



# Combined Annual General Meeting

11 June 2009



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# M R M Overview of 2008



- **First full year for MRM as a listed real estate investment company (*SIIC*, french REIT)**
- **Progress made in the value-enhancement programmes**
- **Beginning of the operations of Marques Avenue A6 in Corbeil-Essonnes**
- **Strong business activity**
- **Tougher market conditions since the 2<sup>nd</sup> half-year 2008**
  - Credit crunch
  - Depreciation of stabilised assets
  - Unfavourable evolutions of interest rates

- **Portfolio value<sup>1</sup>: €537.1m**
  - An increase of **€60.2m**, +12.6%, comprising<sup>2</sup>:
    - **CAPEX: +€41.6m**
    - **Acquisitions: +€18.7m** (including transfer taxes)
- **Gross rental income: €28.3m**
- **Current operating income: €18.3m**
- **Net Asset Value per share<sup>3</sup>:**
  - Liquidation NAV: **€20.5**, -9.4%
  - Replacement NAV: **€28.5**, -2.1%
- **Bank LTV: 74%**
- **Net income: -€7.5m**, -€2.15 per share<sup>3</sup>

Figures as of 31.12.2008, variation from 31.12.2007

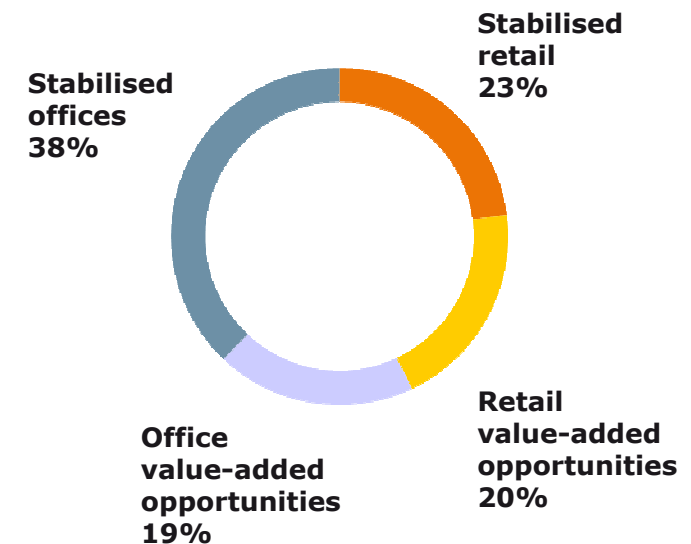
<sup>1</sup> Appraisal value excluding transfer taxes <sup>2</sup> The difference in value excluding investments and acquisitions is -€0.1m

<sup>3</sup> On the basis of 3,501,977 shares as of 31 December 2008, restated for treasury shares

# A mixed and balanced asset portfolio

- **Appraisal value<sup>1</sup>: €537.1m**
- **Focused on offices and retail property**
  - **18** office buildings, all located in the Paris region: **€303.9m**
  - **13** retail properties in the Paris region and provinces: **€233.2m**
- **Balanced**
  - Stabilised assets: **€326.4m**
  - Assets with value-added opportunities: **€210.7m**

Portfolio breakdown by value as of 31 December 2008



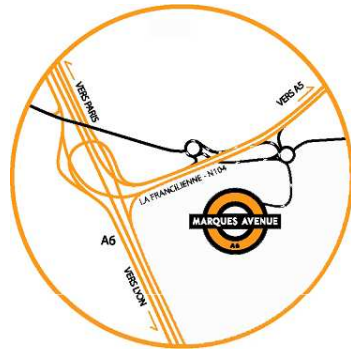
# A dynamic asset portfolio management

- **Pro-active commercial management of properties:**
  - **92** leases<sup>1</sup> signed in 2008 representing an annual rental income of **€6.3m**
  - Net annualised rent as of 1 January 2009: **€30.5m**
    - **A 16.5% increase vs 1 January 2008**
  
- **Key milestones reached in value-enhancement programmes:**
  - Marques Avenue A6, Corbeil-Essonnes
    - **Opening of the outlet center**
  - Les Halles, Amiens
    - **Restructuration work performed on former Les Halles du Beffroi shopping center**
  - Nova, La Garenne-Colombes
    - **Start of value-enhancement programme for former Le Charlebourg office building**

<sup>1</sup> New leases or renewals under improved terms

# Marques Avenue A6, Corbeil-Essonnes

- **The 1<sup>st</sup> brand outlet centre in the south of the Paris region**



- A prime location: 30km from the south of Paris, at the intersection of the A6 and N104
- An area of **12,300 sqm** comprising **60** stores and some restaurants
- **Successful repositioning**
  - Opened to the public on **22 October 2008**
  - Strong retail performance
- **2004:**
  - Acquisition of the former Art de Vivre shopping centre
- **2005–2007:**
  - Preparatory stages
- **2008:**
  - Completion of works
  - Marketing: **100%** of leases signed for **54** stores and for **3** restaurants at the time of the opening
- **2009:**
  - Marketing of **6** additional stores (LME law)
  - Application for CDAC approval
    - **Additional GLA of 1,325 sqm**



# Marques Avenue A6, Corbeil-Essonnes

**Before**



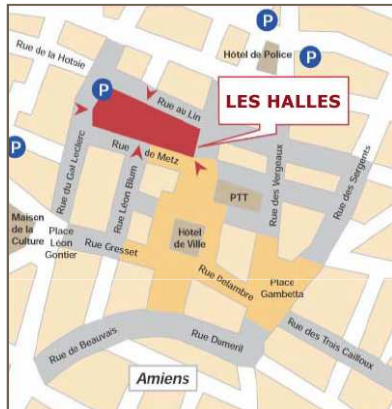
**After**



**Opening on 22 October 2008**



- **Shopping centre in the centre of Amiens**



- Total area of **10,000 sqm** on 2 levels
- 550 parking spaces
- **2** food retail anchors - Carrefour Market and the fresh food hall - and **20** individual stores

- **2006:**
  - Acquisition of a **7,500 sqm** area within Les Halles du Beffroi
- **2007:**
  - Development of a repositioning strategy and administrative authorisations obtained
- **2008:**
  - Start of the redevelopment and renovation works
- **2009:**
  - Official reopening on 11 February
    - **Fully renovated center and enhanced retail offering organized around the food retailers**
    - **New identity: Les Halles**
  - Marketing of last stores currently in progress

# Les Halles, Amiens

Before



After



Reopening on 11 February 2009



# Nova (Le Charlebourg), La Garenne-Colombes

## ■ Office building:

- **16** floors, **10,700 sqm**, with 170 underground parking spaces, 135 outdoor parking lots



## ■ La Garenne-Colombes, boulevard National:

- Location constituting a natural extension to La Défense
- Strengthened accessibility with the opening of the T2 tram line planned for late 2011

## ■ 2007:

- Acquisition and development of a value-enhancement strategy

## ■ 2008:

- Beginning of the programme
  - Preparatory stages
  - Asbestos removal and stripping of the building

## ■ 2009:

- Continuation of works
  - Achievement planned for mid 2010
- Preparation of marketing

# Nova (Le Charlebourg), La Garenne-Colombes

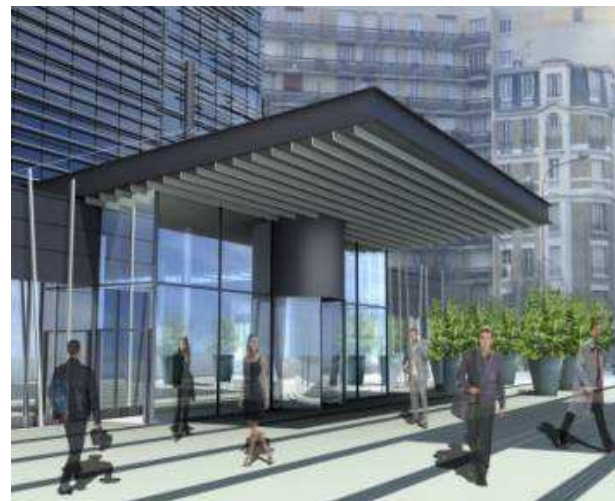
Before



2008



After

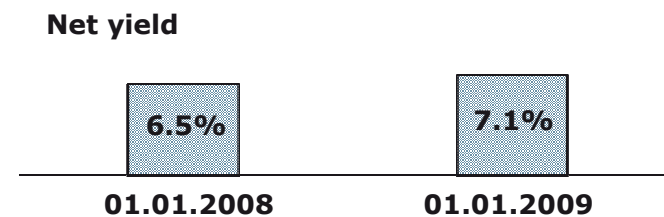
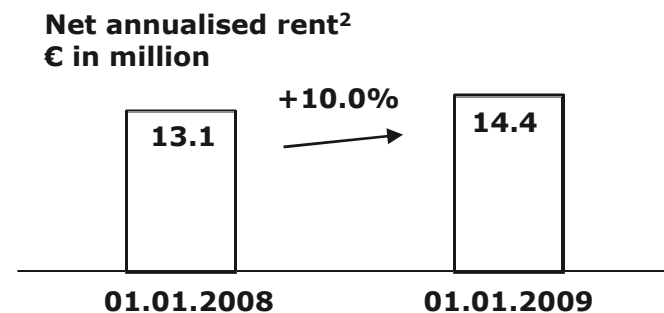
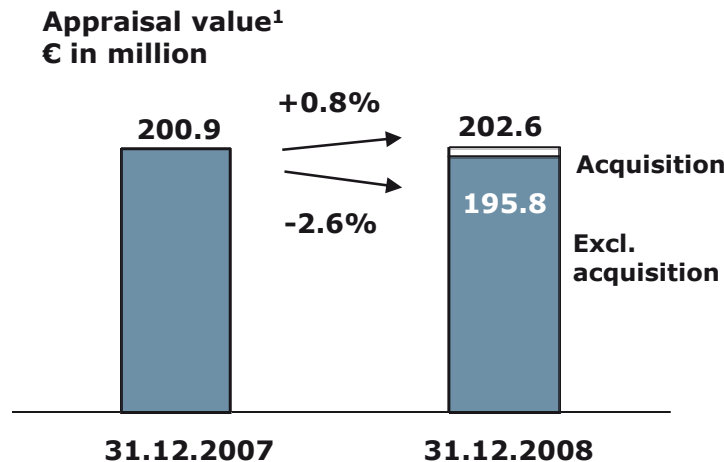


Architect: Jean-Jacques ORY

**M  
R  
M** 2008 operations



# Stabilised offices: restrained decline in value



Figures as of 31.12.2008, variation from 31.12.2007

<sup>1</sup> Excluding transfer taxes <sup>2</sup> Excluding taxes, charges, rent-free periods and improvements

<sup>3</sup> New leases or renewals under improved terms

- **Acquisition<sup>1</sup>: €6m**

- Rue de la Bourse, Paris 2<sup>nd</sup> arrondissement

- **CAPEX: €1.1m**

- **Letting and tenant management:**

- **7** leases<sup>3</sup> signed representing an annual rental income of **€1.2m**, effective as of 2008
- Indexation of rents
- Vacancy period for the Cergy-Pontoise building in February 2009 (contribution of €1.3m to the net annualised rent as of 1 January 2009)

# Office value-added opportunities: progress made in the value-enhancement programmes

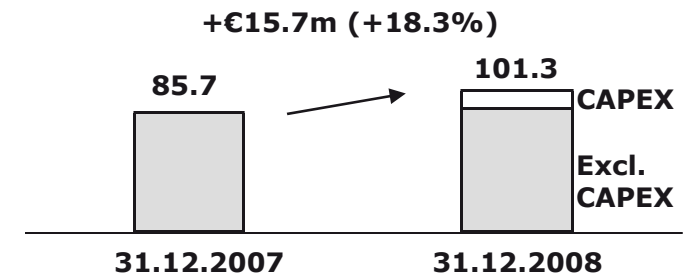
## Investments: €12.7m

- **Nova**, La Garenne-Colombes: programme in progress
- **Cap Cergy**, Cergy-Pontoise: end of the value-enhancement programme
- **Carré Vélizy**, Vélizy-Villacoublay: obtaining of the administrative authorisations conditioning Habitat's lease contract
- **Croix de Chavaux**, Montreuil: submission of the building permit
- **Solis**, Les Ulis: launch of refurbishment works after departure of the tenant

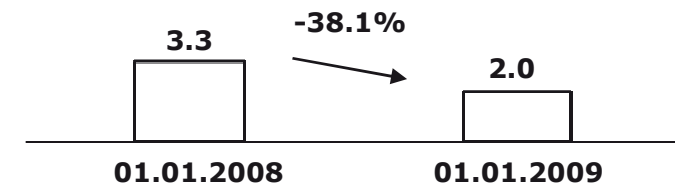
## Letting and tenant management:

- **9** leases<sup>3</sup> signed representing an annual rental income of **€1.2m**, including €0.8m effective in 2009

Appraisal value<sup>1</sup>  
€ in million



Net annualised rent<sup>2</sup>  
€ in million



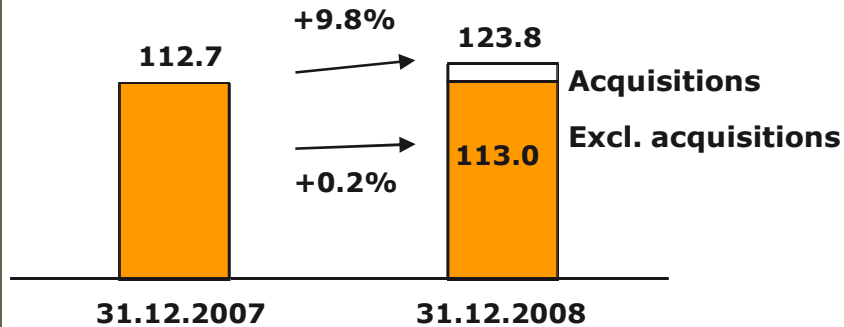
Figures as of 31.12.2008, variation from 31.12.2007

<sup>1</sup> Excluding transfer taxes <sup>2</sup> Excluding taxes, charges, rent-free periods and improvements and charges relating to buildings undergoing redevelopment <sup>3</sup> New leases or renewals under improved terms

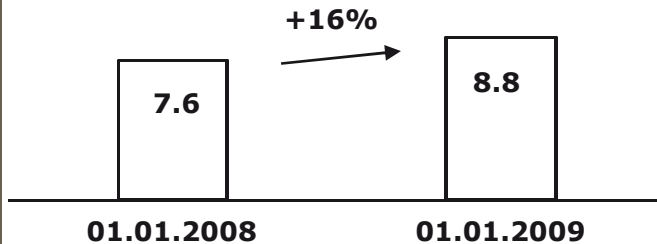


# Stabilised retail: resilient asset value

Appraisal value<sup>1</sup>  
€ in million



Net annualised rent<sup>2</sup>  
€ in million



Net yield



Figures as of 31.12.2008, variation from 31.12.2007

<sup>1</sup> Excluding transfer taxes <sup>2</sup> Excluding taxes, charges, rent-free periods and improvements

<sup>3</sup> New leases or renewals under improved terms

- **Acquisitions<sup>1</sup>: €11.3m**

- 2 Gamm Vert garden centres for €3.1m
- 5 Pizza Hut restaurants for €8.2m

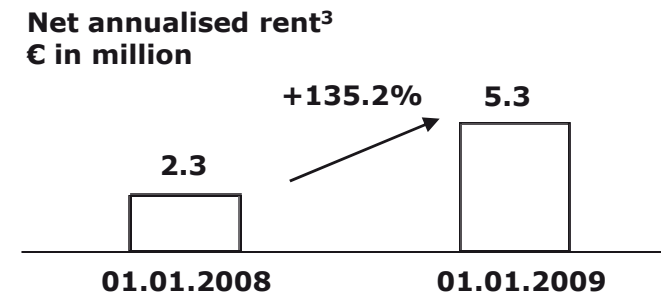
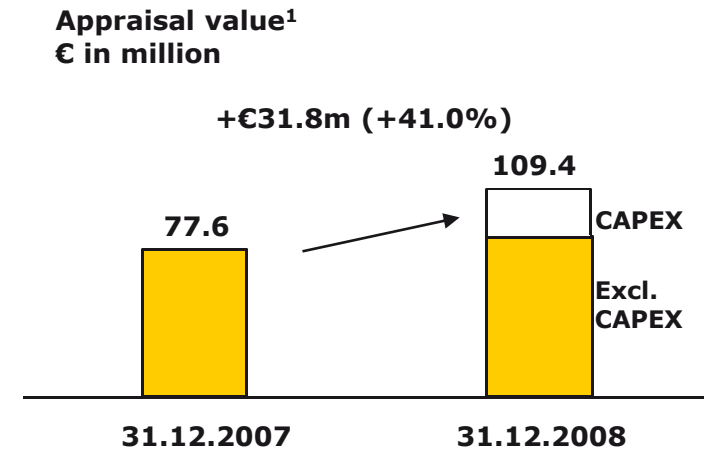
- **CAPEX: €0.1m**

- **Letting and tenant management:**

- Indexation of rents
- **6 leases<sup>3</sup>** signed representing an annual rental income of **€0.5m**
- Intensive management of the Sud Canal shopping centre in St-Quentin-en-Yvelines and of the Box portfolio

# Retail value-added opportunities: very significant progress

- **CAPEX: €25.4m**
  - Marques Avenue A6 in Corbeil-Essonnes
  - Les Halles in Amiens
  
- **Letting and tenant management:**
  - Beginning of the operations of Marques Avenue A6 in Corbeil-Essonnes
  - **70 leases<sup>2</sup>** signed representing an annual rental income of **€3.4m**
    - **Marques Avenue A6: 57 leases**
    - **Ecole-Valentin shopping centre: 6 leases**



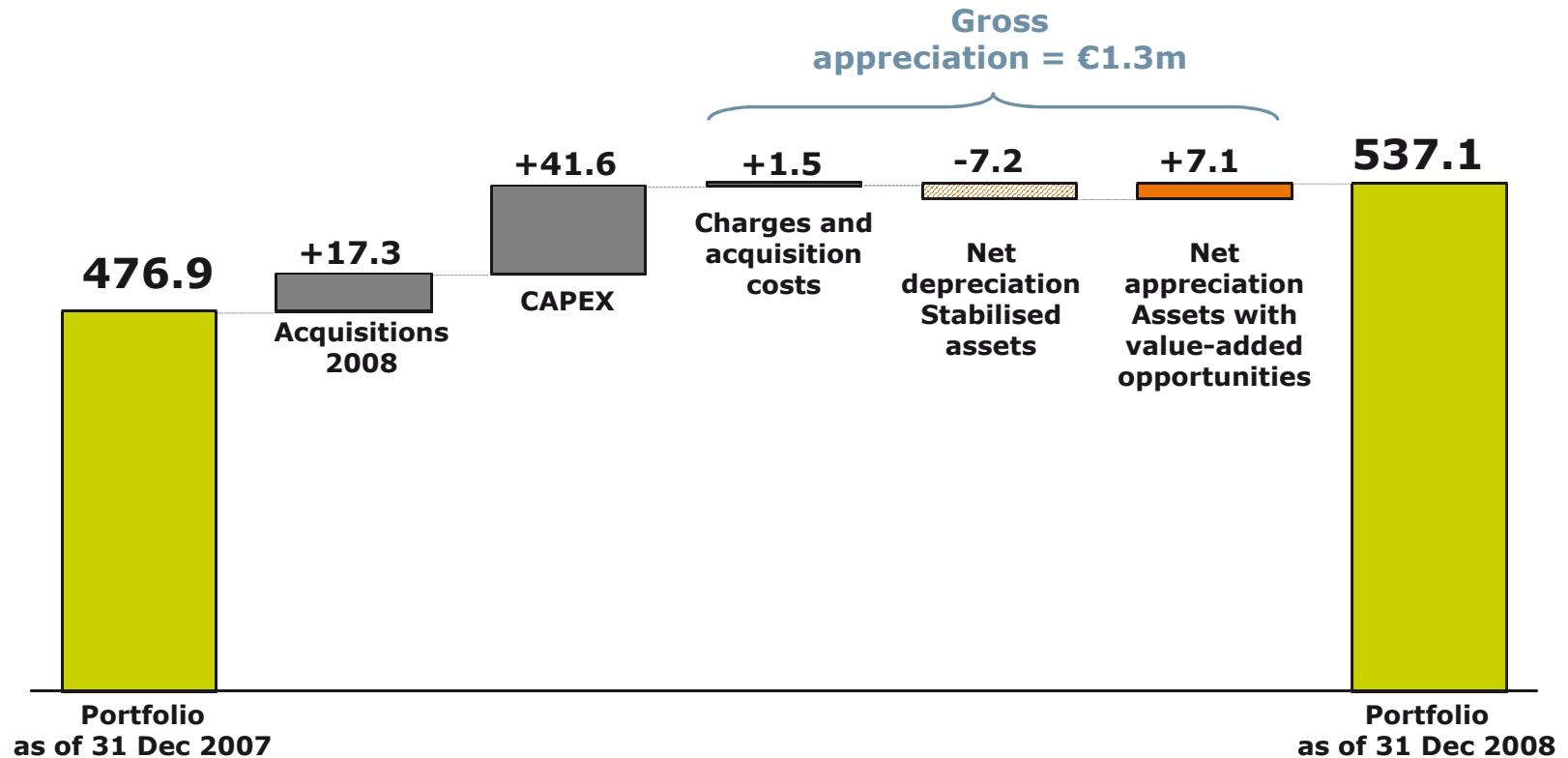
Figures as of 31.12.2008, variation from 31.12.2007

<sup>1</sup> Excluding transfer taxes <sup>2</sup> New leases or renewals under improved terms <sup>3</sup> Excluding taxes, charges, rent-free periods and improvements and charges relating to buildings undergoing redevelopment

# Favourable impact of progress made in the value-enhancement programmes

- Breakdown of the increase in value<sup>1</sup> of the portfolio in 2008

€ in million



<sup>1</sup> Appraisals performed by Catella (offices) and Savills (retail) - excluding transfer taxes



# 2008 consolidated financial statements



# Consolidated income statement

Simplified IFRS income statement € in million	2008	2008		2007
	Total MRM	Stabilised portfolio	Portfolio with value-added opportunities	published <sup>1</sup>
<b>Total gross rental income</b>	<b>28.3</b>	<b>21.5</b>	<b>6.8</b>	<b>7.3</b>
. of which Offices	16.6	13.0	3.6	4.0
. of which Retail	11.7	8.5	3.2	3.3
Property expenses	(3.4)	0.0	(3.4)	(0.7)
<b>Net rental income</b>	<b>24.9</b>	<b>21.5</b>	<b>3.4</b>	<b>6.6</b>
Operating income and expenses	(6.6)	(4.8)	(1.8)	(4.6)
<b>Current operating income</b>	<b>18.3</b>	<b>16.7</b>	<b>1.6</b>	<b>1.9</b>
Change in fair value of investment properties	(0.1)	(7.2)	7.1	8.0
<b>Operating income</b>	<b>18.2</b>	<b>9.5</b>	<b>8.7</b>	<b>9.9</b>
Net cost of debt	(22.1)	(16.3)	(5.8)	(6.0)
Other financial expenses	(3.5)	(2.1)	(1.4)	(0.5)
Other non-operating income and expenses	0.0	0.0	0.0	8.4 <sup>2</sup>
<b>Net income before tax</b>	<b>(7.4)</b>	<b>(8.9)</b>	<b>1.5</b>	<b>11.8</b>
Taxes	0.0	0.0	0.0	(0.4)
<b>Consolidated net income</b>	<b>(7.5)</b>	<b>(8.9)</b>	<b>1.5</b>	<b>11.4</b>
<b>Net earnings per share<sup>3</sup>(€)</b>	<b>(2.15)</b>	<b>(2.56)</b>	<b>0.41</b>	<b>3.25</b>

<sup>1</sup> Includes MRM's new real estate business over four months as of 1 September 2007 <sup>2</sup> Non-recurring income of €8.4m relating to contributions and mergers in 2007 <sup>3</sup> On the basis of 3,501,977 shares, restated for treasury shares at the end of the period

# Cash flow statement

€ in million	2008	2007 published <sup>1</sup>
<i>Consolidated net income</i>	(7.5)	11.4
<b>Cash flow</b>	<b>16.4</b>	<b>2.3</b>
<b>Change in working capital</b>	<b>(4.1)</b>	<b>1.3</b>
<b>Change in cash from operations</b>	<b>12.3</b>	<b>3.7</b>
<b>Change in cash from investing activities</b>	<b>(49.6)</b>	<b>(133.0)</b>
<b>Change in cash from financing activities</b>	<b>25.1</b>	<b>150.9</b>
<b>Net change in cash</b>	<b>(12.2)</b>	<b>21.5</b>
<b>Cash at end of period</b>	<b>9.4</b>	<b>21.5</b>

<sup>1</sup> Includes MRM's new real estate business over four months as of 1 September 2007

## Consolidated balance sheet

Simplified IFRS balance sheet  
€ in million

	31.12. 2008	31.12. 2007		31.12. 2008	31.12. 2007
Investment properties	524.3	476.9	Equity	71.3	79.1
Assets held-for-sale	12.8	0.0	Issued bonds	54.0	54.0
Current receivables/assets	19.5	19.2	Bank loans	398.3	350.0
Cash and equivalents	9.4	21.7	Other debts/liabilities	42.4	34.8
<b>Total assets</b>	<b>566.0</b>	<b>517.8</b>	<b>Total equity and liabilities</b>	<b>566.0</b>	<b>517.8</b>

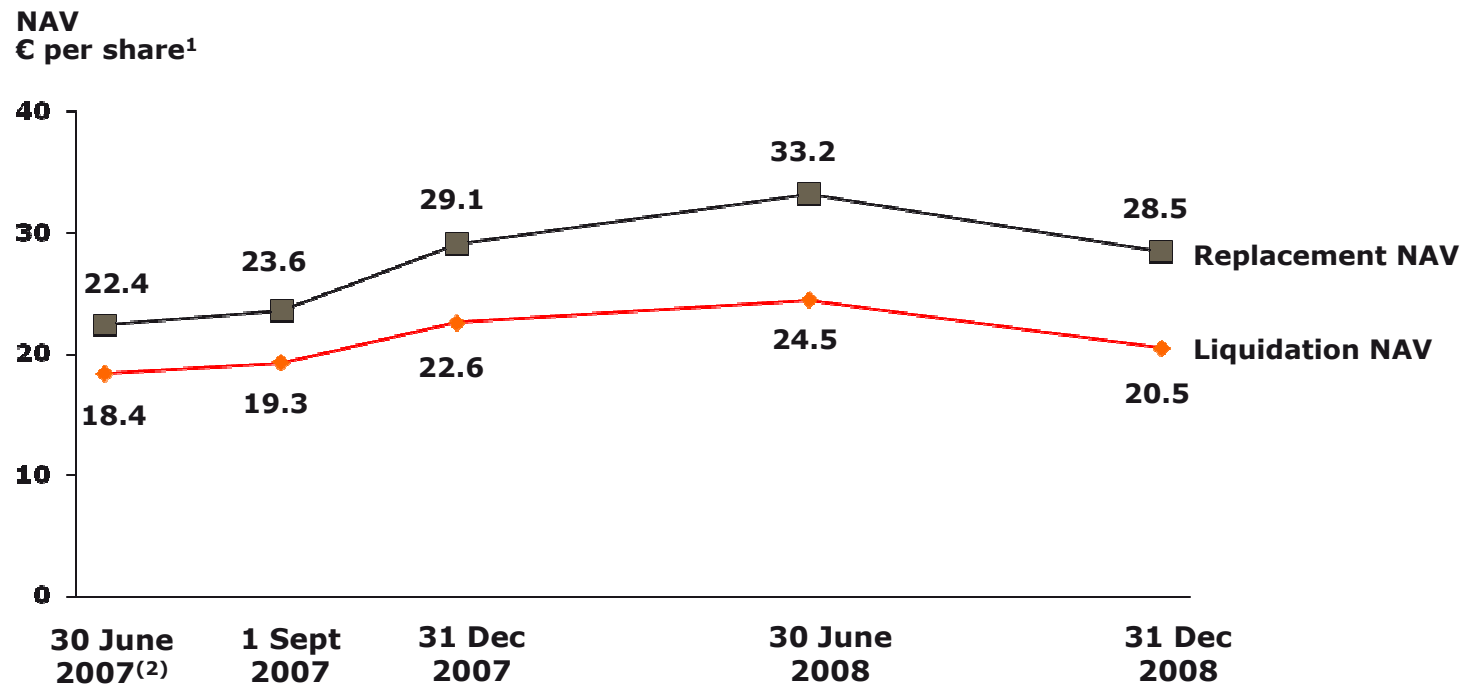
## As of 31 December 2008

- **Cost of debt**
  - Bond rate 5%
  - Bank loans: average margin of 110 bps
  - 100% hedged by caps
  
- **LTV = Bank loans / Appraisal value<sup>1</sup> = 74%**

<sup>1</sup> Excluding transfer taxes

# Net Asset Value per share

- **Replacement NAV: -2.1% in 2008**
- **Liquidation NAV: -9.4% in 2008**



<sup>1</sup> On the basis of the number of shares at the end of the period, restated for treasury shares

<sup>2</sup> Pro forma accounts as of 30.06.2007





## Recent events and outlook



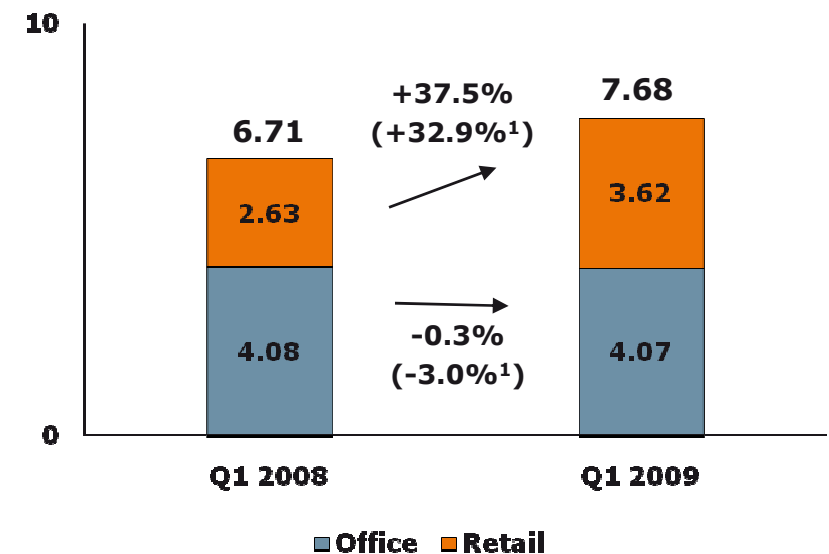
## Further progress in asset management during the 1<sup>st</sup> quarter of 2009

- **Signing of new leases**
  - **4** for office properties and **12** for retail properties
  - Additional annual rental income: **€1m**
  
- **Key milestones achieved in value-enhancement programmes**
  - Les Halles, Amiens:
    - **Reopening in February 2009 after completion of restructuration works**
  - Carré Vélizy, Vélizy-Villacoublay:
    - **Conversion of 2,500 sqm of office space into a mid-size store operated by Habitat : start of works early 2009**
    - **Store opening planned for end of 2009**
  - Croix de Chavaux, Montreuil:
    - **Building permit free of any recourse**

# Sustained growth in rental income in 1<sup>st</sup> quarter of 2009

- **Q1 2009 total sales:**
  - **€7.7m**, up **14.5%** compared with Q1 2008
  
- **A 10.9% increase in total sales on a like-for-like basis**
  - Office property
    - Partial vacancy of Solis in Les Ulis and Carré Vélizy in Vélizy-Villacoublay
    - Departure of the tenant at Cap Cergy
    - Positive indexation effect
    - Signing of new leases
  - Retail property
    - Opening of Marques Avenue A6 shopping centre
    - Strong indexation effect
    - Pro active commercial management

Gross rental income  
€ in million

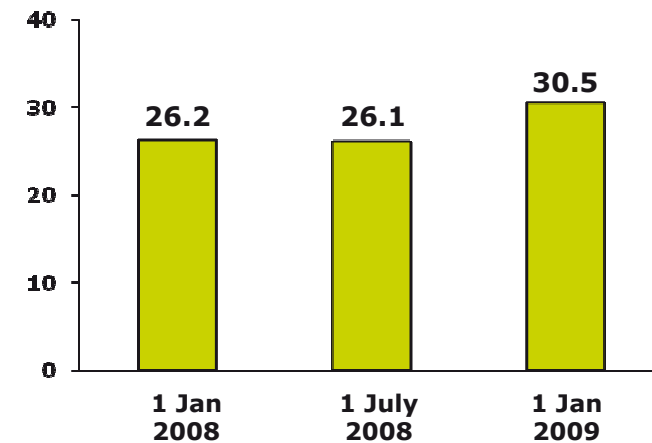


<sup>1</sup> Growth on a like-for-like basis

■ **Quality of MRM asset portfolio:**

- Office property:
  - **56.5% of rents secured<sup>2</sup> beyond 3 years**
  - **Attractive assets well-suited for quality tenants (EDF = 42% of 2008 rental income)**
- Retail property:
  - **Various typologies of assets**
  - **Diversification of rents**

Total net annualised rent<sup>1</sup>  
€ in million



■ **2009 outlook:**

- 2009 cash flow after cost of debt and before capital expenditure expected to be positive
- Expectations reinforced by significant reduction in financial expenses thanks to the drop in interest rates

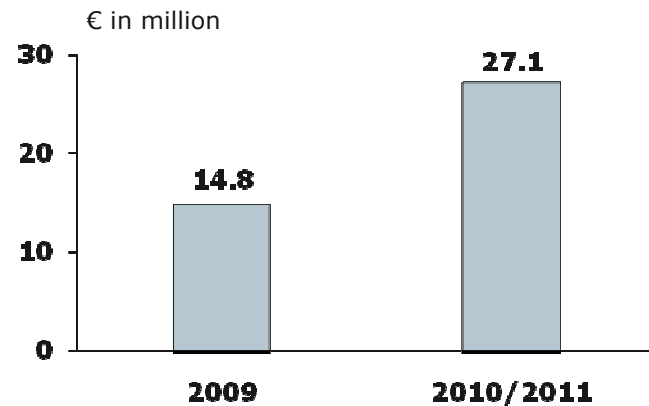
<sup>1</sup> Excluding taxes, charges, rent-free periods and improvements and charges relating to buildings undergoing redevelopment <sup>2</sup> Firm leases or leases with penalties for early break-up

- **MRM adapts itself to the current economic and financial conditions while pursuing investments in value-enhancement programmes**
  
- **Measures implemented early 2009:**
  - Focusing investments on existing assets with a more selective approach
  - Cost cut
  - Arbitrage operations
  - Restructuring of financing lines

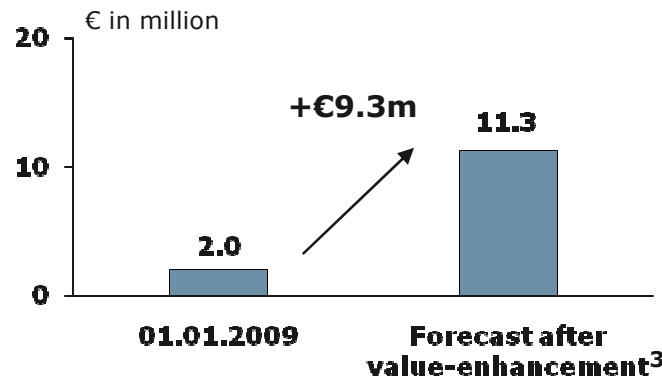
# Strong potential for value creation

## Office property:

- 7 buildings with value-added opportunities
- Value<sup>1</sup> of **€101.3m**
- Projected CAPEX over 3 years: **€41.9m**

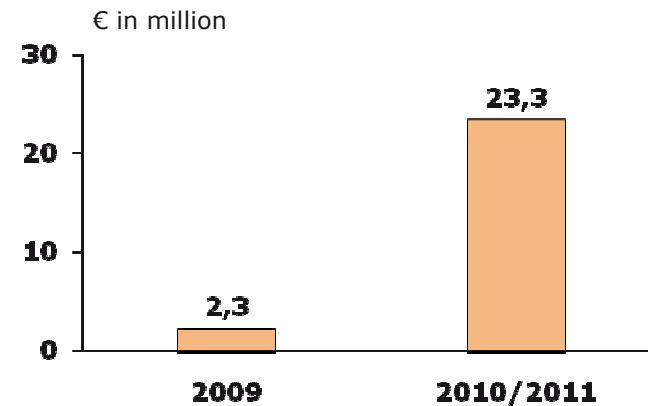


## Net annualised rent<sup>2</sup>

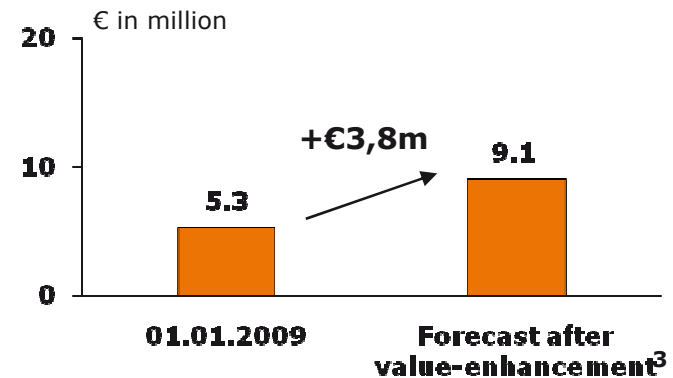


## Retail property:

- 4 properties with value-added opportunities
- Value<sup>1</sup> of **€109.4m**
- Projected CAPEX over 3 years: **€25.6m**



## Net annualised rent<sup>2</sup>



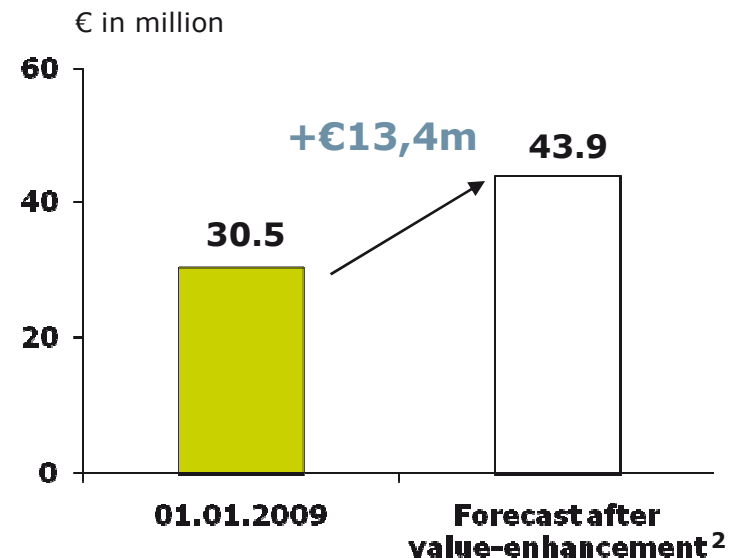
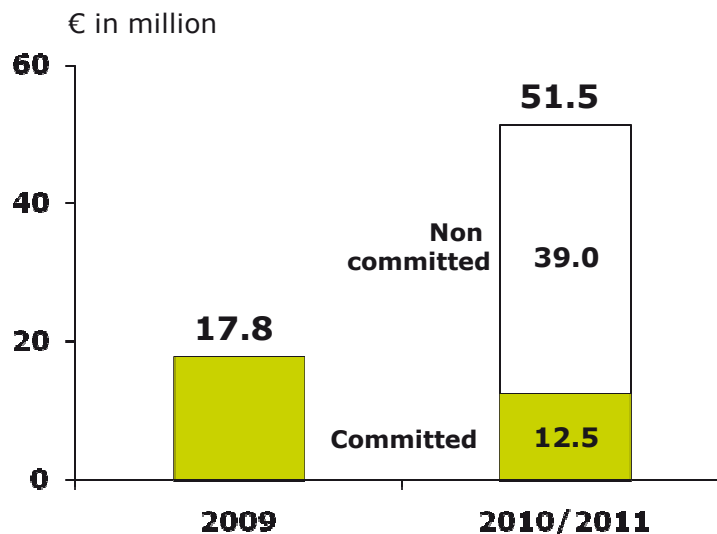
<sup>1</sup> Appraisal value excluding transfer taxes as of 31 December 2008 <sup>2</sup> Excluding taxes, charges, rent-free periods and improvements and charges relating to buildings undergoing redevelopment <sup>3</sup> Excluding indexation

# Existing flexibility within investment programmes

- **Gradual commitment of CAPEX while preserving the potential for value creation**

- Projected CAPEX over 3 years: **69,3 M€**

- Net annualised rent<sup>1</sup>



<sup>1</sup> Excluding taxes, charges, rent-free periods and improvements <sup>2</sup> Excluding indexation

- **Target:**
  - Asset disposals for a total amount of **€120m** by **2009-2010**
  
- **Already achieved:**
  - Sale of a portfolio of shop units with a total area of 1,800 sqm and located rue du Faubourg Saint-Honoré in Paris (8<sup>e</sup>)
    - **Agreements finalised in February and March 2009**
    - **A total price of €13.2m, i.e. +8% vs appraisal value as of 31 December 2008**
  
- **Other disposals currently under consideration**



# Restructuring of financing lines

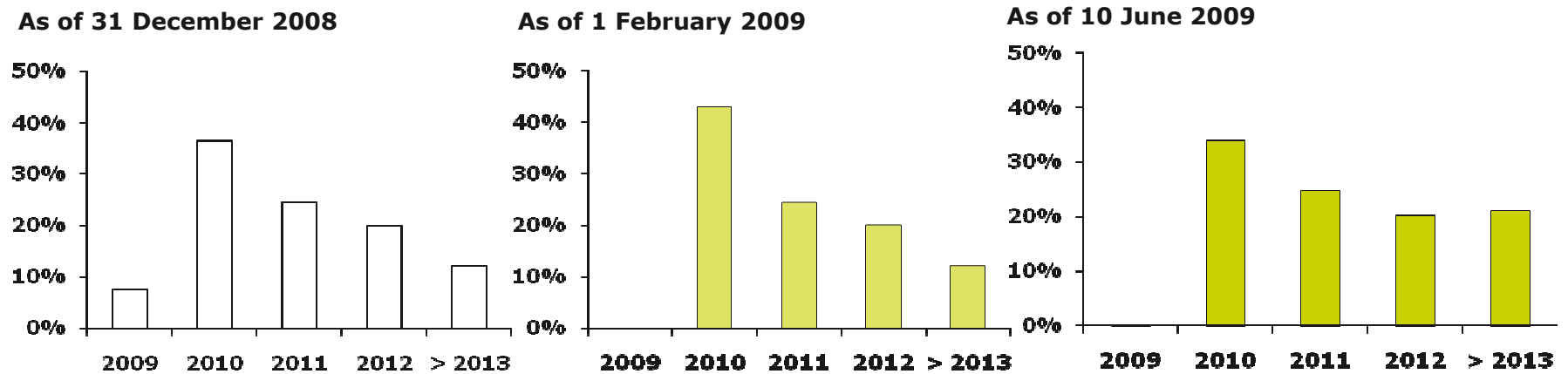
- **February 2009:**

- 1-year extension (from 2009 to 2010) of a €29.3m credit line

- **June 2009:**

- A new €35m credit line with a 5-year maturity (due in 2014):
  - A 29.0 M€ partial repayment of a short term credit line (maturing in 2010)
  - Contribution to cash flow requirements for 2009 CAPEX

Repayment dates for credit lines (as a percentage of total bank loans)



# MRM Appendices



# Portfolio summary as of 31.12.2008

	<b>Offices</b>		<b>Retail property</b>		<b>Total</b>
	<b>stabilised</b>	<b>value-added opportunities</b>	<b>stabilised</b>	<b>value-added opportunities</b>	
<b>Area</b>	<b>48,725 sqm</b>	<b>59,506 sqm</b>	<b>75,769 sqm</b>	<b>31,941 sqm</b>	<b>215,941 sqm</b>
<b>Appraisal value</b>	<b>€202.6m</b>	<b>€101.3m</b>	<b>€123.8m</b>	<b>€109.4m</b>	<b>€537.1m</b>
<b>Occupancy rate</b>	<b>98%</b>	<b>26%</b>	<b>98%</b>	<b>74%</b>	<b>75%</b>
<b>Net annualised rent<sup>1</sup></b>	<b>€14.4m</b>	<b>€2.0m</b>	<b>€8.8m</b>	<b>€5.3m</b>	<b>€30.5m</b>
<b>Yield</b>	<b>7.1%</b>	<b>N/A</b>	<b>7.1%</b>	<b>N/A</b>	<b>N/A</b>
<b>3-year capex<sup>2</sup></b>	<b>€1.5m</b>	<b>€41.9m</b>	<b>€0.3m</b>	<b>€25.6m</b>	<b>€69.3m</b>
<b>Forecast net rent<sup>1,3</sup> after value-enhancement</b>	<b>€14.5m</b>	<b>€11.3m</b>	<b>€9.0m</b>	<b>€9.1m</b>	<b>€43.9m</b>

<sup>1</sup> Value as of 1 January 2009, excluding rent-free periods, improvements and charges relating to properties undergoing redevelopment <sup>2</sup> Projected investment from 1 January 2009 to 31 December 2011 <sup>3</sup> Excluding indexation

31.12.2008

## Stabilised office assets

- 1 Crysalis, Nanterre (92) - 10,200 sqm
- 2 Clichy-La-Garenne (92) - 6,200 sqm
- 3 Levallois-Perret (92) - 4,500 sqm
- 4 Cap Cergy, Cergy-Pontoise (95) - 6,400 sqm
- 5 Paris 12<sup>e</sup> (75) - 2,900 sqm
- 6 Boulogne-Billancourt (92) - 2,900 sqm
- 7 Paris 9<sup>e</sup> (75) - 2,500 sqm
- 8 Paris 14<sup>e</sup> (75) - 1,700 sqm
- 9 Rueil-Malmaison (92) - 4,500 sqm
- 10 Puteaux (92) - 5,900 sqm
- 11 Paris 2<sup>e</sup> (75) - 1,100 sqm

## Offices with value-added opportunities

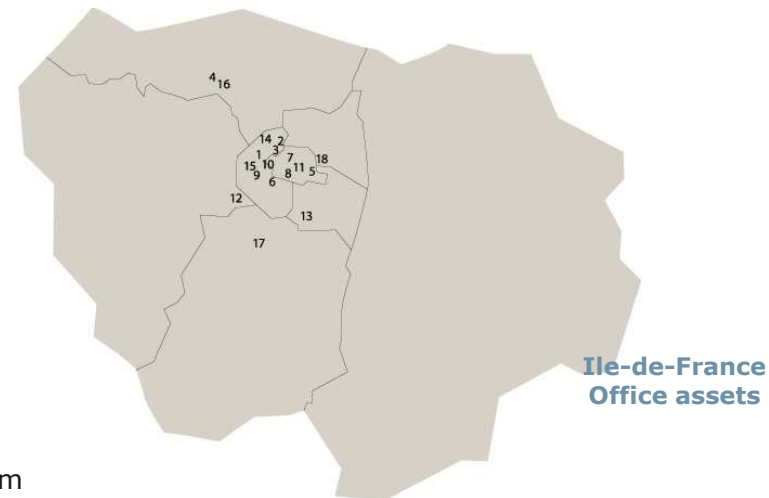
- 12 Carré Vélizy, Vélizy-Villacoublay (78) - 10,600 sqm
- 13 Delta, Rungis (94) - 8,700 sqm
- 14 Nova (ex Charlebourg), La Garenne-Colombes (92) - 10,700 sqm
- 15 Cytéo, Rueil-Malmaison (92) - 4,000 sqm
- 16 Cap Cergy, Cergy-Pontoise (95) - 7,100 sqm
- 17 Solis, Les Ulis (91) - 10,700 sqm
- 18 Croix de Chavaux, Montreuil (93) - 7,800 sqm

## Stabilised retail assets

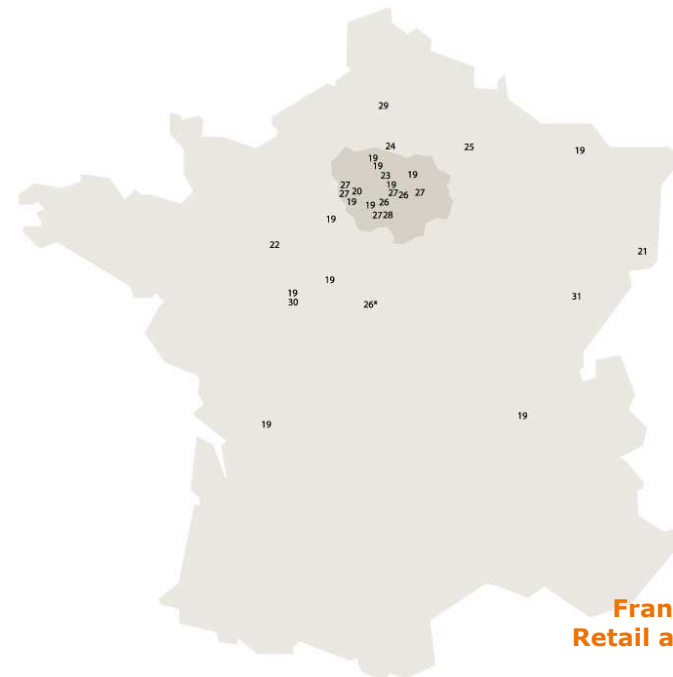
- 19 Box Portfolio - 13,400 sqm, multiple locations
- 20 Sud Canal, Saint-Quentin-en-Yvelines (78) - 11,700 sqm
- 21 Passage de la Réunion, Mulhouse (68) - 6,000 sqm
- 22 Allonnes (72) - 9,000 sqm
- 23 Paris 8<sup>e</sup> (75) - 1,800 sqm (sold on Q1 2009)
- 24 Chambly (60) - 5,300 sqm
- 25 Reims (51) - 2,600 sqm
- 26 Gamm Vert Portfolio - 23,800 sqm, multiple locations  
\* 11 garden centres and 1 warehouse
- 27 Pizza Hut Portfolio - 2,300 sqm, multiple locations

## Retail assets with value-added opportunities

- 28 Marques Avenue A6, Corbeil-Essonnes (91) - 13,200 sqm
- 29 Les Halles, Amiens (80) - 7,400 sqm
- 30 Galerie du Palais, Tours (37) - 6,600 sqm
- 31 Ecole-Valentin, Besançon (25) - 4,700 sqm



Ile-de-France  
Office assets



France  
Retail assets