Press release

2011 Full-year results

- **Gross rental income of €18.5m (+5.4% like-for-like[1])**
- **Consolidated net income of €2.5m**
- **25% reduction in bank debt and bank LTV ratio lowered to 70%**
- **Liquidation NAV of €6.1 per share**

Paris, 28 February 2012: MRM (Euronext ISIN code FR00000601960060196), a mixed retail/office real estate investment company, announced today its 2011 full-year results.This announcement follows the review of the audited financial statements for the year ended 31 December 2011 by MRM's Board of Directors during its meeting on 24 February 2012.

Summary

2011 was a turning point for MRM, characterised primarily by decisive progress made in the areas of bank debt and asset management.

During the first half of 2011, the Group signed a restructuring agreement for a €83.6 million credit facility maturing in September, as well as an agreement to extend another €26.5 million credit facility maturing in July. While clearing MRM of almost all of its bank commitments falling due in 2011, and extending the maturing of its debt, these agreements were coupled with the provision of two additional credit facilities of a total of €9.9 million to finance the last asset value-enhancement programmes in MRM portfolio. MRM was therefore able to invest €17.6 million in 2011, primarily in the offices buildings Nova in La Garenne-Colombes (92), Solis in Les Ulis (91) and Cap Cergy in

[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.

Cergy-Pontoise (95). Disposals of stabilised assets for a total of €55.3 million excluding transfer taxes also contributed to the financing of these investments, while also allowing for further reduction in debt. At the end of 2011, MRM's bank debt had been reduced to €202.2 million from €271.3 million a year earlier, and the amount of bank loans maturing in 2012 stood at just €3.8 million.

The value of the portfolio fell from €339.7 million at 31 December 2010 to €287.5 million at 31 December 2011. In addition to asset disposals, this valuation reflects correction in the fair value of assets of €15.9 million, due primarily to a significant reduction in the value of vacant properties.

Gross rental income fell to €18.5 million in 2011 due to the reduction in the size of the portfolio following the substantial arbitrage programme carried out in 2010 and asset sales in 2011. However, on a like-for-like basis, gross rental income rose by 5.4% relative to 2010 thanks to new retail and office leases coming into effect. During the course of 2011, MRM managed to let 19,327 sqm of space, thereby increasing the average occupancy rate from 68% to 76%.

MRM generated a current operating income of €9.3 million compared with €16.0 million in 2010. Taking account of the negative change in the fair value of the portfolio, net cost of debt (-€9.0 million, down 10.9% relative to 2010) and net financial income of €19.9 million relating to the debt restructuring of February 2011, MRM generated a consolidated net income of €2.5 million compared with a net loss of €18.6 million in 2010. MRM's equity therefore increased from €18.8 million at end-December 2010 to €21.3 million at end-December 2011.

Liquidation Net Asset Value was €6.1 per share at 31 December 2011 compared with €5.4 per share at 31 December 2010. Thanks to the reduction in bank debt, the bank Loan-to-Value (LTV) ratio improved from 79.9% at end-December 2010 to 70.3% at end-December 2011.

MRM generated a slightly negative net operating cash flow[2] of -€1.5 million.

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Operations

Retail portfolio

Net annualised rental income[3] for the **retail portfolio** came to €10.2 million at 1 January 2012, an increase of 5.4% relative to 1 January 2011 restated for changes to the portfolio since this date. During the year, 13 new leases[4] were signed representing annual rental income of €0.6 million. At 1 January 2012, the retail portfolio occupancy rate remained at a high level of 93%.

Changes to the retail portfolio in 2011 were as follows:

. the sale of a five retail properties for €5.4 million excluding transfer taxes in April 2011;
. the inclusion in the portfolio of the Carré Vélizy mixed-use complex, located in Vélizy-Villacoublay (78), which was previously included in the stabilised office portfolio.

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

Office portfolio

Net annualised rental income[3] for the **stabilised office** portfolio was €4.1 million at 1 January 2012, an increase of 2.4% relative to 1 January 2011 (after adjustments relating to changes to the portfolio during the year). During the year, four new leases[4] were signed, representing annual rental income of €1.7 million. The occupancy rate for stabilised offices improved further to 100%.

Changes to the stabilised office portfolio in 2011 were as follows:

- asset sales: MRM sold a group of office properties in Boulogne-Billancourt (92) for €10.3 million excluding transfer taxes in September, as well as two office buildings in Puteaux (92) and Rueil-Malmaison (92) for €39.6 million in October;
- the removal from the portfolio of the Carré Vélizy asset, which is now included in the retail portfolio;
- the inclusion in the portfolio of the Solis asset, located in Les Ulis (91), following completion of the value-enhancement programme (described in the next paragraph).

The Group invested €17.1 million in **offices with value-added opportunities** in 2011. This high investment amount has been financed by net cash from asset sales and new credit facilities.

Two programmes of works were fully completed in 2011:

- Solis, Les Ulis (91): the building underwent works to adapt it to the requirements of the tenant, Telindus, which is occupying the entire premises under a lease that contractually came into effect on 1 December 2011 for a term of nine years, including a firm duration of 6.5 years. As value-enhancement works to the property have been completed, Solis is now included in the stabilised office portfolio.
- Cap Cergy, Cergy Pontoise (95): the complex comprising two adjoining buildings representing a total area of 12,800 sqm underwent works to adapt it to multi-occupant use. In 2011, two leases were signed: the first, with Pôle Emploi for an area of 2,800 sqm, came into effect in December for a term of nine years including a firm duration of six years, and the second, with Enertrag for an area of 600 sqm, came into effect on 1 January 2012. MRM is continuing with the letting of Cap Cergy, which currently has an occupancy rate of 27%.

The final phase of works on the Nova building in La Garenne-Colombes (92), the largest project in MRM's portfolio, began during the first half of 2011 and is due to be completed in March 2012.

The letting of vacant space within multi-tenant office buildings (Cap-Cergy in Cergy Pontoise, Cytéo in Rueil-Malmaison and Delta in Rungis) represents total additional annual rental income of €0.8 million for five leases[4] signed in 2011.

Net annualised rental income[3] for the entire **office value-added opportunities** sub-portfolio was €1.6 million at 1 January 2012, and the occupancy rate reached 35%.

As regards the Urban building in Montreuil (93), a preliminary sales agreement was signed in September in accordance with the decision to sell the property in its current state[5].

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[3] Excluding taxes, charges, rent-free periods and improvements
[4] New leases or leases renegotiated on improved terms
[5] In accordance with the plan agreed within the framework of the debt restructuring agreement of February 2011

Portfolio at 31 December 2011

The value[6] of MRM's portfolio decreased from €339.7 million at 31 December 2010 to €287.5 million at 31 December 2011. This reflects the 31 December 2010 value of the assets sold in 2011, i.e. -€53.9 million, and investment in value-enhancement works of €17.6 million carried out in 2011.
The change in the fair value of the portfolio was -€15.9 million, with contrasting changes depending on the type of property. The value of office value-added assets fell sharply due to vacancies, while the value of other assets - stabilised office and retail assets – increased slightly overall.

Portfolio value[6] In € million	**31.12.2011**	31.12.2010 restated[7]	31.12.2010
Retail properties	**165.6**	162.6	142.4
Stabilised offices	**54.5**	49.3	116.6
Office value-added opportunities	**67.4**	72.1	80.8
Total MRM	**287.5**	**284.0**	**339.7**

At end-December 2011, the value of MRM's property portfolio was split as follows: retail properties 58%, stabilised office properties 19% and value-added office assets 23%. While all office properties are in the Paris region, the Group's retail properties are located in the Paris region and the provinces.

The property portfolio as a whole represents a total area of 153,893 sqm. Despite the sale of stabilised assets, the average occupancy rate for the portfolio was 76% compared with 68% at 31 December 2010. Excluding office value-added assets, the occupancy rate was 94%. At 1 January 2012, total net annualised rental income[3] came to €15.8 million.

2011 results

MRM generated consolidated revenues of €18.5 million in 2011, of which 51% relates to gross rental income from retail properties and 49% from office properties. The decline in consolidated revenues relative to 2010 (€25.3 million) reflects primarily the full impact of the substantial arbitrage programme carried out in 2010, as well as further asset sales in 2011. On a like-for-like basis, gross rental income rose by 5.4%.

On a like-for-like basis, revenues from office properties increased by 5.9%, thanks to new leases coming into effect relating to the letting of vacant premises and, to a lesser extent, a positive rent indexation effect. Retail property revenues rose by 5.0%, thanks to the positive impact of new leases at a number of sites and, to a lesser extent, the positive impact of rent indexation.

[6] Value excluding transfer taxes, based on appraisals as of 31 December 2011 performed by Catella and Savills and including held-for-sale assets recognised in accordance with IFRS 5
[7] Adjusted for changes in the portfolio: asset sales in 2011 and reclassification of assets between sub-portfolios

Simplified IFRS income statement In € million	**2011**	2010	% change	*% change lfl*[1]
Gross rental income	**18.5**	25.3	-27.0%	*+5.4%*
. of which Retail	9.4	12.6	-25.7%	*+5.0%*
. of which Offices	9.1	12.7	-28.2%	*+5.9%*
Non-recovered property expenses	(3.1)	(2.6)	+19.2%	
Net rental income	**15.4**	22.7	-32.2%	
Current operating income and expenses	(6.1)	(6.7)	-8.9%	
Current operating income	**9.3**	16.0	-41.9%	
Net book value of assets sold	(0.6)	(12.1)		
Change in fair value of investment properties	(15.9)	(9.2)		
Other operating income and expense	(1.1)	0.5		
Operating income	**(8.3)**	(4.9)	+69.4%	
Net cost of debt	(9.0)	(10.1)	-10.9%	
Other financial income (expense)	19.9	(3.5)		
Net income before tax	**2.6**	(18.5)		
Tax	(0.1)	(0.1)		
Consolidated net income	**2.5**	(18.6)		
Earnings per share (€)	**0.72**	(5.34)		

Net rental income (after non-recovered property expenses) amounted to €15.4 million. Current operating expenses fell by 8.9% from €6.7 million in 2010 to €6.1 million in 2011. Current operating income fell from €16.0 million in 2010 to €9.3 million in 2011, reflecting the reduction in the size of the portfolio as a result of asset sales.

While MRM benefited in 2010 from non-recurring operating income of €0.5 million, in 2011 non-current operating expenses amounted to €1.1 million. Taking account of the change in the fair value of the portfolio (-€15.9 million), operating income came to -€8.3 million in 2011 compared with -€4.9 million in 2010.

In view of the reduction in bank debt, MRM's net cost of debt decreased by 10.9% from €10.1 million in 2010 to €9.0 million.

In 2011, other financial income totalled €19.9 million compared with other financial expenses of €3.5 million in 2010. This income is mainly related to the restructuring agreement signed on 17 February 2011 concerning a €83.6 million credit facility, which resulted in the recognition of a €23.9 million financial income and generated consulting fees for -€1.4 million.

Net income for 2011 therefore came to €2.5 million - equal to €0.72 per share - compared with a net loss of -€18.6 million in 2010.

Net operating cash flow[2]

EBITDA fell from €16.7 million in 2010 to €9.6 million in 2011. This fall relates primarily to the reduction in net rental income as a result of the smaller portfolio. Net cost of debt decreased by €1.6

million to €9.6 million. Taking account of other financial expenses of -€1.4 million recognised in 2011, corresponding to fees relating to the bank debt restructuring agreement signed in February 2011, net operating cash flow came to -€1.5 million compared with €5.5 million in 2010.

Balance sheet, cash position and NAV

While the value of investment properties fell from €267.9 million to €243.2 million at the end of 2011, assets held for sale represented just €44.3 million at 31 December 2011 compared with €71.8 million at 31 December 2010.

MRM's bank debt was down 25% to €202.2 million at 31 December 2011 compared with €271.3 million at 31 December 2010. This significant reduction is due to the bank debt restructuring agreement signed in February 2011, asset sales (impact of €44.1 million) and contractual amortizations (€3.6 million).

Furthermore, in June 2011, MRM signed an agreement to extend by three years the maturity of a €26.5 million credit facility initially maturing in July 2011.

In total, the renegotiations and repayments of bank loans made in 2011 enabled MRM to extend the maturity of its bank debt and clear itself of the majority of its bank debts falling due until 2013. At end-December 2011, debts falling due in 2012 amounted to just €3.8 million.

At 31 December 2011, bank debt represented 70.3% of the value of the portfolio compared with 79.9% at end-2010. The average margin on this debt is 148 basis points (excluding the impact of 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. Payment of bond interests was resumed in early 2011 after being interrupted in 2009 and 2010.

Simplified IFRS balance sheet In € million	**31.12.2011**	**31.12.2010**
Investment properties	243.2	267.9
Assets held for sale	44.3	71.8
Current receivables/assets	12.0	17.1
Cash and cash equivalents	2.4	12.2
Total assets	**301.9**	**369.0**
Equity	21.3	18.8
Issued bonds	54.0	54.0
Bank loans	202.2	271.3
Other debt/liabilities	24.4	24.9
Total equity and liabilities	**301.9**	**369.0**

Cash and cash equivalents decreased by €9.8 million from €12.2 million at 31 December 2010 to €2.4 million at 31 December 2011, mainly as a result of investment made in 2011.

Thanks to net income generated over the period, MRM's equity increased to €21.3 million compared with €18.8 million at the end of 2010.

At 31 December 2011, liquidation NAV was €6.1 per share compared with €5.4 per share 12 months earlier, while replacement NAV was €10.6 per share compared with €10.9 per share at end-December 2010.

Net Asset Value	**31.12.2011**	**31.12.2010**
Liquidation NAV per share	**€6.1**	€5.4
Replacement NAV per share	**€10.6**	€10.9

Recent events and outlook

On 8 February 2012, MRM announced the sale of five retail properties for a total of €14.2 million excluding transfer taxes.

The investment programme planned for 2012-14 amounts to €10.1m, including €8.8 million in 2012.
Most of the investment planned for 2012 corresponds to the completion of redevelopment works at the Nova building, which is scheduled in March. This investment will be financed by means of available credit facilities plus net cash from the aforementioned sale of five retail properties after repayment of the associated debt.

Jacques Blanchard, Chairman and Chief Executive Officer of MRM, comments: ***"In 2011, having considerably improved MRM's financial position, we were able to launch the last investment programmes in our portfolio. The asset sales carried out contributed to financing this investment, while also allowing us to continue to reduce our debt. Having cleared ourselves of almost all of the bank debts falling due in 2012, we are now focusing on our operating priorities, namely completion of the Nova investment programme and letting our vacant premises. As regards the future of MRM, we are reviewing our various strategic options to take into account the current market conditions."***

Calendar

Revenues for the 1st quarter of 2012 are due on 10 May 2012 before market opening.

About MRM

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