



PRESS RELEASE

Paris - January 24, 2007

ACCELERATION OF THE GROWTH DUE TO A STRONG PERFORMANCE IN Q4 06

FY 2006 RENTAL REVENUES UP +13.3% AND INVOICED RENTS UP +12.4% STRONGLY HIGHER THAN THE INITIAL TARGET +5 TO +7 % FOR 2006 SET AT THE TIME OF THE IPO

Jacques Ehrmann, Chief Executive Officer commented:

“The 4th quarter of 2006 experienced a strong acceleration of the growth due to the good performance of renewal and letting teams. With this more rapid than anticipated growth, we significantly outperformed our objectives which had been already increased compared to those set at the IPO. The invoiced rents, at constant scope and excluding indexation, were up +7.5% which represented an outstanding performance both for Mercialys and compared with the sector”.

Rental revenues up +13.3%

Mercialys Full Year 2006 **rental revenues** amounted to Euro 82,318 thousands, up **+13.3%** compared with Full Year 2005 (on a pro forma basis¹).

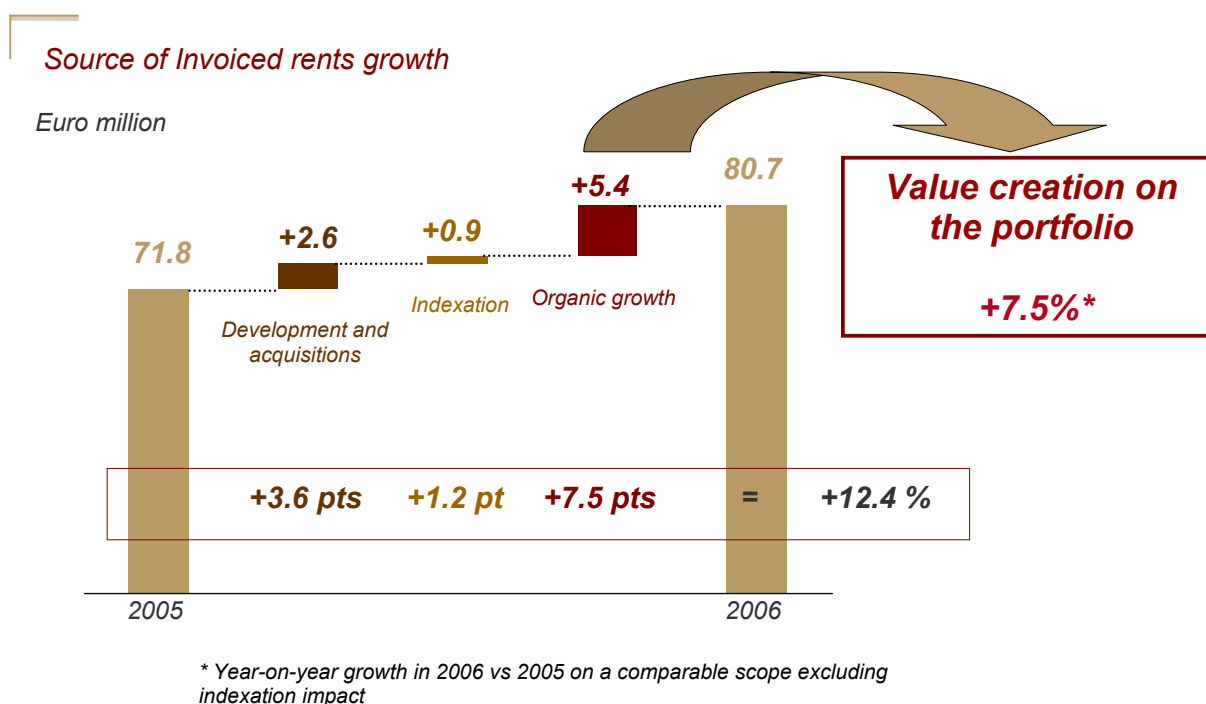
<i>Thousands Euro</i>	FY 2005 Pro forma ¹	FY 2006	% change
Invoiced rents	71,825	80,714	+12.4%
Lease rights	831	1,604	
Rental revenues	72,656	82,318	+13.3%

¹ Mercialys has been created through various contributions in October 2005. Therefore, 2005 figures, presented in this press release are pro forma historical figures built from 2005 accounts of companies which contributed their assets to Mercialys.

FY 2006 **invoiced rents** were Euro 80,714 thousands, up **+12.4%** relative to FY 2005.

This growth was due to:

- The upstream of reversionary potential on the portfolio through renewals and relets of our shops and medium sized stores together with an increase of variable rents linked with the good health of our tenants' activity. **On a like for like basis**, - excluding 2005 and 2006 change of scope and excluding indexation - invoiced rents increased by **+7.5%**.
- Acquisitions, mainly closed during the second semester: 2006 share of invoiced rents on newly acquired assets was Euro 2.6 million or an impact on invoiced rents growth of +3.6 points.
- Rent indexation which contribution remained low in 2006, representing +1.2 point of the 2006 growth.



FY 2006 lease rights amounted to Euro 1,604 thousands versus Euro 831 thousands for FY 2005. Lease rights earned in 2006 on Clermont-Ferrand and Poitiers shopping centers was Euro 337 thousands as their impact on net results was spread over 36 months, in line with market practices.

“In 2006 and 2007, Mercialys will progressively reach full speed and will then extract its growth from 4 pillars which are upstream of reversionary potential (increase of rents), restructuring and renovations, acquisitions of new commercial centers from Casino development pipeline and external acquisitions, Jacques Ehrmann added.

We want our tenants to benefit also from this growth. Each time we restructure our shopping centers to improve their look, optimize the flows and the merchandising or we implement on-site communication plans, we offer our tenants a lively and evolutive space of commerce, adapted to the needs of our common customers: people who are visiting our malls every day. This is the philosophy of our corporate project. ”

Next releases:

- March 6, 2007 (morning) Full year 2006 earnings

This press release is available at www.mercialys.com

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About Mercialys

Mercialys is one of France's leading real estate investment companies specialized in the retail sector. Pro forma rental revenues for 2005 amounted to Euro 72.7 million and net income, Group share to Euro 51.0 million. Rental revenues for the full year 2006 was Euro 82.3 million. Mercialys opted for the "SIIC" (REIT) regime on November 1, 2005 and has been listed on Eurolist by Euronext Paris, symbol *MERY*, since its initial public offer on October 12, 2005.

CAUTIONARY STATEMENT

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

These forward-looking statements are subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to the Mercialys reference document for the year ended December 31, 2005, which is available at www.mercialys.com, for a description of the main factors, risks and uncertainties that could affect the company's operations.

Mercialys does not undertake to update or revise these forward-looking statements nor to disclose new information, future events or other circumstances that might affect them.