



Foncière-développeur

Press release
Paris, 14 May 2012

Activity for the 1st quarter of 2012

Turnover in the 1st quarter of 2012 for Property Investment was up 12% on Q1 2011 but that for Property Development was down 8%. The consolidated turnover for the 1st quarter was down 3% and stands at 343.5 million euros.

PROPERTY INVESTMENT DIVISION

- 15% increase in the sales of the Commercial Property Investment Division thanks to acquisitions in 2011 and lettings completed in 2011 and at the start of 2012;
- Delivery of the fifth and final building in the Metropolitan operation in Villejuif, leased in its entirety to LCL (12,000 m² out of a total of 80,000 m²);
- Delivery of the Le Beauvaisis building (12,000 m²) located in the Parc du Pont de Flandre. This HQE certified building, currently up for lease, was the first building in Paris to be awarded the BBC label for renovation;
- In addition, opening up of the capital of Icade Santé up to 250 million euros, thereby allowing Icade to continue to develop its subsidiary company specialising in the ownership of clinics.

PROPERTY DEVELOPMENT DIVISION

- In light of stricter pre-sale marketing requirements, the number of lots for development was down 43% compared to Q1 2011 and turnover for this division fell by 8%;
- 5% fall in the sales of the Commercial Property Development business, mainly due to delivery of the university hospital in Saint-Nazaire during the quarter;
- 2.4% increase in the backlog of the Residential Property Development business (905 million euros) and 1.4% increase in the backlog of the Commercial Property Development business (937 million euros) compared to 31 December 2011.

SERVICES DIVISION

- Sale, in February 2012, of Icade Résidences Services, a company specialising in the management of student housing;
- Taking into account the business sales completed during 2011 and at the start of 2012, and the slow performance of the consultancy business during the quarter, a 21% fall in the sales of the Services Division.

CONSOLIDATED SALES

On 31 March 2012, Icade's consolidated sales were down 3.1% and amounted to 343.5 million euros compared to 354.6 million euros on 31 March 2011.

Sales (in millions of euros)	31/03/2012	31/03/2011	Variation in %
Property investment	99.6	88.9	+12.0%
Property Development	236.5	256.0	-7.6%
Services	19.7	25.0	-21.4%
Intra-group eliminations	-12.2	-15.3	
ICADE TOTAL	343.5	354.6	-3.1%

PROPERTY INVESTMENT DIVISION

Sales for the Property Investment Division are up 12% and amounted to 99.6 million euros at 31 March 2012 compared to 88.9 million euros for the same period in 2011.

Sales	31/03/2012		31/03/2011		Variation in %
	million euros	contribution	million euros	contribution	
Commercial Property Investment	94.0	94%	81.9	92%	+14.8%
Residential Property	5.6	6%	7.0	8%	-20.9%
PROPERTY INVESTMENT DIVISION TOTAL	99.6	100%	88.9	100%	+12.0%

Commercial Property Investment

1. Sales and rental income

At 31 March 2012, the sales of the Commercial Property Investment Division stand at 94.0 million euros, up 14.8% compared to 31 March 2011. This increase is explained by the full year effect of the acquisition of clinics completed during the second half of 2011 and by the lettings (Link, H₂O, Factory, etc.) and deliveries (Villejuif, Millénaires 5 & 6, Le Millénaire shopping centre) completed in 2011 and at the start of 2012, as well as to a lesser extent, by the effect of indexation.

Sales (in millions of Euros)	31/03/2012	31/03/2011	Variation in %	Variation on a like-for-like basis
Offices France (*)	32.7	30.2	+8.4%	+7.9%
Business Parks	23.6	23.6	+0.2%	-1.9%
Shops and Shopping Centres	6.3	4.3	+44.4%	-3.3%
Healthcare (*)	21.6	13.7	+56.9%	+5.0%
Warehouses	5.8	6.0	-3.3%	-3.2%
Offices Germany	4.0	4.0	+0.2%	+0.7%
COMMERCIAL PROPERTY INVESTMENT	94.0	81.9	+14.8%	+3.3%

(*) Sale of Healthcare business assets over the 1st quarter of 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)

Rental income, comparing like-for-like, has shown an improvement of 3.3% compared to 31 March 2011

Rental income (in millions of Euros)	31/03/2011	Acquisition	Disposals	Indexation	Rental business	Other	31/03/2012
Offices France	30.2	1.6	-2.0	0.6	2.1	-0.3	32.1
Business Parks	23.6	0.5		0.5	-0.9		23.7
Shops and Shopping Centres	4.3	2.1	-0.1	0.1	-0.2		6.3
Healthcare	13.7	7.2		0.3	0.0	0.3	21.6
Warehouses	6.0			0.0	-0.2		5.8
Offices Germany	4.0			0.0			4.0
COMMERCIAL PROPERTY INVESTMENT	81.8	11.4	-2.1	1.5	0.8	0.0	93.5

Acquisitions and the delivery of assets have generated 11.4 million euros in additional revenue over the first three months of the year which can essentially be broken down as follows:

- Rental income in relation to the delivery of assets came to 4.1 million euros. This covers the two office assets located in Villejuif (€1.6 million), and the Millénaire Shopping Centre and Office in Aubervilliers opened in April 2011 (a €2.5 million share for Icade);
- Rental income in relation to the acquisition of assets in 2011 came to 7.2 million euros. This relates to clinics acquired in 2011.

Loss of rent in relation to the disposal of assets over 2011 stands at 2.1 million euros and mainly concerns the disposal of the Atrium asset, located in Paris (1.5 million euros) in July 2011.

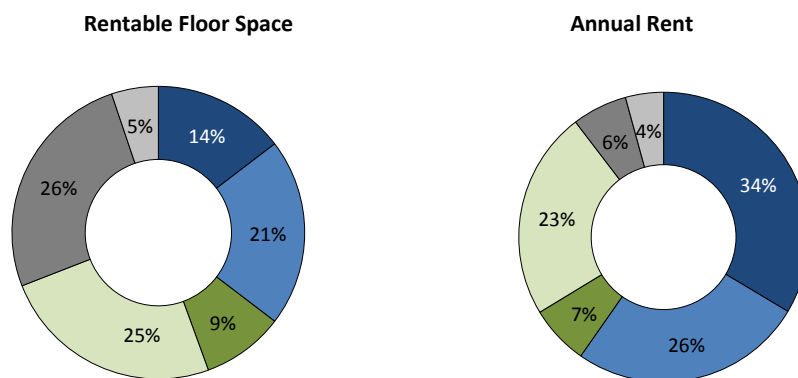
Rentals (rentals, re-rentals, renewals and departures) have generated a 0.8 million euro increase in revenue which is mainly due to the following:

- An increase of 2.2 million euros from sales completed during the second half of 2011 and at the start of 2012 in relation to the Link, H₂O and Factory office buildings;
- A 0.9 million euro fall in relation to Business Parks regarding:
 - 0.5 million euros for non-recurring rental adjustments over previous years;
 - 0.3 million euros for lease renewals including rent reductions in return for extending the term of the lease;
 - 0.2 million euros in relation to the net impact of tenants leaving and new tenants over the period.
- A 0.2 million euro fall recorded for the Shops and Shopping Centres business. This relates to the Odysseum shopping centre in Montpellier which several tenants vacated in 2011. The vacant spaces were re-leased during the quarter.

2. Rental Business

Breakdown of indicators by business

- Offices France
- Business Parks
- Shops and Shopping Centres
- Healthcare
- Warehouses
- Offices Germany



Classes of assets	Rentable Floor Space	Leased Surface Area	Financial occupancy rate	IFRS annualised rentals € million	Fixed lease residual duration (years)
Offices France	340,073	314,032	93.3%	124.4	5.5
Business Parks	482,352	438,010	89.6%	96.8	3.5
Parc du Pont de Flandre	90,513	74,677	81.0%	22.2	4.3
Parc des Portes de Paris	308,712	283,484	90.9%	51.3	3.1
Parc du Mauvin	16,305	15,522	94.3%	2.7	1.5
Parc du Millénaire	66,822	64,327	96.5%	20.7	3.9
Shops and Shopping Centres	211,336	209,762	97.7%	24.6	5.6
Shopping Centres	53,472	51,898	96.2%	14.9	3.0
Mr. Bricolage stores	157,864	157,864	100.0%	9.7	9.7
Healthcare	572,757	572,757	100.0%	86.3	9.5
Warehouses	598,470	537,530	90.1%	22.8	5.4
Offices Germany	120,470	102,095	89.4%	15.8	7.0
COMMERCIAL PROPERTY INVESTMENT	2,325,458	2,174,186	93.6%	370.6	6.0

At 31 March 2012, the financial occupancy rate is 93.6%, down from 31 December 2011 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 c.1% of the IFRS rentals of the Commercial Property Investment Division.

New Agreements

At 31 March 2012, Icade recorded the signature of 16 **new leases** for 14,900 m² and representing 4.5 million euros in annual rent.

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

- Letting of the remaining vacant space in the **Messine property** located on Rue de Messine (Paris 8) to Oberthur (2,200 m² - 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 (3,700 m² - effective from **24 January 2012**);
- Letting of 38% of the vacant space in the **521 building** in January 2012 to the Endemol Production Group (6,900 m² - effective from **1st July 2012**);

Renewals

Icade has continued its rental policy, which consists of offering its main tenants a renewal of their leases in order to secure its long-term cash flow. This asset management work has resulted in the signing of 3 leases covering 2,800 m² over an average fixed term of 6 years.

Tenant Departures

Departures over the 1st quarter of 2012 related to 22 leases (12,000 m²) and represent an annual loss of rent of 2.2 million euros. The main departure is the tenant Deutsche post AG (5,000 m²) from the Hohenzollerndamm property in Berlin. These departures affected rental income for the 1st quarter to the tune of 0.5 million euros.

Elsewhere, in 2012 Icade will as expected be registering the departure of the sole tenant of the Scor Tower (30,000 m² in La Defense). In fact, Scor has given notice on the lease that is due to expire at the end of 2012. The result will be an annual loss of rent of 13.7 million but not until 2013. Asset management teams at Icade are actively working on finding new tenants for the tower as of January 2013.

Lease expirations by business

At 31 March 2012, the **average fixed lease duration** was 6.0 years, down slightly by 31 December 2011 (6.2 years).

Rental Position – Risk of rent revision

The potential risk of a return to market rental values under article L145.39 of the Commercial Code represents c. 2.7 million euros (i.e. a risk of a potential loss of rent of around 0.7% over the entire Commercial Property Investment Division).

3. Investments

Icade has continued to enhance the value of its assets in order to increase the generation of cash flow in the longer term. **The total investments** amount to 57.2 million euros over the first 3 months of the year.

Assets (in millions of Euros)	Total	Asset Acquisitions	Asset Restructuring	Constructions Extensions	Renovation Major Maintenance
Offices France	45.5	0.0	37.6	2.5	5.4
Business Parks	8.8	0.0	0.8	2.2	5.8
Shops and Shopping Centres	0.2	0.0	0.0	0.0	0.2
Healthcare	2.4	0.0	0.0	2.4	0.0
Warehouses	0.3	0.0	0.0	0.0	0.3
Offices Germany	0.0	0.0	0.0	0.0	0.0
COMMERCIAL PROPERTY INVESTMENT	57.2	0.0	38.4	7.1	11.7

The main investment for the 1st quarter of 2012 is the continued restructuring of the EQHO Tower for 37.6 million euros, the delivery of which is scheduled for 2013.

4. Arbitrage

Over the 1st quarter of 2012, the sales achieved represent 7.1 million euros and relate to the sale of commercial space located at the foot of the Montparnasse Tower (969 m²).

Residential Property Investment Division

Main indicators	31/03/2012	31/03/2011
Sales	5.6	7.0
Block sales (in IdF and in regions)		
. in number of lots	-	264
. sale price (in millions of euros)	-	12.1
Individual sales (in IdF and in regions)		
. in number of lots	24	35
. sale price (in millions of euros)	2.7	3.9

During the 1st quarter of 2012, Icade continued the process of selling residential property by selling 24 individual housing units for 2.7 million euros.

The assets of the Housing Division represent 4,798 lots as at 31 March 2012 compared to 4,907 lots at 31 March 2011, i.e. a decrease of 109 lots.

PROPERTY DEVELOPMENT DIVISION

The Property Development Division achieved sales of 236.5 million euros as at 31 March 2012, down by 7.6% compared to 31 March 2011.

Sales in millions of euros	31/03/2012	31/03/2011	Variation in %
Commercial Property Development (offices, shopping centres and public health & engineering)	83.0	87.5	-5.1 %
Residential Property Development	156.2	169.7	-8.0 %
Intra-business development	-2.7	-1.2	
PROPERTY DEVELOPMENT DIVISION TOTAL	236.5	256.0	-7.6 %

Commercial Property Development (offices, shopping centres, public health & engineering)

The sales of the Commercial Property Development business (offices, shopping centres, public health & engineering) stood at 83.0 million euros as at 31 March 2012, i.e. a 5.1% fall compared to 31 March 2011.

This fall is partly explained by the end of the PPP operation and delivery of the university hospital in Saint-Nazaire in February 2012; partly offset by the start of new office projects (Pyrénées Paris 20, Joinville rue des Canadiens & Saint-Denis Landy) and by increased activity in PPS (excluding the university hospital transaction in Saint-Nazaire) and in engineering over the 1st quarter of 2012.

The main transactions delivered since 1st January 2012 are:

- The business university in Guadeloupe (UMAG): 6,577 m² of office space
- The university hospital in Saint-Nazaire (Health complex): 92,000 m²

As at 31 March 2012, Icade has a project portfolio in the field of Commercial Property Development of offices and shopping centres of 723,774 m², which includes 210,492 m² of projects underway and 513,282 m² of projects at the initial development stage.

As at 31 March 2012, Icade's project portfolio in the field of public health development corresponds to 267,902 m² which includes 130,542 m² of projects underway (including 23,000 m² in PPP) and 137,360 m² of projects at the initial development stage.

The backlog is up by 64.2% compared to 31 March 2011 and stands at 937.1 million euros. This increase mainly relates to the signing of off-plan sales projects during the second half of 2011 with investors and/or key users as the Pushed Slab properties in Paris 13, the Landy transaction in Saint-Denis and the Pyrénées transaction in Paris 20.

These deals are in addition to those secured last year, for example Lyon Nexans (25,157 m² sold off-plan to CM Arkéa) and Bordeaux "Prelude" (9,347 m² sold off-plan to UFG). The backlog is up by 1.4% compared to 31 December 2011.

The launch of such projects at the start of 2012 allows us to envisage an increase in the sales of the Commercial Property Development business during the 2nd half of 2012.

Residential Property Development

Main indicators	31/03/2012	31/03/2011	% change
Reservations			
. in number (housing units and lots)	945	1,131	-16.4%
. in value (in millions of euros)	195.8	222.0	-11.8%
Closed sales			
. in number (housing units and lots)	787	931	-15.5%
. in value (in millions of euros)	170.2	171.7	-0.9%
Unsold stock			
. in number (housing units and lots)	173	277	-37.5%
. in value (in millions of euros)	29.0	42.9	-32.0%
Withdrawal rate	22%	17%	
Disposal rate	6.5%	11.8%	
Land reserves portfolio			
. in number (housing units and lots)	7,505	8,997	-16.6%
. in estimated value (in millions of euros)	1,613	1,706	-5.4%

The sales of the Residential Property Development business stood at 156.2 million euros as at 31 March 2012, i.e. almost an 8% fall compared to 31 March 2011. This change is mainly explained by the fall in the number of lots for development compared to the 1st quarter of 2011 (down 43% in value), resulting in a more cautious approach when embarking on new operations with greater pre-sale marketing requirements. This fall in turnover is likely to affect the operating margin for the year.

Notarised sales have decreased in number by 15% but only by 1% in total as at 31 March 2012 and amount to 170.2 million euros for 787 housing units and lots compared to 171.7 million euros and 931 housing units and lots as at 31 March 2011.

Reservations as at 31 March 2012 correspond to 945 lots (including 294 housing units reserved in blocks for institutional investors, representing nearly one third of reservations) for sales of 195.8 million euros, compared to 1,131 lots for 222 million euros as at 31 March 2011, creating respective losses of 16% and 12%.

The fall in reservations originates from:

- A significant reduction in tax benefits in relation to the Scellier law,
- Stricter funding policies from banks,
- The wait-and-see attitude of customers in this electoral year,
- Concerns about the uncertain financial and economic climate.

We note nevertheless that this fall is less than the average suffered by the sector as a whole, given the smaller proportion of buy-to-invest clients in Icade's portfolio.

As at 31 March 2012, the average withdrawal rate for the first 3 months of the year (after the legal 7-day withdrawal period) corresponds to 22% of reservations compared to 17% as at 31 March 2011.

The average disposal rate of stock stood at 6.5% as at 31 March 2012 compared to 11.8% as at 31 March 2011.

The stock of property still to be sold in complete, delivered lots is down in the number of lots by 36% compared to 31 March 2011 and currently amounts to 122 lots (corresponding to 18.5 million euros in expected sales).

The land reserves portfolio under option represents the potential construction of 7,505 housing units and lots for estimated sales of 1,613 million euros, down by 5% compared to 31 March 2011.

The backlog is up by 7.5% compared to 31 March 2011 and amounted to 905.3 million euros as at 31 March 2012. It is up by 2.4% from 31 December 2011.

SERVICES

Sales in millions of euros	31/03/2012	31/03/2011	Variation in %
Property Management	8.0	8.1	-1.1%
Student Accommodation	7.1	10.9	-34.9%
Consulting and Surveying Activities	4.6	6.1	-23.4%
Intra-business services	-0.1	-0.1	
SERVICES DIVISION TOTAL	19.7	25.0	-21.4%

Running on from the sale of its Spanish subsidiary dedicated to the management of student residences at the end of 2011, Icade signed an agreement with Nexity, dated 27 February 2012, for the sale of Icade Résidences Services, a company specialising in the management of student residences in France. This company therefore contributed to Icade's sales only during the first two months of the financial year (7.1 million euros).

On a like-for-like basis, the sales of the Services Division were down by 10.8%. This change is mainly due to the consulting business. They show a fall in sales of 4.6 million euros, down by 23.4% compared to March 2011 taking into account the absence of any success fee charged on deals.

Icade Asset Management was created at the end of 2011 to meet the requirements of investors wanting an integrated offer. It now manages several asset management contracts for public and private institutional investors.

INTRA-GROUP ELIMINATIONS

Intra-group eliminations amounted to 12.3 million euros as at 31 March 2012 compared to 15.4 million euros as at 31 March 2011.

As at 31 March 2012, 7.1 million euros relate to operations completed by the Property Development Division on behalf of the Property Investment Division. They mainly relate to property for LCL located in Villejuif. Such intra-group eliminations should fall over the coming years.

NOTE ON THE FINANCING POLICY

Icade confirms a position of healthy, liquid liabilities and as at 31 March 2012, held undrawn bank-up lines for a total of 583.5 million euros.

POINTS OF NOTE

During the 1st quarter of 2012, **Icade Santé**, a subsidiary of Icade dedicated to investing in healthcare real estate, made a capital increase, for a total of 250 million euros, reserved for three institutional investors, the main ones of which are Crédit Agricole Assurances and BNP Paribas Cardif. This operation allowed Icade to continue to invest and acquire healthcare real estate assets without changing the proportion of its wealth allocated to this asset class.



With regard to the **combination with Silic**: appeals to cancel the AMF's conformity decision of 24 April 2012 were lodged with the Paris Court of Appeal. The new schedule for the bid will depend on the schedule of procedure determined by the Paris Court of Appeal.

It is reminded that the strategic interest of this transaction for Silic and its employees has been acknowledged by the board of directors of Silic and that the terms of the exchange offer have been deemed fair by the independent expert and by the board of directors of Silic, which recommended the offer.

The objectives of the combination between Icade and Silic remain unchanged. In this context, HoldCo SIIC (held respectively at 75% by Caisse des Dépôts and at 25% by Groupama) which is already the reference shareholder of Silic, holding 44% of its share capital since 16 February 2012, shall submit to the annual shareholders' meeting of Silic resolutions according to which it would have the majority of the members within the board of directors of Silic, in accordance with the statement of intents dated 17 February 2012.

FORTHCOMING EVENTS

General Meeting: Friday 22 June 2012 at 08.30 – Millénaire 1 – 35 rue de la gare – 75019 Paris

Ex-dividend date 2011: Tuesday 26 June 2012

Dividend payment date 2011: Friday 29 June 2012

2012 half-year results: Thursday 26 July 2012, post-closure

ABOUT ICADE:

Icade is a listed real-estate company, a subsidiary of Caisse des Dépôts, engaged in the business of land, real-estate development and related services in the sectors of offices, business parks, shopping centers, public facilities, health and housing. Its expertise in its various business lines enables Icade to provide its clients with tailored solutions and have comprehensive involvement in current real-estate issues. In 2011, Icade posted consolidated revenue of €1.492 billion and had net current cash flow of €223 million. At December 31, 2011, its EPRA triple net asset value was €4.313 billion or €83.7 per share.

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