



Press release

2015 full-year results

- **Gross rental income up 5.2% on a like-for-like basis¹**
- **Sharp rise in consolidated net income to €7.3m**
- **Net operating cash flow² up 8.9%**
- **Significant improvement in net LTV ratio to 43.2%**
- **Proposed dividend³ of €0.10 per share**

Paris, 26 February 2016: MRM (Euronext code ISIN FR0000060196), a real estate company specialising in retail and office property, today announced its results for the financial year ended 31 December 2015. This publication follows the review and approval of the audited financial statements⁴ by MRM's Board of Directors at its meeting of 25 February 2016.

Portfolio of €226.0 million at 31 December 2015

The value⁵ of MRM's portfolio was €226.0 million at 31 December 2015, compared with €232.2 million at 31 December 2014. This change reflects in particular the sale in 2015 of another office property, the Plaza building in the 12th arrondissement of Paris at a price of €16.8 million excluding transfer taxes. Restated for the effect of this disposal, the value of the portfolio increased by 4.6%.

Investment totalled €4.6 million in 2015 (including €3.8 million for the office portfolio) and the fair value of the portfolio increased by €5.3 million relative to 31 December 2014.

¹ Revenues are calculated on a like-for-like basis by deducting the rental income generated by acquired assets from the revenues reported for the current year and deducting the rental income generated from assets sold from the revenues reported for the previous year.

² Net operating cash flow = consolidated net income before tax adjusted for non-cash items.

³ Proposed payout of dividends and premiums in respect of the 2015 financial year, subject to approval by shareholders at the annual general meeting to be held on 2 June 2016.

⁴ Audit procedures have been performed and audit reports are currently being issued.

⁵ Value excluding transfer taxes based on valuations at 31 December 2015 performed by Jones Lang LaSalle, including assets held for sale, which are recognised in accordance with IFRS 5.

Value ⁵ of MRM's portfolio	31.12.2015		31.12.2014 €m	Like-for-like ⁶ change
	€m	% of total		
Retail	144.0	64%	144.1	-0.1%
Offices	82.0	36%	88.1	+13.9%
Total MRM	226.0	100%	232.2	+4.6%

Retail

The value⁵ of the retail portfolio remained broadly unchanged relative to 31 December 2014, reflecting contrasting trends within the asset portfolio and incorporating the impact of value-enhancement plans according to the implementation stage for each asset.

Over the course of the year, 16 new leases or lease renewals were signed, representing an annual rental income of €1.0 million. The occupancy rate for the retail portfolio remained stable, standing at 82% as at 1 January 2016.

The annualised net rental income for retail properties was €7.8 million as at 1 January 2016, down 5.3% compared with €8.3 million at 1 January 2015. This reflects the freeing up of some premises which was not fully compensated by new lettings as well as the adjustments of rental conditions granted by MRM to certain tenants on renewal of their leases.

Offices

On a like-for-like basis⁶, the value⁵ of the office portfolio increased significantly relative to 31 December 2014, up 13.9%. This reflects in particular progress made in the letting of three buildings with high vacancy rates at the beginning of the year, as well as the completion of renovation works in two of these three buildings.

Over the course of the year, 16 leases were signed corresponding to annual rental income of €1.7 million. Leases signed within the Cytéo building in Rueil-Malmaison came into effect in 2015 and took its occupancy rate to 80%. At 1 January 2016, the occupancy rate for the entire portfolio of office buildings in operation was 74% compared with 63% a year earlier, on a like-for-like basis⁶. Leases signed within the Cap Cergy building in Cergy-Pontoise represent a total floor area of 8,630 sqm and will all come into effect in the first quarter of 2016, taking the occupancy rate for the building from 27% to 95%. A new lease signed within the Nova building will take its occupancy rate to 68% in the first quarter 2016.

At 1 January 2016, the annualised net rental income for office properties in operation was €4.3 million, compared with €3.2 million at 1 January 2015 on a like-for-like basis⁶.

Like-for-like increase in rental income and positive net income

Consolidated revenues	2015		2014 €m	Change (reported)	Like-for-like change ¹
	€m	% of total			
Retail	9.3	68%	9.3	+0.6%	+0.6%
Offices	4.3	32%	5.2	-17.6%	+16.6%
Total gross rental income	13.6	100%	14.5	-6.0%	+5.2%

⁶ Adjusted for disposals carried out in 2015.

Gross rental income totalled €13.6 million in 2015, down 6.0% on a reported basis but up 5.2% like-for-like¹.

Gross rental income from retail properties increased very slightly, up 0.6%. Gross rental income from office properties fell by 17.6% on a reported basis due to disposals of office properties since 1 January 2014, but increased by 16.6% on a like-for-like¹ basis thanks to new lettings.

Non-recovered property expenses amounted €3.9 million, hence net rental income came to €9.8 million, down 12.1% on a reported basis.

Thanks to a tight control of operating expenses, current operating income was €6.1 million, down 7.5%. Given a €4.1 million⁷ increase in the fair value of the portfolio and a net cost of debt of €2.3 million, MRM's net income was positive at €7.3 million, compared with a loss of €6.8 million in 2014.

Increase in net operating cash flow

Net operating cash flow² €m	2015	2014	<i>Change</i>
Net rental income	9.8	11.1	-12.1%
Operating expenses	(3.1)	(4.2)	-24.6%
Other operating income and expense	(0.0)	(0.2)	n/a
Gross operating income	6.7	6.8	-1.5%
Net cost of debt	(2.3)	(2.7)	-15.9%
Other financial income and expense	0.0	0.0	n/a
Net operating cash flow	4.4	4.0	+8.9%

Operating expense decreased by 24.6% to €3.1 million, mainly as a result of the set-up of a new in-house organisation for retail property asset management. Gross operating income fell slightly to €6.7 million compared with €6.8 million in 2014, despite the asset disposals carried out since 1 January 2014.

The net cost of debt decreased by a further 15.9% to €2.3 million. MRM therefore generated a net operating cash flow of €4.4 million compared with €4.0 million in 2014.

Solid balance sheet

MRM had cash and cash equivalents of €13.4 million at 31 December 2015 compared with €22.4 million at 31 December 2014. Taking account the sale of the Plaza building and contractual repayments, bank debt decreased by €20.5 million. In total, MRM saw a reduction in net debt of 10.5% relative to 31 December 2014, reaching a level of €97.6 million. The net LTV ratio improved significantly over the course of the year to 43.2% at 31 December 2015 compared with 47.0% at 31 December 2014.

Since the end of the financial year, MRM refinanced a €27.2 million bank debt that had reached maturity by taking out a new loan of €22.0 million. The remaining amount to be repaid was taken from the Group's cash. The Group's total debt is therefore €105.3 million at 26 February 2016.

⁷ Amount net of reclassification of rent-free periods to be staggered for an amount of €1.2 million.

As a result in particular of the dividend⁸ paid in respect of the 2014 financial year (-€4.4 million), net operating cash flow generated during the year (+€4.4 million) and the change in the fair value of properties (+€4.1 million), EPRA NNAV increased to €126.5 million compared with €123.6 million at 31 December 2014.

Net Asset Value	31.12.2015		31.12.2014	
	total €m	per share €	total €m	per share €
EPRA NNAV	126.5	2.90	123.6	2.83
Replacement NAV	140.0	3.21	137.2	3.14
<i>Number of shares (adjusted for treasury stock)</i>	43,612,702		43,624,766	

Outlook and dividend

With the sale of another office property in the course of the year, MRM is continuing with its strategy of gradually refocusing on its retail property business. Four out of the nine office buildings owned by MRM in June 2013 have been sold, while a preliminary sales agreement has been signed for another office property. The significant improvement in the rental situation for the office portfolio will help with the process of withdrawing from the office sector, which MRM aims to achieve in late 2016.

With its solid balance sheet, MRM has launched an investment plan in order to benefit from the value-enhancement potential of its retail properties. The Group recently started restructuring and repositioning works at Les Halles shopping centre in Amiens. Out of a total of €32 million of projected investments for the entire retail portfolio, €8 million should be incurred over the next six months.

MRM's Board of Directors has decided to propose the payment of a dividend³ of €0.10 per share for 2015. This amount will be subject to approval at the annual general meeting to be held on 2 June 2016.

Calendar

Revenues for the first quarter of 2016 are due on 12 May 2016 before market opening. MRM's annual general meeting will take place on 2 June 2016.

About MRM

MRM is a listed real estate company with a portfolio worth €226.0 million (excluding transfer taxes) as at 31 December 2015, comprising retail properties (64%) and offices (36%). Since 29 May 2013, SCOR SE has been MRM's main shareholder, holding a 59.9% stake.

MRM is listed in compartment C of NYSE Euronext Paris (ISIN: FR0000060196 - Bloomberg code: MRM: FP - Reuters code: MRM.PA) and opted for the SIIC status on 1 January 2008.

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Appendix 1: Simplified IFRS income statement

Simplified IFRS income statement €m	2015	2014	<i>Change</i>
Gross rental income	13.6	14.5	-6.0%
Non-recovered property expenses	(3.9)	(3.4)	+14.2%
Net rental income	9.8	11.1	-12.1%
Operating expenses	(3.1)	(4.2)	-24.6%
Provisions net of reversals	(0.6)	(0.4)	n/a
Current operating income	6.1	6.6	-7.6%
Net gains/(losses) on disposal of assets	(0.1)	(2.2)	n/a
Change in fair value of properties	4.1	(6.9)	n/a
Other operating income and expense	0.0	(0.6)	n/a
Operating income	10.1	(3.1)	n/a
Net cost of debt	(2.3)	(2.7)	-15.9%
Other financial income and expense	(0.5)	(0.9)	n/a
Net income before tax	7.3	(6.8)	n/a
Income tax	(0.0)	(0.1)	n/a
Consolidated net income	7.3	(6.9)	n/a

Appendix 2: Quarterly rental income

Consolidated revenues €m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q4 2014	<i>Q4 change</i>	Q4 change like-for-like
Retail	2.33	2.44	2.30	2.27	2.32	-2.0%	-2.0%
Offices	1.23	1.03	0.99	1.06	1.17	-10.0%	+6.2%
Total gross rental income	3.56	3.47	3.29	3.33	3.49	-4.7%	+0.5%

Appendix 3: Balance sheet at 31 December 2015

Simplified IFRS balance sheet €m	31.12.2015	31.12.2014
Investment properties	216.3	212.4
Assets held for sale	9.7	19.8
Current receivables/assets	8.4	10.4
Cash and cash equivalents	13.4	22.4
Total assets	247.8	265.0
Equity	126.6	123.7
Financial debt	111.0	131.5
Other debt/liabilities	10.2	9.8
Total equity and liabilities	247.8	265.0

Appendix 4: Asset disposals since 2013

Assets sold	Date of sale	Price excl. transfer taxes (€m)
Office building, Rue de la Bourse, Paris (2 nd arrondissement)	December 2013	10.4
Office building, Rue Cadet, Paris (9 th arrondissement)	April 2014	12.0
Delta office complex, Rungis	September 2014	10.5
Plaza office building, Rue de la Brèche-aux-Loups, Paris (12 th arrondissement)	April 2015	16.8

