

*PUBLICATION OF 2007 FULL-YEAR REVENUE*

**€190 MILLION PROPERTY ASSETS  
AND €305 MILLION ASSETS UNDER MANAGEMENT  
REVENUE UP 54%**

PAREF, a real estate company specialising in property investments and management for third parties, announced 2007 full-year revenue of € 17.3 million at 31 December 2007, a 54% increase compared to the previous year.

Based on recurring items (excluding property dealing activity), year-on-year growth was 63%. 4<sup>th</sup> quarter revenue grew 69% to € 5.6 million, thereby confirming the trend observed throughout the year.

(€thousands)	Consolidated revenue under IFRS	
	2007	2006
9-months revenue	11,729	7,939
4 <sup>th</sup> quarter revenue	5,559	3,283
<b>Total consolidated revenue</b>	<b>17,288</b>	<b>11,222</b>
Rent and costs recovered	11,984	5,921
<i>residential</i>	2,360	2,020
<i>commercial</i>	9,624	3,901
Management fees	4,324	4,074
<b>Total recurring activities</b>	<b>16,308</b>	<b>9,995</b>
Property dealing	980	1,227

**Strong growth by the Group's two businesses**

***Rental income up 102%***

Rental income and costs recovered doubled in 2007, due to the combined effect of the Company's growing property assets and rent indexing, totalling € 12 million at 31 December.

***Management fees on behalf of third parties up 6%***

At 31 December 2007, PAREF Gestion managed total assets of € 495 million, including PAREF's own assets. Management of non-group assets (SCPIs and institutional investors) represented € 305 million, compared to € 255 million a year earlier.

The capitalisation of the Group's 3 SCPI's increased by 21% in 2007, distributed as follows: SCPI Pierre 48 (€226 million), Novapierre (€48 million) and Interpierre (€5 million).

Fees generated by PAREF Gestion, a fully-owned Group subsidiary, grew 6% in 2007 to €4.3 million, due to the increased value of assets under management.

### **€109 million property investments in 2007**

In line with its growth strategy, PAREF implemented a significant investment programme in 2007, both in the Paris region and in the rest of France. A total € 109 million in official contracts, excluding stamp duty, was signed in 2007. These acquisitions may be analysed as follows:

- 20 commercial buildings of a total 139,000 m<sup>2</sup> floor area, for a total purchase price excluding stamp duty of approximately €104 million,
- € 3 million and € 2 million in usufruct acquisitions and SCPI share purchases, respectively.

Note PAREF had made investments of € 33 million in 2006, of which € 31 million for the acquisition of 6 commercial buildings and €2 million in SCPI share purchases.

### **€190 million Group property assets**

According to valuations carried out at the end of the year by Foncier Expertise, the value of Group property assets, excluding stamp duty and acquisition costs and excluding SCPI shares (€ 6 million), amounted to € 190 million, up 150% from 31 December 2006. This portfolio yielded an overall gross return of 8.7%.

Even though returns rose in the second half-year, the appraisal value of buildings acquired before 1 January 2007 increased by € 1 million, which testifies to the quality of these assets and how safe they are.

The fair value of acquisitions carried out in the course of 2007 exceeded the acquisition price, excluding stamp duty, by more than € 12 million, which reflects the quality of 2007 acquisitions and how cautious PAREF is in agreeing purchase prices.

As a result, replacement NAV per share, which was € 88.6 and € 94.8 at 31 December 2006 and 30 June 2007 respectively, should continue to rise.

### **A sound financial position**

Within the current market environment, PAREF Group wishes to highlight its sound financial position:

- LTV was 66% at end 2007, in line with Group objectives,
- More than 97% of outstanding debt was contracted at a fixed rate or is covered by a cap or a swap,
- Debt repayments will be limited to €6 million in 2008 and €7 million in 2009 and 2010,
- Excluding the French State and France Télécom, the top tenant represented less than 7% of rental income at 31 December 2007.

### **Planned 8% dividend increase**

Subject to financial statements finalisation, a cash dividend of € 3.25 €/share, up 8% compared to the dividend paid in respect of the previous financial year, will be submitted for approval to the Annual General Meeting planned for 14 May next.

## Continuing implementation of the growth strategy in 2008

Taking account of its performance and the quality of the strategy implemented, the Management of PAREF Group is confident in the continuing rapid development of both its investment and management for third parties activities.

In 2008, PAREF Group and its personnel will focus their efforts on the following 2 strategic areas:

- Continue cautious investments in corporate assets located in and out of the Paris region, making the most of opportunities which will certainly arise as a result of the current market fluctuations,
- Develop the management for third parties activity, through the 3 existing SCPIs and the launch of several OCPIs in the first half of 2008.

*Shareholders' agenda: presentation of 2007 annual results, 20 March 2008*

### About PAREF

**PAREF Group operates in two major areas:**

- **Commercial and residential investments:** PAREF owns various commercial buildings in and out of the Paris region. The Group also owns the temporary usufruct of residential in Paris.
- **Management for third parties:** PAREF GESTION, an AMF-certified subsidiary of PAREF manages 3 SCPIs. PAREF GESTION plans on launching an OPCI offering in 2008, targeting for both individual and institutional investors.

**At 31 December 2007, PAREF Group owned nearly € 200 million in property assets and managed assets worth more than € 300 million on behalf of third parties.**

**PAREF shares have been listed on Eurolist Compartment C of the Euronext Paris Stock Exchange since December 2005**

**ISIN code: FR00110263202 - Ticker: PAR**



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