



PRESS RELEASE

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2014 Business Review

Revenues up 16.4%

Robust increase in commercial property rental income from the Parisian CBD (Central Business District): +37%

Continuation of the strategy aimed at refocusing on Paris real estate

Assets at the end of 2014: €1.6 billion, up 12%

- Revenue from commercial property up 19.8% (+37% in the Paris CBD)**

The rental income of TERREÏS was €71.9 million in 2014, up 16.4% compared to 2013, mainly due to net asset growth. Based solely on the 4th quarter, rental income was €18.2 million, up 15.1%.

Rental income (in € 000s)	Year			4 th quarter		
	2014	2013	% Change	2014	2013	% Change
Office/Retail	66,830	55,783	+19.8%	16,992	14,360	+18.3%
<i>Including Paris CBD</i>	43,817	32,005	+36.9%	11,214	8,457	+32.6%
Residential	5,093	6,015	-15.3%	1,160	1,415	-18.0%
Total	71,923	61,798	+16.4%	18,152	15,775	+15.1%

- Rental income from Office/Retail, the core trade of TERREÏS, was €66.8 million, i.e. 93% of total rental income. The year-on-year increase of 19.8% is primarily related to the acquisition of 50-52 boulevard Haussmann (Paris 9) at the end of 2013 and of 41 avenue de Friedland (Paris 8) in the 2nd quarter of 2014.

On a like-for-like basis, Office/Retail rental income increased by 0.3% thanks to the strict management of leases in an environment of declining indices.

- Rents associated with residential amounted to €5.1 million. Their planned decrease reflects the policy of selling off residential assets as they become vacant.

- Financial occupancy rate: 95.3%**

For the full year, the financial occupancy rate of the commercial property assets, which includes the technical vacancy of buildings under construction, stands at 95.3%, stable compared to 2013. The building at 6 boulevard Malesherbes (Paris 8) was completely re-rented on 1 November 2014.

- **Assets of €1.6 billion at 31 December 2014**

Since the end of the 1st half of 2014, the prevailing conditions on the prime Parisian market (declining rate of return, elevated price metrics) make opportunistic acquisitions more difficult. So, as announced last July, in the 4th quarter, TERREÏS concentrated on continuing the sale of its residential and regional assets.

The assets of TERREÏS at the end of December 2014 amount to €1.592 billion compared to €1.424 billion at the end of 2013, i.e. an increase of 12%. This increase of €168 million breaks down as follows:

- **Acquisitions during the year: +€85.3 million**

TERREÏS has strengthened its commercial property assets primarily in the Parisian CBD by acquiring in the 1st half of 2014 an upscale 6,157 sq. m. office building (with 40 parking spaces) located in the centre of the CBD at 41 avenue de Friedland (Paris 8), plus a 900 sq. m. floor of offices (with 24 parking spaces) at 43-47 avenue de la Grande Armée (Paris 17).

- **Sales during the year: -€33.7 million (appraisal value)**

TERREÏS has continued to dispose of its residential and regional properties in order to focus on Paris. These asset disposals now total €35.4 million (€29.7 million in residential assets and €5.7 million in regional assets), including €12.5 million in the 4th quarter alone. They were made at prices above the appraisal value (€33.7 million).

- **Revaluation of assets: +€116.6 million, including €2.0 million related to acquisitions in 2014**

At the end of 2014, the assets of TERREÏS were composed of 87% Parisian assets, 11% Paris area assets and 2% regional assets.

- **Outlook: continuation of the strategy of concentrating on commercial property within the Parisian CBD**

The goal of TERREÏS is to increase its Parisian commercial property portfolio and to focus on the Paris CBD. In the current prime Parisian market conditions, TERREÏS, while remaining attentive to opportunities that may arise, will concentrate on the disposal of its non-strategic assets under the best conditions (residential, regional and Paris area).

Next publication: results for the 2014 financial year, 10 March 2015.

Contact: Fabrice Paget-Domet, Chief Executive Officer – Tel: +33 (0)1 82 00 95 23

Olivier Froc, Chief Executive Officer, Ovalto Investissement – Tel: +33 (0)1 82 00 95 14

About TERREÏS (www.terreis.fr)

TERREÏS is a real estate company whose assets consist of offices and retail premises that are primarily located in the Paris CBD. TERREÏS has been listed on the NYSE Euronext regulated market in Paris since December 2006 and has been included in Compartment B since January 2012. It has opted for the status of listed property investment company ("SIIC") since 1 January 2007. Its shares have been included in the SBF250 Index (now the CAC-All Tradable Index) since September 2010.

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