

### 2015 First Half Results

- Total Rental income stable at €35.4 million (+1% over the 2<sup>nd</sup> quarter)
- Rental income from strategic assets (parisian Tertiary assets): €26.1m (+4.3%)
- Cash flow from operations: €17.0m (-5.0%)
- Revalued portfolio at June 30 : €1,634.2m (+2.4% vs end of 2014)
- EPRA Liquidation NAV at 30 June : €33.16 per share (+4.2% vs end of 2014)
- 2015 interim dividend : €0.38 per share paid on 13 November (+11.8%)
- Continuation of the strategy of focusing on Parisian commercial property assets

TERREÏS Board of Directors held on July 30<sup>th</sup> 2015 under the Chairmanship of Jacky Lorenzetti has approved the consolidated financial statements for the 1<sup>st</sup> half of 2015<sup>1</sup>.

#### • Rental income

TERREÏS rental income stood at €35.4 million in the 1<sup>st</sup> half of 2015, stable compared to 1<sup>st</sup> half 2014. Rental income for the 2<sup>nd</sup> quarter was €17.9 million, up 1%.

Rental income from Tertiary business, which represent 94% of total rental income, were up 1.7% over the 1<sup>st</sup> half and up 2.6% over the 2<sup>nd</sup> quarter. The increase was driven by the 4.3% increase in the Parisian assets rental income (+5.6% over the 2<sup>nd</sup> quarter).

Rental income (€ million)	1 <sup>st</sup> Half					2 <sup>nd</sup> Quarter				
	2015		2014		Change %	2015		2014		Change %
	€m	%	€m	%		€m	%	€m	%	
Tertiary	33.33	94%	32.77	92%	+1.7%	16.81	94%	16.38	93%	+2.6%
<i>o/w parisian assets</i>	26.13	74%	25.05	71%	+4.3%	13.24	74%	12.52	71%	+5.6%
Residential	2.11	6%	2.68	8%	-21.3%	1.06	6%	1.32	7%	-19.7%
<b>Total</b>	<b>35.44</b>	<b>100%</b>	<b>35.45</b>	<b>100%</b>	<b>-</b>	<b>17.87</b>	<b>100%</b>	<b>17.70</b>	<b>100%</b>	<b>+1.0%</b>

For the 1<sup>st</sup> half of 2015, financial occupancy rate on tertiary portfolio stood at 93.1%. Excluding assets under restructuring, financial occupancy rate was 96.5%.

<sup>1</sup> Auditors have carried out a limited review of the interim financial statements. They are in the process of issuing an unqualified opinion.

- **Acquisitions for €16.0 million; disposals of regional and residential assets for €8.4 million**

TERREÏS reinforced its parisian Tertiary portfolio by acquiring a 1,788 sq.m. office building located 1 Cité Paradis, Paris 10<sup>e</sup> (effective yield of 5.66%) and offices located at 14/16 rue Volney (Paris 2<sup>e</sup>). Investments amounted to €16 million, including restructuring capex.

TERREÏS pursued the liquidizing strategy of its regional and residential assets with disposals amounting to €8.4 million during the 1<sup>st</sup> half of 2015, above appraisal values and in line with the annual program. In addition, €13.5 million of asset disposals under promises have to be accounted for over the next few months.

At the end of July, TERREÏS launched the commercialisation of its residential assets located 10-12 avenue de Messine (Paris 8<sup>e</sup>) and 25 à 29 rue Marbeuf (Paris 8<sup>e</sup>).

- **Elements of liquidity and profitability**

Cash flow from operations (after cost of debt and taxes) stood at €17.0 million, or €0.67 euro per share vs €0.69 euro per share on a comparable basis over 1<sup>st</sup> half 2014. After disposals, cash flow from operations stood at €24.1 million (€32.4 million over 1<sup>st</sup> half 2014).

Net income for the 1<sup>st</sup> half 2015 was €5.1 million, vs €15.3 million for the 1<sup>st</sup> half 2014. Change is due to the low level of disposals over the period under review, which cannot be considered as representative for the full year.

- **Sound financial structure**

At 30 June 2015, consolidated shareholders equity was €219 million and net financial debt amounted to €769 million. LTV ratio stood at 47.1%, vs 48.5% at 31 December 2014.

74% of loans are redeemable and are very largely swapped-variable rate loans with an average maturity slightly above 10 years.

- **EPRA liquidation NAV: up 4.2% vs end of 2014; Revalued portfolio: up 2.4% vs end of 2014**

As of 30 June 2015, TERREÏS' revalued portfolio was worth €1,634.2m, an increase of €38.7 million or +2.4% compared with December 31, 2014. The improvement is the net balance of:

- Acquisitions + restructuring capex for €16.0m, reinforcing TERREÏS' commercial property portfolio in the Paris Central Business District;
- Disposals for €7.8m of non strategic assets;
- €30.5m of revaluation of group's assets (as estimated by BNP Paribas Real Estate).

As of 30 June 2015, EPRA liquidation NAV was €33.16 per share, up 4.2% compared to December 31, 2014. EPRA Replacement NAV was €37.11 per share, up 3.7%.

- **€0.38 euros per share for interim dividend (+11.8%) paid on 13 November 2015**

Taking into consideration the business outlook for the year as a whole, the Board of Directors has decided to set the 2015 interim dividend at €0.38 per share, an increase of 11.8% compared with the interim dividend paid last year. This interim dividend will be paid on 13 November 2015.

- **Outlook: ongoing refocus on high-quality Paris office real estate**

TERREÏS' goal is to substantially increase its Paris commercial property portfolio, and to focus on Paris CBD. Over the 2<sup>nd</sup> half of 2015, TERREÏS will actively concentrate on the disposal of its regional and residential assets.

**Publication of the sales figures for the 3<sup>rd</sup> quarter of 2015 on 22 October 2015**

**Contact:** Fabrice Paget-Domet, Chief Executive Officer - Tel: 33 (0)1 82 00 95 23

**About Terreïs (www.terreis.fr) - ISIN Codes: FR0010407049 - Ticker symbol: TER**

*Terreïs is a real estate company where the assets consist of offices and retail premises that are primarily located in Paris. Terreïs has been listed on the NYSE Euronext regulated market in Paris since December 2006, and has been included in Compartment B since January 2012. The Group has opted for the status of listed property investment company ("SIIC") since 1 January 2007. Its shares have been included in the SBF Index (now the CAC-All Tradable Index) since September 2010.*