

# MERCIALYS

PRESS RELEASE

Paris, September 18, 2017

## **Major new project from Mercialys' highly accretive pipeline: Grand Quartier in Rennes will be completing its transformation and unveiling its extension's 22 new stores at the end of November**

More than an extension, this is a redevelopment of the existing shopping center, enabling Grand Quartier, a major retail hub to the north of Rennes, to become an outstanding lifestyle destination. When the extension opens on November 29, the center will offer 110 stores and 10 restaurants over 45,000 sq.m.

**Architecture ensuring a modern look and strong visibility for the center**



This project, developed jointly by Mercialys and the center's retailers, offers a resolutely modern urban architecture, firmly integrated within its environment. Sections of the predominantly red facades have been partially covered with metallic white meshing. This blend of colors and materials sets the tone and gives the center a new level of visibility. The entrances have been opened up further with contemporary glass facades and roofing, fitted with giant digital screens, transforming them into attractive showcases, both day and night.

A new entrance built on the South side will link the center to the Beaugard neighborhood, which is undergoing a major transformation, with a landscaped forecourt. This will connect directly with this rapidly-developing future neighborhood thanks to a pedestrianized walkway that is being worked on jointly with the local council and city hall. This new venue, with its living space design, includes landscaped terraces, benches, picnic tables and a children's play area with a giant slide. This square will also make it possible to welcome food trucks, special activities and a giant screen to show events.

**Grand Quartier is being transformed to offer a better welcome for customers and retailers**

From improved access to new signage for visitors, optimized car park routes and the development of family spaces and secure walkways, this center's customer journey has been rethought from top to bottom and made more fluid to improve visitor comfort.

The transformation is moving forward within the center. Refurbished marble flooring, brighter ceilings, LED lighting and new signs provide a modern, bright atmosphere and make it possible to showcase the stores more

effectively. Other features include a connected workspace, welcoming rest areas with plug points for recharging phones or computers, and a children's play area, inviting people to discover and keep coming back to this new retail hub.

## **22 new stores over 6,000 sq.m to complement the existing selection**

The letting process has been a great success and is now moving into its final phase, with more than 95% of the units let. The new retailers that will be moving in include Cultura, with 2,000 sq.m of space. Mango, Bizzbee, Father & Sons, Footlocker and Timberland will further strengthen the fashion selection already in place. Le Comptoir de Mathilde, Waffle Factory and Bialetti will also enhance the dining and homeware selection. Alongside this, Orange, Jack & Jones and Bonobo will be rolling out entirely new concepts.

The opening is scheduled for November 29 and will make this center the leading retail destination in Rennes.

## **Strong progress with a highly accretive pipeline**

Alongside the extensions of the Morlaix Saint-Martin-des-Champs and Saint-Etienne Monthieu centers, which will also be delivered this November, the extension of the Rennes Grand Quartier shopping center is one of Mercialys' flagship projects for 2017. These three extensions, representing over 16,000 sq.m of additional rental space, will generate Euro 3.3 million of annualized rental income for a total investment of Euro 47 million, resulting in an average yield on cost of 7.0%.

Nine hypermarket space transformation projects have been moving forward alongside work to extend these centers, with four already delivered during the first half of 2017 and five scheduled for delivery before the end of the year. These redevelopments will generate a further Euro 1.9 million in annualized rent, with an average yield on cost of 7.5% for this work.

At June 30, 2017, Mercialys' controlled and potential development pipeline came to Euro 586 million, representing Euro 32.8 million of potential annualized rental income and nearly 17% of its total portfolio value excluding transfer taxes. This pipeline, built around major projects such as the extension of the Marseille Plan-de-Campagne shopping center, projects to extend malls in France and on the island of Reunion, as well as mixed high street retail projects, will be rolled out between now and 2022, delivering an average expected yield on cost of 6.6%.

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This press release is available on [www.mercialys.com](http://www.mercialys.com)

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### **About Mercialys**

Mercialys is one of France's leading real estate companies, focused exclusively on retail property. At June 30, 2017, Mercialys had a portfolio of 2,108 leases, representing a rental value of Euro 174.6 million on an annualized basis.

At June 30, 2017, it owned properties with an estimated value of Euro 3.7 billion (including transfer taxes). Mercialys has had "SIIC" real estate investment trust (REIT) tax status since November 1, 2005 and has been listed on Euronext Paris Compartment A (ticker: MERY) since its initial public offering on October 12, 2005. At June 30, 2017, there were 92,049,169 shares outstanding.

**IMPORTANT INFORMATION**

*This press release contains certain forward-looking statements regarding future events, trends, projects or targets.*

*These forward-looking statements are subject by definition to certain identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results forecast in the forward-looking statements. Please refer to the Mercialys shelf registration document available at [www.mercialys.com](http://www.mercialys.com) for the year ended December 31, 2016 for more details regarding specific risk factors that could affect Mercialys' business.*

*Mercialys gives no undertaking whatsoever to publish updates or adjustments to these forward-looking statements, or to report new information, new future events or any other circumstances that might cause these statements to be revised.*