



PRESS RELEASE

Paris, October 15, 2012

Q3 2012 Rental revenues

Organic growth in invoiced rents of +4.6%

5 new extensions to be opened during 2012 fourth quarter

Over the nine last months, Mercialys **rental revenues** were up **+1.3%**:

<i>Thousands of Euro</i>	First nine months 2011	First nine months 2012	% change
Invoiced rents	113,733	114,771	+0.9%
Entry fees	5,314	5,859	
Rental revenues	119,046	120,630	+1.3%

These first nine months of the year were characterized by:

- continuing robust organic growth in invoiced rents: **+4.6 points** (including indexation¹ : +2.2 points);
- the impact of the completion of "Esprit Voisin" development projects and the inclusion in the portfolio of the Brive Malemort shopping center at the end of 2011: impact of **+4.2 points** on growth in invoiced rents;
- the effect of asset sales carried out in late 2011² and the asset sales already carried out in 2012³, reducing our rental base: **-6.5 points**.

The increase in invoiced rents during the period was also influenced by non-recurring items, mainly relating to base effects (positive non-recurring items recognized in the first half of 2011) and the strategic vacancy relating to on-going redevelopment programs, with a negative impact on growth in invoiced rents at end-september 2012 (**-1.4 point**).

¹ In 2012, for the majority of leases, rents were indexed either to the change in the construction cost index (CCI) or to the change in the retail rent index (ILC) between the second quarter of 2010 and the second quarter of 2011 (respectively +5.01% and +2.56%).

² See press release on 2011 results published on January 16, 2012.

³ See press release on 2012 half-year results published on July 23, 2012.

« Our ability to extract value from our portfolio of assets remained the growth driver during the quarter: we continued to generate a strong organic growth, our main management indicators remained stable, and our completions of Esprit Voisin projects continue at a steady rate with no fewer than 9 extensions opened over the whole year.

Those developments combined with a phased roll-out of our new strategy of ‘Foncière Commercante’⁴ strengthen the quality of our portfolio and the momentum of our shopping centers » commented Géry Robert-Ambroix, interim CEO of Mercialys.

Lease rights and despecialization indemnities received as of September 30, 2012⁵ amounted to Euro 3.7 million, compared with Euro 5.5 million as of September 30, 2011, breaking down as follows:

- Euro 2.3 million in lease rights relating to ordinary reletting activities (compared with Euro 1.9 million as of September 30, 2011);
- Euro 1.4 million in lease rights relating primarily to the letting of the Quimper, Rodez and Fréjus extension/ redevelopment programs (compared with Euro 3.6 million as of September 30, 2012 relating to lettings of Nîmes, Geispolsheim, Ajaccio and Marseille La Valentine extension/redevelopment programs).

After the impact of deferrals required under IFRS (deferring of lease rights over the firm period of the lease), lease rights and despecialization indemnities recognized as rental revenues as of September 30, 2012 increased by +10.3% to Euro 5.9 million (compared with Euro 5.3 million as of September 30, 2011), as a result of significant lease rights received in both 2010 and 2011.

Q3 2012 Activity

The implementation of the Esprit Voisin program kept on going: 5 completions of extensions planned during the fourth quarter and 7 renovations under the “Esprit Voisin” concept

After 4 projects completed during the first-half of 2012, the implementation of the Esprit Voisin program will continue at a steady pace with 5 new extensions to be opened during the fourth quarter:

- The sites of Montauban and Istres will benefit from a renovation and an extension of the shopping mall that will increase their commercial position.
- In Narbonne, an H&M store opened on an area acquired from the anchored hypermarket.
- In Fontaine-Les-Dijon, a retail park will open in front of our existing shopping center.
- Mercialys is developing an extension to the Bordeaux-Pessac shopping mall under the “Esprit Voisin” concept. This extension was sold to a fund on an off-plan basis and is due to be delivered to the fund in November 2012.

As a reminder, Mercialys and Union Investment, a fund manager highly active in the real estate market, created in 2011 an OPCV fund designed to invest in mature retail properties. The fund is 80%-owned by Union Investment and 20% by Mercialys. Mercialys operates the fund and is in charge of asset management and letting of premises.

In 2011, the fund acquired its first asset in Bordeaux-Pessac comprising a shopping center and a retail park.

Thus, a total of 68 new stores are due to open during the fourth quarter 2012 representing a full-year rental value of Euro 4.7 million (including Euro 2.5 million for Bordeaux-Pessac extension) and a newly created, redeveloped and/or renovated GLA of 42,000sqm.

At the same time, 7 shopping centers benefit from a renovation under the “Esprit Voisin” concept due to be completed during the second half of 2012.

⁴ Think and act as a retailer

⁵ Cash amount received before IFRS smoothing accounting (over the first 3 years of leases)

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

Next events and publications:

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| • January 14, 2013 (after market close) | 2012 Q4 Activity |
| • February 13, 2013 (after market close) | Annual results 2012 |

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About Mercialys

Mercialys is one of France's leading real estate companies, solely active in retail property. Rental revenue in 2011 came to Euro 161.0 million and net income, Group share, to Euro 147.4 million.

It owned 117 properties at June 30, 2012 with an estimated value of Euro 2.7 billion (including transfer taxes). 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 92,022,826 as of June 30, 2012 and 92,022,826 as of December 31, 2011.

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, 2011 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.

MERCIALYS RENTAL REVENUES

<i>TOTAL</i>					<i>QUARTERS</i>			
In Euro thousands	03/31/2007	06/30/2007	09/30/2007	12/31/2007	Q1	Q2	Q3	Q4
Invoiced rents	23,688	47,557	72,257	97,723	23,688	23,869	24,700	25,465
Lease rights	447	881	1,287	1,773	447	434	406	486
Rental revenues	24,135	48,438	73,545	99,496	24,135	24,303	25,106	25,951
Change in invoiced rents	31.1%	22.3%	23.1%	21.1%	31.1%	14.7%	24.5%	15.7%
Change in rental revenues	28.8%	22.2%	22.8%	20.9%	28.8%	16.3%	23.9%	15.7%
In Euro thousands	03/31/2008	06/30/2008	09/30/2008	12/31/2008	Q1	Q2	Q3	Q4
Invoiced rents	27,626	55,884	83,775	113,613	27,626	28,258	27,892	29,838
Lease rights	516	1,111	1,842	2,588	516	595	731	746
Rental revenues	28,142	56,995	85,618	116,201	28,142	28,853	28,623	30,583
Change in invoiced rents	16.6%	17.5%	15.9%	16.3%	16.6%	18.4%	12.9%	17.2%
Change in rental revenues	16.6%	17.7%	16.4%	16.8%	16.6%	18.7%	14.0%	17.8%
In Euro thousands	03/31/2009	06/30/2009	09/30/2009	12/31/2009	Q1	Q2	Q3	Q4
Invoiced rents	30,630	62,875	97,591	130,911	30,630	32,245	34,716	33,320
Lease rights	680	1,643	2,650	3,326	680	963	1,007	676
Rental revenues	31,310	64,518	100,241	134,237	31,310	33,208	35,723	33,996
Change in invoiced rents	10.9%	12.5%	16.5%	15.2%	10.9%	14.1%	24.5%	11.7%
Change in rental revenues	11.3%	13.2%	17.1%	15.5%	11.3%	15.1%	24.8%	11.2%
In Euro thousands	03/31/2010	06/30/2010	09/30/2010	12/31/2010	Q1	Q2	Q3	Q4
Invoiced rents	35,127	70,547	106,995	144,695	35,127	35,420	36,447	37,700
Lease rights	803	1,842	2,934	4,811	803	1,039	1,092	1,877
Rental revenues	35,930	72,390	109,929	149,506	35,930	36,459	37,539	39,577
Change in invoiced rents	14.7%	12.2%	9.6%	10.5%	14.7%	9.8%	5.0%	13.1%
Change in rental revenues	14.8%	12.2%	9.7%	11.4%	14.8%	9.8%	5.1%	16.4%
In Euro thousands	03/31/2011	06/30/2011	09/30/2011	12/31/2011	Q1	Q2	Q3	Q4
Invoiced rents	36,887	75,583	113,733	153,385	36,887	38,696	38,150	39,652
Lease rights	1,581	3,571	5,314	7,621	1,581	1,990	1,742	2,307
Rental revenues	38,468	79,154	119,046	161,005	38,468	40,686	39,892	41,959
Change in invoiced rents	5.0%	7.1%	6.3%	6.0%	5.0%	9.2%	4.7%	5.2%
Change in rental revenues	7.1%	9.3%	8.3%	7.7%	7.1%	11.6%	6.3%	6.0%
In Euro thousands	03/31/2012	06/30/2012	09/30/2012	12/31/2012	Q1	Q2	Q3	Q4
Invoiced rents	38,592	77,141	114,771	153,385	38,592	38,549	37,630	39,652
Lease rights	1,888	3,849	5,859	7,621	1,888	1,961	2,010	2,307
Rental revenues	40,480	80,990	120,630	161,005	40,480	40,510	39,640	41,959
Change in invoiced rents	4.6%	2.1%	0.9%	6.0%	4.6%	-0.4%	-1.4%	5.2%
Change in rental revenues	5.2%	2.3%	1.3%	7.7%	5.2%	-0.4%	-0.6%	6.0%