

SIIC PAREF, a property company specialised in property investment and management on behalf of third parties, announces revenues of € 16.8 million for the first nine months of the year, compared to € 18.2 million for the year to 30 September 2012.

1 – Property assets and Group debt

1.1 Property portfolio

The following changes have affected the consolidated property portfolio since 30 June:

- Construction of the “Gaïa” building (an 11,000 m² high environmental quality, low energy consumption office building located in Nanterre) was completed on 18 September 2013. Delivery is scheduled for 18 November. Marketing of the building is in progress, with prospecting being directed at either single or multi tenants (starting from 4,000 m²).
- The main tenant of La Courneuve, which held a call option, has expressed an interest in purchasing the whole site. Discussions are underway and the sale is expected to proceed rapidly.

The value of the Group’s property portfolio, based on the appraised values of buildings at 30 June 2013, totalled € 180 million at the end of September 2013, compared to € 172 million at the end of December. This figure includes SCPI and OPCI shares valued at € 12.0 million (based on share prices at 30 September).

The increase in the value of the portfolio is primarily due to the Group’s share of work carried out on the “Gaïa” building, which represented € 8.3 million.

1.2 Financial debt

Total Group financial debt was € 78.1 million at 30 September 2013, compared to € 80.4 million at 30 June 2013. The € 2.3 million movement was due to debt amortisation.

Including escrow accounts of € 2.0 million and cash and cash equivalents of € 9.4 million, the consolidated net financial debt was € 65.5 million.

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 42.1%, compared to 42.0% at the beginning of the year, with debt amortisation and the sale of the Rueil building during the 1st half of the year offsetting the negative impact of drawdowns on the loan facility held by Wep Watford.

¹Unaudited figures

2. – Revenues

Revenues for the third quarter of 2013 were stable at € 5.4 million, compared to € 5.5 million for the same period of 2012.

Cumulative revenues for the first 9 months of the 2013 financial year totalled € 16.8 million, a decline of 8.1% compared to the first 9 months of 2012.

| Revenues (€ millions) | Q3 2013 | Q3 2013 | Year to 30/09/2013 | Year to 30/09/2012 | % change |
|---------------------------|---------|---------|--------------------|--------------------|----------|
| Rent and cost recovered | 4.2 | 4.3 | 12.7 | 13.7 | -7.1% |
| residential | 0.5 | 0.5 | 1.4 | 2.0 | -28.8% |
| commercial | 3.7 | 3.8 | 11.3 | 11.7 | -3.4% |
| Management fees | 1.2 | 1.2 | 4.1 | 4.6 | -10.9% |
| Consolidated IFRS revenue | 5.4 | 5.5 | 16.8 | 18.2 | -8.1% |

2.1 - Decline in rental income following selective disposals in 2012 and 2013 and the maturing of certain residential usufructs

Rent and costs recovered for the year to 30 September 2013 totalled € 12.7 million, compared to € 13.7 million over the same period of the previous financial year, a decline of € 1.0 million. This change was due to:

- The acquisition of the Lyon and Combs-la-Ville buildings, with a positive impact of € 0.3 million;
- The usufructs of the Bastille, Saint Antoine, Maurice de Fontenay and Lafayette buildings reaching maturity (negative impact of € 0.5 million);
- The disposal of the Berger, Roule, Rivoli and Les Ulis buildings effected in 2012, and Rueil in 2013 (negative impact of € 0.4 million);
- The renegotiation of leases, representing a negative impact of € 0.4 million (namely Saint Maurice and Gentilly buildings);
- Vacated buildings, with a negative impact of € 0.3 million;
- Other causes, particularly including rent indexing and step up leases, with a positive impact of € 0.3 million.

On a constant group structure basis, excluding acquisitions, disposals and the maturing of usufructs, rental income declined by € 0.4 million.

The occupancy rate was 87% at the end of September, a 1% decline compared to the end of June. After restatement for properties for which an undertaking to sell has been signed, occupancy was 92%.

2.2 – Management on behalf of third parties: increase in recurring management fees but decline in SCPI subscription fees

Recurring SCPI management fees (fees from assets under management) continued to increase to € 2.2 million (€ 2.1 million for the year to 30 September 2012) as a result of growth in managed assets (€ 670 million at 30 September 2013, compared to € 593 million at 31 December 2012 – see below), of which € 42 million was attributable to the takeover of Capiforce Pierre.

Over the first nine months of the 2013 financial year, variable-capital SCPI managed by PAREF GESTION (Pierre 48, Novapierre 1 and Interpierre France) raised € 23 million.

Subscription fees (excluding Interpierre France, a consolidated entity) thus represented € 1.8 million, compared to € 2.4 million for the same period of 2012.

OPCI management fees totalled € 0.4 million, compared to € 0.6 million for the year to 30 September 2012. This decline was due to fees from Naos, whose commission terminated in 2012.

The assets managed by the Group at 30 September 2013 may be analysed as follows

ASSETS MANAGED BY PAREF GROUP

| Capital under management | 30 Sept. 2013 | | 31 Dec. 2012 | | Change | |
|--|----------------|----------------|----------------|----------------|------------|-------------|
| | m2 | € thousands | m2 | € thousands | m2 | € thousands |
| Paref Group (1) | 232,136 | 180,141 | 230,373 | 172,144 | 1% | 5% |
| Interpierre France | 52,380 | 26,406 | 47,779 | 23,743 | 10% | 11% |
| Novapierre 1 | 51,939 | 149,096 | 49,552 | 145,874 | 5% | 2% |
| Pierre 48 | 52,700 | 301,403 | 52,660 | 281,728 | 0% | 7% |
| Capiforce Pierre | 26,613 | 42,292 | | | | |
| Total SCPIs (2) | 183,632 | 519,198 | 149,991 | 451,345 | 22% | 15% |
| Vivapierre (3) | 53,833 | 120,350 | 53,833 | 118,500 | 0% | 2% |
| Third parties | 11,069 | 30,713 | 11,069 | 22,904 | 0% | 34% |
| Total Management on behalf of third parties | 248,534 | 670,261 | 214,893 | 592,749 | 16% | 13% |
| Usufructs (4) | (14,391) | | (14,391) | | | |
| Interpierre (5) | (52,380) | (26,406) | (47,779) | (23,743) | | |
| SCPIs and OPCIs held by the Group (5) | | (12,020) | | (10,847) | | |
| Grand Total | 181,763 | 811,976 | 152,723 | 730,303 | 19% | 11% |

(1) appraised value of assets at 30 June 2013 including 50% of Wep Watford and SCPI and OPCI shares held

(2) capitalisation at the balance sheet date based on share issue prices at that date

(3) appraised value of assets at the balance sheet date

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

(5) value counted both by Paref Group (consolidated data) and the SCPI or OPCI

4 – Outlook

During the fourth quarter, Paref expects to complete the ongoing selective disposal programme (with the sale of the Fontenay, Gentilly and La Courneuve buildings). The proceeds from these disposals will be invested in projects under consideration and which are consistent with Paref's strategy.

Paref Gestion will continue to develop its diversified SCPI range, currently comprising Novapierre 1 (retail stores), Pierre 48 (residential property in Paris and the Paris region), Interpierre France (offices and business premises) and Capiforce Pierre (diversified SCPI).

A new product invested in German retail stores will be launched during the fourth quarter, in partnership with an experienced and solid player recognised for its capacity to operate under this investment strategy.