Information meeting

31 ***August*** *2005*

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mercialys

Speakers

Jacques Ehrmann, Chairman and Chief Executive Officer

Géry Robert-Ambroix, Chief Operating Officer

Catherine Oulé, Executive Vice President

Agenda

Introduction

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Retailer' property portfolio comprises various types of assets and requires customised strategies

Three very different types of assets

- ✓ Retailers gradually acquire
  - > *A strategic portfolio comprising the stores related to their core business*
  - > *A general portfolio comprising offices and warehouses*
  - > *A high-yield portfolio mainly comprising shopping centres on the same site as their stores, generating value through cross-fertilisation of the induced retail traffic*
- ✓ Mercialys is Casino's strategic response to the challenge represented by its shopping centres
  - > *It enables Casino to retain control of the retail property business and provide the business with the resources needed to develop it*

Overview

Mercialys has a unique portfolio

Key figures

- ✓ A consistent portfolio:
  - > *Composed exclusively of retail assets*
  - > *89% of rents collected from sites ranging from 5,000 to 40,000 sq. m., the faster growing segment of the shopping centre market*
  - > *79% of the portfolio rented to non-Casino banners*
- ✓ A substantial portfolio:
  - > *Valuation (including transfer taxes) of **€957m** at 30 June 2005*
  - > *Gross leasable area (GLA): **547,136 square meters***
  - > ***147** sites, of which, **87** shopping centres*
- ✓ A dynamic portfolio
  - > *Rents **up 10%** a year between 2002 and 2004, to **€62.9m** in 2004*
  - > *Cash flow **up 10%** a year between 2002 and 2004, to **€58.7m** in 2004*

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Mercialys enjoys unique positioning in the French property market

- ✓ **A pure play**
  in the solid and dynamic shopping centre segment

- ✓ **Proven expertise**
  in creating and acquiring high performance shopping centres and enhancing their value

- ✓ **The benefits of the REIT-type tax structure (SIIC), generating high returns for shareholders**

- ✓ **Sustained organic growth**

- ✓ **Good potential for acquisitions**
  thanks in particular to project flows from Casino

- ✓ **An independent player**
  benefiting from the long-term backing of Groupe Casino

Mercialys is the outcome of the valuation process of Casino's retail assets

A continuous process

Tomorrow
Stepped-up development of Mercialys

Fall 2005
IPO

First-half 2005
Announcement of planned IPO and implementation

2003
Definition of Casino's property strategy

2000
Consolidation of Casino's property assets in a dedicated subsidiary: Immobilière Groupe Casino

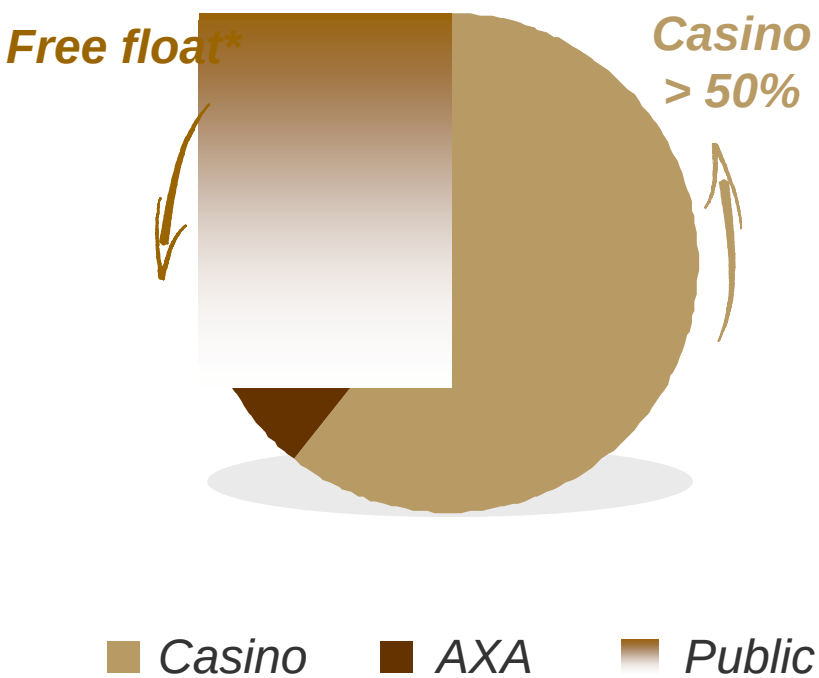
1997
Organisation of Casino's property assets into a profit centre
Hiring of an asset management team independent of the hypermarkets

1988
Creation of SUDECO to manage Casino's property assets

Mercialys's two founder shareholders are committed to support its growth strategy

Mercialys ownership structure

Post-IPO



- ✓ The Axa Group is transferred one of its major commercial property assets to Mercialys, demonstrating its confidence in the business model
- ✓ The Axa Group is further demonstrating its confidence in Mercialys's prospects by increasing its stake at the time of the IPO and being represented on the Board of Directors

* Indicative chart: size of the free float will be set up at a latter stage

Innovative, secure IPO structure

Patounor "Mercialys"

Wholly-owned Groupe Casino subsidiary pre-IPO

- ✓ Patounor converted into a property company
- ✓ Patounor changes name to Mercialys

- ✓ Asset transfer agreements between Groupe Casino and AXA
  - > Signed 23 August 2005
  - > Subject to successful IPO

December 2004

SIIC 2 applies to:
- asset transfers
- a listed property company

- ✓ Shares listed and begin trading
- ✓ Assets effectively transferred upon completion of settlement/delivery process

- ✓ Payment of the exit tax by assets constributors (mainly Casino, in 2006)

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Mercialys is focused on the value-added of the business

Core businesses

Asset management

- ✓ Preparing strategic action plans for each asset
- ✓ Renovating and extending existing centres
- ✓ Buying and selectively selling assets

Sales and marketing

- ✓ Defining marketing action plans for each asset
- ✓ Constantly optimising merchandising
- ✓ Marketing and re-marketing

Shopping centre management

- ✓ Managing sites
- ✓ Promoting the shopping centre's image and boosting footfalls
- ✓ Representing the centre in dealings with local authorities

Mercialys is led by a full management team

Jean-Marc GOTHARD
Large Shopping Centres

Géry ROBERT-AMBROIX
Chief Operating Officer
Operations and Finance

Bruno DUGAS
Neighbourhood Centres

Jacques EHRMANN
Chairman and Chief Executive Officer

Catherine OULÉ
Executive Vice President
Marketing and Value Enhancement

Mercialys has strong organic growth potential

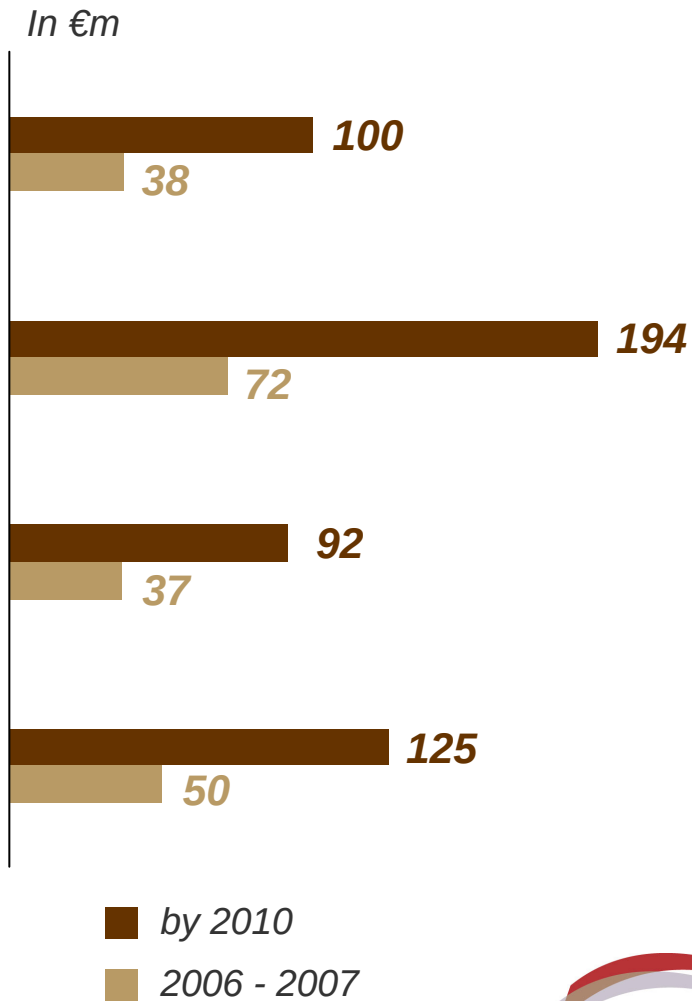
Sources of value creation in a retail property company

- ✓ Continuous optimisation of existing assets
  - > *Reinvigorating sites, boosting footfalls and turnover*
  - > *Renovation*
- ✓ Active management of leases and expiry dates
  - > *Lease rights and despecialisation premium*
  - > *Cap on rent increases lifted after nine years*
  - > *Disposals and re-marketing*
- ✓ Detailed management of rent structure
  - > *Monitoring of tenant occupancy cost ratios*
  - > *Variable rents tracked against minimum guaranteed rents*
- ✓ Marketing on behalf of third parties

Mercialys plans to invest some €500m over the next five years

€200m in 2006-2007

- ✓ Renovation and restructuring
- ✓ Asset purchases through property development programmes
- ✓ Buyout of partners in jointly-owned properties
- ✓ Purchases of existing assets

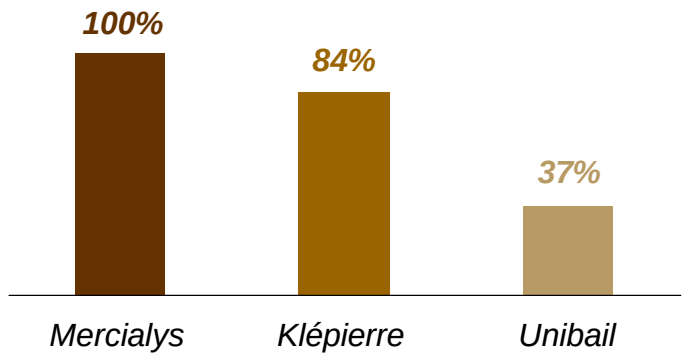


Mercialys on the stock market

A yield and growth property stock

- ✓ A pure play in the solid and dynamic shopping centre segment
- ✓ Profitable, sustained growth
- ✓ Steady cash flow and strong earnings visibility
- ✓ A REIT-type structure (SIIC), providing a high dividend payout rate

Percentage of rental revenue derived from retail property assets in 2004



- ✓ Strong potential for expanding the asset base, notably with a flow of projects from Casino
- ✓ Financial structures to support the 5-year investment programme, with a **€200m** to **€230m** capital increase

The Shopping Centre Market in France

The French shopping centre market has important strengths

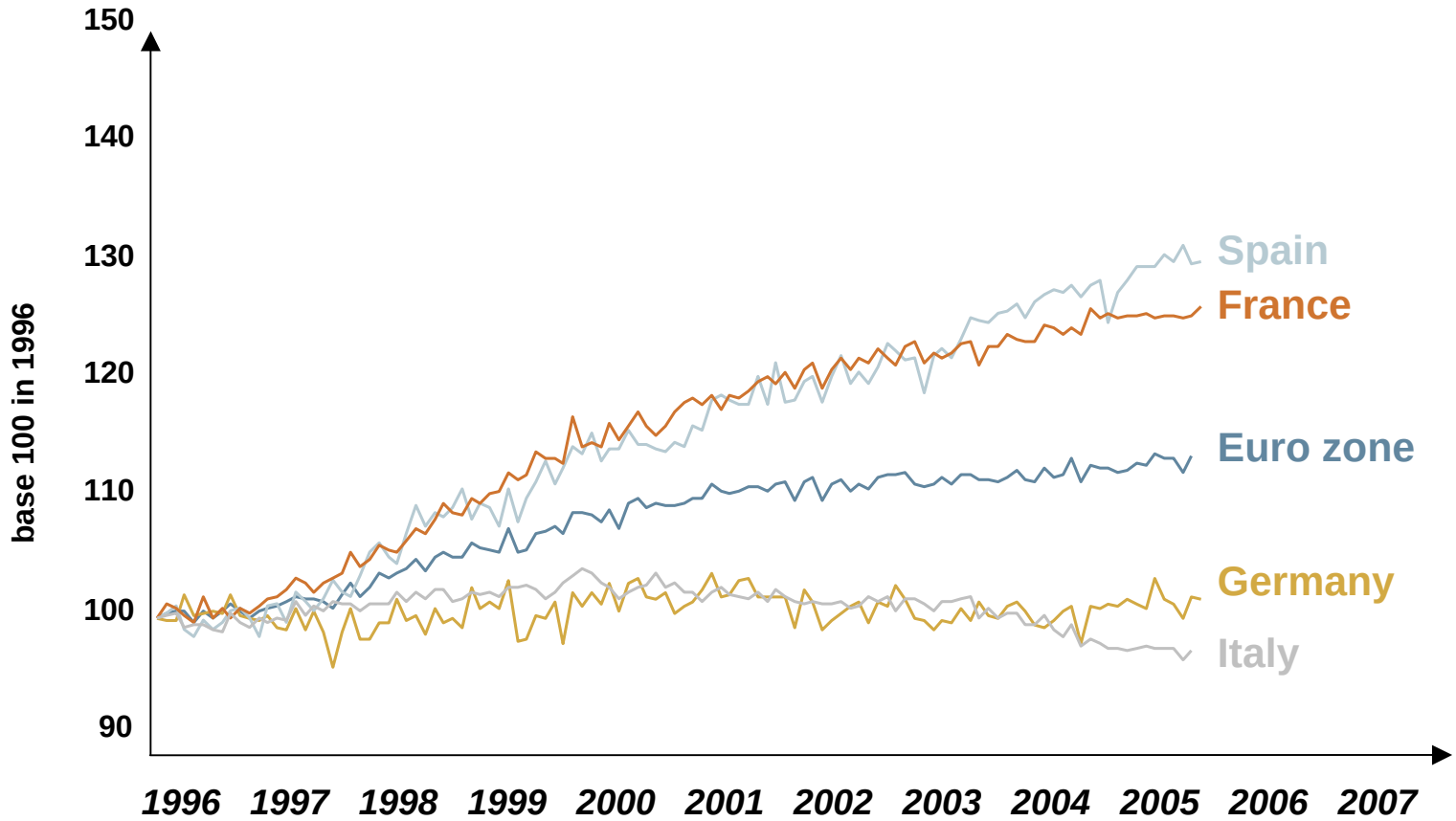
Main features

- ✓ A vigourous segment of France's consumer market
  - > *27% of total retail sales were generated by shopping centres in 2004**
- ✓ High predictability of future growth of revenues and cash flows
  - > *Annual rent increases linked to construction cost index (CCI)*
  - > *Low vacancy rate*
  - > *Low lease termination rate*
- ✓ High barriers to entry
  - > *A business requiring specialist expertise*
  - > *CDEC regulations governing shopping centre openings and extensions favour existing players*
- ✓ Some of the highest yields in the property market

* Source: CNCC

Retail property is driven by consumer spending

France: one of the fastest growth rates of consumption in Europe



Source EcoWin

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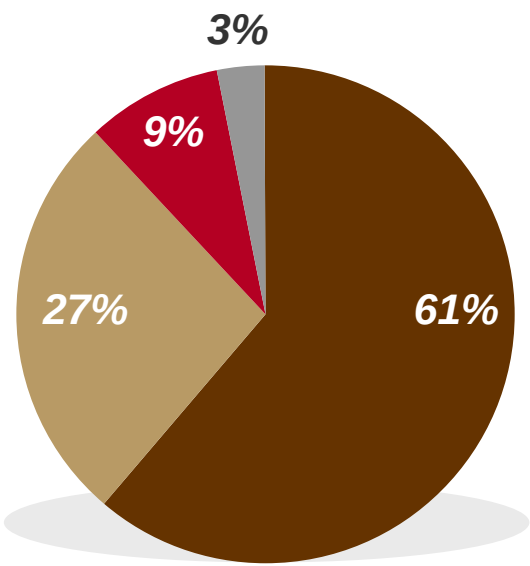
Shopping centres generated over a quarter of retail sales in France in 2004

Shopping centres in France

- ✓ 613 shopping centres(1) representing GLA(2) of 13.5 million sq m.
- ✓ Total sales of €87 billion

Shopping centres breakdown in 2004



- ***373*** *neighbourhood shopping centres 5,000 to 20,000 sq.m.*
- ***167*** *large shopping centres 20,000 to 40,000 sq.m.*
- ***55*** *regional shopping centres > 40,000 sq.m.*
- ***18*** *other properties*

(1) Shopping centres with a gross leasable area of more than 5 000 sq m.
(2) Gross Leasable Area

Source: CNCC

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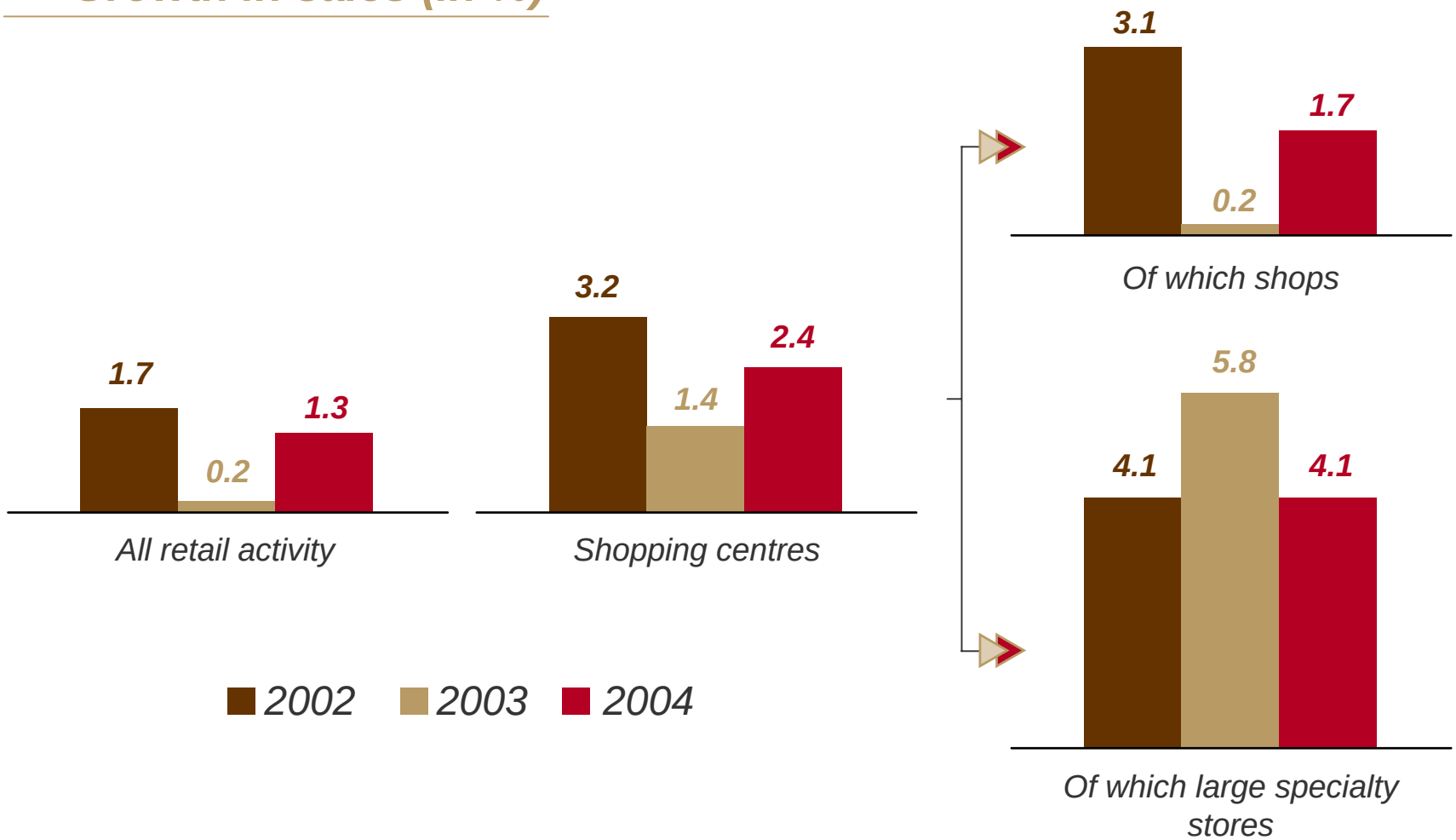
Shopping centres are more efficient in generating sales growth

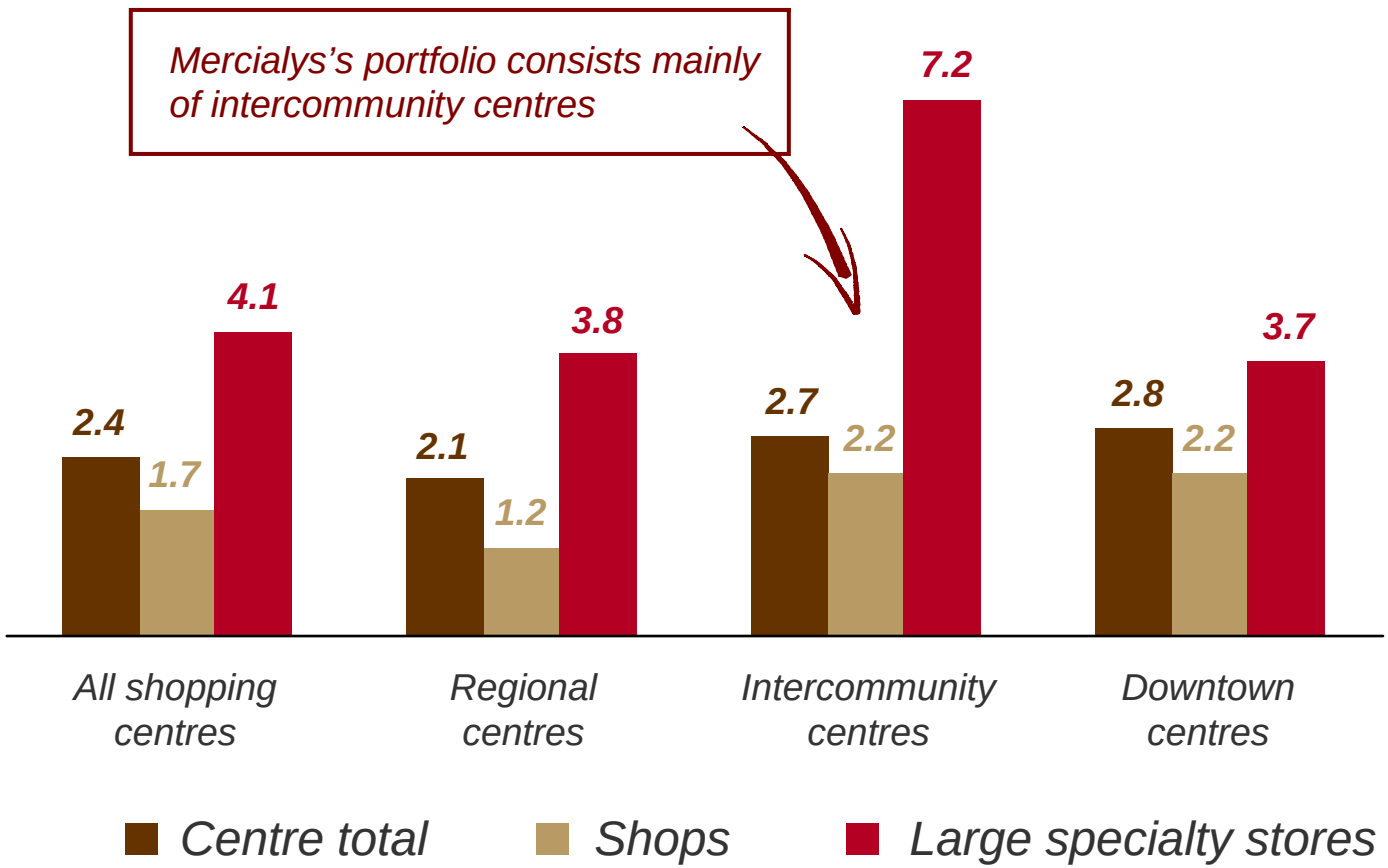
Growth in sales (in %)



Source: CNCC

Intercommunity and downtown shopping centres have posted the highest growth

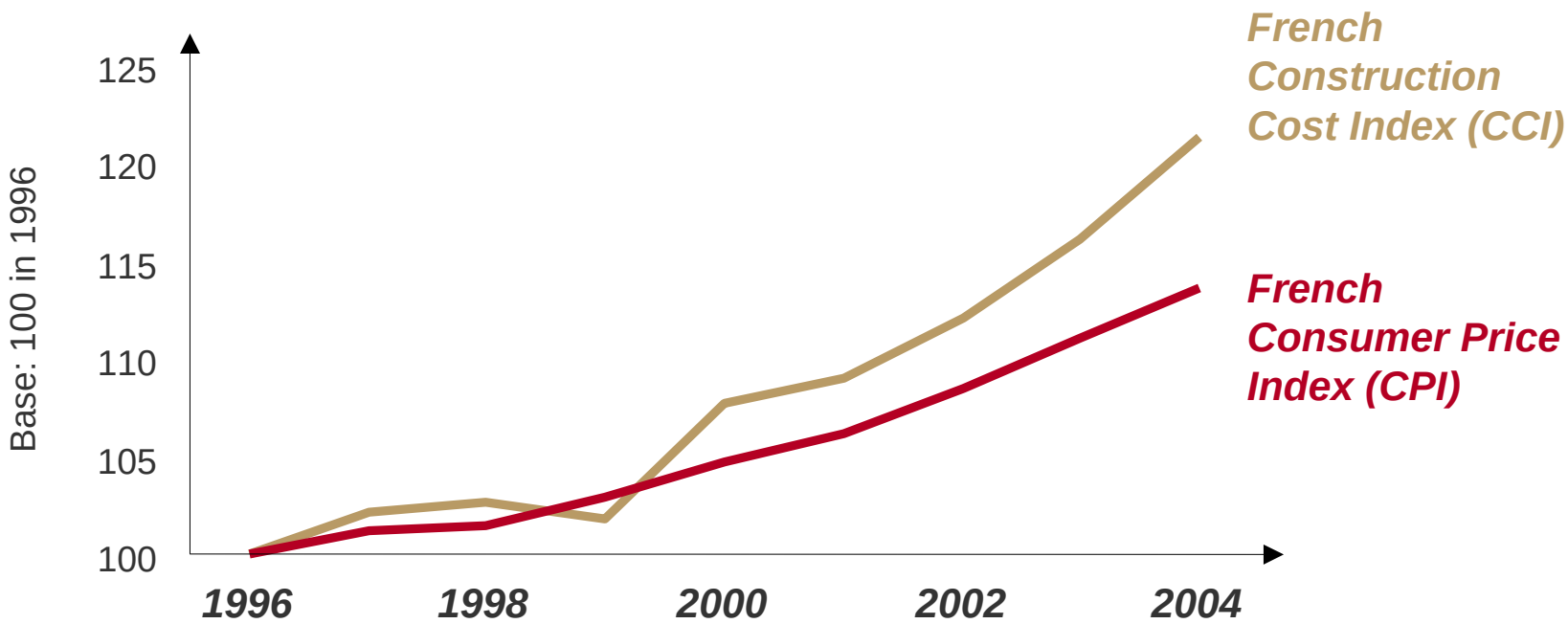
Sales growth by type of centre in 2004 (in %)



Source: CNCC

Rent increases are based on the construction cost index, which is rising faster than CPI

Increase in the construction cost index



Source: INSEE

The shopping centre segment has a lower tenant turnover than other real estate segments

Termination rate of commercial leases in 2003

Source: IPD France

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Restrictive regulatory environment favours historic players

The French regulatory environment

- ✓ Articles L.145-1 *et seq* of the Commercial Code
  - > *Commercial leases of at least nine years*
  - > *Termination by the tenant possible after three or six years*
  - > *Rents adjusted annually based on variation in the construction cost index*
  - > *Lessor has option of not renewing a lease in exchange for eviction compensation*
  - > *Cap on rent increases lifted as from the tenth year*
- ✓ Distinction between ownership of the assets and lease rights
  - > *Lessor owns the assets*
  - > *Lessee owns the business*
- ✓ Royer Act (1973)
  - > *CDEC authorization required for construction or extension of a retail complex with a surface area of more than 300 sq m.*

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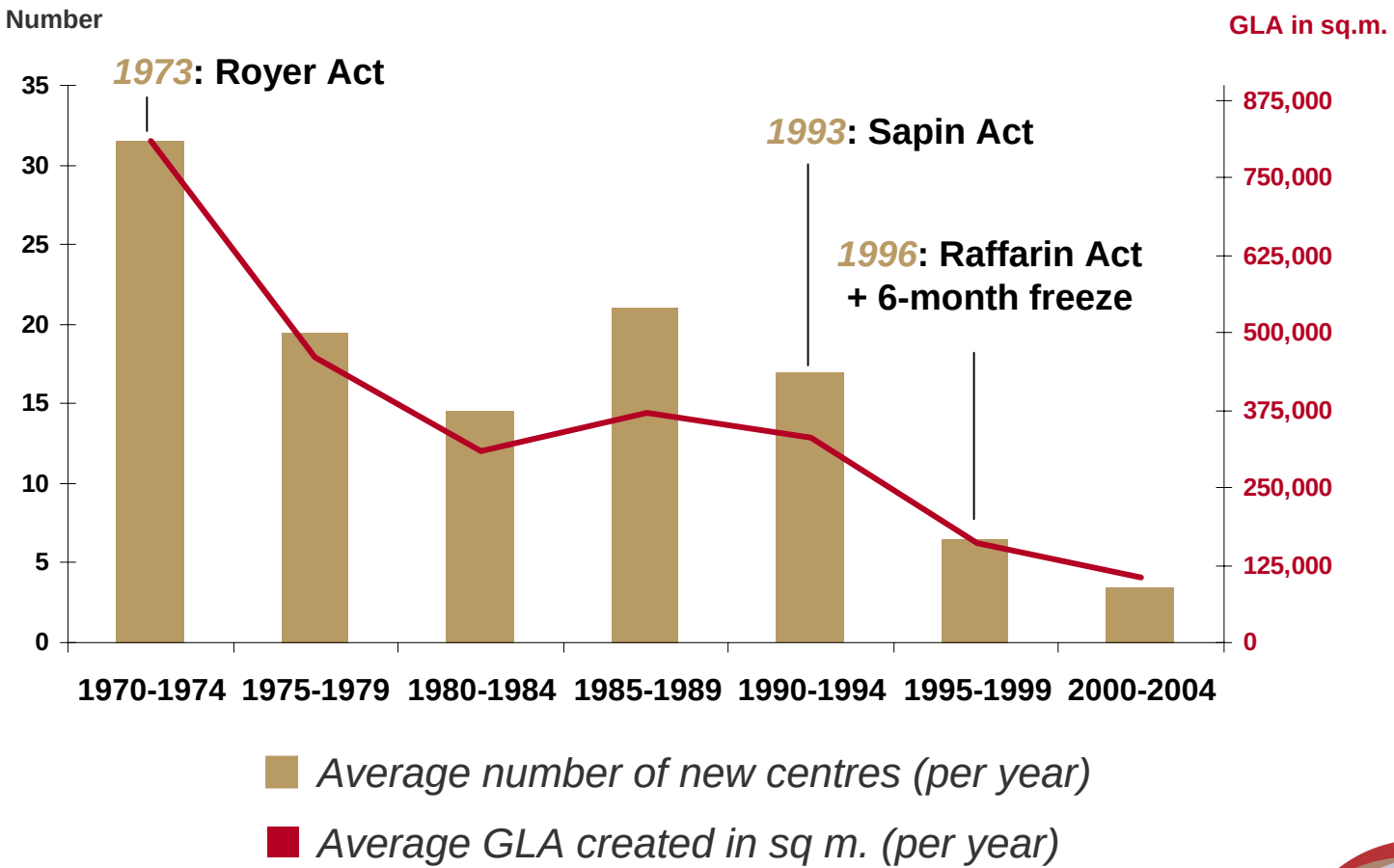
Openings and extensions are strictly regulated

A market with high entry barriers

Impact of legislation and market maturity on shopping centre openings



Source: CNCC

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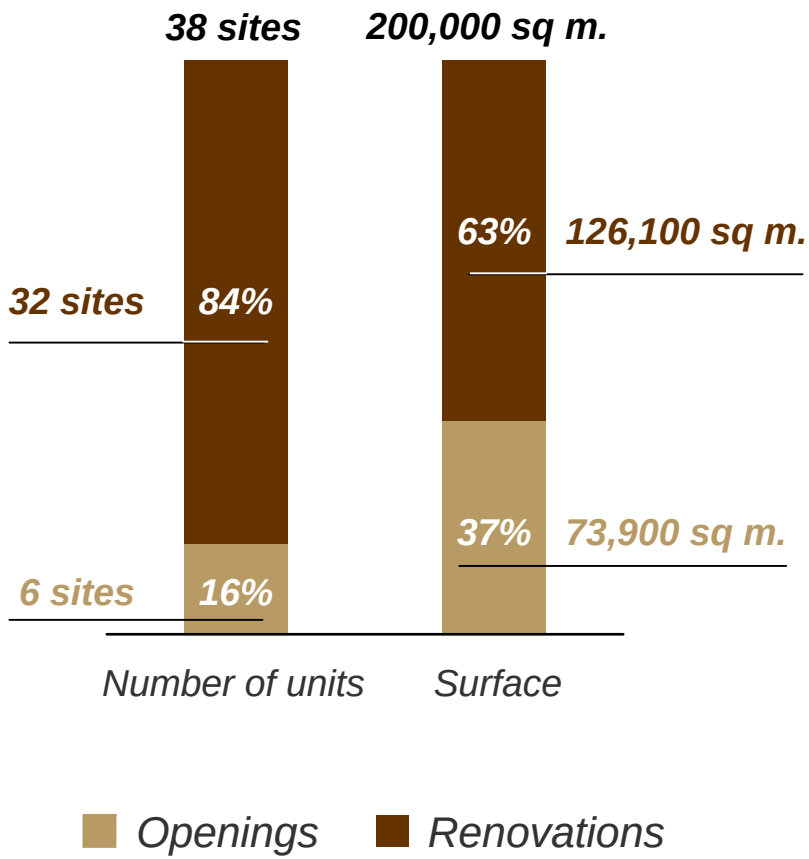
With the shortage of opportunities to open new centres, the focus is on renovating and extending existing ones

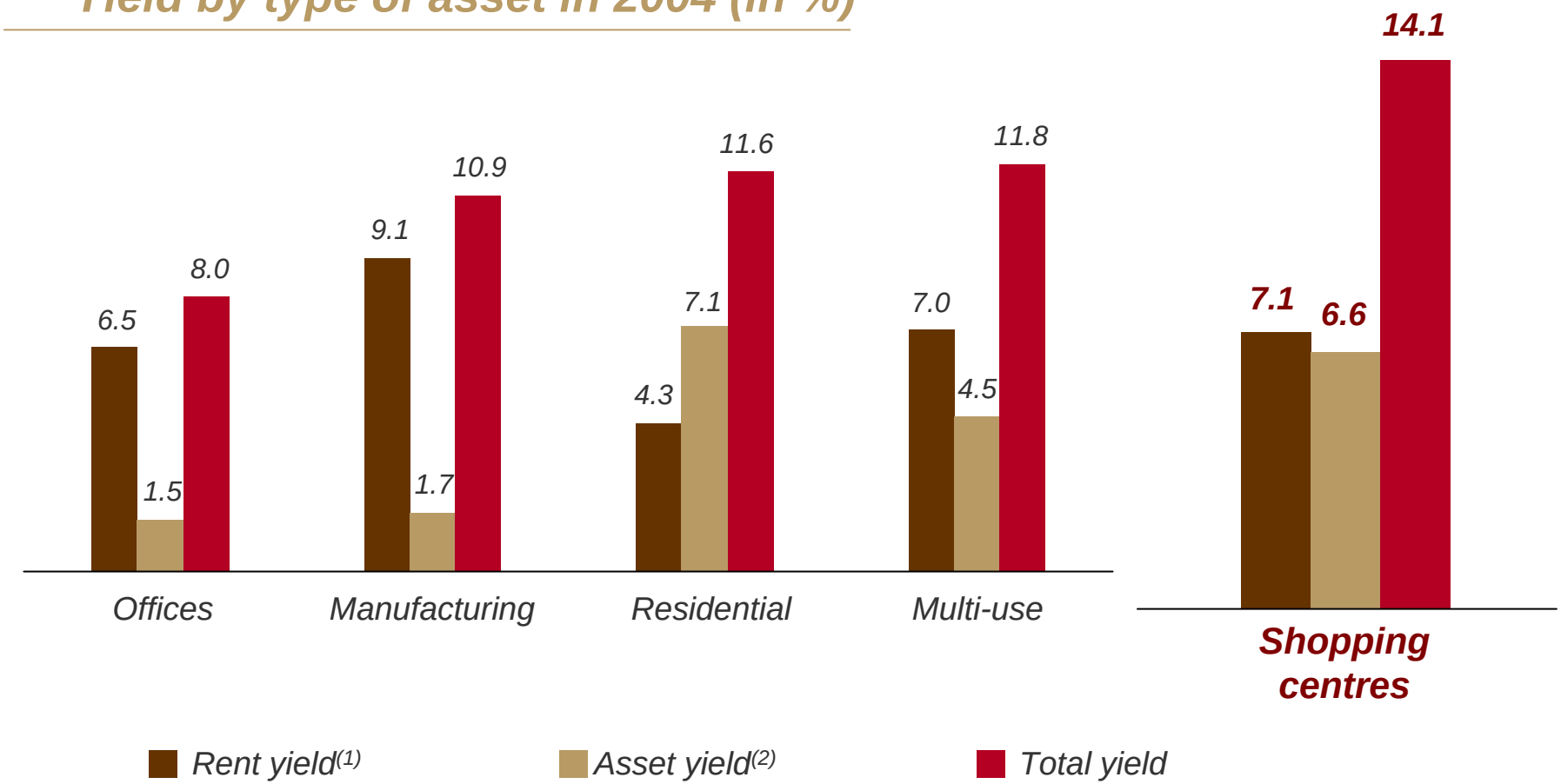
Total new shopping centres in France in 2004



Source: CNCC

Shopping centres offer some of the highest yields in the property industry

Yield by type of asset in 2004 (in %)



(1) Net rent invoiced during the year (taking vacancies into account) / market value at the beginning of the period

(2) Also called return on capital. Increase in market value during the year

Source: IPD France

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Shopping centres are a vigourous segment of the commercial property market

Major strengths

- ✓ Sound fundamentals and sustained growth potential
- ✓ Recurring revenue and cash flow generation, with exceptional visibility
- ✓ A shortage of opportunities, creating a barrier to entry
- ✓ High yields

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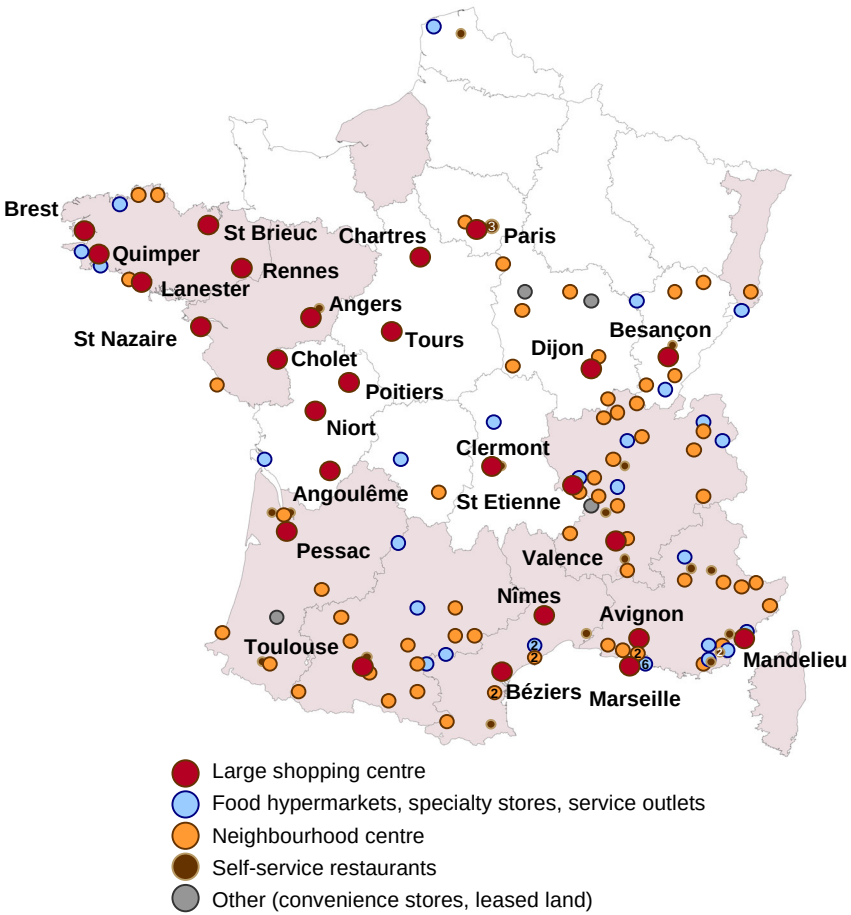
Mercialys Asset Portfolio

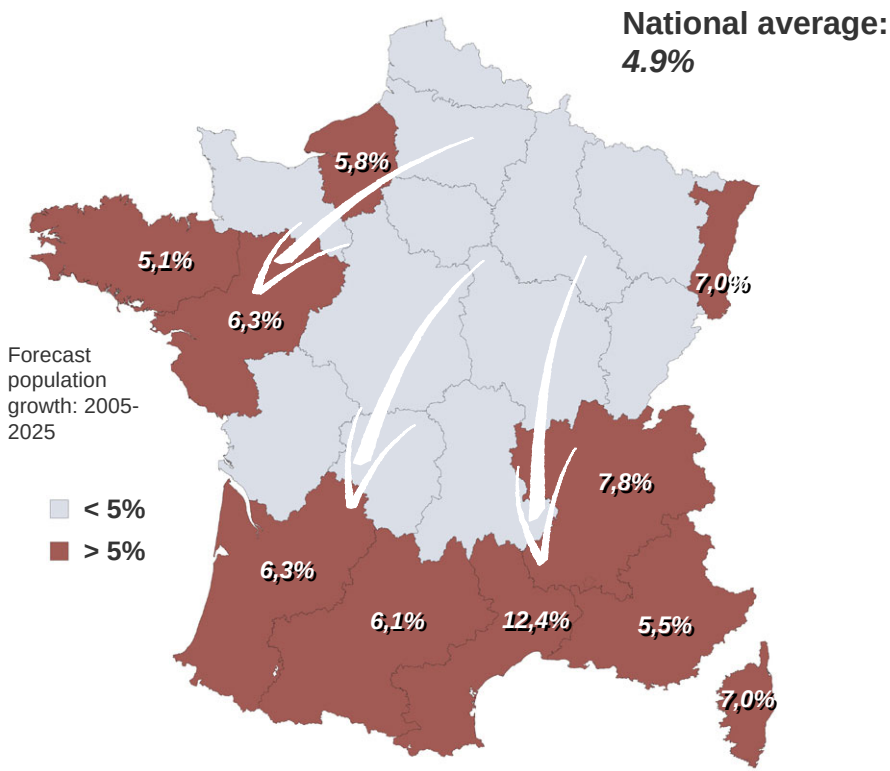
Mercialys is firmly established in the fastest-growing demographic regions

Portfolio by region

Asset locations



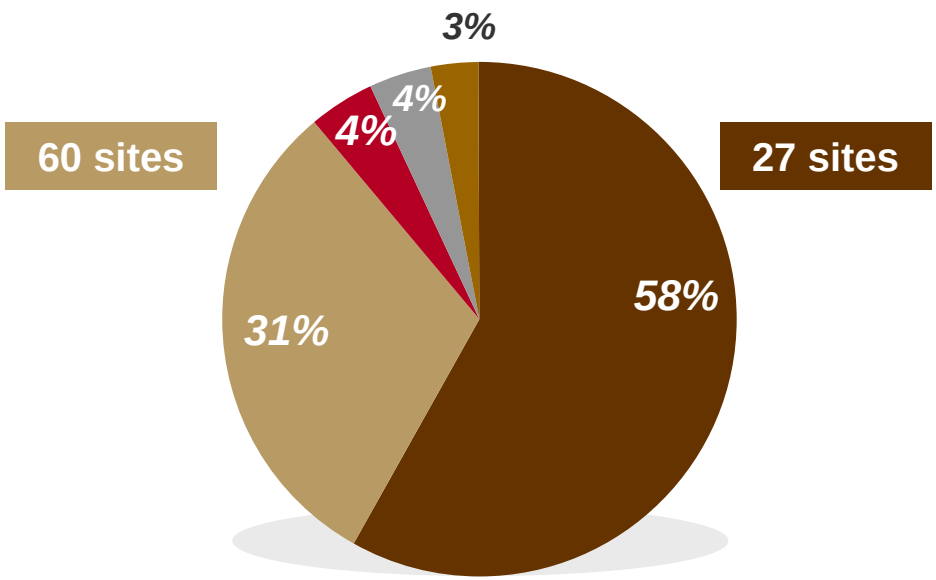
Expected population flows



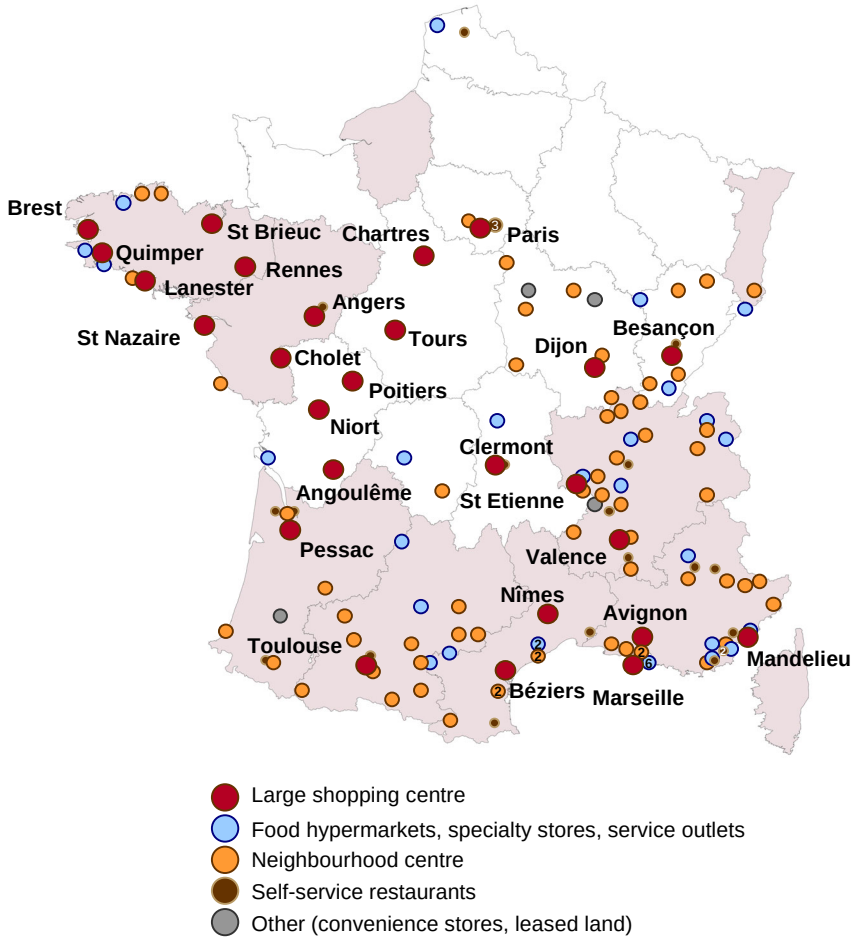
Source: INSEE (2004 census study), INED

Mercialys has a balanced portfolio in terms of size

Breakdown of rental revenu: 89% from sites > 5,000 sq.m



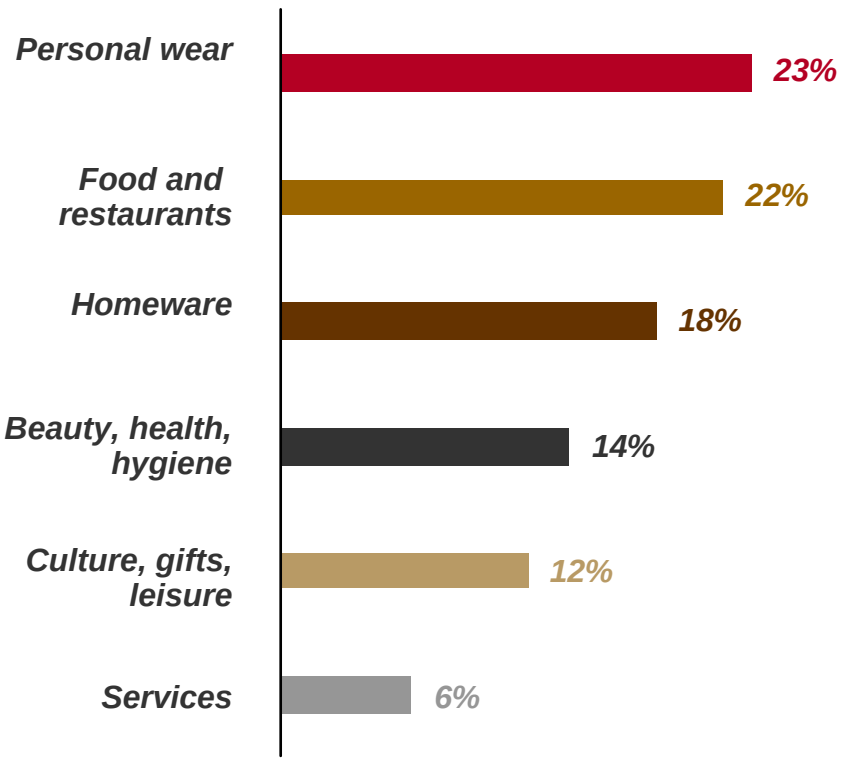
- ***Large shopping centres > 20,000 sq.m. GLA***
- ***Neighbourhood shopping centres > 5,000 sq.m. GLA***
- ***Self-service restaurants***
- ***Other** (service outlets, convenience stores)*
- ***Food hypermarkets and large specialty stores***



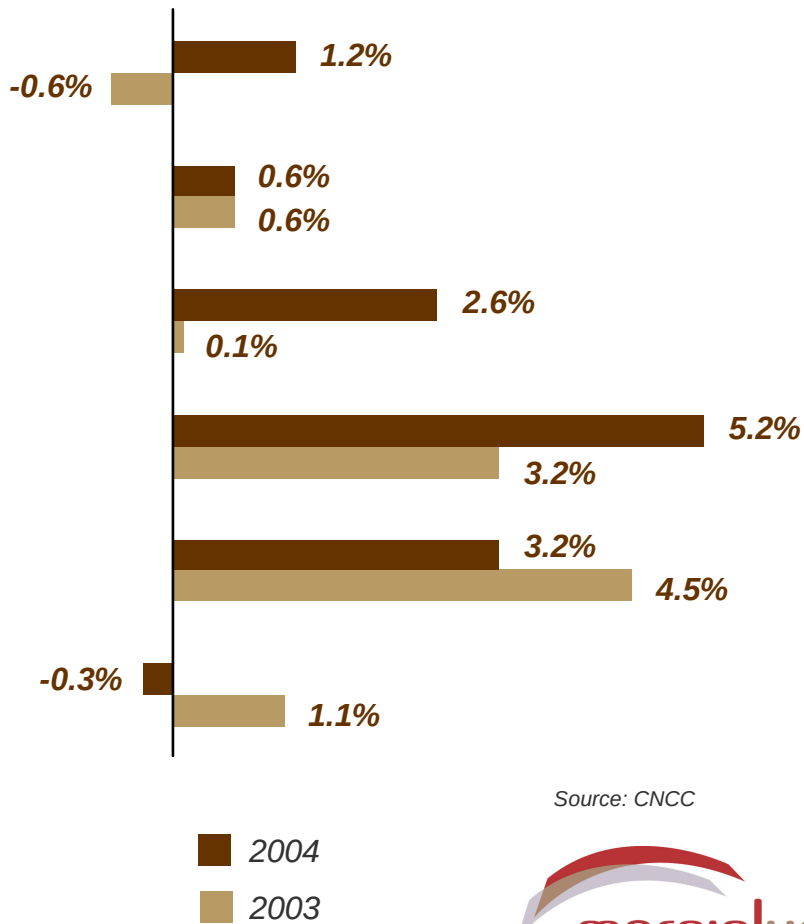
Mercialys has a balanced portfolio in terms of types of stores

Mercialys revenue by business segment

Breakdown of rents by business segment



Change in revenue by business segment

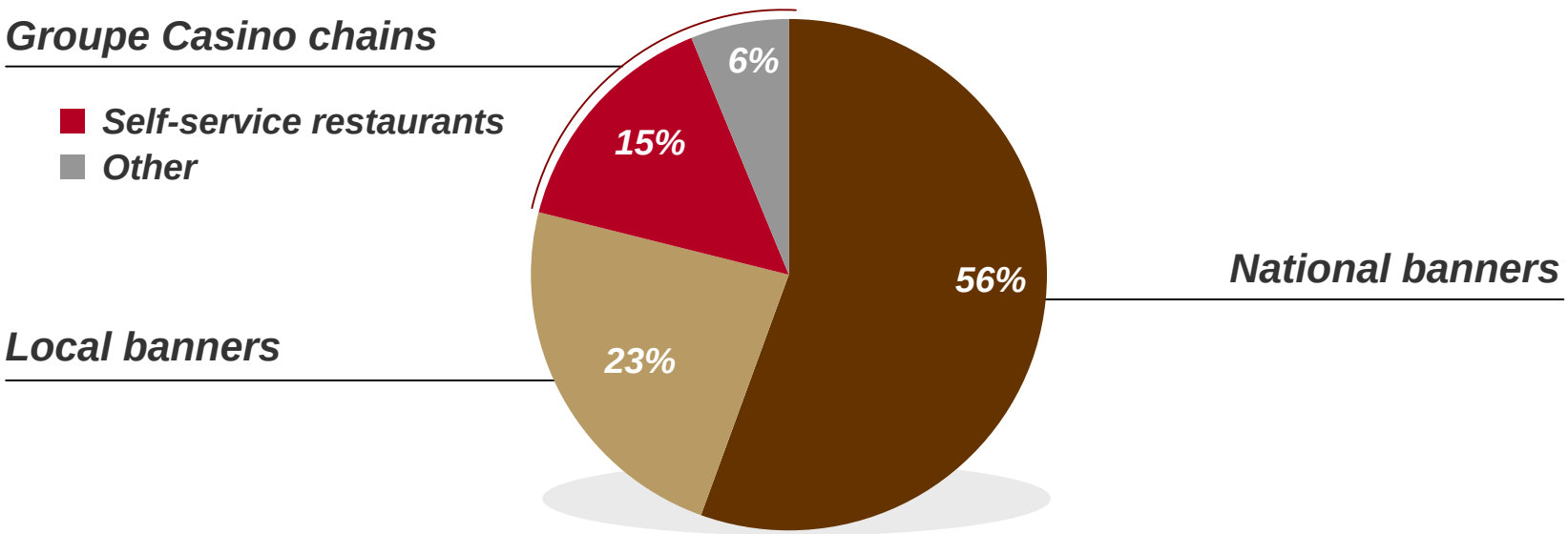


Source: CNCC

Mercialys knows how to attract leading banners

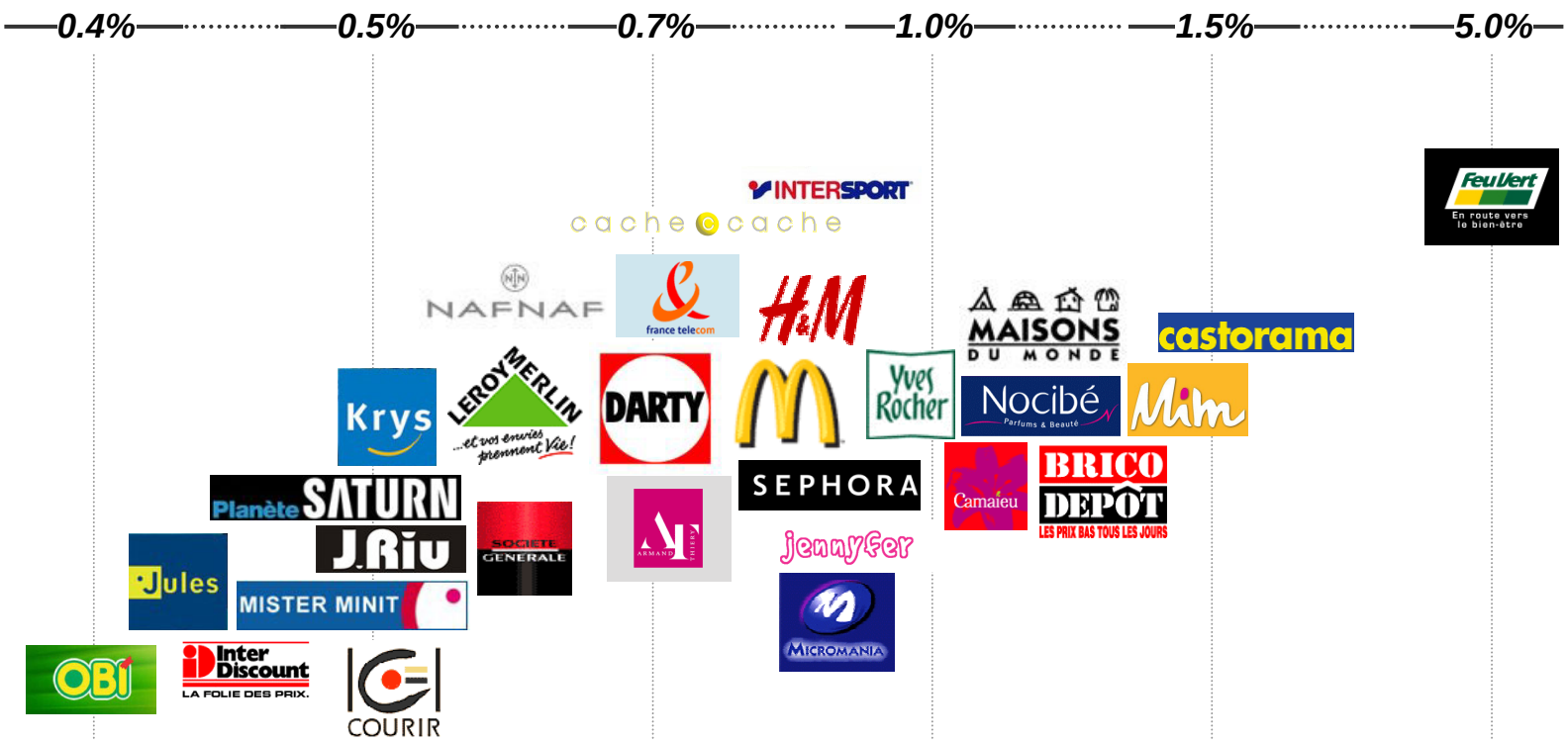
- ✓ A majority of national banners
  - > *Higher turnover per sq.m.*
  - > *Generate more traffic*
  - > *Less sensitive to business cycles*

Breakdown of 2004 rental revenue by type of banner



Mercialys has a diversified tenant base

The 30 biggest tenants (excluding Groupe Casino) account for less than 27% of total rent roll



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Casino self-service restaurants account for 15% of rents

Relations with Casino as tenant

- ✓ Tenant more present than others
- ✓ **103** Casino self-service restaurants: **€10.5 million** in rent, or **15%** at april 30, 2005 rent roll
- ✓ Leases :
  - > *A two-tier rent structure:*
    - » A guaranteed minimum rent, based on market value
    - » A guaranteed minimum rent and a variable rent based on ***6%*** of net turnover
  - > *Leases renewed on 1 January 1998 and terminating on 31 December 2006*
  - > *Special clauses:*
    - » No security deposit or payment for work, as long as Casino Cafétéria continues to be part of Groupe Casino

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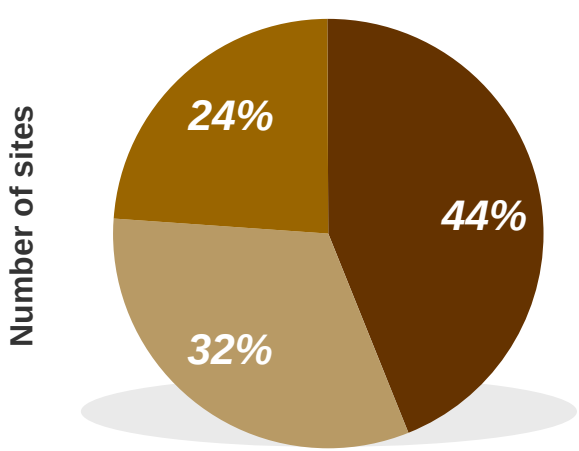
A constantly evolving portfolio

64 of the 147 centres opened or renovated in the past five years

Breakdown of openings and renovations



- ***Opened or renovated < 5 years***
- ***Opened or renovated between 5 and 10 years***
- ***Opened or renovated > 10 years***

2002-2005: changes in the Mercialys property portfolio

- ✓ Development programmes
  - > *Nîmes Cap Costières*
  - > *Tours la Riche*
  - > *Albertville, Brive, etc.*
- ✓ Renovation/Restructuring programmes
  - > *Flagship project: Niort Est*
  - > *Project underway: Specialty store*
    Gross leasable area increased by over 8,800 sq m.
- ✓ Acquisitions (co-owned properties/other)
  - > *Valence II, Montpellier, Albi*

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Niort Est
A shopping centre renovated by Mercialys

Overall renovation completed in 2004

- *50% increase in selling area*
- *13 shops opened*

Catchment area	***175,000 people***
Number of stores	***50***
Hypermarket surface area	***8,800 sq m.***
Large specialty store	***Vivre Ecouter Voir***
Shop surface	***7,400 sq m.***

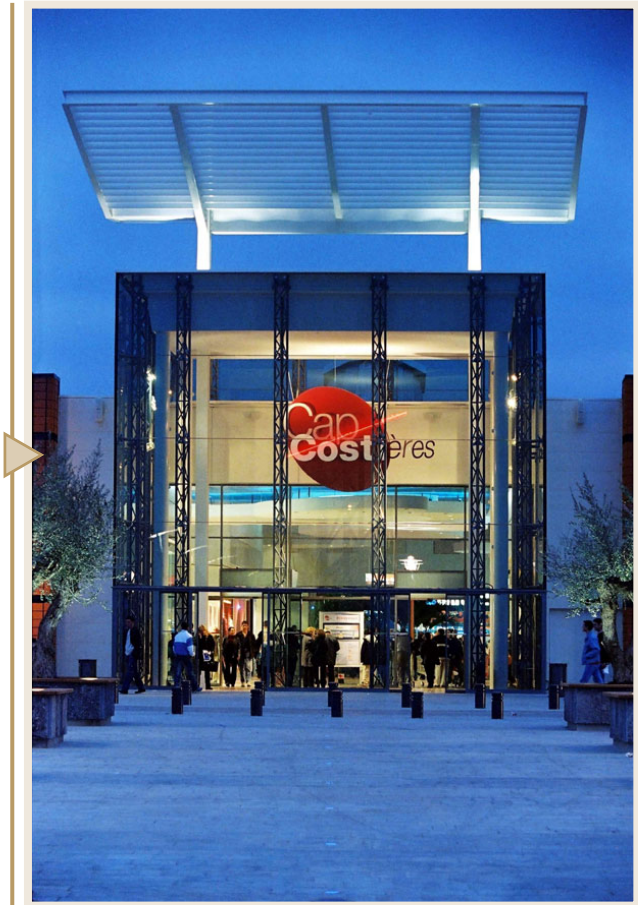
Video ….

Nîmes - Cap Costières
A shopping centre created by Mercialys

Opening in 2003

> *Leading centre in the catchment area, just two years after it was opened*

Catchment area	***410,000 people***
Number of stores	***64***
Hypermarket surface area	***11,000 sq m.***
Shop surface area	***16,600 sq m.***
Two large specialty stores	***H&M, Planète Saturn Cafétéria Casino***



Mercialys Businesses

An organisation geared to enhancing the portfolio's value

Asset Management

- ✓ Manages the Strategic Action Plan
- ✓ Promotes the centre's image
  - > *Across the catchment area*
  - > *Through events for retailer associations*
  - > *Through targeted advertising campaigns*
- ✓ Supervises site management and operations
- ✓ Reporting
- ✓ Serves as representative to local authorities

Marketing

- ✓ Defines marketing action programmes for each centre
- ✓ Continuously optimises merchandising

Centre Management

- ✓ Large centres:
  - > *One dedicated asset manager*
  - > *One manager for two centres (7 in France)*
- ✓ Neighbourhood centres:
  - > *One dedicated asset manager*
  - > *One regional manager (and sometimes an assistant manager) at the property manager*

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Property management outsourced to SUDECO

Sudeco: Groupe Casino property manager

- ✓ Management of tenant relations, shared occupancy expenses and building administration performed by Casino subsidiary Sudeco under management agreements
- ✓ Sudeco, a wholly-owned subsidiary of Immobilière Groupe Casino (IGC), has managed Mercialys's assets since 1988
- ✓ Day-to-day management under Mercialys's supervision
  - > *Shared occupancy expenses and building administration*
  - > *Tenant relations*
  - > *Administrative management of associations or consortiums*
- ✓ Rent and service charge recovery rate over 99%
- ✓ Sudeco also manages assets for other companies
- ✓ Fees paid by Mercialys to Sudeco in 2004: €8.6 m, out of which €6.7m passed on to tenants, for a net expense of €1.9m

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Support functions outsourced to Groupe Casino to optimise overheads

Synergies with Groupe Casino's corporate functions

- ✓ Functions: finance and accounting, legal affairs, tax, cash management, IT, insurance, human resources
  - > *Service contracts with various Casino subsidiaries*
  - > *Services billed by Groupe Casino on arm's length terms*
  - > *Mercialys can terminate the contracts without penalty, provided it gives 6 months' prior notice (in certain specific cases, 12 months)*
  - > *2004 management fee:* ***€376,000***
  - > *Mercialys can perform quality and financial benchmarking for services*

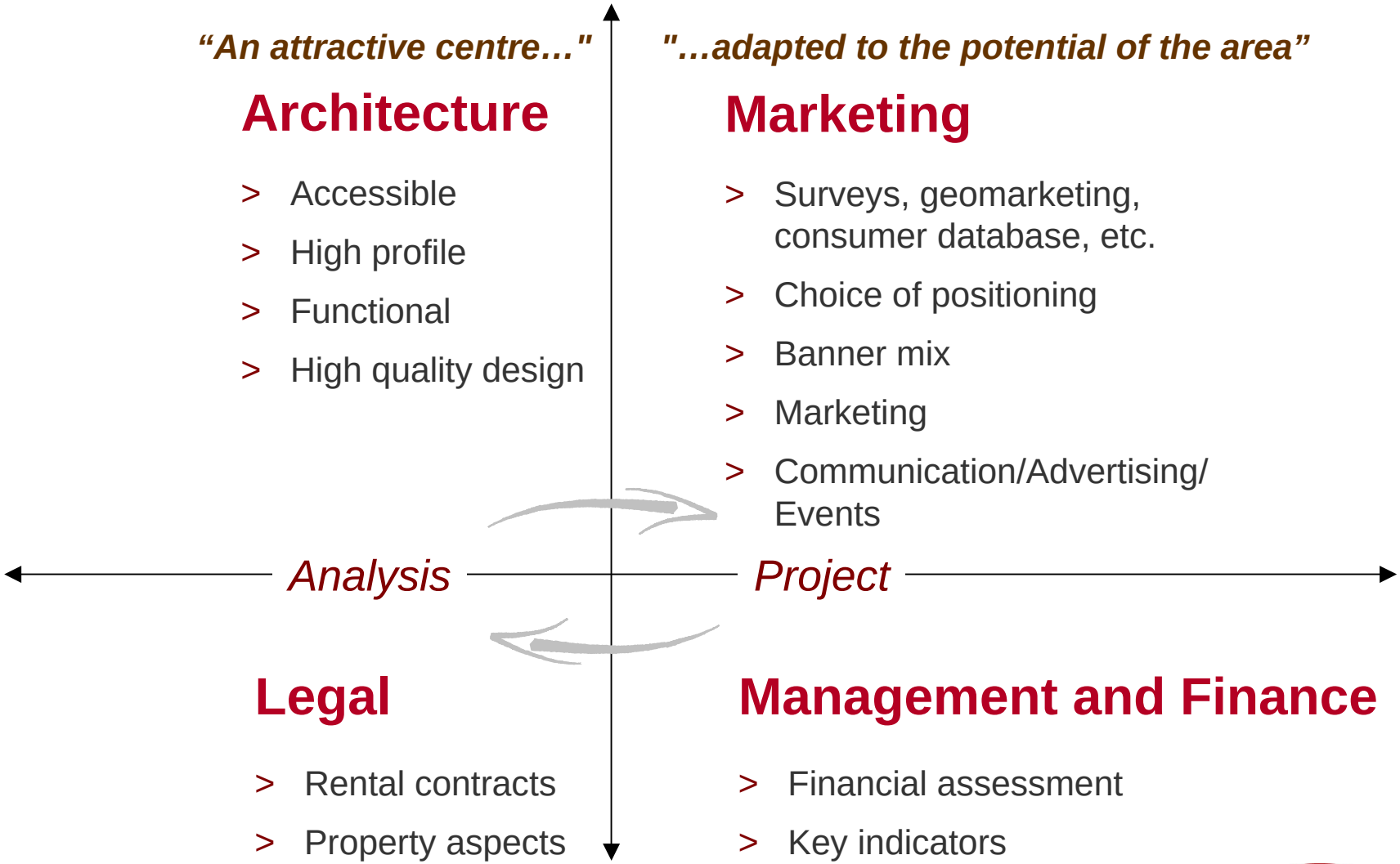
mercialys

Focus on high value-added businesses

- ✓ A management team with recognised expertise
- ✓ A very thorough knowledge of assets:
  most Mercialys staff recruited from IGC, Casino's property unit

Function		Employees at 30 June 2005	Planned hires (by 31 December 2005)
Management	Senior management	3	1
	Asset management	2	1
	Sales and marketing	1	
		6	2
Operations	Sales and marketing	6	2
	Large shopping centres	13	
		19	2
TOTAL		**25**	**4**

Strategic action plan to enhance the value of the portfolio



Marketing

Development – market studies

Market studies are used to determine a shopping centre's potential market in its catchment area

Objectives

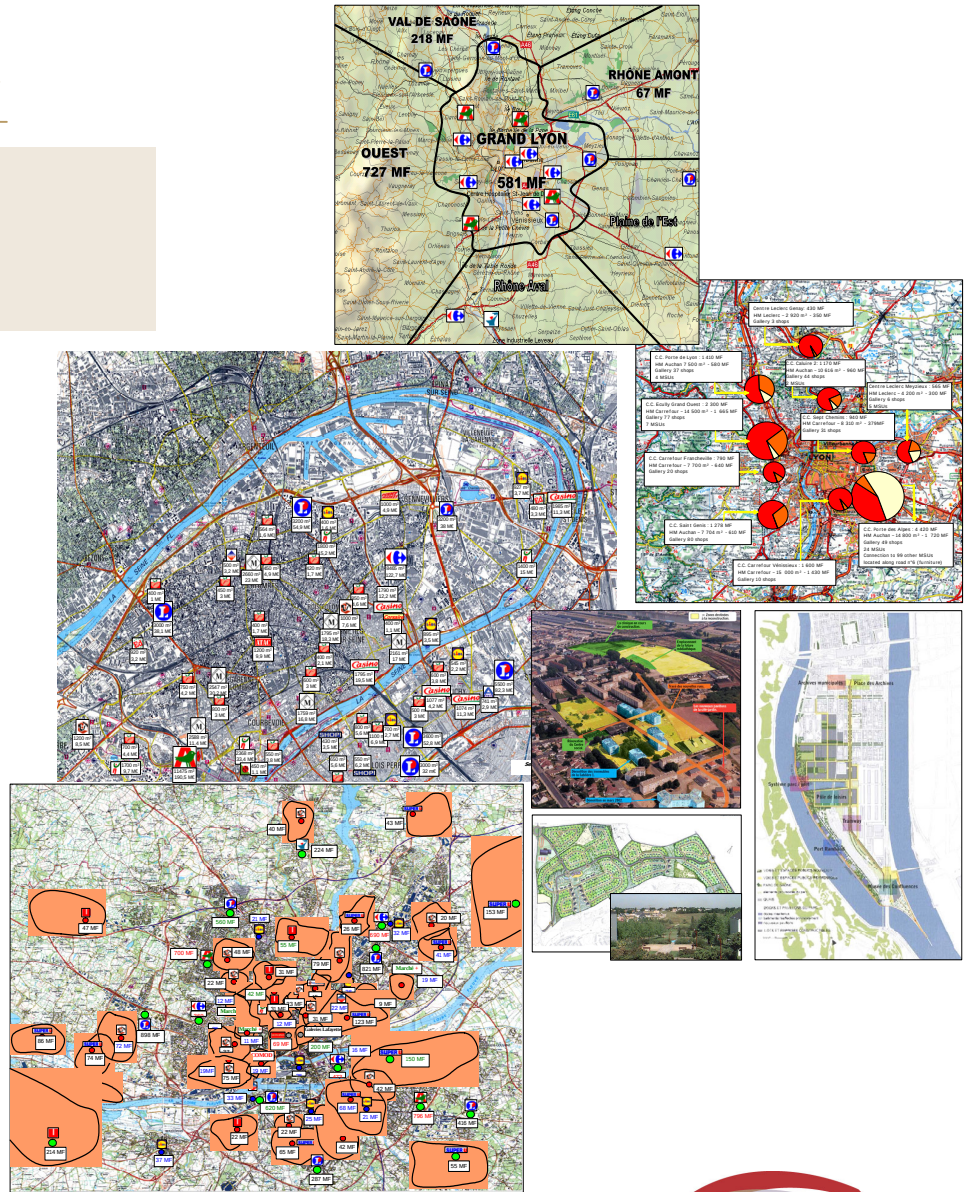
- ✓ Assess a location
- ✓ Estimate potential turnover depending on the type of project and restrictions
- ✓ Perform a sensitivity analysis

Goals

- ✓ Provide information to support management decisions
- ✓ Forecast capital expenditure, P&L
- ✓ Rightsize the project

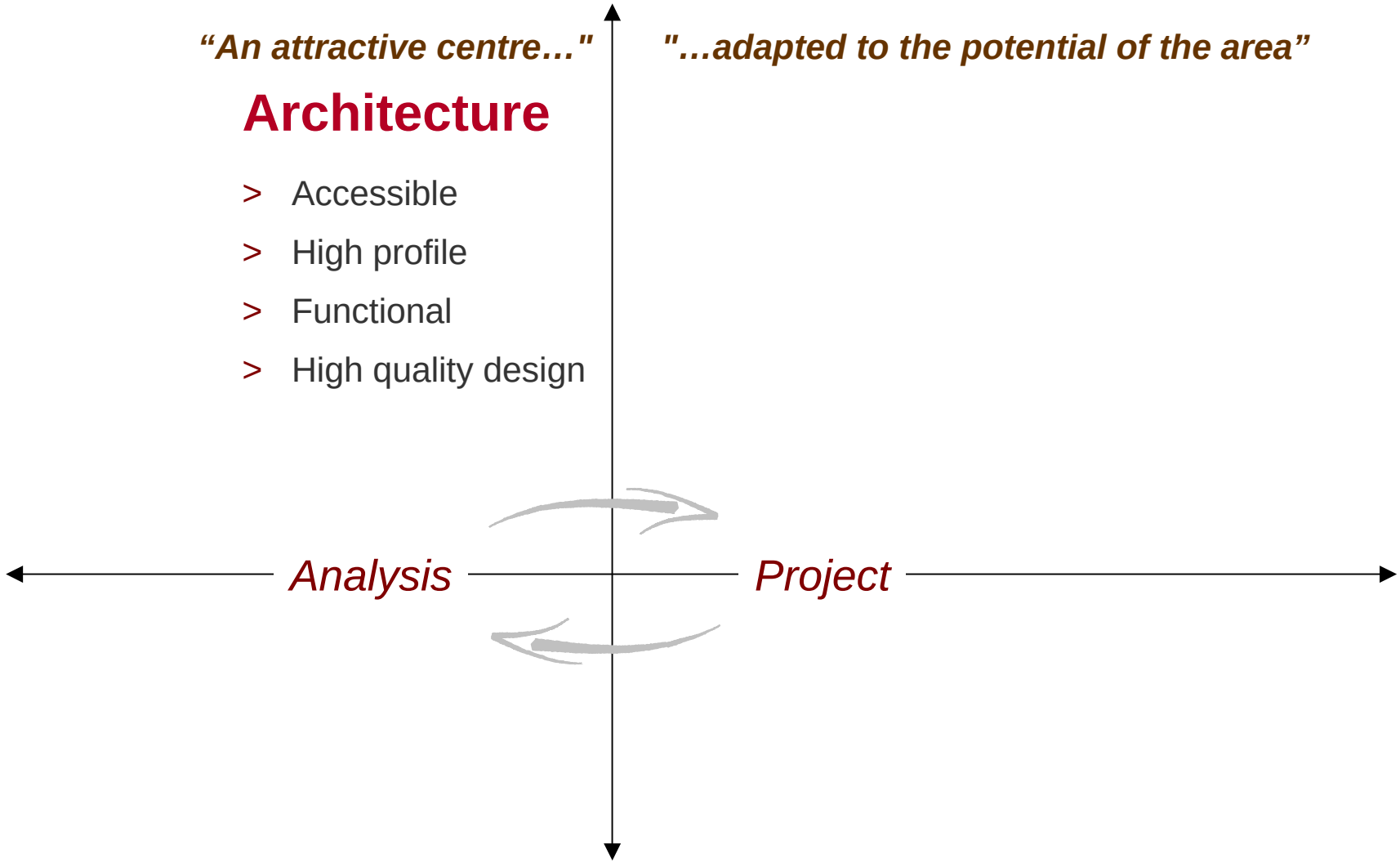
3-stage method

- ✓ Collect statistical data
- ✓ Analyse the location and identify the catchment area on-site
- ✓ Assess potential turnover



mercialys

Strategic action plan to enhance the value of the portfolio



Architecture

Ambiance and style

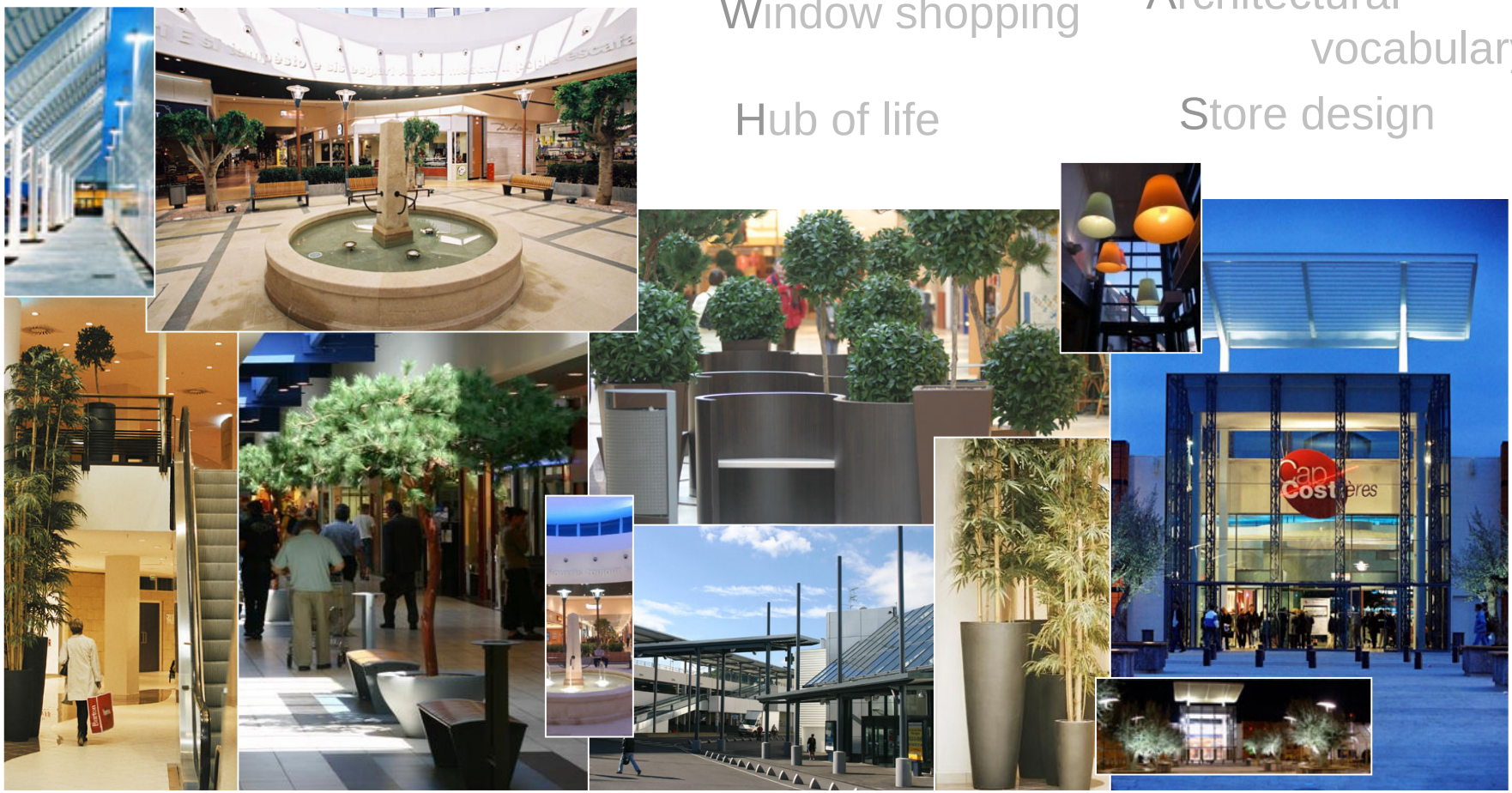
Integration into
the urban environment

Window shopping

Architectural
vocabulary

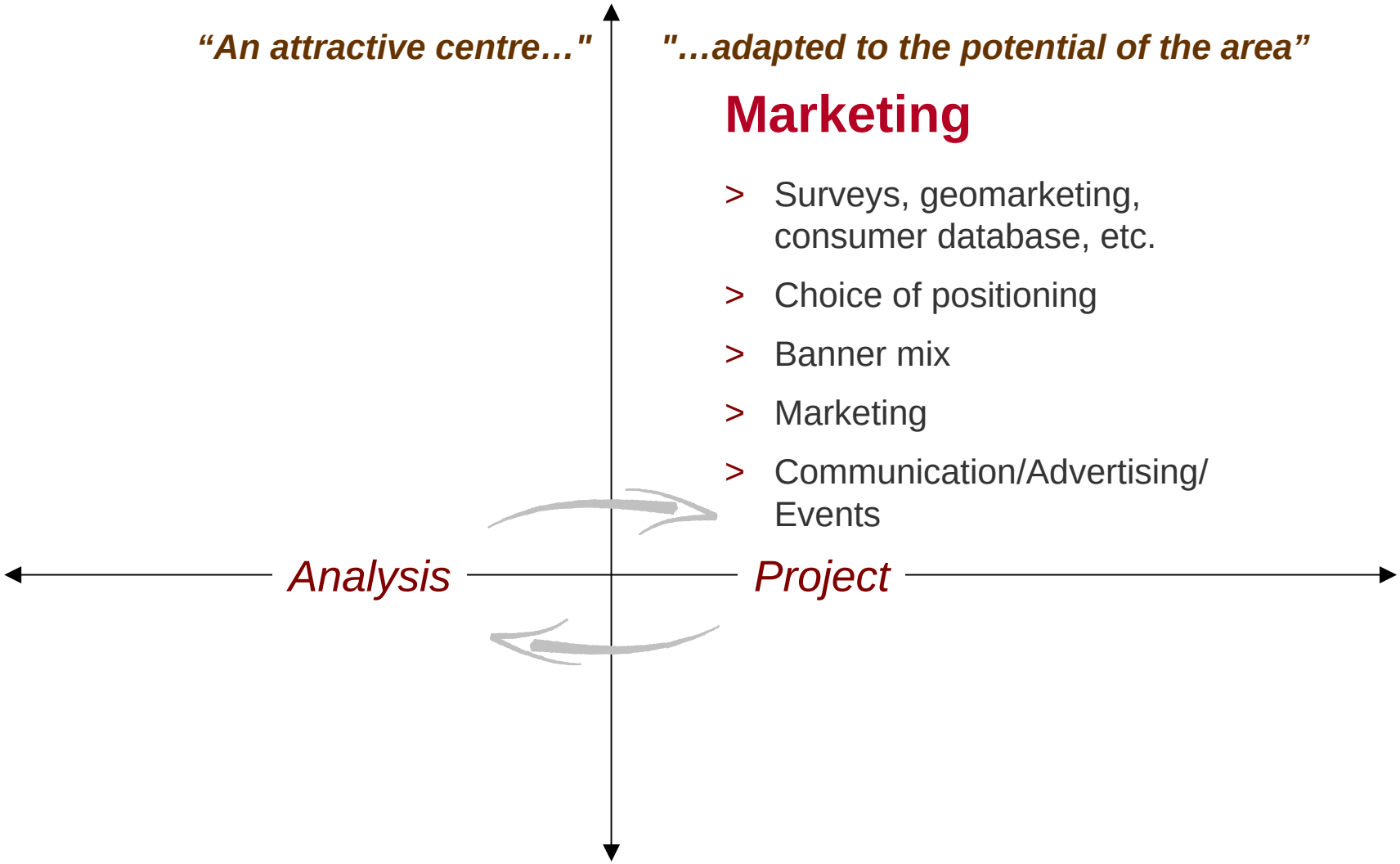
Hub of life

Store design



mercialys

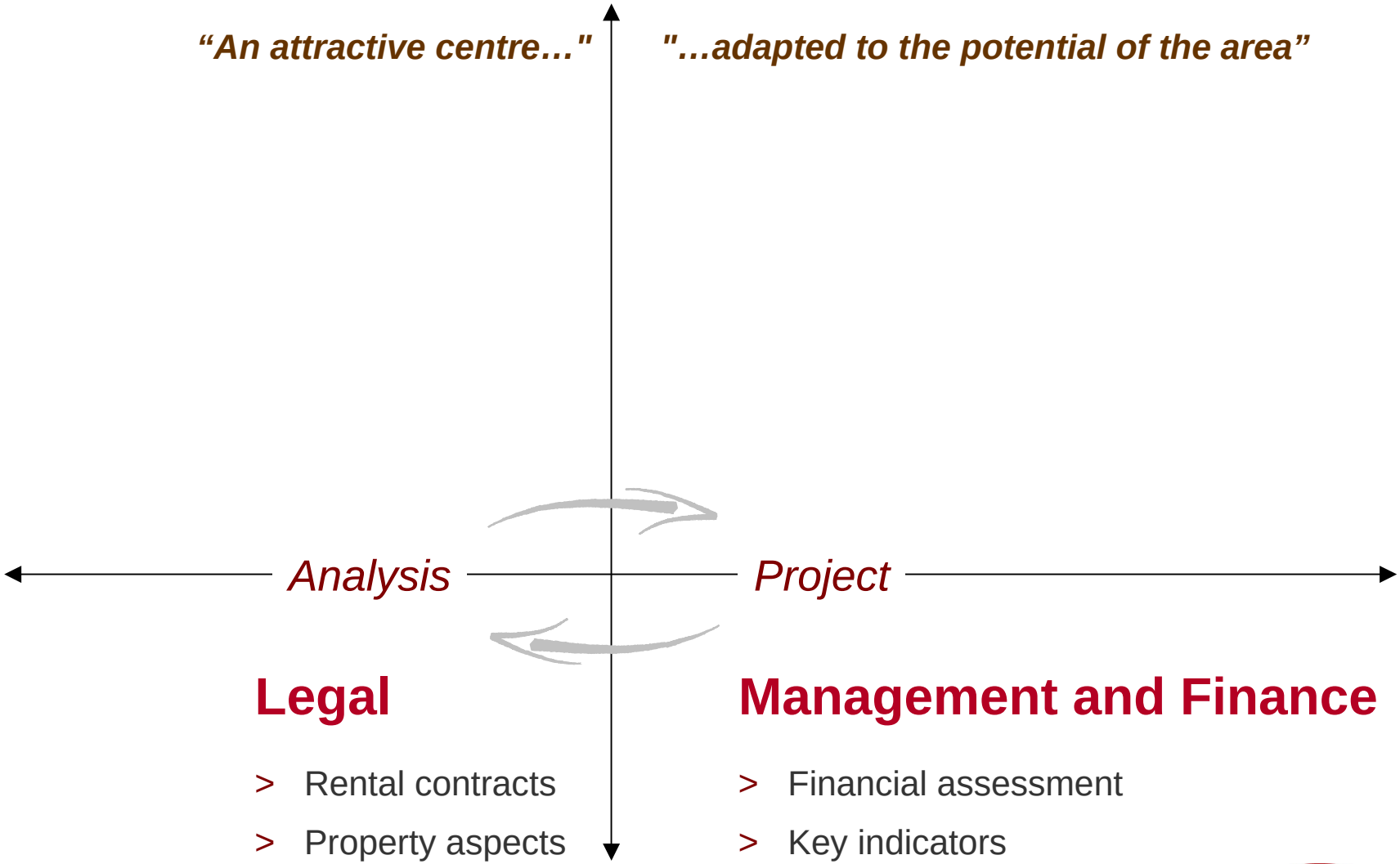
Strategic action plan to enhance the value of the portfolio



Communication and events to attract visitors to our sites

mercialys

Strategic action plan to enhance the value of the portfolio



Legal

- Rental contracts
- Property aspects

Management and Finance

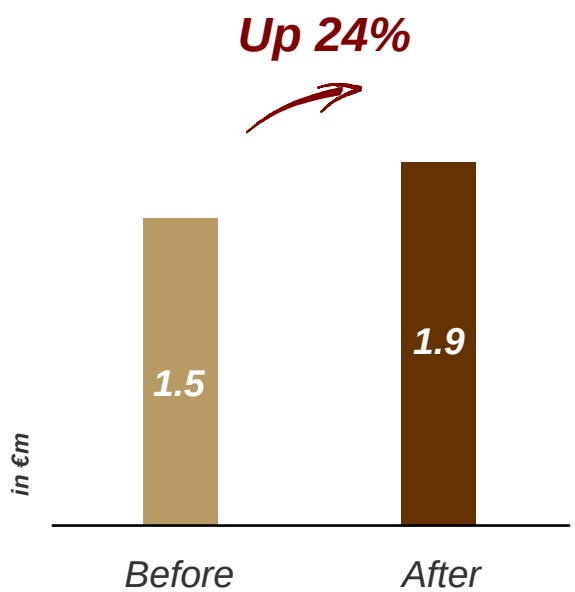
- Financial assessment
- Key indicators

Significant reversion potential

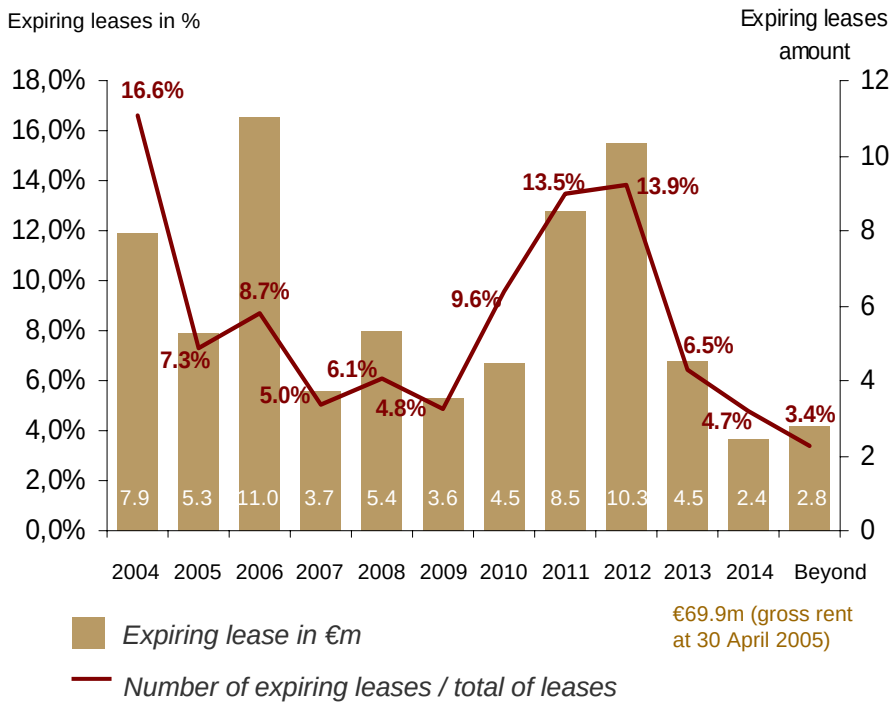
Careful management of renewals

- ✓ Average rent in 2004: €124/sq.m.
- ✓ 85 leases renewed in 2004 generated 24% growth in rental roll

Impact of lease renewals on 2004 rent roll



Reversionary potential



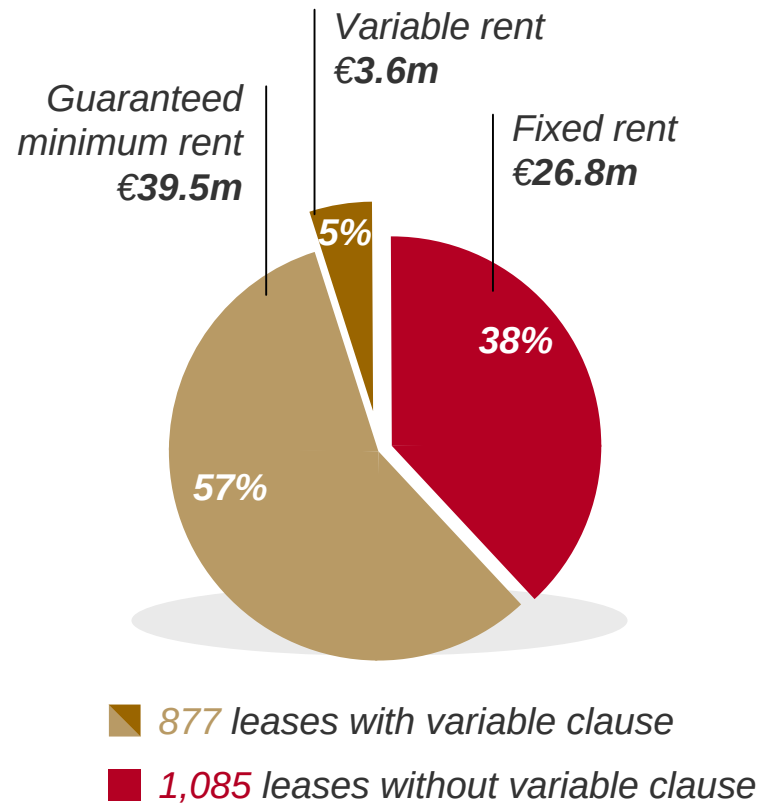
mercialys

Continuously managing rent structures

Key management indicators

- ✓ A reasonable 7% occupancy cost ratio at 31 December 2004*
- ✓ More than 99% recovery rate
- ✓ 97.9% occupancy rate in 2004

Rent structure at 31/12/04



* *Occupancy cost ratio: rent (excl. VAT) + service charges (excl. VAT) / revenues of the tenant (excl. VAT)*

mercialys

Investment Programme

The creation of Mercialys is a new milestone in our ambitious development strategy

€500 million in investments in five years

✓ Investment objectives through 2010 represent 55% of the current portfolio*

In €m	*By 2007*	*By 2010*
Purchase of assets through property development programmes	***72***	***194***
Renovation and restructuring programmes	***38***	***100***
Buyout of jointly owned property	***37***	***92***
Acquisition of existing assets	***50***	***125***
Total projected investments	***197***	***511***

** Asset value excluding transfer taxes*

A structured investment decision process

Investment decision process

- ✓ The Management Committee meets regularly for the sole purpose of considering investment proposals
- ✓ Comprehensive review of short, medium and long-term investment projects and proposals
  - > *Internal presentation of renovation and restructuring projects*
  - > *Presentation by Casino teams upstream of development projects*
  - > *Internal presentation by the buyer for jointly owned properties*
  - > *Internal presentation for purchases in the open market*
- ✓ Strict investment criteria for new projects
  - > *Valuation potential: rents, merchandising, eventual expansions, etc.*
  - > *Yield, benchmarked to portfolio average*
  - > *Investment analysis models*
- ✓ Delegations of authority granted by the Board of Directors (Investment Committee)

mercialys

Call option on future shopping centres developed by Casino

Key terms

- ✓ Five-year contract expiring on 31 December 2010
- ✓ To 31 December 2006:
  Purchase price based on a capitalization rate:
  - > *8% of forecast annual net rents for shopping centres*
  - > *8.5% of net annual rents for medium-sized stores that are not part of a shopping centre*
- ✓ Subsequent years:
  Purchase price set for the following 12 months:
  - > *Based on the price set in December of the previous year the parties agree to maintain the balance of the initial negotiation. From 1 January 2009, Casino can terminate the agreement if it no longer controls Mercialys (in practice, if its interest falls to below 40%), subject to 12 months' notice.*

mercialys

An agreement with Casino gives Mercialys priority access to Casino's pipeline of development projects

Agreement between Casino and Mercialys

- ✓ The assets transferred to Mercialys were acquired through Casino's long-established strategy of developing shopping
- ✓ Mercialys will continue to have priority access to Casino development programmes
- ✓ The agreement enables Mercialys to focus on its property business without being exposed to property development risks
- ✓ For 2006-2007: 12 projects identified for approximately €72m
  - > *CDEC building permit received:* ***2*** *(€18m)*
  - > *CDEC building permit pending:* ***3*** *(€24m)*
  - > *Land under option:* ***7*** *(€30m)*
- ✓ By 2010: 15 additional projects for an identified total of €194m

Clermont-Ferrand

- ✓ Shopping centre: Géant + 30 shops + 1 medium-sized store.
  Built in 1979, restored in 1999
- ✓ Expansion: 6,000 sq m.
- ✓ Creation of 20 shops
  and 2 medium-sized stores
- ✓ Land under option: building permit filed and CDEC building permit received
- ✓ Delivery in November 2006
- ✓ Revenues of over €1.5m

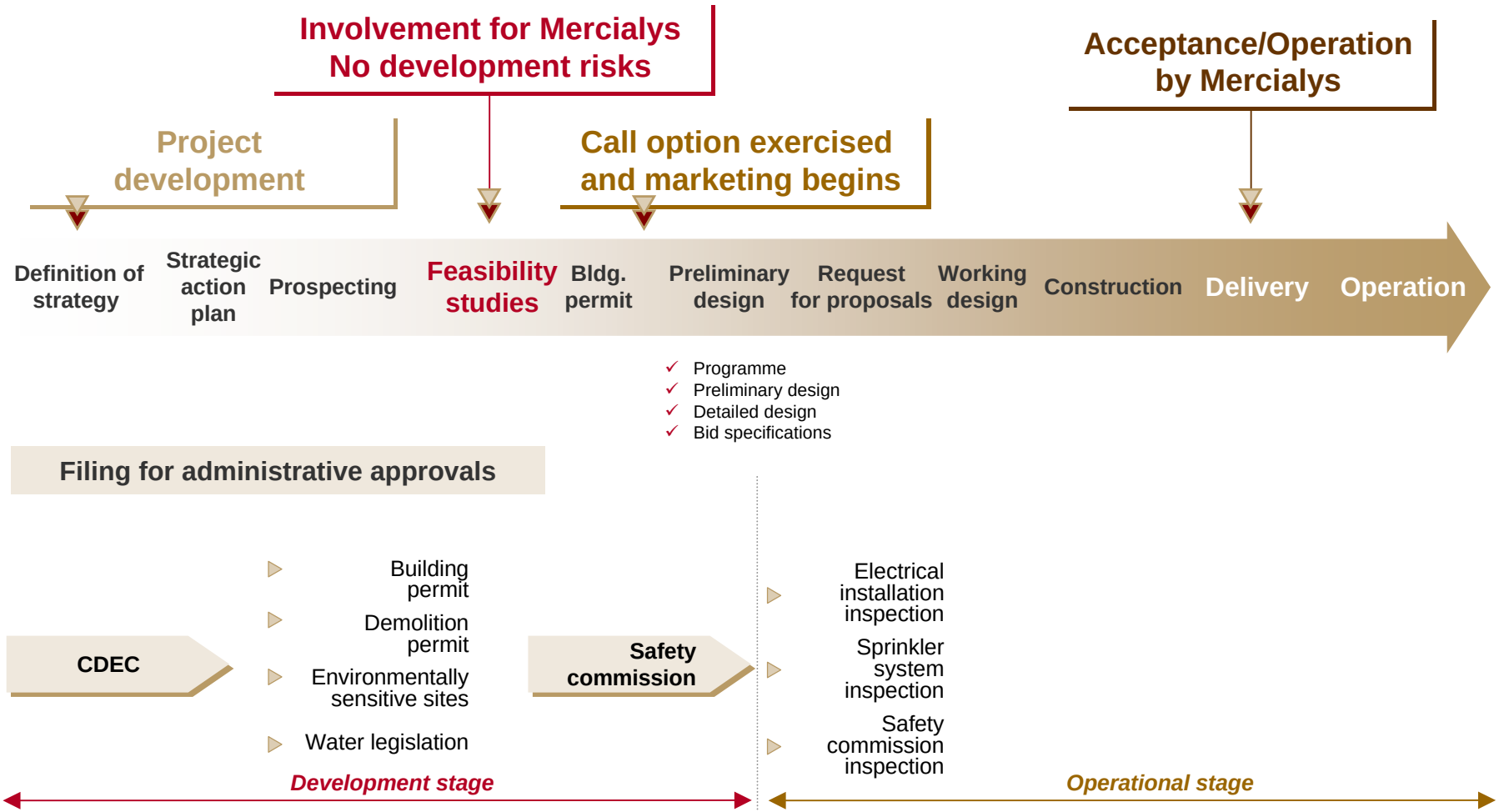
Project pictures

Poitiers

- ✓ Shopping centre : Géant + 9 shops + 1 medium-sized store
- ✓ Expansion
- ✓ Creation of 20 shops and 2 medium-sized stores
- ✓ Building permit filed and CDEC building permit received
- ✓ Delivery in November 2006
- ✓ Revenues of over €1.5 m

Project pictures

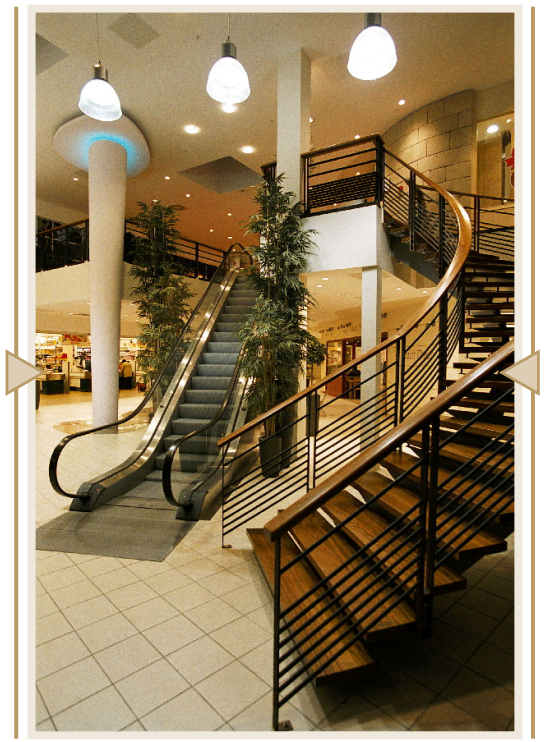
High level upstream involvement in the development process



Mercialys plans to invest €100m in renovation / restructuring programmes over the next five years

Making centres more attractive

- ✓ Over the next five years
  - > *Transactions with the potential to create value*
  - > *8 projects already identified*



Jointly owned properties: 82,000 sq m. for potential acquisition

Growth through the buyout of jointly owned property

- ✓ Buyout of assets on sites where Mercialys is currently joint owner:
  - > *Increases growth potential*
  - > *Reduces potential discount*
  - > *Eases management of certain co-owned sites*
- ✓ Potential: 82,000 sq m. of jointly owned property on Mercialys sites, already managed by Sudeco
- ✓ Over the next five years:
  approximately €18.5m invested each year on average

Mercialys plans to spend around €25m a year to acquire other centres

Growth through acquisition of existing assets

- ✓ A transaction market estimated by France's National Shopping Centre Council at approximately €585m in 2004
- ✓ Acquisition of sites from third parties
- ✓ In line with Casino's acquisition strategy
  - > *Partnership agreement between Mercialys and Casino*
  - > *Right of first refusal to acquire any shopping centres acquired by Casino at the Group's purchase price*
- ✓ Over the next five years:
  approximately €25m to be invested on average per year

Portfolio
and Financial Highlights

Assets portfolio valued at €957m including transfer taxes

Asset valuation methodology

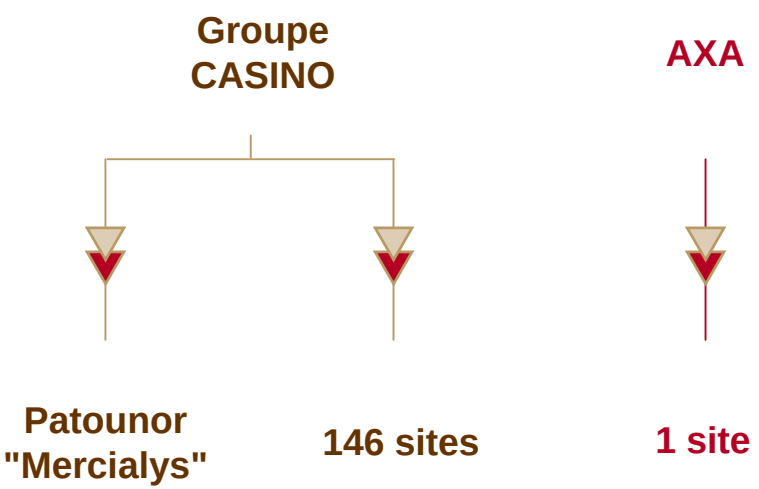
- ✓ Assets valued at 30 June 2005
- ✓ Valuation performed by Atis Real Expertise and Galtier in line with the rules of the Royal Institute of Chartered Surveyors (RICS), the French securities regulator (AMF) and the French accounting authorities (CNC)
- ✓ Valuation approved by the asset transfer auditors (Mazars and Tamet)
- ✓ Based on revenue capitalization and discounted cash flow methods

mercialys

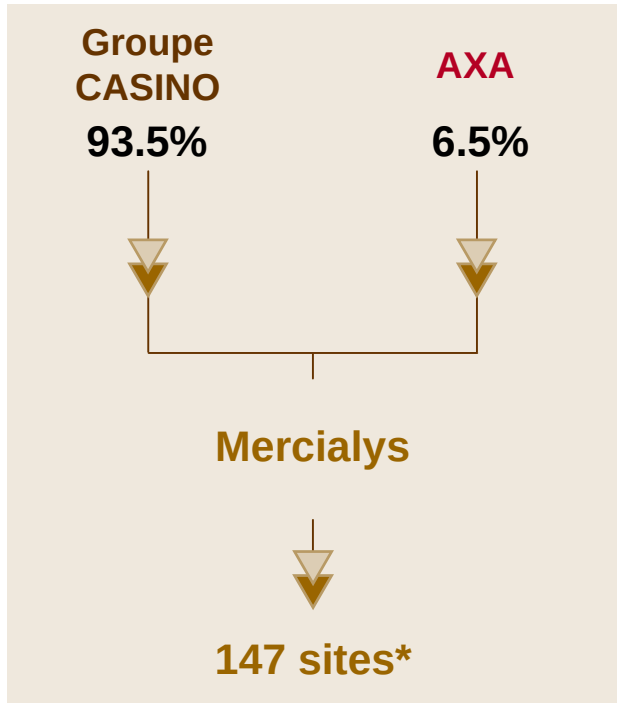
Mercialys has been set up by assets transfer from the founder shareholders, Casino and AXA

Creation of Mercialys

Pre-transfer



Post-transfer



** Assets to be retained for at least 5 years*

The valuation reflects implied capitalisation rate of 7.3% based on the 2005 rent roll

Portfolio value

- ✓ Portfolio value including transfer taxes: €957m
- ✓ Portfolio value excluding transfer taxes: €903m

Type of property	Number of properties at 30 June 2005	Valuation* at 30 June 2005		GLA at 30 June 2005		2004 invoiced rents**	
		€m	(%)	(sq m.)	(%)	€m	(%)
Large shopping centres	*27*	*557*	*62*	*264,212*	*48*	*38.6*	*58*
Neighbourhood shopping centres	*60*	*259*	*29*	*174,492*	*32*	*20.8*	*31*
Food hypermarkets	*11*	*14*	*1*	*23,553*	*4*	*1.1*	*2*
Large specialty stores	*4*	*7*	*1*	*10,032*	*2*	*0.6*	*1*
Self-service restaurants	*23*	*36*	*4*	*42,672*	*8*	*2.9*	*4*
Other	*22*	*30*	*3*	*32,175*	*6*	*2.3*	*4*
TOTAL	*147*	*903*	*100*	*547,136*	*100*	*66.3*	*100*

** Asset value excluding transfer fees*
***Invoiced rents = rental revenue - lease rights*

mercialys

Mercialys's NAV including transfer costs is €941 million

NAV including transfer taxes

In €m	*Opening balance sheet*	
Consolidated equity (IFRS)	**871.2**	
Unrealized capital gains on assets	**54.2**	
Unrealized capital gains on shares	**15.4**	
NAV including transfer taxes (before rights issue)	**940.8**	€15.67/share*
Transfer taxes	**- 54.2**	
NAV excluding transfer taxes (before rights issue)	**886.6**	€14.77/share*

**Based on 60,038,113 shares outstanding before the rights issue*

AXA, one of Mercialys's two founding shareholders

Contribution details

- ✓ Asset transfer:
  AXA will transfer ownership of its Espace Anjou shopping centre
  - > *Interest held by AXA after the transfer: 6.5%*
- ✓ AXA acquires a block of shares from Casino
  (apart from the institutional tranche) in a separate, simultaneous transaction:
  - > *10% of the offering at the IPO price, in a range of €25 million to €35 million*
- ✓ Shareholder agreement between Casino and AXA:
  - > *Lock-up clause for Mercialys shares acquired by AXA in payment for asset contribution and shares purchased from Casino at the time of the IPO, for the same period as that agreed to by Casino under the IPO*
  - > *AXA Group has the right to a seat on the Mercialys Board of Directors and Investment Committee*
  - > *The two shareholders agree to notify each other of any plans to sell more than 10% of their interest in Mercialys*

Mercialys will become a SIIC by end-2005

Timeline

✓ ***23 August:***	Signature of assets contribution agreements (subject to listing)
✓ ***26 September:***	Extraordinary Meeting of Mercialys shareholders to approve the contributions
✓ ***D-day - 3:***	Mercialys shares listed
✓ ***D-day:***	Settlement/delivery of the shares and legal completion of the contributions
✓ ***End of month:***	FY Accounts closed
✓ ***1st day of following month:***	REIT-type tax regime (SIIC) adopted *Resultant exit tax: €2.6m, payable over 4 years*
✓ ***31 December:***	FY Accounts closed again

Accounting principles and procedures

- ✓ Pro forma historical financial statements
- ✓ French GAAP for financial statements at 31 December 2002, 2003 and 2004
- ✓ IFRS for financial statements at 31 December 2004
- ✓ IFRS for interim financial statements at 30 June 2004 and 2005
- ✓ Asset contribution: property assets, 3 non-trading property partnerships (SCIs) and 1 finance lease
- ✓ No cash or debt transferred, with the exception of:
  - > *Guarantee deposits paid by tenants, transferred to Mercialys*
  - > *Tours la Riche finance lease liability*

Key figures 2002-2004

	French GAAP			IFRS
In €m (pro forma)	***2002***	***2003***	***2004***	***2004***
Rental revenue	**56.9**	**65.7**	**67.8**	**68.4**
Growth (%)	-	*15.4*	*3.2*	-
Net rental* revenue	**51.7**	**60.3**	**62.9**	**63.5**
Growth (%)	-	*16.5*	*4.3*	-
EBITDA	**47.9**	**55.8**	**59.1**	**59.7**
Margin (%)	*84.1*	*84.9*	*87.2*	*87.3*
Net profit	**33.1**	**38.8**	**40.1**	**46.9**
Operating cash flow	**48.2**	**55.8**	**58.7**	**58.7**
Equity	**493.7**	**499.3**	**500.6**	**890.0**
Net debt	**9.1**	**12.6**	**12.4**	**12.4**
Deferred taxes	**2.6**	**2.6**	**2.6**	**2.6**

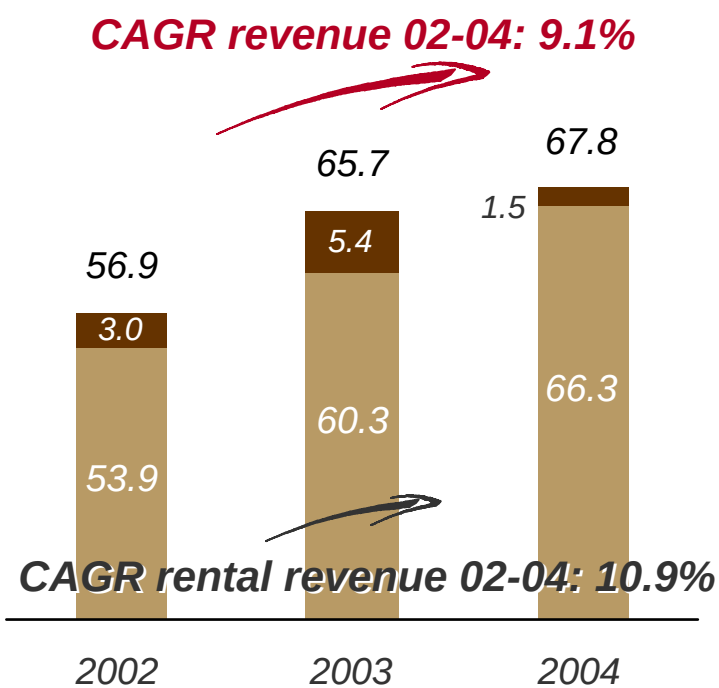
**Net rental revenue = rental revenue less property taxes and service charges not recovered from tenants, and other property related costs*

mercialys

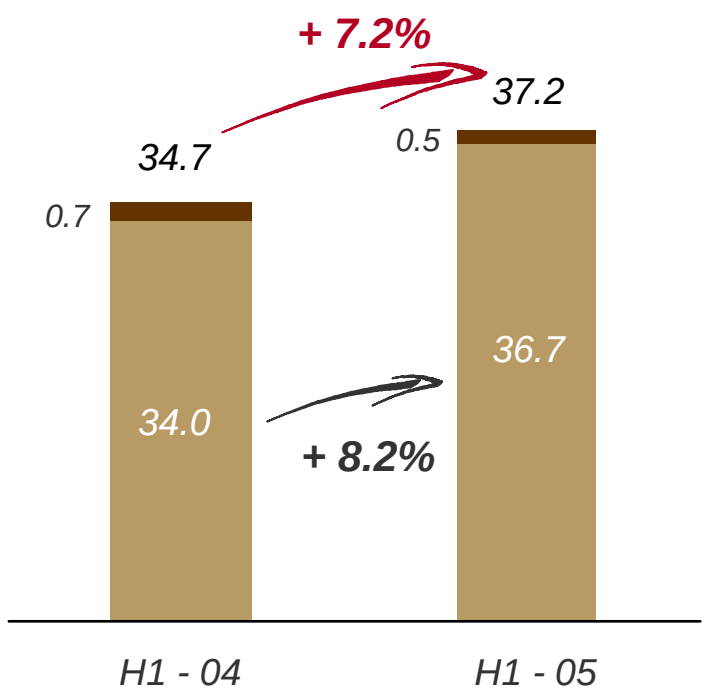
Sustained strong growth in rental revenue (10.9% a year over 2002-2004)

Rental revenue

Annual financial statements (French GAAP)



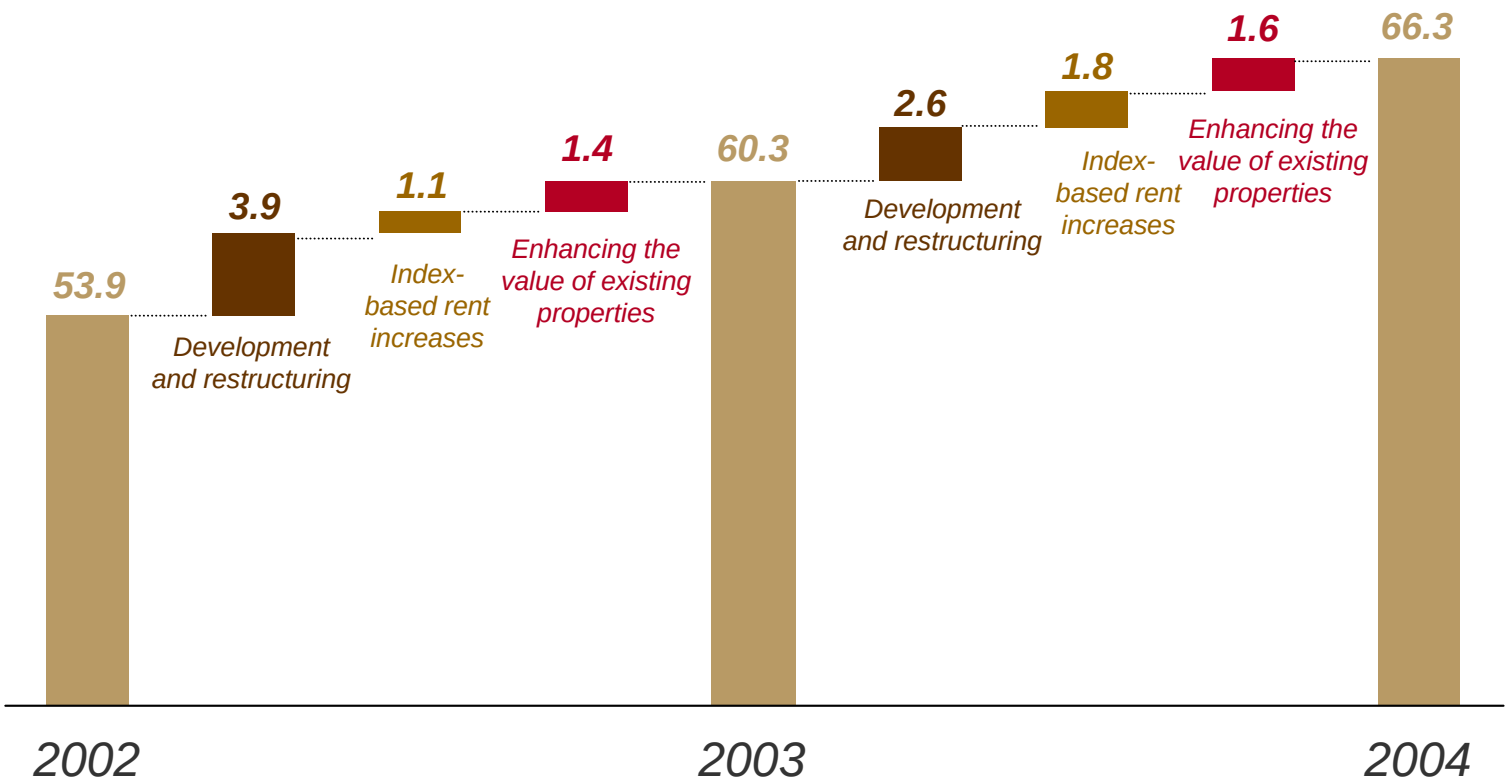
Interim financial statements (IFRS)



Rent roll ***Lease rights***

Investment and value enhancement, the two engines of revenue growth

Invoiced rents growth (€m)*

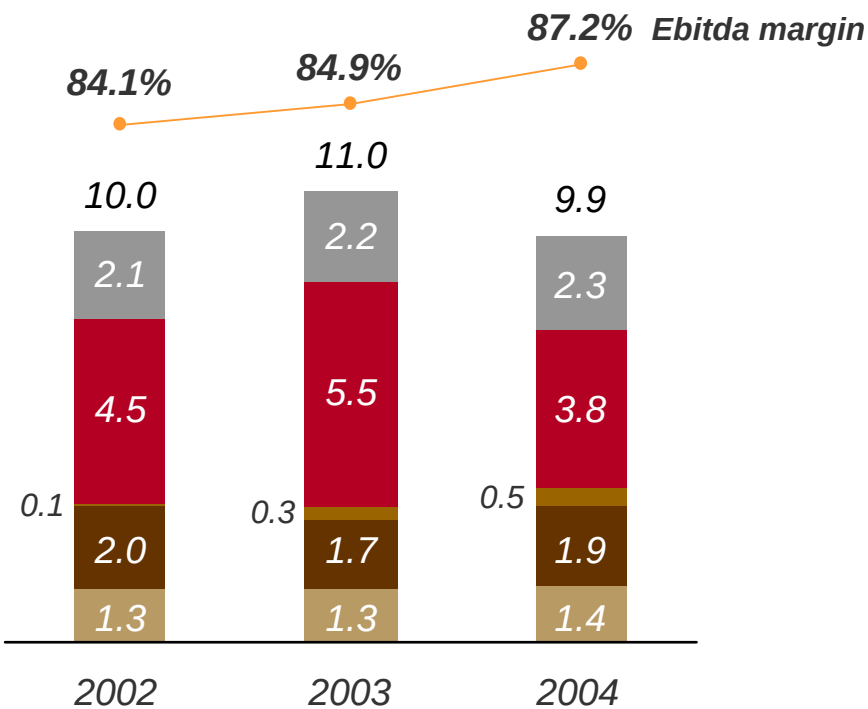


*Invoiced rents = rental revenue less lease rights

Operating costs represent less than 16% of revenue

Personnel costs and other operating costs

Annual financial statements (French GAAP)



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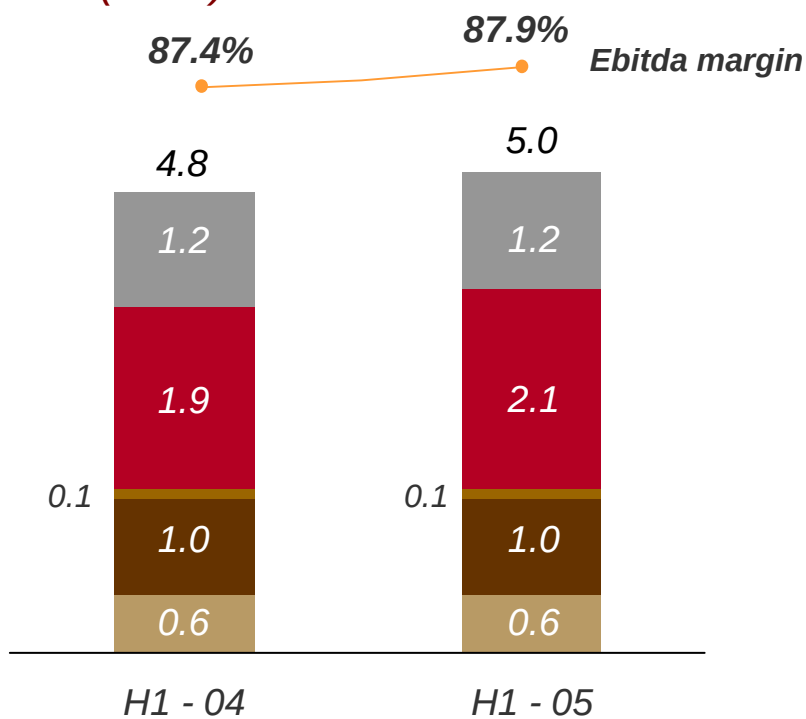


Personnel costs ***Other expenses*** ***Provisions***

Net management fees ***Net service charges, property taxes***

mercialys

Consolidated balance sheet

Assets	French GAAP	IFRS	
In € millions	*31 Dec. 2004*	*31 Dec. 2004*	*30 June 2005*
Investment properties	515.7	895.2	893.2
Financial assets		9.9	10.1
Total non-current assets	**515.7**	**905.1**	**903.3**
Cash and cash equivalents	10.1	10.1	0
TOTAL ASSETS	**525.8**	**915.2**	**903.3**

Equity and Liabilities

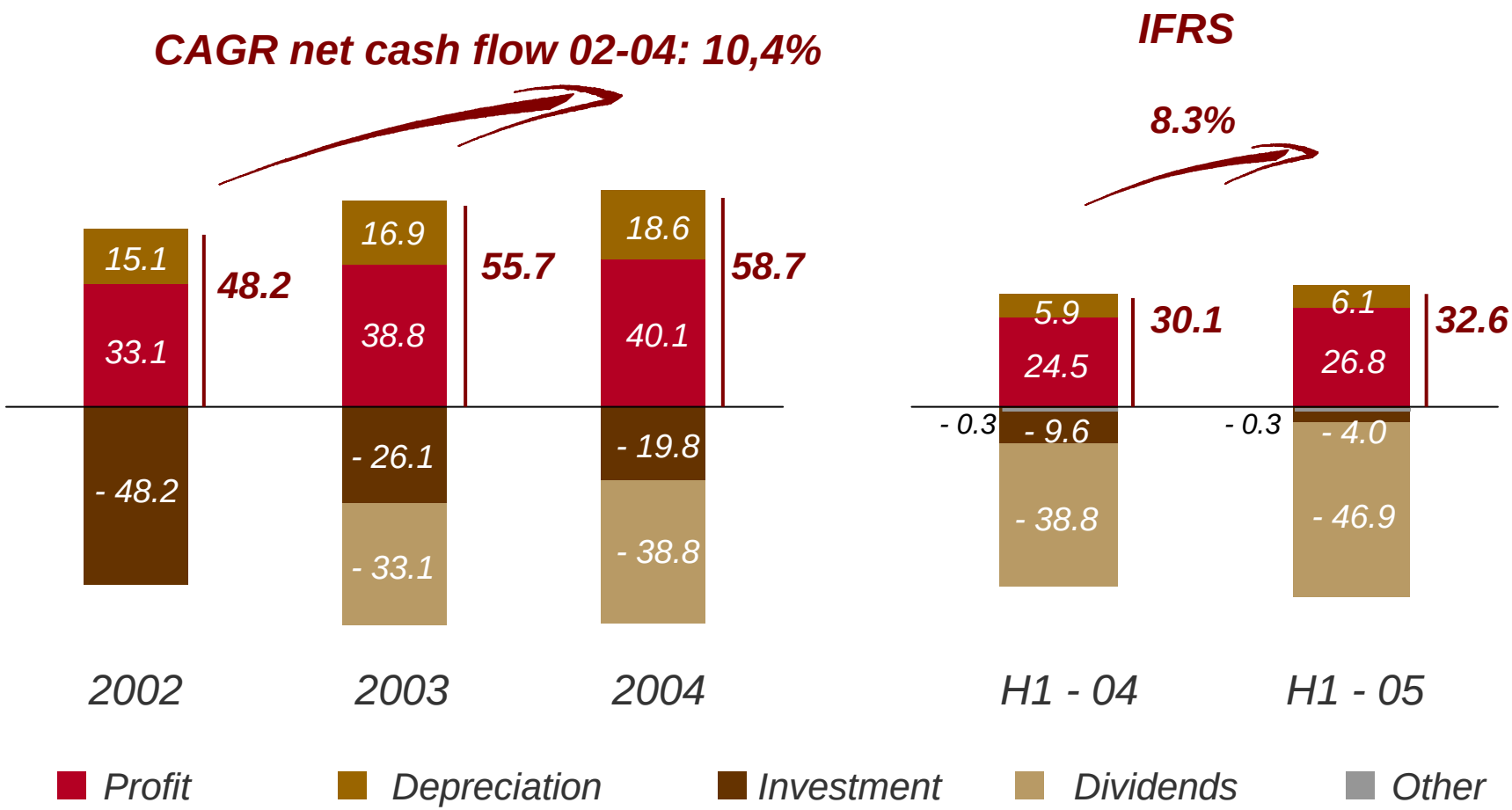
Share capital and premiums	460.2	842.4	842.4
Consolidated profit	40.1	46.9	26.8
Shareholders' equity - group share	**500.3**	**889.3**	**869.2**
Minority interests	0.3	0.7	0.7
Consolidated shareholders' equity	**500.6**	**890.0**	**869.9**
Deferred tax liability	2.6	2.6	2.6
Non-current liabilities	21.5	21.5	21.5
Current liabilities	**1.1**	**1.1**	**9.3**
TOTAL EQUITY AND LIABILITIES	**525.8**	**915.2**	**903.3**

- ✓ Virtually no debt as of 30 June 2005
- ✓ Notional working capital structurally negative by around €2m

mercialys

Continuous cash flow growth

Faster cash flow generation



85% of 2005 pro forma income will be distributed

- ✓ Characteristics of the REIT-type tax regime (SIIC):
  - > *At least 85% of tax-exempt profit from rental activities to be distributed to shareholders*
  - > *At least 50% of tax-exempt profit from the sale of properties or certain interests in property companies to be distributed to shareholders*
  - > *Dividends from subsidiaries that have elected for the SIIC regime to be redistributed in full to shareholders*
- ✓ Mercialys will apply these payout rates on 2005 pro forma income

mercialys

Corporate Governance

Mercialys' corporate governance complies with French recommendations (Bouton Report)

Board of Directors

- ✓ Board of Directors
  - > *11 members, of which 4 independent directors (including the AXA representative)*
- ✓ Board membership

Independent directors	
Bernard Bouloc	Law professor
Philippe Moati	Research Director, Credoc
Eric Sasson	Managing Director, Carlyle Real Estate Europe
Pierre Vaquier	Chairman, AXA REIM

Casino Guichard Perrachon, *represented by* **Jacques Tierny**	Executive Deputy Managing Director, responsible for administration and finance, Groupe Casino
Immobilière Groupe Casino, *represented by* **Thierry Bourgeron**	Human Resources Director and Communications Director, Groupe Casino
Jacques Dumas	Deputy Managing Director, Groupe Euris
Pierre Feraud	Chairman and Chief Executive, Foncière Euris
Gérard Koenigheit	Advisor to the Chairman, Rallye
Catherine Soubie	Deputy Managing Director, Rallye
Jacques Ehrmann (Chairman)	Real Estate and Expansion Director, Groupe Casino

The Board committees are chaired by independent directors

Three committees

- ✓ Audit Committee
  - > *Majority of independent members*
  - > *Chaired by Bernard Bouloc (independent director)*
- ✓ Nominations and Remunerations Committee
  - > *Re-appoints members of the Board committees*
  - > *Approves management team appointments*
  - > *Chaired by Philippe Moati (independent director)*
- ✓ Investment Committee
  - > *Chaired by Eric Sasson (independent director)*

mercialys

Mercialys has prepared formal procedures for the Investment Committee

Mercialys Investment Committee

- ✓ 2 independent directors, including an AXA representative + 2 Casino representatives + the Chairman of Mercialys
- ✓ Standard role
  - > *Review investment strategy*
  - > *Review and make recommendations on annual investment budgets*
  - > *Review and provide an opinion on investment projects, as follows:*
    - » Projects with outside partners exceeding €10 million
    - » Projects with Casino exceeding €4 million
    - » Aggregate transactions with Casino exceeding €10 million per year
- ✓ Specific terms of reference
  - > *Review negotiations concerning the partnership contract with Casino when necessary*
- ✓ Purely advisory role for the two Casino representatives for recommendations to the Board concerning investment projects with Casino

Strategy and Outlook

Step up organic growth

Enhance the value of the existing portfolio

- ✓ Increase the profitability of existing leases
  - > *Renew leases about to expire*
  - > *Increase the variable part of rents*
- ✓ Optimise the portfolio by refurbishing and restructuring shopping centres
- ✓ Deploy an agressive marketing strategy
  - > *Maintain quality shopping centre concept to attract leading banners*

mercialys

Step up acquisitions

An ambitious development strategy

- ✓ Call options on shopping centre development programmes implemented by Casino
  - > *Priority access to projects by France's second-largest food retailer, both in and outside France*
- ✓ Acquisition of existing assets with a high reversionary potential
  - > *Create value by buying out partners in jointly owned property in Mercialys shopping centres*
  - > *Acquire assets under development or on the market*

mercialys

Long-term strategy

- ✓ Seek attractive development opportunities resulting from Casino acquisitions that include a retail property portfolio
- ✓ Become a consolidation pole for retail assets
  - > *A large number of quality portfolios are held by independent owners*
  - > *Tax window for transfers to a SIIC that allows (until end-2007 in theory) risks to be pooled without withdrawing from the segment and offers tax reductions*
- ✓ Consider investing in retail assets in the European Union, in particular in countries with higher yields
- ✓ Substantial financial leeway to successfully deploy these growth strategies
- ✓ Consider selective asset sales from 2011
  - > *2011 (at the earliest): end of tax lock-up period*

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Double-digit medium-term growth objective

Targets

- ✓ ***2005:***
  - > *Organic growth:*
    - » *Rental revenue* *6 - 7%*
    - » *Cash flow* *6 - 7%*
- ✓ ***2006:***
  - > *Organic growth (impact of 2006 investments from 2007):*
    - » *Rental revenue* *5 - 7%*
    - » *Cash flow* *12 - 15%*
      (including income from investing the proceeds of the capital increase)
- ✓ ***2007 - 2010 (indexed at 2.5%):***
  - > *Faster growth in the medium term*
    - » *Rental revenue* *+10%*
    - » *Cash flow* *+10%*
  - > *Growth split evenly between organic growth and new projects*

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Mercialys on the stock market

A yield and growth stock

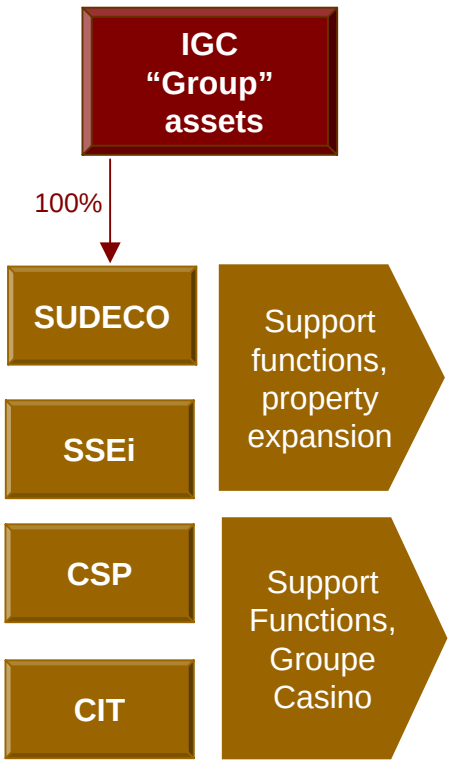
- ✓ A pure play in the strong and dynamic shopping centre segment
- ✓ Profitable, sustained growth
- ✓ Steady cash flow and good earnings visibility
- ✓ A REIT-type structure (SIIC), guaranteeing a high dividend payout rate
- ✓ Considerable potential for expanding the asset base, notably with a flow of projects from Casino
- ✓ Financial structure to support the 5-year investment programme, with a **€200m** to **€230m** capital increase

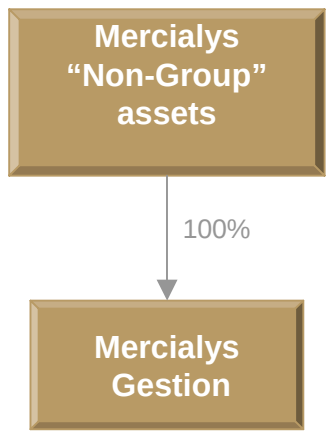
Questions & Answers

Appendices

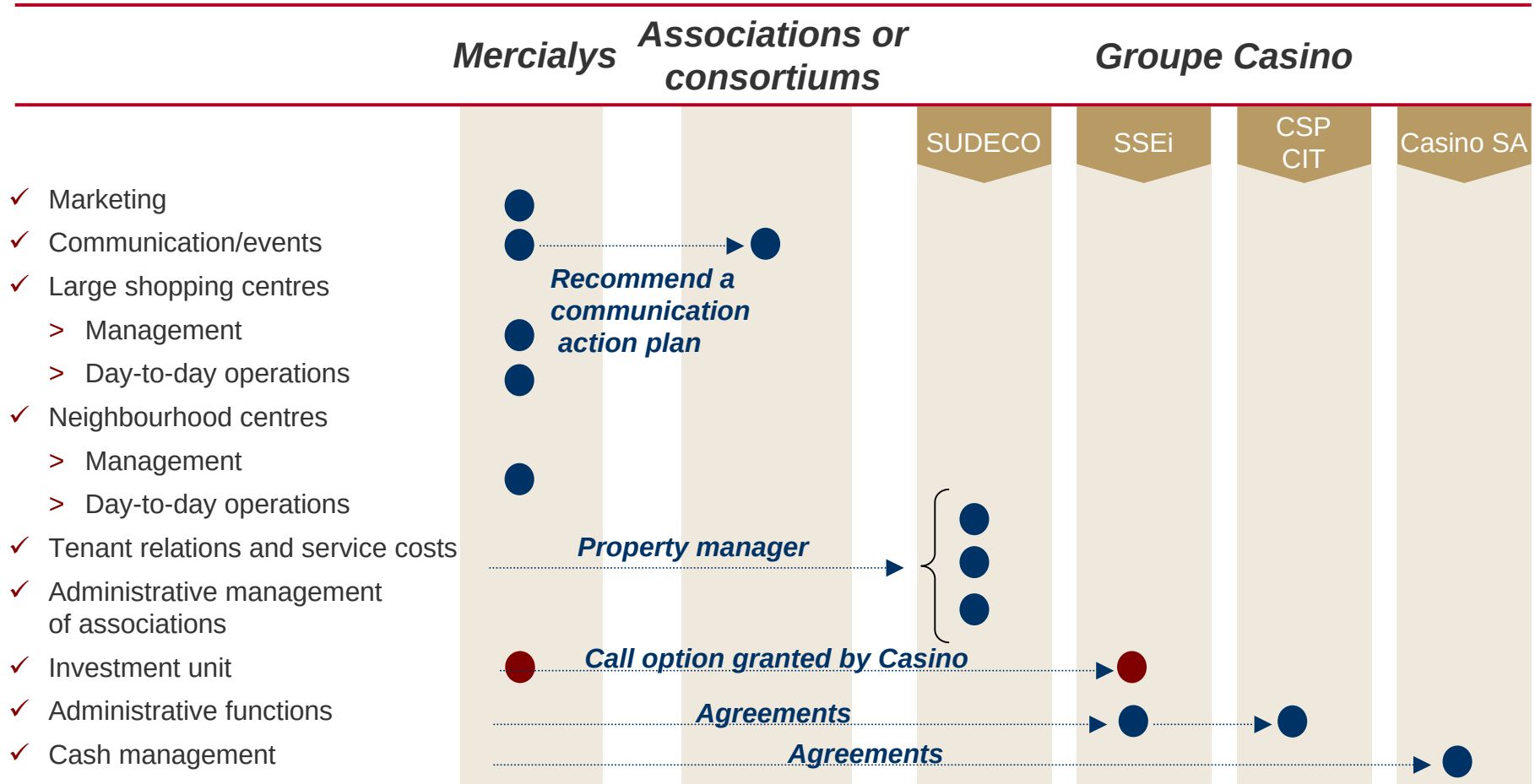
Mercialys benefits from synergies and economies of scale with Groupe Casino support functions

Services





Mercialys performs functions that create value and enjoys economies of scale with Groupe Casino support functions



Corporate governance and relations with Casino

Cash management and current account agreement with Casino

- ✓ Creation of a shareholder current account in line with Article L.511-7
- ✓ Interest paid on the account at Eonia +10 bps
- ✓ Continuation of the agreement as long as Casino controls Mercialys
- ✓ Agreement can be terminated with prior notice of 10 days

Corporate governance and relations with Casino

Related party agreements

- ✓ The following services/contracts will be covered by related party agreements governed by Articles L.225-40 and L.225-42, 225-86 and 223-19 of the French Commercial Code
  - > *Service agreement*
  - > *Cash management agreement*
  - > *Development contract*
- ✓ Each year, the Statutory Auditors will issue a special report on the agreements to the Board of Directors
- ✓ Directors representing Casino do not vote on these agreements
- ✓ At Annual Meetings Casino abstains from voting on resolutions to approve the agreements

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