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ICADE
Foncière-développeur

Paris, 20 February 2013

Guidance carried out again in 2012 with net current cash flow up 12.5%

In line with its announcement when the 2011 results were published, Icade achieved double-digit growth in its net current cash flow in 2012. This increased by 12.5% to 251.4 million euros as at 31 December 2012, further illustrating the strength of Icade's model.

Icade's **turnover** was €1,499.3 million at 31 December 2012 compared with €1,492.0 million at 31 December 2011, an increase of 0.5%. The Property Investment Division's income was up 9.6% thanks to acquisitions of healthcare assets, delivery of office buildings and lettings in 2011 and 2012. This increase more than made up for the decline experienced by the Property Development Division (down by 3.2% in a difficult market) and the Services Division (down by 42.7%, due mainly to changes in scope).

Earnings before interest, taxes, depreciation and amortization (EBITDA) was 384.5 million euros at 31 December 2012 compared with 355.5 million euros at the end of 2011, an increase of 8.2%, mainly due to the Property Investment Division's 12.6% increase in EBITDA. The 15.9% fall in the Property Development Division's EBITDA can be explained by significant additional costs in relation to development work on the PNE project, representing €7.3 million, and a €4.0 million reduction in the Residential Property Development business's contribution to EBITDA between 2011 and 2012. Considering the Property Development Division's reduction in eliminations of intra-group operations, its contribution to Icade's consolidated EBITDA remains stable compared with 2011.

Net profit group share was 52.7 million euros compared with 93.0 million euros as at 31 December 2011 due in particular to the posting of provisions linked to the adjustment in asset values, in particular the value of the Eqho tower.

The **EPRA triple net asset value** is 4,190.1 million euros, or 80.7 euros per share, down 3.6% compared with 31 December 2011 mainly due to the change in asset values and the variation in the market value of financial instruments. The value of assets at 31 December 2012 was 6,850 million euros, 96% of which is commercial property. This valuation only incorporates the secure and financed share of business parks' development potential. On a like-for-like basis, the value of the commercial property portfolio is down 1.6%.

These results highlight the strength of Icade's model, which is based on four pillars:

Optimising the asset portfolio

- a portfolio now made up of 90% strategic assets (offices and business parks) and alternative assets (healthcare and retail);
- 547 million euros of investments carried out in 2012 in the portfolio of strategic assets (including 96 million euros for the restructuring of the Eqho tower) and alternative assets (acquisition of 11 healthcare facilities for 310 million euros generating immediate cash-flows);
- 350 million euros in disposals of non-strategic assets (residential, warehouses, offices in Germany) or mature assets (sale of the 8,400 m² office building located at 7-9 Avenue de Messine, Paris 8) generating total capital gains of 81 million euros;
- 277 million euros in undertakings to sell of non-strategic assets (11 logistics platforms for 145 million euros, office buildings and land banks in Germany for 88 million euros and 849 housing units in Sarcelles for 43 million euros);
- the continuation of the shift to the commercial sector expected in 2013 with the Silic acquisition project.

Matching the portfolio with demand

- assets located in the main commercial zones of the Ile-de-France, benefitting from recent or future development in public transport, particularly in the context of the Grand Paris project;
- assets that are recent (67% of the portfolio is less than 10 years old) and certified to the highest environmental standards (21% of assets in operation are HQE certified);
- stabilisation in occupancy rates at around 95% following a successful rental performance, including the letting of 60,000 m² of strategic assets, including:
    - H_2O in Rueil-Malmaison: completion of letting with 5,300 m² let to Geostock and KIA Motors;
    - Beauvaisis at the Parc du Pont de Flandre: start of letting with 3,350 m² let to ARD;
    - PB5 in La Défense: letting of almost all lettable surface areas with 18,300 m² let, in particular to two CAC 40 companies;
    - 521 in Aubervilliers: almost the whole building is let, following the letting of 10,700 m², including 6,900 m² to Endemol;
    - Factory in Boulogne: letting of 4,600 m² to BeinSport;
    - Millénaire 5 in Aubervilliers: letting of 1,900 m² in Numergy;
- the signing of structural projects for the Parc du Millénaire with high-profile partners (Veolia for 45,000 m², Ministry of Justice for 32,000 m²) securing the development of business parks.

Achieving a stronger financial position

- signing of a club deal of 1,550 million euros in July 2012, divided into three tranches. This financing structure, in line with the profile of the future Icade/Silic combined entity, has enabled Icade to streamline its debt repayment schedule, while extending the average maturity of its debt and strengthening its financial structure;
- signing in December 2012 of a 12-year mortgage financing against its Parc du Pont de Flandre, demonstrating the appeal of business parks for this type of financing. This raised €200 million from a leading market insurer, extending the average maturity of Icade's debt by six months and confirming the group's capacity to diversify its funding sources;
- the 360 million euros share capital increase carried out based on NAV by leading institutional investors in Icade Santé;
- a sound financial structure with LTV stable at 39.8%, no covenant issues and increasing availability of credit lines (€895m).

Managing risk

- a specific approach to the development activity (pre-letting policy, low exposure to speculative projects, etc.) which represents a limited share of capital employed (5.9% of the total amount);
- the sale to CDC of Icade's stake in the development company PNE SAS, following significant additional costs in 2012 from work to strengthen the existing structure;

- a significant potential for rental growth in the existing portfolio as well as from secure projects in business parks (around 20% in the next four or five years). These projects illustrate Icade's desire to draw on the expertise of its commercial property development business to develop operations that can generate future cash flows and create value in the medium term;
- management of the pipeline, allowing significant flexibility in the launch of operations, the pace of which will be determined by market needs.

Dividend

Icade will propose the payment of a dividend of €3.64 per share to the Annual General Meeting due to meet on 12 April 2013, up 9% compared to the recurring part of the 2012 dividend. This corresponds to a return of 5.3% based on the stock market price on 19 February 2013.

Prospects

Over the coming years, Icade plans to continue improving its net current cash flow by drawing on the strengths of its model. A perfect example of this is the merger with Silic, which will enable the combined entity to position itself as a leader in French commercial property investment and strengthen its stock market status, while retaining a solid financial structure.

Consolidated pro forma 2012 financial information for Icade and Silic will be published in March 2013.

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Coming events:

Annual General Meeting: 12 April 2013 at 3pm at Millénaire 1, 35 Rue de la Gare, 75019 Paris
Turnover for the 1st quarter of 2013: 14 May 2013 post-closure

About Icade:

Icade is a listed real estate company, a subsidiary of Caisse des Depôts: an investor, developer and service provider in private and public property. Expertise in its different business lines enables Icade to provide comprehensive, sustainable and innovative solutions that are tailored to customer needs.
In 2012, Icade recorded consolidated turnover of 1,499.3 million euros and net current cash flow of 251.4 million euros. At 31 December 2012, the re-valued liquidation net asset value stood at 4,190.1 million euros or 80.7 euros per share.

The consolidated financial statements have been audited by the auditors.
This press release does not constitute an offer, or a solicitation of an offer to sell or exchange any shares or a recommendation to subscribe, buy or sell any Icade shares. The distribution of this press release may be limited in certain countries by legislation or regulations. Therefore persons who come into possession of this press release are required to obtain information about these restrictions and respect them. To the fullest extent permitted by the applicable law, Icade disclaims any responsibility or liability for the violation of any such restrictions by any person.

Serge Grzybowski will be presenting the annual results for 2012 to analysts on 21 February 2013 at 8.30am CET.

The slide show will be available through the following links:
for the French version:
http://www.icade.fr/finance/resultats-publications/presentations-financieres

for the English version:
http://www.icade.fr/en/finance/results-and-publications/financial-presentations

For participants wishing to hear the conference in French or English, we would advise you to register in advance via the following links:
for the French version:
https://eventreg2.conferencing.com/webportal3/reg.html?Acc=442938&Conf=210129

for the English version:
https://eventreg2.conferencing.com/webportal3/reg.html?Acc=442938&Conf=210130

Each participant will receive a participating access code, conference access code and the telephone number to call and instructions for joining the conference.

We recommend that participants who choose not to pre-register using the above links should call between 10 and 15 minutes before the start of the conference. This will allow them to obtain the necessary information and to ensure that the conference starts at the stated time. The numbers are as follows:
France: +33 (0) 1 70 99 32 12
UK: +44 (0) 207 1620 177
Reference code: 928080

Registration in French and in English for this presentation will be available for 10 days from 21 February 2013 **to midnight on 4 March 2013**.
To hear the information again, the phone numbers are:
+33 (0) 1 70 99 35 29 -- France Paris Access Code: 928080 French version
020 7031 4064 -- UK London Access Code: 2874393–English version

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Appendices

I- CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET AS AT 31 DECEMBER 2012

(in millions of euros)	31/12/2012	31/12/2011
Turnover	**1,499.3**	**1,492.0**
EBITDA	**384.5**	**355.5**
As a % of revenues	*25.6%*	*23.8%*
Depreciation charges net of investment grants	(176.8)	(148.6)
Charges and reversals related to loss in value on tangible, financial and other current assets	(87.2)	(32.3)
Profit/loss from disposals	80.8	63.7
Operating income	**201.2**	**238.3**
As a % of revenues	*13.4%*	*16.0%*
Financial Profit/Loss	**(101.6)**	**(97.2)**
Profit tax	(37.2)	(44.1)
Net Income	**61.7**	**98.1**
Net income, group share	**52.7**	**93.0**
Net current cash flow	**251.4**	**223.5**
Data per share in euros:		
Average number of diluted shares in circulation used in the calculation	***51,795,086***	***51,695,635***
Group share of net diluted earnings per share	***€1.02***	***€1.80***
Net current cash flow per diluted share	***€4.86***	***€4.32***

(in millions of euros)	31/12/2012	31/12/2011
Goodwill	77.2	79.7
Net intangible assets	5.8	7.3
Net tangible assets	121.5	129.4
Net investment property	4 820.4	4 878.1
Non-current securities available for sale	2.5	2.7
Equity-accounted securities	0.0	1.3
Other non-current financial assets	5.1	9.8
Deferred tax assets	14.8	20.9
TOTAL NON-CURRENT ASSETS	**5,047.3**	**5,129.2**
Stocks and work in progress	692.3	628.4
Accounts Receivable	584.2	516.5
Amounts due from customers (building contracts and off-plan sales)	18.8	22.1
Tax receivables	10.5	6.9
Miscellaneous receivables	383.0	424.6
Current securities available for sale	0.8	0.1
Other current financial assets	407.6	38.3
Cash and cash equivalents	443.6	414.3
Assets held for sale	214.9	99.4
TOTAL CURRENT ASSETS	**2,755.6**	**2,150.6**
TOTAL ASSETS	**7,802.9**	**7,279.8**

(in millions of euros)	31/12/2012	31/12/2011
Capital and reserves - Group share	2,652.9	2,738.3
Minority interests	310.7	1.7
SHAREHOLDERS' EQUITY	**2,963.6**	**2,740.0**
Non-current provisions	42.5	42.3
Long-term financial borrowings	2 878.4	2 575.3
Tax payable	3.4	0.0
Deferred tax payable	9.6	9.2
Other non-current liabilities	219.8	188.2
TOTAL NON-CURRENT LIABILITIES	**3,153.7**	**2,814.9**
Current provisions	16.8	22.6
Current financial liabilities	510.6	423.9
Tax payable	7.2	20.0
Trade payables	550.2	498.8
Amounts due to customers (building contracts and off-plan sales)	8.1	1.1
Miscellaneous current payables	549.6	657.5
Other current financial liabilities	18.1	11.4
Liabilities intended to be sold	25.0	89.6
TOTAL CURRENT LIABILITIES	**1,685.6**	**1,724.9**
TOTAL LIABILITIES AND CAPITAL AND RESERVES	**7,802.9**	**7,279.8**

NAV (in millions of euros)	31/12/2012	30/06/2012	31/12/2011	Change 2011/2012	Change (as %)
Group share of EPRA NAV	4,399.7	4,400.8	4,508.3	(108.6)	(2.4)%
EPRA NAV per share (Group share - fully diluted in €)	84.7	84.9	87.5	(2.8)	(3.1)%
Group share of EPRA triple net NAV	4,190.1	4,188.7	4,312.5	(122.4)	(2.8)%
EPRA triple net NAV per share (Group share - fully diluted in €)	**80.7**	**80.8**	**83.7**	**(3.0)**	**(3.6)%**

(in millions of euros)	31/12/2012	30/06/2012	31/12/2011	Change 2011/2012	
				(in value)	(as %)
Net financial debt	2,725.4	2,666.6	2,690.9	+34.5	+1.3%
Appraisal value of Property Investment Division Portfolio	6,849.7	6,756.6	6,727.3	+122.4	+1.8%
Loan to value (LTV)	**39.8%**	**39.5%**	**40.0%**		

II – ANALYSIS AND COMMENTS ON THE RESULTS AND THE ACTIVITIES

A – ACCOUNTING POLICIES, SCOPE OF CONSOLIDATION

The consolidated financial statements of the Icade Group are established as of 31 December 2012 in accordance with International Accounting Standards (IFRS) as adopted by the European Union pursuant to European Regulation No. 1606/2002 dated 19 July 2002. They were adopted by the Icade Board of Directors' meeting on 20 February 2013 and will be submitted for the approval of the Annual General Meeting, which will be held on 12 April 2013. The consolidated financial statements published by the Group on 31 December 2011 were finalized in accordance with the same principles and methods, given what is stated in Paragraph 1.1 of the Appendix to the consolidated accounts.
As of 31 December 2012, the scope of consolidation includes 328 companies, 62 of which are active in Property Investment, 259 in Property Development and seven 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 - 2012

1. Highlights of financial year 2012

For Icade, 2012 was mainly characterized by the continued active optimisation of its portfolio of activities and the increased focusing of its assets on commercial property.

This led to disposals which have been completed or are currently being finalized:

- The sale at the end of February 2012 of Icade Résidences Services, a company specialised in managing student residences, for 24.2 million euros;
- Exclusive negotiations in preparation for the disposals in the 1st half of 2013 of the Property Development Division's Building Engineering business and Icade Suretis, a company specialised in managing security and remote surveillance services;
- The continued disposal of non-strategic assets in France (7,300 m² of businesses and shops in jointly-owned properties, 36,400 m² of warehouses) and in Germany (two office buildings in Berlin and Hamburg with a total surface area of 21,500 m² and land banks);
- The signing of an undertaking to sell in January 2013, relating to a portfolio of 11 logistics platforms representing a total surface area of 380,000 m² for 145 million euros;
- The block sale of 495 residential properties in Epinay sur Seine (93) in June 2012 for 33 million euros;
- The signing of an undertaking to sell in January 2013, relating to the block sale of 849 residential properties in Sarcelles (95) for 43.2 million euros;
- The signing of undertakings to sell in 2012, relating to a business park in Berlin (11,900 m²), an office building in Frankfurt (7,500 m²) and land in Germany for a total amount of 88.3 million euros.

But also by investments:

- The delivery in January 2012 of the Le Beauvaisis property in Parc du Pont de Flandre (Paris 19). It has 12,000 m² of HQE certified office space split over seven floors. It has received the BBC renovation label. It is currently in the process of being marketed (3,400 m² leased so far);

- The delivery of the fifth and final building in the Metropolitan transaction in Villejuif in March 2012 (12,000 m² out of a total of 80,000 m²). The entire complex has been leased to LCL;

- The continued restructuring of the EQHO Tower in La Défense (92). Total investments in 2012 amount to 96.0 million euros. Delivery is scheduled for mid-2013. The asset is in the pre-marketing stage.

In addition, Icade raised, with French institutional investors, 360 million euros in order to increase the capital of its subsidiary company, Icade Santé, enabling continued development in this business line. Icade Santé then acquired 11 clinics during the financial year, for a total of 310 million euros.

PROPERTY INVESTMENT DIVISION: steady rental activity during 2012

In addition to the investments and arbitrage detailed above, and despite tensions in the rental market in 2012, Icade leased 60,000 m² of vacant surface area in its strategic portfolio (Offices and Business Parks), enabling it to record a financial occupancy rate for the year of 94.8%, not far from the level of the previous financial year.

Icade therefore achieved commercial success in terms of its main assets delivered and currently being marketed:

- Finalization of leasing of the H_2O building in Rueil-Malmaison (92);
- Leasing of 10,700 m² in the 521 building in Aubervilliers, contributing to a financial occupancy rate of 82% at 31 December 2012. Remaining vacant surface area amounts to approximately 2,000 m²;
- The signing of 6,000 m² in the Factory building in Boulogne increasing the occupancy rate to 43.1%;
- The start of leasing of the Le Beauvaisis property in the Parc du Pont de Flandre (3,400 m² signed in January 2013).

As part of its policy to rotate its strategic assets, in December 2012 Icade sold a property located at 7/9 Avenue de Messine (Paris 8) for 107.5 million euros.

PROPERTY DEVELOPMENT DIVISION: slowdown in residential property business in 2012 and a new cycle in the commercial property business.

In a sluggish market, the operating profit of the Property Development Division (excluding the PNE development), as at 31 December 2012, amounted to 69.8 million euros compared with 80.7 million euros during the same period in 2011.

As announced on 30 June 2012, the economic climate and the schedule for the removal of tax benefits significantly slowed down the Property Development business in the 2nd half of 2012. Turnover from that business fell 9.5% between 2011 and 2012 (669.9 million euros in 2012 compared with 740.5 million euros in 2011). EBITDA is meanwhile down 7.2% compared with 2011. It represents 7.7% of turnover for 2012 compared with 7.5% in 2011.

Icade has therefore confirmed its selective policy of preserving its margins without systematically looking to increase its turnover in its financial indicators.

EBITDA for the Commercial Property Development business (excluding engineering) is down by 15.4% compared with 31 December 2011, particularly as a result of the deliveries of the university hospital in Saint-Nazaire (property development contract – 92,300 m²) and the final building in Villejuif (property development contract – 12,000 m²). This change also reflects the launch of a new production cycle from 2012 (launch in the 1st half of 2012 of new products marketed in 2011).

In December 2012, the corporate governance bodies of the Caisse des Dépôts (CDC) and Icade authorised the takeover by CDC of Icade's stake in development company Paris Nord Est SAS. This transaction, which will come into effect in early 2013, will allow Icade to focus on its role as a developer in the residential, business and office aspects of the operation. The financial impact of this disposal was calculated based on an independent technical and financial audit carried out in the 2nd half of the year, and entirely posted in 2012. This results in an operating loss of 17.9 million euros in Icade's consolidated accounts in relation to the development company Paris Nord Est SAS.

The backlog of all the activities of the Property Development Division has fallen by 6.4% compared with 31 December 2011 with a 5.2% increase in the Residential Property Development business (1,081.6 million euros) and a 21.6% decrease in the Commercial Property Development business (611.6 million euros). This reduction in the Commercial Property Development business is due to the launch in 2012 of operations marketed at the end of 2011 and during 2012. This resulted in a significant increase in turnover for the Property Development Division and an automatic reduction in the backlog.

VALUATION OF ASSETS

The overall value of Icade's property assets has increased slightly by 1.8% compared with 31 December 2011, to stand at 6,849.7 million euros. The assets of the Commercial Property Investment Division, which represent almost 96% of the total assets, have increased by 2.8%.
On a like-for-like basis, the value of the whole portfolio is down by 1.7% due in particular to an adjustment in the appraisal value of the EQHO Tower of 58 million euros.

FINANCING STRATEGY

Icade used 2012 to continue its policy of optimising its financial structure to enable it to look to the future with confidence. Even though it has no short-term needs, Icade wanted to strengthen its prudent approach to managing its financial resources, with the aims of proactively managing its schedule and diversifying its financial resources.

Icade therefore carried out two major financing transactions in 2012:

- Signature in July 2012, with a pool of seven banks, of new block financing of 1,550 million euros divided into three tranches:
  - A Medium Term Credit Line for 625 million euros with a maturity of five years, to allow Icade to cover the combined medium-term needs of Icade and Silic. For this purpose, Icade has granted Silic two financing streams for a total in principal amount of 400 million euros;
  - A Revolving Credit Facility in the sum of 550 million euros with a maturity of three years, to allow Icade to strengthen its financial structure by increasing its available credit lines;
  - A Forward Start Credit Line for 375 million euros, to allow Icade to forecast the refinancing of a portion of the maturity of its syndicated loan of 900 million euros in July 2014.

This financing structure, in line with the profile of the future Icade/Silic combined entity, enables Icade to smooth its debt maturity, whilst extending the average maturity of its debt, and to strengthen its financial structure by increasing its total back-up credit lines.

- Signature in December 2012, of a 12-year mortgage financing against its Parc du Pont de Flandre, demonstrating the appeal of business parks. This raised 200 million euros from a leading market insurer, extending the average maturity of Icade's debt by six months and confirming the group's ability to diversify its funding sources.

Events after the year-end:

- The funds resulting from the 200 million euros 12-year mortgage financing, agreed at the end of the year with an institutional investor, were released at the end of January 2013. This financing is backed by the Parc Tertiaire du Pont de Flandre in Paris.

- The CDC committed to buy shares in Paris Nord Est, a company owned by the group, via an irrevocable purchase offer received on 15 January 2013.

- On 21 January 2013, an undertaking to sell subject to conditions precedent was signed in relation to 11 warehouses. The associated financial impacts were all posted in the 2012 financial year.

- On 30 January 2013, the group signed a unilateral undertaking to sell relating to 849 residential properties in Sarcelles (95).

2. Combination with Silic

Recap of events and next steps:
Following the signature of a non-binding protocol agreement on 13 December 2011 between the Caisse des Depots, Icade and Groupama, on 22 December, 2011, Icade and the CDC made Groupama a firm offer which was accepted on 30 December 2011.

The combination between Icade and Silic is structured in three stages:

1. Stage one: contribution to a subsidiary of the CDC, HoldCo SIIC, (a) of the shareholding held by the CDC in Icade and (b) of a fraction of the shareholding held by Groupama in Silic

   On 30 December 2011, the CDC contributed 55.57% of its capital and voting rights in Icade to HoldCo SIIC. At the same time, Groupama offered 6.5% of its capital and voting rights in Silic to HoldCo SIIC.

   Each contribution was made based on an exchange parity of five Icade shares for four Silic shares, 2011 dividend attached for each company. The valuation of HoldCo SIIC was determined by transparency on the basis of this parity.

   On 6 February 2012, CDC and Groupama signed a shareholders' agreement governing their relationship within HoldCo SIIC. This agreement relating to HoldCo SIIC is valid for a term of 20 years and includes the following stipulations:

   - an agreement to not sell the shares in HoldCo SIIC owned by Groupama for 30 months from the date of signature of the shareholders' agreement;
   - a preferential right for CDC at the end of the period prohibiting the sale of the shares;
   - a proportional joint opt-out right for Groupama in the event that the CDC wants to sell all or some of its shares in HoldCo SIIC to a 3rd party other than an affiliate;
   - liquidity for Groupama.

   A summary of the clauses in the shareholders' agreement which fall within the scope of the provisions of Article L. 233-11 of the French Commercial Code was given to Icade and was the subject of a notice published by the AMF on 17 February 2012 under the number 212C0291.

2. Stage two: contribution by Groupama of the balance of its shareholding in Silic to HoldCo SIIC

   After permission was obtained from the Competition Authority on 13 February 2012, the CDC and Groupama, as shareholders of HoldCo SIIC, approved the contribution by Groupama of 37.44% of the capital and voting rights in Silic following a decision on 16 February 2012. The balance of Silic shares owned by Groupama was contributed according to the same parity as the 1st contributions, i.e. five Icade shares for four Silic shares, 2011 dividend attached for each of the companies.

   As a result of the contributions described above, 75.07% of HoldCo SIIC's capital is owned by CDC and 24.93% is owned by Groupama. In addition, HoldCo SIIC holds (i) 55.57% of the capital and voting rights in Icade and (ii) in conjunction with CDC and Icade, 43.94% of the undiluted capital and voting rights in Silic.

3. Stage three: filing by Icade of a mandatory public offer for Silic

   After HoldCo SIIC, acting in concert with CDC and Icade, crossed the 30% threshold, Icade filed a mandatory offer for Silic on 13 March 2012.

   The offer included a public exchange offer for Silic shares as well as a public offer to purchase bonds redeemable in cash and/or new shares and/or existing shares (ORNANEs) issued by Silic.

   The terms of the offer are as follows:

   - for the share exchange: the parity is the same as the parity for the contributions, i.e. five Icade shares issued for four Silic shares contributed (2011 dividend attached or detached in both cases) and;
   - for the purchase offer: the nominal value of the ORNANE convertible bonds to which the dividend accrued up to the scheduled date for early payment/delivery of the offer is added, i.e. 126 euros per ORNANE based on payment/delivery on 14th June 2012. A shift in the payment/delivery of the offer will not affect the price per ORNANE.

   On 24 April 2012, the AMF declared the offer to be in compliance and appended stamp n°12-179 to Icade's information notice and stamp no. 12-180 to Silic's response, which are available on the websites of Icade (www.icade.fr), Silic (www.silic.fr) and the AMF (www.amf-france.org).

   The compliance decision and the notice of initiation of the offer were published by the AMF on 24 April 2012 under the number 212C0533 and on 26th April 2012 under the number 212C0547 respectively.

   In proceedings on 3 May and 4 May 2012, SMA Vie BTP and the ADAM respectively brought an application to annul the AMF's compliance decision before the Paris Court of Appeal.

   In its comments filed at the Paris Court of Appeal on 31 May 2012, the AMF agreed "in the interest of the market and as a precautionary measure, to extend the closing date of the public offer, originally set for 1 June 2012, so that the closing date shall be at least eight days after the decision of the court ruling on the annulment of the AMF's decision".

   On 26 June 2012, the Paris Court of Appeal set 21 March 2013 as the date of the appeal hearing.

This date was confirmed at a procedural hearing on 27 November 2012.

The Court of Appeal is likely to announce its ruling by the end of the 1st half of 2013.

In accordance with the AMF's decision in relation to an extension on 15 May 2012, the offer shall remain open until further notice.

3. Key figures

(in millions of euros)	31/12/2012	31/12/2011	Change
Turnover	**1,499.3**	**1,492.0**	**+0.5%**
EBITDA	**384.5**	**355.5**	**+8.2%**
Profit/loss from disposals	**80.8**	**63.7**	**+26.7%**
Operating income	**201.2**	**238.3**	**(15.6%)**
Financial Profit/Loss	**(101.6)**	**(97.2)**	**+4.5%**
Tax expense	**(37.2)**	**(44.1)**	**(15.7)%**
Net income, group share	**52.7**	**93.0**	**(43.3)%**
Net current cash flow	**251.4**	**223.5**	**+12.5%**

Icade's **turnover** was 1,499.3 million euros at 31 December 2012 compared with 1,492.0 million euros at 31 December 2011.

(in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
Turnover					
Property investment	399.7	364.6	0.6	364.0	+9.6%
Development	1,070.7	1,106.3		1,106.3	(3.2)%
Services	62.8	109.5	(0.6)	110.1	(42.7)%
Other (*)	(33.9)	(88.4)		(88.4)	(61.6)%
Total revenues	**1,499.3**	**1,492.0**	**0.0**	**1,492.0**	**+0.5%**

* The "Other" activities consist of what Icade Group calls its "head office" charges and eliminations of Icade's intra-group operations.

** Reclassifications relate to the sale on 1 January 2012 of Icade Inmobiliaria by the Services business to the Property Investment business.

The turnover of the **Commercial Property Investment Division** at 31 December 2012 is split into 94.4% for commercial property assets and 5.6% for residential assets.

Turnover from commercial property assets has risen by 11.4% compared with 31 December 2011, totalling 377.2 million euros at 31 December 2012. This increase is primarily from effects of change of scope (acquisitions of healthcare properties, delivery of office properties and shopping centers), as well as leasing which occurred in 2011 and 2012.

The turnover of the **Property Development Division**, as at 31 December 2012, was down 35.6 million euros compared with the same period in 2011, including 70.7 million euros for the Residential Property Development business, mainly due to, a 5.9% fall in the number of lots developed compared with 31 December 2011, and offset by a 45.2 million euros increase in the Commercial Property Development business following the launch in the 1st half of 2012 of new development projects.

The **Services Division**'s turnover was down by 46.7 million euros compared with 31 December 2011, mainly due to the disposal of student residence management activities in France and Spain in 2011 and early 2012 (loss in turnover of 42.8 million euros).

The change in **Other** turnover, corresponding to the elimination of intra-group transactions, reflects the reduction in the number of transactions by the Property Development Division on behalf of the Property Investment Division.

Icade's consolidated revenues, as at 31 December 2012, break down as follows: 26.7% for Investment, 71.4% for Development, 4.2% for Services and (2.3)% for Others.

EBITDA totaled 384.5 million euros as at 31 December 2012, compared with 355.4 million euros on the same date in 2011. The breakdown for Investment is 84.0%, for Development 17.9%, for Services 1.4% and for Others (3.3)%.

(in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
EBITDA					
Property investment	323.1	287.0	(0.7)	287.7	+12.6%
Development	68.9	82.0		82.0	(15.9)%
Services	5.2	10.9	0.7	10.2	(52.4)%
Other (*)	(12.7)	(24.4)		(24.4)	(48.0)%
Total EBITDA	**384.5**	**355.5**	**0.0**	**355.5**	**+8.2%**

* The "Other" activities consist of what Icade Group calls its "head office" charges and eliminations of Icade's intra-group operations.

** Reclassifications relate to the sale on 1 January 2012 of Icade Inmobiliaria by the Services business to the Property Investment business.

The EBITDA/turnover ratio for the **Property Investment Division** was 80.8% as at 31 December 2012 compared with 78.7% as at 31 December 2011. This improvement came predominantly from an increase in commercial property assets, for which the EBITDA/turnover ratio 84.3% as at 31 December 2012.

The 15.9% fall in EBITDA of the **Property Development Division** is explained by the finding of significant additional costs in relation to the development work of the PNE project (representing 7.3 million euros) and a 4.0 million euros reduction in the Residential Property Development business's contribution to EBITDA between 2011 and 2012.

The EDITDA of the **Services Division** as at 31 December 2012 was down by 52.4% compared with 31 December 2011. The companies sold in 2011 and 2011 contributed 4.4 million euros to the EBITDA of 31 December 2011.

Operating Profit totalled 201.2 million euros as at 31 December 2012 compared with 238.3 million euros as at 31 December 2011.

(in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
Operating income					
Property investment	137.9	175.6	**(0.2)**	175.8	(21.5)%
Development	51.9	77.1		77.1	(32.7)%
Services	3.4	9.5	**0.2**	9.3	(63.7)%
Other (*)	8.0	(23.9)		(23.9)	
Total Operating Profit	**201.2**	**238.3**	**0.0**	**238.3**	**(15.6)%**

* The "Other" activities consist of what Icade Group calls its "head office" charges and eliminations of Icade's intra-group operations.
** Reclassifications relate to the sale on 1 January 2012 of Icade Inmobiliaria by the Services business to the Property Investment business.

The change between 2011 and 2012 in the components of the EBITDA and the operating profit/loss are as follows:

- The net capital gains on disposals in 2012 were 80.8 million euros compared with 63.7 million euros in 2011. This difference is principally related to disposals of residential property assets (41.6 million euros), of Icade Résidences Services which was sold in March 2012 (20.8 million euros posted in "Other") and the disposal of an offices property in Avenue de Messine (Paris 8) for 13.4 million euros;

- The net depreciation and amortization expenses as at 31 December 2012 were 176.8 million euros compared with 148.6 million euros at the same date in 2011. This increase is mainly due to investments made in the healthcare sector at the end of 2011 and in 2012;
- The charges and reversals linked to loss in value on assets stood at 87.2 million euros as at 31 December 2012 compared with 32.2 million euros at the same date in 2011. This change is essentially due to an additional provision for loss in value of the EQHO Tower of 55.4 million euros as at 31 December 2012.

The **Net Profit, Group Share** reached 52.7 million euros compared with 93.0 million euros as at 31 December 2011.

Net Current Cash Flow stood at 251.4 million euros as at 31 December 2012, up 12.5% compared with 31 December 2011 (223.5 million euros).

This performance is mainly due to the growth of the Commercial Property Investment business related to commercial successes in 2011 and 2012 and to a significant increase in the volume of investments in the health sector in 2011 and 2012 (combined total of 710 million euros). The increased financial expense can mainly be explained by the rise in the financial debt due to financing of investments, partially offset by the fall in the average cost of debt. The fall in the current tax liabilities is mainly related to the fall in taxable profit/loss of the Commercial Property Development Division.

key figures (in millions of euros)	31/12/2012	31/12/2011	Change
EBITDA	384.5	355.5	+8.2%
PNE SAS classified as non-current (*)	2.3		
Current EBITDA	**386.8**	**355.5**	**+8.8%**
Financial profit (loss)	(101.6)	(97.2)	+4.5%
PNE SAS classified as non-current	0.4		
Current financial profit/loss	**(101.1)**	**(97.2)**	**+4.0%**
Corporate tax (**)	(37.2)	(44.1)	(15.7)%
Tax on provision for depreciation on client contracts and net release of investment provisions – Property Development Division	(1.2)	0.0	
Tax on capital gains from sales	1.9	9.3	
PNE SAS classified as non-current	0.1		
Exit tax	2.0		
Current corporate tax	**(34.3)**	**(34.8)**	**(1.4)%**
NET CURRENT CASH FLOW	**251.4**	**223.5**	**+12.5%**

(*) Following elimination of internal margins achieved by the Property Development Division

(**) The corporate tax results partly from the activities of the Property Development and Services Divisions and partly from Icade's Holding business.

Loan to value (LTV):

key figures (in millions of euros)	31/12/2012	30/06/2012	31/12/2011
Net financial debt	2,725.4	2,666.6	2,690.9
Appraisal value of Property Investment Division Portfolio	6,849.7	6,756.6	6,727.3
Loan to value (LTV)	**39.8%**	**39.5%**	**40.0%**

At 31 December 2012, Icade's **net debt** stood at 2,725.4 million euros (compared with 2,690.9 million euros at 31 December 2011).

The **appraisal value** of Icade's real-estate assets (excluding duties) as established by independent experts was 6,849.7 million euros as of 31 December 2012, compared with 6,727.3 million euros on 31 December 2011.

Icade's **"loan to value" (LTV)** ratio is calculated conservatively 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 duties) of the Property Investment Division without taking into consideration the value of development and services assets.

It stood at 39.8% at 31 December 2012 compared with 40.0% at 31 December 2011.

NAV:

NAV (in millions of euros)	31/12/2012	30/06/2012	31/12/2011	**Change 2011/2012**	**Change in %**
Group share of EPRA NAV	4,399.7	4,400.8	4,508.3	(108.6)	(2.4)%
EPRA NAV per share (Group share - fully diluted in €)	84.27	84.9	87.5	(2.8)	(3.1)%
Group share of EPRA triple net NAV	4,190.1	4,188.7	4,312.5	(122.4)	(2.8)%
EPRA triple net NAV per share (Group share - fully diluted in €)	80.7	80.8	83.7	(3.0)	(3.6)%

As at 31 December 2012, the EPRA single net asset value is 4,399.7 million euros, i.e. 84.7 euros per share, down -3.1% compared with 31 December 2011 and the EPRA triple net asset value is 4,190.1 million euros, i.e. 80.7 euros per share, down 3.6% compared with 31 December 2011.

After restatement of the dividend of 3.72 euros (including an exceptional dividend of 0.37 euros) per share paid in June 2012, the EPRA triple net asset value increased 0.9%.

C - BUSINESS ACTIVITIES AND RESULTS 2012

1. Property Investment Division

1.1 Overview

key figures (in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (*)	31/12/2011	Change
Turnover	399.7	364.6	0.6	364.0	+9.6%
EBITDA	323.1	287.0	(0.7)	287.7	+12.6%
EBITDA/Revenue	80.8%	78.7%		79.0%	+2.7%
Operating income	137.9	175.6	(0.2)	175.8	(21.5)%

(*) Transfer on 1 January 2012 of Icade Inmobiliaria from the Services Division to the Property Investment Division

Icade's **Commercial Property Investment Division** operates principally in the Offices and Business Parks segments in the Ile-de-France area. Icade also operates in the healthcare establishment and shopping centre segments. Finally, Icade has a more marginal presence in segments that are not active targets, such as logistics platforms and offices in Germany.

Strategic assets portfolio:

- **Offices** in France:

Icade owns office buildings (with a total area of 400,000 m²) primarily in Paris, the Western Crescent and Villejuif.

- **Business Parks**:

Icade owns a site of nearly 80 hectares in the communes of Paris 19, Saint-Denis and Aubervilliers. It is creating a business campus there, combining diversity and services with the aim of sustainable development.

The Business Parks business is distinguished by its strong organic growth potential. That is why the Commercial Property Investment Division is concentrating a significant proportion of its medium-term investments in this segment, both for the refurbishment of existing assets and the construction of new assets. This business will generate future cash flows and create significant value.

Over 2012, the business parks have built up an additional 14,000 m² with the delivery of the Beauvaisis building (12,000 m²) in January 2012 and various extensions in the Parc des Portes de Paris.

Alternative assets portfolio:

- **Shops and Shopping Centers**:

This activity covers:

  - the ownership, since its delivery in October 2009, of a shopping centre in Montpellier (50% ownership, jointly with Klépierre);

- the ownership, since its delivery in April 2011, of a shopping centre in Aubervilliers (50% ownership, jointly with Klépierre);

- the ownership of stores such as "Mr Bricolage" which are instant and recurring cash flow generators;

- **Healthcare**:

Icade has become a major player in healthcare. Since 2007, Icade has been building a portfolio of 55 healthcare establishments, which are characterized by:

- Assets that generate immediate cash flow;
- Initial fixed-term leases of 12 years;
- Rental margins (net rental/gross rental) of close on 100%

Icade benefits here from a reputable team and expertise in this market.

To support its development, Icade Santé opened its capital, during the 1st half of 2012, of 250 million euros to three institutional investors, the main ones of which are Crédit Agricole Assurance and BNP Paribas Cardif. In December 2012, a further capital increase of 110 million euros was carried out to support investments made in the 2nd half of the year.

The operation of an office building in Levallois leased to the Ministry of Interior, a crèche in Toulouse as well as companies providing PPP activities and the assets of SCI Gascogne, included in 2011 in the healthcare business were sold to the Offices sector on 1 January 2012. The comparisons take into account the sale of these activities.

Non-strategic assets portfolio:

- **Warehouses**:

This business consists primarily of holding a portfolio of assets leased to the Casino Group and representing 400,000 m².

- **Offices in Germany**:

Icade owns a residual portfolio of offices in Germany, currently consisting of six buildings (with a total floor area of 120,000 m²) mainly located in Munich, Hamburg and Berlin, plus six hectares of land banks.

- **Residential Property Investment:**

Icade owns a residual portfolio of 4,246 residential properties, 30,300 m² of retail property and nursing homes and 152 hectares of land banks.

The aim is to withdraw from these assets in the short or medium term.

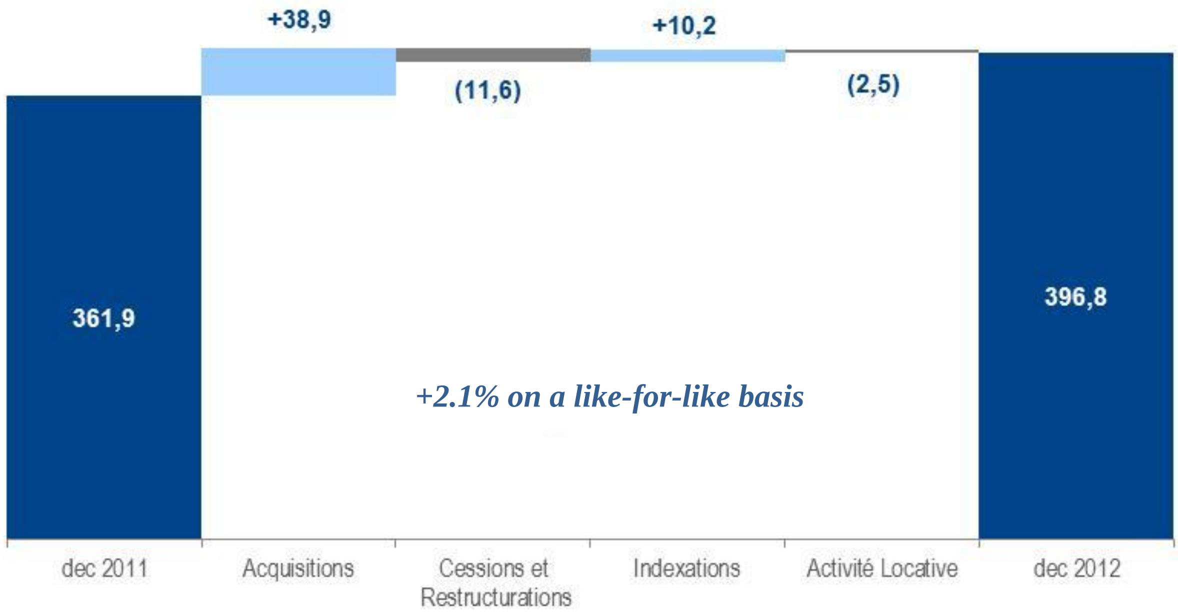
1.2 Key figures as at 31 December 2012

The **turnover** of the Property Investment Division, as at 31 December 2012, was 399.7 million euros up by 9.6% compared with 31 December 2011. On a like-for-like basis, it grew 2.1%.

Turnover (in millions euros)	31/12/2012	31/12/2011 restated	Reclassifications (*)	31/12/2011	Change	Change on a like for-like basis
Offices France	128.0	119.1	20.5	98.6	+ 7.5%	+ 5.2%
Business parks	94.6	96.4	0.6	95.8	(1.9)%	(0.7)%
Strategic assets portfolio	**222.7**	**215.5**	**21.1**	**194.4**	**+ 3.3%**	**+ 2.6%**
Shops and shopping centres	24.8	22.1		22.1	+ 12.3%	+ 1.5%
Healthcare	91.5	62.1	(20.1)	82.2	+ 47.3%	+ 2.3%
Alternative assets portfolio	**116.3**	**84.2**	**(20.1)**	**104.3**	**+ 38.1%**	**+ 2.1%**
Non-strategic assets portfolio	**61.3**	**65.9**	**0.6**	**65.3**	**(7.0)%**	**+ 0.1%**
Investment intra-group businesses	(0.6)	(1.0)	(1.0)		(42.9)%	(42.9)%
PROPERTY INVESTMENT DIVISION	**399.7**	**364.6**	**0.6**	**364.0**	**+ 9.6%**	**+ 2.1%**

(*) Sale of Healthcare business assets on 1 January 2012 not owned by Icade Santé (mainly the Levallois building leased to the Ministry of Interior) to the Offices France business. The Healthcare business now therefore only includes the assets owned by Icade Santé (of which 63% are owned by Icade). Sale on 1 January 2012 of Icade Inmobiliaria by the Services business to the Property Investment business

The table below displays the changes from 2011 to 2012 **of rental income**:



Dec 2011	Acquisitions	Disposals and Restructuring	Indexations	Rental business	Dec 2012

Rental income, on a like-for-like basis, improved by 2.1% compared with 2011.

Rental income (in millions of euros)	31/12/2011	Reclassifications	31/12/2011 restated	Acquisitions/ Deliveries	Disposals/ restructuring	Indexing	Rental Business	31/12/2012
Offices France	97.9	20.0	117.9	7.6	(4.9)	2.9	3.4	126.8
Business parks	95.7	0.6	96.4	1.0	(2.1)	3.4	(4.1)	94.6
Strategic assets portfolio	**193.6**	**20.6**	**214.3**	**8.6**	**(7.0)**	**6.3**	**(0.7)**	**221.5**
Shops and shopping centres	22.1		22.1	2.4		0.7	(0.3)	24.8
Healthcare	81.7	(20.0)	61.6	28.0		2.4	(0.5)	91.5
Alternative assets portfolio	**103.8**	**(20.0)**	**83.7**	**30.3**		**3.1**	**(0.8)**	**116.3**
Non-strategic assets portfolio	**64.4**		**64.5**		**(4.6)**	**0.4**	**(1.0)**	**59.2**
Investment intra-group businesses		(0.6)	(0.6)			0.5		(0.1)
PROPERTY INVESTMENT DIVISION - Rental Income	**361.8**	**0.0**	**361.9**	**38.9**	**(11.6)**	**10.2**	**(2.5)**	**396.8**
Other revenue	2.2	0.6	2.8				0.1	2.9
PROPERTY INVESTMENT DIVISION - Revenue	**364.0**	**0.6**	**364.6**	**38.9**	**(11.6)**	**10.2**	**(2.4)**	**399.7**

Acquisitions and deliveries of assets: have generated 38.9 million euros in additional revenue during 2012 and mainly consist of:

- investments made by Icade Santé at the end of 2011 and in 2012. Icade Santé has acquired 24 new clinics since January 2011 (11 of which in 2012), which has generated 23 million euros in additional revenue during 2012.
- the delivery of two office assets in Villejuif (7.5 million euros in additional rent) completed in December 2011 and March 2012 respectively and leased to LCL.
- the commissioning, in April 2011, of the le Millénaire Shopping Centre in Aubervilliers, managed in partnership with Klépierre and which has generated 2.4 million euros in additional revenue.

Disposals and restructuring: 11.6 million euros in loss of rent in 2012

These mainly concern portfolio trade-offs of SIIC Invest's former commercial properties portfolio (1.5 million euros) at the end of 2011 and the sale of the Atrium building in July 2011 (3 million euros).

Rentals (rentals, re-rentals, renewals and departures) and other: 2.4 million euro decrease in rent

This mainly concerns lettings which occurred between the 2nd half of 2011 and the 1st half of 2012, the main effects of which are:

- 3.4 million euros in additional revenue for Offices which mainly consists of:
  - the letting of the H2O asset in Rueil Malmaison during the 2nd half of 2011 (+1.9 million euros in rent);
  - the letting of the entire Link building in Paris 15 (3.7 million euros in rent);
  - the letting, at the start of 2012, of Le Factory building in Boulogne Billancourt has generated additional revenue of 1.7 million euros;
  - exceptional sales negotiations which led to a protocol of reduced rent in the sum of 2.8 million euros on the PB5 asset;
  - the increase in financial vacancy on the Champs Elysées building has led to 0.6 million euros in lost rent as at 30 December 2012;
- A 4.1 million euro fall for business parks in relation to:
  - 1 million euros, for exceptional index-linking on the construction lease for the land for the Le Millénaire shopping centre in April 2011;
  - 0.6 million euros for non-recurring rental adjustments over previous years
  - 2.5 million euros for lease renewals, including rent reductions in return for extensions to their residual terms;
- The 0.5 million euro fall in revenue for the Healthcare Division is linked to a renegotiation of rent, which cancelled the effects of the accounting spread of levels granted in the previous lease.
- For the Warehouse business, the 0.5 million euro fall in rental income is primarily related to renegotiated leases for the Longvic warehouse.

The **net rent** of the Commercial Property Investment Division stood at 353.7 million euros for the year 2012, i.e. a margin of 89.1%, an improvement of 1.5 point compared with 2011.

	31/12/2012		31/12/2011			
(in millions of euros)	Net rental income	Margin	Net rental income	Reclassifications	Restated net rental income	Margin
Offices in France	117.6	92.7%	87.1	19.2	106.3	90.2%
Business Parks	81.2	85.9%	87.2	0.8	88.0	91.3%
Strategic assets portfolio	**198.9**	**89.8%**	**174.3**	**20.0**	**194.3**	**91.3%**
Shops and shopping centres	21.5	86.7%	20.1	(1.2)	18.9	85.5%
Healthcare	90.5	98.9%	80.3	(19.1)	61.0	99.0%
Alternative assets portfolio	**112.0**	**96.3%**	**100.4**	**(20.3)**	**79.9**	**95.5%**
Non-strategic assets portfolio	**42.4**	**71.7%**	**42.4**		**42.4**	**65.7%**
Investment intra-group businesses	0.4			0.3	0.3	
PROPERTY INVESTMENT DIVISION	**353.7**	**89.1%**	**317.1**	**0.0**	**316.9**	**87.6%**

The change in overall margin is primarily due to a significant improvement in the rate of recovery of charges from shopping centres. For Business Parks, the recorded loss on fully funded unrecoverable receivables over previous years has damaged the margin (net rent/gross rent) of this business as at 31 December 2012.

- The improvement in the net margin of the offices business is related to the letting of the buildings in Villejuif and to the improved occupancy rate of office buildings;
- The fall in the net rental income of Business Parks is the result of losses on unrecoverable receivables (2.0 million euros) and payment of severance compensation of 1.1 million euros. These losses were for very old debts and litigation, fully funded in Icade's accounts. In addition, the Beauvaisis building, completed in January 2012, is in the process of being leased. It is still generating unrecoverable charges of up to 1 million euros;
- The increased margin of Shops and Shopping Centres is related to the launch costs of the le Millénaire Shopping Centre, which put a serious strain on the rate of recovery of charges in 2011;
- The Healthcare business's margin remains stable;
- The improved margin for non-strategic assets is mainly due to the improvement in the Residential Property Investment Division's 2012 margin, which was impacted in 2011 by non-recoverable charges linked to disposals in previous years.

The **Operating Profit/Loss** for the Property Investments Division was 137.9 million euros as at 31 December 2012, 37.7 million euros less than in 2011.

	31/12/2012				31/12/2011	
(in millions of euros)	Operating profit/loss	Reclassifications	Operating profit/loss restated	Operating profit/ revenue	Operating profit/loss	Operating profit/ revenue
Offices in France	16.0	12.5%	33.1	16.5	49.6	41.7%
Business Parks	40.0	42.3%	43.5	0.8	44.3	45.9%
Strategic assets portfolio	**56.0**	**25.2%**	**76.6**	**17.3**	**94.0**	**43.6%**
Shops and shopping centres	5.7	23.1%	6.6	(1.2)	5.3	24.2%
Healthcare	43.3	47.3%	45.1	(16.1)	29.0	46.7%
Alternative assets portfolio	**49.0**	**42.2%**	**51.7**	**(17.3)**	**34.3**	**40.8%**
Non-strategic assets portfolio	**32.9**	**53.6%**	**47.3**		**47.3**	**71.9%**
Investment intra-group businesses						
PROPERTY INVESTMENT DIVISION	**137.9**	**34.5%**	**175.6**	**0.0**	**175.6**	**48.2%**

This change is due to:

- An increase in Net Rent compared with 31 December 2011 (an increase of 36.8 million euros) associated with the effects of changes in scope and better recoverability of the operating expenses of the buildings;
- An increase in capital gains from the sale of assets, mainly belonging to the Residential Property Investment Division, of 7.2 million euros (see details of the sales in section 1.5 Arbitration Activity);
- Asset depreciation of 71.2 million euros, mainly associated with the EQHO Tower (55.4 million euros over 2012);
- An increase in the provisions for depreciation compared with 2011 (29.7 million euros in additional provisions for depreciation) mainly associated with the acquisitions and deliveries of assets in 2011 and 2012.

1.3 Commercial Property Rental business

Breakdown of indicators by business

Classes of assets	Leasable Surface Area	Leased Surface Area	Financial occupancy rate	Index-linked IFRS Rental Income (in millions of euros)	Average fixed lease residual duration (years) (*)
Offices in France	308,249	287,292	94.0%	111.6	5.6
Business Parks	475,378	439,384	91.0%	96.3	4.2
Parc du Mauvin	16,305	15,148	92.3%	1.9	3.0
Parc du Millénaire	66,822	64,327	96.6%	21.1	4.3
Parc du Pont de Flandre	90,513	78,011	85.6%	24.0	5.7
Parc des Portes de Paris Aubervilliers	229,810	214,500	91.4%	37.2	3.1
Parc des Portes de Paris Saint Denis	66,484	61,955	91.1%	10.7	5.1
Quartier du Canal	5,444	5,444	100.0%	1.4	0.7
Shops and shopping centres	211,346	209,287	97.2%	24.2	4.7
Shopping centres	53,482	51,423	95.5%	14.5	1.9
Mr. Bricolage stores	157,864	157,864	100.0%	9.7	8.9
Healthcare	780,327	780,327	100.0%	115.5	9.6
Warehouses	561,987	507,230	90.4%	21.7	4.8
Offices in Germany	99,473	84,958	90.1%	12.9	7.5
COMMERCIAL PROPERTY INVESTMENT	**2,436,759**	**2,308,478**	**94.8%**	**382.3**	**6.4**

(*) Total rents reported for the term of the lease

The **financial occupancy rate** improved by 0.1 points at 31 December 2012 compared with 31 December 2011 (94.7%). This change is due to the lettings detailed below.

As at 31 December 2012, **the average fixed lease term** is 6.4 years and is slightly up compared with 31 December 2011. This rise is associated with the lease renewals signed in 2012, with the new sales that occurred over the year and with acquisitions (mainly clinics) made in 2012.

The policy adopted in relation to Business Parks involves maintaining a shorter average lease term for certain buildings than for offices, in order to benefit from a degree of flexibility in terms of asset management.

New Signings

In 2012, Icade signed 71 **new leases,** relating to nearly 73,400 m^2 (including 60,000 m² of strategic assets) and representing 20.8 million euros in headline rents. Icade therefore achieved commercial success in terms of its main assets delivered and currently being marketed.

New Signings for Assets currently in use:

- Letting of 43% of vacant surface areas in the **Factory building** in Boulogne (92) in January 2012 to the companies BeinSport (4,600 m² – start date 24 January 2012), Elekta (667 m² – start date 11 May 2012) and Rps Research (681 m² – start date 1 December 2012). 7,900 m² remains to be let as at 31 December 2012;

- Letting of the remaining vacant surface areas in the **H_2O building** in Rueil Malmaison in August 2012 to Geostock (2,700 m² - start date 1 January 2013) and Kia Motors in September 2012 (2,600 m² - start date 1 December 2012);

- Letting of 59% of vacant surface areas in the **521 building** in January 2012 to the Endemol France group (6,900 m^2 – start date 1 July 2012), CNAV in March 2012 (700 m²) and Navaho in October 2012 (3,100 m² - start date 1 January 2013). There is 2,100 m² of vacant space remaining, made up of a 845 m² office plot and two business plots of 1,255 m² (including a 580 m² plot reserved for an inter-company restaurant);

- Letting of 36% of surface area in the **026 building** in October 2012 to the Maif (2,800 m² - start date 1 May 2013). The balance represents 1,800 m²;

- Letting in June 2012, of a unit in the **Eurofret Strasbourg warehouse** to Dachser France (4,750 m² – effective from 1 July 2012);

- Letting of 98% of leasable surface area in the **PB5 tower** in La Défense, following the departure of its sole tenant Scor, to the companies Total SA (6,100 m² – start date November 2012), Ubiqus, Rehalto and Scor (4,900 m² – start date December 2012) and ERDF in December 2012 (5,600 m² – start date 1 January 2013). 11,400 m² was taken off the market to allow the completion of refurbishment works during 2013;

- Letting of 28% of the surface area of the **Le Beauvaisis** building in the Parc du Pont de Flandre in January 2013 to ARD (3,350 m^2 – start date 1 May 2013);

- Letting of 39% of the surface area of **Millénaire 5** in the Parc du Millénaire in February 2013 to Numergy (1900 m² - start date 18 February 2013).

New Agreements - Developing Assets:

- Signing of an off-plan lease, in January 2013, following an exclusive partnership with **Veolia Environnement** concerning the establishment of its 45,000 m^2 head office, in the Le Millénaire district of Porte d'Aubervilliers, due to house 2,000 employees by the 1st half of 2016.

  Icade is also continuing its programming for the development of the north-eastern district of Paris. Veolia Environnement is bringing together it business lines in a single building, thereby contributing to the district's regeneration. The project meets the latest technological requirements in terms of the environment and energy performance. With HQE and BREEAM Very Good certification, it will also be labelled BBC.

- Signature, in December 2011, of a protocol agreement with **the Government**, confirmed in a firm agreement signed in February 2012, for the lease and/or the sale of Le Millénaire 3 to the Ministry of Justice. In January 2012, Icade has thus initiated the design studies of this building of around 32,000 m^2 net floor area.

  The building permit, filed in July 2011, was obtained on 9 December 2011. Work began at the start of 2013, in line with the schedule. Delivery is planned for April 2015.

  It is a new-build with seven levels over the ground floor, also including two infrastructure levels containing 345 parking spaces and archive premises. The project, entrusted to the KPF architectural firm, is based on an atrium protected by a glass roof, at the base of which all of the services will be grouped together (lobbies, restaurant, cafeteria, concierge service). With HQE and BREEAM Excellent certification, it will also be labelled BBC.

Renewals

Icade has continued with its rental policy in 2012, which consists of offering its key tenants a **renewal** of their leases in order to secure sustained cash flows. This asset management work resulted in the signing of 23 leases covering 76,700 m^2.

The renewals have secured 17.1 million euros in face rents with an average firm period of 5.6 years.

Departing Tenants

As previously announced, Icade saw the departure of its sole tenant from the PB5 tower on 31 December 2012. Scor had given notice on its lease, which expired at the end of 2012. Its departure represents a 12.8 million euro loss in annual rent. However, 17,200 m^2 has already been re-let by Icade's asset management teams.

Apart from Scor, departures in 2012 related to 73 leases (48,800 m^2) and represented a rental loss of 8.7 million euros.

In terms of strategic assets, departures amounted to 63 leases (34,600 m^2). These were broken down as follows:

- Icade reserves the right to maintain deliberate vacancies in some properties in order to allow a degree of flexibility in terms of asset management. This resulted in the signing of two short-term leases (24-months) which will not be subject to renewal when they expire. Surface area vacated in 2012 as a result of expiry of short-term leases represented 11,950 m^2.
- The balance of around 22,650 m^2 corresponds to the voluntary departure of tenants at the end of their leases.

The nature of the **vacant space** as at 31 December 2012 is diverse and should therefore be adjusted in terms of the impact, depending on the designated use. It mainly involves the following assets:

Assets in Operation	Towns	Vacant Space (m²)	Potential annual rental income (€m)
Factory	**Boulogne**	7,900	
29-31-33 Champs Elysées	Paris	2,700	
European	Evry	2,700	
Other Offices France		7,700	
	Subtotal Offices France	**21,000**	**7.1**
Building 028	Paris	8,600	
Building 265	Aubervilliers	5,200	
Building 134	Saint-Denis	2,600	
Millénaire 5	Aubervilliers	2,400	
Building 521	Aubervilliers	2,100	
Building 026	Paris	1,800	
Building 270	Aubervilliers	1,600	
Other Business Parks		11,700	
	Subtotal Business Parks	**36,000**	**9.5**
CC Le Millénaire	Aubervilliers	1,500	
Other Shopping Centres		500	
	Subtotal Shopping Centres	**2,000**	**0.7**
Tharabie	Saint Quentin Fallavier (38)	31,500	
Eurofret	Strasbourg (67)	14,600	
Casino	Servian (34)	5,600	
Other warehouses		3,100	
	Subtotal Warehouses	**54,800**	**2.3**
Other Offices Germany		**14,500**	
	Subtotal Offices Germany	**14,500**	**1.4**
	COMMERCIAL PROPERTY INVESTMENT	**128,300**	**21.0**

As at 31 December 2012, vacant surface areas represent 57,000 m² of strategic assets for potential rental income of 16.6 million euros.

On a like-for-like basis (without taking account of the Le Beauvaisis building delivered at the start of 2012, whose letting was delayed by works on the T3 tramway), vacant surface areas are down by 13.3%.

The dispersed locations, size and quality of the properties in question enables potential tenants to benefit from a wider range of real-estate opportunities. In addition, the financial risk for the Icade Group is low. This mainly concerns the natural rotation of assets. This is demonstrated by the stability of the financial occupancy rate between 2011 and 2012.

List of main tenants as at 31 December 2012

- Assets excluding Healthcare

Occupants	Annual rent	Leased surface area
	%	%
PwC	8.2%	2.0%
Crédit Agricole SA	7.5%	4.8%
Casino Group (11 warehouses)	6.2%	25.8%
Ministry of the Interior	4.3%	1.7%
Mr Bricolage Group (38 stores)	3.6%	10.1%
Icade Group	3.2%	1.6%
GMG (T-Systems)	2.4%	2.6%
Pierre & Vacances Group	2.4%	1.3%
Rhodia Group	2.0%	2.6%
Agence Régionale de Santé	2.0%	1.1%
Euro Média France	1.9%	2.2%
Ingenico Group	1.7%	0.7%
Club Mediterrannée	1.5%	0.8%
I.F.F.	1.3%	0.3%
Coca-Cola Group	1.3%	0.6%
UBS Securities	1.3%	0.4%
RTE Group	1.3%	0.4%
Tribunal de Grande Instance (regional court)	1.2%	0.5%
Eurasia Group	1.2%	1.3%
Heineken Group	1.1%	0.6%
Balance	44.6%	38.5%
	100.0%	**100.0%**

As at 31 December 2012, the 10 biggest tenants accounted for total annual rents of 111.1 million euros (41.8% of annual rents from assets excluding Healthcare).

- Healthcare assets

Occupants	Annual rent	Leased surface area
	%	%
Vedici Group (16 facilities)	30.9%	35.0%
Médi Partenaire Group (15 facilities)	27.1%	26.4%
Générale de Santé (12 facilities)	24.8%	18.5%
Harpin Group (two facilities)	6.3%	6.4%
3H Group (four facilities)	4.9%	6.1%
Clinipôle Group (three facilities)	3.3%	3.6%
C2S Group (three facilities)	2.7%	4.0%
55 facilities as at 31/12/2012	**100%**	**100%**

Schedule of leases per Business in annual rents (in millions of euros)

Businesses	Offices in France	Business Parks	Retail and Shopping Centres	Healthcare	Warehouses	Offices in Germany	Total	%
2013	11.2	13.1	4.7	0.3	0.3	1.4	**31.1**	**8.1%**
2014	13.9	12.7	2.8	0.0	5.6	0.1	**35.2**	**9.2%**
2015	16.4	13.4	6.0		4.1	0.7	**40.5**	**10.6%**
2016	8.7	16.8	0.3	0.0		0.7	**26.4**	**6.9%**
2017	8.1	10.0	0.0		2.4	1.0	**21.6**	**5.7%**
2018	6.2	5.2			0.8		**12.1**	**3.2%**
2019	2.7	10.6	0.8	10.6		2.4	**27.2**	**7.1%**
2020	3.5	2.2	0.2	28.8	8.5		**43.2**	**11.3%**
2021	29.4	11.2	8.8	8.6			**58.0**	**15.2%**
>2021	11.5	1.1	0.7	67.1		6.6	**87.1**	**22.8%**
Total	**111.6**	**96.3**	**24.2**	**115.5**	**21.7**	**12.9**	**382.3**	**100.0%**

In the coming financial year, the risk of significant numbers of tenants departing when their leases expire remains low. Rental income from the largest tenant, whose lease expires in 2013, amounts to less than 3.0 million euros.

Rental Position – Risk of Rent Revisions

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

In fact, the potential risk of a return to market rental values is 2.6 million euros, representing a risk of potential loss of rent of around 0.7% of rents for the entire Commercial Property Investment Division.

When risk is demonstrated by official notification from a tenant, Icade posts a provision for risk of rental provision in its consolidated accounts.

Average age of the property assets in use, broken down by business

Businesses	Appraisal incl. duties 12/2012 (in millions of euros)	o/w HQE	< 10 years	> 10 years
Offices in France	1,993	604	1 524	469
Business Parks	1,535	489	673	862
Shops and shopping centres	462	202	370	92
Healthcare	1,812		1,326	486
Warehouses	200		130	70
Offices in Germany	203		146	57
COMMERCIAL PROPERTY INVESTMENT	6,206	1,295	4,169	2,036
			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 (duties included) as at 31 December 2012 of the assets in operation, close to 67% were built or renovated after fewer than 10 years.

In addition, the share of HQE certified assets in operation is almost 21% as at 31 December 2012, which is stable compared with 31 December 2011 (the EQHO Tower does not fall within this indicator since it was under development as at 31 December 2012, although on delivery it is likely to receive the “BBC Renovation” label). In the coming years, the EQHO tower, Véolia’s future head office and Le Millénaire 3 should improve this ratio.

Geographical Breakdown of Assets

Geographic region	Annual rental income (in millions of euros)	%	Leasable Surface Area	%
Paris CBD	10.0	2.6%	17 174	0.7%
Western suburb	69.9	18.3%	154 762	6.4%
Other Paris	48.4	12.7%	163 427	6.7%
Other suburb	109.2	28.6%	590 575	24.2%
Regional	131.9	34.5%	1 411 348	57.9%
Rest of the World	12.9	3.4%	99 473	4.1%
COMMERCIAL PROPERTY INVESTMENT	382.3	100.0%	2 436 759	100.0%

The Commercial Property Investment Division’s strategic assets portfolio is located in Paris and Ile-de-France. The alternative assets portfolio is mainly located in Ile-de-France and the regions.

1.4 Investment

Icade has continued to add value to its assets in order to increase the generation of cash flows in the longer term. At the same time it has acquired healthcare assets which generate immediate cash flows. Total investments over the period amounted to **557.5 million euros**.

Assets	Total	Asset acquisitions	Asset refurbishments	Construction extensions	Renovation/ major maintenance
Offices in France	115.4	0.0	96.0	3.5	15.9
Business Parks	53.1	0.0	2.7	22.9	27.5
Strategic assets portfolio	**168.6**	**0.0**	**98.7**	**26.5**	**43.4**
Shops and shopping centres	1.0	0.0	0.0	0.0	1.0
Healthcare	377.7	309.6	0.0	68.1	0.0
Alternative assets portfolio	**378.7**	**309.6**	**0.0**	**68.1**	**1.0**
Non-strategic assets portfolio	**10.2**	**0.0**	**0.0**	**0.0**	**10.2**
PROPERTY INVESTMENT DIVISION	**557.5**	**309.6**	**98.7**	**94.6**	**54.7**

This policy can be divided into four types of investments:

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

- Offices in France for 96 million euros, including work on the EQHO Tower as part of its refurbishment;

The EQHO Tower:

Icade started renovation work on the tower it owns in March 2010, signing a corporate general works contract with the company BATEG (VINCI Group).

These works began with the cleaning and removal of asbestos from all the levels of the tower and have continued with the total renovation of all internal spaces.

Moreover, it was decided during the course of 2010 to carry out the 2nd phase of the work, which consists of replacing the façade of the tower and renovating the car park and the exterior spaces; an amendment to the contract for the work was signed with BATEG in December 2010.

The building permit, relating to category 3 of the works was obtained on 26 April 2011 and work on this phase commenced at the beginning of October 2011. The base of the tower is to be refurbished (floors -1 to 4), creating a 2nd access from Boulevard Circulaire in La Défense, and to create a certain number of services areas at ground level of the building.

The renovated tower can claim an equivalent positioning to the latest generation towers in La Défense (quality of services, environmental labels, and “premium” rent level).

It will be available for lease at the start of the 2nd half of 2013 and is already in the pre-marketing phase.

- Business Parks: 2.7 million euros concerning the renovation work on Le Beauvaisis.

Constructions & extensions of assets: The investments primarily concern:

- Business Parks: investments represented 22.9 million euros in 2012 and mainly related to studies into the Millénaire 3, Millénaire 4 and Veolia projects as well as Ilot E.
- Healthcare: This essentially involves construction or extension work on clinics, to a sum of 68.1 million euros. This work is part of the rental conditions, fixed contractually on acquisition, and will lead to a rent supplement on delivery.

Renovations/Major Maintenance & Repairs: mainly refer to the expenses of renovation work on business parks and accompanying measures (leaseholders’ work).

Asset acquisitions: a selective strategy concerning the assets with high profitability and instant cash flows. In 2012, total acquisitions represent 309.6 million euros and relate to the acquisition of 11 healthcare facilities. These assets (173,000 m2 - 2,100 beds) are subject to firm leases of 12 years, signed with the operators Médi-Partenaires (the 3rd largest group of private hospitals in France, operating more than 25 clinics), Vedici and Clinipôle. These transactions allow Icade to continue its development and diversification based on rental in the healthcare sector.

These new acquisitions form part of the investment strategy that Icade is operating in the healthcare sector (a strategy of building up an attractive portfolio in terms of net yield, with several operators and therefore with enough diversification to limit rental risk). The acquisitions also complete Icade's nationwide coverage, with a total portfolio of 9,600 beds and a floor area of nearly 780,000 m².

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

1.5 Trade-offs

Icade is carrying out an active trade-off policy on its assets, based on three main principles:

- Optimization and turnover: sale of mature assets, for which most of the asset management work has been done and where there is a high probability of capital gain on the sales;
- Portfolio rationalisation: sale of assets of modest size or held under joint ownership;
- Shift to the commercial sector, disposal of non-strategic assets: sale of assets, which do not belong in the core of the Commercial Property Investments Division.

The value of sales realised during 2012 was 326.2 million euros.

Assets	Total	Optimisation	Portfolio rationalisation	Shift to the commercial sector
Offices in France	206.3	107.5	98.8	0.0
Business Parks	2.8	0.0	2.8	0.0
Strategic assets portfolio	**209.0**	**107.5**	**101.5**	**0.0**
Shops and shopping centres	0.0	0.0	0.0	0.0
Healthcare	0.0	0.0	0.0	0.0
Alternative assets portfolio	**0.0**	**0.0**	**0.0**	**0.0**
Non-strategic assets portfolio	**117.2**	**0.0**	**0.0**	**117.2**
PROPERTY INVESTMENT DIVISION	**326.2**	**107.5**	**101.5**	**117.2**

This relates primarily to the following:

- The sale of the 7,100 m² HQE certified Mistral office building in Paris 12 for the sum of 60 million euros. Sold off-plan to the Agence Française de Développement (AFD) [French Development Agency], the building was delivered at the start of 2012;
- The sale in December 2012 of the office building located at 7/9 Avenue de Messine (Paris 8) for 107.5 million euros, representing 8,400 m²;
- The sales in March and July 2012 of commercial properties in Paris Montparnasse, Mâcon and Evreux for 8.9 million euros;
- The sale in October 2012 of a jointly-owned property in a building in Neuilly-sur-Seine (92) with a surface area of 2,034 m² to BNP Real Estate for 16.9 million euros;

- The sale in October 2012 of a jointly-owned property on the 21st floor of the Areva tower in Courbevoie (92) with a surface area of 2,100 m² for 12.2 million euros;
- The sales in July and December 2012 of two warehouses in Toulon and Rognac with a total surface area of 36,400 m² for 9.1 million euros;
- The sale in December 2012 of land with a surface area of 704,000 m², located in Bad Homburg to the north of Munich and Stuttgart as well as land in Munich for a total of 17.2 million euros;
- The sale in December of an office building with a surface area of 11,200 m², located in Berlin for 25.5 million euros;
- The sale in December 2012 of an office building with a surface area of 10,200 m², located in Hamburg for 14.0 million euros;
- The signing of undertakings to sell in 2012, relating to a business park in Berlin (11,900 m²), an office building in Frankfurt (7,500 m²) and land in Germany for a total amount of 88.3 million euros.
- In 2012, Icade continued the process of selling residential units, notably including the block sale of 495 units located in Epinay-sur-Seine for 33.0 million euros and of 86 single units for a total amount of 10.1 million euros;
- Shops in the ground floors of buildings, located mainly in Saint-Denis, Créteil and Epinay-sous-Senart, were sold in 2012 for 4.3 million euros;
- Various properties were sold for a total amount of 3.2 million euros, including land in Saint-Denis for 1.9 million euros.
- On 12 July 2012, Icade signed an undertaking to sell relating to jointly-owned properties in the Arago tower in Puteaux (92) with surface area of approximately 2,400 m². The sale is expected to be completed during the 2nd half of 2013.

After closing of the accounts, Icade signed:

- An undertaking to sell concerning 11 of Icade's logistics platforms for a total of 145.0 million euros. Final completion of the sale is expected to take place during the 1st half of 2013;
- An undertaking to sell concerning the block sale of 849 units located in Sarcelles (95) for 43.2 million euros. Final completion of the sale is expected to take place during the 1st half of 2013.

2. Property Development Division

2.1 Key figures

Real-estate markets experienced a general slowdown in 2012.

Uncertainty over the future of the eurozone dissipated to some extent, making way for bleak prospects for economic growth in France for 2013.

Despite concerns, interest rates remained at historically low levels, although in a general context of tighter credit.

As expected, fiscal real-estate conditions deteriorated, with the announcement that the Scellier scheme would end on 31 December 2012, and reform of taxation on capital gains from real estate.

Despite the continuation of schemes to support activity, the market is entering a period of uncertainty due to rising unemployment, a heavier tax burden, and reduced and selective bank lending.

A decline in volumes of activity can be expected in 2013.

However, sales results recorded over the previous year have maintained a high level of activity during 2012. In fact, despite a 9.5% loss in revenue recorded by the Residential Property Development business, EBITDA is down by 7.2% compared with 2011, representing a EBITDA/turnover ratio of 7.7%, 0.2 points higher than the previous year.

Operating profit/loss for the Residential Property Development Division is down 8.9% (46.3 million euros as at 31 December 2012 compared with 50.8 million euros as at 31 December 2011).

The Residential Property Development Division remains vigilant in its commitments by adapting production to market conditions and tightening its commitment criteria to preserve operations margins rather than revenue.

With regard to the Commercial Property Development business, operating profit/loss was down 29.6% compared with 2011 mainly because of the delivery during the 1st quarter of 2012 of the operation in Saint-Nazaire and the 5th and final office building in Villejuif.

In December 2012, the corporate governance bodies of CDC and Icade authorised the takeover by CDC of Icade's stake in development company PNE SAS. The financial impact of this disposal was calculated based on an independent technical and financial audit carried out in the 2nd half of the year, and entirely posted in 2012. This results in an operating loss of 17.9 million euros in Icade's consolidated accounts in relation to the development company PNE SAS.

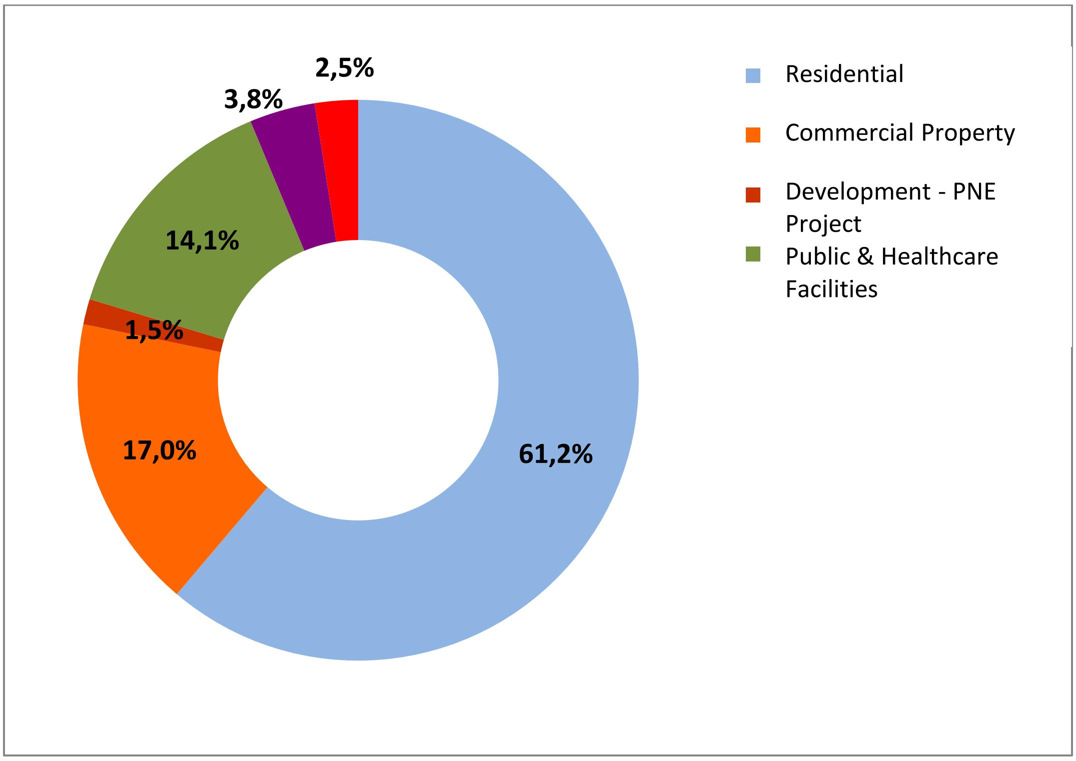
As at 31 December 2012, the operating profit of the Property Development Division was 51.9 million euros, or 4.8% of turnover compared with 77.1 million euros and 7.0% of turnover as at 31 December 2011. This deterioration is mainly due to the additional loss incurred by the PNE development activity (17.9 million euros in operating loss over the course of the year). Excluding this activity, 2012 operating profit stands at 6.6% of turnover.

Key Figures (in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
Residential Property Development	669. 9	740.5		740.5	(9.5)%
Commercial Property Development	408.9	363.7	(9.6)	373.3	+12.4%
PNE Development	16.0	9.6	9.6	0.0	+67.1%
Inter-business Development	(24.1)	(7.6)		(7.6)	
Turnover (*)	**1,070.7**	**1,106.2**	**0.0**	**1,106.2**	**(3.2)%**
Residential Property Development	51.7	55.7	(1.0)	56.7	(7.2)%
Commercial Property Development	19.6	25.2	(0.1)	25.3	(22.4)%
PNE Development	(7.3)	1.1	1.1	0.0	N/A
Inter-business Development	5.0	0.0		0.0	
EBITDA	**68.9**	**82.0**	**0.0**	**82.0**	**(15.9)%**
Residential Property Development	46.3	50.8	(6.6)	57.4	(8.9)%
Commercial Property Development	21.1	29.9	10.2	19.7	(29.6)%
PNE Development	(17.9)	(3.6)	(3.6)	0.0	N/A
Inter-business Development	2.4	0.0	0.0	0.0	
Operating income	**51.9**	**77.1**	**0.0**	**77.1**	**(32.7)%**

(*) Turnover based on progress, after inclusion of the commercial progress and work progress of each operation.

(**) Reclassification of the PNE Residential Property activity to the Residential Property Development business and of the name of the PNE Development activity.

Turnover



The Residential property business is the main contributor, representing 61.2% of overall business (66.5% as at 31 December 2011).

The commercial property development businesses are up overall at 408.9 million euros (363.7 million euros as at 31 December 2011) with:

- A decline in Public Facilities and Healthcare (-28.5% to 154 million euros), offset by Commercial Property Development (+152.3% to 186.3 million euros);
- A fall of 9.7% for the services business, to 41.3 million euros (compared with 45.7 million euros as at 31 December 2011), and of 5.4% for the engineering business compared with 31 December 2011 (27.3 million euros turnover compared with 28.8 million euros as at 31 December 2011).

Development backlog and Service order book

The backlog represents the revenue signed (before tax) but not yet recognized on development operations based on progress and signed orders (before tax).

The order book represents the service contracts (before taxes) that have been signed but are not yet productive.

Development backlog as at 31 December 2012	Total	Ile-de-France	Regions
(in millions of euros)			
Residential development (inc. subdivision)	1,081.6	599.0	482.6
Commercial Property Development	380.8	321.7	59.1
Public and Healthcare Development	123.5	35.5	88.0
Engineering order book	38.6	19.9	18.7
Project management services order book	68.7	41.5	27.2
TOTAL	1,693.2	1,017.6	675.6

The total backlog of the Property Development Division stands at 1,693.2 million euros (compared with 1,808.2 million euros as at 31 December 2011), a fall of 6.4%.

These changes can be analysed as follows:

- A 5.2% increase in the Residential Property Development backlog, from 1,027.9 million euros in 2011 to 1,081.6 million euros in 2012. The guaranteed portion, corresponding to deeds of sale, is 58% of the total (compared with 66% at 31 December 2011);
- A fall in the Commercial Property Development backlog, from 485.5 million euros to 380.8 million euros, mainly due to the start of operations such as Joinville Urbagreen, Guyancourt Le Start, Saint-Denis Sisley, Lyon Ambre and Opale;
- A decrease in the Public and Healthcare Development backlog, which fell by 30.9% from 178.8 million euros to 123.5 million euros, mainly due to the end of the university hospital project in Saint Nazaire as well as the delivery of several projects including the MUCEM in Marseille and the business school in Guadeloupe;
- Stability in the engineering order book at 38.6 million euros (38.8 million euros in 2011) and a decrease in the Services Division order book from 77.2 million euros to 68.7 million euros (-11%).

2.2 Residential Property Development

(in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
Revenues (*)	669.9	740.5		740.5	(9.5)%
EBITDA	51.7	55.7	(1.0)	56.7	(7.2)%
Margin (EBITDA/Revenues)	7.7%	7.5%		7.7%	
Operating income	46.3	50.8	(6.6)	57.4	(8.9)%

(*) Turnover based on progress, after inclusion of the commercial progress and work progress of each operation.
(**) Reclassification of the PNE Residential Property activity to the Residential Property Development business and of the name of the PNE Development activity.

Turnover is down, at 669.9 million euros compared with 740.5 million euros at 31 December 2011.

The market was not supported by private investors like it was last year and the flow of commercial stock has slowed down (flow has fallen 7.8% compared with 12.7% in 2011).

However, lettings are active with corporate lessors in block sales and first-time customers.

EBITDA is 51.7 million euros, i.e. 7.7% of revenues (7.5% of revenues at 31 December 2011 at 55.7 million euros) confirming a good level of profitability for 2012.

As at 31 December 2012, unsold completed stock comprised 117 residential properties, representing 21.0 million euros in revenues compared with a stock of 118 plots as at 31 December 2011 for 16.3 million euros in revenues.

Marketing of new housing units and plots for construction as at 31 December 2012

	Ile-de-France	Regions	TOTAL
Number of plots	2,427	3,270	5,697
Revenues (potential in millions of euros)	534.3	591.4	1,125.7

As the result of a prudent pre-letting policy, 5,697 residential properties and building plots were marketed during 2012 compared with 6,874 in 2011 (including 913 plots for the PNE project).

Launch of projects to build new residential properties and building plots as at 31 December 2012

	Ile-de-France	Regions	TOTAL
Number of plots	1,759	2,410	4,169
Revenues (potential in millions of euros)	358.6	525.8	884.4

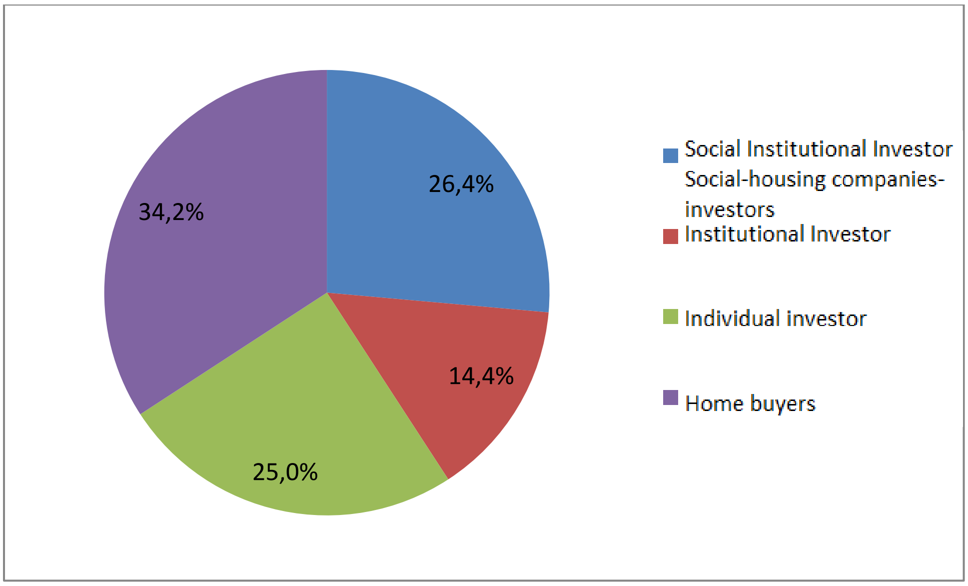
4,169 residential properties and building plots were launched in 2012 compared with 4,430 for the same period the previous year, representing a fall of around 6% in 12 months.

Reservations of new homes and plots of building land

	31/12/2012	31/12/2011	Change
Number of housing reservations	4,295	5,377	(20.1)%
Housing reservations in millions of euros (including tax)	814.8	1,108.5	(26.5)%
Housing withdrawal rate	19%	15%	
Number of building plot reservations	99	246	(59.8)%
Reservations of building plots in € millions (including tax)	7.0	23.1	(69.7)%

In 2012, the housing unit withdrawal rate was 19%, an increase compared with 2011 (15%).

Breakdown by type of housing customer



During 2012, reservations for buyers (main residence and secondary residence) accounted for 1,628 residential properties and plots, i.e. 34.2% of the sales activity (compared with 29.5% in 2011). The number of private individual investors (475 reservations) is down to 25% (38.3% in 2011), the number of corporate investors and institutional investors rose to 40.8% of reservations compared with 32.2% for 2011.

Average sale price and average surface area based on reservations

	31/12/2012	31/12/2011	Change
Average price including taxes per habitable m² (€/m²)	3,256	3,465	(6.0)%
Average budget including tax per residential unit (€K)	189.6	206.2	(8.1)%
Average floor area per residential unit (m²)	58.2	59.5	(2.2)%

The average budget for residential units reserved for the year is 189.6 thousand euros, down 8.1% compared with 2011.

The average price including tax per m² is 3,256 euros, down 6% compared with 2011.

The sale of several student and senior residences during the 1st half of 2012 and the sale in 2011 of 713 plots in the PNE project in inner Paris had a direct effect on the fall in average surface area sold, the average budget per residential unit and the average price per habitable m².

As at 31 December 2012, the number of notarised sales has decreased by 23.7% (and by 24.7% as an amount) to 775.5 million euros for 4,069 residential units and plots compared with 1,029.8 million euros and 5,330 residential units and plots as at 31 December 2011.

Property portfolio

The land reserves portfolio of residential units and building plots is 7,675 plots (8,135 plots as at 31 December 2011) for potential revenues estimated at 1.8 billion euros (compared with 1.6 billion euros as at 31 December 2011), an 8.5% increase in value compared with 31 December 2011. Production under development represents approximately two years' activity.

2.3 Commercial Property Development

(in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
Revenues (*)	408.9	363.7	(9.6)	373.3	+12.4%
EBITDA	19.6	25.2	(0.1)	25.3	(22.4)%
Margin (EBITDA/Revenues)	4.8%	6.9%		6.8%	
Operating income	21.1	29.9	10.2	19.7	(29.6)%

Turnover	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
(in millions of euros)					
Commercial Property Development	**408.9**	**363.7**	**(9.6)**	**373.3**	**+12.4%**
. Public and Healthcare	154.0	215.4		215.4	(28.5)%
. Services	186.3	73.8		73.8	+152.3%
. Project Management Assistance	41.3	45.7		45.7	(9.6)%
. Engineering	27.3	28.8		28.8	(5.4)%
. Others	0.0	0.0	(9.6)	9.6	0.0%

(*) Turnover based on progress, after inclusion of the commercial progress and work progress of each operation.
(**) Reclassification of the PNE Residential Property activity to the Residential Property Development business and of the name of the PNE Development activity.

Public and Healthcare business

In the Public and Healthcare area, the highlights for 2012 were as follows:

- In terms of large projects, Icade won the consultation for the "Espace Océan" urban project in St Denis in La Réunion (83,000 m² of residential property, commercial property, offices, hotels and public amenities) and signed the concession agreement in May 2012;
- In the field of PPPs, the large Cité Sanitaire project in Saint Nazaire was delivered on schedule in early 2012. The Guadeloupe business school was also delivered. Work on the new Vincennes ZOO, due to be delivered in 2014, continued according to schedule. However, the Campus university projects due to be launched in 2012 are subject to an audit moratorium imposed by the Ministry;

- In the field of Healthcare, and despite the slowdown in hospital funding, large hospital projects continued on schedule (Orléans, Dunkerque, Melun, Pointe à Pitre, Fort de France and Nouméa). Major new contracts were won: Saint Pierre de La Réunion, Libourne, Gonesse, Strasbourg university hospital institute, Hôpital Nord Nouvelle Calédonie, and calls for architectural bids were re-launched for the project to build a new hospital in Monaco;
- In 2012, Icade continued its strong growth in the medical-social sector and the residential assistance for seniors with the signing of 65.6 million euros in nursing home development contracts. Le Havre, St Nazaire, Angoulême and Err (66) are the largest projects. New partnerships have been developed with the main investors (including the Caisse des Dépôts) and nursing home operators;
- Growth studies carried out with Poste Immo via ARKADEA, our joint development company, led to the launch of three new residential housing projects in Toulouse, Lyon Croix Rousse and Besançon. Other projects will be launched in 2013;
- Finally, Icade set up an operational organisation to support the Greater Paris development dynamic.

Revenues for 2012 from the "Public and Healthcare" Property Development business fell 29.0% to 154.0 million euros. This forecast decline in business is mainly due to the end of the PPP project for the hospital at Saint Nazaire, which was delivered at the end of February 2012.

As at 31 December 2012, Icade's project portfolio in the Public and Healthcare Development sector, consisted of 198,717 m² of projects (compared with 357,028 m² as at 31 December 2011), comprising:

- 111,490 m² (compared with 210,989 m² in 2011) of projects under construction, including 10,000 m² for PPPs;
- 87,227 m² of projects at the set-up stage (146,039 m² at 31 December 2011).

At 31 December 2012, the principal operations in progress were as follows:

Operations in progress	Total rounded floor area (in m² Net Floor Area)	Type of development	Set-up	Location	Expected completion date
Vincennes Zoo (PPP)	10,000	Zoological gardens	Property development contract	Paris 12 (75)	2013
Montpellier Grisettes	7,405	Medical-social facility	Property development contract	Montpellier (34)	2013
Site de Loire in Tours	9,372	Nursing homes	Property development contract	Tours (37)	2014
Saint-Denis	7,441	Hospital car parks	Property development contract	La Réunion (974)	2013
Dijon Mutualité Gérontopôle	13,000	Medical-social establishment	Off-plan	Dijon (21)	2013
Montpellier ERR Cerdan	6,103	Geriatric centre	Property development contract	Montpellier (34)	2014
Bourgoin-Jallieu Synergie	11,355	Medical centre	Off-plan	Bourgoin-Jallieu (69)	2013

<u>Principal operations delivered in 2012:</u>

- St Nazaire: Hospital PPP, under a property development contract for 92,300 m²;
- Saint-Claude (Guadeloupe): Business school in Guadeloupe (UMAG), under a property development contract for 6,577 m²;
- Dijon: La Providence plot 7, off-plan block sale of 6,762 m² of residential units;
- Le Havre: SOS nursing home, off-plan sale of 4,818 m²;
- Romainville Veuve Aublet: Off-plan social housing units of 1,950 m²;
- Sablé-sur-Sarthe: Student medical centre under a property development contract for 16,001 m²;
- Marseille: Mucem, museum archives PPP, under a property development contract for 13,000 m²;
- St Yriex la Perche: Obesity centre under a property development contract for 4,850 m²;
- Nantes Viviani: Orpéa nursing home under a property development contract for 5,282 m².

Since 1 January 2012, 56.8 million euros (Icade's proportional share) of contracts were signed for off-plan sales (VEFA) or property development contracts (CPI):

- Monnaie (37): Off-plan school of 1,720 m²;
- Isle d'Espagnac (16) la Source: Nursing home as a property development contract of 4,750 m²;
- Tours: Loire site nursing home as a property development contract of 9,372 m²;
- Lahonce: Services centre as a property development contract of 3,465 m²;
- Le Havre: St Just nursing home as an off-plan sale of 5,241 m²;
- Le Havre: La Mare au Clerc nursing home as an off-plan sale of 3,280 m²;
- Dethel Tassin: Nursing home as a property development contract of 6,196 m².

Commercial Property and Shops

In an uncertain economic context the market is proving resilient, but is becoming very selective and concentrated on the best assets.

In this context, Icade nonetheless continued its efforts, signing the following contracts:

- Joinville (94): Off-plan sale for the Urbagreen building with Wereldhave (18,950 m² of offices), work for which began in the 1st half of the year;
- Orléans (45) Ilot Calvin: Offices as a property development contract of 5,283 m² for Immobilière Lelievre;
- Nantes Viviani (44): Off-plan offices of 6,271m² for the City of Nantes/General Council;
- Guyancourt (78) "Start": Off-plan offices of 30,241 m² with SCOR;
- Lille La Madeleine (59): Off-plan offices of 4,468 m² with Unofi (Scpi Notapierre);
- Paris 19 PNE: Off-plan offices in co-development with BNP PARIBAS (27,600 m²).

The following are notable in terms of the Retail business:

- The launch of studies for the Espace Océan complex project in Saint Denis, La Réunion;
- Active letting of surface areas, with contract signed with cinemas at the Bleu Capelette shopping centre in Marseille.

As at 31 December 2012, revenues of the Offices and Shops Development business (186.3 million euros compared with 73.8 million euros last year) have clearly increased, due to the start of new operations, particularly in Ile-de-France.

The main operations that have contributed to turnover for 2012 are:

- Joinville "Urbagreen" for WERELDHAVE;
- Paris Zac de Rungis "Le Pushed Slab" (Paris 13) for BPRP;
- Paris "Le Garance" (Paris 20) for the RATP;
- Bordeaux "Prélude Armagnac" for UFG;
- Lyon NEXANS "Opale et Ambre" for ARKEA;
- Guyancourt "Start" for SCOR;
- Saint Denis Landy – "Le Sisley" for SILIC.

The main projects delivered in 2012 were:

- Villejuif 1 Rhin: 10,839 m² of offices on behalf of Icade (tenant: LCL);
- Lyon VAISE Block 11: 6,618 m² of offices for SPI WEST.

As at 31 December 2012, Icade Promotion had a portfolio of projects in Commercial Property and Shops Development of about 891,112 m² (667,104 m² as at 31 December 2011), which breaks down as:

- Projects under construction for 220,308 m² (129,124 m² as at 31 December 2011), representing future revenue of 380.8 million euros (485.5 million euros as at 31 December 2011). The 31 December 2012 also marks the end of development operations in synergy with Icade's Property Investment Division.

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

Operations in progress	Total rounded floor area (in m² Net Floor Area)	Type of developm ent	Set-up	Purchasers	Expected completio n date
Saint Denis Landy (50%) "Le SISLEY"	22,001	Offices	Property development contract	SILIC	2014
Lyon Nexans Block L "Opale"	12,837	Offices	Off-plan	ARKEA – Crédit Mutuel	2013
Joinville "Urbagreen"	18,950	Offices	Off-plan	Wereldhave	2013
ZAC RUNGIS – PARIS 13 "Pushed Slab"	18,900	Offices	Off-plan	BPRP	2014
Toulon	6,698	Offices	Off-plan	SCP AGPM	2013
Bordeaux "Prélude Armagnac"	9,347	Offices	Off-plan	UFG	2013
Lyon Nexans Block M "Ambre"	12,320	Offices	Off-plan	ARKEA – Crédit Mutuel	2013
Guyancourt (50%) "Start"	30,241	Offices	Off-plan	COLIGNY SAS	2013
Paris North-East "Activities"	15,368	Business premises	Off-plan	RIVP	2015
Paris North-East "Offices" (50%)	27,624	Offices	Off-plan	BNP PARIBAS	2014
Paris 20 – PYRENEES "Garance"	1,814	Offices	Property development contract/Off-plan	CICOBAIL/Natio Crédit Bail	2015
Paris 20 – PYRENEES "Garance"*	28,186	Offices	Off-plan	*	2015
LILLE La Madeleine	4,468	Offices	Off-plan	SCPI Notapierre - UNOFI	2013
ORLEANS Calvin block	5,283	Offices	Property development contract	*Immobilier Lemeunier-Lelièvre*	2013
NANTES Viviani 1 Maison ICADE	6,271	Offices	Off-plan	*City of Nantes/General Council*	2013
Total	220,308			**Speculative developments*	

As at 31 December 2011, 91% of surfaces under construction had been sold (73.7% as at 31 December 2011).

- Other projects under construction are also posted in Icade's consolidated accounts using the equity method. These represent 92,207 m² as at 31 December 2012, an identical amount to 2011.
- As at 31 December 2012, projects at the set-up stage represented 578,597 m² (compared with 445,773 m² as at 31 December 2011), representing revenues of 1,029.3 million euros (1,007.9 million euros as at 31 December 2011). The latter represent projects not yet initiated or delivered for which either a promise of the sale of land for the proposed building (in the case of an off-plan project), or a preliminary contract with the investing 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.

As at 31 December 2012, the main projects being prepared, with controlled development of land and a building permit applied for or obtained, are summarized in the following table:

Total rounded floor area (in m² Net Floor Area)	Type of development (offices, shops, etc.)	Expected completion date
33,086	Offices	2014
6,334	Offices	2014
11,995	Offices	2015
5,535	Offices	2015
19,082	Offices	2016
996	Offices	2014
5,461	Offices/shops	2015
3,200	Offices	2015
58,982	Shops	2014
144,671	**Total**	

As at 31 December 2012, the projects being prepared, with controlled development of land but with no building permit, are summarized in the following table:

Total rounded floor area (in m² Net Floor Area)	Type of development (offices, shops, etc.)	Expected completion date
13,876	Offices	2015
9,865	Offices + Hotel	2014
16,484	Offices + Craft village	2016
103,000 (*)	Offices + residential units	2016
2,938	Offices	2014
146,163	**Total**	

(*) Posted in Icade's consolidated accounts using the equity method

These speculative operations represent an irreversible commitment that comes to 192.7 million euros (excluding taxes).

Project Management 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.

In 2012, revenue from project management assistance fell 9.6% to 41.3 million euros.

In the offices segment, the principal contracts for 2012 relate to the Commercial Property Investment Division's projects:

- The EQHO Tower in La Défense
- Le Beauvaisis (Paris 19)
- The Block E building in Saint Denis;
- The VEOLIA project in Aubervilliers
- The Millénaire 3 and 4 buildings in Paris 19

The order book totals 68.7 million euros, representing approximately 20 months of business (revenues based on the last 12 months).

Engineering

2012 was marked by several commercial successes, particularly in the healthcare field:

- Bezanes clinic in Reims, the largest private project in France with 400 beds
- Clinic with 216 beds in Nouméa which groups together the two largest clinics on the island

In the commercial building area, several operations were started in Ile-de-France, providing a high-quality business portfolio.

The development strategy of the energy performance and "sustainable development" consultancy niche is already proving its worth and several major redevelopments of businesses have been started.

The order books – signed contracts that are not yet productive - of the two companies have risen: 38.6 million euros, i.e. approximately 17 months of activity, for Icade Arcoba, Icade Gestec and Icade Sethri-Setae, up compared with the end of December 2011 (16 months of activity).

Exclusive negotiations are currently underway to sell this business line in 2013.

2.4 PNE Development

(in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (**)	31/12/2011	Change
Revenues (*)	16.0	9.6	9.6	0.0	+67.1%
EBITDA	(7.3)	1.1	1.1	0.0	N/A
Margin (EBITDA/Revenues)	(45.4)%	+11.0%	+11.0%	0	
Operating income	(17.9)	(3.6)	(3.6)	0.0	N/A

(*) Turnover based on progress, after inclusion of the commercial progress and work progress of each operation.
(**) Reclassification of the PNE Residential Property activity to the Residential Property Development business and of the name of the PNE Development activity.

Icade has owned the Mac Donald warehouse, together with the Caisse des Dépôts and the Semavip (Société d'aménagement de la Ville de Paris) via the company SAS PNE, since 2006 (30% owned by Icade, 50% by Caisse des Dépôts and 20% by Semavip). The purpose of this company concerns a development project to value and sell the land charges of the site to corporate developers with the aim of converting the Macdonald warehouse into a new district, to include approximately 160,000 m² of net floor area, consisting of residential units, offices, shops and facilities.

This is an exceptionally technically and financially complex operation due to the re-use of an existing building which has been partly demolished and redeveloped as a car park and shopping centre and finally raised as a building with different uses: offices, business and residential units.
Thus, on the basis of operations balance sheets and numerous technical studies, the development company SAS PNE has valued and sold the land charges to Icade Promotion and other developers in order to build assets of residential units, offices, shops and facilities.

It has turned out that mandatory work concerning servicing and strengthening the structures is more expensive and longer than anticipated for the following reasons:

- the quality of the ground cannot support the future buildings;
- the foundations are not sufficient and have led to micro-piles being injected into the base of all the posts;
- the current buildings are not wind braced which has led to the installation of concrete walls;
- the finding of higher than expected soil contamination.

In its operating profit/loss during 2012, SAS PNE has therefore recorded additional costs of works, which were not initially stipulated in the operations balance sheets given to the corporate developers, resulting in an operating loss of 17.9 million euros at 31 December 2012.

As detailed in the "Key Figures" section, Icade will withdraw from the development of this project by selling its stake. This sale, which will come into effect in early 2013, will allow Icade to focus on its role as a developer in the residential, business and office aspects of the operation.

As at 31 December 2012, Icade is developing the following PNE projects:

- Residential: this includes social housing, private housing and council housing. As at 31 December 2012, the number of residential units sold or reserved represents 907 units – a letting rate of over 80%;

- Offices: project carried out as a co-development, for 27,600 m², and sold off-plan in March 2012. Construction works began in 2012;

- Businesses: 15,400 m² of business property. The off-plan sale for this project was signed in early 2013.

Intra-group operations with the Commercial Property Investment Division

For Office Development: the delivery of the 5th and final building in the Metropolitan project in Villejuif marks the end of the development operations in synergy with the Icade commercial Property Investment Division.

For Project Management Assistance:

- The construction of the Millénaire 3 and 4 buildings in Paris 19;
- The major renovation of the EQHO tower in La Défense (92);
- The major renovation of the Beauvaisis building in Parc du Pont de Flandre in Paris (75);
- The construction of the Block E building in Saint Denis (93);
- The draft agreement concerning the construction of VEOLIA's future headquarters in Aubervilliers (93).

Targeted revenue as at 31 December 2012 amounted to 10.1 million euros.

Requirements for working capital and borrowing

After two years of decline, working capital has again increased since the start of 2012.

Up by 135.5 million euros, it is difficult to compare with the levels of the previous financial year, due to the significant inflows at the end of 2011 due to Scellier sales. The exceptional commitment at the end of 2012 to large-scale residential projects in Ile-de-France also contributed to significantly increasing the need for working capital towards the end of the year.

The Commercial Working Capital/Revenues ratio has increased slightly, while the Residential ration has fallen significantly, from 18% of revenues in 2011 to 39% in 2012.

Net borrowing increased from (86.8) million euros to 19.6 million euros as a result of the change in working capital, representing a slightly negative position.

3. Services Division

The Services Division now consists of two divisions: the Property Management business and the Consultancy and Solutions business.

In 2012, the refocusing of activities continued with the sale of Icade Résidences Services, specialising in the management of student residences in France during the 1st half of the year.

Key Figures (in millions of euros)	31/12/2012	31/12/2011 restated	Reclassifications (*)	31/12/2011	Change
REVENUES	**62.8**	**109.5**	**(0.6)**	**110.1**	**(42.7)%**
Property Management	33.3	34.3		34.3	(2.8)%
Consultancy and Solutions	14.9	17.6		17.6	(14.9)%
O/w Icade Solutions Immobilière (ISI)	11.3	12.9		12.9	(11.8)%
O/w Others	3.6	4.7		4.7	(23.5)%
Intra-business services	(0.4)	(0.4)		(0.4)	(13.4)%
Activities sold or in the process of being sold	14.9	58.1	(0.6)	58.7	(74.3)%
EBITDA	**5.2**	**10.9**	**0.7**	**10.2**	**(52.4)%**
Property Management	3.6	3.7		3.7	(2.5)%
Consultancy and Solutions	1.7	2.8		2.8	(39.5)%
O/w Icade Solutions Immobilière (ISI)	1.6	2.3		2.3	(30.9)%
O/w Others	0.1	0.5		0.5	(78.2)%
Intra-business services	0.0	0.0		0.0	0.0%
Activities sold or in the process of being sold	(0.1)	4.4	0.7	3.7	(101.9)%
OPERATING PROFIT/LOSS	**3.4**	**9.5**	**0.2**	**9.2**	**(63.7)%**
Property Management	2.6	3.5		3.5	(24.0)%
Consultancy and Solutions	1.4	2.3		2.3	(40.0)%
O/w Icade Solutions Immobilière (ISI)	1.3	2.1		2.1	(36.8)%
O/w Others	0.1	0.2		0.2	(65.0)%
Intra-business services	0.0	0.0		0.0	0.0%
Activities sold or in the process of being sold	(0.6)	3.7	0.2	3.5	(116.6)%

*** Reclassifications relate to the sale on 1 January 2012 of Icade Inmobiliaria by the Services business to the Property Investment business.*

Revenues from the Services Division reached 62.8 million euros as at 31 December 2012 compared with 109.5 million euros as at 31.12.11. This change is mainly related to the effects of change in the scope. In fact, the sale in 2011 of the Spanish subsidiary specialising in the management of student residences and more recently, in 2012, of Icade Résidences Services has led to a loss in revenues of 42.8 million euros.

On a like-for-like basis, the revenue represents 55.5 million euros as at 31 December 2012, down 6.5 % compared with 31.12.11.

This change is due to:

- The fall in 2012 turnover for Icade Solutions Immobilières (ISI), comprising the property consultancy and valuation businesses, as a result of the economic climate.

  In 2012, Icade Conseil participated in the conclusion of major transactions including the Austerlitz II building, some Caisse des Mines properties and a building on Rue de l'Université (Paris 7).

  Icade Asset Management was also created in 2012, providing institutional investors with an integrated offer in addition to the services of Icade Conseil, I-Porta and Icade Expertise.

Following Icade Conseil's acquisition consultancy work over the course of the year, several asset management contracts were signed in 2012 by Icade Asset Management, for office buildings including Farman, Liberté II, as well as a building on Rue de l'Université totalling more than 98,000 m² Net Floor Area. Management mandates were also won at the end of 2012 for mixed-use Haussmann-style properties and a diversified portfolio of seven assets, the full effects of which will be felt in 2013.

Again in relation to services provided by Icade Solutions Immobilière (ISI), I-Porta was awarded an assignment by Plastic Omnium to supply and implement a very comprehensive real-estate information system capable of describing and documenting its global real-estate portfolio.

- A fall in turnover from the Property Management business compared with 31 December 2011, mainly due to strategic rationalisation of the management mandate portfolio.

Assets managed in France as at 31 December 2012:

2,550,000 m² as the manager;

1,416,000 m² as the managing agent;

227,000 m² as the controller;

15,300 residential units managed for institutional owners.

Intra-group operations with Icade's other business lines.

Turnover from the Services Division's intra-group activities stood at 11.0 million euros in 2012, a decrease of 1.8 million euros compared with 2011.

As a result, the Services Division not only plays a part in the management of residual housing units, but also in the sale of those housing units and assets traded off by Icade.

In technical consulting matters, the Services Division provides support to Icade to ensure the security of all its own and I-Porta's business parks and continues to support property investment in some projects.

The Services Division's **EBITDA** on a like-for-like basis is down 22.4% compared with 2011, standing at 5.1 million euros as at 31 December 2012. This is mainly due to lost revenues.

Operating Profit on a like-for-like basis represents 6.9% of turnover as at 31 December 2012. This is down 34.3% compared with 2011 and stands at 3.8 million euros as at 31 December 2012.

4. Others

The “Other” activities consist of what the Icade Group calls its “head office” charges and eliminations of Icade’s intra-group operations.

“Other” **turnover** was (33.9) million euros to 31 December 2012, as opposed to (88.4) million euros in 2011. This corresponds basically to the elimination of turnover associated with intra-group activities.

The Commercial Property Investment Division buys services from the Commercial Property Development Division: Offices in Villejuif (94), EQHO tower in La Défense (92), Millénaire 3 in Paris 19. The impact on turnover as at 31 December 2012 is (13.8) million euros compared with (66.0) million euros as at 31 December 2011.

Further to the opening of Icade Santé’s capital to external investors in 2012, Icade sold various services to Icade Santé (asset management and property management contracts). Turnover in 2012 amounted to 6.2 million euros.

The **operating profit** "Other" totalled 8.0 million euros as at 31 December 2012 compared with (23.9) million euros in 2011.

In 2012, this consisted of:

- margin eliminations on Icade’s intra-group operations for (7.2) million euros;
- the negative contribution of Icade’s “head office” charges for (8.4) million euros;
- the profit from the sale of Icade Résidences Services, which took place in March 2012.

The negative contribution of Icade’s “head office” totalled (7.1) million in 2011, representing an increase of 1.3 million euros in 2012, mainly explained by the impact of non-recurring provisions allocated in 2012.

5. Profit/Loss 2012

5.1. Financial Profit/Loss

At 31 December 2012, Icade produced a financial loss of 101.6 million euros compared with a loss of 97.2 million euros at 31 December 2011.

This change can mainly be explained by the rise in the financial debt to finance investments during the year, partially offset by the fall in the average cost of debt.

This is part of the policy of continuous improvement for Icade's financial resources, accompanied by prudent management of interest rate risks and stabilisation of its Loan to Value ratio at below 40%.

5.2. Tax expense

The tax charge for 2012 amounts to (37.2) million euros compared with (44.1) million euros as at 31 December 2011. This fall is mainly related to the fall in the Property Development business.

Moreover, in 2011, Icade recorded 4.9 million euros in non-current tax charges after capital gains from the sale of shops in the ground floors of buildings by Icade Commerce (a company that is not under the SIIC regime).

We recall that when the accounts were audited during the 2010 financial year, in its proposed correction (8 December 2010), the tax authorities questioned the market values as at 31 December 2006, based on the property valuations that were used as the basis for calculating the exit tax (corporate tax at the rate of 16.50%) during the merger/absorption of Icade Patrimoine (Assets) as t 1 January 2007. As a result, the exit tax bases were increased, generating additional tax of 204 million euros in principal. In another proposed correction dated 26 April 2012, the tax authorities informed Icade that it was considering changing the rate of taxation applicable to some of the revised amounts from 16.5% to 19%. The additional tax would then be 206 million euros. In consultation with its legal firms, the Company continues to dispute this assessment.

Consequently, as was the case at 31 December 2011, no provision was recorded for this purpose at 31 December 2012.

As the process currently stands, the disagreement between the tax authorities and Icade on the value of these assets as at 31 December 2006 is subject to the opinion of the "Commission Nationale des Impôts Directs et Taxes sur le Chiffre d'Affaires".

5.3. Net Profit Group Share

After taking into account all of the above factors, the **Net Profit Group Share** was 52.7 million euros on 31 December 2012, compared with 93.0 million euros on 31 December 2011.

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 totalled 11.72% as at 31 December 2012.

Icade's 2012 net book profit was 61.2 million euros, corresponding to a fiscal profit of €122.0 million.

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

- 68.8 million euros in exempt current profits from SIIC activities, subject to an 85% distribution obligation;
- (2.8) million euros in proceeds from disposals;
- 43.7 million euros in tax-exempt dividends from SIIC subsidiaries, subject to a 100% distribution obligation;
- Taxable profit, which stands at 12.3 million euros before allocation of previous deficits.

The distribution obligation amounted to 102.2 million euros in 2012 including:

- 58.5 million euros relating to the rental business (85% obligation);
- 43.7 million euros relating to dividends from SIIC subsidiaries (100% obligation).

	Fiscal Profit/Loss	Distribution obligation		Fiscal Profit/Loss	Distribution obligation	
(in millions of euros)	31/12/2012	%	Amount	31/12/2011	%	Amount
Current profit/loss from SIIC **activities**	68.8	85.0%	58.5	49.5	85.0%	42.1
Profit/loss from disposals	(2.8)	0.0%	0.0	13.5	50.0%	6.7
Dividends from SIIC subsidiaries	43.7	100.0%	43.7	(21.7)	0.0%	0.0
Taxable profit/loss	12.3	0.0%	0.0	(16.4)	0.0%	0.0
Total	**122.0**		**102.2**	**24.9**		**48.8**

The distribution of a dividend of 3.64 euros per share will be proposed to the Annual General Shareholders' Meeting, which will take place on 12 April 2013. Based on existing shares as at 20 February 2013, i.e. 52,000,517 shares, the dividend distribution amount proposed to the Shareholders' Meeting will be 189.3 million euros.

(in millions of euros)	**31/12/2012**	**31/12/2011**
Dividend (in millions of euros)	189.3	193.4
O/w current dividend	189.3	174.2
O/w exceptional dividend	0.0	19.2
Dividend (in €/share)	3.64	3.72
O/w current dividend	3.64	3.35
O/w exceptional dividend	0.0	0.37

III - ADJUSTED NET ASSET VALUE AS AT 31 DECEMBER 2012

As at 31 December 2012, the EPRA single net asset value is 4,399.7 million euros, i.e. 84.7 euros per share, down 3.1% compared with 31 December 2011, and the EPRA triple net asset value is 4,190.1 million euros, i.e. 80.7 euros per share, down 3.6% compared with 31 December 2011.

A – VALUATION OF PROPERTY ASSETS

1. Summary of expert valuations of Icade's assets

Icade's assets work out at 6,849.7 million euros excluding duties, compared with 6,727.3 million euros at the end of 2011, i.e. a change of +122.4 million euros over 2012 (+1.8%). On a like-for-like basis, the annual change in portfolio value stands at (111.2) million euros, i.e. a decrease of (1.7)% compared with 31 December 2011, as shown in the table below:

Value of assets excl. duties in €M [1]	31/12/2012	31/12/2011	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in €M) [2]	Change on a like-for-like basis (as %) [2]
Strategic assets portfolio[3]	3,996.4	4,109.6	(113.2)	(2.8)%	(74.6)	(1.9)%
Alternative assets portfolio[4]	2,166.0	1,754.1	+411.9	+23.5%	+36.9	+2.1%
Non-strategic assets portfolio[5]	687.3	863.6	(176.3)	(20.4)%	(73.5)	(9.8)%
Value of the property assets	**6,849.7**	**6,727.3**	**+122.4**	**+1.8%**	**(111.2)**	**(1.7)%**

(1) *Based on the scope of consolidation as at 31 December 2012 (100% 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.*
(3) *Includes Offices France and Business Parks.*
(4) *Includes Shops and Shopping Centres and Healthcare.*
(5) *Includes Warehouses, Offices Germany and Residential.*

Icade's property assets are valued 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 valuations were performed by Jones Lang LaSalle, DTZ Eurexi, CBRE Valuation and Catella.

At the beginning of 2011, Icade launched a consultation with the main property surveyors as part of the renewal of property valuations of its office assets in France, business parks, shops and shopping centres and warehouses. The surveyors were retained not only according to the criteria of independence, qualification, reputation, skill in property valuation, organizational ability and resourcefulness and proposed price level, but also with a desire to conduct a rotation of surveyors by portfolio. At the end of this process, a three-year contract was signed with the surveyors used.

At the start of 2012, the mission to value the Santé portfolio was renewed for three years.
For the office portfolios in Germany and housing, a valuation contract renewable every year was established between Icade and the property surveyors, conducting an internal rotation of their teams at the end of seven years.

The property valuation fees are billed to Icade based on a flat remuneration, taking into account the specifics of the buildings (number of units, number of square meters, number of current leases etc.) and independent of the value of the assets.

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, in particular:

- the Property Valuation Charter, fourth edition, published in October 2012;
- The "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 international level, the Tegova (The European Group of Valuers' Association) European valuation 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 surveyors, the rules for good conduct and ethics and the basic definitions (values, surface areas, rates and the main valuation methods).

On each valuation assignment and during the presentation of values, Icade ensures the consistency of the methods used for valuation of these assets within the panel of surveyors.

The values are established on the basis of "duties included" and "duties excluded", the "duties excluded" values being determined after deduction of fees and legal expenses calculated on an outright basis by the surveyors.

The Crystal Park office building and the EQHO and PB5 towers are appraised twice, the valuation retained corresponds to the average of the two appraised values.

The sites are systematically visited by the surveyors for all new assets coming into 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 planning or rental situations.

Following the procedures currently in practice within the Group, all Icade's assets were valued at 31 December 2012, 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; as at 31 December 2012, 11 warehouses (Andrézieux, Aix 1, Aix 2, Aix 3, Limoges, Montmorillon, Auxerre, Grigny, Longvic, Sennecé-les-Mâcon and Marignane), the Goldsteinstrasse office building in Frankfurt, jointly-owned properties in the Arago tower and office in Fontaine-les-Dijon;

- the buildings underlying a financial operation (i.e. capital leasing or rent with the option to buy where Icade acts exceptionally as the leaser) which are maintained at the total financial debt entered in the accounts, or as in this case, the purchase option cited in the contract: the Levallois-Perret office block leased to the Ministry of the Interior for a 20-year duration with a purchase option (LDA) is the only building which figures in that category on 31 December 2012;

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

- buildings purchased off-plan and/or by the Development Division which are also valued at their cost price until the date of their delivery; no assets fall within this category as at 31 December 2012, as the last building in Villejuif was delivered during the 1st half of 2012;

- buildings acquired less than three months before the semi-annual or annual closing date, which are maintained at book value. As at 31 December 2012, this category contains 10 Healthcare portfolio assets: the François Chénieux clinic in Limoges, the Clinical centre in Soyaux, the Santé Sud centre in Le Mans, the Les Cèdres clinic in Brive-la-Gaillarde, the Les Fleurs polyclinic in Ollioules, the Flandre clinic in Coudekerque-Branche, the Jean Villar polyclinic in Bruges, the Villette clinic in Dunkerque, the CIMROR imaging centre in Clermont-Ferrand and land in Champigny-sur-Marne.

2. Strategic assets portfolio

The overall value of this strategic portfolio stood at 3,996.4 million euros excluding transfer duties at 31 December 2012 compared with 4,109.6 million euros at the end of 2011, representing a decrease of 113.2 million euros (-2.8%).

Strategic property portfolio (excluding duties) in millions of euros	31/12/12	31/12/11 restated (1)	Restate-ments(1)	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Offices in France	2,426.1	2,567.6	197.2	2,370.4	(141.5)	(5.5)%	(51.7)	(2.2)%
Business Parks	1,570.3	1,542.0		1,542.0	+28.3	+1.8%	(22.9)	(1.5)%
Total strategic assets	**3,996.4**	**4,109.6**	197.2	**3,912.4**	**(113.2)**	**(2.8)%**	**(74.6)**	**(1.9)%**

(1) The Offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare Division to the Offices Division as at 31 December 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account.

After eliminating the impact of investments and disposals carried out during 2012, the change in the value of strategic assets amounted to -1.9% on a like-for-like basis.

By value, 99% of the portfolio is located in Ile-de-France.

Valuation of the strategic property assets by geographical sector	Valuation excluding duties (in millions of euros)		Change (in millions of euros)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
	31/12/12	31/12/11			
Paris CBD	183	270	(87)	+14	+8.3%
Paris (excluding CBD)	878	915	(37)	+1	+0.1%
La Défense	707	698	+9	(76)	(11.1)%
Western Crescent	1,006	1,022	(16)	0	0%
Inner Ring	1,148	1,122	+26	(3)	(0.2)%
Outer Ring	36	38	(2)	(6)	(15.8)%
Subtotal for the Ile-de-France region	**3,958**	**4,065**	**(107)**	**(70)**	**(1.8)%**
Regional	38	45	(7)	(5)	(11.9)%
TOTAL	**3,996**	**4,110**	**(114)**	**(75)**	**(1.9)%**

The amount of land and projects under development amounted to 666.0 million euros as at 31 December 2012 and breaks down to 32.7 million euros in land and 633.3 million euros in projects under development.

2.1 Offices in France

The overall value of this portfolio stood at 2,426.1 million euros excluding duties at 31 December 2012 compared with 2,567.6 million euros at the end of 2011, representing a decrease of 141.5 million euros.

During 2012, investments made in office assets, which mainly include work on the EQHO tower, amounted to a total of 104.4 million euros. By neutralising the impact of these investments and disposal of the Messine and Le Mistral buildings in Paris, La Vigie in Brest, jointly-owned properties in the Neuilly-Madrid building in Neuilly-sur-Seine and the Areva tower in La Défense, properties in the Montparnasse shopping arcade and shops in Evreux and Mâcon, the change in value of the Offices Division assets as at 31 December 2012 was -51.7 million euros on a like-for-like basis, i.e. -2.2%. It should be noted that the change in value in 2012 of the EQHO alone was -57.5 million euros particularly as a result of the surveyors' revision of letting assumptions.

The overall change can be explained by the impact of a business plan for the buildings, which includes the change in the rental situation and the works budget and the effect of indexation on rent, of -71.8 million euros, and the impact of the downward adjustment in rate of return and discount rates used by the property surveyors to reflect changes in the real-estate market, of +20.1 million euros.

Return on assets and reversion potential

Valuation of Office property assets	Valuation, including duties (in millions of euros) (1)	Valuation excluding duties (in millions of euros) (2)	Net return (excl. duties) (3)	Average price €/m² (4)
Paris	306	292	6.2%	9,902
La Défense	206	194	8.0%	4,482
Western Crescent	1,051	1,004	6.5%	8,018
Inner Ring	353	347	6.5%	4,770
Outer Ring	38	36	11.4%	1,236
Total for the Ile-de-France region	**1,954**	**1,873**	**6.7%**	**6,252**
Regional	40	38	8.7%	1,681
TOTAL	**1,994**	**1,911**	**6.7%**	**5,932**
Property reserves and projects under development(5)	524	515	n/a	n/a
TOTAL	**2,518**	**2,426**		

(1) *Valuation (including duties) of office assets established from the average of surveyed values as at 31 December 2012.*
(2) *Valuation (excluding duties) of Offices France established from the average surveyed values as at 31 December 2012 (after deducting fees and lump-sum legal expenses calculated by the surveyors).*
(3) *Net annualised rents for rented floor areas added to potential net rents of vacant floor areas at the market rental value related to the surveyed value excl. duties of the rentable floor areas.*
(4) *Established according to the appraisal value excluding duties.*
(5) *Mainly includes the EQHO tower.*

The return from the Office Division's buildings was 6.7% at 31 December 2012 (compared with 6.8% at the end of 2011) for a reversion potential (*) valued at -2.3% according to the market rental values estimated by the property surveyors.

(*) reversion potential: difference ascertained between the market rental value of the rented space and the annual rent net of unrecoverable charges for the same space (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.

2.2 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 under development.

The market value of the business park assets was assessed at 1,570.3 million euros excluding duties at 31 December 2012 compared with 1,542.0 million euros at 31 December 2011, representing an upward change of 28.3 million euros (+1.8%).

Icade allocated 51.2 million euros in maintenance and development investments in its Business parks in 2012.

On a like-for-like basis, after eliminating investments during the year, the value of Icade’s business parks decreased by 22.9 million euros over 2012, i.e. -1.5%. This change can mainly be explained by the specific situation of some assets, for example the staggered letting of the Le Beauvaisis building, the renegotiation of several tenants’ leases, with Icade granting a rent reduction in exchange for an extension in their fixed term, the review of the investment programme for some assets and the signing of agreements with some existing tenants to vacate properties for future developments, such as Veolia.

Geographical breakdown of assets

Value of the property assets of Business Parks	Valuation excluding duties	
	(in millions of euros)	(as %)
Paris (75)	769	48.9%
Saint Denis (93)	164	10.5%
Aubervilliers (93)	637	40.6%
TOTAL	**1,570**	**100%**

The value of the parks located in Seine-Saint Denis (93) accounts for about 51% of the total value of the business parks, with those located in Paris accounting for the remaining 49% (Parc du Pont de Flandre and Parc du Millénaire).

Return on assets and reversion potential

Value of the property assets of Business Parks	**Valuation, including duties (in millions of euros)**	**Valuation excluding duties (in millions of euros)**	**Net return (excl. duties)**	**Average price €/m²**
Parc du Pont de Flandre	421	400	7.3%	4,417
Parc des Portes de Paris	706	669	8.7%	2,130
Parc du Millénaire	344	324	6.7%	4,853
Parc le Mauvin	28	26	8.3%	1,621
TOTAL	**1,499**	**1,419**	**7.8%**	**2,911**
Property reserves and projects under development(1)	153	151	n/a	n/a
TOTAL	**1,652**	**1,570**		

(1) Mainly includes property reserves and projects under construction (including the Portes de Paris park: Block E building 302 and Millénaire 3 and 4).

Based on the rent at 31 December 2012, and in the context of rent increases due to indexation, the returns of the Business Park assets were 7.8% (compared with 7.6% at the end of 2011). The reversion potential of the portfolio is estimated at +0.3%, calculated according to the market rental values provided by property surveyors based on their knowledge of the market and the latest transactions carried out in the sector and therefore not incorporating the future development of parks.

3. Alternative assets portfolio

These assets include Shops and Shopping Centres and the Healthcare portfolio.

Value of property assets in €M	31/12/12	31/12/11 restated [(1)]	Restatements [(1)]	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Retail and Shopping Centres	441.5	437.1		437.1	+4.4	+1.0%	+2.8	+0.6%
Healthcare	1 724.5	1 317.0	(197.2)	1 514.2	+407.5	+30.9%	+34.1	+2.6%
Alternative	**2 166.0**	**1 754.1**	**(197.2)**	**1 951.3**	**+411.9**	**+23.5%**	**+36.9**	**+2.1%**

(1) The Offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare Division to the Offices Division as at 31 December 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account. Consequently, as at 31 December 2012, the Healthcare Division only consists of assets owned by Icade Santé.

3.1 Shops and Shopping Centres

At 31 December 2012, this class of assets includes the Odysseum shopping centre in Montpellier opened in 2009, the Le Millénaire shopping centre located in Aubervilliers, delivered in April 2011, as well as the portfolio of Mr. Bricolage stores acquired at the beginning of 2008. Both shopping centres were developed by Icade's Development Division and are owned in a 50/50 partnership with Klépierre.

At 31 December 2012, the overall value of the Shops and Shopping Centre assets stood at 441.5 million euros excluding duties, compared with 437.1 million euros at the end of 2011, representing an increase of 4.4 million euros (+1.0%).

Valuation of Shop and Shopping Centre assets in €M	31/12/12	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Shopping centres	319.4	317.0	+2.4	+0.8%	+0.8	+0.2%
Icade Bricolage	122.1	120.1	+2.0	+1.7%	+2.0	+1.7%
TOTAL	**441.5**	**437.1**	**+4.4**	**+1.0%**	**+2.8**	**+0.6%**

The like-for-like change in the valuation of Shops and Shopping Centres amounted to +2.8 million euros over 2012 (+0.6%). About -1.0 million euros of this change can be explained by an upward adjustment in the return and discount rates used by the property surveyors; the revision of the business plan assumptions for the buildings accounts for +3.8 million euros.

Return on assets

Valuation of Shop and Shopping Centre assets	Valuation, including duties (in millions of euros)	Valuation excluding duties (in millions of euros)	Net return (excl. duties)	Average price €/m²
Paris	8	8	6.1%	3,198
Inner Ring	202	190	5.5%	6 374
Outer Ring	4	4	7.5%	744
Regional	248	240	6.7%	1,362
TOTAL	**462**	**442**	**6.2%**	**2,068**

The net return on the retail portfolio was 6.2% as at 31 December 2012 (compared with 6.1% at the end of 2011).

3.2 Healthcare

The Healthcare property portfolio consists of clinics and healthcare establishments.

The offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare Division to the Offices Division as at 31 December 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account. Consequently, as at 31 December 2012, the Healthcare Division only consists of assets owned by Icade Santé.

The overall value of this portfolio was estimated at 1,724.5 million euros excluding duties at 31 December 2012, compared with 1,317.0 million euros at the end of 2011, representing an increase of 407.5 million euros, mainly due to the acquisition of Healthcare facilities at the end of the year.

On a like-for-like basis, after eliminating investments during the year of 49.7 million euros and acquisitions of 323.7 million euros, the value of the portfolio changed by +34.1 million euros over 2012, i.e. +2.6%. This change can be explained by the impact of buildings' business plans (+30.3 million euros) and the impact of interest rates (+3.8 million euros).

Geographical breakdown of assets

Valuation of Healthcare assets	Valuation excluding duties	
	(in millions of euros)	(as %)
Inner Ring	70	4.1%
Outer Ring	309	17.9%
Total for the Ile-de-France region	**379**	**22.0%**
Regional	1,346	78,0%
TOTAL	**1,725**	**100%**

Return on assets

Valuation of Healthcare assets	Valuation, including duties (in millions of euros)	Valuation excluding duties (in millions of euros)	Net return (excl. duties) (1)	Average price €/m²
Clinics and other healthcare establishments	1,817	1,725	6.9%	2,208
Property reserves and projects under development	0	0	n/a	n/a
TOTAL	**1,817**	**1,725**		

(1) Annualised rent net of non-recoverable charges for assets related to their surveyed value excl. duties, supplemented where necessary by additional rent contracted if work is carried out.

The net return on the clinics portfolio was 6.9% as at 31 December 2012 (compared with 6.8% at the end of 2011).

4. Non-strategic assets portfolio

These assets include Warehouses, Offices in Germany and Residential.

Value of property assets in €M	31/12/12	31/12/11 restated	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Warehouses	197.4	247.3	247.3	(49.9)	(20.2)%	(44.1)	(18.5)%
Offices in Germany	233.0	304.5	304.5	(71.5)	(23.5)%	(18.0)	(7.3)%
Residential	256.9	311.8	311.8	(54.9)	(17.6)%	(11.4)	(4.3)%
Non-Strategic	**687.3**	**863.6**	**863.6**	**(176.3)**	**(20.4)%**	**(73.5)**	**(9.8)%**

4.1 Warehouses

The market value of the warehouse assets was assessed at 197.4 million euros excluding duties at 31 December 2012 compared with 247.3 million euros at 31 December 2011, representing a downward change of -49.9 million euros (-20.2%).

Following the increase in return and discount rates as at 30 June 2012, a further fall in value was observed at 31 December, resulting in an annual change of -44.1 million euros, a fall confirmed by the purchase price offered for 11 warehouses which were subject to an undertaking to sell signed in early 2013.

It should be noted that two warehouses in Rognac and Toulon-La Farlède were sold in the 2nd half of the year. These assets were values at 8.6 million euros as at 31 December 2011.

Return on assets

Valuation of Warehouse assets	Valuation, including duties (in millions of euros)	Valuation excluding duties (in millions of euros)	Net return (excl. duties)	Average price €/m²
Outer ring	10	9	17.0%	335
Regional	190	188	12.3%	352
TOTAL	**200**	**197**	**12.5%**	**351**

The return on Warehouse assets was 12.5% as at 31 December 2012 (compared with 10.4% as at 31 December 2011).

4.2 Offices in Germany

The market value of the Offices in Germany assets was assessed at 233.0 million euros excluding duties at 31 December 2012 compared with 304.5 million euros at 31 December 2011, representing a downward change of 71.5 million euros (-23.5%). This change can be explained by the sale of four plots over the course of the year (in Munich, Ludwigsfelde and Bad Homburg) as well as the Suderstrasse 30 building in Hamburg and the Charlottenstrasse building in Berlin.

On a like-for-like basis, after eliminating investments and disposals carried out in 2012, the value of these assets was down by 18.0 million euros, i.e. -7.3%. This change is due to an increase in interest rates leading to a reduction in value of about 13.8 million euros and a business plan effect of -4.2 million euros.

Return on assets

Valuation of property assets in Germany	Valuation, including duties (in millions of euros)	Valuation excluding duties (in millions of euros)	Net return (excl. duties)	Average price €/m²
Offices in Germany	181	174	8.3%	1,717
Property reserves and projects under development(1)	61	59	n/a	n/a
TOTAL	**242**	**233**		

(1) Includes land (Arnulfstrasse 61 in Munich, Mercedesstrasse in Düsseldorf, Hohenzollerndamm and Salzufer in Berlin) and the Turlenstrasse development project in Stuttgart.

The return on Office assets in Germany was 8.3% as at 31 December 2012 (compared with 7.5% as at 31 December 2011).

4.3 Residential

The assets of the Residential Property Investment Division as at 31 December 2012 are composed of buildings managed by the SNI, together with the joint ownership housing and various residual assets of the Residential Property Investment Division, which were valued on the basis of property valuations.

The value of the Residential Property Investment Division's portfolio stood at 256.9 million euros excluding duties at 31 December 2012, against 311.8 million euros at the end of 2011, representing a change of -54.9 million euros (-17.6%).

This change is mainly due to the effect of disposals. On a like-for-like basis, the change in the valuation of the Residential Property Division's assets is -11.4 million euros (-4.3%).

5. Methodology used by the surveyors

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

The investment buildings are valued by the surveyors by combining two methods: the revenue method (the surveyor using the net rent capitalization or discounted cash flow method, whichever is the most appropriate) and cross checking using the method of direct comparison with the prices of transactions recorded on the market on equivalent assets in terms of nature and location (unit, block or building price).

The net revenue capitalization 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 sites, the financial flows integrate the rents, the different charges not recovered by the owner and the heavy maintenance and repair work. It should be noted that discounting rates can be determined either by adding the risk-free rate plus risk premiums (premium in relation to the real-estate market and premium associated with the building, considering its qualities in terms of location, construction and revenue reliability) or using the WACC method.

Whether the capitalization or discounting method is used, valuation 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 wide diversity of situations and the issue 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 valued since they constitute an asset, but with a certain amount of caution in the light of the conditions described above.

(2) Building land or building rights

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

(3) Residual building land

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

(4) Buildings under development

Buildings under development cover building land with 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 over 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 valued as investment properties, buildings "under redevelopment" or "under reconstruction" can be valued on the basis of their future following approval by Icade's undertakings committee.

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

Whichever method is selected, it is ultimately up to the property surveyors 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). From the exit value, the surveyors must explain which procedure they followed in estimating the degree of risk and revaluation attaching to the building in the light of the circumstances under which they work and the information made available to them.

The buildings of the clinics or healthcare establishments which are considered as single -use property assets are valued by the experts using the rent capitalization (or rental value) method or by the discounted future cash flow method.

It should be noted that the market value of a hospital is essentially dependent on operation and its ability to generate sufficient revenues to ensure a normal return on the property investment. These buildings fall under the category of single-use buildings and the value given by the surveyor nevertheless is totally related to its operation and consequently the value of the business. Being unsuitable for use as another business without substantial conversion works, these premises are not subject to renewal rent capping or review, or the traditional rules for determining the rental value, because the configuration and 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. The establishment's premises could otherwise be valued by capitalization of the rental income advised by Icade.

B - VALUATION OF DEVELOPMENT AND SERVICE BUSINESSES

Icade's development and service companies have been valued by an independent firm for the purposes of calculating the NAV (net asset value). The method used by the surveyor, which remains identical to that used for the previous year, is essentially based on each company's discounted cash flow over the term of their business plan, together with a terminal value based on a normative cash flow increasing to infinity.

On this basis, at 31 December 2012, the company value of the property development and service businesses corresponded to 470.4 million euros compared with 475.2 million euros at the end of 2011, a decrease of 1.0%.

The equity value used to calculate NAV was reached by deducting net debt from the company value.

Consequently, the equity value of development and service companies was 426.7 million euros compared with 426.6 million euros at 31 December 2011. Once the value of IRS, a company which was sold during the 1st half of 2012, is subtracted, the increase in value is 4.5%.

Change from company value to equity value

Value of development and service companies	31/12/2012	31/12/11
Company value	470.4	475.2
Net debt	(1.3)	(0.4)
Other adjustments	(42.4)	(48.2)
Equity value	**426.7**	**426.6**

The value of these companies on 31 December 2012 breaks down as 91% for the development companies and 9% for the service companies.

Among the financial parameters adopted, the surveyor used a stable weighted average cost of capital (as compared with the valuation made at the end of 2011), ranging from 8.95% to 13.06% for the development companies and from 8.35% to 10.89% for the service companies.

C - METHODOLOGY FOR CALCULATING NET ASSET VALUE

The EPRA single Net Asset Value (NAV) was calculated on the basis of the shareholders' equity established according to the IFRS standards, the following items being added or subtracted:

(+) the impact of the dilution of securities providing access to capital;

(+) the unrealised capital gain on property assets established on the basis of property valuations, excluding conveyance charges and asset disposal costs. For assets under promises of sale signed during the year, the reference value is that appearing in the promise;

(+) the unrealised capital gain on the property development values and the service companies established on the basis of the independent valuation that was carried out;

(+/-) cancellation of the positive or negative effects of converting cash flow hedging instruments at market value, included in the consolidated capital and reserves as per the IFRS standards.

The EPRA triple net NAV is the simple net EPRA NAV minus the following items:

(+/-) the consideration of the positive or negative effects of emphasizing the cash flow hedge instrument market, accounted for in the consolidated shareholders' equity in IFRS standards;

(+/-) the positive or negative effects of converting the fixed-rate financial debts not taken into account under IFRS standards into market value (pursuant to IFRS, derivative financial instruments are shown on the balance sheet and financial debts are accounted for at cost),

(-) the tax position on unrealised capital gains on buildings (this tax position being limited to unrealised capital gains on assets not eligible for the SIIC regime) and unrealised capital gains on holdings in development and service companies.

The capital and reserves used as a reference for calculating the EPRA NAV include the net result for the reference period. The EPRA NAV is calculated in terms of group share and then diluted per share after cancelling any treasury shares and taking account of the diluting impact of stock options or stock purchases.

D – CALCULATION OF THE EPRA NET ASSET VALUE

1. Consolidated shareholders' equity

As at 31 December 2012, the group share of consolidated capital and reserves came to 2,652.9 million euros, including a group share of net profit of 52.7 million euros. Over 2012, the development of the hedge instrument cash flow market had a negative impact of 9.3 million euros on capital.

2. Unrealised capital gains on property assets

Unrealised 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. At 31 December 2012, unrealised capital gains excluding duties and legal fees came to 1,495.4 million euros.

3. Unrealised capital gains on development and services companies

A valuation of development and service companies was carried out on 31 December 2012 by an independent surveyor. It showed unrealised capital gains of 71.3 million euros which were taken into account in the calculation of the EPRA NAV at 31 December 2012, compared with unrealised capital gains of 101.7 million euros at 31 December 2011.

This sharp fall is partly due to a fall in unrealised capital gains as a result of the sale of IRS and partly due to the impact of the undistributed profits for 2011 of development companies on the capital included in the calculation of unrealised capital gains.

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 23.1 million euros and is taken into account in the calculation of the EPRA Net Asset Value.

5. Calculation of unrealised tax

The tax liability on unrealised 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 1.7 million euros at 31 December 2012. This tax liability applies primarily to the assets of Icade REIT in Germany, taxed at 15.83%.

The tax liability on unrealised 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 4.13% for securities held for over two years. These rates increased to 36.10% and 4.33% respectively for the exceptional contribution for the shares that Icade held directly. As at 31 December 2012, the tax liability on unrealised capital gains on equity shares totalled 12.1 million euros.

6. Treasury shares and securities giving rights to capital

The number of fully-diluted shares used when calculating the EPRA NAV at 31 December 2012 was 51,943,243, after cancelling treasury stock (236,229 shares) and the impact of diluting instruments (178,955 shares) as at 31 December 2012.

In the EPRA NAV calculation, the dilution related to stock-options had the effect of increasing consolidated shareholders' equity and the number of shares will be deducted from the number of exercisable shares at the end of the fiscal year.

The group share of the simple EPRA NAV was 4,399.7 million euros at 31 December 2012, i.e. 84.7 euros per share.

The group share of the triple EPRA NAV was 4,190.1 million euros at 31 December 2012, i.e. 80.7 euros per share.

Determining the Group share of the EPRA NAV (in millions of euros)		31/12/12	30/06/12	31/12/11
Group share of consolidated capital	(1)	2,652.9	2,672.6	2,738.3
Impact of share dilution giving access to capital	(2)	7.4	0.0	0.0
Unrealised capital gain on property assets (excl. duties)	(3)	1,495.4	1,523.0	1,504.7
Unrealised capital gain on development companies (1)	(4)	58.4	24.9	71.0
Unrealised capital gain on service companies (2)	(5)	12.9	8.0	30.8
Restatement of the revaluation of rate hedging instruments	(6)	172.7	172.4	163.5
Group share of EPRA NAV	(7)=(1)+(2)+(3)+(4)+(5)+(6)	**4,399.7**	**4,400.8**	**4,508.3**
Restatement of the revaluation of rate hedging instruments	(8)	(172.7)	(172.4)	(163.5)
Revaluation of fixed-rate debt	(9)	(23.1)	(26.9)	(18.5)
Tax liability on unrealised capital gain on property assets (excl. duties)	(10)	(1.7)	(3.5)	(4.4)
Tax liability on unrealised capital gain on securities for development companies	(11)	(10.6)	(7.6)	(7.6)
Tax liability on unrealised capital gain on securities for service companies	(12)	(1.5)	(1.8)	(1.8)
Group share of EPRA triple net NAV	(13)=(7)+(8)+(9)+(10)+(11)+(12)	**4,190.1**	**4,188.7**	**4,312.5**
Number of fully diluted shares in millions	n	51.9	51.8	51.6
EPRA NAV per share (Group share - fully diluted in €)	(7)/n	**84.7**	**84.9**	**87.5**
Annual growth				(3.1)%
EPRA triple net NAV per share (Group share - fully diluted in €)	(13)/n	**80.7**	**80.8**	**83.7**
Annual growth				(3.6)%

(1) The reduction in unrealised capital gains is due to the impact of the undistributed profit for 2011 taken into account in the calculation on the capital of development companies.
(2) The fall in unrealised capital gains is due to the disposal of IRS.

Change in EPRA triple net NAV in euros per share

EPRA triple net NAV, Group share as at 31/12/11 (in euros per share)	**83.7 €**
Dividends paid during the 1st half of the year	(3.7) €
Group share of consolidated profit for the year	+1.0 €
Change in fair value of financial derivative instruments	(0.2) €
Impact of the opening of the capital of Icade Santé (1)	+0.9 €
Change in capital gains on property assets	(0.2) €
Change in the capital gain on property-development and service companies	(0.3) €
Change in the scope of the Property Services Division (2)	(0.3) €
Change in the fair value of fixed-rate debt	(0.1) €
Others	(0.1) €
EPRA triple net NAV, Group share as at 31/12/12 (in euros per share)	**80.7 €**

(1) Impact linked to the of realization of latent capital gains on Healthcare assets due to Icade Santé's capital increase based on the company's NAV.
(2) Impact of the sale of IRS (capital gains from sale included in the profit/loss for the year).

EPRA triple net NAV fell 3.6% over the course of 2012.

Rationalisation of this change should be considered in light of the fact that changes in asset value can have an accounting impact on both unrealised capital gains for assets and directly on profit-loss for depreciated assets and assets and securities sold during the year. Changes in scope can also have an impact on unrealised capital gains and on equity, for example Icade Santé's share capital increase.

IV – FINANCIAL RESOURCES

In response to general market uncertainty in the liquidities segment and to changes in banking market constraints, Icade has developed innovative financing solutions with financial partners.

This approach has led the company to anticipate all the combined needs of Icade and Silic, by signing new block funding of 1,550 million euros in July 2012, with a pool of seven banks. This is divided into three tranches:

- A Medium Term Credit Line for 625 million euros with a maturity of five years, to allow Icade to cover the combined medium-term needs of Icade and Silic. For this purpose, Icade has granted Silic two financing streams for a total in principal amount of 400 million euros;
- A Revolving Credit Facility in the sum of 550 million euros with a maturity of three years, to allow Icade to strengthen its financial structure by increasing its available credit lines;
- A Forward Start Credit Line for 375 million euros, to allow Icade to forecast the refinancing of a portion of its syndicated loan of 900 million euros maturing in July 2014.

This financing structure, in line with the profile of the future combined entity, enables Icade to smooth its debt maturity, whilst extending the average maturity of its debt, and to strengthen its financial structure by increasing its total back-up credit lines.

At the end of the year, Icade also agreed a 12-year mortgage against the Pont de Flandre business park in Paris. This raised 200 million euros from a leading insurer, extending the average maturity of Icade's debt and confirming the group's desire to diversify its funding sources to include alternative lenders, while benefiting from a context of historically low long-term interest rates.

This financing was signed at the end of December 2012 and the funds released at the end of January, so it is not included in the outstanding debt as at 31 December 2012.

A - CASH ASSETS

New financial resources were obtained during 2012 by renewing existing credit lines and by setting up new confirmed credit lines. The main financing activities over 2012 were as follows:

- setting-up of 650 million euros of medium-term revolving credit lines;
- setting-up of a 625 million euro medium-term credit line;
- renewal of a 10 million euro short-term revolving credit line;
- signing of 200 million euros of long-term mortgage financing.

The credit lines have an average spread of 210 base points and an average term of 4.6 years.

Icade has drawing capacity on short and medium-term credit lines of 895 million euros, to be used entirely as it sees fit. These backup lines of credit and available cash as at 31 December 2012 cover two years of repayments of capital debt.

B – DEBT STRUCTURE AS AT 31 DECEMBER 2012

1. Nature of debt

The gross financial debt of 3,389.0 million euros as at 31 December 2012 consisted of the following:

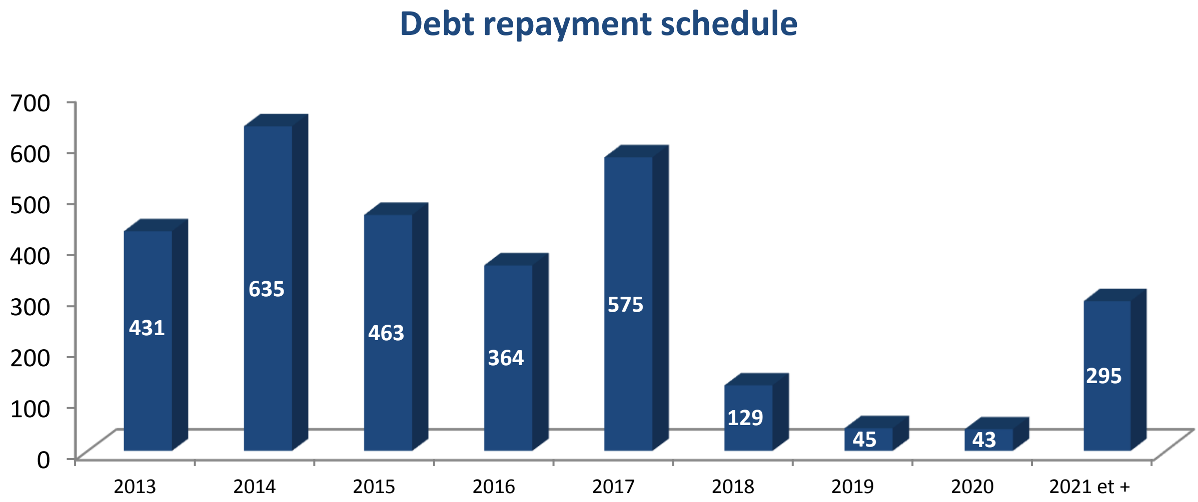
- 2,690.7 million euros in corporate loans;
- 384.7 million euros in mortgage financing;
- 93.5 million euros in private investment;
- 142.4 million euros in direct-financing leases;
- 11.6 million euros in other debt (feeder loans, debt associated with holdings);
- 66.1 million euros in bank overdrafts.

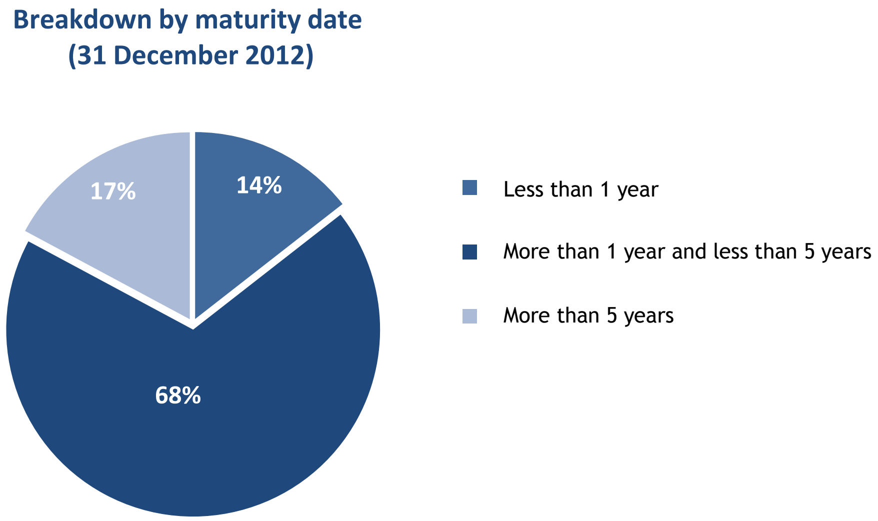
Net financial debt totalled 2,725.4 million euros at 31 December 2012, up by 34.5 million euros compared with 31 December 2011. The change between these dates primarily reflects:

- repayments of 210 million euros for credit lines used at the end of 2011 and repaid at the start of the 1st half of 2012;
- new debts for 404 million euros (mainly corresponding to the medium-term loan of 625 million euros net of the intra-group loan granted to Silic, and the 99 million euros of long-term loans following Icade Santé’s acquisition of properties);
- natural debt amortization and repayments of corporate credit lines for a total of 95 million euros;
- natural amortization on finance leases and exercising of options of 28 million euros;
- a 34 million euros decrease in the value of hedging instruments;
- an increase of around 29 million euros in cash and 18 million euros in other current financial assets (excluding the Silic intra-group loan).

2. Maturity of debt

The maturity schedule of the debts drawn by Icade (excluding overdrafts and excluding repayment of the Silic intra-group loan) as at 31 December 2012 is given below, in millions of euros:





The average lifespan of the debt at 31 December 2012 is 4.3 years (3.8 years before inclusion of the mortgage financing). At 31 December 2011, it was 3.8 years, indicating that the financing raised in 2012 extended the average maturity of Icade’s debt.

3. Debt by business

After allocation of the intra-group refinancing, nearly 94.2% of the Group's debt relates to the Property Investment Division and 5.8% relates to the Property Development Division. The share assigned to the Services business line is insignificant. These proportions are stable compared with the 2011 financial year.

4. Average cost of debt

The average cost of financing in 2012 was 1.79% before hedging and 3.83% after hedging, compared with 2.20% and 4.08% respectively in 2011.

As a result of current interest rates and the new financing agreed, the average cost of Icade's debt fell in 2012, particularly in the 2nd half of the year.

5. Interest rate risk

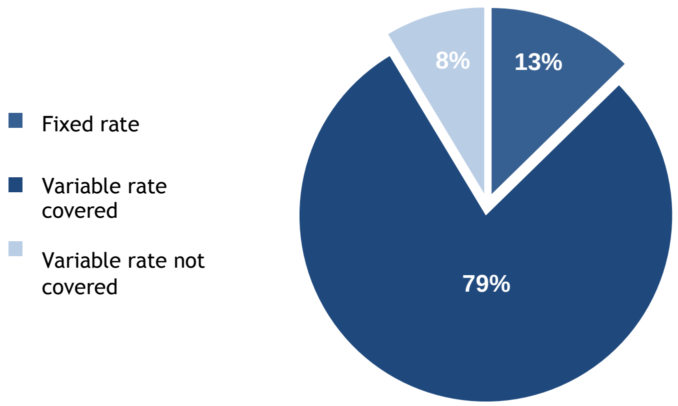
The monitoring and management of financial risks are centralised within the Treasury and Debts Division of the Finance Department.

This department reports on a monthly basis to Icade's Risk, Rates, Treasury and Finance Committee on all matters related to finance, investment, interest-rate risk management and liquidity management.

Changes in financial markets can entail a variation in interest rates, which may be reflected 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, thus conserving its ability to prepay loans without penalties. This represents, before hedging, nearly 87.3% of its debt as at 31 December 2012 (excluding debts associated with equity interests and bank overdrafts).

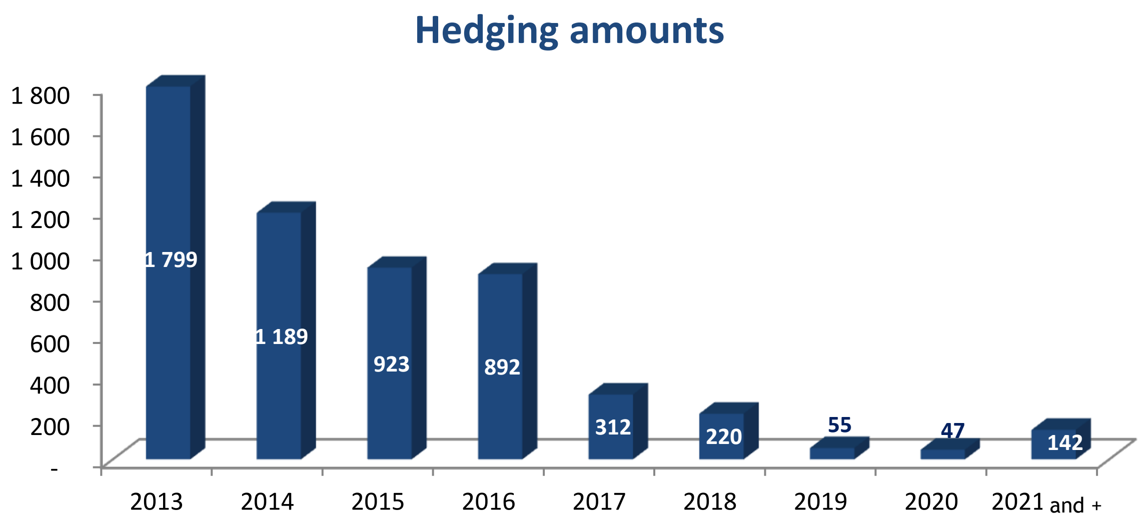
In 2012, Icade continued its prudent debt management policy by maintaining limited exposure to interest-rate risks by setting up appropriate hedging contracts (only plain vanilla swaps) and changing rate benchmarks on revolving debts, hedged by base swaps.

Breakdown of fixed rate/variable date
(excl. debt attached to contributions and bank overdrafts)
(31 December 2012)



The main amount of the debt (91.3%) is protected against a rise in interest rates (fixed rate debt or floating rate debt hedged by vanilla instruments such as swaps or caps). Short-term drawdowns over 2012 have not been hedged as interest rates have remained at historically low levels.

The notional hedging amounts, in millions of euros, for future years are as follows:



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

(in millions of euros)

31/12/2012	Financial Assets (*) (a)		Financial Liabilities (**) (b)		Net Exposure before Hedging (c) = (a) - (b)		Rate hedging instrument (d)		Net Exposure after Hedging (e) = (c) + (d)	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Less than one year		851.9	29.3	481.3	(29.3)	370.6		433.3	(29.3)	803.9
More than 1 year and less than 5 years			77.1	2 296.2	(77.1)	(2 296.2)		1 568.2	(77.1)	(728.0)
More than 5 years			282.2	223.0	(282.2)	(223.0)		311.6	(282.2)	88.7
Total		851.9	388.5	3 000.5	(388.5)	(2 148.5)		2 313.1	(388.5)	164.5

** Current and non-current financial assets and cash and cash equivalents*
*** Gross financial debt*

The average term of variable rate debt works out at 3.1 years, whereas that of the associated hedging is 3.6 years, i.e. slightly shorter at 2.9 years. This is partly explained by the fact that the 625 million euro medium-term loan was only partially hedged.

Finally, Icade favours 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 (for the effective portion) rather than as profit/loss.

Considering the year’s profile, and the change in interest rates, the change in fair value of hedging instruments has had a negative impact on the capital and reserves of 18.6 million euros.

C – FINANCIAL STRUCTURE

1. Financial structure ratio

The LTV (Loan To Value) ratio (Net financial debt/Net asset value excluding duties) comes out at 39.8% as at 31 December 2012 (compared with 40% as at 31 December 2011).

To recap, the LTV at 31 December 2011 adjusted by the opening of the capital of Icade Santé was 36.3%. The increase in this level is mainly due to the total of investments and the distribution of the dividend which were only partly offset by cash-flows for the period.

More than 0.5% of the slight fall compared with 31 December 2011 is due to the increase in net debt and 0.7% is due to the increase in the net asset value.

Undertakings to sell were also signed at the end of the year for some assets, meaning the restated LTV of these assets subject to undertakings was 38.4%.

This ratio remains well below the ceiling levels to be met under the financial covenants stipulated in the banking documents (50% and 52% in the majority of cases where this ratio is mentioned as a covenant).

Finally, the LTV calculated by Icade 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 of these companies, since it is calculated only on the value of the assets of the Commercial Property Division, excluding duties. After taking into account the value of the Development and Service companies and the value of the PPP assets, the adjusted LTV ratio was 37.2% as at 31 December 2012.

2. Interest hedging ratio

The ratio of interest hedging by operating income (corrected for depreciation) was 3.52x over 2012. This ratio decreased in comparison with previous years (3.77x in 2011), considering the decrease in operating profit and the rise in interest rates over the year. Compared with EBITDA, this ratio works out as 3.58x.

FINANCIAL RATIOS	31/12/2012	31/12/2011
Net financial debt/net asset value excl. duties (LTV)	39.8% / 38.4%[1]	40.0%
Net financial debt/NAV including development and service companies (adjusted LTV)	37.2%	37.4%
Ratio of interest hedging to operating profit/loss (ICR)	**3.52x**	**3.77x**

[1] LTV restated for assets subject to undertakings

3. Covenants table

		Covenants	31/12/2012
LTV [1]	Maximum	< 45% < 50% and < 52%	39.8%
ICR	Minimum	> 2	3.52x
CDC control[2]	Minimum	34% / 50% - 51%	55,57%
Value of investment property assets[3]	Minimum	> 3 billion euros > 4 billion euros > 5 billion euros	6.8 billion euros
Debt ratio of subsidiaries/Consolidated gross debt	Maximum	33%	16.52%
Surety on assets	Maximum	< 20% of property assets	8.4% [4]

(1) Around 33% of the debt relating to an LTV covenant has a limit of 52%, 62% of the debt has a limit of 50%, with a limit of 45% for the remaining 45%
(2) Around 84% of the debt relating to the covenant for the CDC change of control clause has a limit of 34%, with a limit of 50-51% for the remaining 16%
(3)Around 56% of the debt relating to the Value of Investment Property Assets covenant has a limit of 3 billion euros, 7% of the debt has a limit of 4 billion euros, with a limit of 5 billion euros the remaining 37%
(4) Maximum calculation under the loan agreements

The covenants were respected as at 31 December 2012.

V – OUTLOOK

Over the coming years, Icade plans to continue to develop ways of improving its net current cash flow, particularly involving:

- The continued marketing of existing assets or assets to be delivered in 2013;
- The development of major secure projects located in business parks illustrates Icade's desire to draw on the expertise of its commercial property development business to develop operations that can generate future cash flows and create value in the medium term;
- The accelerated implementation of diversification of financing sources to allow the continued reduction in the average cost of debt;
- The continued development of Icade Santé, building on the confidence placed in it by several large French institutional investors through share capital increases carried out in 2012 based on NAV. This will allow Icade to finance forthcoming asset and portfolio acquisitions, retaining an unchanged contribution to its cash flow from this asset class, and pooling management costs;
- In the longer term, Icade's positioning will be based on the significant potential to be found in developing its business parks on the outskirts of Paris, particularly as part of the Grand Paris project. The successful management of its unique land reserves will allow Icade to offer a comprehensive range of products, whose pace of development will be determined by market needs.

This in the context in which the merger with Silic will take place, enabling Icade to position itself as a leader in French commercial property investment and to strengthen its stock market status, while retaining a solid financial structure.