

Press release  
Paris, 13 May 2008

## Turnover up 18.8% as at 31 March 2008

At 31 March 2008, Icade had recorded consolidated turnover of 359.6 million euros, up 18.8% compared to 31 March 2007 (302.8 million euros). This increase is mainly due to the good performance of rent in the investment sector and brisk activity throughout the development business in spite of a downturn in housing.

Turnover in millions of euros	31/03/2008	31/03/2007	Variation in %
INVESTMENT	99.1	83.8	18.2%
DEVELOPMENT	239.8	178.1	34.6%
SERVICES	48.8	53.9	-9.5%
Inter-Group eliminations	-28.0	-13.1	
<b>TOTAL</b>	<b>359.6</b>	<b>302.8</b>	<b>18.8%</b>

## Investment

Turnover in millions of euros	31/03/2008	31/03/2007	Variation In M€
Housing	49.5	51.2	-1.7
Offices in France	16.7	9.3	7.4
SIICInvest	2.4	0	2.4
Offices in Germany	3.7	3.9	-0.2
Business Parks	19.4	16.0	3.4
Public Amenities	5.4	3.4	2.0
Shops and Shopping Centres	2.0	0.0	2.0
<b>TOTAL</b>	<b>99.1</b>	<b>83.8</b>	<b>15.2</b>

## Residential Property Division

With 40,675 housing units as at 31 March 2008, i.e. almost 2.4 million m<sup>2</sup>, turnover from the residential property business was 49.5 million euros, compared to 51.2 million euros at 31 March 2007, representing a 3.3% fall, +2.3% of which is at comparable structure.

The main changes relate to:

- The impact of rent indexing on the basis of the IRL, (3.23% in July 2007, impacting on the full-year in 2008), which stands at 1.4 million euros in 2008.
- The effect of the pricing policy, when re-renting with revised rent or owing to the application of Article 17C (rent increase staggered over the term of the lease to offset half the difference between the rent charged and the market rent), which generated 0.7 million euros of additional rental income.
- And, in addition, the loss of rental income relating to sales of housing units either in blocks or individually, for 2.9 million euros.

As at 31 March 2008, the financial occupancy rate was 96.4%, down 0.5% compared to 31 December 2007 and the turnover rate was 8.2%, slightly up on 31 December 2007 figures.



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Average monthly rent per habitable m<sup>2</sup> (excluding charges) was 6.45 euros at 31 March 2008, with 5.40 euros for so-called subsidised leases and 6.71 euros for common law leases. For the quarter, the average re-renting rent for a housing unit in Icade's free sector was 10.04 euros per m<sup>2</sup>.

Whilst continuing with its arbitrage policy, Icade is building 688 housing units on its own behalf (in particular, on its own land), so as to densify its sites and optimise property reserves for an overall forecasted total of 119 million euros. These housing units will be delivered during the 2008-2012 period.

## **Commercial Property Investment Division – Offices Business**

### **Offices Business in France**

At 31 March 2008, turnover from the Offices Business in France stood at 16.7 million euros compared to 9.3 million euros at 31 March 2007, representing an 80% increase, 8% of which is at comparable structure. This change is the result of several different factors:

- 6.4 million euros of additional rent owing to the acquisition of Tour Descartes (4.6 million euros of additional rent on the two thirds acquired on 3 July 2007), and the ESSO building in Rueil Malmaison, acquired on 23 May 2007 (1.8 million euros of additional rent).
- The 0.9 million euro balance relates to 0.6 million euros of rent indexing and the re-renting of the Morizet building as from 1 February 2008 for 0.3 million euros.

The rented floor space represented 164,224 m<sup>2</sup> of premises (compared to 79,343 m<sup>2</sup> at 31 March 2007), giving a 99.5% financial occupancy rate at 31 March 2008 (compared to 96.8% at 31 December 2007).

At 31 March 2008, average rent was €406 per m<sup>2</sup>.

### **SIICInvest**

At 31 March 2008, SIICInvest's turnover stood at 2.4 million euros (company acquired in April 2007).

At 31 March 2008, rented floor space represented 108,309 m<sup>2</sup> of offices and business premises, i.e. a financial occupancy rate of 100%.

### **Offices business in Germany**

At 31 March 2008, turnover from the German office assets represented 3.7 million euros compared to 3.9 million euros at 31 March 2007. At the latter date, turnover included a one-off indemnity of 0.4 million euros. At 31 March 2008, rented floor space represented 108,571 m<sup>2</sup>, giving an 81.7% financial occupancy rate compared to 83.9% at 31 December 2007.

At 31 March 2008, the average rent for these offices was €125 per m<sup>2</sup>.

## **Commercial Property Investment Division – Business Parks Business**

At 31 March 2008, turnover from the Business Parks Business stood at 19.4 million euros, compared to 16.0 million euros at 31 March 2007.

This change can be explained by:

- a 6.0% increase in gross rent on the comparable structure (0.9 million euros),
- and by the renting of Millénaire 1 to Icade as from the second half of 2007, representing 2.5 million euros of additional rent.

At 31 March 2008, rented floor space represented 401,557 m<sup>2</sup> of premises (compared to 392,512 m<sup>2</sup> at 31 March 2007) and the financial occupancy rate was 87.5 % compared to 86.5 % at 31 December 2007. This increase in occupancy rate essentially stems from the renting-out of part of Millénaire 2 (2,660 m<sup>2</sup> to Nokia France).

At 31 March 2008, the average rent for the offices was €262 per m<sup>2</sup>.



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### **Commercial Property Investment Division – Shops and Shopping Centres Business**

Turnover from the Shops and Shopping Centres Business was 2.0 million euros at 31 March 2008. This relates to the 36 property assets acquired on 1 January 2008 from the Mr Bricolage Group, with the latter having remained as the operator.

At 31 March 2008, rented floor space represented 135,693 m<sup>2</sup> of business premises and the financial occupancy rate was 100%.

### **Commercial Property Investment Division – Public Amenities Business**

Turnover from the Public Amenities Business rose to 5.4 million euros at 31 March 2008 compared to 3.4 million euros at 31 March 2007.

This increase is due to two factors:

- revenue from the 3 clinics acquired from the Harpin Group in July 2007 for 1.5 million euros,
- revenue from the 2 clinics acquired from the Vedici Group at the end of 2007 for 0.6 million euros.

At 31 March 2008, rented floor space represented 113,015 m<sup>2</sup> of premises. The financial occupancy rate was almost 100%.

## Development

At 31 March 2008, the development business had recorded turnover of 240 million euros, a 35% increase compared to 31 March 2007, whereas the housing property development business suffered a downturn. Indeed, the as expected expansion of commercial property development and public and healthcare property development provides a growth relay point for the development division as a whole.

Turnover in millions of euros	31/03/2008	31/03/2007	Variation in ME
Housing Property Development	126.0	120.0	6.0
Commercial Property Development	64.8	21.5	43.3
Public and Healthcare Property Development	44.8	32.0	12.8
Engineering Development	6.5	6.0	0.5
Development	0.4	0.4	0.0
Inter-business development	-2.8	-1.7	-1.1
<b>TOTAL</b>	<b>239.8</b>	<b>178.1</b>	<b>61.7</b>

### Housing Property Development

At 31 March 2008, Housing Property Development turnover was 126 million euros, up 5% compared to 31 March 2007.

Notarised sales stood at 133 million euros for 685 housing units and lots compared with 156 million euros and 843 housing units and lots at 31 March 2007. Upstream of notarised sales, there were reservations for 767 housing units and 51 lots (compared to 1,168 housing units and 221 lots at 31 March 2007). The latter will generate turnover of 159 million euros (compared to 264 million euros for those signed during 2007).

This fall is essentially explained by the postponement of several projects owing to the delay in obtaining building permits and by fewer sales to investors. In order to offset the reduction in housing property development sales to individuals, Icade is introducing an alternative strategy by making sales in blocks to institutional buyers. In this respect, during April 2008, 420 housing units were sold in blocks. In the coming quarters, this strategy should enable regular sales to be recorded.

At 31 March 2008, the quarterly reservation-withdrawal rate was 22% and the average stock disposal rate was 6.2%. At the same date, 101 housing units and 27 lots were unsold, representing 26 and 3 million euros respectively.

The backlog stood at 666 million euros, including that of Opéra Construction (12 months' turnover). The property portfolio represents construction potential for 9,528 housing units and 1,228 lots for respective forecasted turnover of 2,047 and 84 million euros.

Finally, on behalf of the housing property investment company, the housing property development business is building housing units in Fresnes, l'Haÿ-les-roses, Chatenay-Malabry, Massy, Juvisy and St Fargeau for turnover booked at 4.2 million euros as at 31 March 2008.

### Commercial Property Development

Commercial property development turnover was 64.8 million euros at 31 March 2008, up 43.3 million euros compared to 31 March 2007. At 31 March 2008, 24% of commercial property development turnover were recorded on behalf of the commercial property investment company, i.e. 16 million euros, including, in particular, the Villejuif office project (15,250 m<sup>2</sup>) and the Odysseum shopping centre in Montpellier (51,317 m<sup>2</sup>).

At 31 March 2008, Icade had a project portfolio relating to 647,932 m<sup>2</sup>, including projects under way (251,160 m<sup>2</sup>) and projects in the process of being set-up (396,772 m<sup>2</sup>). In addition, the Montrouge project, representing 13,182 m<sup>2</sup>, was delivered in March 2008.



## **Public and Healthcare Property Development**

The public and healthcare property development business is increasing significantly. At 31 March 2008, turnover was up by almost 13 million euros compared to 31 March 2007 (44.8 million euros compared to 32 million euros at 31 March 2007).

This turnover originates partly from development initiatives, the 2008 contribution of which is 40.6 million euros compared to 24.1 million euros at 31 March 2007, and partly from project-owner support services, which represented 4.2 million euros at 31 March 2008, compared to 7.9 million euros at 31 March 2007.

The foregoing reflects this division's strategy, which is materialised by a business which is increasingly geared towards the implementation of development initiatives under Public-Private Partnerships (PPP).

At 31 March 2008, Icade's project portfolio in the public and healthcare property development field represented 204,962 m<sup>2</sup> of projects under way (including 144,132 m<sup>2</sup> for the PPP), and 158,106 m<sup>2</sup> of projects in the process of being set-up.

The delivery of 3 development projects (total of 11,773 m<sup>2</sup>) during Q1 2008 should be noted: Laval (Ehpad for 7,120 m<sup>2</sup>), Bourg Les Valence (1,990 m<sup>2</sup>) and Chatellerault (2,663 m<sup>2</sup>).

## **Services**

<b>Turnover in millions of euros</b>	<b>31/03/2008</b>	<b>31/03/2007</b>	<b>Variation in ME</b>
Housing	21.1	23.0	-1.9
Commercial Property	27.8	30.9	-3.1
Inter-business services	0.0	0.0	0.0
<b>TOTAL</b>	<b>48.8</b>	<b>53.9</b>	<b>-5.1</b>

### **Housing Services**

At the end of March 2008, Icade's housing departments (property management and the management of serviced residences) managed approximately 155,000 lots as managing agent (*syndic*) and manager in France and 13,000 lots in Spain. They also manage 6,500 units in student halls of residence in France and 5,500 in Spain. In addition, they manage more than 570,000 m<sup>2</sup> of offices for institutional clients.

Housing services turnover fell by 8% to 21.1 million euros owing to the combined effect:

- of non-linear invoicing for the student halls of residence business,
- of the optimisation of the office-management business causing turnover to be transferred to commercial property services.

### **Commercial Property Services**

At the end of March 2008, with its Facility and Property Management businesses, Icade operated almost 2.3 million m<sup>2</sup> of offices and managed almost 3.5 million m<sup>2</sup> (manager and managing agent) in France. In Belgium and Italy, Icade carries-on this business for a total of 3.8 million m<sup>2</sup>. Icade also operates in the commercial property consultancy sector.

At 31 March 2008, turnover from commercial property services stood at 27.8 million euros compared to 30.9 million euros at 31 March 2007.

### **Inter-Group eliminations**

Inter-Group eliminations represented 28.2 million euros at 31 March 2008 and mainly relate to the elimination of turnover concerning projects implemented by the development division on behalf of the investment company.



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The investment company has purchased the following projects from the development division:

- Commercial property: Villejuif 5, Odysseum Shopping Centre in Montpellier. -15.8 million euro impact on turnover as at 31 March 2008.
- Housing: L'Hay-les-Roses, Fresnes, Châtenay–Malabry. – 4.2 million euro impact on turnover in 2007.

## 2008 key events

Icade is scheduled to build LCL's (Crédit Lyonnais) future operational headquarters and then to rent the building to the bank: 60,000 m<sup>2</sup> of offices in Villejuif, alongside the Nationale 7 road, right next to the Léo Lagrange *métro* station. The project, which is called "Metropolitan", and developed by Icade, consists of 4 "High Environmental Quality" buildings. The first building is scheduled to be delivered in early 2009, with delivery of the other buildings being staggered over 3 years. This project provides a perfect illustration of Icade's developer Reit model and is contributing to the creation of a new commercial property division in Southern Paris.

Within the framework of its partnership with Vedici, Icade has acquired the premises of 2 health establishments in Nantes for 73 million euros. The acquisitions relate to the *Polyclinique de l'Atlantique* in Saint Herblain, France's leading maternity clinic with total capacity of 269 beds and places and the *Centre de Soins de Suite de Roz Arvor* in Nantes with capacity of 80 beds and places. The Vedici Group, which has sold the premises, will remain as the operator of both establishments, under a long-term, fixed 12-year lease.

These two acquisitions of offices and clinics will contribute to consolidating Icade's presence in the commercial property sector and to ensuring significant amounts of cash-flow.

In the context of its medium term development plan, Icade negotiates credit facilities. In recent weeks, Icade has been granted 3 credit facilities for a total of 450 million euro representing an average spread of 50pb on a 3 months euribor with average maturity of 4 years.

## Diary

Results for the first-half of 2008: 24 July 2008 post cut-off date.

SFAF : 25 July 2008, 8 :30 am – Millénaire 1 – 35 rue de la gare – 75019 Paris

## About Icade

Icade, a Developer Reit, chaired by Serge Grzybowski, is a major player in the property market. Its business activities cover the whole value chain: investment, development and furnishing services in the housing, offices, business parks, shops and shopping centres and public-health amenities sectors. The company's know-how expresses itself 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 2007, Icade recorded consolidated turnover of €1,482 million and net current cash-flow of €224 million. The revalued liquidation net asset value rose to €5,317 million, i.e. €108.4 per share.

## Contacts

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