

### **First Half 2018 Results**

- **Parisian offices rental revenues: €32.0 million (+8% vs H1 2017 ; +4.7% lfl)**
- **Revalued portfolio at 30 June: €2,109 million (+0.9% vs end of 2017)**
- **Liquidation EPRA NAV at 30 June 2018: €53/share (+3.7% vs end of 2017)**
- **EPRA vacancy rate on Parisian offices at a historically low level of 0.6%**
- **2018 interim dividend: €0.44/share paid on 15 November 2018**

TERREÏS Board of Directors, held on July 26, 2018 under the Chairmanship of Jacky Lorenzetti, has approved the consolidated financial statements for the first half of 2018. Auditors have carried out a limited review of the interim financial statements. Their report is about to be issued.

They are characterized notably by a further progress of EPRA NAV (+3.7 %) and an improvement of the financial structure (LTV 34 %).

Since 2012, TERREÏS made the choice to concentrate its portfolio on prime office units in Paris. This strategy, which prioritises asset optimisation, facilitates rental and assures a high occupancy rate. TERREÏS is now able to take advantage of its strategy with a significant rise in rents, at the time of leases renewal and when relocations follow departure of tenants. TERREÏS will also benefit from positive indexations.

- **EPRA NAV : +3.7 % at €53/share**

At 30 June 2018, appraisal value of assets portfolio amounted to € 2.109 billion, up €19 million or +0.9% compared to the end of 2017. It was realized for the first time by CBRE and CATELLA Valuation, and confirms the former appraisals.

At the end of June 2018, TERREÏS portfolio was made of 98% of Parisian assets, of which 88% in the CBD. Average rent of offices in the Paris CBD is €498 per sq.m.. Appraisal was based on a 3.4% yield.

At June 30, 2018, liquidation EPRA NAV was €53 per share, up 3.7% compared to the end of 2017. Replacement EPRA NAV was €59.13 per share (up 3,4% on the end of 2017).

- **Parisian offices rental revenues up 8%**

Rental revenues from strategic assets (Parisian offices), making 94% of total revenues, are up 8%, and 4.7% on a like-for-like basis. That increase is made of +1.4% from positive indexation, +0.9% from the increase of the value of new leases or leases renewals and +2.4% from the improvement in occupancy rate.

Rental Revenues (€ million)	1st Half					2nd Quarter				
	2018		2017		Change %	2018		2017		Change %
	€m	%	€m	%		€m	%	€m	%	
Parisian Offices	32.0	94%	29.6	93%	+8.0%	16.1	95%	14.9	94%	+8.1%
Other assets	2.1	6%	2.2	7%	-6.1%	1.0	5%	1.0	6%	-
Offices outside Paris	0.6		0.7			0.3		0.3		
Residential	1.5		1.5			0.8		0.8		
<b>Total</b>	<b>34.1</b>	<b>100%</b>	31.9	100%	<b>+7.0%</b>	<b>17.0</b>	<b>100%</b>	16.0	100%	<b>+6.3%</b>

At 30 June 2018, the EPRA vacancy rate of strategic assets (apart from property under renovation) stands at 0.6 %. Accompanying measures continued to decline and have almost disappeared during Q2 2018.

- **EPRA earnings: +27,1%; LTV ratio at 34% (-2 pts)**

EPRA earnings stand at €17.8 million (€14.0 million on H1 2017). It takes into account a net cost of gross debt of €12.4 million (€13.1 million on H1 2017). Profit margin on asset disposals of €19.8 million (€23.3 million on H1 2017).

As of 30 June 2018, net debt stood at €720 million (€749 million at the end of 2017) and LTV ratio was 34 % (36 % at the end of 2017). All loans, which are essentially made up of redeemable loans, are at fixed or swapped rates, protecting TERREÏS from any potential increase in interest rates.

- **Outlook: continued focus on active asset management of the portfolio**

In the current market conditions and rental supply shortage in Paris CBD, TERREÏS will keep focusing on its value creation strategy by reinvesting in assets made available and progressively increasing rents on existing portfolio, which are significantly below market average on the Prime parisian market.

- **€0.44 per share (+10%) for interim dividend paid on November 15, 2018**

Taking into consideration the business outlook for the year as a whole, the Board of Directors has decided to set the 2018 interim dividend at €0.44 per share, an increase of 10% compared with the interim dividend paid last year. This interim dividend will be paid on November 15, 2018.

#### Release of the sales figures for the 3rd quarter of 2018 on October 17, 2018.

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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 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 1st January 2007. TERREÏS is part of SRD « Classique » since December 2017.