



## Press release

### 2014 full-year results

- **Net operating cash flow up 32.4% at €4.0m**
- **Gross rental income down 1.3% like-for-like<sup>1</sup>**
- **Portfolio value<sup>2</sup> at €232.2m**
- **Proposed dividend<sup>3</sup> of €0.10 per share**

**Paris, 27 February 2015:** MRM (Euronext ISIN code FR00000601960060196), a real estate investment company specialising in retail and office property, announced today its 2014 full-year results. This publication followed the review and approval of the financial statements<sup>4</sup> by MRM's Board of Directors at its meeting of 26 February 2015.

#### Portfolio of €232.2 million at 31 December 2014

The value<sup>2</sup> of MRM's portfolio was €232.2 million at 31 December 2014, compared with €261.1 million at 31 December 2013. This change reflects primarily further disposals of office properties made during the year, namely a property located on Rue Cadet in Paris and an office complex in Rungis, sold for a total of €22.5 million excluding transfer taxes. Restated for the effect of these asset sales, the value of the portfolio decreased by 2.1%.

Investment totalled €1.9 million in 2014 and the fair value of the portfolio was reduced by €6.9 million relative to 31 December 2013.

Value <sup>2</sup> of MRM's portfolio	31.12.2014		31.12.2013 €m	Change like-for-like <sup>1</sup>
	€m	% of total		
Retail	144.1	62%	151.4	-4.8%
Offices	88.1	38%	109.8	+2.6%
<b>Total MRM</b>	<b>232.2</b>	<b>100%</b>	261.1	<b>-2.1%</b>

<sup>1</sup> 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.

<sup>2</sup> Value excluding transfer taxes, based on appraisals at 31 December 2014 performed by Savills and Jones Lang LaSalle, and including held-for-sale assets recognised in accordance with IFRS 5.

<sup>3</sup> Proposed payout of reserves and premiums in respect of the 2014 financial year, subject to approval by shareholders at the annual general meeting of 2 June 2015.

<sup>4</sup> Audit procedures have been performed and audit reports are currently being issued.

## Retail

The value<sup>2</sup> of the retail portfolio fell by 4.8% relative to 31 December 2013. This was mainly due to changes in the rental situation of the portfolio over the course of the year and rental value adjustment to market conditions for certain units.

Twelve leases (primarily renewals) were signed during 2014, representing annual rental income of €0.6 million. At 1 January 2015, the retail portfolio occupancy rate was down slightly at 83% from 84% a year earlier. Net annualised rental income for retail properties stood at €8.3 million at 1 January 2015.

## Offices

The value<sup>2</sup> of the office portfolio increased by 2.6% like-for-like<sup>1</sup> relative to 31 December 2013, reflecting the value-enhancement of properties resulting from an increase in their occupancy rate during 2014. The occupancy rate for the office portfolio (excluding assets sold in 2014 and Urban<sup>5</sup>) increased from 57% at 1 January 2014 to 64% at 1 January 2015.

Twelve leases were signed during 2014 corresponding to annual rental income of €2.1 million. Letting activities of available space within renovated and redeveloped buildings continued. At 1 January 2015, net annualised rental income for office properties in operation stood at €4.0 million.

## 2014 rental income and results

Consolidated revenues	2014		2013 €m	Change (reported)	Change like- for-like <sup>1</sup>
	€m	% of total			
Retail	9.3	64%	10.4	-11.1%	-11.1%
Offices	5.2	36%	5.5	-4.5%	+22.7%
<b>Total gross rental income</b>	<b>14.5</b>	<b>100%</b>	15.9	-8.9%	-1.3%

Gross rental income from retail properties fell by 11.1% relative to 2013, reflecting changes in the rental situation and in particular rent reductions granted on the renewal of certain leases as well as temporary concessions granted to some tenants. On a like-for-like<sup>1</sup> basis, gross rental income from office properties increased by 22.7% thanks to new leases coming into effect. On a reported basis, revenues from office properties fell by 4.5% as a result of disposals of office properties carried out since 1 January 2013. In total, revenues were down 8.9% at €14.5 million, or down 1.3% like-for-like<sup>1</sup>. The 25.3% reduction in non-recovered property expenses helped to limit the fall in net rental income, which came to €11.1 million (-2.3%).

Current operating income totalled €6.6 million, up 7.7% relative to 2013. In view of the €6.9 million decrease in fair value of the portfolio, MRM consolidated net income was a loss of €6.9 million compared with a profit of €38.3 million in 2013, relating to the recapitalisation and restructuring of MRM's balance sheet.

<sup>5</sup> Office building located in Montreuil and due to be sold as it is

## Increase in net operating cash flow

<b>Net operating cash flow</b> in € million	<b>2014</b>	2013	<i>Change</i>
<b>Gross rental income</b>	<b>14.5</b>	15.9	<b>-8.9%</b>
Non-recovered property expenses	(3.4)	(4.5)	-25.3%
<b>Net rental income</b>	<b>11.1</b>	11.4	<b>-2.3%</b>
Operating expenses	(4.2)	(4.7)	-11.9%
Other operating income and expense	(0.2)	0.3	<i>n/a</i>
<b>Gross operating income</b>	<b>6.8</b>	6.9	<b>-2.1%</b>
Net cost of debt	(2.7)	(3.9)	-29.1%
Other financial income and expense	0.0	0.0	
<b>Net operating cash flow</b>	<b>4.0</b>	3.0	<b>+32.4%</b>

The €0.5 million fall in operating expenses to €4.2 million (-11.9%) reflects the reduction in management fees agreed within the framework of the new asset management contract signed with CBRE Global Investors in May 2013. Gross operating income remained more or less stable at €6.8 million compared with €6.9 million in 2013.

As a result of the debt restructuring carried out in May 2013, net cost of debt decreased by €1.2 million (-29.1%) to €2.7 million. MRM therefore generated net operating cash flow of €4.0 million compared with €3.0 million in 2013.

## MRM's strong balance sheet

MRM's debt - comprising entirely bank loans - stood at €131.5 million at 31 December 2014, down €15.2 million compared with 31 December 2013. Cash and cash equivalents amounted to €22.4 million. The net LTV ratio improved over the course of the year to 47.0% compared with 48.5% at 31 December 2013.

As a result in particular of dividends paid in respect of the 2013 financial year (€4.4 million), the loss on asset sales (-€2.2 million), the net operating cash flow generated during the year (+€4.0 million) and the change in the fair value of properties (-€6.9 million), liquidation NAV decreased to €123.7 million compared with €135.0 million at 31 December 2013.

<b>Net asset value</b>	<b>31.12.2014</b>		<b>31.12.2013</b>	
	total €m	per share €	Total €m	per share €
Liquidation NAV	<b>123.7</b>	<b>2.8</b>	135.0	3.1
Replacement NAV	<b>137.3</b>	<b>3.1</b>	149.7	3.4

*Number of shares  
(adjusted for treasury stock)*

**43,624,766**

43,649,803

## Outlook and dividend

Since June 2013, MRM has been pursuing a strategy of gradually refocusing its activities on retail property. The two office properties sold in 2014 bring the total amount of disposals to three properties out of the nine office buildings owned by MRM in June 2013. Provisional sale agreements have been signed for two other office properties.

With its healthier balance sheet, MRM is planning to exploit potential for enhancing the value of its retail properties. It therefore carried out an important work in 2014 to adapt its value-enhancement plans to the economic climate and consumer behaviour. Over the next few months, the Group will be able to start the operational phase of a number of its investment programmes.

MRM's Board of Directors has decided to propose the payment of a dividend of €0.10 per share for 2014, identical to that paid for the previous year. This amount will be subject to approval at the general shareholders' meeting of 2 June 2015.

## Calendar

Revenues for the first quarter of 2015 are due on 14 May 2015 before market opening. The annual general meeting of shareholders of MRM (Euronext ISIN code FR0000060196) is due to be held on 2 June 2015.

## About MRM

MRM is a listed real estate company with a portfolio worth €232.2 million (excluding transfer taxes) as at 31 December 2014, comprising retail properties (62%) and offices (38%). Since 29 May 2013, SCOR SE has been MRM's main shareholder, holding a 59.9% stake. MRM is advised by CBRE Global Investors on the management of its properties. MRM is listed in compartment C of NYSE Euronext Paris (ISIN: FR0000060196 - Bloomberg code: MRM: FP - Reuters code: MRM.PA) and opted for the SIIC status on 1 January 2008.

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## Appendix 1: Simplified IFRS income statement

<b>Simplified IFRS income statement</b> in € million	<b>2014</b>	2013	<i>Change</i>
<b>Gross rental income</b>	<b>14.5</b>	15.9	<b>-8.9%</b>
Non-recovered property expenses	(3.4)	(4.5)	-25.3%
<b>Net rental income</b>	<b>11.1</b>	11.4	<b>-2.3%</b>
Operating expenses	(4.2)	(4.7)	-11.9%
Provisions net of reversals	(0.4)	(0.5)	n/a
<b>Current operating income</b>	<b>6.6</b>	6.1	<b>+7.7%</b>
Net gains/(losses) on disposal of assets	(2.2)	2.5	n/a
Change in fair value of properties	(6.9)	(3.0)	n/a
Other operating income and expense	(0.6)	0.2	n/a
<b>Operating income</b>	<b>(3.1)</b>	5.8	n/a
Net cost of debt	(2.7)	(3.9)	-29.1%
Other financial income and expense	(0.9)	36.3	n/a
<b>Net income before tax</b>	<b>(6.8)</b>	38.3	n/a
Income tax	(0.1)	0.0	n/a
<b>Consolidated net income</b>	<b>(6.9)</b>	38.3	n/a

## Appendix 2: Quarterly rental income

<b>Consolidated revenues</b> in € million	Q1 2014	Q2 2014	Q3 2014	<b>Q4 2014</b>	Q4 2013	<i>Change</i>	<i>Change like- for-like</i>
Retail	2.33	2.28	2.34	<b>2.32</b>	2.64	-12.1%	<b>-12.1%</b>
Offices	1.50	1.35	1.22	<b>1.17</b>	1.52	-23.0%	<b>+24.8%</b>
<b>Total gross rental income</b>	3.83	3.63	3.55	<b>3.49</b>	4.15	-16.0%	<b>-2.4%</b>

## Appendix 3: Balance sheet at 31 December 2014

<b>Simplified IFRS balance sheet</b> in € million	<b>31.12.2014</b>	31.12.2013
Investment properties	212.4	233.3
Assets held for sale	19.8	27.8
Current receivables/assets	10.4	10.9
Cash and cash equivalents	22.4	19.9
<b>Total assets</b>	<b>265.0</b>	<b>291.9</b>
Equity	123.7	135.0
Bank loans	131.5	146.7
Other debt/liabilities	9.8	10.2
<b>Total equity and liabilities</b>	<b>265.0</b>	<b>291.9</b>

#### Appendix 4: Asset sales since 1 January 2013

<b>Assets sold</b>	<b>Date of sale</b>	<b>Price excl. transfer taxes (€m)</b>
Office building, Rue de la Bourse in Paris (2 <sup>nd</sup> arrondissement)	December 2013	10.4
Office building, Rue Cadet in Paris (9 <sup>th</sup> arrondissement)	April 2014	12.0
Delta office complex in Rungis (94)	September 2014	10.5

