

Prospectus dated 21 March 2012



Mercialys

(a *société anonyme* incorporated in France)

€650,000,000

4.125 per cent. Bonds due March 2019

Issue Price: 99.850 per cent.

This prospectus constitutes a prospectus (the “**Prospectus**”) for the purposes of Article 5.3 of Directive 2003/71/EC as amended by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the European Economic Area (the “**Prospectus Directive**”) and the relevant implementing measures in the Grand Duchy of Luxembourg.

The €650,000,000 4.125 per cent. Bonds due March 2019 (the “**Bonds**”) of Mercialys (the “**Issuer**” or the “**Company**”) will be issued outside the Republic of France and will mature on 26 March 2019.

Interest on the Bonds will accrue at the rate of 4.125 per cent. per annum from 23 March 2012 (the “**Issue Date**”) and will be payable in Euro annually in arrear on 26 March in each year, commencing on 26 March 2013. There will be a first long coupon in respect of the first Interest Period (as defined in “Terms and Conditions of the Bonds — Interest”) from, and including, the Interest Commencement Date (as defined in “Terms and Conditions of the Bonds — Interest”) up to, but excluding, 26 March 2013.

Unless previously purchased and cancelled, the Bonds may not be redeemed prior to 26 March 2019. The Bonds may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See “Terms and Conditions of the Bonds — Redemption and Purchase”).

Following a Change of Control and if a Put Event occurs, each Bondholder will have the option to require the Issuer to redeem or repurchase all or part of the Bonds held by such Bondholder on the Optional Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase all as defined and more fully described in “Terms and Conditions of the Bonds — Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control”.

The Bonds will, upon issue on 23 March 2012, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Bonds — Form, Denomination and Title”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

The Bonds will be in dematerialised bearer form in the denomination of €100,000 each. The Bonds will at all times be represented in book-entry form (*dématérialisé*) in the books of the Account Holders in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

The Bonds have been assigned a rating of BBB by Standard & Poor’s Ratings Services. A rating is not a recommendation to buy, sell or hold Bonds and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. The credit ratings included or referred to in this Prospectus have been issued by Standard & Poor’s Ratings Services, which is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the “**CRA Regulation**”), as amended by Regulation (EU) No. 513/2011, and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website as of the date of this Prospectus.

Prospective investors should have regard to the factors described in the Section headed “Risk Factors” in this Prospectus.

Global Coordinators and Joint Bookrunners

NATIXIS

The Royal Bank of Scotland

Joint Bookrunners

Crédit Agricole CIB

HSBC

Société Générale Corporate &
Investment Banking

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its consolidated subsidiaries and affiliates taken as a whole (the “Group”) and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners (as defined in “Subscription and Sale” below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). Subject to certain exceptions, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”). For a description of certain restrictions on offers and sales of Bonds and on distribution of this Prospectus, see “Subscription and Sale”.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the extent permitted by law, each of the Joint Bookrunners accepts no responsibility whatsoever for the content of this Prospectus or for any other statement in connection with the Issuer.

The Joint Bookrunners have not separately verified the information contained in this Prospectus in connection with the Issuer. None of the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus in connection with the Issuer. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Bookrunners that any recipient of this Prospectus or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Bookrunners undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Bookrunners.

See "Risk Factors" below for certain information relevant to an investment in the Bonds.

In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" or "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

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Duly represented by:

Jacques Ehrmann

Chairman and Chief Executive Officer

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Bonds are also described below.

The Issuer believes that the factors described below represent the risks inherent in investing in the Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Bonds for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any document incorporated by reference herein) and reach their own views prior to making any investment decision.

I – Risks Factors related to the Issuer

Please refer to the Section “Documents Incorporated by Reference” in this Prospectus.

II – Risks Factors related to the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Bonds due to any withholding as provided in Condition 5(b), the Issuer may redeem all outstanding Bonds in accordance with such Terms and Conditions.

Market value of the Bonds

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a holder of Bonds will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Change of Control

Exercise of Change of Control Put Option provided in Condition 5(c) in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such option is not exercised.

Depending on the number of Bonds in respect of which the Change of Control Put Option is exercised, any trading market in respect of those Bonds in respect of which such option is not exercised may become illiquid.

Credit Rating may not reflect all risks

The Bonds have been assigned a rating of BBB by Standard & Poor's Ratings Services. The rating assigned by the Rating Agency to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

Change of law

The Terms and Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates

in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

French insolvency law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation (*procédure de sauvegarde* or *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds) regardless of their governing law. The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Bonds seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Bonds.

A Bondholder’s effective yield on the Bonds may be diminished by the tax impact on that Bondholder of its investment in the Bonds.

EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the “**Directive**”). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent

located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (or certain limited types of entities established in that other Member State), except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see "**Taxation**").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the *Commission de Surveillance du Secteur Financier* in Luxembourg:

- (a) the 2010 reference document (*document de référence*) of the Issuer in the French language (the "**2010 Registration Document**"), which was filed with the *Autorité des marchés financiers* (the "**AMF**") under number D.11-0216 on 1 April 2011; except for the third paragraph of the Section "*Attestation du responsable du Document de Référence*" on page 208;
- (b) the 2011 reference document (*document de référence*) of the Issuer in the French language (the "**2011 Registration Document**"), which was filed with the *Autorité des marchés financiers* (the "**AMF**") under number D.12-0156 on 14 March 2012; except for the third paragraph of the Section "*Attestation du responsable du Document de Référence*" on page 208.

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained without charge from the registered office of the Issuer, the Issuer's website (www.mercialys.fr) and the website of the Luxembourg Stock Exchange (www.bourse.lu). For the purpose of the Prospectus Directive, information can be found in the documents incorporated by reference in this Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant items of Annex IX of the Commission Regulation No. 809/2004 implementing the Prospectus Directive).

Any information not listed in the following cross-reference tables but included in the documents incorporated by reference in this Prospectus is given for information purposes only.

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TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the Bonds will be as follows:

The issue outside the Republic of France of €650,000,000 4.125 per cent. Bonds due March 2019 (the “**Bonds**”) of Mercialys (the “**Issuer**”) has been authorised by a resolution of the Board of Directors (*Conseil d’administration*) of the Issuer dated 6 March 2012 and a decision of Mr. Géry Robert-Ambroix, *Directeur Général Délégué* of the Issuer dated 20 March 2012. The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated 23 March 2012 with BNP Paribas Securities Services as fiscal agent and principal paying agent. The fiscal agent and principal paying agent and paying agents for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**” and the “**Paying Agents**” (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are issued on 23 March 2012 (the “**Issue Date**”) in dematerialised bearer form in the denomination of €100,000. Title to the Bonds will be evidenced in accordance with Articles L.211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

2 Status of the Bonds

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3(a)) unsecured obligations and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

3 Covenants

(a) Negative Pledge

So long as any of the Bonds remain outstanding (as defined below), the Issuer will not and will ensure that none of its Material Subsidiaries (as defined below) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation upon all or part of their respective business (*fonds de commerce*), assets or revenues, present or future, to secure (i) any Bond Indebtedness (as defined below) or (ii) any guarantee or indemnity in respect of any Bond Indebtedness (whether before or after the issue of the Bonds) unless the obligations of the Issuer under the Bonds are equally and rateably secured therewith so as to rank *pari passu* with such Bond Indebtedness or the guarantee

or indemnity thereof or by such security interest as may be approved by the general assembly of the General Meeting (as defined in Condition 9) of the Bondholders.

(b) *Secured Borrowing Covenant*

So long as any of the Bonds remain outstanding (as defined below) and except with the prior approval of a resolution of the General Meeting (as defined in Condition 9) of the Bondholders, the Unsecured Revalued Assets Value (as defined below) at any time shall not be less than the Relevant Debt (as defined below) at such time.

(c) *Definitions*

For the purposes of these Conditions:

“**Assets**” of any Person means all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

“**Bond Indebtedness**” means any other present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities (including *titres de créances négociables*) which are, or are capable of being, quoted, admitted to trading or ordinarily dealt in any stock exchange, over-the-counter or other securities market;

“**Financial Indebtedness**” means at any time any obligation for the payment or repayment of money, whether present or future in respect of:

- (a) any outstanding principal amount (together with any fixed or minimum premium payable on final repayment) of all moneys borrowed (with or without security);
- (b) any amounts raised by acceptance or under any acceptance credit opened by a bank or other financial institution;
- (c) any lease, sale-and-lease-back, sale-and-repurchase or hire purchase contracts or arrangements which is, in accordance with the relevant accounting principles at the time such contracts or arrangements were entered into, treated as financial debt (*emprunts et dettes financières*);
- (d) any amount raised pursuant to any issuance of shares or equivalent which are mandatorily redeemable (whether at final maturity or upon the exercise by the holder of such shares or equivalent of any option) prior to the Maturity Date;
- (e) any outstanding amount of the deferred purchase price of Real Estate Assets where payment (or, if payable in instalments, the final instalment) is due more than one year after the date of purchase of such Real Estate Asset; or
- (f) any amount raised under any other transaction which is treated in accordance with the relevant accounting principles in the latest non-consolidated or consolidated balance sheet as financial debt (*emprunts et dettes financières*) (or, in the case of such amounts raised after the date hereof, would have been so treated had they been raised on or prior to such date);

Provided that:

- (i) for purposes of computing the outstanding principal amount of any Financial Indebtedness in paragraphs (a) to (f) above, any interest, dividends, commission, fees or the like shall be excluded save to the extent that they have been capitalised; and
- (ii) no amount shall be included or excluded more than once in calculating the amount of principal outstanding in respect of any Financial Indebtedness.

“Material Subsidiary” means any Subsidiary to the Issuer whose market value of Real Estate Assets (excluding rights) held by it accounts for more than 5 % of the Revalued Assets Value.

“outstanding” means all the Bonds issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 6, (c) those which have become void or in respect of which claims have become prescribed under Condition 11, (d) those which have been purchased and cancelled as provided in the Conditions;

“Person” includes any individual, company, corporation, firm, partnership, joint-venture, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

“Property Valuers” means the or those property valuer(s) of the Issuer referred to in its most recent annual report or (in the event that the Issuer publishes semi-annual financial information including revaluations of its Real Estate Assets as provided in the definition of Revalued Assets Value) in its most recent semi-annual management report (or any of their respective successors), or any other recognised property valuer of comparable reputation as selected by the Issuer;

“Real Estate Assets” means those Assets of any Person comprising real estate properties (being land and buildings (either completed or under construction) and equity or equivalent investments (*participations*) directly or indirectly in any other Person which is a *société à prépondérance immobilière* (or its equivalent in any other jurisdiction) or in any other Person (whether listed or not listed) where more than 50 per cent. of the Assets of such Person comprise real estate assets;

“Relevant Debt” means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, excluding any Secured Debt;

“Revalued Assets Value” means at any time (i) the block value (excluding transfer rights and latent taxes (*hors fiscalité latente et droits de transfert*)) provided by the Property Valuers of the total Real Estate Assets owned or held directly or indirectly by the Issuer (including through financial leases and including the Real Estate Assets used as operating properties) as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Issuer in any Person as shown in such financial statements;

“Secured Debt” means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, that is secured by or benefits from a Security Interest over any of the Group's Assets;

“Security Interest” means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or any other agreement or arrangement having substantially the same economic effect (including, but not limited to, any retention of title, lease or hire-purchase arrangement); and

“Subsidiary” means any entity which is then directly or indirectly controlled (within the meaning of Article L.233-3 of the French *Code de commerce*) by the Issuer.

“Unsecured Revalued Assets Value” means at any time an amount equal to the Revalued Assets Value less the Secured Debt, in each case at such time.

4 Interest

The Bonds bear interest at the rate of 4.125 per cent. per annum, from and including 23 March 2012 (the “**Interest Commencement Date**”) payable annually in arrear on 26 March in each year (each an “**Interest Payment Date**”), commencing on 26 March 2013. The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an “**Interest Period**”.

There will be a first long coupon in respect of the first Interest Period from and including the Interest Commencement Date up to, but excluding, 26 March 2013.

Bonds will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Bonds will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Bonds until whichever is the earlier of (i) the day on which all sums due in respect of such Bonds up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Bonds (the “**Bondholders**”) in accordance with Condition 9 of receipt of all sums due in respect of all the Bonds up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a day count fraction which will be calculated by taking the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

5 Redemption and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 5.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer at their principal amount on 26 March 2019.

(b) *Redemption for Taxation Reasons*

(i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below, the Issuer may on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days’ prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Bonds at their principal amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days’ prior notice to the Bondholders in accordance with Condition 10 redeem all, but not some only, of the Bonds then outstanding at

their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of Bondholders following a Change of Control*

If at any time while any Bond remains outstanding, there occurs (i) a Change of Control and (ii) within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control (a “**Put Event**”), the holder of such Bond will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice, the Issuer gives notice of its intention to redeem the Bonds under Condition 5(b) (Redemption for taxation reasons)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond, on the Optional Redemption Date at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

A “**Change of Control**” shall be deemed to have occurred each time that a Third Party (as defined below), acting alone or in concert with other Third Parties come(s) to own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights exercisable at a general meeting of the Issuer.

“**Affiliate**” means any entity which Controls, directly or indirectly, the Issuer or is Controlled, directly or indirectly, by the Issuer.

“**Control**” or “**Controlled**” has the meaning set forth under Article L.233-3 of the French *Code monétaire et financier*.

“**Third Party**” means any person other than Casino Guichard-Perrachon and its Affiliates.

“**Change of Control Period**” means the period commencing on the date that is the earlier of (1) the date of the first public announcement of the relevant Change of Control; and (2) the date of the earliest Potential Change of Control Announcement (if any) and ending on the date which is 120 days after the date of the first public announcement of the relevant Change of Control.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period, the rating previously assigned to the Bonds by any Rating Agency (as defined below) is (i) withdrawn or (ii) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (iii) if the rating previously assigned to the Bonds by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB; or their respective equivalents), provided that, (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control, as if the case may be, if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction or withdrawal was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control, as the case may be and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication sent to the Issuer and publically disclosed.

“**Rating Agency**” means Standard & Poor's Ratings Services or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

“**Potential Change of Control Announcement**” means any public announcement or public statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders in accordance with Condition 10 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(c).

To exercise the Put Option to require redemption or, as the case may be, purchase of the Bonds following a Put Event, a Bondholder must transfer or cause to be transferred its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period (the “**Put Period**”) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise (a “**Put Option Notice**”) and in which the holder may specify a bank account to which payment is to be made under this Condition 5(c).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above and subject to the transfer of such Bonds to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth business day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 6.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

(d) *Purchases*

The Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise at any price. Bonds so purchased by the Issuer may be held and resold in accordance with Articles L.213-1A and D.213-1A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Bonds.

(e) *Cancellation*

All Bonds which are redeemed or purchased for cancellation pursuant to paragraphs (b)(i), (b)(ii), (c) or (d) of this Condition will forthwith be cancelled and accordingly may not be reissued or sold.

6 **Payments**

(a) *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. “**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an

effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Bond is not a Business Day, then the Bondholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day (as defined below) and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition “**Business Day**” means any day, not being a Saturday or a Sunday on which the TARGET System is operating and on which Euroclear France is open for general business.

No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) *Fiscal Agent and Paying Agents*

The names of the initial Agents and their specified offices are set out below.

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given to the Bondholders in accordance with Condition 10.

7 **Taxation**

(a) *Withholding Tax Exemption*

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Bond become subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond:

- (i) to, or to a third party on behalf of a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond;
- (ii) presented more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or

- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive.

For this purpose, the “Relevant Date” in relation to any Bond means whichever is the later of (A) the date on which the payment in respect of such Bond first becomes due and payable, and (B) if the full amount of the monies payable on such date in respect of such Bond has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Bondholders that such monies have been so received, notice to that effect shall have been duly published in accordance with Condition 10.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

8 Events of Default

If any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (i) in the event of default by the Issuer in the payment of principal and interest on any of the Bonds and such default shall not have been cured within 15 calendar days thereafter; or
- (ii) in the event of default by the Issuer in the due performance of any provision of the Bonds other than as referred in Condition 8(i) above and such default shall not have been cured within 30 calendar days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 9); or
- (iii) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (as defined in Condition 3(e)) for borrowed monies in excess of Euro 20,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, following, where applicable, the expiry of any originally applicable grace period, due and payable (*exigible*) prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer or any of its Material Subsidiaries for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon unless the Issuer or such Material Subsidiary, as the case may be, has disputed in good faith that such borrowed money is due or such guarantee or indemnity is callable, and such dispute has been submitted to a competent court in which case such event shall not constitute an event of default hereunder so long as the dispute has not been finally adjudicated; or
- (iv) the Issuer or any of its Material Subsidiaries, applies for the appointment of a *mandataire ad hoc* or enters into an amicable settlement (*procédure de conciliation*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) or substantially the whole of the business of the Issuer; or any of its Material Subsidiaries or, to the extent permitted by law, the Issuer or any of its Material Subsidiaries is subject to any other insolvency or bankruptcy proceedings under any applicable laws or the Issuer or any of its Material Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors;
- (v) if the Issuer is wound up or dissolved or ceases to carry on all or substantially all of its business except (i) in connection with a merger, consolidation, amalgamation or other form of

reorganisation (including a management buy-out or leveraged buy-out) pursuant to which the surviving entity shall be the transferee of or successor to all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Bonds or (ii) on such other terms approved by a resolution of the General Meeting of Bondholders; or

- (vi) if any of the Issuer's Material Subsidiaries is wound up or dissolved or ceases to carry on all or substantially all of its business,

then the Representative upon request of any Bondholder shall, by written notice to the Issuer and the Fiscal Agent given before all continuing Events of Default shall have been cured, cause all the Bonds (but not some only) held by such Bondholder to become immediately due and payable as of the date on which such notice for payment is received by the Fiscal Agent without further formality at the principal amount of the Bonds together with any accrued interest thereon.

9 Representation of the Bondholders

Bondholders will be grouped automatically for the defence of their common interests in a masse (the "**Masse**"). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of Articles L.228-48, L.228-59, L.228-65 I 1°, L.228-65 II, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

- (a) **Legal Personality:** The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Bondholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Bonds.

- (b) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:
 - (i) the Issuer, the members of its Board of Directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
 - (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
 - (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
 - (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Sandrine d'Haussy
69, avenue Gambetta
94100 Saint Maur des Fossés
France

The following person is designated as alternate Representative of the Masse:

Sylvain Thomazo
20, rue Victor Bart
78000 Versailles
France

The Representative and alternate Representative shall be entitled to an annual remuneration of Euro 600.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

- (c) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them, must be brought by or against the Representative and any such legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

- (d) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth of the principal amount of the Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Bondholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 10 not less than 15 days prior to the date of such General Meeting on first call and not less than 6 days on second call.

Each Bondholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Bondholders. Each Bond carries the right to one vote.

- (e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, any proposal relating to the issue of securities carrying a right of preference compared to the right of the Bondholders, any proposal relating to the total or partial renunciation to the guarantees granted to Bondholders, the extension of the due date for payment of the interest and the alteration of the terms of repayment or the interest rate, or any proposal relating to a merger or a split-off of the Issuer

(in cases specified in Articles L.236-1 and L.236-18 of the Code). However, it is specified that the General Meeting may not increase the liabilities (*charges*) to Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert Bonds into shares.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two third majority of votes cast by Bondholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

- (f) **Information to Bondholders:** Each Bondholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Bondholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.
- (g) **Expenses:** The Issuer will pay all reasonable expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Bonds.
- (h) **Notice of Decisions:** Decisions of the meetings shall be published in accordance with the provisions set out in Condition 10 not more than 90 days from the date thereof.

10 Notices

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Bonds are cleared through such clearing systems and so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed five years (in the case of principal or interest) from the due date for payment thereof.

12 Further Issues

The Issuer may, from time to time without the consent of the Bondholders, issue further bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single Masse having legal personality.

13 Governing Law and Jurisdiction

The Bonds and any non contractual obligation arising out of or in connection with the Bonds are governed by the laws of France.

For the benefit of the Bondholders, the Issuer submits to jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds, which will amount to €646,425,000, will be used for corporate purposes in connection with the launch by the Issuer of a new phase in its development strategy described in Section “Recent Developments.

DESCRIPTION OF THE ISSUER

I – Information about the Issuer

Please refer to Section “Documents Incorporated by Reference” in this Prospectus.

II - Activity

Please refer to Section “Documents Incorporated by Reference” in this Prospectus.

III – Portfolio

Four independent experts (BNP Paribas Real Estate – formerly known as Atis Real¹, Catella Valuation, Expertises Galtier and Icade Expertise), each specialized in a specific segment of Mercialys’ property portfolio, performed appraisals of the portfolio at 30 June 2011 and 31 December 2011.

The appraisal values of the properties owned by Mercialys were updated during the first half of 2011 for values at 30 June 2011, and were updated by the four independent appraisers again for values at 31 December 2011, as follows:

- Aldric de Montfort (Manager) for BNP Paribas Real Estate conducted the appraisal of the 85 hypermarket assets by visiting five of these sites in the second half of 2011. For the other sites, BNP Paribas Real Estate used an update of the appraisals conducted at 30 June 2011 (BNP Paribas Real Estate visited seven of these sites in the first half of 2011). The headquarters of BNP Paribas Real Estate are located 167, quai de la Bataille de Stalingrad, 92867, Issy-les-Moulineaux Cedex;
- Hélène-Claire Duplat for Catella Valuation conducted the appraisal of the 13 supermarket assets at 31 December 2011, based on an update of the appraisals conducted at 30 June 2011. The headquarters of Catella Valuation are located 25, boulevard de l’Amiral Bruix, 75116, Paris;
- Grégory Roure (*expert associé, délégué régional*) for Expertises Galtier conducted the appraisal of Mercialys’ 19 other assets at 31 December 2011, based on an update of the appraisals conducted at 30 June 2011. The headquarters of Expertises Galtier are located 42, chemin du Moulin Carron, 69132, Écully cedex;
- Raphaël Gaspard for Icade Expertise conducted the appraisal of the Caserne de Bonne shopping center in Grenoble on the basis of a visit to the site in the second half of 2011, as well as an appraisal of a site in the Paris region that had already been visited in the first half of 2011). The headquarters of Icade Expertise are located 4, rue Auber, 75009, Paris.

Please refer to Section “Documents Incorporated by Reference” in this Prospectus for more details on this section.

IV – Board of Directors and Management

Please refer to Section “Documents Incorporated by Reference” in this Prospectus.

¹ Atis Real has been in charge to conduct the appraisal of specific segment of Mercialys’ property portfolio since 2005 – Atis Real became a subsidiary of BNP Paribas in 2004. Cardif, which is an affiliate of the BNP Paribas group, held 4.75% of Mercialys’ share capital as of 31 December 2011.

IV – Ownership of share capital and voting rights

Please refer to Section “Documents Incorporated by Reference” in this Prospectus.

V – Material contracts

Please refer to Section “Documents Incorporated by Reference” in this Prospectus.

VI – Executive Management Conflicts of Interest

Please refer to Section “Documents Incorporated by Reference” in this Prospectus.

RECENT DEVELOPMENTS

Press release dated 9 February 2012

2011: A successful year characterised by a robust growth of the main performance indicators:

- Rental revenues up **+7,7%** at Euro 161.0 million (+3.2% on a like-for-like basis)
- Total cash flows¹ up **+7,6%** at Euro 142,9 million
- Funds from operations² (FFO) up **+10.0%** at Euro 140.8 million (*objective was +5% in February 2011 revised to +7% in July 2011*)
- Diluted FFO per share³ up by **+10.0%** at Euro **1.53**
- Vacancy rate and recovery rate further improved in 2011

The portfolio increased in value by +3%, factoring in Euro 120M of disposals within the fiscal year, as a result of the combined effect of growth in rental income and stable capitalization rates.

- Mercialys' portfolio amounts to Euro **2 639.9 million**⁴, up **+3% over 12 months on a like-for-like basis** and +2.9% in total.
- Average appraisal yield is stable at **5.8%** (5.8% at 30 June 2011 and 5.8% at 31 December 2010).
- Net asset value (NAV) amounts to **Euro 29.25 per share**⁴, up **+3.1% over 12 months**.

The ordinary dividend amounts to Euro 1.21 per share in line with SIIC regime minimum

- A dividend of Euro **1.21 per share** (85% of rental earnings and 50% of capital gains realized) will be proposed at the Annual General Meeting to be held on 13 April 2012.

¹ Net income before depreciation and other non-cash items, as stated in the consolidated cash flow statement

² Net income, Group share before depreciation and capital gains on asset sales

³ Calculation based on the weighted number of shares outstanding on a fully diluted basis

⁴ Portfolio value including transfer taxes. Liquidation NAV, excluding transfer taxes, amounts to Euro 27.72 per share.

2011 RESULTS*

<i>In thousands of Euros</i>	2010	2011	% change 2011/2010	% change Like-for-like
Invoiced rents	144,695	153,385	+6.0%	+3.2%
Rental revenues	149,506	161,005	+7.7%	
Net rental income	140,328	151,735	+8.1%	
Structural costs	-15,467	-16,679		
Other current operating income and expenses	2,876	6,269		
Other operating income and expenses	241	37		
Net financial items	86	788		
Tax	29	- 1,298		
Minority interests	-70	-39		
Funds from operations (FFO)	128,025	140,814	+10.0%	
Depreciation and amortization	-25,528	-23,981		
Capital gains	31,130	30,559		
Depreciation and capital gains attributable to minorities	-87	-9		
Net income, Group share	133,540	147,382	+10.4%	
Total cash flow	132,890	142,943	+7.6%	
Total portfolio value incl. transfer taxes (in million Euros)	2,566.6	2,639.9	+2.9%	+3.0%
Per share data (Euros per share)				
Diluted EPS	1.45	1.60	+10.3%	
Diluted funds from operations	1.39	1.53	+10.0%	
Diluted total cash flow	1.45	1.56	+7.5%	
Net asset value (Replacement NAV)	28.38	29.25	+3.1%	
Net asset value (Liquidation NAV)	26.89	27.72	+3.1%	

* Audit procedures have been conducted by the statutory auditors. Finalization of the statutory auditors' report on the consolidated financial statements is in progress.

2011 financial statements were approved by the Board of Directors on its meeting held on 9 February 2012.

Mercialys launches a new phase in its development strategy and will propose to its shareholders exceptional distributions totalling c. Euro 1.25 billion in 2012, i.e. Euro 13.59 per share.

Since its IPO, Mercialys has launched the Alcludia program associated with a differentiating brand “*L’Esprit Voisin*”, combined with a program of mature assets rotation initiated in 2010. Thanks to this strategy, the company has posted a steady annual growth of 8.7% in FFO per share and a compound annual growth in dividend per share of +12.7% between 2005 and 2011.

Starting from 2012, Mercialys will implement a new strategic plan based on its vision of «*Foncière Commercante*», aiming at strengthening its differentiating strategy, stimulating customers’ demand and broadening its shopping center offer.

This new development phase is the logical continuation of the positioning developed in the past six years and will translate into an **acceleration of the rate of completion of “Esprit Voisin”¹ projects** as well as into the **refocusing of the portfolio on 60-70 sites** vs. 120 at end-2011. That will be achieved by the disposal of assets ineligible to the “*Foncière Commercante*” concept (in terms of maturity or size) with an objective of assets sales of around Euro 500 million in 2012.

“2011 was a very successful year for Mercialys, despite a challenging economic environment. Since Mercialys’ inception, we have achieved 6 consecutive years of robust growth based on our initial strategic vision: our key performance indicators have more than doubled over the period, at a compound annual rate of 13% to 14% and close to 9% in terms of earnings per share. From now, we have a new vision for our future development that will underpin our strategy called “Foncière Commercante”. We want to go beyond the status of mere lessor to become a multichannel and hyper local “retailer”, offering our tenants powerful marketing tools, designed to strengthen the attractiveness of the shopping centers as well as stimulate our customers’ demand. Additionally, we want to act on the offer by enhancing our shopping malls appeal in order to fulfil unsatisfied clients expectations through partnerships or by becoming “retailer” by exception, and to increase our “Esprit Voisin” differentiation, commented Jacques Ehrmann, Chairman and Chief Executive Officer of Mercialys.

“Esprit Voisin” is fully consistent with this new strategy which requires refocusing our portfolio on assets benefiting from a size and a positioning fitted to the “Foncière Commercante” model. This is the reason why we have to accelerate the roll-out of Alcludia/Esprit Voisin projects in 2012 in order to complete them in less than three years, and arbitrate assets ineligible to the roll-out of the new model.”

“We expect this strategy to improve the resilience of our portfolio, maintain a robust growth, whatever changes in the macro environment are, and increase the yield offered to investors who have trusted us since 2005, starting with Casino” he added as a conclusion.

A strategy supported by Casino Group

This strategic new step is fully supported by Casino, which has backed Mercialys growth since its inception in 2005 and will continue to accompany the company in this new development phase.

While remaining **Mercialys’ key partner**, Casino contemplates to reduce its stake in 2012 between 30% and 40% of share capital. This sell-down will lead to a change in Mercialys’ Board of Directors’ composition.

The renewal of the **partnership agreement** will be submitted to the approval of Mercialys Board of Directors in its new composition, once the change of control will be effective. The fundamental principle of

¹ *Investments to be financed by a mix of free cash flow, debt and sales of mature assets*

the partnership agreement, according to which Casino develops and leads a pipeline of projects that Mercialys purchases in order to feed its growth, will be maintained at the same financial conditions.

Moreover, the term of the partnership agreement should be extended to 2015 year-end.

The servicing contract agreements between the two companies should be also maintained although amended in accordance with the new shareholding situation¹.

Mercialys strengthens its growth profile while maintaining a low risk level

2012: A +6% to +8% growth objective on the FFO adjusted

2012 is a pivotal year for Mercialys:

- Its portfolio will be refocused on assets which best fit to the new strategy with an accelerated implementation of a targeted and more intensive asset management.
- An exceptional distribution will be paid representing an unprecedented amount in the sector, relatively to Mercialys size.
- Its growth will be stimulated and the yield offered to shareholders will be optimized thanks to the implementation of a conservative financial leverage based on the Euro 1 billion debt issuance.

In parallel, Mercialys should complete 13 *Esprit Voisin* projects in 2012 while continuing to focus on enhancing the reversionary potential of the portfolio. As a result, Mercialys will continue to benefit from the organic growth and the rental income generated by the completion of projects.

Restated from the mechanical impacts of (i) the issuance of debt and (ii) the 2011 and 2012 asset disposals, management's objective is to achieve a FFO growth of between 6 and 8% in 2012.

After the mechanical effect of disposals planned in 2012, the implemented strategy should positively impact the growth of the portfolio value, which should recover in 2015 the level reached in 2011 (i.e. approximately Euro 2.6 billion).

In the short and medium term, shareholders will benefit from a strong and long-lasting improvement of the offered yield, with an estimated increase of c.100bps over the past four year average in terms of FFO/NAV.

Agenda of the key next steps

- General Meeting of shareholders approving the first exceptional distribution: 13 April 2012
- Euro 1 billion debt issuance: before end of June 2012
- Payment of the last instalment of the ordinary dividend in respect of 2011 and exceptional distribution of Euro 1 billion: before end of June 2012
- Partial disposal of Casino's stake in Mercialys: over the course of 2012
- Implementation of the new governance: over the course of 2012
- Renewal of the existing partnership agreement: over the course of 2012
- Disposal of Euro 500 million of assets and partial distribution to Mercialys shareholders²: during H2 2012

¹ *Modification of clauses that would be no more applicable*

² *Subject to the continuation and completion of 2012 sales plan, this distribution would be proposed by the Board of Directors in its new composition and subject to another General Meeting of Shareholders.*

Mercialys took major steps forward in the implementation of its new strategy

Signing of a facilities agreement setting up a Euro 1.2 billion debt

Following the approval of the 2011 financial statements by the Board of Directors on 9 February 2012, Mercialys signed on 23 February 2012 a facilities agreement with 5 banks setting up a Euro 1.2 billion debt:

- A Euro 500 million bank term loan maturing 23 February 2015 to be partly reimbursed for an amount of Euro 200 million post completion of the 2012 asset disposal programme
- A Euro 500 million bridge-to-bond facility maturing in 18 months – this facility is expected to be refinanced by a bond issuance for an amount at least equivalent
- A Euro 200 million Revolving Credit Facility maturing 23 February 2015 to finance general corporate purposes and financial needs of Mercialys and its subsidiaries, and ensure an adequate level of liquidity.

The estimated interest charge of these floating-rate facilities is as follows:

- Bank term loan and Revolving Credit Facility: 3.5%
- Bridge-to-bond facility: the cost will increase gradually over time in a range expected estimated between 2.25% and 4.25%

Mercialys has committed to hedge at least two-thirds of its term-debt against interest rate fluctuations.

A detailed description about these facilities is presented in the Financial Report available on Mercialys' website: <http://www.mercialys.fr/upload/rapports/2011-financial-report-13-2.pdf>.

Mercialys rated BBB, stable outlook by S&P

On 8 March 2012, Standard & Poor's published the first rating of the Company: Mercialys benefits from a **BBB rate with stable outlook**, at a comfortable level of Investment Grade.

«With a rating in line with our objectives and the signing of our first bank term loan for an amount of more than Euro 1 billion contracted with leading financial institutions, we have, one month after the announcement of our new strategy, taken significant steps forward in its implementation. Our disposal program is progressing well with Euro 57 million of asset sales already secured¹», declared Jacques Ehrmann, Chairman and Chief Executive Officer of Mercialys.

At the Shareholders General Meeting on 13 April 2012, it will be proposed to set the date of payment of the last instalment of the 2011 dividend (Euro 0.67 per share) and of the first exceptional distribution of Euro 10.87 per share on 20 April 2012. On this basis, the detachment of the coupon would take place on 17 April 2012.

¹ Under promises to sell

TAXATION

The statements herein regarding taxation are based on the laws in force in the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Bonds.

EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member State are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (or certain limited types of entities established in that other Member State) (the “**Disclosure of Information Method**”).

For these purposes, the term “**paying agent**” is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals (or certain entities).

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments. The rate of such withholding tax equals 35 per cent. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

The Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005 (the “Laws”).

French Taxation

Pursuant to Article 125 A III of the French *Code général des impôts*, interest and other similar revenues (such as reimbursement premiums) whose debtor is domiciled or established in France, which are paid outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”), are subject to a 50% withholding tax (subject to more favourable provisions applying under an applicable tax treaty), unless such debtor demonstrates that the main purpose and effect of the transactions to which such interest and other revenues correspond is not to enable their payment in a Non-Cooperative State.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues whose debtor is domiciled or established in France will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State unless such debtor can prove that the relevant interest and other revenues relate to genuine transactions and is not an abnormal or exaggerated amount and that the main purpose and effect of the transactions to which such interest and other revenues correspond is not to enable their payment in a Non-Cooperative State (the “**Deductibility Exclusion**”). Under certain conditions, any such non-deductible interest and other revenues may be recharacterized as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30% or 55% (subject to the more favourable provisions of an applicable double tax treaty).

Pursuant to the French tax authorities ruling no. 2010/11 (FP and FE) dated 22 February 2010, the purpose and effect of certain debt instruments is deemed not to be the payment of interest and other revenues in a Non-Cooperative State. These debt instruments include instruments admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Payments of interest and other similar revenues in respect of the Bonds, which are admitted, at the time of their issue, to the operations of Euroclear France, are therefore exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

In addition payment of interest and other similar revenues in respect of the Bonds will not be subject to the Deductibility Exclusion, solely on account of there being paid in a Non-Cooperative State or paid or accrued to persons domiciled or established in a Non-Cooperative State.

Luxembourg Withholding Taxation

There is no Luxembourg withholding tax payable on payments received upon repayment of the principal of the Bonds.

Individuals

Luxembourg residents

A 10 per cent. withholding tax has been introduced, since 1 January 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding

tax. Income from current accounts, provided that the interest rate is not higher than 0.75 per cent., are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempted from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Luxembourg non-residents

Subject to the application of the Directive and the Laws, there is no withholding tax for Bondholders non-resident of Luxembourg on payments of interest (including accrued but unpaid interest).

Under the Directive and the Laws, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for the exchange of information. The same regime applies to payments to individuals resident in certain dependent territories.

The withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Corporations

There is no withholding tax for Luxembourg resident and non-resident corporations Bondholders on payments of interest (including accrued but unpaid interest).

All prospective Bondholders should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

Subscription Agreement

Natixis and The Royal Bank of Scotland plc (the "**Global Coordinators**"), Crédit Agricole Corporate and Investment Bank, HSBC Bank plc and Société Générale (together with the Global Coordinators, the "**Joint Bookrunners**") have, pursuant to a Subscription Agreement dated 21 March 2012 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Bonds at an issue price equal to 99.850 per cent. of the principal amount of the Bonds, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Bookrunners in connection with the issue of the Bonds.

The Joint Bookrunners are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Bonds.

General Selling Restrictions

Each Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Prospectus or any other offering material relating to the Bonds. No action has been, or will be, taken in any country or jurisdiction that would, to the best of each Manager's knowledge, permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

France

Each of the Joint Bookrunners has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Bonds are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S.

Each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons and, it will have sent to each distributor or dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The International Securities Identification Number (ISIN) for the Bonds is FR0011223692. The Common Code number for the Bonds is 076241066.
2. The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.
3. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List.
4. The issue of the Bonds was authorised by resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 6 March 2012 and a decision of Mr. Géry Robert-Ambroix, *Directeur Général Délégué* of the Issuer dated 20 March 2012.
5. Copies of:
 - (i) the *statuts* of the Issuer;
 - (ii) the Agency Agreement;
 - (iii) this Prospectus; and
 - (iv) the documents incorporated by reference in this Prospectus,will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the registered office of the Issuer.

This Prospectus and the documents incorporated by reference in this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
6. Except as disclosed in this Prospectus on pages 27 and 31, there has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2011 and no material adverse change in the prospects of the Issuer since 31 December 2011.
7. Except as disclosed in this Prospectus on page 5, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.
8. Ernst & Young et Autres and KMPG S.A. are the statutory auditors of the Issuer. Ernst & Young et Autres and KMPG S.A. have audited, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for the two years ended, 31 December 2010 and 31 December 2011. Ernst & Young et Autres and KMPG S.A. are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes* and the *Compagnie Régionale de Versailles*) and are regulated by the *Haut Conseil du Commissariat aux Comptes*.
9. The estimated costs for the admission to trading are €7,160.
10. The yield in respect of the Bonds is 4.150 per cent. per annum and is calculated on the basis of the issue price of the Bonds. It is not an indication of future yield.

11. As far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the issue.
12. As far as the Issuer is aware, there are no conflicts of interest material to the issue or offer of the Bonds between the duties of the members of the Board of Directors (*Conseil d'administration*) and their private interests and/or their other duties.

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