



PRESS RELEASE

April 24, 2006

1H 2006 RENTAL REVENUES UP +6.5% AND INVOICED RENTS UP +5.8%

AS OF JUNE 30, 2006, INVESTMENTS ENGAGED OR PROMISED AMOUNTED TO EURO 159 MILLION OF WHICH EURO 118 MILLION TO BE INVESTED IN 2006

Rental revenues up 6.5%

Paris – Mercialys 1H 2006 rental revenues amount to Euro 39,633 thousands, up +6.5% compared with 1H 2005 (on a pro forma basis¹), in line with a 5 to 7% growth rate target of rental revenues set for 2006.

| Thousands Euro | 1H 2005 Pro forma ¹ | 1H 2006 | % change |
|------------------------|-----------------------------------|---------------|---------------|
| Invoiced rents | 36,749 | 38,874 | +5.8% |
| Lease rights | 467 | 759 | |
| Rental revenues | 37,216 | 39,633 | + 6.5% |

1H 2006 invoiced rents were Euro 38,874 thousands, up +5.8% relative to 1H 2005. Rent indexation contribution remained low (+0.5point) as the Construction Cost Index used to renew leases as of January 1st (more than 80% of Mercialys leases) was up +0,71%.

On a like for like basis, - excluding 2005 and 2006 change of scope and excluding indexation - invoiced rents increased by +4.1%. This growth shows the ability of Mercialys teams to increase rents through lease renewals and reletting activities. The renewals announced during 1Q 06 of 25 Feu Vert leases (retroactive January 1st) and 84 Caf  teria Casino leases represent a 0.7 point of this growth

1H 2006 lease rights increased to Euro 759 thousands versus Euro 467 thousands during 1H 2005.

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.

Investments engaged or promised for 2006 amount to Euro 118 million; Thus, Mercialys is exceeding its 2006 investment program.

Mercialys signed a partnership agreement in relation with 5 commercial centers located in Corsica. This portfolio includes 4 Géant hypermarkets, 1 Casino supermarket and their shopping centre for a total gross leasable area of 78,700 sqm.

This agreement takes the form of a partnership with current owners. Under the terms of this agreement, Mercialys will own 60% of these 5 commercial centers and common means will be put in place to develop these assets on a long term basis.

This investment amounting to a minimum of Euro 80 million (Mercialys share) will be effective for a half in December 2006 and the other half in 2007. The final price will be fixed in December 2006 based on annual rents value indexed to the last known Construction Cost Index.

With this additional investment, 2006 investment pipeline amounts to Euro 118 million, already exceeding Mercialys investment program for 2006.

Investments already engaged or promised for 2006

In million Euro

| | |
|--|-------------------|
| Property development projects: Extension of the Clermont-Ferrand and Poitiers shopping malls | 43 |
| Acquisition of existing assets | 59 |
| - 60% of 2 hypermarkets + shopping centers - Corsica | 39 |
| - Conforama specialty store - Antibes | } 20 |
| - Shopping center - Aurillac | |
| - Shopping center - La Chapelle/Erdre | |
| - Shopping center - Fontaine-Lès-Dijon | |
| - Other acquisitions | |
| Renovation and restructuring | 16 |
| Total | <u>118</u> |

Acceleration of the development program on the portfolio due to the creation of a dedicated team

In order to accelerate the development program on its own portfolio, from a 5 year period to a 3 year period, and thus accelerate the value creation process, Yves Cadelano, formerly Deputy Head of Development projects within Casino Real Estate teams, has been appointed as Executive Vice President. He will carry out this program with a fully dedicated team.

“The acceleration of the value creation process is visible through out all activity indicators for the 1st semester of 2006 and should continue during the second semester, thanks to sustained efforts of the teams and the constitution of a task force dedicated to the acceleration of the investment program on our own portfolio,” said Jacques Ehrmann, Chairman and Chief Executive Officer of Mercialys.

“This strengthens our confidence in our ability to achieve top range growth objectives set for 2006, despite an indexation of rents well below our initial anticipations”

Yves Cadelano biography

With a qualification of DPLG architect, Yves Cadelano worked as Project Manager, responsible for the security of the Grand Stade de France. In 1995 he joined the Disneyland Paris Group as development Manager of the Disney Village. In 1999, he joined the Club Méditerranée Group as Head of Studies department, in charge of restructuring and value creation on French and foreign sites. He then became member of the Management Board of the Club Med Gym Group. In 2004 he was appointed Deputy Head of Development projects in the Casino Real Estate Department responsible for development projects on French and foreign Casino Group properties. He joined Mercialys in July 2006 as Executive Vice President.

Upcoming releases

- September 7, 2006 (morning) 1H 2006 earnings
- October 23, 2006 (evening) 3Q 2006 rental revenues

Investor Relations:

Marie-Flore Bachelier
Tel : + 33(0)1 53 65 64 44

Media Relations:

Citigate: Nicolas Castex
Tel. + 33(0)1 53 32 78 88
or + 33(0)6 62 08 83 12

About Mercialys

Mercialys is one of the main French Real Estate companies, acting exclusively in retail property with, as of December 31, 2005, Euro 1,027 million of invested assets.

For full year 2005, on a pro forma basis, Mercialys rental revenues amounted to Euro 72.7 million and earnings net Group share amounted to Euro 51,0 million. Since November 1, 2005, Mercialys benefits from the SIIC (REIT-type) tax regime, is, further to the IPO of October 12, 2005, listed on the Eurolist of Euronext Paris and trades under the symbol *MERY*.