

Press Release  
Paris, 19 October 2011

## **Substantial growth in turnover as at 30 September 2011**

- **Turnover of 1,065.8 million euros in the first 9 months of 2011, an increase of 11% compared with 2010;**
- **Turnover in the 3<sup>rd</sup> quarter of 2011 at 348.6 million euros, up 13% on the 3<sup>rd</sup> quarter of 2010.**

### **PROPERTY INVESTMENT**

- **Turnover in the Property Investment division in the first 9 months of 2011 up by 14%, reflecting the impact in the year as a whole of asset acquisitions and lettings made in 2010 (+4.0% on a like-for-like basis);**
- **A financial occupancy rate of 93.0% compared with 92.5% as at 30 June 2011 and an average fixed lease term still over 6 years, thus ensuring Icade's future cash flow;**
- **Completion in July 2011 of the disposal of the Atrium building (11,000 m<sup>2</sup>), located in Paris (12<sup>th</sup> arrondissement) for 106 million euros;**
- **Signing in September 2011 of the sales contract for the buildings of 7 clinics operated by Médi-Partenaires, with fixed 12-year leases, for 233 million euros.**

### **PROPERTY DEVELOPMENT**

- **An increase of 20% in turnover for the Property Development division, taking into account progress in building work for operations signed in 2010;**
- **Against a background of an uncertain market and cuts in tax incentives, a fall in reservations of 11% by value compared with the first 9 months of 2010;**
- **Backlog in housing development business still more than one year of turnover, virtually unchanged from 30 June 2011.**

### **PROPERTY SERVICES**

- **Increase of 3.2% in turnover in target activities;**
- **Overall reduction in turnover of 2.1% after taking into account the disposal of operations during 2010 and at the start of 2011.**

## CONSOLIDATED TURNOVER

At 30 September 2011, Icade's turnover stood at 1,065.8 million euros, as opposed to 958.5 million euros at 30 September 2010. This increase of 11% is mainly due to the impact in the year as a whole of the acquisition of Compagnie la Lucette and the lettings made in 2010 in the Property Investment division (turnover up 14% compared with 30 September 2010), and in the Property Development division by progress in building work for operations signed in 2010 in particular.

Turnover in millions of euros	30/9/2011	30/9/2010	Change in %
Commercial Property Investment	249.2	218.2	+14.2%
Residential Property Investment	19.8	80.9	-75.6%
Property Development	785.5	653.9	+20.1%
Property Services	78.1	79.8	-2.1%
Intra-group Eliminations	-66.8	-74.3	-10.4%
<b>ICADE TOTAL</b>	<b>1,065.8</b>	<b>958.5</b>	<b>+11.2%</b>

## CONSOLIDATED TURNOVER PER QUARTER

Turnover in millions of euros	Q1 2011	Q2 2011	Q3 2011	TOTAL
Commercial Property Investment	81.9	83.1	84.2	249.2
Residential Property Investment	7.0	7.0	5.8	19.8
Property Development	256.0	267.4	262.1	785.5
Property Services	25.0	23.9	29.2	78.1
Intra-group Eliminations	-15.3	-18.8	-32.7	-66.8
<b>ICADE TOTAL</b>	<b>354.6</b>	<b>362.6</b>	<b>348.6</b>	<b>1,065.8</b>

Turnover in millions of euros	Q1 2010	Q2 2010	Q3 2010	TOTAL
Commercial Property Investment	65.1	76.8	76.3	218.2
Residential Property Investment	37.1	33.1	10.7	80.9
Property Development	209.3	228.5	216.1	653.9
Property Services	26.5	24.8	28.5	79.8
Intra-group Eliminations	-32.3	-18.3	-23.7	-74.3
<b>ICADE TOTAL</b>	<b>305.7</b>	<b>345.0</b>	<b>307.8</b>	<b>958.5</b>

## PROPERTY INVESTMENT

As at 30 September 2011, turnover for the Property Investment division stood at 269.0 million euros as opposed to 299.1 million euros for the same period in 2010. The contribution by the Commercial Property Investment section rose to 93% compared with 73% in the first 9 months of 2010.

Turnover	30/9/2011		30/9/2010		Change in %
	million euros	contribution	million euros	contribution	
Commercial Property Investment	249.2	93%	218.2	73%	+14.2%
Residential Property Investment	19.8	7%	80.9	27%	-75.6%
<b>PROPERTY INVESTMENT DIVISION TOTAL</b>	<b>269.0</b>	<b>100%</b>	<b>299.1</b>	<b>100%</b>	<b>-10.1%</b>

### Commercial Property division

#### 1. Turnover and rental income

**Turnover** for the Commercial Property Investment division was 249.2 million euros at 30 September 2011, an increase of 14.2% compared with 30 September 2010. This increase is a result of not just the effect in the year as a whole of acquisitions made in 2010, in particular Compagnie la Lucette, but also lettings made in 2010 (including Le Millénaire 2 and H<sub>2</sub>O) and to a lesser extent the effect of rent indexing.

Turnover (in millions euros)	30/09/2011	30/09/2010	Change in %	Change on a like for-like basis
Offices in France	74.0	65.5	+ 13.0%	+ 4.0%
Business parcs	71.3	65.9	+ 8.2%	+ 7.7%
Shops and Shopping Centres	15.9	10.9	+ 45.6%	(3.1)%
Public and healthcare amenities	58.4	48.7	+ 20.0%	+ 1.5%
Warehouses	17.3	15.3	+ 13.2%	(2.8)%
Offices in Germany	12.3	11.9	+ 3.1%	+ 3.1%
<b>COMMERCIAL PROPERTY INVESTMENT</b>	<b>249.2</b>	<b>218.2</b>	<b>+ 14.2%</b>	<b>+ 4.0%</b>

**Rental income** (on a like for like basis) showed an improvement of 4.0% with respect to 30 September 2010.

Rental income (in millions of euros)	30/09/2010	Acquisit°	Disposals	Indexing	Rental Business	Other	30/09/2011
Offices in France	65.7	9.3	-4.3	1.2	1.5		73.3
Business parks	65.9	0.5		0.5	4.6		71.5
Shops and Shopping Centres	10.9	5.3			-0.2	-0.2	15.9
Public and healthcare amenities	48.2	9.0		0.9		-0.2	57.9
Warehouses	15.3	2.5		0.0	-0.5		17.3
Offices in Germany	11.9			-0.1	0.5		12.3
<b>COMMERCIAL PROPERTY INVESTMENT - rental income</b>	<b>218.0</b>	<b>26.6</b>	<b>-4.3</b>	<b>2.5</b>	<b>5.9</b>	<b>-0.3</b>	<b>248.2</b>
Other turnover	0,2					0.8	1.0
<b>COMMERCIAL PROPERTY INVESTMENT - Turnover</b>	<b>218.2</b>	<b>26.6</b>	<b>-4.3</b>	<b>2.5</b>	<b>5.9</b>	<b>0.5</b>	<b>249.2</b>

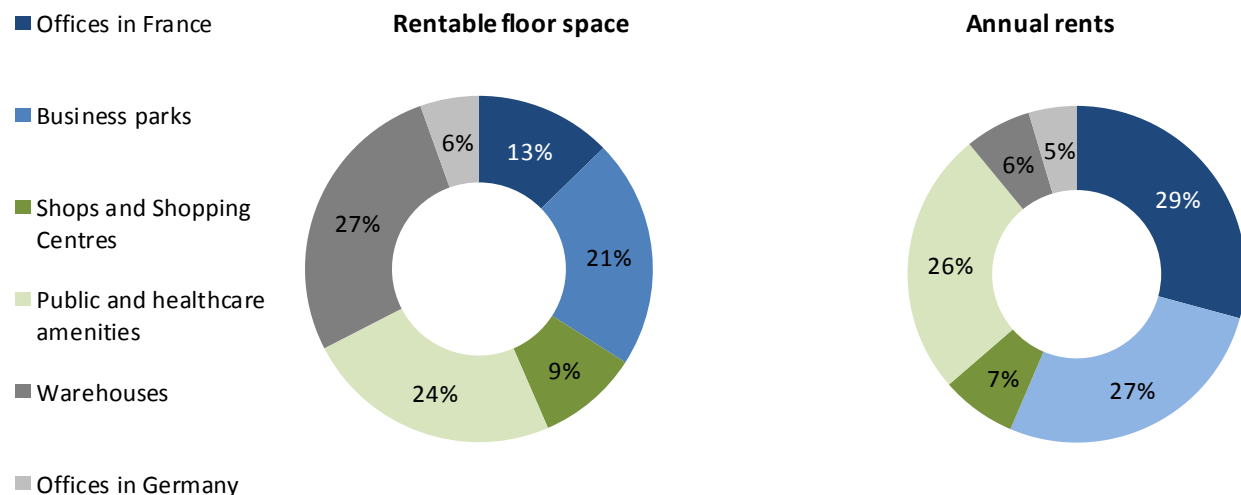
Acquisitions and deliveries of assets generated an additional 26.6 million euros in income in the first 9 months of the year. This can basically be broken down as follows:

- Rental income related to the delivery of assets came to 9.0 million euros. This essentially concerns two office properties located in Villejuif (2.0 million euros) and the Le Millénaire shopping centre in Aubervilliers, opened in April 2011 (3.7 million euros, pro rata);
- Rental income related to acquisitions of assets in 2010 and 2011 came to 17.6 million euros. These mainly concern the assets of the former Compagnie la Lucette at 10.7 million euros, clinics at 6.1 million euros, and the leisure centres of the Odysseum shopping centre in Montpellier at 1.0 million euros.

Rental business (renting, re-rentals, renewals, departures) generated 5.9 million euros of additional income. This was mainly due to the lettings that took place in 2010 (Millénaire 2, H<sub>2</sub>O)

## 2. Rental Business

### Breakdown of indicators by business



Businesses	Rentable floor space	Rented floor space	Physical occupancy rate	Financial occupancy rate	Annual rent in €M (*)	Average rent / m <sup>2</sup>	Remaining fixed least period (years)
Offices in France	280 151	244 677	87,3%	88,5%	101,2	430	5,0
Business parks	472 183	432 527	91,6%	92,0%	94,2	274	3,7
Parc du Mauvin	16 305	16 305	100,0%	100,0%	2,8	169	1,8
Parc du Millénaire	66 741	64 327	96,4%	96,5%	20,1	313	4,5
Parc du Pont de Flandre	78 510	73 510	93,6%	93,9%	21,8	296	4,8
Parc des Portes de Paris Aubervilliers	237 494	213 551	89,9%	89,8%	37,9	178	2,6
Parc des Portes de Paris Saint Denis	65 527	58 330	89,0%	85,4%	9,3	159	5,0
Quartier du Canal	7 606	6 503	85,5%	93,4%	2,3	357	2,0
Shops and Shopping Centres	208 166	206 924	99,4%	97,3%	25,0	121	6,5
Shopping Centres	53 849	52 607	97,7%	95,8%	15,7	299	4,3
Mr Bricolage shops	154 317	154 317	100,0%	100,0%	9,3	60	10,2
Public and healthcare amenities	528 304	528 304	100,0%	100,0%	88,1	167	10,2
Clinics	493 360	493 360	100,0%	100,0%	75,7	154	9,4
Other	34 944	34 944	100,0%	100,0%	12,4	354	14,8
Warehouses	598 470	537 530	89,8%	89,4%	22,0	41	5,7
Offices in Germany	120 666	105 026	87,0%	90,7%	15,9	136	6,4
<b>COMMERCIAL PROPERTY INVESTMENT</b>	<b>2 207 940</b>	<b>2 054 987</b>	<b>93,1%</b>	<b>93,0%</b>	<b>346,4</b>	<b>169</b>	<b>6,2</b>

(\*) Refers to IFRS rentals

The financial occupancy rate as at 30 September 2011 showed an improvement of 2 percentage points compared with 31 December 2010 and 0.5 points compared with 30 June 2011. These changes can be explained primarily by lettings and the acquisition in September 2011 of a portfolio of clinics run by the Médi-Partenaires group (fixed 12-year leases agreed with the operator).

#### New Signings

As at 30 September 2011, Icade had recorded the signing of 169 **new leases** relating to 64,700 m<sup>2</sup> and representing 15.0 million euros of rents on an annual basis (of which 26,000 m<sup>2</sup> were for the Le Millénaire shopping centre).

#### New Signings for Assets Currently in Use:

- The let of all the office space in the Link building at 28-32 Boulevard de Grenelle in Paris (15th arrondissement) to the Ingenico group in June 2011 (10,200 m<sup>2</sup> - effective from 1 November 2011);
- The let of 15% of the vacant space in building 521 to the Fnac group in June 2011 (2,200 m<sup>2</sup> - effective from 15 June 2011);
- The let by the end of September 2011 of 97% of the space in Le Millénaire shopping centre on the basis of leases signed and reservations (including Boulanger, Carrefour, C&A, Fnac, H&M, Sephora, Toys'R'Us, Zara and Mac Donald's);
- The let in July 2011 of 7,100m<sup>2</sup>, or 18%, of the space in the Saint-Quentin Fallavier warehouse;
- The let in September 2011 of 3,500m<sup>2</sup>, or 13%, of the space in the Eurofret warehouse in Strasbourg;

#### Renewals

Icade has continued with its rental policy in 2011, which consists of offering its key tenants a renewal of their leases in order to secure sustained cash flows. These asset management activities resulted in the signature of 11 leases covering 16,000 m<sup>2</sup>.

The renewals have secured 5.4 million euros in face rents with an average firm period of 5 years.



### Departing Tenants

Departures during the accounting period of 2011 covered 46 leases (39,000 m<sup>2</sup>) and represented a rental loss of 3.5 million euros.

### Lease Expirations by Business

As at 30 September 2011, the **average firm lease term** was 6.2 years. This was the same as on 31 December 2010 (6.2 years) following the acquisition in September 2011 of a portfolio of clinics run by the Médi-Partenaires group (fixed 12-year leases agreed with the operator).

### Rental Position – Risk of Rent Revisions

Icade, which has benefited from continuous increases in rents, must sometimes meet the demands of certain tenants to revise their leases under Article L145-39 of the French Commercial Code. This specifies that if indexing means that the amount of the indexed rent is 25% greater than the amount of the initial rent, the tenant has the right to request that their rent be revised to bring it in line with market values.

However, the analysis carried out within the scope of Commercial Property Investment Division shows that the risk is limited.

In fact, the potential risk of a return to market rental values is 5.0 million euros, representing a risk of a potential loss of rent of around 1.4% of rents for the entire Commercial Property Investment division.

## **3. Investment**

Icade has continued to add value to its assets in order to increase the generation of cash flows in the longer term. At the same time it has acquired healthcare assets which generate immediate cash flows. The investments amounted to **453.5 million euros** in the first 9 months of the year.

Assets :	Total	Asset acquisitions	Asset refurbishments	Construction extensions	Renovation/ major maintenance
Offices in France	101,6	0,0	50,8	49,0	1,8
Business parks	36,6	7,4	12,2	0,8	16,3
Shops and Shopping Centres	36,7	5,3	0,0	31,3	0,0
Public and healthcare amenities	273,5	248,0	0,0	25,5	0,0
Warehouses	1,7	0,0	0,0	0,0	1,7
Offices in Germany	3,5	0,0	0,0	2,0	1,5
<b>COMMERCIAL PROPERTY INVESTMENT</b>	<b>453,5</b>	<b>260,6</b>	<b>63,0</b>	<b>108,7</b>	<b>21,2</b>

The key significant investments were:

- The acquisition in September 2011 of a portfolio of 7 clinics run by the Médi-Partenaire group (93,500m<sup>2</sup>, 1,156 beds and places) for 233.1 million euros;
- The renovation work on the EQHO Tower, totalling 50.8 million euros as at 30 September 2011. The work is due to finish in the first half of 2013;
- The renovation work on the Beauvaisis building in the Pont de Flandres business park, amounting to 12.2 million euros as at 30 September 2011;
- Construction work on two office buildings in Villejuif, rented in their entirety to the LCL group. This totalled 47.1 million euros as at 30 September 2011. Delivery of the two buildings is expected in the final quarter of 2011 and first quarter of 2012 respectively;
- Completion of work on the Millénaire Shopping Centre in Aubervilliers (93), opened in April 2011, totalling 31.3 million euros.

#### 4. Arbitrage

The value of sales realised up to 30 September 2011 was 180.1 million euros.

This relates primarily to the following:

- The sale of the office block in Munich for the sum of 72.5 million euros. This prime asset of 19,300m<sup>2</sup>, which has been let for a fixed term of 10 years to Ernst & Young, has DGNB Gold certification (equivalent to the French HQE). The building, for which there was already an agreement for sale in its future completed state to the German fund Deka Immobilien Investment, was delivered at the end of 2010.
- The sale of the Atrium office block in Paris (12<sup>th</sup> arrondissement) for the sum of 106.0 million euros. Notarial completion of the deed of transfer was recorded in July 2011.

#### Residential Property Investment division

Main indicators	30/9/2011	30/9/2010
Turnover	19.8	80.9
Block disposals (in Paris and the regions)		
. in numbers of units	264	22 580
. sales price (in millions of euros)	12.1	1 500.2
Individual disposals (in Paris and the regions)		
. in numbers of units	95	169
. sales price (in millions of euros)	11.3	20.7

## PROPERTY DEVELOPMENT

The Property Development division achieved a turnover of 785.5 million euros in the first 9 months of 2011, an increase of 20.1% compared with the first 9 months of 2010.

Turnover in millions of euros	30/9/2011	30/9/2010	Change in %
Commercial Property Development (offices, shopping centres, engineering and public/healthcare)	272.5 (*)	258.8	+5.3%
Residential Property Development	517.9	400.7	+29.3%
Inter-business Development	- 4.9	-5.5	-10.6%
<b>PROPERTY DEVELOPMENT DIVISION TOTAL</b>	<b>785.5</b>	<b>653.9</b>	<b>+20.1%</b>

(\*) Including the turnover for Icade Gestec, which was a technical expertise business in the Services division and has now been transferred to the engineering business of the Property Development division.

### **Commercial Property Development (offices, shopping centres, engineering and public/healthcare)**

Turnover for the Commercial Property Development business (offices, shopping centres, public/healthcare and engineering) was 272.5 million euros in the first 9 months of 2011. This is 5.3% more than in the first 9 months of 2010, an increase that can be explained by the following:

- A rise in turnover for Public and Healthcare Property Development due to a significant increase in some large-scale operations: The Saint-Nazaire hospital centre, la Sucrière 2 in Lyon, an operation started and delivered in the first 9 months of the year, and the Mucem in Marseille;
- The Commercial Property Development division is seeing further progress in the Villejuif operations.

As at 30 September 2011, Icade Property Development's project portfolio in the commercial property development of offices and shopping centres covered 674,516m<sup>2</sup>, consisting of 89,485m<sup>2</sup> for projects underway and 585,031 m<sup>2</sup> for projects at the initial development stage.

As at 30 September 2011, Icade Property Development's project portfolio in the public and healthcare property development field covered 227,508 m<sup>2</sup> for projects underway and 145,001m<sup>2</sup> for projects at the initial development stage.

The following operations have been delivered since 1 January 2011:

- Chalon sur Saône St Cosme: 12,22 5m<sup>2</sup> in off-plan sales of offices, shops and car parking;
- Lyon La Sucrière: 11,522 m<sup>2</sup> of amenities as a property development contract;
- St Aignan – Daher 2<sup>nd</sup> tranche: 8,939 m<sup>2</sup> in industrial buildings as a property development contract;
- St Nazaire Pen Bron: 4,475 m<sup>2</sup> of healthcare facilities as a property development contract;
- St Philbert de Grand Lieu: PPP project for the police, as a property development contract of 3,600 m<sup>2</sup>;
- Toulouse Cancéropole: hotel accommodation as a property development contract of 5,278m<sup>2</sup>;
- Limoges: EHPAD des 5 Sens, a care home for the elderly as a property development contract of 5,095 m<sup>2</sup>.

The sale of the Costières Sud de Nîmes programme was finalised in July 2011. The income from this sale will be recognised in the operating profit on 31 December 2011.

The Commercial Property backlog stood at 589 million euros on 30 September 2011. Building work for the operations making up the backlog is due to start in the period 2011 to 2013, at which point they will be included in the turnover figures.

### **Residential Property Development**

<b>Main indicators</b>	<b>30/09/2011</b>	<b>30/09/2010</b>
<b>Reservations</b>		
. in numbers (housing units and lots)	3,227	4,077
. in value (millions of euros)	652.3	731.4
<b>Deeds of sale</b>		
. in numbers (housing units and lots)	2,374	3,030
. in value (millions of euros)	434.1	530.3
<b>Unsold properties</b>		
. in numbers (housing units and lots)	69	105
. in value (millions of euros)	10.6	14.4
<b>Withdrawal rate</b>	18%	18%
<b>Disposal rate</b>	10.0%	11.6%
<b>Property portfolio</b>		
. in numbers (housing units and lots)	8,639	7,966
. in estimated value (millions of euros)	1,678	1,514

Turnover from Residential Property Development reached 517.9 million euros in the first 9 months of 2011, up 29.3% on 2010.

Against the background of an uncertain market and cuts in tax incentives, the key business indicators fell compared with the first 9 months of 2010.

When compared with the reservations up to 30 September 2010 (4,077 housing units and lots, or 731.4 million euros), the number of reservations up to 30 September 2011 was 21% less at 3,227 housing units. This will generate an estimated turnover of 652.3 million euros. These reservations include block reservations by institutional parties of 882 lots up to 30 September 2011, giving an estimated turnover of 146.5 million euros.

The number of notarised sales was 21.6% less at 2,374 housing units, with an estimated turnover of 434.1 million euros, compared with 3,030 housing units for an estimated turnover of 530.3 million euros up to 30 September 2010.



At 30 September 2011, the average withdrawal rate over the first 9 months of the year (after the 7-day statutory cooling-off period) was 18% of reservations. The average stock disposal rate fell slightly compared with the average seen in 2010 (11.6%), to 10% as at 30 September 2011.

69 completed housing units were still unsold on 30 September 2011, representing an estimated turnover of 10.6 million euros in unsold housing stock. This compares with 105 unsold housing units as at 30 September 2010.

The backlog amounted to 836.2 million euros as at 30 September 2011, a slight fall of 2.4% when compared with 30 September 2010.

The property portfolio represents the potential construction of 8,639 housing units and lots for an estimated turnover of 1,678 million euros (10.8% more than the figure as at 30 September 2010).

## PROPERTY SERVICES

Turnover in millions of euros	30/9/2011	30/9/2010	Change in %
<b>Target activities</b>	<b>78.4</b>	<b>76.0</b>	<b>+3.2%</b>
Property Management	25.7	23.3	+10.0%
Serviced Residences	37.4	34.7	+8.1%
Consulting and Appraisal	15.3	18.0	-15.0%
<b>Businesses sold</b>	<b>-</b>	<b>4.3</b>	
<b>Inter-business services</b>	<b>-0.3</b>	<b>-0.5</b>	
<b>PROPERTY SERVICES DIVISION TOTAL</b>	<b>78.1</b>	<b>79.8</b>	<b>-2.1%</b>

The businesses sold are the Italian and Spanish subsidiaries (sold off in the first half of 2010 and at the beginning of 2011 respectively) and Icade Gestec (transferred to the Property Development division at the beginning of 2011).

On a like-for-like basis, turnover for the Property Services division grew by 3.2%. This was mainly due to the Serviced Residences business in France, which grew by 8.5%. This increase can be explained by the delivery of 5 new residences, consisting of 810 lots, at the start of September, which gave turnover from the sale of furniture of 2.3 million euros more than in the period to 30 September 2010.

## INTRA-GROUP ELIMINATIONS

Intra-group eliminations reached 66.9 million euros as at 30 September 2011. This is 10.3% less than on 30 September 2010. The eliminations mainly concern the elimination of turnover related to operations carried out by the Property Development division for the account of the Property Investment division.

The Property Investment division buys in property development contracts and assistance for contracting authorities from the Commercial Property Development division. The main projects in the first 9 months of 2011 were the LCL offices in Villejuif, the Millénaire Shopping Centre in Aubervilliers, the EQHO tower in Paris's Défense district and the Beauvaisis building in Paris. The impact on turnover was 49.9 million euros at 30 September 2011. The aim is for this figure to become smaller in future in line with a reduction in the number of intra-group operations.



## NOTE ON THE FINANCING POLICY

Icade can confirm that its liabilities are sound and liquid. As at 30 September 2011, Icade had access to backup lines of credit of 353.5 million euros that it had not drawn on.

## COMING EVENTS

2011 annual results: 16 February 2012 after markets close

## ABOUT ICADE

Icade is a listed company, subsidiary of the Caisse des Dépôts which carries out business activities in property investment and associated services in the offices, business parks, shopping centres, public healthcare and housing sectors. Expertise in its different business lines means that Icade is able to provide its clients with personalised solutions and act in respect of all the current concerns of the property sector. In 2010, Icade recorded consolidated turnover of 1,432 million euros and net current cash flow of 175 million euros. At 30 June 2011, the re-valued liquidation net asset value stood at 4,352 million euros or 83.9 euros per share.

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