



Foncière-développeur

Press release

Paris, 28<sup>th</sup> July 2009

### Profits up 22% at 30<sup>th</sup> June 2009 and a resilient portfolio of assets

Icade has published net profit (Group share) of 112 million euros at 30<sup>th</sup> June 2009. This result is the fruit of the strategy implemented by the Group which consists in extracting capital gains from the residential property portfolio and using these resources to improve the group's profitability. Icade relies on defensive liabilities characterised by controlled debt and good access to liquidity.

- Consolidated turnover fell 6% at 30<sup>th</sup> June 2009 to 714 million euros, predominantly in relation to the expected fall in residential property development, while rents from commercial property investment are up 22%.
- EBITDA and operating profit came out at 157 million euros and 173 million euros respectively (i.e. EBITDA stable and operating profit up 11% compared to 30<sup>th</sup> June 2008), a consequence of the company's increased focus on property investment carried out since the end of 2007.
- Net current cash flow per share fell by 11% to €2.04 per share at 30<sup>th</sup> June 2009, due, in particular, to the conservative treatment of residential property development operations.
- The value of assets amounted to 6,424 million euros, a decline of 8%, demonstrating the resilience of the property asset portfolio. Given a prudent valuation of the property development and services businesses, the portfolio discount on residential property and the resistance of the corporate property portfolio, the liquidation net asset value fell 14.5% to €86.9 per share.
- Net profit, group share, reached 112 million euros, up 22% compared to 30<sup>th</sup> June 2008 and takes into account the charges related to impairment (44 million euros) on assets acquired in 2007, the marketing of which is not finalised.

<i>(in millions of euros)</i>	<b>30/06/2009</b>	<b>30/06/2008</b>	<b>Variation</b>
<b>Turnover</b>	<b>714.3</b>	<b>762.5</b>	<b>(6.3)%</b>
<b>EBITDA</b>	<b>156.5</b>	<b>156.0</b>	<b>0.3%</b>
<b>Profit/loss from disposals</b>	<b>117.8</b>	<b>58.1</b>	<b>102.8%</b>
<b>Operating profit/loss</b>	<b>173.0</b>	<b>155.7</b>	<b>11.1%</b>
<b>Financial profit/loss</b>	<b>(51.3)</b>	<b>(40.0)</b>	<b>(28.5)%</b>
<b>Tax charge</b>	<b>(9.5)</b>	<b>(21.8)</b>	<b>(56.4)%</b>
<b>Net profit group share</b>	<b>111.5</b>	<b>91.5</b>	<b>21.9</b>
<b>Net current cash flow</b>	<b>99.3</b>	<b>111.6</b>	<b>(11.0)%</b>
<b>Net current cash flow per share</b>	<b>€2.04</b>	<b>€2.28</b>	<b>(11.0)%</b>
<b>Average no. of shares</b>	<b>48,737,303</b>	<b>48,868,870</b>	



Foncière-développeur

At 30<sup>th</sup> June 2009, Icade recorded **turnover** of 714.3 million euros, down 6.3% compared to 30<sup>th</sup> June 2008, essentially in relation to the expected fall in residential property development. It is worth noting that the disposal of Property management for individuals and Facilities management activities will not affect the turnover until the 2<sup>nd</sup> half year, as the agreements were concluded at the end of the 1<sup>st</sup> half.

<i>(in millions of euros)</i>	<b>30/06/2009</b>	<b>30/06/2008</b>	<b>Variation</b>
<b>Turnover</b>			
Property investment	210.8	197.6	<b>6.7%</b>
Property development	499.3	524.3	<b>(4.8)%</b>
Property services	92.9	102.7	<b>(9.5)%</b>
Other*	(88.7)	(62.1)	<b>(42.8)%</b>
<b>Total Turnover</b>	<b>714.3</b>	<b>762.5</b>	<b>(6.3)%</b>

\* "Other" business consists of the Icade Group's "head office" charges and eliminations of Icade's intra-group synergy operations.

The growth in turnover of the **Property Investment division** is the result of actions carried out, namely a fall in the contribution of the Residential Property activity (-8.1 million euros) correlated with the disposals carried out in 2008 and the beginning of 2009, an increase in the contribution from Public and healthcare amenities with the acquisition of a portfolio of clinics in 2008 (+15.7 million euros) and an average rent indexing of over 5.7%.

The fall in turnover of the **Property Development division** corresponds mainly to the decline in activity from the Residential Property business. This expected contraction stems principally from the slowdown in this market in which Icade applies a cautious policy to manage operations by limiting unsold properties, and also from the slowdown in the launch of commercial operations.

The rise in intra-group eliminations ("**Other**" business) corresponds to the elimination of turnover related to operations carried out by Property Development for Property Investment, a consequence of the increase in strength of the developer-REIT model.

At 30<sup>th</sup> June 2009, Icade's consolidated turnover can be broken down as follows: Property Investment 30%, Property Development 70%, Property Services 13% and Other (13%).

At 30<sup>th</sup> June 2009, Icade had recorded **EBITDA** of 156.5 million euros, compared to 156.0 million euros at 30<sup>th</sup> June 2008. It is broken down between Property Investment 94%, Property Development 17%, Property Services (0%) and Other (11%).

<i>(in millions of euros)</i>	<b>30/06/2009</b>	<b>30/06/2008</b>	<b>Variation</b>
<b>EBITDA</b>			
Property investment	147.0	130.9	<b>12.3%</b>
Property development	27.3	36.8	<b>(25.8)%</b>
Property services	(0.6)	6.0	<b>(110.0)%</b>
Other	(17.2)	(17.7)	<b>2.8 %</b>
<b>Total EBITDA</b>	<b>156.5</b>	<b>156.0</b>	<b>0.3%</b>

The increase in EBITDA for the **Property Investment division** is a result of actions carried out by Icade's Property Investment division to focus on commercial property. Thus, the increase in weight of the Public and Healthcare Amenities business, combined with the reduction of that of the Residential Property Investment business has allowed it to improve the margin of the Property Investment division by 3.5 points to 69.6% of turnover.

The EBITDA of the **Property Development division** as a percentage of turnover has fallen from 7.0% to 5.5% between 30<sup>th</sup> June 2008 and 30<sup>th</sup> June 2009. This reduction is mainly due to the Residential



Property Development business.

The EBITDA of the **Property Services division** shows a loss of 0.6 million euros. If we remove the contribution of businesses which are being sold (Property management for individuals and Facilities management), this results in 3.1 million euros at 30<sup>th</sup> June 2009, compared to 7.3 million euros at the same period of 2008. This change is mainly due to the slowdown in transactions, during the 1st half of 2009, given the general state of the market.

At 30<sup>th</sup> June 2009, **operating profit** amounted to 173.0 million euros, compared to 155.7 million euros at 30<sup>th</sup> June 2008.

<i>(in millions of euros)</i>	<i>30/06/2009</i>	<i>30/06/2008</i>	<i>Variation</i>
<b>Operating profit/loss</b>			
<i>Property investment</i>	161.9	139.1	<b>16.4%</b>
<i>Property development</i>	25.3	26.1	<b>(3.1)%</b>
<i>Property services</i>	(1.4)	4.4	<b>(131.8)%</b>
<i>Other</i>	(12.8)	(13.9)	<b>(7.9)%</b>
<b>Total Operating Profit</b>	<b>173.1</b>	<b>155.7</b>	<b>11.1%</b>

This net increase of 17.3 million euros is the combination of:

- A greater number of asset disposals from Residential Property Investment, 2,116 housing units at 30<sup>th</sup> June 2009, compared to 1,128 at 30<sup>th</sup> June 2008. **Capital gains, net of disposals**, have thus increased by 61.3 million euros, reaching 113.7 million euros at 30<sup>th</sup> June 2009.
- Charges related to impairment amounting to 44.1 million euros. These provisions are essentially related to assets acquired in 2007, the marketing of which is not yet finalised (28.7 million euros for the Tour Descartes and 7.8 million euros for the building in Rueil Malmaison).
- A reversal of 6.8 million euros of provisions, constituted at the end of 2008, with the intention of hedging risks related to the property investment portfolio and operations in pre-marketing from the Residential Property Development business; the marketing potential of these operations has been favourably revised, which confirms the cautious handling of this business.
- The increase in **depreciation charges** from 57.2 million euros at 30<sup>th</sup> June 2008 to 63.5 million euros at 30<sup>th</sup> June 2009 relating to investments made.

**Net Profit Group Share** reached 111.5 million euros against 91.5 million euros at 30<sup>th</sup> June 2008.

**Net Current Cash Flow** stood at 99.3 million euros at 30<sup>th</sup> June 2009, down 11% compared to 30<sup>th</sup> June 2008 (111.6 million euros, or €2.28 per share). The 38.7% rise in the average value of gross debt (reaching 2,764 million euros at 30<sup>th</sup> June 2009) explains the level of net financial charges. Furthermore, the decline in the Residential Property Development business makes an unfavourable contribution to net current cash flow.



Foncière-développeur

<i>(in millions of euros)</i>	<b>30/06/2009</b>	<b>30/06/2008</b>	<b>Variation</b>
<b>EBITDA</b>	<b>156.5</b>	<b>156.0</b>	<b>0.3%</b>
<i>Financial profit/loss</i>	<i>(51.3)</i>	<i>(40.0)</i>	<i>(28.3)%</i>
<i>Effect of non-discounting exit tax</i>	<i>2.8</i>	<i>5.1</i>	<i>(45.1)%</i>
<b>Current financial profit/loss</b>	<b>(48.5)</b>	<b>(34.9)</b>	<b>(39.0)%</b>
<i>Corporation tax (*)</i>	<i>(9.5)</i>	<i>(21.8)</i>	<i>(56.4)%</i>
<i>Tax on capital gains on transferred assets and exit-tax charges following the entry of financial leasing within the scope of the SIIC regime</i>	<i>0.0</i>	<i>12.3</i>	<i>(100.0)%</i>
<i>Tax on capital gains from sale of securities</i>	<i>0.8</i>	<i>0.0</i>	<i>100.0%</i>
<b>Current corporation tax</b>	<b>(8.7)</b>	<b>(9.5)</b>	<b>(8.4)%</b>
<b>Net current cash-flow</b>	<b>99.3</b>	<b>111.6</b>	<b>(11.0)%</b>
<b>Net current cash flow per share</b>	<b>€2.04</b>	<b>€2.28</b>	<b>(11.0)%</b>
<b>Average no. of shares</b>	<b>48,737,303</b>	<b>48,868,870</b>	

(\*) The corporation tax results both from the Property Development and Property Services divisions and from Icade's "Holding" activity (revenue from subsidiaries subject to corporation tax).

### **Effective access to the debt market and a real resistance of the value of the asset portfolio**

In the 1<sup>st</sup> half of 2009, Icade signed credit facilities for a total of 362 million euros, representing an average 3-month Euribor spread of 156 bp for an average maturity of 4.5 years.

<i>(in millions of euros)</i>	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>Variation</b>
<i>Net financial debt</i>	<i>2,717.6</i>	<i>2,458.8</i>	<b>10.5%</b>
<i>Appraisal values of property companies</i>	<i>6,424.0</i>	<i>6,952.3</i>	<b>(7.6)%</b>
<b>Loan to value (LTV)</b>	<b>42.3%</b>	<b>35.4%</b>	

At 30<sup>th</sup> June 2009, Icade's **net debt** stood at 2,717.6 million euros (compared to 2,458.8 million euros at 31<sup>st</sup> December 2008) combined with an average cost of 4.42% and a favourable average maturity of 4.5 years at 30<sup>th</sup> June 2009.

The value of Group assets, excluding rights, stands at 6,424.0 million euros against 6,952.3 million euros at the end of 2008, a variation of (7.6%). On a like-for-like basis, the half-yearly variation in portfolio value stands at -584.2 million euros, i.e. a fall of 8.6% compared with 31<sup>st</sup> December 2008. The **appraisal value** of assets from Icade's property investment companies (excluding rights) was established by independent surveyors for all the assets with the exception of those from the Residential Property Investment business included in the exclusivity agreement with the consortium or those under sale, for which the value of the offer has been used.

The **loan to value (LTV)** ratio, which is calculated using the conservative method as the ratio between the Group's net debt on all business activities including funding development and service operations and the value of the assets (excluding rights) of the property investments companies, was 42.3% at 30<sup>th</sup> June 2009 compared with 35.4% at 31<sup>st</sup> December 2008.



Foncière-développeur

### **Revalued net asset value:**

<b>(in millions of euros)</b>	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>Variation</b>
Replacement NAV	4,609.4	5,351.7	<b>(13.8)%</b>
Replacement NAV / share	94.6 €	109.8 €	<b>(13.8)%</b>
Liquidation NAV	4,236.6	4,954.1	<b>(14.5)%</b>
<b>Liquidation NAV / share</b>	<b>€86.9</b>	<b>€101.6</b>	<b>(14.5)%</b>

\* Number of diluted shares for calculation of Revalued Net Asset Value per share at 30/06/09: 48,737,303

The liquidation NAV, Group share, is down 14.5% in the first half of 2009 to 86.9 euros, totally diluted. This change stems mainly from the fall in the value of property assets by 11.6 euros per share, given the discount for the block sale of the housing portfolio. This fall is nevertheless partly compensated by the solidity of the assets of the Commercial Property Investment division (-6.5% on a like-for-like basis).

### **Focusing the portfolio on commercial property**

Total investments net of disposals amounted to 21.7 million euros in the 1<sup>st</sup> half of 2009.

Investments underway in the 1st half of 2009 totalled 196.3 million euros, of which 177.1 million euros are dedicated to assets from Property Investment companies. These investments, made principally in offices, clinics and shopping centres, will contribute to consolidating Icade's presence in the commercial property sector and to securing recurring cash flow.

The income from disposals over the period amounts to 175.2 million euros, of which 149.8 million from block sales during the 1<sup>st</sup> half of 2009 from the residential property portfolio and 24.1 million euros following the disposal of shares of Icade Administration de Biens.

Icade is actively pursuing its arbitrage programme on its residential portfolio and an exclusivity agreement was signed in this respect at end June 2009 with a consortium made up of the SNI, major local public-housing authorities and social housing investors in the Paris region.

### **Outlook**

Against the current market environment where financing is difficult, Icade is pursuing its focus on commercial property on the domestic market, thanks to liquidities expected from the accelerated disposal of its housing. Icade's strategic priority is to reinvest liquidity, to seek immediate, secure and antilulative cash flows and to control its debt ratio. Furthermore, over the coming 4 years, the committed investment pipeline amounts to 1 billion euros.

### **Coming events**

Q3 2009 Turnover : 22 October 2009 post-close  
Annual results 2009 : 15 February 2010 post-close

*This press release does not constitute an offer or a solicitation to sell or exchange securities, nor a recommendation to subscribe to, purchase or sell Icade securities. The distribution of this press release may be limited in certain countries by legislation or regulations. Persons who consequently enter into possession of this press release are required to inform themselves of and respect these restrictions. To the fullest extent permitted by applicable law, Icade declines all responsibility or liability for the violation of such restrictions by any persons whatsoever.*



Foncière-développeur

The half-year report at 30th June 2009 has been submitted to the French Financial Markets Authority (AMF) and can be consulted in whole on the Company's website  
<http://www.icafe.fr/fo/en/category/finance,icafe-ex-icafe-emgp,icafe-emgp-rapport-financier-semestriel.do>

#### **About Icade**

As a developer REIT, Icade, chaired by Serge Grzybowski, is a major player in the property market. Its business activities cover the whole value chain: investment, development and services in the housing, offices, business parks, shops and shopping centres and public-health amenities sectors. The company's expertise is expressed through designing, developing, investing, holding and arbitrating, operating and managing. Expertise in its different business lines means that Icade is able to provide its clients with personalised solutions and to act in respect of all the sector's current concerns. In 2008, Icade recorded consolidated turnover of 1 599 million euros and net current cash flow of 206 million euros. The revalued liquidation net asset value rose to 4 954 million euros, i.e. 101.6 euros per share.

Serge Grzybowski will present the S1 2009 results to analysts on July 29th at 11.30 am CET. The slide show will be available from 09.00 am via the following link:

<http://www.icafe.fr/fo/fr/category/finance,icafe-ex-icafe-emgp,presentations-financieres.do>

For participants who wish to listen to the conference in French or in English, please register in advance using the following links:

for the French version: <https://eventreg2.conferencing.com/webportal3/reg.html?Acc=442938&Conf=199231>

for the English version: <https://eventreg2.conferencing.com/webportal3/reg.html?Acc=442938&Conf=199252>

Each participant will receive the participant access code, the conference access code and the telephone number to call as well as instructions for listening to the conference.

The recording in French and English will be available for 6 days from 29th July 2009 until midnight on 4th August 2009.

To listen to the recording, please use the following numbers and codes:

020 7031 4064 -- UK London

+33 (0) 170993529 -- France Paris

Access Code: 838794 French version

Access Code: 2661385 English version

#### **Contacts**

Nathalie Palladitcheff  
Member of the Executive Board, responsible for  
finance  
+33 (0)1 41 57 70 12  
[nathalie.palladitcheff@icafe.fr](mailto:nathalie.palladitcheff@icafe.fr)

Rémi Lemay  
Financial and External Communication Manager  
+33 (0)1 41 57 71 05  
[remi.lemay@icafe.fr](mailto:remi.lemay@icafe.fr)