Press release

First half 2010 results

- **Resilient gross rental income on a like-for-like basis[1]: €14.4m**
- **Net operating cash flow[2]: €4.5m**
- **Stabilisation in yields**
- **Extensive work on short-term debt maturities**
- **Accelerated completion of the arbitrage plan**
- **Stabilisation in the Net Asset Value**

Paris, 16 September 2010: MRM (Euronext code ISIN FR0000060196), a mixed real estate company specialising in retail and office property announced, today, its results for the first half of 2010, ended on 30 June 2010.

Summary

During the first half of 2010, MRM benefited from the good resilience of its gross rental income, which - taking into account the asset sales carried out - fell by 5.4% to €14.4 million. On a like-for-like basis[1], the rental income remained virtually stable relative to the first half of 2009 (-0.3%). MRM generated a current operating income of €9.8 million, compared with €10.8 million in the first half of 2009. The net operating cash flow[2] for the period was much higher than in the first half of 2009 at €4.5 million compared with €2.8 million last 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 flow = net income before tax adjusted for non-cash items

Stabilisation in yields was reflected by a virtually stable fair value[3] of the portfolio (-€0.7 million). MRM therefore generated a positive operating income of €6.2 million compared with an operating loss of €15.8 million in the first half of 2009, and a net loss of €0.6 million compared with a loss of €24.7 million last year. Taking into account the arbitrage plan carried out, the value[3] of the portfolio and the amount of bank debt decreased by relatively similar proportions during the first half of the year, leading to little change in the LTV ratio (bank debt to value of the portfolio), which improved slightly to 79.3% from 80.2% at the end of 2009. Liquidation NAV also stabilised at €10.6 per share compared with €10.7 at the end of 2009.

Carefully selected Capex on assets in the portfolio represented €6.1 million in the first half of 2010. The arbitrage plan decided at the start of 2009 resulted in asset sales of €48.3 million between 1 January and 30 June 2010. Combined with work to restructure credit facilities, in particular short-term loans, these asset sales enabled MRM to reduce its bank debt by €38.6 million. It now has no debt maturing in 2010 (as of 31 December 2009, MRM still had €124.8 million of bank debt maturing in 2010).

Operations

Office portfolio

Despite the negative impact of the indexation of rents, the net annualised rents[4] for the **stabilised office** portfolio represented €11.6 million as of 1 July, a similar level (+0.1%) to that on 1 January 2010 restated for asset sales carried out over the period. As of 30 June, the occupancy rate for stabilised offices remained high at 94% compared with 95% as of 31 December 2009.

During the first half of the year, the Group invested €3.9 million in development programmes related to **offices with value-added opportunities**. Indeed, Phase I of redevelopment works on Nova in La Garenne-Colombes (92) has been completed; the property is being marketed; and the letting will determine the start of Phase II works. Concerning Urban in Montreuil (93), the commitment of the value-enhancement programme will depend on its pre-letting. Other buildings for which the renovation Capex programmes are now completed are being marketed, namely Cytéo in Rueil-Malmaison (92), Delta in Rungis (94), Solis in Les Ulis (91) and Cap Cergy in Cergy-Pontoise (95). The net annualised rents[4] for this portfolio as a whole remained stable relative to 1 January 2010 at €1.3 million. The occupancy rate fell from 20% as of 31 December 2009 to 15% as of 30 June, notably following the departure of the tenant that had signed a short-term lease and partly occupied Solis. During the first half of the year, three new leases[5] were signed for Delta in Rungis representing an annual rental income of €0.2 million.

Retail portfolio

Despite the negative impact of the indexation of rents, the net annualised rents[4] for the **stabilised retail** portfolio amounted to €10.3 million as of 1 July, a similar level to that on 1 January 2010 (restated for asset sales carried out in the first half of the year). This is mainly due to the seven new leases[5] signed in the first half of the year representing an annual rental income of €0.5 million. As of 30 June, the occupancy rate for stabilised retail properties remained at the same high level as at the end of 2009, i.e. 95%.

During the first half of the year, €0.6 million was invested in Capex programmes on **retail assets with value-added opportunities**, concerning primarily the redevelopment works of 2,000 sqm at

[3] Value excluding transfer taxes, based on appraisals as of 30 June 2010 performed by Catella (offices) and Savills (retail) and including held-for-sale assets recognised in accordance with IFRS5
[4] Excluding taxes, charges, rent-free periods and improvements
[5] New leases or leases renegotiated under improved terms

La Galerie du Palais located in the centre of Tours (37). The redeveloped units were delivered over the summer to two retailers - La Grande Récré and Fuxia – which are due to open to the public in September/October. A total of four new leases[5] were signed for the portfolio of retail value-added opportunities over the first six months of the year representing an annual rental income of €0.3 million. The net annualised rents[4] totalled €1.6 million as of 1 July 2010. The occupancy rate was 82% compared with 87% at the end of 2009, reflecting the vacating of premises in Tours to allow for redevelopment works to be carried out at La Galerie du Palais.

Portfolio as of 30 June 2010

During the first half of the year, the value[3] of MRM's portfolio decreased by €42.7 million from €491.8 million as of 31 December 2009 to €449.1 million as of 30 June 2010. This is the result of Capex of €6.1 million in value-enhancement works, coupled with asset sales of €48.3 million carried out during the first half of 2010, namely:

- Freehold properties operated as Pizza Hut restaurants in the Paris region, representing a total area of 1,900 sqm and an amount excluding transfer taxes of €6.5 million (February 2010);
- A 1,200 sqm retail property in Brétigny-sur-Orge (91) representing an amount excluding transfer taxes of €2.4 million (April 2010);
- A company owning two office buildings in Clichy-la-Garenne (92) and Levallois-Perret (92) representing of a total of 10,800 sqm and valued at €39.5 million (June 2010).

Excluding asset sales and Capex, the change in the fair value of the portfolio therefore amounted to -€0.7 million.

Portfolio value[5] In € million as of 30 June 2010	**Offices**	**Retail property**	**Total MRM**
Stabilised assets	162.2	157.5	**319.7**
Value-added opportunities	92.3	37.1	**129.4**
Total MRM	**254.5**	**194.6**	**449.1**

As of 30 June 2010, the value[3] of MRM's property portfolio is split as follows: 57% office properties, all in the Paris region, and 43% retail properties in the Paris region and provinces. The stabilised assets account for 71% of the portfolio and the assets with value-added opportunities for 29%.

The property portfolio as a whole represents a total area of 198,045 sqm, comprising 98,381 sqm of offices and 99,664 sqm of retail property. The occupancy rate of these properties amounts to 71%. As of 1 July 2010, the net annualised rents[4] reach €24.9 million.

First half 2010 results

As a result of the asset sales carried out, MRM sustained a 5.4% fall in the consolidated revenues in the first half of 2010 to €14.4 million. On a like-for-like basis[1], the gross rental income remained virtually stable (-0.3%) compared with the first half of 2009. This stability relates to both office properties (-0.5%) and retail properties (-0.1%).

For **office** properties (55% of revenues), the additional rental income relating to new leases coming into effect - including those concerning the Carré Vélizy mixed-use development in Vélizy-Villacoublay (78) - made up for the negative impact of the indexation of rents, as well as the revision of ERDF's rents at Rueil-Malmaison (92) and Puteaux (92) following the early renewal of the corresponding leases for a firm period of seven years.

For **retail** properties (45% of revenues), the rental income benefited from the lease renewal campaign for the shopping mall at the Carrefour shopping centre in Ecole-Valentin (25) and the arrival of new tenants, particularly at the Marques Avenue A6 outlet centre in Corbeil-Essonnes (91). This made up for the negative effect of the indexation of rents and the vacating of premises, particularly in Tours (37) in order to allow for renovation works to begin at La Galerie du Palais.

Simplified IFRS income statement In € million	H1 2009	**H1 2010**	% change
Gross rental income	15.2	**14.4**	-5.4%
. of which Offices	8.0	7.9	-1.2%
. of which Retail	7.2	6.5	-9.7%
Property expenses	(1.8)	(1.6)	-11.1%
Net rental income	13.4	**12.8**	-4.6%
Operating income and expenses	(2.6)	(3.0)	+15.4%
Current operating income	10.8	**9.8**	-9.6%
Net book value of assets disposed	0.0	(2.9)	
Change in fair value of investment properties	(26.6)	(0.7)	
Operating income	(15.8)	**6.2**	
Net cost of debt	(7.7)	(5.1)	-33.8%
Other financial expenses	(1.1)	(1.6)	
Net income before tax	(24.6)	**(0.5)**	
Taxes	(0.1)	(0.1)	
Consolidated net income	(24.7)	**(0.6)**	
Net earnings per share (€)	(7.1)	**(0.1)**	

(A limited review has been performed by auditors on these results)

The net rental income (after non-recovered property expenses) amounted to €12.8 million. Over the period, MRM benefited from non-recurring operating income of €0.3 million. Reflecting MRM's policy of cutting costs, operating expenses decreased by 18.5% from €3.8 million in the first half of 2009 to €3.1 million in the first half of 2010. The current operating income fell by 9.6% to €9.8 million from €10.8 million in the first half of 2009.

Taking into account the (non-cash) expense of €2.9 million related to the disposal of assets and the limited change in the fair value of its portfolio (-€0.7 million), the operating income came to €6.2 million compared with a loss of €15.8 million in the first half of 2009. Indeed, in the first half of 2009, MRM was subject to a downward adjustment of €26.6 million in the fair value of its property assets.

Against the backdrop of continuing low interest rates and in view of the reduction in bank debt, MRM's net cost of debt decreased further to €5.1 million compared with €7.7 million in the first half of 2009. Overall, the Group sustained a net loss of €0.6 million in the first half of 2010 (equal to a loss of €0.1 per share) compared with a loss of €24.7 million in the first half of 2009.

Net operating cash flow[2]

Despite the fall in the rental income related to the asset sales carried out, the net operating cash flow[2] amounted to €4.5 million compared with €2.8 million in the first half of 2009, increasing sharply over the period, thanks in particular to the reduction in operating expenses and net financial expenses.

Balance sheet, cash flow and NAV

Whilst the value[3] of the investment properties went up from €287.3 million to €292.8 million during the first half of the year, the drop in assets held for sale from €204.6 million to €156.3 million reflects the progress achieved in the arbitrage plan.

In April 2010, MRM carried out a major refinancing operation by means of the arrangement of a new €91.2 million bank loan used to repay a credit line of €93.7 million maturing in April 2010. The new facility, secured against a portfolio of retail properties, comprises an €85.8 million tranche maturing in 2015 and a second €5.4 million tranche maturing in 2011.

Furthermore, the sale at the end of June 2010 of a company owning two office properties in Clichy-la-Garenne (92) and Levallois-Perret (92) valued at €39.5 million enabled the Group to free itself from a bank loan maturing in August 2010, while also contributing to its cash requirements. As a result, MRM no longer has any bank debt maturing in 2010.

As of 30 June 2010, the Group's bank debt came to a total of €356.0 million, a reduction of €38.6 million compared with 31 December 2009. Bank debt represents 79.3% of the value of the portfolio. The average margin of debt is 150 basis points (excluding set-up costs). It is 100% hedged by financial instruments such as caps. MRM also benefits from a €54 million bond maturing at the end of 2013.

IFRS simplified balance sheet In € million	**31.12.2009**	**30.06.2010**
Investment properties	287.3	292.8
Assets held-for-sale	204.6	156.3
Current receivables/assets	18.4	19.1
Cash and cash equivalents	9.5	14.8
Total assets	**519.7**	**483.0**
Equity	37.4	36.8
Issued bonds	54.0	54.0
Bank loans	394.6	356.0
Other debts/liabilities	33.7	36.2
Total equity and liabilities	**519.7**	**483.0**

(A limited review has been performed by auditors on these results)

During the first half of the year, Capex represented outflows of €6.1 million. The Group's net cash position increased by €5.3 million from €9.5 million as of 31 December 2009 to €14.8 million as of 30 June 2010, mainly thanks to the asset sales carried out over the period.

As of 30 June 2010, the liquidation NAV was €10.6 per share and replacement NAV was €17.2 per share.

Net asset value	**31.12.2009**	**30.06.2010**
Liquidation NAV per share	€10.7	**€10.6**
Replacement NAV per share	€18.1	**€17.2**

Recent events and outlook

At the end of July 2010, MRM sold the 10,600 sqm Crysalis office building in Nanterre (92) for a price of €49.2 million excluding transfer taxes. Allocated to the repayment of a credit facility maturing in 2012, the proceeds from the sale of this property have enabled MRM to continue to substantially reduce its bank debt, which now stands at €307.8 million. This transaction brings the total amount of assets sold since MRM implemented its arbitrage plan at the start of 2009 to €120.2 million, such disposals having generated overall available cash of €11.5 million after the repayment of the bank loans allocated to the assets and the payment of expenses related to the disposals.

Regarding the outlook, MRM expects to generate a positive net operating cash flow over the second half of 2010.

Jacques Blanchard, Chairman and Chief Executive Officer of MRM, comments: ***"The plan to adjust our operations implemented since the end of 2008 has been efficiently conducted since the start of the year, with significant progress made in particular in restructuring our bank loans and carrying out further asset sales. Following the correction seen in 2009, the value of our portfolio demonstrated its resilience in the first half of the year, attesting the quality of our assets. We now have greater room for manoeuvre which allows us to prepare for the market upturn."***

The 2010 interim financial report is available on www.mrminvest.com website, in the "AMF regulated information" section.

Calendar

Revenues for the third quarter of 2010 will be published on 10 November 2010 before market opening.

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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