



Press release

2013 full-year results

MRM recorded net consolidated earnings of €38.3m for 2013 and proposes a dividend¹ of €0.10 per share

- . **Major improvement of MRM's financial profile**
 - Acquisition by SCOR SE of a 59.9% stake in MRM via a recapitalisation operation
 - Extensive restructuring of bank and bond liabilities
- . **Earnings capacity restored**
 - Net operating cash flow: €3.0m
- . **Net LTV ratio lowered to 48.5% at the end of the year**

Paris, 27 February 2014: MRM (Euronext ISIN code FR00000601960060196), a mixed real estate investment company specialising in retail and office property, announced today its 2013 full-year results. This publication follows the review and approval of the audited² financial statements for the year ended 31 December 2013 by MRM's Board of Directors at its meeting of 26 February 2014.

Highlights: recapitalisation and restructuring of MRM's liabilities

The key event of 2013 was the recapitalisation of MRM 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 in cash by SCOR SE to a reserved capital increase representing a gross amount of €53.3 million;
- . the conversion into new MRM shares of all of the bonds issued by DB Dynamique Financière, representing a nominal amount of €54.0 million with a maturity at end-December 2013;

¹ Distribution of reserves and premiums proposal, subject to approval of the general shareholders' meeting to be held on 4 June 2014.

² Audit procedures have been performed and audit reports are currently being issued.

. the restructuring of bank loans, which resulted in a reduction of €33.3 million in the total amount of bank debt as at 30 June 2013 and the rescheduling of the maturity of these loans, mainly to 2017.

MRM's shareholding structure³ has therefore been transformed with the addition of SCOR SE as majority shareholder with a 59.9% stake, and MRM's financial position has been improved significantly.

Improvement in MRM's balance sheet

Primarily as a result of the recapitalisation operation, the Group's equity stood at €135.0 million at 31 December 2013 compared with €16.9 million at 31 December 2012.

Following the conversion on 29 May 2013 in new MRM shares of all bonds issued - representing a nominal amount of €54 million - and the payment of capitalised interests 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 €146.7 million as at 31 December 2013 from €191.5 million as at 31 December 2012. This 23.4% reduction and the extension of its maturity are mainly resulting from the 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 €21.5 million on 20 June 2013, HSH Nordbank has agreed to reduce its debt by €10.0 million.

In 2013, MRM also made additional early repayments of €4.5 million, made contractual repayments of €3.1 million and repaid €5.2 million following the sale of an office building in December 2013.

The average margin on debt is 164 basis points (excluding the impact of set-up costs). 100% of variable-rate debt is hedged by financial instruments such as caps.

The liquidity provided within the framework of the capital increase of 29 May 2013 enabled MRM to make the aforementioned debt repayments and to close 2013 with a net cash position of €19.9 million.

MRM's net debt⁴ was therefore halved from €249.6 million at 31 December 2012 to €126.8 million at 31 December 2013. Relative to the value of the portfolio excluding transfer taxes, net debt was 48.5% at 31 December 2013 compared with 94.1% at 31 December 2012.

³ On 29 May 2013, SCOR SE held 59.9% of share capital, former bondholders 32.1% and existing shareholders 8%. To date, free float still stands at 40.1%.

⁴ Net debt (including bond debt at end-December 2012).



Simplified IFRS balance sheet in € million	31.12.2013	31.12.2012
Investment properties	233.3	253.8
Assets held for sale	27.8	15.2
Current receivables/assets	10.9	9.7
Cash and cash equivalents	19.9	4.0
Total assets	291.9	282.7
Equity	135.0	16.9
Bonds ⁵	0.0	62.1
Bank loans	146.7	191.5
Other debt/liabilities	10.2	12.2
Total equity and liabilities	291.9	282.7

Portfolio value broadly stable on a like-for-like basis

The value of MRM's portfolio⁶ decreased from €269.0 million at 31 December 2012 to €261.1 million at 31 December 2013. This primarily reflects the sale in December 2013 of a fully occupied office building on Rue de la Bourse in Paris for €10.4 million (excluding transfer taxes). On a like-for-like basis, the value of MRM's portfolio remained broadly unchanged in 2013 (-0.2%).

The office portfolio, comprising eight properties with very different occupancy rates from one building to the other makes up 42.0% of MRM's portfolio. Its value increased by 2.2% like-for-like, mainly thanks to a higher occupancy rate at the Nova building, rising from 0% to 40% in the course of the year. At 1st January 2014, net annualised rents generated by the portfolio of office buildings in operation amounted to €4.7 million.

The retail portfolio accounts for 58.0% of the value of MRM's portfolio. It comprises nine asset lines with an occupancy rate of 84% and a total of net annualised rents of €8.9 million as at 1 January 2014. The value of this portfolio decreased by 1.8% like-for-like, mainly as a result of the closure on 31 December 2013 of the Bricorama store that occupied more than 5,000 sqm in the Sud Canal shopping centre in Saint-Quentin-en-Yvelines.

During 2013, 26 leases⁷ were signed, representing annual rental income of €2.9 million. In particular, MRM signed the first three leases within the Nova office building in La Garenne-Colombes. The redevelopment of this 10,700 sqm HQE-certified office building located in the outskirts of La Défense was completed in 2012.

Investments made across the entire portfolio during the year amounted to €2.6 million. The change in fair value was down €3.0 million.

⁵ Including capitalised interests.

⁶ Value excluding transfer taxes, based on appraisals at 31 December 2013 performed by Catella, Savills and Jones Lang LaSalle, and including held-for-sale assets recognised in accordance with IFRS5.

⁷ New leases or renewals.

Value ⁵ of MRM's portfolio	31.12.2013		31.12.2012
	€m	% of total	€m
Retail	151.4	58.0%	154.2
Offices	109.7	42.0%	114.8
Total MRM	261.1	100.0%	269.0

Very sharp increase in NAV

Taking account of the recapitalisation operation and the restructuring of MRM's liabilities, liquidation NAV increased significantly to €135.0 million at 31 December 2013, compared with €16.9 million a year earlier. Replacement NAV rose from €32.1 million at 31 December 2012 to €149.7 million.

Net asset value	31.12.2013		31.12.2012	
	total €m	per share €	total €m	per share €
Liquidation NAV	135.0	€3.1	16.9	€4.9
Replacement NAV	149.7	€3.4	32.1	€9.3
<i>Number of shares (adjusted for treasury stock)</i>	43,649,803		3,450,467	

Taking account of the new shares created as a result of the recapitalisation operation, liquidation NAV was reduced to €3.1 per share at 31 December 2013 and replacement NAV to €3.4 per share.

Rental income stable on a like-for-like basis

MRM generated consolidated revenues of €15.9 million in 2013. This represents a fall of 3.3% relative to consolidated revenues for 2012, mainly as a result of the asset sales carried out since the start of 2012⁸. On a like-for-like basis, gross rental income remained broadly stable (-0.1%).

Consolidated revenues	2013		2012	Change	Change like-for-like
	€m	% of total	€m		
Retail	10.4	65.6%	10.5	-0.2%	+0.8%
Offices	5.5	34.4%	6.0	-8.7%	-1.8%
Total gross rental income	15.9	100.0%	16.5	-3.3%	-0.1%

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

Rental income from retail properties increased by 0.8% like-for-like relative to 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 2012.

On a like-for-like basis, office revenues were down 1.8% relative to 2012 due to the freeing up of space during the year, which was not completely offset by the leases signed during the period coming into effect in the second half of the year, in particular those concerning the Nova building, and the positive effect of indexation. On a reported basis, the decline in revenues was more pronounced at -8.7% due to asset sales carried out since 1 January 2012.

Positive impact from the restructuring of liabilities on net income

Simplified IFRS income statement in € million	2013	2012	<i>Change</i>
Gross rental income	15.9	16.5	-3.3%
Non-recovered property expenses	(4.5)	(3.8)	+19.7%
Net rental income	11.4	12.7	-10.1%
Operating expenses	(4.7)	(4.9)	-3.3%
Provisions net of reversals	(0.6)	(0.8)	
Current operating income	6.1	7.0	-12.7%
Net gains/(losses) on disposal of assets	2.5	(0.2)	
Change in fair value of properties	(3.0)	(3.5)	
Other operating income and expense	0.2	0.0	
Operating income	5.8	3.3	+75.2%
Net cost of debt	(3.9)	(7.2)	-46.0%
Other financial income and expense	36.3	(0.4)	
Net income before tax	38.3	(4.3)	
Income tax	(0.0)	(0.1)	
Consolidated net income	38.3	(4.4)	

Net rental income totalled €11.4 million, down 10.1% notably as a result of the increase in non-recovered property charges relating to the completion of the Nova building in La Garenne-Colombes in April 2012. Taking account of the slight fall in operating expenses and provisions net of reversals, current operating income came to €6.1 million compared with €7.0 million in 2012.

Including the €2.5 million income from the disposal of assets and the €3.0 million adjustment to the fair value of the portfolio, MRM recorded operating income of €5.8 million compared with €3.3 million in 2012.

Net cost of debt was €3.9 million, down 46.0% relative to 2012. This significant reduction was due to the restructuring of bank and bond debts during the year.

As a result of the restructuring of liabilities, other financial income and expense includes financial income of €37.0 million 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 €38.3 million compared with a loss of €4.4 million in 2012.

Strong growth in net operating cash flow

Gross operating income came to €6.9 million compared with €7.9 million in 2012. This fall reflects the reduction in net rental income relating mainly to the assets sold since the start of 2012 and to the higher vacancy cost for office buildings in the process of being let.

Net operating cash flow in € million	2013	2012	<i>Change</i>
Net rental income	11.4	12.7	-10.1%
Operating expenses	(4.7)	(4.9)	-3.3%
Other operating income and expense	0.3	0.1	
Gross operating income	6.9	7.9	-12.1%
Net cost of debt	(3.9)	(7.5)	-48.1%
Other non-operating income and expense	0.0	0.0	
Net operating cash flow	3.0	0.4	X8.6

Thanks to the reduction in bank and bond debt in 2013, coupled with continuing very low interest rates, net operating cash flow increased significantly to €3.0 million compared with €0.4 million in 2012.

Proposed dividend¹

For the first time, MRM's Board of Directors has decided to propose the payment of a dividend of €0.10 per share for 2013. This distribution will be subject to approval at the general shareholders' meeting of 4 June 2014.

Outlook

Having recapitalised its equity and significantly restructured its liabilities in 2013, MRM's leeway has now been restored to a major extent.

In 2014, MRM will also benefit from the full effect of the reduction in asset management fees resulting from the implementation of the new asset management agreement with CBRE Global Investors and the full effect of the lower cost of debt as a result of the restructuring of its debt.

As regards office properties, MRM's priority is to continue to work actively on letting vacant space, while implementing its programme of asset disposal.

MRM has decided to refocus its activities on retail properties, for which the priority is also to let vacant space and consolidate rental revenues for the portfolio. More generally, MRM is conducting an in-depth review of its plans to enhance the value of its retail properties in order



to adapt them to the current market conditions.

François de Varenne, Chairman of MRM's Board of Directors commented: ***"With its stronger balance sheet, restored earnings capacity and adapted corporate governance structure, MRM can now concentrate on refocusing its activities on the retail property sector. While adapting its plans to changes in the sector, MRM benefits from new leeway to make its properties more attractive and exploit their value potential."***

Calendar

Revenues for the first quarter of 2014 are due on 15 May 2014 before market opening.

About MRM

MRM is a listed real estate company with a portfolio worth €261.1 million (excluding transfer taxes) as at 31 December 2013, comprising retail properties (58.0%) and offices (42.0%). 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.

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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 (14 th arrondissement)	September 2012	8.1
Residential space within the Galerie du Palais building, Tours	December 2012	0.2
	December 2013	10.4
Office building, Rue de la Bourse in Paris (2 nd arrondissement)		



Appendix 2: Quarterly rental income

Consolidated revenues in € million	Q1 2013	Q1 2012	<i>Change</i>	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	<i>Change</i>	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%

Consolidated revenues in € million	Q3 2013	Q3 2012	<i>Change</i>	Change like-for-like
Retail	2.51	2.51	+0.0%	+0.0%
Offices	1.32	1.54	-14.4%	-5.9%
Total gross rental income	3.83	4.05	-5.4%	-2.1%

Consolidated revenues in € million	Q4 2013	Q4 2012	<i>Change</i>	Change like-for-like
Retail	2.64	2.65	-0.4%	-0.4%
Offices	1.52	1.40	+8.3%	+9.8%
Total gross rental income	4.15	4.05	+2.6%	+3.1%