

PRESS RELEASE

Antony, 20 January 2011

THIS DOCUMENT SHALL NOT BE PUBLISHED, DISTRIBUTED OR DISSEMINATED, DIRECTLY OR NOT, IN THE UNITED STATES OF AMERICA, AUSTRALIA OR JAPAN.

2010 Revenues

***New year of strong growth,
with two structuring transactions***

- **Rental income above the targets announced for 2010**
- **Further acquisitions of commercial quality assets with attractive conditions, increasing the amount of commitments signed or under completion to €224 million in 2010.**
- **Merger with DAB Expansion and Avenir & Investissement completed on 10 January 2010**
- **Capital increase considered in the near-term, for an amount of approximately €100 million at €11,50 per share, subject to the approval of the Autorité des Marchés Financiers,**

I – 2010 Revenues above the target of €21 million

The rental income of TERREÏS in 2010 amounts to €21.2 million, up 57.2% compared with the previous year. Restated from acquisitions and disposals completed over the past 12 months, the rents increased by 1.8%: the organic growth rate is exceeding the growth rate of its reference index (ICC), which grew at a moving annual average rate of 0.4 %.

Rental income (€m)	12 months			4 th quarter		
	2010	2009	Var.	2010	2009	Var.
Offices	12.34	7.63	+62%	4.04	2.25	+80%
Commercial	5.09	2.97	+71%	1.38	1.19	+16%
Mixed Offices & Commercial	2.26	2.24	+1%	0.57	0.56	+2%
Residential	1.48	0.63	nm	0.37	0.36	+3%
Others	0.07	0.04	nm	0.02	0.01	+21%
Total	21.24	13.52	+57,2%	6.39	4.38	+45,9%

Organic growth for the 4th quarter of 2010 stands at 2.6%. It is in clear improvement compared to the same period last year. This performance is mainly driven by the improvement of the financial occupancy rate, which stands at 98.7 % on the whole year versus 98.2 % at the end of September 2010

II – A total of €224 million committed in investments in 2010

While at the end of September TERREÏS had already committed €147 million for the acquisition of new real estate assets, the 4th quarter allowed to seize further new opportunities of premium investment for €77 million. These acquisitions are mainly:

- Two buildings of 4,000 square meters, located rue Cambacérès and rue Roquépine (VIIIth Arr. of Paris), and rented to several high quality tenants. This acquisition has been acted on 13 January 2011,
- One building, under offer, of 13,155 square meters, situated in Ivry-sur-Seine, close to Paris city, and rented to the Jussieu University for a 5-year contract,

These assets will generate an overall immediate yield of 7.6 % on a full year basis.

All in all, TERREÏS will have bought €140 million out of the €224 million commitments at the end of 2010. All these acquisitions will generate an immediate yield of 7.04 % on a full year basis.

III – Merger of DAB Expansion and Avenir & Investissement completed on 10 January 2011

In order to gather within TERREÏS all the real estate assets held by Ovalto Investissement and to make it its privileged vehicle of real estate investment, Jacky Lorenzetti has decided to merge the DAB Expansion Group and its subsidiary Avenir et Investissement within TERREÏS (*cf December 6th press release*).

The Shareholders General Meetings of the different companies approved this transaction on 10 January 2011, with the following implications

- €209.7 million of real-estate assets integrated into the portfolio of TERREÏS, consisting of 16 Haussmann buildings located in the best districts of Western Paris, and three office buildings,
- A capital increase against contribution in kind resulting into the issue of 8.87 million new TERREÏS shares and increasing the outstanding share capital to 16.7 million shares,
- The combined stake of Jacky Lorenzetti and Ovalto Investissement in the new Group at the level of 72.5 %.

IV –Capital increase of approximately €100 million considered in the near-term

Subject to the approval of the Autorité des Marchés Financiers, TERREÏS is considering a capital increase of approximately €100 million in the near-term, in order to:

- Finance the current and the future investments of TERREÏS,
- Reaffirm the stock market status, through a significant increase of the free float and the stock liquidity.

V – Outlook

Considering the last acquisitions and the merger transaction, TERREÏS begins the 2011 year with a portfolio estimated at €737 million ⁽¹⁾. Thanks to the next equity raising transaction, TERREÏS expects to reach rapidly a portfolio of €1 billion, mainly consisting of commercial buildings. Achieving this target implies a more active period assets rotation, in particular regarding residential buildings, as well as identifying commercial tertiary assets meeting the tight criteria set since TERREÏS' foundation: premium properties located in city center, rented to multi-tenants with rent levels offering a reversionary potential, and acquired at high levels of profitability.

In the short run, on the basis of the new scope of the group, the rental income of TERREÏS should exceed €44 million in full year, and post again a significant progression in 2011 versus 2010.

This document does not constitute and shall not be considered as a public offer, an offer to subscribe or as intended to solicit the public's interest for a public offer. It does not constitute an offer nor an invitation to buy or subscribe to securities, and its contents do not constitute, nor serve as a basis for a contract, commitment or decision to invest in any such offer or solicitation. This document shall not be disseminated in the United States, Canada, Australia, Japan, or to any of the residents of those countries.

Next periodic publication: FY 2010 results, March 23th 2011.

Contact: Emmanuel Pineau, Deputy Managing Director of OVALTO Investissement
Tel: +33 (0)1 82 00 95 01

About TERREÏS (www.terreis.fr)

TERREÏS is a property company with a portfolio of small and medium-sized offices and commercial premises, mainly in central locations in Paris and major cities throughout France. TERREÏS has been listed in Compartment C of the NYSE Euronext market in Paris since December 2006, and adopted listed property company status (*régime des sociétés d'investissement immobilier cotées*, or SIIC) from 1 January 2007. The stock was added to the SBF 250 Index in September 2010.

ISIN code: FR0010407049 – Stock symbol: TER

⁽¹⁾ Portfolio at end September 2010 valued by BNPParibas Real Estate at this date, acquisitions and engagements signed after this date valued at cost.