



2016 Combined General Meeting



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Presentation

Introduction - François de Varenne, Chairman

Changes to the rental situation and asset portfolio in **2015** -
Jacques Blanchard, Chief Executive Officer

2015 consolidated financial statements -
Marine Pattin, Chief Financial Officer

Business activity in **2016** - Jacques Blanchard

Conclusion - François de Varenne





Introduction



At end-2015, the strategy of refocusing on retail properties initiated in June 2013 is well on track

<p>Gradual withdrawal from the office property sector</p>		<p><u>Offices</u> 4th disposal¹ carried out in 2015 (out of a total of 9 properties owned in June 2013)</p>	<p><u>Retail</u> 64% of the portfolio by value (+7 pts vs. June 2013)</p>
<p>Value-enhancement of the retail portfolio</p>		<p>Adaptation of value-enhancement plans to the economic climate and new sector trends</p>	<p>Total projected investments² of €32m</p>
<p>Profitability restored</p>		<p><u>Net operating cash flow</u> €4.4m (+8.9% vs. end-2014)</p>	<p><u>Net income</u> €7.3m (vs. -€6.9m in 2014)</p>
<p>Healthy financial position</p>		<p><u>EPRA NNAV</u> €126.5m (+6.1%³ vs. end-2014)</p>	<p><u>Net LTV</u> 43.2% (vs. 47.0% at end-2014)</p>

¹ As of 2 June 2016, 5 office buildings sold and 2 office buildings subject to a preliminary sale agreement. See slide 18

² 1st programme launched in January 2016. See slide 24

³ Restated after 2014 dividend payment



Changes to the rental situation and asset portfolio in 2015



Offices

Significant improvement in the rental situation preparing for the sale of the last properties remaining in the portfolio

- Signature of **16** leases¹ representing total annual rental income of **€1.7m**
- Increase in occupancy rate² for the portfolio:
 - **74%** of area as at 1 January 2016 vs. 63% one year earlier
- Annualised net rents³ at 1 January 2016 of **€4.3m**, up **35.5%** like-for-like
- Investment: **€3.8m**
 - **Cap Cergy**, Cergy-Pontoise: renovation works completed early 2016
 - **Cytéo**, Rueil-Malmaison: improvement and compliance works
- Disposal: **€16.8m** (excl. tt)
 - **Plaza** building, Paris 12th

Retail

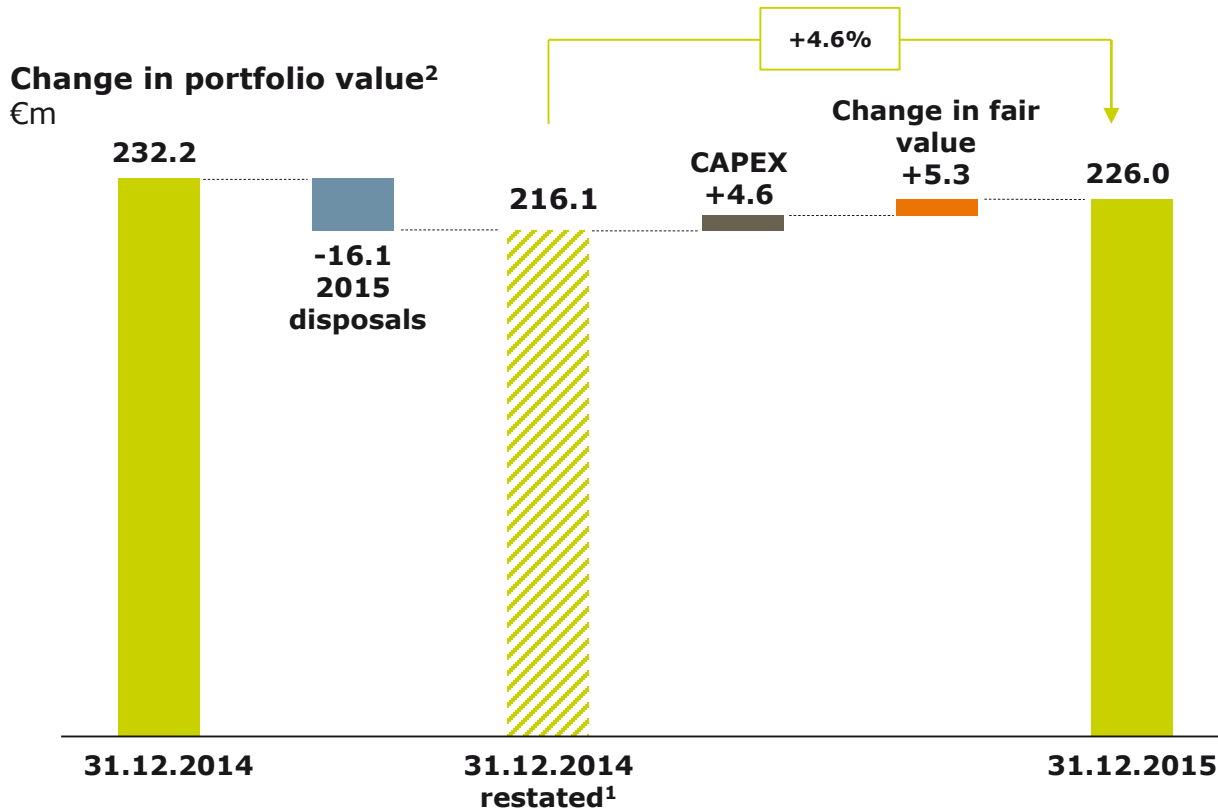
Slight deterioration in the rental situation pending the implementation of value-enhancement plans

- Signature of **16** leases¹ representing total annual rental income of **€1.0m**
- Occupancy rate almost stable at **82%** at 1 January 2016
 - **Les Halles**, Amiens, and **La Galerie du Palais**, Tours: strategic vacancy ahead of the value-enhancement works
 - **Sud Canal**, St-Quentin-en-Yvelines: pre-letting of the Loggias unit before launch of the restructuring project
 - **Passage de la Réunion**, Mulhouse: departure of tenants and implementation of a new project
- Annualised net rents³ at 1 January 2016 of **€7.8m**, down **5.3%**
- Asset management brought in-house

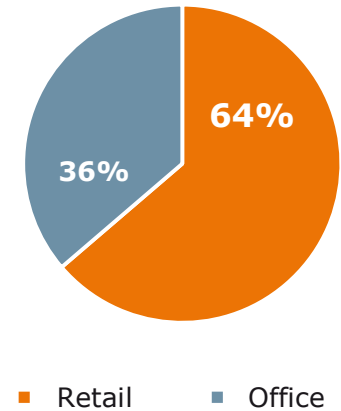
¹ New leases or renewals ² Excluding properties sold in 2015 and Urban (Montreuil), held for sale as a vacant property

³ Properties in operation, excluding taxes, rent-free periods and incentives for lessees

MRM recorded a 4.6%¹ increase in value of its asset portfolio in 2015



Breakdown by type of property



- Value of office portfolio at end-2015: **€82.0m**
 - Impact of sale of Plaza (Paris 12th)
 - Increase of **13.9%** like-for-like relating to the active letting of Cap Cergy, Nova and Cytéo
- Stabilisation in value of the retail portfolio at end-2015: **€144.0m**
 - **-0.1%**, reflecting contrasting trends depending on the asset

¹ Adjusted for 2015 asset sales

² Based on appraisal values from Savills and Jones Lang Lasalle (excluding transfer taxes)



2015 consolidated financial statements



2015 gross rental income up 5.2%¹

Consolidated revenues	2015 €m	2015 % of total	2014 €m	Change	Like-for-like² change
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%

- Very slight increase in rental income from retail properties
- Scope effect due to office property disposals, significant increase on a like-for-like basis

¹ On a like-for-like basis

² Restated for disposals carried out since 01.01.2014

In 2015, MRM returned to profitability and produced a net income of €7.3m

Simplified IFRS income statement €m	2015	2014
Gross rental income	13.6	14.5
Non-recovered property expenses	(3.9)	(3.4)
Net rental income	9.8	11.1
Operating expenses	(3.1)	(4.2)
Provisions net of reversals	(0.6)	(0.4)
Current operating income	6.1	6.6
Net gains/(losses) on disposal of assets	(0.1)	(2.2)
Change in fair value of properties	4.1 ¹	(6.9)
Other operating income and expense	0.0	(0.6)
Operating income	10.1	(3.1)
Net cost of debt	(2.3)	(2.7)
Other financial income and expense	(0.5)	(0.9)
Net income before tax	7.3	(6.8)
Income tax	(0.0)	(0.1)
Consolidated net income	7.3	(6.9)

¹ Amount net of reclassification of rent-free periods to be staggered for €1.2m

2015 Net operating cash flow up 8.9%

€m	2015	2014
Net rental income	9.8	11.1
Operating expenses	(3.1)	(4.2)
Other operating income and expense	0.0	(0.2)
Gross operating income	6.7	6.8
Net cost of debt	(2.3)	(2.7)
Other financial income and expense	0.0	0.0
Net operating cash flow	4.4	4.0

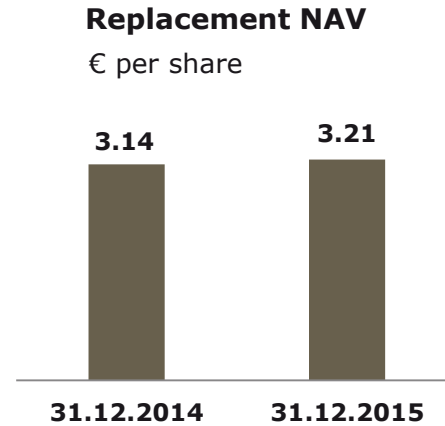
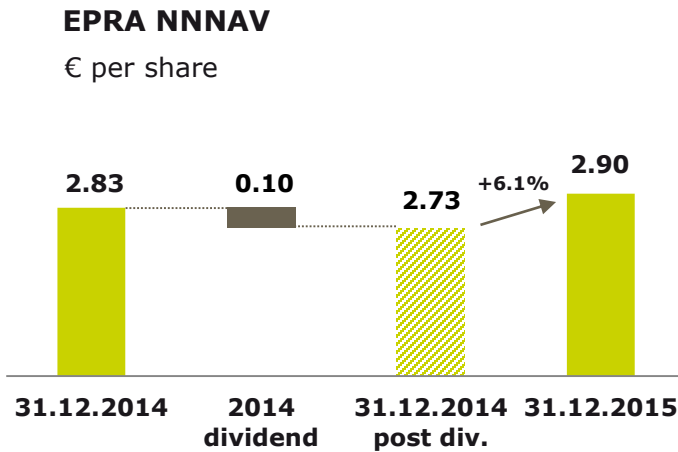
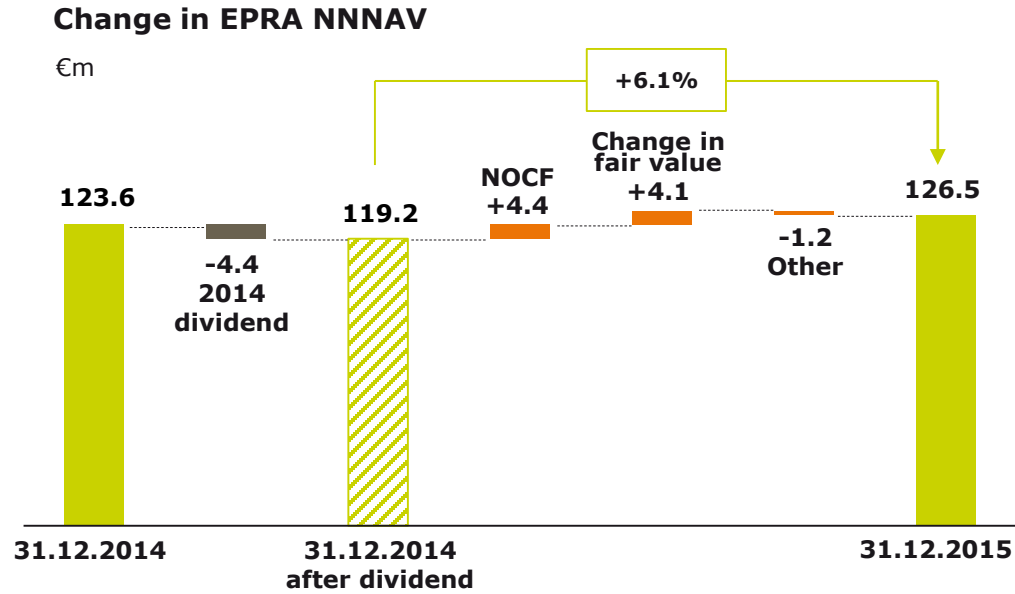
- Reduction in net rental income relating to asset sales, offset by lower operating expenses and cost of debt

MRM has a healthy and solid balance sheet

Simplified IFRS balance sheet €m	31.12. 2015	31.12. 2014		31.12. 2015	31.12. 2014
Investment properties	216.3	212.4	Equity	126.6	123.7
Assets held for sale	9.7	19.8	Financial debt	111.0	131.5
Current receivables/assets	8.4	10.4	Other debt and liabilities	10.2	9.8
Cash and cash equivalents	13.4	22.4			
Total assets	247.8	265.0	Total equity and liabilities	247.8	265.0

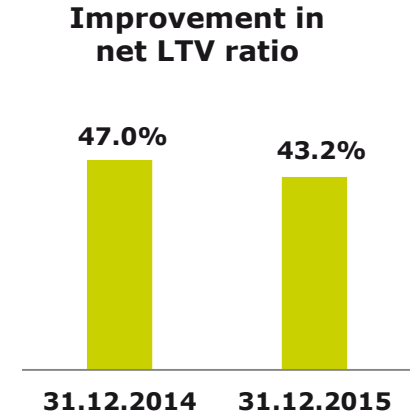
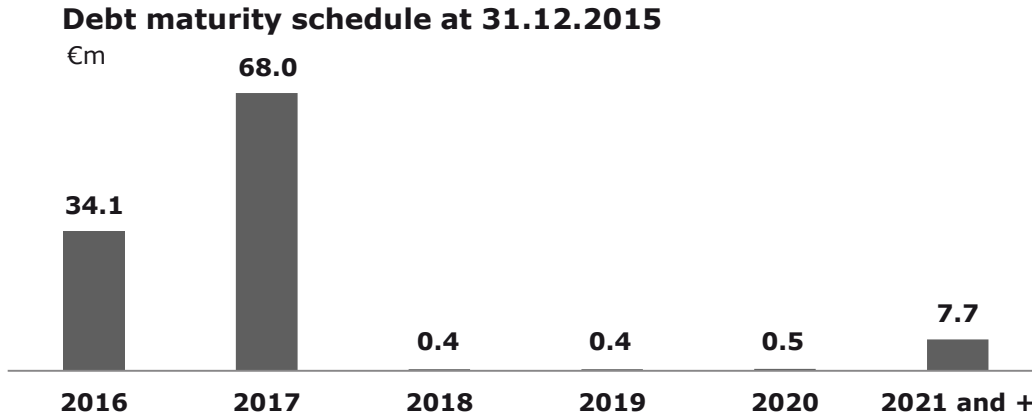
- Net debt of **€97.6m** at end-December 2015 vs. €109.1m one year earlier, a reduction of **10.5%**

2015 Net Asset Value up 6.1%



MRM has a healthy financing structure, with a net LTV ratio down by 3.8 points at end-2015

- **Total debt: €111.0m at 31.12.2015**



- **Subsequent event**

- ✓ Repayment of a **€27.2m** bank loan due on 15.01.2016, by means of a new €22.0m loan granted by SCOR SE, with the remaining amount repaid using the Group's cash
- ✓ Ongoing work in anticipation of **2017** debt maturity



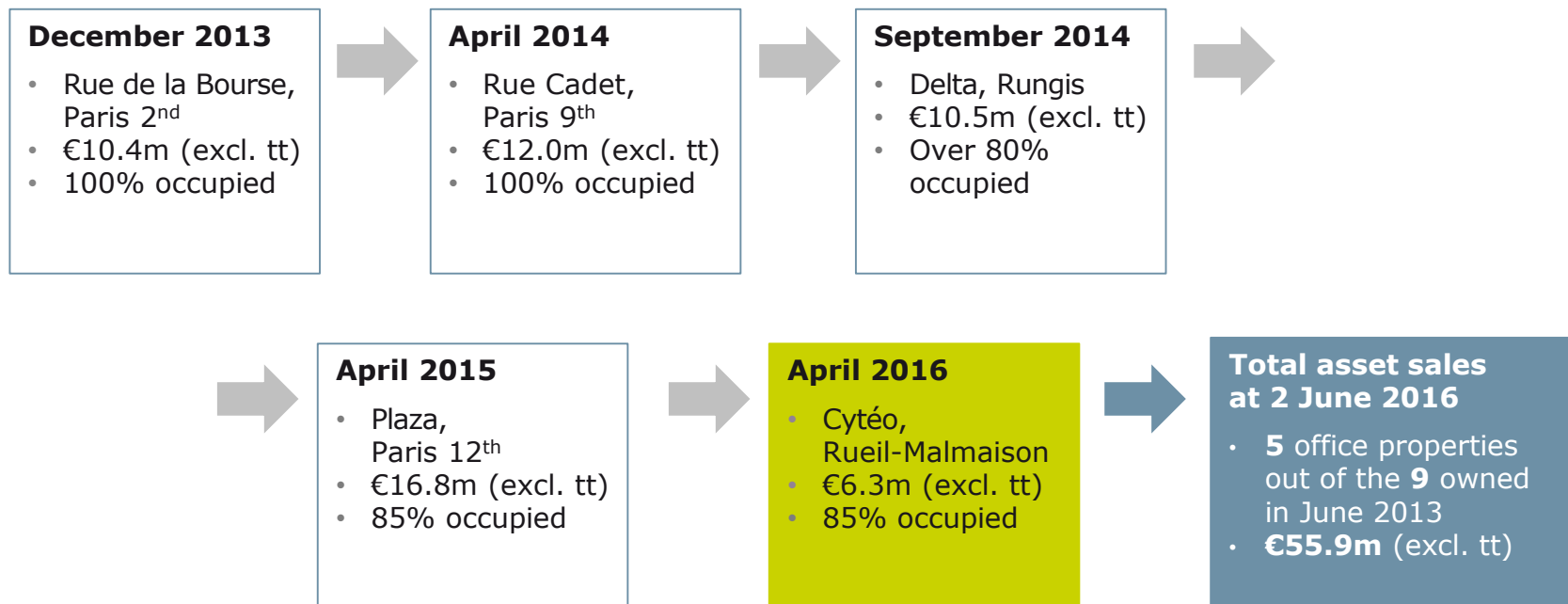
Business activity in 2016 (1/2)

Further disposals of office properties



Process of withdrawal from the office property sector nearly completed

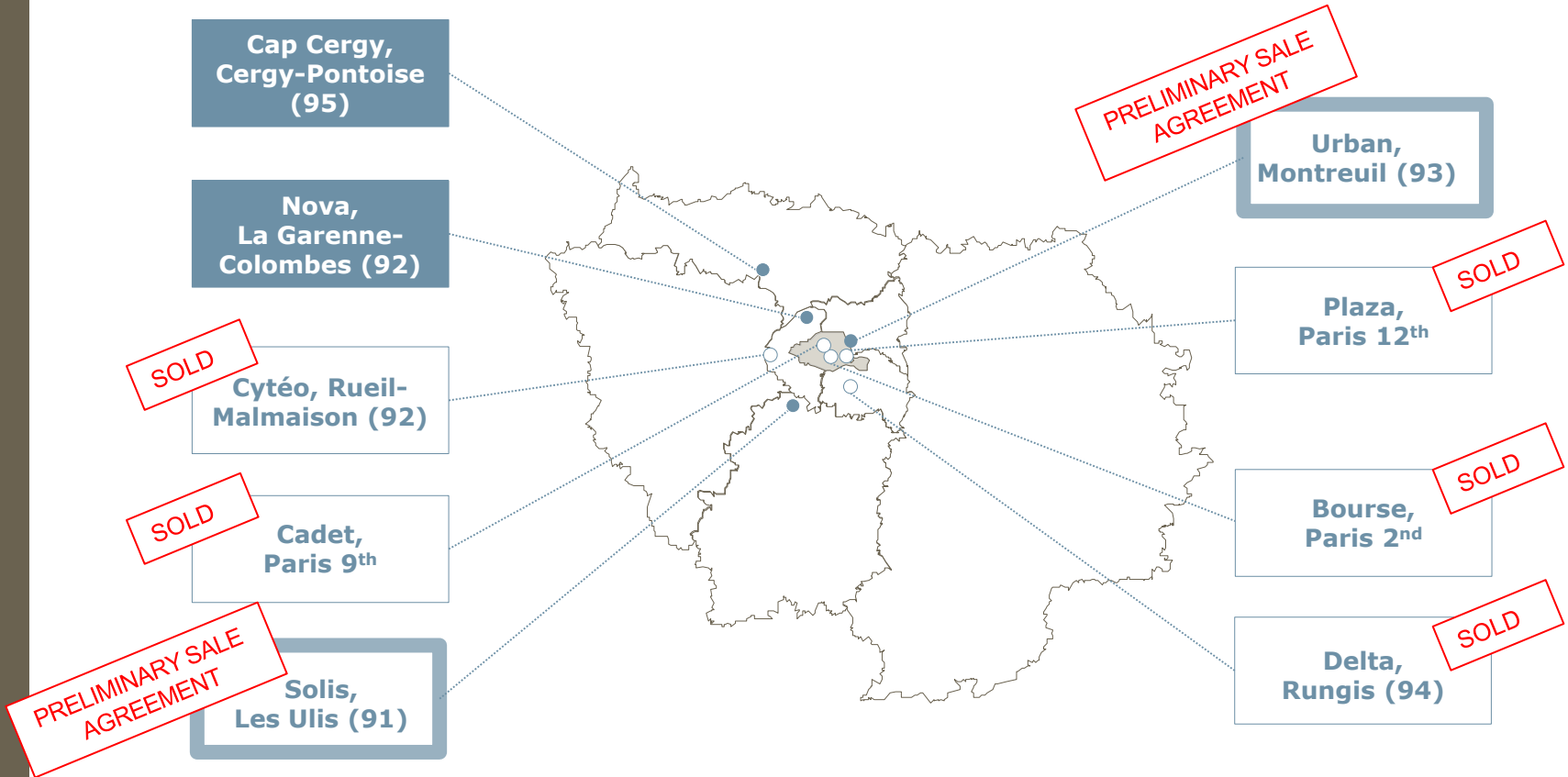
▪ Disposals of office properties finalised since June 2013



▪ Value at 30.06.2013 of assets sold: €52.3m (excl. transfer taxes)

▪ Total price of asset sales 7% higher than the value of properties as at 30.06.2013

Confidence in MRM's ability to finalise its withdrawal from the office sector by late 2016 / early 2017



- **4 properties still to be sold, including 2 under preliminary sale agreement**
 - Occupancy rate: **88%** (excluding Urban) at 02.06.2016
 - Total appraisal value of **€76m** at end-2015

Cap Cergy: Value-enhancement works completed and selling process initiated



- Building with total area of **12,600 sqm**
- Located 5 minutes' walk from the RER A train station and 800m from the A15 motorway
- **2** buildings in multi-occupant use, **370** parking spaces
- Current occupancy rate of **95%**
- Renovation of the 2 buildings in 2008 and 2015/16 respectively
- Certified **BREEAM In-use VERY GOOD**

Letting

- Signature in **June 2015** of forward lease agreements
- Concerning **7,250 sqm**
- **9 years** firm period lease
- Increase in occupancy rate from 27% to **95%**



Works

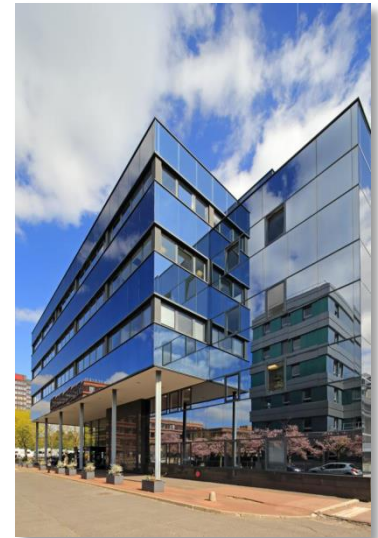
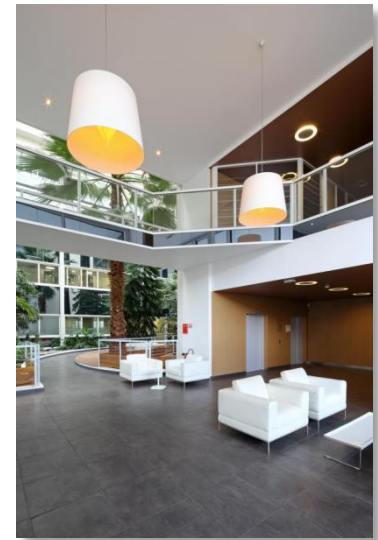
- Renovation works on building A carried out in 2015 / early 2016
- Refreshing of common parts
- Investment of **€4.3m**



Selling process

- Initiated in **May 2016**
- Favourable market conditions:
 - Secure cash flow
 - Fall in capitalisation rates

Cap Cergy: high quality renovated offices



Solis and Urban: under preliminary sale agreement Nova: letting completion prior to disposal

Solis Les Ulis



- Campus of **11,500 sqm**
- Within a landscaped area inside the ZAC Courtabœuf business park
- **100%** let
- Under preliminary sale agreement; sale to be finalised by **July 2016**

Nova La Garenne-Colombes



- Building of **10,700 sqm**
- On the outskirts of La Défense, 5 minutes away using the T2 tram line, within a dynamic business area (Place de Belgique)
- Fully redeveloped (works completed in 2012)
- **17** levels, **250** parking spaces, shared restaurant
- Continuation of letting in order to increase the occupancy rate from **68%** to **80%** before disposal

Urban Montreuil



- Building of **8,000 sqm**
- Vacant building - sold "as is"
- Under preliminary sale agreement; sale to be finalised by **July 2016**



Business activity in 2016 (2/2)

Capitalising on the retail portfolio's potential for value-enhancement



MRM has initiated in 2015 an extensive value-enhancement programme for its retail properties

- **Of the 9 retail properties in the portfolio, 7 benefit from a value-enhancement plan**
- **Lettings: first success with 10 leases¹ signed in the last few months**
 - Concerning a total floor area of **7,350 sqm**
 - Representing additional rental income of **€1.0m**
 - Leases coming into effect staggered **until mid-2017**
 - Potential reduction of **8.0** points in the vacancy rate after leases come into effect
- **Total projected investments: €32m**



Les Halles,
7,600 sqm, Amiens



Carré Vélizy, 11,300 sqm,
Vélizy-Villacoublay



Ecole Valentin
Shopping mall,
4,000 sqm, Besançon



Allonnes retail park,
9,000 sqm, Le Mans



Sud Canal, 11,600 sqm,
St-Quentin-en-Yvelines



Passage de la Réunion
6,000 sqm, Mulhouse



Galerie du Palais,
6,800 sqm, Tours

¹ Excluding renewals

Leverage the potential of Les Halles in Amiens



Projected views by ERTIM Architectes



- **7,600 sqm** on **2** levels
- In the centre of the city
- **24** retail units, **1** mid-size store
- **550** parking spaces

Restructuring

- Repositioning of the site focusing on food, restaurants and services
- Works launched in **January 2016**
- Due for completion in **late July 2016**

Step-up the attractiveness of Sud Canal in Saint-Quentin-en-Yvelines



Projected view by Generous Branding



SUDCANAL
CENTRE COMMERCIAL

- "Open air" shopping centre
- Total floor area of **11,600 sqm**

Restructuring of the Loggias unit

- Area of **5,000 sqm**
- Works underway; due for completion in **September 2016**
- Leases signed in **early 2016** for **3** mid-size stores (JouéClub, Action, Fitness Park)
- Stores due to open **before Christmas 2016**

Strengthening the retail component of Carré Vélizy



Projected view by BEG

- Located in Vélizy-Villacoublay, in front of Vélizy 2
- Mixed-use complex of retail (Habitat and Office Depot) and office properties
- Area of **11,300 sqm**



Planned extension of retail space

- Creation of a mid-size store: lease signed with Gautier, to complement the Habitat store
- Creation of a restaurant unit: lease signed with Memphis Coffee
- Retail permit obtained
- Construction permit being reviewed
- Works scheduled to end in **Q1 2017**; opening to the public planned in **Q3 2017**

Other retail upgrading programmes

Passage de la Réunion, Mulhouse



- **6,000 sqm** in the city centre
- Around 20 stores on **3** levels:
 - Including Littera, Le Café Mozart, Oncle Hansi
 - **700 sqm** of office space
 - **190** parking spaces
- New lease signed in **2016** with Freeness (mid-size fitness unit)



Redevelopment project launched in Q4 2016

Shopping mall at the Carrefour Ecole-Valentin shopping centre, Besançon



- **4,000 sqm** mall at the A36/RN57 intersection north of Besançon
- Linked to a Carrefour hypermarket
 - **96%** occupied
 - **32** stores
- **2,100 sqm** extension project and renovation of the existing mall



Projected timetable: works to be launched in 2017 and opening to the public in 2018

Galerie du Palais, Tours



- **6,800 sqm** in the city centre with car-park
- **20** stores
 - Including Simply Market, La Grande Récré, NewLita (restaurant), services



Restructuring project to increase the size of the food retail anchor

**M
R
M**

Conclusion



MRM to finalise the implementation of its strategy of refocusing on retail properties and pursue its value-enhancement plans in 2016

Office: Finalisation of the disposal plan

- Total price of the first 5 asset sales **7%** higher than the appraisal values as at 30.06.2013
- **1** disposal carried out since the start of 2016
- **2** properties under preliminary sale agreement
- **2** attractive properties to be sold (Cap Cergy and Nova)
- Withdrawal from the office segment still scheduled for **late 2016 / early 2017**
- Net cash expected from **4** asset sales still to be carried out: **~ €45m**

Retail: Continuation of the implementation of the value-enhancement programmes

- Ambitious investment programme representing **22%** of the value of the retail portfolio
- Sustained pre-letting work carried out within this framework
- Has already resulted in the recent signing of **10** new leases
- Sufficient financial leeway to carry out and finance investments
- Opportunistic asset acquisition or disposal strategy

MRM pursues its return to shareholder policy and proposes a distribution of €0.10 per share

- **Proposed distribution in respect of the 2015 financial year**
 - Amount proposed: **€0.10 per share**, representing a payout rate of around 100% of net operating cash flow and similar to the amount for the last two years
 - Submitted to shareholders at today's Annual General Meeting
 - **6.1%** yield based on the share price as at **01.06.2016**
 - Ex-coupon date of **13.07.2016**
 - Dividend payment on **15.07.2016**



Appendices



Portfolio summary as at 31.12.2015

	Retail	Offices	Total
Area	84,781 sqm	46,808 sqm	131,589 sqm
Value ¹	€144.0m	€82.0m	€226.0m
Occupancy rate	82%	61%	75%
Annualised net rental income ²	€7.8m	€4.3m	€12.1m
Net yield	5.4%	5.5%	5.4%

¹ Excluding transfer taxes

² Properties in operation at 01.01.2016, excluding taxes, rent-free periods and support measures for lessees

Gross rental income for the 1st quarter of 2016

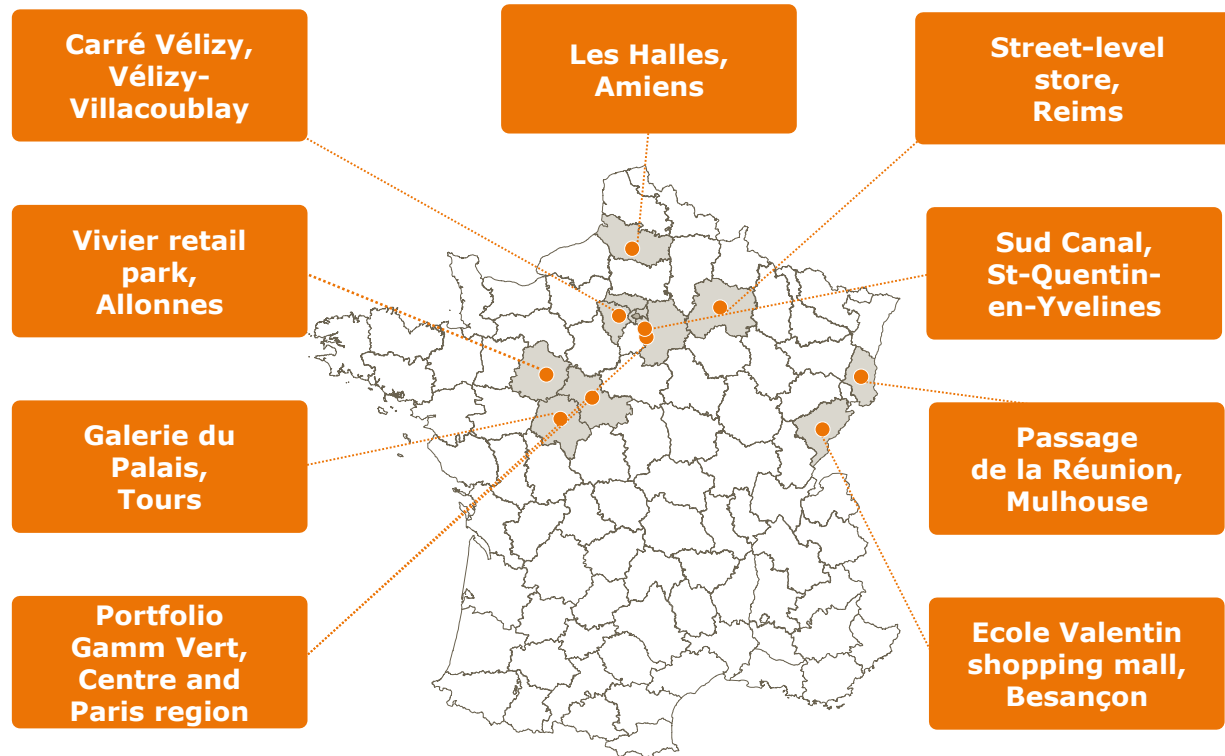
- **Q1 2016 revenues: up 1.9% like-for-like**

Consolidated revenues	Q1 2016 €m	Q1 2015 €m	Change	Like-for-like change¹
Retail property	2.21	2.33	-4.8%	-4.8%
Office property	1.21	1.23	-2.4%	+17.0%
Total gross rental income	3.42	3.56	-4.0%	+1.9%

- Impact of the sale of the Plaza office building finalised in 2015
- Strong growth in revenues from office properties on a like-for-like basis: reflecting progress made in lettings of available space
- Decline in revenues from retail properties, with the arrival of new tenants only partly making up for the adjustment of rental terms granted on certain lease renewals and the freeing up of space (some units being kept strategically vacant, e.g. Les Halles in Amiens)

¹ Restated for asset sales carried out since 01.01.2015

A portfolio of 9 retail properties



- Assets spread across the Paris region and provinces
- Total area of **84,781 sqm**
- **137** tenants at 02.06.2016
- Main tenants
 - Gamm Vert, Office Dépot, Habitat, Go Sport, Carrefour Market, Dia, Simply Market, Tati, Gemo, La Grande Récré

MRM share performance since 07.03.2013

