

MERCIALYS

PRESS RELEASE

Paris, January 13, 2016

2015 full-year activity: strong operational performance built around the model's effective management

Invoiced rents are up +3.4% like-for-like, with +3.5% growth excluding indexation, significantly higher than the +2% forecast

Retailers have benefited from the good level of resilience shown by Mercialys' centers in the 4th quarter

Rental revenues are up +10.6% to Euro 169.0 million

As Eric Le Gentil, Mercialys' Chairman and Chief Executive Officer, confirms: *"This excellent performance in a sluggish economic environment reflects the model's effective management. Organic growth has benefited on the one hand from further strong growth in the Casual Leasing business (+28.2% for the year to Euro 8.0 million), with its success built around an approach to constantly renew and develop the tenant base, and on the other hand from the reversionary potential, supported by continuous improvements in the commercial appeal of assets, thanks in particular to developments on land that was already owned.*

Retailers have benefited from the fact that Mercialys' assets have consistently outperformed the national benchmark, in terms of both footfall and sales growth, despite a marked slowdown in November. December saw footfall levels pick up again significantly in Mercialys' shopping centers and this trend was confirmed by the excellent Christmas season achieved with the Casual Leasing business".

I. Change in rental revenues

Like-for-like invoiced rents at December 31, 2015 came in **+3.4%** higher than December 31, 2014, with **+3.5%** growth excluding the impact of a slightly negative level of indexation, reflecting the outstanding operational performance achieved.

Rental revenues climbed to **Euro 169.0 million** at December 31, 2015, up +10.6% from end-2014, while growth in invoiced rents offset the contraction in lease rights, with rent levels now given priority over setting up lease rights.

In thousands of euros	Year to end-December 2014	Year to end-December 2015	Change (%)	Like-for-like change (%)
Invoiced rents	148,755	165,958	+11.6%	+3.4%
Lease rights	4,032	2,998		
Rental revenues	152,787	168,956	10.6%	

The change in invoiced rents primarily reflects the following factors:

- Sustained organic growth in invoiced rents: **+3.4 points**,
- Acquisitions in 2014 and 2015: **+16.6 points**,
- Impact of assets sold in 2014: **-7.6 points**,
- Other effects primarily including strategic vacancies linked to current redevelopment programs: **-0.8 points**.

Like-for-like, invoiced rents are up **+3.4%**, including:

- +2.0%** for actions carried out on the portfolio,
- +1.5%** for the development of the Casual Leasing business, which represented Euro 8.0 million in rental income for 2015, with +28.2% year-on-year growth (+37.6% excluding the impact of asset sales),
- 0.1%** for indexation.

Lease rights and despecialization indemnities received over the period¹ totaled Euro 1.1 million, compared with Euro 3.3 million at December 31, 2014. After factoring in the deferrals applicable under IFRS, lease rights for 2015 came to Euro 3.0 million, compared with Euro 4.0 million in 2014.

II. Retailers benefiting from asset performance

The general economic environment at the end of the year reflected the repercussions of the Paris attacks in November. Nevertheless, these impacts were limited for retailers in Mercialys' shopping centers, where footfall trends have been positive again since December.

For the year to end-December 2015, **footfall levels in Mercialys shopping centers**² increased by +1.9%, including a -4.7% drop in November, followed by a +0.7% rise in December. Overall footfall levels for the market (CNCC³) are down -1.0% for the year to end-December.

For the year to end-November 2015, the **sales figures for retailers** in Mercialys centers² show +4.8% growth, including a limited contraction of -0.9% for November. Sales figures for the overall shopping center market (CNCC³) are up +0.4% for the year to end-November.

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This press release is available on www.mercialys.com

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About Mercialys

Mercialys is one of France's leading real estate companies, focused exclusively on retail property. At June 30, 2015, Mercialys had a portfolio of 2,217 leases, representing a rental value of Euro 160.5 million on an annualized basis.

At June 30, 2015, it owned properties with an estimated value of Euro 3.1 billion (including transfer taxes). Mercialys has had "SIIC" real estate investment trust (REIT) tax status since November 1, 2005 and has been listed on Euronext Paris Compartment A (ticker: MERY) since its initial public offering on October 12, 2005. At June 30, 2015, there were 92,049,169 shares outstanding.

¹ Lease rights received as cash before the impact of deferrals required under IFRS (deferring of lease rights over the firm period of leases)

² Mercialys' large centers and main market-leading local-format centers based on a constant surface area

³ CNCC index – all centers, comparable scope – year to end-December 2015

IMPORTANT INFORMATION

This press release contains certain 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 ended December 31, 2014 for more details regarding certain factors, risks and uncertainties that could affect Mercialys' 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 circumstances that might cause these statements to be revised.

MERCIALYS RENTAL REVENUES (pro forma ⁴)								
<i>Adjusted data</i>	YEAR TO DATE				PER QUARTER			
	Mar 31, 2013	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	Q1	Q2	Q3	Q4
Invoiced rents	37,764	73,187	107,937	142,951	37,764	35,423	34,750	35,013
Lease rights	1,778	3,493	4,778	6,008	1,778	1,714	1,285	1,230
Rental revenues	39,543	76,680	112,715	148,959	39,543	37,137	36,035	36,244
Change in invoiced rents	-1.6%	-4.4%	-5.4%	-5.9%	-1.6%	-7.2%	-7.4%	-7.3%
Change in rental revenues	-1.7%	-4.6%	-6.0%	-6.7%	-1.7%	-7.4%	-8.9%	-8.9%
	Mar 31, 2014	Jun 30, 2014	Sep 30, 2014	Dec 31, 2014	Q1	Q2	Q3	Q4
Invoiced rents	36,031	76,005	111,469	148,755	36,031	39,975	35,464	37,286
Lease rights	1,073	2,125	2,991	4,031	1,073	1,053	866	1,040
Rental revenues	37,104	78,131	114,460	152,787	37,104	41,027	36,329	38,236
Change in invoiced rents	-4.6%	3.9%	3.3%	4.1%	-4.6%	12.8%	2.1%	6.5%
Change in rental revenues	-6.2%	1.9%	1.5%	2.6%	-6.2%	10.5%	0.8%	5.7%
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Q1	Q2	Q3	Q4
Invoiced rents	38,713	80,558	121,394	165,958	38,713	41,845	40,836	44,564
Lease rights	880	1,698	2,377	2,998	880	818	679	621
Rental revenues	39,593	82,256	123,771	168,956	39,593	42,663	41,515	45,185
Change in invoiced rents	7.4%	6.0%	8.9%	11.6%	7.4%	4.7%	15.1%	19.5%
Change in rental revenues	6.7%	5.3%	8.1%	10.6%	6.7%	4.0%	14.3%	18.2%

⁴ Mercialys opted for the early application of IFRS 11 at December 31, 2013. The subsidiaries that were previously proportionately consolidated have been consolidated under the equity method since December 31, 2013. As a result, rental revenues for SCI Geispolsheim, proportionately consolidated for 2011, 2012 and the first quarter of 2013, have been restated for 2011, 2012 and 2013.