

Press release
Paris, 22 October 2008

Turnover up 12.9% as at 30 September 2008

At 30 September 2008, Icade had recorded consolidated sales of 1,152.7 million euros, up 12.9% compared to 30 September 2007 (1,020.9 million euros).

Turnover in millions of euros	30/09/2008	30/09/2007	Change
PROPERTY INVESTMENT	301.8	262.5	+15.0%
PROPERTY DEVELOPMENT	788.9	653.4	+20.8%
PROPERTY SERVICES	151.5	153.5	-1.3%
Inter-group eliminations	-89.5	-48.5	
TOTAL	1,152.7	1,020.9	+12.9%

PROPERTY INVESTMENT

Turnover in millions of euros	30/09/2008	30/09/2007	Change
Housing	148.2	150.8	-1.8%
Offices in France	47.4	35.4	+34.0%
SIICInvest	7.6	3.5	+115.8%
Offices in Germany	11.6	11.0	+5.6%
Business parks	59.9	50.9	+17.7%
Public and Healthcare amenities	21.0	11.0	+90.6%
Shops and shopping centres	6.0	0.0	
Inter-business investment	0.0	-0.2	
TOTAL	301.8	262.5	+15.0%

Residential Property Division

With 39,578 housing units as at 30 September 2008, that is almost 2.3 million m², turnover from the residential property division stood at 148.2 million euros (i.e. 49% of rents from the property investment business), compared to 150.8 million euros at 30 September 2007, that is a change of -1.8% given the disposals carried out and +2.8% on a like-for-like basis.

The main changes relate to:

- The impact of rent indexing on the basis of the IRL, (3.23% in July 2007, impacting on the full year in 2008), which stands at 3.6 million euros in 2008.
- The effect of the pricing policy, when re-renting with revised rent or owing to the application of Article 17C (rent increase staggered over the term of the lease to offset half the difference between the rent charged and the market rent), which generated 0.7 million euros of additional rental income.
- And, in addition, the loss of rental income relating to sales of housing units sold in block or individually, for 6.6 million euros.



As at 30 September 2008, the financial occupancy rate came out at 95.8%, down 1.5% compared to 30 September 2007. Re-renting operations to provide housing units to be sold individually have a negative impact on vacancy. The turnover rate was 8.5%, slightly up on 30 September 2007 figures (+0.7%).

Average monthly rent per habitable m² (excluding charges) was 6.88 euros at 30 September 2008, with 7.08 euros for common law leases and 5.70 euros for so-called subsidised leases (14% of the leases). For the quarter, the average re-renting rent for a housing unit in Icade's free sector totalled 10.15 euros per m².

During the first three quarters of 2008, Icade sold 181 housing units individually for an average price of 1,908 €/m² and 1,021 housing units in block for an average price of 895 €/m². As announced at the publication of the half-year results, this arbitrage programme started in 2007 will be continued in the coming months and should generate substantial gains. The committed volume of housing disposals between now and the end of 2008 is in the region of 4,870 housing units sold in block and 300 units sold individually for an average sales price of 978 €/m² and 1,934 €/m² respectively. In addition, over 1,800 housing units are already under tender for a sale scheduled for the first half of 2009.

Whilst continuing with its arbitrage policy, Icade is building 789 housing units on its own behalf (in particular, on its own land), so as to optimise property reserves for an overall forecasted total of 113 million euros. These housing units will be delivered during the 2008-2012 period.

Commercial Property Division - Offices

Office business in France

At 30 September 2008, turnover from the office business in France stood at 47.4 million euros compared to 35.4 million euros at 30 September 2007, representing a 34% increase, 8% of which on a like-for-like basis. This change is the result of several different factors:

- 9.2 million euros of additional rent owing to the acquisition of Tour Descartes on 03 July 2007.
- The 2.9 million euros balance relates to 1.6 million euros of rent indexing and the re-renting of the Morizet building as of 01 February 2008 for 1.3 million euros.

The rented floor space represented 143,562 m² of premises (compared to 154,522 m² at 30 September 2007), giving a 99.7% financial occupancy rate at 30 September 2008 (compared to 95.2% at 30 September 2007). At 30 September 2008, average rent was €418 per m².

In this market context, Icade has adopted a selective strategy for its investments. As scheduled when it was acquired, renovation works have been started in the office building in Rueil-Malmaison (22 500 m²) following the departure of Esso on 30 April 2008. The works should amount to 39.5 million euros and the building should be for-rent at the end of 2009.

In addition, a promise of sale was signed for the disposal of a building situated on rue Mogador in Paris, for some 51 million euros, 7% greater than the surveyed value at 30 June 2008.

SIICInvest

At 30 September 2008, SIICInvest's turnover stood at 7.6 million euros against 3.5 million euros at 30 September 2007 (company acquired in April 2007).

At 30 September 2008, rented floor space represented 112,650 m² of offices and business premises, i.e. a financial occupancy rate of 99.5%.

Office business in Germany

At 30 September 2008, turnover from German office assets represented 11.6 million euros compared to 11.0 million euros at 30 September 2007, representing an increase, on a like-for-like basis, of 5.6%. At 30 September 2008, rented floor space represented 111,478 m² giving an 83.1% financial occupancy rate compared to 80.3% at 30 September 2007. At 30 September 2008, the average rent for these offices was €131 per m².

In addition, Icade intends to sell an office building of a very considerable size in Germany. The sale should be made in the first half of 2009.

Commercial Property Division - Business Parks

At 30 September 2008, turnover from the business parks business stood at 59.9 million euros, compared to 50.9 million euros at 30 September 2007.

This change can be explained by:

- a 5.9% increase in gross rent on a like-for-like basis (2.9 million euros),
- the renting of Millénaire 1 to Icade as of the second half of 2007, representing 5.6 million euros of additional rent,
- and by the renting of 2,600 m² in Millénaire 2 for 0.5 million euros in rent, as of 01 January 2008.

At 30 September 2008, rented floor space represented 415,867 m² of premises (compared to 387,032 m² at 30 September 2007) and the financial occupancy rate was 84.8% 30 September 2008 compared to 92.6% at 30 September 2007. This fall in the occupancy rate stems essentially from the delivery of building 521 in April 2008, which is currently under commercialisation, and the vacancy in Millénaire 2 (renting 2,607 m² to Nokia over a total of 30,000 m²).

At 30 September 2008, the average rent for the offices was €268 per m².

Commercial Property Division - Shops And Shopping Centres

Turnover from the shops and shopping centres business amounted to 6.0 million euros at 30 September 2008. This relates, for the time being, to the 36 property assets acquired on 01 January 2008 from the Mr Bricolage Group, with the latter having remained as the operator. At 30 September 2008, rented floor space represented 135,976 m² of business premises and the financial occupancy rate was 100%.

The Aubervilliers and Odysseum shopping centres will be delivered in 2010 and 2011 and will strengthen the cash flow for this business for the period.

Commercial Property Division - Public and Healthcare Amenities

Turnover from the public and healthcare amenities business rose to 21.0 million euros as at 30 September 2008 compared to 11.0 million euros at 30 September 2007.

This increase is due to following factors:

- revenue from the 3 clinics acquired from the Harpin Group in July 2007 for 3.0 million euros,
- revenue from the 2 clinics acquired from the Vedici Group at the end of 2007 for 2.0 million euros,
- revenue from the 5 clinics acquired from the Vedici Group in 2008 for 3.0 million euros,
- revenue from the 3 clinics acquired from the 3H Group in 2008 for 0.3 million euros,
- revenue from the 4 clinics acquired in 2008 from Générale de Santé for 0.5 million euros.

At 30 September 2008, rented floor space represented 269,592 m² of premises. The financial occupancy rate was almost 100%.

These new acquisitions, which guarantee immediate cash flows indexed on the long term, form part of Icade's investment strategy for the health sector and give it full nationwide coverage. They allow a smoothing in the cash flow profile of the commercial property investment business that holds the projects under development.

PROPERTY DEVELOPMENT

At 30 September 2008, the property development business had recorded a turnover of 789 million euros, a 21% increase compared to 30 September 2007, whereas the residential property development business suffered a downturn.

Sales in millions of euros	30/09/2008	30/09/2007	Change
Residential property development	431.1	423.2	+1.9%
Commercial property development	197.9	91.7	+115.9%
Public and healthcare property development	145.3	121.8	+19.2%
Other (engineering and planning)	21.5	21.8	-1.5%
Inter-business development	-6.8	-5.2	
TOTAL	788.9	653.4	+20.8%

Residential Property Development

At 30 September 2008, turnover from Residential Property Development reached 431.1 million euros, up 1.9% compared to 30 September 2007.

Notarised sales stood at 577 million euros for 2,967 housing units and lots compared with 544 million euros and 2,770 housing units and lots at 30 September 2007. Upstream of notarised sales, there were reservations for 2,505 housing units (including 681 units sold in block to institutional clients) and 182 lots (compared to 3,077 housing units and 304 lots at 30 September 2007). The latter will generate sales of 524 million euros (compared to 664 million euros for those signed during 2007).

At 30 September 2008, the reservation-withdrawal rate (after the 7-day statutory cooling-off period) for the last 9 months averaged 23%. At 30 September 2008, the reservation withdrawal rate is 34% and the average stock disposal rate was 5.99 %. At the same date, 116 housing units and 42 lots were unsold, representing 28 and 4 million euros respectively.

The backlog amounted to 623 million euros, including that of Opéra Construction. The property portfolio represents construction potential for 10,133 housing units and 1,222 lots for respective forecasted sales of 2,258 and 91 million euros.

In view of the real and quick crisis of the residential property development market linked to the lack of liquidity, Icade has implemented a cautious policy to manage projects by limiting unsold stock and immediately reducing new construction start-ups.

Because of this sharp decline, Icade is anticipating a fall in sales for residential property development in 2008 and an EBITDA margin lower than that observed at 30 June 2008 (5.6%).

Commercial Property Development

Turnover from commercial property development reached 197.9 million euros at 30 September 2008, up 106.2 million euros compared to 30 September 2007. At 30 September 2008, 23% of sales from commercial property development was recorded on behalf of the commercial property investment business, i.e. 45 million euros, including, in particular, the Villejuif office project (15,250 m²) and the Odysseum shopping centre in Montpellier (51,317 m²).

At 30 September 2008, Icade had a project portfolio relating to 680,076 m², including projects under way (225,685 m²) and projects in the process of being set-up (454,391 m²). The following projects were delivered in 2008: Montrouge in March and Villejuif Ilot 5 in July.

This activity represents a growth engine for the property development division with limited white operations and major projects in conjunction with the property investment business. The main cash-flow-generating projects for commercial property (office buildings in Villejuif, Aubervilliers and Odysseum shopping centres, restructuring the Tour Descartes etc.) will be delivered during the period 2010-2012.

Public and Healthcare Property Development

The public and healthcare property development business is increasing significantly. At 30 September 2008, sales were up by almost 23 million euros compared to 30 September 2007 (145.3 million euros compared to 121.8 million euros at 30 September 2007).

This turnover originates partly from development initiatives, the 2008 contribution of which is 120.8 million euros compared to 93.6 million euros at 30 September 2007, and partly from project-owner support services, which represented 24.4 million euros at 30 September 2008, compared to 28.2 million euros at 30 September 2007.

This reflects this division's strategy, which is materialised by a business which is increasingly geared towards the implementation of development initiatives under Public-Private Partnerships (PPP), with very limited risk.

At 30 September 2008, Icade's project portfolio in the public and healthcare property development field represented 301,820 m² of projects under way and 118,362 m² of projects in the process of being set-up.

The delivery of 9 development projects (total of 48,544 m²) during the first 9 months of the year 2008 should be noted: Laval (Ehpad for 7,005 m²), Bourg Les Valence (1,990 m²), Chatellerault (5,047 m²), St-Martin du Touch (20,000 m²), Pont de l'Arche (2,302 m²), Saint-Amand (1,497 m²), Castelnau (1,130 m²), CRS de Meaux (8,600 m²) and Blagnac (973 m²).

Engineering and Planning Development

The engineering and planning businesses generated a turnover of 21.5 million euros at 30 September 2008 compared to 21.8 million euros at 30 September 2007.

SERVICES

Sales in millions of euros	30/09/2008	30/09/2007	Change
Residential	73.6	70.6	+4.2%
Commercial	78.3	83.5	-6.2%
Inter-business services	-0.3	-0.5	
TOTAL	151.5	153.5	-1.3%

Icade intends to refocus its property services division on activities which have real synergies with the developer REIT, that is to say consulting, management of student halls of residence and property management for institutional clients.

This refocusing also includes property management activities for individuals and facility management in conjunction with external partners, who present a credible industrial alternative, with Icade maintaining its contractual relations with the activities concerned.

During its meeting on 09 October 2008, Icade's board of directors consequently authorized its chairman to begin the process to find a strategic partner for each of these two activities.

Residential Property Services

At 30 September 2008, Icade's residential property services (property management and the management of serviced residences) managed approximately 150,000 lots as managing agent (syndic) and manager in France and 12,000 lots in Spain. They also manage 7,300 units in student halls of residence in France (of which 793 were delivered this quarter) and 5,500 in Spain. In addition, they manage more than 570,000 m² of offices for institutional clients.



Sales from residential property services grew by 4% to 73.6 million euros owing to the combined effect at 30 September 2008:

- of the impact, on a full-year basis, of the delivery at end 2007 of 5 new student halls of residence, of which 3 in France,
- of the optimisation of the office-management business causing sales to be transferred to commercial property services.

Commercial Property Services

At 30 September with its Facility and Property Management businesses, Icade operates almost 2.2 million m² of offices and manages almost 3.6 million m² (manager and managing agent) in France. In Italy, Icade carries out this business for a total of 2.2 million m². Icade also operates in the commercial property consultancy sector. As at 30 September 2008 sales from commercial property services stood at 78.3 million euros compared to 83.5 million euros at 30 September 2007, with a reduction in the facility management business with the disposal of Protertia.

INTER-BUSINESS ELIMINATIONS

Inter-business eliminations represented 89.9 million euros at 30 September 2008. They have increased significantly in accordance with the developer REIT model and mainly relate to the elimination of sales concerning projects implemented by the development division on behalf of the investment division.

The investment division has acquired the following projects from the development division:

- Commercial property: Villejuif 5, Odysseum shopping centre in Montpellier. Impact on sales: -44.7 million euros as at 30 September 2008.
- Residential property: L'Hay-les-Roses, Fresnes, Châtenay-Malabry. Impact on sales: -20.1 million euros as at 30 September 2008.

NOTE ON THE FINANCING POLICY

In 2008, Icade signed 7 credit lines for a total of 753 million euros, representing an average 3-month euribor spread of 60 bp for an average maturity of 4.6 years. There will not be any significant reimbursement of debt in the coming months.

DIARY

2008 annual results: 9 February post cut-off date

SFAF: 10 February 2009, 10.00 am – Millénaire 1 – 35 rue de la gare – 75019 Paris



ABOUT ICADE

Icade, a Developer REIT, chaired by Serge Grzybowski, is a major player in the property market. Its business activities cover the whole value chain: investment, development and provision of services in the residential, offices, business parks, shops and shopping centres and public-health amenities sectors. The company's know-how expresses itself through designing, developing, investing, holding and arbitrating, operating and managing. Expertise in its different business lines means that Icade is able to provide its clients with personalised solutions and to act in respect of all the sector's current concerns. In 2007, Icade recorded consolidated sales of €1,482 million and net current cash-flow of €224 million. The revalued liquidation net asset value rose to €5,317 million, i.e. €110.4 per share as at 30 June 2008.

CONTACTS

Nathalie Palladitcheff
Member of the Executive Board, responsible for
finance, legal affairs and IT systems

+33 (0)1 41 57 70 12
nathalie.palladitcheff@icade.fr

Rémi Lemay
Financial and External Communication
Manager
+33 (0)1 41 57 71 05
remi.lemay@icade.fr