



Press release
Paris, 22nd October 2009

Property investment turnover holds up well at 30th September 2009 (+5.0%)

Rental of 15,000 m2 in business parks

Block sale of 1,148 housing units in the third quarter of 2009 for a total of 126 million euros

Disposal of the building situated at 114 avenue des Champs-Élysées for a total of 90 million euros under favourable conditions

Turnover from the Property Development division down only very slightly (-1.3%) despite a difficult economic environment

At 30th September 2009, Icade recorded consolidated turnover of 1,089 million euros, down 5.5% compared to 30th September 2008 (1,153 million euros). The solidity of the Property Investment business (turnover up 5.0%) partly compensated for the fall in turnover related to the disposal, in 2009, of property administration for individuals and facilities management activities and the sharp rise in intra-Group eliminations, a consequence of the increase in strength of the developer-REIT model and the controlled reduction of the turnover from the Property Development division.

Turnover in millions of euros	30/09/2009	30/09/2008	Change
Property investment	316.9	301.8	+5.0%
Property development	778.6	788.9	-1.3%
Property services	120.8	151.5	-20.3%
Intra-Group eliminations	(127.4)	(89.5)	+42.2%
TOTAL	1 089.0	1 152.7	-5.5%



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PROPERTY INVESTMENT

Turnover from the Property Investment business increased by 5.0% at 30th September 2009 compared to 30th September 2008. Turnover from the Commercial Property Investment division reached 181.2 million euros at 30th September 2009, up 18.0% compared to 30th September 2008. In parallel, turnover from Residential Property Investment fell 8.2% due to disposals made. Consequently, turnover from the Commercial Property Investment division now accounts for 57.1% of turnover from the Property Investment division, compared to 50.9% at 30th September 2008. This increase is the result of the strategy to focus on commercial property, implemented by Icade two years ago. This consists in disposing of a portfolio of housing units with low profitability, to assign these resources to the development of cash-flow-generating and value-creating projects and to the acquisition of commercial assets which provide immediate and antidilutive cash-flows in a phase of turnaround in the property cycle.

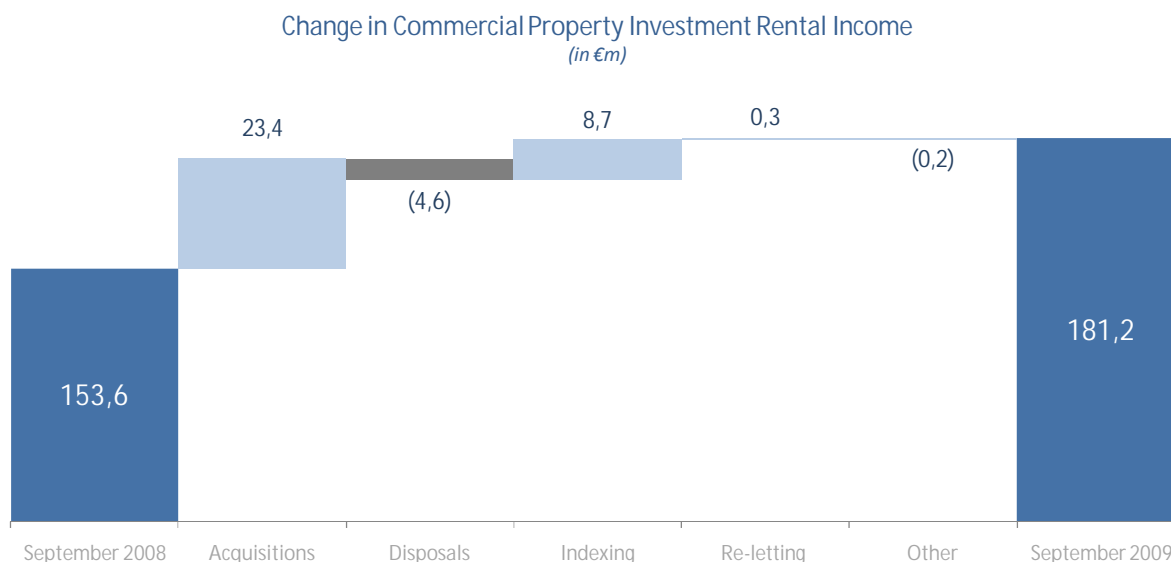
	Turnover in millions of euros	30/09/2009	30/09/2008	Change
Commercial Property Investment	TOTAL	181.2	153.6	+18.0%
	Offices in France	48.1	47.4	+1.5%
	SIICInvest	7.9	7.6	+3.9%
	Offices in Germany	12.4	11.6	+6.9%
	Business parks	65.5	59.9	+9.3%
	Public and healthcare amenities	41.2	21.0	+96.3%
	Shops and Shopping Centres	6.1	6.1	0.0%
Residential Property Investment		136.0	148.2	-8.2%
Intra-business investment		(0.3)	0.0	
PROPERTY INVESTMENT	TOTAL	316.9	301.8	+5.0%

Commercial Property division

Key figures at 30th September 2009

Turnover from the Commercial Property Investment division represents 181.2 million euros at 30th September 2009, up 18.0% compared to 30th September 2008. On a like-for-like basis, this represents an increase of 5.6%.

The graph below presents the change in rental income over the period:





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The positive impact of acquisitions (23.4 million euros) principally stems from taking into account in a full year the income from clinics acquired in the 2nd half of 2008. The negative impact of disposals (4.6 million euros) corresponds to the loss of rental income related to the disposal of 31/33 rue de Mogador in the 9th arrondissement of Paris in the 2nd half of 2008 and to the neutralisation for restructuring the building in Rueil-Malmaison in the 1st half of 2008. The impact of rent indexing represents 8.7 million euros, i.e. 6.1%.

Rental business

The Commercial Property Investment division holds 1.3 million m² of floor space at 30th September 2009. The distribution per business of floor space is as follows: business parks (35%), offices (31%), public and healthcare amenities (23%) and shops and shopping centres (11%). The financial occupancy rate represents 92.6% at 30th September 2009.

IBM will leave the Tour Descartes, as planned, at 31st December 2009. This asset will be significantly restructured, allowing Icade to deliver a tower in 2012 which meets market expectations.

Thanks to the active work carried out by the asset management teams, several significant leases have been renewed in 2009, thus allowing the extension of the duration of the leases:

Tenants	Renewed surface area (excl. car parks) in m ²	Date of effect
UBS	5,365	July 09
Pierre & Vacances	12,357	January 09
Coca-Cola	9,185	January 09
Euromedia Group	15,321	July 09
Alain Afflelou Group	3,888	July 09
TOTAL	46,116	

Icade has little exposure to the risks of lease revision under article L145-39 of the French commercial code. The potential risk of return to the market rental value only actually represents 3.3 million euros, or a maximum potential loss of rent of 1.3%.

The main rentals over the quarter concerned the business parks, for around 15,000 m²:

- 5,000 m² were rented to the Sage group in the Millénaire 2 (Parc du Millénaire), which is already occupied by Nokia and Saint-Louis Sucre (occupancy rate at around 36%).
- The company Pierre & Vacances, which already rents a large part of the "L'Artois" building in the Parc du Pont de Flandre, will take 6,278 m² of additional floor space in July 2010 and over 300 m² of archives, thus occupying the total surface of the building, i.e. 20,000 m².
- The company Rexel, global leader in the distribution of electrical material, has recently rented the ground floor, covering 2,647 m² of business premises and 510 m² of offices, of Building 521, in the Parc des Portes de Paris. This mixed office and business premises building covering 19,000 m² is HQE-certified (high environmental quality).

Arbitrage

Within the framework of its asset arbitrage policy which consists in selecting mature assets which no longer create value, with no reversion potential, and whose sale would likely generate significant capital gains, Icade has signed a promise of sale on a Haussmann building situated at 114, avenue des Champs-Élysées in Paris (8th arrondissement) for some 90 million euros (excluding rights). This is in line with the appraisal value at 30th June 2009.

Residential Property Investment division

Main indicators	30/09/2009	30/09/2008
Turnover	136.0	148.2
Free rent (€/m²/month)	7.92	7.08
Subsidised rent (€/m²/month)	6.01	5.70
Average free rent (€/m²/month)	7.77	6.88
Average re-letting rent in the free sector	10.54	10.15
Financial occupancy rate	95.5%	95.8%
Turnover rate	8.2%	8.5%
Block sales		
. number	3,130	1,021
. average sale price per m ²	€1,375	€895
Individual sales		
. number	206	181
. average sale price per m ²	€2,083	€1,908

With 32,245 housing units at 30th September 2009, i.e. almost 1.9 million m², turnover from the Residential Property Investment division amounted to 136.0 million euros, compared to 148.2 million euros at 30th September 2008, representing a fall of 8.2% given the disposals carried out.

The main changes relate to:

- The impact of rent indexing on the basis of the IRL, (1.36 % in July 2008, impacting on the full year in 2009), which stands at 1.6 million euros in 2009.
- The effect of the pricing policy, on re-letting at a new rent or the application of Article 17C (rent rise spread over the term of the lease to make up half the discrepancy between the rent charged and market rent), which produced 2.5 million euros of additional rental income.
- The loss of rental income related to block or individual housing sales in the sum of 16.1 million euros.

On 30th June 2009, Icade announced that it had entered into exclusive negotiations for the sale of a very significant portion of its housing assets, after having received an offer from a consortium made up of the Société Nationale Immobilière (SNI, a subsidiary of the Caisse des Dépôts), major local public-housing authorities and social investors in the Paris region. This offer is subject to confirmatory due diligence and to secured financing, as well as the approval of the consortium members' boards and/or oversight authorities. The consortium has also pledged to retain staff attached to these assets, as well as administrative personnel necessary for managing these assets.

Alongside these negotiations, 3,336 housing units were sold during the first 9 months of 2009, of which 1,148 sold in block (125.6 million euros) and 73 sold individually (8.6 million euros) in the third quarter of 2009.

	Q1 2009	Q2 2009	Q3 2009	TOTAL
Block sales				
. number	1,165	817	1,148	3,130
. average sale price per m ²	€1,094	€1,181	€1,737	
Individual sales				
. number	60	73	73	206
. average sale price per m ²	€2,164	€2,097	€1,737	

PROPERTY DEVELOPMENT

The Property Development division recorded turnover of 778.6 million euros at 30th September 2009, a decline of 1.3% compared to 30th September 2008, given the difficult economic environment.

Turnover in millions of euros	30/09/2009	30/09/2008	Change
Commercial Property Development (offices, shopping centres and public-healthcare)	368.6	364.6	+1.1%
Residential Property Development	416.7	431.1	-3.3%
Inter-business development	-6.7	-6.8	-1.5%
TOTAL	778.6	788.9	-1.3%

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

Turnover from the Commercial Property Development business (offices, shopping centres and public-healthcare) reached 368.6 million euros at 30th September 2009, i.e. a rise of 1.1% compared to 30th September 2008.

The "Offices and Shopping centres" business grew by 0.7% compared to the 3rd quarter of 2008, despite the slowdown in the "Shopping centres" business, principally due to the delivery in September 2009 of the ODYSSEUM shopping centre in Montpellier.

The "Public and Healthcare" property development business increased by 5% at 30th September 2009 compared to the same date in 2008, due to the increased activity of the Saint-Nazaire and Nancy hospital complex projects.

"Engineering" business, in a highly-competitive market, is down 17%, following the delay of several projects.

At 30th September 2009, the Office and Shopping centres development portfolio includes 173,293 m² under way and 562,574 m² at the initial development stage. The main cash-flow-generating projects for Commercial Property Investment (principally office buildings in Villejuif, and the Millénaire shopping centre) will be delivered during the period 2010-2012.

At 30th September 2009, the project portfolio in the public and healthcare Commercial Property Development field is made up of 243,551 m² of projects under way and 32,750 m² of projects at the initial development stage.

Residential Property Development

At 30th September 2009, turnover from the Residential Property Development business reached 416.7 million euros, down 3.3% compared to 30th September 2008.

In view of the reversal in the residential property development market, Icade implemented a cautious policy at the end of 2008 to manage projects by limiting unsold properties and immediately reducing new construction start-ups. In parallel, Icade has developed an offering that is suitable for first-time buyers, investment in rental properties (Scellier law), and social and institutional investors.

Notarised sales stand at 374.5 million euros for 1,981 housing units and lots compared to 577.3 million euros and 2,967 housing units and lots at 30th September 2008. Upstream of notarised sales, reservations reached 3,908 housing units (of which 1,514 sold in block to institutionals), compared to 2,687 housing units and lots at 30th September 2008. These will generate turnover of 689.2 million euros compared to 524.3 million euros for those signed in 2008. This increase is mainly due to the implementation of the Scellier law and to the block sale of housing units to social housing bodies within the framework of the government plan.

At 30th September 2009, the average reservation-withdrawal rate in the first 9 months of the year (after the 7-day statutory cooling-off period) averaged 24%. The average stock disposal rate has risen compared to the 2008 average (5.4%), to 8.4% at 30th September 2009. The very limited stock of 123 unsold housing units at 30th September 2009, down compared to 30th September 2008 (244 housing units), represents a sum of 23.5 million euros.



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The backlog amounted to 608.7 million euros at 30th September 2009, up 17.3% compared to 31st December 2008. The property portfolio represents construction potential for 9,667 housing units and lots for a forecasted turnover of 1,728 million euros.

In a market environment that is likely to remain difficult, Icade is anticipating a fall in turnover from residential property development in 2009 and a lower EBITDA margin than in 2008.

SERVICES

(in millions of euros)	30/09/2009	30/09/08 restated*	30/09/2008	Variation Vs 2008 restated
Target activities				
Property management	27.6	25.3	4.1	9.1%
Serviced residences	32.9	29.5	29.5	11.5%
Consulting and appraisal	20.4	23.3	10.0	-12.4%
	80.9	78.1	43.6	3.6%
Activities disposed of				
Property management for individuals	18.1	29.2	44.6	-37.8%
Facilities management	23.8	45.8	63.6	-48.2%
	41.9	75.0	108.2	-44.1%
Intra-business services	-2.0	-1.6	-0.3	25.0%
TOTAL	120.8	151.5	151.5	-20.3%

* restated from internal transfers of business, not audited by the auditors.

The strategy for the Property Services division, announced at the end of 2008, consists in refocusing on activities which include real synergies with the developer-REIT activities and which have greater profitability. It was carried out in the 1st half of 2009 with success:

- The property management for individuals business was sold to Procivis Immobilier in June 2009.
- The facilities management business was sold to the TFN group in August 2009.

At the same time, Icade has structured its Property Services division to facilitate steering and the implementation of synergies. The activities are now based around three business lines (property management, operating serviced residences and consulting and appraisal activities).

In property management, the reduction in fees due, in particular, to building works, was compensated by the development of business with new clients but also thanks to a broadening of mandates for current clients. For this business, whilst defending the portfolio of key clients such as CNP, the Caisse des Dépôts, La Tour Montparnasse and La Poste, new services will be developed.

In France, in 2009, only 2 serviced residences were handed over, compared to 7 in the last quarter of 2008. In Spain, 2009 was characterised by the opening of a new residence in Valencia; another, in the outskirts of Barcelona, is currently in progress with delivery scheduled for 1st January 2010.

The consulting and appraisal business is marked by a stagnant property market, leading to a sharp fall in transactions. Beyond the more volatile transactions activity, the consultancy business is experiencing sustained activity thanks to the public sector, which compensates for the wait-and-see attitude of the private sector.

INTRA-GROUP ELIMINATIONS

Intra-Group eliminations represented 127.4 million euros at 30th September 2009. They have increased significantly in accordance with the developer REIT model and mainly relate to the elimination of turnover concerning projects conducted by the Property Development division on behalf of the Property Investment division.



The Property Investment division has invested in the following projects from the Property Development division:

- Commercial property: second building for LCL in Villejuif, Odysseum shopping centre in Montpellier. Impact on turnover of -72.6 million euros at 30th September 2009.
- Housing: Impact on turnover of -30.9 million euros at 30th September 2009.

REVIEW OF THE FINANCING POLICY

Icade confirms a healthy and liquid liabilities situation and has non-drawn down back-up lines of some 360 million euros.

OUTLOOK

Icade is pursuing its strategy to focus on commercial property, thanks in particular to the reinvestment in 2010 of the income from the disposal of its residential housing portfolio in commercial assets with immediate, secure and antidilutive cash flows and by focusing on asset classes in which it is already present and in which its teams have recognised expertise:

- offices in the Paris region;
- shopping centres in the Paris region and in the large regional towns;
- clinics in France.

The period 2010-2014 will see the delivery of several identified projects, some of which are already under way. This investment project pipeline of a sum of one billion euros characterises Icade's willingness to rely on the expertise of its Commercial Property Development business to develop projects which generate future cash-flows and which create value in the medium term.

In the longer term, Icade is focusing on the significant growth opportunity in developing its business parks on the outskirts of Paris. The control of its property reserves (76 ha) will allow Icade to develop in accordance with the requirements of the market.

This strategy of acquisition and development which is supported by the strengths and specific characteristics of its assets and its teams, should allow Icade to strengthen its position as a reference commercial property investor with a large number of offices and which benefits from asset diversification, offering improved resistance to property cycles.

DIARY

2009 annual results: 17 February 2010 after market close

ABOUT ICADE

Icade is a listed real-estate company, subsidiary of the Caisse des Dépôts, which carries out business activities in property investment, property development and related services in the offices, business parks, shopping centres, public-healthcare amenities and housing sectors. Expertise in its different business lines means that Icade is able to provide its clients with personalised solutions and act in respect of all the current concerns of the property sector. In 2008, Icade recorded consolidated turnover of 1,599 million euros and net current cash flow of 206 million euros. At 30th June 2009, the revalued liquidation net asset value rose to 4,236.6 million euros, i.e. 86.9 euros per share.



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CONTACTS

Nathalie Palladitcheff
Member of the Executive Board, responsible for finance,
legal affairs and IT systems
+33 (0)1 41 57 70 12
nathalie.palladitcheff@icade.fr

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