2008 full-year results

mercialys

"Neighborhood Spirit"

February 12, 2009

Speakers

Jacques Ehrmann, Chairman and Chief Executive Officer

Géry Robert-Ambroix, Chief Operating Officer

Yves Cadelano, Executive Vice President

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EXTENSION AND RENOVATION

MANDELIEU

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MANDELIEU

CUSTOMIZATION

Neighborhood Spirit is part of our lives

A strategy, a positioning

✓ **Proof of a reinvented neighborhood**


Gateways with a strong local footing


Modern and high quality architecture


Welcome halls for our customers

Everyday services

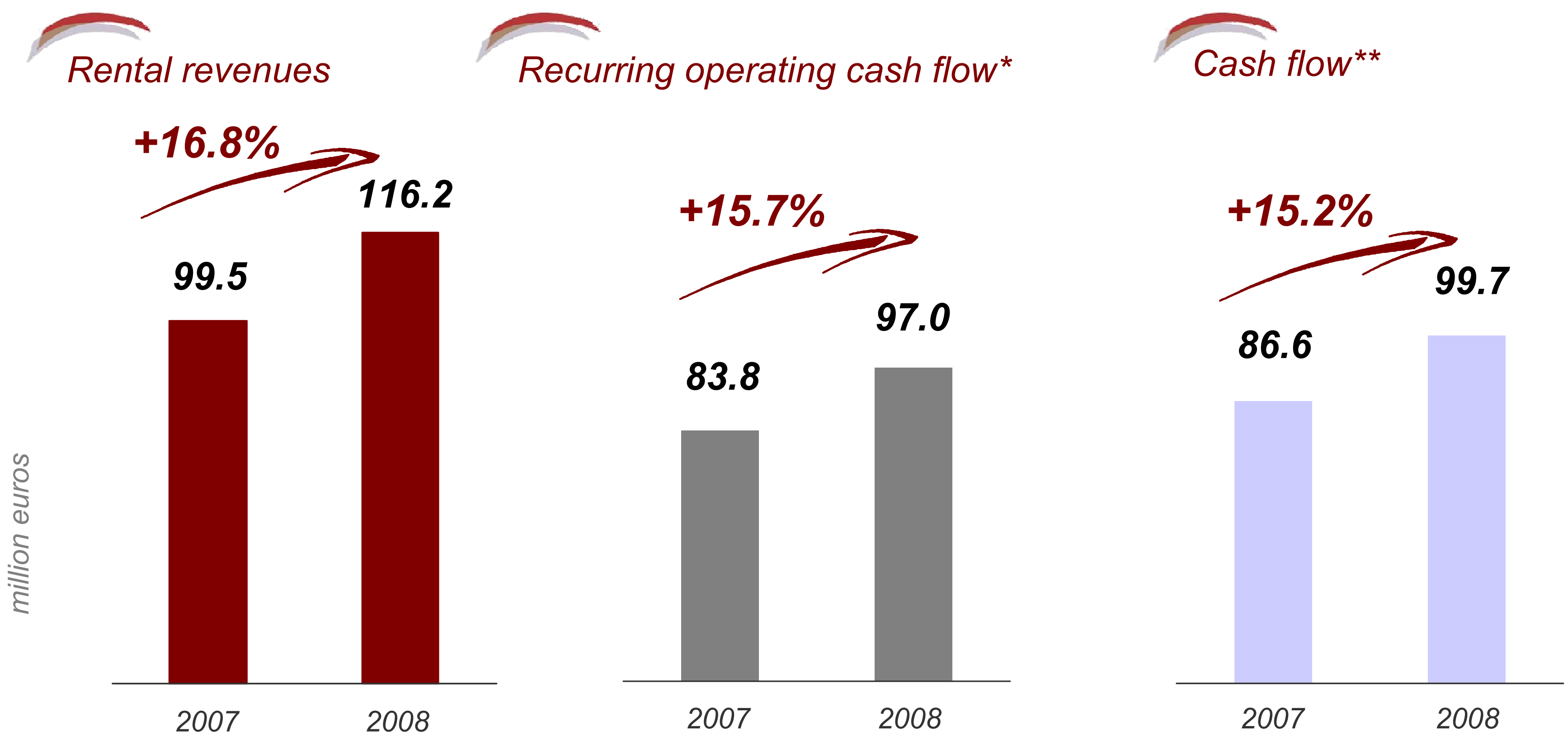

Bicycle parking: commitments to the community


Comfortable relaxation areas

✓ New **retail chains** have joined this new positioning

2008: a year of solid growth...

... ahead of initial targets

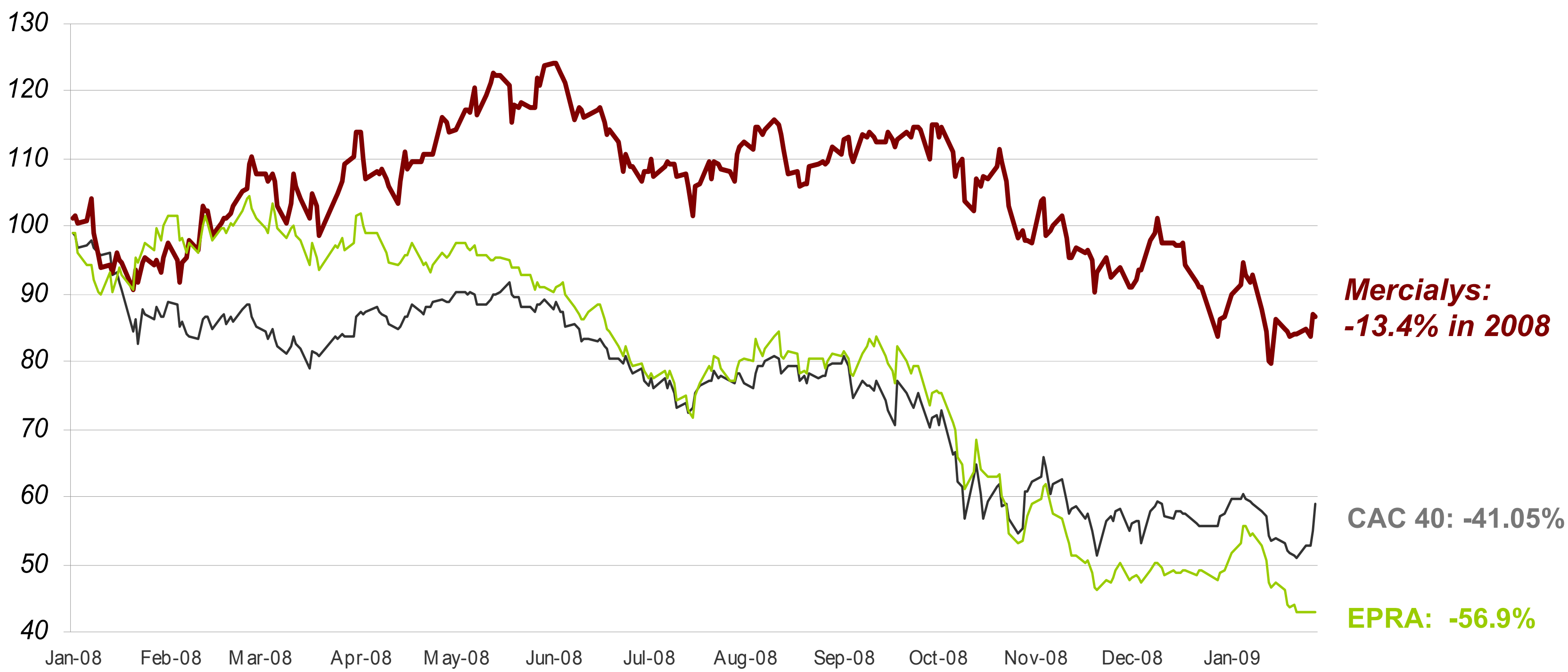


** Cash flow excluding interest income on cash net of tax and non-recurring items*
*** Net income before depreciation and other non-cash items*

Resilient share price performance...

... favored by Mercialys's profile

- ✓ **A pure-player in shopping centers with potential**
- ✓ **A debt-free real estate company**



Base 100 at January 2, 2008

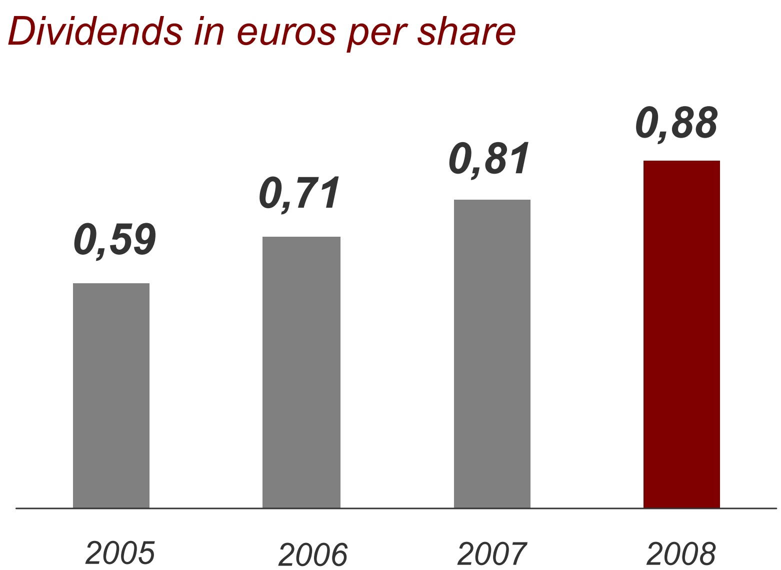
Dividend of Euro 0.88 per share, up 9%

Proposed option of final dividend payment in shares

A dividend of
Euro 0.88 per share*
*for 2008***

At the Annual General Meeting, Mercialys will propose the ***option of paying the final dividend in shares (ie 0.48 euro per share)***

with a discount of 10% ***



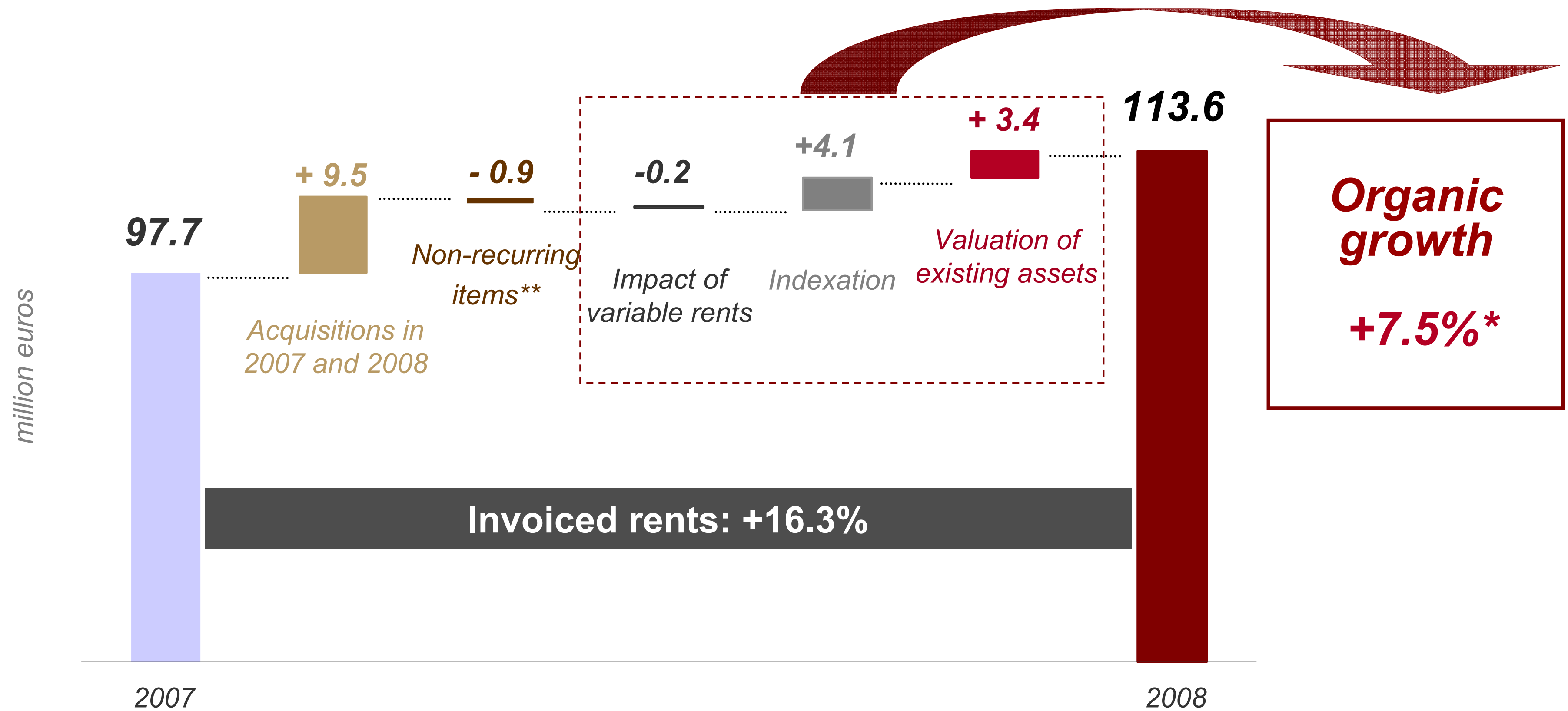
**Including interim dividend of Euro 0.40 per share paid on October 6, 2008*
***Subject to approval at the Annual General Meeting of April 30, 2009*
**** The subscription price will be calculated on the basis of the average opening price of the last 20 trading days before the Annual General Meeting*

2008 activity and results

Stronger than expected growth in rents

Combined effect of robust organic growth and acquisitions

Growth in invoiced rents



**Growth in invoiced rents between 2007 and 2008 on a like-for-like basis including the effect of indexation*
*** Euro -0.5 million due to strategic vacancies relating to the Alcudia program and Euro -0.4 million relating to the exceptional settlement of a suit on a renewal in 2007*

Lettings: 232 leases signed in 2008

Efforts relating to existing leases and new developments

✓ **232 leases signed this year by Mercialys teams**

- ***155 commercial leases*** *(vs. 184 in 2007)*
- ***22 non-commercial leases***
- ***55 new leases*** *relating to new Alcudia developments*

177 leases renewed or relet
out of the existing portfolio

✓ **Current commercial performances maintained**

- ***+29%* increase in renewals*** *(vs. +39%* in 2007)*
- ***+121%* increase in relets*** *(vs. +115%* in 2007)*
- ***+79% increase in lease rights received*** *(Euro 2.6 million vs. Euro 1.4 million in 2007)*

✓ **Strong performance in letting of new developments**

- ***55 leases signed relating to projects in the Alcudia pipeline***
  - » *30 relating to extensions acquired in 2008*
  - » *25 relating to developments planned for 2009 and subsequent years*
- ***Additional rents of Euro 4.9 million over the full year*** *relating to the largest developments, i.e. the 3 extensions acquired in 2008 and the 2 extensions planned for the first half of 2009 (Arles and Besançon)*
- ***Lease rights of Euro 1.3 million received*** *relating to Alcudia extensions acquired in 2008*

**Change on an annualized basis*

Speciality leasing*: a source of additional rental revenues

Mercialys is developing this high potential business

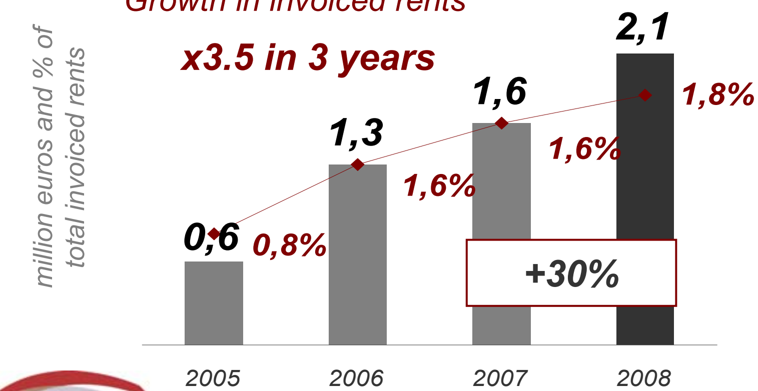
✓ **A pro-active strategy**

- ***Around 50 shopping centers in operation***, *including 20 with a large specific offering*
- ***Developping shopping centers buoyancy***, *allowing for an increase in visitor flows*

✓ **A professional approach**

- ***Dedicated teams***
- *A **strategy of forming partnerships** with retailers, recurring events etc.*

Growth in invoiced rents



✓ **Dedicated tools**

- ***E.g.: mobile sales kiosks,*** *retail merchandising units, made available for variable periods*

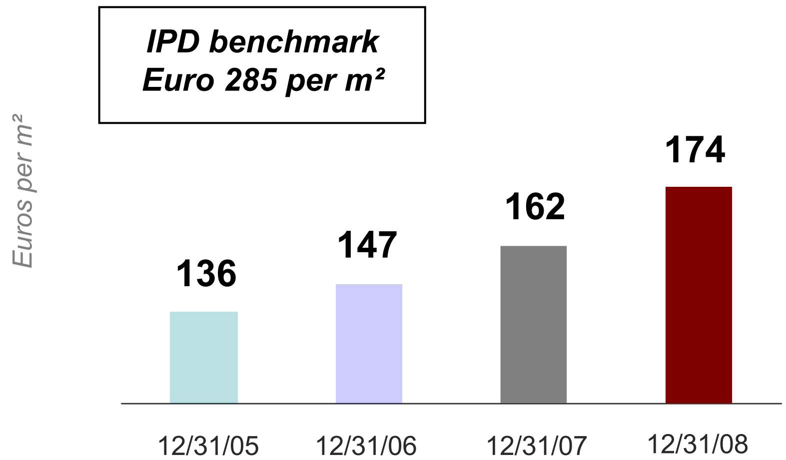
The "RMU" concept

**Temporary letting of premises located in shopping malls and car parks*

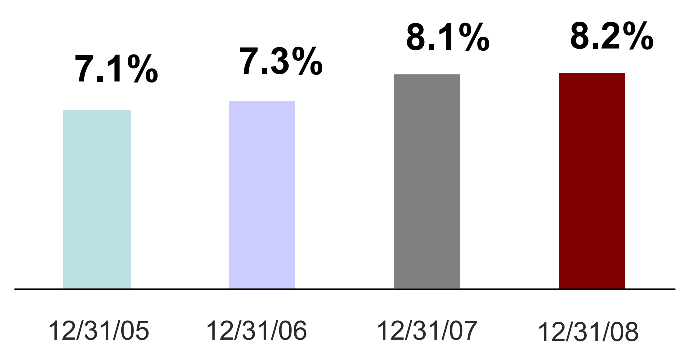
Our tenants continue to benefit from one of the most reasonable occupancy cost ratios in the market

Cushioning the impact of economic conditions for our retailers

*Average gross rental value of **Euro 174 per m²***



*Stable occupancy cost of **8.2%*****



- ✓ **Increase of +*7%* in 2008**, relating to:
  - ***Robust organic growth***
  - ***A favorable mix effect of acquisitions in 2007 and 2008***
- ✓ **Further significant potential for growth** in view of the sector average

- ✓ **Occupancy cost ratio maintained** for our retailers
  - ***A limited proportion of our tenants' operating expenses***
  - ***A means of fostering loyalty in the current economic climate***

**Invoiced rents per m² at end-2007 – Shopping centers excluding Mercialys portfolio*
***Rent + service charges incl. VAT / tenants' sales revenue incl. VAT*

A new development in 2008: introduction of the retail rent index ('ILC')

Over 1,600 leases already concerned

✓ **A more relevant and historically more stable index**

- *End-2007: signature of a protocol agreement to create the retail rent index to give a more accurate reflection of the development of economic and retail activity*
- *Pre-October 2008: retail rents indexed to the CCI**
- *October 2008: Legalization of the retail rent index and optional application on the basis of a partnership between retailers and lessors*
- *Composition:*
  - » **50%** - CPI** / **25%** - CCI* / **25%** - ICAV***
- *% change:*
  - » **+3.85%** year-on-year in Q2 2008 *(+8.85% for the CCI)*
  - » **+4.48%** year-on-year in Q3 2008 *(+10.46% for the CCI)*

Mercialys took a pro-active approach in 2008

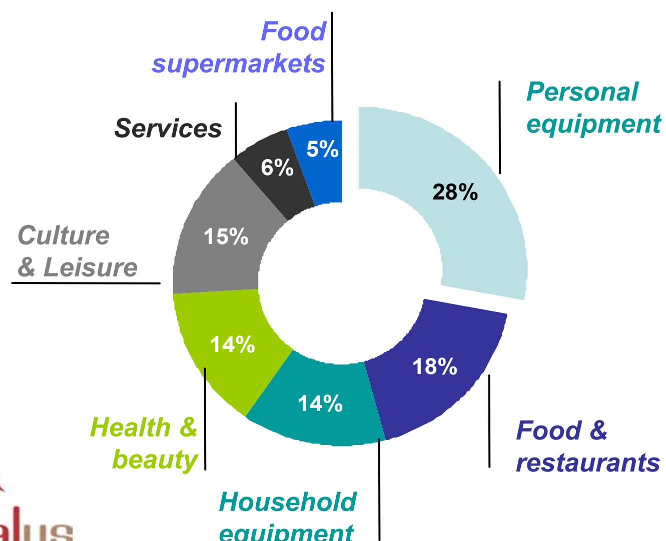
- ***1,623 leases signed or subject to a firm proposal*** *of moving to the ILC at January 1, 2009*
- ***765 leases still to be handled:***
  - *»Talks in progress concerning 9-year leases*
  - *»CCI maintained for leases near expiry and tenants involved in legal disputes*
- ***139 leases will still be indexed to the CCI, the retail rent index not being applicable***

**Construction Cost Index*
***Consumer Price Index*
****Retail revenues in value index*

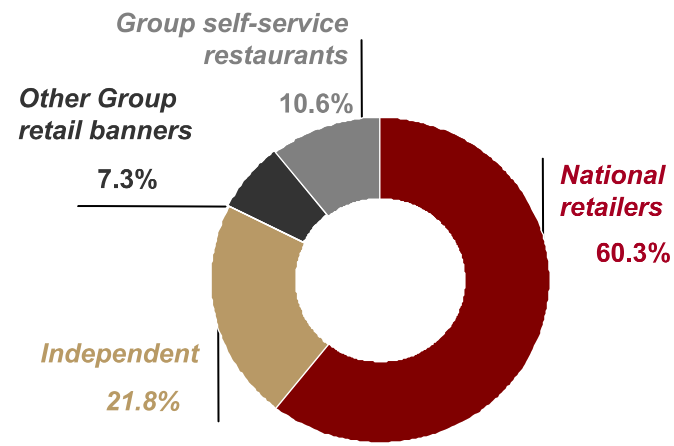
Diversified merchandising minimizes the risks

- ✓ **Limited risk thanks to diversified merchandising**
  - ***No focus on a particular business sector***
  - ***No over-exposure or dependence on major retailers***
    - » Excluding Casino and Feu Vert, no retail banner accounts for more than 2% of invoiced rents

Breakdown of retailers by consumer sector (% of 2008 rents)



Breakdown of retailers by type (% of 2008 rents)



- ✓ **Over 650 retailer tenants**
- ✓ **Solid tenants and a variety of types of retailer** (national, independent)

Rental management indicators still satisfactory

A vigilant monitoring of key indicators

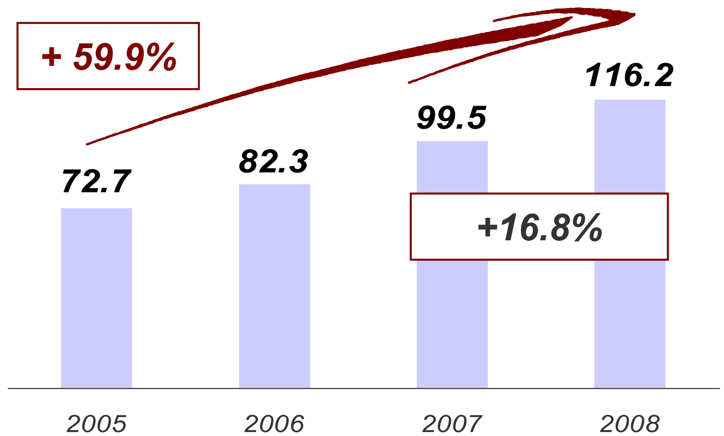
- ✓ **Current vacancy rate: 2.0%** (vs. 2.2% at end-2007)
- ✓ **Strategic vacancy rate relating to the Alcudia program: 1.1%** (vs. 0.7% in 2007)
- ✓ **Some current defaults, many constituting sources of opportunities**
  - ***Low number of defaults: 17 leases in 2008 out of a total of 2,527***
  - ***These are all independent retailers*** *subject to liquidation proceedings in 2008 (vs. 3 in 2006 and 5 in 2007)*
  - ***More than half of these liquidations represent an opportunity for Mercialys***
    - » *to improve its shopping center offering by replacing current tenants with more resilient retailers: enhancing the shopping center image and boosting traffic*
    - » *and/or relet premises at a higher rent*
- ✓ **Recovery rate* of Q4 invoiced rents remained high**
  - ***98.3% of invoiced rents in Q4 2008 were recovered at December 31, 2008*** *(vs. 98.6% for the same period in 2007)*

**Recovery rate on current rents and expenses*

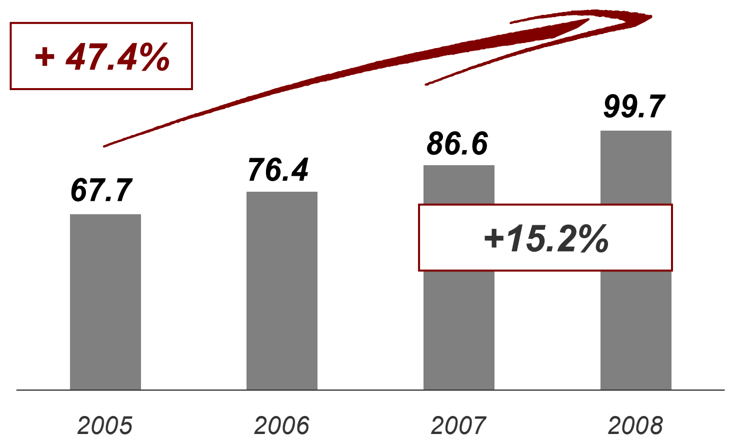
Mercialys's main aggregates have increased by 45% to 60% since the IPO

million euros

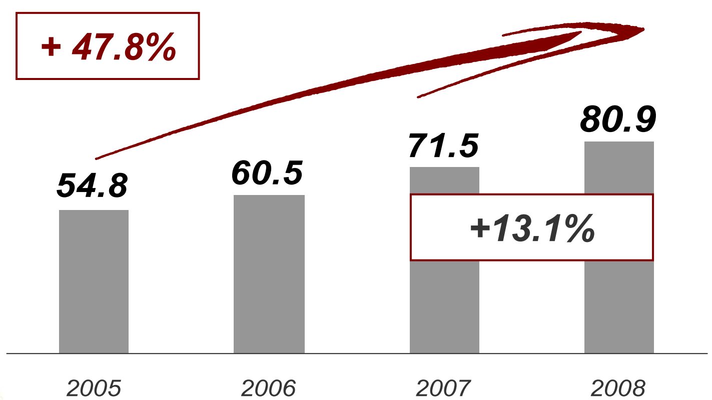
Rental revenues



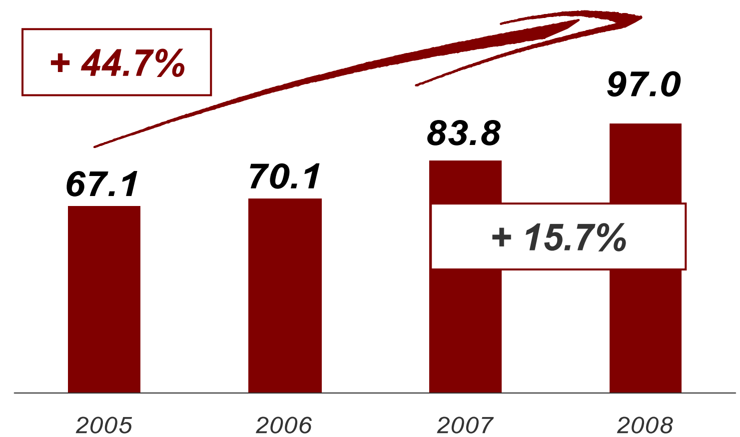
*Cash flow**



Net income, Group share



*Recurring operating cash flow***



**Net income before depreciation and non-cash items*

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

2005: Pro forma figures

Investment: a more selective approach in 2008...

... focusing on assets with significant potential for value creation

A portfolio of 3 shopping malls *(Narbonne, Pau Lons and Istres)*	**40.8***
3 Alcudia extensions *(Lanester**, Valence Sud and Le Puy)*	**23.4**
Miscellaneous condominium lots *(Montceau Les Mines, Villenave d'Ornon, Valence 2, Exincourt, Tarbes La Loubère, Paris St Didier and Auxerre)*	**2.8**
Miscellaneous other properties from the Casino pipeline *(2 extensions of lots in Agen Boé and Quimper, 2 mid-size centers in Sables d'Olonne and 2 volumes to be constructed in Quimper and Dijon Chenôve)*	**4.7**
Average initial yield of 6.6%	**Euro 71.7m**
Other investments in 2008	**10.0**
Total investments in 2008	**Euro 81.7 m**

**Including the acquisition of the extension to the Istres shopping mall*
***Including works*

An investment strategy focusing on value creation

Our business: working on properties

✓ **Yield on IPO contributions:** ***7.3% at the time of the IPO, rising to 9.4% at end-2008***

✓ **Change in yield rates of main acquisitions since IPO contributions:**

	Year	*Amount (million euros)*	*Initial yield*	*Return on investment at 12/31/2008*	*Target yield** at 12/31/2013*
▪ ***Clermont Ferrand mall extension***	*2006*	*21.6*	**7.6%**	**9.8%**	**11.0%**
▪ ***Poitiers mall extension***	*2006*	*21.2*	**9.6%**	**11.0%**	**11.2%**
▪ ***Corsica portfolio (5 malls)***	*2006-07*	*90.4*	**7.2%**	**7.5%**	**8.7%**
▪ ***Béziers mall***	*2007*	*16.9*	**6.3%**	**6.7%**	**8.0%**
▪ ***La Reunion portfolio (5 malls)***	*2007*	*73.8*	**6.8%**	**7.3%**	**9.4%**
▪ ***Istres Narbonne and Pau Lons portfolio***	*2008*	*39.7**	**5.6%**	-	**7.5%**

✓ ***These yields do not take account of planned extension works at these sites****: Istres (2010), Narbonne (2010), Sainte Marie de La Réunion (2011), Ajaccio (2012), Bastia (2013)*

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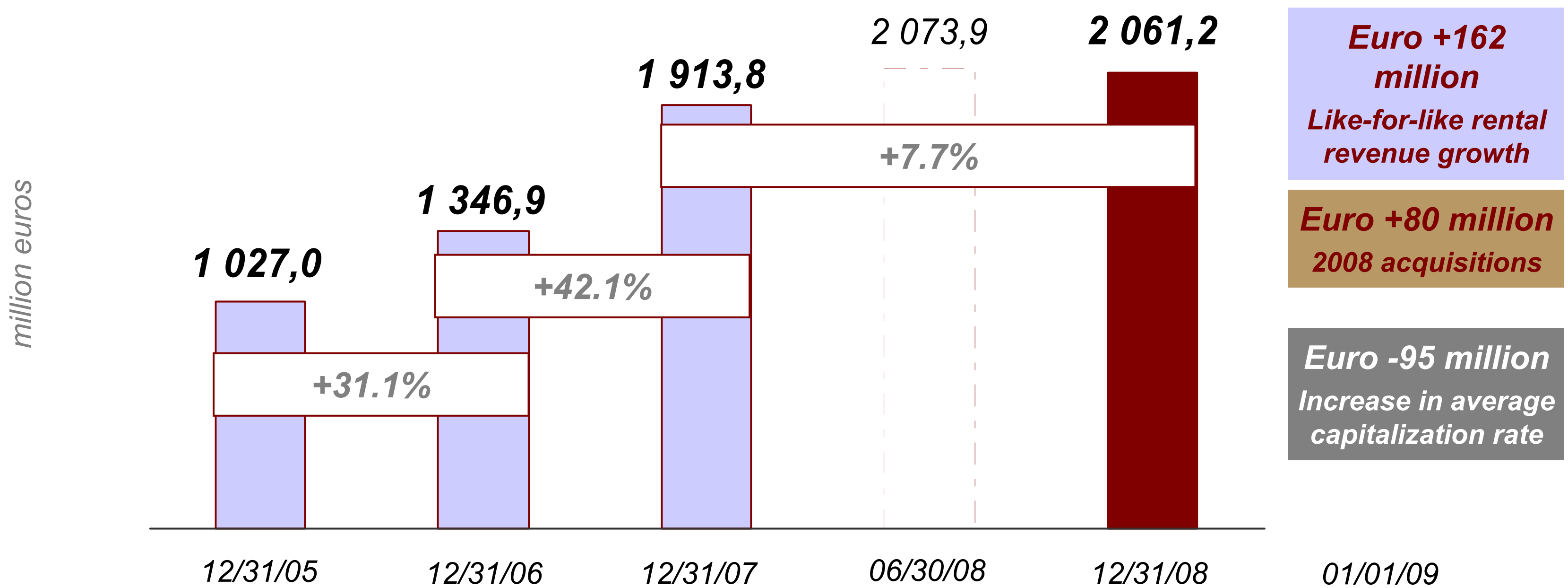
**Excluding Istres shopping mall extension*
***As information only*

Appraisal value of portfolio of over Euro 2 billion with a capitalization rate of 6.0% at January 1, 2009

Values supported by organic growth

*Appraisal value of portfolio including transfer taxes**



	12/31/05	12/31/06	12/31/07	06/30/08	12/31/08	01/01/09
Average appraiser capitalization rate	7.0% ↘	6.3% ↘	5.5% →	5.5% ↗	5.8% ↗	6.0% after ILC

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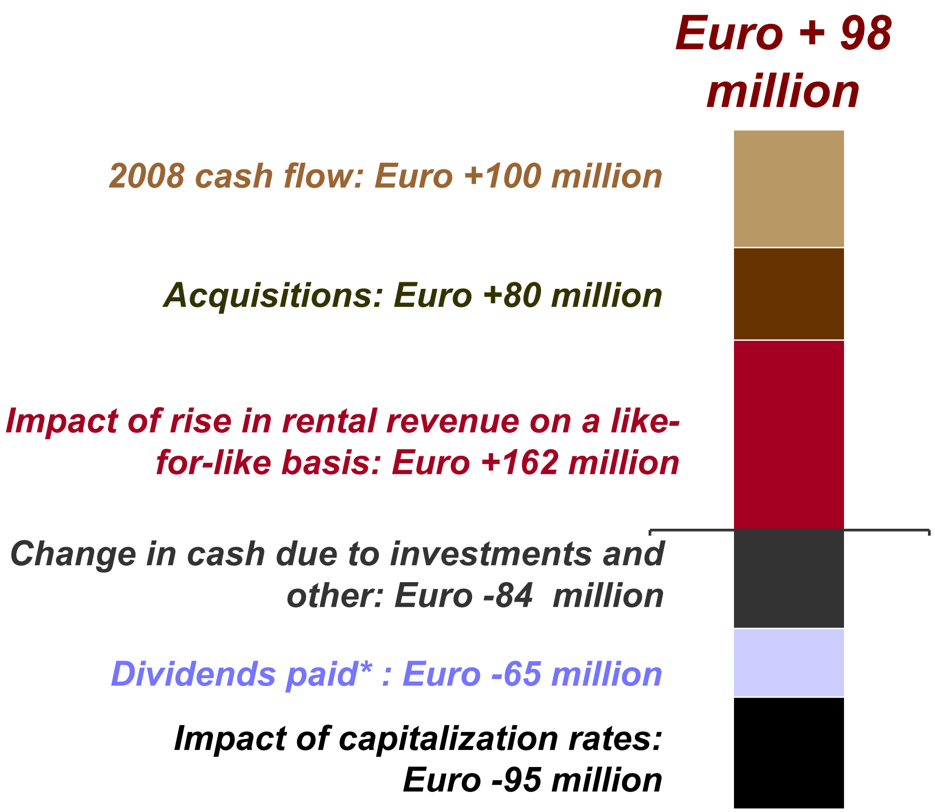
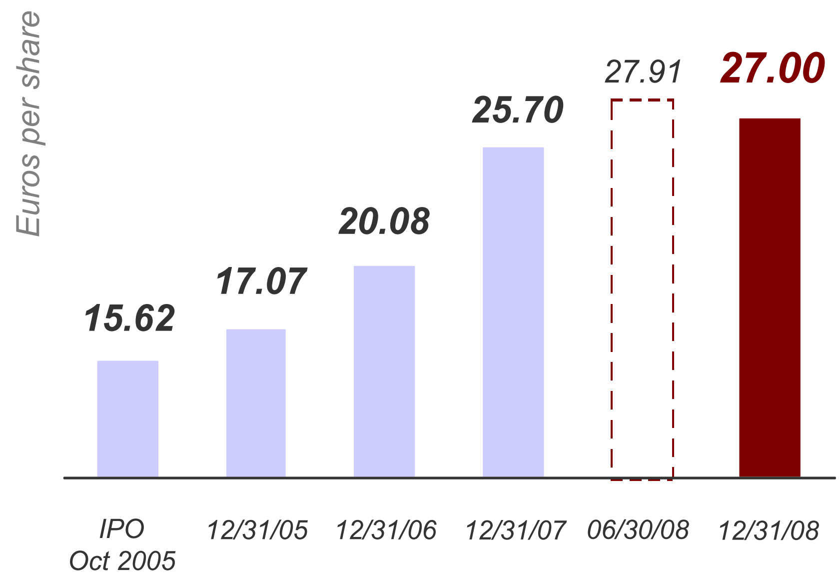
* Valuation based on appraisals by Atis Real and Galtier

Net Asset Value supported by organic growth

Components of change in NAV between end-2007 and end-2008 in value



Replacement NAV per share



- ✓ ***Replacement NAV of Euro 2,029 million*** at December 31, 2008
- ✓ ***Liquidation NAV of Euro 1,909 million*** at December 31, 2008, ie Euro 25.40 per share

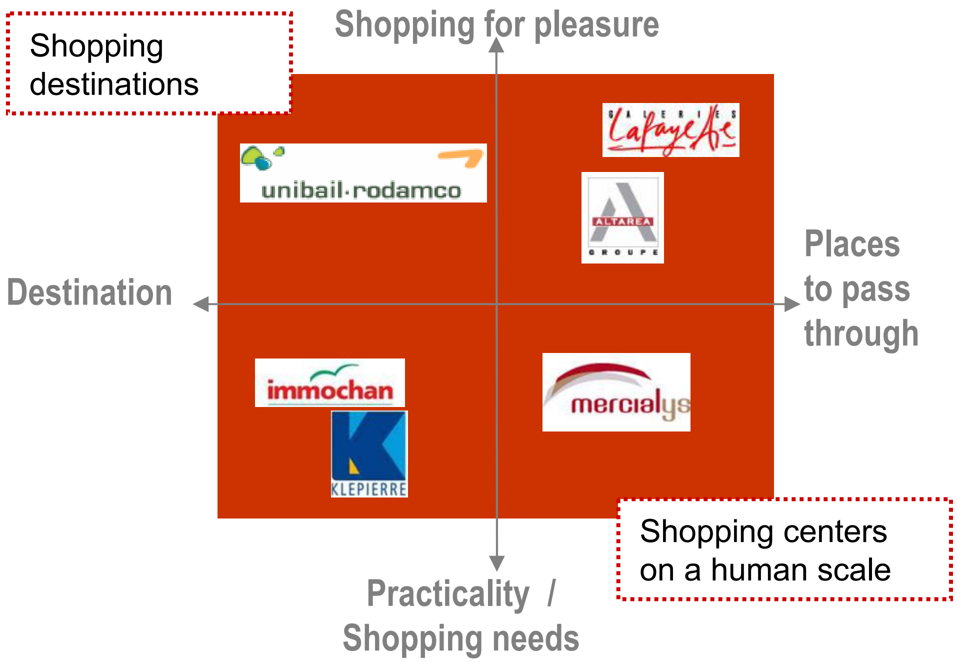
**Payment of 2007 final dividend and 2008 interim dividend in October 2008 (Euro 0.40 per share)*

Marketing and Development

Neighborhood Spirit - positioning tailored to new consumer expectations and economic conditions

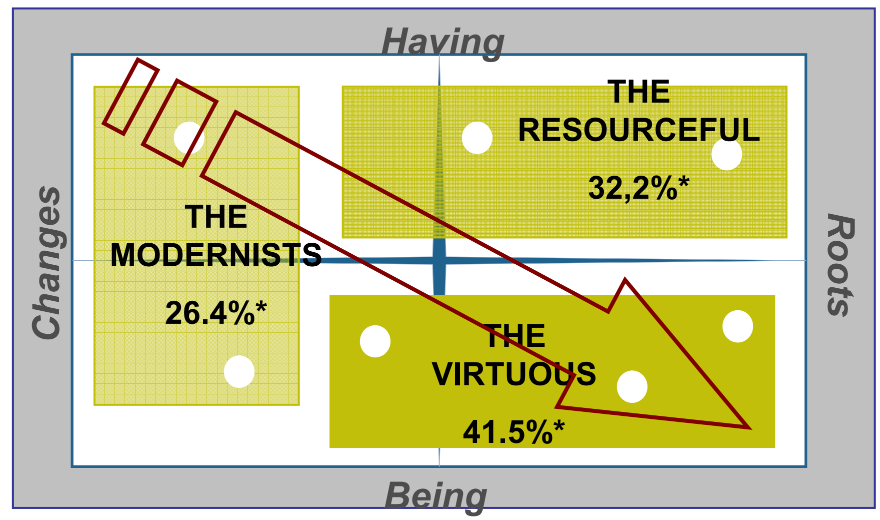
Two dynamic marketing positionings

Shopping center formats



Shift from accumulative consumption to meaningful consumption

Consumer expectations



*The « being more » life outlook was further reinforced in 2008***

Neighborhood Spirit, a strategy based on a forward-looking review, reinforced by the current economic conditions

**CCA survey carried out on April 2008 on a customer panel of 98 Mercialys shopping centers*
***Source : Panel CCA 2008*

Neighborhood Spirit: local proximity reinvented

A modernized and reinvented local presence meeting customer expectations

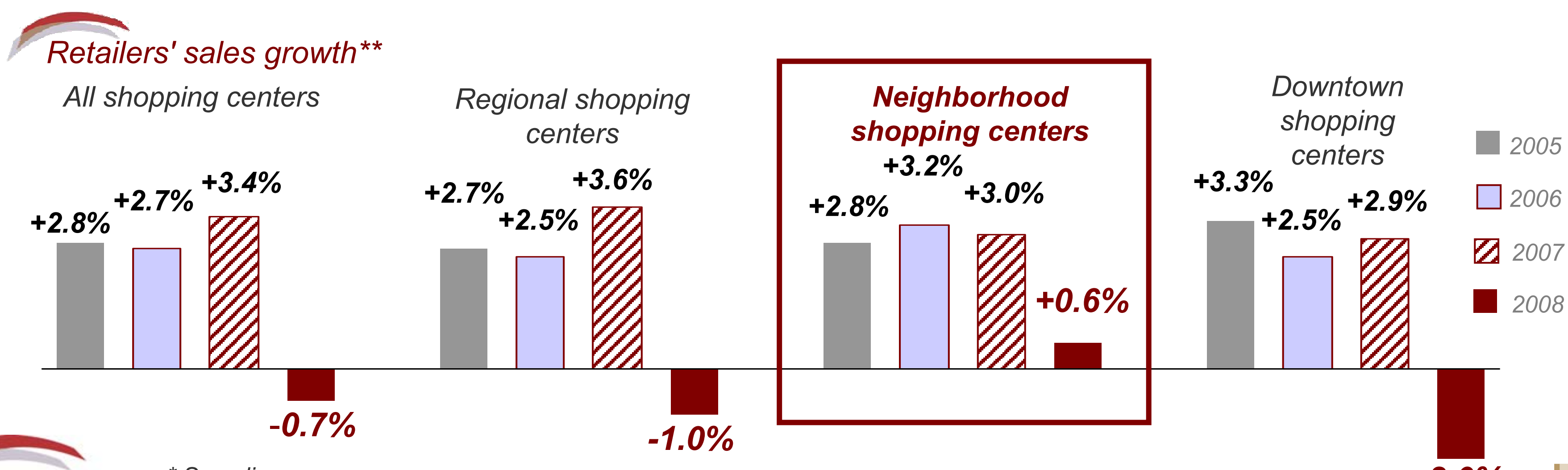
✓ **The current crisis is stepping up the pace** of changes in consumer habits already under way

- *Trend towards traveling less*
- *"Customers are looking for the reassurance of a local presence in a difficult climate that is fueling anxieties"**

Continuous reshaping possibilities on shopping centers
A dynamic positioning: shopping centers on a human scale
A strategic vision: Neighborhood Spirit

Robust commercial performances

✓ **Neighborhood shopping centers remain resilient**



* Secodip survey

** Source CNCC – Like-for-like shopping centers at End-2005, end-2006, end-2007 and end-nov. 2008

The Neighborhood Spirit trademarks

Neighborhood Spirit: tailored to new consumer expectations

More ties

More simplicity

More local

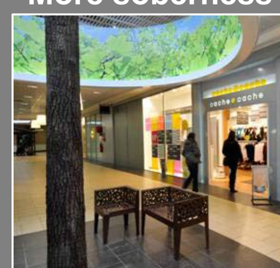
More enjoyable

More pleasure

More welcoming

More services

More soberness



More community-spirited

The Alcudia program: 2008-2009 developments

✓ ***In 2008***

3 extensions completed

Lanester, Le Puy, Valence Sud phase 1

➡ **Creation of about 4,700 m² shopping mall GLA and 530 m² of hypermarket selling area**
(net: extensions – retrocession)

9 sites renovated under Neighborhood Spirit

Marseille La Valentine, Saint-Etienne Monthieu, Nantes La Chapelle, Cannes Mandelieu, Torcy, Agen Boé, Chaumont, Béziers, Montargis

✓ ***In 2009***

2 extensions completed

Besançon, Arles

➡ **Creation of about 14,000 m² shopping mall GLA and 550 m² of hypermarket selling area**

Works started at 6 sites

Castres, Annecy, Brest, Marseille La Valentine, Fontaine Les Dijon, Paris Saint-Didier

The Alcudia program: an intrinsically solid pipeline, with limited risk and enhancing the value of existing sites

Encouraging performances for first 2008 completions

- ✓ **In essence less risky** than pure property development**, offering greater security** for retailers and investors:
  - ***sites in operation already have a strong local presence:*** *customers are already there, sales are known*
  - ***locations*** *that fit in well with* ***consumer habits***
  - ***sites with anchors in place*** *and a local offering*

- ✓ The aim of the program is to **exploit the potential of existing shopping centers** by enhancing the value of space that is not yet used or poorly used (parking areas, controlled land etc.)

- ✓ **High effective yields** for 2008 completions

	Lanester	*Le Puy*	*Valence Sud*
Initial yield (appraised rents)	6.0%	6.0%	6.9%
Effective yield *(actual rents)*	***8.2%***		
Lease rights received in 2008	***Euro 1.3 million***		

- ✓ **Developments due for completion in 2009 are secure**
  - ***2 developments due for completion in the first half of 2009*** *(Arles and Besançon)*
  - ***Letting rate close to 100%*** *(1 store still to be let out of 24)*
  - *Projected lease rights: Euro 1.3 million*

A development pipeline combining security, selectivity and profitability

Solid investment outlook

- ✓ **A pipeline of new projects and extensions over a 5-year horizon valued at Euro 706 million***

- ✓ **50% of the pipeline consists of Alcudia developments (i.e. Euro 350 million)**
  - *Developments **at existing sites are therefore more secure** for Mercialys and retailers*

- ✓ **Other projects in the pipeline are being developed by the Casino Group's development division:**
  - *IGC Promotion (e.g. Sainte Marie de La Réunion, Troyes Barberey, Lons Le Saunier)*
  - *Onagan (e.g. Saint Laurent des Arbres, Aime, Redessan)*
  - *Soderip (e.g. Castelnaudary, Millau, Toulouse Muret)*

- ✓ **A lower-risk and more selective approach**
  - *Works initiated with a minimum pre-letting rate of 60%, which can be as high as 80% depending on the site*
  - *Selection of projects with the best profitability and potential on the medium term*

**Potential acquisition value by Mercialys, probability-based approach on a project-by-project basis*
The pipeline was valued at Euro 775 million at December 31, 2007 and Euro 710 million at June 30, 2008

Partnership agreement and financing

Partnership agreement improved and extended to end-2014

A stronger competitive advantage, exclusive purchase options

✓ **With both parties having been satisfied with their experience over the last three years, the Partnership agreement with Casino has been extended and enhanced,** subject to authorization from Casino's board of directors at its meeting of March 4, 2009*

Major changes

Extension of the agreement: expiring end-2014 compared with end-2010 previously	***Securing the Alcudia pipeline***
Twice-yearly review of capitalization rates (compared with annually previously)	***Advantage at times when capitalization rates are rising***
Segmentation of rates under the agreement reviewed to take account of the type of property and location	***Improved segmentation of acquisition rates => favorable rates due to this refined segmentation***
Sharing of upside or downside between Mercialys and the developer in the event of the outperformance/ underperformance of actual rents on opening compared with projected appraised rents	***Fairer calculation of rents for both parties***
Possibility of off-plan sales *Additional possibility of transferring properties by means of contribution (previously only forward sales)*	***Flexibility on financing the assets acquired***

*and subject to approval from both Mercialys and Casino Annual General Meeting that will be held before June 30, 2009

Partnership agreement: applicable rates in 2009

- ✓ *After taking into account the change in appraisal average yields for the portfolio, **the Board of Directors has approved the yield rate options for 2009 first semester** in accordance with the new partnership agreement subject to authorization from Casino's board of directors at its meeting of March 4, 2009**

Type of property	Shopping mall		Retail Parks		City center
	Mainland France	Corsica and overseas depts	Mainland France	Corsica and overseas depts	
Regional shopping centers / Large shopping centers (> 20,000 m²)	**6.3%**	6.8%	6.8%	7.2%	6.0%
Neighborhood shopping centers 5,000-20,000 m²	**6.7%**	7.2%	7.2%	7.7%	6.4%
Other o/w less than 5,000 m²	**7.2%**	7.7%	7.7%	8.3%	6.8%

- ✓ *Under the terms of the original partnership agreement, applicable rates in 2009 would have been:*
  - *Shopping malls : 6.3% vs. 6.0% in 2008*
  - *Standalone lots, retail parks: 6.7% vs. 6.4% in 2008*

**and subject to approval from both Mercialys and Casino Annual General Meeting that will be held before June 30, 2009*

Sources of financing secured for 18 months

No debt and sources of financing fitted to the investment program

✓ Mercialys:

- *is* ***not in debt*** *(net cash position of Euro 8.9 million at end-2008)*
- *generated* ***operating cash flow of Euro 97 million*** *in 2008*
- *will propose the* ***option of payment of the 2008 final dividend in shares*** *at the next Annual General Meeting*
- *benefits from a* ***secured financing agreement with Casino for 18 months****
  - » *Possibility of maximum* ***financing of Euro 50 million*** *(cost: EONIA + 50 bp) within the cash pooling*
  - » *Implementation of a* ***Euro 100 million credit line*** *in the first quarter of 2009, in two tranches of Euro 50 million*
    - *Term of 18 months from the drawing*
    - *Cost: 3-month Euribor + 125 bp for the first tranche and + 175 bp for the second tranche*
- *has* ***a large scope of possibilities to go beyond*** *its investment program according to opportunities arising in acquisitions and in financing*
- *will be able* ***to carry out arbitrage operations of mature properties from end-2010*** *to finance the acquisition of properties with potential*

** Subject to approval from Casino's Board of Directors at its meeting of March 4, 2009*

Trends and Outlook

Mercialys is in good shape...

✓ "Local presence" seems suited to current market environment

- *Research and development of the **Neighborhood Spirit** to meet consumer expectations*
- ***Resilience of neighborhood shopping centers***
- ***Strong local footing** and presence in fast-growing regions*

Good positioning

✓ Daily efforts to extract value from our assets

- ***Continuing high reversionary potential** and extension/renovation potential*
- ***Effective letting teams**: working on a daily basis with our tenants and retailers*

Potential for solid growth

✓ Complementary sources of growth

- ***Alcudia**: major secure upside potential for growth and an intrinsically solid pipeline*
- *An attractive and extended **Partnership agreement***
- *A market of transactions with **more opportunities***

Secured acquisitions

✓ A moderate risk profile

- ***Visibility on cash flow***
- ***No debt** and **secured financing***
- *A **flexible and reactive structure***
- ***No development risk***

A continuing healthy and cautious approach

... to cope with more challenging economic conditions

Possible incident in the current context	Possible impact	Risk absorbers in the current context	Possible effects on Mercialys
▪ *Defaults* ▪ *Default payments* ▪ *Tenant giving notice*	▪ *Vacancy* ▪ *Proceedings* ▪ *Delays in recovering*	▪ *French lease right system (enhancing loyalty) and moderate occupancy ratio* ▪ *Isolated cases* ▪ *Present situation satisfactory*	▪ ***Occupancy ratio and recovery ratio should remain high***
▪ *Renewals and relets less dynamic*	▪ *Decrease in organic growth*	▪ *Low average rental value compared to the market average rental value*	▪ ***Organic growth should remain robust***
▪ *Tenants' requests to renegociate the level of their rent*	▪ *Downside on leases with 3-year terms (only on markets undergoing oversupply)*	▪ *Average rental value far below the market average rental value* ▪ *Little retail segments with oversupply*	▪ ***Possible effect limited*** *far below organic growth*
▪ *Difficulty in pre-letting new developments*	▪ *Pressure on rental values relative to new developments* ▪ *Vacancy*	▪ *Minimum required pre-let ratio > to 60% of the total project rental value (up to 80%)*	▪ ***No effect in 2009***
▪ *Starting new developments in a deteriorated economic context*	▪ *Slow and partial lettings* ▪ *Difficult starts*	▪ *2008 openings well under way* ▪ *Few openings scheduled in 2009* ▪ *Marketing efforts reinforced*	▪ ***Limited effect***

In summary: the targets are maintained

2-year growth targets (2009 vs. 2007)
in rental revenues
and recurring operating cash flow*
of +25%**

(Reminder of targets set in July 2008)

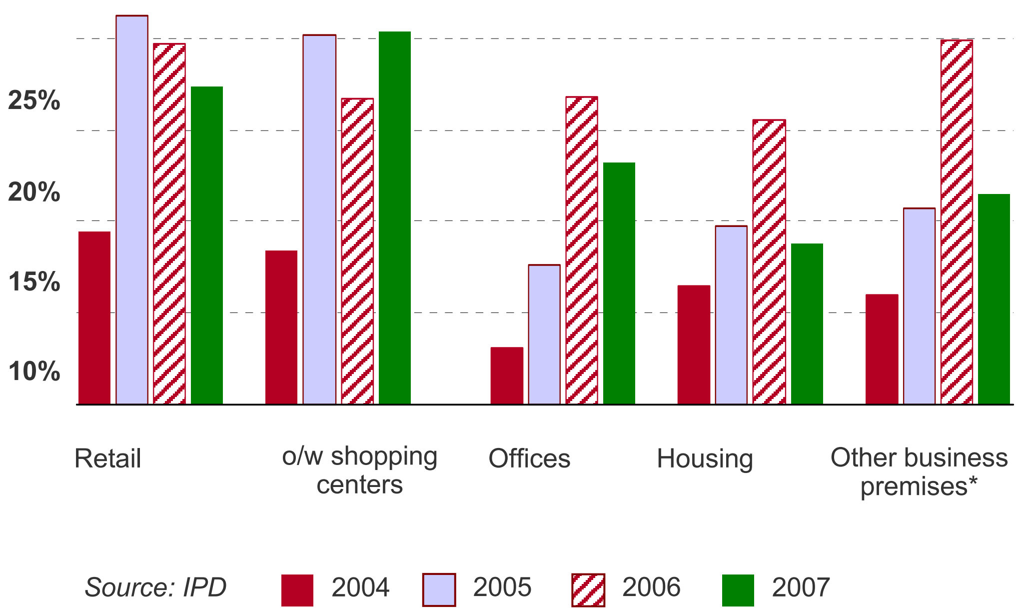
** Cash flow excluding interest income on cash net of tax and non-recurring items*
*** Base 2009 versus 2007*

Appendices

Mercialys is a one-of-a-kind portfolio of shopping centers with potential

✓ **A pure-play retail property group**
- > ***100%*** *retail property assets*
- > *168 sites including **98 shopping centers***
- > *Neighborhood shopping centers with better-than-average performance*

Total yield



✓ **A portfolio of substantial size**
- > *Assets of more than **Euro 2 billion***
- > ***674,000 m²*** *of leasable area*

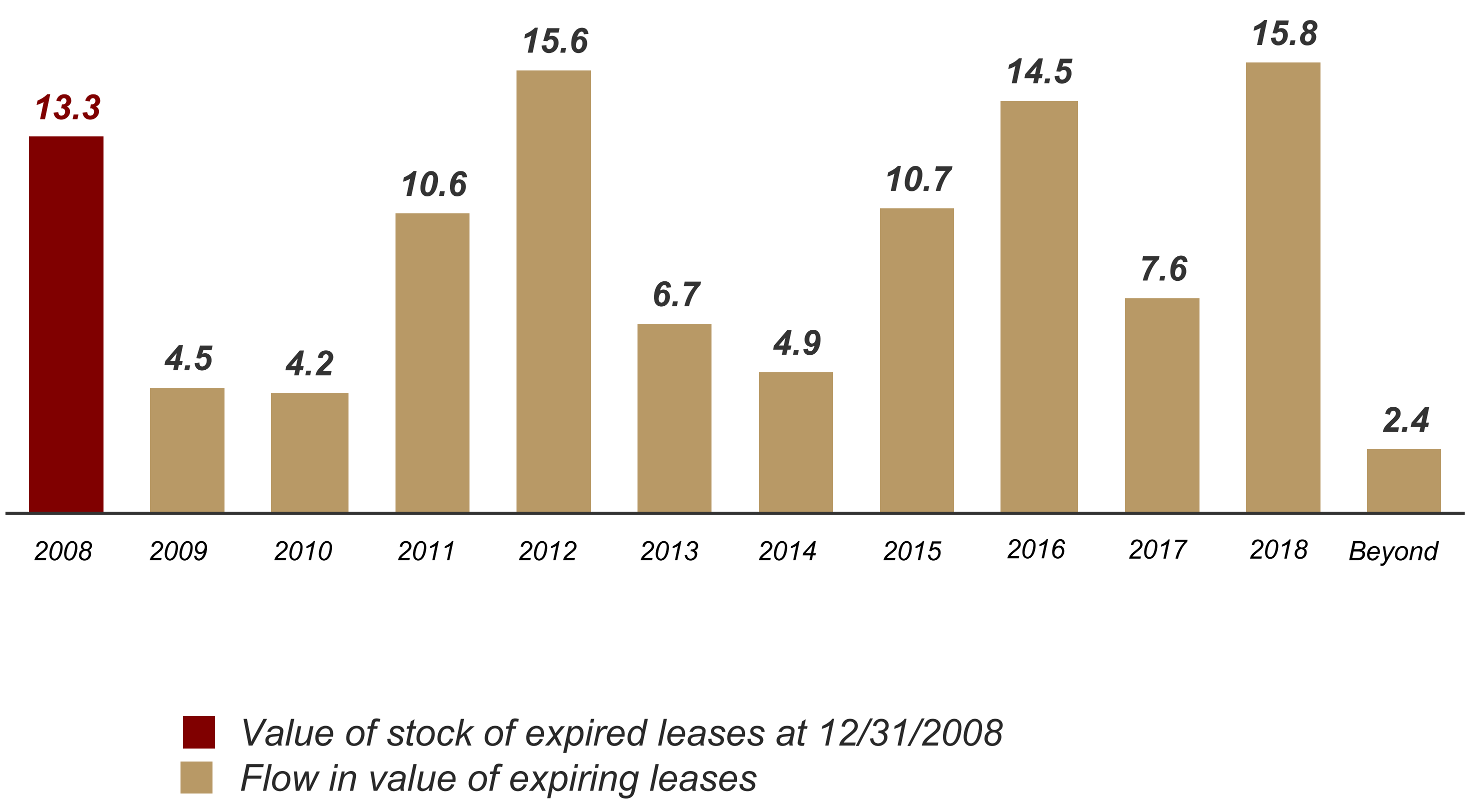
✓ **A portfolio with strong reversionary potential**
- > *Average rents at December 31, 2008: **Euro 174 per m²***
- > *Occupancy cost ratio: **8.2%***
- > *Renewals +20% minimum*
- > *Relets +100% minimum*

✓ **A portfolio set for growth**
- > *Assets positioned to capitalize on proximity: Neighborhood Spirit*
- > *Assets located in the fastest growing socio-demographic regions of France*

** Including logistics facilities in 2004 and 2005*

Lease expiry schedule

Lease expiry schedule
Guaranteed minimum rent in million euros



Asset portfolio valued at Euro 2,061.2 million
including transfer taxes

Portfolio value up +7.7% over 12 months

Type of asset	Number of assets at 12/31/08	Appraisal value incl. lease rights at 12/31/08*		Gross leasable area at 12/31/08		Appraisal net rents	
		Euro m	%	m²	%	Euro m	%
Large shopping centers	29	1,249	61	319,000	47	67.0	56
Neighborhood shopping centers	69	610	30	232,000	34	38.6	33
Large food stores	12	22	1	31,000	5	1.4	1
Large specialty stores	8	46	2	28,400	4	2.8	2
Independent cafeterias	22	56	3	32,500	5	3.5	3
Other	28	78	4	31,100	5	5.3	4
	168	2,061	100	674,000	100	118.5	100

✓ **Average yield resulting from appraisals: 5.8% versus 5.5% at December 31, 2007**

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

Detailed income statement

million euros	12/31/06	12/31/07	12/31/08	Change 2008/2007
Invoiced rents	80.7	97.7	113.6	+16.3%
Lease rights	1.6	1.8	2.6	
Rental revenues	**82.3**	**99.5**	**116.2**	+16.8%
Non-recovered property taxes	-0.1	-0.3	-0.1	
Non-recovered service charges	-1.4	-1.7	-2.5	
Property operating expenses	-3.8	-4.1	-4.5	
Net rental income	**77.0**	**93.5**	**109.2**	**+16.8%**
Management, administrative and other activities income	1.2	2.3	2.5	
Depreciation, amortization and impairment of assets	-13.4	-15.7	-17.6	
Staff costs	-4.2	-5.6	-6.5	
External costs	-3.8	-4.8	-6.9	
Operating costs	**-20.2**	**-23.8**	**-28.5**	**+20.0%**
Recurring operating income	56.8	69.7	80.6	**+15.7%**
Net financial income	**6.1**	**3.2**	**0.9**	
Tax	**-2.4**	**-1.3**	**-0,6**	
Net income, Group share	**60.5**	**71.6**	**80.9**	**+13.1%**
EPS *(euros)**	**0.83**	**0.98**	**1.08**	

** Based on the average number of outstanding shares during the period*

Condensed balance sheet

Assets

million euros	31/12/07	31/12/08
Investment property	1,165.2	1,231.3
Financial assets	11.0	11.7
Other assets	1.0	1.0
Total non-current assets	**1,177.1**	**1,244.0**
Cash and Casino current account	70.7	10.6
Trade and other receivables	12.5	13.3
Total assets	**1,260.3**	**1,267.9**

Equity and liabilities

Shareholders' equity, Group share	1,190.6	1,206.1
Minority interests	0.7	0.6
Total shareholders' equity	**1,191.2**	**1,206.7**
Financial liabilities	**16.7**	**15.6**
Deposits and guarantees*	**18.5**	**19.3**
Trade and other payables	**33.8**	**26.3**
Total equity and liabilities	**1,260.3**	**1,267.9**

- ✓ **Net cash of Euro 8.9 million at December 31, 2008**
- ✓ **Solid balance sheet underpinning our investment plan**

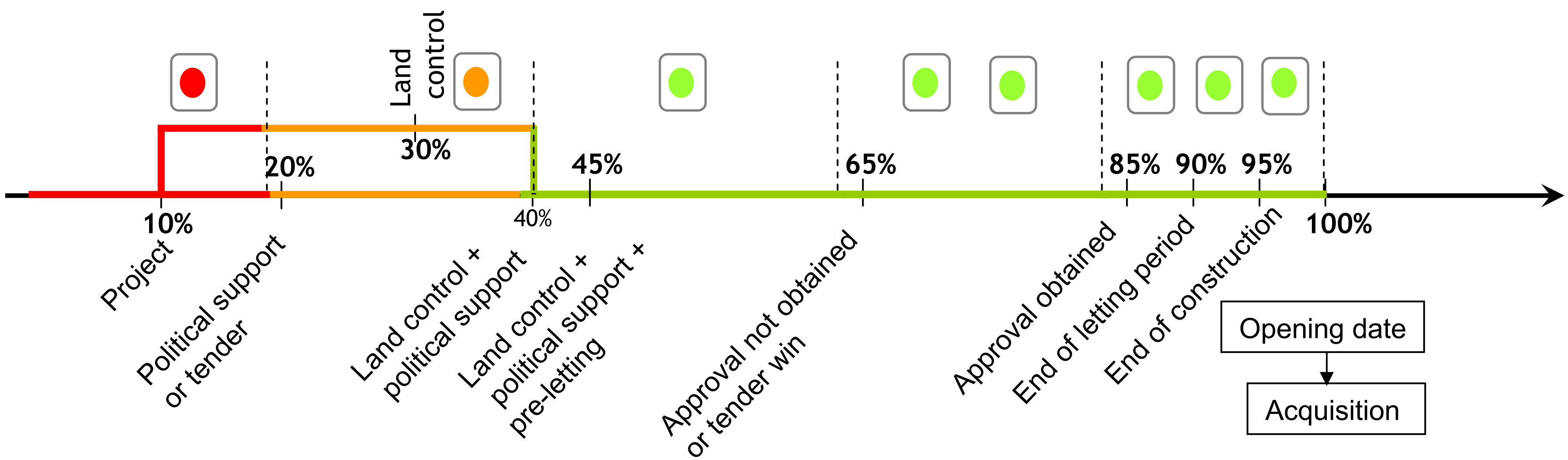
** As of the financial year ended December 31, 2008, deposits and guarantees are presented as a separate line item. Amounts for 2007 have been adjusted*

Valuing the pipeline taking into account the stage of completion of each project

Each stage of completion has its own probability

- ✓ ***The development pipeline as it currently stands contains projects with widely varying stages of completion and chances of going ahead***

- ✓ ***The pipeline valuation method takes account of the stage of completion of projects***



A realistic approach