Press release

Full year results 2009

- **Gross rental income up 7.2%, or 8.6% on a like-for-like basis[1]**
- **Net operating cash flow[2]: €6.7 million**
- **Completion of three value-enhancement programmes**
- **First results from measures to adjust operations**
- **Fall in Net Asset Value**

Paris, 25 February 2010: MRM (Euronext code ISIN FR0000060196), a mixed real estate company specialising in retail and office property, today announced its rental income and results for 2009. This announcement follows the review of the audited financial statements of MRM for the year ended 31 December 2009 by the Board of Directors during its meeting held on 24 February 2010.

Summary

Gross rental income rose 7.2% in 2009, to €30.4 million, a like-for-like increase of 8.6%[1] relative to 2008. MRM generated current operating income of €20.7 million, an increase of 13.0%, and positive net operating cash flow[2] of €6.7 million. 2009 proved to be a year of contrasts with the second half being more favourable, notably due to the fact that decrease in real estate values slowed down. However, over the year as a whole, the correction in values resulted in a €37.1 million drop in the fair value of MRM's real estate portfolio. This explains the Group's net loss of €34.0 million, which came despite a sharp reduction in the net cost of debt. It also explains the increase in the LTV ratio (ratio of bank loans to appraisal value) from 74.2% to 80.2% despite a slight reduction in the level of debt. As a result liquidation NAV was down to €10.7 per share and replacement NAV was down to €18.1 per share.

Over the course of the year, value-enhancement investment programmes continued on a selective basis, with total investment of €16.1 million. The disposal plan decided at the start of the year

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

resulted in asset sales of €22.6 million in 2009. These disposals, together with the restructuring of credit lines, enabled the Group to reduce its outstanding debts maturing in 2010.

Evolution of the portfolio

As of 31 December 2009, the value[3] of MRM's portfolio was €491.8 million, a decline of 4.4% on a like-for-like basis, that is to say after adjustment of MRM's portfolio as of 31 December 2008 for the assets sold during 2009.

In accordance with the disposal plan implemented from the beginning of 2009, the Group completed sales over the year for a total price excluding transfer taxes of €22.6 million. These included ground-floor stores on the Rue du Faubourg Saint Honoré in Paris (8e), a retail property in Saint-Priest (69) and a retail complex in Les Portes de l'Oise in Chambly (60).

Over the course of 2009, MRM invested €16.1 million in enhancing the value of its assets. The €37.1 million decline in the fair value of the portfolio excluding disposals and investments during the course of 2009 came mainly from the correction in real estate prices seen in the first half of the year, whilst the rise in yields slowed down significantly in the second half.

As of 31 December 2009, the 18 office properties all located the Paris region represented 59% of the value of MRM's asset portfolio, with the 11 retail properties located in the Paris region and provinces accounting for the remaining 41%. The portfolio represented a total area of 210,436 sqm, comprising 108,943 sqm of offices and 101,493 sqm of retail property.

Appraisal value[3] (excluding transfer taxes) in € million as of 31 December 2009	**Offices**	**Retail property**	**Total MRM**
Stabilised assets	199.9	166.1	**366.0**
Value-added opportunities	89.2	36.6	**125.8**
Total MRM	**289.1**	**202.7**	**491.8**

Stabilised assets now represent 75% of the total, against 61% as of 31 December 2008, with value-added opportunities making up the remaining 25%, from 39% as of end-2008. This is due in particular to the following factors:

. the completion in 2009 of three value-enhancement programmes: Carré Vélizy, a mixed-use site at Vélizy-Villacoublay (78), now included in the stabilised office properties portfolio; Marques Avenue A6 in Corbeil-Essonnes (91) and Les Halles in Amiens (80), two shopping centers transferred from the value-added opportunity category to the stabilised category;
. the inclusion of two buildings in Cergy-Pontoise (95), which are now included under value-added opportunities, due to the on-going letting marketing process of the Cap Cergy complex made of these two buildings;
. the sale of stabilised assets.

For the sake of clarity, MRM has elected to report changes by sub-portfolio in comparison to a baseline figure for December 2008 that has been adjusted to reflect these changes.

[3] 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

Operations

Office portfolio

The stabilised office portfolio represented net annualised rental income[4] of €15.0 million as of 1 January 2010, a 6.3% increase on the figure as of 1 January 2009. This increase was due to the completion of the Carré Vélizy programme, with the opening of the Habitat store, together with the active commercial management of assets. During 2009, 16 new leases[5] were signed for total annual rental income of €3.4 million, of which €1.1 million was effective in 2009, and the value enhancement of the office building on the Rue de la Brêche aux Loups in the 12th arrondissement in Paris was completed. The occupancy rate for this sub-portfolio is 95%.

During 2009, the Group invested €9.7 million in its value-added opportunity office assets. The assets in this sub-portfolio represent a significant potential source of additional rental income; the average occupancy rate of this sub-portfolio was 20% as of 31 December 2009. The redevelopment of the Nova building in La Garenne-Colombes (92) has progressed and phase I will be completed in the spring of 2010. Phase II will begin after the pre-marketing process which is now under way. In Montreuil, building permit for the redevelopment of Urban, an 8,000 sqm building, has been obtained and is now free of any recourse. Having completed all the administrative and technical requirements, MRM has elected to only begin work on this project once the space has been pre-marketed. The 10,700 sqm Solis building in Les Ulis (91) was renovated during the year. A short-term lease took effect in March, allowing for the partial use of the building during the letting phase. Value-enhancement investments was also completed in the 8,700 sqm Delta building in Rungis, which is partially let. MRM is currently marketing the remaining space. The Cap Cergy complex in Cergy-Pontoise (95), which consists of two office buildings with total floor area of 12,900 sqm, is currently being marketed.

Retail portfolio

As of 1 January 2010, the net annualised rental income[4] of the stabilised retail portfolio was €11.0 million, a decline of 1.5% on 1 January 2009 when adjusted for changes in the assets making up this portfolio. These changes resulted from the completion of the restructuring programme at the Marques Avenue A6 centre in Corbeil-Essonnes (91) which, after its first full year of operation, now 59 stores and 4 restaurants, and of the renovation of Les Halles, a shopping centre in the heart of Amiens (80) which opened in its new form in February 2009. This progress, coupled with the active commercial management of all stabilised retail properties, resulted in the signature of 23 new leases[5] with annual rental income of €1.0 million, of which €0.7 million was effective in 2009. This has partially offset the negative impact of indexing caused by the fall in the Cost Construction Index. The occupancy rate of the stabilised retail portfolio remained very high, at 95% on 31 December 2009.

The two assets comprising the retail value-added opportunities portfolio as of end-December 2009 are already in operation and offer considerable potential for value enhancement. The investment of €0.6 million in 2009 allowed for completion of the preliminary phases of the two programmes. Planning approvals have been received for the proposal to restructure the 6,500 sqm Galerie du Palais shopping center, located in the centre of Tours (37), and the pre-marketing phase has made progress. Works covering 2,000 sqm began in the first quarter of 2010. Meanwhile, the project to improve the mall area of the Carrefour shopping centre in Ecole-Valentin (25) is in preparation and includes a 4,000 sqm expansion of the 2,300 sqm of floor space already in operation. Net annualised rental

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

income from these two assets stood at €1.5 million on 1 January 2010, with an occupancy rate of 87%.

Balance sheet, cash position and NAV

The recognition of €204.6 million in assets held for sale reflects the arbitrage programme started in 2009. As of 31 December 2009 bank debt totalled €394.6 million, slightly lower than as of 31 December 2008. This represented 80.2% of the value of the portfolio. The average margin on this debt is 116 basis points (excluding set-up costs). It is 100% hedged by financial instruments such as caps. MRM also benefits from a €54 million fixed-rate bond at 5%.

IFRS simplified balance sheet in € million	**31.12.2008**	**31.12.2009**
Investment properties	524.3	287.3
Assets held-for-sale	12.8	204.6
Current receivables/assets	19.5	18.4
Cash and cash equivalents	9.4	9.5
Total assets	**566.0**	**519.7**
Equity	71.3	37.4
Issued bonds	54.0	54.0
Bank loans	398.3	394.6
Other debts/liabilities	42.4	33.7
Total equity and liabilities	**566.0**	**519.7**

Over the course of 2009, capex represented outflows of €16.1 million. The Group's net cash position increased very slightly, to €9.5 million on 31 December 2009.

As of 31 December 2009, liquidation NAV was €10.7 per share and replacement NAV was €18.1 per share. The decline in both figures was less steep in the second half.

Net asset value	**31.12.2008**	**31.12.2009**
Liquidation NAV per share	€20.5	**€10.7**
Replacement NAV per share	€28.5	**€18.1**

Rental income and 2009 results

MRM's consolidated revenues rose 7.2% in 2009 to €30.4 million, with offices accounting for 53% of gross rental income and retail property accounting for 47%. On a like-for-like basis[2], revenue rose by 8.6% in 2009 due to:

. a 3.7% drop in revenue from office property, which was hit in particular by the vacancy of the Cap Cergy building, a fall in revenue from the Solis building in Les Ulis and the vacating of premises transformed into a Habitat store in the mixed-used Carré Vélizy site. These effects were partly offset by positive indexing effects and the signature of new leases;

. an increase of 27.7% in revenues from retail properties, which benefited mostly from the opening of the Marques Avenue A6 shopping centre in Corbeil-Essonnes (the first rental income was recognised in the third quarter of 2008) and, to a lesser extent, from the initial effects of the restructuring of the Les Halles centre in Amiens.

Net rental income (after non-recovered external property charges) came to €26.9 million.

Reflecting the good progress in the cost optimisation programme, current operating income (before changes in the fair value of investment properties) was 13.0% higher at €20.7 million, from €18.3 million in 2008. Talking into account the reduction in the fair value of investment properties of €37.1 million, operating income was negative at -€18.4 million, compared with +€18.2 million in 2008. Against the backdrop of low interest rates, MRM's net cost of debt decreased sharply from €22.1 million in 2008 to €13.2 million in 2009. Overall the Group's net loss amounted -€34.0 million for the year, equivalent to a loss of -€9.76 per share.

IFRS simplified income statement in € million	2008	**2009**	*Change*
Gross rental income	28.3	**30.4**	*+7.2%* *
. of which Offices	16.6	16.2	
. of which Retail	11.7	14.2	
Non-recovered property expenses	(3.4)	(3.4)	
Net rental income	24.9	**26.9**	*+8.0%*
Operating income and expenses	(6.6)	(6.2)	
Current operating income	18.3	**20.7**	*+13.0%*
Net book value of assets disposed	(4.4)	(2.0)	
Change in fair value of investment properties	4.3	(37.1)	
Operating income	18.2	**(18.4)**	
Net cost of debt	(22.1)	(13.2)	
Other financial expenses	(3.5)	(2.2)	
Net income before tax	(7.4)	**(33.8)**	
Taxes	0.0	(0.1)	
Consolidated net income	(7.5)	**(34.0)**	
Net earnings per share (€)	(2.15)	**(9.76)**	

* 8.6% on a like-for-like basis

Net operating cash flow[2]

In 2008 there was negative net operating cash flow of -€5.6 million. In 2009, the increase in rental income, the reduction in operating costs and the lower net cost of debt allowed the Group to generate positive net operating cash flow[2] of €6.7 million, of which €3.9 million came in the second half.

Recent events and outlook

Over the course of 2009, the Group worked constantly to implement the programme of measures to adjust operations that it announced at the beginning of the year. Efforts were focused on the existing asset portfolio. Investment in value-enhancement was made on a selective basis in 2009; projected capex of €59.9 million over three years has been planned to be spread over the period and will be commited on a case-by-case basis according to market conditions and financial capacity. For some projects this will be dependent on pre-marketing.

In February 2010, MRM sold four freehold properties operated as restaurants by Pizza Hut chain in the Paris region, in Lognes (77), Maurepas (78), Plaisir (78) and La-Queue-en-Brie (94), with a total floor area of 1,900 sqm. This transaction brought the total sales completed to date to €29.2 million excluding transfer taxes, and took the net cash generated by the arbitrage programme to €3.7 million. Discussions are at an advanced stage regarding a number of other assets intended for sale, and reinforce MRM's belief in its ability to complete successfully the arbitrage plan it announced at the beginning of last year aiming at €120 million in asset sales over 2009 and 2010.

Work on the Group's debt position allowed it to reach agreement with the involved financial institution on each of the lines of credit which required an immediate adjustment of their Loan to Value ratio; ICR ratios remained satisfactory. The renegotiation of the short-term lines of credit, and the repayment of loans relating to assets sold, allowed the Group to reduce the debt maturing in 2010 to €124 million. This total includes a €95.8 million credit line for which discussions regarding a prolongation of its maturity beyond the current April date are well advanced.

The cost-cutting programme bore fruit with, most notably, an 18% reduction compared with 2008 in the fees paid to CB Richard Ellis Investors for its role in managing real estate operations for MRM in 2009. This reduction will also apply in 2010. Other steps taken allowed a reduction in the amount spent in works and cuts in operating overheads.

Jacques Blanchard, Chairman and Chief Executive Officer of MRM, commented: ***"In 2009 we benefited from our portfolio of high-quality assets, whose value held up well relative to the market as a whole, and which constitutes a sound base of secure revenue. We worked hard on the letting management of our assets, and this bore fruit. We were also pleased to record the completion of three value-enhancement programmes at Carré Vélizy in Vélizy-Villacoublay, Marques Avenue A6 in Corbeil-Essonnes and Les Halles in Amiens. At the same time, by focusing our efforts on the management of our debt and the adjustment of our operations, we have been able to weather these exceptionally difficult times for the economy as a whole and for the real estate sector, and we benefit today from greater room for manoeuvre to prepare ourselves for markets recovery."***

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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