EUROSIC

EUROSIC - 2009 FULL-YEAR EARNINGS

Press release Paris, February 17th, 2010

SOUND OPERATIONAL PERFORMANCE

2009 full-year earnings

- **Current cash flow growth, up to €2.39 per share (+13.8%)**
- **€30.6 per share in NAV excluding rights (-22.7%)**
- **Loan-to-value ratio: 57% (for a maximum of 65%)**
- **Payout of €1.80 per share in cash or in shares submitted for approval at the General Meeting**

Financial outlook

- **€75 million asset rotation program for 2010 subject to market conditions**
- **Strong growth in current cash flow expected as from 2011 after a fall in 2010, reflecting the impact of buildings delivered and being let for the first time**
- **Paying out at least 75% of current cash flow**

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"In a complex market environment, Eurosic has further strengthened its visibility by taking the average term of its leases up to six years and achieving double-digit revenue and current cash flow growth over 2009. We will therefore be submitting a proposal at the General Meeting to pay out a dividend of €1.80 per share, giving a yield of nearly 8% on the current share price. In 2010, we will be implementing a dynamic asset management program, with more than €75 million of arbitrage operations, which will be reinvested in office assets in the Greater Paris Region in line with the strategy defined", confirms Jean-Eric Vimont, Chairman and Chief Executive Officer.

Highlights

Lengthening of leases

During the year, Eurosic carried out asset management actions on its portfolio in order to strengthen the long-term visibility of rental income from assets in operation. This led to the renegotiation of certain leases, increasing their average maturity by six months. At December 31st, 2009, this maturity came in at six years. Leases maturing by December 31st, 2011 represent less than 5% of rental income at December 31st, 2009.

Development of the portfolio

Eurosic continued with its development during the year, carrying out building work on commercial properties, some of which were delivered during the year:

- The delivery in July 2009 of the Quai 33 building, with a request submitted for the HQE high-quality environmental certification of its operations. This 22,400 sq.m office building is located in Puteaux (92),
- The delivery in March 2009 of a new refrigerated warehouse near La Roche sur Yon (85), leased to the Tesson Group,
- The delivery in May 2009 of a data center in Lille Seclin (59), leased to Atos Worldline,
- In August 2009, the launch of the construction of the "LP3" building (net floor area: 8,700 sq.m) in Lille Seclin (59) on behalf of Atos Worldline, with delivery scheduled for the end of 2010.

Alongside this, construction work has continued on the “Jazz” building (7,500 sq.m) in Boulogne-Billancourt (92), delivered at the start of 2010, and 52 Hoche (11,000 sq.m) in Paris 8th, which is scheduled to be delivered during the first quarter of 2011. Through these developments, Eurosic is delivering on its commitments to sustainable development. Indeed, the Jazz building will have the high-quality environmental (HQE) label, while 52 Hoche will have the very high energy efficiency (THPE) label.

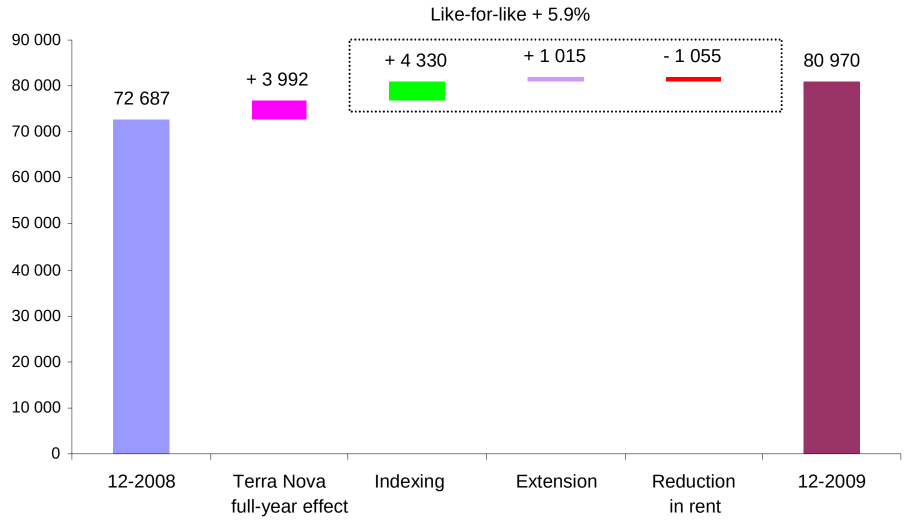
Income statement

€'000,000	2009	2008	Change (%)
Rental income	**81.0**	**72.8**	**+ 11%**
Operating expenses	-8.1	-8.6	+ 6%
EBITDA	**72.9**	**64.1**	**+ 14%**
Operating margin rate	**90.0%**	**88.0%**	**+2%**
Depreciation and provisions	-154.9	-136.3	- 14%
Financial result	-36.2	-31.4	- 15%
Tax	0.3	-0.7	ns
Net income (Group share)	**-117.8**	**-104.3**	**-13%**

The accounts are drawn up in line with the historical cost method. Consolidated net income totaled -€117.8 million, factoring in €36.8 million in amortization and a €118.0 million provision for depreciation on the assets, resulting from the change in the portfolio value over the year.

Rental income

Over the year, Eurosic benefited from strong growth in its revenues, coming in at €81.0 million, up +11.4%. Like-for-like growth represents +5.9%, equivalent to that for indexing. Rent received on the extensions carried out on behalf of various tenants has offset the reduction in rent received following the renegotiation of leases.



Offices in operation represent 53% of the total, with leisure assets accounting for 26%, business parks 16% and logistics assets 5%. In view of the quality of the tenants in place, no unpaid rent was reported during the year.

The financial occupancy rate for assets in operation was 90.7% at December 31st, 2009. This figure includes the vacancy of Tour Quai 33 in Puteaux, which is currently being let for the first time. The delivery of the JAZZ building in Boulogne Billancourt (92) in January 2010, which is also being marketed for the first time, takes the occupancy rate down to 86.2%.

Current cash flow

€'000,000	**2009**	**2008**	**2009 vs 2008**
Current EBITDA	**72.9**	**64.1**	**2.7%**
Financial result	**-36.2**	**-31.4**	**15.3%**
Non-recurrent operating expenses and other restatements	***-0.2***	***0.5***	***NA***
Capitalization of interest on development operations	***3.1***	***1.7***	***NA***
Current cash flow	**39.6**	**34.8**	**13.8%**
Current cash flow per share (€)	**2.39**	**2.10**	**13.8%**

Current cash flow per share came to €2.39 at December 31st, 2009, compared with €2.10 at December 31st, 2008, reflecting an increase of 13.8%, higher than the target of 8% announced.

This cash flow growth reflects the positive impact of the increase in revenues, combined with effective control over fixed costs and financial expenses in a low-rate environment.

Portfolio and NAV

Portfolio

Asset category	Value excl. rights at Dec 31, 09 (€'000,000)	Yield excl. rights at Dec 31, 09	Value excl. rights at Dec 31,08 (€'000,000)	Fair value adjustment at Dec 31, 09 (€'000,000)	Change (%)
Offices in operation	730	7.0%*	694	- 90	-13%
Offices under development	149	ND	243	-30	-12%
Business parks	137	9.5%	141	-9	- 6%
Leisure resorts	288	7.3%	294	-6	-2%
Logistics assets	48	9.3%	45	-4	-9%
Total	**1,352**	**7.5%**	**1,417**	**-139**	**-10%**

** Excluding Quai 33, currently being let for the first time*

At December 31st, 2009, the portfolio value was €1,352 million, offering a yield rate of 7.5% excluding rights (excluding Tour Quai 33, which is currently being let for the first time), up +70 basis points over the year. The value adjustment came to -€139 million over the year, with the value falling by -10%, while the second half of the year recorded a -3% drop.

Office assets located primarily in Paris and the Paris Region make up 65% of the portfolio, with leisure assets representing 21%, business parks 10% and logistics assets only 4%.

The discounted value of office assets in operation was €730 million excluding rights at December 31st, 2009, down 13% like-for-like compared with the appraised values from December 31st, 2008. The average yield rate excluding rights on offices (excluding Quai 33) climbed from 6.1% at December 31st, 2008 to 7.0% at December 31st, 2009.

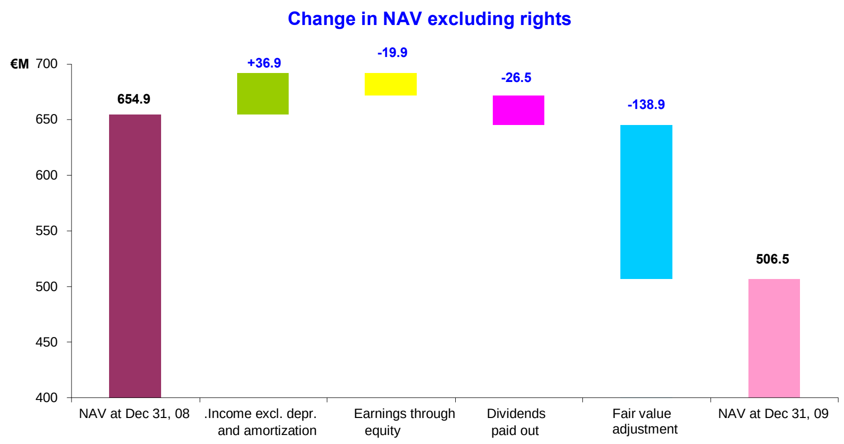
Assets under development are valued based primarily on the cash flow method. At December 31st, 2009, these assets were valued at €149 million excluding Quai 33, which was reclassified as in operation following its delivery and posted a 16% decrease like-for-like over 2009, excluding the year's work.

The discounted value of business parks came to €137 million, down 6.0% (excluding work that is underway), with a yield rate of 9.5% excluding rights, compared with 9.1% at the end of 2008.

The discounted value of leisure assets represents €288 million, down 2.0% compared with December 31st, 2008. The average yield rate on these assets comes out at 7.3% excluding rights, compared with 7.0% at the end of 2008.

The discounted value of logistics warehouses was €48 million, down 9.0% like-for-like over the year, with the average yield rate on these assets coming to 9.3% excluding rights, compared with 8.3% at the end of 2008.

NAV



NAV excluding rights totaled €506.5 million, or €30.60 per share, compared with €654.9 million, or €39.57 per share, at December 31st, 2008, down 22.7%. This decline stems primarily from the -€139 million fair value adjustment recorded on the asset portfolio. In relation to June 30th, 2009, the downturn in the NAV comes out at -6.5%.

The NAV calculation factors in the fair value of interest rate hedging instruments and excludes the fair value of debt.

Financial indicators and debt

At December 31st, 2009, net financial debt totaled €772.5 million. It increased by €56.2 million over the year, primarily due to the drawdowns made to finance work for operations under development.

No repayments are scheduled before 2014.

The average cost of debt comes out at 4.65%, with 85% of debt rate hedged, based primarily on fixed-rate swaps.

The bank covenants concern compliance with financial ratios relating to the ratio of net debt to the portfolio value (LTV) and the coverage of financial expenses, including interest on development operations, by EBITDA (ICR). These ratios were complied with at December 31st, 2009:

	2009	2008	Covenant
LTV	57.3%	50.0%	65%
ICR	2.0x	2.1x	1.5x

Payout

Based on €2.39 in current cash flow per share for 2009, the Board of Directors will submit a proposal at the General Meeting on April 14th, 2010 to pay out €1.80 in cash or in shares.

This payout for 2009 represents 75% of current cash flow, and is planned for May 18th, 2010.

Financial outlook

The company aims to achieve significant growth in its current cash flow over the medium term following the leasing in 2010 and 2011 of its assets which are being let for the first time. Over a full year, and when fully leased, Quai 33 in Puteaux (92), Jazz in Boulogne-Billancourt (92) and 52 Hoche in Paris (8^{th}) represent a potential for additional cash flow of around +20% in relation to the current cash flow recorded in 2009. This growth will follow a contraction in current cash flow in 2010 on account of the rental situation for the buildings delivered recently.

At the same time, the company will be implementing a dynamic policy for rotating its assets in 2010 subject to market conditions, arbitrating more than €75 million of mature and/or non-strategic assets and reinvesting in office assets on well-served and recognized markets in the Paris Region, in line with the strategy defined.

The distribution policy will aim to pay out at least 75% of current cash flow to the shareholders.

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Financial schedule and practical information

2010 first-quarter revenues and business	April 14^{th}, 2010
General Meeting	April 14^{th}, 2010
Payout	May 18^{th}, 2010
2010 first-half earnings	July 28^{th}, 2010

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ABOUT EUROSIC

Eurosic is a listed real estate company backed by the BPCE Group through its principal shareholders Nexity and Banque Palatine, which respectively own 31.7% and 19.9% of the Company's capital.

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 Mid 100 indexes since December 18^{th}, 2009.

Ticker: ERSC – ISIN: FR0000038200.

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