

Press Release

Paris, 13 February 2007

Sharp rise in Icade's earnings and revalued net asset value in 2007

- Consolidated turnover was up 12% to EUR 1,482 million,
- EBITDA and Operating profit were EUR 291 and 333 million, an 11% and 4% increase respectively,
- Net current cash-flow increased by 15 % to EUR 224 million.
- The revalued liquidation net asset value represented EUR 5,317 million, i.e. EUR 108.4 per share, on the basis of an expert-assessed value of assets of EUR 6,231, representing a 42% increase compared to the end of 2006.
- The Group's share of net income, not including exit tax, was up 26% to EUR 266 million.

Turnover up 12%

At 31 December 2007, Icade had recorded consolidated turnover of EUR 1,482 million, up 11.6% compared to 31 December 2006. It is broken-down between investment (24%), development (66%) and services (16%):

<i>(in millions of euros)</i>	<i>2007</i>	<i>2006</i>	<i>variation</i>
<i>Investment</i>	<i>358.4</i>	<i>327.6</i>	<i>+9%</i>
<i>Development</i>	<i>974.9</i>	<i>790.7</i>	<i>+23%</i>
<i>Services</i>	<i>237.9</i>	<i>214.7</i>	<i>+11%</i>
<i>Others*</i>	<i>-89.4</i>	<i>-5.8</i>	
<i>Total Turnover</i>	<i>1,481.8</i>	<i>1,327.2</i>	<i>+12%</i>

This increase is essentially due to the good investment performance levels with the variation of rent, on a like-for-like basis, reaching 4.1% in 2007 and the solidity of the development business (+23% compared to 2006), in particular, the public and health development business.

Operating profit up 4%

Operating profit was EUR 333 million in 2007 compared with EUR 320 million in 2006, representing a 4.3% increase. It is broken-down between investment (85%), development (28%) and services (4%):

<i>(in millions of euros)</i>	<i>2007</i>	<i>2006</i>	<i>Variation</i>
<i>Investment</i>	<i>282.1</i>	<i>244.7</i>	<i>+15%</i>
<i>Development</i>	<i>93.8</i>	<i>88.5</i>	<i>+6%</i>
<i>Services</i>	<i>12.4</i>	<i>2.4</i>	<i>n.s</i>
<i>Others*</i>	<i>-55.0</i>	<i>-16.1</i>	<i>n.s</i>
<i>Total Operating profit</i>	<i>333.4</i>	<i>319.5</i>	<i>+4%</i>

In particular, this increase is due to:

- the improvement in EBITDA to EUR 291 million in 2007 compared with EUR 262 million in 2006. The majority of the rise relates to the increase in the influence of Icade's property companies in-line

* Icade SA, Icade aménagement and intra-Group inter-business line

with the strategy introduced (EBITDA of EUR 216 million in 2007 compared with EUR 179 million in 2006), the very satisfactory performance of the housing development margins (12.4% of EBITDA margin in 2007) and the significant improvement in the margins of the service business line (6.1% of EBITDA margin in 2007);

- by the increase in depreciation expenses from EUR 81 million in 2006 to EUR 97 million in 2007 (relating to Icade's investment policy);
- by the increase in income from disposals to EUR 139 million in 2007. This mainly consists of disposals of housing properties: 3,181 housing units sold as a block for an average price of EUR 753 per m² and 198 housing units sold unitarily for an average price of EUR 2,033 per m². In 2006, income from disposals represented EUR 125 million (disposal of 3 commercial-property SCIs and 780 housing units from the housing property company).

Net current cash-flow up 15%

Net current cash-flow rose by 14.8% to EUR 224 million in 2007 compared with EUR 195 million in 2006. The improvement in EBITDA for the period is partially offset by the increase in financial expenses, due, in particular, to mentoring development operations which do not yet generate rent.

Group's share of net income rose by 26% (not including impact of exit-tax)

The Group's share of net income of EUR 37 million in 2007 includes an exit tax charge of EUR 229 million relating to the extension of arrangements concerning SIIC (Listed Property Investment Companies) backdated to January 1st, 2007, with the merger, on 30 November 2007, of its property investment companies. Restated to take account of this charge, the Group's share of net income was EUR 266 million, i.e. a 26% increase compared to 2006 following.

During the General Meeting of 16 April 2008, it will be proposed to distribute a dividend of EUR 160 million (EUR 3.25 per share), representing a 27% increase compared to the 2006 financial year. This dividend could be paid on April 30, 2008.

A Group revalued liquidation net asset value 16% higher than at 30 June 2007

As at 31 December 2007, the value of the asset base, not including rights, was EUR 6,231 million, up 42% compared with 31 December 2006, 25% of which is on a like-for-like basis. Icade's revalued liquidation net asset value was EUR 5,317 million, i.e. EUR 108.4 per share (on the basis of the development and services business lines being valued at EUR 963 million and in the absence of any revaluation of the significant property reserves available to the company), up 16% compared to 30 June 2007 (EUR 93.2 per share). Calculation of the Group's revalued net asset value per share was calculated for the first time as at 30 June 2007 owing to the change of corporate business model.

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 single expert-assessed value of the asset base (not including rights) of the property companies, was 25% at the end of 2007 compared with 14% at the end of 2006.

Investments

Investments net of disposals represented EUR 947 million in 2007 (EUR 41 million of which corresponds to an advanced payment made on 31 December 2007 for the acquisition of a 95% stake in the Mr Bricolage property company which was carried-out on 1 January 2008).

Main investments as follows:

For Business Property investment division:

- the acquisition of ESSO's head office in Rueil-Malmaison for EUR 101 million;
- the additional acquisition of 66% of Tour Descartes for EUR 258 million;
- the acquisition of 5 clinics for an investment of EUR 91 million.

For Housing Property investment division:

- EUR 95 million in investments and EUR 167 million of disposals

The balance, which mainly relates to buying-back Icade Foncière des Pimonts' Bonds Redeemable in Shares (ORA) from holders from outside the Group for EUR 263 million, the acquisition of SIIC Invest for EUR 74 million (89.65% hold as at 31 December 2007) and the acquisition of Opéra Construction for EUR 55 million.

Outlook

On 3 December 2007, Icade announced a provisional identified-investment programme of EUR 2.7 billion (including capex of EUR 0.3 billion) and a programme for EUR 1.6 billion of disposals for 2008-2012. These investments, both in Ile-de-France and regional France, have a controlled and limited marketing risk and will provide an expected average gross return (not including capex) of 6.7%. With a very moderate level of debt as at 31st December 2007, Icade intends following a prudent development policy and also has significant capital gains reserves in its portfolio.

Owing to its solid bases, healthy balance sheet, safe investment potential and controlled risk, Icade is able to make the following medium-term forecasts:

- two-figure net current cash-flow growth;
- an increase in dividends in-line with the average growth in cash-flow.

Key Consolidated Figures:

in millions of euros	31/12/07	31/12/06	Variation
Turnover	1,482	1,327	11.6%
EBITDA	291	262	11.1%
EBITDA margin %	19,6%	19,8%	
Allocations to depreciation	97	81	19.7%
Income from disposals	139	125	11.4%
Operating profit	333	320	4.3 %
Financial profit / loss	(41)	(17)	
Tax charge	(247)	(77)	
Net income, Group share	37	211	n.s
Net income, Group share, ex. exit tax	266	211	25.7%
Net current cash-flow	224	195	14.8%

in millions of euros	31/12/07	31/12/06
Net financial debt	1,574	602
LTV	25%	14%

in millions of euros	31/12/07	30/06/07
Revalued Replacement Net Asset Value In € per share	5,709 116.4	4,941 100.4
Revalued Liquidation Net Asset Value In € per share	5,317 108.4	4,584 93.2

- Number of diluted shares at 31/12/2007: 49,038,624
- Number of shares for calculation of Revalued Net Asset Value at 30/06/2007: 49,193,623

The consolidated financial statements at 31 December 2007 may be consulted on the icade.fr website. Finance. Regulated information. Quarterly financial information and/or Press releases from securities issuers published under ongoing disclosure requirements.

Serge Grzybowski will present the 2007 annual results on Thursday February 14th, at 10 am. The slide-show will be available on the icade.fr website. Investor presentations.

The presentation will be accessible in English, dialling:

France : +33 (0) 1 70 99 42 72
UK : +44 (0) 20 7138 0824
Access Code: 5830540

From 14 February, and during 7 days, the presentation will be accessible in English, dialling:

France : +33 (0)1 71 23 02 48
UK : +44 (0)20 7806 1970
Access Code 5830540#



Coming events

General Meeting: 16 April 2008 at Salons Hoche

Payment of dividend: 30 April 2008

Turnover Q1 2008: 13 May 2008 post closing

Earnings 1st six months of 2008: 24 July 2008 post closing

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 furnishing services in the housing, office, business parks, commercial property and shopping centre and public-health equipment sectors. The company's know-how expresses itself through designing, developing, investing, holding and arbitrating, using 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 EUR 1,482 million and net current cash-flow of EUR 224 million. The revalued liquidation net asset value rose to EUR 5,317 million, i.e. EUR 108.4 per share.

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DESCRIPTION OF ICADE'S BUSINESS ACTIVITIES

1. PROPERTY INVESTMENT

(in millions of Euros)	2007	2006	Variation
<i>RENTAL INCOME</i>	355.5	322.6	32.9
<i>Housing</i>	198.7	199.0	-0.3
<i>Offices in France</i>	51.3	51.7	-0.4
<i>SIICInvest</i>	5.6		5.6
<i>Offices in Germany</i>	14.7	5.7	9.0
<i>Business Parks</i>	69.5	62.6	6.9
<i>Public and Healthcare Amenities</i>	16.0	3.6	12.4
<i>Intra-businessr property investment</i>	-0.3		-0.3
<i>NET RENT</i>	255.4	216.3	39.1
<i>Housing</i>	111.0	99.6	11.4
<i>Offices in France</i>	49.3	50.3	-1.0
<i>SIICInvest</i>	5.4		5.4
<i>Offices in Germany</i>	13.7	5.7	8.0
<i>Business Parks</i>	60.9	57.1	3.8
<i>Public and Healthcare Amenities</i>	15.4	3.6	11.8
<i>Intra-business property investment</i>	-0.3		-0.3
<i>OPERATING PROFIT</i>	282.1	244.7	37.5
<i>Housing</i>	198.1	87.4	110.8
<i>Offices in France</i>	39.2	127.0	-87.8
<i>SIICInvest</i>	2.7		2.7
<i>Offices in Germany</i>	4.6	2.4	2.2
<i>Business Parks</i>	25.9	24.8	1.1
<i>Public and Healthcare Amenities</i>	11.6	3.1	8.5

1.1 Housing Property Investment Division

<i>HOUSING (in millions of Euros)</i>	<i>2007</i>	<i>2006</i>	<i>Variation</i>
<i>Rental income</i>	198.7	199.0	-0.3
<i>Rental charges not reinvoiced</i>	-1.6	-0.7	-0.9
<i>Charges on buildings</i>	-86.1	-98.7	12.6
<i>Net Rent</i>	111.0	99.6	11.4
<i>Other revenue</i>	2.3	4.4	-2.1
<i>Depreciation charges net of grants</i>	-32.5	-36.8	4.3
<i>Charges and reversals related to impairment</i>	1.1	12.3	-11.2
<i>Profit from disposals</i>	140.8	36.3	104.4
<i>Other charges and income</i>	-24.5	-28.5	3.9
OPERATING PROFIT	198.1	87.4	110.8

With 40,673 homes at the end of December 2007, i.e. nearly 2.4 million m², **rental income** in the housing property investment business reached 198.7 million Euros, against 199.0 million Euros in 2006.

The main developments relate to:

- The loss of rental income related to bloc or unit housing sales in the sum of 7.8 million Euros.
- The impact of rent indexation on the basis of the IRL (Rent Reference Index) (2.3% in July 2006 producing its full year effect in 2007 and 3.2% applied from August 2007) which stood at 5.1 million Euros in 2007.
- The effect of the pricing policy, on re-letting at a new rent or the application of Article 17C (*rent rise spread over the term of the lease to make up half the discrepancy between the rent charged and market rent*), which produced 3.1 million Euros of additional rental income.

The financial occupancy rate reached 97.1% in 2007 and the earnings rate was 8%, slightly down by 0.16 of a point in comparison with 2006.

The average monthly rent per habitable m² (excluding charges) for 2007 stood at 6.30 Euros with 5.31 Euros for so-called subsidised leases and 6.57 Euros for common law leases.

In 2007, the average re-letting rent for a home in Icade's free sector stood at 9.35 Euros per m² with an average floor space of nearly 59 m².

To enhance its residential assets, Icade dedicated 91 million Euros to maintenance and renovation in 2007.

<i>(in millions of Euros)</i>	<i>2007</i>	<i>2006</i>
<i>Maintenance</i>	27.2	38.2
<i>Renovation – fixed assets</i>	65.0	50.5
<i>Development – fixed assets</i>	27.4	1.2

After assigning property charges, the net rent from Icade's "Housing Property Investment" business stood at 111.0 million Euros as at 31st December 2007 against 99.6 million Euros as at 31st December 2006.

At 198.1 million Euros, **operating profit** improved 127% and benefited from the proceeds of disposals in 2007 amounting to 140.8 million Euros against 36.3 million Euros in 2006.

These disposals are the result of an intense asset arbitrage policy with 3,131 of homes sold in blocks (Gonesse, Fontenay, Ermont, Gagny, Sucy, Chevilly-Larue, Richebourg) and 198 in units for an average selling price per m² in the Ile-de-France of 2,033 Euros. Homes for sale are selected on the basis of criteria such as commercial attraction, operating margin, capability for building and inhabitants' income levels.

76% of block sales in 2007 relate to subsidised housing for which the rent is subject to statutory caps. The following table shows the future expiry dates of the agreements:

Lease expiry schedule:

Year	No. of common law leases (*)	No. of subsidised leases (**)
2007		1,810
2008	5,987	616
2009	2,990	122
2010	3,430	5,760
2011 and +	19,925	33
Total	32,332	8,341

(*) excluding impact relating to possible sales and change of tenants.

(**) End of subsidy effective as at 31st July of year (n+1)

While pursuing its arbitrage policy, Icade is currently building (specifically on its own land) with Icade Capri as developer, 444 homes in order to diversify its sites and optimise available land for an overall projected sum of 87 million Euros of which 29 million Euros recorded as fixed assets during the course of 2007.

1.2 Business Property Investment Division – Offices

1.2.1 Icade's "offices" business in France in 2007

OFFICES in FRANCE (in millions of Euros)	2007	2006	Variation
Rental income	51.3	51.7	-0.4
Rental charges not invoiced	-0.5	0.1	-0.6
Charges on buildings	-1.5	-1.5	
Net rent	49.3	50.3	-1.0
Other revenue	0.0	0.0	
Depreciation charges net of grants	-11.5	-12.2	0.7
Charges and reversals related to impairment	0.5	0.0	0.5
Profit from disposals	3.5	93.3	-89.9
Other charges and income	-2.6	-4.4	1.8
OPERATING PROFIT	39.2	127.0	-87.8

Rental income from the “offices” business in France stood at 51.3 million Euros as at 31st December 2007 against 51.7 million Euros as at 31st December 2006. This change is due to a combination of several factors:

- 15.2 million Euros loss of rent on buildings sold in 2006 (3 property companies : Pont Neuf, Rue du 4 septembre, Rive du 15ème)
- 13.3 million Euros of additional rent from the acquisition of the Tour Descartes (8.9 million Euros of additional rent on the two thirds acquired on 3rd July 2007), and the ESSO building in Rueil-Malmaison acquired on 23rd May 2007 (4.4 million Euros of additional rent).
- The balance of 1.5 million Euros, corresponds to rent indexation in the sum of 1.8 million Euros, regularisation of rent linearization in the sum of 0.8 million Euros and a negative impact of 1.1 million Euros on re-letting primarily due to the Morizet building becoming vacant in 2007.

Leased floor area accounts for 154,838 m² of premises (against 79,395 m² in 2006), i.e. a financial occupancy rate of 96.8% as at 31st December 2007 (against 97.0% in 2006).

As at 31st December 2007, the average rent reached 411 € per m².

Net rent from the “offices” business in France in 2007 came out at 49.3 million Euros against 50.3 million Euros in 2006.

Operating Profit from the “offices” business in France came to 126.9 million Euros as at 31st December 2006 due in particular to earnings from disposals of 93.3 million Euros, and stood at 39.2 million Euros as at 31st December 2007, earnings from disposals being only 3.5 million Euros for the year. Furthermore, other property investment charges and income are falling sharply, generating savings of 1.8 million Euros related to the fall in building costs (external fees and reversals of provisions for customer risks in particular).

The following table shows figures for maintenance, renovation and development realised by the “offices” business in France as at 31st December 2006 and 2007.

<i>Amount (in millions of Euros) excl. tax</i>	<i>2007</i>	<i>2006</i>
<i>Upkeep – Maintenance</i>	<i>0.2</i>	<i>0.6</i>
<i>Renovation – Fixed assets</i>	<i>2.6</i>	<i>1.3</i>
<i>Development – Fixed assets</i>	<i>393.7</i>	<i>64.1</i>

Icade thus made 396.3 million Euros of capital **expenditure** net of sales during the course of 2007:

In May 2007, Icade acquired the head office of ESSO France for 101.3 million Euros. The site, located in Rueil-Malmaison, consists of 22,500 m² of office space and 5,000 m² of building rights. It will be vacated by ESSO during 2008 and will be the subject of substantial redevelopment which should be completed by the beginning of 2009.

Icade acquired 66% of the Tour Descartes in La Défense for 258 million Euros (and therefore owns 100% of the building). This tower, with a floor space of 71,932 m², should be vacated by 31st December 2009 at the earliest. The tower is scheduled for restructuring and renovation when the current tenant (IBM) leaves. These major works, which are to be carried out by Icade Arcoba, will relate in particular to the complete renovation of the office floors and replacement of the facade. The building will be marketable some time during 2011.

Icade acquired 50% of the ODYSSEUM shopping centre in partnership with Klepierre (50/50) by signing an off-plan contract with Icade Terial, in the sum of 151.1 million Euros excluding tax, i.e. a quota share investment of 75.6 million Euros for Icade (of which a payment on account of 34.1 million Euros was paid on 31st December 2007).

Finally, Icade acquired the bonds repayable in shares held by non-group bondholders, in Icade Foncière des Pimonts before the merger, to the value of 263.2 million Euros which was either prematurely repaid in shares within the framework of the mergers or eliminated as an intra-group transaction.

Customers and leases

Marketing activities have been particularly dynamic over the year.

A lease was signed with OMNICO covering the whole of the building at Rue Morizet in Boulogne-Billancourt for a rent of 1.9 million Euros excluding tax and charges.

A significant renewal was signed in late 2006, with the company Shearman & Sterling covering 3,900 m² of the building located at 114, Avenue des Champs-Élysées.

These two transactions helped to bring the physical vacancy rate down to almost 0% as at 31st December 2007.

In respect of all its leased assets, Icade has about 10 significant tenants, together representing annual rent of 43.7 million Euros in 2007, nearly 85% of the total value of rental income.

The following table shows, on an annual basis, the number of leases coming to an end and the value of the rent (as Group quota share) accounted for in 2007 for each type of lease affected.

Year	No. of leases affected	Value of rent accounted for in 2007 (in millions of Euros)
2007	10	1.9
2008	19	16.8 *
2009	16	20.8 **
2010	3	3.5
2011 and following	9	8.3

* of which ESSO : 4.4 million Euros

** of which IBM : 17.9 million Euros

1.2.2 SIICInvest

SIICInvest (in millions of Euros)	2007
Rental income	5.6
Rental charges not invoiced	
Charges on buildings	-0.2
Net rent	5.4
Other revenue	
Depreciation charges net of grants	-1.6
Charges and reversals related to impairment	0.5
Profit from disposals	
Other charges and income	-1.6
OPERATING PROFIT	2.7

Operating under the SIIC regime and specialising in holding office and business premises assets, SIICInvest intends pursuing its development by becoming involved in asset externalisation operations.

SIICInvest's **rental income** amounted to 5.6 million Euros as at 31st December 2007 (i.e. 8 months rent).

Leased floor area as at 31st December 2007 represented 69,521 m² of offices and business premises, a financial occupancy rate of 99.0%.

SIICInvest contributed to **Operating Profit** in the sum of 2.7 million Euros as at 31st December 2007.

SIICInvest's **capital expenditure** in 2007, since the acquisition by Icade, amounted to 13.7 million Euros including in particular the acquisition of a warehouse for demolition on a plot of land belonging to the Autonomous Port of Strasbourg for 3.7 million Euros and a 40,000m² warehouse in the suburbs of Lyon (Saint Quentin Fallavier) for 9.3 million Euros.

1.2.3 Icade's "offices" business in Germany in 2007

2007 was the first full year for these assets acquired in August and December 2006. Icade's aim was primarily commercial: to fill the 49,000 m² vacant at the end of 2006 out of total assets of nearly 150,000 m², consisting of office blocks and property reserves.

<i>OFFICES in GERMANY (in millions of Euros)</i>	<i>2007</i>	<i>2006</i>	<i>Variation</i>
<i>Rental income</i>	14.7	5.7	9.0
<i>Rental charges not reinvoiced</i>	-0.3		-0.3
<i>Charges on buildings</i>	-0.7		-0.7
<i>Net rent</i>	13.7	5.7	8.0
<i>Other revenue</i>			
<i>Depreciation charges net of grants</i>	-6.4	-2.4	-4.0
<i>Charges and reversals related to impairment</i>			
<i>Profit from disposals</i>	0.7		
<i>Other charges and income</i>	-3.4	-0.9	-2.5
OPERATING PROFIT	4.6	2.4	2.2

Rental income from office assets in Germany amounted to 14.7 million Euros as at 31st December 2007 against 5.7 million Euros as at 31st December 2006. This increase is essentially due to the following factors:

- the full year impact of current leases following the acquisition in the sum of 8.4 million Euros,
- the conclusion (essentially during the second half of the year) of new leases for 0.6 million of rental income in 2007 the full effect of which will be felt in 2008.

At the end of 2007, leased floor space represented 111,820 m² resulting in an overall financial occupancy rate of 83.9%.

Particularly dynamic marketing activities led to the signing of a new lease with the MAN commercial vehicles group for 4,600 m² in the building located in Munich Allach (59,252 m²) which, at the end of 2007, posted a financial occupancy rate of 96.4%.

Nearly 5,500 m² were leased in the office blocks located in Berlin, Stuttgart, Frankfurt (*Goldsteinstrasse*), Hamburg (a total of 79,385 m²) where the financial occupancy rate reached 71.8% at the end of 2007 with tenants such as American Express, Axa, the City of Frankfurt, TAZ press group (*Le Monde Diplomatique...*) for lease terms varying between 5 and 10 years.

Furthermore, the whole of the 10,410 m² business property located in the centre of Frankfurt (*Frankenallee*) was leased to the Opel main dealership for a period of three years renewable (at Icade's initiative).

Finally, a property reserve of 3 hectares in Munich was arbitrated in 2007 generating a net capital gain of 0.7 million Euros.

This resulted in an **Operating Profit** of 4.6 million Euros at the end of 2007 against 2.4 million Euros in 2006

At the same time as this sustained activity, the development of property reserves will begin with the development of an 18,600 m² building in Munich Allach, scheduled to be delivered in late 2010 and 80% of which is already pre-let.

1.3 Business Property Investment Division – Business Parks

<i>COMMERCIAL OFFICES (in millions of Euros)</i>	<i>2007</i>	<i>2006</i>	<i>Variation</i>
<i>Rental income</i>	69.5	62.6	6.9
<i>Rental charges not reinvoiced</i>	-7.2	-4.3	-2.9
<i>Charges on buildings</i>	-1.4	-1.2	-0.2
<i>Net rent</i>	60.9	57.1	3.8
<i>Other revenue</i>	0.5	0.2	0.3
<i>Depreciation charges net of grants</i>	-27.8	-24.5	-3.3
<i>Charges and reversals related to impairment</i>	0.2	1.0	-0.8
<i>Profit from disposals</i>	-0.1	-1.7	1.6
<i>Other charges and income</i>	-7.7	-7.3	-0.4
OPERATING PROFIT	25.9	24.8	1.1

Rental income for “business parks” amounted to 69.5 million Euros as at 31st December 2007, compared with 62.6 million Euros as at 31st December 2006, 11% growth.

This is due to a combination of several factors:

- 3.7 million Euros of additional rent from letting lot 1 of the Parc du Millénaire to Icade from the second half of 2007;
- the balance of 3.2 million Euros, corresponds to the 6.3% increase in gross rent at comparable structure (3.0 million Euros) and the impact of re-lettings (0.2 million Euros).

Leased floor space represents 395,226 m² of premises (against 371,845 m² in 2006) and the financial occupancy rate stood at 86.5% as at 31st December 2007, against 92.7% at the end of 2006. The fall in the occupancy rate is primarily due to the delivery of lot 2 of the Parc du Millénaire in late September 2007 and currently in the process of being marketed (2,660 m² of which has just been leased to Nokia France for its head office). Average office rent stood at 256 € per m² as at 31st December 2007.

The following table shows, as at 31st December 2007, the land area, rentable built floor area and the financial occupancy rate for each of the seven main business parks of Icade EMGP:

	<i>Land area (in ha)</i>	<i>Rentable built floor area (in m²)</i>	<i>Financial occupancy rate (2007)</i>
<i>Parc Pont des Flandres</i>	5.2	75,220	98.6%
<i>Parc des Portes de Paris (Saint Denis)</i>	16.3	68,503	96.3%
<i>Parc des Portes de Paris (Aubervilliers)</i>	30.2	213,674	92.5%
<i>Quartier du Canal – Business Centre</i>	6.7	10,827	100.0%
<i>Parc du Mauvin</i>	3.7	21,916	100.0%
<i>Quartier du Canal – Shopping Centre (in planning)</i>	7.2		
<i>Parc du Millénaire (in planning)</i>	7.2	58,407	50.2%
TOTAL	76.5	448,547	86.5%

Operating Profit for “business parks” stood at 25.9 million Euros as at 31st December 2007 against 24.8 million Euros as at 31st December 2006.

The following table shows the amounts spent on maintenance, refurbishment and development of its assets for 2006 and 2007.

<i>Amount excluding tax (million Euros)</i>	<i>2007</i>	<i>2006</i>
<i>Maintenance</i>	6.4	5.3
<i>Renovation / fixed assets</i>	13.2	9.6
<i>Development / fixed assets</i>	74.6	58.7

Development capital **expenditure** for “business parks” in 2007 amounted to 74.6 million Euros:

- 53.0 million Euros in respect of the Parc du Millénaire.
- 15.7 million Euros in respect of Building 521.
- 1.4 million Euros in respect of Building 114.
- 2.0 million Euros in respect of the Aubervilliers shopping centre.
- 2.5 million Euros in respect of the river shuttles.

Icade is continuing to develop its business parks. The main “business park” development projects at the study or realisation stage are as follows:

<i>Project</i>	<i>Progress</i>
<i>Parc du Millénaire – lots 3 and 4</i>	<i>Planning application filed in 2006 – project of 48,750 m² (offices)</i>
<i>Shopping quarter - shops</i>	<i>Project of 75,000 m² – Planning permission obtained but appeals not resolved</i>
<i>Building 028</i>	<i>Proposed restructuring of 14,000 m² – Approval obtained, planning application filed in 2007</i>
<i>Building 521</i>	<i>19,250 m² office project – Planning permission obtained and appeals resolved</i>
<i>Building 114</i>	<i>6,000 m² office project – Planning permission obtained and appeals resolved – work commenced in August 2007</i>

Customers and leases:

42 leases were signed in 2007 relating to 55,749 m² (i.e. 13.2 million Euros of rent in a full year). The most significant marketing operations in 2007 related to the following buildings:

- the whole of lot 1 of the Parc du Millénaire leased to Icade at the end of 2007 (about 29,700 m²),
- re-letting of Building 134 (about 2,900 m²),
- partial re-letting of Building 265 (about 2,100 m²).

In addition to the 42 leases signed, 13 renewals were signed in 2007 relating to floor space of 8,149 m², including : 2,279 m² in Building 102 ; 2,140 m² in Building 201 and 1,445 m² in Building 276.

32 tenants left or cancelled in 2007. These represent a gross loss of rent of 4.4 million Euros in a full year.

The main customers of the business parks can be grouped by business around seven business centres which are currently as follows : audio-visual (Studio de France), e-business (Interxion), fashion and distribution (Afflelou), leisure (Club Med and Pierre et Vacances), Industry and Research (Rhodia), public (Ministry of Justice), other (Oddo Finance, Publicis Events).

Out of a concern for reducing its tenant risks and in order to ensure the complementarity of the businesses set up in the parks, Icade also maintains a certain customer mix within its parks (offices, business premises).

Leases granted by Icade's "business parks" division since 2003 provide for annual rent indexation according to changes in the building costs index published by INSEE. Some leases stipulate that this indexation can only operate upwards.

In 2007, the first three, five and ten business park customers accounted for about 24%, 34% and 50% respectively of the rent received by Icade.

1.4 Business Property Investment Division - Amenities

<i>PUBLIC AND HEALTHCARE AMENITIES (in millions of Euros)</i>	<i>2007</i>	<i>2006</i>	<i>Variation</i>
<i>Rental income</i>	16.0	3.6	12.4
<i>Rental charges not invoiced</i>			
<i>Charges on buildings</i>	-0.6		-0.6
<i>Net rent</i>	15.4	3.6	11.8
<i>Other revenue</i>		0.3	-0.3
<i>Depreciation charges net of grants</i>	-1.4		-1.4
<i>Charges and reversals related to impairment</i>	0.3		0.3
<i>Profit from disposals</i>			
<i>Other charges and income</i>	-2.8	-0.8	-2.0
OPERATING PROFIT	11.6	3.1	8.5

Rental income from "Public and Healthcare Amenities" business amounted to 16.0 million Euros as at 31st December 2007 against 3.6 million Euros in 2006; it consists essentially of revenue from the Levallois Perret building leased to the Department of the Interior for 12.1 million Euros in a full year (against 3.6 million Euros in 2006 for about three months), revenue from the Harpin Clinic (6 months rent) and the Vedici Clinics (1 months rent) for 3.2 million Euros in 2007. The balance corresponds to services carried out over the year (property company management mandates, fees for financial assistance or advice on PPP dossiers).

Leased floor space represented 113,015 m² of premises at the end of 2007. The financial occupancy rate is close to 100%.

Net rent from “Public and Healthcare Amenities” in 2007 comes out to 15.4 million Euros. The very favourable nature of the vast majority of the leases in this business where major maintenance/renovation charges and expenses are contractually paid for by the tenant should be noted (net triple rent).

Operating Profit from “Public and Healthcare Amenities” came to 11.6 million Euros as at 31st December 2007 against 3.1 million Euros in 2006.

Capital expenditure on “Public and Healthcare Amenities” in 2007 amounted to 119.4 million Euros:

- 3 clinics in July 2007 : the Esquirol Saint-Hilaire Clinic in Agen (329 beds and places), the Marzet Hospital in Pau (192 beds and places) and the Chênes Hospital in Aire /Adour (92 beds and places), together representing a total of 55,724 m² for 2007 capital expenditure of 64 million Euros (including 12 million Euros of titles). The Harpin Group, seller of the buildings, remains the operator of the properties;
- 2 clinics in November 2007 : the Archette Clinic in Olivet (165 beds and places) and the St. François Clinic in Mainvilliers (147 beds and places), together representing a total of 26,179 m², for 2007 capital expenditure of about 26.5 million Euros. The VEDICI Group, seller of the buildings, remains the operator of the properties;
- 23.7 million Euros for the six PPP projects under construction (CPI excluding tax, Icade quota-share). It should be noted that structures built within the framework of PPP contracts are entirely leased to public entities for long periods (20 to 30 years); the tenant risk is therefore practically zero for Icade;
- 5.2 million Euros for the Périgueux building (delivered in late October 2007) the whole of which was leased to the Périgueux DDASS.

2. PROPERTY DEVELOPMENT

<i>(in millions of Euros)</i>	2007	2006	Variation
EARNINGS	974.9	790.7	184.2
<i>Housing Property Development</i>	641.8	553.3	88.4
<i>Commercial Property Development</i>	155.1	126.0	29.1
<i>Healthcare and Public Property Development</i>	178.2	111.4	66.8
<i>Intra-Commercial Property Development</i>	-0.2		-0.2
EBITDA	104.3	90.1	14.2
<i>Housing Property Development</i>	79.3	69.2	10.1
<i>Commercial Property Development</i>	16.9	16.0	0.9
<i>Healthcare and Public Property Development</i>	8.1	5.0	3.1
OPERATING PROFIT	93.8	88.5	5.3
<i>Housing Property Development</i>	69.5	68.5	1.0
<i>Commercial Property Development</i>	16.3	16.4	-0.1
<i>Healthcare and Public Property Development</i>	8.1	3.6	4.5

2.1 Housing Property Development

Marking 2007 for the Housing Property Development Division, the acquisition of the listed company Opéra Construction strengthened Icade's presence in the East (Alsace-Lorraine and Rhône-Alpes). Offering Icade Capri the benefit of its know-how in the multi-service homes sector as well as high-end programmes, Opéra Construction, supported by a player of national calibre, will open up new growth prospects.

<i>(in millions of Euros)</i>	2007	2006	Difference
<i>Earnings</i>	641.8	553.3	88.4
<i>EBITDA</i>	79.3	69.2	10.1
<i>Margin (EBITDA/Earnings)</i>	12.4%	12.5%	-0.1pts
<i>Operating Profit</i>	69.5	68.5	1.0

Housing property development realised earnings of 641.8 million Euros and an EBITDA of 79.3 million Euros as at 31st December 2007 including Opéra Construction activities over the second half of 2007 which accounts for earnings of 57.5 million Euros and an EBITDA of 6.2 million Euros. Compared with 2006, earnings improved by 16% and EBITDA by 15%.

On behalf of housing property investment, Icade Capri built homes in Fresnes, l'Hay-les-roses, Chatenay Malabry, Massy, Juvisy and St Fargeau for a 2007 accounted for earnings of 11 million Euros.

A reflection of Icade's work in housing property development, notarised sales amounted to 852 million Euros for 4,196 homes (688 million Euros for 3,720 homes in 2006) to which can be added 45 million Euros for 465 housing development lots (49 million Euros for 557 lots in 2006). These home sales are included in earnings as the building work progresses in respect of homes and when the notarised deed of sale is signed in respect of plots of land.

In 2007, the average selling price per m² of a home placed on the market by Icade works out at 3,500 € for an average floor space of 61 m² compared with 3,171 € in 2006 for an average of 62 m². Projected selling prices therefore vary between 1,600 €/m² for a development with VAT at 5.5% for an E.S.H. (Entreprises Sociales pour l'Habitat – Social Housing Company) to 7,200 €/m² for a development in Paris 19.

Upstream of notarised sales, reservations (signed promises of purchase for which a deposit has been received and the 7 day period of retraction has expired) came to 4,120 homes and 431 lots against 3,833 homes and 632 lots for 2006. These will generate earnings of 901 million Euros against 823 million Euros in respect of those signed in 2006.

Over the course of 2007, we noted an annual withdrawal rate of 21% on reservations and an average commercial stock selling rate of 9%.

The *backlog* (order book) represents earnings (excluding tax) not yet accounted for in view of the state of progress of the project on homes and reserved lots. At the end of 2007, this stood at a total figure of 673 million Euros including Opéra Construction.

The controlled land portfolio (or land control) corresponds to land under promises of sale which enable Icade, subject to lifting any suspensive conditions, to have some idea of its future business. This portfolio is measured in number of homes and housing developments that Icade could produce if all the suspensive conditions were lifted and estimated in terms of potential earnings. At the end of 2007, this represented potential construction of 10,506 homes and 1,503 lots for projected earnings of 2,217 million Euros and 104 million Euros respectively.

2.2 Commercial Property Development

<i>(in millions of Euros)</i>	2007	2006	Difference
Earnings	155.1	126.0	29.1
EBITDA	16.9	16.0	0.9
Margin (EBITDA/Earnings)	10.9%	12.7%	-1.8 pts
Operating Profit	16.3	16.4	-0.1

The **earnings** of Icade Terial and Icade Terial Régions stood at 155.1 million Euros as at 31st December 2007, 23% up on 31st December 2006 (126.0 million Euros), reflecting in particular the development of Icade Terial's business and the creation of Icade Terial Régions.

The Villejuif office development (15,250 m²) and the Odysseum shopping centre in Montpellier (50,588 m²), developed on behalf of Icade's property company, made a strong contribution to the year's earnings (75.8 million Euros).

The strong performance of commercial activities, particularly in the shopping centres, provides a good idea of commercial property development earnings for the coming years.

At the end of December 2007, Icade had a project portfolio in the field of commercial property development of about 614,728 m² which breaks down into 180,152 m² of projects under way (i.e. earnings still to be perceived in the region of 327.9 million Euros) and 434,576 m² of projects in the process of being set up (i.e. earnings still to be perceived in the region of 1,030.2 million Euros). The latter consist of projects not yet delivered for which either a promise of sale of land for the proposed building (in the case of an off-plan project), or a preliminary contract with the investor customer or user (in the case of a CPI project), or a partnership agreement for a joint operation has been signed. Some may have planning permission, applied for or obtained (with or without appeals resolved) and others may not.

Projects under way are summarised in the following table:

	ICADE Quota share	Total rounded floor area (in m ² Net Floor Area)	Type of structure (offices, shops, etc...)	Location	Type of operation	Scheduled delivery date
Toulouse AZF	50%	41,416	offices	Toulouse	CPI	July 08
Montrouge	50%	13,182	offices	Montrouge	OFF PLAN SALE	March 08
Villejuif 5	100%	15,250	offices	Villejuif	OFF PLAN SALE	June 08
Odysseum	77%	50,588	Shopping Centre	Montpellier	OFF PLAN SALE	Sept 09
Clichy	50%	17,500	offices	Clichy	OFF PLAN SALE	July 09
Lyon Pixels	100%	13,385	offices	Lyon	OFF PLAN SALE	Feb 09
Lyon Thiers	100%	15,833	offices	Lyon	OFF PLAN SALE	Aug 09
Toulouse Cap Constellation	100%	12,998	offices	Toulouse	OFF PLAN SALE	May 09
Total		180,152				

Projects in the process of being set up, with controlled land and planning application filed or obtained (but appeals not necessarily resolved) are summarised in the following table:

	ICADE Quota share	Total rounded floor area (in m ² Net Floor Area)	Type of structure (offices, shops, etc...)	Location	Type of operation	Scheduled delivery date
<i>Pyrénées</i>	100%	29,500	offices	Paris	CPI	Dec 11
<i>Le Perreux</i>	100%	11,000	offices	Le Perreux	OFF PLAN SALE	July 10
<i>Villejuif 1</i>	100%	10,800	offices	Villejuif	OFF PLAN SALE	Sept 09
<i>Villejuif 3</i>	100%	20,300	offices	Villejuif	OFF PLAN SALE	March 11
<i>Villejuif 4</i>	100%	8,520	offices	Villejuif	OFF PLAN SALE	March 11
<i>Saint Denis</i>	50%	21,999	offices	Saint Denis	OFF PLAN SALE	Feb 10
<i>Toulouse Colombe</i>	100%	8,600	offices	Toulouse	OFF PLAN SALE	June 09
<i>Bordeaux Ravésies</i>	100%	3,250	offices	Bordeaux	OFF PLAN SALE	Nov 09
<i>Nice Meridia</i>	50%	28,692	offices	Nice	CPI	March 10/11
<i>Lyon Valeo</i>	100%	14,769	offices	Lyon	OFF PLAN SALE	Nov 09
<i>Marseille Peyssonel</i>	100%	45,105	offices	Marseille	OFF PLAN SALE	Aug 12
<i>Lyon Nexans</i>	50%	23,803	offices	Lyon	CPI	Nov 10/11
<i>Toulouse Blagnac</i>	100%	17,000	offices	Toulouse	CPI	Feb 11/12
<i>Total</i>		243,338				

Projects in the process of being set up, with controlled land but without planning permission, are summarised in the following table:

	ICADE Quota share	Total rounded floor area (in m ² Net Floor Area)	Type of structure (offices, shops, etc...)	Location	Type of operation	Scheduled delivery date
Toulouse Zone Nord	50%	50,000	offices	Toulouse	OFF PLAN SALE	Jan 10/11/12
Capellette	50%	48,992	Shopping centre	Marseille	OFF PLAN SALE	Jan 12
Cachan RN20	100%	11,543	offices	Cachan	OFF PLAN SALE	June 10
Cachan Desmoulins	100%	8,503	offices	Cachan	OFF PLAN SALE	June 10
Claude Bernard	50%	40,000	offices	Paris	CPI	Feb 11
Monrabe	100%	32,200	Shopping centre	Montrabe	OFF PLAN SALE	Aug 11
Total		191,238				

The **EBITDA** of the Commercial Property Development Division stood at 16.9 million Euros as at 31st December 2007 (i.e. 10.9% of earnings) against 16.0 million Euros in 2006 (i.e. 12.7% of earnings), or a rise of 0.9 million Euros which reflects the excellent year Icade Tertial had with two operations being delivered in 2007 : Anthony Parc 2 (29,000 m²) and Chatillon (16,686 m²) despite the slightly negative contribution of Icade Tertial Régions over 2007 due to its first year in business. The negative impact of rising construction costs should also be noted.

After taking the above factors into account, the **Operating Profit** stood at 16.3 million Euros in 2007 (against 16.4 million Euros in 2006).

2.3 Healthcare and Public Property Development

(in millions of Euros)	2007	2006	Difference
Earnings	178.2	111.4	66.8
EBITDA	8.1	5.0	3.1
Margin (EBITDA/Earnings)	4.6%	4.5%	+0.1 pts
Operating Profit	8.1	3.6	4.5

The Healthcare and Public property development business is making very steady progress. The **earnings** of Icade G3A as at 31st December 2007 were 66.8 million Euros higher than as at 31st December 2006, amounting to 178.2 million Euros against 111.4 in 2006.

These earnings consist on the one hand of property development operations where the 2007 contribution amounts to 138.6 million Euros against 68.6 million Euros in 2006 and on the other hand of project management assistance activities amounting to 39.6 million Euros at the end of 2007 against 42.9 million Euros in 2006.

This reflects the strategic orientation of this division, which is characterised by a business increasingly turning towards development operations or operations conducted within a Public/Private Partnership (PPP).

As at 31st December 2007, the principal operations under way were as follows:

<i>Operations under way</i>	<i>Rounded floor area (m² Net Floor Area)</i>	<i>Type of structure</i>	<i>Set up</i>	<i>Location</i>	<i>Scheduled delivery date</i>
<i>Archives for MAE</i>	27,283	<i>Amenities</i>	<i>CPI</i>	<i>La Courneuve</i>	<i>2008</i>
<i>Institute of Sight</i>	11,426	<i>CHNO</i>	<i>CPI</i>	<i>Paris</i>	<i>2008</i>
<i>St Julien Retirement Home</i>	7,120	<i>EHPAD</i>	<i>CPI</i>	<i>Laval</i>	<i>2008</i>
<i>Seine Docks</i>	16,150	<i>Amenities</i>	<i>CPI</i>	<i>Paris</i>	<i>2008</i>
<i>CH Nancy</i>	33,200	<i>Hospital</i>	<i>CPI</i>	<i>Nancy</i>	<i>2009</i>
<i>Saint Martin du Touch</i>	17,562	<i>Offices</i>	<i>OFF PLAN SALE</i>	<i>St Martin</i>	<i>2009</i>
<i>CH Pontoise</i>	7,600	<i>Hospital</i>	<i>CPI</i>	<i>Pontoise</i>	<i>2009</i>
<i>CRS Meaux</i>	8,600	<i>Amenities</i>	<i>CPI</i>	<i>Meaux</i>	<i>2008</i>

At the end of December 2007, Icade's portfolio in the field of Healthcare and Public property development stood at 218,068 m² of projects under way and 158,106 m² of projects in the process of being set up and demonstrates the dynamics of this business.

In Healthcare and Public property development, Icade's customers are public authorities (State, local authorities, public establishments) in respect of about 83% of earnings for the year ended 31st December 2007, with private authorities involved in the healthcare field (private clinics and associations) and private property investors in respect of the balance (17%).

The EBITDA of Icade G3A stood at 8.1 million Euros as at 31st December 2007 against 5.0 million Euros at the end of 2006. The ratio of EBITDA/earnings was 4.6% this year against 4.5% in 2006. This improvement in EBITDA stems from the sharply increasing volume of operations delivered and under construction. This EBITDA/earnings ratio, different from that of the other property development businesses, can be explained by the absence of any commercial risk since, right from the start, projects are reserved by customers in the public domain or their equivalent.

The delivery of five property development operations (i.e. 49,529 m²) in 2007 should be noted: Chemin du Vallon in Toulouse (7,034 m²), Gap Retirement Home (3,503 m²), DDASS24 in Périgueux (3,269 m²), Bioparc in Lyon (7,300 m²) and Levallois (28,423 m²).

After taking the above factors into account, the **Operating Profit** stood at 8.1 million Euros in 2007 (against 3.6 million Euros in 2006).

3. SERVICES

(in millions of Euros)	2007	2006	Variation
EARNINGS	237.9	214.7	23.2
<i>Housing</i>	96.8	91.2	5.6
<i>Commercial</i>	133.5	113.9	19.6
<i>Public and Healthcare Amenities</i>	9.5	9.6	-0.1
<i>Intra-business services</i>	-1.9		-1.9
EBITDA	14.6	4.2	10.4
<i>Housing</i>	6.1	0.7	5.4
<i>Commercial</i>	7.7	2.8	4.9
<i>Public and Healthcare Amenities</i>	0.8	0.7	0.1
OPERATING PROFIT	12.4	2.4	10.0
<i>Housing</i>	4.7	-0.2	4.9
<i>Commercial</i>	6.8	1.7	5.1
<i>Public and Healthcare Amenities</i>	0.9	0.9	0.0

3.1 Housing services

(in millions of Euros)	2007	2006	Difference
<i>Earnings</i>	96.8	91.2	5.6
<i>EBITDA</i>	6.1	0.7	5.4
<i>Margin (EBITDA/earnings)</i>	6.3%	0.8%	+5.5 pts
<i>Operating Profit</i>	4.7	-0.2	4.9

Earnings from housing services improved 6.1% due to the combined effects of:

- growth in student halls of residence management with the full year impact of halls of residence delivered in 2006 and the coming on line of five new halls of residence including three in France.
- increased earnings from property management from 3.9% to 64.6 million Euros in 2007 despite the transfer of office management business to Icade Gestion Tertiaire but with a net gain of 2,225 lots over the year.

By way of illustration, 51% of earnings from Icade's property management in France are generated by management activities and 33% by managing agent activities.

EBITDA, showing an improvement of 5.4 million Euros, reached 6.1 million Euros or 6.3% of earnings. After appropriation to depreciation, **Operating Profit** on housing services reached 4.7 million Euros in 2007 against - 0.2 million Euros in 2006.

3.2 Commercial services

<i>(in millions of Euros)</i>	<i>2007</i>	<i>2006</i>	<i>Difference</i>
<i>Earnings</i>	133.5	113.9	19.6
<i>EBITDA</i>	7.7	2.8	4.9
<i>Margin (EBITDA/earnings)</i>	5.8%	2.4%	+ 3.4 pts
<i>Operating Profit</i>	6.8	1.7	5.1

Earnings from commercial services stood at 133.5 million Euros in 2007 against 113.9 million Euros in 2006. This excellent performance is due on the one hand to the positive effects of the restructuring of Property and Facility Management (PFM) and on the other the good performance of “commercial engineering” and “survey and consultancy” activities.

The very significant improvement in margin (EBITDA / earnings) which stood at 5.8% in 2007 (against 2.4% in 2006) is primarily due to improved margins in PFM activities.

Profit from disposals of 0.5 million Euros in this activity in 2007 should be noted, as a result of the sale of the heating system operating company, 50% owned by Icade.

After taking into account the above factors, **Operating Profit** stood at 6.8 million Euros in 2007 (against 1.7 million Euros in 2006).

3.3 Public and Healthcare Amenities services

<i>(in millions of Euros)</i>	<i>2007</i>	<i>2006</i>	<i>Difference</i>
<i>Earnings</i>	9.5	9.6	-0.1
<i>EBITDA</i>	0.8	0.7	0.1
<i>Margin (EBITDA/earnings)</i>	8.0%	7.3%	+ 0.7 pts
<i>Operating Profit</i>	0.9	0.9	0.0

Public and Healthcare Amenities services remained stable over the period. Earnings stood at 9.5 million Euros in 2007 and Operating Profit was 0.9 million Euros.

4. Other

“Other” activities consist of the Icade Group’s so-called “head office” charges, Icade Foncier Développement (which among other things carries out “Macdonald” development operations, and eliminations of Icade’s intra-group operations.

“Other” **earnings** stood at -89.4 million Euros in 2007 and mainly correspond to the elimination of earnings related to intra-group operations.

The property company purchased:

- In the commercial sector: Off Plan Sales from Icade Tertial: Villejuif 5, Odysseum Shopping Centre in Montpellier. – 46.1 million Euros impact on earnings in 2007.
- In the residential sector: Off Plan Sales and CPI from Icade Capri: L’Hay-les-Roses, Fresnes, Châtenay-Malabry, Massy, Juvisy, St Fargeau. – 11.0 million Euros impact on earnings in 2007.
- In the Public and Healthcare Amenities sector: CPIs from Icade G3A: Périgueux and the Institute of Sight. – 7.3 million Euros impact on earnings in 2007.

“Other” **Operating result** stood at – 55.0 million Euros in 2007. This consisted of, on the one hand, margin eliminations on Icade’s intra-group operations, i.e. – 16.6 million Euros in 2007, and on the other hand, the negative contribution of Icade’s “head office” charges.

5. 2007 Result

5.1 Financial result

Icade produced a 2007 operating loss of – 40.7 million Euros in 2007 against – 16.8 million Euros in 2006. This can be explained:

- on the one hand by the increase in financial charges on gross debt (impact in the region of 28 million Euros between 2006 and 2007):
 - primarily related to Icade’s increased debt (impact of 20 million Euros): the average outstanding bank debt thus increased from about 1,000 million Euros in 2006 to 1,400 million Euros in 2007;
 - more marginally related to rising rates (impact of 8 million Euros): 2007 average 3 months Euribor was 4.28%, compared with 3.08% in 2006. The average cost of Icade’s debt naturally increased, in lower proportions in view of the effectiveness of hedging, and went from 3.91% in 2006 to 4.47% in 2007;
- on the other hand, by a virtual stability in financial investment products (positive impact in the region of 1 million Euros between 2006 and 2007) : a performance of 4.04% in 2007, significantly higher than that of 2006 (2.02%), having more than compensated for the reduction in cash invested.

5.2 Tax burden

The main impact of the extension of the SIIC regime is accounting for an exit-tax charge of 228.7 million Euros in 2007 which increased Icade’s tax burden to – 247.4 million Euros in 2007 against – 76.9 million Euros in 2006.

5.3 Group share of net profit

After taking the above factors into account, **Group share of net profit** stood at 36.9 million Euros in 2007, 265.6 million Euros excluding exit tax, against 211.3 million Euros in 2006.

6. Obligations of the SIIC regime and distribution

The ratio of activities not eligible for the SIIC regime in the parent company’s balance sheet stood at 12.1% as at 31st December 2007.

Icade’s 2007 book profit stood at 72.7 million Euros, corresponding to a fiscal profit of 55.3 million Euros.

This fiscal base breaks down over the various sectors as follows:

- 75.9 million Euros of current profits from SIIC exempt activities and subject to an 85% distribution obligation;
- no distribution obligation in respect of dividends of SIIC subsidiaries;
- 4.2 million Euros profit from sales, subject to a 50% distribution obligation over the next two years;
- Taxable result which stands at -23.1 million Euros.



The distribution obligation amounted to 135.1 million Euros in 2007 including:

- 33.1 million Euros residual obligation from the former Icade Foncière des Pimonts in respect of sales prior to 2007.
- 35.4 million Euros in respect of the 2007 dividends of the former Icade EMGP and Icade Foncière des Pimonts to the former Icade SA.
- 66.6 million Euros distribution obligation before the cap was set i.e.:
 - 64.5 million Euros in respect of rental activities (85% obligation)
 - 2.1 million Euros in respect of sales (50% obligation over a maximum of 2 years).

The 2007 obligation will therefore be complied with by means of 3.25 Euros per share, i.e. 160 million Euros, put to the vote at the General Meeting.

II – NET ASSET VALUE AS AT 31st DECEMBER 2007

For the first time, Icade calculated its net asset value on the basis of Group consolidated capital and reserves established after the extension of the SIIC regime and the merger of Icade Patrimoine, Icade EMGP, Icade Foncière des Pimonts, Icade Foncière Publique and Icade SA. As at 31st December 2007, its net asset value at replacement value amounted to 5,709.3 million Euros, or 116.4 Euros per share, fully diluted and 5,316.9 million Euros liquidation value, or 108.4 Euros per share fully diluted.

A – VALUATION OF PROPERTY ASSEST

1. Summary of surveyed values of Icade's assets

Group assets work out at 6,231.0 million Euros excluding rights against 4,387.9 million Euros at the end of 2006, a variation de 1,843.1 million Euros over 2007 (+42%). At comparable structure, in other words after neutralising investments and disposals for the year, the annual variation in asset value stands at 1,050.7 million Euros, i.e. an increase of 24.6% compared with 31st December 2006.

<i>Value of assets in M€ excluding rights⁽¹⁾</i>	<i>31/12/07</i>	<i>31/12/06</i>	<i>Variation (M€)</i>	<i>Variation (%)</i>	<i>Variation^(M€) at comparable structure⁽²⁾</i>	<i>Variation^(%) at comparable structure⁽²⁾</i>
<i>Residential Division</i>	2,581.5	1,900.1	+681.4	+35.9%	+687.8	+38.5%
<i>Offices Division</i>	1,748.9	1,078.9	+670.0	+62.1%	+122.9	+11.4%
<i>Business Parks Division</i>	1,503.1	1,203.9	+299.2	+24.8%	+215.6	+17.9%
<i>Public and Healthcare Amenities Division</i>	307.6	179.2	+128.4	+71.7%	-2.1	-1.2%
<i>Shopping Centre Division</i>	89.9	25.8	+64.1	+248.4%	+26.5	+102.8%
<i>Value of property assets</i>	6,231.0	4,387.9	1,843.1	+42.0%	1,050.7	+24.6%

⁽¹⁾ According to the companies in the consolidation as at 31/12/07 (100% consolidation of assets consolidated by the full consolidation method and up to the percentage interest for other consolidated assets).

⁽²⁾ Net variation in disposals and investments in the year.

Icade's property assets are valued by independent property valuers. Property valuations were entrusted to CB Richard Ellis Valuation in respect of all Group property assets with the exception of the housing property investment division for which properties are valued by CB Richard Ellis Valuation and Foncier Expertise and the properties of the former Icade Foncière des Pimonts (office property division) which are also valued by CB Richard Ellis Valuation and Jones Lang LaSalle.

The work of the surveyors, whose principal valuation methods and conclusions are set out below, is carried out in accordance with professional standards, specifically:

- the Charter of Property Valuation, 3rd edition, published in June 2006;
- the so-called “Barthès de Ruyter” COB (French Stock Exchange Commission) (FMA) report of 3rd February 2000 on the valuation of property assets of companies making public issues;
- internationally, the Tegova European valuation standards (The European Group of Valuers' Association) published in 2000 in English and translated into French in 2005, as well as the standards of the Red Book of the Royal Institution of Chartered Surveyors (RICS).

These various texts lay down the qualifications of valuers, principles of good conduct and code of ethics as well as basic definitions (values, floor area, rates as well as the main valuation methods).

According to procedures in force within the Group, virtually all Icade's assets were valued on 31st December 2007, with the exception of:

- buildings in the process of arbitrage including those which are under a promise of sale at the end of year are valued on the basis of the contract selling price; as at 31st December 2007, these assets relate exclusively to individual or block sales of homes in the housing property division;
- buildings underlying a finance operation (i.e. capital lease or rental with purchase option where Icade is the lender exceptionally) which are held at their cost price or where appropriate the purchase option price shown on the contract; the office block leased by Icade Foncière Publique to the Ministry of the Interior over a 20 year term with a purchase option (LOA) is the only building falling under this category as at 31st December 2007;
- public buildings and works held within the framework of a PPP (Public Private Partnership) which are not subject to valuation as ownership ultimately reverts to the State once the concession has terminated. These assets are held at their net book value and are not included in the property assets currently published by Icade;
- buildings acquired on an off plan basis which are also valued at their cost price up to their date of delivery, such as the Villejuif office block and the Odysseum Shopping Centre acquired on an off plan basis by the former Icade Foncière des Pimonts; both these assets are held at their cost price paid on 31st December 2007.

2. Housing Property Investment Division

2.1 Methodology used by the surveyors

2.1.1 Residential investment properties (in use)

Generally speaking, the approach preferred by surveyors for valuing housing is gross rent capitalisation or ten year discounted cash flow (DCF), the latter technique being more suitable when there are long term work plans, subsidised or capped rents with staggered exit windows in the future.

The gross rent capitalisation method consists of applying a rate of return to gross rents by category of uniform lease.

The DCF method considers that the value of the assets is equal to the discounted cash flow expected by the investor, including the resale at the end of the holding period. In addition to the resale value obtained by applying a different theoretical rate of return to last year's rents depending on site, the financial flows include rent, various charges not recoverable by the owners as well as major maintenance and repair works. It should be noted that the discount rate used is based on three criteria : the low risk money rate, a premium relating to the property market and finally a premium relating to the building, taking its features into account (location, construction, security of revenue).

This valuation is cross-checked using a comparison approach based on market values per m2 of free and vacant individual homes, subject to two deductions : the first in respect of occupation according to the nature of the lease and its terms and conditions, the second to take account of the transfer from an individual value to a value for the whole building.

In the specific case of Icade homes currently made up of the portfolio of the former Icade Patrimoine, the surveyors have used the discounted revenue method so as to be able to take into account projected refurbishment expenditure and the expected rent increase within the framework of indexation and the pricing policy (re-letting and Article 17c). Furthermore, these results are adjusted by means of the discount rate to take account of known, analysable transactions with similar characteristics.

2.1.2 Residential property intended to be sold (en bloc, individually or to occupants)

At valuation time, Icade provides the surveyor with a breakdown of its portfolio, the characteristics of its disposal plan, the dates and conditions for putting its homes up for sale, en bloc or to occupants, so that the latter can establish a value net of costs (joint ownership, any works, sale periods, marketing

costs and where appropriate margin) from a sum of exit values. The portfolio of homes intended for sale to occupants is described as such once a meeting with the occupants has been arranged.

On the basis of the information provided and the portfolio breakdown, homes intended for sale en bloc are valued by the surveyors using the same method as for buildings in use. Homes intended to be sold to occupants are valued by the comparison method described above.

2.2 Changes in residential assets

The assets of the Residential Division consist of property assets formerly owned by Icade Patrimoine and to a lesser extent a block of flats historically belonging to the Icade parent company. The average value of this portfolio, which includes 29.6 million Euros of assets under a promise of sale comes out to 2,581.5 million Euros excluding rights at end December 2007 against 1,900.1 million Euros as at 31st December 2006, i.e. a variation of +681.4 million Euros (+35.9%).

<i>Value of residential assets in M€</i>	<i>31/12/07</i>	<i>31/12/06</i>	<i>Variation (M€)</i>	<i>Variation (%)</i>	<i>Variation (M€) at comparable structure</i>	<i>Variation (%) at comparable structure</i>
<i>Former Icade Patrimoine properties</i>	2,577.7	1,900.1	+677.6	+35.7%	+687.8	+38.5%
<i>Former Icade properties</i>	3.8	0.0	+3.8	na	+0.0	+0.0
<i>Housing Property Investment Division</i>	2,581.5	1,900.1	+681.4	+35.9%	+687.8	+38.5%

Asset sales made by the Housing Property Investment Division in 2007, en bloc and to the occupant, related to a total of 3,329 homes representing a price of 158 million Euros, i.e. 15.6% higher than the surveyed value of the said assets at end 2006. Investments (off plan acquisitions and capital expenditure on maintenance) accounted for a total of 106.4 million Euros. At comparable structure, in other words after neutralising sales and capital expenditure, the variation in the value of the assets of the Residential Division works out at +687.8 million Euros (+38.5%). This variation can primarily be explained by a downward revue of rates of return and discount rates used by the surveyors on the basis of the strategic plan given to them and arbitrages carried out in 2007.

Geographic distribution of the assets of the Housing Property Investment Division:

<i>Value of residential property assets by geographic sector</i>	<i>Valuation excluding rights</i>	
	<i>M€</i>	<i>%</i>
<i>Paris (75)</i>	78	3.0%
<i>Seine et Marne (77)</i>	7	0.3%
<i>Yvelines (78)</i>	111	4.3%
<i>Essonne (91)</i>	275	10.6%
<i>Hauts-de-Seine (92)</i>	752	29.1%
<i>Seine-Saint Denis (93)</i>	475	18.4%
<i>Val de Marne (94)</i>	527	20.4%
<i>Val d'Oise (95)</i>	349	13.5%
<i>TOTAL Ile de France</i>	2,574	99.7%
<i>Province</i>	7	0.3%
<i>TOTAL</i>	2,582	100%%

The property assets of the Housing Property Investment Division consists of homes almost exclusively located in the Ile-de-France, with, in terms of value, predominance in Hauts-de-Seine (92), Seine-Saint Denis (93) and Val de Marne (94).

Distribution of the assets of the Housing Property Investment Division by use

Value of housing property assets by category	Valuation excluding rights		Average price €/m ²	Average price € / home
	M€	%		
Homes in use	1,722	66.7%	1,188	69,805
Homes in use intended to be sold en bloc	544	21.1%	656	37,913
Total homes in use	2,266	87.8%	994	58,078
Homes to be sold to occupants	147	5.7%	1,776	110,752
Total homes	2,413	93.5%	1,021	59,805
Other (Hostels, Old-age homes, land, homes under promise of sale as at 31/12/07)	168	6.5%	n/a	n/a
TOTAL	2,582	100%		

As at 31st December 2007, the portfolio of homes in use, including homes intended to be sold en bloc in accordance with the strategic plan adopted by the Housing Property Investment Division accounted for 87.8% of the value of that division (see table above). The average price per m² of these homes is valued at 994 Euros according to the values given by the surveyors after using the DCF method. The price of homes intended to be sold to occupants, in other words those for which an initial meeting with tenants has been arranged in accordance with the valuation principles described in § 2.1 (2), is estimated at 1,776 Euros per m² on average, on the basis of the comparison method.

Return on assets and reversion potential

Value of housing property assets	Value including rights	Value excluding rights	Gross rate of return	Reversion potential	Average price €/m ²
	in M€ (1)	in M€ (2)	(excluding rights) (3)	(4)	(5)
Paris (75)	79	74	4.2%	50.2%	2,691
Yvelines (78)	100	94	8.2%	27.9%	881
Essonne (91)	247	232	7.3%	42.2%	994
Hauts-de-Seine (92)	746	703	6.4%	22.9%	1,417
Seine-Saint Denis (93)	457	430	9.5%	34.2%	789
Val de Marne (94)	492	464	8.4%	40.4%	902
Val d'Oise (95)	286	269	9.2%	18.6%	754
TOTAL	2,407	2,266	7.8%	31.3%	994
Assets on sale and other assets (6)	332	315	n/a	n/a	n/a
TOTAL	2,739	2,582			

(1) Rights inclusive valuation of housing assets established from the average of surveyed values as at 31st December 2007.

(2) Rights exclusive valuation of housing assets established from the average of surveyed values as at 31st December 2007.

(3) Gross annual rent from assets in use in relation to their surveyed value excluding rights.

(4) Difference between the market rent of non-subsidised occupied floor areas and the gross annual rent from the same floor area (expressed as a percentage of the gross annual rent). The reversion potential as calculated above is established without taking into consideration the schedule of repayments of the leases and is not subject to discounting.

(5) Established in relation to the surveyed value excluding rights.

(6) Primarily includes homes for sale individually, shops, old-age homes and development projects on own land

Related to its value excluding rights, the gross return on the housing portfolio amounted to 7.8% on average at end 2007 and the reversion potential of non-subsidised homes, calculated from their market rental values, works out at +31.3%.

3. Commercial Property Investment Division - Offices

3.1 Methodology used by the surveyors

Investment office blocks are valued by surveyors by two methods: the revenue method (the surveyor using the net rent capitalisation or discounted cash flow method, whichever is the most appropriate) and cross checking using the method of direct comparison with the prices of transactions in the market on equivalent assets in terms of nature and location (unit, en bloc or per building prices).

The net revenue capitalisation method consists of applying a rate of return to a revenue, whether that revenue is established, existing, theoretical or potential (market rental value). This approach may be carried out in different ways according to the revenue basis considered (actual rent, market rent, net revenue) to which different rates of return correspond.

The discounted cash flow method is the same as described above. Whether the capitalisation or discounting method is used, valuation calculations are carried out on a lease by lease basis except in special cases or where there is a justified exception.

For operational buildings (head office in particular) these are valued at the value of a building in service leased under market conditions on the date of the survey (in other words, operational buildings, particularly those used as offices, are not considered to be vacant and internal leases are not taken into account).

3.2 Changes in office assets

This primarily comprises office blocks belonging to the former Icade Foncière des Pimonts as well as all the property assets of SIICInvest and Icade REIT in Germany. After applying the survey methods described in paragraph § 3.1, the overall value of this portfolio comes out at 1,748.9 million Euros excluding rights at end December 2007 against 1,078.9 million Euros at end 2006, i.e. an increase of 669.9 million Euros (+62.1%).

Value of assets in M€	31/12/07	31/12/06	Variation (M€)	Variation (%)	Variation (M€) at comparable structure	Variation (%) at comparable structure
Formerly Icade Pimonts (excluding shopping centre)	1,219.7	707.3	+512.4	+72.4%	+108.5	+15.3%
SIICInvest	136.5	0.0	+136.5	na	na	na
Icade REIT	386.3	371.6	+14.7	+3.9%	+14.4	+3.9%
Formerly Icade	6.5	0.0	+6.5	na	na	na
Offices Division	1,748.9	1,078.9	+670.0	+62.1%	+122.9	+11.4%

Icade made the following acquisitions over the course of 2007:

- acquisition of the Esso office block located at 2 Rue des Martinet in Rueil Malmaison (92) valued at 110.2 million Euros excluding rights as at 31st December 2007,
- acquisition in July 2007 of an additional two thirds of the Tour Descartes in Paris La Défense, valued at a total price of 440.6 million Euros excluding rights after taking into account a 135 million Euro restructuring plan;
- acquisition in the first half of 2007 of the company SIICInvest whose assets were estimated at 136.5 million Euros excluding rights as at 31st December 2007.

By neutralising the impact of these acquisitions on the end of year survey value, the variation in the value of office assets over 2007 comes to 11.4% at comparable structure. Up to about 45% of this

variation, basically attributable to the properties of the former Icade Foncière des Pimonts can be explained by the lower rates used by the surveyors, the balance being primarily related to the rental revaluation of the properties (annual rent indexation, etc.).

Geographic distribution of office assets

Value of office property assets by geographic sector	Valuation excluding rights	
	M€	%
Paris – Central Business Quarter (CBQ)	432	24.7%
Paris (hors CBQ)	18	1.0%
Paris - La Défense	573	32.8%
West Quadrant (Hauts-de-Seine)	222	12.7%
Inner ring (excluding Hauts-de-Seine)	45	2.6%
Outer ring	7	0.4%
TOTAL Ile de France	1,297	74.1%
Province	66	3.8%
International	386	22.1%
TOTAL	1,749	100%

In terms of value, the Office Property portfolio is primarily located in the Ile de France which represents 74.1% of the portfolio, the buildings located in Paris and La Défense alone representing 58.5% of the whole. The international portfolio, at 22.1%, relates to buildings located in Germany and owned by Icade REIT.

Return on assets and reversion potential

Value of office property assets	Value including rights in M€ (1)	Value excluding rights in M€ (2)	Net rate of return (excluding rights) (3)	Reversion potential (4)	Average price €/m ² (5)
Paris CBQ	454	427	4.7%	+1.8%	12,169
Paris (excluding CBQ)	19	18	7.0%	+1.3%	4,379
La Défense	589	573	5.8%	-5.5%	6,439
West Quadrant	235	222	6.3%	-3.6%	5,514
Outer ring	8	7	8.3%	-0.2%	702
Total IDF	1,305	1,247	5.6%	-0.4%	6,984
Province	52	50	7.3%	+10.4%	1,040
International	332	319	6.0%	-4.9%	2,141
TOTAL	1,689	1,616	5.7%	-1.1%	4,302
Property reserves and projects under development (6)	136	133	n/a	n/a	n/a
TOTAL	1,825	1,749			1,433

(1) Rights inclusive value of office assets established from average survey values as at 31st December 2007.

(2) Rights exclusive value of office assets established from average survey values as at 31st December 2007.

(3) Net annualised rents of leased floor areas added to potential net rents of vacant floor areas at market rental value in relation to the rights exclusive survey value of rentable floor areas.

(4) Difference observed during valuation between the market rental value of leased floor areas, estimated by CB Richard Ellis Valuation, and the annualised rents net of non-recoverable charges of the same floor areas (expressed as a percentage of net rents). The reversion potential as calculated above by CB Richard Ellis Valuation is established without taking into consideration the schedule of repayments of the leases and is not subject to discounting.



(5) Established in relation to the rights exclusive survey value.

(6) Primarily includes land and development projects in Germany (Arnulfstrasse 61 in Munich, Goldsteinstrasse in Frankfurt, Mercedesstrasse in Düsseldorf, Hohenzollerndamm and Salzufer in Berlin and Ahrensdorf in Ludwigsfelde), SIICInvest (Strasbourg Euro Freight Zone, Aubière and St Quentin Fallavier) as well as off plan acquisitions of offices in Villejuif (ZAC des Guipons, 10, Avenue de Paris)

The return on buildings in the Offices Division was 5.7% at end 2007 with a reversion potential valued at -1.1% according to the market rental values estimated by CB Richard Ellis Valuation.

4. Commercial Property Investment Division – Business Parks

4.1 Methodology used by the surveyors

The property assets of the business parks consist of built assets in use as well as property reserves and building rights for which property projects have been identified and/or are in the process of development.

The built assets in use of the business parks are valued by the surveyors using the same methods as for offices (see above § 3.1). In the case of property reserves and buildings under development, the valuation principles for these assets are detailed below. It should be noted that their area of application extends to all of Icade's property assets and not only buildings in business parks, even though the latter account for a significant proportion of property projects under development within Icade's assets.

Special case : buildings under development on own land

The notion of buildings under development covers an extremely vast diversity of situations and the question is currently not particularly well covered by regulatory or professional texts. Only the accounting treatment of this class of assets is covered by a specific assignment, depending on the applicable regime. Before explaining the principal methods used in valuing these assets a preamble lists the main categories of buildings under development on the understanding that each category may itself cover several variants:

Principal categories of buildings under development

(1) Property reserves

This category of assets covers large property units which are only partially provided with services, where the ability to build is sometimes subject to additional development and may not be implemented globally and immediately (question of delay in obtaining authorisations, need to carry out development work, problem of absorption by the market). These reserves can be valued since they constitute an asset, but with a certain amount of prudence in the light of the conditions described above.

(2) Building land or building rights

This second category relates to medium sized individual property units marketable as such on the market in an urban or suburban location, serviced and able to be built on in the medium term.

(3) Residual building land

Residual building land is building land not used by individual plots already containing buildings. Residual building land can also be valued from the moment it can legally and technically be built on, subject to the rights of any tenants in the buildings and related town planning constraints.

(4) Buildings under development

Buildings under development cover building land with authorisations such as demolition permit, planning permission, CDEC authorisation, where the exit horizon is usually within a period of two to four years with a degree of risk and revaluation which changes with time until such time as the building is delivered, marketed and put into service.

(5) Buildings under redevelopment

Buildings under redevelopment relate to individual plots containing buildings, whether occupied or not, which were originally considered as investment properties but which either due to a town planning

decision or a strategic decision of the owner, fall into the “redevelopment” category (tenant leaving or evicted, demolition and redevelopment works).

Valuation methods used by surveyors for buildings under development

For the purposes of calculating the NAV, projects under development are valued on the basis of a clearly identified and documented project, as soon as planning permission can be examined and implemented. Insofar as they were originally valued as investment properties, buildings “under development” or “under reconstruction” can be valued on the basis of their future following approval by Icade’s undertakings committee.

The methods used by surveyors in valuing projects under development primarily include the method produced on the basis of a developer balance sheet and/or DCF, supplemented if necessary by the comparison method (see details of both methods above).

The method established on the basis of a developer balance sheet consists of producing the financial balance sheet for the project according to the approach of a property developer to whom the land has been offered. From the selling price of the building on delivery, the surveyor deduces all the costs to be incurred, building costs, fees and margin, financial expenses as well as the amount that could be assigned to the land charge.

Whichever method is selected, it is ultimately up to the surveyors to set a value and discount rate in line with the risks inherent in each project and in particular the stage of progress of the various authorisation and building phases (demolition permit, planning permission, appeals, progress of works, any pre-marketing or rental guarantee). From the exit value, the surveyors must explain which procedure they followed in estimating the degree of risk and revaluation attaching to the building in the light of the circumstances under which they work and the information made available to them.

4.2 Changes in the assets of Business Parks

The market value of the assets of business parks resulting from the methods described above was 1,503.1 million Euros excluding rights as at 31st December 2007 against 1,203.9 million Euros as at 31st December 2006, i.e. a variation of +299.2 million Euros (+24.8%).

<i>Value of property assets in M€</i>	<i>31/12/07</i>	<i>31/12/06</i>	<i>Variation (M€)</i>	<i>Variation (%)</i>	<i>Variation (M€) at comparable structure ⁽¹⁾</i>	<i>Variation (%) at comparable structure</i>
<i>Parc du Pont de Flandres</i>	425.9	368.6	+57.3	+15.5%	+53.0	+14.4%
<i>Parc des Portes de Paris</i>	509.4	435.7	+73.7	+16.9%	+68.6	+15.7%
<i>Parc du Millénaire</i>	323.5	217.5	+106.0	+48.8%	+50.6	+23.3%
<i>Parc du Quartier Sept Victor Hugo</i>	22.6	20.7	+1.9	+9.4%	+1.7	+8.3%
<i>Parc du Quartier Commercial (excluding shopping centre)</i>	18.5	14.9	+3.6	+23.8%	+2.9	+19.1%
<i>Parc le Mauvin</i>	41.4	32.2	+9.2	+28.6%	+8.8	+27.3%
<i>Parc Pillier Sud</i>	27.6	23.7	+3.9	+16.7%	+3.7	+15.5%
<i>Parc CFI</i>	134.2	90.7	+43.6	+48.0%	+26.4	+29.1%
<i>Business Parks Division</i>	1,503.1	1,203.9	+299.2	+24.8%	+215.6	17.9%

⁽¹⁾ Capital expenditure on maintenance and development not directly assignable has been assigned pro rata to the value of the parks.

At comparable structure, after neutralising capital expenditure for the year, the annual variation in the value of the business parks amounts to +17.9%. About 80% of this change can be explained by the revaluation of the rental conditions for the parks (rent indexation over the year, renegotiation of leases reaching expiry, etc.) and the balance by the increased number of projects at the development stage.

Geographic breakdown of assets:

Value of the property assets of business parks	Value excluding rights	
	M€	%
Paris (75)	749	49.9%
Saint Denis (93)	144	9.5%
Aubervilliers (93)	610	40.6%
TOTAL	1,503	100%

The value of the parks located in Seine-Saint Denis (93) accounts for about 50% of the total value of the business parks with those located in Paris accounting for the remaining 50% (Parc du Pont de Flandres and Parc du Millénaire).

Return on assets and reversion potential:

Value of property assets of business parks	Value including rights in M€ (1)	Value excluding rights in M€ (2)	Net rate of return (excluding rights) (3)	Reversion potential (4)	Average price €/m ² (5)
Parc du Pont de Flandre	398	377	5.3%	+18.5%	5,007
Parc des Portes de Paris	528	501	6.9%	+21.0%	2,282
Parc Pilier du Sud	29	28	7.5%	+19.7%	1,481
Parc CFI	101	95	6.8%	-5.2%	2,167
Parc du Millénaire	282	277	6.5%	-2.4%	4,745
Parc du Quartier du Canal	15	14	10.2%	+6.8%	1,280
Parc le Mauvin	44	41	7.0%	+9.2%	1,887
TOTAL	1,396	1,333	6.4%	+14.8%	2,971
Property reserves and projects under development (6)	173	170	n/a	n/a	n/a
TOTAL	1,570	1,503			

(1) Survey value, including rights, of business park assets as at 31st December 2007.

(2) Survey value, excluding rights, of business park asset as at 31st December 2007.

(3) Net annualised rents of leased floor areas added to potential net rents of vacant floor areas at market rental value in relation to the rights exclusive survey value of rentable floor areas.

(4) Difference observed during valuation between the market rental value of leased floor areas, estimated by CB Richard Ellis Valuation, and the annualised rents net of non-recoverable charges of the same floor areas (expressed as a percentage of net rents). The reversion potential as calculated above by CB Richard Ellis Valuation is established without taking into consideration the schedule of repayments of the leases and is not subject to discounting.

(5) Established in relation to the rights exclusive survey value.

(6) Includes in particular buildings under reconstruction (Parc du Pont de Flandre : Building E028, Parc des Portes de Paris: Buildings E114, E207, E286 and E287, Parc du Quartier du Canal: Building 323) and development projects (Parc CFI: Building C521, Parc du Millénaire Buildings 3 & 4, Parc du Quartier Commercial).

On the basis of end 2007 rents, the return on business park assets works out at 6.4%, the reversion potential of the portfolio being estimated at 14.8% according to the market rental values used by CB Richard Ellis Valuation.

5. Commercial Property Investment Division – Shopping Centres

Methodology used by the surveyor

Generally speaking the approached used by property surveyors to value shopping centres is identical to that used for offices (see above), except for special cases (e.g. local shopping centres). At end 2007, Icade did not have any shopping centres in use, shopping centres consisting of two projects under development, one located in Aubervilliers and formerly owned by Icade EMGP, and the other in Montpellier (Odysseum) and acquired on an off plan basis from Icade Terial (delivered scheduled for early 2010). Both projects are being developed on the basis of a 50/50 partnership with Klépierre. As at 31st December 2007, their valuation follows the principles used for projects under development and off plan acquisitions as described above.

Changes in shopping centre assets.

As at 31st December 2007, the overall value of shopping centre assets came out at 89.9 million Euros excluding rights at end December 2007 against 25.8 million Euros at end 2006, a rise of 64.1 million Euros.

<i>Value of property assets in M€</i>	<i>31/12/07</i>	<i>31/12/06</i>	<i>Variation (M€)</i>	<i>Variation (%)</i>	<i>Variation (M€) at comparable structure</i>	<i>Variation (%) at comparable structure</i>
<i>Business quarter (formerly EMGP)</i>	54.4	25.8	+28.6	+110.8%	+26.5	102.8%
<i>Odysseum (formerly Pimonts)</i>	35.5	0.0	+35.5	na	+0.0	0.0%
<i>Shopping Centre Division</i>	89.9	25.8	+64.1	+248.4%	+26.5	+102.8%

After restating development costs incurred during the year on both shopping centre projects, the variation in the value of shopping centres amounts to nearly 26 million Euros due to the appreciation in the land charge of the Aubervilliers shopping centre.

6. Commercial Property Investment Division - Amenities

6.1 Methodology used by the surveyors

The amenities property portfolio primarily consist of the buildings of five clinics acquired in the second half of the year from operating groups Harpin and Vedici and an office block located in Levallois Perret (92).

The buildings of the clinics or health establishments which are considered as single use property assets are valued by the surveyors by the rent capitalisation (or rental value) method or by the discounted future cash flow method.

It should be noted that the market value of a hospital is essentially dependent on operation and its ability to generate sufficient earnings to ensure a normal return on the property investment. These buildings fall under the category of "single use" buildings and the value given by the surveyor nevertheless is totally related to its operation and consequently the value of the business. Being unsuitable for use as another business without substantial conversion works, these premises are not subject to renewal rent capping or review, or the traditional rules for determining the rental value, because the configuration and specialisation of the building imposes objective physical limits on the operator (number of beds or rooms etc.) regardless of its qualities.

The market rental value used by the property surveyors is therefore based on taking into account a quota share of average earnings or EBITDA that the establishment made over the last few years of operation, with or without adjustment, in the light of its category, contents, its administrative environment, the quality of its operating structure (price positioning, subsidies, operating accounts...) and any competition. Otherwise, the walls of the establishment could be valued by capitalisation of the rental income advised by Icade.

Icade also owns an office block of about 30,000 m² net floor area located in Levallois-Perret (92) and accommodating the departments of the Ministry of the Interior. This building, acquired in 2006 for 179.2 million Euros including costs and works, was leased to the Ministry of the Interior over a 20 year period with a purchase option. In the light of the provisions set out in the lease which render this operation similar to property financing, the building was not surveyed on 31st December 2007 or 31st December 2006. This lease, the net financial value of which worked out at 175.4 million Euros as at 31st December 2007, was used in the NAV calculation at a value corresponding to the purchase option price provided in the contract.

As indicated in paragraph §1, public buildings and structures owned by SPVs with Public/Private Partnership (PPP) projects are not included in the property assets published by Icade; they are not subject to a market valuation and are held at their net book value in calculating the NAV.

Changes in the assets of the Public and Healthcare Amenities Division

The overall value of this portfolio, which corresponds to that formerly held by Icade Foncière Publique, is estimated at 307.6 million Euros excluding rights at end December 2007 against 179.2 million Euros at end 2006, a rise of 128.4 million Euros.

Value of property assets in M€	31/12/07	31/12/06	Variation (M€)	Variation (%)	Variation (M€) at comparable structure	Variation (%) at comparable structure
Clinics	124.2	0.0	+124.2	na	+0.0	0.0%
Levallois building	177.1	179.2	-2.1	-1.2%	-2.1	-1.2%
Other	6.3	0.0	+6.3	na	+0.0	0.0%
Amenities	307.6	179.2	+128.4	+71.7%	-2.1	-1.2%

This change in value is primarily attributable to the acquisitions made in the year, particularly in the healthcare field:

- acquisition of three clinics located in Agen (47), Aire sur l'Adour (40) and Pau (64) from the operating group Harpin; these clinics are valued at 80.6 million Euros as at 31/12/07;
- acquisition of two clinics located in Olivet (45) and Mainvilliers (28) from the operating group Vedici; these clinics are valued at 43.6 million Euros as at 31/12/07.

At comparable structure, the portfolio value went down slightly by 1.2% due to the valuation principles used for the Levallois building which are based on the purchase option price of the asset at the end of the year.

Return on assets

Valuation of amenities property assets	Value including rights	Value excluding rights	Net rate of return	Average price €/m ²
	in M€ (1)	in M€ (2)	(excluding rights) (3)	(4)
Clinics	131.9	124.2	7.1%	1,516
Other (5)	183.4	183.4	n/a	n/a
TOTAL	315.3	307.6		

(1) Survey value, including rights of amenities assets as at 31st December 2007.

(1) Survey value, excluding rights of amenities assets as at 31st December 2007.

(3) Annualised rents, net of non-recoverable charges, of assets related to their survey value excluding rights.

(4) Established in relation to survey value excluding rights.

(5) Levallois and Périgueux buildings

The net return on the clinics portfolio came to 7.1% as at 31st December 2007.

B – VALUATION OF SERVICE AND DEVELOPMENT BUSINESSES

Icade's service and development companies were valued by the Société Générale for the purposes of calculating the Net Asset Value. The method used by the valuer is essentially based on each company's discounted cash flow (DCF) over the term of their business plan, together with a terminal value based on a normative cash-flow increasing to infinity. This valuation approach is then cross-checked against a comparable valuation method.

As at 31st December 2007, the value of the service and development companies estimated by the Société Générale worked out at 962.6 million Euros against 802 million Euros as at 1st January 2007, an annual increase of 20%. At comparable structure, in other words after neutralising the acquisition of Opéra Construction in July 2007 and the minority holdings in Ellul, this value is 11.5% up on the year.

Among the financial parameters used, the Société Générale used an average weighted cost of capital which was generally stable in comparison with the preceding valuation, working out at 8% for all service companies and between 9.31% and 11.25% for development companies.

The updating of the companies' business plans over the period 2008-2012, including in particular an increasingly dense pipeline of identified projects, basically explains the variation in the value of the service and development companies over the year.

C – METHODOLOGY FOR CALCULATING THE NET ASSET VALUE

The Net Asset Value (NAV) was calculated in terms of replacement value and liquidation value. The replacement value NAV corresponds to the consolidated capital and reserves produced in accordance with IFRS, plus or minus the following elements:

- (+) the latent capital gain on property assets established on the basis of property surveys, including transfer duty and asset disposal costs. For assets under promises of sale signed during the year, the reference value is that appearing in the promise.
- (+) the latent capital gain on the values of development and service companies established on the basis of the independent valuation carried out by the Société Générale;
- (+/-) The positive or negative effects of converting the financial debts not taken into account under IFRS principles into market value (according to IFRS, only derivative financial instruments are shown on the balance sheet at their fair value).

The liquidation value NAV corresponds to the replacement NAV adjusted according to the following elements:

- (-) transfer duty and disposal costs of the property assets estimated by the property surveyors;
- (-) the tax position on latent capital gains on buildings (this tax position being limited to latent capital gains on assets not eligible for the SIIC regime) and latent capital gains on holdings in development and service companies.

The capital and reserves used as a reference for calculating the NAV include the net result for the reference period. The NAV is calculated in terms of Group share and per share diluted, after cancelling any self-held shares and taking into account the diluting impact of stock options.

D – CALCULATING THE NET ASSET VALUE UN LIQUIDATION VALUE

1. Consolidated capital and reserves

As at 31st December 2007, the Group share of consolidated capital and reserves came to 1,419.8 million Euros including a Group share of net profit of 36.9 million Euros.

2. Latent capital gain on property assets

Latent capital gains to be taken into account stem from the valuation of property assets which are still accounted for at cost on the balance sheet. As at 31st December 2007, latent capital gains excluding rights and expenses amount to 3,243.3 million Euros.

3. Latent capital gains on intangible assets

The service and development companies were valued by the Société Générale on 31st December 2007. This resulted in a latent capital gain of 737.3 million Euros which was taken into account in calculating the NAV as at 31st December 2007.

4. Market value of debt

Pursuant to IFRS rules, derivative financial instruments are accounted for on Icade's consolidated balance sheet at their fair value. Only fixed rate debt is not shown on the balance sheet at its fair value. Converting fixed rate debt to fair value has a positive impact of +1.5 million Euros taken into account in calculating the Net Asset Value.

5. Calculating of latent tax

The tax liability on latent capital gains on buildings not eligible for the SIIC regime is calculated at a rate of 34.43% on the difference between the fair value of the assets and their net book value. This came to 60.9 M€ as at 31st December 2007. This tax liability applies primarily to the capital lease assets of Icade EMGP, the assets carried by Foncière Commerce and the assets of Icade REIT in Germany taxed at 15.8%.

The tax liability on latent capital gains on holdings in service and development companies is calculated at a rate of 34.43% for securities held for less than two years and a rate of 1.72% for securities held for more than two years. This amounted to 24 million Euros at end 2007.

6. Self-held shares and securities providing access to the capital

The number of fully diluted shares taken into account in calculating the Net Asset Value as at 31st December 2007 was 49,038,624, after cancelling self-held shares and taking into account the diluting effect of stock-options. The impact of stock option related dilution, calculated according to the share buy-back method, comes to 125,734 shares.

The Group share of Net Asset Value in terms of replacement value therefore worked out at 5,709.3 million Euros as at 31st December 2007, or 116.4 Euros per share fully diluted and 5,316.9 million Euros for liquidation value Group share or 108.4 Euros per share fully diluted.

Determination of Group share of Net Asset Value in terms of liquidation value (in M€)		Estimate ⁽¹⁾	
		30/06/2007	31/12/2007
<i>Group share of consolidated capital and reserves</i>	(1)	1,379.5	1,419.8
<i>Gross latent capital gain on property assets (including rights)</i>	(2)	2,897.9	3,550.7
<i>Latent capital gain on development companies</i>	(3)	513.3	585.6
<i>Latent capital gain on service companies</i>	(4)	145.7	151.7
<i>Latent capital gain on fixed rate debt</i>	(5)	5.0	1.5
Group share of replacement NAV	(6)=(1)+(2)+(3)+(4)+/-(5)	4,941.5	5,709.3
<i>Number of fully diluted shares in millions</i>	<i>n</i>	49.2	49.0
Replacement NAV per share (Group share - fully diluted in €)	(6)/n	100.4 €	116.4 €
<i>Duty and charges on disposal of property assets</i>	(7)	265.8	307.5
<i>Tax liability on latent capital gain on property assets (excluding rights)</i>	(8)	64.8	60.9
<i>Tax liability on latent capital gain on securities of development companies</i>	(9)	17.9	21.4
<i>Tax liability on latent capital gain on securities of service companies</i>	(10)	9.0	2.6
Group share of liquidation NAV	(11)=(6)-(7)-(8)-(9)-(10)	4,584.0	5,316.9
<i>Number of fully diluted shares in millions</i>	<i>n</i>	49.2	49.0
Liquidation NAV per share (Group share - fully diluted in €)	(12)=(11)/n	93.2 €	108.4 €
Half year increase			16.3%

⁽¹⁾ NAV estimate as at 30/06/07 post merger and post SIIC

III - FINANCIAL RESOURCES

A – CASH ASSETS

Financial resources were obtained in the first half of 2007 by the renewal and/or setting up of new confirmed lines of credit and in the second half by raising a syndicated loan.

The main financing operations over 2007 were therefore as follows:

- renewal and/or setting up of 140 million Euros in short term lines of credit;
- raising a 900 million Euros loan on 27th July 2007, 800 million Euros of which in the form of a Term Loan and 100 million Euros in the form of a Revolving Credit Facility, maturing in 7 years. The whole of the Term Loan was drawn down on 31st December 2007. Icade pays a variable coupon calculated at 3 months Euribor plus 20 to 45 basis points, depending on the level of the LTV financial structure ratio (which can rise to a maximum of 52%).

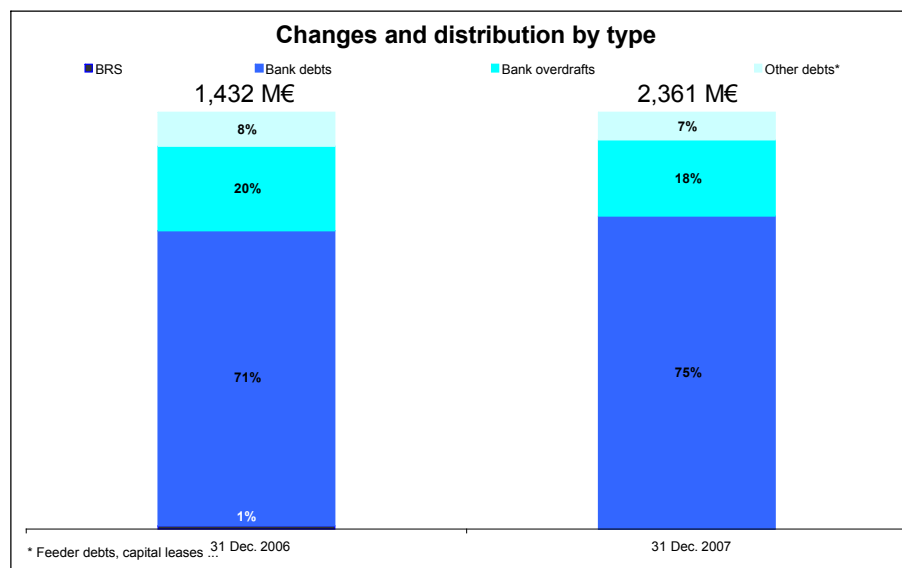
This financing enabled bank loans of about 100 million Euros falling due in 2007 to be paid, as well as requirements related to investments and acquisitions to the tune of about 600 million Euros.

B – DEBT STRUCTURE AS AT 31ST DECEMBER 2007

1. Debt by type

The gross financial debt of 2,360.6 million Euros as at 31st December 2007 stood at:

- 0.6 million Euros of Bonds Redeemable in Shares (BRS);
- 1,772.4 million Euros of bank loans;
- 76.9 million Euros of direct financing leases;
- 78.1 million Euros of other debts (feeder loans ...);
- 432.6 million Euros of bank overdrafts.

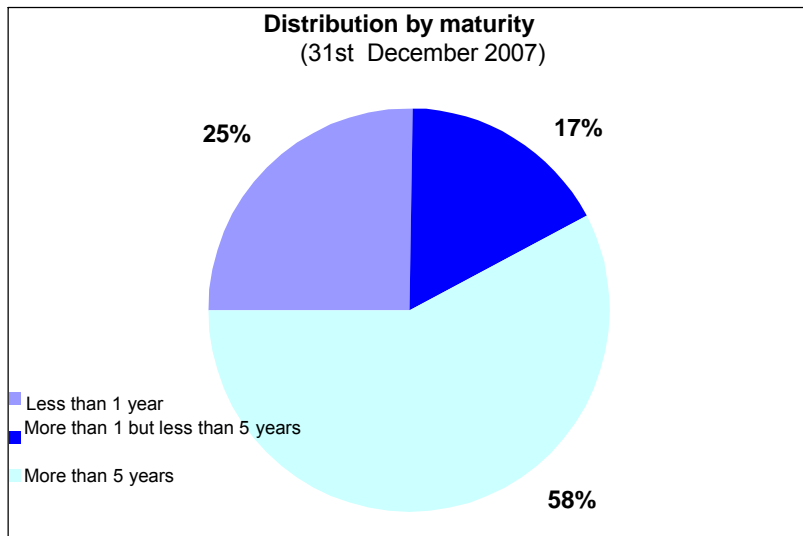


Net financial debt amounted to 1,574.0 million Euros as at 31st December 2007, an increase of 971.8 million Euros in comparison with 31st December 2006. This increase can basically be explained by:

- raising an 800 million syndicated loan;
- an increase of 36 million Euros in direct financing leases (acquisition of the Harpin clinics);
- an increase of 142.5 million in bank overdrafts.

2. Debt by maturity

The maturity of Icade's drawn down debt as at 31st December 2007 is shown below:



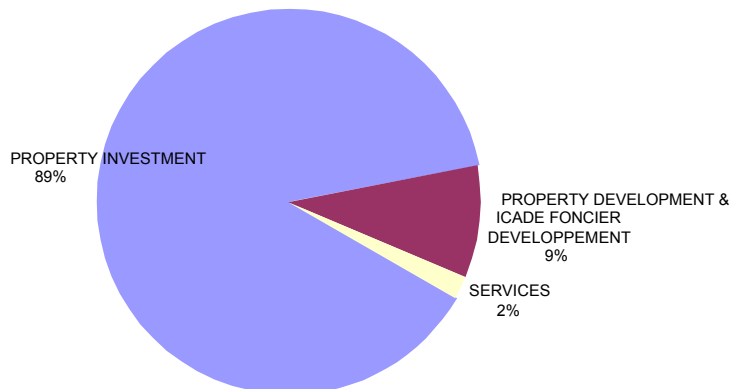
The proportion of long term debt increased following the draw down of the term loan section of the syndicated loan in July and repayment of the drawn down short term lines of credit : thus nearly 60% of debt is now at more than five years, more in line with the lifespan of the assets.

The average term of variable rate debt works out at 5.6 years, while that of associated hedging is close to 4 years.

3. Debt by business

After assigning intra-Group refinancing, nearly 90% of the Group's bank debts are located in the property investment business and 7% in the property development business.

ANALYSIS OF GROSS DEBT BY BUSINESS
(excluding bank overdrafts - in millions of Euros and %)



4. Average cost of debt

In 2007, the average cost of financing came to 4.46% before hedging and 4.47% after hedging, against 3.52% and 3.91% respectively in 2006. This deterioration can be explained by rising short term interest rates over the period (average 3 months Euribor 4.28% in 2007 against 3.08% in 2006) which weighed heavily on the overall cost of short term lines of finance. Nevertheless, low margin levels on new loans and ever more prudent continued hedging of interest rate risks enabled the average margin to be reduced in comparison with 3 months Euribor.

C – MARKET RISK MANAGEMENT

The monitoring and management of financial risks are centralised within the Treasury and Debts Division of the Finance Department.

The latter reports on a monthly basis to Icade's Risk, Rates, Treasury and Finance Committee on all matters related to finance, investment, rates risk management policy problems...

1. Liquidity risk

Icade has short term back-up lines to the value of nearly 300 million Euros, less than half of which are used. Given the amortisation profile and the carrying forward of a number of debts to longer maturities, these back-up lines cover nearly two years of repayment of capital and interest.

2. Counterparty risk

Icade works exclusively with front line financial establishments in order to limit the counterparty risk and therefore any possible default by an issuer, both in credit and derivative transactions as well as investments.

3. Rates risk

Changes in financial markets can entail a variation in interest rates which might result in increasing the cost of refinancing. Icade prefers using variable rate debt to finance its investments so as to be in a position to repay them prematurely without incurring penalties : before hedging, this represents nearly 90% of its debt as at 31st December 2007 (excluding investment related debts and bank overdrafts).

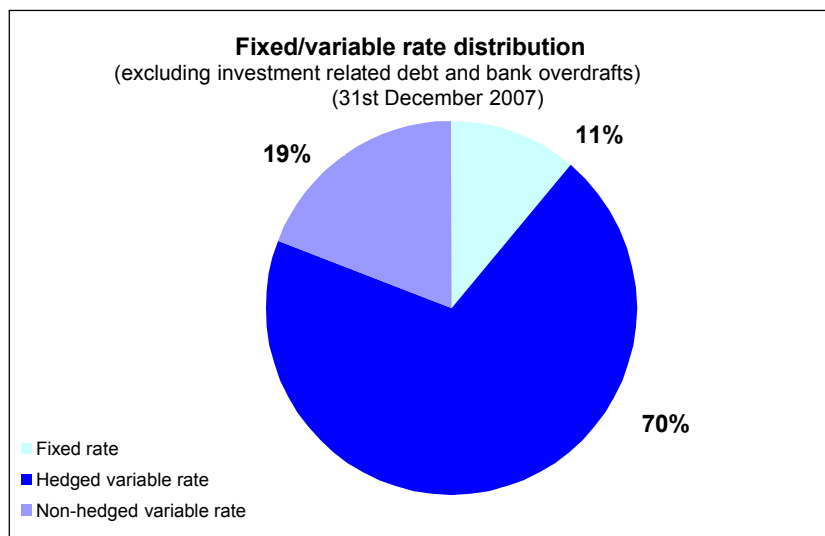
In 2007, Icade continued its prudent debt management policy by maintaining limited exposure to rates risks by setting up appropriate hedging contracts (swaps, caps and tunnels).

Thus, in July and August 2007, 7 year vanilla swaps, to the value of 300 million Euros, were put in place to hedge the raising of the syndicated loan at levels in the region of 4.55%. Caps were purchased to the value of 100 million Euros over identical maturities. Finally, 7 year swaps, which could be cancelled by Icade from 2011 in the event of a fall in rates, were taken out to the value of 300 million Euros.

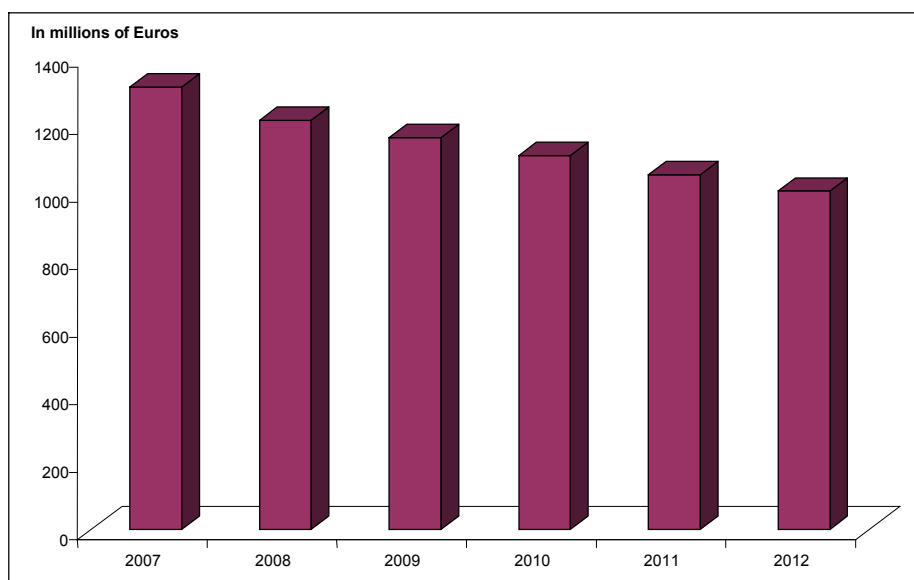
In December a new wave of vanilla swaps was set up to further improve Icade's variable rate debt hedging rate.

About 70% of variable rate debt is therefore protected against rising interest rates by caps purchases and setting up fixed rate payer swaps.

After adjustment for hedging, Icade's debt structure (excluding investment related debt and bank overdrafts) favours fixed rates: non-hedged variable rate debt represents no more than 19% of debt in the economic sense of the word (28% if only hedging described by IFRS as cash flow hedging is taken into account).



Notional hedging figures for future years are as follows (in millions of Euros):



Thus, the sensitivity of Icade's debt to a rate variation of 1% is limited and less than 3.5 million Euros.

Finally, Icade favours describing its hedging instruments as "cash-flow hedging" in accordance with IFRS.

D – FINANCIAL STRUCTURE

1. Financial structure ratio

Icade has continued to finance its development with debt : however, the LTV (*Loan To Value*) ratio : net financial debt / asset value) works out at 25.3% as at 31st December 2007 (against 13.7% as at 31st December 2006), and has benefited from a significant rise in survey values at comparable structure over the period.

It remains well below the ceiling levels to be adhered to within the framework of debt related financial covenants (50% in the majority of cases where this ratio is mentioned as a covenant).

Furthermore, this figure reflects a prudent position since it includes all of Icade's debts (debts related to development and service businesses...) without taking the value of those assets or companies as a counterpart, because it is calculated purely on the asset value of the property investment.

2. Interest hedging ratio

The ratio of interest hedging to operating profit (excluding amortisation) works out at 8.11 over 2007. This ratio is lower than in previous years (15.13 in 2006), in view of the increased debt. Brought down to EBITDA, in other words before capital gains on disposals, and not Operating Profit, this ratio works out at 5.48.

FINANCIAL RATIOS	31-12-2006	31-12-2007
<i>Net financial debt / asset value (LTV)</i>	13.7	25.3
<i>Ratio of interest hedging by operating profit (ICR)</i>	15.13	8.11

3. Covenant monitoring table

	<i>Covenants</i>	<i>31st December 2007</i>
<i>LTV</i>	< 45%	25.3%
<i>ICR</i>	> 2	8.11
<i>CDC holding</i>	50.1%	61.58%
<i>Value of property assets</i>	> 3 billion Euros	6.231 billion Euros
<i>Surety on assets</i>	< 20% of property assets	About 8%