



2006 interim results at 30 June 2006

- **Interim net profit up 9.4%**
- **Year-on-year increase of 87% in asset value**

The PAREF Management Board meeting of 19 October 2006, chaired by Hubert Lévy-Lambert, approved the Group's consolidated interim financial statements at 30 June 2006 and submitted them to the Supervisory Board. Consolidated results, prepared in accordance with IFRS, highlighted the following:

(€ thousands)	30 June 2006	30 June 2005
Rental income	2,122	1,461
Other revenue	-	1,013
Profit margin on property transactions	192	336
Management fees	1,573	1,380
Gross operating profit	1,857	2,945
Operating profit after revaluation of property values	2,528	5,966
Profit before tax	2,150	5,625
Net profit (€ thousands)	4,391	4,012
Revalued and weighted earnings per share (€)	6.05	11.88

	30 June 2006	31 Dec. 2005
Net profit (€ thousands)	4,391	5,037
Revalued and weighted earnings per share (€)	6.05	14.24
Net asset value (€/share)	76.86	70.88

A thriving new SIIC

Following the IPO of December 2005 and the 2 capital increases carried out on that occasion (generating a total of € 25 million, share premium included), PAREF opted for the tax status of SIIC (listed real-estate company) in 2006 and committed to an ambitious investment programme, while continuing to develop its management on behalf of third parties business.

Consolidated interim net profit up 9.4%

2006 consolidated interim net profit amounted to € 4.4 million after tax, compared to € 4 million at June 2005. Changeover to the SIIC status resulted in a € 2.5 million decline in deferred tax.

Property value up 87%

The disposal value of the Company's property, was € 71 million at the end of June 2006, including € 59 million in investment property, € 2 million in SCPI shares (real estate investment trusts), € 2 million for the property dealing business and € 8 million in assets held for sale (i.e. the Courbevoie building sold in July 2006), compared to a total € 38 million at the end of June 2005 (an 87% increase) and € 49 million at the end of December 2005 (a 45% increase).

45 % increase in rental income

After restatement for the Courbevoie lease cancellation compensation (€ 1,013 thousand collected in 2005 1st half-year), rental income increased from € 1461 thousand in the 2005 1st half-year to € 2,122 thousand in 2006 1st half-year (up 45.2%). The increase was due to growing property value as well as higher rent resulting from indexation and renewal of expired leases, as occupancy ratio remained very high:

- 100% for residential buildings
- 96% for commercial buildings (excluding the Courbevoie building, which was released in preparation for its sale in July 2006).

Development of management on behalf of third parties (up 14 %)

Management fees received have increased by 14% due to high collection levels by SCPIs managed by the Group's subsidiary SOPARGEM.

Thus, Pierre 48 (rented apartments) registered overall year-on-year performance of 12.8%. It had property under management of € 148 million at 30 June 2006, compared to € 110 million at the end of June 2005 (up 34%). Novapierre 1 (business premises) registered overall year-on-year performance of 9.5%. It had property under management of € 31 million at 30 June 2006, compared to € 17 million at the end of June 2005 (up 77%).

NAV / share up 8.4% compared to December 2005

Net asset value per share (NAV), computed as a replacement value was € 76.86 at the end of June 2006, compared to € 70.88 at the end of December 2005.

Equity

Group consolidated equity amounted to € 48 million at the end of June 2006, compared to € 44 million at the end of the 2005 financial year.

Continued selective investment strategy

The Company undertook commitments of nearly € 30 million, including the following:

- Acquisition of the usufruct of an SCPI portfolio for € 2 million
- An undertaking for the sale of flats in Paris for € 6 million
- A memorandum of understanding for the purchase of the premises of a private hospital in the Paris region for € 5 million
- Three offers, agreed by the seller, for the purchase of warehouses and offices in the Paris region for € 16 million.

In addition, the Company has submitted offers for a total asset value of € 150 million, which includes a residential building portfolio located abroad, a flat portfolio in Paris and a complex of office buildings in France.

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 has elected SIIC (listed real estate company) status in 2006.

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
Code ISIN: FR00110263202 - Ticker: PAR

For further information, please visit the PAREF Group website: <http://www.PAREF.com>

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