First Half 2008 Results

mercialys

July 24, 2008

Speakers

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Contents

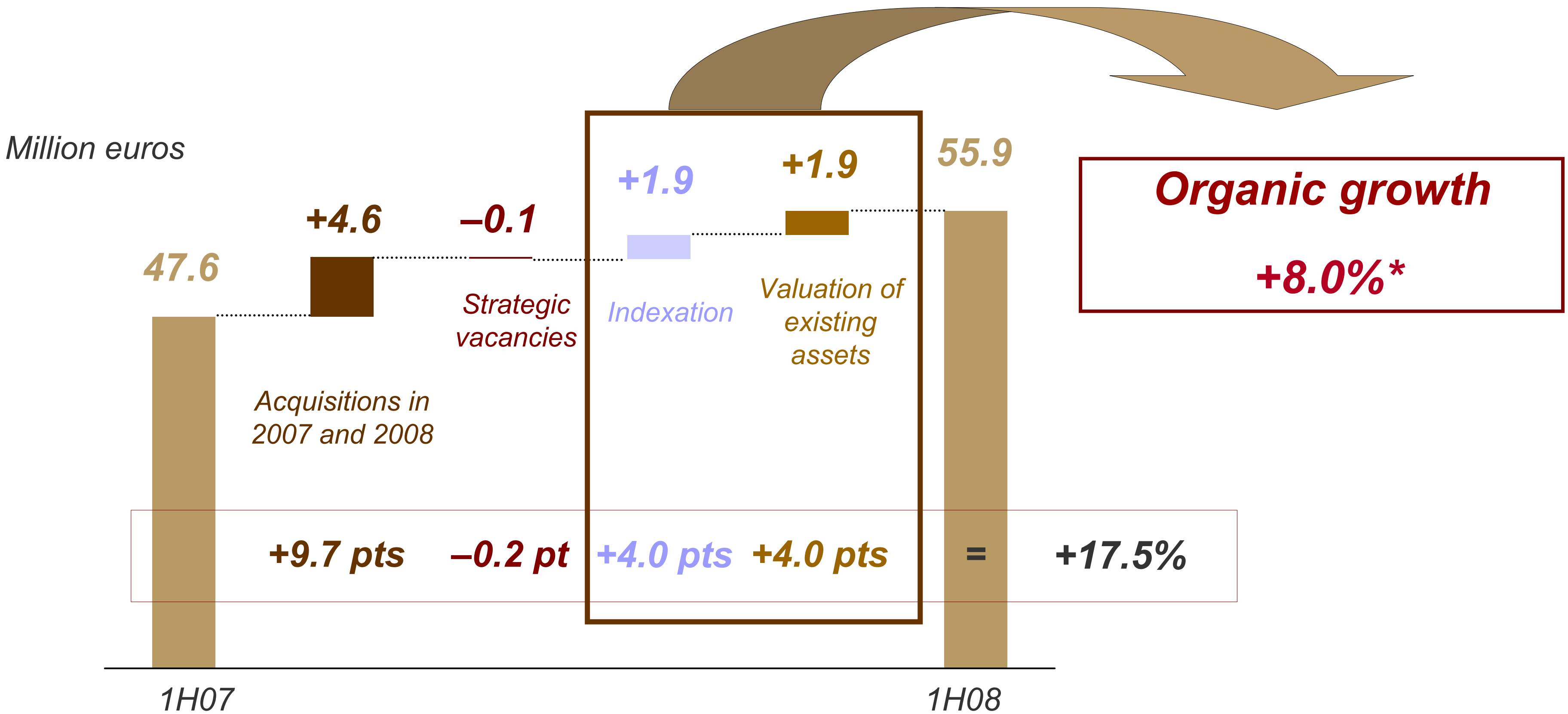
	Page
Overview of the first half	4
Activity	10
Strategy fitted to our environment underpinned by solid fundamentals	27
Outlook	39

Overview of the semester

First half marked by a strong rise in invoiced rents

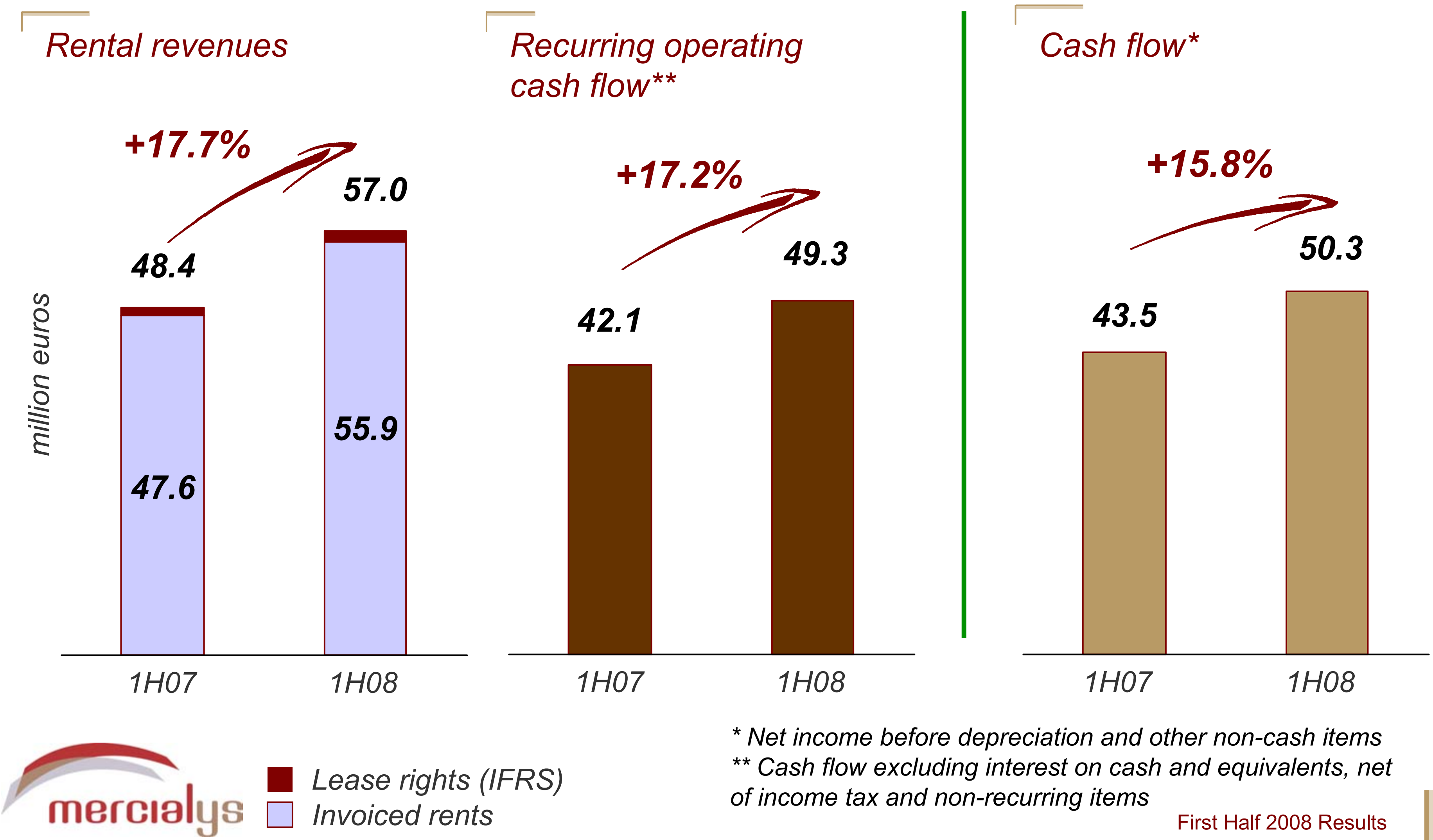
Organic growth still robust

Sources of growth in invoiced rents



* Growth in invoiced rents, first six months of 2008 compared with the same period of 2007, on a like-for-like basis including the effect of indexation

Strong growth in the different performance indicators

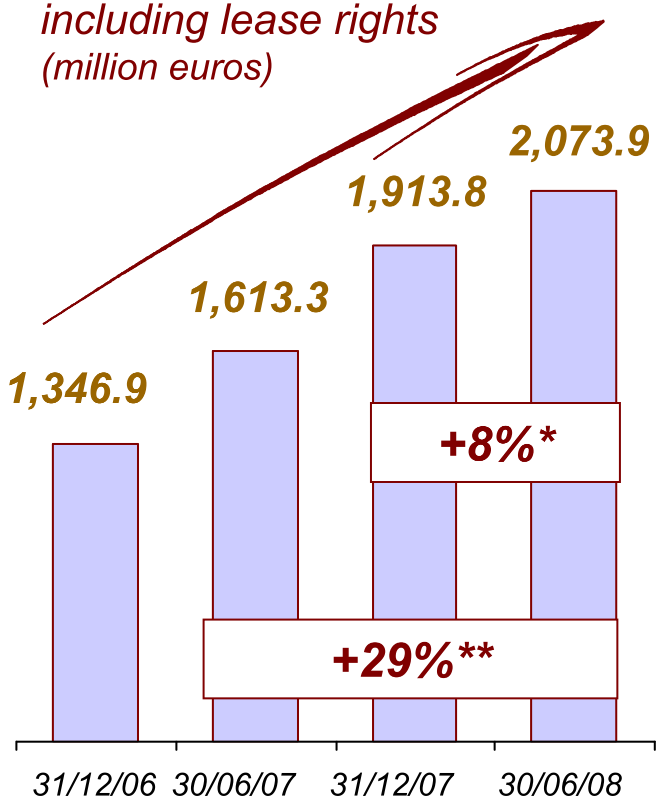


* Net income before depreciation and other non-cash items
** Cash flow excluding interest on cash and equivalents, net of income tax and non-recurring items

Net asset value and appraisal values buoyed by rental revenue growth

Appraisal value tops Euro 2 billion

Appraisal value of portfolio, including lease rights
(million euros)



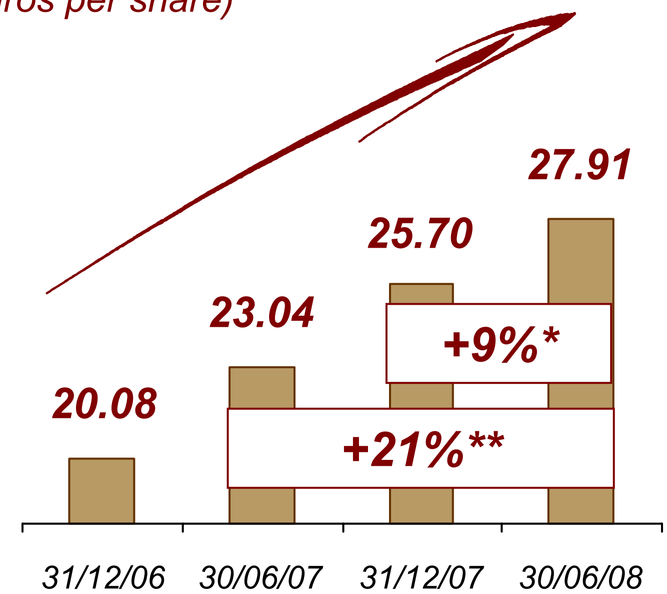
Impact of rental revenue growth on a like-for-like basis*

Euro +125 million

or

1.67 euro per share

Replacement NAV
(euros per share)



Stable initial yield: 5.5% at 30/06/08***

** Change over 6 months*
*** Change over 12 months*
**** Excludes positive impact of redevelopments under way at Besançon, Lanester, Le Puy and Brest*

A fast-changing environment …

An environment that calls for vigilance and quick reaction …	… but a business underpinned by solid fundamentals

✓ Volatile consumer demand in France over the first six months

- > *Unfavourable weather in March and April*
- > *Household confidence not strong*
- > *Reactive consumer behaviour*
- > *Slowdown in consumption*

Consumption – Change in volume (%)*

Jan. 08	Feb. 08	Mar. 08	Apr. 08	May 08
-0.2	+0.3	-1.3	-0.8	+1.5

✓ Fuel prices ⇨ already having an impact on consumption behaviour

✓ Retail chains more cautious on expansion

- > *More thoughtful*
- > *More time taking*

** Source : INSEE*

✓ Regulated offer ('CDAC' Administrative authorization required)

✓ The commercial lease: powerful cushioning effect

- > *Long-term leases / Indexed rental revenues*
- > *French lease right: an effective system to ensure tenant loyalty*

✓ Strong organic growth

✓ Strength in being anchored locally in favourable socio-demographic regions

✓ Secured growth

- > *A structuring Partnership Agreement*
- > *Alcudia programme: new and renovated property assets, controlled development of new space*

✓ Solid financials

- > *Low-risk balance sheet profile: no debt, no property development risk,*
- > *Predictable cash flows*

… and an unchanged rule for interim dividend distribution

- ✓ **1st half 2007** : adopted guideline on paying an interim dividend *(barring major events that would change the rule):*
- ✓ **1st half 2008** : **confirmation** that this rule will be applied this year

An interim dividend will be paid equal to **one-half of the previous year's total dividend**

Interim dividend of Euro 0.40 per share to be paid in October 2008

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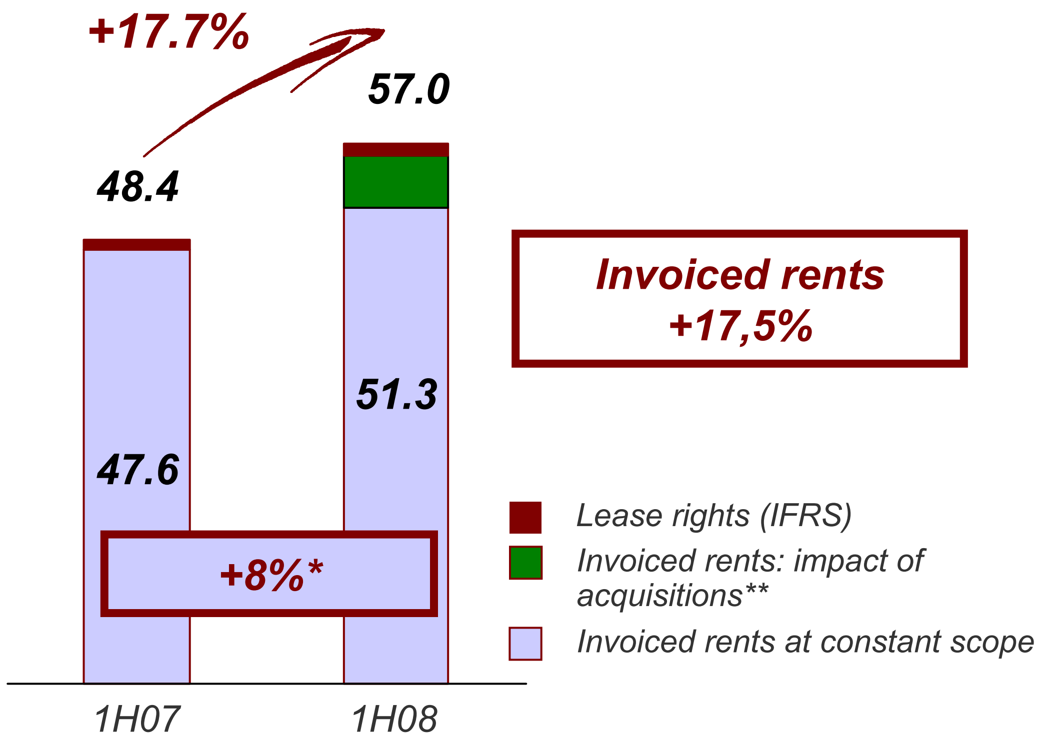
Business and results in 1H08

Robust organic growth

Significant impact from acquisitions

Rental revenues

million euros



Impact of acquisitions in 2007 and 2008
+9.7 points

Strategic vacancy (Alcudia-related)
–0.2 point

Organic growth* (constant scope)
+8.0 points

** Growth in invoiced rents, first six months of 2008 compared with the same period of 2007, on a like-for-like basis including the effect of indexation*
*** Includes effect of 2007 and 2008 acquisitions and Alcudia-related strategic vacancies*

Dynamic activity in renewal and reletting

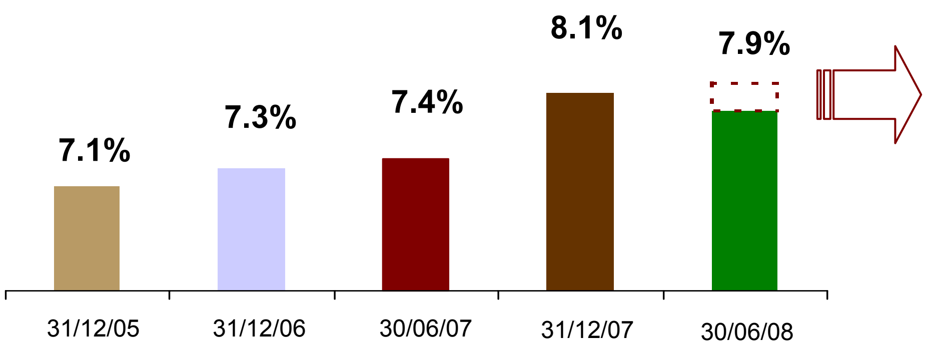
- ✓ New retailers in the portfolio *(negotiations in progress)*
  - > *Mezzo di Pasta*
  - > *Pause Café*
  - > *Geox*
  - > *CC Confidential*
  - > *I Am*
  - > *Camponovo (bookseller)*
  - > *RG 512*
  - > *Optical Premium*
- ✓ National chains accounting for 60% of our portfolio (excluding Casino Group), up 1 point on the half
- ✓ Recurring vacancy rate* down to 1.8%

- ✓ **122 lease contracts processed during 2008 first half.**
  Significant impact on annualized rental revenues:
  - > ***+26%** on lease renewals signed over the period***
  - > ***+138%** on lease relets signed over the period***

** Vacancy rate adjusted from strategic vacancies related to the Alcudia programme (lots left vacant pending redevelopment)*
*** Change on annualised basis*

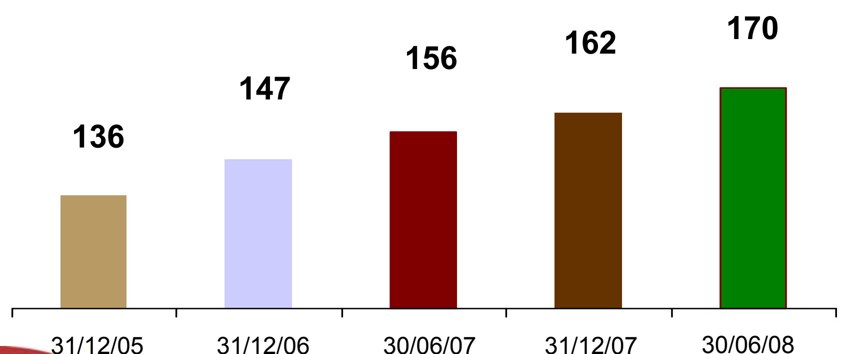
Average rental values continue to rise, with no notable deterioration for tenants

> *Occupancy cost:* ***7,9%****



Decrease due to a change in scope. 8.2% on an unchanged basis between December 2007 and June 2008.

> *Average gross rental revenue:* ***170 euros/m²***



IPD Benchmarks

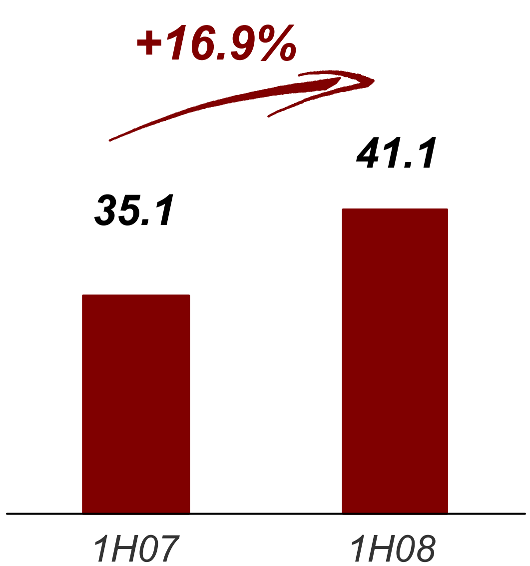
Invoiced rents / m² at end of 2007 – Shopping centers perimeter excluding Mercialys portfolio –

285 euros/m²

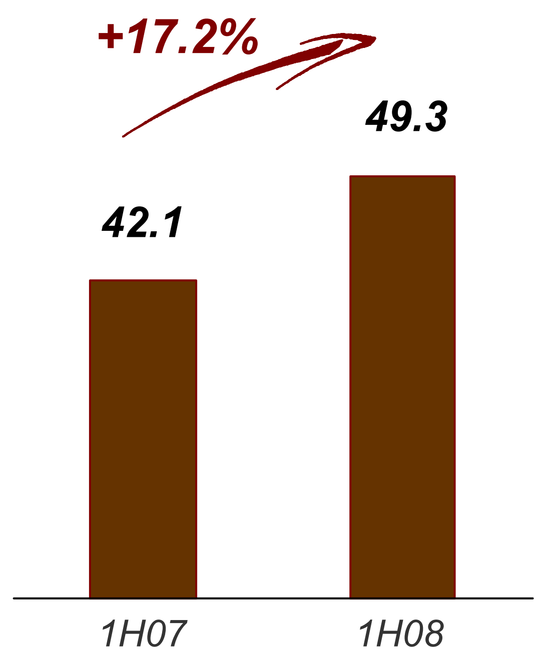
** Rent + service charges incl. VAT / tenants' sales revenue incl. VAT*

Growth in rental revenues passes through to operating income and recurring operating cash flow

Operating income
(Million euros)



Recurring operating cash flow
(Million euros)



** Cash flows less interest on cash and equivalents, net of income tax and non recurring items*

Decrease in financial income due to investments has an impact on net income and cash flow

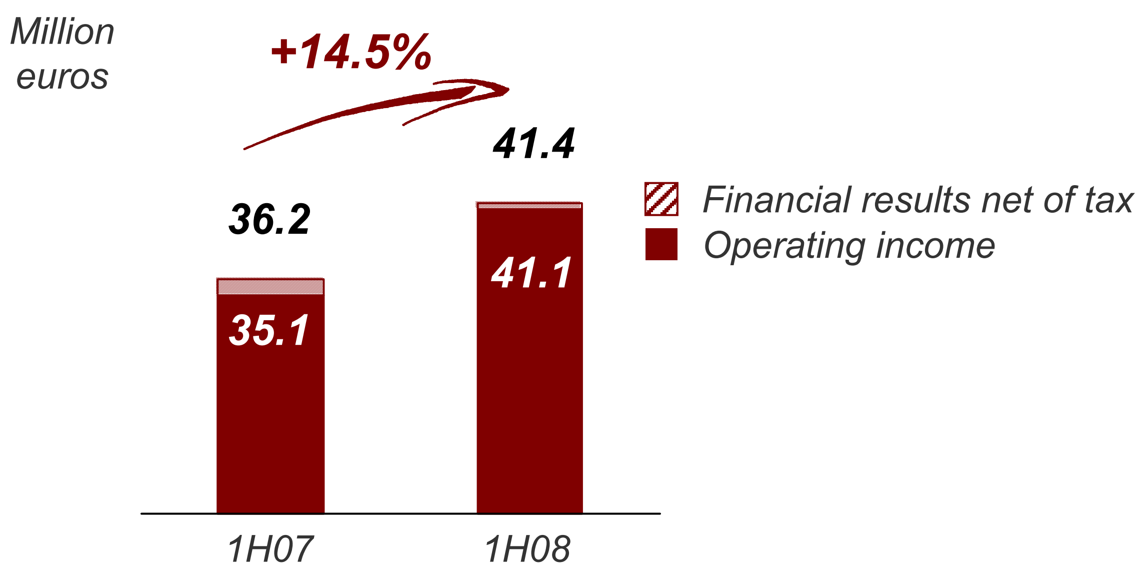
✓ Decrease in net financial income due to consumption of cash

> *Cash balance at 30/06/07:* ***Euro +99.4m***

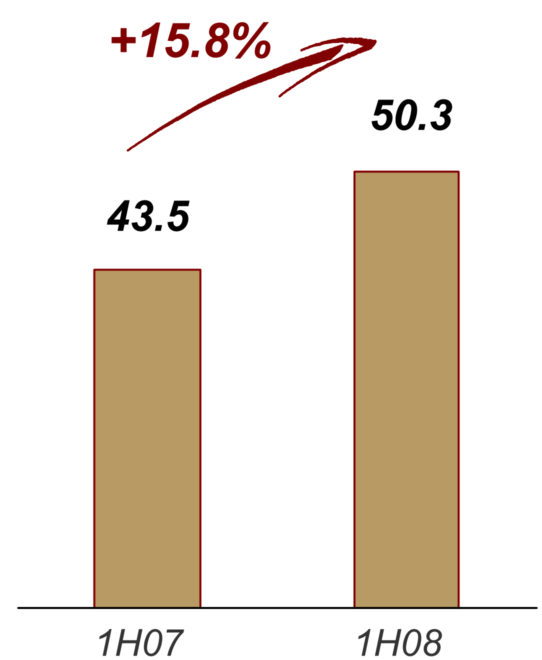
> *Cash balance at 30/06/08:* ***Euro +60.6m***

✓ Growth in cash flow* higher than growth in net income: impact of lease rights received during the half (Euro 1.6 million compared with Euro 0.8 million in 1H07)

Net income, Group share



*Cash flow**



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

Investments including the acquisition of a portfolio of three malls in south of France

Euro 74 million of investments signed or committed during the half

Portfolio of three shopping malls (Pau, Istres, Narbonne) *(Acquisition to be closed in 2H08)*	**39.2 Meuros**
Valence Sud – Alcudia extension *(Acquisition to be closed in 2H08)*	**8.9 Meuros**
Lanester – Alcudia extension on a hypermarket site	**12.1 Meuros**
Purchase of a unit to be built (Feu Vert) *(Quimper, Brest)*	**2.8 Meuros**
Various assets from the Casino pipeline (Extension of lots in Dijon, Agen Boe and Quimper Ergué, 2 MSS in Sables d'Olonne)	**3.5 Meuros**
Acquisition of various co-ownership lots *(Montceau Les Mines, Valence)*	**0.8 Meuros**
Commitments on various co-ownership lots *(Bourg en Bresse, Villenave d'Ornon, Poitiers, Montélimar, Exincourt, St Didier, Tarbes)*	**3.5 Meuros**
Launch of renovation and redevelopment work	**3.6 Meuros**
	74.4 Meuros

Average yield on acquisitions : 6.3%

Agreement signed to acquire a portfolio of shopping malls located in south of France

Strong reversionary potential + potential for extensions

- ✓ Acquisition in partnership with Carrefour Property and Immochan of a portfolio of six assets: one of the few market transactions during the half
- ✓ **Mercialys bought three of the six** shopping malls, all of them built around a Géant Casino hypermarket, all with value creation possibilities

		Advantages	Initial capitalisation rate	Potential yield on the medium-term
Istres	26 shops 2,700m²	Strong reversionary potential Acceleration of Alcudia prog. – Extension under way	5.4%	**8.4%**
Narbonne	27 shops 2,800 m²	Acceleration of Alcudia prog. – Extension under way Full control of the site	5.6%	**6.4%**
Pau Lons	26 shops 2,300m²	Strong reversionary potential Full control of the site	6.2%	**7.6%**
	Total of 79 shops 7,800 m² of sales area	**Total average yield**	**5.7%**	**Approx. 7.5%* excl. extensions**

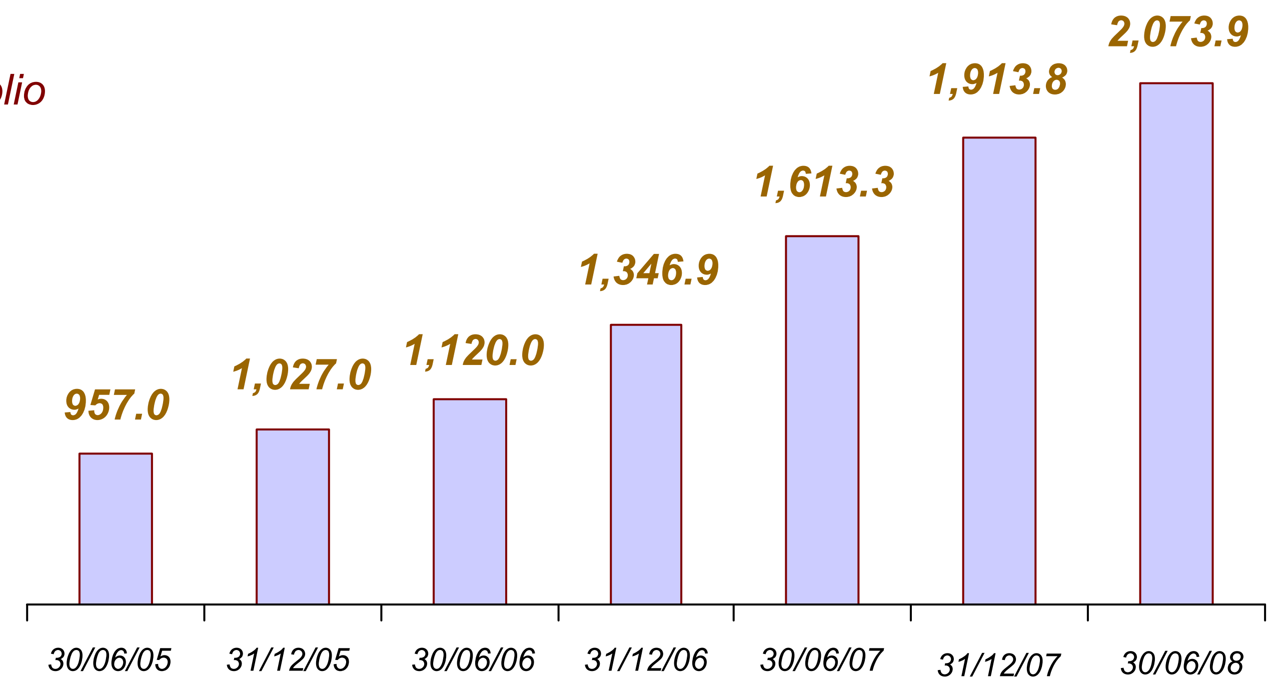
* Assumes indexation of 2.5% annually – 39 leases out of 79 to be renewed over the next 5 years

Asset values driven by organic growth

Appraisal values up 8% over six months at a stable capitalisation rate

*Appraisal value of portfolio including lease rights**

million euros



	30/06/05	31/12/05	30/06/06	31/12/06	30/06/07	31/12/07	30/06/08
Average appraisal yield ratio	7.3%	7.0%	6.6%	6.3%	5.8%	5.5%	5.5%**
Like-for-like over 6 months		+7.0%	+6.9%	+11.1%	+14.7%	+10.6%	+8.1%
Like-for-like over 12 months				+19.0%		+27.1%	+19.4%

* Valuation based on appraisals by Atis Real and Galtier experts

** Excludes positive impact of redevelopments under way at Besançon, Lanester, Le Puy and Brest

2008 first half market transactions are in line with appraised yields on our portfolio

No turnaround on observed capitalisation rates for shopping centers during 1H08

Observed capitalisation rates on retail property assets disposals in France in 2008

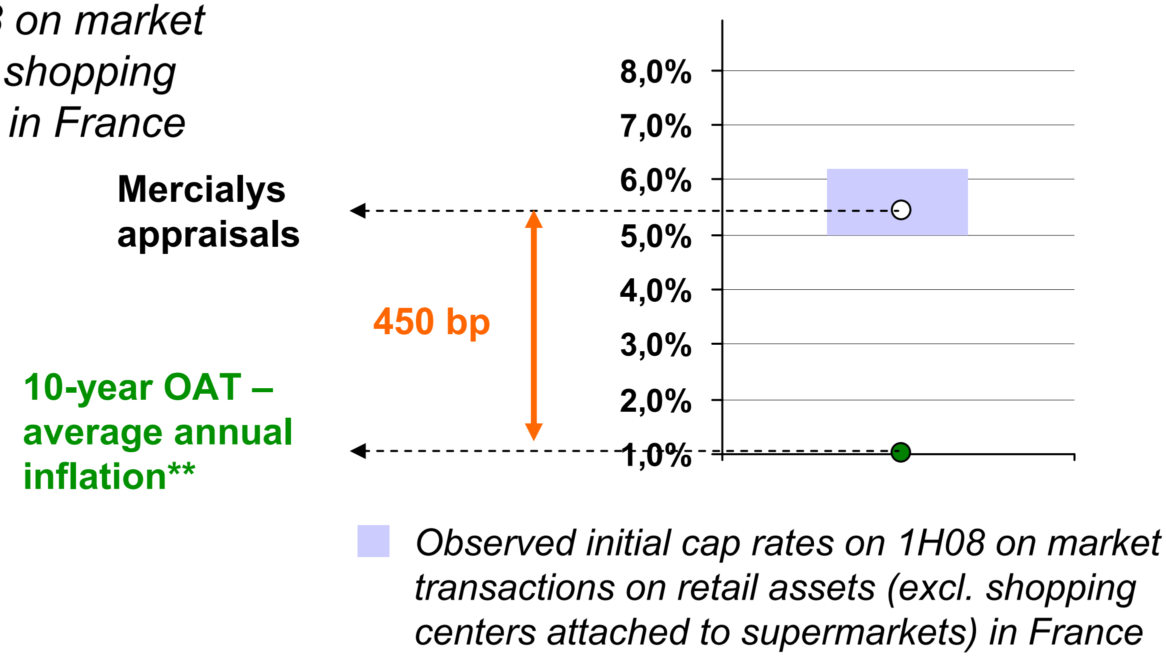
	Initial yield	Saler/buyer	Date
Les Cordeliers – Poitiers *(Downtown)*	**5.0%**	Klépierre+ING/GLL	Jan. 08
Drancy	**5.2%**	CNP/Klépierre	1Q08
Shopping center – Istres	**5.4%**	Private investors/Mercialys	July 08
Shopping center – Narbonne	**5.6%**	Private investors/Mercialys	July 08
Shopping center – Paul Lons	**6.2%**	Private investors/Mercialys	July 08
Shopping center – Pau Lescar	**5.15%**	Private investors/Carrefour	July 08
Shopping center – Corbeil *(Consrruction lease)*	**7.4%***	Private investors/Immochan	July 08
Shopping center – Vitry		Private investors/Immochan	July 08

* Shopping centers attached to supermarkets. Yield includes a significant amount of renovation works.

2008 market transactions: a risk premium that remains rational

- ✓ The initial yield on these investments, fully protected from inflation effects by indexation (ILC*), is to be compared with the deflated OAT (or OATi) yield
- ✓ Strong and mutualized rental revenues ⇨ a moderate risk well-paid with a **minimum 400 bp**
- ✓ A risk premium **improved by the potential** of value creation on assets

Observed initial cap rates on 1H08 on market transactions on retail assets (excl. shopping centers attached to supermarkets) in France

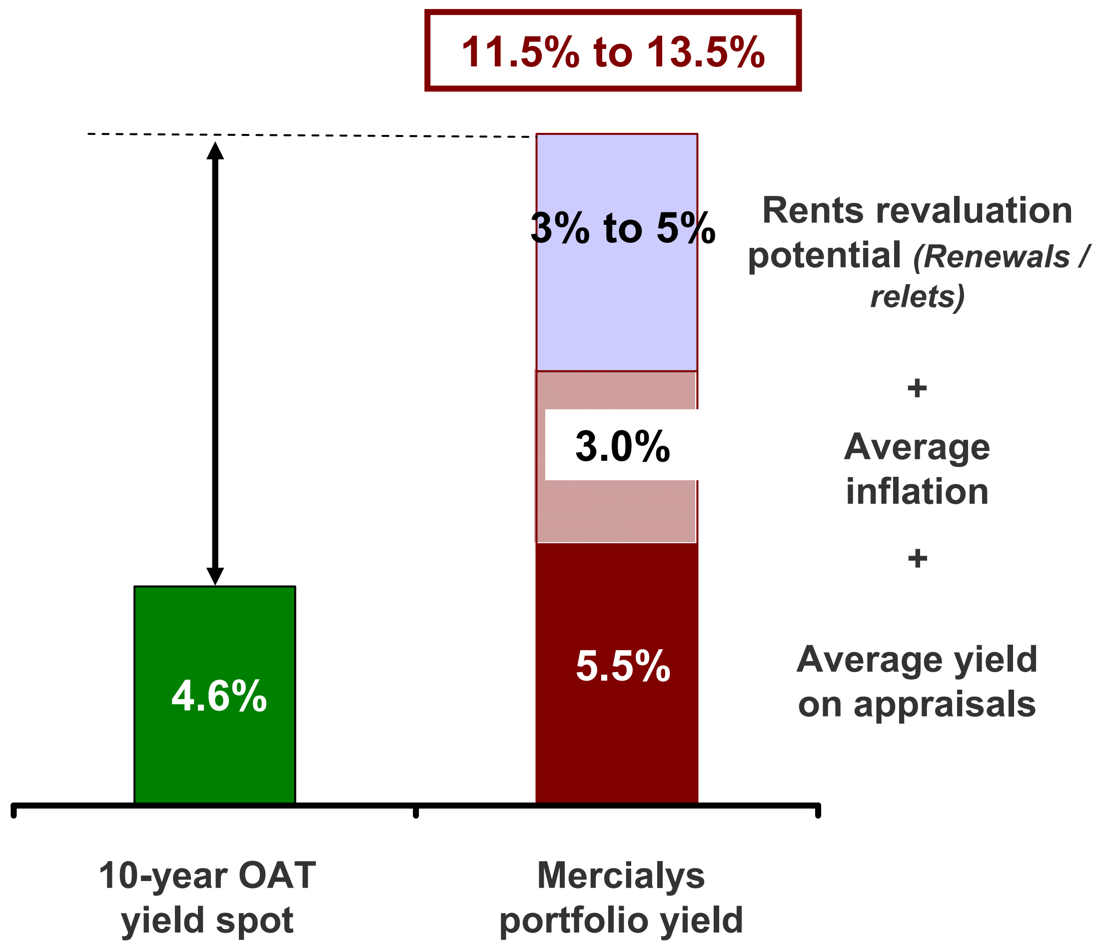


* Retail rent index

** 10-year OAT spot – inflation 12 months June 2008 France (3.6% - source Eurostat)

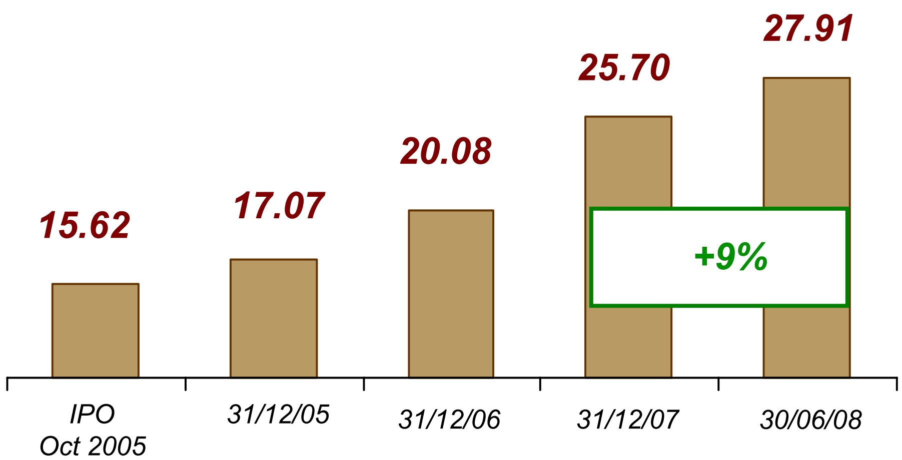
The average yield of Mercialys assets offers a significant margin compared with the risk-free OAT yield

Organic growth : a strong mitigation to the effect of a potential increase in capitalization rates

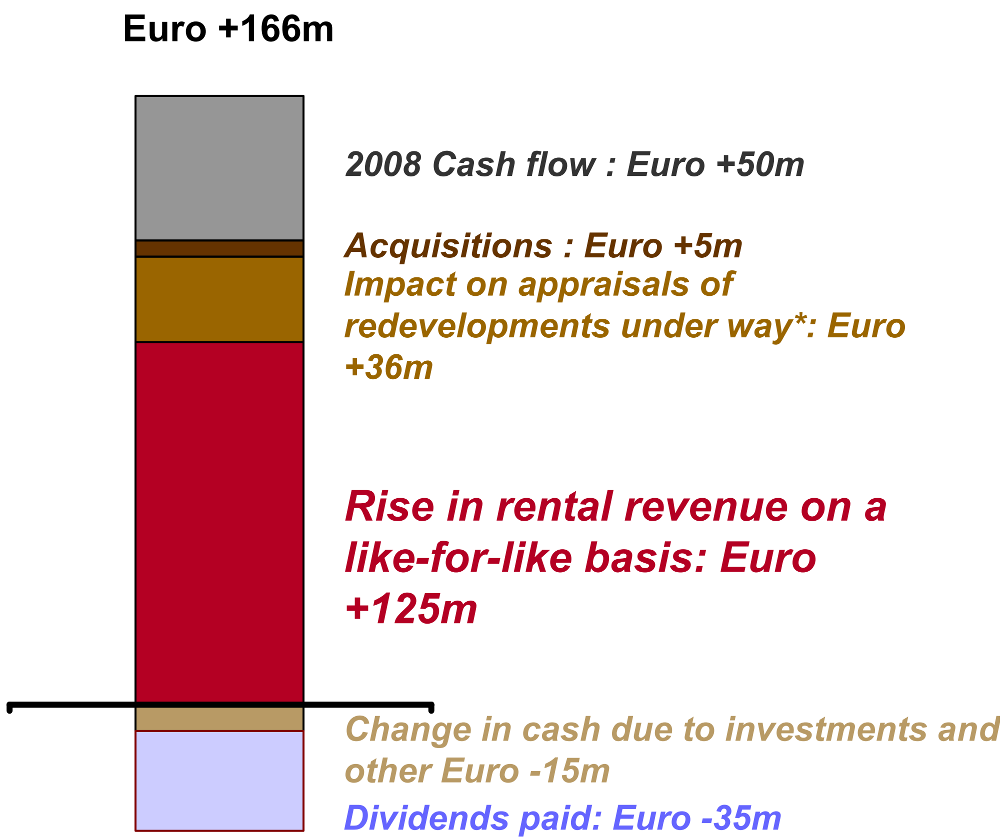


NAV driven primarily by organic growth of rental revenues

Replacement NAV
(euros per share)



Components of the change in NAV between December 2007 and June 2008



* Besançon, Lanester, Le Puy and Brest

The Alcudia programme takes shape : Works under way on 19 sites

- Extensions and simultaneous renovations

  ***39,000 m²** of extension already launched*

Delivery in 2008	Delivery in 2009	Delivery in 2010
✓ **Lanester** ✓ **Le Puy** (HM + shopping center) ✓ **Valence Sud** phase 1 ✓ **Besançon**	✓ **Arles** ✓ **Brest** ✓ **Castres**	✓ **Annecy Seynod** phase 1 ✓ **Le Puy** (retail park) ✓ **Valence Sud** phase 2 ✓ **Villeneuve Loubet**

- Other renovations* waiting for extensions in the future

Agen Boe *(extension scheduled in 2010)*
Béziers *(extension scheduled in 2012)*
Chaumont *(extension scheduled in 2012)*
Mandelieu *(Not scheduled)*
Marseille La Valentine *(ext. scheduled in 2010)*
Montargis *(extension scheduled in 2010)*
Nantes la Chapelle *(ext. scheduled in 2011)*
Monthieu *(Not scheduled)*
Torcy *(extension scheduled in 2010)*
Valence 2 *(redevelopment scheduled in 2010)*

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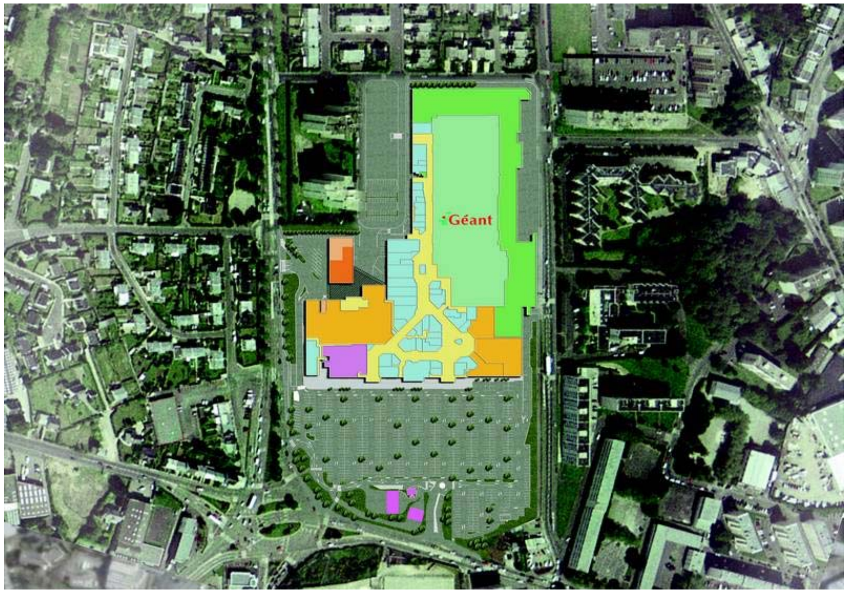
* Renovations within the « Esprit Voisin » customisation programme

Brest : extension of the shopping center on a former DIY large specialized store + renovation

TODAY



TOMORROW

Key dates

• CDEC obtention	OK
• Start of woks	Sept. 08
• Opening (projected)	Sept. 09

Latest news

- Building permit under examination process

	Today	Tomorrow
Hypermarket	9,699 m²	9,699 m²
Mall & MSS GLA	17,237 m²	21,091 m²
Parking	1,538 pl	1,865 pl

Brest

TODAY ***TOMORROW***

Letting of the extensions in line with our objectives

Capitalization rate under the Partnership Agreement improved thanks to outstanding performance of Mercialys letting teams

✓ Higher performance than anticipated by RCG appraisals

	Progress of letting to date *(as % of number of lots)*	Initial cap rate *(vs appraised rents)*	Projected actual yield *(weighted)*	Projected lease rights	Retailers
Lanester	67%	6.0%	**Approx. 6,7%**	**Approx. Euro 2.7m**	Sephora, Darjeeling, Promod, Pause Café
Le Puy	100%	6.0%			Eat Aliano, Jules,
Valence Sud	71%	6.9%			Nocibé, Promod, Micromania
Arles	100%	6.0%			Nocibé, Courir, Tape à l'Œil
Besançon extension	80%	6.0%			Saturn, Maisons du Monde, H&M

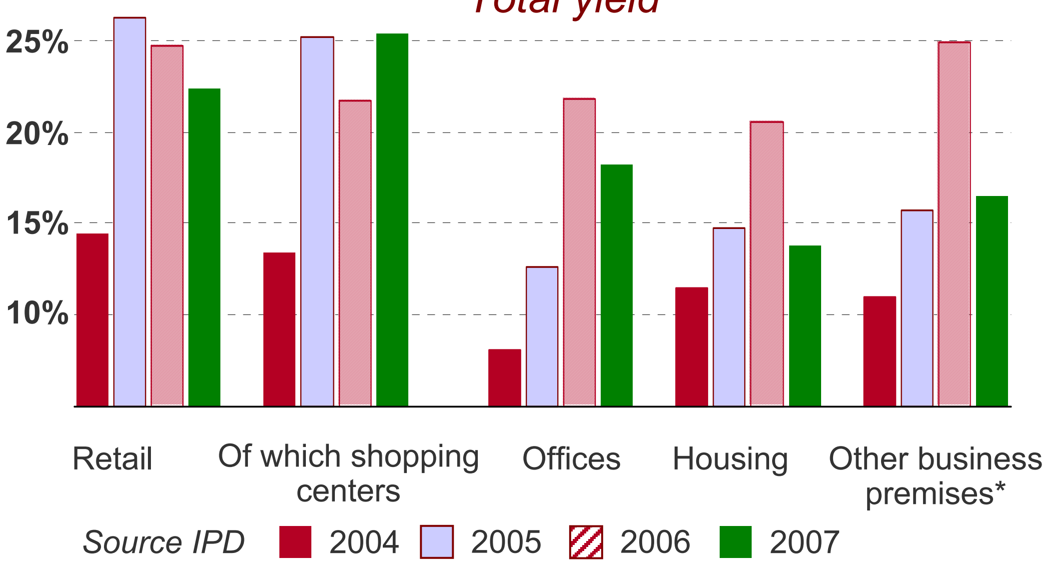
Strategy fitted to our environment underpinned by solid fundamentals

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

✓ A pure player

> *100% retail property assets*
>
> *167 sites including **97 shopping malls***

Total yield



> *Neighbourhood shopping centers with better-than-average performance*

✓ A portfolio of substantial size

> *Assets of more than **Euro 2 billion***
>
> ***665,000 m²** of leasable area*

✓ A portfolio with strong reversionary potential

> *Average rent at 30/06/08: **170 euros/m²***
>
> *Occupancy cost ratio **7.9%***
>
> *Renewals +20% minimum*
>
> *Relets + 100% minimum*

✓ A portfolio set for growth

> *Assets positioned to capitalise on proximity: « Esprit Voisin » theme*
>
> *Assets located in the fastest growing socio-demographic regions of France*

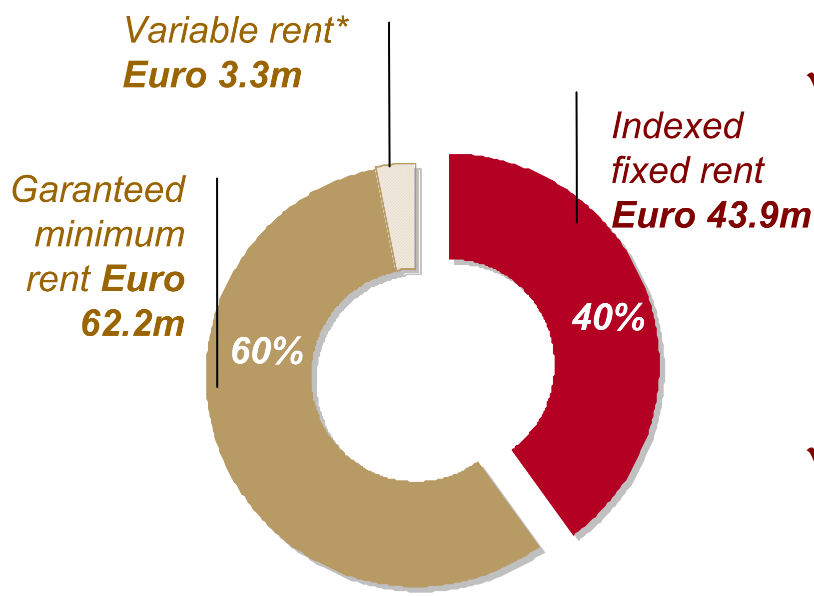
** Include logistics facilities in 2004 and 2005*

A portfolio of leases with value creation potential

Opportunities to modernise the portfolio through reletting and renewals

Breakdown of leases at 30/06/08

By annual rental value



By number

- 1,102 leases with variable component
- 1,335 leases with no variable component

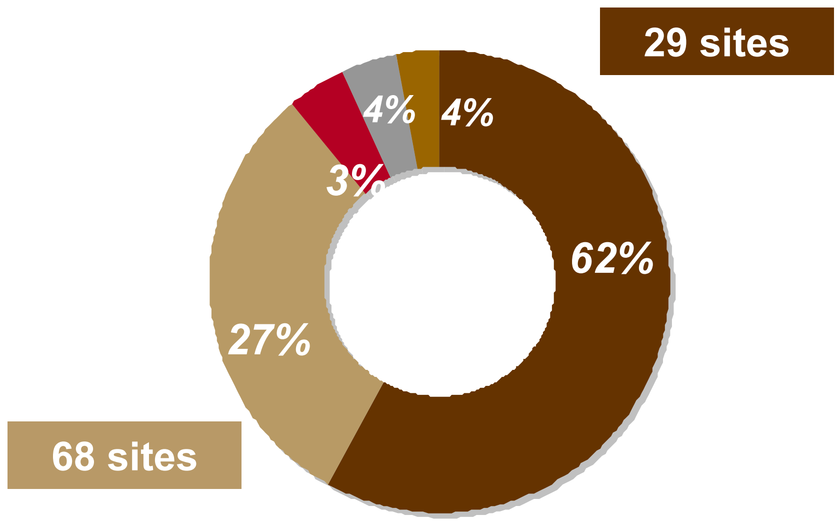
- ✓ More than 2,400 leases: an efficient mutualization of risks
- ✓ Proportion of non restricted leases: 70%
  - > *Number of 10-year and over leases:* ***1,715 leases*** ⬀ *(uncapped)*
  - > *Number of 9-year leases:* ***722 leases*** ⬂ *(capped)*
- ✓ Opportunity to transform the old 9-year leases to modern uncapped leases with the enforcement of the ILC index**

* Based on retailers sales

** ILC (*Indice des Loyers Commerciaux*) : Retail Rent Index

Large and neighbourhood centers: 89% of Mercialys assets value

Breakdown of Mercialys portfolio by type of assets
Appraised value



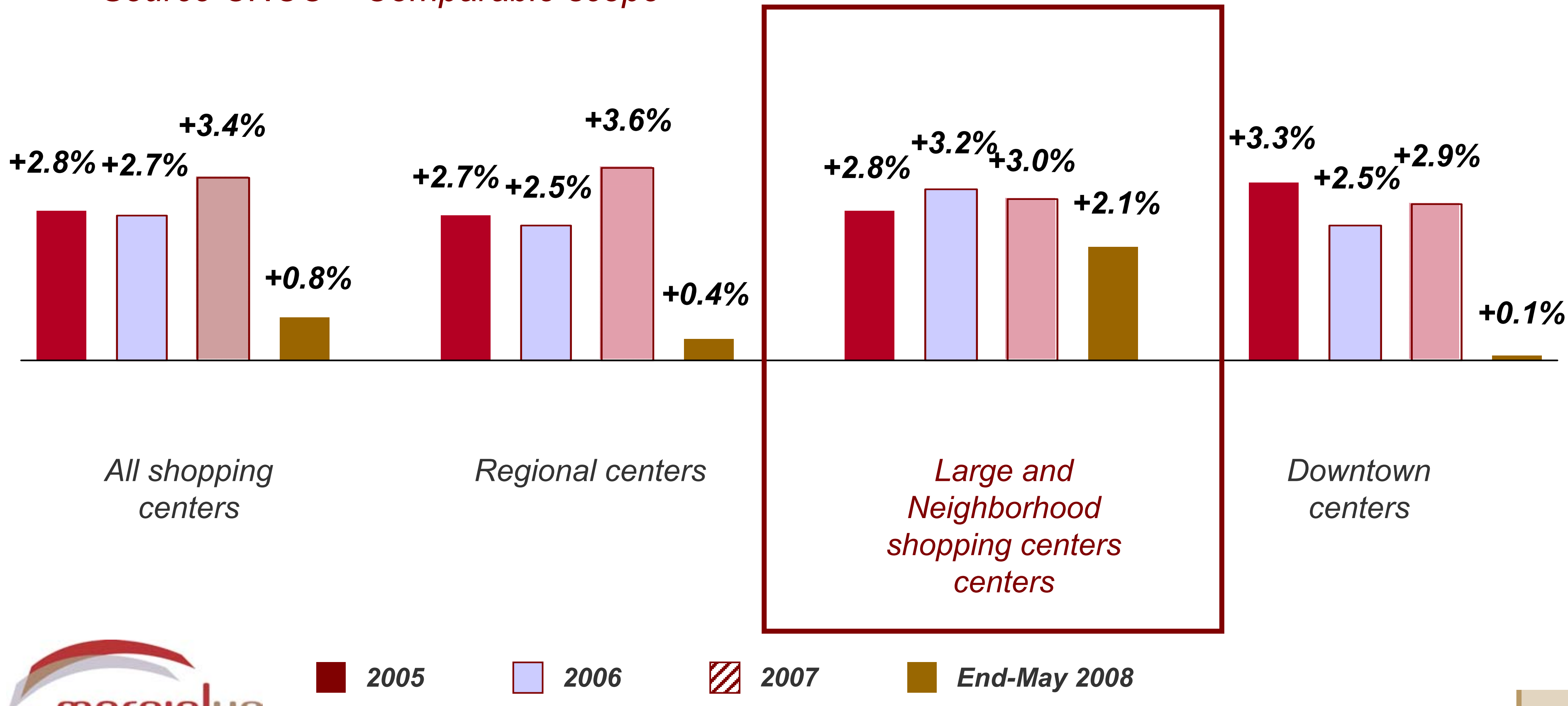
- ***Large shopping centers > 20 000 m² GLA***
- ***Neighbourhood centers > 5 000 m² GLA***
- ***Independent cafeterias***
- ***Others** (services centers, mini-markets)*
- ***Large Food Stores / Large Specialized Stores***

89% of assets value

Large and neighbourhood centers are more resilient and grow faster in average than the other retail segments

A trend intensified by the economic trends (fuel price)

Retailers sales growth
Source CNCC – Comparable scope



The development pipeline: a secured access to external growth

- ✓ A stable development pipeline valued approximately **Euro 700 million** (Euro 710* million at June 30, 2008 on a weighted value basis) splitted on a 50/50 basis between :
  - > *Alcudia extensions. Renovation and redevelopment investments to be added to this amount for approximately Euro 50 million*
  - > *New development projects*
- ✓ Approximately **140 projects**
- ✓ An increasing **selectivity** on new projects feeding the development pipeline at Casino level and at Mercialys level in the exercice of call options

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* Valuation of each investment program weighted by the probability of completion

Mercialys' strategy aimed at adapting to a changing environment

2008: Acceleration of major fundamental trends that were already expected in the medium-term outlook

Capitalize on our strengths	**Anticipate fundamental trends Focus on the customers / consumers**

Capitalize on our strengths

- ✓ Good mutualization of risks
- ✓ Reversionary potential
  - > *Growth in rents > to +20 % on renewals*
  - > *Growth in rents > to +100 % on relets*
- ✓ Lean and responsive teams
- ✓ Strength in being anchored locally *(neighborhood centers, «Esprit Voisin»)*
- ✓ Secured growth
- ✓ Solid financial profile
  - > *Low risk profile / High visibility*

Anticipate fundamental trends / Focus on the customers / consumers

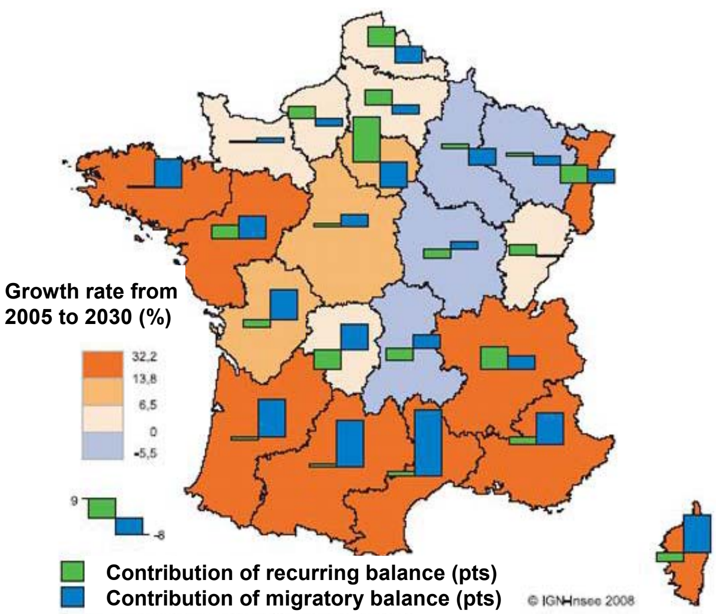
- ✓ Build up the shopping centers
  - > *Shared communication / promotion ➪ multiply local centers capacities*
  - > *Enhance the offering: merchandising plan, reletting*
- ✓ Alcudia:
  - > *Increase the centers to critical mass*
  - > *Bring in non-food retail anchors*
  - > *Renovate centers to boost their attractiveness*
- ✓ Marketing research: backbone of strategic thinking
  - > *Knowing the customers / Meeting their requirements*

Constantly developing our capacity to react and anticipate so as to match what we offer to what customers want

Consumers tend to settle in the South of France and on the waterfront

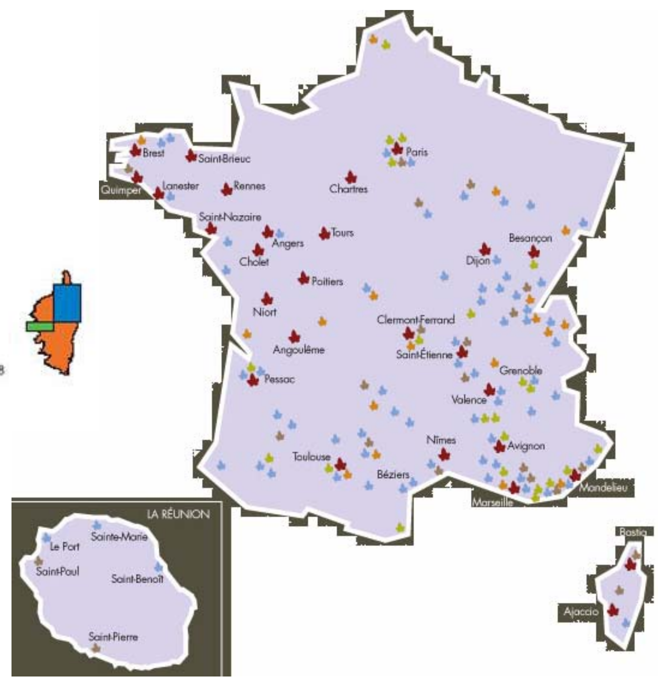
Mercialys sites: On a national scale, locations in the fastest-growing regions

Projected population growth, 2005-2030



Source : Insee - Omphale

Location of Mercialys sites



GDP per resident

GDP per resident (temporary data) in euros

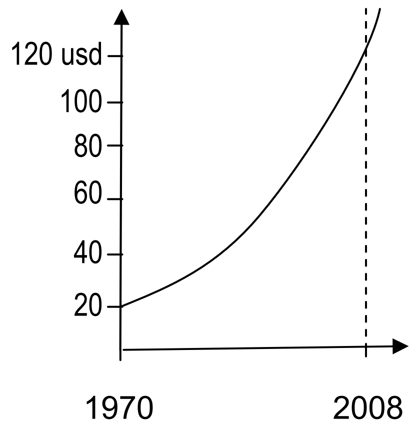
- 28,000 and over
- From 25,000 to < 28,000
- From 23,500 to < 25,000
- From 22,500 to < 23,500
- < to 22,500

Consumers are back to proximity: They will reduce the distance covered to go on shopping

On a local scale, strategically placed locations

Economic cost

Barrel of crude oil



« 60% of the French intend to cut down on their travel to fight pollution »
Cofremca survey

Environmental cost

Rationalising travel

Consume where one's live, do shopping on daily trips
-
Large and Neighbourhood shopping centres are a natural response to this concern

Consumers are anxious and responsive: proximity is key

Well-placed marketing positioning

Our legitimate "historical" positioning matches what consumers are looking for.

Major behavioural trends

The tradeoffs: resources / pleasure, time / pleasure, health / pleasure
The breakdowns: doubts about institutions, employment, retirement, the future of the planet, the media
The Matrix syndrome: dread of being dissolved in globalisation

Values and identity of our shopping centres

Proximity: "go local"
Simplicity
Human scale
Familiar places to shop, rooted in habit
Social interaction
Confidence

Reassure, forge a link, reconnect with the past, bring back the meaning of shopping

Reaffirming our positioning by enhancing and modernising it
"Esprit voisin" theme

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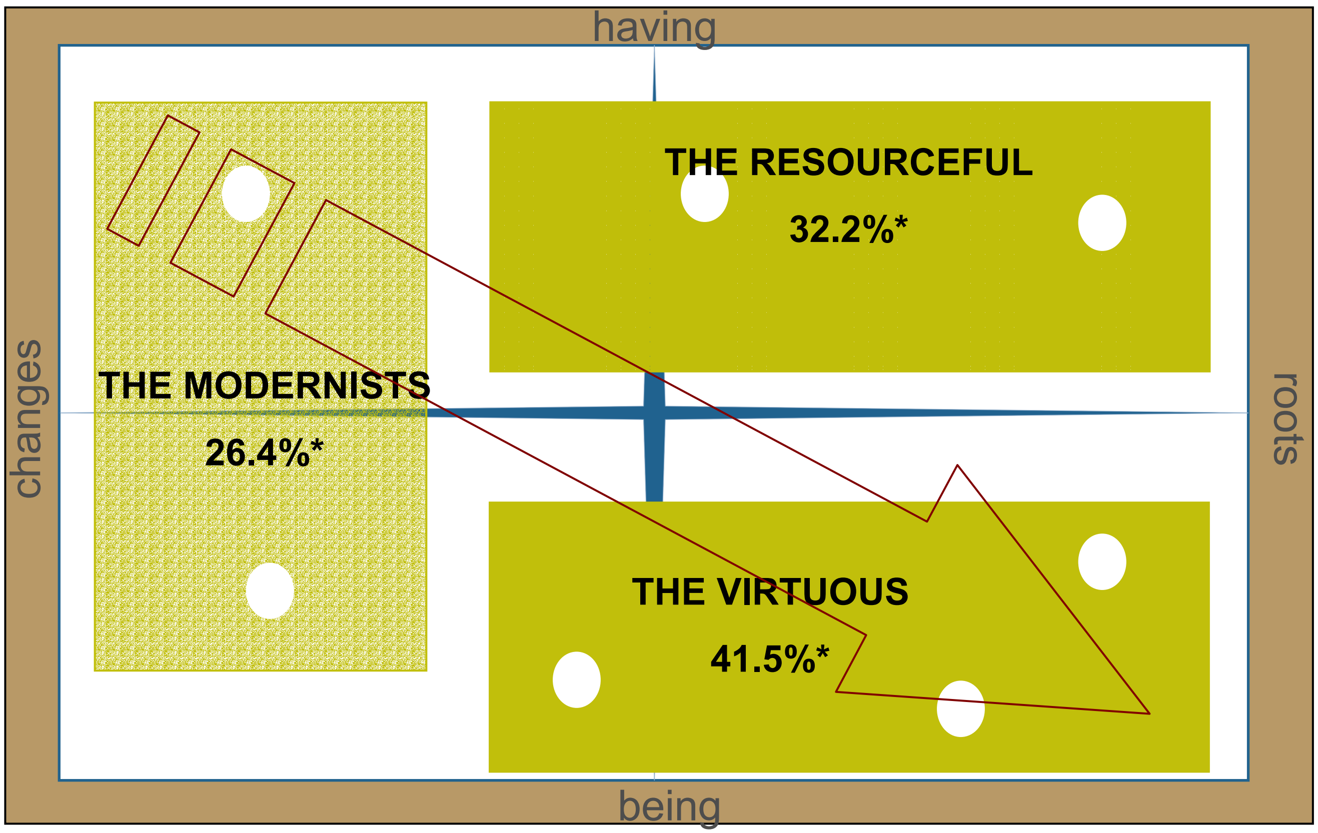
Knowing and understanding the consumer of today and tomorrow

A fundamental trend in the consumption landscape



From a **consumption based on hoarding** (*mass retail*) **to a thoughtfull consumption** (*focused commerce*).

Lifestyle best represented **in Mercialys portfolio**: **the Virtuous**

- **41.5% of our customers,**
- The **dominant profile in 2/3 of our centers.**

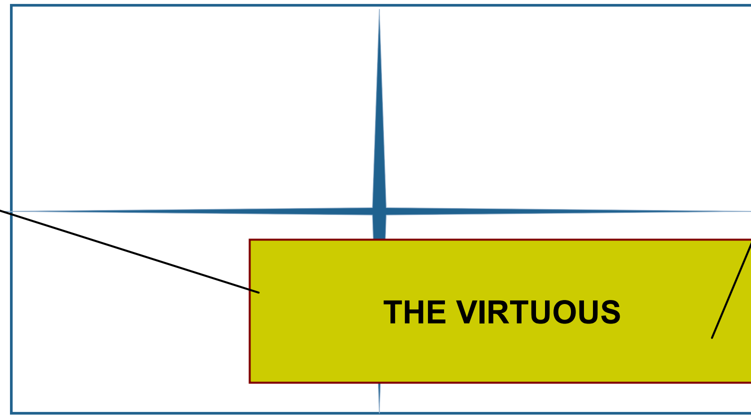
On a national scale, a growing proportion of Virtuous customers : **+33% since 1998.**

** Statistic based on a study conducted on Mercialys sites*

Detailed analysis of our customer base and changing trends: a tool to guide strategy

Targeting what we offer based on knowing our customers intimately

households with children, well-off, intellectually curious, innovative …
Domestic consumers influenced by ethical and moral considerations
(or imperatives) to support organic food, fair trade, sustainable development and buyer empowerment



… … households of over-50s and seniors, well-off consumers who want an ethical meaning in their choices ...
Prudent, reasonable, socially aware consumers…
Their daily consumption is simple and healthful. They invest in their houses and save for a rainy day and their heirs ...

Loyal customers for whom **"consuming" must have "meaning"**…
Consumption measured more by "use" than by desire for possession ...
Over-informed **"expert consumers"**, they are activists for **consuming "better"**…
A **brand name** has no worth for them unless it is an **institution** (label) or an **ethical commitment**…

Conclusions and outlook

2008: an acceleration, more than a breaking off, for consumers and commerce

- ✓ Inflation due to cost of raw materials (emerging countries) and its effects on purchasing power: a fundamental trend that was expected for a long time → Indexation
- ✓ Cost of the barrel of crude oil was to increase: the cost of barrel was to reach 150$ or more in a few years → Proximity
- ✓ The consumer becomes more thoughtfull, responsive and well informed, and is looking for new values → Marketing

What has been occurring in 2008 is neither minor nor appalling. This situation is the result of an acceleration of fundamental trends that require more than ever preparation and adaptation.

Fast changing commerce: Mercialys well armed to evolve in accordance

- ✓ Retailing, retailers are responsive and **fastly adapting to changes** of society

- ✓ Shopping centers in particular are very **flexible**
  - > *Merchandising in shopping malls enables to* ***capture the growth of the most performing retailers and sectors***
  - > *Shopping center shaping:* ***constant and infinite possibilities***

- ✓ Mercialys is **« in the place to be »**
  - > *South and waterfront,*
  - > *Proximity, town immediate outlying area*

- ✓ Mercialys **« does what is required»** and fits rapidly to the new consumer
  - > *Extensions / enhancement of offering*
  - > *Modernization*
  - > *Sense of proximity / « Esprit Voisin »*
  - > *Change in merchandising to boost attractiveness*

Resilience of the sector combines with Mercialys performance

- ✓ Risk is **moderate**
  - > *Predictibility of cash flow*
  - > *Low retailers turnover (French lease right system)*
  - > *Mutualization of risks*
- ✓ Risk premium is **rational** and **offers a correct yield to remunerate the risk**
  - > *Yield*
  - > *Indexation*
  - > *Organic growth*
  - > *Extensions / asset Management*

- ✓ 1H08 results confirm the **robustness of the business model** and the **potential** for the future
- ✓ With an organic growth superior to 8% over the past 3 half year periods, Mercialys **strengthens the value of its assets and confirms the predictibility of its cash flow**

2008 / 2009: no extrapolation of 2008 first half results but an interesting outlook

✓ 2008 performance set to surpass the objectives set by Management ⇨ **Growth faster than anticipated**

Management objectives

(guidance February 2008)

2008
Growth of approx. 12%*

2009
Growth of more than 10%*

2009 / 2007
Growth of approximately 23%*

Adjusted view on the basis of 1H08 results

2009 / 2007
Growth of approximately 25%*

** Management's growth objective for rental revenues and recurring operating cash flows*

Appendices

Detailed income statement

In million euros	30/06/07	30/06/08	Change 2008/2007
Invoiced rents	47.6	55.9	+17.5%
Lease rights	0.9	1.1	
Rental revenue	**48.4**	**57.0**	+17.7%
Non-recovered property taxes	-0.1	-0.1	
Non-recovered service charges	-0.9	-1.1	
Property operating expenses	-1.9	-1.9	
Net rental income	**45.7**	**53.9**	+18.1%
Management, administrative and related revenue	1.1	1.2	
Depreciation, amortization and provisions	-7.6	-8.5	
Staff costs	-2.2	-3.0	
Other expenses	-1.8	-2.5	
Operating costs	10.5	**- 12.9**	+22.1%
Recurring operating income	**35.1**	**41.1**	+16.9%
Net financial income	1.7	0.9	
Income tax	-0.6	-0.5	
Net income, Group share	**36.2**	**41.4**	**+14.5%**
EPS *(euros per share)**	*0.50*	*0.55*	

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

Condensed balance sheet

Assets

In million euros	31/12/07	30/06/08
Investment property	1,165.2	1,165.8
Financial assets	11.0	11.8
Other assets	1.0	1.0
Total fixed assets	**1,177.1**	**1,178.5**
Cash and Casino current account	70.7	61.6*
Trade and other receivables	12.5	9.5
Total assets	**1,260.3**	**1,249.6**

Equity and liabilities

Equity, Group share	**1,190.6**	**1,196.9**
Minority interests	0.7	0.6
Total equity	**1,191.2**	**1,197.5**
Financial liabilities	35.5	32.1
Trade and other payables	33.6	20.1
Total equity and liabilities	**1,260.3**	**1,249.6**

- ✓ Net cash of Euro 27.1 million at June 30, 2008
- ✓ Solid balance sheet underpinning our investment plan

* Excl. cash booked in financial liabilities for Euro 1.0 million

Asset portfolio valued at Euro 2,074 million including transfer taxes

Portfolio value up 8.4% over 6 months

Type of asset	*Number of assets at 30/06/08*	*Appraisal value incl. TT at 30/06/08*		*Gross leasable area at 30/06/08*		*Appraisal net rents*	
		Euro m	*%*	*m²*	*%*	*Euro m*	*%*
Large shopping centers	29	**1,288**	*62*	319,673	*48*	63.9	*57*
Neighbourhood shopping centers	68	**568**	*27*	222,371	*33*	34.5	*31*
Large food stores	12	**24**	*1*	30,960	*5*	1.4	*1*
Large speciality stores	8	**50**	*2*	28,412	*4*	2.8	*2*
Independant cafeterias	23	**62**	*3*	32,716	*5*	3.6	*3*
Other	27	**82**	*4*	30,821	*5*	5.3	*5*
	167	**2,074**	***100***	**664,953**	***100***	**111.5**	***100***

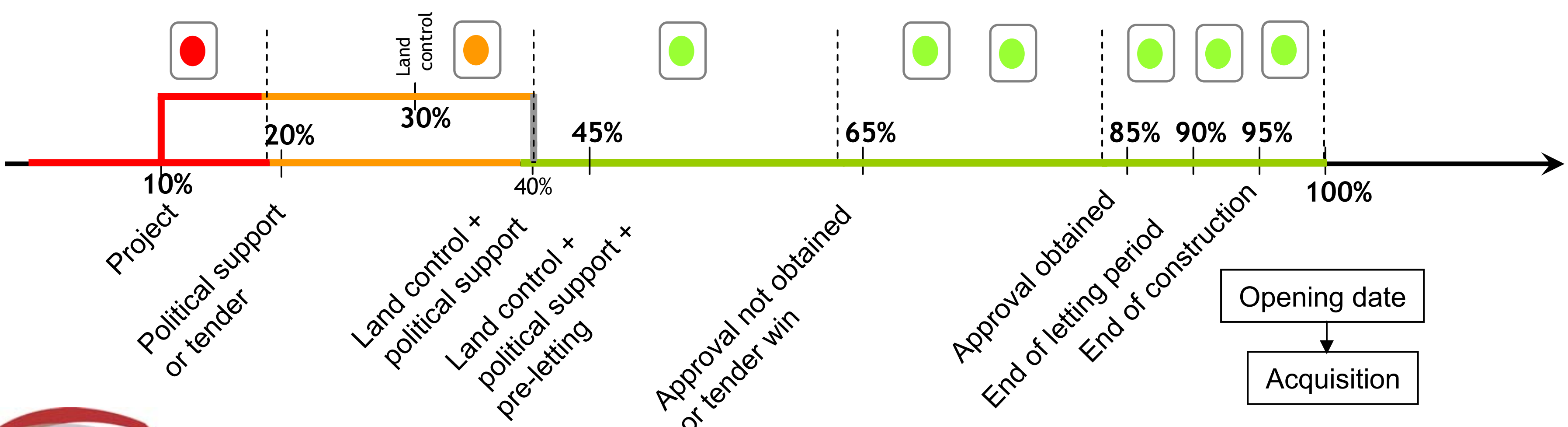
✓ **Stable average yield resulting from appraisals: 5.5% at June 30, 2008**

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

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

Each stage of completion is worth its probability

- ✓ The development pipeline as it currently stands contains projects with widely varying stages 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 projects



A realistic approach