



Press release

MRM today announced the signing of an investment agreement concerning the acquisition by Scor of a majority stake in the company. This announcement is the subject of a separate press release.

An information meeting will be held at 2.30 p.m. on 12 March 2013 and will take place Centre de conférences Edouard VII, 23 square Edouard VII, 75 009 Paris. A presentation will be available on MRM's website, www.mrminvest.com.

2012 results

- **Gross rental income of €16.5m (+13.8% like-for-like)**
- **Total leverage ratio of 94.2%**
- **Major bank loans and bond maturities falling due in 2013 (€122.4m)**
- **Liquidation NAV of €4.9 per share (-20.3% vs 2011)**

Paris, 8 March 2013: MRM (Euronext ISIN code FR00000601960060196), a mixed real estate investment company specialising in retail and office property, announced today its 2012 full-year results. This publication follows the review and approval of the audited financial statements for the year ended 31 December 2012 by MRM's Board of Directors at its meeting of 7 March 2013.

2012 full-year results

MRM generated consolidated revenues of €16.5 million in 2012. This is down relative to €18.5 million in 2011, mainly as a result of the asset sales carried out since the start of 2011¹. On a like-for-like basis², gross rental income rose by 13.8%.

¹ The list of assets sold is provided in the appendix.

² Revenues are calculated on a like-for-like basis by deducting the rental income generated by acquired assets from the revenues reported for the current year and deducting the rental income generated by assets sold from the revenues reported for the previous year.

The retail and office property portfolios contributed 64% and 36% respectively to rental income for 2012.

Revenues from office properties rose by 39.2% like-for-like, boosted primarily by a number of leases signed during the second half of 2011 coming into effect, in particular for the Solis building in Les Ulis and Cap Cergy in Cergy-Pontoise. Revenues from retail properties - a portfolio with an already high occupancy rate - increased by 3.0% like-for-like. Indexation had a positive impact on both asset categories.

Simplified IFRS income statement in € million	2012	2011 ³	Change	<i>Like-for-like change²</i>
Gross rental income	16.5	18.5	-10.9%	+13.8%
. Retail	10.5	11.1	-6.2%	+3.0%
. Offices	6.0	7.3	-18.0%	+39.2%
Non-recovered property expenses	(3.1)	(3.1)	-1.5%	
Net rental income	13.4	15.4	-12.8%	
Operating expenses	(5.6)	(6.5)	-13.9%	
Provisions net of reversals	(0.8)	0.5		
Current operating income	7.0	9.3	-24.8%	
Net gains/(losses) on disposal of assets	(0.2)	(0.6)		
Change in fair value of properties	(3.5)	(15.9)		
Other operating income and expense	(0.0)	(1.1)		
Operating income	3.3	(8.3)		
Net cost of debt	(7.2)	(9.0)	-20.2%	
Other financial income and expense	(0.5)	19.9		
Net income before tax	(4.3)	2.6		
Income tax	(0.1)	(0.1)		
Consolidated net income	(4.4)	2.5		
Earnings per share (in €)	(1.3)	0.72		

Net rental income (after non-recovered property expenses) amounted to €13.4 million, down 12.8% as a result of asset sales. After taking into account operating expenses - which decreased by 13.9% - and provisions net of reversals, 2012 current operating income came to €7.0 million compared with €9.3 million in 2011.

The fair value of the portfolio fell by €3.5 million over the full year in 2012 (see comments in the paragraph on the Portfolio as at 31 December 2012).

In view of the reduction in MRM's debt and even more favourable interest rate conditions than in 2011, net cost of debt fell by 20.2% to €7.2 million. MRM therefore sustained a consolidated net loss of €4.4 million in 2012 - equal to a loss of €1.3 per share - compared with net income of €2.5 million in 2011. Bear in mind that the debt write-off granted under the bank restructuring agreement signed in February 2011 resulted in the recognition of exceptional financial income of €23.9 million.

³ Revenues by asset category for 2011 were adjusted to take into account the inclusion as of 1 January 2012 of the Carré Vélizy mixed-use complex in the retail portfolio. This building was previously included in the office portfolio.

Net operating cash flow

Gross operating income came to €7.9 million in 2012. This is down relative to the €9.6 million achieved in 2011, reflecting the reduction in net rental income as a result of asset sales. However, although operating expenses were kept well under control, declining 13.9%, and despite the favourable impact of low interest rates, net operating cash flow⁴ amounted to only €0.4 million in 2012.

Net operating cash flow in € million	2012	2011	Change
Net rental income	13.4	15.4	-12.8%
Operating expenses	(5.6)	(6.5)	-13.9%
Other operating income and expenses	0.1	0.7	-89.0%
Gross operating income	7.9	9.6	-17.8%
Net cost of debt	(7.5)	(9.6)	-22.6%
Other non-operating income and expenses	0.0	(1.5)	-97.3%
Net operating cash flow	0.4	(1.5)	

Portfolio at 31 December 2012

The value⁵ of MRM's portfolio was €269.0 million at 31 December 2012 compared with €287.5 million at 31 December 2011. This reflects the impact of asset sales carried out in 2012 representing a total price excluding transfer taxes of €22.5 million, as well as investment in upgrading works of a total of €7.1 million. This investment related to the Nova building in La Garenne-Colombes and, to a lesser extent, the La Galerie du Palais shopping centre in Tours, as well as adaptation works at the Solis building in Les Ulis. Excluding asset sales and investment, the change in the fair value of the portfolio of -€3.5 million in 2012 reflects primarily the correction of appraisal values of vacant office space.

Adjusted for the effect of asset sales, the value of the portfolio increased by 1.3% in 2012.

Value⁵ of MRM's portfolio in € million	31.12.2012	31.12.2011 adjusted for asset sales 2012	31.12.2011
Retail properties	154.2	151.7	165.6
Stabilised offices	59.4	59.5	54.5
Offices in the process of being let	55.4	54.4	67.4
Total MRM	269.0	265.6	287.5

At 31 December 2012, retail properties accounted for 57%, stabilised office properties for 22% and office properties in the process of being let for 21% of the value of MRM's property portfolio. The retail properties are located in the Paris region and in the provinces, while the office properties are concentrated in the Paris region.

⁴ Net operating cash flow = net income before tax restated for non-cash items

⁵ Definitive value excluding transfer taxes, based on appraisals at 31 December 2012 performed by Catella (offices) and Savills (retail properties) and including held-for-sale assets recognised in accordance with IFRS 5.

The property portfolio as a whole represents a total area of 146,621 sqm. The average occupancy rate for the portfolio is 74% or 85% excluding vacant properties, i.e. Nova in La Garenne-Colombes and Urban in Montreuil, which is currently subject to a preliminary sales agreement to be sold as it is.

At 1 January 2013, MRM's total net annualised rental income⁶ stood at €14.8 million, compared with €15.8 million at 1 January 2012. This fall is mainly due to asset sales carried out in 2012 and, to a lesser extent, the vacating of certain retail and office properties, which was only partly offset by new leases and the positive impact of rent indexation.

Retail portfolio

The value of the retail portfolio stood at €154.2 million at 31 December 2012, up 1.7% on a like-for-like basis relative to 31 December 2011. On a reported basis, the value of the portfolio was down as a result of asset sales carried out in 2012 representing an amount of €14.4 million excluding transfer taxes.

Net annualised rental income for the **retail portfolio** came to €9.9 million at 1 January 2013, compared with €10.2 million at 1 January 2012, adjusted for asset sales carried out in 2012. In 2012, 13 new leases⁷ were signed, representing annual rental income of €0.9 million. At 1 January 2013, the retail portfolio occupancy rate was 92%.

Office portfolio

At 31 December 2012, the value of the **stabilised office portfolio** stood at €59.4 million, down 0.4% like-for-like relative to 31 December 2011. On a like-for-like basis, the change relative to 31 December 2011 (€54.5 million) is partly due to the reclassification in this category of the Delta multi-tenant building⁸ in Rungis following the signature in July 2012 of a lease bringing the occupancy rate of the building to 87%, as well as the sale of the Niepce building in Paris.

Net annualised rental income for the portfolio came to €4.6 million at 1 January 2013, compared with €4.1 million at 1 January 2012. In 2012, eight new leases were signed representing a value of €0.8 million. The occupancy rate for stabilised office properties was 94% as at 1 January 2013.

The value of the portfolio of **offices in the process of being let** stood at €55.4 million at 31 December 2012, up 2.0% like-for-like compared with 31 December 2011. On a reported basis, the value of the portfolio was down as a result of the correction of the value of buildings with vacant space and the reclassification of the Delta multi-tenant building in Rungis.

A total of €5.4 million was invested in offices in the process of being let in 2012, mostly dedicated to the completion of works on the Nova building in La Garenne-Colombes. The building - which was opened in its new configuration in June - is currently in the process of being let, as is the vacant space at the two other multi-tenant buildings in the portfolio - Cap-Cergy in Cergy Pontoise and Cytéo in Rueil-Malmaison.

At 1 January 2013, net annualised rental income for the portfolio totalled €0.8 million, with an occupancy rate of 18%.

⁶ Excluding taxes, charges, rent-free periods and improvements

⁷ New leases or leases renegotiated on improved terms.

⁸ Previously included in offices in the process of being let.

Balance sheet, cash position and net asset value

The value of investment properties rose from €243.2 million at 31 December 2011 to €253.8 million at 31 December 2012. This was mainly attributable to the reclassification in this category of certain properties previously included in assets held for sale.

In 2012, MRM sold assets for a total of €22.5 million excluding transfer taxes. At 31 December 2012, assets held for sale represented €15.2 million.

The Group's net cash position stood at €4.0 million at the end of 2012. The change compared to the 2011 net cash position (€2.4 million) is primarily due to the suspension of payment of bond interest in the second half of 2012, the payment time granted by asset manager CBRE Global Investors for its management fees in respect of the fourth quarter of 2012, and the revision of the amortization schedule for a bank credit facility.

MRM's bank debt stood at €191.5 million at 31 December 2012, compared with €202.2 million at 31 December 2011.

Bank debt accounted for 71.2% of the value of the portfolio at 31 December 2012 compared with 70.3% at 31 December 2011. The average margin on this debt is 148 basis points (excluding the impact of set-up costs). 100% of variable-rate debt is hedged by financial instruments such as caps.

On 25 September 2012, MRM signed an agreement with SaarLB bank to extend the maturity of a €30.0 million credit facility by one year from April 2013 to April 2014.

At 31 December 2012, the total amount of MRM's debt falling due in 2013 stood at €123.0 million. This concerns primarily:

- €62.1 million corresponding to the bond issue maturing in December 2013 (nominal amount of €54 million and capitalised interest of €8.1 million)
- €57.9 million corresponding to the total of two credit facilities maturing in December 2013

Simplified IFRS balance sheet in € million	31.12.2012	31.12.2011
Investment properties	253.8	243.2
Assets held for sale	15.2	44.3
Current receivables/assets	9.8	12.0
Cash and cash equivalents	4.0	2.4
Total assets	282.7	301.9
Equity	16.9	21.3
Bond issue ⁹	62.1	60.6
Bank loans	191.5	202.2
Other current debts and liabilities	12.2	17.8
Total equity and liabilities	282.7	301.9

The Group's equity stood at €16.9 million at 31 December 2012 compared with €21.3 million at 31 December 2011, as a result of the appropriation of consolidated net income for 2012.

⁹ Including capitalized interests

At 31 December 2012, liquidation NAV was €4.9 per share compared with €6.1 per share at 31 December 2011, while replacement NAV was €9.3 per share compared with €10.6 per share a year earlier.

Net asset value	31.12.2012	31.12.2011
Liquidation NAV per share	€4.9	€6.1
Replacement NAV per share	€9.3	€10.6

Financial position in early 2013

At the end of February 2013, MRM's total debt stood at €253.4 million, equal to 94.2% of the value of the Group's assets. This includes €122.4 million in bank loans and bond maturing at the end of 2013.

In addition, as MRM's portfolio was significantly reduced following asset disposals completed over the past years and as it comprises vacant space in a number of office properties that are difficult to let because of market conditions, the Group's net cash position is very stretched. This has led in particular the Group to decide suspending again the payment of bond interests as from the third quarter 2012.

The anticipated generation of net operating cash flow combined with a market environment unfavourable to the disposal of assets will make the Group unable to repay its bank loans and bond falling due at the end of 2013.

Lastly, as the equity of the parent company (MRM SA) is once again lower than half of the share capital, at the next general meeting, the Group's shareholders will have to take note of this situation and, subsequently, decide whether the Company should continue operating.

Calendar

Revenues for the first quarter of 2013 are due on 9 May 2013 before market opening.

About MRM

A listed real estate investment company, MRM owns a mixed portfolio of office and retail properties comprising both stabilised assets and value-added opportunities. Its portfolio has been built up gradually since the second half of 2007 with the contribution of properties from Dynamique Bureaux and Commerces Rendement, two investment companies set up and managed by CBRE Global Investors, as well as acquisitions carried out by its subsidiaries. MRM's real estate operations are managed by CBRE Global Investors. MRM is listed in Compartment C of Euronext Paris (Bloomberg code: MRM:FP – Reuters code: MRM.PA).

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Appendix: Asset sales since 1 January 2011

Assets sold	Date of sale	Price excl. transfer taxes (€m)
Five retail properties	April 2011	5.4
Office buildings, Boulogne-Billancourt	September 2011	10.3
Office buildings, Puteaux and Rueil-Malmaison	October 2011	39.6
Five retail properties, Paris region	February 2012	14.2
Office buildings, Rue Niepce in Paris (14 th arrondissement)	September 2012	8.1
Residential space within the Galerie du Palais building, Tours	December 2012	0.2