Press release

First half 2012 results

- **Gross rental income of €8.4 million (up 16.3% like-for-like[1])**
- **Net operating cash flow[2] at breakeven (+€0.3 million)**
- **Consolidated Bank Loan to Value ratio of 71.8%**
- **Liquidation NAV of €5.1 per share**

Paris, 28 September 2012: MRM (Euronext ISIN code FR0000060196), a mixed real estate investment company specialising in retail and office property, today announced its results for the first half of 2012, ended on 30 June 2012.

Jacques Blanchard, Chairman and Chief Executive Officer of MRM, comments: ***"The first half of 2012 was marked by the completion of the main works programmes on MRM's office portfolio. At operating level, in challenging market conditions, we are now focusing our efforts on letting the space that is still available, especially in the Nova property, a building that we have completely redeveloped at La Garenne-Colombes. In the short term, MRM's cash situation remains stretched. Planning ahead for the bank and bond debt repayments falling due in 2013 is a priority on which we are working. At the same time, we are making progress on options for the Group's future."***

[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 by assets sold from the revenues reported for the previous year
[2] Net operating cash flow = net income before tax restated for non-cash items

First-half 2012 results

During the first half of 2012, MRM recorded consolidated revenues of €8.4 million. Retail properties contributed 63% of gross rental income while the contribution from office properties stood at 37%. The decline compared with the consolidated first-half 2011 revenues (€9.5 million) is primarily attributable to the assets sold since early 2011. On a like-for-like basis, gross rental income grew by 16.3%.

Revenues from office properties rose by 46.4% like-for-like, thanks mainly to the start of numerous leases signed during the second half of 2011 (within Solis property in Les Ulis and Cap Cergy property in Cergy-Pontoise notably). Revenues from retail properties, a portfolio with an already high occupancy rate, rose by 4.0% on a like-for-like basis. Indexation had a positive impact on both asset categories.

Simplified IFRS income statement in € million	**H1 2012**	H1 2011	*Change*	*Like-for-like change*[1]
Gross rental income	**8.4**	**9.5**	***-11.8%***	***+16.3%***
. o/w Retail	5.3	5.6	*-5.6%*	*+4.0%*
. o/w Offices	3.1	3.9	*-20.8%*	*+46.4%*
Non-recovered property expenses	(1.4)	(1.3)		
Net rental income	**7.0**	**8.2**	*-15.2%*	
Current operating income and expenses	(2.8)	(3.5)	*-17.8%*	
Current operating income	**4.1**	**4.7**	***-13.4%***	
Net gains/(losses) on disposal of assets	0.2	1.0		
Change in the fair value of properties	(3.0)	(4.2)		
Other operating income and expense	(0.2)	(0.5)		
Operating income	**1.1**	**1.0**	***+14.5%***	
Net cost of debt	(3.7)	(4.4)	*-15.1%*	
Other financial income and expense	(0.9)	21.5		
Net income before tax	**(3.5)**	**18.1**		
Income tax	(0.1)	(0.0)		
Consolidated net income	**(3.5)**	**18.0**		
Earnings per share (€)	**(1.02)**	**5.19**		

(The Statutory Auditors have conducted a limited review of the financial statements. The Statutory Auditors issued their report on the half-year 2012 financial information.)

Rental income net of non-recovered property expenses fell by 15.2% to €7.0 million. Operating expenses were contained and dropped by 17.8% from €3.5 million in the first half of 2011 to €2.8 million in the first half of 2012. As a result, current operating income totalled €4.1 million, down from €4.7 million in the first half of 2011.

The decline in the fair value of the portfolio (-€3.0 million) primarily reflects the adjustment made to the vacant office space's appraisal value.

Given the reduction in MRM's debt and the favourable interest-rate conditions during the first half, the net cost of debt fell by 15.1% to €3.7 million.

The Group posted a consolidated net loss for the first half of 2012 of €3.5 million (€1.02 per share) compared with net income of €18.0 million in the first half of 2011. As a reminder, the restructuring agreement signed on 17 February 2011 concerning a €83.6 million credit facility led to the recognition of a €22.6 million net financial gain in 2011.

Net operating cash flow[2]

Gross operating income stood at €4.3 million in the first half of 2012, down from €5.3 million in the first half of 2011. This decline reflects the fall in rental income as a result of asset disposals. Even so, the net operating cash flow totalled €0.3 million, compared with -€0.6 million in the first half of the previous year. The Group reaped the benefit of a lower cost of debt. Furthermore, as a reminder, the bank debt restructuring agreement signed in February 2011 led to €1.3 million in non-operating expenses in the first half of last year.

Portfolio at 30 June 2012

The value[3] of MRM's portfolio came to €277.4 million at 30 June 2012, compared with €287.5 million at 31 December 2011. This reflects the impact of the assets sold for a price of €14.0 million during the first half of 2012 as well as investment in value-enhancement work for €6.8 million, devoted principally to the Nova property in La Garenne-Colombes (92). Excluding asset disposals and investments, the fair value of the portfolio dropped by €3.0 million during the first half of the year.

Restated for the impact of asset disposals, the value of the portfolio increased by 1.4% during the first six months of 2012.

Value[3] of MRM's portfolio in € million	**30 June 2012**	31 Dec. 2011 restated for H1 2012 disposals	31 Dec. 2011
Retail properties	153.2	151.7	165.6
Stabilised offices	54.7	54.5	54.5
Offices in the process of being let	69.4	67.4	67.4
Total MRM	**277.4**	**273.5**	**287.5**

At 30 June 2012, retail properties accounted for 55%, stabilised office properties for 20% and office properties in the process of being let for 25% of the value of MRM's property portfolio. The retail properties are located in the Paris region and in the provinces, while the office properties are concentrated in the Paris region.

The property portfolio as a whole represents a total area of 148,416 sqm. The average occupancy rate for the portfolio was 74% or 84% excluding vacant properties i.e. Nova in La Garenne-colombes (92) and Urban,a property located in Montreuil (93) which is under promissory sell agreement to be sold as it is.

[3] Definitive value excluding transfer taxes, based on appraisals at 30 June 2012 performed by Catella (offices) and Savills (retail properties) and including held-for-sale assets recognised in accordance with IFRS 5 (the portfolio value published for indicative purposes on 26 July 2012 stood at €276.8 million)

At 1 July 2012, MRM's total net annualised rents[4] came to €14.5 million compared with €15.8 million at 1 January 2012. Most of this decline was accounted for by the assets sold during the first half of the year and, to a lesser extent, by some retail and office properties being vacated.

Retail portfolio

The value of the **retail** portfolio stood at €153.2 million at 30 June 2012, up 1% on a like-for-like basis compared with at 31 December 2011. On a reported basis, the value of the portfolio declined following the sale of five out-of-town retail assets in February 2012 for €14.2 million excluding transfer taxes.

Net annualised rents[4] for the **retail** portfolio totalled €9.0 million at 1 July 2012 compared with €9.2 million at 1 January 2012 (restated for the assets sold during the first half). During the first half, four new leases[5] were signed, representing €0.5 million in annual rental income. At 1 July 2012, the occupancy rate stood at 92% for the retail properties.

Office portfolio

At 30 June 2012, the value of the **stabilised office** portfolio came to €54.7 million, compared with the €54.5 million recorded at 31 December 2011. Net annualised rents[4] for this portfolio totalled €3.9 million in the first half of 2012, compared with €4.1 million at 31 December 2011. During the first six months, two new leases[5] were signed with a value of €0.2 million. The occupancy rate for stabilised offices stood at 97% at 1 July 2012.

The Group invested €6 million in **offices in the process of being let** to complete the works to the Nova property in La Garenne-Colombes (92). The building, which was inaugurated in its new configuration in June, is currently in the process of being let, as is the vacant space in three multi-tenant properties in the portfolio - Cap-Cergy in Cergy-Pontoise (95), Cytéo in Rueil-Malmaison (92) and Delta in Rungis (94). Net annualised rents[4] came to €1.6 million and the occupancy rate stood at 29% at 1 July 2012. Since then, the signature of a 1,250 sqm lease in Delta property in Rungis (94) has lifted the occupancy rate to 31%.

Balance sheet, cash position and net asset value

The value of investment properties went up from €243.2 million to €265.6 million during the first six months of the year. This increase was notably attributable to the reclassification under this category of certain properties, which were previously accounted for under assets held for sale. During the first half of the year, MRM sold assets for a total of €14.2 million excluding transfer taxes. At 30 June 2012, assets held for sale stood at €11.8 million.

At the end of the first half of 2012, MRM's bank debt totalled €199.2 million, compared with €202.2 million at 31 December 2011. At 30 June 2012, just €1.8 million in bank debt was due to be repaid in 2012.

Bank debt at 30 June 2012 accounts for 71.8% of the portfolio value, compared with 70.3% at 31 December 2011. The average margin on this debt stands at 146 basis points (excluding the impact of set-up costs). 100% of variable-rate debt is hedged by financial instruments such as caps. MRM also has a €54 million bond issue due to mature in late 2013.

[4] Excluding taxes, charges, rent-free periods and improvements
[5] New leases or leases renegotiated on improved terms

Simplified IFRS balance sheet in € million	**30 June 2012**	**31 Dec. 2011**
Investment properties	265.6	243.2
Assets held for sale	11.8	44.3
Receivables/Current assets	11.6	12.0
Cash and cash equivalents	4.5	2.4
Total assets	**293.5**	**301.9**
Equity	17.7	21.3
Bond issue	54.0	54.0
Bank debt	199.2	202.2
Other borrowings and current liabilities	22.6	24.4
Total equity and liabilities	**293.5**	**301.9**

(The Statutory Auditors have conducted a limited review of the financial statements. The Statutory Auditors issued their report on the half-year 2012 financial information.)

MRM's equity came to €17.7 million at 30 June 2012, compared with €21.3 million at 31 December 2011, as a result of the appropriation of the net loss recorded for the first half of 2012.

At 30 June 2012, the liquidation net asset value came to €5.1 per share, compared with €6.1 six months earlier and replacement net asset value stood at €9.6 per share, compared with €10.6 six months earlier.

Net Asset Value	**30 June 2012**	**31 Dec. 2011**
Liquidation NAV per share	**€5.1**	€6.1
Replacement NAV per share	**€9.6**	€10.6

Recent events and outlook

On 25 September 2012, MRM signed an agreement with SaarLB postponing the maturity date of a €30.0 million credit line from April 2013 to April 2014. The total amount of MRM's bank debt falling due in 2013 has therefore been reduced to €61.1 million, of which €58 million in December 2013.

On 27 September 2012, MRM finalised the sale of the office property located on *rue Niepce* in Paris (14th) for €8.1 million. After selling costs and the repayment of the associated bank debt, this asset disposal gave rise to €1.4 million in net cash. These funds will be used to help finance the capital expenditure committed.

During the second half of 2012, MRM expects to generate net operating cash flow close to the level recorded during the first half.

Given the amount of Capex completed and committed since the beginning of the year, part of them still to be outlaid, MRM's cash position remains stretched.

The half-year 2012 financial report is available in the "Regulated Information" section of the www.mrminvest.com website.

Reporting schedule

Revenues for the third quarter of 2012 will be released on 8 November 2012 before the market opens.

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 set up and managed by CBRE Global Investors. MRM's real estate operations are managed by CBRE Global Investors. MRM is listed in Compartment C of Euronext Paris (Bloomberg code: MRM:FP – Reuters code: MRM.PA).

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