



The city-centre property company

PRESS RELEASE

Paris, 31 August 2011

First-half 2011 results

- **Rental income: €18.3 million (+ 96%)**
- **Cash flow: €9.4 million (+ 101%)**
- **Interim dividend: €0.27 per share in September (+ 17.4%)**
- **Capital gains on disposals of residential assets: €5.1 million**

The Board of Directors of TERREÏS met on 31 August 2011 to approve the consolidated financial statements for the 1st half of the 2011 financial year.

Key indicators (in millions of euros)	1 st half 2011	1 st half 2010	Changes %
Rental income	18.29	9.34	+95.8%
Cash flow (before disposals)	9.40	4.67	+101.4%
Cash flow (after disposals)	14.35	4.89	+193.4%
Current operating income (before disposals)	8.80	4.93	+78.5%
Operating income (after disposals)	13.99	5.13	
Net income	7.46	1.46	
Interim dividend (€/share)	€0.27	€0.23	+17.4%

- **Marked increase in profits: net income and cash flow appreciably up.**

TERREÏS' rental income for the 1st half of 2011 was €18.3 million, a rise of 96% compared with the same period for last year.

Continued stringent control of overheads at a time when the property portfolio was growing rapidly has enabled the company to post current operating income of €8.8 million, up 78.5% compared with the 1st half of 2010 and an EBITDA margin of 85% on rental income. It should be noted that this impressive growth has gone hand in hand with a strengthening of the management team, in order to bring the TERREÏS organisation more in line with its development strategy.

In line with the strategic focusing of its portfolio on commercial sector properties, TERREÏS achieved residential assets disposals for an amount of €8.1 million, leading to capital gains of €5.1 million.

Operating income after allowing for capital gains on disposals of residential assets amounted to €13.99 million. After deduction of net financial results for an amount of (€6.34) million, net income stood at €7.46 million.

Cash flow excluding disposals was €9.4 million for the 1st half of 2011, i.e. double that for the 1st half of 2010. Including disposals, cash flow was €14.35 million. Based on the number of shares post-merger and the capital increase, the cash flow per share was €0.37/share. It was set at €0.57/share after including gains from disposals.

- **Maintaining a sound balance sheet**

On 30 June 2011, TERREÏS' consolidated equity was €208.5 million and net financial debt €246.1 million. Based on valuations made by BNP Real Estate's experts on 31 December 2010 and investments made or promised at the end of August and valued at cost, the Group's property portfolio is valued at €930 million at the end of August 2011.

- **Interim dividend of €0.27 per share to be paid on 30 September 2011**

TERREÏS has adopted the practice of paying its dividend in two instalments, an interim dividend and the balance in May. In light of the results for the 1st half of 2011 and the outlook for the full year, TERREÏS' Board of Directors has decided to set the interim dividend for 2011 at €0.27 per share, up 17.4% on that distributed last year. This interim dividend will be paid on 30 September 2011.

- **Confirmation of the outlook for 2011**

In addition to residential assets disposals already taken into account, promises for an amount of € 22 million have been signed. They should generate €16 million of capital gains during the second half of the year.

Taking into account the commercial acquisitions completed or pending completion, potential rental income is €56 million on a full year basis (of which €6.1 million of residential rental income and €49.9 million of commercial rental income for a property portfolio of, respectively, €208 million and € 722 million).

In light of these performances, TERREÏS confirms its outlook for FY 2011: rental income up significantly, gradual focusing of its residential portfolio on commercial sector properties in city centres and growth rate of cash flows in line with that of first half.

On that basis, TERREÏS considers to set FY 2011 dividend at €0.57 per share, up 16.3% on that distributed last year.

Next periodic information: Quarterly information as at 30 September 2011: 21 October 2011

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About Terreïs (www.terreis.fr) Terreïs is a property company whose asset portfolio consists of small and medium sized 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 company ("SIIC"), from 1 January 2007. Its stock has been incorporated in the SBF 250 reference index (now the CAC-All Tradable index) since September 2010.

ISIN codes: FR0010407049 - Mnemonic: TER