PAREF

VOTRE CAPITAL PIERRE

2006 financial year: strong revenue, net profit and NAV growth

- **Net profit: € 9 million compared to € 5 million in 2005 (up 81%)**
- **NAV per share: € 88.59 compared to € 70.88 end 2005 (up 25%)**

The PAREF Management Board meeting of 22 March 2007, chaired by Hubert Lévy-Lambert, approved the Group's consolidated financial statements for the 2006 financial year and submitted them to the Supervisory Board. Consolidated results, prepared in accordance with IFRS, highlighted the following items compared to 2005:

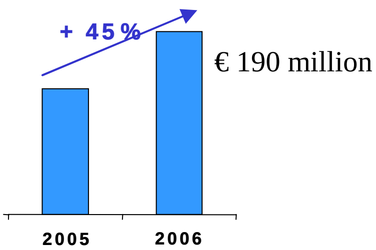
€ thousands	**31.12.2006**	**31.12.2005**	**Change**
Rental income	4,758	3,900	22.0%
Management fees and other income	4,089	3,642	12.3%
Gross operating profit (1)	**4,109**	**5,092**	**(19.3%)**
Net change in the fair value of investment property	3,089	2,583	NS
Operating profit after revaluation of property values	7,198	7,675	(6.2%)
Profit before tax	**6,963**	**7,066**	**(1.5%)**
Income tax	2,167	(2,029)	NS
Net profit – Group share	**9,130**	**5,037**	**81.3%**
Revalued and weighted number of shares	725,713	353,803	
Revalued and weighted earnings per share (€)	**12,58**	**14,24**	**(11.6%)**
Dividends for the financial year (€ thousands)	**2,177**	**1,047**	**107.9%**
Revalued and weighted dividend for the financial year, per share (€)	**3.00**	**2.96**	
NAV (€/share)	**88.59**	**70.88**	**25.0%**
(1) included a € 1,013 thousand lease cancellation compensation in 2005			

Revenue growth in both Group business segments

The increase in **PAREF**'s revenue was due to a favourable business environment benefiting both of the Group's business segments: property investment and management on behalf of third parties.

The increase in *rental income* was primarily due to the increase in assets owned by the Company, which proceeded with a number of new acquisitions in 2006, using the funds raised upon its IPO. The increase also resulted from the indexation of leases, which benefited from strong growth by the INSEE index (French Public Statistics Agency).

In spite of the sale of assets managed on behalf of Westbrook at the end of the year, management fees also progressed well, thanks to the high level of collection from SCPIs (real estate investment trusts) managed by Paref Gestion (formerly Sopargem), which resulted in a significant increase in their capitalisation:



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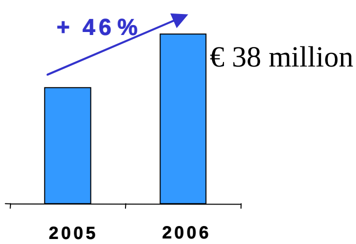

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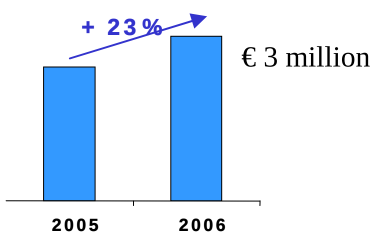

INTERPIERRE

2006 results

Gross operating profit declined slightly from 2005, due both to the € 1 million non-recurring compensation received in 2005 and the increase in general and administration expenses in 2006 associated with the IPO and property search.

Consolidated net profit (IFRS) for the 2006 financial year was € 9.1 million, compared to € 5 million in 2005. Consolidated net profit (IFRS) for the 2006 financial year was € 9.1 million, compared to € 5 million in 2005. This strong growth was due to the rise in fair values and to an exceptional tax adjustment resulting from the adoption of SIIC tax status.

Sharp increase in property value and NAV

The disposal value of the Company's property, was € 81.2 million at the end of 2006, including € 69.6 million in investment property, € 7.2 million in assets held for sale and € 4.4 million in SCPI shares compared to a total € 48.7 million at the end of 2005 (a 67% increase).

NAV per share, computed as replacement value was € 88.59 at the end of 2006, compared to € 70.88 at the end of 2005.

€ 3 cash dividend per share

The Management Board will submit for approval by the Annual General Meeting of 9 May 2007 a cash dividend of € 2.2 million, being € 3 per share, to be paid following the General Meeting.

Equity

Before dividend allocation, Group consolidated equity amounted to € 54.5 million at the end of 2006, compared to € 44.1 million at the end of 2005.

Continued selective investment strategy

Since the IPO, the Company undertook commitments of € 112 million, excluding transaction fees, including a € 11 million acquisition in December 2005, acquisitions in 2006 of € 33 million, signed purchase agreements in December 2006 for € 38 million and € 30 million in offers submitted before the end of 2006.

"In 2007, we will develop our management on behalf of third parties, in particular through the SCPIs (to be replaced by OPCIs) and will continue to implement our selective investment strategy for up to € 150 million, with the objective of providing a return on equity of at least 12%, after an average leverage effect of 2/3.

This original economic model, based on both investment and management for third parties has a double advantage, especially in unstable times: synergies between the various structures at purchasing and management levels, and trading account that comprise a significant share of recurring revenue originating from management and the acquisition of usufruct", Mr Lévy-Lambert, Chairman of the Management Board, declared.

***PAREF** is listed on the stock market since the end of 2005 and elected for SIIC (listed real estate company) at the beginning of 2006*
***PAREF** operates in two major areas: commercial investment and management for third parties.*
***PAREF** manages 120,000 m^2 in assets of a total value of € 330 million.*

'A liquidity contract on the company's securities, complying with the new AFEI (French Association of Investment Firms) Ethics Charter and approved by the AMF (French stock market regulator) on 22 March 2005, was signed with the company Invest Securities'

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

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