



2005 annual results:

- **Net profit multiplied by 3.5**
- **Dividend doubled**
- **Strong increase in acquisition volumes**

The Management Board of PAREF approved the Group's consolidated financial statements for the 2005 financial year at its meeting of 23 March 2006, chaired by Hubert Lévy-Lambert. The consolidated financial statements were submitted to the Supervisory Board. Consolidated results were prepared in accordance with IFRS standards, with the following items of comparison with 2004:

(€ thousands)	2005	2004	Change
Rental income	4,293	2,117	X 2
Commissions and other revenue	4,541	2,580	x1.8
Gross operating income	5,092	1,775	x2.9
Operating income after property revaluation	7,675	2,431	x3.2
Profit before tax	7,066	1,857	x3.8
Net profit (€ thousands)	5,037	1,443	X3.5
Earnings per adjusted and weighted share (€)	14.24	4.25	X3.3
Dividend for the financial year (€ thousands)	1,047	473	X2.2
Dividend per adjusted and weighted share (€)	2.96	1.4	X2.1

At 31 December 2005, the PAREF Group had revalued net assets, expressed at replacement value amounted to €70.4 per share, a 14% increase over the 2004 year-end.

Increase in revenue recorded by all Group operations

Good results from all Group operations contributed to **PAREF's** excellent sales figures.

The doubling of *rent received* is due to changes in investment property holdings, as well as to increments generated by the indexing and renewal of expired leases, while the occupancy rate remained very high: 100 % for residential buildings and 97 % for commercial premises (excluding a building in Courbevoie, near Paris, which was vacated for future disposal).

Commissions received also strongly increased thanks to substantial SCPI (real estate investment trusts) collections, managed by the Group's subsidiary Sopargem. SCPI's performed very well, resulting in a significant increase in their realisable value:

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- Overall performance: 12.8 % (issue price increased from € 650 to € 733 during the year)
- Realisable value at 31 December 2005: € 125.5 million, up 43% from the € 87.8 million at end of 2004.

NOVAPIERRE 1:

- Overall performance: 9.4 % (issue price increased from € 360 to € 373 during the year, or 3.6 %, plus a dividend of €21, giving an overall return of 9.4%).
- Realisable value at 31 December 2005: € 23.8 million, up 93% from the € 12.3 million at end of 2004).

Results strongly increased

2005 results confirmed the growth in PAREF Group operations. 2005 net consolidated profit (IFRS) was € 5 million, compared to € 1.5 million for 2004.

Property value up 58%

The disposal value of the Company's property amounted to € 48.7 million at 2005 year-end, including € 44.3 million in investment property, € 1.8 million in SCPI shares and € 2.6 million in assets held for sale, a 58% increase compared to the € 30.9 million at 2004 year-end.

Dividend per weighted share of €2.96

The distribution of a dividend of € 1,047 thousand, compared to € 473 thousand in 2005, will be submitted by the Management Board at the Annual General Meeting of 10 May 2006. This is a € 2.96 dividend per weighted share, compared to € 1.4 in 2004 (after adjustment for the division of par value by 2). Taking into account the € 648 thousand interim dividend paid in October 2005, the balance of € 0.55 per share will be paid shortly after the Annual General Meeting.

Equity

At the end of 2005, Group consolidated equity amounted to € 44 million before year-end dividend allocation, compared to € 15.3 million at 2004 year-end.

Continued selective investment strategy

The Company undertook the following firm commitments:

- An agreement signed in January 2006 for the purchase of two commercial and residential buildings located in Rue de Rivoli, Paris 4 for an amount of € 9 million;
- An agreement signed in February 2006 for the purchase of the premises of a 6,000 m² private hospital located in avenue Parmentier in Paris, leased to a subsidiary of Générale de Santé for € 876 thousand / year;
- An agreement accepted for the purchase as property trader for a large proportion of an office and residential building located near Place Vendôme in Paris, totalling 1,372 m², for an amount of € 6 million.

The Chairman of the Management Board, Mr Lévy-Lambert, is very pleased with the results of the Group's operations and declared:

"In 2006, we will pursue our selective investment strategy on the basis of a minimum average annual yield of 7%, in order to provide return on equity of at least 15%, after average leverage of 2/3. The recent change to SIIC status (listed real estate company) enables us to receive a large number of proposals on buildings and companies for sale and to benefit from a strong competitive advantage as a small listed real estate company. Funds collected through our capital increase enable us to respond immediately to any attractive opportunity. SCPI collection, soon to be converted into OPCI, shows no sign of slowing down. All indicators are flashing green".

***PAREF was listed on the Eurolist C of the Euronext Paris stock market in December 2005
PAREF operates in four complementary areas: commercial investment, housing investment, property trading and management on behalf of third parties.
PAREF manages over 130,000 m² of assets valued at nearly € 300 million.
PAREF has elected for SIIC (listed real estate company) status for this financial year.***

A liquidity contract on the company's securities, complying with the new charter of professional ethics drawn up by the AFEI (French Association of Investment Firms) and approved by the AMF (French stock market regulator) on 22 March 2005, was signed with the company Banque Privée Fideuram Wargny.

PAREF – Eurolist C by Euronext Paris
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For further information, please visit the PAREF Group website: <http://www.PAREF.com>

PAREF

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