



HALF-YEAR RESULTS TO 30 JUNE 2017

- **Triple net NAV at €88.9/share (versus €86.2 on 31 December 2016)**
- **Net Group results closed at €4.1million**
- **Strong decline of the indebtedness level (LTV at 39.1%, -2.7 points versus 31 December 2016)**
- **Crossing of the threshold of €1.5 billion of assets under management**
- **34% increase of SCPI fundraising vs.30 June 2016**

During its meeting on 14 September 2017, chaired by Mr. Alex Gong, the PAREF Board approved the Group's half-year consolidated financial statements. The statutory auditors have performed a limited review of the financial statements.

PROPERTY ASSETS

- **The property assets of PAREF group** were valued at €168 million on 30 June 2017, compared with €167 million at the end of December 2016 on the basis of expert appraisals. This amount includes investment property and assets held for sale, 50% of the equity-accounted with-in company Wep Watford (Le Gaïa building), the 27.24% shareholding in the equity-accounted OPPCI Vivapierre, the 14.34% shareholding in the equity-accounted SCPI Interpierre, as well as SCPI shares (wholly owned or held under usufruct).
- **The movement in fair value of the buildings** resulted in an increase of €2.2 million, with a decline of €0.3 million in respect of the economic depreciation of temporary residential property usufruct (increase of €2.0 million with constant scope). The movement in fair value can notably be explained by the revaluation of the Pantin office building, assessed at its sales price.
- **The occupancy rate** increased to 94.0% as per 30 June 2017, compared with 92.7% as per 31 December 2016 (82.9% versus 81.4%, Gaïa included).

ASSETS UNDER MANAGEMENT

- **Record SCPI fundraising:**

The half-year was marked by a new fundraising record of €78 million (€58 million at 30/06/2016), notably driven by the SCPI to Novapierre Allemagne and Interpierre.

As such, the assets managed on behalf of third parties increased to €1,536 million (compared with €1,476 million as per 31 December 2016).

REVENUE

- **Rental income:**

Rental income on 30 June 2017 was stable at €4.1 million (€4.1 million also at 30 June 2016).

Rents collected in H1 2017 amounted to €4.8 million, stable when compared with the same period of the previous financial year. Rents and costs recovered in H1 2017 were equal to €7.2 million, the same as in the 1st half of 2016.

▪ **Management on behalf of third parties:**

In the first half of 2017, management and subscription fees increased by 29% to €9.5 million, compared with €7.4 million for the same period in 2016.

This increase can be explained by the attractiveness of the SCPIs Novapierre Allemagne and Interpierre France, the fundraising of which increased relative to the same period of the previous year (€71 million versus €53 million on 30 June 2016). Subscription fees totalled €7.0 million, compared with €5.4 million on 30 June 2016.

Management fees were reached €2.5 million, against €2.0 million over the same period of the previous financial year.

RESULTS

Main IFRS consolidated income statement items

(€ millions)	30/06/2017	30/06/2016
Net rental income	4.1	4.1
Management and subscription fees	9.5	7.4
Costs	-10.0	-7.5
Gross operating profit	3.6	3.9
Proceeds from investment property disposals	1.0	0.0
Net movement in investment property fair value	2.2	2.0
Net financial expense	-2.0	-1.2
Profit before tax	4.8	4.7
Income tax	-0.5	-0.2
Share of profit/(loss) from associates	-0.3	1.4
Net profit / Group share	4.1	5.9
Earnings per share, adjusted, weighted and diluted (€)	3.37	4.86

Gross operating profit: The gross operating profit dropped from €3.9 million to €3.6 million for the six months to 30 June 2017.

- **Fair value movement:** The fair value movement of the buildings comprising the PAREF property assets resulted in an increase of €2.2 million.
- **Profit before tax:** The profit before tax for the six months totalled €4.8 million, compared with €4.7 million for the period to 30 June 2016.
- **Equity-accounted entities:** Profit and loss recognised in relation to equity-accounted entities represented a profit of €0.48 million for Vivapierre, a loss of €1.08 million for Wep Watford and a profit of €0.35 million for Interpierre France.
- **Consolidated net profit – Group share:** The Group share of consolidated net profit for the six months to 30 June 2017 was equal to €4.1 million (compared with €5.9 million at 30 June 2016, including a dilution profit of €1 million resulting from the change of the scope of consolidation of the SCPI Interpierre).
- **Diluted earnings per share,** excluding treasury shares, weighted according to the number of shares outstanding, was €3.37 million compared with €4.86 million at 30 June 2016.

BALANCE SHEET**IFRS consolidated financial statements**

(€ millions)	30/06/2017	30/06/2016
Total assets	173.3	170.2
Total liabilities	77.1	76.0
Equity - Group share	96.1	94.2

- **The consolidated equity – Group share** was €96.1 million at the end of June 2017, compared with €94.2 million at 31 December 2016. Most of the increase in shareholders' equity was due to the profit of €4.1 million and the dividend payment of €2.4 million in May 2017.
- **The consolidated financial debt** at 30 June 2016 decreased to €51.4 million, compared with €65.1 million at 31 December 2016. The amount at 30 June 2017 does not take into account the non-current liabilities held for sale for €11 million.
- **Net financial debt / asset value (LTV ratio):** 39.1% at 30 June 2017 compared with 41.8% at 31 December 2016, substantially lower than the limits set by the bank covenants (55%). Virtually all consolidated bank debt is at a fixed interest rate or is hedged by an interest rate swap.
- **NAV per share.** Liquidation and replacement NAVs are the following:
 - **NAV (liquidation) per share:** €92.4/share, against €91.4/share at the end of 2016;
 - **“Triple net” NAV** (fair value of the debt included): **€88.9/share** (€86.2/share at the end of 2016),
 - **Replacement NAV (including stamp duty):** €100.6/share compared with €99.4/share at the end of 2016.

MANAGEMENT TEAM

After the arrival of FOSUN as majority shareholder, Mr. Alex GONG was appointed as Chairman of the Board, and Mr. Antoine CASTRO was appointed as CEO of PAREF.

OUTLOOK

Business was excellent for the PAREF Group in the first six months of 2017, both in relation to its property investment business and its management on behalf of third parties.

The 13th of September of PAREF signed a long term lease with a first rate tenant for approximately 25% of the available surface of the Gaia building, which gives a positive perspectives in regards to the future occupancy rate.

The arrival of a new reference shareholder will accelerate the strategy of moving its property assets upmarket, which will lead to disposal efforts within the portfolio in order to redeploy the capital on office assets in the Paris region and in the major French regional cities, while looking further afield to a Pan-European footprint mid and long term. Disposals of €28.1 million have been carried out since the start of the year.

The 2017 fundraising level is excellent and should be higher than in 2016. This will contribute to all of the SCPIs and serve to consolidate and increase the management activity on behalf of third parties.

The half year financial report will be available on Paref website as of the 18th of September 2017.

Next financial communications:

Third quarter revenue: 9 November 2017

About PAREF

The PAREF group is active in two complementary business sectors:

- **Investment**

SIIC Paref invests primarily in corporate real estate in the Paris region. On 30 June 2017, the PAREF group has real estate holdings of €168 million.

- **Management on behalf of third parties**

On 30 June 2017, the assets under management represent €1,387 million. Paref Gestion, a management company approved by the AMF, manages 6 SCPIs and 3 OPPCIs.

SIIC (French REIT) listed in compartment C of the Euronext Paris - FR0010263202 - Ticker symbol BY

For more information, please visit www.paref.fr

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