

2010 ANNUAL RESULTS

- **Strong growth in net profit to € 8.1 million**
- **Continued debt reduction: LTV ratio of 58% at end December (53% after disposals in progress)**
- **Rise in NAV: replacement: € 98 (up 3%) / liquidation: € 85 (up 9%)**
- **Increase in dividend: € 3 per share (up 33%)**
- **Significant recovery in SCPI collections and increase in assets under management (up 9%)**

The PAREF Management Board meeting of 17 March 2011, chaired by Hubert Lévy-Lambert, approved the parent company and consolidated financial statements for the 2010 financial year ended on 31 December 2010 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 portfolio totalled €207 million at 31 December 2010, compared to €203 million at the end of 2009. The 31 December 2010 data include the assets of SCPI Interpierre, which was fully consolidated over the 2010 financial year.
- **Contribution to SCPI Interpierre:** in order to speed up the development of SCPI Interpierre, PAREF contributed 8 buildings on 1 July 2010, valued at €27.4 million and generating annual rent of €3.0 million. At 31 December, PAREF held 78% of the SCPI's capital following the transfer, which led to fully consolidating the SCPI in the consolidated financial statements. Consequently, the 6 buildings already owned by the SCPI prior to the transaction were included in the group structure. These buildings have an appraised value of €7.9 million and generate annual rent of €0.8 million.
- **Acquisitions/ disposals:** during the financial year, the Company delivered a 2,680 m² office and business facility building constructed in Vitry sur Seine (rented out to La Poste under a 6-year firm lease), and sold a building in Lisieux for €0.9 million. The Company also signed three undertakings to sell in 2010, relative to the buildings of Avenue Parmentier and Rue Rivoli/Roule and the building of Fontenay (Yvelines). The proceeds of the sales will total €31 million (including €27 million firm) and a net cash flow after repayment of borrowings of €12.8 million. The sale of the Parmentier building was effected in early March 2011.
- **The value of property assets,** based on year-end appraisals, was stable on a comparable group structure basis compared to the end of 2009, but increased by 0.5% compared to 30 June 2010.
- **Return on property assets:** 9.4% overall gross yield (9.7% on property assets excluding SCPI/OPCI).
- **Occupancy rate:** 90% at the end of 2010, compared to 95% in 2009, but a moderate increase has been noted since the 1 January 2010 rate of 89%. Most vacancies were in La Houssaye and Créteil, as well as in Fontenay, for which an undertaking to sell has been signed.

REVENUES

- **Rental income: € 18.2 million, compared to € 18.0 million in 2009:** the impact of the decline in the occupancy rate was offset by the integration of Interpierre.
- **Significant recovery in SCPI collections,** in particular for Novapierre (stores), due to increased marketing activity in a savings market where property securities are in high demand.
- **Management on behalf of third parties** (SCPI, OPCI and other): € 468 million in assets under management, an increase of 9% in one year.
- **Management fees:** € 4.1 million, compared to € 2.8 million in 2009, an increase of 48%. The significant growth in SCPI subscription fees compounded the rise in SCPI and OPCI management fees, which continued to grow as a result of the increase in assets under management over the period.

RESULTS

Main consolidated income statement items (IFRS)

(€millions)	31.12.10	31.12.09
Rental income	18.21	17.99
Management and subscription fees	4.14	2.79
Other revenue	0.13	0.45
Profit margin on property transactions	0.21	0.00
Gross operating profit	16.42	16.30
Proceeds from investment property disposals	0	0
Net movement in investment property fair value	(1.83)	(11.96)
Profit/(loss) before tax	7.34	(2.81)
Net profit/(loss) - Group share	8.06	(3.03)
<i>Earnings/(loss) per share, adjusted, weighted and diluted (€)</i>	<i>8.60</i>	<i>(3.38)</i>

- **Gross operating profit:** € 16.4 million, compared to € 16.3 million in 2009, an increase of 1%. The impact of the decline in the occupancy rate of the portfolio was offset by the increase in fees of the management on behalf of third parties business.
- **Fair value movement:** a € 1.8 million negative movement (compared to a negative movement of € 12.0 million in 2009), including € 1.4 million amortisation of residential usufruct. The appraised value of other buildings (excluding usufruct) was stable overall compared to the previous year. The fall in value of other investment property was small and was offset by the rise in value of assets held for sale, based on the signed undertakings to sell.
- **Profit/(loss) before tax:** a profit of € 7.3 million, compared to a loss of € 2.8 million in 2009. **Profit before tax and movement in fair value,** which includes equity-accounted companies (OPCI Vivapierre) amounted to € 10.8 million, compared to € 9.5 million in 2009, an increase of 14%.
- **Net profit/(loss) - Group share:** a net profit of € 8.1 million (compared to a net loss of € 3.0 million in 2009), resulting in net earnings per share, adjusted, weighted and diluted, of € 8.6.

IFRS consolidated financial statements

(€millions)	31.12.10	31.12.09
Total assets*	222.7	217.4
Total liabilities*	139.9	148.7
Equity	79.6	68.6
Replacement NAV / share	98.0	94.6
<i>(€ per outstanding share at end of period, excluding treasury shares)</i>		

NET ASSET VALUE

- **Liquidation NAV per share:** €85.3 per share, compared to €79.9 at the end of 2009 (restated data), an increase of 6.8%.
- **Replacement NAV per share:** €98.0 per share, compared to €94.6 at the end of 2009, an increase of 3.6% compared to 31 December 2009.

FINANCIAL POSITION

- **Consolidated group equity:** €79 million, compared to €68 million at the end of December 2009. In October, the Company carried out a share capital increase by private placement of €4.6 million, being 10% of the share capital. The increase in equity was due to this capital increase and net profit of €8.1 million, after deducting the payment of the 2010 dividend of €2.0 million.
- **Consolidated financial debt:** €127 million, a year-on-year reduction of €9.2 million (reduction of €13.5 million on a comparable group structure basis).
- **Net financial debt / asset value:** 58% at the end of 2010, a reduction of 8 percentage points compared to 2009. The sale of Parmentier and Rivoli-Roule will bring this ratio down to 53%, all other things being equal.
- **98% of bank borrowings bear a fixed interest rate or are hedged by a swap.**

DIVIDEND

The Management Board will submit for approval by the Annual General Meeting of 11 May the payment of a dividend of €3.0 per share, compared to €2.25 in respect of the 2009 financial year.

OUTLOOK

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

- **The development of its asset portfolio, with moderate use of leverage**, primarily through indirect investments through minority shareholdings in OPCIs launched by PAREF Gestion, depending on the opportunities that will present themselves;
- **Continued selective disposals policy, featuring one or two disposals a year** of assets reaching maturity or inconsistent with our strategy;
- **The development of the significant potential of the SCPI management business**, with a strengthened sales force and a comprehensive range of residential (Pierre 48), stores (Novapierre 1) and offices (a resized Interpierre following the contribution from PAREF) SCPIs, in order to tap into savers' strong interest in property securities;
- **The development of new institutional, dedicated or theme-based OPCIs**, in the wake of Vivapierre, Polypierre and Naos;
- **Continued policy of increasing equity**, in particular through capital increases by contribution in kind, depending on the opportunities that will present themselves

The 2010 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 2010, PAREF Group owned more than € 200 million in property assets and managed assets worth € 470 million on behalf of third parties.

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Shareholders' agenda

**1st quarter 2010 revenues: 5 May 2011
Annual General Meeting: 11 May 2011**

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