



Paris, 23 March 2009, 8am

ANNUAL RESULTS AT 31 DECEMBER 2008

- **Net profit - Group share: € 1.3 million**
- **Impact of fair value movements: (€ 4.3 million)**
- **Replacement NAV per share: € 100.6**
- **Increase in assets under management due to the launch of OPCIs: up 33%**
- **Dividend: € 2 / share**

The PAREF Management Board meeting of 19 March 2009, chaired by Hubert Lévy-Lambert, approved the parent company and consolidated financial statements for the 2008 financial year ended 31 December 2008 and submitted them to the Supervisory Board.

Property assets: moderate growth and continuing arbitration

▪ Acquisitions

PAREF Group limited its 2008 investments to a total of € 25.7 million, which included the acquisition of two offices and warehousing portfolios (under undertaking to sell at 31 December 2007) and a 27% investment in OPCI Vivapierre, alongside Crédit Foncier (15%), VVF (5%) and various other investors:

- Acquisition of 7 assets located in Paris and the Paris region for a total of € 18.8 million, financed by borrowings of € 12.8 million and the takeover of a leasing contract for € 1 million.
- € 6.9 million investment in OPCI Vivapierre, managed by PAREF Gestion, which holds, through its subsidiaries, leasing contracts on 7 holiday villages operated by Belambra VVF.

▪ Disposal

PAREF Group sold an asset located at Rue Danielle Casanova in Paris for € 5.5 million, thereby generating a € 1.2 million capital gain in the consolidated financial statements.

▪ Property assets

At end 2008, the value of the property assets owned by the Group, excluding stamp duty and acquisition expenses, amounted to € 213 million (including € 6 million in SCPIs and € 6 million in OPCIs), which was an 8.5% increase compared to 2007 (€ 196 million).

This portfolio posted an overall gross return (excluding SCPIs and OPCIs) of 9.3%, compared to 8.6% at end 2007. The appraised value of assets (excluding housing usufructs) acquired prior to 2008 recorded an overall € 1.6 million loss in value. The rise in the value of two buildings (Parmentier, La Courneuve), being € 5.4 million, offset an overall decline of 4.4% on other assets.

Operations: strong increase in rental income and growth in assets under management

- **Rental income:** 66% growth to € 15.4 million, due to the rise in property assets and rent indexation. 6 percentage point increase in the occupancy rate to 93%. On a like-for-like basis, rental from commercial property (excluding usufructs) grew by 8.2%.
- **Creation of VIVAPIERRE**, a first leisure and tourism OPCI (certified in July) and preparation of the launch of Polypierre (certified in November).
- **Management on behalf of third parties (excluding PAREF):** € 407 million, a year-on-year increase of 33%.
- **Commissions:** € 2.9 million, compared to € 4.1 million a year earlier, due to the decline in SCPI subscriptions. Management fees continued to grow as a result of the increase in assets under management.

Main consolidated income statement items (IFRS)

(€thousands)	2008	2007
Rental income	15,426	9,287
Management & subscription fees	2,943	4,096
Other revenue	149	1,156
Profit margin on property transactions	158	435
Gross operating profit	12,888	9,229
Proceeds from property disposals	1,212	
Net movement in investment property fair value	(4,301)	3,844
Operating profit after value adjustment	9,799	13,073
Borrowing costs	(8,385)	(3,653)
Other financial income and expenses	1,024	888
Profit before tax	2,438	10,308
Income tax	(83)	(882)
Share of profit (loss) from equity accounted subsidiaries (Vivapierre)	(1,065)	
Net profit – Group share	1,290	9,426

- Gross operating profit posted a sharp 40% increase to € 12.9 million, compared to € 9.2 million in 2007.
- The movement in investment property fair value, resulting from the comparison of appraised property values at end 2007 and 2008 was a decline of € 4.30 million, which may be analysed as follows:
 - Decrease in the value of assets held prior to 31 December 2008: € 1.6 million
 - Decrease in value of acquisitions (including expenses) carried out in 2008: € 1.4 million
 - and movement in respect of housing usufructs amortisation charge: € 1.25 million.
- Profit before tax fell to € 2.4 million, from € 10.3 million. However, after restatement of fair value movements, this aggregate was relatively stable at € 6.7 million, compared to 6.5 million.
- Consolidated net profit – Group share was € 1.3 million, compared to € 9.4 million in 2007, including the loss from equity-accounted subsidiaries.

NAV

IFRS consolidated financial statements

(€millions)	2008	2007
Total assets	231.8	223.5
Total liabilities	157.5	141.5
Equity	74.0	82.0
Replacement NAV (€ per existing share at end of period*)	100.6	101.6

* excluding treasury shares

- Replacement Net Asset Value (NAV) amounted to € 100.6 per share at 31 December 2008, compared to € 101.6 at end 2007, a decrease of only 1.0%.

Financial position

- Consolidated Group equity at the end of 31 December 2008 totalled € 74 million, compared to € 82 million at end 2007. The decrease was due in particular to the repurchase of shares (67,061 shares repurchased in 2008 for € 4 million) and movements in fair value reserves.
- The net financial debt / asset value (excluding stamp duty) ratio (LTV) was 66.5% at end 2008 in line with objectives. The debt was virtually all contracted at a fixed rate or hedged by cap or swap. Repayments (€ 9.4 million in 2009 and € 10.8 million in 2010, compared to € 8.2 million in 2008) are covered by the Group's self-financing capacity and the ongoing selective disposal programme (of a minimum of one disposal per year).

2008 cash dividend

- The Management Board will submit for approval by the Annual General Meeting of 13 May 2009 a cash dividend of €2.0 per share, compared to €3.25 per share in 2007, to be paid before 31 May 2009.

Continuing implementation of a cautious strategy in 2009

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 2009, PAREF Group and its personnel will focus their efforts on the following 3 major strategic areas:

- **Continue cautious investments in corporate assets** located in and out of the Paris region, focusing on the acquisition of buildings and companies in exchange for PAREF shares, making the most of opportunities which will certainly arise in the market.
- **Accelerate the development of the management on behalf of third parties activity, through the launch of OPCIs.**
 - **Launch of POLYPIERRE:** an SPPICAV (property-based mutual fund) governed by simplified rules, aimed at qualified investors. Due to its opportunistic outlook, the fund will endeavour to benefit from the current market situation, investing both in physical property and in listed property companies, depending on circumstances.
 - **Numerous other projects in progress:** dedicated OPCIs are being studied for 2009, as well as theme-based OPCI projects.
- **At the same time, PAREF Group will implement a selective disposal policy** with a view to optimising its portfolio and part-finance future investment transactions. Several disposals are planned to date (Parmentier, Gentilly, etc.)

Commenting on these results, Hubert Lévy-Lambert, Chairman of the Management Board, stated: "Against the background of the financial crisis, PAREF focused its efforts this year on the management of its own property portfolio and on accelerating the development of its management on behalf of third parties activity, with the launch of two new OPCIs. Due to our positioning on two complementary business segments and to our strengths, which were confirmed in 2008, we can be relatively confident in the 2009 financial year".

Shareholders' agenda:

28 April 2009: Publication of the Reference Document
Week of 4 May 2009: 2009 1st quarter revenue
13 May 2009: Annual General Meeting

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 OPCI.

At 31 December 2008, PAREF Group owned over € 200 million in property assets and managed assets worth more than € 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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