2013 full-year results

Thursday, February 13, 2014

Preliminary notice

- The 2013 full-year consolidated financial statements were approved by the Board of Directors at its meeting of February 12, 2014.

- Audit procedures have been conducted by the statutory auditors. Finalization of the statutory auditors' report on the consolidated financial statements is in progress.

NB: Mercialys pre-empted the implementation of IFRS 10, 11 and 12 for the year ended December 31, 2013. Jointly controlled subsidiaries (namely SCI Geispolsheim and Corin Asset Management), previously proportionally consolidated, were qualified as associated companies according to IFRS 11 definition and have therefore been consolidated under the equity method. Consequently, 2012 figures in this presentation have been adjusted to provide a comparable information.

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L'Esprit Voisin.

Introduction

Real estate companies specializing in shopping centers were subject to a complex economic climate in 2013

Flat GDP growth* in France

+0.1%

Unemployment rate**

10.5%***

Slightly positive purchasing power

+0.5%

Decline in shopping center footfall

-1.7%****

Retailers' sales down overall in the sector

-2.1%*****

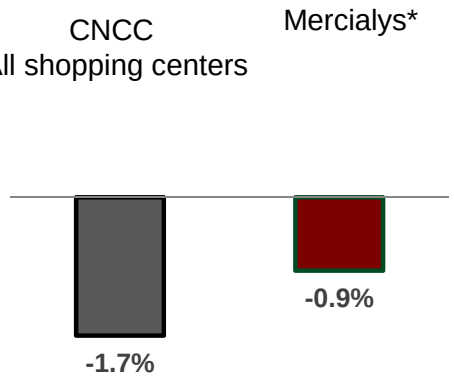
(*) INSEE: GDP chain-linked prices - base year
(**) INSEE: unemployed person (ILO) in metropolitan France
(***) At the end of Q3 2013

(****) CNCC – Cumulative to end-December 2013, all shopping centers
(*****) CNCC – Comparable scope – Cumulative to end-December 2013

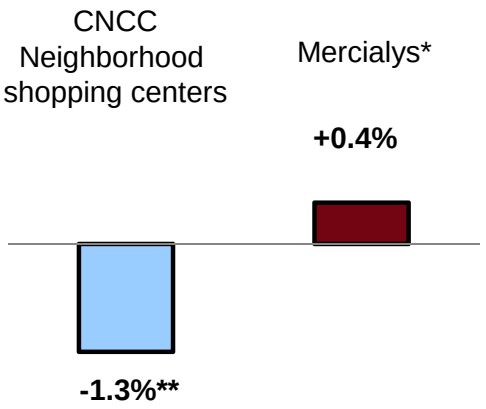
Against this backdrop, Mercialys has once again demonstrated the relevance of its business model...

Mercialys' shopping centers have outperformed the market

Cumulative footfall to end-December 2013



Cumulative sales to end-December 2013



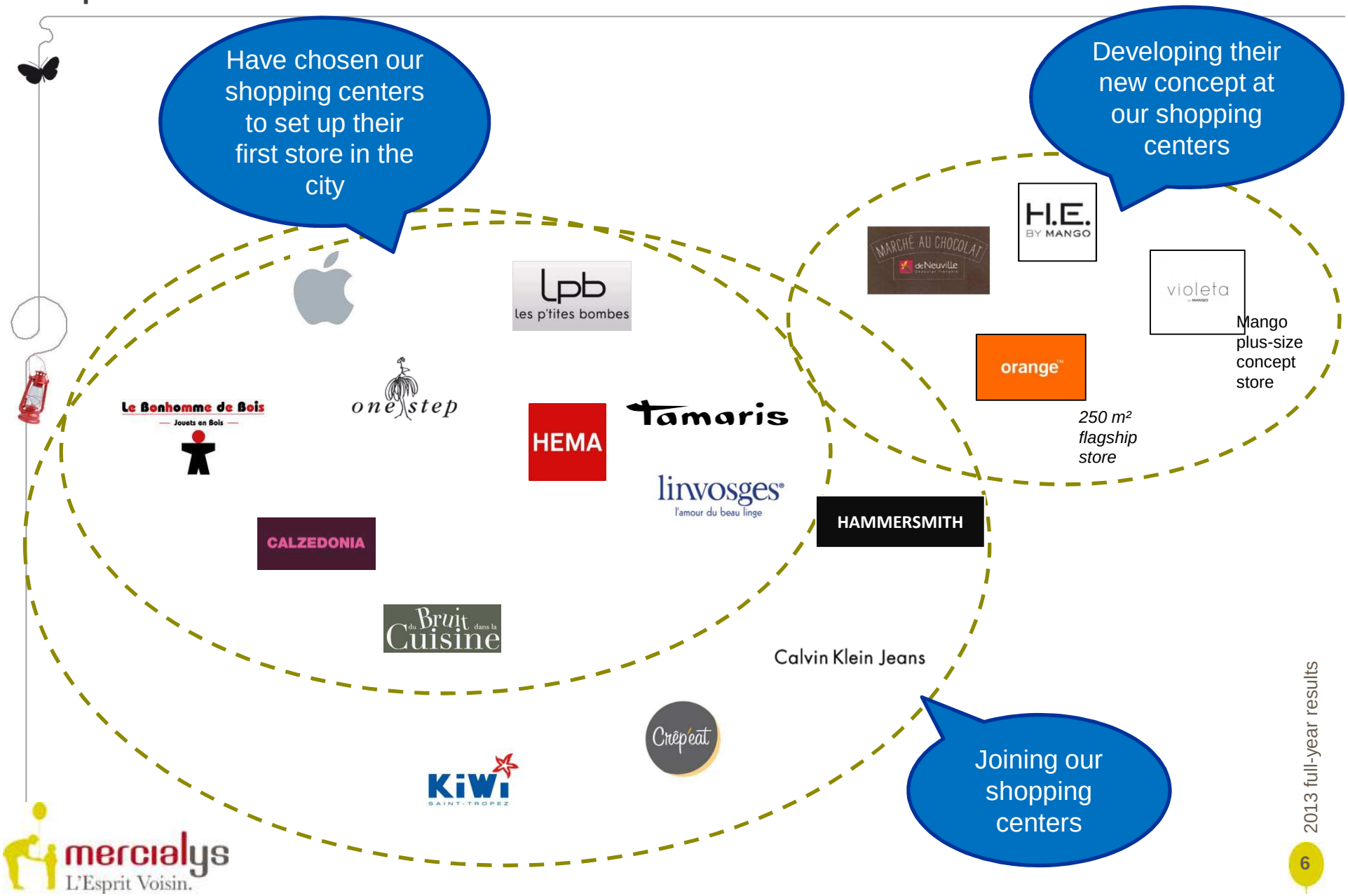
Continuing attractiveness of the L'Esprit Voisin concept

A diversified portfolio

A favorable sector mix

(*) Mercialys large shopping centers and main Neighborhood shopping centers
(**) CNCC – Comparable scope all shopping centers – Cumulative to end-December 2013: -2.1%

... and its ability to attract new retailers and new concepts to its portfolio



Mercialys achieved another year of strong organic growth and exceeded its targets...

Organic growth in invoiced rents

+3.7%

o/w **1.7pts** excluding indexation

Compared with a target of growth of +1.5 pts

Lease portfolio activity

Relets	**+35%****
Renewals	**+18%****

261 Leases signed

Specialty leasing*

Euro 5.0m invoiced in 2013

+16% vs 2012 like-for-like***

3.5% of invoiced rents

(*) Short-term lets of common areas (malls and car parks)
(**) Average increase in rental values versus benchmark rental values - Excluding renewals in La Réunion
(***) Excluding assets sold in 2012 and 2013

... while maintaining a growth momentum and preserving operational margins

Restated** EBITDA*/rental income ratio

85%

Above the target set at the start of the year of 84%

Growth in funds from operations (FFO)*** adjusted for the effects of 2012 and 2013 asset sales

+4%

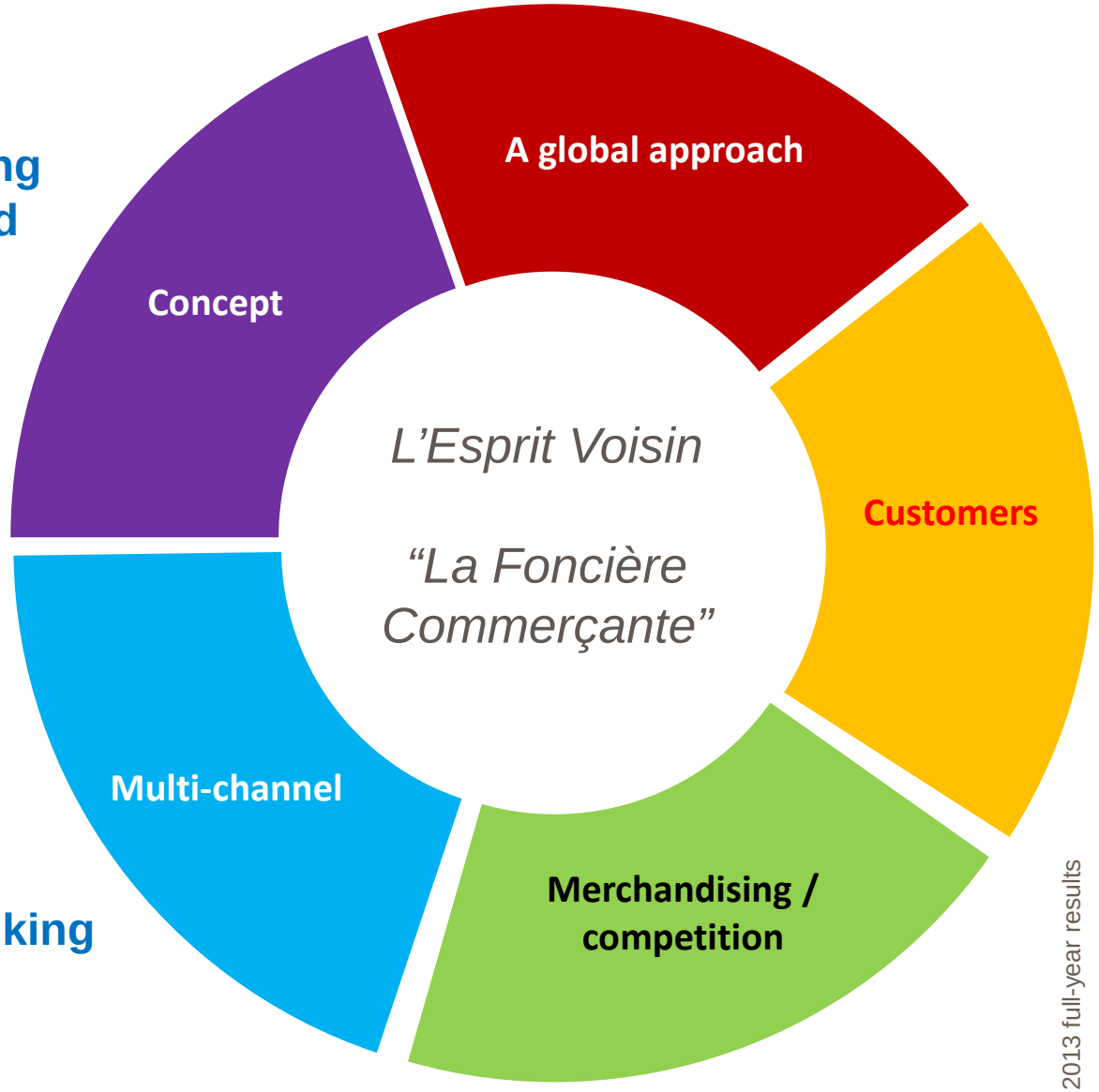
(*) EBITDA (Earnings before interest, taxes, depreciation and amortization)
(**) Restated for property development margin, earnout payments and non-recurring fees received relating to the Bordeaux-Pessac extension sold to a fund created in partnership with Union Investment
(***) Funds from operations: Net income, Group share before depreciation, capital gains on assets sales, asset write-downs excluding additional tax contribution of 3%

Reinforcing the overall approach of our sites will allow for greater opportunities for value creation

A 360° view of the site as a whole to make our shopping centers more attractive and maximize value created

A value-creating partnership with our partners at sites, primarily with the Casino Group

A real estate company thinking as a retailer



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L'Esprit Voisin.

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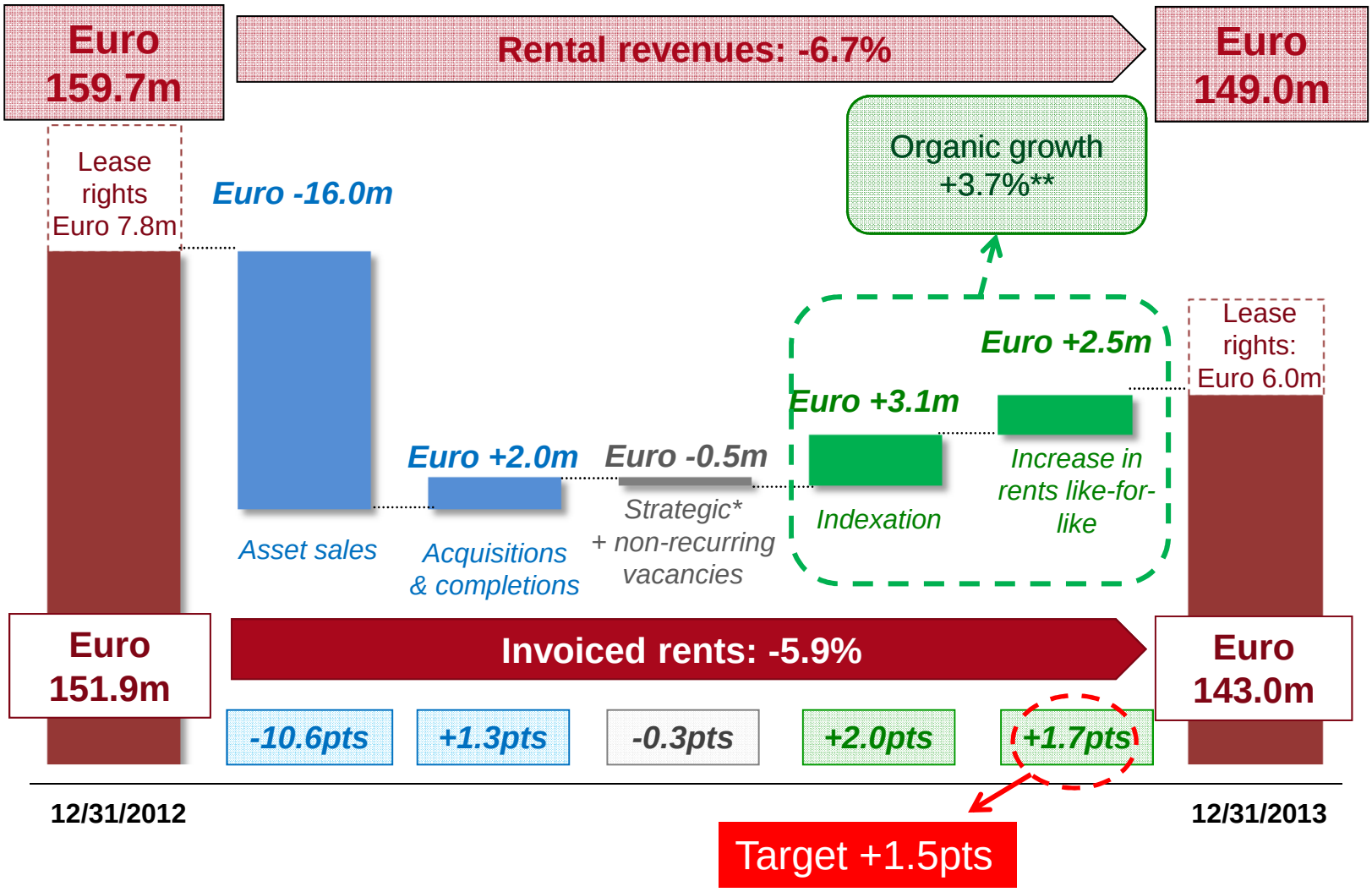
L'Esprit Voisin.

2013 full-year results

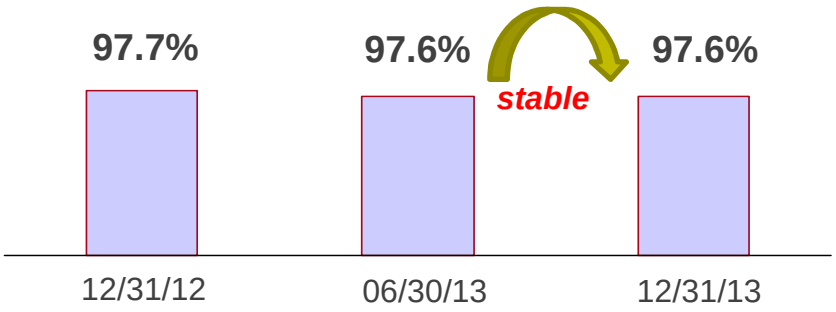
Organic growth remains a powerful driving force for Mercialys, which has exceeded its initial target



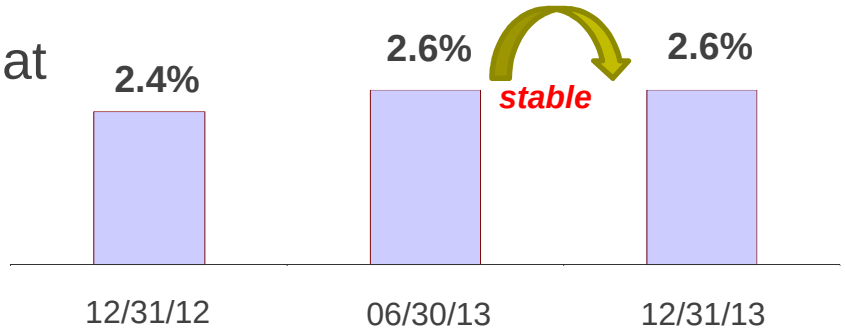
(*) Relating to the L'Esprit Voisin program – Lots left vacant to facilitate future redevelopment works
(**) Organic growth in invoiced rents including current vacancies, variable rents and indexation excluding the impact of recurring lease rights

Management indicators remain relatively stable at low levels

- Recovery rate* still at a high level



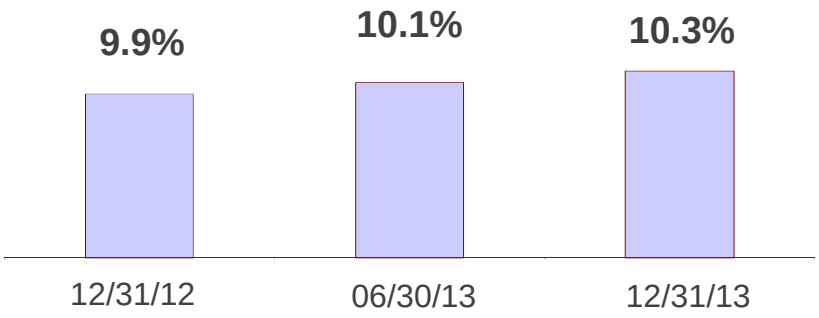
- Recurring vacancy rate stable at a low level



- Limited occupancy cost ratio** for our retailers

  Slight increase due to the inclusion of 2012 extensions.

  Excluding this effect, the OCR is stable.



(*) Cumulated over 12 months of billings
(**) Rent + service charges incl. VAT / tenants' sales incl. VAT

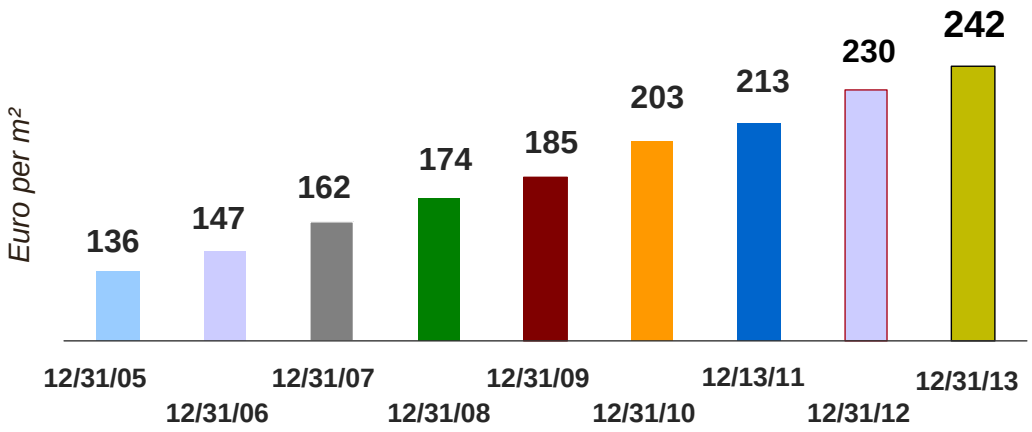
Rents + charges continue to represent a limited weighting in our retailers' P&Ls

- Average gross rental value still **well below the benchmark:**

  Euro 242 per m²

- Competitive level of charges

IPD benchmark
Euro 319 per m²*



(*) Rental value per m² at end-2012 – Benchmark excluding Mercialys portfolio

Plan of asset sales launched in 2012 has been finalized

Euro 232m**
of asset sales carried out in 2013

42 assets sold in 2012/2013

Sale prices above the appraisal values

2007

Other
10%*

Neighborhood shopping centers
28%*

Large regional shopping centers
62%*

a refocused portfolio

Asset portfolio 12/31/13

61 shopping centers

Other
3%*

Neighborhood shopping centers
23%*

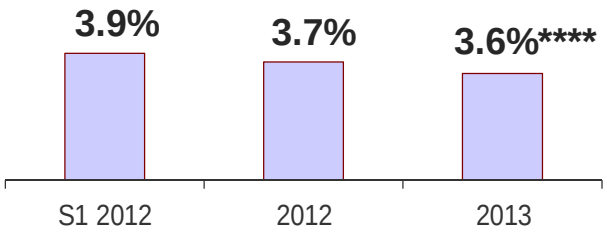
Large regional shopping centers
74%*

(*) Percentage calculated according to market value of assets including transfer taxes
(**) Including estimated earnout payments of Euro 13 million on vacant lots as at December 31, 2013

Mercialys has strengthened its financial structure by repaying debt of Euro 250m and refinancing its revolving credit facility

Debt drawn **Euro 750m**
Net debt **Euro 742m**

- Lower average cost of debt



... and set to decrease further

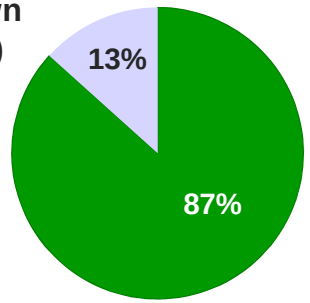
Refinanced RCF: **Euro 150m**
Margin of **140bp** vs. 225bp***
Maturity deferred to January 2019

- Debt ratios allow for a high level of flexibility

LTV*
32%
< 40%

ICR**
4.2
> 2.5x

Bank loans drawn (February 2015) Euro 100m



Bonds (April 2019) Euro 650m

(*) Net debt / Market value of assets excluding transfer taxes
(**) EBITDA / Net cost of debt (including capitalized interest)
(***) Fee for use between 20bp and 40bp depending on level drawn
(****) Excluding exceptional depreciation of costs deferred in relation to the repayment of Euro 250m of bank loans

Overhead costs reduced by 4%

- The reduction in overhead costs allows for targeted reinvestment in order to make our shopping centers more attractive

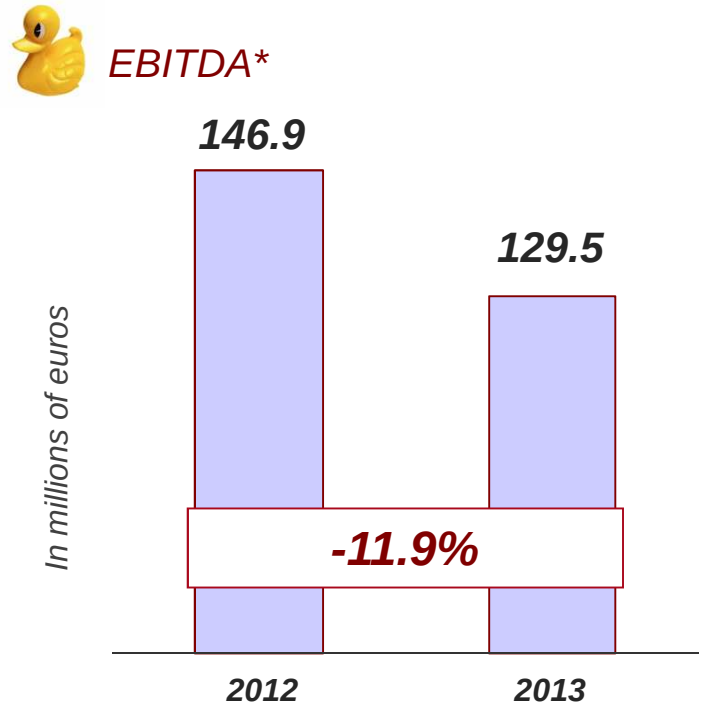
In millions of euros

	12/12 pro forma*	12/13	% chg.	Change
Net rental income	**150.7**	**139.4**	**-7.5%**	
Net operating expenses	-12.9	-12.4	**-4.4%**	-0.6
Communication of shopping centers	-0.8	-1.5	NS	+0.6
Non recurring operating costs	-0,9	-	NS	-0.9
Operating cash flow	**136.0**	**125.6**	**-7,7%**	

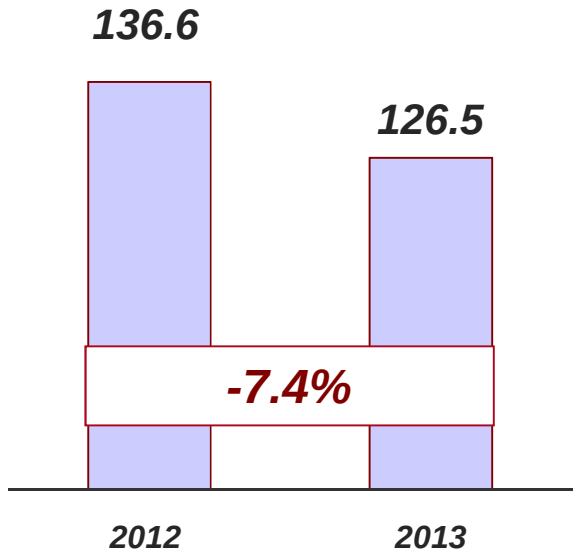
(*) see NB page 2

Attention paid to expenses has enabled us to maintain a high margin to EBITDA ratio

*EBITDA**



*EBITDA adjusted for income realized on the sale of the Bordeaux-Pessac extension***

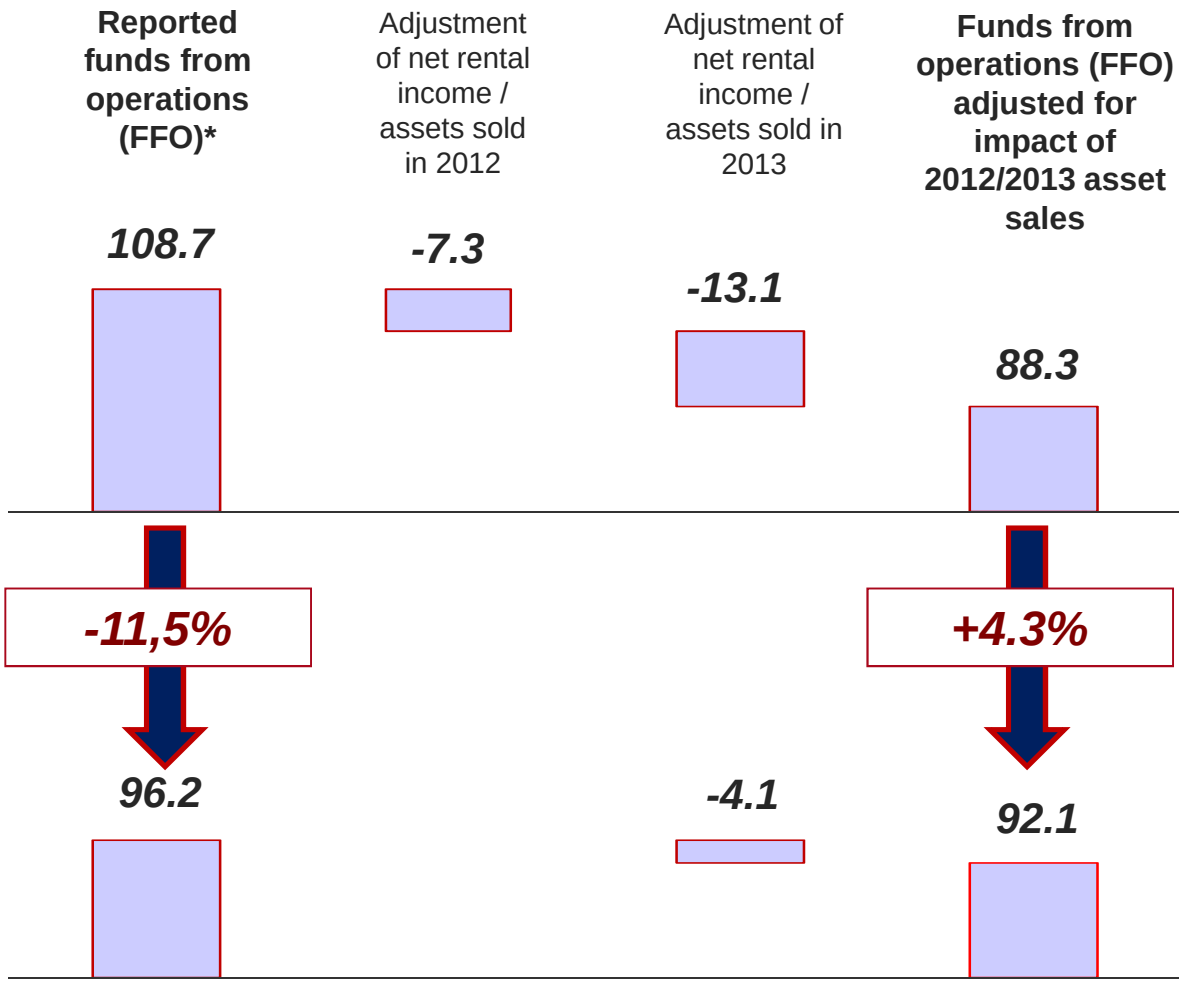


*Adj. EBITDA** / rental income*	*86%*	*85%*

Target set at 84%

(*) EBITDA (Earnings before interest, taxes, depreciation and amortization)
(**) Restated for property development margin, earnout payments and non-recurring fees received relating to the Bordeaux-Pessac extension sold to the fund created in partnership with Union Investment

Excluding the impact of assets sold in 2012 and 2013, FFO increased by 4%

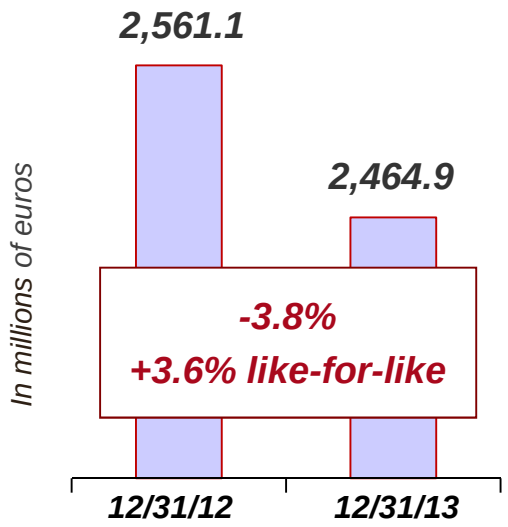


(*) Funds from operations: Net income, Group share before depreciation, capital gains on assets sales, asset write-downs excluding additional tax contribution of 3% - Pro forma for 2012

The value of assets increased by +3.6% like-for-like, driven by organic growth in rental income

❖ Average appraisal yields remain stable

*Appraisal value of portfolio, including transfer taxes**



Growth over 12 months

Euro -181m
Change in scope of consolidation
Acqu./Asset sales

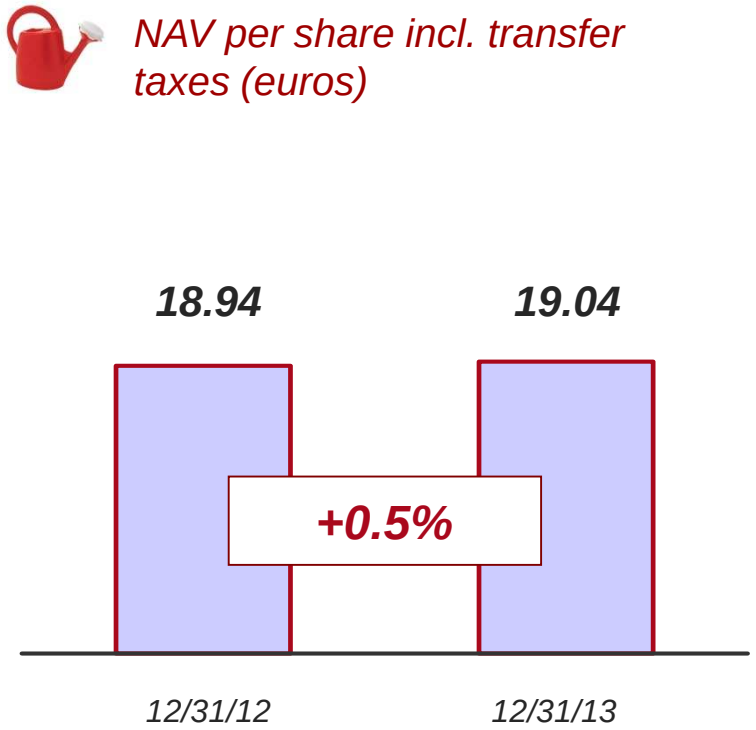
Euro +85m
Like-for-like growth in rental income

	12/31/12	12/31/13	
Average appraisal yield	**5.85%**	**5.85%**	**Stable since 12/31/12**

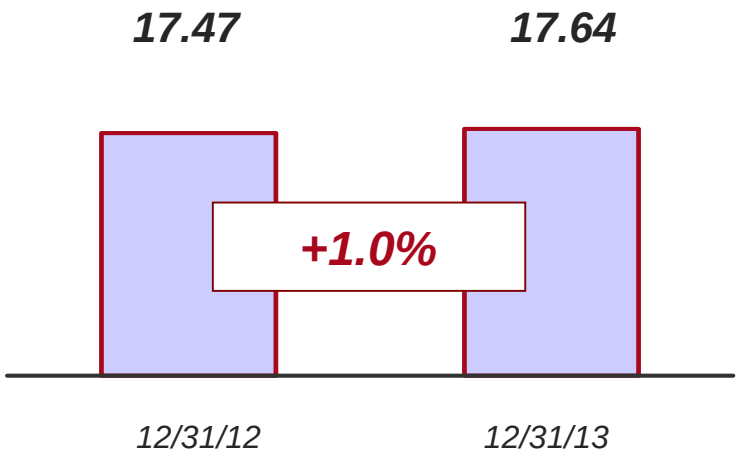
(*) Valuation based on appraisals by BNP Real Estate Valuation, Catella and Galtier

All-in yield as a percentage of NAV of 8.5%

NAV per share incl. transfer taxes (euros)



Liquidation NAV per share excl. transfer taxes (euros)



Dividends paid over year 2013

Euro 1.31 per share equal to an additional cash yield of 7.5% adding to the NAV yield of 1%*

(*) Dividend yield calculated as a percentage of liquidation NAV

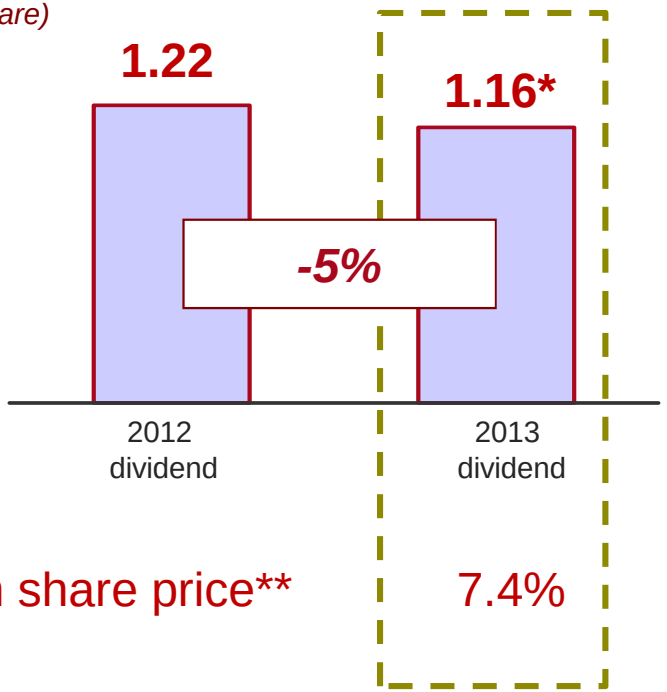
2013 dividend

Mercialys will propose to the general shareholders' meeting the payment of a dividend of **Euro 1.16 per share***, including the interim dividend paid in June 2013 of Euro 0.34 per share

Payment of the final dividend, representing **Euro 0.82 per share** on May 9, 2014

2012 dividend	1,22
Exceptional dividend paid in 2012	10,87
2013 dividend	1,16
Total distributed for 2012 and 2013	**13,25**

Dividends paid
(euros per share)



(*) Dividend payout submitted to the general shareholders' meeting for approval on April 30, 2014
(**) Based on February 11, 2014 closing price

Strategic approach stepped up

8 years of a winning strategy centered around proximity and value creation

- Customer-focused positioning centered around local presence: L'Esprit Voisin concept
- A dynamic value-creating approach at our sites
  - Extraction of the portfolio's "inherited" organic growth
  - Extension/redevelopment of sites and renovation of existing space: treatment of the site as a whole / creating new organic growth potential
  - Balancing out the weighting of anchor stores by including flagship retailers, which generate footfall
  - Increasing the average size of shopping centers and making them more attractive
- Targeted investment in properties presenting potential
- Targeted disposals of mature assets in order to develop positive momentum in terms of growth and attractiveness

Mercialys entering a new strategic phase with solid fundamentals

- A portfolio refocused on assets consistent with the "*Foncière Commerçante*" strategy
- A strong and unique positioning: L'Esprit Voisin
- Assets with value creation potential both in terms of architectural redevelopment and commercial power
- A solid financial structure that gives leeway to support a development strategy

Our beliefs

We believe into

- local roots;
- The strength of customer-oriented shopping centers in connection with their environment and respectful of their tenants;
- The possibility of conducting in medium-sized cities of France a development policy, value creating-oriented, thanks to an approach both differentiating and “industrialized”…
- … through a segmented approach, systematically aiming at developing differentiation in all its aspects

Our model is unique,
Rich with a value creation potential

Our vision

Make our sites

global and unique retail venues

by capitalizing on our strengths and our partners,

primarily the Casino Group

A 360° view of the site as a whole …

Developing ways of creating different and complementary forms of retail

… to develop potential on the scale of the site …

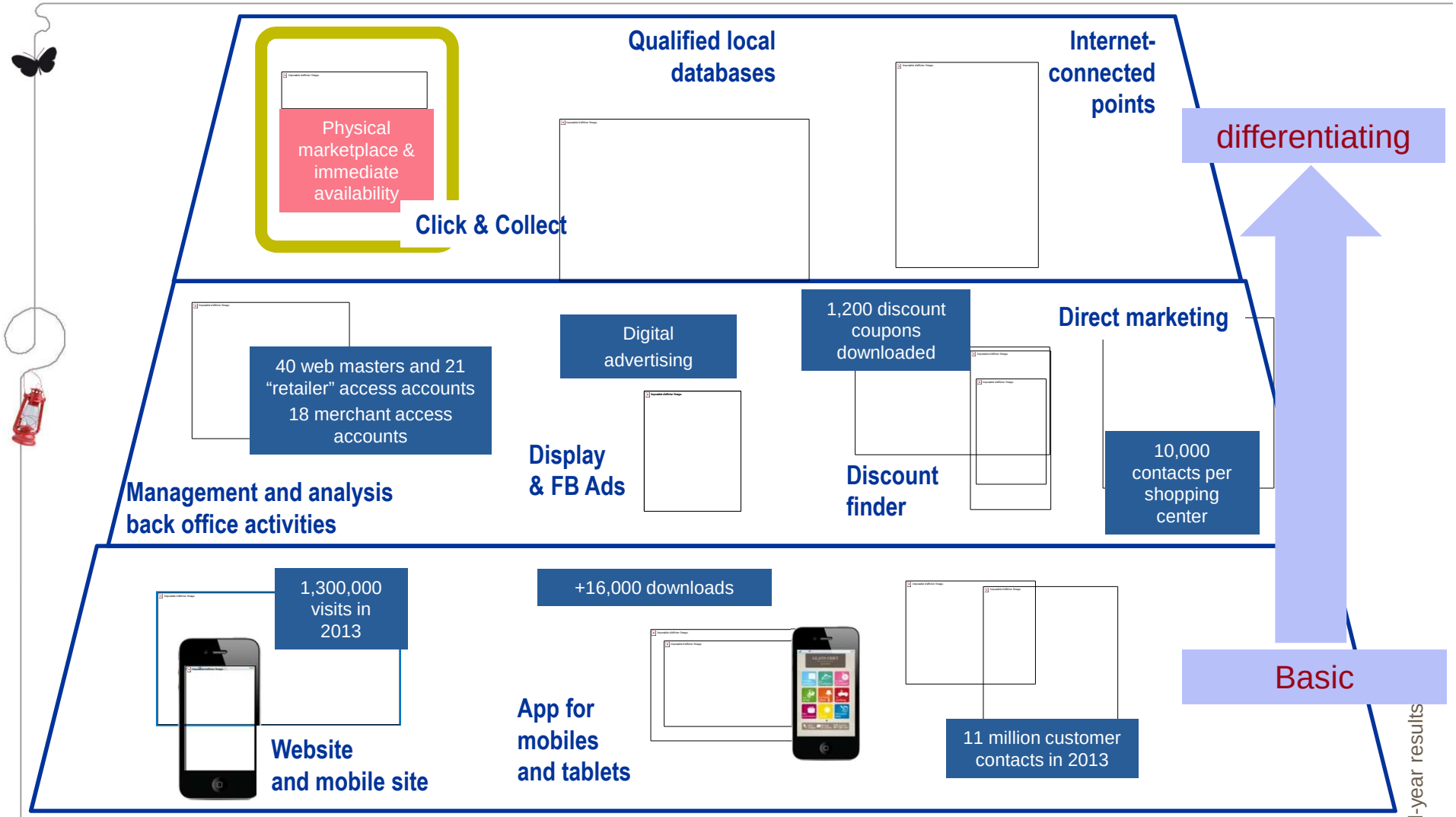
- Treat the site as a whole in collaboration with our partners: hypermarket, shopping mall, car parks, neighboring land, external offering located within the commercial area of the site
- Redevelop and relocate mid-size stores to parking lots in order to create additional rental value
- Create new complementary and differentiating forms of retail for retailers
- Further completions of L'Esprit Voisin development projects
- Continue to invest selectively in our shopping centers or in properties presenting strong potential

  Yearly investment capacity of Euro 100-120m

… and put the client at the center of the evolution of our shopping centers and their offering

- Develop a multi-criteria approach based on studies conducted locally on clients, positioning, competition and demographic trends
- Analyse needs not fulfilled on the area and adapt the merchandising plan in accordance, through L'Esprit Voisin projects and relets
- Attract new formats, concepts and retailers to diversify the offering and meet clients' needs
- Refresh the L'Esprit Voisin concept while preserving its fundamental aspects which create differentiation: local roots, a modern and attractive architecture, civic commitments
- Create a link between "brick and mortar" retail and e-commerce in order to increase footfall and multiply customer experiences

A multi-channel strategy to boost footfall and create a more unique offering



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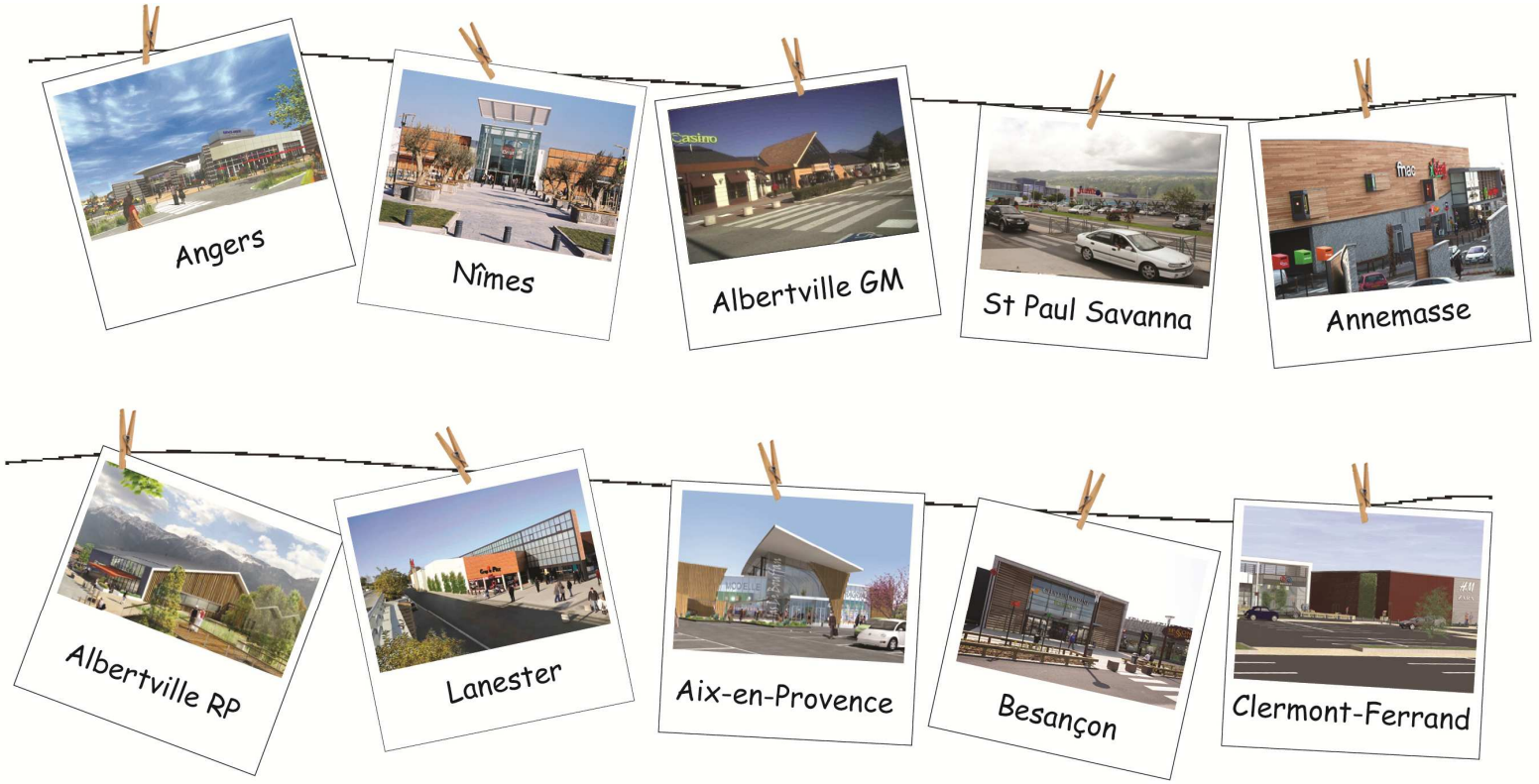
2014 activity

2014 actions will be inspired by the evolution of the strategy

- Growth: keep on extracting reversionary potential and developing our shopping centers;
- Attractiveness: develop new form of retail and enhance offering;
- Differentiation: thanks to our positioning centered around local presence and our privileged partnerships, meet clients' needs and adapt to changes in their consumer habits

In 2014, the L'Esprit Voisin concept will boost portfolio growth and make shopping centers more attractive

- 10 projects currently under development due to be completed in 2014



Euro 8.1m in additional rental income*- 26,100 m² of newly created or redeveloped space

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(*) Annualized rental income

Projects developed in 2014 will reinforce the offering and the local positioning of shopping centers

Besançon reinforces its leading position as a Regional centre with a third extension

Nîmes strengthens its offer with the restructuring of a mid-size store into 4 new shops and welcome Mango on 1,000 m²

Savanna St Paul becomes a shopping destination tripling its surface

Clermont Ferrand is strengthening its position through a second extension of 14 new shops and the extension of H&M

Décathlon extends its surfaces in Annemasse and thus sustains its position in the shopping center

Lanester welcomes new brands in an extension with 11 new shops

Espace Anjou attracts new anchor tenants with the restructuring of a former mid-size store into 16 additional shops

Albertville takes advantage of the transfer of the cafeteria to the parking lot to densify its commercial offering in a reinforced shopping mall and an adjacent retail park

Aix doubles its surface of mall and thus strenghtens its commercial power in a dynamic region

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Furthermore, a secured pipeline feeds future growth and enhances shopping centers marketability

10 projects for 2014* and 8 projects under review** to be developed by Mercialys

Euro 144m

Completions between Q2 2014 and Q1 2015

Other projects in the Casino pipeline**

Euro 379m

Projects that may be included in the Partnership Agreement as they are developed

- New projects take into account
  - The inclusion of all spaces presenting to be developed on the site
  - The inclusion of new forms of retail (specialty leasing, services, …) and new communication tools

(*) Projects valued at market value incl. transfer taxes
(**) Projects valued at market value weighted for probability of success on a project-by-project basis (see appendices). Those projects will be considered as commitments when Mercialys will have reiterated its order through the signing of a bilateral contract.

Specialty Leasing takes a new dimension in 2014 and complements the offering of our shopping centers

- A practice developed outside France: e.g. US and Australia

Specialty Leasing: an activity already developed under a number of different formats in our shopping centers…

Vending machines

Concept stores

Roadshow events

Posters and advertising

Local retail

Themed trade stalls

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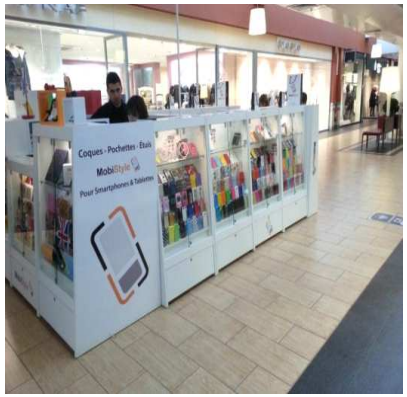
… and which could represent an important potential of growth in the mid-term future

- Generate **additional footfall**
- Provide customers with a unique offering that is updated regularly
- Increase revenues at all of our shopping centers: **prospect of 8-10% of sales in the long term**
- Create value without investment: ability to create **recurring revenues taken into account in appraisal valuations**

4,000 m² → **Potential of 20,000 m²**



Differentiation is also to ally with our preferred partner Cdiscount to enhance the customer experience,…

Cdiscount.com
N°1 du e-commerce en France !

- 10 million unique visitors per month
- Around 850,000 fans on Facebook
- Business volume incl. marketplace: Euro 1.6bn

le Marché *marketplace* since 2011

- 2013 marketplace business volume: Euro 217 million
- Dedicated team of 45 people
- More than 3,000 sellers
- Around 6 million offers

Very high service standards & strong customer satisfaction

Renowned partners, including our neighbors

Bata MICROMANIA CLEOR LA VIE EST UN MIX.

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…testing a unique multi-channel approach

Objectives

- Sell products online on the Cdiscount portal
- Offer internet users the ability to pay for products online and then collect them immediately from shopping center stores
- Encourage customers to visit stores in shopping centers

A real opportunity for the entire shopping center:

- Show internet users what is on offer at the shopping center
- Devise cross-selling strategies by promoting products that are immediately available at retailer

- Twin offers valid with the retailer and voucher to be used within the shopping center

CUSTOMER EXPERIENCE

1. **Geolocation-based search** on *cdiscount.com*
2. Selection of product **available at your sales outlet** and online purchase
3. Request for products to be made available and validation of retailer
4. **Collecting** product from **sales outlet**

+ Customer service, additional purchases, subscription to loyalty card schemes...

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Cdiscount.com

Lastly, it's also imaginating tailormade actions to sustain footfall in shopping centers…

To accompany tenants at each important milestone

- ✓ Main highlights in the year: Sales, Christmas, Back-to-school days…
- ✓ Main highlights in the shopping center life: Inauguration, re-opening of shops, …

Election of a muse

Communication campaign to strengthen the identity of the center and develop a sense of belonging

Christmas time

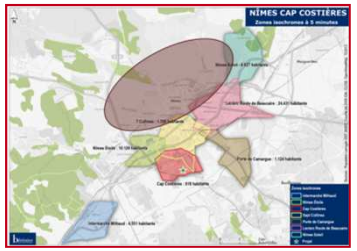
Sending Voucher to loyalty card holders

Back-to-School days

Voucher checkbook to promote footfall and sales in the shopping center

… thanks to a large range of innovative and multi-channel tools dedicated to servicing retailers

- Geomarketing studies of the catchment area to support the positioning and the communication strategy of the shopping center



- Hyper qualified and local databases

10,000 clients per centre

- A tool to manage marketing campaigns through email and SMS available to site managers: more than 200 direct marketing campaigns a year

- Dedicated tools: mobile apps, internet sites specific each center, dedicated facebook pages

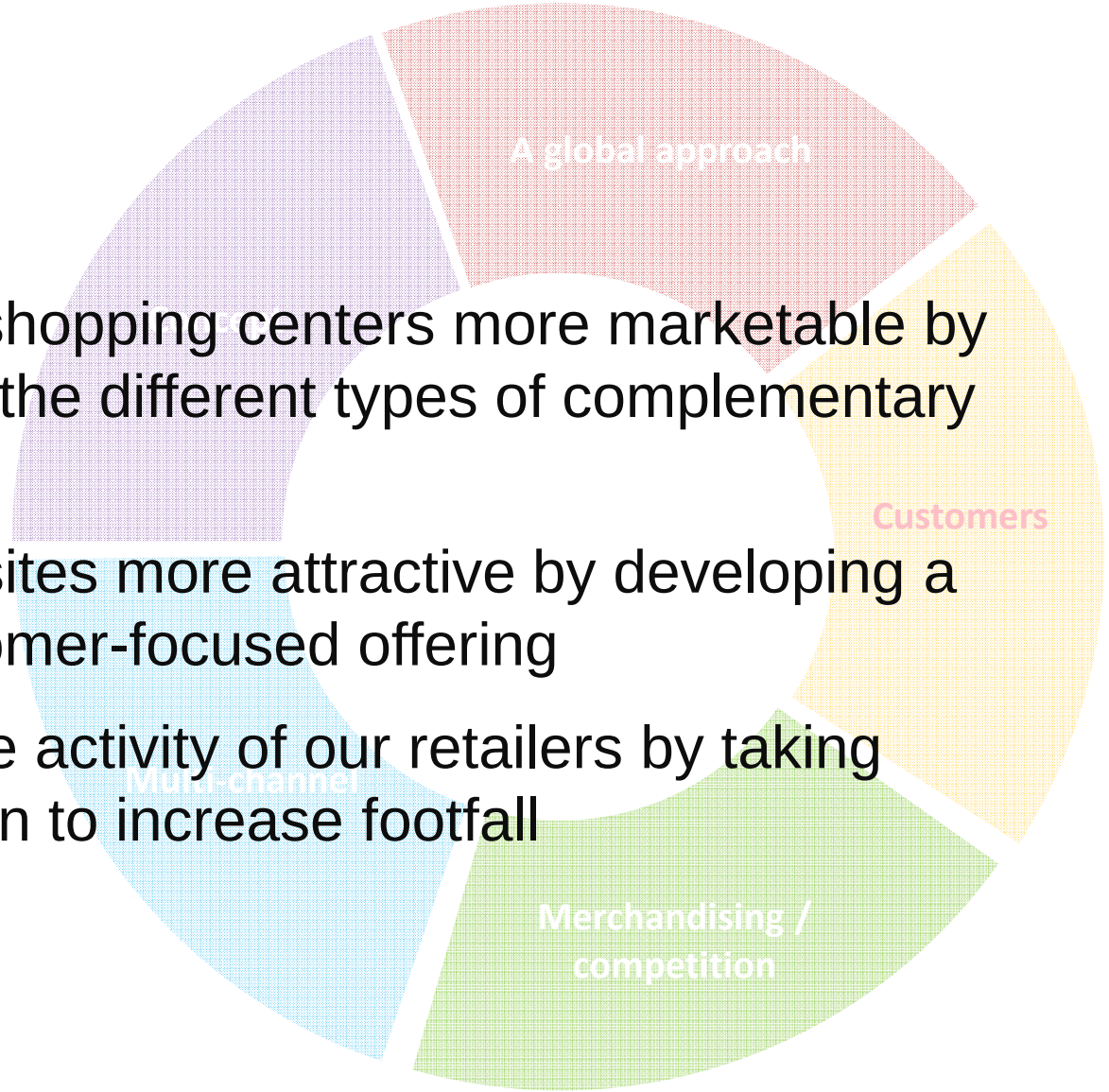
➔ A significant growth of attractiveness which benefits to all parties

mercialys
L'Esprit Voisin.

mercialys
L'Esprit Voisin.

Outlook

A real estate company thinking as a retailer



Our objectives

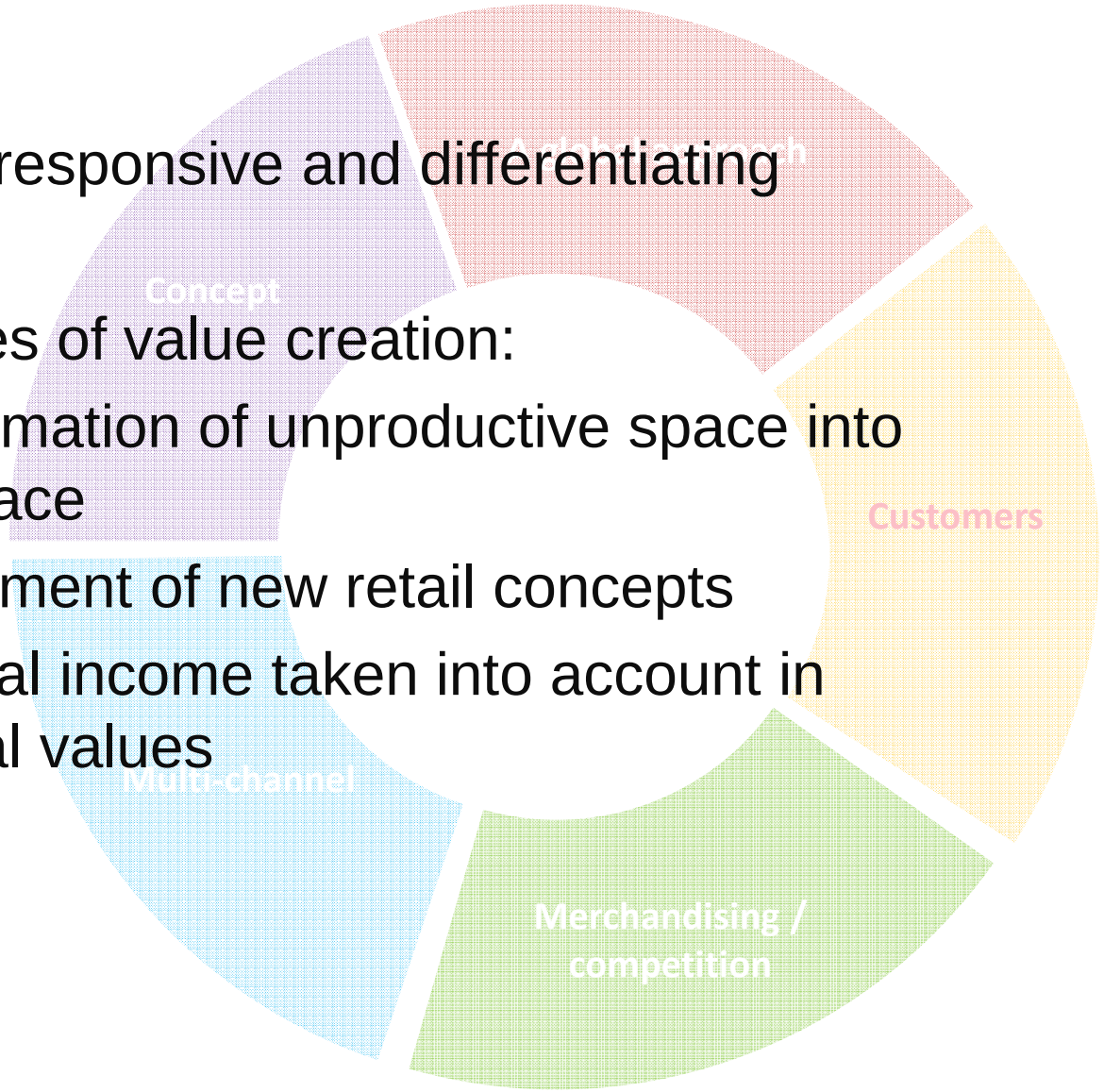
- Make our shopping centers more marketable by increasing the different types of complementary retail
- Make our sites more attractive by developing a more customer-focused offering
- Support the activity of our retailers by taking direct action to increase footfall

A model tailored to the customer of today

- Customer-centric approach
- Coherent with changes in consumer habits increasingly focusing on local presence
- Adopted by customers and retailers

A model that creates value

- A relevant, responsive and differentiating model
- New sources of value creation:
  - Transformation of unproductive space into retail space
  - Development of new retail concepts
  - Additional income taken into account in appraisal values



A strategy driving growth in 2014

Confident about the relevance of its strategy, Mercialys' management team is maintaining its dual focus on growth and profitability in 2014

Organic growth

- **Stronger organic growth than in 2013**

2.0 points of growth in invoiced rents above indexation

Funds from operations (FFO)*

- **Return to growth in cash flow**

Growth in funds from operations (FFO) per share **over +2%**

Completions of L'Esprit Voisin development projects

- **Return to a robust rate of L'Esprit Voisin completions**

Completion of **10 projects**

mercialys L'Esprit Voisin.

(*) Funds from operations: Net income, Group share before depreciation, capital gains on assets sales, asset write-downs excluding additional tax contribution of 3%

mercialys
L'Esprit Voisin.

Appendices

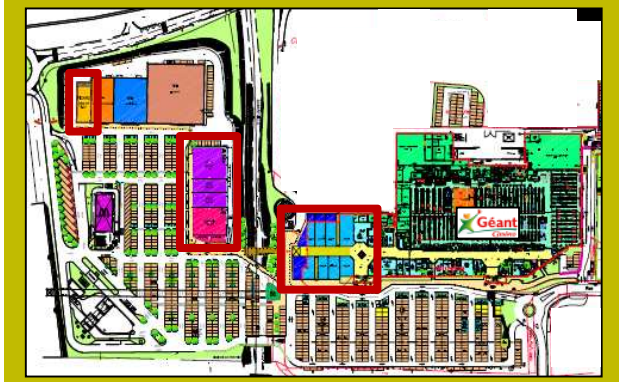
L'Esprit Voisin development projects in 2014

Project	Size	Description	Start of works	Opening date	Letting rate*	Market value incl. transfer taxes	Additional rental income
Lanester	2,000 m²	*Extension: +10 shops, +1 mid-size store*	July 2013	April 2014	94%	Euro 12m	Euro 0.8m
Albertville (RP)	2,200 m²	*Extension: + 4 mid-size stores*	June 2013	March 2014	100%	Euro 6m	Euro 0.4m
Aix en Provence phase 1	3,557 m²	*Extension: +21 shops*	Sept 2013	May 2014	77%	Euro 15m	Euro 0.9m
Angers Espace Anjou	5,000 m²	*Redevelopment: +16 shops*	Oct 2013	Nov 2014	92%	Euro 33m	Euro 2.1m
Annemasse (Décathlon)	2,000 m²	*Décathlon extension*	Oct 2013	Nov 2014	100%	Euro 4m	Euro 0.2m
Albertville (shopping mall)	1,900 m²	*Redevelopment: +12 shops, +1 mid-size store*	April 2014	Nov 2014	59%	Euro 7m	Euro 0.5m
Clermont-Ferrand (shopping mall)	1,700 m²	*Extension: +14 shops*	April 2014	Nov 2014	59%	Euro 15m	Euro 0.9m
Besançon	2,100 m²	*Extension: +14 shops*	Feb 2014	Nov 2014	94%	Euro 19m	Euro 1.2m
St Paul Savanna	1,604 m²	*Extension: +9 shops*	Oct 2013	Nov 2014	103%	Euro 8m	Euro 0.5m
Nîmes Boulanger	2,363 m²	*Redevelopment: +4 shops*	March 2014	Nov 2014	89%	Euro 4m	Euro 0.2m
2014	**24,424 m²**	**106 new stores**				**Euro 122m**	**Euro 7.7m**
Aix en Provence phase 2	1,641 m²	*Extension: +10 shops*	May 2014	March 2015	54%	Euro 6m	Euro 0.4m
TOTAL	**26,065 m²**	**116 new stores**				**Euro 128m**	**Euro 8.1m**

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation

Development projects due for completion in 2014

LES 4 VALLÉES
ALBERTVILLE CHIRIAC



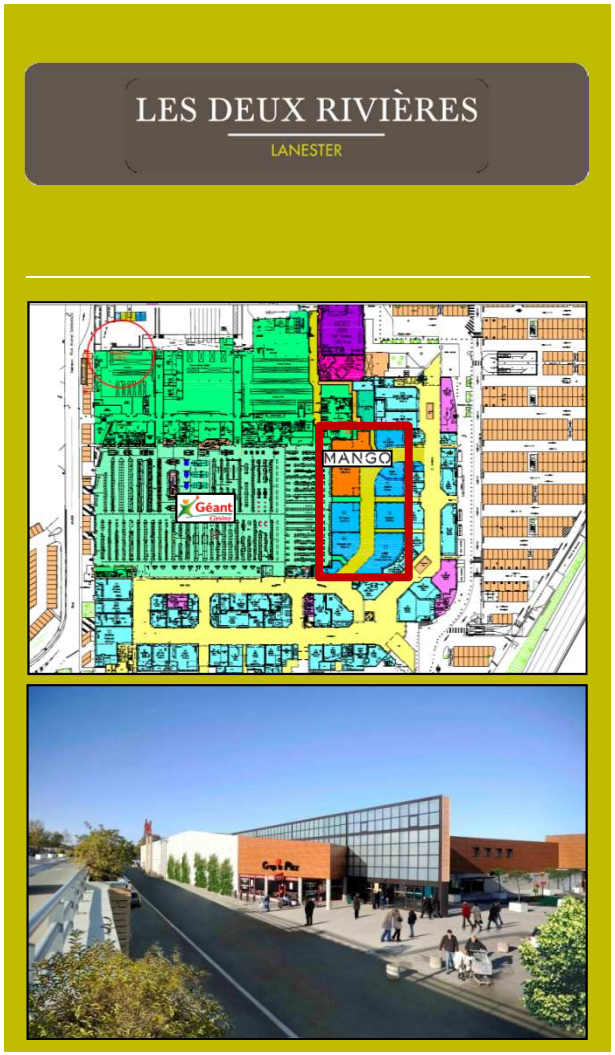
ALBERTVILLE

23,600 m² shopping center
33 shops - 3 mid-size stores
Major retailers: Intersport, La Halle aux Chaussures

- Extension of existing **retail park** (**+2,200 m²**) and **shopping mall** *(redevelopment of cafeteria)*
- **+5 mid-size stores and 12 shops**
- Retail park letting rate*: **100%**
- Shopping mall letting rate*: **59%**
- Total additional net rental income**: **Euro 0.8m per year**
- Retail park opening: **March 2014**
  (works in progress)
- Shopping mall extension opening: **Nov 2014**
  (works due to begin in April 2014)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(**) Projected amount

Development projects due for completion in 2014



LANESTER

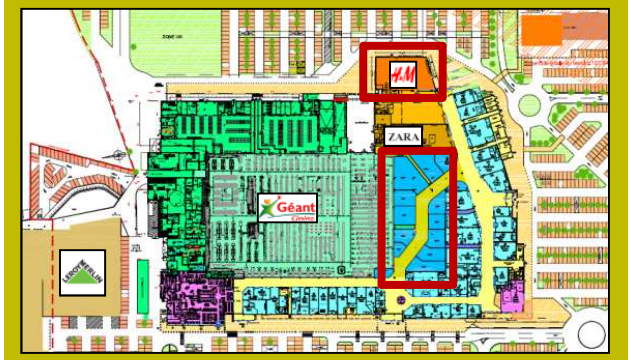
31,700 m² shopping center
64 shops - 1 mid-size store
Major retailers: Sephora, Celio

- **2,000 m²** shopping mall extension
- **10 new shops** and **1 mid-size store**
- Letting rate*: **94%**
- Total additional net rental income**: **Euro 0.8m per year**
- Opening of extension: **April 2014**
  (works in progress)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(**) Projected amount

Development projects due for completion in 2014

NACARAT



CLERMONT-FERRAND

35,000 m² shopping center
52 shops - 2 mid-size stores
Major retailers: H&M, Zara, Leroy Merlin

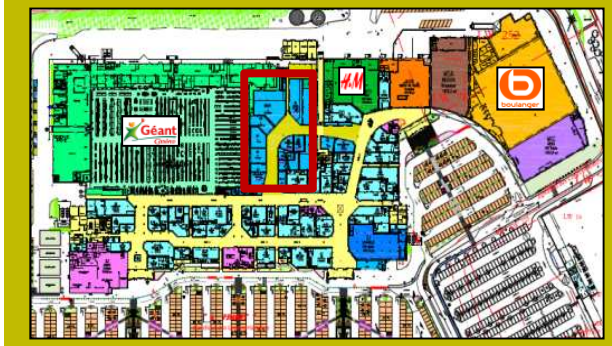
- **2,700 m²** shopping mall extension
- **14 new shops** and **H&M extension**
- Letting rate*: **59%**
- Total additional net rental income**: **Euro 1.0m per year** **(shopping mall project)**
- Opening of H&M extension: **Nov 2013**
- Opening of new shops: **Nov 2014**
  (works due to begin in April 2014)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation - Shopping mall extension
(**) Projected amount including additional rental income received for development project completed in 2013

Development projects due for completion in 2014

CHATEAUFARINE

BESANCON



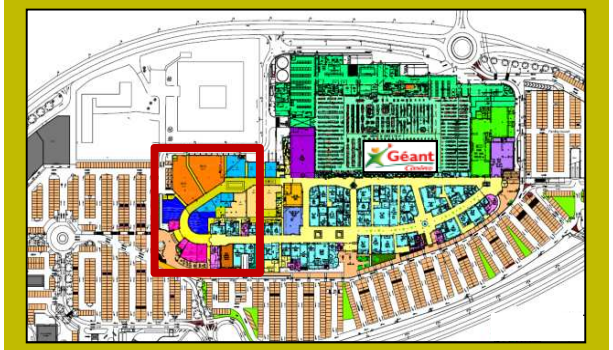
BESANCON

58,200 m² shopping center
72 shops - 10 mid-size stores
Major retailers: H&M, Boulanger, Leroy Merlin

- **2,100 m²** shopping mall extension
- **14 new shops**
- Letting rate*: **94%**
- Total additional net rental income**: **Euro 1.2m per year**
- Opening of extension: **Nov 2014**
  (works due to begin in February 2014)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(**) Projected amount

Development projects due for completion in 2014



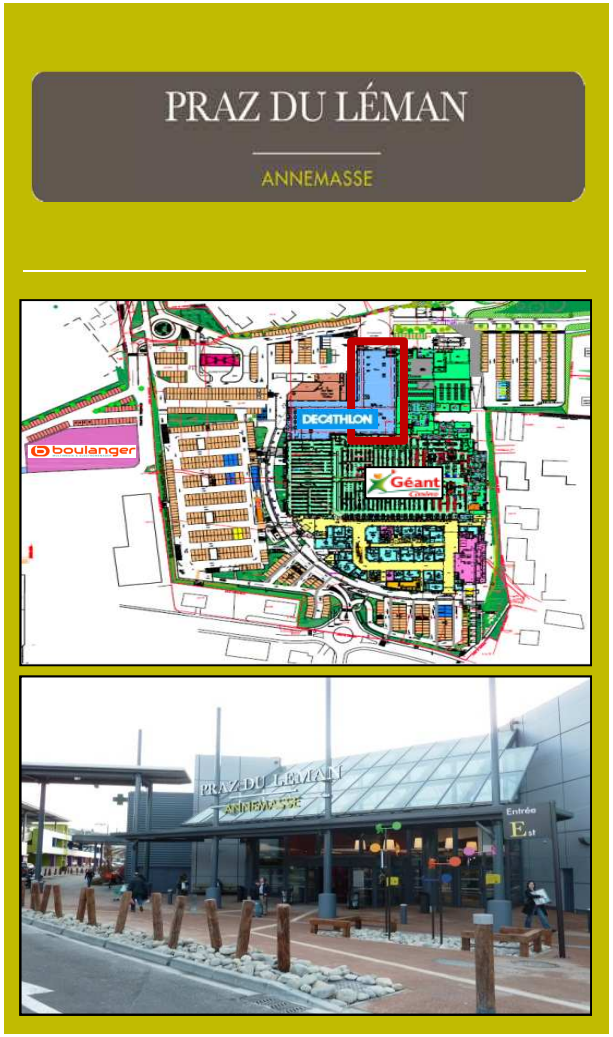
ANGERS ESPACE ANJOU

37,200 m² shopping center
92 shops - 5 mid-size stores
Major retailers: H&M, Zara, Sephora

- **5,000 m²** extension of existing shopping mall (redevelopment of attached large specialty store)
- **16 new shops**
- Letting rate*: **92%**
- Total additional net rental income**: **Euro 2.1m per year**
- Opening of extension: **Nov 2014** *(works in progress)*

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(**) Projected amount

Development projects due for completion in 2014



ANNEMASSE

25,000 m² shopping center

37 shops - 3 mid-size stores

Major retailers: Décathlon, FNAC, Boulanger

- Extension of **Décathlon** store
- **Doubling the retailer's selling space (+2,000 m²)**
- Letting rate*: **100%**
- Total additional net rental income**: **Euro 0.2m per year**
- Opening of extension: **Nov 2014**

  (works in progress)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation

(**) Projected amount

Development projects due for completion in 2014

La Réunion

SAINT PAUL SAVANNA

Shopping mall of 14 shops with GLA of 834 m²
3 national retailers: Esprit, Alain Afflelou, La Croissanterie

- **1,604 m²** shopping mall extension
- **9 new shops**
- Letting rate*: **103%**
- Total additional net rental income**: **Euro 0.5m per year**
- Opening of extension: **Nov 2014**
  (works in progress)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(**) Projected amount

Development projects due for completion in 2014

AIX-EN-PROVENCE

25,000 m² shopping center
37 shops
Major retailers: Micromania, Camaïeu, Nocibé

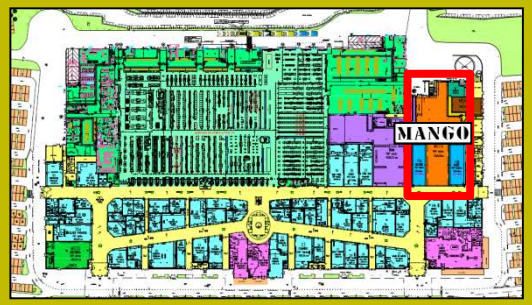
*Project 50%-owned**

- **4,800 m²** shopping mall extension **in 2 phases** and acquisition of 3 existing lots
- **28 new shops**
- Letting rate**: **70%**
- Total additional net rental income**: **Euro 1.3m per year**
- Opening of extension: **May 2014/March 2015** *(works in progress)*

(*) The values stated correspond to the entire project. Mercialys owns 50% of the project.
(**) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(***) Projected amount

Development projects due for completion in 2014

Cap Costières



NIMES

37,000 m² shopping center
65 shops
Major retailers: H&M, Sephora, Bershka

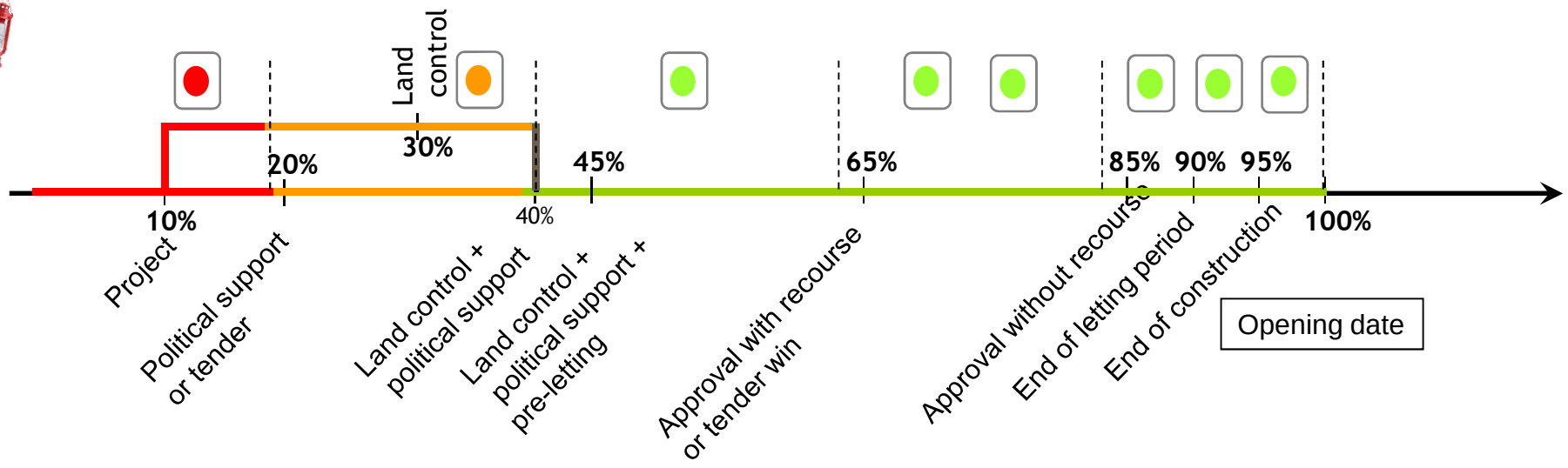
- **2,360 m²** shopping mall extension and redevelopment of shell of former Boulanger store
- **3 new shops and 1 Mango mid-size store**
- Letting rate*: **89%**
- Total additional net rental income**: **Euro 0.2m per year**
- Opening of extension: **Nov 2014**
  (works due to begin in March 2014)

(*) In terms of rental value, compared with estimated potential rental income at the start of the development project - As of date of presentation
(**) Projected amount

Enhancing the value of the pipeline taking into account the stage of completion of each project

Each stage of completion has its own probability

- ✓ ***The development pipeline as it currently stands contains projects with widely varying stages of completion and chances of going ahead***
- ✓ ***The valuation method for the pipeline takes account of the stage of completion of each project***



A realistic approach

Funds from operations (FFO) are impacted by the effect of 2012/2013 asset sales

In millions of euros

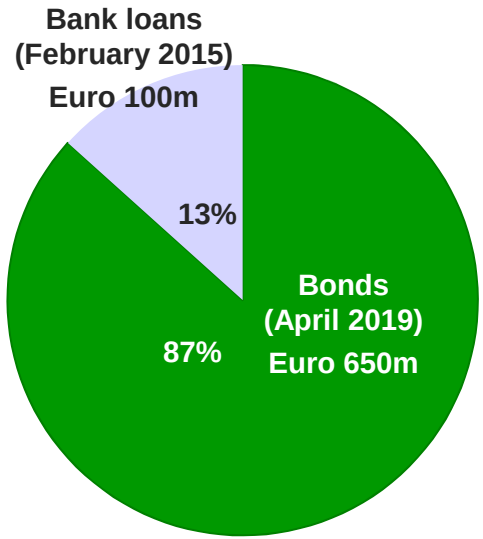
	12/12 pro forma*	12/13	Change
Net rental income	**150.7**	**139.4**	**-7.5%**
Net operating expenses**	-14.6	-13.8	
Operating cash flow	**136.0**	**125.6**	**-7.7%**
Union Investment partnership	10.3	3.4	
Non-current	-5.4	-2.3	
Net financial items	-29.3	-32.1	
Share of associates	0.7	1.0	
Tax and minorities (MI)	-3.7	0.7	
Funds from operations (FFO)* **	**108.7**	**96.2**	**-11.5%**
Depreciation	-26.2	-23.9	
Capital gains/net impairment charges	61.7	51.1	
Add. 3% contrib. and MI	-0.7	-	
Net income, Group share	**143.4**	**123.4**	**-14.0%**

(*) see NB page 2
(**) Net operating expenses excluding depreciation, capital gains on assets, asset write-downs and tax contribution of 3%
(***) Funds from operations: Net income, Group share before depreciation, capital gains on assets sales, asset write-downs excluding additional tax contribution of 3% - Pro forma for 2012

mercialys L'Esprit Voisin.

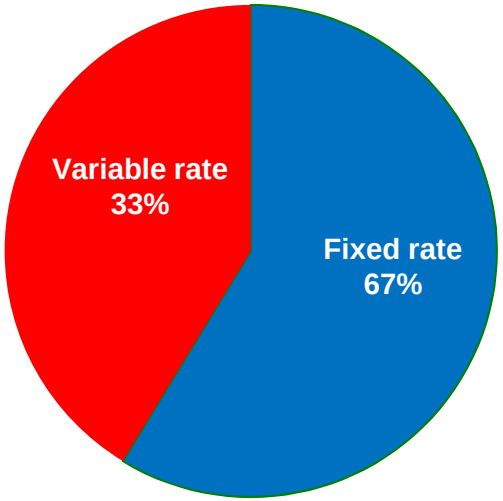
Stronger financial position and increased flexibility

A cautious debt structure



Debt drawn **Euro 750m**
Net debt **Euro 742m**

- ✓ Average maturity of loans drawn: 4.7 years
- ✓ Undrawn back-up credit line of Euro 200m *(RCF, Casino current account)*
- ✓ Euro 500m commercial papers issue
- ✓ S&P rating of BBB confirmed



Income statement

In millions of euros	12/31/12*	12/31/13	Change 13/12
Invoiced rents	151.9	143.0	-5.9%
Lease rights	7.8	6.0	
Rental revenues	**159.7**	**149.0**	**-6.7%**
Non-recovered property taxes	-0.0	-0.1	
Non-recovered service charges	-3.9	-4.2	
Property operating expenses	-5.1	-5.2	
Net rental income	**150.7**	**139.4**	**-7.5%**
Management, administrative and other activities income	3.5	3.7	
Depreciation and amortization	-26.7	-24.4	
Staff costs	-9.4	-8.9	
External costs	-8.2	-7.9	
Other current income and expenses	10.3	3.2	
Operating income	**120.2**	**105.1**	**-12.6%**
Exceptional income	49.4	48.7	
Net financial items	-29.3	-32.1	
Tax	-4.4	0.7	
Share of net income of associates	7.5	1.0	
Net income, Group share	**143.4**	**123.4**	**-14.0%**
EPS *(euros per share)***	**1.56**	**1.34**	**-13.9%**

** Pro forma 2012*
*** Based on the average number of outstanding shares over the period, fully diluted*

Number of shares

	2011	2012	2013
Number of shares outstanding			
. As at January 1	92,000,788	92,022,826	92,022,826
. As at June 30	92,010,013	92,022,826	92,049,169
. As at 31 December	92,022,826	92,022,826	92,049,169
Average number of shares outstanding	92,011,241	92,022,826	92,038,313
Average number of shares (basic)	91,865,647	91,884,812	91,734,656
Average number of shares (diluted)	91,892,112	91,953,712	91,865,817

Condensed balance sheet

In millions of euros

Assets	12/31/11*	12/31/12*	12/31/13
Investment property	1,615.9	1,414.2	1,423.5
Financial assets	18.6	27.4	42.1
Other assets	0.8	1.4	2.1
Total non-current assets	***1,635.3***	***1,443.0***	***1,467.7***
Cash, cash equivalents and Casino current account	45.7	205.9	15.8
Trade and other receivables	51.3	49.4	63.5
Investment property held for sale	8.9	143.0	27.6
Inventories	9.0	-	-
Total assets	**1,750.3**	**1,841.2**	**1,574.6**
Equity and liabilities	12/31/11	12/31/12	12/31/13
Equity attributable to Group	1,679.4	737.5	739.9
Minority interests	0.5	0.4	0.4
Total equity	***1,679.9***	***737.9***	***740.4***
Financial liabilities	7.6	1,027.2	774.2
Deposits and guarantees	23.5	23.6	21.9
Trade and other payables	39.3	52.4	38.2
Total equity and liabilities	**1,750.3**	**1,841.2**	**1,574.6**

(*) Pro-forma – see NB page 2

Portfolio valued at Euro 2,465 million including transfer taxes

Type of property	*Number of properties 12/31/13*	*Appraisal value incl. TT at 12/31/13**		*Gross leasable area at 12/31/13*		*Appraised net rental income*	
		In millions of euros	*%*	*m²*	*%*	*(in millions of euros)*	*%*
Large regional shopping centers	25	**1,817.0**	*74%*	365,800	*62%*	99.7	*69%*
Neighborhood shopping centers	36	**564.0**	*23%*	181,600	*31%*	37.8	*26%*
Total shopping centers	***61***	***2,381.0***	***97%***	***547,400***	***93%***	***137.5***	***96%***
Other assets	30	**83.9**	*3%*	40,900	*7%*	6.4	*4%*
Total portfolio	**91**	**2,464.9**	***100%***	**588,300**	***100%***	**143.9**	***100%***

❖ **Average yield: 5.85% at 12/31/2013, stable since 12/31/12**

(*) Valuation based on appraisals by BNP Real Estate Valuation, Catella and Galtier using conventional capitalization of revenues methods and discounting of cash flow from rents

Partnership Agreement: grid for the first half of 2014 remains unchanged relative to the second half of 2013

- Grid of capitalization rates applicable to reiterations in the first half of 2014 within the framework of the current Partnership Agreement with Casino

Type of property	*Shopping malls*		*Retail parks*		*City center*
	Mainland France	*Corsica and overseas depts & territories*	*Mainland France*	*Corsica and overseas depts & territories*	
Large regional shopping centers/Large shopping centers *over 20,000 m²*	***6.3%***	6.9%	6.9%	7.3%	6.0%
Neighborhood shopping centers *5,000-20,000 m²*	***6.8%***	7.3%	7.3%	7.7%	6.4%
Other *o/w less than 5,000m²*	***7.3%***	7.7%	7.7%	8.4%	6.9%