MERCIALYS

PRESS RELEASE

Paris, September 9, 2016

Success with retailers: Espaces Fenouillet shopping center to ramp up in November 2016

Mercialys is positioning itself to acquire the extension from Foncière Euris

The extension of the Espaces Fenouillet shopping center, at the gateway to Toulouse, a project led by Foncière Euris and Mercialys and let by Mercialys, has attracted a number of international and French retailers. Ahead of its opening on November 8, it has already been 96% let, with the potential additional rent generated by this project representing Euro 7.5 million, coming in 7% higher than initial forecasts.

With this extension, customers will benefit from a further 25,000 sq.m, 12 new mid-size units, 50 stores, five restaurants and a gourmet food court centered in particular around the bistro opened by the restaurateur Yannick Delpech (chef from the 2-star restaurant L'Amphitryon in the Toulouse region). The center will also offer an eight-screen Kinépolis cinema complex.

Mercialys already owns and manages a shopping center (35,000 sq.m, 42 retailers and one Géant hypermarket) at this Toulouse Fenouillet site, as well as a retail park (24,000 sq.m, 10 retailers), which opened successfully in May 2015, further strengthened with this extension. The site will also benefit from the opening of an 8,000 sq.m retail park by a private investor in the fourth quarter of 2016, offering six mid-size stores, with their letting also managed by Mercialys.

All combined, these projects will transform this site into a major retail hub with over 85,000 sq.m and 130 stores, including 30 mid-size units, and a cinema for the northern Toulouse region.

In this context, Mercialys has decided to launch today the process for its option to buy the Toulouse Fenouillet shopping center extension project from Foncière Euris in order to benefit from the full impact of the rent as soon as it opens. In line with the agreements signed when the partnership was set up in 2014, the price for the securities of SNC Fenouillet Participation, which holds this asset (in which Mercialys already has a 10% interest), will be determined during the fourth quarter of 2016 in line with the valuation based on an independent appraisal, i.e. Euro 133.7 million (including tax) for 100%, giving a yield rate of 5.4%.

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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, 2016, Mercialys had a portfolio of 2,240 leases, representing a rental value of Euro 176.8 million on an annualized basis.
At June 30, 2016, it owned properties with an estimated value of Euro 3.7 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, 2016, there were 92,049,169 shares outstanding.

IMPORTANT INFORMATION
This press release contains certain forward-looking statements regarding 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, 2015 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.