



A *société anonyme* with capital of Euro 91,968,488  
Registered office: 10 Rue Cimarosa  
75116 Paris  
424 064 707 Trade Registry of Paris

Paris, April 16, 2010

## MEETING SUMMONS

The shareholders of Mercialys are summoned to an  
**ORDINARY AND EXTRAORDINARY GENERAL MEETING**

On **Thursday, May 6, 2010**, as of **10 a.m.**

at **EUROSITES GEORGE V**  
28, Avenue George V  
75008 Paris

for the purpose of deliberating on the agenda set forth in this brochure.

**Metro stations:** George V (line 1), Alma Marceau (line 9)

**Bus lines:** 32, 42, 63, 72, 73, 80 et 92

**Public parkings:** Champs Elysées and Alma George V

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# CONDITIONS FOR ATTENDING THE MEETING

## □ WHO MAY ATTEND THE MEETING?

The General Meeting includes all shareholders, regardless of their number of shares.

**Only shareholders who, for accounting purposes, have registered, in advance, their shares in their name or in the name of the intermediary registered on their behalf, if they reside abroad, shall be admitted to attend this Meeting, to vote by mail or to be represented at this Meeting, by midnight Paris time, Monday, May 3, 2010, either in the registered share accounts held for the Company by BNP PARIBAS SECURITIES SERVICES, or in the bearer share accounts held by the authorized intermediary.**

For the owners of bearer shares, registration of the shares in the bearer share accounts held by the authorized intermediary shall be acknowledged by a shareholding certificate issued by the authorized intermediary, if applicable by e-mail, appended to the form for voting by mail or by proxy or for requesting an admission card, filled out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary.

A certificate shall also be issued to a shareholder wishing to attend the Meeting in person and who has not received his admission card by midnight Paris time **Monday, May 3, 2010**.

## □ YOU WISH TO ATTEND THE MEETING

You must request an **admission card**, which is **required** to be admitted to the Meeting and to vote.

In order to obtain this card, you must return the form for voting by mail or by proxy appended hereto, after having **checked the “A” box at the top left-hand side of the form, dated and signed at the bottom of the form**, to BNP PARIBAS SECURITIES SERVICES, in the attached reply envelope if your shares are registered in the registered share account.

If you are the owner of bearer shares, the form must be given to the intermediary who manages your share account so that he may attach the shareholding certificate to it (cf. above).

In order that the meeting can be held smoothly, we recommend that you arrive as early as 9:30 a.m. at the reception desk and at the sign-in desk, with the admission card, to sign the attendance sheet.

## □ YOU CANNOT ATTEND THE MEETING

If you cannot attend the Meeting in person, you may nonetheless vote either by using the option of voting by mail or by returning a proxy.

### ◆ You wish to vote by mail

You must return the form for voting by mail or by proxy appended hereto, after having **checked the “B” box at the top left-hand side of the form and the “I am voting by mail” box, dated and signed at the bottom of the form**, to BNP PARIBAS SECURITIES SERVICES, in the attached reply envelope if your shares are registered in the registered share account.

If you are the owner of bearer shares, the form must be given to the intermediary who manages your share account so that he may attach the shareholding certificate to it (cf. above).

Pursuant to the legal and regulatory provisions, the form for voting by mail must be received by BNP PARIBAS SECURITIES SERVICES or at the company's registered office at least 3 days before the General Meeting date.

**Meaning of votes:**

By checking the "B" box and the "I am voting by mail" box, as indicated above and, failing any other action by you, you will be deemed to have voted "for" all the resolutions.

We remind you that, if you wish to vote "against" or "abstain" on one or several resolutions, you must blacken the box corresponding to the resolution for which you wish to make such vote.

If you wish to vote on any draft resolutions not approved by the Board of Directors, you must blacken the boxes corresponding to your choice.

In addition, in the event that amendments or new resolutions are presented at the Meeting, you have the possibility of making your choice by blackening the corresponding box.

◆ **You wish to be represented (Power)**

- If you wish to be **represented by the Chairman of the Meeting**, you must return the form for voting by mail or by proxy appended hereto, after having **checked the "B" box at the top left-hand side of the form**, to BNP PARIBAS SECURITIES SERVICES, in the attached reply envelope if your shares are registered in the registered share account.

If you are the owner of bearer shares, the form must be given to the intermediary who manages your share account so that he may attach the shareholding certificate to it (cf. above).

- If you wish to be **represented by another proxy** (*your spouse or another shareholder, either an individual or legal entity*), you must return, to BNP PARIBAS SECURITIES SERVICES, in the attached reply envelope, if your shares are registered in a registered share account, the form for voting by mail or by proxy appended hereto, after having **checked the "B" box at the top left-hand side of the form and the "I hereby give power to" box, having provided all information concerning your representative's identity, dated and signed at the bottom of the form.**

If you are the owner of bearer shares, the form must be given to the intermediary who manages your share account so that he may attach the shareholding certificate to it (cf. above).

# AGENDA

– Presentation of the reports prepared by the Board of Directors and the Statutory Auditors.

- **Within the powers of the Ordinary General Meeting:**

- Approval of the company accounts for the business year ending on December 31, 2009;
- Approval of the consolidated accounts for the business year ending on December 31, 2009;
- Allocation of the business year's income – Setting the amount of dividends;
- Approval of the special report by the Statutory Auditors on the agreements referred to in Articles L. 225-38 of the Commercial Code (Code de commerce) and related agreements;
- Renewal of Generali Vie's term of office as director.
- Appointment of Ernst & Young as Statutory Auditors.
- Appointment of KPMG S.A. as Statutory Auditors.
- Appointment of AUDITEX as Alternate Auditors.
- Appointment of Mr Malcolm McLarty as Alternate Auditor.
- Authority for the Company to purchase its own shares.

- **Within the powers of the Extraordinary General Meeting:**

- Harmonizing the by-laws with the provisions of the law allowing shareholders to participate in meetings by electronic telecommunications means.
- Delegation of authority to the Board of Directors to issue shares or securities entitling the holder to the allocation of new or existing shares in the Company or debt securities, without preferential subscription right, within the framework of an offer as stated in Article L.411-2-II of the French Monetary and Financial Code (Code Monétaire et Financier).
- Delegation of authority to the Board of Directors to increase the Company's share capital or to transfer treasury shares to employees
- Powers for formalities.

## PRESENTATION OF DRAFT RESOLUTIONS

**First resolution:** The purpose of this resolution is to submit for your approval the Company financial statements for the year ended December 31, 2009 which post a profit of Euro 88,811,113.23.

**Second resolution:** The purpose of this resolution is to submit for your approval the consolidated financial statements for the year ended December 31, 2009 which post a consolidated net income (Group share) of Euro 93,029 thousand.

**Third resolution:** Under this resolution which is related to the allocation of the business year's income, we propose to distribute a total dividend of Euro 91,292,281.92, meaning Euro 1.00 per share, with the balance of the distributable profit in an amount of Euro 17,284,631.11 being allocated to the "Balance Carried Forward" account.

The payment of balance of the dividend, for an amount of Euro 0.56 per share, for shares which benefited from an interim dividend of Euro 0.44 per share paid on October 9, 2009, will be paid on May 14, 2010.

**Fourth resolution:** The purpose of this resolution is to submit for your approval the special report prepared by the Statutory Auditors on regulated agreements.

**Fifth resolution:** Under this resolution, we propose to renew the Generali Vie's term of office as Board Director.

Under **sixth to ninth resolutions**, we propose to appoint for six years Ernst & Young and KPMG S.A. as Statutory Auditors, and Auditex and Mr Malcolm McLarty as Alternate Auditors.

**Tenth resolution:** The purpose of this resolution is to renew, for 18 months, the authority granted to the Board of Directors for the purpose of purchasing shares of the Company; the use of such authority shall not have for effect to increase the number of shares held by the Company to more than 10% of the total number of shares forming the capital and the purchase price of the shares shall not exceed Euro 42 per share.

In view of favoring the liquidity of transactions and the accuracy of the price of shares as well as to avoid all discrepancies in rates not justified by market trends, the Company has entrusted to Oddo Corporate Finance, as of February 20, 2006, the implementation of a liquidity agreement in keeping with the AFEI (*Association Française des Entreprises d'Investissement*: French Association of Investment Companies) Charter of Ethics approved by the AMF (*Autorité des Marchés Financiers*: French SEC) in a decision on March 22, 2005. On February 28, 2010, the company has allocated to the liquidity account: 164,449 shares and Euro 8,122,885.37.

As of December 31, 2009 and February 28, 2010, the Company's position was as follows:

	2009/12/31	2010/02/28
Number of shares held in portfolio	268,082	195,477
Percentage of treasury shares held directly or indirectly	0.29	0.21
Number of shares canceled during the last 24 months	None	None
Book value of portfolio	Euro 6.86	Euro 4.76
Market value of portfolio	Euro 6.58 (*)	Euro 5.15 (**)

(\*) Value in million of euros based on the December 31, 2009 closing price of Euro 24.55.

(\*\*) Value in million of euros based on the February 28, 2010 closing price of Euro 26.33.

**Eleventh resolution:** We propose, under this resolution to amend article 25 of the by-laws related to the composition of the General Shareholder's Meeting in order to harmonize the by laws with the provisions of the law allowing shareholders to participate in meetings by electronic telecommunications means.

**Twelfth and thirteenth resolution:** Due to the modifications of the law concerning the issuing of securities, we propose to delegate the authority for a period of fourteen months to the Board of Directors to decide:

The issuing, without preferential subscription rights for shareholders, of shares or securities giving access to share capital or the allocation of debt securities of the Company, to the benefit of the persons mentioned in the Article L. 411-2 of the French Monetary and Financial Code (Code Monétaire et Financier), up to a limit of 20% of the Company's share capital by year, the issue price of securities being the weighted average share price on the Euronext Paris regulated market for the previous three trading days, minus a maximum discount of 5%;

The amount of increases in share capital carried out under this delegation will be deducted from the total nominal amount of debt securities issued or capital increases as set out in the thirtieth resolution adopted by the Extraordinary Shareholders' Meeting of May 19, 2009;

The persons mentioned by the Article L. 411-2 of the French Monetary and Financial Code (Code Monétaire et Financier) would be determined by the Board of Directors.

It is also proposed that the Board of Directors be delegated, for fourteen months, the authority to decide and implement a capital increase whose subscription would be reserved for employees, in accordance with Articles L. 3332-18 et seq. of the French Labor Code and Article L. 225-138-1 of the French Commercial Code. The subscription price shall be determined in accordance with Article L. 332-19 of the French Labor Code (weighted average of the quoted share price of the previous twenty days before the decision fixing the opening date for the subscription period, possibly reduced by a discount limited to 20% or 30% in case of a non-availability of the plan superior or equal to ten years).

Within the frame of this delegation, the authority for the Board of Directors to transfer acquired shares is also planned in accordance with Article L. 225-206 et seq. of the French Commercial Code. The number of shares which may be issued or transferred under this authorization is limited to 3% of the total of the number of shares in the Company at the time of the issue or transfer.

The Board of Directors requests you to vote on the proposed resolutions.

# DRAFT RESOLUTIONS

- **Resolutions within the powers of the ordinary general meeting**

## **First resolution**

*(Approval of the Company financial statements for the year ended December 31, 2009)*

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The Ordinary Shareholders' Meeting, having familiarized itself with the reports of the Board of Directors and the Statutory Auditors, approves the financial statements for the year ended December 31, 2009, as presented to it, with all the operations they represent or which are mentioned in such reports, with the financial statements for the year showing a profit of Euro 88,811,113.23.

It notes that the financial statements for the year ended do not include expenses that are not deductible for tax purposes, as mentioned in Article 39-4 of the French General Tax Code (Code général des impôts).

The General Shareholders' Meeting takes note of the charging of Euro 3,170,229.44 against the "Share premiums" account corresponding to (i) all costs, duties, taxes and fees incurred as a result of the contributions made by various Casino Group companies and the resulting capital increase, as approved by the Extraordinary Shareholders' Meeting of May 19, 2009, and (ii) all costs, duties, taxes and fees incurred as a result of the issuing of shares within the framework of the payment in shares of the final dividend for the year ended December 31, 2008 and the interim dividend for the year ended December 31, 2009.

It also takes note of the transfer to the "Retained earnings" account of sums corresponding to dividends and interim dividends allocated to shares held by the Company on the date they were paid, representing a total of Euro 68,856.96.

## **Second resolution**

*(Approval of the consolidated financial statements for the year ended December 31, 2009)*

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The Ordinary Shareholders' Meeting, having familiarized itself with the reports of the Board of Directors and the Statutory Auditors, approves the consolidated financial statements for the year ended December 31, 2009, as presented to it, showing consolidated net income (Group share) of Euro 93,029 thousand.

## **Third resolution**

*(Allocation of income for the year - Setting of the dividend)*

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The Ordinary Shareholders' Meeting, upon the proposal of the Board of Directors, decides to allocate as follows income for the year ended December 31, 2009:

Income for the year .....	Euro 88,811,113.23
Constitution of legal reserve .....	(-) Euro 1,681,852.90
Retained earnings .....	(+) Euro 21,447,652.70
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Distributable profits .....	(=) Euro 108,576,913.03
Dividends .....	Euro 91,292,281.92
Allocation to the "Retained earnings" account .	Euro 17,284,631.11
Each share will receive a dividend of .....	Euro 1.00

The Ordinary Shareholders' Meeting takes note that:

- the amount of the dividend decided at Euro 91,292,281.92 includes the interim dividend of Euro 0.44 per share paid on October 9, 2009;
- part of this interim dividend was paid in shares at the request of shareholders;
- as a result, the final dividend comes to Euro 0.56 per share and will be payable on May 14, 2010;
- the new shares created for payment of the interim dividend only entitle holders to payment of the final dividend of Euro 0.56.

Distributions of tax-exempt income represent the entire dividend.

For natural persons resident in France for tax purposes, this dividend is eligible for the 40% discount mentioned in Article 158-3-2 of the French General Tax Code (Code général des impôts). Natural persons resident in France for tax purposes may opt for this dividend to be subject to standard deduction at source.

As shares held by the Company on the day the dividend is paid are not entitled to payment, the corresponding amounts shall be transferred to the "Retained earnings" account.

The General Shareholders' Meeting notes that dividends paid in respect of the last three fiscal years are as follows:

–	Year ended	–	Dividend per share	–	Dividend paid eligible for 40% discount	–	Dividend paid not eligible for 40% discount
–	December 31, 2008	–	Euro 0.88	–	Euro 0.88	–	None
–	December 31, 2007	–	Euro 0.81	–	Euro 0.81	–	None
–	December 31, 2006	–	Euro 0.71	–	Euro 0.71	–	None

#### **Fourth resolution**

*(Regulated agreements)*

The Ordinary Shareholders' Meeting, having familiarized itself with the Statutory Auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code, approves the report and the agreements mentioned in it.

#### **Fifth resolution**

*(Renewal of Generali Vie's term of office as director)*

The Ordinary General Meeting renews Generali Vie's term of office as director for a period of three years until the Ordinary General Meeting in 2013 to approve the financial statements for the year ending December 31, 2012.

#### **Sixth resolution**

*(Appointment of Ernst & Young as Statutory Auditors)*

The Ordinary Shareholders' Meeting,

on the proposal of the Board of Directors,

appoints Ernst & Young as Statutory Auditors for a period of six fiscal years ending after the Ordinary General

Meeting in 2016 to approve the financial statements for the year ending December 31, 2015.

**Seventh resolution**

*(Appointment of KPMG S.A. as Statutory Auditors)*

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The Ordinary Shareholders' Meeting,

on the proposal of the Board of Directors,

appoints KPMG S.A. as Statutory Auditors for a period of six fiscal years ending after the Ordinary General Meeting in 2016 to approve the financial statements for the year ending December 31, 2015.

**Eighth resolution**

*(Appointment of AUDITEX as Alternate Auditors)*

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The Ordinary Shareholders' Meeting,

on the proposal of the Board of Directors,

appoints AUDITEX as Alternate Auditors for Ernst & Young for a period of six fiscal years ending after the Ordinary General Meeting in 2016 to approve the financial statements for the year ending December 31, 2015.

**Ninth resolution**

*(Appointment of Mr Malcolm McLarty as Alternate Auditor)*

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The Ordinary Shareholders' Meeting,

on the proposal of the Board of Directors,

appoints Mr Malcolm McLarty as Alternate Auditor for KPMG S.A. for a period of six fiscal years ending after the Ordinary General Meeting in 2016 to approve the financial statements for the year ending December 31, 2015.

**Tenth resolution**

*(Authorization for the Company to purchase its own shares)*

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The Ordinary Shareholders' Meeting, having familiarized itself with the Board of Directors' report, authorizes the Board of Directors, with the option of subdelegating in accordance with the terms provided by law, to purchase the Company's shares pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code (Code de commerce), in order in particular:

- to maintain liquidity and manage the market for the Company's shares via an investment service provider acting independently and on behalf of the Company, within the framework of a liquidity contract compliant with a business ethics charter recognized by the AMF;
- to keep them with a view to using them as securities for payment or exchange in any future acquisitions;
- to cover stock option plans granted to employees and corporate officers pursuant to Articles L. 225-179 et seq. of the French Commercial Code, as well as any company savings plans or shareholding plans;
- to allocate bonus shares to employees and directors within the framework of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code;
- to use them when exercising rights related to securities giving the right to subscribe to, convert into, exchange for, or in any other way acquire new shares of the Company under applicable provisions of law;
- to cancel them as part of a reduction in share capital, pursuant to the authorization granted by shareholders in the twentieth resolution of their Shareholders' Meeting of May 6, 2008;
- to implement any market practice approved by the AMF, and undertake any operation compliant with current regulations.

These shares may be acquired, transferred or exchanged in any manner, in particular on the market or over the counter, including through block trades (which can account for the entire program).

Such manner may include the use of derivative financial instruments traded on a regulated or over-the-counter market, or the allocation of shares following the issuance of marketable securities giving access to the share capital of the Company through conversion, exchange, repayment, presentation of a warrant or any other means, and the implementation of option strategies at terms authorized by the competent market authorities. In addition, the shares may be loaned, pursuant to Articles L. 432-6 et seq. of the French Monetary and Financial Code.

The shares will not be purchased for more than Euro 42 per share.

Use of this authorization may not result in the Company holding more than 10% of the share capital at any given time, with the stipulation that the number of shares acquired by the Company for the purpose of holding them and remitting them in the future as payment or in an exchange as part of a merger, demerger or asset contribution may not exceed 5% of the share capital.

Based on share capital as of February 28, 2010, the maximum number of shares that can be acquired by the Company, after subtracting the 195,477 shares held in treasury and unless they are canceled or sold, is 9,001,371, representing 9.79% of the share capital. The maximum amount that could be paid by the Company, assuming the shares are purchased at the maximum price, is Euro 378,057,582.

The authorization granted to the Board of Directors has a validity of eighteen months. This authorization supersedes and replaces that granted by the seventh resolution of the Ordinary Shareholders' Meeting of May 19, 2009.

The Shareholders' Meeting decides that the Company may use this resolution at any time from when it becomes applicable and continue with the execution of its share buy-back program even in the event of public offers for shares or securities issued by the Company or initiated by the Company, subject to the periods of abstention required by law and the AMF General Regulations.

The Shareholders' Meeting grants full powers to the Board of Directors to make adjustments to the unit price and maximum number of shares to be purchased proportionally to the change in the number of shares or their par value as a result of any transactions by the Company.

Consequently, full powers are granted to the Board of Directors, with the option of delegating, to place all stock market orders, conclude all agreements concerning in particular the keeping of registers of share purchases and sales, make all declarations to the AMF and other formalities and, in general, to take all necessary steps.

- **Resolutions within the powers of the Extraordinary Shareholders' Meeting**

**Eleventh resolution**

*(Harmonizing the by-laws with the provisions of the law allowing shareholders to participate in meetings by electronic telecommunications means)*

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The Extraordinary Shareholders' Meeting, having considered the Board of Directors' report, decides to amend Article 25- IV of the by-laws, which shall now read as follows:

*"Article 25 - Composition of the General Shareholders' Meeting*

...

*IV. If the Board of Directors so decides, shareholders may participate in meetings and vote by video-conference or any other means of telecommunications that allows for them to be identified in accordance with current regulations and the conditions decided by the Board of Directors.*

*On the decision of the Board of Directors, shareholders will be able to vote by post or by electronic means in accordance with applicable regulations. Forms may be filled in and signed directly on the website made available by the centralizing agent in charge of the general shareholders' meeting. The form may be signed electronically by means of any procedure in accordance with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, or any subsequent level provision replacing it, such as use of a user name and password. The vote or vote by proxy expressed by this electronic means, as*

*well as confirmation of receipt, will be considered proof that is irrevocable and binding to all, apart from in the case of sales of securities notified in accordance with the terms of the second paragraph of Article R. 225-85 IV of the French Commercial Code (Code de commerce) or any other subsequent legal or regulatory provision replacing it."*

#### **Twelfth resolution**

*(Delegation of authority to the Board of Directors to issue shares or securities entitling the holder to the allocation or new or existing shares in the Company or debt securities, without preferential subscription rights, within the framework of an offer as stated in Article L.411-2-II of the French Monetary and Financial Code)*

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The Extraordinary Shareholders' Meeting,

having familiarized itself with the Board of Directors' report and the Statutory Auditors' special report, and having noted that the Company's share capital is fully paid up, in accordance with Articles L. 225-127, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 et seq. of the French Commercial Code:

delegates the authority to the Board of Directors, which may be subdelegated to the Chairman and Chief Executive Officer, or in agreement with the Chairman and Chief Executive Officer to one or more Chief Operating Officers, to resolve and issue shares and securities without preferential subscription rights, by means of an offer as stated in Article L. 411-2-II of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times it considers appropriate, both in France and abroad, giving access by any means, immediately and/or in future, to the Company's share capital, through the allocation, at the choice of the Company, of either new shares in the Company with preferential subscription rights or existing shares, or a combination of the two, or giving the right to the allocation of debt securities which may be subscribed either in cash or by equity set-off.

decides that:

- Securities giving access to the Company's share capital or the allocation of debt securities of the Company issued in this way may consist of debt securities or be associated with the issuing of such securities, or even allow for the issuing thereof as intermediary securities. They may in particular take the form of subordinated or non-subordinated or perpetual or non-perpetual loan notes and may be denominated in euros or the equivalent value in another currency or composite currency.
- This delegation entails the cancellation of shareholders' preferential subscription rights to shares or any other securities giving access, by any means, immediately and/or in future, to the Company's share capital, to the benefit of the persons mentioned in Article L. 411-2-II of the French Monetary and Financial Code;
- This delegation entails de jure the waiver by shareholders of their preferential subscription rights to the shares to which these securities confer rights in the event of the allocation of new shares, in favor of holders of securities to be issued;
- The capital increases effected immediately or later owing to this delegation may not exceed 20% of share capital per year. This limit should be assessed on the date of the issue without taking account of any increase in the nominal amount of share capital as a result of the exercising of all rights, securities or warrants already issued for which exercise is deferred;
- The amount of increases in share capital effected under this delegation will be deducted from the total nominal amount of debt securities issued or capital increases as set out in the thirtieth resolution adopted by the Extraordinary Shareholders' Meeting of May 19, 2009;
- The issue price of the shares issued directly, which will be set by the Board of Directors, will be at least equal to the minimum provided by applicable regulations on the date of the issue, which at present is equal to the weighted average share price on the Euronext Paris regulated market for the previous three trading days, minus a maximum discount of 5%;
- The issue price of securities giving access to share capital and the number of shares to which these securities will bear entitlement, which will be set by the Board of Directors, will be such that the sum received immediately by the Company, plus any amount received subsequently by the Company, will be - for each share issued as a result of the issuing of these securities - at least equal to the issue price defined in the previous paragraph;

- This delegation is given for a period of fourteen months from the date of this shareholders' meeting and ends all authorizations with the same purpose given by previous shareholders' meetings.

gives full powers to the Board of Directors, up to the limits set by the general shareholders' meeting and in accordance with the law, which may be sub-delegated to the Chief Executive Officer, to implement this delegation and in particular:

- To decide on any issues;
- To set the terms, nature and characteristics of such issues, in particular the issue price of the shares with or without a premium and other securities to be issued, and the vesting date of the new shares, even retroactive;
- To determine the persons mentioned in Article L. 411-2 of the French Monetary and Financial Code to the benefit of whom the issue or issues will be effected;
- To note the effecting of resulting capital increases and make the associated amendments to the by-laws;
- To charge issue expenses against the premium;

In general, to give the same powers as those granted by the Extraordinary Shareholders' Meeting of May 19, 2009 in the last two paragraphs.

### **Thirteenth resolution**

*(Authorization given to the Board of Directors to increase the Company's share capital or to transfer treasury shares to employees)*

The extraordinary shareholders' meeting,

having familiarized itself with the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L. 3332-18 et seq. of the French Labor Code and Article L. 225-138-1 of the French Commercial Code,

authorizes the Board of Directors, in accordance with the law, which may be subdelegated pursuant to Articles L. 225-129-2 and L. 225-129-6 of the French Commercial Code, on its sole initiative and if it deems it useful to do so, to increase the Company's share capital, on one or more occasions, by issuing shares:

- either on the occasion of the implementation of any cash issue of securities giving access to the Company's share capital;
- or insofar as it appears, in the light of the Board of Directors' report as mentioned in Article L. 225-102 of the French Commercial Code, that the shares held collectively by employees of the Company or its affiliates within the meaning of Article L. 225-180 of the French Commercial Code represent less than 3% of the share capital.

Subscription to this capital increase shall be reserved for employees belonging to a company savings plan run by Mercialis and its affiliates in accordance with Article L. 233-16 of the French Commercial Code and Article L. 3332-18 et seq. of the French Labor Code.

The shareholders' meeting decides expressly to cancel, in favor of the beneficiaries of any capital increases decided under this authorization, shareholders' preferential subscription right to the shares to be issued.

The total number of shares that may be issued under this authorization is limited to 3% of the total number of shares in the Company at the time of the issue, being specified that this limit is independent of that mentioned in the twenty-fifth resolution and the overall limit stated in the thirtieth resolution approved by the Annual General Meeting of May 19, 2009.

The subscription price shall be determined in accordance with Article L. 3332-19 of the French Labor Code.

The shareholders' meeting also decides that the Board of Directors may decide to allocate bonus shares or other securities giving access to the Company's share capital, being understood that the total benefit resulting from this allocation and, if applicable, the additional amount and the discount to the subscription price, may not exceed the legal or regulatory limits.

The shareholders' meeting authorizes the Board of Directors to sell the shares acquired by the Company in accordance with the provisions of Article L. 225-206 et seq. of the French Commercial Code, on one or more occasions and on its sole initiative, up to the limit of 3% of securities issued by the Company to employees belonging to a company savings plan run by the Company or its affiliates pursuant to Article L. 233-16 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code.

This authorization, given for a period of fourteen months from the date of this shareholders' meeting, ends all authorizations with the same purpose given by previous shareholders' meetings.

The capital increase or increases will only be carried out in an amount not exceeding the number of shares subscribed by employees individually or via a company mutual fund.

The shareholders' meeting authorizes the Board of Directors, in accordance with Article L. 225-135-1 of the French Commercial Code, to issue a number of shares above that initially set at the same price as for the initial issue, up to the aforementioned limit.

The shareholders' meeting grants full powers to the Board of Directors, which may be subdelegated in accordance with the law, to implement this authorization and to carry out such issue or issues up to the aforementioned limits, within the time frames and in accordance with the terms determined pursuant to the by-laws and legal requirements, in particular:

- to determine the terms of any reserved issues and, in particular, to determine whether these issues may profit the beneficiaries directly or via mutual funds;
- to decide the amounts of capital increases, the dates and length of the subscription period, the terms and any deadlines for subscribers to pay up their shares, length of service conditions for those subscribing to the new shares;
- on its sole initiative, after each capital increase, to charge the costs of capital increases against the amount of related premiums and to deduct from this amount the sums needed to bring the legal reserve to one-tenth of the new share capital;
- to note the amount of corresponding capital increases and to amend the by-laws accordingly as a result of direct or deferred capital increases;
- in general, to take all measures necessary and carry out all formalities needed for the issuing, listing and service of securities that may be issued.

**Fourteenth resolution**  
*(Powers for formalities)*

The shareholders' meeting grants full powers to holders of an original, extract or copy of the minutes of this meeting to carry out all filings, publications and formalities required by law.

# SUMMARY PRESENTATION ON THE COMPANY'S FINANCIAL SITUATION over the course of 2009

## Mercialys Group

### Key figures

<i>In millions of euros</i>	<b>12/2009</b>	<b>12/2008</b>	<b>% variation</b>
Invoiced rents	134.2	116.2	+15.5%
Rental revenues	130.9	113.6	+ 15.2%
Operating income	93.1	80.6	+ 15.5%
Net income, Group share	93.0	80.9	+ 15.0%
Recurring operating cash flow	113.8	96.9	+ 17.3%
Cash flow	115.2	99.7	+ 15.5%

### Double-digit growth in rental revenues and cash flow for the fourth consecutive year

Rental revenues came to Euro 134.2 million in 2009 against Euro 116.2 million in 2008, meaning a rise of 15.5%, including an organic growth of 6.1% fuelled by the effect of indexation and efforts relating to the rental portfolio, including renewals and relets in 2008 and 2009, as well as pro-active measures relating to short-term lets in malls.

Increase in rental revenues comes from the significant external growth of 10.9% on the first hand, relating primarily to the impact of the acquisition carried out in the first half of 2009, with the contribution of properties developed as part of the Alcudia/L'esprit Voisin program, for an amount of Euro 334 million and, on the other hand, from the growth of 29% of the recorded lease rights, relating to the letting performance in 2009 and the years before.

Recurring operating Cash flows, in rise of 17.3% to Euro 113.8 million, benefit from the combined effect of the increase in rental revenues and the limited growth of charges resulting from a structural-costs reduction plan launched in 2008.

The ratio of EBITDA to rental revenues improved noticeably by +1.0 point over the full year to 85.5% at December 31, 2009 against 84.5% at December 31, 2008.

This leeway was used in particular to finance targeted marketing programs at certain sites (launch of loyalty program, addition to certain advertising budgets, supporting certain key tenants with their plan to win customers or relaunch plans).

Total cash flows and net income in 2009 benefit from the strong growth in cash flows from operations, offset by a decrease of financial income compared with 2008. Indeed, investments made in 2008 led to a decrease of the average outstanding cash between 2008 and 2009.

### A year marked by the largest acquisition since the IPO

The value of assets increased by 18.2% over 12 months, thanks to the effects of the integration of the acquisitions made in 2009 for Euro 397 million, of which Euro 390 million at December 31, 2009 due to from the acquisition of a portfolio of 25 assets, Euro 111 million due to the increase of rents on a like-for-like basis and Euro 132 million due to the rise in the average capitalization rate. As a consequence, assets were valued at Euro 2,437.2 million, including TT at end-2009.

Net asset value (NAV) amounted to Euro 26.78 per share at December 31, 2009 (on a basis of 92 million shares) against Euro 27 per share a year before (on a basis of 75.1 million shares) and Euro 26.28 per share at June 30, 2009 (on a basis of 90.5 million shares), meaning a decrease of 0.8% over 12 months and a rise of 1.9% over 6 months.

At December 31, 2009, Mercialys had a positive cash of Euro 67.9 million (against Euro 8.9 million at December 31, 2008) and a negative financial debt of Euro 58.8 million.

#### **A year confirming the solidity of Mercialys's business model under more difficult economic conditions**

Mercialys's performance is based on a highly resilient business model, underpinned by both the fundamentals of the retail property sector in France and Mercialys's own strengths, which are the Alcudia/L'esprit Voisin projects developed in existing sites, a strong position benefiting from both consumer appeal for local sites and strong local footing, as well as a favourable geographical position in France with centers located in the fastest-growing regions, a team of specialists in the transformation of shopping centers and the possibility of arbitrage of mature assets starting October 2010.

Conditions for our business in 2010 look set to be similar to those of 2009, with a continuing uncertain economic climate, signs of recovery taking time to materialize, and delay and cumulative effects specific to our industry.

Management target is to achieve year-on-year growth of close to +10% in rental revenues and operating cash flow in 2010.

### **Mercialys SA**

<i>In million euros</i>	<b>2009</b>	<b>2008</b>
Rental revenue	127.7	111.3
Net Income	88.8	79.5

Mercialys SA's revenues consist primarily of rental revenues and, to a marginal extent, interest earned on the Company's cash under its current account agreement with Casino.

The Board of Directors proposes to the General meeting of May 6, 2010 the payment of a dividend of Euro 1.00 per share for year 2009.

The payment of the dividend balance of Euro 0.56 per share will be paid on May 14, 2010; shares to trade ex-dividend is on May 11, 2010.

Distributions of tax-exempt income represent the entire dividend.

For natural persons resident in France for tax purposes, this dividend is eligible for the 40% discount mentioned in Article 158-3-2 of the French General Tax Code (Code général des impôts). As regards the final dividend, natural persons resident in France for tax purposes may opt for standard deduction at source.

In addition, since January 1, 2008, social security taxes on dividends paid to individuals domiciled in France for tax purposes are withheld by the paying institution.

## COMPANY INCOME

### in the last 5 business years

	December 2009	December 2008	December 2007	December 2006	December 2005
<b>Financial position at year-end</b>					
Share Capital (in thousands of euros).....	91,968.5	75,149.9	75,149.9	72,919.0	72,919.0
Number of shares outstanding .....	91,968,488	75,149,959	75,149,959	72,918,918	72,918,918
<b>Comprehensive income (in thousands of euros)</b>					
Revenue exclusive of VAT .....	127,652.3	111,347.2	96,382.7	79,633.0	11,428.5
Income before tax, employee profit-sharing, depreciation, amortization and provisions.....	110,850.9	97,176.6	84,405.8	75,509.0	9,845.1
Income tax .....	(2.2)	593.4	1,301.0	2,363.0	336.3
Employee profit-sharing .....	14.2	9.4	18.0	18.0	0.0
Income after tax, employee profit-sharing, depreciation, amortization and provisions .....	88,811.1	79,507.3	68,407.1	59,168.0	7,260.0
Dividend payment to shareholders, total .....	91,968.5	66,132.0	60,871.5	51,772.0	43,022.0
<b>Comprehensive income on a per-share basis (in euros)</b>					
Income after tax and employee profit-sharing but before depreciation, amortization and provisions .....	1.2	1.29	1.11	1.00	0.13
Income after tax, employee profit-sharing, depreciation, amortization and provision.....	1.0	1.06	0.91	0.81	0.10
Dividend paid on each share .....	1.0	0.88	0.81	0.71	0.59
<b>Workforce</b>					
Number of employees (full-time equivalent).....	8.5	9	7	6	4
Payroll (in thousands of euros).....	1,435.0	1,336.9	1,269.1	947.0	129.0
Amount paid for employees benefits, social security and employee community benefits (in thousands of euros).....	557.2	573.3	490.5	384.0	40.0

**MERCIALYS**

**General Mixed Meeting of May 6, 2010**

**REQUEST TO SEND DOCUMENTS AND INFORMATION**  
**Provided by Article R.225-83 of the French Code du Commerce**

I, the undersigned,

Last name: ..... First names: .....

Complete address .....

Postal code: ..... City: .....

Telephone number: .....

Owner of: ..... Mercialys registered shares<sup>(1)</sup>,

..... Mercialys bearer shares<sup>(1)</sup>,

request to benefit from the provisions of Article R.225-88 of the Code du Commerce, and to receive the documents and information provided in Article R.225-83 of such a Code of concerning the **Mixed General Meeting on May 6, 2010.**

Signed in ....., on April ....., 2010

*(Signature)*

**To be returned to BNP PARIBAS SECURITIES SERVICES, Service Assemblées, Grands Moulins de Pantin, 9 rue du Débarcadère – 93 761 Pantin Cedex, attaching, if you are the owner of bearer shares, the shareholding certificate delivered by the depositary of your shares.**

NOTE – Pursuant to the 3<sup>rd</sup> paragraph of Article R.225-88 of the Code du Commerce, registered shareholders may, in a single request, obtain the documents and information referred to in Articles R.225-81 and R.225-83 of such decree at the time of each subsequent general meeting.

<sup>(1)</sup> Cross out inapplicable information. Proof of shareholder status must be provided on the same terms as attendance for the Meeting.

