

PRESS RELEASE

Paris, 20 October 2009

Third quarter 2009 rental income

Acceleration of growth : +52.1% for the 3rd quarter 2009
Investments: €121m since the beginning of the year

I – Acceleration of rental income growth, thanks to recent acquisitions

TERREIS' rental income for the first nine months of 2009 came to €9.14 million, up 41.3% compared with the same period of last year. Restated from acquisitions and cessions realized over the past 12 months, rental income was up 8.2%.

Rental income (*) (€m)	9 months			3rd quarter		
	2009	2008	Var.	2009	2008	Var.
Offices	5.38	3.66	+47.2%	1.83	1.25	+46.9%
Commercial	1.78	1.13	+57.2%	0.82	0.40	+104.5%
Mixed Offices & Commercial	1.67	1.55	+7.8%	0.56	0.54	+3.8%
Others	0.30	0.12	nm	0.17	0.04	nm
Total	9.14	6.47	+41.3%	3.38	2.22	+52.1%

**Rental income net of operating costs, maintenance and repairs including those under Article 606*

Rental income for the third quarter of 2009 came to €3.38 million, up 52.1% compared to the same period of last year, which represents an acceleration over the 1st half increase (+35.6%). Excluding acquisitions, organic growth (based on contractual indexations and rental renegotiation) amounts to 8.1%, in line with the level reached over the first nine months of the year.

At the end of September, financial occupancy rate (excluding buildings being in a sale process) remains at a high level: 98.1% compared to 98.5% at the end of June 2009.

II – Active investment policy of quality

Keeping the dynamic of the targeted acquisition policy put in place at the beginning of the year, TERREIS maintained during the 3rd quarter an active presence on the market. Globally, promises and firm acquisitions signed since the 1st January amount to €99m, splitting as follows:

- effective acquisition of 24 assets for an amount of €90.6m, of which €61.5m related to the acquisition of 3 buildings rue Marbeuf, Paris VIII^{ème} (closing in September). Restated from apartments in mixed buildings acquired in Paris and Chartres (cf press release issued on 21 July 2009), this will carry a 7.5% net yield on the offices and commercials.
- Signature of 2 promises to purchase for an amount of €8.4m, related to an asset in Biarritz rented by Foncia, and an office building rue Villedo (Paris I^{er}) for an investment of €7.6m, which should carry a yield higher than 8%.

In addition, TERREÏS is actively looking at 6 new investment projects for an aggregated amount of €22m, which should be finalized before the end of 2009. The expected global yield is higher than 8%, bearing in mind that the two main targets are related to offices in the QCA (central business area) in Paris.

These acquisitions fit with TERREÏS strategy since it went public, which consists in building a portfolio of high quality assets located in the centre of cities and rented by a large diversity of tenants. All these operations, excluding apartments, will generate a gross yield of 7.8% on a full year basis prior any renegotiation. The excellent conditions of acquisition combined to the acceleration of the pace of investment policy suggests a growth of rental incomes on the full year 2009 significantly higher than the objective of +35% announced at the time of the full year 2008 results publication.

These acquisitions have been debt-financed by new partners wishing to accompany TERREÏS development. After swaps put in place at the end of September, the cost of the debt is below 4.5% for the mid/long part (8 and 15 years). Thanks to their instantaneous return, these investments will contribute positively to the cash flows from the first year of their acquisition.

III – Maintain of a high level of interest for high quality opportunities

Summer time was extremely favourable to the acquisition of buildings in excellent conditions. It turns out that recent transactions on high quality portfolios in the QCA in Paris suggest that fewer opportunities may occur in the forthcoming months, due to the progressive softening of the credit market and the comeback of financial investors. Backed by its reference shareholder, TERREÏS remains nevertheless open to any new opportunity which may fit with its strict criteria of quality and profitability.

Next publication: Rental income for the full year 2009: 21 January 2010

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About Terreïs (www.terreis.fr)

Terreïs is a property company whose asset portfolio contains small and medium sized offices and commercial premises, mostly in central locations in Paris and the main French regional cities. Terreïs will grow by drawing on the considerable reservoir of commercial leases currently managed by branches of the Foncia group and through acquisitions facilitated by the network of business sources that these branches represent.

Terreïs has been listed in the C Compartment of Eurolist by Euronext Paris since December 2006, and adopted the listed property company regime (*régime des sociétés d'investissement immobilier cotées* or SIIC) from 1 January 2007.

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