



PRESS RELEASE

Paris, October 22, 2007

2007 third quarter confirmed growth trends experienced during the first half of 2007
Rental revenues as of September 30, 2007 up +22.8%

Organic growth remains steady: +8.5%

Strong growth of rental revenues driven by the combined effect of organic growth and 2006 and 2007 acquisitions

Nine months rental revenues as of September 30, 2007 amounted to Euro 73,545 thousands, up +22.8% compared with same period in 2006.

<i>Thousands Euro</i>	3Q 2006	3Q 2007	% change
Invoiced rents	58,711	72,257	+23.1%
Lease rights/Entry fee	1,178	1,287	
Rental revenues	59,890	73,545	+ 22.8%

Invoiced rents for the first 9 months are up **+23.1%**

Organic growth remains a significant driver of this growth thanks to good performances achieved by the teams in renewals and relets.

During the first nine months of 2007, **151 leases have been renewed or relet:**

- > 64 relets signed on the basis of an increase in annual rental values of +118%;
- > 87 leases renewed with an increase in annual rents of +35%;
- > Short-term leases in malls also developed, generating a Euro +0.3 million increase in rents in the first nine months of the year versus 3Q06.

At constant scope, invoiced rents increased by Euro 5,002 thousands or a +8.5 points of the total growth, driven by

- > 2006 and 2007 renewals and relets and targeted efforts in letting of spare spaces in malls: Euro +3,629 thousands (+6.2 points)
- > Indexation of rents representing Euro +2,528 thousands (+4.3 points)

These effects were attenuated by a reduction in variable rents of Euro -1,154 thousands (-2.0 points):

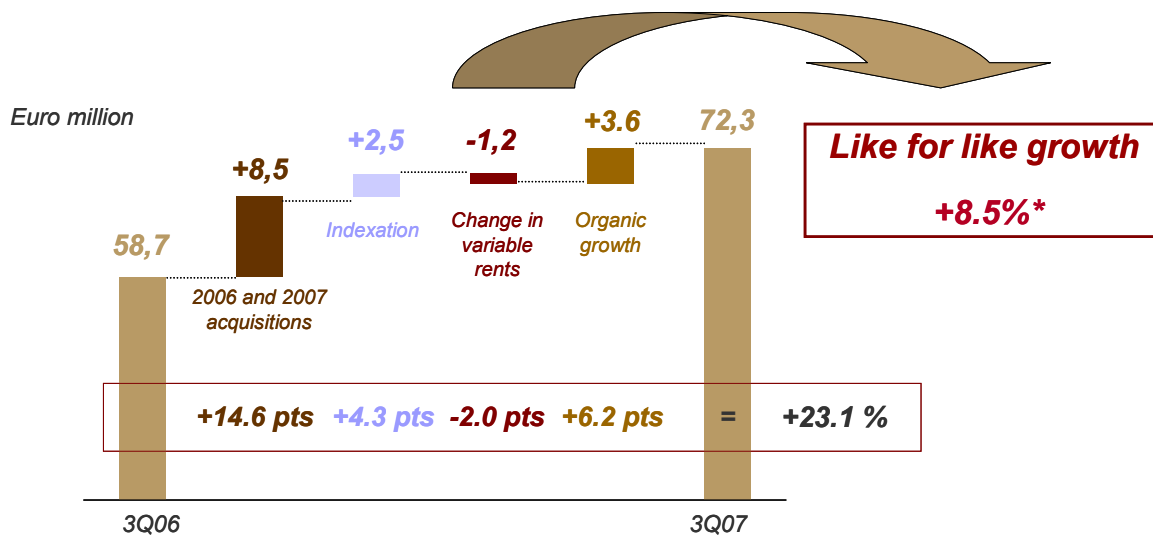
- > 2006 benefited from a non-recurring effect: 106 leases for which variable rents were invoiced annually until 2005 were invoiced on a quarterly basis in 2006. 2006 therefore benefited from both the invoicing of 2005 variable rents and quarterly invoicing in 2006.
- > Indexation as well as upward negotiation of guaranteed minimum rents in renewals and relets have a cannibalisation effect on variable rents.

Acquisitions have a major impact on invoiced rents growth linked with both their size and dates when they have been signed. *The majority of acquisitions in 2006 and 2007* were carried out in the second half of 2006 (Clermont Ferrand, Poitiers, Ajaccio, Corte) and the first quarter of 2007 (Bastia Furiani, Bastia Port Toga, Porto Vecchio), resulting in a significant impact on growth in rents in 2007: Euro 8,544 thousands (**+14.6 points**).

“The strength of Mercialys business model is confirmed quarter after quarter. Our day to day priority to increase yields of our shopping centers is bearing fruits, supported today by the work done by teams in terms of renewals and relets and reinforced tomorrow by the ambitious program of restructuring named Alcudia”, declared Jacques Ehrmann, CEO of Mercialys.

“External growth is also a key driver of development. Thanks to the acquisition of 5 assets in La Réunion Island announced last week, 2007, as 2006, will be a good year. Going forward, thanks to the size and the quality of Casino development pipeline, we can envisage a sustainable double-digit growth for the future.”

Origins of growth in invoiced rents



* Growth in invoiced rents during the first nine months compared with the same period in 2006 on a like-for-like basis and including the effects of indexation

Deployment of the Alcudia project: a key priority for Mercialys

During the third quarter of 2007, The Alcudia project enter into an intensive and very active deployment phase. Dedicated teams are focused on the objective to deliver new projects before 2012.

Qualitative and quantitative studies, carried project by project, helped at confirming a vast majority of existing strategic plans and gave useful additional information to complete them.

Nearly 80 "CDEC" files (to obtain authorizations for extensions of commercial surfaces) are currently prepared to be filed in 2008.

Next publications:

- January 23, 2008 (evening) Revenues to December 31, 2007

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About Mercialys

Mercialys, one of France's leading real estate companies, is solely active in commercial property. Rental revenue in 2006 came to Euro 82.3 million and net income, Group share, to Euro 60.5 million. It owns 160 properties with an estimated value of Euro 1.6 billion at June 30, 2007. Mercialys has benefited from "SIIC" tax status (REIT) since November 1, 2005 and has been listed on Eurolist by Euronext Paris, symbol *MERY*, since its initial public offering 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 shelf registration document available at www.mercialys.com for the year to December 31, 2006 for more details regarding certain factors, risks and uncertainties that could affect Mercialys' 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.