

PRESS RELEASE

Paris, February 12, 2019

2018 Results

- **The strategy of focusing on Offices in Paris CBD is demonstrably working: renewed double-digit increase of EPRA NAV (+11.5 %)**
 - **Liquidation EPRA NAV: € 57 per share (+11.5 %)**
 - **Parisian offices rental revenues: € 63.3m (+5.0 %)**
 - **Revalued portfolio: € 2,193m (+4.9 %)**
 - **98% of portfolio within Paris**
 - **LTV: 32 % (-4 pts)**
 - **2018 dividend: € 1.20 per share**

TERREÏS Board of Directors, held on February 12, 2019, has approved the consolidated financial statements for the 2018 fiscal year. Auditors have carried out a limited review of the interim financial statements. Their report is about to be issued. 2018 figures are characterized notably by a further double digit progress of EPRA NAV (+11.5 %) and an improvement of the financial structure (LTV 32 %).

Commenting on these results, Jacky Lorenzetti, President of TERREÏS, declared : « *All through 2018, TERREÏS pursued its strategy of concentrating its portfolio on prime office units in Paris. This strategy, which prioritises asset optimisation, facilitates rental and assures a high occupancy rate. TERREÏS thus is able to take advantage of a significant rise in rents, at the time of leases renewal and when relocations follow departure of tenants, while benefitting from positive indexations.*

TERREÏS business model once again demonstrates its solid and highly defensive profile. In particular, the fixed-rate debt structure, with a remaining life over 10 years and mainly made of mortgaged-redeemable loans, provides relative protection in case of any increase in interest rates. »

- **Asset portfolio : € 2.2Bn, 98 % located in Paris ; EPRA NAV: € 57/share, +11.5 %**

At December 31, 2018, the appraisal value of the TERREÏS portfolio stands at € 2,193 million, up € 103 million (+4.9 %) compared to the end of 2017. On a constant basis, assets revaluation generated € 139 million in additional value (+6.3 %), including € 9 million of works to optimise the portfolio. It largely offsets the impact of the € 36 million of residential assets disposals (appraisal value).

At the end of 2018, TERREÏS portfolio was made up of 98 % of Parisian assets.

At 31 December 2018, EPRA NAV (liquidation) stands at € 57 per share, up 11.5 % on 2017. Replacement NAV stands at € 63.35 per share (+10.8 % over 2017).

This increase reflects and validates the strategy of focusing on Paris CBD office assets, as well as the mechanical effect of annual repayment of redeemable loans, a key element of TERREÏS business model.

- **Rental income: 5 % growth from the strategic assets of the Parisian office sector.**

Rental Revenues (in euros million)	2018	2017	Change %
Strategic assets (Parisian Tertiary)	63.3	60.5	+5 %
Non strategic assets	3.9	4.3	-8 %
Total	67.2	64.8	+4 %

Rental income from the Office assets in Paris increase by € 2.8 million, and account for 94 % of total rental income in 2018). Rental income from non-strategic assets (non-Parisian Offices and Residential) kept decreasing in line with the disposals program of all non-strategic assets.

The EPRA vacancy rate (apart from property under renovation) at 31 December 2017 stood at 0.7 %, stable compared to 2017.

- **EPRA Earnings up 25%**

EPRA Earnings stand at € 35.8 million (€ 28.5 million in 2017). It takes into account a net cost of debt of € 26.1 million (€ 28.0 million in 2017). Profit margin on asset disposals was € 30.2 million (€ 34.0 million in 2017).

- **Reinforced financial structure: LTV ratio at 32 % (- 4pts)**

As of 31 December 2018, net debt stood at € 704 million (€ 749 million at the end of 2017) and LTV ratio was 32 % (36 % at the end of 2017). All loans, which are essentially made up of redeemable loans, are at fixed or swapped rates.

- **BREEAM Certification of Parisian office buildings**

TERREÏS actively pursued the BREEAM certification process of its Parisian office buildings. At the end of 2018, 73 % of the Parisian office assets were certified « Very good » or « Good » (67 % at the end of 2017).

- **Disposal of a property portfolio for a price of €1.7 billion**

TERREÏS announces today that it has signed an agreement regarding the disposal of a property portfolio comprising 28 real estate assets for €1.7 billion (excluding transfer duties) to Swiss Life AG (with substitution option in favour of entities controlled or managed by Swiss Life Asset Managers).

The transaction perimeter includes approximately 72% of TERREÏS' property portfolio as appraised on December 31st, 2018. The closing of the transaction is subject to (i) the satisfaction of the condition related to the potential exercise of the urban pre-emption rights and (ii) relevant antitrust approval.

The closing of the disposals, subject to the result of the Annual General Meeting of TERREÏS, will be followed by the payment of a dividend corresponding to the legal distribution obligations under the SIIC tax regime and, following the payment of the dividend, the launch of a public share buyback tender offer (OPRA) by TERREÏS providing liquidity to all minority shareholders of TERREÏS, subject to a clearance decision (*décision de conformité*) by the *Autorité des marchés financiers*

TERREÏS shareholders should refer to the press release detailing the operations relating to the transaction with Swiss Life AG published today.

- **Dividend : € 1.20 per share (+48 % compared to 2017)**

The Board of Directors will propose to the General Meeting of Shareholders, which will take place in May 2019, to set the dividend at € 1.20 per share, an increase of 48 % on 2017 dividend.

As an interim dividend of € 0.44 per share was paid last November, the balance will be paid concomitantly with the dividends relating to the transaction with Swiss Life AG, expected to take place early July.

2019 Q1 income revenue to be released on 17 April 2019.

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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 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.