



PRESS RELEASE

Paris, April 21, 2008

Q1 2008 revenues up +16.6%

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

Three months rental revenues as of March 31, 2008 amounted to Euro 28,142 thousands, up +16.6% compared with same period in 2007.

<i>Thousands of Euro</i>	1Q 2007	1Q 2008	% change
Invoiced rents	23,688	27,626	+16.6%
Lease rights/Entry fee	447	516	
Rental revenues	24,135	28,142	+16.6%

Q108 invoiced rents are also up **+16.6%** compared with Q107.

On a like for like basis, invoiced rents were up **+6.9%**. Organic growth remained steady thanks to:

- ✓ good performances in terms of renewals and relets in 2007 and 2008 (+3.9 points). In the first quarter of 2008, 43 leases have been renewed or relet with an annualised rent growth of respectively +30% and +166% or a total amount of Euro +1.2 million.
- ✓ Indexation (+3.5 points)

Both drivers had a little cannibalization effect on variable rents (-0.5 point impact on invoiced rents growth).

2008 first quarter did not benefit from positive effects of 2007 turnover growth of our tenants: 2007 variable rents balances and the reset of 2008 variable rent provisions which could derive from it. Both should mainly be accounted for during the next two quarters.

2007 **acquisitions** had a **+9.9 points** impact on Q108 invoiced rents growth.

During the first quarter of 2008, the transaction market was mainly characterized by a wait-and-see attitude and very few assets were put on the market.

2008 delivery from the Casino pipeline are mainly planned for the last quarter of the year.

In Q108, acquisitions signed or engaged by Mercialys represented a total amount of Euro 4.8 million for 10 co-ownership lots.

Additionally, the Alcludia project, aiming at renovating and restructuring all Mercialys' shopping centers within the next 5 years, generates some voluntary vacancy (shops to be restructured or sat in the middle of the future mall). This **strategic vacancy** has a negative impact of **-0.2 point** on the invoiced rents growth of the first quarter of this year.

Entry fees earned in the first quarter of 2008 represented a cash amount of Euro 1,374 thousands compared with Euro 369 thousands in Q107, mainly linked with 4 important relets in Brest, Toulouse, Massena (Paris 12th) and Quimper. Including IFRS smoothing accounting, entry fees accounted for in Q108 were up +15.4% at Euro 516 thousands versus Euro 447 thousands in the same period of 2007.

At the end of March 2008, Mercialys financial structure was strong with a financial debt limited to leasehold rights and a positive cash position of Euro 79 millions which enables the company to pursue its strategy of creation of value in a pragmatic and opportunistic way.

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This press release is available at www.mercialys.com

Next publications:

- July 24, 2008 (morning) 2008 half-year results
- October 20, 2008 3rd quarter 2008 rental revenue

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About Mercialys

Mercialys is one of the few large French companies to focus entirely on shopping centers. Rental revenue in 2007 amounted to Euro 99,5 million and net earnings to Euro 71,5 million. Mercialys owns 167 assets with an estimated value of over Euro 1.9 billion December 31, 2007. It elected for "SIIC" (REIT) tax status on November 1, 2005 and has been listed on Eurolist by Euronext Paris, symbol *MERY*, since its initial public offering on October 12, 2005. There were 75,149,959 Mercialys shares in issue at December 31, 2007.

CAUTIONARY STATEMENT

This press release may contain forward-looking statements about future events, trends, projects or targets.

These forward-looking statements are by nature subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to the Mercialys shelf registration document for the year ended December 31, 2007, available at www.Mercialys.com, for a description of the key factors, risks and uncertainties liable to influence Mercialys's business operations and results.

Mercialys makes no undertaking to update or revise these forward-looking statements or to disclose new information, future events or circumstances that might affect them.

MERCIALYS RENTAL REVENUES

	TOTAL				QUARTERS			
In Euro thousands	31/03/2005	30/06/2005	30/09/2005	31/12/2005	Q1	Q2	Q3	Q4
Invoiced rents	17 268	36 749	54 128	71 825	17 268	19 481	17 379	17 697
Lease rights	288	467	709	831	288	179	242	122
Rental revenues	17 556	37 216	54 837	72 656	17 556	19 660	17 621	17 819
In Euro thousands	31/03/2006	30/06/2006	30/09/2006	31/12/2006	Q1	Q2	Q3	Q4
Invoiced rents	18 072	38 874	58 711	80 714	18 072	20 802	19 837	22 003
Lease rights	660	759	1 178	1 604	660	99	419	425
Rental revenues	18 732	39 633	59 890	82 318	18 732	20 901	20 256	22 429
Change in invoiced rents	4,7%	5,8%	8,5%	12,4%	4,7%	6,8%	14,1%	24,3%
Change in rental revenues	6,7%	6,5%	9,2%	13,3%	6,7%	6,3%	15,0%	25,9%
In Euro thousands	31/03/2007	30/06/2007	30/09/2007	31/12/2007	Q1	Q2	Q3	Q4
Invoiced rents	23 688	47 557	72 257	97 723	23 688	23 869	24 700	25 465
Lease rights	447	881	1 287	1 773	447	434	406	486
Rental revenues	24 135	48 438	73 545	99 496	24 135	24 303	25 106	25 951
Change in invoiced rents	31,1%	22,3%	23,1%	21,1%	31,1%	14,7%	24,5%	15,7%
Change in rental revenues	28,8%	22,2%	22,8%	20,9%	28,8%	16,3%	23,9%	15,7%
In Euro thousands	31/03/2008	30/06/2008	30/09/2008	31/12/2008	Q1	Q2	Q3	Q4
Invoiced rents	27 626							
Lease rights	516							
Rental revenues	28 142							
Change in invoiced rents	16,6%							
Change in rental revenues	16,6%							
<u>By activity</u>								
In Euro thousands	31/03/2006	30/06/2006	30/09/2006	31/12/2006	Q1	Q2	Q3	Q4
Large shopping centers	11 059	23 335	35 292	48 710	11 059	12 276	11 958	13 418
Neighborhood shopping centers	5 816	12 586	18 837	25 546	5 816	6 770	6 250	6 710
Other assets	1 857	3 713	5 761	8 062	1 857	1 856	2 048	2 301
Rental revenues	18 732	39 633	59 890	82 318	18 732	20 901	20 256	22 429
In Euro thousands	31/03/2007	30/06/2007	30/09/2007	31/12/2007	Q1	Q2	Q3	Q4
Large shopping centers	14 602	29 335	44 612	60 429	14 602	14 733	15 277	15 817
Neighborhood shopping centers	7 100	14 222	21 463	29 011	7 100	7 122	7 241	7 548
Other assets	2 433	4 882	7 470	10 056	2 433	2 448	2 588	2 587
Rental revenues	24 135	48 438	73 545	99 496	24 135	24 303	25 106	25 951
In Euro thousands	31/03/2008	30/06/2008	30/09/2008	31/12/2008	Q1	Q2	Q3	Q4
Large shopping centers	16 169				16 169			
Neighborhood shopping centers	8 760				8 760			
Other assets	3 213				3 213			
Rental revenues	28 142				28 142			

