramo), Val Vibrata	2000	R/E 2007	2002	IPER, 57 units	27 358	15 784	97.9%	50%
Basilicata								
Matera	1999		2003	Ipercoop, 8 units	10 088	1 637	84.9%	85%
Campania								
Capodrise (Caserta), I Giardini Del Sole	1992		2002	Carrefour, 22 units	18 545	6 328	67.4%	83%
Emilia-Romania								
Savignano s. Rubicone (Rimini), Romagna Center	1992		2002	IPER, 58 units	32 864	13 097	99.7%	50%
Latium								
Roma, La Romanina	1992	R/E 2009	2002	Carrefour, 106 units	33 300	19 215	87.8%	83%
Roma, Tor Vergata	2004		2005	Carrefour, 65 units	25 793	11 704	97.5%	100%
Lombardy								
Assago (Milan)	2004	E 2005	2005	Carrefour, 96 units	47 624	24 909	99.4%	100%
Bergamo, Brembate	1977		2002	IPER, 17 units	12 855	2 084	100%	50%
Bergamo, Seriate, Alle Valli	1990	R/E 2001 2008	2002	IPER, 51 units	32 240	10 874	100%	50%
Côme, Grandate	1999		2002	IPER, 16 units	10 076	2 310	100%	50%
Cremona (Gadesco), Cremona Due	1985		2002	IPER, 32 units	14 779	6 340	100%	50%
Gran Giussano (Milan)	1997	E 2006	2002	Carrefour, 44 units	19 098	8 208	100%	83%
Lonato, Il Leone di Lonato	2007		2008	IPER, 110 units	41 486	30 207	98.7%	50%
Novate Milanese, Metropoli	1999		1999	Ipercoop, 80 units	27 374	16 603	97.6%	85%
Paderno Dugnano (Milan), Brianza	1975	R/E 1995 R 2006	2002	Carrefour, 70 units	36 126	15 370	96.9%	83%
Pavie, Montebello della Battaglia, Montebello	1974	E 2005	2002	IPER, 58 units	33 107	16 802	99.8%	50%
Roncadelle (Brescia), Le Rondinelle	1996		1998	Auchan, 76 units	32 095	13 657	98.1%	85%
Settimo Milanese, Settimo	1995	2003	1999	Coop, 30 units	11 107	9 459	97.8%	85%
Solbiate Olona, Le Betulle	2002	R 2006	2005	IPER, 22 units	17 321	4 257	100%	100%
Varese, Belforte	1988	E 2006	2002	IPER, 37 units	23 554	8 290	100%	50%
Vignate (Milan), Acquario center	2002		2003	Ipercoop, 55 units	35 918	20 057	100%	85%
Vittuone, El Destriero	2009		2009	IPER, 55 units	32 500	16 250	97%	50%
Marches								
Pesaro, Rossini Center	2000	R 2008	2002	IPER, 35 units	23 434	8 605	99.0%	50%
Piedmont								
Burolo (Turin)	1995		2002	Carrefour, 12 units	10 475	968	100%	83%
Collegno (Turin), La Certosa	2003		2003	Carrefour, 35 units	19 484	6 186	93.1%	100%
Moncalieri (Turin)	1998	R/E 2000 R 2009	2002	Carrefour, 29 units	12 795	7 293	94.6%	83%
Montecucco (Turin)	1989		2002	Carrefour, 11 units	9 669	1 122	100%	83%
Serravalle Scrivia, Serravalle	2003		2004	IPER, 28 units	19 067	8 023	90.9%	100%
Vercelli	1987		2002	Carrefour, 23 units	12 534	1 746	94.4%	83%
Apulia								
Bari, Viale Pasteur	1997	E 2002/ E 2007-2008	2003	Ipercoop, 24 units	16 535	4 867	92.5%	100%
Lecce, Cavallino	2001		2005	Conad Leclerc, 27 units	17 388	5 806	99.4%	100%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Tuscany								
Massa Carrara, Mare e Monti	1995	R 2007	2002	Carrefour, 44 units	17 465	7 246	100%	83%
Venezia								
Thiene (Vicenza)	1993		2002	Carrefour, 37 units	20 947	5 691	94.8%	83%
Verona, Le Corti Venete	2006		2008	IPER, 70 units	27 237	16 345	99.0%	50%

35 centers – 360 566 sq.m. rentable floor area – Financial occupancy rate: 97.6%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Greece								
Athens, Athinon	2002		2003	Carrefour, Sprider, 8 units	13 600	1 588	95.8%	83%
Larissa	1994	E 2002	2007	Carrefour, Ster Century cinema, bowling, 27 units	26 714	13 129	93.2%	100%
Patras	2002		2003	Carrefour, Kotsovolos, Intersport, 25 units	16 790	8 040	100%	83%
Thessalonica, Efkarpia	1995		2003	Carrefour, 14 units	12 212	802	94.4%	83%
Thessalonica, Makedonia	2000	R 2005	2001	Carrefour, Ster Century cinema, bowling, 36 units	26 772	13 722	99.4%	83%

5 centers – 37 280 sq.m. rentable floor area – Financial occupancy rate: 98.0%

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1. Il Leone di Lonato, Lonato, Italy
2. El Destriero, Vittuone, Italy

Iberia

76 centers – 419 125 sq.m. rentable floor area

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Spain								
Andalousia								
Almería	1987		2000	Carrefour, 28 units	15 346	990	99.2%	83%
Cordoue, Córdoba-Zahira	1977		2000	Carrefour, 17 units	10 608	944	91.2%	83%
Grenade	1990		2000	Carrefour, 31 units	19 642	2 024	87.6%	83%
Huelva	1985		2000	Carrefour, 21 units	16 490	1 602	96.3%	83%
Jerez de la Frontera-Cádiz, Jerez Norte	1997		2000	Carrefour, 46 units	23 886	6 950	100%	83%
Jerez de la Frontera-Cádiz, Jerez Sur	1989		2000	Carrefour, 34 units	24 169	3 330	89.5%	83%
La Línea de la Concepción, (North Gibraltar)-Cádiz, Gran Sur	1991	R/E 2007	2000	Carrefour, 58 units	31 530	7 457	84.7%	83%
Los Barrios (West Gibraltar)-Cádiz, Algeciras I	1980		2000	Carrefour, 30 units	16 852	1 748	100%	83%
Lucena	2002		2003	Carrefour, 17 units	10 000	784	82.5%	83%
Málaga, Los Patios	1975	R 2004	2000	Carrefour, 57 units	28 302	4 350	79.9%	83%
Málaga, Málaga I-Alameda	1987		2000	Carrefour, 37 units	22 171	7 550	96.4%	83%
Seville, Sevilla I-San Pablo	1979		2000	Carrefour, 34 units	21 180	2 404	95.4%	83%
Seville, Sevilla II-San Juan de Aznalfarache	1985		2001	Carrefour, 46 units	16 000	4 223	87.5%	83%
Seville, Sevilla III-Macarena	1992		2000	Carrefour, 30 units	18 363	1 883	92.3%	83%
Seville, Sevilla IV-Dos Hermanas	1993		2000	Carrefour, 22 units	15 744	1 465	90.3%	83%
Seville, Sevilla V-Montequinto	1999		2003	Carrefour, 18 units	11 000	879	88.4%	83%
Aragon								
Saragossa, Actur	1990		2000	Carrefour, 31 units	27 192	5 085	94.4%	83%
Saragossa, Augusta	1995		2000	Carrefour, 119 units	54 501	24 474	89.9%	83%
Asturias								
Albacete, Los Llanos	1990		2003	Carrefour, 40 units	19 724	5 574	73.7%	83%
Lugones, Azabache	1977		2003	Carrefour, 36units	16 600	4 304	94.5%	83%
Oviedo, Los Prados	2002		2003	Carrefour, 88 units, Yelmo Cineplex	39 200	24 699	84.5%	83%
Balearic Islands								
Palma de Mallorca, General Riera	1977		2000	Carrefour, 25 units	15 134	592	97.9%	83%
Basque Country								
Bilbao II- Sestao	1994		2000	Carrefour, 24 units	24 738	1 325	97.2%	83%
Oyarzun- San Sebastian	1979		2000	Carrefour, 19 units	19 132	745	85.7%	83%
Canary Islands								
Santa Cruz de Tenerife, Meridiano	2003		2003	Carrefour, 119 units, Yelmo Cineplex	44 650	27 319	95.7%	83%
Cantabria								
Santander, El Alisal	2004		2004	Carrefour, 37 units	25 338	14 463	97.1%	83%
Santander, Peñacastillo	1982		2001	Carrefour, 57 units	19 000	10 203	98.1%	83%
Torrelavega	1996		2000	Carrefour, 16 units	18 697	901	100%	83%
Castilla y leon								
León	1990		2003	Carrefour, 25 units	13 012	2 466	99.1%	83%
Salamanque	1989		2000	Carrefour, 15 units	16 534	794	100%	83%
Valladolid I, Parquesol	1981		2000	Carrefour, 32 units	20 200	3 221	100%	83%
Valladolid II	1995		2000	Carrefour, 22 units	24 133	3 388	71.9%	83%
Cataluña								
Cabrera del Mar (North Barcelona), Cabrera	1980		2000	Carrefour, 32 units	27 582	5 913	99.2%	83%
Lérida	1986		2000	Carrefour, 18 units	12 935	471	81.1%	83%
Reus (East Tarragona)	1991	R 2004	2000	Carrefour, 27 units	19 315	2 936	85.7%	83%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Tarragona	1975		2000	Carrefour, 19 units	22 661	1 199	100%	83%
Estremadura								
Badajoz, Granadilla	1990		2000	Carrefour, 20 units	19 386	889	100%	83%
Badajoz, Merida	1992		2000	Carrefour, 20 units	13 927	1 048	96.6%	83%
Badajoz, Valverde	1996		2000	Carrefour, 30 units	17 599	2 095	98.9%	83%
Badajoz, Villanueva de la Serena	1995		2000	Carrefour, 14 units	9 095	647	96.9%	83%
Cáceres	1993		2000	Carrefour, 17 units	18 967	1 436	95.4%	83%
Cáceres, Plasencia	1998		2000	Carrefour, 13 units	10 979	815	100%	83%
Galicia								
Lugo	1993		2000	Carrefour, 22 units	19 874	1 410	98.6%	83%
Orense	1995		2003	Carrefour, 21 units	10 539	1 034	98.4%	83%
Pontevedra	1998		2003	Carrefour, 21 units	10 600	1 094	95.8%	83%
Madrid								
Alcalá de Henares	2001		2001	Carrefour, 26 units	9 600	1 667	95.2%	83%
Alcobendas (North Madrid)	1982		2000	Carrefour, 49 units	25 632	3 570	100%	83%
El Pinar de Las Rozas (Northwest Madrid)	1981		2000	Carrefour, 37 units	24 779	2 177	95.3%	83%
Los Angeles	1992		2004	Carrefour, 51 units	17 782	6 972	92.9%	83%
Móstoles	1992		2000	Carrefour, 33 units	19 552	2 601	94.2%	83%
Pozuelo, Ciudad de la Imagen	1995		2000	Carrefour, 27 units	20 278	1 936	99.8%	83%
Rivas Vaciamadrid, Parque Rivas	1999		2002	Carrefour, 26 units	31 744	1 522	90.3%	83%
San Sebastian de Los Reyes	2001		2001	Carrefour, 23 units	12 600	1 455	98.9%	83%
Vallecas, La Gavia	2008		2008	Carrefour, IKEA, 176 units	94 285	47 578	96.8%	100%
Murcia								
Carthagène, Alfonso XIII	1988		2000	Carrefour, 23 units	25 665	1 129	97.8%	83%
Molina de Segura, Vega Plaza	2005		2006	Supercor, 97 units	16 043	10 654	80.6%	100%
Murcia, Zaraiche	1985		2000	Carrefour, 27 units	22 400	1 645	95.7%	83%
Valencia								
Alicante, Puerta de Alicante	2002		2002	Carrefour, 83 units, Yelmo Cineplex	34 500	20 812	88.8%	83%
Alzira (South Valenca)	1991		2000	Carrefour, 25 units	30 232	1 031	90.5%	83%
Castellón	1985		2000	Carrefour, 25 units	15 356	820	100%	83%
Costa Blanca-Alicante, Benidorm	1989		2000	Carrefour, 25 units	17 979	1 627	100%	83%
Elche	1983		2000	Carrefour, 18 units	14 167	798	100%	83%
Elda-Petrer, Alicante	1989		2001	Carrefour, 33 units	13 000	3 427	100%	83%
Gandía	1994		2000	Carrefour, 24 units	17 594	1 460	100%	83%
Sagunto	1989		2000	Carrefour, 15 units	12 130	981	99.3%	83%
Torrevieja	1994		2000	Carrefour, 20 units	16 129	1 094	100%	83%
Valence I, Alfafar	1976		2000	Carrefour, 45 units	32 070	6 989	97.6%	83%
Valence II, Campanar	1987		2000	Carrefour, 34 units	23 979	2 502	100%	83%
Valence III, Paterna	1979		2002	Carrefour, 22 units	11 486	1 016	92.2%	83%
Villarreal (West Castellon de la Plana)	1995		2000	Carrefour, 18 units	14 800	905	97.1%	83%
Vinaroz	2003		2003	Carrefour, 15 units	10 000	868	100%	100%

71 centers – 326 358 sq.m. rentable floor area – Financial occupancy rate: 92.9%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Portugal								
Braga, Minho Center	1996		2006	Continente, Toys'R'Us, 68 units	30 531	9 604	87.6%	100%
Gondomar, Parque Nascente	2003		2003	Jumbo, Leroy Merlin, Mediamarkt, Primark, 162 units	63 501	46 997	88.0%	100%
Loures	2002		2002	Continente, Aki, Décathlon, 71 units	36 000	17 370	91.7%	100%
Telheiras	1990		2003	Continente, Aki, 33 units	40 888	13 617	100%	100%
Vila Nova de Gaia, Gaia	1990		2003	Continente, Babou, 34 units	21 909	5 179	61.9%	100%

5 centers – 92 767 sq.m. rentable floor area – Financial occupancy rate: 88.9%

Central Europe
23 centers – 425 655 sq.m. rentable floor area

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Poland								
Krakow, Krakow Plaza	2001	R 2008	2005	Carrefour, Cinema City, Fantasy Park, 137 units	30 426	30 426	87.5%	100%
Lublin, Lublin Plaza	2007		2007	Stokrotka, Cinema City, Fantasy Park, H&M, Reserved, Carry Smyk, Bialystok Plaza, 128 units	25 691	25 691	99.7%	100%
Poznan, Poznan Plaza	2005		2005	Piotr i Paweł, Cinema City, Fantasy Park, Zara, H&M, Reserved, 138 units	29 512	29 512	98.4%	100%
Ruda Slaska, Ruda Slaska Plaza	2001	R 2008	2005	Carrefour, Cinema City, Fantasy Park, 60 units	14 454	14 454	94.0%	100%
Rybnik, Rybnik Plaza	2007		2007	Stokrotka, Cinema City, Fantasy Park, H&M, EURO AGD, Reserved, 84 units	18 057	18 057	99.3%	100%
Sosnowiec, Sosnowiec Plaza	2007		2007	Stokrotka, Cinema City, Fantasy Park, C&A, 80 units	13 126	12 126	97.9%	100%
Warszawa, Sadyba Best Mall	2000		2005	Carrefour, Cinema City, Fantasy Park, 108 units	27 423	27 423	99.7%	100%

7 centers – 157 689 sq.m. rentable floor area – Financial occupancy rate: 97.0%

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Hungary								
Budapest, Csepsel Plaza	1997		2004	Match, Merkur Spilothek, 90 units	13 832	13 760	92.2%	100%
Budapest, Duna Plaza	1996	R 2002	2004	Match, Media Saturn, Palace Cinema, 198 units	36 904	35 259	93.4%	100%
Debrecen, Debrecen Plaza	1999		2004	Match, Cinema City, 97 units	14 672	14 474	96.8%	100%
Gyor, Gyor Plaza	1998		2004	Match, Cinema City, 95 units	15 424	15 294	90.2%	100%
Kaposvar, Kaposvar Plaza	2000	E 2008	2004	Match, Hervis, Palace Cinema, 60 units	10 121	10 048	94.5%	100%
Miskolc, Miskolc Plaza	2000		2004	C&A, Cinema City, 113 units	14 745	14 663	97.8%	100%
Nagykanizsa, Kanizsa Plaza	2000		2004	CBA, Palace Cinema, Jysk, 44 units	7 526	7 552	92.2%	100%
Nyiregyhaza, Nyir Plaza	2000		2004	Cinema City, CBA, 88 units	13 904	13 835	83.9%	100%
Szeged, Szeged Plaza	2000		2004	CBA, Cinema City, Hervis, 91 units	16 630	16 163	96.7%	100%
Székesfehérvar, Alba Plaza	1999		2004	C&A, Hervis, Cinema City, 93 units	15 324	15 267	93.3%	100%
Szolnok, Szolnok Plaza	2001		2004	Spar, Hervis, Cinema City, 45 units	6 993	6 911	97.6%	100%
Zalaegerszeg, Zala Plaza	2001		2004	Cinema City, CBA, 53 units	7 444	7 193	88.7%	100%

12 centers – 170 419 sq.m. rentable floor area – Financial occupancy rate: 93.2%

City, center	Creation	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Czech Republic								
Plzeň, Plzeň Plaza	2007		2008	Cinema City, Fantasy Park, Supermarket Albert, Hervis Sport, Reserved, Esprit, 108 units	19 994	19 994	93.9%	100%
Prague, Novo Dvorska Plaza	2006		2006	Tesco, Fantasy Park, 122 units	26 998	26 998	85.7%	100%
Prague, Novy Smichov	2001		2003	C&A, Palace Cinemas, H&M, ZARA, M&S, 155 units	57 107	38 379	100%	100%

3 centers – 85 371 sq.m. rentable floor area – Financial occupancy rate: 96.4%

City, center	Creation	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Slovakia								
Bratislava, Danubia	2000		2001	Carrefour, Nay, 45 units	25 976	12 176	97.5%	100%

1 center – 12 176 sq.m. rentable floor area – Financial occupancy rate: 100%

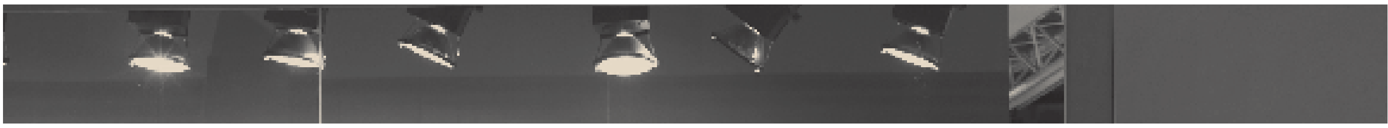
Lublin Plaza, Lublin, Poland

Retail properties, as of December 31, 2009

Asset name/Retailer	Localisation	Composition	GLA*
Buffalo Grill	Throughout France	157 Buffalo Grill restaurants	89 008
Vivarte	Throughout France	97 assets, including: • 83 Défi Mode retail stores • 3 La Halle retail stores • 11 La Halle aux Chaussures retail stores	95 880
King Jouet	Throughout France	29 assets, including: • 28 King Jouet retail stores • 1 Joupi retail stores	24 590
Mondial Moquette	Throughout France	10 Mondial Moquette retail stores	9 619
Chalon Sud 2	Chalon-sur-Saône	1 retail park of 8 units: Boulanger, Top Office, GrandOptical, MaxiZoo, Tati, Milonga, Les Relais de la Fête, Passage Bleu	10 000
Paris Flandre	Paris 19th	Property leased to Castorama	7 887
Rouen Candé	Rouen	8 stores operated by various retailers: Devernois, Mod's Hair, La Poste, Marionnaud, Eurodif...	2 705
Sephora	Metz and Avignon	2 Sephora retail stores	1 177
Sundry retail properties	Throughout France	40 stores including : • 5 Chausséa retail stores • 3 Feu Vert retail stores • 3 Heytens retail stores • 3 Leader Price supermarkets • 2 Animalis retail stores • 2 Gémo retail stores • 2 Générale d'Optique retail stores • 20 assets, including: 1001 Idées, Valor, L'Univers du Sommeil, Twinner, The Phone House, Orchestra, Mobalpa, Malin Plaisir, Les Couleurs du Temps, Kiloutou, GP Décors, Ed, La Compagnie du Lit, Célio, Casa, Casino Cafétéria, Bureau Center, Blue Box, Autour de bébé, Aubert	32 511
TOTAL	Throughout France	345 assets	273 378

Office properties, as of December 31, 2009

City	Location	Description	Surface area
Paris			
Paris [8th]	23/25, rue de Marignan 38, rue Marbeuf	A prestigious complex composed of three cut-stone buildings. Completely restructured in 1999. This complex offers high-quality amenities (air-conditioning, elevated flooring, parking on two levels).	8 489 sq.m.
Paris [8th]	36, rue Marbeuf	Building with seven floors above ground and four floors below, built in the 1970s (air-conditionning, parking on two levels). Acquired in 2001.	3 326 sq.m.
Paris [9th]	7, rue Meyerbeer	Haussmanian style building in the heart of the quartier de l'Opéra, 2 below-ground levels of retail and office space.	4 189 sq.m.
Paris [12th]	5 bis, bd Diderot	Built in 1990, the building has seven stories plus two floors below. Air-conditioning was installed in 1999.	7 028 sq.m.
Paris [15th]	141, rue de Javel	Complex comprised of two buildings of seven and five stories respectively, plus two floors below ground. Completed in 1993, it is fully air-conditioned.	5 969 sq.m.
Paris [15th]	43, quai de Grenelle	Built in 1969 and renovated in 1995. Fully air-conditioned.	12 433 sq.m.
Paris [15th]	1, bd Victor - Le Barjac	Building with seven floors above ground plus four floors below, with an inter-company restaurant. Completed in 1993, this building offers quality facility management services. Acquired in 2001.	7 317 sq.m.
Paris [16th]	21, rue La Pérouse	A beautiful, five-story building plus three floors below ground. Entirely restructured in 1999.	2 076 sq.m.
Paris [16th]	21, avenue Kléber	Near the Etoile, this five-story building (plus basement) erected in 1990 was partly restructured in 1999.	1 933 sq.m.
1st crown			
Boulogne [92]	9/9 bis, rue Henri Martin Les Jardins des Princes	Complex of two buildings of two and six stories plus two floors below. Built in 1996 and fully air-conditioned. Acquired in 2001.	3 702 sq.m.
Issy-les-Moulineaux [92]	46, rue Camille Desmoulins ZAC Forum Seine	Two buildings of seven stories with four floors below ground. Delivered on December 6, 2002 and June 8, 2004.	17 038 sq.m.
Issy-les-Moulineaux [92]	32, rue Galliéni	Completed in April 2009, Séreinis combines contemporary architecture and optimum comfort. Designed in line with the principles of sustainable development, this building is eligible for HQE® Operation certification.	12 000 sq.m.
La Défense [92]	Collines de l'Arche	Undivided ownership terms (30.44%), nine stories plus four floors below ground. Built in 1990.	2 572 sq.m.
Levallois [92]	11/11 bis, place du Général-Leclerc	Located 100 meters from the town hall, this seven-story building with four additional floors below ground was completed in 1997.	5 833 sq.m.
Levallois [92]	105, rue Anatole France	Built in 1992. Seven stories plus four floors below ground. Air-conditioned. Under undivided ownership terms (50%).	3 127 sq.m.
Neuilly [92]	192, avenue Charles-de-Gaulle	Recently built luxury condominium complex featuring modern facilites in a joint ownership with the angle of the Bridge of Neuilly.	13 517 sq.m.



Financial Report

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Management report

Executive Board management report

Supervisory Board meeting of February 5, 2010 relative to fiscal year 2009

A. Economic environment (1)

I. Economic environment

(OECD – November 19, 2009)

- The effects of government stimulus packages, the monetization policies that were rolled out by the central banks of the world's major economies, and the general improvement in financing conditions combined to pull most of the industrialized economies out of recession. Accordingly, economic analysts revised their forecasts during the 2nd half of 2009, estimating that GDP would contract in the Eurozone by 4.0% for all of 2009, as opposed to the initial projection of -4.8% made before the summer.
  - This trend is being confirmed in all of the countries in which Klépierre operates, with the exception of the Czech Republic, Slovakia and more particularly Hungary. In Central Europe, Poland is an exception, with a GDP growth projection of +1.4% for 2009.
- The recovery observed in the course of the 4th quarter will gradually consolidate in 2010, but will remain moderate (+0.9% for the Eurozone as a whole) and mixed, depending on the country.
- Consumer spending is only expected to increase moderately, however (lagging impact on the improvement in employment, end of extraordinary measures, in particular).

Growth forecasts for 2010

France/Belgium		Scandinavia			Italy/Greece		Iberia		Central Europe			
France	Belgium	Norway	Sweden	Denmark	Italy	Greece	Spain	Portugal	Poland	Hungary	Czech Republic	Slovakia
+ 1.4%	+ 0.8%	+ 1.3%	+ 2.0%	+ 1.3%	+ 1.1%	- 0.7%	- 0.3%	+ 0.8%	+ 2.5%	- 1.0%	+ 2.0%	+ 2.0%

II. Aggregate retail revenue trends

(January through November 2009) (2)

France/ Belgium	Scandinavia	Italy/Greece	Iberia	Central Europe	Total
- 1.9%	+ 0.5%	- 0.1%	- 7.9%	- 5.1%	**- 1.6%**

- Aggregated over the first 11 months of the year, sales revenue generated by Group mall tenants **were down by 1.6% compared with a comparable period the prior year. The annual aggregate improved slightly in the last three months for which figures are available** (compared with -1.9% through August).
  - In Scandinavia, after sliding by 0.2% over the first 8 months of the year, the annual aggregate through November had moved back into positive territory (+0.5%) thanks to the excellent performance of Norway (+1.5%) and Sweden (+0.1%);
  - A marked improvement was also observed for the France/Belgium region (-1.9% versus -2.7%);
  - Quasi-stability for Italy/Greece;
  - Steeper slide for Iberia and Central Europe; and while sales growth was maintained for Poland, this was not enough to offset the decline observed in other countries.
- The Beauty/Health segment rose compared with 2008 (+1.5%). The other major segments showed a decline: Personal products (-2.9%), Restaurants (-2.6%) and Culture/Gifts/Leisure (-2.4%). The Personal products segment in particular was penalized by unusually clement weather in October and November, which hurt new winter collections. The Household goods segment continues to see the biggest decline (-3.3%), even though revenues showed some improvement in the 4th quarter.

France (through December)/Belgium

- In **France, the month of December (-0.5%) confirmed the business recovery for the 4th quarter of 2009: over one year, mall sales were down by 2.3%.** If the impact of the closure of the BHV in Créteil (June 08) is eliminated, then the decline is only 1.8%.
- The hypermarket malls, which posted the best performances in prior years, continued to outperform other formats (-2.1%) such as regional centers or downtown locations (-2.4%).
- The trends per sector observed for the entire portfolio of holdings were identical for France: Beauty/Health (+1.8%), Culture/Gifts/Leisure (-2.6%), Household goods (-2.3%), Personal products (-1.6%), Restaurants (-1.2%).
- In Belgium, the rise in sales revenues reported by the Louvain-la-Neuve center was consistent with the rise in visitors (+8.8%).

Scandinavia

- **The rise in sales was driven by Norway, the country in which the Group has the most holdings in Scandinavia** (18 of the 30 Scandinavian shopping centers): **confirmation and acceleration** in the trend toward higher revenues observed over the first 8 months of the year (+1.5% through November compared with +1.1% through August).
- The resilience of centers such as Allum (the largest of the Group's shopping centers in Sweden) and Familia, in particular, lifted the sales of **centers located in Sweden** back into positive territory (+0.1% versus -1.2%).
- The decline was less marked in Denmark (-2.4% versus -2.9%): higher sales at Bruun's Galleri and at Bryggen (downtown locations) attenuated the impact of lower revenues for retailers in the regional shopping center Field's.

(1) Source: OECD – November 19, 2009
(2) The data are through 12/30/2009 for all countries except France and Italy (through 12/31/2009) and are expressed on a constant portfolio basis.

Italy/Greece

- **The very substantial rise in sales for malls in Italy during the month of December** (+4.1% compared with December 2008) helped to boost the resilience of the country's shopping centers in a difficult economic context (the decline in GDP is expected to reach -4.8% in 2009): for the year as a whole, sales revenue is up by 0.1% despite the drop in sales of Personal products related to weather conditions.
- Trends remain mixed from one country to the next: the centers located in northern regions (which represent most of the Group's holdings in Italy) performed much better, like the IGC malls (+8.7% through December 2009 versus December 2008), as well as Lonato and Verona (Clivia holdings, +3.4% over the same period).
- In Greece, business was mainly driven by the mid-sized retailers, which showed sales growth through December 2009 compared with one year earlier. Aggregated for 2009 from January, only Patras (+1.8%) reported positive sales growth. Revenues for other centers fell, in particular Larissa (problems in its recreational and entertainment area).

Iberia

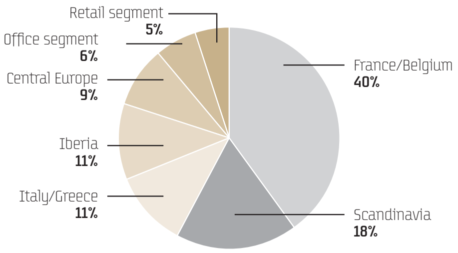
- In **Spain**, the extremely difficult economic situation continues to severely penalize household spending. The decline in sales revenue for the first 11 months of the year was nonetheless **less marked for the malls attached to hypermarkets** (-6.4%) than for the regional shopping centers (-13.4%). The La Gavia mall (Vallecas-Madrid) surpassed its annual visitor target, attracting 9.5 million patrons in 2009, which brings the total since it was inaugurated in November 2008 to more than 11 million.
- The revenues generated by the Portuguese malls continue to be penalized by the problems facing mid-size retailers specializing in household goods, which represent more than a third of total sales. The opening of a mid-sized Primark store in early December at Parque Nascente should boost the center's patronage level (the increase for the month of December was an estimated 20%).

Central Europe

- **The performance for the first 11 months of 2009 was positive for all Polish shopping centers** (+1.4%) except Poznan (-10.2%), which is facing an intense competitive context. The results for Krakow Plaza (+6.0%) could also be penalized in the months ahead by the opening of the Bonarka center, which is expected to provide competition in the Krakow area.
- **The decline in mall revenues from Hungarian properties through November was identical to the August reading** (-11.9%).
- After a significant fall in sales revenue in the month of November, the Czech shopping centers sales posted a 5.7% decline for the year to date through November.
- The decline in sales revenue for the Danubia center (Bratislava, Slovakia) reflects the broader domestic decline in consumption since the euro was adopted as the country's currency.

B. Rental business

Breakdown in rents by region/activity through 12/31/2009



I. Shopping center segment (89.5% of consolidated rents)

12/31/2009	Change in retailers revenues (1)	Rents (million euros) 2009	Rents (million euros) 2008	Change on a current portfolio basis	Change on a constant portfolio basis, excluding forex (2)	Financial occupancy rate 2009	Financial occupancy rate 2008	Late payment rate (3) 2009	Late payment rate (3) 2008
France/Belgium	- 1.9%	348.7	312.6	11.6%	5.0%	99.0%	98.4%	0.5%	0.4%
Scandinavia	+ 0.5%	160.3	37.9	N/A	*2.7%* (4)	97.2%	97.4%	0.6%	0.5%
Italy/Greece	- 0.1%	100.3	97.5	2.9%	0.8%	97.7%	98.3%	2.2%	1.7%
Iberia	- 7.9%	96.7	88.6	9.1%	- 4.1%	92.1%	95.0%	2.2%	0.9%
Central Europe	- 5.1%	81.5	83.6	- 2.5%	- 4.5%	95.5%	96.9%	2.9%	1.8%
Total	**- 1.6%**	**787.4**	**620.1**	**27.0%**	**1.4%** (5)	**97.3%**	**97.5%**	**1.2%**	**0.9%**

(1) Changes in revenues for France and Italy refer to Dec 09/Dec 08; Nov 09/Nov 08 for the other countries.
(2) The changes on a constant portfolio and current exchange rate basis are -2.5% for Scandinavia, -5.0% for Central Europe and 1.4% for the entire portfolio of shopping center properties (excluding Scandinavia).
(3) 6-months rate.
(4) Change calculated over one year is indicative, the acquisition of Steen & Strøm having been completed on 10/08/2008.
(5) Constant scope, i.e. except Scandinavia (acquisition on 10/08/2008).

- **Confirmation of the resilience of malls located in the Group's principal countries:**
  - **France, Belgium, Scandinavia, Italy, Poland, Czech Republic** together provide 74.4% of consolidated rents (and 83.2% of total shopping center segment rents).
- **The situation was more contrasted in Iberia and Central Europe.**
- **External growth** was significant, boosted in particular by the full-year impact of the acquisition of Steen & Strøm, which was completed on October 8, 2008.
- On a constant portfolio basis, the 1.4% increase should be analyzed in light of the average impact of index-linked adjustments of 3.4%, and is attributable to:
  - One-off rent concessions for a total of 9.3 million euros (which is less than 1.2% of consolidated rents and growth of 1.6% on a constant portfolio basis over the period), including 3.5 million euros in Spain and 1.2 million euros in Hungary;
  - The slight decrease in the occupancy rate and the decline in variable rents, which account for just 1.3% of total rents in 2009 (versus 2.3% one year earlier);
  - The late payment rate remains low (1.2%), and the financial occupancy rate high (97.3%), at a level that is close to that observed for the year ended 12/31/2008;
  - On a constant portfolio basis and excluding forex impacts, rents stabilized during the 4th quarter, compared to the 3rd one.

- The Klépierre-Ségécé teams continued to focus all of their energies on attentively managing the situation of tenants, in order to maintain high occupancy levels and keep revenues high:
  - Adaptation of the retail mix to include more promising concepts;
  - Disciplined policy of lowering expenses;
  - Stepped-up marketing initiatives aimed at attracting more visitors to the centers.

1. France/Belgium (39.6% of consolidated rents)

The decline in retail tenant sales revenue, although it was not as marked at the end of 2009, did not have a major impact on the region's performances, which managed to maintain excellent readings on key indicators: sustained growth in rents on a constant portfolio basis, **occupancy rate on the rise, late payment rate at a very low level.**
This resilience is also reflected in the opening of new centers or extensions to existing ones that occurred during the year, a factor that positively impacts total rents.

12/31/2009	Change in retailers revenues	Rents (million euros)		Change on a current portfolio basis	Change on a constant portfolio basis (3)	Financial occupancy rate (3)		Late payment rate (1) (3)	
		2009	2008			2009	2008	2009	2008
France	- 2.3% (2)	334.4	299.3	11.7%	5.0%	99.1%	98.3%	0.5%	0.4%
Belgium	8.8%	14.3	13.3	7.5%	6.2%	97.5%	99.5%	2.1%	1.1%
Total	**- 1.9%**	**348.7**	**312.6**	**11.6%**	**5.0%**	**99.0%**	**98.4%**	**0.5%**	**0.4%**

(1) 6-months rate.
(2) Change over 12 months; the decline would have been limited to 1.8% without the impact of the closure of the BHV at Créteil Soleil.
(3) Data do not include UGC cinemas (Louvain-la-Neuve).

1.1. France (38.0% of consolidated rents)

- On a current portfolio basis, the sharp rise in rents is primarily attributable to the following items: the acquisition in October 2008 of the Drancy Avenir mall (+3.4 million euros) and several projects completed in 2009. They include the extension/renovation of Toulouse-Blagnac (+4.7 million euros), the extensions finished in 2009 at Val d'Europe (+2.2 million euros), and the opening in September of the Odysseum center in Montpellier (+1.6 million euros).
- On a constant basis, the performance is attributable to:
  - The 5.0% impact of index-linked adjustments; 71% of leases in value terms were indexed to the ILC* index for the 2nd quarter of 2008 (+3.85% yoy); the rest were indexed to the ICC* for the 2nd quarter of 2008 (+8.85% yoy);
  - In terms of rental reversion, in addition to the impact of transactions in 2008, 186 relets and 205 lease renewals were completed in 2009 (for a global rental gain of 3.9 million euros, +16.9%), and 12 lease-ups were carried out (+1.5 million euros);
  - Conversely, additional variable rents (1.6% of shopping center rents in France on 12/31/2009) decreased by 1.6 million euros, primarily due to the strong index-linked adjustments, to a lesser degree, to the decline in sales revenue for some tenants in 2009 (-0.5 million euros);
  - The slight increase in the late payment rate was confined to certain tenants.
- The increase in the financial occupancy rate was mainly due to the following retail restructuring projects:
  - The change in tenant mix for the space previously occupied by PC City to New Look, covering 2 920 sq.m. at Créteil-Soleil;
  - The reconfiguration of the space occupied by Planet Saturn at Lomme was accompanied by the restructuring of the mall.

1.2. Belgium (1.6% of consolidated rents)

- The very sharp rise in rents was driven by rental reversion at the Louvain-la-Neuve shopping center and, to a lesser extent, the impact of indexation (+0.5%).

2. Scandinavia (18.2% of consolidated rents)

Acquired in 2008, the Scandinavian shopping centers showed the highest resilience in 2009, not only in terms of their commercial performances (sales revenue rose by 0.5% Nov 09/Nov 08) but also in terms of rental growth (on a constant portfolio basis). Among the most noteworthy was **Norway** (where 18 of the 30 shopping centers in the region are located and which produces 51.0% of total Scandinavian rents).

12/31/2009	Change in retailers revenues	Rents (million euros)		Change on a current portfolio basis	Change on a constant portfolio basis, excluding forex (1)	Financial occupancy rate		Late payment rate (2)	
		2009	2008			2009	2008	2009	2008
Norway	1.5%	80.9	17.2	N/A	4.7%	98.6%	97.8%	0.4%	0.6%
Sweden	0.1%	41.9	9.4	N/A	1.9%	96.3%	97.0%	0.5%	0.5%
Denmark	- 2.4%	37.5	11.3	N/A	0.0%	95.0%	97.0%	1.4%	0.4%
Total	**0.5%**	**160.3**	**37.9**	**N/A**	**2.7%**	**97.2%**	**97.4%**	**0.6%**	**0.5%**

(1) Change calculated over one year is indicative, the acquisition of Steen & Strøm having been completed on 10/08/2008.
(2) 6-months rate.

2.1. Norway (9.2% of consolidated rents)

- The very satisfactory performance of the Norwegian centers is attributable to the following factors:
  - Strong index-linked adjustment (impact of +5.2%);
  - The solid results of Økern (Oslo; +8.9% on a constant portfolio basis), as well as Amanda (in the southwest of Norway; +7.0%) and Åsane (Bergen; +7.8%);
  - A high number of rental reversions conducted in 2009: 131 leases renewed and 64 changes in tenant mix for a rental gain of 2 million euros (+25.6%);
  - These impacts were partially offset by the rise in vacancy reported by the Lillestrøm (in the northwest of Oslo) and Markedet (in the southwest of the country) centers;
  - The June 2009 opening of the 4th phase of the Gulskogen extension (Dramen), a project that is expected to end in November 2010, and the completion the same month of the last phase of the Metro extension (Oslo; +4 200 sq.m.), with a cumulative impact of +0.9 million euros. Thanks to the completion of these projects, the revenues of the centers rose sharply: Gulskogen, +16,2%; Metro, +41.9%, through the first 11 months of the year.

2.2. Sweden (4.8% of consolidated rents)

- The principal factors behind the increase in rents from Sweden are sumarized below:
  - Index-linked rent adjustments (impact of +4.0%);
  - The solid performances posted at Allum (the largest center in the Swedish portfolio, located in Göteborg);
  - Rental management efforts: the reversion campaigns carried out in 2009 led to 82 lease renewals and 39 relets, for a total rental gain of 0.7 million euros (+14.0%);
  - The August opening of the Marieberg extension had a significant impact on the rise in retail tenant revenues (+23.6% over the first 11 months of the year).
- The rise in vacancy was limited to the Etage and Familia centers (in the region around Göteborg); these two centers saw rents decline by 0.3 million euros (impact of variable rents).

2.3. Denmark (4.3% of consolidated rents)

- The resilience of Denmark was related to:
  - The rise in patronage at Bruun's Galleri (Arhus), which was accompanied by a rise in rents (+5.0%) and parking lot revenues;
  - The lease renewal campaigns: specifically, 14 changes in tenant mix have been completed since the beginning of the year (0.1 million euros or +17.6%);
  - The impact of index-linked rent adjustments (+1.6 million euros or 3.3%).
- The decline in revenues for some retail tenants resulted in temporary lease concessions: 2.2 million euros in one-off rent reductions, in particular for Field's.

3. Italy/Greece (11.4% of consolidated rents)

Northern Italy (where the Group reinforced its positions at year-end by acquiring an additional 21.3% interest in IGC) **made a strong contribution to the Group's resilient performances in this region throughout 2009.**

12/31/2009	Change in retailers revenues	Rents (million euros)		Change on a current portflio basis	Change on a constant portfolio basis	Financial occupancy rate		Late payment rate (1)	
		2009	2008			2009	2008	2009	2008
Italy (2)	0.1% (3)	92.7	89.5	3.6%	1.3%	97.6%	98.4%	1.9%	1.6%
Greece	- 8.6%	7.6	8.0	- 4.5%	- 4.5%	98.0%	96.7%	4.8%	3.6%
Total	**- 0.1%**	**100.3**	**97.5**	**2.9%**	**0.8%**	**97.7%**	**98.3%**	**2.2%**	**1.7%**

(1) 6-months rate.
(2) Indicators excluding La Romanina (extension work in 2009).
(3) Change over 12 months.

3.1. Italy (10.5% of consolidated rents)

- External growth reflects:
  - The acquisition of Lonato and Verona (+1.6 million euros) – Northern Italy – which posted excellent retail performances (sales revenue up by 3.4% for the year), as well as the acquisition of Vittuone (west of Milan) in October;
  - The contribution of the 9 additional of the IGC portfolio;
  - The extension/renovation of La Romanina, inaugurated on December 15, 2009 (+0.4 million euros).
- On a constant portfolio basis, the increase in rents is attributable to the combined effect of the following factors:
  - The impact of index-linked adjustments was +1.6%.
  - Rental reversions remain oriented to the upside: in 2009, 35 leases were renewed and 36 relets were signed (for a global rental gain of 0.4 million euros, +10.8%), plus 5 new lease-ups (+0.2 million euros).
  - The malls located in the northern part of the country posted good performances, including Rondinelle-Brescia (success of the relet/renewal campaigns) and Pesaro-Rossini (numerous lease-ups following the delivery of business licenses); conversely, properties in the southern part of the country were less resilient, and rent concessions were granted temporarily granted to offer relief to tenants (0.9 million euros since the beginning of the year);
  - The rise in vacancy (impact: - 1.0 million euros) concerns the Serravalle, Tor Vergata, and Capodrise centers. The two latter also have the highest rate of late payment.

3.2. Greece (0.9% of consolidated rents)

- The change in rents reflects:
  - The average impact of index-linked adjustments (+1.96%);
  - Difficulties encountered in the leisure/restaurant areas at Makedonia and Larissa.

4. Iberia (11.0% of consolidated rents)

In Spain, the principal country of the region, the Group continues to benefit from the property mix in its portfolio, which is mainly comprised of hypermarket malls (61 centers out of 71). The resilience of these convenience malls offset the impact of the efforts made to support the appeal of regional centers.

12/31/2009	Change in retailers revenues	Rents (million euros)		Change on a current portfolio basis	Change on a constant portfolio basis	Financial occupancy rate		Late payment rate (1)	
		2009	2008			2009	2008	2009	2008
Spain	- 9.4%	79.2	69.6	13.7%	- 3.5%	92.9%	95.8%	2.3%	0.4%
Portugal	- 3.3%	17.5	18.9	- 7.5%	- 6.2%	88.9%	92.0%	2.0%	2.4%
Total	**- 7.9%**	**96.7**	**88.6**	**9.1%**	**- 4.1%**	**92.1%**	**95.0%**	**2.2%**	**0.9%**

(1) 6-month rate.

4.1. Spain (9.0% of consolidated rents)

- External growth was driven by the contribution of the La Gavia center (+12.0 million euros), which is the largest retail hub in Madrid. It has attracted more than 11 million visitors since it opened in November 2008.
- On a constant portfolio basis, the change in rents reflects the combined impact of the following items:
  - Index-linked rent adjustments (+1.2%);
  - The positive impact of the rental reversions carried out in 2008 and 2009: since the beginning of the year, 89 relets and 216 lease renewals have been completed (for a rental gain of 0.4 million euros globally, +4.8%). 21 lease-ups were conducted (+0.6 million euros);
  - The hypermarket malls (61 centers) are proving to be more resilient than the regional centers (10 centers), which have been harder hit by the economic slowdown and the need for one-off concessions (3.5 million euros) to maintain their appeal and the variety of their retail mix;
  - The decline in the financial occupancy rate represents a loss of rent totaling 1.4 million euros, of which 0.5 million euros corresponds to the departure of Àbaco cinemas from the Valladolid 2 and Albacete los Llanos malls. The rest mainly concerns the Zaragoza Augusta, Puerta de Alicante and Albacete los Llanos regional centers.

4.2. Portugal (2.0% of consolidated rents)

- Following the restructuring project carried out at Parque Nascente, a 4 000 sq.m. Primark store opened in early December. That is the second location for the retailer in Portugal.
- Despite an average impact of index-linked adjustments of 1.1%, the decline in rents on a constant portfolio basis is attributable to a combination of higher vacancy (impact of -1.0 million euros) and rent concessions granted in 2009 (0.7 million euros), principally to tenants at Parque Nascente, Loures and Braga.
- 53 leases were renewed and 31 relets were concluded (-0.1 million euros or -3.3%) in 2009; 4 relets were signed for rent of 0.3 million euros.

5. Central Europe (9.3% of consolidated rents)

For 2009, performances in Central Europe were mixed: for Poland, the Czech Republic and Slovakia (which together account for 70% of the region's rents) results were good, while Hungary is facing a particularly difficult economic environment.

12/31/2009	Change in retailers revenues	Rents (million euros)		Change on a current portfolio basis (1)	Change on a constant portfolio basis	Financial occupancy rate		Late payment rate (2)	
		2009	2008			2009	2008	2009	2008
Poland	1.4%	33.2	33.8	- 1.8%	1.1%	97.0%	98.1%	2.4%	2.2%
Hungary	- 11.9%	26.4	31.3	- 15.7%	- 16.2%	93.2%	96.2%	3.5%	0.4%
Czech Republic	- 5.7%	20.1	16.8	19.5%	6.5%	96.4%	95.9%	2.3%	3.0%
Slovakia	- 19.8%	1.8	1.7	7.5%	7.5%	97.5%	97.9%	8.0%	9.4%
Total	**- 5,1%**	**81,5**	**83,6**	**- 2,5%**	**- 4,5%**	**95,5%**	**96,9%**	**2,9%**	**1,8%**

(1) The change in scope applies to the Czech Republic only (Plzeň). On a constant portfolio basis and including forex impact, Czech rents grew by 6.0%.
(2) 6-months rate.

5.1. Poland (3.8% of consolidated rents)

- On a constant exchange rate and portfolio basis, rents collected in 2009 were up compared with 2008, reflecting the positive impact of index-linked adjustments (+2.0%, 89% of all leases are indexed to the European HICP[1] for January 1, 2009).
- The main impact of the depreciation of the zloty versus the euro (the annual average parity was down by 23% compared with 2008) was a decline in variable rents (calculated on revenues that are stated in zlotys). However, the trend was reversed during the year, such that the 2009 year-end parity was stable compared with December 31, 2008.
- Rental reversions carried out at Poznan and Sadyba made of positive contribution to the performance of the country. The difficulties encountered at Krakow in light of the competitive context continue to have an adverse impact on rents. A retail restructuring is being considered to make the center more competitive.
- In 2009, 26 leases were renewed and 30 relets were signed (-0.2 million euros or –9.6%) the loss is mainly concentrated at Krakow; 4 lease-ups were completed (+31 thousand euros).
- One-off abatements totaling 0.5 million euros were granted to tenants in 2009.

5.2. Hungary (3.0% of consolidated rents)

- The current economic situation continues to have a significant impact on rents, partly offset by the positive impact of index-linked adjustments (+1.0%).
- Against this specific backdrop, the Group decided in 2009 to take the measures required to safeguard the solvency of its tenants and, by so doing, contain the rise in the vacancy and late payment rates: one-off concessions granted in 2009 came to 1.2 million euros.
- Rental management transactions were stepped up in 2009:
  - A total of 36 lease-ups were completed (+0.4 million euros), which reduced the loss consecutive to 181 lease renewals and 136 relets completed in 2009 (-0.9 million euros or –10.2%).
  - A clause removing the cap on expenses that cannot be re-invoiced to tenants was added to new leases with the aim of achieving lease convergence at the Group level: this will have a positive impact on net rents.

5.3. Czech Republic (2.3% of consolidated rents)

- On a constant exchange rate and portfolio basis, rents rose by 6.5% (of which 3.1% related to index-linked rent adjustments), driven primarily by the Novy Smichov center (70% of the rents provided by the Czech Republic, or 12.6 million euros) and lease-ups on vacant spaces at Novo Plaza.
- On a current scope basis, rents got a boost from the acquisition of Plzen (+4.7 million euros) in July of 2008.
- 19 relets and 10 lease renewals (+0.3 million euros, or +15.8%) and 4 lease-ups were completed in 2009 (+0.2 million euros).

5.4. Slovakia (0.2% of consolidated rents)

- Rental growth for Danubia is related to lease amendments to the upside and the positive impact of index-linked adjustments (+3.1%).

(1) HICP: Harmonized Index of Consumer Prices.

II. Retail segment – Klémurs (4.8% of consolidated rents)

- On a constant portfolio basis, rents from the retail segment increased, reflecting:
  - The impact of index-linked adjustments (+7.2% on average);
  - Several rental reversion transactions with significant upside. The major one was the reletting of the space at Rue de Flandre (Paris 19th) to Castorama, effective as of June 1, 2009.
  - A decrease in additional variable rents (0.5 million euros), as the strong index-linked adjustments to minimum guaranteed rents partly absorbed them.
- On a current portfolio basis, the substantial rise also included the impact of:
  - The contribution of acquisitions made in 2008-2009 (+6.4 million euros);
  - The opening in 3rd quarter 2009 of the Chalon Sud 2 retail park (+0.6 million euros).

12/31/2009	Rents (million euros)		Change on a constant basis	Change on a current portfolio basis	Financial occupancy rate		Late payment rate	
	2009	2008			2009	2008	2009	2008
Retail-Klémurs	42.8	33.7	27.1%	6.4%	99.7%	99.6%	0.1%	Nil

III. Office segment (5.7% of consolidated rents)

1. Trends in the Ile-de-France office property market (1)

Rental transactions

- With 1 810 700 sq.m. leased up, demand in Ile-de-France declined by 23% compared with 2008 (2 359 600 sq.m.). However, the situation improved in the 4th quarter of 2009, which showed a 12% increase over the 4th quarter of 2008.
- Sharp disparities are appearing:
  - Unlike the large floor area segment (> 5000 sq.m.), the mid-range floor area spaces (1 000 - 5 000 sq.m.) showed resilience;
  - Take-up in Paris fell by just 6.2% compared with the same period in 2008, compared with declines of 31% and 44%, respectively, for La Défense and the Western Crescent;
  - The percentage of new or restructured space is down, and in 2009 represented only 36% of all spaces leased up (compared with 44% in 2008). This decline reflects the trend among corporations to pay attention to prices.

Supply

- Both deliveries and vacancies of buildings are on the rise. As a direct result, immediate supply is also rising as is the average vacancy rate for Ile-de-France:
  - Immediate supply is up by 32% compared with 2008 (3.6 million sq.m.);
  - The average vacancy rate for Ile-de-France is 6.8%, versus 5.4% at the beginning of the year. The Paris Center West district has also seen a similar rise (from 4.1% to 6.2%).

Rental values

- Average face rents continued to trend downward. As for the average prime rents for the Center-West of Paris, it stabilized in the 4th quarter and is now at 664 euros/sq.m.
- It is also worth noting that the commercial incentives are more and more significant, and generally exceed 1 month of rent holiday for each year of firm commitment.

The investment market

- The financial crisis had a tremendous impact on the volume of commitments: with 7.6 billion euros in investments, 2009 was the worst year on record since 2000. The bulk of these investments (5.2 billion euros) concerned Ile-de-France in general and Paris in particular, as investors showed a preference for assets located at the best addresses with long-term leases.
- In terms of segment, while the percentage share of office properties is down by 10 points since 2008, this segment nonetheless remains the largest, accounting for 69% of total investments.
- The integration of risk premiums more clearly differentiated on the basis of the quality and location of assets has been reestablished. However, the marked interest on the part of investors for prime assets in the traditional business districts led to yet another decline in yields.

2. Rental business

12/31/2009	Rents (million euros)		Change on a constant basis	Change on a current portfolio basis	Financial occupancy rate		Late payment rate	
	2009	2008			2009	2008	2009	2008
Offices	49.9	52.4	-4.7%	4.9%	81.1%	94.3%	0.1%	2.2%

- On a constant portfolio basis, rents rose by 4.9% as a result of the following factors:
  - Average index-linked adjustment of 6.7% (+3.2 million euros);
  - Appeal to Article 145-39 of the French Commercial Code by some tenants (-1.0 million euros);
  - Changes to lease terms that were made in 2008 and 2009 (+0.9 million euros);
  - Vacancy (-0.8 million euros).
- On a current portfolio basis, the 4.8 million euros decline in rents also includes the impact of disposals (mainly the building at 46 Rue Notre-Dame-des-Victoires in the 2nd arrondissement of Paris in October 2008 and the one at 23/25 Avenue Kléber in the 16th arrondissement of Paris in November 2009).
- The delivery in April 2009 of the Séreinis building in Issy-les-Moulineaux had no impact on rents, and the building is currently being leased up. Excluding this property, the financial occupancy rate on December 31, 2009 would have been 90.6%.
- The 14 rental reversion transactions signed in 2009 were carried out under financial conditions up by 4.2% (+0.2 million euros), and were related to properties that produce rents totalling 3.4 million euros and that offer total floor area of 6 903 sq.m.

(1) CB Richard Ellis, MarketView, 4th quarter 2009.

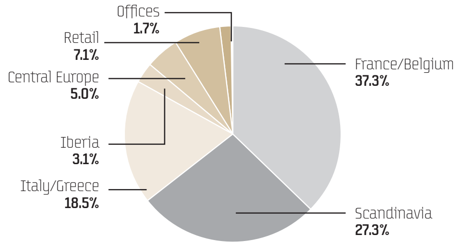
C. Development - disposals

I. The retail real estate investment market in 2009 (1)

- In 2009, total transaction volume in the Continental European retail property market reached 7.3 billion euros, a decline of 40% compared with 2008 (12.4 billion euros).
  - Investment amounts returned to levels last seen in 2004.
  - A strong uptick was nonetheless observed over the course of the 4th quarter of 2009 (2.5 billion euros, which is an increase of nearly 40% compared with the 4th quarter of 2008).
- France, Italy and Germany were the most active markets, with transactions reaching more than 1 billion euros in each of these countries. Germany remained the biggest market (21% of all transactions completed in Continental Europe in 2009).
  - In France, transactions amounted to 1.1 billion euros, including more than 0.5 billion in the 4th quarter alone.
- The preference shown by investors for shopping center assets was accentuated in 2009: 66% of all investments (4.8 billion euros) involved assets of this kind (compared with 55% in 2008).
- In terms of players, institutional investors remained the principal drivers of the market, accounting for a total of 1.8 billion euros in transactions.

II. Investments made in 2009

- In 2009, Klépierre outlaid a total of 623.4 million euros to invest mainly in assets in operation or committed projects:



- 91% of its outlays went to the shopping center segment, with most of this total outlaid for investments in the Group's primary regions of operation (France, Scandinavia, Italy).
- The amounts invested in the retail property segment primarily involved acquisitions made under the terms of existing outsourcing agreements that Klémurs has entered into with major nationwide retail chains (Buffalo Grill, Vivarte).
- Office property investments were limited to the completion of work on the Séreinis building which was delivered in April 2009.

	Total 2009	Operating assets	Projects
SHOPPING CENTERS	568.7	244.5	324.2
France	232.6	108.3	124.3
		O/w Toulouse Blagnac (extension/renovation), Montpellier-Odysseum (inauguration, 50 000 sq.m.)	*O/w Aubervilliers (1) (28 000 sq.m.), Saint-Lazare train station (10 000 sq.m.), Bègles (extension)*
France/Belgium	**232.6**	**108.3**	**124.3**
Norway	42.5	7.1	35.4
		O/w Metro (extension/renovation final phase opened on April 2009)	*O/w Gulskogen (extension/renovation)*
Sweden	127.9	10.1	117.8
		O/w Marieberg (extension/renovation final phase opened on August 2009)	*O/w Sollentuna (extension/renovation), Hageby (extension/renovation)*
Scandinavia	**170.4**	**17.2**	**153.2**
Italy	115.1	110.5	4.6
		O/w IGC (acquisition of an additional 21.3% share, Vittuone (11 301sq.m. acquired in October 2009 and opened in April 2009), La Romanina (extension, +4 100 sq.m.)	–
Italy/Greece	**115.1**	**110.5**	**4.6**
Portugal	10.9	–	10,9
		–	*Aqua Portimão (1) (project, 34 499 sq.m.)*
Spain	8.6	8.6	–
		La Gavia (inaugurated in November 2008, 94 285 sq.m.)	
Iberia	**19.5**	**8.6**	**10.9**
Hungary	31.1	–	31.1
		–	*Corvin Atrium (project, 34 600 sq.m.)*
Central Europe	**31.1**	**–**	**31.1**
RETAIL (2)	44.3	44.3	–
OFFICES	10.4	10.4	–
TOTAL	623.4	299.2	324.2

in millions of euros
(1) Klépierre share.
(2) Not including 2.3 million euros in intragroup transactions.

(1) Source: Jones Lang LaSalle.

- Group projects that were delivered in 2009, such as Montpellier Odysseum, the Toulouse-Blagnac (France) extension, projects in Scandinavia (Metro in Norway and Marieberg extensions in Sweden), the La Romanina extension and the Vittuone center (Italy) opened with occupancy rates above 95%.

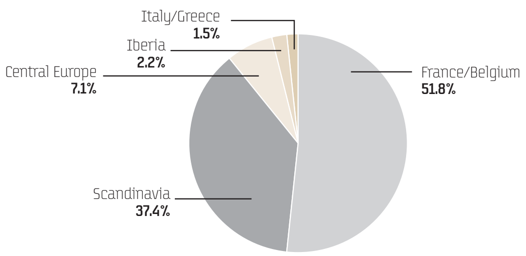
III. Investments tentatively planned for 2010 and development pipeline 2010-2014

- The Group has a global pipeline of 2.8 billion euros, of which 637 million euros for committed projects and 1.1 billion euros for controlled projects, within the reach of Klépierre. Expressed in terms of group shares, these amounts come to 575 million euros and 820 million euros.

	Estimated cost on completion (1)	Amounts to outlay 2010-2014	Expected net initial yield (2)	Floor area	Scheduled opening date	Pre-let rate (% of rents)	
						MGR (3)	Floor area
Corvin Atrium (Budapest, Hungary)	187.0	59.4	5.8%	34600	4Q 2010	60%	65%
Aqua Portimão (Portimão, Portugal)*	48.4	36.4	7.1%	11875	2Q 2011	10%	25%
Le Millénaire (Aubervilliers, Paris)*	190.4	97.8	7.2%	28000	2Q 2011	19%	20%
Saint-Lazare train station (Paris)	135.5	62.2	7.6%	10000	1Q 2012	20%	23%
Claye-Souilly (extension/renovation – France)	89.9	71.8	7.0%	13000	2Q 2012	–	–
Perpignan Claira (extension)	32.4	32.4	8.8%	8300	2Q 2012	–	–
Carré Jaude 2 (Clermont-Ferrand – France)	106.4	103.4	7.1%	13800	1Q 2014	–	–
Besançon Pasteur (France)	54.0	46.9	7.0%	14800	3Q 2014	–	–
Committed projects (4)	**1345**	**637**	**7.0%**	**295436**			
Emporia (Malmö, Sweden)	357.5	254.0	–	79982	2013	–	–
Torp (Sweden)	117.3	115.5	–	55401	2014	–	–
Nancy-Bonsecours (France)	150.0	141.2	–	53400	4Q 2014	–	–
Mölndal (Sweden)	284.1	185.7	–	63100	2015	–	–
Controlled projects (5)	**1300**	**1053**	**7-8%**	**408760**			
Identified projects (6)	**1329**	**1116**	**–**	**482902**			
TOTAL	**3974**	**2806**	**–**	**1187098**			

in millions of euros
** Klépierre share.*
(1) Estimated cost on completion less aggregate provisions booked as of 12/31/2009.
(2) Expected net rent/total estimated investment.
(3) MGR: Minimum guaranteed rent.
(4) Committed projects: projects currently being completed, for which Klépierre controls the land and has obtained all necessary administrative approvals and permits.
(5) Controlled projects: projects that are at an advanced stage of research, for which Klépierre controls the land (acquisition has been completed or there is a seller's promise with final sale contingent upon delivery of the necessary permits and approvals) but has not yet obtained all required administrative approvals.
(6) Identified projects: projects for which the deal and negotiations are under way.

- For the period 2010-2014, the Group expects that committed and controlled investments will remain concentrated in its principal regions of operation (France and Scandinavia):



- In addition to the shopping centers that will open in 2010 (the inauguration of Corvin Atrium in Budapest, Hungary, and extensions/renovations of the Sollentuna and Hageby malls – Sweden – and of Gulskogen in Norway), a number of projects are also committed or controlled beyond 2010, in particular:
  - Two major projects in France, the Saint-Lazare train station retail mall and the Aubervilliers shopping center (Paris);
  - The pursuit of a vast program of extensions/renovations in France, including extension projects at Perpignan-Claira, Claye-Souilly (Greater Paris Area) and Clermont-Ferrand (Jaude 2);
  - The potential commencement of controlled projects, such as the Emporia project (Malmö, Sweden).

Lease-ups

- In Hungary, the pre-lease-up rate for the Corvin Atrium project, which is scheduled top open in the 4th quarter of 2010, is approximately 60% (65% in terms of floor area). The presence of a retail food anchor and the location of the future center (downtown, excellent access) are strong negotiating points with respect to the space still to be let.
- Projects that are scheduled to open in 2011-2012 (Aubervilliers, Aqua Portimão, Saint-Lazare train station) have already attracted interest from numerous retailers. Several contacts and agreements have been established with French and global retailers, in particular for the two Parisian projects. The presence of Carrefour in Aubervilliers has already been agreed to.

Valuation

- The higher yields that emerged from the valuation of assets in operation resulted in a reassessment of the estimated market value of projects underway versus the initial budgets that were established. Provisions were calculated to take any significant variances into account.
- This is the case, for example, for Corvin Atrium and Aqua Portimão, where provisions of 52.5 million euros and of 3.4 million euros, respectively, were recorded for 2009. For the Saint-Lazare train station and Aubervilliers projects, no provisions were recorded at the December 31, 2009 reporting date.

IV. Disposals made in 2009

- Assets sold in the course of 2009

Shopping centers	**227.4**
26.3% stake in SCOO and 22.2% stake in SCT (1) Le Mans - Centre Sud	154.5
Tours Galerie Nationale	41.8
Marché Saint-Germain (Paris 6th arrondissement)	29.5
Puget-sur-Argens	1.6
Retail properties	**7.1**
Retail space Paris Seine Rive Gauche (Paris, 13th arrondissement)	7.1
Offices	**149.5**
18/20 La Pérouse (Paris, 16th arrondissement)	32.0
23/25 Kléber (Paris, 16th arrondissement)	117.6
TOTAL	384.0

in millions of euros, duties included
(1) Noisy-Arcades, Toulouse Blagnac and Toulouse Saint-Orens shopping centers.

- The total amount of disposals came to 384.0 million euros in 2009, compared with 140.2 million euros in 2008.
- Most of these transactions were completed in the second half of the year, as the investment market gradually got back on track.
- In terms of the type of assets sold, in accordance with the planned program they involved office properties as well as minority interests in shopping centers and shopping centers whose size or potential was deemed more modest.

D. Consolidated earnings and cash flow

I. Segment earnings

1. Shopping Center segment

	12/31/2009	12/31/2008	2008/2009
RENTS	**787.4**	**620.1**	**27.0%**
Other rental income	14.7	10.8	35.9%
RENTAL INCOME	**802.1**	**630.9**	**27.1%**
Land expenses (real estate)	- 2.5	- 2.3	8.5%
Non-recovered rental expenses	- 35.1	- 20.7	69.8%
Building expenses (owner)	- 55.2	- 39.4	39.8%
NET LEASE INCOME	**709.4**	**568.5**	**24.8%**
Management, administrative and related income	79.8	75.7	5.4%
Other operating income	25.9	14.5	78.5%
Survey and research costs	- 90.5	- 67.9	33.3%
Payroll expense	- 27.8	- 20.4	36.2%
EBITDA	**696.8**	**570.4**	**22.2%**
Amortization of investment property and property under negotiation	- 323.5	- 185.8	74.1%
Amortization of PPE	- 4.3	- 3.9	9.4%
Provisions	- 4.4	- 1.2	255.2%
RESULTS OF OPERATIONS	**364.6**	**379.5**	**- 3.9%**
Share in earnings of equity-method investees	2.4	1.4	66.4%
Proceeds from sales	41.7	30.4	36.9%
SEGMENT EARNINGS	408.7	411.3	- 0.6%

in millions of euros

Lease income for the year 2009 came to 802.1 million euros, an increase of 171.2 million euros (including 122.4 million euros provided by holdings in Scandinavia).
Other lease income includes entry fees as well as a margin on the provision of electricity to tenants in the Hungarian and Polish shopping centers. The increase observed since December 31, 2008 is primarily attributable to the deferred portion of entry fees invoiced for the Toulouse Blagnac, Toulouse Saint-Orens, Val d'Europe and Nîmes Etoile extensions, and for the Créteil Soleil center.

Non-recovered rental charges mainly reflect the impact of lump-sum charges, expenses related to vacant premises and property or land taxes. The 14.4 million euro increase is mainly due to the growth in holdings (Steen & Strøm: 13.9 million euros), and also reflects improvement in Central Europe after some leases were modified to allow actual shared expenses to be re-invoiced to tenants.
Owner's building expenses rose by 15.7 million euros. Excluding the impact of Scandinavia, the increase (12.3 million euros) is attributable to the higher cost of client risk (8.1 million euros) and to an increase in expenses related to maintenance of the holdings.

Management and administrative fee income rose by 4.1 million euros. Excluding the impact of Scandinavia, the 13.2 million euro decline is mainly due to the slowdown in development business.
Other income from operations includes the proceeds from the specialty leasing business (Galae) in particular, and tenant re-invoicing. It rose by 11.4 million euros over December 31, 2008, primarily due to the consolidation of the Scandinavian portfolio.
Payroll expense for the year was 90.5 million euros. Excluding the impact of Scandinavia, it rose by 3.1% (+1.9 million euros).

Operating expenses rose by 7.4 million euros. The change (+4.3%), excluding, Steen & Strøm, is attributable to a relocation of charges reallocation on a cost accounting basis in the shopping center segment sector.

EBITDA was 696.8 million euros in 2009, an increase over the prior year of 126.4 million euros.

Depreciation and amortization expense for investment property and other real estate assets came to 323.5 million euros, up by 137.7 million euros. The increase excluding Scandinavia (84.7 million euros) is primarily the result of higher provisions for depreciation (74.4 million euros) in particular for projects under development (45.9 million euros). The increase in amortization allowance is attributable to growth in real estate holdings, including the openings in France of extensions at Toulouse Blagnac and Toulouse Saint-Orens, and the opening in Spain of the La Gavia mall (Vallecas-Madrid) notably.
Provisions for contingencies and losses increased by 3.1 million euros. They include recognition of compensation related to the abandonment of a development project in Poland.

The sale for a total of 227.4 million euros of the Le Mans–Centre Sud, Puget-sur-Argens, Marché Saint-Germain and Tours Galerie Nationale centers, and of minority interest in Noisy-Arcades, Toulouse Blagnac and Toulouse Saint-Orens, resulted in 41.7 million euros credited to earnings.

After taking into account earnings from equity method investees (Progest) of 2.4 million euros, the Shopping Center segment produced earnings in 2009 of 408.7 million euros, a decline of 0.6% compared with 2008.

The table below shows the breakdown in segment earnings in accordance with the requirements of IFRS 8 ("Operating Segments"), applicable as of January 1, 2009. This standard cancels and replaces IAS 14 ("Segment Information").

	France/Belgium		Scandinavia		Italy/Greece		Ibéria		Central Europe	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
RENTS	**348.7**	**312.6**	**160.3**	**37.9**	**100.3**	**97.5**	**96.7**	**88.6**	**81.5**	**83.6**
Other rental income	10.5	5.3	–	–	1.5	1.7	0.6	1.8	2.0	2.1
RENTAL INCOME	**359.2**	**317.8**	**160.3**	**37.9**	**101.8**	**99.2**	**97.3**	**90.4**	**83.5**	**85.7**
Land expenses (real estate)	- 2.3	- 2.1	–	–	–	–	- 0.2	- 0.2	- 0.0	- 0.0
Non-recovered rental expenses	- 7.6	- 5.2	- 13.9	–	- 2.9	- 2.7	- 4.6	- 3.8	- 6.2	- 8.9
Building expenses (owner)	- 22.9	- 14.0	- 9.7	- 6.3	- 9.5	- 8.1	- 5.1	- 5.2	- 8.0	- 5.8
NET LEASE INCOME	**326.5**	**296.5**	**136.7**	**31.6**	**89.4**	**88.3**	**87.5**	**81.2**	**69.3**	**71.0**
Management, administrative and related income	38.4	51.0	24.0	6.7	6.6	6.5	7.6	7.9	3.2	3.6
Other operating income	14.9	10.7	7.8	0.5	0.6	1.3	0.5	0.4	2.0	1.6
Payroll expense	- 41.8	- 41.0	- 28.1	- 7.4	- 6.2	- 6.0	- 9.5	- 8.4	- 4.8	- 5.1
Other general expenses	- 7.5	- 12.5	- 8.9	- 2.3	- 4.0	- 1.6	- 4.0	- 1.9	- 3.4	- 2.1
EBITDA	**330.4**	**304.6**	**131.5**	**29.1**	**86.5**	**88.6**	**82.1**	**79.2**	**66.2**	**68.9**
Amortization of investment property and property under negotiation	- 96.4	- 83.6	- 68.1	- 15.1	- 32.2	- 20.5	- 37.3	- 28.7	- 89.6	-38.0
Amortization of PPE	- 1.5	- 1.3	- 0.7	- 0.5	- 1.1	- 1.0	- 0.2	- 0.3	- 0.9	-0.9
Provisions	- 2.1	- 0.8	–	–	0.0	0.1	- 0.9	- 0.7	- 1.4	0.1
RESULTS OF OPERATIONS	**230.4**	**219.0**	**62.8**	**13.6**	**53.3**	**67.2**	**43.8**	**49.5**	**-25.6**	**30.3**
Share in earnings of equity-method investees	2.4	1.4	–	–	–	–	–	–	–	–
Proceeds from sales	41.8	30.4	–	–	- 0.1	0.1	–	- 0.0	- 0.0	–
SEGMENT EARNINGS	**274.5**	**250.8**	**62.8**	**13.6**	**53.2**	**67.2**	**43.8**	**49.5**	**-25.6**	**30.3**

in millions of euros

2. Retail Segment

	12/31/2009	12/31/2008	2008/2009
RENTS	**42.8**	**33.7**	**27.1%**
Other rental income	0.7	–	
RENTAL INCOME	**43.5**	**33.7**	**29.1%**
Non recovered land expenses	- 0.1	- 0.0	505.6%
Building expenses (owner)	- 2.0	- 1.3	58.4%
NET LEASE INCOME	**41.3**	**32.4**	**27.6%**
Management, administrative and related income	1.0	1.8	- 44.0%
Other operating income	0.4	0.3	24.2%
Payroll expense	- 1.4	- 1.2	19.2%
Other expenses	- 0.6	- 0.6	8.8%
EBITDA	**40.7**	**32.7**	**24.2%**
D&A on investment and arbitrage property	- 34.0	- 16.0	111.6%
D&A on PPE	- 0.0	–	
RESULTS OF OPERATIONS	**6.7**	**16.7**	**- 60.0%**
Proceeds from sales	4.6	–	
SEGMENT EARNINGS	**11.3**	**16.7**	**- 32.5%**

in millions of euros

Lease income rose by 29.1% (+9.8 million euros) to 43.5 million euros. Other lease income corresponds mainly to the deferral of the entry fees invoiced when the lease was signed with Castorama for the Rue de Flandre space (Paris, 19th arrondissement)

Non-recovered rental charges correspond to the cost of vacancy early in the year for the Rue de Flandre space.

Owner's building expenses came to 2.0 million euros, and primarily related to fees paid to outside service providers, in particular for the appraisal of assets and expenses related to acquisitions. Rental management and administrative fees paid to Klépierre Conseil are eliminated from the segment earnings.
Management and administrative fee income for the year was 1.0 million euros, a decline of 0.8 million euros due to the slower pace of acquisitions. In addition, figures for 2008 included 1.8 million euros in acquisition fees related mainly to the acquisition of the stores operated under the Défi Mode retail banner.

Payroll and operating expenses came to 2.0 million euros, and reflect the reallocation on a cost accounting basis of personnel in charge of company management and development.

EBITDA for the year came to 40.7 million euros, up by 8.0 million euros over 2008.

Depreciation and amortization amounted to 34.0 million euros, including 19.9 million euros provisioned for asset impairment on the basis of the higher yields observed by the appraisers.

The retail segment generated proceeds of 4.6 million euros on the sale of the space in Paris occupied by tenant Truffaut, completed on September 30, 2009, for a total (transfer duties included) of 7.1 million euros.

The results for this segment are 11.3 million euros in earnings.

3. Office segment

	12/31/2009	12/31/2008	2008/2009
RENTS	**49.9**	**52.4**	**- 4.7%**
Other rental income	–	–	
RENTAL INCOME	**49.9**	**52.4**	**- 4.7%**
Land expenses (real estate)	- 0.2	- 0.3	- 36.9%
Non recovered land expenses	- 1.8	- 1.0	85.3%
Building expenses (owner)	- 1.7	- 1.2	40.4%
NET LEASE INCOME	**46.2**	**49.9**	**- 7.4%**
Management, administrative and related income	0.0	–	
Other operating income	0.3	0.0	630.8%
Payroll expense	- 0.9	- 1.6	- 45.5%
Other expenses	- 0.3	- 0.2	6.0%
EBITDA	**45.3**	**48.0**	**- 5.7%**
D&A on investment and arbitrage property	- 11.7	- 11.3	4.0%
D&A on PPE	- 0.5	- 0.9	- 48.0%
RESULTS OF OPERATIONS	**33.1**	**35.9**	**- 7.6%**
Proceeds from sales	40.4	29.0	39.3%
SEGMENT EARNINGS	**73.5**	**64.9**	**13.4%**

in million of euros

Lease income declined by 4.7%, to 49.9 million euros, primarily due to the asset disposals made in the second half of 2009.

Land expenses reflect the amortization of the building lease for the building at 43, Quai de Grenelle in Paris.
Non-recovered rental charges totaled 1.8 million euros, and primarily reflect the cost of vacancies at the 192, Avenue Charles de Gaulle property (Neuilly-sur-Seine), at Séreinis (Issy-Les-Moulineaux) and at Rue Anatole France (Levallois-Perret). Most of the change is attributable to the Séreinis building, which is now being leased up after construction was completed in the 2nd quarter of 2009.

Owner's building expenses came to 1.7 million euros, and reflect fees paid to outside service providers and marketing expenses.

Other income of 0.3 million euros includes compensation related to a delivery delay on the Séreinis building.

Payroll expense totaled 0.9 million euros, down by 0.7 million euros compared with the previous year.

EBITDA for the year was 45.3 million euros, down 5.7% compared with December 31, 2008.

Depreciation and amortization expense increased by 0.4 million euros, a development that reflects the impact of the delivery of the Séreinis building in Issy-les-Moulineaux, offset by disposals completed during the period.

For 2009, the office segment reported proceeds from the sale of assets totaling 40.4 million euros, following the sale on September 30, 2009 of the building at 18/20 Rue La Pérouse, and the November 30, 2009 sale of the building at 23/25 Avenue Kléber, for a total of 149.5 million euros, transfer duties included.

The Office segment generated earnings in 2009 of 73.5 million euros, an increase of 13.4% over 2008.

II. Consolidated earnings and cash flow

1. Earnings

	December 31, 2009	December 31, 2008	Change million euros	Change %
RENTAL INCOME	**895.5**	**717.0**	**178.5**	**24.9%**
Building expenses	- 98.6	- 66.2	- 32.4	48.9%
NET LEASE INCOME	**796.9**	**650.8**	**146.1**	**22.5%**
Management, administration and related income	80.8	77.5	3.3	4.2%
Other operating income	27.1	15.7	11.3	72.1%
Payroll expense	- 103.7	- 82.3	- 21.4	26.0%
Other general expenses	- 37.8	- 30.3	- 7.5	24.6%
EBITDA	**763.2**	**631.3**	**131.9**	**20.9%**
Depreciation, amortization allowance on investment	- 374.2	- 218.3	- 155.9	71.4%
Depreciation allowance for contingencies and losses	- 4.4	- 1.3	- 3.1	242.1%
RESULTS OF OPERATIONS	**384.7**	**411.8**	**- 27.1**	**- 6.6%**
Proceeds from sales	86.6	59.4	27.2	45.8%
Net cost of debt	- 292.8	- 218.3	- 74.5	34.1%
Share in earnings for equity method investees	2.4	1.4	0.9	66.4%
PRE-TAX CURRENT INCOME	**180.9**	**254.3**	**- 73.4**	**- 28.9%**
Corporate income tax	26.8	- 20.4	47.2	- 231.3%
NET INCOME	**207.7**	**233.9**	**- 26.2**	**- 11.2%**
Minority share	- 45.6	- 33.6	- 12.0	35.8%
Net income (Group share)	**162.1**	**200.3**	**- 38.2**	**- 19.1%**
Ratios per share				
Average number of shares	178 323 364	159 597 431		
Net income per share (euro)	0.91	1.26	- 0.35	- 27.6%

In millions of euros
Number of shares adjusted after the capital increase of December 2008 and the payment of the dividend in the form of shares on May 15, 2009, in accordance with IAS 33.

Net lease income came to 796.9 million euros for 2009, an increase of 22.5% compared with the previous year ended. Lease income was 895.5 million euros, broken down as follows: 802.1 million euros for the shopping center segment, 49.9 million euros for the office segment, and 43.5 million euros for the retail segment.

Fee income generated by service businesses reached 80.8 million euros in 2009, which is an increase of 3.3 million euros primarily attributable to the acquisition of Steen & Strøm. Of the total, 71% was generated by recurring property and rental management business for third parties. On a constant portfolio basis (excluding Steen & Strøm), fee income declined by 19.7% compared with fiscal year 2008 (-14.0 million euros). This decrease is primarily due to the slowdown in development business.
Other income from operations mainly includes income from the specialty leasing business of Galae and re-invoicing to tenants.

Owner's building expenses came to 98.6 million euros, up by 32.4 million euros, (+48.9%). This increase is mainly the result of growth in the real estate portfolio, and to a lesser extent reflects an increase in provisions for client receivables.
Payroll expense for the year came to 103.7 million euros, versus 82.3 million euros for full-year 2008. The integration of Steen & Strøm since the 4th quarter of 2008 is responsible for 20.8 million euros of this increase.
Other operating expenses amounted to 37.8 million euros, an increase of 24.6% over December 31, 2008. If the impact of the acquisition of Steen & Strøm is excluded, the change was slight.

The operating ratio for the period (total expenses/net operating income) was 15.6%, versus 15.1% for 2008.

EBITDA for 2009 came to 763.2 million euros, an increase of 20.9% compared with December 31, 2008.

Depreciation and amortization allowance related to real estate assets came to 374.2 million euros in 2009, an increase of 155.9 million euros that reflects a rise in asset impairment allowance of 96.7 million euros. Portfolio growth was the reason for the 59.2 million euro increase in building depreciation and amortization. The contribution of Scandinavia was 45.6 million euros.
Provisions for contingencies and losses came to 4.4 million euros in 2009, versus 1.3 million euros for the year ended December 31, 2008.

Results from operations totaled 384.7 million euros in 2009, a decline of 6.6% compared with 2008.

The net cost of debt was 292.8 million euros, compared to 218.3 million euros on December 31, 2008. The Group's interest expense rose by 74.5 million euros, primarily due to the increase in outstanding debt and more specifically the integration of Steen & Strøm. It also includes a slight increase in the average cost of debt compared with 2008 (4.45% versus 4.4%, respectively), related in particular to higher margins resulting from the renegotiation of Klépierre's banking covenants. This increase was somewhat offset by the significant easing of short-term rates, which led to a substantial reduction in the cost of floating rate debt (24% of Group debt), notably in Scandinavia.

Klépierre's financing policy and structure are described in more detail in paragraph H. The net cost of debt also includes the discounted value of an exit tax debt of 0.9 million euros.

Proceeds from the sale of assets amounted to 86.6 million euros, compared with 59.4 million euros for the year ended December 31, 2008. This line item reflects the proceeds from the sale of the Marché Saint-Germain, Le Mans – Centre Sud and Tours Galerie Nationale shopping centers, and the disposal of a minority stake in Noisy-Arcades, Toulouse-Blagnac and Saint-Orens shopping centers. It also includes the proceeds of the sale of two office properties (18/20 La Pérouse and 23/25 Kléber).
Since it elected SIIC status, Klépierre distinguishes three tax segments:

- The SIIC segment that includes Klépierre and all eligible French real-estate affiliates. Some of these companies have opted for regular tax status.
- French companies that are not eligible for SIIC status and hence have regular tax status.
- Foreign affiliates.

For the year ended December 31, 2008, the global tax expense for these three segments was a tax credit of 26.8 million euros:

- The tax expense for the SIIC segment was 2.0 million euros;
- French companies that are not eligible for SIIC status recorded a tax expense of 1.9 million euros;
- Foreign affiliates generated a tax credit of 30.7 million euros.

Consolidated net income for the year ended December 31, 2009 is 207.7 million euros, a decrease of 11.2% compared with the year ended December 31, 2008.

Minority share of net income for the year was 45.6 million euros, primarily generated by the shopping center segment. Accordingly, the group share of net income for 2009 is 162.1 million euros, a decline of 19.1%.

2. Change in net current cash flow

	December 31, 2009	December 31, 2008	Change	
			million euros	%
Total share				
EBITDA - Shopping centers	696.8	570.4	126.4	22.2%
EBITDA - Offices	45.3	48.0	- 2.7	- 5.7%
EBITDA - Retail properties	40.7	32.7	7.9	24.2%
Corporate and shared expenses	- 19.5	- 19.9	0.3	- 1.5%
EBITDA	**763.2**	**631.3**	**131.9**	**20.9%**
Restatement payroll expense	2.3	3.4	- 1.1	- 32.7%
Restatement deferred expenses	- 3.3	- 2.2	- 1.1	47.6%
Restatement non current expenses		2.6	- 2.6	–
Operating cash flow	**762.2**	**635.1**	**127.1**	**20.0%**
Net cost of debt	- 292.8	- 218.3	- 74.5	34.1%
Restatement of discounting income/expenses	0.9	- 0.7	1.6	- 222.4%
Restatement financial allowances	12.7	5.0	7.6	152.1%
Net current cash flow before taxes	**483.0**	**421.1**	**61.9**	**14.7%**
Share in equity method investees	1.8	2.0	- 0.3	-13.5%
Current tax expenses	- 17.3	- 24.1	6.8	-28.1%
Net current cash flow	**467.4**	**399.0**	**68.4**	**17.1%**
Group share				
Operating cash flow	624.8	556.0	68.8	12.4%
Net current cash flow (group share)	**369.7**	**341.4**	**28.3**	**8.3%**
Number of shares	*178 323 364*	*159 597 431*		
Per share (in €)				
Net current cash flow per share	2.07	2.14	- 0.07	- 3.1%

In millions of euros
Number of shares adjusted after the capital increase of December 2008 and the payment of the dividend in the form of shares on May 15, 2009, in accordance with IAS 33.

Pre-tax current cash flow reached 483.0 million euros for the year ended December 31, 2009, an increase of 14.7% compared with 2008. In group share terms, pre-tax current cash flow came to 382.3 million euros, which is 2.14 euros per share (-5.3% over one year).

Calculated after tax, global net current cash flow for 2009 is 467.4 million euros, +17.1%. In group share terms, it reached 369.7 million euros, which is **2.07 euros** per share, a **decline of 3.1%**.

E. Outlook for 2010

I. 2010 rental outlook

- In 2010, Klépierre expects to see business for its retail tenants stabilize or recover in the three principal regions where the Group has holdings (France-Belgium, Scandinavia, Italy-Greece).
- On a constant portfolio and exchange rate basis, the trend in rents should be slightly positive. Index-linked adjustments, while negative in France, will be globally neutral due to positive indices in both Italy and Scandinavia. Upside rental reversion is expected for most of the leases of the shopping center segment that will come up for renewal.
- Growth in rents will also be driven by the full-year impact of acquisitions that were made in 2009 (in Italy for the most part) and by the contribution of numerous development projects over 2009 (Toulouse Blagnac, Montpellier-Odysseum, extensions and renovations at Metro and Sollentuna). The contribution expected from the final openings of the extensions/renovations of Gulskogen, Sollentuna and Hageby (Scandinavia) in 2010 is expected to be around 10 million euros this year.

Lease expiration schedule for the shopping centers holdings at 12/31/2009 (as a % of the total)

Country/zone	< or = 2010	2011	2012	2013	2014	2015	2016	2017	2018 +	Total
France	6.5%	5.5%	10.2%	6.3%	6.8%	6.0%	10.1%	10.9%	37.7%	100.0%
Belgium	0.3%	0.0%	0.0%	0.6%	70.4%	7.6%	0.5%	7.1%	13.6%	100.0%
France/Belgium	**6.3%**	**5.3%**	**9.8%**	**6.1%**	**9.2%**	**6.1%**	**9.7%**	**10.8%**	**36.8%**	**100.0%**
Norway	–	–	–	–	–	–	–	–	–	–
Sweden	19.7%	12.8%	16.7%	18.7%	11.5%	8.8%	4.8%	2.4%	4.5%	100.0%
Denmark[1]	17.7%	23.3%	18.6%	15.3%	12.6%	4.1%	2.8%	4.4%	1.2%	100.0%
Scandinavia	**15.0%**	**12.8%**	**13.6%**	**13.9%**	**9.4%**	**5.7%**	**3.3%**	**2.4%**	**2.7%**	**78.8%**
Italy	7.1%	12.9%	14.7%	11.1%	7.6%	6.1%	12.6%	7.1%	20.8%	100.0%
Greece	2.2%	0.2%	11.9%	0.5%	14.6%	4.2%	5.2%	4.8%	56.4%	100.0%
Italy/Greece	**6.8%**	**12.0%**	**14.5%**	**10.4%**	**8.1%**	**6.0%**	**12.1%**	**6.9%**	**23.2%**	**100.0%**
Spain	13.1%	9.9%	8.8%	8.7%	7.5%	6.6%	4.9%	5.2%	35.3%	100.0%
Portugal	8.1%	3.8%	19.6%	24.5%	7.4%	17.4%	1.9%	1.6%	15.9%	100.0%
Iberia	**12.3%**	**8.9%**	**10.6%**	**11.3%**	**7.5%**	**8.4%**	**4.4%**	**4.6%**	**32.1%**	**100.0%**
Poland	21.7%	26.8%	17.6%	12.4%	13.5%	1.5%	1.4%	1.8%	3.2%	100.0%
Hungary	22.3%	10.2%	38.6%	6.4%	4.5%	8.0%	0.8%	8.5%	0.7%	100.0%
Czech Republic	3.7%	29.2%	24.5%	7.1%	6.1%	6.5%	7.9%	4.9%	10.0%	100.0%
Slovakia	54.1%	12.2%	11.4%	9.4%	7.6%	5.4%	0.0%	0.0%	0.0%	100.0%
Central Europe	**18.3%**	**20.6%**	**27.3%**	**8.7%**	**8.1%**	**5.4%**	**2.7%**	**5.1%**	**3.8%**	**100.0%**
Total	**10.1%**	**9.7%**	**13.0%**	**9.2%**	**8.8%**	**6.2%**	**7.4%**	**7.2%**	**23.9%**	**95.4%**

as a % of total

NB: Lease terms are not fixed in Denmark. For information only, 2.1% of leases in value terms were renewed in 2009.

Lease expiration schedule for the retail properties holdings at 12/31/2009 (as a % of the total)

< or = 2010	2011	2012	2013	2014	2015	2016	2017	2018 +	Total
1.2%	2.1%	0.7%	1.9%	1.2%	52.3%	5.2%	5.2%	30.1%	100.0%

as a % of total

Lease expiration schedule for the offices properties holdings at 12/31/2009

Year	< or = 2010	2011	2012	2013	2014	2015	2016 +	Total
By date of the next exit option	3.3	21.9	7.1	9.2	0.0	0.0	0.3	41.8
as a percentage of the total	*8.0%*	*52.4%*	*17.0%*	*22.0%*	*0.0%*	*0.0%*	*0.6%*	*100.0%*
By end of lease date	1.5	6.6	2.5	9.6	3.1	4.5	13.9	41.8
as a percentage of the total	*3.6%*	*15.8%*	*5.9%*	*23.0%*	*7.4%*	*10.9%*	*33.4%*	*100.0%*

in millions of euros

Index-linked adjustments are expected to have a negative impact of around 0.7% (-0.2 million euros) on 2010 rents: the index-linked adjustments attributable to 2010 indexes (expected to be negative), will be partially offset par the full year effect of the positive index-linked adjustments that have been applied in the course of 2009.

Negotiations are currently underway with some tenants that used the facility they dispose to renegotiate downwards the conditions of their rents should have an impact of around -1,5 million euros on 2010 rents. In some cases, this could result in longer lease terms.

II. 2010 investment and disposal outlook

1. Investments

- In 2010, the Group plans to outlay between 500 and 800 million euros, mainly allocated to committed projects and to the completion of projects that will open during the year:
  - The Corvin Atrium shopping center (Budapest, Hungary) will open its doors sometime during the 4th quarter.
  - The renovations/extensions of the Sollentuna and Hageby malls (Sweden) will be inaugurated in the month of April 2010, while work on the Gulskogen mall (Norway) will be completed in November 2010.

2. Disposals

- The Group estimates that, by the end of 2010, it will have disposed assets for a total amount comprised between 250 and 400 million euros. The disposals will be once again divided between shopping centers and offices, located mainly in France, in Italy and in Scandinavia.

III. 2010 cash flow outlook

- In 2010, net current cash-flow per share should remain stable (excluding the dilutive effect of the payment of the dividend in the form of shares).
- Medium term, Klépierre has the resources needed to pursue its development in Continental Europe while maintaining its major financial balances. The Group will thus be in a position to exploit its development pipeline of 2.8 billion euros, of which around 25% is committed, while seizing new opportunities and maintaining its long-term objective of ensuring steady growth in cash flow per share.

F. Parent company earnings and distribution

I. Condensed income statement for Klépierre SA, the parent company

	December 31, 2009	December 31, 2008
Operating profits	46.3	49.8
Operating expenses	- 27.2	- 27.9
Operating results	**19.1**	**21.9**
Share in earnings of subsidiaries	182.2	148.6
Financial results	159.4	- 24.9
Pre-tax results	**360.7**	**145.6**
Non-recurring results	37.2	19.2
Corporate income tax	- 1.8	8.1
Net earnings for the year	**396.1**	**172.9**

In millions of euros

- For Klépierre SA, net income for the year amounted to 396.1 million euros, an increase compared with fiscal year 2008 due primarily to its increased share in earnings and financial results (equity securities), which were boosted by disposals. Non-recurring income includes the capital gains on the sale of two buildings (23/25 Avenue Kléber and 18/20 Rue La Pérouse, Paris 16th) and a minority stake in the holding companies for Noisy-Arcades, Toulouse Blagnac and Toulouse Saint-Orens shopping centers.
- The tax loss for the taxable segment totaled 3.2 million euros. The mandatory distribution came to 203.4 million euros after discharge during the period of the obligation related to capital gains on the sale of assets.
- The Supervisory Board will ask the shareholders at their annual meeting on April 8, 2010 to approve the payment of a dividend in respect of 2009 of 1.25 euro per share, a payout that is stable compared with the dividend paid in respect of 2008. As was the case in 2009, shareholders will have the option of being paid in the form of shares. On the basis of 1.25 euro per share, this distribution represents a global amount of 227.5 million euros, or 61.5% of net current cash flow and 140.3% of net income group share, without taking into account the cancellation of dividends payable on shares of the company's treasury stock on the dividend payout date.

II. Acquisitions of equity holdings and movements in equity securities impacting on the corporate financial statements of Klépierre SA

The principal movements in securities occurring during the 2009 fiscal year were as follows:

Payment for contributions
On March 10, 2009, Cécoville SAS proceeded with a merger premium distribution and capital reduction valued at 33.6 million euros.

Acquisition of shares in Bègles Arcins
On June 30, 2009, Klépierre acquired 35 000 shares in Bègles d'Arcins from Assurécureuil Pierre 3.

Sale of shares in Société des Centres Toulousains SNC and SCOO SNC
On June 30, 2009, Klépierre sold its shares in Société des Centres Toulousains SNC and SCOO SNC to Cardif Assurance Vie for 125.6 million euros.

Mergers involving Société des Centres Toulousains SNC, Immobiliare Magnolia SA, Novate SA and Immobiliare Dodicesima SA, accompanied by an exchange of shares
On November 30, 2009, Klépierre Luxembourg absorbed Immobiliare Magnolia SA, Novate SA and Immobiliare Dodicesima SA in exchange for 11 753 414 shares.
On December 1, 2009, SCOO SNC absorbed Société des Centres Toulousains SNC in exchange for 359 047 shares.

Cash contribution to the equity capital of Klémentine BV and recapitalization
On December 9, 2009, Klépierre recapitalized Klémentine BV at a cost of 17.8 millions euros, following a cash contribution to equity capital of 0.1 million euros.

III. Five year financial summary (Klépierre SA)

(data provided under the terms of Article R.225-102 of the French Commercial Code)

	December 2009	December 2008	December 2007	December 2006	December 2005
INDICATORS					
Capital at year-end					
A) Capital at year-end	254 761 023 (1)	232 700 203 (2)	193 889 761	184 656 916	184 656 916
B) Number of ordinary shares	181 972 159 (1)	166 214 431 (2)	138 492 687	46 164 229	46 164 229
Operations and fiscal year results					
A) Pre-tax revenue	44 666 344	49 093 264	45 808 719	49 178 753	12 608 279
B) Income net of tax, employee profit sharing, amortization expenses and provisions	446 756 018	219 551 284	316 842 226	227 810 270	188 301 496
C) Corporate income taxes	1 774 181	-8 077 108	245 762	15 316 256	11 224 483
D) Income net of tax, employee profit sharing, amortization expenses and provisions	396 113 665	172 937 402	300 872 009	198 465 416	171 752 138
E) Distributed income (3)	227 465 199	207 768 039	173 115 859	147 725 533	124 643 418
Income per share (4)					
A) Income net of tax, employee profit sharing, but before amortization expenses and provisions	2.46	1.32	2.29	4.60	3.84
B) Income net of tax, employee profit sharing, amortization expenses and provisions	2.18	1.04	2.17	4.30	3.72
C) Net dividend per share	1.25	1.25	1.25	3.20	2.70
Personnel					
Average labor force for the fiscal year, payroll for the fiscal year and amount of employee benefits			Nil		

in euros
(1) On May 15, 2009, 15 757 728 shares were issued in response to the shareholders who opted for shares in lieu of a dividend payment.
(2) On May 7, 2008, 3 976 826 shares were issued in response to the shareholders who opted for shares in lieu of a dividend payment. On December 2, 2008, 23 744 918 new shares were issued following the capital increase.
(3) Does not factor in the cancellation of dividends on shares owned by the company on the date of the dividend payout.
(4) 2005 data not restated to reflect the September 3, 2007 three-for-one stock split.

G. RNAV (Revalued Net Assets)

I. Valuation of holdings

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.

– N.B. For more detailed information on the methods used to calculate RNAV, please consult note 10.1 of appendices of consolidated financial statements (pp. 199 and following).

- Klépierre entrusts the task of appraising its real estate holdings to various experts. For its shopping center holdings, the appraisers are listed below:

Experts	Portfolios	Number of assets	Valuation	%		June report	December report
RCG Expertise	- France (including retail properties)	279	5 066	35.0	57%	summarized	detailed and summarized
	- Italy	34	1 708	11.8		summarized	detailed and summarized
	- Spain (KFE and KFV)	37	709	4.9		summarized	detailed and summarized
	- Czech Republic and Slovakia	4	289	2.0		summarized	detailed and summarized
	- Portugal	6	253	1.7		summarized	detailed and summarized
	- Greece	5	95	0.7		summarized	detailed and summarized
	- Hungary	4	64	0.4		summarized	detailed and summarized
Jones Lang LaSalle	- France	22	1 276	8.8	17%	summarized	detailed and summarized
	- Poland	7	375	2.6		summarized	detailed and summarized
	- Spain (KFI)	34	355	2.5		summarized	detailed and summarized
	- Hungary	8	250	1.7		summarized	detailed and summarized
	- Belgium	1	208	1.4		summarized	detailed and summarized
DTZ	- Denmark	3	795	5.5	13%	summarized	detailed and summarized
	- Norway	9	739	5.1		summarized	detailed and summarized
	- Sweden	4	282	1.9		summarized	detailed and summarized
NEWSEC	- Norway	9	753	5.2	7%	summarized	detailed and summarized
	- Sweden	3	266	1.8		summarized	detailed and summarized
BNPP Real Estate Valuation	- Offices + retail properties	139	999	6.9	7%	summarized	detailed and summarized
TOTAL		**608**	**14 479**	**100**	**100%**		

- All of these appraisal assignments are awarded on the basis of the Real Estate Appraisal Guidelines (Charte de l'Expertise en Evaluation Immobilière) and in accordance with the recommendations issued by the COB/CNC "Barthès de Ruyter Work Group". Moreover, they are compliant with international standards such as those set forth by the IVSC (International Valuation Standards Council).
- Fees paid to appraisers are set prior to their property valuation work, on a lump sum basis in accordance with the size and complexity of the assets being appraised, and independently of the appraised value of the assets. They are presented in the table below:

Experts	Appraisal Fees	Consulting Fees
RCG Expertise [1]	1 361.6	428.3
Jones Lang LaSalle	715.1	95.5
BNP Paribas Real Estate	230.8	3.0
DTZ	100.0	–
NEWSEC	96.9	–
Total	**2 504.4**	**526.9**

Amounts are exclusive of taxes and in thousands of euros.
(1) The fees paid to RCG Expertise represent more than 10% of the total revenue of this firm.

2. Appraisal results for the year ended 12/31/2009

- **The value of Klépierre's real estate holdings including transfer duties was 14.7 billion euros total share** and 11.8 billion euros group share. Total share, shopping centers represent 90.5%, while retail properties represent 4.2% and offices 5.3%. Group share, these ratios are 89.0%, 4.4% and 6.6%.
  – Pursuant to a change in the scope of application of IAS 40, since June 30, 2009 the Group appraises its committed development projects using appraisals established by in-house teams. In particular, this change in scope involves the following projects: Sollentuna (Sweden), Hageby (Sweden), Corvin Atrium (Hungary), Portimão (Portugal), Aubervilliers (France), and the renovation of Saint-Lazare train station in Paris. Projects that are not appraised are carried at their cost price. These are mainly projects that are under study or pending construction, and include Field's 2 & 3 (Denmark), Mölndal (Sweden), Emporia (Sweden) and Hovlandsbanen (Norway). Projects under development represent 4.3% of the Gorup's total holdings.
  – Assets acquired in the course of the 2nd half of 2009 are carried at their acquisition price.

- On a constant portfolio and exchange rate basis, the change in the value of assets over six months is +0.3% for shopping centers, -2.4% for retail properties, and -1.0% for office properties. Over 12 months, the changes are -6.6% for shopping center assets, -10.6% for retail properties and -11.6% for offices.

VALUE OF HOLDINGS, TOTAL SHARE (transfer duties included)

	12/31/2009	In % of total holdings	Change over 6 months			Change over 12 months		
			06/30/2009	Current portfolio basis	Constant portfolio basis[1]	12/31/2008	Current portfolio basis	Constant portfolio basis
France	5 923	40.2%	5 887	0.6%	0.0%	5 995	- 1.2%	- 5.7%
Belgium	208	1.4%	207	0.8%	0.8%	228	- 8.8%	- 8.8%
France/Belgium	**6 131**	**41.6%**	**6 093**	**0.6%**	**0.0%**	**6 223**	**- 1.5%**	**- 5.9%**
Scandinavia	**3 056**	**20.7%**	**2 722**	**12.3%**	**3.5%**	**2 563**	**19.2%**	
Italy	1 617	11.0%	1 440	12.3%	- 0.6%	1 467	10.2%	- 4.9%
Greece	95	0.6%	99	- 4.2%	- 4.2%	106	- 10.4%	- 10.4%
Italy-Greece	**1 712**	**11.6%**	**1 539**	**11.2%**	**-0.8%**	**1 573**	**8.8%**	**- 5.3%**
Spain	1 063	7.2%	1 086	- 2.1%	- 2.1%	1 190	- 10.7%	- 10.7%
Portugal	265	1.8%	265	0.2%	- 1.0%	276	- 3.9%	- 6.2%
Iberia	**1 328**	**9.0%**	**1 350**	**- 1.6%**	**- 1.9%**	**1 466**	**- 9.4%**	**- 9.9%**
Poland	389	2.6%	383	1.7%	1.7%	390	- 0.2%	- 0.2%
Hungary	448	3.0%	479	- 6.6%	- 5.4%	553	- 19.1%	- 15.3%
Czech Republic	273	1.9%	263	3.9%	3.9%	289	- 5.6%	- 5.3%
Slovakia	16	0.1%	16	0.0%	0.0%	18	- 9.0%	- 9.0%
Central Europe	**1 126**	**7.6%**	**1 141**	**- 1.3%**	**- 0.1%**	**1 250**	**- 9.9%**	**- 7.0%**
TOTAL SHOPPING CENTERS	**13 353**	**90.5%**	**12 845**	**4.0%**	**0.3%**	**13 075**	**2.1%**	**- 6.6%**
TOTAL RETAIL ASSETS	**619**	**4.2%**	**614**	**0.9%**	**- 2.4%**	**642**	**- 3.5%**	**- 10.6%**
TOTAL OFFICES	**778**	**5.3%**	**928**	**- 16.2%**	**- 1.0%**	**1 069**	**- 27.2%**	**- 11.6%**
TOTAL HOLDINGS	**14 750**	**100.0%**	**14 387**	**2.5%**	**0.1%**	**14 786**	**- 0.2%**	**- 7.2%**

In millions of euros
(1) For Scandinavia changes are indicated on a constant portfolio and exchange rate basis.

VALUE OF HOLDINGS, GROUP SHARE (transfer duties included)

	12/31/2009	In % of total holdings	Change over 6 months			Change over 12 months		
			06/30/2009	Current portfolio basis	Constant portfolio basis[1]	12/31/2008	Current portfolio basis	Constant portfolio basis
France	4765	40.4%	4739	0.5%	- 0.2%	5055	- 5.7%	- 5.6%
Belgium	208	1.8%	207	0.8%	0.8%	228	- 8.8%	- 8.8%
France- Belgium	**4973**	**42.2%**	**4946**	**0.6%**	**- 0.2%**	**5283**	**- 5.9%**	**- 5.8%**
Scandinavia	**1714**	**14.6%**	**1527**	**12.3%**	**3.5%**	**1438**	**19.2%**	
Italy	1396	11.9%	1322	5.6%	- 0.6%	1344	3.8%	- 4.9%
Greece	82	0.7%	86	- 4.6%	- 4.6%	92	- 10.9%	- 10.9%
Italy-Greece	**1478**	**12.5%**	**1408**	**5.0%**	**- 0.9%**	**1436**	**2.9%**	**- 5.4%**
Spain	925	7.8%	945	- 2.1%	- 2.1%	1035	- 10.6%	- 10.6%
Portugal	265	2.3%	265	0.2%	- 1.0%	276	- 3.9%	- 6.2%
Iberia	**1190**	**10.1%**	**1209**	**- 1.6%**	**- 1.9%**	**1311**	**- 9.2%**	**- 9.7%**
Poland	389	3.3%	383	1.7%	1.7%	390	- 0.2%	- 0.2%
Hungary	448	3.8%	479	- 6.6%	- 5.4%	553	- 19.1%	- 15.3%
Czech Republic	273	2.3%	263	3.9%	3.9%	289	- 5.5%	- 5.1%
Slovakia	16	0.1%	16	0.0%	0.0%	18	- 9.0%	- 9.0%
Central Europe	**1126**	**9.6%**	**1141**	**- 1.3%**	**- 0.1%**	**1250**	**- 9.9%**	**- 7.0%**
TOTAL SHOPPING CENTERS	**10481**	**89.0%**	**10231**	**2.4%**	**- 0.1%**	**10718**	**- 2.2%**	**- 6.6%**
TOTAL RETAIL ASSETS	**521**	**4.4%**	**517**	**0.9%**	**- 2.4%**	**540**	**- 3.5%**	**- 10.6%**
TOTAL OFFICES	**778**	**6.6%**	**928**	**- 16.2%**	**- 1.0%**	**1069**	**- 27.2%**	**- 11.6%**
TOTAL HOLDINGS	**11780**	**100.0%**	**11675**	**0.9%**	**- 0.2%**	**12327**	**- 4.4%**	**- 7.3 %**

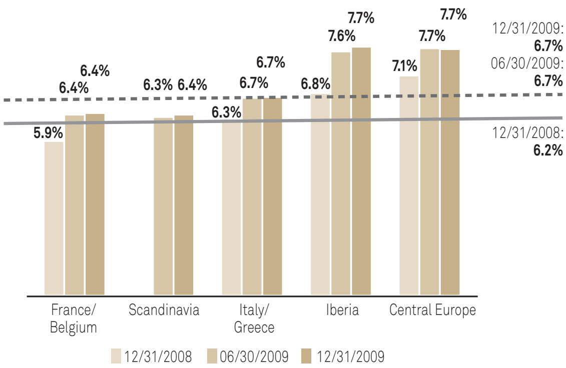
In millions of euros

(1) For Scandinavia changes are indicated on a constant portfolio and exchange rate basis.

2.1. Shopping centers

- The value of the shopping center portfolio is 13 353 million euros (10 481 million euros group share), increased by 507 million euros since June 30, 2009 (+4.0%). Over 12 months, the portfolio increased in value by 278 million euros versus December 31, 2008 (+2.1%).
  - 50 facilities and projects have a unit value exceeding 75 million euros and represent 57.5% of the estimated value of this portfolio; 110 have a unit value of between 15 and 75 million euros (30.8%); and 114 have a unit value of less than 15 million euros (11.7%).
  - On a constant portfolio and exchange rate basis, the value (transfer duties included) of the shopping center assets increased by 0.3% over 6 months. The change primarily reflects higher income, as yields stabilized over the 2nd half of 2009. Over one year, the 6.6% decline is the result of higher yields (for -8.9%), partly offset by higher income (+2.3%).
  - External growth boosted the value of the portfolio on a current basis by 938 million euros. The change is mostly due to developments and acquisitions in France (+278 million euros), to acquisitions and one change in consolidation method in Italy (+214 million euros) and to developments combined with significant currency effects in Scandinavia (+ 492 million euros).
  - Significant changes concern:
    • In Sweden, the extensions of Sollentuna and Hageby;
    • In France, the completion of the extensions at Blagnac and Saint-Orens, the opening of the Odysseum center in Montpellier, and the impact of appraising the Aubervilliers and Saint-Lazare train station projects, which were previously carried at cost;
    • In Italy, the acquisition of the Vittuone center and an additional 21.3% of equity in IGC.
  - The increase in the value of holdings also reflects the impact of the sale of the Marché Saint-Germain, Tours Galerie Nationale, Le Mans-Centre Sud and Puget-sur-Argens centers in France (-85 million euros) and the depreciation of the Corvin Atrium project in Budapest (Hungary).

- Change in yield (excluding duties) on the shopping center portfolio
  - The average yield on the portfolio, duties excluded, remains stable compared with June 30, 2009. It was 6.7% on the basis of appraisals, which is an increase of 50 bps compared with December 31, 2008 (6.2%).



2.2. Retail properties

- The value of the retail portfolio is 619.4 million euros (521.0 million euros group share), an increase of 0.9% over 6 months (-3.5% over 12 months).
  - On a constant portfolio basis, the value of the assets (duties included) in the retail portfolio declined by 2.4% (-14.2 million euros) over 6 months (-10.6% over 12 months), of which -0.4% due to the higher yield and -2.0% due to lower income.
  - External growth accounted for 19.5 million euros of the increased value of the holdings. On a current portfolio basis, the increase in the value of assets reflects the acquisition in 2009 of Vivarte and Buffalo Grill assets, as well as the sale of the Truffaut store in Paris.
  - The portfolio's average yield, duties excluded, was 7.5% on December 31, 2009, versus 6.7% on December 31, 2008, an increase of 80 bps (7.5% on June 30, 2009).

2.3. Office properties

- The value of the office portfolio is 777.8 million euros.
  - 4 assets have a unit estimated value exceeding 75 million euros, representing 49.3% of the total estimated value of this segment; 1 is valued at between 50 and 75 million euros, representing 9.4% of the portfolio; 11 are valued at less than 50 million euros.
  - On a constant portfolio basis, the value of assets (total share) fell by 1.0% over 6 months (and by 11.6% over 12 months), including -0.1% due to the higher yield and -0.9% due to the decline in income.
  - On a current basis, the change was -16.2% over 6 months (-27.2% over 12 months). The decline reflects the impact of the sale of two buildings (23/25 Kléber and 18/20 La Pérouse) completed in the 2nd half of 2009.
  - The portfolio's yield excluding duties is 7.1%, down by 20 bps since June 30, 2009 (7.3%) and up by 80 bps compared with December 31, 2008 (6.3%).

II. RNAV per share (transfer duties included): stable over 6 months, -14.1% over 12 months

On the basis of appraisals (duties included), RNAV after deferred taxes and marking to market of debt and financial instruments was 28.7 euros at year-end 2009, compared with 28.6 euros on June 30, 2009 and 33.3 euros on December 31, 2008, i.e., stable over 6 months (+0.1%) and down by 14.1% over 12 months.

- This decline of 4.6 euros per share over one year is attributable to the loss of value for the portfolio as a whole (-4.3 euros) and the impact of lower interest rates and narrower spreads (–1.7 euro) on the value of financial instruments. The rest reflects the results for the period, partly offset by forex impacts.
- EPRA Triple NAV[1] came to 26.8 euros per share, compared with 26.8 euros on June 30, 2009 and 31.3 euros on December 31, 2008.

	12/31/2009	06/30/2009	12/31/2008	Change over 6 months		Change over 12 months	
Consolidated shareholder's equity (group share)	**2269**	**2074**	**2159**	**195**	**9.4%**	**110**	**5.1%**
Effect of dilutive options	–	–	–				
Unrealized capital gains on holdings (duties included)	2724	2822	3424	- 98	- 3.5%	- 699	- 20.4%
Duties and fees on the sale of assets	- 330	- 320	- 368				
Effective taxes on capital gains	- 118	- 139	- 173				
Restatement of deffered taxes on investment property on the balance sheet	258	260	278	- 2	- 0.8%	- 21	- 7.5%
Fair value of fixed rate debt	- 1	84	252	- 85	- 101.7%	- 253	- 100.6%
EPRA liquidative triple NAV per share	**4802**	**4780**	**5572**	**22**	**0.5%**	**- 770**	**- 13.8%**
Duties and fees on the sale of assets	330	320	368				
RNAV (duties included)	**5131**	**5100**	**5940**	**31**	**0.6%**	**- 809**	**- 13.6%**
Number of shares, end of period (after dilutive effect)	179091237	178211208	178193111				
Per share (€)							
EPRA liquidative triple NAV per share	**26.8**	**26.8**	**31.3**	**0**	**0.0%**	**- 4**	**- 14.3%**
RNAV per share (duties included)	**28.7**	**28.6**	**33.3**	**0**	**0.1%**	**- 5**	**- 14.1%**

In millions of euros
Number of shares for 2008 adjusted following the payment of the dividend in the form of shares (May 15, 2009)

(1) RNAV excluding transfer duties, after deferred taxes and marking to market of debt.

H. Financial policy

I. Financial resources

1. Change in net debt

- Consolidated net debt of Klépierre on December 31, 2009 was 7 279 million euros, compared with 7 083 million euros on December 31, 2008 (+196 million euros).
- Excluding the forex impact, net debt fell by 2 million euros:
  – The principal financing requirements of the period were generated by investments (623 million euros) and by the payout of the dividend in respect of 2008 (203 million euros);
  – Resources were divided between the capital increase following the proposed payment of the dividend in the form of shares (175.4 million euros), disposals (384 million euros), free cash flow for the period, and equity investments on the part of partners in development projects;
  – The translation into euros of the net debt of Steen & Strøm generated a forex impact that added 198 million euros to consolidated net debt. This development reflects the appreciation of Scandinavian currencies agains the euro, a development that also increased the value in euros of the assets of Steen & Strøm.

2. Available resources

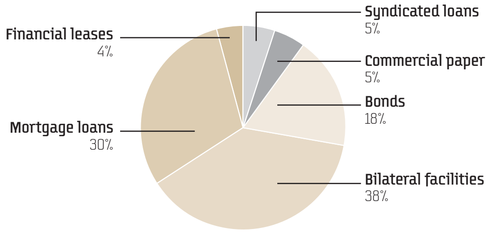
- Several financing transactions were carried out to enhance the Group's liquidity in 2009.
  – In June of 2009 Klépierre entered into agreements with its banking partners, as follows:
  – To relax the covenants on its syndicated loan due September 2014 (1,000 million euros);
  – To refinance syndicated loans due over a shorter time frame (750 million euros due June 2011, 1 500 million euros due January 2013); to this end, a new line of 2.4 billion euros was set up (including a back-up facility of 300 million euros) on June 29, 2009 with BNP Paribas. With an average maturity of 4.4 years, this new line also gives Klépierre 150 million euros of additional financial resources.
  – In parallel, several financings were raised by Group subsidiaries:
  – In France, Le Havre Vauban and Le Havre Lafayette, both 50% owned, raised a total of 48.8 million euros (5.5 years), in the form of a mortgage loan;
  – In Scandinavia, Steen & Strøm set up new mortgage loans for a total of 226 million euros (including NOK714 M, SEK437 M and DKK97.5 M) in order to cover various refinancing needs and also fund its investment program. At year-end, Steen & Strøm also negotiated a new line of credit for DKK300 million, fully available at year-end 2009.

- On December 31, 2009, the Group had 875 million euros in unused lines of credit, of which 72 million euros at the level of Steen & Strøm.

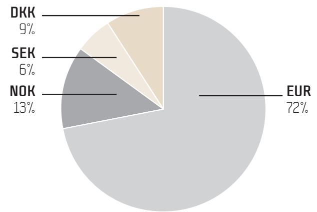
3. Debt structure and duration

- The refinancing operation that was carried out in June increased the proportion of bilateral banking agreements in the Group's global debt, which nonetheless remains diversified in terms of the type of resources used. BNP Paribas represented 46.2% of the Group's financing on December 31, 2009 (authorized amount). The breakdown by currency remains consistent with the geographical distribution of the Group's portfolio of assets.

Klépierre's Financing breakdown – by type of ressources
(Utilizations)

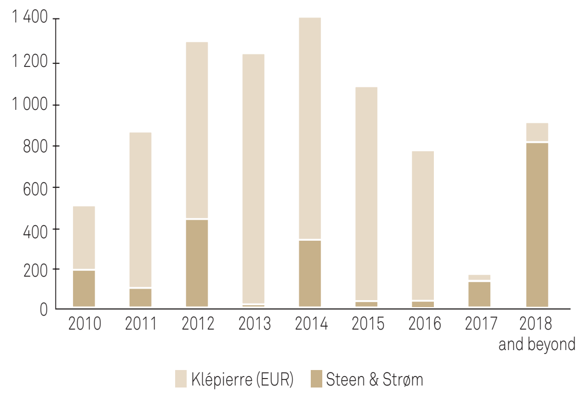


Klépierre's Financing breakdown – by currency
(Utilizations)



- On December 31, 2009, the average duration of the Group's debt was 6 years. Its next significant due date is still the second half of 2011; it has been substantially reduced thanks to the operations carried out in June 2009.

Financing of Klépierre's Group – by due date
(Autorizations)



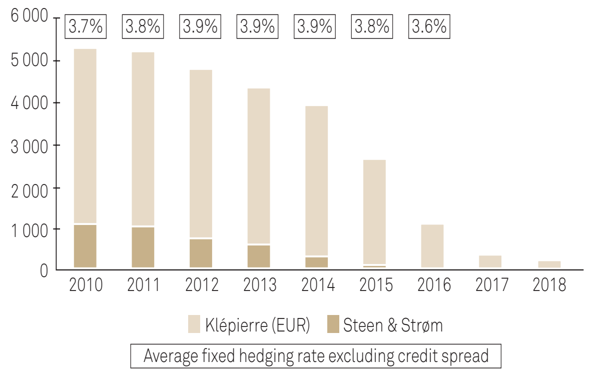
4. Reinforcement of shareholders' equity

- The shareholders of Klépierre responded positively to the proposed payment of shares in lieu of a cash dividend in respect of fiscal year 2008: 86.4% of all rights were exercised in favor of payment in the form of shares. The Group was therefore able to increase its shareholders' equity by 175.4 million euros on May 15, 2009.
- As a reminder, the subscription price was set at 11.13 euros, or 90% of the average quoted price during the twenty trading days prior to April 9, less the amount of the dividend.

II. Interest rate hedging

- On December 31, 2009, after hedging, fixed-rate debt represented 76% of Klépierre's financing (82% of the debt in euros and 60% of the Steen & Strøm debt). In light of the sharp decline in rates in both the euro and Scandinavian markets, Klépierre sought to limit its short-term carry cost while also completing its medium-term hedging program. During the period, the following transactions were carried out:
  - Cancellation of 700 million euros in swaps to lighten the carry cost of the hedge portfolio over the next two fiscal periods.
  - Purchase of 300 million euros in forward-starting swaps (2011 and 2012). In 2010, Klépierre will continue to reinforce its medium-term hedges.
  - The sharp decline in rates in Scandinavia over the first half of the year allowed Steen & Strøm to purchase several swaps with deferred start dates for a total of NOK700 million (about 84 million euros).
- Klépierre took advantage of decreasing interest rates in January 2010 to anticipate the replacement of swaps maturing in late 2011. It therefore contracted forward-starting swaps with for notional amount of 600 million euros, an average duration of 6.1 years and an average fixed-rate of 3.54%. Start date is 22 December 2011.
- As a consequence, at the end of January 2010, the average duration on the Group's hedges is 4.5 years, for an average fixed rate of 3.7% (excluding credit margin).

Interest rate risk hedge profile
(Annual average – swaps and fixed – rate debt in million euros)



Maturity schedule as of 31 January 2010

III. Cost of debt

- The cost of Klépierre's debt observed over the year – ratio of interest expense to average outstanding financing debt – was 4.45%.
  - Compared with 2008 (4.4%), the slight increase observed is related primarily to higher margins resulting from the renegotiation of the covenants on bank loans. The full-year impact of Steen & Strøm, whose cost of debt is higher than that of Klépierre, also contributed to a slight increase in the cost of debt for the Group. These impacts were partly offset by extremely low short-term rates, which led to a significant reduction on the cost of floating rate debt (24% of Group debt), particularly in Scandinavia.
- Based on the financial structure and prevailing rates on December 31, 2009, the cost of the Group's debt would increase by 24 bps in the event of a 100 bp rise in rates, which would negatively impact the cost of debt by around 17.7 million euros.

IV. Financial ratios and ratings

- For the year ended December 31, 2009, all of the Group's ratios remain within the thresholds it has committed to under its financing arrangements.

Financing	Ratios/covenants	Limit (1)	12/31/2008	12/31/2009
Syndicated loans and bilateral loans of Klépierre SA	Net debt/value of holdings ("Loan to Value")	≤ 63% (2)	47.9%	49.3%
	EBITDA/Interest expenses	≥ 1.9 (2)	2.9	2.6
	Secured financing debt/value of holdings	≤ 20%	14%	17%
	Value of holdings, Group share	≥ 6 Bn€	12.3 Bn€	11.8 Bn€
	Ratio of financing debt of subsidiaries (excluding Steen & strom) to gross total debt	≤ 30%	13%	9%
Klépierre SA bonds	Percentage of debt secured by assets pledged as collateral to thirds parties/RNAV (3)	≤ 50%	24%	29.1%

(1) Threshold of the Group's most stringent credit agreement
(2) Until June 2011; thereafter, 60% and 2 for LTV and EBITDA/net interest expense
(3) RNAV, duties included, after deferred taxes

- Around 28% of Steen & Strøm's debt is subject to a financial covenant that requires shareholders' equity of at least 20% of revalued assets. On December 31, 2009, the ratio was 27.1%.
- In February 2010, Standard & Poor's confirmed its BBB+/A2 rating of Klépierre (long and short term, respectively). The outlook associated with this rating is stable.

I. Human resources

A key player in Continental Europe

Klépierre has 1,519 employees working in 12 different countries in Europe, 63% of whom work outside of France. The Group's workforce is predominantly female (55% of its employees are women), including positions of responsibility (42% of its managers are women).

Organic growth in the workforce slowed down considerably in 2009 (between December 2008 and December 2009, the Group added just 3 new employees) in response to the crisis that swept Europe during the year. Behind this slight rise in the total workforce, however, lie significant internal turnover (199 new hires on fixed or open-ended contracts and 196 departures from the Group) and differences from one geographic region to the next: internal mobility was maintained at a sustained pace in France and was stepped up in Italy-Greece to ensure an optimal match between employer staffing needs and an active labor market in Central Europe.
At the European level, recruitment efforts were more subdued than in 2008 but were nonetheless pursued in 2009, with 130 new employees hired under open-ended contracts and 69 hired for fixed terms of employment. Among these new recruits, 2.5% are employees with disabilities hired under open-ended contracts; 58% are women and 8.5% are over the age of 45. These figures attest to the organization's commitment to the theme of diversity.
The use of temporary staff remains limited, with an average monthly full-time equivalent of 11.4 temporary employees in Europe, which is 0.7% of the average staffing level. The rate of absenteeism is 2.1% (excluding paid maternity leave).

Individual staff management: the key to employee motivation

The training modules offered by the corporate university SégéCampus continue to attract employees. Dedicated to the specific occupational needs of Klépierre, SégéCampus carried out more than 700 training courses in 2009, with 19 offered specifically for employees from subsidiaries located outside France. A total of 6434 hours of training were completed. In 2009, SégéCampus developed 13 new training modules, including one designed to raise employee awareness of the challenge of sustainable development that was completed by nearly 55% of the Company's workforce. Cross-business training offered outside the corporate campus framework is mainly devoted to foreign language skills, changes in the legal and regulatory environment, the use of office resources and management.

With more than 550 career orientation interviews completed in the past two years, both management and HR are improving their knowledge of individual employees with the aim of identifying possible career paths inside the organization. As a result, in 2009 a total of 97 employees changed jobs within the organization. A positive and constructive dialogue with all managers, based on professional assessments, contributed to the general process of wage revision, resulting in the distribution of sums equal to 2.04% of payroll to reward individual performances. In addition, variable pay can reach 30% of the annual salary for employees whose work includes a predominant sales component. More than 160 additional employees were granted Klépierre stock options in 2009.
The effort to detect talent was carried out in all countries as part of the annual update of the succession plan, and individual interviews were carried out during visits by the Group HR director to local entities. The Klépierre-Ségécé executive committee is also monitoring these high-potential employees via performance reviews, succession planning and mobility committees.

France is the only country that has personnel representatives. For its French operations, Klépierre signed an agreement pertaining to a general wage increase of 1.2%. It also includes the distribution of funds intended to reduce the gender wage gap. In 2009, 11 people were concerned by this initiative.
In addition, existing employee relations agreements allow for the payment of employer matching funds to encourage employee savings, in addition to the payment of profit-sharing bonuses. These employee savings plans include Epargne Entreprise, PERCO (savings plan for group retirement) and the BNP Paribas capital increase reserved for employees.

A company-wide agreement related to the Management of Older Employees was also signed. It seeks to anticipate career development for older workers in the organization and to adapt training, working hours and the interview process to their needs.

J. Other information

I. Outcome of the 2009 share buyback program
(data provided under the terms of Article L. 225-211 of the French Commercial Code)

During 2009 as a whole, 1,507,369 shares were bought back at an average price per share of 21.46 euros, and 2,405,525 shares were sold at an average price per share of 23.98 euros. The trading fees charged on these transactions totaled 36,088.27 euros.

At December 31, 2009, Klépierre held 2,880,923 of its own shares (directly or indirectly), representing a total value of 61.8 million euros on the basis of the average purchase price, and a face value of 4.0 million euros.

	Liquidity	Existing stock option plans			Future stock options	External growth	Total
		2006	2007	2009			
Position at December 31, 2008	**259683**	**563093**	**423639**	**0**	**536686**	**1995978**	**3779079**
Stock option plan allocation	–	–	–	481000	- 481000	–	–
Stock option plan adjustments (1)	–	–	- 3103	–	3103	–	–
Options exercised during the year	–	–	–	–	–	–	–
Purchased	1507369	–	–	–	–	–	1507369
Sold	- 1573557	–	–	–	–	- 831968	- 2405525
Position at December 31, 2009	**193495**	**563093**	**420536**	**481000**	**58789**	**1164010**	**2880923**
As a pourcentage of share capital (181972159 shares)	0.11%	0.31%	0.23%	0.26%	0.03%	0.64%	1.58%

in number of treasury shares
(1) Updating of the number of beneficiaries to reflect employee turnover.

II. Average supplier payment period
(data provided under the terms of Article L. 441-6-1 of the French Commercial Code)

On average, suppliers are paid approximately thirty days from the billing date. At December 31, 2009, suppliers were owed 8,702 thousand euros for payment no later than January 31, 2010.

K. Events subsequent to December 31, 2009

In the course of January 2010, Klépierre contracted several swaps with deferred start dates for a notional amount of 600 million euros, an average duration of 6.1 years (starting on December 22, 2011) and an average rate of 3.54% (Cf. Financial policy section).

In addition, the Klépierre Executive Board decided on February 8, 2010, in conformity with the objectives of the share buyback program, to reallocate the Klépierre shares held to cover the needs of future external growth transactions (1 164 010 shares) to hedging of stock option plans.

L. Risk factors

I. Risks related to Klépierre strategy and activities

1. Risks related to the wider economic environment

Since the majority of the Klépierre real estate asset portfolio comprises shopping centers, changes in the key macroeconomic indicators of the countries in which the Group operates are likely to impact on its rental income and real estate portfolio value, and therefore shape its investment and new asset development policy, and ultimately, its growth prospects. The key factors likely to affect the business conducted by Klépierre are as follows:

- the wider economic environment is likely to encourage or depress demand for new retail space, and therefore affect the growth prospects of the Klépierre shopping center portfolio (in terms of the construction of new centers, extension of existing centers and acquisition or disposal transactions). It may also have a long-term impact on occupancy rates and the ability of tenants to pay their rent;
- a downward trend or slower growth in the indices against which most rents payable under Klépierre leases are indexed may also compromise Klépierre rental income, as could any change in the indices used for this purpose. The overall impact on all the leases in the Klépierre portfolio could be reduced by the fact that indexation is country-specific (usually against national inflation indices or, in the case of France, indices specific to commercial rents);
- the ability of Klépierre to increase rents - or even to maintain them at current levels depends, at the point of lease renewal, principally on its tenants'current and forecast sales levels, which in turn depends in part on the state of the economy. Tenants' sales trends also impact on the variable element of rents;
- any prolonged worsening of economic conditions could also result in an increase in unlet units in Klépierre centers, which would have a negative effect on Group rental revenue and operating income as a direct result of the loss of rental revenue and the increase in non-billable expenses where vacant premises require repairs and renewals before they can be remarketed. These costs cannot be passed on to tenants;
- the profitability of Klépierre's real estate letting activities depends on the solvency of its tenants. During periods of difficulty in the economy, tenants may delay payment of rent, fail to pay rent at all, or even encounter financial problems that would cause Klépierre to review tenancy conditions.

2. Risks related to the real estate market

Klépierre may not always execute its investments and divestments at the most opportune time or may have to postpone contemplated investments or divestments. In overall terms, a downturn in the commercial real estate market (particularly shopping centers, but also offices to a lesser degree) could have a negative effect on the Company's investment policy and investment decisions, as well as on the development of new assets, the value of its asset portfolio, the conduct of its business, its financial status, its operating profits and its future prospects.

More specifically, a downturn in the real estate market could have a significant negative effect on the conditions applying to Klépierre funding, and therefore on the business itself. Notably:

- the Company plans to cover a significant part of its short-term funding needs by selling existing real estate assets. In unfavorable market conditions, these assets could take longer to sell and achieve lower prices than would otherwise be the case, which could limit the flexibility of Klépierre in the way it implements its growth strategy;
- the Company is bound by certain covenants contained in the loan agreements signed by Klépierre and its subsidiary companies. Some of these covenants relate to asset values. Unfavorable market conditions could reduce the value of Group assets, making it more difficult for the Company to comply with the financial ratios fixed under loan agreements. If Klépierre were to find itself unable to maintain these ratios, it could be obliged to sell assets or raise funds by issuing equity securities in order to repay the debt or persuade lenders to amend certain loan agreement provisions.

3. Risks related to the departure or closure of flagship chains

The Group's shopping centers are often supported by one or more flagship chains with high levels of customer appeal (this is especially true in retailing). A decline in the attractiveness of such chains, any slowdown or cessation in their businesses (particularly as a result of an unusually-depressed economy), any failure to renew their leases, any termination of their leases and any delay in reletting the vacated premises could result in a decline in popularity of the shopping centers concerned. The resulting decline in footfall could trigger lower sales volumes for other shops, which would have a significant negative effect on the total rental income from certain centers, and therefore the financial status and growth prospects of the Group.

4. Risks related to the development of new real estate assets

Klépierre is involved in real estate development on its own account. This aspect of its business poses the following significant risks:

- the cost of construction may turn out to be higher than initial estimated: the construction phase may take longer than expected, technical difficulties or completion delays may be encountered due to the complexity of some projects, and the prices of construction materials may change adversely;
- Klépierre investment (in new projects, renovations and extensions) is subject to obtaining the necessary official permissions, which may be granted to Klépierre and/or its partners later than anticipated or even refused;
- Klépierre may require the consent of third parties, such as leading retail chains, lenders or the associates involved in partnership developments, and these consents may not be given
- Klépierre may fail to obtain satisfactory funding for its projects;
- upfront costs (such as the costs of feasibility studies) cannot normally be deferred or canceled in the event of projects being delayed or abandoned.

The real estate development and investment risks referred to may then result in investment projects being delayed, canceled or completed at a cost above that initially estimated in the budgets prepared by Klépierre, which could in turn affect the Group's financial results.

5. Risks related to lease renewals and the letting of real estate assets

When existing leases expire, Klépierre could find itself in the position of being unable to let or re-let vacant units within an acceptable period and/or under conditions as favorable as those offered by its current leases. The Company may not be able to attract sufficient tenants or high-profile retail chains into its shopping centers, and may not be successful in maintaining occupancy rates and rent revenues at satisfactory levels, which could have an unfavorable effect on Klépierre revenue, operating income and profitability (*cf*. page 91).

6. Risks related to the marketing of developments

Klépierre meets the cost of marketing the shopping malls developed by the Company and other real estate assets it acquires, and therefore bears the risk of any marketing failures. Klépierre may encounter difficulties in securing retail chain tenants that are both attractive to consumers and prepared to accept the level and structure of rents that the Company offers. The commercial real estate sector in which Klépierre operates is a rapidly-changing business environment in which change is driven by customer demand. The possibility cannot be ignored that at some future time Klépierre may not be able to tenant its centers with a portfolio of retail chains sufficiently attractive to ensure high occupancy rates and the opportunity to achieve high rental yields. This could in turn affect the business volumes and operating results of Klépierre.

7. Risks related to the competitive environment

The Company's rental activities operate in a highly competitive market. Competition may arise as a result of current or future developments in the same market segment, other shopping centers, mail order, hard discount stores, e-commerce or the attraction exerted by certain retail chains located in competitor centers. More particularly, the development by competitors of new shopping centers located close to existing Klépierre centers and/or renovations or extensions to competitor shopping centers may impact unfavorably on the Company's ability to let its commercial premises, and therefore on the rent levels it can charge and its forecast financial results.
As part of its portfolio management business, the Company competes with many other players, some of which have greater financial resources and larger portfolios. Having the financial leverage and ability to undertake large-scale development projects from their own resources gives the larger market players the opportunity to bid for development projects or asset acquisitions offering high profitability potential at prices that do not necessarily meet the investment criteria and acquisition objectives set by Klépierre, which may raise question marks about the certainty on the Company's business forecasts.

8. Risks related to the estimation of asset values

Klépierre calculates its net revalued assets per share at December 31 and June 30 every year. The measurement method used is as follows: calculation of the unrealized capital gains (or losses) held in the Klépierre portfolio arising as a result of the difference between the independently-appraised market value and the net carrying value shown in the consolidated accounts, and adding these to (or deducting them from) consolidated balance sheet equity. The independently-appraised market value depends on the relationship between supply and demand in the market, interest rates, the wider economy and many other factors likely to vary significantly in the event of poor shopping center performance and/or a downturn in the economy.
The IFRS carrying value of the Company's portfolio is based on the asset acquisition cost. It is not immediately adjusted to reflect fluctuations in market value, and cannot therefore reflect the effective realizable value of the portfolio. The appraised value of its assets may not therefore reflect their realizable value in the event of disposal, which could have a negative impact on the Group's financial status and operating results.

9. Risks related to the international business profile of Klépierre

Klépierre owns and operates shopping centers in 13 countries of Continental Europe. Some of these countries have risk profiles higher than those of the Company's historic markets (France, Spain and Italy). The economic and political status of these countries may be less stable, their regulatory frameworks and tariff barriers may be less favorable and business may be conducted in more volatile local currencies. The risks posed by individual countries, combined with a failure to manage those risks effectively, may have a negative impact on the operating income and financial status of Klépierre (*cf*. page 77).

10. Risks related to partnership agreements

Klépierre owns a significant proportion of its shopping centers in France, Spain and, to a lesser degree, Italy and Greece, under the terms of a series of partnership agreements signed with CNP Assurances and Écureuil Vie. The partnership agreements provide for the usual minority protections: pre-emptive share rights, joint exit rights and the investment/disinvestment decision-making process. The principal clauses of the partnership agreement are shown in Note 8.4 of the notes to the consolidated financial statements (cf. page 191).
If the minority partners were to exercise their exit rights, and Klépierre were not in a position to acquire their holdings, with the result that those minority partners sold their holdings to a third party at a price below that of the net revalued asset value of the underlying assets, Klépierre would then be obliged to compensate them for any shortfall (which could be equivalent to 20% of the net revalued asset value of the underlying assets). In the event of a significant shortfall, the obligation to make the corresponding payments in compensation could have a negative impact on Klépierre liquidity, and could require the Company to defer or cancel other investments.

11. Acquisition risks

The acquisition of real estate assets or companies owning such assets is part of the Klépierre growth strategy. This policy poses the following significant risks:

- Klépierre could overestimate the expected yield from these assets, and therefore acquire them at too high a price compared with the funding put in place to facilitate such acquisitions, or be unable to acquire them under satisfactory conditions, especially where the acquisitions are made via a competitive tendering process or in a period of significant economic volatility or uncertainty. The comprehensive due diligences conducted with the assistance of specialist external consultants prior to any acquisition have the specific goal of minimizing these risks;
- where an acquisition is financed by the disposal of other assets, market conditions or unfavorable deadlines could delay or compromise the ability of Klépierre to complete the acquisition;
- the assets acquired could contain hidden defects, such as subletting, violations by tenants of applicable regulations (and particularly environmental regulations) or a failure to comply with the construction plans which would not be covered by the guarantees contained in the contract of sale. The due diligence process referred to above is also beneficial in this respect;
- Klépierre could also encounter difficulties in incorporating a new acquisition as a result of its impact on the Company's internal organizational structure (IT, human resources, etc.). However, the possible impacts of

any acquisition on these aspects are systematically evaluated as part of the acquisition decision-making process whenever necessary.

II. Risks related to klépierre's financing policy and financial activities

The exposure of Klépierre to the full range of financial risks and the policy it applies to hedge against those risks are described in greater detail in Note 7 of the Notes to the Klépierre consolidated financial statements (*cf*. page 186) and in the Report of the Chairman of the Supervisory Board (*cf*. page 140).

1. Liquidity risk

Klépierre's strategy depends on its ability to raise financial resources in the form of debt or equity for the purpose of funding its investments and acquisitions and refinancing maturing debts. Klépierre is committed to distributing a significant proportion of its profits to its shareholders in order to qualify for SIIC status. It therefore relies heavily on debt to fund its growth. This method of funding may not be available under advantageous conditions. This situation could arise in the event of a crisis in capital markets or bond markets, the occurrence of events impacting on the real estate sector, a reduction in the rating of Klépierre debt, restrictions imposed by covenants included as part of loan contracts, or any other change to the business activities, financial status or shareholding profile of Klépierre capable of influencing the perception that investors or lenders have of its creditworthiness or the attractiveness of investing in the Group. Klépierre is also exposed to the general risks associated with all types of borrowing, and particularly the risk of operating cash flows falling to a level at which the debt could not be serviced. If such a shortfall were to occur, the result could be a faster rate of repayment or early repayment and the calling in of any guarantees given, in which case there would be the added possibility of the assets concerned being seized.

Risks related to the covenants and other commitments contained in loan agreements

In addition to the usual covenants and commitments, the loan agreements entered into by Klépierre also contain covenants obliging the Company to comply with certain specific financial ratios, as detailed in section H "Financial policy" on pages 97-99. If Klépierre were to default on one of its financial commitments and be unable to remedy that failure within the time allowed in the loan agreement, the lenders could demand early repayment of the loan or even seize the assets concerned where the loan is secured against guarantees. Some loan agreements also contain cross default clauses allowing lenders to demand early repayment of outstanding amounts in the event that Klépierre fails to meet the commitments contained in other loan agreements (unless any shortcoming is regularized within the period allowed). Consequently, any failure to meet its financial commitments could have a negative impact on the financial status of Klépierre, its financial results, its flexibility in conducting its business and pursuing growth (for example, by impeding or preventing certain acquisitions), its ability to meet its obligations and its share price.

Risks related to any downgrading of the Klépierre debt rating

The outstanding debt carried by Klépierre is periodically rated by the rating agency Standard & Poor's. At the time this report was prepared, this agency rated the Company's long-term debt as "BBB+, stable outlook", and its short-term debt as "A-2, stable outlook". These ratings reflect the ability of Klépierre to repay its debts, as well as its liquidity, key financial ratios, operational profile and general financial status, and other factors considered as being significant in respect of the Company's business sector and the wider economic outlook. Any downgrading of the Klépierre debt rating could impact negatively on the ability of the Group to fund its acquisitions or develop its projects under acceptable conditions, and could also increase the cost of refinancing its existing loans. Any increase in interest charges would compromise Klépierre operating income and the yield of development projects. If funding were not to be available under satisfactory conditions, the ability of Klépierre to grow its business through acquisition and development would be reduced.

2. Interest rate risk

Klépierre is exposed to the general risks associated with all types of borrowing, and particularly the risk of operating cash flows falling to a level at which the debt could not be serviced. If such a shortfall were to occur, the result could be a faster rate of repayment or early repayment and the calling in of any guarantees given, in which case there would be the added possibility of the assets concerned being seized.
The significant level of debt carried by Klépierre also exposes the Company to the risk of interest rate fluctuations:

- the interest charges paid by Klépierre on its variable rate borrowings could therefore rise significantly;
- a significant rise in interest rates would impact negatively on the value of the Company's portfolio inasmuch as the rates of yield applied by real estate appraisers to the rentals of commercial buildings are determined partly on the basis of interest rates;
- Klépierre uses derivative instruments to hedge against interest rate risks, such as swaps, which enable it to pay a fixed or variable rate, respectively, on a variable or fixed rate debt. Developing an interest rate risk management strategy is a complex task, and no strategy can protect the company fully against the risk posed by interest rate fluctuations. The measurement of derivatives also varies depending on interest rate levels, is reflected in the Klépierre balance sheet, and may also impact on its income statement if hedging relationships are not sufficiently justified by documentation or if the existing hedges are only partly effective.
  The use made by Klépierre of interest rate hedge contracts could expose the company to additional risks, and particularly the risk of failure of the counterparties to such contracts, which could in turn result in payment delays or defaults that would impact negatively on the results of Klépierre.

Quantified illustrations of the effects of interest rate fluctuations before and after hedging are given in Note 7.1 of the Notes to the consolidated financial statements (cf. page 186).

3. Currency risk

Klépierre also conducts business in countries that have yet to join the eurozone (currently the Czech Republic Denmark, Hungary, Norway, Poland, and Sweden). In these countries, Klépierre's exposure to currency risk arises as a result of the following factors:

- local currencies may be devalued between the time that rents are billed in euros and the time at which they are paid by lessors, thus creating exchange rate losses for Klépierre. In addition, some leases (chiefly in Scandinavia) are not billed in euros, but in dollars (as is the case in

Central Europe) or local currencies, thus creating a level of risk greater than that applying to rents collected in euros;
- fluctuations in local currencies also impact on the level at which local financial statements are translated into euros and integrated into Klépierre's consolidated financial statements;
- since a proportion of subsidiary company expenses are denominated in the local currency, although their income (fees) are denominated in euros, any appreciation in the local currency may reduce operating profit;
- since rent bills are usually denominated in euros, tenants may have difficulty in paying their rent if their local currency depreciates significantly. Any resulting deterioration in their solvency could have a negative impact on Klépierre rental income.

For details of the measures taken by the Group to reduce currency risks, please refer to Note 7.3 of the Notes to the consolidated financial statements (cf. page 189).

4. Counterparty risk

When Klépierre uses derivative instruments such as swaps to hedge a financial risk, Klépierre's counterparty may owe Klépierre some payments during the lifetime of the instrument. Insolvency of that counterparty may lead to delay or default in such payments, which would have an adverse impact on Klépierre's results.
Klépierre is also exposed to counterparty risks in respect of its short-term financial investments. The risk monitoring policy and control systems implemented by Klépierre are presented in Note 7.4 of the Notes to the consolidated financial statements (*cf*. page 189).

III. Legal, tax and regulatory risks

1. Risks related to applicable regulations

As an owner and manager of real estate assets, Klépierre must comply with the regulations in force in all of its operating countries. These rules apply to several fields, including corporate law, health and safety, the environment, building construction, commercial licenses, leases and urban planning. Changes in the regulatory framework may require Klépierre to make changes to its business, assets or strategy. Klépierre may also suffer financially should one or more lessors in one of its shopping centers fail to comply with the applicable standards. This may take the form of a loss of rent following a store closure or a loss of marketability of the development. The regulatory risks described in this paragraph could impose additional costs on Klépierre; costs which could have a negative effect on its business, results and financial status, as well as the value of the Klépierre asset portfolio.

The specific risk posed by legal or regulatory provisions applying to leases

In certain of Klépierre's operating countries, and especially France, the contractual conditions applying to lease periods, lease voidance, lease renewal and rent indexation may be a matter of public policy. More specifically, some legal provisions in France limit the conditions under which property owners may increase rents to align them with market levels or maximize rental income. In France, certain types of lease must be entered into for minimum periods, and the process of evicting tenants in the event of non-payment may be very lengthy. Any change to the regulations applying to commercial leases, and particularly their period, the indexation and capping of rents or the way in which eviction penalties are calculated, could have a negative effect of the value of the Klépierre asset portfolio, as well as the company's operating results and financial status.

Risks related to SIIC tax status

- Since the Company has SIIC status, it is subject to a special tax regime, referred to as the "SIIC régime". As such, and subject to certain conditions (see the Glossary on page 237 for further details), it is exempt from paying corporate income tax. Although there are significant benefits involved in adopting SIIC status, it is a complex regime that poses certain risks for the Company and its shareholders:
- the requirement for the company to distribute a significant proportion of the profits earned in each fiscal year, which could, for example, affect its financial status and liquidity;
- the Company is exposed to the risk of future changes to the SIIC scheme, and certain changes could have a significant negative impact on the Company's business, financial status and results;
- the company is also exposed to the risk posed by future interpretation of the SIIC scheme provisions by the French tax and accounting authorities. For example, the 20% deduction introduced by the Amending Finance Act of 2006 (see page 21 on tax regime) has yet to be commented on by the relevant authorities. The company cannot therefore guarantee what kind of interpretation may or may not be brought forward by the French tax authorities. Furthermore, there are uncertainties regarding the accounting treatment of this 20% deduction and the effectiveness of the statutory mechanism enabling this 20% charge to be passed on to the shareholders concerned.

Legal intelligence

The Klépierre legal and support departments work in partnership with outside consultants to ensure that information regarding new laws and regulations that could have a material impact on the Group's financial position and growth is gathered, processed and disseminated throughout the Group. This intelligence-gathering process extends to legislation and regulations in every country in which the Group has equity interests.

IV. Risks related to subsidiary companies

1. Risks related to the shareholding structure of Steen & Strøm

Steen & Strøm is owned 43.9% by ABP Pension Fund and 56.1% by Klépierre. The percentage equity holding, together with certain provisions contained in the shareholder agreement between the two shareholders, gives ABP Pension Fund significant influence in certain areas of strategic decision-making, such as major investment and disinvestment transactions involving Steen & Strøm. Under the terms of the agreement, certain decisions may be made on the basis of an 85% qualified majority vote, the effect of which is to give ABP Pension Fund an effective right of veto over these decisions. It may be the case that the interests of ABP Pension Fund and Klépierre may differ in the case of some Steen & Strøm development decisions. The successful development of Steen & Strøm therefore depends on a certain measure of goodwill between its shareholders. The possibility of some divergence of approach occurring between the shareholders cannot be excluded, or that their relationship may deteriorate in more general terms, which could disrupt the operation of Steen & Strøm, causing a negative impact on the results, financial status and prospects of Klépierre.

2. Risks related to Klémurs

The loan agreements entered into by Klémurs provide for a maximum Loan-To-Value ratio (net financial debt to reappraised asset value) of 65%. If the value of the Klémurs portfolio were to diminish, this limit could be reached, thus restricting the ability of Klémurs to obtain additional borrowing to fund acquisitions or development projects. Klémurs could also be forced to raise additional capital to comply with these covenants. Although Klépierre has no contractual obligation to increase its equity holding in Klémurs, any failure to do so could lead to the dilution of the Klépierre holding in Klémurs, and compromise the ability of Klémurs to raise capital.

V. Environmental risks

In all its operating countries, Klépierre must comply with environmental protection laws applying to the presence or use of hazardous or toxic substances, and the use of facilities capable of generating pollution and impacting on public health, particularly in terms of epidemics (especially in the case of shopping centers).

The families of risks identified could have a range of different consequences:

- the health risks resulting, for example, from internal pollution posing a hazard to users and neighbors. A failure of this kind would have immediate local consequences in terms of footfall, reduced sales for retailers and the loss of rent for Klépierre on the site concerned, as well as impacting negatively on the image of the Group;
- an environmental incident caused by human error could reflect badly on the image of the Group and its management. The damage caused to the image of the company as a result of an environmental incident is a risk whose potential consequences are hard to quantify;
- under current environmental laws and regulations, Klépierre, as the current or previous owner and/or operator of an asset, may be liable for identifying hazardous or toxic substances affecting an asset or a neighboring asset, and to remove and clean up any such contamination found. The existence of contamination or neglecting to take the correct measures to remove such contamination are also likely to have a negative effect on the ability of Klépierre to sell, let or refurbish an asset or to use the asset as security for a loan.

In addition to the civil liability cover contracted to cover the risk of accidental pollution, Klépierre also has special insurance policies to cover the assets that include classified facilities subject to authorization. These policies insure against the liability of Klépierre in respect of physical injury, damage to property and consequential loss arising as a result of gradual pollution.

In terms of personal safety, the Group's civil liability policies cover third parties against any prejudice suffered.

- Depending on its intensity, extreme weather may also impact on the business activity of one or more assets. Exceptional snowfall could, for example, result in buildings being evacuated or pose a structural risk resulting in cessation of trading on a given site. Property damage insurance addresses this type of risk.
- Any failure to comply with safety measures or control procedures could result in an official shutdown of the site, with localized consequences for the future of the business and image of the site concerned. Property damage insurance addresses this type of accidental damage.

Risks are managed by means of continual and periodic control measures. The permanent control measures use a "risk matrix" to check the procedures implemented and the monitoring points fundamental to the full coverage of the assets and the claims history. The periodic control measures ensure compliance with the regulations and procedures implemented (drafting of reports, recommendations and implementation plans (*cf*. Report of the Chairman of the Supervisory Board beginning on page 140).

VI. Risks related to Klépierre's shareholder base

The BNP Paribas Group holds the casting vote at annual meetings of shareholders, and minority shareholders have no power of veto over the major decisions taken by the BNP Paribas Group in relation to Klépierre. Approximately half of Klépierre's total bank borrowings are contracted with BNP Paribas. Klépierre also has many other commercial links with the BNP Paribas Group, since BNP Paribas and some of its subsidiary companies are tenants of office buildings owned by Klépierre, and are joint investors alongside Klépierre and/or other investors in some shopping centers. BNP Paribas has also granted sureties and guarantees in respect of Klépierre. Although Klépierre believes that its relationships with BNP Paribas and its subsidiary companies are reasonable, Klépierre did not implement a tendering policy prior to entering into these relationships.

It is possible that the economic objectives of Klépierre are not always the same as those of BNP Paribas, and that this fact could give rise to conflicts of interest. Although Klépierre believes that the likelihood of any conflict of interest is slight, the company cannot discount it altogether, and such an event could have a negative impact on its results, financial status and/or business activity.

M. Corporate governance

To ensure transparency and the provision of public information, Klépierre has implemented a series of measures based on corporate governance recommendations, including the formation of Supervisory Board committees and the appointment of independent directors to the Supervisory Board.
The Company considers that this corporate governance structure enables it to comply with the current corporate governance regime.

I. List of offices and positions

List of current and past Executive Board appointments for the last five years

Laurent MOREL – Business address: 21, avenue Kléber - 75116 Paris
Chairman of the Executive Board Date of first appointment as Chairman of the Executive Board: January 1, 2009 Date of first appointment a Member of the Executive Board: June 1, 2005 Period of appointment a Member of the Executive Board: June 22, 2007 to June 21, 2010 Number of shares: 2 420
Managing Partner of SCS Ségécé

In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all those Klépierre subsidiary companies in which the corporate officer concerned is or has been in the previous five years, a member of the governing, management or supervisory body.

Jean-Michel GAULT – Business address: 21, avenue Kléber - 75116 Paris
Member of the Executive Board Date of first appointment: June 1, 2005 Period of appointment: June 22, 2007 – June 21, 2010 Number of shares: 1 879
Permanent representative of Klépierre and Member of the SCS Ségécé Supervisory Board

In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all those Klépierre subsidiary companies in which the corporate officer concerned is or has been in the previous five years, a member of the governing, management or supervisory body.

List of current and past Supervisory Board appointments for the last five years

Michel CLAIR – Business address: 21, avenue Kléber - 75116 Paris	
Chairman of the Supervisory Board Date of first appointment: December 19, 2008 Period of appointment: January 1, 2009 – 2011 AGM **Member of the Investment Committee** **Member of the Sustainable Development Committee** Number of shares: 75 026	
Current appointments: Chairman of the Supervisory Board of SCA Klémurs Chairman of the Supervisory Board of SCS Ségécé Chairman of the Board of SGRHVS **Chairman:** – SAS Astria Développement – SAS RHVS 1% Logement **Director:** – France-Habitation SA HLM – GIE Astria – Pax-Progrès-Pallas SA HLM – Domaxis SA HLM	**Appointments expired during the last five years:** – Chairman of th Executive Board of Klépierre – Chairman of SAS Valéry Développement **Director:** – Les Trois Vallées – Régie Immobilière de la Ville de Paris – RIVP

In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all those Klépierre subsidiary companies in which the corporate officer concerned is or has been in the previous five years, a member of the governing, management or supervisory body.

Dominique HOENN – Business address: 21, avenue Kléber - 75116 Paris

Member of Klépierre Supervisory Board
Date of first appointment: April 8, 2004
Period of appointment: April 5, 2007 – April 8, 2010 (1)
Member of the Investment Committee
Member of the Audit Committee
Member of the Appointments and Compensation Committee
Number of shares: 300

Current appointments:
– Member of the Supervisory Board of SCA Klémurs
– Senior Adviser to BNP Paribas
Chairman of the Board:
– BNP Paribas International
– BNP Private Equity
Member of the Supervisory Board:
– NYSE Euronext Group
– Euronext N.V. (Amsterdam)

Director:
– BNP Paribas Securities Services
– BNP Paribas Luxembourg SA
– Clearstream International (Luxembourg)
– LCH Clearnet (Londres)

– Member of the Collège de l'Autorité des Marchés Financiers

Appointments expired during the last five years:
– Director of Cobepa (Brussels)

(1) Proposed for reappointment at the ordinary general meeting of April 8, 2010.

Jérôme BÉDIER – Business address: 21, avenue Kléber - 75116 Paris

Member of Klépierre Supervisory Board – Independent director
Date of first appointment: April 8, 2004
Period of appointment: April 4, 2008 – 2011 AGM
Chairman of the Sustainable Development Committee
Member of the Investment Committee
Number of shares: 3 159

Current appointments:
– Executive Chairman of the Fédération des Entreprises, du Commerce et de la Distribution
– MEDEF Executive Committee Member
– Chairman of La Fondation de la Croix Saint-Simon
– Chairman of the Board of Directors of Union d'Économie Sociale pour le Logement
– Non-voting member of the Board of Directors of Éco-Emballages

Appointments expired during the last five years:
Supervisory Board Member:
– Générale de Santé
– SIAL (Global food marketplace exhibition)

– Board Member of the Agence française de sécurité sanitaire des aliments (French food safety agency)
– Member of the General Council of the Institut national agronomique de Paris-Grignon

Bertrand de FEYDEAU – Business address: 21, avenue Kléber - 75116 Paris

Member of Klépierre Supervisory Board – Independent director
Date of first appointment: July 21, 1998
Period of appointment: April 5, 2007 – April 8, 2010 (1)
Chairman of the Investment Committee
Member of the Appointments and Compensation Committee
Member of the Sustainable Development Committee
Number of shares: 1 296

– Member of the Supervisory Board of SCA Klémurs
– Head of Economic Affairs – Archevêché de Paris (Archdiocese of Paris)
– Chairman and CEO of AXA Immobilier SAS
– Chairman of Foncière Développement Logements
– Chairman of Fondation Palladio
– Chairman of Fondation des Bernardins
Director:
– Foncière des Régions
– SITC SAS
– Société Beaujon SAS
– Affine
– Fédération des Sociétés Immobilières et Foncières (FSIF)
– Fondation du Patrimoine
– Vieilles Maisons Françaises
– Club de l'Immobilier
– Association KTO
– Radio Notre-Dame

–Non-voting member of Sefri Cime

Appointments expired during the last five years:
Director:
– Ahorro Familiar
– AXA Aedificandi
– Bail Investissement
– Gécina

(1) Proposed for reappointment at the ordinary general meeting of April 8, 2010.

<table>
<tr><td colspan="2">Bertrand JACQUILLAT – Business address: 21, avenue Kléber - 75116 Paris</td></tr>
<tr><td colspan="2">Member of Klépierre Supervisory Board – Independent director
Date of first appointment: April 12, 2001
Period of appointment: April 9, 2009 – 2012 AGM
Chairman of the Audit Committee
Number of shares: 2 161</td></tr>
<tr><td>Current appointments:
– Chairman and CEO of Général d'Associés en Finance
– Member of the Supervisory Board of Presses Universitaires de France
– Director of Total SA</td><td>Appointments expired during the last five years:
None</td></tr>
</table>

<table>
<tr><td colspan="2">Bertrand LETAMENDIA – Business address: 21, avenue Kléber - 75116 Paris</td></tr>
<tr><td colspan="2">Member of Klépierre Supervisory Board – Independent director
Date of first appointment: July 21, 1998
Period of appointment: April 9, 2009 – 2012 AGM
Chairman of the Appointments and Compensation Committee
Member of the Audit Committee
Number of shares: 1 200</td></tr>
<tr><td>Current appointments:
– Director of Sogeprom
– Chairman of SAS AITA Conseils

Appointments expired during the last five years:
Director:
– Gécina
– Immovalor Gestion
Chairman:
– SAS Kléber Lamartine
– SAS Kléber Longchamp
– SAS Kléber Passy
– SAS Société Commerciale Vernet
– SAS 48 Notre-Dame-des-Victoires
– SAS Établissements Paindavoine
– SAS Étoile Foncière et Immobilière
– SAS Financière Cogedim Laennec
– SAS INVCO
– SAS Madeleine Opéra
– SAS Société Foncière Européenne
– SAS Société de Négociations Immobilières et Mobilières Maleville (SONIMM)
– Vernon SAS</td><td>Managing Partner:
– SNC AIP
– SNC Allianz Bercy
– SNC Laennec Rive Gauche
– SNC AGF Immobilier
– SNC Phénix Immobilier
– Allianz Immo 3 EURL
– Allianz France SARL
– EURL Business Vallee II
– EURL 20/22 rue Le Peletier
– SARL Relais de la Nautique
– SARL de l'Étoile
– SCCV 48/50 Henri Barbusse
– SCCV 33 rue La Fayette
– SCI 16/18 avenue George V
– SCI du 18 rue Vivienne
– SCI Centre et Paris
– SCI Clichassur
– SCI VI Jaurès
– SCI Tour Michelet
– SCI Remaupin
– SCI 3 Route de la Wantzenau "Les Portes de l'Europe"
– SC Prelloyd Immobilier
– SCI Via Pierre 1
– SCI Le Surmelin
– Société de Construction et de Gestion Immobilière des Mesoyers

– Liquidator of SCCV 33 La Fayette</td></tr>
</table>

Vivien LÉVY-GARBOUA – Business address: 21, avenue Kléber - 75116 Paris

Vice-Chairman of Klépierre Supervisory Board
Date of first appointment: April 12, 2000
Period of appointment: April 5, 2007 – April 8, 2010 (1)
Member of the Audit Committee
Member of the Appointments and Compensation Committee
Member of the Sustainable Development Committee
Number of shares: 1 800

Current appointments:	Appointments expired during the last five years:
– Senior Adviser to BNP Paribas **Vice-Chairman of the Supervisory Board:** – Presses Universitaires de France – Line Data Services – Member of the Supervisory Board of BNP Paribas Immobilier – Member of the Executive Board of LCH Clearnet – Member of the Board of SFEF (Société de Financement de l'Économie Française) **Director:** – Sicovam Holding – Coe-Rexecode – Financière BNP Paribas – Compagnie d'Investissements de Paris – BNP Paribas Luxembourg – BGL BNP Paribas Luxembourg – Bank of the West	– Head of Compliance and Internal Controls Coordination at BNP Paribas – Member of the Executive Committee of BNP Paribas – Chairman of the Supervisory Board of Meunier Promotion – Vice-Chairman of the Supervisory Board of BNP Paribas Securities Services – Chairman of BNP Paribas Bank (Paris) – Chairman of BNP Paribas SA (Luxembourg) – Chairman of UEB Genève (Switzerland) **Director:** – BNP Paribas SA (Switzerland) – BNP Paribas (GB) – BNP Paribas Immobilier SAS – Cortal Consors – Ségécé – BNP Paribas Private Bank (Switzerland) – Fischer Francis Trees & Watts (New York) **Non-voting member:** – BNP Paribas Assurance

(1) Proposed for reappointment at the ordinary general meeting of April 8, 2010.

Philippe THEL – Business address: 21, avenue Kléber - 75116 Paris

Member of the Supervisory Board of Klépierre
Date of first appointment: April 7, 2006
Period of appointment: April 9, 2009 – 2012 AGM
Member of the Investment Committee
Number of shares: 770

Current appointments:	Appointments expired during the last five years:
Director: – Cilgere Gipec – PSR – BNP Paribas Immobilier SAS – Permanent representative of BNP Paribas Immobilier as Director of Promogim – Permanent representative of BNP Paribas as Director of Sofibus	None

<table>
<tr><td colspan="2">Sarah ROUSSEL – Business address: 21, avenue Kléber - 75116 Paris</td></tr>
<tr><td colspan="2">Member of the Supervisory Board of Klépierre
Date of first appointment: December 19, 2008
Period of appointment: January 1, 2009 – 2011 AGM (1)
Member of the Investment Committee
Number of shares: 60</td></tr>
<tr><td>Current appointments:
– CEO of SAS BNP Paribas Participations
– Non-associate managing partner of SNC BNP Paribas Dérivés Garantis
– Director of Paribas Participation Limited (Canada)
Permanent representative of BNP Paribas Participations as Director of:
– Bergère Participation 2
Chairman of the following SAS companies:
– Kléquatorze
– Société de Participations Mobilières
– Pétale Participation 4
– Pétale Participation 5
– Pétale Participation 6
CEO of BNP Paribas Participations and Managing Partner of the following SNC companies:
– Taitbout Participations 2
– Taitbout Participation 4
– Taitbout Participation 5
– Taitbout Participation 6
– Bureau d'Études et de Transactions Immobilières "BETI"
– Conseil Investissement
CEO of BNP Paribas Participations and Chairman of the following SAS companies:
– Antin Participation 5
– Laffitte Participation 13
– Laffitte Participation 15
– ALT S 2</td>
<td>Appointments expired during the last five years:
– Permanent representative of Klé 65 as Director of OGDI
– Chairman of SAS Kléquatorze as Managing Partner of SNC Klédouze
– CEO of BNP Paribas Participations as Managing Partner of SNC Taitbout Participation 3
Permanent representative of BNP Paribas Participations as Director of:
– Bergère Participation 4
– Casanova Participation 5
– Klé 66
– Société de Participations Mobilières
Chairman and CEO:
– SA Société de Participations Mobilières
– SA Klé 65
Chairman of the following SAS companies:
– Cofidic
– Laffitte Participation 21
– Laffitte Participation 22</td></tr>
</table>

(1) Resigned with effect from March 31, 2010. The appointment of Madame Dominique Aubernon as replacement is to be proposed at the general meeting of shareholders on April 8, 2010.

The company has decided to apply the AFEP-MEDEF recommendations as contained in the consolidated version of the AFEP-MEDEF Code of Corporate Governance for listed companies, published in December 2008. In its recommendation concerning the termination of contracts of employment in the event of appointment as a corporate officer, the AFEP-MEDEF code states that: "It is recommended that when a manager becomes a corporate officer of the company, the employment contract between him or her and the Company or another Group company should be terminated either by standard termination or by resignation", but that "This recommendation does not apply to employees of a group of companies acting as corporate executives in a group subsidiary company, regardless of whether the company is listed or not". Laurent Morel has been an employee of the BNP Paribas Group since 1988, and was appointed as Chairman of the Company's Executive Board with effect from January 1, 2009. He is currently a salaried employee of Ségécé, a fully-owned subsidiary of the Company, and is bound to the company by contract of employment.
Since the Company is owned 50.50% by BNP Paribas and is therefore a subsidiary of BNP Paribas under the terms of Article L. 233-1 of the French Commercial Code, the contract of employment between Laurent Morel and Ségécé may remain in place following his appointment as Chairman, in accordance with AFEP-MEDEF recommendations. Laurent Morel continues to be paid under the terms of his contract of employment with Ségécé, and is not paid in respect of his positions as Managing Partner of Ségécé and Chairman of the Company.

II. Summary of important agreements

Major investment and sales contracts

2008

Framework agreement with the Finiper Group

- Signed on: December 14, 2008
- Seller: Finiper Group
- Purpose: the acquisition (via equity holdings) of a 50% share of two existing malls (Verona and Lonato) and one future mall (Vittuone)
- Transaction value: 173.7 million euros (for the 50% share)

Exchange of the building at 46, rue Notre-Dame-des-Victoires (Paris) for shares in the company that owns the Drancy shopping center

- Signed on: October 3, 2008
- Parties: Klépierre (assignor of 46, rue Notre-Dame-des-Victoires), Assurecureuil-Pierre 3 (assignor of 229 shares in SCI Galeries Drancéennes, which owns the Drancy shopping center) and Assurimmeuble (assignor of its holding in SCI Galeries Drancéennes)
- Purpose: Klépierre has exchanged the building at 46, rue Notre-Dame-des-Victoires for the 229 SCI Galeries Drancéennes shares held by Assurecureuil-Pierre 3, and has acquired the Assurimmeuble holding in SCI Galeries Drancéennes directly
- Transaction value: 69 902 041 euros for the building at 46, rue Notre-Dame-des-Victoires, and 70 778 294.02 euros for the Drancy shopping center.

Acquisition of the company that owned the Plzen Plaza in the Czech Republic

- Draft purchase agreement on July 11, 2008, with transfer of ownership on July 31, 2008
- Parties: Plaza Centers NV (vendor) and Klépierre Plzen AS (buyer)
- Purpose: Purchase by Klépierre Plzen of a 100% equity stake in Plzen Plaza SRO, the owner of the Plzen Plaza shopping center, from Plaza Centers NV
- Transaction value: 61 439 742 euros

Acquisition of the jointly-owned Tourville-la-Rivière shopping center units held by RPFFB Hyper SAS

- Signed on: December 30, 2008
- Parties: RPFFB Hyper SAS (vendor) and Klépierre Tourville (buyer)
- Purpose: Acquisition by Klépierre Tourville of the jointly-owned Tourville-la-Rivière shopping center units held by RPFFB Hyper SAS
- Transaction value: 7 092 000 euros

Sale by Cécoville of the Paul Doumer shopping center in Caen to SCI Foncière ADYTON 1

- Date of sale: September 23, 2008
- Parties: SAS Cécoville (vendor, Klépierre subsidiary) and SCI Foncière ADYTON 1 (buyer)
- Purpose: sale by SAS Cécoville of its units at the Paul Doumer shopping center in Caen to SCI Foncière ADYTON 1
- Transaction value: 28 000 000 euros

2009

Sale of a unit forming part of the Carrefour shopping center in Le Mans

- Signed on: June 5, 2009
- Parties: Klécar France SNC (vendor, Klépierre subsidiary) and Immobilière Carrefour (buyer)
- Purpose: sale of a unit forming part of the Carrefour shopping center in Le Mans
- Transaction value: 11.4 million euros (net to vendor)

Sale of a 26.30% equity stake in Société des Centres d'Oc et d'Oil, and a 22.17% equity stake in Société des Centres Toulousains

- Signed on: June 30, 2009
- Parties: Klépierre (vendor) and Cardif Assurance Vie (buyer)
- Purpose: sale of a 26.30% equity stake in Société des Centres d'Oc et d'Oil (SCOO), and a 22.17% equity stake in Société des Centres Toulousains (SCT), as well as proportionate shares of the shareholder loan accounts held in these companies
- Amounts of the disposals following price adjustments at December 30, 2009:
  – from the sale of SCOO shares equivalent to 26.30% of equity capital: 83.7 million euros (excluding transfer duties)
  – from the sale of SCT shares equivalent to 22.17% of equity capital: 40.6 million euros (excluding transfer duties).

Modification of the December 14, 2007 partners'agreement relating to IGC SpA

- Signed on: July 23, 2009
- Parties: Finiper, Finiper Real Estate and Investment BV, IperMontebello, Cedro 99, Klépierre, Klefin Italia and Klépierre Luxembourg
- Purpose: Conditions governing the acquisition by the Klépierre Group of a 21.30% equity holding in IGC.

  Modification of the conditions applying to the put granted to Finiper in respect of the balance of IGC shares with the effect of apportioning the rights as follows:

  a) a non-cancelable put on 12% of the shares (effective from October 15, 2010 to 2017) for the Klépierre Group

  b) a put on 16.70% of the shares (effective from October 15, 2011 to 2017) for the Klépierre Group cancelable on payment of a penalty

  The conditions governing the Clivia agreement remain unchanged (splittable put with option to cancel on payment of penalty).
- Under the terms of these agreements, Klépierre Luxembourg acquired a 21.30% equity holding in IGC on December 14, 2009 (transaction value: 76.5 million euros)

Acquisition of a shopping center in Reims-Cernay

- Signed on: July 31, 2009
- Parties: Klécar France SNC (buyer, Klépierre subsidiary) and RPFFB Hyper SAS (vendor of the ING Group)
- Purpose: acquisition of units forming part of the shopping mall of a shopping center located in Reims-Cernay
- Transaction value: 7.7 million euros net to the vendor (additional 500 thousand euros payable in the event of a future extension)

Sale of the office building at 21, rue Dumont d'Urville in Paris

- Signed on: September 30, 2009
- Parties: Klépierre (vendor) and SARL Commerz Real Spezialfondsgesellschaft Mbh (buyer)
- Purpose: sale of an office building at 21, rue Dumont d'Urville in Paris
- Sale price: 32 million euros inclusive (but excluding fees)

Sale of the Marché Saint-Germain shopping mall in Paris

- Signed on: November 24, 2009
- Parties: SNC Foncière Saint-Germain (vendor, Klépierre subsidiary) and Société Paris Marché Saint-Germain (buyer, Banimmo Group company)
- Purpose: sale of individual and co-ownership units forming part of the Marché Saint-Germain shopping mall in Paris.
- Sale price: 27.8 million euros (net to vendor)

Sale of the office building at 23/25, avenue Kléber in Paris

- Signed on: November 30, 2009
- Parties: Klépierre (vendor) and SARL Commerz Real Investmentgesellschaft Mbh (buyer)
- Purpose: sale of an office building at 23/25, avenue Kléber in Paris
- Sale price: 117.6 million euros inclusive (but excluding fees)

Sale of the shopping mall in Tours

- Signed on: December 16, 2009
- Parties: SAS Cécoville (vendor/Klépierre subsidiary) and SCI Nation-Tours (buyer)
- Purpose: sales of individual units and a contiguous building
- Sale price: 39.4 million euros.

Major financing contracts

2008

Loan agreement dated June 11, 2008:

- Purpose: 700 million euro term loan, increased to 750 million euros on June 12, 2008 by means of an additional commitment notification issued by an additional bank
- Lenders: initial syndication of 6 banks; arranger: BNP Paribas
- Repayment terms: full and final repayment due June 11, 2011
- To be drawn down in several tranches
- Interest: interest is 3-month Euribor plus a margin to be calculated using a Loan-To-Value ratio table
- Major financial covenants:
  – a Loan To Value ratio limited at 52%
  – hedging of financial expenses with EBITDA of at least 2.5
  – and a percentage of secured debts divided by the reappraised value of the property limited to 20%

Contractual overdraft agreement dated October 8, 2008:

- Purpose: overdraft facility capped at 400 million euros
- Lender: BNP Paribas
- Repayment terms: repayment to be made no later than October 7, 2012
- To be drawn down in several tranches
- Interest: interest is 3-month Euribor plus a margin to be calculated using a Loan-To-Value ratio table
- Non-utilization fees chargeable, if applicable
- Major financial covenants:
  – a Loan To Value ratio limited at 52%
  – hedging of financial expenses with EBITDA of at least 2.5
  – and a percentage of secured debts divided by the reappraised value of the property limited to 20%

2009

Contractual overdraft agreement dated June 29, 2009:

- Purpose: overdraft facility capped at 2 400 million euros
- Lender: BNP Paribas
- Repayment terms:
  – 425 million euros on June 30, 2012
  – 750 million euros on March 31, 2013
  – 425 million euros on June 30, 2013
  – 800 million euros on June 30, 2015
- To be drawn down in several tranches
- Interest: interest is 3-month Euribor plus a margin to be calculated using a Loan-To-Value ratio table
- Non-utilization fees chargeable, if applicable
- Major financial covenants:
  – a Loan To Value ratio limited at 65%
  – hedging of financial expenses with EBITDA of at least 1.8
  – and a percentage of secured debts divided by the reappraised value of the property limited to 20%

III. List of current and regulated agreements

List of agreements applying to current and past transactions conducted under standard conditions with related companies

Party to the agreement	Purpose	Date
ANGOUMARS SNC	Shareholder's loan	01/23/2004
ANTIN VENDÔME SC	Shareholder's loan	06/25/1999
BARJAC VICTOR SNC	Shareholder's loan	07/01/2001
BASSIN NORD	Shareholder's loan	12/18/1998
BÈGLES ARCINS	Shareholder's loan	11/21/2008
BÈGLES PAPIN SCI	Shareholder's loan	11/05/2003, Amendment 1: 10/28/2005
BESANCON CHALEZEULE	Shareholder's loan	07/25/2007
CÉCOVILLE SAS	Shareholder's loan	03/24/2009
CENTRE JAUDE CLERMONT SAS	Shareholder's loan	10/09/2007
COMBAULT SCI	Shareholder's loan	06/09/2004
FONCIÈRE SAINT-GERMAIN	Shareholder's loan	12/05/2003
GALERIES DRANCÉENNES	Shareholder's loan	10/03/2008
GÉNÉRAL LECLERC N° 11/11 BIS LEVALLOIS SNC	Shareholder's loan	01/01/2003
KLÉ 1	Shareholder's loan	12/31/2008
KLÉ PROJET 1	Shareholder's loan	03/27/2007
KLÉBER LA PÉROUSE SNC	Shareholder's loan	
KLÉCAR FRANCE SNC	Shareholder's loan	12/28/2000
KLÉCAR PARTICIPATION ITALIE	Shareholder's loan	06/26/2002
KLÉPIERRE CONSEIL	Shareholder's loan	07/08/2008
KLÉPIERRE CRÉTEIL SCI	Shareholder's loan	11/26/2008
KLÉPIERRE PARTICIPATIONS ET FINANCEMENTS	Shareholder's loan	07/31/2008
KLÉPIERRE TOURVILLE	Shareholder's loan	12/30/2008
KLÉTRANSACTIONS	Shareholder's loan	12/20/2004
LA PLAINE DU MOULIN À VENT SCI	Shareholder's loan	04/22/2005, Amendment 1: 05/17/2005
LES JARDIN DES PRINCES SNC	Shareholder's loan	07/01/2001
LP 7 SAS	Shareholder's loan	10/07/2008
NANCY BONSECOURS SCI	Shareholder's loan	12/23/2009
ODYSSEUM PLACE DE FRANCE SCI	Shareholder's loan	03/16/2001
PASTEUR	Shareholder's loan	03/07/2008
PROGEST	Shareholder's loan	01/16/2008
ROCHE INVEST SCI	Shareholder's loan	09/10/2007
SÉGÉCÉ	Shareholder's loan	11/12/2007
SOAVAL	Shareholder's loan	07/09/2008
SOCIÉTÉ DES CENTRES D'OC ET D'OIL "SCOO"	Shareholder's loan	
SOCIÉTÉ DES CENTRES TOULOUSAINS (Company absorbed by SCOO on 12/01/2009)	Shareholder's loan	07/19/2007
SODEVAC SNC	Shareholder's loan	03/28/1997
SOLOREC	Shareholder's loan	01/01/2003
SOVALY	Shareholder's loan	01/14/2000
BNP Paribas/BÈGLES D'ARCINS	Joint surety (Klépierre counter-guarantee)	06/30/2008
BNP Paribas/KLÉCAR FONCIER ESPAÑA	Joint sureties (Klépierre counter-guarantees)	02/17/2005
BNP Paribas/KLÉCAR FONCIER ESPAÑA	Joint sureties (Klépierre counter-guarantees)	06/17/2005
BNP Paribas/KLÉCAR FONCIER ESPAÑA	Joint sureties (Klépierre counter-guarantees)	07/25/2006
BNP Paribas/KLÉCAR FONCIER ESPAÑA	Joint sureties (Klépierre counter-guarantees)	06/15/2007
BNP Paribas	Joint surety (Séreinis project)	03/02/2007
KLÉPIERRE PARTICIPATIONS ET FINANCEMENTS	Joint surety on a loan of 165,000,000 euros	12/22/2004
BNP Paribas/GROUPE KLÉPIERRE	Bank accounts and securities accounts	
BNP Paribas	Loan agreement (135 million euros)	12/22/2004
BNP Paribas/KLÉPIERRE PARTICIPATIONS ET FINANCEMENTS	Loan agreement (165 million euros) Klépierre counter guarantee	12/22/2004
BNP Paribas SECURITIES SERVICES	Management agreement for stock option plans	July 2006
EXANE BNP Paribas	Liquidity agreement	09/14/2005
ABP KLÉPIERRE/KLÉPIERRE NORDICA BV	Intra-group loan agreement	09/08/2008
ABP KLÉPIERRE/STORM HOLDING NORWAY AS	Intra-group loan agreement	10/07/2008

Party to the agreement	Purpose	Date
ARCOL	Intra-group loan agreement	04/04/2005 : Amendment 1 : 01/01/2006, Amendment 2 : 05/15/2006
BESTES	Intra-group loan agreement	07/25/2006: Amendment 1: 02/21/2007, Amendment 2: 07/26/2007, Amendment 3: 09/19/2007, Amendment 4: 11/23/2007, Amendment 5: 09/24/2008
BNP Paribas/KLÉPIERRE FINANCE	Automated cash centralization agreement	11/30/2000 + Amendments
CAPUCINE BV	Intra-group loan agreement	04/01/2005: Amendment 1: 01/01/2006, Amendment 2: 05/22/2006, Amendment 3: 01/01/2007, Amendment 4: 01/10/2007, Amendment 5: 02/12/2008, Amendment 6: 04/20/2009
CINÉMAS DE L'ESPLANADE	Intra-group loan agreement	04/01/2006
COIMBRA	Intra-group loan agreement	03/14/2006: Amendment 1: 04/01/2006, Amendment 2: 01/01/2007, Amendment 3: 01/02/2007, Amendment 4: 01/01/2009
CORVIN RETAIL	Intra-group loan agreement	04/03/2008 – 02/09/2009
CSPL 2002	Intra-group loan agreement	12/18/2009
DUNA PLAZA	Intra-group loan agreement	12/18/2009
ENTERTAINMENT PLAZA	Intra-group loan agreement	09/17/2007
FINASCENTE (Company dissolved on 15/09/2009)	Intra-group loan agreement	07/29/2009
FONCIÈRE DE LOUVAIN-LA-NEUVE	Intra-group loan agreement	12/01/2004: Amendment 1: 01/01/2006, Amendment 2: 04/01/2006, Amendment 3: 01/01/2007, Amendment 4: 02/15/2007, Amendment 5: 12/15/2008
GALERIA COMMERCIALE KLÉPIERRE	Intra-group loan agreement	4/28/2005: Amendment 1: 05/15/2006, Amendment 2: 01/01/2007
GREF KLÉPIERRE/HOLDING KLÉGÉ SARL	Intra-group loan agreement	12/19/2008: Amendment 1: 03/09/2009, Amendment 2: 11/06/2009
GYR 2002	Intra-group loan agreement	12/18/2009
HOLDING GONDOMAR 1	Intra-group loan agreement	09/01/2005: Amendment 1: 01/01/2007, Amendment 2: 12/05/2007, Amendment 3: 07/29/2009, Amendment 4: 11/25/2009
HOLDING GONDOMAR 3	Intra-group loan agreement	09/01/2005: Amendment 1: 12/11/2006, Amendment 2: 01/01/2007, Amendment 3: 12/05/2007
HOLDING GONDOMAR 4	Intra-group loan agreement	12/05/2007
IGC	Intra-group loan agreement	07/29/2009 – 12/14/2009
IMMOBILIARE COMMERCIALE DODICESIMA SA (Company absorbed by Klépierre Luxembourg on 11/30/2009)	Intra-group loan agreement	05/27/2008: Amendment 1: 07/23/2008
IMMOBILIARE MAGNOLIA SA (Company absorbed by Klépierre Luxembourg on 11/30/2009)	Intra-group loan agreement	05/27/2008
KANIZSA 2002	Intra-group loan agreement	12/18/2009
KLÉCAR PARTICIPATIONS ITALIE	Intra-group loan agreement	12/20/2004: Amendment 1: 01/04/2005, Amendment 2: 03/14/2007, Amendment 3: 04/28/2008, Amendment 4: 05/22/2008,
KLEFIN ITALIA	Intra-group loan agreement	2/01/2004 and 12/06/2005: Amendment 1: 01/01/2006, Amendment 2: 05/23/2006, Amendment 3: 07/07/2006, Amendment 4: 01/01/2007, Amendment 5: 12/17/2007, Amendment 6: 01/01/2008, Amendment 7: 01/01/2009
KLÉMENTINE BV	Intra-group loan agreement	11/27/2009
KLÉPIERRE CORVIN	Intra-group loan agreement	07/30/2007 – 02/09/2009
KLÉPIERRE CZ SRO	Intra-group loan agreement	01/25/2006: Amendment 1: 03/01/2006, Amendment 2: 05/15/2006, Amendment 3: 01/01/2007, Amendment 4: 11/20/2007
KLÉPIERRE GALERIE KRAKOW	Intra-group loan agreement	12/14/2007
KLÉPIERRE GALERIE POZNAN	Intra-group loan agreement	12/14/2007
KLÉPIERRE KRAKOW	Intra-group loan agreement	12/14/2007
KLÉPIERRE LARISSA	Intra-group loan agreement	06/18/2007: Amendment 1: 06/19/2007, Amendment 2: 12/30/2008
KLÉPIERRE LUBLIN	Intra-group loan agreement	07/27/2007: Amendment 1: 08/22/2007
KLÉPIERRE LUXEMBOURG	Intra-group loan agreement	06/11/2007: Amendment 1: 06/21/2007, Amendment 2: 12/09/2007, Amendment 3: 02/11/2008, Amendment 4: 04/28/2008, Amendment 5: 05/30/2008, Amendment 6: 02/09/2009
KLÉPIERRE METEORES	Intra-group loan agreement	07/31/2007: Amendment 1: 02/11/2008, Amendment 2: 02/09/2009
KLÉPIERRE PLZEN	Intra-group loan agreement	07/31/2008: Amendment 1: 10/10/2008
KLÉPIERRE POLOGNE	Intra-group loan agreement	12/14/2007: Amendment 1: 02/02/2008
KLÉPIERRE PORTUGAL	Intra-group loan agreement	12/01/2004: Amendment 1: 10/02/2006, Amendment 2: 01/01/2007, Amendment 3: 02/21/2007, Amendment 4: 02/12/2008, Amendment 5: 12/15/2008, Amendment 6: 12/15/2009, Amendment 7: 07/29/2009

Party to the agreement	Purpose	Date
KLÉPIERRE POZNAN	Intra-group loan agreement	12/14/2007: Amendment 1: 02/13/2008
KLÉPIERRE RYBNIK	Intra-group loan agreement	05/07/2007: Amendment 1: 05/09/2007, Amendment 2: 05/23/2007, Amendment 3: 06/20/2007, Amendment 4: 07/18/2007, Amendment 5: 07/27/2007, Amendment 6: 08/02/2007, Amendment 7: 08/06/2007
KLÉPIERRE SADYBA	Intra-group loan agreement	12/14/2007
KLÉPIERRE SOSNOWIEC	Intra-group loan agreement	05/07/2007: Amendment 1: 05/09/2007, Amendment 2: 05/23/2007, Amendment 3: 06/28/2007, Amendment 4: 07/18/2007, Amendment 5: 07/27/2007
KLÉPIERRE TRADING	Intra-group loan agreement	03/05/2008
KLÉPIERRE VALLECAS	Intra-group loan agreement	12/02/2004: Amendment 1: 01/01/2006, Amendment 2: 05/15/2006, Amendment 3: 01/01/2007, Amendment 4: 02/12/2008, Amendment 5: 02/16/2009, Amendment 6: 12/01/2009
KLÉPIERRE VINAZA	Intra-group loan agreement	12/01/2004: Amendment 1: 05/15/2006, Amendment 2: 01/01/2007, Amendment 3: 12/15/2008, Amendment 4: 01/01/2009, Amendment 5: 02/16/2009
KLÉPIERRE WARSAW	Intra-group loan agreement	01/30/2009
KPSVR 2002	Intra-group loan agreement	12/18/2009
KRAKOW PLAZA	Intra-group loan agreement	03/06/2008
MISKOLC 2002	Intra-group loan agreement	12/18/2009
NORDICA HOLDCO AB	Intra-group loan agreement	10/06/2008
NOVATE SA (Company absorbed by Klépierre Luxembourg on 11/30/2009)	Intra-group loan agreement	05/27/2008
NYIREGYHAZA PLAZA	Intra-group loan agreement	12/18/2009
PILSEN PLAZA	Intra-group loan agreement	07/31/2008: Amendment 1: 10/22/2009
PLACE DE L'ACCUEIL	Intra-group loan agreement	04/01/2006: Amendment 1: 01/01/2007, Amendment 2: 01/02/2007, Amendment 3: 01/01/2009, Amendment 4: 02/16/2009
POZNAN PLAZA	Intra-group loan agreement	03/06/2008: Amendment 1: 04/08/2008
RUDA SLASKA PLAZA	Intra-group loan agreement	12/14/2007
SZEGED 2002	Intra-group loan agreement	12/18/2009
SZOLNOK PLAZA	Intra-group loan agreement	12/18/2009
UJ ALBA 2002	Intra-group loan agreement	12/18/2009
ZALAEGERSZEG PLAZA	Intra-group loan agreement	12/18/2009
BNP Paribas	Bilateral loan (400 million euros)	10/07/2008
BNP Paribas	Syndicated loan (maturing September 2014)	09/21/2007
BNP Paribas/CORVIN RETAIL (formerly Corvin Office)	First demand guarantees (Klépierre counter-guarantees)	07/27/2007
BNP Paribas/KLÉPIERRE CORVIN	First demand guarantees (Klépierre counter-guarantees)	07/27/2007
BNP Paribas/OPDF	First demand guarantees (Klépierre counter-guarantee)	02/14/2007
BNP Paribas/SOAVAL	First demand guarantees (Klépierre counter-guarantee	07/08/2008
SÉGÉCÉ	Company administration and Asset management agreement	06/27/2008
SÉGÉCÉ (substituted for Klégestion on 05/30/2008)	Management appointment	January 2007
SÉGÉCÉ (substituted for Klégestion on 05/30/2008)	Management appointment for the Issy-les-Moulineaux building	December 2006
SÉGÉCÉ (substituted for Klégestion on 05/30/2008)	Transaction appointment for the Issy-les-Moulineaux building	04/07/2006
SÉGÉCÉ (substituted for Klégestion on 05/30/2008)	Management appointment for the Meyerbeer building	January 2007
SÉGÉCÉ	Third-party management appointment	Vannes Nouvelle Coutume appointment of 10/19/2006 Amendment to the Vannes Nouvelle Coutume TP appointment of 11/06/2006

Party to the agreement	Purpose	Date
SÉGÉCÉ	Appointment to research, arrange, supervise and conduct transactions on behalf of Klépierre in Europe excluding France	Initial: 04/21/2004 Amendment 1: 07/29/2009 Substitution amendment: Czech Republic transaction of 01/12/2006 Amendment 2: Prague 4 (CR) of 08/30/2006 Substitution amendment: Molina (Spain) transaction of 09/14/2006 Amendment 2: (local Toys 'R'Us acquisition) of 04/02/2007 Amendment: Braga (Toys 'R'Us) transaction of 01/12/2007 Amendment: La Romanina transaction of 01/14/2009 Amendment: Pescara transaction of 01/16/2009 Amendment: Kaposvar transaction of 05/16/2008 Amendment: Steen & Strøm transaction of 04/092009 Amendment 2: Polonais SCs (Sadyba and Ruda) of 12/20/2006 Amendment 2: Poznan transaction of 12/20/2006 Amendment 2: Krakow transaction of 12/20/2006, Amendment 3: Sadyba and Ruda (Poland) transaction of 03/15/2007 Amendment 2: Braga (Portugal) transaction of 03/29/2007 Amendment 1: Varese (Italy) transaction of 06/08/2007 Amendment: Larissa (Luxembourg) transaction of 10/19/2007 Amendment: Bari (Italy) transaction of 10/19/2007 Amendment: Corvin (Hungary) transaction of 02/22/2008 Amendment: Gran Sur (Spain) transaction of 04/01/2008 Amendment: Vérona and Lonato (Italy) transactions of 07/03/2008 Amendment: Rybnik, Sosnowiec and Lublin (Poland) transaction of 09/03/2008 Amendment: Plzen (Czech Republic) transaction of 11/14/2008 Amendment: Indian transaction of 12/16/2008
SÉGÉCÉ	Appointment to research, arrange, supervise and conduct transactions on behalf of Klépierre in France	Initial: 04/21/2004 Amendment 1: 07/29/2009 Amendment: Besançon Chalezeule transaction of 10/19/2007 Amendment: Vannes Coutume transaction of 10/19/2007 Amendment: Hérouville transaction of 10/19/2007 Amendment: Blagnac transaction of 12/11/2007 Amendment: Saint-Orens transaction of 12/17/2007 Amendment: Tourville-la-Rivière transaction of 01/30/2008 Amendment: Cesson transaction of 02/20/2008 Amendment 2: Vannes Coutume transaction of 03/03/2008 Amendment: Avranches, Rochefort and Messac transactions of 07/08/2008 Amendment: Cholet transaction of 07/09/2008 Amendment: Villejuif transaction of 09/05/2008 Amendment: Cesson transaction of 02/20/2008 Amendment: Créteil transaction of 11/26/2008 Amendment: Portet-sur-Garonne transaction of 10/15/2008 Amendment: Reims Cernay transaction of 07/31/2009 Amendment: Auchy-les-Mines transaction of 01/14/2010 Amendment: Tourville-la-Rivière transaction of 04/22/2009 Amendment: Marzy transaction of 11/14/2008 Amendment: Drancy transaction of 12/16/2008 Amendment: Saint-Égrève transaction of 12/19/2008
BNP Paribas (fixed-rate payer)	Swaps	06/30/2004
BNP Paribas (variable-rate payer)	Swaps	12/20/2004, 04/11/2005, 07/07/2005, 08/31/2005, 01/04/2006, 07/30/2007, 11/15/2007, 11/19/2007, 11/21/2007, 01/23/2008, 01/23/2008, 02/05/2008, 03/10/2008, 08/05/2008, 08/06/2008, 08/08/2008, 08/13/2008, 08/13/2008, 10/24/2008, 10/28/2008, 11/10/2008, 01/14/2009, 12/17/2009

List of previously-authorized regulated agreements remaining effective in 2008

Date of Supervisory Board authorization	Regulated agreement		Parties to the agreement
	Date	Purpose	
May 26, 2004	July 9, 2004	Bond issue: subscription agreement	BNP Paribas
May 26, 2004	July 15, 2004	Bond issue: fiscal agency agreement	BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch
February 8, 2006	March 13, 2006	Bond issue: subscription agreement	BNP Paribas, HSBC France and The Royal Bank of Scotland PLC
February 8, 2006	March 16, 2006	Bond issue: fiscal agency agreement	BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch
July 25, 2008	October 17, 2008	Intra-group loan agreement	SCA Klémurs
October 3, 2008	October 6, 2008	Intra-group loan granted as part of the Steen & Strøm acquisition	Nordica Holdco AB and Stichting Pensioenfonds ABP
October 3, 2008	October 7, 2008	Intra-group loan granted as part of the Steen & Strøm transaction	Holding Norway AS and Stichting Pensioenfonds ABP
October 31, 2008	November 5, 2008	Share guarantee and investment contract	BNP Paribas

List of previously-authorized regulated agreements ending in 2009

Date of Supervisory Board authorization	Regulated agreement		Parties to the agreement
	Date	Purpose	
December 19, 2008	March 9, 2009	Disposal of two retail premises in Barentin and Toulon Grand Var (Feu Vert)	SAS Klé 1, SNC Klétransactions and Klémurs

List of regulated agreements authorized in 2009

Date of Supervisory Board authorization	Regulated agreement		Parties to the agreement
	Date	Purpose	
February 6, 2009	February 17, 2009	Bond buyback appointment	BNP Paribas
April 3, 2009	April 16, 2009	Sale of shares in Effe Kappa	Ségécé Italia
June 5, 2009	June 15, 2009	Intra-group loan agreement	Le Havre Lafayette and RPFFB Holding France SARL
June 5, 2009	June 15, 2009	Intra-group loan agreement	Le Havre Vauban and RPFFB Holding France SARL
June 5, 2009	June 15, 2009	Share pledge	Le Havre Lafayette, Le Havre Vauban, and Westdeutsche Immobilienbank AG
June 5, 2009	June 29, 2009	Loan agreement	BNP Paribas
June 15, 2009	June 29, 2009	Intra-group loan agreement	SCA Klémurs
June 15, 2009	June 30, 2009	Agreement to sell shares in Société des Centres Toulousains	Cardif Assurances Vie (subsidiary of BNP Paribas Assurance)
June 15, 2009	June 30, 2009	Agreement to sell shares in Société des Centres d'Oc et d'Oil	Cardif Assurances Vie (subsidiary of BNP Paribas Assurance)

IV. Compensation and benefits received by corporate officers – Composition of the Supervisory Board and the Executive Board – Compensation and Benefits received by members of management bodies – Conflicts of interest – Convictions for fraud

Michel Clair Chairman of the Supervisory Board	2008 Paid	 Outstanding	2009 Paid
Fixed remuneration	235825		
Variable remuneration	300000		285580
Extraordinary remuneration	125000		140000
Director's fees			56029
Benefits in kind	3960		
Total	664785		481609

in euros

Laurent Morel Chairman of the Executive Board	2008	2009
Remuneration paid	380209	395514
Valuation of the options granted in 2009	0	37975
Valuation of the performance shares granted in 2009	0	0
Total	380209	433489

Laurent Morel Chairman of the Executive Board	2008 Paid	 Outstanding	2009 Paid
Fixed remuneration	171000		185954
Variable remuneration	180000	180000	180000
Extraordinary remuneration			
Director's fees	25000		25000
Benefits in kind	4209		4560
Total	380209		395514

in euros

Jean-Michel Gault Member of the Executive Board - Deputy CEO	2008	2009
Remuneration paid	315560	343962
Valuation of the options granted in 2009	0	32550
Valuation of the performance shares granted in 2009	0	0
Total	315560	376512

Jean Michel Gault Member of the Executive Board - Deputy CEO	2008 Paid	 Outstanding	2009 Paid
Fixed remuneration	151000		161902
Variable remuneration	160000	160000	160000
Extraordinary remuneration			
Director's fees			17500
Benefits in kind	4560		4560
Total	315560		343962

in euros

Executive corporate officers	Job contract		Complementary pension benefits		Indemnification required or that can be required in relation to termination or change in function		Indemnification in relation to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Laurent Morel Chairman of the Executive Board (1) Beginning of mandate (2): June 22, 2007 End of mandate (3): June 21, 2010		X	X			X		X
Jean-Michel Gault Member of the Executive Board (2) Deputy CEO Beginning of mandate (2): June 22, 2007 End of mandate (3): June 21, 2010	X		X			X		X

(1) Date of first appointment as Chairman of the Executive Board: January 1, 2009. (2) Date of first appointment as Member of the Executive Board: June 1, 2005. (3) As Member of the Executive Board.

Compensation paid to Executive Board members

The compensation paid to members of the Executive Board and the Executive Committee is broken down into a fixed part and a variable part. The variable part of compensation is determined globally for the 8 Executive Committee members by applying a performance-related coefficient to the total of fixed salaries. Of this total amount, 70% is divided in proportion to their fixed salaries and 30% according to the achievement of personal targets. Members of the Executive Board are eligible for a supplementary defined-benefit pension plan.

Compensation paid to Supervisory Board members

Attendance fees totaling 313 654 euros were paid to Supervisory Board members in respect of the 2009 fiscal year. This total includes 270 000 euros in respect of Klépierre Supervisory Board members.

"Supervisory Board – Director's fees*	2008	2009
Michel Clair	–	56029 (1)
Jérôme Bédier	39350	36682
François Demon	30809 (2)	–
Bertrand de Feydeau	51671 (2)	53108 (2)
Dominique Hoenn	45258 (2)	33990 (2)
Bertrand Jacquillat	32268	30170
Bertrand Letamendia	34590	33426
Vivien Lévy Garboua	20809	37252
Alain Papiasse	23000	–
Sarah Roussel	–	15456
Philippe Thel	22245	17541
Total	300000 (3)	313654 (3)

in euros * Klépierre, Klémurs, Ségécé.

(1) Directors' fees in relation to Klépierre, Klémurs and Ségécé Supervisory Boards membership. (2) These directors' fees are allocated to Members of the Supervisory Boards of Klépierre and Klémurs. (3) Including 270 000 euros for Klépierre alone.

Compensation paid to the Chairman of the Supervisory Board

Under the terms of Article L 225-81 of the French Commercial Code, the Supervisory Board has granted its Chairman an annual compensation of 250 000 euros (including Company attendance fees), with effect from May 1, 2009, pro rata for a period of three fiscal years ending on December 31, 2011.

V. Executive Board

Executive Board appointments, operation and powers

The Company is managed by an Executive Board. The Supervisory Board elects the members of the Executive Board and determines their number within the legal limits. The Board is appointed for three years. The Supervisory Board elects one of the Executive Board members as its Chairman. The Chairman carries out his duties throughout his term as member of the Executive Board. The Chairman of the Executive Board represents the company in its relations with third parties.
The Supervisory Board may assign the same power of representation to one or more members of the Executive Board who will then bear the title of Chief Executive Officer.
The Executive Board meets as often as the Company's interests require. These meetings are held at the head office or at any other venue as indicated in the notice of meeting.
At least half of the Executive Board members must be present for proceedings to be considered valid. Decisions are adopted by the majority of votes of members present and represented.
The Executive Board is vested with the most extensive powers to act on the Company's behalf in all circumstances. It exercises these powers within the limits of the corporate purpose, subject however, to those expressly attributed by law and the articles of association to the Supervisory Board or General Meetings of shareholders.

Under the control of the Supervisory Board, it must in particular:
- present the Supervisory Board with a report concerning the company's affairs at least once every quarter;
- present the Supervisory Board with the annual financial statements, and where applicable, the consolidated financial statements for audit and control, within three months of each balance sheet date.

The Executive Board draws up rules of procedure governing the ways in which it exercises its powers, grants delegations and appoints its Executive Directors.

Executive Board meetings

The Executive Board meets weekly.

Loans and guarantees granted to members of management bodies

None.

Conflicts of interest – Convictions for fraud

To the best of the Company's knowledge:
- there are no family ties between members of the Executive Board and/or members of the Supervisory Board;
- none of the members of the Executive Board and/or members of the Supervisory Board have been convicted for fraud in the last five years;
- none of the members of the Executive Board and the Supervisory Board have been associated with a bankruptcy or receivership as a member of an administrative, management or supervisory body or as Chief Executive Officer within the last five years;
- no conviction and/or official public sanction has been recorded against any member of the Executive or Supervisory Boards; no member has been prevented by a court from acting as a member of an administrative, executive or supervisory body of an issuing company or from managing or running the affairs of an issuing company in the last five years;
- there is no potential conflict of interest between the exercise of the duties relating to the issuing company and the private interests and/or other duties of any Executive Board or Supervisory Board member.

Insiders

Supervisory Board and Executive Board members, individuals with close ties to executives and other management personnel (as defined by current regulations), are all required under current regulations to disclose any transactions they make involving securities issued by the Company, and are prohibited from conducting any personal transactions in such securities during the following periods:
- in respect of each quarter of the calendar year: during the period from the first day of the quarter and the day on which the Klépierre consolidated revenue figures are published for the quarter concerned;
- in respect of each six-month period of the calendar year: between the first day of the six-month period and the day on which the Klépierre annual or interim financial statements are published for the half-year considered;
- during the period between the date on which Klépierre comes into possession of an item of information which, if it were made public, could have a material impact on the price of the securities and the date on which this information is made public.

This prohibition on trading has been extended to include all employees with ongoing or occasional access to insider information. The related policies and procedures are set out in an internal procedure updated on a regular basis by the corporate ethics department of the Klépierre Group.

N. Capital and shareholding structure

I. Background

Klépierre was formed at the end of 1990 from the demerger of Locabail-Immobilier, whose portfolio of operating leases it retained. Since then, Klépierre has focused on its two core businesses: the ownership and management of shopping centers in France and Continental Europe, and premium office buildings in Paris and the Paris Region.
At the end of 1998, Klépierre made the strategic decision to become a major player in the creation and development of new retail sites in Continental Europe, and made its first acquisition in Italy. Klépierre develops its French projects through its subsidiary company Ségécé.
The Group's principal shareholder at this time was Compagnie Bancaire, which held a 51% stake. The merger of Compagnie Bancaire with Paribas in May 1998 provided Klepierre with the opportunity to create a number of business combinations, including the inward merger of Compagnie Foncière and the contribution of a 100% equity holding in Foncière Chaptal. These acquisitions radically increased the size of the Company and strengthened its position in its core investment sectors.
Since then, Klépierre has added continually to its portfolio of shopping centers and increased its presence Continental Europe through partnerships and acquisitions:
- on July 17, 2000, Klépierre signed a major agreement with the Carrefour Group for the acquisition of 160 shopping centers adjoining this leading retailer's hypermarkets. The agreement also included management and development partnerships. Over the next four years, the company acquired a total of 151 shopping centers, mainly in France and Spain. The second phase of the Carrefour agreement (consisting of a right of first refusal on all new sites developed by Carrefour in Continental Europe) was exercised for the first time at the end of 2001 in respect of

5 new Spanish shopping centers, and again in 2002 for the acquisition of the Group's first shopping center in Portugal;
- in 2002, Klépierre strengthened its position in Italy with the acquisition of 11 Carrefour malls and the formation of the first Italian shopping center management company (PSG) in partnership with Finim. Klépierre also signed a major agreement with the Finiper retail group for the acquisition of a strategic 40% stake in IGC (which owned 9 Finiper centers), as well as a partnership agreement covering the joint development of new shopping centers;
- in 2003, Klépierre consolidated its shopping center sector positions in France, Spain, Italy and Greece with the acquisition of a further 28 centers. Klépierre also made its first investment in the Czech Republic (the Novy Smichow mall in Prague). It extended its network of management subsidiaries with the formation of Sogecaec in Portugal. 2003 was also the year in which Klépierre opted to adopt the French tax status of a Société d'Investissement Immobilier Cotée or SIIC (Real Estate Investment Trust or REIT);
- in 2004, the Group continued to grow with the addition of 6 centers in France, Italy and Spain, and also gained a strategic position in Hungary with the purchase of 12 shopping centers and the acquisition of a 50% holding in local management company Plaza Centers Management through its subsidiary Ségécé. Ségécé strengthened its European management network with the formation of Ségécé Hellas in Greece and the acquisition of 100% of Centros Shopping Gestion in Spain;
- in 2005, Klépierre acquired 9 shopping malls, including 4 in Poland. This was a new country for the Group, and the acquisition was the result of the agreement signed with Plaza Centers Europe at the end of July. The deal also included the 100% acquisition by Ségécé of the subsidiary responsible for managing these Polish centers, and assumed total control of PCM Hungary by acquiring the remaining 50% holding in this company;
- Klépierre also made its first investment in Belgium with the L'Esplanade shopping center in Louvain-la-Neuve;
- in 2006, Klépierre continued its shopping center development program in 7 of the 10 Group operating countries, and increased integration of the now wholly-owned management network in Italy and the Czech Republic. The Company also embarked on a new route to growth by outsourcing its major retail brand properties to its subsidiary company Klémurs, which floated on the Paris Stock Exchange in December 2006. At the end of 2006, Klémurs acquired 128 Buffalo Grill restaurant properties in France and signed an important partnership agreement with Buffalo Grill for the future;
- in 2007, Klépierre invested more than 1 billion euros, chiefly in shopping centers in France, Hungary, Poland and Portugal. Klépierre also acquired full ownership of Ségécé by acquiring the minority interests held by BNP Paribas (15%) and AXA REIM (10%);
- the main event of 2008 was the acquisition of a 56.1% equity stake in Scandinavia's leading real estate company Steen & Strøm. The remaining 43.9% is held by ABP. Klépierre was now operating in 13 Continental European countries. During the year, the Company acquired newly-constructed centers in France, Italy and the Czech Republic, as well as starting work on 12 new projects, including new centers and retail parks and extensions to existing sites;
- in 2009, Klépierre continued to grow (opening new extension and upgrading projects in France, Norway, Sweden and Italy), at the same time as stepping up its asset rotation policy with sales totaling nearly 400 million euros. The majority of these sales involved office buildings and minority holdings in major shopping centers and smaller shopping malls.

At December 31, 2009, Klépierre owned 274 shopping centers in Continental Europe and managed 374.

II. General information

Company name

Klépierre

Paris Trade and Companies Registry

SIREN: 780 152 914
SIRET: 780 152 914 00211
NAF/APE: 6820B

Term of the Company

The Company was registered as a société anonyme à Conseil d'administration (French public limited company governed by a Board of Directors) on October 4, 1968. Its term was set at 99 years, expiring on October 3, 2067.

Legal form

Klépierre is a French public limited company (société anonyme) with a two-tier management structure governed by an Executive Board (Directoire) and a Supervisory Board (Conseil de surveillance).
It is governed by the legal provisions applicable to sociétés anonymes, in particular articles L. 225-57 to L. 225-93 of the French Commercial Code and by its own articles of association.

Registered office

21, avenue Kléber - 75116 Paris – Tel.: +33 (0)1 40 67 57 40

Corporate purpose (article 2 of the articles of association)

The Company's purpose is:
- to acquire any lands, land titles or buildings, located in France or abroad, as well as all goods and rights that might constitute an addition or annex to said buildings;
- to construct buildings and engage in all operations directly or indirectly related to the construction of these buildings;
- to operate and enhance property value by leasing such properties or by other means;
- to enter into all lease agreements for premises or buildings in France or abroad;
- to acquire direct or indirect interests in the persons indicated in article 8 and in paragraphs 1, 2 and 3 of article 206 of the French General Tax Code and, more generally, to acquire interests in all companies whose purpose is to operate rental properties;
- incidentally, to acquire interests in any company or enterprise engaged in any activities whatsoever in the real estate sector;
- and more generally, to engage in all types of civil, commercial, financial, investment and real estate operations directly related to the abovementioned purpose or in the furtherance thereof, in particular, borrowing and the creation of any related guarantees or pledges.

Voting rights (article 8 of the articles of association)

Each share gives right to part ownership in the Company's assets, to a share in profits and liquidation surplus in a proportion corresponding to the share capital which it represents.
All new or existing shares, provided they are of the same class and the same paid-up nominal value, are fully assimilated once they entitle holders to the same benefits. During the appropriation of any profit, and also during the total or partial refund of their nominal capital, holders receive the same

net amount, and all the taxes and duties to which they may be subject is evenly divided among them.
Owners of shares are liable only up to the limit of the nominal amount of the shares they own.

General meetings (articles 25 to 29 of the articles of association)

Meetings are convened by the Executive or Supervisory Board, or by the persons designated by the French Commercial Code. They deliberate in accordance with applicable legal and regulatory provisions. In accordance with article R. 225-85-I of the French Commercial Code, to attend general meetings, shareholders must have registered their securities either in the accounts of registered securities kept by the company or in the accounts of bearer securities through an authorized intermediary, within the deadlines and according to the terms set out by applicable law. In the case of bearer securities, the registering of the securities is acknowledged by a certificate of participation issued by the authorized intermediary.
Shareholders may vote at all meetings by correspondence under the conditions specified by legal provisions. To be valid, the Company must receive all voting forms at least three days before the meeting.
Subject to the applicable legal restrictions, shareholders attending any meeting will have the same number of votes as shares owned or represented, with no maximum limit. However, holders of fully paid-up registered shares (or their proxies) that have been registered in their name for at least two years (or holders of shares forming part of a share grouping that meets the same conditions) have two votes per share at ordinary and extraordinary general meetings. Any share converted to a bearer share or transferred to other ownership loses this double voting right. However, shares transferred as a result of inheritance, divorce settlements or lifetime gifts to a partner or parent entitled to such inheritance will retain the double voting right. The double voting right may be withdrawn by the Company in accordance with the relevant legal provisions.

Financial year (article 30 of the articles of association)

The financial year begins on January 1 and ends on December 31.

Distribution of profits (article 31 of the articles of association)

At least 5% of profits for the financial year, less any prior losses, are set aside to establish the legally required reserve fund, until such fund equals one-tenth of the share capital.
The balance and any retained earnings together constitute distributable profit, from which is deducted any amount that the general meeting, acting on the recommendation of the Executive Board, and subject to the approval of the Supervisory Board, may decide to assign to one or more optional, ordinary or extraordinary funds, with or without special appropriation, or to carry forward as retained earnings.
The balance is apportioned between the shares. The Company has adopted rules of deduction in its articles of association in accordance with the provisions of articles 208-C and subsequent of the French General Tax Code for certain categories of shareholders.
The General Meeting convened to approve the annual financial statements may grant each shareholder the option of receiving the dividend in cash or in shares, for all or a portion of the distributed dividend. This option may also be granted for the payment of interim dividends.

Tax status

Klépierre has opted for the tax status of Société d'Investissement Immobilier Cotée or SIIC (equivalent to a Real Estate Investment Trust or REIT) under the terms of article 208-C of the French General Tax Code. As such, it is exempt from corporate income tax on:
- income from rents, on condition that 85% of these profits are distributed to shareholders before the end of the fiscal year following the year in which the profits were earned;
- capital gains from the sale of buildings, equity interests in real estate partnerships (sociétés de personnes) or in subsidiaries that have opted for the new tax status, provided that 50% of these capital gains are distributed to shareholders before the end of the second financial year in which they were realized;
- dividends received from subsidiary companies that qualify for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from tax under the SIIC arrangements, subject to the proviso that they are distributed during the fiscal year following the year in which they were granted.

Legal proceedings and arbitration

No exceptional event, state or legal proceedings or arbitration of which the Company is aware to date has recently had a material impact on the financial position or profitability or earnings of the Company and the Group.

Consultation of documents and information concerning the Company

The articles of association, minutes of general meetings and other corporate documents, as well as historic financial information, all appraisals and declarations made by experts at the Company's request, and all other documents that have to be kept at the disposal of shareholders in accordance with the law, may be consulted at the Company's head office:
21 avenue Kléber - 75116 PARIS
Tel.: +33 (0)1 40 67 55 50

III. General information regarding equity capital

Share capital – Type of shares

At December 31, 2009, share capital totaled 254 761 022.60 euros, divided into 181 972 159 fully paid up shares each with a par value of 1.40 euro.
In accordance with article 28 of the articles of association, shares may carry single or double voting rights. They are in registered or bearer form, at the shareholder's discretion. Share capital may be modified under the conditions provided by law.

Authorizations to increase share capital

By virtue of the resolutions approved by the extraordinary general meeting of shareholders held on April 9, 2009, the Executive Board was granted the following authorizations:

Delegations and authorizations granted to the Executive Board

Purpose of the resolution	Maximum amount	Period
Authorization for the Company to buy back its own shares (1)	Maximum program amount: 664 857 720 euros Maximum purchase price: **40 euros** per **1.40 euro** share	18 months from April 9, 2009 (11th resolution)
Capital increase by rights issue of shares or securities conferring rights to receive shares or securities that confer entitlement to receive allocations of negotiable debt securities (2)	**60 millions** and **1.2 billion euros** in negotiable debt securities	26 months from April 9, 2009 (13th resolution)
Capital increase by non-rights issue of shares or securities conferring rights to receive shares or securities that confer entitlement to receive allocations of negotiable debt securities (2) (3)	**60 millions** and **1.2 billion euros** in negotiable debt securities	26 months from April 9, 2009 (14th resolution)
Capital increase by non-rights issue of shares or securities conferring rights to receive shares to fund contributions in kind granted to the Company in the form of shares or securities conferring rights to receive shares	10% of equity capital	26 months from April 9, 2009 (17th resolution)
Capital increase by incorporation of reserves, profits or issue, merger or contribution premiums	**100 million euros**	26 months from April 9, 2009 (18th resolution)
Authorization to grant existing or future shares freely to corporate officers and employees on a non-rights basis	Maximum amount on the day authorization was granted by the Executive Board: 0.5% of share capital	26 months from April 9, 2009 (20th resolution
Maximum nominal amount of immediate or future share capital increases likely to be completed as a result of the authorizations granted by the Executive Board as shown above: 100 million euros (4) (22nd resolution) **Maximum nominal amount of investment securities conferring rights to receive shares:** 1.2 billion euros (22nd resolution)		
Authorization to reduce share capital by canceling shares	10% of capital in a 24-month period	26 months from April 9, 2009 (13th resolution)
Authorization to grant share purchase options to employees and corporate officers	Maximum amount on the day authorization was granted by the Executive Board: 1% of share capital (5)	38 months from April 9, 2009 (21st resolution)

(1) Share buyback program developments are shown on page 100.
(2) The Executive Board was authorized by the general meeting of shareholders held on April 9, 2009 to increase the number of shares to be issued by up to 15% of the initial issue, and to do so within 30 days of the end of the subscription period (16th resolution).
(3) Subject to an upper limit of 10% of share capital per year, the Executive Board is authorized to set the issue price at an amount equivalent to at least 85% of the average weighted share price for the last three market trading days prior to the date on which the issue conditions were set (15th resolution).
(4) This nominal amount may be supplemented, where appropriate, by the nominal value of the shares to be issued in order to protect the rights of holders of securities conferring entitlement to shares.
(5) The total number of free shares granted under the terms of the authorization conferred by the 20th resolution is to be included when calculating this 1% upper limit.

Prior authorizations and delegations that expire during 2009:

- 38-month delegation granted to the Executive Board by the general meeting of shareholders held on April 7, 2006 (13th resolution) under which the Board is authorized to grant share purchase options to corporate officers and employees up to a limit of 1.1% of share capital. The Executive Board exercised this delegation in 2009 by allocating 481 000 options on April 6.
- authorizations and delegations granted for a period of 26 months by the extraordinary general meeting of shareholders held on April 5, 2007. The Executive Board did not make use of the following delegations and authorizations during 2009:
  - 13th and 16th resolutions - capital increases by means of issuing (with or without preferential rights) shares or securities conferring rights to receive shares or the issue of securities conferring rights to receive the allocation of negotiable debt securities: maximum nominal amount of immediate or future delegated capital increases: 60 million euros/maximum nominal amount of debt-related investment securities: 1.2 billion euros
  - 17th resolution – capital increase to fund contributions in kind of equity shares or investment securities granted to the Company, up to a maximum limit of 10% of capital
  - 18th resolution - capital increase by incorporation of reserves, profits, issue premiums, merger premiums or contribution premiums up to a maximum nominal amount of 60 million euros
  - 20th resolution – allocation of free shares to employees and corporate officers up to a maximum limit of 0.5% of share capital
- authorizations and delegations granted by the extraordinary general meeting of shareholders held on April 4, 2008 for periods of 18 months (10th resolution) and 24 months (11th resolution)
  - 10th resolution: changes relating to the use made by the Executive Board in 2009 of the authorization to buy back shares at a unit price of 60 euros, as shown on page 100
  - 11th resolution: during 2009, the Executive Board did not use the authorization to retire treasury shares up to a maximum of 10% of share capital in any 24-month period

Five-year summary of changes in share capital

Date	Type of increase share capital	Number of shares issued	Premium	Share capital
August 31, 2007	Share nominal value increased from 4 euros to 4.20 euros by incorporation of reserves	–	–	193 889 761.80 euros
September 3, 2007	Reduction in nominal value from 4.20 euros to 1.40 euro	92 328 458	–	193 889 761.80 euros
May 7, 2008	Payment of dividend in the form of shares	3 976 826	125 429 092.04 euros	199 457 318.20 euros
December 2, 2008	Capital increase	23 744 918	322 930 884.80 euros	232 700 203.40 euros
May 15, 2009	Payment of dividend in the form of shares	15 757 718	153 322 693.44 euros	254 761 022.60 euros

Dividends

The dividends distributed for the last five financial years are as follows:

Year of distribution	2005	2006	2007	2008	2009
Number of shares	46 164 229	46 164 229	46 164 229	138 492 687[1]	166 214 431[1]
Net dividend	2.30 €	2.70 €	3.20 €	1.25 €	1.25 €
Net dividend paid	106 177 726.70 €	124 643 418.30 €	147 725 532.80 €	173 115 858.75 €	207 768 038.75 €

(1) After the 3-for-1 stock split of September 3, 2007.

No interim dividends were paid during this period.
Dividends that remain unclaimed automatically lapse in favor of the state after five years from the date of distribution. Treasury shares held by the Company do not qualify for dividends.

Breakdown of share capital and voting rights

Any physical person or legal entity acting alone or in concert with others with the intention of holding at least 2% of the Company's share capital (or any multiple thereof) is required to inform the company of this fact by means of registered letter with acknowledgement of receipt setting out the number of shares held, and to do so within five trading days of the date on which each threshold is breached.

Statutory rules addressing threshold breaches by certain categories of shareholder have been adopted by the Company in accordance with the provisions of Articles 208-C and subsequent of the French General Tax Code. Unless such breaches have been declared in accordance with the conditions set out above, that proportion of shares exceeding the threshold percentage will be stripped of voting rights at shareholder meetings where the lack of declaration is brought to the attention of the meeting or where one or more shareholders together holding 2% or more of the Company's share capital ask the meeting to do so. This withdrawal of voting rights will apply to all shareholder meetings held within two years of the date on which the appropriate declaration is duly made.
All parties are also required to inform the Company, in accordance with the procedures and time schedules set out above, if their shareholding falls below any of the thresholds referred to above.

At December 31, 2009, the main holders of the Company's 181 972 159 shares were:

	Number of shares	Total votes	Voting shares		% of capital owned	% of voting rights [1]
			Single	Double		
BNP Paribas SA	14 997 920	26 875 166	3 120 674	11 877 246	8.24%	13.53%
Compagnie Financière Ottomane	5 834 443	9 836 077	1 832 809	4 001 634	3.21%	4.95%
SETIC	3 215 861	3 526 841	2 904 881	310 980	1.77%	1.78%
UCB Bail	1 696	2 956	436	1 260	0.00%	0.00%
BNP Paribas Group – registered	**24 049 920**	**40 241 040**	**7 858 800**	**16 191 120**	**13.22%**	**20.26%**
OGDI	37 789 347	37 789 347	37 789 347		20.77%	19.02%
Foncière de la Compagnie Bancaire	30 050 397	30 050 397	30 050 397		16.51%	15.13%
Cardif	6 270	6 270	6 270		0.00%	0.00%
BNP Paribas Group – bearer	**67 846 014**	**67 846 014**	**67 846 014**	**–**	**37.28%**	**34.15%**
Sub-total for BNP Paribas Group	**91 895 934**	**108 087 054**	**75 704 814**	**16 191 120**	**50.50%**	**54.41%**
Registered	672 587	1 161 215	183 959	488 628	0.37%	0.58%
Bearer	86 522 715	86 522 715	86 522 715		47.55%	43.55%
Floating	87 195 302	87 683 930	86 706 674	488 628	47.92%	44.14%
Sub-total for other holders	**179 091 236**	**195 770 984**	**162 411 488**	**16 679 748**	**98.42%**	**98.55%**
Treasury stock [2]	**2 880 923**	**2 880 923**	**2 880 923**	**–**	**1.58%**	**1.45%**
TOTAL	**181 972 159**	**198 651 907**	**165 292 411**	**16 679 748**	**100%**	**100%**

(1) Theoretical number of voting rights.
(2) The withdrawal of voting rights is applied to treasury stock in accordance with article L. 225-210 of the French Commercial Code.

The Company was informed of several threshold breaches during the 2009 fiscal year:
- Crédit Suisse: breached the statutory threshold of 2% on several occasions (undershooting and overshooting);
- BNP Paribas Group: breached the statutory threshold of 52% by undershooting and in concert with others;
- AllianceBernstein: breached the statutory threshold of 2% by overshooting. AllianceBernstein has informed the Company that it both undershot and overshot the 5% threshold on several occasions in January and February 2010.

Breakdown in the distribution of share capital in the last three years

	Position at December 31, 2007			Position at December 31, 2008			Position at December 31, 2009		
	Number of shares	% of capital	% voting	Number of shares	% of capital	% voting	Number of shares	% of capital	% voting
BNP Paribas Group	69466233	50.16%	65.04%	86421728	51.99%	56.12%	91895934	50.50%	54.41%
Floating	66035991	47.68%	33.46%	76013624	45.73%	41.81%	87195302	47.92%	44.14%
Treasury stock	2990463	2.16%	1.50%	3779079	2.27%	2.07%	2880923	1.58%	1.45%

To the best of the Company's knowledge, there is:
- no agreement whose implementation could bring about a change in control at a future date;
- no shareholder agreement.

Options d'achat d'actions

The general meeting of shareholders held on April 7, 2006 authorized the Executive Board to grant one or more options to purchase shares in the Company as a result of purchases made by the Company under the arrangements provided for under French law. This authorization was granted for a period of 38 months.
The total number of options granted may not confer entitlement to a total number of shares whose value is greater than 1.1% of share capital. The term of these options is eight years. Under the terms of this authorization, 195 000 stock options were granted on May 30, 2006, 143 000 on May 15, 2007 and 481 000 on April 6, 2009, based on the nominal share price on these dates. After adjustments (the stock split of 2007 and the effect of the discount granted as part of the capital increase of December 2008) and retirements, the number of current options granted under these plans at December 31, 2009 was as follows: 563 093 under the May 30, 2006 plan, 420 536 under the May 15, 2007 plan and 481 000 under the April 6, 2009 plan.
The shares vested as a result of exercising the options allocated on May 30, 2006 and May 15, 2007 may be freely sold by Executive Board members. The shares vested as a result of exercising the options allocated on April 6, 2009 are subject to an obligation requiring 50% of the capital gain made at the time of exercise by Executive Board members to be held in the form of registered shares until such time as they leave the Company. The general meeting of shareholders held on April 9, 2009 authorized the Executive Board to grant one or more options to purchase shares in the Company as a result of purchases made by the Company under the arrangements provided for under French law. This authorization was granted for a period of 38 months.
The number of options granted may not confer entitlement to a total number of shares greater than that representing 1% of share capital on the day on which the resolution was adopted by the Executive Board, with the proviso that the total number of free shares allocated as a result of the authorization granted by the 20th resolution of the general meeting of shareholders held on April 9, 2009 (i.e. subject to a maximum limit of 0.5% of share capital) will be included in the amount subject to this 1% cap. The Executive Board did not make use during 2009 of the delegation granted on April 9, 2009.

Employee profit-sharing

There is no agreement providing for the involvement of employees in the Company's capital.

IV. Capital and Stock Market

Shares

All the Company's equity shares are traded on the Euronext Paris™ market (Compartment A).

	2004	2005	2006	2007	2008	2009
Market capitalisation (in millions of euros) (1)	3008	3661	6601	4843	2909	5166
Number of securities traded (2)	148422	205308	336090	466896	593923	522897
Share price (2) (3)						
High	21.40	27.55	46.45	53.40	40.27	30.80
Low	15.28	19.65	25.51	30.36	14.38	9.88
Last	21.13	25.71	46.37	34.01	17.50	28.39

(1) Last quotation of the year.
(2) Data restated of the stock split of September 3, 2007.
(3) Adjusted for the discount granted to holders of preferential rights for the rights issue of December 2, 2008.

Trading volume over the last 18 months (in number of securities and amount of equity traded)

Shares Month	Highest price	Lowest price	Number of securities	Amount of equity traded (in millions of euros)
2008				
September	29.98	24.73	15 166 225	433.56
October	26.85	15.56	15 239 815	320.41
November	20.42	14.38	11 211 745	186.10
December	18.13	15.10	8 970 597	149.21
2009				
January	20.41	16.23	11 861 629	217.03
February	18.68	14.82	9 911 794	169.21
March	15.86	9.88	18 620 047	231.23
April	18.88	13.02	13 833 693	227.27
May	19.88	16.24	12 048 420	220.48
June	19.65	17.23	13 424 419	244.56
July	20.13	18.45	9 711 857	182.80
August	26.95	19.87	10 065 011	235.78
September	27.63	24.47	8 705 465	230.30
October	30.80	25.51	11 626 439	333.33
November	27.94	26.61	8 826 900	251.09
December	27.38	26.96	5 292 615	147.45
2010				
January	29.45	26.56	5 492 107	154.50
February	28.07	25.63	6 110 514	164.42

Source: Euronext.

Bonds

ISIN Code	FR0010099226	FR0010301705
Amount of the issue	600 million euros	689 million euros
Annual interest	4.625%	4.25%
Maturity	July 15,2011	March 16, 2016
Quotation	Luxembourg Stock Exchange	Luxembourg Stock Exchange

Prospectus disponibles sur le site Internet de la société: www.klepierre.com

O. Sustainable development

I. Social indicators required under the New Economic Regulations Act (NRE)

	NRE social indicators	2009 fiscal year	Scope
1.	Total compensation and all benefits paid during the fiscal year to each company officer	See page 118	Group
2.	Total compensation and all benefits received during the fiscal year by each company officer from controlled companies within the meaning of Article L. 233-13 of the French Commercial Code	See page 118	Group
3.	List of all offices and functions held in all companies by each of these officers during the fiscal year	See pages 106 and subsequent	Group
4.	Total company headcount including fixed-term contracts	Klépierre ended 2009 with 1 519 employees. The recession that affected Europe in 2009 goes a long way to explaining the stability of employee numbers (3 more employees than in 2008). Nevertheless, this trend masks significant employee movement (199 joining the Group under open-ended or fixed-term contracts and 196 departures). Central Europe and Scandinavia were the most active in employment terms, whilst France cut back significantly on recruitment (27 people joining the Group under open-ended contracts, compared with 86 in 2008) at the same time as encouraging internal mobility. The proportion of the labor force working outside France remained unchanged from 2008 (63%), confirming the international presence of Klépierre (558 employees in France and 961 in other countries). The percentage of the labor force employed under fixed-term contracts of employment rose slightly to 5% in 2009, compared with 4.2% in 2008. Management staff represented 68% of the French labor force (unchanged from 2008). In other countries (not all of which have their own classification), senior managers and line managers account for 28.6% of the labor force.	Group
5.	Recruitment, analyzed by fixed-term and open-ended contracts	In 2009, Klépierre recruited 199 employees. This total breaks down as follows: – 130 under open-ended contracts (nearly 2 out of 3) and 69 under fixed-term contracts – 116 women and 83 men – 33 new graduates (direct from further education or with less than two years'work experience). The number of recruitments fell by 41% between 2008 and 2009. Although perceptible in the second half of 2008, the effects of the global financial crisis impacted significantly on recruitment in 2009. This general downward trend masks significant differences, from -57% in France, Italy and Greece to - 21% for Central Europe. As part of improving employment management within the Group, priority was given to internal recruitment, and therefore internal mobility. In France, the percentage of recruitment resulting from internal mobility rose from 9% in 2008 to 37% in 2009. In other countries, a system of regular communication has been introduced between Group entities to encourage this mobility.	Group
6.	Recruitment difficulties	One of the effects of the global financial crisis in 2009 was to tip the balance of the jobs market more in favor of employers: Klépierre therefore encountered few difficulties overall. Nevertheless, France continued to experience difficulties in certain specialist areas, including real estate accountancy management and Internet-related disciplines (graphic designers, webmasters and developers). The situation was similar in Poland, where despite higher numbers of applicants and reduced pressure on salaries, the jobs market remained competitive, particularly in certain technical skills areas.	Group
7.	Dismissals and grounds for dismissal	The number of dismissals remained unchanged in 2009, with a total of 25 across the entire Group (compared with 23 in 2008), reflecting the stability seen in the labor force. The main reasons for dismissal were professional incompetence and gross misconduct.	Group
8.	Overtime hours	Across the Group, a total of 5 727 overtime hours were worked during the year, with France, Italy and Scandinavia accounting for the majority. Overtime working was particularly concentrated in the accounting and financial functions (during the financial year end period).	Group
9.	Non-company labor	The average number of temporary staff employed per month was 11.4 full-time equivalents (FTE). The average period of temporary employment remained unchanged in 2009 at 37 days. A total of 7 temporary staff were recruited permanently by the company: 4 under open-ended contracts and 3 under fixed-term contracts. In France, the average number of temporary staff employed per month fell to 7.4 ETP in 2009 from 9.6 ETP in 2008. This downward trend is explained chiefly by the economic slowdown that began at the end of 2007. Expenditure of temporary staff therefore fell slightly: – 2007: 536 000 euros exc. tax – 2008: 494 000 euros exc. tax – 2009: 370 000 euros exc. tax Klépierre works with licensed temporary manpower agencies. The contracts signed with these agencies include very strict clauses on compliance with employment law and the prevention of illegal subcontracting.	Group
10.	Information about labor force reduction and job protection plans, and career support (where applicable)	Klépierre has not implemented any labor force reduction or job protection plan. Whenever necessary, Klépierre examines all career change opportunities offered internally and within its majority shareholder the BNP Paribas Group. In 2009, 97 employees changed career within a dynamic environment that encourages individual career management and internal promotion.	Group

	NRE social indicators	2009 fiscal year	Scope
11.	Organization of working hours	In France, the legal working week is 35 hours. All staff receive 28 days'paid leave per year, all national holidays and rest days granted under the working hours reduction (RTT) legislation. The number of these days varies, depending on the annual maximum number of days worked: – 206 for supervisory staff; – 211 for management staff; – 215 for senior management staff; Since 2008, Klépierre employees have been donating one day of their RTT rest days to fund initiatives designed to improve the self-sufficiency of the elderly or disabled in society. Those employees with more than 12 months'service may benefit from a Time Savings Account (CET) in which to save paid leave and/or rest days under the RTT arrangements. The CET may be added to on no more than 10 occasions during any calendar year (this maximum increases to 15 for fixed-salary employees and/or those aged over 50). Saved days may be taken as additional leave, time off to care for a dependent relative (with an extra 10% contribution from the company), pre-retirement leave, make up for hours or days not worked in the event of transition to part-time working, training received outside working hours or unpaid leave taken under the Fongecif arrangements. Subject to certain caps, days saved in the CET may also be converted to a cash payment or transferred to the PEE (Company Savings Plan) and/or PERCO (Group Pension Savings Plan).	France
12.	Working hours for full-time employees	The average number of hours worked per week by a full-time employee is as follows: – 35 hours in France; – 37.8 hours in Scandinavia; – 39.5 hours in Italy and Greece; – 39.6 hours in Spain and Portugal – 40 hours in Central Europe.	Group
13.	Working hours for part-time employees	Since part-time working is the choice of individual employees who request it for health or personal reasons, workstations and the working structure are rearranged accordingly without compromising the company's organizational structure. At December 31, 2009, 88 people were working part-time, representing 5.8% of the total labor force. This proportion is consistent with that seen in previous years: 5.9% in 2008 and 6.3% in 2007. The great majority of the part-time labor force remains female. 5 men worked part-time in the Group during the year. 64% of part-time employees opted for an 80% working hours package, and 16% for a 50% package.	Group
14.	Absenteeism and its causes	The rate of absenteeism (excluding maternity leave) was 2.1%. So on the basis of like-for-like headcount, the number of days lost as a result of illness rose by 9.4% compared with 2008. The main cause of this rise was sick leave taken prior to maternity leave, where the incidence was 30% higher year-on-year.	Group
15.	Pay	The average gross annual salary (for employees on fixed-term and open-ended contracts of employment) was: – 42 400 euros in France; – 60 700 euros in Scandinavia; – 32 700 euros in Italy and Greece; – 38 500 euros in Iberia; – 19 900 euros in Central Europe.	Group
16.	Salary trends	The annual pay negotiation round resulted in a general increase in 2009. In May 2009, employees meeting the conditions set by the agreement received a pay raise equivalent to 1.2% of monthly salary, subject to a minimum of 500 euros for a full-time employee, and capped at 800 euros. In 2009, 2.04% of the total Klépierre gross payroll was applied to personal pay raises, enabling 1 employee in 3 to benefit from the annual raise.	France
17.	Social security deductions	The trend in social security deductions within the Group consolidation scope was as follows: (in millions of euros): 2007 – 14.8; 2008 – 18.4; 2009 – 21.5	Group
18.	Application of the provisions contained in Chapter IV, Book IV of the French Employment Code (optional and mandatory profit-sharing and employee savings plans)	In France, employees are covered by the BNP Paribas Group mandatory profit-sharing agreement. A further optional profit-sharing agreement specific to Klépierre is also in operation. In 2009, employees received 10% of their pay through these agreements, compared with 15% in 2008. This reduction results from the mandatory profit-sharing scheme which performed less well than in previous years. This is a pooled scheme for all BNP Paribas Group subsidiary companies. The sums received, together with any voluntary contributions made, may be invested in the Company Savings Plans (PEEs) or Group Pension Savings Plans (PERCOs) operated by the company. Current and former employees of the Group may also apply for BNP Paribas capital-raising share issues: in 2009, the take-up rate in France rose to 74% from the 69% reported in 2008. Internationally, take-up fell slightly in 2009 to 11.5%, compared with 13% for 2008. However, the amount investment by individuals rose by 8%.	Group
19.	Gender equality within the company	The Klépierre labor force comprises 828 women and 691 men: women therefore represent 54.5% of the labor force (unchanged since 2008). The proportion represented by women is slightly higher in France than in other countries (60%, compared with 51%). In 2009, Klépierre consolidated its commitment to diversity and equality of opportunity for women in the workplace formalized in the Gender Equality Agreement signed in 2007: the Compulsory Annual Negotiation agreement (négociation annuelle obligatoire or NAO in French) implements practical measures to correct unjustified differences in pay between men and women. Under these arrangements, 19 000 euros were paid specifically to 11 female employees in July 2009. In the 2009 fiscal year, 58% of staff recruited were women. 44 of the 85 promotions made involved women, i.e. 51.8%. 41.7% of Klépierre managers are women, virtually unchanged from 2008 (41.3%).	Group

Social security deductions (item 17):

	2007	2008	2009
(in millions of euros)	14.8	18.4	21.5

	NRE social indicators	2009 fiscal year	Scope
20.	Labor relations and review of collective agreements	A significant level of constructive labor relations dialog took place at Klépierre during 2009. In addition to the NAO agreement (cf. indicator 16), Klépierre signed an agreement concerning the management of older employees. This agreement provides for forward career planning for employees aged 55 and over, supported by appropriate training opportunities, individual appraisals and working hours reviews. These arrangements further strengthen the measures introduced under the terms of the GPEC agreement of 2008, and are intended to reconcile the need to keep people in employment and the desire of employees to continue and shape their careers on the basis of personal and professional considerations, with the company's need for skills and corporate management constraints. 2009 was also marked by the reappointment by election of the Works Council and employee representatives. To coincide with these elections, Klépierre implemented a company-wide agreement introducing Internet-based electronic voting. The resulting participation rate was 62%.	France
21.	Health and safety conditions	New employees joining the Group have an initial consultation with the occupational health team on arrival, and have follow-up consultations either on a six-monthly basis, or a different frequency reflecting their personal circumstances (return to work after a long break for illness, return after maternity leave, etc.). Employees may also request an appointment with the occupational health team whenever they wish. In 2009, Klépierre continued to take positive preventive action, and monitor health and safety risks, as follows: **Ergonomics:** During medical consultations, special attention is paid to employees who work at a computer screen (which imposes high demand in terms of visual comfort and may pose a risk of repetitive strain injury) in order to warn them of the risks involved: printed information about workstation design and use is supplied, together with personal advice. **Monitoring of risks in the workplace:** As part of its ongoing commitment to minimizing risks in the workplace, Klépierre has introduced a road risk prevention policy that focuses on raising the awareness of all employees of the risks involved and the best practices to be adopted. Employees with a regular need to drive company vehicles as part of their jobs also receive specialist driver training. **Preventive initiatives introduced to address major public health issues:** Flu pandemic prevention: as part of protecting people using its premises and ensuring business continuity, Klépierre has introduced an initiative designed to identify all the measures to be put in place in the event of flu pandemic. In addition to planning for this type of special circumstance, there are other preventive initiatives in place to address issues such as stress, which is increasingly monitored during the medical check-ups, and smoking, with advice and help for stopping smoking following the application of the decree of November 15, 2006 banning smoking in public places. **Other major initiatives:** Blood donation and flu vaccination campaigns were run during the year.	France
22.	Training	The rate of access to training rose in 2009 to 77%, from 71% in 2008. On average, employees receive three days of training per year. In France, the number of training hours covered by the DIF (Droit Individuel à la Formation) employee training entitlement initiative rose during 2009 to 63% of all training hours delivered, from 52% in 2008. By delivering 64% of the training initiatives undertaken, SégéCampus - the Klépierre skills university - played a major role in France by providing training in skills specific to the commercial real estate sector. 13 new training modules were introduced during 2009, including a Sustainable Development awareness course attended by nearly 54% of employees in France and internationally. SégéCampus also provided training services for employees working in the Group's international subsidiaries, and organized two training modules in Budapest during the year. SégéCampus is also involved in the induction of new employees, with the organization of Welcome Days. As part of its commitment to accident prevention, Klépierre introduced a road and driving risk prevention training course at the end of 2009. This course has so far been attended by 39 employees. In France, Klépierre plays an active role in encouraging young people into the world of work, and training them in the types of jobs available in its shopping centers and head office. 56 young people worked with the company in 2009, reflecting a rise of 55% over the figure for the previous year. Young people working for the company as part of sandwich courses (in preparation for BTS or further education qualifications) represented 5% of the labor force. 54 trainee courses were also completed (whilst studying for CAP or further education qualifications), including 14 that were longer than 3 months. Klépierre also continued to work alongside the *Baisser les barrières* (Break Down the Barriers) charity which provides digitized university textbooks for sight-impaired students.	Group
23.	Employment and integration of disabled employees	At the end of 2009, Klépierre employed 13 disabled people; 7 more than in 2008. The Group continued and strengthened its external partnerships in order to encourage the employment and integration of disabled employees in two ways: **Recruitment:** In France, proactive collaboration with Hanploi.com and specialist temporary staff agencies resulted in the recruitment of 2 employees under open-ended contracts and 1 temporary member of staff on a 3-month contract. As part of Disability Employment Week, Klépierre also took part in an Open Day organized by BNP Paribas. The success of these recruitment initiatives and the long-term integration of disabled employees into the company is the result of a high level of management commitment. In 2009, 15 managers received training in the induction and integration of disabled employees. These courses were provided by external specialists.	Group
		Services: Every year, Klépierre calls on the services of protected sector companies, primarily in respect of catering services, landscape maintenance and the recycling of electronic hardware. These services make a direct contribution to the employment of disabled people. As part of the year's Téléthon fundraising event, Klépierre helped collect unwanted mobile phones for recycling and resale. This initiative was particularly successful in 2009, with 114 phones collected, compared with 27 in 2008. All sales proceeds were donated directly to the Téléthon event.	France

	NRE social indicators	2009 fiscal year	Scope
24.	Company welfare services	National-level social and cultural activities are administered jointly by a federation of works councils common to a number of subsidiary companies operated by the BNP Paribas Group, the majority shareholder in the Klépierre Group. The local initiatives are managed by the Klépierre Works Council. These services are very diverse, ranging from travel services for employees, summer camps for their children, family assistance and the provision of cultural services, including a multimedia library and reduced-rate theatre or cinema tickets. A sports and cultural association gives employees the opportunity to participate in team sports and a wide range of cultural activities.	France
25.	Relations between the company and community outreach organizations, educational institutions, environmental conservation and consumer groups and local residents	As a result in the trend seen in its labor force, Klépierre implemented a series of highly targeted initiatives in 2009: – in real estate: participation by the Palladio Foundation (of which Klépierre is a founder member) at the start of the new university academic year in the Job dating event at the ESPI and in the presentation to students of the ESSEC Business school Chaire Immobilier (Chair in Real Estate Studies) – in support of diversity: participation in the Diversity and First Job Forum hosted by the City of Paris, and participation in the Open Day held as part of Disability Employment Week. A supervisory relationship is also in place with Copernic, a post-masters program for students in Central and Eastern Europe. Klépierre recruited trainees from this program for the second time in 2009. The great majority of shopping centers were involved in initiatives to raise money for good causes or to encourage the economic and/or social development of their local areas. As focuses for shopping and leisure, shopping centers have become local public spaces in the truest sense of the word, and are available to any group involved in local public life. In France and internationally, they now host a large number of events organized and supported by social organizations. This service may take the form of providing space for organizers of local initiatives (these can sometimes be permanent in-center locations, as they often are in Spain) or the hosting of forums on environmental issues, job creation initiatives and/or health initiatives (this is particularly well-developed in Poland where the Group's centers have offered free medical consultations for expectant mothers). In "sensitive" inner-city areas, where Klépierre owns and manages many sites, the company has built close working relationships with the full spectrum of local organizations. Whenever the company opens a new center, its teams work alongside local public authorities to create as many local jobs as possible. As partners of the French Muscular Dystrophy Association (Association Française contre les Myopathies or AFM), Ségécé and 41 French shopping centers took part in the Téléthon fundraising event for the fifth consecutive year. The event raised over 126 000 euros thanks to in-center events, donations from retailers and contributions from Group subsidiary companies and the Works Council. Klépierre and Ségécé also continued to provide support for La Lampe Magique under the partnership initiated in 2004. The charity works in 8 hospitals in the Paris region to cheer up daily life for children in hospital. Many thousands of children benefited from its work in 2009.	Group
26.	Methods used by the company to assess the regional impact of its business activities on regional employment and development	The Group has no consolidated data for Europe as a whole. However, by way of example, the Corvin Atrium project in Budapest alone will generate the equivalent of 850 full-time jobs. Similarly, construction of the Odysseum shopping center in Montpellier has resulted in the creation of 1 000 full-time jobs.	
27.	The extent of subcontracting – methods used by the company to ensure that its subcontractors comply with basic ILO standards	The company selects its subcontractors on the basis of their compliance with labor standards. Sustainable development criteria are therefore included in all the contracts signed with the providers of services for the maintenance and security of those French and foreign shopping centers managed by Klépierre subsidiaries. Suppliers are also required to submit a certified statement to the effect that the work concerned will be carried out by staff working under regular employment contracts in accordance with local regulations.	
28.	Methods applied by the company to ensure that its subsidiaries comply with basic ILO standards	It should be noted that all of the countries in which Klépierre operates have ratified the 8 basic ILO conventions. The Group also able to confirm that no child is employed by Klépierre or by any of its subcontractors.	
29.	Methods applied to ensure that foreign subsidiaries consider the impact of their business activities on regional development and local communities	Klépierre imposes sustainable development targets to steer the relationship between its foreign subsidiaries and centers and their suppliers. Standard code of conduct clauses consistent with the Klépierre-Ségécé charter have also been incorporated into the contracts signed with our suppliers, alongside the obligation to have a competitive bidding process every three years and to give priority to companies that comply with European standards.	

II. Environmental indicators required under the New Economic Regulations Act (NRE)

Shopping centers

The monitoring regarding the following environmental indicators imposed by the NRE legislation refer to assets owned and managed by Klépierre in France and abroad.

Office buildings

Office buildings represent a secondary activity accounting for 5.3% of total asset values. For existing assets, Klépierre makes recommendations to its tenants. However, for new projects, Klépierre includes environmental requirements in the specifications. This report also contains information regarding the Group's head office buildings.

	NRE environmental indicators	2009 fiscal year	Scope
1.	Water consumption	Major efforts have been made in recent years in terms of measuring water consumption, especially in France, where nearly 3,000 water meters have been installed. Metering provides much more accurate management of consumption and the ability to take remedial action wherever problems are identified in communal areas. It also makes it possible to provide information directly to tenants about water consumption in their specific areas. The overview of consumption provided by these meters provides the opportunity to conduct further analyses wherever unusual variances are observed. This method has already saved 36 000 cubic meters of water in France over the last two years (common and private areas combined). The two largest areas of water consumption in commercial buildings are washrooms and cooling towers. This is the reason why around 30 waterless, non-chemical toilets were installed in 2009; the majority in France and Poland. Each of these installations saves approximately 185 cubic meters of water every year – a figure equivalent to the annual consumption of a household of between 4 and 6 people. Their installation will soon become commonplace. The program to replace the oldest cooling towers with adiabatic systems will save substantial amounts of water. For example, the following savings will be made in France: 100% for the Trans-en-Provence center and 90% for the Tours center. The watering of landscaped areas is another major area of consumption. Many centers, and especially those in Spain and Portugal where water shortages are an increasing reality, have therefore reduced their watering requirements considerably. The installation of more efficient systems and/or the planting of species that require less water and are better adapted to the local climate are two of the preferred courses of action. Rainwater recovery and reuse is also being incorporated into new projects and extensions to existing centers, delivering substantial savings in the operations phase. This system is already in use in some shopping centers, including Debrecen Plaza (opened in 1999 in Hungary) and Maisonément in France. A 16 cubic meters reservoir has also recently been installed as part of the Goutte d'Eau project in Bègles. The water recovered by these systems is used chiefly for watering landscaped areas and planted walls.	Group (shopping centers)
2.	Consumption of raw materials	The Klépierre Group is primarily a service provider, and therefore does not consume raw materials directly. Klépierre is fully aware that the production and use of the consumer goods sold in its shopping centers and the resources used by all its stakeholders account for the majority of the environmental impact imposed by Group's assets. However, this issue does not fall within the direct operational responsibility of the Group. Ultimately, the main operational issue is the treatment and the recycling of the waste generated by tenants'supply chains and by customers visiting their premises (see indicator 9). In the development phase, the Group works closely with property developers within an approved environmental framework. The Group pays close attention to the "green site" policies implemented by developers, and is always involved in the process of choosing eco-friendly materials. Klépierre pays particular attention to the origin of the raw materials used, and insists, for example, that the timber used is certified under the PEFC or FSC schemes. The majority of European headquarters have adopted a policy designed to limit the use of paper. Paper sorting facilities have been installed in the Paris head office buildings, and in their counterparts in Portugal, Hungary, the Czech Republic, Greece and Poland. The use of eco-responsible paper has also been introduced very widely. Poland has also introduced a policy of printing its documents on both sides of the paper (including contractual documentation). Regular initiatives are implemented to raise awareness of these issues. In 2009, Portugal ran a week-long campaign under the banner of "The Kings of Recycling".	Group (head office and shopping centers)

	NRE environmental indicators	2009 fiscal year	Scope
3.	Energy: energy consumption, energy efficiency measures and the use made of energy from renewable sources	The special feature of Klépierre is that the Group is simultaneously a real estate owner, developer and manager. This means that it has to think in overall terms when designing buildings. For its development projects, the Group makes maximum use of the skills and feedback offered by all staff and stakeholders at the very earliest stages of the building design phase. In its existing portfolio of assets, Klépierre is committed to a process of continual improvement that involves all the teams and service providers on each site in sharing best practice. Klépierre also involves designers specializing in energy-related issues in order to incorporate innovative solutions suited to local conditions. **Bioclimatic approach:** For all new projects, the teams give priority to adopting a bioclimatic approach by using passive measures to reduce energy consumption wherever possible. This first stage focuses on building density and insulation in order to improve thermal inertia and limit energy loss. Studies are also conducted of site climatic and weather conditions. The outcomes of these studies are used to ensure that the glazed sections of buildings are oriented in such a way as to achieve maximum solar gain and protect against prevailing winds. **Energy audits**: For sites already in operation, audits are still the best way of identifying and prioritizing actions to improve building energy efficiency. 25 audits were conducted in 2009 (including the entire portfolio in Hungary, Poland and Belgium). The great majority of the international portfolio has now been audited, and work has begun on multi-year investment plans for the buildings concerned. **Continual improvement of installations:** Achieving maximum energy efficiency is also about replacing and maintaining technical facilities to improve performance. Centralized Technical Management (CTM) systems automate the operation of center installations, making it possible, for example, to minimize energy consumption. Internationally, over 95% of centers managed by the Group are now equipped with these systems. However, these systems require close supervision by local teams in order to optimize parameters such as center installation operating times (summer, winter, etc.). **Air conditioning and heating:** Demand in terms of heating and air conditioning is high. Nevertheless, many initiatives are underway to reduce the associated energy impact without compromising customer comfort. In 2009, 3 Hungarian centers (Csepel Plaza, Györ Plaza and Kaposvár Plaza) and 2 in Italy (Rossini Center in Pesaro and Assago near Milan) installed UV filter systems for their roof windows to limit solar gain, and therefore reduce demand for air conditioning. The Ruda Slaska center in Poland has also installed new equipment for its hot air curtains in a bid to reduce demand for electricity by 12 kW. **Lighting:** New projects put the emphasis on the use of natural daylight, whilst avoiding the direct sunlight that could lead to excessive demand for air conditioning and visual annoyance for customers. In order to minimize the need for artificial lighting in existing centers, renovation projects may provide the opportunity to install natural light wells, as is the case at Noisy Arcades in France. With respect to artificial lighting, energy-saving light bulbs and fluorescent tubes (T5 tubes or LEDs) are always installed when replacing fixtures or during renovation work. At Poznan Plaza, the Progressive installation of low-energy lighting has reduced power bills by 14%. The Serravalle center in Italy also redesigned the entire lighting system of its shopping mall in 2009. In the same spirit, a number of shopping centers have opted to replace all or part of their Christmas decorations with LED lighting, with no loss of quality in exchange for energy savings of between 50% and 75%. In Italy, 13 centers have also redesigned and upgraded their lighting systems to adjust their internal lighting to external daylight levels at dusk. **Use of renewable energy sources:** The possibilities offered by energy from renewable sources are examined closely as part of all new projects. Consideration is also being given to extending this approach to include existing centers. The preferred option at present is the installation of photovoltaic panels, especially in Spain, France and Italy. The photovoltaic panels installed at the Nîmes-Étoile center generated their first kW hours of renewable energy in 2009. Many centers have also entered into supplier contracts guaranteeing supplies of electricity generated from renewable sources. For example, all the electricity used by the Louvain-la-Neuve center in Belgium (in excess of 3.4 million kWh) comes from renewable sources, and the same is true for the 4 Spanish centers of Augusta, Los Prados, Meridiano and Vega Plaza. In the Group's Portuguese centers, "green" electricity accounts for 43% of total consumption. Energy consumption data for the French and international portfolios are shown in Section III. Environmental Indicators (see page 135).	Group

	NRE environmental indicators	2009 fiscal year	Scope
4.	Air, water and ground discharges	**Air discharges:** Klépierre has decided to measure the precise impact on climate change and greenhouse gas emissions made by its activities. These quantitative measurements are conducted within the direct and operational scope of the Group's activities (Scopes 1 and 2 of the GHG Protocol). The Group also measures certain aspects covered by Scope 3. Following the first comprehensive Bilan Carbone® (Carbon Accounting) report conducted on a shopping center in France during 2008, the Group has awarded a specialist firm a two-year contract to calculate the carbon footprint of its entire portfolio of shopping centers (see Carbon Footprint section on page 136). All the greenhouse gas emissions studies conducted highlight the significant impact of refrigerant gas leakages. The process of replacing these refrigerants with less harmful gases is being stepped up throughout the portfolio of French and international shopping centers. The 5 Italian centers of Thiene, La Romanina, Montecucco, Cavallino and Brianza are all examples of this program in action. **Water discharges:** There are two main rationales behind the actions we are taking in this area: the creation of on-site temporary holding tanks to reduce the risk of excessive amounts of water entering mains drainage systems; and controlling the pollution levels contained in wastewater discharged by shopping centers (communal and private areas). The collection and temporary retention of water may be achieved by the use of planted roofs or underground or landscaped holding tanks. Direct infiltration may also be used, whilst ensuring compliance with authorized pollution levels. One of the most effective ways of achieving this is to use grass-covered or stabilized parking areas to drain run-off water naturally. Operational shopping centers carry out regular wastewater checks and periodic cleaning of drainage systems. They are also required to check the toxic discharges from certain specialist retail units. Many centers now require their suppliers to limit contamination of wastewater by using environmentally-friendly products for cleaning floors and carrying out landscape maintenance. **Land use and discharges:** Environmental impact studies are conducted for all construction and renovation projects, in accordance with current regulations. The company also ensures that the land used for its construction projects is clean. Soil pollution studies are conducted systematically, and pollution remediation work is carried out where necessary before work begins on site, as is the case with the site of the future Aubervilliers shopping center. For all new developments, the Group ensures that the projects it proposes are those most appropriate to the topography and slope of the land in order to avoid excessive excavation and minimize the impact on the natural environment. Car park oil separators pose the highest risk of soil pollution. However, the gasoline storage tanks of filling stations operated in our car parks by third parties are not the direct responsibility of the Group.	
5.	Noise and odor nuisances	Whether related to new construction projects, restructuring projects or day-to-day operation, noise and odor issues are handled efficiently. As part of limiting odor-related nuisances during the operational phase, the shopping centers use special containers and air-conditioned facilities for waste storage. In order to reduce the sound pollution related to deliveries to retailers or construction work in progress, special measures are implemented in agreement with local authorities, and may include noise barrier walls and specific operating times. Retailers are also involved in addressing these issues. They are invited to limit noise levels in their own specific areas and pay the closest-possible attention to any fragranced products they may offer, particularly in terms of allergy risk.	Group (offices and shopping centers)
6.	Waste treatment	The quantities of waste produced by shopping centers relate primarily to footfall and business volumes. The problem therefore lies in ensuring the most efficient means of recovering, processing and recycling this waste. The great majority of centers separate out their cardboard waste. Many also recycle other waste, such as plastics, organic waste, glass and batteries. Some centers, like Parque Nascente in Portugal, Los Prados in Spain and Metro Senter in Norway, now sort their waste into some 15 different streams. Having sorted the waste, it is equally important to ensure that it is collected and recycled. As part of reducing the volume of waste, new compactors have been installed on several sites in France, including the Blagnac and Saint-Orens centers near Toulouse. These compactors reduce the waste collection frequency by half, and therefore also halve the related greenhouse gas emissions from collection vehicles. Lastly, centers are also bringing forward an increasing number of initiatives to raise customer awareness of waste sorting. The Group's Portuguese subsidiary has installed "Electron" points at all its sites under a framework agreement for the collection of electrical and electronic appliances brought in by customers. So far, 150 metric tons of electrical and electronic waste have been collected by the Portuguese shopping centers for recycling. The Danubia center in Slovakia has also installed waste sorting bins for use by center customers.	Group

	NRE environmental indicators	2009 fiscal year	Scope
7.	Measures taken to limit impact on the ecological balance, natural habitats and animal and plant species	The Group takes action in a number of different ways to limit its impact on natural habitats, but with particular focus on respect for the site itself, and the way in which buildings are integrated into the environment. During the development stage, the first step is to design a project that is consistent with the natural character of the site and takes maximum account of its topography and slope. The second consideration is to take great care in the quantity and quality of landscaping. Working in this way has ensured that the future shopping center at Aubervilliers will include more than 12 000 sq.m. of landscaped environment. The average landscaped area of shopping centers owned by Klépierre centers is approximately 2 800 sq.m. per site. As part of its landscape management policy, the Group uses local species wherever possible as part of maintaining the biodiversity of the surrounding area and limiting water consumption (see Indicator 1). Particular attention is paid to integration of facilities vital to effective site management (examples include landscaped water holding tanks and the use of planted screens to conceal technical services areas) and the enhancement of surrounding areas by using low-impact communication routes wherever possible. The Goutte d'Eau project in Bègles uses a covered walkway to ensure the safe movement of pedestrians and cyclists within the site. In addition to their intrinsic ability to collect rainwater and provide insulation, planted roofs also help to bring the natural world back into the urban environment (e.g. the Séreinis office building in Issy-les-Moulineaux and the Nantes Beaulieu center). Klépierre is committed to minimizing its impact on the natural water cycle, and therefore seeks opportunities to limit the amount of waterproof surfaces on its sites. Areas designed to allow the natural infiltration of water are therefore incorporated into certain projects now under development. The Group also takes responsibility for installing specific features to help in the protection of animal and plant species on some of its sites. For example, the previously neglected Nègue-Cats stream that runs through the site of the new Odysseum center in Montpellier has been regenerated as part of the project. At Maisonément in Boissénart, the Group has installed a special ecoduct to allow a protected species of frog to pass uninterrupted through the site.	Group (shopping centers)
8.	Measures taken to ensure that the company's business activities comply with environmental laws and regulations	As part of incorporating changes resulting from the adoption of new laws and regulations likely to have a significant impact on the Group and the healthy growth of its business, the Group legal departments work with other Klépierre departments and the company's network of external consultants to gather, process and distribute data about the legislation applying in the various countries in which the Group operates.	Group
9.	Environmental evaluation and certification	The Group plays an active role in the various national and international environmental certification initiatives. More specifically, the Sustainable Development Department in France was invited by Certivéa to join the working group set up to draft the HQE® benchmark for "Service buildings – Retail". The future Aubervilliers shopping center (scheduled to open in 2011) will be the Group's first center to be awarded this certification. At the end of 2008, the Group took the decision to ensure BREEAM (BRE Environmental Assessment Method) certification of all its new developments, with a minimum level of its "Very Good" rating. Lastly, a number of ISO 14001 certification processes are underway around the Group. In Spain, the process of achieving certification of the company's head office and La Gavia center (Vallecas, Madrid) began in 2009, and will be followed in 2010 by the Los Prados and Albacete Los Llanos centers. In Portugal, certification of the Parque Nascente center is currently at the completion stage. Klépierre has featured in the leading Socially Responsible Investment indices for the past six years. In 2009, the Group appeared in the Dow Jones Sustainability Index World, STOXX, ASPI Eurozone and Ethibel Excellence indices. Although the Group's presence in stock market indices is neither a form of evaluation nor certification, it does nevertheless provide a positive indication of the way the Group is addressing its social and environmental responsibilities. Once again this year, Klépierre was the only real estate company in continental Europe to be represented in these indices.	Group
10.	Expenditure committed to prevent environmental damage caused as a result of company activities	Klépierre's expenditure in this area is all integral to its business activities and cannot therefore be easily isolated.	Group
11.	Internal environmental management resources	Environmental impacts and the measures designed to limit them are implemented by the local teams responsible for managing the facilities and limiting their direct and indirect effects on the environment. In France, the Operations Department centralizes the relevant data and the environmental risk factors (asbestos, Legionella, water, other pollution sources, structures, etc.). The resources and systems implemented regularly supply the data required to correct those issues identified. Outside France, each Group subsidiary undertakes this monitoring function itself. The resulting environmental data are then compiled into a report submitted to the department responsible for monitoring international assets. The tasks of the Sustainable Development Department focus on defining and implementing a policy of annual initiatives, raising awareness amongst Group employees and providing ongoing monitoring of these issues.	Group
12.	Employee training and information	Klépierre believes that employee commitment is vital to the success of its environmental, employment and social development. These issues are assuming an increasingly important role in the internal communication media used within the Group. In 2009, Klépierre published 4 issues of its sustainable development newsletter Quintessence. This publication highlights exemplary achievements at European level as a way of sharing and distributing best practice. It is distributed to all Group employees and external stakeholders, and is also available on the company's website. Klépierre is also committed to focusing on training. A sustainable development e-learning module was offered to all employees in 2008 in all 8 of the languages spoken within the Group. Nearly 55% of all employees have now taken this training module. The launch of this module was accompanied by a series of events organized to bring employees together to discuss their ideas on sustainability issues. The presentations made by the senior management team to all employees in every region also provide an opportunity to underline Group policy in this area. Public transportation solutions are always offered whenever the Group hosts external events. The Group also encourages employees to car share.	Group

	NRE environmental indicators	2009 fiscal year	Scope
13.	Resources dedicated to reducing environmental risks and the organizational structure implemented to cope with accidental pollution incidents with effects that extend beyond the scope of Group company premises	The implementation of Natural and Technological Risk Prevention Plans (PPRNT in French) in all shopping centers and the 2006 introduction of a specially-developed risk management system (covering asbestos, Legionella, water, building structures and roofs) enable accurate analysis of existing situations. The risk management committee meets 3 times per year to develop the action plans to be implemented on Group sites. In addressing the risk posed by Legionella, cooling towers are gradually being removed wherever this is technically possible. However, shopping centers that still use them are methodically monitored to avoid any spread of Legionella. A Legionella risk analysis of all relevant sites is conducted in partnership with maintenance companies, compliance authorities and analytical laboratories. A preliminary alert system ensures rapid response by maintenance companies where there is any doubt over contamination, which may extend to shutting down and disinfecting towers where necessary. In 2009, a total of 740 analyses (including water sampling) were conducted in cooling towers at French shopping centers. These checks have also become the norm in other Group operating countries, with European standards and thresholds being applied. In terms of office buildings, the focus is on acting ahead of the introduction of new legal standards on employee safety. The main initiatives implemented by the operational departments to limit the risks posed to those who shop or work at our shopping centers include a flood risk prevention plan, a natural and technological risk prevention plan, a program to improve safety on flat roofs, an audit of every elevator car and an annual technical audit. The multi-year budgets developed out of this approach also provide Klépierre with a clearer view of which areas should take priority, what its legal obligations are and which renovation programs should be initiated. The Group has introduced a specific crisis management procedure that involves all its managers. Depending on the risk identified, this procedure provides for the setting up and operation of a monitoring and communication group until the crisis has passed. Every manager has received special training in identifying, understanding and reacting appropriately to such situations.	Group (offices and shopping centers)
14.	Amount of provisions and guarantees in place to cover environmental risks	None	
15.	Amount of fines paid during the fiscal year subsequent to legal prosecutions over environmental issues	None	
16.	Information about the targets set for foreign subsidiaries	Klépierre's international development policy is based on the same criteria of environmentally-friendly construction. Our local teams are involved in the design, selection and quality of installation to ensure compliance with HQE® and/or BREEAM construction methodologies. Our project teams of architects, project managers and contractors are encouraged to design buildings that consume less energy and reduce environmental impact. The monitoring indicators already in place for our portfolio have enabled us to reduce or stabilize our energy and water consumption in our operating sites. The issues of identifying effective technical solutions and renewable energy generation sources are analyzed on a case-by-case basis. **2010-2015 action plan** Each region has its own 5-year action plan, developed to take full account of specific national features, whilst maintaining full consistency with Group commitments. Additional information about this action plan is available in the Sustainable Development section of the company's website.	

III. Environmental indicators

The following table shows the fluid consumption (water, electricity, gas and heat) and waste generation figures for the Group's shopping centers over the last five years (2005-2009). These reports are compiled for Klépierre's owned shopping centers (excluding Steen & Strøm) and those that have been managed by Ségécé for at least one year.

Methodology

Fluid consumption and waste generation figures are **recorded monthly or quarterly by on-site teams** on the basis of meter readings or billing details. The resulting data provides a profile specific to each center. Data consolidated at European or national level also provides the head office and subsidiary company central services functions with an overview of the Group portfolio as a whole.

- **Energy and water consumption:** these data are expressed in KWh or in cubic meter per square meter of shopping center (mall) communal areas. However, energy accounted for in this way may also serve to heat or cool a proportion of the private areas. Consumption in the private areas occupied by tenants falls outside the operational responsibility of the Group, although the Group continues to conduct information campaigns to raise awareness of these issues amongst its tenants.
- **Generation of Non-Hazardous Industrial Waste** (NHIW) and cardboard: these data are expressed in kilograms per sq.m. of Gross Letting Area (GLA). The on-site teams sort and recycle not only the waste collected from the communal areas, but also that generated by the private areas occupied by tenants (which accounts for the great majority of waste generated on each site). It should however be noted that on a significant number of sites, the associated hypermarket is responsible for managing its waste, despite the fact that it occupies space owned by the Group. These sites are therefore not included in the reports shown below.

Results

	2005	2006	2007	2008	2009	Change 2009/2008
Average fluid consumption (electricity, water and gas and/or heat)						
Electricity (KWh per cubic meter of mall)		435	403	397	395	- 0.5%
Gas + heat (KWh per cubic meter of mall)		214	197	185	183	- 1.4%
Water (cubic meter per sq.m. of mall)	4,2	3.8	3.4	3.3	2.4	- 25.9%
Generation of Non-Hazardous Industrial Waste (NHIW) and Cardboard						
NHIW (kg per cubic meter of GLA)		20.5	24.3	19.1	18.1	- 5.3%
Cardboard (kg per cubic meter of GLA)		5.9	6.0	4.7	5.2	10.3%
Cardboard as a percentage of the total		28.8%	24.6%	24.7%	28.7%	–

In overall terms, the changes shown are explained by **the implementation of a real estate management policy that is more effective and better structured in terms of environmental monitoring** that involves greater awareness amongst on-site teams and the implementation of improved organizational resources (such as more effective management systems, monitoring procedures and self-checking procedures), as well as the progressive installation of more efficient technical facilities.

However, **three other key factors** may also contribute to upward or downward variances in the data given above:

- **The constantly-changing basis of reporting:** the number of centers monitored grows every year, but some centers (e.g. those under construction) may leave the basis of reporting between one year and the next. The basis for reporting in 2009 was as follows:
  - Electricity: 137 centers (total mall area: 655 474 sq.m.)
  - Gas + Heat: 91 centers (total mall area: 431 983 sq.m.)
  - Water: 118 centers (total mall area: 451 189 sq.m.)
  - Non-Hazardous Industrial Waste (NHIW): 80 centers (1 718 329 sq.m.GLA)
  - Cardboard (1,593,106 sq.m. GLA).
- **Climate data:** these data have a very significant effect on the trend in energy used for building heating and/or air conditioning, especially in terms of the Gas + Heat item.
- **Margin for metering error:** electricity and water suppliers admit to margins of error of up to 5% or even 10% on their estimated readings.

IV. Carbon footprint

Methodology

In measuring its carbon footprint, Klépierre has developed its own methodology, which was introduced for the French portfolio in 2008 and extended during the fiscal year to include the entire European portfolio.

- **Scope of survey:** 224 shopping centers (excluding Steen & Strøm) representing approximately 2.4 million sq.m. of Gross Leasable Area (GLA).
- **Year of survey:** 2009 on the basis of records detailing fluid consumption (electricity, gas, heat and refrigerant gas leakage) and the amount of waste and wastewater generated.
- **Types of emission surveyed:** The methodology developed by the Group is based on the 2 key benchmarks used in France and worldwide: the GHG Protocol and the Bilan Carbone®. This survey covers the following types of emission:

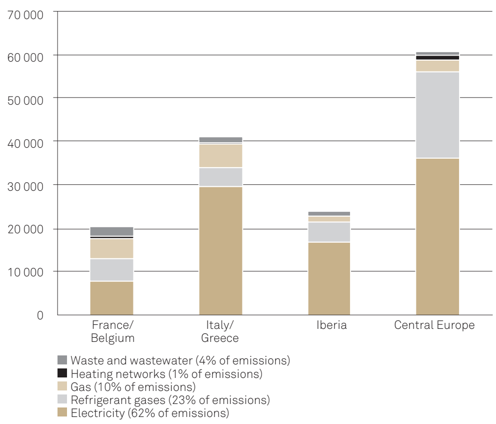
			Benchmark					
			GHD protocol/ISO 14064			Bilan Carbone®		
			Scope 1	Scope 2	Scope 3	Internal	Intermediate	Global
Energy	Electricity	Generation	x			x	x	
		Transmission losses		x		x	x	
	Gas	Burned on-site	x			x	x	x
		Upstream fuel emissions		x		x	x	
	Heating network	Generation	x			x	x	
		Transmission losses		x		x	x	
Refrigerant gas (freon) leakage		HFC and PFC refilling	x			x	x	x
		CFC HCFC refilling		x	x	x		
Waste		Transportation and end-of-life	x			x		
Wastewater		Wastewater treatment	x			x		

Measuring these types of emission enables the Company to quantify the great majority of greenhouse gas emissions covered by scopes 1 and 2 of the GHG Protocol. These measurements also provide information about some issues covered under scope 3.

Results

Greenhouse gas emissions for the year totaled **146,000 metric tons equivalent of CO_2**. Carbon intensity was **233 kg equivalent of CO_2 per thousand euros of rent** (total share).

Greenhouse gas emissions broken down by emission type and geographic region
(in metric tons equivalent of CO_2)



N.B.: Clarifications concerning the calculation of emission types:

- *The figures for emissions related to the consumption of electricity, gas, heat and wastewater generation are taken from the report shown above, and relate only to consumption for the communal areas (malls) of shopping centers.*
- *The figures for emissions related to waste (transportation and end-of-life) include waste generated by the private areas occupied by tenants, but sorted and collected by the Group.*
- *The figures for refrigerant gas leakage have been modeled on the basis of the power of equipment installed and the type of gas used. There may therefore be a relatively large degree of uncertainty inherent in this modeling technique.*
- *The fact that data has been extrapolated for those centers where actual data is not available may also introduce a degree of uncertainty.*

Special report of the Executive Board to the general meeting

on transactions relating to bonus issues (article L. 225-197-1 and following of the French Commercial Code)

In 2009, the Executive Board did not use the authorisation that was granted to it by the ordinary and extraordinary general meeting of shareholders of April 9, 2009 (twentieth resolution) to carry out, on one or more occasions, as bonus issues of the Company's existing shares or bonus issues of future shares to beneficiaries or categories of beneficiaries to be determined from among:

- employees of the Company or of companies or grouping interests that are related to the Company under the terms of Article L. 225-197-2 of the French Commercial Code;
- and the directors or officers of the Company or of the companies or grouping interests that are related to the Company and that meet the conditions set forth in Article L. 225-197-1 II of the French Commercial Code.

It is the duty of the Executive Board to identify the beneficiaries of the bonus shares as well as the share allotment conditions and, where applicable, the share allotment criteria, notably the minimal acquisition period and the holding period required for each beneficiary, with the understanding that when this concerns bonus issues to company officers or directors, the Supervisory Board must (a) either decide that the freely allotted shares may not be transferred by the beneficiaries before they terminate their employment with the Company or (b) determine the quantity of bonus shares that they are bound to keep as bearer shares until they terminate their employment with Company.

In accordance with the deliberations of said general meeting, the total number of bonus shares attributed, whether existing or future shares, may not represent more than 0.5% of the Company's share capital on the day of the Executive Board's decision.
This authorisation was granted for 26 months as from April 9, 2009.

The Executive Board did not use the authorization that was granted to it by the ordinary and extraordinary general meeting of shareholders of April 5, 2007 (twentieth resolution) to carry out similar allotments during the period of validity of this authorization, that is to say from April 5, 2007 to April 8, 2009.

Special report of the Executive Board to the general meeting

on transactions carried pursuant to the provisions set out by the articles L. 225-177 to L. 225-186 of the French Commercial Code

The information to be disclosed at the ordinary general meeting pursuant to article L. 225-184 is summarised in the table below:

STOCK-OPTIONS	Grant date (1)	Number of options granted	Exercise period	Exercise price (in euros)	Number of options exercised in 2009	Options remaining to be exercised
Laurent MOREL (Chairman of the Executive Board)	May 30, 2006 (2)	31 021	May 31, 2010 to May 30, 2014	29.49	0	31 021
	May 15, 2007 (2)	27 824	May 16, 2011 to May 15, 2015	46.38	0	27 824
	April 6, 2009 (2)	35 000	April 6, 2013 to April 5, 2017	22.60 (4)	0	35 000
Jean-Michel GAULT (Member of the Executive Board)	May 30, 2006 (2)	31 021	May 31, 2010 to May 30, 2014	29.49	0	31 021
	May 15, 2007 (2)	24 822	May 16, 2011 to May 15, 2015	46.38	0	24 822
	April 6, 2009 (3)	30 000	April 6, 2013 to April 5, 2017	22.60 (4)	0	30 000

(1) Date of the Extraordinary decision of the shareholders which authorized the implementation of a stock option plan: April 7, 2006. The authorization granted by the April 9, 2009 Extraordinary Shareholders meeting to grant stock options was not used in 2009.
(2) The numbers and prices have been adjusted to reflect the 3-for-1 stock split in 2007 and the impact of the discount granted to holders of preferential subscription rights when capital was raised in December 2008.
(3) Pursuant to article L 225-185 of the French Commercial Code, the Supervisory Board decided on March 6, 2009, that untill the expiry of any Executive Board mandates, at least 50% of the net gain realised following the exercise of stock options must be held under the registered form.
(4) Depending on the performances of the Klépierre stock versus the FTSE EPRA Euro Zone Index (EPEU), this price can fluctuate from 22.60 euros to 27.12 euros. In case the performances targets are not acheived, these options will lapse and it will be no longer possible to exercise them.

Report of the Supervisory Board

to the annual general meeting and the extraordinary general meeting

Approval of financial statements for the year ended 31 December 2009

Dear Shareholders,

Pursuant to the provisions of article L. 225-68 of the French Commercial Code, we are required to make our observations concerning the Executive Board report which has just been read to you as well as concerning the corporate and consolidated financial statements for the year ended 31 December 2009. The Supervisory Board has regulary been kept up to date by the Executive Board about the Group's business and has carried out the required audits and controls as part of its mission.

To do this, the Board called on the services of four specialised committees: the Investment Committee, the Audit Committee, the Appointments and Remunerations Committee and the Sustainable Development Committee.

The Supervisory Board has no special observations to make concerning the Executive Board's report and the results of fiscal year 2009. It therefore invites you to approve the financial statements and the resolutions proposed.

The Supervisory Board wishes to thank the Executive Board and all the Company staff for their work and effort in 2009.

The Supervisory Board

Report of the Chairman of the Supervisory Board

Supervisory Board meeting of February 5, 2010 called to review the 2009 fiscal year

In accordance with Article L 225-68 of the French Commercial Code, and in my capacity as Chairman of the Klépierre Supervisory Board, it is my honor to present you with this report on the 2009 fiscal year, as approved by the Supervisory Board at its meeting of February 5, 2010. It contains information relating to:
- the composition of the Supervisory Board and the way in which its work is prepared and organized;
- the internal control and risk management procedures implemented by the Klépierre Group [(1)];
- the corporate governance of the Company;
- the methods governing the participation of shareholders in the general meetings of shareholders held by the Company;
- and the publication of information concerning issues potentially relevant to any public offering.

I. Preparation and organization of the work done by the Supervisory Board

The Supervisory Board is primarily responsible for the permanent oversight of the Company's management by the Executive Board. For this purpose, it may conduct any verifications or checks it sees fit at any time of the year, and may request any and all documents it believes useful to the accomplishment of its mission.

The Executive Board must submit a management report to the Supervisory Board at least once every quarter, and must also submit the Company's financial statements for audit and control.

The Supervisory Board authorizes all transactions and agreements regulated by Articles L. 225-68 paragraph 2 and L. 225-86 of the French Commercial Code.

In accordance with Article 16 of the Company's articles of association, it also authorizes:
- transactions likely to affect the strategy of the Company and its Group, as well as changes to the financial structure and scope of activity;
- the issue of all types of marketable security capable of changing the share capital of the Company;
- the following transactions, where the unit value of these transactions exceeds or the equivalent amount in any other currency:
  a) accept and dispose of any equity holdings in all companies created or to be created, except those Klépierre Group companies receiving or purchasing buildings belonging to the Klépierre Group;
  b) acquire or dispose of any buildings in kind, except in the case of sale or transfer to a Klépierre Group company;
  c) enter into all agreements and transactions and accept any compromise in the event of legal proceedings.

The Supervisory Board granted its Chairman the ability to authorize the Executive Board to complete the transactions referred to in paragraphs a), b) and c) above, where the individual value of such transactions does not exceed 46 million euros or its equivalent value in a foreign currency.

(1) The Klépierre Group is defined as all the Group's subsidiary companies in France and abroad, including those companies owned by the Steen & Strøm Group, subject to the specific organizational details described thereafter.

The Chairman of the Supervisory Board and the Executive Board report to the board on the use made of these delegated powers.

Composition of the Supervisory Board

The Supervisory Board is composed of a minimum of three and a maximum of twelve Members who are elected by the Ordinary General Meeting of Shareholders for a three-year term. Some Board members are replaced at each annual general meeting, depending on the number in office, in order to ensure a turnover of members as regularly as possible, with the Board changing in its entirety at the end of each three-year period.

The Board elects a Chairman and Vice-Chairman from amongst its members.

During the 2009 fiscal year, there were nine Supervisory Board Members: Michel Clair (Chairman), Vivien Lévy-Garboua (Vice-Chairman), Jérôme Bédier, Bertrand de Feydeau, Dominique Hoenn, Bertrand Jacquillat, Bertrand Letamendia, Philippe Thel and Sarah Roussel.

Any member who has no relationship whatsoever with the Company, its Group or its Management Team that could compromise his or her freedom of judgment will be considered as an independent member of the Supervisory Board. According to these criteria, four of the nine Supervisory Board members are independent: Bertrand de Feydeau, Bertrand Jacquillat, Bertrand Letamendia and Jérôme Bédier.

Meetings of the Supervisory Board

The Supervisory Board meets as often as the interests of the Company require.

A quorum of at least half the members of the Board is required in order to conduct business.

The members may participate in the proceedings of Board meetings by means of videoconferencing or any other means of telecommunication ensuring their clear identification and effective participation. This condition will not apply to meetings held to verify and check the annual and/or consolidated financial statements.

Resolutions are adopted on the basis of a majority vote of those members present or represented.

In the event of a tied vote, the Chairman of the meeting will have the casting vote.

In accordance with the provisions of Article L. 823-17 of the French Commercial Code, the Company's statutory auditors will be invited to attend meetings of the Board called to inspect or approve the annual and half-yearly financial statements.

The Supervisory Board met eleven times during the 2009 fiscal year. The attendance rate was 90.91%.

The main items discussed at these meetings are listed below:
- the annual corporate and consolidated financial statements for 2008 and the management report on these statements;
- the Executive Board's quarterly business review;

- the corporate and consolidated interim financial statements;
- the report of the Chairman of the Supervisory Board;
- the approval and replacement of Supervisory Board members;
- the membership of the committees;
- the operation of the Supervisory Board;
- the introduction of a stock options plan;
- investments and disposals in France and abroad;
- funding transactions;
- internal compliance and business ethics;
- the annual authorization of the Executive Board to grant guarantees, endorsements and sureties;
- regulated agreements.

The work of the Board and its specialist committees is prepared and organized by their respective Chairmen.

The structure and operation of the specialist committees that support the Supervisory Board

To carry out its duties, the Supervisory Board has formed specialist committees. Working within the scope of its own area of expertise, each committee brings forward proposals, recommendations and advice as necessary, and reports on its work to the Supervisory Board.

Additional information concerning the missions and operation of these committees is given in the "Committees" chapter of the annual report.

These committees are:

The Investment Committee

This committee has a minimum of three, and a maximum of six, members appointed by the Supervisory Committee from amongst its Members.

During the 2009 fiscal year, the Investment Committee members were: Bertrand de Feydeau (Chairman of the Investment Committee), Jérôme Bédier, Michel Clair, Dominique Hoenn, Philippe Thel and Sarah Roussel.

This committee meets at least twice per year to inspect the investment and/or disposal plans submitted to it prior to their official authorization by the Supervisory Board. To this end, it examines the property characteristics, as well as the commercial, legal and financial aspects of proposed transactions. More specifically, it seeks to ensure that planned investments and divestments are in line with the investment strategy and criteria of the Klépierre Group. Before issuing a favorable opinion, the Investment Committee may request any additional information it deems useful, as well as recommend that any or all of the property, commercial, legal or financial aspects be modified.

It met five times during the 2009 fiscal year, with an attendance rate of 80%.

The work of the committee focused on twelve investment and disinvestment transactions. Seven of these transactions were completed or became the subject of future commitments, and one is either in progress or at the negotiation stage. Four transactions (including one major transaction) were not concluded.

The most significant authorized projects concerned:
- the acquisition of 21.3% of the shares in the Italian company Immobiliare Gallerie Commerciali S.p.A.;
- the sale of the "Kléber" offices portfolio;
- the sale of 22.17% of the shares in Société des Centres Toulousains and 26.30% of the shares in Société des Centres d'Oc et d'Oil (SCOO).

The Audit Committee

This committee has a minimum of three, and a maximum of six, members appointed by the Supervisory Committee from amongst its Members.

During the 2009 fiscal year, the committee members were: Bertrand Jacquillat (Chairman of the Audit Committee), Dominique Hoenn, Bertrand Letamendia and Vivien Lévy-Garboua.

This committee meets at least twice per year to evaluate major accounting issues, financial information, the quality of internal compliance and risk management procedures, and the statutory auditors' fee.

It met three times during the 2009 fiscal year, with an attendance rate of 75%. Its key tasks included:
- the preparation of financial information:
  - information on the interim and annual corporate and consolidated financial statements;
  - the principal highlights of the year or half-year;
- the monitoring of banking covenants;
- the monitoring of appraisals and the methods used by appraisers;
- IFRS changes and their impact on the Klépierre financial statements
- the statutory auditors:
  - 2009 and 2010 budgets;
  - the proposal to reappoint the auditors (the AFEP/MEDEF recommendations state that the auditor quotation process should be handled at BNP Paribas level);
  - declaration of independence;
- the internal compliance procedures:
  - reporting on the work done during 2009 by the Periodic Compliance and Business Ethics functions and validation of the action plan for 2010;
  - reporting on the coordination of the Permanent Compliance system. The central purpose of the permanent control system is to analyze the ways in which risks are covered by the permanent control processes and procedures (Fundamental Monitoring Points), and monitor the updating of procedures and the preparation of business continuity plans.

The Appointments and Compensation Committee

This committee has a minimum of two, and a maximum of five, members appointed by the Supervisory Committee from amongst its Members.

During the 2009 fiscal year, the committee members were: Bertrand Letamendia (Chairman of the Appointments and Compensation Committee), Bertrand de Feydeau, Dominique Hoenn and Vivien Lévy-Garboua.

This committee meets at least once per year to formulate recommendations for submission to the Board concerning the appointment and compensation of Executive Committee Members, pensions and employee benefits, benefits in kind, and stock option grants and plans.

It met three times during the 2009 fiscal year, with an attendance rate of 100%. Its key tasks included:
- the methods used to determine the variable portion of compensation paid to Executive Committee Members during 2009. The overall compensation figure is made up from three components:
  - a fixed portion, which is determined annually at the beginning of the year;
  - a variable portion which depends on achievement of the personal targets set for every Executive Board and Executive Committee member. The targets for Executive Board members are set by the Supervisory Board, whilst those for Executive Committee members are set by the Executive Board;
  - benefits in kind, which, at Klépierre, include the provision of a company car for all Executive Committee members. The portion of running cost relating to personal use of the car is payable by the beneficiary and is subject to tax and social security charges;

- approval of the regime governing the 2009 stock option plan, agreement of the total number of options to be allocated and agreement of the number to be allocated individually to each Executive Committee member

The Sustainable Development Committee
This committee has a minimum of two, and a maximum of four, members appointed by the Supervisory Board from amongst its Members.

During the 2009 year, the committee members were: Jérôme Bédier (Chairman of the Sustainable Development Committee), Michel Clair, Bertrand de Feydeau and Vivien Lévy-Garboua.

This committee meets at least twice per year. Its responsibilities include:
- listing the categories of risk to which Klépierre is exposed;
- monitoring the action plan implemented to address those risks;
- and examining the contribution made by the Klépierre Group to sustainable development.

It met four times during the 2009 fiscal year, with an attendance rate of 100%. Its key tasks included:
- the long-term development of the company on the basis of addressing four major issues: social considerations, environmental issues, business ethics and compliance and strategic developments;
- implementation of the French government's Grenelle de l'environnement environmental initiative in the form of a 5-year international action plan.

II. Internal compliance and risk management procedures

Internal compliance is the structure within which processes, procedures and controls are implemented by the Executive Board to ensure that risks are fully controlled and to obtain the reasonable assurance that the Company's strategic objectives have been met.

The Klépierre Group has sought to identify the major risks connected with the nature of its business. This inventory of risks covers the reliability of accounting and financial information (interest rate, liquidity, exchange rate and counterparty risks) and operational risks (those related to personal and property safety, monitoring of operational incidents, asset insurance cover, etc.).

The internal compliance procedures designed to address the objectives described above cannot, however, ensure with certainty that these objectives will be achieved, since all procedures have inherent limitations. However they aim to make a very significant contribution in this direction.

The organizational structure implemented relies particularly on:
- the quality of Klépierre Group internal operations;
- the reliability of internal and external information;
- the adaptation of internal policies and their compliance with legislation and regulations.

This internal control system is based on the following key principles:
- all Group employees contribute to the internal control system. Each employee must ensure the effective compliance of all those tasks for which he or she is responsible;
- control functions must be independent of operations;
- all the business activities and consolidation scope of the Klépierre Group are covered in ten of its operating countries. Steen & Strøm has its own internal control structure managed by the company's senior management team, which reports to a Board of Directors whose members include representatives of the two shareholders and ABP. This internal control mission is structured around the appointment of a Risk Manager with responsibility for identifying, analyzing and managing operational, commercial and ethical risks.

The internal control and risk management structure is broken down into two components, permanent control and periodic control [1]:

Permanent control is the responsibility of all Group employees. In accordance with the Group principle of separating functions and levels of delegation, the Permanent Control Coordination Manager reports to the Group Company Secretary, and is responsible for:
- coordinating the initiatives put in place by the managers concerned to update control procedures and processes;
- monitoring the implementation of recommendations made by the Periodic Control team;
- preparing and issuing reports to the Group's employee relations bodies;
- coordinating the actions contained in the Business Continuity Plan, i.e. all those measures intended to maintain the essential services of the company and ensure the continuity of business activity on a fallback site, where such measures are necessary as the result of a major disaster.

The business sector, function and subsidiary managers, act as permanent control representatives, and are responsible for the following tasks:
- team-level coordination and implementation of the methodological choices made at Group level
- designing and regularly adapting the system's reporting mechanism by identifying those indicators most appropriate for providing managers with the best-possible overview of their permanent control system
- submitting regular reports to senior management and the Permanent Control Coordination Manager.

Permanent control is based on the continuous implementation of the following six principles, supported by every relevant resource:

- risk identification and evaluation: this requires a regularly-updated system of risk analysis and measurement designed to address all controls and procedures. Klépierre has implemented a system referred to as a Risk Matrix. This system maps the Group's exposure to risk on the basis of operational risk type grouped by activity and function;
- procedures: these are intended to provide a framework for the activities and functions by specifying the control structure and processes. These procedures may be viewed on the Group intranet and are the subject of communication and training provided by senior management. They are updated whenever required (as a result of changes in legislation, changes to business activities, restructuring programs, etc.), and reviewed at least every 18 months at the initiative of the Permanent Control Coordination function, although the review is undertaken by the management team concerned;

The Klépierre Group continually reviews all those procedures already drafted, updates procedures where necessary and drafts new procedures. These procedures operate within a framework constituted by a procedures procedure designed to clarify the policy adopted by the Group. The current rate of risk coverage is 85% in France and 79% across the whole system.

- cross-referencing the risks matrix against the inventory of procedures provides the Klépierre Group with an overview of those risks that have been addressed. This approach applies equally to Group entities in France and foreign subsidiaries.

1) At Steen & Strøm, the role of the Risk Manager is essentially one of permanent control. The periodic audit function is outsourced in most instances.

– **controls:** the frequency, intensity and organization of controls depend on the level of risk. Controls are formalized as part of procedures. The implementation and effectiveness of the most important ones are monitored.

This has led to the definition of Fundamental Surveillance Points (FSP). These are used to ensure second level controls of the Group's essential business areas by management, who make it one of the key elements of the management and supervision of risks.

They follow a methodology and frequency that are predefined by the management for each chosen activity presenting a major risk. At present, the Klépierre Group has defined 23 FSPs, and the updating process is continuous.

One of these FSPs relates to the monitoring of the Group's largest risk; the risk to persons and property (monitoring of the annual technical inspections conducted in shopping centers and structural and weatherproofing audits).

Periodic control applies a series of controls to ensure that the Fundamental Monitoring Points are addressed correctly both qualitatively and quantitatively.

– **reporting:** a quarterly summary is prepared to check system quality.
– **management:** management is provided by the business sector and corporate functions managers, with support from the permanent control team, all of whom report to the Executive Board. A report on the 2009 fiscal year and the action plan for 2010 have both been presented to the Audit Committee.

The periodic control exercised by the Klépierre Group internal audit team is an independent and objective process of assurance and consultancy, the object of which is to deliver added value and improve organizational operation. It helps the Executive Board to achieve its targets by means of a systematic and methodical approach to the evaluation and improvement of risk management, control and corporate governance processes.

The responsibilities, independence and role of the internal audit function are determined in an internal audit charter signed by the Chairman of the Executive Board and the Chairman of the Supervisory Board.

The internal control and risk management system is based on three levels of control:

- **At the Permanent control level:** the first level of control is exercised by every employee as part of his or her own job-related tasks with reference to the applicable procedures; the second level is exercised by the business line or function management team.

Specifically identified, the Business Ethics and Compliance Department ensures compliance with ethical standards, professional standards and anti-money laundering regulations.

Every part of the internal control function reports to the Executive Board and the Audit Committee concerning the fulfillment of their missions.

- **At the Periodic control level:** a third level of control is exercised by the Klépierre Group internal audit team.

Accordingly, an annual audit plan drawn up jointly by the Chief Internal Audit Officer and the Executive Board is submitted for the approval of the Audit Committee. This plan is based on a preventive approach to risks that seeks to define audit priorities consistent with the Group's objectives. However, one-off assignments may also be conducted to address a specific problem that may arise.

At the same time, 3-yearly audits are performed in France to assess compliance with the regulations and internal procedures applying to the management of shopping centers. These audits are based on standard benchmarks that cover the following areas:

- safety of property and persons, with particular reference to the regulations governing establishments open to the public;
- property administration;
- rental management;
- coordination of retailer associations.

The internal audit department has direct access to the Executive Board and submits reports, recommendations and implementation plans based on its work and findings to the Audit Committee.

In addition to senior management, there are six internal auditors assigned to Periodic control.

In the specific case of Klépierre, its Executive or Supervisory Boards may call upon the General Inspection Unit of its consolidating entity, the BNP Paribas Group, to audit its organization and procedures.

The Audit Committee is informed at least once a year of the status of the Group's entire internal control system, changes made to the system and the findings of the work carried out by the various participants working in the system.

Financial risk management

The management of financial risks, and in particular the financial structure of the Group, its financing needs and interest rate risk management procedures, is provided by the Financing and Financial Communication Department, which reports directly to the Deputy CEO and the Executive Board.

At the end of each year, the Supervisory Board validates the provisional financing plan for the following year, which sets out the broad outlines in terms of the balance and choice of resources, as well as interest rate hedges. During the year, key financial transaction decisions are submitted individually for approval by the Supervisory Board, which also receives a summary of these transactions once they have been completed.

The Financing and Financial Communication Department also develops internal procedures that define the distribution of intra-Group responsibilities for cash management and the implementation of Klépierre share buyback programs.

Internal control procedures relating to the preparation and processing of the accounting and financial information

a) Definition and objectives

Accounting controls rely on understanding operational processes and the way they are translated into the company accounts, and on defining the responsibilities of those individuals responsible for accounting scopes and information system security.

The aim of internal accounting controls is to ensure:

- that the accounting and financial information published by the Company complies with accounting regulations;
- that the accounting principles and instructions issued by the Group are applied by all its subsidiary companies;
- that the information distributed and used internally is sufficiently reliable to contribute to the processing of accounting information.

b) Accounting and financial management processes

The accounting and financial structure

The production of accounting and financial information and the application of the controls implemented to ensure the reliability of that information are primarily the responsibility of the subsidiary company financial departments that submit information to the Group, and which certify its compliance with the internal certification procedure (especially in the case of foreign subsidiaries).

The corporate and consolidated financial statements are prepared by the Accounting and Management Control Department, which reports directly to the Deputy CEO.

The processing and centralization of cash flows, together with interest rate and exchange rate hedging, are the responsibility of the Financing Department, which keeps a record of commitments and ensures that they are reflected in the accounting system.

The "France and international internal accounting control" team reports directly to the Accounting Director, and has responsibility for:

- ensuring that accounting rules are updated to reflect changes in accounting regulations;
- defining the various levels of accounting control to be applied to the financial statement preparation process;
- ensuring correct operation of the internal accounting control environment within the Group, with particular reference to the internal certification procedure described below;
- preparing and updating the procedures, validation rules and authorization rules applying to the department;
- monitoring the implementation of recommendations made by internal and external auditors.

The information systems structure

Decisions concerning the choice of accounting and financial management software are taken by the Group. Group policy is to standardize the accounting systems used by accounting entities wherever possible in order to improve the consistency of accounting information.

Accounting and management control information is gathered using a consolidation software package (Magnitude) and a financial control software (Hypérion Essbase). These two packages are interconnected, and are administered and updated by a dedicated team reporting to the Accounting and Management Control Department. Data is fed into the consolidation system at local level in the Group's main operating countries via local account system interfaces. In order to ensure maximum confidentiality, the rules governing access to the systems are defined by senior management and made available to users.

All accounting and financial data follow IT procedures based on daily backups to media stored off-site.

Management systems

The quarterly management control reporting system monitors the trend in key performance indicators for each country and each asset to ensure that they are on target with the annual budget.

A global reconciliation is also carried out by Group Management Control to ensure that accounting income is consistent with consolidated management income.

The Audit Committee

The clarity of financial information and the relevance of the accounting principles used are monitored by the Audit Committee (whose role has already been specified), working in collaboration with the statutory auditors.

c) Processes contributing to the preparation of accounting and financial information

The operational processes used to generate accounting information

French entities (one-third of all consolidated entities)

The financial statements of French companies are prepared centrally at Klépierre's corporate headquarters using a shared information system. The operational departments are responsible for billing and collecting rents and charges by applying a series of appropriate controls to their job functions, as defined in the corresponding procedures. Entered into a single management system, key transactions are interfaced automatically with the accounting system. The accounting system uses two methods of analysis (per building and per sector) to deliver precise budgetary control.

All the processes used to prepare accounting information are subject to various levels of accounting control programs, validation rules, authorization rules and instructions relating to the justification and documentation of accounting procedures.

Foreign entities

The finance departments of the Group's foreign subsidiaries apply controls to the data they produce and contribute to the quality of the accounts prepared by the accounting entities by working at their own level to make appropriate reconciliations between accounting and management data.

The Accounting Department uses an Intranet- and Internet-based internal certification process to certify the quarterly data generated by each foreign accounting entity and the controls applied to that data.

The manager of each entity certifies the following directly into the system:

- that the accounting data provided for consolidation are reliable and comply with the Group's accounting standards;
- that the local accounting department's internal control system is functioning correctly and that it ensures the reliability of accounting data.

The internal certification system also contains a process that reviews events occurring after each half-yearly balance sheet date. This provides the Group with information about significant events occurring after the balance sheet date, and the impact of those events on the consolidated financial statements.

This control system applies to all Group entities, including its Scandinavian subsidiaries (since 2009).

The processes used to prepare the corporate and consolidated financial statements

The financial statements for the entire consolidation scope are consolidated by the Consolidation Department, although a sub-consolidation is produced for the Scandinavian companies in Oslo.

Preparation of the consolidated financial statements is the subject of a process based on precise instructions and a detailed schedule distributed to all consolidated entities to ensure compliance with deadlines and Group accounting standards.

Group consolidation team members are dedicated to particular geographic regions and maintain constant contact with the local teams. This close working relationship encourages a more detailed level of understanding and validation of the data fed back from subsidiaries and enables preparation to be made in advance for the processing of complex transactions.

The principal accounting controls applied to the consolidation process at each quarterly balance sheet date are:
- control of changes in consolidation scope;
- checking to ensure correct adjustment and elimination of internal transactions;
- analysis and justification of all consolidation restatements in accordance with IFRS;
- analysis and justification of all variances in respect of budgets and forecasts.

Off-balance-sheet commitments are centralized in the Magnitude consolidation system for each consolidated entity.

Klépierre also uses external consulting services, primarily for tax issues both in France and abroad. In the Group's main operating countries, tax preparation packages are reviewed annually by a specialist firm.

Financial communication
(press releases, topic-based presentations, etc.)
The Financing and Financial Communication team of the Finance Department is responsible for handling the financial communication obligations imposed by market regulators. This team drafts and edits the financial communication materials published to inform shareholders, institutional investors, analysts and ratings agencies of Group activities, explain its financial results and detail its growth strategy.

The financial communication team provides ongoing monitoring of Group obligations in terms of financial information provision. The distribution of information to financial markets follows a precise schedule, which includes internal distribution. With assistance from a number of different departments, this team designs financial results presentations and other presentations on specific topics. It works with the Legal Department to ensure that information is communicated within the required deadlines and complies fully with all applicable legislation and regulations.

III. Corporate governance

At its meeting of December 19, 2008, the Supervisory Board confirmed its agreement to the Company's adoption of the corporate governance rules set out in the AFEP/MEDEF code (available at: www.medef.fr).

Compensation paid to Supervisory Board and Specialist Committee members:

The compensation paid to Supervisory Board and Specialist Committee members takes the form of directors' fees.

A total of 270 000 euros was paid in director's fees to Supervisory Board Members during the 2009 fiscal year. The terms and conditions of payment were as follows:

- 90 000 euros divided equally among the Members of the Supervisory Board who serve as its Chairman or Vice-Chairman, or who serve as Chairman of any one of the following committees: Audit, Investments or Appointments and Compensation and Sustainable Development (a fixed sum of 15 000 euros for each);
- 126 000 euros divided among the members of the Supervisory Board for their Supervisory Board duties, of which:
  - 72 000 euros divided among the members of the Board as a fixed fee;
  - 54 000 euros divided among the members of the Board on a variable basis, depending on their actual attendance at Board meetings;
- 54 000 euros divided among members of the Board serving as members of one or more of the Board's specialist committees, paid on the basis of their actual attendance at the meetings of the committees to which they have been appointed.

Internal rules governing the Supervisory Board and its Committees

The internal rules of the Supervisory Board and each of its committees are framed to ensure transparency consistent with the principles of corporate governance applied to listed companies.

These internal rules describe the missions and operation of the Supervisory Board and its committees.

IV. Methods governing shareholder participation in general meetings of shareholders

The rules applying to the general meetings of shareholders, and more particularly those relating to the participation of shareholders, are set out in Chapter V of the Company's articles of incorporation and in the General Information section of the 2009 Annual Report.

V. Information concerning issues potentially relevant to any public offering

Information concerning issues potentially relevant to any public offering is referred to in the General Information Regarding Equity Capital section of the 2009 Financial Report (capital structure/delegations and authorizations granted to the Executive Board by the general meeting of shareholders held on April 9, 2009), and in the notes to the consolidated financial statements - note 7.2 Liquidity Risk (agreements entered into by the Company, which could be terminated in the event of a change of control: bond issues if a change of control triggers a deterioration in the "investment grade" rating).

Michel CLAIR,
Supervisory Board Chairman

Statutory auditors' report

prepared in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), on the report prepared by the Chairman of the Supervisory Board Year ended December 31, 2009

This is a free translation into English of the statutory auditors'report issued in French prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Supervisory Board of on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Klépierre and in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-68 of the French Commercial Code for the year ended December 31, 2009.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-68, particularly in terms of corporate governance.

It is our responsibility:
- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and;
- to attest that this report contains the other disclosures required by Article L. 225-68 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures mainly consisted in:
- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L. 225-68 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-68 of the French Commercial Code.

Courbevoie and Neuilly-sur-Seine, February 22, 2010

The Statutory Auditors

Mazars
Julien Marin-Pache

Deloitte & Associés
Pascal Colin
Laure Silvestre-Siaz

Description of the share buyback program

Drawn up in compliance with the relevant sections of Articles 241-1 and following of the General Regulations of the AMF (Autorité des marchés financiers), this description of the share buyback program is intended to explain the purpose and workings of the program to repurchase company stock that will be submitted to a vote of the shareholders at their annual general meeting on April 8, 2010 (**the 2010 Share Buyback Program**).

I. Date of shareholders' meeting called to approve the 2010, Buyback Program

April 8, 2010.

II. Shares held by the Company on February 26, 2010

On February 26, 2010, the total number of treasury shares held directly or indirectly by Klépierre was 2 914 751 shares, representing 1.60% of the Company's share capital and valued at 82.1 million euros (book value).

This information, and that which follows, takes into account the total number of shares that comprise the equity capital of the Company, i.e., 181 972 159.

III. Analysis by objective of own shares held by Klépierre on February 26, 2010

On February 26, 2010:

- 2 687 428 shares are allocated to any stock option plans the Company offers and to the free allotment of shares; and
- 227 323 shares are allocated for use in connection with the liquidity agreement drawn up with EXANE BNP Paribas in September 2005, in accordance with market practices accepted by the AMF and the AFEI's code of conduct for such agreements, authorizing their purchase, sale, conversion, disposal, transfer or loan of shares, notably to stimulate trading in the market or counter adverse trends actions.

IV. Objectives of the 2010 Buyback Program

The objectives of the 2010 program are as follows:

- stimulate the secondary market or the liquidity of Klépierre stock by an investment services provider within the framework of a liquidity agreement that complies with the guidelines recognized by the AMF; or
- remit shares (in exchange, for consideration or other) as part of a transaction related to external growth, a merger, a spin-off or a partial business transfer; or
- implement any Company stock option plan pursuant to Articles L. 225-177 and following of the French Commercial Code or any other similar plan; or
- remit shares in connection with the exercise of rights attached to securities with a claim on the capital of the Company, by way of redemption, conversion, exchange, presentation of a warrant or any other manner; or
- purchase, sell or assign by all means by an investment services provider, in particular in connection with OTC transactions; or
- cancel all or some of these repurchased shares, pending adoption by the shareholders of the twelfth extraordinary resolution submitted to a vote at the meeting on April 8, 2010, under the terms that are indicated; or
- freely allot shares in accordance with the relevant provisions of Articles L. 225- 197-1 and following of the French Commercial Code; or
- grant or sell shares to employees in connection with their participation in the fruits of the company's growth and the implementation of any employee sponsored savings plan pursuant to the terms and conditions set forth by law, in particular Articles L. 3332-1 and following of the French Labor Code.

V. Maximal share of capital to be acquired and maximum number of shares that may be acquired under the 2010 Buyback Program

The number of shares that the Company buys during the buyback program shall not exceed 10% of the shares comprising the share capital of the Company at any given time; this percentage shall apply to an adjusted figure depending on capital transactions that may be completed after the meeting of the shareholders. As a reminder, based on the February, 26, 2010 existing share capital, and after deduction of the 2 914 751 shares already owned at this date, the maximun number of shares the Company is allowed to acquire is 15 282 464.

However, the number of shares acquired by the Company for the purpose of holding them and subsequently remitting them as payment or exchange in connection with a merger, spin-off or partial transfer of business assets, can not exceed 5% of the share capital. As a reminder, based on the February, 26, 2010 existing share capital, and after deduction of the 2 914 751 shares already owned at this date, the maximun number of shares the Company is allowed to acquire is 6 183 856.

The number of shares that the Company may hold at any given time may not exceed 10% of the shares comprising its stated capital on the date under consideration. As a reminder, based on the February, 26, 2010 existing share capital, the maximum number of shares the Company is allowed to owned is 15 282 464.

VI. Maximum authorized unit purchase price

The maximum purchase price per share is €45, it being specified that this price would be adjusted in the event of any capital transaction or any other transaction that affects the Company's share capital, to take into account its impact on the value of the share. The maximum amount of funds that can be used to finance the 2010 Buyback Program is 687.7 millions euros, calculated on the basis of a maximum purchase price of 45 euros per share and the share capital of Klépierre on February 26, 2010.

VII. Duration of the 2010 Buyback Program

Under the twelfth resolution that will be submitted to the shareholders for a vote on April 8, 2010, the share buyback program can be implemented over a period of eighteen months as of this date, i.e., until October 7, 2011.

Consolidated financial statements


Comprehensive income statement [EPRA model]

	Notes	December 31, 2009	December 31, 2008
Lease income	6.1	895 470	716 973
Land expenses (real estate)		- 2 694	- 2 605
Non-recovered rental expenses		- 36 997	- 21 646
Building expenses (owner)		- 58 974	- 41 962
Net lease income		**796 805**	**650 760**
Management, administrative and related income		80 783	77 493
Other operating income		27 097	15 747
Survey and research costs		- 3 281	- 2 534
Payroll expenses	9.1	- 103 735	- 82 324
Other general expenses		- 34 511	- 27 797
Depreciation and amortization allowance on investment property	6.2	- 369 142	- 213 106
Depreciation and amortization allowance on PPE	6.2	- 5 043	- 5 184
Provisions		- 4 295	- 1 274
Gains on the sale of investment property and equity interests	6.3	364 612	243 885
Net book value of investment property and equity investment sold	6.3	- 277 635	- 185 392
Income from the sale of investment property and equity investment securities		*86 977*	*58 493*
Profit on the sale of short term assets		*- 334*	*928*
Operating Income		**471 321**	**471 202**
Net dividends and provisions on non-consolidated investments		- 22	431
Net cost of debt	6.4	- 291 905	- 219 480
Change in the fair value of financial instruments		0	- 5
Effect of discounting		- 869	710
Share in earnings of equity-method investees		2 369	1 426
Pre-tax earnings		**180 894**	**254 284**
Corporate income tax	6.5	26 784	- 20 397
NET INCOME OF CONSOLIDATED ENTITY		**207 678**	**233 887**
of which			
Group share		*162 102*	*200 277*
Minority interests		*45 576*	*33 610*
Net income per share in euros		**0,9**	**1,3**
Net income fully diluted per share in euros		**0,9**	**1,3**

in thousands of euros

	Notes	December 31, 2009	December 31, 2008
Net income of consolidated entity		**207 678**	**233 887**
Other comprehensive income items (gross of tax) recognized directly as equity		**- 110 109**	**- 387 274**
- Income from sales of treasury shares		- 1 103	- 3 745
- Effective portion of profits and losses on cash flow hedging instruments		- 56 043	- 264 623
- Translation profits and losses		- 63 177	- 163 819
- Tax on other comprehensive income items		10 214	44 913
Share of other comprehensive income items for associated companies		0	0
Total comprehensive income		**97 569**	**- 153 387**
Of which			
Group share		*32 893*	*- 144 028*
Minority interests		*64 676*	*- 11 597*
Comprehensive income per share in euros		**0,2**	**- 0,9**
Comprehensive income fully diluted per share in euros		**0,2**	**- 0,9**

in thousands of euros

Consolidated statement of financial position (EPRA model)
Assets

	Notes	December 31, 2009	December 31, 2008
Non-allocated goodwill	4.1	132 492	94 636
Intangible assets	4.2	19 306	13 366
Tangible assets	4.3	23 783	43 636
Investment property	4.4	10 708 293	9 579 123
Fixed assets in progress	4.4	791 458	1 183 496
Equity method securities	4.6	36 363	35 331
Non-consolidated securities	4.8	491	626
Non-current assets	4.9	25 847	38 773
Interest rate swaps	4.16	35 394	23 458
Deferred tax assets	4.18	72 829	68 952
NON-CURRENT ASSETS		**11 846 256**	**11 081 397**
Investment property held for sale	4.5	0	44 419
Property in construction held for sale			
Inventory	4.10	2 674	13 416
Trade accounts and notes receivable	4.11	92 477	89 946
Other receivables	4.12	339 987	371 037
- Tax receivables		*38 044*	*88 438*
- Other debtors		*301 943*	*282 599*
Cash and near cash	4.13	235 951	242 725
CURRENT ASSETS		**671 089**	**761 543**
TOTAL ASSETS		12 517 345	11 842 940

in thousands of euros

Liabilities

	Notes	December 31, 2009	December 31, 2008
Capital		254 761	232 700
Additional paid-in capital		1 391 523	1 276 284
Statutory reserve		23 270	19 389
Consolidated reserves		437 238	430 468
- Treasury shares		*- 81 345*	*- 93 429*
- Fair value of financial instruments		*- 198 000*	*- 122 327*
- Other consolidated reserves		*716 583*	*646 224*
Consolidated earnings		162 102	200 277
Shareholders' equity, group share		2 268 894	2 159 118
Minority interests	4.14	1 262 235	1 011 238
SHAREHOLDERS'EQUITY		**3 531 129**	**3 170 356**
Non-current financial liabilities	4.15	6 670 504	6 971 343
Long-term allowances	4.17	9 536	6 764
Pensions commitments	9.2	8 620	8 000
Interest rate swaps	4.16	255 055	184 493
Security deposits and guarantees		138 050	130 668
Deferred tax liabilities	4.18	448 223	456 332
NON-CURRENT LIABILITIES		**7 529 988**	**7 757 600**
Current financial liabilities	4.15	843 089	285 504
Bank overdrafts	4.15	81 100	146 540
Trade payables		101 808	101 244
Payables to fixed asset suppliers		82 143	62 511
Other liabilities	4.19	253 930	218 212
Social and tax liabilities	4.19	94 158	100 973
Short-term allowances		0	0
CURRENT LIABILITIES		**1 456 228**	**914 984**
TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY		**12 517 345**	**11 842 940**

in thousands of euros

Consolidated cash flow statement (EPRA model)

	December 31, 2009	December 31, 2008
Cash flow from operating activities		
Net income from consolidated companies	207678	233886
Elimination of expenditure and income with no cash effect or not related to operating activities		
– Amortizations and provisions	380587	223093
– Capital gains and losses on asset sales net of taxes and deferred taxes	- 113761	- 113514
– Reclassification of financial interests and other items	339354	262948
Gross cash-flow from consolidated companies	**813858**	**606413**
Paid taxes	- 24016	- 33004
Change in operating working capital requirement	171972	- 13313
CASH FLOW FROM OPERATING ACTIVITIES	**961814**	**560096**
Cash flow from investment activities		
Income from sales of investment properties	239744	201419
Income from sales of properties under construction	–	–
Income from sales of other fixed assets	212	–
Income from disposals of subsidiary companies	107598	44233
Acquisitions of investment properties	- 292235	- 410083
Acquisition costs of investment properties	- 2549	-10005
Payments in respect of construction work in progress	- 372362	- 446507
Acquisitions of other fixed assets	- 10646	6303
Acquisitions of subsidiaries through deduction of acquired cash	- 84129	- 1212847
Change in fixed assets under the "real estate agent" regime	–	–
Change in loans and advance payments granted and other investments	- 70495	13134
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**- 484862**	**- 1814353**
Cash flow from financing activities		
Dividends paid to the parent company's shareholders	- 203028	- 169416
Dividends paid to minorities	- 36294	- 27746
Dividends	–	250
Change in net position	152823	902961
Repayment of share premium	–	–
Acquisitions/Sale of treasury shares	24893	- 15511
New loans, financial debts and hedging instruments	2969291	1971582
Repayment of loans, financial debts and hedging instruments	- 2983627	- 1127404
Financial interest paid	- 335067	- 241964
NET CASH FLOWS FROM FINANCIAL TRANSACTIONS	**- 411009**	**1292752**
Currency fluctuations	- 7277	- 35877
CHANGE IN CASH AND CASH EQUIVALENTS	**58666**	**2618**
Cash at beginning of period	96185	93567
Cash at end of period	154851	96185

in thousands of euros

Statement of changes in consolidated equity

	Capital	Capital related reserves	Treasury stock	Hedging reserves	Reserves and consolidated earnings	Shareholders' equity, group share	Minority shareholders	Total equity
Total equity at December 31, 2007	193 890	853 653	- 96 168	56 566	993 589	2 001 530	480 502	2 482 032
Changes in accounting methods								
Total equity at December 31, 2007 - corrected	193 890	853 653	- 96 168	56 566	993 589	2 001 530	480 502	2 482 032
Capital transactions	38 810	442 020				480 830		480 830
Share-based payments								
Treasury stock transactions			- 11 766		1 651	- 10 115		- 10 115
Dividends					- 169 416	- 169 416	- 27 746	- 197 162
Net income for the period					**200 277**	**200 277**	**33 610**	**233 887**
Gains and losses recognized directly in equity								
– Income from sales of treasury shares					- 3 745	- 3 745		- 3 745
– Income from cash flow hedging				- 246 267		- 246 267	- 18 356	- 264 623
– Translation profits and losses					- 131 001	- 131 001	- 32 818	- 163 819
– Tax on other comprehensive income items				36 816		36 816	8 097	44 913
Other comprehensive income items				**- 209 451**	**- 134 746**	**- 344 197**	**- 43 077**	**- 387 274**
Changes in the scope of consolidation				1 013		1 013	450 947	451 960
Other movements					- 804	- 804	117 002	116 198
Total equity at December 31, 2008	232 700	1 295 673	- 107 934	- 151 872	890 549	2 159 118	1 011 238	3 170 356
Changes in accounting methods								
Total equity at December 31, 2008 - corrected	232 700	1 295 673	- 107 934	- 151 872	890 549	2 159 118	1 011 238	3 170 356
Capital transactions	22 061	156 324			- 3 381	175 004		175 004
Share-based payments								
Treasury stock transactions			26 589		2	26 587		26 587
Dividends		- 37 204			- 165 824	- 203 028	- 36 292	- 239 320
Net income for the period					**162 102**	**162 102**	**45 576**	**207 678**
Gains and losses recognized directly in equity								
– Income from sales of treasury shares					- 1 105	- 1 105	2	- 1 103
– Income from cash flow hedging				- 56 766		- 56 766	723	- 56 043
– Conversion profits and losses					- 82 065	- 82 065	18 888	- 63 177
– Tax on other comprehensive income items				10 727		10 727	- 513	10 214
Other comprehensive income items				- 46 039	- 83 170	- 129 209	19 100	- 110 109
Changes in the scope of consolidation					76 022	76 022	227 297	303 319
Other movements				- 89	2 387	2 298	- 4 684	- 2 386
Total equity at December 31, 2009	254 761	1 414 793	- 81 345	- 198 000	878 685	2 268 894	1 262 235	3 531 129

in thousands of euros

Notes to the consolidated financial statements

1. 1. Significant events of the 2009 fiscal year

Investments made

The Group invested a total of 623.3 million euros during the year.
In France, investment during the year was 232.6 million euros: 108.3 million euros in existing operational assets, such as Toulouse Blagnac and Montpellier Odysseum, and 124.3 million euros in projects, including Aubervilliers and Gare Saint Lazare.
Outside France, investment continued in projects commenced during 2008, such as Corvin (31 million euros), Portimao (10.9 million euros) and Romanina (12.9 million euros).
Investment in Steen & Strøm totaled 170.4 million euros, with 117.8 million euros for extensions and renovations at Sollentuna and Hageby in Sweden, and 35.4 million euros for the extension and renovation of Gulskogen in Norway.
Klépierre acquired an additional 21.3% equity holding in IGC from the Italian group Finiper (IGC operates 9 shopping centers, the majority of which are in and around the city of Milan).
The share of underlying assets was valued at 76.5 million euros, with additional net rentals of 4.9 million euros forecast for the full year. Given the existing level of debt, the outlay for Klépierre was 47.6 million euros.
Completion of this acquisition increased the total Klépierre holding in IGC to 71.3%.
This acquisition complements the purchase on October 19, 2009 of the Vittuone mall (to the west of Milan) by Clivia, a company owned 50/50 by Klépierre and Finiper. Officially opened in April 2009, this mall has a total retail floor area of 32 500 sq.m..
The Klépierre share of this investment totals 37 million euros on the basis of forecast net rentals of 2.2 million euros.

Disposals

Klépierre has disposed of its minority share in the companies that own 3 of its French shopping centers:

- the Arcades regional shopping center at Noisy-le-Grand (Paris Region)
- the Blagnac regional shopping center on the outskirts of Toulouse
- the Saint-Orens district shopping center, also on the outskirts of Toulouse

In reducing its holding to 53.64%, Klépierre retains control and management of these assets, whilst its existing associate BNP Paribas Assurance increases its exposure to 3 major French shopping centers, all of which benefit from excellent locations and significant growth potential.
This transaction is valued at 121.9 million euros (141.1 million euros including advances).
Comprising 34 retail outlets and a total retail floor area of 8 253 sq.m., the Galerie Nationale shopping center in Tours has been sold to private investors for 41.8 million euros, inclusive of transfer duties.
The Marché Saint Germain shopping center in the 6th arrondissement of Paris was sold for 29.5 million euros, inclusive of transfer duties.
A shopping center at Quai de la Gare in the 13th arrondissement of Paris occupied by a Truffaut (gardening and pet supplies) store was sold on September 30, 2009 to Immorente for 7.1 million euros, inclusive of transfer duties.

In the second half of the year, Klépierre sold 2 office buildings to Commerz Real:

- The building at 23/25 Avenue Kléber in the 16th arrondissement of Paris for 117.6 million euros, inclusive of transfer duties. With a weighted floor area of 9 851 sq.m., this building has been let since 2006: two-thirds to the Crédit Suisse Group and the remaining third to Veolia Environnement.
- The building at 18/20 Rue La Pérouse in the 16th arrondissement of Paris for 32.0 million euros, inclusive of transfer duties. With a weighted floor area of 3 251 sq.m., this building is occupied by the Klépierre-Ségécé Group.

Dividend payment

The General Meeting of Klépierre Shareholders held on April 9, 2009 approved the payment of a dividend of 1.25 euro per share in respect of the 2008 fiscal year, with shareholders free to opt for payment either in cash or in shares.
This issue increased Klépierre equity by 175.4 million euros through the creation of 15,757,728 new shares (9.5% of equity capital). Cash dividend payments totaled 27.6 million euros.

Debt refinancing and adjustment of banking covenants

At the end of the first half, Klepierre simultaneously reduced the restrictions applied by all its bank debt covenants, optimized their repayment schedule and increased the total amount of credit lines available.
The agreements reached with partner banks involved:

- a reduction in the covenants applying to the syndicated loan with a maturity date of September 2014 (1 000 million euros), and
- the refinancing of syndicated loans with the earliest maturity dates (750 million euros in June 2011 and 1 500 million euros in January 2013) by the introduction of a new line of credit of 2.4 billion euros with a final maturity date of 2015.

2. Accounting principles and methods

Corporate reporting

Klépierre is a French limited liability company (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 February 1, 2010, the Executive Board finalized the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2009 and authorized their publication.
Klépierre shares are traded on the Euronext Paris™ market (Compartment A).

Principles of financial statement preparation

In accordance with Regulation (EC) No 1606/2002 of July 19, 2002 on the application of international accounting standards, the Klépierre Group consolidated financial statements to December 31, 2009 have been prepared in accordance with IFRS as adopted by the European Union and applicable on that date.
The IFRS framework as adopted by the European Union includes the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations (SIC and IFRIC).
The consolidated annual financial statements to December 31, 2009 are presented in the form of complete accounts including all the information required by the IFRS framework.

The accounting principles applied to the consolidated financial statements to December 31, 2009 are identical to those used for the consolidated financial statements to December 31, 2008, with the exception of the following IFRS and interpretations, application of which is obligatory with effect from January 1, 2009, but which have no significant effect on the Group financial statements.

- IAS 1 revised: Presentation of Financial Statements
- IAS 23 revised: Borrowing costs
- IAS 32: Amendments on puttable financial instruments and obligations arising on liquidation
- IAS 40: Amendments on property under construction or development for future use as investment property
- IFRS 2 amended: Share-Based Payment
- IFRS 7: Amendment on improving disclosures about financial instruments
- IFRS 8: Operating Segments
- IFRS 11: Group and Treasury Share Transactions
- IAS 14 and IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group also resolved not to opt for early application of the following IFRS and interpretations, whose application is optional from January 1, 2009:

- Amendment to IAS 39: Financial instruments: Recognition and Measurement
- IFRS 3: Business Combinations
- IAS 27: Consolidated and Separate Financial Statements

Compliance with accounting standards

The consolidated financial statements of Klépierre SA and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS).

Consolidated Financial Statements – Basis of preparation

The consolidated financial statements comprise the financial statements of Klépierre SA and its subsidiaries for the period to December 31, 2009. 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 carrying amount 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 euros, with all amounts rounded to the nearest thousand unless otherwise indicated.

Summary 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.

Use of estimates

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 carrying amounts of assets and liabilities in subsequent years are presented below:

1. 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.

2. Investment property
The Group appoints third-party appraisers to conduct regular half-yearly appraisals of its real estate assets in accordance with the methods described in paragraph 10.1. The appraisers make assumptions concerning future flows and those rates that have a direct impact on the value of the buildings.

More information about IFRS can be found on the European Commission web site:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

2.1. Scope and method of consolidation

Scope of consolidation

The Klépierre consolidated financial statements cover all those companies over which Klépierre exercises majority control, joint control or significant influence.
The percentage level of control takes account of the potential voting rights that entitle their holders to additional votes whenever these rights are immediately exercisable or convertible.
Subsidiaries are consolidated with effect from the date on which the Group gains effective control.
The Group consolidates the Special Purpose Entities (SPEs) formed specifically to manage individual transactions (even where it has no equity interest), provided that the Group exercises substantial control over the relationship (the business of the entity is conducted exclusively on behalf of the Group, and the Group holds the decision-making and management powers). The Group has no Special Purpose Entities.

Consolidation method

The consolidation method is not based solely on the percentage of legal ownership of each subsidiary:

- Majority control: full consolidation. Control is presumed to exist where Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent company has the power to direct the financial and operational policies of the company and appoint, dismiss or convene the majority of the members of the board of directors or equivalent management body.
- Joint control: proportional consolidation. Joint control exists where operational, strategic and financial decisions require unanimous agreement between the controlling parties. The agreement is contractual, subject to articles of association and shareholder agreements.
- Significant influence: consolidation using the equity method. Significant influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise sole or joint control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Holdings in associated companies are initially recognized in the balance sheet at cost, plus or minus the share of the net position generated after the acquisition, minus impairment.
- No influence: the company is not consolidated.

The goodwill of equity-accounted companies is included in the carrying amount of "equity-accounted investments" and is not amortized.

Intercompany transactions

Intercompany balances and profits resulting from transactions between Group companies are eliminated. The internal profits eliminated relate chiefly to the internal margin made on development fees incorporated into the cost price of capitalized assets or inventories by purchasing companies.
Financial items billed to property development companies are listed among their inventories or capital assets and recognized in the income statement.

2.2. Accounting for business combinations

Under IFRS 3, all business combinations covered by the standard must be accounted for using the acquisition method.
A business combination is defined as the bringing together of separate entities or businesses into a single reporting entity. An acquisition is regarded as a business combination if a set of integrated activity is acquired besides the real estate assets of which criteria can be the number of property assets owned by the target and the extent of acquired processes, and in particular the auxiliary services provided by the acquired entity.
On the date of acquisition, the acquiring company must allocate the acquisition cost by recognizing the identifiable assets, liabilities and contingent liabilities of the acquired entity (excluding non-current assets held for sale) at their fair value on this date.
The difference between the price paid to acquire the shares of consolidated companies and the Group's percentage interest in the net fair value of their identifiable assets and liabilities on the date of acquisition is recognized as goodwill.
On the acquisition date, the acquiring company recognizes positive goodwill as an asset. Negative goodwill is immediately recognized in the income statement.
In accordance with IFRS 3 "Business Combinations", goodwill is not amortized. However, it must be tested for impairment at least annually, and more frequently if events or changes in circumstance indicate possible impairment.
For the purposes of this test, goodwill is broken down by Cash-Generating Unit (CGU), which is defined as the smallest identifiable group of assets that generates measurable cash flows.
Intangible assets are recognized separately from goodwill where they are individually identifiable, i.e. where they arise from contractual or legal rights or where they can be separated from the business activities of the acquired entity and are expected to generate future economic benefits.
Any adjustments to assets and liabilities recognized on a provisional basis must be made within 12 months of the acquisition date.

Recognition of the acquisition of additional stock in a controlled company

The acquisition of minority interests does not constitute a business combination within the terms of IFRS 3. This being the case, there are no specific accounting rules for this type of transaction. Under IAS 8.10, where there is no applicable standard or interpretation, management must use its judgment in deciding upon the appropriate accounting method for these transactions. The Klépierre Group has elected to use the following method: recognition of goodwill and remeasurement of the additional portion of the net assets acquired at its fair value on the date of acquisition. The previous holding is not remeasured.

2.3. Foreign currency translation

The consolidated financial statements are presented in euro, which is the operating and reporting currency used by Klépierre. Each Group entity nominates its own operating currency, and all items in its financial statements are measured in this operating currency.

The Group's foreign subsidiaries conduct some transactions in currencies other than their operating currency. These transactions are initially recorded in the operating currency at the exchange rate applying on the transaction date.
On the balance sheet date, monetary assets and liabilities stated in foreign currencies are translated into the operating currency at the exchange rate for that day. Non-monetary items stated in foreign currencies and measured at their historical cost are translated using the exchange rates applying on the dates of the initial transactions. Non-monetary items stated in foreign currencies and measured at their fair value are translated using the exchange rates applicable on the dates when the fair values were calculated.
On the balance sheet date, the assets and liabilities of these subsidiaries are translated into the Klépierre S.A. reporting currency - the euro - at the exchange rate applying on that date. Their income statements are translated at the average weighted exchange rate for the year. Any resulting translation differences are allocated directly to shareholder equity under a separate item. In the event of disposal of a foreign operation, the total accrued deferred exchange gain/loss recognized as a distinct component of equity for that foreign operation is recognized in the income statement.

2.4. Intangible assets

An intangible asset is a non-monetary asset without physical substance. It must be simultaneously identifiable (and therefore separable from the acquired entity or arise from legal or contractual rights), controlled by the company as a result of past events and provide an expectation of future financial benefits.
IAS 38 states that an intangible asset should be amortized only where it has a known useful life. Intangible assets with no known useful life should not be amortized, but should be tested annually for impairment (IAS 36).
Assets recognized as intangible assets with finite useful lives should be amortized on a straight-line basis over periods that equate to their expected useful life.

2.5. Investment property

IAS 40 defines investment property as property held by the owner or tenant (under a finance lease) for the purpose of rental income or capital growth or both, rather than:
- using the building for production, the supply of goods or services or administrative purposes
- selling the building in the ordinary course of business (trading)
- Almost all Klépierre real estate meets this definition of "investment property". Buildings occupied by the Group are recognized as tangible assets.
- 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

The Supervisory Board meeting of May 26, 2004 voted that Klépierre should adopt the IAS 40 cost model. There were two key issues behind this decision: the first was the need to maintain consistency between the accounting methods used by Klépierre and its majority shareholder, which has adopted the cost accounting method; the second was the intrinsic merits of the cost method, which include a clearer understanding of actual performance unaffected by variations in net asset value, at the same time as appending the pro forma financial data for investment property on the basis of the fair value model.

Cost model

Property, plant and equipment (PPE) is recognized at cost, inclusive of duties and fees, and is amortized using the component method.
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, property, plant and equipment is 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, property, plant and equipment is 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 carrying amount, and any impairment is recognized (*cf.* § 2.7).
Capital gains or losses realized on investment property disposals are recognized under "Income from sales of investment property" in the income statement.
Adoption of the cost model requires application of the component method.
Klépierre has adopted the option offered by IFRS 1 to recognize the initial cost of its buildings (as shown in the opening balance sheet) as the revalued amount stated at January 1, 2003, the point at which the Group adopted SIIC status, this being their deemed market value at that date. The amounts concerned have been apportioned between land and buildings 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

An age-related weighting ratio has been applied to the cost of refurbishment to "as new" condition, which is then added to the rebuilding cost.
Properties acquired after January 1, 2003 and the extension and refurbishment of reappraised investment property have been recognized in the balance sheet at their acquisition cost.

The component method

The component method is applied principally on the basis of the recommendations issued by the Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies – FSIF) concerning components and their useful lives:
- where properties have been developed by the subsidiaries themselves, assets are classified by component type and measured at their realizable value
- where investment properties are held in the portfolio (sometimes for long periods), 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

Component classification is based on the historic and technical features of each property.

For first-time application of the components method, the historic cost of the property concerned is calculated on the basis of the percentage attributed to each component at the reappraisal values of January 1, 2003, which have been adopted as the presumed cost price.

	Offices		Shopping centers		Shops	
	Useful life	Share of total	Useful life	Share of total	Useful life	Share of total
Structures	60 years	60%	35-50 years	50%	30-40 years	50%
Facades	30 years	15%	25 years	15%	15-25 years	15%
MEP	20 years	15%	20 years	25%	10-20 years	25%
Fittings	12 years	10%	10-15 years	10%	5-15 years	10%

All component figures are based on assumed “as new” values. Klépierre has therefore calculated the proportions applied to fittings, technical services and facades at January 1, 2003 on the basis of the useful life periods shown in the table above, calculated from the date of construction or latest major refurbishment of the property. The percentage for structures is calculated using the figures shown for the other components, and is amortized over the residual term set by the appraisers in 2003.
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. Non-current assets held for sale

The provisions of IFRS 5 regarding presentation and measurement apply to investment property measured using the cost model under IAS 40 whenever the sales process is underway and the asset concerned fulfils the criteria for recognition as an asset held for sale. An impairment test is conducted immediately before any asset is recognized as being held for sale.
In accordance with the provisions of IFRS 5, the Klépierre Group reclassifies all property covered by a contract of sale.
The accounting impact is as follows:
- cost of sale is imputed to net carrying value or net fair value, whichever is the lower
- the assets concerned are presented separately
- amortization ceases

2.7. Impairment of assets

IAS 36 applies to property, plant and equipment and intangible assets, including goodwill. This standard requires an assessment to be made to establish whether there is any indication that an asset may be impaired.
Such indications may include:
- a major decline in market value
- significant changes in the technological, economic or legal environment

For the purposes of this test, assets are grouped into cash-generating units (CGUs). CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.
Assets must not be recognized at more than their recoverable amount.
The recoverable amount is the fair asset value minus selling expenses or its value in use, whichever is the higher.
Value in use is calculated on the basis of discounted future cash flows expected to arise from the planned use of an asset and from its disposal at the end of its useful life.
An impairment loss must be recognized wherever the recoverable value of an asset is less than its carrying amount.
Under certain circumstances, the entity may later recognize all or part of such impairment losses in its income statement, with the exception of unallocated goodwill.
The Klépierre Group treats each property and shopping center as a CGU.
Group goodwill relates chiefly to Ségécé and its subsidiaries. Appraisal tests are conducted at least annually by an independent appraiser. Appraisals are updated to take account of any significant event occurring during the year.
The appraisals conducted for Klépierre by Aon Accuracy are based chiefly on the range of estimated values generated by applying the Discounted Cash Flow (DCF) method over a period of 5 years. The first stage of this method involves estimating the future cash flows that could be generated by the business portfolio of each company, excluding any direct or indirect finance costs. The second stage involves estimating the value of the business portfolio, cash flows and the probable value of the portfolio at the end of the forecast period (end value) and discounting the outcome at an appropriate rate. This discount rate is arrived at on the basis of the Capital Asset Pricing Model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast market risk premium multiplied by the beta coefficient for the business portfolio) and a specific market risk premium (which takes account of the proportion of specific risk not already included in flows). In the third and final stage, a value is obtained for each company's equity by deducting its net debt and any minority interests on the valuation date from the value of its business portfolio.

2.8. Inventory

IAS 2 defines inventory as assets held for sale in the ordinary course of business, assets in progress and intended for sale and materials and supplies (raw materials) intended for consumption in the production of products and services.
Impairment must be recognized if the net realizable value (fair value net of exit costs) is lower than the recognized cost.

2.9. Leases

Leases

IAS 17 defines a lease as an agreement under which the lessor transfers to the lessee the right to use an asset for a given period of time in exchange for a single payment or series of payments.
IAS 17 distinguishes between two types of lease:
- A finance lease, which is a lease that transfers substantially all the risks and rewards incident to ownership of an asset to the lessee. Title to the asset may or may not eventually be transferred at the end of the lease term
- All other leases are classified as operating leases

Recognition of stepped rents and rent-free periods

Lease income from operating leases is recognized over the full lease term on a straight-line basis.
Stepped rents and rent-free periods are recognized as additions to, or deductions from, lease income for the financial year.
The reference period adopted is the first firm lease term.

Entry fees

Entry fees received by the lessor are recognized as supplementary rent.
Entry fees are part of the net amount exchanged between the lessor and the lessee under a lease. For this purpose, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement or the rent payment schedule. Entry fees are spread over the first firm lease term.

Early termination charges

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties.
Such charges are allocated to the terminated contract and credited to income for the period in which they are recognized.

Eviction compensation

When a lessor terminates a lease prior to the expiration date, he must pay eviction compensation to the lessee.

(i) Replacement of a lessee:

Where the payment of eviction compensation enables asset performance to be maintained or improved (higher rent, and therefore higher asset value), IAS 16 revised allows for this expense to be capitalized as part of the cost of the asset, provided that the resulting increase in value is confirmed by independent appraisers. Where this is not the case, the cost is recognized as an expense.

(ii) Renovation of a property requiring the removal of resident lessees:

Where eviction compensation is paid as a result of the fact that major renovation or reconstruction of a property requires lessees to vacate the premises, the cost of the compensation is treated as a preliminary expense and recognized as an additional component of the total renovation cost.

Land and building leases: IAS 40 and IAS 17

Land and building leases are classified as operating or finance leases, and are treated in the same way as leases for other types of assets. However, since the useful life of land is usually indefinite, the majority of the risks and rewards inherent in ownership will not be transferred to the lessee (land leases are operating leases) unless title is intended to be transferred to the lessee at the end of the lease term. Initial payments made in this respect therefore constitute pre-lease payments, and are amortized over the term of the lease in accordance with the pattern of benefits provided. Analysis is on a lease-by-lease basis.
Under the IAS 40 components method, these initial payments are classified as prepaid expenses.

2.10. Trade receivables and other debtors

Trade receivables are recognized and measured at invoice face value minus accruals for non-recoverable amounts. Bad debts are estimated when it is likely that the entire amount receivable will not be recovered. When identified as such, non-recoverable receivables are recognized as losses.

2.11. Borrowing costs

In April 2007, the IASB published an amendment to IAS 23. Under IAS 23 revised, borrowing costs directly attributable to the acquisition, construction or production of an eligible asset must be capitalized.
The previous accounting method used by Klépierre already consisted of including borrowing costs in the total cost of a qualifying asset where they were directly attributable to the acquisition, construction or production of that asset.

2.12. Provisions and contingent liabilities

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized where the Group has a liability towards a third party, and it is probable or certain that an outflow of resources will be required to settle this liability without an equivalent or greater amount expected to be received from the third party concerned.
IAS 37 requires that non-interest-bearing long-term liabilities are discounted.

2.13. Current and deferred taxes

The tax status of listed property investment companies

General features of the SIIC tax status

All listed property investment companies (SIICs) are entitled to the corporate tax exemption status introduced by Article 11 of the 2003 French Finance Act as implemented under the Decree of July 11, 2003 provided that their stock is listed on a regulated French market, that they are capitalized at 15 million euros or more and that their corporate purpose is either the purchase or construction of properties for rent or direct or indirect investment in entities with that corporate purpose. The option to adopt SIIC status is irrevocable. Subsidiaries subject to corporate income tax and owned at least 95% by the Group may also claim SIIC status.
In return for tax exemption, companies must distribute 85% of their rental income, 50% of the capital gains made on property disposals and 100% of the dividends received from SIIC-status subsidiaries subject to corporate income tax.
Opting for SIIC status makes the entity concerned immediately liable to 16.5% exit tax on unrealized gains on properties and on shares in partnerships not subject to corporate income tax. 25% of the exit tax is payable on December 15 of the year in which SIIC status is first adopted, with the balance payable over the following three years.
The General Meeting of Shareholders held on September 26, 2003 authorized Klépierre to opt into the new SIIC tax arrangements, with retrospective effect from January 1, 2003.

Discounting of exit tax liability

The exit tax liability is discounted on the basis of its payment schedule. This liability is payable over a 4-year period, commencing at the point when the entity concerned adopts SIIC status.
Following initial recognition in the balance sheet, the liability is discounted and an interest expense is recognized in the income statement on each balance sheet date. In this way, the liability is reduced to its present discounted value on that date. The discount rate is calculated on the basis of the interest rate curve, taking into account the deferment period and the Klépierre refinancing margin.

Corporate income tax on companies not eligible for SIIC status

Since adopting SIIC status in 2003, Klépierre SA has made a distinction between SIICs that are exempt from property leasing and capital gains taxes, and other companies that are subject to those taxes.
Corporate income tax on non-SIICs is calculated in accordance with French common law.

Corporate income tax and deferred tax

The corporate income tax charge is calculated in accordance with the rules and rates applicable in each Group operating country for the period to which the profit or loss applies.
Both current and future income taxes are offset where such offsetting is legally permissible and where they originate within the same tax consolidation group and are subject to the same tax authority.
Deferred taxes are recognized where there are timing differences between the carrying amounts of balance sheet assets and liabilities and their tax bases, and taxable income is likely in future periods.
A deferred tax asset is recognized where tax losses are carried forward on the assumption that the entity concerned is likely to generate future taxable income against which those losses can be offset.
Deferred tax assets and liabilities are measured using the liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax regulations adopted, or to be adopted before the balance sheet date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.
All current and deferred tax is recognized as tax income or expense in the income statement, except for deferred tax recognized or settled at the time of acquiring or disposing of a subsidiary or equity holding and unrealized capital gains and losses on assets held for sale. In these cases, the associated deferred tax is recognized as equity.
Deferred tax is calculated at the local rates applicable at the balance sheet date. The main rates applied are: 34.43% in France, 30% in Spain, 31.40% in Italy, 34% in Belgium, 25% in Greece, 26.5% in Portugal, 19% in Poland, 19% in Hungary, 20% in the Czech Republic, 19% in Slovakia and 28% in Norway.

2.14. Treasury shares

All treasury shares held by the Group are recognized at their acquisition cost and deducted from equity. Any gain arising on the disposal of treasury shares is recognized immediately as equity, such that disposal gains or losses do not impact on net profit or loss for the period.

2.15. Distinction between liabilities and equity

The difference between liabilities and equity depends on whether or not the issuer is bound by an obligation to make a cash payment to the other party. The fact of being able to make such a decision regarding cash payment is the crucial distinction between these two concepts.

2.16. Financial assets and liabilities

Financial assets include long-term financial investments, assets and loans, current assets representing accounts receivable, financial securities and investments (including derivatives) and cash.
Financial liabilities include borrowings, other forms of financing and bank overdrafts, derivatives and accounts payable.
IAS 39 "Financial instruments: recognition and measurement" describes how financial assets and liabilities must be measured and recognized.

Measurement and recognition of financial assets

Loans and receivables

These include receivables from equity investments, other loans and receivables. All are recognized at amortized cost, which is calculated using the effective interest rate method. The effective interest rate is the rate that precisely discounts estimated future cash flows to the net carrying amount of the financial instrument.

Financial assets held for sale

Financial assets held for sale include equity investments.
Equity investments are the holdings maintained by the Group in non-consolidated companies.
Investments in equity instruments not listed in an active market and whose fair value cannot be reliably measured must be measured at cost.

Cash and near cash

Cash and near cash includes cash held in bank accounts, short-term deposits maturing in less than three months, money market funds and other investment securities.

Measurement and recognition of financial liabilities

With the exception of derivatives, all loans and other financial liabilities are measured at amortized cost using the effective interest method.

Recognition of liabilities at amortized cost

In accordance with IFRS, redemption premiums on bond issues and debt issuance expenses are deducted from the nominal value of the loans concerned and incorporated into the calculation of the effective interest rate.

Application of the amortized cost method to liabilities hedged at fair value

Changes in the fair value of (the effective portion of) swaps used as fair value hedges are balanced by remeasurement of the hedged risk component of the debt.
Given that the characteristics of derivatives and items hedged at fair value are similar in most instances, any ineffective component carried to hedging profit or loss will be minimal.
If a swap is canceled before the due date of the hedged liability, the amount of the debt adjustment will be amortized over the residual term using the effective interest rate calculated at the date the hedge ended.

Measurement and recognition of derivatives

As the parent company, Klépierre takes responsibility for almost all Group funding and provides centralized management of interest and exchange rate risks. This financial policy involves Klépierre in implementing the facilities and associated hedging instruments required by the Group.
Klépierre hedges its liabilities using derivatives and has consequently adopted hedge accounting in accordance with IAS 39:
- Hedges to cover balance sheet items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fixed-rate hedge): e.g. fixed-rate debt
- Hedges to cover the exposure to future cash flow risk (cash flow hedges), which consists of fixing future cash flows of a variable-rate liability or asset

The Klépierre portfolio meets all IAS 39 hedge definition and effectiveness criteria.
The adoption of hedge accounting has the following consequences:
- Fair value hedges of existing assets and liabilities: the hedged portion of the asset/liability is accounted for at fair value in the balance sheet. The gains or losses resulting from changes in fair value are recognized immediately in profit or loss. At the same time, there is an opposite corresponding adjustment in the fair value of the hedging instrument, in line with its effectiveness
- Cash flow hedges: the portion of the gain or loss on the fair value of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and recycled to the income statement when the hedged cash transaction affects profit or loss. The gain or loss from the change in value of the ineffective portion of the hedging instrument is recognized immediately in profit or los

Recognition date: trade or settlement

IFRS seeks to reflect the time value of financial instruments as closely as possible by ensuring that, wherever possible, instruments with a deferred start date are recognized on the trade date, thus allowing calculation of the deferred start date.
However, this principle cannot be applied to all financial instruments in the same way. For example, commercial paper is often renewed a few days before its due date. If these instruments were recognized at their trade date, this would artificially inflate the amount concerned between the renewal trade date of a paper and its effective start date.
Klépierre applies the following rules:
- Derivatives are recognized at their trade date, since their measurement effectively takes account of any deferred start dates
- Other financial instruments (especially liabilities) are recognized on the basis of their settlement date

Determination of fair value

Financial assets and liabilities recognized at fair value are measured either on the basis of market price or by applying measurement models that apply the market parameters that existed on the balance sheet date. The term "model" refers to mathematical methods based on generally-accepted financial theories. The realizable value of these instruments may differ from the fair value adopted when preparing the financial statements.
For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly on the basis of reliable levels of supply and demand, or in which transactions involve instruments that are very similar to the instrument being measured.
Where prices are quoted on an active market, they are used to determine fair value. Listed securities and derivatives traded on organized markets such as futures or option markets are therefore measured in this way.
Most OTC (Over The Counter) derivatives, swaps, futures, caps, floors and simple options are traded in active markets. They are measured using generally-accepted models (discounted cash flow, Black and Scholes, interpolation techniques, etc.) based on the market prices of such instruments or similar underlying values.

Tax treatment of changes in fair value

In the specific case of Klépierre:
- the non-SIIC part of the deferred tax on Klépierre SA financial instruments recognized at fair value is calculated pro-rata of financial profit or loss
- the financial instruments of foreign subsidiaries recognized at fair value generate a deferred tax calculation on the basis of the rates applying in the country concerned

2.17. Employee benefits

Employee benefits are recognized as required by IAS 19, which applies to all payments made for services rendered, except for share-based payment, which is covered by IFRS 2.
All employee benefits, whether paid in cash or in kind, short term or long term, must be classified into 1 of the following 4 main categories:
- short-term benefits, such as salaries and wages, annual vacation, mandatory and discretionary profit sharing schemes and company contributions
- post-employment benefits: these relate primarily to supplementary bank pension payments in France, and private pension schemes elsewhere
- other long-term benefits, which include paid vacation, long-service payments, and some deferred payment schemes paid in monetary units
- severance pay

Measurement and recognition methods vary depending on the category of benefit.

Short-term benefits

The company recognizes an expense when it uses services provided by its employees and pays agreed benefits in return.

Post-employment benefits

In accordance with generally-accepted principles, the Group makes a distinction between defined contribution and defined benefit plans.
Defined contribution plans do not generate a liability for the company, and therefore are not provisioned. Contributions paid during the period are recognized as an expense.
Defined benefit plans do generate a liability for the company, and are therefore measured and provisioned.
The classification of a benefit into one or other of these categories relies on the economic substance of the benefit, which is used to determine whether the Group is required to provide the promised benefit to the employee under the terms of an agreement or an implicit obligation.
Post-employment benefits classified as defined benefit plans are quantified actuarially to reflect demographic and financial factors.
The amount of the commitment to be provisioned is calculated on the basis of the actuarial assumptions adopted by the company and by applying the Projected Unit Credit Method. The value of any hedging assets (plan assets and redemption rights) is deducted from the resulting figure.
Measurement of the liabilities inherent in a plan and the value of its hedging assets may vary considerably from one accounting period to another as actuarial assumptions change, and may therefore give rise to actuarial gains or losses. The Group accounts for actuarial gains or losses on its commitments by applying the so-called "corridor" method. This method means that the proportion of actuarial gains or losses that exceeds the higher of the following values need not be recognized until the following period and may then be spread over time: 10% of the discounted value of the gross liability or 10% of the market value of the plan hedge assets at the end of the previous period.

Long-term benefits

These are benefits other than post-employment benefits and severance pay, which are not payable in full within twelve months of the end of the financial year in which the employees concerned provided the services in question.
The actuarial measurement method applied is similar to that used for post-employment defined benefits, except that actuarial gains or losses are recognized immediately and no corridor is applied. Furthermore, any gain or loss resulting from changes to the plan, but deemed to apply to past services, is recognized immediately.

Severance pay

Employees receive severance pay if their employment with the Group is terminated before they reach the statutory retirement age or if they accept voluntary redundancy. Severance pay falling due more than twelve months after the balance sheet date is discounted.

2.18. Share-based payment

According to IFRS 2, all share-based payments must be recognized as expenses when use is made of the goods or services provided in return for these payments.
For the Klépierre Group, this standard applies primarily to the purchase of shares to meet the commitments arising from its employee stock option scheme.
In accordance with IFRS 1, only plans granted after November 7, 2002 whose rights were exercised at January 1, 2005 need be recognized. Consequently, the stock option plan granted by the Klépierre Group in 1999 has not been restated. The exercise period for this particular plan ended on June 24, 2007.

2.19. Segment reporting

Application of IFRS 8 became obligatory with effect from January 1, 2009. This standard requires the presentation of information about the operating segments of the Group, and replaces the previous provisions applying to the determination of level one sectors (business sectors) and level two sectors (geographic sectors).
Operating sectors 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.

3. Scope of consolidation

Company	Country	Method December 2009 [1]	% interest			% control		
			December 2009	December 2008	Change	December 2009	December 2008	Change
SA Klépierre	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
OFFICE BUILDINGS								
SAS Klépierre Finance	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS LP7	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS CB Pierre	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Général Leclerc n° 11 Levallois	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Jardins des Princes	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Barjac Victor	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SHOPPING CENTERS - FRANCE								
SNC Kléber La Pérouse	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klé 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC SCOO	France	FC	53.64%	79.94%	- 26.30%	53.64%	79.94%	- 26.30%
SNC Angoumars	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Klécar France	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SNC KC1	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC2	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC3	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC4	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC5	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC6	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC7	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC8	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC9	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC10	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC11	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC12	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC20	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SAS Centre Jaude Clermont	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCS Klécar Europe Sud	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SC Solorec	France	FC	80.00%	80.00%	–	80.00%	80.00%	–
SNC Centre Bourse	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCS Bègles Arcins	France	FC	52.00%	50.00%	2.00%	52.00%	50.00%	2.00%
SCI Bègles Papin	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Soccendre	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Sécovalde	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SAS Cécoville	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Foncière Saint-Germain	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Soaval	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCA Klémurs	France	FC	84.11%	84.11%	–	84.11%	84.11%	–
SCS Cecobil	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI du Bassin Nord	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SNC Le Havre Vauban	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SNC Le Havre Lafayette	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Nancy Bon Secours	France	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Sodevac	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Odysseum Place de France	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SAS Klécar Participations Italie	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SNC Pasteur	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Holding Gondomar 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Holding Gondomar 3	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Participations et Financements	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Combault	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Klétransactions	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI La Plaine du Moulin à Vent	France	PC	50.00%	50.00%	–	50.00%	50.00%	–

Company	Country	Method December 2009 (1)	% interest			% control		
			December 2009	December 2008	Change	December 2009	December 2008	Change
SCI Beau Sevran Invest	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SAS Progest	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI La Rocade	France	EM	38.00%	38.00%	–	38.00%	38.00%	–
SCI L'Emperi	France	EM	15.00%	15.00%	–	15.00%	15.00%	–
SCI Girardin	France	PC	33.40%	33.40%	–	33.40%	33.40%	–
SC Boutiques Saint-Maximin	France	EM	42.50%	42.50%	–	42.50%	42.50%	–
SARL Belvédère Invest	France	FC	75.00%	75.00%	–	75.00%	75.00%	–
SCI Haies Haute Pommeraie	France	FC	53.00%	53.00%	–	53.00%	53.00%	–
SCI Plateau des Haies	France	FC	90.00%	90.00%	–	90.00%	90.00%	–
SCI Boutiques d'Osny	France	FC	38.27%	38.27%	–	67.00%	67.00%	–
SCI La Rocade Ouest	France	EM	36.73%	36.73%	–	36.73%	36.73%	–
SARL Forving	France	FC	90.00%	90.00%	–	90.00%	90.00%	–
SCI du Plateau	France	EM	24.25%	24.25%	–	30.00%	30.00%	–
SA Rezé Sud	France	EM	15.00%	15.00%	–	15.00%	15.00%	–
SCI Maximeuble	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Saint-Maximin Construction	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SCI Immobilière de la Pommeraie	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Pommeraie Parc	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI Champs des Haies	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI La Rive	France	FC	47.30%	47.30%	–	47.30%	47.30%	–
SCI Rebecca	France	FC	70.00%	70.00%	–	70.00%	70.00%	–
SCI Aulnes développement	France	PC	25.50%	25.50%	–	50.00%	50.00%	–
SARL Proreal	France	FC	51.00%	51.00%	–	51.00%	51.00%	–
SCI Sandri-Rome	France	EM	15.00%	15.00%	–	15.00%	15.00%	–
SCI La Roche Invest	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Osny Invest	France	FC	57.12%	57.12%	–	57.12%	57.12%	–
SNC Parc de Coquelles	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Sogegamar	France	EM	33.12%	33.12%	–	33.12%	33.12%	–
SCI Achères 2000	France	EM	30.00%	30.00%	–	30.00%	30.00%	–
SCI Le Mais	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI le Grand Pré	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI Champs de Mais	France	EM	40.00%	40.00%	–	40.00%	40.00%	–
SCI des Salines	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Les Bas Champs	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Des dunes	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI La Française	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI LC	France	FC	36.00%	36.00%	–	60.00%	60.00%	–
SCI Klépierre Tourville	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SARL Société du bois des fenêtres	France	EM	20.00%	20.00%	–	20.00%	20.00%	–
SAS Klépprojet 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klécapnor	France	FC	84.11%	84.11%	–	100.00%	100.00%	–
SAS Vannes Coutume	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Holding Gondomar 4	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Besançon Chalezeule	France	FC	100.00%	100.00%	-	100.00%	100.00%	–
SARL Immo Dauland	France	FC	84.13%	84.11%	0.02%	100.00%	100.00%	–
SAS Carré Jaude 2	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Créteil	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Albert 31	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SCI Galeries Drancéennes	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SERVICE PROVIDERS – FRANCE								
SCS Ségécé	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Conseil	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Galae	France	FC	100.00%	100.00%	–	100.00%	100.00%	–

Company	Country	Method December 2009 (1)	% interest			% control		
			December 2009	December 2008	Change	December 2009	December 2008	Change
SHOPPING CENTERS - FRANCE								
SA Coimbra	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Cinémas de L'Esplanade	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Foncière de Louvain-la-Neuve	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Place de l'Accueil	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
Steen & Strøm Holding AS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Anpartsselskabet af 18. September 2007	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Bryggen, Vejle A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Bruun's Galleri ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Ejendomsselskabet Klampenborgvej I/S	Denmark	PC	28.05%	28.05%	–	50.00%	50.00%	–
Field's Eier I ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Eier II A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Copenhagen I/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Prosjektselskabet af 10.04.2001 ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Centerudvikling IV A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Centerudvikling V A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Centerudvikling VI A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Entreprenørselskapet af 10.04.2001 P/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
SA Klécar Foncier Iberica	Spain	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klécar Foncier España	Spain	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Vinaza	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Vallecas	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Nea Efkarpia	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Foncier Makedonia	Greece	FC	83.01%	83.01%	–	100.00%	100.00%	–
SA Klépierre Athinon A.E.	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Peribola Patras	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
Klépierre Larissa	Greece	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Szeged Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Szolnok Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Zalaegerszeg Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Nyiregyhaza Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Duna Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl CSPL 2002 (Cespel)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl GYR 2002 (Gyor)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Debrecen 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Uj Alba 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Miskolc 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Kanizsa 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl KPSVR 2002 (Kaposvar)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Duna Plaza Offices	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Corvin	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Corvin Retail	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Trading	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Spa IGC	Italy	FC	71.30%	50.00%	21.30%	100.00%	50.00%	50.00%
Spa Klécar Italia	Italy	FC	83.00%	83.00%	–	100.00%	100.00%	–
Spa Klefin Italia	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Collegno	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Serravalle	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Assago	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Klépierre	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Cavallino	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Solbiate	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Clivia 2000	Italy	PC	50.00%	50.00%	–	50.00%	50.00%	–
K2	Italy	FC	85.00%	85.00%	–	85.00%	85.00%	–
Klépierre Matera	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Il Destriero	Italy	PC	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Sarl Klépierre Météores	Luxembourg	FC	100.00%	100.00%	–	100.00%	100.00%	–

Company	Country	Method December 2009 (1)	% interest			% control		
			December 2009	December 2008	Change	December 2009	December 2008	Change
SA Klépierre Luxembourg	Luxembourg	FC	100.00%	100.00%	–	100.00%	100.00%	–
Holding Klege	Luxembourg	PC	50.00%	50.00%	–	50.00%	50.00%	–
Storm Holding Norway	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm ASA	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Amanda Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Åsane Storsenter DA	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Farmandstredet Eiendom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Farmandstredet ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Hovlandbanen AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Karl Johansgate 16 AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nerstranda AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Os Alle 3 AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Sjøsiden AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SSI Lillestrøm Torv AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Hamar Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Metro Senter ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Stavanger Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Stovner Senter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvbyen Senter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvbyen Utvikling AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
KS Markedet	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Gulskogen Senter ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum Ans	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Torvhjørnet Lillestrøm ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Vintebro Senter DA	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Besloten vennootschap Capucine BV	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Nordica	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klémentine	Netherlands	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Sadyba	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Krakow	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Poznan	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ruda Slaska Plaza Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sadyba Center SA	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Krakow Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Poznan SA	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Pologne	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Rybnik Plaza Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sosnowiec Plaza Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Rybnik	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Sosnowiec	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Movement Poland SA	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Lublin	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Galeria Poznan Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Galeria Krakow Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Warsaw Spzoo	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klélou-Immobiliare	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Portugal SGPS SA	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Galeria Parque Nascente	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Gondobrico	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klenord Imobiliaria	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klétel Imobiliaria	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Kleminho	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Kléaveiro	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klégé Portugal	Portugal	PC	50.00%	50.00%	–	50.00%	50.00%	–
Klépierre Cz	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Bestes	Czech Republic	FC	100.00%	99.00%	1.00%	100.00%	99.00%	1.00%

Company	Country	Method December 2009 (1)	% interest			% control		
			December 2009	December 2008	Change	December 2009	December 2008	Change
Entertainment Plaza	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Plzen	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Plzen	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Akciova Spolocnost Arcol	Slovakia	FC	100.00%	100.00%	–	100.00%	100.00%	–
Nordica Holdco	Sweden	FC	56.10%	56.10%	–	56.10%	56.10%	–
Steen & Strøm Holding AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB CentrumInvest	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Emporia	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Överby KölPentrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Detaljhandelshuset i Hyllinge AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Sollentuna Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Borlange KölPentrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Marieberg Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Västra Torp Mark AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
NorthMan Suède AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Viskaholm	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Uddevallatorpet	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Hageby Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mitt i City i Karlstad FAB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Allum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Brodalen	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Partille Lexby AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Åkanten	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Porthälla	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Mölndal Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mässcenter Torp AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mölndal Centrum Byggnads FAB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Grytingen Nya AB	Sweden	FC	36.35%	36.35%	–	64.79%	64.79%	–
SERVICE PROVIDERS – INTERNATIONAL								
Steen & Strøm CenterDrift A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Center Service A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Danemark A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Ségécé España	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Hellas	Greece	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Magyarorszag	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Italia	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé India	India	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sandens Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Eiendomsforvaltning AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Fritzøe Brygge Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Gulskogen Prosjekt & Eiendom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Lille Eiendom AS	Norway	FC	37.03%	37.03%	–	66.00%	66.00%	–
Nordbyen Senterforening AS	Norway	FC	38.82%	38.82%	–	69.20%	69.20%	–
Norsk Kjøpesenterforvaltning AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Senterservice AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Arken Drift AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Down Town Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Farmanstredet Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Holmen Senterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Hamar Storsenterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Krokstadelva Senterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Kvadrat Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Markedet Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Metro Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mosseporten Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–

Company	Country	Method December 2009 (1)	% interest			% control		
			December 2009	December 2008	Change	December 2009	December 2008	Change
Nerstranda Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Os Alle Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Sjøsiden Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SSI Amanda Senterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SSI Gulskogen Senterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SSI Lillestrøm Senterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SST Stavanger Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Tillertorget Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvbyen Drift AS	Norway	FC	21.32%	21.32%	–	38.00%	38.00%	–
Vinterbro Eiendomsdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum AS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Østfoldhallen Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nordal ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Økern Eiendom ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Senterdrift Åsane Senter AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Steen & Strøm Drift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Narvik AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Norge AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Stovner Senterdrift AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Holding AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
KS Down Town Senter	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
KS Down Town Senter II	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Svenor AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Ségécé Polska	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Ségécé Portugal	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Ceska Republika	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ségécé Slovensko	Slovakia	FC	100.00%	100.00%	–	100.00%	100.00%	–
FAB Centrum Västerort	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Lantmäteribacken	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Sverige AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–

Company	Country	Method December 2009 (1)	% interest		% control	
			December 2009	December 2008	December 2009	December 2008
DECONSOLIDATED COMPANIES						
BPSA 10	Portugal	NC	0%	50.00%	0%	50.00%
SA Kléprojet 2	France	NC	0%	100.00%	0%	100.00%
Srl Effe Kappa	Italy	NC	0%	100.00%	0%	100.00%
SA Finascente	Portugal	NC	0%	100.00%	0%	100.00%
SCI Noblespécialiste	France	NC	0%	75.81%	0%	100.00%
SNC La Marquayssonne	France	NC	0%	75.81%	0%	100.00%
SCI Restorens	France	NC	0%	75.81%	0%	100.00%
SNC Sodirev	France	NC	0%	75.81%	0%	100.00%
SNC Société des Centres Toulousains	France	NC	0%	75.81%	0%	75.81%
SCI Edamarzy	France	NC	0%	100.00%	0%	100.00%
SA ICD	Luxembourg	NC	0%	100.00%	0%	100.00%
SA Novate	Luxembourg	NC	0%	100.00%	0%	100.00%
SA Immobiliare Magnolia	Luxembourg	NC	0%	100.00%	0%	100.00%
Arken Holding AS	Norway	NC	0%	56.10%	0%	100.00%
Fayesgate 7 Eiendom AS	Norway	NC	0%	56.10%	0%	100.00%
Novak Eiendom AS	Norway	NC	0%	56.10%	0%	100.00%
Steen & Strøm Invest AS	Norway	NC	0%	56.10%	0%	100.00%
Stovner Senter Holding AS	Norway	NC	0%	56.10%	0%	100.00%
Camato AS	Norway	NC	0%	56.10%	0%	100.00%
Steen & Strøm Norges Største Senterkjede AS	Norway	NC	0%	56.10%	0%	100.00%

Company	Country	Method December 2009 (1)	% interest		% control	
			December 2009	December 2008	December 2009	December 2008
Løkketangen Torv AS	Norway	NC	0%	56.10%	0%	100.00%
Norsk Automatdrift AS	Norway	NC	0%	56.10%	0%	100.00%
Skårer Stormarked AS	Norway	NC	0%	56.10%	0%	100.00%
Hamar Panorama AS	Norway	NC	0%	56.10%	0%	100.00%
Steen & Strøm Drammen AS	Norway	NC	0%	56.10%	0%	100.00%

(1) FC: Full consolidation – PC: Proportional consolidation – EM: Equity method consolidation – NC: Deconsolidated during the year

Equity interests in subsidiaries

At December 31, 2009, the Group scope of consolidation included 301 companies, compared to 323 at December 31, 2008. The principal changes are as follows:

Entry of Galleria Commerciale Il Destriero

Acquired on October 19, 2009, this Italian company owns the Il Destriero shopping mall in Vittuone. Galleria Commerciale Il Destriero is proportionally consolidated at 50%. The goodwill of the acquisition is -194 000 euros.

Creation of Klémentine BV

This Dutch company was founded in July 2009 and is wholly owned by Klepierre SA. This company has acquired the shares of Klepierre Vallecas previously owned by Capucine BV. This operation will result in the geographical distinction of the shares owned by the Dutch holdings (Capucine BV, Klépierre Nordica BV and Klémentine).

Acquisition of an additional 21.3% interest in IGC on December 14, 2009

The Group's interest in IGC has increased from 50% to 71.3%, resulting in a change of consolidation method from proportional to full consolidation.

Acquisition of an additional 2% interest in Bègles Arcins

Initially consolidated proportionally at 50% in2008, Bègles Arcins became fully consolidated on completion of this transaction on June 30, 2009.

A free reappraisal of the assets of IGC and Bègles has been recorded in order to adjust the value of the initial investment. The resulting adjustment was 93.3 million euros for IGC and 50.4 million euros for Bègles Arcins.

Reduction of the Group's interest in SCOO and Société des Centres Toulousains to 53.64%

Klépierre sold 26.30% of SCOO and 22.17% of Société des Centres Toulousains to BNP Paribas Assurance on June 30, 2009. This transaction generated a consolidated net capital gain of 18.7 million euros.
In the second half of the year, Noblespécialiste, La Marquayssonne, Restorens, Sodirev and Société des Centres Toulousains were merged into SCOO.

Other subsidiaries removed from the scope of consolidation:

- **12 Scandinavian companies** merged in November 2009
- The following companies situated in Luxembourg, **Immobiliare Magnolia, ICD** and **Novate** have merged into Klepierre Luxembourg
- **BPSA10** was merged into Klégé Portugal
- **Kléprojet 2** was merged into Kléprojet 1
- **Finascente** was liquidated
- **Effe Kappa** was merged into Ségécé Italia
- **Edamarzy** merged with Kléprojet 1

The contribution of the entities acquired during the fiscal year to the main items of the Group's consolidated financial statements is analyzed as follows:

Entity	Country	Acquisition date	Lease income	Operating income/ loss	Net income	Intangible fixed assets	Tangible fixed assets	Investment property and fixed assets in progress	Net fixed assets	Net indebtedness including bank overdrafts
Galleria Commerciale Il Destriero	Italy	October 2009	530	200	104	–	–	36 758	36 758	–
TOTAL			**530**	**200**	**104**	**–**	**–**	**36 758**	**36 758**	**–**

in thousands of euros

The purchase price and amount paid to acquire equity shares in Galleria Commerciale Il Destriero were:

	Purchase price of securities	Acquisition amount paid in 2009	Amount paid for buyback of current accounts in 2009	Cash position on the acquisition date
Galleria Commerciale Il Destriero	36902	6902	–	–

in thousands of euros

An advance of 30 million had been carried out previously.

4. 4 Notes to the financial statements: Balance Sheet

4.1. Non-allocated goodwill

	December 31, 2008	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Other movements, reclassification	December 31, 2009
Metropoli	913				913
Vignate	520				520
Galeria Parque Nascente	1713				1713
Ségécé España	11977				11977
Ségécé	52374				52374
Ségécé Magyarorszag	3391				3391
SCOO	814		- 268		546
ICD (Brescia)	910				910
IGC	3214			33114	36328
Ségécé Italia	8150			274	8424
Effe Kappa	274			- 274	–
Steen & Strøm	9709			1632	11341
Coimbra	–			3378	3378
Autres écarts	677				677
NET GOODWILL	**94636**	**0**	**-268**	**38124**	**132492**

in thousands of euros

The increase of this item refers essentially to the goodwill recognized in IGC and Coimbra to balance a provision for deferred tax liability.

In relation with the equity investment in IGC and the transition to full consolidation (following the increase in holding from 50% at December 31, 2008 to 71.3% at December 31, 2009), the majority of the residual goodwill relates to the unrealized tax position applying to the assets held.

The line “Other changes” results of the depreciation of a share in SCOO’s goodwill and the revaluation of Steen & Strom’s goodwill on the basis of a discounted currency exchange rate.

4.2. Intangible assets

IT developments are recognized as "Other intangible assets". The significant increase in this 2009 relates to the Group management and accounting system upgrading project.

	December 31, 2008	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Changes in consolidation scope	Currency fluctuations	Other movements, reclassification	December 31, 2009
Lease rights	1 560						244	1 804
Goodwill	4 805				284	- 167	- 2	4 920
Software	7 080	51	- 2			- 7	248	7 370
Other intangible assets	9 973	8 132			1 670	16	- 1 591	18 200
Total gross value	**23 417**	**8 183**	**- 2**	**0**	**1 954**	**- 158**	**- 1 101**	**32 293**
Lease rights	- 32			- 110				- 142
Goodwill	- 703			- 406	- 85	167	- 1	- 1 028
Software	- 6 562		2	- 859		5	1 688	- 5 726
Other intangible assets	- 2 754			- 885	- 581	- 5	- 1 865	- 6 090
Total amortization	**- 10 051**	**0**	**2**	**- 2 260**	**- 666**	**167**	**- 178**	**- 12 986**
INTANGIBLE ASSETS - NET VALUE	**13 366**	**8 183**	**0**	**- 2 260**	**1 288**	**9**	**- 1 279**	**19 306**

in thousands of euros

4.3. Tangible assets

The "Other movements" item refers to the reclassification of the building operated by the Group at 18-20 rue La Pérouse, the 16th arrondissement of Paris as "Property held for sale".

	December 31, 2008	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in consolidation scope	Other movements, reclassification	December 31, 2009
Land	23 030						- 12 820	10 210
Buildings and fixtures	17 683						- 10 805	6 878
Furniture and equipment	14 180	2 221	- 534		355	222	1 873	18 317
Total gross value	**54 893**	**2 221**	**- 534**	**–**	**355**	**222**	**- 21 752**	**35 405**
Buildings and fixtures	- 3 983			- 250			2 476	- 1 757
Furniture and equipment	- 7 275		294	- 2 328	- 104	- 158	- 295	- 9 866
Total amortization	**- 11 258**	**–**	**294**	**- 2 578**	**- 104**	**- 158**	**2 181**	**- 11 623**
TANGIBLE ASSETS - NET VALUE	**43 636**	**2 221**	**- 240**	**- 2 578**	**251**	**64**	**- 19 571**	**23 783**

in thousands of euros

4.4. Investment property and fixed assets in progress

	December 31, 2008	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in consolidation scope	Other movements, reclassification	December 31, 2009
Land	4 798 901	108 495	- 19 987		190 846	178 376	111 034	5 367 665
Buildings and fixtures	5 595 074	168 865	- 25 291		133 542	198 974	408 205	6 479 369
Total gross value	**10 393 975**	**277 360**	**- 45 278**	**–**	**324 388**	**377 350**	**519 239**	**11 847 034**
Buildings and fixtures	- 775 114		4 905	- 248 486	- 5 452	- 19 390	8 371	- 1 035 166
Total amortization	**- 775 114**	**–**	**4 905**	**- 248 486**	**- 5 452**	**- 19 390**	**8 371**	**- 1 035 166**
Provision for impairment	- 39 738			- 68 459	- 3		4 625	- 103 575
INVESTMENT PROPERTY - NET VALUE	**9 579 123**	**277 360**	**- 40 373**	**- 316 945**	**318 933**	**357 960**	**532 235**	**10 708 293**

in thousands of euros

Excluding investments in progress, the investments for the fiscal year totales 277.4 million euros.

In France, the main contribution to the 54.6 million euros added to the real estate portfolio is the result of acquisitions made by Klémurs totaling 42.9 million euros:

- 26 stores under the ongoing 27.4 million euro Défi Mode-Vivarte agreement signed in 2007
- 6 different assets (most operated by the Chausséa brand) acquired under the preliminary purchase contract signed in July 2008 with DB INVEST (4.4 million euros)
- 4 Buffalo Grill restaurants (6.9 million euros)
- 2 different retail assets (2.8 million euros)

Outside France, the most significant investments were made in Sweden with the Sollentuna and Hageby centers (61.7 and 52.9 million euros respectively), in Norway with the Gulskogen and Farandstreted centers (21.8 and 7.5 million euros respectively), in Italy with the La Romanina mall extension (12.9 million euros) and in Portugal with the additional land purchase for the Portimao mall (5 million euros).

The **"Changes in consolidation scope"** item reflects the effect of changes in consolidation method and additional equity investment in IGC (233.5 million euros) and Bègles Arcins (87.4 million euros), as well as the inclusion of Vittuone within the consolidation scope (37 million euros).

The **"Other movements and reclassifications"** item represents the net balance arising as a result of the reclassification of buildings under negotiation as "Property held for sale", and assets commissioned during the period, which have been reclassified from "Fixed assets in progress".

The **"Provision for impairment"** item includes real estate provisions in respect of shopping centers in the Czech Republic (14.2 million euros), Spain (16.7 million euros), Greece (5 million euros), Scandinavia (7.7 million euros), Poland (4.8 million euros), Belgium (7.6 million euros) and France (39.6 million euros).

	December 31, 2008	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Amortization allowances and provisions	Currency fluctuations	Changes in consolidation scope	Other movements, reclassification	December 31, 2009
Fixed assets in progress	1 193 496	372 362	- 10		6 359	20 298	- 735 155	857 350
Provision for impairment	**- 10 000**			**- 55 892**				**- 65 892**
NET FIXED ASSETS IN PROGRESS	1 183 496	372 362	- 10	- 55 892	6 359	20 298	- 735 155	791 458

in thousands of euros

The majority of the "Other movements and reclassifications" item is accounted for by the commissioning of the following assets: Issy-les-Moulineaux (77.9 million euros), Blagnac in Toulouse (91.2 million euros), Odysseum in Montpellier (93.6 million euros), Saint-Orens (61.5 million euros), Val d'Europe (53.6 million euros), Grand Nîmes (16.3 million euros), the Chalon-sur-Saône retail park (9.7 million euros) and the Romanina center in Italy (11.6 million euros).

The following projects are still at the development stage at the end of the 2009 fiscal year:

- Créteil (67 million euros), Aubervilliers (95 million euros) and Gare Saint Lazare (75 million euros) in France
- Corvin (155 million euros) in Hungary, Gulskogen (39 million euros) in Norway, Sollentuna Hageby and Emporia (82 million euros) in Sweden and Field's (35.8 million euros) in Denmark

The Corvin project in Budapest has been impaired by 62.5 million euros.

4.5. Properties held for sale

	December 31, 2008	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Other movements, reclassification	December 31, 2009
BUILDINGS HELD FOR SALE	44 419		- 124 391	79 972	0

in thousands of euros

The "Reductions" item refers to the sale of the Le Mans and Marché Saint Germain (Paris) malls, and the 23/25 avenue Kléber and 18/20 rue La Pérouse buildings in the 16th arrondissement of Paris.
No building was held for sale at December 31, 2009.

4.6. Equity method securities

Investments in companies accounted for by the equity method at December 31, 2008	**35 331**
Share of 2009 earnings from companies accounted for by the equity method	2 369
Dividends received from companies accounted for by the equity method.	- 1 344
Other movements	7
Investments in companies accounted for by the equity method at December 31, 2009	**36 363**

in thousands of euros

At December 31, 2009, 11 companies were consolidated under the equity method.
The key balance sheet and income statement data for companies consolidated using the equity method at December 31, 2009 are shown below (100% values, reflecting consolidation restatements):

	December 31, 2009
Investment property	12 630
Assets	**12 630**
Restated equity	9 418
Liabilities	**9 418**
Lease income	9 550
Net income	**8 488**

in thousands of euros

4.7. Share in the balance sheet and earnings of associate companies

Associate companies are proportionally consolidated.

	December 31, 2009	December 31, 2008
Share in balance sheet of associate companies		
Current assets	41 899	41 169
Non-current assets	261 983	295 145
Total Assets	**303 882**	**336 314**
Current liabilities	192 823	167 559
Non-current liabilities	111 059	168 755
Total Liabilities	**303 882**	**336 314**

in thousands of euros

	December 31, 2009	December 31, 2008
Share in the earnings of associate companies		
Income from regular business	22 503	33 268
Operating expenses	- 16 683	- 13 555
Financial income	- 3 376	- 6 837
Pre-tax earnings	2 444	12 876
Corporate income tax	- 213	- 2 854
NET INCOME	**2 232**	**10 021**

in thousands of euros

4.8. Financial assets

The "Financial assets" item represents the shares held in Sovaly, the company formed for a development project.

4.9. Non-current assets

	December 31, 2008	Entries into scope of consolidation	Increase	Decrease	Other	December 31, 2009
Finance leased fixed assets	1 427			- 1 427		
Advance payments to non-consolidated companies, companies consolidated using the equity-method and proportionnaly consolidated companies	8 344		5 787	- 8 103	531	6 559
Loans	88			- 11		77
Security deposits	12 248		5 094	- 1 308		16 035
Other long-term financial investments	16 667		672	- 481	- 13 682	3 176
TOTAL	**38 774**	**0**	**11 553**	**- 11 330**	**- 13 151**	**25 847**

in thousands of euros

At December 31, 2008, the residual value of the leased building (Lille) was treated as a finance-lease transaction recognized in non-current receivables. This building was sold in 2009.
The "Other movements" item of -13.2 million euros refers essentially to the reversal of the advance payment made by Clivia as part of the Vittuone acquisition completed in 2009.

4.10. Inventory

At December 31, 2009, inventory totaled 2.7 million euros, of which 2.4 million euros related to the Group and 297,000 euros to external partners. The inventory comprised of lots acquired under the "real estate agent" regime.

4.11. Trade accounts and notes receivable

Trade accounts include the effect of spreading the benefits granted to office and shopping center tenants.

	Rental activities	Other activities	December 31, 2009	December 31, 2008
Receivables	85 226	32 583	117 809	105 817
Provisions	- 23 253	- 2 079	- 25 332	- 15 871
TOTAL	61 972	30 505	92 477	89 946

in thousands of euros

4.12. Other receivables

	December 31, 2009	December 31, 2008
Tax receivables	**38 044**	**88 438**
- Corporate income tax	6 049	18 696
- V.A.T.	31 995	69 742
Other debtors	**301 943**	**282 599**
- Calls for funds	121 850	91 170
- Downpayments to suppliers	9 121	8 293
- Prepaid expenses	87 123	89 933
- Other	83 849	93 203
TOTAL	339 987	371 037

in thousands of euros

	December 31, 2009	Less than 1 year	More than 1 year
Tax receivables	**38 044**	**38 044**	**0**
- Corporate income tax	6 049	6 049	–
- V.A.T.	31 995	31 995	–
Other debtors	**301 943**	**231 673**	**70 270**
- Calls for funds	121 850	121 850	–
- Downpayments to suppliers	9 121	8 773	348
- Prepaid expenses	87 123	25 777	61 346
- Other	83 849	75 273	8 576
TOTAL	339 987	269 717	70 270

in thousands of euros

The "Corporate Income Tax" item shown for December 31, 2008 includes a carry back of 7.9 million euros of Klepierre SA. This amount was repaid in 2009.

The "VAT" item includes outstanding refunds due from local tax authorities in respect of recent acquisitions or construction projects in progress. VAT refunds were received during the year, including 18.7 million euros by Klépierre Vallecas (Spain) and 7.7 million euros by SCOO (France).

The funds managed by Ségécé on behalf of its principals are included in "Other debtors" for 55.2 million euros.

4.13. Cash and near cash

	December 31, 2009	December 31, 2008
Near cash	**100 670**	**117 279**
- Treasury bills and certificates of deposit	4 911	14 641
- Money market investments	95 759	102 638
Cash	**135 281**	**125 446**
TOTAL	235 951	242 725

in thousands of euros

	December 31, 2009	December 31, 2008
Near cash	100 670	117 279
Cash	135 281	125 446
Gross cash and near cash	**235 951**	**242 725**
Bank credit balances	81 100	146 540
Net cash and near cash	**154 851**	**96 185**

in thousands of euros

Near cash refers to French and Scandinavian money market open-ended and mutual funds (OPCVM, 95.8 million euros) and Spanish one-month and two-month deposit certificates (4.9 million euros).
The funds managed by Ségécé on behalf of its principals are reclassified under "Other debtors" (55.2 million euros at December 31, 2009 and 57.8 million euros at December 31, 2008).
The available cash and investment securities are made up of "Cash and near cash", plus the amount of funds managed by Ségécé on behalf of principals, totaled 291.1 million euros.

4.14. Equity

Share capital

Adopted by 86.4% of shareholders, the proposal to pay the 2008 dividend in the form of shares resulted in the creation of 15 757 728 new shares and a capital increase by maintaining preferential right issues that raised a gross total of 175.0 million euros.
At December 31, 2009, capital was represented by 181 972 159 shares each of 1.40 euro face value. The share capital is fully paid up, and shares are either registered or bearer.

	December 31, 2009	December 31, 2008
Authorized		
Ordinary shares of 1.40 euro	181 972 159	166 214 431
Refoundable convertible preferencial shares	NA	NA
TOTAL	**181 972 159**	**166 214 431**

Treasury shares:

The Group acquired shares in Klépierre S.A. during the year, as authorized by the ordinary general meetings of shareholders.
Treasury shares totaled 2 880 923 at December 31, 2009 (compared with 3 779 079 at December 31, 2008) at a total cost of 81.3 million euros.
Capital losses made on sales of treasury shares were recognized under equity at -1 million euros at December 31, 2009 and -3.7 million euros at December 31, 2008. The cost of acquiring shares and the revenue from share sales were respectively debited from, and credited to, equity.

Minority interests

The change of 227.3 million euros in minority shareholder equity includes:
- 124 million euros from the additional investment made by BNP Paribas Assurance in SCOO and SCT
- 127.4 million euros from the change of consolidation method for IGC and Bègles Arcins and the free evaluation of their assets

In the second half of 2009, Klépierre granted Finiper (the minority shareholder in IGC) two put options on its shares: the first representing 12%, and the second 16.70%. The first option is a minority interest buyback commitment worth 17 million euros and non-cancellable by the Group. Under the terms of the second put, Klépierre may retract from the option, but would then be liable to pay a penalty linked to the value of the malls concerned. The cost of such retraction would be 6.1 million euros.

The total commitment of 23.1 million euros is recognized as a debt on the liabilities side of the balance sheet to balance the corresponding reduction in minority interests.

4.15. Current and non-current financial liabilities

Change in indebtedness

Current and non-current financial liabilities totaled 7 514 million euros at December 31, 2009.
Net financial debt totaled 7 279 million euros, compared with 7 083 million euros at December 31, 2008. Net financial debt is the difference between financial liabilities (excluding Fair Value Hedge revaluation), and available cash and investment securities.
In outline terms, this increase of 196 million euros is the result of the following influences:
- The principal funding requirements for the fiscal year were driven by investment (623.3 million euros) and payment of the 2008 dividend (203 million euros)
- Resources were distributed between the capital increase of 175.4 million euros resulting from the proposal to pay the divided in the form of shares, disposals (384 million euros), free cash flow for the fiscal year and the equity contribution of partners to development transactions
- The conversion to euros of Steen & Strøm net debt generated an exchange rate effect that added 198 million euros to the net consolidated debt. This reflects the appreciation of Scandinavian currencies against the euro, which also has the effect of increasing the euro value of Steen & Strøm assets.

	December 31, 2009	December 31, 2008
NON-CURRENT		
Bond issues net costs/premiums	**1 305 897**	**1 351 616**
– of which reevaluation due to Fair Value Hedges	*24 332*	*19 918*
Borrowings and debts with credit institutions over 1 year	**5 299 908**	**5 575 803**
Sundry loans and financial debts	**64 699**	**43 924**
– Advance payments to the group and associates	*64 699*	*43 924*
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6 670 504**	**6 971 343**
CURRENT		
Bond issues net costs/premiums	**48 196**	**30 944**
Borrowings and debts from credit institutions under 1 year	**373 837**	**71 320**
Accrued interest	**52 606**	**69 635**
– on bond issues	*36 118*	*36 578*
– on loans from credit institutions	*12 949*	*24 169*
– on advance payments to the group and associates	*3 539*	*8 888*
Commercial paper	**365 679**	**110 629**
Sundry loans and financial debts	**2 771**	**2 976**
– Advance payments to the group and associates	*2 771*	*2 976*
TOTAL CURRENT FINANCIAL LIABILITIES	**843 089**	**285 504**

in thousands of euros

Principal sources of financing

The main sources of financing available to the Group are shown in the following tables.
The most notable changes during the fiscal year was the securing of a new bilateral loan with BNP Paribas (2 400 million euros, including a 300 million euro commercial paper program backup line) to make an early repayment of the syndicated loans arranged in 2006 (1 500 million euros) and 2008 (750 million euros), the arrangement of new mortgage loans in France and Norway (275 million euros) and the partial buyback of the 2016 bond debt at a nominal amount of 10.9 million euros (the repurchased securities having been cancelled). At the end of the year, Steen & Strøm had also negotiated a new credit line of 300 million Danish Krones, which remained unused at December 31, 2009.

KLÉPIERRE GROUP SOURCES OF FUNDING IN EUROS

	Borrower	% holding by Klépierre	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount used
Bond issues						**1 289**	**1 289**
of which:	Klépierre	100%	4.625%	15/07/2011	*In fine*	600	600
	Klépierre	100%	4.250%	16/03/2016	*In fine*	689	689
Syndicated loans						**1 150**	**400**
of which:	Klépierre	100%	Euribor	21/09/2014	*In fine*	1 000	250
	Klémurs	84.1%	Euribor	12/12/2011	*In fine*	150	150
Bilateral loans						**3 101**	**2 801**
of which:	Klépierre	100%	3m-Euribor	30/06/2015	Amortizable	2 100	2 100
	Klépierre (*back up*)	100%	3m-Euribor	30/06/2015	*In fine*	300	–
	Klépierre	100%	3m-Euribor	07/10/2012	*In fine*	400	400
	Klépierre	100%	Fixed rate	22/03/2010	*In fine*	135	135
	Klépierre Part. & Fints	100%	Fixed rate	22/03/2010	*In fine*	165	165
Mortgages loans						**310**	**310**
of which:	Klécar Italia	83%	3m-Euribor	30/06/2015	Amortizable	107	107
	GC Assago	100%	3m-Euribor	03/07/2015	Amortizable	102	102
	GC Collegno	100%	3m-Euribor	15/07/2015	Amortizable	16	16
	K2	85%	3m-Euribor	15/01/2023	Amortizable	54	54
	Le Havre Vauban et Lafayette	50%	3m-Euribor	31/12/2014	*In fine*	24	24
Property finance leases						**264**	**264**
of which:	IGC	71%	3m-Euribor	12/03/2022	Amortizable	30	30
	Cécoville	100%	3m-Euribor	27/12/2019	Amortizable	42	42
	Cécoville	100%	3m-Euribor	03/04/2020	Amortizable	62	62
	Clivia	50%	3m-Euribor	02/07/2022	Amortizable	63	63
	Klémurs/Cap Nord	84.1%	3m-Euribor/ Fixed rate	–	Amortizable	45	45
Short-term lines and bank overdrafts						**68**	**18**
of which:	Klépierre Finance (overdraft)	100%	Eonia	–	–	50	–
	IGC	71%	3m-Euribor	18/01/2010	*In fine*	10	10
Commercial papers						**300**	**297**
	Klépierre (commercial paper)	100%	–	–	*In fine*	300	297
TOTAL FOR THE GROUP (EUR) (1)						**6 181**	**5 378**

in millions of euros
(1) The totals are calculated excluding the backup line of funding, since the maximum amount of the "commercial paper" line incudes that of the backup line.

FUNDING SOURCES OF STEEN & STRØM

	Issue currency	% holding by Klépierre	Reference rate	Repayment profile	Maximum amount	Amount used
Bond market	NOK	56.1%	NIBOR	*In fine*	48	48
Mortgages loans	NOK	56.1%	NIBOR	–	842	842
Bank overdrafts	NOK	56.1%	NIBOR	–	30	0
Commercial paper	NOK	56.1%	NIBOR	*In fine*	69	69
Sub-total (NOK)					**989**	**959**
	Issue currency	**% holding by Klépierre**	**Reference rate**	**Repayment profile**	**Maximum amount**	**Amount used**
Mortgages loans	SEK	56.1%	STIBOR	–	416	416
Bank overdrafts	SEK	56.1%	STIBOR	–	5	4
Sub-total (SEK)					**420**	**419**
	Issue currency	**% holding by Klépierre**	**Reference rate**	**Repayment profile**	**Maximum amount**	**Amount used**
Mortgages loans (1)	DKK	56.1%	CIBOR/fixed rate	–	670	630
Sub-total (DKK)					**670**	**630**
TOTAL FOR STEEN & STRØM					**2 079**	**2 008**
TOTAL FOR THE GROUP (KLÉPIERRE AND STEEN & STRØM IN EUROS)					**8 261**	**7 386**

(1) Of which fixed rate: 212 million euros.

Financial covenants relating to financing and rating

The Group's main credit agreements include clauses (renegotiated in June 2009), which, if not complied with, could result in demands for early repayment of the corresponding finance.
All the financial ratios, the amounts involved and their levels at December 31, 2009 are shown in paragraph 7.2 "Liquidity risk" of section 7 "Exposure to risks and hedging strategy".

Breakdown of financial debts by maturity date

- Breakdown of current and non-current financial liabilities:

	Total	Less than 1 year	1-5 years	More than 5 years
NON-CURRENT				
Bond issues net costs/premiums	**1 305 897**	**–**	**616 797**	**689 100**
– Of which reevaluation due to Fair Value Hedges	*24 332*	–	*24 332*	–
Borrowings and debts with credit institutions over 1 year	**5 299 908**	**–**	**3 432 469**	**1 867 439**
Sundry loans and financial debts	**64 699**	**–**	**64 699**	**–**
– Advance payments to the group and associates	*64 699*	–	*64 699*	–
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6 670 504**	**0**	**4 113 965**	**2 556 539**
CURRENT				
Bond issues net costs/premiums				
Borrowings and debts from credit institutions under 1 year	**48 196**	**48 196**	**–**	**–**
Accrued interest	**373 837**	**373 837**	**–**	**–**
– On bond issues	*52 606*	*52 606*	–	–
– On loans from credit institutions	*36 118*	*36 118*	–	–
– On advance payments to the group and associates	*12 949*	*12 949*	–	–
Commercial paper	*3 539*	*3 539*	–	–
Other	**365 679**	**365 679**	**–**	**–**
Sundry loans and financial debts	**2 771**	**2 771**	**–**	**–**
– Advance payments to the group and associates	*2 771*	*2 771*	–	–
TOTAL CURRENT FINANCIAL LIABILITIES	**843 089**	**843 089**	**0**	**0**

in thousands of euros

• Financing amortization table:

Repayment year	Issue currency	2010	2011	2012	2013	2014	2015	2016	2017	2018-2023	TOTALS
Bond issues	EUR	–	600	–	–	–	–	689	–	–	1 289
Borrowings and debts from credit institutions	EUR	344	195	854	1 203	303	733	25	26	91	3 775
Short-term lines and bank overdrafts	EUR	10	8	–	–	–	–	–	–	–	18
Commercial papers	EUR	297	–	–	–	–	–	–	–	–	297
Funding issued in EUR		**650**	**803**	**854**	**1 203**	**303**	**733**	**715**	**26**	**91**	**5 378**
Funding issued in NOK	**NOK**	**124**	**12**	**326**	**15**	**296**	**10**	**10**	**92**	**74**	**959**
Funding issued in SEK	**SEK**	**11**	**52**	**99**	**9**	**47**	**8**	**8**	**37**	**148**	**419**
Funding issued in DKK	**DKK**	**3**	**3**	**3**	**7**	**7**	**20**	**20**	**20**	**547**	**630**
TOTAL FOR THE GROUP		**788**	**871**	**1 282**	**1 233**	**653**	**771**	**753**	**175**	**860**	**7 386**

in millions of euros or equivalent

The maturity dates shown for 2010 refer to the repayment of two fixed-rate loans to BNP Paribas (300 million euros), the repayment of a bond debt in Norway (48 million euros) and the Group's renewable short-term funding: overdrafts, short-term borrowings and commercial papers (respectively 366, 9.5 and 4 million euros). For the record, Klépierre's outstanding commercial papers can be fully refinanced by drawing on a confirmed line of bank credit with a maturity date of 2015. The balance of approximately 61 million euros relates principally to the amortization of the Group's euro- and Scandinavian currency-denominated bank loans, most of which are amortized quarterly.

The contractual flows including principal and interest (not discounted) by maturity date are as follows (in millions of euros equivalent):

Repayment year	2010	2011	2012	2013	2014	2015	2016	2017	2018-2023	Totals
Bond issues	57	643	29	29	29	29	696	–	–	1 514
Borrowings and debts from credit institutions	404	248	897	1 231	330	746	36	35	100	4 027
Bank overdrafts	10	8	–	–	–	–	–	–	–	18
Commercial papers	299	–	–	–	–	–	–	–	299	598
Funding issued in EUR	**769**	**900**	**926**	**1 261**	**359**	**775**	**732**	**35**	**399**	**6 157**
Funding issued in NOK	**148**	**35**	**344**	**28**	**306**	**16**	**15**	**95**	**74**	**1 061**
Funding issued in SEK	**16**	**57**	**103**	**12**	**50**	**11**	**10**	**39**	**148**	**447**
Funding issued in DKK	**14**	**15**	**15**	**18**	**22**	**35**	**34**	**34**	**547**	**733**
TOTAL FOR THE GROUP	**948**	**1 006**	**1 387**	**1 318**	**737**	**837**	**792**	**204**	**1 169**	**8 398**

in millions of euros or equivalent
Calculated on the basis of interest rates at December 31, 2009

At December 31, 2008, the amortization table for these contractual flows was as follows:

Repayment year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018-2023	Totals
Bond issues	58	58	645	30	30	30	30	706	-	-	1 585
Borrowings and debts from credit institutions	162	467	1 044	356	1 278	1 015	250	29	28	86	4 714
Bank overdrafts	49	-	-	-	-	-	-	-	-	-	49
Commercial papers	91	-	-	-	-	-	-	-	-	-	91
Funding issued in EUR	**360**	**524**	**1 689**	**386**	**1 308**	**1 045**	**280**	**735**	**28**	**86**	**6 439**
Funding issued in NOK	**108**	**77**	**39**	**261**	**28**	**245**	**18**	**17**	**85**	**73**	**953**
Funding issued in SEK	**24**	**19**	**61**	**102**	**17**	**30**	**15**	**15**	**15**	**179**	**479**
Funding issued in DKK	**24**	**22**	**22**	**22**	**23**	**22**	**34**	**34**	**33**	**366**	**601**
TOTAL FOR THE GROUP	**515**	**643**	**1 811**	**771**	**1 376**	**1 343**	**347**	**801**	**161**	**704**	**8 472**

in millions of euros or equivalent
Calculated on the basis of interest rates at December 31, 2008

4.16. Hedging instruments

Interest rate hedging portfolio

As part of its risk management policy (*cf.* corresponding section), Klépierre has contracted interest rate swap agreements allowing 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 76% at December 31, 2009.
At December 31, 2009, the breakdown of derivatives by maturity date was as follows:

DERIVATIVES USED BY THE KLEPIERRE GROUP

	Hedging relationship	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Klépierre	Cash Flow Hedge	–	800	300	200	–	1 450	150	200	100	3 200
	– Of which spot start swaps	*–*	*800*	*300*	*200*	*–*	*1 450*	*–*	*–*	*100*	*2 850*
	– Of which forward start swaps	*–*	*–*	*–*	*–*	*–*	*–*	*150*	*200*	*–*	*350*
	Fair Value Hedge	–	600	–	–	–	–	–	–	–	600
Klécar Italia	Cash Flow Hedge	90	–	–	–	–	–	–	–	–	90
Klémurs	Cash Flow Hedge	–	–	–	–	100	250	–	–	–	350
	– Of which spot start swaps	*–*	*–*	*–*	*–*	*100*	*250*	*–*	*–*	*–*	*350*
GC Assago	Cash Flow Hedge		–	–	–	–	–	85	–	–	85
GC Collegno	Cash Flow Hedge	–	–	–	–	–	–	15	–	–	15
Le Havre Vauban et Lafayette	Cash Flow Hedge	–	–	–	–	22	–	–	–	–	22
EUR-denominated derivatives		**90**	**1 400**	**300**	**200**	**122**	**1 700**	**250**	**200**	**100**	**4 362**
Steen & Strøm	Cash Flow Hedge										
	– Of which swaps/FRA (1)	*120*	*84*	*117*	*–*	*181*	*–*	*84*	*–*	*–*	*587*
	– Of which caps/collars	*–*	*36*	*–*	*–*	*–*	*–*	*–*	*–*	*–*	*36*
NOK-denominated derivatives		**120**	**120**	**117**	**–**	**181**		**84**	**–**	**–**	**624**
Steen & Strøm	Cash Flow Hedge										
	– Of which swaps/FRA (1)	*49*	*107*	*88*	*–*	*–*	*15*	*20*	*–*	*–*	*278*
	– Of which caps/collars	*–*	*–*	*20*	*–*	*59*	*–*	*–*	*–*	*–*	*78*
SEK-denominated derivatives		**49**	**107**	**107**	**–**	**59**	**15**	**20**	**–**	**–**	**356**
Steen & Strøm	Cash Flow Hedge										
	– Of which swaps/FRA (1)	*–*	*–*	*70*	*–*	*67*	*–*	*–*	*–*	*–*	*137*
	– Of which caps and collars (2)	*–*	*–*	*–*	*27*	*–*	*–*	*40*	*–*	*–*	*67*
DKK-denominated derivatives		**–**	**–**	**70**	**27**	**67**	**–**	**40**	**–**	**–**	**205**
TOTAL FOR THE GROUP		259	1 628	595	227	428	1 715	394	200	100	5 546

in millions of euros
(1) of which FRA for 700 million NOK (84 million euros) and 500 million SEK (49 million euros).
(2) Excluding swap with January 1, 2010 maturity (222 million euros)

The corresponding contractual flows (interest) break down as follows (positive flows = payer flows):

	Hedging relationship	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Spot start swaps	Cash Flow Hedge	110	106	81	73	70	32	4	3	1	480
Forward start swaps	Cash Flow Hedge	–	5	11	10	10	10	6	–	–	52
Spot start swaps	Fair Value Hedge	- 20	- 9	–	–	–	–	–	–	–	- 29
EUR-denominated derivatives		**90.0**	**102.0**	**92.0**	**83.0**	**80.0**	**42.0**	**10.0**	**3.0**	**1.0**	**503**
NOK-denominated derivatives		**11.9**	**7.6**	**6.3**	**5.0**	**3.3**	**1.8**	**0.9**	**–**	**–**	**37**
SEK-denominated derivatives		**10.7**	**8.4**	**5.0**	**3.1**	**2.2**	**0.9**	**0.3**	**–**	**–**	**31**
DKK-denominated derivatives		**3**	**5**	**4**	**3**	**2**	**1**	**1**	**–**	**–**	**18**
TOTAL FOR THE GROUP		115.7	122.9	107.4	93.6	87.1	45.7	11.7	3.0	1.0	588

in millions of euros
Calculated on the basis of interest rates at December 31, 2009

At December 31, 2008, the breakdown of derivatives by maturity date and the amortization schedule for the corresponding interest flows were as follows:

DERIVATIVES USED BY THE KLEPIERRE GROUP

	Hedging relationship	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Klépierre	Cash Flow Hedge	300	200	1 100	300	200	–	1 650	–	–	100	3 850
	– Of which spot start swaps	*300*	*200*	*700*	*300*	*200*	–	*1 650*	–	–	*100*	*3 450*
	– Of which forward start swaps	–	–	*400*	–	–	–	–	–	–	–	*400*
	Fair Value Hedge	–	–	600	–	–	–	–	–	–	–	600
Klécar Italia	Cash Flow Hedge	–	90	–	–	–	–	–	–	–	–	90
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	–	–	–	–	–	–	–	90	–	–	90
GC Collegno	Cash Flow Hedge								15			15
IGC (tunnel)	*Trading*	4	–	–	–	–	–	–	–	–	–	4
EUR-denominated derivatives		**304**	**290**	**1 700**	**300**	**200**	**100**	**1 900**	**105**	**–**	**100**	**4 999**
Steen & Strøm	Cash Flow Hedge											
	– Of which swaps/FRAs	*21*	*103*	*93*	*142*	–	*41*	–	*41*	–	–	*441*
	– Of which caps/tunnels	–	–	*31*	–	–	–	–	–	–	–	*31*
NOK-denominated derivatives		**21**	**103**	**124**	**142**	**–**	**41**	**–**	**41**	**–**	**–**	**472**
Steen & Strøm	Cash Flow Hedge											
	– Of which swaps/FRAs	–	*45*	*73*	*82*	–	–	*14*	*18*	–	–	*231*
	– Of which caps/tunnels	–	–	–	*18*	–	*54*	–	–	–	–	*73*
SEK-denominated derivatives		**–**	**45**	**73**	**100**	**–**	**54**	**14**	**18**	**–**	**–**	**304**
Steen & Strøm	Cash Flow Hedge											
	– Of which swaps/FRAs	*50*	–	–	*65*	–	–	–	–	–	–	*114*
	– Of which caps/tunnels	–	–	–	–	*25*	–	–	*37*	–	–	*62*
	Fair Value Hedge		204									204
TOTAL FOR THE GROUP		**324**	**393**	**1 824**	**442**	**200**	**141**	**1 900**	**146**	**–**	**100**	**5 471**

in millions of euros

Année de remboursement	Hedging relationship	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Spot start swaps	Cash Flow Hedge	36	36	33.6	30	28	27	13	1	1	0	206
Forward start swaps	Cash Flow Hedge	2	4	2.5	–	–	–	–	–	–	–	8
Spot start swaps	Fair Value Hedge	- 6	- 6	- 3.3	–	–	–	–	–	–	–	- 16
Tunnel	*Trading*	–	–	–	–	–	–	–	–	–	–	–
EUR-denominated derivatives		**31.5**	**33.8**	**32.8**	**30.0**	**28.0**	**26.7**	**12.6**	**1.5**	**1.2**	**0.2**	**198.2**
NOK-denominated derivatives		**0.1**	**- 1.1**	**- 1.1**	**0.1**	**0.3**	**- 0.0**	**0.1**	**0.1**	**0.1**	**–**	**- 1.6**
SEK-denominated derivatives		**1.8**	**3.3**	**3.2**	**2.9**	**1.8**	**0.9**	**0.5**	**0.5**	**0.3**	**–**	**15.2**
DKK-denominated derivatives		**- 3.6**	**- 3.2**	**- 0.5**	**- 0.5**	**- 0.5**	**- 0.2**	**- 0.2**	**- 0.2**	**- 0.0**	**–**	**- 8.8**
TOTAL FOR THE GROUP		**29.7**	**32.8**	**34.3**	**32.4**	**29.5**	**27.4**	**13.0**	**1.9**	**1.6**	**0.2**	**196.6**

in millions of euros
Calculated on the basis of interest rates at December 31, 2008.

Fair value of the interest rate hedging portfolio

Derivatives	Fair value net of accrued interest at December 31, 2009	Fair value change in 2009	Counterparty
Cash flow hedge	- 236.6	- 50.4	Shareholders' equity
Fair value hedge	23.0	5.5	Financial liabilities
Trading	*0.0*	*0.0*	*Income/loss*
TOTAL	**- 213.6**	**- 44.9**	

in millions of euros

Exchange rate hedging portfolio

At December 31, 2009, the hedging portfolio also included two exchange rate hedging instruments subscribed by Steen & Strøm to convert a loan subscribed in Danish Krone to Swedish Krona based on a notional total of 725 million Danish Krone (maturity date: December 31, 2010). The fair value of the accrued coupon interest for these instruments is 1.1 million euros.

4.17. Long-term provisions

These include a 4.4 million euros provision to cover the risk presented by a Major Retailer tax investigation instigated by the Principality of Asturias.

4.18. Deferred taxes

	December 31, 2008	Change in earnings	Cash flow hedging reserves	Other changes	December 31, 2009
Buildings	- 471 854	47 875		- 72 703	- 496 682
Derivatives	7 416	284	- 889	- 24	6 787
Deficits	26 665	12 150		2 451	41 266
Other items	- 18 559	- 2 794		21 759	406
TOTAL FOR ENTITIES IN A NET LIABILITY POSITION	**- 456 332**	**57 515**	**- 889**	**- 48 517**	**- 448 223**

	December 31, 2008	Change in earnings	Cash flow hedging reserves	Other changes	December 31, 2009
Buildings	6 051	- 28		- 1 209	4 814
Derivatives	28 406	- 3 192	13 309	- 71	38 452
Deficits	22 314	793		1 498	24 605
Other items	12 181	- 1 959		- 5 264	4 958
TOTAL FOR ENTITIES IN A NET ASSET POSITION	**68 952**	**- 4 386**	**13 309**	**- 5 046**	**72 829**

in thousands of euros

The "Other changes" item includes:
- -30.6 million euros in respect of currency fluctuations
- the provision of -35 million euros recognized in IGC in respect of the goodwill

4.19. Tax liabilities, staff benefits and other payables

	December 31, 2009	December 31, 2008
Social and tax liabilities	**94 158**	**100 973**
Personnel and related accounts	22 904	19 999
Social security and other bodies	7 774	8 958
State		
– Corporate income tax	25 393	47 022
– V.A.T.	19 294	20 243
Other taxes and duties	18 794	4 751
Other liabilities	**253 930**	**218 212**
Creditor customers	101 315	75 107
Deferred income	37 057	29 190
Other liabilities	115 558	113 915

in thousands of euros

The 101.3 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 debtors" on the asset side of the balance sheet.
These funds totaled 55.2 million euros at December 31, 2009.

5. Segment information

5.1. Segment Income Statement at December 31, 2009

For management reasons, the Group is structured into business segments and geographic regions. There are 7 operating segments.
Shopping centers are structured into 5 operating segments:
- France and Belgium;
- Scandinavia;
- Italy and Greece;
- Iberia (Spain and Portugal);
- Central Europe.

The remaining 2 operating segments are retail units and office buildings.
The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation.
Financial group policies (including the impact of financial expenses and revenues), corporate activities and fiscal result calculation are handled at Group level, and are not allocated to the operating segments.

	Shopping centers									
	France and Belgium		Scandinavia		Italy and Greece		Iberia		Central Europe	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Lease income	*348.7*	*312.6*	*160.3*	*37.9*	*100.3*	*97.5*	*96.7*	*88.6*	*81.5*	*83.6*
Other rental income	*10.5*	*5.3*	–	–	*1.5*	*1.7*	*0.6*	*1.8*	*2.0*	*2.1*
Lease income	**359.2**	**317.8**	**160.3**	**37.9**	**101.8**	**99.2**	**97.3**	**90.4**	**83.5**	**85.7**
Land expenses (real estate)	- 2.3	- 2.1	–	–	–	–	- 0.2	- 0.2	–	–
Non-recovered rental expenses	- 7.6	- 5.2	- 13.9	–	- 2.9	- 2.7	- 4.6	- 3.8	-6.2	- 8.9
Building expenses (owner)	- 22.9	- 14.0	- 9.7	- 6.3	- 9.5	- 8.1	- 5.1	- 5.2	- 8.0	- 5.8
Net lease income	**326.5**	**296.5**	**136.7**	**31.6**	**89.4**	**88.3**	**87.5**	**81.2**	**69.3**	**71.0**
Management, administrative and related income	38.4	51.0	24.0	6.7	6.6	6.5	7.6	7.9	3.2	3.6
Other operating income.	14.9	10.7	7.8	0.5	0.6	1.3	0.5	0.4	2.0	1.6
Survey and research costs	–	–	–	–	–	–	–	–	–	–
Payroll expenses	- 41.8	- 41.0	- 28.1	- 7.4	- 6.2	- 6.0	- 9.5	- 8.4	- 4.8	- 5.1
Other general expenses	- 7.5	- 12.5	- 8.9	- 2.3	- 4.0	- 1.6	- 4.0	- 1.9	- 3.4	- 2.1
GROSS OPERATING SURPLUS	**330.4**	**304.6**	**131.5**	**29.1**	**86.5**	**88.6**	**82.1**	**79.2**	**66.2**	**68.9**
Amortization of investment property and property under negotiation	- 96.4	- 83.6	- 68.1	- 15.1	- 32.2	- 20.5	- 37.3	- 28.7	- 89.6	- 38.0
Amortization of PPE	- 1.5	- 1.3	- 0.7	- 0.5	- 1.1	- 1.0	- 0.2	- 0.3	- 0.9	- 0.9
Provisions	- 2.1	- 0.8	–	–	–	0.1	- 0.9	- 0.7	- 1.4	0.1
OPERATING INCOME/LOSS	**230.4**	**219.0**	**62.8**	**13.6**	**53.3**	**67.2**	**43.8**	**49.5**	**- 25.6**	**30.3**
Share in earnings of equity-method investees	2.4	1.4	–	–	–	–	–	–	–	–
Income from disposals	41.8	30.4	–	–	- 0.1	0.1	–	–	–	–
SEGMENT EARNINGS	**274.5**	**250.8**	**62.8**	**13.6**	**53.2**	**67.2**	**43.8**	**49.5**	**- 25.6**	**30.3**

in millions of euros

	Shopping centers		Retail units		Office buildings		Unallocated		Klépierre Group	
	Total		France		France					
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Lease income	787.4	620.1	42.8	33.7	49.9	52.4	–	–	880.1	706.2
Other rental income	14.7	10.8	0.7	–	–	–	–	–	15.4	10.8
Lease income	**802.1**	**630.9**	**43.5**	**33.7**	**49.9**	**52.4**	**–**	**–**	**895.5**	**717.0**
Land expenses (real estate)	- 2.5	- 2.3	–	–	- 0.2	- 0.3	–	–	- 2.7	- 2.6
Non-recovered rental expenses	- 35.1	- 20.7	- 0.1	–	- 1.8	- 1.0	–	–	- 37.0	- 21.6
Building expenses (owner)	- 55.2	- 39.4	- 2.0	- 1.3	- 1.7	- 1.2	–	–	- 58.9	- 42.0
Net lease income	**709.4**	**568.5**	**41.3**	**32.4**	**46.2**	**49.9**	**–**	**–**	**796.9**	**650.8**
Management, administrative and related income	79.8	75.7	1.0	1.8	–	–	–	–	80.8	77.5
Other operating income.	25.9	14.5	0.4	0.3	0.3	–	0.5	0.9	27.1	15.7
Survey and research costs	–	–	–	–	–	–	- 3.3	- 2.5	- 3.3	- 2.5
Payroll expense	- 90.5	- 67.9	- 1.4	- 1.2	- 0.9	- 1.6	- 10.9	- 11.6	- 103.7	- 82.3
Other general expenses	- 27.8	- 20.4	- 0.6	- 0.6	- 0.3	- 0.2	- 5.9	- 6.6	- 34.5	- 27.8
GROSS OPERATING SURPLUS	**696.8**	**570.4**	**40.7**	**32.7**	**45.3**	**48.0**	**- 19.5**	**- 19.9**	**763.2**	**631.3**
Amortization of investment property and property under negotiation	- 323.5	- 185.8	- 34.0	- 16.0	- 11.7	- 11.3	–	–	- 369.1	- 213.1
Amortization of PPE	- 4.3	- 3.9	–	–	- 0.5	- 0.9	- 0.2	- 0.3	- 5.0	- 5.2
Provisions	- 4.4	- 1.2	–	–	–	–	–	–	- 4.4	- 1.3
OPERATING INCOME/LOSS	**364.6**	**379.5**	**6.7**	**16.7**	**33.1**	**35.9**	**- 19.8**	**- 20.2**	**384.7**	**411.8**
Share in earnings of equity-method investees	2.4	1.4	–	–	–	–	–	–	2.4	1.4
Income from disposals	41.7	30.4	4.6	–	40.4	29.0	–	–	86.6	59.4
SEGMENT EARNINGS	**408.7**	**411.3**	**11.3**	**16.7**	**73.5**	**64.9**	**-19.8**	**-20.2**	**473.7**	**472.6**
Net dividends and provisions on non-consolidated investments									–	0.4
Net cost of debt									- 291.9	- 219.5
Change in the fair value of financial instruments									–	–
Effect of discounting									- 0.9	0.7
PRE-TAX EARNINGS									**180.9**	**254.3**
Corporate income tax									26.8	- 20.4
NET EARNINGS									**207.7**	**233.9**

in millions of euros

5.2. Net carrying amounts by segment

At December 31, 2009, the net carrying amounts for investment property for each operating segment were as follows:

	Net carrying value of investment property
Shopping centers	**9 623 199**
France and Belgium	*3 462 070*
Scandinavia	*3 017 181*
Italy and Greece	*1 310 824*
Iberia	*1 080 894*
Central Europe	*752 229*
Retail units	**559 930**
Office buildings	**525 164**
TOTAL	**10 708 293**

in thousands of euros

5.3. Capital investment by segment

At December 31, 2009, capital investments, acquisitions and changes in consolidation scope for each segment were as follows:

	Shopping centers	Retail units	Office buildings	Total December 31, 2009
Tangible assets	2221	–	–	2 221
Investment property	235 261	42 099	–	277 360
Fixed assets in progress	365 051	7 311	–	372 362
TOTAL	**602 533**	**49 410**	**–**	**651 943**

in thousands of euros

6. Notes to the financial statements: Comprehensive income statement

6.1. Operating revenue

- Lease income includes:
  – Rents: rents from investment property and rent-related income. such as car park rentals and early termination penalties;
  – Other rental income: income from entry fees and other sundry income.
- Other operating income comprises building works re-invoiced to tenants and sundry income.

Group turnover comprises lease income and management and administration income received by the service provider companies. At December 31. 2009. the sector breakdown was as follows:

	Lease income	Management income	Total
Shopping centers	**787.4**	**80.8**	**868.2**
France and Belgium	*348.6*	*39.4*	*388.0*
Scandinavia	*160.3*	*24.0*	*184.3*
Italy and Greece	*100.3*	*6.6*	*106.9*
Iberia	*96.7*	*7.6*	*104.3*
Central Europe	*81.5*	*3.2*	*84.7*
Retail units	**42.8**	**0.0**	**42.8**
Office buildings	**49.9**	**0.0**	**49.9**
TOTAL	880.1	80.8	960.9

in millions of euros

Revenues generated outside France represented 51.46%, compared to 44% at December 31, 2008.
Rents from shopping centers rose by 27%, reflecting an increase of 167.3 million euros, which includes 122.4 million euros from Scandinavia.
Rents from office buildings fell by 2.5 million euros (4.7%), largely as a result of building sales (23-25 Avenue Kléber, Paris) in the second half of the year.
Retail unit segment rentals rose by 27.1% to 42.8 million euros. This increase is the result of the external growth achieved in this segment during 2008 and 2009: 103 retail assets acquired under the terms of the Défi Mode/Vivarte agreement, Buffalo Grill restaurants (17 in June 2008 and 4 in February 2009), 25 Chausséa assets, Feu Vert outlets, etc.
Fees from service companies rose by 3.3 million euros to 80.8 million euros, largely as a result of the inclusion of Steen & Strøm in the scope of consolidation with effect from October 2008. On a like-for-like basis, fee income fell by 19.7% as a result of lower business volumes.

6.2. Amortization and provisions on investment property

Amortization allowances and provisions on buildings and other property were up by 155.9 million euros to 374.2 million euros. The increase of depreciation allowances related to assets is 96.7 million euros, out of which 45.9 million euros on the investments in progress account. The increase of 59.2 million euros in amortization allowances is due to the increase in real estate assets, which includes Scandinavian assets (for 45.6 million euros).

6.3. Income from sales of investment property and equity interests

Income from sales totaled 87 million euros. This total resulted from the sale of:
- shares in SCOO (26.3%) and Société des Centres Toulousains (22.17%) totaling 18.8 million euros;
- shopping malls (Le Mans Sud, Rue Nationale in Tours, Marché Saint Germain and a Truffaut store in Paris) totaling 27.9 million euros, and office buildings (23-25 Avenue Kléber and 18-20 rue La Pérouse) totaling 40.1 million euros.

6.4. Net cost of debt

The net cost of debt totaled 291.9 million euros, compared to 219.5 million euros at December 31, 2008.
The majority of this 72.4 million euro increase reflects the rise in outstanding debt, much of which results from the consolidation of Steen & Strøm in the last quarter of 2008.
It also includes a slight increase in the average cost of debt relative to 2008 (4.45%, compared with 4.4% in the previous year), as a result of the higher margins agreed when renegotiating Klépierre banking covenants. This increase was offset by the significant easing in short-term rates, resulting in a decrease of the cost of variable rate debt (24% of total Group debt), especially in Scandinavia.
Recognized financial expenses totaled 32.4 million euros in 2009, compared to 35.5 million euros in 2008.

	December 31, 2009	December 31, 2008
Investment revenues		
Income from sale of securities	1 131	3 878
Net interest on swaps	–	31 250
Interest on advance payment to partners	37 076	28 787
Sundry interest received	765	2 066
Other revenues and financial income	9 377	5 669
Currency translation income	18 909	1 345
TOTAL	67 258	72 995

in thousands of euros

	December 31, 2009	December 31, 2008
Financial expenses		
Interest on bond issues	- 58 373	- 78 255
Interest on loans from credit institutions	- 92 663	- 167 034
Other bank interest	- 61 330	- 27 366
Net interest expense on swaps	- 91 645	–
Net deferral of payments on swaps	- 10 407	- 3 421
Interest on advance payment to partners	- 8 085	- 8 161
Other financial expenses	- 21 299	- 14 771
Transfer of financial charges	4 962	9 472
Currency translation losses	- 20 323	- 2 939
TOTAL	- 359 163	- 292 475
Cost of net indebtedness	**- 291 905**	**- 219 480**

in thousands of euros

6.5. Corporate income tax

	December 31, 2009	December 31, 2008
Current taxes payable	- 26345	- 28923
Deferred tax	53129	8526
TOTAL	26784	- 20397

in thousands of euros

The Group reported a net tax income of 26.8 million euros in the 2009 fiscal year.

- The SIIC sector reported a tax charge of 2 million euros made up principally as follows:
  – 4.2 million euros of deferred tax reclaimed by Kléprojet 2 following its adoption of SIIC status (merger into Kléprojet 1);
  – a tax charge of 2.9 million euros on the segment's taxable earnings;
  – a tax charge of 3.2 million euros in deferred taxes calculated on the basis of cash payment deferrals, including 1.6 million euros as a result of discounting SIIC pro rata rates.

- Other French companies outside the SIIC segment reported a tax charge of 1.9 million euros made up as follows:
  – 1.4 million euros in current tax relating to the limited partners of Klécar Europe Sud;
  – 0.9 million euros in due tax payable for the period by entities in this segment;
  – a deferred tax credit of 0.4 million euros arising as a result of recognizing deficits, pensions and amortization restatements.

- Foreign companies recognized a tax income of 30.7 million euros made up as follows:
  – a reappraisal tax charge of 7.1 million euros in Italy arising as a result of the free reappraisal of IGC and Assago assets;
  – 11.5 million euros in current tax payable, the majority of which relates to Italy (7.3 million euros), Hungary (1.5 million euros) and Poland (1.2 million euros);
  – a deferred tax credit of 29.5 million euros recognized by IGC and Assago following the free reappraisal of assets;
  – 8.9 million euros of deferred tax liabilities arising principally as a result of unrealized exchange rate gains and income and amortization allowances restated using the component method;
  – 12.8 million euros in tax arising as a result of discounting tax deficits.

Reconciliation between theoretical tax and actual tax at December 31, 2009

	France		Foreign companies	Total
	SIIC sector	Common law		
Pre-tax earnings and earnings from equity-method companies	221885	29297	- 72657	178525
THEORETICAL TAX CHARGE AT 34.43%	- 76395	- 10087	25016	- 61466
Exonerated earings of the SIIC sector	**72265**			**72265**
Taxable sectors				
Impact of permanent time lags	2 282	10403	20016	32701
Non taxed consolidation restatements	-2 911	-1885	- 11 228	- 16024
Impact of non-activated deficits	-1 565	-135	- 6241	- 7941
Assignment of non-activated deficits	797	126	3600	4523
Actualisation of deffered taxes due to restructuring and discounting of tax rates and other taxes	1637	- 341	11675	12971
Rate differences	1 860	-	-12 105	- 10245
Actual tax charge	- 2030	- 1919	30733	26784

in thousands of euros

Ordinary deficits are capitalized where their realization is deemed probable:

Country	Statutory tax rate	Inventory of ordinary deficits at December 31, 2008	Inventory of ordinary deficits at December 31, 2009	Change in OD in 2009	Capitalized deferred tax at December 31, 2008	Amounts capitalizable at December 31, 2009	Change in capitalized amounts	Amounts capitalized at December 31, 2009	Amounts not capitalized at December 31, 2009	Remarks
Belgium	34.00%	(24605)	(26413)	(1808)	1779	8980	(342)	1437	7542	unlimited deferral of ordinary losses
Denmark	25.00%	–	(60265)	(60265)	–	15066	15066	15066	–	unlimited deferral of ordinary losses
Spain	30.00%	(33675)	(43284)	(9609)	10103	12985	1193	11295	1691	losses deferrable over 15 years
France	34.43% 33.00% 16.50%	(60115)	(74149)	(14034)	613	25355	(507)	4	25349	unlimited deferral of ordinary losses
Greece	25.00%	(5895)	(4264)	1631	1481	1066	(415)	1066	–	losses deferrable over 5 years
Hungary	19.00%	(20906)	(11485)	9422	3345	2182	(1163)	2182	–	unlimited deferral of ordinary losses
India	30.00%	(13)	–	13	–	–	–	–	–	
Italy	27.50% or 31.40%	(11959)	(8673)	3286	3375	2511	(864)	2511	–	ordinary losses deferrable over 5 years, except the first 3 years, which have unlimited deferral
Luxembourg	28.59%	(9268)	(20516)	(11248)	–	5866	–	–	5864	tax losses not capitalized
Norway	28.00%	(134465)	(72657)	61808	22941	20344	(11082)	11859	8484	unlimited deferral of ordinary losses
The Netherlands	25.50%	(4091)	(7036)	(2945)	–	1794	–	–	1794	holding company: dividends and capital gains from sales of shares exempt
Poland	19.00%	(29833)	(36466)	(6634)	4895	6929	1432	6337	600	losses deferrable over 5 years.
Portugal	26.50% or 25.00%	(419)	(1094)	(675)	111	280	168	279	1	losses deferrable over 6 years.
Czech Republic	19.00%	(2505)	(3474)	(970)	338	660	(338)	–	660	
Sweden	26.30%	(1286)	(62612)	(61326)	–	16467	13835	13835	2632	unlimited deferral of ordinary losses
TOTAL		**(339034)**	**(432388)**	**(93354)**	**48979**	**120485**	**16983**	**65871**	**54618**	

in thousands of euros

7. Exposure to risks and hedging strategy

Klépierre pays close attention to managing the financial risks inherent in its business activity and the financial instruments it uses. The Group identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, equity markets, etc.) and sets applicable management policies as required.

7.1. Interest rate risk

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 (75% of debt at December 31. 2009. before hedging). It includes: bank loans (standard and mortgages), draw downs on syndicated loans. commercial papers and the use of agreed overdrafts.

Identified risk

An increase in the interest rate against which variable rate debts are indexed (primarily 3-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	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position	**5576**	**55.8**
Marketable securities	- 101	- 1.0
NET POSITION BEFORE HEDGING	**5475**	**54.8**

in millions of euros

Interest rate position after hedging	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross Position before hedging	**5 576**	**55.8**
Net hedge	- 3 803	- 38
Gross Position after hedging	**1 773**	**18**
Marketable securities	- 101	- 1
NET POSITION AFTER HEDGING	**1 672**	**16.7**

in millions of euros

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 deferred swaps).

Fair value of Cash Flow Hedge	Fair value net of accrued interest	Change in equity caused by a 1% increase in interest rates
Cash Flow Hedge swaps at December 31. 2009	**- 237**	**180**
Euro-denominated portfolio	- 214.4	149
Steen & Strom portfolio	- 22.2	30.7
Cash Flow Hedge swaps at December 31, 2008	**- 186**	**215**

in millions of euros

Financial debt after interest rate hedging breaks down as follows:

	Fixed-rate borrowings			Variable-rate borrowings			Total gross financial borrowings		Average cost of debt to base Dec. 31, 2009
	Amount	Rate	Fixed part	Amount	Rate	Variable part	Amount	Rate	
12/31/2007	3 200	4.20%	70%	1 367	5.35%	30.0%	4 567	4.54%	4.65%
12/31/2008	5 952	4.33%	83%	1 246	3.49%	17.0%	7 198	4.19%	4.38%
12/31/2009	5 613	4.56%	76%	1 773	1.73%	24.0%	7 386	3.88%	4.08%

in millions of euros

N.B.: The "Average cost of debt to base December 31, 2009" is calculated on the basis of the interest rates and funding structure in place at December 31, 2009, and does not therefore constitute a forecast of the average cost of debt for Klépierre over the coming period. It includes a 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 76% at December 31, 2009.
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 up 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.

Fair Value Hedge rate risk

Description of fixed rate borrowing

The majority of Klépierre's fixed rate borrowing currently consists of bond issues, two bilateral bank loans signed in 2004 by Klépierre and Klépierre Participations et Financements 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. Klémurs 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 December 31, 2009, fixed rate debt totaled 1,811 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.

Investment securities

At December 31, 2009, Klépierre held 100.7 million euros of investment securities.
Near cash refers to French and Scandinavian money market open-ended and mutual funds (95.8 million euros) and Spanish one-month and two-month deposit certificates (4.9 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.

Fair value of financial assets and liabilities

Under IFRS, financial debts are recognized in the balance sheet at amortized cost and not at fair value.
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
- Bond issues (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.

	12/31/2009			12/31/2008		
	Par value	Fair value	Change in fair value caused by a 1% increase in interest rates [1]	Valeurs nominales	Juste valeur	Change in fair value caused by a 1% increase in interest rates [1]
Fixed-rate bond issues	1 289	1 323	- 48	1 300	1 065	- 35
Fixed-rate bank loans	522	526	- 13	310	311	- 4
Other variable-rate loans	5 575	5 575	–	5 588	5 588	–
TOTAL	**7 386**	**7 424**	**- 47**	**7 198**	**6 964**	**- 39**

in millions of euros
(1) Change in fair value of the debt as a result of a parellel "shift" in the rate curve.

Derivatives are recognized in the balance sheet at their fair value. At December 31, 2009, a 1% rise in rates would have resulted in a rise of 180 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.

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 Financial Division 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 risk

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 December 31, 2009 was 6 years, with borrowings spread between markets (the bond market and commercial paper accounts for 23% of the debt, with the balance being raised in the banking market). A range of different sources (syndicated loans, mortgage loan, etc.) and counterparties are used within the banking market itself.

Outstanding commercial papers (which represent the bulk of short-term financing) never exceed the amount of the "back-up" line syndicated amongst several banks, 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 875 million euros at December 31, 2009. These lines will be easily sufficient to absorb the main refinancing transactions scheduled for 2010, and particularly the 300 million euro bilateral bank loan in place with BNP Paribas.
Generally speaking, access to finance for real estate companies is facilitated by the security offered to lenders in the form the companies'property assets.
Some Klépierre finance sources (syndicated loans, bond issues, etc.) are accompanied by financial covenants. Failure to comply with these covenants may result in compulsory early repayment (cf. 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 bond issues (1 289 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 (€M)	Impact of non-compliance	Contractual limit [1]	Level at December 31, 2008	Level at December 31, 2009
Klépierre financing					
"Loan-To-Value"			≤ 63% [2]	47.9%	49.3%
EBITDA/Net cost of financing			≥ 1.9 [2]	2.87	2.6
Secured debt/Revalued assets	4 100	Event of default	≤ 20%	14%	17%
Revalued asset value - group share			≥ 6 billion euros	12.3	11.8
Percentage of financial debt belonging to subsidiaries (exc. Steen & Strøm)			≤ 30%	13%	9%
Secured debt/RNAV	1 289	Event of default	≤ 50%	24.0%	29%
Klémurs financing					
Loan-To-Value			Total ratio ≤ 65%	60.6%	60.8%
			Senior debt ratio ≤ 55% [3]	40.4%	39.8%
EBITDA/Net cost of financing	150	Event of default	Total ratio ≥ 1.8	2.2	2.4
			Senior debt ratio ≥ 2.5 [3]	3.5	3
Secured debt/Revalued assets			≤ 20%	8.1%	7.2%
Revalued asset value - group share			≥ 300 M€	642.1	619.4
Steen & Strøm financing					
"Book equity ratio" (stockholder equity/revalued asset total)	565	Event of default	≥ 20%	31.4%	29.1%

(1) Where applicable, the limit imposed by the most restrictive contract is adopted.
(2) Until June 2011, after which the values will be 60% for LTV and 2 for the EBITDA/Net cost of funding ratio.
(3) Excluding subordinated loans.

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. However, some Swedish assets are funded by loans denominated in Danish Krone (DKK 725 million). The underlying currency risk is fully hedged using exchange rate swaps (at December 31, 2009, the fair value of these swaps was 1.1 million euros).
The principal exposure of the Klépierre Group to Scandinavian exchange rate risks is therefore limited essentially to the funds invested in the company (601 million euros), for which Klépierre is considering the introduction of hedging instruments or local funding arrangements.

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.

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 top-rated banks

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 (2,880,923 shares at December 31, 2009), which are recognized as treasury stock at their historical cost.

7.6. Legal risk

During 2009, Buffalo Grill decided to withhold payment of a portion of some rentals which coincides with the application of the indexation clause in its lease contract. Following the issue of a provisional court order (ordonnance de référé) upholding the application made by Klémurs, Buffalo Grill is now up to date with all its rental payments. However, appeal proceedings against this provisional court order and substantive proceedings are still pending.
This situation apart, in the twelve 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 could have, or has recently had, a significant impact on the financial position or profitability of the issuer and/or the Group.

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).

	December 31, 2009	December 31, 2008
Guarantees under Property Development/ Sale Before Completion contracts	316575	471102
TOTAL	**316575**	**471102**

in thousands of euros

8.2. Finance and guarantee commitments

	December 31, 2009	December 31, 2008
Commitments given		
Security deposits on loans to employees	9664	10928
Guarantees, deposits and mortgages	24584	31515
Purchase commitments	145114	600547
TOTAL	**179362**	**642990**
Commitments received		
Deposits received as guarantees in real-estate management and transactions	300030	300170
Sale commitments	–	–
Deposits received from tenants	64394	68447
Other guarantees received	12120	120
Unused confirmed credit lines	825000	420000
TOTAL	**1201544**	**788737**

in thousands of euros

Purchase commitments

Subject to various conditions precedent, Klépierre agreed in 2007 to acquire the Place de l'Etoile center in Luxembourg (21,500 sq.m. GLA, with a provisional opening date of 2011) at a cost of 215 million euros, of which 1 million euros has been paid to date. Since the conditions precedent could not be met by July 31, 2009, the Group is no longer committed to this acquisition.
Via its subsidiary Steen & Strøm, the Klépierre Group is committed to extension works totaling 80.7 million euros, broken down as follows: 66.2 million euros in Sweden (Hageby, Emporia and Sollentuna) and 14.5 million euros in Norway (Gulskogen).
Earnout clauses also 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 fully own the land on which the center is built, but holds a lease with an expiry date of July 31, 2021. An earnout will be paid to the seller if the latter secures an extension to, or full ownership of, the lease within a period of ten years from July 2005. Since the likelihood of the lease being extended or full ownership being obtained cannot be measured, this earnout is not currently recognized.
Under the terms of Klépierre's acquisition of an additional 21.3% equity holding in IGC, an additional amount is payable if the capitalization rate applied to the appraisals conducted on June 30, 2010 is below that applied on June 30, 2009.
Klémurs has a firm option on new outlets now at the planning stage or under construction, as well as a five-year priority purchase option on all new developments undertaken by Buffalo Grill. The acquisitions made in 2008 and 2009 contain a price and rental adjustment clause linked to restaurant annual revenue.

Deposits received as guarantees in real-estate management

As part of its real-estate management activities in 2009, the Klépierre Group (via its Ségécé subsidiary) had the benefit of a variable BNP Paribas financial guarantee capped at 300 million euros.

Credit lines confirmed but not used:

At December 31, 2009, Klépierre had access to 825 million euros in credit lines confirmed but not used. This total was made up as follows:
- a 750 million euro line of credit available under the syndicated loan due to mature in September 2014;
- 3 million euros in potential commercial paper issues (the difference between the amount of the backup line and paper already issued);
- a 72 million euro line of credit available to Steen & Strom.

An additional amount of 50 million euros is also available in the form of an unconfirmed BNP Paribas overdraft, which had not been used at December 31, 2009.

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

	December 31, 2009	December 31, 2008
Secured debts	309686	302548
TOTAL	**309686**	**302548**

in thousands of euros

In general terms, the Group finances its assets from equity or debt contracted by its parent company, rather than pledging its own assets.
The details of those debts secured by pledges are as follows:

	Loan amount at December 31, 2009	Mortgage amount	Pledge start date	Pledge expiry date	NBV of pledged assets as shown in the corporate financial statements
On tangible assets					
K2	54 315				
– Metropoli/Vignate	–	52 500	01/15/2008	01/15/2023	130 315
– Settimo	–	10 500	01/15/2008	01/15/2023	20 553
– Rondinelle	–	27 000	01/15/2008	01/15/2023	69 954
Klecar Italia	107 281	331 500	06/30/2003	06/30/2015	222 395
SCI Rebecca	2 911	5 764	10/17/2002 07/20/2000	12/30/2014 07/30/2015	4 578
SCI LC	588	377	01/05/2000	01/02/2012	882
GC Collegno	15 900	37 500	07/15/2008	07/15/2015	24 110
SRL Assago	101 500	214 000	07/03/2008	07/03/2015	146 614
Holding Gondomar 1	522	2 287	11/20/2001	12/14/2011	3 229
SC SCOO	2 259	20 123	01/29/1997 03/26/1998	02/05/2012 04/05/2010	40 842
Le Havre - Vauban & Lafayette	24 410	26 119	06/12/2009	12/31/2014	17 769
TOTAL					**681 241**

in thousands of euros

8.4. Shareholder agreements

Shareholder agreements relating to Klécar France, Klécar Europe Sud, Solorec and Klécar Participations Italie

The shareholder agreements between Klépierre and CNP Assurances and Ecureuil Vie were amended by a rider signed on December 30, 2004, the effect of which was to cancel the liquidity commitments given by Klépierre to its partners.

The agreement provides for the usual minority protections: pre-emption right, joint exit right and the decision-making process applying to investment or disinvestment. Each agreement contains two additional clauses:

- One in favor of Klépierre: an obligation for the minority shareholders to exit at the request of Klépierre in the event of Klécar assets being sold to a third party;
- the other in favor of the minority shareholders: a process enabling the latter to consider a range of exit scenarios in 2011, 2016 and 2017 (for the Italian companies) or 2010, 2014 and 2015 (for the other malls):
  - asset sharing or sale;
  - purchase of minority shareholdings by Klépierre (with no obligation for Klépierre);
  - sale to a third party with payment of a discount by Klépierre if the offer is less than the Revalued Net Asset value.

Partners'agreement in respect of Bègles Arcins

Signed on September 2, 2003, this agreement between Klépierre and Assurécureuil Pierre 3 contains provisions regulating the relationship between the company partners, and, more specifically, a dispute resolution clause.

Partners'agreement between SNC Kléber la Pérouse and SCI Vendôme Commerces in respect of SCS Cecobil

Signed on October 25, 2007 following the transition of Cecobil to a general partnership, this agreement provides for the usual protections regarding the planned sale of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.

Partners'agreement between SNC Kléber la Pérouse and SCI Vendôme Commerces in respect of SCI Secovalde

Signed on October 25, 2007, this agreement provides for the usual protections regarding the planned sale of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.

Partners'agreements between Klépierre, Klefin Italia, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia, and between Klépierre, Klefin Italia, Klépierre Luxembourg, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Immobiliari Gallerie Commerciali (IGC)

A partners'agreement was signed in 2002 during the acquisition of IGC shares by the Klépierre group.

Its main provisions – including those regarding Klépierre's preemptive right – were restated in a new agreement of 2007 applying to IGC and/or Clivia (the owner of the Lonato, Verona and Vittuone malls). In the case of IGC, this was replaced by an agreement signed on July 23, 2009.

All these agreements grant Finiper a PUT (option to sell) enabling the latter to sell its shares in IGC and/or Clivia to Klépierre. This PUT expires in 2017 and can be split into two parts:

- one of 12% and one of 16.70% for IGC;
- two parts - each of 25% - for Clivia.

Any refusal by Klépierre regarding the second IGC part and/or both Clivia parts will result in a penalty becoming payable to the Finiper Group.

Partners'agreement between Klépierre and Stichting Pensioenfonds ABP in respect of the Swedish company Nordica Holdco AB, and the Norwegian companies Storm Holding Norway AS and Steen & Strøm

The shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.

This agreement was signed on July 25, 2008 and modified with the insertion of additional clauses on October 7, 2008. It provides for the usual protections for minority shareholders: qualified majority voting for certain decisions, purchase option in the event of deadlock and joint exit rights,

as well as the following provisions:
- a one-year inalienability period applied to Steen & Strøm shares from the date of acquisition;
- each party has a right of first offer on any shares which the other party wishes to transfer to a third party, subject to the proviso that where shares are transferred by one party (other than Klépierre where the transfer is to an associated company) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer;
- from the sixth year following acquisition, either party may request a meeting of shareholders to approve, subject to a two-thirds majority, the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company.

Partners'agreement between Klépierre Luxembourg S.A and Torelli SARL in respect of Holding KLEGE SARL

Signed on November 24, 2008, this partners'agreement sets out the operating structure for Holding KLEGE SARL, and includes the usual provisions governing share capital transactions, decision-making and the right to information. Both parties enjoy preemption rights in the event of planned disposals of shares in the company to a third party.
Holding KLEGE SARL owns 100% of the equity of KLEGE Portugal SA, the company formed specifically to manage the construction of a shopping center in Portimao, Portugal.

8.5. Commitments on operating leases - Lessors

General description of the main clauses contained in the lessor's lease agreement:

Shopping centers

Lease agreement periods range from 5 years in Spain to 12 years in France (with 3-year periods), whilst Italy operates a mixed system that varies from 5 years to 12 years. The terms governing the fixing and indexing of rents are set out in the agreement.
Indexation enables the reappraisal of the minimum guaranteed rent. The indices used vary from country to country.

Indexation specific to each country

Until 2008, the only index used in France was the quarterly French Cost-of-Construction Index (ICC). The indexing figure applied is that corresponding to the "anniversary" quarter of the lease. Approximately 70% of Klépierre's French leases are subject to application of the ICC in the second quarter of each year (published in October).
From January 1, 2009, guaranteed rents have been indexed either against the French Cost of Construction Index (ICC) or the new Commercial Rents Index (ILC). The ILC is a compound index derived from the consumer price index, the retail trade sales value index and the cost of construction index. The way in which this new index is calculated should mean that it is more effective than the ICC at smoothing out fluctuations over time.
In Spain, the consumer price index (CPI) is recorded annually every January 1.
In Italy, the system is based on the consumer price indices (excluding tobacco) for working class and junior management (ISTAT), but is more complex in its implementation: depending on the lease, either the ISTAT is applied at 75% or the full reference segment index is applied.
In Portugal, the retained index is the consumer price index (CPI), excluding property.
The Consumer Price Index (CPI) is applied in Greece.
The Eurostat IPCH eurozone index used in Central Europe is based on consumer prices in the EMU countries.

Guaranteed minimum rent and variable rent

Appraised on a year-by-year basis, the rent payable is equivalent to a percentage of the revenue generated by the lessee during the calendar year concerned. The rate applied differs depending on business type. The total amount of this two-part rent (a fixed part + a variable part) can never be less than the Minimum Guaranteed Rent (MGR). The MGR is reappraised annually by application of the index. The variable part of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.
Wherever possible, all or part of the variable rent is consolidated into the MGR at the point of lease renewal. In this way, the variable part of the rent is usually reduced to zero at the end of the lease (every 5 to 12 years, depending on the nature of the lease). It is also deducted annually from the indexation rise in MGR.
The variable rent clause traditionally included in most existing French and Italian real estate leases has gradually been incorporated into other leases at the point of renewal or renegotiation.
There is no obligatory minimum or maximum period in Norway. However, leases are usually written for periods of five or ten years. Unless agreed otherwise, either party may request an annual rent review based on the trend in the Norwegian consumer price index.
In Sweden, the period of a commercial lease is agreed by the parties to the agreement. Leases are open-ended by default, but most commercial leases are written for at least three years. Where the lease is written for a period in excess of three years, annual indexation linked to the national consumer price index is the norm.
In Denmark, the parties are free to agree the amount of rent and rent payment methods. Rents may be fixed or indexed against the revenue reported by the lessee. In most cases, the rent is reviewed annually on the basis of the trend in the Danish consumer price index. Under the terms of commercial letting legislation, either party may request that the rent is adjusted to reflect the market rate every four years. This provision applies unless the parties agree otherwise.

Office buildings

100% of Klépierre's property assets are located in France and are therefore governed by French law.

Commercial businesses are covered by Articles L. 145-1 to L. 145-60 of the French Commercial Code and the non-codified articles of Decree 53-960 of September 30, 1953 (the "statute"). Some of these clauses are public policy. For example: the length of leasing agreements, which may not be shorter than 9 years (in terms of the lessor's commitment), the right to renewal, the formal conditions to be complied with in the event of cancellation, vacation, renewal, eviction, etc.

Very exceptionally, leases of two years or less may be exempt from the statute.

The most usual lease term is 9 years, during which only the lessee may terminate the lease at the end of each three-year period by sending a six-month prior notice by extrajudicial act. The parties may grant exemption from this three-yearly termination clause.

The rent is usually paid quarterly in advance and is indexed in full annually against the INSEE construction cost index. The rent may be progressive or constant, and may include rent-free periods, but is always set at the point when the lease is signed and for its full term (excluding any riders added during the lease term).

All charges, including property and office taxes, are usually met by the lessee, with the exception of works regulated by Article 606 of the French Civil Code, which are usually paid for by the lessor.

Professionals (lawyers, chartered accountants, architects, etc.) are not covered by the statute. The minimum duration for such leases is six years, with the lessee free to terminate at any time by giving six months'notice. These agreements are not renewable. The other conditions they contain are based more closely on those of commercial leases.

The total amount of conditional rents recognized in income: the conditional rent is that portion of the total rent which is not a fixed amount, but is a variable amount based on a factor other than time (e.g. percentage of revenue, degree of use, price indices, market interest rates, etc.).

Minimum payments made under the lease are those payments which the lessee is, or may be, required to make during the term of the lease, excluding the conditional rent, the cost of services and taxes to be paid or refunded to the lessor.

At December 31, 2009, the total future minimum rents receivable under non-cancellable operating lease agreements were as follows:

	December 2009
leass than 1 year	835 432
1 to 5 years	1 560 892
more than 5 years	280 444
TOTAL	**2 676 768**

in thousands of euros

8.6. Commitments relating to lease agreements - Financing

At December 31, 2008, Klépierre still had a finance lease agreement in place for the office space in the Rue Nationale, Lille. This 18-year agreement expired on July 31, 2009, at which time the tenant exercised the option to buy the building on expiry of the contractual term of the finance lease.

8.7. Retention commitments

The buildings and finance leases acquired as part of the Buffalo Grill transaction are covered by the tax status governed by Article 210-E of the French General Tax Code. The buildings concerned are covered by a retention commitment for five years from the date of acquisition.

9. Compensations and employee benefits

9.1. Payroll expense

At December 31, 2009, the total payroll expense was 103.7 million euros. Fixed and variable salaries and wages plus incentives and profit sharing totaled 86.4 million euros, pension-related expenses, retirement expenses and other staff benefits were 14.9 million euros, taxes and similar compensation-related payments were 2.4 million euros.
At December 31, 2009, the Group employed a total of 1,519 people. Of these employees, 961 were working outside France, including 444 in the Scandinavian real estate company Steen & Strøm.

9.2. Retirement commitments

Defined contribution pension plans

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

Defined benefit pension plans

The fixed benefit plans in place in France and Italy are subject to independent actuarial appraisal, which uses the projected unit credit method to calculate the expense relating to employee entitlements and the outstanding benefits to be paid to pre-retirees and retirees. The demographic and financial assumptions used when estimating the discounted value of the bonds and hedge assets used with these plans reflect the economic conditions specific to the monetary zone concerned. The fraction of actuarial variances to be amortized after application of the agreed limit of 10% (corridor method) is calculated separately for each defined benefit plan.
The provisions recognized for defined benefit pension plans totaled 6 million euros at December 31, 2009.

	December 31, 2008	Provisions of the period	Provision take-back (used)	Provision take-back (unused)	December 31, 2009
Provisions for employee benefit commitments					
– Defined benefits schemes	5 853	809	- 627		6 035
– Other long-term benefits	2 147	438			2 585
TOTAL	**8 000**	**1 247**	**- 627**	**0**	**8 620**

in thousands of euros

Klépierre has set up supplementary pension plans under a corporate agreement. Under these supplementary plans, employee beneficiaries will, on retirement, receive additional income over and above their national state pensions (where applicable) in accordance with the type of plan they are entitled to.
Group employees also benefit from agreed or contractual personal protection plans in various forms, such as retirement gratuities.
In Italy, the Ségécé Italia companies operate a "Trattamento di Fine Rapporto" (TFR) plan. The amount payable by the employer on termination of the employment contract (as a result of resignation, dismissal or retirement) is calculated by applying an annual coefficient for each year worked. The final amount is capped. Since the liability is known, it can be recognized under other debts and not as a provision for contingencies.
In Spain, a provision for retirement commitments may be recognized where specific provision is made in the collective agreement, but this does not affect the staff working in the Spanish subsidiaries of the Klépierre Group.
A pension scheme has been introduced for some employees in Norway. Entitlement to the benefits conferred by this pension scheme is dependent on 30 years of contributions. The scheme pays 60% of the basic final salary applying on January 1 of the year in which the scheme member reaches 67 years of age. Survivorship and inheritance arrangements are also covered by the scheme. These pension benefits are supplementary to those that scheme members are entitled to under general schemes. Approximately 100 employees are scheme members.
The existing commitments for post-employment medical assistance plans are valued on the basis of assumed rises in medical costs. These assumptions, based on historic observations, take into account the estimated future changes in the cost of medical services resulting both from the cost of medical benefits and inflation.

Reconciliation of balance sheet assets and liabilities

	December 31, 2009
Surplus of obligations over the assets of financed schemes	**7280**
Gross discounted value of obligations fully or partially financed by assets	9290
Fair value of the scheme's assets	- 2010
Discounted value of non-financed obligations	**7280**
Costs not yet recognized in accordance with the provisions of IAS 19	
Cost of past services	- 424
Net actuarial losses or gains	- 821
Net obligation recognized in the balance sheet for defined benefit plans	**6035**

In thousands of euros

Movements on the net liability/asset posted in the balance sheet

	December 31, 2009
Net obligation at the begining of the period	**5853**
Retirement expense recognized in income of the period	182
Contributions paid by Klépierre recognized in income of the period	–
Acquisition/Disposal	–
Benefits of non financed benefits paid to recipients	–
Net obligation at the end of the period	**6035**

In thousands of euros

Components of the retirement expense

	December 31, 2009
Cost of services rendered during the year	779
Financial cost	336
Forecasted yeald of the scheme's assets	- 76
Amortization of actuariel gains and losses	- 255
Amortization of past services	25
Effects of reduction or liquidation of the scheme	–
TOTAL RECOGNIZED IN "PAYROLL EXPENSES"	**809**

In thousands of euros

Principal actuarial assumptions used for balance sheet date calculations

Actuarial assumptions	France
Discount rate	4.25%
Forecasted yield rate of the scheme's assets	4.00%
Forecasted yield rate of reimbursement rights	n/a
Future salary increase rate	3.00% - 4.50%

9.3. Stock options

There are currently 3 stock option plans in place for Group executives and employees.
The first 2 are standard stock option plans, and are therefore not performance linked. The 3rd plan is performance-linked for the Executive Board members and some Management Board members.
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 from May 31, 2010 for the plan authorized in 2006 and from May 16, 2011 for the plan authorized in 2007).
The calculated expense 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.

Plan authorized in 2006

On the basis of the nominal share price on the day of allocation, 195,000 options were granted under the stock option plan authorized by the Executive Board meeting of May 30, 2006. After adjustments and retirements (see table below), the number of current options granted under this plan at December 31, 2009 was 563,093.
The current exercise option price for this plan is 29.49 euros.
These options may be freely exercised between May 31, 2010 and May 30, 2014 inclusive.
The key data adopted for the purpose of measuring the stock options granted in 2006 are shown below, restated to reflect the 3-for-1 stock split of 2007 (but before the effect of the discount granted as part of the DPS capital increase of December 2008):
- exercise option price: 30.5 euros;
- share price on the date of allocation: 27.9 euros;
- volatility: 21.5%;
- risk-free interest rate: 4.10% for an 8-year maturity period;
- dividend: 1 euro per share in 2006 followed by assumed growth calculated as a straight-line regression of the dividends for previous years.

On these bases, the unit value of the stock options has been estimated at

4.6 euros. The expense recognized in the income statement for the 2009 fiscal year is 573 000 euros.

Plan authorized in 2007

On the basis of the nominal share price on the day of allocation, 143 000 options were granted under the stock option plan authorized by the Executive Board meeting of May 15, 2007. After adjustments and retirements (see table below), the number of current options granted under this plan at December 31, 2009 was 420 536.
The current exercise option price for this plan is 46.38 euros.
These options may be freely exercised between May 16, 2011 and May 15, 2015 inclusive.
The key data adopted for the purpose of measuring the stock options granted in 2007 are shown below, restated to reflect the 3-for-1 stock split of 2007 (but before the effect of the discount granted as part of the DPS capital increase of December 2008):

- exercise option price: 47.90 euros;
- share price on the date of allocation: 47.30 euros;
- volatility: 21.2%;
- risk-free interest rate: 4.51% for an 8-year maturity period
- dividend: growth of approximately 10% in 2007, followed by assumed growth calculated as a straight-line regression of the dividends for previous years.

On these bases, the unit value of the stock options has been estimated at 10.4 euros. The expense recognized in the income statement for the 2009 fiscal year is 1 020 thousands of euros.

Plan authorized in 2009

481 000 options were granted under the stock option plan authorized by the Executive Board meeting of April 6, 2009. The allocation was made in two fractions:

- A "principal" fraction of 378 500 options with an exercise price of 22.60 euros;
- A "secondary" fraction of 102 500 options with an exercise price that varies from 22.60 euros to 27.12 euros, depending on how well the Klépierre share performs against the FTSE EPRA Eurozone (EPEU) index. If the Klépierre share under-performs the index by more than 20%, the options become null and void;
- These options are split into four equal groups, each relating to a different performance measure and each determining a part of the allocation independently of the others. These are:
- a 2009 secondary fraction: performance measured between the 2008 and 2009 fiscal years;
- a 2010 secondary fraction: performance measured between the 2009 and 2010 fiscal years;
- a 2011 secondary fraction: performance measured between the 2010 and 2011 fiscal years;
- a 2012 secondary fraction: performance measured between the 2011 and 2012 fiscal years.

All these options may be freely exercised between April 6, 2013 and April 5, 2017 inclusive.
The key data adopted for the purpose of measuring the stock options granted in 2009 are shown below.

- exercise option price: 22.60 euros;
- share price on the date of allocation: 15.3 euros; EPRA Eurozone index level: 1141.59;
- volatility: 30.7% for the Klépierre share; 19.4% for the EPRA Eurozone index; correlation of 0.87;
- risk-free interest rate: 3.19% for an 8-year maturity period;
- dividend: 1.25 euro per share in 2009 and 1.06 euro per share thereafter.

On these bases, the unit value of these options has been estimated as follows:

- "principal" fraction: 1.20 euro;
- 2009 secondary fraction: 0.97 euro;
- 2010 secondary fraction: 1.12 euro;
- 2011 secondary fraction: 1.13 euro;
- 2012 secondary fraction: 1.12 euro.

The expense recognized in the income statement for the 2009 fiscal year is 101 000 euros.

	Plan 1	Plan 2	Plan 3	
			Without performance link	With performance link
Date of General Meeting	April 7, 2006	April 7, 2006	April 7, 2006	April 7, 2006
Date of Executive Board meeting	May 30, 2006	May 15, 2007	April 6, 2009	April 6, 2009
Start date for exercising options	May 31, 2010	May 16, 2011	April 6, 2013	April 6, 2013
Expiration date	May 30, 2014	May 15, 2015	April 5, 2017	April 5, 2017
Subscription or purchase price (1)	29,49	46,38	22,60	between 22,6 and 27,12
Stock purchase options originally allocated prior to any adjustment	195000	143000	378500	102500
Stock purchase options originally allocated (number adjusted by the division of the face value by 3 and after additional adjustment to reflect the discount of preferential subscription rights in the capital increase of December 2008)	603593	443146		
Stock purchase options cancelled at December 31, 2009	40500	22610		
Number of shares subscribed at December 31, 2009 (number adjusted by the division of the face value by 3)	0	0		
Outstanding stock purchase option at December 31, 2009 (after additional adjustment to reflect the discount of preferential subscription rights in the capital increase of December 2008)	563093	420536	378500	102500

(1) Adjusted by the division of the face value by 3 in 2007 and after additional adjustment to reflect the discount of preferential subscription rights in the capital increase of December 2008.

10. Additional information

10.1. Disclosures about the fair value model

Income Statement and Balance Sheet: Fair Value

Income Statement: Fair Value (EPRA model)	December 31, 2009 Fair value model	December 31, 2008 Fair value model
Lease income	895470	716973
Land expenses (real estate)	3	- 12
Non-recovered rental expenses	- 36997	- 21646
Building expenses (owner)	- 58545	- 41557
Net lease income	**799931**	**653758**
Management, administrative and related income	80783	77493
Other operating income	27097	15910
Change in the fair value of investment property (a)	- 1208631	- 62520
Survey and research costs	- 3281	- 2534
Payroll expense	- 103735	- 82324
Other general expenses	- 34511	- 27797
Depreciation and amortization allowance on investment property	- 206	- 90
Depreciation and amortization allowance on PPE	- 5043	- 5184
Provisions	- 4295	- 1274
Gains on the sale of investment property and equity interests	364612	191169
Net book value of investment property and equity investment sold	- 396674	- 185392
Income from the sale of investment property and equity investment securities	**- 32062**	**5777**
Profit on the sale of short term assets	**- 334**	**928**
OPERATING INCOME	**- 484287**	**572143**
Net dividends and provisions on non-consolidated investments	- 22	431
Net cost of debt	- 291905	- 219480
Change in the fair value of financial instruments	0	- 5
Effect of discounting	- 869	710
Share in earnings of equity-method investees	- 2314	3583
PRE-TAX EARNINGS	**- 779397**	**357382**
Corporate income tax	142716	- 34285
NET INCOME OF CONSOLIDATED ENTITY	**- 636681**	**323097**
of which		
Group share	*- 546207*	*295757*
Minority interests	*- 90474*	*27340*

in thousands of euros

(1) The change in the fair value of investment property also includes the impact of deferred taxes recognized using the cost method (including - 334,911 thousand euros for Steen & Strom).

Balance Sheet: Fair Value (EPRA model)	December 31, 2009 Fair value model	December 31, 2008 Fair value model
Non-allocated goodwill	116 501	76 166
Intangible assets	19 306	13 366
Tangible assets	23 783	43 636
Investment property	0	24
Fair value of investment property	14 038 007	13 876 575
Fixed assets in progress	100 677	507 187
Equity method securities	32 710	36 361
Non-consolidated securities	491	626
Non-current assets	25 847	38 773
Interest rate swaps	35 394	23 458
Deferred tax assets	60 341	68 952
NON-CURRENT ASSETS	**14 453 057**	**14 750 376**
Fair value of property held for sale	–	65 252
Trade accounts and notes receivable	2 674	13 416
Other receivables	92 477	89 946
– Tax receivables	*262 026*	*290 190*
– Other debtors	*38 044*	*88 438*
Cash and near cash	*223 982*	*201 752*
CURRENT ASSETS	235 951	242 725
TOTAL ASSETS	**593 128**	**701 529**
TOTAL ACTIF	**15 046 185**	**15 386 653**
Capital	254 761	232 700
Additional paid-in capital	1 391 523	1 276 284
Statutory reserve	23 270	19 389
Consolidated reserves	3 232 893	3 200 168
– Treasury shares	*- 81 345*	*- 93 429*
– Fair value of financial instruments	*- 198 000*	*- 122 327*
– Fair value of investment property	*2 814 257*	*2 784 682*
– Other consolidated reserves	*697 981*	*631 242*
Consolidated earnings	- 546 207	295 757
Shareholders' equity, group share	4 356 240	5 024 298
Minority interests	1 613 023	1 459 277
SHAREHOLDERS' EQUITY	**5 969 263**	**6 483 575**
Non-current financial liabilities	6 670 504	6 971 343
Long-term allowances	9 536	6 764
Pensions commitments	8 620	8 620
Interest rate swaps	255 055	184 493
Security deposits and guarantees	138 050	130 668
Deferred tax liabilities	538 929	686 826
NON-CURRENT LIABILITIES	**7 620 694**	**7 988 094**
Current financial liabilities	843 089	285 504
Bank overdrafts	81 100	146 540
Trade payables	101 808	101 244
Payables to fixed asset suppliers	82 143	62 511
Other liabilities	253 930	218 212
Social and tax liabilities	94 158	100 973
Short-term allowances	0	0
CURRENT LIABILITIES	**1 456 228**	**914 984**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**15 046 185**	**15 386 653**

in thousands of euros

Income Statement and Balance Sheet: transition from the cost method to fair value

Income statement (EPRA model)	December 31, 2009	Fair value restatements	December 31, 2009 Fair value model
Lease income	895 470		895 470
Land expenses (real estate)	- 2 694	2 697	3
Non-recovered rental expenses	- 36 997		- 36 997
Building expenses (owner)	- 58 974	429	- 58 545
Net lease income	**796 805**	**3 126**	**799 931**
Management, administrative and related income	80 783		80 783
Other operating income	27 097		27 097
Change in the fair value of investment property (1)		- 1 208 631	- 1 208 631
Survey and research costs	- 3 281		- 3 281
Payroll expense	- 103 735		- 103 735
Other general expenses	- 34 511		- 34 511
Depreciation and amortization allowance on investment property	- 369 142	368 936	- 206
Depreciation and amortization allowance on PPE	- 5 043		- 5 043
Provisions	- 4 295		- 4 295
Gains on sales of investment property and equity interests	364 612		364 612
Net carrying value of investment property and equity investments sold	- 277 635	- 119 039	- 396 674
Income from the sale of investment property and equity investment securities	**86 977**	**- 119 039**	**- 32 062**
Profit on the sale of short term assets	**- 334**		**- 334**
Operating income	**471 321**	**- 836 569**	**- 484 287**
Net dividends and provisions on non-consolidated investments	- 22		- 22
Net cost of debt	- 291 905		- 291 905
Change in the fair value of financial instruments	0		0
Effect of discounting	- 869		- 869
Share in earnings of equity-method investees	2 369	- 4 683	- 2 314
Pre-tax earnings	**180 894**	**- 960 291**	**- 779 397**
Corporate income tax	26 784	115 932	142 716
Net income of consolidated entity	**207 678**	**- 844 359**	**- 636 681**
of which			
Group share	*162 102*	*- 708 309*	*- 546 207*
Minority interests	*45 576*	*- 136 050*	*- 90 474*

in thousands of euros

(1) The change in the fair value of investment property also includes the impact of deferred taxes recognized using the cost method (including - 334,911 thousand euros for Steen & Strom).

Balance Sheet (EPRA model)	December 31, 2009	Fair value restatements	December 31, 2009 Fair value model
Non-allocated goodwill	132 492	- 15 991	116 501
Intangible assets	19 306		19 306
Tangible assets	23 783		23 783
Investment property	10 708 293	- 10 708 293	0
Fair value of investment property		14 038 007	14 038 007
Fixed assets in progress	791 458	- 690 781	100 677
Equity method securities	36 363	- 3 653	32 710
Non-consolidated securities	491		491
Non-current assets	25 847		25 847
Interest rate swaps	35 394		35 394
Deferred tax assets	72 829	- 12 488	60 341
NON-CURRENT ASSETS	**11 846 256**	**2 606 801**	**14 453 057**
Fair value of property held for sale	0		0
Stocks	2 674		2 674
Trade accounts and notes receivable	92 477		92 477
Other receivables	339 987	- 77 961	262 026
– Tax receivables	*38 044*		*38 044*
– Other debtors	*301 943*	*- 77 961*	*223 982*
Cash and near cash	235 951		235 951
CURRENT ASSETS	**671 089**	**- 77 961**	**593 128**
TOTAL ASSETS	**12 517 345**	**2 528 840**	**15 046 185**
Capital	254 761		254 761
Additional paid-in capital	1 391 523		1 391 523
Statutory reserve	23 270		23 270
Consolidated reserves	437 238	2 795 655	3 232 893
– Treasury shares	*- 81 345*		*- 81 345*
– Fair value of financial instruments	*- 198 000*		*- 198 000*
– Fair value of investment property		*2 814 257*	*2 814 257*
– Other consolidated reserves	*716 583*	*- 18 602*	*697 981*
Consolidated earnings	162 102	- 708 309	- 546 207
Shareholders' equity, group share	2 268 894	2 087 346	4 356 240
Minority interests	1 262 235	350 788	1 613 023
SHAREHOLDERS' EQUITY	**3 531 129**	**2 438 134**	**5 969 263**
Non-current financial liabilities	6 670 504		6 670 504
Long-term allowances	9 536		9 536
Pensions commitments	8 620		8 620
Interest rate swaps	255 055		255 055
Security deposits and guarantees	138 050		138 050
Deferred tax liabilities	448 223	90 706	538 929
NON-CURRENT LIABILITIES	**7 529 988**	**90 706**	**7 620 694**
Current financial liabilities	843 089		843 089
Bank overdrafts	81 100		81 100
Trade payables	101 808		101 808
Payables to fixed asset suppliers	82 143		82 143
Other liabilities	253 930		253 930
Social and tax liabilities	94 158		94 158
Short-term allowances	0		0
CURRENT LIABILITIES	**1 456 228**		**1 456 228**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12 517 345**	**2 528 840**	**15 046 185**

in thousands of euros

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 has entrusted the task of appraising the value of its holdings to

a number of appraisers. Office buildings 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, Montpellier Odysseum and Le Havre Coty portfolios), approximately 50% of Spanish assets (the centers held by Klecar Foncier Espana and Klecar Foncier Vinaza), 4 Hungarian assets and all the Italian, Czech, Slovakian, Belgian, 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 Klecar Foncier Iberica
- DTZ appraises Denmark, 50% of Norwegian assets and 50% of Swedish assets
- NEWSEC appraises 50% of Norwegian assets and 50% of Swedish assets

All appraisals are conducted in accordance with the principles of the Real Estate Appraisal Guidelines (Charte de l'Expertise en Evaluation Immobilière), the "Barthès de Ruyter" COB/CNC working group recommendations and RCIS 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. Fees were as follows in the 2009 fiscal year:

	Appraisal fees	Consultancy fees
RCGE	1 362	428
JLL	715	96
BNP Paribas Real Estate Valuation	231	3
DTZ	100	–
NEWSEC	97	–
TOTAL	**2 504**	**527**

in thousands of euros

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).

Office buildings

BNP Paribas Real Estate Valuation adopts two approaches: the first involves a direct comparison with similar transactions completed in the market during the period, whilst the second involves capitalizing recognized or estimated revenue. Analysis of this revenue identifies the existence of one of three scenarios, depending on whether the lease income is broadly in line with, higher than or lower than the market value. Where lease income and market value are broadly in line, the lease income used for the purpose of the appraisal is the actual lease income earned from the property. Where the lease income is higher than the market value, the appraisal uses the market value and takes account of the capital gain arising from the difference between the actual lease income and the market value. Where lease income is lower than the market value, the appraisers take account of the time remaining before the lease will be reviewed and the rental amount will be aligned with the market rate. In accordance with the French decree of September 30, 1953, the rental amounts payable on properties used solely as office premises are automatically aligned with market rates when their leases come up for renewal. The appraisers therefore worked on the assumption that the owners of such property would be able to align rents with market rates when the leases concerned come up for renewal, and have reflected the current occupancy circumstances in the form of a capital loss calculated as described above. The appraisers did not limit their approach to properties coming up for renewal in the forthcoming three years, on the grounds that the investors involved in current market transactions plan further ahead than three years. In the second scenario, the recognized financial gain has been added to the calculated value. This equates to the (5.5%) discounted value of the difference between the actual lease income and the market price until the first firm period of the lease expires. In the third scenario, the capital loss has been deducted from the calculated value. This equates to the (5.5%) discounted value of the difference between the actual lease income and the market price until the lease expires.
Since December 31, 2005, appraisers have based their work on the rate of return (yield) rather than the capitalization rate. In other words, the rate used was that applied to the income calculated as described above in order to arrive at an appraised value inclusive of transfer duties. Previously, the rate used resulted in a valuation exclusive of transfer duties. The decision to use this rate is the result of observing the market from the point of view of transactions actually completed by investors. In arriving at the appraised value exclusive of transfer duties, the transfer duties and fees were deducted at the rate applied in each country.

Shopping centers

In determining the fair market value of a shopping center, appraisers apply a yield rate to net annual lease income for occupied premises, and to the net market rental price for vacant properties, discounted over the anticipated period of vacancy. The capitalized value of real estate or rebates on minimum guaranteed rent payments, expenses payable on currently vacant premises and non-chargeable work is deducted for the fair market value calculated above. A standard vacancy rate is then defined for each asset. The discount rate applied is the same as the yield rate used in the fair market value calculation.
Gross lease income comprises the minimum guaranteed rent, the variable part of the rent and the market rental price for vacant properties. The net total lease income is calculated by deducting the following expenses from the gross lease income: management charges, non-rebillable charges, expenses relating to provisions for vacant premises and the average loss on bad debts over the previous 5 years.
The yield rate is set by the appraiser based on a range of parameters, the most important of which are: retail sales area, layout, competition, type and percentage of ownership, lease income and extension potential and comparability with recent transactions in the market.
As a result of the way in which its portfolio is structured and for reasons of economy and efficiency, Klépierre uses two methods to appraise those assets posing specific appraisal problems. Assets appraised for the first time and those where the most recent appraisal is no greater than 110% of net book value (excluding deferred taxes) are appraised in two ways: the first is a yield-based appraisal, as explained above, whilst the second is an appraisal based on the discounted future flows method.
This second method calculates the value of a property asset as the sum of discounted financial flows based on a discount rate defined by the appraiser. The appraiser estimates anticipated total revenues and expenses on the asset side, and then measures an "ultimate value" at the end of the analysis period (10 years on average). By comparing the market rental values with face rental values, the appraiser takes account of the rental potential of the property asset by retaining the market rental value at the end of the lease, after deduction of the expenses incurred in remarketing the property. Lastly, the appraiser discounts the forecast cash flow to determine the actual value of the property asset.
The discount rate adopted reflects the market risk-free rate (OAT 10 years) plus a property market risk and liquidity premium and an asset-specific premium reflecting the location, specification and tenancy of each building.
Investment properties under construction were previously subject to the provisions of IAS 16, even where they were intended to become investment properties measured at fair value, whereas buildings undergoing renovation remained subject to IAS 40.

The IASB has changed the application field of two norms concerning investment in progress/properties under construction.
Consequently, on June 30, 2009 and again on December 31, 2009, Klépierre conducted internal valuations of those buildings under construction and covered by irrevocable development permission.

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 number of shares has been retrospectively adjusted following the capital increase of December 2008 and payment of the dividend in the form of shares on May 15, 2009.

		December 31, 2009	December 31, 2008
Numerator			
Net income - group share (thousands of euros)	**a**	**162 102**	**200 277**
Denominator			
Average weighted number of shares before diluting effect [1]	**b**	**178 463 277**	**159 597 431**
Effect of dilutive options		–	–
Stock options			
Total potential dilutive effect	c	–	–
Average weighted number of shares before diluting effect	d = b + c	178 463 277	159 597 431
Group share of net income per undiluted share (in euros)	**a/b**	**0.9**	**1.3**
Net income, group share (in euros)	**a/d**	**0.9**	**1.3**

(1) Average number of shares excluding treasury shares.

10.3. Affiliated companies

Equity relationship with the BNP Paribas Group

The BNP Paribas Group holds a 50.50% 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 December 31, 2009, the BNP Paribas share of bank loans totaled 3,589 million euros, of which 3,162 million euros had been used. This figure does not include the 300 million euro back-up line of commercial paper (not drawn down) agreed by BNP Paribas. This amount compares with authorized total funding of 8,260 million euros, of which 7,386 million euros have been used.

Relationships between Klépierre Group consolidated companies

A full list of Klépierre Group companies is given in Note 3 “Scope of consolidation”.
Transactions between affiliated parties were governed by the same terms as those applying to 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.

End-of-period balance sheet positions with affiliated parties:

	December 31, 2009	
	Proportionally consolidated companies	Companies consolidated using the equity method
Non-current assets	365	45
NON-CURRENT ASSETS	**365**	**45**
Trade accounts and notes receivable	1 016	100
Other receivables	704	–
CURRENT ASSETS	**1 720**	**100**
TOTAL ASSETS	**2 085**	**145**
Non-current financial liabilities	7	2 329
NON-CURRENT LIABILITIES	**7**	**2 329**
Trade payables	7	–
Other liabilities	346	84
CURRENT LIABILITIES	**353**	**84**
TOTAL LIABILITIES	**360**	**2 413**

in thousands of euros

Income items related to transactions with affiliated parties:

	December 31, 2009	
	Proportionally consolidated companies	Companies consolidated using the equity method
Management, administrative and related income	5 288	422
Operating income	**5 288**	**422**
Net cost of debt	5 498	–
Pre-tax earnings	**10 786**	**422**
Net income of consolidated entity	**10 786**	**422**

in thousands of euros

Finance and guarantee commitments related to transactions with affiliated parties:

	December 31, 2009
Commitments given	
- Security deposits on loans to employees	9664
- Guarantees, deposits and mortgages	24042
- Purchase commitments	270
TOTAL	33976
Commitments received	
- Deposits received as guarantees in real-estate management and transactions	300030
- Unused confirmed credit lines	378000
TOTAL	678030
Secured debts	117400
TOTAL	117400

in thousands of euros

The majority of these transactions relate to management and administration fees and income from company business funding transactions.

Post-employment benefit plans

The main post-employment benefits are severance pay and defined benefit or defined contribution pension plans.
Post-employment benefit plans are administered by insurance companies and other independent management companies external to the Klépierre Group.

Compensation paid to the principal corporate officers of the Klépierre Group

Klépierre SA, the parent company of the Klépierre Group, is a French limited liability company whose governance structure comprises an Executive Board and a Supervisory Board.

The amount of directors'fees paid to the members of the Supervisory Board totalled 313 654 euros. The annual allowance under 2009 perceived by the Chairman of the Supervisory Board totalled 140 000 euros.

The compensations of the Executive committee are:

	December 31, 2009
Short-term benefits excluding employer's contribution	1928323
Short-term benefits: employer's contribution	834412
Post-employment benefits	81948
Other long term benefits	
Termination benefits	85000
Share-based payment (1)	528807

in euros
(1) Expense posted in the profit and loss account under stock-options plans

10.4. Post balance sheet date events

Klépierre took advantage of the lower interest rates available in January 2010 to bring forward the renewal of its interest rate hedging instruments with maturity dates falling at the end of 2011. As a result, the company has negotiated a number of forward start swaps for a total notional amount of 600 million euros and an average duration of 6.1 years (commencing December 22, 2011) at an average rate of 3.54%.

At its meeting of February 1, 2010, the Klépierre Executive Board also resolved to reallocate treasury shares previously held to cover future external growth transactions. The 1,164,010 shares concerned are now held to cover stock option plans in accordance with the objectives set out in the Group's share buyback program.

10.5. Statutory auditors' fees

	Deloitte				Mazars			
	Amount wo. VAT		%		Amount wo. VAT		%	
	2009	2008	2009	2008	2009	2008	2009	2008
Audit	**1162**	**879**	**100%**	**100%**	**775**	**728**	**100%**	**100%**
Auditing, certification and review of individual and consolidated financial statements								
– Issuer	*235*	*231*	*20%*	*26%*	*150*	*137*	*19%*	*19%*
– Fully integrated subsidiaries	*850*	*474*	*73%*	*54%*	*607*	*511*	*78%*	*70%*
Other diligences and services directly related to the statutory audit engagement								
– Issuer	*10*	*129*	*1%*	*15%*	*9*	*64*	*1%*	*9%*
– Fully integrated subsidiaries	*67*	*45*	*6%*	*5%*	*9*	*16*	*1%*	*2%*
Other services provided by auditors to fully-integrated subsidiaries (d)								
Legal, taxation and employment-related and other	–	–	–	–	–	–	–	–
Sous-total								
TOTAL	1162	879	100%	100%	775	728	100%	100%

in thousands of euros

10.6. Identity of the consolidating company

At December 31, 2009, Klépierre was fully consolidated by the BNP Paribas Group. BNP Paribas holds a 50.50% equity stake in Klépierre (including treasury shares).

Statutory auditors'report on the consolidated financial statements

Year ended December 31, 2009

This is a free translation into English of the statutory auditors'report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors'report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors'assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. 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 accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2009 on:

- the audit of the accompanying consolidated financial statements of Klépierre,
- the justification of our assessments,
- the specific verification required by law.

These consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2009 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the point set out in Note 2 to the consolidated financial statements concerning the changes in accounting rules and methods.

II. Justification of our assessments

The financial crisis which began in 2008 and continued in 2009 has had multiple consequences for companies. The accounting estimates used for the presentation of the consolidated financial statements for the year ended December 31, 2009 were prepared in a context of uncertain economic outlooks.

It is in this context and in accordance with Article L. 823-9 of the French Commercial Code (Code du commerce) relating to the justification of our assessments that we conducted our own assessments, which we bring to your attention:

- Notes 2.5 and 10.1 to the consolidated financial statements specify that real estate assets are appraised by independent experts to estimate impairments, if any, and the fair values of buildings. Our procedures consisted notably in examining the valuation methodology used by the experts and the company, to ensure ourselves that the impairments as well as the fair values were made based on external expert appraisals.
- As indicated in Note 2.7 to the consolidated financial statements, the company used certain estimates with respect to the monitoring of the value of goodwill. Our procedures consisted in assessing the data and the assumptions on which these estimates are based, reviewing the calculations performed by your company, examining management's approval procedures for these estimates and finally verifying that the notes to the financial statements give appropriate disclosures of the assumptions adopted.
- Notes 2.16 and 4.16 to the consolidated financial statements set forth the accounting rules and methods to determine the fair value of derivative instruments as well as the characteristics of the Group's hedging instruments. We examined the classification criteria and the documentation required specifically by IAS 39 and verified the appropriateness of these accounting methods and the disclosures provided in the notes to the consolidated financial statements.

These assessments were made performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France, we have also performed the specific verification provided for by law regarding the information given in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, February 22, 2010

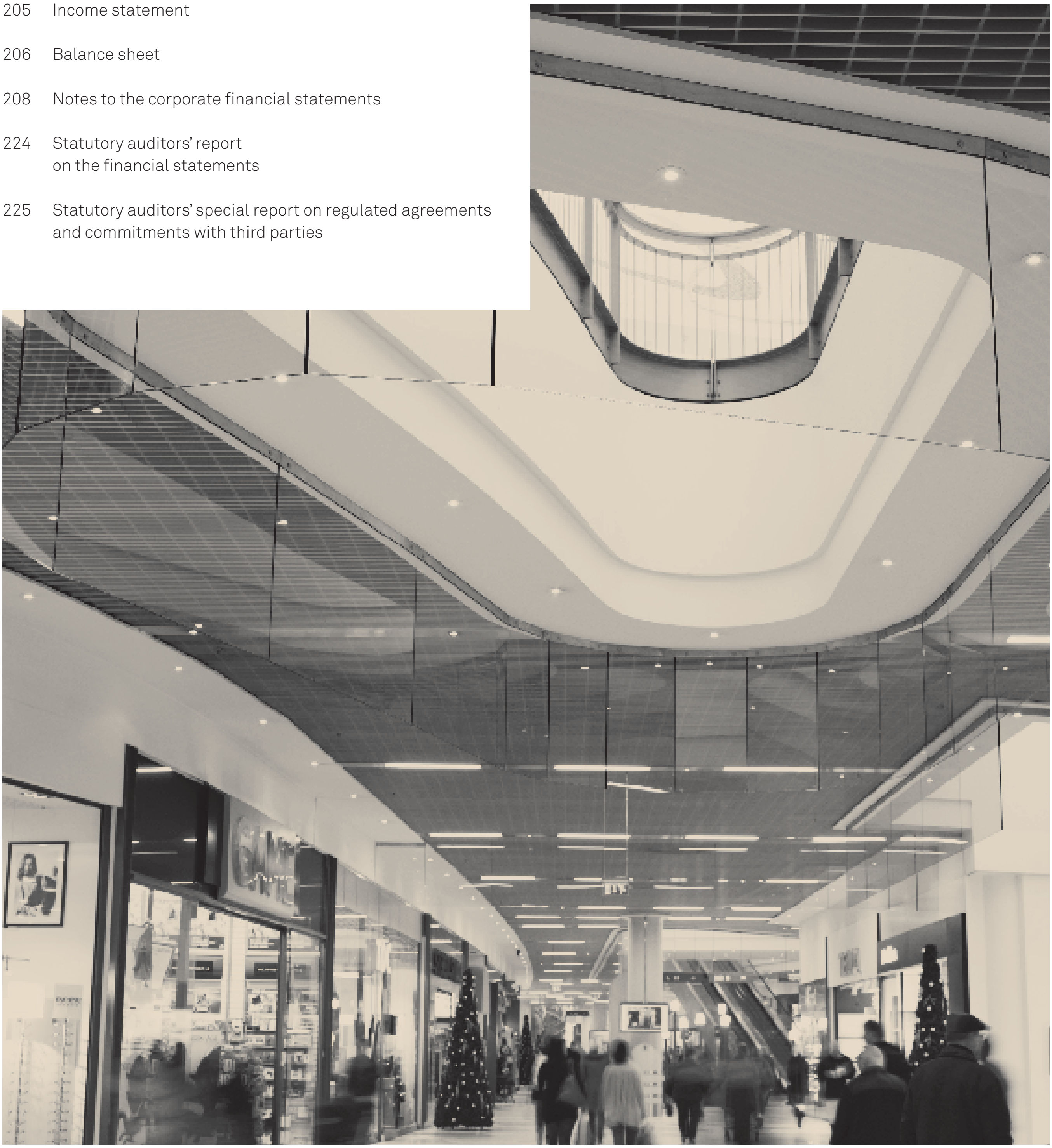
The Statutory Auditors

Mazars
Julien Marin-Pache

Deloitte & Associés
Pascal Colin
Laure Silvestre-Siaz

Registration document
Concordance table

Corporate financial statements



Income statement

		December 31, 2009	December 31, 2009
OPERATING REVENUE			
Rental income		44 665	49 083
Lease income		42 515	47 089
Repayment of expenses		2 150	1 993
Write-back of provisions (and amortizations) & expense transfers		24	64
Other income		1 569	617
TOTAL I		**46 258**	**49 764**
OPERATING EXPENSES			
Purchases and external expenses		- 12 322	- 14 385
Income taxes and similar payments		- 2 520	- 2 353
Social security deductions		- 58	–
Allowances for depreciation and provisions:			
- On fixed assets and deferred charges: depreciation and amortization		- 11 212	- 10 723
- On fixed assets: provisions		–	–
- On circulating assets: provisions		–	- 10
- For liabilities and charges: provisions		- 433	- 85
Other expenses		- 636	- 335
TOTAL II		**- 27 182**	**- 27 892**
OPERATING INCOME (I-II)		**19 077**	**21 872**
SHARE OF INCOME FROM JOINT OPERATIONS			
Profits applied or losses transferred	III	187 627	154 553
Losses borne or profits transferred	IV	- 5 406	- 5 941
FINANCIAL REVENUE (note 16)			
From investments		411 435	247 010
From other investment securities and receivables from capitalized assets		–	–
Other interest and similar income		2 563	12 707
Write-back of provisions and transfers of charges		40 691	11 686
Net proceeds from disposals of investment securities		32	167
TOTAL V		**454 721**	**271 570**
FINANCIAL EXPENSES (note 17)			
Amortization expenses and provisions		- 76 511	- 46 125
Interest and similar charges		- 218 904	- 223 079
Negative exchange rate variances		59	- 27 223
Net expenses incurred on disposals of investment securities		–	–
TOTAL VI		**- 295 356**	**- 296 428**
FINANCIAL INCOME (V-VI)		**159 365**	**- 24 858**
PRE-TAX INCOME (I-II+III-IV+V-VI)		**360 663**	**145 626**
NON-RECURRING REVENUE			
On management transactions		27	279
On capital transactions		459 682	65 748
Write-back of provisions and transfers of charges		–	–
TOTAL VII		**459 709**	**66 028**
NON-RECURRING EXPENSES			
On management transactions		- 27	- 25
On capital transactions		- 422 457	- 46 768
Allowances for depreciation and provisions		–	–
TOTAL VIII		**- 422 485**	**- 46 793**
NON-RECURRING INCOME (VI-VIII) (note 18)		**37 225**	**19 235**
EMPLOYEE PROFIT SHARING	IX	**–**	**–**
CORPORATE INCOME TAXES (note 19)	X	**- 1 774**	**8 077**
TOTAL REVENUE (I+III+V+VII)		**1 148 316**	**541 914**
TOTAL EXPENSES (II+IV+VI+VIII)		**- 752 202**	**- 368 977**
NET INCOME FOR THE FISCAL YEAR		**396 114**	**172 937**

in thousands of euros

Balance sheet

Assets, December 31

	December 31, 2009			December 31, 2008
	Gross	Amortization and provisions	Net	Net
FIXED ASSETS				
INTANGIBLE FIXED ASSETS (notes 1, 2 and 3)	**5858**	**491**	**5367**	**5490**
Setup costs	614	491	123	246
Research & Development costs	–	–	–	–
Concessions, patents and similar rights	19	–	19	19
Fonds commercial	5225	–	5225	5225
TANGIBLE ASSETS (notes 1,2 and 3)	**531354**	**74139**	**457214**	**560664**
Land	253657	–	253657	292256
Buildings and fixtures	277256	73743	203513	191770
- Structures	165217	27399	137819	134603
- Facades, cladding and roofing	35875	9072	26804	24386
- General and technical installations	38447	14002	24445	20316
- Fittings	37716	23270	14446	12465
Technical installations, plant and equipment	389	385	3	4
Other	27	11	15	15
Tangible assets in progress	25	–	25	76618
Advances and pre-payments	–	–	–	–
LONG-TERM INVESTMENTS	**7222029**	**73871**	**7148158**	**6583776**
Equity holdings (notes 4 and 5)	4243778	63204	4180573	3577408
Loans to subsidiaries and affiliated companies (note 6)	2777586	10488	2767098	2823428
Other long-term investments	179	152	27	27
Loans	171365	–	171365	149288
Other (note 7)	29122	27	29095	33625
TOTAL I	7759241	148502	7610739	7149930
CURRENT ASSETS				
ADVANCES AND PRE-PAYMENTS TO SUPPLIERS	**229**	**–**	**229**	**5**
RECEIVABLES	**6385**	**–**	**6385**	**20373**
Trade receivables and similar accounts	1380	–	1380	5554
Other (note 8)	5005	–	5005	14819
INVESTMENT SECURITIES	**56783**	**8565**	**48218**	**41992**
Treasury shares	56783	8565	48218	41992
Other securities	–	–	–	–
CASH & NEAR CASH	**21776**	**–**	**21776**	**45606**
PREPAID EXPENSES (note 9)	**25988**	**–**	**25988**	**24797**
TOTAL II	111159	8565	102594	132773
Deferred charges (III) (note 9)	11160	–	11160	12850
Loan issue premiums (IV) (note 9)	5189	–	5189	6589
Unrealized foreign exchange assets (V) (note 9)	–	–	–	–
GRAND TOTAL (I+II+III+IV+V)	7886750	157067	7729683	7302142

in thousands of euros

Liabilities, December 31

	December 31, 2009	December 31, 2008
SHAREHOLDERS'EQUITY (note 10)		
Capital (of which paid-up)	254 761	232 700
Additional paid-in capital (from share issues, mergers and contributions)	1 223 469	1 070 526
Positive merger variance	187 452	187 452
Positive cancelled share variance	18 307	18 307
Revaluation variances		
Legal reserve	23 270	19 389
Other reserves	168 055	168 055
Retained earnings	399 525	433 497
Net income/loss for the year	**396 114**	**172 937**
Investment subsidies	–	–
Regulated provisions	–	–
TOTAL I	2 670 952	2 302 862
PROVISIONS FOR LIABILITIES AND CHARGES (note 11)	**721**	**288**
Provision for liabilities	687	254
Provision for charges	34	34
TOTAL II	721	288
DEBTS		
FINANCIAL DEBTS (note 12)	**5 027 342**	**4 965 786**
Other bond issues	1 325 218	1 336 578
Borrowings and debts with credit institutions	2 902 563	3 330 237
Sundry loans and financial debts	799 561	298 970
TRADE AND SIMILAR ACCOUNTS	**593**	**569**
TRADE PAYABLES	**21 586**	**19 383**
Trade and other payables	8 702	6 150
Tax and social security liabilities (note 13)	12 883	13 233
MISCELLANEOUS LIABILITIES	**5 981**	**9 958**
Payables to fixed asset suppliers	1 299	6 651
Other (note 14)	4 682	3 307
PREPAID INCOME (note 15)	**2 509**	**3 296**
TOTAL III	5 058 010	4 998 991
Unrealized foreign exchange liabilities (IV)	–	–
GRAND TOTAL (I+II+III+IV)	7 729 683	7 302 142

in thousands of euros

Notes to the corporate financial statements

1. Significant events

1.1. Payment of dividend in the form of shares

The general meeting of shareholders held on April 9, 2009 approved the payment of a net dividend of 1.25 euros per share in respect of the 2008 fiscal year; the payment to be made in cash or in shares.
The option to receive payment of the dividend in the form of shares was taken up by 86.4% of shareholders.
The resulting increase in equity totals 175 383 513 euros, funded by the issue of 15 757 728 new shares.
The cash dividend payment totaled 27.6 million euros.
Following this transaction, the share capital of Klépierre SA totaled 254 761 022.60 euros in the form of 181 972 159 shares, each with a par value of 1.40 euros.

1.2. Real estate asset transactions

Klépierre SA continued to apply its investment policy during the year, resulting in the disposal of the following office buildings:
- 18/20 rue La Pérouse Paris 75;
- 23/25 avenue Kléber Paris 75.

The Séreinis building in Issy-les-Moulineaux was handed over in April 2009 at a total cost price of 80.1 million euros.

1.3. New funding arrangements

On June 29, 2009, Klépierre SA signed an agreement for a new loan of 2,400 million euros granted by BNP Paribas with the first maturity date in June 2012 and the last in June 2015.
The agreements reached with its partner banks involved:
- a reduction in the covenants applying to the 1 000 million euro syndicated loan with a maturity date of September 2014;
- the refinancing of syndicated loans with the earliest maturity dates (750 million euros in June 2011 and 1,500 million euros in January 2013) by the introduction of a new line of credit of 2.4 billion euros.

The same loan provides Klépierre with a further 150 million euros in financial resources.
A new six-year bilateral loan includes a 300 million euro back-up line of commercial paper and credit line of 2.1 billion euros.
The Loan-to-Value Ratio- and Interest Cover Ratio-linked covenants applying to the 2014 loan were made significantly more flexible, following the increase of the initial Loan-to-Value Ratio from 55% to 63% and the reduction of the Interest Cover Ratio from 2.5 to 1.9.

2. Accounting principles and measurement methods

2.1. Application of accounting conventions

The annual financial statements for the period ended December 31, 2009 have been prepared in accordance with the general chart of accounts.
The general accounting conventions have been applied in compliance with the following principles:
- prudence;
- independence of fiscal years;
- compliance with the general rules applying to the preparation and presentation of annual financial statements, and on the basis of assumed continuity of operation.

No changes were made to methods or estimations during the fiscal year.

2.2. Measurement methods

2.2.1. Fixed assets

General criteria applied to the recognition and measurement of assets

Tangible and intangible fixed assets are recognized as assets when all the following conditions are met:
- It is likely that the entity will enjoy the corresponding future financial benefits;
- Their cost or value can be measured with a sufficient level of reliability.

At the date on which they enter the company's asset base, asset values are measured either at their cost of acquisition or their cost of construction.
Financial interest relating specifically to the production of fixed assets is included in their cost of acquisition.

2.2.2. Intangible assets: the technical negative variance

Generally recognized for mergers or complete transfers of assets and liabilities measured at their carrying value, the technical negative variance or "false" negative variance is recognized where the net value of the acquired company's shares as stated in the assets of the acquiring company is higher than the net book asset contributed.
To determine whether the negative merger variance is "true" or "false", it must be compared with the underlying capital gains on the asset items recognized or not in the accounts of the acquired company after deduction of liabilities not recognized in the accounts of the absorbed company for lack of accounting obligation to do so (pensions accruals, deferred tax liabilities).
The technical negative variance shown in the "Goodwill" item is not amortizable, since the time over which its future economic benefits may be enjoyed cannot reliably be determined.

Impairment of the technical negative variance

The negative variance is impaired when the present value (the market value or value in use, whichever is the greater) of one or more underlying assets to which a percentage of the negative variance has been assigned falls below the carrying value of the assets concerned plus the proportion of negative variance assigned.

2.2.3. Tangible assets

Definition and recognition of components

Based on Fédération des Sociétés Immobilières et Foncières (Federation of Property Companies) recommendations concerning components and useful life, the component method is applied as follows:

- for properties developed by the subsidiaries themselves, assets are classified by component type and measured at their realizable value;
- where investment properties are held in the portfolio (sometimes for long periods), 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.

When applying regulations 2004-06 and 2002-10, existing office buildings have been broken down using the following percentages (arrived at on the basis of the FSIF table):

Components	Office buildings	Amortization period (Straight Line)
Structures	60%	60 years
Facades	15%	30 years
GTI	15%	20 years
Fittings	10%	12 years

All component figures are based on assumed “as new” values. The company has therefore calculated the proportions of the fittings, technical installations and facade components on the basis of the periods shown in the table applied since the date of construction or most recent major renovation of the property asset concerned. The proportion for structures is calculated on the basis of the proportions previously identified for the other components.
In accordance with the recommendations of the Fédération des Sociétés Immobilières et Foncières (Federation of Property Companies), the amortization periods have been determined in such a way as to obtain a zero residual value on maturity of the amortization plan.
Amortization is calculated on the basis of the useful lifespan of each component.
The maintenance expenses involved in multi-year capital repairs programs or major refurbishments governed by legislation, regulations or the standard practices of the entity concerned must be recognized from the outset as distinct asset components, unless a provision has been recognized for capital repairs or major refurbishments. This convention is intended to cover those maintenance expenses whose sole purpose is to verify the condition and serviceability of installations and to carry out maintenance to such installations without extending their working life beyond that initially intended, subject to compliance with the applicable accounting recognition conditions.

Principles of asset impairment

At each balance sheet and interim reporting date, the company carries out an appraisal to determine any indication that an asset could have suffered a significant loss in value (PCG Art. 322-5).
An asset is impaired when its actual value falls below that of its net carrying value. The actual value is the market value (appraised value excluding rights on the balance sheet date) or the value in use (PCG art 322-1), whichever is the higher.
The market value of the asset held is determined by independent appraisers, with the exception of those assets acquired less than 6 months earlier, whose market value is estimated as the cost of acquisition.
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.
Assets covered by a contract to sell are appraised at their selling price net of exit expenses.

2.2.4. Financial assets

Equity investments are recognized at their cost of acquisition.
Provisions for impairment may be entered for equity investments where their inventory value is less than their acquisition value at the fiscal year end. The inventory value of equities is equivalent to their value in use, as calculated to take account of the net reappraised situation and yield outlook.
The reappraised net position of real estate companies is estimated on the basis of appraisals conducted by third-party real estate appraisers.
Management company shares are measured at each fiscal year end by a third-party appraiser.
Treasury shares acquired for the purpose of transfer to a vendor as part of an external growth transaction are provisioned if the average stock market price for the last month of the fiscal year is lower than the acquisition value.

2.2.5. Acquisition cost of fixed assets

Transfer duties, fees, commissions and legal expenses are included in the capitalized cost of the asset.
The company has exercised the option of recognizing the acquisition cost of financial assets as expenses (PCG Arts 321-10 and 321-15).

2.2.6. Eviction penalties

When a lessor terminates a lease prior to the expiration date, he must pay eviction compensation to the lessee.
Where eviction compensation is paid as a result of major renovation or reconstruction work on a property requiring the prior removal of tenants, the cost is included in preliminary expenses and recognized as a supplementary component of total renovation costs.
Expenditure that does not meet the combined criteria applying to the definition and recognition of assets and which cannot be allocated to acquisition or production costs is recognized as an expense: eviction penalties paid to tenants during commercial restructuring are recognized as expenses for the fiscal year.

2.2.7. Marketing expenditure

Marketing, re-marketing and renewal fees are recognized as expenses for the fiscal year.

2.3. Mergers and similar transactions

CNC recommendation 2004-01 of March 25, 2004, as approved on May 04, 2004 by the Comité de Réglementation Comptable (CRC), relating to the treatment of mergers and similar transactions states the following rule regarding positive or negative variances in respect of cancelled shares:

Negative variance

A negative variance arising from these transactions must be treated in the same way as a negative merger variance:
- recognition of the technical negative variance in intangible assets;
- recognition of the balance of the negative variance in financial expenses.

Positive variance

The positive variance from these transactions must be treated in the same way as a positive merger variance. Any positive variance in the percentage of earnings accumulated by the merged entity (since the acquisition of the acquired company's equity by the acquiring company) remaining undistributed must be shown in the investment earnings of the acquiring company. Any residual balance is recognized as shareholders'equity.

2.4. Receivables, debts and cash & near cash

Receivables, debts and cash and near cash have been measured at par value.
Trade receivables are estimated individually at each balance sheet date and intermediate reporting date, and a provision entered wherever there is a perceived risk of non-recovery.

2.5. Investment securities

Investment securities are recognized at their cost of acquisition.
Provisions for depreciation are calculated in accordance with the following rules:
- Treasury shares traded under a market liquidity agreement: a provision is recognized when the inventory value (determined relative to the average market price for the last month of the fiscal year) is lower than the acquisition value;
- Shares allotted to employees: a provision is recognized if the average purchase price exceeds the purchase option price offered to employees.

2.6. Deferred charges: loan issue costs

Expenditure that does not meet the combined criteria applying to the definition and recognition of assets must be recognized as an expense. It is no longer possible to amortize these costs over several periods.
CNC recommendation 2004-15 on assets of June 23, 2004 does not apply to financial instruments and related expenditure, such as loan issue costs, share premiums and loan repayment premiums.
Bond issue costs and the commissions and fees relating to bank loans are spread over the full loan period.

2.7. Forward financial instruments

Expenses and gains on forward financial instruments (swaps) entered into for the purpose of hedging the company's risk exposure to interest rate fluctuations are recognized pro rata in the income statement.
Unrealized losses and gains arising as a result of the difference between the market value of agreements estimated at the end of the year and their par value are not recognized.

2.8. Operating income and expenses

Rental income is recognized on a straight line basis over the full duration of the lease agreement, building expenses are rebilled to clients on payment and interest is entered on receipt or payment. At the end of the fiscal year, gains and expenses are adjusted by the addition of accrued amounts not yet due and the subtraction of pre-posted non accrued amounts.
Accruals for building expenses are recognized as payables in "Suppliers – invoices to be received".

2.8.1. Leases

Rental income is recognized on a straight line basis throughout the full period of the lease.
Stepped rents and rent-free periods are recognized every fiscal year by spreading the resulting increase or decrease in rental income over the reference period.
The reference period adopted is the first firm lease term.

2.8.2. Early termination penalties

Lessees who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties. This revenue is allocated to the terminated lease and credited to income for the period in which it is recognized.

2.9. The tax regime adopted by the company

As a result of opting to apply the tax regime provided for in Article 11 of the French finance act of December 30, 2002, Klépierre SA is exempt from corporate income tax, subject to compliance with the three following conditions applying to the distribution of its profits:
- distribution of 85% of the profits generated from the rental of real estate assets prior to the end of the fiscal year following the year in which they were earned;
- distribution of 50% of capital gains made on the disposal of buildings, equity holdings in companies covered by the provisions of article 8 and whose purpose is identical to that of an SIIC or stocks in subsidiary companies subject to corporate income tax, where such companies have exercised the option prior to the second fiscal year following the year in which the gains were made;
- distribution of all dividends received from subsidiary companies exercising the option during the fiscal year following the year in which the dividends were paid.

Income relating to the exempt sector is distinguished from that of the taxable sector in accordance with the applicable legal requirements:
- Direct allocation of expenses and income, wherever possible;
- Allocation of general expenses pro rata to the income of both sectors;
- Allocation of net interest expenses pro rata to the gross fixed assets of both sectors.

Klépierre SA also calculates the taxable income of the sector subject to corporate income tax.
Further to adopting the reconstitution of the historic cost in the context of implementing the component method, the new Article 237 septies of the CGI (French General Tax Code) requires that the resulting net amortization adjustments must be reintegrated for tax purposes in equal installments over five years.

3. Notes to the financial statements: balance sheet assets

3.1. Intangible assets and property, plant and equipment

3.1.1. Gross fixed assets

	Gross value at December 31, 2008	Acquisitions, new businesses and contributions	Reductions by disposals, retirement of assets	Inter-item transfer	Merger	Gross values at fiscal year end
INTANGIBLE FIXED ASSETS						
Setup costs	**614**	**–**	**–**	**–**	**–**	**614**
Other intangible fixed assets	**5 244**	**–**	**–**	**–**	**–**	**5 244**
- Technical negative variance	5 225	–	–	–	–	5 225
- Other	19	–	–	–	–	19
TOTAL	5 858	–	–	–	–	5 858
TANGIBLE ASSETS						
Land	**292 256**	**–**	**- 64 218**	**25 619**	**–**	**253 657**
– Finance lease	280	–	- 280	–	–	–
– Operating lease	268 946	–	- 51 118	25 619	–	243 447
– Operational lease	23 030	–	- 12 820	–	–	10 210
Structures	**163 293**	**–**	**- 30 769**	**32 694**	**–**	**165 217**
– Finance lease	1 638	–	- 1 638	–	–	–
– Operating lease	149 798	–	- 21 938	32 694	–	160 554
– Operational lease	11 857	–	- 7 193	–	–	4 664
Facades, cladding and roofing	**33 743**	**–**	**- 6 120**	**8 253**	**–**	**35 875**
– Finance lease	409	–	- 409	–	–	–
– Operating lease	31 075	–	- 4 343	8 253	–	34 985
– Operational lease	2 257	–	- 1 368	–	–	889
General and technical installations	**34 670**	**–**	**- 6 198**	**9 975**	**–**	**38 447**
– Finance lease	409	–	- 409	–	–	–
– Operating lease	32 171	–	- 4 526	9 975	–	37 620
– Operational lease	2 090	–	- 1 263	–	–	827
Fittings	**35 858**	**–**	**- 4 541**	**6 399**	**–**	**37 716**
– Finance lease	273	–	- 273	–	–	–
– Operating lease	34 104	–	- 3 289	6 399	–	37 214
– Operational lease	1 481	–	- 979	–	–	502
Fittings and construction in progress	**76 618**	**6 348**	**–**	**- 82 941**	**–**	**25**
Other tangible assets	**415**	**–**	**–**	**–**	**–**	**415**
TOTAL	636 853	6 348	- 111 846	0	–	531 354
TOTAL GROSS FIXED ASSETS	642 711	6 348	- 111 846	0	–	537 212

in thousands of euros

In 2006, Klépierre SA acquired a future office building to be constructed in the Forum Seine urban development area in Issy Les Moulineaux under a Contrat de Promotion Immobilière or CPI (Property Development Contract). A total of 10.2 million euros (including taxes) was paid under this contract in 2009. This building was handed over in April 2009 at a total cost price of 80.1 million euros.
The reductions arise as a result of the sale of the office buildings at 18/20 rue la Pérouse and 23/25 Avenue Kléber in Paris, and the exercise of the purchase option contained in the lease for the building at 99, rue Nationale in Lille.

3.1.2. Amortization and provisions

	Amortization at December 31, 2008	Allowances	Disposals	Other movements	Merger	Amortization at fiscal year end
INTANGIBLE FIXED ASSETS						
Setup costs	**369**	**123**	**–**	**–**	**–**	**491**
Other intangible fixed assets	**–**	**–**	**–**	**–**	**–**	**–**
– Technical negative variance	–	–	–	–	–	–
– Other	–	–	–	–	–	–
TOTAL	369	123	–	–	–	491
TANGIBLE ASSETS						
Structures	**28 690**	**4 203**	**- 5 495**	**–**	**–**	**27 399**
– Finance lease	1 028	27	- 1 055	–	–	0
– Operating lease	26 077	3 953	- 3 359	–		26 671
– Operational lease	1 585	223	- 1 081	–		727
Facades, cladding and roofing	**9 357**	**1 399**	**- 1 685**	**–**	**–**	**9 072**
– Finance lease	195	5	- 200			- 0
– Operating lease	8 642	1 321	- 1 130			8 833
– Operational lease	521	73	- 355	–		239
General and technical installations	**14 355**	**2 250**	**- 2 601**	**–**	**–**	**14 002**
– Finance lease	248	7	- 255	–	–	0
– Operating lease	13 325	2 132	- 1 813	–		13 643
– Operational lease	783	111	- 533	–		361
Fittings	**23 392**	**2 987**	**- 3 109**	**–**	**–**	**23 270**
– Finance lease	213	6	- 219			0
– Operating lease	22 086	2 830	- 2 076	–		22 840
– Operational lease	1 093	151	- 814	–		430
Other tangible assets	**395**			**–**		**395**
TOTAL	76 190	10 839	- 12 890	–	–	74 139
TOTAL AMORTIZATION	76 559	10 962	- 12 890	–	–	74 630

in thousands of euros

	Provisions at December 31, 2008	Allowances	Disposals	Other movements	Merger	Amortization at fiscal year end
TANGIBLE ASSETS						
Buildings and fixtures	**–**	**–**	**–**	**–**	**–**	**–**
– Operating lease	–	–	–			–
Structures	**–**	**–**	**–**	**–**	**–**	**–**
– Operating lease	–	–	–	–		–
Facades, cladding and roofing	**–**	**–**	**–**	**–**	**–**	**–**
– Operating lease	–	–	–	–		–
General and technical installations	**–**	**–**	**–**	**–**	**–**	**–**
– Operating lease	–	–	–	–		–
Fittings	**–**	**–**	**–**	**–**	**–**	**–**
– Operating lease	–	–	–	–		–
TOTAL PROVISIONS	–	–	–	–	–	–
TOTAL AMORT. AND PROVISIONS	76 559	10 962	- 12 890	–	–	74 630

in thousands of euros

3.1.3. Net fixed assets

	Net values at December 31, 2008	Net increases in allowances	Net reduction in write-backs	Inter-item transfer	Merger	Net values at fiscal year end
INTANGIBLE FIXED ASSETS						
Setup costs	**245**	**- 123**	**–**	**–**	**–**	**123**
Other intangible fixed assets	**5 244**	**–**	**–**	**–**	**–**	**5 244**
– Technical negative variance	5 225	–	–	–	–	5 225
TOTAL	5 490	- 123	–	–	–	5 367
TANGIBLE ASSETS						
Land	**292 256**	**–**	**- 64 218**	**25 619**	**–**	**253 657**
– Finance lease	280	–	- 280	–	–	–
– Operating lease	268 946	–	- 51 118	25 619	–	243 447
– Operational lease	23 030	–	- 12 820	–	–	10 210
Structures	**134 602**	**- 4 203**	**- 25 274**	**32 694**	**–**	**137 819**
– Finance lease	610	- 27	- 583	–	–	0
– Operating lease	123 722	- 3 953	- 18 579	32 694		133 884
– Operational lease	10 272	- 223	- 6 112	–		3 937
Facades, cladding and roofing	**24 386**	**- 1 399**	**- 4 435**	**8 253**	**–**	**26 804**
– Finance lease	214	- 5	- 209	–	–	–
– Operating lease	22 434	- 1 321	- 3 213	8 253		26 153
– Operational lease	1 736	- 73	- 1 013	–		650
General and technical installations	**20 317**	**- 2 250**	**- 3 597**	**9 975**	**–**	**24 445**
– Finance lease	161	- 7	- 154	–	–	–
– Operating lease	18 846	- 2 132	- 2 713	9 975		23 977
– Operational lease	1 307	- 111	- 730	–		466
Fittings	**12 466**	**- 2 987**	**- 1 432**	**6 399**	**–**	**14 446**
– Finance lease	60	- 6	- 54	–	–	–
– Operating lease	12 018	- 2 830	- 1 213	6 399		14 374
– Operational lease	388	- 151	- 165	–		72
Fittings and construction in progress	**76 618**	**6 348**	**–**	**- 82 941**		**25**
Other tangible assets	**19**	**–**	**–**	**–**	**–**	**19**
TOTAL	560 664	- 4 491	- 98 956	0	–	457 214
TOTAL NET FIXED ASSETS	566 154	- 4 614	- 98 956	0	–	462 581

in thousands of euros

3.2. Financial assets

3.2.1. Equity securities

GROSS EQUITY SECURITIES AT YEAR START	3 584 074
Acquisitions of equities	**999 978**
– Received in payment for contributions of buildings or shares to subsidiaries	180 760
– Received in payment for for equity securities (proportion)	–
– Purchases, capital increase and contributions	819 218
Decreases in equities	**- 180 760**
– Capital decreases and reductions & contributions	- 180 760
Disposals and transfers of equities	**- 159 514**
– Retirement of shares	–
– Disposal of shares	- 125 924
– Payment for contributions	- 33 590
– Other	–
GROSS EQUITY SECURITIES AT YEAR END	4 243 778

in thousands of euros

The change in the "Acquisitions of equities" item refers chiefly to:
- The merger of Société des Centres Toulousains SNC into in SCoo SC in a transaction measured at 117.6 million euros;
- The capital paid on formation of Klémentine BV and the subsequent incorporation of advances totaling 17.8 million euros;
- The acquisition of 35,000 shares in Bègles d'Arcins SCI at a cost of 3.1 million euros;
- The recapitalization by setoff of receivables of the following companies:
  - Capucine BV (350 million euros),
  - Klépierre Luxembourg SA (250.5 million euros),
  - Odysseum Place de France SCI (48.9 million euros),
  - Soaval SCS (41.2 million euros),
  - Galleria Commerciale Klépierre S.r.l (25.5 million euros),
  - Kléprojet 1 SAS (25.5 million euros),
  - Klé1 SAS (22 million euros).
- The following company share contributions were made during the fiscal year:
  - SNC Société des Centres Toulousains to Scoo SC in exchange for 359,047 shares (117.6 million euros),
  - Immobiliare Magnolia SA, Novate SA and Immobiliare Commerciale Dodicesima SA to Klépierre Luxembourg in exchange for 11 753 414 shares (63.1 million euros).

The "disposal of equities" item refers essentially to the disposal of shares in Scoo SC and Société des Centres Toulousains SNC (125.6 million euros) and Effe Kappa SRL (0.3 million euros).
The "payment for contributions" item refers to the merger premium distribution and capital reduction by Cécoville SAS (33.6 million euros).

	Provisions at December 31, 2008	Allowances	Write-backs	Provisions at December 31, 2009
Financial assets				
Holdings	6 666	57 177	- 639	63 204
TOTAL PROVISIONS	6 666	57 177	- 639	63 204

in thousands of euros

The majority of the change in the "provisions for holdings" item results from the impairment of shares in the following companies:
- Capucine BV (33.5 million euros);
- H1 SA (15.8 million euros);
- Centre Bourse SNC (3.4 million euros);
- Klépierre Vinaza SA (2 million euros);
- Klémentine BV (1.8 million euros).

Subsidiary companies and holdings

Financial information on Subsidiaries and Holdings	Capital	Shareholder equity other than capital stock & income	Percentage holding	Net income at year end	Pre-tax revenue	Gross carrying amount	Net carrying amount	Guarantees and sureties given	Loans and advances granted	Dividends received
1. SUBSIDIARIES OWNED BY MORE THAN 50%										
Angoumars SNC	5 131	46 165	100	- 2 651	3 349	51 296	51 296		5 552	
Barjac Victor SNC	1 792	16 110	100	2 224	3 555	19 236	19 236		7 171	
Bègles Papin SCI	765	6 871	100	245	791	7 636	7 636		3 049	
Besançon Chazeule SCI	54	470	100	- 379	42	524	524		419	
Capucine BV	37 444	339 861	100	- 8 007		374 288	340 770		57 751	
CB Pierre SAS	10 500	4 808	100	1 710	2 358	0	0			1 560
Cécoville SAS	2 235	124 335	100	16 286	22 847	128 856	128 856	113 786	17 702	76 874
Centre Bourse SNC	3 813		100	2 551	3 204	47 419	43 293			
Clermont Jaude SAS	21 686	2 169	100	6 525	9 733	76 396	76 396		10 281	6 244
Combault SCI	778	6 984	100	613	1 184	7 762	7 762		4 648	
Foncière de Louvain-la-Neuve SA	62	- 19 382	100	- 2 751		61	61		26 165	
Foncière Saint-Germain SNC	1 183	9 208	100	11 623	1 800	10 562	10 391			
Galeries Drancéennes SCI	4	600	100	3 214	4 650	58 596	58 596		9 264	
Galleria Commerciale Klépierre SRL	1 560	38 021	100	847	4 760	41 052	41 052		9 450	
Général Leclerc SNC	3 916	12 881	100	1 463	2 666	14 429	14 429		9 300	
Holding Gondomar 1 SA	5 449	- 5 410	100	49 407	3 238	81 873	66 073		0	30 333
Holding Gondomar 3 SAS	410	2 621	100	94		3 684	3 684		1 355	
Holding Gondomar 4 SAS	413	2 900	100	- 26		4 337	4 337		1 076	
Jardin des Princes SNC	800	7 185	100	955	1 406	9 525	9 525		457	
Kléber La Pérouse SNC	19 675	128 191	100	17 202	188	165 225	165 225		91 178	
Klécar Europe Sud SCS	315 260	297 376	83	23 718		523 247	523 247			21 447
Klécar France SNC	500 881	500 880	83	118 099	84 834	831 462	831 462		41 807	
Klécar Participations Italie SAS	31 471	6 199	83	4 952		33 629	33 629		63 710	
Klefin Italia SPA	15 450	63 115	100	11 514	1 050	125 625	125 625		55 116	34 300
Klémentine BV	1 784	16 049	100	- 36		17 833	16 082		0	
Klémurs SCA	82 500	50 169	84	- 9 982	40 167	124 519	124 519		170 057	6 939
Klépierre Conseil SAS	1 108	5 548	100	29	2 192	7 933	6 685		8 493	467
Klépierre Créteil SCI	5 721	51 444	100	- 34 493		57 201	57 201		8 781	
Klépierre Finance SAS	38	4	100	142		38	38			142
Klépierre Nordica BV	60 000	227 302	100	- 22		287 325	287 325		51	
Klépierre Participation et Financements SAS	96 390	- 109 306	100	115 752		96 390	96 390	165 000	0	108 000
Klépierre Portugal SA	250	4 050	100	- 3 000		4 250	4 250		190 198	608
Klépierre Trading KFT	189	213	100	214	366	199	199		470	
Klé 1 SAS	8 248	20 368	100	5 563	212	82 154	82 154		32 846	7 034
Klépierre Vinaza SA	60	- 5 930	100	- 5 637	1 443	5 268	0		29 102	
Kléprojet 1 SAS	3 754	31 825	100	- 4 027	1 237	37 201	37 201		4 511	
Klétransactions SNC	387	3 466	100	- 382	8 445	3 853	3 853		0	
Klépierre Luxembourg SA	117 834	218 871	100	- 6 743		315 626	315 626		44 904	
LP 7 SAS	45	33	100	- 15		261	261		9	
Nancy Bon Secours SCI	39	38	100	- 29		535			8 341	
Pasteur SNC	227	1 738	100	47	41	2 091	2 091		4 385	
SCOO SC	24 431	316 123	54	21 758	31 653	193 910	193 910		16 863	
Ségécé SCS	1 412	2 691	100	9 776	90 593	49 304	49 304	687	39 545	11 693
Soaval SCS	5 557	46 356	80	- 70		42 046	42 046	65 896	18 548	
Sodévac SNC	2 918	26 245	100	2 598	5 193	29 163	29 163		11 939	
Sovaly SAS	469	- 75	100	- 29		787	0		343	
TOTAL I				**350 842**	**333 197**	**3 974 607**	**3 911 403**	**345 369**	**1 004 837**	**305 641**

in thousands of euros

Financial information on Subsidiaries and Holdings	Capital	Shareholder equity other than capital stock & income	Percentage holding	Net income at year end	Pre-tax revenue	Gross carrying amount	Net carrying amount	Guarantees and sureties given	Loans and advances granted	Dividends received
2. EQUITY HOLDINGS OF BETWEEN 10% and 50%										
Antin Vendôme SCI	15		50	11		8	8		0	
Bassin Nord SCI	44827		50	- 698		22413	22413		80588	
Bègles d'Arcins SCS	26679	16519	52	6380	9561	44991	44991	4994	9392	4107
Galae SNC	330	0	49	398	1465	490	490			
La Plaine du Moulin à Vent SCI	28593	25285	50	- 1901	4591	26939	26939		3445	
Le Havre Vauban SNC	300	5	50	67	661	237	237			
Le Havre Lafayette SNC	525	9	50	1101	6012	983	983			
Odysseum Place de France SCI	97712	1	50	- 540	3210	49004	49004	11598	41451	
Solorec SC	4869	2768	49	23855	31225	124104	124104		16256	
TOTAL II				**28673**	**56725**	**269169**	**269169**	**16592**	**151132**	**4107**
GRAND TOTAL I + II				379515	389922	4243778	4180573	361961	1155969	309748

in thousands of euros

3.2.2. Receivables from equity securities

	December 2009	December 2008
Advances on equity securities	2536142	2583598
Interest accrued on advances	99005	123994
Share of income	142438	122087
Impairment of receivables from equity securities	- 10488	- 6251
TOTAL	2767098	2823428

in thousands of euros

The majority of the change shown in the "Advances on equity securities" item refers to increases in advances made to:

- Immobiliare Gallerie Commerciali S.P.A. (82.1 million euros following reappraisal transactions);
- Klépierre Portugal SA (80.8 million euros related the restructuring of the Portuguese sub-group);
- All the Hungarian companies previously supported by Klépierre Financement et Participations SAS (71.9 million euros);
- Bassin Nord SCI (47.1 million euros for the Aubervilliers center development project);

And by reductions in the following advances:

- Klépierre Luxembourg SA (250.5 million euros following a capital increase);
- Holding Gondomar 1 SA (34.2 million euros following the sale of Finascente shares).

Having fully impaired the shares in Klépierre Vinaza (Spain), an additional provision of 4.2 million euros was recognized in respect of these receivables.

3.3. Other assets

3.3.1. Loans

Loans made by Klépierre SA totaled 171.3 million euros, including interest. These loans were granted to Klémurs SCA.
A new open-ended loan of 40 million euros was granted to Klémurs SCA on June 29, 2009.
The loans made to Le Havre Lafayette and Le Havre Vauban were repaid in full during 2009.

	December 2009	December 2008
Deposits paid	120	120
Treasury shares	29002	56440
Impairment of treasury shares	- 27	- 22935
TOTAL	29095	33625

in thousands of euros

Treasury shares acquired for the purpose of transfer to a vendor as part of an external growth transaction totaled 29 million euros.
A write-back of 22.9 million euros has been recognized for these shares, since their average stock market price for the last month of the fiscal year was higher than their acquisition value.

3.4. Trade and other receivables

All trade receivables (1.3 million euros) are due within one year.
Other receivables are shown in the following tables, broken down by due date:

	December 2009	December 2008
State	**2072**	**12033**
– V.A.T.	2020	2038
– Accrued revenue	52	34
– State - Corporate income tax	–	9691
Other receivables	**2933**	**2786**
– Receivables for fixed asset disposals	3	3
– Accrued interest on interest rate swap	–	–
– Other	2930	2783
TOTAL	5005	14819

in thousands of euros

Receivables maturity schedule

	Total	Less than 1 year	1-5 years	More than 5 years
State	**2072**	**2072**	–	–
– V.A.T.	2020	2020		
– Accrued revenue	52	52		
– State - Corporate income taxes	–	9691		
Other receivables	**2933**	**2933**	–	–
– Receivables for fixed asset disposals	3	3		
– Accrued interest on interest rate SWAP	–	–		
– Other	2930	2930		
TOTAL	5005	5005		

in thousands of euros

The majority of the reduction seen in the "State - Corporate income taxes" item refers to repayment of the carry-back (7.9 million euros) and repayment of the 2008 Corporate income tax pre-payment (1.6 million euros).

3.5. Investment securities and treasury shares

At December 31, 2009, the stock of treasury shares totaled 2 880 923 (1.58% of all shares issued), with an acquisition value of 81.3 million euros. This stock is allocated as follows:

- 1 523 418 shares to the stock options plan, including 481 000 shares authorized by the Executive Board on April 6, 2009;
- 193 495 actions to the market liquidity agreement used to regulate the share price;
- 1 164 010 shares to cover external growth transactions, and recognized in financial assets.

1 573 557 treasury shares held under the market liquidity agreement were sold during the 2009 fiscal year, resulting in a net capital gain of 2.4 million euros.

Totaling 4.4 million euros, the other shares item refers to short-term cash investments.

A 12 million euro impairment write-back on investment securities (future stock options) was recognized during the fiscal year, as well as an 8.2 millions euro provision for impairment of investment securities (2009 stock options).

3.6. Accrued expenses and deferred expenses

	December 2009	December 2008
Prepaid expenses	**25988**	**24797**
– Spread swaps cash payment	21140	19707
– Parking concession	-	-
– Construction lease	4707	4947
– Other	142	143
Deferred charges	**11160**	**12850**
– Bond issue costs	2346	335
– Lender loan issue costs	8814	12515
Bond issue premiums	**5189**	**6589**
TOTAL	42337	44236

in thousands of euros
The "construction lease" item refers to the building at 43 rue de Grenelle in Paris (15th arrondissement).

4. Notes to the financial statements: balance sheet liabilities

4.1. Equity

	At December 31, 2008	Application of income	Distribution	Other	At fiscal year end
Share capital (1)	**232 700**		**22061** (1)		**254761**
Additional paid-in capital from issues, contributions and merger premiums					
– Issue premiums	523899		152943 (1)		676842
– EOC issue premiums	174012				174012
– Contribution premiums	259318				259318
– Merger premiums	113297				113297
Positive merger variance	187452				187452
Positive cancelled share variance	18307				18307
Legal reserve	19389	3881			23270
Other reserves					
– Regulated reserves	–	–			–
– Other reserves	168055				168055
Retained earnings	**433497**	**169056**	**- 207768**	**4740** (2)	**399525**
Net income/loss for the year	**172937**	**- 172937**		**396114**	**396114**
TOTAL	2302862	–	- 32764	400854	2670952
Composition of share capital (1)					
Ordinary shares	166214431		15757728		181972159
Nominal value (euros)	1.40		1.40		1.40

in thousands of euros
(1) Capital increase for payment of the dividend in the form of shares
(2) The increase in retained earnings refers to the dividends relating to allocated treasury stock (4 740 000 euros)

The capital increase reported results from the option offered to Klépierre SA shareholders to receive their dividends in the form of shares, which is described in greater detail in section "1. Significant events".

4.2. Provisions for contingencies and losses

	December 2009	Allowances	Write-backs	Merger	December 2008
Other provisions for contingencies and losses	721	433	–	–	288
TOTAL	721	433	–	–	288

in thousands of euros

Allowances refer chiefly to risks related to new business campaigns.

4.3. Borrowings and financial debt

	December 2009	December 2008
Other bond issues	**1 325 218**	**1 336 578**
– Primary debt	1 289 100	1 300 000
– Accrued interest (1)	36 118	36 578
Borrowings and debts with credit institutions	**2 902 563**	**3 330 238**
– Credit facilities	2 750 000	3 140 000
– Interest accrued on credit facilities	1 646	5 131
– Bilateral loan	135 000	135 000
– Interest accrued on bilateral loan	118	118
– Bank overdrafts	41	24 320
– Interest accrued on bank accounts	–	87
– Interest accrued on swaps	15 758	25 582
Sundry loans and financial debts	**799 561**	**298 970**
– Deposits and guarantees received	2 157	2 399
– Cash centralization scheme	474 822	186 175
– Commercial paper	297 000	90 000
– Debts on equity securities	19 507	14 071
– Interest accrued on debts	1 064	384
– Share of income	5 011	5 941
TOTAL	5 027 342	4 965 786

in thousands of euros
(1) Coupon payable on July 15 and March 16.

At December 31, 2009, the main sources of borrowing were as follows:

- a 600 million euro bond issue made in July 2004 with a 4.625% coupon and a maturity date of July 2011;
- a 689.1 million euro bond issue made in March 2006 with a 4.25% coupon and a maturity date of March 2016;
  Klépierre has bought back a proportion of bonds with a nominal value of 10.9 million euros;
- a syndicated loan contracted in 2007 used for 250 million euros (maximum authorized borrowings of 1 000 million euros);
- a 400 million euro bilateral syndicated loan contracted in 2008 (maximum authorized borrowings of 400 million euros);
- a 2,100 million euro bilateral syndicated loan contracted in 2009 entirely drawn;
- a 135 million euro bilateral loan issued in December 2004;
- an outstanding amount of 297 million euro in commercial paper (secured by a backup line of credit totaling 300 million euros).

The maturity dates of financial debt at December 31, 2009 were as follows:

Debt maturity schedule	Total	Less than 1 year	1-5 years	More than 5 years
Other bond issues	**1325218**	**36118**	**600000**	**689100**
– Primary debt	1289100		600000 [(1)]	689100 [(2)]
– Accrued interest	36118	36118		
Borrowings and debts with credit institutions	**2902563**	**152563**	**2250000**	**500000**
– Credit facilities	2750000		2250000	500000
– Interest accrued on credit facilities	1646	1646		
– Bilateral loan	135000	135000		
– Interest accrued on bilateral loan	118	118		
– Bank overdrafts	41	41		
– Interest accrued on bank accounts	-	–		
– Interest accrued on swaps	15758	15758		
Sundry loans and financial debts	**799561**	**777897**	**19507**	**2157**
– Deposits and guarantees received	2157			2157
– Cash centralization scheme	474822	474822		
– Commercial paper	297000	297000		
– Debts on equity securities	19507		19507	
– Interest accrued on debts	1064	1064		
– Share of income	5011	5011		
TOTAL	**5027342**	**966578**	**2869507**	**1191257**

in thousands of euros
(1) July 2011: 600000 thousand euros.
(2) March 2016: 689100 thousand euros.

4.4. Trade and other payables

All trade payable are due within less than one year.

4.5. Social and tax liabilities

	December 2009	December 2008
Exit tax	–	1837
– SCOO SNC	–	1837
Corporate income tax	515	–
Other taxes	12368	11396
TOTAL	**12883**	**13233**

in thousands of euros

The majority of the company's debt to the French Treasury is represented by tax due of 0.6 million euros arising as a result of an adjustment in respect of the 2006, 2007 and 2008 fiscal years.
The "Other taxes" item refers to:
- 12.4 million euros of tax payable. The increase refers to a provision of 1.4 million euros for late payment interest

In 2006, Klépierre was the subject of a tax investigation covering the 2003 and 2004 fiscal years. A demand received in December 2006 in relation to the 2003 fiscal year is being contested by the company.

4.6. Other liabilities

	December 2009	December 2008
Current account advances and interest		–
Accrued interest on interest rate SWAPS		–
Other [(1)]	4682	3307
TOTAL	**4682**	**3307**

in thousands of euros
(1) Due within one year.

4.7. Prepaid income

	December 2009	December 2008
Accrued income	2509	3296
– spread swaps cash payment	2036	3063
– Other	473	233
TOTAL	**2509**	**3296**

in thousands of euros

5. Notes to the financial statements: income statement

5.1. Operating income

The reduction in revenue of 4.4 million euros recognized at December 31, 2009 is the result of office building sales. The sole source of revenue is rents from the letting of office buildings. Most of this rental income is generated in Paris and the Paris Region.
Operating income for the year was 2.8 million euros lower than the figure for December 31, 2008.

5.2. Share of income from joint operations

This item totaled 182.2 million euros at December 31, 2009.
The major contributions to this total were:
- the company's share of the 2008 income reported by Ségécé, Klécar Europe Sud and Bègles Arcins, which totaled 18.4 million euros and refers to the assignment of profits from limited partnerships
- 18.8 million euros in pre-payment against the company's share of the 2009 income reported by Ségécé, Klécar Europe Sud and Bègles Arcins
- the company's share of the 2009 income reported by Klécar France (98 million euros), SCOO SC (14.3 million euros), Solorec SCI (11.8 million) and Foncière Saint Germain SNC (11.6 million euros)

5.3. Financial income

Financial income showed a profit of 159 million euros at December 31, 2009, compared with a loss of 24.8 million euros at December 31, 2008.

5.3.1. Investment revenues

	December 2009	December 2008
Income from sale of investment securities	32	167
Income from interest rate swaps (1)	–	11 629
Income from equity holdings	272 501	111 774
Positive variance from merger and cancelled shares	–	256
Interest on advance payments to associates	138 934	134 980
Sundry interest received	22	574
Other revenues and financial income	2 541	504
Write-back of financial provisions	35 730	2 214
Transfer of financial charges	4 961	9 472
TOTAL FINANCIAL INCOME	**454 721**	**271 570**

in thousands of euros
(1) Swap-related income and expenses are netted.

The change in income from equity holdings refers principally to:
- An increase in dividends paid in the form of issue premium distributions in respect of Kléfin Italia SPA (34.3 million euros) and Klémurs SCA (1.8 million euros), and a reduction of contribution premium for Klé1 SAS (54.6 million euros);
- An increase in interim dividends for Klépierre Participation et Financements SAS (108 million euros) and Holding Gondomar 1 SA (30.3 million euros);
- An increase in the dividends paid by Cécoville SAS (65.4 million euros) and Klé1 SAS (3.2 million euros);
- A decrease of 20.5 million euros in the dividends paid by Poitiers Aliénor SAS.

The majority of the "Write-back of financial provisions" item refers to the write-back of 35.1 million euros on treasury shares.
At December 31, 2009, the "Transfer of financial expenses" item referred to the spreading of bank lending commissions. The majority of the reduction shown for this item refers to the termination of interest payable on the Séreinis real estate asset.

5.3.2. Financial expenses

	December 2009	December 2008
Interest on bond issues	56 974	76 678
Interest on loans to associates	886	384
Interest on loans from credit institutions	69 846	126 091
Other bank interest	–	–
Expenses relating to swaps (1)	80 096	–
Interest on current accounts and credit deposits	3 324	11 651
Negative cancelled share variance CTAL	–	10
Other financial expenses	7 778	8 265
Amortization allowance on bond issue premiums	1 400	1 576
Amortization allowance on loan issue fees	5 474	2 277
Allowances for financial provisions	69 637	42 273
Currency translation losses	- 59	27 223
TOTAL FINANCIAL EXPENSES	**295 356**	**296 428**

in thousands of euros
(1) Swap-related income and expenses are netted.

The reduction in the "Interest on bond issues" item arises as a result of repaying the 2001 bond issue in 2008.
The majority of the reduction in the "Interest on loans" item results from the renegotiation of finance terms on June 29, 2009.
The majority of the "Allowances for financial provisions" item is represented by:
- 19.3 million euros of provisions relating to Holding Gondomar 1 SA;
- 8.2 million euros of provisions relating to treasury shares;
- 6.2 million euros of provisions relating to Klépierre Vinaza SA;
- 6.2 million euros of provisions relating to Centre Bourse SNC;
- 4.1 million euros of provisions relating to Galeries Drancéennes SCI.

At December 31, 2009, the "Net expenses relating to swaps" item comprised:
- the net interest expense of 61 million euros;
- deferred swap balancing payments representing an expense of 19.1 million euros.

The "Interest on loans from credit institutions" item comprises:
- 27.7 million euros in syndicated loan interest;
- 11.9 million euros in club deal interest;
- 28 million euros in bilateral loan interest;
- 2.3 million euros in commercial paper.

The "Interest on current accounts and credit deposits" item comprises:
- 3.2 million euros in cash centralization scheme interest.

5.4. Non-recurring income/loss

	December 2009	December 2008
Capital gains and losses on tangible and financial assets	38 478	22 726
Capital gains and losses on treasury shares	- 1 252	- 3 746
Other non-recurring income and expenses	- 1	255
TOTAL	37 225	19 235

in thousands of euros

The net capital gain of 38.5 million euros refers essentially to:

- the 31.5 million euro capital gain made on the sale of the 23/25 avenue Kléber office building;
- the 8.9 million euro capital gain made on the sale of the 18/20 rue La Pérouse office building;
- the 2.2 million euro capital loss made on the sale of shares in Société des Centres Toulousains SNC and SCOO SC.

5.5. Corporate income tax

	December 2009	December 2008
Corporate income tax and contributions	- 1 774	162
Reduced-rate corporate income tax and contributions	–	–
Income - loss carryback	–	7 915
TOTAL	- 1 774	8 077

in thousands of euros

The majority of the 1.8 million euros shown for "Corporate income tax and contributions" refers to a proposed tax adjustment of 1.4 million euros in respect of the 2003 fiscal year.

6. Notes to the financial statements: off-balance sheet commitments

6.1. Reciprocal commitments relating to interest rate hedging instruments

At December 31, 2009, Klépierre SA held a portfolio of interest rate hedging instruments, all of which were intended to hedge a proportion of current debt and future debt on the basis of the total funding requirements and corresponding terms set out in the Group financial policy.
The unrealized capital loss on interest rate hedging instruments at December 31, 2009 totaled 152.2 million euros (excluding accrued coupons).

Firm deals	December 2009	December 2008
Fixed rate payer Klépierre - Variable rate payer BNP-Paribas	3 200 000	3 850 000
Fixed rate payer BNP-Paribas - Variable rate payer Klépierre	600 000	600 000
	December 31, 2009	
Impact on income (reference capital 1 - 10 years)	Income	Loss
Fixed rate payer Klépierre - Variable rate payer BNP-Paribas	55 869	130 732
Fixed rate payer BNP-Paribas - Variable rate payer Klépierre	27 750	13 888
	December 2009	December 2008
Commitments given		
Commitments on purchases of securities and malls	–	82 292
Commitments to buy	–	–
Funding commitments given to credit institutions	400 930	486 571
Other commitments given	–	–
TOTAL	400 930	568 863
Commitments received		
Deposits received from lessees	3 554	6 246
Funding commitments received from credit institutions	753 000	420 000
Commitments to buy securities	–	
Commitments for the sale of buildings	–	–
TOTAL	756 554	426 246

in thousands of euros

The change in the "Funding commitments received from credit institutions" item is explained by the unused balance of 753 million euros originating in the 2007 syndicated loan and the 2009 bilateral loan.

Shareholder agreement relating to Klécar France, Klécar Europe Sud, Solorec and Klécar Participations Italie

The shareholder agreements between Klépierre SA, CNP Assurances and Ecureuil Vie were amended by a rider signed on December 30, 2004, the effect of which was to cancel the liquidity commitments given by Klépierre SA to its partners.
The agreement provides for the usual minority protections: pre-emption right, joint exit right and the decision-making process applying to investment or disinvestment.
Each agreement also contains two types of provision:
- One in favor of Klépierre: an obligation for the minority shareholders to exit at the request of Klépierre in the event of assets being sold to a third party;

The other in favor of the minority shareholders: a process enabling the latter to consider a range of exit scenarios in 2011, 2016 and 2017 (for the Italian malls) or 2010, 2014 and 2015 (for the other malls):
- asset sharing or sale;
- purchase of minority shareholdings by Klépierre (with no obligation for Klépierre);
- sale to a third party with payment of a capped discount by Klépierre if the offer is less than the Revalued Net Asset.

Partners'agreement in respect of Bègles Arcins

Signed on September 2, 2003, this agreement between Klépierre SA and Assurécureuil Pierre 3 contains provisions regulating the relationship between the company partners, and, more specifically, a dispute resolution clause.

Partners'agreements between Klépierre, Kléfin Italia, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia, and between Klépierre, Kléfin Italia, Klépierre Luxembourg, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Immobiliari Gallerie Commerciali (IGC)

A partners'agreement was signed in 2002 during the acquisition of IGC shares by the Klépierre Group.
Its main provisions – including those regarding Klépierre's preemptive right – were restated in a new agreement of 2007 applying to IGC and/or Clivia (the owner of the Lonato, Verona and Vittuone malls). In the case of IGC, this was replaced by an agreement signed on July 23, 2009.
All these agreements grant Finiper a PUT (option to sell) enabling the latter to sell its shares in IGC and/or Clivia to Klépierre. This PUT expires in 2017 and can be split into two parts:
- One of 12% and one of 16.70% for IGC
- Two parts - each of 25% - for Clivia

Any refusal by Klépierre regarding the second IGC part and/or both Clivia parts will result in a penalty becoming payable to the Finiper Group.

Partners'agreement between Klépierre and Stichting Pensioenfonds ABP in respect of the Swedish company Nordica Holdco AB, and the Norwegian companies Storm Norway AS and Steen & Strøm

The shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.
- A one-year inalienability period applied to Steen & Strøm shares from the date of acquisition;
- Each party has a right of first offer on any shares which the other party wishes to transfer to a third party, subject to the proviso that where shares are transferred by a party (other than Klépierre or one of its associated companies) to a competitor entity (as defined in the agreement), the shares concerned will be subject to a right of first offer;
- From the sixth year following acquisition, either party may request a meeting of shareholders to approve, subject to a two-thirds majority, the disposal of all the shares in Steen & Strøm, or a market flotation of the company.

Ségécé counter guarantee

Klépierre has an agreement with its subsidiary company Ségécé under which the latter is granted a global mandate to identify new investment projects. Under this agreement, Klépierre SA guarantees 75% the expenses involved in these development projects and stocked by SCS Ségécé until completion of the transaction.

7. Items concerning affiliated companies

Item	Amount
Advances and pre-payments on fixed assets	
Net investment securities	4 180 573
Loans to subsidiaries and affiliated companies	2 767 098
Loans	171 365
Advances and pre-payments to suppliers (current asset)	–
Trade receivables and similar accounts	273
Other receivables	16 032
Accruals	–
Subscribed capital called but not paid	–
Convertible bond issues	–
Other bond issues	204 263
Borrowings and debts with credit institutions	2 777 487
Sundry loans and financial debts	723 405
Advances and pre-payments received	–
Trade and other payables	5 350
Other liabilities	40
Operating revenue	3 013
Operating expenses	6 251
Investment revenues	412 251
Financial expenses	211 656

in thousands of euros

On the basis of the position at December 31, 2009, the BNP Paribas share of bank loans totaled 3 435 million euros, of which 2 760 million euros had been used. This lending compares with the total authorized amount of 3 935 million euros, of which 2 885 million euros have been used. These amounts do not include the 300 million euros represented by the back-up line of commercial paper (not drawn down) in which BNP Paribas has an interest of 300 million euros.

8. Other information

8.1. Automatic cash centralization

On November 30, 2000, Klépierre SA joined the cash centralization scheme managed by Klépierre Finance SAS.
At December 31, 2009, Klépierre SA owed 474.4 million euros to Klépierre Finance SAS.

8.2. Employees

The company has no employees.

8.3. Loans and guarantees granted and set up for corporate officers and Supervisory Board members

None.

8.4. Compensation paid to Supervisory Board members

Fees totaling 270 000 euros were paid in respect of the 2009 fiscal year.
Fees totaling 140 000 euros were paid to the Chairman of the Supervisory Board in respect of the 2009 fiscal year.

8.5. Post-balance sheet date events

Klépierre SA took advantage of the lower interest rates available in January 2010 to bring forward the renewal of its interest rate hedging instruments with maturity dates falling at the end of 2011. As a result, the company has negotiated a number of forward start swaps for a total notional amount of 600 million euros and an average duration of 6.1 years (commencing December 22, 2011) at an average rate of 3.54%.
At its meeting of February 1, 2010, the Klépierre SA Executive Board also resolved to reallocate treasury shares previously held to cover future external growth transactions. The 1 164 010 shares concerned are now held to cover stock option plans in accordance with the objectives set out in the Group's share buyback program.

9. Consolidation information

The Klépierre corporate financial statements are fully consolidated by Klépierre SA, which are themselves included in the financial statements of BNP-Paribas.

Statutory auditors' report on the financial statements

Year ended December 31, 2009

This is a free translation into English of the statutory auditors'report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors'report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the auditors'assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. 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 accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2009 on:
- the audit of the accompanying financial statements of Klépierre,
- the justification of our assessments,
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.
In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2009 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

The financial crisis which began in 2008 and continued in 2009 has had multiple consequences for companies. The accounting estimates used for the presentation of the financial statements for the year ended December 31, 2009 were prepared in a context of uncertain economic outlooks.
It is in this context and in accordance with Article L. 823-9 of the French Commercial Code (Code du commerce) relating to the justification of our assessments that we conducted our own assessments, which we bring to your attention:
- As indicated in Note 2.2.3 to the financial statements, real estate assets are appraised by independent experts to estimate impairments. Our procedures consisted notably in examining the valuation methodology used by the experts to ensure ourselves that the impairments were made based on external expert appraisals.
- Equity investments recorded under assets on your company's balance sheet are valued as described in Note 2.2.4 to the financial statements. Our assessment of these valuations is based on the process implemented by your company to determine the value of equity investments. Our procedures notably consisted in assessing, based on expert valuations, the financial information used by your company to determine the value of the buildings owned by your subsidiaries as well as its property management companies.

These assessments were made performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. Specific verifications and disclosures

In accordance with professional standards applicable in France, we have also performed the specific verifications provided for by law.
We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Executive Board's management's report and in the documents addressed to shareholders with respect to the financial position and the financial statements.
Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company, from companies controlling your company or controlled by it. Based on this work, we attest that such information is accurate and fair.
Pursuant to the law, we have verified that the Executive Board's management report contains the appropriate disclosures as to the identity of and percentage interests and votes held by shareholders.

Courbevoie and Neuilly-sur-Seine, February 22, 2010

The Statutory Auditors

Mazars
Julien Marin-Pache

Deloitte & Associés
Pascal Colin
Laure Silvestre-Siaz

Statutory auditors' special report on regulated agreements and commitments with third parties

Year ended December 31, 2009

This is a free translation into English of the statutory auditors'special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report to you on regulated agreements and commitments with related parties.

Agreements and commitments authorized during the year

Pursuant to Article L.225-88 of the French Commercial Code (Code de commerce), the following agreements and commitments, which were previously authorized by your Supervisory Board, have been brought to our attention.

The terms of our engagement do not require us to identify such agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. Those procedures consisted in verifying the information provided to us with the relevant source documents.

1. With BNP Paribas SA

Members of the Supervisory Board concerned
Mrs. Sarah Roussel, Mr. Vivien Lévy-Garboua, Mr. Philippe Thel and Mr. Dominique Hoenn.
This relates to an agreement pursuant to which BNP Paribas, a shareholder holding more than 10% of the voting rights of your company, is an indirect party.

Nature and purpose
On February 6, 2009, your Supervisory Board authorized BNP Paribas to buy back the bonds issued in 2006 via a remuneration of 0.75% of the gross amount of bonds bought back.

Terms and conditions
The bonds were bought back during fiscal year 2009 for 10 900 000 euros and the remuneration owed in respect of this mandate totals 81 750 euros.

2. With Segece Italia, subsidiary of Klépierre

This relates to an agreement pursuant to which Segece Italia, a subsidiary of your company, is a direct party.

Nature and purpose
On April 3, 2009, your Supervisory Board approved the sale by Klépierre of Effe Kappa shares to Segece Italia.

Terms and conditions
This sale was completed on April 16, 2009 for a consideration of 384 000 euros.

3. With Le Havre Lafayette and Le Havre Vauban, subsidiaries of Klépierre

This relates to an agreement pursuant to which Le Havre Lafayette and Le Havre Vauban, subsidiaries of your company, are direct parties.

Nature and purpose
On June 5, 2009, your Supervisory Board approved the pledging by Klépierre of all of the shares that it owns in Le Havre Lafayette and Le Havre Vauban in favor of the Westdeutsche Immobilienbank AG bank and all beneficiaries as such term is defined in the loan agreement.

Terms and conditions
The loan agreement between Le Havre Lafayette, Le Havre Vauban and the Westdeutsche Immobilienbank AG bank was signed on June 15, 2009 and Article 12.6 provides that Klépierre shall pledge all of the shares that it owns in these two companies.

4. With Le Havre Lafayette, a subsidiary of Klépierre

This relates to an agreement pursuant to which Le Havre Lafayette, a subsidiary of your company, is an interested party.

Nature and purpose
On June 5, 2009, your Supervisory Board, approved the granting of an intergroup loan by Le Havre Lafayette to Klépierre for a maximum amount of 10 511 752.67 euros.

Terms and conditions
This loan was granted on June 15, 2009 for an amount of 6 011 752.67 euros and carries interest of 5.50%. The interest recorded in respect of fiscal year 2009 totals 182 773.97 euros.

5. With Le Havre Vauban, a subsidiary of Klépierre

This relates to an agreement pursuant to which Le Havre Vauban, a subsidiary of your company, is an interested party.

Nature and purpose
On June 5, 2009, your Supervisory Board approved the granting of an intergroup loan by Le Havre Vauban to Klépierre for a maximum amount of 1 268 591.39 euros.

Terms and conditions
This loan was granted on June 15, 2009 for an amount of 768 591.39 euros and carries interest of 5.50%. The interest recorded in respect of 2009 totals 23 367.32 euros.

6. With BNP Paribas SA

Members of the Supervisory Board concerned
Mrs. Sarah Roussel, Mr. Vivien Lévy-Garboua, Mr. Philippe Thel and Mr. Dominique Hoenn.
This relates to an agreement pursuant to which BNP Paribas, a shareholder holding more than 10% of the voting rights of your company, is an indirect party.

Nature and purpose
On June 5, 2009, your Supervisory Board authorized the signature of a loan for a maximum amount of 2 400 000.000 euros that carries interest at 3-month Euribor plus a margin of 120 to 180 basis points based on the LTV price grid mechanism up to 65%.

Terms and conditions
This loan was granted on June 29, 2009 for an amount made available of 2 100 000 000 euros. The interest due in respect of fiscal year 2009 totals 18 853 895.71 euros.

7. With Klémurs, a subsidiary of Klépierre

Members of the Supervisory Board concerned
Messrs. Michel Clair, Bertrand de Feydeau and Dominique Hoenn.
This relates to an agreement pursuant to which Klémurs, a subsidiary of your company, is an interested party.

Nature and purpose
On June 5, 2009, your Supervisory Board authorized the granting of a loan by Klépierre to Klémurs for a maximum amount of 100 000 000 euros carrying interest at 3-month Euribor plus a margin of 600 basis points.

Terms and conditions
A contract for an amount of 40 000 000 euros was signed on June 29, 2009. The interest due in respect of fiscal year 2009 totals 1 417 822.22 euros.

8. Cardif Assurances Vie, a subsidiary of BNP Paribas SA

Members of the Supervisory Board concerned
Mrs. Sarah Roussel, Mr. Vivien Lévy-Garboua, Mr. Philippe Thel and Mr. Dominique Hoenn.
This relates to an agreement pursuant to which BNP Paribas, a shareholder holding more than 10% of the voting rights of the company, is an indirect party.

Nature and purpose
On June 15, 2009, your Supervisory Board approved the sale of a percentage of its shares in SCOO (Sociétés des Centres d'OIL et D'OC) and SCT (Sociétés des Centres Toulousains).

Terms and conditions
The sale of 26.30% of the SCOO shares and 22.17% of the SCT shares was completed on June 30, 2009 for 83 688 444.98 euros and 40 550 056.19 euros, respectively. In addition, in order to keep the same ownership structure and the current accounts between the shareholders, a portion of the SCOO and SCT current accounts was sold on June 30, 2009 for 7 806 615.32 euros and 10 592 495.36 euros, respectively.

Agreements and commitments authorized in previous years and having continuing effect during the year

In addition pursuant to the French Commercial Code, we have been advised that the following agreements and commitments authorized in previous years have had continuing effect during the year.

Date of authorization given by your Supervisory Board	Regulated agreements		Parties concerned
	Date	Purpose	
26/05/2004	9/07/2004	Bonds: Subscription agreement	BNP Paribas
26/05/2004	15/07/2004	Bonds: Fiscal Agency Agreement which organizes the relationships between the Issuer, the principal paying agent, other paying agents and the covenant and put agent during the term of the obligations	BNP Paribas Securities Services and BNP Paribas Securities Services, Luxembourg Branch
8/02/2006	13/03/2006	Bonds: Subscription agreement	BNP Paribas
8/02/2006	16/03/2006	Bonds: Fiscal Agency Agreement which organizes the relationships between the Issuer, the principal paying agent, other paying agents and the covenant and put agent during the term of the obligations	BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch
25/07/2008	17/10/2008	Inter-group loan agreement for an amount of 130 056 526.60 euros for a period of 3 years, repayable at maturity and carrying interest at 3-month Euribor plus a margin of 110 basis points	Klémurs
3/10/2008	6/10/2008	Inter-group loan granted to Nordica Holdco AB for an amount of NOK 575 616.000 and carrying fixed interest of 6.5%	Nordica Holdco AB
3/10/2008	7/10/2008	Inter-group loan granted to Storm Holding Norway AS for an amount of NOK 1 822 784.000 and carrying fixed interest of 6.5%	Storm Holding Norway AS
31/10/2008	5/11/2008	Underwriting guarantee contract covering the shares issued in connection with the capital increase completed on December 2, 2008	BNP Paribas
19/12/2008	9/03/2009	Transfer agreements by Klétransactions and Klé 1 to Klémurs relating to two commercial leases located in Barentin and Toulon Grand Var for 710 000 euros and 2 060 000 euros, respectively.	Klémurs, Klétransactions, Klé 1

Courbevoie and Neuilly-sur-Seine, February 22, 2010

The Statutory Auditors

Mazars
Julien Marin-Pache

Deloitte & Associés
Pascal Colin
Laure Silvestre-Siaz

Draft resolutions

Draft resolutions

Ordinary resolutions

First resolution
(approval of the parent company financial statements for fiscal year 2009)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and having read the Executive Board report, the Supervisory Board report, and the report of the auditors on the annual financial statements for the year ended December 31, 2009, hereby approve said financial statements as presented in the aforementioned documents, showing a profit for the period of 396 113 664.79 euros.
The shareholders also approve the transactions reflected in the financial statements or summarized in the aforementioned reports.

Second resolution
(Approval of the consolidated financial statements for fiscal year 2009)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and having read the Executive Board report, the Supervisory Board report, and the report of the auditors on the consolidated financial statements for the year ended December 31, 2009, hereby approve said financial statements as presented in the aforementioned documents, showing a profit for the period of 207 678 000.00 euros.
The shareholders also approve the transactions reflected in the financial statements or summarized in the aforementioned reports.

Third resolution
(Approval of the operations and agreements mentioned in Article L. 225-86 of the French Commercial Code)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and having duly noted the terms of the auditors'special report on the agreements referred to in Article L. 225-86 of the French Commercial Code, hereby approve each of the agreements relating to 2009 and presented in the aforementioned document in accordance with Article L. 225-88 of the Code.

Fourth resolution
(Appropriation of earnings for fiscal year 2009)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, hereby decide to appropriate the year's earnings of 396 113 664.79 euros as follows:

• Earnings for the period	396 113 664.79 euros
• Allowance to legal reserve	2 206 082.00 euros
• Balance	393 907 582.79 euros
• To which is added retained earnings of	399 524 724.07 euros
• For distributable earnings of	793 432 306.86 euros
• A shareholder dividend of	227 465 198.75 euros
(i.e., a distribution of 1.25 euro per share)	
• Leaving total retained earnings of	565 967 108.11 euros

The total dividend of 227 465 198.75 euros, which represents an individual dividend of 1.25 euro per share, constitutes income that is eligible for the 40% abatement mentioned in paragraph 2 of 3 of Article 158 of the French General Tax Code (Code général des impôts).
The shareholders resolve that, pursuant to Article L. 225-210 of the French Commercial Code, the dividend distributable in respect of treasury shares owned on the date of payment, and any amounts that the shareholders have agreed to waive, shall be appropriated to retained earnings.
As a reminder, the following dividends per share were paid out in euros in respect of the three prior fiscal periods (after the three-for-one stock split on September 3, 2007):
- In respect of 2006: 1.07 euro fully eligible for the abatement provided for in Article 158-3-2° of French General Tax Code
- In respect of 2007: 1.25 euro fully eligible for the abatement provided for in Article 158-3-2° of the French General Tax Code
- In respect of 2008: 1.25 euro fully eligible for the abatement provided for in Article 158-3-2° of the French General Tax Code

Fifth resolution
(Payment of the dividend in cash or in the form of shares)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, hereby decide that the dividend shall be detached from the share on April 19, 2010.
Pursuant to the relevant provisions of Article L. 232-18 of the French Commercial Code and Article 31 of the Company bylaws, the shareholders, having reviewed the Executive Board report and duly noting that the stated capital of the Company is fully paid up, hereby decide that the dividend of 1.25 euro per share shall be payable in cash or in the form of shares at the option of each shareholders.
To this end, each shareholder shall be entitled, from April 19, 2010 through April 30, 2010, to opt for the totality of the dividend he or she has earned in the form of shares, by making a simple request from an institution duly authorized to make payment. After April 30, 2010, the dividend will be payable in cash only.
The dividend shall be available for payment in cash when the option period for payment in the form of shares expires, i.e. on May 14, 2010.
Pursuant to the relevant provisions of Article L. 232-19 of the French Commercial Code, the shareholders hereby decide that the price of the share paid out in lieu of the cash dividend shall be equal to 90% of the average opening stock price during the twenty trading days that precede the date of the decision regarding distribution, less the net amount of the dividend and rounded off to the higher euro cent that is closest.
If the amount of the dividends for which the option is exercised does not correspond to a whole number of shares, the shareholder may obtain the next highest number of shares by paying the difference in cash on the date when the option is exercised or, conversely, may receive the next lowest number, with the remainder payable in cash.
Shares received in lieu of a cash dividend begin earning dividends as of January 1, 2010.
The shareholders hereby grant the Executive Board, which may in turn subdelegate, the broad powers required to ensure the successful execution of this resolution in accordance with the laws in force. This includes the power to specify the terms and conditions under which the resolution shall be applied and executed, the duty to record the number of shares issued in application of this resolution, the duty to amend the bylaws accordingly with regard to the stated capital of the Company and the number of shares that comprise it and, more generally, the power to do whatever else is necessary to give effect to this resolution.

Sixth resolution
(Re-election of a member of the Supervisory Board for another term of office)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and duly noting that the term of office of Mr. Bertrand de Feydeau expires today, hereby re-elect Mr. de Feydeau to the Supervisory Board for a term of three years expiring at the close of the shareholders'meeting called in 2013 to approve the financial statements for the year ending December 31, 2012.
Mr. de Feydeau has signaled his acceptance of the re-election, and has indicated that he is not barred, by a court of law or because of other positions or offices held, from serving on the Board.

Seventh resolution
(Re-election of a member of the Supervisory Board for another term of office)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and duly noting that the term of office of Mr. Dominique Hoenn expires today, hereby re-elect Mr. Hoenn to the Supervisory Board for a term of three years expiring at the close of the shareholders'meeting called in 2013 to approve the financial statements for the year ending December 31, 2012.
Mr. Dominique Hoenn has signaled his acceptance of the re-election, and has indicated that he is not barred, by a court of law or because of other positions or offices held, from serving on the Board.

Eighth resolution
(Re-election of a member of the Supervisory Board for another term of office)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and duly noting that the term of office of Mr. Vivien Lévy-Garboua expires today, hereby re-elect Mr. Lévy-Garboua to the Supervisory Board for a term of three years expiring at the close of the shareholders'meeting called in 2013 to approve the financial statements for the year ending December 31, 2012.
Mr. Lévy-Garboua has signaled his acceptance of the re-election, and has indicated that he is not barred, by a court of law or because of other positions or offices held, from serving on the Board.

Ninth resolution
(Ratification of the cooptation of a member of the Supervisory Board)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, hereby ratify the appointment that was made by the Supervisory Board at its meeting on February 19, 2010 pending approval by the shareholders, of Ms. Dominique Aubernon (5 rue Jean Carriès – 75007 Paris) to serve on the Supervisory Board as a replacement for Ms. Sarah Roussel, who resigned effective March 31, 2010.
Consequently, Ms. Aubernon will serve until the term of Ms. Roussel expires, which is at the end of the shareholders'meeting called in 2011 to approve the financial statements for the year ending December 31, 2010.

Tenth resolution
(Re-appointment of Mazars, co-incumbent statutory auditor, and of Mr. Patrick de Cambourg, co-alternate statutory auditor)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, duly noting that the terms of Cabinet Mazars, incumbent statutory auditor, and of Mr. Patrick de Cambourg, alternate statutory auditor, expire at the close of today's meeting. Accordingly, the shareholders resolve to re-appoint them for a term of six fiscal years, ending at the close of the shareholders'meeting called in 2016 to approve the financial statements for 2015.
The statutory auditors have indicated in advance that they accept these new terms.

Eleventh resolution
(Re-appointment of Deloitte et Associés, co-incumbent statutory auditor, and of BEAS, co-alternate statutory auditor)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, duly noting that the terms of Cabinet Deloitte et Associés, incumbent statutory auditor, and of BEAS, alternate statutory auditor, expire at the close of today's meeting. Accordingly, the shareholders resolve to re-appoint them for a term of six fiscal years, ending at the close of the shareholders'meeting called in 2016 to approve the financial statements for 2015.
The statutory auditors have indicated in advance that they accept these new terms.

Twelfth resolution
(Authorization given to the Executive Board to transact n the company's shares)

The shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary meetings of shareholders, and having read the management report, authorize the Executive Board, which may subdelegate in accordance with the laws in force, pursuant to the relevant provisions of Articles L. 225-209 and following of the French Commercial Code, to buy or cause to be bought shares of the Company, in particular for the purpose of:

- stimulating trade in the secondary market or stock liquidity within the framework of a liquidity agreement with an independent investment services provider, in compliance with the AMF's established code of conduct; or
- remitting shares (in an exchange or transaction) in connection with an external growth transaction, a merger, a spin-off, etc.; or
- implementing any of the Company's stock option or similar type plans in accordance with the provisions of Articles L. 225-177 and following of the French Commercial Code; or
- remitting or exchange shares in connection with the exercise of rights attached to securities with a claim to the equity capital of the company via redemption, conversion, exchange, the presentation of a warrant, etc.; or
- cancelling all or some of the shares acquired in this manner, within the limits set by law, contingent upon the adoption by the shareholders of the thirteenth resolution below, under the terms and conditions set forth, or;
- freely allotting shares in accordance with the relevant provisions of Articles L. 225-197-1 and following of the French Commercial Code; or
- granting or selling shares to employees under profit-sharing programs offered by the company or in connection with the implementation of an employee savings plan sponsored by the employer, in accordance with applicable law and, in particular, the terms of Articles L. 3332-1 and following of the French Labor Code.

The purchases of shares of the Company can involve a number of shares such that:

- the number of shares that the Company buys during the buyback program shall not exceed 10% of the shares comprising the share capital of the Company at any given time; this percentage shall apply to an adjusted figure depending on capital transactions that may be completed after this meeting. On December 31, 2009, there were 181 972 159 shares. For information, the number of shares acquired for the purpose of later use in connection with a merger, spin-off or transfer of business assets cannot exceed 5% of the Company's stated capital;
- the number of shares that the Company may hold at any given time may not exceed 10% of the shares comprising its stated capital on the date under consideration.

The acquisition, sale or transfer of these shares of stock may be completed at any time (except during public offering periods) once or several times, and using all appropriate means within the limits of applicable laws and regulations in force: public stock market transactions, multilateral trading systems, automatic internalizers, private contract, including the use of block sales (without limiting the percentage that the buyback program can achieve using these means), public bid, exchange, via the use of options or other financial futures instruments traded on the aforementioned exchanges, following the issue of new shares in exchange for securities with a claim on the Company's capital via conversion, exchange, redemption, the exercise of a warrant, or by any other means, directly or indirectly via an investment services intermediary.

The maximum purchase price for shares under this resolution is set at 45 euros per share (or the exchange value on the same date in any other currency), it being understood that this maximum price is only applicable to acquisitions decided on as of the date of this meeting and not to transactions concluded by virtue of an authorization granted at an earlier meeting and calling for the acquisition of shares on a date that is subsequent to the date of today's meeting.

The global amount of the buyback program described above may not exceed 818 874 715 euros.

This authorization renders null and void as of today the unused portion of any prior authorization given to the Executive Board to make transactions involving the shares of the Company. It is granted for a period of eighteen months, as of today.

The shareholders hereby authorize the Executive Board, which may subdelegate this power as allowed for by law, in the event that there is a change in the par value of shares, a capital increase via the capitalization of reserves, a free allotment of shares, a stock split or bundling of shares, or a distribution of reserves or other assets, a capital amortization, or any other transaction involving the Company's equity capital, to adjust the aforementioned purchase price in order to take into account the impact of such transactions on the share price.

The Executive Board is granted all necessary powers to implement this authorization and the option of delegating such powers within the limits of applicable law. In particular, the Board is authorized to submit trading orders, enter into agreements, draw up and amend documents, in particular information memoranda, carry out all formalities, including those related to allocating or reallocating shares acquired for various purposes, and all filings with the Autorité des Marchés Financiers and other organizations, and in general to do whatever is necessary to give effect to this authorization.

Extraordinary resolutions

Thirteenth resolution

(Authorization given to the Executive Board to reduce stated capital by cancelling its own shares that the Company owns)

The shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary meetings of shareholders, having reviewed the management report and the auditor's special report, hereby authorize management—which may subdelegate this authority in accordance with the law—to reduce the company's stated capital, in one or more transactions, at time of its choosing and subject to specific limitations set forth by law, by cancelling shares that the Company may acquire, pursuant to the relevant provisions of Articles L. 225-209 and following of the French Commercial Code.

In accordance with the laws in force, the capital reduction may not involve more than ten percent (10%) of the company's equity capital in any given twenty-four (24) month period. As a reminder, this upper limit applies to the stated capital of the Company after any adjustment that may be made to reflect the impact of capital transactions that are carried out after the date of this shareholders meeting.

This authorization is granted for a maximum period of twenty-six (26) months as of the date of this meeting. As of this same date, it renders null and void the unused portion of any earlier delegation of power to management to this effect (i.e., reduction of capital via the cancellation of shares).

The shareholders hereby grant management broad authority to determine the procedures for cancelling shares, to allocate the difference between the book value of the cancelled shares and their par value to reserves or additional paid-in capital, to amend the bylaws accordingly, and to accomplish all required formalities.

Fourteenth resolution

(Authorization to accomplish formalities)

The Shareholders hereby grant full authority to the bearer of an original, a copy or an excerpt of these minutes for the purpose of complying with all formal publication and filing requirements required by law.

Statutory auditors' report

on the share capital decrease by cancellation of shares purchased, proposed to the Ordinary and extraordinary Shareholders' Meeting of April 8, 2010 – 13rd resolution

This is a free translation into English of the statutory auditors'report issued in the French language 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 accordance with our appointment as statutory auditors of Klépierre and pursuant to the engagement set forth in Article L. 225-209 of the French Commercial Code (Code de Commerce) concerning capital share decreases by cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and terms and conditions of the proposed capital share decrease.

We conducted our review in accordance with professional standards applicable in France. Those standards require that we plan and perform the review in order to examine the fairness of the reasons for and the terms and conditions of the proposed capital share decrease.

This transaction involves the purchase by the company of its own shares, up to a maximum of 10% of the share capital, pursuant to the terms and conditions set forth in Article L. 225-209 of the French Commercial Code. This purchase authorization, to be granted for a period of 18 months from the date of this Extraordinary Shareholders'Meeting, is subject to adoption by shareholders.

Shareholders are requested to confer all necessary powers on your Executive Board, during a period of 26 months, to cancel the shares purchased by the company, pursuant to the share purchase authorization, up to 10% of the share capital for a period of 24 months.

We have no comments on the reasons for or the terms and conditions of the proposed share capital decrease, which, you are reminded, may only be performed subject to the prior approval by the Extraordinary Shareholders' Meeting of the purchase by the company of its own shares.

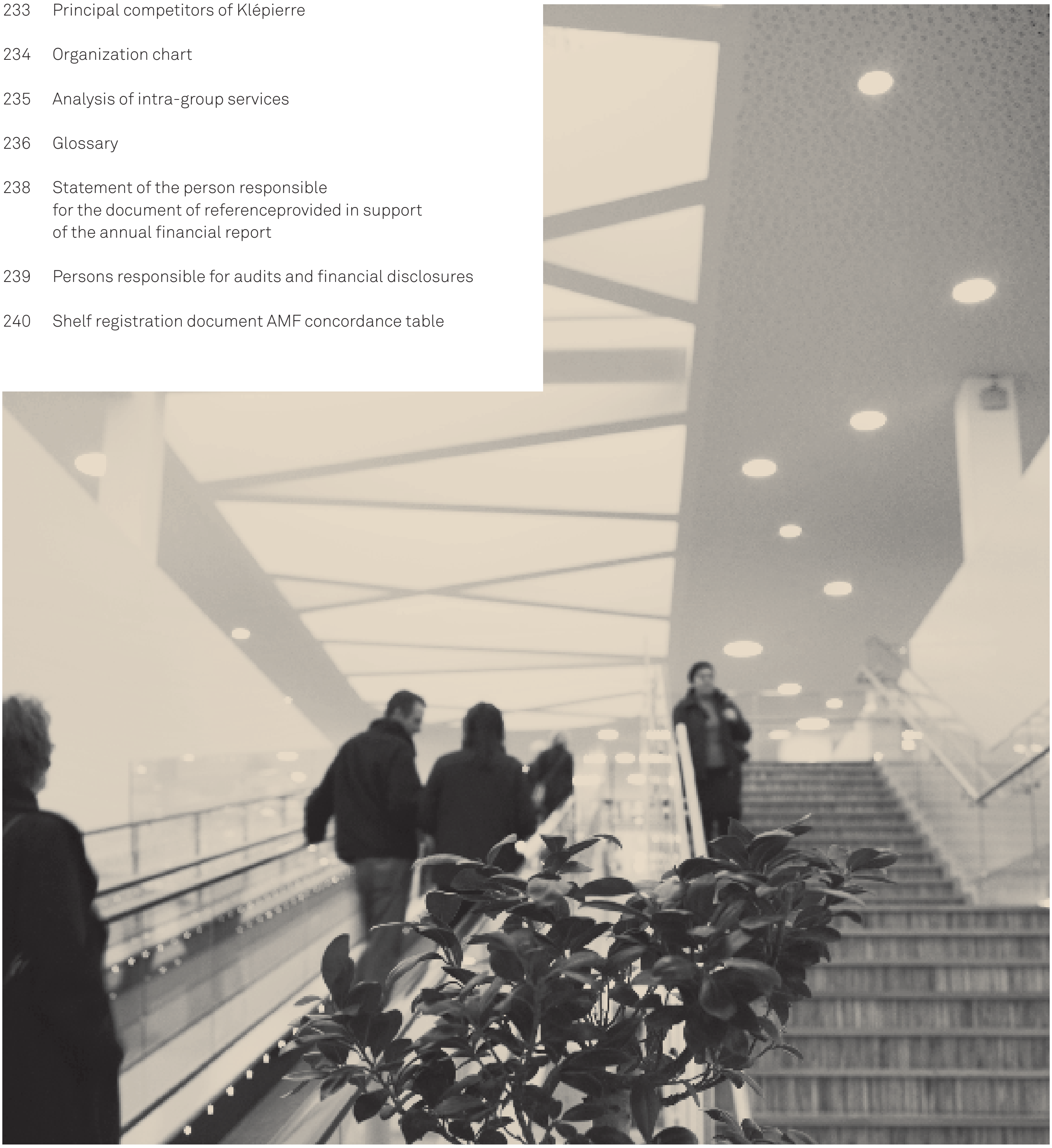
Courbevoie and Neuilly-sur-Seine, February 22, 2010

The Statutory Auditors

Mazars
Julien Marin-Pache

Deloitte & Associés
Pascal Colin
Laure Silvestre-Siaz

Other information



Principal competitors
of Klépierre

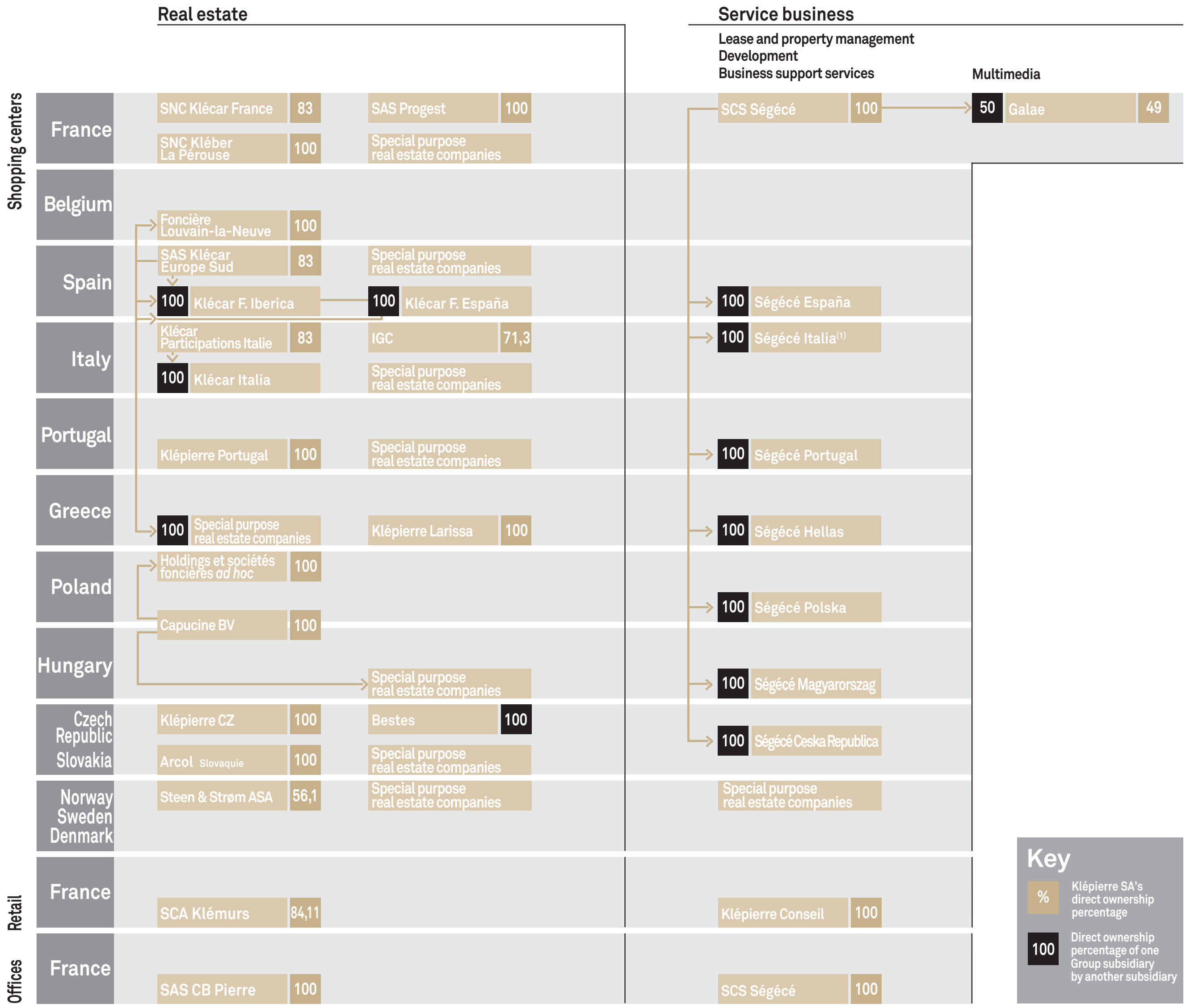
	Klépierre (1)	Unibail-Rodamco (1)	Corio (1)	Eurocommercial Properties (1)	IGD (2)	Mercialys (1)
Market capitalisation at December 31, 2009	5166	14023	3642	1139	482	2258
Values of consolidated porfolio (excluding duties)	14420	22123	5886	2055	1535	2213

Breakdown of consolidated rents by country		**Klépierre**		**Unibail-Rodamco**		**Corio**		**Eurocommercial Properties (3)**		**IGD**		**Mercialys**
France	427	49%	915	60%	125	32%	41	36%	–	–	131	100%
Scandinavia	160	18%	119	8%	–	–	24	21%	–	–	–	–
Italy	93	11%	–	–	69	18%	45	39%	83	86%	–	–
Spain	79	9%	146	10%	39	10%	–	–	–	–	–	–
Netherlands	–	–	158*	10%	143	37%	5	4%	–	–	–	–
Others	121	14%	175	12%	15	4%	–	–	13	14%	–	–
Total consolidated rents	**880.1**	**100%**	**1513.3**	**100%**	**391**	**100%**	**114**	**100%**	**96**	**100%**	**131**	**100%**
Other income	80.8		8.4		–		–		4		3	
Total consolidated turnover	960.9		1521.7		391		114		100		134	

Breakdown of consolidated rents by activities		**Klépierre**		**Unibail-Rodamco**		**Corio**		**Eurocommercial Properties (3)**		**IGD**		**Mercialys**
Shopping centers and/or retail	830	94%	1053	70%	354	91%	107	94%	96	100%	131	100%
Offices	50	6%	232	15%	32	8%	6	5%	–	–	–	–
Others	–	–	228	15%	5	1%	1	1%	–	–	–	–
Total consolidated rents	**880**	**100%**	**1513**	**100%**	**391**	**100%**	**114**	**100%**	**96**	**100%**	**131**	**100%**
Other income	81		8		–		–		4		3	
Total consolidated turnover	961		1521		391		114		100		134	

in millions of euros
(1) Value of holdings as of December 31, 2009.
(2) Value of holdings as of June 30, 2009.
(3) Over 12 months, as of June 30, 2009.
** Including Belgium.*
Source: Cheuvreux.

Organization chart



(1) Effe Kappa company was absorbed by Ségécé Italia on July 1st, 2009.

Analysis
of intra-group services

			Shopping centers																		Retail		Offices	
	Service provider / Service recipient	Klépierre	Ségécé	Klécar France and subsidiaries	Galae	Ségécé España	Klécar Europe Sud – Klécar Iberica – Klécar España	Ségécé Italia	Klécar Italia	IGC	Ségécé Hellas	Klécar Europe Sud Foncières grecques	Ségécé Portugal	Klépierre Portugal	Ségécé Ceska Republika	Ségécé Magyarorszag	Ségécé Polska	Capucine BV – Foncières hongroises, polonaises, tchèques	Capucine BV – Foncière slovaque	Coimbra	Steen & Strøm ASA	Klémurs	Klépierre Conseil	CB Pierre	Other/external
France	Klépierre		Financing	Financing	Financing		Financing		Financing			Financing		Financing				Financing	Financing	Financing	Financing	Financing	Financing	Financing	
France	Ségécé	SF CAM FM AM CAA LPM DVPT		CAM FM AM LM CAA	HRM AM SF Financing	Financing LOP	FM LPM CAA	Financing LOP	CAA	CAA	Financing LOP		Financing LOP	FM CAA	Financing LOP	Financing LOP	Financing LOP	FM CAA	FM	FM		AM HRM	CAA LPM	FM AM SF LPM CAA	LPM DVPT CAA
France	Klécar France and subsidiaries	Property																							Property
France	Galae	MM		MM																					WSD MM
Spain	Ségécé España						CAM LPM CAA																		LPM CAA
Spain	• Klécar Europe Sud • Klécar Iberica • Klécar España	Property																							Property
Italy	Ségécé Italia								CAM FM AM LPM CAA	LPM CAA CAM															LPM CAA
Italy	Klécar Italia – IGC	Property																							Property
Greece	Ségécé Hellas											LPM CAM													LPM CAA
Greece	• Klécar Europe Sud • Foncières grecques	Property																							
Portugal	Ségécé Portugal													LPM CAM CAA											LPM CAA
Portugal	Klépierre Portugal	Property																							
Central Europe	Ségécé Ceska Republika																	LPM CAM	LPM CAM						LPM
Central Europe	Ségécé Magyarorszag																	LPM CAA CAM							LPM CAA
Central Europe	Ségécé Polska																	LPM CAA CAM							
Central Europe	Capucine BV	Property																							
Central Europe	Arcol	Property																							
Belgium	Coimbra	Property																							
Scandinavia	Steen & Strøm ASA	DVPT SF CAM AM FM LPM HRM																							
France	Klémurs	Property																					LPM CAM		
France	Klépierre Conseil	LPM CAA																				CAM AM LPM			
France	CB Pierre	Property																							

AM = Accouting Management
CAA = Consultancy and Assistance on Acquisitions
CAM = Company Administrative Management
DVPT = Development
FM = Financial Management
HRM = Human Resources Management
LM = Lease Management
LPM = Lease and Property Management
LOP = Leasing of Personnel
MM = Multimedia
PM = Property Management
SF = Support Fonctions
WSD = Web Site Design

Glossary

Anchor
A retailer whose strong appeal as a consumer magnet plays a leading role in the animation and creation of traffic within a specific retail or commercial zone or a shopping center.

Average lease term
Apart from Denmark, where leases have no fixed term and are therefore indefinite, in each of the countries where the Group owns and manages property, the date before which an asset cannot be relet to another tenant without being liable for payment of an eviction indemnity is set forth in the lease contract. The average lease term corresponds to the mathematical mean for all leases in force.

Box
A stand-alone retail space that is generally situated near or in the parking lot of a retail mall or a retail park, designed to enhance the appeal of the latter.

Capitalization rate (cap rate)
The average capitalization rate corresponds to the ratio of total expected net rents for occupied and vacant properties to the value, transfer duties excluded, of these same properties. Transfer duties are the fees for any change in ownership when the asset or its owning company is sold (notary fees, deed and title, registration, etc.).

Catchment area
A habitual or theoretical area from which a point of sale or shopping center draws its potential customers. The scope of this area is influenced by the distance and time it takes to gain access.

Constant/current portfolio basis
The Group analyzes the change in some indicators either by taking into account all of the holdings it actually owned over the period or date of analysis (current portfolio), or by isolating the impact of any acquisitions, extensions or disposals during the period, in order to obtain a stable basis of comparison (constant portfolio). As an example, rental growth in 2009 was boosted by the opening of the Toulouse-Blagnac center extension, although the center is not included in the constant portfolio analysis, since the extension opened during the course of the year.

EPRA (European Public Real Estate Association)
This trade association has more than 200 of Europe's public real estate companies as members. It publishes recommendations intended to ensure that the financial reporting disclosures of publicly-traded real estate companies are more standardized and more detailed.

EPRA NNNAV
This indicator corresponds to revalued net assets, excluding transfer duties, and after deferred taxes and marking to market of fixed-rate debt and financial instruments.

Financial occupancy rate (vacancy rate)
The financial occupancy rate is the ratio of annual contractual rents occupied to total contractual rents occupied plus target rents for all vacant spaces (the latter are estimated on the basis of market data). A corollary to the financial occupancy rate, the vacancy rate expresses the percentage of vacant properties. Klépierre measures these rates by using the notion of minimum guaranteed rent (MGR) for occupied properties and not the market rents. The EPRA uses the latter for its definition of vacancy rate.

GLA (Gross Leasable Area)
Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.

Gross rent
Contractual rent composed of MGR, to which is added any additional variable rent (percentage rent), which is calculated on the basis of the retail tenant's sales revenue.

Hypermarket
A retail establishment that displays and sells a broad assortment of both food and non-food products over a sales space that exceeds 2 500 sq.m.

Hypermarket mall
A shopping center that generally features a limited number of shops whose retail mix is dominated by convenience services and whose retail anchor is a hypermarket.

ICC (Indice du coût de construction) – French Cost of Construction index
This is one of two reference indices used to adjust the rents on retail properties. It is published quarterly by Insee and calculated on the basis of data emerging from the quarterly survey on the trend in the cost price of new housing (PRLN). Using a representative sample of building permits, this survey provides information on markets trends, the characteristics of construction, as well as factors that can be used to derive land expenses (price of land, any demolitions, various taxes, etc.). It is also currently the reference index used to make adjustments to office rents.

ILC (Indice des loyers commerciaux) – French Commercial Rent Index
The ILC is published monthly by Insee and is composed of the ICC (25%), the ICAV (retail trade sales index, expressed in value, for 25%), and the IPC (consumer price index, for 50%). The ICAV, published monthly by Insee, is calculated on the basis of a sample of sales revenue reports filed by 31 000 businesses. The IPC, published monthly in the Official Gazette, is an indicator that is commonly used to measure inflation. The use of the ILC for retail rental price adjustments is possible since the August 4, 2008 law on economic modernization went into effect pursuant to the application decree dated November 6, 2008.

MGR
The minimum guaranteed rent payable under the terms of the lease. Also referred to as base rent.

Mid-sized unit
A retail outlet whose sales area covers more than 750 sq.m.

Net current cash flow
This indicator corresponds to the amounts generated by the routine operations and business of the company, after taking interest and tax expense into account. The management report describes in greater detail how net current cash flow is calculated.

Net rent
Gross rent less fees, non-recovered rental charges (in particular due to vacancies), expenses chargeable to the owner and, if applicable, expenses related to the land on which the rental unit sits.

Regional shopping center
A shopping center that features a large number of stores, and whose retail mix is characterized by an integrated and broad range of goods and services, including several retail anchors (mid-sized units, hypermarket).

Rentable floor area
Gross leasable area owned by Klépierre and on which Klépierre collects rents.

Rental gain
Additional minimum guaranteed rent (MGR) obtained as a result of reletting or when a lease is renewed with the same tenant (excluding additional MGR obtained when a property is leased for the first time).

Retail park
An open air retail complex located on the outskirts or in the suburbs of a metropolitan area, which groups together a number of different retailers that offer related or complementary merchandise.

Retail property business
The business of owning and/or managing retail assets (shopping centers, retail parks, boxes, etc.).

RNAV (Revalued net assets)
RNAV is an indicator that measures the break-up value of a real estate company. Schematically, it represents the difference between the value of the company's assets (as estimated by independent appraisers) and the total sum of its debts or liabilities. The management report describes in greater detail how RNAV is calculated.

Seller's promise
A contractual instrument signed by and between a seller and a buyer, according to which both parties undertake to proceed to the sale of an asset at a given price and before a defined date, indicated in the same instrument.

Shopping center
A group of at least 20 stores and services that form a Gross Leasable Area (GLA) of at least 5 000 sq.m., designed, built and managed as a single entity.

SIIC (Société d'investissements immobiliers cotée – REIT)
Tax regime allowed under Article 208-C of the French General Tax Code that allows joint stock companies that are publicly listed and whose stated equity capital exceeds 15 million euros, optionally and subject to certain conditions, as part of their primary business activity of acquiring and/or constructing buildings for the purpose of leasing them and direct or indirect ownership of equity in corporations whose business purpose is identical, to qualify for corporate tax exemption on:

- earnings from the rental of buildings, provided that 85% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are earned;
- the capital gains realized on the sale of buildings, equity in partnerships or in subsidiaries that have opted for SIIC status, provided that 50% of these capital gains are distributed to shareholders before the end of the second fiscal yea that follows their generation;
- dividends received from subsidiaries that qualify for SIIC status when these dividends arise as a result of profits and/or capital gains that are exempt from tax under the SIIC arrangements, subject to the provisio they are 100% distributed in the course of the fiscal year that follows the year in which they were granted.

Klépierre opted for SIIC status in 2003. In 2008, tax provisions facilitating the sale of real estate assets to a SIIC, commonly referred to as SIIC 3, were extended until December 31, 2011. Accordingly, the capital gains realized on the sale of property to real estate companies that have opted for SIIC status will be taxed at the rate of 19%, versus 16.5% previously and 33.33% under the standard tax regime for corporations. Further provisions, known collectively as SIIC 4 and SIIC 5, which went into effect on January 1, 2010, stipulate that no shareholder, acting alone or in concert with others, may control more than 60% of the equity capital of a company that has opted for SIIC status. In the event of non-compliance with this threshold, the company in question will be taxed at the normal corporate rate for the fiscal year in question.

Unpaid
Unpaid (rent, utilities and taxes, including VAT sales tax) corresponds to any payment that has not been received on the due date, and integrated into reporting as of the first day the past due payment is observed. Klépierre discloses a six-months late payment rate, and considers that most unpaid amounts in fact correspond to late payments.

WFA (Weighted Floor Area)
Floor area figures are given as weighted sq.m. The various types of office spaces (Offices, Archives – Parking – Employee Food Services) are weighted to calculate a price per square meter of office space for all space in the office building.

Yield rate
This rate, which unlike the cap rate allows us to determine a transfer duties included value, is used by our appraisers to estimate the value of the holdings. It is defined on the basis of an analysis of comparable recent transactions and criteria specific to the type of asset under consideration (location, sales area, rental reversion potential, possibility of extensions, percentage ownership, etc.).

Statement of the person responsible for the registration document
and the annual financial report

Relative to fiscal year 2009

After having taken all reasonable precautions to this effect, I hereby attest that, to the best of my knowledge, the information contained in this document de référence is in conformity with reality and does not contain any material omissions that could alter its meaning or interpretation.

I hereby attest that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and provide a true and accurate picture of the assets, financial position and earnings of the Company and all of its consolidated entities, and that the management report [on pages 75 and following] presents an accurate and true picture of the business, the results and the financial position of the Company and all of its consolidated entities, as well as a description of the principal risks and uncertainties to which they are exposed. I have obtained a letter from the statutory auditors in which they indicate having performed the usual controls on the information pertaining to the financial position and the accounting situation provided in this document, as well as having read the document in its entirety.

Laurent MOREL,
Chairman of the Executive Board of Klépierre

Paris, March 8, 2010

Persons responsible for audits and financial disclosures

Persons responsible for audits

Statutory auditors

DELOITTE & ASSOCIÉS

Statutory auditors,
Member of the Compagnie Régionale de Versailles.
Deloitte & Associés
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine
Pascal Colin/Laure Silvestre-Siaz
1st appointed: GM of June 28, 2006.
End of term: Fiscal year 2009.

MAZARS

Statutory auditors,
Member of the Compagnie Régionale de Versailles.
61, rue Henri Regnault
92400 Courbevoie
Julien Marin-Pache
1st appointed: GM of November 4, 1968.
End of term: Fiscal year 2009

Alternate statutory auditors

Société BEAS

7-9, villa Houssay
92200 Neuilly-sur-Seine
End of term: Fiscal year 2009.

Patrick de CAMBOURG

61, rue Henri Regnault
92400 Courbevoie
End of term: Fiscal year 2009.

Person responsible for financial disclosures

Jean-Michel GAULT

Member of the Executive Board – Deputy CEO
Phone: +33 1 40 67 55 05

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Annual financial report

Concordance table

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Pursuant to Article 28 of European Regulation (EC) N° 809/2004 of April 29, 2004, the following items are incorporated by reference:

- the consolidated financial statements for the year ended December 31, 2008 and the Statutory Auditors' report on the consolidated financial statements for the same period, presented respectively on pages 175-248 and 249 of the registration document N° D.09-0109 filed with the AMF on March 10, 2009; and
- the consolidated financial statements for the year ended December 31, 2007 and the Statutory Auditors' report on the consolidated financial statements for the same period, presented respectively on pages 166-231 and 232 of the registration document N° D.08-0099 filed with the AMF on March 10, 2008.

*Copies of this registration document are made available free of charge from Klépierre (21, avenue Kléber – 75116 Paris – France), on Klépierre's website (**www.klepierre.com**) and on the Autorité des marchés financiers' website (www.amf-france.org).*

The English language version of this registration document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

The original registration document was filed with the Autorité des marchés financiers ("the AMF") on March 8, 2010, in accordance with article 212-13 of the AMF General Regulations. It may be used in support of a financial transaction only if supplemented by a transaction memorandum that has received approval from the AMF.
This document includes all elements of the annual financial report specified by section I of article L. 451-1-2 of the French Financial and Monetary Code and article 222-3 of the AMF's General Regulations. A table allowing cross-referencing between the documents specified in article 222-3 of the AMF's General Regulations and the corresponding sections of this document is provided on page 243. This document has been established by the issuer and is binding upon its signatories.

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