

SIIC PAREF, a property company specialised in property investment and management on behalf of third parties, announces quarterly revenue of €6.4 million, an increase of 13% compared with the first quarter of 2014.

1 – Property assets and Group debt

1.1 Property portfolio

The following events have affected the consolidated property portfolio since 1 January:

In February 2015, a 6-year fixed lease and a purchase option exercisable after 3 years were signed with the current tenant of the office and warehousing building located in Aubergenville for rent of €0.28 million.

A further 12-month short-term lease was signed for the entire La Houssaye building (14,438 m²) with TBI Logistique, with effect from 1 April 2015, for rent of €0.29 million per year exclusive of tax and rental charges.

As part of the restructuring of its group, the tenant at the Gaïa building (owned by the equity-accounted entity Watford), which had taken out a 1,400 m² lease in May 2014, had to rejoin its parent company and requested the termination of its 6-year fixed lease. An agreement was reached in March 2015. In consideration for the lease cancellation, the tenant paid compensation that will be recognised over the 2015 financial year. "Le Gaïa" is currently being marketed to single or to multiple tenants.

A €0.65 million undertaking to sell in relation to a unit of the Chennevières sur Marne building (Interpierre) was signed in January and contracts were exchanged during April.

The value of the Group's property portfolio was €174.4 million at the end of March, unchanged from 31 December 2014.

An undertaking to sell subject to conditions precedent, regarding securing planning permission, was signed on 1 April in relation to the office and warehouse building located at Rue Foch in Vaux-le-Pénil (77).

1.2 Financial debt

Total Group financial debt was €73.9 million at 31 March 2015, compared with €75.2 million at 31 December 2014. The €1.3 million movement was due to debt amortisation.

Including cash and cash equivalents of €14.6 million, the consolidated net financial debt was €59.3 million, to which may be added the €8.3 million net share of Wep Watford's debt.

The LTV ratio (net financial debt to property portfolio value), including the share of the Gaïa building owned by Wep Watford, an equity-accounted company, was 39%, compared with 41% at the end of December.

¹ Unaudited figures

An amendment to Wep Watford's loan agreement was signed in April to refinance Gaïa until 30 June 2016.

2. – Assets under management

Assets managed or owned by the Group increased significantly compared with 31 December 2014 due to the new OPCI created by Paref Gestion, “54 Boétie”.

On 7 January 2015, the OPCI “54 Boétie” was established following AMF approval; it is managed by Paref Gestion in partnership with an international asset manager on behalf of Asian investors. On 28 February 2015, an SCI (property investment partnership) which owns a single-tenant building located at Rue de la Boétie, with an asset value of €318 million, was transferred to this OPCI. The net value of the OPCI was €69 million following the contribution.

Since Paref Gestion acts as SCP (Asset Management Company) on behalf of the OPCI “54 Boétie”, the assets of this OPCI were included in assets under management in accordance with AIFM rules, although the management of these assets is delegated to an external provider.

The assets managed by Paref Group at 31 March 2015 may be analysed as follows:

ASSETS MANAGED BY PAREF GROUP

Capital under management	31 Mar. 15		31 Dec. 14		Change	
	m2	€K	m2	€K	m2	€K
Paref Group (1)	205,784	174,426	209,065	174,526	-1.6%	-0.1%
Interpierre France	50,498	33,031	50,478	29,869	0.0%	10.6%
Novapierre 1	52,167	151,360	52,031	151,543	0.3%	-0.1%
Pierre 48	50,265	302,379	52,520	305,202	-4.3%	-0.9%
Capiforce Pierre	22,946	50,566	22,946	50,566	0.0%	0.0%
Novapierre Germany	12,525	52,522	12,525	42,015		
Total SCPIs (2)	188,401	589,859	190,500	579,195	-1.1%	1.8%
Vivapierre (2)	53,833	112,810	53,833	114,575	0.0%	-1.5%
54 Boétie (2)	18,863	318,000			n/s	n/s
Total OPCIs	72,696	430,810	53,833	114,575	1.0%	276.0%
Third parties	11,171	24,339	11,155	31,546	0.1%	-22.8%
Usufructs (3)	(5,634)		(11,196)			
Interpierre (3) (4)	(50,498)	(33,031)	(50,478)	(29,869)		
Vivapierre and other SCPIs (4)		(11,686)		(11,496)		
Grand total	421,920	1,174,717	402,879	858,476	4.7%	36.8%
of which management on behalf of third parties:	272,268	1,045,008	255,488	725,316	6.6%	44.1%

(1) appraised value of assets at year-end (including 50% of Wep Watford and the SCPIs/OPCIs)

(2) appraised value of assets under management at the balance sheet date

(3) floor area counted both by Pierre 48 (bare owner) and Paref or third party under management (usufructuary)

(4) value counted both by Paref Group (consolidated data) and the SCPIs/OPCIs

3. – First quarter revenues: up 13% to €6.4 million

Revenue (€ millions)	First quarter 2015	First quarter 2014	% change	FY 2014
Rent and costs recovered	4.1	4.0	0.1%	16.6
rent	3.2	3.4	-5.7%	13.4
costs recovered	0.9	0.7	28.2%	3.2
residential	0.3	0.5	-41.8%	1.9
commercial	3.8	3.6	5.8%	14.7
Management fees	2.3	1.6	45.5%	6.8
Consolidated IFRS revenue	6.4	5.7	13.0%	23.4

3.1 - Rental income stability

Rent (and costs recovered) for the first three months of 2015 amounted to €4.05 million, unchanged from the first quarter of 2014. This stability can be explained as follows: acquisitions (up €0.5 million), disposals (down €0.4 million), end of usufructs (down €0.2 million) and new leases (up €0.1 million).

On a constant group structure basis (excluding 2014 sales), rental income increased by €0.1 million.

The occupancy rate at 31 March 2015 was 92.6% excluding Gaïa, compared with 92.9% at the end of December 2014 (82.5% vs. 84.0% in total).

3.2 Increase in SCPI subscription fees

Increase in SCPI subscription fees thanks to Novapierre Germany and Interpierre France

During the first quarter of 2015, management and subscription fees totalled €2.33 million compared with €1.60 million for the same period in 2014.

Subscription fees increased thanks to SCPI Novapierre Germany which continued to raise a healthy level of funds (€14 million). Fundraising at Interpierre France also grew reaching €3 million. Subscription fees totalled €1.57 million (including €1.18 million from Novapierre Germany), compared with €0.77 million in the first quarter of 2014 (including €0.56 million from Novapierre Germany).

Management fees on property assets represented €0.76 million, compared with €0.84 million over the first quarter of 2014. The increase in Novapierre Germany's management fees was offset by the decline in Vivapierre and Pierre 48 fees.

4 – Annual General Meeting

The Company's shareholders are invited to attend the Combined Annual General Meeting to be held on Tuesday 19 May at 4.30 pm, at the Musée des Arts & Métiers, 60 rue Réaumur (75003) Paris. A dividend of €3, unchanged from last year, will be submitted for approval by the General Meeting. The ex-dividend date will be 28 May.

5 – Share capital ownership

During the quarter, the Company was made aware of the following threshold crossings:

On 9 February 2015, ORFIM advised that it had fallen below a threshold and no longer owned any shares at that date.

In February 2015, APICIL advised that it had exceeded a threshold and held more than 5% of the share capital (60,896 shares).

In January 2015, SPIRIT advised that it had crossed the 2%, 3% and 4% statutory thresholds and held 53,732 shares representing 4.44% of the share capital and 2.88% of the voting rights.

6 – Outlook

The first quarter was particularly busy for PAREF Group, with, concerning the Property Investment business, both the continuation of selective disposals and significant new leases, and for the Management business, securing the “54 Boétie” commission and the continued success of Novapierre Germany. The Group is also studying acquisition opportunities which should be finalised shortly.

Building on these achievements, the Company will continue to roll out its strategy over the course of the financial year, in particular by pursuing investments and its commercialisation of the Le Gaïa building, whilst leveraging the success of Property Management to develop the range of SCPIs and OPCIs.

*PAREF shares have been listed on Compartment C of the NYSE Euronext Paris Stock Exchange since December 2005
ISIN Code: FR00110263202 - Ticker: PAR*



Alain PERROLLAZ
Chairman of the Management Board

Olivier DELISLE
Member of the Management Board

Tel: +33 1 40 29 86 86

Citigate
Dewe Rogerson

Lucie LARGUIER

*Tel: +33 1 53 32 84 75
lucie.larguier@citigate.fr*

For further information, please visit our website: www.paref.com