

### **First Half 2017 Results**

#### **Renewed increase of EPRA NAV Revalued Portfolio now exceeds €2Bn**

- **EPRA NAV at 30 June: €49,70/share (+10 % vs end of 2016)**
- **Revalued portfolio at 30 June: €2,013m (+3,5 % vs end of 2016)**
- **98% of assets in Paris intramuros (vs 95 % end of 2016)**
- **Rental income from office buildings in Paris : €29,6m (+9 % over H1 2016)**
- **EPRA vacancy rate in Core assets (Paris offices) all-time low at 2.8 %**
- **LTV of 35 % (-4 percentage points vs end of 2016)**
- **2017 interim dividend: €0.40 per share, paid on 16 November**
- **Continuation of the strategy of focusing on commercial property assets in Paris**

TERREÏS Board of Directors, held on July 27, 2017 under the Chairmanship of Jacky Lorenzetti, has approved the consolidated financial statements for the first half of 2017. Auditors have carried out a limited review of the interim financial statements. Their report is about to be issued.

- **EPRA NAV : +10 % at €49,70/share ; Revalued Portfolio exceeds €2Bn**

At June 30, 2017, appraisal value of the group assets portfolio amounted to €2,013m, of which 85% in Paris CBD. It is up €69m (+3.5 %) compared to the end of 2016. It takes into account acquisitions for €19m, restructuring capex related to acquisitions for €4m, disposals for an appraisal value of €67m and revaluation of group assets, mainly in Paris CBD, for an amount of €113m.

This increase reflects and validates the strategy of focusing on Paris CBD assets, as well as the mechanical effect of annual repayment of redeemable loans, a key element of TERREÏS' business model.

At the end of June 2017, TERREÏS portfolio was made of 98% of Parisian assets (CBD and out of CBD), to be compared to 95 % at the end of 2016.

- **H1 changes in the asset portfolio**

TERREÏS acquired in June a 1,593 sq.m. office building at 73 rue Ste Anne (Paris 2) for an amount of €17.6m excluding duties. The building is fully rented.

Pursuing its strategy of focusing on commercial property assets in Paris, TERREÏS also disposed of non-strategic assets for €69m: €55m of these were retails and office buildings in the regions and in the Paris area, of which the office building Foncia in Antony in January. The remaining part was made of €14m of Residential assets.

- **Rental income**

Over the first half of 2017, TERREÏS' rental income amount to €31.9m, to be compared to €32.8m on H1 2016. Strategic assets rental income (Paris offices) increased by €2.4m. The €3.4m decrease of non-core assets rental income (Residential and non-Parisian offices) reflects the selling off policy of these assets in line with the annual program.

Over Q2, the impact of the strategy of focusing on Parisian commercial property assets was much stronger: Paris offices rental income increased by 6.7 %, representing 94 % of total rental income, to be compared to 92% over Q1 2017 and 86 % over the first half of 2016.

Rental income (€m)	H1 2017					Q2 2017				
	2017		2016		Change %	2017		2016		Change %
	€m	%	€m	%		€m	%	€m	%	
<b>Core Assets (Paris offices)</b>	<b>29.6</b>	<b>93 %</b>	<b>27.2</b>	<b>83 %</b>	<b>+9.0 %</b>	<b>14.9</b>	<b>94 %</b>	<b>14.0</b>	<b>86 %</b>	<b>+6.7 %</b>
<b>Other assets</b>	<b>2.2</b>	<b>7 %</b>	<b>5.7</b>	<b>17 %</b>	<b>-60.4 %</b>	<b>1.0</b>	<b>6 %</b>	<b>2.2</b>	<b>14 %</b>	<b>-53.2 %</b>
<i>Offices out     of Paris</i>	<i>0.7</i>		<i>3.9</i>			<i>0.3</i>		<i>1.3</i>		
<i>Residential</i>	<i>1.5</i>		<i>1.8</i>			<i>0.8</i>		<i>0.9</i>		
<b>Total</b>	<b>31.9</b>	<b>100 %</b>	<b>32.8</b>	<b>100 %</b>	<b>-3.0 %</b>	<b>16.0</b>	<b>100 %</b>	<b>16.2</b>	<b>100 %</b>	<b>-1.5 %</b>

Growth of core assets rental income over Q2 was mainly due to the decrease of EPRA vacancy rate, calculated on the basis of the running assets, down to 2.8% from 3.3% over Q1. It also benefitted from a +0.4% positive indexation.

- **EPRA earnings**

EPRA earnings stood at €14.0m for the first half of 2017, taking into account a net cost of debt of €13.1m (€13.6m over H1 2016). Margin on asset disposals was €23.3m, to be compared to €18.3m over H1 2016.

- **Strengthening of financial structure with a LTV ratio at 35 % (-4 percentage points vs end of 2016)**

At June 30, 2017, net debt stood at €711.9m (€760.6m at the end of 2016) and LTV ratio was 35% (39% at the end of 2016).

All loans, which are essentially made up of redeemable loans, are at fixed or swapped rates.

- **€0.40 per share for interim dividend paid on November 16, 2017**

Taking into consideration the business outlook for the year as a whole, the Board of Directors has decided to set the 2017 interim dividend at €0.40 per share, an increase of 2.6 % compared with the interim dividend paid last year. This interim dividend will be paid on November 16, 2017.

- **Outlook: ongoing refocus on high-quality Paris office real estate**

TERREÏS' goal is to increase its Paris commercial property portfolio, and to focus on Paris CBD. Over the 2<sup>nd</sup> half of 2017, TERREÏS will actively concentrate on the disposal of its regional and residential assets.

**Release of the sales figures for the 3rd quarter of 2017 on October 18, 2017.**

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**About TERREÏS ([www.terreis.fr](http://www.terreis.fr)) - ISIN Codes: FR0010407049 - Ticker symbol: TER**

TERREÏS is a real estate company where the assets consist of offices and retail premises that are primarily located in Paris. 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. The Group has opted for the status of listed property investment company ("SIIC") since 1 January 2007. TERREÏS is part of the CAC-All Tradable Index.