

Press release

2009 FIRST-HALF EARNINGS

Paris, July 28th, 2009

- Rental income up 11.3% to €40.3 million (+4.1% like-for-like)
- Strong growth in current cash flow, up to €21.4 million (+23.1%)
- Portfolio value down to €1,371 million (-7% like-for-like)
- NAV per share (excluding rights) of €32.73 (-17.2% in relation to December 31st, 2008)

“Set against the continued deterioration on the real estate market, our asset management activity over the last 12 months has made it possible to consolidate the rental base, increasing the average term of leases within the portfolio by more than six months. Our earnings over the first half of the year confirm the soundness of our model, founded on quality assets with long-term leases to first-rate tenants. Thanks to its fundamentals, the Group remains confident in its ability to develop its business on the office sector in the Paris Region”, explains Jean-Eric Vimont, Chairman of the Executive Board.

Highlights

During the first half of the year, Eurosic continued consolidating leases on its assets in operation. By June 30th, 2009, 25% of the leases in aggregate value terms had been renegotiated, making it possible to extend the portfolio's maturity by more than six months to 6.7 years.

In addition, Eurosic has continued to move ahead with marketing various buildings under development, with Quai 33 in Puteaux (92), Jazz in Boulogne (92) and 52 Hoche in Paris (75008), which will be delivered respectively in July 2009, at the end of 2009 and midway through 2010.

Income statement

€'000,000	Jun 30, 2009	Jun 30, 2008
Rental income	40.3	36.2
Operating expenses	-3.6	-4.1
EBITDA	36.7	32.1
Depreciation and amortization	-102.5	-17.0
Operating income	-65.8	15.1
Financial result	-17.5	-13.7
Tax	0.3	-0.1
Consolidated net income (Group share)	-82.9	1.4

Consolidated income for the period (-€82.9 million) reflects the write-downs recorded on assets (-€85.3 million) due to the unfavorable change in the property market.

Rental income

Consolidated revenues, up 11.4% to €40.3 million, have benefited from scope effects, linked to the acquisition of Terra Nova II in Montreuil, as well as indexing effects. Like-for-like, rental income is up 4.1%.

On the entire portfolio, the financial occupancy rate has been kept at over 99%.

Rental income on offices in operation accounts for 54% of the total, with leisure resorts representing 25%, business parks 16% and logistics assets 5%.

Current cash flow

	Jun 30, 2009	Jun 30, 2008
Current cash flow (€'000,000)	21.4	17.2
Current cash flow per share (€)	1.29	1.05
	+23.1%	

Current cash flow is calculated based on consolidated net income, restated to factor in non-cash and/or non-recurring items, as well as interest on borrowings for operations under development.

Over the period, current cash flow totaled €21.4 million. Current cash flow per share represents €1.29, compared with €1.05 at June 30th, 2008 up 23,1%. This increase factors in growth in rental income and the reduction in operating expenses. The increase recorded over the first half of the year is not representative of the full-year trend.

Portfolio and NAV

Portfolio

Asset category	Value excluding rights at Jun 30, 09 (€'000,000)	Value excluding rights at Dec 31, 08 (€'000,000)	Fair value adjustment (€'000,000)	Δ%
Offices in operation	628	694	-66.2	-9.51%
Offices under development	271	243	-17.4	+11.52%
Business parks	135	141	-7.5	-4.26%
Leisure resorts	285	294	-7.8	-3.06%
Logistics assets	52	45	-0.2	+15.56%
Total	1,371	1,417	-99.1	-3.25%

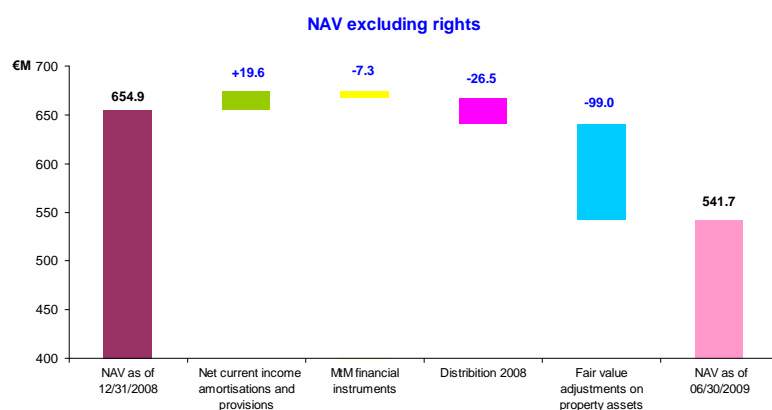
The portfolio value excluding rights came to €1,371 million at June 30th, compared with €1,417 million at December 31st, 2008. The portfolio is made up primarily of office assets (66% of the total) located in Paris and the Paris Region.

The change over the first half of the year came out at -3.2% (-7% like-for-like), while the fair value adjustment over the period represents -€99.1 million, concentrated primarily on office assets (-€66.2 million).

Assets in operation are generating an average gross rental yield excluding rights of 7.3%, up 60 basis points in relation to December 31st, 2008.

NAV

	Jun 2009	Dec 2008	Δ Dec 08-Jun 09
NAV excluding rights (€'000,000)	542	655	-17.3%
NAV per share	32.7	39.6	-17.3%



The net asset value (excluding rights and fair value of debt) came to €32.7 per share, compared with €39.6 at December 31st, 2008. This downturn of 17% in the NAV primarily reflects the impact of reductions in asset values over the period, as well as the dividend payment (€1.6 per share).

Financial indicators and debt

Net debt over the period totaled €776 million, compared with €711 million at December 31st, 2008. No repayments are scheduled before 2014.

The average cost of debt is 4.72%, compared with 5.08% at December 31st, 2008, down 36 basis points. 91% of debt is hedged with fixed-rate financial instruments.

The bank covenants include compliance with a loan to value ratio (ratio of net debt to the portfolio value) and the coverage of financial expenses by EBITDA (ICR). At June 30th, 2009, the Group fulfilled the requirements linked to the banking ratios, with an LTV of 56.6% for a covenant of 65% and an ICR of 2.1x for a covenant of 1.5x.

	Jun 2009	Dec 2008	Covenants
LTV	56.6%	50.2%	65%
ICR	2.1x	2.1x	1.5x

Financial outlook

Eurosic's priority is to continue actively marketing its operations that are under development (Quai 33 in Puteaux, Jazz in Boulogne-Billancourt and 52 Hoche in Paris 8th), while consolidating its leases. At the same time, Eurosic will continue to be attentive to arbitrage and investment opportunities in line with its strategy to focus on the Paris Region office market.

The company confirms its guidance for current cash flow growth of at least 8% over the year, and its policy to pay out at least 75% of this cash flow.

Financial schedule and practical information

Shareholders meeting: September 2nd

Revenues and business for Q3 09: November 12th, 2009 after close of trading

Disclaimer

The data, assumptions and estimates which the Company has reasonably used as a basis for determining its objectives may change or be modified due to various uncertainties linked more specifically to the economic, financial and competitive environment.

Neither can it be ruled out that certain risks, as described in Section 4 of the reference document filed with the French securities regulator (AMF) under number D.09-0353 on April 29th, 2009, might have an impact on the Group's activities and the Company's ability to meet its objectives.

As such, the Company does not make any commitment or offer any guarantee concerning the achievement of the objectives and does not undertake to publish or release any amendments or updates to such elements.

About Eurosic

Eurosic is a listed real estate company, whose principal shareholders are Nexity and Banque Palatine, with 31.7% and 19.9% of the company's capital respectively.

Listed since 1984, Eurosic adopted the SIIC status for listed French real estate investment trusts in 2006, and operates on commercial, leisure and logistics property in the Paris Region and throughout France.

Eurosic trades continuously on Euronext Paris Eurolist, Compartment B. Eurosic has been part of the SBF 250 and CAC Small 90 indexes since June 20th, 2009.

Ticker: ERSC – ISIN: FR0000038200.

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