



PRESSE RELEASE

Paris, October 25, 2010

Mercialys negotiates the disposal of Euro 100 million of retail assets.

Mercialys declared to have entered into exclusive negotiations in order to sell asset portfolios for a gross amount of Euro 100 million, before December 31, 2010.

These portfolios are mainly composed of service malls, food stores, walls of isolated restaurants, and co-ownership lots.

Based on the ongoing negotiations, disposals would be realized at an average capitalization rate of approximately 6.5% and a total value in line with the appraisals of these assets as of June 30, 2010, for a net capital gain estimated around Euro 30 million.

Mercialys portfolio was estimated at Euro 2,468 million as of June 30, 2010. As a result, portfolios under negotiation would represent 4% of Mercialys assets.

« This is another step in our strategy of value creation, commented Jacques Ehrmann CEO of Mercialys. Our job is to work on assets with potential of value creation and develop them. Each year we should follow the discipline of identifying assets that have reached a satisfying stage of development and seize the opportunities to sell them to long-term financial investors and to replace them by more dynamic assets. Our job is not to pile assets but to extract their value. »

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This press release is available on the www.mercialys.com website.

Next press release:

· February 10, 2011 (after market close)

2010 Annual Results

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About Mercialys

Mercialys, one of France's leading real estate companies, is solely active in commercial property. Rental revenue in 2009 came to Euro 134.2 million and net income, Group share, to Euro 93.0 million.

It owns 168 properties with an estimated value of Euro 2.5 billion at June 30, 2009. Mercialys has benefited from "SIIC" tax status (REIT) since November 1, 2005 and has been listed on compartment A of Euronext Paris, symbol *MERY*, since its initial public offering on October 12, 2005. The number of outstanding shares was 91,968,488 as at December 31, 2009; 90,537,634 as at June 30, 2009; and 75,149,959 as at December 31, 2008.

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 shelf registration document available at www.mercialys.com for the year to December 31, 2009 for more details regarding certain factors, risks and uncertainties that could affect Mercialys's business.

Mercialys makes no undertaking in any form to publish updates or adjustments to these forward-looking statements, nor to report new information, new future events or any other circumstance that might cause these statements to be revised.