PRESS RELEASE

Q1 2009 Rental revenues

Paris, April 20, 2009

Q1 2009 rental revenues up +11.3%

Satisfactory rental indicators in a difficult economic environment

Acquisition of 25 assets from contribution for Euro 334 million

A solid financial profile: a debt-free balance sheet at March, 31, 2009

1. Growth of rental revenues driven by the combined effect of organic growth and 2008 acquisitions

Three months rental revenues as of March 31, 2009 amounted to Euro 31,310 thousands, up **+11.3%** in comparison with the same period in 2008.

Thousands of Euro	Q1 2008	Q1 2009	% change
Invoiced rents	**27,626**	**30,630**	**+10.9%**
Lease rights/Entry fee	516	680	
Rental revenues	**28,142**	**31,310**	**+11.3%**

Q109 invoiced rents are up **+10.9%** compared with Q108.

➤Organic growth of invoiced rents remained steady at **+7.5%** mainly thanks to:

- ✓ actions on the portfolio of leases (+3.8 points), and
- ✓ indexation (+4.7 points)
- ✓ actions on the portfolio and indexation had a cannibalization effect on variable rents (-1.0 point impact on Q109 invoiced rents growth).

➤2008 acquisitions had an impact of **+4.0 points** on Q109 invoiced rents growth.

➤Additionally, the Alcudia program, 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 had a negative impact of **-0.6 point** on Q109 invoiced rents growth.

Entry fees received in the first quarter of 2009 represented a cash amount of Euro 776 thousand compared with Euro 1,374 thousand in Q108 that had benefited from 4 significant relets.
Including IFRS smoothing accounting, entry fees accounted for in Q109 were up +31.7% at Euro 680 thousand versus Euro 516 thousand in the same period of 2008, mainly linked to the entry fees received in cash in 2008 that were particularly high.

2. Q109 rental activity:
Rental management indicators still satisfactory at end-March 31, 2009

The general economic environment was difficult during Q1 2009 with an undeniable impact on shopping centers activity in France: if shopping centers frequentation has been satisfactory on January (+0.8%), it has sharply diminished in February and March (respectively –6.7% and –4.9%) according CNCC data.
Tenants' sales in shopping centers were up +3.3% on January and were down –8.0% on February according CNCC data. The consumption sectors of personal equipment, services and household equipment were more affected than others.

In that environment, Mercialys rental management indicators remained satisfactory:

➤ The figures of frequentations and tenants sales are in line with CNCC figures.

➤ Leases were renewed or relet at good conditions during Q1 2009, certainly because the leases in Mercialys portfolio have a rent level noticeably under the market level (Euro 174 per m² at end-2008 vs Euro 285 per m² for the French shopping centers IPD benchmark[1]).
96 leases (68 commercial leases and 28 non-commercial leases[2]) were renewed or relet in Q109 including 12 Cafeteria Casino leases renewals with rents that were already close to market rents (rents up +4,9% for these Cafeteria renewals).
Q109 performance is in line with the results observed the previous years: Q109 renewals and relets generate an annualised rent growth of respectively +30% (excluding cafeterias renewals) and +119%, representing additional rents for a total amount of Euro +1.4 million on an annualised basis.

➤ The current vacancy rate remains low: 2.0% (stable compared to end-2008)

➤ The number of defaults was very restricted: one liquidation proceeding during Q1 2009 (out of 2,533 leases at end-March, 2009)

➤ The recovery rate of Q109 invoiced rents remained high, and improved slightly in comparison with the same period in 2008, what we interpret as a healthy cash situation of our tenants.

Those indicators show the strong resilience of shopping centers portfolios in France in a difficult economic environment; in particular for Mercialys whose tenants benefit from one of the lowest occupancy cost in the market.

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[1] IPD benchmark at end-2007
[2] Short-term leases of maximum 23 months not submitted to the French commercial law (Photomaton, ATM…)

➤ There were a lot of contacts with our tenants during the past quarter within the negociations relative to the change from ICC[3] index to ILC[4] index.
Indeed, approximately 80% of Mercialys leases are subject each year to an indexation as of January 1st based on the latest index released (T2 of the previous year). For half of those leases, an agreement has already been reached for applying ILC index: an agreement is already signed for 2/3 of them, and agreements should be signed for the other third leases during this first 2009 semester.
The ILC index (+3.85%) was applied on all agreements signed as of January 1st, 2009. The ILC index will apply retroactively to January 1st, 2009 for all the other agreements signed before May 31, 2009. Subsequently, rents adjustments for those leases should have an impact on Q209 invoiced rents.
The ICC/ILC negociations will continue during the rest of the year; the ILC index will in that case apply from the future scheduled dates of indexation.

3. Acquisition of 25 assets by way of contribution[5]

On March 5, 2009, Mercialys announced the acquisition of a portfolio including 25 assets for a total amount of Euro 334 million from contribution by the Group casino. This portfolio comprises:
- operating assets that generate immediate rental revenues: 3 shopping centers extensions located in Besançon and Arles already let, the walls of 2 hypermarkets and 3 supermarkets located in Paris and Marseille, and hypermarket surfaces to be transformed into shopping centers by Mercialys
- 7 shopping centers extensions due to be delivered in 2010 and 2011 within the Alcudia program already prelet at 60% (vs 56% on March 5, 2009).

This contribution transaction, in line with the partnership strategy developed between Mercialys and Casino, constitutes a major step in the Alcudia program.
Mercialys' Board of Directors, which held a meeting on March 4, 2009, unanimously approved this transaction. Major institutional shareholders of Mercialys, i.e. Generali, AXA and BNPParibas Assurances, supported the transaction.
The contribution transaction will be subject to approval by Mercialys' Extraordinary Shareholders' Meeting, to be held on May 19, 2009.
Mercialys will start invoicing rents on those assets after approval of the transaction by Mercialys' Extraordinary Shareholders' Meeting.

This is a favourable transaction for Mercialys for several reasons:

- From a real-estate point of view, Mercialys' portfolio value increases by +18,2%, and represents potential additional rents of Euro 23.9 million on a full year basis after completion of all projects, i.e. +20.9% compared to 2008 rental revenues.
  The assets acquired are well-known assets, developed on sites with potential, reinforcing therefore the existing portfolio, notably in Paris and Marseille.
  This transaction will be accretive from 2010 by 2% on cash flow per share. It has a neutral impact on the NAV per share after transaction.

- From a financial point of view, this equity transaction enables the financing of the Alcudia projects for the next 18 to 24 months, in continuity with Mercialys' debt-free financial structure. Thus the society keeps an unchanged capacity so to follow its strategy of creation of value in an opportunistic way as well as the free availability of its lines of financing.

[3] ICC: Construction Cost Index – Q2: +3.85% applicable as of January 1st, 2009
[4] ILC: Retail rent Index – Q2: +8.85% applicable as of January 1st, 2009
[5] This transaction will be subject to approval by Mercialys' Extraordinary Shareholders' Meeting, to be held on May 19, 2009.

• From a shareholding and stock market point of view, this transaction will increase Mercialys' free float[6] to exceed Euro 1 billion vs approximately Euro 700 million currently - after the distribution by Casino to its shareholders of the 14 million[7] of newly issued Mercialys shares received in remuneration of the assets contribution - and will allow a significant diversification in Mercialys shareholder base. As a result, the liquidity of Mercialys shares will be reinforced.

"*Rental revenue growth has been steady during the past quarter thanks notably to the continuous focus of our teams on extracting value of our portfolio.*
Our Q109 key indicators show a resilience of our model despite a difficult economic environment.
The first quarter of the year has been mainly marked by the most significant operation of growth for Mercialys since the IPO, with the acquisition of 25 assets from Casino contribution for a total amount of Euro 334 million. This contribution transaction emphasizes the strong benefits from the partnership between Casino and Mercialys. It enables Mercialys to assure its medium-term growth while increasing its free float – that should exceed one Euro billion – and retaining its unique debt-free financial profile ", said Jacques Ehrmann, CEO of Mercialys.

[6] Free float is the market capitalisation of the company excluding Casino's stake
[7] Casino will distribute a maximum 14,044,832 newly issued Mercialys shares to Casino shareholders as a dividend

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This press release is available on the www.mercialys.com website

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About Mercialys

Mercialys, one of France's leading real estate companies, is solely active in commercial property. Rental revenue in 2008 came to Euro 116.2 million and net income, Group share, to Euro 80.9 million. It owns 168 properties with an estimated value of over Euro 2 billion at December 31, 2008. Mercialys has benefited from "SIIC" tax status (REIT) since November 1, 2005 and has been listed on compartment A of Euronext Paris, symbol *MERY*, since its initial public offering on October 12, 2005. The number of outstanding shares as at December 31, 2008, was 75,149,959.

CAUTIONARY STATEMENT

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

These forward-looking statements are 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 available at www.mercialys.com for the year to December 31, 2006 for more details regarding certain factors, risks and uncertainties that could affect Mercialys's business.

Mercialys makes no undertaking in any form to publish updates or adjustments to these forward-looking statements, nor to report new information, new future events or any other circumstance that might cause these statements to be revised.

MERCIALYS RENTAL REVENUES

In Euro thousands	TOTAL 31/03/2006	30/06/2006	30/09/2006	31/12/2006	QUARTERS 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**

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	113,613	27,626	28,258	27,892	29,838
Lease rights	516	1,111	1,842	2,588	516	595	731	746
Rental revenues	**28,142**	**56,995**	**85,618**	**116,201**	**28,142**	**28,853**	**28,623**	**30,584**
Change in invoiced rents	16.6%	17.5%	15.9%	16.3%	16.6%	18.4%	12.9%	17.2%
Change in rental revenues	16.6%	17.7%	16.4%	16.8%	16.6%	18.7%	14.0%	17.9%

In Euro thousands	31/03/2009	30/06/2009	30/09/2009	31/12/2009	Q1	Q2	Q3	Q4
Invoiced rents	30,630				30,630			
Lease rights	680				680			
Rental revenues	**31,310**				**31,310**			
Change in invoiced rents	10.9%				10.9%			
Change in rental revenues	11.3%				11.3%			

By activity

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
Neighbourhood 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	66,699	16,169	16,672	16,504	17,353
Neighbourhood shopping centers	8,760	17,703	26,631	36,715	8,760	8,944	8,928	10,084
Other assets	3,213	6,450	9,641	12,787	3,213	3,237	3,191	3,146
Rental revenues	**28,142**	**56,995**	**85,618**	**116,201**	**28,142**	**28,853**	**28,623**	**30,583**

In Euro thousands	31/03/2009	30/06/2009	30/09/2009	31/12/2009	Q1	Q2	Q3	Q4
Large shopping centers	17,504				17,504			
Neighbourhood shopping centers	10,395				10,395			
Other assets	3,411				3,411			
Rental revenues	**31,310**				**31,310**			