



PRESS RELEASE

April 24, 2006

Q1 2006 RENTAL REVENUES UP 6.7% IN LINE WITH TARGETS FEU VERT AND CAFETERIA CASINO LEASES RENEWALS SIGNED

Rental revenues up 6.7%

Paris – Mercialys Q1 2006 rental revenues were Euro 18,733 thousands, up 6.7% compared with Q1 2005 (on a pro forma basis¹), in line with a 5 to 7% growth target of rental revenues set for 2006.

| Euros thousands | Q1 2005 Pro forma ¹ | Q1 2006 | % change |
|------------------------|-----------------------------------|---------------|---------------|
| Invoiced rents | 17,269 | 18,072 | +4.7% |
| Lease rights | 288 | 660 | |
| Rental revenues | 17,556 | 18,733 | + 6.7% |

Q1 2006 invoiced rents were Euro 18,072 thousands, up 4.7% versus Q1 2005. This growth was mainly driven by rent reversion on already owned shopping centers including a low contribution of rent indexation as the Construction cost index used to renew leases as of January 1st (more than 80% of Mercialys leases) was up 0,71%.

Q1 2006 lease rights more than doubled at Euro 660 thousands versus Euro 288 thousands during Q1 2005, driven by an important transaction registered in Q1 2006.

“The work done to enhance rental values through leases renewals and free or recently renovated space relets is bearing fruits. Thanks to Mercialys teams’ reactivity, occupancy rate remains high at 97.9% and rental revenues growth is in line with targets set for 2006 during the IPO in October 2005,” said Jacques Ehrmann, Chairman and Chief Executive Officer of Mercialys.

¹ Mercialys has been created through various contributions in October 2005. Therefore, 2005 figures, presented in this press release are pro forma historical figures built from 2005 accounts of companies which contributed their assets to Mercialys.

Completion of negotiations on the renewal of Feu Vert and Caf  teria Casino leases

“As mentioned early March, we have now signed the renewals of Feu Vert and Caf  teria Casino leases. Conditions have been satisfactory for Mercialys, in line with expected reversion potentials in such businesses and will contribute to sustain next quarter’s growth.” added Jacques Ehrmann.

Renewals of the 84 Casino Cafeterias leases, soon expiring, have been signed in April 2006. According to signed terms, renewed leases will be institutional type with a 12 year duration instead of 9 years previously. They include an additional Euro 984 thousands invoiced rent on an annual basis, i.e. an 11.5% growth on previous rent. This renewal will be in force starting April 1st, 2006 and will then contribute to 2006 invoiced rents growth for a total of Euro 738 thousands.

The renewals of 25 leases with Feu Vert have also been signed in April 2006, starting retroactively January 1st, 2006, with a 10 year duration instead of 9 years previously. The annual implied rent will be up 9.1%, or a Euro 203 thousands annual increase of invoiced rents (to be accounted for in Q2 2006).

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About Mercialys

Mercialys is one of the main French Real estate companies, acting exclusively in retail property with, as of December 31, 2005, Euro 1,027 million of invested assets. For full year 2005, on a pro forma basis, Mercialys rental revenues amounted to Euro 72.7 million and earnings net Group share amounted to Euro 51,0 million. Since November 1, 2005, Mercialys benefits from the SIIC (REIT-type) tax regime, is, further to the IPO of October 12, 2005, listed on the Eurolist of Euronext Paris and trades under the symbol *MERY*.