



Press release
Paris, 14 May 2013

Activity for the 1st quarter of 2013

The Property Investment Division's turnover rose 4% in the 1st quarter of 2013 compared with the 1st quarter of 2012, while the Property Development division's turnover was down 12%. Consolidated turnover for the 1st quarter was down 8% to 316.7 million euros.

PROPERTY INVESTMENT DIVISION

- Rise of 4% in the Property Investment division's turnover as a result of changes in scope and sustained rental activity in 2012 and early 2013. Turnover was up 1% on a like-for-like basis;
- Renewal of six leases relating to 19,000 m², securing 2.1 million euros over an average fixed term of 10 years;
- As part of portfolio rationalisation, planned disposals of 11 logistics platforms for 145 million euros also in April 2013, along with the block sale of 849 housing units for 43 million euros.

PROPERTY DEVELOPMENT DIVISION

- Residential Property Development: the sluggish market (end of the *Scellier* scheme, gradual implementation of the *Duflot* scheme, more restrictive financing policies adopted by banks, etc.) led to a 7% decrease in reservations (by value) compared with the 1st quarter of 2012. Worksites' progress declined in the 1st quarter of 2013 (largely due to the particularly harsh bad weather over the winter), resulting in a 16% decrease in the business's turnover;
- Commercial Property Development: turnover was stable at 77 million euros on a like-for-like basis compared with the 1st quarter of 2012;
- Backlog at the end of March 2013: 1,073 million euros for residential property (stable compared with the end of 2012) and 521 million euros for commercial property (down 9% on a like-for-like basis);
- Finalisation of the disposal of the Engineering business in April 2013.

SERVICES DIVISION

- Disposal of Icade Suretis, a company specialised in managing security and remote surveillance services, in April 2013;
- Following the business disposals carried out during 2012 (Icade Résidences Services, a company specialised in managing student residences) and at the start of 2013, the Services Division's turnover fell by 43%. Turnover was down 12% on a like-for-like basis.



CONSOLIDATED TURNOVER

As at 31 March 2013, Icade's consolidated turnover fell by 7.8% to 316.7 million euros compared with 343.5 million euros as at 31 March 2012.

Turnover (in millions of euros)	31/03/2013	31/03/2012	Change in %
Property investment	103.2	99.6	+3.7%
Development	207.8	236.5	(12.1)%
Services	11.2	19.7	(42.9)%
Other (*)	(5.5)	(12.2)	(54.5)%
ICADE TOTAL	316.7	343.5	(7.8)%

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

PROPERTY INVESTMENT DIVISION

1. Turnover and rental income

Turnover for the Commercial Property Investment division was 103.2 million euros at 31 March 2013, an increase of 3.7% compared with 31 March 2012. This increase is a result not only of the effect in the year as a whole of the clinics acquired in the second half of 2012, but also of additional lettings (H₂O, Factory, etc.), the delivery of the Villejuif Tolbiac building in 2012 and to a lesser extent the effect of rent indexing. The fall in the Offices Division's turnover is the result of arbitrage in 2012, particularly a mature building on Avenue de Messine and the departure of the tenant Scor from the PB5 tower on 31 December 2012.

Turnover (in millions of euros)	31/03/2013	31/03/2012 restated	Reclassified	31/03/2012	Change in %	Change on a like for-like basis
Offices France	29.5	32.6	(0.1)	32.7	(9.5)%	(1.5)%
Business Parks	24.7	23.7	0.1	23.6	4.3%	4.9%
Strategic assets portfolio	54.2	56.3		56.3	(3.7)%	1.2%
Shops and shopping centres	6.2	6.3		6.3	(1.5)%	(1.5)%
Healthcare (*)	29.5	21.6		21.6	36.9%	2.9%
Alternative assets portfolio	35.7	27.9		27.9	28.2%	1.9%
Non-strategic assets portfolio	13.6	15.5	0.1	15.4	(12.6)%	(2.1)%
Investment intra-group businesses	(0.3)	(0.1)	(0.1)			
PROPERTY INVESTMENT DIVISION	103.2	99.6		99.6	3.7%	0.7%

(*) The average % ownership was 91.5% in the 1st quarter of 2012 and 62.8% in the 1st quarter of 2013



Rental income rose by 3.9 million compared with 31 March 2012.

Rental income (in millions of euros)	31/03/2012	Acquisitions	Disposals	Indexation	Rental business	Others	31/03/2013
Offices France	32.1	0.6	(3.2)	0.7	(0.5)	(0.1)	29.6
Business Parks	23.7		(0.2)	1.0	(0.3)		24.2
Strategic assets portfolio	55.8	0.6	(3.3)	1.7	(0.8)	(0.1)	53.8
Shops and shopping centres	6.3			0.2	(0.3)		6.2
Healthcare	21.6	7.3		0.7	(0.1)		29.5
Alternative assets portfolio	27.9	7.3		0.9	(0.4)		35.7
Non-strategic assets portfolio	15.4		(1.6)	0.1	(0.4)		13.5
Investment intra-group businesses							
PROPERTY INVESTMENT DIVISION	99.1	7.9	(5.0)	2.8	(1.6)	(0.1)	103.0

Acquisitions and deliveries of assets generated an additional 7.9 million euros in income in the first three months of the year. This can basically be broken down as follows:

- Rental income relating to clinics acquired in 2012. Additional income generated amounted to 7.3 million euros.
- Rental income of 0.6 million euros from the Villejuif-Tolbiac building delivered in the first quarter of 2012.

Asset disposals and restructuring in 2012 generated a loss of rental income of 5.0 million euros, including 1.6 million euros from the sale of non-strategic assets (Germany and Residential Property) and 3.3 million euros relating to strategic activities and in particular the sale in December 2012 of the property at 7 Avenue de Messine in Paris, representing a 1.2 million euro reduction in rent, and the areas of the PB5 tower neutralised for restructuring, which represent 1.3 million euros of lost rent.

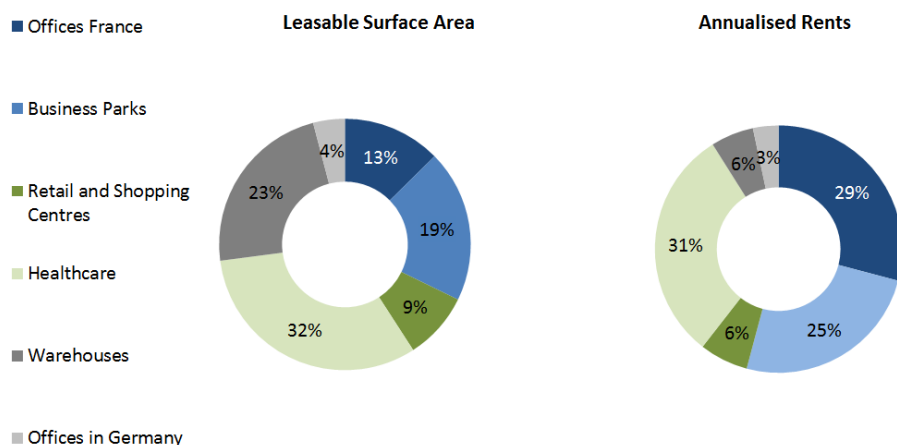
Rental business (renting, re-rentals, renewals and departures) generated a fall of 1.6 million euros in income, mainly explained by the following factors:

- a 0.5 million euros reduction for Offices France, including:
 - 0.6 million euros resulting from the departure at the end of 2012 of the tenant Scor, which has been partially replaced, from the PB5 tower;
 - 0.5 million euros resulting from the effect of lease renewals and departing tenants;
 - an increase of 0.6 million euros from lettings carried out in the second half of 2012 and early 2013 for the H₂O and Factory office buildings.
- the rental renewal business for non-strategic activities recorded a fall in income of 0.4 million euros in the 1st quarter of 2012.



2. Rental Business

Breakdown of indicators by business



Classes of assets	Leasable Surface Area	Leased Surface Area	Financial occupancy rate	Index-linked IFRS rental income	Fixed lease residual duration (years)
Offices France	308,467	286,272	94.1%	118.5 (*)	5.8
Business Parks	478,756	440,489	90.7%	96.9	4.0
Parc du Pont de Flandre	90,513	77,211	84.8%	23.9	5.5
Parc des Portes de Paris	305,116	282,839	90.7%	49.4	3.3
Parc du Mauvin	16,305	15,148	92.4%	2.0	2.8
Parc du Millénaire	66,822	65,292	97.9%	21.7	4.0
Retail and Shopping Centres	211,346	208,385	96.6%	24.6	4.5
Shopping centres	53,482	50,521	94.4%	14.6	1.7
Mr. Bricolage stores	157,864	157,864	100.0%	10.0	8.6
Healthcare	783,267	783,267	100.0%	118.1	9.5
Warehouses	561,987	507,230	90.4%	21.7	4.6
Offices in Germany	99,502	85,424	90.2%	12.9	7.2
COMMERCIAL PROPERTY INVESTMENT	2,443,324	2,311,068	94.7%	392.7	6.4

(*) Including 5.8 million euros in turnover from four PPPs that are consolidated but are not included in the other management indicators

The financial occupancy rate was 94.7% at 31 March 2013, almost stable compared with 31 December 2012 (94.8%).

Before the effect of integration of the four consolidated PPPs (Public-Private Partnerships), current IFRS rents were up 1.2% compared with 31 December 2012, mainly due to indexation applied during the period.



New Signings

In the 1st quarter of 2013, Icade signed 20 **new leases**, relating to nearly 4,000 m² (including 3,400 m² of strategic assets) and representing 0.6 million euros in annualised rents.

Renewals

Icade has continued with its rental policy in 2013, which consists of offering its key tenants a **renewal** of their leases in order to secure sustained cash flows. This asset management work resulted in the signing of six leases covering 18,900 m² at the end of March 2013.

The renewals have secured 2.1 million euros in rents with an average firm period of 10.3 years. Loss of rental income in relation to renewals achieved amounted to 0.1% of current IFRS rents.

Departing Tenants

Departures during the 1st half of 2013 affected 28 leases (7,500 m²) and represented a loss in annualised rents of 1.5 million euros.

In terms of strategic assets, departures amounted to 23 leases (6,400 m²). These break down as follows:

- Icade reserves the right to maintain deliberate vacancies in some properties in order to allow a degree of flexibility in terms of asset management. This resulted in the signing of two short-term leases (24-months) which will not be subject to renewal when they expire. Surface area vacated in 2013 as a result of expiry of short-term leases represented 2,750 m².
- The balance of around 3,650 m² corresponds to the voluntary departure of tenants at the end of their leases.

Lease Expirations by Business

As at 31 March 2013, **the average fixed term of leases** is 6.4 years and so remains stable compared with 31 December 2012.



3. Investments

Icade has continued to add value to its assets in order to increase the generation of cash flows. **Investments** amounted to **28.9 million euros** in the first three months of the year.

Assets <i>(in millions of euros)</i>	Total	Asset acquisitions	Asset refurbishments	Constructions Extensions	Renovation Major maintenance
Offices France	14.7		9.7		5.0
Business Parks	11.5		0.2	2.5	8.7
Strategic assets portfolio	26.2		10.0	2.5	13.8
Shops and shopping centres	0.3				0.3
Healthcare	0.9	0.8		0.1	
Alternative assets portfolio	1.2	0.8		0.1	0.3
Non-strategic assets portfolio	1.5				1.5
Investment intra-group businesses					
PROPERTY INVESTMENT DIVISION	28.9	0.8	10.0	2.6	15.6

The largest investment during the 1st quarter of 2013 related to the restructuring of the EQHO tower, for 9.7 million euros, with delivery due in July 2013.

Renovation work on premises and letting of business parks represented 8.7 million euros in the 1st quarter of 2013.

4. Arbitrage

Disposals carried out in the 1st quarter of 2013 represented 3.9 million euros, relating to housing units (22 unit sales), in line with the Group's strategy.

Icade finalised two disposals announced at the time of publication of the 2012 accounts and signed two new undertakings in April 2013:

- The sale of 11 logistics platforms for 145.0 million euros;
- The block sale of 849 housing units located in Sarcelles (Val d'Oise) for 43.2 million euros;
- An undertaking to sell relating to jointly-owned office lots located at 7, rue Armand Moisant in Paris (15th arrondissement) for 7 million euros;
- An undertaking to sell relating to two warehouses in Ris Orangis (Essonne – 9,700 m²) and Cholet (Maine-et-Loire – 6,900 m²) for a total of 5.6 million euros.



PROPERTY DEVELOPMENT DIVISION

The Property Development division recorded turnover of 207.8 million euros as at 31 March 2013, a fall of 12.1% compared with 31 March 2012, mainly in relation to the Residential Property Development business.

Turnover (in millions of euros)	31/03/2013	31/03/2012 restated	Restate- ments (*)	31/03/2012	Change in %
Residential Property Development	131.1	156.2		156.2	(16.0) %
Commercial Property Development	76.7	82.1	(0.9)	83.0	(6.6) %
PNE Development	0.0	0.9	+ 0.9	0.0	n/a
Inter-business Development	0.0	(2.7)		(2.7)	
PROPERTY DEVELOPMENT DIVISION TOTAL	207.8	236.5	0.0	236.5	(12.1) %

(*) Transfer of the PNE Development activity from the Commercial Property Development business to PNE Development

Residential Property Development

Main indicators	31/03/2013	31/03/2012 restated	Restate- ments (**)	31/03/2012	Change in %
<u>Reservations</u>					
. in numbers (housing units and lots)	664	936	(9)	945	(29.1)%
. in value (millions of euros)	179.9	193.2	(2.6)	195.8	(6.9)%
<u>Closed sales</u>					
. in numbers (housing units and lots)	943	800	13	787	+17.9%
. in value (millions of euros)	216.0	174.4	4.2	170.2	+23.9%
<u>Unsold properties</u>					
. in numbers (housing units and lots)	160	173		173	(7.5)%
. in value (millions of euros)	28.8	29.0		29.0	(0.7)%
Withdrawal rate	29%	22%		22%	
Disposal rate	4.6%	6.5%		6.5%	
<u>Property portfolio</u>					
. in numbers (housing units and lots)	7,753	7,505		7,505	+3.3%
. in projected value (in millions of euros)	1,770	1,613		1,613	+9.7%

(**) Transfer of the PNE Residential Property activity to the Residential Property Development business

As at 31 March 2013, turnover from the Residential Property Development business stood at 131.1 million euros, down 16% compared with 31 March 2012. This fall was largely due to the particularly



harsh bad weather over the winter and the launch of several projects in the 1st quarter of 2013 resulting in a limited technical progress rate in the accounts as at 31 March 2013.

The amount of notarised sales increased by 18% and 24% as at 31 March 2013 to stand at 216.0 million euros for 943 housing units and lots compared with 174.4 million euros and 800 residential units and lots at 31 March 2012.

As at 31 March 2013, reservations stood at 664 lots (395 of which, approximately 38%, were reserved in block by institutional investors) for turnover of 179.9 million euros, compared with 936 lots for 193.2 million euros as at 31 March 2012, or an decrease of 29.1% in number and 6.9% in amount.

This decline in reservations was due to:

- The end of the *Scellier* scheme and gradual implementation of the *Duflot* scheme,
- Banks' more restrictive financing policies,
- Clients' concerns regarding the uncertain financial and economic outlook and their wait-and-see attitude concerning an imminent fall in property values, which is widely forecast in the media.

As at 31 March 2013, the average withdrawal rate over the first three months of the year (after the seven-day statutory cooling-off period) was 29% of reservations compared with 22% at 31 March 2012.

The average stock disposal rate was 4.6% as at 31 March 2013, compared with 6.5% at 31 March 2012.

The proportion of housing stock remaining to be sold out of completed and delivered plots has fallen by 6.6% in terms of number of lots compared with 31 March 2012, to 114 plots currently (corresponding to 19.2 million euros in expected turnover).

The property portfolio subject to option remains high and represents potential construction of 7,753 housing units and lots for an estimated turnover of 1,770 million euros, up 3.3% (in number) compared with 31 March 2012.

The backlog for the Residential Property business is up 2.5% compared with 31 March 2012 and stood at 1,073.6 million euros at 31 March 2013. This represents a slight decrease of 0.7% compared with 31 December 2012.

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

Turnover from the Commercial Property Development business (offices, shopping centres and public-healthcare and engineering) amounted to 76.7 million euros as at 31 March 2013, a decrease of 6.6 % compared with 31 March 2012. This fall is mainly related to the effects of a change in scope, following Icade's finalisation of the sale of the Property Development Division's Engineering business in April 2013. On a like-for-like basis, turnover was up 0.5% for the Commercial Property Development business.

The following operations have been delivered since 1 January 2013:

- The JCLT school in Monnaie (Indre-et-Loire): 1,720 m²
- Housing and the Parish Church Centre in Veigné (Indre-et-Loire): 3,142 m²

One contract has been signed since 1 January 2013:

- A physical medicine and rehabilitation centre in Saint-Nazaire: 9,934 m²



At 31 March 2013, Icade's project portfolio in Commercial Property Development (offices and shopping centres) represented 897,794 m², including projects under way for 312,556 m², and 585,238 m² of projects at the initial development stage.

As at 31 March 2013, Icade's project portfolio in the Public and Healthcare Development sector consisted of 270,652 m², with 115,854 m² of projects underway (including 10,000 m² as PPP) and 154,798 m² of projects at the initial development stage.

The Commercial Property Development business's backlog decreased by 14.7% compared with 31 December 2012, to stand at 521.4 million euros. This decrease is mainly due to the launch of commercial property development projects including the Pushed Slab buildings in Partis 13, the Landy project in Saint-Denis as well as the Pyrénées project in Paris 20 and the Urba Green project in Joinville, which generated turnover based on progress during the 1st quarter of 2013 as well as a reduction in the Project management order book (down 5 million euros or 7.2% compared with 31 December 2012).

SERVICES DIVISION

Turnover (in millions of euros)	31/03/2013	31/03/2012	Change in %
Property Management	7.6	8.0	(4.9)%
Consultancy and Solutions	1.7	2.7	(37.2)%
O/w Icade Solutions Immobilière (ISI)	1.2	1.8	(34.1)%
O/w Others	0.5	0.9	(43.6)%
Intra-business services	(0.1)	(0.1)	(63.3)%
Businesses sold or in the process of being sold	1.9	9.1	n/a
SERVICES DIVISION TOTAL	11.2	19.7	(42.9)%

Revenues from the Services division reached 11.2 million euros as at 31 March 2013 compared with 19.7 million euros as at 31 March 2012. This change is mainly related to the effects of change in the scope. The sale in 2012 of the subsidiary specialising in the management of student residences, Icade Résidences Services, led to a loss in turnover of 7.1 million euros.

On a like-for-like basis, turnover represented 9.2 million euros as at 31 March 2013, down 12.4 % compared with 31 March 2012.

This decrease as at 31 March is mainly due to:

- a fall in turnover from the Property Management business compared with 31 March 2012, mainly due to strategic rationalisation of the management mandate portfolio amounting to 0.9 million euros;
- a fall in turnover for Icade Solutions Immobilières (ISI), comprising the property consultancy and valuation businesses, as a result of the economic climate;
- turnover of 0.5 million euros recorded by the Transaction business, down 44% compared with March 2012, mainly relating to the reduction in the portfolio of outstanding undertakings.

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The refocusing of activities continued with the disposal of Icade Suretis, a company specialised in managing security and remote surveillance services.

INTRA-GROUP ELIMINATIONS

Intra-group eliminations amounted to 8.0 million euros as at 31 March 2013, compared with 13.3 million euros as at 31 March 2012.

As at 31 March 2013, 1.1 million euros related to operations carried out by the Property Development division for the Property Investment division. This mainly concerned buildings undergoing refurbishment (EQHO tower) and construction of Millénaire 3 and the building that has been pre-let to Veolia Environnement.

NOTE ON THE FINANCING POLICY

Icade confirms a healthy and liquid situation in terms of liabilities and as at 31 March 2013 has non-drawn backup lines of 895 million euros.

HIGHLIGHTS

Concerning **the combination with Silic**, the Paris Court of Appeal, which is due to rule on the application to annul the AMF's compliance decision dated 24 April 2012, indicated at the appeal hearing on 21 March 2013 that it would announce its decision on 20 June 2013. The timetable for the offer will be announced after this decision.

Icade highlights the strategic importance of this combination, which will create Greater Paris's property investment leader.

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COMING EVENTS

2013 half-year results: Thursday 24 July 2013, post-closure

ABOUT ICADE

Icade is a listed real estate company, a subsidiary of Caisse des Dépôts: an investor, developer and service provider in private and public property. Expertise in its different business lines enables Icade to provide comprehensive, sustainable and innovative solutions that are tailored to customer needs.

In 2012, Icade recorded consolidated turnover of 1,499.3 million euros and net current cash flow of 251.4 million euros. At 31 December 2012, the re-valued liquidation net asset value stood at 4,190.1 million euros or 80.7 euros per share.

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