

SUCCESSFUL CAPITAL INCREASE

PAREF announces that, in accordance with the Management Board's decision of 4 October 2010 and the press release published the following day, the capital increase by private placement for 91,500 shares (9.99% of the share capital before the transaction) and representing a gross total of €4.575 million was finalised today as planned.

Grounds for the transaction

The decision to carry out this transaction was motivated by the intention to strengthen PAREF Group's financial position and to accelerate the expansion of management on behalf of third parties. The funds raised as part of this capital increase will be more specifically used by PAREF to participate on an equity level in the launch of new institutional funds, primarily in OPCIs and even as a minority investor, in order to fully play its role as a sponsor.

Main features of the transaction

- **Gross total: €4,575,000**, carried out through the issue of 91,500 shares with no pre-emption rights as part of a private placement; this transaction comes within the framework of the delegation of authority approved by the Annual General Meeting of 19 May 2010 in its 17th resolution.
- **Issue price: €50** (€25 share premium included), fully paid up in cash on issue. The subscription price of €50 was in excess of the average price of the last 3 and last 20 trading days of the PAREF share that preceded 4 October, the date of the Management Board's decision to launch this issue.
- **Subscribers:** The transaction was reserved for investment services providers authorised to manage assets on behalf of third parties, qualified investors and a restricted circle of investors pursuant to Article D.411-4 of the Monetary and Financial Code, subject to these investors acting for their own account.

The capital increase was subscribed to by 11 investors; two subscriptions exceeded 20% of the transaction total, being those of Anjou Saint-Honoré (Lévy-Lambert family) in relation to 31,000 shares and MO1 (member of the shareholders' agreement) for 26,000 shares.

- **Schedule: the delivery and settlement** of the new shares is scheduled for **27 October 2010**.
- **Subscribers are entitled to immediate possession of the new shares.** The latter will be of the same class and will be listed on the same trading line as existing shares from 27 October 2010 (ISIN: FR00110263202). The number of shares comprising the share capital of the Company will thus increase on that date by 91,500 shares, from 915,753 to **1,007,253**.
- **Consolidated shareholders' equity – Group share** increased from €69.1 million to €73.7 million, based on consolidated shareholders' equity- Group share at 30 June 2010.
- **Dilution:** The table below highlights the impact of the issue on a shareholder who owns 1% of the share capital of PAREF and who did not take part in the transaction:

	Shareholder's investment (%)
Prior to issue of new shares	1.00
After issue of the 91,500 new shares	0.91

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 30 June 2010, PAREF Group owned more than €200 million in property assets and managed assets worth € 435 million on behalf of third parties.

PAREF shares are listed on Compartment C of NYSE Euronext Paris - ISIN: FR0010263202 - Ticker: PAR



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