Press release

First half 2011 results

- **Gross rental income of €9.5m (+2% like-for-like[1])**
- **Net operating cash flow[2] close to breakeven (-€0.6m)**
- **Completion of 2011 bank debt restructuring**
- **Consolidated net income of €18.0m**
- **Bank Loan to Value ratio reduced to 71.6%**
- **Liquidation NAV of €10.5 per share**

Paris, 15 September 2011: 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 2011, ended on 30 June 2011.

Summary

The first half of 2011 was characterised primarily by the restructuring of a €83.6 million credit facility maturing in September 2011, allowing MRM to improve its balance sheet structure following the debt reduction initiated thanks to the major arbitrage plan carried out in 2009 and 2010. Following the extension of another €26.5 million credit facility maturing in July 2011, MRM has then further relieved itself of nearly all of its bank loans falling due in 2011. During the first half of 2011, MRM's bank debt decreased by €32.4 million to €238.9 million at 30 June 2011.

These agreements are coupled with the setting up of new credit facilities dedicated specifically to the partial financing of works at office buildings, chiefly Nova in La Garenne-Colombes (92) and Solis in Les Ulis (91). These two developments account for the bulk of the investment planned for the period

[1] Revenues on a like-for-like basis are calculated by deducting from the reported revenues of the current year the rental income generated by acquired assets and deducting from the revenues reported for the previous year the rental income generated by sold assets.
[2] Net operating cash flow = net income before tax adjusted for non-cash items

from 2011-12. In addition, MRM will benefit from net cash generated by asset sales already planned between now and the end of the year. In June 2011, MRM signed a preliminary sales agreement for a complex of office buildings in Boulogne-Billancourt (92), which is due to be reiterated at the end of September 2011. In addition, the completion of the sale of a company owning two stabilised office buildings in Rueil-Malmaison (92) and Puteaux (92) is planned for the end of October 2011.

During the first half of 2011, MRM invested €3.5 million and sold €5.4 million of retail properties. The value of the portfolio rose from €339.7 million at 31 December 2010 to €333.6 million at 30 June 2011, representing a reduction in fair value of €4.2 million. Excluding the impact of asset sales, the value of the portfolio remained stable (-0.2%).

Gross rental income generated in the first half of the year fell to €9.5 million as a result of asset sales carried out in 2010. On a like-for-like basis, gross rental income increased by 2.0% relative to the first half of 2010 thanks to strong rental activity in retail properties.

MRM generated current operating income of €4.7 million compared with €9.5 million in the first half of 2010. The restructuring of debt maturing in September 2011 resulted in recognition of financial income of €23.9 million, leading MRM to generate net income of €18.0 million. MRM's equity therefore increased from €18.8 million at end-December 2010 to €36.9 million at end-June 2011. Liquidation NAV was €10.5 per share at 30 June 2011 compared with €5.4 per share at 31 December 2010. Thanks to the debt reduction carried out, the bank Loan to Value (LTV) ratio improved from 79.9% at end-December 2010 to 71.6% at end-June 2011. As expected, MRM generated net operating cash flow close to breakeven in the first half of 2011 (-€0.6 million).

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Operations

Office portfolio

Net annualised rental income[3] for the **stabilised office** portfolio was €8.6 million at 1 July 2011, an increase of 2.4% relative to 1 January 2011. During the first half of the year five new leases[4] were signed, representing annual rental income of €0.6 million. The occupancy rate for stabilised offices improved further to 98% at 1 July 2011 compared with 95% at 1 January 2011.

On 10 June 2011, the Group signed a preliminary sales agreement concerning offices in Boulogne-Billancourt (92) for €10.3 million excluding transfer taxes. This agreement is due to be reiterated in late September 2011.

The Group invested €3.2 million during the first half of the year in programmes relating to its portfolio of **value-added office assets**. Phase II of restructuring works at the Nova building in La Garenne-Colombes (92) has begun, with completion planned for the first half of 2012. Works to adapt the Solis building in Les Ulis (91) to the tenant's requirements are also in progress and due to be completed in the fourth quarter of 2011. With the tenant having moved into the premises in early September, the lease - which covers the entire building – is already in force. It is contractually due to come into effect on 1 December for a term of nine years, including a firm period of six years.

During the first half of the year, the marketing of vacant space at multi-tenant buildings such as Delta in Rungis (94) continued. Two new leases 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 renegociated on improved terms

Net annualised rental income for the entire sub-portfolio of **value-added office assets** was €1.3 million at 1 July 2011 compared with €1.2 million at 1 January 2011. The occupancy rate at 1 July 2011 was 16%.

Retail portfolio

Net annualised rental income for the **retail** portfolio came to €8.4 million at 1 July 2011, an increase of 5.1% relative to 1 January 2011 (adjusted for asset sales carried out during the first half of the year). During the first half of the year six new leases were signed, representing annual rental income of €0.2 million. At 1 July 2011, the retail portfolio occupancy rate remained at a high level of 93%.

Portfolio at 30 June 2011

The value[5] of MRM's portfolio decreased by €6.1 million during the first half of the year from €339.7 million at 31 December 2010 to €333.6 million at 30 June 2011. This reflects the sale of five retail properties for €5.4 million during the first half of 2011, as well as investment in value-enhancement works of €3.5 million. Excluding asset sales and investment, the change in the fair value of the portfolio was -€4.2 million. Adjusted for asset sales, the value of the portfolio remained stable (-0.2%).

Portfolio value In € million	**30.06.2011**	31.12.2010 adjusted for asset sales	31.12.2010
Stabilised offices	**116.4**	116.6	116.6
Office value-added opportunities	**77.0**	80.8	80.8
Retail property	**140.3**	137.0	142.4
Total MRM	**333.6**	**334.4**	**339.7**

At end-June 2011, the value of MRM's property portfolio was split as follows: stabilised office properties 35%, value-added office assets 23% and retail properties 42%. While all office properties are in the Paris region, the Group's retail properties are in the Paris region and the provinces.

The property portfolio as a whole represents a total area of 167,079 sqm, with an average portfolio occupancy rate of 68%. Excluding office value-added assets, the occupancy rate is 94%. At 1 July 2011, total net annualised rental income came to €18.3 million.

First half 2011 results

MRM generated consolidated revenues of €9.5 million in the first half of 2011, of which 50% relates to gross rental income from offices and 50% from retail property. The decline in consolidated revenues relative to the first half of 2010 (€14.4 million) reflects primarily the major programme of asset sales carried out in 2010. On a like-for-like basis[3], gross rental income rose by 2.0%.

[5] Value excluding transfer taxes, based on appraisals as of 30 June 2011 performed by Catella (offices) and Savills (retail) and including held-for-sale assets recognised in accordance with IFRS

On a like-for-like basis, revenues from office properties fell by 0.8%, relating primarily to the revision of rents for two leases at Rueil-Malmaison (92) and Puteaux (92) following their early renewal for a firm period of seven years, as well as movements by tenants. New leases[6] coming into effect only partly made up for the vacating of certain premises.

On a like-for-like basis, retail property revenues rose by 5.0%. The vacating of premises - particularly in Tours (37) in order to allow for the start of renovation works at the Galerie du Palais - was largely offset by new leases[6] coming into effect.

Simplified IFRS income statement In € million	**H1 2011**	H1 2010	% change	*% change lfl*
Gross rental income	**9.5**	14.4	-34.2%	*+2.0%*
. of which Retail	4.8	6.5	-26.5%	*+5.0%*
. of which Offices	4.7	7.9	-40.3%	*-0.8%*
Property expenses	(1.3)	(1.6)	-20.0%	
Net rental income	**8.2**	12.8	-35.9%	
Current operating income and expenses	(3.5)	(3.4)	+3.4%	
Current operating income	**4.7**	9.5	-49.9%	
Net book value of assets sold	1.0	(2.9)		
Change in fair value of investment properties	(4.2)	(0.7)		
Other operating income and expense	(0.6)	0.3		
Operating income	**1.0**	6.2	-84.0%	
Net cost of debt	(4.4)	(5.1)	-13.6%	
Other financial income (expense)	21.5	(1.6)		
Net income before tax	**18.1**	(0.5)		
Taxes	(0.0)	(0.1)		
Consolidated net income	**18.0**	(0.6)		
Net earnings per share (€)	**5.19**	(0.17)		

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

Net rental income (after non-recovered property expenses) amounted to €8.2 million. Current operating expenses increased by 3.4% from €3.4 million in the first half of 2010 to €3.5 million in the first half of 2011. Current operating income fell by 50% to €4.7 million compared with €9.5 million in the first half of 2010, reflecting the programme of asset sales carried out.

Having benefited from non-recurring operating income of €0.3 million in the first half of 2010, MRM incurred non-current operating expenses of €0.6 million in the first half of 2011. Taking account of income of €1.0 million relating to the disposal of assets corresponding to earn-out payments on the sale of the Marques Avenue A6 factory outlet centre in December 2010 and the change in the fair value of the portfolio (-€4.2 million), operating income came to €1.0 million compared with €6.2 million in the first half of 2010.

In view of the reduction in bank debt and despite the rise in interest rates, MRM's net cost of debt decreased by 13.6% from €5.1 million in the first half of 2010 to €4.4 million. The restructuring agreement signed on 17 February 2011 concerning a €83.6 million credit facility resulted in the recognition of financial income of €23.9 million. This restructuring agreement also resulted in consulting fees that make up the total amount of other financial expenses of €1.3 million. Overall, other financial income and expenses represented income of €21.5 million compared with an expense of €1.6 million in the first half of 2010.

Net income for the first half of 2011 therefore came to €18.0 million - equal to €5.19 per share - compared with a net loss of -€0.6 million in the first half of 2010.

Net operating cash flow[2]

The fall in EBITDA from €10.0 million in the first half of 2010 to €5.3 million in the first half of 2011 reflects mainly the reduction in net rental income relating to asset sales carried out. While MRM benefited from a reduction of €1.2 million in net financial expenses, it had to pay out professional fees of €1.3 million relating to the major bank debt restructuring agreement. Net operating cash flow[2] came to -€0.6 million compared with €4.5 million in the first half of 2010.

Balance sheet, cash position and NAV

While the value of investment properties rose from €267.9 million to €282.2 million during the first half of the year, assets held for sale represented just €51.4 million compared with €71.8 million at 31 December 2010.

MRM's bank debt stood at €238.9 million at the end of the first half of 2011 compared with €271.3 million at 31 December 2010. This reduction of €32.4 million is mainly thanks to the major restructuring agreement signed in February 2011. Repayments made to banks within the framework of asset sales and the various contractual amortizations made in the first half of the year also helped to reduce the Group's debt.

On 9 June 2011, MRM announced the signature of an agreement concerning extending by three years the maturity of a €26.5 million credit facility secured against a portfolio of office properties. The maturity date of this credit facility has now been extended from July 2011 to June 2014. As a result of the agreement, MRM's debt maturing in 2011 stood at just €2.8 million at 30 June 2011.

Bank debt now represents 71.6% of the value of the portfolio compared with 79.9% at the end of 2010. The average margin of debt is 171 basis points (excluding set-up costs). 100% of variable-rate debt is 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	**30.06.2011**	**31.12.2010**
Investment properties	282.2	267.9
Assets held for sale	51.4	71.8
Current receivables/assets	19.7	170.1
Cash and cash equivalents	6.4	12.2
Total assets	**359.7**	**369.0**
Equity	36.9	180.8
Issued bonds	54.0	54.0
Bank loans	238.9	271.3
Other debts/liabilities	29.9	24.9
Total equity and liabilities	**359.7**	**369.0**

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

Cash and cash equivalents decreased by €5.8 million from €12.2 million at 31 December 2010 to €6.4 million at 30 June 2011, notably as a result of investment for an amount of €3.5 million in the first half of the year.

Thanks to net income generated over the period, MRM's equity increased to €36.9 million compared with €18.8 million at the end of 2010.

At 30 June 2011, liquidation NAV was €10.5 per share compared with €5.4 per share six months earlier, while replacement NAV was €15.9 per share compared with €10.9 per share six months earlier.

Net asset value	30.06.2011	31.12.2010
Liquidation NAV per share	**€10.5**	€5.4
Replacement NAV per share	**€15.9**	€10.9

Recent events and outlook

On 1 July 2011, MRM signed a lease agreement with Pôle emploi, the French public employment service, for the Cap Cergy multi-tenant property in Cergy-Pontoise (95). The nine-year lease, including a firm period of six years, concerns an area of 2,800 sqm (out of a total of 12,900 sqm) and is due to take effect in the fourth quarter of 2011 after works currently in progress are completed by the owner.

On 5 August 2011, MRM signed an agreement concerning the sale of two fully let office buildings in Puteaux (92) and Rueil-Malmaison (92). This transaction, which will be completed in the fourth quarter of 2011 in the form of the sale of the wholly-owned subsidiary of MRM owning the properties, is based on a valuation of €39.6 million for the two buildings.

As a result of all of these asset sales, MRM will generate net cash of €8.3 million after disposal costs and repayment of bank loans secured against these assets.

As regards the outlook, MRM's priority plan is to complete redevelopment works at the Nova building in La Garenne-Colombes (92) and works to adapt the Solis building in Les Ulis (91) to the needs of the tenant, as well as owner's works in Cap Cergy in Cergy-Pontoise (95) following the signature of the lease with Pôle emploi. Planned capex over the period from July 2011 to the end of 2012 amounts to a total of €21.9 million (excluding interest to be capitalised). To achieve this, MRM benefits from additional credit facilities of a total of €9.9 million made available by banks during the recent restructuring and renegotiation of bank loans maturing in 2011.

In the second half of 2011, MRM expects to generate net operating cash flow close to breakeven.

Jacques Blanchard, Chairman and Chief Executive Officer of MRM, comments: ***"Having successfully made the necessary adjustments to our operations in 2009 and 2010 and then finalised the restructuring of our short-term bank debt during the first half of the year, 2011 constitutes a transition year for MRM. With our overhauled balance sheet and forthcoming completion of value-enhancement works at properties in our portfolio, the Board of Directors is continuing to work on deciding MRM's future strategic options. On an operating level, in addition to the letting of vacant premises, our priority is now to finish the works initiated at three of our office properties, in particular the Nova building in La Garenne-Colombes. The announced sales of some of our stabilised properties will contribute to the financing of these works".***

The 2011 interim financial report is available on the www.mrminvest.com website, in the "AMF regulated information" section.

Calendar

Revenues for the third quarter of 2011 will be published on 10 November 2011 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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