

Prospectus dated 26 September 2013



(a *société anonyme* incorporated in the Republic of France)

**€500,000,000 2.25 per cent. Notes due 30 January 2019 (the 2019 Notes)**  
**Issue Price: 99.540 per cent.**

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**€300,000,000 3.375 per cent. Notes due 29 September 2023 (the 2023 Notes)**  
**Issue Price: 98.977 per cent.**

This document constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (which includes the amendments made by Directive 2010/73/EC of the European Parliament and of the Council dated 24 November 2010) (the **Prospectus Directive**). Application has been made to the *Autorité des marchés financiers* (**AMF**) for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

The €500,000,000 2.25 per cent. Notes due 30 January 2019 (the **2019 Notes**) and the €300,000,000 3.375 per cent. Notes due 29 September 2023 (the **2023 Notes** and, together with the 2019 Notes, the **Notes**) of Icade (the **Issuer** or **Icade**) will be issued outside the Republic of France on 30 September 2013 (the **Issue Date**).

Interest on the 2019 Notes will accrue at the rate of 2.25 per cent. *per annum* from, and including, the Issue Date and will be payable in Euro annually in arrears on 30 January in each year, commencing on 30 January 2014. There will be a first short coupon of an amount of €752.05 per Note for the period from, and including, the Issue Date to, but excluding, 30 January 2014, as further described in "Terms and Conditions of the 2019 Notes – Interest". Interest on the 2023 Notes will accrue at the rate of 3.375 per cent. *per annum* from, and including, the Issue Date and will be payable in Euro annually in arrears on 29 September in each year, commencing on 29 September 2014. There will be a first short coupon of an amount of €3,365.75 per Note for the period from, and including, the Issue Date to, but excluding, 29 September 2014, as further described in "Terms and Conditions of the 2023 Notes – Interest". Payments of principal and interest on the Notes will be made without deduction for or on account of taxes of the Republic of France (See "Terms and Conditions of the 2019 Notes – Taxation" and "Terms and Conditions of the 2023 Notes – Taxation").

Unless previously purchased and cancelled in accordance with the terms and conditions of the 2019 Notes, the 2019 Notes will be redeemed at par on 30 January 2019. Unless previously purchased and cancelled in accordance with the terms and conditions of the 2023 Notes, the 2023 Notes will be redeemed at par on 29 September 2023. The Notes may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See "Terms and Conditions of the 2019 Notes – Redemption and Purchase" and "Terms and Conditions of the 2023 Notes – Redemption and Purchase").

If a Change of Control occurs, each Noteholder (as defined in "Terms and Conditions of the 2019 Notes" and in "Terms and Conditions of the 2023 Notes") will have the option to require the Issuer to redeem or procure the purchase of all or part of the Notes held by such Noteholder at their principal amount together with interest accrued all as defined and more fully described in "Terms and Conditions of the 2019 Notes – Redemption and Purchase – Redemption at the option of Noteholders following a Change of Control" and in "Terms and Conditions of the 2023 Notes – Redemption and Purchase – Redemption at the option of Noteholders following a Change of Control". In addition, the Issuer will have the option to redeem the Notes, in whole but not in part, at any time or from time to time, prior to their respective maturity date, and in accordance with the provisions set out in "Terms and Conditions of the 2019 Notes – Make-Whole Redemption by the Issuer" and "Terms and Conditions of the 2023 Notes – Make-Whole Redemption by the Issuer".

Application has been made to NYSE Euronext Paris S.A. for the Notes to be admitted to trading as of their Issue Date on the regulated market of NYSE Euronext in Paris (**Euronext Paris**). Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004, as amended.

The Notes will upon issue on the Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the 2019 Notes – Form, Denomination and Title" and in "Terms and Conditions of the 2023 Notes – Form, Denomination and Title") including Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). The Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg.

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes have been rated BBB+ by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. (**S&P**). The long-term debt of the Issuer has been rated BBB+ by S&P. S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council on credit rating agencies dated 16 September 2009 as amended (the **CRA Regulation**). As such, S&P is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) in accordance with the CRA regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

So long as any of the Notes remains outstanding, copies of this Prospectus and the documents incorporated by reference in this Prospectus will be available for inspection, free of charge, at the office of the Fiscal Agent during normal business hours and will be available on (i) the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), save for the 2013 Half-Year Financial Report, and (ii) the website of the Issuer ([www.icade.fr](http://www.icade.fr)).

**Prospective investors should have regard to the factors described in the section headed "Risk Factors" in this Prospectus.**

**Joint Lead Managers**

**Crédit Agricole Corporate and Investment Bank**

**HSBC**

**Natixis**

**Société Générale Corporate & Investment Banking**

*This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the **Group**) and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.*

*This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.*

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**). Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or of the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale" below.*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*To the extent permitted by law, each of the Joint Lead Managers accepts no responsibility whatsoever for the content of this Prospectus or for any other statement in connection with the Issuer or the Group.*

*The Joint Lead Managers have not separately verified the information contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. None of the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus in connection with the Issuer or the Group. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Each potential purchaser of Notes should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers.*

***See "Risk Factors" below for certain information relevant to an investment in the Notes.***

*In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" or "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.*

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains or incorporates by reference certain forward-looking statements that are based on estimates and assumptions. Forward-looking statements include statements with respect to the Issuer's future financial condition, results of operations, business and prospects and generally include all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realised or, even if realised, that they will have the expected effects on the business, financial condition or prospects of the Issuer.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any outlook or forward-looking statements made in this Prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

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## **RISK FACTORS**

*The following are certain risk factors of the offering of the Notes of which prospective investors should be aware. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*The terms defined in "Terms and Conditions of the 2019 Notes" and in "Terms and Conditions of the 2023 Notes" shall have the same meaning when used below.*

### **1. Risks related to the Issuer and its business**

#### **1.1 Risks associated with the property market**

##### ***1.1.1 Changing conditions in the property market***

The Group's business is exposed to economic factors outside its control and to systemic risks related to the cyclical nature of the property sector.

The property market is related to supply and demand for property, particularly from commercial companies, and has historically had phases of growth and contraction, characterized by changes to expected capitalisation rates or rental values.

International and national economic conditions, particularly the level of economic growth, interest rates, the unemployment rate in France, the level of French consumer confidence and buying power, the situation of public finances, corporate property strategies, and the means of calculating rent indexing and changes to various indices, may also vary significantly.

These variations in the property market or the general economic context may have a significant negative impact on Icade's investment and arbitrage policy, on its policy on developing new assets and, more generally, on its business, its financial situation, its profits and its prospects, particularly through (i) a reduction in demand for its business property projects and/ or its programmes for new housing which could cause certain partially completed operations to be abandoned or which could reduce profit margins, (ii) the reduction in occupation rates and prices for renting and re-letting its property, (iii) a drop in demand in the services business (and correlative social costs) and (iv) a fall in the value of its assets.

In this matter Icade benefits from the diversity of the assets held and the variety of activities and markets in which the Issuer is present, which reduce the consequences of the cyclical nature of the property market on its results.

##### ***1.1.2 Competition***

Icade operates in all French property markets, and faces stiff competition in each one. Icade competes with numerous international, national, and regional players, some of which have greater financial resources, a larger property portfolio, more employees, and more extensive regional, national, or international coverage. In particular, these competitors may be able to buy or develop property under conditions (such as prices) that do not meet Icade's investment criteria or goals.

Icade faces competition in particular when purchasing land and available property, setting prices for the services it offers, hiring qualified subcontractors, and obtaining financing. While Icade believes that its position

as both a property investment and development Issuer provides a competitive advantage, rivals in each of its businesses currently have a greater market share. If Icade is not able to gain market share or defend its existing market share, or maintain or grow its profit margin, its earnings, profits, and corporate strategy could be adversely affected.

## **1.2 Operational risks**

### ***1.2.1 Difficulties in financing development***

Icade's business development is financed by a combination of borrowings, equity, the cash generated by its activities and by income from its arbitrage operations. Icade cannot guarantee that it will have access to enough outside financing, under acceptable conditions, to finance its growth, nor can it guarantee that the market will be sufficiently liquid to enable the implementation of its disposal programme.

Icade's strategy also includes making targeted acquisitions in France. Icade could encounter difficulties in acquiring assets and/or companies, particularly due to its investment criteria, or possible difficulties in the availability of bank funding or in the sale of assets.

### ***1.2.2 Acquisition risks***

The completion of acquisition transactions may carry several risks.

The yield of acquired assets could prove to be less than forecast, whether these assets are buildings, property-investment companies, property development companies or services companies, particularly in periods of high economic uncertainty. Hidden defects, such as environmental, technical or urban planning non-compliance, might not have been covered by the acquisition agreements.

Also, in the case of the acquisition of companies, the integration of teams or processes may be difficult and, in particular may reduce the hoped-for synergies for a while.

### ***1.2.3 Risks related to the use of outside service providers***

Although Icade, in its property investment business, manages its own property assets internally, it is nevertheless exposed to risks related to the use of subcontractors, suppliers, and other service providers in its projects, particularly in its property development and property services businesses. Icade selects its service providers very carefully, but cannot guarantee the quality of their work or that they will comply with all applicable regulations. Icade's operations and profits could be adversely affected if any of its service providers experience financial difficulties, insolvency, cost overruns or delays in its work for Icade, or a reduction in the quality of its products or services. Such events could slow the progress of Icade's projects and result in higher costs, especially if a flawed service provider has to be replaced by one charging higher fees. Icade may not be able to pass on the higher costs to its customers, or may have trouble meeting its warranty obligations. In addition, any such failings on the part of its service providers may require that Icade pay penalty fees for the related delays, or cover the costs of any consequent legal action. In periods of difficulty in the building sector bankruptcies of subcontractors may be more frequent.

In order to limit these risks, the Issuer has put preventive procedures in place, such as "calls for tenders" committees, implementing prior checks on the robustness of these companies and vigilance as operations are performed.

### ***1.2.4 Risk of information system failure***

Icade uses a certain number of information systems and software, as well as managing several large databases in its operations. The failure of one of these systems or the loss or corruption of data could impact the Issuer's profits and weaken its reputation with customers.

Icade has several back-up procedures in place to mitigate this risk and limit the potential damage. These procedures include (i) the duplication of production systems (ii) the outsourcing, to a service provider specialised in data storage and hosting, of the backup for the last business day of each week, and (iii) a system

of controlling backups. An Enterprise Continuity Plan (ECP) organizes a procedure in the event of a major event affecting the IT systems and operating premises.

#### **1.2.5 Changes to accounting standards**

As a listed company, Icade is required to publish its consolidated financial statements in accordance with IFRS standards. These standards are amended periodically, and such changes could have a significant impact on items in its balance sheet or income statement and, consequently, on its financial statements.

#### **1.2.6 Higher insurance premiums or lack of insurance coverage for some operating risks**

The insurance premiums that Icade currently pays for its mandatory and optional insurance policies make up only a minor portion of its operating costs.

However, in view of the current difficulties on the market, these premiums could rise in the future, which would have a negative impact on Icade's financial position and profits. In addition, some of Icade's operating risks may no longer be covered by insurance companies. Lastly, Icade may be confronted with the risk of bankruptcy of one of its insurers, thus preventing it from paying compensation which might be due.

#### **1.2.7 Risks specific to the property investment business**

##### *Property surveys (risks related to estimating the value of assets)*

Icade's property portfolio is valued on a half-yearly basis by independent surveyors: CBRE Valuation, Jones Lang LaSalle, DTZ Eurexi and Catella. The portfolio value depends on several factors which could vary significantly, most notably the economic climate and market supply and demand and economic conditions, which can vary significantly, with consequences on Icade's valuation. The value resulting from the methods used by the surveyors for their valuations may exceed the sale value of the assets. Also, the valuations are based on assumptions that may not prove to be true.

Given that Icade carries its property investments at cost (depreciation cost method), a decrease in the market value of this property will not affect its consolidated profit unless the market value becomes less than the book value.

##### *Risks of not completing the investment and arbitrage plan*

In accordance with its SIIC (listed property investment companies) status, Icade's strategy consists, in particular, in (i) investing selectively, (ii) managing its portfolio of assets and (iii) carrying out arbitrage operations on mature assets. The Issuer may encounter significant challenges in implementing this strategy, making it more arduous and less profitable than expected, or delaying its execution. Therefore Icade may not be able to meet its goals, which could have a substantially negative impact on its businesses and profits.

More specifically, Icade's investment plans (i.e., property purchases, renovations, extensions or rebuilding) are subject to numerous uncertainties such as: whether property is available for purchase under acceptable conditions (most notably price); whether Icade is able to obtain the required regulatory permits; and whether any cost overruns or delays occur which could slow the pace of investment projects or stand in the way of their completion.

##### *Icade's profits depend on tenants, vacancy rates, and the renewal terms of commercial leases*

Earnings in the property investment business come primarily from rental income, and can therefore be severely affected if a tenant responsible for a significant percentage of these earnings moves out or becomes insolvent. However in 2012, no tenant represented more than 7.8% of total rent received. The commercial rental market depends on the economic climate and local factors in the area surrounding each piece of property. Icade cannot guarantee that occupancy rates will not decrease in the coming years.

Furthermore, Icade cannot guarantee that it will be able to find new tenants quickly or renew leases at acceptable rents when they expire, or that new regulations or case law will not impose tighter restrictions in



terms of changes to rents, calculation of eviction indemnities for commercial tenants or index-linked rent revaluation. Also, the Issuer is careful, as far as possible, to anticipate expiry dates of leases.

According to changes in the economic environment, any financial difficulties encountered by tenant companies may be more frequent, impairing their solvency and consequently negatively impacting rates of rent recovery by Icade.

Given the limited number of housing units that Icade now retains, the impact of difficulties in collecting housing rent will be moderate.

Given the large number of clinics whose premises are owned by Icade, developments in public health policies may put pressure on the situation of tenant clinics and thus the profitability of these assets.

Any of these events, if they occur, could have a negative impact on the value of Icade's property, profits, or financial position.

*Icade may not be able to renovate aging property or bring some of its property into compliance with new standards*

Icade may be required to invest considerable amounts in refurbishment work in order to renovate aging property or bring property into compliance with new standards, specifically regarding energy improvements viz. the Grenelle 2 law, or cope with rising maintenance or operating costs. Icade cannot guarantee that it will be able to obtain financing for such work, and investments in this work may not meet the Issuer's return criteria.

The Issuer attentively monitors the technical state of its assets, carries out environmental upgrade audits and, for each asset in its portfolio, plans five-year renovation work.

#### **1.2.8 Risks specific to the property development business**

*The expansion of Icade's property development business depends on land availability and prices*

The further expansion of Icade's property development business depends on the availability of land, land prices, and the Issuer's success in being able to locate suitable plots. The scarcity of available land, unfavourable pre-marketing operations and fierce competition among market participants could result in land prices escalating to levels incompatible with Icade's investment plans and impair the Issuer's operations, profits, and growth outlook.

*Other than the discovery of pollution and its treatment, the discovery of archaeological remains could lead to work being suspended, causing additional costs and delays, or to the modification or abandonment of the planned construction programme*

In this respect, the Group carries out systematic prior studies on the quality of the ground, with the support of specialist consultancy firms. Also, all real estate acquisition contracts include clauses implicating the liability of the vendor in case of discovery of pollution.

*Administrative authorizations that must be obtained prior to building may be granted at a later date, or indeed refused or disputed by third parties: building permits, authorizations from the Commission Départementale d'Aménagement Commercial (CDAC) or the Commission Nationale d'Aménagement Commercial (CNAC) in the case of buildings destined for commercial use.*

This may result in delays in the execution of projects (execution of work, marketing), additional costs to adapt the programme, or even the abandonment of the project and loss of the research costs in certain cases.

*Icade is exposed to changes in construction costs*

The control of profitability in the property development business depends partly on the ability to have buildings constructed at a level of costs consistent with sale prices acceptable in the market. Construction costs have been subject to wide variations over the last few years. These variations may be related to changes in demand for the services of building companies, changes in the costs of labour and raw materials, or to changes in construction

standards. Furthermore, in the case of a declining property market, the Group cannot maintain its level of margins, because the reduction in costs does not compensate for the drop in sales prices.

Also, during operation, an extension of the duration of work or technical difficulties may lead to additional costs that are difficult to pass on to buyers. To reduce these additional costs, the Issuer accurately monitors the progress, costs and risks of each programme.

*Icade may face claims from other parties after construction work is completed or property is made available*

When Icade has marketed or sold a property programme, or has participated in such an operation as representative of the prime contractor, delegated prime contractor or project manager, it may be held liable by the prime contractors or buyers. This liability may result from non-compliance with contractual descriptions, damage or disorders affecting the buildings. While most of these construction faults would be either covered by Icade's mandatory insurance policies or attributable to other parties, the Issuer could be required to cover repair costs or pay damages to the corresponding prime contractors or buyers.

*Icade's speculative and semi-speculative commercial property development carries specific risks*

For a promoter, launching a speculative operation means doing so without any investors, while launching a semi-speculative operation means doing so bearing part of the rental risk (pre-commercialization rate or contracting a rental guarantee). Speculative and semi-speculative operations face the risk that buyers or users cannot be located within a short period of time from launch of the building. This could incur significant expenses for Icade in terms of construction or financing costs, which could significantly diminish the profitability of these operations and, more generally, Icade's overall financial position and profits. In a period of reduced demand, particularly for business property, the Group limits this type of operation to rare and specific cases. Speculative operations are subject to a prior agreement given by Icade's governing bodies. Moreover, for semi-speculative operations, commitment is restricted to partial or total consumption of the rental guarantee which is then entered on the financial statement of the operation.

*Certain of Icade's activities are conducted under the form of partnerships which, if they fail, could have a significant and unfavourable impact on Icade's operations and profits*

The success of Icade's partnership projects depends on the specific partners and how well the partnership agreement is implemented, especially when Icade has only a minority interest in the project. Icade selects its partners and words its partner agreements carefully, but cannot guarantee that said partners will fulfil their obligations, comply with all applicable regulations, and provide high quality work. Also, financial difficulties or even cessation of payments from these partners could slow the course of the operations concerned and oblige Icade to bear the whole of the requirement for working capital, or increase costs. They would be likely to have negative consequences for Icade's business, profits and cash position.

For the year ended on 31 December 2012, the proportion of consolidated turnover arising from partnership operations represented 17% of consolidated turnover for the housing development business, while 36% came from commercial property development and public and healthcare property development.

**1.2.9 Risks specific to the property services business**

In its property management and serviced housing units business and in its activity as a management agent or a provider of safety and security services, Icade's criminal and civil liability could be implicated in the event of non-compliance with legal or regulatory obligations applicable to the buildings concerned and the services provided, in the event of bodily harm related to faulty maintenance or surveillance of the common parts of the buildings, or to the absence of urgent measures taken to correct serious disorders arising in the buildings. Icade's financial liability could be implicated for failure to advise in transaction or valuation operations during appraisal missions. It is possible that Icade could also be held liable in the event of serious, proven misconduct in the asset management activities it performs on behalf of third parties. This activity is subject to regulation by the AMF as part of its activities as a management company. Any such event could incur fines or criminal charges, and would damage Icade's reputation.

### **1.3 Technical and environmental risks**

#### ***1.3.1 Environmental risks related to pollution and soil quality***

The current practice of property purchases waiving the hidden defects guarantee could make it difficult to take any action against the former owners of the building. This could result in additional expenses for Icade, which would have a negative impact on its financial position and profits.

Moreover, soil and sub-soil pollution or quality problems could hinder the progress of Icade's projects, new building construction, or renovation work, even after buildings are completed. Such problems could incur substantial delays or additional costs, possibly causing projects to exceed their initial estimates. These additional costs may not be covered by Icade's insurance policies or claims against property inspectors. Also, Icade anticipates this risk, as far as it can, by means of adequate surveys and analyses. Thus, for example, it carried out a historical survey of areas of risk and the origin of pollution in business parks since their acquisition.

#### ***1.3.2 Environmental risks related to public health and safety***

All of Icade's businesses are subject to regulations concerning the accessibility of buildings to the disabled, public health, and the environment, covering a number of areas, including: the ownership and use of classified facilities, the use, storage, and handling of hazardous materials in building construction; inspections for asbestos, lead, and termites; inspections of gas and electricity facilities; assessments of energy efficiency; and assessments of technological and natural risks. Moreover, construction or renovation works on buildings generate site accident risks, just as the occupation of buildings may be behind accidents for users. These situations risk the civil - or possibly criminal - liability of Icade and/or its managers being invoked, and consequently damaging the Issuer's reputation.

Icade's procedures in its various businesses enable the Issuer to apply these provisions or requirements correctly.

### **1.4 Legal and fiscal risks**

#### ***1.4.1 Caisse des Dépôts' controlling interest in the Issuer***

The Caisse des Dépôts indirectly exercises control of Icade via its subsidiary HoldCo SIIC. In fact, it is the majority shareholder of the company HoldCo SIIC, which holds 55.57% of the capital and 55.82% of the voting rights in the Issuer as at 31 December 2012. Consequently, Caisse des Dépôts has a significant influence on the Issuer via its HoldCo SIIC subsidiary and can have all the resolutions submitted for the approval of Icade's shareholders at an Ordinary General Meeting adopted. Caisse des Dépôts therefore has the ability to take decisions on its own relating to the appointment of members of the Board of Directors, approval of the annual accounts and distribution of dividends.

#### ***1.4.2 Risks related to changes concerning sustainable development***

Active on the property markets, Icade may be impacted in various ways by changes in national or European regulatory and legislative standards concerning sustainable development. These are, in particular, likely to impose performance criteria on buildings managed and sold by the Issuer and particular responsibilities for services to third parties. These may result in costs being incurred, adaptations to processes or even risks of Icade's liability being implicated as operator or owner. The same goes for thermal regulations 2012 (TR 2012), which impose demanding energy performance requirements (50 kWh of primary energy/m<sup>2</sup>/year) on the production of new commercial buildings since the end of October 2011 for all building permits filed since 28 October 2011, then in housing units for all building permits filed beginning on 1 January 2013. Other obligations resulting from the Grenelle 2 law of 12 July 2010 could affect management for its own account and for third parties.

- mandatory inclusion of an "environmental appendix" in new leases for properties larger than 2,000 m<sup>2</sup> beginning on 1 January 2012 and mandatory finalisation of such an appendix under current leases for properties larger than 2,000 m<sup>2</sup> before 14 July 2013,

- provisions governing energy improvement work on existing properties should be set out under a new regulation expected in early 2013. Other obligations such as,
- the installation of electric outlets to charge vehicles from 2015,
- the compulsory establishment of a greenhouse gas emissions statement beginning at the end of 2012
- and a social and environmental responsibility section in the management report, verified by an accredited third party, create risks of non-compliance and impose new organisations.

Tax provisions or public financings or related items may change, penalizing some products or the impact of some activities or, on the other hand, encouraging others, as demonstrated by the evolution of repurchase prices for energy produced by photovoltaic facilities, the uncertainty surrounding the energy saving certificates programme or the changing government assistance breaks for real estate investments made by individuals (for low consumption buildings, known as “BBC”).

New professional standards, quality labels or certification may surround certain activities or impose non-regulatory technical objectives, appreciated or demanded by clients. The same goes for general demand from players regarding HQE environmental certifications on most new commercial buildings: to begin with restricted to office buildings, this demand now covers most commercial assets, such as shopping centres and clinics. This type of practice also affects the area of commercial property management with, for example, operational certification for buildings, which was launched in December 2009; this may be extended to renovation activities. The British BREEAM and U.S. Leed certification systems are increasingly sought after, with double and sometimes even triple certifications.

Icade anticipates such developments via a regulatory watch in terms of sustainable development, accurate monitoring of its realizations and the market, and the implementation of its “Twelve Sustainable Development Commitments” plan. These commitments include the addition of environmental appendices to its leases.

#### ***1.4.3 Modifications to the regulations applying to the property investment and property services businesses***

In connection with its property investment and property services business, Icade monitors legal developments closely in relation to the indexing of commercial lease rental and the formalities surrounding its legal review.

Certain buildings held by the property investment division or managed by the Group as a service provider are subject to the regulation concerning establishments receiving the public and/or very tall buildings. This applies particularly to shopping centres, including the Millénaire shopping centre in Aubervilliers and the Montparnasse Tower, for which Icade provides property management services.

More generally, non-compliance with, or any substantial modification to, the regulations concerning hygiene, health and safety, the environment, the construction of buildings and urban planning, could have a significant negative influence on the business, the profitability and the prospects for Icade’s development or growth. The main consequences would be the requirement to undertake work to upgrade buildings, the increase in operating costs, and declining attractiveness for actual or potential tenants. To cope with these risks, a regulatory watch using dedicated tools is in place.

#### ***1.4.4 Changes to the rules applying to the property development business or to public-private partnerships***

In its property development business, the Group is subject to numerous regulations concerning construction standards, urban planning rules and consumer protection in relation to sales for future completion. Any toughening of these regulations would be likely to negatively impact the profitability of operations.

Moreover, operations carried out on behalf of public bodies, regardless of the type of contract used (particularly public contracts, public service delegations, temporary permission to occupy the public domain, administrative 99-year leases, hospital 99-year leases and partnership contracts) present specific risks related to (i) the instability of standards applicable to public orders which, over the last ten years, have been constantly amended by the public authorities or jurisprudence. In some cases, validation by the French legislator of contracts

concluded in an erroneous interpretation of the applicable rules (as well as public developer mandates concluded without tender proceedings before 6 March 2003) which does not eliminate the risk that these contracts may still be considered to be null and void in the light of EC law; (ii) the fact that the procedures for concluding contracts, conducted by public authorities, may give rise to errors which may affect the validity of the contracts concluded; (iii) the possibility of legal action for cancellation initiated by unsuccessful tenderers, taxpayers or the Prefect, the existence and outcome of which may delay the start of an operation or even, if the contract is ruled null and void while it is underway, cap the remuneration of the co-contracting party to full or partial repayment of the costs incurred by the local authority to the exclusion of any profit; (iv) the specifics of administrative law which in particular allow a public body to unilaterally cancel an administrative contract at any time if the general interest justifies this and prohibits the co-contracting party from entering a plea of non-performance; (v) the lengthy term of certain contracts (public service delegation, leases) making the profitability of the operation concerned uncertain. Icade protects itself against this risk by contractually scheduling the payment of compensation via the public body.

#### ***1.4.5 Risks relating to the failure to issue administrative authorizations and possible cancellation of authorizations issued***

In its property development business, as well as in its property investment and service businesses, Icade is bound to obtain a number of administrative authorizations before carrying out any works, services or commissioning amenities. The examination of authorization applications by the competent administrative departments takes time, which is not always easy to control. Icade cannot control the time needed to obtain these authorizations, including building permits. Once obtained, factors may cause them to be cancelled or rescinded, or they may expire. This could result in delays, additional costs, or the decision to abandon a project, which could have a negative impact on Icade's operations and profits.

#### ***1.4.6 Risks related to a change in tax laws***

##### *SIIC regime*

In 2007, Icade opted for status as a French REIT (Real Estate Investment Trust) (SIIC), exonerating it from French corporate tax for certain types of income. The benefit of this regime is subject to compliance with various conditions, which have been modified several times under the finance laws and annual amendments to finance laws, particularly under the amended Finance Law for 2006 and the Finance Law for 2009 concerning the capital composition of SIICs. They may also be subject to the interpretation of the tax administration. If Icade fails to meet the conditions within 10 years after the option, it would be required to pay additional taxes which would reduce its profits and impair its financial position.

The Issuer complies with all the conditions of the SIIC regime. However, these conditions may continue to change. Also, the SIIC regime imposes compliance with a minimum ratio of 80% assets invested in property, assessed by comparing the gross value of assets assigned to achieving the company's main objectives (property, securities in property investment companies and associated receivables, etc.) with total gross assets. Given the wide range of Icade's business, this rule represents a major restriction on the Issuer. It will continuously monitor this ratio. At 31 December 2011, Icade's ratio was 88.28%.

##### *Tax arrangements benefiting clients of Icade*

Changes to tax laws, especially the abolition or limitation of certain tax advantages in favour of rental investment (such as the "Duflo" law, which replaces the "Scellier" law), the introduction of requirements for such advantages (such as maximum rent or maximum tenant income), the introduction or amendment (via a series of finance laws) of measures to cap total tax advantages and to concentrate certain tax advantages on energy-saving homes, or the change to VAT rates applicable to certain activities, may have a significant influence on the property market and could consequently have a significant unfavourable impact on Icade's business, profit and prospects. They may also oblige the Issuer to refocus its property development business on products meeting the conditions for these regimes.

### *French tax rules*

Icade is exposed to tax risks related to changes in regulations, such as those governing corporate taxation, the creation of new taxes, or more generally the increase in taxable income bases or tax rates. Even if the Issuer can in some cases pass on part of the corresponding charges, such changes could reduce its profits.

Also, the complexity, the formalism and the constant changes that characterize the tax environment in which it exercises its activities create risks of error in compliance with tax rules. Although the Issuer takes all measures to prevent them, Icade might be subject to adjustments and disputes in tax matters. Any adjustments or disputes may have unfavourable consequences for Icade's profits.

### **1.5 Credit and/or counterparty risks**

In part, credit and counterparty risk concerns cash and cash equivalents, as well as banks. In order to limit its counterparty risk, Icade only deals in rate derivatives with first-rate banking institutions, with which it has relations to finance its development. Investment instruments are monitored on a daily basis and the control process is supplemented by a regular review of authorizations. By default, the maturities of the cash instruments chosen are less than one year and they have a very limited risk profile. In both cases, Icade applies a principle of dispersion of risk, avoiding any concentration of exposure.

On the other hand, the counterparty risk relates to the tenants. To this end, the broad client portfolio in the Commercial Property Investment Division limits this risk: the ten largest tenants represent 50% of rents as at 31 December 2012. Client solvency is also analysed on a regular basis.

### **1.6 Liquidity risks**

Icade has limited its liquidity risk by centralising the management of its cash and funding and by diversifying its sources of funding.

The Group manages its medium and long-term liquidity risk through multi-year plans, and its short-term risk through confirmed, unused lines of credit. The table stating the Group's contractual obligations concerning the payment of interest, the repayment of borrowings excluding derivative instruments and the maturities of derivative instruments, is given in paragraph 7.7.1 of the 2012 Registration Document.

The Issuer periodically carries out liquidity projections over a rolling 12-month period, presented to the Risk, Rates, Treasury and Finance Committee, and carries out the necessary adjustments so that it is able to meet its future contractual maturities. In view of the last review carried out, the Issuer considers that its resources are commensurate with its liquidity requirements.

### **1.7 Market risks**

#### **1.7.1 Interest rate risk**

##### *Higher financing costs*

Within the framework of Icade's need for external financing, it is exposed to rises in interest rates which could increase its financing costs. The Issuer has set up interest rate hedges designed to mitigate this risk, but cannot guarantee that these hedges will offset the entire effect of higher interest rates.

Icade's financing costs and any warranties that Icade may be required to consent to, in particular financial warranties, in the ordinary course of its business, could be adversely affected if Caisse des Dépôts were to decrease its holdings in the Issuer.

Icade's financing costs could also rise if the Issuer substantially increases its debt level.

The increase in the cost of liquidity, particularly from banks, due to the global financial crisis, may have a direct impact on Icade's financing margins.

### *Variation in interest rates*

Icade is essentially a borrower at variable rates. Icade's businesses are subject to fluctuations in interest rates. A sharp increase in interest rates, especially over the long term, could significantly curtail demand and reduce the prices of new homes and offices developed by Icade and adversely affecting the value of Icade's property assets. In order to limit the effect of profits of a variation in interest rates, Icade manages its exposure to interest rates by taking out derivatives (mainly swaps, caps and swaptions). Through its hedging policy, Icade favours products that may be backed by cash flow hedging in the sense of IAS 39 hedge accounting, thus limiting the impact on the income statement of a change in the fair values of financial hedging instruments.

Furthermore, by centralizing the funding requirements of Icade and its subsidiaries, the management of interest-rate risk is concentrated on the borrowing entities, facilitating its analysis.

### **1.7.2 Exchange risk**

Icade carries out almost all of its business in the European single currency zone and all of its assets and liabilities are denominated in euros. Icade is therefore not exposed to any significant exchange rate risk.

### **1.7.3 Risk concerning shares and other financial instruments**

#### *Share price risk*

Icade does not have any equity interests in listed companies and is therefore not exposed to the risk of share price fluctuations.

Icade does not invest any of its cash in equity investment funds or other financial instruments with an equity component.

In 2007, Icade implemented a share buy-back programme and, within that framework, signed a liquidity contract with an investment services provider. As of 31 December 2012 Icade did not hold any Icade shares under the liquidity contract within the framework of the share buy-back program. Outside this contract, Icade held 236,229 of its own shares at 31 December 2012.

## **2. Risks related to the Notes**

### **2.1 General risks relating to the Notes**

#### ***The Notes may not be a suitable investment for all investors***

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### ***Independent Review and Advice***

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

### ***Credit risk***

The value of the Notes will also depend on the credit worthiness of the Issuer. If the credit worthiness of the Issuer deteriorates, the value of the Notes may decrease and investors may lose all or part of their investment.

### ***The Notes may be redeemed prior to maturity***

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Notes due to any withholding as provided in Condition 5(b) of the Terms and Conditions of the 2019 Notes and in Condition 5(b) of the Terms and Conditions of the 2023 Notes, the Issuer may redeem all outstanding Notes in accordance with such Condition.

In addition, the Issuer may redeem all or a portion of each of the then outstanding Notes at any time prior to their maturity date, at their relevant make-whole redemption amount, as provided in Condition 5(d) of the Terms and Conditions of the 2019 Notes and in Condition 5(d) of the Terms and Conditions of the 2023 Notes.

The Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

### ***Change of Control - Put option***

In the event of a Change of Control of the Issuer (as more fully described in "Terms and Conditions of the 2019 Notes - Redemption at the option of the Noteholders following a Change of Control" and in "Terms and Conditions of the 2023 Notes - Redemption at the option of the Noteholders following a Change of Control"), each Noteholder will have the right to request the Issuer to redeem or procure the purchase of all or part of its Notes at their principal amount together with any accrued interest. In such case, any trading market in respect of those Notes in respect of which such redemption right is not exercised may become illiquid. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

### ***A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs***

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the



purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

### ***Modification of the Terms and Conditions of the 2019 Notes and of the Terms and Conditions of the 2023 Notes and waiver***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### ***French insolvency law***

Under French insolvency law, notwithstanding anything to the contrary, holders of debt securities (*obligations*) are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde* or *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly will comprise all holders of debt securities (*obligations*) issued by the Issuer (including the Notes) regardless of their governing law. The Assembly will deliberate on the proposed safeguard (*projet de plan de sauvegarde* or *projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) prepared in relation to the Issuer and may further agree to:

- increase the liabilities (*charges*) of such holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally writing off debts of the Issuer;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly. The holders whose rights are not modified by the proposed plan do not participate in the vote.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer were to become insolvent.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Prospectus in Condition 9 of the Terms and Conditions of the 2019 Notes and in Condition 9 of the Terms and Conditions of the 2023 Notes will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

### ***Taxation***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

### ***EU Savings Directive***

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the **Savings Directive**). The Savings Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (or certain limited types of entities established in that other Member State), except that, for a transitional period, Luxembourg and Austria will instead impose a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of such payment may request that no tax be withheld and authorise the paying agent to disclose the above information) unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the Savings Directive. The current Luxembourg government has announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015. The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. See also "Taxation – EU Savings Directive").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

### ***Transactions on the Notes could be subject to the European financial transaction tax, if adopted***

The European Commission has published a proposal for a Directive for a common financial transaction tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances, at a rate of at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the effective timing of which remains unpredictable. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

If the proposed directive or any similar tax is adopted, transactions on the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

## **2.2 Risks relating to the market generally**

### ***Market value of the Notes***

The market value of the Notes will be influenced by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, market interest and yield rates and the time remaining to the maturity date. The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and

the stock exchanges on which the Notes are traded. The price at which a holder of Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

***An active trading market for the Notes may not develop (liquidity risk)***

There can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Interest rate risks***

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

***Credit Ratings may not reflect all risks***

The Notes have been rated BBB+ by S&P. The rating assigned by S&P to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by S&P at any time. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the sections referred to in the table below which are incorporated by reference in, and shall be deemed to form part of, this Prospectus and which are included in the following documents, which the Issuer has previously published and filed with the *Autorité des marchés financiers*:

- (i) the French language *Actualisation du document de référence* 2012 of the Issuer containing (i) the press release dated 27 March 2013 relating to unaudited consolidated pro forma information for the financial year ended 31 December 2012 and the related notes and (ii) semi-annual unaudited consolidated pro forma information for the financial period ended 30 June 2013 and the related notes (the **Update to the 2012 Registration Document**) which was filed with the *Autorité des marchés financiers* on 28 August 2013 under number D.13-0110-A01, except for (i) the statutory auditors' report on the pro forma financial information and (ii) the third, fourth and fifth paragraphs of the "*Attestation du Responsable de l'Actualisation du Document de Référence*" on pages 4 and 5 referring to the statutory auditors' report on pro forma financial information and to the *lettre de fin de travaux* of the statutory auditors of the Issuer that shall not be deemed incorporated by reference in this Prospectus.
- (ii) the French language *Rapport financier semestriel* 2013 of the Issuer (the **2013 Half-Year Financial Report**) incorporated by reference in the Update to the 2012 Registration Document;
- (iii) the French language *Document de référence* 2012 of the Issuer (the **2012 Registration Document**) which was filed with the *Autorité des marchés financiers* on 7 March 2013 under number D.13-0110, except for the third paragraph of the "*Attestation du Responsable du Document*" on page 358 referring to the *lettre de fin de travaux* of the statutory auditors of the Issuer that shall not be deemed incorporated by reference in this Prospectus;
- (iv) the French language *Actualisation du document de référence* 2011 of the Issuer containing unaudited consolidated pro forma information for the financial year ended 31 December 2011 and the related notes (the **Update to the 2011 Registration Document**) which was filed with the *Autorité des marchés financiers* on 25 April 2012 under registration number D.12-0150-A01, except for (i) the statutory auditors' report on the pro forma financial information and (ii) the second to fifth paragraphs of the "*Attestation du Responsable de l'Actualisation du Document de Référence*" on page 3 referring to the statutory auditors' report on pro forma financial information and to the *lettre de fin de travaux* of the statutory auditors of the Issuer that shall not be deemed incorporated by reference in this Prospectus.;
- (v) the French language *Note d'information de la société Icade* (the **Icade Tender Offer Prospectus**) which was filed with the *Autorité des marchés financiers* on 24 April 2012 under registration number 12-179; and
- (vi) the French language *Document de référence* 2011 of the Issuer (the **2011 Registration Document**) which was filed with the *Autorité des marchés financiers* on 13 March 2012 under number D.12-0150, except for the third paragraph of the "*Attestation du Responsable du Document*" on page 275 referring to the *lettre de fin de travaux* of the statutory auditors of the Issuer that shall not be deemed incorporated by reference in this Prospectus.

Any information contained in a document listed in (i) to (vi) au-dessus and not listed in the cross-reference table herein shall be given for information purposes only and shall not be deemed to be incorporated, and to form part of, this Prospectus. Any statement contained in a section which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in the Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

So long as any of the Notes remains outstanding, copies of the documents incorporated by reference in this Prospectus will be available for inspection, free of charge, at the office of the Fiscal Agent during normal

business hours and will be available on (i) the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)), save for the 2013 Half-Year Financial Report, and (ii) the website of the Issuer ([www.icafe.fr](http://www.icafe.fr)) and (iii) on request at the principal office of the Issuer and at specified offices of the Paying Agent during normal business hours, as described in “General Information” below.

Free English translations of the Update to the 2012 Registration Document, the 2012 Registration Document and the 2011 Registration Document are available on the website of the Issuer ([www.icafe.fr](http://www.icafe.fr)). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are French language versions.

For the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference in this Prospectus in accordance with the following cross-reference table:

<b>Annex IX of the European Regulation 809/2004/EC of 29 April 2004, as amended</b>		<b>Page No. in the applicable document</b>
<b>2.</b>	<b>Statutory Auditors</b>	
2.1	Names and addresses of the Issuer’s statutory auditors	Page 358 in 2012 Registration Document (Legal and financial specification (LFS))
2.2	Change of situation of the Issuer’s statutory auditors	Page 358 in 2012 Registration Document (LFS)
<b>3.</b>	<b>Risk factors</b>	
3.1	Prominent disclosure of risk factors that may affect the Issuer’s ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”	Pages 121 to 124 and 321 to 328 in 2012 Registration Document (LFS)
<b>4.</b>	<b>Information about the Issuer</b>	
4.1.1	Legal and commercial name of the Issuer	Page 300 in 2012 Registration Document (LFS)
4.1.2	Place of registration of the Issuer and registration number	Page 300 in 2012 Registration Document (LFS)
4.1.3	Date of incorporation and length of life of the Issuer	Page 300 in 2012 Registration Document (LFS)
4.1.4	Domicile and legal form of the Issuer, legislation under which it operates, country of incorporation, address and telephone number of its registered office	Page 300 in 2012 Registration Document (LFS)
4.1.5	Recent events relevant to the evaluation of the Issuer’s solvency	Not applicable.
<b>5.</b>	<b>Business overview</b>	
5.1.1	Principal activities	Page 10 in 2013 Half-Year Financial Report Pages 12 to 47 in 2012 Registration Document (Institutional specification (IS)) Pages 5 to 11 and 19 to 58 in 2012 Registration Document (LFS) Sections 1.1.7 (i) and (ii) and Section 1.2.1 in Icade Tender Offer Prospectus
5.1.2	Competitive position	Pages 12 to 19 in 2012 Registration Document

<b>Annex IX of the European Regulation 809/2004/EC of 29 April 2004, as amended</b>		<b>Page No. in the applicable document</b>
		(LFS)
<b>6.</b>	<b>Organisational Structure</b>	
6.1	Brief description of the Group	Pages 25 and 26 in Update to the 2012 Registration Document Page 66 in 2012 Registration Document (IS) Pages 7, 84 and 138 to 141 in 2012 Registration Document (LFS) Section 1.2.5 in Icade Tender Offer Prospectus
6.2	Dependence of the Issuer upon other entities within the Group	Not applicable
<b>8.</b>	<b>Profit forecasts or estimates</b>	Not applicable
<b>9.</b>	<b>Administrative, management and supervisory bodies</b>	
9.1	Information concerning the administrative, management and supervisory bodies	Pages 27 to 30 in Update to the 2012 Registration Document Pages 52 to 55 in 2012 Registration Document (IS) Pages 338 to 352 in 2012 Registration Document (LFS)
9.2	Conflicts of interests	Page 353 in 2012 Registration Document (LFS)
<b>10.</b>	<b>Major shareholders</b>	
10.1	Ownership and control	Pages 26 to 27 in Update to the 2012 Registration Document Page 65 in 2012 Registration Document (IS) Pages 309 and 311 in 2012 Registration Document (LFS) Section 2.10 in Icade Tender Offer Prospectus
10.2	Arrangements which may result in a change of control	Page 311 in 2012 Registration Document (LFS)
<b>11.</b>	<b>Financial Information</b>	
11.1	Historical Financial information (audited consolidated accounts)	Pages 68 to 147 in 2012 Registration Document (LFS) Pages 62 to 139 in 2011 Registration Document (LFS)
	(a) Balance sheet	Pages 69 to 70 in 2012 Registration Document (LFS) Pages 63 to 64 in 2011 Registration Document (LFS)
	(b) Consolidated income statement	Page 68 in 2012 Registration Document (LFS) Page 62 in 2011 Registration Document (LFS)
	(c) Accounting policies and explanatory notes	Pages 74 to 143 in 2012 Registration Document (LFS) Pages 68 to 135 in 2011 Registration Document

<b>Annex IX of the European Regulation 809/2004/EC of 29 April 2004, as amended</b>		<b>Page No. in the applicable document</b>
		(LFS)
	(d) Statutory Auditors' report	Pages 146 to 147 in 2012 Registration Document (LFS) Page 138 to 139 in 2011 Registration Document (LFS)
11.2	Financial Statements	Pages 2 to 4 and 68 to 143 in 2012 Registration Document (LFS) Pages 2 to 4 and 62 to 135 in 2011 Registration Document (LFS)
11.3	Auditing of historical annual financial information	Pages 146 to 147 in 2012 Registration Document (LFS) Pages 138 to 139 in 2011 Registration Document (LFS)
11.5	Legal and arbitration proceedings	Page 22 in Update to the 2012 Registration Document Page 84 in 2013 Half-Year Financial Report Page 321 in 2012 Registration Document (LFS)
11.6	Significant change in the Issuer's financial or trading position	Pages 6 to 19 and 22 to 33 in Update to the 2012 Registration Document Pages 7 to 90 in 2013 Half-Year Financial Report Pages 6 to 7 in 2012 Registration Document (LFS) Sections 1.1.7 (i) and (ii) and Section 1.2 in Icade Tender Offer Prospectus Pages 5 to 13 in Update to the 2011 Registration Document
<b>12.</b>	<b>Material contracts</b>	Page 364 in 2012 Registration Document (LFS)
<b>13.</b>	<b>Third party information and statement by experts and declarations of any interest</b>	Pages 32 to 33 in Update to the 2012 Registration Document Pages 360 to 361 in 2012 Registration Document (LFS)
<b>14.</b>	<b>Documents on display</b>	Update to the 2012 Registration Document 2013 Half-Year Financial Report Page 372 in 2012 Registration Document (LFS)

## TERMS AND CONDITIONS OF THE 2019 NOTES

*The terms and conditions of the Notes will be as follows:*

The issue outside the Republic of France of €500,000,000 2.25 per cent. Notes due 30 January 2019 (the **Notes**) of Icade (the **Issuer**) has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 20 February 2013 and a decision of Serge Grzybowski, Chairman and Chief Executive Officer (*Président Directeur Général*) of the Issuer dated 25 September 2013. The Issuer has entered into a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 26 September 2013 with BNP Paribas Securities Services as fiscal agent and principal paying agent. The fiscal agent and principal paying agent and paying agents for the time being are referred to in these Conditions as the **Fiscal Agent** and the **Paying Agent**, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. Form, Denomination and Title

The Notes are issued on 30 September 2013 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in book entry form in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €100,000.

### 2. Status and Negative Pledge

#### (a) Status of the Notes

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer (*engagements chirographaires*), and rank and will at all times rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations (subject to exceptions mandatory under French law) of the Issuer.

#### (b) Negative Pledge

So long as any of the Notes remains outstanding (as defined below), the Issuer undertakes that it will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest that would constitute a *sûreté réelle* upon any of its respective assets or revenues, present or future, to secure (i) any Bond Indebtedness (as defined below) incurred by it or (ii) any guarantee or indemnity assumed or granted by it in respect of any Bond Indebtedness, unless at the same time or prior thereto, the Issuer's obligations under the Notes are equally and rateably secured therewith.

For the purpose of this Condition:

- (i) **outstanding** means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed on their due date or otherwise in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date



for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 11; and

- (ii) **Bond Indebtedness** means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other debt securities (including *titres de créances négociables*) which are, or are capable of being, quoted, admitted to trading or ordinarily dealt in any stock exchange, over-the counter or other securities market.

### 3. **Restriction on Secured Borrowings**

The Issuer agrees that, so long as any of the Notes remains outstanding and except with the prior approval of the General Meeting (as defined under Condition 9) of the Noteholders, the Unsecured Revalued Assets Value (as defined below) shall not be less than the Relevant Debt (as defined below) at any time.

**Appraisal Value** means, with respect to any Person, the aggregate market value of all Real Estate Assets owned or held directly or indirectly by such Person (including through financial leases and including the Real Estate Assets used as operating properties) as it is shown in, or derived from, the latest annual or semi-annual consolidated financial statements of the Issuer.

**Financial Indebtedness** means at any time any obligation for the payment or repayment of money, whether present or future, in respect of:

- (i) any outstanding principal amount (together with any fixed or minimum premium payable on final repayment) of all moneys borrowed (with or without security);
- (ii) any amounts raised by acceptance or under any acceptance credit opened by a bank or other financial institution;
- (iii) any lease, sale-and-lease-back, sale-and-repurchase or hire purchase contracts or arrangements which would, in accordance with the accounting principles applicable in the preparation of the latest consolidated financial statements of the Issuer, be treated as financial debt (*emprunts et dettes financières*);
- (iv) the outstanding principal amount of any bond (*obligation*), note or other similar security (including *titres de créances négociables*) of any member of the Group;
- (v) any outstanding amount of the deferred purchase price of Real Estate Assets (as defined below) where payment (or, if payable in instalments, the final instalment) is due more than one year after the date of purchase of such Real Estate Asset; or
- (vi) any amount raised under any other transaction which is treated in accordance with the relevant accounting principles in the latest consolidated balance sheet as financial debt (*emprunts et dettes financières*) (or, in the case of such amounts raised after the date of this Prospectus, would have been so treated had they been raised on or prior to such date);

provided that:

- (a) for purposes of computing the outstanding principal amount of any Financial Indebtedness in paragraphs (i) to (vi) au-dessus, any interest, dividends, commission, fees or the like shall be excluded save to the extent that they have been capitalised; and
- (b) no amount shall be included or excluded more than once in calculating the amount of principal outstanding in respect of any Financial Indebtedness.

**Group** means the Issuer and its Subsidiaries taken as a whole;

**Person** includes any individual, company, corporation, firm, partnership, joint-venture, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

**Public-Private Partnerships** means any project completed pursuant to a partnership agreement (*contrat de partenariat*) within the meaning of Article 1 of Ordinance No. 2004-559 of 17 June 2004 and Article L. 1414-1 of the French *Code général des collectivités territoriales* or pursuant to a similar project resulting, either from an authorization to occupy land (*autorisation d'occupation du terrain – AOT*) or an administrative long term lease (*bail emphytéotique*) when the financing of such project is granted with limited recourse on financed intangible investments, structures or equipment.

**Property Valuers** means the or those property valuer(s) of the Issuer referred to in its most recent annual report or, in the event that the Issuer publishes semi-annual financial information including revaluations of its Real Estate Assets, in its most recent semi-annual financial report, or any other recognised property valuer of comparable repute as selected by the Issuer;

**Real Estate Assets** means (i) those assets of any Person being real estate properties (being land and buildings (either completed or under construction) (excluding the real estate properties of Public-Private Partnerships to which the Issuer or any Real Estate Subsidiary is party) and (ii) equity or equivalent investments (*participations*) directly or indirectly held in any other Real Estate Subsidiary;

**Real Estate Subsidiary** means a Subsidiary which is a *société à prépondérance immobilière* (or its equivalent in any other jurisdiction) or any other Subsidiary (whether listed or not listed) whose more than 50 per cent. of the assets comprise real estate assets.

**Relevant Debt** means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, excluding any Financial Indebtedness incurred in connection with Public-Private Partnerships and excluding any Secured Debt;

**Revalued Assets Value** means at any time, with respect to the Issuer, (i) the Appraisal Value (excluding transfer rights (*droits de transferts*), latent taxes (*fiscalité latente*) and legal duties (*frais d'actes*)) provided by the Property Valuers on all relevant Real Estate Assets owned or held directly or indirectly by the Issuer (including through financial leases and including the Real Estate Assets used as operating properties) as shown in the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and restated from the share not held by the Issuer of assets held by Persons that are proportionally consolidated in such Issuer's consolidated financial statements and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Issuer in any Person as shown in such financial statements<sup>1</sup>;

**Secured Debt** means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, that is secured by or benefits from a Security Interest over any of the Group's assets excluding any Financial Indebtedness incurred in connection with Public-Private Partnerships;

**Security Interest** means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or any other agreement or arrangement having substantially the same economic effect (including, but not limited to, any retention of title, lease or hire purchase arrangement);

**Subsidiary** means each subsidiary, as defined in Article L.233-1 of the French Code de commerce, of the Issuer or an entity controlled (within the meaning of Article L.233-3 of the French Code de commerce) by the Issuer; and

**Unsecured Revalued Assets Value** means at any time an amount equal to the Revalued Assets Value less the Secured Debt.

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<sup>1</sup> For the sake of clarity, this definition does not take into account assets held by any member of the Group in connection with Public-Private Partnerships.

#### 4. Interest

The Notes bear interest at the rate of 2.25 per cent. *per annum*, from and including 30 September 2013 (the **Interest Commencement Date**) to but excluding 30 January 2019 (the **Maturity Date**), payable annually in arrears on 30 January in each year (each an **Interest Payment Date**), and for the first time on 30 January 2014. There will be a first short coupon of an amount of €752.05 per Note for the period from, and including, the Issue Date to, but excluding, 30 January 2014.

The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an **Interest Period**.

Notes will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Notes will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Notes until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Notes (the **Noteholders**) in accordance with Condition 10 of receipt of all sums due in respect of all the Notes up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period of less than one year, it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in such period in which the relevant period falls (including the first but excluding the last day of such period).

#### 5. Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 5.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on 30 January 2019.

(b) *Redemption for Taxation Reasons*

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7 *au-dessous*, the Issuer may on any Interest Payment Date, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Notes at their principal amount plus any interest accrued to the date fixed for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 *au-dessous*, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 10 redeem all, but not some only, of the Notes then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of Noteholders following a Change of Control*

If at any time while any Note remains outstanding (i) a Change of Control occurs and (ii) within the Change of Control Period, (i) (if at the time of the Change of Control the Issuer and/or the Notes outstanding have a rating from a Rating Agency) a Rating Downgrade occurs or has occurred as a result of such Change of Control or (ii) (if at the time of the Change of Control the Issuer and/or the Notes outstanding do not have a rating from a Rating Agency) a Negative Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Change of Control Period together called a **Put Event**), each Noteholder will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 5) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note, on the Optional Redemption Date (as defined below). Each Note shall be redeemed or purchased at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to (but excluding) the Optional Redemption Date.

A **Change of Control** shall be deemed to have occurred each time that (i) any person or persons acting in concert (the **Relevant Person**) (other than the Caisse des Dépôts et Consignations and / or any company or other legal entity which are controlled by the Caisse des Dépôts et Consignations within the meaning of Article L.233-3 of the French *Code de commerce*) come(s) to own, directly or indirectly, more than one third of the share capital or voting rights normally exercisable at a general meeting of the Issuer or (ii) the Caisse des Dépôts et Consignations and / or any company or other legal entity which are controlled, directly or indirectly, by the Caisse des Dépôts et Consignations within the meaning of Article L.233-3 of the French Code de commerce cease(s) to own more than one third of the share capital and voting rights normally exercisable at a general meeting of the Issuer.

**Change of Control Period** means the period commencing 120 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date which is 180 days thereafter.

**Negative Rating Event** shall be deemed to have occurred if the Notes have no credit rating and no Rating Agency assigns an investment grade rating to the Notes within the Change of Control Period, provided that the Rating Agency (A) announces or publicly confirms or, (B) having been so requested by the Issuer, informs the Issuer or the Fiscal Agent in writing that its declining to assign such rating was the result, in whole or in part, of the applicable Change of Control (whether or not the Change of Control shall have occurred at the time such rating is declined).

**Rating Agency** means any of the following: (a) Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.; or (b) any other rating agency of equivalent international standing established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended and requested from time to time by the Issuer to grant a rating and, in each case, their respective successors or affiliates.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period:

(A) the rating previously assigned to the Notes or to the Issuer by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse); and

(B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (y)) or to its earlier credit rating or better (in the case of (x)) by such Rating Agency;

provided however that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed to have occurred in respect of a particular Change of Control only if (i) the Rating Agency making the relevant decision referred to above publicly announces or publicly confirms that such decision was the result, in whole or in part, of the Change of Control or (ii) the Rating Agency

making the relevant decision referred to above has confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed that such decision was the result, in whole or in part, of the Change of Control, and provided further that if the Notes are rated by more than one Rating Agency, a Rating Downgrade shall be deemed not to have occurred in respect of a particular Put Event if only one Rating Agency has withdrawn or lowered its rating.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Fiscal Agent and to the Noteholders in accordance with Condition 10 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this section.

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note under this section, a Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed or purchased to the account of the Fiscal Agent (details of which are specified in the Put Option Notice) for the account of the Issuer within the period of 45 days after the Put Event Notice is given (the **Put Period**), together with a duly signed and completed notice of exercise in the form obtainable from the specified office of the Fiscal Agent or the Paying Agent (a **Put Option Notice**) and in which the Noteholder shall specify a bank account denominated in euro to which payment is to be made under this Condition.

A Put Option Notice once given shall be irrevocable.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the accounts of the Fiscal Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the **Optional Redemption Date**). Payment in respect of any Note so transferred will be made via the relevant Account Holders on the Optional Redemption Date in Euro to the Euro-denominated bank account specified by the Noteholder in the Put Option Notice.

For the avoidance of doubt, no additional amount shall be payable by the Issuer to a Noteholder as a result of or in connection with such Noteholder's exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

(d) *Make Whole Redemption by the Issuer*

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than forty-five (45) calendar days' notice in accordance with Condition 10 to the Noteholders (which notice shall be irrevocable), have the option to redeem the Notes, in whole or in part, at any time prior to their Maturity Date (the **Optional Make Whole Redemption Date**) at their **Optional Redemption Amount** (as defined below) together with any accrued and unpaid interest up to their effective redemption date and any Additional Amounts.

The Optional Redemption Amount will be calculated by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) 100 per cent. of the Principal Amount (as defined below) of the Notes so redeemed and, (y) the sum of the then present values on the Optional Make Whole Redemption Date of (i) the Principal Amount (as defined below) of the Notes and (ii) of the remaining scheduled payments of interest on such Note for the remaining term of such Note (determined on the basis of the interest rate applicable to such Note from but excluding the Optional Make Whole Redemption Date), discounted to the Optional Make Whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus an Early Redemption Margin.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

**Early Redemption Margin** means + 0.20 per cent. *per annum*.

**Early Redemption Rate** means the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the fourth business day in Paris preceding the Optional Make Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

**Principal Amount** means €100,000.

**Reference Benchmark Security** means the German government bond (bearing interest at a rate of 3.75 per cent. *per annum* and maturing on 4 January 2019 with ISIN DE0001135374).

**Reference Dealers** means each of the four banks (that may include the Joint Lead Managers) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

**Similar Security** means a reference bond or reference bonds issued by the German Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

(e) *Purchases*

The Issuer may at any time purchase Notes together with rights to interest relating thereto in the open market or otherwise (including by way of tender offer) at any price and on any condition, subject to compliance with any applicable laws. Notes so purchased by the Issuer may be held and resold in accordance with Articles L.213-1A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

(f) *Cancellation*

All Notes which are redeemed pursuant to paragraphs (a), (b)(i), (b)(ii), (c), (d) or purchased for cancellation pursuant to paragraph (d) of this Condition will forthwith be cancelled and accordingly may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

**6. Payments**

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. **TARGET System** means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Payments of principal and interest on the Notes will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Note is not a Business Day (as defined below), then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In these Conditions, **Business Day** means any day, not being a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

(c) *Fiscal Agent and Paying Agent*

The names of the initial Agents and their specified offices are set out below:

**BNP Paribas Securities Services**

Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Paying Agent having a specified office in a European city that is not obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such change or any change of specified office shall promptly be given to the Noteholders in accordance with Condition 10.

**7. Taxation**

(a) *Withholding Tax*

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any political subdivision or any authority thereof having power to tax, unless such withholding or deduction is required by law.

(b) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Note become subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note:

- (i) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or
- (ii) where such withholding or deduction is required to be made pursuant to any European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other subsequent meeting of the ECOFIN Council on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

(c) *Supply of information*

Each Noteholder shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations

imposed on it by the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 Novembre 2000 or any subsequent meeting of the ECOFIN Council, on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to such Directive or Directives.

## 8. Events of Default

The Representative (as defined in Condition 9) of the *Masse* (as defined in Condition 9) shall, by written notice sent to the Issuer, with a copy to the Fiscal Agent, require all the Notes (but not some only) to be redeemed at their principal amount, together with accrued interest thereon as of the date on which a copy of such notice for payment is received by the Fiscal Agent, if any of the following events (**Events of Default**) occurs, unless such Events of Default have been cured by the Issuer prior to the receipt of such notice:

- (a) if any amount of principal or interest on any Note shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of 15 days from such due date; or
- (b) if the Issuer defaults in the due performance of any other obligation in respect of the Notes and such default continues for a period of 30 days following receipt by the Issuer of a written notice of such default given by the Representative of the *Masse*; or
- (c) if (i) any other present or future Financial Indebtdness (as defined in Condition 3) of the Issuer or any of its Material Subsidiaries (as defined below) becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of such Financial Indebtdness and including, where applicable, after the delivery of any notice and/or the expiration of any applicable grace period required in order for such Financial Indebtdness to become so due and payable, or (ii) any such present or future Financial Indebtdness is not paid by the Issuer or any of its Material Subsidiaries when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any present or future Financial Indebtdness; provided that the aggregate amount of the relevant Financial Indebtdness and/or guarantees or indemnities, individually or in the aggregate, is equal to or in excess of €40 million (or its equivalent in any other currency); or
- (d) if the Issuer is wound up or dissolved or ceases to carry on all or substantially all of its business except (i) in connection with a merger or spin-off (including *fusion-scission*), consolidation, amalgamation or other form of reorganisation pursuant to which the surviving entity shall be the transferee or successor to all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Notes or (ii) on such other terms approved by a resolution of the general meeting of the Noteholders; or
- (e) if the Issuer or any of its Material Subsidiaries (i) makes any proposal for a general moratorium in relation to its debts or applies for the appointment of an ad hoc representative (*mandataire ad hoc*), (ii) applies for the appointment of a conciliator (*conciliateur*) pursuant to Articles L. 611-4 et seq. of the French Commercial Code (*Code de commerce*) or (ii) any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) in the context of a procedure of judicial liquidation (*liquidation judiciaire*) or of a judicial rehabilitation (*redressement judiciaire*).

For the purpose of this Condition:

- (i) **Material Subsidiary** means, on any given date, any Subsidiary (as defined in Condition 3) of the Issuer which is consolidated by way of global consolidation (*intégration globale*) (i) which has EBITDA representing 5 per cent. or more of the Consolidated EBITDA or (ii) which Contributory Revalued Assets Value represent more than 5% of the Revalued Assets Value (as defined in Condition 3) of the Issuer, in each case calculated by reference to the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer;



- (ii) **Consolidated EBITDA** means the EBITDA (“*Excédent brut opérationnel*”) of the Issuer as shown in its latest audited annual or unaudited semi-annual consolidated financial statements;
- (iii) **EBITDA** means, with respect to a Subsidiary, the EBITDA of this Subsidiary as shown in its latest audited annual or unaudited semi-annual financial statements;
- (iv) **Contributory Revalued Net Assets** means the product of the Relevant Revalued Assets Value of the relevant Subsidiary and the rate of direct or indirect detention of the Issuer in the relevant Subsidiary; and
- (v) **Relevant Revalued Assets Value** means for any Subsidiary the Appraisal Value (as defined in Condition 3) (excluding transfer rights (*droits de transferts*), latent taxes (*fiscalité latente*) and legal duties (*frais d’actes*)) provided by the Property Valuers (as defined in Condition 3) on all relevant Real Estate Assets (as defined in Condition 3) owned by said Subsidiary (including through financial leases and including the Real Estate Assets used as operating properties) as shown in the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Subsidiary in any Person (as defined in Condition 3) as shown in such financial statements.

## 9. Representation of the Noteholders

Noteholders will be grouped automatically for the defence of their common interests in a masse (the **Masse**). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

- (a) **Legal Personality:** The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through a general meeting of the Noteholders (the **General Meeting**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

- (b) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:
  - (i) the Issuer, the members of its Board of Directors (*conseil d’administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
  - (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d’administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
  - (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
  - (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as initial Representative of the Masse:

Sylvain THOMAZO  
20, rue Victor Bart  
78000 Versailles  
France

The following person is designated as alternate Representative of the Masse:

Sandrine D'HAUSSY  
69, avenue Gambetta  
94100 Saint Maur des Fossés  
France

The Issuer shall pay to the Representative of the Masse an amount equal to EUR 600 *per annum*, payable annually on 30 January in each year, commencing on 30 January 2014, up to and including 30 January 2019 (it being specified that for the period beginning on the Issue Date and ending on 30 January 2014, the amount due to the Representative shall be calculated *prorata temporis*).

In the event of dissolution, death, retirement or revocation of appointment of the initial Representative, such Representative will be replaced by the alternate Representative.

- (c) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

- (d) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place, agenda and quorum requirements of any General Meeting will be published as provided under Condition 10 not less than 15 days prior to the date of such General Meeting on first convocation and 6 days on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote.

- (e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant

Account Holder of the name of such Noteholder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

- (f) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of the Paying Agent and at any other place specified in the notice of the General Meeting.
- (g) **Expenses:** The Issuer will pay all reasonable expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.
- (h) **Notice of Decisions:** Decisions of the meetings shall be published in accordance with the provisions set out in Condition 10 not more than 90 days from the date thereof.

#### **10. Notices**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.icode.fr](http://www.icode.fr)); and so long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.com](http://www.euronext.com)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

In addition to the above, with respect to notices for a General Assembly, any convening notice for such assembly shall be published in accordance with applicable provisions of the French *Code de commerce*.

#### **11. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years from the due date for payment thereof.

#### **12. Further Issues**

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

#### **13. Governing Law and Jurisdiction**

The Notes are governed by the laws of France.

The competent courts within the jurisdiction of the Court of Appeal of Paris have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes.

## TERMS AND CONDITIONS OF THE 2023 NOTES

*The terms and conditions of the Notes will be as follows:*

The issue outside the Republic of France of €300,000,000 3.375 per cent. Notes due 29 September 2023 (the **Notes**) of Icade (the **Issuer**) has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 20 February 2013 and a decision of Serge Grzybowski, Chairman and Chief Executive Officer (*Président Directeur Général*) of the Issuer dated 25 September 2013. The Issuer has entered into a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 26 September 2013 with BNP Paribas Securities Services as fiscal agent and principal paying agent. The fiscal agent and principal paying agent and paying agents for the time being are referred to in these Conditions as the **Fiscal Agent** and the **Paying Agent**, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. Form, Denomination and Title

The Notes are issued on 30 September 2013 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in book entry form in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €100,000.

### 2. Status and Negative Pledge

#### (a) Status of the Notes

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer (*engagements chirographaires*), and rank and will at all times rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations (subject to exceptions mandatory under French law) of the Issuer.

#### (b) Negative Pledge

So long as any of the Notes remains outstanding (as defined below), the Issuer undertakes that it will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest that would constitute a *sûreté réelle* upon any of its respective assets or revenues, present or future, to secure (i) any Bond Indebtedness (as defined below) incurred by it or (ii) any guarantee or indemnity assumed or granted by it in respect of any Bond Indebtedness, unless at the same time or prior thereto, the Issuer's obligations under the Notes are equally and rateably secured therewith.

For the purpose of this Condition:

- (i) **outstanding** means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed on their due date or otherwise in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date

for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 11; and

- (ii) **Bond Indebtedness** means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other debt securities (including *titres de créances négociables*) which are, or are capable of being, quoted, admitted to trading or ordinarily dealt in any stock exchange, over-the counter or other securities market.

### 3. **Restriction on Secured Borrowings**

The Issuer agrees that, so long as any of the Notes remains outstanding and except with the prior approval of the General Meeting (as defined under Condition 9) of the Noteholders, the Unsecured Revalued Assets Value (as defined below) shall not be less than the Relevant Debt (as defined below) at any time.

**Appraisal Value** means, with respect to any Person, the aggregate market value of all Real Estate Assets owned or held directly or indirectly by such Person (including through financial leases and including the Real Estate Assets used as operating properties) as it is shown in, or derived from, the latest annual or semi-annual consolidated financial statements of the Issuer.

**Financial Indebtedness** means at any time any obligation for the payment or repayment of money, whether present or future, in respect of:

- (i) any outstanding principal amount (together with any fixed or minimum premium payable on final repayment) of all moneys borrowed (with or without security);
- (ii) any amounts raised by acceptance or under any acceptance credit opened by a bank or other financial institution;
- (iii) any lease, sale-and-lease-back, sale-and-repurchase or hire purchase contracts or arrangements which would, in accordance with the accounting principles applicable in the preparation of the latest consolidated financial statements of the Issuer, be treated as financial debt (*emprunts et dettes financières*);
- (iv) the outstanding principal amount of any bond (*obligation*), note or other similar security (including *titres de créances négociables*) of any member of the Group;
- (v) any outstanding amount of the deferred purchase price of Real Estate Assets (as defined below) where payment (or, if payable in instalments, the final instalment) is due more than one year after the date of purchase of such Real Estate Asset; or
- (vi) any amount raised under any other transaction which is treated in accordance with the relevant accounting principles in the latest consolidated balance sheet as financial debt (*emprunts et dettes financières*) (or, in the case of such amounts raised after the date of this Prospectus, would have been so treated had they been raised on or prior to such date);

provided that:

- (a) for purposes of computing the outstanding principal amount of any Financial Indebtedness in paragraphs (i) to (vi) au-dessus, any interest, dividends, commission, fees or the like shall be excluded save to the extent that they have been capitalised; and
- (b) no amount shall be included or excluded more than once in calculating the amount of principal outstanding in respect of any Financial Indebtedness.

**Group** means the Issuer and its Subsidiaries taken as a whole;

**Person** includes any individual, company, corporation, firm, partnership, joint-venture, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

**Public-Private Partnerships** means any project completed pursuant to a partnership agreement (*contrat de partenariat*) within the meaning of Article 1 of Ordinance No. 2004-559 of 17 June 2004 and Article L. 1414-1 of the French *Code général des collectivités territoriales* or pursuant to a similar project resulting, either from an authorization to occupy land (*autorisation d'occupation du terrain – AOT*) or an administrative long term lease (*bail emphytéotique*) when the financing of such project is granted with limited recourse on financed intangible investments, structures or equipment.

**Property Valuers** means the or those property valuer(s) of the Issuer referred to in its most recent annual report or, in the event that the Issuer publishes semi-annual financial information including revaluations of its Real Estate Assets, in its most recent semi-annual financial report, or any other recognised property valuer of comparable repute as selected by the Issuer;

**Real Estate Assets** means (i) those assets of any Person being real estate properties (being land and buildings (either completed or under construction) (excluding the real estate properties of Public-Private Partnerships to which the Issuer or any Real Estate Subsidiary is party) and (ii) equity or equivalent investments (*participations*) directly or indirectly held in any other Real Estate Subsidiary;

**Real Estate Subsidiary** means a Subsidiary which is a *société à prépondérance immobilière* (or its equivalent in any other jurisdiction) or any other Subsidiary (whether listed or not listed) whose more than 50 per cent. of the assets comprise real estate assets.

**Relevant Debt** means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, excluding any Financial Indebtedness incurred in connection with Public-Private Partnerships and excluding any Secured Debt;

**Revalued Assets Value** means at any time, with respect to the Issuer, (i) the Appraisal Value (excluding transfer rights (*droits de transferts*), latent taxes (*fiscalité latente*) and legal duties (*frais d'actes*)) provided by the Property Valuers on all relevant Real Estate Assets owned or held directly or indirectly by the Issuer (including through financial leases and including the Real Estate Assets used as operating properties) as shown in the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and restated from the share not held by the Issuer of assets held by Persons that are proportionally consolidated in such Issuer's consolidated financial statements and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Issuer in any Person as shown in such financial statements<sup>2</sup>;

**Secured Debt** means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, that is secured by or benefits from a Security Interest over any of the Group's assets excluding any Financial Indebtedness incurred in connection with Public-Private Partnerships;

**Security Interest** means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or any other agreement or arrangement having substantially the same economic effect (including, but not limited to, any retention of title, lease or hire purchase arrangement);

**Subsidiary** means each subsidiary, as defined in Article L.233-1 of the French Code de commerce, of the Issuer or an entity controlled (within the meaning of Article L.233-3 of the French Code de commerce) by the Issuer; and

**Unsecured Revalued Assets Value** means at any time an amount equal to the Revalued Assets Value less the Secured Debt.

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<sup>2</sup> For the sake of clarity, this definition does not take into account assets held by any member of the Group in connection with Public-Private Partnerships.

#### 4. Interest

The Notes bear interest at the rate of 3.375 per cent. *per annum*, from and including 30 September 2013 (the **Interest Commencement Date**) to but excluding 29 September 2023 (the **Maturity Date**), payable annually in arrears on 29 September in each year (each an **Interest Payment Date**) and for the first time on 29 September 2014. There will be a first short coupon of an amount of €3,365.75 per Note for the period from, and including, the Issue Date to, but excluding, 29 September 2014.

The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an **Interest Period**.

Notes will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Notes will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Notes until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Notes (the **Noteholders**) in accordance with Condition 10 of receipt of all sums due in respect of all the Notes up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period of less than one year, it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in such period in which the relevant period falls (including the first but excluding the last day of such period).

#### 5. Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 5.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on 29 September 2023.

(b) *Redemption for Taxation Reasons*

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below, the Issuer may on any Interest Payment Date, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Notes at their principal amount plus any interest accrued to the date fixed for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 10 redeem all, but not some only, of the Notes then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of Noteholders following a Change of Control*

If at any time while any Note remains outstanding (i) a Change of Control occurs and (ii) within the Change of Control Period, (i) (if at the time of the Change of Control the Issuer and/or the Notes outstanding have a rating from a Rating Agency) a Rating Downgrade occurs or has occurred as a result of such Change of Control or (ii) (if at the time of the Change of Control the Issuer and/or the Notes outstanding do not have a rating from a Rating Agency) a Negative Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Change of Control Period together called a **Put Event**), each Noteholder will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 5) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note, on the Optional Redemption Date (as defined below). Each Note shall be redeemed or purchased at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to (but excluding) the Optional Redemption Date.

A **Change of Control** shall be deemed to have occurred each time that (i) any person or persons acting in concert (the **Relevant Person**) (other than the Caisse des Dépôts et Consignations and / or any company or other legal entity which are controlled by the Caisse des Dépôts et Consignations within the meaning of Article L.233-3 of the French *Code de commerce*) come(s) to own, directly or indirectly, more than one third of the share capital or voting rights normally exercisable at a general meeting of the Issuer or (ii) the Caisse des Dépôts et Consignations and / or any company or other legal entity which are controlled, directly or indirectly, by the Caisse des Dépôts et Consignations within the meaning of Article L.233-3 of the French Code de commerce cease(s) to own more than one third of the share capital and voting rights normally exercisable at a general meeting of the Issuer.

**Change of Control Period** means the period commencing 120 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date which is 180 days thereafter.

**Negative Rating Event** shall be deemed to have occurred if the Notes have no credit rating and no Rating Agency assigns an investment grade rating to the Notes within the Change of Control Period, provided that the Rating Agency (A) announces or publicly confirms or, (B) having been so requested by the Issuer, informs the Issuer or the Fiscal Agent in writing that its declining to assign such rating was the result, in whole or in part, of the applicable Change of Control (whether or not the Change of Control shall have occurred at the time such rating is declined).

**Rating Agency** means any of the following: (a) Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.; or (b) any other rating agency of equivalent international standing established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended and requested from time to time by the Issuer to grant a rating and, in each case, their respective successors or affiliates.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period:

(A) the rating previously assigned to the Notes or to the Issuer by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse); and

(B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (y)) or to its earlier credit rating or better (in the case of (x)) by such Rating Agency;

provided however that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed to have occurred in respect of a particular Change of Control only if (i) the Rating Agency making the relevant decision referred to above publicly announces or publicly confirms that such decision was the result, in whole or in part, of the Change of Control or (ii) the Rating Agency



making the relevant decision referred to above has confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed that such decision was the result, in whole or in part, of the Change of Control, and provided further that if the Notes are rated by more than one Rating Agency, a Rating Downgrade shall be deemed not to have occurred in respect of a particular Put Event if only one Rating Agency has withdrawn or lowered its rating.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Fiscal Agent and to the Noteholders in accordance with Condition 10 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this section.

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note under this section, a Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed or purchased to the account of the Fiscal Agent (details of which are specified in the Put Option Notice) for the account of the Issuer within the period of 45 days after the Put Event Notice is given (the **Put Period**), together with a duly signed and completed notice of exercise in the form obtainable from the specified office of the Fiscal Agent or the Paying Agent (a **Put Option Notice**) and in which the Noteholder shall specify a bank account denominated in euro to which payment is to be made under this Condition.

A Put Option Notice once given shall be irrevocable.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the accounts of the Fiscal Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the **Optional Redemption Date**). Payment in respect of any Note so transferred will be made via the relevant Account Holders on the Optional Redemption Date in Euro to the Euro-denominated bank account specified by the Noteholder in the Put Option Notice.

For the avoidance of doubt, no additional amount shall be payable by the Issuer to a Noteholder as a result of or in connection with such Noteholder's exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

(d) *Make Whole Redemption by the Issuer*

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than forty-five (45) calendar days' notice in accordance with Condition 10 to the Noteholders (which notice shall be irrevocable), have the option to redeem the Notes, in whole or in part, at any time prior to their Maturity Date (the **Optional Make Whole Redemption Date**) at their **Optional Redemption Amount** (as defined below) together with any accrued and unpaid interest up to their effective redemption date and any Additional Amounts.

The Optional Redemption Amount will be calculated by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) 100 per cent. of the Principal Amount (as defined below) of the Notes so redeemed and, (y) the sum of the then present values on the Optional Make Whole Redemption Date of (i) the Principal Amount (as defined below) of the Notes and (ii) of the remaining scheduled payments of interest on such Note for the remaining term of such Note (determined on the basis of the interest rate applicable to such Note from but excluding the Optional Make Whole Redemption Date), discounted to the Optional Make Whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus an Early Redemption Margin.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

**Early Redemption Margin** means + 0.25 per cent. *per annum*.

**Early Redemption Rate** means the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the fourth business day in Paris preceding the Optional Make Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

**Principal Amount** means €100,000.

**Reference Benchmark Security** means the German government bond (bearing interest at a rate of 1.5 per cent. *per annum* and maturing on 15 February 2023 with ISIN DE0001102309).

**Reference Dealers** means each of the four banks (that may include the Joint Lead Managers) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

**Similar Security** means a reference bond or reference bonds issued by the German Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

(e) *Purchases*

The Issuer may at any time purchase Notes together with rights to interest relating thereto in the open market or otherwise (including by way of tender offer) at any price and on any condition, subject to compliance with any applicable laws. Notes so purchased by the Issuer may be held and resold in accordance with Articles L.213-1A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

(f) *Cancellation*

All Notes which are redeemed pursuant to paragraphs (a), (b)(i), (b)(ii), (c), (d) or purchased for cancellation pursuant to paragraph (d) of this Condition will forthwith be cancelled and accordingly may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

**6. Payments**

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. **TARGET System** means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Payments of principal and interest on the Notes will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Note is not a Business Day (as defined below), then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In these Conditions, **Business Day** means any day, not being a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

(c) *Fiscal Agent and Paying Agent*

The names of the initial Agents and their specified offices are set out below:

**BNP Paribas Securities Services**  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Paying Agent having a specified office in a European city that is not obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such change or any change of specified office shall promptly be given to the Noteholders in accordance with Condition 10.

**7. Taxation**

(a) *Withholding Tax*

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any political subdivision or any authority thereof having power to tax, unless such withholding or deduction is required by law.

(b) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Note become subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note:

- (i) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or
- (ii) where such withholding or deduction is required to be made pursuant to any European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other subsequent meeting of the ECOFIN Council on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

(c) *Supply of information*

Each Noteholder shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations

imposed on it by the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 Novembre 2000 or any subsequent meeting of the ECOFIN Council, on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to such Directive or Directives.

## 8. Events of Default

The Representative (as defined in Condition 9) of the *Masse* (as defined in Condition 9) shall, by written notice sent to the Issuer, with a copy to the Fiscal Agent, require all the Notes (but not some only) to be redeemed at their principal amount, together with accrued interest thereon as of the date on which a copy of such notice for payment is received by the Fiscal Agent, if any of the following events (**Events of Default**) occurs, unless such Events of Default have been cured by the Issuer prior to the receipt of such notice:

- (a) if any amount of principal or interest on any Note shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of 15 days from such due date; or
- (b) if the Issuer defaults in the due performance of any other obligation in respect of the Notes and such default continues for a period of 30 days following receipt by the Issuer of a written notice of such default given by the Representative of the *Masse*; or
- (c) if (i) any other present or future Financial Indebtdness (as defined in Condition 3) of the Issuer or any of its Material Subsidiaries (as defined below) becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of such Financial Indebtdness and including, where applicable, after the delivery of any notice and/or the expiration of any applicable grace period required in order for such Financial Indebtdness to become so due and payable, or (ii) any such present or future Financial Indebtdness is not paid by the Issuer or any of its Material Subsidiaries when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any present or future Financial Indebtdness; provided that the aggregate amount of the relevant Financial Indebtdness and/or guarantees or indemnities, individually or in the aggregate, is equal to or in excess of €40 million (or its equivalent in any other currency); or
- (d) if the Issuer is wound up or dissolved or ceases to carry on all or substantially all of its business except (i) in connection with a merger or spin-off (including *fusion-scission*), consolidation, amalgamation or other form of reorganisation pursuant to which the surviving entity shall be the transferee or successor to all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Notes or (ii) on such other terms approved by a resolution of the general meeting of the Noteholders; or
- (e) if the Issuer or any of its Material Subsidiaries (i) makes any proposal for a general moratorium in relation to its debts or applies for the appointment of an ad hoc representative (*mandataire ad hoc*), (ii) applies for the appointment of a conciliator (*conciliateur*) pursuant to Articles L. 611-4 et seq. of the French Commercial Code (*Code de commerce*) or (ii) any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) in the context of a procedure of judicial liquidation (*liquidation judiciaire*) or of a judicial rehabilitation (*redressement judiciaire*).

For the purpose of this Condition:

- (i) **Material Subsidiary** means, on any given date, any Subsidiary (as defined in Condition 3) of the Issuer which is consolidated by way of global consolidation (*intégration globale*) (i) which has EBITDA representing 5 per cent. or more of the Consolidated EBITDA or (ii) which Contributory Revalued Assets Value represent more than 5% of the Revalued Assets Value (as defined in Condition 3) of the Issuer, in each case calculated by reference to the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer;

- (ii) **Consolidated EBITDA** means the EBITDA (“*Excédent brut opérationnel*”) of the Issuer as shown in its latest audited annual or unaudited semi-annual consolidated financial statements;
- (iii) **EBITDA** means, with respect to a Subsidiary, the EBITDA of this Subsidiary as shown in its latest audited annual or unaudited semi-annual financial statements;
- (iv) **Contributory Revalued Net Assets** means the product of the Relevant Revalued Assets Value of the relevant Subsidiary and the rate of direct or indirect detention of the Issuer in the relevant Subsidiary; and
- (v) **Relevant Revalued Assets Value** means for any Subsidiary the Appraisal Value (as defined in Condition 3) (excluding transfer rights (*droits de transferts*), latent taxes (*fiscalité latente*) and legal duties (*frais d’actes*)) provided by the Property Valuers (as defined in Condition 3) on all relevant Real Estate Assets (as defined in Condition 3) owned by said Subsidiary (including through financial leases and including the Real Estate Assets used as operating properties) as shown in the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Subsidiary in any Person (as defined in Condition 3) as shown in such financial statements.

## 9. Representation of the Noteholders

Noteholders will be grouped automatically for the defence of their common interests in a masse (the **Masse**). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

- (a) **Legal Personality:** The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through a general meeting of the Noteholders (the **General Meeting**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

- (b) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:
  - (i) the Issuer, the members of its Board of Directors (*conseil d’administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
  - (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d’administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
  - (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
  - (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as initial Representative of the Masse:

Sylvain THOMAZO  
20, rue Victor Bart  
78000 Versailles  
France

The following person is designated as alternate Representative of the Masse:

Sandrine D'HAUSSY  
69, avenue Gambetta  
94100 Saint Maur des Fossés  
France

The Issuer shall pay to the Representative of the Masse an amount equal to EUR 600 *per annum*, payable annually on 29 September in each year, commencing on 29 September 2014, up to and including 29 September 2023 (it being specified that for the period beginning on the Issue Date and ending on 29 September 2014, the amount due to the Representative shall be calculated *pro rata temporis*).

In the event of dissolution, death, retirement or revocation of appointment of the initial Representative, such Representative will be replaced by the alternate Representative.

- (c) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

- (d) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place, agenda and quorum requirements of any General Meeting will be published as provided under Condition 10 not less than 15 days prior to the date of such General Meeting on first convocation and 6 days on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote.

- (e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant

Account Holder of the name of such Noteholder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

- (f) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of the Paying Agent and at any other place specified in the notice of the General Meeting.
- (g) **Expenses:** The Issuer will pay all reasonable expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.
- (h) **Notice of Decisions:** Decisions of the meetings shall be published in accordance with the provisions set out in Condition 10 not more than 90 days from the date thereof.

#### **10. Notices**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.icafe.fr](http://www.icafe.fr)); and so long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.com](http://www.euronext.com)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

In addition to the above, with respect to notices for a General Assembly, any convening notice for such assembly shall be published in accordance with applicable provisions of the French *Code de commerce*.

#### **11. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years from the due date for payment thereof.

#### **12. Further Issues**

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

#### **13. Governing Law and Jurisdiction**

The Notes are governed by the laws of France.

The competent courts within the jurisdiction of the Court of Appeal of Paris have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of the 2019 Notes are estimated to €495,950,000 will be used for general corporate purposes.

The net proceeds of the issue of the 2023 Notes are estimated to €295,731,000 will be used for general corporate purposes.



## DESCRIPTION OF THE ISSUER

The overview below is a summary of the description of the Issuer which is included in the 2012 Reference Document incorporated by reference in the Prospectus and available on the website of the Issuer and on the website of the AMF.

### **1 History**

Founded in 1954 to tackle post-war shortages, until the end of the 1980s Icade (formerly SCIC) was a services group, mainly dedicated to building homes and public and quasi-public infrastructure.

From the early 1990s, while preserving its historic real-estate services skills, Icade gradually moved into real-estate development and expanded its expertise from housing to office buildings.

From 2002, Icade accelerated this transformation by strengthening its presence in commercial real-estate, particularly through the acquisition of property investment companies (Icade Emgp, then Icade Foncière des Pimonts).

To give itself the means to expand, Icade floated on the stock market in 2006.

In 2007, Icade opted for the tax regime of SIIC (French REIT), merging almost all of its property investment companies.

In 2009 and 2010, Icade continued its transformation by disposing of almost 30,000 housing units for almost 2 billion euros, accompanied by the acquisition of almost 1.5 billion euros of office properties through the purchase of Compagnie la Lucette, which illustrates its ambition to become a dynamic property investment company specializing in commercial property.

At the same time as these transactions, in 2009 Icade disposed of its property administration services for individuals and facility management business. In 2011, Icade sold its student housing business in Spain.

At the end of 2011, Icade has announced a combination process with Silic pursuing its strategy of focusing on property investment.

Founded nearly 40 years ago, Silic owns a portfolio of more than 1,224,000 m<sup>2</sup> of offices and buildings valued €3.6 billion at 31 December 2012. Silic is a major European real estate company regarding the business parks. Most of his assets are concentrated in four major business areas of the Ile-de-France: Nanterre / La Défense, Orly-Rungis, Paris Nord 2 Roissy and Saint-Denis. It consists mainly of buildings offices which represent, by themselves, 80% of the value of assets in operation focused on main areas of "Grand Paris".

The merger with Silic will reinforce Icade's strategy to be the leading real estate company for the "Grand Paris" and will notably further its position as the dominant landlord for offices and business parks in the Paris region. Silic transaction strengthens Icade position as one of the largest property portfolio in Europe with over 450 assets of more than 10 billion euros which match with tenants' demands in terms of technical specificities and rents.

The benefits of this combination lies in the obvious complementarity of the Icade and Silic business models, their geographical coverage and their teams' skills and knowledge. It is in line with the strategy initiated by Icade in 2007 of refocusing its activities on office and business park assets located in the main commercial zones of the Ile-de-France benefitting from recent or future public transport development.

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 finalized in 2013 as for example:

- the sale at the end of February 2012 of Icade Résidences Services, a company specialised in managing student residences;
- the disposals in the 1<sup>st</sup> 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 m<sup>2</sup> of businesses and shops in jointly-owned properties, 36,400 m<sup>2</sup> of warehouses) and in Germany (two office buildings in Berlin and Hamburg with a total surface area of 21,500 m<sup>2</sup> and land banks);
- the disposal of a portfolio of 11 logistics platforms representing a total surface area of 380,000 m<sup>2</sup>;

In 2012, 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. In May 2013 Icade Santé announced a further capital increase of 110 million euros carried out with an institutional investor via an OPCI (real-estate mutual fund).

Following this acquisition, Icade Santé owns 58 healthcare establishments, including 12 with the Générale de Santé group, confirming its role as the sector leader. The appraisal value of its portfolio, excluding duties, is more than 1.8 billion euros.

Since the implementation of its new strategy in 2007, Icade has built a solid track record and is recognized as one of the most performing listed real estate companies in Europe.

## **2 Corporate information**

The purpose of the Issuer involves:

- the acquisition, construction and operation, in any form whatsoever, of all property, land and property rights or buildings located in France and in particular offices;
- the realization of all studies relating to those business activities, both for its own account and that of its subsidiaries or third parties;

To that end, the creation, acquisition, leasing, installation and operation of all establishments relating to the estate agency business;

- the exercise of all property management mandates and in particular collection of rents and tenants charges;
- all operations related to the operating costs of buildings or services rendered to the occupants of buildings;

Icade has developed 3 businesses to offer solutions to all of its clients' needs and cater for every type of urban development project.

### **2.1 Property Investment**

Icade has a portfolio of outstanding property assets, including offices, business parks, shopping centers, clinics, warehouses and residential (2012 turnover of €400 million, valued property assets €6.8 billion as at 31 December 2012).

Classes of commercial assets	Leasable Surface Area	Financial occupancy rate	Index-linked IFRS Rental Income as at 31 December 2012 (in millions of euros)	Average fixed lease residual duration (years) (*)	Value excl duties as at 31 December 2012 (€m)
<b>Offices in France</b>	308,249	94.0%	111.6	5.6	2,426
<b>Business Parks</b>	475,378	91.0%	96.3	4.2	1,570
<b>Shops and shopping centres</b>	211,346	97.2%	24.2	4.7	442

Shopping centres	53,482	95.5%	14.5	1.9	319
<b>Healthcare</b>	780,327	100.0%	115.5	9.6	1,725
<b>Warehouses</b>	561,987	90.4%	21.7	4.8	197
<b>Offices in Germany</b>	99,473	90.1%	12.9	7.5	233
<b>COMMERCIAL PROPERTY INVESTMENT</b>	<b>2,436,759</b>	<b>94.8%</b>	<b>382.3</b>	<b>6.4</b>	<b>6,593</b>

### Strategic assets portfolio:

#### **Offices in France:**

Icade owns office buildings primarily in Paris, La Défense the Western Crescent and Villejuif (308,249 m<sup>2</sup>, value € 2.4 billion as at 31 December 2012).

#### **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, providing diversity and services with the aim of sustainable development (475,378 m<sup>2</sup>, value € 1.6 billion).

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.

### 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 58 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.

## **2.2 Property Development**

Icade builds offices, housing units, shopping centres and public and healthcare amenities (2012 turnover €1,071 million, Backlog €1,693 million as at 31 December 2012).

### **Residential property development**

At December 31, 2012, reservations stood at 4,394 housing units and plots (including 2,000 block housing unit reservations by institutional lessors, in other words nearly 40% of reservations).

This performance validates a model built on two pillars:

- a selective policy consisting of maintaining margins rather than revenue when an operation is launched, by raising the bar ever higher for pre-letting requirements (to 50%);
- a lower share of individual buyers/investors in the client portfolio (30% on average for Icade).

Sales to first-time buyers nevertheless remain at the heart of Icade's development activity. It is developing operations dedicated to these clients.

### **Commercial property development**

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

#### **Office assets and shops:**

Against this backdrop, Icade nonetheless continued its efforts, signing the main contract (Joinville (94): off-plan sale of the Urbagreen building in Wereldhave (18,950 m<sup>2</sup> of office space); Guyancourt (78): off-plan sale of the Start building (30,241 m<sup>2</sup> of office space) to SCOR.

#### **Public and healthcare amenities:**

In terms of large projects, Icade won the request for quotations for the "Espace Océan" urban project in St Denis de La Réunion (83,000 m<sup>2</sup> of housing units, shops, offices, hotels and public amenities) and signed the concession agreement in May 2012.

In 2012, Icade continued its strong growth in the medical-social sector and residential assistance for seniors with the signing of nursing home development contracts.

### **2.3 Services**

Icade provides its expertise and guides its clients through its consultancy and property management activity (turnover of €63 million for the year ended 31 December 2012). In 2012 the Service division refocused on the office business line and on major institutional clients. Hence the sale in March 2012 of the serviced accommodation activity, for instance, allowed the business to concentrate on two central business lines: property management and consultancy.

Overall, the property management business dealt with 4,200,000 m<sup>2</sup> of assets under management, including 500,000 m<sup>2</sup> at La Défense (Tour First/ Tour Franklin), in 2012.

Icade offers a property consultancy approach that combines strategic and implementation aspects, easier decision-making and long-term assistance for its clients, who include investors, public and private operators, final users, and social housing and commercial operators

### **3 Strategy and 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 Greater 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.

For Icade, 2013 will above all be a year of consolidating the industrial and financial logic of Icade/Silic, with whom we are planning to combine in the coming months. This new combined entity will be the leading office property investment company in the Paris region, with nearly €10 billion of assets and nearly 2 million m<sup>2</sup> of land reserves to be developed over the long term. This change in scale will confirm the effectiveness of our model, thanks to the coherence of the businesses operated by Icade and Silic. We complement each other geographically and will have a strong presence in the 5 major development zones in the Paris region, with a diverse offer of existing products or products to be developed, allowing us to offer our clients made-to-measure property solutions.

#### **4 Key financial data**

##### **Turnover**

Icade's turnover was €1,499.3 million for the year ended December 31, 2012 compared with €1,492.0 million for the year ended December 31, 2011.

Icade's consolidated turnover for the year ended December 31, 2012 breaks down as follows: 26.7% from Property Investment, 71.4% from Property Development, 4.2% from Services and (2.3)% from Other activities.

Revenues from commercial assets increased by 11.4% versus 2011, standing at €377.2 million for the year ended December 31, 2012. This growth comes mainly from structure effects (acquisitions of healthcare assets, deliveries of office and shopping centre assets), as well as from letting in 2011 and 2012.

The turnover from the Property Development division for the year ended December 31, 2012 was down €35.6 million compared with 2011, including €70.7 million for the Residential Property Development business, mainly due to a 5.9% fall in the number of plots developed compared with December 31, 2011, and offset by a €45.2 million increase in the Commercial Property Development business following the launch in the first half of 2012 of new development projects.

The Service division's turnover was down €46.7 million compared with 2011, mainly due to the disposal of student residence management activities in France and Spain in 2011 and early 2012 (loss of the €42.8 million turnover of 2011).

##### **Net current cash flow**

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 in 2012, further illustrating the strength of Icade's model.

This performance is mainly due to the growth of the Commercial Property Investment business related to commercial successes in 2011 and 2012 and a significant increase in the volume of investments in the healthcare sector in 2011 and 2012 (combined total of €710 million). The increased financial expenses can mainly be explained by the rise in the financial debt due to the 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 the taxable income of the Commercial Property Development Division.

## NAV

At 31 December 2012 Icade's fair value of investment properties came to €6,849.7 million excluding duties, compared with €6,727.3 million at 31 December 2011, i.e. a change of €122.4 million over 31 December 2012 (+1.8%). This valuation only incorporates the secure and funded share of the business parks' development potential. At constant structure, the value of the commercial assets drops by 1.6%, due notably to the value adjustment of the Tour EQHO.

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

### Consolidated income statement data for the years ended 31 December 2012 and 2011

(in millions of euros)	2012	2011
<b>Turnover</b>	<b>1,499.3</b>	<b>1,492.0</b>
<b>EBITDA</b>	<b>384.5</b>	<b>355.5</b>
As a % of turnover	25.6%	23.8%
<b>Depreciation charges net of investment grants</b>	<b>(176.8)</b>	<b>(148.6)</b>
<b>Charges and reversals related to loss in value on tangible, financial and other current assets</b>	<b>(87.2)</b>	<b>(32.3)</b>
<b>Profit from disposals</b>	<b>80.8</b>	<b>63.7</b>
<b>Operating profit</b>	<b>201.2</b>	<b>238.3</b>
As a % of turnover	13.4%	16.0%
<b>Financial Profit (Loss)</b>	<b>(101.6)</b>	<b>(97.2)</b>
<b>Profit tax</b>	<b>(37.2)</b>	<b>(44.1)</b>
<b>Net Profit</b>	<b>61.7</b>	<b>98.1</b>
<b>Net profit, group share</b>	<b>52.7</b>	<b>93.0</b>
<b>Net current cash flow<sup>3</sup></b>	<b>251.4</b>	<b>223.5</b>
<b>Data per share in euros:</b>		
<b>Average number of diluted shares in circulation used in the calculation</b>	<b>51,795,086</b>	<b>51,695,635</b>
<b>Group share of net diluted earnings per share</b>	<b>€1.02</b>	<b>€1.80</b>
<b>Net current cash flow per diluted share</b>	<b>€4.86</b>	<b>€4.32</b>

<sup>3</sup> As defined on page 10 of the 2012 Registration Document (Legal and financial specification).

Consolidated balance sheet data as at 31 December 2012 and 2011

(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
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,047.3</b>	<b>5,129.2</b>
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
<b>TOTAL CURRENT ASSETS</b>	<b>2,755.6</b>	<b>2,150.6</b>
<b>TOTAL ASSETS</b>	<b>7,802.9</b>	<b>7,279.8</b>

(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
<b>SHAREHOLDERS' EQUITY</b>	<b>2,963.6</b>	<b>2,740.0</b>
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
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,153.7</b>	<b>2,814.9</b>
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,685.6</b>	<b>1,724.9</b>
<b>TOTAL LIABILITIES AND CAPITAL AND RESERVES</b>	<b>7,802.9</b>	<b>7,279.8</b>



## Other data (unaudited)

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%		

## 5 Governance

### Icade's Governance team

The six members of Icade's Executive Committee are well-known in the sector, and all have the experience, professionalism and skills required for Icade's expansion.

**Serge Grzybowski**, Chairman and Chief Executive Officer of Icade;

**Nathalie Palladitcheff**, Head of finance, legal matters and IT and head of the Property Services division;

**Marianne de Battisti**, Head of key accounts, institutional relations and communications;

**Corinne Lemoine**, Head of human resources;

**Hervé Manet**, Head of the Property Development division;

**Dominique Beghin**, Head of the Commercial Property Investment division and international business.

### CSR focus

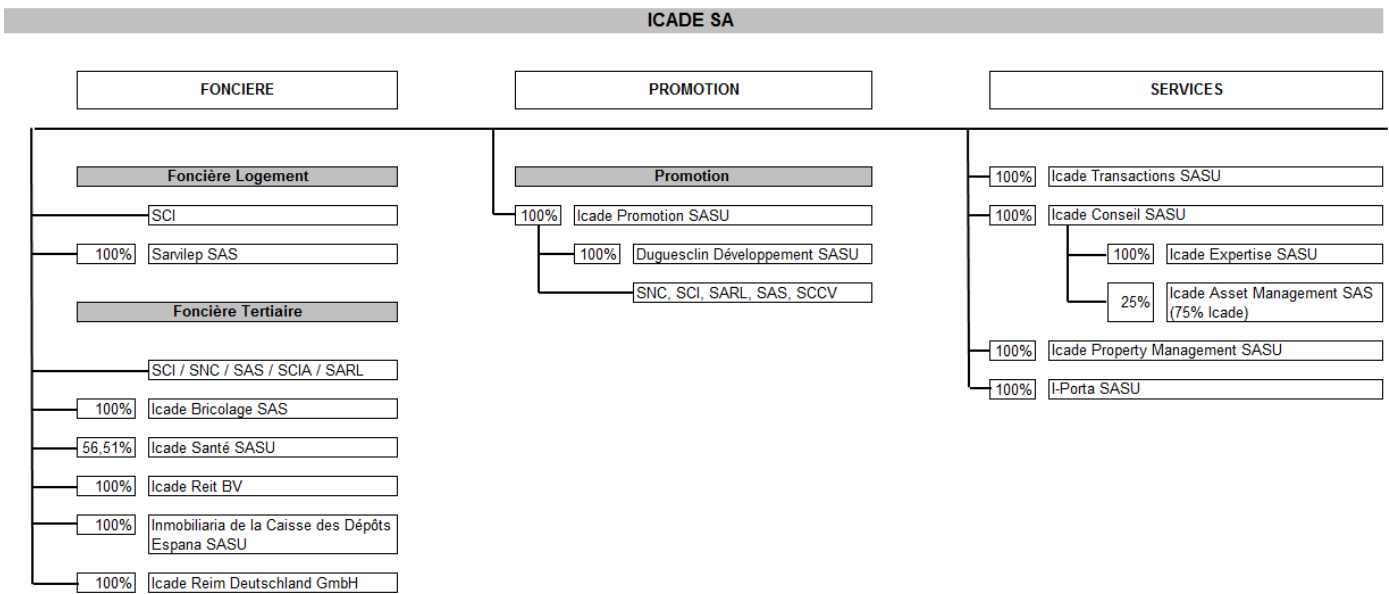
Icade gets ahead of the regulations.

With 49% male employees and 51 % female employees, Icade already has a good balance between men and women in its workforce.

The Copé-Zimmermann law on gender parity of January 2011 provides for the introduction of quotas so that women make up 20% of management bodies by 2014 and 40% by 2017.

At Icade this level was already 36% at the end of 2012 as 5 women sit on the Board of Directors, including two independent directors.

6 **Simplified organization chart as at 30 June 2013**



## TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is subject to any change in law that may take effect after such date.*

### **EU Savings Directive**

On 3 June 2003, the European Council of Economics and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**). Pursuant to the Savings Directive, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest within the meaning of the Savings Directive (interest, premium or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State or to certain limited types of entities established in that other Member State (the **Disclosure of Information Method**).

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals or certain entities.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless during such period they elect otherwise, withhold an amount on interest payments. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for the Disclosure of Information Method. The rate of such withholding tax equals 35% until the end of the transitional period.

Such transitional period is to terminate at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive. The current Luxembourg government has announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005. The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, once amended, on their investment.

### **France**

#### *Withholding Tax*

*The following is an overview of certain withholding tax considerations that may be relevant to holders of the Notes who do not concurrently hold shares of the Issuer. Persons who are in doubt as to their tax position should consult a professional tax adviser.*

Following the introduction of the French *loi de finances rectificative pour 2009 n°3* (n°2009-1674 dated 30 December 2009) (the **Law**), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable by virtue of Article 125 A III of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty). The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30% or 75% (subject, if applicable, to the more favourable provisions of a tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20120912, BOI-ANXX-000364-20120912 and BOI-ANXX-000366-20120912, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign security market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

The Notes, which will be admitted to listing and to trading on Euronext Paris, and cleared through Euroclear France, will fall under the Exception. Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion does not apply to such payments.

Pursuant to Article 9 of the 2013 Finance Law (*loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012*) subject to certain limited exceptions, interest and similar income received as from 1 January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and similar income paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

### *EU Savings Directive*

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## SUBSCRIPTION AND SALE

### 1. Subscription Agreement

Crédit Agricole Corporate & Investment Bank, HSBC Bank plc, Natixis and Société Générale (the **Joint Lead Managers**) have, pursuant to a subscription agreement dated 26 September 2013 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the 2019 Notes at an issue price equal to 99.540 per cent. of their principal amount and the 2023 Notes at an issue price equal to 98.977 per cent. of their principal amount, less the commissions agreed between the Joint Lead Managers and the Issuer. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Notes.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

### 2. Selling Restrictions

#### 2.1 General Selling Restrictions

Each Joint Lead Manager has agreed that it will comply with all applicable laws, regulations and directives in each jurisdiction in which it may acquire, offer or sell Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes.

No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

#### 2.2 France

Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

#### 2.3 United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### 2.4 United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the **Securities Act**), and may not be offered or sold, directly or indirectly, in the United States of America or to, or

for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S under the Securities Act (**Regulation S**).

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not and will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of commencement of the offering and the completion of the distribution, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

## **2.5 Italy**

The offering of the Notes has not been cleared by the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa* “**CONSOB**”) pursuant to Italian securities legislation. Accordingly, each Manager has represented and agreed that the Notes may not, and will not, be offered, sold or delivered, directly or indirectly, and nor may nor will copies of this Prospectus or any other documents relating to the Notes be distributed in Italy in an offer to the public of the Notes pursuant to Article 1, paragraph 1, letter t) of Legislative Decree no. 58 of 24 February 1998, as amended (the “**Consolidated Finance Act**”), except (a) to qualified investors (*investitori qualificati*) as defined in Article 34-ter, paragraph 1, letter b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the “**Issuers Regulation**”) or (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including without limitation Article 100 of the Consolidated Finance Act and Article 34-ter of the Issuers Regulation. Each Manager has also represented and agreed that any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy must, and will, be effected in accordance with all Italian securities, tax, and exchange control and other applicable laws and regulations, and in particular will be (i) made by an investment firm, bank or financial intermediary authorized to conduct such activities in Italy in accordance with the Consolidated Finance Act, CONSOB Regulation no. 16190 of 29 October 2007 and Legislative Decree No. 385 of 1 September 1993 (each as amended) and any other applicable regulations, and (ii) conducted in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or any other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

This Prospectus and the information contained herein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Consolidated Finance Act and Article 34-ter of the Issuers Regulation, is not to be distributed, for any reason, to any third party resident or located in Italy. No person resident or located in Italy other than the original recipients of this document may rely on this document or its content or any other document relating to the Notes.

Article 100-bis of the Consolidated Finance Act affects the transferability of the Notes in Italy to the extent that any placement of Notes is made solely with qualified investors and such notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placement. Should this occur without the publication of a prospectus, and outside of the scope of one of the exemptions referred to above, retail purchasers of Notes may have their purchase declared null and void and claim damages from any intermediary which sold them the Notes.

### **3. Legality of purchase**

Neither the Issuer, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.



## GENERAL INFORMATION

### 1. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The International Securities Identification Number (ISIN) for the 2019 Notes is FR0011577170. The International Securities Identification Number (ISIN) for the 2023 Notes is FR0011577188. The Common Code number for the 2019 Notes is 097586420. The Common Code number for the 2023 Notes is 097586896.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### 2. Listing and admission to trading

Application has been made to the AMF, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive, for the approval of this Prospectus.

Application has been made to have the Notes listed and admitted to trading on Euronext Paris on 30 September 2013. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

### 3. Corporate authorisations

The issue of the Notes was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 20 February 2013 and a decision of Serge Grzybowski, Chairman and Chief Executive Officer (*Président Directeur Général*) of the Issuer dated 25 September 2013.

### 4. Documents available

Copies of:

- (i) the *statuts* of the Issuer;
- (ii) the Fiscal Agency Agreement;
- (iii) this Prospectus; and
- (iv) the documents incorporated by reference in this Prospectus,

will be available for inspection, free of charge, during the usual business hours on any week day (except Saturdays, Sundays and public holidays) at the specified offices of the Fiscal Agent and the Issuer.

This Prospectus and the documents incorporated by reference in this Prospectus will be published (i) on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), save for the 2013 Half-Year Financial Report and (ii) on the website of the Issuer ([www.icade.fr](http://www.icade.fr)).

### 5. No material change

Save as disclosed in the relevant sections of the documents incorporated by reference on page 19 of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2013.

Save as disclosed in the relevant sections of the documents incorporated by reference on page 19 of this Prospectus, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2012.

**6. Litigation**

Save as disclosed on page 22 of this Prospectus, nor the Issuer, nor any member of the Group, is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

**7. Auditors**

Mazars and PricewaterhouseCoopers Audit are the statutory auditors of the Issuer and are both registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes* and the *Compagnie Régionale de Versailles*), comply with the rules issued by the *Compagnie Nationale des Commissaires aux Comptes* and are regulated by the *Haut Conseil du Commissariat aux Comptes*.

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2012 prepared in accordance with IFRS as adopted by the European Union have been audited by Mazars and PricewaterhouseCoopers Audit, as stated in their report incorporated by reference in this Prospectus.

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2011 prepared in accordance with IFRS as adopted by the European Union have been audited by Mazars and KPMG Audit, a division of KPMG SA, as stated in their report incorporated by reference in this Prospectus.

**8. Listing fees**

The estimated costs for the admission to trading (Euronext Paris fees) of the 2019 Notes and of the 2023 Notes are respectively €6,000 and €7,000.

**9. Yield**

The yields in respect of the 2019 Notes and 2023 Notes are respectively 2.344 per cent. *per annum* and 3.498 per cent. *per annum*, both being calculated at the Issue Date on the basis of their respective issue price of the Notes. It is not an indication of future yield.

**10. Interest material to the issue**

Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

I hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

The statutory auditors' report on the consolidated financial statements for the year ended 31 December 2012 included on pages 146 and 147 of Chapter 4 of the 2012 Registration Document (as defined in "Documents Incorporated by Reference") and the statutory auditors' report on the consolidated financial statements for the year ended 31 December 2011 included on pages 138 and 139 of Chapter 4 of the 2011 Registration Document (as defined in "Documents Incorporated by Reference") contain the following observation:

*"Without calling into question the opinion expressed above, we draw your attention to the portion of note 22 of the appendix concerning the tax audit your company underwent with regard to financial year 2007".*

The statutory auditors' review report on the half-year consolidated financial information as at 30 June 2013 included on pages 93 and 94 of the 2013 Half-Year Financial Report (as defined in "Documents Incorporated by Reference") contains the following observation:

*"Without calling into question the conclusion expressed above, we draw your attention to:*

- *note 1.1 of the appendix which presents the effects of the change in the accounting method resulting from the application of revised IAS standard 19 relating to employee benefits, and*
- *the portion of note 12 of the appendix concerning the tax audit your company underwent with regard to financial year 2007".*

### Icade

35, rue de la Gare

75019 Paris

France

Duly represented by:

Serge Grzybowski, Chairman and Chief Executive Officer (*Président Directeur Général*)

On 26 September 2013



### *Autorité des marchés financiers*

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the *Autorité des marchés financiers* (AMF), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa no. 13-512 on 26 September 2013. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

**REGISTERED OFFICE OF THE ISSUER**

**Icade**  
35, rue de la Gare  
75019  
France

**JOINT LEAD MANAGERS**

**Crédit Agricole  
Corporate and Investment Bank**  
9, quai du Président Paul Doumer  
92920 Paris La Défense  
France

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**Natixis**  
30, avenue Pierre Mendès-France  
75013 Paris  
France

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**STATUTORY AUDITORS OF THE ISSUER**

**Cabinet Mazars**  
Tour Exaltis  
61, rue Henri Regnault  
92400 Courbevoie  
France

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
92200 Neuilly sur Seine  
France

**LEGAL ADVISORS**

*To the Issuer*

**Cleary Gottlieb Steen & Hamilton LLP**  
12, rue de Tilsitt  
75008 Paris  
France

*To the Joint Lead Managers*

**Allen & Overy LLP**  
52, avenue Hoche  
75008 Paris  
France

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**BNP Paribas Securities Services  
(Euroclear Affiliate number 29106)**  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France