Press release

First half 2009 results

- **Current operating income up 28.8% at €10.8 million**
- **Net operating cash flow[1]: €2.8 million**
- **Effective implementation of measures to adjust operations**
- **Fall in net asset value**

Paris, 10 September 2009: MRM (Euronext code ISIN FR0000060196), a mixed real estate company specialising in retail and office property, today announced its results for the first half of 2009, ended on 30 June 2009.

Summary

During the first half of 2009, MRM benefited from solid gross rental income, rising 11.5% to €15.2 million, a like-for-like[2] increase of 9.5% relative to the first half of 2008. MRM generated current operating income of €10.8 million, up 28.8%. Net operating cash flow[1] for the period was positive at €2.8 million. As a result of a further increase in yields, the fair value of the portfolio fell by €26.6 million, which largely explains the Group's net loss of €24.7 million. Furthermore, with debt remaining stable relative to 31 December 2008, it is also the adjustment in value of the portfolio which both explains the increase in the LTV ratio (ratio of bank loans to appraisal value) from 74.2% to 78.6% and the fall in liquidation NAV to €13.4 per share and in replacement NAV to €20.9 per share.

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[1] Net operating cash flow = net income before tax adjusted for non-cash items

[2] Like-for-like growth is calculated by deducting rental income generated by acquired assets from reported revenues for the current year, and deducting rental income generated by sold assets from revenues for the year-earlier period.

Over the period, MRM continued with its value-enhancement programmes on a selective basis, investing €10.5 million. The arbitrage plan decided at the start of the year has resulted in asset sales of €20.5 million to date, generating free cash of €2.9 million after repayment of bank loans attached to the assets sold. These disposals also enabled the Group to reduce its outstanding debts maturing in 2010. In addition, preliminary sales agreements representing a total of over €20 million were signed.

Action taken to restructure debt allowed for the extension of a €29.3 million credit line from 2009 to 2010, while a new €35 million credit line maturing in 2014 was obtained, enabling the Group to repay €29 million of a credit line maturing in 2010.

Operations

Office portfolio

The stabilised office portfolio represented net annualised rental income[3] of €13.6 million as of 1 July, down 5.2% compared with 1 January 2009. The positive impact of leases[4] taking effect during the first half of the year and the indexation of rents only partly made up for the vacating of one of the two Cap Cergy buildings in Cergy Pontoise (95) since February 2009, which represented annualised rental income of €1.3 million as of 1 January. However, the vacating of this building has enabled the Group to implement a management strategy for the 13,500 sqm site also comprising the adjacent building (of around 7,100 sqm), the renovation of which was completed by MRM in 2008. The occupancy rate for stabilised office properties was 84% as of 1 July compared with 98% as of 1 January 2009. Two new leases[4] were signed during the first half of the year representing annual rental income of €0.4 million.

Over the first six months of the year, the Group invested €7.0 million in programmes relating to office with value-added opportunities. Redevelopment works at the Nova building in La Garenne-Colombes (92) have progressed and the fitting of new façades has begun. Office space within the 11,100 sqm Carré Vélizy mixed-use site in Vélizy-Villacoublay (78) has been converted into retail space of 2,500 sqm. The lease signed with retail chain Habitat took effect in July 2009 and the tenant has begun works to fit out the store with a view to opening it to the public in November 2009. The 10,700 sqm Solis building in Les Ulis (91) was renovated during the first half of the year. A short-term lease took effect in March 2009, allowing for the partial use of the building during the letting phase. A total of seven new leases[4] were signed in the portfolio of office value-added opportunities during the first half of the year, representing annual rental income of €0.3 million. Net annualised rental income[3] for the portfolio totals €2.1 million, an increase of 3.4% compared with 1 January 2009. The occupancy rate rose from 26% as of 1 January to 32% as of 1 July 2009.

Retail portfolio

As of 30 June 2009, the occupancy rate for stabilised retail properties remained at a very high level of 98%. As of 1 July 2009, net annualised rental income[3] for the portfolio stood at €8.2 million, an increase of 2.2% compared with 1 January 2009 (after adjustment for asset sales that took place in the first half of the year). This is due to leases taking effect in the first half of the year and the positive impact of rent indexation. Three new leases[4] were signed during the first half of the year representing annual rental income of €0.1 million.

[3] Excluding taxes, charges, rent-free periods and improvements
[4] New leases or leases renegotiated under improved terms

The portfolio of retail value-added opportunities benefited from letting and tenant management in the first half of the year and the favourable impact of rent indexation. Net annualised rental income[2] increased to €5.4 million as of 1 July 2009, up 1.6% compared with 1 January. The occupancy rate rose from 74% to 79% as of 1 July. The letting of a number of additional stores within the Marques Avenue A6 shopping centre (91), made possible thanks to the new provisions of the LME law ("Law on the Modernisation of the Economy") in France, has begun and three new leases[4] were signed during the first half of the year. Four new leases[4] were also signed for stores in the Carrefour shopping mall in Ecole-Valentin (25). A total of 16 new leases were signed for the portfolio of retail value-added opportunities over the first six months of the year[4] representing an annual rent of €0.8 million.

A total of €1.1 million was invested in the portfolio of retail value-added opportunities over the period, mainly concerning the end of the redevelopment and modernisation of the Les Halles shopping centre in Amiens. Within this site MRM owns 7,400 sqm occupied by Carrefour Market, La Grande Récré and 20 other stores. The newly configured centre was opened in February 2009.

In accordance with the arbitrage plan adopted at the start of 2009, a first asset sale was finalised in the first half of the year. This concerns ground-floor stores on Rue du Faubourg Saint Honoré in Paris representing a total area of 1,800 sqm, which were sold during the first half of the year for a total of €13.2 million excluding transfer taxes, i.e. 8% above the appraisal value as of 31 December 2008.

Change in value of the portfolio[5]

During the first half of the year, the value of MRM's portfolio[5] decreased by €28.9 million from €537.1 million as of 31 December 2008 to €508.2 million as of 30 June 2009. Assets sold over the period represented €12.8 million as of 31 December 2008. MRM also invested €10.5 million in enhancing the value of its properties. The change in fair value of the portfolio excluding asset sales and capex is therefore -€26.6 million. This comprises adjustment of €17.8 million of the value of the portfolio of stabilised assets, as the increase in rental income only partly offset the impact of the increase in yields, and a reduction of the portfolio of value-added opportunities limited to €8.8 million thanks to the solid progress made in redevelopment programmes.

As of 30 June 2009, the value of MRM's property portfolio[5] broke down as 58% office properties, all in the Paris region, and 42% retail properties in the Paris region and provinces. Stabilised assets accounted for 59% of the portfolio and assets with value-added opportunities 41%.

Appraisal value (excluding transfer taxes)[5] In € million as of 30 June 2009	**Offices**	**Retail property**	**Total MRM**
Stabilised assets	190.9	106.8	**297.7**
Value-added opportunities	103.0	107.5	**210.5**
Total MRM	**293.9**	**214.3**	**508.2**

The property portfolio as a whole represents a total area of 215,168 sqm, comprising 109,219 sqm of offices and 105,949 sqm of retail property.

5 Value excluding transfer taxes, based on appraisals as of 30 June 2009 performed by Catella (offices) and Savills (retail) and including held-for-sale assets recognised in accordance with IFRS 5

Balance sheet, cash position and NAV

As of 30 June 2009, bank debt totalled €399.4 million, stable relative to 31 December 2008. This represents 78.6% of the value of the portfolio. The average margin of debt is 115 basis points (excluding set-up costs). It is 100% hedged by financial instruments such as caps. MRM also benefits from a €54 million, 5% fixed-rate bond.

IFRS simplified balance sheet In € million	**31.12.2008**	**30.06.2009**
Investment properties	524.3	449.7
Assets held-for-sale	12.8	58.6
Current receivables/assets	19.5	21.9
Cash and cash equivalents	9.4	6.8
Total assets	**566.0**	**536.9**
Equity	71.3	46.6
Issued bonds	54.0	54.0
Bank loans	398.3	399.4
Other debts/liabilities	42.4	36.9
Total equity and liabilities	**566.0**	**536.9**

During the first half of the year, capex represented outflows of €10.5 million. The Group's net cash position decreased by €2.6 million from €9.4 million as of 31 December 2008 to €6.8 million as of 30 June 2009.

As of 30 June 2009, liquidation NAV was €13.4 per share and replacement NAV was €20.9 per share.

Net asset value	**31.12.2008**	**30.06.2009**
Liquidation NAV per share	€20.5	**€13.4**
Replacement NAV per share	€28.5	**€20.9**

First half 2009 results

MRM's consolidated revenues increased by 11.5% in the first half of 2009 to €15.2 million, with offices accounting for 53% of gross rental income and retail property accounting for 47%. On a like-for-like basis[2], revenue for the first half of 2009 increased by 9.5% compared with the first half of 2008 as a result of:

. a fall[2] of 5.7% in revenues from office properties, penalised by the vacating of the Cap Cergy building, the reduction in revenues from the Solis building in Les Ulis and the vacating of premises in order to set up a medium-sized store let to Habitat within the Carré Vélizy mixed-use development;

. an increase[2] of 34.6% in revenues from retail properties, which benefited in particular from the opening of the Marques Avenue A6 shopping centre in Corbeil-Essonnes with the first rental income recognised in the third quarter of 2008.

Net rental income (after non-recovered property expenses) amounted to €13.4 million.

Over the period, MRM benefited from non-recurring operating income of €1.2 million. Current operating income (before the change in fair value of investment property) increased by 28.8% to €10.8 million, compared with €8.4 million in the first half of 2008. Including the reduction of €26.6 million in the fair value of investment property, operating income came out negative at -€15.8 million compared with +€16.4 million in the first half of 2008.

Against the backdrop of lower interest rates, MRM's net cost of debt decreased from €11.5 million in the first half of 2008 to €7.7 million. However, the reduction in interest rates over the first half of the year also resulted in an impairment loss as of 30 June 2009 on hedging instruments. Overall, the Group sustained a net loss of €24.7 million in the first half of 2009, equal to a loss of €7.1 per share.

IFRS simplified income statement In € million	H1 2008	**H1 2009**	% change
Gross rental income	13.6	**15.2**	+11.5%
. of which Offices	8.3	8.0	-4.0%
. of which Retail	5.3	7.2	+35.9%
Property expenses	(1.4)	(1.8)	+23.4%
Net rental income	12.2	**13.4**	+10.1%
Operating income and expenses	(3.8)	(2.6)	-31.1%
Current operating income	8.4	**10.8**	+28.8%
Change in fair value of investment properties	8.0	(26.6)	
Operating income	16.4	**(15.8)**	
Net cost of debt	(11.5)	(7.7)	-33.0%
Other financial expenses	1,6	(1.1)	
Net income before tax	6.5	**(24.6)**	
Taxes	0.0	(0.1)	
Consolidated net income	6.5	**(24.7)**	
Net earnings per share (€)	1.9	**(7.1)**	

Net operating cash flow[1]

Thanks in particular to the increase in rental income and the reduction in net financial expenses, net operating cash flow[1] was positive in the first half of the year at +€2.8 million compared with negative net operating cash flow[1] of -€3.0 million in the first half of 2008.

Recent events and outlook

In order to adapt rapidly to more difficult market conditions, MRM implemented measures at the beginning of 2009 to adjust its operations. These measures include:

. focusing investment on existing assets;
. a more selective approach to investment made possible by the ability to spread out the implementation of value-enhancement programmes over time;
. revision of costs;
. arbitrage operations, with a target of asset sales of €120 million over the period from 2009-10;
. renegotiation of credit lines with the closest maturities;

MRM invested €10.5 million in the first half of 2009 and plans to invest an additional €10.4 million by the end of the year, for which it has the necessary financing. Investment in five of MRM's 10 value-enhancement programmes will be completed at the end of 2009. In addition, while maintaining considerable potential for value creation, MRM also has the possibility of spreading out its future investment, estimated at €53.9 million, over time. MRM is planning in particular to re-assess its planning schedule depending on opportunities and market conditions, as well as on its financing capacity. By way of indication and under current market conditions, if it completes all of value-enhancement programmes, MRM would be able to achieve net annualised rental income[3] of €43.9 million compared with €29.4 million as of 1 July 2009.

The effects of MRM's cost-cutting programme are now beginning to be seen. For example, fees to be paid to CBRE Investors, which manages MRM's real estate operations, will be reduced by 18% in 2009 relative to last year. Other measures are planned with the aim of reducing the cost of works and cutting operating expenses as well as running costs.

The arbitrage plan, aiming for asset sales of €120 million over the period from 2009-10, is under way. Since the end of the first half of the year, MRM has sold a retail complex in Chambly (60) within the Les Portes de l'Oise retail district for €7.3 million. This brings the total amount of asset sales carried out since the start of 2009 to €20.5 million. MRM has also signed preliminary sales agreements representing over €20 million. These agreements concern a 900 sqm retail building in Saint-Priest (69) and the Cap-Cergy complex, comprising two office buildings with a total area of 13,500 sqm in Cergy-Pontoise.

Since the start of the year, MRM has also worked actively to restructure its short-term debt, extending a €29.3 million credit line from 2009 to 2010 and obtaining a new €35 million credit line maturing in 2014, which allowed it to repay €29 million of a credit line maturing in 2010. The repayment of loans relating to properties that have been sold has also helped to reduce the Group's short-term debt. As a reminder, MRM has no bank loans falling due before 2010.

MRM continues to benefit from a high quality mixed property portfolio, providing a secure revenue base. Thanks to their location and the type of property, suited to institutional tenants, MRM's stabilised offices benefit from high quality tenants such as EDF, which accounts for 44% of rental income from stabilised offices. In addition, 65% of stabilised office rental income comes from leases

[1] Net cash flow from operations = net income before tax adjusted for non-cash items

secured for more than three years. The retail portfolio is diversified and leases are divided among a large number of tenants. Most of the 217 occupants are national or international retailers, accounting for more than 80% of rents received.

For 2009, MRM confirms its guidance of positive net cash flow from operations and states that it has the financing needed to carry out its planned investments.

Jacques Blanchard, Chairman and Chief Executive Officer of MRM, comments: ***"The quality of our property portfolio, the diversity of our tenants, and the value-enhancement programmes that have been recently completed or are in progress guarantee a solid basis of future revenues for MRM. In the short term, we are taking action to continue with the arbitrage programme, restructure credit lines with the closest maturities and ensure financing for our priority investments. In the current climate of financial and economic downturn, MRM is therefore continuing to adapt its operations while still maintaining attractive potential for value creation."***

The 2009 interim financial report is available (in French) on www.mrminvest.com website, under the section "Financial information", sub-section "AMF regulated information".

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 created and managed by CB Richard Ellis Investors, and acquisitions carried out directly by its subsidiaries. MRM's real estate operations are managed by CB Richard Ellis Investors. MRM is listed in Compartment C of Euronext Paris (Bloomberg code: MRM:FP – Reuters code: MRM.PA).

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