Press release

Paris, 20 March 2008, 8 am

VOTRE CAPITAL PIERRE

ANNUAL RESULTS AT 31 DECEMBER 2007

STRONG RESULTS GROWTH

- *Operating profit after value adjustment: + 81% to € 13.1 million*
- *14.3% year-to-year increase in adjusted NAV per share*

The PAREF Management Board meeting of 19 March 2008, chaired by Hubert Lévy-Lambert, approved the Group's consolidated financial statements for the 2007 financial year ended 31 December 2007 and submitted them to the Supervisory Board.

Nearly 150% increase in property assets

- PAREF Group markedly stepped up its investments in 2007 with the acquisition of 20 commercial buildings, of a total 139,000 m^2 floor area, as well as residential usufructs and SCPI shares.
- The total value of official deeds signed in 2007 was € 109 million, excluding stamp duty (compared to € 33 million in 2006). At 31 December, the value of these acquisitions exceeded their purchase price, excluding stamp duty, by more than € 12 million, reflecting PAREF's aptitude in selecting assets and negotiating their price.
- As part of its arbitration policy, PAREF sold the premises of its hotel located in Paris, Rue du Helder in March 2007 for € 4.85 million (expertly valued at € 3.25 million at end 2005).
- The appraisal value of the Group's property assets, excluding stamp duty and acquisition costs was € 196 million at end 2007 (of which € 6 million in SCPI), a 141% increase compared to 2006 (€ 81.2 million). This portfolio is achieving an overall gross yield of 8.6%.

Main IFRS Income Statement items

(€ thousands)	2007	2006
Rental income	9,287	4,758
Management & subscription fees	4,096	4,073
Other revenue	1,156	16
Profit margin on property transactions	435	200
Gross operating profit	**9,229**	**4,109**
Net movement in investment property fair value	3,844	3,089
Operating profit after value adjustment	**13,073**	**7,198**
Borrowing costs	**(3,653)**	**(1,529)**
Other financial income and expenses	**888**	**1,294**
Profit before tax	**10,308**	**6,963**
Income tax	(882)	2,167
Net profit – Group share	**9,426**	**9,130**
Adjusted, weighted and diluted earnings per share (€)	*10.75*	*12.58*

Strong growth by all the Group's businesses

Rental income

- Rental income (€ 9.3 million compared to € 4.8 million in 2006) virtually doubled due to the combined effect of the Company's growing property assets and rent indexing.
- The occupancy rate was 87%, but should rapidly increase again following the sale of the Gentilly building and the start of rental of the Courneuve building. These two buildings account for 10% of m^2 owned by PAREF Group.

Management fees on behalf of third parties

- Fees generated by PAREF GESTION only slightly increased in 2007 to € 4.1 million, as collection was intentionally stabilised to remain in line with the investment potential of SCPIs under management.
- Assets managed on behalf of third parties (SCPI and institutional investors) totalled € 305 million, a 20% increase compared to 2006 (€ 255 million).

Other revenues

- The Group received compensation of € 887 thousand within the context of a litigation against the beneficiary of an undertaking to sell signed in March 2005 in respect of a building located in Courbevoie.

Strong growth in operating profit after value adjustment

- Gross operating profit increased 124% to € 9.2 million compared to € 4.1 million in 2006.
- Operating profit after adjustment of investment property value grew by 81% to € 13.1 million compared to € 7.2 million in 2006.

Profit before tax (+48 %)

- Profit before tax improved by 48% to € 10.3 million, from € 7 million.
- Consolidated profit, group share amounted to € 9.4 million compared to € 9.1 million in 2006. The small increase was due to income tax, which was a € 0.9 million charge in 2007, compared to a tax income of € 2.2 million in 2006 due to the adoption of the SIIC status. Adjusted, weighted and diluted earnings per share amounted 10.75 € compared to 12.58 € in 2006.

Increase in NAV

IFRS consolidated financial statements

(€ millions)	**2007**	**2006**
Total assets	223.5	105.1
Total liabilities	141.5	50.6
Equity	82.0	54.5
Replacement NAV *(€/per existing share at end of period)*	**101.3**	**88.6**

Replacement Net Asset Value (NAV) amounted to € 101.3 per share at 31 December 2007 compared to € 88.6 at end 2006, an increase of 14.3%.

Financial position

- Consolidated Group equity at the end of 31 December 2007 totalled € 82 million, compared to € 54.5 million at end 2006. The increase was due in particular to the € 19.8 million share capital increase, share premium included, realised in May 2007.

- The net financial debt / asset value (excluding stamp duty) ratio (LTV) was 66% at end 2007 in line with objectives. The debt is highly secure, as 96% of it was contracted at a fixed rate or hedged by cap or swap and repayments (€ 6 million in 2008 and € 7 million in 2009 and 2010) are much lower than the Group's self-financing capacity.

8% increase in 2007 cash dividend

- The Management Board will submit for approval by the Annual General Meeting of 14 May 2008 a cash dividend of € 3.25 per share, compared to € 3 per share in 2006, to be paid before 31 May 2008.

Continued growth strategy in 2008

Taking account of the Group's performance and the quality of the strategy implemented, PAREF Group management is confident in the continuing 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 in the market.

The Group has already carried out three significant investment transactions since the beginning of the 2008 financial year:

- Acquisition for € 13.2 million of a portfolio of three business buildings, called "Cèdres", with a total 22,000 m^2 floor area and yielding an overall return of 9.3%;
- Acquisition for € 6.2 million of a portfolio of 4 business buildings, called "Dimotrans", with a total 13,000 m^2 floor area and yielding an overall return of 9%. This investment concerns a portfolio of logistic buildings, 3 of which are located outside Paris and one in the Paris region;
- Signing of a memorandum of understanding relating to the acquisition of 8 Belambra (formerly VVF) holiday villages, for a total of € 125 million. This transaction will be lease-financed and held in an OPCI, to be called VIVAPIERRE, in which PAREF will retain a 25% shareholding in partnership with other investors.

- **Develop the management on behalf of third parties activity**, through the 3 existing **SCPIs** and the launch of several **OPCI** in the first half of 2008. In this respect, PAREF GESTION received approval as a portfolio management company from the AMF (French stock exchange authority) in February 2008.

At the same time, PAREF will implement an arbitration policy with a view to optimising its portfolio and financing part of its next investment transactions. Several undertakings to sell have been entered into to date for a total value of € 18.8 million, which could generate a € 4 million capital gain.

Finally, Paref will step up its share buy back policy in the market in accordance with the 5 M€ program approved by the last Annual General Meeting and will study all formulas enabling the Group to increase its equity under satisfactory conditions, regardless of the Paref share being undervalued, as are all property companies listed on the Paris stock exchange.

Commenting on these results, Hubert Lévy-Lambert, Chairman of the Management Board, declared: "*The 2007 financial year was marked by the strong development of our property investment and management on behalf of third parties activities. Such a performance was made possible by our expertise, as well as our teams' know-how, and was achieved within a more difficult market context in the second half of the year, which demonstrated the relevance of our model.*"

He then added: "*I am convinced that 2008 shall enable us to continue implementing our growth strategy by taking advantage of market fluctuations and of benefits to be derived from the SIIC status*."

***

Financial calendar:
14 May 2008: Annual General Meeting
Week of 12 May 2008: 2008 1st quarter revenue
Week of 28 July 2008: 2008 2nd quarter revenue

About PAREF

PAREF Group operates in two major complementary 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 property in Paris.*
- ***Management on behalf of third parties****: PAREF GESTION, an AMF-certified subsidiary of PAREF manages 3 SCPIs. PAREF GESTION plans on launching several OPCI offerings in 2008, targeting 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

PAREF
VOTRE CAPITAL PIERRE

Hubert LEVY-LAMBERT
Chairman of the Management Board

Alain PERROLLAZ
Chief Executive officer

Tel: +33 (0)1 40 29 86 86

Citigate Dewe Rogerson

Arnaud SALLA
Analyst/investor relations

Agnès VILLERET
Financial press relations

Tel: +33 (0)1 53 32 78 89 / 95
arnaud.salla@citigate.fr - agnes.villeret@citigate.fr

For further information, please visit the PAREF Group website: www.paref.com