

2014 ANNUAL RESULTS NET PROFIT STABLE AT €1.1 MILLION

- **Continued trade-up of property assets with the Levallois acquisition (€24 million) and selective disposals (€20 million)**
- **Growth in assets held or managed by the Group particularly due to the success of SCPI Novapierre Germany: €859 million in assets under management at 31 December 2014**
- **Recurring net profit up 10% to €7.0 million**
- **Stable EPRA NAV: €81.4/share**
- **Payment of a dividend of €3/share**

The PAREF Management Board, at the meeting of 18 March 2014 chaired by Alain Perrollaz, approved the parent company and consolidated financial statements for the financial year ended 31 December 2014 and submitted them to the Supervisory Board. Audits on the financial statements have been carried out. The Statutory Auditors will issue their report after ascertaining that information disclosed in the management report and the registration document agrees with the consolidated financial statements.

PROPERTY ASSETS

The PAREF Group's property assets, including the fully consolidated SCPI Interpierre France, were valued at €175 million at 31 December 2014 (compared with €172 million at the end of December 2013) on the basis of expert appraisals at 31 December. This amount includes investment property and assets held for sale totalling €145 million, the 27% shareholding in the equity-accounted OPCI Vivapierre amounting to €10 million, SCPI shares totalling €1 million and 50% of the property assets of the equity-accounted Wep Watford company totalling €18 million.

Several factors explain this change:

- Investments during the year totalled €24.4 million, primarily including the acquisition of a 5,800 m², multi-tenant office building in Levallois Perret.
- Sale of six buildings for €20.1 million:
 - La Courneuve building, sold for €12.2 million
 - Fontenay Le Fleury building sold for €3.9 million
 - Part of the Saint Maurice building sold for €0.6 million
 - The remaining floor area of the Clichy building, sold for €0.5 million
 - Part of the Chennevières-sur Marne building, held by Interpierre France, for €0.8 million, and
 - The Bagneux building, held by Interpierre France, for €2.1 million
- Appraised values at 31 December 2014 led to the recognition, at constant group structure, of a negative change in fair value of €2.7 million, including €1.3 million for the economic amortisation of temporary residential usufruct. Excluding the impact of usufruct, this change represented a decline of 0.8% in the value of buildings.

The occupancy rate at the end of December 2014 was 92.6% excluding Gaïa (84.0% including Gaïa), compared with 89% at 31 December 2013.

ASSETS UNDER MANAGEMENT

Assets managed on behalf of third parties (SCPIs and OPCIs) continued to grow, due to the new SCPI Novapierre Germany, reaching a total of €725 million at 31 December 2014. The value of all assets held or managed by Paref Group, following elimination of duplication (Paref investments in funds managed by Paref Gestion) was **€859 million**, as against €816 million at the end of 2013, an increase of 5.2%.

REVENUES

- **Net rental income: €11.9 million compared with €12.2 million in 2013:** Rent and costs recovered totalled €16.6 million, compared with €16.9 million in 2013. Rental charges of €4.7 million, in 2014 as in 2013, are deducted from rental income. Rent from the Levallois building (5,800 m² of offices located near the So Ouest shopping centre), acquired in April 2014, offset the effects of selective disposals (particularly the sale of La Courneuve in March 2014).

On a constant group structure basis, excluding 2014 disposals and acquisitions, rental income was virtually stable.

Regarding the 11,000 m² "Le Gaïa" building (Nanterre), owned by Wep Watford (50% held and equity-accounted by Paref), the delivery took place in January 2014 and the first rental agreement for 1,400 m² office space was signed in April. As part of the reorganisation of its group, the tenant needs to return to its parent company and requested the cancellation of its 6-year firm lease. Compensation has been paid and recognised after the year-end in March 2015. "Le Gaïa" is currently being marketed to a single or to several tenants.

- **Fees:** fees increased compared with 2013 to €6.8 million (€5.2 million in the previous financial year). Subscription fees increased to €3.5 million (€2.2 million in 2013) due to the SCPI Novapierre Germany, launched at the start of the year and which retains its appeal today. This SCPI, created in partnership with Internos Global Investors KAG, posted a market capitalisation of almost €42 million at 31 December 2014. It generated €2.6 million in subscription fees. The other SCPIs raised €12 million. Management fees for SCPI, OPCI and third party assets (and various fees) totalled €3.3 million compared with €3.1 million in 2013.

RESULTS

Main items (€ millions)	31 Dec. 14	31 Dec. 13
Net rental income	11.9	12.2
Management and subscription fees	6.8	5.2
Gross operating profit	10.7	10.6
Proceeds from investment property disposals	0.6	0.5
Net movement in the fair value of investment property	(2.7)	(5.2)
Net financial expense	(5.4)	(4.7)
Profit before tax	3.1	1.2
Share of profit of equity accounted companies	(1.2)	1.7
Minority interests	0.4	1.2
Net profit - Group share	1.1	1.2
<i>Earnings per share, adjusted, weighted and diluted (€)</i>	<i>0.91</i>	<i>1.05</i>

- **Gross operating profit:** slight increase to **€10.7 million** compared with €10.6 million in 2013. The €0.3 million decline in rental income was offset by the growth in the contribution of management activities. However, the magnitude of the latter's increase was less than that of revenues due to the launch and management costs of SCPI Novapierre Germany. General expenses amounted to €8.4 million (including €1.7 million in finders' fees, notably due to fund raising at Novapierre Germany) compared with €6.8 million in 2013 (including €1.1 million in finders' fees).
- **Net financial expense: €5.4 million** compared with €4.7 million. The debt reduction was offset by the revaluation cost of swaps not allocated to the hedging of borrowings (2010 Dax swap) recognised under IFRS as an expense of €0.8 million.
- **Profit before tax: €3.1 million** compared with €1.2 million in 2013, particularly impacted by the negative movements in the fair value of the property assets (€2.7 million compared with €5.2 million in 2013).
- **Share of profit/(loss) of equity accounted companies:** a loss of €1.2 million compared with a profit of €1.7 million in 2013. Of this total, Vivapierre represented €0.6 million (compared with €1.7 million in 2013) and Wep Watford, the holder of 50% of the "Le Gaïa" operation in Nanterre, represented a loss of €0.6 million (nil in 2013). The change in Vivapierre's result was primarily due to its share of the fair value movement of buildings owned by Vivapierre (a loss of €1.9 million in 2014 compared with a gain of €0.5 million in 2013), impacted by the difficulties encountered by the tourist accommodation sector.
- **Recurring net profit**, i.e. net profit excluding the impact of disposal gains or losses and fair value movements (including those of equity-accounted companies) and excluding the impact of gains and losses related to forward financial instruments increased to €7.0 million, compared with €6.4 million.
- **Net profit - Group share: €1.1 million**, compared with €1.2 million in 2013, with net earnings per share, adjusted, weighted and diluted of **€0.91 per share**. Minority interests (which reduce the Group share of net profit) related to the full consolidation of SCPI Interpierre France, were €0.4 million, compared with €1.2 million in 2013. These minority interests decreased by €0.4 million due to their share of fair value movement.

IFRS consolidated financial statements

(€ millions)	31 Dec. 14	31 Dec. 13
Total assets	185.3	187.7
Total liabilities	86.0	87
Minority interests	14.5	13.2
Equity – Group share (€ millions)	84.8	87.5
Replacement NAV/share (€)* <i>(€ per outstanding share at end of period, excluding treasury shares)</i>	91.1	90.3

NET ASSET VALUE

- **NAV per share.** Liquidation and replacement NAVs, calculated in accordance with EPRA standards, were as follows (*restated 2013 figures):
 - **EPRA NAV (liquidation) per share*:** **€81.4 per share**, against €81.8 per share at the end of 2013;
 - **Replacement NAV (including stamp duty)*:** **€91.1 per share**, against €90.3 at 31 December 2013;
 - **EPRA triple net NAV** (which includes the fair value of debt) was **€73.2 per share**, compared with €76.5 per share in 2013.

FINANCIAL POSITION

- **Consolidated group equity:** €84.8 million, compared with €87.5 million at the end of December 2013. The three major items that affected the net position in 2014 were the profit of €1.1 million, the upward revaluation of hedge financial instruments by €0.3 million, and the payment of the dividend in respect of the 2013 financial year totalling €3.6 million.
- **Consolidated financial debt:** €75.2 million compared with €77.5 million. Movements related to the financing of acquisitions (Levallois), repayments following the disposal of buildings and debt amortisation offset each other overall. In addition, the Company has refinanced the Croissy Beaubourg building for €6 million; the Dax assets whose bullet loan was reaching maturity have been refinanced by a 12-year, €11.4 million property lease.
- **Net financial debt / asset value (LTV ratio): 41.3%** at the end of 2014, including Wep Watford's proportionally-accounted debt, an increase of 0.8 percentage point compared with 2013.

GOVERNANCE / SHARE CAPITAL

The insurance company APICIL declared that it crossed the legal threshold of 5% and held 5.0% of the share capital in February 2015. APICIL was co-opted as a member of the Supervisory Board at its meeting of 18 March 2015 to replace Alexandre Picciotto (Manager of Orfim) who resigned. Orfim declared that it crossed the thresholds of 5% and subsequently 2% and that it no longer held Paref shares in February 2015.

Furthermore, the company Spirit declared that it crossed the 4% statutory threshold in January 2015 and it holds 4.4% of the share capital.

DIVIDEND

The Management Board will submit for approval to the Annual General Meeting of 19 May 2015 the payment of a dividend of €3 per share, unchanged compared with 2013. The ex-dividend date will be 28 May.

OUTLOOK

The PAREF Group will pursue its development strategy in 2015, focusing on the following three areas:

- **Continued investments**

Paref will favour indirect investments via minority shareholdings in institutional OPCIs managed by Paref Gestion. As part of an investment vehicle currently being set up, the Group has entered talks with various potential investors with the objective of investing in office buildings located in the inner suburbs of Paris. Paref may contribute the Levallois building to this vehicle, which is indicative of the contemplated investment policy.

- **Trading up the asset portfolio**

Paref will continue its active selective disposal policy targeting mature or unsuitable assets with the aim of refocusing the asset portfolio on office buildings that comply with the new environmental standards. Various business premises located in the outer suburbs of Paris would be suitable. In addition, Paref will carry out work on the Levallois building.

- **Development of the management on behalf of third parties business and product innovations**

- Paref Gestion will continue to promote its SCPI range, taking advantage of both a buoyant market and a diverse offering, which includes Novapierre (retail stores), Pierre 48 (residential property in and around Paris), Interpierre (offices and business premises), Capiforce Pierre (mixed SCPI) and Novapierre Germany (commercial property in Germany), created at the end of 2013 with Internos

Global Investors and the insurance company APICIL. This innovative SCPI should continue to grow rapidly in 2015.

- The Group will also seek opportunities to create professional investment vehicles, both as part of its indirect investment policy and as a simple provider within the context of partnerships, as exemplified by the creation of an OPPCI launched with an international asset manager on behalf of Asian investors and with assets in excess of €300 million. In January 2015, the Group also signed a partnership agreement with the property manager Promoreal with a view to set up, in a founders' capacity, an institutional vehicle targeting office buildings with varied profiles in West Paris.

The document presented at the annual results presentation is available on the PAREF website: www.paref.com

The 2014 financial report will be available on the PAREF website on 27 April 2015

About PAREF

PAREF Group operates in two major complementary areas:

- **Commercial and residential investments:** PAREF owns various commercial buildings within and outside 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 5 SCPIs and 2 OPCIs.

At 31 December 2014, PAREF Group owned €179 million in property assets and assets under management worth €725 million on behalf of third parties.

**Euronext Paris - Compartment C
ISIN: FR00110263202 - Ticker: PAR**



Alain PERROLLAZ

**Chairman of the
Management Board**

**Olivier DELISLE
Member of the
Management Board**

Tel: +33 1 40 29 86 86

Contacts

**Citigate
Dewe Rogerson**

Lucie LARGUIER

**Investor Relations
Press Relations**

lucie.larguier@citigate.fr

Tel: +33 1 53 32 84 75

Next financial communications

*First quarter revenues: 07 May 2015
Annual General Meeting: 19 May 2015*

For further information, please visit our website: www.paref.com