

PRESS RELEASE

Paris, 21 July 2011

First-half 2011 revenues

Very high trading levels

Rental income up by 96%, in line with targets.

Since the start of the year, €275 million invested based on a return of 6.77%.

Estimated value of the property portfolio at the end of July 2011: €930 million

- **Trading levels in line with targets set at the start of the year**

TERREÏS' rental income was €18.3 million in the 1st half of 2011, up by 96% compared with the 1st half of 2010. This improvement is in line with the growth outlook of at least 85% of revenues for the entire period. The data for the 1st half of 2011 in particular includes the revenues from the Avenir & Investissement assets, which were merged with TERREÏS on 10 January last. This income contributed €3.45 million to the revenues for the period.

Following restatement of the acquisitions and disposals made in 2010, the Group's organic growth was +2%. The occupancy rate for the commercial property portfolio (offices + retail) was 95%.

Rental income <i>(in € thousand)</i>	1st half			2nd half		
	2011	2010	Change	2011	2010	Change
Offices	10,744	4,963	+116%	5,432	2,454	+121%
Retail	3,259	2,471	+32%	1,690	1,206	+40%
Mixed (offices + retail)	1,104	1,129	-2%	553	572	-3%
Residential	3,100	744	ns	1,601	366	ns
Other	81	34	ns	43	20	ns
Total	18,288	9,341	+96%	9,319	4,617	+102%

- **Intense effort into acquiring commercial assets throughout the 1st half: investments amounting to €274.8 million, based on a return of 6.77%**

Since the start of the year, TERREÏS has acquired commercial assets valued at €274.8 million (of which €126.2 million completed and €148.6 million under promises at the end of July 2011). These assets are spread geographically as follows:

- **€194.3 million of assets in the PARIS QCA (central business district) or close to the CBD**

The assets acquired or pending acquisition are located in the central business district or in its immediate vicinity: in the 8th (116 rue de la Boétie, 11 rue Roquépine and 4 rue Cambacérès, 51 rue d'Anjou), in the 2nd (14 and 16 rue Volney), in the 9th (14 and 16 rue Poissonnière, 22 rue Cadet) and in the 6th (7 rue de l'Ancienne Comédie) *arrondissements*.

Two of these assets (Volney and Anjou) were acquired with vacant possession in order to achieve an attractive price per square metre. They will be marketed in Q4 2011.

- **€79.5 million of assets in the inner belt, at the city gates of Paris**

These are 4 properties (6 rue Denis Papin at Asnières, 17/19 place de la Résistance at Issy-les-Moulineaux, 60 quai Auguste Deshaies at Ivry-sur-Seine, Cité Jardin at Plessis-Robinson).

- **€1.0 million of assets in the provinces**

These are 3 shops in La Rochelle and Toulouse, with FONCIA as the tenant.

Made on the basis of an attractive price of €6,770/m² in Paris and €3,335/m² in the inner belt, all these acquisitions, completed or pending completion, will generate an immediate yield of 6.77% on a full year basis, once the two vacant assets are relet.

- **Concentration of the portfolio on the commercial assets in line with liberalisation of residential premises: €26 million of residential assets have already been sold**

Since the start of the year, TERREÏS has signed protocols disposing of residential assets in Paris valued at €26 million, based on an average price of €9,200/m².

- **Confirmation of the outlook**

The policy of acquiring assets in the commercial sector pursued during the 1st half of 2011 has allowed to move rapidly towards achieving the target of a portfolio valued at €1 billion by the end of 2012, set at the time of the capital increase at the start of the year. At the end of July 2011, this was actually €930 million, including pending acquisitions.

In the face of increased competition, TERREÏS will continue to be highly selective while remaining watchful for opportunities.

The program for disposing of residential assets will be continued in order to take advantage of the attractiveness of Paris real estate prices.

Terreïs confirms its outlook for FY 2011, i.e. a growth in rental income of more than 85% and gradual concentration of its property portfolio into city centre commercial property.

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Next periodic information publication: Half-yearly results on 31 August 2011

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Contact: Fabrice Paget-Domet, Chief Executive Officer - Tel: 01 82 00 95 23

About Terreïs (www.terreis.fr)

Terreïs is a property company whose asset portfolio consists of small and medium size office premises as well as the bricks and mortar of retail property located mainly in city centres, in Paris and the main regional urban centres in France. Terreïs has been listed on the NYSE Euronext regulated market in Paris since December 2006, and opted for the status of listed property investment companies ("SIIC"), from 1st January 2007. Its stock has been incorporated in the SBF 250 reference index (now the CAC-All Tradable index) since September 2010.

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