



PRESS RELEASE

Paris, October 20, 2008

Cumulated rental revenues as of September 30, 2008 up +16.4%

Strong growth of rental revenues driven by the combined effect of a steady organic growth and 2007 and 2008 acquisitions

Nine months rental revenues as of September 30, 2008 amounted to Euro 85,618 thousands, up +16.4% compared with same period in 2007.

<i>Thousands of Euro</i>	3Q 2007	3Q 2008	% change
Invoiced rents	72,257	83,775	+15.9%
Lease rights/Entry fee	1,287	1,842	
Rental revenues	73,545	85,618	+16.4%

Invoiced rents for the first nine months of 2008 are also up **+15.9%** compared with 2007.

Organic growth of invoiced rents remained steady at **+7.7%** thanks to:

- ✓ 2007 and 2008 renewals and relets (+3.8 points). At the end of September 2008, 143 leases was renewed or relet with an annualised rent growth of respectively +29% and +122% or a total amount of Euro +2.3 million.
- ✓ Indexation (+4.2 points)

Both drivers had a little cannibalization effect on variable rents (-0.3 point impact on invoiced rents growth).

2007 and 2008 **acquisitions** had a **+9.3 points** impact on nine months invoiced rents growth. The third quarter as the first semester of 2008 was characterized by a wait-and-see attitude and very few assets were put on the market. Acquisitions signed by Mercialys impacting the third quarter was mainly the three shopping centers in Pau Lons, Istres and Narbonne bought on July 30, 2008 for a total amount of Euro 39.2 million. 2008 delivery from the Casino pipeline are mainly planned for the last quarter of the year.

Additionally, the Alcudia project, aiming at renovating and restructuring all Mercialys' shopping centers within the next 5 years, generates some voluntary vacancy (shops to be restructured or sat in

the middle of the future mall). This **strategic vacancy** has a negative impact of **-0.4 point** on the invoiced rents growth of the first quarter of this year.

Lastly, the third quarter of 2007 benefited from a Euro 443 thousand gain following the settlement of a particularly long suit on a renewal. This exceptional gain has a negative impact on Q3 2008 invoiced rents growth of **-0.6 point**.

Entry fees earned in the first nine months of 2008 represented a cash amount of Euro 2,293 thousands compared with Euro 1,190 thousands in 2007, mainly linked with 6 important relets in Brest, Toulouse, Massena (Paris 12th), Quimper, Lanester and Valence 2. Including IFRS smoothing accounting, entry fees accounted for at the end of September 2008 were up +43.1% at Euro 1,842 thousands versus Euro 1,287 thousands in the same period of 2007.

Mercialys strong financial structure enables the company to face the current environment with serenity but caution will be reinforced notably for developments of new projects.

“Q3 2008 figures are in line with our forecasts set in July, which was higher than originally anticipated at the beginning of 2008. Despite the general financial and economic environment and thanks to the strong visibility of our cashflows, the resilience of our business model and the robustness of our financial structure, we are keeping things up for 2008 and 2009, Said Jacques Ehrmann, CEO of Mercialys.

We will remain particularly cautious regarding our investments and notably pre-let our new developments.”

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This press release is available at www.mercialys.com

Next publications:

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| • January 19, 2009 (evening) | 2008 full-year rental revenues |
| • February 11, 2009 (evening) | 2008 full-year earnings (press release) |
| • February 12, 2009 (hour to be confirmed) | 2008 full-year earnings meeting |

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About Mercialys

Mercialys is one of the few large French companies to focus entirely on shopping centers. Rental revenue in 2007 amounted to Euro 99,5 million and net earnings to Euro 71,5 million. Mercialys owns 167 assets with an estimated value of over Euro 1.9 billion December 31, 2007. It elected for "SIIC" (REIT) tax status on November 1, 2005 and has been listed on Eurolist by Euronext Paris, symbol *MERY*, since its initial public offering on October 12, 2005. There were 75,149,959 Mercialys shares in issue at December 31, 2007.

CAUTIONARY STATEMENT

This press release may contain forward-looking statements about future events, trends, projects or targets.

These forward-looking statements are by nature subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to the Mercialys shelf registration document for the year ended December 31, 2007, available at www.Mercialys.com, for a description of the key factors, risks and uncertainties liable to influence Mercialys's business operations and results.

Mercialys makes no undertaking to update or revise these forward-looking statements or to disclose new information, future events or circumstances that might affect them.

MERCIALYS RENTAL REVENUES

In Euro thousands	TOTAL				QUARTERS			
	31/03/2005	30/06/2005	30/09/2005	31/12/2005	Q1	Q2	Q3	Q4
Invoiced rents	17 268	36 749	54 128	71 825	17 268	19 481	17 379	17 697
Lease rights	288	467	709	831	288	179	242	122
Rental revenues	17 556	37 216	54 837	72 656	17 556	19 660	17 621	17 819
In Euro thousands	31/03/2006	30/06/2006	30/09/2006	31/12/2006	Q1	Q2	Q3	Q4
Invoiced rents	18 072	38 874	58 711	80 714	18 072	20 802	19 837	22 003
Lease rights	660	759	1 178	1 604	660	99	419	425
Rental revenues	18 732	39 633	59 890	82 318	18 732	20 901	20 256	22 429
Change in invoiced rents	4,7%	5,8%	8,5%	12,4%	4,7%	6,8%	14,1%	24,3%
Change in rental revenues	6,7%	6,5%	9,2%	13,3%	6,7%	6,3%	15,0%	25,9%
In Euro thousands	31/03/2007	30/06/2007	30/09/2007	31/12/2007	Q1	Q2	Q3	Q4
Invoiced rents	23 688	47 557	72 257	97 723	23 688	23 869	24 700	25 465
Lease rights	447	881	1 287	1 773	447	434	406	486
Rental revenues	24 135	48 438	73 545	99 496	24 135	24 303	25 106	25 951
Change in invoiced rents	31,1%	22,3%	23,1%	21,1%	31,1%	14,7%	24,5%	15,7%
Change in rental revenues	28,8%	22,2%	22,8%	20,9%	28,8%	16,3%	23,9%	15,7%
In Euro thousands	31/03/2008	30/06/2008	30/09/2008	31/12/2008	Q1	Q2	Q3	Q4
Invoiced rents	27 626	55 884	83 775	97 723	27 626	28 258	27 892	25 465
Lease rights	516	1 111	1 842	1 773	516	595	731	486
Rental revenues	28 142	56 995	85 618	99 496	28 142	28 853	28 623	25 951
Change in invoiced rents	16,6%	17,5%	15,9%	21,1%	16,6%	18,4%	12,9%	15,7%
Change in rental revenues	16,6%	17,7%	16,4%	20,9%	16,6%	18,7%	14,0%	15,7%
<i>By activity</i>								
In Euro thousands	31/03/2006	30/06/2006	30/09/2006	31/12/2006	Q1	Q2	Q3	Q4
Large shopping centers	11 059	23 335	35 292	48 710	11 059	12 276	11 958	13 418
Neighborhood shopping centers	5 816	12 586	18 837	25 546	5 816	6 770	6 250	6 710
Other assets	1 857	3 713	5 761	8 062	1 857	1 856	2 048	2 301
Rental revenues	18 732	39 633	59 890	82 318	18 732	20 901	20 256	22 429
In Euro thousands	31/03/2007	30/06/2007	30/09/2007	31/12/2007	Q1	Q2	Q3	Q4
Large shopping centers	14 602	29 335	44 612	60 429	14 602	14 733	15 277	15 817
Neighborhood shopping centers	7 100	14 222	21 463	29 011	7 100	7 122	7 241	7 548
Other assets	2 433	4 882	7 470	10 056	2 433	2 448	2 588	2 587
Rental revenues	24 135	48 438	73 545	99 496	24 135	24 303	25 106	25 951
In Euro thousands	31/03/2008	30/06/2008	30/09/2008	31/12/2008	Q1	Q2	Q3	Q4
Large shopping centers	16 169	32 842	49 346	60 429	16 169	16 672	16 504	15 817
Neighborhood shopping centers	8 760	17 703	26 631	29 011	8 760	8 944	8 928	7 548
Other assets	3 213	6 450	9 641	10 056	3 213	3 237	3 191	2 587
Rental revenues	28 142	56 995	85 618	99 496	28 142	28 853	28 623	25 951

