



Mixed General Meeting

Thursday April 28, 2011

Shareholders' meeting formalities

- ❖ Introduction
- ❖ Constitution of the shareholders' meeting board
- ❖ Quorum
- ❖ Documents put at shareholders' disposal

Shareholders' meeting agenda (1/2)



❖ Ordinary Shareholder's meeting for the year ended December 31, 2010:

- Approval of the company accounts for the business year ending on December 31, 2010;
- Approval of the consolidated accounts for the business year ending on December 31, 2010;
- 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;
- Appointment of Mr. Michel Savart and La Forézienne de Participations as Board members;
- Renewal of the terms of office of Messrs Bernard Bouloc, Jacques Dumas, Jacques Ehrmann, Pierre Féraud, Philippe Moati, Eric Sasson, Pierre Vaquier, Michel Savart and the companies Casino, Guichard-Perrachon, l'Immobilière Groupe Casino and La Forézienne de Participations;
- Authority for the Company to purchase its own shares.

Shareholder's meeting agenda (2/2)



❖ Extraordinary Shareholders' meeting:

- Amendment of Article 16 – I and III of the Articles of Association;
- Amendment of Articles 25 - II, 25 - IV, 27 - I and 28 - III of the Articles of Association regarding the representation and the convocation of shareholders to General Meetings;
- Renewal of the delegation of competences and authorizations given to the Board of Directors.

2010 Activity and consolidated results



❖ Speakers:

⇒ **Jacques Ehrmann**, Chairman and Chief Executive Officer

⇒ **Marie-Flore Bachelier**, Chief Financial Officer

⇒ **Géry Robert-Ambroix**, Chief Operating Officer

2010 Activity and consolidated results



CONTENTS:

	Page
❖ Overview of the year 2010	7
❖ 2010 Annual results	17
❖ Activity of the year	26
❖ Developments	39
❖ Conclusion and outlook	54



Overview of the year 2010

Improvement in market fundamentals and changes in regulatory conditions

Significant improvement in fundamentals

- ❖ **Stabilization** in retailers' sales
- ❖ Retailers launching **expansion plans**
- ❖ Market impregnated by a feeling of a **way out of the crisis**
- ❖ Transactions market returns to **momentum of 2007**

Changes in regulatory conditions

- ❖ Regulations concerning commercial urban development is being overhauled but takes a long time coming to an end
- ❖ Solvency II regulations specified but convey a number of scenarios among historic real estate investors
- ❖ Discussions around lease accounting (consolidated statements) seem to go towards more complexity in accounting regulations for real estate companies

A year of strong growth in rental revenues for Mercialys

Further double-digit growth

in rental revenues

Rental revenues of **Euro 149.5 million**

Growth of **+11.4%**

Continuing robust organic growth of **+2.6%*** despite unfavorable indexation (-0.5 point)

A record year for lease signings

351 leases signed during the year

⇒ 237 renewals and relets

⇒ 114 leases signed for Esprit Voisin projects under development

Rental income of **Euro 3.4 million** in Specialty Leasing*,
up **Euro +0.8 million**
relative to 2009

Continuing acceleration in the Esprit Voisin program...



- ❖ Rate of completions of Esprit Voisin development projects accelerated significantly in 2010

7 completions during the year

**23,500 m² created / 8,900 m² redeveloped
18,700 m² renovated**



.. which reinforces its development in multiplying the various facets of its concept



- ❖ Building a trademark for Mercialys: **new tools for the concept and more services for customers**

"Label V", an innovative label of sustainable development

In 2010, **3 commercial centers** obtained the Label V accreditation

*(Besançon Châteaufarine;
La Pyramide du Siala in
Castres; Val Semnoz in
Seynod)*



A straightforward and efficient **customer loyalty program**



Rolled out at **13** major shopping centers

Merrialys stepped up its value-creation strategy



- ❖ Adoption of an active portfolio arbitrage policy
- ❖ Continuing solid rate of investment

Euro 122 million of
mature assets sold
equal to 5% of the
portfolio

Investment of
Euro 138 million
including the acquisition of
Caserne de Bonne for
Euro 92.9 million

45 properties sold in 5 portfolios
Euro 31 million of capital gains realized



Opened on September 15, 2010
17,300 m² of retail space + 2,800 m² of
office space on upper level
Annualized rental value of Euro 5.9 million

Further growth in Mercialys's main performance indicators...

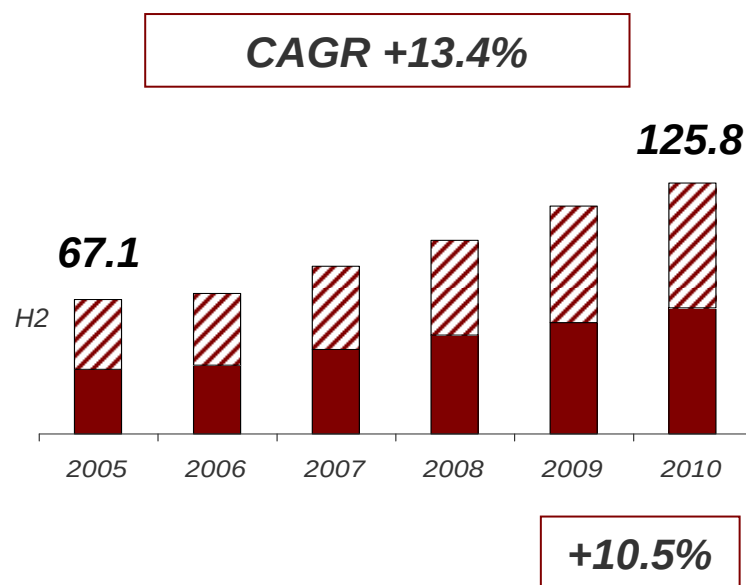
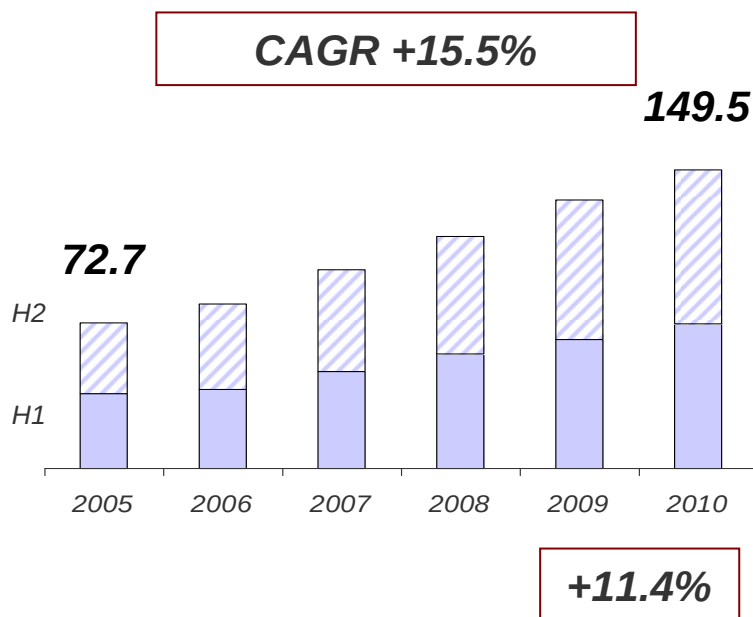


Rental revenues



Recurring operating cash flow*

In millions of euros – 2005 pro forma figures

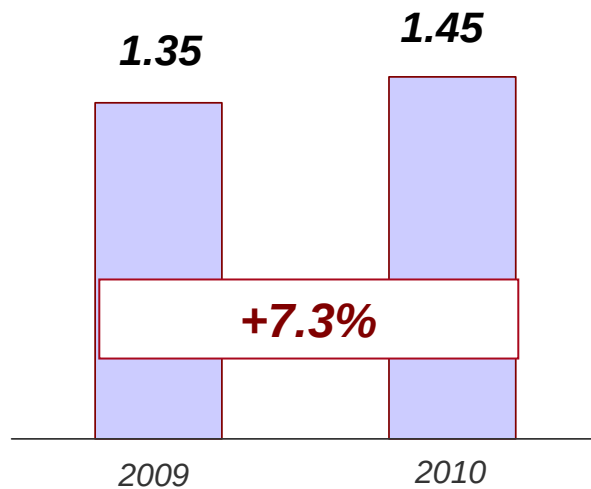


... and significant improvement in cash flow per share



*Cash flow per share**

In millions of euros – 2005 pro forma figures



**Average annual
growth over 5 years
+9.3%**

These results allow for a sharp increase in the 2010 dividend



❖ Dividend of **Euro 1.26 per share*** proposed for 2010

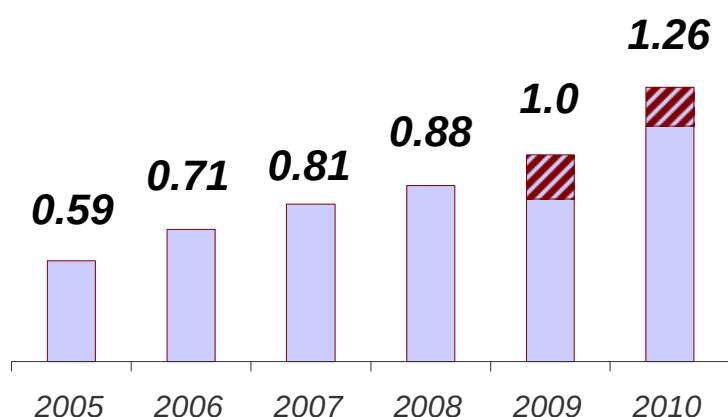
❖ Sharp increase in the dividend: **+26%** as a result of

⇒ *Growth in rental revenues*

⇒ *A higher recurring payout rate: **100%** of rental earnings
(commitment made at the time of the contributions in 2009)*

⇒ *Capital gains on asset sales: payout of **50% of gains on asset sales**
in 2010*

❖ Yield of 4.5%**



This dividend was subject to the payment of an interim dividend of Euro 0.5 per share in October 2010. The final dividend of Euro 0.76 per share should be paid on May 5, 2011.



Share relating to the increase in the payout rate from 85% to 100%

(*) Dividend submitted to the Annual General Meeting for approval on April 28, 2011; includes the interim dividend of Euro 0.5 per share paid in October 2010

(**) Yield calculated on the basis of the closing price on December 31, 2010 of Euro 28.10 per share



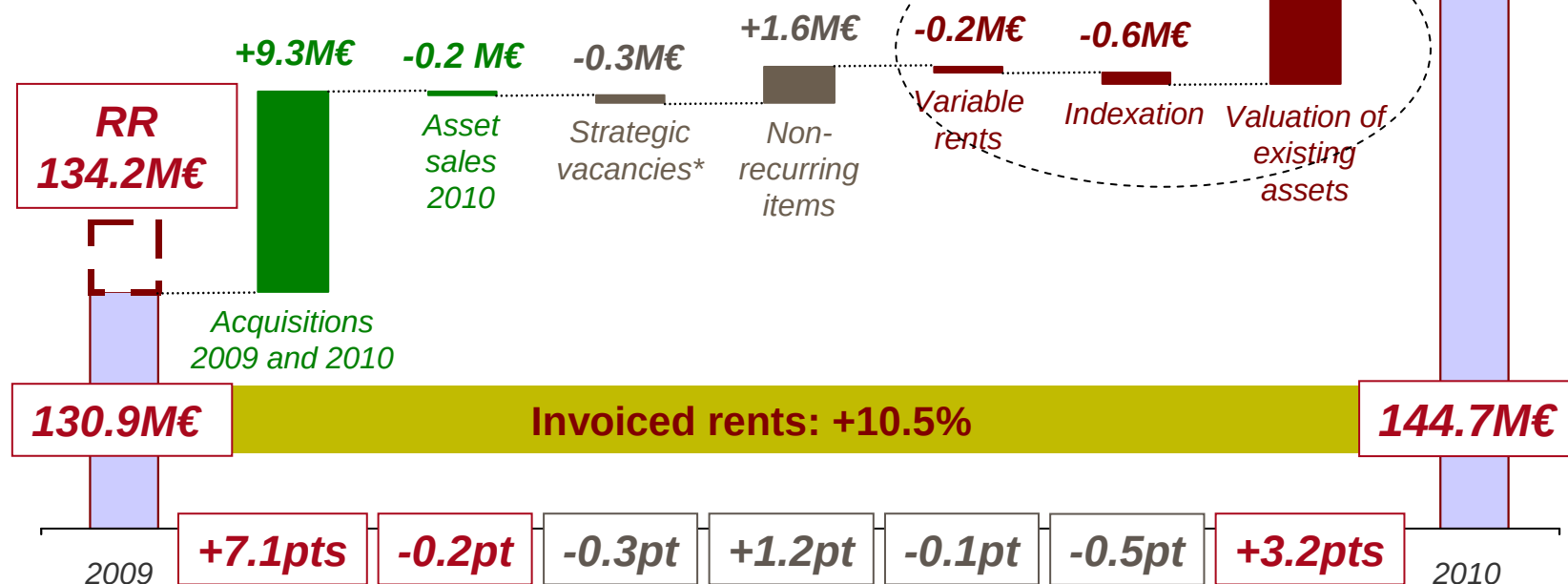
Results

Solid growth in rental revenues

- ❖ Continuing robust growth relating to negotiations concerning assets in the portfolio
- ❖ Growth in 2010 boosted by acquisitions carried out in 2009

Organic growth +2.6%**

Rental revenues: + 11.4%

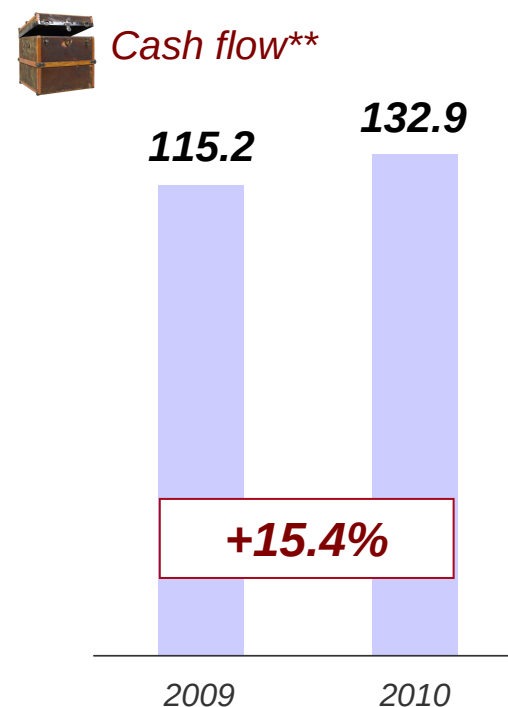
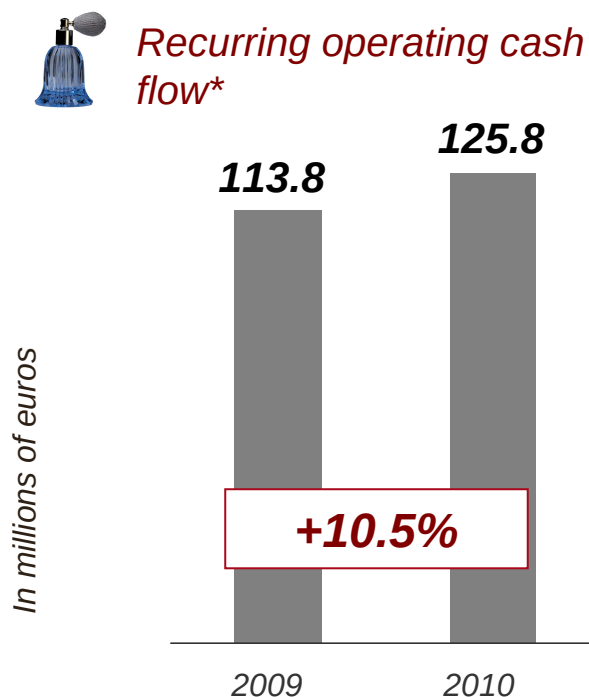


(*) Relating to the Esprit Voisin program – Lots left empty to facilitate future redevelopment works

(**) Organic growth in invoiced rents including current vacancy , variable rents and indexation excluding the impact of recurring lease rights

Strong growth in cash flow

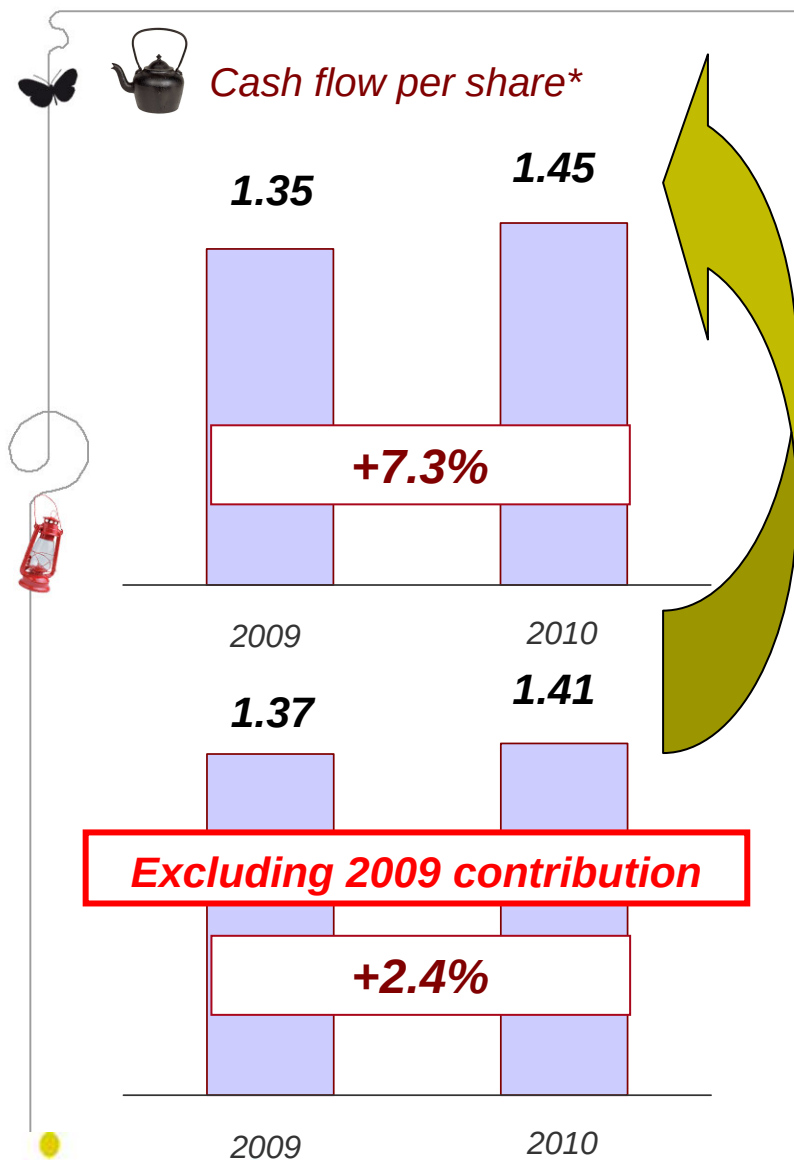
- ❖ Growth in recurring operating cash flow* in line with change in invoiced rents
- ❖ Total cash flow** also benefited from lease rights of Euro 6.9 million relating to openings of Esprit Voisin developments (Euro 1.2 million in 2009)



(*) Cash flow excluding interest on cash and cash equivalents, net of tax and non-recurring items

(**) Cash flow = net income before depreciation and other non-cash items, excluding asset sales

Cash flow per share boosted by organic growth and impact of 2009 contribution



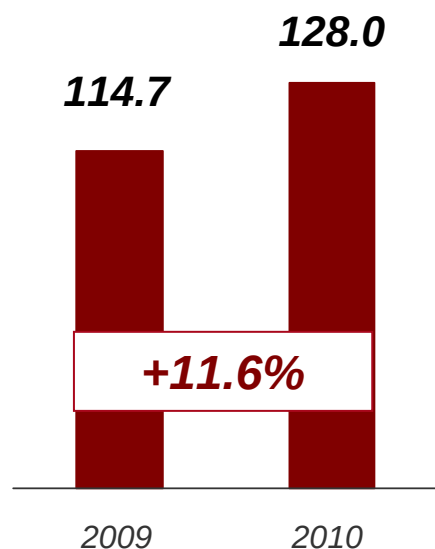
- ❖ Growth in cash flow excluding effect of 2009 contributions: +2.4%
- ❖ Dilutive effect relating to dividends paid in shares in 2009 (2.6 million shares created)
- ❖ **Earnings-enhancing impact of 2009 contribution of Euro 0.04 per share**

Mixed General Meeting on April 28, 2011

Results also impacted by capital gains on asset sales and depreciation relating to 2009 contributions



*Funds from operations (FFO)**



Per share (fully diluted)

1.34 1.39

In millions of euros

	2009	2010	% chg.
Net rental income	125.8	140.3	+11.6%
Operating income	-14.2	-15.5	+9.0%
Misc. other income and expense	3.3	3.1	NS
Operating income before depreciation and net capital gains	114.8	128.0	+11.4%
Net financial items	-0.3	0.1	
Tax and minorities	+0.2	-0.0	
FFO	114.7	128.0	+11.6%
Depreciation	-21.7	-25.5	+17.4%
Non-recurring income	0.0	31.2	
Minority interests	-0.0	-0.1	
Net income, Group share	93.0	133.5	+43.5%

Mixed General Meeting on April 28, 2011

Growth achieved without use of debt



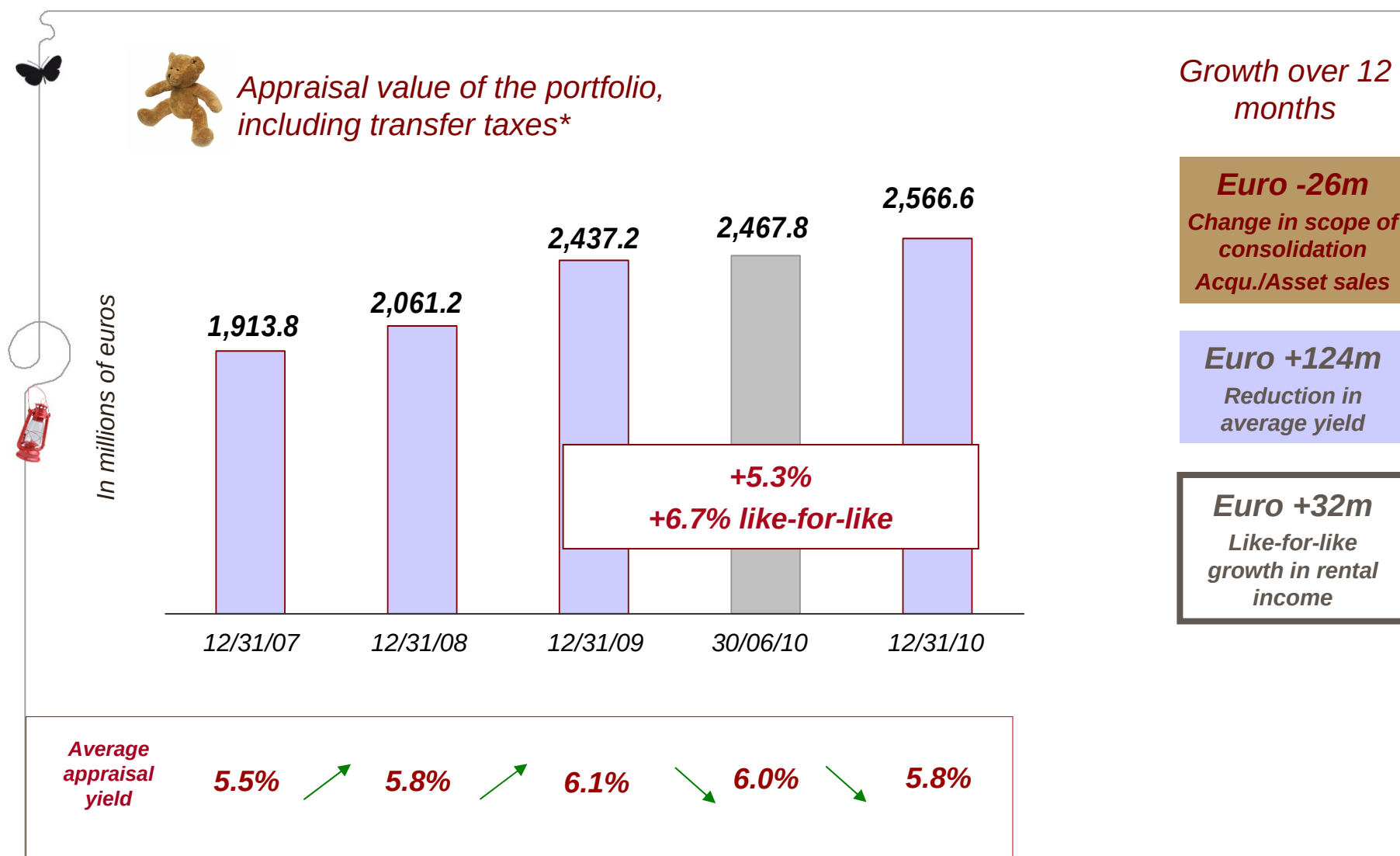

In millions of euros

	2009	2010	Comments
Investment property	1,573.1	1,604.3	Invest. – asset sales – depreciation
Other non-current assets	14.0	12.5	
Trade receivables	6.0	16.4	Increase linked to project completions in Q4
Other current receivables	13.9	24.5	Increase linked to works on projects
Cash and cash equivalents	69.9	77.4	
Total assets	1,677.0	1,735.2	
Shareholders' equity	1,606.9	1,648.1	
Financial liabilities	11.1	12.5	
Deposits and guarantees	21.3	23.1	
Trade payables	9.3	9.2	
Other liabilities	28.3	42.4	Lease rights and investments to be paid
Total equity & liabilities	1,677.0	1,735.2	

Mixed General Meeting on April 28, 2011



The value of Mercialys's portfolio keeps on growing



Mixed General Meeting on April 28, 2011

NAV per share up 6% in 2010



*NAV per share
incl. transfer taxes (euros)*

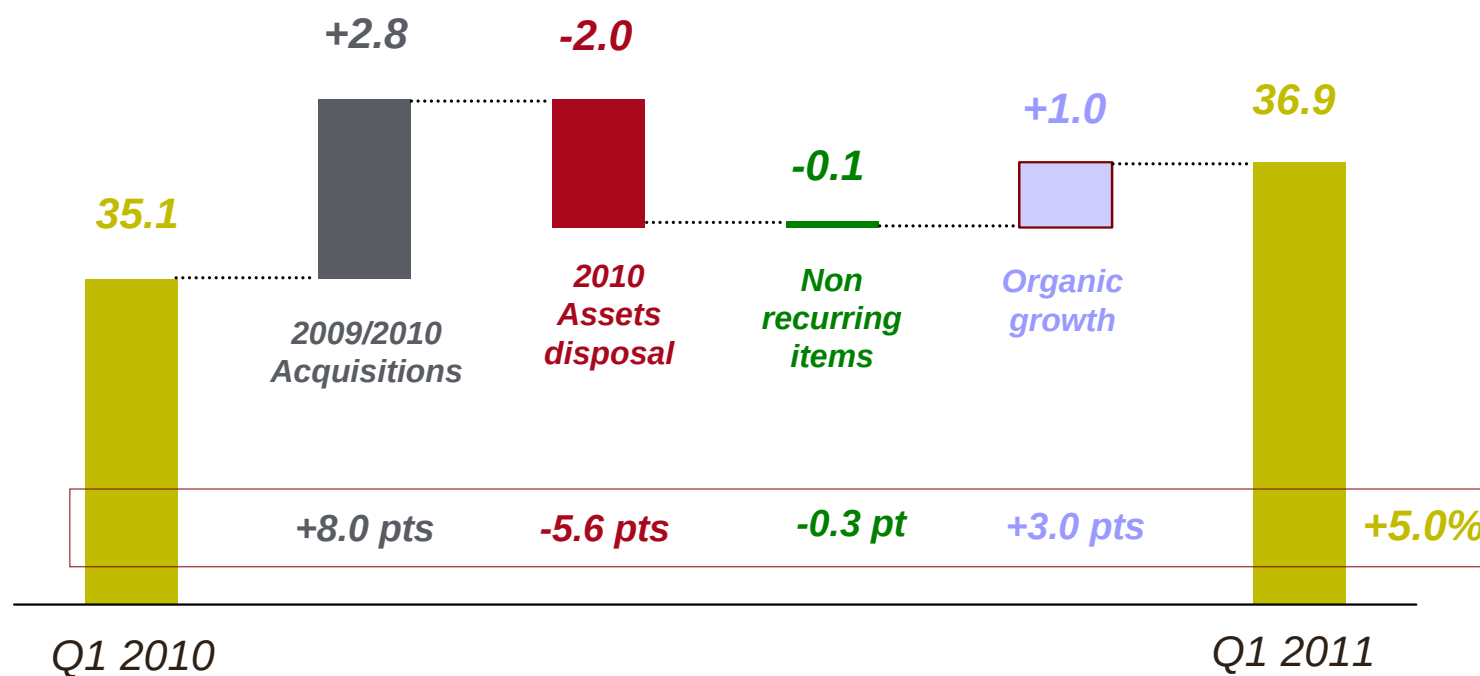


Liquidation NAV per share (excl. transfer taxes)

24.21	25.40	25.32	25.61	26.89
-------	-------	-------	-------	-------

Organic growth remained steady during Q1 2011

Growth in invoiced rents for Q1 2011
In million of euros

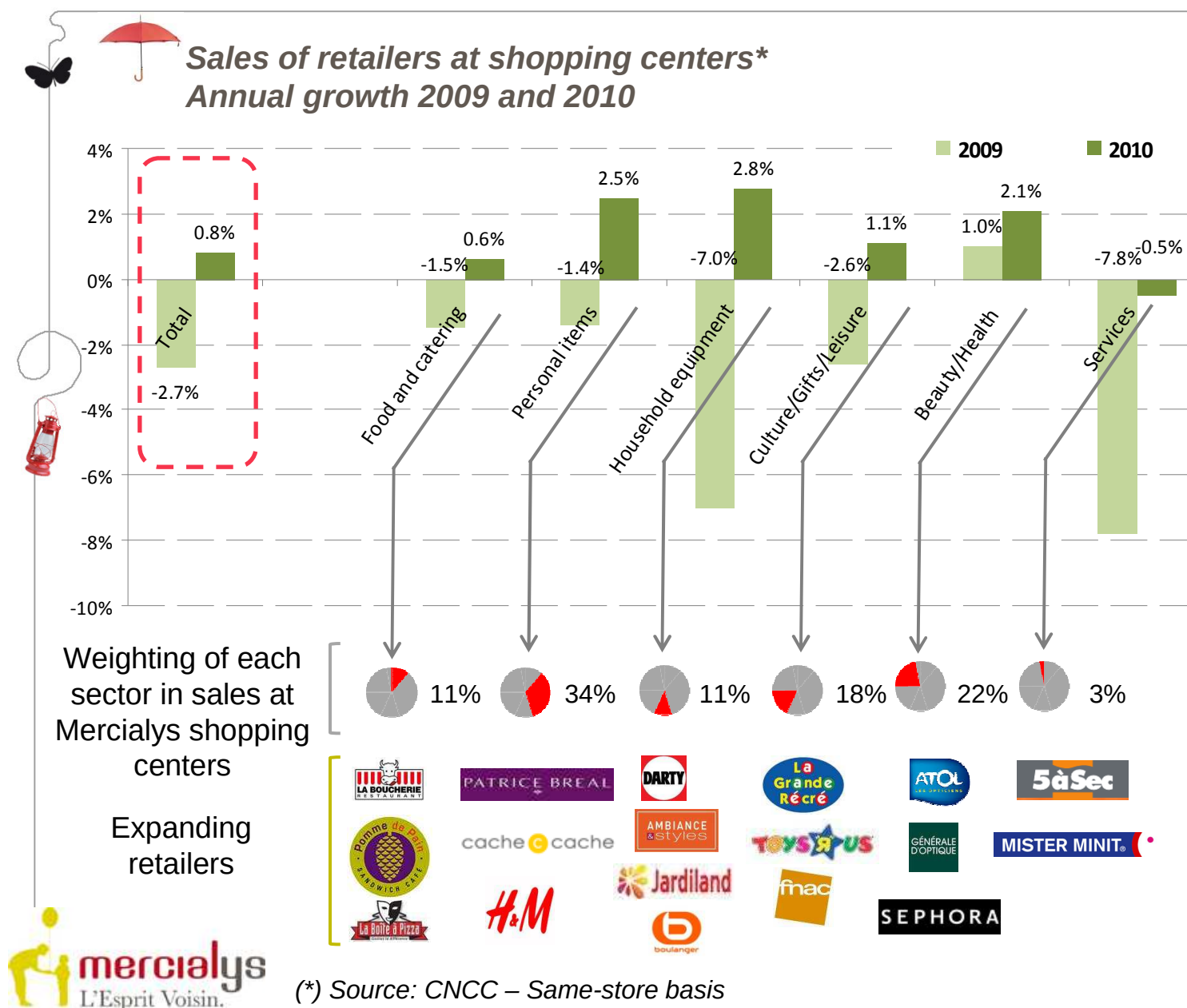


Rental revenues: +7.1 %



Activity of the year

Improvement in retailers' sales across all sectors in 2010



- A stable year for retailers at shopping centers (+0.8%)
- Varying performances depending on the sector and each retailer's specific strengths

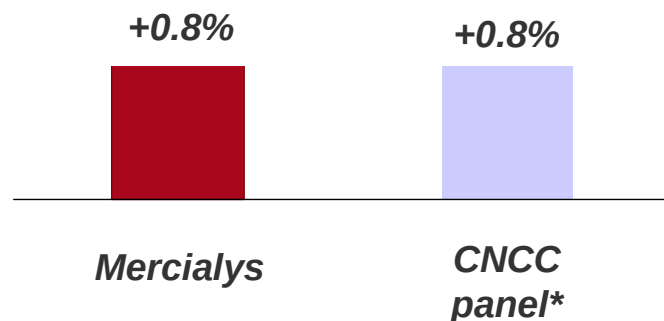
(*) Source: CNCC – Same-store basis

A slight increase in retailers' sales over the last 12 months

- ❖ Business activity at shopping centers remained highly volatile from one month to the next. However it increased slightly on a cumulative basis relative to 2009



*Retailers' sales growth – All retails
Accumulated sales at end-December 2010*



This development does not reflect the positive changes observed in relation to Esprit Voisin developments opened since 2008

E.g.: Lanester - All retails

*> Excluding extension: +3.1%***

*> Including extension: +4,9%***

Against this backdrop, Mercialys achieved a record year in terms of lease signings

2010

130 leases renewed

107 relets

114 leases signed for Esprit Voisin development projects

351 leases signed

2009

106 leases renewed

114 relets

86 leases signed for Esprit Voisin development projects

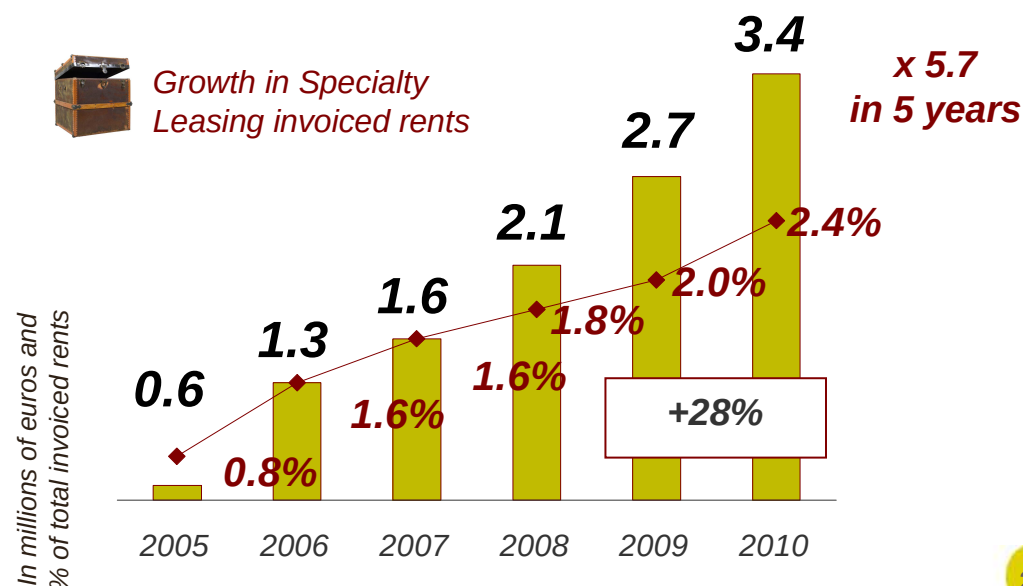
306 leases signed

❖ Strong growth in Specialty Leasing*

Team enlarged: 4 dedicated staff at end-2010 supporting Sudéco teams



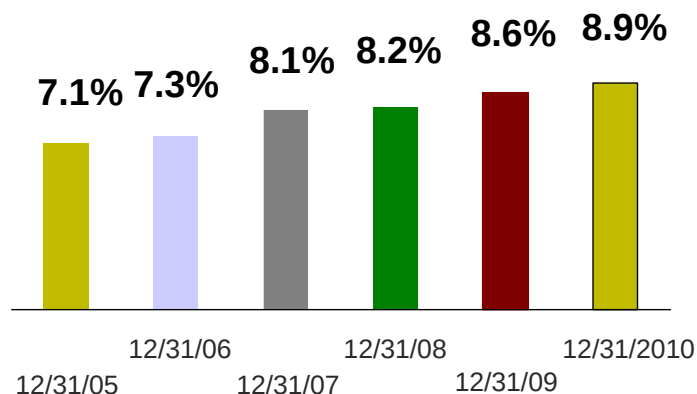
Growth in Specialty Leasing invoiced rents



Management indicators attest to the solidity of our retailers and the low level of risk for our portfolio

❖ Stable recovery rate*: 98.0%
(98.3% as at December 31, 2009)

❖ Occupancy cost ratio** still moderate



This increase over the second half of the year is due to new leases included in the scope of consolidation with an average occupancy cost ratio of 11.2%

❖ The current vacancy rate also remained stable at 2.1% (2.3% as at December 31, 2009)

❖ Reduction in strategic vacancy due to the completion of Esprit Voisin development projects during the year: 0.5% (1.1% as at December 31, 2009)

❖ 19 liquidations during the year out of a portfolio of 2,629 leases

❖ Number of tenants in liquidation still marginal (19 vs. 17 as at December 31, 2009)

"Esprit Voisin" concept establishing itself as Mercialys's trademark and proving its merits



A state of mind,
creating a relationship and a personalized approach,
reflected throughout the company

The center director welcomes you home

- ❖ New Center Directors have joined the team in order to accompany the growth of our shopping centers and the development of the Esprit Voisin concept

Véronique Pecqueux-Rolland
Former French and world handball champion

Dijon



Annecy / Annemasse



Marc Djelloul
Former professional hockey player and trainer of the French junior team

Patrick Rolland
Former professional hockey player and member of the Brûleurs de Loups team (Grenoble)



Grenoble

Christophe Juillet
Former rugby player in French national team and in the club Stade Français



Clermont-Ferrand

Bruno Mouton
Former 'neighbor' at Casino Restauration



Marseille

- ⇒ Target for 2011: continue to develop the Esprit Voisin concept via our center directors

Roll-out of the customer loyalty scheme: further proof of the "Esprit Voisin" concept



Key figures for the S'Miles loyalty scheme

8 years in existence
16 million cardholders in France
8 major retailers



MONOPRIX



... and for Mercialys

13 shopping centers
500 participating stores
158,000 store transactions to date
86,000 cardholders rewarded to date

The most active retailers



claire's



YVES ROCHER



Roll-out map



Mixed General Meeting on April 28, 2011

Label V: a sustainable development quality indicator

❖ Because being a good neighbor is caring for others

- ◆ *Following Châteaufarine - Besançon, 2 new shopping centers applied for and obtained "Label V" accreditation: Castres and Annecy*
- ◆ *24 applications planned for 2011 – 2012*

Label V

A demanding label

• 3 main principles:

- Integration into the local urban surroundings, landscape and architecture
- Strengthening social ties
- Respecting the environment

• A set of specifications comprising 118 criteria

• External guarantors:

an audit organization and a committee of experts



Roll-out



Esprit Voisin concept once again awarded in 2010

Caserne de Bonne wins the 2010 Procos award for “Creation of a shopping center”

Caserne de Bonne wins the “City and Future” SIIC award



Esprit Voisin wins another award, the TopCom Consumer 2010 award in the Global Design category

TOPCOM 10

Strategy of enhancing the value of the portfolio stepped up in 2010 by adding asset sales

- ❖ Euro 122 million of properties sold / 5% of the total portfolio
- ❖ Capital gains of Euro 31 million
- ❖ 45 properties sold representing net rental income of Euro 7.7 million in 2010

Initial buyer yield*

6.5%

Program of asset sales focusing primarily on portfolios of small mature properties



Portfolio of 14 food stores (Leaderprice, SPAR, Supermarchés Casino, Cafétérias)

Annonay, Bourg en Bresse, Castres, Figeac, Grenoble, Issoire, Mont de Marsan, Montbéliard, Montélimar, Montpellier, Plouescat, Quimper, Royan, Toulon

Portfolio of 9 retail premises in the Rhône-Alpes region (service outlets, cafeterias, mid-size stores)

Chaumont, Dole, Epinal, Monceau les Mines, Champagnole, Bourg de péage, St Etienne

Portfolio of 10 properties in the Provence-Alpes-Côte d'Azur region (service outlets, cafeterias, mid-size stores)

Aix, Cannes, Fréjus, Marseille, Toulon

One mature shopping center

St Nazaire

Miscellaneous other properties (construction leases, food stores, cafeterias etc.)

Rennes, Angoulême, Wassy, Talence, Roanne, Besançon, Briançon, Douai, Chartres Lucé, Toulouse Capitouls, Antibes, Vals près Le Puy

A momentum deeply modifying the profile of Mercialys portfolio

Type of property	Number of assets 12/31/10	2010 <i>Appraisal value incl. Transfer taxes at 12/31/10*</i>		Number of assets 12/31/09	2009 <i>Appraisal value incl. Transfer taxes at 31/12/09*</i>	
		<i>Euro million</i>	<i>%</i>		<i>Euro million</i>	<i>%</i>
Regional and large shopping centers	31	1,709.9	67 %	29	1,426.2	59 %
Neighborhood shopping centers	61	702.2	27 %	70	675.7	28 %
Large food stores	2	2.3	0 %	12	20.9	1 %
Large specialty stores	5	28.6	1 %	8	45.0	2 %
Independent cafeterias	16	35.8	1 %	22	52.0	2 %
Other	15	65.4	3 %	27	85.0	3 %
	130	2,544.2	99 %	168	2,304.8	95 %
Under development		22.4	1 %		132.4	5 %
	130	2,566.6	100 %	168	2,437.2	100 %

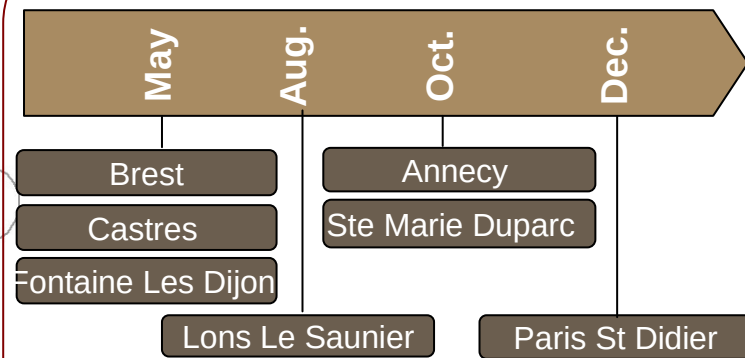
❖ Average yield: 5,8% as at 12/31/10 vs 6,1% as at 12/31/09



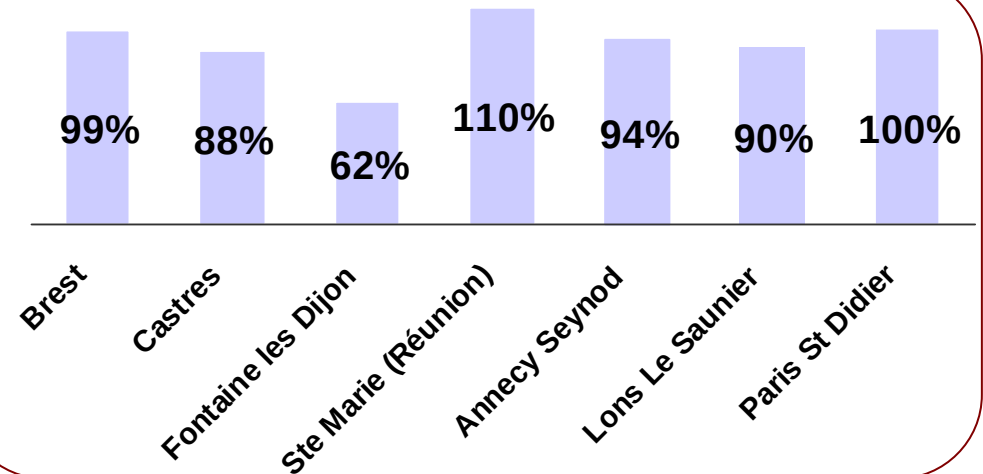
Developments: overview and outlook

2010 enriched by the Esprit Voisin program with 7 major openings in the second half of the year

7 completions in 2010



Letting of developments*



Space developed in 2010

23,500 m² created / 133 new stores
8,900 m² redeveloped
18,700 m² renovated

"Le Phare de l'Europe" extended to include 16 new stores Opening of extension constitutes a major event in Brest

Redevelopment of 4,900 m² (former Castorama premises) to attract
16 new retailers

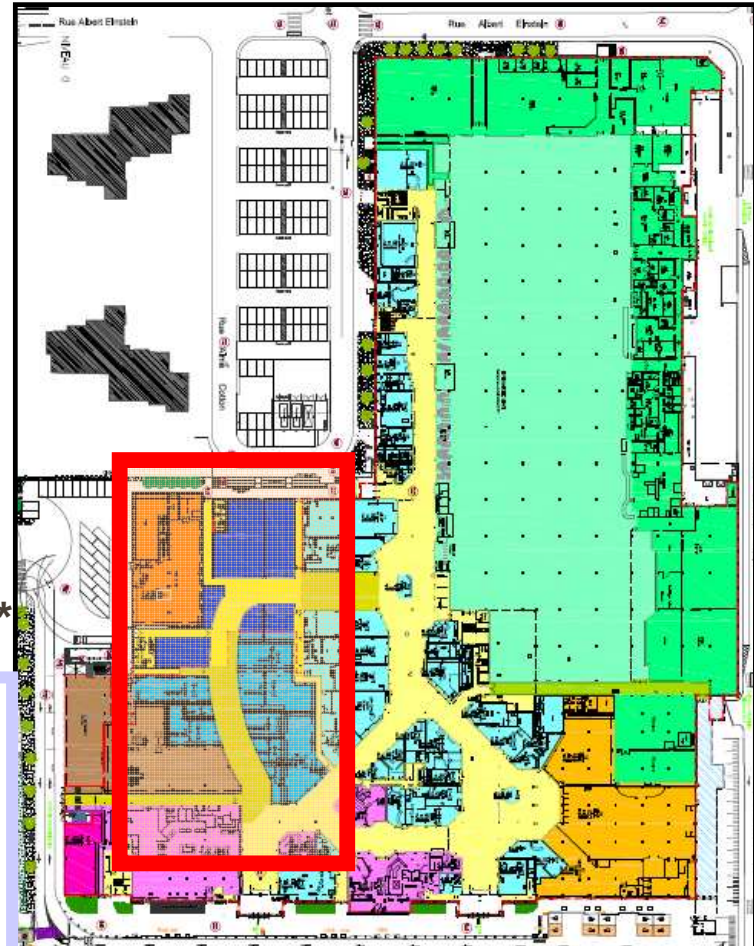
A **leading** shopping center in terms of
number of stores (**70 stores**)

- ❖ Investment*: Euro 8.4 million
- ❖ Annual rental income: Euro 1.4 million
i.e. an additional Euro 1.0 million
- ❖ Total redev. yield 14% / including renov. 12%*

Installation of **2,600 m² H&M** store

Ave. store rental income: **Euro 514 per m²**

Letting rate**: **99%**



Mixed General Meeting on April 28, 2011

"Le Phare de l'Europe" extended to include 16 new stores
Opening of extension constitutes a major event in Brest

LE PHARE DE L'EUROPE

BREST

Before

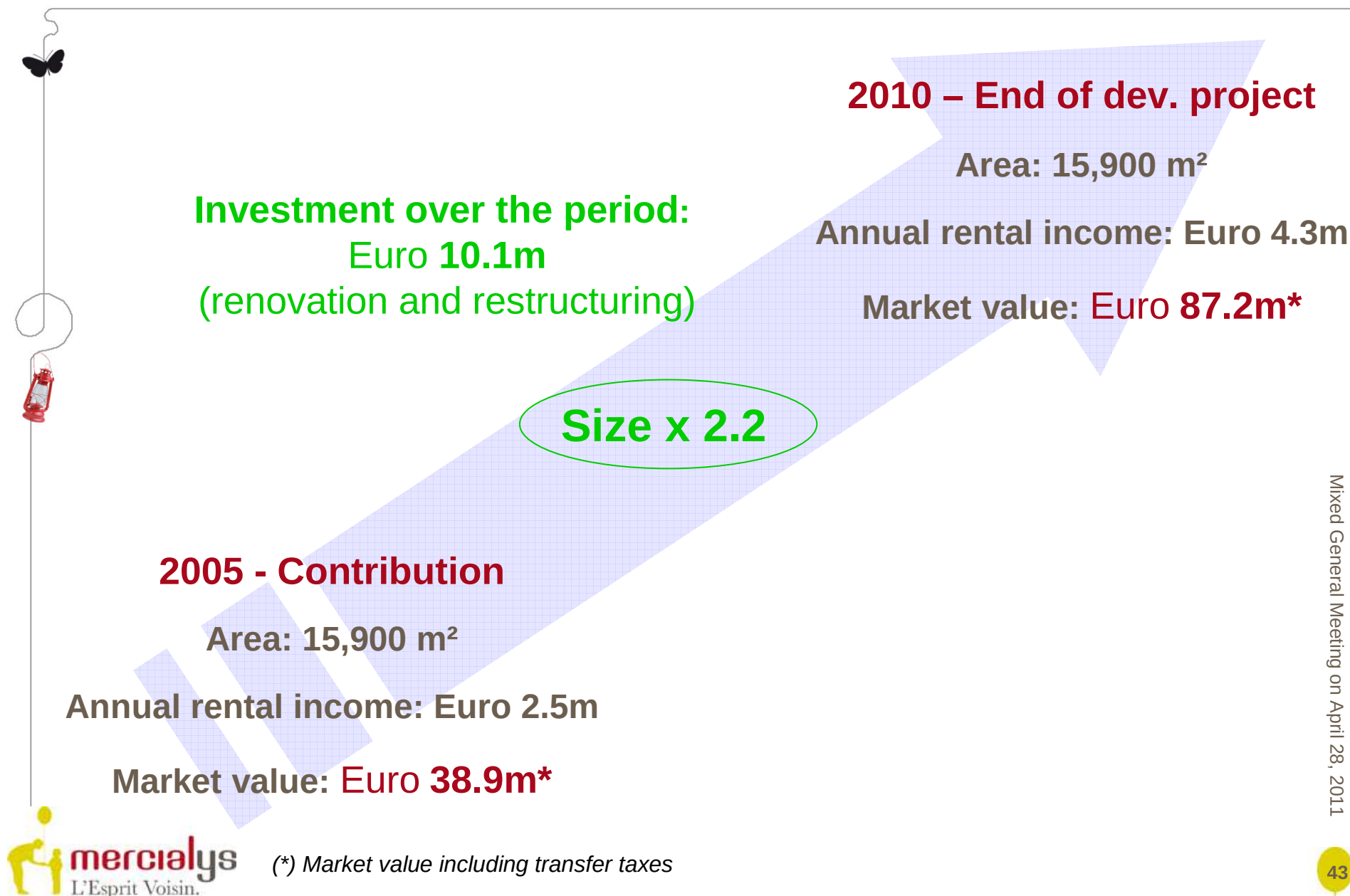


After



Mixed General Meeting on April 28, 2011

The restructuring of « Le phare de l'Europe » was a success



36 new stores at Val Semnoz

Enlarged by 4,900 m²

36 new stores opened, renovation of the existing center and 1,600 m² hypermarket extension

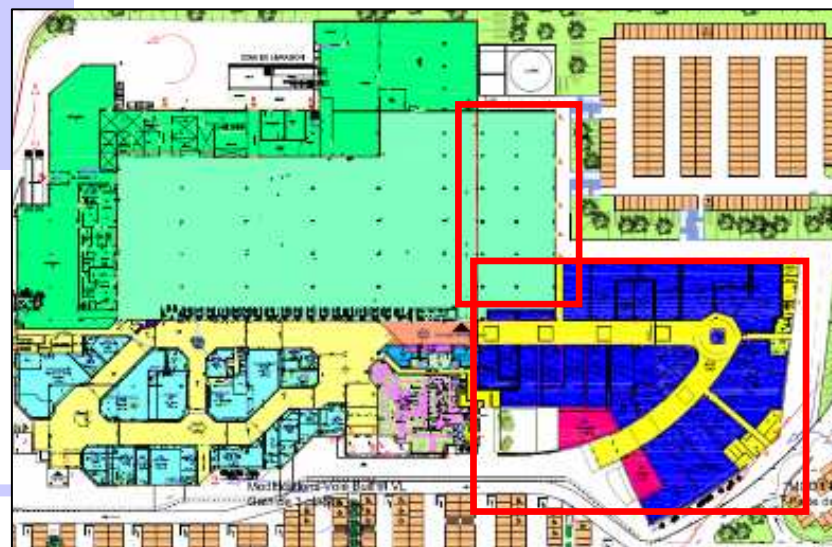
The center now has **65 stores**

- ❖ Investment*: Euro 31.9 million
- ❖ Gross annual rental income: additional Euro 2.1 million
- ❖ Yield from extension: 6.7%

Inclusion of La Grande Récré, Armand Thiery, Morgan, Kaporal 5, Jules, Camaieu and Sergent Major stores

Average store rent: **Euro 453 per m²**

Letting rate**: **94%**



Mixed General Meeting on April 28, 2011

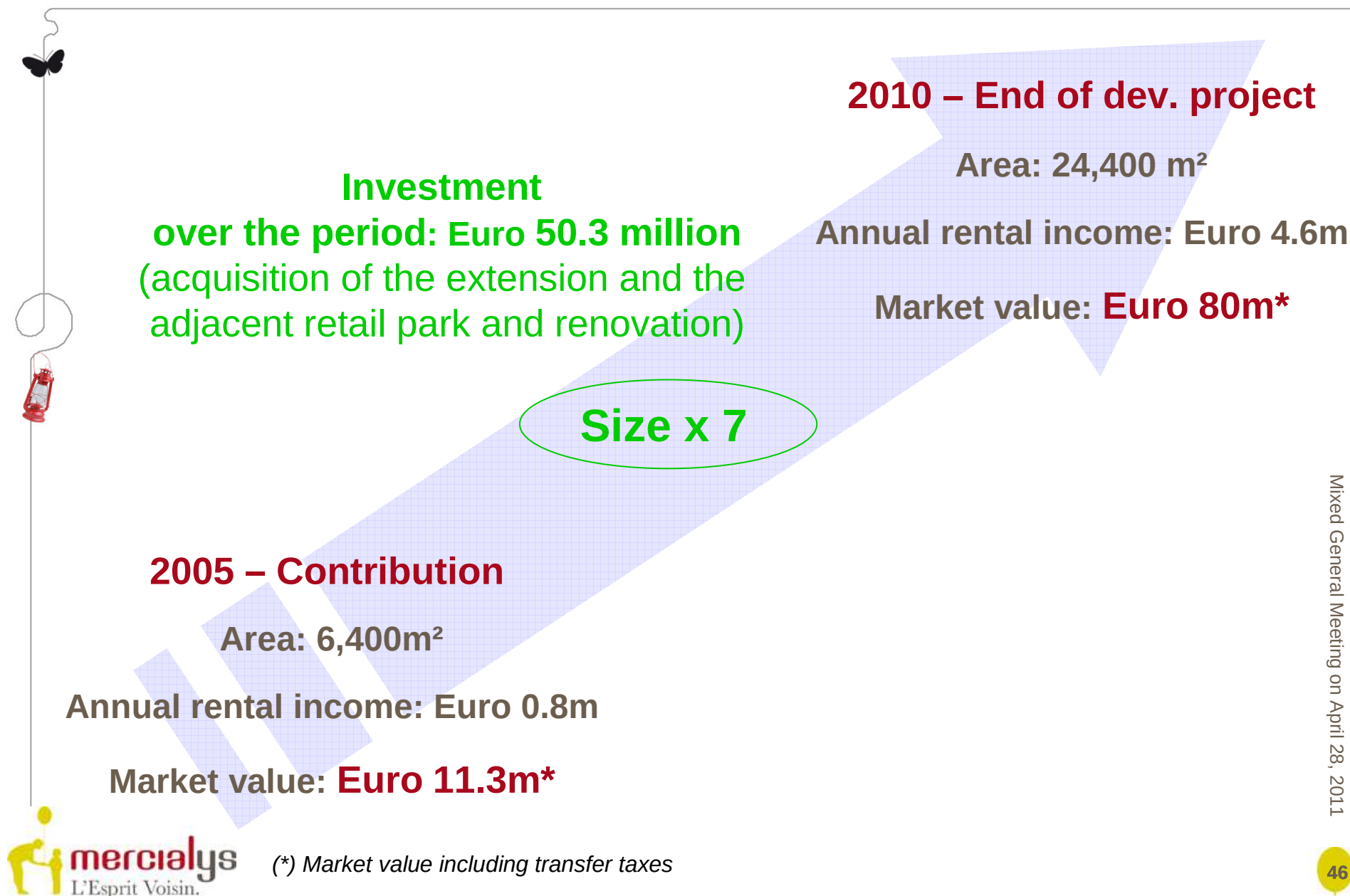
Val Semnoz - Annecy

VAL SEMNOZ

SEYNOD



Val Semnoz - Annecy: transformation over 5 years



Duparc – Ste Marie doubled in size and includes top retailers in its extension

Enlarged by 8,500 m²

34 new stores opened and renovation of the existing center

The center now has

58 small stores and 5 mid-size stores

- ❖ Investment*: Euro 33.2 million
- ❖ Gross annual rental income: additional Euro 3.0 million
- ❖ Total yield: 8.9%

Inclusion of Maisons du Monde, Séphora, Intersport, Agora, Mango etc.

Average store rent: **Euro 590 per m²**

Letting rate**: **110%**



Mixed General Meeting on April 28, 2011

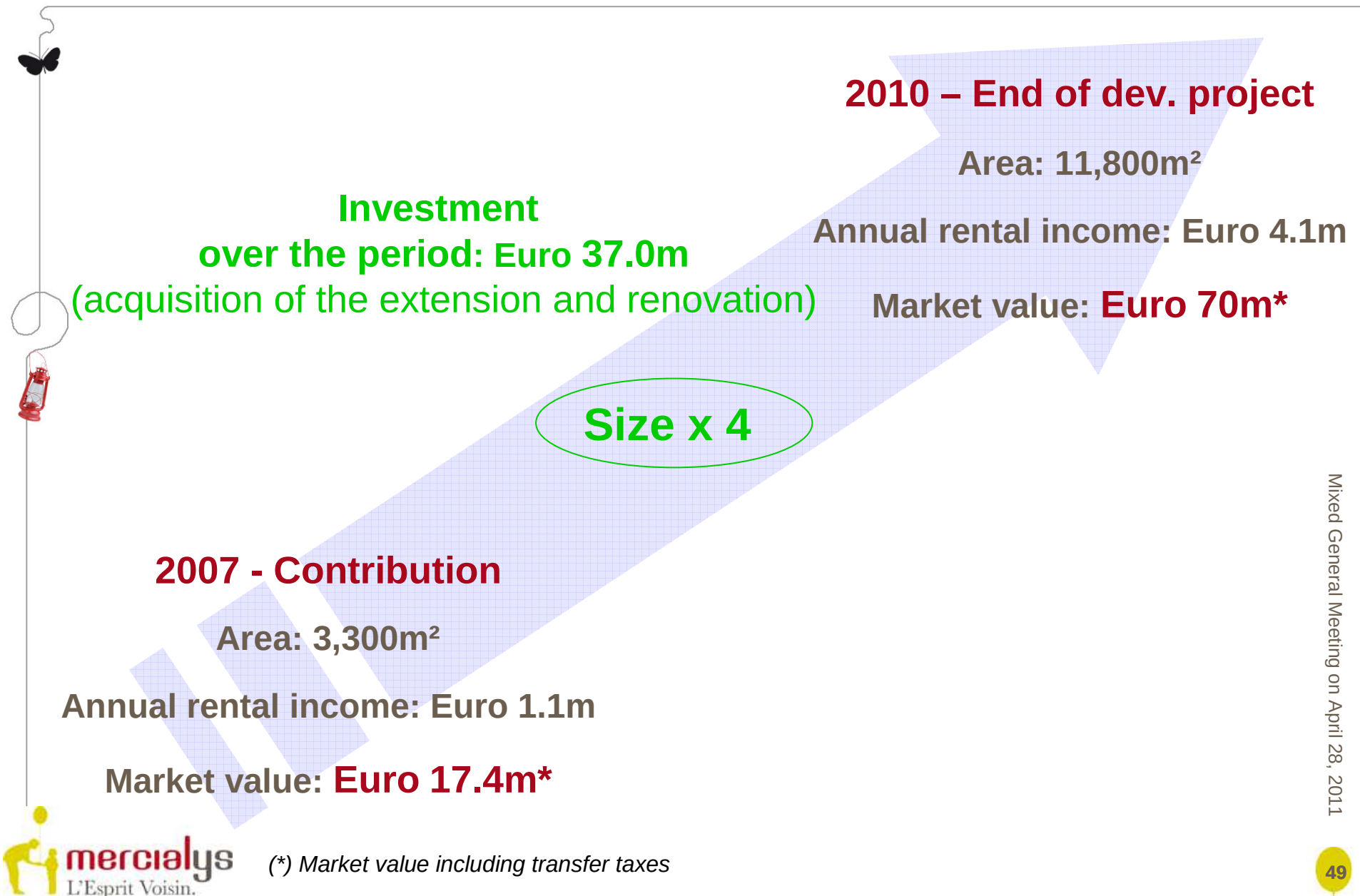
Duparc – Sainte Marie (La Reunion)

DUPARC

SAINTE-MARIE



Sainte Marie Du Parc (La Reunion island): one of the island's top sites



Next two years to be peak years in terms of completions of Esprit Voisin development projects

- ❖ 11 completions of Esprit Voisin extensions in preparation for 2011, including primarily:



Geispolsheim



Annemasse



*Marseille
La Valentine*



Ajaccio (phase 1)



Villefranche

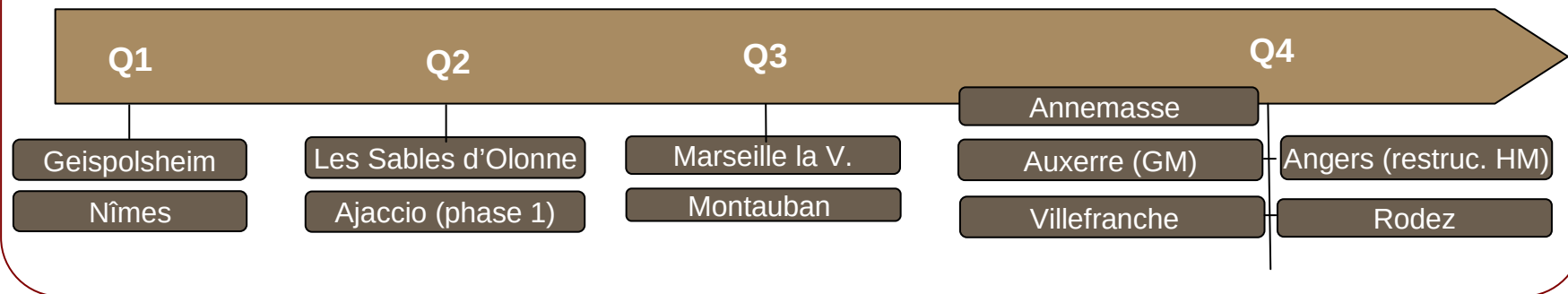


Auxerre

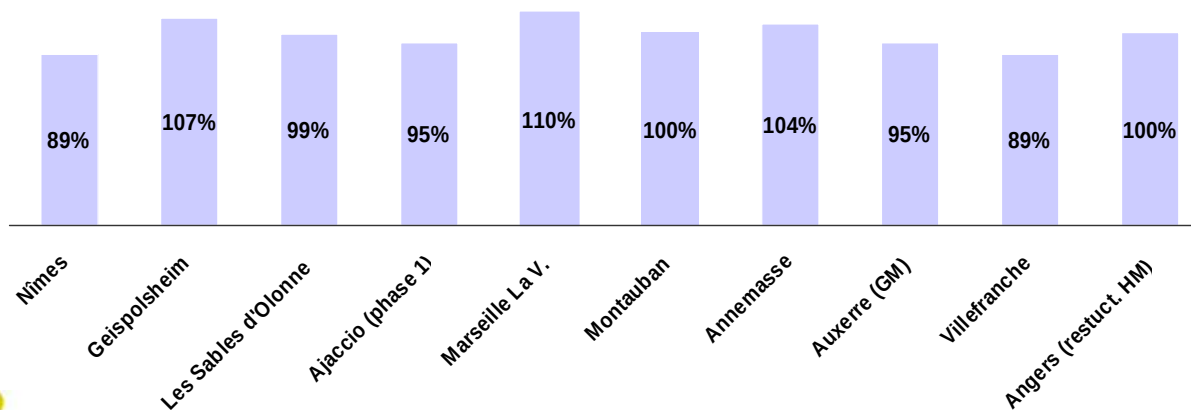
Next two years to be peak years in terms of completions of Esprit Voisin development projects

- ❖ 11 completions of Esprit Voisin extensions in preparation for 2011 and more than a dozen for 2012

2011 schedule



Letting rate*

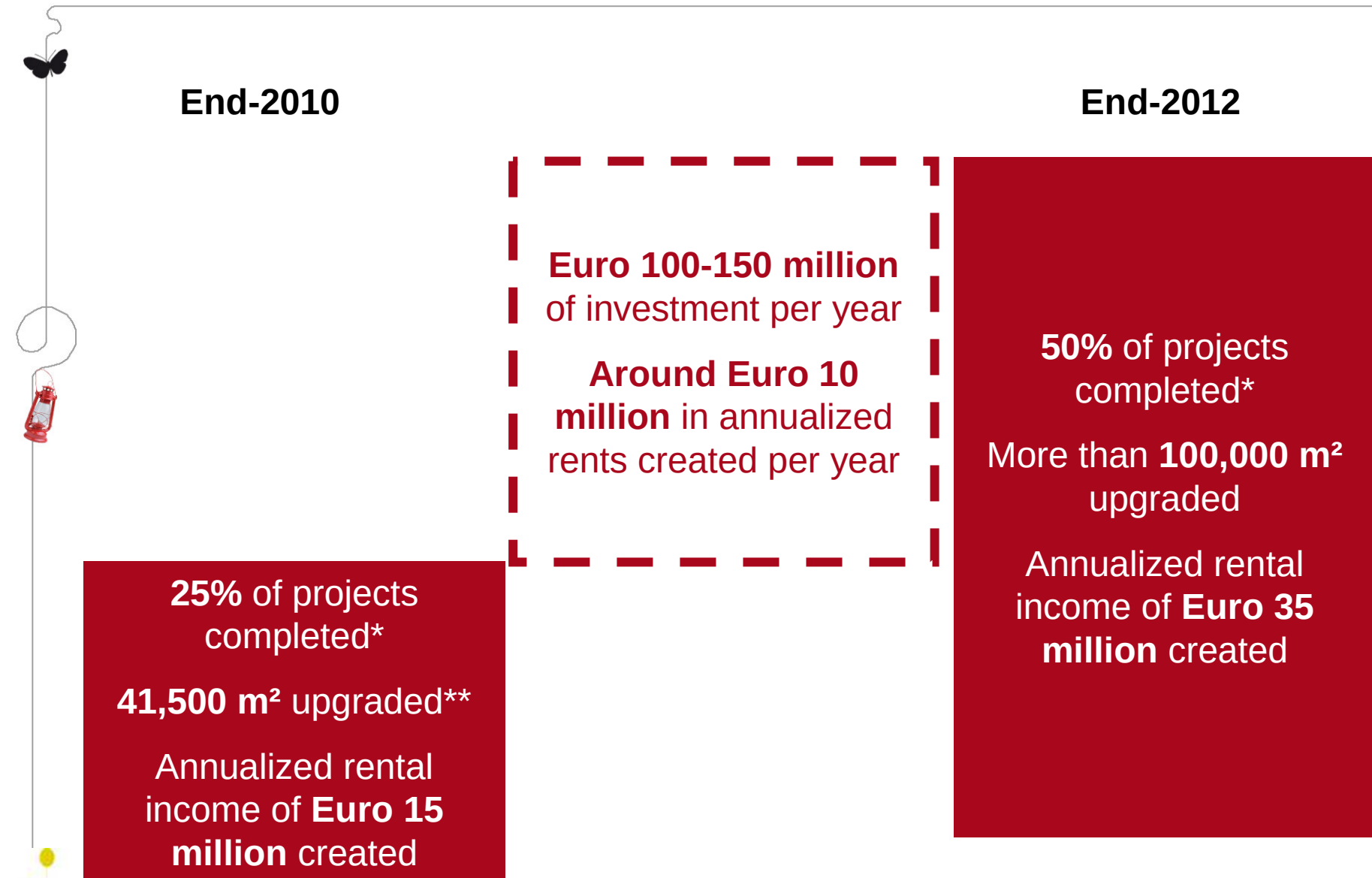


2012 completions

St Louis, Bordeaux Villenave, Agen Boé, Quimper, Dijon Chenôve, St André de Cubzac, Bordeaux Pessac, Fréjus, Troyes Barberey, Dijon Chenôve, Auxerre RP, Torcy, Istres (phase 1)

Mixed General Meeting on April 28, 2011

50% of properties will benefit from the Esprit Voisin development program by end-2012



2013 – 2015: a well-stocked pipeline to fuel completions

2013 - 2015

Value creation from 250,000 m² of space to fuel growth

Major projects

Chartres
Toulouse Fenouillet
Orléans

Phase 2 projects

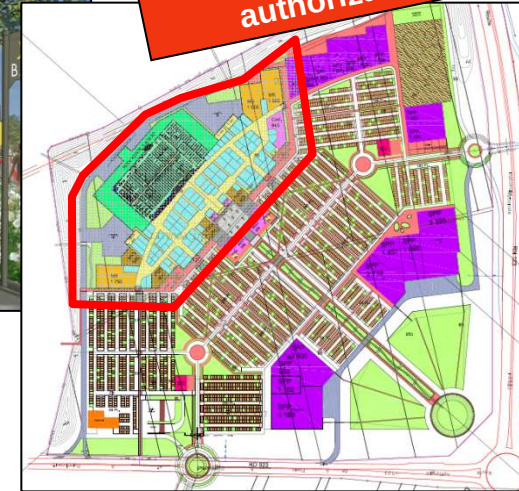
Annecy phase 2 and Arcaloz' 2
Brest phase 2
Ajaccio phase 2

And others

Albertville, Albi, Bastia, Carcassonne
Salvaza, Chalon sur Saône, Cholet,
Clermont Ferrand, Limoges, Marseille
Plan de Campagne, Paris Massena,
Montargis, Morlaix, Nîmes, Villeneuve
Loubet, Savannah St Paul and St Benoit
(La Reunion island)



+ 20,000 m²
applied for CDAC
authorization



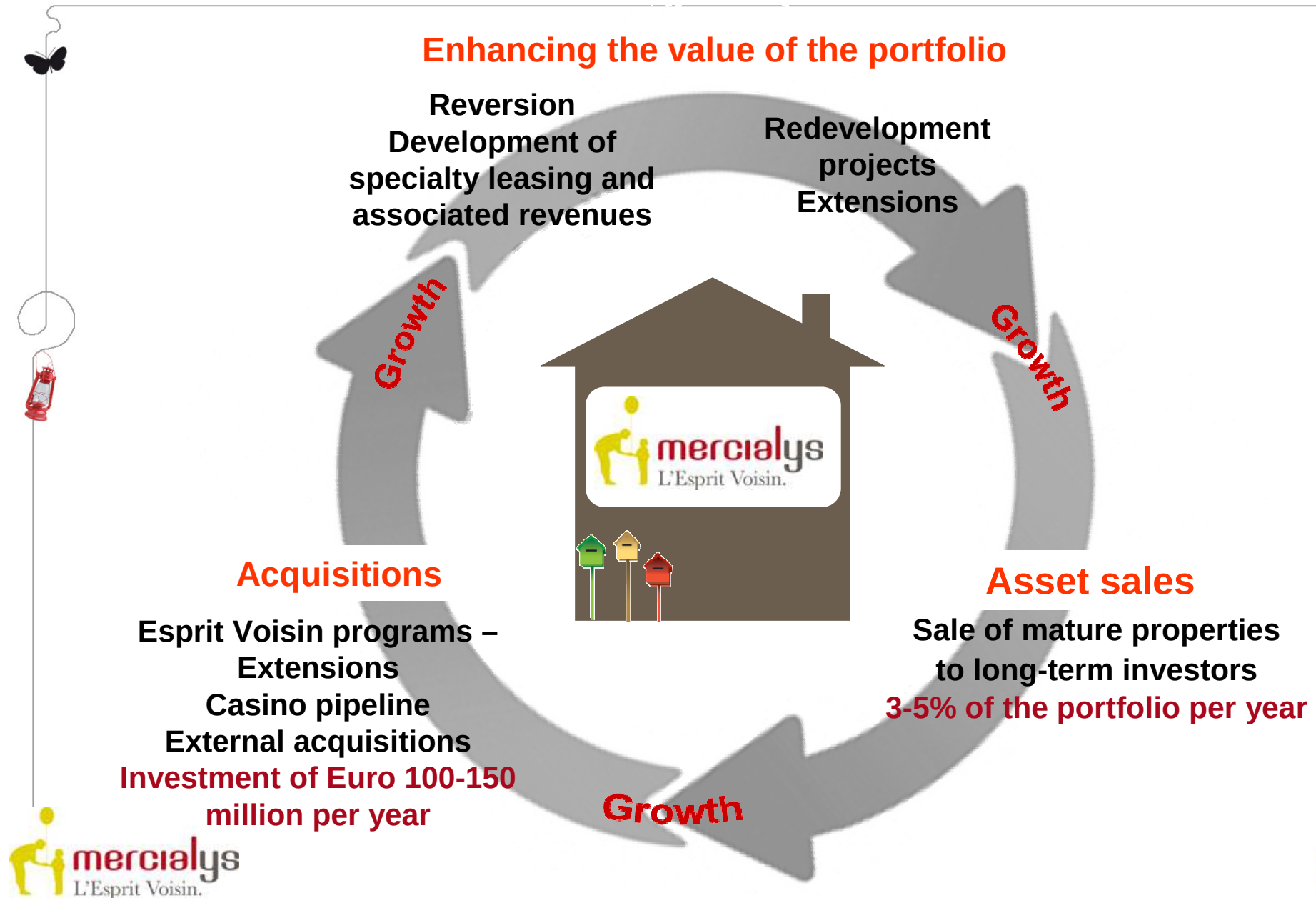
+ 45,000 m²
applied for CDAC
authorization



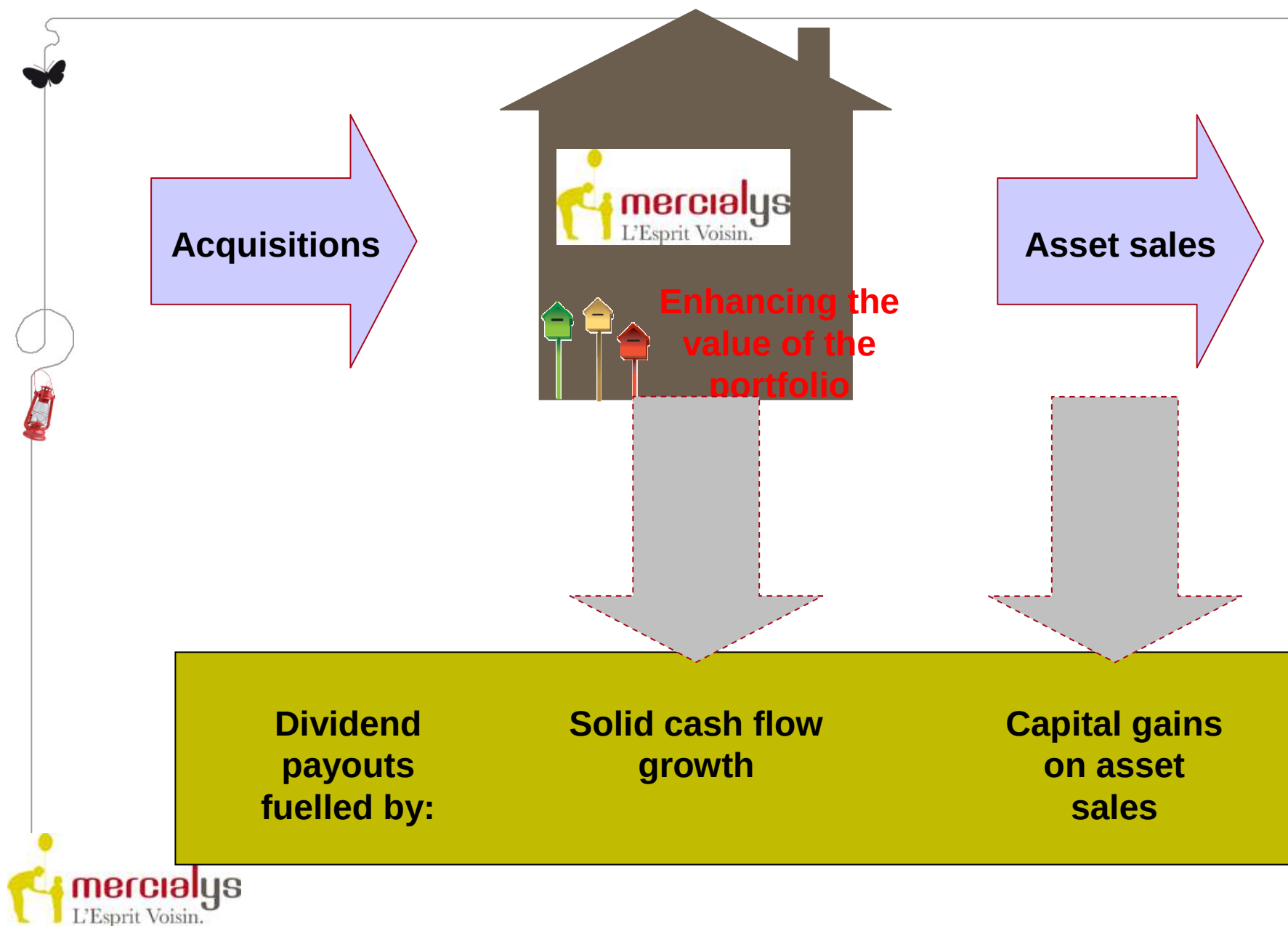


Conclusion and outlook

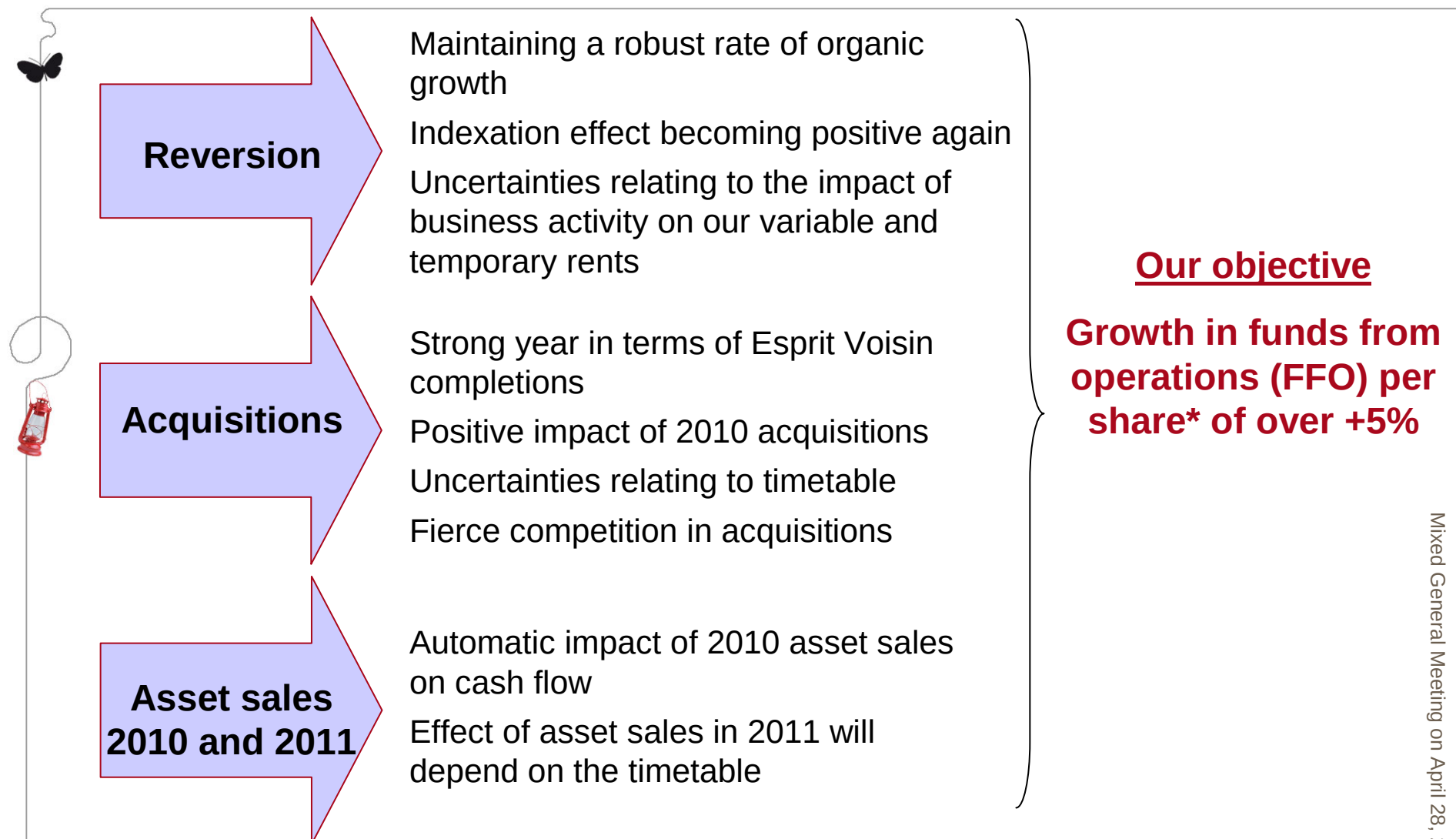
Strategy centered on enhancing the value of assets for development: increase in the quality of the portfolio



Dividend payout policy suited to our strategy



Outlook for 2011



(*) Funds from operations – Net income, share Group, before amortization and net capital gains – per share, fully diluted
Following the implementation of an active arbitrage policy, Mercialys's Management now favors using funds from operations (FFO) per share as the main indicator of Mercialys's future business performance. Mercialys's balance sheet does not contain any forex or interest rate hedging products, allowing for a high level of clarity concerning the development of this indicator over the years ahead. It also presents the advantage of being comparable with the indicators usually published by Mercialys's competitors.



Special reports by the Statutory Auditors



Questions and answers



Approval of the resolutions:

Mixed General Meeting on April 28, 2011
Financial statements for the year ended December 31, 2010

First resolution

- 
- ⇒ The purpose of this resolution is to submit for your approval the Company's financial statements for the year ended December 31, 2010 which post a profit of Euro 125,528 thousand.

Second resolution

- 
- ⇒ The purpose of this resolution is to submit for your approval the consolidated financial statements for the year ended December 31, 2010 which post a consolidated net income (Group share) of Euro 133,540 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 115,835,460.38, meaning Euro 1.26 per share, with the balance of the distributable profit in an amount of Euro 27,096,091.82 being allocated to the "Balance Carried Forward" account.

The payment of balance of the final dividend, for an amount of Euro 0.76 per share, for shares which benefited from an interim dividend of Euro 0.50 per share paid on October 7, 2010, will be paid on May 5, 2011.

Fourth resolution

- ⇒ The purpose of this resolution is to submit for your approval the exclusive sales mandate granted to the company IGC Services, to sell one or more portfolios of property assets owned by Mercialys.

Fifth resolution

⇒ This resolution aims to submit for your approval the amendment to the agreement of July 25, 2007 under the terms of which:

- ♦ *Mercialys replaced Mercialys Gestion as the assembler and coordinator of a cross-disciplinary project,*
- ♦ *the conditions of remuneration of Mercialys were revised.*

Sixth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Bernard Bouloc**.

Seventh resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Jacques Dumas**.

Eighth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Jacques Ehrmann.**

Ninth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Pierre Féraud**.

Tenth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Philippe Moati**.

Eleventh resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Eric Sasson**.

Twelfth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Pierre Vaquier.**

Thirteenth resoltuion

- ⇒ This resolution aims to submit for your approval the ratification of the appointment of **Mr. Michel Savart** as a director.

Fourteenth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of **Mr. Michel Savart**.

Fifteenth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of the company **Casino, Guichard-Perrachon**.

Sixteenth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of the company **L'Immobilière Groupe Casino**.

Seventeenth resolution

- ⇒ This resolution aims to submit for your approval the ratification of the appointment of the company **La Forézienne de Participations** as a director.

Eighteenth resolution

- ⇒ This resolution aims to submit for your approval the renewal of the term of office as a director of the company **La Forézienne de Participations**.

Nineteenth 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.

Twentieth resolution

- ⇒ Under this resolution, is proposed the amendment of the Article 16-I and III of the Articles of Association on the renewal of office terms. This amendment would allow the introduction of a system of staggered appointment and/or renewal of terms by one-third per year.

Twenty-first resolution

- ⇒ Under this resolution, is also proposed the amendment of Articles 25-II, 25-IV, 27-I and 28-III of the Articles of Association regarding the representation and the convocation of shareholders to General Meetings. This amendment has been proposed in order to harmonize the Articles of Association with the new dispositions relating to shareholder's rights introduced by the decree of June 23, 2010 and an order of December 9, 2010. Indeed, the range of persons able to represent shareholders at General Meetings has been widened. The regulations also make it possible, under the conditions set out therein, to revoke proxies given by electronic means, and also increase the period before a meeting can be convened pursuant to a second notice of meeting, from 6 to 10 days.

Twenty-second resolution

- ⇒ Under this resolution, we propose you to renew, for a period of 26 months, the authorization given to the Board of Directors by the General Meeting on Mai 6, 2008 to reduce the authorised share capital by the cancellation of shares held in treasury, in accordance with the provisions of Article L.225-209 of the Commercial Code, expiring on July 5, 2011.

Twenty-third resolution

- 
- ⇒ This resolution aims to submit for your approval the delegation of competence to the Board of Directors for the purpose of issuing shares or negotiable securities convertible into new or existing shares of the Company or into debt securities, while maintaining preferential subscription rights.

Twenty-fourth resolution

- 
- ⇒ This resolution aims to submit for your approval the delegation of competence to the Board of Directors for the purpose of issuing shares or negotiable securities convertible into new or existing shares of the Company or into debt securities, including the cancellation of preferential subscription rights within the framework of public offers.

Twenty-fifth resolution

- 
- ⇒ This resolution aims to submit for your approval the delegation of competence to the Board of Directors for the purpose of issuing shares or negotiable securities convertible into new or existing shares of the Company or into debt securities, including the cancellation of preferential subscription rights, in the context of an offer of the kind referred to in paragraph II of Article L.411-2 of the Monetary and Financial Code.

Twenty-sixth resolution

- 
- ⇒ This resolution aims to submit for your approval the authorization given to the Board of Directors for the purpose of setting the prices of the issues carried out without preferential subscription rights according to the terms and conditions decided by the General Meeting, pursuant to Article L.225-136 of the Commercial Code.

Thirty-seventh resolution

- 
- ⇒ This resolution aims to submit for your approval the authorization given to the Board of Directors for the purpose of increasing the amount of the initial issue in the context of capital increases carried out with or without preferential subscription rights.

Twenty-eighth resolution

- ⇒ This resolution aims to submit for your approval the delegation of competence to the Board of Directors for the purpose of increasing the capital by the capitalization of reserves, benefits, premiums or other sums the capitalization of which is allowed.

Twenty-ninth resolution

- 
- ⇒ This resolution aims to submit for your approval the delegation of competence to the Board of Directors for the purpose of issuing shares or negotiable securities convertible into the Company's capital in the event of a takeover bid being made by Mercialys for the shares of another listed company, including the cancellation of preferential subscription rights.

Thirtieth resolution

- 
- ⇒ This resolution aims to submit for your approval the delegation of powers to the Board of Directors to issue shares or negotiable securities convertible into the Company's capital in order to pay for contributions in kind given to the Company and consisting of equity securities or negotiable securities convertible into the Company's capital, up to a maximum of 10% of the Company's capital.

Thirty-first resolution

- ⇒ This resolution aims to submit for your approval the global limitation on the financial authorizations given to the Board of Directors.

Thirty-second resolution

- 
- ⇒ This resolution aims to submit for your approval the authorization to any company owning more than 50% of the capital of Mercialys to issue company's negotiable securities, convertible into existing shares of the Mercialys.

Thirty-third resolution

- ⇒ This resolution aims to submit for your approval the authorizations given to the Board of Directors to grant share purchase options to the personnel or to company directors and officers of the company or companies associated therewith.

Thirty-fourth resolution

- ⇒ This resolution aims to submit for your approval the authorizations given to the board of directors to grant options to subscribe for shares to the personnel or to company directors and officers of the company or companies associated therewith.

Thirty-fifth resolution

- 
- ⇒ The purpose of this resolution is to renew, for a period of 26 months, the authorisation granted to the Board of directors by the Extraordinary General Meeting on May 6, 2008, expiring on July 5, 2011, to allocate bonus shares to employees and directors of the Group or to some of them, whether in the form of existing shares of the Company or shares of the Company to be issued.

Thirty-sixth resolution

⇒ The purpose of this resolution is to renew the authorization given to the board of directors for the purpose to increase the capital or selling treasury shares to the benefit of employees that are members of a savings scheme of the Company and of companies associated therewith under the conditions referred to in Articles L.225-138-1 of the Commercial Code and L.3332-18 et seq. of the Employment Code.

Thirty-seventh resolution

⇒ Powers for formalities.



Appendices

Board of Directors - Organization and functioning



❖ The Company pays attention to the implementation of the principles of Corporate Governance:

⇒ The company refers to the Corporate Governance Code of AFEP and MEDEF.

❖ The Board includes 12 Directors:

⇒ 5 independent members in compliance with criteria of the Corporate Governance Code of AFEP and MEDEF.

⇒ 7 representatives of the majority shareholder.

Board of Directors - Organization and functioning



❖ Composition of the Board of Directors:

- ⇒ **Monsieur Jacques Ehrmann**, Chairman and CEO
- ⇒ **Monsieur Bernard Bouloc** (independent member)
- ⇒ **Monsieur Yves Desjacques** (permanent representative of L'immobilière Groupe Casino)
- ⇒ **Monsieur Antoine Giscard d'Estaing** (permanent representative of Casino Guichard-Perrachon)
- ⇒ **Monsieur Jacques Dumas**
- ⇒ **Monsieur Pierre Féraud**
- ⇒ **Monsieur Michel Savart***
- ⇒ **Monsieur Philippe Moati** (independent member)
- ⇒ **Monsieur Eric Sasson** (independent member)
- ⇒ **Madame Camille de Verdelhan**** (permanent representative of La Forézienne de Participations)
- ⇒ **Monsieur Pierre Vaquier** (independent member)
- ⇒ **Monsieur Eric Le Gentil** (permanent representative of Générali Vie, independent member)

* Since May 6, 2010

** Since December 10, 2010

Board of Directors - Organization and functioning



❖ Composition of the Board Committees:

- ⇒ **The Audit Committee** includes 4 members of which 3 are independent: Messrs Eric Sasson (Chairman of the Committee), Bernard Bouloc, Pierre Vaquier and Mr. Jacques Dumas.
- ⇒ **The Appointments and Remuneration Committee** includes 5 members of which 3 are independent: Messrs Eric Le Gentil (Chairman of the Committee), Bernard Bouloc, Philippe Moati and Messrs Yves Desjacques and Michel Savart.
- ⇒ **The Investment Committee** includes 5 members of which 2 are independent: Messrs Pierre Vaquier (Chairman of the Committee), Eric Sasson and Messrs Jacques Ehrmann, Michel Savart and Antoine Giscard d'Estaing.

❖ Activity of the Board of Directors and of its specialized committees:

- ⇒ **The Board of Directors** which met 7 times in 2010 organizes its work with the assistance of its three specialized committees.
- ⇒ **The Audit Committee**, which met 5 times in 2010, examined the annual and half-year financial statements and the internal control and risk management procedures.
- ⇒ **The Appointments and Remuneration Committee**, which met 5 times in 2010, gave its opinion on the fixed and variable remuneration of Directors and of the management; the distribution of directors' fees, and the allocation of differed and conditional bonuses to the Chief Operating Officer.
- ⇒ **The investment Committee**, which met 5 times in 2010, was informed of the investments annual budget for 2010 and examined the various projects of acquisition and disposal of assets submitted to the Board of Directors.

Mixed General Meeting on April 28, 2011

Board of Directors – Directors' fees



❖ Board members:

The individual amount of directors' fees is Euro 15,000 including:

- ⇒ A fixed portion of Euro 5,000*,
- ⇒ A variable portion which is capped at Euro 10 000* and subject to attendance at the Board meetings.

❖ Specialized committees' members:

An additional directors' fee is paid to the specialized committees' members including:

- ⇒ A fixed portion of Euro 4,000*
- ⇒ A variable portion of Euro 11,000* for members of the Investment Committee; Euro 6,000* for members of the Audit Committee and for the members of the Appointments and Remuneration Committee. These fees are subject to attendance at meetings.

An additional fee of Euro 3,000 is also paid to the Chairman of each Committee.

* Fees payable to Committee members representing or employed by the majority shareholder are reduced by half.

Board of Directors – Directors' fees

- ❖ The total amount of Directors' fees paid to all Board members and Committee members for 2010 was Euro 245,062 (compared with Euro 240,698 for 2009).
- ❖ The following table gives a breakdown of the fees paid to each Board and Committee member (except those paid to the Chairman):

<i>(en euros)</i>	Board members		Committee members		Total
	Fixe portion	Variable portion	Fixe portion	Variable portion	
Bernard Bouloc	5,000	10,000	7,507	10,800	33,307
Yves Desjacques	2,500	5,000	2,000	3,000	12,500
Jacques Dumas	2,500	5,000	2,000	3,000	12,500
Camille de Verdelhan	151	714	-	-	865
Pierre Féraud	2,500	5,000	1,616	5,500	14,616
Antoine Giscard d'Estaing	2,500	5,000	2,000	2,200	11,700
Gérard Koenigheit	863	2,857	-	-	3,720
Eric Le Gentil	5,000	7,143	7,000	6,000	25,143
Philippe Moati	5,000	10,000	4,000	6,000	25,000
Eric Sasson	5,000	10,000	11,000	17,000	43,000
Catherine Soubie	1,281	2,857	1,025	1,800	6,963
Michel Savart	1,637	2,143	768	-	4,548
Pierre Vaquier	5,000	10,000	11,000	10,200	36,200

Mixed General Meeting on April 28, 2011

Executive Management – Executive Management committee



❖ Composition of the Executive Management Committee:

- ⇒ **Jacques Ehrmann** – Chairman and Chief Executive Officer
- ⇒ **Géry Robert-Ambroix** – Chief Operating Officer
- ⇒ **Yves Cadelano** – Executive Vice-President
- ⇒ **Marie-Flore Bachelier** – Chief Financial Officer
- ⇒ **Bruno Dugas** – Director of Operating Asset Management
- ⇒ **Anne-Laure Joumas** – Marketing and Communication Director
- ⇒ **Julien Roussel** – Commercial Director
- ⇒ **Roxane Raynaud** – Director of Alcudia Asset Management
- ⇒ **Eléonore Villanueva** – Director of Large Shopping Centers

Executive Management – Executive Management Committee



❖ Executive Management Committee:

- ⇒ Under the authority of the Chairman and Chief Executive Officer, the Executive Management Committee is in charge of the operational monitoring of the Group activity.
 - The Executive Management Committee implements the strategy of the Group defined by the Board of Directors. This entity has a role of strategic brainstorming and coordination, and shares initiatives and cross-functional projects.
 - It ensures the consistency of the action plans implemented by all the subsidiaries and business units and takes the necessary decisions.
 - It monitors results and main financial indicators of the Group and decides the action plans to be implemented.
- ⇒ The Executive Management Committee includes 8 members by the Chairman's side, representing the operational and functional business units of the Group.

Executive Management – 2010 gross compensation of Corporate officers



❖ Compensation of the Chairman and Chief Executive Officer (paid by Mercialys):

- ⇒ 2010 fixed portion: Euro 125,000
- ⇒ 2010 variable portion: Euro 106,083
- ⇒ 2010 Directors' fees: Euro 15,000



❖ Compensation of the Chief Operating Officer (paid by Mercialys and Mercialys gestion):

- ⇒ 2010 fixed portion: Euro 186,945
- ⇒ 2010 variable portion: Euro 93,401
- ⇒ Fringe benefits: Euro 3,124