TERREÏS

PRESS RELEASE Paris, 26 March 2012

2011 results: an exceptional year in TERREÏS' development

- Assets more than doubled to 1.085 billion euros
- NAV per share up 8% to €19.69 (+22% on a pro forma basis and after the capital increase)
- Proposal to increase the dividend to €0.57 (+16%)
- For 2012, 35% growth in rental income already secured
- Continuation of opportunistic strategy of concentrating our assets in high quality commercial sector property in Paris

TERREÏS' Board of Directors has approved the Group's consolidated financial statements[1] for 2011. All the key indicators have increased significantly, underpinning a year filled with structuring events for the Group. For the record, these included the merger with A&I and a capital increase in early 2011, giving a new dimension to Terreïs. To give a better picture of the new group's economic performance, the accounts presented below, as well as TERREÏS' usual accounting data, give a pro forma view of TERREÏS' new scope following the merger, i.e. by including A&I income and assets at the end of 2010.

In millions of euros	**2011**	**2010 pro forma**	**2010**	***% Chg. 2011/2010 pro forma***	***% Chg. 2011/2010***
Rental income	**41.5**	**28.9**	**21.2**	***+43.6 %***	***+95.6 %***
Current operating income	**19.7**	**14.7**	**10.9**	***+34.0 %***	***+81.0 %***
Cash flow (before disposals)	**25.9**		**10.7**		***+142.1 %***
Cash flow (after disposals)	**59.7**		**15.0**		***+298.0 %***
Investments made	**345**		**143**		***+142.0 %***
Revalued assets	**1,085**	**673**	**458**	***+61.3 %***	***+136.8%***
Liquidation NAV per share (€/share)	***19.69***	***16.14****	***18.28***	***+22.1 %***	***+7.8 %***

** after capital increase*

[1] The audit of the accounts was carried out by the auditors. The audit report of certification is in the issue process.

- **Another year of strong growth in rental income and cash flow**

TERREÏS' rental income for 2011 amounted to €41.5 million, up 96% in relation to the previous year. The figure includes income from Avenir et Investissement assets, which contributed €6.9 million in revenue for the period.

Maintaining a tight control over expenses in the context of strong growth enabled a operating profit of €19.7 million to be made, up 81% compared to 2010.

Net income amounted to €35.9 million. This takes into account a margin from the sale of assets, net of tax, of €22.3 million, and exceptional items of €9.4 million corresponding to favourable outcomes of litigation, fully posted in the accounts, coming from the Avenir & Investissement and DAB Expansion companies.
Excluding these non-recurring items, net income from rental activities amounted to €4.2m, up 62% compared to 2010.

Cash flow increased by 142% to €25.9 million.

These performances were achieved through the occupancy rate in the commercial sector being maintained at a high level of 96% (excluding Anjou and Volney, voluntarily acquired without occupancy).

- **Assets were more than doubled to over one billion euros, boosted by acquisitions, revaluations and the integration of Avenir & Investissement**

At 31 December 2011, the assessed value of the assets was €1,085 million, more than double the assets of €458 million at the end of 2010, and up 61% compared to the €673 million in assets on a pro forma basis following the inclusion in early 2011 of the Avenir & Investissement assets.
Revaluation of the group assets, conducted by BNP Real Estate experts, came to €86 million in 2011, an increase of 8.7% (+13% on the assets acquired in 2011). These assessments show a yield of 6.50% for all offices and shops owned and a value of €7,259/m^2 for residential assets in blocks, located mainly in western Paris.

During 2011, total investment amounted to €345 million for an average overall yield of 6.64%. These acquisitions were primarily in Paris (76.5%) and the inner belt (23.2%). In addition, €33.8 million of sales were made in connection with the policy of moving progressively out of residential real estate and towards the commercial sector, generating an accounting capital gain of close to €23 M.

The liquidation adjusted net asset value comes to €19.69 per share, up 7.8% from the end of 2010. On a post-merger basis, and taking into account the capital increase completed in early 2011, the increase was 22% (€19.69 per share vs. €16.14 per share). The dilutive impact of the capital increase has therefore been more than compensated for.

- **A sound financial structure**

At end December 2011, TERREÏS' consolidated shareholders' equity totalled €230 million. Net debt stood at €536 million. All borrowings, more than 80% of which are amortisable loans, have been negotiated at a fixed rate for a weighted average cost of 4.36%, excluding a line of credit. The average duration, weighted by the amounts outstanding, is 13.5 years, representing an especially comfortable debt profile.

The Loan to Value ratio (net financial debt / assets) was 49%. TERREÏS thus has a sound financial structure that allows it to remain on the lookout for opportunities that may arise on the Paris market.

- **Prospects for 2012: maintaining an opportunistic and controlled growth dynamic in a market that remains positively oriented towards the commercial sector**

2012 will be devoted to consolidating the strong growth of the past two years, while remaining on the lookout for opportunities that may arise on the Paris market.

Moreover, TERREÏS will continue the progressive sale of its residential assets, and explore the possibility of selling its provincial assets in order to focus entirely on Paris and the Ile-de-France region. The company will continue with its goal of progressively refocusing its assets towards high-quality commercial sector property in Paris (over 80% of its assets are already located in Paris).

In the shorter term, and on the basis of current assets, TERREÏS' rental income is expected to exceed €56 million in a full year, and therefore show a further significant increase in 2012 in comparison to the 2011 levels.

The objective is to increase dividends by 50% in 5 years and at constant scope.

- **Dividend of €0.57 per share (+16.3%)**

The Board of Directors will propose to the Annual General Meeting on 10 May the distribution of a dividend of €0.57 per share for the 2011 financial year, which is an increase of 16% over last year. An interim dividend of €0.27 was already paid last September, the balance of €0.30 will be detached on 22 May 2012.

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Publication of the first-quarter 2012 sales on 24 April 2012.

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About TERREÏS (www.terreis.fr) A new TERREÏS website is now online
TERREÏS is a property company whose assets consist of offices and retail premises, mostly in Paris. Terreïs has been listed on the regulated NYSE Euronext market in Paris since December 2006, and was integrated into Compartment B in January 2012. It opted for the status of listed property investment company (SIIC) from 1 January 2007. Its stock has been included in the SBF 250 reference index, now the CAC-All Tradable index, since September 2010.
ISIN codes: FR0010407049 – Ticker symbol: TER