

Financial information for the third quarter of 2017

- **Total rental income:**
 - **9 months: €48.2 million o/w 93% from office buildings in Paris (vs 84% in 2016)**
 - **Q3: €16.3 million o/w 94% from office buildings in Paris (vs 88 % in 2016)**
- **Good performance of strategic assets in Paris :**
 - **Strategic rental income:**
 - **+6.6% over 9 months at €44.9 million**
 - **+2.1% over Q3 at €15.3 million**
- **Improvement of EPRA vacancy rate: 2.1% over Q3 vs 2.8% over Q2 2017**
- **Acquisitions for €46 million (excl. duties) of which €28 million over Q3**
- **€81 million of assets disposal (Office assets out of Paris and Residential) registered over 9 months**
- **Payment of an interim dividend on November 16, 2017 (€0.40 per share, +2.6 % vs interim dividend paid in 2016)**

Since 2012, TERREÏS deliberately concentrates its asset portfolio on prime assets in Paris. This strategy, focusing on assets valuation, eases rental and leads to a higher occupancy rate. At the same time, expected yields are lower.

Total rental income for the first nine months of 2017 were €48.2 million, to be compared to €49.9 million over the same period of 2016. On a like-for-like basis, they are up by 0.5%.

- **Solid ongoing performance of strategic assets in Paris**

Rental income from office assets in Paris were up 6.6% over the first nine months of 2017, and up 2.1% over Q3. They represent 94% of total rental income over Q3 (88% over Q3 2016).

On a like-for-like basis, rental income from Parisian Tertiary assets were up 2.7% over the first nine months of 2017, mainly due to the decrease in EPRA vacancy rate (excluding buildings under restructuring) which stood at 2.1% over Q3 2017, an improvement of 0.7 point on Q2. They also took advantage of a positive indexation for €0.2 million (+0.4%).

Acquisitions made in 2016 and in 2017 (three office buildings located at 11 and 32/34 rue Galilée and 10/12 rue de Lübeck and a building 73 rue Ste Anne) had a positive impact of €1.7 million on 9 months rental income.

As at September 30, 2017, TERREÏS acquired for €46 million (excluding duties) of buildings in Paris, of which €28 million over Q3:

- a 2,500 sq. m. Haussmannian asset at 11 rue de Milan (9^e). Out of 1,300 sq.m. of office space, 1,000 sq.m. (« Second Empire » style mansion house) will be renovated before relocation. The remaining 300 sq. m. are entirely rented.
- around 800 sq. m. of hotel premises at 15 rue de Montyon (9^e), entirely rented.
- a 200 sq. m. offices lot at 76-78 avenue des Champs Elysées (8^e), entirely rented.

Acquisitions carry an average yield of 4.4% after renovation.

Rental income (€m)	9 Months					Third Quarter				
	2017		2016		Change %	2017		2016		Change %
	€m	%	€m	%		€m	%	€m	%	
Parisian Tertiary	44.9	93 %	42.2	84 %	+6.6%	15.3	94 %	15.0	88 %	+2.1 %
Other assets	3.2	7 %	7.8	16 %		1.0	6 %	2.1	12 %	
<i>Tertiary out of Paris</i>	<i>1.0</i>		5.2			<i>0.3</i>		1.2		
<i>Residential</i>	<i>2.2</i>		2.6			<i>0.7</i>		0.9		
Total	48.2	100 %	49.9	100 %	-3.6 %	16.3	100 %	17.1	100 %	-4.7 %

- **Ongoing disposals of office buildings out of Paris and of Residential assets**

The decrease by €3.7 million of rental revenues from non-strategic assets (offices out of Paris and Residential) reflected the active selling off policy of these assets.

Since the beginning of the year, €81 million of assets disposal have been registered, of which €56 million from office assets, including €44 million for the rue Lebrun asset in Antony. Signed sale promises so far represent an additional €10 million to disposals.

- **€100 million Corporate debt restructuring**

TERREÏS is engaged in the restructuring of its €100 million corporate debt underwritten in 2014 with NATIXIS. The maturity of debt will go from 3 to 15 years and the fixed rate will be reduced to a more favourable level of 2.35%.

- **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 4th quarter of 2017, TERREÏS will keep concentrating on the disposal of its non-strategic assets.

- **Interim dividend**

TERREÍS will pay on November 16 an interim dividend of €0.40 per share, up 2.6% compared to the interim dividend paid in November 2016.

Release of the sales figures for the FY 2017 on January 31, 2018

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About TERREÍ (www.terreis.fr) - ISIN Codes: FR0010407049 - Ticker symbol: TER

TERREÍS is a real estate company where the assets consist of offices and retail premises that are primarily located in Paris. TERREÍS 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.