

2009 ANNUAL RESULTS

- **Strong growth in Gross Operating Profit: € 16.3 million (up 27%) and Cash Flow from Operations: € 11.1 million (up 63%)**
- **Very slight decline in NAV: € 94.6 replacement: (down 6%) / liquidation: € 78 (down 6%)**
- **Increase in dividend: € 2.25 per share (up 12.5%)**

The PAREF Management Board meeting of 24 March 2010, chaired by Hubert Lévy-Lambert, approved the parent company and consolidated financial statements for the 2009 financial year ended 31 December 2009 and submitted them to the Supervisory Board.

Audit procedures on financial statements have been carried out. The Statutory Auditors will issue their report after verifying that information disclosed in the management report and the reference document agrees with the consolidated financial statements.

PROPERTY ASSETS

- **Group properties:** The appraised value of PAREF's property assets totalled € 203 million at 31 December 2009, compared to € 213 million at end 2008 (€ 206 million at end June 2009).
- No acquisition or disposal was carried out over the financial year, except for the construction of a 2,680 m² office and business facility building in Vitry sur Seine (the building is rented out to La Poste through a 6-year firm lease and was delivered in January 2010).
- The decline in end-of-year appraised values was 6% on a constant group structure basis compared to end 2008 (down 2.5% compared to 30 June 2009).
- **Return on property assets:** 9.7% overall gross yield (10% on property assets excluding SCPI/OPCI).
- **Occupancy rate: 95% at end 2009, compared to 93% at end 2008.** The La Houssaye and Créteil tenants gave their notice with effect from 1 January 2010, resulting in a 6% fall in the occupancy rate at that date. These buildings are currently being actively marketed.

REVENUES

- **Rental income: € 18.0 million compared to € 15.4 million in 2008, which is an increase of 17%, due to new rentals (La Courneuve, Gentilly and Clichy in particular) and rent indexing.**
- **Launch of NAOS**, a third OPCI, reserved for qualified investors and specialised in shopping centres (first investment carried out in August, other investments are being studied).
- **Management on behalf of third party** (excluding PAREF): € 431 million in assets under management, up 6% in one year.
- **Management fees:** € 3 million, compared to € 2.9 million in 2008. The decline in OPCI subscriptions was offset by OPCI fees and an over-performance fee (€ 0.2 million) in respect of assets previously managed on behalf of Westbrook, recognised as Other revenue. Management fees continue to grow due to the increase in average assets under management over the period.

RESULTS

Main consolidated income statement items (IFRS)

(€millions)	31.12.09	31.12.08
Rental income	17.99	15.43
Management and subscription fees	2.79	2.94
Other revenue	0.45	0.15
Profit margin on property transactions	0.00	0.16
Gross operating profit	16.30	12.89
Proceeds from property disposals	0	1.21
Net movement in investment property fair value	(11.96)	(4.30)
Profit/(loss) before tax	(2.81)	2.44
Net profit/(loss) – Group share	(3.03)	1.29
<i>Earnings/(loss) per share, adjusted, weighted and diluted (€)</i>	<i>(3.38)</i>	<i>1.41</i>

- **Gross operating profit:** € 16.3 million, up 27% compared to € 12.9 million in 2008. This significant increase was due to the combined effect of the rise in the occupancy rate of property assets (and consequently rental income, which grew by 17%) and the proactive steps taken on general expenses, which decreased by 23%.
- **Cash flow from operations, before tax:** a 63% increase to € 11.1 million, due in particular to the effect of rental income growth and the decline in borrowing costs (down € 0.6 million), which remained moderate nonetheless since virtually all outstanding debt is hedged at a fixed rate.
- **Fair value movement:** a € 12.0 million negative movement, compared to a negative € 4.3 million movement in 2008, showing a € 7.7 million deterioration. It comprises a € 6.7 million decline in the book value of buildings owned by Paref and € 1.0 million amortisation in residential usufruct.
- **Profit/(loss) before tax:** a € 2.8 million loss, compared to a profit of € 2.4 million in 2008. **Profit before tax and movement in fair value** amounted to € 9.2 million, compared to € 6.7 million in 2008, which is an increase of 37%.
- **Net profit/(loss) – Group share:** a net loss of € 3.0 million, compared to a profit of € 1.3 million in 2008, resulting in a net loss per share, adjusted, weighted and diluted, of € 3.38.

IFRS consolidated financial statements

(€millions)	31.12.09	31.12.08
Total assets*	217.4	228.3
Total liabilities*	148.7	154.0
Equity	68.6	74.3
Replacement NAV / share <i>(€ per outstanding share at end of period, excluding treasury shares)</i>	94.6	100.9

* restated 2008 data (reclassification of prepaid rent)

NET ASSET VALUE

- **Liquidation NAV per share:** € 78.0 per share, compared to € 83.3 at end 2008, a 6% decline.
- **Replacement NAV per share:** € 94.6 per share, compared to € 100.9 at end 2008, a 6% decline compared to 31 December 2008 (1% compared to 30 June 2009).

FINANCIAL POSITION

- **Consolidated group equity:** € 68 million, compared to € 74 million at end December 2008. The decline was primarily due to the movement in investment property and hedging instrument fair value, and was partly offset by operating profit growth.
- **Consolidated financial debt:** € 136.0 million, down € 5.7 million year on year.
- **Net financial debt / asset value:** 66% at end 2009, consistent with the Group's bank covenants.
- **95% of bank borrowings bear a fixed interest rate or are hedged by a swap.**

OUTLOOK

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

- **The selective and cautious development of its asset portfolio** through transfers and indirect investments through minority shareholdings in OPCIs launched by PAREF Gestion, depending on the opportunities that will present themselves,
- **Continuing selective disposals policy, featuring one or two disposals a year** of assets reaching maturity,
- **A new selling approach by the SCPI management business**, with renewed collection for Pierre 48 (housing) and Novapierre 1 (stores) and the **implementation**, expected in May, **of the planned transfer by PAREF of 8 buildings to SCPI Interpierre** (offices and business facilities), with a view to providing this SCPI with the necessary critical size to continue developing its business independently;
- **The accelerated development of OPCi management**, with the planned creation of new dedicated or theme-based institutional OPCIs, following the launch of Vivapierre, Polypierre and Naos;
- **The stepping up of existing synergies between the two businesses of investments and management on behalf of third parties.**

As part of this expansion, the Company plans to issue shares or securities giving access to the share capital of about € 15 million, to be submitted for approval to the Annual General Meeting of 19 May.

The 2009 financial report will be available on the PAREF website on 29 April

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 3 OPCIs.

At 31 December 2009, PAREF Group owned more than € 200 million in property assets and managed assets worth € 430 million on behalf of third parties.

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Shareholders' agenda

1st quarter revenues: 6 May 2010
Annual General Meeting: 19 May 2010

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