

Press release
Paris, 21 October 2010

Activity as of 30 September 2010

- Turnover of €958.5 million as of 30 September 2010
- **21% increase in turnover for the Commercial Property Investment division** compared to 30 September 2009

PROPERTY INVESTMENT

- Compagnie la Lucette has been consolidated into Icade's accounts since 17 February 2010, the date of effective control of the company, namely for 7.5 months. On a full year basis, Compagnie la Lucette consolidation will balance the impact of the residential assets disposal on Icade rental income
- **The agreement on the disposal of housing units has been completed.** Only six sales agreements, for an amount of €56 million, remain to be completed over the fourth quarter of 2010
- Given the marketing of Millénaire 2, Paris 19th and the Link building, Boulevard de Grenelle (the only vacant building in the portfolio of the ex-Compagnie la Lucette), **the financial occupation rate stood at 93.7% on 30 September 2010**
- **The average firm period of leases has been extended and was greater than six years** as of 30 September 2010, thus securing Icade's future cash flow
- **On 1 October 2010, the building in Munich was delivered,** pre-let to Ernst & Young and subject to a contract to sell to Deka Immobilien

PROPERTY DEVELOPMENT

- **A substantial increase in the backlog for the housing development activity to €856.9 million,** resulting from the promising marketing of operations in progress and an increase in the number of new operations (+105% compared to 30 September 2009)
- 16% drop in turnover for the Property Development division, bearing in mind the reduction announced in Commercial Property Development (-31.9%) related to the prudent strategy implemented over the last few months

PROPERTY SERVICES

- **Increase in the turnover of target activities by 2.5%**
- 34% drop in overall turnover, bearing in mind the business disposals made during 2009 and at the beginning of 2010

CONSOLIDATED TURNOVER

As of 30 September 2010, Icade's consolidated turnover stood at €958.5 million against €1,089.0 million on 30 September 2009. This 12% reduction is explained by changes in scope, firstly with the disposals carried out at the end of 2009 and during 2010 within the Housing Investment and Property Services divisions, and secondly due to the reduction in Commercial Property Development business due to the prudent strategy implemented by Icade over the last few months (no operations launched that have not been previously marketed).

Turnover in millions of euros	30/9/2010	30/9/2009	Change in %
Property investment	299.1	316.9	-5.6%
Property development	653.9	778.6	-16.0%
Property services	79.8	120.8	-34.0%
Intra-Group elimination	-74.4	-127.4	
TOTAL ICADE	958.5	1,089.0	-12.0%

PROPERTY INVESTMENT

Turnover for the Property Investment division stood at €299.1 million as of 30 September 2010, against €316.8 million during the same period in 2009. The contribution of the Commercial Property Investment division during the third quarter 2010 stood at 73%, against 57% for the third quarter 2009. This strong growth is the result of the strategy to move towards the commercial sector that Icade has been carrying out over the last two years.

Turnover	30/9/2010		30/9/2009		Change in %
	m euros	contribution	m euros	contribution	
Commercial Property Investment Division	218.2	73%	180.8	57%	+20.6%
Housing Investment Division	80.9	27%	136.0	43%	-40.5%
TOTAL PROPERTY INVESTMENT DIVISION	299.1	100%	316.8	100%	-5.6%

Commercial Property Investment Division

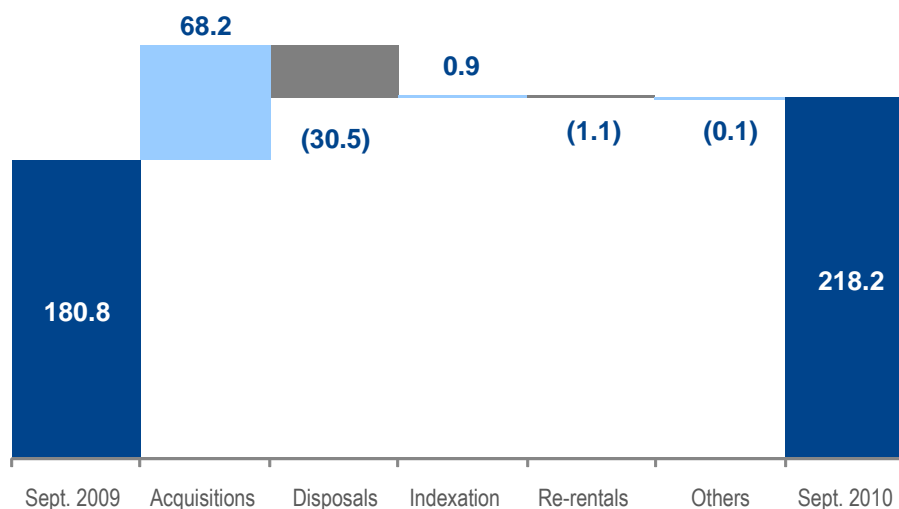
1. Rental income and turnover

The turnover of the Commercial Property Investment division is up by 20.6% compared to 30 September 2009, and stood at €218.2 million on 30 September 2010. This increase is mainly due to the selective investment policy implemented together with the sale of housing assets.

Turnover in millions of euros	30/9/2010	30/9/2009	Change in %
Offices, France (*)	65.7	55.9	+44.9%
Warehouses (*)	15.3		
Offices, Germany	11.9	12.4	-4.2%
Business parks	65.9	65.5	+0.6%
Shops and shopping centres	10.9	6.1	+78.5%
Public and Healthcare Amenities	48.7	41.2	+18.1%
Intra-business-line Property Investment	-0.2	-0.3	
TOTAL PROPERTY INVESTMENT DIVISION	218.2	180.8	+20.6%

(*) In 2009, turnover for Warehouses was included with that of Offices

Commercial Property Investment Division: changes to rental income (in millions of euros)



Acquisitions generated €68.2 million in additional rental income, most of which breaks down as follows:

- €53.1 million corresponding to about 7.5 months of rental for the assets of Compagnie la Lucette, which has been consolidated into Icade since 17 February 2010, the date when it was taken over;

- €5.2 million related firstly to the full-year effect of rental from clinics acquired in 2009 (1 clinic operated by Védici and 3 clinics operated by Générale de Santé) and secondly, the acquisition during the first quarter 2010 of a clinic from the C2S group;
- €3.9 million coming from rental from the Odysseum shopping centre in Montpellier, which opened at the end of 2009;
- €3.8 million related to rental generated by two office buildings located at Villejuif, for which construction was completed respectively in March and July 2010 and rented to LCL.

At the same time, the reduction by €30.5 million in rental income relates, for €7.8 million, to the disposals of assets that took place during the last quarter 2009 (114 avenue des Champs Elysées and 3/5 Avenue de Friedland) and, for €22.3 million, to the neutralisation for renovation, on 1 January 2010, of the Tour Descartes at La Défense.

Meanwhile, indexation generated an improvement in rental income of €0.9 million, representing an average increase of 0.5%.

With the aim of sustainably securing its cash flow, Icade continued its discussions with its lessees, either taking advantage of the expiry of certain leases or by renewing them early, in order to bring the corresponding rents to market levels in return for an increase in the firm duration of these leases. These re-rentals resulted in an increase in the average firm duration of leases in the portfolio (see the following section) and a drop in rental income of €1.1 million.

2. Rental activity

Breakdown of indicators by activity

Activities	Rentable Floor space	Floor space Rented	Rate of physical Occupation	Rate of financial Occupation	Annualised Rent M€ (*)
Offices France	278,437	253,469	91.0%	92.1%	109.0
Offices Germany	119,762	103,469	86.4%	90.4%	16.0
Business Parks	473,387	432,329	91.3%	91.3%	88.6
Shops and Shopping Centres	161,718	161,718	100.0%	100.0%	14.7
Public and Health Amenities	398,623	398,623	100.0%	100.0%	61.7
Warehouses	597,924	543,549	90.9%	91.1%	24.4
COMMERCIAL PROPERTY INVESTMENT	2,029,851	1 893 156	93.3%	93.7%	314.4

(*) Annualised rents excluding vacant floor space

Significant commercial results were obtained during the first three quarters of 2010: Icade signed several leases on large floor areas that were vacant on 31 December 2009. The main ones are as follows:

- The marketing of Millénaire 2 (Paris 19th) was finalised with the establishment of the headquarters of the IFOP (2,600 m² - effective date 1 June 2010) and the ARS (Regional Health Agency) for the Ile-de-France (16,000 m² - effective date 1 September 2010);
- One third of the floor area of the H2O building in Rueil-Malmaison (7,300 m² - effective date 1 July 2010) marketed to the DBApparel group, the owner, in France, of the brands Dim, Playtex, Wonderbra, Chesterfield and Chantal Thomas among others. The balance of the vacant floor space for this building (14,500 m²) is in the process of being marketed;

- The floor space for building 267 in the Parc des Portes de Paris in Aubervilliers was marketed in June 2010 (4,200 m² – effective date 1 April 2011);
- The entire floor space was marketed for the Link building on Boulevard de Grenelle (Paris 15th – 10,500 m² – effective date 15 November 2010). Effectiveness remains subject to conditions precedent that should be lifted before the end of 2010. It is located at 28-32 Boulevard de Grenelle, Paris 15th, at the limit of the 7th arrondissement. This building, entirely renovated since its acquisition by Compagnie la Lucette in March 2008, was delivered at the end of 2009. This building complies with the HQE standard and is composed of 14 floors of offices, with shops at street level, and has nearly 80 parking spaces. This building was the only one in the Compagnie la Lucette portfolio that was not rented when it was acquired by Icade;

These new signatures have secured an annual volume of €18.3 million over firm periods running from between six and nine years, which will start to generate rental income for Icade essentially from the fourth quarter 2010.

At the same time, Icade has signed 10 lease renewals covering 43,400 m² in rented floor space. These renewals have secured €13.5 million in annual headline rents over an average firm period of nine years.

During the third quarter, negotiations were finalised with LCL for leasing the Le Tolbiac building in Villejuif (12,000 m²) that is under construction. The delivery of this fifth building is planned for February 2012.

Thanks to these commercial successes, the financial occupation rate was sharply up, standing at 93.7% on 30 September 2010 (against 88.5% on 31 December 2009).

Breakdown of main lessees on 30 September 2010

On 30 September 2010, the 10 largest lessees represented total annualised rent of €139.3 million (44% of annualised rent) and nearly a million m² of rented floor area (57% of rented floor space).

Schedule of leases by activity (in million euros)

Activities	Offices France	Offices Germany	Business parks	Shops and Shopping Centres	Public and Healthcare Amenities	Warehouses	Total	%
2010	3.0	0.2	6.3			1.1	10.7	3.4%
2011	5.2	0.6	13.5	0.1		1.2	20.5	6.5%
2012	20.6	1.8	15.4	2.3		4.6	44.7	14.2%
2013	12.7	2.0	20.9	0.1	2.1		37.8	12.0%
2014	4.8	2.6	6.7			2.8	16.8	5.4%
2015	8.3	0.3	3.5	3.3		3.4	18.9	6.0%
2016	7.1	1.4	10.8				19.3	6.1%
2017	4.7	0.5	2.3		0.2	2.4	10.1	3.2%
2018	6.4	6.6	1.2	0.9			15.0	4.8%
>2018	36.2	0.1	7.9	8.1	59.4	8.9	120.6	38.3%
Total	109.0	16.0	88.6	14.7	61.7	24.4	314.4	100.0%

On 30 September 2010, the average firm period of leases represented 6.1 years, up compared to 31 December 2009 (5.8 years) resulting, firstly, from the active work of the asset-management teams with

lessees since the beginning of 2010 and, secondly, from the inclusion, from 17 February 2010, of the assets of Compagnie La Lucette, for which the leases have an average period greater than six years.

Rental Position - Risk of rent revision

Activities	Annualised Rent M€	Rent at risk (M€)	%	Market Rents (M€)	Potential Risk (M€)
Offices France	109.0	18.6	17.0%	16.8	-1.7
Offices Germany	16.0	0.0	0.0%	0.0	0.0
Business Parks	88.6	12.1	13.7%	9.7	-2.4
Shops and Shopping Centres	14.7	0.0	0.0%	0.0	0.0
Public and Health Amenities	61.7	0.0	0.0%	0.0	0.0
Warehouses	24.4	0.6	2.6%	0.5	-0.1
COMMERCIAL PROPERTY INVESTMENT	314.4	31.3	10.0%	27.1	-4.2

(*) Annualised rents excluding vacant floor space

The risk related to any requests for rent revision is very limited: potential risk of loss of rental income due to the provisions of article L145-39 are around €4.2 million, representing 1.3% of the total for the Commercial Property Investment division.

3. Investments

Icade has continued to enhance its assets by investing in those with immediate cash flow or in projects where future cash flow is mostly secured. The main investments made during the first three quarters of the year break down as follows:

- €43.5 million for the assets at Villejuif rented to LCL (80,000 m² divided between five buildings);
- €29.8 million for the first tranche of work begun on the Tour Descartes for the renovation work that was made possible by the departure of its lessee. This work was able to be started from the beginning of 2010, thanks to the studies that were carried out in 2009;
- €64.7 million for the continuation of the development of the Millénaire shopping centre in Aubervilliers;
- €24.2 million for the extensions or renovations programmed on the clinics purchased since 2007, which have been rented since their delivery to the operators in place;
- €20.6 million for the construction site for the office building in Munich (Germany) pre-rented to Ernst & Young. This asset was delivered in October 2010;
- €10.8 million for the acquisition, under financial leasing in February 2010, of the Renaison clinic (12,000 m² – 172 beds) in Roanne (Loire).

1.1.4 Arbitration Activity

In the context of its current policy of selling assets that are considered non-strategic, Icade recorded the following transactions:

- Signature, in July 2010, of the confirmation of the notarial deed of sale for the building at 14 rue Magellan (Paris 8th) of 830 m².
- Signature, in October 2010, of a sales agreement for the 15th floor of the Grande Arche at La Défense (1,300 m²). The confirmation should occur before the end of 2010.

At the same time, discussions initiated by Compagnie la Lucette prior to its takeover by Icade continued and resulted in:

- The sale, in May 2010, of the SCI holding the Colisée asset (24,860 m² at La Défense);
- The signature, on the 15 April 2010, of a deed of sale for the off-plan construction of the Mistral asset (7,100 m² near the Gare de Lyon) with the Agence Française de Développement (AFD). The work on the renovation of this asset, for a total cost of about €22 million, was begun with the aim of delivery to the acquirer at the beginning of 2012.

Housing Investment Division

Main indicators	30/9/2010	30/9/2009
Turnover	80.9	136.0
Block sales (in Ile-de-France and regions)		
. by number of plots	22,580	3,130
. sale price (in millions of euros)	1,500.2	212.6
Unit sales (in Ile-de-France and regions)		
. by number of plots	169	206
. sale price (in millions of euros)	20.7	22.4

The implementation of the protocol signed in November 2009, validating the offer received from the consortium made up of 26 social landlords, is nearly completed. Only six sales agreements, covering 796 housing units, remain to be realised during the fourth quarter of 2010.

On 1 July 2010, the ad hoc structure, constituted with the SNI and held at 99.99% by Icade, was created with the contribution of 3,813 housing units. 248 housing units located in Sarcelles have already been subject to sales agreements that should be completed in 2010. These assets are managed operationally, administratively and patrimonially by the SNI. During the third quarter 2010, these assets generated €4.1 million in turnover.

PROPERTY DEVELOPMENT

The Property Development division had turnover of €653.9 million on 30 September 2010, down by 16.0% compared to 30 September 2009.

Turnover in millions of euros	30/9/2010	30/9/2009	Change in %
Commercial property development (offices, shopping centres and public and healthcare amenities)	258.8	368.6	-29.8%
Housing Development	400.7	416.7	-3.8%
Intra-business development	-5.5	-6.7	
TOTAL PROPERTY DEVELOPMENT	653.9	778.6	-16.0%

Commercial property development (offices, shopping centres and public and healthcare amenities)

The turnover of the Commercial Property Development business (offices, shopping centres and public and healthcare amenities) stood at €258.8 million on 30 September 2010, representing a drop of 29.8% compared to 30 September 2009, for the following reasons:

- the slowdown in the commercial property development market due to the economic climate and the delivery, at the end of 2009, of significant operations in Offices and Shopping Centres development (particularly the Odysseum shopping centre in Montpellier and offices in Clichy, Lyon and Toulouse);
- partially compensated by the increase in "Public and Healthcare Amenities" property development, due to the progression of large-scale operations (the hospital at Saint-Nazaire, the Maison Blanche psychiatric hospital in Paris 19th and the hospital at Nancy).

This reduction in activity is explained by Icade's prudent policy concerning its Commercial Property Development division, which, due to the unfavourable economic climate, involves launching only those operations that have previously been marketed.

On 30 September 2010, Icade Promotion had a portfolio of projects in office and shopping-centre commercial property development of 585,366 m², including projects under construction for 56,343 m² and projects at the initial setup stage for 529,023 m².

On 30 September 2010, Icade Promotion's portfolio of projects in "public and healthcare amenities" commercial property development corresponded to 229,302 m² of projects under construction and 22,428 m² of projects at the initial setup stage.

The operations delivered during the first three quarters of 2010 are as follows:

- the third and fourth office buildings at Villejuif for LCL (29,756 m²);
- the laundry in the Toulouse university medical centre representing 2,606 m²;
- the techn campus for the French national railways company in Le Mans (12,650 m²) ;
- the Maison Blanche psychiatric hospital, Paris 19th (7,783 m²);
- the Cancéropole business centre in Toulouse (2,662 m²);
- the hospital at Nancy (30,748 m²).

Housing Development

The turnover for housing development stood at €400.7 million on 30 December 2010, representing a reduction of 3.8% compared to 30 September 2009, a year which was nevertheless notable for the block sales made under the government "30,000 homes" plan.

Notarised sales increased by 42%, standing at €530.3 million for 3,030 housing units and plots, against €374.5 million and 1,981 housing units and plots on 30 September 2009.

Upstream of notarised sales, reservations increased by 6%, reaching 4,077 housing units (of which 650 housing units were reserved outright by institutional clients representing 13% of reservations compared to nearly 40% on 30/09/2009) against 3,908 housing units and plots on 30 September 2009. These generated an income of €731.4 million against €689.2 million for those signed in 2009.

On 30 September 2010, the average withdrawal rate for the first nine months of the year (after the legal retraction period of seven days) stood at 18% of reservations. The average rate of stock disposal is up compared to the average seen in 2009 (8.4%), standing at 11.6% on 30 September 2010. 105 completed housing units remained unsold on 30 September 2010, representing an amount of €14.4 million, compared to unsold stock of 123 housing units at the end of 2009.

The backlog stood at €856.9 million on 30 September 2010, up by 40.8% compared to 30 September 2009, particularly due to the large number of production operations launched, representing the equivalent of half of the backlog (105% increase in operations launched compared to 30 September 2009).

The good commercial performance and the increase in the number of new operations should allow the Housing Development division to realise turnover in 2010 comparable to that of 2009, a year which was nevertheless notable for the sales made under the government "30,000 homes" plan.

The real-estate portfolio represents a construction potential of 7,966 housing units and plots for projected turnover of €1,514 million.

PROPERTY SERVICES

Turnover in millions of euros	30/9/2010	30/9/2009	Change in %
Target activities	79.3	77.4	+2.5%
Property Management	23.3	24.1	-3.3%
Serviced residences	36.2	32.9	+10.3%
Consulting and surveying activities	19.8	20.4	-3.3%
Activities divested	0.9	45.4	NR
Asset management for individuals	-	18.1	
Facility Management	-	23.8	
Property Management	0.9	3.5	
Intra-business services	-0.5	-2.0	
TOTAL PROPERTY SERVICES	79.8	120.8	-34.0%

The sharp drop in turnover in the third quarter of 2010 is explained by the restructuring of the business, which in 2009 resulted in the sale of the property management towards individuals business to Procvivis Immobilier and the facilities management business to the Atalian group (ex. TFN). It continued in 2010 with the sale, in March, of Icade Italia, a property management company in Italy.

On a comparable basis, the turnover of the Property Services division increased by 2.5%, mainly due to the "serviced residences" business, where the increase was 10.3%.

INTRA-GROUP ELIMINATION

Intra-group elimination stood at €74.6 million on 30 September 2010. It was down by 41.5% compared to 30 September 2009 and corresponded essentially to the elimination of turnover related to operations carried out by the Property Development division on behalf of the Property Investment division.

The main operations concerned on 30 September 2010 were the following:

- in commercial property development, the elimination of €55.0 million of turnover related to the buildings for LCL in Villejuif and to assistance to the contracting authority for the Millénaire shopping centre in Aubervilliers;
- in housing, the elimination of €3.5 million in turnover related to the continuation of off-plan sales contracts for the SNI.

UPDATE ON THE FINANCING POLICY

Icade confirms a healthy and liquid liabilities situation and structures its combined liabilities at the rate that it receives income from the sale of housing units. Icade has non-drawn backup credit lines of €300 million.

AGENDA

2010 Annual results: 16th February 2011 after closure

ABOUT ICADE

Icade is a listed real-estate company, subsidiary of the Caisse des Dépôts, which carries out business activities in property investment, 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 2009, Icade recorded consolidated turnover of €1,506 million and net current cash-flow of €184 million. On 30 June 2010, the revalued liquidation net asset value stood at €4,117 million, representing €80.3 per share.

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