



Strong growth in 2017 half-year revenue to €16.7 million (up 14.9%)

- Continued rapid growth of revenue, as a result of fees from the management business
- Assets managed and held by the Group: €1,534 million
- Capitalisation of Novapierre Germany exceeds €220 million
- Two new SCPI management mandates entrusted to Paref Gestion

At its meeting of 20 July 2017, chaired by Alain Perrollaz, the PAREF Management Board reviewed the Group's business performance and consolidated revenue for the six months to 30 June 2017 and submitted them to the Supervisory Board. Revenue for the 1st half-year totalled €16.7 million, an increase of 14.9% in relation to the first half of 2016 (unaudited figures). Revenue for the 2nd quarter stood at €7.5 million, but could not be compared directly with revenue for the 1st quarter due to the application of IFRIC 21 standards.

Revenue (€ millions)	HY1 2017	HY1 2016	% change	FY 2016
Rental income	4.8	4.8	0.4%	9.4
Costs recovered *	2.4	2.4	0.4%	3.0
Total rent and costs recovered	7.2	7.2	0.4%	12.4
<i>residential</i>	0.4	0.5	-14.8%	0.9
<i>commercial</i>	6.8	6.7	1.5%	11.5
Total fees	9.5	7.4	29.0%	14.6
Consolidated IFRS revenue	16.7	14.6	14.9%	27.0

* application of IFRIC 21 standards

▪ Healthy rental income and occupancy rate

Rental income and costs recovered over the period stood at €7.2 million, unchanged from the first half of 2016. Rental income was stable at €4.8 million, with the favourable impact of the acquisition of the Léon Frot building offset by various factors: the end of a residential usufruct, rent renegotiations for both the Pantin building and those leased by Dimotrans, and the sale of Vaux le Pénil. On a constant group structure basis, there was a 2.1% fall in rental income excluding costs between the two periods.

The occupancy rate rose to 94% at 30 June 2017, compared with 92.7% at 31 December 2016 (82.9% vs. 81.4%, Gaïa included).

The rental management business was notable for 4 new leases coming into effect, including 1 for the Cauffry building, covering a surface area of 1,600 m² and 2 for the Levallois building (covering a total surface area of 468m²) which included ground floor retail premises whose extension work was completed over the course of the first quarter.

The sale of the Vaux Le Pénil warehouse building on Avenue Foch was signed at the end of May 2017, as previously announced, for a sale price of €3.5 million, generating a capital gain of €1 million in the consolidated financial statements.

With due diligence procedures now completed, the sale of the Pantin building should be finalised before the end of July 2017.

- **Continuing growth in SCPI fundraising**

For the year to 30 June 2017, management and subscription fees rose by 29% to €9.5 million, compared with €7.4 million for the first half of 2016, mainly due to the increase in subscription fees.

Subscription fees totalled €7.0 million (including €5.4 million from Novapierre Germany), compared with €5.4 million for the first half of 2016. These fees were partially repaid to our business finders and partners.

Management fees on property holdings stood at €2.5 million as against €2.0 million over the same period the previous financial year, with most of the increase coming from the SCPI Novapierre Germany.

Fundraising over the half-year by the SCPIs stood at €78.3 million against €58.1 million over the first half of 2016 (€33.9 million over the first half of 2015), an increase of 35%.

- **Assets managed and held by the Group: €1,534 million at 30 June 2017**

Assets managed on behalf of third parties grew by 4.4% over the first half-year to €1,387 million in relation to the end of 2016 (€1,328 million), as a result of the growth of the SCPIs Novapierre Germany and Interpierre France. Assets held by the property fund and managed by Paref Group, following elimination of duplication (Paref investments in funds managed by Paref Gestion) totalled €1,534 million at 30 June 2017 (compared with €1,476 million at the end of 2016).

- **New mandates**

Paref Gestion was selected to be their management company by CIFOCONA & CIFOCONA 2 at their latest Annual General Meeting, replacing the previous manager. These new mandates will take effect as of 1 October 2017. CIFOCONA and CIFOCONA 2 are both fixed-capital SCPIs, specialising in retail premises. Recurring management fees paid by each SCPI to the management company represented €130 K in the 2016 financial year. The value of their property holdings (excluding stamp duty) at 31 March 2017 came to €23.9 million for CIFOCONA and €24.9 million for CIFOCONA 2.

Alain Perrollaz, Chairman of the Management Board, commented, *“Operational activity over the first half year has been especially strong for Paref Group, with in particular the assumption of the management of the 2 CIFOCONA SCPIs, the introduction of an AIF with a private bank and the preparation for the disposal of the Vaux Le Pénil and Pantin assets. The further growth in revenue over the 1st half-year is in line with the strong growth dynamic seen since 2014, following the consolidation of the financial position and the restructuring of property holdings carried out over the previous three years. Thanks to investments made since 2014 in well-located and liquid assets (such as the mixed-use building on rue Léon Frot, in Paris’s 11th arrondissement, acquired in December 2016) and to the expansion of the Management range of products (in particular Novapierre Germany), the Company is now well positioned to maintain this excellent momentum.”*

Hubert Lévy-Lambert, Chairman of the Supervisory Board, and the entire Supervisory Board would like to extend their special thanks to the members of the Management Board for the numerous actions taken to further Paref’s remarkable growth and the arrival of a new key shareholder.

Next financial communications:

2017 half-year results: 15 September 2017

Third quarter revenue: 9 November 2017

About PAREF

PAREF Group operates in two major complementary areas:

- **Investment**

SIIC PAREF primarily invests in corporate property in the Paris region. At 30 June 2017, PAREF Group owned €166 million in property holdings.

- **Management on behalf of third parties**

Assets under management represented €1,387 million at 30 June 2017. PAREF Gestion, an AMF-certified management company, manages 6 SCPIs and 3 OPPCIs.

**A SIIC (French REIT) property company listed on Euronext Paris, Compartment C - ISIN FR0010263202 –
Ticker PAR**

For further information, please visit www.paref.fr

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