ICADE

Foncière-développeur

Paris, 16th February 2011

A leading commercial property investment division combined with a development activity that accelerates future growth in cash flow

Icade reports a net profit (Group share) of 1,218 million euros for 2010, an increase of 131% from 2009 (527 million euros), enhanced by the successful restructuring operations achieved during the year, including the sale of the housing portfolio and the integration of Compagnie la Lucette.

Icade's achievements include:

- **the sale of 23,358 housing units from its investment division, including 23,133 in blocks, generating disposal proceeds of 1,158 million euros in 2010, in accordance with the memorandum signed in November 2009.**
- **the successful acquisition and integration of Compagnie la Lucette, followed by the merger of the two companies on October 2010, effective retroactively to January 1st 2010.**
- **A very successful lease management activity in 2010: letting of 73% of the H_2O building (16,400 m²), letting of 100% of Le Millénaire 2 (15,600 m²), pre-letting of the Tolbiac building in Villejuif (12,000 m²), pre-letting of 88% of the surface of the Le Millénaire shopping centre (26,000 m² for Icade's share) and 72% of the Canal offices (6,200 m² for Icade's share).**
- **the investment of 480 million euros in essentially secure projects.**

Building on its success, Icade will pursue its commercial property strategy in the coming years. Now clearly positioned as a leading property investment company in the French market, Icade intends to take full advantage of its specific business model to deliver significant growth in cash flows and in properties values to its shareholders.

- **Revenues generated by the Property Investment division were up 25% to a total of 303.7 million euros in 2010. The results reflect the consolidation of Compagnie la Lucette, which offset the sale of residential units and the renovation of the Descartes tower. Over 2010, consolidated revenue decreased of 4.9% to 1,432 million euros, essentially related to the industry-wide decline in commercial development activity and changes in perimeter (the sale of housing units, disposal of property management for individuals and facility management businesses). The contribution from housing development rose by 7% thanks to the strong recovery in the market supported by tax incentives and historically low interest rates.**
- **EBITDA totaled 304 million euros for 2010, an increase of 1% over 2009, despite the recognition in 2010 of 15 million euros in non-recurring measures to assist housing sales.**
- **Net current cash flow per share was down 9% at 3.43 euros for 2010 due to an increase in current corporate tax, with the cost of debt remaining virtually stable. Restated for non-recurring assistance measures, net current cash flow per share dropped slightly by 1% (€3.73/share).**
- **Operating profit stood at 1,352.5 million euros, a strong increase compared with2009 (665 million euros) as a result of the implementation of the capital recycling strategy for the housing assets.**
- **The portfolio's value was 6,129 million euros at 31st December 2010 an increase of 5.6% and of 2.9% percent on a like-for-like basis, demonstrating the relevance of Icade asset's portfolio's positioning. Taking into account the dividend pay-out of €7,25 in 2010, the liquidation net asset value was €81.4 per share as of 31st December 2010, down 3.7% from 31st December 2009.**
- **The LTV calculated conservatively was 37.4% at 31st December 2010 compared with 35.8% at 31st December 2009.**

Outlooks

With the successful transformation of Icade's operations completed in 2010, Icade will pursue its commercial strategy in the coming years. With a clear positioning as a reference player in the French commercial property market, Icade intends to take full advantage of its unique position to offer its shareholders continued growth in cash flows and portfolio value, relying primarily on:

- **Additionnal rental income from the lettings/deliveries made in 2010 (Millénaire 1, Millénaire 2, H_2O, Immeubles Loire and Rhône à Villejuif …) and the delivery in 2011 of assets that have already been leased (Millénaire retail centre, Immeuble Rhin and Garonne in Villejuif, Buildings 2 and 3 of the Canal offices, etc.).**
- **Its investment and growth capacity supported by its solid financial structure and the absence of any major refinancing challenges until 2014.**
- **The recovery of the development market, which will allow Icade's Development division, after maintaining positive EBITDA in 2008, 2009 and 2010 through its cautious approach, to act as "income accelerator" in a more favorable period of the cycle.**
- **The potential of its sizeable land bank, ideally located to benefit from the momentum of the "Grand Paris" plan and the development of buildings that perfectly match new user requirements on function and environmental criteria.**

The combination of all these elements should allow Icade to implement its 3-phase strategy based in the short term on the continued reinvestment of the income from the sale of its housing portfolio in commercial property assets generating immediate secure cash flows and creating value, and by focusing on classes of assets in which it is already present, and in which, its teams offer recognized expertise:

- **Offices in the Paris region;**
- **Clinic buildings in France;**
- **Shopping centre in the Paris region and the major regional metropolitan areas.**

The period from 2011-2015 will see the delivery of several projects identified and some already under development. This pipeline of investment projects representing 900 million euros demonstrates Icade's will to rely on the expertise of its commercial property development business to develop projects generating future cash-flows and create value in the medium term.

In the longer term, Icade's positioning is based on the significant growth potential from the development of its business parks on the outskirts of Paris. The control of these unique property reserves (80 hectares) will ensure steady development based on market needs.

The significant work of restructuring its activities combined with the dynamic asset management policy conducted in recent years ensures a strong outlook for Icade in the future. As a result, and based on the specific features of its business model now founded on the recurring revenues of its Commercial Property Investment division and on the outlook for secure margins from its Development division, Icade anticipates strong growth in current cash flows for 2011 and 2012.

In order to confirm its trust in the medium term perspectives of Icade, it will be proposed to the annual shareholders meeting on April 7 to distribute a dividend of 3.30 € a share (to be paid on April 21 2011) in addition to the 4 € a share already paid to shareholders on September 28 2010, resulting in a total dividend of 7.30 € a share.

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Forthcoming events:
Annual General Meeting: 9:30 am, April 7, 2011 at Le Millénaire 1, 35 rue de la Gare, 75 019 Paris
Revenues for first half of 2011: May 12, 2011

About Icade:
Icade is a company listed on the stock exchange, a subsidiary of the Caisse des Dépôts which carries out business activities in property investment and associated services in offices, business parks, shopping centres, public-healthcare amenities and housing sectors. Expertise in its different business lines means that Icade is able to provide its clients with personalised solutions and act in response to 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 December 31, 2010, the liquidation net assets were valued at 4,187 million euros or 81.4 euros per share.

The consolidated financial statements have been audited by independent auditors.

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Notes

I- CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET AS AT DECEMBER 31, 2010

(€ millions)	December 31, 2010	December 31, 2009
Revenue	1,431.8	1,505.6
EBITDA	304.4	302.3
In % of revenue	21.3%	20.1%
Depreciation charges net of investment grants	(149.4)	(117.8)
Charges and reversals related to loss in value on tangible, financial and other current assets	23.2	(52.6)
Profit/loss from disposals	1,173.9	533.2
Depreciation of goodwill and intangible assets	0.4	0.0
Operating profit/loss	1,352.5	665.1
Financial profit/loss	(99.3)	(100.2)
Tax on profits	(33.6)	(34.4)
Net profit	1,222.6	535.4
Net profit group share	1,218.0	527.1
Net current cash flow	175.0	183.9
Data per share in euros		
Number of shares in circulation diluted used in the calculation	51,002,261	48,766,616
Net earnings per share, Group share after dilution	€23.88	€10.81
Net current cash flow per share, after dilution	€3.43	€3.77

(€ millions)	12/31/2010	12/31/2009
ASSETS		
Goodwill	82.8	84.2
Net intangible assets	9.1	17.0
Net tangible assets	135.7	139.2
Net investment properties	4,495.7	3,045.5
Non-current securities available for sale	13.0	111.7
Securities consolidated by the equity method	3.8	6.1
Other non-current financial assets	29.1	20.1
Deferred tax assets	14.7	16.8
TOTAL NON-CURRENT ASSETS	4,783.9	3,440.6
Inventories and work in progress	477.1	385.0
Trade debtors	530.3	420.1
Amounts due from customers (building contracts and off-plan sales)	74.0	157.9
Tax credits	24.8	4.0
Miscellaneous receivables	450.4	471.1
Current securities available for sale	5.2	0.1
Other current financial assets	32.5	97.7
Cash and cash equivalents	648.2	709.3
Assets held for sale	115.5	309.7
TOTAL CURRENT ASSETS	2,358.0	2,554.9
TOTAL ASSETS	7,141.9	5,995.5

LIABILITIES		
Capital and reserves – group share	2,833.2	1,809.9
Minority interests	0.8	10.5
CAPITAL AND RESERVES	2,834.0	1,820.4
Non-current provisions	47.1	50.5
Non-current financial payables	2,598.4	2,421.3
Tax Payable	0.0	2.7
Deferred tax payable	7.1	5.5
Other non-current liabilities	169.0	155.2
TOTAL NON-CURRENT LIABILITIES	2,821.6	2,635.2
Current provisions	23.7	34.6
Current financial accounts payable	277.2	445.6
Tax payable	13.1	97.7
Trade creditors	520.1	464.7
Amounts due to customers (building contracts and off-plan sales)	5.9	17.7
Miscellaneous current payables	582.1	446.3
Other current financial liabilities	17.6	33.3
Liabilities held for sale	46.6	0.0
TOTAL CURRENT LIABILITIES	1,486.3	1,539.9
TOTAL LIABILITIES, CAPITAL AND RESERVES	7,141.9	5,995.5

NAV (€ millions)	12/31/2010	06/30/2010	12/31/2009
Replacement NAV (Group share)	4,492.9	4,434.0	4,444.7
Replacement NAV per share (Group share - fully diluted in €)	€87.4	€86.5	€91.0
Liquidation NAV (Group share)	4,186.8	4,117.0	4,129.6
Liquidation NAV per share (Group share - fully diluted in €)	€81.4	€80.3	€84.5

(€ millions)	12/31/2010	06/30/2010	12/31/2009
Net financial debt	2,292.2	2,335.7	2,075.5
Appraisal value of properties	6,128.9	6,102.5	5,803.9
Loan to value (LTV)	37.4%	38.3%	35.8%

II - ANALYSIS AND COMMENTS ON BUSINESS ACTIVITIES AND RESULTS

A - ACCOUNTING PRINCIPLES/SCOPE OF CONSOLIDATION

The consolidated financial statements of the Icade Group ('the Group') are established as of December 31, 2010 in accordance with international accounting standards (IFRS) as adopted in the European Union in application of European regulation no.1606/2002, dated July 19, 2002. They were adopted by the meeting of the Board of Directors of ICADE on February 16, 2011 and will be submitted to the approval of the General Meeting of April 7, 2011. The consolidated financial statements published by the group on December 31, 2009 were finalized according to the same principles and methods, with the exception of what is stated in 1.1 of the appendix to the consolidated accounts.

At December 31, 2019 the scope of consolidation includes 355 companies, 88 of which are active in Property Investment, 254 in Property Development and 18 in Property Services.
A list of the fully and proportionally consolidated companies and companies consolidated by the equity method is set out in note 37 "scope" of the consolidated appendix.

B - HIGHLIGHTS/KEY FIGURES - 2010

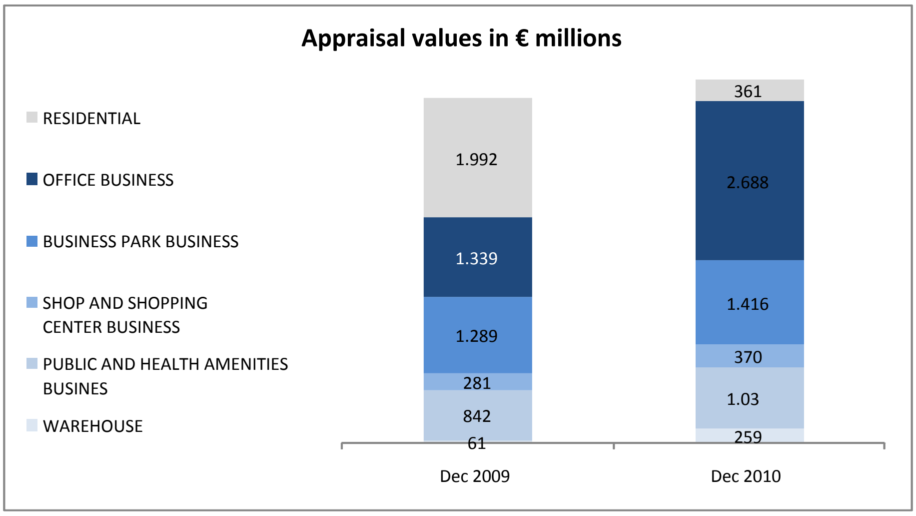
1. Highlights of FY 2010

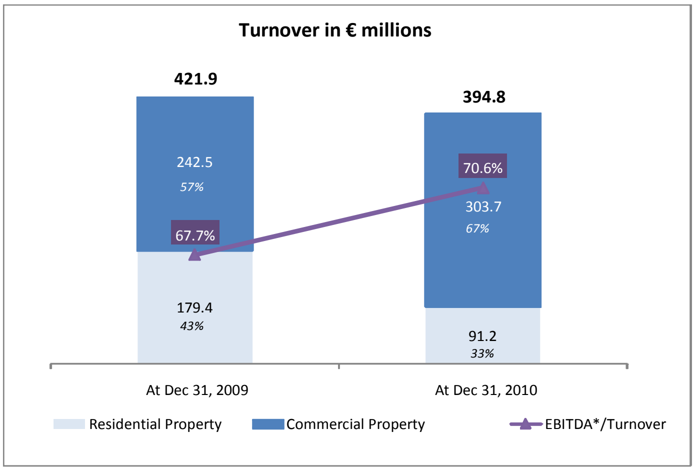
In keeping with the announced strategy, in 2010 the property company Icade reinforced its commercial assets with the completion of the acquisition and integration of Compagnie la Lucette. It has increased the value of the assets already in its portfolio through active commercialization and developments that will generate secure cash flows.

At the same time, over the 1st semester of 2010, Icade transferred the bulk of its residential property assets by reaching a transfer agreement, signed in November of 2009, with a consortium made up of 26 social housing investors.

2010 highlights include:

Confirmed transition of Icade's property businesses toward commercial property, enhancing performance





(*) The EBITDA/Revenue rate for 2010 excludes non-recurring items supporting the transfer of Residential Property assets and stands at 15.3 million euros. Not discounting these costs, the ratio is 66.9%.

Icade's consolidated accounts as at December 31, 2010 include Compagnie la Lucette's business over the past 10.5 months since February 17, 2010, the effective takeover date.

The merger between Icade and Compagnie la Lucette was finalized in accordance with the memorandum of understanding signed and announced at the end of December 2009. According to the terms of these operations, Icade holds 99.78% of the shares in Compagnie la Lucette, with the balance being held by salaried stockholders. MSREF, in exchange for its stake in Compagnie la Lucette, has taken an interest in Icade approaching 4.5% of its capital, thus becoming Icade's second most important stockholder after the Caisse des Dépôts. Compagnie la Lucette stock was delisted on May 14, 2010. Compagnie la Lucette was absorbed by Icade SA on October 29, 2010, having a retroactive effect on the company's accounts as at January 1, 2010.

Creation of value in commercial assets through secure developments

		Delivery Date	m² Marketed	Remarks
Munich (Germany)	Offices	Oct. 2010	19,311	Under commitment to be sold to Deka Immobilien
CHU Nancy (54)	Public & Health Amenities	Aug. 2010	30,748	Long term hospital lease
Aubervilliers (93)	Shopping Centers	Apr. 2011	52,800	Physical occupancy rate: 88%
Villejuif (94)	Offices	Jul. 2010_Feb. 2012	42,500	Physical occupancy rate: 100%
Mistral - Paris Gare de Lyon	Offices	Start 2012	7,100	VEFA sold to Agence Française de Développement

Liquidation in record time of the Residential Property disposal memorandum signed at the end of 2009

	1st Sem. 2010	2nd Sem. 2010	2010
No. residential units transferred	17,382	5,976	23,358
Transfer price (€ mil.)	1,205	370	1,575
Transfer result (€ mil.)	892	266	1,158

Significant rebound of the Residential Property Development business, favoring performance and profit yield in 2010 and securing revenue for 2011

	12/31/2010	12/31/2009	Var.(%)
Turnover (€ mil.)	**659**	**616**	**7.0%**
Operating Profit/Loss (€ mil.)	**31**	**8**	**264.3%**
Operating Profit/Loss - Turnover (%)	*4.6%*	*1.4%*	
Sale			
. by quantity	6,788	4,114	65.0%
. by value (€ mil.)	1,207	751	60.6%
Under construction			
.by quantity	5,676	3,171	79.0%
.by potential turnover (€ mil.)	1,055	487	116.5%
Backlog (€ mil.)	811.1	649.7	24.8%

Increased strength of operations, with no tenant risk, of Public and Health Amenities in Commercial Property Development

- *The Public and Health Amenities Development project (under way or under study) portfolio grew 73.0 % to 456,227 m².*
- The main ongoing operations in 2010 include the hospitals at Nancy (54) (30,748 m²) and Saint Nazaire (44) (92,000 m²), for which the projected delivery dates are respectively July 2010 and 2012.

Development and diversification of the Services Division's client portfolio

- Property management – new client mandates in 2010:

Owner	Building	Location	m² managed	Remarks
Condominium including Cie de Saint Gobain, SIIC de Paris, Opéra Rendement	Bureaux CB 20 - Les Miroirs	La Défense, Paris	90,000	IGH classified buildings
Fonds PREF24	Warehouses	Cestas (33)	100,000	Providing a logistics base for CD Disco e-commerce
CNP	Canopée	Guyancourt (78)	17,000	Tenant: Sodexo
EGIS	Le Carat	Lyon (69)	14,400	
Poste Immo	more than 150 buildings	Northern and Southern France	498,000	Multi-occupant buildings
Allianz Real Estate France	Tour Cristal	Paris 15è	26,000	
Beacon Capital Strategic Partners V	Tour First	La Défense, Paris	80,000	

- *Consultancy business – new client mandates in 2010:*
    - o *Icade Sureties: Contract for strategic and operational assistance over 3 years with the town of La Courneuve (93).*
    - o *Icade Transactions:* Mandate to market part of the Paris-area assets consisting of several hundred housing units each year belonging to France Habitation.

- *Serviced residences: Opening of 2 residences in 2010 in Chelles (77) and in Pré-Saint Gervais (93) (252 units).*

Effective commitment to sustainable development

Main achievements

Business	Building	Location	m² Developed	Delivery Date	Certification/Label	Remarks
Residential	H2O	Rueil Malmaison (92)	22,400	October '09	BREEM Good obtained HQE Exploitation under way	Close to 73% of the surfaces will be occupied by Heineken and DBAPPAREL
	Loire / VJ2	Villejuif (94)	21,000	March '10	THPE 2005 obtained	Part of the Metropolitan program - LCL operational HQ
	Centre co. Le Millénaire	Aubervilliers (93)	close to 100,000	April '11	Target HQE Commerce and BREEAM	More than 85% of surfaces already marketed
	Le Beauvaisis	Paris 19è	90,000	4th quarter '11	BBC renewal obtained HQE/THPE under way	13 buildings totalling 10,000 m² surrounded by landscaped greenery
	Tour Descartes	La Défense, Paris	79,000	June '13	Target HQE/BREEAM	
Commercial Development	Urba green	Joinville-le-Pont (94)	19,000	2nd quarter '13	Target BBC EFFINERGIE and BREEAM International 2009 level Excellent	Commitment to purchase property for future completion signed with Wereldhave in December 2010
	Offices – refurbishing of MacDonald warehouse	Paris 19è	15,000	4th quarter '13	Target HQE/BBC	Commitment to purchase property for future completion signed with Régie Immobilière de la Ville de Paris (RIVP) in january 2011
Residential Property Development	All building permits executed have been under BBC label since 2009					
Services	Tour First	La Défense, Paris	80,000	March '11	HQE under way	Property management and support mandate in the certification process

<u>Events subsequent to closing the accounts</u>:

No significant events occurred subsequent to the closing of the books of accounts.

2. Key Figures

(€ millions)	*31/12/2010*	*31/12/2009*	*variation*
Revenue	*1,431.8*	*1 505.6*	*(4.9)%*
EBITDA	*304.4*	*302.3*	*0.7%*
Profit/loss from disposals	*1,173.9*	*533.2*	*120.2%*
Operating profit/loss	*1,352.5*	*665.1*	*103.4%*
Financial profit/loss	*(99.3)*	*(100.2)*	*(0.9)%*
Tax burden	*(33.6)*	*(34.4)*	*(2.4)%*
Net profit Group share	*1,218.0*	*527.1*	*131.1%*
Net current cash flow	*175.0*	*183.9*	*(4.9)%*

Icade posted a revenue of 1,431.8 billion euros at December 31, 2010, compared to 1,505.6 billion euros at December 31, 2009. In 2010, sales in the Residential Property Development business grew spectacularly (jumping more than 60% as compared to 2009) thanks to the low interest rates and tax incentive measures. In parallel, the Commercial Property business has increased and expanded its assets through the integration of the assets of Compagnie la Lucette. These actions have enabled the company to limit the downward thrust associated with the slowdown in the Commercial Property Development business and to perimeter variations (exit from the Asset Management for Individuals and Facility Management businesses in mid-2009 and transfer of the Residential Property business assets in 2010).

(€ millions)	*12/31/2010*	*12/31/2009*	*variation*
Revenue			
Property investment	*394.2*	*421.8*	*(6.5)%*
Property development	*1,030.8*	*1,091.8*	*(5.6)%*
Services	*107.4*	*151.0*	*(28.9)%*
Others	*(100.5)*	*(159.0)*	*36.8%*
Total revenue	*1,431.8*	*1,505.6*	*(4.9)%*

"Other" activities consist of the Icade Group's so-called "head office" charges and eliminations of Icade's intra-group operations.

Evolution of revenue per quarter

(€ millions)	RV Q4 2010	RV Q3 2010	RV Q2 2010	RV T1 2010	RV Q4 2009
Property investment	95	87	110	102	105
Property development	377	216	229	209	313
Services	28	29	25	27	30
Others	-26	-24	-18	-32	-32
Total	474	308	345	306	417

The evolution of revenue in the Residential Property Division is part of Icade's strategy of shifting its assets into commercial assets. Revenue in the commercial property business grew by 25.2 % to 303.7 million euros. This growth comes from the revenue generated by Compagnie la Lucette's assets (integrated as of February 17, 2010, the takeover date) as well as from the operation of assets acquired or delivered in 2009 and 2010 (e.g. the LCL offices in Villejuif (94), the Odysseum shopping center in Montpellier (34), delivered in 2009, and the clinics acquired in 2009 and 2010).Following the transfer of 82 % of its assets, 61 % of this figure during the 1st semester of 2010, the revenue for the Residential Property business dipped from 179.4 million euros in 2009 to 91.2 million euros in 2010.

The Property Development Division's revenue went from 1,091.8 billion euros in 2009 to 1,030.8 billion euros in 2010. The contribution of the Residential Property business rose to 7.0 % thanks to a strong market rebound resulting from tax incentive measures and historically low interest rates. The Commercial Property business has slowed down (linked to Office Development and Shops), limited by the development of the Assistance to Contracting Authorities and the Public and Healthcare Amenities businesses.

The drop in revenue for the Services division is essentially explained by the exit of the Property Management for Individuals and Facility Management businesses, which ceased contributing to Icade's consolidated revenue in the 2nd half of 2009.

The evolution of revenue for Others, which corresponds to the elimination of intra-group operations, reflects the decline in the number of development operations on behalf of property investment. The bulk of the decline comes from housing programs, with revenue, dropping from 37.2 million euros in 2009 to 3.5 million euros in 2010. Similarly, commercial property operations, which were mostly in the form of off-plan arrangements in 2009, mostly consist of contracts providing assistance to the contracting authorities in 2010.

Icade's consolidated revenue, as at December 31, 2010, breaks down as follows: 27.5% for Investment, 72.0% for Development, 7.5% for Services and (7.0%) for Others.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) were 304.4 million euros as at December 31, 2010, as compared to 302.3 million euros on the same date in 2009. *It is distributed as follows: 86.6% for Investment, 20.0% for Development, 2.7% for Services and (9.3) % for Others.*

(€ millions)	12/31/2010	12/31/2009	variation
EBITDA			
Property investment	263.6	285.7	(7.7)%
Property development	60.9	45.7	33.3%
Property services	8.3	3.7	123.4%
Others	(28.4)	(32.8)	(13.8)%
Total EBITDA	304.4	302.3	0.7%

The Investment Division posted an EBITDA of 263.6 million euros as at December 31, 2010, as compared to 285.7 million euros in 2009. Given the pace of the transfers, the contribution of the Residential Property business declined by 66.5 million euros. In 2010 it was 9.9 million euros, including 15.3 million euros in non-recurring items linked to transfer support measures. Similarly,, contribution of the Commercial Property business, in step with revenue growth, increased by 44.4 million euros to stand at 253.7 million euros in 2010. Stemming from the shift to the Commercial Property business, the EBITDA/Revenue rate of the Investment Division, which was stripped of non-recurring Residential Property items in 2010, is now 70.6 % as compared to 67.7% in 2009.

The Development Division’s EBITDA rose 33.3% in 2010, basically in connection to the Residential Property business; the contribution of the Commercial Property business declined only 0.6 million euros in spite of the 22% dip in revenue. In addition to the growth posted in business volume by the Residential Property Division, the performances of both businesses (Residential and Commercial Property) are the result of good construction and structural cost containment.

The Services Division doubled its EBITDA in 2010. On a like-for-like basis, EBITDA grew 18.2% in 2010 resulting primarily from improved profit yield.

Operating profit totaled 1,352.5 million euros as at December 31, 2010, compared to 665.1 million euros at December 31, 2009, representing a 103% increase.

(€ millions)	31/12/2010	31/12/2009	variation
Operating profit/loss			
Property investment	1,290.0	646.9	99.4%
Property development	67.1	45.0	49.0%
Property services	6.9	2.6	168.1%
Others	(11.5)	(29.5)	(61.2)%
Total Operating Profit	1,352.5	665.1	103.4%

This net increase of 687.5 million euros is basically due to capital gains from the transfer of Residential Property assets. The variation from 2009 to 2010 of EBITDA and revenue items is detailed below:

- Net capital gains from transfers of 1,173.9 billion euros were posted in 2010 compared to 533.2 million euros in 2009. These are associated primarily with the Residential Property business assets.

- Net depreciation c**harges of** 149.4 million euros were posted, up 31.7 million euros from 2009, basically in connection to the integration of Compagnie la Lucette's assets.

- As for c**harges** and reversals linked to loss in value on assets, **a net reversal of 23.2 million euros was posted in** 2010, as compared to a net charge of 52.6 million euros in 2009. Provisions in 2009 went basically to assets acquired in 2006 and 2007, or to restructuring, the marketing of which is as yet unfinished. In 2010, the net reversal is primarily due to the voiding of risks associated with assets transferred from the Residential Property division and the reversal of provisions for investment into Residential Property Development following the jump-start of this business.The reversals in provisions on the Offices and Business Parks assets following their sale in 2010 were offset by provisions in Warehouses Division assets.

The Net Profit Group Share reached 1.218 billion euros, against 527.1 million euros as at December 31, 2009.

The **Net Current Cash Flow** was 175.0 million euros as at December 31, 2010. Reprocessed from non-recurring Residential Property Division items, it reached 190.3 million euros, a 3.5% increase over December 31, 2009 (183.9 million euros).

This performance stems from actions taking place throughout 2010. The transition of Icade's property businesses toward commercial property, combined with a favorable setting for the Residential Property Development business, has made it possible to improve the operating profits. Similarly, the cost of indebtedness was reined in, in spite of the increase in average outstanding gross debt (2,875.6 billion euros in 2010 compared to 2,764.9 billion euros in 2009) thanks to debt-restructuring operations and good management of financing terms (the average rate after hedging went from 4.23% in 2009 to 3.93% in 2010).

(€ millions)	*12/31/2010*	*12/31/2009*	*Variation*
EBITDA	*304.4*	*302.3*	*0.7%*
Financial profit/loss	*(99.3)*	*(100.2)*	*(0.9)%*
Effect of non-discounting exit tax	*1.7*	*5.0*	*(66.1)%*
Current financial profit/loss	*(97.6)*	*(95.2)*	*2.5%*
Corporate tax (*)	*(33.6)*	*(34.4)*	*(2.4)%*
Tax on provision for depreciation on client contracts and net release of investment provisions – Property Development Division	*1.6*	*2.5*	*(43.6)%*
Tax on capital gains from sale (**)	*0.2*	*8.7*	*(97.7)%*
Current corporate tax	*(31.8)*	*(23.2)*	*38.2%*
NET CURRENT CASH FLOW	*175.0*	*183.9*	*(4.9)%*

(*) The corporate tax results partly from the activities of the Property Development and Services divisions and partly from Icade's Holding activity.
(**) Including corporate tax on capital gain on transfers to non-SIIC affiliated companies.

Loan to value (LTV):

(€ millions)	12/12/2010	30/06/2010	31/12/2009
Net financial debt	*2,292.2*	*2,335.7*	*2,075.5*
Appraisal values of property companies	*6,128.9*	*6,102.5*	*5,803.9*
Loan to value (LTV)	*37.4%*	*38.3%*	*35.8%*

At December 31, 2010, Icade's net debt stood at 2,292.2 billion euros (against 2,458.8 billion euros at December 31, 2009).

The appraisal value of Icade's real-estate assets (excluding rights) as established by independent experts was 6,128.9 million euros as at December 31, 2010, against 5,803.9 billion euros as at December 31, 2009.

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, service and public & private partnership (PPP) operations, and the appraisal value of the assets (excluding rights) of the Property Division, was 37.4 % as at December 31, 2010 as compared to 38.3 % on June 30, 2010.

NAV:

(€ millions)	12/31/2010	06/30/2010	12/31/2009
Group share of replacement NAV	*4,492.9*	*4,434.0*	*4,444.7*
Replacement NAV per share (Group share - fully diluted in €)	*€87.4*	*€86.5*	*€91.0*
Group share of liquidation NAV	*4,186.8*	*4,117.0*	*4,129.6*
Liquidation NAV per share (Group share - fully diluted in €)	*€81.4*	*€80.3*	*€84.5*

On December 31, 2010, the Net Asset Value (Group's share of liquidation value) stood at 4,186.8 million euros, representing 81.4 euros per share, fully diluted.

C – BUSINESS ACTIVITY AND RESULTS 2010

1. Property Investment

1.1 Presentation

The **Property Investment Division**'s presence is mostly focused on the office and business park segment in the Ile de France region. For diversification purposes, and given their complementary profiles, Icade is also present in the shopping center and healthcare segments. Finally, and more marginally, Icade is also present in segments that are not target assets, including logistical platforms and offices in Germany.

The Offices business in France:

Icade is the owner of office buildings (with a total area of 370,000 m²) mainly in the Central Business District of Paris, but also at La Défense, Neuilly-sur-Seine, Villejuif, Boulogne Billancourt and Issy les Moulineaux.

The Business Parks business:

Icade owns 80 hectares (with a rentable area of 473,400 m² and significant land reserves) in the municipalities of Paris 19th, Saint-Denis et Aubervilliers. There, it created a "business campus" providing diversity and services with the aim of sustainable development.

The Business Parks business is distinguished by its strong organic growth potential. This is why Icade's Commercial Property Division concentrates a large part of its medium-term investment there (both in restructuring existing assets and in constructing new assets of the High Environmental Quality type).This business generates future cash flows and significant value creation.

The Shops and Shopping Centers business:

This business is distinguished by:

- The holding of retail assets such as "Mr. Bricolage", which generate immediate cash flows.
- The operation, since its delivery in October 2009, of a shopping center in Montpellier.
- The construction of a premium shopping center at Aubervilliers (opening in April 2011).

The Public and Healthcare Amenities business:

Since 2007, Icade has acquired 29 healthcare establishments in order to become a major player in the segment, for the following reasons:

- They generate instant cash flows.
- Fixed-term lease durations in excess of 9 years.
- Rental margin rates (net/gross rent) approaching 100%.

Icade has the support of a team with know-how that is recognized in the market.

The Warehouses business:

This business consists primarily of holding a portfolio of assets leased to the Casino Group representing 431,000 m².

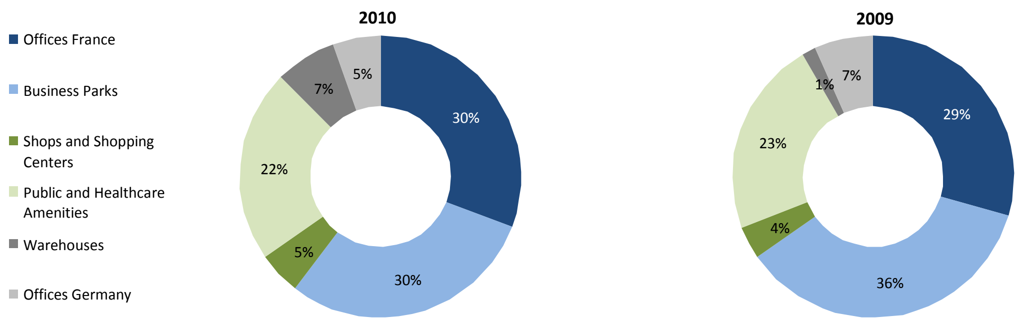
The Offices business in Germany:

Icade owns a portfolio of offices in Germany, acquired in 2006, which is now composed of eight buildings (with a total area of 140,000 m²) mainly located in Munich, Hamburg and Berlin, and 80 hectares of land reserves.

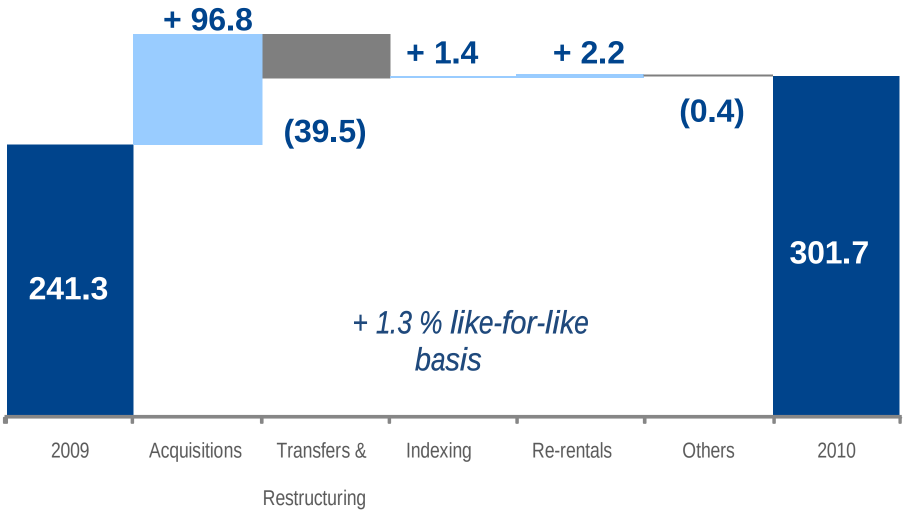
1.2 Key figures as at December 31, 2010

On December 31, 2010, the revenue of the Commercial Property Investment Division represented 303.7 million euros, up by 25.2 % as compared to December 31, 2009. On a like-for-like basis, this represents a growth of 1.3%.

Turnover (in millions of euros)	2010	2009	Δ	Like-for-like basis
Offices France	93.9	71.3	+ 31.7%	(0.1)%
Business Parks	89.7	86.9	+ 3.2%	+ 3.1%
Shops & Shopping Centers	14.9	9.1	+ 62.7%	+ 2.9%
Public and Healthcare Amenities	67.4	55.0	+ 22.6%	+ 0.5%
Warehouses	21.0	3.6	+ 479.8%	(8,2)%
Offices Germany	16.7	16.5	+ 1.1%	+ 1.7%
COMMERCIAL PROPERTY INVESTMENT	**303.7**	**242.5**	**+ 25.2%**	**+ 1.3%**



The table below shows the changes in rental income for 2009/2010:



Rental income, on a like-for-like basis, improved by 1.3% as compared to December 31, 2009.

Rental Income (in millions of euros)	2009	Acquisit°	Transfers	Indexing	Rental Business	Others	2010
Offices France	71.1	61.4	-39.4	-0.3	0.8	-0.6	93.0
Business Parks	86.6			1.2	1.5		89.3
Shops & Shopping Centers	9.1	5.6	-0.1	0.1		0.2	14.9
Public & Healthcare Amenities	54.5	12,1		0.4	-0.1		66.8
Warehouses	3.6	17.7		0.0	-0.3		21.0
Offices Germany	16.4				0.3		16.7
COMMERCIAL PROPERTY INVESTMENT –	**241.3**	**96.8**	**-39.5**	**1.4**	**2.2**	**-0.4**	**301.7**
Other Turnover	1.1	1.0					2,0
COMMERCIAL PROPERTY INVESTMENT -	**242.5**	**97.8**	**-39.5**	**1.4**	**2.2**	**-0.4**	**303.7**

Acquisitions and delivery of assets:

- Rental income linked to asset deliveries amounted to €14.8 M. This is the case of two office assets located in Villejuif (4.8 million euros), or of the Centre Commercial Odysseum in Montpellier (4.2 million euros in quota share).

- Rental income linked to the purchase of assets, primarily in the healthcare sector, reached 5.8 million euros;

- Rental income linked to the integration of Compagnie la Lucette’s assets, as of February 17, 2010, reached 76.0 million euros.

Transfers and restructuring:

These mainly concerned the sale, at the end of 2009, of the assets at 114 avenue des Champs Elysées and 3/5 avenue de Friedland for 9.4 million euros and the neutralization, in January 2010, of the Descartes Tower for renovation, for 29.8 million euros.

The Rental business (rentals, re-rentals, renewals, departures) :

- The marketing, in July 2010, of one-third of the available surface area at the H2O building in Rueil-Malmaison (1.3 million euros in rental fees generated in 2010).

- Marketing of the remainder of vacant surfaces in the Millénaire 2 building (2.7 million euros in supplementary rental fees).

- The departure of Publicis from buildings 123 and 124 in the Portes de Paris business park (0.5 million euros). The two buildings have been leased during the financial year to tenant Quick.

- The balance is explained primarily by the effect of lease renewals in 2009 and 2010. In fact, with a view to securing sustainable cash flows, Icade has pursued talks with its tenants, either taking advantage or in anticipation of the expiry of certain leases, in order to bring leases up to market rates in exchange for a lengthening of the fixed term of these leases.

The **net rent** of the Commercial Property Investment division stood at 275.7 million euros on December 31, 2010, representing a margin rate of 91.4%, down by 2.0 points as compared to December 31, 2009.

	2010		2009	
Net Rental (in millions of euros)	Net Rental	Margin	Net Rental	Margin
Offices France	82.6	88.8%	67.3	94.7%
Business Parks	77.7	87.0%	78.5	90.7%
Shops & Shopping Centers	14.3	95.7%	8,3	90.8%
Public & Healthcare Amenities	65.6	98.2%	53.1	97.5%
Warehouses	19.8	94.0%	2.8	78.0%
Offices Germany	15.8	94.9%	15.2	92.3%
COMMERCIAL	**275.7**	**91.4%**	**225.3**	**93.4%**

This change is explained by an increase in non-recovered charges on assets that are vacant or undergoing major renovation (Descartes Tower: 1.7 million euros in supplementary charges, Link building in Paris: 1.2 million euros in non-recovered charges).

The **Operating Profit/Loss** for the Commercial Property Investments Division was 120.8 million euros as at December 31, 2010, a 24.4-million-euro rise from December 31, 2009.

This increase can be explained by:

- Net reversals of provisions for depreciation of assets amounting to 3.2 million euros (6.0 million euros from the reversal of provisions for the H2O asset in Rueil Malmaison following the marketing of 73% of the building's surfaces in 2010).

- Asset retirements totaling 8.8 million euros.

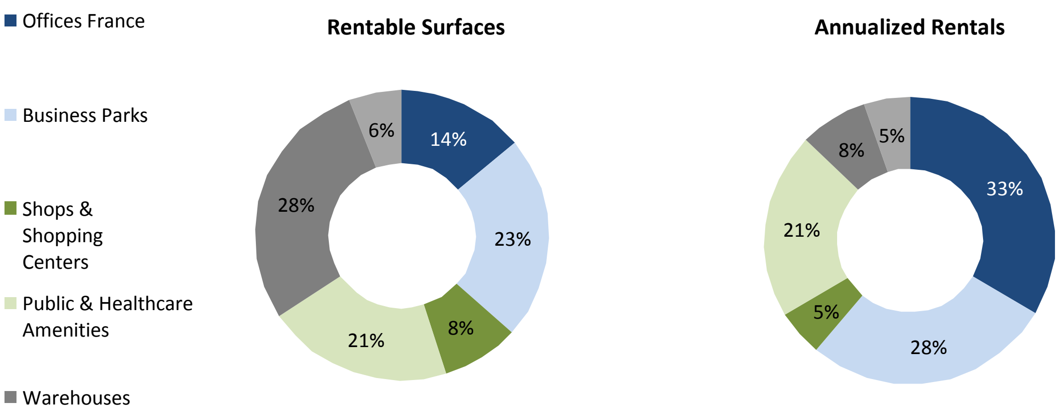
These consist primarily of building 291 in the Portes de Paris park at Aubervilliers, for 2.9 million euros, and the Millénaire 3 & 4 for 3.9 million euros. Recent reflections on the launch of the stated projects have led to adjustments taking into account the evolution of user expectations and the overall project involving the development of business parks. As some of the studies performed and expenses incurred have become obsolete and not reusable for a new project, it was decided to write them off.

- Capital gains from asset transfers amounting to 3.6 million euros corresponding to 14.4 million euros in transfers (see details in section 1.5 Arbitrage Business).

1.3 Rental Business

Breakdown of indicators by business

Business	Rentable Surfaces	Rented Surface	Physical Occupancy Rate	Financial Occupancy Rate	Annualized Rental € mil.	Average Rental /m2	Residual Firm Lease Duration (years)
Offices France	290,916	247,368	85.0%	85.1%	105.3	443	5.6
Business Parks	473,441	431,021	91.0%	91.3%	89.2	258	3.4
Parc du Mauvin	21,916	21,916	100.0%	100.0%	3.3	152	1.3
Parc du Millénaire	58,287	58,287	100.0%	100.0%	17.0	292	4.2
Parc du Pont de Flandre	75,736	69,914	92.3%	92.4%	20.6	267	4.4
Parc des Portes de Paris Aubervilliers	241,497	213,029	88.2%	87.5%	36.2	170	2.5
Parc des Portes de Paris Saint Denis	68,399	60,269	88.1%	87.2%	9.5	157	4.8
Quartier du Canal	7,606	7,606	100.0%	100.0%	2.6	341	2.4
Shops & Shopping Centers	176,511	176,511	100.0%	100.0%	16.2	92	8.0
Shopping Centers	27,701	27,701	100.0%	100.0%	7.3	264	4.6
Mr Bricolage Stores	148,810	148,810	100.0%	100.0%	8.9	60	10.9
Public & Healthcare Amenities	442,793	442,793	100.0%	100.0%	70.3	159	10.6
Clinics	407,849	407,849	100.0%	100.0%	58.1	142	9.5
Others	34,944	34,944	100.0%	100.0%	12.2	350	15.5
Warehouses	599,004	541,609	90.4%	90.6%	24.1	44	5.8
Casino Warehouses	430,846	430,846	100.0%	100.0%	18.3	42	7.2
Other Warehouses	168,158	110,763	65.9%	69.8%	5.8	52	1.3
Offices Germany	119,762	102,402	85.5%	89.6%	15.9	156	4.9
COMMERCIAL	**2,102,428**	**1,941,704**	**92.4%**	**91.0%**	**321.1**	**165**	**6.2**



New Agreements

In spite of a difficult economic environment, Icade signed 72 **new leases** over FY 2010 covering 79,300 m² and representing 18.1 million euros in annualized rents.

New Agreements - Assets in Operation:

- Completion of the marketing of the Millénaire 2 building (Paris 19th) with the installation of the IFOP headquarters (2,600 m² - effective June 1, 2010) and the Ile-de-France ARS (Regional Healthcare Agency) (16,500 m² - effective September 1, 2010).
- Marketing of 73% of the surface area in the H2O building in Rueil-Malmaison to DB Apparel (7,300 m² - effective July 1, 2010) and Heineken (9,100 m^2 – effective September 1, 2011).;
- Building 123-124 Parc des Portes de Paris: The building left vacant by Publicis (5,600 m² – effective December 1, 2010) was marketed to the tenant Quick France.
- Marketing of the surface area of building 267 in the Portes de Paris business park in Aubervilliers in June 2010 (4,200 m² – effective April 1, 2011).
- Marketing in October 2010 of 10,500 m^2 in the Marignane warehouse. The surface area had been freed up in September 2010 by the tenant Somefor.

In July 2010, Icade finalized negotiations with a prospective tenant to lease the entire surface area at the Link Boulevard building in Grenelle (Paris 15th – 10,500 m^2). This lease was subject to suspensive conditions that could not be met by the prospect in the second half of 2010. As provided for in the lease, Icade has therefore lost, in compensation, an indemnity sum of 3.1 million euros.

New Agreements - Developing Assets:

- Tenant LCL for the lease of the Le Tolbiac building currently under construction in Villejuif (Dept 94 – 10,000 m^2).Delivery is planned for February 2012.
- Tenant DIRECCTE (Direction Régionale des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi) for the lease in July of 2011 of 12,400 m^2 (6,200 m^2 as Icade quota share) in the offices adjacent to the Le Millénaire shopping center
- The marketing by year-end 2010 of more than 88 % of the surface area in the Le Millénaire shopping center (including Boulanger, Carrefour, C&A, Fnac, H&M, Sephora, Toys'R'Us, Zara…). The center is expected to open its doors in April 2011.

Renewals

During the 1st half of 2010, Icade continued its rental policy, which consists of offering its main tenants the renewal of their leases in order to secure a sustainable cash flow. This asset management work resulted in the signing of 24 leases covering 54,200 m².

The renewals have secured 16.9 million euros in headline rents over an average firm period of over 6 years.

Tenant Departures

Departures during the 1st half of 2010 covered 60 leases (46,500 m²) and represented a rental loss of 6.6 million euros. Notably, 42% of the surface area, freed up in 2010, was re-leased during the same financial year.

The **vacant surface area** as at December 31, 2010, of different types, should be differentiated, in terms of consequences, according to their use. They mainly involve the following assets:

Assets in Operation	Cities	Rentals (m²)	Potential Annual Rentals (€mil)
H_2O	Rueil-Malmaison	6,000	
7 Messine	Paris	2,200	
Factory	Boulogne	14,000	
Link Grenelle	Paris	10,500	
Autres Bureaux France		10,800	
	Subtotal Offices France	**43,500**	**18.4**
Bâtiment 521	Aubervilliers	15,000	
Bâtiment 026	Paris	4,000	
Bâtiment 137	Saint-Denis	3,600	
Autres Parcs Tertiaires		19,800	
	Subtotal Business Parks	**42,400**	**8.2**
Tharabie	Saint Quentin Fallavier (38)	31,300	
Eurofret	Strasbourg (67)	23,000	
Autres Entrepôts		3,100	
	Subtotal Warehouses	**57,400**	**2.5**
Autres Bureaux Allemagne		17,400	
	Subtotal Offices Germany	**17,400**	**1.9**
		160,700	**31**

List of Main Tenants at December 31, 2010

Occupants	Rentals %	Rented Surfaces %
Générale de Santé	7.7%	6.9%
PwC	6.9%	1.6%
Groupe Vedici	5.8%	7.3%
Groupe Casino	5.7%	22.2%
Groupe Scor	4.0 %	1.6%
Crédit Agricole SA	3.8%	2.2%
Ministère de l'Interieur	3.6%	1.5%
Groupe Mr Bricolage	2.8%	7.7%
Groupe Icade	2.7%	1.5%
Groupe Rhodia	2.1%	1.9%
GMG (t-systems)	2.1%	2.1%
Groupe Harpin	2.0%	2.5%
Ministère des Finances	2.0%	0.6%
Groupe Pierre & Vacances	1.7%	1.0%
Groupe 3H	1.7%	2.7%
Euro Média France	1.5%	2.2%
Groupe Axa	1.5%	0.3%
Agence Régionale de Santé	1.5%	0.9%
Tribunal de Grande Instance	1.3%	0.4%
Club Mediterrannée	1.1%	0.7%
Solde	38.6%	32.4%
	100%	**100%**

The classification of the main tenants by value and by floor area changed significantly as a result of the arrival of clients of Compagnie la Lucette (PwC, Casino, SCOR, etc.) and by the departure of IBM from the Descartes Tower. As at December 31, 2010, the 10 biggest tenants accounted for total annualized rentals of 144.6 million euros (45% of annualized rentals).

Lease Maturities by Businesses

Business	Offices France	Busines Parks	Shops and Shopping Centers	Public and Healthcare Amenit	Warehouse	Offices Germany	Total	%
2011	6.9	17.1	0.1		1.4	0.6	**26.1**	**8.3%**
2012	20.7	14.8	2.3		4.6	1.8	**44.2**	**13.8%**
2013	13.4	22.3	0.1	2.1	0.2	2.0	**40.0**	**12.4%**
2014	4.8	10.1			3.2	2.6	**20.7**	**6.5%**
2015	7.8	3.6	3.3		3.4	0.4	**18.5**	**5.8%**
2016	1.4	8.2	0.0			1.4	**11.1**	**3.4%**
2017	4.4	2.3		0.2	2.4	0.5	**9.8**	**3.1%**
2018	6.4	1.2				6.6	**14.2**	**4.4%**
2019	10.8	6.2	1.1	14.4			**32.5**	**10.1%**
>2019	28.7	3.3	9.4	53.6	8.9	0.1	**104.0**	**32.4%**
Total	**105.3**	**89.2**	**16.2**	**70.3**	**24.1**	**15.9**	**321.1**	**100.0%**

As at December 31, 2010, the average firm lease period represented 6.2 years, up by 0.4 years as compared to December 31, 2009 (5.8 years) resulting partly from active work by the Asset Management department with tenants during FY 2010 (renewals and new signings), and also from the integration, as of February 17, 2010, of the assets of Compagnie la Lucette, for which the leases have an average maturity of greater than 6 years.

Rental Position - Risk of rent revision

Assets	Annualized Rents €mil	Risks rents (€mil)	%	Market rents (€mil)	Potential Risk (€mil)
Offices France	105.3	17.4	16.5%	15.2	-2.2
Business Parks	89.2	10.9	12.2%	8.9	-1.9
Shops & Shopping Centres	16.2	0.0	0.0%	0.0	0.0
Public & Healthcare Amenities	70.3	0.0	0.0%	0.0	0.0
Warehouses	24.1	0.6	2.6%	0.5	-0.1
Offices Germany	15.9	0.0	0.0%	0.0	0.0
COMMERCIAL	**321.1**	**28.9**	**9.0%**	**24.7**	**-4.2**

Icade, which has benefited from continuous increases in rental fees, 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, through indexing, the amount of indexed rent is 25% greater than the amount of the initial rent, then the tenants have the right to request that their rent be revised in order to bring it to their respective market values.

The analysis, made within the scope of the Commercial Property Investment Division, nevertheless shows that the risk is limited.

In effect, the potential risk of recovery of the market rental value represents 4.2 million euros, lower than that at December 31, 2009 taking into account the lease renewals signed in 2010 (with a potential rental loss risk of around 1.3% of the Commercial Property Investment Division).

Average Age of Assets Operated by Businesses

Business	DI Surveys 12/2010 €mil	HQE	Average Asset Age < 10 years	Average Asset Age > 10 years
Offices France	1,890	414	1,416	474
Business Parks	1,332	357	622	710
Shops & Shopping Centers	238		174	64
Public & Healthcare Amenities	1,067		763	304
Warehouses	274		197	77
Offices Germany	267		210	57
COMMERCIAL PROPERTY INVESTMENT	5,069	771	3,382	1,686
			67%	33%

The average age of the assets was calculated taking into account the latest asset-restructuring events that have taken place.

With regard to the assets operated by the Commercial Property Investment Division, based on appraisal values (rights included), as at December 31, 2010, of the assets in operation, close to 67% were built or renovated after less than 10 years.

In addition, the proportional share of assets in operation that are HQE certified represented close to 15 % of the total as at December 31, 2010.

Geographical Breakdown of Assets

Geographic Area	Annualized Rentals €mil	%	Rentable Surfaces	%
Paris QCA	15.0	4.7%	26,597	1.3%
Banlieue Ouest	75.6	23.5%	177,137	8.4%
Others Paris	45.9	14.3%	161,903	7.7%
Other Paris	88.4	27.5%	531,055	25.3%
Provinces	80.3	25.0%	1,085,974	51.7%
Overseas	15.9	5.0%	119,762	5.7%
	321.1	100.0%	2,102,428	100.0%

The Offices and Business Parks of the Commercial Property Investment Division are mainly located in Paris and the Ile-de-France region.

The Shops and Shopping Centers and Clinics assets are essentially located in the provinces.

1.4 Investment Business

Icade has continued the development of its assets to eventually increase their cash flow and, at the same time, has acquired health assets that produce immediate cash flow. The amount of these investments over the period stood at **480.6 million euros**.

Assets	Total	Asset Acquisiton	Asset Restructuring	Constructions Extensions	Renovation Major Maintenance
Offices France	172.7	0.0	42.5	122.5	7.9
Business Parks	34.9	0.0	15.1	1.2	18.5
Shops & Shopping Centers	79.8	20.0	0.0	59.9	0.0
Public & Healthcare Amenities	159.3	111.0	0.0	48.2	0.0
Warehouses	2.8	0.0	0.0	0.0	3.0
Offices Germany	31.0	0.0	0.0	29.0	2.0
COMMERCIAL	480.6	131.0	57.6	260.8	31.4

This policy can be divided into four types of investments:

Acquisition of assets: selective strategy concerning assets with high profitability and immediate cash flow. This can be further divided as follows:

- Public and Healthcare Amenities: acquisition of 7 healthcare establishments in FY 2010 for a total of 111.0 million euros, taking assets in operation to close to 408,000 m^2 and 4,850 beds at December 31, 2010.

These new acquisitions form part of the investment strategy that Icade is carrying out in health (a strategy to build up an attractive portfolio in terms of net yield, with several operators and therefore with a satisfactory diversification of the rental risk) and they complete its nationwide coverage, with a total portfolio of 4,850 beds and places for a floor area of approximately 390,000 m².

It is worth noting that the majority of the leases are very favorable for the Clinics business, since the tenant is contractually obliged to take on all the charges and the expenses for major maintenance and renovation (net triple rent).

- Shops and Shopping Centers: acquisition in December 2010 of Pôles Ludiques 1 & 2 in Montpellier (15.0 million euros) continuing the operation of Odysseum and the Saint-Dizier store run by the Mr. Bricolage group (5.0 million euros).

Asset restructuring: selective strategy to develop assets generating the potential for significant profitability. This includes:

- Offices France at 42.5 million euros, 29.8 million euros of which are for the first stage of works at the Descartes Tower as part of its renovation with the permission of its tenant. These works were able to commence in early 2010 thanks to the studies carried out in 2009.

Icade has decided to invest a total of 362.0 million euros so that the Descartes Tower, once refurbished, can position itself among the late-generation towers in La Défense (quality of services, environmental seals, and prime lease level). Delivery is scheduled for the 1st semester of 2013.

- Business Parks:15.1 million euros concerning the works at Beauvaisis (028).

Le Beauvaisis:

Le Beauvaisis is located in the Parc du Pont de Flandre, Paris 19th.This park extends over an enclosed 5 hectares and offers more than 90,000 m² of offices and business premises over 13 buildings. The park is located in immediate proximity to the Porte de la Villette, close to the Corentin Cariou metro station (line 7). The park has two inter-company restaurants, two cafeterias, a fitness center and a daycare service. It is surrounded by 10,000 m² of landscaped green spaces.

The work on Le Beauvaisis consists of large-scale renovation, aiming for HQE/THPE certification. The projected cost of this renovation work is 43.6 million euros. Delivery is expected in the last quarter of 2011.

Since its launch, this project has been the subject of an HQE certification process. Certification was obtained in April 2009 for the "program" phase, based on the following high-performance profiles:

- The relationship of the building with its environment
- Energy management
- Management of waste from the activity
- Maintenance and long-term sustainability of environmental performance

It is the 1st Paris operation to obtain the BBC Rénovation seal of approval.

Construction/Extension of Assets: the policy carried out for this type of investment consists in pre-selling the future asset before launching the construction or extension. These investments involve:

- Offices France:

  - Metropolitan operation in Villejuif for 75.5 million euros invested over FY 2010, consisting of the construction of 80,000 m^2 in office space spread out through 5 buildings. As at December 31, 2010, 3 buildings (46,000 m^2) were in operation and fully rented to tenant LCL.

    - Le Factory building in Boulogne for 38.9 million euros. Delivery is scheduled for October 2010. It is developing 14,000 m^2 of office space.

- Shops and Shopping Centers:57.7 million euros for development of the Millénaire shopping center in Aubervilliers. Delivery is planned for April 2011.

- Public and Healthcare Amenities: These mainly involve construction or extension of clinics, amounting to 31.8 million euros.

- Offices Germany: The construction of 19,311 m² services building in Munich, pre-rented to Ernst & Young, was delivered in October 2010. The investment in 2010 was 29.0 million euros. This asset was leased under a transfer agreement concluded in December 2009 with Deka Immobilien (German savings bank group). The transfer should be effective in 2011 following the resolution of the last suspensive conditions.

Renovation/Major Maintenance & Repairs: primarily expenses relating to business park renovation and support measures (lessor works).

1.5 Arbitration Business

Icade is carrying out an active arbitration policy on its assets, revolving around three main principles:

- Optimization: sale of "prime" assets, for which most of the Asset Management work has been done and where there is a high probability of sales capital gain.

- Portfolio rationalization: sale of assets of modest size or those that are held under joint ownership.

- Transition to the commercial sector: sale of assets that do not belong to the Commercial Property Investment core business.

During the 1st half of 2010, the amount of disposals made represented 14.4 million Euros. These are included in the “Portfolio Rationalization” category.

- The Commerce’s de Ruffed asset operated by the Mr. Bricklayer group: with a surface area of 2,250 m^2, this asset was transferred in January 2010 for 0.9 million Euros.

- The Business Parks asset called Building 206 located near the future Place du Front Popularize. This disposal of land to the benefit of SEM Plaines Commune will allow development works to be carried out in the public Front Popularize square, along with the arrival of the Metro in 2012, which will contribute substantially to the park’s development. The transfer took place in May 2010 for 2.2 million Euros.

- The offices business at Rue Magellan (Paris 8):with a surface area of 810 m^2, this asset was disposed of in July 2010 for 3.9 million Euros.

- The office assets on the 15th floor of the Grande Arche: with a surface area of 1,287 m^2, this asset was disposed of in December 2010 for 6.9 million Euros.

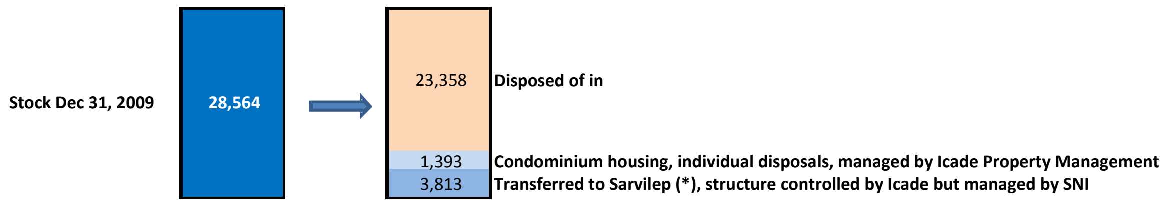
1.6 Residential Property Investment Division

(€ millions)	*12/31/2010*	*12/31/2009*	*Variation*
Revenue	*91.2*	*179.4*	*(49.2) %*
EBITDA (*)	*9.9*	*76.4*	*(87.1) %*
EBITDA/Revenue	*10.8 %*	*42.6 %*	
Operating profit/loss	*1,169.2*	*550.6*	*112.4 %*

(*) including support measures totaling 15.3 million euros

1.6.1 Implementation of a memorandum of understanding for disposal signed in November 2009

As announced, all of the transfers indicated in the memorandum were completed. The evolution of the portfolio and the pace of transfers in 2010 are presented below:



(*) Servile is a structure, created with SNI on July 1, 2010, and 99.99% owned by Cade. Their operation, administration and assets will be managed by the SNI, which allows the transfer of the concerned personnel. Of the 3,813 housing units transferred to Servile, a promise of sale was made on 248 units located in Sarcelles in early July of 2010. The sale went through in mid-January of 2011.

	Disposals at December 31, 2009	Disposals in 1st semester 2010	Disposals in 2nd semester 2010	Disposals at December 31, 2010	2009 & 2010 Disposals
Number of housing units disposed of					
. bulk	6,698	17,286	5,847	23,133	**29,831**
. individual units	261	96	129	225	**486**
Sale price (in € mil.)	609	1,205	370	1,575	**2,184**
Disposal result (in € mil.)	489	892	266	1,158	**1,647**

Of the 29,831 housing units disposed of in 2009 and 2010, 24,407 units were subject to the memorandum of understanding signed in late November 2009. Of those not included in the memorandum of understanding, 874 units located in Villiers le Bell were initially included in the transfer to Servile.

1.6.2 Non-recurring Items

Approximately 15.3 million Euros in net non-recurring charges linked to disposals were ascertained as of December 31, 2010. These consist primarily of transfer bonuses paid out to employees leaving the company and joining the teams of the 26 social housing organizations, who are party to the memorandum of understanding signed in November 2009.

2. Property development

2.1 Key data

The real estate development sector has adapted to the requirements of the new environmental standards and attracts investors who want to obtain a safe and attractive return on capital encouraged by tax incentives.

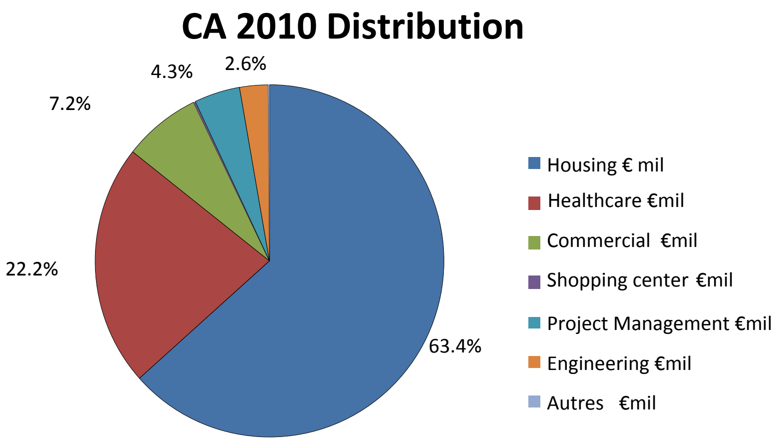
In 2010, the Housing Development segment in 2010 achieved a record level of activity.
Cade recorded an increase in sales agreements signed and housing starts of 65% and 79% respectively over 2009. At the same time, the average sale price per square meter increased by 10.1%.
These elements, combined with control of construction and structural costs, improved Cade's performance significantly. As a result, EBITDA and operating profit in 2010 more than tripled from 2009 levels.
This strong performance is expected to continue in 2011 given the existing backlog as of December 31, 2010 which totaled 811.1 million euros, representing over 12 months of 2010 revenue.

Results were mixed in 2010 for the Commercial Development segment.
To adapt to a slower market, the Office segment postponed the launch of certain operations. As a result of the efforts made, Icade closed the year successfully with the sale, at delivery, of an office project in Bordeaux (33) and with signing two off-plan sale contracts, despite the absence of an end user, in Joinville (94) at the location of the former Mac Donald warehouses in Paris (75). Construction for the off-plan sale contracts will begin in 2011.
The Contracting Authority Assistance activity as a growth sector was expanded (increase by 18.6% in revenue over 2009 and 17.8% in the end of year order book).
Icade also confirmed its position in the Public Healthcare Amenities segment. This counter-cyclical activity expanded significant with the construction of the Saint Nazaire hospital centre (44) (92,000 m²) and an increase of 73% in m² in the portfolio of current projects or projects under study

(€ millions)	*12/31/2010*	*12/31/2009*	*Variation*
REVENUE	*1,030.8*	*1,091.8*	*(5.6)%*
Housing development activities	*658.9*	*616.0*	*7.0%*
Commercial property development	*380.4*	*486.5*	*(21.8)%*
Intra-business development	*(8.5)*	*(10.7)*	*(20.3)%*
EBITDA	*60.9*	*45.7*	*33.3%*
Housing development activities	*23.0*	*7.2*	*217.6%*
Commercial property development	*37.9*	*38.5*	*(1.4)%*
Intra-business development	*0.0*	*0.0*	*0.0%*
OPERATING PROFIT/LOSS	*67.1*	*45.0*	*49.0%*
Housing development activities	*30.5*	*8.4*	*264.3%*
Commercial property development	*36.6*	*36.7*	*(0.2)%*
Intra-business development	*0.0*	*0.0*	*0.0%*

(*) Revenue by progress, after inclusion of the commercial progress and work progress of each operation.

Revenues



The Housing business, which represents 63.4% of division revenue, increased its revenue by 7% in 2010. This increase offset the effects of the decline in the Commercial property development sector.

In a downward trend, Commercial Development businesses varied depending on the market in 2010. Commercial property development for offices and retail centers slowed sharply in order to limit exposure to speculative operations. At the same time, secure revenue from the Public and Health Amenities segment rose 21.9%, and revenue for project management operations was up 18.6% in 2010.

Revenue for Engineering activities also inceased by 7%.

EBITDA and operating profit improved substantially in 2010 to a total 5.9% and 6.5% of revenue respectively. In 2009, these same indicators were 4.2% and 4.1%. These performances reflect the strong activity and the improvement in the Housing situation, the solid results from the Housing Development activities on delivery of its operation, and the strong resistance of the Engineering segment.

Two other factors impacted operating profit as follows:

- Positively, as a result of the revision of their commercial potential, the net reversals of provisions on properties on operations launched or abandoned in late 2008 and on current operations, in the amount of 14.8 million euros;
- Negative, the amortization of customer contracts in the portfolio of the Opéra Construction Group acquired in 2007 for 6.6 million euros.

Development backlog and Service order book

Backlog represents the revenue signed (before taxes) not yet recognized on development operations based on progress and signed reservations (before tax).

The order book represents the service contracts before tax signed and not yet completed.

Development backlog as at Dec 31, 2010 (€ millions)	*Total*	*Ile de France*	*Regions*
Housing development (inc. subdivision)	*811.1*	*304.6*	*506.5*
Commercial property development	*225.5*	*214.8*	*10.7*
Retail property development			
Public and healthcare amenities	*261.3*	*67.4*	*193.9*
Engineering order book	*39.5*	*28.2*	*11.3*
Project management services order book	*100.5*	*51.2*	*49.3*
TOTAL	*1,438.0*	*666.4*	*771.6*
	100.0%	*46.3%*	*53.7%*

The total backlog for the Development division amounted to 1,438.0 million euros (against 1,248.8 million euros in 2009), an increase of 15.2%.

This growth was primarily driven by the following factors:

- the 25% increase in the Housing Development backlog Promotion, which rose from 649.7 million euros to 811.1 million euros because of the growth in the business. This backlog is heavily secured, because signed sales agreements represent 71% of the total (compared to 40% as of December 31, 2009);

- a doubling of the Commercial Property Development backlog from 111.4 million euros to 225.5 million euros, primarily because of the off-plan agreements on the commercial and office building in northeast Paris (75) (63.0 million euros) and Joinville (94) (67.2 million euros);

- the decline of 26% in the Public and Healthcare Amenities backlog from 352.7 million euros to 261.3 million euros.

2.2 Housing Development Activities

(€ millions)	*12/31/2010*	*12/31/2009*	*Variation*
Revenue	*658.9*	*616.0*	*7.0%*
EBITDA	*23.0*	*7.2*	*217.6%*
Margin (EBITDA/Revenue)	*3.5%*	*1.2%*	
Operating profit/loss	*30.5*	*8.4*	*264.3%*

(*) Revenue by progress, after inclusion of the commercial progress and work progress of each operation.

With a volume of 120,000 housing units sold, the market was primarily supported by investors (65% of sales) through assistance for first-home buyers such as the "property pass", a 5.5% VAT, and a more open market for existing homes for second purchases.
This trend accelerated the disposal rate of inventory to a very high level, resulting in a very low offer available for sale which was 6 months lower than the activity.

This distortion between an insufficient supply and high demand lead to an increase of approximately 10% in sale prices.

At the end of the year, the industry managed a record sales, the result of a reduction in the tax benefits stipulated in the 2011 Finance Law.
The year was also marked by the development of city senior residences under the name, "Patio d'or".

In this context, Icade's performance improved significantly; growth over 2009 was greater than 60% both in sales and in housing starts.

MARKETING OF NEW HOUSING AND LOTS FOR CONSTRUCTION IN 2010:

	Ile de France	Regions	TOTAL
Number of lots	*1,584*	*3,007*	*4,591*
Revenue (potential in € millions)	*323.5*	*534.4*	*857.5*

The level of completed unsold stock remains low: 218 housing units representing revenue of 33.4 million.

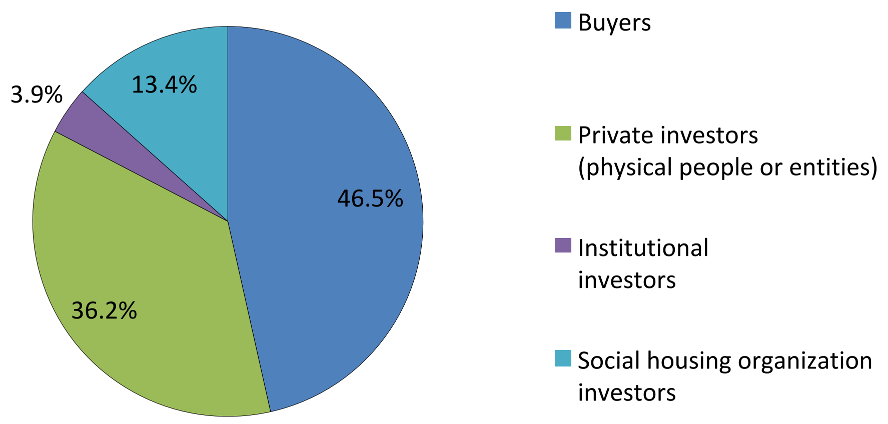
LAUNCH OF NEW HOUSING & BUILDING LOT OPERATIONS IN 2010:

	Ile de France	Regions	TOTAL
Number of lots	*1,899*	*3,777*	*5,676*
Revenue (potential in € millions)	*395.2*	*659.3*	*1,054.5*

RESERVATIONS OF NEW HOUSING AND BUILDING LOTS

	31/12/2010	31/12/2009	Variation
Number of housing reservations	*5,173*	*5,057*	*2.3%*
Reservations of homes in € millions (including VAT)	*989.6*	*947.5*	*4.4%*
Withdrawal rate for homes	*19%*	*22%*	
Number of reservations for building lots by number	*368*	*345*	*6.7%*
Reservations of building lots in € millions (including VAT)	*25.9*	*23.5*	*10.2%*

BREAKDOWN BY TYPE OF HOUSING CUSTOMER



Reservations for first-time buyers were up significantly, representing 2,576 housing units or 46.5% of the business (compared with 28.5% in the previous year).

Private investors represented 36.2% of reservations, while institutional and social-housing investors reserved 17.3% of housing units (compared with 38.9% and 32.5% respectively in 2009).

Average sale price and average area based on reservations:

	12/31/2010	12/31/2009	Variation
Average price including VAT per habitable m² (€/m²)	*3,426*	*3,113*	*10.1%*
Average budget including VAT per unit (K€)	*191.4*	*187.3*	*2.2%*
Average surface area per unit (m²)	*55.9*	*60.2*	*(7.1)%*

The average budget for reserved housing units over the year was €191.4K€.

The average price with VAT per m² rose significantly from 2009 (+10.1%) under the impact of the increase in sale prices, but also because of a high percentage of transactions involving small housing units and a lesser impact for the reduced VAT for sales to declining social housing investors.

LAND RESERVES PORTFOLIO

The land reserves portfolio for housing and building lots totaled 9,036 lots (9,175 lots at the end of 2009), representing potential revenue estimated at 1.734 billion euros (up from 1.658 billion euros at year-end 2009).

Production in development represented about 2 years of activity, the result of a prudent policy of land acquisition.

2.3 Commercial Property Development

(€ millions)	*12/31/2010*	*12/31/2009*	*Variation*
Revenue	*380.4*	*486.5*	*(21.8)%*
EBITDA	*37.9*	*38.5*	*(1.6)%*
Margin (EBITDA/Revenue)	*10.0%*	*7.9%*	
Operating profit/loss	*36.6*	*36.7*	*(0.4)%*

Revenue (€ millions)	*12/31/2010*	*12/31/2009*	*Variation*
Commercial property development	*380.4*	*486.5*	*(21.8)%*
. Public and healthcare amenities	*231.2*	*189.7*	*21.9%*
. Commercial Property	*74.8*	*169.7*	*(55.9)%*
. Retail property development	*1.7*	*62.3*	*(97.3)%*
. Project management assistance	*44.2*	*37.3*	*18.6%*
. Engineering	*27.4*	*25.6*	*7.1%*
. Others	*1.2*	*1.9*	*(36.8)%*

Public and healthcare amenities

The public-private partnership (PPP) market was mainly for schools, sports and leisure facilities where Icade was an active player participating in calls for applicants prior to competitive bidding. Icade participated actively in several major PPPs: the partnership with the Ministry of Defence and with the Ministry of Justice in Paris, along in partnership with the ISAE in Toulouse and the work of the CUB. The Vincennes Zoo PPP was signed in early 2010.

Icade was highly successful in the health sector, providing project management services to the contracting authority for the construction of clinics and hospitals in Pointe à Pitre, Nantes and Dunkerque.

The medical-social segment continued to grow in nursing homes (EPHAD) and assisted living facilities.

The campus plan carried by Caisse des Dépôts will complete the first phases in 2012 during which Icade should be a leading player at the national level.

The expertise and competence of its teams give Icade the resources to become a reference player in these segments.

The partnership with Poste Immo in ARKADEA continued with ten valuation studies in progress, some of which may lead to co-development projects.

On December 31, 2010, Icade's portfolio of projects in Public and Healthcare Amenities represented 238,923 m² of projects under construction, including 115,000 m² (122,748 m^2 on December 31, 2009) for PPPs and 217,304 m^2 (14,804 m² on December 31, 2009) for projects in the initial development stage.

As of December 31, 2010, the principal operations in progress were as follows:

Operations in progress	Total rounded floor area (in m2 Net Floor Area)	Type of development offices, shops, etc...)	Operation type	Location	Expected Completi on date
Hospital at Saint Nazaire	92 000	Hospital	Property Development Contract	Saint Denis (44)	**2012**
VINCENNES Zoo (PPP)	10 000	Zoo	Property Development Contract	Paris 12th (75)	**2013**
Sablé Sur Sarthe	16 000	Centre de Soins	Property Development Contract	Sablé Sur Sarthe (72)	**2011**
Centre MUCEUM Marseille (PPP)	13 000	Archaeology museum	Property Development Contract	Marseille (13)	**2012**
Saint AIGNAN DAHER 2	8 939	Industrial Warehouse Building	Property Development Contract	St Aignan (44)	**2011**
Lyon La Sucrière 2	11 522	Multi-purpose space (hall+museum+ offices)	Property Development Contract	Lyon (69)	2011
St Nazaire Pen Bron	4 475	ETS with medical care	Property Development Contract	Saint Denis (44)	2011

Principal operations delivered in 2010:

- Vandoeuvre Les Nancy (54) : hospital under Property Development Contract (in PPP) of 30,748 m²;
- Le Mans Technicampus (72) : training centre under Property Development Contract of 12,650 m²;
- St Aignan Daher 1 (44) : industrial building under Property Development Contract of 9,674 m²;
- Paris 19th Maison Blanche Lassalle : facilities under Property Development Contract of 7,783 m²;
- Lomme Hélène BOREL (59) : medical residence under Property Development Contract of 5,094 m²

In 2010, 125.5 million euros (Icade's share) of contracts were signed for off-plan sales or property development contracts:

Principal contracts signed in 2010:

- Property Development Contract for Vincennes Zoo in Paris (75) for 48.8 million euros ex VAT;
- Property Development Contract for the MUCEM archive centre in Marseille (13) for 20.0 million euros excluding VAT.
- Property Development Contract for Lyon La Sucrière 2 (69) signed in September 2010 for 12.1 million euros excluding VAT.
- Property Development Contract for the Centre de Soins-Etudes at Sablé sur Sarthe (72) for 10.2 million euros excluding VAT.
- Off-plan EHPAD in Le Havre (76) for 8.2 million euros excluding VAT

Commercial and Retail Property

Commercial Property

The level of investment in France amounted to 11 billion euros in 2010, up from 7.7 billion euros in 2009, an increase of 42%. In 2010, 75% was invested in Ile de France and 25% in the regions, with 68% allocated to offices and 24% to retail stores.
During this period, the rates of return fell rapidly for all assets, rents stabilized and demand satisfied in Ile de France was 2,160,500 m² versus 1,870,900 m² in 2009. This change in demand satisfied was carried by the small and medium size units, 43% of which were in Paris.

In this context, Icade continued its efforts resulting signing the off-plan contracts, despite the absence of an end user, in Joinville (94) (offices) and in Paris (75), at the site of the former Mac Donald warehouses (offices and activities) and the sale at delivery of an office operation in Bordeaux (33). As the off-plan projects were signed in late 2010, completion will contribute to results in 2011.

In 2010, revenue for Commercial Property Development declined sharply because of the delay in the launch of new operations to limit exposure to speculative operations. The main operations contributing to revenue in 2010 were Villejuif (blocks 1, 3, 4 and 6) for Commercial Property and the "Lumine & Sens" building in Bordeaux Ravesies.

Retail stores:

The Retail Property Development business in 2009 was marked by the construction on behalf of the Commercial Property segment of the Odysseum retail centre in Montpellier (34), delivered at the end of 2009.

In 2010, it continued with project management services, including the Millénaire retail centre in Aubervilliers (93) for Commercial Property.

As of December 31, 2010, Icade Promotion had a portfolio of projects in Commercial and Retail Property Development of approximately 603,063 m² (514,984 m^2 as of December 31, 2009), which can be analyzed as follows:

- projects under construction for 93,668 m^2 (87,417 m² on December 31, 2009), representing future revenue of 225.5 million euros (118.2 million euros on December 31, 2009), including 24.65 % (69% on December 31, 2009) for Property.
- projects at the initial development stage covering 509,395 m^2 (427,567 m^2 on December 31, 2009), representing revenue of 1,443.1 million euros (717.4 million euros on December 31, 2009). The second group of projects represent projects not yet initiated or 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 Property Development 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.

The main projects currently under development are summarized in the table below:

	Total rounded floor area (in m² Net Usable Floor Area)	Type of structure (offices, shops, etc.)	Location	Type of operation	Buyer	Expected Completion date
Saint Denis Landy (50%)	22,001	Offices	Saint Denis (93)	Property Development Contract	**SILIC**	**2013**
Villejuif Tolbiac	10,839	Offices	Villejuif 94	Property Development Contract	Icade	**2012**
Joinville « Canadiens »	18,950	Offices	Joinville 94	Off Plan	Wereldhave	**2013**
Villejuif Rhin Garonne	20,260	Offices	Villejuif 94	Property Development Contract	Icade	**2011**
Paris Northeast Activities	15,000	business premises	Paris 19th (75)	Off Plan	**RIVP**	**2013**
Lyon VAISE	**6,618**	Offices	**Lyon (69)**	Property Development Contract	**SPI WEST**	**2012**
Total	**93,668**					

The main projects currently being negotiated, with land controlled and a building permit applied for or obtained, are summarized in the following table:

	Total floor area rounded off (in m² Net Usable Floor Area)	Type of structure (offices, shops, etc.)	Location	Type of operation	Expected Completion date
Le Perreux	11,000	Offices	Le Perreux (94)	Off Plan	**2012**
CACHAN RN20	11,995	Offices	CACHAN (94)	Off Plan	**2012**
Pyrénées	30,000	Offices	Paris (75)	Off-plan/Property Development Contract	**2014**
NORTH EAST PARIS – Passage du Nord (50%)	27,624	Offices	Paris (75)	Off Plan	**2013**
Choisy tr1 * ZAC du PORT	33,090	Offices	Choisy le Roi	Off Plan	**2013**
Bordeaux Armagnac Prélude	9,347	Offices	Bordeaux (33)	Off Plan	**2012**
Toulouse Blagnac Daurat	17,160	Offices	Toulouse (31)	Off Plan	**2014**
Guyancourt	30,200	Offices	Guyancourt (78)	Off Plan	2012
NEXANS Ilot L (50%) *	12,837	Offices	Lyon (69)	Off Plan	2013
NEXANS Ilot M (50%) *	12,320	Offices	Lyon (69)	Off Plan	2012
Total	195,573				

Operations built under speculative development with commitment limited to land and studies
Operation with commitment to launch the operation

The main projects currently being mounted, with land controlled but without a building permit, are summarized in the following:

	Total floor area rounded off (in m² Net Usable Floor Area)	Type of structure (offices, shops, etc.)	Location	Type of operation	Expected Completion date
IVRY sur SEINE	31,000	Offices + housing	Ivry (94)	Off Plan	**2013**
Zac de Rungis Paris 13ème *	18,900	Offices	Paris (75)	Off Plan	**2014**
Bagneux	53,000	Offices	Bagneux (92)	Off Plan	**2015**
Cachan Desmoulins	8,500	Offices	Cachan (94)	Off Plan	**2012**
Toulon AGPM	4,000	Offices	Toulon (83)	Property Development Contract	**2013**
Ramonville BUCHENS	9,476	Offices+ Hotel	Ramonville (31)	Off Plan	**2013**
PARIS NORD EST – commercial	31,700	Shopping centre	Paris 19ème (75)	Property Development Contract	**2013**
Nîmes - Parc Costières	27,976	Shopping centre	Nîmes (30)	Off Plan	**2013**
Marseille Capelette 50%	58,982	Shopping centre	Marseille (13)	Off Plan	**2014**
Nice Méridia tr2 50%	3,900	Offices	Nice (06)	Property Development Contract	**2014**
Nice Méridia tr 3 50%	5,685	Offices	Nice (06)	Property Development Contract	**2015**
Nice Méridia tr 3 50%	6,000	Offices	Nice (06)	Property Development Contract	**2016**
Nice Sophia Amadeus	10,619	Offices	Nice (06)	Off Plan	**2013**
Toulouse Borderouge	8,530	Offices	Toulouse (31)	Off Plan	**2014**
Floirac Zac des quais ilot K	12,909	Offices+ craft village	Floirac (33)	Off Plan	**2014**
Toulouse Northern Zone	22,645	Offices	Toulouse (31)	Off Plan	**2013**
TOTAL	**313,822**				

Operations built under speculative development with commitment limited to land and studies

On December 31, 2010, 100% of surfaces under construction were sold.

Operations under speculative development represent an irreversible commitment of 187.4 million euros (excluding VAT).

Principal operations delivered in 2010:

- Villejuif Block 3 (21,201 m² offices) & Villejuif 4 (8,555 m² offices) to LCL to install the services for its head offices;
- NICE Méridia 1 operation (10,200m² offices) to COGEDIM OFFICE PARTNERS;

- BORDEAUX Lumine & SENS-Ravesies operation (3,243 m² offices) to UFG.

Contracting authority assistance

Project Management Assistance includes contracts to provide contracting authority assistance and studies performed for customers in the Public and HealthCare, Commercial and Retail Property sectors.

The top Retail projects are the Le Millénaire centre in Aubervilliers (93) with delivery scheduled for April 2011, as well as the development of the Costières Parc project in Nîmes (30), the Passage du Nord retail centre in Northeast Paris and the La Capelette retail centre in Marseille (13).

In 2010, the principal contracts represented 26.7% of the revenue for the activity. This represented the project of Icade Property Development (Descartes Tower – la Défense, Paris, Le Millénaire shopping centre in Aubervilliers (93) and the Beauvaisis in the Parc du Pont de Flandre (Paris 19th), on the Montparnasse Tower in Paris, a hospital in Nouméa and the Nice strategic plan.

The order book stands at 100.5 million euros, representing 27 months of revenue (based on last 12 months).

Engineering

Investments made in previous years in Sustainable Development technologies means that Icade can participate in the design and construction of the first positive-energy buildings.

The Engineering segment is also involved in the establishment of the first Tower Operating HQE certifications at La Défense in Paris and the preparation of the first Energy Performance Contracts resulting from the French Environmental Grenelle.

As a result, major contracts were signed, including the general contracting agreements for the MAJUNGA tower at la Défense, Paris for UNIBAIL, the restructuring of the clinics in Nouméa in Caledonia (7 million euros in fees), the Dijon clinic (21) (350 beds) for GENERALE DE SANTE.

This expertise and the contracts awarded increased revenue by 7% in 2010, bringing into the pipeline 17 months worth of business.

Intra-group operations with Property Development Investment

For Office Development:

Continuation of programs for the head offices of LCL in Villejuif (94).
Targeted revenue as at December 31, 2010 was 55.7 million euros.

For Contracting Authority Assistance:

Le Millénaire retail centre in Aubervilliers (93),
Major renovation of the Descartes Tower at la Défense (92),
Major renovation of the Beauvaisis building in the Parc du Pont de Flandres in Paris (75).
Targeted revenue as at December 31, 2010 amounted to 3.2 million euros.

2.4 Working capital and net debt

The working capital requirement for the Development division was lower by 82.3 million euros as at December 31, 2010 as compared with that during the same period in 2009.

This improvement was primarily generated by the Housing Development business which achieved a record disposal rate in December 2010, as individual investors wanted to take advantage of the tax measures in force in 2010. As a result, the number of sales closed in December 2010 represented 40% of sales for the full year. This active marketing reduced the level of inventory (-18 million euros in 2010) and significantly increased the amount of the cash calls collected (decline of 78 million euros in customer receivables in 2010).

At the same time, the inventory of land and studies in the Commercial Development segment rose by 48 million euros in connection with the operations in development (located primarily in La Capellette - Marseille, Choisy, and Gerland)

Based on the high level of collections at year end, **net debt** improved, declining from a financing requirement of 36.5 million to a financing surplus of 43.6 million euros.

In an extremely active residential housing market, a stable PPS market, and a Commercial market that was still difficult in the first part of the year, but which generated a definitive return for investors, the Development division recorded revenue that fell slightly over 2010 (-5.6%) but with significantly improved profitability, the result of an increase in the margins in the residential market and a compression of structural costs.

Operating profit amounted to 6.5% of revenue at 67.1 million euros, an increase of nearly 50% over 2009.

The outlook for 2011 suggests an increase in revenue, continued improvement in residential margins, the return of investors to the commercial and retail sectors, and an increase in Property Development Contracts in medical-social facilities.

3. Property Services

The Services division mainly covers property management, the operation of serviced residences, and consulting and surveying.

At the end of the 1st semester of 2009, the "property management for individuals" and "facility management" activities were divested. The comparison of the results on December 31, 2010 is therefore impacted by the results of these two activities, which were retained until June 30, 2009.

The reorientation of the Services division continued in 2010 with the disposal, during March, of Icade Italia, a property management company in Italy with an annual revenue of about 5 million euros.

(€ millions)	*12/31/2010*	*12/21/2009*	*Variation*
REVENUE	*107.4*	*151.0*	*(28.9)%*
Core businesses	*106.4*	*106.3*	*0.1%*
Property management	*31.2*	*31.3*	*(0.2)%*
Serviced residences	*47.9*	*46.1*	*3.9%*
Consulting and surveying activities	*27.7*	*29.6*	*(6.2)%*
Intra-business services target activities	*(0.5)*	*(0.7)*	*(30.2)%*
Divested businesses	*1.0*	*44.7*	*(97.8)%*
Property management for individuals	*0.0*	*18.2*	*(100.0)%*
Facility management	*0.0*	*23.8*	*(100.0)%*
Property management	*1.0*	*4.5*	*(78.6)%*
Intra-business divested services	*0.0*	*(1.7)*	*(100.0)%*

EBITDA	*8.3*	*3,7*	*123.4%*
Core businesses	*7.5*	*6.3*	*18.2%*
Property management	*2.5*	*1.1*	*132.8%*
Serviced residences	*2.6*	*1.5*	*78.2%*
Consulting and surveying activities	*2.4*	*3.8*	*(37.5)%*
Intra-business services	*0.0*	*0.0*	*0.0%*
Divested businesses	*0.8*	*(2.6)*	*(131.8)%*
Property management for individuals	*0.0*	*0.6*	*(100.0)%*
Facility management	*0.0*	*(3.5)*	*(100.0)%*
Property management	*0.8*	*0.3*	*167.5%*
Intra-business services	*0.0*	*0.0*	*0.0%*

Operating profit/Loss	*6.9*	*2.6*	*168.1%*
Core buiness activities	*6.1*	*4.8*	*26.1%*
Property management	*2.1*	*0.5*	*295.0%*
Serviced residences	*2.1*	*1.0*	*101.3%*
Consulting and surveying activities	*1.9*	*3.3*	*(42.7)%*
Intra-business services	*0.0*	*0.0*	*0.0%*
Divested businesses	*0.8*	*(2.2)*	*(137.3)%*
Property management for individuals	*0.0*	*0.3*	*(100.0)%*
Facility management	*0.0*	*(3.3)*	*(100.0)%*
Property management	*0.8*	*0.8*	*9.3%*
Intra-business services	*0.0*	*0.0*	*(0.0)%*

The **revenue** of the target businesses reached 106.4 million euros on December 31, 2010. Though stable overall compared to 2009, the evolution differs between businesses as follows:

- A 3.9% increase in revenue for the Serviced Residences business following a 2.8% increase in the number of managed student residence units in France and Spain, with a total number of managed units at 14,125 by December 31, 2010.

  Significantly, the full effect of the delivery in 2010 of 2 residences, located in Chelles (77) and in Pré St Gervais (93), for a total of 252 units, will be felt in 2011. Similarly, in Spain 2 projects are being developed in partnership with the University of Catalonia, with 285 units to become operational in Barcelona in September 2011.

  Assets managed in France as at December 31, 2010:

  Icade operates 56 serviced residences in France, representing nearly 7,400 units spread over the entire national territory.

  Icade is the 3rd-largest private operator of student halls of residence, behind Lamy Résidences (more than 12,000 units) and Réside Etudes (more than 10,000 units) and in front of BNP Paribas (5,800 units).

  As at December 31, 2010, 61% of the units were operated under commercial lease agreements, and 39% were under a management mandate.

- A 6.2% decline in appraisal and consulting activities, which are subject to the uncertainties of the times. In 2010, these businesses withstood a sharp drop in private sector orders and more competition in the public sector bidding processes.

- The sustained revenue of the Property Management business, thanks to new mandates that made up for the decline in rental thresholds linked to lease renegotiations in 2009, and lost mandates linked to arbitration by the owners.

  The main mandates received in 2010 include:

  The mandate of the property-owner association mandate for the CB 20 Les Miroirs tower, for 4 buildings representing 90,000 m², strengthening Icade's presence at La Défense (550,000 m² managed),

  Overall management contract of the First tower (80.000 m²) in the 4th quarter of 2010.

  The Tour Cristal contract (29,000 m² Paris XV) in the 4th quarter of 2010.

  Management assured in regions on behalf of Poste Immo (498,000 m²).

  Managed assets in France at December 31, 2010:

  2,300,000 m² managed

  1,400,000 m² property-owners' association

  725,000 m² controlled

  14,400 units managed on behalf of institutions

  Moreover, in its bid to re-launch the Services business, Icade's property management company in Spain, Fincas Anzizu, has reached a share transfer agreement effective from January 31, 2011. Its revenue in 2010 was 2.1 million euros.

Intra-Group Operations with Other Icade Businesses

Icade's Consulting Division also provided support for the disposal of certain Icade investment assets, though less than that in 2009. In addition, the Services Division participates in the management and disposal of residual Residential Property. In technical consulting matters, the Services Division provides support to Icade to ensure the security of all its business parks.

The **EBITDA** of target activities, with a stable revenue, increased by 18.2% to 7.5 million euros as at December 31, 2010 as compared to 6.3 million euros as at December 31, 2009.

The improved profit yield results from the Property Management and Serviced Residences businesses thanks to cost-containment efforts. The profit yield of the Consulting and Appraisal businesses declined in step with the drop in revenue.

The **Operating Profit/Loss** of target businesses showed a profit of 6.1 million euros as at December 31, 2010, compared to 4.8 million euros at December 31, 2009. In keeping with its strategy, Icade is implementing all performance enhancement measures available to each of its businesses.

4. Others

“Other” activities consist of the Icade Group's so-called “head office” charges and elimination of Icade's intra-group operations.

Other revenue stood at 100.5 million euros as at December 31, 2010, compared to 159.0 million euros in 2009, and mainly corresponds to the elimination of revenue related to intra-group operations. Property Investment purchases:

- In commercial property: Property development contract and assistance to the contracting authority in the Commercial Property Development Division: Offices in Villejuif, Le Millénaire shopping centre in Aubervilliers (93), Descartes Tower in La Défense (92), the Le Beauvaisis building in Paris (75).Impact on revenue of 71.3 million euros in 2010.

- In residential property: off-sale contracts of the Commercial Property Development Division. Impact on revenue of 3.5 million euros in 2010.

The “Others” **Operating Profit reached** 11.5 million euros as at December 31, 2010 against 29.5 million euros in 2009. In 2010 it was composed, on one hand, of margin eliminations in Icade’s intra-group operations at 1.7 million euros, and on the other, of the negative contribution of Icade’s “head office” charges of 9.7 million euros.

In 2010, this negative contribution of Icade’s “head office” included 2.9 million euros in non-recurring charges linked in particular to perimeter variations (support for the disposal of the Italian subsidiary and finalization of Compagnie la Lucette acquisition).

5. Profit/Loss 2010

5.1 Financial Profit/Loss

Icade's financial results as at December 31, 2010 stood at 99.3 million euros against 100.2 million euros on December 31, 2009.

This improvement is part of Icade’s policy of optimizing the use of resources. It has allowed it to restructure, in record time (less than one year), more than one billion euros in Compagnie la Lucette’s financial debt, in addition to the good use of liquidity from the disposal of assets of the Residential Property business. Icade has thus enjoyed more favorable financing terms than those observed by others within its sector of activity.

5.2 Tax Burden

The tax charge for 2010 stood at 33.6 million euros against 34.4 million euros on December 31, 2009.

Icade SA was subject to a verification of its accounting books.
The Tax Administration called into question the market values as at December 31, 2006 coming from real-estate appraisals and used for the exit tax calculation (corporate tax at the rate of 16.50%) in the merger/absorption of Icade Patrimoine by Icade, on January 1, 2007. This would result in an increase in the exit tax bases generating an additional tax of 204 million euros. The company is fully challenging this proposal for an adjustment in accordance with its advisors position. Consequently, no provision to this end has been accounted as at December 31, 2010.

5.3 Net Profit Group Share

After taking into account all of the above factors, the **Net Profit Group Share** reached 1.218 billion euros as at December 31, 2010, against 527.1 million euros as at December 31, 2009.

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 12.74% as at December 31, 2010.

Icade's 2010 net book profit stood at 1,219.1 million euros, corresponding to a fiscal profit of 420.4 million euros.

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

- 25.2 million euros of current profits from SIIC activities exempt and subject to an 85% distribution obligation.
- 414.0 million euros in profit from disposals, subject to a 50% distribution obligation over the next two years.
- The dividends of the SIIC subsidiaries, after assignment of net financial income, stood at -24.1 million euros.
- Taxable profit which stands at 5.3 million euros.

The distribution obligation amounted to 228.4 million euros in 2010 including:

- 21.4 million euros in respect of rental activities (85% obligation)-
- 207.0 million euros relating to disposals (obligation for 50% over a maximum of 2 years), which Icade decided to pay in one single installment.

In order to confirm its trust in the medium term perspectives of Icade, it will be proposed to the annual shareholders meeting on April 7 to distribute a dividend of 3.30 € a share (to be paid on April 21 2011) in addition to the 4 € a share already paid to shareholders on September 28 2010, resulting in a total dividend of 7.30 € a share. On the basis of the 51,811,722 existing shares at February 16 201, the amount of distribution of dividends to be proposed to the shareholders meeting will be 378.2 million euros. In this manner Icade will respect its distribution obligations.

III – NET ASSET VALUE AS AT DECEMBER 31, 2010

Given Icade's operational performance (positive impact on NAV of the income for the year restated for gains on disposals of + 146 million euros, which is + 3.0 euros per share) and the recovery of the real estate market (impact of the increase in the value of the real estate holdings restated for the gains of + 149 million euros, or + 2.8 euros per share), the principal elements of the NAV were up for the year 2010. However, because of the distribution of the interim dividend of 4 euros per share in September 2010 following the operation to dispose of assets of the Residential Property Investment segment, the liquidation NAV was down by 3.7% in fine over 2010.
On December 31, 2010, the liquidation Net Asset Value stood at 4,186.8 million euros, representing 81.4 euros per share, fully diluted.

A - VALUATION OF PROPERTY ASSETS

1. Summary of expert valuations on Icade's assets

Group assets stood at 6,128.9 million euros excluding rights against 5,803.9 million euros at the end of 2010, a variation of +325.0 million euros over 2009 (5.6%). On a like-for-like basis, the yearly variation in portfolio value was +157.5 million euros, representing an increase of +2.9% over December 31, 2009, as detailed in the table below:

Portfolio value excluding rights (€ millions) (1)	12/31/10	12/31/09	(€ mil)	Variation (in %)	variation (%) on a like-for-like basis (€ millions)	variation (%) on a like-for-like basis (in %) (2)
Housing investment division	360.6	1,992.1	(1,631.5)	(81.9)%	(22.0)	(6.0)%
Commercial property investment division	5,768.3	3,811.8	+1,956.5	+51.3%	+179.5	+3.5%
Value of the property assets	**6,128.9**	**5,803.9**	**+325.0**	**+5.6%**	**+157.5**	**+2.9%**

(1) **Based on the scope of consolidation as of December 31, 2010 (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 during the period.**

Icade's property assets are appraised by independent property surveyors twice a year, for the publication of the half-yearly and annual financial statements, according to arrangements compliant with the SIIC code of ethics published in July 2008 by the "Fédération des sociétés immobilières et foncières" [Federation of property and real-estate companies].

The property surveys were performed by CB Richard Ellis Valuation, Jones Lang LaSalle, DTZ and Foncier Expertise.

These surveyors were chosen according to criteria of independence, qualification, reputation and competence in property appraisals, taking into account the geographical location and characteristics of the buildings. Each year or for each appraisal campaign, a surveying contract is drawn up between Icade and the property surveyors based on a flat remuneration taking into account the specifics of the buildings (number of units, number of square metres, number of current leases, etc.,) and independently of the value of the assets. The mandates entrusted to each surveying company are renewable each year and, since Icade's listing on the stock market, they have existed on average from between three and five years; for the mandates assigned prior to stock market listing, the surveyors rotate their teams internally every seven years.

The surveyors' assignments, for which the main methods of valuation and the conclusions are presented hereafter, are performed according to the standards of the profession, and in particular:

- The Property Valuation Survey Charter, third edition, published in June 2006.
- he "Barthès de Ruyter" report from the COB (AMF) dated 3 February 2000 on the valuation of the property assets of companies making public offerings for investment.
- At the international level, the TEGOVA (The European Group of Appraisers Association) European survey standards published in April 2009 in the Blue Book, and the standards of the Red Book from the Royal Institution of Chartered Surveyors (RICS).

These various texts specify the qualification of the appraisers, the rules for good conduct and ethics and the basic definitions (values, surface areas, rates and the main methods of valuation).

The values are established on the basis of "rights included" and "ex-rights", the "ex-rights" values being determined after deduction of fees and legal expenses calculated on an outright basis by the surveyors. In the case of buildings appraised by two surveyors, the chosen valuation is the average of the two values appraised.

The sites are systematically visited by the surveyors for all new assets entering the portfolio. New site visits are then organized according to a long-term schedule, or each time that a specific event in the life of the building requires it (occurrence of significant modifications in its structure or environment). Following their work, the surveyors issue a surveyor's report, which is generally presented in the form of a summary surveyor's report and/or a surveying certificate. For assets that were not surveyed, the surveyors update their previous reports after reviewing changes that have occurred in their legal, urban or rental situations.

Following the procedures currently in practice within the Group, the total value of the Icade assets were valued as of December 31, 2010, with the exception of:

- Properties currently the subject of an expert opinion, including those covered by a promise of sale at the time the accounts were closed, and which are valued on the basis of the contract selling price; at December 31, 2010, this was the case for the MK9 property in Munich leased to Ernst & Young.

- The buildings underlying a financial transaction (i.e. capital lease or rent with the option to buy where Icade acts exceptionally as the fund lender) which are maintained at the cost price, or at the purchase option cited in the contract; the office building in Levallois Perret leased to the Ministry of the Interior over a 20-year period with a purchase option (LDA) is the only building which is in that category on December 31, 2010.

- Public buildings and works held via a PPP (Public Private Partnership) which are not valued, since the ownership ultimately returns to the State at the end of the concession. These assets are held at the net book value and are not listed in the property assets currently published by Icade.

- The buildings acquired under off-plan sales or from the Group's property developers, which are also valued at their cost price until the date of delivery, like the office buildings in Villejuif; these assets are maintained at the cost price disbursed at December 31, 2010.

- Buildings acquired less than three months before the date of the Half-year or Annual Closing which are maintained at the book value. On December 31, 2010, the recreational centers 1 and 2 in Montpellier and 4 clinics (Elrond in Landerneau, the Bourget clinic, the private Villeneuve d'Ascq clinic and the private clinic of Marne la Vallée de Bry sur Marne) were recognised at their acquisition price.

2. The Housing Investment Division

Given the significant disposals completed in 2010 under the memorandum of understanding signed with the consortium, the holdings of the Housing Investment Division at December 31, 2010 consisted of the properties contributed to the joint structure with the SNI under the memorandum of November 2009 as well as the condominiums units and the various residual assets of the Residential Investment Division, which are valued on the basis of property expert appraisals.

The value of the Housing Investment Division's portfolio stood at 360.6 million euros ex-rights at the end of December, 2010, compared to 1,992.1 million euros on December 31, 2009, representing a change of (-1,631.4) million euros (-81.9%).

Ex-rights value of assets (€ millions)	12/31/10	12/31/09	Variation (€ millions)	Variation (in %)	variation (%) on a like-for-like basis (€ millions)	variation (%) on a like-for-like basis (in %) (1)
Housing investment division	**360.6**	**1,992.1**	**(1,631.5)**	**(81.9)%**	**(22.0)**	**(6.0)%**

(1) After neutralizing disposals and investments during the year

This change is primarily due to the impact of the disposals in 2010. At constant consolidation, the change in the value of the holdings of the housing division was -22.0 million euros (-6.0%) and was essentially due to the adjustment in the value of the condominium units.

3. The Commercial Property Investment Division

The total value of the Commercial Property portfolio stood at 5,768.3 million euros excluding rights at the end of December 2010, compared with 3,811.8 million euros at the end of 2009, representing an increase of 1,956.5 million euros (51.3%).

Ex-rights value of assets (€ millions)	12/31/10	12/31/09	Variation (€ millions)	Variation (in %)	variation (%) on a like-for-like basis (€ millions)	variation (%) on a like-for-like basis (in %)
Offices division	2,687.7	1,339.3	+1,348.4	+100.7%	+61.7	+2.6%
Business parks division	1,416.1	1,288.7	+127.4	+9.9%	+76.5	+5.9%
Shops and shopping centers division	370.3	281.2	+89.1	+31.7%	+12.1	+4.3%
Public and healthcare amenities	1,035.3	841.7	+193.6	+23.0%	+34.2	+3.9%
Warehouses Division	258.9	60.9 (1)	+198.0	+324.8%	(5.0)	(1.9)%
Total commercial property investment division	**5,768.3**	**3,811.8**	**+1,956.5**	**+51.3%**	**+179.5**	**+3.5%**

(1) Warehouses belonging to the ex-SIICInvest were grouped in the "Offices" line on 31/12/09.

By neutralizing the impact of acquisitions and disposals carried out in 2010, the variation in the value of commercial assets was + 3.5% on a like-for-like basis. This increase in value is evidence of the very solid resiliency of the assets of Commercial Property Investment to the market trends seen in the corporate property investment market in 2010.

75% of the value of this portfolio is located in Ile-de-France, primarily in the inner circle of Paris. The buildings located in Paris and La Défense alone representing 31% of the total. The assets located in Germany, which are included in the Office segment, represented 7% of the portfolio.

Valuation of the commercial property assets by geographical sector	Value excl. Rights (€ mil.)		Variation (€ mil.)	Variation on a like-for-like basis (€ mil.)	Variation on a like-for-like basis (%)
	12/31/10	12/31/09			
Paris QCA	276	168	+108	+15	+5.8%
Paris (excluding QCA)	918	620	+298	+49	+5.9%
La Défense	611	406	+205	(17)	(3.1)%
Western quadrant	1,024	363	+661	+32	+3.3%
Inner ring	1,303	1,047	+256	+71	+6.8%
Outer ring	180	134	+46	+6	+3.4%
S/T Ile de France	**4,312**	**2,738**	**+1,574**	**+156**	**+4.1%**
Regional	1,076	716	+360	+29	+3.1%
Germany	380	358	+22	(5)	(1.4)%
TOTAL	**5,768**	**3,812**	**+1,956**	**+180**	**+3.5%**

The values at December 31, 2010 for each of the property portfolios composing the Commercial Property Division are stated below: Offices, Business Parks, Shops and Shopping Centres, Public and Healthcare Amenities and Warehouses.

3.1 The Commercial Property Division - Offices

This activity includes the buildings belonging to Office Investment Property France and the property assets belonging to Icade REIT in Germany. The total value of this portfolio stood at 2,687.7 million euros ex-rights at the end of December 2010, versus 1,339.3 million euros at the end of 2009, representing an increase of 1,348.4 million euros (+100.7%).

Valuation of assets (€ millions	12/31/10	31/12/09	Variation (€ millions)	Variation (in %)	variation (%) on a like-for-like basis (€ millions)	variation (%) on a like-for-like basis (in %)
Offices, France	2,307.3	981.2 [1]	+1,326.1	+135.2%	+66.6	+3.2%
Icade REIT	380.4	358.1	+22.3	+6.2%	(4.9)	(1.4)%
Offices division	**2,687.7**	**1,339.3**	**+1,348.4**	**+100.7%**	**+61.7**	**+2.6%**

(1) After restatement for the warehouses belonging to the ex-SIICInvest grouped in the "Offices" line on 31/12/09.

In 2010, the investments made in office assets, which mainly include the acquisition of the office portfolio of Compagnie la Lucette, stood at a total of 1,296.9 million euros. By neutralizing the impact of these investments, the variation in the value of the assets of the Offices division at the end of 2010 was 61.7 million euros on a like-for-like basis, representing an increase of +2.6%. Since their acquisition in February 2010, the value of the office assets of Compagnie la Lucette has increased by 2.0% after restatement of the investments.

This change is mainly explained by the effect of the drop in interest rates leading to an increase in value of approximately 153.5 million euros, an increase that was slightly lessened by the impact of the business plan for the buildings in the amount of (-91.7) million euros over the year.

Yield of assets and reversion potential

Valuation of office shopping centre assets	Valuation inc. rights (€ millions) (1)	Value excl. Rights (€ millions) (2)	Net return ex-rights (3)	Average price €/m² (4)
Paris QCA	293	276	6.2%	10,376
Paris (excluding QCA)	207	198	6.8%	7,813
La Défense	247	234	8.7%	5,130
Western Quadrant	892	847	6.3%	8,333
Inner Circle	202	198	6.4%	4,297
Outer Circle	37	35	11.2%	1,358
Total IDF	**1,878**	**1,788**	**6.8%**	**6,601**
Regional	32	30	9.1%	1,497
Germany	317	307	6.9%	2,208
TOTAL	**2,227**	**2,125**	**6.8%**	**4,942**
Property reserves and projects under development	569	563	n/a	n/a
TOTAL	**2,796**	**2,688**		

(1) Valuation, including rights, of the Office holdings established on the basis of the average of the expert appraisal values at December 31, 2010.
(2) Valuation ex-rights of the Office holdings established on the basis of the average of the appraisal values at December 31, 2010 (after deducting the taxes and recording fees calculated at a flat rate by the experts).
(3) Net annualized rents of rented floor space added to potential net rents of vacant floor areas at market rental value in relation to the exclusive rights appraisal value of rentable floor areas.
(4) Established in relation to appraisal value excluding rights.
(5) Primarily includes the land and projects under development in Germany (Arnulfstrasse 61 in Munich, Goldsteinstrasse in Frankfurt, Mercedesstrasse in Düsseldorf, Hohenzollerndamm and Salzufer in Berlin and Ahrensdorf in Ludwigsfelde), the buildings under construction in Villejuif (avenue de Paris), the Tour Descartes and the Mistral project in Paris (15th).

The yield of the Office division's buildings was 6.8% at the end of 2010 (versus 7.6% at the end of 2009) for a reversion potential (*) valued at (-4.8%) based on the market rental values estimated by the property appraisers. This change in the rate of return was generated by the positive change in the rates used by the experts to calculate the value of the assets related to improved market conditions and a lower rental risk because of the increase in the occupancy rate, but also by the change in the scope of consolidation (consolidation of the assets of Compagnie la Lucette and delivery of two buildings to LCL).

(*) reversion Potential: difference ascertained between the market rental value of the rented floor area and the annualized rent net of non-recoverable charges for these same floor areas (expressed as a percentage of net 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.

3.2 The Commercial Property Investment Division - Business Parks

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 market value of the assets of the Business Parks was valued at 1,416.0 million euros ex-rights at December 31, 2010, compared with 1,288.7 million euros on December 31, 2009, representing an upward variation of 127.3 million euros (+9.9%).

Icade allocated 50.9 million euros in maintenance and development investments in its Business parks in 2010.

On a like-for-like basis, after neutralizing investments for the year, the value of Icade's business parks rose 76.4 million euros over 2010, i.e. 5.9%.This variation reflects +50.5 million euros resulting from the drop in return and discounting rates used by the property experts and 26.0 million euros from the impact of the business plan for the properties.

Geographical breakdown of assets

Valuation of the property assets of business parks	Value excl. Rights	
	(€ millions)	(in %)
Paris (75)	669	47.2%
Saint Denis (93)	131	9.2%
Aubervilliers (93)	616	43.6%
TOTAL	**1,416**	**100%**

The value of the parks located in Seine-Saint Denis (93) account for about 53% of the total value of the business parks, with those located in Paris accounting for the remaining 47% (Parc du Pont de Flandre and Parc du Millénaire).

Return from assets and reversion potential

Valuation of property assets of business parks	Valuation including rights (€ millions)	Value excl. Rights (€ millions)	Net rate of return ex-rights	Average price €/m²
Parc du Pont de Flandre	346	325	7.2%	4,241
Parc des Portes de Paris	487	461	8.4%	2,102
Parc Pilier du Sud	28	27	9.2%	1,191
Parc CFI	128	123	8.2%	1,986
Parc du Millénaire	274	269	6.4%	4,611
Parc du Quartier du Canal	20	19	13.9%	2,462
Parc le Mauvin	37	35	9.2%	1,598
TOTAL	**1,320**	**1,259**	**7.7%**	**2,689**
Property reserves and projects under development	161	157	n/a	n/a
TOTAL	**1,481**	**1,416**		

(1) Includes primarily the buildings under reconstruction (Parc du Pont de Flandre: Building 028, Parc des Portes de Paris: buildings 114, 206, 2087 and 291 and the development projects (Parc du millénaire: in buildings 3 & 4, offices in the Quartier Commercial).

On the basis of rents at year end 2010, the return on business park assets was 7.7% (versus 8.3% at year-end 2009), and the reversion potential of the portfolio is estimated at +3.6% based on the market rental values used by CB Richard Ellis Valuation.

3.3 Commercial Property Investments Division - Shops and Shopping Centres

At the end of 2010, this class of assets includes the Odysseum shopping centre in Montpellier delivered by Icade Promotion and opened in 2009 as well as the portfolio of Mr. Bricolage store properties acquired early in 2008. The retail centers also include a project under development in Aubervilliers in a 50/50 partnership with Klépierre.

As at December 31, 2010, the total value of the assets of Shops and Shopping Centres stood at 370.3 million euros ex-rights, against 281.2 million euros at the end of 2009, representing an increase of 89.1 million euros (+31.7%).

Valuation of the property assets (€ millions)	31/12/10	31/12/09	(€ mil.)	Variation (%)	variation (%) on a like-for-like basis	variation (%) on a like-for-like basis
Shopping centers	257.5	177.8	+ 79.7	+ 44.8%	+ 6.7	+ 3.8%
Icade Bricolage	112.8	103.4	+ 9.4	+ 9.2%	+ 5.4	+ 5.2%
Shops and shopping centers	**370.3**	**281.2**	**89.1**	**+ 31.7%**	**+ 12.1**	**+ 4.3%**

After restatement of the development costs incurred in 2010, primarily on the Aubervilliers retail centre, the acquisition of the Mr. Bricolage store in St Dizier and the recreation centers 1 and 2 in Montpellier, the change in the value of the Shops and Shopping Centres on a like-for-like basis amounted to +12.1 million euros over 2010 (+4.3%). This change reflects approximately +11.6 million euros from a drop in the return and discounting rates used by the property experts and by the revision of the business plans for the buildings for +0.5 million euros.

Return on assets

Valuation of office shopping centre assets	Valuation inc. rights (€ millions)	Value excl. Rights (€ millions)	Net return ex-rights	Average price €/m²
Paris	7	7	7.0%	2,717
Outer Circle	5	4	6.7%	814
Regional	227	218	6.7%	1,295
TOTAL	**239**	**229**	**6.7%**	**1,301**
Projects under development	149	141	n/a	n/a
TOTAL	**388**	**370**		

(1) Aubervilliers retail centre.

The net return on the retail portfolio was 6.7% at December 31, 2010 (versus 7.1% at year-end 2009). This change in the rate of return primarily reflects the increase in the rates used to calculate the appraisal value of the assets.

3.4 The Commercial Property Investment Division - Public and Healthcare Amenities

The property portfolio of Public and Health Amenities is primarily composed of clinics and healthcare establishments and one office building in Levallois Perret (92).

The office building in Levallois Perret (92) represents 30,000 m² of net floor area. 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. Based on the provisions stipulated in the lease agreement, which classifies this transaction as capital financing, the building was not appraised at December 31, 2010 as it was at December 31, 2009. This lease contract was used in calculating net asset value corresponding to the amount of the financial debt, representing 170.5 million euros at the end of 2010.

The total value of this portfolio is estimated at 1,035.3 million euros excluding rights at the end of December 2010, compared with 841.7 million euros at the end of 2009, an increase of 193.6 million euros.

This change in the value is primarily the result of the acquisitions (7 clinics) and the consolidation of two assets of Compagnie la Lucette located in Cap Breton and the work completed during the year.

On a like-for-like basis, the value of the portfolio varied by 34.2 million euros over 2010, or 3.9%. This variation reflects approximately +21.4 million euros from the impact of interest rates and +12.8 millions of euros from the impact of the business plans for the buildings.

Geographical breakdown of assets

Valuation of Public and Health Amenities property assets	Value excl. Rights	
	(€ millions)	(%)
Western Quadrant	170.5	16.4%
Inner circle (excluding Hauts-de-Seine)	156.1	15.1%
Outer circle	131.1	12.7%
TOTAL Paris region	**457.7**	**44.2%**
Regional	**577.6**	**55.8%**
TOTAL	**1,035.3**	**100%**

Return on assets

Valuation of Public and Health Amenities property assets	Valuation inc. rights (€ millions)	Value excl. Rights (€ millions)	Net rate of return ex-rights (1)	Average price €/m²
Clinics and other health centers/Core	887	841	7.0%	2,064
Levallois	171	171	n/a	n/a
Other(2)	24	23	n/a	n/a
TOTAL	**1,082**	**1,035**		

(1) Net rents discounted for the non-recoverable expenses on the assets reported at appraisal value ex-rights, plus any rent supplements stipulated by contract for completion of work.
(2) Immeubles de Périgueux, crèche de Toulouse Blagnac and projects under development (Monet à Champigny sur Marne clinic and private hospital in Villeneuve d'Ascq

The net return from the clinics portfolio was 7.0% at December 31, 2010 (versus 7.1% at year end 2009).

3.5 The Commercial Property Division - Warehouses

At 31 December 2010, this activity included the warehouses belonging to the ex-SIICInvest and Compagnie la Lucette. It should be noted that at the end of 2009, the warehouses belonging to ex-SIICInvest were classified in the Offices division.

The market value of the Warehouse assets was valued at 258.9 million euros ex-rights as at December 31, 2010, compared with 61.0 million euros as at December 31, 2009, representing an increase of 197.9 million euros (+324.8%).

In 2010, Icade made about 203.0 million euros of investments in warehouses, including the acquisition of the portfolio of Compagnie la Lucette.

On a like-for-like basis, after neutralizing investments for 2010, the value of these assets was down by 5.0 million euros, representing (-1.9%). This variation is explained by the combined effect of an increase in interest rates leading to a reduction in value by about 21.6 million euros, counterbalanced by the effects of a business-plan for the buildings, having a positive impact of 16.5 million euros.

Return on assets and reversion potential

Valuation of office shopping centre assets	Value. inc. rights (€ millions)	Value excl. Rights (€ millions)	Net return ex-rights	Average price €/m²
Outer ring	10	9	16.9%	337
Regional	263	250	10.3%	437
TOTAL	**274**	**259**	**10.6%**	**432**

The return on the Warehouse assets was 10.6% at yearend 2010 for a reversion potential (*) valued at -10.7 % based on the market rental values estimated by the property experts.

4. Methodology used by the experts

The methodologies used by the experts were identical to those used in the previous year.

Investment buildings are valued by the experts by combining two methods: the revenue method (the experts 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, in block or per building prices).

The net revenue capitalisation method consists of applying a rate of return to 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, and net revenue) to which different rates of return correspond.

The discounted cash flow method assumes that the value of the assets is equal to the discounted sum of the financial flows expected by the investor, including resale at the end of the holding period. In addition to the resale value obtained by applying a theoretical rate of return on the rents for the last year which differs depending on the site, the financial flows integrate the rent, the different charges not recovered by the owner and the heavy maintenance and repair work. It should be noted that the discount rate used is based on three criteria: the rate of low-risk money, a premium for the real estate market and, finally, a premium related to the building which takes its characteristics into account (location, construction, and security of revenue).

Whether the capitalisation or discounting method is used, appraisal calculations are performed 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 appraised 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).

In the case of property reserves and buildings under development, the valuation principles for these assets are detailed below.

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 consideration of this class of assets is covered by a specific assignment, depending on the applicable regime. Before explaining the principal methods used in valuating these assets an introduction lists the main categories of buildings under development on the understanding that each category may itself cover several variables:

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 authorizations, need to carry out development work, problem of absorption by the market). These reserves can be appraised 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 a 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 any related town planning constraints.

(4) Buildings under development

Buildings under development cover building land with authorizations such as demolition permits, building permits, authorization from the Commercial Property Departmental Commission (CDEC), 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 the building is delivered, marketed and placed in 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 revalued 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 appraised 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 valuating 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 deducts 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 expenses.

Whichever method is selected, it is ultimately up to the expert appraisers to set a value and discount rate in line with the risks inherent in each project and, in particular, the state of progress of the various authorization and building phases (demolition permit, building permit, objections, progress of work, any pre-marketing or rental guarantee). Using the existing value, the experts must explain which procedure they followed in estimating the degree of risk and revaluation attached to the building based on the circumstances under which they work and the information provided to them.

The buildings of the clinics or health establishments which are considered as single-use property assets are valued by the experts using 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 the operation and its ability to generate sufficient revenue to ensure a normal return on property investment. These buildings fall under the category of single-use buildings and the value used by the expert remains, however, totally related to its operation and, therefore, to 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 specialization 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 the average revenue 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, etc.,) and any competition. Otherwise, the premises of the establishment could be valued by capitalisation of the rental income advised by Icade.

B - VALUATION OF SERVICE AND DEVELOPMENT BUSINESSES

Icade's service and development companies were valued by an independent firm for the purposes of calculating the Net Asset Value. The method used by the appraiser, which remains identical to that used during the last financial year, 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.

On this basis, as at 31 December 2010, the value of the service and development companies totaled 443.3 million euros compared with 444.5 million euros as at December 31, 2009, an annual decrease of 0.2%. The value of these companies on December 31, 2010 was represented by the Development companies (82%) and the Service companies (18%).

Among the financial parameters used, the expert used a weighted average cost of capital, unchanged from the valuation conducted at the end of 2009, between 8.75% and 9.78% for the service companies and between 8.75% and 13.23% for the development companies.

C - METHOD FOR CALCULATING NET ASSET VALUE

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

(+) The unrealized 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 unrealized capital gain on the values of property-development and service companies established on the basis of the independent valuation that was carried out.

(+/-) The positive or negative effects of converting the fixed-rate financial debts not taken into account under IFRS principles to market value (according to IFRS, only derivative financial instruments are shown on the balance sheet at their fair value).

The liquidation NAV corresponds to the replacement NAV restated for the following elements:

(-) Transfer duty and disposal costs of the property assets estimated by the property surveyors.

(-) The tax position on unrealized capital gains on buildings (this tax position being limited to unrealized capital gains on assets not eligible for the SIIC regime) and unrealized 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 diluted share, after cancelling any self-held shares and taking into account the diluting impact of stock options.

D - CALCULATING THE NET ASSET VALUE AS LIQUIDATION VALUE

1. Consolidated equity and reserves

As at December 31, 2010, the consolidated shareholders' equity, Group shares, amounted to 2,833.2 million euros including net income, Group shares was 1,218.0 million euros. The market-to-market of the financial instruments to hedge cash flows and the securities available for sale had an impact of (0.3) million euros on equity and 0.8 million euros on net profit, Group shares.

2. Unrealized capital gains on property assets

Unrealized 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 December 31, 2010, unrealized capital gains excluding rights and fees stood at 1,240.4 million euros.

3. Unrealized capital gains on development and services companies

The valuation of development and service companies was carried out on December 31, 2010 by an independent expert. This resulted in an unrealized capital gain of 159.1 million euros which was included in the calculation of the NAV on December 31, 2010.

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. Converting fixed rate debt to fair value had a negative impact of 13.0 million euros taken into account in the calculation of the Net Asset Value.

5. Calculation of unrealized tax

The tax liability on unrealized 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 amounted to 14.0 million euros at December 31, 2010. This tax liability applies mainly to the assets held by Icade Commerces and the assets of Icade REIT in Germany that are taxed at 15.83%.
The tax liability on unrealized 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 18.9 million euros at the end of December 2010.

6. Treasury shares and securities giving rights to capital

The number of fully-diluted shares used in calculating the Net Asset Value as at December 31, 2010 stood at 51,423,682, after cancelling treasury stock. The impact of the diluting instruments, calculated according to the share buyback method, is 84,197 shares as at December 31, 2010.

The group share of replacement Net Asset Value therefore totaled 4,492.9 million euros as at December 31, 2010, representing 87.4 euros per fully-diluted share, compared with 4,444.7 million euros at the end of 2009, representing 91.0 euros per share.

The Group share of Net Asset Value at liquidation value amounted to 4,186.8 million euros as at December 31 2010, or 81.4 euros per fully diluted share versus 4,129.6 million euros at year end 2009 or 84.5 euros per fully-diluted share.

Determination of Group share of Net Asset Value in terms of liquidation value (€ millions)		Actual 12/31/10	Actual 06/30/10	Actual 12/31/09
Group share of consolidated capital	(1)	2,833.2	2,676.7	1,809.9
Gross unrealized capital gain on property assets (including rights)	(2)	1,513.6	1,632.2	2,441.6
Unrealized capital gain on development companies	(3)	121.1	93.7	140.8
Unrealized capital gain on service companies	(4)	38.0	38.6	51.9
Unrealized capital gain on fixed rate debt	(5)	(13.0)	(7.2)	0.5
Group share of replacement NAV	(6)=(1)+(2)+(3) +(4)+/-(5)	**4,492.9**	**4,434.0**	**4,444.7**
Number of fully diluted shares in millions	n	51.4	51.2	48.9
Replacement NAV per share (Group share - fully diluted in €)	(6)/n	**87.4**	**86.5**	**91.0**
Duties and charges for disposal of property assets	(7)	273.3	283.4	278.0
Tax liability on unrealized capital gain of property assets (excl. Rights)	(8)	13.9	15.1	18.1
Tax liability on unrealized capital gain on securities for development companies	(9)	3.8	3.4	3.7
Tax liability on unrealized capital gain on securities for service companies	(10)	15.1	15.1	15.3
Group share of liquidation NAV	(11)=(6)-(7)-(8)-(9)-(10)	**4,186.8**	**4,117.0**	**4,129.6**
Number of fully diluted shares in millions	n	51.4	51.2	48.9
Liquidated NAV per share (Group share - fully diluted in €)	**(12)=(11)/n**	**81.4**	**80.3**	**84.5**
Annual growth				*(3.7)%*

Change in liquidation NAV in euros per share

Liquidation NAV Group share at 31/12/09 (in € per share)	€84.5
Consolidated net profit/loss restated for the results of disposals and provisions for depreciation/amortization	€1.3
Dividend paid during 1st half of 2010	€(3.3)
Capital increase and impact of the number of diluted shares on NAV per share	€(0.1)
Change in the fair value of derivative instruments and fixed-rate debt	€(0.9)
Other variations in the group share of consolidated capital	€(0.6)
Change in the value of assets restated for capital gains from disposals	€0.5
Change in the capital gain on property-development and services companies	€(1.2)
Change in tax on unrealized capital gains	€0.1
Liquidation NAV Group share at 30/06/10 (in € per share)	**€80.3**
Consolidated net profit/loss restated for the results of disposals and provisions for depreciation/amortization	**€1.7**
Dividends paid in the second half of 2010	**€(4.0)**
Capital increase and impact of the number of diluted shares on NAV per share	**€(0.2)**
Change in the fair value of derivative instruments and fixed-rate debt	**€0.7**
Other variations in the group share of consolidated capital	**€0.1**
Change in the value of assets restated for capital gains on disposals	**€2.3**
Change in capital gains on development and services companies	**€0.5**
Liquidation NAV Group share at 31/12/10 (in € per share)	**€81.4**

The liquidation NAV rose by 1.1 euros per share in the second half of 2010. This increase was driven by the accelerated recovery of the real estate market (impact of + 2.3 euros per share on the value of the holdings restated for gains on disposals) and by Icade's operational performance (impact of + 1.7 euros per share on the profit/loss for the half year restated for gains on disposals; however, these positive effects were weakened by the distribution of the interim dividend of 4 euros related to the sale of the Housing portfolio.

The NAV restated for the revaluation of the rate hedging instruments was 4,317.4 million euros as at December 31, 2010, which represents 84.0 euros per share versus 4,260.2 million euros at the end of 2009 representing 87.2 euros per share.

IV – FINANNCIAL RESOURCES

Following the major changes that occurred in 2010 in all its businesses, Icade was able to meet a number of challenges in the management of liabilities:

- Manage the income from the sale of its Housing property assets
- Integrate the financial debt of Compagnie la Lucette and the related rate hedges
- Refinance the Crystal Park assets for 7 years under convenient credit terms.

As a result, Icade was able to repay and refinance over one billion euros of financial liabilities from Compagnie la Lucette less than one year after it was acquired.

In a context still marked by uncertainties about the liquidity of the market, Icade continued its policy to set up bank financing and benefited from more favorable conditions than the margins seen in the sector, and today has significant maneuvering room in terms of mobilizing funds.

In this context, Icade focused on managing its financial resources based on clear objectives:

- No major maturity date within the next two years;
- A Loan to Value target of around 40%;
- Prudent management of its interest rate risk;
- Stabilizing the average life of its debt.

Thus, the Group was able to maintain the major financial ratios thanks to the proactive management of financing and rate hedges, and Icade is preparing for the future with a solid strategy and financial resources in line with its targets.

A - CASH AND CASH EQUIVALENTS

Financial resources were obtained in 2010 by renewing existing credit lines, setting up new confirmed credit lines, and the cash flow related to the receipts from sales of its Housing assets.

The main financing operations over 2010 were as follows:

- Renewal or implementation of 110 million euros in short-term credit lines.
- Renewal and/or implementation of several bilateral bank credit lines for a total amount of 380 million euros.
- Establishment of a club deal mortgage financing for the amount of 255 million euros.

These lines have an average spread of 113 basis points.

Icade has a drawing capacity on short and medium-term credit lines of nearly 488 million euros, to be used entirely as it sees appropriate. Based on the amortization profile and the current restructuring of a certain number of debts, these backup lines of credit and cash available as at December 31, 2010 cover almost two years of repayments of capital and interest.

B - DEBT STRUCTURE AS AT DECEMBER 31, 2010

1. Nature of debt

The gross financial debt of 2,875.6 million euros as at December 31, 2010 consisted of the following:

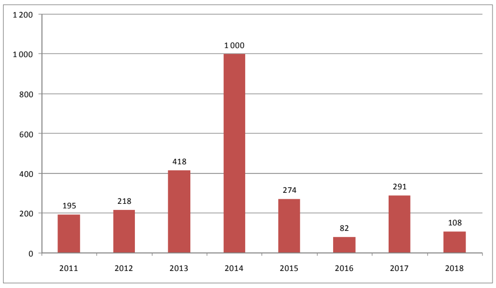
- 2,265.0 million euros in corporate loans.
- 407.4 million euros of mortgage financing and PPD preferential mortgages.
- 131.4 million euros of direct financing leases.
- 19.2 million euros of other debt (feeder loans, etc …).
- 52.5 million euros of bank overdrafts.
- 0.1 million euros of Bonds Redeemable in Shares (BRS).

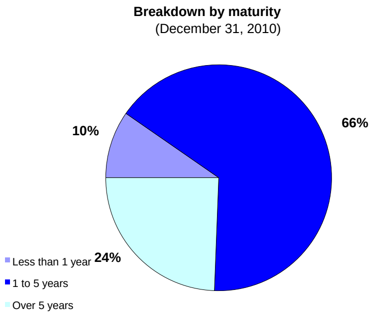
Net financial debt totaled 2,292.2 million euros as of December 31, 2010, up by 216.7 million euros as compared to December 31, 2009. This change primarily reflects:

- The newly consolidated Compagnie de Lucette, representing 1.066 million euros;
- Drawings and new debt amounting to 568 million euros, including 255 million euros just for the Crystal Park loan, corresponding to the refinancing of one of the main lines of credit of Compagnie la Lucette;
- Accelerated loan repayments and natural amortization for 1.608 million euros resulting essentially from the restructure of the debt for the ex-Compagnie la Lucette Group;
- A decrease of 213 million euros in cash, essentially related to the distribution of the interim dividend;
- A variation of 4.5 million euros in the value of derivative products on the liabilities side.

2. Debt by Maturity

The maturity of the debt drawn by Icade as at December 31, 2010 is given below:





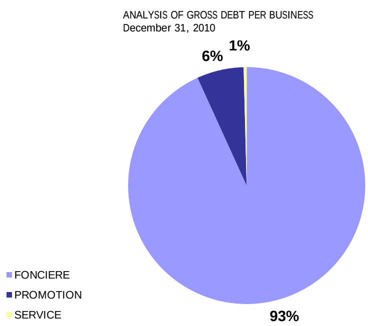
(excluding overdrafts and public-private partnerships pre-financing)

The proportions of the debt by maturity remained almost unchanged, primarily the result of the restructurings completed on the financial liabilities for Compagnie la Lucette. Icade reduced its proportion of short-term debt (< than 1 year) to the benefit of its medium and long-term debt, thus reducing its short-term liquidity challenges.

The average life for all debt is 4.5 years, which increased over the year as a result of the refinancing of the Crystal Park assets and the long-term deployment of certain PPP financing.

3. Debt by business

After assigning intra-group refinancing, nearly 93 % of the group's bank debt concerns the property investment business and 6% concerns property development; the part assigned to the services business line is insignificant.



4. Average cost of debt

In 2010, the average cost of financing was 1.84 % before hedging and 3.93 % after hedging, versus 2.43 % and 4.23 % respectively in 2009.
Bearing in mind the hedges in place, Icade's debt cannot benefit from all of the reductions in interest rates over the period. However, the dynamic management of its interest-rate risk allows it to benefit from it in part.
Against the background of an uncertain market and heavy upward pressure on financing margins, Icade succeeded in controlling its financing cost and maintaining it at a low level.

5. Rate risk

The monitoring and management of financial risks are centralized within the Treasury and Debt Division of the Finance Department.

This division reports on a monthly basis to Icade's Risk, Rates, Treasury and Finance Committee on all matters related to financing policy, investments, and the management of the rate and liquidity risks.

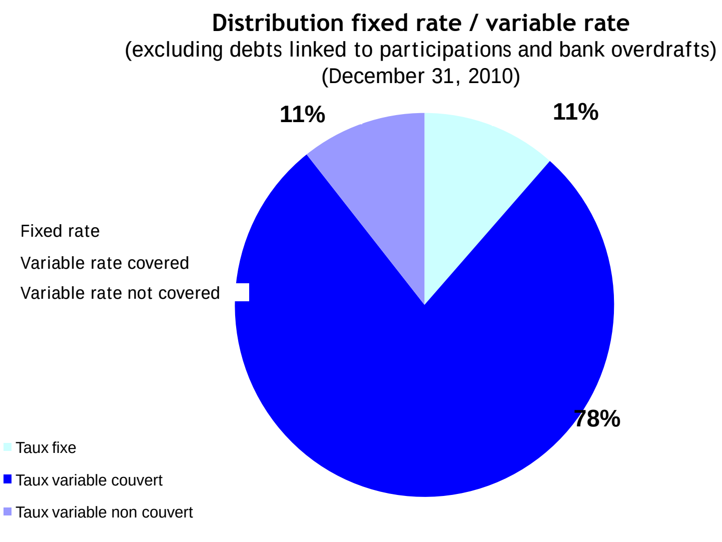
Changes in financial markets can entail variations in interest rates which may result in an increase in the cost of refinancing. To finance its investments, Icade focuses on the use of floating-rate debt, which is then hedged, so that it is able to prepay loans without penalties: before hedging, this represented nearly 88.2 % of its debt as at December 31, 2010 (excluding debt attached to equity interests and bank overdrafts).

In 2010, Icade continued its prudent debt management policy by maintaining limited exposure to rate risks by setting up appropriate hedging contracts (exclusively very simple swaps throughout the year).Debt with a maturity less than one year is not hedged.

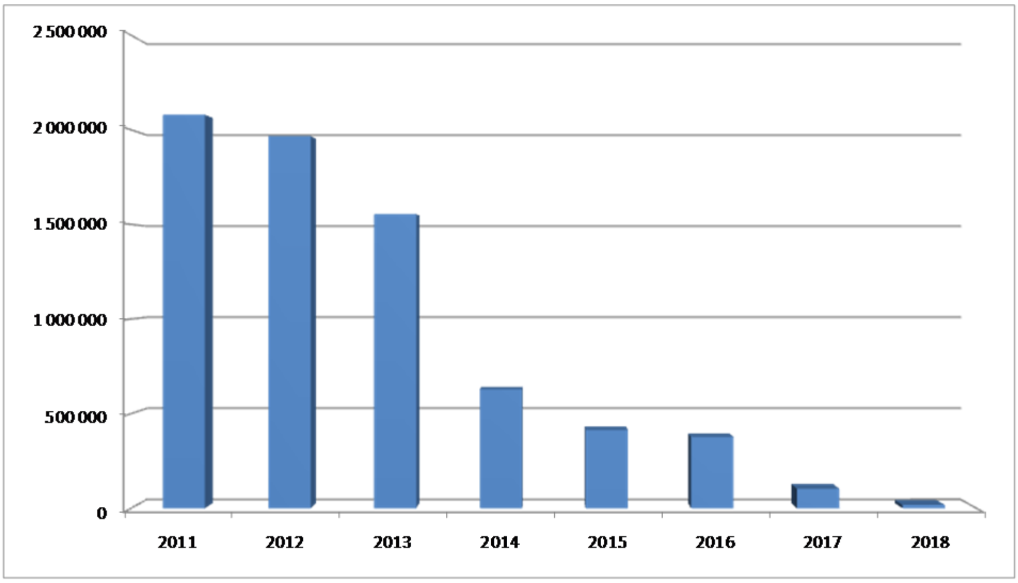
Thus, in February 2010, a simple cap maturing in 2012 for 61 million euros was set up to cover a corporate loan. In December 2010, 255 million euros (Cap and swaps) were set up to cover 100% of the rate risk of the new Crystal Park mortgage loan.

The average life of the floating rate debt is 3.8 years. The life of the related hedges is also close to 3.7 years with adequate coverage.

In total, the majority of the debt (89%) is protected against an increase in interest rates: partially through fixed-rate debt and partially with variable rates via caps and swaps. After adjustment for hedging, Icade's debt structure (excluding investment related debt and bank overdrafts) favors fixed rates: Unhedged variable-rate debt represents no more than 8.4 % of debt in the economic sense of the word (27.5 % if only hedging described by IFRS as cash-flow hedging is included, and excluding the caps).



The hedging notional work in progress over future years are as follows:



Given the financial assets and the new hedges set up, the net position is given in the following table:
(€ millions)

12/31/2010	Financial assets (*) (a)		Fin. liabilities (**) (b)		Net exposure before hedging (c) = (a) - (b)		Rate hedging instrument (***) (d)		Net exposure after hedging (e) = (c) + (d)	
	Fixed rate	Var. rate	Fixed rate	Var. rate	Fixed rate	Var. rate	Fixed rate	Var. rate	Fixed rate	Var. rate
Less than 1 year		701.6	91.5	185.7	- 91.5	515.8		157.4	- 91.5	673.2
1 year to 5 years			41.5	1,855.6	- 41.5	- 1,855.6		1,921.4	- 41.5	65.7
Over 5 years			198.1	503.1	- 198.1	- 503.1		414.1	- 198.1	- 89.0
Total		701.6	331.1	2,544.5	- 331.1	- 1,843.0		2,492.9	- 331.1	649.9

* Current, non-current financial assets and Cash and cash equivalents
** Gross financial debt
*** Hedging instruments ex. swaps

Finally, Icade favors classifying its hedging instruments as "cash-flow hedges" according to the IFRS standards, which requires that the variations in the fair value of these instruments be recognized as equity rather than as profit/loss.

During this financial year, notional “cash-flow hedging” remained stable. Given the profile of the year, we note an insignificant impact in equity of 0.6 million euros.

C – FINANCIAL STRUCTURE

1. Financial structure ratio

The LTV (Loan to Value) ratio: Net financial debt / net asset value ex-rights ratio was 37.4 % as at December 31, 2010 (versus 35.8 % as at December 31, 2009).
This increase was due to the increase in the net debt 3.7% and 1.9 % due to the increase in the net asset value.

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

Also, this figure is the result of a prudent calculation because it includes all of Icade's debt (debt related to property-development, services and PPP, etc.,) without taking into consideration the value of these assets or these companies, since it is calculated only on the value of the investment property assets ex-rights. After taking into account the value of the Development and Service companies, and the value of the PPP assets, the adjusted LTV ratio was 34.1% as at December 31, 2010.

2. Interest coverage ratio

The ratio of interest coverage to operating profit/loss (corrected for depreciation) stood at 14.27 over 2010. This ratio has increased as compared to previous years (7.41 in 2009) due to the increase in capital-gains on disposals. Compared with EBITDA rather than with Operating Profit, this ratio works out to be 2.89.

FINANCIAL RATIOS	12/31/2010	12/31/2009
Net financial debt / net asset value ex-rights (LTV)	**37.4 %**	**35.8 %**
Net financial debt / net asset value including development and service companies (adjusted LTV)	**34.1 %**	**32.7 %**
Ratio of interest coverage to operating profit/loss (ICR)	**14.27**	**7.41**

3. Covenants table

		Covenants	12/31/2010
LTV (*)	Maximum	< 45% and < 50%	37.4 %
ICR	Minimum	> 2	14.27
CDC holding	Minimum	50.1 %	56.3 % ***
Value of property assets	Minimum	> 3 billion Euros	> 6.1 billion Euros
Debt ratio of subsidiaries / Consolidated gross debt	Maximum	33%	20.7%
Surety on assets	Maximum	< 20% of property assets	7.57 % **

**about 90% of the debt concerned by a covenant on LTV has a limit of 50%, with the remaining 10% having a limit of 45%*
***maximum calculation under the loan agreements*
**** after taking into account stock options exercised and requests to redeem convertible bonds (see Art. L 225 149 of the Commercial Code)*

The covenants were respected as of December 31, 2010.