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ICADE

Foncière-développeur

Appendices

-First-Half Results 2012-

I- CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET AS AT 30 JUNE 2012

(in millions of euros)	30/06/2012	30/06/2011
Turnover	**683.3**	**717.2**
EBITDA	**180.1**	**163.9**
As a % of revenues	*26.4%*	*22.9%*
Depreciation charges net of investment grants	(82.8)	(70.2)
Charges and reversals related to loss in value on tangible, financial and other current assets	(3.6)	(5.0)
Profit/loss from disposals	60.1	34.4
Depreciation of goodwill and intangible assets	-	-
Operating income	**153.8**	**123.1**
As a % of revenues	*22.5%*	*17.2%*
Financial Profit/Loss	**(51.6)**	**(47.1)**
Profit tax	(18.0)	(25.4)
Net Income	**84.2**	**51.2**
Net income, group share	**81.5**	**48.4**
Net current cash flow	**113.0**	**100.3**
Data per share in euros		
Number of diluted shares in circulation used in the calculation	*51,762,193*	*51,734,876*
Group share of net diluted earnings per share	*1.57 €*	*0.94 €*
Net current cash flow per diluted share	*2.18 €*	*1.94 €*

(in millions of euros)	30/06/2012	31/12/2011
Goodwill	77.3	79.7
Net intangible assets	6.5	7.3
Net tangible assets	125.7	129.4
Net investment property	4 880.7	4 878.1
Non-current securities available for sale	2.4	2.7
Equity-accounted securities	0.7	1.3
Other non-current financial assets	13.2	9.8
Deferred tax assets	13.3	20.9
TOTAL NON-CURRENT ASSETS	**5,119.8**	**5,129.2**
Stocks and work in progress	664.0	628.4
Accounts Receivable	516.5	516.5
Amounts due from customers (building contracts and off-plan sales)	17.3	22.1
Tax receivables	21.4	6.9
Miscellaneous receivables	387.9	424.6
Current securities available for sale	0.2	0.1
Other current financial assets	33.9	38.3
Cash and cash equivalents	300.2	414.3
Assets held for sale	32.8	99.4
TOTAL CURRENT ASSETS	**1,974.2**	**2,150.6**
TOTAL ASSETS	**7,094.0**	**7,279.8**

(in millions of euros)	30/06/2012	31/12/2011
Capital and reserves - Group share	2,672.6	**2,738.3**
Minority interests	206.0	1.7
SHAREHOLDERS' EQUITY	**2,878.6**	**2,740.0**
Non-current provisions	38.6	42.3
Long-term financial borrowings	2,273.3	2,575.3
Tax payable	-	0.0
Deferred tax payable	12.6	9.2
Other non-current liabilities	193.8	188.2
TOTAL NON-CURRENT LIABILITIES	**2,518.3**	**2,814.9**
Current provisions	18.4	22.6
Current financial liabilities	569.5	423.9
Tax payable	13.5	20.0
Trade payables	422.0	498.8
Amounts due to customers (building contracts and off-plan sales)	5.6	1.1
Miscellaneous current payables	647.7	657.5
Other current financial liabilities	20.4	11.4
Liabilities intended to be sold	-	89.6
TOTAL CURRENT LIABILITIES	**1,697.1**	**1,724.9**
TOTAL LIABILITIES AND CAPITAL AND RESERVES	**7,094.0**	**7,279.8**

NAV (in millions of euros)	**30/06/2012**	**31/12/2011**	**Variation (in value)**	**Variation (as %)**
Group share of EPRA NAV	**4,400.8**	**4,508.3**	(107.5)	(2.4)%
EPRA NAV per share (Group share - fully diluted in €)	**84.9**	**87.5**	(2.6)	(2.9)%
Group share of EPRA triple net NAV	**4,188.7**	**4,312.5**	(123.8)	(2.9)%
EPRA triple net NAV per share (Group share - fully diluted in €)	**80.8**	**83.7**	**(2.9)**	**(3.4)%**

(in millions of euros)	30/06/2012	31/12/2011	Variation (in value)	Variation (as %)
Net financial debt	2,666.6	2,690.9	(24.3)	(0.9)%
Appraised value of Property Investment assets	6,756.6	6,727.3	29.3	0.4%
Loan to value (LTV)	**39.5%**	**40.0%**		

II – ANALYSIS AND COMMENTS ON THE RESULTS AND THE ACTIVITIES

A - HIGHLIGHTS / KEY FIGURES - 1st half of 2012

1. Highlights of the 1st half of 2012

PROPERTY INVESTMENT DIVISION

During the 1st half of 2012, in a difficult market, Icade has confirmed strong financial performance compared to the previous year. Commercial success at the end of 2011 and at the start of 2012 related to the acquisition of clinics (13 clinics acquired for 399 million euros) in 2011 has increased the turnover of the property investment activity by 9.6% compared to 30 June 2011.

Over the 1st half of 2012, Icade has continued to pursue its strategy of focusing on its property assets. This has been reflected over the six months by:

- The block sale of 495 residential properties in Epinay sur Seine (93) in June 2012;
- The delivery in January 2012 of the le Beauvaisis asset at Parc du Pont de Flandre (Paris 19). It has developed 12,000 m² of HQE certified office space split over 7 floors. It has received the BBC renovation label. It is currently in the process of being marketed;
- The delivery of the fifth and final building in the Metropolitan transaction in Villejuif in March 2012 (12,000 m2 out of a total of 80,000 m²); The entire complex has been leased to LCL;
- The continued restructuring of the EQHO Tower in La Défense (92). The total investments over the 1st half of 2012 account for 48.5 million euros. Delivery is scheduled for mid-2013. The asset is in the pre-marketing stage;
- During the 1st half of 2011, Icade signed an exclusive partnership agreement with Veolia Environnement to develop its future head office and research centre. The legal and financial arrangements of this project were validated by Véolia's board of directors during the 1st half of 2012. The 85,000 m² building in Paris and Aubervilliers will be developed as part of a property development contract by Icade Promotion;
- In addition, Icade raised, with French institutional investors, 250 million euros in order to increase the capital of its subsidiary company, Icade Santé, by increasing reserved capital, thus enabling continued development in this business line.

PROPERTY DEVELOPMENT DIVISION

In a sluggish market, the operating profit of the Property Development division (excluding the PNE development), as at 30 June 2012, amounted to 31.3 million euros compared to 34.1 million euros during the same period in 2011.

Despite a decline in sales (down 8.3% compared to 2011), the Residential Property Development business, taking advantage of trade performance in 2011, confirmed its good financial standing at 30 June 2012 by a 5.2% increase in EBITDA compared to 30 June 2011. Operating income is down 4.8% due to a fall in the reversals of stock provisions between the two periods.

Icade has therefore confirmed its selective policy of preserving its margins rather than its turnover in its financial indicators.

Strong financial indicators of the Residential Property Development business as at 30 June 2012 as a result of past activity cannot, at this stage, create a trend for the coming months. In fact, the economic climate and the schedule for the removal of tax benefits are expected to slow down activity.

Operating income for the Commercial Property Development business is down by 24.9% compared to 30 June 2011, particularly as a result of the deliveries of the university hospital in Saint-Nazaire (property development contract – 92,300 m²) and the final building in Villejuif (property development contract – 12,000 m²) during the 1st quarter of 2012. The start of new projects marketed during 2011 during the 1st half of 2012 will not come into effect until the 2nd half of 2012.

The operating earnings of the Paris North East (PNE) development activity are down by 8.3 million euros which is explained by the finding at 30 June 2012 of significant additional costs in relation to work to strengthen the existing structure designed to accommodate all the new elements (residential property, offices, shops and public facilities).

The backlog of all the activities of the Property Development division has increased by 2.7% compared to 31 December 2011 with a 10.1% increase in the Residential Property Development business (1,131.5 million euros) and a 7.1% decrease in the Commercial Property Development business (725.1 million euros).

SERVICES DIVISION

In the 1st half of 2012, Icade continued to refocus its service activities by the sale, in March 2012, of Icade Résidences Services, a company specialising in the management of student residences, for 24.2 million euros.

VALUATION OF ASSETS

The value of Icade's property assets has increased slightly by 0.4% compared to 31 December 2011. It stands at 6,757 million euros. The assets of the Commercial Property Investment division, which represent almost 96% of the total assets, have increased by 1.0%, including 4.4% for the healthcare division.

FINANCING STRATEGY

In an uncertain climate, including on the liquidity market, Icade has continued its policy of optimising its financial structure to enable it to confidently envisage the future. Even though it has no short-term needs, Icade wanted to strengthen its prudent approach to managing its resources, with the aims of proactively managing its schedule and strengthening its leeway. This approach has led the company to forecast all the combined needs of Icade and Silic, by signing, in July 2012, with a pool of seven banks, new block funding of 1,550 million euros divided into three tranches:

- A Medium Term Credit Line for 625 million euros with a maturity of 5 years, to allow Icade to cover the combined medium-term needs of Icade and Silic. For this purpose, Icade has granted Silic two financing streams for a total in principal amount of 400 million euros.

- A Revolving Credit Facility in the sum of 550 million euros with a maturity of three years, to allow Icade to strengthen its financial structure by increasing its available credit lines.

- A Forward Start Credit Line for 375 million euros, to allow Icade to forecast the refinancing of a portion of the maturity of its syndicated loan of 900 million euros in July 2014.

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

Events after the year-end:

With the exception of the financing operations described above, no significant event occurred after the year-end.

2. Combination with Silic

Recap of events and next steps:

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

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

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

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

    Each contribution was made based on an exchange parity of 5 Icade shares for 4 Silic shares, 2011 dividend attached for each company. The valuation of HoldCo SIIC was determined by transparency on the basis of this parity.

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

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

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

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

    After permission was obtained from the Competition Authority on 13 February 2012, the CDC and Groupama, as shareholders of HoldCo SIIC, approved the contribution by Groupama of 37.44% of the capital and voting rights in Silic following a decision on 16 February 2012. The balance of Silic shares owned by Groupama was contributed according to the same parity as the first contributions, i.e. 5 Icade shares for 4 Silic shares, 2011 dividend attached for each of the companies.

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

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

    After HoldCo SIIC, acting in concert with the CDC and Icade, crossed the 30% threshold, Icade filed a mandatory offer for Silic on 13 March 2012.
    The offer included a public exchange offer for Silic shares as well as a public offer to purchase bonds redeemable in cash and/or new shares and/or existing shares (ORNANEs) issued by Silic.

The terms of the offer are as follows:

- for the share exchange: the parity is the same as the parity for the contributions, i.e. 5 Icade shares issued for 4 Silic shares contributed (2011 dividend attached or detached in both cases) and;
- for the purchase offer: the nominal value of the ORNANE convertible bonds to which the dividend accrued up to the scheduled date for early payment/delivery of the offer is added, i.e. 126 euros per ORNANE based on payment/delivery on 14 June 2012. A shift in the payment/delivery of the offer will not affect the price per ORNANE.

On 24 April 2012, the AMF declared the offer to be in compliance and appended stamp n°12-179 to Icade's information notice and stamp n°12-180 to Silic's response, which are available on the websites of Icade (www.icade.fr), Silic (www.silic.fr) and the AMF (www.amf-france.org).

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

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

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

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

The decision of the Paris Court of Appeal is expected by the end of the 1st half of 2013. In accordance with the AMF's decision in relation to an extension on 15 May 2012, the offer shall remain open until further notice.

3. Key figures

(in millions of euros)	30/06/2012	30/06/2011	Variation
Turnover	**683.3**	**717.2**	**(4.7)%**
EBITDA	**180.1**	**163.9**	**9.9%**
Profit/loss from disposals	**60.1**	**34.4**	**74.4%**
Operating income	**153.8**	**123.1**	**24.8%**
Financial Profit/Loss	**(51.6)**	**(47.1)**	**9.4%**
Tax expense	**(18.0)**	**(25.4)**	**(28.9)%**
Net income, group share	**81.5**	**48.4**	**68.2%**
Net current cash flow	**113.0**	**100.3**	**12.7%**

Icade's **turnover** stands at 683.3 million euros as at 30 June 2012 compared to 717.2 million euros as at 30 June 2011. This change is essentially due to a significant fall in the sales of the Property Development activity (51.6 million euros since 30 June 2011) mainly due to a fall in the number of lots for development compared to 2011 for the Residential Property Development business, and to the delivery in the 1st quarter of 2012 of the university hospital in Saint-Nazaire for the Commercial Property Development business.

(in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Variation
Turnover					
Property investment	196.5	179.3	0.3	179.0	9.6%
Property Development	471.8	523.4		523.4	(9.9)%
Services	34.8	48.6	(0.3)	48.9	(28.5)%
Other (*)	(19.8)	(34.1)		(34.1)	(42.0)%
Total revenues	**683.3**	**717.2**	**0.0**	**717.2**	**(4.7)%**

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

The turnover of the **Commercial Property Investment Division** at 30 June 2012 is split into 94.3% for commercial property assets and 5.7% for residential assets.

Revenue from commercial property assets has risen by 12.4% compared to 30 June 2011, totalling 184.7 million euros at 30 June 2012. This increase is primarily from acquisitions of clinics during the 2nd half of 2011 (14.7 million euros of rental income).

The turnover of the **Property Development division**, as at 30 June 2012, was down 9.9% compared to the same period in 2011, mainly due to, a 58.5% fall in the number of lots developed compared to 30 June 2011 for the Residential Property activity, and the delivery of the university hospital in Saint-Nazaire during the 1st quarter of 2012 for the commercial property business (46.8 million fall in turnover, between the two periods, as a result of this transaction).

The turnover of the **Services division** has fallen by 13.8 million euros compared to 30 June 2011. This change is related to variations in the scope of the division which took place in 2011 (sale of the Spanish subsidiary specialising in the management of student residences) and 2012 (sale of Icade Résidences Services).

The change in **Other** turnover, corresponding to the elimination of intra-group transactions, reflects the reduction in the number of transactions by the Property Development Division on behalf of the Property Investment Division.
The **EBITDA** came to 180.1 million euros as at 30 June 2012, as opposed to 163.9 million euros at the same date in 2011.

(in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Variation
EBITDA					
Property investment	160.8	140.3	(0.2)	140.5	14.6%
Property Development	25.0	28.2		28.2	(11.6)%
Services	1.5	3.2	0.2	3.0	(51.6)%
Other (*)	(7.1)	(7.8)		(7.8)	(8.9)%
Total EBITDA	**180.1**	**163.9**	**0.0**	**163.9**	**9.9%**

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

The EBITDA/turnover ratio for the **Property Investment division** was 81.8% as at 30 June 2012 compared to 78.2% as at 30 June 2011. This improvement came predominantly from an increase in commercial property assets, for which the EBITDA/turnover ratio 85.2% as at 30 June 2012. The contribution made by residential property assets as at 30 June 2011 was negligible.

The 11.6% fall in EBITDA of the **Property Development division** is explained by the finding of significant additional costs in relation to the development work of the PNE project (6.5 million euros).

The EDITDA of the **Services division** as at 30 June 2012 is down by 51.6% compared to 30 June 2011. The companies sold in 2011 and 2011 contributed 1.7 million euros to the EBITDA of 30 June 2011.

The **Operating Profit** totalled 153.8 million euros as at 30 June 2012 compared to 123.1 million euros as at 30 June 2011.

(in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Variation
Operating income					
Property investment	113.8	98.9		98.9	**15.1%**
Property Development	25.5	32.3		32.3	**(21.2)%**
Services	0.4	2.2		2.2	**(82.1)%**
Other (*)	14.0	(10.3)		(10.3)	**236.6%**
Total Operating Profit	**153.8**	**123.1**		**123.1**	**24.8%**

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

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

- The **net capital gains on disposals** as at 30 June 2012 were 60 million euros compared to 34.4 million euros at the same date in 2011. This difference is principally related to disposals of residential property assets and of Icade Résidences Services which was sold in March 2012;

- The **net depreciation and amortization expenses** as at 30 June 2012 were 82.8 million euros compared to 70.2 million euros at the same date in 2011. This increase is mainly due to investments made in the healthcare sector in 2011 (399.0 million euros of investments);

- The **charges and reversals linked to loss in value on assets** consisted, as at 30 June 2012, of a net allocation of 3.6 million euros compared to 5 million euros as at 30 June 2011.

The **Net Profit, Group Share** reached 81.5 million euros compared to 48.4 million euros as at 30 June 2011.

The **Net Current Cash Flow** stood at 113 million euros as at 30 June 2012, up 12.7% compared to 30 June 2011 (100.3 million euros).

This performance is mainly due to the growth of the Commercial Property Investment business related to a successful policy of asset management in 2011 and a significant increase in the volume of investments in the health sector in 2011. The increased financial expense is mainly due to investments in clinics made during the 2nd half of 2011, which is partly offset by the opening of the capital of Icade Santé for 250 million euros. The fall in the current tax liabilities is mainly related to the fall in taxable activity of the Commercial Property Development division.

key figures (in millions of euros)	30/06/2012	30/06/2011	Variation
EBITDA	180.1	163.9	9.9%
Financial profit (loss)	(51.6)	(47.1)	9.4%
Effect of non-discounting exit tax	0.0	0.0	
Current financial profit/loss	(51.6)	(47.1)	9.4%
Corporate tax (*)	(18.0)	(25.4)	(28.9)%
Tax on provision for depreciation on client contracts and net release of investment provisions - Property Development Division	1.0	2.1	
Tax on capital gains from sales	1.3	6.6	
Current corporate tax	(15.7)	(16.6)	(5.4)%
NET CURRENT CASH FLOW	**113.0**	**100.3**	**12.7%**

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

Loan to value (LTV):

key figures (in millions of euros)	30/06/2012	31/12/2011	Variation
Net financial debt	2,666.6	2,690.9	(0.9)%
Appraisal value of Property Investment Portfolio	6,756.6	6,727.3	0.4%
Loan to value (LTV)	39.5	40.0%	

Icade's **"loan to value" (LTV)** ratio is calculated using the conservative method as the ratio between the group's net debt on all business activities including funding development, service and public & private partnership (PPP) operations, and the appraisal value of the assets (excluding rights) of the Property Investment Division.

As at 30 June 2012, it remains below 40%, in line with Icade's strategy.

NAV:

NAV (in millions of euros)	30/06/2012	31/12/2011	Variation (in value)	Variation (as %)
Group share of EPRA NAV	**4,400.8**	**4,508.3**	(107.5)	(2.4)%
EPRA NAV per share (Group share - fully diluted in €)	**84.9**	**87.5**	(2.6)	(2.9)%
Group share of EPRA triple net NAV	**4,188.7**	**4,312.5**	(123.8)	(2.9)%
EPRA triple net NAV per share (Group share - fully diluted in €)	**80.8**	**83.7**	**(2.9)**	**(3.4)%**

As at 30 June 2012, the EPRA single net asset value is 4,400.8 million euros, i.e. 84.9 euros per share, down 2.9% compared to 31 December 2011 and the EPRA triple net asset value is 4,188.7 million euros, i.e. 80.8 euros per share, down 3.4% compared to 31 December 2011.

The restatement of the dividend of 3.72 euros per share, paid in June 2012, has shown a 1.0% increase in the EPRA triple net asset value compared to 31 December 2011.

B - ACTIVITIES AND RESULTS 1st half of 2012

1. Property Investment Division

1.1 Commercial Property Investment division

key figures (in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications*	30/06/2011	Variation
Revenues	185.4	165.3	0.3	165.0	+ 12.1%
EBITDA	158.2	139.7	(0.2)	139.9	+ 13.2%
EBITDA/Revenue	85.3%	84.5%		84.8%	+ 0.8%

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

Overview

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

Strategic assets:

- **Offices** in France:

Icade owns office buildings (with a total area of 418,000 m²) primarily in Paris, the Western Crescent and Villejuif.

- **Business Parks**:

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

The Business Parks business is distinguished by its strong organic growth potential. This is why the Commercial Property division concentrates a large part of its medium-term investment both in refurbishing existing assets and in building new assets. This business will generate future cash flows and create significant value.

Over 12 months, the business parks have built up an additional 15,000 m² with the delivery of the Beauvaisis building (12,000 m²) in January 2012 and various extensions in the Parc des Portes de Paris.

Diversified assets:

- **Shops and Shopping Centres**:

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 44 healthcare establishments, which are characterized by:

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

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

To support its development, Icade Santé opened its capital, during the 1st half of 2012, of 250 million euros to 3 institutional investors, the main ones of which are Crédit Agricole Assurance and BNP Paribas Cardif.

The operation of an office building in Levallois leased to the Ministry of Interior, a crèche in Toulouse as well as companies providing PPP activities and the assets of SCI Gascogne, included in 2011 in the healthcare and public facilities business were sold to the Offices sector on 1st January 2012. The comparisons take into account the sale of these activities. Since 1st January 2012, all Healthcare activity indicators are only for Icade Santé.

<u>Non-strategic assets:</u>

- **Warehouses:**

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

- **Offices in Germany**:

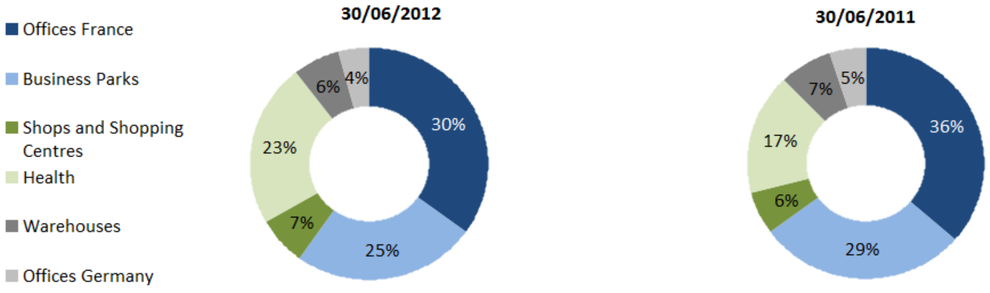
Icade owns a residual portfolio of offices in Germany, currently consisting of eight buildings (with a total floor area of 140,000 m²) mainly located in Munich, Hamburg and Berlin, plus 80 hectares of undeveloped property.

1.2 Key figures as at 30 June 2012

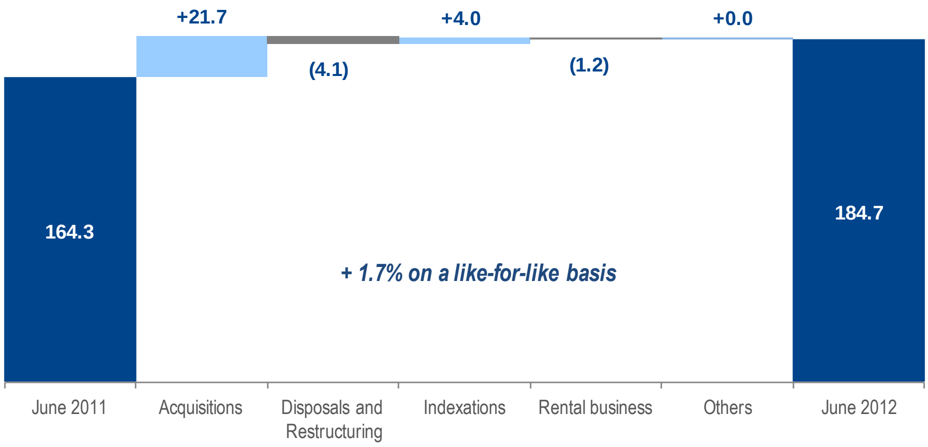
The **revenue** of the Commercial Property Investment division, as at 30 June 2012, was 185.4 million euros up by 12.1% compared to 30 June 2011. On a like-for-like basis, it grew 1.7%.

Turnover (in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (*)	30/06/2011	Variation	Variation on a like-for-like basis
Offices France	62.8	60.7	10.7	50.0	+ 3.5%	+ 4.2%
Business Parks	47.9	47.2	0.5	46.7	+ 1.4%	(0.7)%
Shops and shopping centres	12.4	9.8		9.8	+ 26.8%	+ 3.5%
Healthcare	43.1	28.3	(10.2)	38.5	+ 52.0%	+ 0.2%
Warehouses	11.5	11.9		11.9	(3.3)%	(3.3)%
Offices Germany	8.0	8.1		8.1	(1.4)%	(1.4)%
Investment intra-group businesses	(0.3)	(0.7)	(0.7)	0.0	(55.4)%	(55.4)%
COMMERCIAL PROPERTY INVESTMENT	**185.4**	**165.3**	**0.3**	**165.0**	**+ 12.1%**	**+ 1.7%**

(*) Sale of Healthcare business assets on 1st January 2012 not owned by Icade Santé (mainly the Levallois building leased to the Ministry of the Interior) to the Offices France business. The Healthcare business now therefore only includes the assets owned by Icade Santé (of which 69% are owned by Icade). Sale on 1 January 2012 of Icade Inmobiliaria by the Services business to the Property Investment business



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



Rental income, comparing like with like, has shown an improvement of 1.7% compared to 30 June 2011.

Rental Income (in millions of euros)	30/06/2011	Reclassifications	30/06/2011 restated	Acquisitions	Sales	Indexations	Rental Business	30/06/2012
Offices France	49.6	10.2	59.8	3.7	-4.1	1.3	1.2	61.9
Business Parks	46.7	0.5	47.2	1.0		1.5	-1.8	47.9
Shops and shopping centres	9.8		9.8	2.3		0.2	0.1	12.4
Healthcare	38.2	-10.2	28.1	14.7		0.8	-0.5	43.1
Warehouses	11.9		11.9			0.1	-0.5	11.5
Offices Germany	8.1		8.1			0.1	-0.2	8.0
Investment intra-group businesses		-0.5	-0.5				0.4	-0.1
COMMERCIAL PROPERTY INVESTMENT - Rental Income	**164.3**	**0.0**	**164.3**	**21.7**	**-4.1**	**4.0**	**-1.2**	**184.7**
Other Revenues	0.7	0.3	1.0				-0.3	0.7
COMMERCIAL PROPERTY INVESTMENT - Revenue	**165.0**	**0.3**	**165.3**	**21.7**	**-4.1**	**4.0**	**-1.5**	**185.4**

Acquisitions and deliveries of assets: have generated 21.7 million euros in additional revenue during the 1st half of 2012 and mainly consist of:

- investments made since June 2011 by Icade Santé. The latter has acquired 13 new clinics since June 2011, which has generated 14.7 million euros in additional revenue during the 1st half of 2012.

- the delivery of two office assets in Villejuif (3.7 million euros in additional rent) completed in December 2011 and March 2012 respectively and leased to LCL.

- the commissioning, in April 2011, of the le Millénaire Shopping Centre in Aubervilliers, managed in partnership with Klépierre and which has generated 2.3 million euros in additional revenue.

Sales and refurbishments: 4.1 million euros in lost rent during the 1st half of 2012

This mainly relates to the trade-offs, in July 2011, of the Atrium building in Paris (3 million euros) and the ex SIIC Invest business portfolio (0.9 million euros) at the end of 2011.

Rentals (rentals, re-rentals, renewals and departures) and other: 1.2 million euro decrease in rent

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

- 1.2 million euros in additional revenue for Offices which mainly consists of:
  - the letting of the H2O asset in Rueil Malmaison during the 2nd half of 2011 (+1.5 million euros in rent)
  - the letting of the entire Link building in Paris 15 (2.2 million euros in rent)
  - the letting, at the start of 2012, of Le Factory building in Boulogne Billancourt has generated additional revenue of 0.7 million euros.
  - Exceptional sales negotiations which led to a protocol of reduced rent in the sum of 2.4 million euros on the Scor asset.
  - the increase in financial vacancy on the Champs Elysées building has led to 0.4 million euros in lost rent as at 30 June 2012.

- A 1.8 million euro fall for business parks in relation to:
  - 0.8 million euros, for exceptional index-linking on the construction lease for the land for the Le Millénaire shopping centre in April 2011;
  - 0.5 million euros for non-recurring rental adjustments over previous years
  - 0.4 million euros for lease renewals including rent reductions in return for extending the term of the lease
  - 0.1 million euros for the net impact of tenants leaving and new tenants over the period.

- The 0.5 million euro fall in revenue for the healthcare division is linked to a renegotiation of rent, which has cancelled the effects of the accounting spread of levels granted in the previous lease.

- For the Warehouse business, the 0.5 million euro fall in rental income is primarily related to an increase in financial vacancy since 30 June 2011.

The **net rental income** of the Commercial Property Investment division stands, at 30 June 2012, at 169.5 million euros, i.e. a margin of 91.8%

	30/06/2012		30/06/2011			
(in millions of euros)	Net rental income	Margin	Net rental income	Reclassifications	Restated net rental income	Margin
Offices France	58.2	94.0%	45.8	9.8	55.6	93.0%
Business Parks	39.2	81.7%	41.8		41.8	88.6%
Shops and shopping centres	11.2	90.5%	8.6	-1.0	7.6	77.8%
Healthcare	42.5	98.8%	37.7	-9.8	27.9	99.4%
Warehouses	10.7	92.5%	11.2		11.2	93.5%
Offices Germany (*)	7.5	94.7%	8.5		8.5	105.4%
Investment intra-group businesses	0.2			1.6	1.6	
COMMERCIAL PROPERTY INVESTMENT	**169.5**	**91.8%**	**153.6**	**0.5**	**154.1**	**93.8%**

(*) Effect of a write-back of a provision of 0.5 million euros recorded in 2011

The change in overall margin is primarily due to a significant improvement in the rate of recovery of charges from shopping centres. For Business Parks, the recorded loss on fully funded unrecoverable receivables over previous years has damaged the margin (net rent/gross rent) of this business as at 30 June 2012.

- The improvement in the net margin of the offices business is related to the letting of the buildings in Villejuif and to the improved occupancy rate of office buildings;
- The fall in the net rental income of Business Parks is the result of losses on unrecoverable receivables totalling 2.0 million euros. These losses were for very old, fully funded debts in Icade's accounts. In addition, the Beauvaisis building, completed in January 2012, is in the process of being leased. It is still generating unrecoverable charges of up to 0.4 million euros;
- The increased margin of Shops and Shopping Centres is related to the launch costs of the le Millénaire Shopping Centre, which put a serious strain on the rate of recovery of charges in 2011;
- The fall in the margin of the Healthcare business is related to contractual amendments arising from the opening of the capital of Icade Santé during the 1st half of 2012. This has resulted in the negotiation of contracts to provide rental management and Asset Management services, which generate costs inherent to the new partnership.

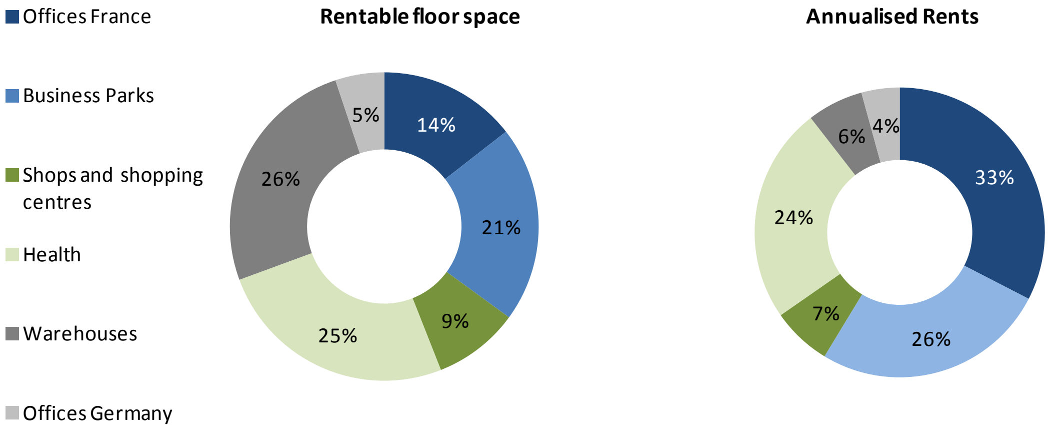
The **Operating Profit/Loss** of the Commercial Property Investment Division was 76.5 million euros as at 30 June 2012, up by 6.6 million euros compared to 30 June 2011.

	30/06/2011				30/06/2012	
(in millions of euros)	Operating profit/loss	Reclassific ations	Operating profit/loss restated	Operating profit / revenue	Operating profit/loss	operating profit / revenue
Offices France	11.2	7.8	19.0	31.4%	32.2	51.3%
Business Parks	26.8		26.8	56.7%	22.0	45.9%
Shops and shopping centres	2.8		2.8	29.0%	3.2	26.2%
Healthcare	21.5	-7.8	13.7	48.2%	19.8	46.1%
Warehouses	(2.0)		(2.0)	(16.7)%	1.0	8.4%
Offices Germany	9.6		9.6	119.4%	(1.8)	(22.6)%
COMMERCIAL PROPERTY INVESTMENT	**69.9**	**0.0**	**69.9**	**42.3%**	**76.5**	**41.3%**

This increase is mainly due to the increase in net rental income (+17.2 million euros) for the Healthcare and Offices businesses. The increase is partly absorbed by an increase in depreciation and amortization expenses primarily related to the acquisitions of clinics during the 2nd half of 2011.

1.3 Rental Business

Breakdown of indicators by business



Classes of assets	Rentable Floor Space (m2)	Leased Surface Area (m2)	Financial occupancy rate	Index-linked IFRS Rental Income (in millions of euros)	Fixed lease residual duration (years) (*)
Offices France	339,489	311 959	92.8%	121.0	5.4
Business Parks	483,296	433,671	88.5%	96.9	3.7
Parc du Mauvin	16,305	10,728	70.1%	1.7	1.9
Parc du Millénaire	66,822	64,327	96.5%	20.7	3.7
Parc du Pont de Flandre	90,513	73,251	79.8%	22.3	5.8
Parc des Portes de Paris Aubervilliers	236,682	217,991	90.0%	39.3	2.5
Parc des Portes de Paris Saint Denis	66,471	60,871	90.6%	10.3	4.9
Quartier du Canal	6,503	6,503	100.0%	2.5	1.2
Shops and shopping centres	211,336	209,394	97.7%	24.7	5.4
Shopping Centres	53,472	51,530	96.3%	15.0	2.8
Mr. Bricolage stores	157,864	157,864	100.0%	9.7	9.5
Healthcare	595,789	595,789	100.0%	89.7	9.4
Warehouses	598,535	542,484	91.2%	23.2	5.2
Offices Germany	120,491	102,578	89.6%	15.8	6.9
COMMERCIAL PROPERTY INVESTMENT	**2,348,936**	**2,195,874**	**93.3%**	**371.3**	**6.0**

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

At 30 June 2012, the **financial occupancy rate** is 93.3%, down from 31 December 2011 (94.7%) following the delivery, at the start of 2012, of the Le Beauvaisis asset at Parc du Pont de Flandre

(Paris 19). The rental potential of this asset is 1% of the IFRS rentals of the Commercial Property Investment Division.

New Agreements

During the 1st half of 2012, Icade has signed 25 **new leases** for almost 25,200 m^2, representing 5.5 million euros in annual rent.

During the 1st half of 2012, Icade has recorded:

- The letting of vacant office space in the **521 building** in March 2012 to CNAV (698m2 – effective from 15 March 2012)
- The letting in June 2012, of a unit in the **Eurofret Strasbourg warehouse** to Dachser France (4,850 m^2 – effective from 1st July 2012);

As stated when the annual results for 2011 were published, Icade also recorded the following agreements over the 1st half of 2012:

- Letting of the remaining vacant space in the **Messine property** located on Rue de Messine (Paris 8 to Oberthur (2,200 m^2 – effective from 1st April 2012);
- Letting of 26% of the vacant space in the **Factory property** in Boulogne (92) in January 2012 to Al Jazeera Sport (3700 m^2 – effective from 24 January 2012);
- Letting of 38% of the vacant space in the **521 building** in January 2012 to the Endemol Production Group (6900 m^2 – effective from **1st July 2012**);

New Agreements - Developing Assets:

- Exclusive partnership agreement in June 2011 with **Veolia Environnement** for a location project of around 85,000 m^2 to accommodate a group of approximately 3,500 people in the Le Millénaire are in Aubervilliers by the 1st half of 2016.

  Icade is also finalizing its schedule for the development of the northeast quarter of Paris. Veolia Environment is already positioning its new head office and is part of the regeneration of this quarter. The project, which meets the latest technological requirements in terms of the environment and energy performance, and directly overlooking the Cours d'Aubervilliers, will mark the arrival of Icade's Eco-Quartier district, at ground level of the new transportation systems.

  During the 1st half of 2012, Veolia's board of directors validated the legal and financial arrangements of the project. The operation will be completed based on a property development contract between Veolia and Icade Promotion. Veolia shall therefore purchase the land and shall ultimately own the constructed building.

- Signature, in December 2011, of a protocol agreement with **the Government**, confirmed in a firm agreement signed in February 2012, for the lease and/or the sale of Millénaire 3 to the Ministry of Justice and Liberty. In March 2012, Icade therefore started studies in view of the completion of this building which shall have an approximate net surface area of 34,000m^2.

  The building permit, filed in July 2011, was obtained on 9 December 2011. The plans provide for work to begin at the end of 2012/beginning of 2013, for delivery of the building in April 2015.
  It is a new-build with seven levels over the ground floor, also including 2 infrastructure levels including 345 parking spaces and archive premises. The project, entrusted to the KPF architectural firm, is based on an atrium protected by a glass roof, at the base of which all of the services will be grouped together (lobbies, restaurant, cafeteria, concierge service). HQE-certified with BREEAM Excellent, it will also be labelled BBC.

Renewals

In 2012, Icade has continued its rental policy, which consists of offering its main tenants a **renewal** of their leases before they end in order to secure its long-term cash flow. This asset management work resulted in the signing of 10 leases for 26,500 m^2.
Lease renewals/renegotiations have secured 7.4 million euros in headline rents over an average fixed term of 7 years.

Lease renewals/renegotiations:

- Renegotiation in June 2012 of the Pierre et Vacances lease (18,900m²) at le Pont de Flandre for a fixed term of 9 years (effective from 1st July 2012).

- Renegotiation of the Cellfish France lease (2,750m²) in January 2012 for the 270 building for a fixed term of 6 years.

Tenant Departures

Departures over the 1st half of 2012 related to 37 leases (24,000 m²) and represent 4.4 million euros in lost rent. The financial vacancy of freed up space, which has not been released, represents less than 1% of the rent.

In 2012, Icade will also, as expected, see the departure of its sole tenant of the PB5 tower (30,000 m² in La Défense). Scor has given notice on its lease, which expires at the end of 2012. Its departure represents a 13.7 million euro loss in annual rent which will only take effect in 2013. Icade's asset management teams Icade are actively working to re-lease the tower as of January 2013. In fact, as part of the building is occupied by subtenants, Icade is negotiating with them to stay after Scor's departure. The space under negotiation represents approximately 11,000 m².

The nature of the **vacant space** as at 30 June 2012 is diverse and should therefore be adjusted in terms of the impact, depending on the designated use. It mainly involves the following assets:

Assets in Operation	Towns	Vacant Space (m²)	Potential annual rental income (in millions of euros)
29-31-33 Champs Elysées	Paris	2,500	
H_20	Rueil-Malmaison	5,300	
Factory	Boulogne	9,500	
Other Offices France		10,200	
	Subtotal Offices France	27,500	9.4
Building 521	Aubervilliers	5,100	
Millénaire 5	Aubervilliers	2,400	
Building 028	Paris	12,000	
Other Business Parks		30,100	
	Subtotal Business Parks	49,600	12.6
Le Millénaire Shopping Centre	Aubervilliers	1,500	
Other Shopping Centres		500	
	Subtotal Shopping Centres	2,000	0.6
Tharabie	Saint Quentin Fallavier (38)	33,000	
Other Warehouses		23,100	
	Subtotal Warehouses	56,100	2.2
Other Offices Germany		17,900	
	Subtotal Offices Germany	17,900	1.8
	COMMERCIAL PROPERTY INVESTMENT	153,100	26.6

List of main tenants as at 30 June 2012

Occupants	Rent	Leased surface area
	%	%
Générale de Santé (11 clinics)	8.0%	7.0%
Védici Group (12 clinics)	6.3%	8.0%
Médi Partenaire Group (11 clinics)	6.2%	6.8%
PwC	5.9%	1.4%
Crédit Agricole SA	5.2%	3.3%
Casino Group (12 warehouses)	4.9%	19.6%
Ministry of the Interior	3.1%	1.4%
Scor Group	2.9%	1.4%
Icade Group	2.7%	1.4%
Mr Bricolage Group (38 stores)	2.6%	7.1%
Rhodia Group	1.9%	1.7%
Harpin Group (2 clinics)	1.8%	2.3%
Pierre & Vacances Group	1.7%	0.9%
3H Group (4 clinics)	1.5%	2.2%
GMG (T-Systems)	1.5%	1.8%
Agence Régionale de Santé	1.4%	0.8%
AXA Group	1.3%	0.3%
Euro Média France	1.2%	1.6%
Ingenico Group	1.2%	0.5%
Club Mediterrannée	1.0%	0.6%
Other	37.7%	30.0%
	100%	**100%**

As at 30 June 2012, the 10 biggest tenants accounted for total annual rents of 177.6 million euros (48% of annual rents).

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

Activities	Offices France	Business Parks	Shops and shopping centres	Healthcare	Warehouses	Offices Germany	Total	%
2012	16.4	6.6			0.5	0.4	**24.0**	**6.5%**
2013 (*)	14.1	27.9	4.0	0.3	0.3	1.5	**48.1**	**13.0%**
2014	13.4	13.3	3.1		5.5	1.1	**36.4**	**9.8%**
2015	10.0	10.8	6.0		4.8	1.0	**32.6**	**8.8%**
2016	8.3	7.4				2.0	**17.8**	**4.8%**
2017	7.6	4.4			2.4	1.7	**16.0**	**4.3%**
2018	3.0	5.1			0.8		**8.9**	**2.4%**
2019	2.7	9.8	0.8	13.2		1.5	**28.0**	**7.5%**
2020	3.5	2.2	1.0	28.0	8.9		**43.5**	**11.7%**
>2020	42.0	9.3	9.6	48.2		6.7	**115.8**	**31.2%**
Total	**121.0**	**96.9**	**24.7**	**89.7**	**23.2**	**15.8**	**371.3**	**100.0%**

(*) including the Icade lease (7.7 million euros - ending on 31 December 2013)

As at 30 June 2012, the **average fixed lease term** is 6.0 years and is stable compared to 31 December 2011. Such stability is related to lease renewals signed in 2012, new lettings over the financial year and deliveries during the 1st half of 2012.

Rental Position - Risk of rent revision

Activities	Annual rental income (in millions of euros)	Rental income at risk (in millions of euros)	%	Market rent (in millions of euros)	Potential risk (in millions of euros)
Offices France	121.0	5.0	4.2%	4.1	(1.0)
Business Parks	96.9	9.7	10.0%	8.4	(1.3)
Shops and shopping centres	24.7	-	0.0%	-	-
Healthcare	89.7	-	0.0%	-	-
Warehouses	23.2	0.2	0.9%	0.1	(0.1)
Offices Germany	15.8	-	0.0%	-	-
COMMERCIAL PROPERTY INVESTMENT	**371.3**	**14.9**	**4.0%**	**12.6**	**(2.3)**

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

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

In fact, the potential risk of a return to market rental values is 2.3 million euros, (i.e. a risk of potential loss of rent of less than 1.0% of rents for the entire Commercial Property Investment division).

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

Activities	Appraisal 06/2012 (in millions of euros)	o/w HQE	< 10 years	> 10 years
Offices France	2,119	591	1,523	596
Business Parks	1,533	479	713	821
Shops and shopping centres	461	201	372	89
Healthcare	1,395	,	928	467
Warehouses	249	,	162	88
Offices Germany	252	,	151	101
COMMERCIAL PROPERTY INVESTMENT	**6,011**	**1,271**	**3,849**	**2,161**
			65%	**35%**

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

With regard to the assets operated by the Commercial Property Investment Division, based on appraisal values (rights included) as at 30 June 2012 of the assets in operation, close to 65% were built or renovated after fewer than 10 years.

In addition, the share of HQE certified assets in operation is slightly more than 21% as at 30 June 2012, which is up slightly compared to 31 December 2011 as a result of the delivery of Beauvaisis in January 2012 (the EQHO Tower does not fall within this indicator since it was under development as at 30 June 2012, although on delivery it is likely to receive the “BBC Renovation” label).

Geographical Breakdown of Assets

Geographic Region	Annual rental income (in millions of euros)	%	Rentable Floor Space	%
Paris CBD	15.0	4.0%	25,555	1.1%
Western suburb	74.3	20.0%	176,203	7.5%
Other Paris	46.8	12.6%	163,427	7.0%
Other suburb	111.0	29.9%	598,111	25.5%
Province	108.3	29.2%	1,265,148	53.9%
Rest of the World	15.8	4.3%	120,491	5.1%
COMMERCIAL PROPERTY INVESTMENT	371.3	100.0%	2,348,936	100.0%

The Office and Business Park assets of the Commercial Property Investment Division are located in Paris and Ile-de-France. The shops, shopping centres, logistics and healthcare establishments are mainly located in Ile de France and the regions.

1.4 Investment Business

Icade has continued to add value to its assets in order to increase the generation of cash flows in the longer term, and at the same time it has acquired healthcare assets that produce immediate cash flows. Total investments over the period amounted to **118.6 million euros**.

Assets	Total	Asset Acquisitions	Asset Restructuring	Building Extensions	Major Maintenance and Renovation
Offices France	59.9	0.0	48.5	3.4	8.0
Business Parks	28.7	0.0	2.3	13.4	13.0
Shops and Shopping Centres	0.6	0.0	0.0	0.0	0.6
Healthcare	25.3	1.4	0.0	23.9	0.0
Warehouses	1.3	0.0	0.0	0.0	1.3
Offices Germany	2.9	0.0	0.0	0.0	2.9
COMMERCIAL PROPERTY INVESTMENT	118.6	1.4	50.8	40.7	25.7

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

- Offices in France: 48.5 million euros for the work on the EQHO Tower (formerly the Descartes Tower) as part of its refurbishment;

The EQHO Tower:

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

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

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

As at 30 June 2012, the new façade of the tower had been completed apart from the lower part of the building.

The building permit, relating to category 3 of the works was obtained on 26th April 2011 and work on this phase commenced at the beginning of October 2011.

The base of the tower is to be refurbished (floors -1 to 4), creating a second access from Boulevard Circulaire in La Défense, and to create a certain number of services areas at ground level of the building.

The end of the works to the shell of the foundations is scheduled for September 2012.

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

It will be available for lease at the end of the 1st half of 2013 but is already in the pre-marketing phase.

- Business Parks: 2.3 million euros concerning the end of the works at Beauvaisis (028);

Le Beauvaisis:

The renovation of this building, in the Parc du Pont de Flandre, Paris 19, was completed in January 2012. The business park extends over an enclosed 5 ha and offers more than 90,000 m² of offices and business premises in 13 buildings. The park is located in immediate proximity to the Porte de la Villette, close to the Corentin Cariou subway station (line 7). The park has two inter-company restaurants, two cafeterias, a fitness centre and a children's day care service. It is surrounded by 10,000m² of landscaped green space.

The works on Le Beauvaisis consisted of a very extensive renovation.

HQE certification was obtained in April 2009 for the "program" phase, based on the following high-performance profiles:

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

It is the 1st Parisian operation to obtain the BBC Renovation labelling plus an HQE certification.

Construction & extension of assets: The investments primarily concern:

- Offices in France: the Métropolitan operation in Villejuif, with an additional 2.5 million euros invested during the 1st half of 2012. This consisted of the construction of 80,000 m² of office floor area, split over 5 buildings, the last section of which (Garonne Building of 9,974m²) was completed in March 2012. All 5 buildings are leased in full to LCL.

- Business Parks: the investments made relate to the expenses of preliminary studies of the construction works for the Veolia, Millénaire 3 and 4 and Block E projects for a total sum of 13.4 million euros. The studies for the Veolia operation are being temporarily financed by the Property Investment division until a property development agreement is signed by Veolia and Icade's Property Development division.

- Healthcare: This essentially involves construction or extension work on clinics, to a sum of 23.9 million euros. This work is part of the rental conditions, fixed contractually on acquisition, and will lead to a rent supplement on delivery.

These new investments form part of the development strategy that Icade is operating in the healthcare sector (a strategy of building up an attractive portfolio in terms of net yield, with several operators and therefore with enough diversification to limit rental risk). The investments also complete Icade's nationwide coverage, with a total portfolio of 7,413 beds and a floor area of nearly 600,000m².

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

During the 1st half of 2012, Icade raised 250 million euros from institutional investors in its subsidiary Icade Santé, by increasing the reserved capital, to enable the continued development of its healthcare business.

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

1.5 Trade-offs

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

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

As at 30 June 2012, disposals totalled 68.2 million euros.

These mainly concern:

- the sale of the 7,100 m² HQE certified Mistral office building in Paris 12 for the sum of 60 million euros. Sold off-plan to the Agence Française de Développement (AFD) [French Development Agency], the building was delivered at the start of 2012.
- The sale in March 2012 of a shop in Paris Montparnasse and a shop in Evreux leased to Kiloutou for the sum of 7.8 million euros.

After the year-end, on 2 July 2012, the warehouse in La Farlède (31,000 m²), near Toulon was sold for 7.4 million euros.

During the period spanning the 1st half of 2012 and July 2012, Icade signed the following undertakings to sell:

- On 20 March 2012, the signature of an undertaking to sell relating to a plot with a surface area of approximately 6,450m2, located in Bad Homburg to the north of Munich and Stuttgart. Final completion of the sale is expected to be signed during the 2nd half of 2012.
- On 20 June 2012, Icade signed an undertaking to sell relating to jointly-owned properties in a building in Neuilly sur Seine (92) with floor space of approximately 2,000m². Final completion of the sale is expected to be signed during the 2nd half of 2012.
- On 12 July 2012, Icade signed an undertaking to sell relating to jointly-owned properties in a building in Tour Arago à Puteaux (92) with floor space of approximately 2,400m². Signing of the deed of sale is expected during the 2nd half of 2013.
- On 18 July 2012, Icade signed an undertaking to sell relating to jointly-owned properties on the 21st floor of the Areva tower in Courbevoie (92) with floor space of approximately 2,100m². Signing of the deed of sale is expected during the 2nd half of 2012.

1.6 Residential Property Investment Division

(in millions of euros)	30/06/2012	30/06/2011	Change
Turnover	**11.2**	**14.0**	(20.2)%
EBITDA	**2.6**	**0.6**	318.0%
EBITDA/Revenue	*23.2%*	*4.4%*	
Profit from disposals	**36.3**	**29.3**	23.9%
Operating income	**37.4**	**28.9**	29.3%

Main indicators:

	30/06/2012	30/06/2011
Block sales		
In number of lots	495	264
Sale price (in millions of euros)	33.0	12.1
Individual sales		
In number of lots	48	68
Sale price (in millions of euros)	5.5	8.0
Remaining balance of residential properties		
In number of lots	4 279	4 874
Appraised value (in millions of euros)	274.8	312.7

During the 1st half of 2012, Icade continued the process of selling residential units with the block sale of 495 units located in Epinay sur Seine (Gros Buisson Residence) for 33.0 million euros.
In addition, businesses at the base of the buildings in Saint Denis & Créteil, were sold for 5.3 million euros.

2. Property Development Division

2.1 Key figures

Continuing from the previous year, the 1st half of 2012 is marked by an economic slowdown, with little growth forecast over 2012 and 2013, and the gradual implementation of tax measures to reduce France's public deficit. Property development is seriously affected by these measures.

The Scellier law, established in 2009 to revitalize the housing and construction sector will be completed by 31 December 2012. In addition, the amended Finance Law September 2011 has reformed the system of real estate capital gains. The new law, which came into force on 1st February 2012, gradually moderates the allowance for possession periods over time, resulting in total exemption from capital gains after 30 years of possession (instead of the current 15 years).

The market is entering an area of uncertainty with the disappearance of a significant portion of its support factors.

However, sales results recorded over the previous year have maintained a high level of activity during the 1st half of 2012. In fact, in spite of an 8.3% loss in revenue recorded by the Residential Property Development business, the EBITDA is up by 5.2% compared to 2011.

This change is due to:

- A fall in revenue related to the period of severe winter weather at the start of this year and the declining number of lots for development given the more demanding pre-marketing policy;
- Offset by a good performance of the operations margins and reduced expenses for the period (operations launch costs and external letting fees). In fact, the business during the 1st half of 2012 is mainly focused on operations started in 2010 and 2011, the period charges of which were already accounted for in previous years.

Operating profit/loss for the Residential Property Development division is down 4.8% (26.9 million euros as at 30 June 2012 compared to 28.3 million euros as at 30 June 2011) due to lower reversals for stock provisions between the two periods.

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

Strong financial indicators of the Property Development business as at 30 June 2012 as a result of past activity cannot, at this stage, create a trend for the coming months. In fact, the economic climate and the schedule for the removal of tax benefits are expected to slow down the business.

With regard to the Commercial Property Development business, operating profit/loss was down 24.9% compared to 2011 mainly because of the delivery during the 1st quarter of 2012 of the operation in Saint-Nazaire and the 5th and final office building in Villejuif. The start of new office operations during the 1st half of 2012 will only come into effect after the 2nd half of the year.

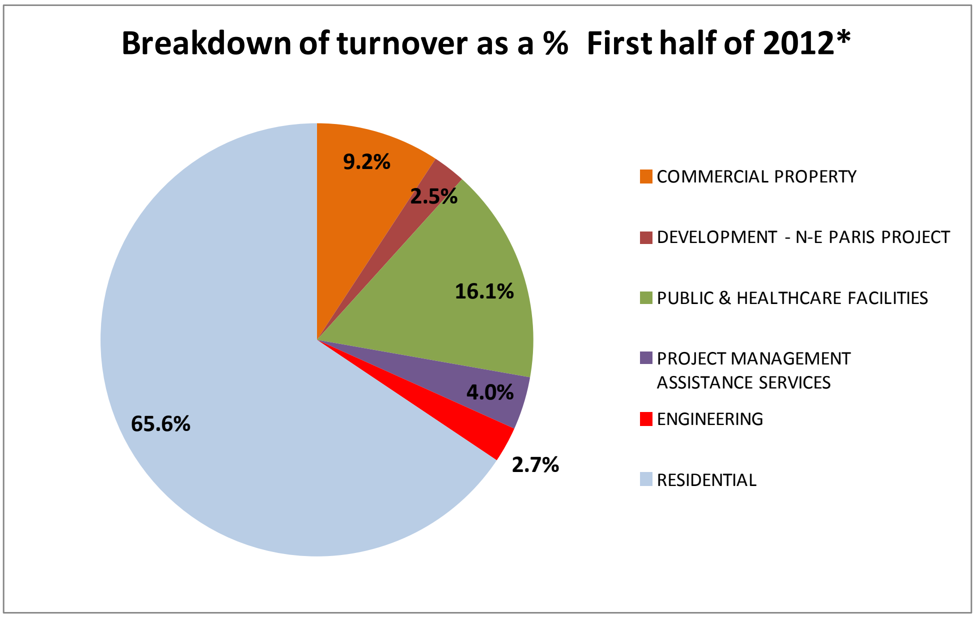
The operating earnings of the Paris North East (PNE) development activity are down by 8.3 million euros which is explained by the finding as at 30 June 2012 of significant additional costs in relation to work to strengthen the existing structure designed to accommodate all the new elements (residential property, offices, shops and public facilities).

At 30 June 2012, the operating profit for the division stood at 25.5 million euros or 5.4% of the revenue, as opposed to 32.3 million euros, or 6.2% of the revenue in the 1st half of 2011.

Key Figures (in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Change
Residential Property Development	320.2	349.0		349.0	(8.3)%
Commercial Property Development	155.9	176.7	(0.3)	177.0	(11.8)%
PNE Development	12.0	0.4	0.4	0.0	N/A
Intra-business development	(16.2)	(2.7)	(0.1)	(2.6)	N/A
Turnover (*)	**471.8**	**523.4**		**523.4**	**(9.9)%**
Residential Property Development	25.0	23.8		23.8	5.2%
Commercial Property Development	1.8	6.2	1.8	4.4	(71.3)%
PNE Development	(6.6)	(1.8)	(1.8)	0.0	N/A
Intra-business development	4.8	0.0		0.0	N/A
EBITDA	**25.0**	**28.2**		**28.2**	**(11.6)%**
Residential Property Development	26.9	28.3		28.3	(4.8)%
Commercial Property Development	4.4	5.8	1.8	4.0	(24.9)%
PNE Development	(8.3)	(1.8)	(1.8)	0.0	N/A
Intra-business development	2,5	0.0		0.0	N/A
Operating income	**25.5**	**32.3**		**32.3**	**(21.2)%**

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

Turnover:



(*) excluding intra-business development eliminations

The Residential Property Development business is the main contributor and represents 65.6% of the overall business (66.3% in the 1st half of 2011).

The Commercial Property Development business is down overall (155.9 million euros) with a decline in public facilities and healthcare (-35% to 78.4 million euros), which is partly offset by Commercial Property Development (+74.8% to 45.3 million euros). The engineering business (13.0 million euros in revenue) rose by 8.0% compared to 30 June 2011. Finally the PNE development activity recorded 12.0 million euros in revenue as at 30 June 2012.

Development backlog and Order book:

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

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

Development backlog as at 30 June 2012 (in millions of euros)	Total	Ile-de-France	Regions
Residential development (inc. subdivision)	1,131.5	621.6	509.9
Commercial Property Development	445.5	390.2	55.3
Shops Development	0.0	0.0	0.0
Public and Healthcare Development	157.3	70.7	86.6
Engineering order book	46.2	25.1	21.1
Project management services order book	76.0	48.4	27.6
TOTAL	**1,856.5**	**1,156.0**	**700.5**
	100.0%	62.3%	37.7%

The total backlog of the Property Development division is up by 2.7% compared to 31 December 2011, totalling 1,856.5 million euros (compared to 1,808.2 million euros as at 31 December 2011).

This change can be analysed as follows:

- A 10.1% increase in the Residential Property Development backlog which has gone from 1,027.9 million euros to 1,131.5 million euros (the figures take into account the reintegration of residential property under the PNE project in the Residential Property Development backlog at 30 June 2012 and at 31 December 2011) due to the signature of several large contracts with institutional investors. The guaranteed portion, corresponding to deeds of sale, is 54% of the total (compared to 66% at 31 December 2011);

- A fall in the Commercial Property Development backlog which has gone from 485.5 million euros to 445.5 million euros, mainly due to the start of new operations signed in 2011 (Joinville Urbagreen, Paris-Pyrénées Garance, Saint-Denis Sisley, Lyon Ambre and Opale);

- A fall in the "Public Facilities and Healthcare" backlog which has dropped 11.9% from 178.6 million euros to 157.3 million euros, mainly due to the end of the university hospital operation in Saint Nazaire (the figures take into account the reintegration of residential property under the PNE project in the Residential Property Development backlog at 30 June 2012 and at 31 December 2011);

- An increase in the engineering order book which has gone from 38.8 million euros to 46.2 million euros (+19%) and relative stability of the Services division order book.

2.2 Residential Property Development

(in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Change
Revenues (*)	320.2	349.0		349.0	(8.3)%
EBITDA	25.0	23.8		23.8	5.2%
Margin (EBITDA/Revenues)	*7.8%*	*6.8%*		*6.8%*	
Operating income	26.9	28.3		28.3	(4.8)%

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

The turnover has fallen to 320.2 million euros compared to 349.0 million euros during the 1st half of 2011.

Over the 1st half of the year, the market is not supported by private investors like it was last year and the flow of commercial stock has slowed down (flow has fallen 8.2% compared to 11.3% during the 1st half of 2011).
However, lettings are active with corporate lessors in block sales and first-time customers.

EBITDA is 25.0 million euros, i.e. 7.8% of revenues (6.8% of revenues during the 1st half of 2011 at 23.8 million euros) confirming that a good level of profitability has been maintained over the 1st half of 2012.

As at 30 June 2012, the level of unsold completed stock is very low at 104 residential properties representing 17.6 million euros in revenues compared to a stock of 183 lots during the 1st half of 2011 for 25.5 million euros in revenues.

Marketing of new properties and plots of building land over the 1st half of 2012

	Ile-de-France	Regions	TOTAL
Number of lots	1,214	2,334	3,548
Revenues (potential in millions of euros)	333.4	449.4	782.8

Start of operations concerning new properties and plots of building land over the 1st half of 2012

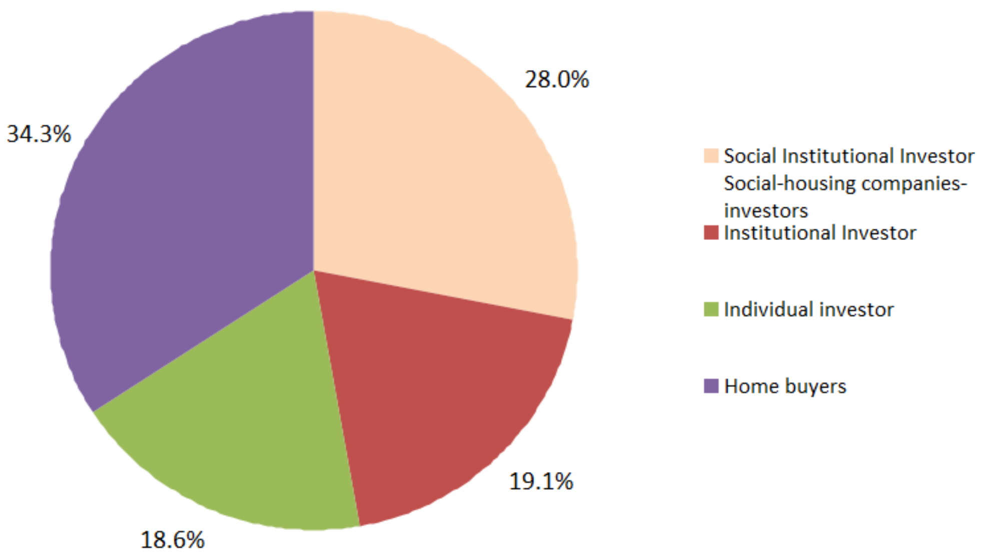
	Ile-de-France	Regions	TOTAL
Number of lots	81	571	652
Revenues (potential in millions of euros)	22.4	133.8	156.2

Reservations of new homes and plots of building land

	30/06/2012	30/06/2011	Change
Number of housing reservations	2,517	1,990	+26.5 %
Housing reservations in millions of euros (including tax)	460.6	423.0	+8.9 %
Housing withdrawal rate	15%	18%	
Number of building plot reservations	24	118	(80.0) %
Reservations of building plots in millions of euros (including tax)	2.3	11.5	(80.0) %

The number of reservations made during the first six months of 2012 (a total of 2,541) is up by +20.4%, including +26.5% for residential properties and down by 80.0% for building plots.

Breakdown by type of housing customer



During the 1st half of 2012, reservations for buyers (main residence and secondary residence) accounted for 877 residential properties and lots, i.e. 34.3% of the sales activity (compared to 35.1% in 2011). The number of private individual investors (475 reservations) is down to 18.6% (36.8% in 2011), the number of corporate investors and institutional investors (1206 reserved properties) rose sharply to 47.1% of reservations compared to 28.1% for 2011.

Average sale price and average surface area based on reservations

	30/06/2012	30/06/2011	Change
Average price including taxes per habitable m² (€/m²)	3,539	3 441	+2.8 %
Average budget including tax per residential unit (€K)	183.0	212.6	(13.9) %
Average floor area per residential unit (m²)	51.7	61.8	(16.3) %

The average budget for residential units reserved over the six months is 183.0 thousand euros (down 13.9%).

The average price including tax per m² is 3,539 euros has increased compared to the 1st half of 2011 (+2.8%).

The sale of several student and senior residences over the half year has had a direct effect on the fall in average surface area sold, the average budget per residential unit and the increase in the average price per m2.

As at 30 June, the number of notarised sales has decreased by 14.8% but their amount has increased to 279.6 million euros for 1,280 residential units and lots compared to 263.0 million euros and 1,502 residential units and lots as at 30 June 2011.

Land reserves portfolio

The land reserves portfolio of residential units and building plots is 6,805 plots (8,633 plots as at 30 June 2011) for potential revenues estimated at 1.5 billion euros (compared to 1.7 billion euros as at 30 June 2011), down by 11.7% compared to the 1st half of 2011. This decrease is a result of a prudent policy of land acquisition combined with rapid marketing. Production under development represents approximately 2 years' activity.

2.3 Commercial Property Development

(in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Change
Revenues (*)	155.9	176.7	(0.3)	177.0	(11.8)%
EBITDA	1.8	6.2	1.8	4.4	5.3%
Margin (EBITDA/Revenues)	*1.2%*	*3.5%*		*2.5%*	
Operating income	4.4	5.8	1.8	4.0	(24.9)%

Turnover (in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Change
Commercial Property Development	**155.9**	**176.7**	**(0.3)**	**177.0**	**(11.8)%**
. Public and Healthcare	78.2	120.7		120.7	(35.0)%
. Commercial property	45.3	25.7		25.7	75.5%
. Shops	0.0	0.0		0.0	
. Project Supervisor's Assistance	19.3	18.3		18.3	5.5%
. Engineering	13.0	12.0		12.0	8.3%
. Other	0.0	0.0	(0.3)	0.3	0.0%

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

Public and Healthcare:

In the Public and Healthcare area, the highlights for the 1st half of 2012 were as follows:

In the medical-social sector, having signed more than 90 million euros of property development contracts in 2011, Icade continued to expand in this area with the signing of several new contracts for residential homes for the elderly (EHPAD).

In addition, work has started on the significant EHPAD operation on Rue du Cherche Midi, Paris (6).

In the PPP (Public Private Partnerships) area, the Cité Sanitaire de Saint Nazaire was delivered on 29 February 2012, the date scheduled in the contract, and was opened on 29 June 2012. This is currently the most important operation in France which includes a hospital and a clinic.

The Artisanat de La Guadeloupe business university has also been delivered and the PPP works on the Zoo de Vincennes are continuing as normal.

Within the context of the Campus plan, Icade is an applicant in Grenoble, Dijon, Montpellier and Toulouse Rangueil and its final bid was sent in June for Toulouse le Mirail.

In the Project Management Assistance business, Icade has won a mandate to construct the new Ministry of Agriculture on Place Picpus, Paris (12).

In spite of the Ministry of Health's budget restrictions, the construction of the new hospital in Melun was started in June and Icade has also won project management contracts for hospitals in Libourne, Fort de France, Saint Pierre de la Réunion and the North hospital in New Caledonia, whilst work on the hospital in Nouméa and the associated clinic (médipôle de Koutio) has been started.

Lastly, the project management mission for the new hospital in Monaco has been restarted.

On 2 February, Icade won the development operation of the new Espace Océan district in Saint Denis de la Réunion, for which a concession agreement was signed on 30 May 2012 with the town of Saint Denis. The operation concerns 78,000m² of residential units, offices, shops and public facilities and 1,500 parking spaces. In terms of the project's schedule, building permit applications will be submitted in 2013 and the first works begin in 2015, for projected delivery in 2018.

Over the 1st half of 2012, the revenues of the "Public and Healthcare" Property Development fell 35.0% to 78.2 million euros. This forecast decline in business is mainly due to the end of the PPP project for the hospital at Saint Nazaire, which was delivered at the end of February 2012.

At 30 June 2012, the portfolio of projects in Public and Healthcare Development came to 137,781m² (210,989m² at 31 December 2011) of projects under construction, including 23,000m² for PPPs (121,577 m²at 31 December 2011) and 113,728m² of projects at the initial setup stage (146,039m² at 31 December 2011).

At 30 June 2012, the principal operations in progress were as follows:

Operations in progress	Total rounded floor area (in m² Net Floor Area)	Type of development	Set-up	Location	Expected completion date
Vincennes Zoo (PPP)	10,000	Zoological gardens	Property development contract	Paris 12 (75)	2013
Montpellier Grisettes	7,405	Medical-social facility	Property development contract	Montpellier (34)	2013
Sablé Sur Sarthe	16,001	Care Centre	Property development contract	Sablé Sur Sarthe (72)	2012
MuCEM Centre, Marseilles (PPP)	13,000	Archaeological museum	Property development contract	Marseilles (13)	2012
Dijon Mutualité Gérontopôle	13,000	Medical-social establishment	Off-plan	Dijon (21)	2013
Bourgoin-Jallieu Synergie	11,355	Medical centre	Off-plan	Bourgoin-Jallieu (69)	2013

The main projects delivered over the half year are:

- St Nazaire university hospital: PPP Hospital under a property development contract for 92,300 m^2;
- UMAG business university in Saint Claude (Guadeloupe): property development contract for 6,577 m2
- Dijon La Providence lot 7: off-plan block sale of 6,762 m2 of residential units
- Le Havre EHPAD SOS: 4,818 m2 sold off-plan
- Romainville Veuve Aublet: off-plan social housing units of 1,950 m^2

Since 1 January 2012, 28.2 million euros (Icade's proportional share) of contracts were signed for off-plan sales (VEFA) or property development contracts (CPI):

- Monnaie (37): 1,720 m^2 school sold off-plan
- Orléans (45) Ilot Calvin: 5,283 m^2 of offices sold under a property development contract
- Isle d'Espagnac (16) la Source: 4,750 m^2 of EHPAD (residential homes for the elderly) sold under a property development contract
- Nantes Viviani (44): 6,271 m^2 offices and equipment sold off-plan

Commercial Property and Shops:

The rental market is mainly only driven by small and medium-sized premises in a taken area (in Ile de France) which is down 20%.
The investment market is stable with rates of return which are also stable and face values which are down slightly. In the face of economic uncertainty and funding difficulties, the decision-making processes have lengthened. Effective demand exists but is very cautious and selective.

Over the 1st half of 2012, revenues of the Offices and Shops Development (45.3 million euros compared to 25.7 million euros last year) have clearly increased, due to the start of new operations, particularly in Ile de France.

The main operations that have contributed to the turnover for the 1st half of 2012 are:

- Joinville "Urbagreen" for WERELDHAVE
- Paris Zac de Rungis "Le Pushed Slab" (Paris 13) for BPRP
- Paris "Le Garance" (Paris 20) for the RATP
- Bordeaux "Prélude Armagnac" for UFG
- Lyon NEXANS "Opale et Ambre" for ARKEA.

The main projects delivered over the half year are:

- Villejuif 1 Rhin: 12000 m^2 of offices on behalf of Icade (tenant: LCL)
- Lyon VAISE Block 11: 6,618m2 of offices for SPI WEST

As at 30 June 2012, Icade Promotion had a **portfolio of projects** in Commercial Property Development and Shops of about 751,536m^2 (667,104m^2 as at 31 December 2011), which breaks down as:

- Projects under construction for 295,510m^2 (221,331 m^2 as at 31 December 2011), representing future revenue of 445.5 million euros (485.5 million euros as at 31 December 2011). The 30 June 2012 also marks the end of development operations in synergy with Icade's property investment division.

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

Operations in progress	Surface (m² net floor area)	Type of development	Set-up	Purchasers	Expected completion date
Saint Denis Landy (50%) SISLEY	22,001	Offices	Property development contract	SILIC	2014
Lyon Nexans Block L "Opale"	12,837	Offices	Off-plan	ARKEA - Crédit Mutuel	2013
Joinville "Urbagreen"	18,950	Offices	Off-plan	Wereldhave	2013
ZAC RUNGIS - PARIS 13 "Pushed Slab"	18,900	Offices	Off-plan	BPRP	2014
Toulon	6,529	Offices	Off-plan	SCP AGPM	2013
Bordeaux “Prélude Armagnac”	9,347	Offices	Off-plan	UFG	2013
Lyon Nexans Block M "Ambre"	12,320	Offices	Off-plan	ARKEA - Crédit Mutuel	2013
Guyancourt (50%) * "Start"	29,701	Offices	Off-plan	*	2013
Balard- Paris 15	92,207	Offices	Property development contract	SAS CORNE OUEST	2014
Paris North-East "Activities"	15,094	Business premises	Off-plan	RIVP	2014
Paris North-East "Offices" (50%)	27,624	Offices	Off-plan	BNP PARIBAS	2014
Paris 20 - PYRENEES "Garance"	1,814	Offices	Property development contract /Off-plan	*CICOBAIL/NatioCrédit Bail*	*2014*
Paris 20 - PYRENEES "Garance"	28,186	Offices	Off-plan	**	*2014*
Total	**295,510**				

(*) 9 year lease signed with Egis
(**) Operation under speculative development.

As at 30 June 2012, 90.5% of surfaces under construction had been sold or leased.

- Projects under construction for 456,026 m² (445,773 m² as at 31 December 2011), representing revenues of 1,004.8 million euros (1,007.9 million euros as at 31 December 2011). The latter represent projects not yet initiated or delivered for which either a promise of the sale of land for the proposed building (in the case of an off-plan project), or a preliminary contract with the investing customer or user (in the case of a Property Development project), or a partnership agreement for a joint operation has been signed. Some may have planning permission, applied for or obtained (with or without appeals resolved) and others may not.

The operations that are in the process of being set up, with planning permission applied for or obtained, are summarised in the following table:

Total rounded floor area (in m² Net Floor Area)	Type of development (offices, shops, etc.)	Expected completion date	Location
4,468	Offices	2013	La Madeleine (59)
33,090	Offices	2013	Choisy le Roy (94)
11,995	Offices	2014	Cachan (94)
19,960	Offices	2015	Toulouse Blagnac (31)
15,094	Businesses	2014	Paris 19th (75)
8,500	Offices	2013	Cachan (94)
27,624	Offices	2014	Paris 19th (75)
58,982	Shops	2015	Marseille (13)
179,713	**Total**		

Operations at the initial development stage, with controlled land but without planning permission, are summarised in the following table:

Total rounded floor area (in m² Net Floor Area)	Type of development (offices, shops, etc.)	Expected completion date
14,550	Offices	2015
9,814	Offices + Hotel	2014
11,918	Offices	2014
31,000	Offices + residential units	2014
67,282	**Total**	

Speculative operations not pre-sold or not pre-leased represent an irreversible commitment of 197.8 million euros (excluding tax).

Project management assistance:

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

Over the 1st half of 2012, revenue from project management assistance is up 5.5% to 19.3 million euros.

In the offices segment, the principal contracts for 2012 relate to Icade’s commercial property investment division's projects:

- the EQHO Tower in La Défense;
- Le Beauvaisis (Paris 19);
- the Block E property in Saint Denis;
- The VEOLIA project in Aubervilliers;

- The Millénaire 3 and 4 buildings in Paris 19.

The order book totals 76 million euros, representing approximately 26 months of business (revenues based on the last 12 months).

Engineering:

The 1st half of 2012 was marked by several commercial successes, particularly in the area of healthcare:

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

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

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

The order books – signed contracts that are not yet productive – of two companies have risen: 46.2 million euros, i.e. 20 months of activity, for Icade Arcoba, Icade Gestec and Icade Setrhi-Setae, up compared to the end of December 2011 (16 months of activity).

Over the 2nd half of 2012, the Engineering business will start an initial renovation operation as a general contractor.

2.4 PNE Development

(in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (**)	30/06/2011	Change
Revenues (*)	12.0	0.4	0.4	0.0	N/A
EBITDA	(6.6)	(1.8)	(1.8)	0.0	N/A
Margin (EBITDA/Revenues)	N/A	N/A			
Operating income	(8.3)	(1.8)	(1.8)	0.0	N/A

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

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

This is an exceptionally technically and financially complex operation due to the re-use of an existing building which has been partly demolished and redeveloped as a car park and shopping centre and finally raised as a building with different uses: offices, business and residential units.

A development project is an organised set of studies, land acquisitions and execution of works and facilities for the construction or the renovation of all types of buildings. Development companies are therefore responsible for carrying out all the work necessary for the viability and equipment of the construction.

Thus, on the basis of operations balance sheets and numerous technical studies, the development company SAS PNE has valued and sold the land charges to Icade Promotion and other developers in order to build assets of residential units, offices, shops and facilities.

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

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

In its operating profit/loss during the 1st half of 2012, SAS PNE has therefore recorded additional costs of works, which were not initially stipulated in the operations balance sheets given to the corporate developers. This has resulted in an operating loss of 8.3 million euros for Icade as at 30 June 2012.

Recap of the history of this project:

Designed in the late 1960s by the architect Marcel Forest for the freight company SNTR Calberson, the Macdonald warehouse is situated on the south side of the boulevard bearing the same name, in the centre of the Paris North-East development project. This 200 hectare area between Porte de La Chapelle and Porte de La Villette, divided by the main transport infrastructures (ring road, boulevards des Maréchaux, rail networks), mainly accommodates urban logistics and space.

The 130,000m² warehouse is situated along the boulevard Macdonald, between Porte d'Aubervilliers and Porte de la Villette. This operation is part of the large Paris North-East urban renewal project agreed by the City of Paris.

This sector therefore represents a major challenge for the city of Paris, in terms of urban renewal, social cohesion and economic development. In July 2006, the Sovafim (Railway property assets valuation company) put the warehouse up for sale. The Semavip (mixed economic development company in the City of Paris), one of the development MEC in the City of Paris, offered to buy it as part of a pool.

The Caisse des Dépôts, Icade and the Semavip therefore purchased the Macdonald warehouse, owned by the Sovafim, in 2006, via the company SAS PNE.

The aim of the group's acquisition is a development project to create a new district vis-à-vis the Zac Claude Bernard, which shall include a net surface area of approximately 160,000m², split between 1,000 residential units, offices, shops and facilities.

In October 2007, SAS Paris Nord-Est started to consult architect coordinators won by OMA (Rem Koolhaas-Floris Alkemade).

2008 was dedicated to finalising the master plan.

In 2009, work continued through workshops with thirteen "operations" architects. The owner opted for a conversion as a result of the formal, constructive qualities of the building. However, the warehouse must be split in two to allow for the tramway and to link the Boulevard Macdonald and the future Eole E Gospel train station. The designers chose to widen the fault (approximately 50m wide) to develop half a hectare of space. A bridge connecting the two blocks preserves the continuity of the north facade and the visual aspect. To absorb the City's programme, the height of the warehouse was doubled, from 13m (two 6.30m levels above a basement) to 28m, hence the "double-mac". Too wide (80m) to be used in its current state, the warehouse was partly hollowed out to create an interior courtyard overlooked by the residential units, and patios around which the offices are structured. In the end, 70% of the building was maintained.

Delivery, initially scheduled at the end of 2013, has shifted to 2015.

Intra-group operations with the Commercial Property Investment division

For Office Development:

The delivery of the fifth and final building in the Metropolitan project in Villejuif marks the end of the development operations in synergy with the Icade commercial property investment division.

For Project Management Assistance:

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

Targeted revenue as at 30 June 2012 amounted to 12.6 million euros.

Requirements for working capital and borrowing

For two years, the half-yearly and annual cycles for the close-off dates of the accounts have shown radically different cash-flow levels and working capital requirements. The rapid selling of residential units at the end of 2010 and 2011 showed a sharp reduction in the need for working capital and borrowing. Conversely, the half-year interim financial statements showed more "normative" cash-flow levels.

Thus, the division's need for working capital totalled 287.3 million euros as at 30 June 2012, an increase of 71.5 million euros compared to its level at 31 December 2011. It has remained stable compared to 30 June 2011 (283.3 million euros).

The net borrowing has logically evolved from 85.5 million euros to 27.3 million euros in positive cash, which is in perfect correlation with the change in the requirement for working capital.

3. Services Division

The Services division now consists of 2 divisions: the Property Management business and the Consultancy and Solutions business.

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

Key Figures (in millions of euros)	30/06/2012	30/06/2011 restated	Reclassifications (*)	30/06/2011	Change
REVENUES	34.8	48.6	(0.3)	48.9	(28.5)%
Services in France	34.8	44.9		44.9	(22.6)%
Property Management	17.2	16.7		16.7	3.5%
Consultancy and Solutions	10.5	10.4		10.4	0.8%
Intra-business services	(0.2)	(0.2)		(0.2)	(4.0)%
Serviced Residences	7.3	18.1		18.1	(59.8)%
International Services	0.0	3.7	(0.3)	4.0	(100.0%)
EBITDA	1.5	3.2	0.2	3.0	(51.6)%
Services in France	1.5	2.6		2.6	(39.9)%
Property Management	1.9	1.8		1.8	0.2%
Consultancy and Solutions	(0.4)	(0.3)		(0.3)	42.3%
Intra-business services	0.0	0.0		0.0	0.0%
Serviced Residences	0.1	1.0		1.0	(87.1)%
International Services	0.0	0.6	0.2	0.4	(100.0%)
OPERATING PROFIT/LOSS	0.4	2.3		2.3	(82.1)%
Services in France	0.4	1.7		1.7	(76.0)%
Property Management	1.5	1.6		1.6	(7.1%)
Consultancy and Solutions	(0.7)	(0.6)		(0.6)	20.8%
Intra-business services	0.0	0.0		0.0	0.0%
Serviced Residences	(0.4)	0.7		0.7	(153.2)%
International Services	0.0	0.6		0.6	(100.0%)

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

Revenues from the Services division reached 34.8 million euros as at 30 June 2012 compared to 48.6 million euros as at 30 June 2011. This change is related to the effects of change in the scope. In fact, the sale in 2011 of the Spanish subsidiary specialising in the management of student residences and more recently, in 2012, of Icade Résidences Services has led to a loss in revenues of 14.5 million euros.

On a like-for-like basis, the revenue represents 27.5 million euros as at 30 June 2012, up by 2.5% compared to 30 June 2011.
This change is due to:

- stable revenues from the consultancy and expertise businesses, which are mainly related to:
    - the creation of Icade Asset Management at the end of 2011 to meet the requests of investors wanting an integrated offer. This contributed 0.4 million euros as at 30 June 2012;
    - a fall in the revenues of the consultancy business compared to June 2011, given the different split, compared to 2011, of the commission for successful transactions between the first and 2nd half of the year;

- a 0.6 million euro increase in the revenues of the Property Management business which is partly linked to fees for work.

Assets managed in France as at 30 June 2012:
2,440,000m² as the manager
1,416,000m² as the managing agent
725,000m² as the controller
15,300 accommodation units managed for institutional owners.

The assets managed at 30 June 2012 are stable compared to 31 December 2011.

Intra-group operations with Icade's other business lines

The consulting and expertise activities are associated with the disposal of various commercial property assets by Icade. In addition, the Property Services Division is involved in the management and sale of the widely-scattered residual residential properties. In terms of technical consultancy, the Property Services Division supports Icade in order to ensure the security of all Icade's business parks. This group of services represents less than 20% of the revenues of the Property Services Division in France.

The **EBITDA** is down 1.6 million euros. The companies sold contributed 1.6 million euros to the 2011 EBITDA. Excluding the effect of changes to the scope, the EBITDA is down 0.1 million euros.

The **Operating Profit/Loss** is down 1.8 million euros as at 30 June 2012. This fall mainly focused on the sold businesses which showed a 1.3 million euro operating profit over the 1st half of 2011 compared to a 0.4 million euro loss over the 1st half of 2012.

The sale of Icade Résidences Services, for 24.2 million euros, took place in March 2012. The income from this sale is recorded in the operating profit/loss for the sector "other".

4. Other

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

The **revenues** for "Other" reached (19.8) million euros as at 30 June 2012 compared to (34.1) million euros as at 30 June 2011. This corresponds in essence to the elimination of revenue related to intra-group operations.

The Property Development Division purchases property development contracts and assistance for contracting authorities from the Commercial Property Development Division: Offices in Villejuif, Le Millénaire Shopping Centre in Aubervilliers (93), EQHO tower in La Défense (92), the Beauvaisis building in Paris (75). The impact on revenues is (9.7) million euros as at 30 June 2012 compared to (23.6) million euros as at 30 June 2011.

Further to the opening of Icade Santé’s capital to external investors during the 1st half of 2012, Icade has sold various services to Icade Santé (asset management and property management contracts). Revenues made over the 1st half of 2012 amounted to 2.1 million euros.

The **operating profit** "Other" totalled 14.0 million euros as at 30 June 2012 compared to (10.3) million euros in 2011.

Over the 1st half of 2012, it consisted of:

- margin eliminations on Icade’s intra-group operations for (1.6) million euros
- the negative contribution of Icade’s “head office” charges for (4.9) million euros
- the profit from the sale of Icade Résidences Services, which took place in March 2012.

5. Profit/loss for the 1st half of 2012

5.1 Financial profit/loss

At 30 June 2012, Icade produced a financial loss of 51.6 million euros compared to a loss of 47.1 million euros at 30 June 2011.

This increase is mainly due to the acquisitions of clinics over the 2nd half of 2011, which is partly offset by the raising, from French institutional investors, of 250 million euros in its subsidiary Icade Santé, by increasing the reserved capital.

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

5.2 Tax charge

The tax charge for the 1st half of 2012 amounts to (18.0) million euros compared to (25.4) million euros as at 30 June 2011. This fall is mainly related to the Commercial Property Development business.
Moreover, in 2011, Icade recorded 4.9 million euros in non-current tax charges after capital gains from the sale of shops in the ground floors of buildings by Icade Commerce (a company that is not under the SIIC regime).

We recall that the accounts of Icade SA were audited during the 2010 financial year.
In its proposed correction dated 8th December 2010, the tax authorities questioned the market values as of 31st December 2006, based on the property valuations that were used as the basis for calculating the exit tax (corporate tax at the rate of 16.50%) during the combination/absorption of Icade Patrimoine (Assets) with Icade as of 1st January 2007. As a result, the exit tax bases were increased, generating additional tax of 204 million euros in principal. After taking note of the Company's observations (on 11th February 2011), the tax authorities reduced the amount of this supplementary tax (on 26th September 2011), taking it to 180 million euros, in principal. In another proposed correction dated 26 April 2012, the tax authorities informed Icade that it was considering changing the rate of taxation applicable to some of the revised amounts from 16.5% to 19%. The additional tax would then be 206 million euros. In consultation with its legal firms, the Company continues to dispute this assessment.

Consequently, as was the case at 31 December 2011, no provision was recorded for this purpose at 30 June 2012.

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

5.3 Group share of net profit

After taking the above information into consideration, the **Group Share of Net Profit** was 81.5 million euros as at 30 June 2012, compared to 48.4 million euros as at 30 June 2011. It also includes the minority interests of new investors in Icade Santé for 1.7 million euros.

III - ADJUSTED NET ASSET VALUE AS AT 30 JUNE 2012

As at 30 June 2012, the simple EPRA adjusted net asset value came to 4,400.8 million euros or 84.9 euros per share, i.e. a 2.9% fall compared to 31 December 2011, and the triple EPRA net asset value came to 4,188.7 million euros or 80.8 euros per share, i.e. a 3.4% fall compared to 31 December 2011. After adjustment for the dividend of 3.72 euros per share that was paid out in June 2012, the triple EPRA net asset value per share is up by 1.0%.

A - VALUATION OF PROPERTY ASSETS

1. Summary of expert valuations of Icade's assets

Group assets work out at 6,756.6 million euros excluding rights, compared to 6,727.3 million euros at the end of 2011, i.e. a change of +29.3 million euros over the 1st half of 2012 (+0.4%). On a like-for-like basis, the half-yearly change in portfolio value stands at +27.7 million euros, i.e. an increase of +0.4% compared to 31 December 2011, as shown in the table below:

Ex-rights value of assets in €M (1)	30/06/12	31/12/11	Change (in €M)	Change (as %)	Change on a like-for-like basis (in €M) (2)	Change on a like-for-like basis (as %) (2)
Commercial Property Investment division	6,481.8	6,415.5	+66.3	+1.0%	+26.3	+0.4%
Residential Property Investment Division	274.8	311.8	(37.0)	(11.9)%	+1.4	+0.5%
Value of the property assets	**6,756.6**	**6,727.3**	**+29.3**	**+0.4%**	**+27.7**	**+0.4%**

(1) Based on the scope of consolidation as at 30/06/12 (100% of assets consolidated by the full consolidation method and up to the percentage interest for other consolidated assets).
(2) Net variation in disposals and investments during the period.

As at 30 June 2012, the Residential Property division represented less than 4% of the total value of Icade's assets (compared with 5% at the end of 2011).

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

The property valuations were performed by Jones Lang LaSalle, DTZ Eurexi, CBRE Valuation and Catella.

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

At the start of 2012, the mission to value the Santé portfolio was renewed for 3 years.
For the office portfolios in Germany and housing, a valuation contract renewable every year was established between Icade and the property surveyors, conducting an internal rotation of their teams at the end of seven years.

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

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

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

These various texts specify the qualification of the surveyors, the rules for good conduct and ethics and the basic definitions (values, surface areas, rates and the main methods of valuation).
On each valuation assignment and during the presentation of values, Icade ensures the consistency of the methods used for valuation of these assets within the panel of surveyors.

The values are established on the basis of "rights included" and "ex-rights", the "ex-rights" values being determined after deduction of fees and legal expenses calculated on an outright basis by the surveyors.
The Crystal Park office building and the EQHO and Scor towers are appraised twice, the valuation retained corresponds to the average of the two appraised values.

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

Following the procedures currently in practice within the Group, all Icade's assets were valued at 30.06.12, with the exception of:

- properties currently the subject of an expert opinion, including those covered by a promise of sale at the time the accounts were closed and which are valued on the basis of the contract selling price; as at 30 June 2012, the Goldsteinstrasse office building in Frankfurt and offices in Fontaine-les-Dijon;

- the buildings underlying a financial operation (i.e. capital leasing or rent with the option to buy where Icade acts exceptionally as the lessor) which are maintained at the total financial debt entered in the accounts, or as in this case, the cost of the purchase option cited in the contract: the Levallois-Perret office block leased to the Ministry of the Interior for a 20-year duration with a purchase option (LDA) is the only building which figures in that category on 30 June 2012;

- public buildings and works held via a PPP (public-private partnership) which are not valued, as the ownership ultimately returns to the State at the end of the concession. These assets are therefore held at the net book value and are not listed in the property assets currently published by Icade.
- buildings purchased off-plan and/or by the Group's developers which are also valued at their cost price until the date of their delivery; no assets fall within this category as at 30 June 2012, as the last building in Villejuif was delivered during the 1st half of 2012;

- buildings acquired less than three months before the semi-annual or annual closing date, which are maintained at book value. As at 30 June 2012, there are no new acquisitions.

2. The Commercial Property Investment Division

At 30 June 2012, the overall value of the Commercial Property Investment division portfolio came out at 6,481.8 million euros excluding rights, compared to 6,415.5 million euros at the end of 2011, i.e. a rise of 66.3 million euros (+1.0%).

Commercial property portfolio (ex. rights) in €M	30/06/12	31/12/11 restated (1)	Restatements (1)	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Offices France	2,557.4	2,567.6	197.2	2,370.4	(10.2)	(0.4)%	+8.0	+0.3%
Business Parks	1,575.6	1,542.0		1,542.0	+33.6	+2.2%	+5.2	+0.3%
Shops and shopping centres	440.4	437.1		437.1	+3.3	+0.8%	+3.0	+0.7%
Healthcare (Icade Santé)	1,374.9	1,317.0	(197.2)	1,514.2	+57.9	+4.4%	+32.6	+2.5%
Warehouses	235.9	247.3		247.3	(11.4)	(4.6)%	(12.7)	(5.1)%
Offices Germany	297.6	304.5		304.5	(6.9)	(2.3)%	(9.8)	(3.2)%
Total Commercial Property Division	**6,481.8**	**6,415.5**		**6,415.5**	**+66.3**	**+1.0%**	**+26.3**	**+0.4%**

(1) The Offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare division to the Offices division as at 30 June 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account. Consequently, as at 30 June 2012, the Healthcare division only consists of assets owned by Icade santé.

After eliminating the impact of investments and disposals carried out during the 1st half of 2012, the change in the value of commercial assets amounted to +0.4% on a like-for-like basis.

In terms of value, 72% of the portfolio is located in Ile-de-France, predominantly in Paris and the inner ring of suburbs. Buildings situated in Paris and La Défense alone represent almost 30% of the total. The assets located in Germany, which are included in the Office segment, represented 5% of the portfolio.

Valuation of the commercial property assets by geographical sector	Valuation excluding rights (in millions of euros)		Change (in millions of euros)	Change on a like-for-like basis	Change on a like-for-like basis
	30/06/12	31/12/11		(in millions of euros)	(as %)
Paris CBD	273	270	+3	+2	+0.8%
Paris (excluding CBD)	887	923	(36)	+9	+1.0%
La Défense	741	698	+43	(5)	(0.7)%
Western Crescent	1,017	1,021	(4)	+2	+0.3%
Inner Ring	1,406	1,382	+24	+11	+0.8%
Outer Ring	342	331	+11	+2	+0.6%
Subtotal for the Ile-de-France region	**4,666**	**4,625**	**+41**	**+21**	**+0.5%**
Province	1,519	1,486	+33	+15	+1.0%
Germany	297	304	(7)	(10)	(3.2)%
TOTAL	**6,482**	**6,415**	**+67**	**+26**	**+0.4%**

The amount of land and projects under development amounted to 744.0 million euros as at 30 June 2012 and breaks down to 86.1 million euros in land and 657.9 million euros in projects under development.

The value of the strategic assets, the diversified assets and the non-strategic assets as at 30 June 2012 are reiterated below.

2.1 The Commercial Property Investment Division – Strategic assets

These assets include the buildings belonging to Office Investment Property France and the property assets in Business Parks.

Value of property assets in €M	30/06/12	31/12/11 restated (1)	Restatements (1)	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Offices France	2,557.4	2,567.6	197.2	2,370.4	(10.2)	(0.4)%	+8.0	+0.3%
Business Parks	1,575.6	1,542.0		1,542.0	+33.6	+2.2%	+5.2	+0.3%
Strategic	**4,133.0**	**4,109.6**	**197.2**	**3,912.4**	**+23.4**	**+0.6%**	**+13.2**	**+0.3%**

(1) The Offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare division to the Offices division as at 30 June 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account.

2.1.1 Offices in France

The overall value of this portfolio stood at 2,557.4 million euros ex-rights at 30 June 2012 compared to 2,567.6 million euros at the end of 2011, representing a decrease of 10.2 million euros.

The office building in Levallois-Perret (92), with a net floor area of 30,000m², acquired in 2006 for 179.2 million euros including costs and works, was leased to the Ministry of the Interior for a 20-year period with an option to purchase. With regard to the provisions retained in the lease, which render this operation similar to property financing, the building was not appraised on 30 June 2012, as it was on 31 December 2011. This lease contract was used when calculating the net asset value

corresponding to the amount of the financial debt entered in the accounts, i.e.159.4 million euros at 30 June 2012 (compared to 168.0 million euros in 2011).
During the 1st half of 2012, investments made in office assets, which mainly include work on the EQHO tower, amounted to a total of 47.2 million euros. After eliminating the impact of these investments and disposals of the Le Mistral building in Paris, the lots of the Montparnasse commercial gallery and the shop in Evreux, the change in value of the assets of the Offices division as at 30 June 2012 is +8.0 million euros on a like-for-like basis, i.e. +0.3%.

This change of +9.6 million euros as at 30 June 2012 is mainly due to the impact of a business plan for the buildings, which includes the change in the rental situation and the works budget and the effect of indexation on rent.

Return on assets and reversion potential

Valuation of Office property assets	Valuation rights included (in millions of euros) (1)	Valuation excluding rights (in millions of euros) (2)	Net return excluding rights (3)	Average price €/m² (4)
Paris	**398**	**379**	**6,1%**	**10,001**
La Défense	231	217	9,5%	4,785
Western Crescent	1,059	1,013	6,5%	7,745
Inner Ring	350	344	6,4%	4,732
Outer Ring	39	36	11,4%	1,266
Total for the Ile-de-France region	**2,077**	**1,989**	**6,8%**	**6,305**
Province	42	40	8,6%	1,672
TOTAL	**2,119**	**2,029**	**6,9%**	**5,978**
Property reserves and projects under development (5)	538	528	n/a	n/a
TOTAL	**2,657**	**2,557**		

(1) Rights-inclusive valuation of office assets established from the average of surveyed values as at 30 June 2012.
(2) Ex-rights valuation of the office assets established from the average surveyed values as at 30 June 2011 (after deducting fees and lump-sum legal expenses calculated by the surveyors).
(3) Net annualised rents for rented floor areas added to potential net rents of vacant floor areas at the market rental value related to the ex-rights surveyed value of the rentable floor areas.
(4) Established according to the appraisal value excluding rights.
(5) Mainly includes the EQHO tower.

The yield of the Office Division's buildings was 6.9% at 30 June 2012 (compared to 6.8% at the end of 2011) for a reversion potential (*) valued at -5.0% according to the market rental values estimated by the property surveyors. This is due to the stability of rates taken into account by the surveyors to calculate the values of assets as part of rent increases due to indexation.

(*) reversion potential: difference ascertained between the market rental value of the rented space and the annual rent net of unrecoverable charges for the same space (expressed as a percentage of net rent). The reversion potential as calculated above is established without taking into consideration the schedule of repayments of the leases and is not subject to discounting.

2.1.2 The Commercial Property Investment Division – Business Parks

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

The market value of the business park assets was assessed at 1,575.6 million euros excluding rights at 30 June 2012 compared to 1,542.0 million euros at 31 December 2011, representing an upward change of 33.6 million euros (+2.2%).

Icade made 28.3 million euros of maintenance and development investments in its business parks during the 1st half of 2012.

On a like-for-like basis, after neutralising investments for the half-year, the value of the business park assets increased by 5.2 million euros over the 1st half of 2012, which is +0.3%. This change is mainly due to the impact of the business plan for buildings.

Geographical breakdown of assets

Value of the property assets of Business Parks	Valuation excluding rights	
	(in millions of euros)	(as %)
Paris (75)	773	49.1%
Saint Denis (93)	165	10.4%
Aubervilliers (93)	638	40.5%
TOTAL	**1,576**	**100%**

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

Return on assets and reversion potential

Value of the property assets of Business Parks	Valuation rights included (in millions of euros)	Valuation excluding rights (in millions of euros)	Net return excluding rights	Average price €/m²
Parc du Pont de Flandre	423	401	7,1%	4,433
Parc des Portes de Paris	721	683	8,7%	2,161
Parc du Millénaire	336	329	6,5%	4,918
Parc le Mauvin	29	27	8,7%	1,685
TOTAL	**1,509**	**1,440**	**7,8%**	**2,942**
Property reserves and projects under development (1)	137	136	n/a	n/a
TOTAL	**1,646**	**1,576**		

(1) Mainly includes property reserves, buildings being refurbished (including parc des Portes de Paris: buildings 101 and 410) and development projects (including parc des Portes de Paris: building 122 and 302 and Millénaire 3 and 4).

On the basis of rents as at 30 June 2012, the return on the business park assets was 7.8% (compared to 7.6% at the end of 2011) and the reversion potential of the portfolio is estimated at -0.1% based on the market rental values used by property surveyors.

2.2 The Commercial Property Investment Division - Diversified assets

These assets include shops and shopping centres and the Healthcare portfolio.

Value of property assets in €M	30/06/12	31/12/11 restated (1)	Restatements (1)	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Shops and shopping centres	440.4	437.1		437.1	+3.3	+0.8%	+3.0	+0.7%
Healthcare	1,374.9	1,317.0	(197.2)	1,514.2	+57.9	+4.4%	+32.6	+2.5%
Diversification	**1,815.3**	**1,754.1**	**(197.2)**	**1,951.3**	**+61.2**	**+3.5%**	**+35.6**	**+2.0%**

(1) The Offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare division to the Offices division as at 30 June 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account.

2.2.1 Commercial Property Investments Division – Shops and Shopping Centres

At 30 June 2012, this class of assets includes the Odysseum shopping centre in Montpellier developed by Icade Promotion and opened in 2009, the Le Millénaire shopping centre located in Aubervilliers, developed in a 50/50 partnership with Klépierre and delivered in April 2011, as well as the portfolio of Mr. Bricolage stores acquired at the beginning of 2008.

At 30 June 2012, the overall value of the Shops and Shopping Centre assets stood at 440.4 million euros ex-rights, compared to 437.1 million euros at the end of 2011, representing an increase of 3.3 million euros (+0.8%).

Valuation of Shop assets in € million	30/06/12	31/12/11	Change (€M)	Change (%)	Change on a like-for-like basis (€M)	Change on a like-for-like basis (%)
Shopping centres	317.0	317.0	+0.0	+0.0%	(0.3)	(0.1)%
Icade Bricolage	123.4	120.1	+3.3	+2.8%	+3.3	+2.8%
Shops and shopping centres	**440.4**	**437.1**	**+3.3**	**+0.8%**	**+3.0**	**+0.7%**

The like-for-like change in the valuation of Shops and Shopping Centres amounted to +3.0 million euros over the 1st half of 2012 (+0.7%). About -1.0 million euros of this change can be explained by an upward adjustment in the yield and discount rates used by the property surveyors; the revision of the business plan assumptions for the buildings accounts for +4.0 million euros.

Return on assets

Valuation of Shop assets	Valuation rights included (in millions of euros)	Valuation excluding rights (in millions of euros)	Net return excluding rights	Average price €/m²
Paris	8	8	6.4%	3,053
Inner Ring	201	189	5.5%	6,358
Outer Ring	4	4	7.5%	744
Province	248	239	6.7%	1,361
TOTAL	**461**	**440**	**6.2%**	**2,063**

The net return on the retail portfolio was 6.2% as at 30 June 2012 (compared to 6.1% at the end of 2011).

2.2.2 The Commercial Property Investment Division – Healthcare

The Healthcare property portfolio consists of clinics and healthcare establishments.

The offices in Levallois-Perret, the CERS, the Cap Breton hotel and the crèche in Blagnac were reclassified from the Healthcare division to the Offices division as at 30 June 2012 and, due to homogeneity concerns, the figures from 31 December 2011 were adjusted to take this new classification into account. Consequently, as at 30 June 2012, the Healthcare division only consists of assets owned by Icade santé.

The overall value of this portfolio was estimated at 1,374.9 million euros ex-rights at 30 June 2012, compared to 1,317.0 million euros at the end of 2011, representing an increase of 57.9 million euros.

On a like-for-like basis, after eliminating investments for the half-year in the sum of 25.3 million euros, the value of the portfolio changed by +32.6 million euros over the 1st half of 2012, i.e. +2.5%. About +8.8 million euros of this change is explained by the impact of interest rates and +23.8 million euros by the impact of the business plans for the buildings.

<u>Geographical breakdown of assets</u>

Valuation of Healthcare assets	**Valuation excluding rights**	
	(in millions of euros)	(as %)
Inner Ring	70	5.1%
Outer Ring	292	21.2%
Total for the Ile-de-France region	**362**	**26.3%**
Province	1,013	73.7%
TOTAL	**1,375**	**100%**

<u>Return on assets</u>

Valuation of Healthcare assets	**Valuation rights included (in millions of euros)**	**Valuation excluding rights (in millions of euros)**	**Net return excluding rights (1)**	**Average price €/m²**
Clinics and other healthcare establishments	1,448	1,370	6.7%	2,300
Property reserves and projects under development (2)	5	5	n/a	n/a
TOTAL	**1,453**	**1,375**		

(1) Annualised rent net of non-recoverable charges for assets related to their ex-rights surveyed value. supplemented where necessary by additional rent contracted if work is carried out.
(2) Mas du Vendomois in Naveil.

The net return on the clinics portfolio was 6.7% as at 30 June 2012 (compared to 6.8% at the end of 2011).

2.3 The Commercial Property Investment Division – Non-strategic assets

These assets include Warehouses and Offices in Germany.

Value of property assets in €M	30/06/12	31/12/11 restated	Restatements	31/12/11	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros)	Change on a like-for-like basis (as %)
Warehouses	235.9	247.3		247.3	(11.4)	(4.6)%	(12.7)	(5.1)%
Offices Germany	297.6	304.5		304.5	(6.9)	(2.3)%	(9.8)	(3.2)%
Non-strategic	**533.5**	**551.8**		551.8	**(18.3)**	**(3.3)%**	**(22.5)**	**(4.1)%**

2.3.1 The Commercial Property Investment Division – Warehouses

The market value of the warehouse assets was assessed at 235.9 million euros excluding rights at 30 June 2012 compared to 247.3 million euros at 31 December 2011, representing a downward change of 11.4 million euros (-4.6%).

On a like-for-like basis, after eliminating investments for the 1st half-year of 2012, the value of these assets was down by 12.7 million euros, i.e. -5.1%. This change is explained by the combined effect of an increase in interest rates leading to a reduction in value by about 10.8 million euros, plus the effects of the business plan for the buildings with a negative impact of -1.9 million euros..

Return on assets and reversion potential

Valuation of Warehouse assets	Valuation rights included (in millions of euros)	Valuation excluding rights (in millions of euros)	Net return excluding rights	Average price €/m²
Outer ring	10	10	17.0%	338
Province	239	226	10.6%	397
TOTAL	**249**	**236**	**10.9%**	**394**

The return on the Warehouse assets was 10.9% at 30 June 2012 (compared to 10.4% at 31 December 2011) for a reversion potential valued at -6.2% based on the market rental values estimated by the property surveyors.

2.3.2 The Commercial Property Investment Division - Offices in Germany

The market value of the Offices in Germany assets was assessed at 297.6 million euros excluding rights at 30 June 2012 compared to 304.5 million euros at 31 December 2011, representing a downward change of 6.9 million euros (-2.3%).

On a like-for-like basis, after eliminating investments for the 1st half-year of 2012, the value of these assets was down by 9.8 million euros, i.e. -3.2%. This change is due to an increase in interest rates leading to a reduction in value by about 14.7 million euros, which is partly offset by a positive business plan effect of 4.9 million euros.

Return on assets and reversion potential

Valuation of property assets in Germany	Valuation rights included (in millions of euros)	Valuation excluding rights (in millions of euros)	Net return excluding rights	Average price €/m²
Offices Germany	230	222	8.0%	1 838
Property reserves and projects under development (1)	80	76	n/a	n/a
TOTAL	**310**	**298**		

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

The return on the Offices in Germany assets was 8.0% at 30 June 2012 (compared to 7.5% at 31 December 2011) for a reversion potential valued at -10.3% based on the market rental values estimated by the property surveyors.

3. The Residential Property Investment Division

The assets of the Residential Property Investment division as at 30 June 2012 are composed of the buildings managed by the SNI, together with the joint ownership housing and various residual assets of the Residential Property Investment division, which were valued on the basis of property valuations.

The value of the Residential Property Investment Division's portfolio stood at 274.8 million euros ex-rights at 30 June 2012, compared to 311.8 million euros at the end of 2011, representing a change of -37.0 million euros (-11.9%).

This change is mainly due to the effect of disposals. On a like-for-like basis, the change in the valuation of the Residential Property division's assets is stable by +1.4 million euros (0.5%).

4. Methodology used by the surveyors

The methods used by the surveyors are identical to those used for the previous financial year (see 2011 reference document).

B – VALUATION OF SERVICE AND DEVELOPMENT BUSINESSES

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

On this basis, at 30 June 2012, the company value of the property development and service businesses corresponded to 353.0 million euros compared with 475.2 million euros at the end of 2011, a decrease of 26%. This change is due to:

- the impact of changes to the scope (sale of IRS);
- adjustments to business assumptions and strict working capital in each company's business plan;
- an increase in discount rates applied by the independent valuer.

The equity value used to calculate NAV was reached by deducting net debt from the company value. This was down compared with 31 December 2011 due particularly to property development companies' commercial successes achieved at the end of 2011.

Consequently, the equity value of services and property development companies was 403.5 million euros compared with 426.6 million euros at 31 December 2011, representing a 5.4% decrease. Once the value of IRS, a company which was sold during the 1st half of 2012, is subtracted, the decrease in value is 1.2%.

The value of these companies on 30 June 2012 breaks down as 88% for the development companies and 12% for the service companies.

Among the financial parameters adopted, the surveyor used an increased weighted average cost of capital (as compared to the valuation made at the end of 2011), ranging from 8.98% to 11.40% for the service companies and from 9.46% to 13.48% for the development companies.

C – METHODOLOGY FOR CALCULATING NET ASSET VALUE

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

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

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

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

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

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

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

(+/-) the positive or negative effects of conversion to market value of fixed-rate financial debts not taken into account under the IFRS standards (according to the IFRS standards, derivative financial instruments are shown on the balance sheet at their fair value and the financial liabilities are carried at cost);

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

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

D – CALCULATION OF THE EPRA NET ASSET VALUE

1. Consolidated shareholders' equity

As at 30 June 2012, the group share of consolidated capital and reserves came to 2,672.6 million euros, including a group share of net profit of 81.5 million euros. The development of the hedge instrument cash flow market has a negative impact of 8.9 million euros on capital.

2. Unrealized capital gains on property assets

Unrealized capital gains to be taken into account stem from the valuation of property assets which are still accounted for at cost on the balance sheet. At 30 June 2012, unrealised capital gains excluding rights and legal fees came to 1,523.0 million euros.

3. Unrealized capital gains on development and services companies

A valuation of development and service companies was carried out on 30 June 2012 by an independent surveyor. It showed unrealized capital gains of 32.9 million euros which were taken into account in the calculation of the EPRA NAV at 30 June 2012, compared to unrealized capital gains of 101.7 million euros at 31 December 2011.
This sharp fall is partly due to a fall in unrealized capital gains as a result of the sale of IRS and partly due to the impact of the undistributed profits for 2011 of development companies on the capital included in the calculation of unrealized capital gains.

4. Market value of debt

Pursuant to IFRS rules, derivative financial instruments are accounted for on Icade's consolidated balance sheet at their fair value. Converting fixed rate debt to fair value had a negative impact of 26.9 million euros and is taken into account in the calculation of the EPRA Net Asset Value.

5. Calculation of unrealized tax

The tax liability on unrealised capital gains on buildings not eligible for the SIIC regime is calculated at a rate of 34.43% on the difference between the fair value of the assets and their net book value. This amounted to 3.5 million euros at 30 June 2012. This tax liability applies primarily to the assets held by Icade Commerces and the assets of Icade REIT in Germany, taxed at 15.83%.
The tax liability on unrealized capital gains on holdings in service and development companies is calculated at a rate of 34.43% for securities held for less than two years and a rate of 3.44% for securities held for over two years. These rates increased to 36.10% and 3.61% respectively for the exceptional contribution for the shares that Icade held directly. As at 30 June 2012, the tax liability on unrealized capital gains on equity shares totalled 9.4 million euros.

6. Treasury shares and securities giving rights to capital

The number of fully-diluted shares used when calculating the EPRA NAV at 30 June 2012 was 51,833,763, after cancelling treasury stock. The impact of diluting instruments is 69,475 shares as at 30 June 2012.

The group share of the simple EPRA NAV was 4,400.8 million euros at 30 June 2012, i.e. 84.9 euros per share.

The group share of the triple EPRA NAV was 4,188.7 million euros at 30 June 2012, i.e. 80.8 euros per share.

Group share of consolidated capital	(1)	2,672.6	2,738.3
Impact of share dilution giving access to capital	(2)	0.0	0.0
Unrealized capital gain on property assets (ex-rights)	(3)	1,523.0	1,504.7
Unrealized capital gain on development companies (1)	(4)	24.9	71.0
Unrealized capital gain on service companies (2)	(5)	8.0	30.8
Restatement of the revaluation of rate hedging instruments	(6)	172.4	163.5
Group share of EPRA NAV	(7)=(1)+(2)+(3)+(4)+(5)+(6)	**4,400.8**	**4,508.3**
Restatement of the revaluation of rate hedging instruments	(8)	(172.4)	(163.5)
Revaluation of fixed-rate debt	(9)	(26.9)	(18.5)
Tax liability on unrealised capital gain on property assets (excl. rights)	(10)	(3.5)	(4.4)
Tax liability on unrealised capital gain on securities for development companies	(11)	(7.6)	(7.6)
Tax liability on unrealised capital gain on securities for service companies	(12)	(1.8)	(1.8)
Group share of EPRA triple net NAV	(13)=(7)+(8)+(9)+(10)+(11)+(12)	**4,188.7**	**4,312.5**
Number of fully diluted shares in millions	n	51.8	51.6
EPRA NAV per share *(Group share - fully diluted in €)*	(7)/n	**84.9**	**87.5**
Half-year increase			*(2.9)%*
EPRA triple NAV per share *(Group share - fully diluted in €)*	(13)/n	**80.8**	**83.7**
Half-year increase			*(3.4)%*

(1) The reduction in unrealized capital gains is due to the impact of the undistributed profit for 2011 taken into account in the calculation on the capital of development companies. The valuation of the capital has remained stable: 354.9 million euros as at 30 June 2012 compared to 354.2 million euros at the end of 2011.

(2) The fall in unrealized capital gains is due to the disposal of IRS.

Change in liquidation NAV in euros per share

EPRA NAV, triple net, Group share as at 31/12/11 (in euros per share)	83.7 €
Semi-annual change in shareholders' equity	(1.3) €
o/w dividends paid during the 1st half of the year	*(3.7) €*
o/w the Group share of consolidated profit for the 1st half of the year	*1.6 €*
o/w change in fair value of financial derivative instruments	*(0.2) €*
o/w impact of the liquidity contract	*0.3 €*
o/w impact of the opening of the capital of Icade Santé (1)	*0.7 €*
Change in the impact of the number of diluted shares on shareholders' equity	0.0 €
Change in capital gains on property assets	0.4 €
Change in the capital gain on property-development and service companies	(1.0) €
Change in the scope of the Property Services division(2)	(0.3) €
Change in tax on unrealized capital gains	0.0 €
Change in the fair value of fixed-rate debt	(0.2) €
Change in the number of diluted shares on the NAV per share	(0.5) €
EPRA triple net NAV, Group share as at 30/06/12 (in euros per share)	**80.8 €**

(1) Impact linked to the of realization of latent capital gains on Healthcare assets due to Icade Santé's capital increase
(2) *Impact of the sale of IRS*

The EPRA triple net NAV has fallen 3.4% during the 1st half of 2012 but is up 1.0% after the restatement of the dividend of 3.72 euros per share paid in June 2012.

IV – FINANCIAL RESOURCES

In an uncertain climate, including on the liquidity market, Icade has continued its policy of optimising its financial structure to enable it to confidently envisage the future. Even though it has no short-term needs, Icade wanted to strengthen its prudent approach to managing its resources, with the aims of proactively managing its schedule and strengthening its leeway. This approach has led the company to forecast all the combined needs of Icade and Silic, by signing, in July 2012, with a pool of seven banks, new block funding of 1,550 million euros divided into three tranches:

- A Medium Term Credit Line for 625 million euros with a maturity of 5 years, to allow Icade to cover the combined medium-term needs of Icade and Silic. For this purpose, Icade has granted Silic two financing streams for a total in principal amount of 400 million euros.

- A Revolving Credit Facility in the sum of 550 million euros with a maturity of three years, to allow Icade to strengthen its financial structure by increasing its available credit lines.

- A Forward Start Credit Line for 375 million euros, to allow Icade to forecast the refinancing of a portion of its syndicated loan of 900 million euros maturing in July 2014.

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

These credit lines were set up on 20 July 2012 and therefore do not appear in the data at 30 June 2012.

A - CASH ASSETS

New financial resources were obtained during the 1st half of 2012 by renewing existing credit lines and by setting up new confirmed credit lines. The main financing operations over the first six months of 2012 were as follows:
- renewal of 30 million euros of short-term credit lines;
- setting-up of 100 million euros of medium-term credit lines.

Bank lines of credit have an average spread of 122 base points and an average term of 2.4 years.

Icade has drawing capacity on short and medium-term credit lines of nearly 422.5 million euros, to be used entirely as it sees fit.

B – DEBT STRUCTURE AS AT 30 JUNE 2012

1. Nature of debt

The gross financial debt of 2,842.8 million euros as at 30 June 2012 consisted of the following:

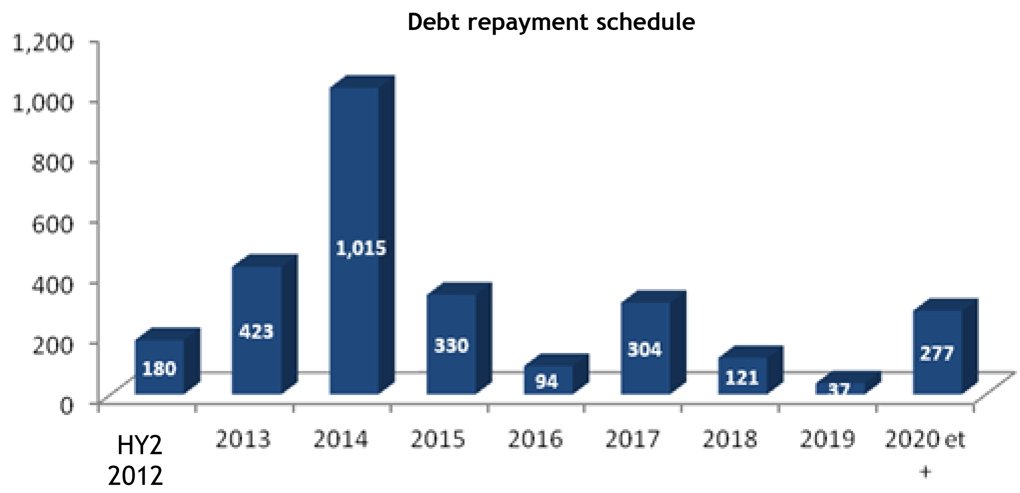
- 2,251.3 million euros in corporate loans;
- 286.2 million euros in mortgage financing;
- 93.5 million euros in private placement;
- 144.5 million euros in direct-financing leases;
- 12.0 million euros in other debt (feeder loans, debt associated with holdings);
- 55.3 million euros in bank overdrafts.

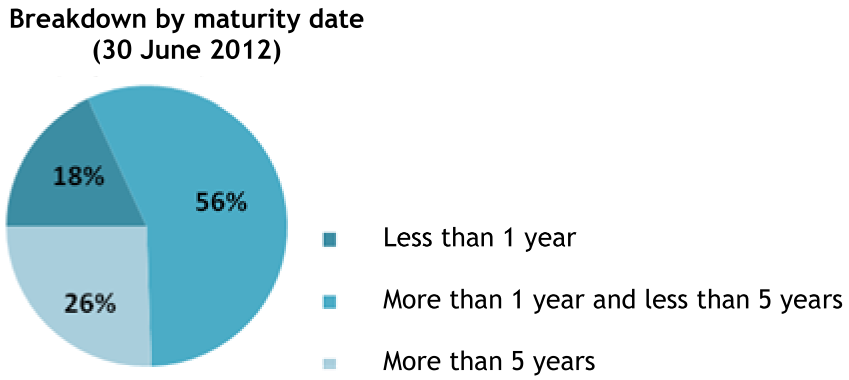
Net financial debt totalled 2,666.6 million euros at 30 June 2012, down by 24.3 million euros in comparison with 31 December 2011. This rather stable change primarily reflects:

- repayments of 210 million euros for credit lines used at the end of 2011 and repaid at the start of the 1st half of 2012;
- drawdowns of revolving lines of credit, of 141 million euros;
- new debts for 54 million euros (lease purchase and drawdown of a loan);
- natural debt amortization and repayments of corporate and mortgage credit lines for a total of 100 million euros;
- natural amortization on finance leases up to 10 million euros;
- reduced cash-flow of approximately 119 million euros.

2. Maturity of debt

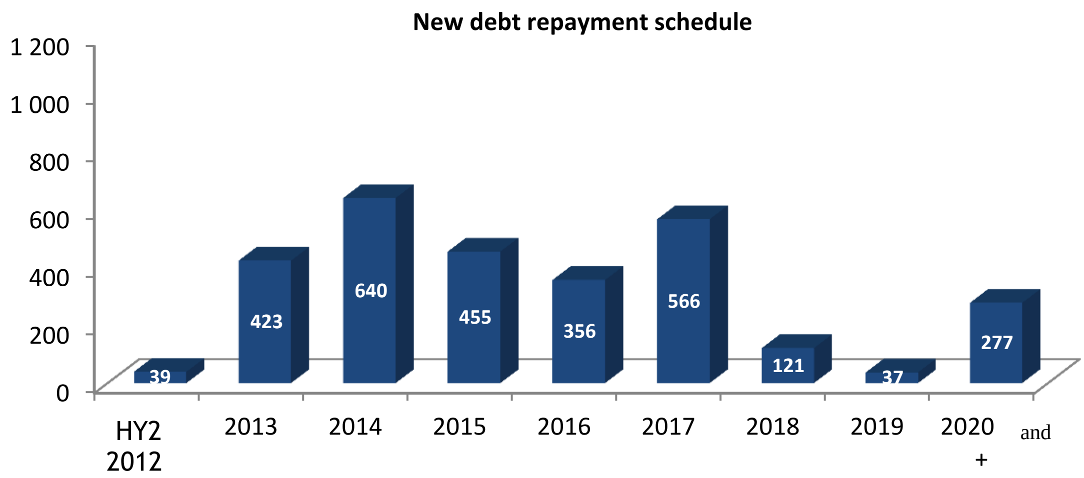
The maturity schedule of the debts drawn by Icade (excluding overdrafts) as at 30 June 2012 is given below, in millions of euros:





The average length of total debt is 3.6 years, decreasing over the six months.
Taking into account the new financing structure set up during July, the average length has changed to 4.1 years.

For information purposes, the maturity schedule of the debts drawn, including the new financing structure, adjusted for the intra-group loan, is given below:



3. Debt by business

After allocating intra-group refinancing, nearly 94.2% of the Group's bank debt concerns the property investment business and 5.8% concerns property development; the share allocated to the service business line is insignificant. These proportions are stable compared to the 2011 financial year.

4. Average cost of debt

During the 1st half of 2012, the average cost of financing came to 2.12% before hedging and 4.08% after hedging, compared to 2.20% and 4.08% respectively in 2011.
Such near-stability is due to an average fixing level of Icade's debts applied in general at the end of 2011, which only partly includes the fall in interest rates which began during the 1st half of 2012. To recap, the average 3 month Euribor rate, recorded in 2011 to be 1.393%, fell during the 1st half of 2012 to 0.872%.
Given the current interest rates and the new financing conditions, their application should have, all things being the same elsewhere, a slightly favourable effect on the average cost of Icade's debt.

5. Interest rate risk

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

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

Changes in financial markets can entail a variation in interest rates, which may be reflected in an increase in the cost of refinancing. To finance its investments, Icade focuses on the use of floating-rate debt, which is then hedged, thus conserving its ability to prepay loans without penalties. This represents, before hedging, nearly 87.9% of its debt as at 30 June 2012 (excluding debts associated with equity interests and bank overdrafts).

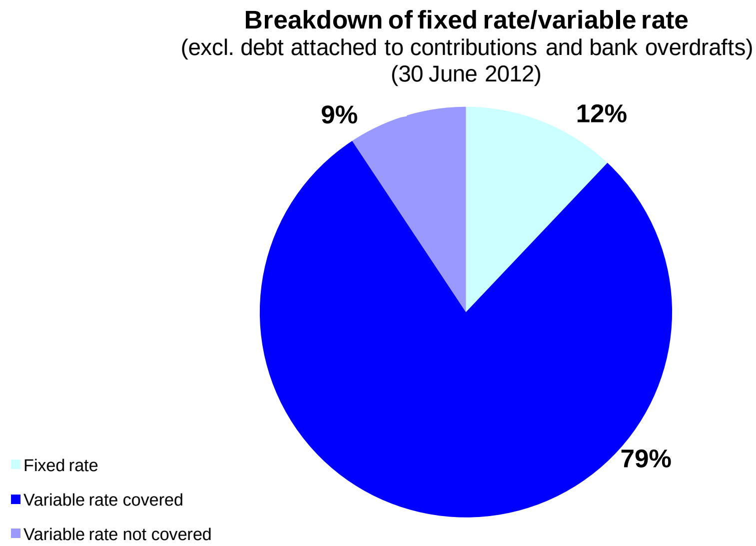
During the 1st half of 2012, Icade continued its policy of carefully managing its debt by maintaining limited exposure to interest rate risks by:

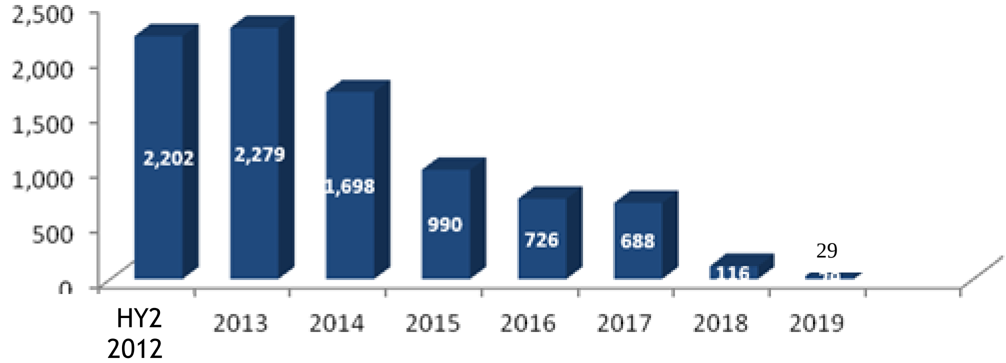
- setting up suitable hedging agreements (mainly plain vanilla swaps over the half-year), and;
- changing rate benchmarks on revolving debts, hedged by base swaps.

Therefore, three base swaps, for a total of 150 million euros were concluded to support a change in the maturity of drawdowns, which were already previously hedged. A 12 year swap for 12 million euros was also set up in a lease purchase agreement.

The main amount of the debt (90.7%) is protected against a rise in interest rates (fixed rate debt or floating rate debt hedged by vanilla instruments such as swaps or caps). Short-term drawdowns over the 1st half of 2012 have not been hedged as the markets were anticipating a drop in the Euribor rate.

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





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

30/06/2012	Financial Assets (*) (a)		Financial Liabilities (**) (b)		Net Exposure before Hedging (c) = (a) - (b)		Rate hedging instrument (d)		Net Exposure after Hedging (e) = (c) + (d)	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
Less than one year		334.3	22.2	547.3	-22.2	-213.0		751.2	-22.2	538.3
More than 1 year and less than 5 yrs			53.4	1,512.3	-53.4	-1,512.3		1,295.9	-53.4	-216.4
Over 5 years			267.2	440.4	-267.2	-440.4		421.9	-267.2	-18.5
Total		**334.3**	**342.8**	**2,500.0**	**-342.8**	**-2,165.7**		**2,469.0**	**-342.8**	**303.3**

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

The average term of variable rate debt works out at 2.6 years. The average term of the related hedges, which have a longer term, is around 3.0 years; this is mainly due to the implementation of a longer hedging policy in 2011, in order to cover future cash flows.

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

During this financial year, the notional amount of cash-flow hedges remained stable. Considering the year’s profile, and the change in interest rates, we note a negative impact on the capital and reserves of 8.9 million euros.

C - FINANCIAL STRUCTURE

1. Financial structure ratio

The LTV (Loan To Value) ratio: (Net financial debt / Net asset value ex. rights) comes out at 39.5% as at 30 June 2012 (compared to 40% as at 31 December 2011).
To recap, the LTV at 31 December 2011 adjusted by the opening of the capital of Icade Santé was 36.3%. The increase in this level is mainly due to the total of investments and the distribution of the dividend which were only partly offset by cash-flows for the period.
Up to more than 0.4% of the normative fall is due to the fall in net debt and 0.2% is due to the increase in the net asset value.

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

Also, this figure is the result of a prudent calculation because it includes all of Icade's debt (debt related to property-development, services and PPP, etc.) without taking into consideration the value of these assets or of these companies, since it is calculated only on the value of the assets of the Commercial Property division, ex-rights. After taking into account the value of the Development and Service companies and the value of the PPP assets, the adjusted LTV ratio was 37.5% as at 30 June 2012.

2. Interest hedging ratio

The ratio of interest hedging by operating income (corrected for depreciation) was 4.49x over the 1st half of 2011. This ratio increased in comparison with previous years (3.77x in 2011), considering the increase in operating profit over the six months. Compared with EBITDA rather than with Operating Profit, this ratio works out as 3.42x.

FINANCIAL RATIOS	30/06/2012	31/12/2011
Net financial debt/net asset value ex-rights (LTV)	39.5 %	40.0 %
Net financial debt/NAV including development and service companies (adjusted LTV)	37.5 %	37.4 %
Ratio of interest hedging to operating profit/loss (ICR)	4.49x	3.77x

3. Covenants table

		Covenants	30/06/2012
LTV (*)	Maximum	< 45% and < 50%	39.5 %
ICR	Minimum	> 2x	4.49x
Control CDC	Minimum	50.1 %	55.57 %
Value of investment property assets	Minimum	> 3 billion euros	6.7 billion euros
Debt ratio of subsidiaries/Consolidated gross debt	Maximum	33%	18.48 %
Surety on assets	Maximum	< 20% of property assets	7.09 % **

(*) around 91% of the debt relating to an LTV covenant has a limit of 50%, with a limit of 45% for the remaining 9 %
(**) maximum calculation under the loan clauses

The covenants were respected as of 30 June 2012.

V – OUTLOOK

With the continued success of transformation operations conducted in 2010 and 2011, the sale of the residential properties portfolio, and the acquisition and consolidation of Compagnie la Lucette, Icade continues to pursue its strategy in the proposed combination through its combination with Silic. This will allow the new group to become a leader on the commercial property market in France and strengthen its stock market status while retaining a solid capital structure.

The schedule for the completion of the combination has shifted given the proceedings filed by some minority shareholders in Silic in objection to the AMF's compliance decision regarding the public bid and the timeframes of the Court of Appeal. Icade anticipated the inclusion of Silic's balance sheet, taking into account this property investment company's short-term refinancing requirements in the structuring of its own liabilities through the signing of a three tranche financing agreement in July 2012 for a total amount of more than 1.5 billion euros.

In addition, high profile institutional investors invested 250 million euros in Icade Santé during the 1st quarter of 2012 via an increase in reserved capital. This initial capital increase was applied based on the NAV of Icade Santé and took Icade's stake in Icade Santé to approximately 70%. Other capital increases will be performed in future, in order to fund Icade Santé's next investments. Icade will retain control of its subsidiary. For Icade, this transaction will enable the funding of forthcoming asset and portfolio acquisitions, by retaining an unchanged contribution to its cash flow from this asset class, and by pooling management costs.

2012-2015 will see the delivery of a number of identified projects and some earlier projects in development. This pipeline of investment projects representing approximately 480 million euros is a testament to Icade's desire to rely on the expertise of its Commercial Property Development business to develop projects which generate future cash flows and create value in the medium term.

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 the Grand Paris project. The successful management of its unique property reserves, which could be bolstered by Silic's, will allow Icade to offer a comprehensive range of products, the pace of which will be determined by market needs.

Given current market conditions, and particularly those pertaining to property development, Icade is maintaining its target for 2012 of double-digit growth in its net current cash flow.