2012 full-year results and outlook

26 March 2013

TERREÏS

Content

I. Overview
II. 2012 Financial performance
III. Outlook

I – Overview

- Revalued portfolio — €1,138m (x 2.5 in two years)
- Rental income — €58.3m (+40%)
- Net income — €60.0m
- Cash Flow after disposals — €100.0m (+68%)
- Liquidation NAV — €23.86 (+21%)
- Proposed 2012 dividend* — €0.61 (+7%)
- % of assets in Paris — 81%, o/w 75% in/near Central Business District
- Value created since 2009 via assets revaluations — €201.7m

** To be approved by General Meeting of Shareholders on 14 May*

2012: continued refocusing on Paris and consolidation

- **Continued refocusing on Paris commercial sector property**

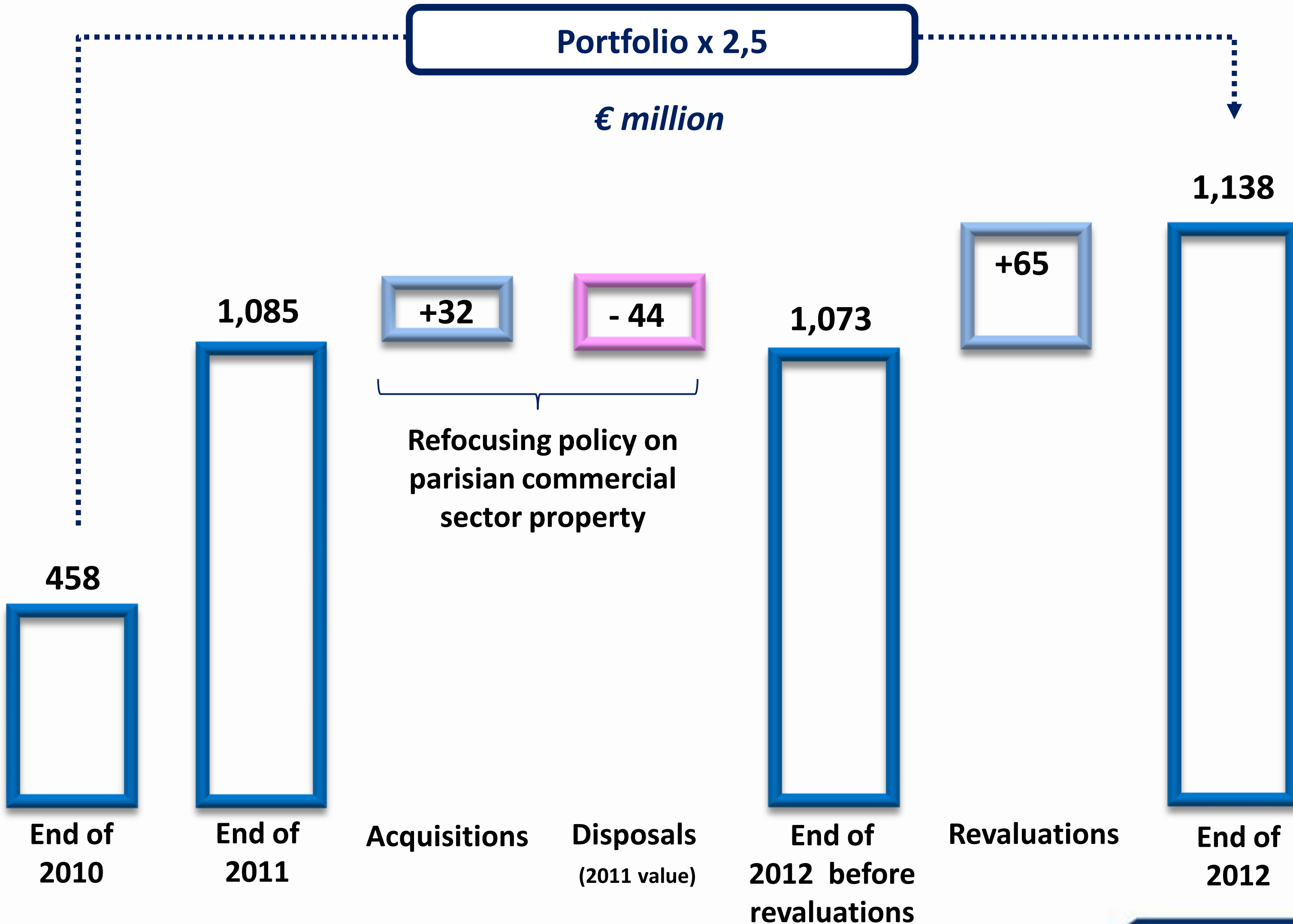
Acquisition of offices in Paris Central Business District

Disposals in the French regions

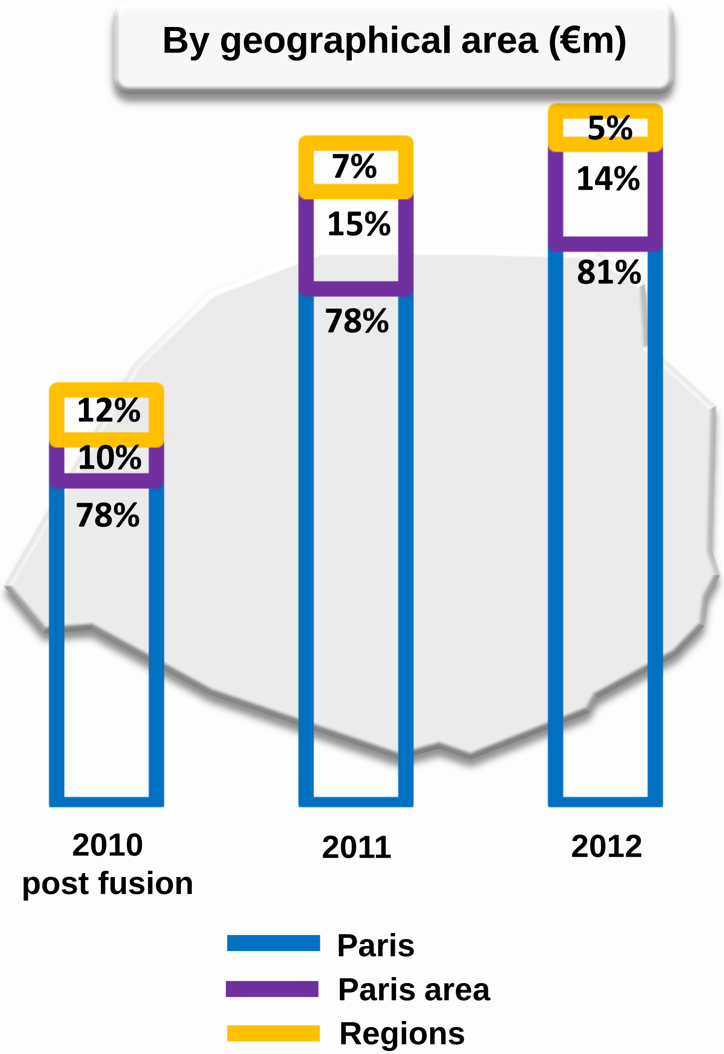
Disposals of residential assets (Basis €10,450 / sq.m.)

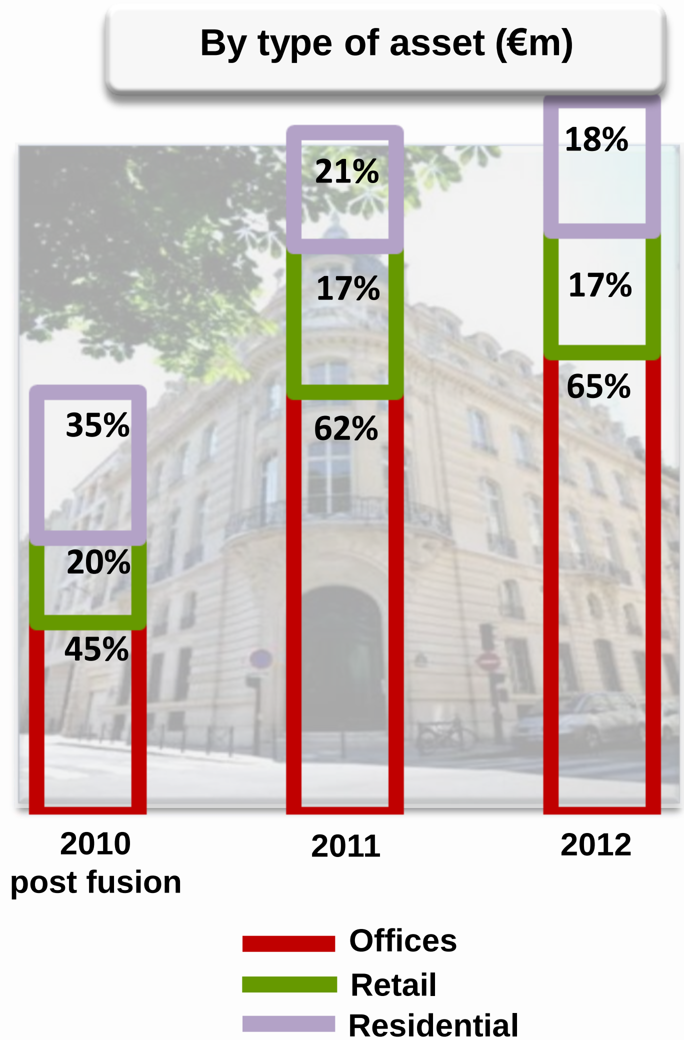
- **Optimisation of Property Management: financial occupation rate = 96%**

A portfolio in a process of recomposition and growth



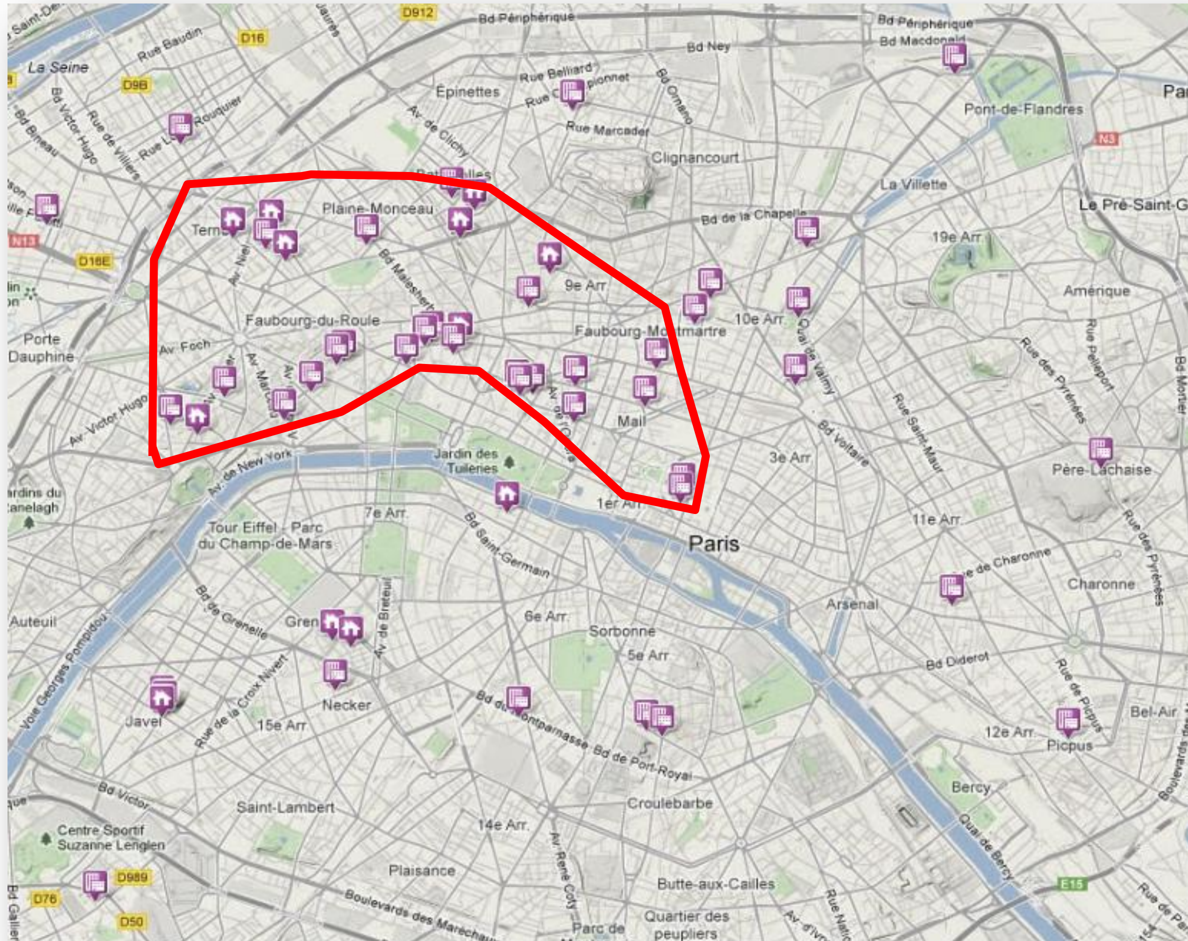
Refocusing on parisian commercial sector property





Refocusing on commercial sector property in Paris Central Business District

- 81%
  of assets in Paris
- Of which 75%
  in or near Central Business District



Acquisition of offices in Paris: 89 rue La Boétie, VIIIème

- 1,369 sq.m. of offices
- Tenant: ATLAS Editions
- Firm lease 6 years

Yield
6.79%

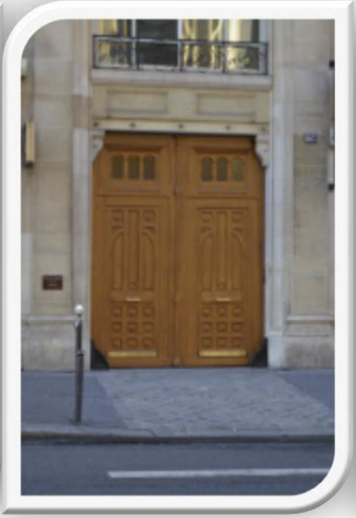
Acquisition of offices in Paris: **103 rue Réaumur, II^{ème}**

- 2,986 sq.m. of offices / retail
- 600 sq.m. of residential on the basis of €5,665/sq.m.

- Multi-tenants (Main tenant EPAURIF)

Yield Offices / Retail	
Instantaneous: **6.0%**	Ex-residential: **6.6%**






Continuation of the progressive sale of the residential assets

- €34.9m of disposals at an average price of €10,450 / sq.m.
- i.e. a **net book gain of €27.3m**
- €33.8m of disposals in 2011
- 28% of residential portfolio sold since 2011

Continuation of sales of assets in the French regions

- Disposals for €22.0m of two assets portfolios
- €2.8m of sales on a lot-by-lot basis
- i.e. a **net book gain of €10.9m**



Optimisation of Property Management: financial occupation rate: 96%

Two assets acquired on an empty basis:

- 51 rue d'Anjou, VIIIème
- 2,609 sq.m. of offices
- Purchase price: €17.2m

- 14-16 rue Volney, IIème
- 3,573 sq.m. of offices
- Purchase price: €19.4m

Offices let at a high speed:

100% let (Maurel & Prom) since 1st February 2013

90% let, multi-tenant of which Richemont Group and Interlink

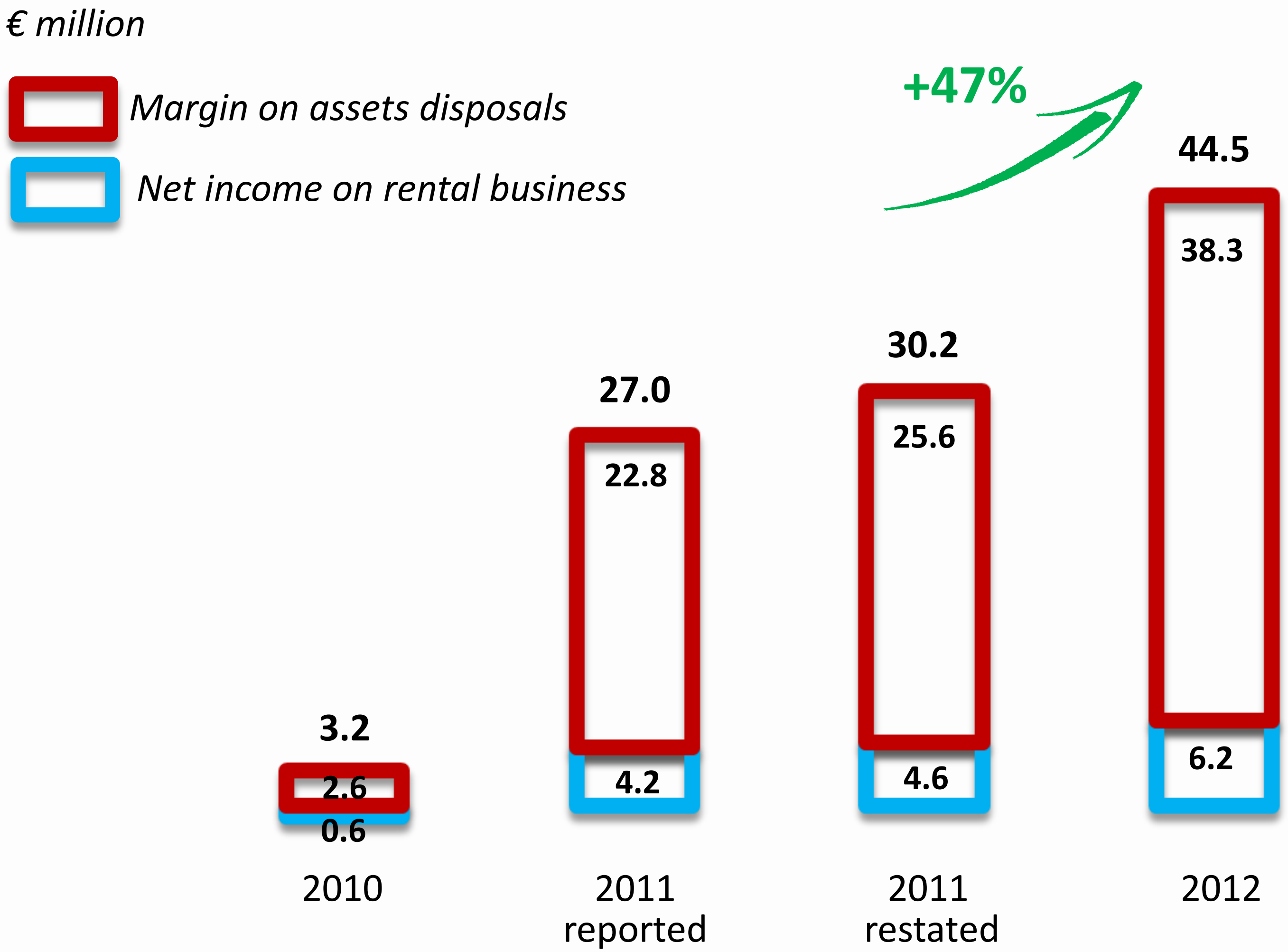
- **Appraisal value end of 2012 (Volney partly let, Anjou empty) : €52.7m, or a «gain» of €16.1m**

II – 2012 Financial performance

Strong growth of key figures

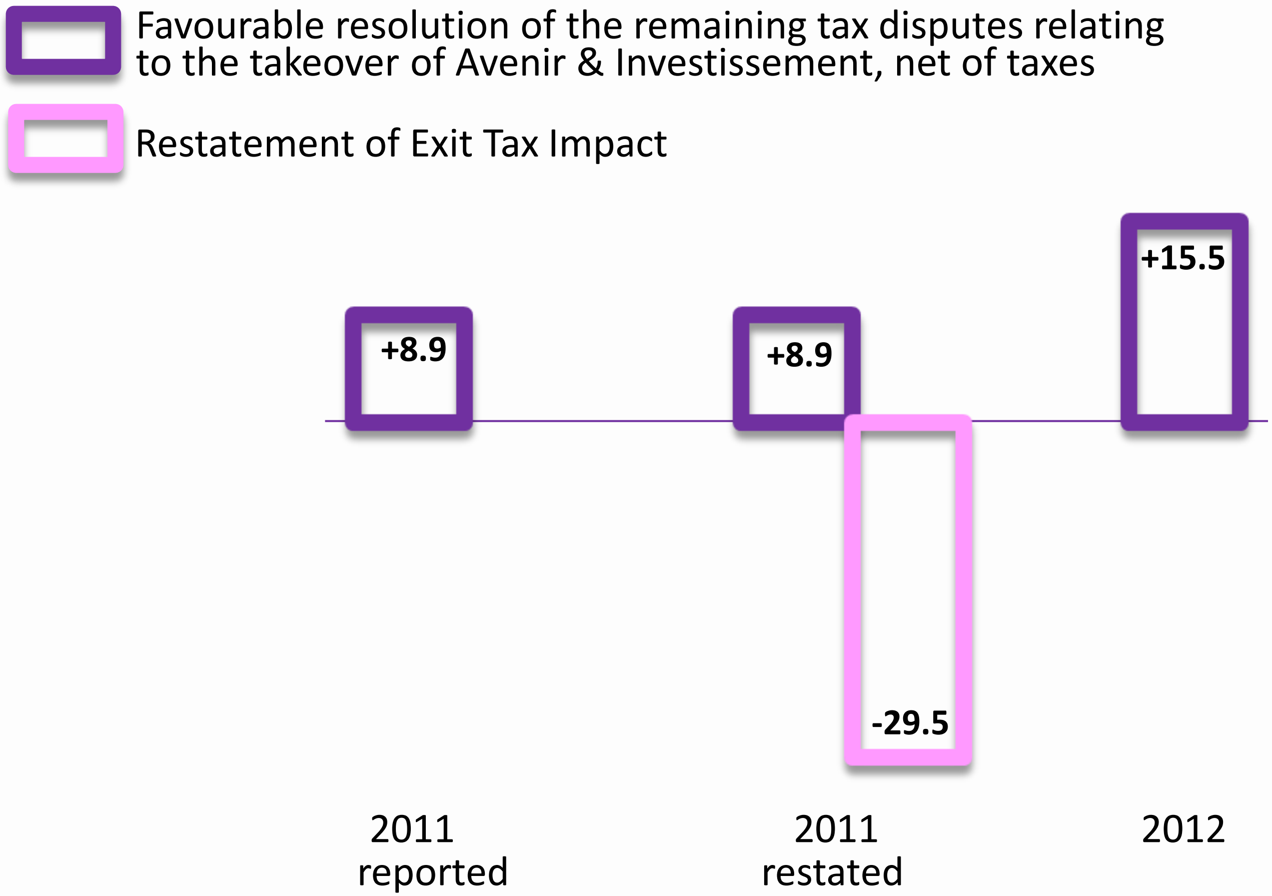
(€ million)	2012	2011 restated	Change %	2011 reported
Rental income	**58.3**	41.5	*+40.4%*	41.5
Current operating income	**29.3**	20.2	*+45.0%*	19.7
Net income	**60.0**	9.6	*ns*	35.9
o/w net income on rental business	***6.2***	*4.6*	*+34.8%*	*4.2*
o/w margin on assets disposals	***38.3***	*25.6*	*+49.6%*	*22.8*
o/w income on exceptional items	***15.5***	*-20.6*	*ns*	*8.9*
Cash Flow (before disposals)	**43.8**	25.9	*+69.1%*	25.9
Cash Flow (after disposals)	**100.0**	59.7	*+68.0%*	59.7
Capex engaged	**32.0**	345.0	*ns*	345.0
Dividend	**0.61***	0.57	*+7.0%*	0.57

To be approved by General Meeting of Shareholders on 14 May


€ million
Margin on assets disposals
Net income on rental business
+47%
3.2
2.6
0.6
2010
27.0
22.8
4.2
2011 reported
30.2
25.6
4.6
2011 restated
44.5
38.3
6.2
2012

Focus on Net income – 2nd part

€ million



Accounting of Exit Tax on the merger with Avenir & Investissement in 2011

Initial treatment in 2011 accounts:
Exit Tax 100% activated

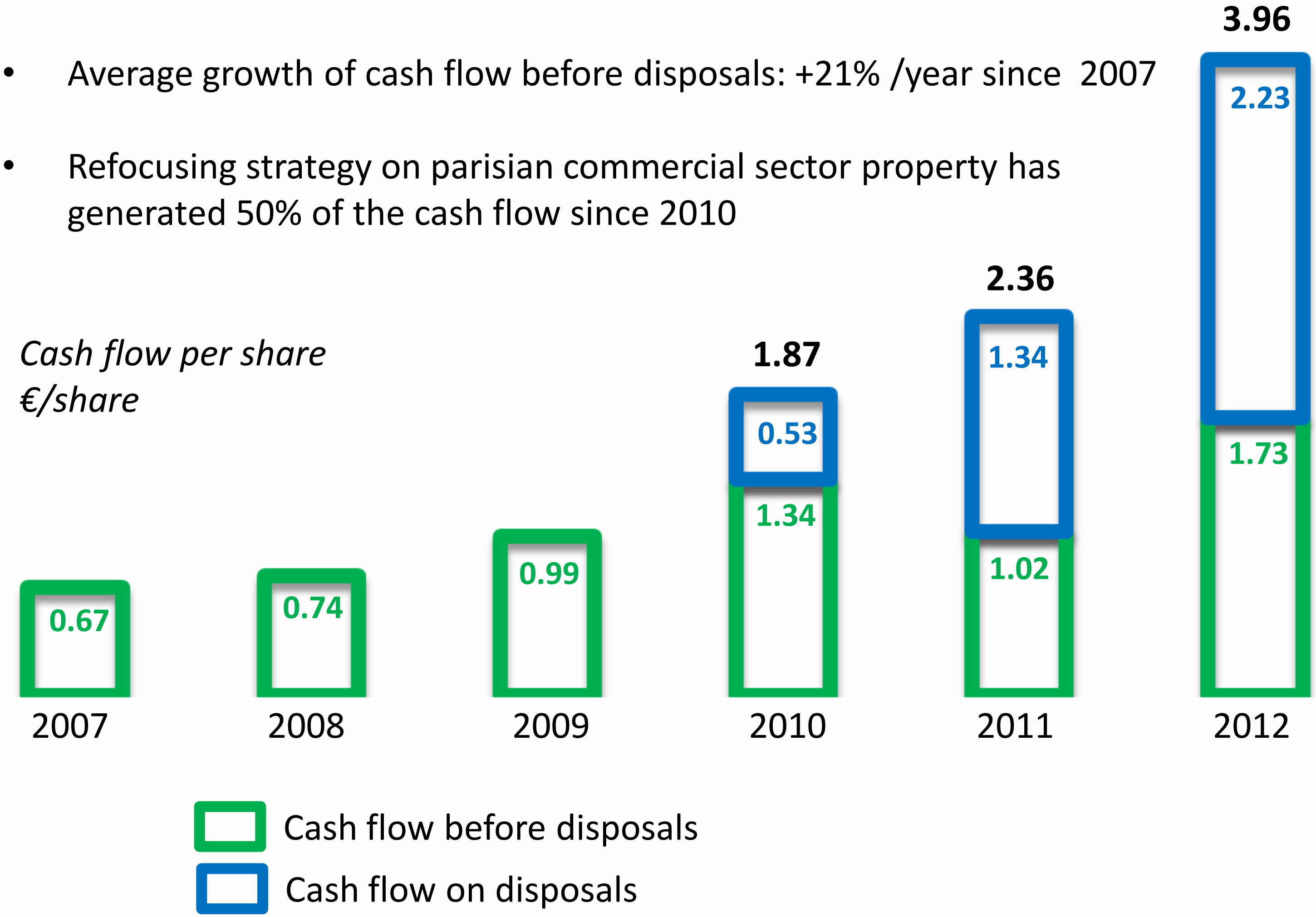
Restatement of 2011 accounts:
Exit Tax 100% expensed (- €29.5m)

- **No cash or NAV impact**
- **Change in book value of residential assets from ex-A&I (- €26.2m)**
- **Impact: higher gains on disposals to come (already + €2.8m on 2011)**

An other strong progression in rental income

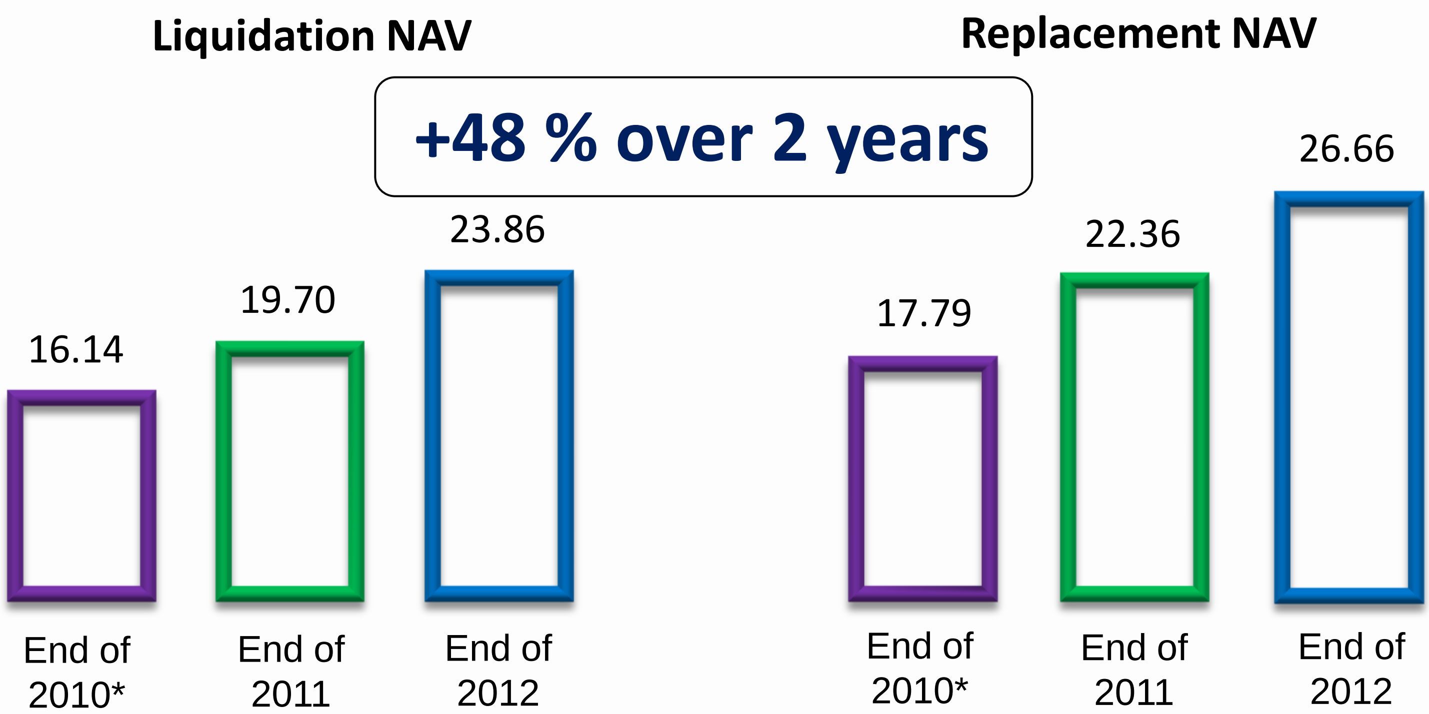
Increased Cash-flows

- Average growth of cash flow before disposals: +21% /year since 2007
- Refocusing strategy on parisian commercial sector property has generated 50% of the cash flow since 2010



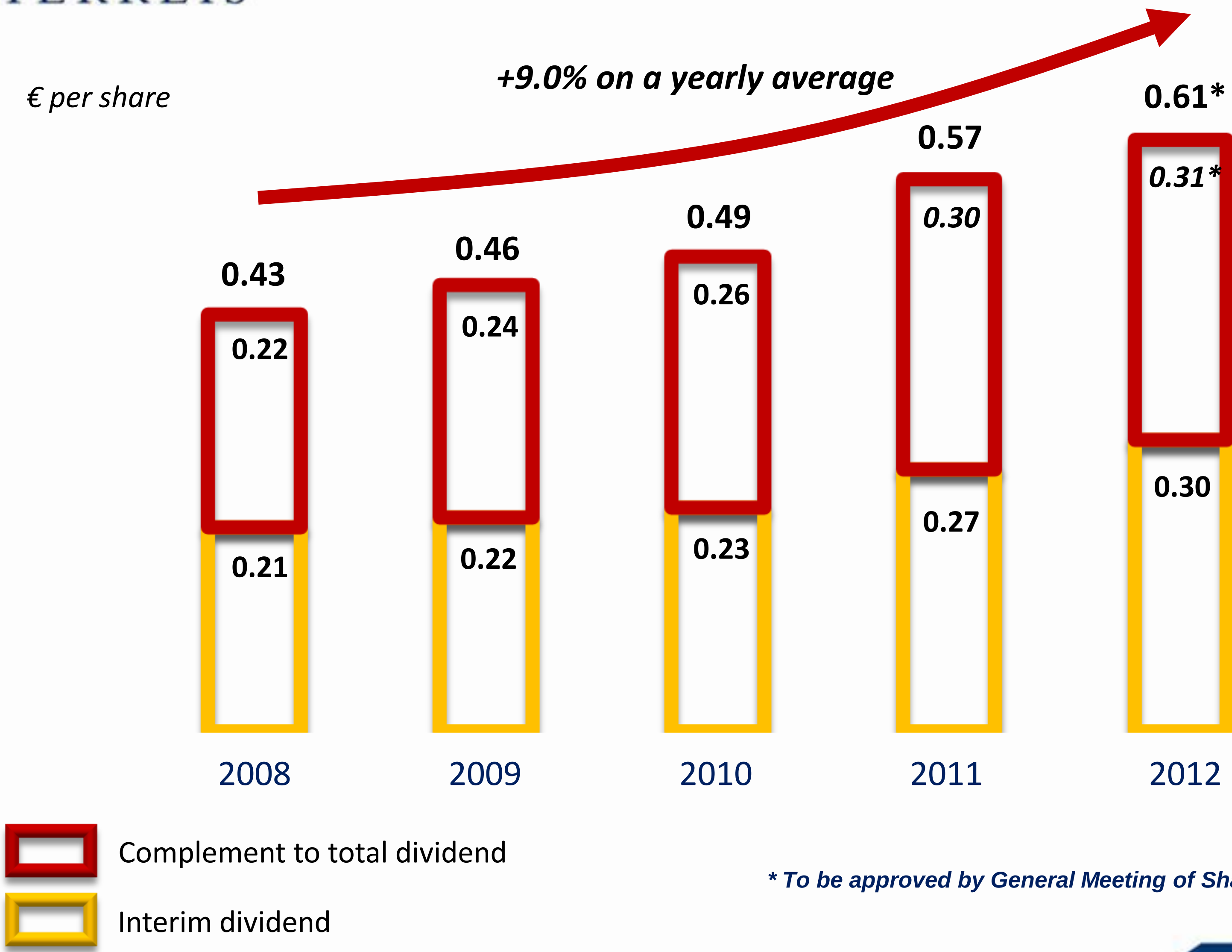
An other increase in NAV

€ million, on the basis of 25.25 million shares



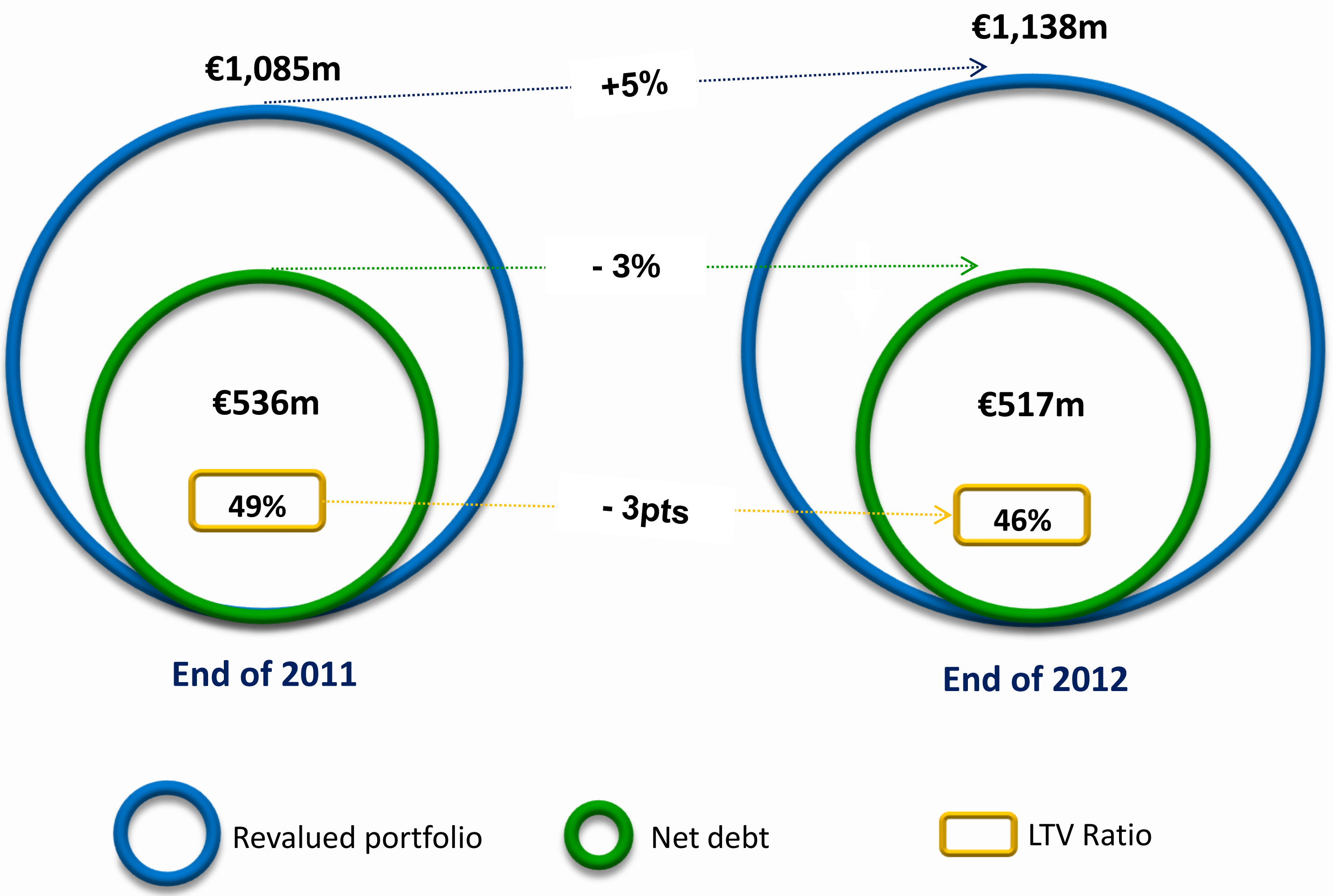
*Pro forma basis after equity increase at 25 254 750 shares

Unchanged Dividend policy



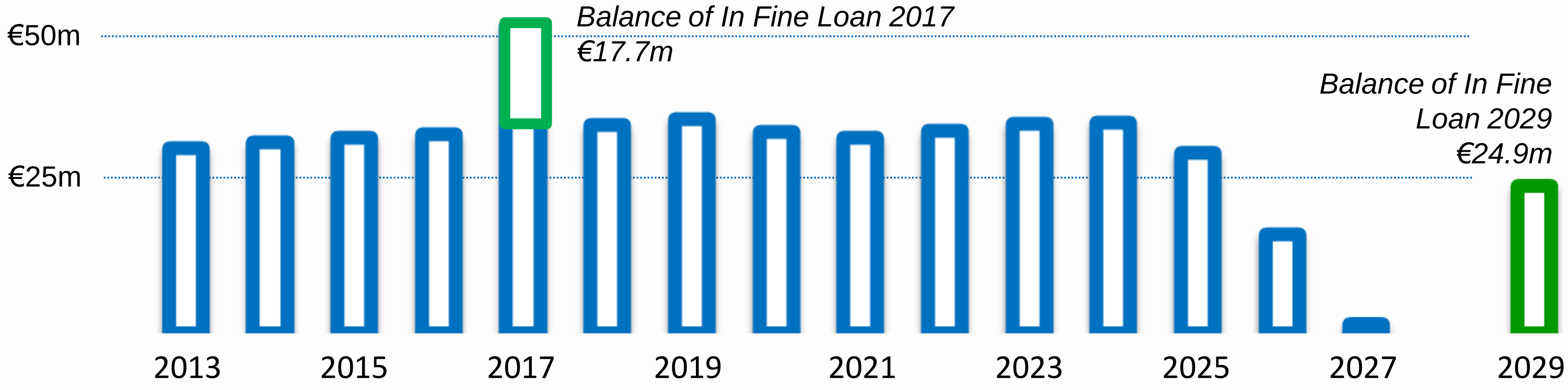
*** To be approved by General Meeting of Shareholders on 14 May***

Sound financial structure



Secured long term financing with no major maturity

€m maturities per year (excl. credit facility)



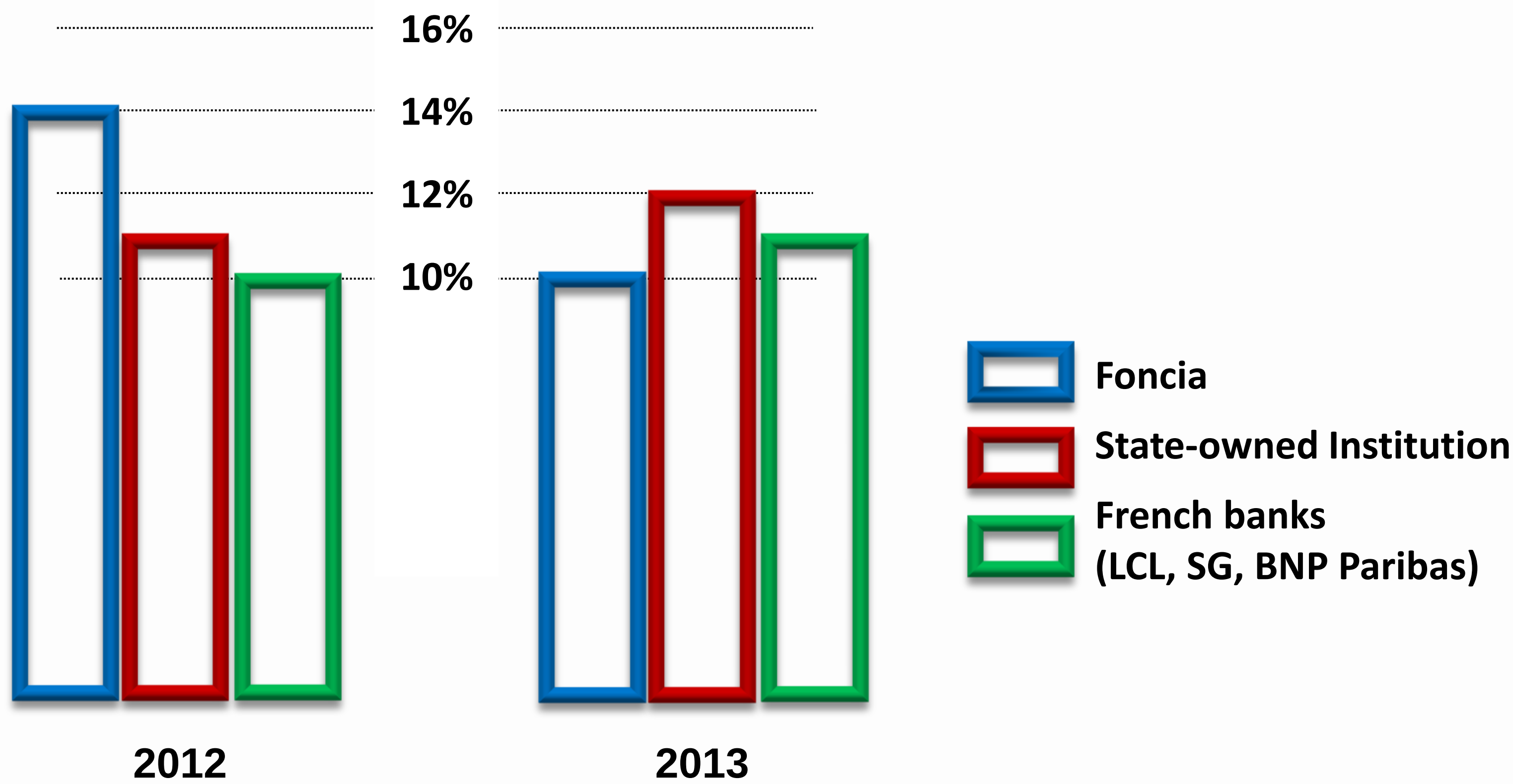
- Average weighted maturity: 12.6 years
- Very large majority of redeemable loans

- 100% fixed rate or swapped variable rate loans
- 2012 loans on the basis of 3.65% at swapped variable rates
- Weighted average cost of debt: 4.35% excl. credit facility

TERREÏS

Secured tertiary portfolio, low and diffuse tenant risk

Main tenants in % (several leases by tenant)



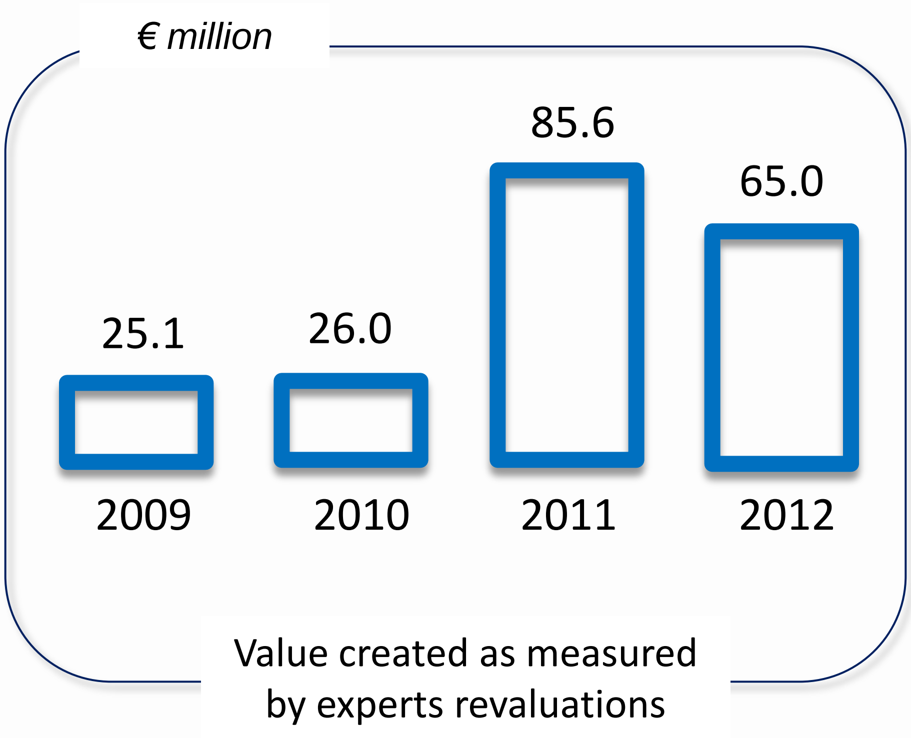
97% of occupancy rate on 1st half 2013

TERREÏS

III - Outlook

Over €200m in value created over the period 2009-2012

- Continuous search for quality assets in Paris on strict criteria (multi-tenancy, occupancy rates, etc)
- Acquisitions on favourable terms
- Materialization of value creation at the moment of acquisition



Optimal and inexpensive management

- Administrative tasks managed by Ovalto
- Rental and technical management by Imodam
- Asset size allows a reduction in the weight of operating charges

- **Accounting, finance, legal and payroll:**
  - €250,000/year service agreement indexed on ICC
- **Rental & technical mandates:**
  - 2.5% (offices & retail) and 5% (residential)

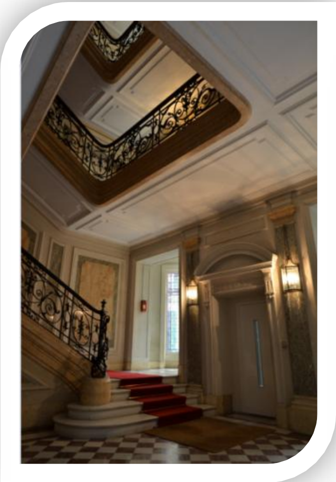
2013 Outlook: Continued refocusing on Paris commercial sector property at a controlled rate

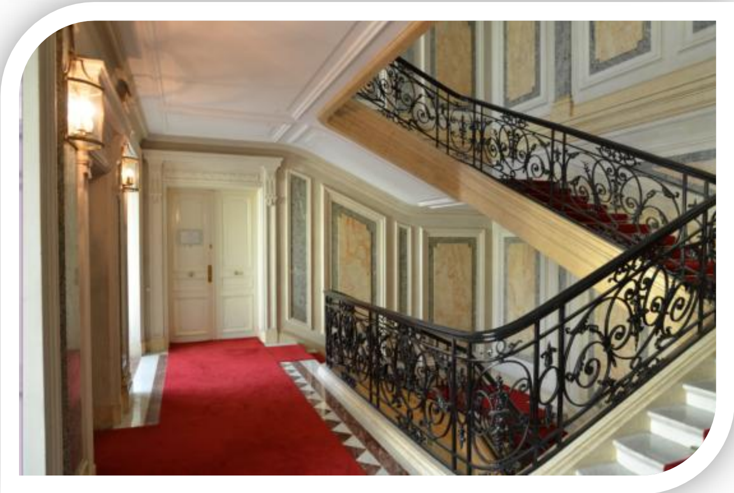
- Continuation of assets disposals in the French regions → €14.0m under promises at the end of february 2013
- Continuation of disposals of residential assets → €14.4m under promises at the end of february 2013

- Continuation of opportunistic purchases in the first grade Paris commercial sector property market → Acquisition of 10-12 avenue de Messine Paris VIIIème

10-12 avenue de Messine, Paris VIIIème

- 4,000 sq.m. of offices
- 1,500 sq.m. of residential
- Investment: €55.5m
- Yield on offices: 5.60%





TERREÏS

Simplified Consolidated P&L

(€ million)	2012	2011 restated	Change %	2011 reported
Gross revenue income	**58.3**	**41.5**	***40.4%***	**41.5**
Net rental charges	-4.0	-3.0		-3.0
Net revenue income	**54.3**	**38.5**	***40.8%***	**38.5**
Staff & Overheads	-3.6	-3.0	*19.6%*	-3.0
Depreciation & amortization	-21.4	-15.4	*39.3%*	-15.8
Net financial income	-23.1	-15.6	*48.2%*	-15.6
Net profit on current activities	**6.2**	**4.6**	***34.5%***	**4.1**
Margin on assets disposals	**38.3**	**25.6**	***49.8%***	**22.8**
Non-recurring items	**15.5**	**-20.6**		**8.9**
Net profit	**60.0**	**9.6**	***524.3%***	**35.9**

Yields
On the basis of 2012 expertises

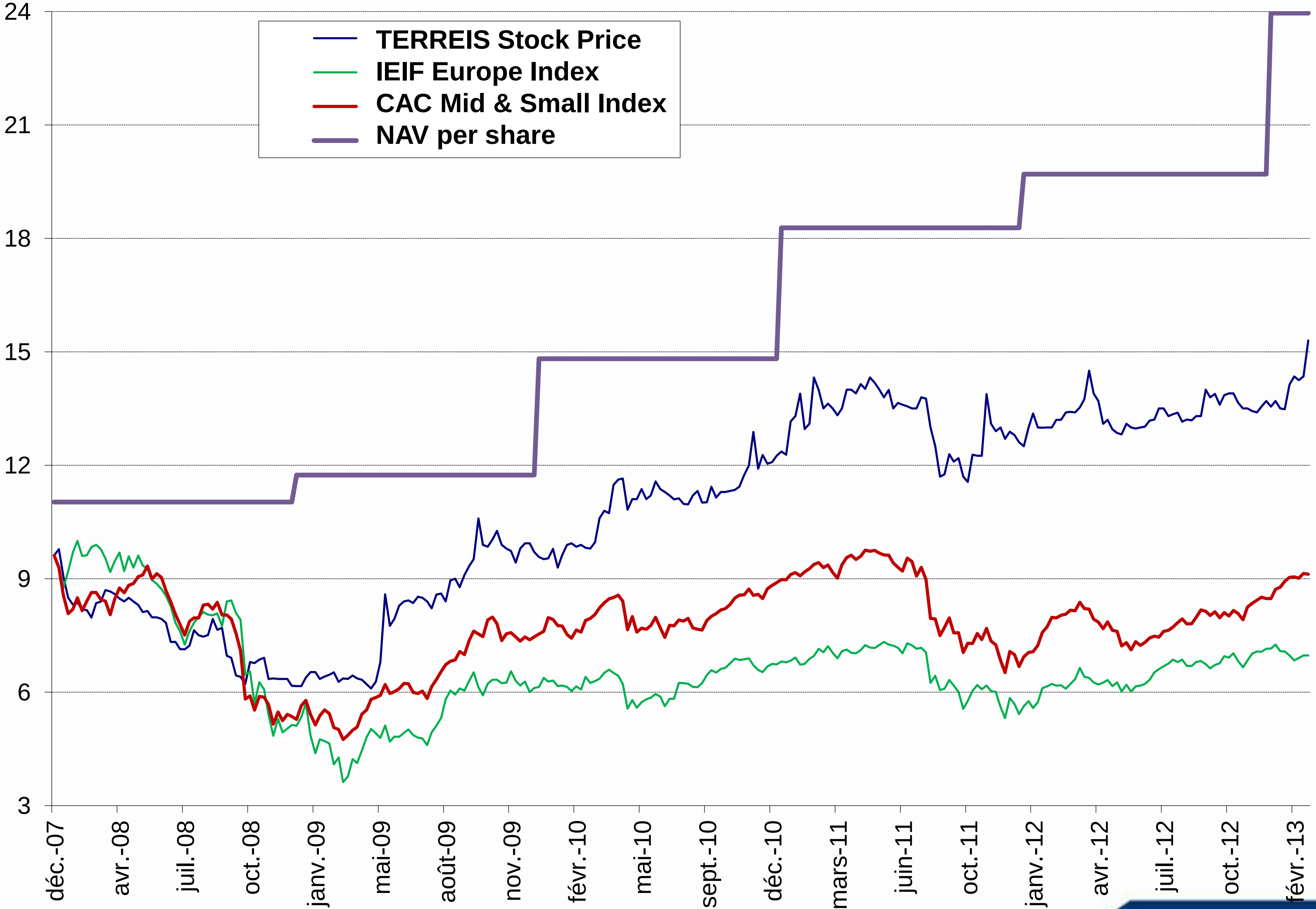
	Sq.m.	Value excl. Duties €m	Rental income €m	Rental / sq.m.	Yield	Value € / sq.m.
Offices & Retail	170,125	924.6	57.4	337	6.21%	5,435
Residential	27,185	213.1	6.02	221	2.82%	7,839

On these basis, Liquidation NAV comes at €23.86 per share

Net Asset Value

((€ million)	31/12/2012	31/12/2011 restated	31/12/2011 reported
Net book value	195,020	172,568	230,093
Restatement of impact on fair value of financial instruments	53,651	31,284	0
Unaccounted revaluation difference on Placement buildings	353,935	293,614	267,371
Liquidation NAV	**602,605**	**497,465**	**497, 464**
Acquisitions costs	70,576	67,287	67,287
Replacement NAV	**673,181**	**564,752**	**564,751**
Number of shares (diluted, net of own control)	25,254,423	25,254,750	25,254,750
Liquidation NAV per share	**€23.86**	**€19.70**	**€19.70**
Replacement NAV per share	**€26.66**	**€22.36**	**€22.36**

Stock Price and NAV



Disclaimer

The present document contains projections and descriptions of TERREÏS' future strategy, objectives and prospects.

These projections and descriptions may be affected by known or unknown risks, uncertainty and other random factors that could ensure that TERREÏS' future results, performance and achievements are significantly different from what is envisaged or suggested in the present document.

TERREÏS makes no commitment and extends no guarantee that it will fulfil or meet its future strategy, objectives and prospects.

Unless the law states otherwise, TERREÏS makes no commitment to update or revise the projections and descriptions contained in the present document.

The present document does not constitute in any way a solicitation to sell, buy or subscribe to TERREÏS shares.