Full year earnings 2006

mercialys

March 6, 2007

Speakers

Jacques Ehrmann, Chairman and Chief Executive Officer

Géry Robert-Ambroix, Chief Operating Officer

Catherine Oulé, Executive Vice President

Yves Cadelano, Executive Vice President

Contents

Overview of the year 2006

Mercialys' first full year: time for our first progress report

Unique culture and positioning

1. **A pure player in commercial real estate**
2. **Strong links with a major retailer**
3. **Regional roots / values of proximity and partnership**
4. **Targeted positioning on regional centers and local centers***

✓ A real estate company with its roots in the history of the Casino Group:

> 108 years in the retail world

> Retailers serving retailers

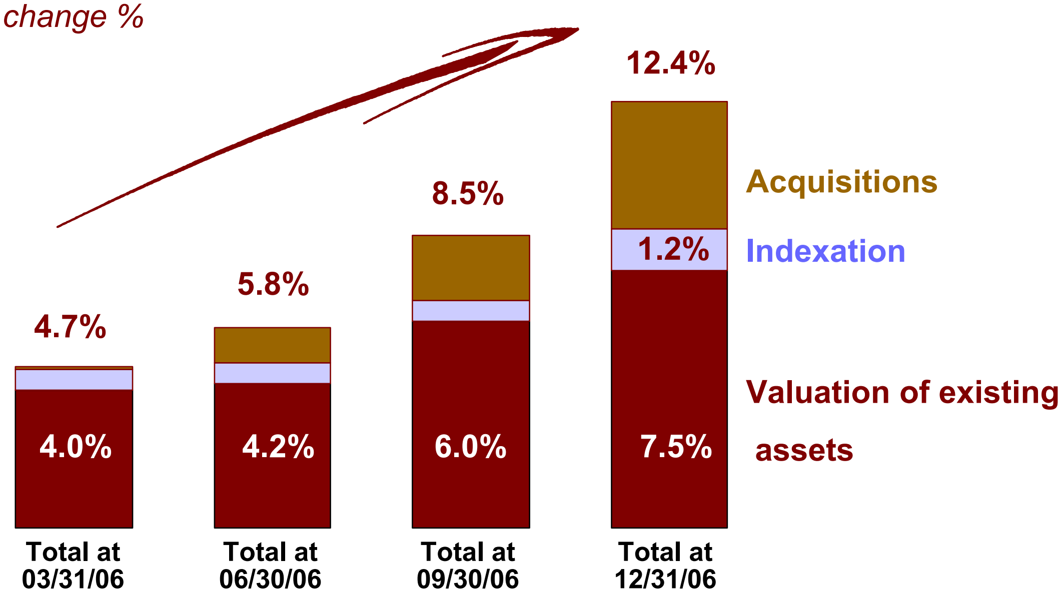
** CNCC classification*


CHOCOLAT
FONDANT
NOISETÉ
Sicilia
CIRAGE-CREME-CASINO
RADIUM
CASINO
ST ETIENNE
LIVRAISON
A DOMICILE

Acceleration in growth over the year…

Mostly organic growth

Growth in rent billed in 2006
change %



- ✓ 349 leases renewed or relet
- ✓ An excellent fourth quarter, with strong growth
- ✓ Record organic growth: **+8.8%** including a small contribution from indexation

✓ **Rental revenue well ahead of the targets set at the time of Mercialys' IPO**

> **+13.3% increase in rental revenue in 2006**

> **Initial target was between +5% and +7%**

…boosted by a significant effort in the realization of reversionary potential

349 leases renewed or relet

140 lease renewals generating +28% rental revenue growth on an annualized basis

plus 25 Feu Vert leases (+9%)

plus 84 Casino Cafétéria* leases (+11%)

100 leases relet generating +146% rental revenue growth on an annualized basis

Annualized rental revenue growth of Euro 5.0 million

** Self service restaurants*

Investments on good terms

Euro 154 million of acquisitions with an average yield of 7.9%

- ✓ Acquisitions of existing buildings **Euro 111 million**
  including 5 centers in Corsica for a total of Euro 84 million*
  - > *Euro 8.6 million annualized additional rental revenue, giving an average yield of 7.7%*
- ✓ Acquisitions from Casino (new centers): **Euro 43 million**
  - > *Euro 3.7 million additional annualized rental revenue, giving an implied yield of 8.6%*

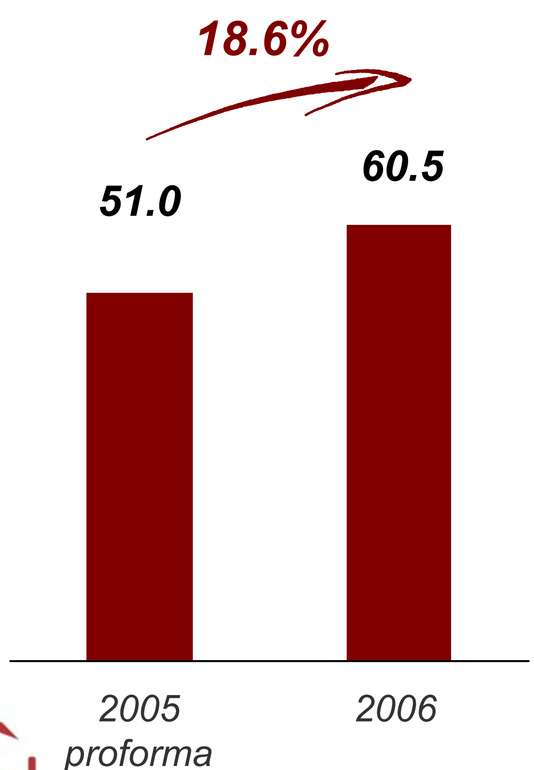
plus Euro 11 million in capex** undertaken for total completed or committed investments of Euro 165 million

** Acquisition of a 60% share in each of the five centers – Including the acqusiition of the 2nd lot on January 10, 2007 for Euro 48,7 million to be reported in 2007 accounts*
*** Capital expenditure: works reported in 2006 accounts or engaged as of December 31, 2007*

Growth boosts profitability at Mercialys

Strong earnings growth

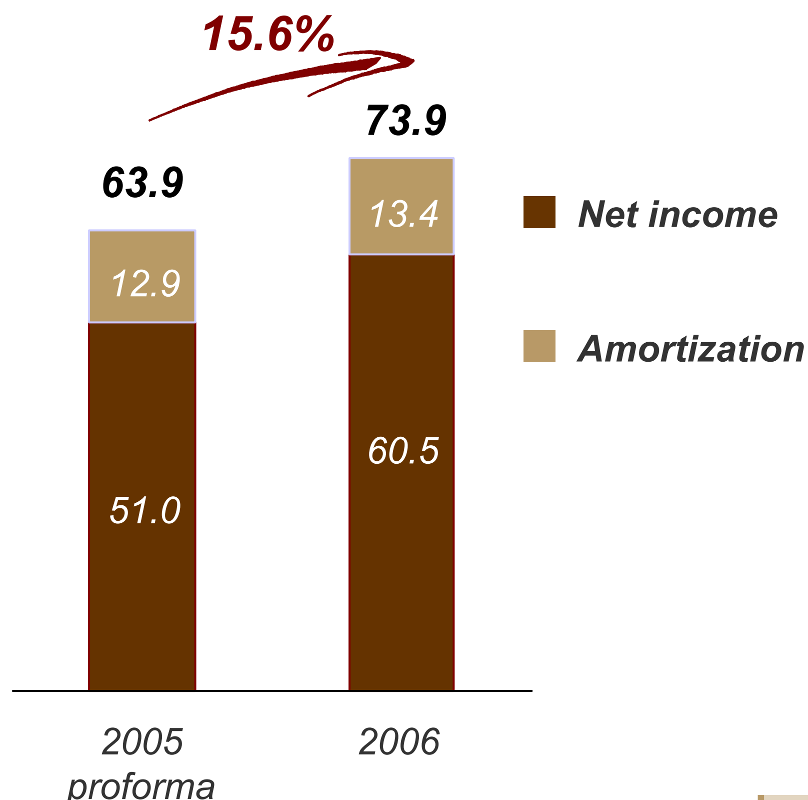
Net income, group share



Euro million

Net income before amortization

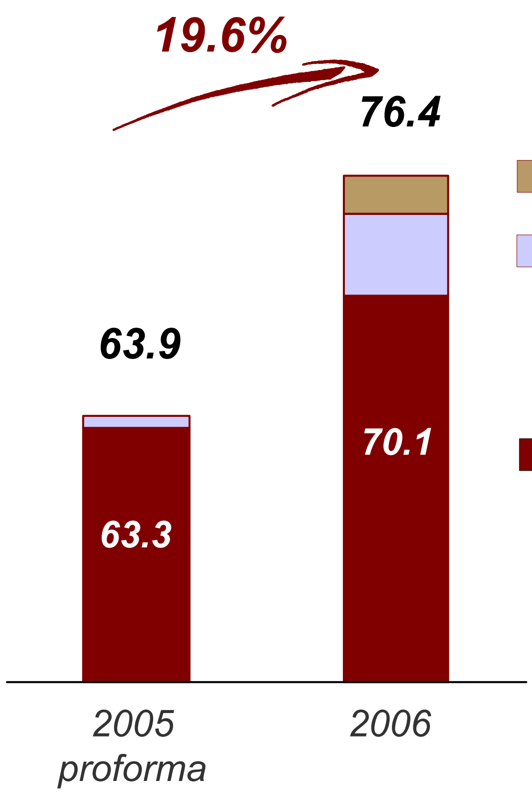
Above the range of 12% to 15% set at the time of the IPO



A sharp rise in cash flow

Euro 2.3 million in non-recurrent lease rights received for the Clermont Ferrand and Poitiers sites opened in Q3 2006

Cash flow (Euro million)*



Non-recurrent items

Interest on net cash after tax**

Recurring operating cash flow: up 11%

- Lease rignts for new buildings
- Eviction compensation for buildings being restructured

** Net income before amortization and other non-cash items*

*** The capital increase that generated Euro 235 million in cash was carried out on October 14, 2005. Thus 2005 accounts included 2 ½ months of interest on this cash, against 12 months in 2006*

Dividend increase in line with cash flow growth*

*Dividend raised by 20%**

- ✓ Confirmation of the strengths of Mercialys' business model: growth and yield
- ✓ Organic growth: an effective growth model
  ⇨ rent billed up +8.8% on a like-for-like basis in 2006
- ✓ Acquisitions made at an average yield of 7.9%

- ✓ An interim of Euro 0.33 was paid in October 2006.
- ✓ The Board of Directors wishes to ensure that shareholders in Mercialys benefit from the growth generated in 2006 **and will therefore propose a total dividend of Euro 0.71 per share**

  ⇨ a **+20%** increase on the Euro 0.59 paid against 2005 earnings

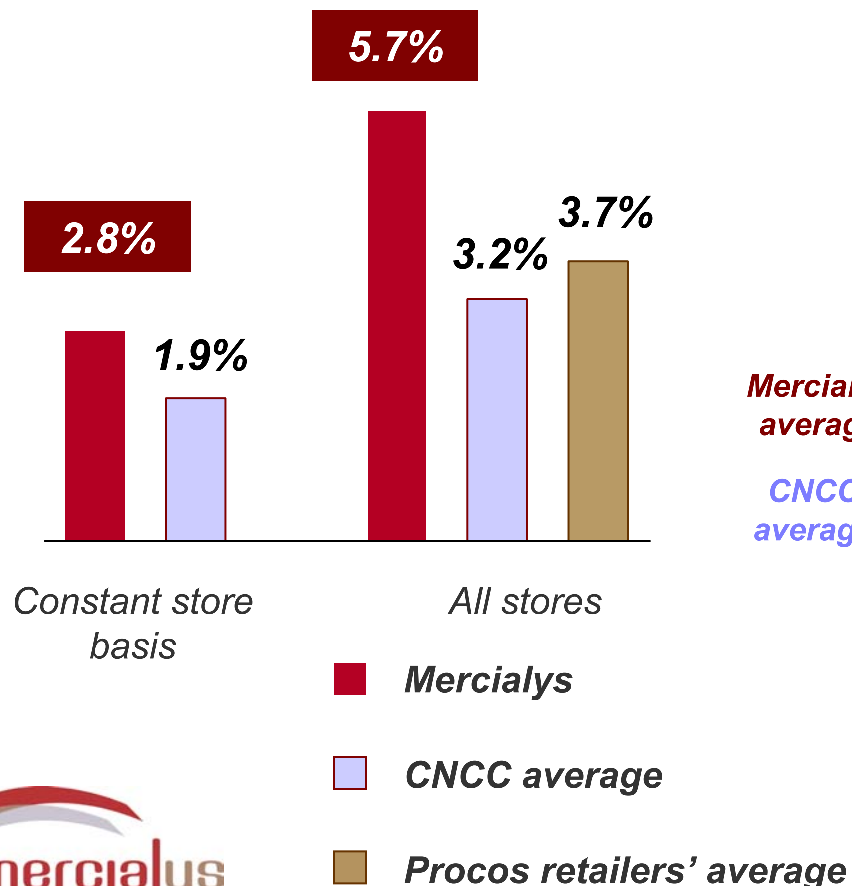
** Subject to approval by the Annual General Meeting on April 26, 2007 -- including Euro 0.33 already paid as an interim dividend in October 2006*

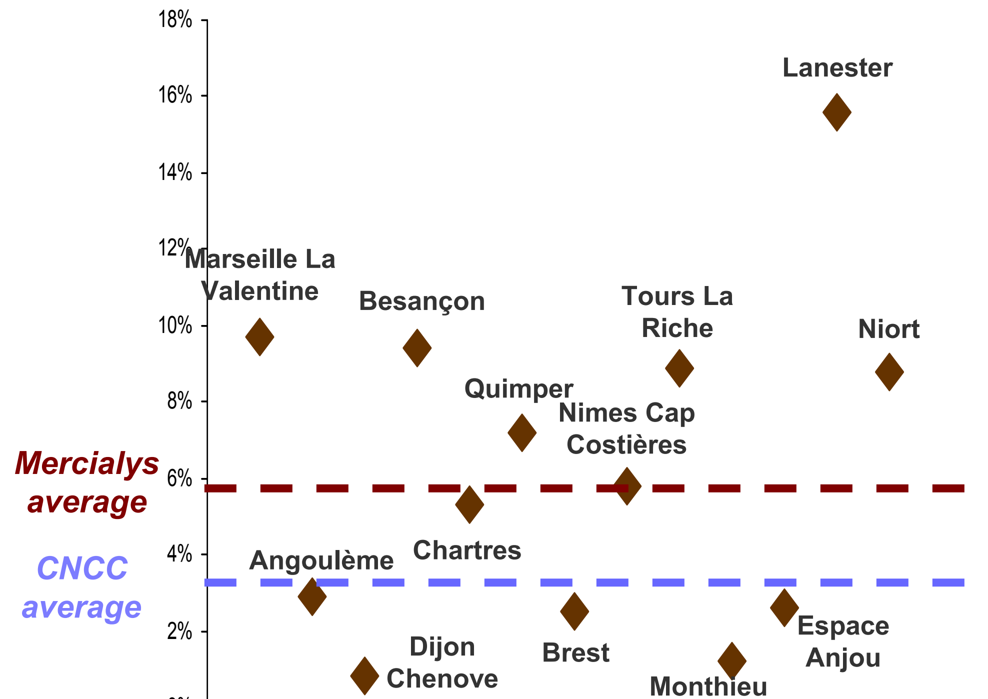
Shopping center activity in 2006

Activity remained strong in our large centers

Regional centers: one of the strongest performing asset classes

Trends in retailer sales of large centers
12 months to end-December 2006





Sales growth in all our large centers

Relettings and renewals: a strong performance from our teams

Record growth in the year

✓ 349 leases renewed or relet over 2006

	Annualized growth in rental base *Euro million*	***Change 2006/2005***
100 *leases relet*	2.2	146%
140 *leases renewed*	1.0	28%
25 *Feu Vert leases renewed (outlets alongside car parks)*	0.2	9%
84 *Cafétéria Casino leases renewed (catering)*	0.9	11%
Short-term leases	0.7	not significant

Euro +5.0 million (annualized rental base)

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Solid partnerships with major retail brands

Camaïeu

MAISONS DU MONDE

SEPHORA

GÉNÉRALE D'OPTIQUE

L'OCCITANE EN PROVENCE

ZARA

Histoire d'Or

Franck Provost

ESPRIT

Stradivarius

promod

MANGO

H&M

Bershka

Christine LAURE

jean claude aubry coiffure

MEXX

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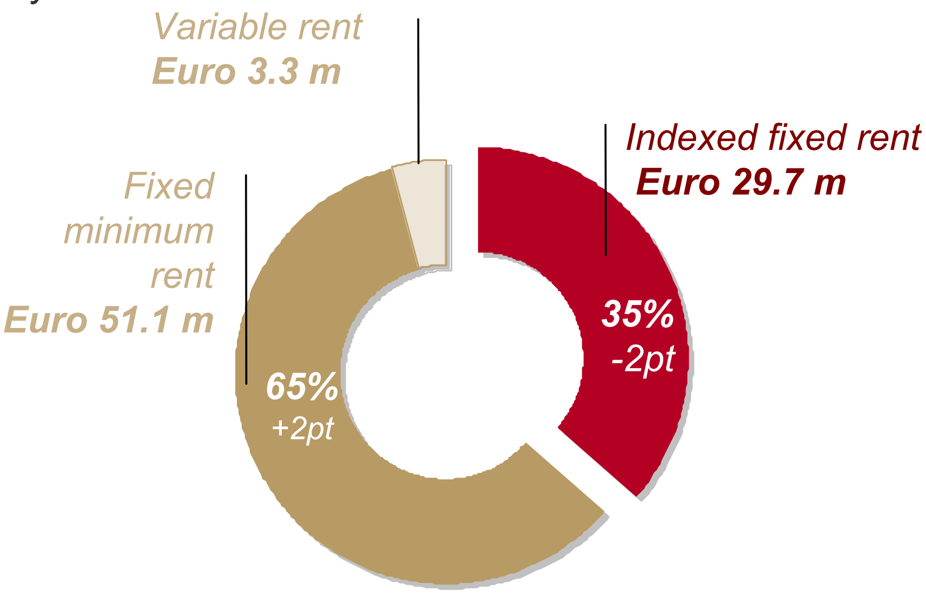
Lease quality continues to improve

A further positive shift in the lease mix

Structure of rent at June 12/31/06
Change versus December 31, 2005

By value



By number

- *1,027 leases with variable component*
- *1,107 leases with no variable component*

✓ Rise in proportion of derestricted leases

> *Number of 10-year plus commercial leases:* ***1,582,*** *an increase of* ***+18%****

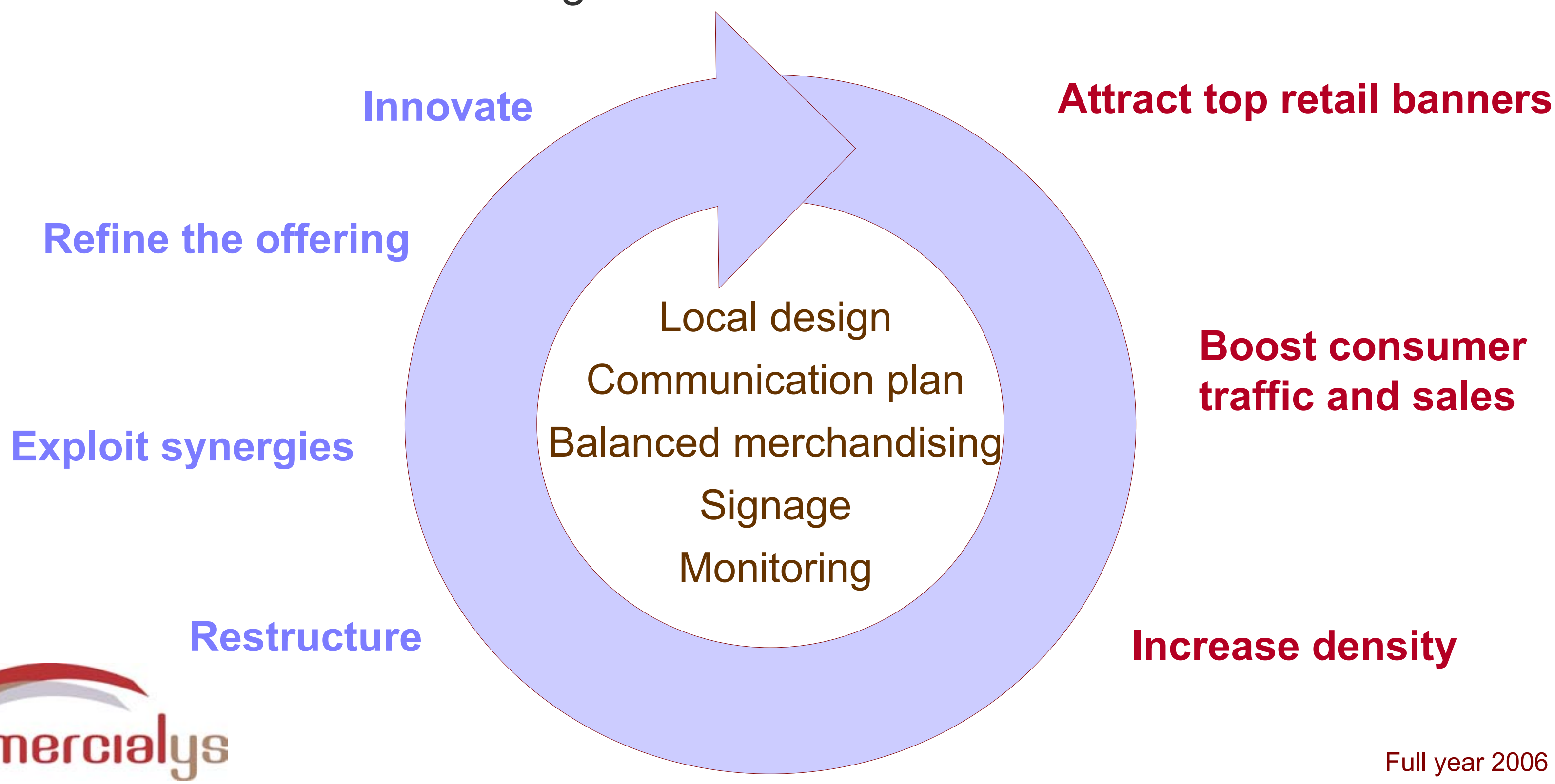
> *Number of 9-year leases:* ***552,*** *a decrease of* ***-10%****

* Growth over 12 months

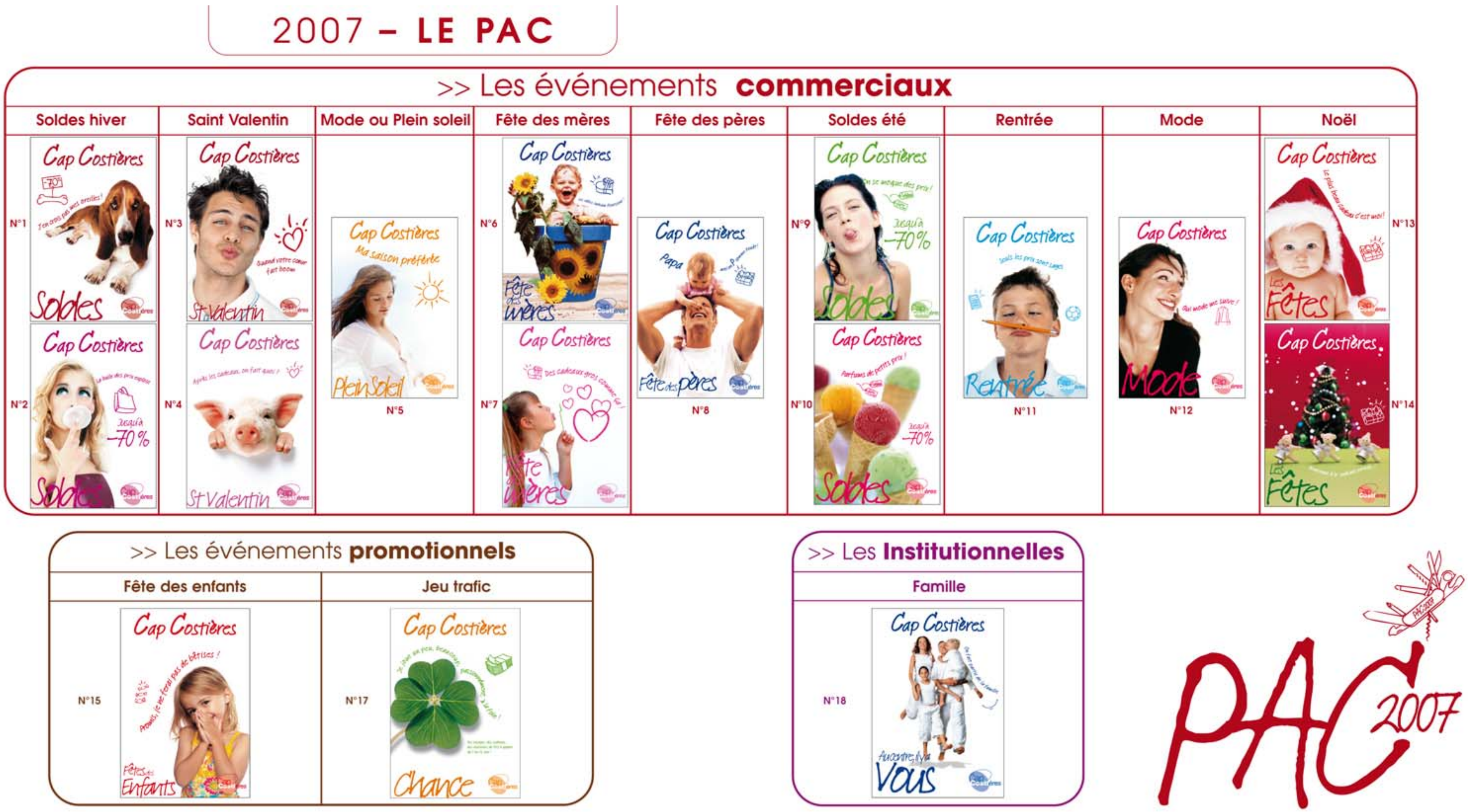
Working in partnership with retailers

Major retailers come in Mercialys centers

- ✓ Major retailers select Mercialys sites
  - ⇨ Highly favourable positioning for Mercialys
- ✓ Work done is bearing fruit



Communication Action Plan: a tool generating synergies



The opening of centers acquired from Casino in Clermont Ferrand and Poitiers has been a major success

"BeauLieu… pour une promenade", the new flagship center in Poitiers

- ✓ **23 new retail brands occupying 5,800m² of new space**
- ✓ **A brand / A strong theme**
- ✓ **A 22,000m² site housing a total of 70 stores**

The opening of centers acquired from Casino in Clermont Ferrand and Poitiers has been a major success

Nacarat: the new regional retailing powerhouse for the Auvergne

- ✓ 22 new retail brands occupying 3,600m² of new space
- ✓ Innovative architecture / strong local links
- ✓ A 14,000m² site housing a total of 54 stores

NACARAT CENTRE COMMERCIAL

MEXX

ARMAND THIERY

Camaïeu

ZARA

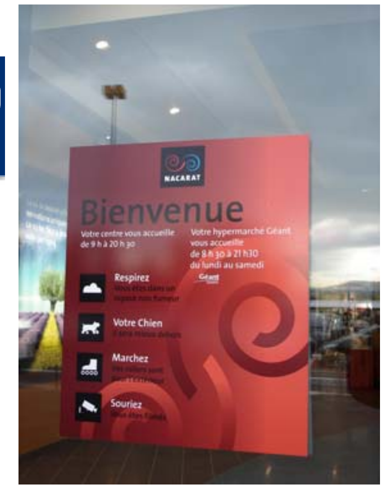
OKAÏDI

Histoire d'Or

tape à l'oeil

JEAN-CLAUDE BIGUINE CONCEPTEUR DE BEAUTÉ

L'OCCITANE EN PROVENCE



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Sales growth opens the way to rent increases that respect the economic constraints of our retailers

	Mercialys		**_Klépierre_** *French shopping centers*	**_Unibail_** *Shopping Center division*
	Rent billed	Rental revenues	Rent billed	Net rental income
Rental revenue growth *(like-for-like)*	+8.8%	+9.7%	+4.1%	+6.3%
Rental revenue growth *(on a like-for-like basis and excluding indexation)*	+7.5%	+8.5%	+2.0%	+4.4%
Retailer sales growth *(all stores)*	+5.7%		+3.5%	+4.0%
Occupancy cost ratio*	7.3%		9.1%	10.8%

The occupancy cost ratio* for our retailers increased very slightly to 7.3%**

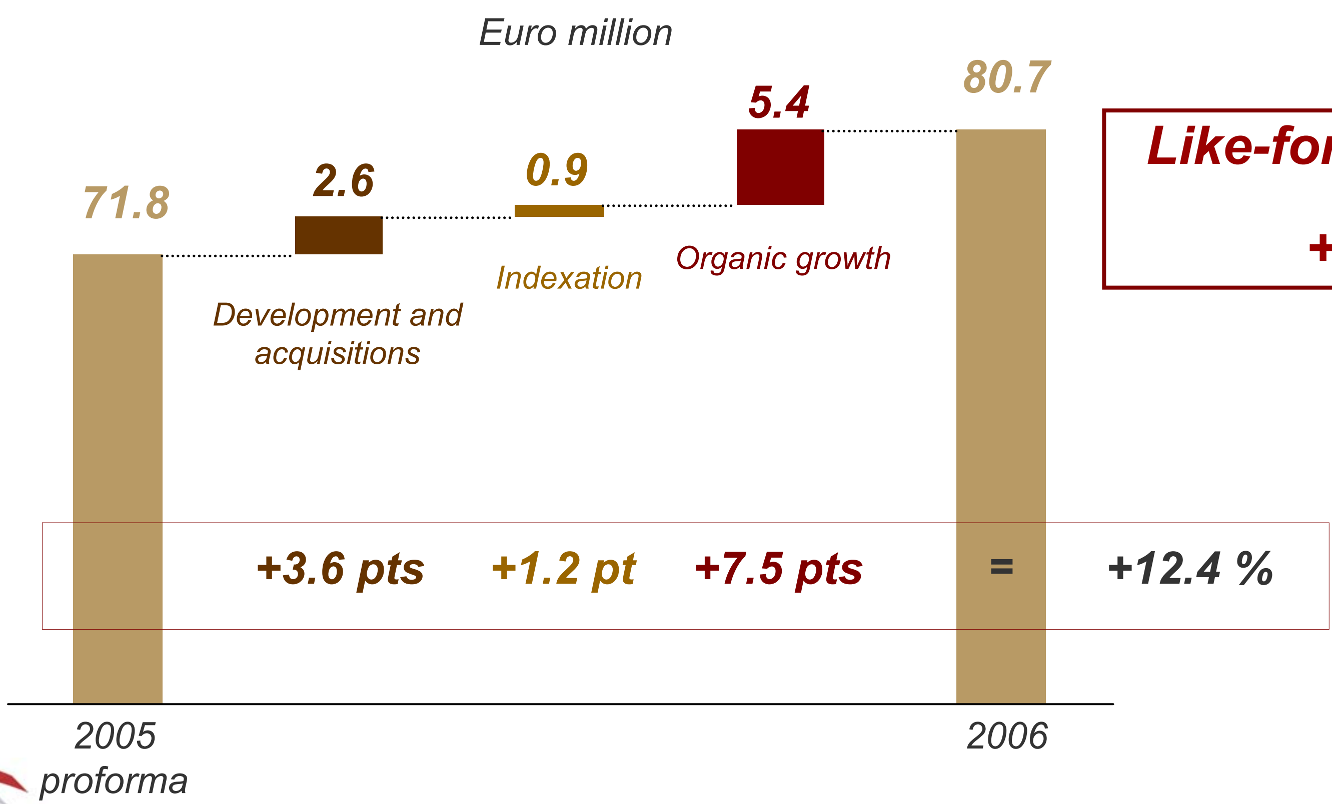
** Rent and charges gross of taxes /Tenant sales gross of taxes*
*** versus 7.1% at December 31, 2005*

Detailed earnings and investments in 2006

Strong growth in rental revenue in 2006

Exploitation of reversionary potential remains a major driver

Source of growth in rent billed



Like-for-like growth

+8.8%*

* Growth in rent billed in 2006 compared with the same period in 2005 on a like-for-like basis and including the effects of indexation

Growth boosts profitability at Mercialys…

*Strong growth in net income and cash flow**

Euro million	2005 proforma	2006	Change
Rent billed	**71.8**	**80.7**	**12.4%**
Rental revenues	72.7	82.3	13.3%
Net rental income	67.9	77.0	13.4%
Recurring operating income	50.6	56.8	12.2%
Cash flow*	**63.9**	**76.4**	**19.6%**
o/w Recurring operating cash flow**	**63.3**	**70.1**	**10.8%**
Net income. Group share	**51.0**	**60.5**	**18.6%**
EPS (Euro per share)		***0.83***	

- ✓ **Net income up +19% driven by**
  - > ***growth in net rental income***
  - > ***Control of structural costs during the group's expansion***
  - > ***Growth in financial income***
- ✓ **Cash flow* up +20%, boosted by front-end payments received on the Clermont Ferrand and Poitiers sites (€3m)**
- ✓ **Recurrent operating cash flow** up +11%**

**Cash flow = net income before depreciation and non-cash items*
*** Cash flow excluding interest on net cash and non-recurrent items (see page 10)*

A year rich in selective acquisitions

High quality assets bought on highly favourable terms

Euro million

✓ 60% of **5 Corsican shopping centers** and their food store • Bastia Port Toga (lot n°2) • Bastia Furiani (lot n°2) • Ajaccio Mezzavia (lot n°1) • Corte (lot n°1) • Porto Vecchio (lot n°2)	84*
✓ The **Clermont Ferrand and Poitiers** centers acquired to Casino	43
✓ **Other centers** - Aurillac (15), La Chapelle sur Erdre (44), Fontaine Les Dijon (41), Lorient Larmor (56), Antibes (06) ✓ Various **co-ownership lots** (St André de Cubzac, Chalon sur Saône, St Didier, Aix)	27
Total acquisitions	**154****
Average yield	**7.9%**

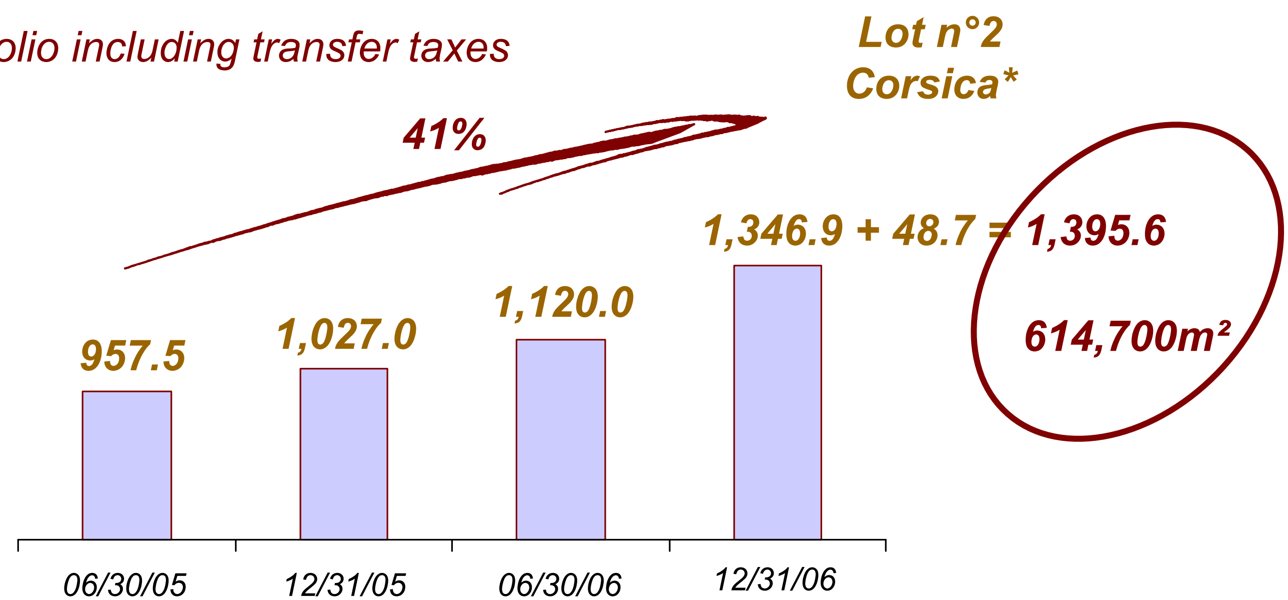
** Price adjusted on the basis of rental values known on the day of the signature of the definitive agreement and on the CC index for Q2 2006 in accordance with the preliminary agreement*

*** Including the acquisition of lot n°2 of the Corsican assets on January 10, 2007 for Euro 48.7 million, to be recorded in 2007 accounts*

Asset portfolio valued at Euro 1,347 million, including transfer taxes

Asset value up +31% over 12 months

Appraised value of portfolio including transfer taxes
Euro million



	06/30/05	12/31/05	06/30/06	12/31/06
Average yield based on appraisals	7.3%	7.0%	6.6%	6.3%***
Increase over 6 months (like-for-like basis)		7.0%	6.9%	11.1%
Increase over 12 months (like-for-like basis)			14.4%	19.0%

* Valuation based on appraisals by Atis Real and Galtier on December 31, 2006 using the conventional yield method and discounted future cash flow method

** Acquired January 10, 2007

*** based on rental figures for Q4 2006 supplied to the valuers

Replacement NAV amounts to Euro 1,464m, or Euro 20.08 per share

NAV per share up +29% since the IPO (October 2005)

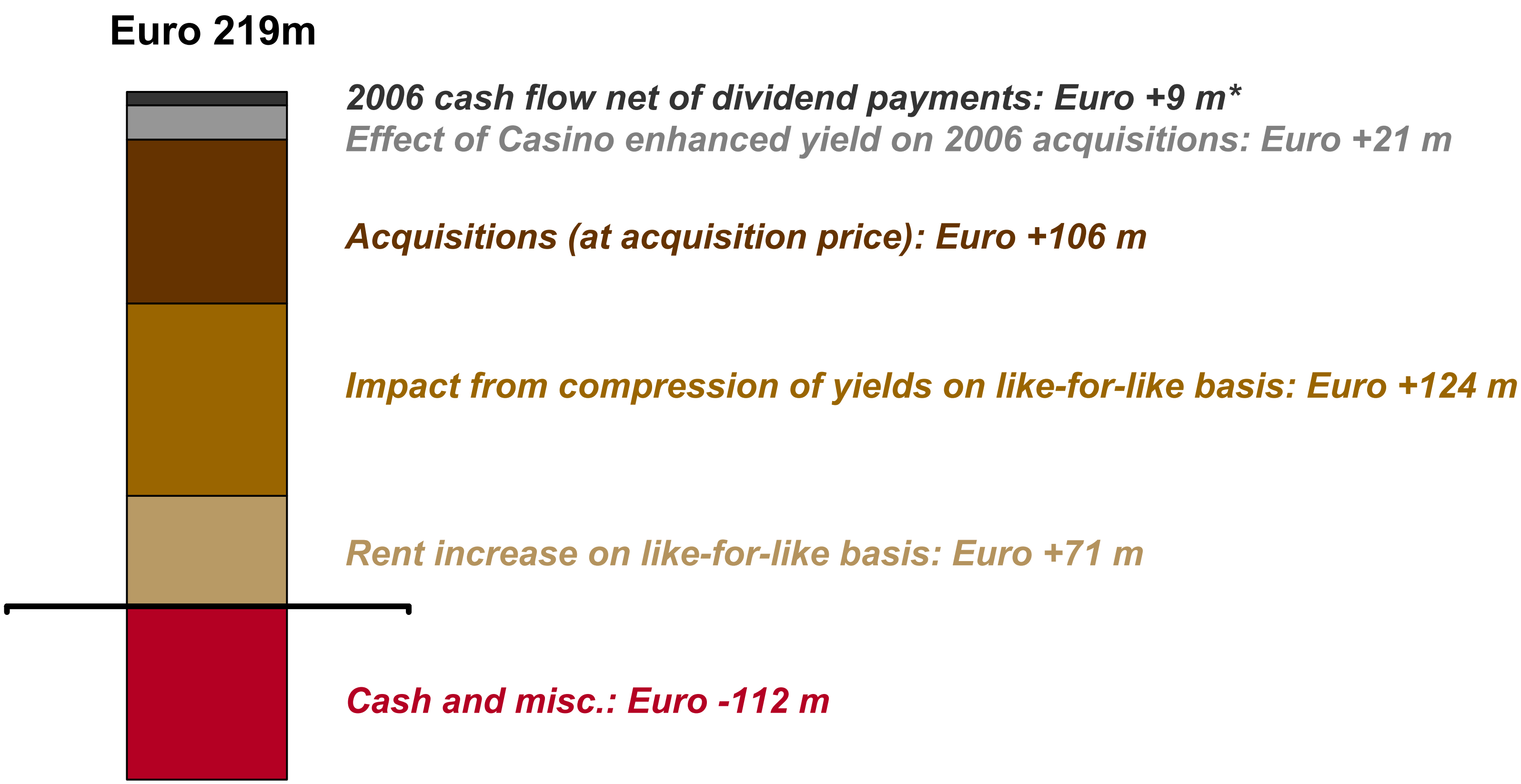
Euro million	Dec. 31, 2005	Dec. 31 2006	Change
Consolidated restated shareholders' equity	1,121.0	1,116.7	-0.4%
Net unrealized gains on assets	124.0	347.4	180.2%
Replacement NAV (including TT)	**1,245.0**	**1,464.1**	**17.6%**
Euro per share*	***17.07***	***20.08***	
Transfer taxes and disposal costs	**-61.6**	-78.3	
Liquidation NAV (excluding TT)	**1,183.4**	**1,385.8**	**17.1%**

Replacement NAV net of dividend distribution**	**1 202.0**	**1 412.3**	**+17.5%**

** Based on 72,918,918 outstanding shares*
*** Net of dividends and interim dividends attributable to the period*

Increase significantly affected by changes in appraised value on a like-for-like basis

Contributors to change in NAV over 2006



**2006 cash flow restated for 2005 dividend and 2006 interim dividend*

NAV does not reflect all sources of growth potential at Mercialys

NAV falls well short of Mercialys' intrinsic value

Appraisals do not reflect the full available potential for value creation

- ✓ Appraised value of asset portfolio is 'conservative' in relation to observed market values
- ✓ Reversionary potential only very partially reflected
- ✓ Casino pipeline not included in valuation
- ✓ Alcudia project not included in valuation

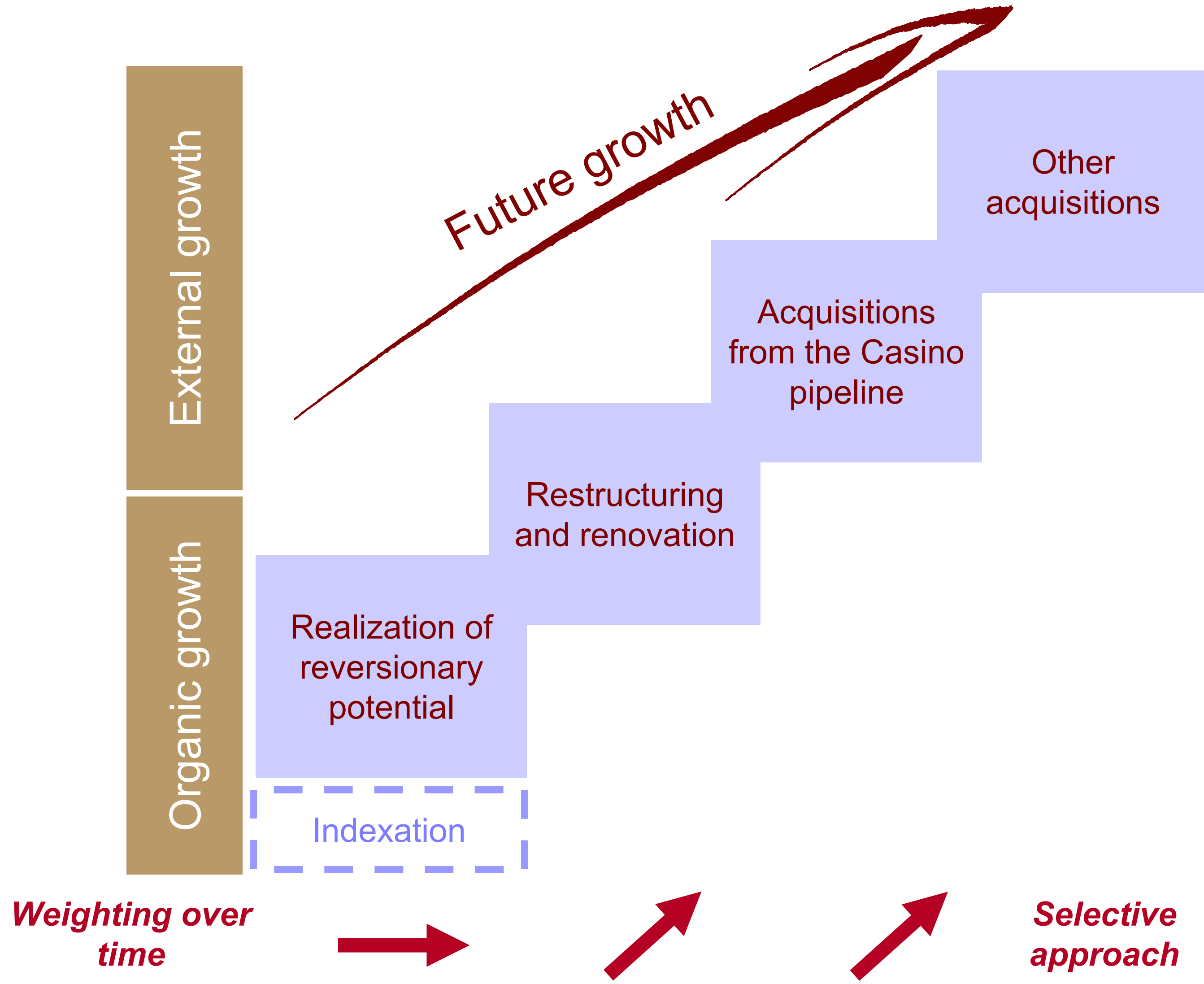
Mercialys is the company in the sector whose NAV least reflects this potential

- ✓ Early phase of realization of reversionary potential
- ✓ Alcudia project being conducted in close cooperation with Casino
- ✓ Synergy with the Casino Group in acquisitions

Feeding future growth

Mercialys has four main sources of growth. The balance between them changes over time

Creating new sources of growth



Growth sources complement each other in the creation of value

Building on the effectiveness of our organic growth model

Impact on	Realization of reversionary potential	Restructuring and renovation	Acquisitions from the Casino pipeline	Other acquisitions
		Alcudia	Alcudia	
⇨Profitability	++ Growth in rental revenue	+ Growth in rental revenue - Financing cost	+ Profitability > external acquisition (margin on Casino yield around 100bp) - Financing cost	+ Growth in rental revenue - Financing cost + Future reversionary potential
⇨Value	Additional rental revenue * average yield on appraised value Strong immediate impact	Additional rental revenue * average yield on appraised value - Cost of works Medium impact	Margin on Casino yield (around 100bp) Medium and immediate impact	Differential between end of period appraised value and acquisition price Limited short-term impact
⇨ROI	Infinite	Medium	Strong due to gearing	Strong due to gearing

The creation of annualized rental value from 2006 organic growth is worth a cash investment of Euro 100 million

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Organic growth: a key target for Mercialys over the next few years

*Narrowing the gap between our rates and the market**

Through the creation of Mercialys, the shopping center, as a complement to the shopping center business, has become the driving force in the process of value creation for the site

⇨ beginning of the cycle of realizing reversionary potential that will bring rent levels in our centres into line with market averages

Rent levels renegotiated on renewal, up +28% on an annualized basis**	Rent increases achieved on the reletting of leases: +146% on an annualized basis**

A balanced offering

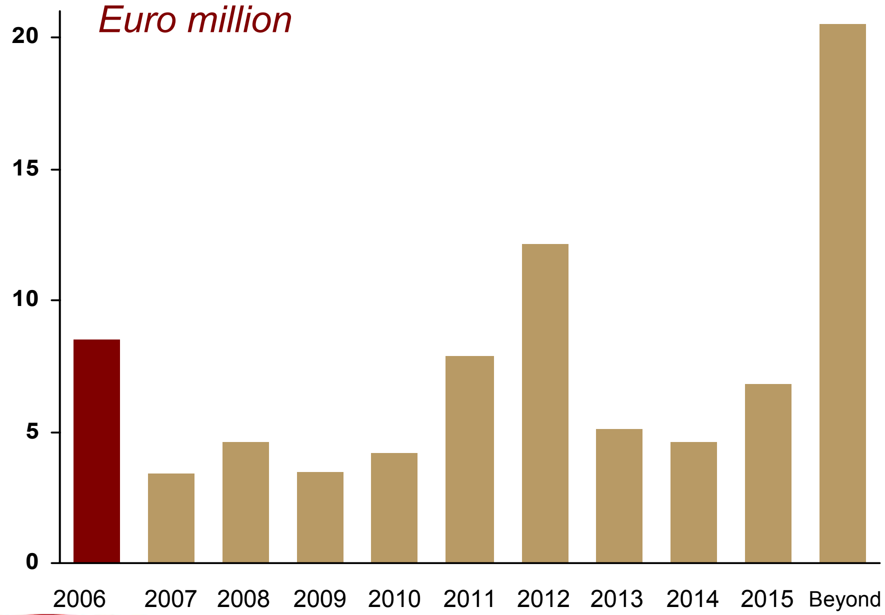
** Realization of reversionary potential*
*** Results achieved in 2006 excluding renewals negotiated in bulk (Feu Vert and Casino cafeterias)*

A portfolio with strong potential for productivity gains

Rent levels remain below market averages

✓ Substantial stock of leases in the course of renewal or expired by end 2006 (345 leases / Euro 8.4m in rent)

Lease expiration schedule
Euro million



Value of stock of expired leases
Value of flow of future expiring leases

✓ Indicators point to further substantial leeway for value enhancement

> *Occupancy cost ratio:* ***7.3%**** *versus 7.1% at December 31, 2005*

> *Average gross rental value:* ***Euro 147/m²*** *against a sector average of Euro 275/m² at end-2005*

** Rent and charges gross of taxes /Tenant sales gross of taxes*

"Alcudia" -- or how to create value over the medium term

The meeting of organic and external growth

✓ The aim of Alcudia is to create commercial and real estate value
⇨ achievable thanks to a cooperation with our partner Casino

Géant Casino / Casino supermarchés	Renovated and expanded centers generate additional consumer traffic, thus boosting sales in the food store	Volume effects Margin effects Value effects
L'Immobilière Groupe Casino	The new surfaces capitalize on the work of Casino's real estate development teams	
mercialys	The renovated and expanded centers help generate value and optimise Mercialys' asset portfolio	

A win–win arrangement for the three partners

Alcudia makes use of different tools

Using all the expertise at our disposal

Build

- Create additional commercial surfaces

Renovate

- Upgrade existing sites (mall and hypermarket or supermarket)

Redevelop

- Optimize allocation of space within sites

Relet

- Realize the reversionary potential of the site
- Market new space to "driver" brands

Promote

- Accessibility: Route markers
- Visibility: Façade
- Legibility: Signage
- Identity: Theming

Standardize

- Standardizing our asset base: creating "a common thread"
- Create synergies: optimize procurement costs (design services, execution services) and cut project leadtimes

Managed by a team dedicated to create value over the medium and long term

Yves Cadelano
Executive Vice-President

Before 1995 **Grand Stade de France**
1995 - 1999 **Groupe Disneyland Paris** - Development Manager for Disney Village.
1999 - 2004 **Club Méditerranée** - Responsible for the redevelopment and improvement of sites in France and abroad
2004 – 2006 **Immobilière Groupe Casino** - Client-side management of the Group's real estate projects in France and abroad.

✓A team of 8 Asset Managers

> *drawn from the commercial real estate and retail sectors (Bouwfonds MAB Development, Hammerson, CBRE Investors, Generali, Casino)*

> *A range of experience: architects, financiers, engineers, negotiators*

> *Close cooperation with Casino's teams*

Alcudia

- Delegated client-side project management
- Development
- Design
- Engineering
- Acquisitions

A complete and systematic approach

Preliminary analysis with a "no constraint" approach

- Site visits
- Market studies
- Architectural and technical feasibility
- Economic estimates
- Provisional scheduling
- Integration of operational considerations (hyper and supermarkets)

Strategic Committee

Approval of strategic choices with Casino

Prioritization

Classification

Allocation

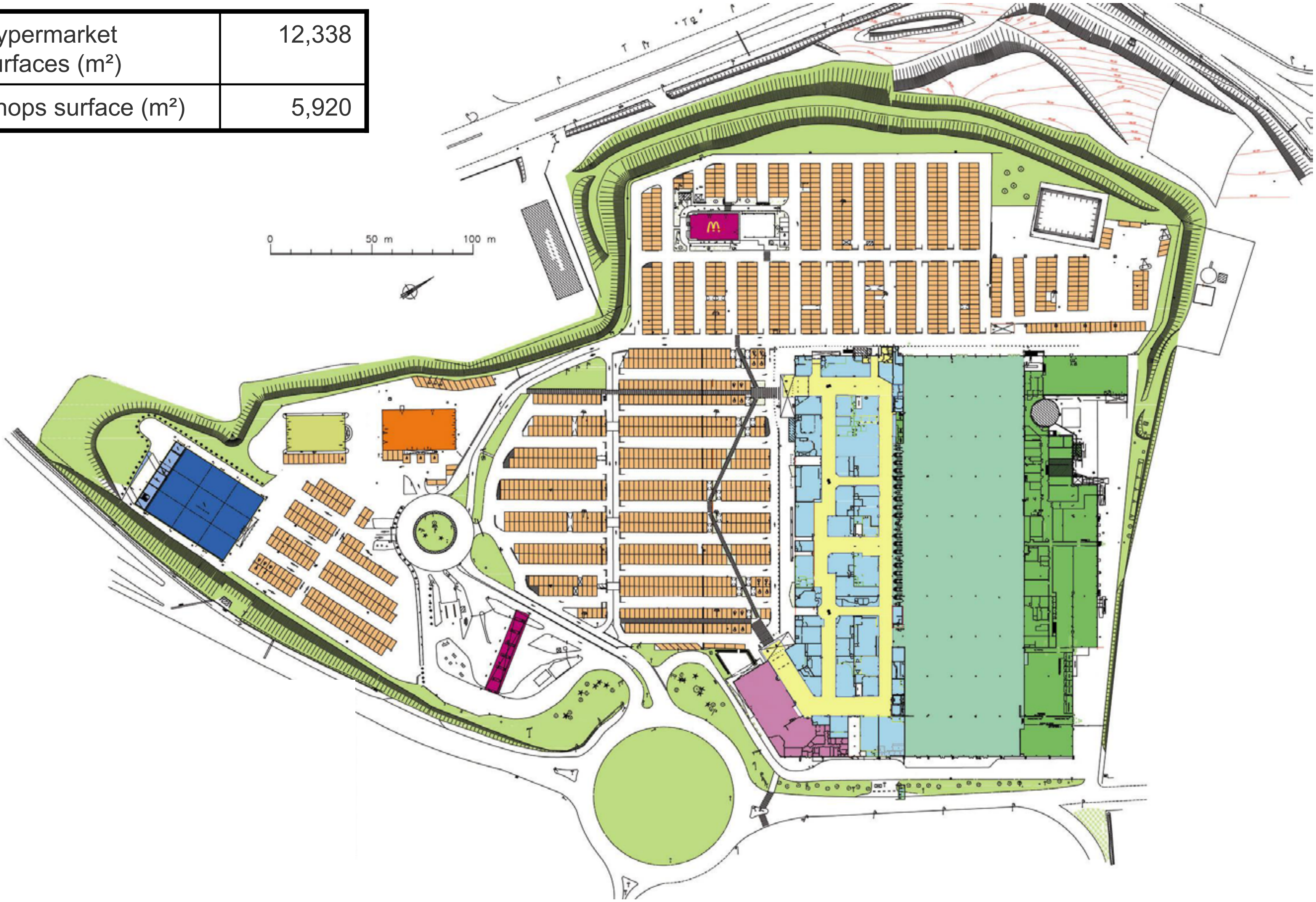
94 main sites for Mercialys

Prioritization criterias

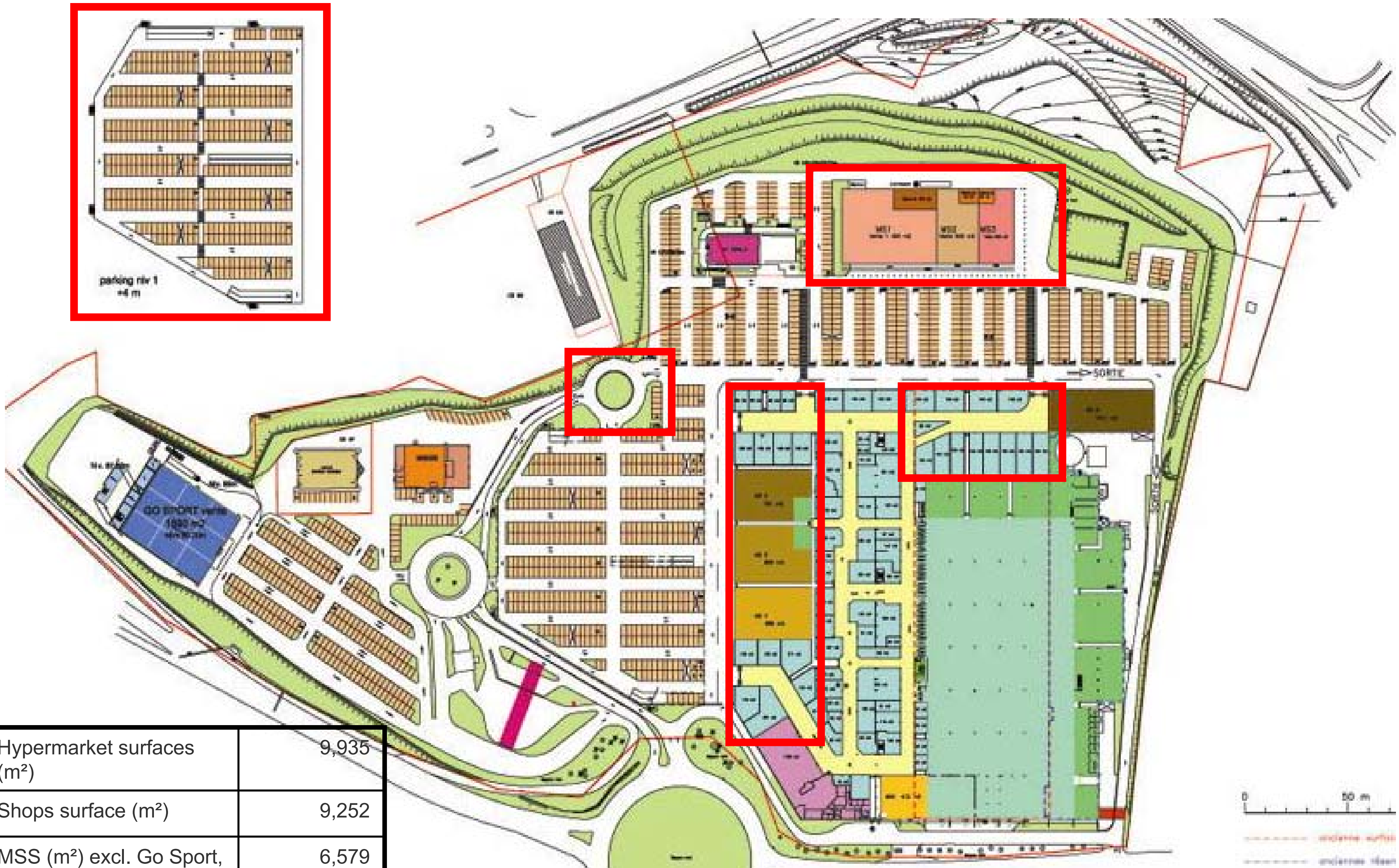
- **Administrative:** local approval not required, already received or to be applied for
- **Market research**: site potential
- **Buildability:** residual permitted surfaces
- **Project profitability**: based on initial estimates

A case study: Angoulème - existing spaces

Hypermarket surfaces (m²)	12,338
Shops surface (m²)	5,920



Angoulème : feasibility



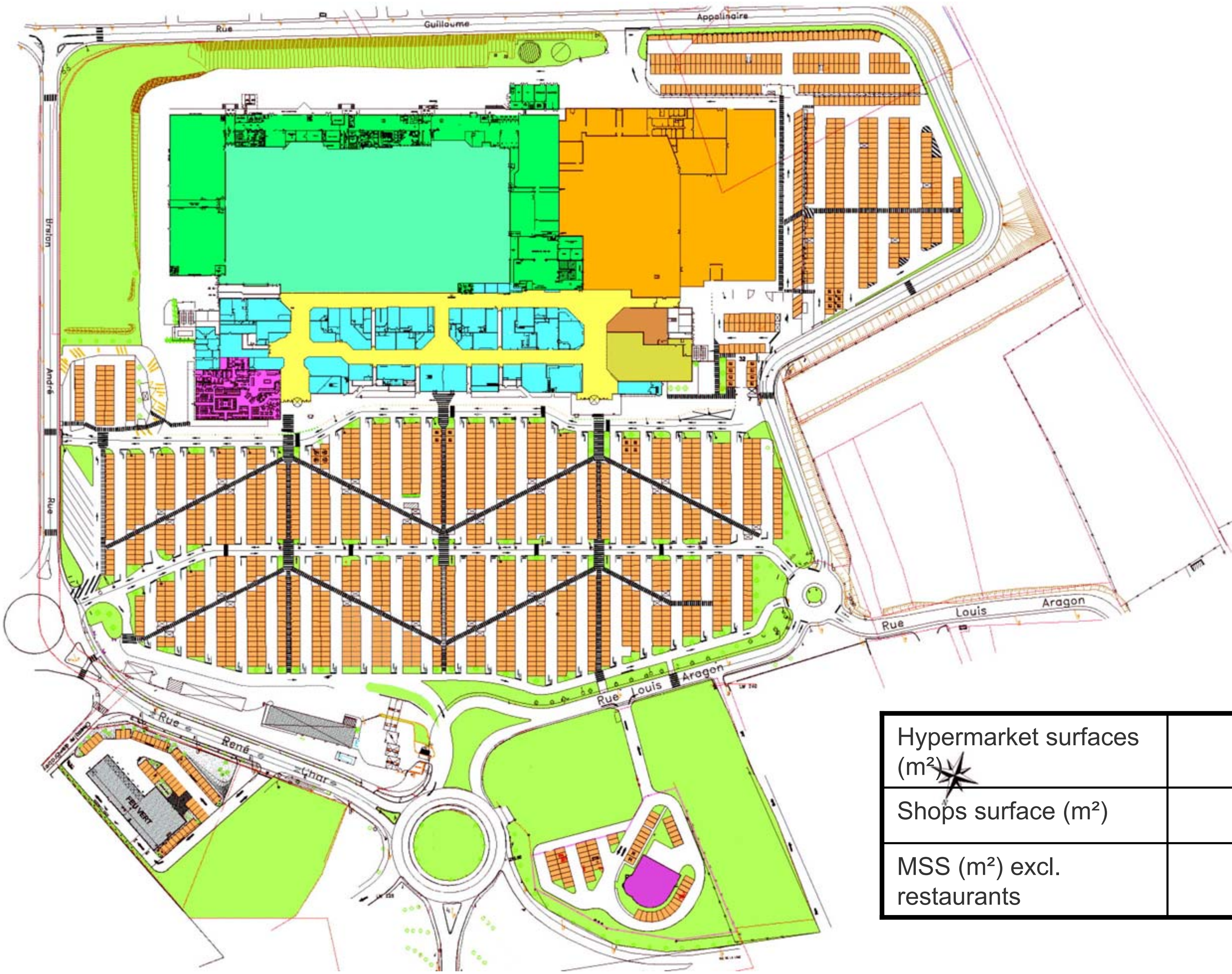
Hypermarket surfaces (m²)	9,935
Shops surface (m²)	9,252
MSS (m²) excl. Go Sport, Cafétéria and Drive	6,579

Angoulème: rationale

Optimization of the distribution of retail area between the hypermarket and the mall

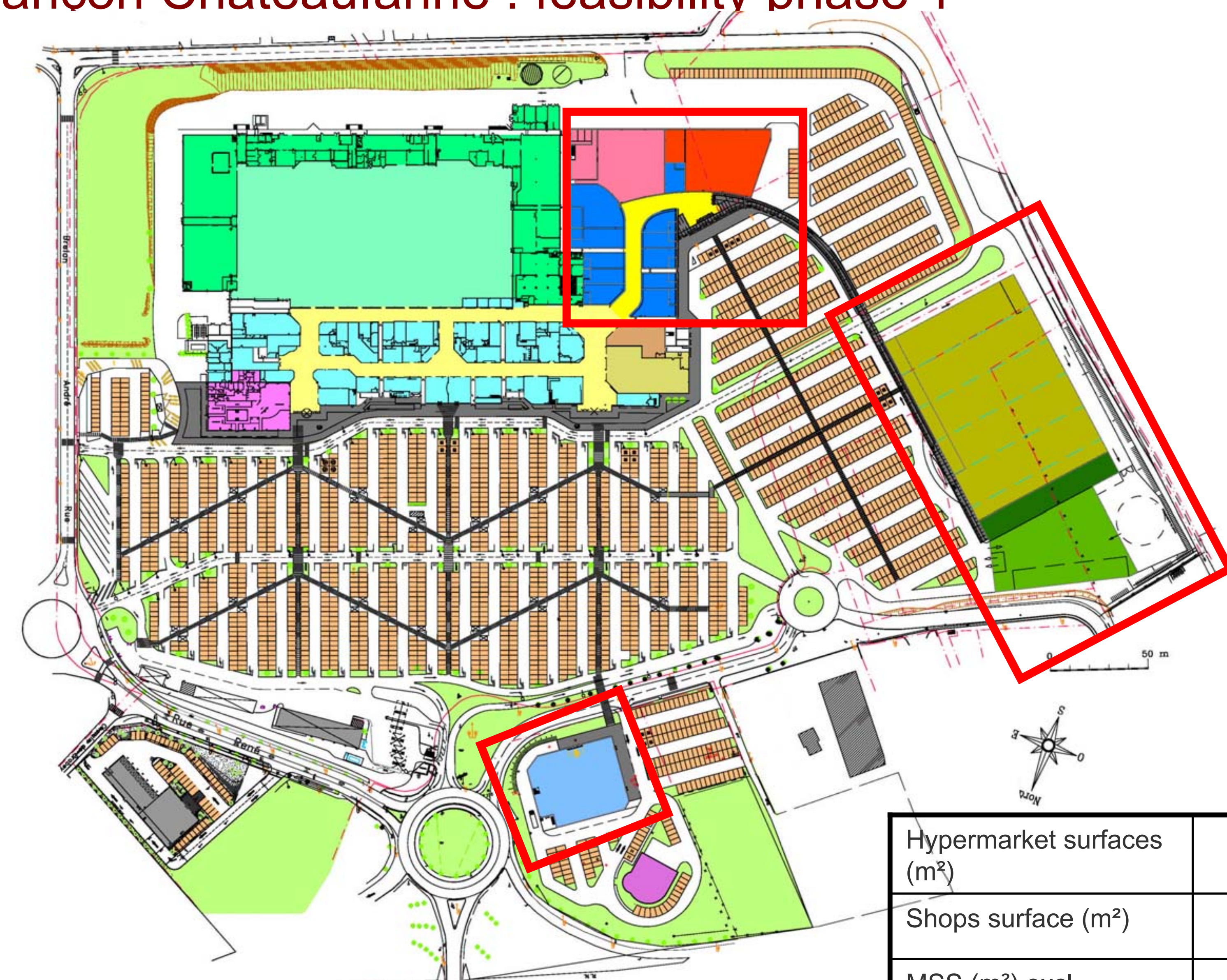
- ✓ Casino:
  - > *Optimization of retail and storage areas for the hypermarket*
  - > *2,400m² of hypermarket retail area and 950m² of storage area transformed into additional surface of mall and shops*
  - > *Creation of a parking silo*
- ✓ Mercialys:
  - > *following the theming of façades, expansion of the mall and renovation of existing facilities*
  - > *+3,300m² shops*
+3,700m² internal mid-size stores
+2,900m² external mid-size stores

Besançon Châteaufarine : existing spaces



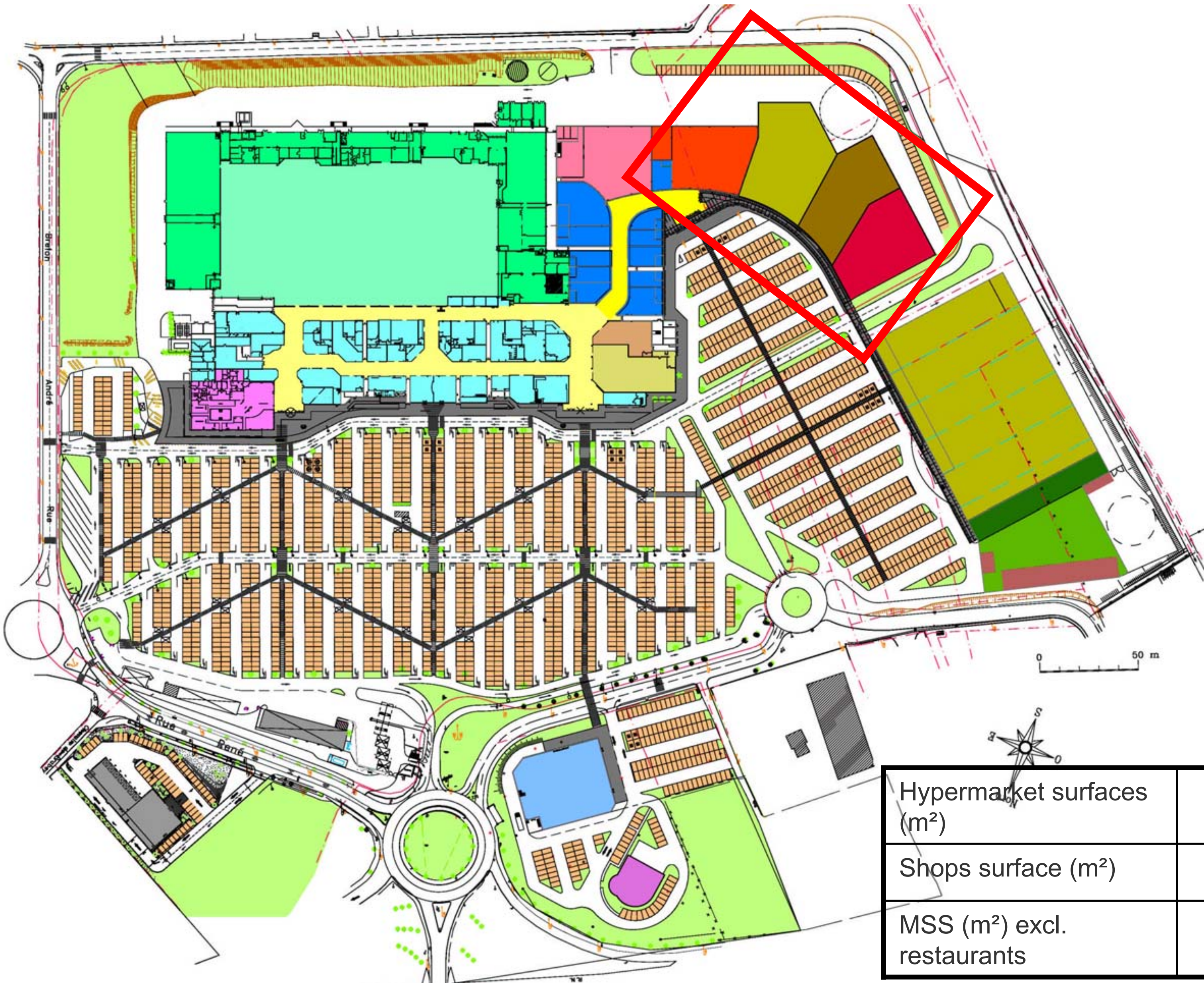
Hypermarket surfaces (m²)	9,980
Shops surface (m²)	5,932
MSS (m²) excl. restaurants	12,133

Besançon Châteaufarine : feasibility phase 1



Hypermarket surfaces (m²)	9,980
Shops surface (m²)	8,418
MSS (m²) excl. restaurants	18,044

Besançon Châteaufarine : feasibility phase 2



Hypermarket surfaces (m²)	9,980
Shops surface (m²)	8,418
MSS (m²) excl. restaurants	23,165

Besançon Chateaufarine: rationale

Redeveloping the existing facilities and increasing density by creating a retail park

- ✓ Casino:
  - > *store renovation*
  - > *Increase in parking capacity; 187 additional spaces*
- ✓ Mercialys:
  - > *Redevelopment and renovation of existing mall, theming, creation of a retail park to complement the existing site*
  - > *+2,490m² shops*
    +11,000m² of mid-size stores

Alcudia -- or how to create value over the medium term

The meeting of organic growth and growth through acquisitions

- ✓ Impact for Mercialys
  - > **Euro 485 million* of investment over six years**
    - » Euro 165 million* in redevelopment and renovation against an initial programme of Euro 100 million over five years
    - » Euro 320 million* in acquisitions of extensions under the partnership agreement with Casino
    - » Investments are due to gather pace over time, with 2007 and 2008 seeing mainly handover of projects for which no additional local approval was required

**initial figures*

Benefiting from the Casino pipeline on favourable terms

Maintaining the original economic balance

✓ Five-year partnership agreement with Casino:

> *acquisition at an "enhanced" yield set at the end of each year for the following year*

> *Shared risk: Casino bears the property development risk / Mercialys carries the letting risk*

✓ After taking advice from an independent expert and given the trend in average yields on appraised values on Mercialys' asset portfolio, the Board of Directors has approved the rates to be applied under this agreement in 2007

⇨ Yields for options taken up in 2007 by Mercialys

> *Shopping malls:* ***6.9%*** *from 8% in 2006*

> *Isolated parcels, retail parks:* ***7.3%*** *from 8.5% in 2006*

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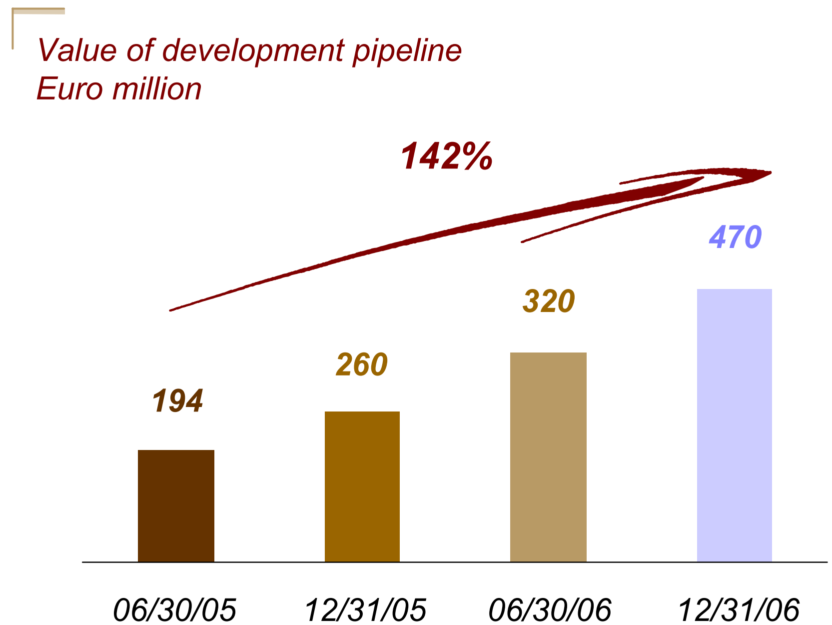
Pipeline showing strong growth

Continued expansion of development teams

- ✓ Development pipeline +81% in 12 months
- ✓ **Euro 470 million*** against Euro 260 million at December 31, 2005 *(projects to be delivered between now and 2012)*



** Excluding Alcudia projects – Project that have at least land control*

Total development pipeline plus Alcudia extensions

Significant growth in the secured development pipeline

Completion	# of development projects	Space m²	Investment *Euro million**
2007	4	19,700	23
2008	12	30,600	75
2009 to 2012	24	217,600	692
Total	**40**	**267,900**	**790**

- ✓ A substantial pipeline that will allow us to be selective in the choice of new assets to add to the Mercialys portfolio

** Based on 2007 capitalization rates i.e. 6,9% for shopping malls and 7,3% for isolated assets*

Maintain a selective approach to acquisitions

Drawing on the Casino network in an increasingly tough market

- ✓ The market is getting tougher
- ✓ The Casino network enabled us to seize opportunities in 2006 and gives us a "local" eye on the market
- ✓ Our investments meet a number of criteria:
  - > *Regional or local centers*
  - > *Offering clear reversionary potential or qualifying as a 'future Alcudia project'*
- ✓ We have the capacity to maintain a strong level of investment over the coming years whilst remaining as selective in our acquisitions as we were in 2006

Conclusion and outlook

The outlook for the sector remains strong

Conditions favour our business model

- ✓ The commercial real estate market remains one of the sector's most attractive segments
  - > *Consumer spending remains quite buoyant and spending patterns are favourable to regional commercial centers*
  - > *Big national and international retailers continue to demonstrate strong new demand for available retail space*
  - > *New supply should remain below demand over the medium to long term due to the constraintfull regulatory framework*
- ✓ The Reform of commercial planning rules – expected before 2009 – should occure without real disruption affecting the future offer
- ✓ Owning assets and having the knowhow to built new is a durable competitive advantage relative to new entrants

** Cash flow excluding interest earned on net cash and non-recurrent items (notably front-end payments on new buildings and eviction compensation for redeveloped assets)*

Prospects that encourage confidence in our future

2007 will be better than 2006

- ✓ Growth in rental revenues (+13.3% in 2006) will remain strong over the next few years
  - > *An objective of a double-digit growth in rental revenues for 2007 to 2010*
- ✓ Strong visibility on recurring operating cash flow (+11% in 2006)
  - > *An objective of a double-digit growth in recurring operating cash flow for 2007 to 2010*
- ✓ Concentrating on 2007, there are three specific factors that will boost growth:
  - > *investment in 2006 was mainly made towards the year end (most notably Corsica #1, Clermont Ferrand and Poitiers)*
  - > *A big amount of acquisitions has been signed at the beginning of the year (Corsica #2)*
  - > *the very sharp rise in the CC index in Q2 2006 (+7%) will apply to around 80% of our portfolio*

** Cash flow excluding interest earned on cash net of tax or cost of debt and non-recurrent items (notably front-end payments on new buildings and eviction compensation for redeveloped assets)*

Q & A

Appendices

Condensed P&L

Euro million	2005 Proforma	2006	Change
Invoiced rents	71.8	80.7	+12.4%
Lease rights	0.8	1.6	
Rental revenues	**72.7**	**82.3**	+13.3%
Non-recovered property tax	-0.1	-0.1	
Non-recovered rental expenses	-1.1	-1.4	
Building expenses	-3.5	-3.8	
Net rental income	**67.9**	**77.0**	+13.4%
Management, administrative and related income	0.9	1.2	
Amortization and depreciation	-12.9	-13.4	
Staff costs	-2.7	-4.2	
External costs	-2.6	-3.8	
Operating costs	**-17.3**	**-20.2**	+16.9%
Operating income	**50.6**	**56.8**	+12.2%
Net financial income	0.7	6.1	
Income Tax	-0.3	-2.4	
Net income, Group share	**51.0**	**60.5**	**+18.6%**
Earnings per share* *(Basic - Euro)*	0.81	0.83	

** Base on the average outstanding shares number over the period excluding treasury shares i.e. 72 872 059 in 2006 and 62 722 316 in 2005*

Condensed balance sheet

Assets

Euro million	12/31/05	12/31/06
Investment properties	893.4	989.3
Financial assets	9.7	10.3
Total non-current assets	**903.0**	**999.6**
Cash and cash equivalents (incl. Casino CA)	237.9	128.4
Trade and other receivables	11.5	28.7
Total assets	**1,152.4**	**1,156.8**

Equity and liabilities

Shareholders' equity, Group share	**1,120.4**	**1,113.3**
Minority interests	0.6	0.6
Total Shareholders' equity	**1,121.0**	**1,114.0**
Financial liabilities	22.3	24.6
Trade and other payables	9.1	18.2
Total equity and liabilities	**1,152.4**	**1,156.8**

- ✓ Net cash and cash equivalents of Euro 128 million at December 31, 2006
- ✓ Strong balance sheet to support our investment plan

mercialys

Asset portfolio valued at Euro 1,347 million, including transfer taxes

Portfolio up +31% over 12 months

Real estate asset class	*Number of assets at 12/31/06*	*Appraisal value inc. transfer taxes 12/31/06*		*Gross leasable area at 12/31/06*		*Appraised net rents*	
		Euro mill.	*%*	*sqm*	*%*	*Euro mill.*	*%*
Large shopping centers	28	**870**	*65*	298,300	*51*	50.9	*58*
Neighborhood shopping centers	63	**356**	*26*	190,300	*32*	24.6	*31*
Large food stores	12	**16**	*1*	31,000	*5*	1.3	*2*
Large specialty stores	7	**19**	*1*	15,300	*3*	1.4	*2*
Independent cafeterias	23	**43**	*3*	30,200	*5*	3.1	*4*
Other	24	**43**	*3*	22,400	*4*	3.4	*3*
	157	**1,347**	***100***	**587,500**	***100***	**84.7**	***100***

- ✓ **Average yield based on appraisals: 6.3% versus 7.0% at December 31, 2005**
- ✓ **Rise in appraisal value on like-for-like basis: 11.1% over 6 months, 19.0% over 12 months**

** Valuation method: Valuation based on appraisals by Atis Real and Galtier on December 31, 2006 using the conventional yield method and discounted future cash flow method*