



MRM Newsletter

Shareholders, investors, analysts



Dear Readers and Shareholders,



In its first year as a listed real estate company, MRM reports perfectly satisfactory first-half results, especially considering the tightening of market conditions. This is demonstrated by the more than 8% increase in net asset value, despite higher capitalisation rates. With reported net income of €6.5 million, our first-half results, which are presented in greater detail in this newsletter, reflect the strong performance of the Group's business.

These results validate the pertinence of MRM's strategy, which is based on building a mixed portfolio of office and retail properties that strikes a balance between stabilised properties, generating recurrent rental revenues, and value-added opportunities, a source of capital gains. The current market situation makes the quality criteria that governs our property portfolio and the professionalism with which it is managed even more crucial for our business. I would like to take this opportunity to salute the commitment and drive shown by the office and retail property development teams of CB Richard Ellis Investors in managing the Group's assets.

In the second half of 2008, MRM will benefit notably from the completion of redevelopment projects for two flagship properties in the retail portfolio. The Marques Avenue A6 shopping centre in Corbeil-Essonnes will open for business in October, and major renovation work will be completed at the Halles du Beffroi shopping centre in Amiens.

In compliance with the authorisation granted by the Annual General Meeting, we are examining the possibility of increasing Group equity and exploring the most appropriate options given current market conditions.

MRM has now firmly laid the foundations of its strategy. We intend to demonstrate once again the intrinsic momentum and strengths of this strategy in full-year 2008.

Thank you for the confidence you have shown in us.

François Lex
Chairman and Chief Executive Officer

MRM's key figures as of 30.06.2008

Appraisal value of the portfolio, excluding transfer taxes

€507 million
up 6.3 % compared with 31.12.2007

Liquidation NAV
€24.5 per share
up 8.3 % compared with 31.12.2007

Replacement NAV
€33.2 per share

H1 2008 **Gross rental revenues**
€13.6 million

H1 2008 **Net earnings**
€6.5 million

MRM, a value-added listed real estate company

As a value-added listed real estate company that opted for SIIC status on 1st January 2008, MRM owns a mixed portfolio of office and retail properties comprising both stabilised properties and value-added opportunities. Its portfolio consists of properties transferred on 12 December 2007 by Dynamique Bureaux and Commerces Rendement, two investment companies created and managed by CB Richard Ellis Investors, as well as acquisitions carried out via its subsidiaries since September 2007. CB Richard Ellis Investors manages MRM's property transactions. MRM is listed in Compartment C of Euronext Paris.

Real estate asset management

A job requiring expertise in both finance and real estate

A real estate asset manager is a specialist whose expertise is a cross between finance and real estate. From planning an investment project right through to managing the eventual disposal process, the asset manager is responsible for all aspects of managing a real estate asset, including due diligence, arranging financing, negotiating the acquisition, putting together, coordinating and supervising redevelopment or renovation programmes, and the letting strategy. The economic goal is to achieve growth in the value of the assets and to increase the revenue they generate.

Leverage in value creation

Value creation depends first and foremost on the ability to identify good opportunities: for example, real estate assets with intrinsic qualities but which are underperforming for reasons that can be reversed. It then involves putting together value enhancement strategies and programmes to restore the asset to the quality and level of service required by users. By making the asset more attractive, rents can be increased and the occupancy rate maximised. Lastly, an active letting and lease management strategy guarantees secured and optimum anticipated revenues. Skill of these various levers in value creation is acquired through experience.

Expertise of CBRE Investors' dedicated teams

CBRE Investors brings MRM its expertise in real estate investment and portfolio management. Its tried and tested decision processes are based on in-depth knowledge of the market and solid expertise in planning and analysis. Since 2001, CBRE Investors has invested more than €3 billion in Europe and divested almost €1 billion. MRM's real estate operations are managed by two CBRE Investors teams, one specialising in retail headed by Jacques Blanchard, the other specialising in offices headed by Olivier Lemaistre. For MRM, outsourcing the management of its real estate operations to CBRE Investors is a guarantee for both professionalism and experience that are required to ensure the success of its yield and value creation strategy.



Barthelemy Doat

Asset Manager

HEC graduate, five years' experience as a real estate asset manager, specialising in office property

“ Real estate asset management is a very enriching job. It involves actively coordinating all the parties involved in implementing successful real estate strategies, all of whom are specialists in their fields, such as architects, property letting agents, lawyers, tax experts, public notaries, banks, etc. ... We represent the owner and, depending on the day and the project, this can mean a multitude of different roles: client, landlord, borrower, purchaser. All in all, it is an exciting job, involving many contacts and a broad range of responsibilities, with one thought that must always be kept in mind, regardless of the situation: the financial impact of the decisions we recommend and set into motion.”



Significant events in H1 2008

Office portfolio

The construction work on the Cap Cergy building (located in Cergy-Pontoise) has just been completed. This gives MRM the option, currently under review, of commercialising it together with the adjacent building, already owned by MRM and which is due to be vacated in February 2009, and letting the total area of around 13,500 sqm to a sole tenant. The Group's additional office enhancement programmes continued. More particularly, the application for planning permission was submitted for the building located in La Garenne-Colombes. During the first half, MRM acquired an office property totalling 1,114 sqm, located on rue de la Bourse in Paris, for €6.0 million excluding transfer taxes.

Retail portfolio

The value enhancement programmes for the Marques Avenue A6 shopping centre in Corbeil-Essonnes and the Halles du Beffroi shopping centre in Amiens progressed according to plan and are scheduled for completion before year-end. MRM signed leases for 54 stores in the Marques Avenue A6 shopping centre in Corbeil-Essonnes, which is due to open to the public in the final quarter. Acquisitions in the first half of 2008 totalled €3.1 million excluding transfer taxes and concerned two garden centres operated under the Gamm Vert brand.

Recent acquisitions and purchase negotiations

The acquisition of five restaurants operated under the Pizza Hut brand, all in the Paris region, was finalised on 30 July 2008 for €8.2 million excluding transfer taxes. MRM has signed a purchase agreement for a 2,000 sqm store, let to the retail chain Kiabi and located in the Carrefour commercial zone of Claye Souilly for €3.9 million excluding transfer taxes. In 2007, MRM has also signed a development partnership with Union des Coopératives Agralys for garden centres operated under Gamm Vert brand, for a total projected cost of €20 million excluding transfer taxes over five years.

H1 2008 results

(released on 28 August 2008)

Growth in NAV and robust business activity

Liquidation NAV:

€ 24.5 per share,
up 8.3% compared with
31 December 2007

Replacement NAV:

€ 33.2 per share,
up 14.1% compared with
31 December 2007

Net earnings:

€ 6.5 million,
or €1.86 per share

Portfolio breakdown by asset value⁽¹⁾

(Appraisal as of 30 June 2008)



■	Stabilised offices	41%
■	Office value-added opportunities	19%
■	Stabilised retail properties	23%
■	Retail value-added opportunities	17%

Portfolio value

The appraisal value⁽²⁾ of property portfolio reached €506.9 million as of 30 June 2008, an increase of 6.3% compared to the value as of 31 December 2007. Against a background of rising yields, the net appreciation in the portfolio value was €8.0 million in the first half, taking into account acquisitions (€9.1 million⁽³⁾), transfer taxes (€0.7 million) and redevelopment and renovation investment during the period (€12.2 million). The net appreciation was driven by rent indexation, robust rental activity and progress in the Group's value enhancement programmes.

Activity

As of 30 June 2008, the occupancy rate of the stabilised office portfolio remained at a very high level, at 97%. As of 1 July 2008, this portfolio generated €13.8 million in net annualised rental income⁽⁴⁾, up 5.4% compared with 1 January 2008.

The office portfolio with value-added opportunities offers a significant letting potential after completion of the redevelopment and renovation programmes. Total projected capital expenditures amount to €44.4 million over 3 years (July 2008 to June 2011). All in all, once these renovation programmes have been completed, net annualised rental income⁽⁴⁾ is projected to be €12.0 million. As of 1 July 2008, this portfolio had an occupancy rate of 28% and generated €2.3 million in net annualised rental income⁽⁵⁾.

Ten leases were signed during the first half (4 new leases and 6 renewals), generating €1.3 million in net annualised rental income⁽⁵⁾.

The stabilised retail portfolio has an unchanged occupancy rate of 98% and generated €7.8 million in annualised net income⁽⁵⁾, up 3.4% compared with 1 January 2008.

The retail portfolio with value-added opportunities is undergoing a redevelopment and renovation programme totalling €34.9 million over 3 years (July 2008 to June 2011). The projected net annualised rental income⁽⁴⁾ after completion of this programme is €8.0 million. As of 1 July 2008, this portfolio had an occupancy rate of 49% and generated €2.2 million in net annualised rental income⁽⁵⁾.

3 new leases were signed, generating €0.2 million in net annualised rental income⁽⁵⁾.

Net Asset Value and Balance sheet

Liquidation Net Asset Value as of 30 June 2008 was up 8.3% due to the net increase in portfolio value.

Net Asset Value in euro per share	30.06.2008	31.12.2007
Liquidation NAV	24.5	22.6
Replacement NAV	33.2	29.1

(1) Appraisal value excluding transfer taxes, established by two independent appraisers: Catella (offices) and Savills (retail)

(2) Excluding transfer taxes

(3) Excluding taxes, charges, rent-free periods and improvements

(4) Excluding taxes, charges and indexation

(5) On the basis of 3,501,977 shares as of 30.06.2008

MRM bank debt totalled €370.3 million. The increase compared with 31 December 2007 was due to the financing of acquisitions over the period and additional capital expenditures during the period. Consequently, the loan to value ratio remains stable at 73%.

The average cost of debt is 104.5 basis points (excluding set-up costs). It is hedged by financial instruments such as caps. The MRM Group also benefits from a €54 million, 5% fixed-rate bond issue.

IFRS simplified balance sheet in million euros	30.06.2008	31.12.2007
Investment properties	506.9	476.9
Current receivables/assets	22.8	19.2
Cash	15.3	21.7
Total assets	545.0	517.8
Equity	85.3	79.1
Issued bonds	54.0	54.0
Bank loans	370.3	350.0
Other debts/liabilities	35.4	34.8
Total equity and liabilities	545.0	517.8

Results for the first half of 2008

Consolidated revenues for the first half, corresponding to gross rental income recorded over the period, amounted to €13.6 million. The office portfolio contributed 61% and the retail portfolio 39%. Net rental income (after non-recovered property expenses) amounted to €12.2 million.

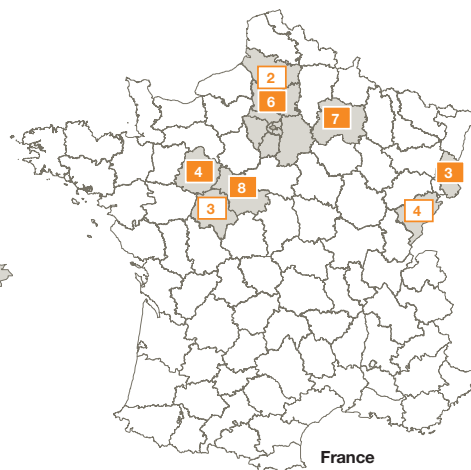
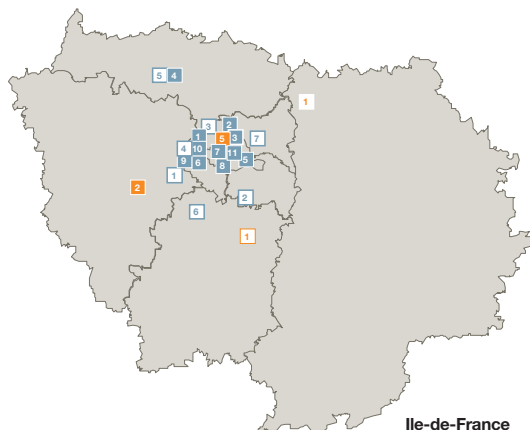
Current operating income was €8.4 million in the first half. Including €8.0 million of positive change in fair value of investment properties, operating income totalled €16.4 million as of 30 June 2008, reflecting good progress in the Group's repositioning strategy.

IFRS simplified income statement in million euros	H1 2008	2007 published
Total gross rental revenues	13.6	7.3
• of which Retail	5.3	3.3
• of which Offices	8.3	4.0
Property expenses	(1.4)	(0.7)
Net rental revenues	12.2	6.6
Operating income and expenses	(3.8)	(4.6)
Current operating income	8.4	1.9
Change in fair value of investment properties	8.0	8.0
Operating income	16.4	9.9
Net financial income	(9.9)	(6.5)
Other non-operating income and expenses	0.0	8.4
Net income before tax	6.5	11.8
Tax	0.0	(0.4)
Consolidated net income	6.5	11.4
Net earnings per share ⁽⁵⁾ (in euro)	1.86	3.25

The 2007 published earnings of €11.4 million only included four months of real estate activity and included a non-recurring gain of €8.4 million recorded in Other non-operating income and expenses, arising on the contributions and merger carried out in 2007.

Stabilised offices

- 1 Nanterre (92) - 10,176 sqm,
325-345 avenue Georges Clémenceau
- 2 Clichy La Garenne (92) - 6,224 sqm,
7 rue Charles Paradinas
- 3 Levallois (92) - 4,472 sqm, 3-5 rue Maurice Ravel
- 4 Cergy-Pontoise (95) - 6,365 sqm,
6 rue des Chauffours
- 5 Paris 12^{ème} - 2,871 sqm,
43 rue de la Brèche aux Loups
- 6 Boulogne (92) - 2,877 sqm,
3,3bis, 8, 8bis, 10bis, rue Escudier
- 7 Paris 9^{ème} - 2,494 sqm, 5 rue Cadet
- 8 Paris 14^{ème} - 1,712 sqm, 13 rue Niepce
- 9 Rueil-Malmaison (92) - 4,531 sqm,
45-53 avenue Paul Doumer
- 10 Puteaux (92) - 5,889 sqm,
3-5 quai de Dion Bouton
- 11 Paris 2^{ème} - 1,114 sqm, 12 rue de la Bourse



Office value-added opportunities

- 1 Vélizy-Villacoublay (78) - 10,556 sqm,
16-18 avenue Morane Saulnier
- 2 Rungis (94) - 8,686 sqm,
3-5 rue du Pont des halles
- 3 La Garenne Colomnes « Charlebourg » (92)
10,672 sqm, 71 boulevard National
- 4 Rueil-Malmaison (92) - 3,989 sqm,
147 avenue Paul Doumer
- 5 Cergy-Pontoise « Cap Cergy » (95) - 7,086 sqm,
4 rue des Chauffours
- 6 Les Ulis (91) - 10,728 sqm,
12 avenue de l'Océanie, ZA Courtaboeuf,
- 7 Montreuil (93) - 7,789 sqm, Croix de Chavaux,
14-20 boulevard de Chanzy

Stabilised retail properties

- 1 Portfolio Box - 13,432 sqm, multiple
(not included in the map)
- 2 Montigny-le Bretonneux « Sud Canal » (78) - 11,660 sqm,
24/26 Place Etienne Marcel, 41 Bd Vauban
- 3 Mulhouse « Passage de la Réunion » (68) - 6,017 sqm,
25 Place de la Réunion
- 4 Allonnes (72) - 9,001 sqm, ZAC du Vivier,
route de la Berardière
- 5 Paris 8^{ème} - 1,794 sqm, 164/166 rue du Fbg St Honoré
- 6 Chambly (60) - 5,260 sqm, ZAC les portes de l'Oise,
rue Henri Becquerel
- 7 Reims (51) - 2,550 sqm, 2 rue de l'Étape
- 8 Portfolio Gamm Vert - 23,765 sqm, multiple

Retail value-added opportunities

- 1 Corbeil-Essonnes « Marques Avenue A6 » (91)
13,200 sqm, rue des Granges
- 2 Amiens « Les Halles du Beffroi » (80) - 7,452 sqm, place Maurice Vast
- 3 Tours « Galerie du Palais » (37) - 6,562 sqm, 19 place Jean Jaures
- 4 Besançon « Centre commercial Ecole-Valentin » (25)
4,722 sqm, 6 rue Chatillon

Retail properties under purchase agreement

- 1 Claye Souilly (77) - 2,000 sqm, rue Jean Monet
- 2 Portfolio Pizza Hut - 2,290 sqm, multiple
(not included in the map) acquisition finalised on 07/2008

2008 publication calendar

Wednesday 14 May 2008: Q1 2008 revenues \ **Thursday 12 June 2008:** General Meeting of Shareholders \ **Thursday 14 August 2008:** Q2 2008 revenues \ **Thursday 23 August 2008:** H1 2008 results

Friday 12 September 2008:
Information meeting

Thursday 13 November 2008:
Q3 2008 revenues

Thursday 12 February 2009:
Q4 2008 revenues

Thursday 26 February 2009:
2008 annual results
Information meeting

Press releases are published after the market closes and can be downloaded from the Finance section of our website.

MRM share information

Mnemonic: MRM⁽¹⁾ / ISIN code FR0000060196
Listing market: Euronext PARIS - Compartiment C
Included in the Euronext IEIF SIIC France index since 25 March 2008
Type: Ordinary shares - Daily double call auction
⁽¹⁾ since 14 January 2008 (old mnemonic: MSCH)



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