Press release

First half 2013 results

- **Successful recapitalisation operation**
- **SCOR SE acquires a stake in MRM as majority shareholder (59.9%)**
- **Extensive restructuring of liabilities**
- **Liquidation NAV: €131.4m versus €16.9m at 31 December 2012**
- **Rental income stable on a like-for-like basis[1]**
- **First leases signed for the Nova building**

Paris, 1 August 2013: MRM (Euronext ISIN code FR00000601960060196), a real estate investment company specialising in retail and office property, today announced its results for the first half of 2013. This publication follows the review and approval of the audited financial statements[2] for the period ended 30 June 2013 by MRM's Board of Directors at its meeting of 31 July 2013.

Highlights of the first half of the year: recapitalisation operation and restructuring of MRM's liabilities

The key event of the first half of 2013 was the successful MRM's recapitalisation operation carried out on 29 May 2013 together with the restructuring of its liabilities, which was a condition of the operation. The operation entailed:

. the subscription by SCOR SE in cash to a reserved capital increase representing a gross amount of €53.3 million;

[1] 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.

[2] The financial statements have been subject to a limited review by the statutory auditors. The statutory auditors' report on financial information for the first half of 2013 has been issued without reservation or observation.

. the conversion into new MRM shares of all of the bonds issued by DB Dynamique Financière, representing a nominal amount of €54 million expiring at end-December 2013;
. the restructuring of bank loans, which resulted in a reduction of €33.3 million in the total amount of the bank debt as at 30 June 2013 and the rescheduling of the maturity of these loans.

MRM's shareholding structure[3] has therefore been transformed with the new position of SCOR SE as controlling shareholder. MRM's financial situation has undergone a major overhaul, as illustrated by the financial statements to 30 June 2013 published today.

Improvement in MRM's balance sheet

As a result of the recapitalisation operation, the Group's equity stood at €131.4 million at 30 June 2013 compared with €16.9 million at 31 December 2012.

At 30 June 2013, following the conversion on 29 May 2013 of all bonds issued - representing a nominal amount of €54 million - and the payment of capitalised interest of €8.1 million on 12 June 2013, MRM's bond debt, which stood at €62.1 million as at 31 December 2012, has been fully wiped out.

MRM's bank debt has been reduced to €156.4 million from €191.5 million at 31 December 2012. This 18.4% reduction and the extension of its maturity, most of which have been pushed back to 2017, is mainly as a result of agreements negotiated with MRM's partner banks prior to the recapitalisation operation:
. the maturity of the loans granted by SaarLB and ING Bank N.V. has been extended until December 2017;
. following the early repayment of €21.3 million on 20 June 2013, HSH Nordbank has agreed to reduce its debt by €10.0 million;
. MRM also made various loan repayments for a total amount of €2.7 million during the first half of the year.

Simplified IFRS balance sheet in € million	**30.06.2013**	**31.12.2012**
Investment properties	252.8	253.8
Assets held for sale	15.2	15.2
Current receivables/assets	12.0	9.7
Cash and cash equivalents	22.9	4.0
Total assets	**302.9**	**282.7**
Equity	131.4	16.9
Bond issue[4]	0.0	62.1
Bank debt	156.4	191.5
Other borrowings and current liabilities	15.1	12.2
Total equity and liabilities	**302.9**	**282.7**

[3] On 29 May 2013, SCOR held 59.9% of share capital, former bondholders 32.1% and existing shareholders 8%. Furthermore, the exercise of all of the bonus stock warrants awarded on 29 May 2013 to existing MRM shareholders resulted in these shareholders holding 11.6% of share capital. The proportion owned by SCOR SE and former bondholders was reduced to 57.6% and 30.8% respectively.
[4] Including capitalised interest

Consolidated bank debt accounted for 58.4% of the value of the portfolio excluding transfer taxes at 30 June 2013 compared with 71.2% at 31 December 2012. The average margin on this debt is 164.5 basis points (excluding the impact of set-up costs). 100% of variable-rate debt is hedged by financial instruments such as caps.

The capital increase carried out on 29 May 2013 provided liquidity of €53.3 million, which allowed in particular for the early repayment to HSH Nordbank of a portion of the credit facility (€21.3 million) and the payment of capitalised interest owed to former bondholders (€8.1 million). At 30 June 2013, cash and cash equivalents on the balance sheet amounted to €22.9 million.

MRM's total net debt[5] was reduced significantly from €253.0 million at 31 December 2012 to €137.3 million at 30 June 2013. Relative to the value of the portfolio excluding transfer taxes, total net debt decreased from 94.1% at 31 December 2012 to 51.2% at 30 June 2013.

Portfolio value broadly stable

The value of MRM's portfolio[6] was €268.0 million at 30 June 2013, broadly stable relative to 31 December 2012 (-0.4%). MRM did not carry out any asset sales during the first half of the year and investment in upgrading works was limited (€1.0 million allocated mainly to office assets). Taking into account investments carried out, the slight reduction in the fair value of the portfolio (-€2.0 million) during the first half of 2013 was essentially due to the 0.7% fall in the valuation of office properties, while the value of the retail portfolio remained stable.

Value[5] of MRM's portfolio	**30.06.2013**		31.12.2012
	€m	*% of total*	€m
Retail	154.0	*57.5%*	154.2
Stabilised offices	58.8	*21.9%*	59.4
Offices in the process of being let	55.2	*20.6%*	55.4
Total MRM	**268.0**	*100.0%*	**269.0**

At 30 June 2013, the average occupancy rate for the portfolio was 72% including 90% for retail properties and 89% for stabilised offices.

A total of eight leases[7] were signed during the first half of 2013, representing annual rental income of €0.8 million. In particular, MRM signed a first lease for 1,300 sqm within the Nova building. Redevelopment of this HQE-certified office building on the outskirts of La Défense was completed in 2012. Since the end of the first half of the year, a second lease also for 1,300 sqm at Nova has been signed. These two leases will take effect in the fourth quarter of this year. The building - with a total GLA of 10,700 sqm – will then be 25% occupied.

MRM also recently signed five leases concerning mainly its Paris office properties.

[5] Total net debt (including bond debt at end-December 2012) relative to the value of the portfolio excluding transfer taxes

[6] Definitive value excluding transfer taxes, based on appraisals at 30 June 2013 performed by Catella (offices) and Savills (retail properties) and including held-for-sale assets recognised in accordance with IFRS 5.

[7] New leases or renewals

Very sharp increase in NAV at 30 June 2013

Taking account of the recapitalisation operation and the restructuring of MRM's balance sheet, liquidation NAV increased significantly to €131.4 million at 30 June 2013, compared with €16.9 million six months earlier. Replacement NAV rose from €32.1 million at 31 December 2012 to €146.6 million.

Net asset value	**30.06.2013**		**31.12.2012**	
	total €m	per share €	total €m	per share €
Liquidation NAV	**131.4**	**€3.0**	16.9	€4.9
Replacement NAV	**146.6**	**€3.4**	32.1	€9.3
Number of shares (adjusted for treasury stock)	***43,624,969***		*3,450,467*	

Including the new shares created as a result of the recapitalisation operation, liquidation NAV was reduced to €3.0 per share at 30 June 2013 and replacement NAV to €3.4 per share.

First-half 2013 rental income

MRM generated consolidated revenues of €7.9 million. This represents a fall of 5.1% relative to consolidated revenues for the first half of 2012, mainly as a result of the asset sales carried out since the start of 2012[8]. On a like-for-like basis, consolidated revenues were down just 0.8%.

Consolidated revenues	**H1 2013**		H1 2012[3]	*Change*	*Change like-for-like[1,2]*
	€m	*% of total*	€m		
Retail	**5.29**	*67%*	5.30	*-0.2%*	*+1.8%*
Offices	**2.66**	*33%*	3.07	*-13.5%*	*-5.4%*
Total gross rental income	**7.94**	*100%*	8.37	*-5.1%*	*-0.8%*

Rental income from retail properties increased by 1.8% like-for-like relative to the first half of 2012, thanks to new leases coming into effect and the positive effect of indexation, which more than made up for the impact of the freeing up of space. On a reported basis, rental income from retail properties remained broadly stable (-0.2%) relative to the same period last year, despite the asset sales carried out since 1 January 2012.

On a like-for-like basis, office revenues were down 5.4% relative to the first half of 2012 due to the freeing up of space. The impact of this was only partly offset by the positive effect of indexation. On a reported basis, the decline in revenues was more pronounced at -13.5%, due to asset sales carried out since 1 January 2012.

[8] A list of assets sold is provided in the appendix.

First-half 2013 results

Simplified IFRS income statement in € million	**H1 2013**	H1 2012	*Change*
Gross rental income	**7.9**	8.4	*-5.1%*
Non-recovered property expenses	(2.1)	(1.4)	
Net rental income	**5.9**	7.0	*-15.6%*
Operating expenses	(3.1)	(2.7)	*+12.6%*
Provisions net of reversals	(0.3)	(0.1)	
Current operating income	**2.5**	4.1	*-38.5%*
Net gains/(losses) on disposal of assets	0.0	0.2	
Change in fair value of properties	(2.0)	(3.0)	
Other operating income and expense	(0.0)	(0.2)	
Operating income	**0.5**	1.1	*-54.2%*
Net cost of debt	(2.4)	(3.8)	*-35.9%*
Other financial income and expense	36.7	(0.9)	
Net income before tax	**34.8**	(3.5)	
Income tax	(0.2)	(0.1)	
Consolidated net income	**34.5**	(3.5)	

Net rental income totalled €5.9 million, down 15.6% as a result of the increase in non-recovered property expenses relating to the hand-over of the Nova building in La Garenne-Colombes. Taking account of the slight increase in operating expenses and provisions net of reversals, current operating income came to €2.5 million compared with €4.1 million in the first half of 2012.

Including the €2.0 million adjustment to the fair value of the portfolio, MRM recorded operating income of €0.5 million for the first half of 2013.

Net cost of debt was €2.4 million in the first half of 2013, down 35.9% relative to the same period last year. This significant reduction was thanks to repayments made following asset sales carried out since 1 January 2012 and the lower level of interest rates compared to the first half of 2012. Taking account of the timetable for the recapitalisation operation (29 May) and the restructuring of the loan from HSH Nordbank (20 June), the reduction in debt resulting from the restructuring of liabilities had a limited impact on financial expenses in the first half of 2013.

As a result of the restructuring of liabilities, the other financial income and expense item includes financial income of €37.0 million in the first half of 2013 corresponding primarily to:

. the conversion of DB Dynamique Financière bonds into new MRM shares, generating income of €26.2 million;
. the €10 million reduction in debt granted by HSH Nordbank.

Consolidated net income came to €34.5 million compared with a loss of €3.5 million in the first half of 2012.

Net operating cash flow

Gross operating income came to €2.8 million compared with €4.3 million in the first half of 2012. This fall reflects the reduction in net rental income relating to assets sold in 2012, coupled with a higher cost of vacancy for office buildings in the process of being let.

Net operating cash flow in € million	**H1 2013**	H1 2012	*Change*
Net rental income	**5.9**	7.0	*-15.6%*
Operating expenses	(3.0)	(2.7)	*+12.6%*
Other operating income and expense	(0.0)	(0.0)	
Gross operating income	**2.8**	4.3	*-35.3%*
Net cost of debt	(2.4)	(4.0)	*-40.5%*
Other non-operating income and expense	(0.0)	(0.0)	
Net operating cash flow	**0.4**	0.3	*+43.7%*

Taking account of the significant reduction in net cost of debt, net operating cash flow was slightly positive at €0.4 million.

Outlook

The ongoing letting of office properties remains a priority in the short term. In this respect, welcoming the first tenants within the Nova building is a very positive step.

MRM will also benefit from the reduction in asset management fees following the signing of a new asset management agreement with CBRE Global Investors and lower interest charges as a result of the reduction of its debt.

Following the extensive changes in its shareholding structure and its financial situation during the first half of the year, MRM will now be able to focus on implementing the strategy of refocusing its activities on retail investments which was approved by the Board of Directors on 29 May 2013. This strategy includes the sale of its office assets within a period of around three years, while also moving forward in preparations for certain investments concerning its retail properties.

François de Varenne, Chairman of MRM's Board of Directors, comments: ***"The substantial improvement in MRM's balance sheet during the first half of the year reflects the success of the recapitalisation operation and the restructuring of liabilities. With its healthier financial structure, MRM is in a position to focus its efforts on improving profitability and refocusing its activities on retail investments."***

Calendar

Revenues for the third quarter of 2013 are due on 7 November 2013 before market opening.

About MRM

MRM is a listed real estate company with a portfolio worth €268.0 million (excluding transfer taxes) as at 30 June 2013, comprising retail properties (57.5%) and offices (42.5%). Since 29 May 2013, SCOR SE has been MRM's main shareholder, holding a 59.9% stake. On the same day, MRM and its subsidiaries have concluded with CBRE Global Investors a new real estate asset management agreement. MRM is listed in compartment C of NYSE Euronext Paris (ISIN: FR0000060196 - Bloomberg code: MRM:FP – Reuters code: MRM.PA). It opted for the SIIC status on 1 January 2008.

For more information

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Appendix 1: Asset sales since 1 January 2012

Assets sold	Date of sale	Price excl. transfer taxes (€m)
Five retail properties, Paris region	February 2012	14.2
Office building, Rue Niepce in Paris (14th arrondissement)	September 2012	8.1
Residential space within the Galerie du Palais building, Tours	December 2012	0.2

Appendix 2: Quarterly rental income

Consolidated revenues in € million	**Q1 2013**	Q1 2012	*Change*	***Change like-for-like***
Retail	**2.69**	2.76	*-2.5%*	***+1.2%***
Offices	**1.42**	1.56	*-8.8%*	***+0.0%***
Total gross rental income	**4.11**	4.31	*-4.8%*	***+0.8%***

Consolidated revenues in € million	**Q2 2013**	Q2 2012	*Change*	***Change like-for-like***
Retail	**2.60**	2.54	*+2.3%*	***+2.3%***
Offices	**1.23**	1.51	*-18.4%*	***-11.1%***
Total gross rental income	**3.83**	4.05	*-5.4%*	***-2.4%***