



PRESS RELEASE

Paris, October 19, 2007

Mercialys intends to acquire five shopping centers on La Réunion Island

On October 17, 2007, Mercialys Board of Directors agreed to the principle of the proposed acquisition of five shopping centers located on La Réunion Island from Vindemia, a wholly owned subsidiary of the Casino Group.

These five shopping centers comprise 127 shops and mid-sized specialty stores, representing a total surface of 28,700 sqm and gross rental income of Euro 5.3 million for 2007 and have been valued by independent appraisers at a total of Euro 77.3 million including transfer taxes.

The acquisition would be paid partly in cash (approximately Euro 9.8 million) and the remainder in newly issued Mercialys shares, through contribution in kind. These contributions and the resulting capital increase will have to be approved by an extraordinary shareholders' meeting to be convened for this purpose before the end of 2007.

Conditions of contributions will be announced on November 12, 2006, when draft contribution agreements are signed.

As contributions benefit from reduced transfer taxes, total investment for Mercialys would amount to Euro 73.3 million.

“Mercialys is acquiring a rare portfolio of shopping centers in premium positions in their market and which presents attractive development potential. This would boost Mercialys’ growth as soon as 2008, before we see the full effects of existing growth drivers as the Alcludia program and completion of new developments by our partners,”, commented Jacques Ehrmann, Chief Executive Officer of Mercialys

Next publications:

- October 22, 2007 (evening) Revenues to September 30, 2007
- January 23, 2008 (evening) Revenues to December 31, 2007

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About Mercialys

Mercialys, one of France's leading real estate companies, is solely active in commercial property. Rental revenue in 2006 came to Euro 82.3 million and net income, Group share, to Euro 60.5 million. It owns 160 properties with an estimated value of Euro 1.6 billion at June 30, 2007. Mercialys has benefited from "SIIC" tax status (REIT) since November 1, 2005 and has been listed on Eurolist by Euronext Paris, symbol *MERY*, since its initial public offering on October 12, 2005.

CAUTIONARY STATEMENT

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

These forward-looking statements are subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to the Mercialys shelf registration document available at www.mercialys.com for the year to December 31, 2006 for more details regarding certain factors, risks and uncertainties that could affect Mercialys' business.

Mercialys makes no undertaking in any form to publish updates or adjustments to these forward-looking statements, nor to report new information, new future events or any other circumstance that might cause these statements to be revised.