2014 Registration Document

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Registration Document was filed with the French Financial Markets Authority *(Autorité des Marchés Financiers (AMF))* on 28 April 2015. It may be used for the purposes of a financial transaction where supplemented by a transaction summary ("note d'opération") that has been approved by the AMF. This document was prepared by the issuer and the signatories are responsible for its contents.

Copies of this Registration Document are available free of charge from M.R.M., 5, avenue Kléber – 75016 Paris, France, and on its website (http://www.mrminvest.com), as well as the AMF website (http://www.amf-france.org).

Pursuant to Article 28 of European Regulation no. (EC) 809/2004, the following information is incorporated by reference in this Registration Document:

- the separate and consolidated financial statements and Statutory Auditors' reports on the separate and consolidated financial statements for the financial year ended 31 December 2013, as presented in the Registration Document approved by the AMF under number D. 14-0442 dated 29 April 2014;
- the separate and consolidated fi nancial statements and Statutory Auditors' reports on the separate and consolidated financial statements for the fi nancial year ended 31 December 2012, as presented in the Registration Document filed with the AMF under number D. 13-0381 on 18 April 2013.

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1. INFORMATION ON M.R.M.'S ACTIVITIES

1.1 Business overview

M.R.M., a listed real-estate company which opted for SIIC (société d'investissements immobiliers cotée) status from 1 January 2008, holds a portfolio of retail and office property assets. M.R.M.'s asset portfolio was constituted via merger and contributions by Dynamique Bureaux and Commerces Rendement, dated 12 December 2007, and by acquisitions made directly or indirectly through M.R.M.'s subsidiaries since September 2007.

M.R.M. implements a dynamic strategy of value-enhancement and asset management, combining yield and capital gains.

Since 29 May 2013, M.R.M.'s main shareholder is SCOR SE, which owns 59.9% of the share capital. The same day, the Company and its subsidiaries signed a new real estate asset management consultancy agreement with CBRE Global Investors, a subsidiary of CBRE, the terms and conditions of which were amended on 15 April 2015 as set out in Chapter 5 of this Registration Document.

M.R.M. is listed on Eurolist in Compartment C of NYSE Euronext Paris (France) (ISIN code: FR0000060196 - Bloomberg code: M.R.M.: FP – Reuters code: M.R.M. PA).

1.2 Key figures

1.2.1 The Group's asset profile

Data as of 31 December 2014

M.R.M. Asset portfolio	12/31/2014
Asset portfolio value (1) excluding transfer taxes recognised in the consolidated financial statements	€232.2m
Total area	134,460 sqm
Value breakdown	62.1% retail / 37.9% office properties
Disposals made in 2014	€22.5m

(1) Based on appraisals by Savills and Jones Lang LaSalle as at 31 December 2014.
Compared to 31 December 2013, the asset portfolio was down 11.1% in value following the disposals in 2013. However, on a like-for-like basis, namely excluding the effect of 2014 disposals, the value of the asset portfolio was down 2.1%.
The changes to the portfolio, as recorded in the consolidated financial statements as at 31 December 2014 (see section 3.7 of this Registration Document), are mainly due to the disposal, during the year, of two office buildings in Rungis and in Paris.

The Group's entire asset portfolio was appraised by two appraisal companies, Savills and Jones Lang LaSalle as at 31 December 2014. These two companies are independent: they are not related and have no conflict of interests with the Company. The valuations were carried out using recognised methods which were consistent over time, in accordance with French and international valuation standards, namely the *"Charte de l'Expertise Immobilière"* (property valuation charter) implemented by all French property valuation associations and the RICS ("Appraisal and Valuation Manual" published by the Royal Institution of Chartered Surveyors). Previous appraisal valuations were carried out in June 2014.

The Group values its property assets twice a year. With a view to complying with the SIIC Code of professional conduct, the Group put in place a rotation system for its appraisers in 2013.

The methodology chosen by the appraisers is based on the combined implementation of different valuation techniques. Namely, the capitalisation approach and the discounted future cash flow approach.

Appraisers' details

Savills

14 rue Auber

75009 Paris

Tel.: +33 (0)1 44 51 73 00

Jones Lang LaSalle

40-42 rue La Boétie

75008 Paris

Tel.: +33 (0)1 40 55 15 15

Methodology

All appraisal valuations are based on an in-depth visit of the property assets.

In addition, the experts consult the legal, administrative, technical and financial documentation relating to each of the property assets. Consultation of the documentation for the properties is a vital first step to any asset valuation. On a case by case basis, depending on the specific attributes of each property, the valuation phase uses the following methods in accordance with the definitions of the French property valuation charter.

Ownership and occupancy

The appraiser uses information provided by the Company concerning the type of ownership, its scope, the vesting of rights to the property, authorised uses and other information.

The appraiser assumes that this information is accurate, up to date and complete and that the properties comply with applicable laws and regulations.

Town planning and roads

As regards town planning and roads, the information collected verbally from responsible local authorities is assumed to be accurate. No town planning deeds or certificates are requested within the framework of appraisal valuations. The appraiser also checks that there are no town planning or roadway projects planned that could result in a forced sale or directly affect ownership of the properties in question.

Areas

Areas are generally not measured by the appraiser.

The areas stated are those provided by the architects or the managers of the property and are assumed to be accurate.

Equipment and material

Appraisal valuations include equipment and facilities normally considered to form part of the property's fixtures and fittings and which would remain attached to the property if it is sold or let. Equipment and material and their specific foundations and supports, furniture, vehicles, stock and operating tools, as well as tenants' equipment, are excluded from valuations.

Properties under construction or redevelopment

For properties under construction or redevelopment, the appraiser sets out the stage of the development, expenditure already committed as well as future expenditure on the date of the valuation, according to the information supplied by the Company. Contractual commitments of the parties involved in the construction and any figures for estimated expenditure obtained from the consultants working on the project are taken into account.

For recently completed properties, retentions, construction expenses in the process of being settled, fees, or any other expenditure for which a commitment has been made, are not taken into account.

Realisation costs

In their valuations, appraisers do not take account of transaction costs, any taxes that may be payable if the property is sold or any mortgages or other financial commitments relating to the property. Valuations are exclusive of VAT.

Asset valuation methods

The conclusions formed by the appraisers refer to the notion of monetary value and the notion of rental value.

The market rental value corresponds to the financial compensation (yearly or monthly) for properties valued:

- under market conditions on the day of the valuation, for use of the property within the framework of a new lease;
- under normal operating conditions corresponding to the current allocation of the property.

The market monetary value of a property indicates "the estimated amount at which the property would be sold at the date of valuation between a willing buyer and seller, under normal market conditions, after a reasonable marketing period during which both parties have acted knowledgeably prudentially and with no constraints."

Income capitalisation approach

These methods consist, on the basis of either reported or existing income, or theoretical or potential income (market rent or market rental value), of capitalising this income by applying a rate of return.

Income-based methods are also known as "income capitalisation" or "return" methods. They can be applied in a number of ways depending on the income base in question (effective rent, market rent, net income) to which specific rates of return correspond.

The capitalisation rates correspond to the yield on the seller's side or with a view to a management year. The capitalisation rate expresses, as a percentage, the relationship between the gross or net income of the property and its monetary value. It is called gross or net depending on whether the gross or net income of the property is chosen.

At 31 December 2014, the average capitalisation rate was 6.6% for retail properties and 6.2% for office properties.

The yield rate corresponds to the yield for the buyer or investor. The yield rate expresses, as a percentage, the ratio between the gross or net income of the property and the capital committed by the buyer (acquisition price + transfer fees and duties = gross monetary value commission and fees included).

Discounted cash flow method

This forward-looking method is based on estimated income and expenses relating to the property, determining a "final value" or exit value after the analysis period and discounting all cash flows.

Over a given period and on a forward-looking basis, it involves anticipating all events (reflected as financial flows) that will have a positive or negative impact on the life of the property (rents, charges, vacancies, works, etc.). By discounting, all future financial flows are stated at today's value in order to determine the present value of the property.

Summary of appraisal valuations by segment of activity

Retail properties	12/31/2014
Appraisers	Savills and Jones Lang LaSalle
Date of the latest visits	30% of assets (1) visited less than 12 months ago 70% of assets (1) visited 12-18 months ago
Type of ownership	17 assets held in full title 2 assets held in co-ownership 3 assets in "lots de volume"
Appraisal value excluding transfer taxes	€144.1m
Value in the consolidated financial statements	€144.1m
Capitalisation rates	Between 5.5% and 9.8% (i.e. 6.6% on average)
Net yield rate	Between 5.2% and 9.2% (i.e. 6.2% on average)
Occupancy rate (2)	83%

(1) By value as of 31 December 2014.
(2) Ratio of area let to area available for letting as at 1st January 2015.

Office properties	12/31/2014
Appraisers	Jones Lang LaSalle
Date of the latest visits	56% of assets [1] visited less than 12 months ago 21% of assets [1] visited 12-24 months ago 23% of assets [1] visited more than 24 months ago
Type of ownership	4 assets held in full title 2 assets held in co-ownership
Appraisal value excluding transfer taxes	€88.8m
Value in the consolidated financial statements	€88.1m
The €0.7 million difference between the appraisal value and the carrying amount in the financial statements stemmed from two buildings subject to a sale agreement that are recognised at the sale value set out in the agreement net of costs to sell.	
Capitalisation rates	Between 5.1% and 10.4% (i.e. 6.2% on average)
Net yield rate	Between 4.8% and 9.8% (i.e. 5.9% on average)
Occupancy rate [2]	54%

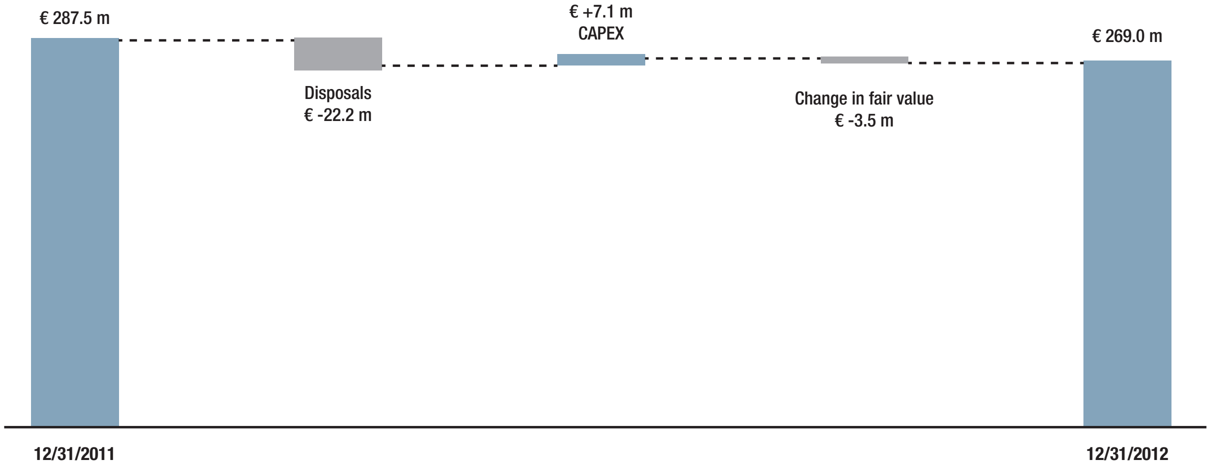
(1) By value as of 31 December 2014.
(2) Ratio of area let to area available for letting as at 1 January 2015.

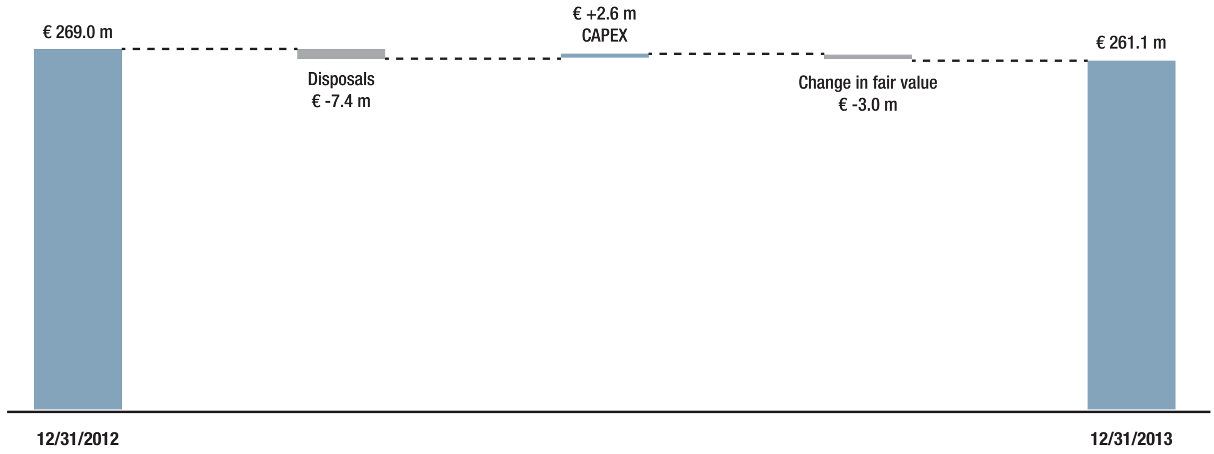
1.2.2 Financial data

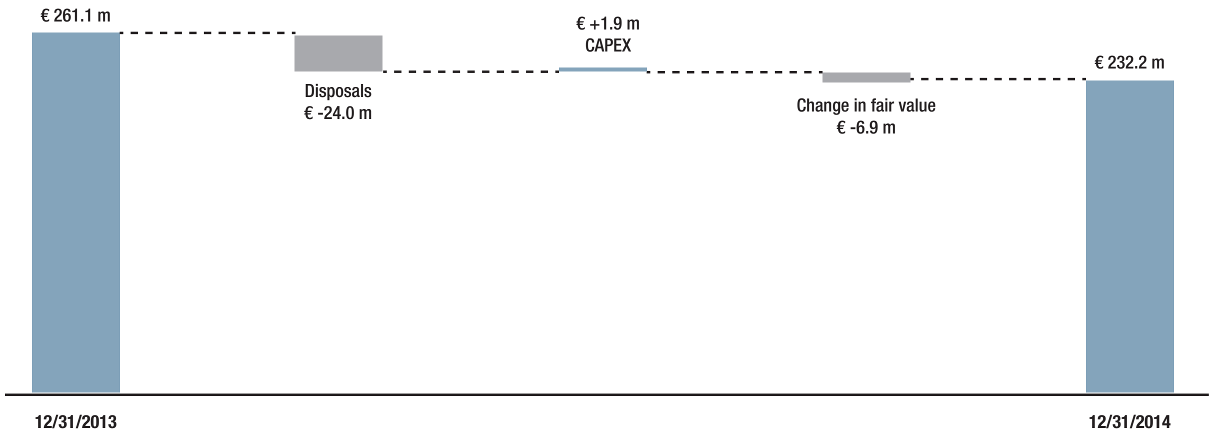
Simplified balance sheet under IFRS

(in millions of euros)	12/31/2014	12/31/2013
Investment properties	212.4	233.3
Assets held for sale	19.8	27.8
Current receivables/assets	10.4	10.9
Cash and cash equivalents	22.4	19.9
TOTAL ASSETS	**265.0**	**291.9**
Equity	123.7	135.0
Bank loans	131.5	146.7
Other current debts and liabilities	9.8	10.2
TOTAL LIABILITIES	**265.0**	**291.9**

The value excluding transfer taxes of the Group's asset portfolio (in millions of euros) changed as follows over the past three years:



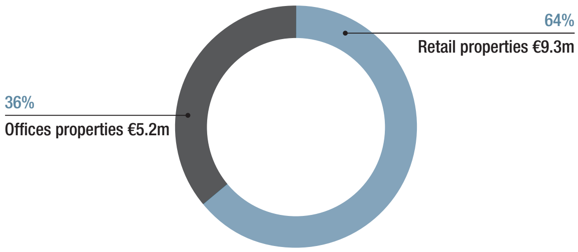




Simplified income statement under IFRS

(in millions of euros)	2014	2013
GROSS RENTAL REVENUES	**14.5**	**15.9**
Property expenses not recovered	(3.4)	(4.5)
NET RENTAL REVENUES	**11.1**	**11.4**
Other current operating income and expenses	(4.5)	(5.3)
CURRENT OPERATING INCOME	**6.6**	**6.1**
Other operating income and expenses	(0.6)	0.2
Result on disposals of investment properties	(2.2)	(2.5)
Change in fair value of investment properties	(6.9)	(3.0)
OPERATING INCOME	**(3.1)**	**5.8**
Net borrowing cost	(2.7)	(3.9)
Other operating income and expenses	(0.9)	36.3
NET PROFIT (LOSS) BEFORE TAX	**(6.8)**	**38.3**
CONSOLIDATED NET INCOME	**(6.9)**	**38.3**
NET EARNINGS PER SHARE *(IN EUROS)*	**(0.16)**	**0.88**

Gross rental revenues for 2014 broke down as follows:



Debt

At 31 December 2014, the Group's total outstanding bank debt thus stood at €131.5 million, representing 56.6% of the portfolio value excluding transfer taxes. The average spread on this debt relative to Euribor is 183 basis points (excluding impact of set-up fees). It is 80% hedged by financial instruments (caps).

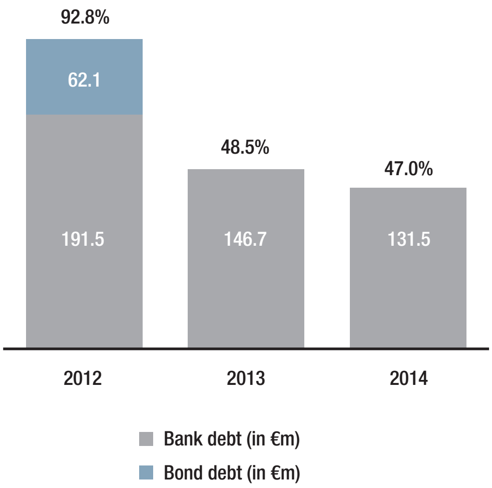
In 2014, M.R.M. made exceptional early repayments totalling €7.7 million and a repayment of €8.1 million following the disposal of the office building on rue Cadet in Paris. In total, the Group's bank debt was reduced by €15.2 million in 2014.

As at 31 December 2014, the Group was in compliance with the LTV and ICR/DSCR covenants agreed with its banking partners, except for a credit line on which the LTV threshold specified in the loan agreement was exceeded (61.5% instead of 60%). A repayment of €1.5 million, comprising a contractual repayment of €0.8 million and an additional repayment of €0.7 million, was made on 20 January 2015, bringing the Group back into compliance with the ratio. On the date of issue of the financial statements by the Board of directors, the Group was thus in compliance with all of its commitments in terms of LTV covenants, which have maximum thresholds of 60% to 90%, and in terms of ICR/DSCR covenants, which have minimum thresholds of 100% and 190%.

	12/31/2014	12/31/2013
Bank loans	€131.5m	€146.7m
Average margin (1)	183 bps	164 bps
Cash and cash equivalents	€22.4m	€19.9m
BANK LOAN TO VALUE (LTV) (2)	**56.6%**	**56.2%**
TOTAL NET DEBT (3)	**47.0%**	**48.5%**

(1) Excluding impact of set-up fees.
(2) Bank debt over asset portfolio appraisal value excluding transfer taxes.
(3) Net bank debt over asset portfolio appraisal value excluding transfer taxes.

At 31 December 2014, the Group's total net debt thus stood at €109.1 million and represented 47.0% of the portfolio value excluding transfer taxes. The Group's total debt changed as follows over the past three years:



Maturity and hedging of the bank debt

At 31 December 2014, the bank debt schedule (apart from any repayments tied to disposals of properties) was as follows:

Bank maturities	Amount	% of the total bank debt
2015	€30.6m	23.3%
2016	€2.7m	2.1%
2017	€89.2m	67.9%
2018	€0.4m	0.3%
2019 and beyond	€8.5m	6.5%
TOTAL	**€131.5m**	**100%**

All bank debt is variable-rate, with 80% hedged by Euribor three-month caps set at between 2.0% and 3.0%:

Euribor Strike	Amount
1.00% - 2.00%	€24.3m
2.01% - 3.00%	€81.1m

Net Asset Value and Balance Sheet

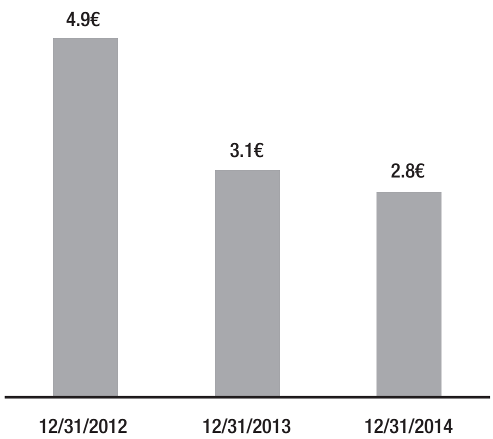
At 31 December 2014, the liquidation Net Asset Value was €2.8 per share and the replacement Net Asset Value was €3.1 per share, compared with €3.1 and €3.4 per share, respectively, at 31 December 2013.

The NAV (Net Asset Value) is an indicator which measures the realisable value of a real estate company. It represents the difference between the value of the Company's portfolio (as assessed by independent appraisers) and the sum of the debts. The NAV was not subject to any restatements insofar as the investment property and the property held for sale were entered at "market value" on the Group's consolidated balance sheet as of 31 December 2014. The liquidation NAV corresponds to the NAV excluding transfer taxes, with the properties taken at their values excluding transfer taxes according to the appraisal valuations made by the independent appraisers. The replacement NAV corresponds to the NAV including transfer taxes, with the properties taken at their values including transfer taxes according to the appraisal valuations made by the independent appraisers.

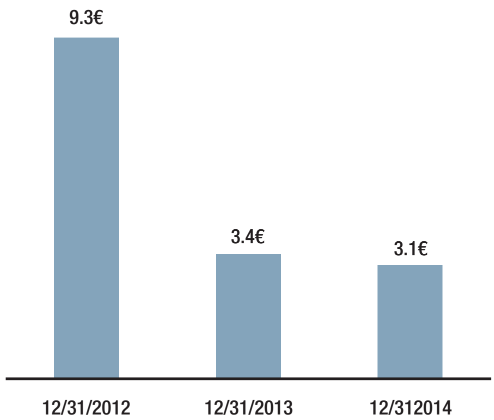
NAV Data	12/31/2014	12/31/2013	12/31/2012
Net Asset Value	€123.7m	€135.0m	€16.9m
Liquidation NAV/share	€2.8	€3.1	€4.9
Replacement NAV/share	€3.1	€3.4	€9.3

The Net Asset Value in euros per share changed as follows over the past three years:

Liquidation NAV



Replacement NAV



Cash flow statement

The simplified cash flow statement over the past three years is as follows:

(in thousands of euros)	12/31/2014	12/31/2013	12/31/2012
CONSOLIDATED NET INCOME	**(6,883)**	**38,261**	**(4,406)**
CASH FLOW	**6,007**	**6,564**	**7,623**
Change in operating working capital	(86)	(2,492)	363
Change in cash flows from operating activities	5,920	4,073	7,986
Change in cash flows from investing activities	19,904	6,931	11,364
Change in cash flows from financing activities	(23,276)	4,924	(17,811)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**2,549**	**15,927**	**1,539**
Initial cash and cash equivalents	19,881	3,953	2,414
Closing cash and cash equivalents	22,430	19,881	3,953

1.3 Company history

M.R.M. was initially a holding company heading up a group organised around three business lines: manufacturing and sales of velvet products (JB Martin), clothing design and retailing in Mexico (Edoardos Martin) and the production and sale of plastic tubes and cables (M.R. Industries). At the start of the noughties, M.R.M. committed itself to an active strategy of refocusing its business activities on the first two operations, gradually disposing of all companies within M.R. Industries, the latter company having been sold, with its sole subsidiary Tecalemit Fluid System, to JB Martin Holding for €1 on 29 June 2007.

29 June 2007: Dynamique Bureaux, a property investment company managed by CB Richard Ellis Investors, took over M.R.M., a company listed on the Eurolist of Euronext Paris, via acquisition of 70.03% of its share capital. Prior to that acquisition, M.R.M. had sold all its operational businesses, grouped together in the subsidiary J.B. Martin Holding.

31 July 2007: Dynamique Bureaux launched a simplified public tender offer for all the shares of M.R.M.

30 August 2007: At the end of the simplified tender procedure, Dynamique Bureaux held 96.93% of the share capital and voting rights of M.R.M.

28 September 2007: M.R.M. began to carry out its first acquisitions of office buildings through property companies.

9 November 2007: After obtaining approval for the E.07-163 document from the AMF on 8 November 2007, M.R.M. announced its plans to change its business and move towards that of a mixed listed real estate investment company. The project took the form of Dynamique Bureaux's merger-absorption into M.R.M. and the contribution by Commerces Rendement of its shares (directly and indirectly with the contribution of all of Investors Retail Holding's shares, a company whose sole assets were its holdings in Commerces Rendement).

12 December 2007: The M.R.M. General Meeting of Shareholders approved, among other items, the following operations:

- contribution of all Commerces Rendement shares not held by Investors Retail Holding;
- contribution of all shares held by Investors Retail Holding;
- absorption of Dynamique Bureaux;
- ratification of co-opting directors on 29 June 2007;
- transferring the head office to 65/67 avenue des Champs-Élysées, Paris (75008);
- redrafting the Company's Articles of Association;
- authorisation to proceed to capital increases.

30 January 2008: M.R.M. opted for SIIC status as from 1 January 2008.

The tax regime for *"Sociétés d'investissements Immobiliers Cotées"* – SIIC (listed property investment companies), laid down in Article 208 C of the French General Tax Code, exempts eligible companies which opt for this status from corporate tax on income from letting buildings, and from capital gains tax on sales of buildings and shares in real estate companies.

Conditions for eligibility are twofold:

- one condition concerns the company's business: at least 80% of its business must derive from property holding and management;
- one condition concerns the shareholding structure: no one shareholder can hold more than 60% of the share capital and voting rights of the Company, and at least 15% of the share capital and voting rights must be held by shareholders accounting for less than 2% of the share capital and voting rights.

The company must opt for the SIIC status before the end of the fourth month from the beginning of the financial period for which the company requests application of the regime. It takes effect as from the first day of the applicable financial period and is irrevocable. The resulting change in tax status gives rise to the discontinuation of a company's business (taxation of unrealised capital gains, payment of any deferred tax and any unpaid corporate tax on operating income).

Corporate tax on unrealised capital gains, deferred taxation and operating income not yet taxed, levied at 16.5% (generally referred to as exit tax), must be paid in instalments of 25%, on 15 December in the first year of the option, and in each following year.

SIIC listed property companies and their subsidiaries having opted for the special tax regime are exempt from corporate tax on the part of their earnings derived from:

- letting buildings, provided that 85% of such earnings be distributed before the end of the financial period during which they are generated;
- capital gains realised on disposals of buildings, shares in partnerships as described in Article 8 of the General Tax Code, and whose purpose is identical to that of the SIIC, and/or shares in subsidiaries having opted for the special tax regime provided that 50% of such capital gains are distributed before the closing of the second financial period following their realisation;

- dividends received from subsidiaries having opted for the special tax regime and deriving from tax-exempt income or capital gains, provided that they are entirely redistributed during the financial period following the dividend payout.

For financial periods ending on or after 31 December 2013, the payout requirements were changed as follows by the 2013 Amending Finance Act, published on 3 January 2014:

- 95% of profits from the letting of buildings;
- 60% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

25 March 2008: M.R.M. joins the Euronext IEIF SIIC index.

7 March 2013: M.R.M. signed an investment agreement with SCOR SE that would see this group taking a majority interest in M.R.M.'s share capital.

13 May 2013: The M.R.M. General Meeting of Shareholders notably approved the Company's recapitalisation provided for in the investment agreement signed on 7 March 2013 with SCOR SE along, with the following operations, subject to the carrying out of the aforementioned operation:

- appointment of directors;
- reduction of the Company's share capital by means of a reduction in the par value of shares;
- charging of the negative retained earnings account to additional paid-in capital;
- capital increase with waiving of preferential subscription rights in favour of SCOR SE;
- conversion into Company shares of the bonds issued by DB Dynamique Financière;
- issue and award of Company stock options free of charge to Company shareholders whose shares are registered on the day preceding the date on which the capital increase reserved for SCOR SE is carried out.

29 May 2013: The recapitalisation provided for in the investment agreement signed with SCOR SE on 7 March 2013 was carried out. This notably entailed SCOR SE taking a 59.9% majority interest in the M.R.M. share capital, as well as the conversion into M.R.M. shares of all the bond debt for a nominal amount of €54.0 million issued by DB Dynamique Financière, a wholly-owned subsidiary of M.R.M. As SCOR SE's interest in M.R.M.'s share capital remained under 60%, M.R.M. continues to enjoy SIIC status and to benefit from the accompanying advantageous tax regime. M.R.M.'s registered office was moved to 5, avenue Kléber, Paris (75016).

1.4 The Company

The market data presented in this Chapter is taken from reports published by CBRE.

The reader may refer to the management report presented in section 3.6 of this Registration Document for further details about the M.R.M. Group.

1.4.1 Business overview

The purpose of M.R.M. as a real estate company is the acquisition, holding, value-enhancement, rental and arbitrage of property assets. The Group's portfolio consists of stabilised properties and properties with value-enhancement opportunities.

Growth lies in increasing rental revenues through improving the occupancy rate of properties and reducing property expenses, enhancing property value and in combining internal development with growth via acquisitions.

The Group operates on the office and retail property markets, each with their own characteristics. These businesses require in-depth knowledge of investing and rental activities, of laws and regulations, and the competitive environment.

M.R.M. and its subsidiaries signed a real estate asset management consultancy agreement with CBRE Global Investors, a subsidiary of CBRE, the world leader in real estate services. The terms and conditions of this contract are outlined in Chapter 5 of this Registration Document. As a result, M.R.M. enjoys access to the expertise and knowledge bases of CBRE Global Investors and of CBRE on the office property market. In France, CBRE has a ten-strong research team, who are constantly monitoring the market, publish about 100 benchmark studies per annum and enjoy access to comprehensive databases: more than 20,000 office transactions in the greater Paris region, 4,000 investment references in France, with municipal rental archives going back further than ten years, covering 10 million sqm of available space classified according to probability of market entry and foreseeable date of market entry, as well as databases covering 28 regional urban areas.

Office properties

In the office property segment, demand is concentrated in Paris and the suburbs, and to a lesser extent in large cities in the French provinces. Developments in this market are described in 1.4.2. Upon investing, the key indicators include the volume of property exchanged and variances in capitalisation rates used to value the properties.

Vacancy rates and changing rental values are two key criteria for the rental market. Although the investment and rental markets have differences, they do have some determining factors in common.

With regard to rent regulations, the INSEE construction cost index (ICC), which has been very volatile over the last few years, will be gradually replaced by the commercial property rental index (ILAT), a new index that is more closely correlated with changes in GDP. French environmental legislation is being revamped following the Grenelle Environmental Forum, in the guise of the Building Plan designed to improve the energy performance of buildings and help combat global warming, which notably resulted in the implementation of the Thermal Regulations in 2012. In parallel with the particular focus on personal safety (asbestos, construction materials, etc.), regulations are also evolving in relation to the protection of the environment (energy standards, greenhouse gas emissions, the integration of buildings into the environment, natural landscaped surroundings, etc.) as well as accessibility standards for people with reduced mobility.

The competitive environment in which the Company operates is becoming fragmented, in regard to both the type of assets involved and the players, which include a number of listed French real estate companies (the bulk of which operate under the SIIC regime), French and foreign investment funds, and institutional investors (insurance companies, pension funds). No one player among them controls a significant share of the different market segments.

Certain property players can be considered as competitors as they operate entirely or in part on the same market segment and tertiary divisions as the Company, in particular a certain number of listed real estate companies, investment funds and dedicated investment vehicles, such as OPCIs and SPCIs.

Retail properties

Retail property is a highly specific market segment subject to a particular economic and regulatory sector. Developments in this market are described in 1.4.2. The development of retail and distribution can be observed in the endurance of suburban retail parks and the refurbishment of existing town-centre facilities. In addition, the size and demography of the French market foster the development of chains by domestic and international retailers. Furthermore, e-commerce is also developing strongly and represents a significant distribution channel in certain consumer sectors (travel ticketing, electronic and cultural goods, etc.). The food trade continues to play an important role in French retailing given the behavioural patterns of French consumers in this sector.

These retailers are now operating in most large cities in France, and are beginning to penetrate deeper into the territory by opening outlets in smaller catchment areas, although continuing to scrutinise entry conditions, given the difficult economic environment.

The balance of power between tenants and lessors is determined by the strength of the retail property and business, which belongs to the tenants and therefore strongly influences their attachment to the premises, and by the regulation of available supply of premises, which is determined by the authorisation required prior to opening any mid-size or mass retail outlet, governed by urban planning laws. These changes are being followed closely by players in this market.

As a consequence, investments made in commercial property are subject to a lesser extent to the vacancy constraints known in other property sectors.

Against the backdrop of the volatility of the index traditionally used (the construction cost index - ICC), the regulations now allow the use of a new index (retail rents index - ILC) incorporating certain retail activity indicators by volume in order to weight the construction cost index (ICC). Any change in index that, to be valid, currently requires agreement of the parties, could become a matter of public policy under a bill that is currently under discussion.

The competitive environment in which the Company operates includes a certain number of French and international listed real estate companies specialising in retail property, such as Unibail-Rodamco, Klépierre, Mercialys and Altaréa, as well as many other operators such as hypermarket group real estate companies, asset management real estate companies, small and medium-sized specialised real estate companies, investment funds and other dedicated vehicles.

Policy of enhancing asset value and refocusing on retail properties

The M.R.M. Group has properties, both office and retail, in its portfolio with value-added opportunities.

The strategy of the M.R.M. Group notably involves increasing the attractiveness of its assets and exploiting their potential for value enhancement by refurbishing them and upgrading them to the best market standards, by bringing their rental revenues back into line with market rates, but also by undertaking extensions where possible.

In 2013, the Group announced its intention to refocus its business on retail properties and to gradually dispose of its office properties. As regards the latter asset class, M.R.M.'s priority is to continue actively seeking out opportunities to let the premises that are currently vacant while undertaking various value-enhancement projects on certain properties in the portfolio.

1.4.2 The real estate market in 2014, office and retail segments

The investment market in France

Source: CBRE study of Q4 2014 entitled "Market view - Investment France".

Investment in France out performs other mature European markets

A year of mammoth deals

In 2014, approximately €22.6 billion euros were invested in standard commercial real estate in France. In the last quarter alone, investment totalled an exceptionally high €7.9 billion. Indeed it ranked as the second highest quarterly spend reported since Q1 2007. The year-end surge in transactions resulted in investment volumes for 2014 returning to pre-crisis levels to equal those seen in 2006. A positive sign for the market is that the traditional core market of mid-range transactions (from €50 to 200 million), which until recently suffered from a lack of liquidity due to a supply shortage, was particularly active at the end of the year. It accounted for half of investment volume in Q4 2014. In this size bracket, 42 transactions took place in the first 9 months of 2014; by the end of the year, this volume had virtually doubled with a spend of €3.7 billion in 38 transactions in the last three months. This should not detract from the clear domination of mammoth deals in 2014: 7 transactions, including 4 portfolios, each exceeding €500 million were signed, which is an all-time record. The segment of deals above €200 million alone accounted for 46% of total investment. Note that in 2006 and 2007, two landmark years for investment in France, these very large transactions accounted for a slightly less impressive, but still large, 41% and 39% of the property investment market. At the other end of the scale, in this highly competitive market where available capital is earmarked for big spends, the segment for small transactions plummeted. The number of transactions under €25 million shrank by 30%. Overall, while total investment volume rose by 40% from 2013 to 2014, during the same period the number of transactions dropped by 20% underlining the shortage of supply.

An inevitable hardening of yields

In 2014, a combination of several factors had the effect of steadily compressing real estate yields: high demand due to the mass of capital earmarked for this asset class, limited supply due to the problem of re-investing capital, the lowest lending rates ever, and low rents with potential uplifts expected in the medium term. Despite ambient reticence and uncertainty, the facts are plain to see: the market yield for prime properties in Paris stood at 3.75% for offices and 3.25% for high street shops. The fall in yields also spread to the best locations in the Western Crescent, the Northern and Southern Inner Rims and to the Outer Rim. While we have witnessed a shift to more homogenous yields across much wider zones (throughout Paris, in areas of the Inner Rim with good public transportation and in the Outer Rim in areas with good depth of market), a natural geographic hierarchy exists between zones. Buyers were very attentive to the quality of assets and the spread required between prime and secondary products was maintained. The market value per square metre is a variable that was examined closely to get a better picture of past trends. Investors were mainly interested in assets with transparent risks (as measured by accessibility, technical quality, tenancy profile etc.), even though the level of risk for potential investments softened in some zones.

A record year for retail

As expected, the retail investment market in 2014 closed at an unprecedented investment volume of €6.1 billion. This was equal to 27% of the total for France. The volume does not take into account the many shops situated on the ground floor of predominantly office buildings in which the retail element can be worth a substantial proportion of the property's value. An exceptional situation did, however, exist in the market as one seller, Unibail Rodamco, and one buyer, Carmila, were involved in more than half of investment volume. This should not detract from the fact that since the start of the crisis one of the underlying trends in the French market has been an increased interest in retail assets. A growing number of institutional investors sought to diversify into this asset class as it is considered particularly resilient to changes in the economy and many foreign investors were interested in French retail. For many years, however, retail investment was a closed market that was dominated by a handful of large property companies, especially the shopping centre market. The recent reshuffle has created openings for new entrants to move into the sector. Offices, with €14.6 billion of investment spending, accounted for 65% of total volume. The prevailing sluggishness in the occupier market curbed investors' inclination to take more risk. So when and where they diversified their targets, they did so on a very selective basis. Geographically, interest in Parisian assets remained strong throughout the year despite the very low yields for the best properties. Paris accounted for almost €6.5 billion of office investment (44% of the total), a volume outstripping all past performances. Investors were still focused on secure assets even though many anticipate an economic upturn in the medium term. Core assets therefore attracted 65% of office investment above €50 million in 2014, compared to 58% in 2013. In parallel, the share of opportunistic value-add transactions fell from 20% to 11%. By contrast, the market for off-plan sales, after a weak start to the year, gained strength in the final months of 2014. But even in this market, investors were only interested in very targeted locations such as the southern bend of the Seine, the ZAC Paris Rive Gauche, Clichy Batignolles or Saint-Ouen. In these locations a degree of letting risk was accepted inasmuch as the volume of investment included about a third of pre-let schemes, a third partially let and a third completely speculative. Finally, investment in industrial and logistics premises totalled €1.8 billion, a slight year-on-year decrease in volume since the very active market in 2013. The sale of portfolios boosted this segment too, while the supply of prime logistics premises was lacking. The situation benefited the industrial and small warehouse markets, which accounted for an all-time high share of 42%.

The French defend the competitive domestic market

Throughout the year a steady flow of international capital has been directed to France, nevertheless domestic investors were still the major players with 60% of investment volume. With this distribution, France does not differ from other European countries where, on average, domestic players accounted for 58% of investment in 2013 and H1 2014. French institutions were the most active, whether investing directly (such as insurance companies and SCPIs, whose available reserves continued to grow) or via OPCI RFA structures. We also observed an increasing tendency for asset managers to set up joint ventures for different funds, whether they were for mass market or professional investors. The high level of activity of property companies was largely due to Carmila's acquisitions of portfolios. Note that for properties in foreign countries, Carmila operated by setting up pools of investors. Also worth noting is the large share of private funds, which were behind two of the largest deals of the year (the Risanamento portfolio and Beaugrenelle), underlining the importance of the patrimonial aspect of property investment. Finally, investment funds, after having been net investors in the first half, due to the heavy involvement of US players, changed course to become net sellers in the second half of the year.

In 2015 the market will continue to be bolstered by low financing costs and the availability of capital

After a period when France trailed slightly behind the upturn seen in the European investment market in general, the country posted the best performance of its large European neighbours in 2014, with higher growth than both Germany and the United Kingdom. The country took advantage of its ranking as the 3rd largest European market, especially Paris. For major international investors, the city is the only real competitor to London, which has become very expensive. While it is true that the French economy is weak, there is a hint of a slight improvement in business activity. Paris is a key market for investment in secure real estate assets. It has strong fundamentals that find their full relevance in long-term investment strategies: depth, liquidity, and controlled new development. For opportunist funds, however, France is faced with heavy competition from peripheral European markets where successive large declines in value since the crisis have created real opportunities. Given the flow of finance for real estate and the cost of borrowing, which has been at an all-time low, yields on property have hardened. At the moment, the condition of the world economy makes it unlikely that these rock-bottom interest rates will rise in the short term, therefore yields on real estate will continue to fall as the current spread between the two provides a good margin of security. We therefore believe that in 2015 buyers will continue to grab any opportunities that are provided by owners pursuing disposal strategies. It is also likely that the investment market will remain extremely competitive for quality assets. Investors looking for a higher return on investment will slowly but surely ease their risk assessment criteria. Finally, unless there is a major shift in the current international balance of trade and finance, the volume of investment will remain steady in 2015.

The office market in Île-de-France

Source: CBRE study of Q4 2014 entitled "Market View – Offices Île-de-France".

2014: a return to normal conditions. 2015: from stabilisation to improvement

Encouraging volumes amid sluggish growth

After a particularly disappointing Q3 2014, activity picked up over the last 3 months of the year, bringing annual take-up to 2.1 million sqm The 13% increase in lettings compared to a mediocre 2013 is misleading: in 2014, take-up remains 8% below the 10-year average, reflecting an on-going difficult economic environment. Growth has been very poor and confidence has remained particularly impaired. Most relocations have been driven by cost reductions and space optimisation, and more often than not tenants have tended to renegotiate rather than move. As in the previous year, 40% of take-up has been in new/redeveloped premises. Volumes have increased y-o-y across all size categories. Nevertheless, they are still below the ten-year average, with the exception of transactions under 1,000 sqm, which come close, thereby demonstrating their resilience. Premises between 1,000 and 5,000 sqm saw a moderate annual increase (up 1%). Activity in the office market further benefited from the awaited rebound in transactions over 5,000 sqm, with the combined total for the 62 transactions reaching 826,800 sqm 2014 greatly benefited from the postponement of major transactions started in autumn of 2013 and the return of transactions exceeding 40,000 sqm: 3 in 2014 compared to none in 2013. Given the relative abundance of existing supply and its characteristics, only 37% of premises over 5,000 sqm were let more than 6 months prior to their effective availability. The Western Crescent accounted for nearly 1/4 of take-up with some 537,400 sqm of lettings and sales, just ahead of Paris Centre West (466,800 sqm). These areas remain highly sought-after by occupiers. La Défense saw a more sustained level of activity, and registered take-up of 234,800 sqm —its highest level since 2008. The combination of lower real rents and fundamentals particularly appreciated by occupiers, favoured the number of transactions that have more than doubled y-o-y and surpassed their 10-year average. For their part, the Inner and Outer Rims have seen volumes increase annually, albeit falling well short of their long-term averages.

Immediate supply registers a slight increase

As at 1 January 2015, immediate supply in Île-de-France registered an annual increase of 2.5% to surpass 4 million sqm of available space, equating to a vacancy rate of 7.2%. New or redeveloped space accounts for 20% of that immediate supply and has changed little in 2014 given its continued attractiveness to major occupiers. Geographical and structural disparities continue to be significant. The Paris market, which is structurally tight, has a vacancy rate of 5.1% and has few quality properties and/or large floor spaces available. This is in direct contrast with periphery locations including those in the West of Île-de-France (La Défense + Western Crescent), which comprises 54% of new and redeveloped product in the region and 48% of supply over 5,000 sqm Following the strong performance of the lettings market, immediate supply decreased slightly over the quarter in La Défense (12.2% vacancy), which saw the recent delivery of the D2 tower. The vacancy rate in the Western Crescent sub-sectors (11.9% on average) ranges from 10.9% in the Southern River Bend to 13.9% in the Northern River Bend. Supply rose by 5% y-o-y in the Inner Rims (8.9% vacancy). The vacancy rate stands at 9.6% in the Northern and Southern Inner Rims and appears more contained in the Eastern Inner Rims (6.9%).

Future supply is reducing due to the limited number of speculative developments

As at 1 January 2015, definite future supply (with a set date for delivery) amounts to almost 1.7 million sqm (of which 1 million sqm is over 5,000 sqm). This level was down 15% y-o-y, with only 16 speculative projects recorded for 2014 (of which 9 were new-builds). The Île-de-France future supply therefore appears to be relatively stable: of the 1.9 million sqm under construction today in Île-de-France, only 35% of this space remains on the market. There could be a certain lack of quality supply as of 2016 and expand user choice to include schemes still in the pipeline.

The number of projects on hold increases

The probable future supply exceeding 5,000 sqm (with sliding time-scales) continued to rise and reached 3.6 million sqm, of which 2.8 million sqm is to be constructed or redeveloped over 104 projects for which planning applications have either been submitted or obtained. The vast majority of these projects are located in periphery areas, mainly in the Western Crescent (26 schemes identified), as well as the Northern Inner Rim with many planned developments in Saint-Denis and Saint-Ouen. In La Défense, several large tower developments have been planned for several years, but their launch dates remain extremely uncertain. In Central Paris, major development schemes are programmed to break ground in 2015, namely the western sector of the ZAC (CDZ) Clichy-Batignolles in the 17th Arrondissement and the Austerlitz sector of the ZAC Paris Rive Gauche in the 13th Arrondissement.

Attractive rental values

Over 2014, headline rents in Île-de-France have stabilised somewhat after the sharp downward pressure observed in over-supplied markets between 2011 and 2013. In Paris, the contained level of available supply has allowed them to remain stable, whilst strong competition between landlords in periphery markets is forcing headline and real rental levels downward. For lease signatures over 1,000 sqm with a fixed term commitment of at least 6 years, rent-free periods of 2 to 3 months per year of firm commitment are frequently granted in over-supplied locations, and in certain negotiations this can even exceed 3 months. In Central Paris, the average stands at between 1.5 to 2 months rent-free. In Q3 2014, the Immostat index set average tenant incentives for the Île-de-France at 19.6%, all states considered, for transactions over 1,000 sqm

Lack of prime supply in Paris, new hierarchy of rental values in La Défense

A lack of high-end properties in prestigious locations, which still attract the interest of certain tenants, average prime headline rents (average of the 10 largest transactions over 500 sqm over the past six months) for Paris Centre West dropped below €700 net per sqm/year to €687. In La Défense, the gradual letting of new and redeveloped properties delivered over the last 18 months have pushed the average prime rent up to €498 net per sqm/year. In the Western Crescent, the average prime rent stands at €459 net per sqm/year following major lettings in Neuilly-sur-Seine, Levallois-Perret and Boulogne-Billancourt.

Outlook: 2015 - between continuity and a perceived improvement

Given the economic outlook, the tendency for occupiers to seek to optimise space and look for savings should not fundamentally change over 2015. If the slight improvement in French economic growth (circa 1%) is positive, it is hard to foresee a return to more confidence and visibility just yet. Therefore, the overall balance currently in place should not be offset in the short term: tenant incentives remain high and are not expected to drop considerably in 2015. In 2015 quality stock should continue to be taken up and take-up should again exceed 2 million sqm Especially given the slight improvement in business sentiment at the beginning of the year, which has been felt over the last few months and is an encouraging sign.

The retail market

Source: Extracts from the CBRE 2014 annual study entitled "The French retail market".

French economy weak against sensitive world context

Estimates for world growth were revised downwards to 3.3% for 2014 (the same as in 2013) and 3.8% for 2015. The international context is fragile as questions are raised about the reality of the US recovery, the viability of the Chinese growth model, the slowdown in Latin America and Japan, the possibility of deflation in the euro zone and, last but not least, Germany's economy running out of steam. Looking more closely at France, the country is stuck with very weak growth, around 0.4% in 2014 and 1% forecast in 2015. Businesses in the non-financial sector, faced with little or no prospects and low profit ratios (29.4%), are restricting investment in 2014 (down 0.6%). The French public deficit is falling slowly. 10-year sovereign yields remained very low in September 2014, underlining investors' confidence in France. To summarize the country is in a delicate situation, caught between low domestic demand and the need for structural reform. The OECD believes that France should "move forward […] rapidly" calculating that the reforms underway could lead to 3.7 GDP points in 10 years.

Consumer spending stagnates

Household consumption will post a token 0.1% increase in 2014. Consumer purchasing power rose by approximately 0.8% due to low inflation and, compared to last year, lower increases in tax and other compulsory deductions. But their overall situation is under pressure due to insufficient GDP growth and high unemployment, which stood at approximately 9.9% at the end of 2014 in Metropolitan France with no prospects for a significant reduction before 2016. Consumer sentiment is much lower than its long-term average —a negative gap of 14% was reported in September 2014– and the savings rate rose in 2014 to stand at an average of 15.6%. An improvement is forecast for 2015 with household consumption rising by an expected 1%.

A slight improvement in retailing by Q3

According to monthly surveys by the Bank of France, the volume of retail turnover posted a year-on-year rise of 0.9% at end Q3 2014. This improvement follows two years of falling sales. In the car and light duty vehicle market, sales rose annually by 2.4% after 2 years of falling sales. In 2013, the sale of personal goods suffered due to a reduction of 3.5% for clothing and shoes. Sales in the sector continued falling in 2014, by 1.5% and 1.8%. Trends varied in the household goods sector depending on the type of product. At 1 October 2014, furniture stores had lost 3.4% in a year, while sales in DIY stores stabilized after 2 years' decline. Electrical white goods rose substantially, by 4.1%, whereas audio and video equipment again increased sharply, by 14%. In other retailing sectors results varied. Sales in bookstores stabilized after 6 years of reduction, whereas in the newspaper-stationery and clocks-jewellery sectors they have continued falling since 1 January 2014. By contrast, improvements have been reported in sports goods, up 4.1%, perfumery and beauty, up 1.4% and toys and games, up 1.8% for the first 9 months of 2014 against 2013.

Shopping centres

Footfall in shopping centres is struggling to improve, in fact, according to indexes published by CNCC and Experian Footfall, there was an overall fall in visitors. This generalized reduction in footfall did not affect all centres. Regional and medium-sized centres, as long as they were well established in their consumer catchment area and spared cannibalization, managed to do quite well. Competition from other retail hubs —new shopping centres, retail parks and city centres— is forcing established centres to be inventive if they want to increase footfall or even, given the economic context, just maintain it. This was revealed in the last survey carried out by CBRE on the shopping habits in Europe (CBRE, How Consumers Shop 2014). To the question, "What improvements have you seen in shopping centres over the last three years?" the most frequently mentioned items by consumers in the French sample were renovation, size increase/more shops open, and addition of new international brands. The opening of super regional centres (Beaugrenelle in Paris, Aéroville in the Paris region in 2013, Qwartz in the Paris region, and Terrasses du Port in Marseille in 2014), the creation of extra sales units in existing centres (by extensions) and reorganizations of the merchandising mix, all created opportunities enabling new brands to open their first store or develop new concepts. The arrival of Primark in O'Parinor, Qwartz and Créteil Soleil illustrates this mechanism. Other factors were also mentioned, improved services in shopping centres over the last three years such as free parking, the organization of events and more entertainment services. In addition to the price, which remains the premier factor, cleanliness, security —especially by the presence of security guards— and convenient access are all given as essential conditions when choosing where to shop. Free parking is also one of the main factors seen repeatedly in the survey.

Out-of-town retail

The out-of-town retail market is composed of retailers that need large sales floor areas. On the outskirts retailers can find the space they require to roll out their concept and display their goods at rents that are significantly lower than those practised in town centres and shopping centres. Out-of-town formats are also the logical choice for goods where road access is essential, for example for furniture and DIY stores. Rents remained stable, although there was a sharp reduction for ageing, poorly located properties. The best sites and buildings are, unsurprisingly, the ones that attract the most interest, but retailers are particularly attentive to the overall cost of a store. The tax burden is a factor that is particularly important. Understanding this market on a national basis is virtually impossible and each new opening is studied individually. The format of stores in out-of-town markets is very diverse, from zones of retail warehouses, to attractive retail parks and one-off stores. In addition, the market is currently undergoing major structural changes. Despite the difficulty involved in developing new retail parks, these are steadily becoming the new model for out-of-town concepts. Architectural retail parks are often close to and compete with older retail formats, at a time when consumer spending is struggling to improve. These new parks are better integrated into the urban landscape and align with new consumer patterns of behaviour. They also match the most recent requirements of retailers. Cannibalization is rife with consumers steadily drifting away from old retail zones and retailers naturally also losing interest. The issue now is whether or not the sites should be converted.

Towards cross-channel consumption

The boundaries between stores and online shopping are progressively being blurred. A single model is not yet in place, but all players are aware of changes and are allocating resources to adapt to consumers whose buying behaviours change rapidly. This was shown in the latest report "How Consumers Shop 2014" prepared from a survey of 21,000 consumers in 20 European countries. The French sample (1,000 people questioned) underlined the complementarity of retailing channels. About 82% of people questioned said they used the Internet (using a desktop or laptop) when they were looking for something specific and 89% go to the store to make the actual purchase. New mobile communication supports have not been widely adopted because only 12% report they go online on a tablet when looking for something specific and 10% use a smartphone. As the percentage of households with Internet connectivity is increasing, shopping patterns are also changing. 36% of consumers questioned report they will use more online tools in 2 years' time, with the largest proportion opting for tablets alone. There is therefore a lot of growth potential for cross-channel consumption. In parallel, 77% of people say that they continue to go to shops. Whatever the mix, different channels will be increasingly intertwined. The face of retailing is changing progressively, with the inevitable integration of connected supports but for the foreseeable future, stores will remain an essential component.

Investment, a record year

At the end of Q3 2014, a reported €3.6 billion had been invested in retail in France, which was equal to 25% of total investment in real estate, an all-time high proportion. In the exceptional H1, two large deals took place that helped boost investment by 85% in a year. The last few months were fairly quiet as far as completed deals were concerned, but almost €2 billion worth of retail is under offer. If these ongoing negotiations are taken into consideration by the end of the year the investment figure for retail will be close to €6 billion, setting a new record for France. It is worth noting that these figures do not take into account the many instances where ground floor shops have been sold as part of predominantly office buildings. The retail element in such sales can be worth a substantial proportion of the property's value. For retail investment, 2014 looks set to be an unprecedented year. First, the market benefited from the positive context in Europe. The wave of capital earmarked for investment in European property was advantageous to France, not least due to the extremely favourable interest rates and the resumption of available finance. In addition, the retail investment sector in France is going through many structural changes. Long-standing large property companies that once tended to dominate the shopping centre market are repositioning themselves, which has led to assets being sold off on a large scale. At the same time, an increasing number of institutional investors want to diversify and increase their exposure to retail assets leading to the emergence of new players who are in the process of building up their portfolios. New international entrants may take advantage of this context to get a foothold in France, which in the past has been considered closed. Finally, the internationalization of the investment market that started in 2012 continued. Cross border investors completed 7 of the 10 transactions worth over €50 million, with a diversified panel of nationalities. Americans, British, Dutch and Middle Eastern players were the most active. Investment funds have been particularly present this year. A large proportion of capital in circulation is therefore earmarked for large transactions, but it is a very competitive market. Portfolios are particularly in demand as they enable new players to establish an asset base of a critical mass and hedge their risk. In this context, market activity in 2014 has been bolstered by very large transactions that inflate the overall volume. For example two of the largest deals —the sale of Beaugrenelle and that of the Klépierre portfolio— alone accounted for 60% of investment volume. Such large transactions bloat the total and tend to obscure the weakness in the market for intermediary transactions, which have traditionally been the buttress of the market. For more modest investments, there is very limited supply. In the transaction segment between €10 and 25 million the number of deals fell by 35% in a year, illustrating the segment's lack of liquidity. The share of the two large transactions will skew statistical analysis. Unsurprisingly, shopping centres and shopping galleries, where the rate of turnover is usually limited, concentrated this year almost three quarters of investment volume. Town centre shops in Paris and in the largest regional cities continued to be very popular as investors consider them to be the most resilient format. Indeed it is in this sector that letting yields were squeezed the most, with the 4% threshold compressed easily for the best assets in the capital and no doubt soon to be pierced in Lyon, Lille and Toulouse. By contrast, demand for properties on the outskirts ("retail parks" and especially retail "boxes") remained very limited because the outlook for consumption in these areas is mixed. It would seem that the crisis made retailers particularly selective about their choice of location thereby benefiting the best pitches in town centres, where rental values were steady and even continued to rise, by the same token reducing the value of other locations.

The overall market dynamic is positive even though volumes are returning to normal

Higher unemployment, a greater tax burden and falling purchasing power all affected consumer spending: the last 2 years have not been easy for retailers in France and the expected improvement has been long to materialize. The retail investment market is in an unprecedented situation, mainly due to questions again being raised about the possibility of Europe slipping back into recession. However retail in France has strong foundations with a positive demographic profile, supply restricted by regulatory measures, and a profitable luxury sector in a privileged position. These foundations are of most relevance for long-term investments like real estate, which also enjoys a good reputation for its income security. The French market is therefore attractive to both domestic and international investors. The real estate risk premium, despite a recent acceleration in the hardening of yields, is still at an all-time high due to long-term interest rates. With a risk premium boosted by the lowest financing costs ever seen and banks willing to lend again, LTV ratios are on the rise. Demand for retail assets will therefore remain strong. In 2015, it will be nevertheless difficult for investment volumes to equal those seen in 2014.

1.4.3 The Group's analysis of market trends

The economic climate remained difficult in 2014, affecting the valuation of M.R.M.'s asset portfolio and resulting in weaker rental demand compared with 2013 and a downward trend in rental values. In the retail sector, tax pressure and the unemployment rate weighed on consumption and hence on retailers' activity. In the office sector, the economic climate also weighed on rental demand but changing interest rates and the high level of capital available for investment saw capitalisation rates continue to fall for properties with secure rental revenues.

The asset management work done on certain properties in the portfolio currently being marketed has made it possible to increase their value and partially offset the decline in value seen in other assets.

Overall, in 2014, the decline in the portfolio value, adjusted for disposals during the year, was limited to €232.2 million (-2.1%). Furthermore, the fact that interest rates were kept at extremely low levels in 2014 created a favourable environment for M.R.M., since all of its bank debt is at variable rates.

1.4.4 Stock market environment

Following a slight improvement in 2013, the real estate sector rallied in 2014, with the Euronext IEIF SIIC France index up 10.47% overall, compared with -0.54% for the main CAC 40 index over the same period. In 2013, the performances were +6.26% and +17.99% respectively.

The gross dividend yield for SIIC listed French real estate companies was 7.7% in 2014, compared to 7.4% in 2013.

At end-2014, French SIIC companies offered an average premium of 6.4% on Net Asset Value, compared to an average discount of 15% at end-2013.

The number of French listed real estate companies (SIICs) went from 36 at end-2013 to 35 at end-2014, representing a stock market capitalisation at end-2014 of €74.6 billion.

1.4.5 M.R.M.'s asset portfolio as at 31 December 2014

At 31 December 2014, M.R.M. Group had a mixed portfolio combining office and retail properties, valued at €232.2 million excluding transfer taxes, compared with €261.1 million as at 31 December 2013. This reduction primarily reflects the disposals made by the Group in 2014, totalling €22.5 million excluding transfer taxes, and an adjustment in rental values, with the rental market hardening in the retail sector.

At end-2014 the asset portfolio comprised 84,781 sqm of retail space and 49,679 sqm of office space.

Subsequent to the takeover of M.R.M. by Dynamique Bureaux and its conversion into a listed real estate investment company in the second half of 2007, the Group's asset portfolio was built up in three phases:

- Dynamique Bureaux/M.R.M. merger.

  A merger contribution by Dynamique Bureaux appraised at €162 million excluding transfer taxes as of 31 August 2007.

  The portfolio then contained nine office property assets representing a total area of 53,650 sqm. The transaction was approved in M.R.M.'s Combined General Meeting of 12 December 2007, retroactive to 1 September 2007;
- Contribution of Commerces Rendement to M.R.M.

  A contribution from Commerces Rendement appraised at €143 million excluding transfer taxes as of 31 August 2007.

  There were 19 retail property assets in the portfolio for a total area of 75,582 sqm. The transaction was approved in M.R.M.'s Combined General Meeting of 12 December 2007;
- Acquisitions and disposals by M.R.M.

  Acquisitions from 1 September 2007 to 31 December 2007: office buildings acquired in September and October 2007 for €65.5 million, retail property assets acquired in September 2007 for €3.8 million, and mixed office and retail space acquired in November and December 2007 for €80.4 million (acquisition price excluding transfer taxes).

  Acquisitions made in 2008: an office building acquired in April 2008 for €6 million, retail property (two garden centres and five restaurant properties) acquired in May and July 2008, for €11.3 million (acquisition price excluding transfer taxes).

  Acquisitions made in 2009: no acquisitions were made in 2009.

  Disposals made in 2009: three retail properties sold between February and September 2009 for a total of €22.7 million excluding transfer taxes.

  Acquisitions made in 2010: a 1,000 sqm retail unit.

  Disposals made in 2010: the premises of four Pizza Hut restaurants in the Paris region, two retail assets (one in Brétigny-sur-Orge and the other in Angoulême), three office properties (located in Nanterre, Clichy-la-Garenne and Levallois-Perret) and the Marques Avenue A6 outlet centre in Corbeil-Essonnes for a total of €151 million excluding transfer taxes.

  Acquisitions made in 2011: no acquisitions were made in 2011.

  Disposals made in 2011: five retail assets (in Barjouville, Moulin-les-Metz, Vineuil and two in Chambray-les-Tours), and three office properties (in Boulogne-Billancourt, Rueil-Malmaison and Puteaux) for a total of €55.3 million excluding transfer taxes.

  Acquisitions made in 2012: no acquisitions were made in 2012.

Disposals made in 2012: five retail properties (in Claye-Souilly, Coignières, Créteil, Montigny-lès-Cormeilles and Pierrelaye), an office property (on rue Niepce in Paris - 14th arrondissement) and a residential area (in a retail property in Tours) for a total of €22.5 million excluding transfer taxes.

Acquisitions made in 2013: no acquisitions were made in 2013.

Disposals made in 2013: an office property (on rue de la Bourse in Paris – 2nd arrondissement) for €10.4 million excluding transfer taxes.

Acquisitions made in 2014: no acquisitions were made in 2014.

Disposals made in 2014: two office buildings (on rue Cadet in Paris – 9th arrondissement and Rungis) for €22.5 million excluding transfer taxes.

A mixed portfolio that is being refocused

	12/31/2014	12/31/2013
Value excl. transfer taxes:	**€232.2m**	**€261.1m**
	-11.1% vs. 12/31/2013	-2.9% vs. 12/31/2012
	-2.1% excl. effect of disposals	-0.2% excl. effect of disposals
Total area:	**134,460 sqm**	**145,507 sqm**
Breakdown in value:	62% retail/38% office properties	58% retail/42% office properties

Retail portfolio

The Group's retail properties are located in the Paris region and in large cities in the provinces. The type of assets in this category is highly diversified. It consists of shopping centres and malls, shops on the ground floor of properties, independent suburban retail premises and premises in retail parks. The vast majority of the 147 tenants in the retail units are national and international brands. Together, these retail groups account for 67% of the rents received.

At 1 January 2015, the retail property portfolio represented an area of 84,781 sqm and was valued at €144.1 million excluding transfer taxes. Its occupancy rate stood at 83%. In 2014, the €0.8 million in investments was primarily for the first phase of work in the Les Halles shopping centre in Amiens and the Le Passage de la Réunion shopping centre in Mulhouse, and the Vivier retail park in Allonnes. In 2014, 12 leases (1) – mostly renewals – were signed for annual rent of €0.6 million. The office portfolio generated net annualised rent (2) of €8.3 million as at 1 January 2015, down 7.3% compared with 1 January 2014 due to adjusted lease terms granted when some leases came up for renewal.

No assets were disposed of from this portfolio, on which the Company wants to refocus.

(1) New leases or renewals
(2) Buildings in operation at 1 January 2015, excluding taxes, rent-free periods and support measures for lessees.

► BREAKDOWN OF RETAIL PROPERTY PORTFOLIO (LOCATION, AREA)

Retail properties	Type	Location	Area (in sqm)
Sud Canal, Saint-Quentin-en-Yvelines (78) – 41, boulevard Vauban, Montigny-le-Bretonneux	Shopping mall	Île-de-France	11,619
Passage de la Réunion, Mulhouse (68) - 25, place de la Réunion	Shopping mall	Mulhouse	6,018
Allonnes (72) - ZAC du Vivier - Route de la Bérardière	Retail park	Le Mans	10,143
Reims (51) - 2-10, rue de l'Étape	Ground floor	Reims	2,471
Les Halles, Amiens (80) - Place Maurice Vast	Shopping centre	Amiens	7,578
Carré Vélizy, Vélizy-Villacoublay (78) - 16-18, avenue Morane Saulnier	Mixed complex	Île-de-France	11,265
Brie-Comte-Robert (77) - Gamm Vert - ZI de La Haye-Passart	ISRP	Île-de-France	1,122
Nozay (91) - Gamm Vert - ZA de la Butte	ISRP	Île-de-France	2,176
Cour Cheverny (41) - Gamm Vert - 24, boulevard Carnot	ISRP	Centre	851
Montoire-sur-le-Loir (41) - Gamm Vert - 23, rue de la Paix	ISRP	Centre	826
Montrichard (41) - Gamm Vert - Quai Jean Bart	ISRP	Centre	494
Onzain (41) - Gamm Vert - 10, rue Lecoq	ISRP	Centre	542
Selles-sur-Cher (41) - Gamm Vert - 2, place Charles de Gaulle	ISRP	Centre	450
Saint-Aignan (41) - Gamm Vert - 2, rue des Vignes	ISRP	Centre	590
Vierzon (18) – Gamm Vert – rue Étienne-Dolet	ISRP	Centre	683
Salbris (41) - Gamm Vert - Avenue de la Résistance	ISRP	Centre	1,888
Mer (41) - Gamm Vert - 21, route d'Orléans	ISRP	Centre	545
Mer (41) - Gamm Vert - Portes de Chambord	ISRP	Centre	9,713
Lamotte-Beuvron (41) - Gamm Vert - 9-11, avenue de l'Hôtel de Ville	ISRP	Centre	1,539
Romorantin (41) - Gamm Vert - ZAC de Plaisance	ISRP	Centre	3,222
Galerie du Palais, Tours (37) - 19, place Jean-Jaurès	Shopping mall	Tours	6,807
École-Valentin, Besançon (25) - 6, rue Chatillon	Shopping mall	Besançon	4,016
TOTAL			**84,781**

ISRP: independent suburban retail property.

Retail properties	12/31/2014	12/31/2013
Portfolio value (1)	€144.1m	€151.4m
Total area	84,781 sqm	84,781 sqm
Location	62% in the provinces	64% in the provinces
	38% in the Paris area	36% in the Paris area
Occupancy rate (2)	83%	84%
Net annualised rent (3)	€8.3m	€8.9m
Overview of tenants:		
• Number of tenants	147	145
• Proportion of national and international brands	67% of rents received (Gamm Vert, Office Depot, Habitat, Go Sport, Carrefour Market, La Grande Récré, Simply Market, La Halle, Tati, Dia, etc.)	62% of rents received (Gamm vert, Office Depot, Habitat, Go Sport, Carrefour Market, La Grande Récré, Simply Market, La Halle, La Poste, Tati, Dia, etc.)

(1) Value excluding transfer taxes.
(2) Occupancy rate at 1 January N+1, calculated on the basis of area.
(3) Buildings in operation at 1 January N+1, excluding taxes, rent-free periods and support measures for lessees.

► LEASE MATURITIES OF MAIN TENANTS

Tenants	% of retail rents	% of Group rents	Type of lease/Maturity
Tenant no. 1	4.9%	3.1%	6-9-12 year lease/Jan. 2021
Tenant no. 2	4.5%	2.9%	3-6-9-10 year lease/Dec. 2021
Tenant no. 3	4.5%	2.8%	3-6-9-10 year lease/Oct. 2022
Tenant no. 4	3.6%	2.3%	3-6-9 year lease/Dec. 2016
Tenant no. 5	2.6%	1.7%	6-9-12 year lease/Sep. 2020
Tenant no. 6	2.5%	1.6%	3-6-9 year lease/Oct. 2014
Tenant no. 7	2.0%	1.3%	3-6-9 year lease/Dec. 2016
Tenant no. 8	1.9%	1.2%	3-6-9 year lease/Mar. 2023
Tenant no. 9	1.9%	1.2%	6-9 year lease/Jan. 2016
Tenant no. 10	1.7%	1.1%	6-9 year lease/May 2015
TOTAL RENTS OF TOP 10 TENANTS	**30.0%**	**19.2%**	
Annual rents of retail properties	***100.0%***	***63.9%***	

Office portfolio

Office property assets are located in parks of mixed office and light industrial spaces in the Paris region. The Group's strategy is to let the areas that are currently vacant in its office properties with a view to progressively disposing of them over the coming two years, thereby refocusing its business on retail properties.

At 31 December 2014, the office portfolio covered a total area of 49,679 sqm and was valued at €88.1 million excluding transfer taxes. In 2014, 12 leases [(1)] were signed for annual rent of €2.1 million. Although the occupancy rate stood at 54% at 1 January 2015, the rental situation varied fairly substantially between properties. The office portfolio generated net annualised rent [(2)] of €4.0 million as at 1 January 2015, significantly up on 1 January 2014 (+41% on a like-for-like basis).

In 2014, M.R.M. disposed of two properties on rue Cadet in Paris and in Rungis for €22.5 million excluding transfer taxes, thereby generating a loss on disposal of €2.2 million. The Group also invested €1.1 million, mainly for refitting work and fit-outs for new tenants in the Nova building in La Garenne-Colombes, and refurbishment and compliance work on the Cytéo and Plaza buildings, located in Rueil-Malmaison and Paris 12th arrondissement, respectively.

► BREAKDOWN OF OFFICE PORTFOLIO (LOCATION, AREA)

Office properties	Location	Total area (in sqm)
Plaza, Paris 12th arrondissement (75) – 43, rue de la Brêche-aux-Loups	Paris	2,871
Solis, Les Ulis (91) - ZA Courtaboeuf – 12, avenue de l'Océanie	Île-de-France	11,366
Nova, La Garenne-Colombes (92) – 71, boulevard National	Île-de-France	10,659
Cytéo, Rueil-Malmaison (92) – 147, avenue Paul Doumer	Île-de-France	4,025
Cap Cergy, Cergy-Pontoise (95) – 4-6, rue des Chauffours	Île-de-France	12,788
Urban, Montreuil (93) – 14-20, boulevard de Chanzy	Île-de-France	7,970
TOTAL OFFICES		**49,679**

(1) New leases or renewals.
(2) Buildings in operation at 1 January 2015, excluding taxes, rent-free periods and support measures for lessees.

Office properties	12/31/2014	12/31/2013
Portfolio value [(a)]	€88.1m	€109.8m
Total area	49,679 sqm	60,726 sqm
Occupancy rate [(b)]	54%	52%
Net annualised rent [(c)]	€4.0m	€4.7m

(a) Value excl. transfer taxes.
(b) Occupancy rate at 1 January N+1, calculated on the basis of area.
(c) Buildings in operation at 1 January N+1, excluding taxes, rent-free periods and support measures for lessees.

Given that the properties in rue Cadet in Paris and in Rungis, disposed of in 2014, had been fully and 80% let respectively, the stability of the occupancy rate between 1 January 2014 and 1 January 2015 reflects the marketing of vacant office space in 2014.

► LEASE MATURITIES OF MAIN TENANTS

Tenants	% of office property rents	% of Group rents	Type of lease/Maturity
Tenant no. 1	24.4%	8.8%	6.5-9 year lease/Nov. 2020
Tenant no. 2	9.7%	3.5%	6-9 year lease/Oct. 2017
Tenant no. 3	8.4%	3.0%	6-9 year lease/Nov. 2020
Tenant no. 4	7.6%	2.7%	6-9 year lease/Sep. 2020
Tenant no. 5	7.6%	2.7%	3-6-9 year lease/Sep. 2016
Tenant no. 6	7.3%	2.6%	7.5-9 year lease/June 2021
Tenant no. 7	5.3%	1.9%	6-9 year lease/Sep. 2020
Tenant no. 8	3.7%	1.4%	6-9 year lease/July 2019
Tenant no. 9	2.3%	0.8%	7-9 year lease/Aug. 2020
Tenant no. 10	2.3%	0.8%	3-6-9 year lease/Aug. 2016
TOTAL RENTS OF TOP 10 TENANTS	**78.6%**	**28.4%**	
Annual rents of office properties	***100.0%***	***36.1%***	

► PORTFOLIO OVERVIEW AS AT 12/31/2014

	Office properties	Retail properties	Total
Area	49,679 sqm	84,781 sqm	**134,460 sqm**
Appraisal value [(a)]	€88.1m	€144.1m	**€232.2m**
Occupancy rate [(b)]	54%	83%	**72%**
Net annualised rent [(c)]	€4.0m	€8.3m	**€12.3m**

(a) Excluding transfer taxes.
(b) Occupancy rate at 1 January 2015, calculated on the basis of area.
(c) Buildings in operation at 1 January 2015, excluding taxes, rent-free periods and support measures for lessees.

1.4.6 Events after the reporting period and ongoing projects

On 3 April 2015, M.R.M. disposed of the Plaza office building located on rue de la Brêche-aux-Loups in Paris (12th arrondissement) for €16.8 million excl. transfer taxes.

On 15 April 2015 the terms and conditions of the real estate asset management consultancy contract entered into with CBRE Global Investors were amended as set out in Chapter 5 of this Registration Document.

1.4.7 Major investments carried out by the Company Over the last three financial years

	2014	2013	2012
Office properties			
Acquisitions	-	-	-
Investments/Capex	€1.1m	€1.6m	€6.1m(1)
Retail properties			
Acquisitions	-	-	-
Investments/Capex	€0.8m	€1.0m	€1.1m(1)
TOTAL	**€1.9m**	**€2.6m**	**€7.1m**

(1) Including capitalisable financial expenses.

No acquisitions were made in 2014. M.R.M. invested €1.9 million, primarily on refitting work and fit-outs for new tenants in the Nova building in La Garenne-Colombes, refurbishment and compliance work on the Cytéo and Plaza buildings, located respectively in Rueil-Malmaison and Paris 12th arrondissement, and the first phase of works for the Les Halles shopping centre in Amiens and the Le Passage de la Réunion shopping centre in Mulhouse, as well as for the Vivier retail park in Allonnes.

1.4.8 Strategy and outlook

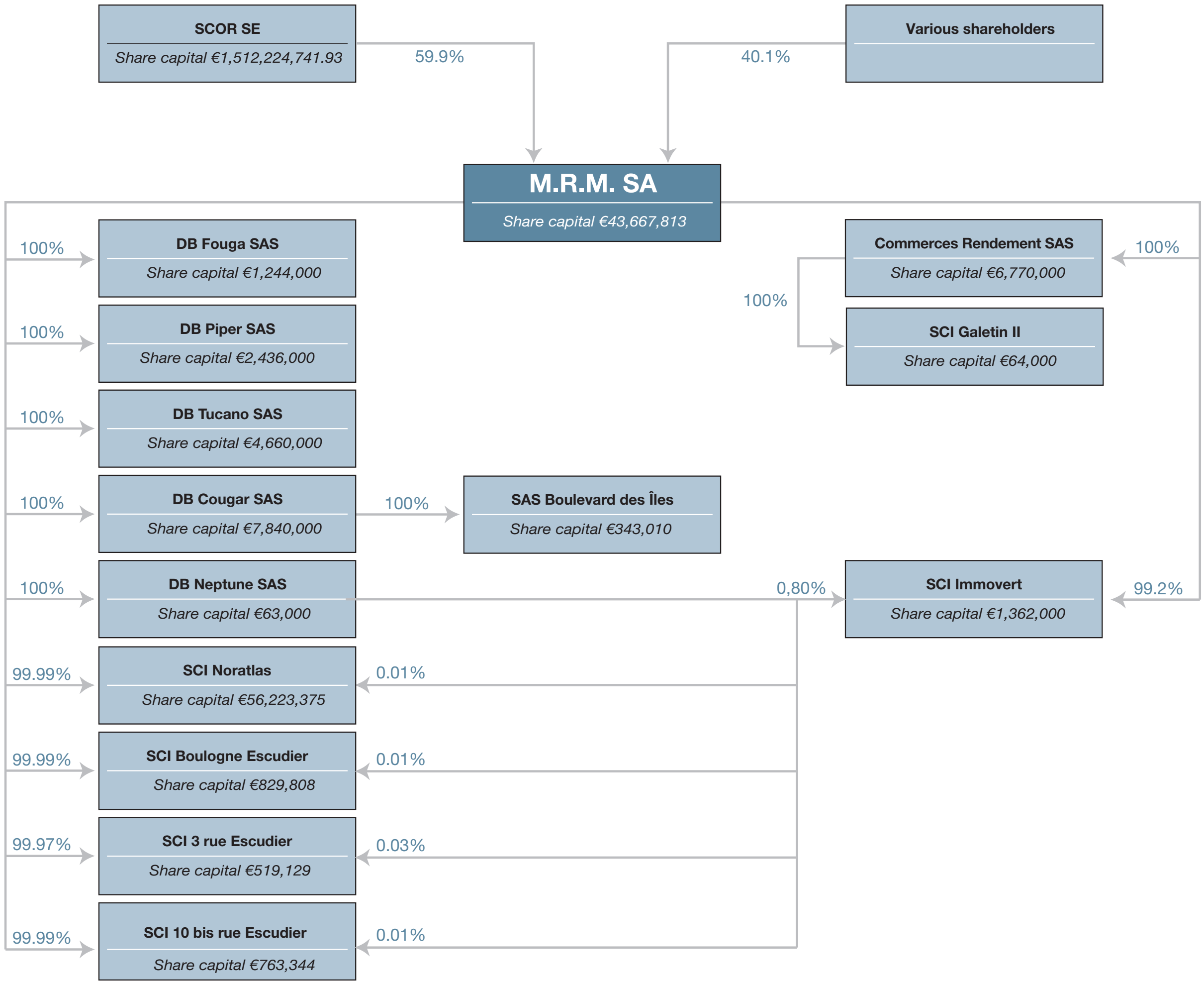
Since the Company's recapitalisation on 29 May 2013, which notably enabled it to strengthen its financial position, reduce its debt and reschedule its bank maturities, M.R.M.'s strategy has been to refocus its activities on retail properties and to progressively sell off its office properties.

Against this background, the Group's priorities are to continue enhancing its assets and to lock in its rental revenues. The retail asset portfolio represents a solid revenue base, while also holding potential for value creation. To this end, M.R.M. has undertaken various value-enhancement programmes currently in the pipeline. The office portfolio has more vacant areas, M.R.M. is therefore actively pursuing its marketing efforts. The office disposal programme will continue progressively over the coming two years in order to achieve the best possible terms.

1.5 Group ownership structure

The list of companies in the scope of consolidation at 31 December 2014 can be found in this Registration Document. See section 3.7 "Consolidated financial statements for the financial year ended 31 December 2014", Note 3.1. "List of consolidated companies" in the Notes to the financial statements.

At the date of this report, the Group ownership structure is as follows:



All Group companies are directly or indirectly wholly owned by M.R.M., which has itself been 59.9% owned by SCOR SE since 29 May 2013.

The head office address of all Group entities can be found in section 3.1 of the consolidated financial statements for the financial year ended 31 December 2014 (see section 3.7 of this Registration Document).

M.R.M.'s role vis-à-vis its subsidiaries is described in section 1.3 of the management report for the financial year ended 31 December 2014 (see section 3.6 of this Registration Document).

The structure of M.R.M.'s balance sheet is presented in the separate financial statements for the financial year ended 31 December 2014 (see section 3.9 of this Registration Document).

Details of each company's activities can be found in sections 1.3.1 and 1.3.2 of the management report for the financial year ended 31 December 2014 (see section 3.6 of this Registration Document).

The main financial flows between M.R.M. and its subsidiaries, namely credit facilities, fees for chairpersons and service fees, can be found in the note "List of subsidiaries and affiliates" and in the note "Breakdown of net revenue" in the separate financial statements for the financial year ended 31 December 2014 (see section 3.9 of this Registration Document).

1.6 Group organisation

Since the recapitalisation of M.R.M. was completed on 29 May 2013, SCOR SE has held 59.9% of M.R.M.'s share capital.

SCOR Group is the 5th largest reinsurer in the world [1], with over 4,000 clients.

SCOR Group is active in two business lines in reinsurance plus an asset management business:

- The SCOR Global P&C division (property and casualty reinsurance) has reinsurance operations in the following domains: Property and Casualty Business, Specialty, Business Solutions (discretionary), Joint-Ventures and Partnerships;
- The SCOR Global Life division (life reinsurance) has life reinsurance operations;
- SCOR Global Investments SE (SGI) is an asset management company and is wholly-owned by SCOR SE. It has been fully operational since 2009 and is regulated by the French Financial Markets Authority (Autorité des Marchés Financiers - AMF).

As a result of various acquisitions, SCOR Group has established a functional organisation built around regional management platforms or "Hubs", located in Cologne, London, Paris and Zurich, for Europe, Singapore for Asia, New-York, Charlotte, and Kansas City for the Americas. SCOR SE, a European company with its registered office at avenue Kléber, Paris (France), is the parent company of SCOR Group.

As the majority shareholder of M.R.M. and through its presence on the Company's Board of directors and Strategic Committee, (see paragraph 4.2.1 of this Registration Document), SCOR SE intends to support M.R.M.'s new strategy of refocusing on its retail portfolio.

In addition to the dividends that M.R.M. may pay out to SCOR SE in its capacity as shareholder, the financial flows between M.R.M. and SCOR SE are restricted to rents and service charges paid to SCOR SE under the lease signed on 27 June 2013 for office premises at avenue Kléber in Paris, which is worth €54,000 annually, including expenses. This amount also includes supplementary services such as access to meeting rooms, provision of furniture, cleaning, security, archives, caretaker services, etc.

For more information on SCOR SE, see www.scor.com.

Since 29 May 2013, CBRE Global Investors, which remains an M.R.M. shareholder, saw its interest in the latter fall from 17% to 2.4%, thereby losing its status as leading shareholder it held prior to SCOR SE's investment. Its contractual links with M.R.M. are outlined in Chapter 5 of this Registration Document.

For further information on CBRE Global Investors, see www.cbreglobalinvestors.com.

The management team of M.R.M. (General Management and Financial Management) has been in-house since August 2013. For the rental management (collection and recovery of rental payments) and technical management of its properties, the Group uses experienced property management companies with skills acknowledged on the market.

(1) In net reinsurance premiums issued. Source: "S&P Global Reinsurance Highlights 2014" (excluding Lloyd's of London).

1.7 Human resources

Following the completion of the recapitalisation of M.R.M. in 2013 (see section 1.2 of this Registration Document), the Company brought General Management and Financial Management back in-house as of 1 August 2013. Prior to this, the Company had no employees.

The Company currently has two employees, both of whom are based at the registered office at 5 avenue Kléber, Paris.

The Company's Chief Executive Officer is a corporate officer in receipt of remuneration (see Chapter 4 of this Registration Document).

Currently no employees of the Company or its subsidiaries are in receipt of stock options or bonus shares.

There is currently no agreement providing for any employee shareholding scheme.

1.8 Research and development

M.R.M., due to the nature of its business as a real estate investment company, has no research and development policy. It has registered the domain name "www.mrminvest.com".

The Company does not consider that its business or profit capacity is in any way dependent on any particular brand, patent or licence.

1.9 Environmental policy

The Company's environmental policy is set out in full in Chapter 4 "Social, environmental, and corporate social responsibility information" of the management report of the Board of directors, inserted in section 3.6 of this Registration Document.

1.10 Significant changes in the financial or commercial situation

2014 was M.R.M.'s seventh full financial year as a listed real estate investment company. Since Dynamique Bureaux took control of the Company on 29 June 2007, the latter's business has been reoriented towards that of a real estate investment company.

Having strengthened its financial position since the recapitalization operation in 2013, and in line with the direction taken after SCOR Group became a majority shareholder, M.R.M.'s strategy has been to refocus its activities on the holding and management of retail properties, with plans to gradually dispose of its office properties. Since the second half of 2013, in a rental market that was particularly sluggish, M.R.M. focused on letting its vacant premises and implementing its plan to dispose of its office properties.

2. RISK FACTORS

The Company has assessed the risks which could have a significant negative effect on its activity, its financial situation or its results (or on its capacity to achieve its objectives) and it believes that there are no significant risks other than those presented. Investors should be aware that the list of risks that follows is not exhaustive, and that other risks either unknown or not considered material at the date of this Registration Document, and which could have an adverse impact on the Company, its activity, financial position, earnings or share price, could still exist.

Procedures set up for risk management are mentioned in the report of the Chairman of the Board of directors on the operations of the Board and internal control procedures, contained in section 4.5 of this Registration Document.

2.1 Legal risks

Risks associated with unfavourable developments in commercial lease regulations

French legislation on commercial leases is relatively constrictive for the lessor. Provisions on term of leases, renewal, and rent revisions while the lease is running and for renewed leases are part of public policy, tending to limit any leeway owners might have to increase rents to market levels. Any changes in rules applying to commercial leases, especially with regard to duration, revision and capping of rents, calculating eviction compensation due to tenants in case of non-renewal, could have negative consequences on the value of the Company's assets, earnings, business or financial position. The activity of the Company may in particular be influenced by the new retail rents index (ILC), which may replace the construction cost index (ICC) and by the Pinel Act, which modifies the list of service charges, work, taxes, duties, and fees which may be charged to tenants on leases concluded or renewed from 3 November 2014.

See paragraph "Economic risk" in section 2.2 of this Registration Document, for more information on the ILC.

SIIC regime risk

Since 1 January 2008, the Company has been benefiting from the SIIC status governed by Article 208-C of the French General Tax Code, and is accordingly exempt from corporate income tax, subject to distribution conditions, on the part of its profit derived in particular from the rental of its properties, capital gains on the sale of properties or from certain stakes in real estate companies, and certain dividends.

In order to maintain the advantages of the SIIC regime, the Company must distribute a significant part of its profits, which can affect its financial position and cash flow. In addition, failure to meet this distribution obligation during the financial period would mean that the exemptions would not apply to that year.

Furthermore, the Company would lose the benefit of the SIIC regime if one or several shareholders of the Company acting in concert (other than listed companies benefiting from the SIIC regime) held 60% or more of the shares or voting rights of the Company. The Company currently does not envisage one of its shareholders directly or indirectly holding 60% or more of its shares. Since 29 May 2013, the majority shareholder SCOR SE has held 59.9% of M.R.M.'s share capital.

As a result, M.R.M. and SCOR Group teams have been mobilised to cover this risk by active oversight of shareholdings. However, the Company cannot guarantee that market operations on its shares, or shareholders acting in concert, will not cause this 60% share capital threshold to be surpassed. Finally, the Company is exposed to the risk of future modifications in the SIIC regime or the interpretation of its provisions by the tax and accounting authorities, which could affect the activity, results and financial position of the Company.

Risks associated with unfavourable developments in property regulations

Apart from the specific constraints mentioned above, in conducting its business the Company must comply with several restrictive regulations governing construction, town planning, operating retail space, the environment, public health and human safety.

Any modification making these regulations substantially more restrictive would entail significant costs for the Company particularly in terms of bringing property into regulatory compliance, which could have a significant impact on the revenue, results and financial position of the Company.

Litigation and exceptional circumstances

The Company is involved in a certain number of disputes generally related to its ongoing business. As of the date of this document, there is no other governmental, legal, or arbitrage procedure, including any procedure the Company knows of, that is pending or with which it is threatened, likely to have, or having had over the last 12 months, significant impact on the financial position or profitability of the Company and/or the Group.

However, M.R.M. cannot guarantee that it will remain uninvolved by any disputes in the future that are likely to have a material impact on the financial position or profitability of the Company and/or the Group.

As indicated in Note 7 to the consolidated financial statements presented in section 3.7 of this Registration Document, a provision of €372 thousand for a tax dispute was recognised as at 31 December 2014.

2.2 Risks linked to the business environment

These risks are the main risks that might affect the Company in its development as a real estate investment company, a business in which it has been active since its takeover on 29 June 2007 by Dynamique Bureaux. The economic crisis that arose in the fourth quarter of 2008, followed in 2011 by the sovereign debt and euro crises, brought to light a certain number of risks, the impact of which as at 31 December 2014, notably stemming from a relative stagnation in the market and a slight decline in the value of assets during the past financial year, are presented below.

Property asset valuation risk

The Company's property portfolio is subject to an appraisal every six months, on 30 June and 31 December of each year. The contact details of the Group's appraisers and the methodology used by them in their appraisals are set out in paragraph 1.2.1 "The Group's asset profile" of this Registration Document.

The appraisal valuations carried out on 31 December take the form of a detailed report, whilst those carried out on 30 June are an update. The M.R.M. Group has opted to use the fair value accounting method for its property assets. In accordance with the option offered by IAS 40, this involves entering the investment property at its fair value and registering changes in value in the income statement. Positive or negative changes in the valuation of assets held by the various Group companies have a direct impact on Group income. In this respect, as at 31 December 2014, the change in the fair value of properties cut Group income by €6.870 million.

Assessing the value of the property portfolio depends on a number of factors, mainly involving the balance between market supply and demand, interest rates, the global economic climate and applicable regulations, which can vary significantly, with a direct impact on the valuation of the Company's property assets and, as an indirect consequence, on the various Loan to Value (LTV) ratios used as indicators of the Group's debt and liquidity risk. The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because M.R.M.'s property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to discount and capitalisation rates employed).

In addition, the valuation of the Company's property assets, when published, corresponds to an appraisal carried out by the property appraisers at a precise moment in time. Given the gap between the moment when the appraisal valuations are carried out and the moment when this information is made public, the valuation of the Company's property assets could have changed by the time that the information is published.

As of 31 December 2014, on a like-for-like basis, i.e. after restatement for asset disposals in 2014, the continuing fall in certain sectors, but also a certain recovery in the property market on the back of the current economic environment, has had the following effects on the Company in terms of property valuation, on the basis of appraisal value excluding transfer taxes, prepared by two independent appraisers, Savills and Jones Lang LaSalle:

Portfolio value (excluding transfer taxes) *(in millions of euros)*	12/31/2014	12/31/2013 restated (1)	Change	Variation *(in %)*
Retail properties	144.1	151.4	-7.3	-4.8%
Office properties	88.1	85.8	+2.3	+2.6%
M.R.M. ASSET PORTFOLIO	**232.2**	**237.2**	**-5.0**	**-2.1%**

(1) Restated for disposals made in 2014.

In what is still a challenging market, in 2014 we have seen:

- a slight downward revision of the value of retail assets, marked by adjusted lease terms granted when some leases came up for renewal;
- an increase in the value of office properties, characterised by marketing of available surface areas.

A sensitivity study simulating a change in capitalisation rates as at 31 December 2014 showed that a 50 basis point increase in these rates would have a negative impact of €15.931 million on the asset portfolio value (i.e. -8%), whereas a 50 basis point reduction would have a positive impact of €18.503 million on the asset portfolio value (i.e. +9%).

Economic risk

Since the Company's real estate portfolio is made up of retail assets and office properties located in France, changes in the main French macroeconomic indicators are likely to affect M.R.M.'s business, its rental revenues, the value of its property portfolio, as well as its policy relating to investment in and development of new properties, and consequently its growth prospects.

Consequently, changes in the economic environment in which the Company operates, such as economic growth rates, interest rates and the INSEE construction cost index (ICC) could significantly affect its business and development, and thus its growth prospects.

- An economic slowdown at the national or international level and/or of the property market could continue to entail:

(i) weaker demand for renting the Company's property assets increasing the risk of vacancy if a tenant leaves, as well as a lengthening of the time required to let its properties that are currently partly or wholly vacant, which would have an adverse impact on a) the value of the Company's property portfolio and b) on its operating income (no rental revenues and property expenses not recovered for those properties);

(ii) lower capacity of tenants to fulfil their obligations to the Company, notably to pay their rent;

(iii) a decline in the rental value of property assets, affecting the Company's ability to negotiate new rental contracts and renew leases, and to increase or even to maintain rents.

- A decline or a slowdown in the growth of the indexes on which the rents paid by tenants of the Company's property assets are indexed could also weigh on its rental revenues (invoiced rents and key money received). Since 2009, in addition to the construction cost index (ICC) published by INSEE, a new index, also published by INSEE, has appeared: the retail rent index (ILC) consisting 25% of the ICC, 25% of the ICAV index of retail revenue and 50% of the IPC consumer price index. The ICC stood at 1,625 in the fourth quarter of 2014, down from 1,627 the previous quarter. Year-on-year, the ICC rose (+0.6%), a little less than in the third quarter of 2014 (+0.9%). The ILC stood at 108.47 in the fourth quarter of 2014. It was stable over one year.
- A substantial increase in interest rates could entail:

(i) higher costs for investment operations (acquisition or refurbishing property assets), which are debt-financed;

(ii) a decline in the value of the Company's property portfolio, insofar as the valuation of a property depends mostly on how much the owner can sell it for, which in turn depends on purchasers' financing capacity and ability to leverage.

In addition, the current economic environment, combined with a drying-up of finance from the banks, could have a significant impact on the Company's business and consequently slow down its development needs. It could also have an effect on the occupancy rate of the property assets and on tenants' capacity to pay their rent.

The capacity of Group companies to maintain or increase rents when leases are renewed is also affected by changes in both supply and demand, which are influenced by the general economic environment.

The value of the Company's property portfolio also depends on a number of factors including the level of market supply and demand, factors which themselves develop depending on the general economic environment. The level of the Group's rental revenues and its results, the value of its asset base and its financial position, as well as its development prospects could therefore be negatively influenced by these factors.

Competition risk

In its property dealings, the Company is faced with stiff competition from other sector players. This competition occurs on seeking acquisition targets as well as on letting out properties and/or renewing expired leases. The Company can encounter competitors in the acquisition of property assets, who may have greater competitive advantages, mainly financial means at their disposal. In addition, seeking to acquire property assets could become difficult due to scarcity of supply and the highly competitive property market. This could hinder the Company's ability to pursue its growth strategy, which could adversely affect its future growth prospects and earnings.

In the rental business, when leases expire, other players could offer tenants better terms, or properties which better meet their requirements at conditions more attractive than those proposed by the Company.

Risk of non-renewal of leases and vacation of properties

The Company's business consists of letting its property assets to third parties and allowing them to set up commercial activities and/or offices therein.

The tenant is entitled to vacate the premises as provided by law and regulations, or if applicable, according to the contract; in all cases, prior notice is mandatory. Upon expiry of the lease, the tenant may request its renewal or vacate the premises.

In certain cases, if the lessor refuses to renew, the lessee is entitled to an eviction indemnity, which can be a substantial amount. Whatever the reason for a tenant's leaving the premises, the Company cannot guarantee that it can re-let the premises in question rapidly under terms which are as favourable as those of the present lease. The lack of income from vacated premises and the corresponding fixed costs must then be borne by the Company and this is liable to affect the Company's revenue, operating income and profitability. In addition, at the end of a lease period there is always the possibility that the Company might have to deal with different market conditions, unfavourable for lessors.

In fact, the current economic climate could result in leases not being renewed or premises being vacated early due to tenants getting into difficulties, in addition to problems associated with re-letting certain premises.

Dependence on main tenants - counterparty risk

All of the Group's revenue is generated by letting out property assets to third parties. It follows from this that any default on rent payments can affect the Company's earnings.

Certain tenants account for a significant proportion of the Company's annual invoiced rents. The contractually legitimate termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability.

However, the principal tenants are bound by firm leases that can run for between three and 12 years, with expiration dates stated in paragraph 1.4.5 of this Registration Document. Clauses in such leases can provide for termination indemnities.

The top ten tenants in the retail property portfolio

At 1 January 2015, the top tenant in the retail property portfolio accounted for 3.1% of the Group's rents and 4.9% of the rents in the retail property portfolio. The five most significant tenants account for 12.8% of the Group's rents and 20.1% of the rents in the retail property portfolio. Finally, the ten most significant tenants account for 19.2% of the Group's rents and 30% of the rents in the retail property portfolio (compared with 35% in 2013).

The top ten tenants in the office property portfolio

At 1 January 2015, the top tenant in the office property portfolio accounted for 8.8% of the Group's rents and 24.4% of the rents in the office property portfolio. The five most significant tenants account for 20.8% of the Group's rents and 57.6% of the rents in the office property portfolio. Finally, the ten most significant tenants account for 28.4% of the Group's rents and 78.6% of the rents in the office property portfolio (compared with 62% in 2013). This change between 2014 and 2013 is due to disposals of office properties as part of the plan to refocus M.R.M.'s activities on retail properties.

Risks associated with the Company's disposal of certain property assets

The Company, as part of the dynamic management of its property assets, and more specifically as part of its plan to gradually sell off its office buildings, may end up selling certain assets, mainly in order to release new funds with which to carry out other projects.

In view of the continued economic downturn, or of financial and operational risks, particularly through potential problems linked to respect of planned asset disposal schedules, the Company may not be able to sell part of its property assets under satisfactory terms.

Risks in connection with late completion or non-completion of planned investments

In its strategy of enhancing the value of its property portfolio, and in making its properties more attractive and valuable, the Company must make the necessary investments for refurbishing and restructuring existing sites.

In view of the sluggish nature of the current economic climate, the Company is focusing on its existing assets and is continuing its selective investment policy. Delays or non-completion of certain planned investments, or completion at higher costs than planned - due not only to the expense of conducting prior studies, but also to administrative, technical or marketing hurdles - may slow down the pace of the Company's development strategy, delay the letting out of the property and have a negative impact on its business and earnings.

Environmental risks associated with public health

The Company's activities are subject to laws and regulations relating to the environment and public health. These laws and regulations concern in particular the ownership or use of facilities that may be a source of pollution or have an impact on public health (especially epidemics in shopping centres), the presence or use of toxic substances or materials in construction, their storage and manipulation. If the thresholds set by these regulations were to become stricter, the Company could be exposed to additional costs.

Some Company properties are exposed to problems related to public health and safety, especially asbestos and legionnaires' disease. Although the monitoring of such problems may primarily involve suppliers and subcontractors, the Company may nevertheless be held liable if it fails to meet its obligation to monitor and control the facilities it owns. Such problems could have a negative impact on the financial position, the results and the reputation of the Company, and also on its capacity to sell, let or refurbish an asset or to use it as collateral on a loan.

The Company's retail assets are subject to specific regulations covering the safety of people (ERP public safety regulations). Although the managers of these assets are responsible for taking the necessary measures in relation to these regulations, any breaches of these obligations could have a negative effect on the Company's reputation and the traffic in its shopping centres.

Climate or health risks could also have consequences in terms of the number of visitors to its shopping centres, a reduction in revenue for the traders and lost rent for the Company on the site concerned, and also in terms of the Company's image.

In addition, if the sites for planned shopping centres are on a flood plain, they may be refused planning permission. Plans to extend shopping centres are also affected by the progressive introduction of PPR (Risk Prevention Plans) by local authorities. These PPRs can prevent the extension of a given shopping centre and represent a significant loss in earnings for the Company.

Energy consumption, details of the policy covering the environmental impact of the Group's business activities, as well as company certification initiatives are shown in the "CSR Report" contained in the management report appearing in section 3.6 of this Registration Document.

Dependence on third parties

The terms of the property asset management consultancy agreement signed by M.R.M. and its subsidiaries and CBRE Global Investors are described in chapter 5 of this Registration Document and were negotiated in the interest of the Company and its subsidiaries. These agreements may be terminated under the conditions mentioned in said chapter. The success of property transactions by the Group depends notably on CBRE Global Investors performing the services incumbent on it under the terms of this agreement.

Following the amendment to terms and conditions of the agreement dated 15 April 2015 as set out in chapter 5 of this Registration Document, the Group's dependency vis-à-vis CBRE Global Investors was reduced.

2.3 Market risks – Financial risks

Foreign exchange risk

At the date of this document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

Interest rates risk

All of the bank loans taken out by the M.R.M. Group are at a variable rate. The Group systematically hedges its contracted variable-rate debt by subscribing caps. The main characteristics of the financial instruments held are described in Note 5 of the notes to the consolidated financial statements for the financial year ended 31 December 2014, presented in section 3.7 of this Registration Document.

At 31 December 2014, 38% of loans for financing office properties were capped (Euribor three-month instruments at rates between 2.00% and 3.00%).

Loans for financing retail properties are fully capped (Euribor three-month instruments at rates between 2.00% and 3.00%).

A 1% increase of decrease in the interest rate would impact the Group's financial expenses in the amount of €1.322 million. Since current interest rates are quite low, the caps subscribed by the Group are not in the money.

Liquidity risk

The Company performed a special study of its liquidity risk and it considers that it can meet its current obligations. In fact, following the completion of the Company's recapitalisation in May 2013 which was conditional upon the restructuring of the Group's bank and bond liabilities, the Company's financial position is sound, its level of debt has been considerably reduced and its cash flow restored.

As a result of the aforementioned capital and financial restructuring, the Company is now in a position to meet all of its short-term and medium-term financial deadlines.

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its working capital requirements to cover operating expenses, interest and repayment of its entire existing financial debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio), defined as the ratio of the amount of the loan to the market value of the property financed, the ICR ratio (interest coverage rate, representing the coverage rate of interest expenses by rents) and the DSCR (debt service coverage ratio, representing the coverage rate of debt repayments and interest expenses by rents). Covenants relating to LTV ratios set maximum thresholds of between 60% and 90%. Covenants relating to ICR/DSCR ratios set minimum thresholds of between 100% and 190%. It is at the level of Group subsidiaries, which own the property assets financed, that the covenants are tested. The frequency of reporting on covenants to M.R.M.'s three financial partners differs for the various credit lines, and can be quarterly, six-monthly and even annual.

As at 31 December 2011, the Group was in compliance with the LTV and ICR/DSCR covenants agreed with its banking partners, except for a credit line on which the LTV threshold specified in the loan agreement was exceeded (61.5% instead of 60%). A repayment of €1.5 million, comprising a contractual repayment of €0.8 million and an additional repayment of €0.7 million, was made on 20 January 2015, bringing the Group back into compliance with the ratio. At the date of issue of the financial statements by the Board of directors, the Group was thus in compliance with all of its commitments in terms of covenants.

The presentation of all of the Group's financial liabilities, by nature and expiry date, are described in Note 8 of the notes to the consolidated financial statements of the financial year ended 31 December 2014, presented in section 3.7 of this Registration Document.

Pledges and mortgages in favour of the banks

There is information in Note 22 of the notes to the consolidated financial statements of the financial year ended 31 December 2014, presented in section 3.7 of this Registration Document.

The property assets acquired by the Group or its subsidiaries with bank loans are mortgaged to the lending banks, and the shares of its subsidiaries are pledged to such banks.

Information on the portion of the issuer’s share capital that has been pledged

To the Company’s knowledge, no portion of M.R.M.’s share capital has been pledged.

2.4 Insurance

The Group’s property assets are insured under multi-risk policies covering property damage, rental loss and the property owner’s third party liability.

The risks covered by the various policies in force are generally as follows: theft, water damage, broken glass, machinery breakdown, storms/hail/falling aircraft, terrorist attacks/vandalism/riots, public liability, special risks.

Furthermore, when the Company carries out work on its property assets, it takes out risk insurance (“Contractors’ All Risks” - “TRC”) covering material damage to the property during the works, the consequences of natural disasters as defined by Ministerial decree published in the Official Journal, as well as the owner’s third party liability during the works.

M.R.M. has taken out an insurance policy, on its own behalf and on behalf of its subsidiaries, to cover the liability of managers of M.R.M. and its subsidiaries.

3. GENERAL INFORMATION ON THE ISSUER AND ITS SHARE CAPITAL

3.1 General information

3.1.1 Company name

The name of the Company is M.R.M. (Article 2 of the Articles of Association).

3.1.2 Company registration place and number

The Company is registered with the Trade and Companies Register of Paris under number 544 502 206.

3.1.3 Registered office, legal status and law governing company business

The Company's registered office is at: 5 avenue Kléber, Paris 75016, France.

The Company's telephone number is +33 (0)1 58 44 70 00. The Company is a French public limited company (*société anonyme*) with a Board of directors governed by the laws and regulations in force in France, in particular book II of the French Commercial Code, as well as by its Articles of Association.

3.1.4 Consultation of legal documents

Legal documents are available for consultation at the head office and on the Company's website: www.mrminvest.com.

3.1.5 Lifetime of the Company

Unless the Company is dissolved early or its lifespan is extended by resolution of the Extraordinary General Meeting of Shareholders, the Company shall expire on 20 April 2038 (Article 5 of the Articles of Association). The Company was founded on 21 January 1992.

3.1.6 Financial period of the Company

The financial period is for 12 months from 1 January to 31 December of each year (Article 18 of the Articles of Association).

3.1.7 Purpose

The purpose of the Company worldwide is:

- primarily, the acquisition, construction, division into lots, management, maintenance and outfitting of any and all property assets with a view to letting them, or holding directly or indirectly equity interests in corporate entities having the same purpose, subject to tax laws governing partnerships or to corporate income tax;
- additionally, the provision of technical, accounting, administrative, financial, marketing or management support services to its subsidiaries.

The Company may carry out any transactions compatible with this purpose, or relating to it and contributing to their accomplishment. (Article 3 of the Articles of Association).

3.1.8 Appropriation of earnings according to the Articles of association

"First, after any appropriation of losses carried forward, if applicable, five per cent shall be deducted from the annual income and appropriated to the legal reserve fund. This deduction is no longer mandatory once the reserve fund is equivalent to the legal minimum.

Out of the available balance, upon the proposal of the Board of directors or the Management Board (depending on the chosen mode of administration), the General Meeting can appropriate the amounts it deems adequate, either to carry forward to the next period or to allot to one or several general or special reserve funds.

The balance, if any, shall be distributed among the shareholders as a bonus dividend.

Any and all shareholders other than private individuals:

(i) holding directly or indirectly at the time the dividend is declared, at least 10% of the total dividend rights in the Company; and

(ii) whose situation, or that of its partners holding, for the payment of any distribution, directly or indirectly 10% or more of the total dividend rights, renders the Company liable for the payment of the 20% levy referred to in Article 208 C II ter of the French General Tax Code (the "Tax Levy") (such shareholders are hereafter referred to as "tax-paying shareholders"),

shall be liable to the Company upon payment of any amount distributed for an amount equivalent to the Tax Levy due by the Company in relation to such payment."(Article 18 of the Articles of Association).

3.1.9 Management and administration

The provisions of the Articles of Association relating to members of the Board of directors can be found in Articles 10 to 14 of the Company's Articles of Association, the terms of which can be found in section 4.5 of this Registration Document "Report of the Chairman of the Board of directors on the functioning of the Board and on internal control". Furthermore, the Board's organisation and operation are set out in the internal regulations approved by the Board at its meeting of 26 February 2014 and published on the Company's website (www.mrminvest.com).

3.1.10 General Meetings

"General Meetings of Shareholders are called and held under the terms and conditions established by law.

The notice of General Meetings in which dividends are decided upon shall reiterate shareholders' obligations under Article 8 of the Articles of Association. Any shareholder, other than natural persons, who holds directly or indirectly 10% or more of the total dividend rights in the Company shall confirm whether or not it is in the class of "tax-paying shareholders" as declared according to Article 8 of the Articles of Association, no later than three days prior to the date of the General Meeting.

Shareholders' Meetings are held either at the Head Office or in another venue in Paris or its neighbouring Départements or in any other place indicated in the notice of meeting.

Any shareholder may take part in the meetings, personally or by proxy, provided that his/her shares are registered in his/her name or the name of the agent registered on his/her behalf, according to Article L. 228-1 paragraph 7 of the French Commercial Code, at midnight [(1)] on the third business day prior to the meeting, or in the registered share accounts held by the Company, or in bearer share accounts held by an authorised intermediary.

For the purposes of determining a quorum and majority, those shareholders that attend the General Meeting by video conference or by telecommunications media permitting their identification and which comply with applicable regulations, when the Board of directors decides on such methods of participation, prior to sending notice of the General Meeting, shall be counted." (Article 16 of the Articles of Association).

(1) The General Meeting of Shareholders called to approve the financial statements for the financial year ended 31 December 2014 will be asked to amend Article 16 of the Articles of Association to reduce this period to the second working day before the Meeting, in line with the amendments introduced by Decree 2014-1466 of 08 December 2014 to Article R. 225-85 of the French Commercial Code.

3.1.11 Shareholders' rights

"Voting rights attached to equity shares or bonus shares are equal to the portion of the capital they represent, and each share carries at least one voting right. Double voting rights are granted to all fully paid-up shares which have been registered for at least two years, in the name of the same shareholder, under the terms and conditions provided for by law.

In the case where share ownership rights are split, the usufructuary has the voting rights in Ordinary General Meetings and the bare owner has the voting rights in Extraordinary General Meetings.

Any natural or legal person which crosses, either up or down, a share ownership or voting rights threshold in the Company equal to 2.5% or a multiple thereof (i.e., thresholds of 2.5%, 5%, 7.5%, etc.) is bound to notify the Company, within 15 days after the threshold is crossed, of the number of shares they hold. This obligation ceases to apply above a threshold of 32.5% of the share capital or, depending on the case, voting rights." (Article 8 of the Articles of Association).

Shareholders' rights can be modified as provided by law.

As regards double voting rights, Act 2014-384 of 29 March 2014 amended Article L. 225-123(3) of the French Commercial Code, which now provides that double voting rights are automatically granted in listed companies, for all fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years, unless otherwise stipulated in the Articles of Association adopted subsequent to the promulgation of said act.

Furthermore, Article 7, IV of the above-mentioned Act of 29 March 2014 provides a safeguard clause allowing companies that already make provision for double voting rights in their Articles of Association to maintain this arrangement after the new act enters into force, if such provision complies with the statutory regime provided for in Article L. 225-123(1) of the French Commercial Code (shares registered in the name of the same shareholder for at least two years).

3.2 Informations about the share capital

3.2.1 Share capital

The share capital totals €43,667,813. It is split into 43,667,813 shares with a par value of €1 each, fully paid up. Fully paid-up shares are either registered or bearer, at the discretion of the shareholder, subject to applicable mandatory provisions in Articles 6 and 7 of the Articles of Association.

The share capital can be changed as provided by law.

3.2.2 Unissued authorised share capital

As of 31 December 2014, no authorisation was in force empowering the Board of directors to carry out capital increases by means of the issue of shares or securities convertible immediately or in the future into Company equity.

3.2.3 Convertible securities

None.

3.2.4 Non-equity securities

At the date of this Registration Document, there are no securities existing which do not represent the Company's share capital.

3.2.5 Securities giving access to capital

None.

3.2.6 Summary of current valid authorisations

None.

3.2.7 Shares held by or on behalf of the Company

As of 31 December 2014, the Company held 43,047 treasury shares representing 0.10% of the share capital and 0.00% of the voting rights in the Company.

3.2.8 Complex securities

None.

3.2.9 Options or agreements involving the Company's share capital

None.

3.2.10 Pledged shares

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

3.2.11 Changes in the share capital

Share capital

At the date of filing of this Registration Document, the share capital of M.R.M. totals €43,667,813, divided into 43,667,813 shares with a par value of €1, fully paid-up and all of the same category. It was not modified in 2014.

Furthermore, no securities have been issued that would give access to the capital, and whose exercise would be likely to have a dilutive effect on the Company's shareholders.

Changes in the share capital since 2007

Date	Nature of transaction	Capital increase/ decrease	Issue or contribution or merger premium	Number of shares issued	Par value	Aggregate number of shares	Post transaction share capital
12/31/2007					€8	3,501,977	€28,015,816
05/29/2013	Capital decrease by reducing the par value of the shares	-€24,513,839			€1	3,501,977	€3,501,977
05/29/2013	SCOR SE capital increase	€26,155,664	€27,135,917	€26,155,664	€1	29,657,641	€29,657,641
05/29/2013	Conversion of DB Dynamique Financière bonds	€14,007,888	€40,768,894	14,007,888	€1	43,665,529	€43,665,529
12/31/2013	Exercise of stock warrants	€2,284	€2,370	2,284	€1	43,667,813	€43,667,813

Operations affecting the breakdown of the share capital

In 2013, M.R.M. was recapitalised (see section 1.2 of the 2013 Registration Document), in which SCOR SE completed a cash capital increase, and all the bonds issued by DB Dynamique Financière, a wholly-owned M.R.M. subsidiary, were converted into M.R.M. shares and stock warrants were exercised.

3.2.12 Shareholders

Changes in the shareholder structure

The table below sets out the changes in the shareholder structure (shareholders with over 2.5% of share capital and/or voting rights) in capital and voting rights, over the past three years:

	At date of filing of this Registration Document		End-2014		End-2013	
Shareholders	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
SCOR SE	59.9%	56.7%	59.9%	56.7%	59.9%	56.5%
CBRE Global Investors Group (1)	2.4%	3.6%	2.4%	3.6%	2.4%	3.6%
PREFF (2)	2.9%	3.0%	2.9%	3.0%	2.9%	3.0%
Specials Fund (3)	2.9%	3.0%	2.9%	3.0%	2.9%	3.0%
Treasury shares	0.1%	-	0.1%	-	0.0%	-
Public	31.8%	33.7%	31.8%	33.7%	31.9%	33.9%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) Concert comprised of companies belonging to the US Group CBRE, the world's leading commercial real estate advisor: namely CB Richard Ellis European Warehousing sàrl, CB Richard Ellis Europe Investors Holding BV and CB Richard Ellis Europe Investors DB Co-Invest LLC.
(2) Fund of foreign funds acting in concert with the CBRE Global Investors Group.
(3) Fund of foreign funds.

Shareholders	End-2012 Share capital	Voting rights
CBRE Global Investors Group (1)	17.1%	19.3%
CARAC (4)	9.2%	10.4%
SC TF Entreprise (5)	5.5%	6.2%
SNC CAM Développement 62 (6)	4.3%	4.8%
SCI PIMI Foncière (5)	4.1%	4.6%
PREFF (2)	3.4%	3.8%
Specials Fund (3)	3.4%	3.8%
Treasury shares	1.5%	-
Public	51.5%	47.1%
TOTAL	**100.0%**	**100.0%**

(1) Concert comprised of companies belonging to the US Group CBRE, the world's leading commercial real estate advisor: namely CB Richard Ellis European Warehousing sàrl, CB Richard Ellis Europe Investors Holding BV and CB Richard Ellis Europe Investors DB Co-Invest LLC.
(2) Fund of foreign funds acting in concert with the CBRE Global Investors Group.
(3) Fund of foreign funds.
(4) CARAC (veterans' pension fund).
(5) Private company.
(6) Subsidiary of the Crédit Agricole du Nord group.

To the best of the Company's knowledge, no other shareholder holds more than 2.5% of the share capital or voting rights.

In accordance with the provisions of Article L. 621-18-2 of the French Monetary & Financial Code, no action was taken on the Company's shares during the financial year ended 31 December 2014 by the individuals mentioned in this Article (Company managers, senior managers, and individuals to whom they are closely tied).

On 24 December 2007, M.R.M. signed a liquidity agreement with CM-CIC Securities for the purpose of improving liquidity and the regularity of quotations. This agreement ended on 6 January 2014, M.R.M. having decided to entrust the implementation of a liquidity agreement to Invest Securities from 7 January 2014.

At the start of the 2014 financial year, the Company held 18,010 treasury shares representing 0.04% of the share capital. In the 2014 financial year, the Company acquired 30,783 treasury shares, for a value of €48,894.61, and disposed of 5,746 shares for a value of €10,087.09. These transactions were carried out under the aforementioned liquidity agreement.

The Company therefore held 43,047 treasury shares at the closing date for the past reporting period, representing 0.10% of the Company's share capital. These securities are entered as Company assets in its parent company financial statements, and deducted from equity in the consolidated financial statements.

Threshold crossing disclosure (Article L. 233-7 of the French Commercial Code)

None.

Shareholder identification

The Company may at any time, according to applicable laws and regulations, request the central depository system which keeps track of the stock issued by the Company for the names, or where it concerns a corporate body, for the names, nationalities and addresses of the holders of shares that confer, immediately or in the future, voting rights in its General Meetings of Shareholders, as well as the number of shares held by each one and, if applicable, any restrictions on those shares (Article 7 of the Articles of Association).

3.3 Share price

The table below sets out the data concerning the price of the Company's shares, on a monthly basis, over the past three years:

Month	Highest	Lowest	Average closing price	Trading volume
January 2012	6.28	6.00	6.20	1,063
February 2012	6.19	5.98	5.99	1,221
March 2012	5.98	5.80	5.97	202
April 2012	5.80	5.75	5.79	49
May 2012	5.75	4.79	5.58	1,851
June 2012	4.69	4.00	4.52	8,947
July 2012	4.20	4.00	4.14	2,178
August 2012	4.40	4.17	4.32	4,096
September 2012	4.40	4.00	4.32	2,280
October 2012	3.90	3.45	3.64	11,950
November 2012	3.50	2.89	3.08	13,344
December 2012	2.90	1.51	2.73	12,206
January 2013	3.00	1.82	2.47	22,695
February 2013	2.40	1.99	2.19	22,828
March 2013	2.02	1.80	1.96	19,414
April 2013	2.08	1.79	1.87	6,871
May 2013	1.99	1.75	1.79	8,488
June 2013	1.99	1.42	1.76	49,109
July 2013	1.50	1.38	1.44	63,133
August 2013	1.87	1.50	1.78	28,525
September 2013	1.90	1.52	1.62	58,106
October 2013	1.77	1.60	1.74	40,595
November 2013	1.88	1.73	1.77	10,351
December 2013	1.87	1.75	1.84	111,743
January 2014	2.03	1.87	1.97	6,760
February 2014	2.13	1.99	2.01	6,560
March 2014	2.12	1.93	2.01	28,252
April 2014	1.95	1.89	1.92	46,778
May 2014	1.97	1.88	1.91	15,271
June 2014	1.96	1.82	1.93	39,674
July 2014	1.90	1.74	1.81	22,278
August 2014	1.75	1.70	1.72	28,856
September 2014	1.71	1.62	1.68	24,639
October 2014	1.68	1.58	1.64	40,456
November 2014	1.58	1.50	1.55	94,594
December 2014	1.50	1.32	1.38	234,728
January 2015	1.56	1.42	1.47	17,746
February 2015	1.53	1.49	1.51	40,702
March 2015	1.63	1.50	1.55	275,250

M.R.M.'s stock market capitalization as of 31 December 2014, based on the final closing price of the 2014 financial year, namely €1.42, amounted to €62,008,294.46.

3.4 Employee profit sharing plan

None.

3.5 Dividend payout policy

The dividend payout policy will comply with SIIC rules. In particular, 95% of earnings from building lettings will be paid out before the end of the financial year following the one during which such earnings are realised, and 60% of capital gains from the sales of buildings, shares in tax-transparent property companies or shares of subsidiaries liable for corporate income tax having the option, will be paid out in dividends prior to the end of the second financial year following the one in which they were realised; and dividends received from subsidiaries having opted for it to be redistributed in full during the financial year that follows their collection.

3.6 Management report for the financial year ended 31 December 2014

Ladies, Gentlemen,

This Combined General Meeting has been called in compliance with the Articles of Association and the French Commercial Code, to report on the Company's business activities during the financial year ended 31 December 2014, as well as on the resultant earnings and its outlook, and to seek approval for the separate and consolidated financial statements for said financial year. Those financial statements are attached.

You were duly notified and called to the meeting, as prescribed by law, and all mandatory documents under rules and regulations in force were put at your disposal within the legal time frame.

1. Company situation and activities

1.1 Situation and activities of the Company over the previous financial year

1.1.1 Business overview

A listed real estate company, M.R.M. holds a portfolio of office and retail properties, comprising stabilised properties and properties with value-enhancement opportunities. Its asset portfolio has been progressively expanded since 2007 following asset transfers from Dynamique Bureaux and Commerces Rendement, two investment companies founded and managed by CBRE Global Investors, and the acquisitions made by its subsidiaries in their own right.

M.R.M. is listed on Eurolist in Compartment C of NYSE Euronext Paris (ISIN code: FR0000060196 - Bloomberg code: M.R.M.: FP – Reuters code: M.R.M. PA).

M.R.M. and its subsidiaries, which have entered into a real estate services management contract with CBRE Global Investors, an investment management subsidiary of the global leader in real estate services CBRE, employ a dynamic strategy of value-enhancement and asset management, combining yield and capital gains.

2013 was marked by a major recapitalisation operation in the Group through the acquisition of a majority stake of 59.9% in M.R.M.'s capital by SCOR SE, and the conversion into M.R.M. shares of the €54.0 million in bonds issued by DB Dynamique Financière, a wholly-owned subsidiary of M.R.M.

Accompanied by a restructuring of M.R.M.'s bank and bond debt to which it was subject, this recapitalisation operation established a healthy financial structure for M.R.M. characterised by a strengthening of its equity base, significant debt reduction and rescheduling, and the restoration of its cash position. Company governance was amended to reflect the new shareholder base of M.R.M.

Since then, M.R.M.'s strategy is to refocus its business on holding and managing retail properties, with plans to gradually dispose of its office properties.

In 2014, M.R.M. thus committed itself, against the backdrop of a particularly sluggish rental market, to letting its available areas and to adjusting value-enhancement plans for its retail properties, and continued to implement its plan to dispose of its office properties.

1.1.2 Company history

Prior to its restructuring and listing as a real estate company in 2007, M.R.M. was originally a holding company, the head of a group built around three business activities: manufacturing and sales of velvet products (J.B. Martin Holding), clothing design and retailing in Mexico (Edoardos Martin), and the production and sale of plastic cables and tubes (MR Industries).

1.1.3 Key events in the past financial period

27 February 2014: M.R.M. published its 2013 annual results.

10 April 2014: M.R.M. announced the sale of an office building on rue Cadet in Paris (9th arrondissement), for €12 million excluding transfer taxes.

30 April 2014: M.R.M. announced the publication and availability of the 2013 Registration Document.

15 May 2014: M.R.M. published financial information for the first quarter of 2014.

4 June 2014: The Ordinary General Meeting of M.R.M. approved all resolutions proposed, including the distribution of reserves and premiums at €0.10 per share.

31 July 2014: M.R.M. published the interim results for 2014 and announced the publication and availability of the Interim Financial Report for 2014.

16 September 2014: M.R.M. announced the sale of the Delta office building in Rungis, for €10.5 million excluding transfer taxes.

6 November 2014: M.R.M. published financial information for the third quarter of 2014.

1.1.4 Equity stakes and controlling interests taken in companies with head offices in France

No acquisition of shares or control occurred during the financial year ended 31 December 2014.

As at 31 December 2014, M.R.M. thus controlled 13 companies directly and indirectly, the same number as at 31 December 2013. The list of equity interests is appended to this report.

1.2 Research & Development

In accordance with the provisions of Article L. 232-1 of the French Commercial Code, we hereby inform you that the Company performed no research and development activity during the past financial year.

1.3 Situation and activity of companies controlled by M.R.M. and their property portfolios

It should be recalled that M.R.M. is a dedicated holding company, all property assets being held by its subsidiaries. The list of subsidiaries and affiliates can be found in the notes to this report.

1.3.1 Retail portfolio

The retail property portfolio is directly or indirectly held by the following subsidiaries: SAS DB Neptune, SAS Commerces Rendement, SCI Immovert, SAS DB Piper and SCI Galetin II. The Group ownership structure can be found in chapter 1 of the 2014 Registration Document.

In 2014, 12 new leases or lease renewals were signed in the retail property portfolio, representing annual rental income of €0.6 million. As at 1 January 2015, the net annualised rent for retail properties was €8.3 million, down 7.3% compared with 1 January 2014. This trend is due to adjusted terms which M.R.M. had to concede when leases were renewed. As at 1 January 2015, the occupancy rate for retail properties was down slightly, at 83%.

A total of €0.8 million was invested in the retail property portfolio in 2014. Most of this was in connection with the first phase of works, comprising the refurbishment of toilet blocks and the creation of a central square to improve the shopping experience of customers of the Les Halles shopping centre in Amiens, the division work on the R-1 premises to accommodate the new Littera bookshop at Le Passage de la Réunion in Mulhouse, and the fitting out of a shell to accommodate a new tenant in the Vivier retail park in Allonnes.

1.3.2 Office portfolio

The office portfolio is directly or indirectly held by SAS DB Cougar, SAS DB Neptune, SAS DB Fouga, SAS DB Tucano, SCI Noratlas and SAS Boulevard des Îles. The Group organisational structure can be found in chapter 1 of the 2014 Registration Document.

In 2014, M.R.M. sold two office buildings, located in Paris (9th arrondissement) and Rungis respectively, for a total of €22.5 million excluding transfer taxes.

As at 1 January 2015, the office portfolio represents net annualised rent of €4.0 million, up 41% on 1 January 2014, restated for disposals made in 2014.

In 2014, €1.1 million was invested in office properties. This mainly involved refitting work and fit-outs for new tenants in the Nova building in La Garenne-Colombes, and refurbishment and compliance work on the Cytéo and Plaza buildings, located in Rueil-Malmaison and Paris respectively.

In this portfolio, twelve leases or lease renewals were signed in 2014, five of which on the Nova building. These represent total annual rent of €2.1 million. These leases brought the occupancy rate of office buildings in operation from 57% at 1 January 2014 and on a like-for-like basis, to 64% at 1 January 2015, and the occupancy rate of the Nova building was raised from 40% to 65%.

1.3.3 Changes to the portfolio

At end-December 2014, M.R.M.'s asset portfolio stood at €232.2 million excluding transfer taxes, compared with €261.1 million excluding transfer taxes at 31 December 2013, down 2.1% on a like-for-like basis, i.e. compared with the value as at 31 December 2013 restated for the assets sold in 2014.

With the sale of the two office buildings located in Paris and Rungis effected in 2014, M.R.M. generated a loss on disposal of €2.2 million. M.R.M. also made investments of €1.9 million on its portfolio in 2014.

At end-December 2014, the fair value change in M.R.M.'s asset portfolio stood at -€6.9 million.

This downward trend mainly reflects an adjustment in rental values, with the rental market hardening in the retail sector.

At end-December 2014, the nine retail complexes in Île-de-France and the regions accounted for 62% of the value of M.R.M.'s asset portfolio, with the six office complexes in Île-de-France accounting for the remaining 38%.

At 31 December 2014, M.R.M.'s asset portfolio comprised a total area of 134,460 sqm, of which 84,781 sqm in retail properties and 49,679 sqm in offices.

Portfolio value (excluding transfer taxes) *in millions of euros*	12/31/2014	12/31/2013
Retail properties	144.1	151.4
Office properties	88.1	109.7
TOTAL	**232.2**	**261.1**

1.3.4 Net Asset Value

As at 31 December 2014, the liquidation Net Asset Value was €2.8 per share and the replacement Net Asset Value was €3.10 per share, compared with €3.1 per share and €3.4 per share respectively as at 31 December 2013.

Net Asset Value	12/31/2014	12/31/2013	Change %
Liquidation NAV/share	€2.8	€3.1	-8.3%
Replacement NAV/share	€3.1	€3.4	-8.2%

1.3.5 Net operating cash flow

Gross operating income came to €6.8 million in 2014. The small drop relative to the €6.9 million achieved in 2013 reflects the reduction in net rental income as a result of asset sales, partly offset by reduced operating expenses. With the deleveraging of bank and bond debts in mid-2013, combined with the current very low interest rates, net operating cash flow [1] was a positive €4.0 million in 2014.

Net operating cash flow *in millions of euros*	2014	2013	Change 2014/13
Net rental revenues	11.1	11.4	-2.3%
Other operating income	0.1	0.4	-83.3%
Operating expenses	(4.2)	(4.7)	-11.9%
Other operating expenses	(0.2)	(0.2)	
EBITDA	**6.8**	**6.9**	**-2.1%**
Net cost of debt	(2.7)	(3.9)	-29.1%
Other financial expenses	0.0	0.0	
NET OPERATING CASH FLOW	**4.0**	**3.0**	+32.4%

1.3.6 Debt

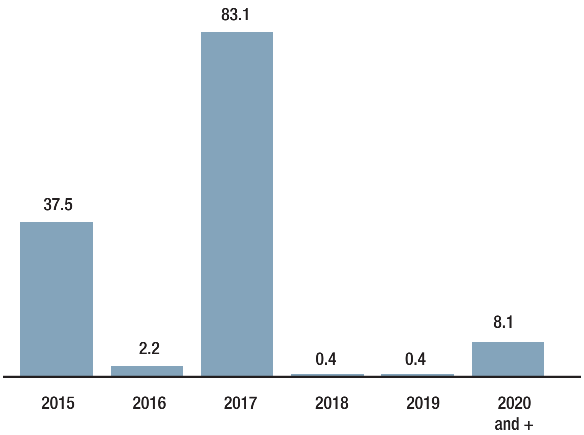
M.R.M.'s bank debt stood at €131.5 million as at 31 December 2014, compared with €146.7 million as at 31 December 2013. This €15.2 million drop is due mainly to the various contractual repayments relating to disposals of buildings effected over the year. The average margin on this debt is 183 basis points (excluding the impact of set up costs). 80% of variable-rate debt is hedged by financial instruments such as caps.

M.R.M.'s bank financing had the following maturity at 31 December 2014:

- maturity within one year: €37.2 million;
- maturity longer than one year: €94.3 million.

Debt maturing within a year consists mainly of a €26.7 million credit line and another €7.0 million credit line for a property classified under "Assets held for sale". The balance owing at one year relates to contractual repayments to be made over the next 12 months.

BANK DEBT SCHEDULE AT 31 DECEMBER 2014
(IN MILLIONS OF EUROS)



The consolidated bank LTV ratio stood at 56.6% at 31 December 2014, stable compared with 31 December 2013.

In view of the improved cash position, the total net debt ratio fell from 48.5% at 31 December 2013 to 47.0% at 31 December 2014.

(1) *Net operating cash flow corresponds to the net profit before tax restated for non-monetary items.*

As at 31 December 2014, the Group was in compliance with the LTV and ICR/DSCR covenants agreed with its banking partners, except for a credit line on which the LTV threshold specified in the loan agreement was exceeded (61.5% instead of 60%). A repayment of €1.5 million, comprising a contractual repayment of €0.8 million and an additional repayment of €0.7 million, was made on 20 January 2015, bringing the Group back into compliance with the ratio. At the date of issue of the financial statements by the Board of directors, the Group was thus in compliance with all of its commitments in terms of Loan-to-Value, and ICR/DSCR covenants in relation to its banking partners.

1.4 Foreseeable changes and outlook

M.R.M.'s strategy consists of refocusing its activities on retail property and progressively disposing of its office assets. Against this background, the Group's priorities are to continue enhancing its assets and to lock in its rental revenues. The retail assets portfolio provides a solid revenue base while also holding significant potential for value creation. To this end, M.R.M. has started various value-enhancement programmes currently in the pipeline. The office portfolio has more vacant areas, M.R.M. is therefore actively pursuing its marketing efforts. The office disposal programme will be pursued progressively over the coming two years in order to achieve the best possible terms.

1.5 Major events since the reporting date

None.

1.6 Principal risks and uncertainties facing the Company

The risks and uncertainties facing the Company are, on the date of this report, those which could have a material adverse impact on the Company, its business, its position, its earnings or share price, and which are important with regard to investment decisions. The Company has assessed the risks that could have a significant adverse effect on its business activities, its financial position or its earnings (or on its ability to achieve its goals) and believes that there are no significant risks other than those presented in chapter 2 of the 2014 Registration Document and, with regard to financial risks, in the notes to the consolidated financial statements for the financial year ended 31 December 2014.

2. Presentation of the separate financial statements - Earnings for the past financial year

2.1 Separate financial statements

The separate financial statements for the year ended 31 December 2014, which we submit to you for approval, (appended hereto) were drawn up according to the format and using the valuation methods prescribed by rules and regulations in force. Presentation and valuation rules used were the same as for the previous financial year.

M.R.M.'s business over the period was that of a holding company. 2014 earnings reflect:

- revenue of €225 thousand (against €131 thousand in 2013);
- the fact that there were no provision reversals on current accounts (against €18.006 million in 2013, mostly in relation to SCI Noratlas and DB Tucano);
- €12 thousand in transfers of expenses;
- €1,105 thousand in other external purchases and expenses (compared with €866 thousand in 2013);
- €61 thousand in taxes and duties;
- €605 thousand in employee benefit expenses (compared with €185 thousand in 2013);
- provisions for current accounts of €1,284 thousand, primarily granted to subsidiaries SCI Noratlas and DB Tucano;
- €23 thousand in other expenses;
- financial income of €2,642 thousand, of which €2.091 million in financial products from equity investments (revenue on current accounts) and €545 thousand in reversals of provisions on Immovert equity investments. Financial expenses totalled €517 thousand and correspond to provisions for equity investments in DB Cougar. This led to a financial profit of €2,125 thousand. As at 31 December 2013, financial profit totalled (€17,868) thousand.

After recognition of a tax expense of €65 thousand, corresponding mainly to tax on dividends, accounting net income amounted to a loss of €780 thousand. As at 31 December 2013, accounting net income was a loss of €825 thousand.

As of the end of the financial year, total assets stood at €111.993 million, mostly comprised of equity securities from subsidiaries, directly or indirectly wholly-owned; of current accounts between the Company and its subsidiaries; and of the Company's cash assets.

The table showing the Company's results for the last five financial years is appended hereto, as set out by Article R. 225-102 of the French Commercial Code.

2.2 Consolidated financial statements

Pursuant to European Regulation 1606/2002 of 19 July 2002, the consolidated financial statements as of 31 December 2014 of M.R.M. Group were prepared in accordance with the standards and interpretations applicable on that date, published by the International Accounting Standards (IASB) and adopted by the European Union at the date of issue of the financial statements by the Board of directors.

The new standards and amendments to existing standards and interpretations mandatory as of 1 January 2014 are as follows:

- IFRS 10 – Consolidated Financial Statements and Revised IAS 27 – Separate Financial Statements;
- IFRS 11 – Joint arrangements and Revised IAS 28 – Investments in Associates;
- IFRS 12 – Disclosures of Interests in Other Entities;
- amendments to IFRS 10, 11 and 12: Transitional Guidance;
- amendment to IFRS 32 – Offsetting Financial Assets and Financial Liabilities;
- amendment to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets;
- amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting.

IFRS annual improvements – cycle 2010-2012 and 2011-2013 (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IFRS 3, IFRS 13 and IAS 40) apply since 1 July 2014.

These amendments did not have a material impact on the Group's results and financial position.

2.2.1 Changes in scope

In 2014, no new company was consolidated by M.R.M.

2.2.2 Consolidated income statement

Consolidated gross rental revenue from properties totalled €14.507 million, mainly from rents and rental income in the Group's portfolio. Like-for-like, the decline in gross rental revenues was just 1.3% compared with 2013.

Unrecovered external property expenses totalled negative €3.387 million, resulting in net rental revenues of €11.120 million.

Current net operating expenses, totalling a loss of €4.533 million in 2014, were down 14% on 2013: they mainly broke down into operating expenses of negative €4.168 million (compared with negative €4.729 million in 2013, i.e. a 12% decrease) and net allocation to provisions of negative €0.366 million (compared with negative €0.542 million in 2013).

Current operating income thus amounted to €6.587 million, compared with €6.113 million at end-2013.

Net of losses on the disposal of assets of €2.239 million, of the change in fair value affecting property assets of negative €6.870 million and non-current net operating expenses of €0.628 million, there was an operating loss of €3.150 million. For reference, operating income stood at €5.847 million at 31 December 2013.

Financial loss amounted to €3.650 million as at 31 December 2014, and broke down as follows:

- net cost of debt was an expense of €2.743 million, comprising interest and related expenses of negative €2.749 million and interest received of positive €6 thousand;
- change in value of the financial instruments and Sicav funds, i.e. a loss of €0.375 million;
- discounting payables and receivables, i.e. a loss of €0.532 million.

For reference, in 2013, the Group posted financial profit of €36.977 million, mostly related to the write-off of €10 million in financial liabilities under the bank restructuring programme and €26.201 million in income from the conversion of DB Dynamique Financière bonds into M.R.M. shares.

In light of the preceding, and the recognition of a tax expense of €83 thousand, net income after taxes amounted to a loss of €6.883 million at 31 December 2014, compared with a profit of €38.261 million at 31 December 2013.

2.2.3 Consolidated balance sheet

As at 31 December 2014, net non-current assets stood at €212.350 million, compared with €233.303 million as at 31 December 2013.

The decrease in these items over the financial year was primarily due to the reclassification of an office property as an asset available for sale and to the value adjustment of certain retail buildings. As at 31 December 2014, investment properties totalled €212.347 million.

As at 31 December 2014, current assets stood at €52.648 million, compared with €58.635 million as at 31 December 2013. These mainly broke down into properties held for sale (€19.822 million), trade receivables (€4.237 million), other receivables such as service charges, tax receivables, etc. (€6.095 million) and cash and cash equivalents (€22.430 million).

On the liabilities side, after taking into account the net income for the year (€6.883 million) and the payment of the 2013 dividend (€4.365 million), consolidated equity stood at €123.712 million at the end of the financial year. As at 31 December 2013, this item totalled €134.998 million.

As at 31 December 2014, non-current liabilities payable at over one year totalled €96.256 million, compared with €136.053 million as at 31 December 2013.

These mainly comprise bank debt of €94.278 million and tenants' security deposits of €1.606 million.

Current liabilities payable at under one year totalled €45.030 million as at 31 December 2014, compared with €20.887 million as at 31 December 2013. This amount is mainly comprised of bank debts totalling €37.190 million maturing in 2015, €3.576 million in trade payables for goods and services and non-current assets, and €2.942 million in other liabilities.

In accordance with Articles L. 225-100 and L. 233-16 of the French Commercial Code, we hereby ask you to approve the consolidated financial statements attached hereto.

2.3 Appropriation of income - Distribution of premiums and reserves

We propose the appropriation of the loss for the year ended 31 December 2014, amounting to €472,771, as follows:

- Origin:

  Net loss for the year: €779,764
- Appropriation:

  Retained earnings: €(779,764)

  Retained earnings would thereby be down from €0 to €(779,764).

We propose a distribution of reserves of €1,073 through a deduction from Other reserves. This distribution would bring the Other reserves account from €1,073 to €0.

We propose a distribution of premiums of €4,365,708 through a deduction from Contribution premiums. This distribution would bring the Contribution premiums account from €66,523,235 to €62,157,527.

The total amounts thus distributed (reserves and premiums) would be €0.10 per share. These amounts would be released for payment on 1 July 2015.

The share of distributed amounts corresponding to treasury shares held by the Company on the date the distribution decision is made would be allocated to the "Other Reserves" account.

All income distributed would be eligible for the 40% allowance provided for in article 158–3-2 of the French General Tax Code, provided that it is received by natural persons taxable in France.

2.4 Dividends paid out in previous years

In accordance with Article 243 bis of the French General Tax Code, we point out that the following dividends have been distributed over the previous three financial years:

	Income eligible for tax reduction (1)		
Year	Dividends	Other income distributed	Income not eligible for tax reduction
2011	None	None	None
2012	None	None	None
2013	None	2,314,422	2,050,337

(1) Allowance provided for in article 158–3-2 of the French General Tax Code.

2.5 Non-tax-deductible expenses

Pursuant to Articles 223 quater and 223 quinquies of the General Tax Code, we point out that the financial statements for the previous year do not take account of expenses non deductible for tax purposes.

3. Information concerning the share capital as at 31 December 2014

3.1 Changes in the share capital in the past financial year

As at 1 January 2014, share capital was €43,667,813, divided into 43,667,813 fully paid-up shares, each with a par value of €1. This situation remained unchanged as of 31 December 2014, since there were no transactions on the share capital during the past financial year.

Shares are in either registered or bearer form, at the discretion of the shareholder, subject to the mandatory provisions laid down in Articles 6 and 7 of the Articles of Association.

3.2 Information on shareholding

In accordance with Article L. 233-13 of the French Commercial Code, we indicate the identity of those natural and legal persons holding, directly or indirectly as of 31 December 2014, more than 5%, 10%, 15%, 20%, 25%, one-third, 50%, two-thirds, 90%, or 95% of the share capital or voting rights in General Meetings (bearing in mind that, pursuant to the terms of Article 8 of the Company's Articles of Association, *"a double voting right is granted to all fully paid-up shares which have been registered in the Company's ledgers for at least two years in the name of the same shareholder, as provided by law"*). We furthermore inform you of the change in the total number of voting rights in the Company, as a result of the registration as bearer shares of certain shares that were previously registered, resulting in the loss of a certain number of double voting rights, bringing the total number of theoretical voting rights down from 46,275,481 as of 31 December 2013 to 46,165,581 at the date of this report. The tables below reflect this new number of voting rights.

Over 50%:

Shareholders	As of the date of this report	12/31/2014	12/31/2013
SCOR SE	59.9% of share capital 56.7% of voting rights	59.9% of share capital 56.7% of voting rights	59.9% of share capital 56.5% of voting rights

As of 31 December 2014 and at the date of this report, no other M.R.M. shareholder held more than 5% of the Company's share capital or voting rights at General Meetings.

For information, at the date of this report, Jacques Blanchard, Chief Executive Officer of the Company, held 42,839 shares, 42,838 of which through his personal holding company, SC JAPA. Consequently, he holds 0.1% of the share capital and 0.2% of the voting rights, directly and indirectly.

Cross-shareholdings

At the reporting date of the past financial year, companies controlled by the Company held no stake in the Company.

Treasury shares - share buyback plan

At the start of the 2014 financial year, the Company held 18,010 treasury shares.

On 24 December 2007, M.R.M. signed a liquidity agreement with CM-CIC Securities for the purpose of improving liquidity and the regularity of quotations. This agreement was terminated on 6 January 2014. Since 7 January 2014, M.R.M. has entrusted the implementation of a liquidity agreement to Invest Securities for an annual amount of €25 thousand excluding V.A.T.

In addition, a buyback programme was implemented in the 2014 financial year with the following objectives:

- to take steps on the market for the purpose of stabilising the price of the Company's shares or ensuring the liquidity of the Company's shares via the intermediary of an investment services provider;
- to hold shares as treasury stock for subsequent remittance in exchange or payment for acquisitions;
- to ensure coverage of share purchase option plans and other forms of share allocation to employees and/or corporate officers of the Group in accordance with legal requirements, particularly in respect of profit sharing, Company savings plans or bonus share allocations;
- to ensure coverage of marketable securities entitling the holder to the allocation of shares in the Company within the framework of applicable regulations;

- to cancel shares held by the Company following the buyback of its own shares.

These objectives are presented without prejudice to the effective order of use of the authorisation to buy back shares, which would be dependent on needs and opportunities. The number of shares purchased by the Company with a view to being held as treasury stock for subsequent remittance in exchange or payment for a merger, spin-off or contribution may not exceed 5% of its share capital.

In the 2014 financial year, the Company bought 30,783 treasury shares at an average purchase price of €1.59 per share (representing a total average purchase price of €48,894.61 as at 31 December 2014), and sold 5,746 at an average price of €1.75 per share, these transactions having all been carried out under the liquidity agreement in furtherance of the first objective of the share buyback programme set out above.

The Company thus held 43,047 treasury shares at the end of the past financial year, representing 0.10% of the Company's share capital and a par value of €43,047. These securities are entered as Company assets in its parent company financial statements, and deducted from equity in the consolidated financial statements.

The annual report on the liquidity agreement is appended hereto.

The General Meeting of Shareholders called to approve the financial statements for the financial year ended 31 December 2014 will be asked to renew this authorisation to buy back treasury shares and, where necessary, the corresponding authorisation to cancel repurchased shares.

3.3 Delegations for capital increases

In accordance with the provisions of Article L. 225-100 paragraph 7 of the French Commercial Code, we hereby inform you that was no delegation in force granted by the General Meeting of Shareholders to the Board of directors in respect of capital increases pursuant to Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code as at 31 December 2014.

3.4 Employees holding equity stakes

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that:

- no employee held any interest in the Company's share capital at the last day of the 2014 financial year;
- no shares have been acquired for the purpose of allocating them to employees under a profit-sharing scheme.

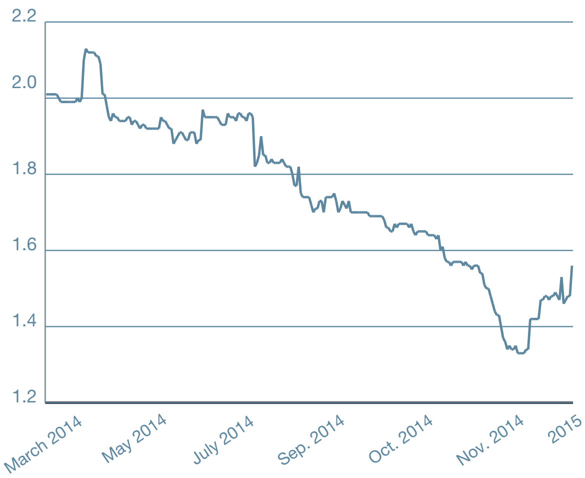
In accordance with the provisions of Article L. 225-184 and L. 225-197-4 paragraph 1 of the French Commercial Code, we hereby inform you that:

- the Company has no stock option plans;
- no bonus shares have been attributed free of charge to salaried staff or senior managers of the Company.

3.5 Stock price performance

M.R.M.'s stock market capitalisation as of 31 December 2014, based on the final closing price of the 2013 financial year, namely €1.42, amounted to €62,008,294.

Below is a graph showing the change in the share price:



Source: NYSE Euronext.

In accordance with the provisions of Article L. 621-18-2 of the French Monetary & Financial Code, there was no trading in the Company's shares during the financial year ended 31 December 2014 by the individuals falling within the scope of this article (Company managers, executives, and individuals with whom they have close ties).

3.6 Items likely to have an impact in the event of a takeover bid

Apart from the fact that the Company is now controlled by SCOR SE, which has an absolute majority of shares and voting rights, there are no other items likely to have an impact in the event of a public takeover bid as defined in Article L. 225-100-3 of the French Commercial Code.

4. Social, environmental and societal information

The methodological note on CSR information and the report of the third-party organisation on social, environmental and societal information included in the management report can be found in the appendix to this report.

4.1 Social information

The Group had two employees at end-2013. In 2014, M.R.M. recruited another employee. As no employees left the Company, the Group had three employees at 31 December 2014. These employees are women aged under 40, working full-time and whose working hours are in compliance with current legislation. All M.R.M. are based at the Company's head office at 5 avenue Kléber in Paris (75016) and come under the collective national agreement for the property sector, dated 9 September 1988 and updated 23 November 2010.

Group payroll in 2014 was €284 thousand, against €70 thousand in 2013. This change is due mainly to the full-year effect but also to the recruitment of an employee.

Merit and performance are the two fundamental principles driving M.R.M.'s remuneration policy, and a review is carried out on an annual basis to assess these. Thus, all employees are assured that their position and performance is assessed by management every year and, during this annual review, they are advised of the results of this assessment and its tangible effects through the variable portion of their remuneration package.

M.R.M. seeks to help its employees develop and evolve and therefore pays particular attention to training and developing skills within the Company. In 2014, however, the employees undertook no training.

Because of the low number of employees, the Company has not set up any organisation for social dialogue or entered into any agreements with trade unions on health and safety issues in the workplace. Furthermore, M.R.M. employees are engaged in office work which, by its nature, involves relatively low levels of risk. Finally, the premises where M.R.M. has its head office meet current safety and security standards.

In 2014, absenteeism amounted to two days and there were no workplace accidents or occupational diseases.

Following the entry into force of the Act of 27 January 2011 on gender balance on boards of directors and supervisory boards and gender equality, the Board of directors of M.R.M., at its meeting of 10 December 2014, approved the Company's policy on gender equality and equal pay, reaffirmed its determination to be a socially responsible employer and confirmed that it would undertake to apply a human resources policy based on non-discrimination in matters of recruitment, professional assessment, professional mobility and professional training. The Company also respects freedom of association and the right to collective bargaining. However, its employees have not to date initiated any labour relations mechanism.

Finally, because of the low number of employees, the Company did not take any measures in favour of the employment and integration of disabled persons. As its activity is based in France, compliance with International Labour Organisation's Fundamental Conventions on the elimination of forced or compulsory labour and the effective abolition of child labour are not directly applicable to M.R.M., as French law already prescribes prohibitions in these areas.

4.2 Environmental information

4.2.1 General environmental policy

While continuing to prioritise the restructuring and upgrading of its property portfolio, during the 2014 financial year the Company pursued its commitment to development which reconciles environmental conservation and economic efficiency. In its operations, the Company adheres to and sees that its service providers adhere rigorously to environmental regulations in all stages of property investing (acquisition, design, property management). This concerns, as an example, detection of asbestos and other harmful or hazardous materials contained in properties considered for acquisition, drawing up and updating technical reports on asbestos for properties in the portfolio, the replacement of equipment operating on R22 gas as well as on insulation and energy performance standards for properties undergoing restructuring. As to the properties being renovated, M.R.M. pays great attention to the treatment of communal areas and landscaped spaces. M.R.M. plans to reposition its properties in their environment by incorporating the changes in town planning and the enhancement of natural landscaped surroundings. However, the Company does not believe that its property activity causes any releases to soil that could seriously affect the environment.

In addition, since 2008, M.R.M. has been advised by CBRE Global Investors for its property transactions, which places Corporate Responsibility at the heart of its strategy and fundamental principles.

CBRE Global Investors has thus undertaken a sustainable development approach in all its major refurbishment and development projects throughout Europe, particularly by signing up to GRESB (Global Real Estate Sustainability Benchmark, http://gresb.com). CBRE Global Investors' policy is based on environmental, social and governance practices that must be followed by all its offices worldwide. These practices involve setting minimum targets to be achieved in all areas where the GRESB applicant operates (management of existing shopping centres, development or restructuring projects, acquisitions, etc.).

The three most important practices involve:

- resource management: through an in-house survey, the applicant compiles information on the carbon footprint of almost all its assets. After processing this data, ambitious targets can be set;
- certification: the target is to achieve certification recognised by sector professionals for 70% of Company assets over 20,000 sqm by 2017 (BREEAM, LEED, BBC, etc.);
- in-house Certification: the offices occupied by the applicant worldwide must be certified.

This target comes under the UN's Principles for Responsible Investment (http://www.unpri.org). The applicant signed up to these principles in 2009.

CBRE Global Investors has also signed up the lessor-tenant charter of the Centre National des Centres Commerciaux (CNCC). The applicant is also planning a 'green' lease with its tenants to include an environmental appendix: the CNCC lessor-tenant charter, which requires stakeholders to engage in a collective, consensus-based approach to drive progress.

The environmental issue has become a major requirement for commercial complexes, involving all lessors and retailers but also the consumers using them every day. It is therefore important for stakeholders in commercial property to formalise their reciprocal commitments and to contribute to achieving the environmental targets that France has set itself.

The purpose of the CNCC lessor-tenant charter is to define the sustainable development principles to be used in commercial leases.

This educational text recommends a series of measures to be implemented covering a range of issues such as reducing the centre's energy consumption, carbon footprint, waste and water treatment and recycling, air quality, etc.

Finally, the building located at 5 avenue Kléber, where M.R.M. has its head office as a tenant, was designed, refurbished and is operated in accordance with the principles set by the H.Q.E. (High Environmental Quality) standard. One of the aims of this standard is to improve the environmental quality of buildings throughout their life cycles, from works scheduling through operation to demolition. The Company is keen to involve its personnel as building users in best practice as regards respecting and protecting the environment (selective sorting, recycling, reasonable use of paper, etc.).

Certifications

As part of its property activity, during the past financial year, the Company continued to apply France's H.Q.E. initiative, which takes full account of the challenges of sustainable development, by limiting the impact of building construction on the environment and opting for harmonious integration, wholly reflecting the needs and comfort required by users.

As part of its substantial restructuring of the Nova property in La Garenne-Colombes, M.R.M. adapted its projects to incorporate the H.Q.E. initiative, both in the design phase and in the course of the operation of the building, despite the need to take on board the constraints of the site and of the structure of the existing building.

Priority was given to the integration of the building in its site, with notably the laying out of vegetal terraces reducing the discharge of rain water and improving the cooling of the building during the summer. The setting up of a centralised technical management system to optimise a building's energy performance and provide information on consumption, "high-performance" equipment, strict management of waste from building sites, building façades with double glazing offering excellent thermal and acoustic performance have all been integrated in the project since its inception. As a result, the Nova property develops all the criteria for a modern building, highly effective and functional while insuring optimal comfort to its users. Its main features were carefully designed and built keeping in mind sustainable development and the well-being of its users, making it a 'green' building: location, layout, public transport, environment and local amenities, user comfort, energy savings, management of water resources, etc.

The additional costs incurred by the adoption of this initiative are seen by M.R.M. as investments that contribute to value creation. These investments were acknowledged as the building received the H.Q.E. NF – Bâtiments tertiaires certification in 2012 and BREEAM In Use – Good certification in 2014. Today, the building meets stricter criteria than those required by H.Q.E. certification and is also aiming for H.Q.E. Exploitation certification in 2015.

The Aria Park retail park in Allonnes was awarded a Valorpark label in 2006. The Valorpark Label was developed by the Centre National des Centres Commerciaux (CNCC) to encourage environmentally-friendly designs for retail parks that focus on architecture, retail and user comfort. The label helps enhance the image of out-of-town and edge-of-town retail parks, among brands, consumers and local authorities. It certifies that a retail park is in compliance with quality criteria.

Following refurbishment works to the Cap Cergy office building located at Cergy-Pontoise currently being studied, M.R.M. is working towards BREEAM In Use certification, in both the design and operating phases.

The Green Approach Guides

In setting up a 'green' approach for the operation of its properties, particularly through energy savings measures and working with its tenants, M.R.M. seeks to have an impact on improving energy performance, reducing greenhouse gas emissions and slowing climate change.

To this end, M.R.M. has developed Green Approach Guides for six of its office properties to encourage all stakeholders – tenants, occupants, managers, technical staff, miscellaneous service providers and owners – to work together to become 'green' stakeholders every day.

Occupants need to become empowered in how they use their office spaces, with the aim of reducing energy consumption, ensure sanitary quality and user comfort while respecting the environment. M.R.M. intends to fully support them in this process. The Green Approach Guides therefore aim to help tenants to ask the right questions at the right time, from fitting-out to daily use.

The tenant company needs to be able to communicate its commitments in terms of Corporate and Social Responsibility, both internally and externally:

- employee well-being in comfortable, user-friendly work spaces;
- company integration in the local economic and social fabric;
- environmentally-friendly practices and undertakings.

The Green Approach Guides recommend Green Committee meetings on a half-yearly or annual basis.

The Green Committees are comprised of representatives of the lessor, tenants, technical service provider, property manager and all servicing and/or maintenance companies employed by the lessor or tenants.

Green Committees are responsible for:

- studying and assessing the intrinsic environmental performance of the property, any change made to the property, the premises or their operation which could affect its environmental performance during its lifetime, plus energy and water consumption and waste generation related to the life of the property;
- adapting and drawing up environmental targets to reduce the property's energy consumption, carbon emissions, water consumption and waste generation, through the use of eco-friendly equipment as far as possible (renewable energies, rainwater recovery, water recycling, etc.);
- monitoring and reporting on changes in environmental targets in terms of the property's water and energy consumption and waste generation, or relating to progress made in terms of achieving targets set at previous meetings;
- setting new targets to be achieved over the next 6-12 months.

In 2014, two green committee meetings took place. These meetings improved communication and understanding between stakeholders and led to the rapid, efficient implementation of action plans to significantly improve the environmental performance of properties.

Environmental appendix to leases

Since 2012, an environmental appendix must be attached to all new or renewed lease agreements for all office or retail properties with an area over 2,000 sq.m. From 14 July 2013, this appendix became mandatory for all current leases. The environmental appendix must include the following information, provided by the lessor:

- a description of the energy characteristics of equipment and systems in leased premises (waste treatment, heating, cooling, ventilation, lighting, etc.),
- actual water and energy consumption;
- the amount of waste generated by the property.

This appendix may also include obligations imposed on tenants to reduce energy consumption in the relevant premises.

As at 31 December 2014, 22 leases included an environmental appendix. This approach allows M.R.M. to involve tenants in how resources are used. As a result, the Company and its tenants bring together economic and energetic performances.

The Company aims to roll out the environmental appendix among its users.

Environmental risks

As M.R.M.'s real estate activity does not present any particular environmental risk, no provision was recorded for this as at 31 December 2014.

4.2.2 Pollution and waste management

Waste management for office properties owned by M.R.M. is the responsibility of the Property Manager. The waste collection service offered to occupants involves selective sorting of office waste baskets at source.

In office properties, waste prevention, recycling and disposal measures are set out in the Green Approach Guides and by Green Committees to support and encourage tenants to set up the equipment necessary for sorting at source, to take out a selective collection agreement, to train their cleaning service provider on how to organise collections, to draw up a quarterly report on collection (quantities and decommissioning), to oversee the volumes and quality of waste generated by a monitoring group and to report on the results obtained. With the Nova building in La Garenne-Colombes, M.R.M. intends to go further and improve recycling by providing waste management of used batteries, plastics (cups and bottles) and metals (drink cans).

As regards selective waste sorting, all our shopping centres have dedicated containers for paper, plastic and other waste, provided to our tenants. In the Carrefour École-Valentin shopping mall, M.R.M. raises awareness of best practice in selective sorting among its retail tenants twice a year.

Generally, during and after the refurbishment or construction of a property, the Company encourages companies carrying out the work to reduce noise pollution from building sites and to strictly manage waste in order to limit the nuisance caused to the neighbourhood and any occupants of the property and to respect the area around the property.

More specifically, in 2013, the Group carried out a survey on the acoustic impact of air treatment units in the refurbished section of the property, following which, in 2014, it implemented tangible improvements for the convenience of its tenant: additional acoustic insulation in premises with air treatment units and the addition of noise cancelling material under air treatment units to minimise vibrations.

In its premises at 5 avenue Kléber, Paris, the Company sorts and recycles waste, toners, cups, plastic bottles and drink cans.

4.2.3 Sustainable use of resources

Water consumption

Regarding water management, the Vivier shopping centre in Allonnes is equipped with a system for recovering and storing rainwater in a 55m^3 underground cistern, used for watering landscaped areas on site by a drip system, thus saving on water consumption while making the area more pleasant for users.

Water consumption can also be reduced by installing dual flush toilets (full and partial flush) and electronic mixer taps that can detect and regulate flow to replace traditional fittings as in the Nova property in La Garenne-Colombes and the Cytéo property in Rueil-Malmaison, and the Les Halles shopping centre in Amiens.

Given the geographical location of its office and retail properties, the Company is not exposed to any particular local constraints in terms of water supply or consumption.

Energy consumption

In the Solis property in Les Ulis, a system for regulating the heating and air conditioning system with centralised thermal management was installed in 2013, optimising the property's thermal performance and tenant comfort.

In 2014, the Company continued its efforts in this area by replacing fan coils on this site and on the Carré Vélizy site in Vélizy, and by upgrading or streamlining centralised thermal management in its retail properties in Carré Vélizy and Le Passage de la Réunion in Mulhouse. A new condensing boiler was also installed and thermostatic controls were replaced in the Cytéo office building in Rueil-Malmaison.

In La Galerie du Palais in Tours, the refurbishment of condenser pumps and recommissioning of the flow switch in 2014 should lead to energy savings in terms of both water and electricity consumption.

Moreover, in order to comply with the regulations on substances that deplete the ozone layer, the Company replaced a cooling unit using R22 gas in the Le Passage de la Réunion shopping centre in Mulhouse and intends to do the same in the Cap Cergy office building in Cergy-Pontoise in 2015.

In 2014, the Company reviewed the lighting schedules for the parking decks in its Cergy office building and intends to install automatic timer switches to reduce consumption even further. After fitting motion detectors in the communal areas of the Nova building in 2014, the plan is to replace the last remaining halogen bulbs with LEDs between the lobby and the company restaurant on the ground floor.

The Company also intends to make structural improvements in 2015 to reduce or optimise its energy consumption: changing the roof-based heating and air conditioning system and installing a new heating system in the main hall of the Les Halles shopping centre in Amiens, and in the Carrefour École Valentin shopping mall.

To date, the Company does not use renewable energy in the office and retail properties it operates. However, it should be noted that a portion of the electricity in the building at 5 avenue Kléber in Paris, where M.R.M. has its head office, comes from renewable energies. M.R.M.'s lessor decided to enter into a two-year agreement with EDF to provide 21% of the electricity supplied from renewable energy.

Commodity consumption and land use

To reduce the consumption of paper and toner in its premises, Company employee computers are configured by default to print on both sides and in black and white. Paper consumption by M.R.M. employees in 2014 is estimated at 98kg.

The Company's main impact in terms of land use relates to its control of assets managed. The Company is not aware of any soil pollution in the assets managed.

Gathering and monitoring consumption data

In 2014, the Company set up procedures for gathering and monitoring energy consumption (electricity, gas and fuel oil) and water consumption data at its head office and areas under its operational control in all of its shopping centres and offices. M.R.M. can therefore report on greenhouse gas emissions due to energy consumption at its head office and in shopping centres and office properties in 2014. No quantitative information on energy and water consumption in the head office, in shopping centres and in office properties in 2013 is currently available.

Indicators	2014 data
Head office	
Electricity	18,278kWh
Gas	N/A
Fuel oil	6 liters
Water	35m^3
Greenhouse gas emissions	1.4 TeqCO$_2$
Buildings in operation	
Electricity	4,598,799kWh
Gas	2,019,005kWh
Fuel oil	80 liters
Water	32,115m^3
Greenhouse gas emissions	801.1 TeqCO$_2$

The Company has not taken any specific measures to preserve or develop biodiversity in the offices and retail it operates. However, two beehives have been installed on the roofs of the building at 5 avenue Kléber in Paris, where M.R.M. has its head office.

4.3 Societal information

As the Company's properties are located in labour market areas, light industrial zones and established trading areas, the Company is aware of its impact on the economic activity and on town planning in these areas, and ensures that it integrates as much as possible, through the quality of its properties and the services it offers to users and local or neighbouring populations.

The Company also strives to achieve the best possible conditions for dialogue with all stakeholders in these properties: tenants, property managers, asset managers, service providers, but also co-owners, retailers' associations and local authorities. The procedure initiated by the Company for the Green Approach Guide is an example of this.

In 2014, the Company continued to support an association which provides entertainment for ill people of all ages, through play, creative and artistic games, in hospitals and retirement homes.

The Company does not take social and environmental issues into account in its procurement policy, nor the social and environmental responsibility of its suppliers and subcontractors in its dealings with them.

Regarding fair business practices, the Company's entire approach is focused on preventing corruption through systematic recourse to calls for tender and on promoting consumer health and safety, through rigorous compliance with the regulations for establishments open to the public and with fire safety regulations.

Because of its activity in France as a property company, the Company does not believe that the section on human rights initiatives apply to it.

5. Agreements referred to in Articles L. 225-38 and L. 225-39 of the French Commercial Code

Pursuant to applicable laws and regulations, we provide you with the Statutory Auditors' special report on the agreements falling within the scope of Articles L. 225-38 et seq. of the French Commercial Code.

6. Reference to agreements referred to in Article L. 225-102-1 last paragraph of the French Commercial Code

None.

7. Statutory Auditors

Our Statutory Auditors provide details in their reports on the responsibilities attributed to them by law.

We hereby inform you that no Statutory Auditor has come up for reappointment at this General Meeting.

8. Information on payment terms for the Company's suppliers

As at 31 December 2014, the Company's trade payables totalled €2 thousand.

Trade payables *(in euros)*	12/31/2014	12/31/2013
Outstanding for less than 30 days	-	43,498
Outstanding for more than 30 days	2,372	(41)
TOTAL	**2,372**	**43,456**

9. Information on corporate officers and general management

At 31 December 2014, the Board of directors of M.R.M. has the following members:

- François de Varenne, Chairman of the Board of directors;
- Jacques Blanchard, Chief Executive Officer;
- Gérard Aubert, independent director;
- Brigitte Gauthier-Darcet, independent director;
- Jean Guitton, director;
- SCOR SE, represented by Karina Lelièvre, director.

There were no changes to the composition of the Board of directors in 2014, nor have there been any since the closing date of the financial year.

Detailed information on members of the Board of directors can be found in chapter 4 of the 2014 Registration Document.

The Board of directors is in compliance with French Act No. 2011-103 which came into force on 27 January 2011 on the balanced representation of men and women on Boards of direction, as it already counts at least 20% women among its members.

In accordance with the provisions of Article L. 225-102-1 paragraph 3 of the French Commercial Code, a list of all offices and positions held in any company by each of the Company's corporate officers is appended hereto.

9.1 Remuneration and benefits paid to corporate officers

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, we now report the total remuneration and benefits of any nature paid by the Company or by companies under its control within the meaning of Article L. 223-16 of the French Commercial Code and by the Company controlling the company within the meaning of the same Article, to each of the corporate officers.

With the exception of Jacques Blanchard, Gérard Aubert and Brigitte Gauthier-Darcet, the Company's corporate officers received no remuneration or benefits of any kind with respect to membership of the Board from the Company or the companies it controls, as defined in Article L. 233-16 of the French Commercial Code.

The following Company corporate officers are not remunerated by M.R.M. for their directorships:

- François de Varenne, Chairman of the Board of directors;
- Jean Guitton, director;
- SCOR SE, director.

Independent directors received the following director's fees:

- Gérard Aubert: €10,000 for his work on the Board of directors and the Audit Committee in 2014;
- Brigitte Gauthier-Darcet: €10,000 for her work on the Board of directors and the Audit Committee in 2014.

For his services as Chief Executive Officer, Jacques Blanchard's gross remuneration was €230 thousand in 2014. €200 thousand of this is his fixed remuneration for 2014 and €30 thousand is the variable portion of his remuneration due for 2013. The variable portion of his remuneration due for 2014 will be determined and paid to him in 2015. Furthermore, in addition to his fixed and variable annual remuneration, Jacques Blanchard's remuneration comprises the following: variable remuneration over four years and deferred remuneration due in the event of loss of office. He also has healthcare and personal risk cover and a company car. These items are set out in greater detail in chapter 4 of the 2014 Registration Document.

François de Varenne, who is also a member of the Executive Committee of SCOR SE (the company controlling the Company as defined in Article L. 233-16 of the French Commercial Code), receives the following remuneration and benefits from SCOR SE:

- The following table sets out the gross remuneration due in euros for 2014 and 2013 and the remuneration paid in 2014 and 2013 to François de Varenne by SCOR SE:

2014		2013	
Amounts for	Paid in	Amounts for	Paid in
938,541	950,334	949,966	863,773

- The following table sets out the components of the remuneration due in euros for 2014 and 2013 to François de Varenne by SCOR SE [(1)]:

FY 2014				FY 2013			
Fixed remuneration	Variable remuneration	Bonuses/ various allocations	Total (gross)	Fixed remuneration	Variable remuneration	Bonuses/ various allocations	Total (gross)
500,000	434,400	4,141	938,541	500,000	445,800	4,166	949,966

- The following table sets out the components of the remuneration paid in euros for 2014 and 2013 to François de Varenne by SCOR SE:

FY 2014				FY 2013			
Fixed remuneration	Variable remuneration	Bonuses/ various allocations	Total (gross)	Fixed remuneration	Variable remuneration	Bonuses/ various allocations	Total (gross)
500,000	446,193	4,141	950,334	500,000	359,607	4,166	863,773

- The following table sets out the stock purchase and option plans for François de Varenne at 31 December 2014:

Options exercised	Number of shares under stock options	Plan dates	Price *(euro)*	Potential transaction volume *(euro)*	Exercise period
-	7,308	16/09/2005	15.90	116,197	16/09/2009 to 15/09/2015
-	15,688	14/09/2006	18.30	287,090	15/09/2010 to 14/09/2016
-	20,000	13/09/2007	17.58	351,600	13/09/2011 to 12/09/2017
-	24,000	22/05/2008	15.63	375,120	22/05/2012 to 21/05/2018
-	32,000	23/03/2009	14.917	477,344	23/03/2013 to 22/03/2019
-	40,000	18/03/2010	18.40	736,000	19/03/2014 to 18/03/2020
-	40,000	22/03/2011	19.71	788,400	23/03/2015 to 22/03/2021
-	40,000	23/03/2012	20.17	806,800	24/03/2016 to 23/03/2022
-	40,000	21/03/2013	22.25	890,000	22/03/2017 to 21/03/2023
-	40,000	20/03/2014	25.06	1,002,400	21/03/2018 to 20/03/2024
TOTAL	**298,996**			**5,830,952**	

(1) The Remuneration and Appointments Committee of SCOR SE makes proposals to the Board of directors of the same company regarding the variable remuneration of members of the Executive Committee (apart from the Chairman and Chief Executive Officer) in agreement with the Chairman and Chief Executive Officer of SCOR SE. The variable portion of the remuneration summarised below is determined based on the achievement of both individual targets and financial profit targets for the SCOR Group (ratio of the Group's financial results to return on equity (RoE)).

- The following table sets out the bonus share allocation plans for François de Varenne at 31 December 2014 [1]:

Plan	Rights to bonus shares	Allocation value per share *(euros)*	Total allocation value *(euros)*	Transfer date
2005 plan	7,000	17.97	125,790	01/09/2007
2006 plan	15,000	14.88	223,200	08/11/2008
2007 plan	20,000	15.17	303,400	25/05/2009
2008 plan	24,000	17.55	421,200	08/05/2010
2009 plan	32,000	18.885	604,320	17/03/2011
2010 plan	40,000	19.815	792,600	03/03/2012
2011 plan	40,000	22.61	904,400	08/03/2013
2011–2019 Long-Term Incentive Plan	40,000	-	-	02/09/2017
2012 plan	40,000	24.46	978,400	20/03/2014
2012 plan (PPP) [a]	5	24.55	123	27/07/2014
2013 plan	40,000	-	-	06/03/2015
2014 plan	40,000			05/03/2018
2014 plan (PPP) [b]	5			31/07/2016
TOTAL	**338,010**		**4,353,433**	

(a) This bonus share scheme is for the benefit of all SCOR Group employees resident in France, pursuant to the collective agreement signed on 20 July 2012 within the framework of negotiations with social partners in France on the profit-sharing arrangements instigated by the Amending Social Security Financing Law of 28 July 2011 in respect of 2011. This scheme provides for the allocation of five bonus shares without any attendance or performance conditions.

(b) This bonus share scheme is for the benefit of all SCOR Group employees living in France, pursuant to the collective agreement signed on 3 July 2014 within the framework of negotiations with social partners in France on the profit-sharing arrangements instigated by the Amending Social Security Financing Law of 28 July 2011 in respect of 2011. This scheme provides for the allocation of five bonus shares without any attendance or performance conditions.

9.2 Renewal of terms of office

We hereby inform you that no director is due for reappointment at this General Meeting.

9.3 Procedures for general management

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, we hereby remind you that the procedures for general management of the Company were changed in 2013, with the result that general management is no longer under the remit of the Chairman of the Board of directors. Company governance was amended to reflect the new shareholder base of M.R.M.

At its meeting of 29 May 2013, the Board of directors decided to split the functions of Chairman of the Board of directors and Chief Executive Officer of the Company, under the option afforded by Article L. 225-51-1 of the French Commercial Code and Article 14 of the Company's Articles of Association.

François de Varenne thus took over from Jacques Blanchard, who had been Chairman of the Board of directors since April 2009 and Jacques Blanchard was confirmed as Chief Executive Officer. This situation remained unchanged throughout 2014 and up to the date of this report.

9.4 Transactions on Company securities carried out by corporate officers and persons closely linked to them in 2014

SCOR SE took a majority stake in the Company on 29 May 2013.

In 2014, Gérard Aubert and Brigitte Gauthier-Darcet acquired Company shares in order to comply with the new rules of procedure of the Board of directors, which stipulates that for reasons of good governance and to align interests, all directors should, in a personal capacity, own a number of shares with a value of €1,000 at the end of their term of office.

(1) Shares allocated since 2008 are subject to performance conditions. These conditions relate to one third of the shares allocated under the plan of 7 May 2008, half of the shares allocated under the plan of 16 March 2009 and all shares allocated since the plan of 2 March 2010. Nevertheless, as regards the Chairman and Chief Executive Officer, all shares allocated since the plan of 16 March 2009 are subject to performance conditions. For further details on the performance conditions applicable to free shares granted, see section 17.3 of SCOR's 2014 Registration Document and its Registration Documents filed with the French Financial Markets Authority (Autorité des marchés financiers) on 5 March 2014 and 6 March 2013 under numbers D. 14-0117 and D. 13-0106.

Thus, on 11 April 2014, Brigitte Gauthier-Darcet acquired 1,000 shares at €1.91 per share. And on 22 May 2014, Gérard Aubert acquired 1,000 shares at €1.97 per share.

We hope that the above will meet with your approval and that you will vote in favour of the resolutions proposed to you.

Paris, 26 February 2015
The Board of directors

List of appendices

1. Summary of Company results over the past five financial years

Financial year/Type	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Share capital	43,667,813	43,667,813	28,015,816	28,015,816	28,015,816
Number of shares:					
Existing ordinary shares	43,667,813	43,667,813	3,501,977	3,501,977	3,501,977
Existing preferred shares (without voting rights)					
Maximum number of future shares to be created:					
Through conversion of bonds					
Through exercise of subscription rights					
Operating performance and results for the period:					
Revenue excluding VAT	225,173	131,211	149,703	346,243	132,000
Profit (loss) before tax, employee profit-sharing, amortisation, depreciation and provisions	541,885	1,004,533	(1,805,864)	(1,779,783)	417,750
Income tax	65,213	0	0	0	0
Employee profit-sharing for the period					
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	472,771	(824,653)	(9,525,257)	10,257,604	(11,552,840)
Income distributed					
Earnings per share					
Profit (loss) after tax, employee profit-sharing, but before amortisation, depreciation and provisions	0.01	0.02	(1)	(1)	0
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	0.01	(0.02)	(3)	3	(3)
Dividend per share					
Workforce:					
Average number of employees during the period	3			1	1
Payroll for the period	427,116			124,094	94,076
Amount paid in employee benefits (social security, social welfare, etc.)	177,789			47,493	35,565

2. List of offices and positions held by the corporate officers

Pursuant to Article L. 225-102-1 (paragraph 3) of the French Commercial Code, a list of all offices and positions held in any company by each of the Company's corporate officers is presented below.

François de Varenne, Chairman of the Board of directors of M.R.M. SA

Main positions and offices held outside the Group:

- Member of SCOR SE Executive committee
- Chairman of the Management Board of SCOR Global Investments SE
- Chairman of SCOR Properties SA
- Chairman of SCOR Auber SAS
- Chairman of DB Caravelle SAS
- Chairman of 5 avenue Kleber SAS
- Chairman of SCOR ILS Fund SA, SICAV-SIF (Luxembourg)
- Chairman of SCOR Capital Partners
- Chairman of SCORLUX SICAV-SIF
- Chairman of the Supervisory Board of Château Mondot
- Director of Presses Universitaires de France
- Director of Editions Belin

Other offices and positions held in the previous five financial years:

- Chairman and Chief Executive Officer of SCOR Auber SA
- Chairman of Mobility SAS
- Member of the Supervisory Board of Gimar Capital Investissements
- Member of the SCOR Reinsurance Asia Pacific Pte Ltd (Singapore) Investment committee
- Director of SCOR ILS Fund SA, SICAV-SIF (Luxembourg)
- Director of SCOR Alternative Investments SA (Luxembourg)

Jacques Blanchard, Chief Executive Officer of M.R.M. SA

Main positions and offices held outside the Group:

- Managing Partner of SC JAPA

Other offices and positions held in the previous five financial years:

- Director of CB Richard Ellis Investors SGR p.A.

Gérard Aubert, Director

Main positions and offices held outside the Group:

- Chairman of the SASU Trait d'Union
- Director of Eurosic
- Member of the Supervisory Board of Hoche Gestion Privée

Other offices and positions held in the previous five financial years:

- Managing Partner of Gestion Immobilière Marrakech
- Director of Sogeprom SA

Brigitte Gauthier-Darcet, Director

Main positions and offices held outside the Group:

- Director of Groupe Express-Roularta SA
- Manager of SARL Neufbis'ness
- Manager of SCI B2V

Other offices and positions held in the previous five financial years:

- Director and Deputy Chief Executive Officer of CIPM International SA
- Non-partner Chief Executive Officer of Financière du Château des Rentiers SAS
- Director of Transport'Air SA (wholly-owned subsidiary of CIPM International)

Jean Guitton, Director

Main positions and offices held outside the Group:

- Chairman of Immobilière Pershing SAS
- Chairman of Immobilière Coligny SAS
- Chairman of Immobilière Zerline SAS
- Chief Executive Officer of SCOR Auber SAS
- Chief Executive Officer of DB Caravelle SAS
- Chief Executive Officer of 5 avenue Kléber SAS
- Manager of SCI Marco Spada (France) – formerly SCI Auber-Mathurins
- Manager of SCI Léon Eyrolles Cachan SCOR
- Manager of la SCI Immoscor
- Manager of SCI Compagnie Parisienne de Parking
- Manager of SCI 3-5 avenue de Friedland
- Manager of SCI Montrouge BRR
- Manager of SCI Garigliano
- Manager of SCI Le Barjac
- Permanent representative of SCOR Global Investments SE on the SCOR Properties Board of directors

- Permanent representative of SCOR SE on the COGEDIM OFFICE PARTNERS Management Committee
- Permanent representative of SCOR Global P&C SE on the OPCI River Ouest Board of directors
- Permanent representative of SCOR Global P&C SE on the TPF2 Board of directors

Other offices and positions held in the previous five financial years:

- Deputy Chief Executive Officer and Director of SCOR Auber
- Manager of SCI Hauteville – SCOR
- Manager of SCI Garibaldi – SCOR
- Permanent representative of SCOR Auber on the SGF Board of directors
- Permanent representative of the SCOR Auber manager at SNC Immobilière Sébastopol

SCOR SE, represented by Karina Lelièvre, Director

Main positions and offices held by SCOR SE outside the Group:

- Sole Director of GIE Colombus
- Director of Crédit Logement Assurance
- Director of Euromaf Re SA (Luxembourg)
- Director of Arope Insurance (Lebanon)
- Member of the Management Committee of COGEDIM OFFICE PARTNERS

Other offices and positions held in the previous five financial years:

- Director of SGF
- Director of SCOR Auber
- Director of FERGASCOR
- Director of ASEFA (Spain)

Main positions and offices held by Karina Lelièvre:

- None

Other offices and positions held by Karina Lelièvre in the previous five financial years:

- None

3. List of M.R.M. SA's equity interests

► SCOPE AT 31 DECEMBER 2014

	Method of consolidation	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS BOULEVARD DES ÎLES	FC	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB COUGAR	FC	100%	100%
SAS DB FOUGA	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SAS DB TUCANO	FC	100%	100%
SCI BOULOGNE ESCUDIER	FC	100%	100%
SCI DU 10 BIS RUE ESCUDIER	FC	100%	100%
SCI DU 3 RUE ESCUDIER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full consolidation.

All Group companies are registered in France.

The address used by all Group companies is: 5 avenue Kléber - 75795 Paris Cedex 16.

4. Annual report on the liquidity agreement

Under the liquidity agreement entered into on 7 January 2014 by M.R.M. with Invest Securities, the following resources were allocated to the liquidity account as at 31 December 2014:

- 39,487 shares;
- €44,811.18 in cash.

It should be recalled that at the most recent interim update, on 30 June 2014, the following resources were in the liquidity account:

- 16,662 shares;
- €79,348.01 in cash.

5. Methodological note on corporate social responsibility reporting

M.R.M.'s CSR reporting approach is based on Articles L. 225-102-1, R. 225-104 and R. 225-105-2 of the French Commercial Code. Greenhouse gas emissions are calculated in line with the Green House Gas Protocol.

The report produced is used by the Company for the purposes of regulatory publication but also to monitor its environmental impact from a more operational point of view.

Reporting period

The data gathered cover the period from 1 January of year N to 31 December of year N, with no distinction made between different data. This data is uploaded on an annual basis at the end of the year.

Scope

The purpose of the CSR reporting scope is to represent the Group's activities. It is defined as follows:

- only fully consolidated companies are included in the CSR reporting scope;
- as subsidiaries held by M.R.M. do not have any employees, the reporting scope for social information is confined to M.R.M. SA;
- the reporting scope for environmental information covers M.R.M. SA, which rents its head office, and subsidiaries holding properties in operation. Data collected from subsidiaries comes from areas under operational control;
- property acquired or put into operation in year N will be included in the reporting for year N+1, to adopt a gradual approach;
- property disposed of or placed under restructuring measures in year N are excluded from the reporting scope of year N.

The reporting scope for year N is updated on 31 December of year N by the Management of the M.R.M. Group.

The reporting scope for the 2014 financial year is made up of the following:

- social data: M.R.M. SA;
- environmental data: the head office of M.R.M. SA, five office properties in operation, eight shopping centres and a portfolio of fourteen garden centres.

Choice of indicators

Indicators are chosen according to the corporate social responsibility impact of Group companies' activities and the associated business risks, to the extent that such information is available.

Consolidation and internal control

Quantitative and qualitative data is gathered centrally by M.R.M. Management at the end of the year or from each entity included in the CSR reporting scope, using the following sources: extracts from the payroll system, monitoring files in Excel format, bills, etc.

The data and computations collected are kept from one year to the next in the Company's archives. Group Management performs consistency checks and analytical reviews on this data to ensure that it is complete and reliable.

External controls

Pursuant to the regulatory requirements under Article 225 of the Grenelle 2 Environmental Act and its enacting decree of 24 April 2012, M.R.M. asked one of its Statutory Auditors to draw up a report from 2013 to include a declaration on the compilation of information to be included in the management report and a reasoned opinion on the fair presentation of the information reported.

6. Assurance report by the appointed Independent Third Party, on the consolidated social, environmental and societal information presented in the management report

To the Shareholders,

In our capacity as independent third party of the company M.R.M., accredited by the COFRAC registered under number 3-1049 [1], and member of the KPMG International network as your statutory auditor, we hereby present to you our report on the consolidated social, environmental and societal information (hereinafter the "CSR Information") for the year

(1) For which the scope is available on the site www.cofrac.fr

ended December 31st, 2014, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

Responsibility of the company

The Board of directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines"), summarized in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information).

Our work was performed by a team of four people between February and April 2015 and took around one week. We called upon our specialists in Corporate Social Responsibility to assist in carrying out our work.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out their work, and with International Standard ISAE 3000 [1] concerning our opinion on the fair presentation of CSR Information.

1) Statement of completeness of CSR Information

We reviewed, on the basis of interviews with the managers of the relevant departments, the company's sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in

Article R.225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidated scope, i.e. the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note presented on corporate social responsibility reporting in the management report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2) Opinion on the fairness of the CSR Information

Nature and scope of the work

We conducted an interview with the person responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and industry best practice.

With regard to the CSR Information that we considered to be the most important [(1)]:

- at the consolidation level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample 100% of quantitative environmental information.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris - La Défense, 17 April 2015
KPMG S.A.

Anne Garans
Partner

Isabelle Goalec
Partner

Climate Change and Sustainability Services

(1) Social qualitative information: equal opportunity.
Environmental quantitative information: energy consumption by source, water consumption, greenhouse gases emissions related to energy consumption, number of green committee meetings, number of environmental appendix to leases.
Environmental qualitative information: the organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues.
Societal qualitative information: actions of partnership and sponsorship.

3.7 Consolidated financial statements for the financial year ended 31 December 2014

Statement of consolidated financial position

► ASSETS

(in thousands of euros)		12/31/2014	12/31/2013
Intangible assets		2	2
Investment properties	Note 1	212,347	233,300
Deposits paid		1	1
NON-CURRENT ASSETS		212,350	233,303
Assets held for sale	Note 2	19,822	27,848
Payments on account		57	134
Trade receivables	Note 3	4,237	4,030
Other receivables	Note 4	6,095	6,368
Derivatives	Note 5	8	335
Cash and cash equivalents	Note 6	22,430	19,920
CURRENT ASSETS		52,648	58,635
TOTAL ASSETS		**264,998**	**291,938**

► EQUITY AND LIABILITIES

(in thousands of euros)		12/31/2014	12/31/2013
Share capital		43,668	43,668
Additional paid-in capital		66,523	68,574
M.R.M. treasury shares		(112)	(72)
Treasury shares		20,515	(15,431)
Profit (loss) for the period		(6,883)	38,261
GROUP EQUITY		123,712	134,998
Non-controlling interests		0	0
EQUITY		123,712	134,998
Provisions	Note 7	372	400
Bank debts	Note 8	94,278	133,631
Guarantee deposits received		1,606	2,021
NON-CURRENT LIABILITIES		96,256	136,053
Current borrowings	Note 8	38,512	14,332
Trade payables		2,477	2,435
Debts payable against non-current assets	Note 9	1,099	1,179
Other liabilities	Note 10	2,942	2,941
CURRENT LIABILITIES		45,030	20,887
TOTAL EQUITY AND LIABILITIES		**264,998**	**291,938**

Statement of consolidated comprehensive income

► CONSOLIDATED INCOME STATEMENT

(in thousands of euros)		12/31/2014	12/31/2013
Gross rental revenues	Note 11	14,507	15,919
External property expenses not recovered	Note 12	(3,387)	(4,535)
Net rental revenues		11,120	11,384
Operating expenses	Note 13	(4,168)	(4,729)
Reversals of provisions		724	114
Provisions		(1,090)	(656)
Total current operating income and expenses		(4,533)	(5,271)
CURRENT OPERATING INCOME		6,587	6,113
Other operating income		73	437
Other operating expenses	Note 14	(701)	(197)
Result on disposals of properties	Note 15	(2,239)	2,530
Change in fair value of properties	Notes 1 and 2	(6,870)	(3,037)
OPERATING INCOME		(3,150)	5,847
Gross borrowing cost	Note 16	(2,749)	(3,877)
Income from cash and cash equivalents	Note 16	6	6
Change in fair value of financial instruments and marketable securities	Note 17	(375)	(91)
Discounting of payables and receivables		(532)	(580)
Other financial profit	Note 18	0	36,977
FINANCIAL PROFIT (LOSS)		(3,650)	32,435
Other non-operating income and expenses		0	0
NET PROFIT (LOSS) BEFORE TAX		(6,800)	38,282
Tax expense	Note 19	(83)	(22)
PROFIT (LOSS) FOR THE PERIOD		(6,883)	38,261
Profit (loss) for the period attributable to owners of the parent company *(in thousands of euros)*		(6,883)	38,261
Profit (loss) for the period attributable to non-controlling interests *(in thousands of euros)*		0	0
Net earnings per share *(in euros)*		(0.16)	0.88
Diluted net earnings per share *(in euros)*		(0.16)	0.88

► CONSOLIDATED COMPREHENSIVE INCOME

(in thousands of euros)	12/31/2014	12/31/2013
PROFIT (LOSS) FOR THE PERIOD	(6,883)	38,261
Items that can be reclassified as profit (loss) for the period	**0**	**0**
Profits and losses related to the disposal of equity instruments	1	(178)
Items that cannot be reclassified as profit (loss) for the period	**1**	**(178)**
OTHER ITEMS OF COMPREHENSIVE INCOME	1	(178)
Tax expense for other items of comprehensive income	0	0
COMPREHENSIVE INCOME	**(6,882)**	**38,083**
Comprehensive income for the period attributable to non-controlling interests *(in thousands of euros)*	0	0
Comprehensive income for the period attributable to owners of the parent company *(in thousands of euros)*	(6,882)	38,083

Statement of the consolidated cash flows

(in thousands of euros)		12/31/2014	12/31/2013
Cash flow:			
Consolidated profit (loss)		**(6,883)**	**38,261**
Elimination of non-cash expenses and income			
Change in depreciation, impairment, provisions and deferred expenses		365	542
Change in fair value of properties	Notes 1 and 2	6,870	3,037
Change in fair value of financial instruments	Note 5	375	91
Discounting of receivables and payables		532	580
Net borrowing cost	Note 16	2,744	3,871
Elimination of capital gains or losses on disposal	Note 15	2,239	(2,530)
Other items with no impact on cash flow		(235)	(37,286)
CASH FLOW		6,007	6,564
Change in operating working capital			
Trade receivables		(432)	(756)
Other receivables		280	(393)
Trade payables		42	(1,238)
Other payables		24	(105)
CHANGE IN OPERATING WORKING CAPITAL		(86)	(2,492)
CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES		5,920	4,073
Purchases of investment property	Notes 1 and 2	(1,871)	(2,585)
Sales of investment property		21,855	10,054
Change in non-current financial assets		0	0
Change in debts payable against non-current assets		(80)	(537)
CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES		19,904	6,931
Change in debt			
Increase in bank debts	Note 8	0	0
Decrease in bank debts	Note 8	(15,955)	(34,214)
Change in other borrowings		(472)	(17)
Other changes			
Capital increase		0	53,296
Dividends paid		(4,365)	0
Expenses related to the disbursed share capital increase		0	(2,061)
Financial instruments		(48)	(426)
Purchase/Disposal of treasury shares		(39)	61
Disbursed debt issue expenses		0	(886)
Interest paid		(2,398)	(10,829)
CHANGE IN CASH FLOWS FROM FINANCING ACTIVITIES		(23,276)	4,924
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,549	15,927
Initial cash and cash equivalents		19,881	3,953
Closing cash and cash equivalents		22,430	19,881
Cash	Note 6	22,369	19,726
Bank overdrafts	Note 8	0	(39)
Other cash items	Note 6	60	194
CHANGE IN CASH POSITION		**2,549**	**15,927**

Over the period, the Group generated €5,920 thousand in cash flows from operating activities. This cash flow from operating activities was used primarily to pay financial interest (€2,398 thousand) and to acquire non-current assets, corresponding to work carried out on properties (€1,951 thousand).

The proceeds from the disposal of properties (€21,855 thousand) were used for early repayment of the loans taken out on the properties that were sold (€8,112 thousand), in line with banking covenants.

The decrease in bank debts (€15,955 thousand) reflects €7,843 thousand in contractual debt repayments and €8,112 thousand in early repayments tied to the disposal of properties.

At 31 December 2014, the combined cash flows generated by the Group resulted in a €2,549 thousand net increase in cash and cash equivalents.

Statement of the changes in consolidated equity

	Share capital	Additional paid-in capital	Treasury shares	Treasury shares	Profit (loss) for the period	Group equity
EQUITY AS AT 12/31/2012	**28,016**	**42,834**	**(310)**	**(49,268)**	**(4,406)**	**16,866**
Appropriation of 2012 income	-	-	-	(4,406)	4,406	-
Reduction in share capital	(24,514)	(40,107)	-	64,621	-	-
Capital increases	40,166	65,846	-	(26,201)	-	79,812
Disposals of treasury shares	-	-	238	-	-	238
Profit (loss) for 2013	-	-	-	-	38,261	38,261
Other items of comprehensive income	-	-	-	(178)	-	(178)
EQUITY AS AT 12/31/2013	**43,668**	**68,574**	**(72)**	**(15,431)**	**38,261**	**134,998**
Appropriation of 2013 income	-	-	-	38,261	(38,261)	-
Dividend payout	-	(2,050)	-	(2,314)	-	(4,365)
Purchase of treasury shares	-	-	(39)	-	-	(39)
Profit (loss) for 2014	-	-	-	-	(6,883)	(6,883)
Other items of comprehensive income	-	-	-	1	-	1
EQUITY AS AT 12/31/2014	**43,668**	**66,523**	**(112)**	**20,515**	**(6,883)**	**123,712**

Notes to the consolidated financial statements

Section 1 Company profile

1.1 General information

M.R.M. is a public limited company *(société anonyme)* registered on the Paris Trade and Companies Register. Its registered office is located at 5 avenue Kléber, 75016 Paris, France.

M.R.M., parent company of the consolidated Group, is a holding company with subsidiaries dedicated to holding and managing office and retail properties. The consolidated financial statements for the 12-month period ended 31 December 2014 encompass the Company and its subsidiaries (hereinafter referred to as the “Group”).

The Company is listed on Eurolist, in Compartment C of Euronext Paris (France).

On 26 February 2015, the Board of directors authorised the publication of the Group’s consolidated financial statements as at 31 December 2014. They are denominated in thousands of euros, unless stated otherwise. The functional currency of each Group entity is the euro.

For reference, the annual reporting period for all Group companies ends on 31 December.

1.2 SIIC status

On 31 January 2008, the Company opted for SIIC (listed property investment company) status, with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 French Finance Act, is open to listed companies with share capital of over €15 million that are wholly engaged in property activities. It provides companies having opted for SIIC status on an irrevocable basis with an income tax exemption for the portion of their net profit generated from property activities, subject to the following payout requirements:

- 85% of profits from the letting of buildings;
- 50% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted for the SIIC tax regime.

For financial periods ending on or after 31 December 2013, the payout requirements were changed as follows by the 2013 Amending Finance Act, published on 3 January 2014:

- 95% of profits from the letting of buildings;
- 60% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

The adoption of SIIC status in 2008 resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5%, payable over four years. The Company has already paid off this tax liability.

The M.R.M. stock was added to the Euronext IEIF SIIC France index on 25 March 2008.

1.3 Highlights of the period

Having strengthened its financial position with the SCOR SE recapitalisation, coupled with the complete restructuring of its bank and bond liabilities in 2013, M.R.M. has now largely restored its margins. In 2014, it continued to implement the strategy refocusing on its retail property portfolio and the gradual disposal of its office property portfolio.

In 2014, M.R.M. also focused on marketing available surface areas in its office and retail properties.

Benefitting from the full effect of the reduced asset management fees due to the new asset management agreement concluded with CBRE Global Investors, and from the full effect of the reduced financing costs after restructuring its debt, M.R.M.’s net operating cash flow stood at €4.0 million for 2014.

Investment and Management Policy

Investments

During 2014, investments in the properties in the portfolio were €1.9 million.

In the office portfolio, this mainly involved refitting work and fit-outs for new tenants in the Nova building in La Garenne-Colombes, and refurbishment and compliance work on the Cytéo and Plaza buildings, located in Rueil-Malmaison and Paris respectively.

In the retail portfolio, most of this was in connection with the first phase of works, comprising the refurbishment of toilet blocks and the creation of a central square to improve the shopping experience of customers of the Les Halles shopping centre in Amiens, the division work on the R-1 premises to accommodate the new Littera bookshop at Le Passage de la Réunion in Mulhouse, and the fitting out of a shell to accommodate a new tenant in the retail park in Allonnes.

Rental management

During 2014, 24 new leases or lease renewals were signed in the retail and office property portfolio, representing annual rent of €2.7 million, including in particular the signing of five leases for a total surface area of over 5,000 sqm in the Nova building, bringing the occupancy rate of this property to 65% at end-2014.

At 31 December 2014, the occupancy rates of retail and office properties were kept at a high level of 83% and 54% respectively, against 84% and 54% at 31 December 2013.

Disposal of assets

As part of the office disposal programme announced in mid-2013, M.R.M. sold two properties in 2014.

On 9 April 2014, M.R.M. disposed of a 2,300 sqm office building, fully rented out and located at 5 rue Cadet in Paris for €12 million excluding transfer taxes.

On 15 September 2014, M.R.M. disposed of the Delta office building, with a surface area of 8,700 sqm, located in Rungis, over 80% rented out, for €10.5 million excluding transfer taxes.

Other highlights

Implementation of a liquidity agreement

Beginning on 7 January 2014, and for a period of 12 months, renewable by tacit agreement, M.R.M. retained Invest Securities to provide market-making services under a liquidity agreement. 14,450 M.R.M. shares and €83,618.70 in cash were allocated to this contract. This contract replaces from the liquidity agreement signed with CM-CIC Securities, which expired on 6 January 2014. Upon termination of said contract, the following were allocated thereto: 14,450 M.R.M. shares and €83,618.70 in cash.

Implementation of a share buyback programme

On 4 June 2014, the Board of directors decided to implement the buyback programme, decided by the General Meeting of Shareholders of 4 June 2014 in its ninth resolution, for an 18-month period starting from 5 June 2014.

The goals of the buyback programme are as follows:

- the stimulation of the market or share liquidity by an investment service provider through a liquidity agreement in compliance with the code of ethics of the AMAFI (*Association française des marchés financiers*/French association of financial markets), as recognised by the AMF;
- the acquisition of shares for retaining and subsequent payment or exchange in the framework of external growth operations in compliance with the market practice accepted by the AMF;
- the allocation of shares to employees and/or corporate officers (under the terms and conditions provided for by applicable laws) notably in the framework of a stock option plan, bonus share issue plan or a company savings plan;
- the allocation of shares to holders of securities giving access to the Company's share capital upon exercise of the rights attached to these securities, in accordance with applicable laws;
- possible cancellation of shares acquired.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The number of shares purchased by the Company with a view to being held as treasury stock for subsequent remittance in exchange or payment for a merger, spin-off or contribution may not exceed 5% of its share capital. These share purchases may be made by any means, including by purchase of blocks of securities, whenever the Board of directors sees fit, including during public offer periods, insofar as permitted under stock market regulations.

As at 31 December 2014, the Company held 43,047 treasury shares. Over the year, under the liquidity agreements entrusted to CM-CIC Securities (up to 6 January 2014) and Invest Securities (from 7 January 2014), 30,783 securities were purchased at an average price of €1.59 per share and 5,746 shares were sold at an average price of €1.75 per share.

Dividend payout

In its third resolution, the Annual Ordinary General Meeting of 4 June 2014 authorised the following distributions:

- distribution to shareholders of the sum of €2,315,494, taken from "Other reserves" which has thus been reduced from €2,315,494 to €0;
- distribution to shareholders of €2,051,287 taken from "Additional paid-in capital" which would thus be reduced from €68,573,572 to €66,522,285.

This gives a total of €4,366,781, or €0.10 per share.

Taking account of the treasury shares held by M.R.M., which do not qualify for a dividend payout, the final amount distributed to shareholders was €4,364,759.30.

The ex-dividend date was set at 26 June 2014 and dividend payment date at 1 July 2014.

1.4 Events after the reporting period as of 31 December 2014

None.

Section 2 Accounting principles and methods

The main accounting methods applied in preparing the consolidated financial statements are presented below. Unless stated otherwise, these methods have been applied consistently across all periods presented.

2.1 Going concern principle

The financial statements as of 31 December 2014 were prepared on the basis of the going concern principle, taking into account the operations carried out during the year and described in paragraph 1.3 relating to the highlights of the period.

2.2 Presentation of the consolidated financial statements in accordance with the IFRS accounting basis

Pursuant to European Regulation 1606/2002 of 19 July 2002, the consolidated financial statements as of 31 December 2014 of M.R.M. Group were prepared in accordance with the standards and interpretations applicable on that date, published by the International Accounting Standards (IASB) and adopted by the European Union at the date of issue of the financial statements by the Board of directors.

This accounting basis, which can be found on the European Commission's website(http://ec.europa.eu/internal_market/accounting/ias/index_en.htm), encompasses the international accounting standards (IAS and IFRS) and the interpretations by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group's consolidated financial statements have been prepared on the basis of the historical cost principle, except for investment properties, financial instruments and assets held for sale which are measured at fair value, as per IAS 40, IAS 32 & 39 and IFRS 5.

Preparing the financial statements in accordance with IFRS requires certain critical accounting estimates to be made. The Group is also required to exercise its judgement when applying accounting methods. The most critical areas in terms of judgement or complexity, or those for which the assumptions and estimates are material with respect to the consolidated financial statements, are set out in paragraph 2.6.3.2 on the fair value of investment properties.

On 26 February 2015, the Board of directors authorised the publication of the Group's consolidated financial statements as at 31 December 2014.

Standards, amendments to standards and interpretations applicable at 31 December 2014

Standards, amendments to standards and interpretations published by the IASB and presented below apply from the financial year started on 1 January 2014:

- IFRS 10 – Consolidated Financial Statements and Revised IAS 27 – Separate Financial Statements;
- IFRS 11 – Joint arrangements and Revised IAS 28 – Investments in Associates;
- IFRS 12 - Disclosures of Interests in Other Entities;
- Amendments to IFRS 10, 11 & 12 - Transitional Guidance;
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 36—Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting.

IFRS Annual Improvements—Cycle 2010-2012 and 2011-2013 (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IFRS 3, IFRS 13 and IAS 40) apply since 1 July 2014.

These amendments did not have a material impact on the Group's results and financial position.

Standards and interpretations not in force in the European Union

Texts adopted by the European Union as at the reporting date:

- IFRIC 21 – Levies: applicable as of 1 January 2015.

The Group has not applied this new standard early.

Texts not adopted by the European Union as at the reporting date:

Subject to their final approval by the European Union, the standards, amendments to standards and interpretations published by the IASB and presented are applicable according to the IASB on the following dates:

- IFRS 9 – Financial instruments: Classification and Measurement and Subsequent Amendments to IFRS 9 and IFRS 7: applicable as of 1 January 2018;
- IFRS 15 – Revenue from Contracts with Customers: applicable as of 1 January 2017;
- Amendments to IFRS 11 – Acquisition of an Interest in a Joint Operation: applicable as of 1 January 2016;
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation: applicable as of 1 January 2016;
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: applicable as of 1 January 2016;
- Amendments to IAS 19 – Employee Contributions: applicable no later than the financial years beginning on or after 1 February 2015;
- IFRS Annual Improvements – Cycle 2012-2014 (IFRS 5, IFRS 7, IAS 19 and IAS 34): applicable as of 1 January 2016.

The Group has not applied any of these new standards or amendments early and is in the process of assessing the impact of their first-time application.

2.2.1 Consolidated statement of financial position

The statement of financial position is presented by separating current and non-current assets and liabilities:

- non-current assets consist of investment property, of property, plant and equipment and intangible assets, and of deposits paid;
- current assets represent all operating and tax-related receivables and any other assets with an initial maturity of under one year or undated;
- liabilities are classified as current or non-current depending on their due date.

As a result, bank borrowings, guarantee deposits received and tax-related liabilities have been split into liabilities of under one year and liabilities of over one year, in accordance with the repayment schedules. Operating payables with a maturity of under one year constitute current liabilities.

2.2.2 Consolidated statement of comprehensive income

The income and expense items recognised during the period are presented in two statements:

- one statement detailing profit or loss items: the consolidated income statement;
- one statement starting with profit (loss) for the period and itemising the other items of comprehensive income: consolidated comprehensive income.

The consolidated income statement thus splits out the following items:

- current operating income, as per the definition of CNC recommendation 2009 R-03, includes recurring items of current income but does not include changes in the fair value of properties, gains (losses) on disposal or the scrapping of investment properties (total or partial) or other operating income and expenses;
- operating income includes current operating income, changes in the fair value of properties, gains (losses) on the disposal or scrapping of investment properties (total or partial) and other operating income and expenses;
- financial profit (loss) is the sum of financial income and expenses, other financial income and expenses, changes in the value of financial instruments (caps and marketable securities) and the discounting of payables and receivables;
- net profit (loss) before tax is the sum of operating income, financial profit (loss) and other non-operating income and expenses.

Other items of comprehensive income include income and expenses (including adjustments and reclassifications) that are not recognised in profit or loss as required or permitted by certain IFRS.

2.3 Key accounting estimates and judgements

When preparing the financial statements, the Company uses estimates and makes judgements, which are regularly updated and are based on historical information and other factors, in particular forecasts regarding future events deemed reasonable in light of the circumstances.

The estimates carrying a substantial risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period primarily involve the calculation of the fair value of the property portfolio, which is notably based on the valuation of the portfolio by independent appraisers using the methods described in paragraph 2.6.3.2.

Financial market instability has resulted in a significant drop in the number of representative transactions. Transactions completed in an economic crisis may not reflect the estimates of the independent appraisers.

Given the estimative nature of such valuations, it is possible that the income from the sale of certain properties may substantially differ from the valuation made, even were a sale to take place within a few months of the reporting date.

As such, the valuations of the Company's portfolio, carried out by independent appraisers, could vary significantly depending on the sensitivity of the following data:

- the market rental value of the Company's portfolio;
- the yield, this being calculated on the basis of yields used in the property market.

Since these data are tied to the market, they may vary significantly in the current context. They may thus have a material upward or downward impact on the fair value measurement of the property portfolio.

2.4 Consolidation methods

2.4.1 Subsidiaries

Subsidiaries are companies controlled by the Group. A subsidiary is controlled where the Group has the power to directly or indirectly manage the financial and operating policies of the company so as to obtain benefits from its activities. In general, subsidiaries are deemed to be controlled where M.R.M. directly or indirectly holds more than 50% of the voting rights.

The financial statements of subsidiaries are fully consolidated from the date control is obtained and are no longer consolidated when control is transferred outside the Group. The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity distinguishes between Group share and minority shares.

As at 31 December 2014, all companies within the scope of consolidation are wholly controlled by the Group and are accordingly fully consolidated.

2.4.2 Affiliates

Affiliates are companies in which the Group exercises significant influence in terms of operating and financial policy without having control of the Company. In general, significant influence is obtained when the Group owns at least 20% of the voting rights. The Group's investments in affiliates are accounted for under the equity method, which consists of recognising in the consolidated financial statements:

- in the statement of financial position, the value of shares stated at the acquisition cost of shares including goodwill plus or minus the change in the Group's share of the net assets of the affiliate, net of any necessary consolidation adjustments;
- in the statement of comprehensive income, a separate line showing the Group's share of profit of affiliates net of consolidation adjustments. The financial statements of affiliates are recognised in the consolidated financial statements from the date significant influence begins until it is lost.

As of 31 December 2014, the Group did not have any affiliates.

2.4.3 Transactions eliminated from the consolidated financial statements (intra-group transactions)

Items in the statement of financial position, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated when preparing the consolidated financial statements. Gains resulting from transactions with affiliates are eliminated via investments in affiliates in proportion to the Group's interest in the company in question. Unrealised losses are eliminated in the same way as unrealised gains but only insofar as they reflect an impairment loss.

2.5 Business combinations and asset purchases

2.5.1 Business combinations

Following the revision of IFRS 3, acquisition cost is measured at the fair value of the assets transferred, equity issued and liabilities incurred at the date of the transaction. The identifiable assets and liabilities of the acquiree are measured at fair value on the date of acquisition. Costs directly attributable to the acquisition are recognised under "Other operating expenses".

Positive differences between the cost of acquisition of stock and the share in the fair value of the identifiable assets and liabilities on the date control is obtained are recognised on the asset side as goodwill.

Negative differences are representative of badwill and are recognised directly in profit or loss for the period under "Other non-operating income and expenses".

Goodwill is not amortised. In accordance with IAS 36, "Impairment of assets", goodwill is tested for impairment at least annually and more frequently if there are indications of impairment. These tests are designed to ensure that the recoverable amount of the cash-generating unit to which goodwill is allocated is at least equal to its net carrying amount. If impairment is observed, an impairment charge is recorded as operating income under "Other operating income and expenses".

2.5.2 Asset purchases

Where the Group acquires an entity comprised of a group of assets and liabilities but that does not constitute a business as per IFRS 3, these acquisitions are not considered to be business combinations within the meaning of that standard and are recognised as an acquisition of assets and liabilities, without any goodwill being recognised.

Any difference between the cost of acquisition and the fair value of assets and liabilities acquired is allocated on the basis of the relative fair values of the Group's identifiable individual assets and liabilities at the date of acquisition.

In accordance with IAS 12 paragraph 15 (b) on entities subject to income tax, no deferred tax is recognised on the acquisition of assets and liabilities.

2.6 Measurement rules and methods

2.6.1 Intangible assets

In accordance with IAS 38, intangible assets are measured at historical cost less cumulative depreciation and impairment. They are not subject to any revaluation.

Intangible assets that have indefinite useful lives are not amortised. They are tested for impairment annually or more frequently if there are indications of impairment. If the value in use is lower than the net carrying amount, an impairment charge is recognised.

Intangible assets with definite useful lives are amortised on a straight-line basis over their estimated useful lives.

2.6.2 Property, plant and equipment

2.6.2.1 Cost of acquisition of property, plant and equipment

Items with determinable costs and for which it is likely that the future economic benefits will flow to the Group are recognised as non-current assets. Property, plant and equipment are recognised at cost less cumulative depreciation and impairment. Where components of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment.

2.6.2.2 Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their useful lives.

Depreciation is expensed on a straight-line basis over the estimated useful life for each component of property, plant and equipment.

2.6.2.3 Impairment of property, plant and equipment

Where events or new circumstances result in indications of impairment, impairment tests are carried out. The asset's net carrying amount is compared with its recoverable amount. If the recoverable amount is lower than the net carrying amount of the assets, an impairment charge is recognised.

2.6.3 Investment properties

IAS 40 "Investment property" defines investment property as property held by the owner or by the lessee under a lease to earn rentals or for capital appreciation.

Investment property is presented on a separate line item of the statement of financial position under non-current assets.

2.6.3.1 Valuation method for investment property

In accordance with the measurement models proposed by IAS 40 and in line with the recommendations of EPRA (European Public Real Estate Association), the Group has opted to use the fair value method on a permanent basis and measures investment property at fair value. Investment property being redeveloped is subject to the classification and (fair value) measurement rules set out in IAS 40.

Investment property is valued at fair value and any resulting changes are recognised in the income statement. No depreciation is recognised. This method is applied as follows:

At the date of acquisition, investment property is recognised at cost of acquisition, corresponding to the purchase price plus any associated costs. At the end of the reporting period, it is measured at fair value. The difference between the initial cost and fair value is recognised in the income statement.

Changes in the fair value of investment property are determined as follows:

Market value N - [market value N-1 + amount of works and capitalised expenses for the year - scrapped assets from properties being redeveloped].

Scrapped assets from properties being redeveloped are presented on a separate line of the statement of comprehensive income.

The market value of these assets excludes any transfer taxes relating to their sale. Gains on the disposal of investment property are calculated on the basis of the most recent fair value recognised in the statement of financial position.

2.6.3.2 Definition of fair value

The fair value of all the Group's investment properties is the value excluding transfer taxes determined by independent appraisers who value the Group's portfolio each year on 30 June and 31 December.

The Group has retained the following two independent appraisers to value its portfolio:

- FPD Savills;
- Jones Lang LaSalle.

Appraisal values are carried out in accordance with the rules set out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS). The Company's entire portfolio has been subject to market and competition studies.

The valuation of the property portfolio depends on a number of factors, relating primarily to assumptions regarding future cash flows and interest rates, the balance between supply and demand on the market, economic conditions and applicable regulations. These factors can vary significantly impacting the valuation of properties. The valuation of these properties may thus not reflect their realisable value in the event they are sold.

The methodology used by the appraiser is based on a combination of various valuation techniques, namely the capitalisation method and the discounted future cash flow method. Values determined with reference to these two methods are corroborated by means of the comparable method and/or the replacement cost method. Appraisers' methods comply with professional standards (in particular RICS).

The method of capitalisation of rental revenues is based on the principle of applying a yield for comparable properties on the market to net rental revenues, taking account of the effective rent level relative to the market price.

The discounted cash flow method is based on assessing future revenues on the basis of parameters such as vacancy rates, projected rent rises, recurring maintenance costs and ordinary expenses required to keep the property in operating condition.

Investment properties undergoing redevelopment are valued on the basis of a valuation of the building after redevelopment, insofar as the Company has reasonable assurance that the project will be completed due to the absence of major uncertainties, particularly with regard to administrative authorisations (building permits, CDEC, etc.). Works still to be carried out are then deducted from this valuation on the basis of the development budget or contracts negotiated with builders or service providers.

The key assumptions used in estimating fair value are those relating to the following items: expected future rents as per the firm lease undertaking, market rents, periods of vacancy, property occupancy rates, maintenance requirements, appropriate discount rates and yields. These valuations are regularly compared to market data on yields, the Company's actual transactions, and those published by the market. Expert appraisals thus reflect the best estimate as at 31 December 2014, basing their assumptions on recent market data and generally accepted appraisal methodologies within the industry. These valuations cannot anticipate every possible change in the market.

2.6.4 Financial assets

The Group classifies its financial assets on the basis of the following categories:

- at fair value through the statement of comprehensive income;
- as loans and receivables.

Classification depends on the reasons for acquiring financial assets.

2.6.4.1 Financial assets at fair value through the statement of comprehensive income

In this category, the Group classifies the derivatives to which it subscribes. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in income when incurred.

They are re-measured at fair value at each reporting date. Any changes in fair value are recognised in income under "Financial profit (loss)".

For the Group, this relates to instruments put in place to reduce interest rate risk (purely caps) - see section 2.6.10. Derivatives. The fair value of these instruments at the reporting date was based on valuations supplied by the issuing financial institutions employing valuation techniques using observable market data.

2.6.4.2 Loans, deposits, sureties and other non-current receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, apart from those maturing over 12 months beyond the reporting date.

These are classified as non-current assets (these assets are initially recognised at fair value and subsequently measured at amortised cost).

2.6.5 Trade receivables

Receivables are stated at fair value on initial recognition, and subsequently at amortised cost less any impairment losses.

Impairment of trade receivables is recognised when there are objective indications that the Group will not be able to recover the full amounts due as per the initial terms of the transaction. Serious financial difficulties faced by the debtor, the likelihood of bankruptcy or financial restructuring of the debtor and payment default are indicators of the impairment of a receivable.

As a general rule, the Group writes down tenant receivables older than six months, applying an impairment rate of up to 100% (depending on the risk estimated by the Group) of the pre-tax amount of the receivable, minus the guarantee deposit.

The amount of impairment is recognised in income under "Provisions".

2.6.6 Cash and cash equivalents

"Cash and cash equivalents" includes cash, sight bank accounts, other very liquid short-term investments with initial maturities of up to three months.

Marketable securities are classified as cash equivalents if they meet the criteria of maturity, liquidity and lack of volatility.

They are measured at fair value through profit and loss.

2.6.7 Assets and liabilities held for sale

Under IFRS 5, assets and liabilities that the Company has decided to sell and the carrying amount of which will be recovered principally through a sale transaction rather than through continuing use are to be classified as "Assets held for sale" and "Liabilities held for sale".

For the sale to be highly likely, an asset sale plan must have been undertaken, and an active programme for finding a buyer must have been launched.

The properties in this category continue to be measured using the fair-value model, as follows:

- property under sale agreement: sale value in the sale agreement net of the costs and commission required to complete the sale;
- properties for sale: appraisal value excluding transfer taxes net of costs and commission required to complete the sale.

As at 31 December 2014, office properties classified as assets held for sale amounted to €19,822 thousand.

2.6.8 Borrowings

Financial liabilities comprise borrowings and other interest-bearing liabilities.

On initial recognition, they are measured at fair value, taking account of transaction costs directly attributable to the issuance of the financial liability. They are subsequently recognised at amortised cost using the effective interest rate method. The effective interest rate includes the nominal interest rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Borrowings of less than one year are classified as "Current borrowings".

Extinguishment of bonds effected in 2013

On 29 May 2013, the €54 million bond held by DB Dynamique Financière was converted into M.R.M. shares. Pursuant to IFRIC 19, the initial debt was derecognised in full and new shares registered in the amount of the consideration received, i.e. at the fair value of these shares at the time they were issued. The difference between the net carrying amount of the debt and the amount of the consideration paid to extinguish it was recorded as financial profit for the period in the 2013 financial statements for a value of €26.2 million.

Debt restructuring effected in 2013

The recognition of a debt restructuring depends on the new conditions attached to the loan: if they differ substantially from the initial conditions, the loan is recognised as if it were a new current liability. Otherwise, the recognition takes the new conditions into account without extinguishing the initial debt.

The conditions are considered to differ substantially if discounted cash flows under the new conditions, including fees paid less fees received, and calculated by applying the effective initial interest rate, differ by at least 10% from the discounted cash flows remaining from the initial financial liability. In this case, the transaction is recognised by extinguishing the initial financial liability and recording a new financial liability.

In 2013, the application of these provisions led to the recognition of a financial profit of €10 million from the restructuring of the HSH Nordbank debt. There was no such transaction in 2014.

2.6.9 Borrowing costs

Revised IAS 23 “Borrowing costs” removes the option of expensing borrowing costs and requires companies to capitalise borrowing costs directly attributable to the purchase, construction or production of a qualifying asset as a component of the cost of the asset.

The Group borrows money specifically for the acquisition, construction or production of a specific qualifying asset. Financial expenses directly associated with this asset are accordingly easily determined and capitalised in the cost of the qualifying asset.

As at 31 December 2014, the Group no longer has any qualifying assets allowing the capitalisation of interest costs.

2.6.10 Derivatives

The Group uses derivatives to reduce its exposure to market risks stemming from interest rate fluctuations.

Derivatives are used as part of the Group’s policy for managing interest rate risk.

The Group uses derivatives to hedge its variable-rate debt against interest rate risk (cash flow hedging).

Given the nature of its debt, the M.R.M. Group has elected not to apply hedge accounting as per IAS 39 and classifies financial assets and liabilities held as such as “Financial assets and liabilities at fair value through profit or loss”.

All derivatives are therefore recognised in the statement of financial position at fair value, and any changes from one period to the next are recognised in the statement of comprehensive income under “Financial profit (loss)”.

The valuation of such financial instruments is supplied quarterly by the issuing financial institutions employing valuation techniques using observable market data.

2.6.11 Expenses related to the share capital increase

According to IAS 32, expenses related to the issuance of equity instruments are recorded directly under equity. These are expenses directly attributable to the transaction, i.e. expenses that would not have been incurred had the transaction not taken place.

As at 31 December 2013, €2,061 thousand representing the transaction success fee and lawyers’ and appraisers’ fees was recorded directly as a reduction in equity. As at 31 December 2014, there were no such costs recorded directly as a reduction in equity.

2.6.12 Treasury shares

M.R.M. shares held by the Group are deducted from consolidated equity at their cost of acquisition. All transactions involving treasury shares are recognised directly in consolidated equity.

2.6.13 Allocation of stock warrants

On 29 May 2013, 3,501,977 bonus stock warrants were allocated to M.R.M. shareholders on the basis of one stock warrant per share held. Each pair of stock warrants carried subscription rights to one new M.R.M. share at the unit price of €2.0374776 per share throughout the stock warrant exercise period that expired on 31 December 2013.

In accordance with IAS 32, to the extent that M.R.M. settled the stock warrants issued by allocating a fixed number of shares (one share for two stock warrants) in exchange for a fixed cash amount (€2.0374776 per share), the stock warrants were recorded as equity instruments. As the shares allocated were free of charge, this transaction had no impact on the financial statements presented on 31 December 2013 and only the shares subscribed were recognised in equity.

As of 31 December 2013, 4,568 stock warrants have been exercised, thereby resulting in the creation of 2,284 additional M.R.M. shares, subscribed for a total gross amount of €4,654.

2.6.14 Provisions

A provision is booked when the Group has an obligation to a third party arising from a past event, settlement of which is likely or certain to result in an outflow of resources to this third party and this can be reliably estimated. This obligation may be legal, regulatory or contractual.

It may also result from the entity’s past practices, its stated policy or sufficiently overt public commitments that have created a legitimate expectation amongst the relevant third parties that it will assume certain responsibilities.

The estimated amount of a provision reflects the outflow of resources the Group would incur to settle its obligation. It is estimated on the basis of information known at the date of issue of the financial statements.

Where the time value effect is material, the amount of the provision is determined by discounting estimated resource outflows at a rate based on a pre-tax risk-free market interest rate, plus - where applicable - risks specific to the relevant liability.

As at 31 December 2014, provisions for litigation amounting to €372 thousand were included in the statement of financial position.

2.6.15 Employee benefits

IAS 19 requires that any current or future benefits or remuneration granted by the Company to its employees or a third party be recognised over the vesting period.

As at 31 December 2014, the Group, which has only three employees, one of which is on a fixed-term contract, considered that the pension liabilities in respect of defined benefit plans is not significant and therefore has not valued its liability in this respect.

2.6.16 Receivables and payables with deferred payments

IAS 39 requires the discounting of any sums the payment or receipt of which is deferred in a manner that deviates from standard practice.

The amounts of these receivables or payables are discounted and a financial profit or loss recognised in the statement of comprehensive income over the deferred payment period.

The only deferred payments recognised relate to guarantee deposits received from tenants.

The discount rate applied represents the one used for the discounting of cash flow and the capitalisation of rent for the purposes of property valuation by the independent appraiser.

As at 31 December 2014, it was 7.34% for office property and 9.50% for retail property.

2.6.17 Current and deferred taxes

2.6.17.1 Group tax status

Since 2008, M.R.M. has been registered as a *Société d'Investissements Immobiliers Cotée* (SIIC) with a scope covering all the Group's companies.

SIIC status grants tax exemption on:

- profits from the letting of buildings and the sub-letting of buildings under a property leasing;
- capital gains on the disposal of buildings, of rights belonging to property leasing contracts, of equity investments in partnerships, or of equity investments in subsidiaries having opted for the SIIC tax regime; and
- on dividends paid by subsidiaries subject to the SIIC tax regime.

In exchange for this exemption, SIIC's are subject to a distribution obligation amounting to:

- 95% of exempted profits from letting;
- 60% of capital gains on the disposal of buildings or of certain equity investments in real estate companies;
- all dividends paid by subsidiaries having opted for the SIIC tax regime.

SIIC status had entailed paying a reduced exit tax of 16.5% on latent capital gains relating to the buildings and shares of partnerships not subject to corporate tax.

The Group has paid its outstanding exit tax since 15 June 2013.

2.6.17.2 Deferred tax

Deferred taxes are recorded for activities and companies subject to corporate tax according to the variable method up to the temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred taxes are calculated using the tax rates (and tax regulations) that were adopted at the end of the reporting period and which are expected to come into force when the deferred tax asset in question is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that a taxable future asset allowing temporary differences to be attributed is likely to be realised.

Deferred taxes are recorded on the basis of temporary differences tied to equity investments in subsidiaries or affiliates, except for when the Group controls the scheduled reversal of these temporary differences and the reversal is unlikely to occur in the near future.

On account of SIIC status, no corporate tax is due on the letting of buildings, either directly or indirectly through income received from subsidiaries, and no deferred tax was acknowledged as of 31 December 2014. Likewise, capital gains on the disposal of buildings or of shares in subsidiaries subject to the same regime are exempt.

The Group is still liable for income tax on activities falling outside the scope of the SIIC regime.

2.6.18 Recognition of income

IAS 17 "Leases" specifies how lease income from operating leases, and direct initial costs incurred by the lessor, should be recognised. Lease income should be "recognised in income over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished".

At present, the leases signed by the Group match the definition of operating leases as per IAS 17.

Applying SIC 15 “Operating Leases—Incentives” has the effect of staggering the financial impact of all the provisions of the lease contract over the lease term. This is the case for rent-free periods, stepped rents and key money. For leases that took effect before 1 January 2010, the staggering is over the full term of the lease. Since 1 January 2010, the staggering is over the firm period of the lease.

2.6.19 Other operating income and expenses

Other operating income and expenses correspond to unusual, abnormal or rare events, as set out in paragraph 28 of the ISAB Framework.

They usually consist of indemnities paid to or received from tenants and insurance providers.

2.6.20 Earnings or field data per share

Earnings per share are calculated by relating the consolidated figures to the number of shares in circulation (excluding treasury shares) at the date of closing, i.e. 43,624,766 shares as of 31 December 2014.

2.6.21 Segment information

IFRS 8 on segment information, in force since 1 January 2009, lays down the presentation of information for to be provided for each operating segment.

Operating segments determined on the basis of internal reporting correspond to an activity:

- that can generate an income and that incurs expenses;
- whose operating income is regularly examined by the entity’s chief operating decision-maker in order to allocate resources to the various segments and assess their performance;
- for which individual financial information is available.

In view of these requirements, the Group has divided its property portfolio into operating segments according to the real estate market in which they are located. Namely the office and retail rental segments.

These operating segments are best suited to assess the nature and financial impact of the Company’s activities and the economic climate in which it trades.

The Group has moreover assigned its Head office as a non-operating segment to handle transactions falling outside the remit of an operating segment.

2.6.22 Fair value measurement

IFRS 13 on fair value measurement, in force since 1 January 2013, requires fair value to be presented according to a hierarchy with quoted prices in active markets at the top (level 1) and unobservable inputs in active markets at the bottom. The three levels are as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs.

2.6.23 Key money

Key money payable to the lessor is classified as additional rent.

Key money forms part of the net amount exchanged between the lessor and lessee under a lease.

As such, the accounting periods during which this net amount is recorded must not be affected by the terms of the agreement and payment dates. These charges must be staggered over the first firm period of the lease.

2.6.24 Cancellation penalty

Tenants may be required to pay cancellation penalties if they cancel their lease before its contract expires.

Where applicable, these penalties are incorporated into the previous contract and recorded as income for the financial year in question.

2.6.25 Compensation for eviction

The lessor may be required to compensate the tenant for eviction if the former cancels the lease.

Replacement of the tenant

If the compensation for eviction modifies or maintains the asset’s yield (increase in rent and thus in the asset’s value), according to revised IAS 16 this expense can be capitalised into the cost of the asset subject to appraisers confirming the increase in value. Otherwise, the expense is recorded as such.

Building renovations requiring the departure of the existing tenants

If the compensation for eviction is made in the context of heavy renovations or reconstruction requiring the tenants' prior departure, it is considered a preliminary expense included as an additional component after the renovation works.

2.6.26 Equity management

M.R.M.'s policy is to maintain a solid capital base so as to retain the trust of investors, creditors and the markets, and to sustain future growth. The Board of directors keeps a close watch on return on equity, defined as operating income divided by total equity.

The Company has concluded a liquidity agreement, under which it occasionally buys treasury shares on the markets. The frequency of these purchases depends on share prices and trading activity.

2.6.27 Financial risk management

Foreign exchange risk

At the date of this document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

Interest rates risk

The M.R.M. Group has a portfolio of caps to reduce the interest rate risk on its variable-rate financial debt.

At 31 December 2014, 38% of loans for financing office properties are capped (Euribor three-month instruments at rates between 2% and 3%).

Loans for financing retail properties are fully capped (Euribor three-month instruments at rates between 2% and 3%).

A 100 basis point increase in interest rates would have a €1,322 thousand impact on the Group's financial expenses. Since current interest rates are quite low, the caps subscribed by the Group are not in the money.

Liquidity risk

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its working capital requirements to cover operating expenses, interest and repayment of its entire existing financial debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio), defined as the ratio of the amount of the loan to the market value of the property financed, the ICR ratio (interest coverage rate, representing the coverage rate of interest expenses by rents) and the DSCR (debt service coverage ratio, representing the coverage rate of debt repayments and interest expenses by rents). Covenants relating to LTV ratios set maximum thresholds of between 60% and 90%. Covenants relating to ICR/DSCR ratios set minimum thresholds of between 100% and 190%.

Credit risk

Credit risk represents the risk of financial losses for the Group should a customer or counterparty to a financial instrument fail to meet their contractual obligations.

For the Group, this risk comes from its trade receivables. The Group's counterparties to its financial assets are lending institutions with the highest ratings. As a reminder, financial assets are limited to derivatives *(caps)*.

The Company has drawn up a credit policy to limit its exposure. As a rule, solvency checks are conducted on potential customers to ensure their creditworthiness meets the Group's risk requirements. Certain tenants account for a significant proportion of the Company's annual invoiced rents. The termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability. Nonetheless, the principal leases were signed recently and some tenants are bound by firm leases that can run for between three and nine years.

Property asset valuation risk

The Company's property portfolio is appraised on a bi-annual basis. The valuation of the property portfolio depends on a number of factors, relating primarily to the balance between supply and demand on the market, economic conditions and applicable regulations, which can vary substantially, directly affecting the value of the Company's assets and indirectly affecting the various LTV ratios giving an indication of the Group's credit risk.

The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because M.R.M.'s property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to discount and capitalisation rates employed).

Section 3 Scope of consolidation

3.1 List of consolidated companies

The financial statements fully consolidate the financial statements of all companies in which M.R.M. exercises exclusive direct or indirect control.

	Method of consolidation	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS BOULEVARD DES ILES	FC	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB COUGAR	FC	100%	100%
SAS DB FOUGA	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SAS DB TUCANO	FC	100%	100%
SCI BOULOGNE ESCUDIER	FC	100%	100%
SCI DU 10 BIS RUE ESCUDIER	FC	100%	100%
SCI DU 3 RUE ESCUDIER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full consolidation.

All of the Group's companies are registered in France.

As at 31 December 2014, the registered address for all Group companies was 5 avenue Kléber – 75016 Paris.

Section 4 Notes to the statement of financial position and the statement of comprehensive income

Note 1 Investment properties

(in thousands of euros)	12/31/2014
Opening net balance	233,300
Reclassification as assets held for sale	(14,200)
Acquisitions and works	1,641
Change in fair value	(8,394)
CLOSING NET BALANCE	**212,347**

Description and summary of investment properties

Breakdown of investment properties

As of 31 December 2014, the portfolio broke down as follows:

- Retail properties: €144,117 thousand
- Office properties: €68,230 thousand

Capitalisation and discount rates used by the independent appraisers for valuation purposes as of 31 December 2014

	Capitalisation rates	Discount rates
Retail properties	Between 5.15% and 10%	N/A
Office properties	Between 6.9% and 9.8%	Between 7.7% and 11.5%

The capitalisation rate reflects the seller side yield or the yield generated in the normal course of management. The capitalisation rate expresses, in percentage terms, the ratio of gross or net revenue from the property to its monetary value. It is called gross or net depending on whether the gross or net revenue of the property is chosen.

Active net rents and sensitivity study on the asset portfolio value

	Active net rents per year and per sqm as at 12/31/2014	
	Range	Average
Retail properties	0-744	108
Office properties (1)	115-389	133

(1) In operation.

A sensitivity study simulating a change in capitalisation rates as of 31 December 2014 showed that a 50 basis point increase in these rates would have a €15,931 thousand negative impact on the asset portfolio value (i.e. -8%), whereas a 50 basis point reduction would have an €18,503 thousand positive impact on the asset portfolio value (i.e. +9%).

Description of investment properties

Property	Address	Date of acquisition	Area (sqm)	Division
Sud Canal	24/26 place Etienne Marcel and 41 Bd Vauban, 78180 Montigny-le-Bretonneux	10/27/2004	11,619	Retail properties
Reims	2 rue de l'étape, 51100 Reims	11/10/2004	2,471	Retail properties
Passage de la Réunion	25 place de la Réunion, 68100 Mulhouse	04/15/2005	6,018	Retail properties
Galerie du Palais	17/19 place Jean Jaurès, 37000 Tours	06/16/2006 and 09/28/2007	6,807	Retail properties
Les Halles	Place Maurice Vast, 80000 Amiens	08/31/2006	7,578	Retail properties
Allonnes	ZAC du Vivier, route de la Berardière, 72700 Allonnes	12/20/2005	10,143	Retail properties
École-Valentin	6 rue Chatillon, 25000 Besançon	12/27/2007	4,016	Retail properties
Carré Vélizy	16-18 avenue Morane Saulnier, 78140 Vélizy-Villacoublay	12/30/2005	11,265	Retail properties
Gamm Vert portfolio	Multiple sites	12/21/2007 and 05/27/2008	24,864	Retail properties
SUBTOTAL - RETAIL PROPERTIES			84,781	
Solis	12 avenue de l'Océanie, ZA Courtaboeuf, 91940 Les Ulis	11/22/2006	11,366	Office properties
Cytéo	147 avenue Paul Doumer, 92500 Rueil-Malmaison	12/28/2006	4,025	Office properties
Nova	71 boulevard National, 92250 La Garenne-Colombes	09/28/2007	10,659	Office properties
Cap Cergy	4-6 rue des Chauffours, 95000 Cergy-Pontoise	09/28/2007	12,788	Office properties
SUBTOTAL - OFFICE PROPERTIES			38,838	
TOTAL			**123,619**	

Note 2 Assets held for sale

(in thousands of euros)	12/31/2014
Opening net balance	27,848
Reclassification of investment properties as assets held for sale	14,200
Acquisitions and works	230
Change in fair value	1,524
Asset disposals	(23,980)
CLOSING NET BALANCE	**19,822**

As at 31 December 2014, assets held for sale totalled €19,822 thousand, against €27,848 thousand at 31 December 2013. This change was mainly due to the disposal of office properties in rue Cadet in Paris and rue du Pont des Halles in Rungis. The assets held for sale at 31 December 2014 are currently being actively marketed with a view to their disposal within the coming 12 months.

Note 3 Trade receivables

Trade receivables break down as follows:

	12/31/2014			12/31/2013
	Gross	Impairment	Net	Net
Trade receivables [1]	5,250	1,013	4,237	4,030
TOTAL TRADE RECEIVABLES	**5,250**	**1,013**	**4,237**	**4,030**

(1) Including €1,814 thousand as at 31 December 2014 in rent-free periods spread over the lease term, compared to €1,969 thousand as at 31 December 2013.

Note 4 Other receivables

Other receivables break down as follows:

	12/31/2014			12/31/2013
	Gross	Impairment	Net	Net
Tax receivables [1]	1,654	0	1,654	1,909
Other receivables [2]	2,359	0	2,359	2,519
Funds deposited with third parties [3]	1,267	0	1,267	964
Marketing fees [4]	645	0	645	715
Prepaid expenses	170	0	170	261
TOTAL OTHER RECEIVABLES	**6,095**	**0**	**6,095**	**6,368**

(1) This amount basically corresponds to a VAT credit to be carried forward.
(2) This amount primarily relates to service charges payable to owners.
(3) This primarily concerns funds deposited with notaries.
(4) This relates to marketing fees spread over the lease term.

Note 5 Derivatives

The M.R.M. Group has put in place financial instruments (caps) that do not qualify as hedging instruments for accounting purposes, but as financial assets recognised at fair value through profit or loss.

Except for a credit line, all the Group's bank loans are hedged by a cap. These financial instruments were originally recognised as assets at fair value, something that is supplied by the issuing institutions.

Differences in the value of financial instruments between reporting dates are recognised in the income statement under "Change in fair value of financial instruments and marketable securities". The fair value measurement of caps as at 31 December 2014 saw a reduction of €375 thousand.

The change in fair value of caps over the period breaks down as follows:

(in thousands of euros)	12/31/2014
Value of financial instruments as of 1 January	335
Caps *bought*	48
Change in fair value	(375)
VALUE OF FINANCIAL INSTRUMENTS AT CLOSING	**8**

Principal characteristics of financial instruments held

Contract type	Maturity date	Notional in thousands of euros	Benchmark rate	Strike rate	Fair value in thousands of euros	Under one year	One to five years	Over five years
cap	12/08/2017	3,967	3-months Euribor	2.00%	1		x	
cap	12/08/2017	15,308	3-months Euribor	2.00%	5		x	
cap	12/08/2017	5,062	3-months Euribor	2.00%	2		x	
cap	12/31/2017	20,570	3-months Euribor	3.00%	0		x	
cap	01/20/2018	10,014	3-months Euribor	3.00%	0		x	
cap	12/31/2017	69,654	3-months Euribor	3.00%	0		x	
				TOTAL	**8**			

A 100 basis point increase in interest rates would have a €1,322 thousand impact on the Group's financial expenses. With current interest rates being low, the caps put in place by the Group are not in the money.

Note 6 Cash and cash equivalents

(in thousands of euros)	12/31/2014	12/31/2013
Marketable securities	60	194
Cash	22,369	19,726
TOTAL CASH AND CASH EQUIVALENTS	**22,430**	**19,920**

Note 7 Provision

Provisions for litigation with co-owners totalling €400 thousand were reversed as at 31 December 2014. A provision for tax dispute of €372 thousand was set aside.

(in thousands of euros)	12/31/2013	Increase	Decrease	12/31/2014
PROVISIONS FOR RISK	**400**	**372**	**(400)**	**372**

Note 8 Loans and borrowings

(in thousands of euros)	12/31/2014	12/31/2013
Bank debts	94,278	133,631
Guarantee deposits received	1,606	2,021
NON CURRENT	95,884	135,653
Bank debts	37,190	13,024
Guarantee deposits received	917	824
Accrued interest	405	444
Bank overdrafts	0	39
CURRENT	38,512	14,332
TOTAL LOANS AND BORROWINGS	**134,397**	**149,985**

The breakdown of loans and borrowings by maturity is as follows:

(in thousands of euros)	12/31/2014	Under one year	One to five years	Over five years
Bank debts	131,468	37,190	86,164	8,115
Guarantee deposits received	2,523	917	1,334	272
Accrued interest	405	405	0	0
TOTAL LOANS AND BORROWINGS	**134,397**	**38,512**	**87,498**	**8,387**

Debt maturing within a year includes a credit line of €26.7 thousand maturing within the next 12 months, €3.5 million in contractual repayments to be made over the next 12 months, as well as an €7.0 million credit line for a property classified under "Assets held for sale".

As at 31 December 2014, the Group was in compliance with the LTV and ICR and DSCR covenants agreed with its banking partners, except for a credit line on which the LTV threshold specified in the loan agreement was exceeded (61.5% instead of 60%). A repayment of €1.5 million, comprising a contractual repayment of €0.8 million and an additional repayment of €0.7 million, was made on 20 January 2015, bringing the Group back into compliance with the ratio.

At the date of issue of the financial statements by the Board of directors, the Group was thus in compliance with all of its commitments in terms of LTV, ICR and DSCR covenants in relation to its banking partners.

Principal characteristics of bank debts

Lending institution	Credit agreement date	Maturity	Total draw-downs as at 12/31/2014 *(in thousands of euros)*	Outstanding amount as at 12/31/2014 *(in thousands of euros)*
HSH Nordbank [(1)]	06/20/2013	12/31/2015	51,161	26,665
Saar LB	12/21/2007	12/20/2022	12,200	9,838
Saar LB	04/24/2008	12/31/2017	30,431	7,040
ING Real Estate	07/24/2008	12/08/2017	29,381	24,081
Saar LB	04/19/2010	12/31/2017	92,827	63,844
			216,000	**131,468**

(1) Outstanding debt as of 31 December 2014 includes capitalised interest.

Change in bank debts

(in thousands of euros)	12/31/2014
Opening net balance	146,656
Increases	0
Decreases [(1)]	(15,955)
Other (debt issue expenses, capitalisation of interest and discounting)	768
CLOSING NET BALANCE	**131,468**

(1) Decreases correspond to the repayment of a credit line relating to the disposal of a building for €8.1 million and to contractual repayments over the period.

Bank debt - fixed/variable rate

(in thousands of euros)	Fixed rate	Variable rate	Total
Bank debts	0	131,468	131,468

Note 9 Debts payable against non-current assets

Debts on non-current assets as at 31 December 2014 primarily related to SCI Noratlas, DB Tucano SAS and DB Fouga SAS (office properties), as well as Commerces Rendement SAS (retail properties).

(in thousands of euros)	12/31/2014	12/31/2013
Retail properties	129	244
Office properties	970	935
TOTAL DEBTS ON NON-CURRENT ASSETS	**1,099**	**1,179**

Note 10 Other liabilities

Other liabilities break down as follows:

(in thousands of euros)	12/31/2014	12/31/2013
Payments on accounts received	359	129
Company liabilities	40	21
Tax liabilities (1)	905	903
Other payables (2)	1,615	1,866
Prepaid income	23	22
TOTAL OTHER LIABILITIES	**2,942**	**2,941**

(1) Tax liabilities concern essentially VAT that has been collected.
(2) Other debts concern essentially charges made to tenants.

Note 11 Gross rental revenues

Gross rental revenues consist of rents and similar income (e.g. parking revenues). Rent-free periods, stepped rents and key money are spread over the lease term. For pre-2010 leases, the staggering is over the full term of the lease, whereas the staggering period for leases having come into effect from 1 January 2010 is the firm period.

(in thousands of euros)	12/31/2014	12/31/2013
Retail properties	9,273	10,436
Office properties	5,234	5,484
TOTAL GROSS RENTAL REVENUES	**14,507**	**15,919**

Of the €14.5 million in gross rental revenues, variable rents totalled €50 thousand.

Rents receivable under firm leases in the portfolio

(in thousands of euros)	12/31/2014
Future minimum payment amounts	
Under one year	11,557
Over one year and under five years	24,379
Over five years	1,826
TOTAL FUTURE PAYMENTS	**37,762**

Note 12 External property expenses not recovered

Expenses paid for (net of billing back) break down as follows:

(in thousands of euros)	12/31/2014	12/31/2013
Land tax and tax on offices and retail property	1,319	1,132
Maintenance expenses	301	553
Rental and co-ownership expenses	1,767	2,850
TOTAL EXTERNAL PROPERTY EXPENSES NOT RECOVERED	**3,387**	**4,535**

Note 13 Operating expenses

Overheads break down as follows:

(in thousands of euros)	12/31/2014	12/31/2013
Insurance	62	28
Fees (1)	2,985	3,820
Bank charges	36	32
Other external purchases and expenses	356	589
Other taxes and duties	125	75
Employee benefits expense	605	185
TOTAL OPERATING EXPENSES	**4,168**	**4,729**

(1) Fees are primarily composed of management fees and legal fees.

Note 14 Other operating expenses

Other operating expense amounted to €701 thousand and primarily consisted of €163 thousand in losses on receivables written off, a loss of €280 thousand relating to the departure of a tenant and an expense of €200 thousand subsequent to the signing of an agreement.

Note 15 Result on disposals of investment properties

Gains (losses) on the deconsolidation of assets break down as follows:

	Disposal of property	
(in thousands of euros)	12/31/2014	12/31/2013
Sales proceeds net of expenses	21,855	10,054
Net book value of disposed assets	(23,980)	(7,400)
Reversal of adjustment entries (1)	(114)	(123)
RESULT ON DISPOSAL	**(2,239)**	**2,530**

(1) The reversals related to the derecognition of rent-free periods that had been staggered over the lease term.

Note 16 Net borrowing cost

The net borrowing cost breaks down as follows:

(in thousands of euros)	12/31/2014	12/31/2013
Interest received	6	6
Interest and similar expenses (1)	(2,749)	(3,877)
NET BORROWING COST	**(2,744)**	**(3,871)**

(1) As at 31 December 2013, in addition to interest charges on bank debt, the "Interest and similar expenses" line item includes a quarter's interest on the bonds that were fully converted into M.R.M. shares on 29 May 2013.

Note 17 Change in fair value of financial instruments and marketable securities

This €375 thousand negative fair value change almost wholly stemmed from the change in the fair value of caps (see Note 5).

Note 18 Other financial profit

As of 31 December 2013, this line item basically consisted of the income of €10 million relating to the extinguishment of the financial liability obtained under the bank restructuring that took place on 20 June 2013, and of the income of €26,201 thousand resulting from the conversion of bonds into shares.

Note 19 Tax expense

As detailed in the consolidation principles and methods section, as a result of adopting SIIC status, which exempts the Company from income tax, no deferred tax has been recognised on activities within the scope of this regime.

The Group is nevertheless still liable for income tax on activities falling outside the scope of the SIIC regime. The tax expense recognised for 2014 with respect to purely financial activities amounted to €14 thousand.

M.R.M. recorded an expense of €69 thousand for dividend tax.

Given that there was no temporary difference between the tax base of assets and liabilities falling outside the scope of the SIIC regime and their carrying amount in the consolidated financial statements, no deferred tax asset was recognised.

Note 20 Segment information

As detailed in the consolidation principles and methods section, for operating segment purposes the Group has used the breakdown in its property portfolio by the real estate market in which they are located. Namely the office and retail rental segments.

The main line items of the standalone income statement are thus as follows:

Consolidated income statement as at 12/31/2014

(in thousands of euros)	Office properties	Retail properties	Head office	Total
NET RENTAL REVENUES	2,886	8,234	0	11,120
Operating expenses	(1,005)	(1,357)	(1,806)	(4,168)
Reversals of provisions	436	288	0	724
Provisions	(697)	(393)	0	(1,090)
TOTAL CURRENT OPERATING INCOME AND EXPENSES	(1,266)	(1,461)	(1,806)	(4,533)
CURRENT OPERATING INCOME	**1,620**	**6,773**	**(1,806)**	**6,587**
Other operating income	56	3	13	73
Other operating expenses	(484)	(193)	(23)	(701)
Result on disposals of investment properties	(2,239)	0	0	(2,239)
Change in fair value of investment properties	1,215	(8,086)	0	(6,870)
OPERATING INCOME	**169**	**(1,503)**	**(1,816)**	**(3,150)**
Gross borrowing cost	(845)	(1,904)	0	(2,749)

Consolidated income statement as at 12/31/2013

(in thousands of euros)	Office properties	Retail properties	Head office	Total
NET RENTAL REVENUES	2,778	8,606	0	11,384
Operating expenses	(1,700)	(1,866)	(1,163)	(4,729)
Reversals of provisions	65	49	0	114
Provisions	(294)	(362)	0	(656)
TOTAL CURRENT OPERATING INCOME AND EXPENSES	(1,929)	(2,179)	(1,163)	(5,271)
CURRENT OPERATING INCOME	**849**	**6,427**	**(1,163)**	**6,113**
Other operating income	380	57	0	437
Other operating expenses	(51)	(122)	(25)	(197)
Result on disposals of investment properties	2,530	0	0	2,530
Change in fair value of investment properties	800	(3,837)	0	(3,037)
OPERATING INCOME	**4,510**	**2,526**	**(1,188)**	**5,847**
Gross borrowing cost	(1,187)	(1,902)	(787)	(3,877)

The main line items in the statement of financial position are as follows:

Consolidated statement of financial position – Assets as at 12/31/2014

	Office properties	Retail properties	Head office	Total
Investment properties	68,230	144,117	0	212,347
Assets held for sale	19,822	0	0	19,822
Cash and cash equivalents	16,452	2,224	3,753	22,430

Consolidated statement of financial position – Equity and liabilities as at 12/31/2014

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Non-current bank debts	8,878	85,401	0	94,278
Non-current bank debts	33,704	3,485	0	37,190
Debts payable against non-current assets	970	129	0	1,099

Consolidated statement of financial position – Assets as at 12/31/2013

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Investment properties	81,920	151,380	0	233,300
Assets held for sale	27,848	0	0	27,848
Cash and cash equivalents	5,910	710	13,299	19,920

Consolidated statement of financial position – Equity and liabilities as at 12/31/2013

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Non-current bank debts	42,097	91,534	0	133,631
Non-current bank debts	9,822	3,203	0	13,024
Debts payable against non-current assets	935	244	0	1,179

Note 21 Fair value measurement

Assets and liabilities measured at fair value are classified according to the importance of the evaluation methods used.

The different levels are as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs.

The Group does not have any liabilities measured at fair value.

Consolidated statement of financial position – Assets as at 12/31/2014

	Level 1	Level 2	Level 3	Total
Investment properties	0	0	212,347	212,347
Assets held for sale	0	0	19,822	19,822
Derivatives	0	8	0	8
Marketable securities	60	0	0	60

Consolidated statement of financial position – Assets as at 12/31/2013

	Level 1	Level 2	Level 3	Total
Investment properties	0	0	233,300	233,300
Assets held for sale	0	0	27,848	27,848
Derivatives	0	335	0	335
Marketable securities	194	0	0	194

Note 22 Off-balance sheet commitments

Commitments given

Commitments given are primarily comprised of:

(in thousands of euros)	12/31/2014
Debts guaranteed by collateral (principal and related) (1)	145,889
Pledging of securities (2):	
• Direct subsidiaries	90,846
• Indirect subsidiaries	6,346
Other commitments:	
• Sureties and guarantees	26,822

(1) Carrying amount of borrowings.
(2) Purchase price of securities in separate financial statements.

Certain bank accounts of subsidiaries have been pledged to financial institutions.

Commitments received

Commitments received essentially comprise tenant guarantees amounting to €3,897 thousand.

Note 23 Related parties

Transactions between M.R.M. Group companies and related parties are entered into on an arm's length basis.

On expiration of the lease and IT services contract signed with SCOR SE, the expenses billed by SCOR SE during 2014 amounted to €43 thousand.

Note 24 Information on the number of shares outstanding

As at 31 December 2014, the number of shares making up the share capital was 43,667,813. As at 31 December 2014, the Group held 43,047 treasury shares.

3.8 Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2014

This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying consolidated financial statements of M.R.M. S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

The accounting estimates used to prepare the financial statements as at 31 December 2014 were made in a context of low liquidity in the real estate market and difficulty in assessing economic prospects. Such was the context in which we made our own assessments and we draw your attention to the following matters, in accordance with the requirements of article L. 823-9 of the French Commercial Code.

Accounting estimates

The note 2.6.3 "Investment Properties" in the "Accounting Policies" section of the notes to the consolidated financial statements refers to the accounting method used for the valuation of investment property.

Investment properties are accounted at fair value, which is determined by independent appraisers who value the property assets of the company as at 31 December of each year.

Our work consisted in examining the independent appraisers' reports, analysing the data and assumptions retained in order to determine the overall valuations, ensuring that independent appraisers take into account the real estate market situation, and verifying that the notes 2.6.3 "Investment properties" (Part 2) and 1 "Investment properties" (Part 4) to the consolidated financial statements provide appropriate information.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

3. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The statutory auditors

Paris La Défense, 17 April 2015
French original signed by

KPMG Audit FS I
Isabelle Goalec

Lyon, 17 April 2015
French original signed by

RSM CCI Conseils
Gaël Dhalluin

3.9 Annual financial statements for the financial year ended 31 December 2014

Balance sheet as of 31 December 2014

► ASSETS

	12/31/2014			12/31/2013
(in euros)	Gross	Depreciation, amortisation and impairment (deduct)	Net	Net
Set-up costs	18,403	18,403	-	-
Other investments	91,411,935	34,739,346	56,672,589	56,640,517
Other long-term investment securities	47,285	42,230	5,055	6,657
NON-CURRENT ASSETS	91,477,624	34,799,979	56,677,645	56,647,175
Trade receivables	-	-	-	14,352
Other receivables	52,784,451	1,334,093	51,450,358	47,026,890
Marketable securities	70,486	8,268	62,218	34,756
Cash	3,732,327	-	3,732,327	13,283,844
Prepaid expenses (1)	-	-	-	-
CURRENT ASSETS	56,587,264	1,342,361	55,244,903	60,359,842
TOTAL GENERAL	**148,064,887**	**36,142,340**	**111,922,547**	**117,007,016**

(1) Including over one year.

► LIABILITIES

(en euros)	12/31/14	12/31/13
Share capital (Of which paid up: 43,667,813)	43,667,813	43,667,813
Additional paid-in capital	67,480,887	69,531,224
Revaluation adjustment	339,807	339,807
Legal reserve	197,501	197,501
Other reserves	1,073	3,140,147
Retained earnings	-	-
Profit or loss for the financial year	(779,764)	(824,653)
Regulated provisions	523,377	523,377
SHARE CAPITAL	111,430,693	116,575,216
Provisions for risk	-	-
PROVISIONS FOR RISKS AND EXPENSES	-	-
Bank loans and overdrafts	-	25,112
Loans and other borrowings	-	59,266
Trade payables	461,771	322,946
Tax and company liabilities	30,083	20,833
Other payables	1	3,645
LIABILITIES (1)	491,855	431,801
TOTAL GENERAL	**111,922,547**	**117,007,016**
(1) Including under one year.	*491,855*	*431,801*

Income statements as of 31 December 2014

(in euros)	12/31/2014 France	12/31/2014 Export	12/31/2014 Total	12/31/2013
Revenue on sale of services	225,173	-	225,173	131,211
Net revenue	**225,173**	**-**	**225,173**	**131,211**
Reversals of impairment, depreciation and amortisation, transfer of expenses			12,203	18,005,875
Other revenues			1,082	7
OPERATING INCOME			238,458	18,137,093
Other external purchases and expenses			1,104,664	866,199
Taxes, duties and similar payments			61,487	18,421
Wages and salaries			427,116	132,703
Social charges			177,789	51,840
Amortisation and depreciation				
Amortisation on non-current assets			-	-
Depreciation on non-current assets			-	-
Depreciation on current assets			1,284,266	-
Other expenses			22,995	24,757
OPERATING EXPENSES			3,078,317	1,093,920
OPERATING INCOME			(2,839,859)	17,043,173
Financial income from investments (2)			2,091,286	1,695,125
Other interest and similar income (2)			5,543	1,794,457
Reversals of impairment, provisions and transfer of expenses			544,634	186,404
Positive exchange differences			-	547
Net income on sales of marketable securities			649	-
FINANCIAL PROFIT			2,642,112	3,676,533
Depreciation and amortisation expenses, impairment and provisions			516,805	20,021,465
Interest and similar expenses (3)			-	1,344,843
Net expenses on sales of marketable securities			-	178,051
FINANCIAL EXPENSES			516,805	21,544,359
FINANCIAL PROFIT			2,125,308	(17,867,826)
CURRENT PROFIT (LOSS) BEFORE TAX			(714,551)	(824,653)
Exceptional income on management operations			-	-
Exceptional income on capital operations			-	-
Reversals of impairment, provisions and transfer of expenses			-	-
EXCEPTIONAL INCOME			-	-
Exceptional expenses on management operations			-	-
EXCEPTIONAL EXPENSES			-	-
Income tax			65,213	-
TOTAL INCOME			2,880,570	21,813,626
TOTAL EXPENSES			3,660,334	22,638,279
PROFIT (LOSS) FOR THE PERIOD			**(779,764)**	**(824,653)**
(2) Of which income involving affiliates.			*2,091,286*	*1,695,125*
(3) Of which interest involving affiliates.				*1,334,749*

Appendix

The financial year ended 31 December 2014, which covered a period of 12 months just like the previous year, presents a statement of financial position total prior to appropriation of income of €111,922,547 and an accounting loss of €779,764.

Highlights of the year

(French Commercial Code Article R. 123-196-3)

Implementation of a liquidity agreement

Beginning on 7 January 2014, and for a period of 12 months, renewable by tacit agreement, M.R.M. retained Invest Securities to provide market making services under a liquidity agreement. 14,450 M.R.M. shares and €83,618.70 in cash were allocated to this contract. This agreement replaces the liquidity agreement signed with CM-CIC Securities, which expired on 6 January 2014. At the end of the agreement, the liquidity account contained the following: 14,450 M.R.M. shares and €83,618.70 in cash.

Implementation of a share buyback programme

On 4 June 2014, the Board of directors decided to implement the buyback programme decided by the General Meeting of Shareholders of 4 June 2014 in its ninth resolution, for an 18-month period starting from 5 June 2014.

The goals of the buyback programme are as follows:

- the stimulation of the market or share liquidity by an investment services provider through a liquidity agreement in compliance with the code of ethics of the AMAFI (Association *française des marchés financiers*/French association of financial markets), as recognised by the AMF;
- the acquisition of shares for retaining and subsequent payment or exchange in the framework of external growth operations in compliance with the market practice accepted by the AMF;
- the allocation of shares to employees and/or corporate officers (under the terms and conditions provided for by applicable laws) notably in the framework of a stock option plan, bonus share issue plan or a company savings plan;
- the allocation of shares to holders of securities giving access to the Company's share capital upon exercise of the rights attached to these securities, in accordance with applicable laws;
- possible cancellation of shares acquired.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The number of shares purchased by the Company with a view to being held as treasury stock for subsequent remittance in exchange or payment for a merger, de-merger or contribution may not exceed 5% of its share capital. These share purchases may be made by any means, including by purchase of blocks of securities, whenever the Board of directors sees fit, including during public offer periods, insofar as permitted under stock market regulations.

As at 31 December 2014, the Company held 43,047 treasury shares. Over the year, 30,783 securities were purchased under the liquidity agreements entrusted to CM-CIC Securities (up to 6 January 2014) and Invest Securities (from 7 January 2014), at an average price of €1.59 per share and 5,746 shares were sold at an average price of €1.75 per share.

Appropriation of 2013 income

The Ordinary General Meeting of 4 June 2014 decided to allocate the net loss for 2013 of €824,653 to Other Reserves, bringing the Other Reserves account to €2,315,494.

Dividend payout

In its third resolution, the Annual Ordinary General Meeting of 4 June 2014 authorised the following distributions:

- distribution to shareholders of the sum of €2,315,494, taken from "Other reserves", which is thus reduced from €2,315,494 to €0;
- distribution to shareholders of the sum of €2,051,287 taken from "Additional paid-in capital" which is thus reduced from €68,573,572 to €66,522,285.

This gives a total of €4,366,781, or €0.10 per share.

Taking account of the treasury shares held by M.R.M., which do not qualify for a dividend payout, the final amount distributed to shareholders is €4,364,759.30.

The ex-dividend date is set at 26 June 2014 and dividend payment date at 1 July 2014.

Appropriation of subsidiaries' 2014 income

Subsidiaries with the legal status of property holding companies or *Société Civile Immobilière* (SCI) have opted for their income to be allocated to retained earnings.

For reference, all subsidiaries share the same reporting date of 31 December. Consequently, the Company's financial profit (loss) as at 31 December 2014 does not include the 2014 share of profit of the property holding companies it owns.

Accounting policies and methods

(French Commercial Code – Art. R. 123-196 1 & 2; French National Accounting Code (PCG) Art. 531-1/1)

The financial statements have been prepared in accordance with the provisions of the French Commercial Code (Articles L. 123-12 to L. 123-28), ANC Regulation No. 2014-03 of 5/06/2014 on the French General Chart of Accounts and the regulations of the Accounting Regulations Committee (CRC):

General accounting conventions have been applied in accordance with the principle of prudence and the following basic assumptions:

- consistency of accounting methods;
- matching principle;
- going concern.

The recommendations set out in the Professional Guide for companies in the sector have been observed.

The financial year covers a period of 12 months from 1 January to 31 December 2014. Accounting items are measured using the historical cost method. The notes or tables provided below form an integral part of the annual financial statements.

The main accounting methods used are as follows:

1. Adoption of SIIC (listed property investment company) status

On 31 January 2008, the Company opted for SIIC status, with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 French Finance Act, is open to listed companies with share capital of over €15 million that are wholly engaged in property activities. It provides companies having opted for SIIC status on an irrevocable basis with an income tax exemption for the portion of their net profit generated from property activities, subject to the following payout requirements:

- 85% of profits from the letting of buildings;
- 50% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

The adoption of SIIC status in 2008 resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5%, payable over four years.

As such, no tax liability was recorded following the allocation of prior losses.

For financial periods ending on or after 31 December 2013, the payout requirements were changed as follows by the 2013 Amending Finance Act, published on 3 January 2014:

- 95% of profits from the letting of buildings;
- 60% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

2. Non-current assets

The Company applies the provisions of CRC Regulation 2002-10 of 12 December 2002 and Regulation 2004-06 of 23 November 2006 on the definition, recognition, measurement, depreciation & amortisation and impairment of assets.

3. Non-current financial assets

3.1 Equity investments

Equity investments are recognised on the statement of financial position at cost in accordance with the provisions of CRC Regulation 2004-06 on the definition, recognition and measurement of assets. Pursuant to the option provided by Article 321.10 of the French National Accounting Code, the Company has opted for acquisition costs to be included in the value of securities. These acquisition costs are subject to excess tax depreciation over normal depreciation (accelerated depreciation) over a period of five years.

The majority of equity investments held by M.R.M. are property companies owning one or more office or retail properties.

At each reporting date, M.R.M. assesses the value of its equity investments relative to their value in use. The value in use of each subsidiary is determined with reference to the share of the net equity owned, remeasured on the basis of the present value of property assets it owns, and with reference to its outlook. Property assets are subject to valuation by independent appraisers at each reporting date. For the SCI Noratlas subsidiary, whose property assets are undergoing major works and marketing programmes in view of their upcoming disposal, the share of net equity owned is remeasured on the basis of the value in use of said assets. Value is use is based on the estimated value of properties at the end of the redevelopment process, i.e. taking into account the completion of works and an occupancy rate in the properties of more than 85%.

If the resulting value in use is under the net carrying amount, an impairment loss is recognised.

3.2 Other non-current financial assets

These correspond to treasury shares held by M.R.M. outside the liquidity agreement.

Treasury shares acquired within the framework of the liquidity agreement are presented as marketable securities.

4. Current accounts associated with equity investments

The Company has entered into an agreement on current account advances with some of its subsidiaries. These advances are classified as assets under “Other receivables”.

Current accounts in credit in M.R.M.’s books at the reporting date are classified as liabilities under “Loans and other borrowings”.

At each reporting date, where the net equity of subsidiaries owned by the company is negative, the current accounts are impaired up to the amount of the share of the net equity owned.

5. Marketable securities and treasury shares

The gross amount represents the acquisition cost excluding ancillary expenses. When the net asset value falls below the gross amount, the difference is impaired. The net asset value of treasury shares is based on the average share price over the month preceding the end of the reporting period.

The gross amount of other long-term securities and investment securities represents the acquisition cost excluding ancillary expenses.

6. Receivables and payables

Receivables and payables are stated at face value.

As regards receivables, the risk of non-collection is assessed at each reporting date and an impairment loss recognised where the net asset value falls below the carrying amount.

7. Provisions

Provisions are valued in accordance with the provisions of CRC regulation 2000-06.

Provisions have in particular been funded for the negative net equity of property holding companies (SCIs) owned, less provisions already recognised on the asset side on current accounts.

8. Concept of current and exceptional profit (loss)

Items stemming from ordinary activities, including those that are exceptional in terms of their frequency or amount, are included in current profit (loss). Only items not relating to the company’s ordinary activities are recognised as exceptional items.

► BREAKDOWN OF NON-CURRENT ASSETS

(in euros)	Gross amount at start of	Increases	
		Revaluations	Acquisitions
Set-up and development costs	18,403	-	-
Other investments	91,411,935	-	-
Other long-term investment securities	47,285	-	-
TOTAL	**91,477,624**	**-**	**-**

	Decreases		Gross amount at end of period	Cost price at end of period
	Line item	Disposals		
Set-up and development costs	-	-	18,403	-
Other investments	-	-	91,411,935	-
Other long-term investment securities	-	-	47,285	-
TOTAL	**-**	**-**	**91,477,624**	**-**

► BREAKDOWN OF AMORTISATION AND DEPRECIATION

Positions and movements over the period	Amount at start of period	Over the period	Decreases Reversals	Amount at end of period
Set-up, research & development costs	18,403	-	-	18,403
TOTAL	**18,403**	**-**	**-**	**18,403**

► BREAKDOWN OF PROVISIONS

Regulated provisions	Amount at start of period	Increases Expenses	Decreases Used	Decreases Not used	Amount at end of period
Accelerated amortisation	523,377	-	-	-	523,377
TOTAL	**523,377**	**-**	**-**	**-**	**523,377**

Provisions for impairment *(in euros)*	Amount at start of period	Increases Expenses	Decreases Used	Decreases Not used	Amount at end of period
For equity investments	34,771,418	512,562	544,634	-	34,739,346
For other non-current financial assets	40,628	1,602	-	-	42,230
Other provisions for impairment	55,454	1,286,907	-	-	1,342,361
TOTAL	**35,390,877**	**1,801,071**	**544,634**	**-**	**36,647,314**
Of which charges and reversals:					
• *operating*		*1,284,266*	-		
• *financial*		*516,805*	*544,634*		

► SCHEDULE OF RECEIVABLES AND PAYABLES

Schedule of receivables *(in euros)*	Gross amount	Within one year	Over one year
Income tax	8,870	8,870	-
Value added tax	108,422	108,422	-
Group and partners	52,619,621	52,619,621	-
Miscellaneous debtors	47,538	47,538	-
TOTAL	**52,784,451**	**52,784,451**	**-**

Schedule of payables *(in euros)*	Gross amount	Within one year	One to five years	Over five years
Trade payables	461,771	461,771	-	-
Personnel and related payables	9,407	9,407	-	-
Social security and other welfare bodies	17,088	17,088	-	-
Other taxes and duties	3,588	3,588	-	-
Other payables	1	1	-	-
TOTAL	**491,855**	**491,855**	**-**	**-**

► BREAKDOWN OF THE SHARE CAPITAL

(French Commercial Code Art. R. 123-197; PCG Art. 831-3 et 832-13)

Various share classes	Par value *in euros*	Number of shares			
		Opening	Created	Cancelled	Closing
Shares	1	43,667,813	-	-	43,667,813

► STATEMENT OF CHANGES IN EQUITY *(IN EUROS)*

Account title	Opening balance	Appropriation of income	Increase	Decrease	Closing balance
Paid-up capital	43,667,813	-	-	-	43,667,813
Additional paid-in capital	69,531,224	-	-	2,050,337	67,480,887
Reserves	3,337,648	(824,653)	-	2,314,422	198,573
Revaluation adjustment	339,807	-	-	-	339,807
Retained earnings	-	-	-	-	-
Profit (loss) for the period	(824,653)	824,653	-	779,764	(779,764)
Regulated provisions	523,377	-	-	-	523,377
TOTAL EQUITY	**116,575,216**			**5,144,523**	**111,430,693**

► SET-UP COSTS

(French Commercial Code Art. R. 123-186-4)

(in euros)	Value	Amortisation rate
Set-up costs	16,771	-
Costs relating to the capital increase	1,632	-
TOTAL	**18,403**	**-**

► ACCRUED INCOME

(French Commercial Code Art. R. 123-196)

Accrued income included in the following statement of financial position items *(in euros)*	Amount
Other receivables	1,378,409
TOTAL	**1,378,409**

► ACCRUED EXPENSES

(French Commercial Code Art. R. 123-196)

Accrued expenses included in the following statement of financial position items *(in euros)*	Amount
Trade payables	459,344
Tax and company liabilities	30,083
TOTAL	**489,427**

► ITEMS RELATING TO A NUMBER OF FINANCIAL POSITION ITEMS

(French Commercial Code Art. R. 123-181)

	Amount concerning companies		
Statement of financial position items *(in euros)*	that are affiliates	in which the Company has an equity interest	Amount of payables and receivables comprised of bills of exchange
Equity investments	56,672,589	-	-
Receivables related to equity investments	52,619,618	-	-

Additional information relating to the income statement

▶ BREAKDOWN OF NET REVENUE

(French Commercial Code Art. R. 123-198-4; French National Accounting Code (PCG) Art. 831-2/14)

Breakdown by business segment *(in euros)*	Amount
Remuneration of chairman	108,000
Service fees	116,150
Other rebilled charges	1,023
TOTAL	**225,173**

Breakdown by geographic segment *(in euros)*	Amount
Paris region	225,173
TOTAL	**225,173**

▶ FINANCIAL INCOME AND EXPENSES INVOLVING AFFILIATES

(French Commercial Code Art. R. 123-197; French National Accounting Code (PCG) Art. 831-2 and Art. 832-13)

(in euros)	Financial expenses	Financial income
TOTAL	**516,805**	**2,642,112**
Of which affiliates	516,805	2,635,920

Financial commitments and other information

▶ FINANCIAL COMMITMENTS

(French Commercial Code Art. R. 123-196; French National Accounting Code (PCG) Art. 531-2/9)

COMMITMENTS GIVEN

Other commitments given:	***117,668,000***
Pledging DB Fouga shares	4,324,117
Pledging DB Piper shares	4,272,551
Pledging DB Cougar shares	8,184,250
Pledging SCI Noratlas shares	23,352,176
Pledging SCI du 3 rue Escudier shares	2,493,892
Pledging SCI Boulogne Escudier shares	4,434,114
Pledging SCI 10 bis rue Escudier shares	3,007,033
Pledging Immovert shares	1,361,992
Pledging DB Tucano shares	4,839,271
Pledging Commerces Rendement shares	34,576,556
First demand guarantee SCI Noratlas	26,822,048
TOTAL (1)	**117,668,000**

(1) Of which involving subsidiaries. *117,668,000*

► LIST OF SUBSIDIARIES AND AFFILIATES

(French Commercial Code Art. L. 233-15 and Article R. 123-197; French National Accounting Code (PCG) Art. 531-3 and 532-12)

Company	Share capital *in euros*	Equity other than share capital *in euros*	Percentage capital owned *in %*	Carrying amount of shares owned Gross *in euros*	Carrying amount of shares owned Net *in euros*	Loans and advances granted and not reimbursed *in euros*	Revenue for year ended *in euros*	Net profit for year ended *in euros*
A. DETAILED INFORMATION								
• *Subsidiaries owned at +50%*								
DB Cougar	7,840,000	(6,161,384)	100.00	8,184,250	1,678,616	437,952	12,000	(512,562)
DB Fouga SAS	1,244,000	10,405,537	100.00	4,324,117	4,324,117	333	1,165,851	2,233,376
DB Piper	2,436,000	(2,315,629)	100.00	4,272,551	4,272,551	300,204	2,197,318	(349,613)
DB Tucano	4,660,000	(8,744,762)	100.00	4,839,271	-	9,100,892	1,830,836	(222,126)
DB Neptune	63,000	(186,926)	100.00	42,265	-	153,281	-	(31,739)
SCI 10 bis rue Escudier	763,344	3,562,318	99.99	3,007,033	3,007,033	-	-	88,606
SCI Boulogne Escudier	829,808	5,092,546	99.99	4,434,114	4,434,114	-	-	132,579
SCI Noratlas	56,223,375	(59,986,731)	99.99	23,352,176	-	33,730,487	3,683,014	7,610,741
SCI 3 rue Escudier	519,129	2,453,640	99.97	2,493,892	2,493,892	-	-	33,680
Immovert	1,362,000	(919,722)	99.99	1,361,992	1,361,992	4,013,543	1,373,156	527,659
Commerces Rendement	6,770,000	18,679,937	100.00	34,576,556	34,576,556	3,594,837	8,619,530	(3,201,085)
• *Affiliates owned at between 10% and 50%*								
B. GENERAL INFORMATION								
• *Subsidiaries not included in A*								
• *Affiliates not included in A*								

► SUMMARY OF COMPANY RESULTS OVER THE PAST FIVE FINANCIAL YEARS

(French Commercial Code Art. R. 225-102)

	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Share capital at end of period					
Share capital	43,667,813	43,667,813	28,015,816	28,015,816	28,015,816
No. of existing ordinary shares	43,667,813	43,667,813	3,501,977	3,501,977	3,501,977
No. of existing preferred shares					
Maximum No. of future shares to be created					
• through conversion of bonds					
• through exercise of subscription rights					
Operating performance and results					
Revenue excluding VAT	225,173	131,211	149,703	346,243	132,000
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	541,885	1,004,533	(1,805,864)	(1,779,783)	417,750
Income tax	65,213				
Employee profit-sharing for the period					
Net profit (loss) after taxes and employee profit-sharing and depreciation and amortisation expenses and provisions	(779,764)	(824,653)	(9,525,257)	10,257,604	(11,552,840)
Income distributed					
Earnings per share					
Net profit (loss) after taxes and employee profit-sharing but before depreciation and amortisation expenses and provisions	0.01	0.02	(0.52)	(0.51)	0.12
Net profit (loss) after taxes and employee profit-sharing and depreciation and amortisation expenses and provisions	(0.02)	(0.02)	(2.72)	2.93	3.30
Dividend per share					
Employees					
Average number of employees during the period	3	1	-	1	1
Payroll for the period	427,116	132,703	-	124,094	86,961
Employee benefits for the period	177,789	51,840	-	47,493	35,565

3.10 Statutory Auditor's Report on the Financial Statements for the year ended 31 December 2014

This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying financial statements of M.R.M. S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2014 and of the results of its operations for the year then ended in accordance with French generally accepted accounting principles.

2. Justification of our assessments

The accounting estimates used to prepare the financial statements as at 31 December 2014 were made in a context of low liquidity in the real estate market and difficulty in assessing economic prospects. Such was the context in which we made our own assessments and we draw your attention to the following matters, in accordance with the requirements of article L. 823-9 of the French Commercial Code.

Accounting estimates

The note 3 "Financial assets" in the "Accounting Policies" section of the notes to the financial statements refers to principles and methods adopted concerning the accounting and the valuation of financial assets.

As part of our assessment of the accounting principles applied by your company, we verified the appropriateness of the accounting methods describes above and the information provided in the notes to the financial statements. We have ensured their correct application.

Our work consisted in assessing the methods adopted by your company on this matter and performing some tests in order to ensure their application. The recoverable value of the shares of companies that hold tangible assets depends on the market value of these assets; we have verified that these assets were valued by an independent appraiser. Our work consisted notably in examining the appraisers' reports, analyzing the data and assumptions retained in order to establish all the estimates and appreciating the approval processes of these estimates by management.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders has been properly disclosed in the management report.

The statutory auditors

Paris La Défense, 17 April 2015
French original signed by

KPMG Audit FS I
Isabelle Goalec

Lyon, 17 April 2015
French original signed by

RSM CCI Conseils
Gaël Dhalluin

CORPORATE GOVERNANCE

4.1 Information on the management – Procedures for general management

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, we remind you that the functions of Chairman of the Company's Board of directors and Chief Executive Officer of the Company were separated by decision of the Board of directors at its meeting of 29 May 2013, pursuant to the provisions of Article L. 225-51-1 of the French Commercial Code.

4.2 Board of directors

The Board of directors consists of a minimum of three members and a maximum of twelve, unless it has special legal dispensation. Directors are appointed by the Ordinary General Meeting, which may also remove them from office at any time. In the event of absence due to death or the resignation of one or more directors' seats, the Board of directors may make provisional appointments between two General Meetings. If the number of directors falls below three, the remaining director(s) must immediately call an Ordinary General Meeting with a view to adding members to the Board. Provisional appointments made by the Board are subject to ratification from the next Ordinary General Meeting. A director appointed to replace another member remains in office for the remaining term of office of their predecessor.

Each director must own at least one Company share (Article 11 of the Articles of Association). So as to ensure that directors' interests match Company interests, the Board of directors, at its meeting on 26 February 2014, strengthened this obligation by setting the minimum shareholding requirement at shares with a stock market value of €1,000, to be held for the entire term of office of each director involved (these being understood to be directors not related to the majority shareholder). The directors' term of office lasts four years and expires at the end of the Ordinary General Meeting held to approve the financial statements for the past year, held in the year in which the term expires.

The number of directors having reached the age of 70 May not exceed one-third of members of the Board of directors. If this limit is reached, the oldest director is expected to step down at the end of the Ordinary General Meeting to approve the financial statements for the year in which the above-mentioned one-third limit is exceeded (Article 11 of the Articles of Association).

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman's term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. When the Board votes on the termination of the Chairman's term of office, the Chairman does not take part in this vote (Article 12 of the Articles of Association). The age limit for holding office as Chairman is 68.

With regard to the recommendations of the AFEP/MEDEF Corporate Governance Code for listed companies, the Company diverges from this code in a small number of areas, which are detailed in the report of the Chairman of the Board of directors on the functioning of the Board and on internal control (see section 4.5 of this Registration Document) and which are summarised below:

- specialist committees (to date, the Board of directors has only established two committees - the Audit Committee and the Strategic Committee - mainly due to the specific nature of the Company in terms of size and activity, as explained in paragraph 1.2.1 of section 4.5); and
- removal of the renewal of director appointments by rotation (as explained in paragraph 1.2.2 of section 4.5).

All offices held by the directors in the last five financial years are set out in the following sections.

4.2.1 Composition of the Board of directors

There are currently six directors on the Board of directors. Of these directors, two are independent as defined in the AFEP/MEDEF Code.

The Board of directors does not have any employee-elected members as M.R.M. currently only has two employees.

No censor has been appointed. In accordance with the terms of the internal regulations adopted by the Board of directors on 26 February 2014, the composition of the Board complies with the following principles:

- application of rules of good governance;
- an adequate number of directors to enable strong individual participation;
- the composition of the Board must ensure the impartiality of its deliberations. Therefore, at least one third (1/3) of the Board must be independent directors with no direct or indirect ties to the Company or the Group, as defined in the AFEP/MEDEF Code;
- Board Committees are made up of directors who are independent (Audit Committee) or are chosen for their specific skills (Strategic Committee);
- diversity of skills: in addition to experts from the office and retail property sectors, the Board of directors includes representatives from the financial world, asset management and corporate governance;
- a significant proportion of female directors;
- regular assessment of the functioning of the Board of directors.

The nomination of candidate directors is proposed by the Board to the General Meeting of Shareholders, in view of their knowledge, skills, experience, merit and independence with respect to the Company's activities.

The directors serve the Company's interest.

As indicated in the report of the Chairman of the Board of directors on the functioning of the Board and on internal control, presented in section 4.5 of this Registration Document, the composition of the Board of directors did not change during 2014.

At the date of this report, Board membership was as follows:

Director's name	Position	Other offices and main positions held within the M.R.M. Group	Other offices and main positions held outside the M.R.M. Group	Other offices and positions held during the last five financial years
François de Varenne Born on 10/18/1966 French national First appointment: 29 May 2013 End of current office: General Meeting to approve the 2016 financial statements Holds 1 share of the Company	Chairman of the Board of directors Chairman of the Strategic Committee		Member of SCOR SE Executive Committee Chairman of the Management Board of SCOR Global Investments SE Chairman of SCOR Properties SA Chairman of SCOR Auber SAS Chairman of DB Caravelle SAS Chairman of 5 avenue Kleber SAS Chairman of SCOR ILS Fund SA, SICAV-SIF (Luxembourg) Chairman of SCOR Capital Partners Chairman of SCORLUX SICAV-SIF Chairman of the Supervisory Board of Château Mondot Director of Presses Universitaires de France Director of Editions Belin	Chairman and Chief Executive Officer of SCOR Auber SA Chairman of Mobility SAS Member of the Supervisory Board of Gimar Capital Investissements Member of the SCOR Reinsurance Asia Pacific Pte Ltd (Singapore) Investment committee Director of SCOR ILS Fund SA, SICAV-SIF (Luxembourg) Director of SCOR Alternative Investments SA (Luxembourg)

Director's name	Position	Other offices and main positions held within the M.R.M. Group	Other offices and main positions held outside the M.R.M. Group	Other offices and positions held during the last five financial years
Jacques Blanchard Born on 02/18/1951 French national First appointment: 29 June 2007 End of current office: General Meeting to approve the 2016 financial statements Directly holds 1 share of the Company and 42,838 shares via the company JAPA, which he controls	Chief Executive Officer of M.R.M. SA Member of the Strategic Committee		Managing Partner of SC JAPA	Director of CB Richard Ellis Investors SGR p.A.
Gérard Aubert Born on 02/15/1944 French national First appointment: 20 April 2009 End of current office: General Meeting to approve the 2016 financial statements Holds 550 shares of the Company	Independent director Member of the Audit Committee		Chairman of the SASU Trait d'Union Director of Eurosic Member of the Supervisory Board of Hoche Gestion Privée	Managing Partner of Gestion Immobilière Marrakech Director of Sogeprom SA
Brigitte Gauthier-Darcet Born on 03/07/1955 French national First appointment: 29 November 2011 End of current office: General Meeting to approve the 2016 financial statements Holds 1,000 shares of the Company	Independent director Chairman of the Audit Committee		Director of Groupe Express-Roularta SA Manager of SARL Neufbis'ness Manager of SCI B2V	Director and Deputy Chief Executive Officer of CIPM International SA Non-partner Chief Executive Officer of Financière du Château des Rentiers SAS Director of Transport'Air SA

Director's name	Position	Other offices and main positions held within the M.R.M. Group	Other offices and main positions held outside the M.R.M. Group	Other offices and positions held during the last five financial years
Jean Guitton Born on 10/06/1956 French national First appointment: 29 May 2013 End of current office: General Meeting to approve the 2016 financial statements Holds 1 share of the Company	Director Member of the Strategic Committee Member of the Audit Committee		Chairman of Immobilière Pershing SAS Chairman of Immobilière Coligny SAS Chairman of Immobilière Zerline SAS Chief Executive Officer of SCOR Auber SAS Chief Executive Officer of DB Caravelle SAS Chief Executive Officer of 5 avenue Kléber SAS Manager of SCI Marco Spada (France) – formerly SCI Auber-Mathurins Manager of SCI Léon Eyrolles Cachan SCOR Manager of la SCI Immoscor Manager of SCI Compagnie Parisienne de Parking Manager of SCI 3-5 avenue de Friedland Manager of SCI Montrouge BRR Manager of SCI Garigliano Manager of SCI Le Barjac Permanent representative of SCOR Global Investments SE on the SCOR Properties Board of Directors Permanent representative of SCOR SE on the COGEDIM OFFICE PARTNERS Management Committee Permanent representative of SCOR Global P&C SE on the OPCI River Ouest Board of directors Permanent representative of SCOR Global P&C SE on the TPF2 Board of directors	Deputy Chief Executive Officer and Director of SCOR Auber Manager of SCI Hauteville – SCOR Manager of SCI Garibaldi – SCOR Permanent representative of SCOR Auber on the SGF Board of directors Permanent representative of the SCOR Auber manager at SNC Immobilière Sébastopol
SCOR SE represented by **Karina Lelièvre** French national its permanent representative First appointment: 29 May 2013 End of current office: General Meeting to approve the 2016 financial statements Holds 26,155,662 shares of the Company	Director		Sole director of GIE Colombus Director of Crédit Logement Assurance Director of Euromaf Re SA (Luxembourg) Director of Arope Insurance (Lebanon) Member of the Management Committee of COGEDIM OFFICE PARTNERS Positions held by Karina Lelièvre: None	Director of SGF Director of SCOR Auber Director of FERGASCOR Director of ASEFA (Spain)

The Board of directors has an Audit Committee, which is notably responsible for (see report of the Chairman of the Board of directors on the functioning of the Board and on internal control, included in section 4.5 of this Registration Document):

- examining the financial statements and ensuring the relevance and consistency of the accounting methods adopted to prepare the separate and consolidated financial statements;
- monitoring the process used to prepare the financial information; and
- monitoring the effectiveness of the internal control and risk management systems.

On 29 May 2013, the Board of directors set up a Strategic Committee within the Board, which is notably responsible for the following (see report of the Chairman of the Board of directors on the functioning of the Board and on internal control, included in section 4.5 of this Registration Document):

- studying strategic issues involving the Group;
- supervising the execution of Group strategy by general management;
- reviewing any major investment, acquisition or disposal plans;
- supervising the drafting of a business plan and monitoring its implementation;
- reviewing the financing policy of the Company and its subsidiaries (including any plans to change, repay early, renegotiate or refinance the existing debt).

Finally, in order to comply with the AFEP/MEDEF Code, the Chairman, in his report to the Board of directors on the Board's functioning and on internal control, commented on the Company's implementation of the recommendations of the AFEP/MEDEF Code during the 2014 financial year. In this regard, it may be noted that the process for the Company's governance to gradually achieve compliance with the recommendations of the AFEP/MEDEF Code took a major step forward in the past year: the content of the internal regulations was revised in full in February 2014, and the Board of directors' assessment procedures were established and implemented in the 2014 financial year.

The content of the Chairman's report was approved during the Board of directors' meeting on 26 February 2015 and is included in section 4.5 of this Registration Document. The aforementioned process conducted by the Company to achieve compliance with the AFEP/MEDEF Code is presented in section 1.1 of this report.

4.2.2 Professional experience of the directors

François de Varenne	François de Varenne graduated from the École Polytechnique and the École Nationale des Ponts et Chaussées as a civil engineer. He holds a doctorate in Economic Sciences and an actuary degree from the French Institute of Financial and Actuarial Sciences (ISFA). He joined the SCOR Group in 2005 and served as Head of Corporate Finance and Asset Management, then as Group Chief Operating Officer. In late 2008, François de Varenne was appointed Chairman of the Management Board of SCOR Global Investments SE. He has been a member of the SCOR Group Executive Committee since 2007.
Jacques Blanchard	Jacques Blanchard is a graduate of HEC and has a degree in Business Law. He was Managing Director of CBRE Global Investors from 2003 to 2013, in charge of retail property investment strategies in France. He has over 20 years of experience in retail property. Before joining CBRE Global Investors, he was Chief Executive Officer of the shopping centres division of the French subsidiary of the British property company Hammerson. Previously, as Property Director of Marks & Spencer for Continental Europe, he acquired more than 50,000 sqm of retail premises for fourteen stores in France and other European countries. He also completed major restructuring/extension operations involving shops on Boulevard Haussmann in Paris and rue Neuve in Brussels.
Gérard Aubert	Gérard Aubert is a well-known figure in the property industry, with over 40 years of professional experience in the sector. From April 1979 to the end of 2006, he successively held the positions of Deputy Chief Executive Officer and then Chief Executive Officer of CBRE, and, finally, Chairman since 1983. He is currently Chairman of the property consultancy firm Trait d'Union.
Brigitte Gauthier-Darcet	Brigitte Gauthier-Darcet has an engineering degree from the École Centrale de Paris and is a graduate of the Institut d'Études Politiques de Paris. She has over 30 years' professional experience in the fields of engineering, construction, communications and investment. Having started her career at Serete where she headed the finance department, she held a number of financial and senior management positions at Lagardère Active. She subsequently carried out a number of consultancy and management assignments and was Director and Deputy Chief Executive Officer of CIPM International from 2007 to 2013. Brigitte Gauthier-Darcet is a member of Institut Français des Administrateurs (IFA).
Jean Guitton	Jean Guitton is a Chartered Architect. He holds a Masters (DESS) degree in Urban Planning from the Paris Institute of Political Studies (IEP) and is an associate member of the French Institute of Property Appraisers. He joined the SCOR Group in 2000 and is Head of Real Estate. After a first experience as an urban planning architect, Jean Guitton successively held the positions of analyst, property appraiser, then Head of International at the Bourdais group. He pursued his career as Head of International Development at Pelege Entreprises, Head of Commercial Real Estate Programmes at SMCI, and Head of Real Estate and Investor Relations at Sagitrans/Safitrans.
SCOR SE	SCOR SE is a European company with capital of €1,517,825,442.53, whose head office is located at 5 avenue Kléber, 75016 Paris, identified under number 562 033 357 in the Paris Trade and Companies Register. The fifth largest reinsurer worldwide, the Group is organised around two commercial activities, SCOR Global P&C (Property & Casualty reinsurance) and SCOR Global Life (Life reinsurance), and an asset management business, SCOR Global Investments. Karina Lelièvre, permanent representative of SCOR SE on the M.R.M. Board of directors, has been the deputy company secretary at SCOR SE since 2010.

4.2.3 Directors whose term of office expires at the Combined General Meeting of 2 June 2015

None.

4.2.4 Directors whose appointment is submitted for approval to the Combined General Meeting of 2 June 2015

None.

4.2.5 Family connections between these individuals

None.

4.3 Corporate Governance

During the last five financial years:

- none of the directors has been found guilty of fraud;
- none of the directors has been associated as a corporate officer in any insolvency, sequestration proceedings or liquidation;
- none of the directors has been accused of any offence and/or been the subject of any official public penalty imposed by the statutory or regulatory authorities;
- none of the directors has been the subject of a court order preventing them from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of any company;
- none of the directors is linked to the Company or any of its subsidiaries by a service agreement granting any specific benefits.

The directors of the Company and their representatives, in the case of corporate entities, report to the Board of directors on any actual or potential conflicts of interest to which they are or may be exposed.

There are potential conflicts of interest in relation to SCOR SE in its dual capacity as majority shareholder of the Company and directors from the SCOR Group. Directors have a duty of loyalty to the Company and are bound to act in its best interests. The provisions relating to conflicts of interests between companies and majority shareholders are governed by the legislation and case law in force and the Company has also drawn up specific rules to prevent conflicts of interests in the internal regulations adopted at the Board of directors meeting of 26 February 2014.

Furthermore, the members of the Board of directors, persons with close links to the management, as well as other management must, pursuant to the regulations in force, declare transactions made on the Company's shares and refrain from personally intervening in transactions involving M.R.M. shares during the following periods:

- during the two-week period before the date on which the Company's consolidated financial statements, or in the absence of these, the annual financial statements, are made public;
- during the period between the date on which management obtains information which, if made public, could have a significant influence on the price of the Company shares and the date on which this information is made public.

4.4 Remuneration

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, of European Regulation 809/2004 (the Prospectus Directive) and of the recommendations of the AFEP/MEDEF Code, we now report the total remuneration and benefits of any nature paid to each corporate officer by the Company or by companies under its control within the meaning of Article L. 223-16 of the French Commercial Code and by the company controlling the Company within the meaning of the same Article during the 2014 financial year.

In the 2014 financial year, the Company's executive corporate officers were François de Varenne, Chairman of the Board of directors, and Jacques Blanchard, Chief Executive Officer.

In the 2014 financial year, the Company's non-executive corporate officers were Gérard Aubert (Director since 20 April 2009), Brigitte Gauthier-Darcet (Director since 29 November 2011), Jean Guitton (Director since 29 May 2013), and SCOR SE (Director since 29 May 2013).

The corporate officers did not receive any share subscription or purchase options or bonus shares, given that the Company did not set up any stock options or bonus share allocation plans.

During its meeting on 04 June 2014, the Board of directors decided to the use the sum of €30,000 in directors' fees, which had been allocated to the directors for the financial year ending 31 December 2014 by the General Meeting of 4 June 2014, to remunerate the attendance of independent directors. Since 1 August 2013, Jacques Blanchard, has received remuneration for his term of office as Chief Executive Officer of the Company but has not received any director's fees.

With the exception of Jacques Blanchard, Gérard Aubert and Brigitte Gauthier-Darcet, the Company's corporate officers received no remuneration or benefits of any kind with respect to membership of the Board from the Company or the companies it controls, as defined in Article L. 223-16 of the French Commercial Code.

The table below provides a summary of the total remuneration and options and shares allocated to the executive corporate officers over the last two years:

	2014	2013
Jacques Blanchard, Chairman and Chief Executive Officer (1)		
Remuneration due for the financial year	N/A	-
Value of multi-year variable remuneration awarded during the financial year	N/A	-
Value of options allocated during the financial year	N/A	-
Value of bonus shares allocated	N/A	-
François de Varenne, Chairman of the Board of directors (2) (3)		
Remuneration due for the financial year	-	-
Value of multi-year variable remuneration awarded during the financial year	-	-
Value of options allocated during the financial year	-	-
Value of bonus shares allocated	-	-
Jacques Blanchard, Chief Executive Officer (2)		
Remuneration due for the financial year	€272,000	€115,336
Value of multi-year variable remuneration awarded during the financial year	-	-
Value of options allocated during the financial year	-	-
Value of bonus shares allocated	-	-
TOTAL	**€272,000**	**€115,336**

(1) Until 29 May 2013.
(2) Since 29 May 2013.
(3) Remuneration and benefits paid by SCOR SE to François de Varenne (company controlling the Company as defined in Article L. 233-16 of the French Commercial Code) are set out in section 9.1 of the management report presented in section 3.6 of this Registration Document.

The table below provides a summary of executive corporate officers' employment contracts, specific pensions, severance payments and non-compete clauses:

	Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be payable following severance or a change of office		Allowance due under a non-compete clause	
Executive corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
François de Varenne Chairman of the Board of directors Commencement of term of office: 29 May 2013 End of term of office: The General Meeting called to approve the financial statements for the financial year ended 31 December 2016		X		X		X		X
Jacques Blanchard Chief Executive Officer Commencement of term of office: 29 May 2013 End of term of office: The General Meeting called to approve the financial statements for the financial year ended 31 December 2016		X		X	X See paragraph 4.4.1 below			X

Insofar as neither the Company, nor its subsidiaries, operate any pension or supplementary pension schemes, these companies have not set aside, or recognised, any sums for the payment of pension, retirement or other benefits.

4.4.1 Remuneration of the Chief Executive Officer

Pursuant to the recommendations of the AFEP/MEDEF Code applicable to the Chief Executive Officer, Jacques Blanchard does not have an employment contract with the Company.

Annual remuneration

At its meeting on 29 May 2013, the Company's Board of directors decided that the Chief Executive Officer would receive:

- a gross fixed annual remuneration of €200,000 in 12 monthly payments from 1 August 2013; and
- a variable annual remuneration of a maximum of 40% of his gross fixed annual remuneration (or €80,000), payment of which shall be conditional upon the attainment of quantitative and/or qualitative targets set by the Board of directors for the year in question. If the targets for a given year are met, the bonus will be paid in April the following year.

With regard to the 2014 financial year, the Board of directors met on 26 February 2014 to set the targets upon which the granting of said bonus is conditional. Thus the annual variable remuneration of the Chief Executive Officer in respect of 2014 was determined based on the achievement or failure to achieve the following targets, in full or in part, over the same period and in a manner satisfactory to the Group: (i) consolidating rental revenues for retail assets and adjusting value-enhancement plans for retail assets, (ii) implementing the office disposal plan, (iii) resolving current disputes, and (iv) drawing up a three-year plan and the 2014 budget.

The Board of directors' meeting of 26 February 2015 decided to award the Chief Executive Officer the grade of 2 and assessed the rate of targets reached at 90%, corresponding to annual variable remuneration of €72,000 for the 2014 financial year.

Multi-year variable remuneration

If Jacques Blanchard completes his term of office as Chief Executive Officer, at the end of the Company's Ordinary Annual Meeting held in 2017 to approve the financial statements for the year ending 31 December 2016, he may receive a maximum deferred multi-year gross bonus of €250,000, the breakdown and terms of which are as follows:

- a maximum gross amount of €150,000 pro rata the achievement of a target internal rate of return (IRR) of 10% per annum in the period beginning 29 May 2013;
- a maximum of €100,000 gross, paid on the basis of an average annual evaluation, measured on a discretionary basis by the Board of directors, within a range of between one and five, using the following method of calculation:

► INDIVIDUAL PERFORMANCE BASED ON THE PROGRESS OF WORKS OUTLINED IN THE FOUR-YEAR BUSINESS PLAN – WEIGHTED OVER FOUR YEARS.

Evaluation	Bonus paid
1	100%
2	75%
3	50%
4	25%
5	0%

Benefits in kind

In accordance with the decision taken by the Company's Board of directors on 29 May 2013, the Chief Executive Officer is in receipt of health (mutual) and employee benefit insurance, as well as a company car, within a maximum budget of €30,000.

Severance payments

Lastly, at its meeting on 31 July 2013, the Board authorised, in the event of Jacques Blanchard having his term of office as Chief Executive Officer terminated early due to a change of control or strategy at the M.R.M. Group (a "Forced Departure"), a severance payment not exceeding his gross fixed annual remuneration under the terms listed below:

- In the event of Forced Departure, Jacques Blanchard will receive severance pay capped at €200,000, or the equivalent of the gross fixed annual remuneration of the Chief Executive Officer as set by the Board of directors on 29 May 2013 (the"Benefit"). The payment of this Benefit will be subject to prior fulfilment of the Performance Requirement defined above.

  The performance requirement (the "Performance Requirement") shall be met for a given financial year if one of the following criteria is fulfilled for two consecutive financial years prior to the Chief Executive Officer's departure date:

1) the M.R.M. Group's IRR shall be at least 5%, or
2) M.R.M.'s share price over the reference period shall not be more than 10% below that of the IEIF SIIC France index.

- In the event of Forced Departure, the Board shall meet to ascertain whether or not the Performance Requirement has been met. Should the Board establish that the Performance Requirement has been met, the Benefit shall be paid to the Chief Executive Officer as soon as possible. To all intents and purposes, it is specified that in the event of Forced Departure prior to the expiry of a period of two years from the date on which Mr Blanchard took up his office as Chief Executive Officer, the Performance Requirement shall be deemed to have been met if one of the criteria referred to above is met over the whole of the term of office actually served by Mr Jacques Blanchard;
- Other than the event of a Forced Departure and including, but not limited to, dismissal with good reason due to the fault of the Chief Executive Officer or following a widely recognised negative performance by the Company, or should the Chief Executive Officer leave of his own accord to fill another post inside or outside the Group, no benefit of any kind shall be payable to the Chief Executive Officer.

Summary of total remuneration of the Chief Executive Officer

The table below provides a summary of the total remuneration, including gross remuneration due and paid, awarded to the Chief Executive Officer for the last two years:

	2014		2013	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	€200,000	€200,000	€83,333	€83,333
Annual variable remuneration	€72,000	€30,000	€30,000	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind (1)	€8,821	€8,821	€2,003	€2,003
TOTAL	**€280,821**	**€238,821**	**€115,336**	**€85,336**

(1) Company car, health (mutual) and employee benefit insurance

Jacques Blanchard did not receive any share subscription or purchase options or performance shares from the Company.

4.4.2 Remuneration of the Chairman of the Board of directors

François de Varenne, Chairman of the Board of directors, does not receive any remuneration from the Company or its subsidiaries. He is also a member of the Executive Committee of SCOR SE (the company controlling the Company as defined in Article L. 233-16 of the French Commercial Code) and receives from the latter the remuneration and benefits shown in section 9.1 of this management report included in section 3.6 of this Registration Document.

4.4.3 Remuneration of non-executive corporate officers

The table below summarises the remuneration received by non-executive directors over the last two years:

Directors' fees and other remuneration received by non-executive corporate officers	Amounts paid in 2014	Amounts paid in 2013
Gérard Aubert		
Directors' fees	€10,000	€12,750
Other remuneration	-	-
Brigitte Gauthier-Darcet		
Directors' fees	€10,000	€12,000
Other remuneration	-	-
Jean Guitton (1)		
Directors' fees	-	-
Other remuneration	-	-
SCOR SE (1)		
Directors' fees	-	-
Other remuneration	-	-
CBRE Global Investors SAS (2)		
Directors' fees	N/A	-
Other remuneration	N/A	-
SPE Office Sàrl (2)		
Directors' fees	N/A	-
Other remuneration	N/A	-
SPE Finance Sàrl (2)		
Directors' fees	N/A	-
Other remuneration	N/A	-
TOTAL	**€20,000**	**€24,750**

(1) Director since 29 May 2013.
(2) Director until 29 May 2013.

4.5 Report of the Chairman of the Board of directors on the operation of the Board and on internal control

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the purpose of this report is to set out the manner in which the work of the Company's Board of directors is prepared and organised, together with the internal control procedures put in place by the Company, and to present any limitations imposed by the Board of directors on the powers of the Chief Executive Officer. This report was prepared by the Chairman of the Board of directors and approved by the Board of directors during its meeting of 26 February 2015. In preparing this report, the Chairman was guided by the AMF reference framework issued in July 2010, the AMF implementation guide for small and medium caps issued in July 2010 and the 2014 AMF report on corporate governance and executive remuneration of 22 September 2014 and on the AFEP/MEDEF Code issued by the High Committee for corporate governance in December 2014.

The following steps were taken to prepare this report:

- meetings between the Property Managers, the Asset Manager, the Finance Director, the Chief Executive Officer and the Chairman of the Board of directors;
- meetings between the chartered accountants, the Finance Director, the Chief Executive Officer and the Chairman of the Board of directors.

1. Declaration of compliance with the AFEP/MEDEF Corporate Governance Code

Following discussions of the Board of directors on 24 November 2008, it was decided that the Company would gradually comply with the AFEP/MEDEF recommendations relating to corporate governance, including the recommendation of 6 October 2008 on the remuneration of executive corporate officers of listed companies, as incorporated in the AFEP/MEDEF Corporate Governance Code of December 2008, as amended in June 2013 (hereinafter the "AFEP/MEDEF Code") and in the AFEP/MEDEF Code application guidelines issued by the High Committee for corporate governance in December 2014 ("HCGE Recommendations").

The aforementioned AFEP/MEDEF Code and HCGE Recommendations may be consulted at the Company's head office.

In accordance with the provisions of Article L. 225-37-7 of the French Commercial Code, the present report details the reasons why certain provisions of the AFEP/MEDEF Code, which the Company voluntarily adopted and certain HCGE Recommendations, have been rejected or are currently in the course of being implemented. It specifies the progress made in relation to 2013.

1.1 Progress made since the publication of the Chairman's 2013 report

1.1.1 Bringing the contents of the internal regulations of the Board of directors into compliance

The internal regulations of the Board of directors, as adopted on 27 February 2008, referred only to the frequency of Board meetings and the use of video conferencing and telecommunications for Board meetings.

The internal regulation of the Board of directors was significantly overhauled in 2013 and 2014, with a view to supplementing it, notably with regard to the following:

- transactions and decisions which are submitted to the Board for prior approval (listed in section 2.4 of this report);
- the means by which the Board is informed of the Company's financial position, cash position and commitments;
- qualification as an independent director (see paragraph 2.2.2. of this report);
- the specific rights and obligations of the directors;

- the means of evaluating the Board (see paragraph 1.1.2. of this report);
- compliance with professional codes of conduct.

The latest version of the internal regulations was adopted at the Board meeting of 26 February 2014. The Company believes its internal regulations are now compliant with the recommendations of the AFEP/MEDEF Code.

These internal regulations are available on the Company's website (www.mrminvest.com).

1.1.2 Setting up methods of evaluating the Board of directors

As part of the overhaul of its internal regulations, adopted on 26 February 2014, the Board defined the process to be used to evaluate its operating procedures. At least once a year, the Board must include a discussion of its operation as an item on its meeting agenda. In accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code, an evaluation of the Board of directors was carried out in December 2014.

The Company drew up an evaluation questionnaire based on the experience in this area of its major shareholder, SCOR SE, and sent it to the directors in November 2014. The questionnaire covered the composition of the Board, its organisation, its operation and the composition, and the operation of Board Committees. Five out of six directors completed the questionnaire. A summary report was presented by Company Management at the Board meeting of 10 December 2014. The main conclusions of this analysis were as follows: On a five-point scale, the directors gave scores of between 3.8 and 4.7. The operation of the Board and its committees was deemed "good" to "very good" overall, with the main area for improvement being identified as the timing of the advance provision of documents.

1.2 Points still requiring compliance

1.2.1 Composition and number of specialist committees

The Board is assisted in the performance of its work by an Audit Committee and a Strategic Committee. The Company had no other specialist committee on the date of this report. This is due to the Company's size, activity and the fact that it has only three employees, all of whom were recruited in 2013 or early 2014.

The duties of a Remuneration Committee, as defined in the AFEP/MEDEF Code, are currently directly performed by the Board of directors. In addition, the necessity for such a committee appears limited at the present time insofar as the Chief Executive Officer is the sole executive corporate officer paid by the Company and it was decided that only independent directors would receive directors' fees, in accordance with the allocation rule presented in paragraph 2.15.1 of this report.

Similarly, the duties of a Nomination Committee, as defined in the AFEP/MEDEF Code, are for the same reasons currently directly performed by the Board of directors.

1.2.2 Temporary suspension of the renewal of director appointments by rotation

At the Combined General Meeting of 13 May 2013, all of the directors were appointed or had their appointments renewed for a period of four years, which will expire at the Ordinary General Meeting convened in 2017 to approve the financial statements for the year ended 31 December 2016.

The purpose of this grouped renewal at the Combined General Meeting of 13 May 2013 was to stabilise the Board of directors during SCOR SE's acquisition of a majority stake in the Company.

It is planned to reinstate the renewal of appointments by rotation at the Ordinary General Meeting convened in 2017 to approve the financial statements for the year ended 31 December 2016. The shareholders will be asked to use the option open to them pursuant to Article 11 of the Articles of Association to appoint directors for different lengths of time in order to reinstate the renewal of appointments by rotation.

2. Conditions for preparing and organising the work of the Board of directors

2.1 Rules governing the composition of the Board of directors

The Company is governed by a Board of directors of at least three and a maximum of twelve members, appointed by the Ordinary General Meeting of Shareholders for a period of four years. The terms of office of outgoing directors may be renewed. The directors may be dismissed at any time by the Ordinary General Meeting. The number of directors having reached the age of 70 May not exceed one-third of the total number holding office.

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman's term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. Since the General Meeting of 11 June 2009, it is specified in Article 12 of the Articles of Association that when the Board votes on whether to end the Chairman's term of office, the Chairman will abstain from voting. The age limit for holding office as Chairman is 68.

The Board of directors may appoint one or more Vice Chairmen if it deems it useful.

2.2 Composition of the Board of directors

2.2.1 Current composition of the Board of directors

The Board of directors currently comprises five individual members and one legal entity.

The composition of the Board of directors did not change over the past year. The current members of the Board of directors are:

- François de Varenne, Chairman;
- Jacques Blanchard, Chief Executive Officer and director;
- Gérard Aubert, independent director;
- Brigitte Gauthier-Darcet, independent director;
- Jean Guitton, director;
- SCOR SE, director, represented by Karina Lelièvre.

The term of appointment of all of the directors will expire at the end of the Ordinary General Meeting convened in 2017 to approve the financial statements for the year ended 31 December 2016.

There are two women on the Board of directors, Brigitte Gauthier-Darcet and Karina Lelièvre.

The positions held by directors are listed in section 4.2 of the 2014 Registration Document, along with information relating to their age and date of first appointment and on the number of Company shares they hold.

2.2.2 Independent directors – Annual review of the independence of each director

The Company applies the definition and criteria for independence established in paragraph 8 of the AFEP/MEDEF Code. A director is independent when "he/she has no relationship of any kind whatsoever with the Company, its Group or its management, which may interfere with the exercise of his or her free judgement".

The Company has two independent directors (out of a total of six directors) as of the date of this report: Gérard Aubert and Brigitte Gauthier-Darcet, i.e., a third of its membership, which corresponds to the proportion the AFEP/MEDEF Code recommends for controlled companies. Since 29 May 2013, the Company has been controlled by its shareholder SCOR SE, which owns the majority of voting rights and shares in the Company, and as such exerts considerable influence over the Company's management, particularly given that three of the directors are members of SCOR SE.

The proportion of independent directors on the Board is now compliant with the recommendations of the AFEP/MEDEF Code.

Pursuant to the AFEP/MEDEF Code, the Board takes into account the following criteria when deciding on the independence of a director:

- *"the independent director is not an employee or executive corporate officer of the Company, an employee or director of the parent company or of one of its consolidated companies and has not been in the last five years;*
- *is not an executive corporate officer of a company in which the Company, directly or indirectly, acts as a director or in which an employee designated as such or an executive corporate officer of the Company (currently or in the last five years) is a director;*
- *is not a client, supplier, commercial banker or investment banker:*
  - *with significant weighting for the Company or its Group, or*
  - *for which the Company or its Group represents a significant share of their business;*

- *does not have any close family ties with an executive corporate officer of the Company;*
- *has not been a Statutory Auditor of the Company over the previous five years;*
- *has not been a director of the Company for more than twelve years.*

Directors representing significant shareholders of the Company or its parent company may be considered independent if these shareholders have no involvement in the Company's control. Nevertheless, once they have reached a threshold of 10% (reduced by the Company to 5%, see below) *of the capital or voting rights, the Board shall systematically examine their independent status, taking into account the Company's capital structure and potential conflicts of interest."*

In addition to the aforementioned criteria defined by the AFEP/MEDEF Code, the Company applies the following criteria and stipulations:

- may not have received from the Company, in any form, with the exception of directors' fees, a gross remuneration higher than €100,000 over the previous five years;
- does not represent a significant shareholder of the Company, where:

(i) a shareholder is considered significant if it owns more than 5% of the capital or voting rights (calculated by consolidating its various equity investments),

(ii) below this threshold, the Board shall systematically examine their independent status taking into account the Company's capital structure and potential conflicts of interest.

The internal regulations of the Board of directors, which were adopted on 26 February 2014, include a requirement to perform an individual review of each director on an annual basis to confirm their independence. This item was added to the agenda of the Board meeting of 2 April 2014, which determined that Gérard Aubert and Brigitte Gauthier-Darcet met the independence criteria.

2.3 Duties of the Board of directors

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of directors determines the Company's business policies, monitors their implementation and controls the management of the Company. Subject to the powers expressly attributed by the law to Shareholders' Meetings and within the limits of the corporate purpose, the Board may consider any matter related to the successful operation of the Company, and makes decisions governing any matters that concern it. It may also conduct examinations and controls that it deems necessary.

The Board of directors may discuss any matter within its legal, regulatory and statutory powers. In particular, the Board of directors examines and approves the interim and annual financial statements (separate and consolidated financial statements), approves the terms of the reports on the activity and results of the Company, and examines the Chairman of the Board's report on internal control.

The Chief Executive Officer shall report regularly and by any means to the Board of directors on the Company's financial position, cash position and commitments, and on any significant events and transactions pertaining to the Company.

At least once every quarter, the Chief Executive Officer shall present a report to the Board of directors on the activity and operation of the Group.

Each director is entitled to provide additional information on their own initiative, with the Chief Executive Officer being available to provide the Board of directors with explanations and relevant information.

2.4 Duties of the Chairman of the Board of directors

Since 29 May 2013, the functions of Chairman of the Board of directors have been separated from those of the Chief Executive Officer.

The Chairman of the Board of directors performs the duties assigned to him by law. As such, he organises and directs the work of the Board of directors, and reports thereon to the General Meeting. The Chairman ensures the proper operation of the Company's decision-making bodies, and in particular ensures that the directors are able to fulfil their duties.

2.5 Duties and powers of the Chief Executive Officer

The Chief Executive Officer has the widest powers to act in all circumstances on behalf of the Company subject to the limitations set forth hereunder. He exercises those powers within the limits of the corporate purpose, subject to the powers that are expressly attributed by the law to Shareholders' Meetings and those that are especially reserved for the Board of directors.

The Chief Executive Officer represents the Company in its relations with third parties.

The Chief Executive Officer may not take the following decisions without prior authorisation from the Board of directors:

(i) approval and any significant changes to the Company's or Group's annual budget or multi-annual business plan;

(ii) acquisitions or disposal of any Group assets (including company shares and fund units), and any capital expenditure above €1,000,000;

(iii) any operating expenditure for the Group in excess of €100,000 per annum;

(iv) signature by the Group of any lease agreement related to a total surface area of more than 1,000 sqm and for which the economic terms fall short of those stipulated in the multi-annual business plan;

(v) any new debt or change in the terms of an existing debt (including any early repayment, renegotiation or refinancing of bank loans);

(vi) any corporate decision requiring advance approval by the Group's banks pursuant to existing financing arrangements or which are likely to impact the Company and its subsidiaries' compliance with their respective declarations and obligations pursuant to the said financing arrangements;

(vii) any change in management agreements entered into by the Company or its subsidiaries with CBRE Global Investors France;

(viii) the recruitment of any employee under an open-ended or fixed-term employment contract;

(ix) the issue of any guarantee, bond or security or constitution of any collateral and the subscription of any off-balance sheet commitment by a Group company for an amount above €100,000;

(x) the signature of any transaction agreement related to a dispute in which the Company and/or its subsidiaries must pay or are likely to have to pay an amount above €100,000;

(xi) any intragroup reorganisation project, notably involving a merger, spin-off, partial asset contribution, dissolution or creation of a company;

(xii) any change in the Group's accounting methods; and

(xiii) any significant transaction that does not form part of the Company's announced strategy.

No annual authorisation was given by the Board of directors to the Chief Executive Officer to give deposits, securities and guarantees to the tax and customs authorities and/or with respect to third parties on the Company's behalf, for a period not exceeding one year and, except in the case of guarantees given to tax and customs authorities, subject to the limitations of an overall ceiling set by the Board. Thus every bond, security or guarantee made by the Company to guarantee commitments entered into by third parties must be authorised in advance by the Board of directors, in accordance with the provisions of Article L. 225-35 of the French Commercial Code.

Throughout the financial year ended 31 December 2014 and to date, the Company has not had and does not have a Deputy Chief Executive Officer.

2.6 Meetings and decisions of the Board of directors

The Board of directors meets as often as required in the interests of the Company, either at the head office or in any other place specified in the notice of meeting. Board meetings may be convened by the Chairman or any person delegated by the Chairman, by any means. If the Board has not met for more than two months, at least one-third of its members may ask the Chairman to call a meeting to consider a particular agenda. If the Chairman does not perform the functions of Chief Executive Officer, as has been the case since 29 May 2013, the Chief Executive Officer may also ask the Chairman to call a meeting to consider a particular agenda.

Meetings are chaired by the Chairman of the Board of directors. In the event that the Chairman is absent, the Board is chaired either by a Vice-Chairman (if one has been appointed) or, in the absence of any Vice-Chairman, by one of its members appointed by the Board to chair the meeting.

The Board can only validly deliberate if at least half of its members are present. Decisions are taken by a majority of the votes of the members present or represented.

These internal regulations stipulate in particular that the Board must meet at least four times a year. A draft schedule of meetings is approved in October at the latest for the following year, to enable its members to attend. The Board also organises the use of video conferencing or telecommunications technology for Board meetings, and allows the directors who participate in Board meetings by such means to be considered as present for the purposes of calculating quorum and majority, subject to the limitations and conditions laid down by current legislation and regulations. Such participation via video conferencing or telecommunications is not applicable to Board meetings called in relation to the appointment, remuneration or dismissal of the Chairman, the appointment, remuneration or dismissal of the Chief Executive Officer, the approval of the separate financial statements, consolidated financial statements and the management report.

2.7 Meetings of the Board of directors during the 2014 financial year

During the financial year ended 31 December 2014, the Board of directors met six times:

- 26 February 2014;
- 2 April 2014;
- 24 April 2014;

- 4 June 2014;
- 30 July 2014;
- 10 December 2014;

with an attendance rate of 97.2%.

The main work carried out during 2014 related to:

- approving the interim and annual financial statements;
- approving the Registration Document;
- approving the regulatory reports (in particular the management report and the report on internal control);
- reviewing business matters (in particular the plan to dispose of office properties and the valuation of retail properties);
- overhauling the internal regulation of the Board of directors and its committees;
- convening the General Meeting of Shareholders;
- self-assessment of the Board of directors.

2.8 Meetings of the Board of directors during the 2015 financial year

On 26 February 2015, with six members present, the Board approved the separate and consolidated 2014 financial statements and the appropriation of income for the year ended 31 December 2014, established and approved the reports of the Board of directors, approved the list of agreements specified in Articles L. 225-38 and L. 225-39 of the French Commercial Code discussed operational business matters and set the variable portion of the Chief Executive Officer's annual remuneration for 2014 and his targets for 2015.

2.9 Composition and duties of the Audit Committee

On 20 April 2009, the Board of directors decided to establish an Audit Committee within the Board, with the following duties:

- examine the financial statements and ensure the relevance and consistency of the accounting methods adopted to prepare the separate and consolidated financial statements;
- monitor:
  - the process of preparing the financial information,
  - the effectiveness of the internal control and risk management systems,
  - the auditing of the separate financial statements and, if needed, the consolidated financial statements by the Statutory Auditors,
  - the procedure for selecting the Statutory Auditors, and for establishing their fees and independence.

Since 29 May 2013, the Audit Committee has comprised the following members:

- Brigitte Gauthier-Darcet, independent director, Chairperson of the Audit Committee;
- Gérard Aubert, independent director;
- Jean Guitton, director.

Since Gérard Aubert joined the Audit Committee during the financial year 2012, the proportion of independent directors on the Committee has been two-thirds, as recommended by the AFEP/MEDEF Code.

Brigitte Gauthier-Darcet, Chairperson of the Audit Committee, has special expertise in finance and accounting. She also has more than 30 years of professional experience in engineering, construction, communications and investment. Having started her career at Serete, where she headed the finance department, Brigitte Gauthier-Darcet held a number of finance and senior management positions at Lagardère Active.

Gérard Aubert has special expertise in finance and real estate. He was Chairman of CB Richard Ellis France for over 20 years and at present he is, inter alia, Chairman of Trait d'Union SASU and director of Eurosic. In his capacity as independent director of M.R.M., he joined the Audit Committee in April 2012.

Jean Guitton is a real estate specialist. He joined the SCOR Group in 2000 and is Head of Real Estate. A Chartered Architect, he holds a Masters (DESS) degree in Urban Planning from the Paris Institute of Political Studies (IEP) and is an associate member of the French Institute of Property Appraisers. After a first experience as an urban planning architect, Jean Guitton successively held the positions of analyst, property appraiser, then Head of International at the Bourdais group. He pursued his career as Head of International Development at Pelege Entreprises, Head of Commercial Real Estate Programmes at SMCI, and Head of Real Estate and Investor Relations at Sagitrans/Safitrans.

The Audit Committee is responsible for auditing the financial statements for the financial years beginning on or after 1 January 2009. The Audit Committee is governed by internal regulations which were also modified on 26 February 2014. These internal regulations, appended to the internal regulations of the Board of directors, is available on the Company's website (www.mrminvest.com).

These internal regulations stipulate in particular that the Committee may call on external experts, that the Audit Committee must have sufficient time to examine the financial statements, that in order to examine the financial statements, the Committee shall receive a report from the Statutory Auditors highlighting the essential points not only of the results, but also of the accounting methods chosen, and a report from

Financial Management outlining the Company's exposure to risk and material off-balance sheet commitments.

2.10 The Audit Committee's work in 2014

The Audit Committee met six times in 2014, with an attendance rate of 100%, notably to discuss the following:

- meetings with the Statutory Auditors and Financial Management regarding the preparation of the interim consolidated financial statements;
- meetings with the Statutory Auditors and Financial Management regarding the preparation of the annual separate and consolidated financial statements, including in particular a presentation by the Statutory Auditors highlighting the essential points of the results of the statutory audit and of the accounting methods chosen;
- meetings with the Statutory Auditors and Financial Management on the internal control procedures, particularly a presentation by the Statutory Auditors on the results of their "interim" duties;
- meetings with independent appraisers for the Group's twice-yearly appraisal valuation of properties;
- review of the annual budget and monitoring of the Group's 12-month cash flow forecast.

2.11 The Audit Committee's work in 2015

The Audit Committee has met once since the start of 2015, and the meeting focussed on examining the separate and consolidated financial statements in the presence of the Statutory Auditors and Financial Management.

2.12 Composition and duties of the Strategic Committee

On 29 May 2013, the Board of directors decided to establish a Strategic Committee within the Board, with the following duties:

- studying strategic issues involving the Group;
- supervising the execution of Group strategy by general management;
- reviewing any major investment, acquisition or disposal plans;
- supervising the drafting of a business plan and monitoring its implementation;
- examining the financing policy of the Company and its subsidiaries (including any plans to change, repay early, renegotiate or refinance the existing debt).

The Strategic Committee gives opinions and recommendations to the Board on matters within its competence.

The following directors make up the Strategic Committee:

- François de Varenne, Chairman of the Board of directors;
- Jacques Blanchard, Chief Executive Officer;
- Jean Guitton.

2.13 The Strategic Committee's work in 2014

The Strategic Committee met 12 times in 2014 to discuss the following matters:

- the Company's organisation and human resources;
- approval of the conditions for marketing the main rental properties and asset disposals;
- monitoring of investment projects;
- preparation and approval of the plan to sell office buildings;
- the financial communication policy;
- control of the work performed by the asset manager CBRE Global Investors;
- monitoring of procedures related to disputes.

2.14 The Strategic Committee's work in 2015

The Strategic Committee has not yet met in the financial year 2015.

2.15 Remuneration of corporate officers in 2014

2.15.1 Directors' fees

The Ordinary General Meeting of 4 June 2014 allocated a total of €30,000 for directors' fees related to the financial year ended 31 December 2014.

At its meeting of 4 June 2014, the Board decided to use this amount to remunerate the attendance of the independent directors, within the following limits:

- €750 per Board of directors' meeting attended by the independent director;

- €750 per Audit Committee meeting attended by the independent director.

This remuneration is variable in full and is based on the independent directors' attendance and participation at Board of directors and Audit Committee meetings.

The table summarising the attendance fees paid to each corporate officer as recommended in the AFEP/MEDEF Code implementation guide of June 2013 and reproduced in the AMF Registration Document guide of 17 December 2013 is shown in section 4.4. of the 2014 Registration Document.

2.15.2 Remuneration of the Chief Executive Officer

Since 1 August 2013, Jacques Blanchard, has received a fee as the Company's Chief Executive Officer, which is paid by the Company.

The summary remuneration tables recommended in the AFEP/MEDEF Code implementation guide of June 2013 and reproduced in the AMF Registration Document guide of 17 December 2013 are shown in section 4.4. of the 2014 Registration Document.

The Chief Executive Officer's remuneration will be the subject of a resolution which will be submitted for consultation at the next Ordinary General Meeting on 2 June 2015, in accordance with the new recommendations of the AFEP/MEDEF Code implemented in June 2013.

Fixed remuneration

His basic gross annual fixed remuneration as the Company's Chief Executive Officer is €200,000, payable over 12 months, subject to the social security contributions applicable to his status as a corporate officer.

Jacques Blanchard's basic gross annual fixed remuneration has not changed since being set at the Board of directors' meeting of 29 May 2013.

Annual variable remuneration – Bonus

Jacques Blanchard may also be awarded annual variable remuneration in the form of a bonus set by the Board of directors of up to a maximum of 40% of his gross annual fixed remuneration, the payment of which shall be conditional on reaching quantitative and/or qualitative targets set by the Board of directors for the year in question.

If the targets for a given year are met, the bonus will be paid in April the following year.

With regard to the 2014 financial year, the Board of directors met on 26 February 2014 to review the performance and assess the targets reached by Jacques Blanchard in order to set the variable portion of his remuneration for 2013, and to set the targets for receiving his 2014 bonus.

Multi-year variable remuneration – Deferred bonus

If Jacques Blanchard completes his term of office as Chief Executive Officer, at the end of the Company's Ordinary Annual Meeting held in 2017 to approve the financial statements for the year ending 31 December 2016, he may receive a maximum deferred gross bonus of €250,000, the breakdown and terms of which are as follows:

- a maximum gross amount of €150,000 pro rata the achievement of a target internal rate of return (IRR) of 10% per annum in the period beginning 29 May 2013;
- a maximum of €100,000 gross, paid on the basis of an average annual evaluation, measured on a discretionary basis by the Board of directors, within a range of between one and five, using the following method of calculation:

► INDIVIDUAL PERFORMANCE BASED ON THE PROGRESS OF WORK OUTLINED IN THE FOUR-YEAR BUSINESS PLAN - WEIGHTED OVER FOUR YEARS

Evaluation	Bonus paid
1	100%
2	75%
3	50%
4	25%
5	0%

Severance payment in the event of forced departure

In accordance with the principles set out at the Board meeting of 29 May 2013, at its meeting of 31 July 2013, the Board approved a severance payment to the Chief Executive Officer in the event of a forced departure before the end of his term of office, capped at his gross annual fixed remuneration, under the following conditions:

- In the event of the termination of his functions as Chief Executive Officer related to a change in control or strategy of the M.R.M. Group ("Forced departure"), Jacques Blanchard shall receive a severance pay capped at €200,000, i.e. the amount of his gross annual fixed remuneration as Chief Executive Officer, as set by the Board on 29 May 2013 (the "Benefit"). The payment of this Benefit will be subject to prior fulfilment of the Performance Requirement defined above.

The performance requirement (the "Performance Requirement") shall be met for a given financial year if one of the following criteria is fulfilled for two consecutive financial years prior to the Chief Executive Officer's Departure date:

1) the M.R.M. Group's IRR shall be at least 5%; or
2) M.R.M.'s share price over the reference period shall not be more than 10% below that of the IEIF SIIC France index.

In the event of Forced Departure, the Board shall meet to ascertain whether or not the Performance Requirement has been met. Should the Board establish that the Performance Requirement has been met, the Benefit shall be paid to the Chief Executive Officer as soon as possible.

To all intents and purposes, it is specified that in the event of Forced Departure prior to the expiry of a period of two years from the date on which Mr Blanchard took up his office as Chief Executive Officer, the Performance Requirement shall be deemed to have been met if one of the criteria referred to above is met over the whole of the term of office actually served by Jacques Blanchard.

- Other than the event of a Forced Departure and including, but not limited to, dismissal with good reason due to the fault of the Chief Executive Officer or following a widely recognised negative performance by the Company, or should the Chief Executive Officer leave of his own accord to fill another post inside or outside the Group, no benefit of any kind shall be payable to the Chief Executive Officer.

2.16 Participation of shareholders in the General Meeting

In accordance with the provisions of Article L. 225-37-8 of the French Commercial Code, the methods relating to shareholders' participation in the General Meeting are outlined in Article 16 of the Company's Articles of Association.

2.17 Capital structure - Factors likely to have an impact in the event of a public offering

The information relating to the Company's capital structure and the information specified in Article L. 225-100-3 of the French Commercial Code is published in the Board of directors' management report for the financial year ended 31 December 2014 and is included in chapter 3 of the 2014 Registration Document.

2.18 Resolutions concerning delegation of authority proposed at the General Meeting

None.

2.19 Management of conflicts of interest

The policy for managing conflicts of interest is included in section 4.3 of the 2014 Registration Document.

The Board of directors does not have a procedure for designating a lead director in regard to conflicts of interest.

3. Internal control procedures

The Company and its subsidiaries, which are all included in the scope of consolidation, are subject to internal control.

3.1 Objectives of internal control procedures

The control procedures implemented by the M.R.M. Group (i.e., the Company and all entities over which the Company directly or indirectly exercises control) aim to:

- ensure compliance with the established values, strategies and objectives and to ensure that management actions are consistent with the Company's corporate purpose and the strategic objectives defined by the Board of directors, in compliance with current laws and regulations, the Company's corporate interest and that of each of its subsidiaries;
- improve the efficiency of the Company's operations and enable the efficient use of resources;
- coordinate the successful communication of accounting, financial and management information between external parties and the management of the M.R.M. Group companies; and
- prevent and manage risks associated with the M.R.M. Group's activities, and the risks of errors or fraud, in particular in the fields of accounting and finance.

Internal control cannot however provide an absolute guarantee that the Company's objectives will be achieved.

3.2 Internal control parties

3.2.1 The Chief Executive Officer

The Chief Executive Officer is responsible for the communication and coordination of financial information between the various parties involved, and in particular the Asset Manager, in pursuit of the defined strategy. This person ensures the quality of the internal control and risk management systems.

The Chief Executive Officer, the Chairman of the Board of directors and the Board of directors oversee the companies in the M.R.M. Group in general and make sure that their legal, contractual, financial, fiscal and administrative obligations are fulfilled so that the Company is managed in the best and most efficient way.

In order to carry out his duties successfully, the Chief Executive Officer makes sure he is informed by the Asset Manager about all matters relating to the M.R.M. Group's buildings, takes any steps necessary to collect such information, approves the decisions taken and alerts the competent bodies of the potentially unfavourable consequences of decisions left unresolved.

The Chief Executive Officer oversees the actions of the Asset Manager and is responsible for the preparation and presentation of the general budget and business plan setting out the objectives and strategy in the short- and medium-term.

The Board of directors' annual management report to the General Meeting identifies and describes the management of the main risks that could impact the Company's activities and those of the M.R.M. Group.

3.2.2 The Audit Committee

The Audit Committee monitors the processes used to prepare the separate and consolidated financial statements and assesses the validity of the methods selected to process significant transactions. It reports to the Board of directors.

This work is performed in conjunction with the work of the Statutory Auditors. It focuses primarily on the methods used to establish and examine the financial statements.

To perform its duties, the Audit Committee mainly:

- requests information of every person that it may wish to and, in particular, the Chief Executive Officer, the Statutory Auditors, the Asset Manager, the Property Managers, Financial Management, the accounting managers or property appraisers within the M.R.M. Group;
- checks the existence of internal procedures used to maintain, prepare and check the financial statements and the existence of internal control systems and risk management systems;
- verifies significant transactions when these could give rise to a conflict of interest.

In particular, the Audit Committee hears the Statutory Auditors on:

- their plan and methodology for auditing the financial statements;
- the main choices made in the preparation of the financial statements and, where possible, alternative options to accounting choices made by the Company, indicating, in the latter case, the accounting treatment which they prefer;
- the examinations, verifications and tests they have completed;
- the main risks not reflected in the financial statements (in particular, market risks and significant off-balance sheet commitments);
- the main problems encountered when performing their duties; and
- any limitations placed on their audits.

The Audit Committee examines the main areas of risks and uncertainties on the separate and consolidated financial statements (including the interim statements) identified by the Statutory Auditors, their auditing approach and any difficulties encountered in the execution of their assignment.

The Audit Committee also examines the methods used to ensure the reliability of the accounting and financial information provided to shareholders and the market. The examination process differs depending on whether the financial information distributed is periodic or permanent information.

The examination of the methods used to ensure the reliability of the periodic financial information occurs in the context of the examination of the methods used to prepare and check the financial statements. This examination will in principle be conducted prior to any official announcement by the Company.

The speed at which the permanent information must be distributed usually prevents prior examination by the Audit Committee of the information distributed by the Company. This examination will therefore almost always be conducted a posteriori.

3.2.3 The Asset Manager

M.R.M. and its subsidiaries signed an asset management contract on 29 May 2013 with CBRE Global Investors France (the "Asset Manager"). Under the terms of this contract, the Asset Manager shall advise the Company and its subsidiaries on:

- preparing, validating and implementing property valuation strategies;
- property management and rentals;
- the property rental policy;
- the sale of buildings.

The agreement between the Asset Manager and M.R.M. and its subsidiaries provides for and organises the information and reporting obligations to which the Asset Manager is subject in carrying out its duties, along with its delegated powers of signature and expenditure commitments.

A liaison form process was implemented to formalise decisions related to the Company.

The Asset Manager, the Chief Executive Officer and the Financial Management hold discussions on a daily basis and meet regularly to:

- track developments in the conduct and implementation of the valuation strategies applicable to property assets, update the management objectives and commercial strategy, approve the different budgets and update them for the coming year;
- coordinate the participation of the Chief Executive Officer in key negotiations or with elected representatives;
- select the advisors and agents responsible for the disposal of assets, follow up on the progress of negotiations, and approve the terms and conditions of the transfer agreements;

The Chief Executive Officer intervenes directly in the negotiations and the signature of agreements with lessors or purchasers when he deems necessary.

3.2.4 The Property Managers

The Property Managers manage the receipts and expenditures relating to the properties, in accordance with the accounting regulations in force in France. They are responsible for the electronic recording of payments, payment reminders, settlements, disputes and their results, so that the Asset Manager can have access to clear and up-to-date information. Property Managers are also responsible for property and facilities management of the Company's buildings. In particular, they draw up budgets for operating charges and work and rebill these to tenants.

The agreements between the Property Managers and the M.R.M. Group subsidiaries provide for and organise the information and reporting obligations to which the Property Managers must adhere in performing their duties.

Whenever necessary, the Property Managers provide the Asset Manager with the information required to prepare tax and social security returns. Every month, the information required to ensure that the accounting records are properly maintained is sent to the Financial Management as soon as possible. This information is reviewed by Financial Management, which may approach the Property Managers directly for further details or clarifications.

The Asset Manager and Property Managers meet as often as necessary to evaluate the management of the properties. At such meetings, the Property Managers provide the Asset Manager with a management report on the activity, any significant events that have occurred and the proposed actions in the following months.

3.2.5 The Financial Management

The Finance Director is responsible for:

- gathering operational, financial and accounting information for the preparation of the activity reports and annual, interim, quarterly and monthly regulatory information, if necessary;
- coordinating and supervising the work of the different parties involved (chartered accountants, asset managers, lawyers, consultants, etc.) with a view to establishing the said reports;
- supervising the preparation of the separate and consolidated financial statements, within the given deadlines, in accordance with the laws and accounting standards in force, in particular with IFRS;
- ensuring that the Company's financial and accounting information is comprehensive and consistent;
- participating in communications for investors and the financial markets (press releases, management of the Internet portal, etc.).

Concerning the administrative and financial management of the Company and the companies it owns, the Finance Director is responsible for:

- managing the cash and banking transactions of these companies;
- supervising the preparation of all tax returns and legal disclosures of the Company and its subsidiaries;
- managing the administration of the companies and coordinating the work of various external consultants and auditors;
- conducting internal control assessments of the Company and its subsidiaries;
- informing the Audit Committee of the results of its internal control assessments; and, more generally;
- managing the relationship with third parties involved in the areas for which the Finance Director is responsible.

If necessary, the Finance Director participates in raising capital and similar transactions.

The Finance Director follows the instructions provided or authorised by the Board of directors, under the supervision of the Chief Executive Officer, and generally, must comply with all instructions provided to him.

3.3 Risk mapping

The following are the main risks to which the Company could be exposed:

3.3.1 Business risks

- Tougher economic environment;
- Increasingly competitive environment;
- Unfavourable developments in applicable laws and regulations, in particular as regards commercial leases and listed real estate investment companies (SIIC);
- Non-renewal of leases and failure to vacate properties;
- Non-payment of rent;
- Dependence on certain tenants;
- Failure of IT tools and information systems;
- Damaging financial impact of the acquisition of certain property assets by the Company;
- Damaging financial impact of the disposal of certain property assets by the Company;
- Late completion or non-completion of planned investments;
- Inaccurate valuation of the Company's property assets;
- Labour-related risks;
- Dependence on service providers involved in managing the Company's property assets.

3.3.2 Company risks

- Lack of liquidity of the Company's shares.

3.3.3 Legal risks

- Proceedings or litigation likely to have a significant impact on earnings.

3.3.4 Financial Risks

- Interest rate risk;
- Liquidity risk;
- Risks associated with the pledging of property assets to banks.

These risks and the associated hedging policies are presented in detail in chapter 2 of the 2014 Registration Document.

3.4 Preparation and monitoring of the accounting and financial information provided to shareholders

The preparation of the separate and consolidated financial statements is entrusted to chartered accountants working closely with the Chief Executive Officer, the Finance Director, the Audit Committee and the members of the Board of directors. The main options to be adopted in terms of the choice of accounting methods are discussed in advance between the chartered accountants, the Statutory Auditors, General and Financial Management, the Audit Committee and, if necessary, the Board of directors.

The preparation of the accounting and financial information distributed to shareholders relies on the collaboration between the Chief Executive Officer, the Finance Director, the Audit Committee, the Board of directors (if necessary), and the external parties involved (chartered accountants and Statutory Auditors).

The Chairman of the Board of directors, the Finance Director, the Audit Committee and the Board of directors are responsible for the preparation and monitoring of the accounting and financial information provided to the shareholders, in collaboration with the chartered accountants and under the supervision of the Statutory Auditors.

Regular meetings are organised between the Chief Executive Officer, the Finance Director and the chartered accountants in the context of the preparation of financial information.

3.5 Monitoring the effectiveness of the internal control and risk management systems

The Audit Committee questions the Finance Director and the Statutory Auditors on the internal procedures used to collect, record, report and review the information necessary to prepare the separate and consolidated financial statements or to prepare the press releases issued to the market.

The Committee evaluates the methods used to ensure permanent improvement, reliability and review of the application of these procedures.

It reports annually to the Board of directors on the evaluation of these procedures. It is informed of the Finance Director's work schedule.

In accordance with Article L. 225-235 of the French Commercial Code, the Statutory Auditors present you with their observations on the internal procedures described above relating to the preparation and processing of accounting and financial information, in a report attached to this report.

Paris, 26 February 2015.

François de Varenne

Chairman of the Board of directors

4.6 Statutory auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code ("Code de Commerce") on the report prepared by the Chairman of the Board of directors of the company

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of M.R.M. SA, and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

1. Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Code.

2. Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris la Défense and Lyon, on the 17 April 2015

The statutory auditors

French original signed by

For KPMG Audit FS 1
Isabelle Goalec
Partner

For RSM CCI Conseils
Gaël Dhalluin
Partner

4.7 Statutory auditors' report on regulated agreements and commitments

This is a free translation into English of a report issued in French and provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we would have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

However, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code of the implementation of the agreements and commitments which were already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national institute of auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. These procedures consisted in verifying that the information provided to us is consistent with the underlying documentation from which it was extracted.

Agreements and commitments subject to the approval of the shareholders' meeting

We inform you that it was given to us no notice of any agreement or undertaking authorized in fiscal year to be submitted to the approval of the annual general meeting in application of article L. 225 - 38 of the French commercial code.

Agreements and commitments already approved by the shareholders' meeting

Severance pay of the Chief Executive Officer:

- With:

Mr. Jacques Blanchard.

- Person concerned:

Mr. Jacques Blanchard, Chief Executive Officer of your company.

- Nature and purpose:

The Board of directors authorized on 31 July 2013 the payment of a severance pay for the benefit of the Chief Executive Officer in the event of a forced departure before the end of his mandate.

- Terms and conditions:

In case of the end of his General Manager duties related to a change of controls or strategy of the group M.R.M. (a "forced departure"), Mr. Jacques Blanchard will receive a severance pay limited to an amount of 200,000 Euros, i.e. one time his fixed gross annual remuneration as Chief Executive Officer as decided by the Board of directors of 29 May 2013 (the 'allowance'). This allowance will be subject to prior verification of the Performance Condition defined below.

The performance condition (the "performance condition") will be carried out in respect of an exercise given if one of the following criteria is matched consecutively during the two years immediately preceding the date of departure of the Chief Executive Officer:

1. The Internal Rate of Return of the M.R.M. group must be at least 5%; or
2. The evolution of the M.R.M.'s stock on the reference period must not be below than ten per cent of the evolution of the IEIF SIIC France index.

In the event of a forced departure, the Board of directors will decide if the Performance Condition is realized. If the Board observes the realization of the Performance Condition, the allowance shall be paid to the Chief Executive Officer as soon as possible. In the case of a forced departure before the expiration of a period of two years after the taking of duties as Chief Executive Officer by Mr. Blanchard, the Performance Condition will be considered as completed if one of the above criteria is verified on the entirety of the duration of the mandate of Mr. Jacques Blanchard.

Apart from the assumption of a forced departure particularly, but without limitation, in case of the event of a revocation due to the Chief Executive Officer following a performance famously negative of the company, or if the Chief Executive Officer left his functions on its own initiative to exercise a new position inside or outside the group, no compensation of any kind whatsoever will be due to the Chief Executive Officer.

Paris La Défense and Lyon, on 17 April 2015

The statutory auditors

French original signed by

For KPMG AUDIT FS I
Isabelle Goalec
Partner

For RSM CCI Conseils
Gaël Dhalluin
Partner

4.8 Statutory Auditors

Permanent Statutory Auditors

KPMG Audit FS I SAS

Le Palatin

3, cours du Triangle

92939 Paris-La Défense Cedex, France

Represented by Isabelle Goalec.

Date of first appointment: Combined General Meeting of 9 June 2011.

Date of expiry of term of office: The General Meeting called to approve the financial statements for the financial year ended 31 December 2016.

RSM CCI Conseils

2 bis, rue Tête d'Or

69006 Lyon

Represented by Gaël Dhalluin.

Date of first appointment: Combined General Meeting of 29 June 2005.

Date of expiry of term of office: The General Meeting called to approve the financial statements for the financial year ended 31 December 2016.

Deputy Statutory Auditors

KPMG Audit FS II SAS

Le Palatin

3, cours du Triangle

92939 Paris-La Défense Cedex, France

Represented by Malcolm McLarty.

Date of first appointment: Combined General Meeting of 9 June 2011.

Date of expiry of term of office: The General Meeting called to approve the financial statements for the financial year ended 31 December 2016.

Roland Carrier

2 bis, rue Tête d'Or

69006 Lyon

Date of first appointment: Combined General Meeting of 29 June 2005.

Renewal date: Combined General Meeting of 9 June 2011.

Date of expiry of term of office: The General Meeting called to approve the financial statements for the financial year ended 31 December 2016.

4.9 Fees paid to the Statutory Auditors

► FINANCIAL YEARS COVERED: 2014 AND 2013

	KPMG Audit				RSM CCI Conseils			
	Amount excluding VAT		%		Amount excluding VAT		%	
(in thousands of euros)	N	N-1	N	N-1	N	N-1	N	N-1
Auditing, certifying and examining the separate and consolidated financial statements [(a)] [(b)]:								
• Issuer	128.7	122.5	63%	44%	63.8	60.9	100%	92%
• Fully consolidated subsidiaries	68.5	82.5	33%	30%	-	-	-	-
Other services directly associated with duties as a Statutory Auditor [(c)]:								
• Issuer	8.0	73.8	4%	26%	-	5.4	-	8%
• Fully consolidated subsidiaries								
SUB-TOTAL	**205.2**	**278.8**	**100%**	**100%**	**63.8**	**66.3**	**100%**	**100%**
Other services provided by the network to fully consolidated subsidiaries [(d)]:								
• Legal, tax and social	-	-	-	-	-	-	-	-
• Other	-	-	-	-	-	-	-	-
SUB-TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**205.2**	**278.8**	**100%**	**100%**	**63.8**	**66.3**	**100%**	**100%**

(a) In the period in question, these are services provided during an accounting year and recognised in the income statement.
(b) Including the services of independent experts or members of the Statutory Auditors' network that the Statutory Auditor may call upon in the certification of the financial statements.
(c) This heading includes diligence and directly related services provided to the issuer or to its subsidiaries:
- *provided by the Statutory Auditor pursuant to the provisions of Article 10 of the Code of professional conduct;*
- *provided by a member of the network pursuant to the provisions of Articles 23 and 24 of the Code of professional conduct.*

(d) These are non-auditing services provided pursuant to the provisions of Article 24 of the Code of professional conduct by a member of the network to the subsidiaries of the issuer whose financial statements are certified.

4.10 Operations with affiliated companies

4.10.1 Regulated agreements

See the Statutory Auditors' special report on regulated agreements and commitments, presented in section 4.7 of this Registration Document.

4.10.2 Other agreements with related parties

None.

5.

SIGNIFICANT CONTRACTS

M.R.M. and its subsidiaries are bound to CBRE Global Investors by a property asset management consultancy agreement which came into force on 29 May 2013, following the Company's recapitalisation in 2013.

For reference, CBRE Global Investors (the "Asset Manager"), and the Company's leading shareholder until 29 May 2013, used to manage property transactions for the Company's subsidiaries under agreements signed with said subsidiaries between 2004 and 2007, prior to said subsidiaries being consolidated by the M.R.M. Group.

The Asset Manager's scope of action and fee structure were amended on 29 May 2013, in line with the M.R.M. Group's change in strategic direction in 2013, to focus on holding and managing retail property assets, whilst planning the gradual disposal of its office building assets.

The agreement of 29 May 2013 was terminated on 15 April 2015 and a new agreement was signed on the same day, such that the duties and responsibilities carried out until then by the Asset Manager on the entire property portfolio of M.R.M., with an initial expiry date of 31 May 2016, will be (i) continued for office properties and those parts of the retail portfolio classified as independent stores only, and (ii) extended to 31 December 2017 for retail properties and to 31 December 2016 for one office property.

These amendments took effect as of 15 April 2015, as set out hereafter.

The duties and responsibilities of CBRE Global Investors, as asset manager, were as follows prior to 15 April 2015:

- to advise the Company on (i) the preparation, validation and implementation of property valuation strategies, (ii) day-to-day property management policy (iii) property rental policy;
- to propose a Business Plan for each property asset;
- to assist the Company in preparing property investment budgets and in ensuring that the works specified in value-enhancement plans are performed, assisting solely with project management;
- to select a property manager and negotiate a property management contract;
- to supervise the property manager in the day-to-day management of the properties, to ensure the quality of the service providers used and the successful provision of building operation and maintenance and building works and to note failures on the part of the property manager or service providers;
- to supervise the property manager with regard to property rentals and, in particular, to monitor tenants' fulfilment of all their contractual obligations, to ensure the introduction and monitoring of a procedure for collecting and issuing receipts for rental payments;
- with regard to the marketing of properties:
  - to select estate agents, to negotiate and sign, on behalf of the subsidiaries, mandates for the marketing of rental properties based on assumptions made in the Business Plan, particularly in terms of remuneration and asking price,
  - to assist the Company and its subsidiaries in the negotiation and signing of property leases,
  - to monitor tenant relations and lease renegotiations and renewals;
- to fine-tune leases and their annexes using standard leases, ensuring completeness and consistency with the schedule of works agreed with the tenant;
- to ensure that the Company fulfils its contractual obligations under the terms of such leases;
- to monitor disputes with tenants and companies;
- to prepare and update detailed inventories of fixtures and fittings;
- to supervise the technical management provided by the property manager and to ensure, if necessary by calling on qualified professionals, that regulatory requirements are met in terms of safety, environmental standards, protection from hazardous materials (asbestos compliance testing, ICPE listing as an environmentally-sensitive installation) and the fight against illegal work;
- to monitor and manage procedures to obtain environmental certificates for properties;
- with regard to shopping centres, to ensure that the property manager implements a policy of retail promotions, advertising campaigns and customer service so that shopping centre tenants benefit from a dynamic retail environment;

- to advise the Company in the negotiation and monitoring of insurance policies covering the properties;
- to keep files and archives of any property-related items of information, in particular, a property file for each tenant (leases, correspondence, inventories, administrative authorisations) if necessary, by outsourcing;
- to assist the Company in the preparation of half-yearly property appraisals by providing it with up-to-date inventories, to monitor capex commitments, as well as the progress of ongoing discussions with prospective clients, as well as all the information usually required by experts and in the possession of the Asset Manager.

From 15 April 2015, the above-mentioned property asset management consultancy role will continue but in relation to a reduced property portfolio, with the following amendments:

- the Company is henceforth responsible for selecting the property manager and negotiating its contract;
- the Asset Manager will no longer provide project management assistance; this will instead be entrusted to third parties by the Company, where appropriate;
- as the Asset Manager is no longer involved in shopping centre property assets, it will no longer ensure that the property manger implements a policy of retail promotions, advertising campaigns and customer service so that shopping centre tenants benefit from a dynamic retail environment.

CBRE Global Investors' duties and responsibilities in terms of providing advice and assistance in relation to property disposals, are as follows:

- to propose the property disposal process to the Company, then organise and supervise said process;
- to select estate agents, to negotiate, on behalf of the subsidiaries, mandates to sell properties based on assumptions made in the Business Plan, particularly in terms of remuneration and agency fees;
- to advise the Company on its choice of external advisors (in particular, legal counsel);
- to create property details and set up a data room;
- to help the Company in the negotiation and contractual documentation relating to the disposal of properties or subsidiaries.

These consultancy and assistance duties were not amended following the signing of the new agreement dated 15 April 2015.

CBRE Global Investors is remunerated as follows:

- ***asset management fees, calculated as follows:***
  - 8.5%, on a quarterly basis, excluding taxes, of the rents, excluding taxes, received by the Company or its subsidiaries in respect of leased properties (gross rents received – non-recoverable property expenses or property expenses not recovered), given that charges appertaining to vacant properties are not taken into consideration in this calculation,
  - 0.025%, on a quarterly basis, excluding taxes, of the gross asset value, given that the gross asset value corresponds to the latest expert property appraisal published, excluding transfer taxes.

  These asset management fees are payable quarterly, in arrears;
- ***fees for the provision of advice and assistance in respect of the sale of properties or the sale of company holdings or shares, calculated as follows:***
  - 1.0%, excluding taxes, of the net sale price (excluding transfer taxes, costs and legal and brokerage fees, and net of any fees for which the seller is liable or any rent guarantees, or where appropriate, net of the contractual value of the properties used to calculate the share price of the company which directly, or indirectly, owns such properties).

These fees for the provision of advice and assistance in respect of the sale of properties, are payable on the date of the actual sale of the properties or the actual transfer of the holdings or shares in the company which, directly, or indirectly, owns such properties.

The remuneration paid to CBRE Global Investors upon the occasion of the transfer of ownership shall be supplemented, where appropriate, at the end of the rent guarantee period, by 1.0% of the portion of said guarantee not used by the purchaser, and/or, where appropriate, upon payment by the purchaser of any 1.0% price supplement.

The acquisition of property assets does not result in the payment of fees.

The methods of remuneration were not amended following the signing of the new agreement dated 15 April 2015.

The obligations of CBRE Global Investors are set out below:

- to perform its duties conscientiously and with due diligence in the best interest of the Company and in accordance with (i) standard professional practice, and (ii) professional standards of property asset management;
- to act in accordance with (i) current legislation and regulations and (ii) the authorisations and licences with which it has been granted in order to provide its services;

- to devote the time, and allocate all the resources, needed to successfully fulfil its obligations under the agreement and to designate appropriate resources and skills with a view to fulfilling its duties.

Services charged to M.R.M. subsidiaries totalled €1.6 million in 2014, compared with €2.0 million in 2013 and €2.8 million in 2012. These break down as follows:

(in millions of euros)	2014	2013 (1)	2012 (1)
Asset management fees	1.4	1.9	2.8
Consultancy fees for acquisitions	N/A	N/A	-
Consultancy fees for sales	0.2	0.1	N/A
TOTAL	**1.6**	**2.0**	**2.8**

(1) The terms and conditions of previous management agreements, signed by M.R.M. subsidiaries and CBRE Global Investors and ending on 29 May 2013, are summarised in section 1.6 "Group organisation" of the 2012 Registration Documents

Termination

In the six months prior to the expiry of this contract, the parties shall come together to discuss the possible renewal of the contract. The contract shall be automatically terminated:

- upon expiry of the contractual term, should the parties fail to agree to renew the contract. In this case, the contract shall be terminated without compensation for either party;
- in the event of one or other of the parties' failure to fulfil its obligations under this document, should such default fail to be remedied within 30 calendar days of formal notice to comply being served by means of recorded delivery letter and without the need for any prior legal formality and without prejudice to any damages claimed against the defaulting party;
- in the event of the sale of the last property owned by the Company or its subsidiary or in the event of the sale of the company which directly, or indirectly, owns the last property.

As of 15 April 2015, a provision was added enabling the Company to terminate the contract in the event of a change of control, subject to six months' notice and the payment of compensation amounting to 20% of the fees outstanding for the remainder of the contract term.

In the event of termination for whatever reason, the Company agrees to pay the Asset Manager any and all sums owing under the contract on the termination date.

6. INFORMATION ON INVESTMENTS

A list of the companies included within the scope of consolidation for the M.R.M. Group appears in section 3.1 of the notes to the consolidated financial statements for the year ended 31 December 2014, in section 3.7 of this Registration Document.

The Group's subsidiaries are also presented in section 1.5 of this Registration Document, entitled "Group ownership structure".

7. PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Jacques Blanchard

Chief Executive Officer.

8. FINANCIAL CALENDAR

13 May 2015	Financial information for 1st quarter 2015
2 June 2015	General Meeting of Shareholders
31 July 2015	2015 interim results
5 November 2015	Financial information for 3rd quarter 2015

9. DOCUMENTS ACCESSIBLE TO THE PUBLIC

Copies of this Registration Document are available free of charge from the Company, on its website (www.mrminvest.com) and from the French Financial Markets Authority *(Autorité des marchés financiers)* website (www.amf-france.org).

All legal and financial documents that must be made available to shareholders, in accordance with applicable regulations, may be consulted at M.R.M.'s registered office: 5 avenue Kléber, Paris (75016), France.

In particular, the following documents can be consulted:

(a) the issuer's deed of incorporation and Articles of Association;

(b) any reports, letters and other documents, historic financial information, valuations and declarations prepared by an expert at the issuer's request, part of which is included or referred to in the Registration Document; and

(c) historic financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the Registration Document.

The "Regulated information" section of the Company's website is available at the following address: http://ir.finance.mrminvest.com.

This section includes all the regulated information distributed by M.R.M. in accordance with the provisions of Articles 221–1 et seq. of the General Regulations of the French Financial Markets Authority.

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

10.

10.1 Person responsible for the Registration Document

Jacques Blanchard, Chief Executive Officer of M.R.M.

10.2 Statement by the person responsible for the Registration Document

Having taken all reasonable steps for this purpose, I hereby certify that the information contained in this Registration Document is, to the best of my knowledge, true and that it does not contain any omissions likely to alter its scope.

I also certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a fair view of the asset portfolio, financial position and results of the Company and the companies included within the scope of consolidation, and that the management report (included in section 3.6) presents a fair view of the evolution of the business, results and financial position of the Company and the companies included within the scope of consolidation included, as well as a description of the main risks and uncertainties facing these.

I have received a letter from the Statutory Auditors confirming that they have completed their work and stating that they have verified the information relating to the financial position and the financial statements provided in this Registration Document, which they have read in full.

The historic financial information presented in this document is the subject of Statutory Auditors' reports, included in pages 100 and 113.

The separate and consolidated historical financial information for the year ended 31 December 2013 are made available on M.R.M.'s website (http://www.mrminvest.com) and were filed with the AMF (the French Financial Markets Authority). These financial statements formed the subject of the Statutory Auditors' reports included on pages 108 and 121 of the 2013 Registration Document.

The separate and consolidated historical financial information for the year ended 31 December 2012 are made available on M.R.M.'s website (http://www.mrminvest.com) and were filed with the AMF (the French Financial Markets Authority). These financial statements formed the subject of the Statutory Auditors' reports included in pages 102 and 115 of the 2012 Registration Document. The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2012 contains a comment on uncertainty about the Company's ability to continue as a going concern, linked to the outcome of the actions taken by the Company, as described in the note to the financial statements entitled "Going concern principle".

Jacques Blanchard

Chief Executive Officer

11. CONCORDANCE TABLE

No.	INFORMATION	SECTIONS
1	**Persons responsible**	
1.1	Person responsible for the Registration Document	10.1
1.2	Certification by the person responsible for the Registration Document	10.2
2	**Statutory Auditors of the accounts**	
2.1	Name and address of the Statutory Auditors	4.8
2.2	Statutory Auditors that have resigned, been removed or have not been reappointed	N/A
3	**Selected financial information**	
3.1	Selected financial information for each financial year of the period covered	1.2.2
3.2	Selected financial information for interim periods	N/A
4	**Risk factors**	2
5	**Information about the issuer**	
5.1	History and development	1.4
5.1.1	*Company and trade name*	*3.1.1*
5.1.2	*Place and number of registration*	*3.1.2*
5.1.3	*Date of incorporation and term of company*	*3.1.5*
5.1.4	*Head office and legal structure, legislation applicable to businesses, country of origin, registered office address and telephone number*	*3.1.3*
5.1.5	*Significant events in the development of the issuer's businesses*	*1.4.6; 1.4.8*
5.2	Investments	
5.2.1	*Investments made during the last three financial years*	*1.4.7*
5.2.2	*Principal current investments*	*N/A*
5.2.3	*Principal future investments that have been the subject of a firm commitment by management bodies*	*N/A*
6	**Overview of businesses**	
6.1	Principal businesses	
6.1.1	*Nature of transactions carried out by the issuer and principal businesses*	*1.4.1*
6.1.2	*New products or services launched on the market and that have been advertised*	*N/A*
6.2	Principal markets	1.4.2
6.3	Exceptional events	N/A
6.4	Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	N/A
6.5	Factors on which any declaration made by the issuer concerning its competitive position is based	N/A
7	**Ownership structure**	
7.1	Group ownership structure	1.5
7.2	List of major subsidiaries	3.7 section 3
8	**Real estate, factories and equipment**	
8.1	Significant property, plant and equipment	1.4.5
8.2	Description of any environmental issue that could affect the use of property, plant and equipment	1.8, 3.6 section 4.2
9	**Examination of the financial position and results**	
9.1	Financial position	3.6
9.2	Operating income	3.6
9.2.1	*Major factors having a significant impact on operating revenue*	*N/A*
9.2.2	*Basis of and significant changes in revenue*	*N/A*
9.2.3	*Strategy or factors of a governmental, economic, budgetary, monetary or political nature that have significantly influenced or could significantly influence the issuer's operations, directly or indirectly*	*N/A*

No.	INFORMATION	SECTIONS
10.	**Cash and capital**	
10.1.	The issuer's capital (short-term and long-term)	3.7
10.2.	Cash flows	3.7
10.3.	Terms of the issuer's borrowing and financing structure	2.3; 3.7
10.4.	Restrictions on the use of capital that has significantly or could significantly influence the issuer's operations, directly or indirectly	N/A
10.5.	Expected sources of finance	N/A
11.	**Research and development, patents and licences**	N/A
12.	**Information on trends**	
12.1.	Principal trends since the end of the financial year	1.4.2
12.2.	Known trends or events liable to have an effect on the issuer's prospects	1.4.2
13.	**Profit forecasts or estimates**	**N/A**
13.1.	Main assumptions on which the issuer has based its forecasts or estimates	
13.2.	Report by independent Statutory Auditors on the profit forecast or estimates	
13.3.	Comparability of forecasts or estimates with historical information	
13.4.	Declaration as to the validity of the forecasts	
14.	**Administrative, management, supervisory and general management bodies**	
14.1.	Administrative, management and supervisory bodies	4.1; 4.2
14.2.	Conflicts of interest at the level of administrative, management and supervisory bodies	4.3; 4.5
15.	**Remuneration and benefits**	
15.1.	Remuneration and benefits in kind	4.4
15.2.	Total amount provided or otherwise accounted for by the issuer or its subsidiaries for the purposes of paying pensions or retirement or other benefits	N/A
16.	**Functioning of administrative and management bodies**	
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16.2.	Service contracts linking members of the administrative, management or supervisory bodies and the issuer or any of its subsidiaries, which make provision for benefits	4.7
16.3.	Information on the Audit and Remuneration Committee	4.2.1; 4.5.1.3, 4.5.2.8 to 10
16.4.	Compliance with the corporate governance regime in France	4.5
17.	**Employees**	
17.1.	Number of employees	1.7
17.2.	Profit-sharing and stock options	N/A
17.3.	Agreement providing for employees' investment in the issuer's share capital	N/A
18.	**Principal shareholders**	
18.1.	Significant shareholders not represented on the Board of directors	3.2.12
18.2.	Different voting rights	3.2.11; 3.2.12
18.3.	Control	1.5; 3.2.12
18.4.	Agreement likely to result in a change of control of the issuer	N/A
19.	**Operations with affiliated companies**	4.10
20.	**Financial information regarding the issuer's assets, financial position and results**	
20.1.	Historical financial information	3.7; 3.9
20.2.	Pro forma financial information	N/A
20.3.	Financial statements	3.7; 3.9
20.4.	Verification of historic annual financial information	
20.4.1.	*Certificate of the Statutory Auditors concerning historical financial information*	*3.8; 3.10*
20.4.2.	*Other information verified by the Statutory Auditors*	*N/A*
20.4.3.	*Sources and information on the verification of information not derived from the verified financial statements*	*N/A*
20.5.	Date of the latest financial information	3.7
20.6.	Interim and other financial information	N/A
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20.6.2.	*Interim financial information*	
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20.9.	Significant changes in the financial or commercial position	N/A

No.	INFORMATION	SECTIONS
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(a)	Number of authorised shares	
(b)	Number of shares issued, and fully paid-up and non-fully paid-up	
(c)	Par value per share	
(d)	Reconciliation of the number of shares in circulation on the opening date and closing dates of the financial year	
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21.1.5.	*Information on the conditions governing any right to purchase and/or any obligation attached to share capital subscribed but not fully paid*	N/A
21.1.6.	*Information on the share capital of any member of the Group that is the subject of an option or conditional or unconditional agreement providing for it to be made subject to an option*	N/A
21.1.7.	*History of the share capital*	3.2.11
21.2.	Deed of incorporation and Articles of Association	
21.2.1.	*Purpose*	3.1.7
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21.2.4.	*Actions necessary to change shareholder rights*	3.1.11
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21.2.6.	*Any provisions contained in the Articles of Association, a charter or regulations which could have the effect of delaying, deferring or preventing a change of control*	N/A
21.2.7.	*Any provisions contained in the Articles of Association, a charter or regulations fixing the threshold -above which any investment must be disclosed*	3.1.11
21.2.8.	*Conditions imposed in the Articles of Association, a charter or regulations governing changes to the share capital, when such conditions are stricter than those provided by law*	N/A
22.	**Significant contracts**	5
23.	**Information derived from third parties, experts' declarations and statements of interest**	*N/A*
24.	**Documents accessible to the public**	*9*
25.	**Information on investments**	*6*

To facilitate the reading of this document, the concordance table below allows you to identify, in this Registration Document, the information comprising the annual financial report that must be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the French Financial Markets Authority (Autorité des Marchés Financiers).

No.	INFORMATION	SECTIONS
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2	**Consolidated financial statements**	3.7
3	**Management report (based on the Monetary and Financial Code)**	3.6
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	• Analysis of changes to the business, its results and financial position	sections 1.1 to 1.5 and section 2
	• Principal risks and uncertainties	section 1.6
	• Table summarising current authorisations granted by the General Meeting of Shareholders to the Board of directors relating to capital increases	section 3.3
3.2	Information contained in Article L. 225-100-3 of the French Commercial Code	
	• Elements likely to have an impact in the event of a public offering	section 3.6
3.3	Information contained in Article L. 225-211 of the French Commercial Code	
	• Repurchases of treasury shares by the Company	section 3.2
4	**Declaration by natural persons assuming responsibility for the annual financial report**	10
5	**Reports of the statutory reports on the separate and consolidated financial statements**	3.8 and 3.10
6	**Communication relating to Statutory Auditors' fees**	4.9
7	**Chairman's report on internal control**	4.5
8	**Statutory Auditors' report on the Chairman's report on internal control**	4.6

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