PRESS RELEASE

Paris, January 18, 2010

2009 full year rental revenues

Mercialys reached its objectives for 2009:
a steady growth of rental revenues up +15,5%

2009 full year rental revenues amounted to Euro 134,237 thousands, up **+15.5%** compared to the same period in 2008.

Thousands of Euro	FY 2008	FY 2009	% change
Invoiced rents	**113,613**	**130,911**	**+15.2%**
Lease rights / Entry fees	2,588	3,326	
Rental revenues	**116,201**	**134,237**	**+15.5%**

Organic growth of invoiced rents remained steady at **+6.1%**. Actions on the portfolio of leases including renewals, relets and actions on specialty leasing in malls had an impact of **+2.9 points**. The remaining part of organic growth, ie +3.2%, was attributable to the net effect of indexation[1]/variable rents, variable rents (-0.9 point) being impacted by the high level of indexation for the third consecutive year (+4.1 points).

2008 acquisitions had an impact of **+2.6 points** on 2009 invoiced rents growth. **2009 acquisitions**, ie mainly the Euro 334 million contribution of Alcudia/'Esprit Voisin' projects occurred in the first half of the year[2], had an impact of **+8.2 points** on 2009 invoiced rents growth.

[1] 2009 indexation is mainly linked with either Construction Cost Index (CCI) or Commercial rents index (ILC) change between Q2 2007 and Q2 2008, respectively +8.85% and +3.85%.
[2] Please refer to Mercialys press release dated March 5, 2009.

The **strategic vacancy** linked with the implementation of the Alcudia/"Esprit Voisin"[3] program of future extensions of our sites had a negative impact of **-0.7 point** on 2009 invoiced rents growth.

2009 invoiced rents growth also bore a **non-recurring impact** of **-1.1 point** linked to exceptional boost actions in a few sites.

Entry fees received in 2009 remained stable at Euro 4.0 million[4] compared with Euro 3.9 million in 2008, including:

- Euro 2.8 million entry fees linked to the current relets (compared with Euro 2.6 million in 2008)
- Euro 1.2 million entry fees linked to the letting of new extensions opened in 2009, mainly in Besançon (compared with Euro 1.3 million in 2008).

Including IFRS smoothing accounting, entry fees accounted for at the end of 2009 were up +30% at Euro 3.3 million compared with Euro 2.6 million in 2008.

Rental activity: Rental management indicators

During the full year of 2009, the general economic environment was difficult in France with an undeniable impact on French shopping centres activity: erosion of frequentation in shopping centres experienced during the three first quarters of 2009 (-3.7% ytd at the end of September according CNCC data) continued, on an erratic way, during the fourth quarter of 2009 (-2.5% in October, -6.8% in November and -2.9% in December according CNCC data).
As a result, the frequentation in French shopping centres decreased by -3.7% at end of December 2009 on a cumulative 12 months basis.
During the same period, tenants' sales in French shopping centres were down -3.2%[5] ytd at the end of November 2009 according CNCC data. After a satisfying month of October (+0.8%[6]) compared with the previous months (-3.9% in July, -7.1% in August and -4.2% in September), tenants' sales recorded a strong decrease of -4.4% in November according CNCC data.
In this difficult environment, tenants sales in French Neighbourhood shopping centres resisted better than the all French shopping centres, respectively -2.0% versus -3.2% for the first 11 months of the year according to CNCC.
The consumption sectors of home equipment, services and culture/gifts were more affected than others.

In that environment, Mercialys rental management indicators showed that impact of the environment on our tenants' activity is, at this stage, limited, and showed the resilience of our portfolio. Indeed, Mercialys tenants benefit from one of the lowest occupancy cost in the market.

➤ The current activity of renewals and relets was particularly steady in 2009 thanks to the performance of our teams. 220 leases were signed in 2009 (vs 177 in 2008) :
-114 leases were relet (vs 70 in 2008), and
-106 leases were renewed (vs 107 in 2008)

Renewals and relets in 2009 were signed in good conditions (rental annual value growth respectively equal to +20%[7] and +111% over the year).

[3] Program aiming at renovating and restructuring all Mercialys' shopping centres which generates some voluntary vacancy (shops to be restructured or sat in the middle of the future mall).
[4] Cash amounts received before IFRS smoothing accounting (over the first 3 years of leases)
[5] CNCC data : Total French shopping centres on a comparable basis – Cumulative as of November 30
[6] CNCC data : Total French shopping centres on a comparable basis – monthly data
[7] Excluding the renewal of 15 leases with self service restaurants already at a rental value nearly at market price (+4% on annualised rental values for this renewal)

- Tenants' sales in Mercialys large shopping centres showed a strong resilience: they were down -0.5% at the end of November 2009 to be compared with -2.0%[8] for the French neighbourhood shopping centres panel of the CNCC over the same period

- The recovery rate of 2009 invoiced rents remained high: 98.3% of rents invoiced in 2009 (on a 12 months basis) received by the end of December 2009 (vs 99.1% at end-December 2008)

- The current vacancy rate increased during Q409 but remained at a low level: 2.3% at end-December 2009 compared with 2.0% at end-December 2008

- The number of defaults remained limited: 10 liquidations proceeding during 2009 (out of 2,628 leases at end-December, 2009).
  During the same period, 10 shops under liquidation process were relet. Thus, Mercialys had 17 tenants under liquidation as of December 30, 2009 (stable versus 2008 year-end).

Q409 was also marked by the partnership put in place between Mercialys and the *Union des Coopérateurs d'Alsace* (Coop d'Alsace)[9] in view to develop an extension of a shopping centre located in the south of Strasbourg area – Geispolsheim – anchored to a Leclerc hypermarket. This partnership was carried out through a joint-venture owned 50/50 that acquired the whole existing shopping centre previously owned by Coop d'Alsace, and that will develop an extension of the site and the full renovation of the existing spaces. Works should start in March 2010 and the restructured site is expected to open its doors by April 2011.

« *For the fourth consecutive year, 2009 was marked by a double-digit growth of rental revenues.*
Mercialys kept on extracting value of its portfolio and realized in 2009 its largest acquisition since the IPO. This transaction enabled Mercialys to ensure its medium-term growth and to increase the free float and the liquidity of its shares, as demonstrated by Mercialys entry into the SBF 120 index.», commented Jacques Ehrmann, CEO of Mercialys.

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

Next press releases and events:

- February 15, 2010 (after market close) — 2009 FY results (press release)
- February 16, 2010 (10 am) — 2009 FY results (meeting)

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[8] CNCC data : Neighbourhood shopping centres on a comparable basis – Cumulative as of November 30
[9] Please refer to Mercialys press release dated January 13, 2010

About Mercialys

Mercialys, one of France's leading real estate companies, is solely active in commercial property. 2008 rental revenue came to Euro 116.2 million and net income, Group share, to Euro 80.9 million.
It owns 167 properties with an estimated value of Euro 2.4 billion at June 30, 2009. 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 was 75,149,959 at December 31, 2008, then 90,537,634 at June 30, 2009, and 91,968,488 since October 9, 2009.

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

	TOTAL				*QUARTERS*			
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**
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	62,875	97,591	130,911	30,630	32,245	34,716	33,320
Lease rights	680	1,643	2,650	3,326	680	963	1,007	676
Rental revenues	**31,310**	**64,518**	**100,241**	**134,237**	**31,310**	**33,208**	**35,723**	**33,996**
Change in invoiced rents	10.9%	12.5%	16.5%	15.2%	10.9%	14.1%	24.5%	11.7%
Change in rental revenues	11.3%	13.2%	17.1%	15.5%	11.3%	15.1%	24.8%	11.2%