



# MRM Newsletter

Shareholders, investors, analysts



## Dear Readers and Shareholders,



With MRM, 2007 was the year of the creation of a listed investment vehicle specialized in office and retail real estate. In just over six months, at the initiative of CB Richard Ellis Investors, which worked to contribute assets from two investment companies under its management, Dynamique Bureaux and Commerces Rendement, the activity of the MRM Group was reoriented towards real estate. At the end of December 2007, its portfolio of real estate assets was valued at €477 million excluding transfer taxes. MRM implemented the last key step in this initiative by adopting the SIIC status (French REIT) in 1<sup>st</sup> January 2008.

The figures published for the 2007 financial year show, as from the first year it was implemented, the performance of our model for managing and leveraging value-added from office and retail properties. The Liquidation Net Asset Value stands at €22.6 per share at the end of 2007, compared to the value of €20 used for the simplified tender offer and for the contribution transactions. This reinforces my confidence in the strategy of MRM and in the ability of the CBRE Investors' teams managing MRM's real estate transactions to set it up.

This first edition of the MRM Newsletter has been sent to you as we release first results of MRM as a real estate company. This reflects our desire to implement a rapid and efficient shareholder information policy.

On 12 December 2007, the General Meeting of MRM Shareholders gave its support to the Group's profitable growth strategy by giving the Board of Directors authorisation to carry out capital increases. We are currently considering the possibility of a capital increase.

As the model of MRM, a listed mixed real estate investment company, is now in place, we are going to devote our efforts in 2008 to the pursuit of its development: acquisitions, asset upgrading and optimization of return on rental properties. Please be assured that the CB Richard Ellis Investors teams and I will give our best to ensure the success of this strategy.

François Lex  
Chairman and CEO

## Key figures

as of 31.12.2007

Appraisal value of the assets  
excluding transfer taxes:

**€ 477 million**  
changes compared  
to 31.06.2007

**+ 65%**  
**+ 11%** on a comparable basis

**107 079** sqm office  
**100 652** sqm retail

Liquidation NAV:

**€ 22,6/share<sup>(1)</sup>**  
**13% higher**

than the value of the MRM share  
used for the simplified tender offer  
and for the contribution transactions  
of 31.08.2007, i.e. € 20

Replacement NAV:

**€ 29,1/share<sup>(1)</sup>**

<sup>(1)</sup> On the basis of 3,501,977 shares  
as of 31.12.2007

## MRM, a mixed and value-added listed real estate company

*A value-added, listed real estate company that has adopted SIIC status as from 1<sup>st</sup> January 2008, MRM has a mixed portfolio of office and retail properties balanced between stabilized assets and value-added opportunities. The portfolio contains assets contributed to MRM on 12 December 2007 by Dynamique Bureaux and Commerces Rendement, two investment companies created and managed by CB Richard Ellis Investors, as well as the acquisitions made in its own name, via its subsidiaries, since September 2007. The MRM Group entrusted the management of its real estate operations to CB Richard Ellis Investors. MRM is listed in Compartiment C of Euronext Paris.*

## MRM asset portfolio

### €477 million

As of 31 December 2007, MRM asset portfolio contains assets contributed to MRM on 12 December 2007 by Dynamique Bureaux and Commerces Rendement, two investment companies created and managed by CB Richard Ellis Investors, as well as the acquisitions made in its own name, via its subsidiaries, since September 2007. With an appraisal value of € 477 million as of 31 December 2007 excluding transfer taxes, the portfolio is mixed and balanced. The portfolio is made up of 60% of office buildings and 40% of retail properties and combines 66% of stabilized properties and 34% of value-added opportunities.

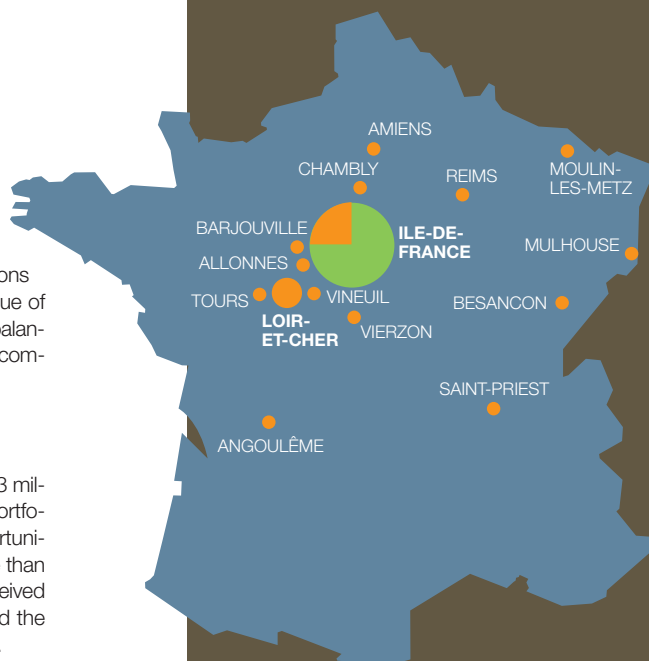
### €26,3 million of net annualised rent<sup>(1)</sup>

As of 1 January 2008, the total net annualised rent of MRM asset portfolio reached € 26.3 million of which 62% were generated by the office portfolio and 38% came from the retail portfolio. The stabilized assets represented 79% of the net annual rent while value-added opportunities generated 21%. 47% of the rent received from stabilized offices are secured for more than 3 years through firm leases or leases with penalties for early break-up. 79% of the rent received from retail assets are generated by national brands. The portfolio of stabilized assets and the implemented policy of reletting give MRM a good visibility of its sources of rental incomes.

### €80 million of projected CAPEX

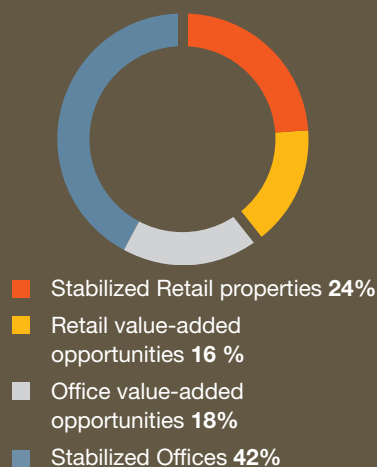
The restructuring and renovation programs of the portfolio's assets amount to €80 million and will permit to reach an annualised net rental income of €38.2 million by 2010. More than 65,000 sqm, 55% in office buildings and 45% in retail space, will be delivered in the next three years, of which 28,000 sqm will be delivered in 2008. These investments come within the scope of the strategy of value creation of the Group MRM.

For further information on MRM assets : [www.mrminvest.com/-patrimoine-](http://www.mrminvest.com/-patrimoine-)



- Offices
- Retail properties

Allocation by asset value  
(Appraisal as of  
December 31, 2007)



## Significant events in 2<sup>nd</sup> half of 2007

### Office portfolio

The completion of the valuation programs for two office buildings allowed MRM to sign a 9-year firm lease with EDF for floorspace of 10,176 sqm of offices in Nanterre and to renew the lease with the main tenant of an office building of 4,472 sqm located in Levallois. In total, 6 leases were signed for a net annual rent of € 5.6 million.

Acquisitions covered 7 office buildings for a total amount of € 110.7 million excluding transfer taxes and total floorspace of around 53,000 sqm.

### Retail portfolio

Significant progress was made with two value-added programs and enabled to launch a complete refurbishment program for a shopping centre in Corbeil with 13,200 sqm in the first quarter of 2008 as well as a major refurbishment program in Q2 2008 for a shopping centre of around 7,450 sqm in Amiens. 7 leases were signed for a net annual rent of € 0.4 million.

Acquisitions made comprised a total amount of € 41.4 million excluding transfer taxes, for a total floorspace of around 27,700 sqm.

### Current projects

The current projects represent a total amount of € 33 million excluding transfer taxes. Sale agreements signed in 2007 by the MRM Group for the acquisition of 3 retail properties are awaiting execution. A development partnership has also been signed with Agralys (Gamm Vert-brand garden centres) for a projected amount of € 20 million over 5 years. In January 2008, the Group signed a sale agreement for the acquisition of an office building of around 1,100 sqm in the 2<sup>nd</sup> district of Paris, for an acquisition price is € 6 million excluding transfer taxes.

(1) Net annual rent excludes taxes and building expenses, excludes free rent periods and tenant improvements and excludes expenses on buildings currently under upgrading process.  
(2) Expected net rent excludes rent indexation.

# MRM 2007 results

(released on 28 February 2008)

MRM's mixed portfolio comprising office and retail assets was progressively built during the 2<sup>nd</sup> half of 2007 through:

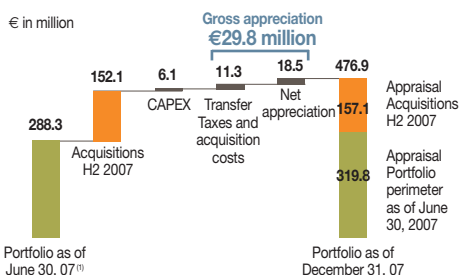
. office assets contributed by *Dynamique Bureaux*, for a value of €162 million (excluding transfer taxes, as of 31 August 2007) with retroactive effect as of 1<sup>st</sup> September 2007,

. retail assets contributed by *Commerces Rendement*, for a value of €143 million (excluding transfer taxes, as of 31 August 2007) and consolidated as of 1<sup>st</sup> September 2007,

. acquisition of several properties completed since 1<sup>st</sup> September 2007 for a total amount of €149.7 million (excluding transfer taxes). These assets were consolidated on their acquisition date.

## Increase in value <sup>(1)</sup> of MRM asset portfolio during 2<sup>nd</sup> half of 2007

The appraisal value of MRM asset portfolio increased by 65% during 2<sup>nd</sup> half 2007 and stands at €476.9 million excluding transfer taxes as of 31 December 2007. This performance comes from: acquisitions during 2<sup>nd</sup> half of 2007 (for a total price, excluding transfer taxes, of €152.1 million, including €2.4 million of acquisition between 1 July and 1 September 2007 by Commerce Rendement) appraised on 31 December 2007 at €157.1 million (excluding transfer taxes), €6.7 million of refurbishment programs and an increase in the portfolio gross value of €29.8 million.



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

## P&L account

The pro forma income statement for 2<sup>nd</sup> half of 2007 represents an indication of MRM's activity over 6 months as a real estate investment company, holding a well-balanced portfolio between stabilized assets generating rental revenues, and assets with value-added opportunities, which are subject to restructuring and refurbishment investments.

Acquisitions realized as from 1<sup>st</sup> September 2007 were consolidated on the dates they entered the scope of the portfolio. Therefore, the net annualised rental revenues which amount to €26.3 million, in total as of 1<sup>st</sup> January 2008, (excluding taxes and building expenses, excluding free rent periods and tenant improvements and excluding expenses on buildings currently under upgrading process) provide an additional indication of MRM's rental activity at the end of 2007.

The pro forma current operating income amounts to €4.5 million in 2<sup>nd</sup> half of 2007. During the same period, the operating income benefited from a €18.5 million rise in the fair value of the investment properties and amounts to €22.9 million. The pro forma net consolidated income stands at €10.5 million, i.e. €3.0 per share.

The 2007 published net consolidated income which includes the investment property activity coming from the contributions of Dynamique Bureaux and Commerces Rendement only over 4 months, stands at €11.4 million. For the first 8 months of the year, it includes €0.1 million of income generated by the former operating activities. Under IFRS standards, the accounting of contributions led to the creation of a 8.4 million euros badwill (as a result of the restatement of the liabilities as well as the restatement of the free rent periods), which, according to IFRS rule number 3, has been accounted for as a profit under "Other non operating income and expenses". This profit should not be taken into consideration in the assessment of MRM's activity indicators.

## Net Asset Value and Balance Sheet

As of 31 Décembre 2007, the Liquidation Net Asset Value (NAV) per share and the Replacement NAV per share are respectively 13% and 45.5% higher than MRM share price used for the simplified tender offer and for the contribution transactions with Dynamique Bureaux and Commerces Rendement, i.e. €20 per share.

| Net Asset Value | 31.12.2007    |
|-----------------|---------------|
| Liquidation NAV | €22.6 / share |
| Replacement NAV | €29.1 / share |

As of 31 December 2007, bank loans stood at €350 million, i.e. 73% of the portfolio appraisal value. The average margin of this debt amounts to 105 basis points (excluding set-up entry fees). The debt is 100% hedged by financial instruments such as caps. MRM also benefits from bonds at a 5% fixed rate for an amount of €54 million.

| Simplified IFRS Balance Sheet       | 31.12.2007   | 30.06.2007 pro forma <sup>(1)</sup> |
|-------------------------------------|--------------|-------------------------------------|
| € in million                        |              |                                     |
| Investment properties               | 476.9        | 288.3                               |
| Current receivables/assets          | 19.2         | 18.9                                |
| Cash                                | 21.7         | 23.4                                |
| <b>Total assets</b>                 | <b>517.8</b> | <b>330.7</b>                        |
| Shareholders' equity                | 79.1         | 61.8                                |
| Bonds                               | 54.0         | 54.0                                |
| Bank loans                          | 350.0        | 185.6                               |
| Other current debts and liabilities | 34.8         | 29.3                                |
| <b>Total liabilities</b>            | <b>517.8</b> | <b>330.7</b>                        |

(1) pro forma data as of 30 June 2007 based on the following assumptions: adoption of SIC status as from 1<sup>st</sup> January 2008 and restatement of acquisition agreements

| Simplified IFRS Income Statement                     | 2007 published <sup>(1)</sup> | H2 2007 Pro forma |
|--|-------------------------------|-------------------|
| € in million   |                               |                   |
| <b>Total gross rental revenues</b>                   | <b>7.3</b>                    | <b>10.0</b>       |
| . of which Retail                                    | 3.3                           | 4.8               |
| . of which Offices                                   | 4.0                           | 5.2               |
| Property expenses                                    | (0.7)                         | (1.3)             |
| <b>Net rental revenues</b>                           | <b>6.6</b>                    | <b>8.7</b>        |
| Operating income and expenses                        | (4.6)                         | (4.2)             |
| <b>Current operating income</b>                      | <b>1.9</b>                    | <b>4.5</b>        |
| Variation in the fair value of investment properties | 8.0                           | 18.5              |
| <b>Operating income</b>                              | <b>9.9</b>                    | <b>22.9</b>       |
| Net financial income                                 | (6.5)                         | (8.8)             |
| Other non operating income and expenses              | 8.4                           | (0.3)             |
| <b>Net income before tax</b>                         | <b>11.8</b>                   | <b>13.8</b>       |
| Taxes  | (0.4)                         | (3.3)             |
| <b>Consolidated net income</b>                       | <b>11.4</b>                   | <b>10.5</b>       |
| <b>Net earnings per share (€)</b>                    | <b>3.25</b>                   | <b>3.0</b>        |

(1) 2007 published figures include 4 months of MRM new activity as a real estate investment company, as from 1<sup>st</sup> September 2007

2007 figures are financial information which form part of the Group published consolidated financial statements as of 31 December 2007 as well as pro forma data all in accordance with IFRS, on the basis of the assumption of the completion of the Dynamique Bureaux and Commerces Rendement contributions as of 1<sup>st</sup> January 2007.

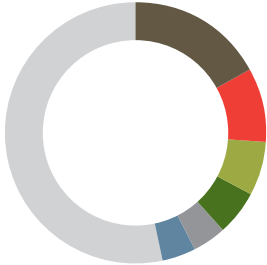


## Key events

### Capital structure

As of 12/12/2007

After approval of the merger by absorption of Dynamique Bureaux and the contribution from Commerces Rendement



|                                      |       |
|--------------------------------------|-------|
| CBRE Investors                       | 17.1% |
| CARAC                                | 9.2%  |
| Investors Holding SARL               | 6.7%  |
| SC TF entreprises                    | 5.5%  |
| SNC CAM 62 Développement             | 4.2%  |
| SCI PIMI foncière                    | 4.0%  |
| Shareholder with a stake < 2.5% each | 53.3% |

### 29 June 2007

Dynamique Bureaux, a real estate investment company managed by CBRE Investors, takes control of MRM, a vehicle listed on Euronext Paris, by acquiring a block of shares equivalent to 70.3% of total capital. Prior to this acquisition, MRM had sold all its operating activities, which were brought together in its J.B. Martin Holding subsidiary.

### 31 July 2007

Dynamique Bureaux launches a simplified tender offer for all of MRM's shares at a price of €20 per share.

### 30 August 2007

Following the closure of the simplified tender offer period on 30 August 2007, Dynamique Bureaux owned 96.3% of the capital and voting rights in MRM.

### 28 September 2007

MRM makes its first acquisitions of office buildings via real estate companies.

### 9 November 2007

Having received AMF approval for its E notice on 8 November 2007, MRM announces its proposals to change its business to that of a listed mixed real estate company that will adopt the SIC regime from 1<sup>st</sup> January 2008. These plans include the merger of Dynamique Bureaux into MRM, with retroactive effect as of 1<sup>st</sup> September 2007, and the contribution of shares in Commerces Rendement (directly and indirectly with the contribution of shares in Investors Retail Holding) consolidated as of 1<sup>st</sup> September 2007.

### 12 December 2007

The General Meeting of Shareholders in MRM, on 12 December 2007, approved the following significant transactions:

- . contribution of all shares in Commerces Rendement not held by Investors Retail Holding
- . contribution of all shares in Investors Retail Holding
- . merger by absorption of Dynamique Bureaux

## 2008 publication calendar

### May 14

2008 Q1 sales

### June 12

General Meeting of Shareholders

### August 14

2008 Q2 sales

### August 28

2008 H1 results

### September 12

Information meeting

### November 13

2008 Q3 sales

## Share information

Mnemonic: MRM <sup>(1)</sup> / Codes: ISIN FR0000060196

Listing market : EURONEXT PARIS - Compartiment C

Type : Ordinary stock – Daily double call auction

<sup>(1)</sup> As from 14/01/2008 (Old Mnemonic = MSCH)



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