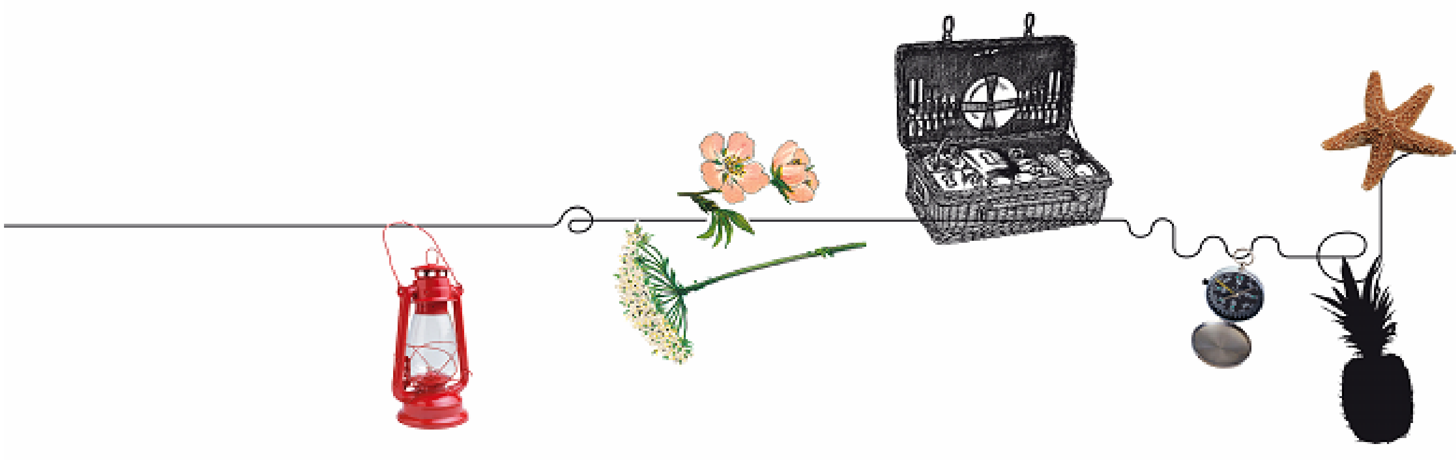
mercialys

« L'Esprit Voisin »

First-half 2009 results



July 23, 2009

Speakers

Jacques Ehrmann, Chairman and Chief Executive Officer

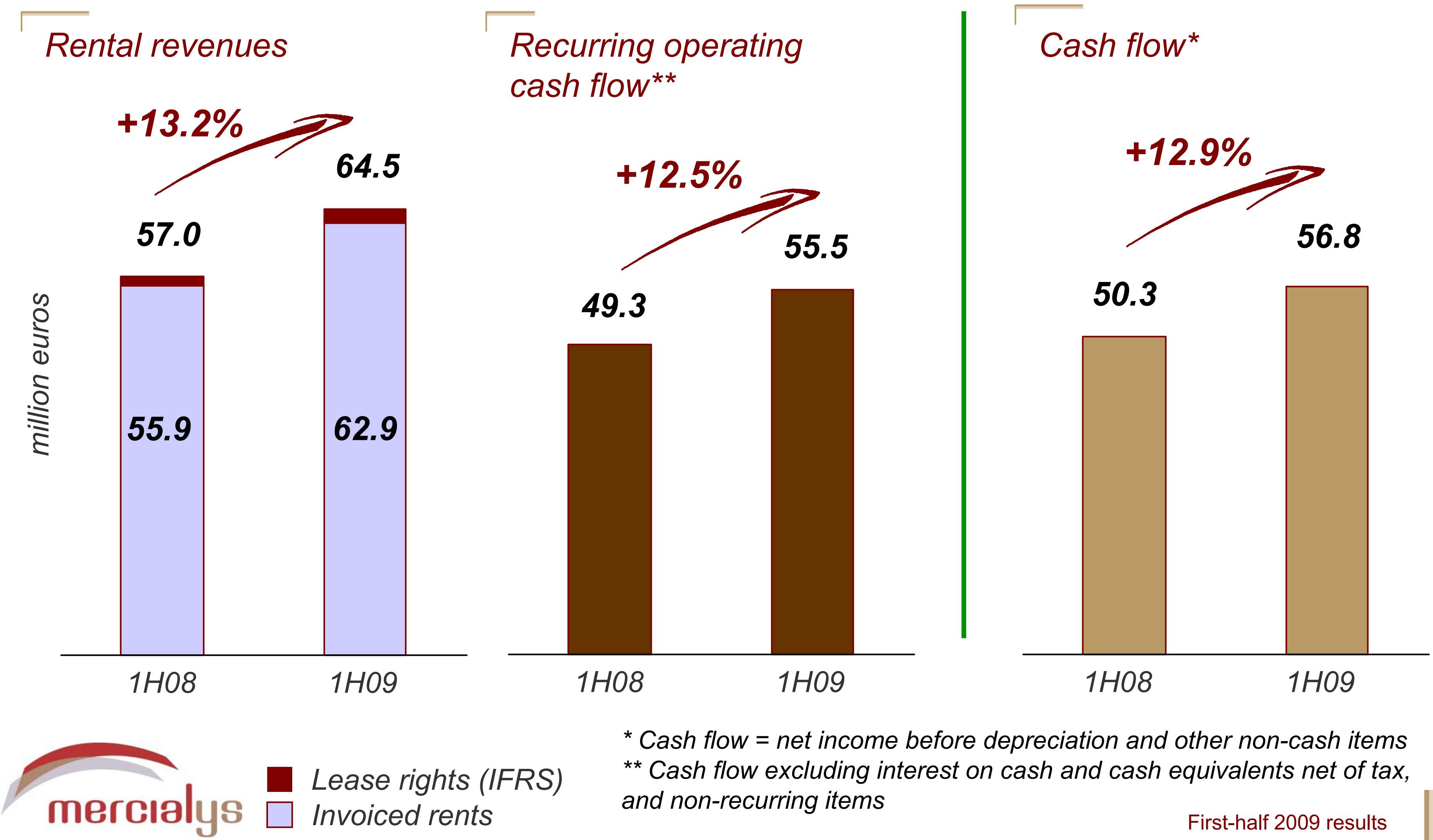
Géry Robert-Ambroix, Chief Operating Officer

Contents

	Page
Overview of the first half	4
First-half 2009 activity and results	12
Developments	22
Conclusions and outlook	32

Overview of the first half of 2009

Strong first half of 2009 for Mercialys...

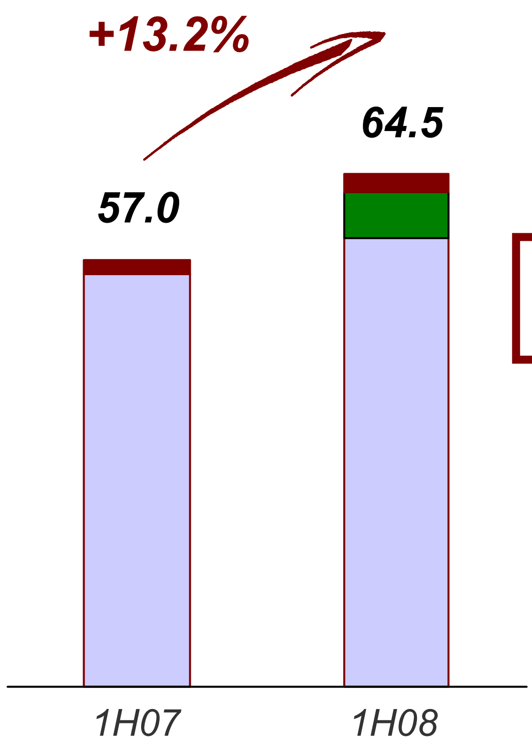


* Cash flow = net income before depreciation and other non-cash items
** Cash flow excluding interest on cash and cash equivalents net of tax, and non-recurring items

... with continuing organic growth...

Rental revenues

million euros



Invoiced rents +12.5%

Impact of acquisitions in 2008 and 2009
+7.0 points

Strategic vacancy (relating to Alcudia program)
-0.8 points

Organic growth* (like-for-like)
+6.3 points

- Lease rights (IFRS)
- Invoiced rents: impact of acquisitions**
- Invoiced rents like-for-like

** Growth between invoiced rents in 2009 and the same period in 2008 on a like-for-like basis including the effect of indexation and excluding strategic vacancy*
*** Including the effect of acquisitions in 2008 and 2009 and strategic vacancy relating to the Alcudia program*

... and a major acquisition

Acquisition of 25 Alcudia/"Esprit Voisin" development projects from Casino

Euro 334 million

Paid for with 14.2 million newly issued shares

Casino has redistributed these shares to its shareholders

Growth	Yield	Control of risks	Enhanced stock market profile
Value of assets +18%* **Rents +21%***	**Positive impact on cash flow per share as of 2010**	**Casino is still responsible for development risk** **Pre-letting rate >60%** **65% of rents immediately**	**Free float of around Euro 1bn** **Liquidity doubled**

mercialys

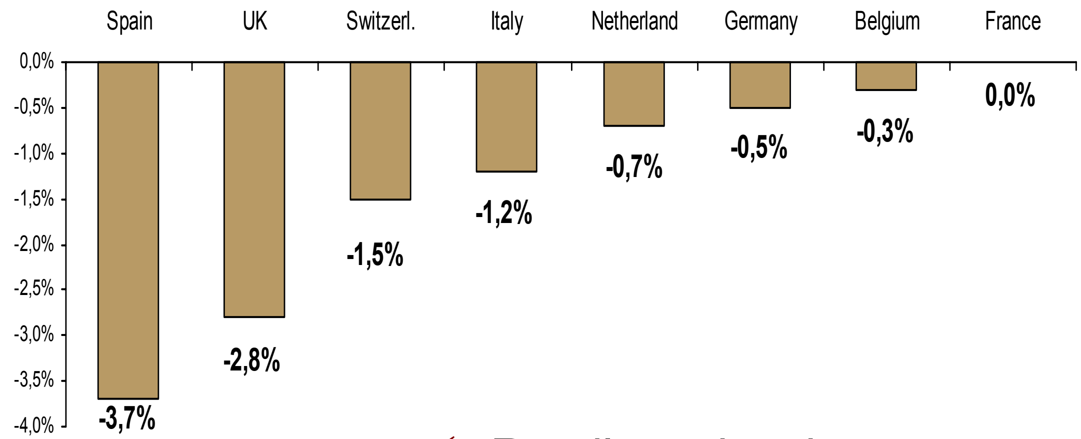
**Growth relative to published figures for 2008*

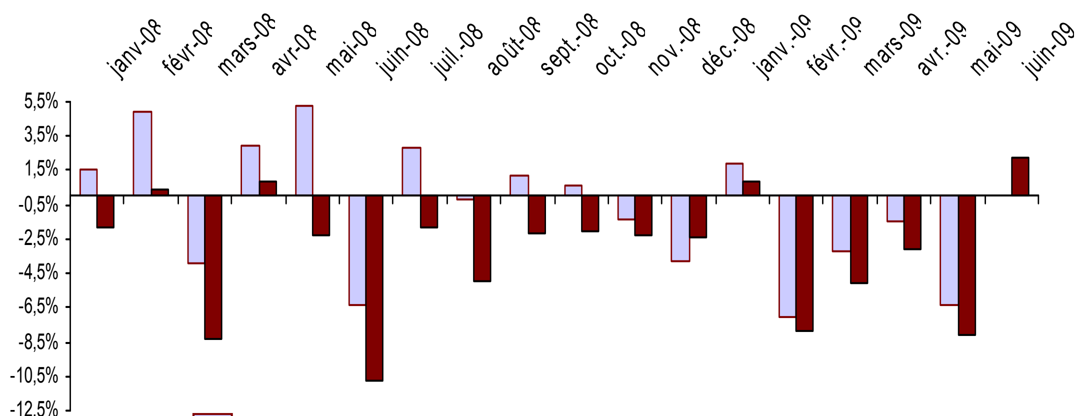
The shopping center sector has managed to hold up despite worsening and irregular economic conditions

The activity is driven by retail laws

✓ French consumer spending leading the way in Europe

Estimated actual growth in consumer spending in 2009 - Source: Exane BNP Paribas





Monthly sales growth at neighborhood shopping centers - Source: CNCC

Monthly growth in footfall in city outskirts and provinces - Source: Quantaflow

✓ Retailers showing adaptability and resilience

- > *Sales have not fallen as sharply as footfall*
- > *Margins seem to be holding up*
- > *No major French retailers have gone into receivership - Liquidations still moderate*

A sector also protected by structural factors

Sector fundamentals remain robust

- ✓ Recurring and protected cash flow
  - > *Guaranteed minimum rents*
  - > *Indexation of guaranteed minimum rents*
  - > *Cash flow protected by French lease right system*
- ✓ A limited number of properties: around 680 shopping centers in France
- ✓ Few shopping centers up for sale / Buyers still plentiful
- ✓ Acquisition prices maintained
- ✓ Financing difficulties for developers
- ✓ Regulated supply (commercial urban planning)

Very strong cash flow visibility

Vacancy rates still low and with little variation

Values maintained

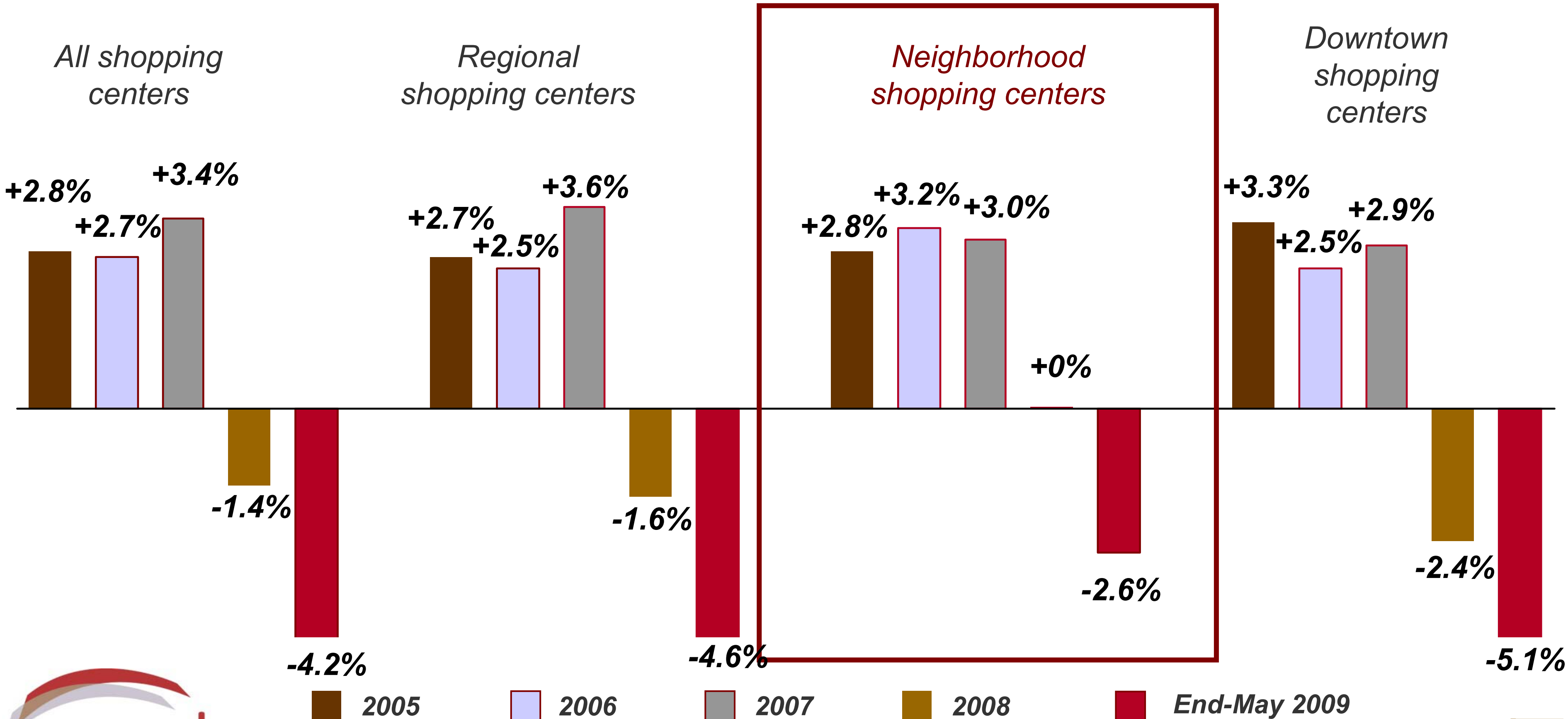
Threat of eventual excessive supply has disappeared

Neighborhood shopping centers show above-average resilience

Shopping centers located close to customers and meeting their needs

Retailer sales trends

Source: CNCC – comparable perimeter



Mercialys: A portfolio presenting a number of strengths, underpinned by a powerful positioning "L'Esprit Voisin"

A portfolio presenting significant strengths

> *Shopping centers located in fast-growing regions of France*

> *Strategic locations in built-up areas, on everyday routes, 10 minutes from the city center*

> *Solid visitor flows benefiting from footfall to a food retailer and often a cultural attraction, personal equipment or homewares store ensuring weekly flows*

✓ "L'Esprit Voisin": a powerful marketing positioning

> *A positioning in line with consumer aspirations*

> *A wide range of products and services to meet people's everyday needs*

> *Renovated, modern and reassuring shopping centers that receives support from brands and the industry*

JANUS 2009
DU COMMERCE

L'Esprit Voisin

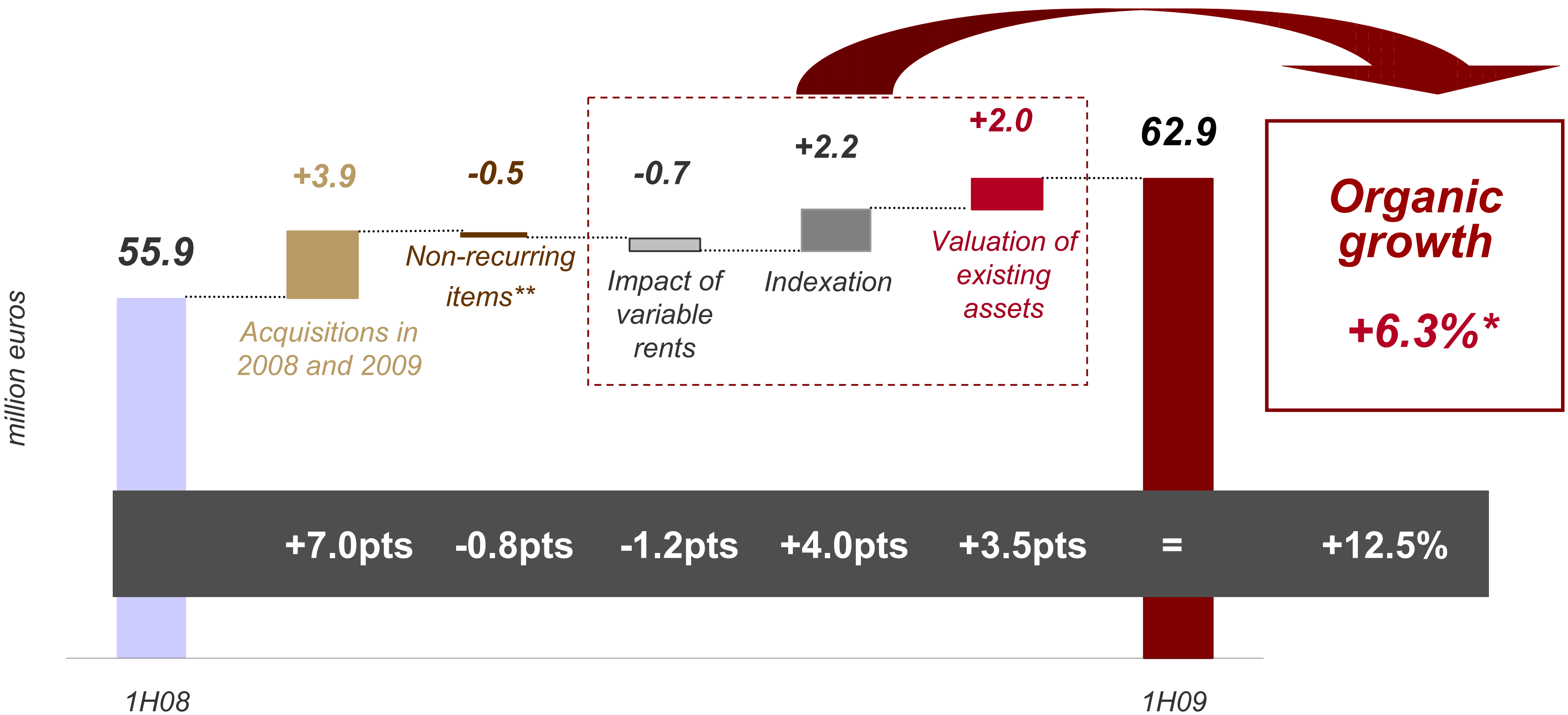
2009
prizewinner

mercialys

First-half activity and results

Robust organic growth

Growth in invoiced rents



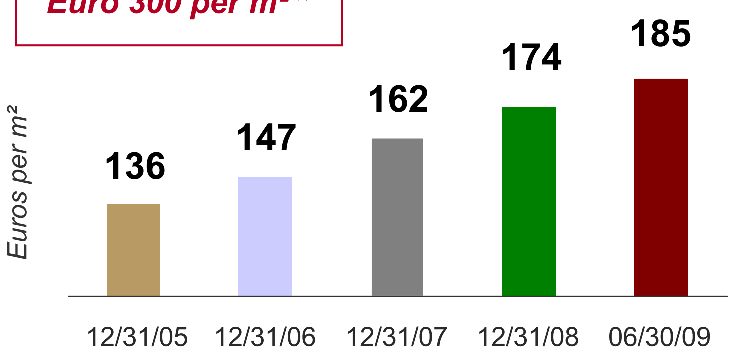
** Growth in invoiced rents between 2008 and 2009 on a like-for-like basis including the effect of indexation*
*** Strategic vacancy rate relating to the Alcudia program*

Resilient shopping centers: in terms of organic growth

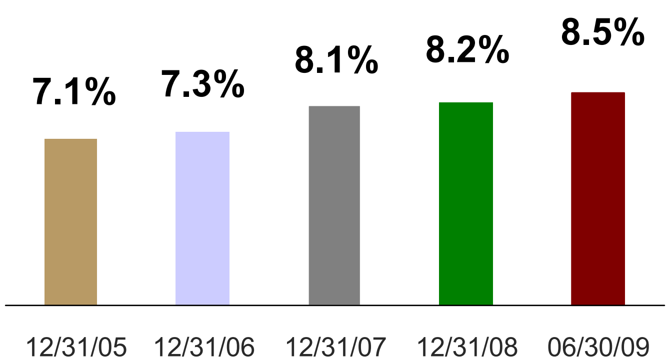
- ✓ **Performances in line** with past years
  - > *Renewals:* ***+27%****
  - > *Relets:* ***+103%****
- ✓ Market rents still **similar** to the levels seen 18 months ago but longer negotiating periods
- ✓ Rents still well below market levels and competitors

Rental value per m² for leases in the portfolio

IPD benchmark
Euro 300 per m²**



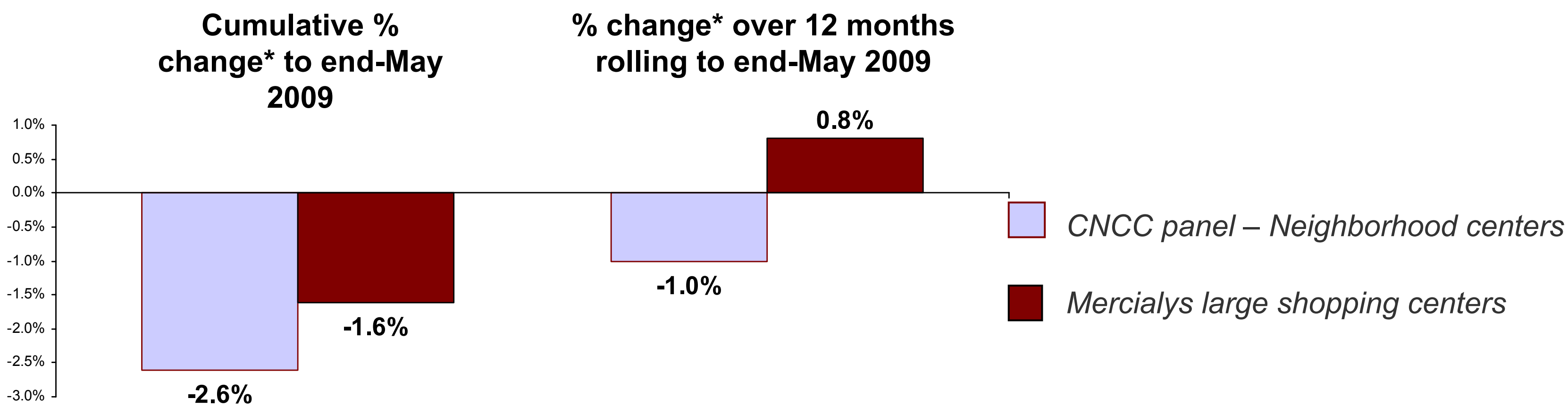
*Occupancy cost****



** Growth in rents on an annual basis - Excluding renewals for Casino Cafétérias*
*** Invoiced rents per m² at end-2008 – Shopping centers excluding Mercialys portfolio*
**** Rent + service charges incl. VAT / tenants' sales incl. VAT*

Resilient shopping centers: in terms of retailers

Retailers' sales growth



✓ Health of retailers: signs of resilience

> **2 liquidations** *in the first half of the year*

> *Recovery rate in 2Q09:* ***96.9%*** *** versus 98.3% at December 31, 2008*

⇨ Retailers taking a pro-active approach: margins maintained

✓ Center occupancy: **protection of the business** provided by lease rights is paying off

> *Recurring vacancy rate***:* ***1.8%*** *(2,0% as at December 31, 2008)*

** All stores on a comparable basis*
*** Proportion of revenues and services charges billed in 2Q09 and received at June 30, 2009*
**** Excluding strategic vacancies relating to the Alcudia program. The total vacancy rate is 2.9%*

Resilient shopping centers: in terms of new developments

The Alcudia/"Esprit Voisin" program: a growth driver

- ✓ The Alcudia/"Esprit Voisn" program provides a catalyst for the reversionary potential of our sites

Case study: Besançon

Pre-Alcudia

Existing section

- ✓ Average store rental value **Euro 440 per m²**
- ✓ Average rental value for mid-size stores **Euro 200 per m²** (incl. GEMO for Euro 234/m²)

Post-Alcudia

Reletting of stores within the existing section

- ✓ 4 Stores: **Euro 580 per m²** (GEMO replaced by 2 shops for Euro 500 and 600 per m²)

+

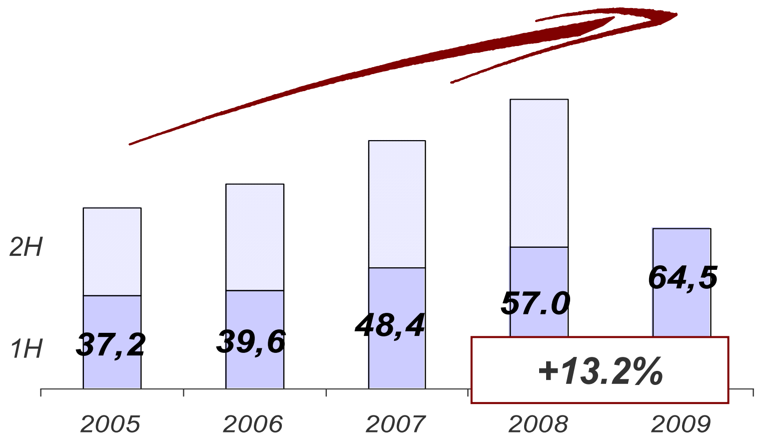
Extension

- ✓ Stores: **Euro 550 per m²**
- ✓ Mid-size stores within the center: **Euro 215 per m²**
- ✓ Outdoor Mid-size stores: **Euro 120 per m²**

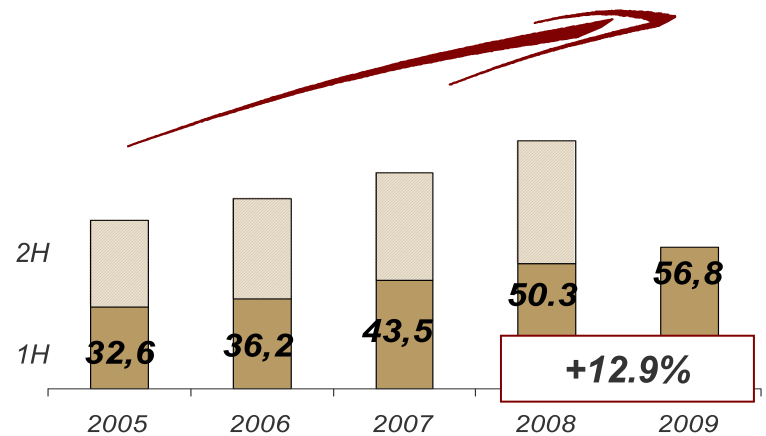
Further improvement in Mercialys's main performance indicators

Euro millions - 2005 pro forma figures

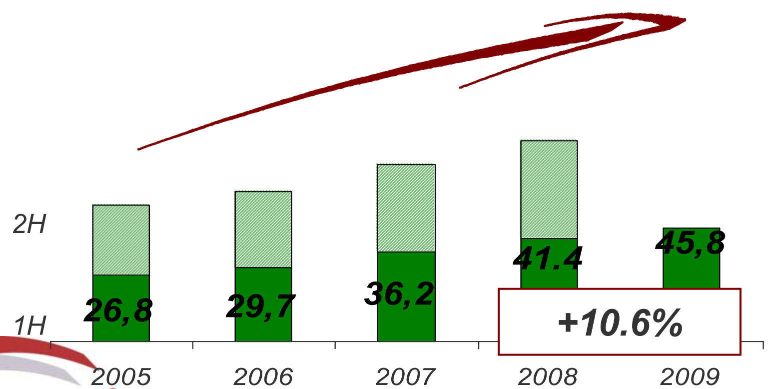
Rental revenues



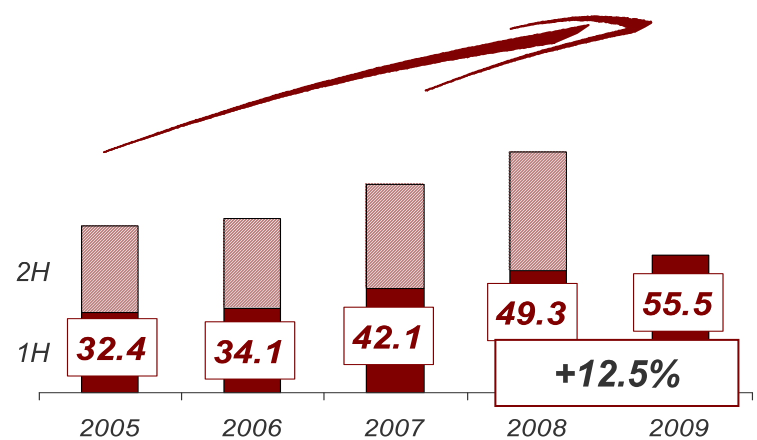
*Cash flow**



Net income, Group share



*Recurring operating cash flow***



*Cash flow = net income before depreciation and other non-cash items

**Cash flow excluding interest on cash and cash equivalents, net of tax, and non-recurring items

And further acquisitions by Mercialys

Lot 1 (Euro 47m)

New properties in operation	Alcudia extensions completed in 1H09: Arles and Besançon	**Euro 3.2m** in full-year rental income Effective yield **6.8%**

Lot 2 (Euro 113m)

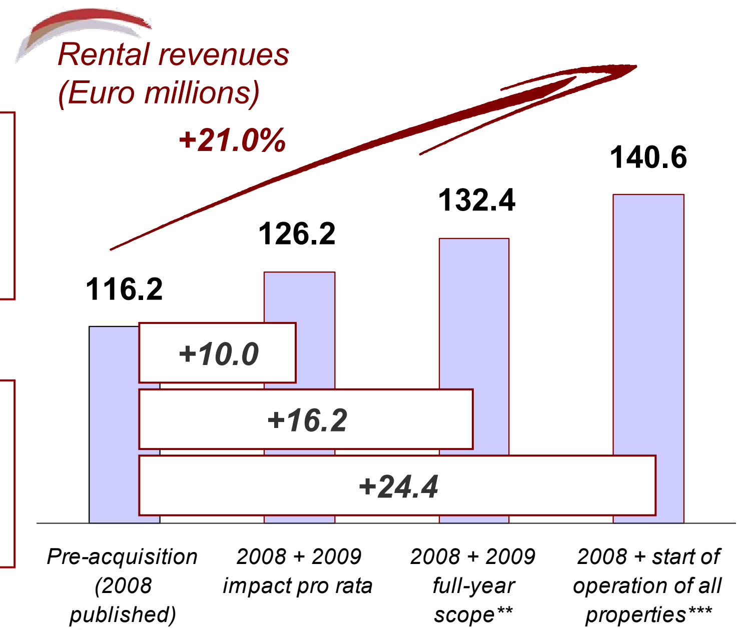
Properties at an advanced stage of development	Alcudia extensions due for completion within 2 years, CDEC authoriz. and building permits obtained	**Euro 8.2m** in potential full-year rental income Initial capitalization rate **6.6%**

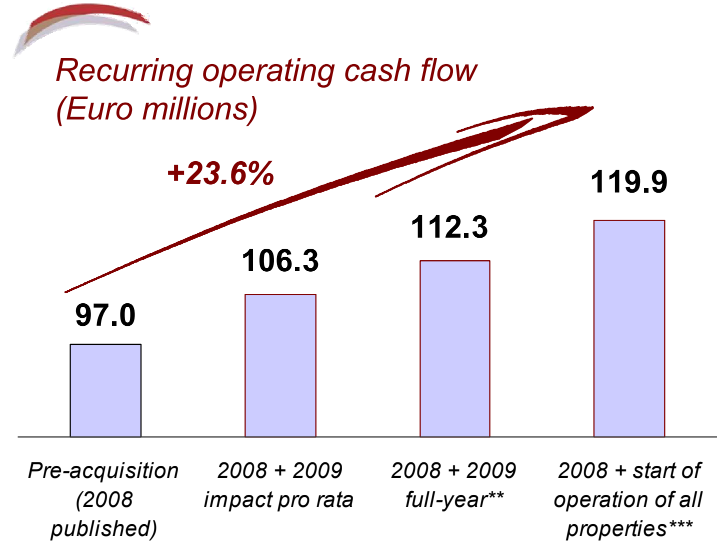
Lot 3 (Euro 50m)

Reduction in hypermarket area (storage and sales area)	Selling back hypermarket retail space	**Euro 4.6m** in potential full-year rental income Initial capitalization rate **6.4%**

Lot 4 (Euro 124m)

Properties to be consolidated before complex restructuring	Hypermarkets/super-markets in properties as part of a complex co-ownership site	**Euro 8.0m** in full-year rental income Initial capitalization rate **6.5%**



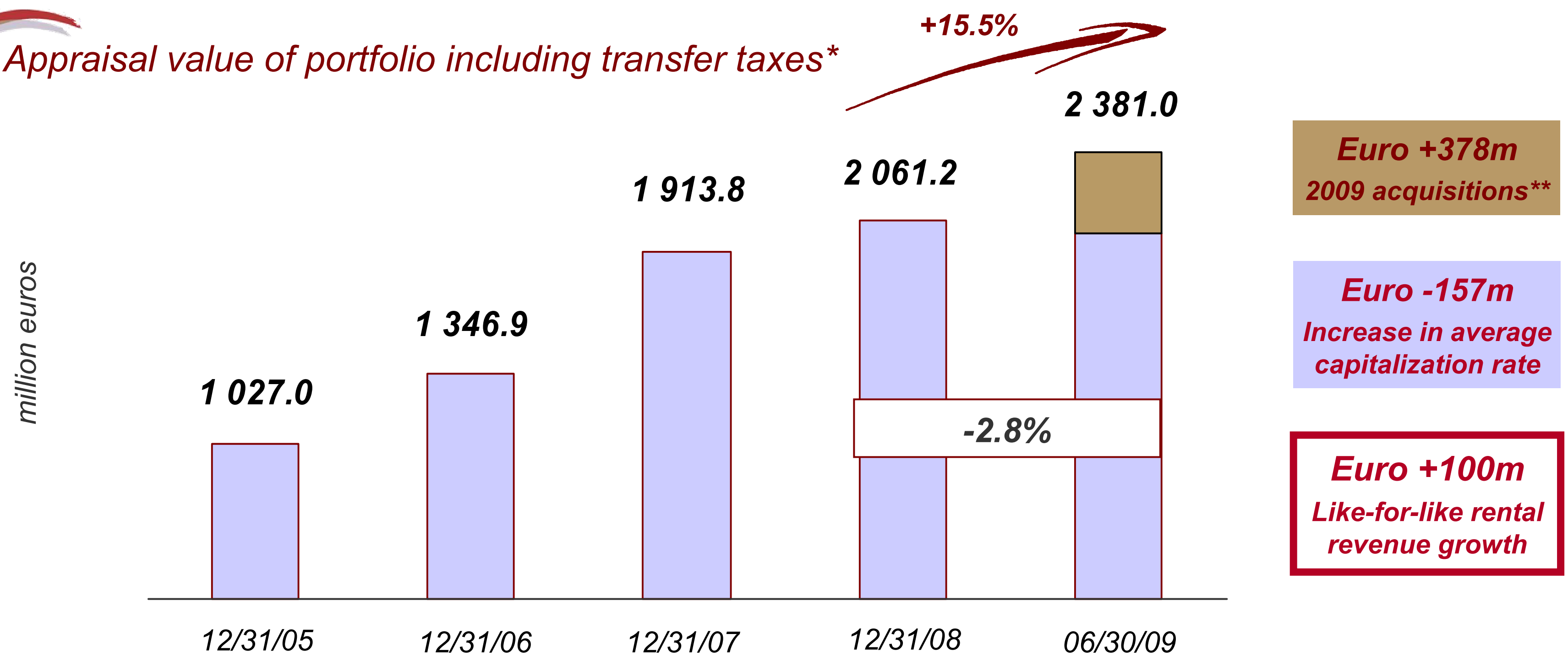


* 2008 figures + 2009 figures for contributions on the basis of consolidation at May 19, 2009
** 2008 figures + 2009 figures for contributions over the full year
*** 2008 figures + potential total figures after extensions of shopping centers contributed become operational

Portfolio value up 15.5% over 6 months

Organic growth makes up for rise in capitalization rates

*Appraisal value of portfolio including transfer taxes**



Average capitalization rate based on appraisals	7.0%	6.3%	5.5%	5.8%	6.25%

+48bp

* Valuation based on appraisals by Atis Real, Catella and Galtier

** The 25 assets acquired from Casino are valued at their market value, calculated on the basis of appraisal valuations conducted at the time the assets were contributed.

Appraisal valuations supported by the market…

And including one of the highest growth potential of the sector

- ✓ Yields **in line with acquisitions** made in the first half of the year

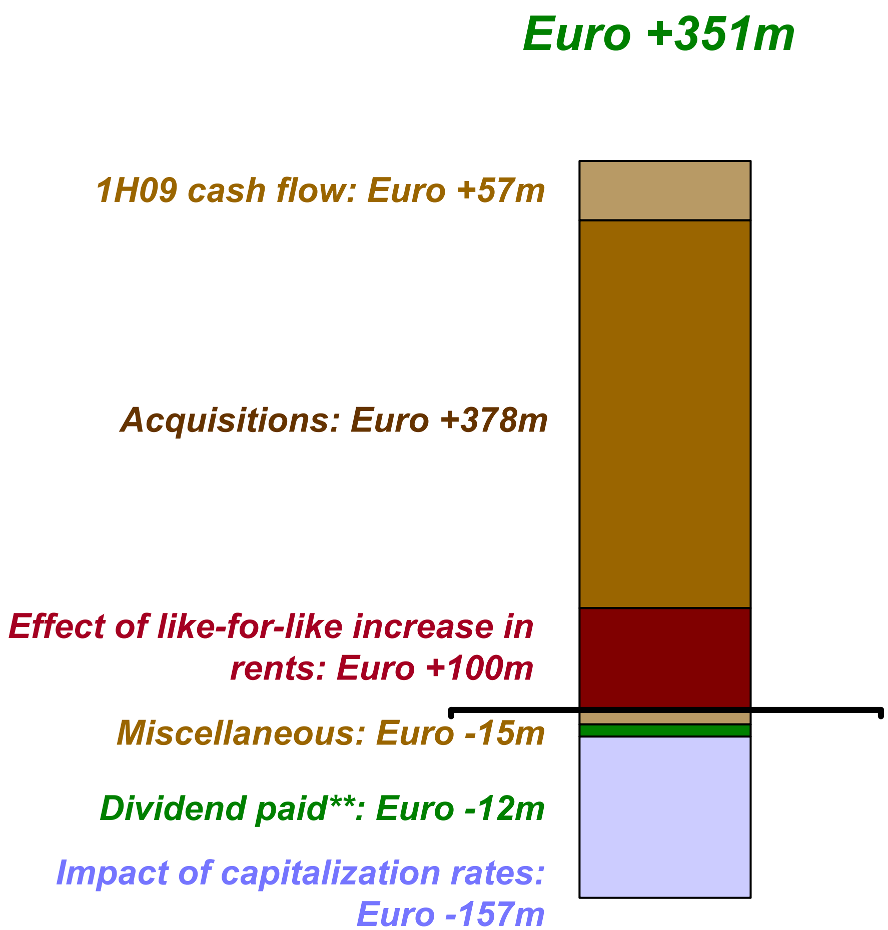
Angers Fleur d'Eau	7.0%
Lille 31	6.05%
Paris 3 Quartiers	Valued at 6.6% Face value of 9.4%

- ✓ Yields **do not take account of the portfolio's full intrinsic reversionary potential**
  - *Low values per m²*
  - *Renewals are included on maturity in DCF with a discount to the market rent*
  - *Additional potential resulting from the Alcudia program is not taken into account*

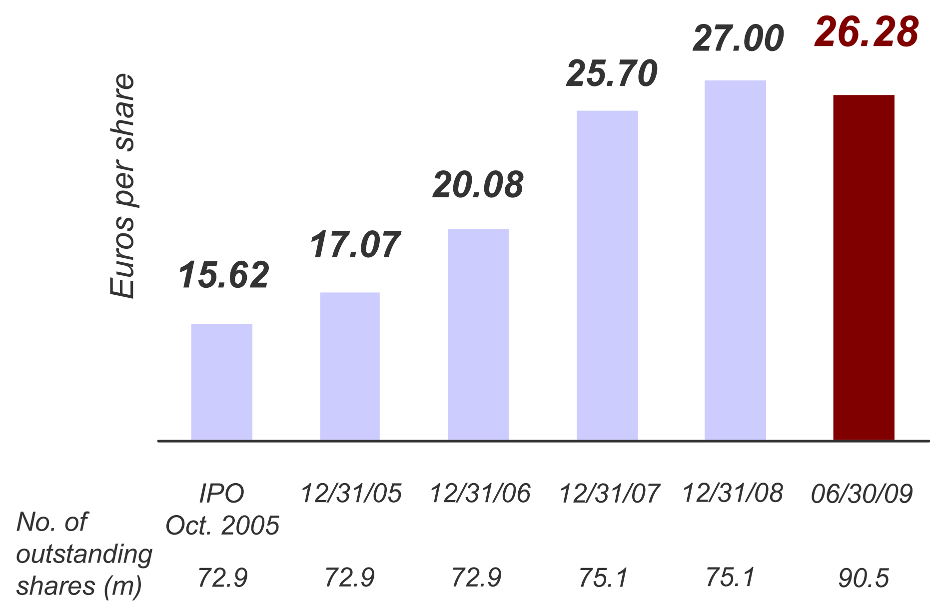
At capitalization rates equal to those of its competitors, Mercialys's growth potential is well above average

Organic growth continuing to support NAV*

Components of change in NAV between end-2008 and June 30, 2009 by value



Replacement NAV per share



Dilutive impact over the period

Acquisition of Alcudia/"Esprit Voisin" development projects: Neutral

Final dividend in shares: Euro -0.08 per share

** Replacement NAV (including lease rights)*
*** 32.5% of 2008 final dividend (Euro 0.48 per share) paid in cash*

Developments

Partnership Agreement: a flexible way of working...

... allowing for a highly selective approach in choosing our acquisitions

- ✓ **Casino pipeline: 3 options not exercised by Mercialys**

  - **St Laurent des Arbres: small services center with supermarket**
    - **Small property without significant development potential**
  - **Tarnos – Retail park**
    - **Small, isolated property, optimized in terms of value**
  - **Quimper: downtown shopping center**
    - **Stores located in the street, not structured as a shopping center, of less than 5,000 m²**

- ✓ **In these three cases, the decision not to exercise the option was validated by Mercialys's Investment Committee**

  Mercialys's Investment Committee is made up of 5 members, including 2 representatives of Casino (who do not vote on issues involving Casino), 2 independent members (Pierre Vaquier - AXA REIM and Eric Sasson - Carlyle RE Advisors France) and Jacques Ehrmann.

Partnership Agreement: a flexible way of working...

... allowing for rapid adaptation to economic conditions

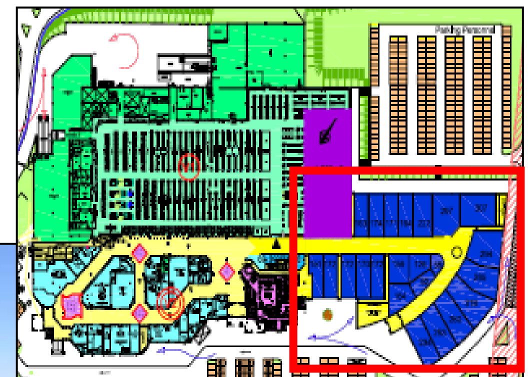
- ✓ ***Yields can be adapted to changes in market conditions:*** *on the basis of the change in the average yield based on appraisal valuations of Mercialys's portfolio (increase by +8.3%), the yield for options for 2H09 has developed as follows:*

Type of property	Shopping malls – Mainland France	Shopping malls – Corsica and overseas depts. and territories	Retail parks – Mainland France	Retail parks – Corsica and overseas depts. and territories	Downtown centers
Large and regional shopping centers *(over 20,000 m²)*	***6.8%***	7.4%	7.4%	7.8%	6.5%
Neighborhood shopping centres *5,000-20,000 m²*	***7.3%***	7.8%	7.8%	8.3%	6.9%
Other *o/w less than 5,000 m²*	***7.8%***	8.3%	8.3%	9.0%	7.4%

Continuing works to enhance the value of the portfolio...

Projects undergoing works in 2009

Paris Saint Didier (16th arrondissement)
Redevelopment and renovation of existing mall
Start of works: June 2009
Completion: July 2010



Annecy (*)
Extension 4,800 m² and renovation
Start of works: September 2009
Completion: October 2010

(*) Projects acquired in 2009

Continuing works to enhance the value of the portfolio...

Projects undergoing works in 2009

Sainte Marie de la Réunion (*)
Extension 8,600 m² and renovation
Start of works: August 2009
Completion: December 2010

Lons le Saunier (*)
Construction of a retail park of 7,000m²
Start of works: September 2009
Completion: August 2010

Fontaine les Dijon (*)
Redevelopment and renovation
Start of works: July 2009
Completion: May 2010

(*) Projects acquired in 2009

Continuing works to enhance the value of the portfolio...

Projects undergoing works in 2009

Castres (*)
Extension 2,260 m² and renovation
Start of works: September 2009
Completion: September 2010

Brest
Redevelopment and renovation
Start of works: November 2009
Completion: October 2010

(*) Projects acquired in 2009

... and further works in the years ahead

Narbonne
Transformation of hypermarket surfaces into an extension of 1,300m² of shopping mall

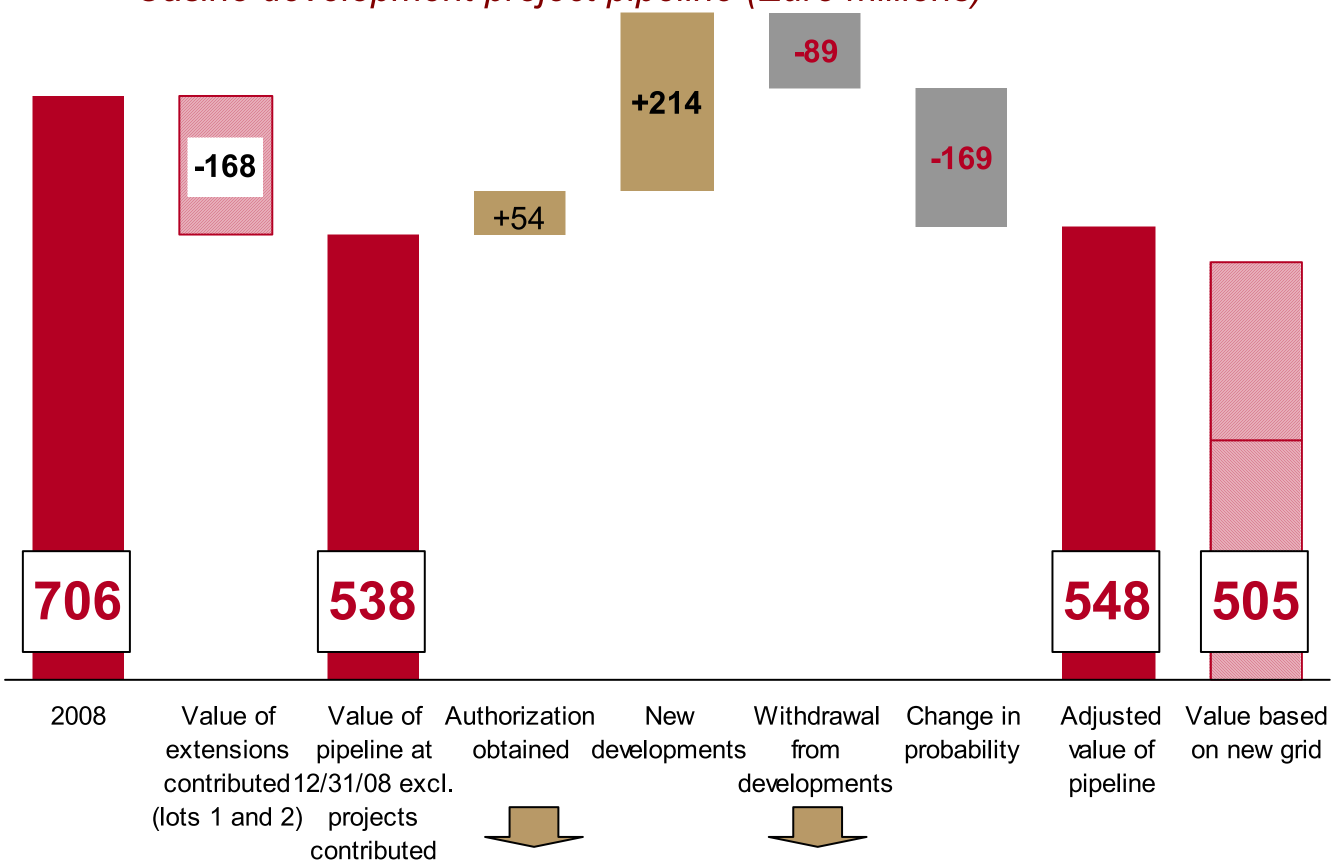
Marseille la Valentine
Transformation of hypermarket surfaces into an extension of 7,000m² of shopping mall

Sables d'Olonne
Extension of the shopping mall 1,600m²

mercialys

Major changes to the development pipeline during the first half of the year

Casino development project pipeline (Euro millions)



9 CDAC authorizations obtained for 30,100 m²

Including 3 projects turned down
- St Laurent des Arbres
- Tarnos
- Quimper

New developments pipeline
Euro 215 million

+

Alcudia extensions pipeline
Euro 290 million

18 priority projects in the Alcudia pipeline representing a valuation of Euro 170 million

Dijon Chenove
4,000 m² shopping mall extension

Toulouse
Extension of shopping mall and creation of an adjacent retail park - 90,000 m²

Istres

2,000 m² shopping mall extension

mercialys

18 priority projects in the Alcudia pipeline representing a valuation of Euro 170 million

Auxerre
Extension of shopping mall and creation of an adjacent retail park - 18,000 m²

Cholet
5,300 m² shopping mall extension

Annemasse
4,000 m² shopping mall extension

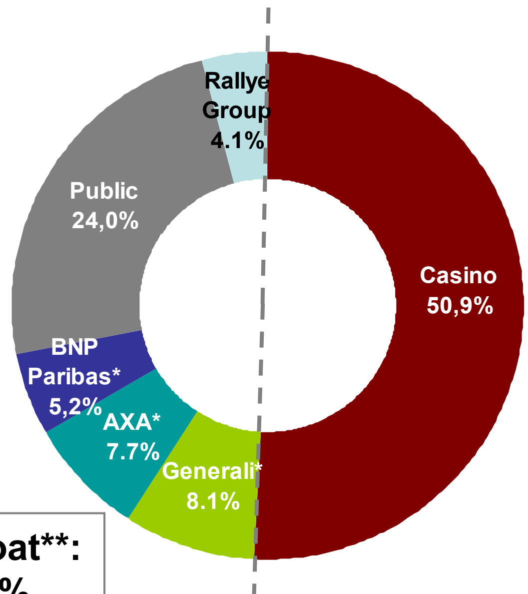
mercialys

Conclusions and outlook

Enhancement of Mercialys's stock market profile in the first half of the year...

✓ **Free float increased to Euro 1 billion**

Shareholding structure at July 14, 2009



Free float: 49.1%**

Market capitalization:**
Euro 2 billion

✓ **A stock attracting a growing amount of coverage**

> *17 analysts now cover the stock*
> *5 initiations of coverage in the first half of the year*

✓ **Mercialys strengthening its position in market indices**

> ***EPRA indices**: Now one of the top 20 stocks in the EPRA Europe index – Free float increased from 40% to 50% - Index weighting increased from 1.45% to 1.8%*

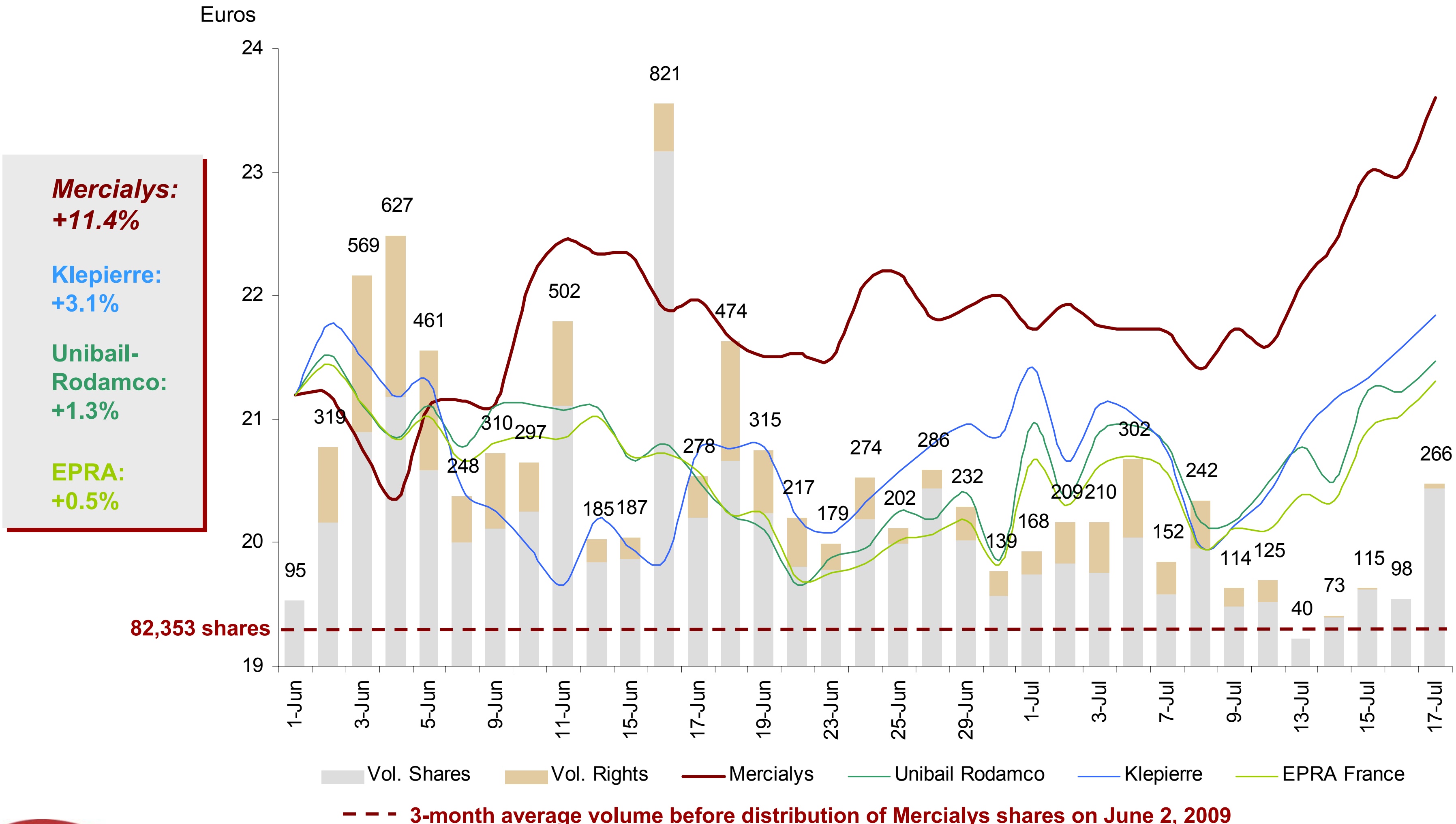
> ***Euronext indices**: Free float increased from 15% to 30%*

> ***GPR 250 indices**: 0,1805% of the GPR 250 Europe index*

** Based on the most recent position known to the public (end-February 2009)*
*** Valuation as at July 14, 2009*

... and absorption of Casino distribution of Mercialys shares

Over 9 million shares traded since June 2, 2009

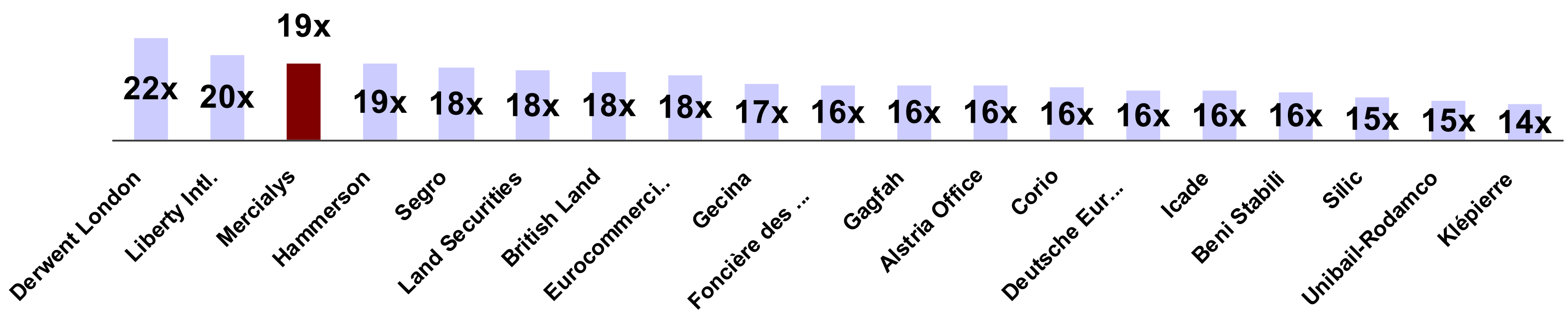


Source: Bloomberg

Mercialys confirms its position as one of the market's leading real estate investment companies....

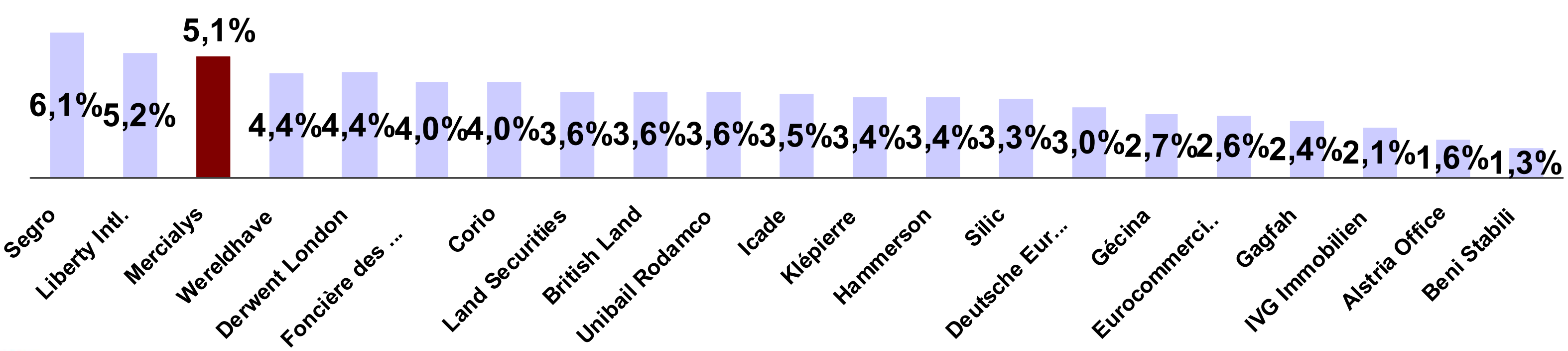
Performance in line with the sector in terms of relevant indicators

- ✓ EV/2009e EBITDA



Source: Bloomberg, IBES, Companies

- ✓ 2009e Operating cash flow/value of asset portfolio*



Source: Companies, IBES

** Last published portfolio value*

... while maintaining robust growth potential

- ✓ Potential for **solid organic growth**: priority given to extracting reversionary potential, which remains significant
- ✓ Development pipeline presenting **strong growth potential** and **limited risk**
  - > *Mainly Alcudia extensions, which present lower risk for retailers and for Mercialys and are fully controlled*
- ✓ A high level of **financial flexibility**, allowing the company to seize any opportunities that may arise
  - > *No debt*
  - > *Secured credit lines from Casino*

Favorable outlook for 2009

- ✓ Strong first-half performance confirms the resilience of our business model
  - > *Performance maintained in terms of organic growth over the period*
  - > *Resilient market trends in rents and highly pro-active approach by retailers*
- ✓ No major bad news in the first half of the year

Providing stronger visibility on the outlook for 2009

Management has raised its objectives for the current year

Growth of 15%
in rental revenues
and
recurring operating cash flow*
for 2009

*** Cash flow excluding interest on cash and cash equivalents, net of tax, and non-recurring items (mainly lease rights relating to new properties acquired)*

Appendices

Alcudia development project acquisitions
Lot 1: new properties in operation

Description	✓ Extension of retail space at 2 sites: Arles (already started) and Besançon (start date of March 10, 2009) ✓ Letting complete (one restaurant still to be let at the Arles site) ✓ Once this project is complete, the Besançon site became a large regional shopping center (GLA of over 40,000 m²) ✓ Main retailers: Boulanger, Courir, H&M, L'Occitane, Maison du Monde, Nocibé
Key figures	✓ Number of lots: 23 lots at 2 sites ✓ Area contributed: **GLA of 13,500 m²** ✓ Initial capitalization rate: **6.0%** (rate according to 2008 Partnership Agreement) ✓ Effective yield (on actual rents): **6.8%** ✓ Full-year rental income: **Euro 3.2m** ✓ 2009 invoiced rents (7.5 months): Euro 1.9m ✓ Amount of contribution: **Euro 47m**

Alcudia development project acquisitions
Lot 2: properties at an advanced stage of development

Description	✓ Extension of shopping centers at 7 sites: Annecy, Castres, Le Puy (Retail Park), Les Sables d'Olonne, Lons le Saunier (Retail Park), Sainte Marie du Parc (Reunion) and Valence Sud (phase 2) ✓ Contribution of shares in companies owning the properties ✓ Delegated project management agreements between Casino and Mercialys, with Casino remaining responsible for development risk ✓ No further payments relating to works expected for Mercialys ✓ Projected opening dates from 2010 to 2011 ✓ pre-let > 60%
Key figures	✓ Number of lots: 121 lots at 7 sites ✓ Area contributed: **GLA of 31,200 m²** ✓ Initial capitalization rate*: **6.6%** (1H09 rate under new Partnership Agreement) ✓ Potential full-year rental income: **Euro 8.2m** ✓ 2009 invoiced rents: none (sites under construction) ✓ Amount of contribution: **Euro 113m**

** Average capitalization rate before updating*

Alcudia development project acquisitions
Lot 3: reduction in hypermarket area (storage and sales area)

Description	✓ Extension and redevelopment of shopping malls in space currently occupied by hypermarkets at 10 sites: Agen Boé, Angoulême, Besançon, Béziers, Fontaine-Les-Dijon, La Ricamarie, Marseille La Valentine, Montargis, Montauban, Narbonne ✓ Lots contributed by Casino ✓ Rents guaranteed by Casino from the date of contribution until completion of works (based on projected final rents) ✓ Mercialys is only responsible for final partitioning works ✓ Projected opening dates: between late 2009 and 2011
Key figures	✓ Number of lots: 65 lots at 10 sites ✓ Area contributed: **GLA of 15,100 m²** ✓ Initial capitalization rate*: **6.4%** (1H09 rate under new Partnership Agreement) ✓ Potential full-year rental income**: **Euro 4.6m** ✓ 2009 rents guaranteed by Casino (7.5 months): Euro 2.8m ✓ Pre-defined cost of works for all 10 development projects: Euro 23m ✓ Amount of contribution: **Euro 50m**

mercialys

** Average capitalization rate before updating*
*** Rents guaranteed by*

Alcudia development project acquisitions
Lot 4: properties to be consolidated before extensive restructuring

Description	✓ Food stores at 5 inner-city sites: • Marseille Delprat • Marseille La Valentine • Marseille Michelet • Paris Massena (13th arrondissement) • Paris St Didier (16th arrondissement) ✓ Properties consolidated in order to facilitate the implementation of future complex Alcudia projects ✓ Institutional commercial lease signed by Géant / Casino supermarkets for food retail areas
Key figures	✓ Area contributed: **GLA of 65,400 m²** ✓ Initial capitalization rate: **6.5%** ✓ Full-year rental income: **Euro 8.0m** ✓ 2009 invoiced rents (7.5 months): Euro 4.9m ✓ Amount of contribution: **Euro 124m**

Detailed income statement

million euros	06/30/08	06/30/09	Change 09 vs. 08
Invoiced rents	55.9	62.9	+12.5%
Lease rights	1.1	1.6	
Rental revenues	**57.0**	**64.5**	+13.2%
Non-recovered property taxes	-0.1	-0.1	
Non-recovered service charges	-1.1	-1.6	
Property operating expenses	-1.9	-2.1	
Net rental income	**53.9**	**60.7**	+12.6%
Management, administrative and other activities income	1.2	2.0	
Depreciation, amortization and impairment of assets	-8.5	-10.0	
Staff costs	-3.0	-4.1	
External costs	-2.5	-2.4	
Operating expenses	-12.9	**- 14.5**	+12.8%
Operating income	**41.1**	**46.2**	+12.6%
Net financial income	0.9	-0.1	
Tax	-0.5	-0.2	
Net income, Group share	**41.4**	**45.8**	**+10.6%**
EPS *(euros)**	0.54**	0.58	

** Based on the average number of outstanding shares during the period*
*** June 30, 2008 EPS differs from the one published in 2008 (euro 0.55 per share) as it takes into account shares issued to pay the dividend in shares*

Condensed balance sheet

Assets

million euros	31/12/08	30/06/09
Investment property	1,231.3	1,568.6
Financial assets	11.7	12.2
Other assets	0.9	0.9
Total non-current assets	**1,244.0**	**1,581.7**
Cash and Casino current account	10.6	37.3*
Trade and other receivables	13.3	20.9
Total assets	**1,267.9**	**1,639.8**

Equity and liabilities

Shareholders' equity, Group share	**1,206.1**	**1,573.2**
Minority interests	0.6	0.6
Total shareholders' equity	**1,206.7**	**1,573.8**
Financial liabilities	15.6	13.5
Deposits and guarantees	19.3	21.1
Trade and other payables	26.3	31.5
Total equity and liabilities	**1,267.9**	**1,639.8**

✓ Net cash of Euro 36.3 million at June 30, 2009

** Excluding cash liabilities*

Portfolio valued at Euro 2,381 million including lease rights

Portfolio value up +15.5% over 6 months

Type of asset	*Number of assets 06/30/08*	*Appraisal value at 06/30/09**		*Gross leasable area at 06/30/09*		*Appraisal net rents*	
		mn euros	*%*	*m²*	*%*	*mn euros*	*%*
Regional and large centers	29	**1,387**	*58*	372,600	*50*	80.3	*54*
Neighborhood shopping centers	69	**666**	*28*	252,100	*34*	45.5	*31*
Large food stores	12	**21**	*1*	31,000	*4*	1.4	*1*
Large specialty stores	8	**44**	*2*	28,400	*4*	2.9	*2*
Independent cafeterias	22	**53**	*2*	32,500	*4*	3.7	*2*
Other	27	**86**	*4*	35,300	*5*	6.3	*4*
	167	**2,257**	***95***	**751,900**	***100***	**140.1**	***94***
Under development programs		**124**	*5*			8.2	*6*
	167	**2,381**	***100***	**751,900**	***100***	**148.3**	***100***

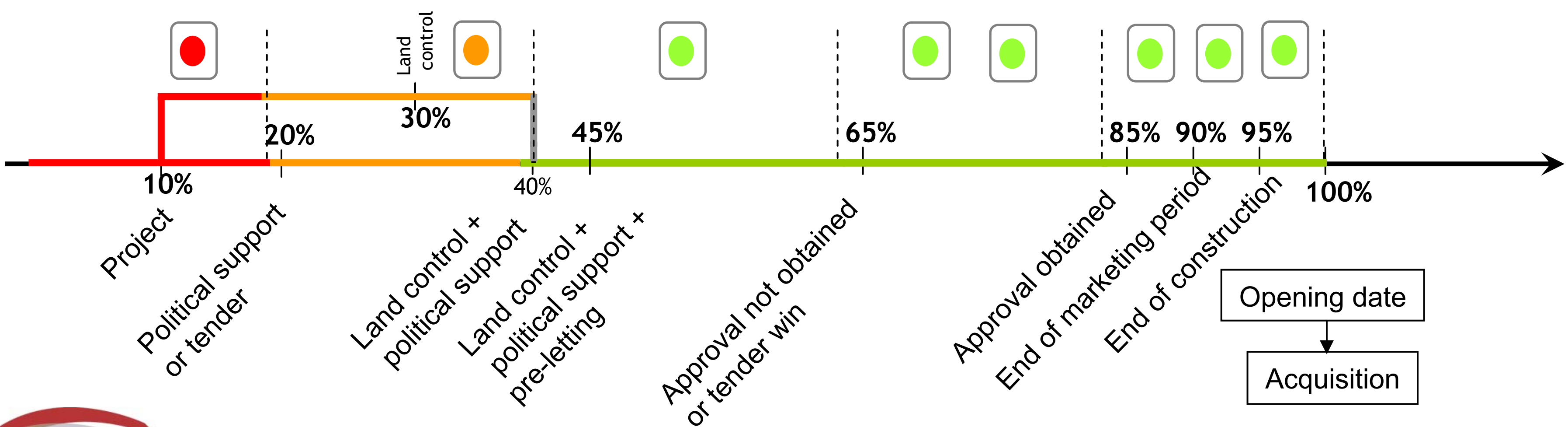
✓ **Average yield up +48bp: 6.25% at June 30, 2009**

** Including lease rights. Valuation based on appraisals by Atis Real, Catella and Galtier using the conventional yield method and discounted future cash flow method*

Valuing the pipeline on the basis of the stage of completion of each project

Different rates of probability at each stage of completion

- The development pipeline, as it currently stands, contains projects presenting major differences in terms of stage of completion and chances of going ahead
- Until December 31, 2006, we valued projects for which land was controlled at 100% and others at 0%
- We have refined our valuation method to take account of the stage of completion of each project



A realistic approach