

**COMMUNIQUE DE PRESSE**

Paris, 21 July 2009

**First-half 2009 rental income: +35.6%**

**Significant acceleration in investments:  
€1.4m engaged since the beginning of the year**

**I – Q2 confirms Q1 growth dynamic**

TERREÏS' rental income for the first half of 2009 came to €5.76 million, up 35.6% compared with the same period of last year. Restated from acquisitions and cessions realized over the past 12 months, rental income was up 9.6%.

<b>Rental income* (euros 000s)</b>	<b>1st half</b>			<b>2<sup>nd</sup> quarter</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>	<b>2009</b>	<b>2008</b>	<b>Change</b>
Offices	3,551	2,409	+47.4%	1,793	1,209	+48.3%
Commercial	964	734	+31.4%	514	385	+33.4%
Mixed	1,113	1,013	+9.9%	559	527	+6.0%
Other	127	89	+43.5%	74	42	+75.6%
<b>Total</b>	<b>5,756</b>	<b>4,245</b>	<b>+35.6%</b>	<b>2,940</b>	<b>2,164</b>	<b>+35.9%</b>

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

Rental income for the second quarter of 2009 came to €2.94 million, up 35.9% on the second quarter of 2008, the same order of magnitude that was enjoyed on the 1st quarter. Indexations and renegotiations represent 9.2% of that increase.

Apart from contractual indexation, these excellent figures have been reached thanks to a very low level of vacancy, which underlines the quality of TERREÏS' assets and tenants. Financial occupancy rate reached 98.5% at the end of June 2009, compared to 98.3% at the end of March.

**II – Significant acceleration of high quality investments policy**

After having engaged for €22.6m during the first quarter, TERREÏS took advantage of opportunities to accelerate the development of its portfolio. Over the past three months, promises have thus been signed for an additional €68.8m.

Global engagement since the beginning of the year comes to €91.4m and splits as follows:

- acquisition of 21 new assets for an amount of €29m, with an expected instantaneous yield of 8.5%. In addition to the 12 GE Money Bank agencies located in large cities and benefitting from 1, 3 or 6 years rental guarantees according to assets, the main other investments are an haussmanian building located boulevard de Sébastopol - rue des Innocents in Paris and a mix real estate asset in Chartres.
- Signature of 3 promises to purchase for an amount of €62.4m, the main one being composed with 3 attached haussmanian buildings rue Marboeuf (Paris VIII<sup>ème</sup>) for €61.5m. This will generate a 7% yield on the only offices and commercials.

It is important to note that Chartres and rue Marboeuf buildings have a minority of apartments acquired in the frame of the SIIC law. These apartments will be sold net of taxes beyond the 5 years legal period. Current rents match their cost of financing.

These acquisitions fit with TERREÏS strategy since it went public, which consists in building a portfolio of high quality assets located in the center of cities and rented by a large diversity of tenants.

All these operations, excluding apartments, will generate a gross yield of 7.5% on a full year basis prior any renegotiation. The excellent conditions of acquisition accelerated the pace of investment policy and confirm the objective of growth higher than 35% on the full year 2009, as announced at the time of the full year 2008 results publication.

These acquisitions have been debt-financed by a new partner wishing to accompany TERREÏS development. After swaps, financing cost should be close to 4.5% over a 15 years period of time. Thanks to the instantaneous return on these assets, 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 quality opportunities**

More and more vendors face scarce buyers, penalized by tough financing conditions as banks look for margin restoration. In that context, TERREÏS will take advantage of its solid financial structure and from a strong reference shareholder to seize any opportunity matching TERREÏS criteria of quality and profitability.

#### **Next publication**

1st half 2009 results: 1st september 2009

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#### **About Terreïs ([www.terreis.fr](http://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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