



PRESS RELEASE

Paris, April 14, 2011

Q1 2011 Rental revenues

Growth in rental revenues up +7,1%

**3 projects completed:
the extension of Geispolsheim shopping center developed in partnership with Coop
d'Alsace and 2 developments of new stores on former hypermarket areas**

Three months **rental revenues** as of March 31, 2011 were up **+7.1%** in comparison with the same period in 2010:

<i>Thousands of Euros</i>	Q1 2010	Q1 2011	% change
Invoiced rents	35,127	36,887	+5.0%
Lease rights/Entry fees	803	1,581	
Rental revenues	35,930	38,468	+7.1%

The first quarter of the year was marked by:

- an organic growth in invoiced rents that remained steady: **+3.0 points** (including indexation¹ of +0.8 point)
- the impact of the completion of Esprit Voisin projects added to the integration of La Caserne de Bonne shopping center in Mercialys portfolio at end-2010: **+8.0 points** on invoiced rents growth
- the effect of assets disposals carried out at end-2010² that led to a reduction in our rents basis: **-5.6 points**

In addition to those main trends, non-current items had an impact of **-0.3 point** on the invoiced rents growth of Q1 2011.

¹ In 2011, for the majority of leases, rents were indexed either to the change in the construction cost index (CCI) or to the change in the retail rent index (ILC) between the second quarter of 2009 and the second quarter of 2010 (respectively -0.22% and +1.27%).

² Please refer to our press release relative to 2010 full-year revenues disclosed on January 17, 2011

« Our ability to extract value from our portfolio of assets remained the growth driver during the first quarter of 2011 and will fuel our results throughout the year. Our completions of Esprit Voisin projects will continue at a steady pace this year with, in total, more than ten projects to be completed. Those developments will strengthen the quality of our portfolio, 'reload' its potential and thus will create new growth opportunities. » commented Jacques Ehrmann, Chairman and CEO of Mercialys.

Lease rights and despecialization indemnities received as of March 31, 2011³ amounted to Euro 1.8 million compared with Euro 1.0 million at end-March 2010, including:

- **Euro 0.7 million** lease rights linked to the recurring reletting activity (compared with Euro 1.0 million at end-March 2010)
- **Euro 1.1 million** lease rights linked to the letting of new extensions/restructuring programs on Nîmes and Ajaccio sites (whereas there was no non-recurring lease right received at end-March 2010).

Including IFRS smoothing accounting, lease rights accounted for at end-March 2011 amounted Euro 1.6 million compared with Euro 0.8 million at end-March 2010, up +97% mainly due to significant lease rights received in 2010.

Q1 2011 activity

Completion of the extension of Geispolsheim shopping center developed in partnership with Coop d'Alsace

The first quarter of the year was marked by the completion of the extension of our shopping center located in South Strasbourg, on the site of Geispolsheim, anchored to a Leclerc hypermarket.

This extension was developed within the framework of the partnership concluded in 2008 between Mercialys and l'Union des Coopérateurs d'Alsace (Coop d'Alsace). The existing shopping center was owned by the two companies since the end of 2009 through a joint-venture owned on a 50/50 basis.

The two companies started the extension works of the shopping center and the renovation of the existing areas on April 2010.

20 new stores opened on the site in March 2011 representing a GLA of 2,700 m² and a full-year rental value of Euro 1.2 million to be shared 50/50 between Mercialys and Coop d'Alsace.

The transformation of this significant site of Strasbourg was conducted by Mercialys's Asset Management teams and therefore benefited from Mercialys know-how in terms of redevelopment and extension developments under the Esprit Voisin program.

The implementation of the Esprit Voisin program kept on going

During the first quarter of 2011, the implementation of the Esprit Voisin program kept on going:

2 projects were completed in Nîmes Cap Costières and Marseille La Valentine (Phase 1). New shops were developed on acquired hypermarket surfaces on both sites. Those developments strengthen the commercial position of those two sites through the implementation of attractive retailers – such as the 'Olympique de Marseille' store on Marseille La Valentine site and a Guess store in Nîmes – with, in addition, the extension of the H&M store on Nîmes site.

Thus, 7 new stores opened on the two sites. 4,700 m² of GLA were redeveloped representing a full-year rental value of Euro 1.4 million.

Besides, works continued on ten other sites to be opened during the year. First completions are expected during Q2 2011 on Ajaccio and Sables d'Olonne sites.

³ Cash amounts received before IFRS smoothing accounting (over the first 3 years of leases)

The other completions will take place during the second half of the year that will see the completion of symbolic projects such as Marseille La Valentine (phase 2), Annemasse, Auxerre and Villefranche sur Saône. Note that Euro +1.7 million additional rents were accounted for during the past quarter compared with Q1 2010 from the Esprit Voisin projects completed in 2010.

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

Next events and publications:

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| • April 28, 2011 (10.00 am) | General Annual Meeting |
| • July 26, 2011 (after market close) | 2011 half-year earnings press release |
| • July 27, 2011 (10.00 am) | Analysts Meeting |

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About Mercialys

Mercialys is one of France's leading real estate companies, solely active in retail property. Rental revenue in 2010 came to Euro 149.5 million and net income, Group share, to Euro 133.5 million.

It owns 130 properties with an estimated value of Euro 2.6 billion (including transfer taxes) at December 31, 2010. 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 92,000,788 as of December 31, 2010 and 91,968,488 as of December 31, 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, 2009 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

<i>TOTAL</i>					<i>QUARTERS</i>			
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	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	30,583
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%	17.8%
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%
In Euro thousands	31/03/2010	30/06/2010	30/09/2010	31/12/2010	Q1	Q2	Q3	Q4
Invoiced rents	35,127	70,547	106,995	144,695	35,127	35,420	36,447	37,700
Lease rights	803	1,842	2,934	4,811	803	1,039	1,092	1,877
Rental revenues	35,930	72,390	109,929	149,506	35,930	36,459	37,539	39,577
Change in invoiced rents	14.7%	12.2%	9.6%	10.5%	14.7%	9.8%	5.0%	13.1%
Change in rental revenues	14.8%	12.2%	9.7%	11.4%	14.8%	9.8%	5.1%	16.4%
In Euro thousands	31/03/2011	30/06/2011	30/09/2011	31/12/2011	Q1	Q2	Q3	Q4
Invoiced rents	36,887				36,887			
Lease rights	1,581				1,581			
Rental revenues	38,468				38,468			
Change in invoiced rents	5.0%				5.0%			
Change in rental revenues	7.1%				7.1%			