

2008 HALF-YEAR RESULTS AT 30 JUNE 2008

GROSS OPERATING PROFIT: UP 57% TO €6.4 MILLION

- *Replacement NAV: € 104 per adjusted share, up 2.3%*
 - *Launch of the first OPCl*

“Against a deteriorating market environment, Paref features an original profile due to the combination of its two businesses: direct investment and management on behalf of third parties.

This half-year was a further opportunity for Paref to demonstrate its innovation capacity and the synergies that exist between its two businesses by carrying through the Vivapierre transaction. This permitted the Group to acquire exceptional and high potential assets through an OPCl managed by the Group and in which Paref retains a 25% stake.

In the future, our expertise in terms of investment and management should enable us to carry out other financing packages, which will drive our growth while avoiding unnecessary risks.

Therefore, Paref and its management team remain confident for the coming months and are convinced that the Group will be able to continue to expand in good conditions, in spite of the turbulence currently affecting the market.”

Hubert Lévy-Lambert, Chairman of the Management Board

The PAREF Management Board meeting of 4 September 2008, chaired by Hubert Lévy-Lambert, approved the Group's first half-year consolidated financial statements at 30 June 2008 and submitted them to the Supervisory Board.

PROPERTY ASSETS

- **Group properties:** (appraised value excluding stamp duty and acquisition costs): € 208 million, including € 6 million in SCPI (real estate investment trusts), an increase of 6% over the first half-year and 79% year-on-year*.
- **Return on property assets:** 9% overall gross yield (compared to 8.6% fin at end 2007).
- **Occupancy rate:** 89%, up two percentage points compared to end December.
- **Acquisitions:** 7 properties located in Paris and the Paris Region, at a total cost of € 18.8 million, financed by borrowings of € 12.8 million and the take over of a € 1 million lease contract*.
- **Disposals:** Sale of an asset located Rue Danielle Casanova in Paris for € 5.5 million, generating a capital gain of € 1.2 million in the consolidated financial statements.

* excluding Vivapierre, recognised in July

OPERATIONS

- **Rental income:** up 115% to € 7.8 million, due to property asset growth and rent indexing.
- **Launch of VIVAPIERRE,** our first leisure and tourism OCPI (approval granted in July).
- **Management on behalf of third parties** (excluding PAREF): € 387 million, up 27% over the first half and up 37% year-on-year.

- **Management and subscription fees:** € 1.4 million, compared to € 2.0 million at 30 June 2007, due to declining SCPI subscriptions. Management fees continued to grow, driven by the increase in assets under management.

RESULTS

Main IFRS Income Statement items

(€millions)	30.06.08	30.06.07
Rental income	7.81	3.64
Management & subscription fees	1.40	1.99
Other revenue	0.05	0.8
Profit margin on property transactions	0.08	0.43
Gross operating profit	6.36	4.05
Capital gains on the disposal of investment property	1.21	0
Net movement in investment property fair value	(2.78)	2.23
Profit before tax	1.16	5.61
Net profit – Group share	1.00	5.16
<i>Adjusted, weighted and diluted earnings per share (€)</i>	<i>1.07</i>	<i>6.64</i>

- **Gross operating profit:** € 6.4 million, up 57% (€ 4.0 million at 30 June 2007).
- **Movement in fair value:** Decline of € 2.78 million, compared to an increase of € 2.23 million at 30 June 2007, being a decrease of € 5.0 million.

This includes € 1.1 million in relation to the accounting assessment of buildings owned before 31 December 2007, € 1.0 million in respect of the cost of acquisitions carried out in 2008 and € 0.65 million in respect of residential usufruct amortisation charges.

- **Net profit – Group share:** € 1.0 million compared to € 5.2 million at 30 June 2007. Adjusted, weighted and diluted earnings per share were € 1.07/share (compared to € 6.64 at 30 June 2007).

IFRS consolidated financial statements

(€millions)	30 June 08	31 Dec. 07
Total assets	233.3	223.5
Total liabilities	156.1	141.5
Equity	77.2	82.0
Replacement NAV <i>(€/per existing share at end of period)</i>	104.0	101.6

REPLACEMENT NAV

- **Replacement Net Asset Value:** € 104.0 per share, compared to € 101.6 at end 2007, up 2.3%.

FINANCIAL POSITION

- **Consolidated equity:** € 77 million, compared to € 82 million at end December 2007.

This fall was due to the distribution of a € 3 million dividend, paid last May, and the buyback of 57,206 shares since 1 January for a total of € 3.5 million (out of a potential maximum amount of € 5 million).

- **Consolidated financial debt** totalled € 141.2 million at 30 June, being a net position (excluding cash and cash equivalents) of € 138 million.

- **Net financial debt/property asset value (LTV ratio):** 65% at 30 June 2008.
- **93% of outstanding debt is at fixed rates or hedged by cap or swap.**

OUTLOOK

Paref Group will continue over the coming months to implement its growth strategy, which is based on:

- Selective and prudent development of its asset portfolio, taking advantage of opportunities that will arise in the market,
- Possible financing by fund raising,
- An active arbitration policy,
- Accelerated development of management on behalf of third parties,
- And implementation of the strong synergies that exist between its two businesses, as illustrated by the launch of Vivapierre, PAREF GESTION's first OPCl RFA (€ 125 million investment alongside various institutional investors - PAREF holding 25% of the share capital – in 8 Belambra vvf holiday villages located in France).

The 2008 HALF-YEAR REPORT will be posted on the PAREF website on 10 September next.

Shareholders' agenda:

3rd quarter revenue: 13 November 2008

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 and one OPCl. **At 30 June 2008, PAREF Group owned more than € 200 million in property assets and managed assets worth close to € 400 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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