EUROSIC
APPRECIEZ LA DIFFÉRENCE

Press release

Paris, July 27th, 2010

2010 FIRST HALF-YEAR RESULTS

- **NAV (excluding rights) increased by 10% to €31.48/share due to a property revaluation growth of +3,8 %**
- **Partial disposal of Center Parcs to Pierre & Vacances and sale of Faubourg St Martin office building (Paris 10e) signed, for a total amount of €84 Mn, up 11% compared to the appraised value as December 31, 2009.**
- **Loan To Value ratio down to 53% pro forma following asset disposal**

« In a rather steady investment market in the first half year, Eurosic successfully achieved its asset disposal program for an amount of €84 Mn, up 11% compared to the appraised values at 31/12/2009. The disposals consisted mainly in selling ca. 1/5 of Center Parcs in Sologne and in Normandie to Pierre & Vacances. The remaining 4/5 are increased in value through a longer lease maturing in 2020 and a raise of the rents after refurbishmenent. The rotation policy of mature and/or non strategic assets will be continued with the objective to focus the portfolio on new and/or "greenable" large office buildings in Paris and the first Crescent. The asset disposal reduces the Loan To Value ratio from 57% to 53% pro forma." confirms Jean-Eric Vimont, Chairman and Chief Executive Officer,

2010 first half-year results

Eurosic has been implementing a dynamic policy through a portfolio management with following outcome for the period:

- ***Asset disposal***

- Sale of the office building situated Faubourg Saint Matin 85/87, Paris 10, 5.600 sqm. and let to BETC Euro RSCG. Sale agreement has been signed on July 22, 2010 for €28 Mn.

- The negotiation with Pierre & Vacances (P&V) of a global valuation agreement for the two Center Parcs includes three steps:

(1) Bloc disposal of cottages for €56 Mn;
(2) Lease maturities extended by 2.5 years i.e. up to 2020;
(3) Remaining cottages will be refurbished for €27 Mn in 2011 and charged with additional rents in return.

The agreement is scheduled to be completed in October 2010

- ***Lease renegotiations***

- Lease renegotiation on Terra Nova II building in Montreuil (93) has been completed on 80% of the building (25 000 useful sqm). Therefore, BNP Paribas rents 3 000 sqm of additional area and occupier 30% of the building. The average rent for offices amounts €293/sqm/year net of expenses and taxes HT HC (5 tenants) and incentives amount to an average of 3%. Lease term has been extended from 1.6 to 5 years.

- ***Capital expenditures***

- Works continue on 52 Hoche (11.000 sqm) in Paris 8 and on LP3 in Lille Seclin (7 800 sqm), prelet to Atos Worldline. Deliveries are scheduled at the beginning of 2011. €17 Mn has been invested during the first half-year.

- ***Sustainable development***

- Offices building Quai 33 in Puteaux was certified as H.Q.E. for operation (9th building to get the certification in France).

Consolidated Income Statement

The Board of Directors stated on the half-year financial statements on July 27th, 2010. The auditors reviewed the half year consolidated financial statements. Their audit report is in the process of being issued.

In € Mn.	30/06/2010	30/06/2009	Change
Rental income	**39.7**	**40.3**	**-0.6**
Operating Expenses	**-4.2**	**-3.6**	**-0.6**
EBITDA	**35.5**	**36.7**	**-1.2**
Operating margin rate	***89.30%***	***91.20%***	***-1.9***
Depreciation and provisions	+25.9	-102.5	128.4
Operating result	**61.4**	**-65.8**	**127.2**
Financial result	**-17.1**	**-17.5**	**0.4**
Tax	0.0	0.3	-0.3
Consolidated net result	**44.3**	**-82.9**	**127.2**

Eurosic's consolidated net income amounted +€44.3 Mn at 30th June, 2010 versus -€82.9 Mn losses in the first half-year 2009. This results from a new fair market value of the properties leading to a net restatement of depreciations accounted for +€45.3 Mn.

2010 first half-year revenues

ASSET CATEGORIES (in € Mn)	30/06/2010	30/06/2009	Change	Like-for-like change
Offices	26.7	28.1	-4.9%	-2.8%
Diversified assets	13.0	12.2	+6.3%	+6.3%
Total	**39.7**	**40.3**	**-1.5%**	**-0.1%**

In the first half of the year Eurosic recorded a light contraction of -1.5% in its rental income and a like-for-like -0.1% decrease, coming out at €39.7 Mn.

The contraction in rental income on offices and business parks stems primarily from the renegotiation of rents in return for extended lease maturities, as well as negative indexing.

Diversified assets income (leisure and logistics assets) has increased by 3.4% thanks to a still positive indexing and the deliveries of extensions in 2009.

On the whole, indexing has remained positive over the period, coming in at 0.4%.

The portfolio in operation posted a financial occupancy rate of 89.4% at June 30th, 2010, based on a remaining lease maturity of 6.4 years, up 11 months compared to December 31, 2009, further to the active asset management.

Current Cash flow

	30/06/2010	30/06/2009	Change in %
Current Cash flow (in € Mn)	18.7	21.5	-13.1%
Cash flow / share (in € Mn)	1.05	1.21	-13.2%

** 17 733 863 treasury shares excluded*

The current cash flow calculation is based on the consolidated net result restated from non cash and/or exceptional income as well as loan interests on development projects.

Current cash flow per share came to €1.05 at June 30th, 2010, down to -13% compared with the value at 30 June 30th, 2009. This fall is due to the current vacancy of the buildings Quai 33 and Jazz and the corresponding property costs.

Portfolio and Net Asset Value (N.A.V.)

(In € Mn)

ASSET CATEGORIES	Valuation excl.rights at 30/06/10	Valuation excl.rights at 31/12/09	Net change in capital expenditure	Yield rate excl. rights at 30/06/10	Yield rate excl. rights at 31/12/09
Offices	1 070.4	1016.7	+3.6%	*6.97%	*7.42%
Diversification assets	349.6	335.3	+4.3%	7.42%	7.57%
Total	**1 420.0**	**1 352.0**	**+3.8%**	**7.14%**	**7.50%**

**Occupied buildings, excluding Quai 33, JAZZ and 52 Hoche*

At June 30th, 2010, the portfolio value excluding rights was 1 420 M€[1], i.e. up 5.0 % and up 3.8% like-for-like.

This value growth indicates a turning point on the market after two years of a fall and is linked to two factors:

- **Yield compression on « core » office buildings ;**
- **Revaluation of the Center Parcs following the transaction concluded with Pierre & Vacances (see H1 2010 results).**

At June 30th, 2010, the gross average yield rate excluding rights came to 6.97% for offices, 7.4% for the whole portfolio, respectively up + 45 and 36 basis points compared with the rate at 31st December 2009.

The increase of fair value led to a Eurosic's NAV growth excluding rights of +10.1% at €558.2 Mn ; moreover the consolidated net result over the period, excluding depreciation and amortisations (€18.4 Mn), has offset the negative change of interest rate hedging instruments (-€13.8 Mn) and the payout of the dividend in cash (€4.0Mn).

[1]* *According to appraisal value performed by Cattela Valuation and CBRE Expertise.*

NAV excluding rights was €31.48 per share at June 30th, 2010 versus €28.58 at December 31th, 2009, a gain of €2.90 based on the total number of shares after capital increase due to the payout of the dividend in shares.

Financial indicators and debt

At June 30th, 2010, net consolidated financial debt totalled €796.2 Mn with a lower average cost of debt at 4.48%, compared to H1 2009 (4.72%).

Average debt maturity is 4.9 years and no repayment is scheduled before mid-2014

Bank ratios at June 30th, 2010 have been improved and largely complied with the covenants level of credit conventions. LTV has been improved at 1.2% and ICR at 0.1 as follows :

	30/06/2010	31/12/2009	Covenant
LTV	56.1%	57.3%	65.0%
ICR	2.1x	2.0x	1.5x

Taking into account the sale of Center Parcs together with Faubourg Saint Martin property, the Loan To Value ratio stands at 53,3% pro forma (-4.0%) on June 30, 2010.

Outlook

The company maintains its focus on leasing the offices recently delivered (Quai 33 in Puteaux (92) and Jazz in Boulogne-Billancourt (92)) or under construction (52 Hoche in Paris 8). These lettings and the leasing to Atos Worldline of a new building in Lille Seclin at the beginning of 2011 will result over the full year in a potential for additional cash flow of around +20% in relation to current cash flow for 2009. This will become effective as of 2011 after a contraction in current cash flow over 2010 on account of the rental situation for the buildings delivered recently.

At the same time, the company will be implementing a policy of rotation of mature and/or non-strategic assets to concentrate its portfolio on recent and/or "greenable" large office assets in Paris and in the first crescent.

***

Financial schedule

2010-Q3 results: November 12th, 2010

ABOUT EUROSIC

Eurosic is a listed real estate company backed by the BPCE Group through its principal shareholders Nexity Participations and Banque Palatine, which respectively own 32.07% and 20.12% of the Company's capital.

Listed since 1984, EUROSIC adopted the SIIC status for listed French real estate investment trusts in 2006, and operates on commercial, leisure and logistics property in the Paris Region and throughout France.

Eurosic trades continuously on Euronext Paris Eurolist, Compartment B. Eurosic has been part of the SBF 250 and CAC Mid 100 indexes since December 18th, 2009.

Ticker: ERSC - ISIN: FR0000038200.

Investors Relations

Laurent Faure
Tel: +33.1.45.02.23.29
l.faure@eurosic.fr
www.eurosic.fr

Press Relations

Fatima El Allaly
Tel: +33.1.44.43.76.41
fatima.elallaly@dialog.publicis.fr