

SIIC PAREF, a property company specialised in property investment and management on behalf of third parties, announces quarterly revenues of € 5.7 million, stable compared with the first quarter of 2013.

1 – Property assets and Group debt

1.1 Property portfolio

The following changes have affected the consolidated property portfolio since 1 January:

On 21 January 2014, the Fontenay-Le Fleury building held under a property lease and for which an undertaking to sell had been signed at 31 December 2013 was sold for € 3,900 thousand. The exercise of the lease contract option which took place on the same day was recognised in 2014 as a debt repayment in the consolidated financial statements for € 2,543 thousand.

On 6 February 2014, a section of the Saint Maurice building was sold for € 550 thousand.

On 18 March 2014, the La Courneuve building, for which an undertaking to sell had been signed at 31 December 2013, was sold for € 12,250 thousand. The corresponding loan of € 4,849 thousand was repaid on the same day.

These disposals generated an overall capital gain of € 2.0 million in the parent company financial statements.

On 22 January 2014, the Nanterre building owned by Wep Watford, an equity-accounted subsidiary, was completed.

On 11 February 2014, PAREF signed an undertaking to purchase a building located in Levallois-Perret for € 22,405 thousand excluding stamp duty. The acquisition was finalised on 25 April.

Taking these movements into account, the portfolio was valued at € 155 million at the end of March (excluding Levallois).

1.2 Financial debt

Total Group financial debt was € 65.6 million at 31 March 2014, compared with € 77.5 million at 31 December 2013. The € 11.9 million movement was due to debt amortisation and the early repayment of the La Courneuve and the Fontenay-le-Fleury loans, and part of the Saint Maurice loan.

Including escrow accounts of € 1.9 million and cash and cash equivalents of € 17.7 million, the consolidated net financial debt was € 46.0 million, to which may be added the € 8.9 million share of Wep Watford's debt. The April 2014 acquisition of Levallois for € 24 million deeds in hand was financed by a € 13.5 million bank loan.

¹ Unaudited figures

The LTV ratio (net financial debt to property portfolio value), including the share of the “Le Gaïa” building owned by Wep Watford, an equity-accounted company, was 44% after taking into account the Levallois acquisition, compared with 40.5% at the end of December.

2. – First quarter revenues: € 5.7 million (stable)

| Revenues (€ millions) | Q1 2014 | Q1 2013 | % change | Year to 31 Dec. 2013 |
|---------------------------|---------|---------|----------|----------------------|
| Rental income | 3.4 | 3.5 | -3.3% | 13.5 |
| Costs recovered | 0.7 | 0.9 | -18.9% | 3.3 |
| Rent and costs recovered | 4.0 | 4.3 | -6.4% | 16.9 |
| residential | 0.5 | 0.5 | 3.1% | 1.9 |
| commercial | 3.6 | 3.9 | -7.6% | 14.9 |
| Management fees | 1.6 | 1.4 | 16.1% | 5.2 |
| Consolidated IFRS revenue | 5.7 | 5.7 | -1.0% | 22.1 |

2.1 - Decline in rental income following selective disposals in 2013 and outgoing tenants

Rent (and costs recovered) for the first quarter of 2014 totalled € 4.0 million, compared with € 4.3 million in the first quarter of 2013, a decline of € 0.3 million, € 0.1 million of which was due to the sale of Rueil in 2013 and La Courneuve early in 2014 and € 0.2 million to departures and changes of tenants.

On a constant group structure basis, excluding 2013 and 2014 disposals and acquisitions, rental income declined by € 0.2 million.

The occupancy rate at the end of March, excluding the “Le Gaïa” building in Nanterre, was unchanged at 89%. The final delivery of Le Gaïa (an 11,000 m² HQE/BBC – low energy consumption – office building, developed as a part of a co-investment arrangement with GA Promotion) took place in January. Taking Le Gaïa into account, the occupancy rate was 80% at the end of March.

The first lease of “Le Gaïa” building, a 1,400 m² office complex, was signed in April.

2.2 –Decline in SCPI management fees offset by the launch of Novapierre Germany

Over the first quarter of 2014, management fees totalled € 1.60 million compared to € 1.38 million for the same period of 2013. Subscription fees increased thanks to Novapierre Germany and totalled € 0.73 million (including € 0.56 million from Novapierre Germany), compared with € 0.61 million in the first quarter of 2013.

SCPI Novapierre Germany was accredited by the AMF on 7 January 2014. At 31 March 2014, it had total capital (issue premium included) of € 22.1 million. Subscription fees were reduced for the first two months of the launch phase.

Management fees on property assets represented € 0.87 million, compared with € 0.77 million in the first quarter of 2013, an increase of 13%. This change was the result of the growth in assets managed by Novapierre and rent collected by Vivapierre.

The assets managed by the Group at 31 March 2014 may be analysed as follows:

ASSETS MANAGED BY PAREF GROUP

| Capital under management | 31 Mar. 14 | | 31 Dec. 13 | | Change | |
|---|------------|----------|------------|----------|--------|--------|
| | m2 | € K | m2 | € K | m2 | € K |
| Paref Group (1) | 207,043 | 142,122 | 228,581 | 160,798 | -9.4% | -11.6% |
| Interpierre France | 53,897 | 28,238 | 53,897 | 28,189 | 0.0% | 0.2% |
| Novapierre 1 | 52,102 | 151,816 | 52,102 | 151,265 | 0.0% | 0.4% |
| Pierre 48 | 52,694 | 307,356 | 52,694 | 305,374 | 0.0% | 0.6% |
| Capiforce Pierre | 26,911 | 49,647 | 26,835 | 45,970 | 0.3% | 8.0% |
| Novapierre Germany | 0 | 23,941 | | | | |
| Total SCPI (2) | 185,604 | 560,997 | 185,528 | 530,798 | 0.0% | 5.7% |
| Vivapierre (1) | 53,833 | 119,920 | 53,833 | 120,350 | 0.0% | -0.4% |
| Total OPCI | 53,833 | 119,920 | 53,833 | 120,350 | 0.0% | -0.4% |
| Third parties | 11,155 | 31,546 | 11,155 | 31,546 | 0.0% | 0.0% |
| Usufructs (3) | (14,477) | | (14,477) | | | |
| Interpierre (4) | (53,897) | (28,238) | (53,897) | (28,189) | | |
| Grand Total | 389,261 | 826,348 | 410,723 | 815,302 | -5.2% | 1.4% |
| Including management on behalf of third parties | 250,592 | 712,463 | 250,516 | 682,693 | 0.0% | 4.4% |

(1) appraised value of assets at the balance sheet date including 50% of Wep Watford

(2) capitalisation at the balance sheet date based on share issue prices at that date

(3) floor area counted both by Pierre 48 (bare owner) and Paref or third party under management (usufruct)

(4) value counted both by Paref Group (consolidated data) and the SCPI

3 – Annual General Meeting

The Company's shareholders are invited to attend the Combined Annual General Meeting to be held on Wednesday 14 May at 4.30 pm, at the Musée des Arts & Métiers, 60 rue Réaumur (75003) Paris. A dividend of € 3, unchanged from last year, will be submitted for approval by the General Meeting for payment before 1 June. The ex-dividend date will be 27 May.

4 – Outlook

The first quarter was particularly busy for Paref Group, with both the continuation of the policy of trading up the asset portfolio and the success of Novapierre Germany.

Building on these achievements, the Company will continue to roll out its strategy over the course of the financial year, in particular by pursuing its active commercialisation of the Le Gaïa building, and on leveraging the success of Novapierre Germany to develop Paref Gestion's range of SCPIs and OPCIs.