Press release

Paris, 9 February 2009

Profits up 18% and a resilient portfolio of assets up 11%

Icade has published net profit (Group share) of 313 million Euros for 2008. This result is the fruit of the strategy implemented by the Group which consists in extracting capital gains from the residential housing portfolio and using these resources to acquire immediate and accretive cash flows.
Icade is backed by defensive liabilities, characterised by a limited debt ratio, and by solid, diversified property assets.
Confronted with the sharp change in the housing development environment, Icade has put in place a prudent policy, both in operational and accounting terms, in this field.

- Consolidated sales rose 8% to 1 599 million Euros thanks to the solidity of rent in the property investment division and the development business as a whole.
- EBITDA and operating profit reached 335 million Euros and 447 million Euros respectively, rising 15% and 34% as a result of the company's increased focus on property investment carried out since the end of 2007.
- Net current cash flow per share fell by 11% to €4.23 per share due, in particular, to the conservative treatment of residential property development operations.
- The value of assets amounted to 6 952 million Euros, up 11.6% and 2.4% on a like-for-like basis, demonstrating the resilience of the property asset portfolio. Given a prudent valuation of development and services business (negative impact of €10 per share related to the reduced valuation of development and services business), the liquidation net asset value recorded a slight fall of 6% to €101.6 per share.
- Net profit Group share came out at 313 million Euros, an increase of 18% compared to 2007 (excluding effect of exit tax in 2007) and takes into consideration the constitution of a provision of 45 million Euros intended to hedge the risks of the residential property development business.

Turnover up 8%

At 31 December 2008, Icade recorded consolidated turnover of EUR 1 598.7 million, up 8% compared to 31 December 2007. It is broken down between property investment (26%), property development (71%) and property services (13%):

(in millions of Euros)	*2008*	*2007**	*Variation*
Property investment	***409.4***	***358.4***	***+14%***
Property development	***1 142.3***	***998.5***	***+14%***
Property services	***204.1***	***210.7***	***-3%***
Other (head office and Intra-Group eliminations	***-157.0***	***-85.9***	
Total Turnover	***1 598.7***	***1 481.8***	***+8%***

* engineering activities initially integrated in the services business in 2007 were reclassified in the development business in 2008. Data was restated at 31 December 2007 as a result, in order to present homogenous information over both periods.

ICADE

Foncière-développeur

This increase is essentially due to the good investment performance of the property investment business with the variation of rent, on a like-for-like basis, reaching 4.6% in 2008 and the solidity of the property development business (+14% compared to 2007). Indeed, Residential Property Development had to contend with an unfavourable market environment which led to a reduction in the disposal rate of operations and the postponement of construction start-ups during 2008. However, Commercial and Public Property Development offers a growth opportunity within the Property Development division with a very limited marketing risk (79 million Euros of operations with irreversible commitment).

EBITDA up 15%

At 31 December 2008, Icade had recorded EBITDA of 335.2 million Euros, compared to 290.9 million Euros at 31 December 2007. It is broken down between Property Investment (81%), Property Development (26%) and Property Services (4%). The EBITDA margin increased by 140 basis points in 2008, representing 21% of turnover, illustrating the company's increased focus on property investment since the extension of the SIIC regime at the end of 2007. Indeed, the majority of the increase in margin relates to the rise in the influence of Icade's property investment companies in line with the strategy introduced.

(in millions of Euros)	*31/12/2008*	*31/12/2007*	*Variation*
Property investment	*273.2*	*216.0*	***26%***
Property development	*87.9*	*105.3*	***-17%***
Property services	*11.9*	*12.7*	***-6%***
Other (head office and Intra-Group eliminations	*-37.8*	*-43.2*	
Total EBITDA	***335.2***	***290.9***	***15%***

Operating profit totalled 446.8 million Euros at 31 December 2008, compared with 333.6 million Euros at 31 December 2007, representing a 34% increase.

(in millions of Euros)	*31/12/2008*	*31/12/2007*	*Variation*
Property investment	*443.4*	*282.1*	***57%***
Property development	*26.4*	*93.1*	***-72%***
Property services	*9.2*	*10.8*	***-15%***
Other (head office and Intra-Group eliminations	*-32.2*	*-52.6*	
Total Operating Profit	***446.8***	***333.6***	***34%***

This net increase is the combination of several elements:

- 2008 was characterised by the sudden, sharp breakdown in economic and financial activity. This had immediate consequences for residential property development, for which Icade took the following measures in October 2008:
    - Discontinuation of 50 operations, the commercial potential of which did not meet the expected profitability and development criteria (that is 3 072 housing units). The impact of these discontinuations in the EBITDA amounts to 9.1 million Euros.
    - Precaution taken to ensure the development of future supply by constituting a provision of 45.7 million Euros related to projects for which work orders have not yet been launched. The number of projects concerned is 102 out of a total of 247. The costs provisioned correspond either to research fees committed or to lockout payments to be paid in the event that a property acquisition promise is not respected.
    - Adaptation of the property investment portfolio to new market conditions by negotiating land acquisition commitments (price and period).

- Authorization of the undertakings committee to acquire land.
- Launch of the programme of works if the pre-marketing is greater than 50%.
- Disposal of operations to social organisations in the framework of the government's recovery plan.
- Reduction in operating charges in particular payroll and purchases.

These decisions will enable Icade to maintain a production tool to be ready for the recovery in activity, with the main objectives of limiting the constitution of completed and unsold properties, preparing an offering that is suitable for the new market conditions, for first-time buyers and investment in rental properties, and to sell programmes to social and institutional investors at determined prices.

- The change in depreciation charges from (97.0) million Euros at 31 December 2007 to (123.5) million Euros at 31 December 2008 relating to acquisitions made.
- The constitution of a provision for impairment of 14.7 million Euros for a building situated in Rueil-Malmaison, acquired in 2007, currently being renovated after the departure of Esso in May 2008.
- The increase in the profit from disposals, which reached 296.2 million Euros at 31 December 2008 (essentially the disposal of 4 864 housing units in block and 300 individual units at an average price of respectively €964/m² and €1 996/m², and the disposal of the office building situated on rue Mogador). At 31 December 2007, profit from disposals represented 139.3 million Euros (disposal of 3 131 housing units in block and 198 individually).

Net current cash-flow per share down 11%

Net Current Cash Flow stood at €4.23 per share that is 206.3 million Euros at 31 December 2008, down 11% compared to 31 December 2007 (€4.75 per share) and is broken down as follows:

(in millions of Euros)	*31/12/2008*	*31/12/2007*
EBITDA	*335.2*	***290.7***
*Current financial profit/loss**	*-90.4*	***-40.7***
Current corporation tax	*-38.5*	***-26.5***
Net current cash flow	***206.3***	***223.6***
Net current cash flow per share	***4.23 €***	***4.75 €***
Average no. of shares	***48 739 684***	***47 110 641***

* excluding effect of non-discounting exit tax

Under the conservative treatment of residential property development activities, 9 million Euros were entered under losses over 50 operations, directly affecting the net current cash flow.

Furthermore, the increase in financial charges is related only to the financing of the most recent investments, the impact of sub-annual increases in market rates having been limited by an effective hedging policy.

Operations currently under development such as the "Metropolitan" in Villejuif, the Ernst & Young building in Munich or the renovation of the former ESSO head office in Rueil Malmaison will not generate cash flow, according to their delivery schedule, until the year 2009 and following.

Net profit of 313 million Euros

Net profit Group share reached 313 million Euros that is €6.41 per share against 36.9 million Euros at 31 December 2007 (265.6 million Euros excluding exit tax). Excluding the effect of exit tax in 2007, net profit has increased by 18% in 2008.
This considerable net profit is the fruit of the strategy implemented by Icade over the last 18 months:

- immediate cash flows on acquisitions of clinics,
- prudent provisions taken into account in residential housing development,

- continued economies in terms of charges, through rationalising the organisation,
- Significant capital gains thanks to a dynamic and fruitful disposals policy on the residential housing portfolio.

The distribution of a dividend of €3.25 per share, that is 159.9 million Euros, will therefore be proposed to the Annual General Meeting of 15 April 2009. This figure is stable, compared to 2007. The dividend will be paid on 30 April 2009. This dividend represents a distribution rate of 77% of net current cash flow per 2008 share of Icade (€4.23) compared to 68% in 2007 (€4.75). Although it had indicated that the change in the dividend would follow that of the net current cash flow, Icade is proposing a stable dividend to assert its confidence on its medium-term perspectives.

Solid and diversified property assets

As at 31 December 2008, the portfolio value, not including rights, was 6 952 million Euros, up 11.6% compared with 31 December 2007, 2.4% of which is on a like-for-like basis, proof of the resilient and diversified nature of Icade's assets in the current context. Icade's revalued liquidation net asset value was 4 954.1 million Euros, i.e. 101.6 Euros per share, down 6% in 2008, taking into account a prudent valuation of the development and services companies of 484 million Euros, down 50% compared to 01 January 2008.

The Chairman and Chief Executive Officer of Icade was appointed by the Board of Directors meeting on 12 December 2008 to explore the disposal of the entire residential property division to one or more investors; surveyors estimated that a portfolio discount could be applied to determine the block value of the whole in the event of disposal to a single buyer.

An active arbitrage policy and a selective investment strategy

The amount of investments net of disposals reached 467 million Euros in 2008, of which 867 million Euros of investment and 400 million disposals.

Icade has actively pursued its arbitrage programme on its residential housing portfolio. Disposals of housing units totalling 299.0 million Euros were made with a considerable premium in relation to the appraisal value at 31 December 2007 (62%) and on the basis of a net yield of 4.2%. Icade also sold the property at 31 rue de Mogador in Paris in November 2008 for 51.0 million Euros (i.e. 7% greater than the latest appraisal value). Furthermore, the programme of housing disposals for 2009 is already secure, in the sum of 3 100 apartments.

Resources from disposals were reallocated to the more profitable commercial property division. Thus, investments concern Office Property Investment in France (107.4 million Euros), Business Park Property Investment (59.3 million Euros), Shops and Shopping Centres Property Investment (64.3 million Euros), Property Investment Amenities (441.8 million Euros), SIIC Invest (18.0 million Euros) and Office Property Investment in Germany (12.4 million Euros). Acquisitions during the year were made on the basis of a yield of 7.1%, significantly accretive compared to the disposals.

These investments, made principally in offices, clinics and shopping centres, will contribute to consolidating Icade's presence in the commercial property sector and to ensuring recurring cash flow.

A defensive debt profile

The loan to value (LTV) ratio, which is calculated using the conservative method as the ratio between the Group's net debt on all business activities including funding development and service operations and the single appraisal value of the asset base (not including rights) of the property investment companies, was 35.4% at the end of 2008 compared with 25.3% at the end of 2007, given the Group's investment policy.

Under the financing of its medium-term development plan, Icade has secured credit facilities over the last few months. In 2008, Icade thus signed credit lines for a total of 926 million Euros, representing an average 3-month euribor spread of 70 bp for an average maturity of 4.2 years. Thanks to an effective hedging policy, the impact of the increase in rates is limited on the average cost of debt, which amounts to 4.8% at 31

December 2008 for a favourable average maturity of 5.4 years.

Outlook

In a more difficult market and financing context, Icade intends to continue its arbitrage programme on:

- housing in the framework of the expansion of property investment activities; it is worth noting that the disposal of 3 100 housing units is already secure for 2009;
- mature offices, particularly in Germany, with a view to refocusing on the domestic market in accordance with the SIIC statute;
- services: within the framework of the organisation of the Group, by disposing activities which do not provide synergies with the rest of the Group.

And, to continue the selective and opportunist commercial investments in a non-stabilised market by strengthening the commercial property investment division which provides better yields and cash flows. Over the coming 5 years, the committed and identified investment pipeline amounts to 1.3 billion Euros, with a yield of 6.8%

Furthermore, Icade will examine its re-investment policy according to divestitures made.

Icade confirms its anticipations over the medium term:

- double-digit net current cash-flow growth on average;
- a dividend in-line with the average growth in cash flow and taking into account the distributable profit of the disposals,
- a prudent and controlled debt ratio.

Foncière-développeur

<u>Key consolidated figures</u>:

in millions of Euros	31/12/08	31/12/07	Variation
Turnover	**1 599**	**1 482**	8%
EBITDA	**335**	**291**	*15%*
EBITDA margin %	21%	***19,6%***	
Allocations to depreciation	**(124)**	**(97)**	
Profit/loss from disposals	**296**	**139**	113%
Operating profit/loss	**447**	**334**	34%
Financial profit/loss	**(99)**	**(41)**	
Tax charge / Tax expense	**(31)**	**(247)**	
Net profit group share	**313**	**37**	
Net current cash-flow ***Net current cash flow per share***	**206** **4.23€**	**224** **4.75€**	(-8%) (-11%)

in millions of Euros	31/12/08	31/12/07
Net financial debt	**2 459**	**1 574**
LTV	**35%**	**25%**

in millions of Euros	31/12/08	31/12/07
Replacement NAV* **In € per share**	**5 352** **109.8**	**5 709** **116.4**
Liquidation NAV* **In € per share**	**4 954** **101.6**	**5 317** **108.4**

* Number of diluted shares for calculation of Revalued Net Asset Value per share at 31/12/2008: 48 756 762

Coming events
General Meeting: 15 April 2009
Payment of dividend: 30 April 2009
Turnover Q1 2009: 13 May 2009 after market close

About Icade
As a developer REIT, Icade, chaired by Serge Grzybowski, is a major player in the property market. Its business activities cover the whole value chain: investment, development and furnishing services in the housing, 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 2008, Icade recorded consolidated turnover of 1 599 million Euros and net current cash flow of 206 million Euros. The revalued liquidation net asset value rose to 4 954 million Euros, i.e. 101.6 Euros per share.

Serge Grzybowski will present the 2008 annual results to analysts on 10 February, at 11.30 am CET. The slideshow will be available from 10.30 am using following link : http://www.icade.fr/fo/en/category/finance,icade-ex-icade-emgp,presentations-financieres.do

The presentation can be consulted in English using the following link: **https://eventreg1.conferencing.com/webportal3/reg.html?Acc=970589&Conf=163644**
It will be available, *using this link*, for 6 days as of 10 February 2009.

Contacts

Nathalie Palladitcheff
Member of the Executive Board, responsible for finance
+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

ANNEXES

I- CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET AT 31 DECEMBER 2008

(in millions of Euros)	***31 December 2008***	***31 December 2007***
Turnover	***1 598.7***	*1 481.8*
EBITDA	***335.2***	*290.9*
In % of turnover	*21.0%*	***19.6%***
Depreciation charges net of investment grants	*-123.5*	***-97.0***
Charges and reversals related to impairment of tangible, financial and other current assets	*-61.2*	***-0.3***
Profit/loss from disposals	***296.2***	*139.3*
Impairment of consolidated goodwill and intangible assets	*0.1*	***0.7***
Operating profit/loss	***446.8***	*333.6*
Financial profit/loss	***-99.1***	*-40.7*
Profit tax	*-31.2*	***-247.5***
Net profit	*317.6*	***45.7***
Net profit group share	*312.5*	*36.9*

ICADE
Foncière-développeur

(in millions of Euros)	***31 December 2008***	***31 December 2007***
ASSETS		
Net consolidated goodwill	*141.4*	***140.7***
Net intangible assets	*32.4*	***46.6***
Net tangible assets	*463.3*	***243.3***
Net investment properties	*3 027.7*	***2 549.5***
Non-current securities available for sale	*19.9*	***61.9***
Securities consolidated by the equity method	*0.7*	***(0.1)***
Other non-current financial assets	*58.5*	***79.4***
Deferred tax assets	*19.6*	***23.0***
TOTAL NON-CURRENT ASSETS	***3 763.5***	*3 144.3*
Inventory and goods in process	*391.0*	***345.8***
Trade debtors	*399.6*	***370.6***
Amounts due by customers (building contracts and off-plan sales)	*186.9*	***124.6***
Tax receivable	*27.5*	***24.0***
Miscellaneous receivables	*646.3*	***689.4***
Current securities available for sale	*0.7*	***21.5***
Other current financial assets	*61.6*	***58.3***
Cash and cash equivalents	*656.1*	***585.8***
Assets intended to be sold	*25.5*	***10.1***
TOTAL CURRENT ASSETS	***2 395.2***	*2 230.1*
TOTAL ASSETS	***6 158.7***	*5 374.4*
LIABILITIES		
Capital and reserves – Group share	***1 468.9***	*1 419.8*
Minority interests	*10.1*	***8.2***
CAPITAL AND RESERVES	***1 479.0***	*1 428.0*
Non-current provisions	*53.7*	***53.2***
Non-current financial accounts payable	*2 539.1*	***1 765.1***
Tax payable	*57.5*	***122.0***
Deferred tax payable	*26.9*	***30.9***
Other non-current financial liabilities	*140.5*	***55.2***
TOTAL NON-CURRENT LIABILITIES	***2 817.7***	*2 026.4*
Current provisions	*41.8*	***42.6***
Current financial accounts payable	*605.1*	***595.5***
Tax payable	*81.9*	***132.0***
Trade creditors	*434.4*	***433.3***
Amounts due to customers (building contracts and off-plan sales)	*63.7*	***81.6***
Miscellaneous current payables	*628.9*	***630.9***
Other current financial liabilities	*6.2*	***4.1***
TOTAL CURRENT LIABILITIES	***1 862.0***	*1 920.0*
TOTAL LIABILITIES AND CAPITAL AND RESERVES	*6 158.7*	*5 374.4*

ICADE
Foncière-développeur

II – ACTIVITY AND RESULTS 2008

1. Property investment

(in millions of Euros)	31/12/2008	31/12/2007	Variation
TURNOVER	**409.4**	**358.4**	51.0
Housing	197.5	201.0	**-3.5**
Offices in France	62.9	51.3	**11.6**
SIICInvest	10.2	5.6	**4.6**
Offices in Germany	15.7	14.7	**1.0**
Business Parks	81.3	70.0	**11.3**
Public & healthcare amenities	34.2	16.0	**18.2**
Shops and Shopping Centres	8.1	0.0	**8.1**
Intra-group	-0.5	-0.3	**-0.2**
EBITDA	**273.2**	**216.0**	57.2
Housing	95.5	88.8	**6.7**
Offices in France	57.5	46.8	**10.7**
SIICInvest	7.4	3.7	**3.7**
Offices in Germany	11.4	10.3	**1.1**
Business Parks	64.7	53.6	**11.1**
Public & healthcare amenities	29.6	12.7	**16.9**
Shops and Shopping Centres	7.0	0.0	**7.0**
Intra-group	0.0	0.0	**0.0**
OPERATING PROFIT/LOSS	**443.4**	**282.1**	161.3
Housing	328.6	198.1	**130.5**
Offices in France	48.9	39.2	**9.7**
SIICInvest	4.5	2.7	**1.8**
Offices in Germany	4.6	4.6	**0.0**
Business Parks	33.1	25.9	**7.2**
Public & healthcare amenities	20.8	11.6	**9.2**
Shops and Shopping Centres	2.9	0.0	**2.9**
Intra-group	0.0	0.0	0.0

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
RENTAL INCOME	***406.8***	***355.5***	*51.3*
Housing	*195.4*	*198.7*	***-3.3***
Offices in France	*63.0*	*51.3*	***11.7***
SIICInvest	*10.2*	*5.6*	***4.6***
Offices in Germany	*15.7*	*14.7*	***1.0***
Business Parks	*81.2*	*69.5*	***11.7***
Public & healthcare amenities	*33.3*	*16.0*	***17.3***
Shops and Shopping Centres	*8.1*	*0.0*	***8.1***
Intra-group	*0.0*	*-0.3*	***0.3***
NET RENT	***311.8***	***255.4***	*56.4*
Housing	*115.3*	*111.0*	***4.3***
Offices in France	*60.6*	*49.3*	***11.3***
SIICInvest	*9.2*	*5.4*	***3.8***
Offices in Germany	*14.5*	*13.7*	***0.8***
Business Parks	*72.0*	*60.9*	***11.1***
Public & healthcare amenities	*32.6*	*15.4*	***17.2***
Shops and Shopping Centres	*7.6*	*0.0*	***7.6***
Intra-group	*0.0*	*-0.3*	*0.3*

1.1 Residential Property Investment Division

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***197.5***	***201.0***	*-3.5*
EBITDA	***95.5***	***88.8***	*6.7*
Operating profit/loss	*328.6*	*198.1*	*130.5*

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***195.4***	***198.7***	*-3.3*
Rental charges not reinvoiced	*0.4*	*-1.6*	***2.0***
Property charges	*-80.5*	*-86.1*	***5.6***
Net rent	***115.3***	***111.0***	*4.3*
Net rent / rental income	*59.0%*	*55.9%*	
Other revenue	*1.8*	*2.3*	***-0.5***
Depreciation charges net of grants	*-31.4*	*-32.5*	***1.1***
Charges and reversals related to impairment	*2.0*	*1.1*	***0.9***
Profit/loss from disposals	*262.5*	*140.8*	***121.7***
Other charges and income	*-21.6*	*-24.5*	***2.9***
Operating profit/loss	*328.6*	*198.1*	*130.5*

With 35 651 housing units at 31 December 2008, i.e. over 2.1 million m², **turnover** from the Residential Property Investment business stood at 197.5 million Euros, compared to 201.0 million Euros at 31 December 2007, representing a 1.8% fall, given the disposals carried out and an increase of 2.3% on a like-for-like basis.

The main changes relate to:

- The reduction in rental income related to block or unit housing sales in the sum of 8.7 million Euros.
- The impact of rent indexing on the basis of the IRL (benchmark rent index), (3.23% in July 2007, impacting on the full-year in 2008 and 1.36% in July 2008), which stands at 4.3 million Euros in 2008.
- The effect of the pricing policy, when re-letting 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) net of financial vacancy, generated 0.9 million Euros of additional rental income.

The financial occupancy rate of rentable housing units reached 97.1% at 31 December 2008. It stands at 95.5% for the overall financial occupancy rate. The turnover rate was 8.4%, slightly up on 31 December 2007 figures (+0.4%).

Average monthly rent per habitable m² (excluding rights and vacancy) was 7.41 Euros at 31 December 2008 (versus 6.65 Euros in 2007), with 5.80 Euros (versus 5.53 Euros in 2007) for so-called subsidised leases which, at 31 December 2008 represent only 9.1% of housing units in the portfolio, and 7.65 Euros (versus 6.93 Euros in 2007) for common law leases.

Average monthly rent per habitable m² (excluding rights and including vacancy) was 7.03 Euros at 31 December 2008 (versus 6.30 Euros in 2007), with 5.69 Euros (versus 5.31 Euros in 2007) for so-called subsidised leases which, at 31 December 2008 represent only 9.1% of housing units in the portfolio, and 7.22 Euros (versus 6.57 Euros in 2007) for common law leases.

In 2007, the average re-letting rent for a housing unit in Icade's free sector stood at 10.16 Euros per m² with an average floor space of nearly 55m².

To enhance its residential assets, Icade dedicated 91.2 million Euros to maintenance and renovation in 2008.

(in millions of Euros)	***31/12/2008***	***31/12/2007***
Maintenance	23.8	**25.7**
Renovation – fixed assets	67.4	**57.6**
Development – Fixed assets	**33.1**	**30.0**

Note that 90% of assets are already eligible for the section of the "Grenelle" environmental measures applicable in 2012.

After assigning property charges, the **net rent** from Icade's Residential Property Investment business stood at 115.3 million Euros at 31 December 2008. The rental margin has increased at 31 December 2008 (59.0%) compared to 31 December 2007 (55.9%).

Operating profit amounts to 328.6 million Euros at 31 December and benefits from profit from disposals made during 2008, which total 262.5 million Euros versus 140.8 million Euros at 31 December 2007.

These disposals are the result of an intense asset arbitrage policy with 300 housing units sold individually (for an average selling price per m² in the Paris region of 2 058 Euros) and 4 864 housing units sold in block (Villejuif: 605 housing units, Poissy: 416 housing units, Blanc-Mesnil: 1 138 housing units, Créteil: 928 housing units, Epinay-Sous-Sénart: 442 housing units, Rueil les Godardes: 168 housing units and Sarcelles: 1167 housing units) (for an average sale price per m² of 964 Euros). Committed disposals which will become effective in 2009 concern 3 076 housing units.

Homes for sale are selected on the basis of criteria such as location, EBITDA margin, capability for building and inhabitants' income levels. These assets are sold only to social housing organisations which benefit from favourable financing, and despite the economic context remain significant buyers of residential property from our portfolio.

Note also that disposals of shops and plots of land attached to these housing units have been carried out.

68% of block sales in 2008 relate to subsidised housing for which the rent is subject to statutory caps. The following table shows the future expiry dates of the agreements:

Lease expiry schedule:

Year	No. of common law leases (*)	No. of subsidised leases (**)
2009	2 462	**48**
2010	2 866	**2 686**
2011	5 163	**215**
2012	4 785	**-**
2013	4 284	**13**
2014	8 848	**210**
2015 and following	155	**74**
Total	28 563	3 246

(*) excluding impact relating to possible sales and change of tenants.
(**) End of subsidy effective at 01 July of year (n+1)

Whilst continuing with its arbitrage policy, Icade is currently building 684 housing units with the Residential Property Development division, in order to diversify its sites and optimise property reserves for an overall forecasted total of 103 million Euros.

1.2 Commercial Property Investment Division – Office Business

1.2.1 Office Business in France

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***62.9***	***51.3***	*11.6*
EBITDA	***57.5***	***46.8***	*10.7*
Operating profit/loss	*48.9*	*39.2*	*9.7*

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***63.0***	***51.3***	*11.7*
Rental charges not reinvoiced	*0.0*	*-0.5*	***0.5***
Property charges	*-2.4*	*-1.5*	***-0.9***
Net rent	***60.6***	***49.3***	*11.3*
Net rent / rental income	*96.3%*	*96.1%*	
Other revenue	*0.0*	*0.0*	***0.0***
Depreciation charges net of grants	*-14.3*	*-11.5*	***-2.8***
Charges and reversals related to impairment	*-14.7*	*0.5*	***-15.2***
Profit/loss from disposals	*20.5*	*3.5*	***17.0***
Other charges and income	*-3.1*	*-2.6*	***-0.5***
Operating profit/loss	*48.9*	*39.2*	*9.7*

At 31 December 2008, **turnover** from the Office business in France stood at 62.9 million Euros compared to 51.3 million Euros at 31 December 2007, representing a 22.5% increase, 2.9% of which on a like-for-like basis. This change is the result of several different factors:

- 9.1 million Euros of additional rent owing to the acquisition of Tour Descartes (concerning the two thirds acquired on 03 July 2007).
- 0.9 million Euros of additional rent from the servicing and marketing of the Opéra building in Villejuif to LCL in the fourth quarter of 2008.
- The 1.6 million Euros balance relates predominantly to 1.5 million Euros of rent indexing and the re-letting of the entire Morizet building (1.7 million Euros). The positive impacts are compensated by the departure of the tenant Esso from the building in Rueil Malmaison in May 2008 (2.0 million Euros of rent lost).

The rented floor space represented 152 366 m² of premises (compared to 154 838 m² at 31 December 2007), giving a 99.1% **financial occupancy rate** at 31 December 2008 (compared to 96.8% at 31 December 2007).

At 31 December 2008, the average rent reached €410 per m².

Net rent from the Office business in France came out at 31 December 2008 at 60.6 million Euros, that is a rental margin rate of 96.3%, which is a slight improvement on the rate of 31 December 2007 (96.1%). This change can be explained mainly by the re-letting on 01 February 2008 of the entire Morizet building.

At 31 December 2008, **operating profit** from the Office business in France amounted to 48.9 million Euros, compared to 39.2 million Euros at 31 December 2007.

This net increase is the combination of:

- Profit from disposals related to the sale of the Mogador building (20.5 million Euros).
- Provision for impairment of assets of 14.7 million Euros on the building in Rueil Malmaison.

The following table shows figures for maintenance, renovation and development carried out by the Office business in France at 31 December 2007 and 2008.

Amount (in millions of Euros) excl. tax	***31/12/2008***	***31/12/2007***
Upkeep – Maintenance	0.1	**0.2**
Renovation – Fixed assets	1.4	**2.6**
Development – Fixed assets	**106.0**	**393.7**

Icade thus made 47.4 million Euros of **investments** net of disposals during the course of 2008:

- The most significant investments are:
  - 11.4 million Euros in works carried out on the building in Rueil Malmaison purchased in May 2007. The renovation works began in May 2008 following the expected departure of the tenant (delivery scheduled for September 2009, total budget of 34.6 million Euros).
  - 65.2 million Euros for the Metropolitan project. Icade is scheduled to build LCL's future operational headquarters and then to rent the building to the bank. This programme, which represents 61 700 m² of offices across 4 buildings in Villejuif along the N7 road, is located at the food of the metro station Léo Lagrange. This programme is fully integrated into Icade's Developer-REIT strategy, as Icade has the role of both developer and investor in this operation. Delivery of the buildings will be gradual as 14 000 m² of offices were delivered in October 2008 and the rest will be staggered between 01 March 2010 and 01 October 2011.

  2008 investment is broken down as follows:
  - 28.4 million Euros for the acquisition of 3 plots of land in Villejuif.
  - 36.8 million Euros in 2008 representing the calls for funds from the developer.

- On 30 September 2008, Icade acquired 31 avenue des Champs Elysées for a total of 29.5 million Euros, including rights. The building located at 31 avenue des Champs Elysées is integrated in a property made up of numbers 27, 29 and 31. Icade envisages acquiring 27 avenue des Champs Elysées in 2009, thus becoming owner of the whole development in order to carry out a large-scale renovation by 2012.

▪ Disposals made in 2008 are as follows:
  - 10.8 million Euros corresponding to the disposal of non-consolidated securities of SCS Atrium which encompasses the Atrium building; 6 Place Abel Gance in Boulogne. This transaction was conducted within the framework of a 50/50 partnership with a third party, which provided exit clauses. Both partners negotiated promises of sale and purchase of the SCS Securities held by ICADE, which should unravel during the course of 2008.
  - 51.0 million Euros corresponding to the disposal in November 2008 of 31 rue de Mogador in Paris.

Customers and leases

Marketing activities have been dynamic over the year.

A lease was signed with the company OMNICOM covering the whole of the building at Rue Morizet in Boulogne-Billancourt for a rent of 1.9 million Euros excluding tax and charges.

This transaction helped to bring the physical vacancy rate down to almost 0% at 31 December 2008.

On 30 April 2008, Icade recorded the departure, as scheduled, of the company Esso, the sole tenant of the building on rue des Martinets in Rueil Malmaison. From 01 May, the asset was reclassified as a building under development and is undergoing considerable restructuring. It therefore is not included in the various indicator calculations (rented floor space, average rents, financial occupancy rate).

In respect of all its leased assets, Icade has about 10 significant tenants, together representing annual rent of 52.5 million Euros in 2008, nearly 83% of the total value of the rental income.

The following table shows, on an annual basis, the number of leases coming to an end and the value of the rent (as Group quota share) accounted for in 2008 for each type of lease affected.

Year	No. of leases affected	Value of rent accounted for in 2008 (in millions of Euros)
2008	30	**7.5 (*)**
2009	32	**30.4 (**)**
2010	14	**4.5**
2011	7	**11.3 (***)**
2012 and following	**13**	**9.3**

* of which ESSO in the building in Rueil Malmaison for 2.4 million Euros
** of which IBM in the tour Descartes for 27.5 million Euros
*** of which Deutsche Bank in the building on avenue de Friedland for 5.2 million Euros

1.2.2 SIICInvest

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***10.2***	***5.6***	*4.6*
EBITDA	***7.4***	***3.7***	*3.7*
Operating profit/loss	*4.5*	*2.7*	*1.8*

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***10.2***	***5.6***	*4.6*
Rental charges not reinvoiced	*-0.1*	*0.0*	***-0.1***
Property charges	*-0.9*	*-0.2*	***-0.7***
Net rent	***9.2***	***5.4***	*3.8*
Net rent / rental income	*89.9%*	*95.7%*	
Other revenue	*0.0*	*0.0*	***0.0***
Depreciation charges net of grants	*-2.9*	*-1.6*	***-1.3***
Charges and reversals related to impairment	*0.0*	*0.5*	***-0.5***
Profit/loss from disposals	*0.0*	*0.0*	***0.0***
Other charges and income	*-1.8*	*-1.6*	***-0.2***
Operating profit/loss	*4.5*	*2.7*	*1.8*

Operating under the SIIC regime (but not subject to the SIIC 4 regime due to its holding by another SIIC), SIICInvest is specialised in holding office and business premises assets. SIICInvest is 89.65% owned by Icade at 31 December 2008.

At 31 December 2008, SIICInvest's **turnover** stood at 10.2 million Euros against 5.6 million Euros at 31 December 2007. This change of 4.6 million Euros is the combination of several elements:

- 4.1 million Euros related to Icade's acquisition of SIICInvest on 30/04/2007,
- the 0.5 million Euros balance relates predominantly to 0.3 million Euros of rent indexing and to the impact of re-letting (0.1 million Euros).

Net rent reached 9.2 million Euros at 31 December 2008.

Rented floor space at 31 December 2008 represented 100 470 m² of offices and business premises, a **financial occupancy rate** of 82.5%.

SIICInvest contributed to **Operating Profit** in the sum of 4.5 million Euros at 31 December 2008 compared to 2.7 million Euros at 31 December 2007**.**

Investments of SIICInvest in 2008 amounted to 18.0 million Euros, of which:

- Acquisition of shares of SCI Marignane for 3.9 million Euros,
- works on Strasbourg, Sennecé les Macons, and Saint Quentin Fallavier for 14.1 million Euros.

1.2.3 Office Business in Germany

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***15.7***	***14.7***	*1.0*
EBITDA	***11.4***	***10.3***	*1.1*
Operating profit/loss	*4.6*	*4.6*	*0.0*

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***15.7***	***14.7***	*1.0*
Rental charges not reinvoiced	*-0.7*	*-0.3*	***-0.4***
Property charges	*-0.5*	*-0.7*	***0.2***
Net rent	***14.5***	***13.7***	*0.8*
Net rent / rental income	*92.5%*	*93.1%*	
Other revenue	*0.2*	*0.0*	***0.2***
Depreciation charges net of grants	*-6.8*	*-6.4*	***-0.4***
Charges and reversals related to impairment	*0.0*	*0.0*	***0.0***
Profit/loss from disposals	*0.0*	*0.7*	***-0.7***
Other charges and income	*-3.3*	*-3.4*	***0.1***
Operating profit/loss	*4.6*	*4.6*	*0.0*

At 31 December 2008, **turnover** from German commercial property assets represented 15.7 million Euros compared to 14.7 million Euros at 31 December 2007, that is an increase of 6.7%.

This increase is mainly due to the following factors:

- the full year impact of leases concluded during 2007 in the sum of 0.1 million Euros (MAN in Munich and AXA in Hamburg),
- the conclusion of new leases in the sum of 0.8 million Euros during 2008 (Berliner Häuser, INSE, Stoebe Menhert etc.),
- the effect, over 6 months in 2008, of rent indexing by plateaus, specific to Germany, for 0.4 million Euros,
- the reduction of floor space occupied by Deutsche Post and the simultaneous departure of the tenant PSI in Berlin-Hohenzollerndamm leading to a fall in turnover of 0.3 million Euros.

At 31 December 2008, rented floor space represented 112 073 m² resulting in an overall **financial occupancy rate** of 83.4 %.

Icade is pursuing its strategy of filling vacancies in buildings in use and developing property reserves with potential lessees.

Thus, the sustained marketing activity in Berlin and Hamburg has enabled 12 112 m² of offices to be let. 2008 saw the arrival of tenants such as office supplies company Mac Paper, property manager Berliner Häuser, PR company Sarah Wiener, training institute INSE…in Berlin and Hamburg and extensions in Munich for our tenants, industrial vehicle manufacturer MAN and aeronautics company Atena, sub-contractor of our other tenant MTU, for minimum lease periods of 5 years.

The impact of these new leases has partially compensated the restitution of part of the floor area occupied by Deutsche Post and the departure of logistics company PSI, both tenants of the business park in Hohenzollerndamm in Berlin.

Net rent at 31 December 2008 totalled 14.5 million Euros, compared to 13.7 million Euros (+6.6%)

The significant rise in rental income generates a considerable improvement in **EBITDA** (+10.6%) at 11.4 million Euros, versus 10.3 million Euros in 2007. This resulted in an **Operating Profit** of 4.6 million Euros at 31 December 2008, an identical level to 2007 which integrated the capital gain from the disposal of a property reserve in Berlin in the sum of 0.7 million Euros.

In parallel to this buoyant activity, the development of property reserves is beginning with the development of a 19 600 m² building in Munich. Delivery is scheduled for the end of 2010 and 80% has already been pre-let by Ernst & Young. The building permit was delivered in September 2008 and works began immediately.

ICADE

Foncière-développeur

Investment in the Office Business in Germany during 2008 amounts to 12.4 million Euros corresponding to the current construction project for Ernst & Young (8.4 million Euros), to works destined for new tenants (1.0 million Euros) and to the acquisition of land (3 million Euros) of a surface area of 2 ha in Bad Homburg, as provided in the initial agreement concluded with Daimler.

1.3 Commercial Property Investment Division – Business Parks Business

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***81.3***	***70.0***	*11.3*
EBITDA	***64.7***	***53.6***	*11.1*
Operating profit/loss	*33.1*	*25.9*	*7.2*

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***81.2***	***69.5***	*11.7*
Rental charges not reinvoiced	*-2.1*	*-7.2*	***5.1***
Property charges	*-7.0*	*-1.4*	***-5.6***
Net rent	***72.0***	***60.9***	*11.1*
Net rent / rental income	*88.7%*	*87.6%*	
Other revenue	*0.1*	*0.5*	***-0.4***
Depreciation charges net of grants	*-30.2*	*-27.8*	***-2.4***
Charges and reversals related to impairment	*-0.4*	*0.2*	***-0.6***
Profit/loss from disposals	*-1.2*	*-0.1*	***-1.1***
Other charges and income	*-7.4*	*-7.7*	***0.3***
Operating profit/loss	*33.1*	*25.9*	*7.2*

At 31 December 2008, **turnover** from Business Parks Business stood at 81.3 million Euros, compared to 70.0 million Euros at 31 December 2007, representing an increase of 16.1%, of which 7.4% on a like-for-like basis.

This change is the result of several different factors:

- Impact of changes in the consolidation 6.5 million Euros
  - Acquisition at the beginning of 2008 of land close to the future metro station "Proudhon Gardinoux" for 26.4 million Euros. The rental income for 2008 represents 0.4 million Euros.
  - Millénaire 1: marketing in July and October 2007 to ICADE and Oddo of the entire building. The impact represents 5.4 million Euros.
  - Servicing in the 2nd half of 2007 of Millénaire 2 and marketing of 2 600 m² to the company Nokia at 01 December 2007. The impact on 2008 amounts to 0.7 million Euros.
- Impact of re-letting / departures: 2.0 million Euros The most significant are:
  - Porte de Paris Aubervilliers: Marketing Building 520 to Télécity Redbus in 2008 (impact 2008 amounting to 0.6 million Euros).
  - Porte de Paris Saint-Denis: Marketing Building 134 to Générale de Téléphone in September 2007 (impact 2008 amounting to 0.6 million Euros).
  - Parc du Pont de Flandre: Implementation of inter-company restaurant group in 2008 (impact 2008 amounting to 0.4 million Euros).
- Impact of indexing: 3.2 million Euros, that is an average, on a like-for-like basis, of 5.0%.

At 31 December 2008, rented floor space represented 416,867 m² of premises (compared to 395,226 m² at 31 December 2007) and the **financial occupancy rate** was 85.3% compared to 86.5% at 31 December 2007. This decrease in the occupancy rate essentially stems from the delivery of Building 521 in July 2008, which is currently under marketing.

At 31 December 2008, the average office rent reached 275 Euros per m². At the same date, the average rent for business premises and warehouses amounted respectively to 151 Euros per m² and 129 Euros per m².

Net rent reached 72.0 million Euros at 31 December 2008.

The following table shows, at 31 December 2008, the land area, rentable built floor area and the financial occupancy rate for each of the seven main business parks:

	Land area (in ha)	**Rentable built floor area (in m²)**	**Financial occupancy rate (31 December 2008)**
Parc Pont des Flandres	5.2	75 220	**99.8 %**
Parc des Portes de Paris (Saint Denis)	16.3	68 119	**89.7 %**
Parc des Portes de Paris (Aubervilliers)	32.5	240 285	**86.8 %**
Quartier du Canal – Business Centre	6.7	10 827	**100.0 %**
Parc du Mauvin	3.7	21 916	**100.0 %**
Quartier du Canal – Shopping Centre (in planning)	7.2		**n/a**
Parc du Millénaire (lots 1 and 2)	7.2	58 408	**55.8 %**
TOTAL	78.8	474 775	**85.3 %**

Operating profit for Business Park Business totalled 33.1 million Euros at 31 December 2008, compared to 25.9 million Euros at 31 December 2007, representing a 27.8% increase.

The following table shows the amounts spent on maintenance, refurbishment and development of its assets at end 2007 and 2008.

Amount excluding tax (million Euros)	***31/12/2008***	***31/12/2007***
Maintenance	2.9	**6.4**
Renovation / Fixed assets	8.1	**13.2**
Development / Fixed assets	**51.2**	**74.6**

Investment on Business Parks Business in 2008 amounted to 59.2 million Euros:

The most significant investments are:

- 26.4 million Euros for the acquisition of land close to the future metro station “Proudhon Gardinoux”
- 12.2 million Euros for Building 521
- 8.0 million Euros for works on Millénaire 2
- 0.9 million Euros for works on Millénaire 1
- 1.2 million Euros for works on Building 291
- 0.6 million Euros for the purchase of the 1st tranche of land of the former military railway stations
- 0.9 million Euros for works on Building 028
- 1.2 million Euros for Building 114.
- the balance, that is 8.1 million Euros, corresponding to renovation works on the Business parks.

ICADE
Foncière-développeur

Customers and leases:

38 leases were signed in 2008 relating to 38 600 m² (i.e. 6.7 million Euros of rent in a full year). The most significant marketing operations related to the following buildings:

- letting Building 520 (about 6 532 m²) to Télécity-Redbus: 0.7 million Euros per annum
- letting Building 210 (about 4 117 m²) to Visual TV: 0.7 million Euros per annum
- letting 2 607 m² of the 1st floor of Millénaire 2 to Nokia France: 0.8 million Euros per annum

Negotiations are currently underway for marketing 2 500 m² of the Millénaire 2 building.

Work is underway to implement a disposal strategy rather than a rental strategy for Building 521.

34 tenants left or cancelled, corresponding to 18 700 m² over a total of 460 leases at 31 December 2008. This represents a gross loss of rent of 3.3 million Euros in a full year. Note that of the 34 departures or cancellations, 15 leases were re-let in 2008, corresponding to 9 776 m².

The main customers of business parks carry out very varied activities, which guarantees the healthy dispersion of the tenant risk: audio-visual (Euromédia Group, AMP), e-business (Interxion, Télécity-Redbus), fashion and distribution (Afflelou, Kookai), leisure (Club Med and Pierre et Vacances), Industry and Research (Rhodia), public (Ministry of Justice), other (Oddo Finance, Publicis Events).

Furthermore, Icade also maintains a certain diversity within its parks, of offices, business premises and wholesale trade.

Leases granted by Icade's "business parks" division since 2003 include for annual rent indexing according to changes in the building costs index published by INSEE.

In respect of all its leased assets, Icade has about 10 significant tenants, together representing annual rent of 41.9 million Euros at 31 December 2008, nearly 50% of the total value of rental income.

The following table shows, on an annual basis, the number of leases coming to an end and the value of the rent (as Group quota share) accounted for in 2008 for each type of lease affected. This table shows the diversified nature of the tenant risk in business parks.

Year	**No. of leases affected**	**Value of rent accounted for in 2008 (in millions of Euros)**
2008	168	**7.6**
2009	106	**21.7**
2010	88	**22.8**
2011	74	**14.9**
2012 and following	**24**	**14.2**

1.4 Commercial Property Investment Division – Amenities Business

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***34.2***	***16.0***	*18.2*
EBITDA	***29.6***	***12.7***	*16.9*
Operating profit/loss	*20.8*	*11.6*	*9.2*

ICADE

Foncière-développeur

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***33.3***	***16.0***	*17.3*
Rental charges not reinvoiced	*0.2*	*0.0*	***0.2***
Property charges	*-0.9*	*-0.6*	***-0.3***
Net rent	***32.6***	***15.4***	*17.2*
Net rent / rental income	*97.9%*	*96.3%*	
Other revenue	*0.8*	*0.0*	***0.8***
Depreciation charges net of grants	*-8.8*	*-1.4*	***-7.4***
Charges and reversals related to impairment	*0.0*	*0.3*	***-0.3***
Profit/loss from disposals	*0.0*	*0.0*	***0.0***
Other charges and income	*-3.8*	*-2.8*	***-1.0***
Operating profit/loss	*20.8*	*11.6*	*9.2*

Turnover from the Amenities Business rose to 34.2 million Euros at 31 December 2008 compared to 16.0 million Euros at 31 December 2007.

This increase of 18.2 million Euros is the result of several different factors:

- Impact of changes in the consolidation: 17.4 million Euros
  - Income from the clinics acquired in 2007 for 5.7 million Euros.
  - Income from the clinics acquired in 2008 for 10.6 million Euros.
  - The delivery of the police station in Meaux in 2008 for 1.0 million Euros.
  - The delivery of the nursery in Blagnac for 1.0 million Euros.
- Impact of re-letting / departures: 0.4 million Euros. This involves taking into account in a full year the marketing of the building in Périgeux at end 2007.
- Impact of indexing: 0.4 million Euros, that is an average, on a like-for-like basis, of 2.6%.
- Various: 0.4 million Euros related to reinvoiced services.

At 31 December 2008, rented floor space represented 286 625 m² of premises. **The financial occupancy rate** was almost 100%.

Net rent for the Amenities business amounted to 32.6 million Euros at 31 December 2008. The very favourable nature of the vast majority of the leases in this business where major maintenance/renovation charges and expenses are contractually paid for by the tenant should be noted (net triple rent).

Operating Profit from the Amenities Business rose to 20.8 million Euros at 31 December 2008 compared to 11.6 million Euros at 31 December 2007.

Icade thus made 441.8 million Euros of **investments** net of disposals during the course of 2008:

- 63.8 million Euros related to the acquisition from the Vedici Group of the Polyclinique private hospital in Nantes (32 506 m²) in April 2008.
- 9.3 million Euros for the acquisition from the Vedici Group of the convalescence centre in Roz Arvor (4 124 m²) in April 2008.
- 1.1 million Euros for the acquisition of a plot of land and building rights of 31 000 m² in Olivet in May 2008.
- 18.8 million Euros for the acquisition from the 3H Group of the Saint Charles private hospital in La Roche sur Yon (17 773 m²) in June 2008.
- 20.3 million Euros for the acquisition from the 3H Group of the Polyclinique du Maine private hospital in Laval (10 261 m²) in June 2008.
- 1.8 million Euros for the acquisition from the 3H Group of the convalescence centre in Les Essarts (1 916 m²) in April 2008.

- 37.3 million Euros for the acquisition from the Vedici Group of the Occitanie private hospital in Muret (12 707 m²) in June 2008.
- 70.9 million Euros for the acquisition from the Générale de Santé Group of the CMC Parly II private hospital in Chesnay (18 500 m²) in September 2008.
- 54.9 million Euros for the acquisition from the Générale de Santé Group of the Ouest Parisien private hospital in Trappes (16 360 m²) in September 2008.
- 38.5 million Euros for the acquisition from the Générale de Santé Group of the Paul d'Egine private hospital in Champigny sur Marne (12 800 m²) in September 2008.
- 37.6 million Euros for the acquisition from the Générale de Santé Group of the Armand Brillard private hospital in Nogent sur Marne (11 450 m²) in September 2008.
- 32.6 million Euros for the acquisition from the Vedici Group of the private hospital in Poitiers (19 378 m²) in September 2008.
- 5.3 million Euros for the acquisition from the Vedici Group of the Saint-Charles private hospital in Poitiers (4 110 m²) in September 2008.
- 14.0 million Euros for the acquisition from the C2S Group of the Parc private hospital in Saint Priest en Jarez (10 477 m²) in October 2008.
- 26.0 million Euros in investments related to PPP activity.
- 4.2 million Euros of fixed assets under construction for the Les Olonnes health centre in Olonnes sur mer (delivery scheduled for January 2010).
- 1.2 million Euros for the construction of a nursery in Blagnac, delivered in May 2008.
- The balance, that is 5.5 million Euros, corresponding to works carried out on assets.

These new acquisitions form part of Icade's investment strategy for the health sector (strategy to constitute an attractive portfolio in terms of net return with several operators therefore a satisfactory tenant risk) and give it full nationwide coverage, with a total portfolio of 3 226 beds for a floor space of around 270 000 m².

1.5 Commercial Property Investment Division – Shops and Shopping Centres Business

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***8.1***	***n/a***	*n/a*
EBITDA	***7.0***	***n/a***	*n/a*
Operating profit/loss	*2.9*	*n/a*	*n/a*

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Rental income	***8.1***	***n/a***	*n/a*
Rental charges not reinvoiced		*n/a*	***n/a***
Property charges	*-0.5*	*n/a*	***n/a***
Net rent	***7.6***	***n/a***	*n/a*
Net rent / rental income	*94.5%*	*n/a*	
Other revenue	*0*	*n/a*	***n/a***
Depreciation charges net of grants	*-4.1*	*n/a*	***n/a***
Charges and reversals related to impairment		*n/a*	***n/a***
Profit/loss from disposals		*n/a*	***n/a***
Other charges and income	*-0.6*	*n/a*	***n/a***
Operating profit/loss	*2.9*	*n/a*	*n/a*

Turnover from the Shops and Shopping Centres Business was 8.1 million Euros at 31 December 2008. This relates to the 35 property assets acquired on 1 January 2008 from the Mr Bricolage Group, with the latter having remained as the operator under an agreement dating from 2006.

At 31 December 2008, rented floor space represented 135 976 m² of business premises and the **financial occupancy rate** was 100%.

Icade made 64.3 million Euros of **investments** net of disposals during the course of 2008:

- 31.8 million Euros for the off-plan construction of a shopping centre in Montpellier (partnership with the company Klépierre). The off-plan contract was signed in February 2007.
- 30.3 million Euros for the construction of a shopping centre in Aubervilliers (partnership with the company Klépierre).
- 2.2 million Euros corresponding to acquisition fees for Icade-Bricolage securities.

2. Property development

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
TURNOVER	***1 142.3***	***998.5***	*143.8*
Residential Property Development	*604.2*	*641.8*	***-37.6***
Commercial and Public property development	*548.3*	*363.3*	***185.0***
Inter-business development	*-10.2*	*-6.6*	***-3.6***
EBITDA	***87.9***	***105.3***	*-17.4*
Residential Property Development	*27.3*	*79.3*	***-52.0***
Commercial and Public property development	*60.6*	*26.2*	***34.4***
Inter-business development	*0.0*	*-0.2*	***0.2***
OPERATING PROFIT/LOSS	***26.4***	***93.1***	*-66.7*
Residential Property Development	*-30.6*	*69.5*	***-100.1***
Commercial and Public property development	*57.0*	*23.8*	***33.2***
Inter-business development	*0.0*	*-0.2*	*0.2*

2.1 Residential Property Development

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***604.2***	***641.8***	*-37.6*
EBITDA	***27.3***	***79.3***	*-52.0*
EBITDA margin	*4.5%*	*12.4%*	
Operating profit/loss	*-30.6*	*69.5*	*-100.1*

2008 was characterised by the sudden, sharp breakdown in economic and financial activity. This had immediate consequences for residential property development, for which we took the following measures in October 2008:

- Discontinuation of 50 operations, the commercial potential of which did not meet the expected profitability and development criteria (that is 3 072 housing units). The impact of these discontinuations in the EBITDA amounts to 9.1 million Euros.

- Precaution taken to ensure the development of future supply by constituting a provision of 45.7 million Euros related to projects for which work orders have not yet been launched. The number of projects concerned is 102 out of a total of 247. The costs provisioned correspond either to research fees committed or to lockout payments to be paid in the event that a property acquisition promise is not respected.
- Adaptation of the property investment portfolio to new market conditions by negotiating land acquisition commitments (price and period).
- Authorization of the undertakings committee to acquire the land.
- Launch of the programme of works if the pre-marketing is greater than 50%.
- Disposal of operations to social organisations in the framework of the government's recovery plan.
- Reduction in operating charges in particular payroll and purchases.

Residential Property development recorded **turnover** of 604.2 million Euros and **EBITDA** of 27.3 million Euros at 31 December 2008. Except for the integration of Opéra Construction in the second half of 2007, the difference in turnover compared to 31 December 2007 mainly stems from the reduction in the disposal rate of operations (the average monthly disposal rate is 5.36%) and the postponement of construction start-ups during 2008 related to the general economic and financial context. The difference in EBITDA is related to a resolute taking into account of market risks (discontinuation of operations, reduction in price scales) which aims to limit the risks of carrying unsold inventory in the coming months.

Provisions amounting to 45.7 million Euros have been constituted, to cover risks and commitments related to the property investment portfolio and to pre-marketing transactions.

Notarised sales for 2008 amount to 726 million Euros for 3 533 housing units (852 million Euros for 4 196 units in 2007) to which can be added 25 million Euros for 306 housing development lots (45 million Euros for 465 lots in 2007). The geographical breakdown of sales is balanced with 38% of sales made in the Paris region. In order to compensate for reduced activity in the individuals segment, Icade has implemented an alternative strategy for block sales with institutionals, allowing the sale of 840 housing units during 2008. In 2008, the average sales price per m² of a housing unit launched by Icade amounted to 3 154 Euros.

These home sales are included in turnover as the building work progresses in respect of housing units and when the notarised deed of sale is signed in respect of plots of land in the framework of consistency principles.

Upstream of notarised sales, reservations (signed promises of purchase for which a deposit has been received and the 7 day period of retraction has expired) came to 3 052 housing units and 328 lots against 4 120 housing units and 431 lots for 2007. These will generate turnover of 619 million Euros against 901 million Euros in respect of those signed in 2007.

Under the government's recovery plan, social housing organisations have been contacted to acquire operations ready to be constructed. In this context, on 31 December, an agreement was finalised by Icade for the sale of 1 000 housing units which will be reserved and constructed during 2009.

During 2008, the average net annual withdrawal rate (after the 7-day statutory period of retraction) amounted to 26%. At 31 December 2008, 171 delivered lots remain unsold for a total turnover of 36.3 million Euros. It is worth pointing out that the withdrawal rate saw a sharp rise during the 4th quarter of 2008 (36%).

The *backlog* (order book) represents turnover (excluding tax) not yet accounted for in view of the state of progress of the project on homes and reserved lots. At 31 December 2008, this stood at a total figure of 519 million Euros including Opéra Construction. The backlog does not include the 1 000 units which will be reserved by the social housing organisations.

The controlled land portfolio (or land control) corresponds to land under promises of sale which enable Icade, subject to lifting any suspensive conditions, to have some idea of its future business. This portfolio is measured in number of housing units and lots to be built that Icade could produce if all the suspensive conditions were lifted, estimating the potential turnover. At 31 December 2008, this represents a potential turnover of 1 842 million Euros.

Finally, on behalf of the Residential Property Investment business, the Residential Property Development business is building housing units in Fresnes, l'Haÿ-les-roses, Châtenay-Malabry, Massy, Juvisy and St Fargeau for turnover booked at 32.1 million Euros at 31 December 2008.

The objectives for the year 2009 are:

- To maintain a production tool so as to be ready for the recovery in activity.
- To prepare an offering that is suitable for the new market conditions, for first-time buyers and investment in rental properties.
- To limit the construction of completed and unsold properties.
- To sell programmes to social and institutional investors at determined prices.

2.2 Commercial and Public Property Development

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***548.3***	***363.3***	*185.0*
EBITDA	***60.6***	***26.2***	*34.4*
EBITDA margin	*11.1%*	*7.2%*	
Operating profit/loss	*57.0*	*23.8*	*33.2*

Turnover from Commercial and Public Property Development reached 548.3 million Euros at 31 December 2008, up 51% compared to 31 December 2007 (363.3 million Euros), reflecting the strong performance of commercial activities, which provides good visibility for commercial property development turnover for the coming years and a growth opportunity confronted with the slowdown in Residential Property business.

At 31 December 2008, Icade had a **project portfolio** in the field of **Commercial Property Development "Offices and shopping centres"** of about 595 000 m² which breaks down into 209 000 m² of projects under way i.e. turnover still to be perceived in the region of 212 million Euros (of which 35% for property investment) and 386 000 m² of projects at the initial development stage (i.e. turnover in the region of 784 million Euros). The latter consist of projects not yet delivered for which either a promise of sale of land for the proposed building (in the case of an off-plan project), or a preliminary contract with the investor customer or user (in the case of a CPI 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 main projects under way are summarised in the following table:

	Total rounded floor area (in m² Net Usable Floor Area)	**Type of structure (offices, shops, etc.)**	**Location**	**Type of operation**	**Buyer**	**Expected completion date**
Toulouse AZF (50%)	41 416	Laboratories	Toulouse	CPI	Pierre Fabre	**2009**
Odysseum (77%)	44 350	Shopping centre	Montpellier	OFF PLAN SALE	Icade / Casino	**2009**
Clichy (50%)	17 500	Offices	Clichy	OFF PLAN SALE	Mines de la Lucette	**2009**
Villejuif ilot 3	21 201	Offices	Villejuif	CPI	ICADE	**2010**
Villejuif ilot 4	8 555	Offices	Villejuif	CPI	ICADE	**2010**

Lyon Pixel	13 385	Offices	Lyon	OFF PLAN SALE	LB Immo Invest	**2009**
Lyon Thiers	15 833	Offices	Lyon	OFF PLAN SALE	Generali	**2009**
Toulouse Cap Constellation	12 998	Offices	Toulouse	OFF PLAN SALE	UBS	**2009**
Lyon Valeo	14 769	Offices	Lyon	OFF PLAN SALE	Crédit Suisse	**2009**
Colomiers Colombe Parc	8 574	Offices	Colomiers	OFF PLAN SALE	UBS	**2009**
Nice Méridia Tranche 1 (50%)	10 200	Offices	Nice	CPI	Cogedim Office Partners	**2010**
Total	208 781					

The main projects at the initial development stage, with controlled land and building permits applied for or obtained, are summarised in the following table:

	Total rounded floor area (in m² Net Usable Floor Area)	Type of structure (offices, shops, etc.)	Location	Type of operation	Expected completion date
Le Perreux (72.5%)	11 000	Offices	Le Perreux	OFF PLAN SALE	**2011**
Villejuif ilot 1	10 839	Offices	Villejuif	CPI	**2011**
Pyrénées *	29 840	offices	Paris	OFF PLAN SALE /CPI	**2013**
Saint Denis (50%)	22 000	Offices	Saint Denis	OFF PLAN SALE	**2011**
Capelette * (50%)	51 592	Shopping centre	Marseille	OFF PLAN SALE	**2013**
Villejuif ilot 6	22 000	Offices	Villejuif	CPI	**2011 - 2012**
Claude Bernard (50%)	40 990	Offices	Paris	CPI	**2012 to 2014**
Bordeaux Ravesies *	3 250	Offices	Bordeaux	OFF PLAN SALE	**2010**
Lyon Nexans building M (50%)	12 150	Offices	Lyon	OFF PLAN SALE	**2011**
Lyon Nexans building L (50%)	12 620	Offices	Lyon	OFF PLAN SALE	**2013**
Toulouse Blagnac Daurat	16 930	Offices	Toulouse	CPI	**2012**
Total	233 211				

* *Property developments without an investor and thus with irreversible commitment*

The main projects 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 Usable Floor Area)	Type of structure (offices, shops, etc…)	Location	Type of operation	Expected completion date
Toulouse Zone Nord (50%)	40 000	Offices	Toulouse	OFF PLAN SALE	**2013**
Zac de Rungis	19 000	Offices	Paris	CPI	**2013**
Choisy le Roi (2 tranches) *	29 210	Offices	Choisy le Roi	CPI	**2012 - 2013**
Macdonald –Passage du Nord	26 029	Shopping centre	Paris	CPI	**2013**
Nîmes Retail Park (50%)	26 840	Shopping centre	Nîmes	CPI	**2012**
Borderouge	8 842	Offices	Toulouse	OFF PLAN SALE	**2011**
Montpellier Hôtel de Ville	2 500	Offices	Montpellier	OFF PLAN SALE	**2011**
Total	152 421				

* *Property developments without an investor and thus with irreversible commitment*

At 31 December 2008, all floor space under development was sold. 35% of floor space at the initial development stage is without an investor, with an irreversible commitment of 78.8 million Euros.

Note for the year 2008:

- The renting to LCL of the entire Villejuif development (60 000 m²), LCL will gradually install its head office in this new business area.
- Delivery of 2 property development operations: Montrouge (13 000 m², investor: IVG) and, for Office Property, the Villejuif 5 development (15 000 m² rented to LCL).
- The sale of the Claude Bernard development in Paris to IVG.
- The signature off-plan of the Colombe Parc development in Toulouse to UBS.
- The signature of CPI of the Mérida development in Nice.
- The renting of the CARAT building (Thiers development in Lyon) to Egis.
- The launch of the shopping centre Les Portes de Paris in Aubervilliers (54 000 m²) developed by contractor's representative, partly on behalf of Icade's property investment division.

At 31 December 2008, Icade's **project portfolio** in the **"Public and Healthcare Amenities" Property Development** field represented 271 286 m² of projects under way (including 199 613m² for PPP), and 89 922 m² of projects at the initial development stage (of which 25 659 m² for PPP).

At 31 December 2008, the principal operations under way were as follows:

Operations under way	Rounded floor area (m² Net Usable Floor Area)	Type of structure	Set up	Location	Expected completion date
Hospital complex in Saint Nazaire	92 000	Public & healthcare amenities	CPI	Saint Nazaire	**2012**
Hospital complex in Nancy	30 748	Hospital	CPI	Nancy	**2010**
Archives for MAE	27 233	Public & healthcare amenities	CPI	La Courneuve	**2009**
Hospital complex in Pontoise	7 844	Hospital	CPI	Pontoise	**2009**
High schools in Guyana (3)	21 500	Public & healthcare amenities	CPI	Guyana	**2009**
Général Lasalle (Paris 19th arrondissement)	7 783	Public & healthcare amenities	CPI	Paris	2010

Note the delivery in 2008 of 14 developments (representing 83 602 m^2) including Institut de la Vision (11 426 m²), Docks en Seine (16 150 m^2), Saint Martin du Touch offices (20 000 m²), CRS police station in Meaux (8 600 m²), Nice police station (5 507 m²).

The **EBITDA** of the Commercial and Public Property Development division stood at 60.6 million Euros at 31 December 2008 (i.e. 11.1% of turnover) against 26.2 million Euros at 31 December 2007 (i.e. 7.2% of turnover), or a rise of 34.4 million Euros due to developments delivered in 2008 and also to the development of the "Shopping centres" business.

After taking the above factors into account, the **Operating Profit** stood at 57.0 million Euros at 31 December 2008 (against 23.8 million Euros at 31 December 2007).

3. Property services

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
TURNOVER	***204.1***	***210.7***	*-6.6*
Housing	*98.6*	*96.8*	***1.8***
Commercial	*106.3*	*114.6*	***-8.3***
Inter-business services	*-0.8*	*-0.7*	***0.1***
EBITDA	***11.9***	***12.7***	*-0.8*
Housing	*9.3*	*6.1*	***3.2***
Commercial	*2.6*	*6.6*	***-4.0***
Inter-business services	*0.0*	*0.0*	***0.0***
OPERATING PROFIT/LOSS	***9.2***	***10.8***	*-1.6*
Housing	*6.3*	*4.7*	***1.6***
Commercial	*2.9*	*6.1*	***-3.2***
Inter-business services	*0.0*	*0.0*	*0.0*

3.1 Residential property services

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***98.6***	***96.8***	*1.8*
EBITDA	***9.3***	***6.1***	*3.2*
EBITDA margin	*9.4%*	*6.3%*	
Operating profit/loss	*6.3*	*4.7*	*1.6*

Generated by institutional or individual property management and the management of student residences, **turnover** for housing services has increased by 1.9% due to opposing effects:

- With growth in student residence management business with an increase of 8.4 million Euros, essentially due to the new residences delivered at the end of 2008 of which 7 in France for 998 lots and the impact, in a full year, of 5 residences delivered end 2007. With its 12 000 lots, the activity generates a turnover in France of 33.7 million Euros.
- With a drop in turnover from Property Management business of 6.7 million Euros, essentially generated by the transfer to Icade Property Management (formerly IGT) of the management of renowned institutional property such as CNP and CDC. In 2007 and 2008, this transfer involved some 1 170 000 m² of office space.

EBITDA, showing an improvement of 3.2 million Euros, reached 9.3 million Euros at the end of 2008 (or 9.4% of turnover) of which 2.4 million attributable to the management of student residences in France.

After allocations to depreciation, **Operating Profit** on housing services reached 6.3 million Euros at 31 December 2008 against 4.7 million Euros at 31 December 2007.

3.2 Commercial services business

(in millions of Euros)	***31/12/2008***	***31/12/2007***	***Variation***
Turnover	***106.3***	***114.6***	*-8.3*
EBITDA	***2.6***	***6.6***	*-4.0*
EBITDA margin	*2.4%*	*5.8%*	
Operating profit/loss	*2.9*	*6.1*	*-3.2*

Turnover from the Commercial Services, made up of Property Management, Facility Management and consulting, amounted to 106.3 million Euros at 31 December 2008 compared to 114.6 million Euros at 31 December 2007.

This change is principally due to:

- a 7.3 million Euro increase in Property Management activity, reaching turnover of 18.2 million Euros at end 2008. Thanks to the integration of the property management activity for institutionals from Icade ADB, Icade has a key player on the Property Management market;
- a contraction in activity for the French subsidiaries of Facility Management from Icade Eurogem for 4.6 million Euros and
- the disposal of heating activities in 2007 and 2008 for an overall impact on 2008 turnover of (9.8) million Euros;
- a reduction in activity for foreign subsidiaries for 1 million Euros;
- stability in consulting and expertise activities yielding only 0.2 million Euros in 2007 turnover, resulting in 23.4 million Euros at the end of 2008.

Related to these activities, **EBITDA** amounts to 2.2 million Euros for Property Management, (1.2) million for the foreign subsidiaries, (2.3) million for the other entities of Facility Management and 3.8 million for consulting and expertise activities for an overall total of 2.6 million Euros.

Brought down by Facility Management activities, this has led to a reduction in the margin rate (EBITDA/turnover) which amounts to 2.4% at 31 December 2008 (versus 5.8% at 31 December 2007).

After taking the above factors into account, the **Operating Profit** of commercial service activities stood at 2.9 million Euros at 31 December 2008 (against 6.1 million Euros at 31 December 2007).

As indicated in its press release of 09 October 2008, Icade has launched a programme to reorganise its service activities in order to refocus its property services division on activities where there are real synergies with the developer-REIT (i.e. consulting, managing student residences) and institutional property management. It also aims to match the activities of property management for individuals and facility management to external partners presenting a credible industrial alternative.
Consequently, and in accordance with the authorization which was agreed on by its Board of Directors, Icade's management, along with the teams of the entities concerned of the services division, has begun the process to search for a strategic partner with a view to implementing the reorganizational project as mentioned above.

4. Other

"Other" activities consist of the Icade Group's so-called "head office" charges and eliminations of Icade's intra-group operations.

"Other" **turnover** stood at (157) million Euros at 31 December 2008 and mainly corresponds to the elimination of turnover related to intra-group operations.
The property company purchased:

- Commercial property: off-sale contracts of the Commercial Property Development division: Villejuif, Odysseum Shopping Centre in Montpellier. Impact on turnover of (90.9) million Euros in 2008.
- Residential property: off-sale contracts of the Residential Property Development division: L'Haÿ-les-Roses, Fresnes, Châtenay–Malabry, Massy, Juvisy, St Fargeau, Le Plessis Trévise and Chatillon. Impact on turnover of (32.1) million Euros in 2008.

The "Other" **Operating Result** stood at (32.2) million Euros in 2007. This consisted of, on the one hand, margin eliminations on Icade's intra-group operations, i.e. (20.5) million Euros in 2007, and on the other hand, the negative contribution of Icade's "head office" charges, i.e. (11.7) million Euros. Also worth noting is the sharp fall in structural costs between 2007 and 2008 which is the fruit of a set of measures taken during 2008 concerning in particular human resources and general overheads.

5. 2008 Results

5.1 Financial profit/loss

Icade produced a financial profit of (99.1) million Euros at 31 December 2008 against (40.7) million Euros at 31 December 2007. This stems mainly from the increase in financial charges on gross debt linked:

- essentially to the increase in debt: Raising a syndicated loan of 800 million Euros in July 2007 and drawdown of 961.7 million additional Euros in 2008.
- and more marginally-speaking to an increase in rates: 3-month Euribor 2008 average is at 4.63% compared to 4.28% in 2007. Icade's prudential hedging policy has in fact allowed it to considerably limit the increase in rates on the average cost of debt.

5.2 Tax charge

Given the extension of the SIIC regime within Icade as of 01 January 2007, the tax charge for the year 2008 cannot be directly comparable to the year 2007. The tax charge for 2007 amounts to (247.4) million

Euros given a discounted exit tax of (228.7) million Euros.

The tax charge for 2008 amounts to (31.2) million Euros and includes 12.3 million Euros of non-current charges which can be analysed as follows:

- The transfer of leasing from the business parks division and the leasing held by Icade Bricolage to dedicated companies who have opted for the SIIC regime, resulted in an additional tax charge of 10.1 million Euros, corresponding to the amount of the tax on the capital gains on transferred assets (19.7 million Euros) minus the reversal of deferred tax calculated at the common law rate at 31 December 2007 (9.6 million Euros).
- The company Icade Santé opting for the SIIC regime resulted in an additional tax charge of 2.2 million Euros, corresponding to the exit tax charge (4.6 million Euros), minus the reversal of deferred tax calculated at the common law rate at 31 December 2007 (2.4 million Euros).

5.3 Group share of net profit

After taking the above factors into account, the **Group share of net profit** stood at 312.5 million Euros at 31 December 2008, versus 36.9 million Euros at 31 December 2007 (265.6 million Euros excluding exit tax).

6. Obligations of the SIIC regime and distribution

The ratio of activities not eligible for the SIIC regime in the parent company's balance sheet stood at 15.5% at 31 December 2008.

Icade's 2008 book profit stood at 367.4 million Euros, corresponding to a fiscal profit of 184.6 million Euros.

This fiscal base breaks down over the various sectors as follows:

- 23.8 million Euros of current profits from SIIC exempt activities and subject to an 85% distribution obligation;
- no distribution obligation in respect of dividends of SIIC subsidiaries;
- 164.2 million Euros profit from disposals, subject to a 50% distribution obligation over the next two years;
- taxable result which stands at 17.9 million Euros.

The distribution obligation amounted to 102.3 million Euros in 2008 including:

- 20.2 million Euros in respect of rental activities (85% obligation)
- 82.1 million Euros in respect of disposals (50% obligation over a maximum of 2 years), which shall be subject to a one-off discharge.

The 2008 obligation will therefore be respected by means of 3.25 Euros per share, i.e. 159.9 million Euros, put to the vote at the General Meeting.

ICADE
Foncière-développeur

III – REVALUED NET ASSET VALUE AT 31 DECEMBER 2008

As 31 December 2008, the net asset value at replacement value amounted to 5 351.7 million Euros, or 109.8 Euros per share, fully diluted and 4 954.1 million Euros liquidation value, or 101.6 Euros per share fully diluted.

A – VALUATION OF PROPERTY ASSETS

1. Summary of appraisal values of Icade's assets

Group assets work out at 6 952.3 million Euros excluding rights against 6 231.0 million Euros at the end of 2007, a variation de 721.3 million Euros over 2008 (+11.6%). On a like-for-like basis, in other words after neutralising investments and disposals for the year, the annual variation in portfolio value stands at 141.0 million Euros, i.e. an increase of 2.4% compared with 31 December 2007. This change reflects the solidity of Icade's portfolio of property assets, given the recent developments in the financial and property markets.

Portfolio value in €m excluding rights (1)	31/12/08	31/12/07	Variation (€m)	Variation (%)	Variation (€m) on a like-for-like basis (2)	Variation (%) on a like-for-like basis (2)
Residential Property Investment Division	**2 935.3**	**2 581.5**	**+353.8**	**+13.7%**	**+459.3**	**+19.3%**
Commercial Property Investment Division	**4 017.0**	**3 649.5**	**+367.6**	**+10.1%**	**-318.3**	**-8.8%**
Portfolio value of property assets	**6 952.3**	**6 231.0**	**721.3**	**+11.6%**	**141.0**	**+2.4%**

(1) According to the companies in the consolidation at 31/12/08 (100% consolidation 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 in the year.

Icade's property assets are valued by independent surveyors. Property valuations were entrusted to CB Richard Ellis Valuation in respect of all Group property assets with the exception of the residential property investment division for which properties are valued by CB Richard Ellis Valuation and Foncier Expertise, the properties of the office property investment division which are valued by CB Richard Ellis Valuation and Jones Lang LaSalle and assets of Icade Bricolage acquired in 2008 which are valued by Jones Lang LaSalle.

The work of the surveyors, whose principal valuation methods and conclusions are set out below, is carried out in accordance with professional standards, specifically:

- the Charter of Property Valuation, 3rd edition, published in June 2006;
- the so-called "Barthès de Ruyter" COB (French Stock Exchange Commission) (AMF) report of 3rd February 2000 on the valuation of property assets of companies making public issues;
- internationally, the Tegova European valuation standards (The European Group of Valuers' Association) published in 2000 in English and translated into French in 2005, as well as the standards of the Red Book of the Royal Institution of Chartered Surveyors (RICS).

These various texts lay down the qualifications of valuers, principles of good conduct and code of ethics as well as basic definitions (values, floor area, rates as well as the main valuation methods).

The values are established including rights and excluding rights, those including rights are determined after deduction of rights and document charges and calculated on a set basis by the surveyors. In the event of buildings valued by two surveyors, the valuation used corresponds to the average of the two values.

According to procedures in force within the Group, virtually all Icade's assets were valued on 31 December 2008, with the exception of:

- buildings in the process of arbitrage including those which are under a promise of sale at the end of year are valued on the basis of the contract selling price; at 31 December 2008, these assets relate exclusively to individual or block sales of homes in the housing property investment division;
- buildings underlying a finance operation (i.e. capital lease or rental with purchase option where Icade is the lender exceptionally) which are held at their cost price or where appropriate the purchase option price shown on the contract; the office block leased by Icade Foncière Publique to the Ministry of the Interior over a 20 year term with a purchase option (LOA) is the only building falling under this category at 31 December 2008;
- public buildings and works held within the framework of a PPP (Public Private Partnership) which are not subject to valuation as ownership ultimately reverts to the State once the concession has terminated. These assets are held at their net book value and are not included in the property assets currently published by Icade;
- buildings acquired on an off plan basis and/or with Group developers and which are also valued at their cost price up to their date of delivery, such as the Villejuif office blocks and the Odysseum Shopping Centre acquired by the former Icade Foncière des Pimonts; these assets are held at their cost price paid on 31 December 2008;
- buildings acquired less than three months before the close of the year or half year, which are maintained at their net book value.

2. Residential Property Investment Division

2.1 Methodology used by the surveyors

2.1.1 Residential investment properties (in use)

Generally speaking, the approach preferred by surveyors for valuing housing is gross rent capitalisation or ten year discounted cash flow (DCF), the latter technique being more suitable when there are long term work plans, subsidised or capped rents with staggered exit windows in the future.

The gross rent capitalisation method consists of applying a rate of return to gross rents by category of uniform lease.

The DCF method considers that the value of the assets is equal to the discounted cash flow expected by the investor, including the resale at the end of the holding period. In addition to the resale value obtained by applying a different theoretical yield to last year's rents depending on site, the financial flows include rent, various charges not recoverable by the owners as well as major maintenance and repair works. It should be noted that the discount rate used is based on three criteria: the low risk money rate, a premium relating to the property market and finally a premium relating to the building, taking its features into account (location, construction, security of revenue).

This valuation is cross-checked using a comparison approach based on market values per m^2 of free and vacant individual homes, subject to two deductions: the first in respect of occupation according to the nature of the lease and its terms and conditions, the second to take account of the transfer from an individual value to a value for the building in block.

In the specific case of Icade housing units currently made up of the portfolio of the former Icade Patrimoine, the surveyors have used the discounted revenue method so as to be able to take into account projected refurbishment expenditure and the expected rent increase within the framework of indexation and the pricing policy (re-letting and Article 17c). Furthermore, these results are adjusted by means of the discount rate to take account of known, analysable transactions with similar characteristics.

2.1.2 Residential property intended for sale

Residential property intended for sale (in block, individually or to occupants)

At valuation time, Icade provides the surveyor with a breakdown of its portfolio, the characteristics of its disposal plan, the dates and conditions for putting its homes up for sale, in block or to occupants, so that the latter can establish a value net of costs (joint ownership, any works, sale periods, marketing costs and where appropriate margin) from a sum of exit values. The residential housing portfolio intended for sale to occupants is described as such by the undertakings committee of the Residential Property Investment division which gives its ruling after holding an initial meeting with the tenants.

On the basis of the information provided and the portfolio breakdown used, homes intended for sale in block are valued by the surveyors using the same method as for buildings in use. Homes intended to be sold to occupants are valued by the comparison method described above.

Particular case of a disposal in block of an entire portfolio of residential properties to a single buyer

The valuation methods described in the previous paragraph apply to all ownership or property rights estimated in a unitary manner, constituted case by case by buildings or by lots. In the case of disposal, it is necessary to distinguish between the portfolio value from a disposal in block to one single buyer from that which results from a separate disposal by units. The difference between the two represents that which is known as a “portfolio effect” discount. This is generally negative, as the higher the acquisition volume, the lower the number of buyers. This “portfolio effect” can also constitute a "portfolio premium" related to strategic or economic considerations made during the acquisition by the buyer. It is generally expressed on the lowest values of the portfolio and when the property markets are very buoyant.

The Chairman and Chief Executive Officer of Icade was appointed by the Board of Directors meeting on 12 December 2008 to explore the disposal of the entire Residential Property division to one or more investors, surveyors estimated that the portfolio discount should be applied to determine the value in block of the whole in the event of disposal to a single buyer.

The value of the Residential Property Investment division published on 31 December 2008 and detailed below is understood as being established on the basis of the same methods as the previous year, that is to say before taking into account the potential discount mentioned above.

2.2 Changes in residential assets

The assets of the Residential Property Investment division are composed of property assets formerly held by Icade Patrimoine. With constant survey methodology, the average value of this portfolio comes out to 2 935.3 million Euros excluding rights at end December 2008 against 2 581.5 million Euros at 31 December 2007, i.e. a variation of +353.8 million Euros (+13.7%). These values should be understood as excluding the impact of a portfolio discount as mentioned above.

Portfolio value in €m excluding rights [1]	31/12/08	31/12/07	Variation (€m)	Variation (%)	Variation (€m) on a like-for-like basis	Variation (%) on a like-for-like basis
Residential Property Investment Division	**2 935.3**	**2 581.5**	**+353.8**	**+13.7%**	**+459.3**	**+19.3%**

The disposal of assets made by the Residential Property Investment division in 2008, both in block and individually, related to a total of 5 164 housing units and generated a gross capital gain of 269.7 million Euros on the basis of a price of 309.4 million Euros. Disposals in block were made at a level greater than 62% relative to the average appraisal value at end 2007 of the aforementioned assets. Capital expenditure (off-sale acquisitions and maintenance investments) represented a total volume of 93.8 million Euros.

On a like-for-like basis, in other words after neutralising sales and capital expenditure, the variation in the portfolio value of the Residential division works out at +459.8 million Euros (+19.3%). This variation essentially stems from the impact of the business plan for buildings amounting to +417.7 million Euros. The remainder of the variation can be explained by the continued downward revision of the rates used by the surveyors.

Geographic distribution of the assets of the Residential Property Investment Division:

Value of residential property assets by geographic sector	Value excluding rights	
	€m	%
Paris (75)	80	2.7%
Seine et Marne (77)	10	0.4%
Yvelines (78)	130	4.4%
Essonne (91)	312	10.6%
Hauts-de-Seine (92)	884	30.1%
Seine-Saint Denis (93)	560	19.1%
Val de Marne (94)	611	20.8%
Val d'Oise (95)	343	11.7%
TOTAL Paris region	**2 930**	**99.8%**
Rest of France	5	0.2%
TOTAL	**2 935**	**100%**

The property assets of the Residential Property Investment Division consist of homes almost exclusively located in the Paris region, with, in terms of value, predominance in Hauts-de-Seine (92), Val de Marne (94) and Seine-Saint Denis (93).

Distribution of the assets of the Residential Property Investment Division by use

Value of housing property assets by category	Value excluding rights		Average price €/m²	Average price € / home
	€m	%		
Homes in use	1 357	46.2%	1 612	93 143
Homes in use intended to be sold in block	1 206	41.1%	1 054	62 829
Total homes in use	**2 563**	**87.3%**	**1 290**	**75 912**
Homes to be sold to occupants	206	7.0%	1 761	109 648
Total homes	**2 769**	**94.3%**	**1 317**	**77 688**
Other (Hostels, Old-age homes, land, projects under development)	166	5.7%	n/a	n/a
TOTAL	**2 935**	**100%**		

At 31 December 2008, the portfolio of homes in use, including homes intended to be sold in block without taking into account the hypothesis of a sale of the entire portfolio to a single buyer, accounted for 87.3% of the value of that division (see table above). The average price per m² of these homes is valued at 1 290 Euros according to the values given by the surveyors after using the DCF method. The price of homes intended to be sold to occupants, in other words those which were considered as such by the undertakings committee of the residential property investment division giving its ruling after an initial meeting with tenants has been arranged, is estimated at 1 761 Euros per m² on average, on the basis of the comparison method.

Return on assets and reversion potential:

Value of housing property assets	Value including rights	Value excluding rights	Net yield	Reversion potential	Average price €/m²
	in €m (1)	in €m (2)	(excluding rights) (3)	(4)	(5)
Paris (75)	82	77	3.2%	61.4%	2 787
Yvelines (78)	103	97	4.7%	29.0%	1 295
Essonne (91)	240	226	4.2%	31.6%	1 212
Hauts-de-Seine (92)	877	826	3.4%	26.9%	1 723
Seine-Saint Denis (93)	532	501	4.1%	29.4%	1 076
Val de Marne (94)	601	566	3.5%	33.9%	1 304
Val d'Oise (95)	287	270	3.9%	18.2%	849
TOTAL	**2 722**	**2 563**	**3.7%**	**29.1%**	**1 290**
Assets on sale and other assets (6)	392	372	n/a	n/a	n/a
TOTAL	**3 114**	**2 935**			

(1) Rights inclusive valuation of housing assets established from the average of appraisal values at 31 December 2008.
(2) Rights exclusive valuation of housing assets established from the average of appraisal values at 31 December 2008.
(3) Net annual rent from assets in use in relation to their appraisal value excluding rights.
(4) Difference between the gross market rent of occupied floor areas and the gross annual rent from the same floor area (expressed as a percentage of the annual 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.
(5) Established in relation to appraisal value excluding rights.
(6) Primarily includes homes for sale individually, shops, old-age homes and development projects on own land

Related to their value excluding rights, the net return on housing units amounted to 3.7% on average at end 2008 and the reversion potential of non-subsidised homes, calculated from their market rental values, works out at +29.1%.

3. Commercial Property Investment Division

At 31 December 2008, the overall value of the Commercial Property division came out at 4 017.0 million Euros excluding rights at end December 2008 against 3 649.5 million Euros at end 2007, a rise of 367.6 million Euros (+10.1%).

Portfolio value in €m	31/12/08	31/12/07	Variation (€m)	Variation (%)	Variation (€m) on a like-for-like basis	Variation (%) on a like-for-like basis
Offices Division	1 653.7	1 748.9	-95.2	-5.4%	-189.3	-11.1%
Business Parks Division	1 423.2	1 503.1	-79.9	-5.3%	-136.6	-9.1%
Amenities Division	734.0	307.6	+426.4	+138.6%	+2.9	+0.9%
Shops and Shopping Centres	206.1	89.9	+116.3	+129.3%	+4.7	+5.2%
Total Commercial property division	4 017.0	3 649.5	+367.6	+10.1%	-318.3	-8.8%

By neutralising the impact of acquisitions and disposals carried out in 2008, the variation in the value of commercial assets amounts to -8.8% on a like-for-like basis.

By value, this portfolio is predominantly located in the Paris region, which represents 76.2% of the portfolio, with the majority in Paris and the Inner Ring. The buildings situated in Paris and La Défense alone represent 39% of the total. Assets situated in Germany represent 9.1% of the portfolio.

Value of commercial property assets by geographic sector	Value excluding rights	
	€m	%
Paris CBQ	380	9.5%
Paris (excluding CBQ)	704	17.5%
La Défense	472	11.7%
West Quadrant	374	9.3%
Inner Ring	999	24.9%
Outer Ring	134	3.3%
Sub-total Paris region	**3 063**	**76.2%**
Rest of France	588	14.7%
Germany	366	9.1%
TOTAL	**4 017**	**100%**

Below is listed the principal valuation methods used by the surveyors along with the values at 31 December 2008 for each of the property portfolios making up the Commercial Property division: Offices, Business Parks, Shops and Shopping Centres and Amenities.

3.1 Commercial Property Investment Division - Offices

3.1.1 Methodology used by the surveyors

Investment office blocks are valued by surveyors by two methods: the revenue method (the surveyor using the net rent capitalisation or discounted cash flow method, whichever is the most appropriate) and cross checking using the method of direct comparison with the prices of transactions in the market on equivalent assets in terms of nature and location (unit, in block or per building prices).

The net revenue capitalisation method consists of applying a yield to a revenue, whether that revenue is established, existing, theoretical or potential (market rental value). This approach may be carried out in different ways according to the revenue basis considered (actual rent, market rent, net revenue) to which different rates of return correspond.

The discounted cash flow method is the same as described above. Whether the capitalisation or discounting method is used, valuation calculations are carried out on a lease by lease basis except in special cases or where there is a justified exception.

For operational buildings (head office in particular) these are valued at the value of a building in service leased under market conditions on the date of the survey (in other words, operational buildings, particularly those used as offices, are not considered to be vacant and internal leases are not taken into account).

3.1.2 Changes in office assets

This primarily comprises buildings belonging to the Office Property Investment division (ex Icade Foncière des Pimonts and ex Icade SA) as well as all the property assets of SIICInvest and Icade REIT in Germany. After applying the survey methods described in the previous paragraph, the overall value of this portfolio comes out at 1 653.7 million Euros excluding rights at end December 2008 against 1 748.9 million Euros at end 2007, i.e. a decline of 95.2 million Euros (-5.4%).

Foncière-développeur

Portfolio value in €m	31/12/08	31/12/07	Variation (€m)	Variation (%)	Variation (€m) on a like-for-like basis	Variation (%) on a like-for-like basis
Office Property Investment (excluding shopping centre)	1 135.9	1 226.2	-90.2	-7.4%	-148.1	-12.6%
SIICInvest	151.3	136.5	+14.8	+10.9%	-8.5	-6.2%
Icade REIT	366.5	386.3	-19.8	-5.1%	-32.7	-8.5%
Offices Division	**1 653.7**	**1 748.9**	**-95.2**	**-5.4%**	**-189.3**	**-11.1%**

Icade made the following acquisitions over the course of 2008:

- acquisition during the second half of 2008 of four plots of land in Villejuif, held at their cost price at 31 December 2008, i.e. 58.9 million Euros;
- acquisition during the second half of 2008 of 31 avenue des Champs Elysées for a total of 29 million Euros;
- acquisition by the company SIICInvest during the 1st half of 2008 of a warehouse with a surface area of 12 500 m² located in Marignane (13) and with an appraisal value of 7.3 million Euros excluding rights at 31 December 2008;
- acquisition by Icade REIT in April 2008 of 4 plots of land in Bad Hombourg with an appraisal value of a total of 4.6 million Euros excluding rights.

By neutralising the impact of these acquisitions, the variation in the portfolio value of office assets over 2008 comes to -189.3 million Euros on a like-for-like basis, i.e. -11.1%.

This variation can be explained, for some -303 million Euros, by the increase in yield and discount rates used by the surveyors given the change in the property market over the year.

Nevertheless, this fall is partly compensated by an improvement in the business plan of the assets, for 113 million Euros (e.g. rent indexing, renegotiating leases coming to an end).

Geographic distribution of office assets

Value of office property assets by geographic sector	Value excluding rights	
	€m	%
Paris – Central Business Quarter (CBQ)	379	22.9%
Paris (excluding CBQ)	17	1.0%
Paris - La Défense	472	28.5%
West Quadrant (Hauts-de-Seine)	200	12.1%
Inner ring (excluding Hauts-de-Seine)	126	7.6%
Outer ring	8	0.5%
TOTAL Paris region	**1 202**	**72.6%**
Rest of France	86	5.2%
Germany	366	22.2%
TOTAL	**1 654**	**100%**

In terms of value, the Office Property portfolio is primarily located in the Paris region which represents 72.6% of the portfolio, the buildings located in Paris and La Défense alone representing 52.4% of the whole. 22.2% of the assets are located in Germany and held by Icade REIT.

Return on assets and reversion potential:

Value of office property assets	Value including rights in €m (1)	Value excluding rights in €m (2)	Net yield (excluding rights) (3)	Reversion potential (4)	Average price €/m² (5)
Paris CBQ	403	379	5.4%	+7.6%	11 020
Paris (excluding CBQ)	18	17	7.6%	-3.9%	4 178
La Défense	501	472	7.2%	-7.3%	5 114
West Quadrant	105	99	7.3%	-7.7%	6 098
Inner ring	68	67	6.1%	+0.5%	4 670
Outer ring	9	8	9.4%	-4.4%	677
Total Paris region	**1 104**	**1 042**	**6.5%**	**+0.6%**	**6 042**
Rest of France	72	68	9.5%	+4.9%	753
Germany	293	282	7.1%	-8.6%	1 958
TOTAL	**1 468**	**1 392**	**6.8%**	**-0.8%**	**3 419**
Property reserves and projects under development (6)	271	262	n/a	n/a	n/a
TOTAL	**1 739**	**1 654**			

(1) Rights inclusive value of office assets established from average appraisal values at 31 December 2008.

(2) Rights exclusive valuation of office assets established from the average of appraisal values at 31 December 2008.

(3) Net annualised rents of rented floor space added to potential net rents of vacant floor areas at market rental value in relation to the rights exclusive appraisal value of rentable floor areas.

(4) Difference observed during valuation between the market rental value of rented floor space, estimated by CB Richard Ellis Valuation, and the annualised rents net of non-recoverable charges of the same floor areas (expressed as a percentage of net rents). The reversion potential as calculated above by CB Richard Ellis Valuation is established without taking into consideration the schedule of repayments of the leases and is not subject to discounting.

(5) Established in relation to appraisal value excluding rights.

(6) Primarily includes land and development projects in Germany (Arnulfstrasse 61 in Munich, Goldsteinstrasse in Frankfurt, Mercedesstrasse in Düsseldorf, Hohenzollerndamm and Salzufer in Berlin and Ahrensdorf in Ludwigsfelde), SIICInvest (Strasbourg Euro Freight Zone) as well as acquisitions of offices in Villejuif (10, Avenue de Paris)

The return on buildings in the Offices Division was 6.8% at end 2008 with a reversion potential valued at -0.8% according to the market rental values estimated by CB Richard Ellis Valuation.

3.2 Commercial Property Investment Division – Business Parks

3.2.1 Methodology used by the surveyors

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 in the process of development.

The built assets in use of the business parks are valued by the surveyors using the same methods as for offices (see above § 3.1). In the case of property reserves and buildings under development, the valuation principles for these assets are detailed below. It should be noted that their area of application extends to all of Icade's property assets and not only buildings in business parks, even though the latter account for a significant proportion of property projects under development within Icade's assets.

Special case: buildings under development on own land

The notion of buildings under development covers an extremely vast diversity of situations and the question is currently not particularly well covered by regulatory or professional texts. Only the accounting treatment of this class of assets is covered by a specific assignment, depending on the applicable regime. Before explaining the principal methods used in valuing these assets a preamble lists the main categories of buildings under development on the understanding that each category may itself cover several variants:

Principal categories of buildings under development

(1) Property reserves

This category of assets covers large property units which are only partially provided with services, where the ability to build is sometimes subject to additional development and may not be implemented globally and immediately (question of delay in obtaining authorisations, need to carry out development work, problem of absorption by the market). These reserves can be valued since they constitute an asset, but with a certain amount of prudence in the light of the conditions described above.

(2) Building land or building rights

This second category relates to medium sized individual property units marketable as such on the market in an urban or suburban location, serviced and able to be built on in the medium term.

(3) Residual building land

Residual building land is building land not used by individual plots already containing buildings. Residual building land can also be valued from the moment it can legally and technically be built on, subject to the rights of any tenants in the buildings and related town planning constraints.

(4) Buildings under development

Buildings under development cover building land with authorisations such as demolition permit, planning permission, CDEC authorisation, where the exit horizon is usually within a period of two to four years with a degree of risk and revaluation which changes with time until such time as the building is delivered, marketed and put into service.

(5) Buildings under redevelopment

Buildings under redevelopment relate to individual plots containing buildings, whether occupied or not, which were originally considered as investment properties but which either due to a town planning decision or a strategic decision of the owner, fall into the "redevelopment" category (tenant leaving or evicted, demolition and redevelopment works).

Valuation methods used by surveyors for buildings under development

For the purposes of calculating the revalued NAV, projects under development are valued on the basis of a clearly identified and documented project, as soon as planning permission can be examined and implemented. Insofar as they were originally valued as investment properties, buildings "under development" or "under reconstruction" can be valued on the basis of their future following approval by Icade's undertakings committee.

The methods used by surveyors in valuing projects under development primarily include the method produced on the basis of a developer balance sheet and/or DCF, supplemented if necessary by the comparison method (see details of both methods above).

The method established on the basis of a developer balance sheet consists of producing the financial balance sheet for the project according to the approach of a property developer to whom the land has been offered. From the selling price of the building on delivery, the surveyor deduces all the costs to be incurred, building costs, fees and margin, financial expenses as well as the amount that could be assigned to the land charge.

Whichever method is selected, it is ultimately up to the surveyors to set a value and discount rate in line with the risks inherent in each project and in particular the stage of progress of the various authorisation and building phases (demolition permit, planning permission, appeals, progress of works, any pre-marketing or rental guarantee). From the exit value, the surveyors must explain which procedure they followed in estimating the degree of risk and revaluation attaching to the building in the light of the circumstances under which they work and the information made available to them.

ICADE

Foncière-développeur

3.2.2 Changes in the assets of Business Parks

The market value of the assets of business parks resulting from the methods described above was 1 423.2 million Euros excluding rights at 31 December 2008 against 1 503.1 million Euros at 31 December 2007, i.e. a reduction of -79.9 million Euros (-5.3%).

Portfolio value of property assets in €m	31/12/08	31/12/07	Variation (€m)	Variation (%)	Variation (€m) on a like-for-like basis	Variation (%) on a like-for-like basis
Parc du Pont de Flandres	385.8	425.9	-40.1	-9.4%	-41.4	-9.7%
Parc des Portes de Paris	478.2	509.4	-31.2	-6.1%	-38.9	-7.6%
Parc du Millénaire	294.1	323.5	-29.4	-9.1%	-30.2	-9.3%
Parc le Mauvin	38.2	41.4	-3.2	-7.8%	-3.2	-7.8%
Parc Pillier Sud	26.7	27.6	-1	-3.4%	-1.0	-3.4%
Parc CFI	130.5	134.2	-3.7	-2.7%	-17.3	-12.9%
Other	69.7	41.1	+28.7	+69.9%	-4.7	-11.4%
Business Parks Division	**1 423.2**	**1 503.1**	**-79.9**	**-5.3%**	**-136.6**	**-9.1%**

During the first half of 2008, Icade acquired land close to the future metro station "Proudhon Gardinoux" and on the former military railway stations, valued at 31 December 2008 at 29.9 million Euros excluding rights.

On a like-for-like basis, after neutralising investments for the year, the value of Icade's business parks has fallen by 136.6 million Euros over 2008, i.e. -9.1%. This variation can be explained, for some -183 million Euros, by the increase in yield and discount rates used by the surveyors given the change in the property market over the year. Nevertheless, this fall is partly compensated by an improvement in the business plan of the buildings, for +46 million Euros (e.g. work plans, changes in rents).

Geographic breakdown of assets:

Value of the property assets of business parks	Value excluding rights	
	€m	%
Paris (75)	680	47.8%
Saint Denis (93)	138	9.7%
Aubervilliers (93)	605	42.5%
TOTAL	**1 423**	**100%**

The value of the parks located in Seine-Saint Denis (93) accounts for about 52% of the total value of the business parks with those located in Paris accounting for the remaining 48% (Parc du Pont de Flandres and Parc du Millénaire).

Return on assets and reversion potential:

Value of property assets of business parks	Value including rights in €m (1)	Value excluding rights in €m (2)	Net yield (excluding rights) (3)	Reversion potential (4)	Average price €/m² (5)
Parc du Pont de Flandre	365	346	6.6%	+4.6%	4 599
Parc des Portes de Paris	491	466	7.9%	+10.9%	2 147
Parc Pilier du Sud	28	27	7.4%	+22.4%	1 254
Parc CFI	135	130	7.4%	-7.6%	2 089
Parc du Millénaire	252	247	7.5%	-5.6%	4 232
Parc du Quartier du Canal	15	14	8.8%	+5.8%	1 330
Parc le Mauvin	41	38	7.9%	+4.4%	1 742
TOTAL	**1 327**	**1 268**	**7.4%**	**+5.3%**	**2 716**
Property reserves and projects under development (6)	159	155	n/a	n/a	n/a
TOTAL	**1 486**	**1 423**			

(1) Appraisal value, including rights, of business park assets at 31 December 2008.

(2) Appraisal value excluding rights of business park assets at 31 December 2008 (after deduction of rights and document charges calculated on a set basis by surveyors).

(3) Net annualised rents of rented floor space added to potential net rents of vacant floor areas at market rental value in relation to the rights exclusive appraisal value of rentable floor areas.

(4) Difference observed during valuation between the market rental value of rented floor space, estimated by CB Richard Ellis Valuation, and the annualised rents net of non-recoverable charges of the same floor areas (expressed as a percentage of net rents). The reversion potential as calculated above by CB Richard Ellis Valuation is established without taking into consideration the schedule of repayments of the leases and is not subject to discounting.

(5) Established in relation to appraisal value excluding rights.

(6) Includes in particular buildings under reconstruction (Parc du Pont de Flandre: Building E028, Parc des Portes de Paris: Buildings E114, E262, E286 and E287, Parc du Quartier du Canal: Buildings 323 and 324) and development projects (Parc CFI: building C521, Parc du Millénaire: Buildings 3 & 4) and land acquired in 2008.

On the basis of end 2008 rents, the return on business park assets works out at 7.4%, the reversion potential of the portfolio being estimated at 5.3% according to the market rental values used by CB Richard Ellis Valuation.

3.3 Commercial Property Investment Division – Shops and Shopping Centres

Methodology used by the surveyor

Generally speaking the approach used by property surveyors to value shopping centres is identical to that used for offices (see above), except for special cases (e.g. local shopping centres). At end 2008, Icade's shopping centres consist of two projects under development, one located in Aubervilliers and formerly owned by Icade EMGP, and the other in Montpellier (Odysseum) and acquired on an off plan basis from Icade Tertial (delivery scheduled for early 2010). Both projects are being developed on the basis of a 50/50 partnership with Klépierre. Their valuation follows the principles used for projects under development and off plan acquisitions as described above. This asset class also includes the portfolio of walls of the Mr Bricolage shops acquired at 01 January 2008. These are valued by the net income capitalization method cross-checked against the discounted cash flow method.

Changes in Shops and Shopping Centre assets

At 31 December 2008, the overall value of shopping centre assets came out at 206.1 million Euros excluding rights against 89.9 million Euros at end 2007, a rise of 116.3 million Euros.

After restating development costs incurred during the year on both shopping centre projects and neutralisation of the Mr Bricolage investment, the variation in the annual value of shops and shopping centres amounts to +4.7 million Euros.

Geographic breakdown of assets:

Value of office shopping centre assets	Value excluding rights €m	%
Paris (75)	7	3.4%
Inner Ring	55	26.7%
TOTAL Paris region	**62**	**30.1%**
Rest of France	**144**	**69.9%**
TOTAL	**206**	**100%**

Return on assets

Value of office shopping centre assets	Value including rights in €m (1)	Value excluding rights in €m (2)	Net yield (excluding rights) (3)	Average price €/m² (4)
Paris	8	7	6.5%	2 879
Rest of France	97	92	7.9%	691
TOTAL	**105**	**99**	**7.8%**	**731**
Projects under development (5)	110	107	n/a	n/a
TOTAL	**215**	**206**		

(1) Appraisal value, including rights, of shopping centre assets at 31 December 2008.

(2) Appraisal value excluding rights of shopping centre assets at 31 December 2008 (after deduction of rights and document charges calculated on a set basis by surveyors).

(3) Annualised rents, net of non-recoverable charges, of assets related to their appraisal value excluding rights.

(4) Established in relation to appraisal value excluding rights.

(5) Shopping centres in Aubervilliers and Odysseum.

The net return on the shopping centre portfolio came to 7.8% at 31 December 2008.

3.4. Commercial Property Investment Division – Public and Healthcare Amenities

3.4.1 Methodology used by the surveyors

The property portfolio of Amenities is principally composed of clinics and healthcare establishments and one office building in Levallois Perret (92).

The buildings of the clinics or health establishments which are considered as single use property assets are valued by the surveyors by the rent capitalisation (or rental value) method or by the discounted future cash flow method.

It should be noted that the market value of a hospital is essentially dependent on operation and its ability to generate sufficient turnover to ensure a normal return on the property investment. These buildings fall under the category of "single use" buildings and the value given by the surveyor nevertheless is totally related to its operation and consequently the value of the business. Being unsuitable for use as another business without substantial conversion works, these premises are not subject to renewal rent capping or review, or the traditional rules for determining the rental value, because the configuration and specialisation of the building imposes objective physical limits on the operator (number of beds or rooms etc.) regardless of its qualities.

The market rental value used by the property surveyors is therefore based on taking into account a quota share of average turnover or EBITDA that the establishment made over the last few years of operation, with or without adjustment, in the light of its category, contents, its administrative environment, the quality of its operating structure (price positioning, subsidies, operating accounts…) and any competition. Otherwise, the walls of the establishment could be valued by capitalisation of the rental income advised by Icade.

Icade also owns an office block of about 30 000 m² net usable floor area located in Levallois-Perret (92) and accommodating the departments of the Ministry of the Interior. This building, acquired in 2006 for 179.2 million Euros including costs and works, was leased to the Ministry of the Interior over a 20 year period with a purchase option. In the light of the provisions set out in the lease which render this operation similar to property financing, the building was not surveyed on 31 December 2008 or 31 December 2007. This lease, the net financial value of which worked out at 174.2 million Euros at 31 December 2008, was used in the revalued NAV calculation at a value corresponding to the purchase option price provided in the contract.

As indicated previously, public buildings and structures owned by entities holding Public/Private Partnership (PPP) projects are not included in the property assets published by Icade; they are not subject to a market valuation and are held at their net book value in calculating the revalued NAV.

Change in Public and Healthcare Amenities division assets

The overall value of this portfolio, which corresponds to that formerly held by Icade Foncière Publique, is estimated at 734.0 million Euros excluding rights at end December 2008 against 307.6 million Euros at end 2007, a rise of 426.4 million Euros.

Portfolio value of property assets in €m	31/12/08	31/12/07	Variation (€m)	Variation (%)	Variation (€m) on a like-for-like basis	Variation (%) on a like-for-like basis
Clinics and healthcare establishments	550.9	124.2	+426.7	+343.6%	+5.4	4.4%
Levallois building	174.2	177.1	-3.0	-1.7%	-3.0	-1.7%
Other	8.9	6.3	+2.6	+41.1%	+0.5	7.4%
Public & healthcare amenities	**734.0**	**307.6**	**426.4**	**+138.6%**	**+2.9**	**0.9%**

This change in value is primarily attributable to the acquisitions made in the year:

- acquisition in April 2008 of the premises of a clinic and a convalescence centre in Saint Herblain (44) and Nantes (44) from the operating group Vedici; these buildings are valued at 31/12/08 at 75.1 million Euros;
- acquisition in June 2008 of the premises of two clinics in La Roche-sur-Yon (85) and Les Essarts (85) and a convalescence centre in Laval (53), from the operating group 3H; these buildings are valued at 31/12/08/ at 41.7 million Euros;
- acquisition in July 2008 of the premises of the Occitanie clinic located in Muret, from the operating group Vedici; this building is valued at31/12/08 at 38 million Euros;
- acquisition in September 2008 of the premises of 4 clinics located in Nogent, Champigny, Trappes and Le Chesnay, from the operating group Générale de Santé, valued at 31/12/08 at 201.9 million Euros, as well as the premises of 2 clinics in Poitiers, from the operating group Vedici, valued at 31/12/08 at 39.1 million Euros;
- acquisition in October 2008 of the premises of the Parc clinic in Saint-Priest-en-Jarez from the group C2S; these premises are maintained at cost price at 31/12/08, given their acquisition less than three months before accounts were closed.

On a like-for-like basis, the value of the portfolio varies by 2.9 million Euros over the year 2008, that is 0.9%. This variation can be explained by an improvement in the business plan for clinics, amounting for

5.8 million Euros (work plans, rents etc.), mainly concerning the establishments in Agen, Pau and Orléans. This rise is partly reduced by the increase in yield and discount rates used by the surveyors, which underlines the very resistant character of clinics and their low correlation with market changes and other property asset classes.

Geographic breakdown of assets:

Valuation of amenities property assets	Value excluding rights	
	€m	%
West Quadrant	174	23.7%
Inner ring (excluding Hauts-de-Seine)	76	10.3%
Outer Ring	126	17.2%
TOTAL Paris region	**376**	**51.2%**
Rest of France	**358**	**48.8%**
TOTAL	**734**	**100%**

Return on assets

Valuation of amenities property assets	Value including rights	Value excluding rights	Net yield	Average price €/m²
	in €m (1)	in €m (2)	(excluding rights) (3)	(4)
Clinics and healthcare establishments	579	546	6.9%	2 146
Other (5)	188	188	n/a	n/a
TOTAL	**767**	**734**		
(1) Appraisal value, including rights of amenities assets at 31 December 2008.				
(2) Appraisal value, excluding rights of amenities assets at 31 December 2008.				
(3) Annualised rents, net of non-recoverable charges, of assets related to their appraisal value excluding rights.				
(4) Established in relation to appraisal value excluding rights.				
(5) Buildings in Levallois and Périgueux, nursery in Toulouse Blagnac and projects under development				

The net return on the clinics portfolio came to 6.9% at 31 December 2008.

B – VALUATION OF SERVICE AND DEVELOPMENT BUSINESSES

Icade's service and development companies were valued by an independent firm for the purposes of calculating the Net Asset Value. At the end of 2007, the method used by the valuer is essentially based on each company's discounted cash flow (DCF) over the term of their business plan, together with a terminal value based on a normative cash-flow increasing to infinity. This valuation approach is then cross-checked against a comparable valuation method.

On this basis, at 31 December 2008, the value of the service and development companies corresponded to 484.1 million Euros against 962.6 million Euros at 01 January 2008, an annual decrease of 50%.

The value of these companies at 31 December 2008 is distributed between development companies (75%) and services companies (25%).

Among the financial parameters used, the surveyor used a weighted average cost of capital which was on the increase in comparison with the valuation carried out at the end of 2007, amounting to 10.2% for all service companies and between 10.2% and 15.5% for development companies to take into account the change in environment.

According to the companies, the weighted average cost of capital grew by 200 to 400 bp compared to the previous year, that is 25% to 40%.

The change in value for development and services companies over the year is explained by this increase in the discount rates used by the surveyor and by the conservative business plans of the development and services companies over the period 2009-2013 due to the recent change in financial and property markets and their medium-term perspectives.

C – METHODOLOGY FOR CALCULATING THE NET ASSET VALUE

The Revalued Net Asset Value (NAV) was calculated in terms of replacement value and liquidation value. The replacement NAV corresponds to the consolidated capital and reserves produced in accordance with IFRS, plus or minus the following elements:

(+) the unrealised capital gain on property assets established on the basis of property surveys, including transfer duty and asset disposal costs. For assets under promises of sale signed during the year, the reference value is that appearing in the promise;

(+) the unrealised capital gain on the values of development and service companies established on the basis of the independent valuation;

(+/-) The positive or negative effects of converting the financial debts not taken into account under IFRS principles into market value (according to IFRS, only derivative financial instruments are shown on the balance sheet at their fair value).

The liquidation NAV corresponds to the replacement NAV adjusted according to the following elements:

(-) transfer duty and disposal costs of the property assets estimated by the property surveyors;

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

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

D – CALCULATING THE NET ASSET VALUE IN TERMS OF LIQUIDATION VALUE

1. Consolidated capital and reserves

At 31 December 2008, the consolidated capital and reserves, Group share, amount to 1 468.9 million Euros including a net profit Group share of 312.5 million Euros as well as a negative impact of 94.8 million Euros of converting into market value the cash flow hedging instruments and securities available for sale.

2. Unrealised capital gains on property assets

Unrealised 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 31 December 2008, unrealised capital gains excluding rights and expenses amount to 3 280.8 million Euros.

3. Unrealised capital gains on intangible assets

The valuation of development and services companies was carried out on 31 December 2008 by an independent surveyor. This resulted in an unrealised capital gain of 234.5 million Euros which was taken into account in the revalued NAV calculation on 31 December 2008.

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 has a negative impact of -0.3 million Euros taken into account in calculating the Net Asset Value.

5. Calculation of unrealised 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 came to €22.5m at 31 December 2008. This tax liability applies primarily to the assets carried by Icade Commerces and the assets of Icade REIT in Germany taxed at 15.8%.

The tax liability on unrealised 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 1.72% for securities held for more than two years. This amounted to 7.3 million Euros at end December 2008.

6. Treasury shares and securities providing access to the capital

The number of fully diluted shares taken into account in calculating the Net Asset Value at 31 December 2008 was 48 756 762, after cancelling treasury shares. The impact of stock option related dilution, calculated according to the share buy-back method, is zero at 31 December 2008.

The Group share of Net Asset Value in terms of replacement value therefore worked out at 5 351.7 million Euros at 31 December 2008, or 109.8 Euros per share fully diluted versus 5 709.3 million Euros at end 2007 or 116.4 Euros per share.

The Group share of Net Asset Value in terms of liquidation value came out at 4 954.1 million Euros at 31 December 2008, or 101.6 Euros per share fully diluted versus 5,316.9 million Euros at end 2007 or 108.4 Euros per share.

Determination of Group share of Net Asset Value in terms of liquidation value (in €m)		*Actual*	*Actual*
		31/12/2008	**31/12/2007**
Group share of consolidated capital and reserves	(1)	1 468.9	1419.8
Gross unrealised gain on property assets (including rights)	(2)	3 648.5	3 550.7
Unrealised capital gain on development companies	(3)	164.8	585.6
Unrealised capital gain on service companies	(4)	69.7	151.7
Unrealised capital gain on fixed rate debt	(5)	-0.3	1.5
Group share of replacement NAV	(6)=(1)+(2)+(3)+(4)+/-(5)	**5 351.7**	**5 709.3**
Number of fully diluted shares in millions	n	48.8	49.0
Replacement NAV per share (*Group share - fully diluted in €*)	(6)/n	**109.8**	**116.4 €**
Duty and charges on disposal of property assets	(7)	367.8	307.5
Tax liability on unrealised capital gain on property assets (excluding rights)	(8)	22.5	60.9
Tax liability on latent capital gain on securities of development companies	(9)	3.9	21.4
Tax liability on unrealised capital gain on securities of service companies	(10)	3.4	2.6
Group share of liquidation NAV	(11)=(6)-(7)-(8)-(9)-(10)	**4 954.1**	**5 316.9**
Number of fully diluted shares in millions	n	48.8	*49.0*
Liquidation NAV per share (Group share - fully diluted in €)	**(12)=(11)/n**	**101.6**	**108.4 €**
Annual growth			*-6.3%*

The unrealised capital gain net of corporation tax taken into account in the liquidation NAV calculation include the capital gains relative to development and services activities amounting to 7% at 31 December 2008, compared to 18% at the end of 2007.

Variation of the liquidation NAV in Euros per share

The liquidation NAV comes out down 6.3% over the year 2008 that is -6.8 Euros per share, given the impact of the variation in the value of development and services companies of 10.3 Euros per share. As shown in the following table, this variation is partly compensated by the solidity of the values of the property investment portfolio which has risen by 0.8 Euros per share, and partly by the variation in consolidated capital and reserves at nearly 1 Euro per share. It is worth noting that this same variation in consolidated capital and reserves is negatively impacted (for 1.9 Euros per share) by the effect of converting to market value the hedging instruments known as "cash flow hedging" according to IFRS.

Liquidation NAV Group share at 31/12/07 (in € per share)	**108.4 €**
Change in consolidated capital and reserves 31/12/07 - 31/12/08 (Group share)	1.0 €
- of which dividend paid in 2008	*-3.3 €*
- of which consolidated profit, Group share, at 31/12/08	*6.4 €*
- of which variation of fair value of hedging instruments and securities available for sale	*-1.9 €*
- of which "other"	*-0.2 €*
Change in capital gains on property assets	0.8 €
Change in capital gains on development and services companies	-10.3 €
Change in unrealised tax on capital gains	1.1 €
Impact of the revaluation of debt at fixed rates not taken into account in IFRS	0.0 €
Impact of number of diluted shares over NAV per share	0.6 €
Liquidation NAV Group share at 31/12/08 (in € per share)	**101.6 €**

Potential impact of the disposal of the entire portfolio of residential housing over liquidation NAV at 31/12/08

In the event of the disposal in block to a single buyer of all assets which make up the Residential Housing Investment division, a portfolio discount could potentially apply to the value of assets published at 31/12/08 (see paragraph §2.1 above relative to the methods used by the surveyors).

ICADE

Foncière-développeur

IV - FINANCIAL RESOURCES

A – CASH ASSETS

Financial resources were obtained over 2008 by the renewal and/or setting up of new confirmed lines of credit.

The main financing operations over 2008 were as follows:

- renewal and/or setting up of 141 million Euros in short term lines of credit;
- renewal and/or setting up of several lines of bilateral banking credit for a total amount of 742 million Euros

These lines have an average spread of 70 basis points.

This financing enabled bank loans of about 120 million Euros falling due in 2008 to be paid, as well as requirements related to investments and acquisitions to the tune of about 800 million Euros.

B – DEBT STRUCTURE AT 31 December 2008

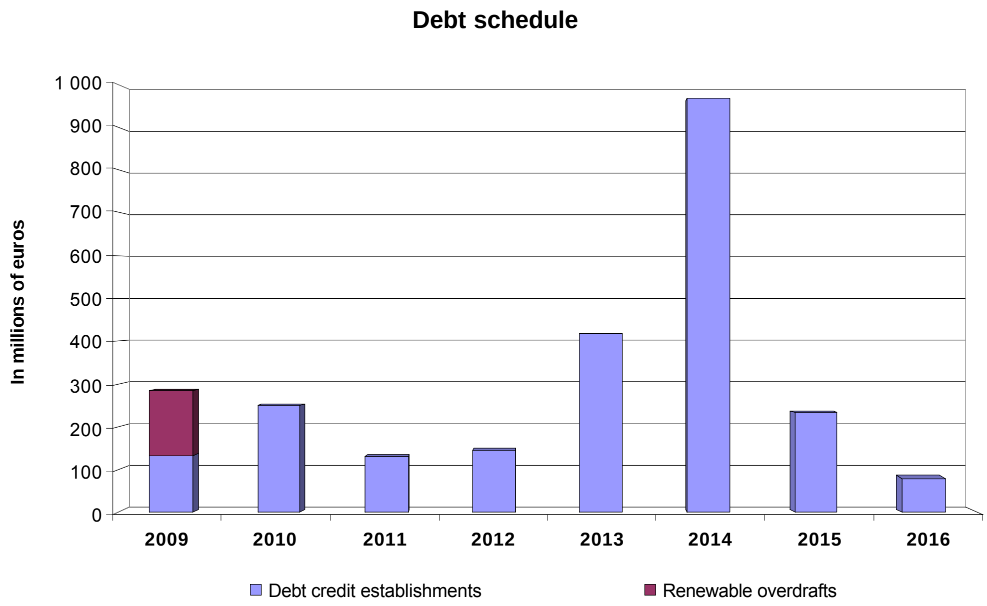
1. Debt by type

The gross financial debt of 3 144.2 million Euros at 31 December 2008 stood at:

- 0.3 million Euros of Bonds Redeemable in Shares (BRS);
- 2 541.9 million Euros;
- 42.5 million Euros of mortgage financing and PPD preferential mortgages;
- 97.7 million Euros of direct financing leases;
- 51.9 million Euros of other debts (feeder loans …);
- 409.9 million Euros of bank overdrafts (of which more than half are covered by positive bank balances).

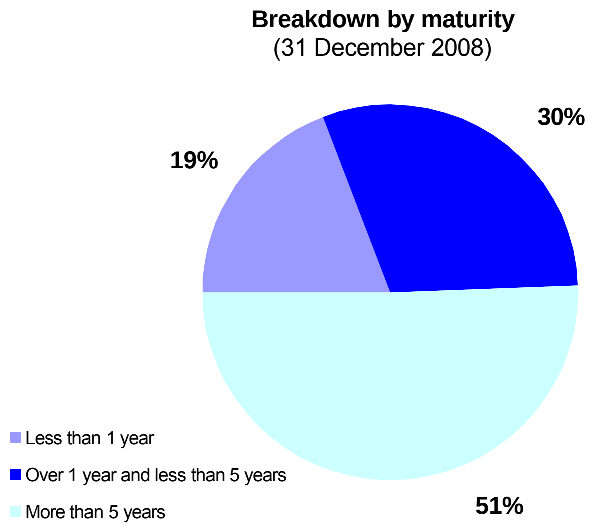
Net financial debt amounted to 2 458.8 million Euros at 31 December 2008, an increase of 884.8 million Euros in comparison with 31 December 2007. This increase can basically be explained by:

- repayment flows for the period in respect of ICADE: about 120 million Euros,
- drawdown of 680 million Euros in bilateral banking lines, 42.5 million Euros in the Icade Santé mortgage line, and 80 million Euros in short-term lines,
- an increase in direct financing leases (including the acquisition of Icade Bricolage) and the PPP financing for 45 million Euros,
- drawdown of tranche B of the 2007 syndicated loan, for 100 million Euros.



2. Debt by maturity

The maturity of Icade's drawn down debt at 31 December 2008 is show below:

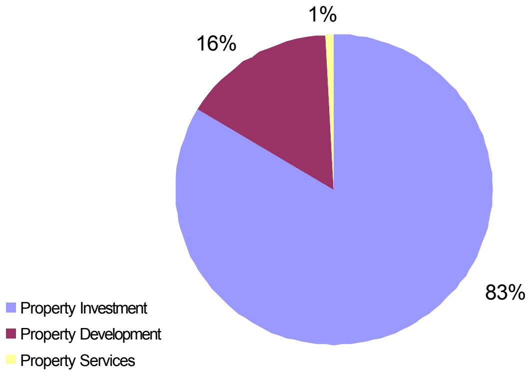


Around 2/3 of the debt of less than one year is made up of renewable bank overdrafts.

The proportion of debt of less than 5 years has increased given the more difficult access to long maturities in the financial markets. Despite these difficult conditions, more than half of the debt remains at over 5 years, in line with the assets on the balance sheet.

The average term of variable rate debt works out at 4.9 years. That of associated hedging is also close to 4.9 years, a very good correlation.

ANALYSIS OF GROSS DEBT PER BUSINESS
(excluding bank averdrafts) 31 Décember 2008



3. Debt by business

After assigning intra-Group refinancing, nearly 83% of the Group's bank debts concern the property investment business and 16% the property development business.

4. Average cost of debt

In 2008, the average cost of financing came to 5.07% before hedging and 4.80% after hedging, against 4.46% and 4.47% respectively in 2007.

Despite a very significant increase in average short-term interest rates over the period (average 3 month Euribor 4.63% in 2008 against 4.28% in 2007) which weighed heavily on the overall cost of variable-rate lines of finance and the increase in margins on new loans, the deterioration of the cost of financing was limited.

An ever more prudent continued hedging of interest rate risks enabled the average margin to be reduced in comparison with 3 month Euribor and to maintain a financing cost after minimal hedging.

C – MARKET RISK MANAGEMENT

The monitoring and management of financial risks are centralised within the Cash and Debt Division of the Finance Department.

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

1. Liquidity risk

Icade has short term back-up lines to the value of nearly 210 million Euros, less than half of which are used. Given the depreciation profile and carry forward over longer maturities of a certain number of debts, these back-up lines enable nearly two years of capital and interest repayments to be hedged.

2. Counterparty risk

Icade works exclusively with front line financial establishments in order to limit the counterparty risk and therefore any possible default by an issuer, both in credit and derivative transactions as well as investments.

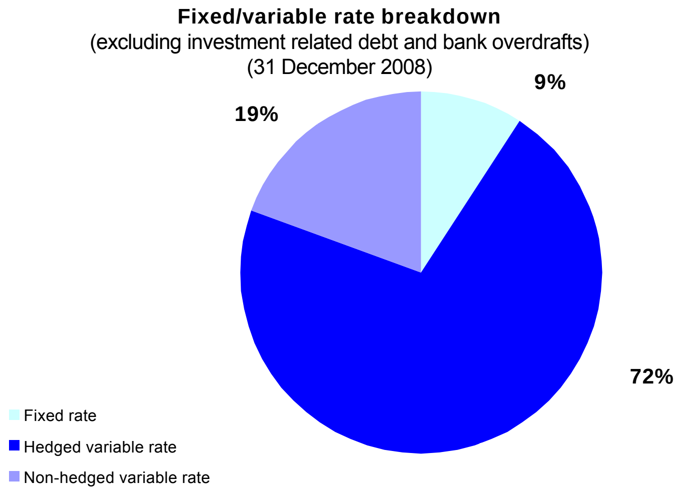
3. Rate risk

Changes in financial markets can entail variations in interest rates which may result in an increase in the cost of refinancing. Icade prefers using variable rate debt to finance its investments so as to be in a position to repay them prematurely without incurring penalties: this represents, before hedging, nearly 91% of its debt at 31 December 2008 (excluding debts associated with investments and bank overdrafts).

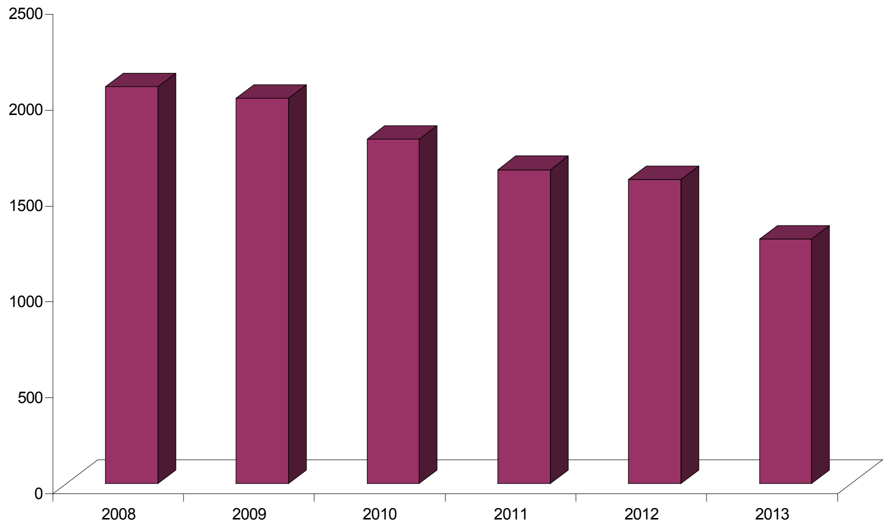
In 2008, Icade continued its prudent debt management policy by maintaining limited exposure to rate risks by setting up appropriate hedging contracts (exclusively plain vanilla swaps throughout the year).

Thus in February and March 2008, 2014 year plain vanilla swaps, to the value of 100 million Euros, were set up to hedge tranche B of the syndicated loan at levels in the region of 3.77 %. In May 2008, other plain vanilla swaps, to the value of 400 million Euros were concluded to hedge the debt raised, at rates below 4.50%. Finally, during the fourth quarter of the year, 300 million Euros of plain vanilla swaps were set up to hedge the drawdown of the last half year at rates ranging from 3.59% to 4.28% depending on maturities.

In total, the majority of variable rate debt (87%) is protected against rising interest rates by caps and swaps: after adjustment for hedging, Icade's debt structure (excluding investment related debt and bank overdrafts) favours fixed rates: non-hedged variable rate debt represents no more than 13% of debt in the economic sense of the word (19% if only hedging described by IFRS as cash flow hedging is taken into account).



Notional hedging figures for future years are as follows (in millions of Euros):



Given the financial assets and new hedging in place, the net position is detailed in the following table:

(in millions of euros)	daily to 1 year ***	1 to 5 years	Beyond	31/12/2008
Gross financial debt	2 914,2	62,1	167,9	3 144,2
Financial assets *	(758,6)			(758,6)
Net position before management	2 155,6	62,1	167,9	
Off balance sheet **	(2 268,3)	-	-	(2 268,3)
Net position after management	(112,7)			

* Excluding equity interests, other financial assets, provisions on securities for €51m
** Notional amount of hedging contracts (swap, cap …)
*** Including assets and debts at variable rates

Finally, Icade prefers to describe its hedging instruments as "cash flow hedging" according to IFRS, which records variations in fair value in its instruments in capital and reserves rather than in profit.

During 2008, 3 month Euribor and the 5-year swap fell respectively from 4.68% and 4.55% to 2.89% and 3.22%.

During the same year, and in accordance with Icade's prudent rate risk hedging policy, notional hedging figures for "cash-flow hedging" increased by 758 million Euros. Given the profile of the year, we note a significant impact in capital and reserves of (94.2) million Euros.

D – FINANCIAL STRUCTURE

1. Financial structure ratio

The LTV (*Loan To Value)* ratio: Net financial debt / asset value comes out at 35.4% at 31 December 2008 (versus 25.3% at 31 December 2007). This increase stems from the continued financing of growth by indebtedness in 2008.

ICADE
Foncière-développeur

This ratio remains well below the ceiling levels to be adhered to within the framework of debt related financial covenants (50% in the majority of cases where this ratio is mentioned as a covenant).

Furthermore, this figure is the result of a prudent calculation since it includes all of Icade's debts (debts related to development and service businesses…) without taking the value of those assets or companies as a counterpart, because it is calculated purely on the asset value of the property investment.

2. Interest coverage ratio

The ratio of interest coverage to operating profit (corrected for depreciation) works out at 5.73 over 2008. This ratio is lower than in previous years (8.11 in 2007), in view of the increased debt. Brought down to EBITDA, in other words before capital gains on disposals, and not Operating Profit, this ratio works out at 4.58.

FINANCIAL RATIOS	31-12-2007	31-12-2008
Net financial debt / asset value (LTV)	25.3	**35.4**
Ratio of interest coverage by operating profit (ICR)	**8.11**	**5.73**

3. Covenant monitoring table

		Covenants	31 December 2008
LTV	Maximum	< 45%	35.4%
ICR	Minimum	> 2	5.73
CDC holding	Minimum	50.1%	61.58%
Portfolio value of property assets	Minimum	> 3 billion Euros	6.952 billion Euros
Surety on assets	Maximum	< 20% of property assets	0.64%