



Press release
Paris, 12 May 2011

1st quarter 2011 activity

- **Icade generates Q1 2011 turnover of 354.6 million euros, a sharp rise compared to Q1 2010 (+16%).**

PROPERTY INVESTMENT

- **26% rise in turnover of the Commercial Property Investment division**, reflecting the effect of asset acquisitions over a full year, including Compagnie la Lucette and marketing activity carried out in 2010 (+3.9% like-for-like);
- **Opening of the Millénaire shopping centre at Porte d'Aubervilliers, the largest shopping centre built in France in 10 years: over 350,000 visitors recorded during the first ten days of opening;**
- **Continuation of the arbitrage policy on mature or non-strategic assets** with the finalisation of the sale of the office block in Munich (Germany) for 72.5 million euros and the signature at the beginning of April 2011 of a bilateral promise of sale for the "Atrium" building (11,000 sqm) in the 12th arrondissement of Paris;
- **Exclusive partnership entered into with Veolia Environnement for a 100,000 sqm project in the Millénaire district, which should be completed by the end of 2015.**

PROPERTY DEVELOPMENT

- **Significant increase (+34%) in turnover from Residential Property Development, resulting from the start-up of sales carried out in 2010;**
- **Increase in the backlog of the Residential Property Development business of 16% compared to 31 March 2010 (841.9 million euros, i.e. over one year of turnover);**
- **3% rise in turnover from the Commercial Property Development business, essentially due to the progress made in construction of the Saint-Nazaire hospital complex (92,000 sqm).**

SERVICES

- **Increase of 2.3% in turnover from core business and overall, taking into account disposals of business carried out during 2010 and the beginning of 2011, a 5.8% reduction in turnover in the Property Services division.**



CONSOLIDATED TURNOVER

As at 31 March 2011, Icade's consolidated turnover increased by 16% amounting to 354.6 million euros compared to 305.7 million euros as at 31 March 2010.

Turnover in millions of euros	31/03/2011	31/03/2010	Change (in %)
Property Investment	88.9	102.2	-13.0%
Property Development	256.0	209.3	+22.3%
Property Services	25.0	26.6	-5.8%
Intra-Group eliminations	-15.3	-32.3	
TOTAL ICADE	354.6	305.7	+16.0%

PROPERTY INVESTMENT

Turnover from the Property Investment division amounts to 88.9 million euros as at 31 March 2011, compared to 102.2 million for the same period in 2010. Thanks to the strategy carried out by Icade for the past two years to focus on commercial property, the contribution of the Commercial Property Investment division during the first quarter of 2011 amounts to 92%, versus 64% in the first quarter of 2010. Given the significant difference in margins between the Commercial Property Investment division and the Residential Property Investment division, this refocus will, as announced, have a positive impact on Icade's EBITDA and cash flow.

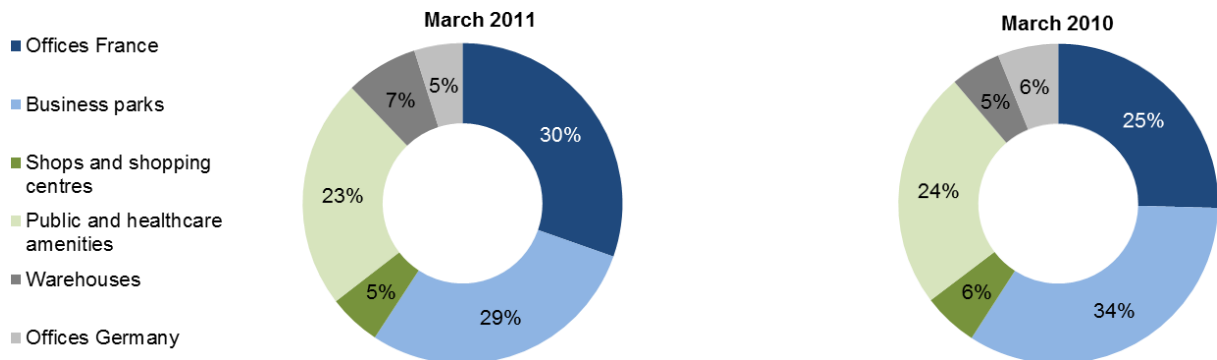
Turnover	31/03/2011		31/03/2010		Change (in %)
	EUR m	contribution	EUR m	contribution	
Commercial Property Investment	81.9	92%	65.1	64%	+25.8%
Residential Property Investment	7.0	8%	37.1	36%	-81.0%
TOTAL PROPERTY INVESTMENT DIVISION	88.9	100%	102.2	100%	-13.0%

Commercial Property Investment division

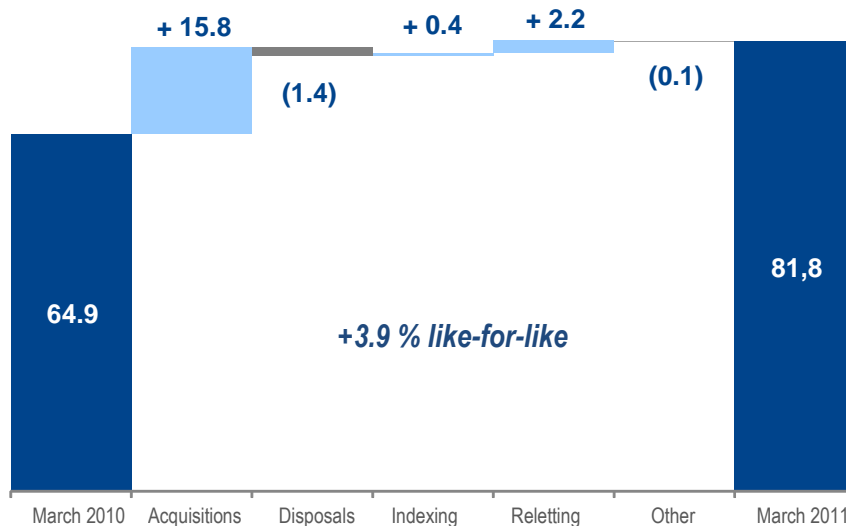
1. Turnover and rental income

The turnover of the Commercial Property Investment division is up 25.8% compared to 31 March 2010, amounting to 81.9 million euros as at 31 March 2011. This increase is not only due to the effect in a full year of acquisitions made in 2010, particularly Compagnie la Lucette, but also to marketing activity carried out in 2010 and to a smaller extent, the positive effect of rent indexing.

Turnover (in millions of euros)	March 2011	March 2010	Δ	Δ like-for-like
Offices France	24,8	16,5	+ 50,6%	+ 3,6%
Business parks	23,7	21,9	+ 7,9%	+ 7,9%
Shops and shopping centres	4,3	3,6	+ 20,1%	+ 0,7%
Public and healthcare amenities	19,1	15,8	+ 21,0%	+ 1,2%
Warehouses	6,0	3,3	+ 80,5%	(0,8)%
Offices Germany	4,0	4,0	+ 1,1%	+ 0,5%
COMMERCIAL PROPERTY INVESTMENT	81,9	65,1	+ 25,8%	+ 3,9%



The table below displays the changes from 2010 to 2011 of rental income:





Acquisitions generated 15.8 million euros in additional rental income, and can be broken down for the main part as follows:

- 10.6 million euros corresponding to the effect in the full year of the contribution of assets from the Compagnie la Lucette, which has been consolidated in Icade since 17 February 2010, the date of its takeover, i.e. around 1.5 months of additional rent compared to 2010;
- 2.4 million euros relating on the one hand to the full year effect of rents from healthcare establishments acquired in 2010 (two clinics operated by Vedici and four clinics operated by Générale de Santé) and on the other hand to the acquisition in the first quarter 2010 of a clinic from the C2S group;
- 1.4 million euros relating to rents generated by two office buildings in Villejuif, the construction of which was completed in March and July 2010 respectively and which are rented to the tenant LCL.

In parallel, the reduction of 1.4 million euros in rental income from the sale of the Colisée building at La Défense (24,860 sqm) in May 2010 under promise of sale at the time of the acquisition of Compagnie la Lucette.

Rent indexing generated an improvement in rental income of 0.4 million euros, i.e. an increase of 0.6% on average.

The effect of letting/reletting represents an increase in rental income compared to the first quarter 2010 of 2.2 million euros, with in particular the letting of Millénaire 2 and H₂O. This change is mainly attributable to the full year effect of marketing activity in 2010.

In addition, rents expected on assets delivered or to be delivered in 2011 which have been let or pre-let (shopping centre Le Millénaire, Millénaire 5&6, Rhin et Garonne building in Villejuif, etc.) will amount to some 9.3 million euros during the last three quarters of 2011.

2. Rental business

Breakdown of indicators by activity

Business	Rentable floor space	Rented floor space	Physical occupancy rate	Financial occupancy rate	Annualised rents €m	Average rents / m2	Residual firm leasing period (years)
Offices France	291,331	246,310	84.5%	85.1%	106.0	449	5.4
Business parks	473,275	422,498	89.3%	90.5%	88.5	268	3.5
Parc du Mauvin	21,916	16,305	74.4%	81.3%	2.7	164	1.6
Parc du Millénaire	58,121	58,121	100.0%	100.0%	16.8	290	4.9
Parc du Pont de Flandre	75,736	70,227	92.7%	92.9%	20.6	294	4.3
Parc des Portes de Paris Aubervilliers	241,497	209,970	86.9%	86.7%	36.3	173	2.3
Parc des Portes de Paris Saint Denis	68,399	60,269	88.1%	85.7%	9.5	157	4.7
Quartier du Canal	7,606	7,606	100.0%	100.0%	2.6	341	2.2
Shops and shopping centres	181,770	181,531	99.9%	99.0%	16.2	89	7.6
Shopping centres	25,842	25,603	99.1%	97.8%	6.9	269	3.6
Mr Bricolage shops	155,928	155,928	100.0%	100.0%	9.3	60	10.7
Public and healthcare amenities	438,293	438,293	100.0%	100.0%	70.4	161	10.3
Clinics	403,349	403,349	100.0%	100.0%	58.1	144	9.3
Other	34,944	34,944	100.0%	100.0%	12.3	353	15.3
Warehouses	598,426	541,031	90.4%	90.6%	24.2	45	5.6
Casino warehouses	430,846	430,846	100.0%	100.0%	18.3	42	7.0
Other warehouses	167,580	110,185	65.8%	70.1%	5.9	53	1.3
Offices Germany	119,836	104,040	86.8%	90.5%	15.9	153	4.8
COMMERCIAL PROPERTY INVESTMENT	2,102,932	1,933,704	92.0%	90.9%	321.2	166	6.1

■ Offices France

Rentable floor space

Annualised rents

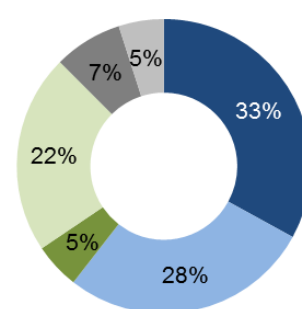
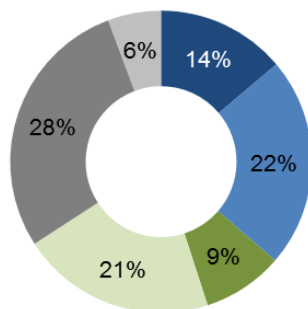
■ Business parks

■ Shops and shopping centres

■ Public and healthcare amenities

■ Warehouses

■ Offices Germany



The financial occupancy rate as at 31 March 2011 is stable compared to 31 December 2010, amounting to 90.9% (versus 91.0% as at 31 December 2010).

As at 31 March 2011, the average fixed term of a lease is greater than six years and thus remains stable compared to 31 December 2010.

Rental situation - Rent revision risks

The potential risk of return to the market rental value represents 4.3 million euros, which is stable compared to 31 December 2010 (4.2 million euros), or a potential risk of loss of 1.3% across the whole Commercial Property Investment division.

3. Arbitrage

Under its current arbitrage policy of non-strategic assets, in March 2011, as scheduled, Icade recorded the transfer of an office property of 19,300 sqm in the mixed business park Munich Arnulfpark for a price (excluding rights) of 72.5 million euros.

At the beginning of April 2011, Icade also signed a bilateral promise for the sale of the “Atrium” building (11,000 sqm, 6.5 million euros of rent in a full year) in the 12th arrondissement of Paris. The property transfer should take place in the second quarter of 2011.

Residential Property Investment division

Main indicators	31/03/2011	31/03/2010
Turnover	7.1	37.1
Block disposals (in Paris and the regions)		
. number of plots	264	921
. sale price (in millions of euros)	12.1	87.5
Individual disposals (in Paris and the regions)		
. number of plots	35	47
. sale price (in millions of euros)	3.9	5.9

Residential assets have fallen from 27,595 housing units as at 31 March 2010 to 4,907 as at 31 March 2011, following the sale of assets to a consortium made up of 26 social housing investors in 2010.

During the first quarter 2011, Icade continued the process of selling housing units with the block sale of 264 units in Sarcelles for 12 million euros and 35 individual housing units for 3.9 million euros.

PROPERTY DEVELOPMENT

The Property Development division recorded turnover of 256.0 million euros as at 31 March 2011, a rise of 22.3% compared to 31 March 2010.

Turnover in millions of euros	31/03/2011	31/03/2010	Change (in %)
Residential Property Development	169.7	126.1	+34.5%
Commercial Property Development (offices, shopping centres and public-healthcare & engineering)	87.5(*)	84.8	+3.1%
Inter-business development	-1.2	-1.7	
TOTAL PROPERTY DEVELOPMENT	256.0	209.3	+22.3%

(*) integrating the turnover of Icade Gestec (0.3 million euros as at 31 March 2011), the technical survey business of the Property Services division was transferred at end 2010 to the engineering business of the Property Development division.

Residential Property Development

As at 31 March 2011, turnover from the Residential Property Development business reached 169.7 million euros, up 34.5% compared to 31 March 2010. This increase in turnover is principally due to the significant amount of sales signed in 2010, start-up of which began in 2011.

Notarised sales increased by 15% as at 31 March 2011, amounting to 171.7 million euros for 931 housing units and plots, compared to 149.1 million euros and 803 housing units and plots as at 31 March 2010.

Upstream of notarised sales, reservations reached 1,131 housing units (of which 366 reserved in block to institutionals), compared to 1,248 housing units and plots as at 31 March 2010. The latter will generate turnover of 222.0 million euros, compared to 226.7 million euros for those signed as at 31 March 2010. This slight slowdown in the number of reservations was expected and is mainly a result of:

- a postponement in marketing,
- the end of the advantageous tax exemption conditions of the Scellier law,
- the increase in interest rates on loans at the beginning of this year.

As at 31 March 2011, the average reservation-withdrawal rate in the first three months of the year (after the 7-day statutory cooling-off period) averaged 17% of reservations, compared to 16% as at 31 March 2010.

The average stock disposal rate amounts to 8.5 months as at 31 March 2011, compared to 9.5 months as at 31 March 2010.

The stock of housing which remains to be sold on completed, delivered plots has fallen in terms of the number of plots by 32% compared to 31 March 2010, amounting to 192 plots as at 31 March 2011 (corresponding to 29.2 million euros in expected turnover).

The backlog is up 16% compared to 31 March 2010, amounting to 841.9 million euros as at 31 March 2011. This increase in the backlog allows us to calmly envisage the growth in turnover of the Residential Property Development business in 2011 and 2012.

The property portfolio represents construction potential for 8,997 housing units and plots for a forecasted turnover of 1,706 million euros, up 6% compared to 31 March 2010.



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

Turnover from the Commercial Property Development business (offices, shopping centres and public-healthcare) amounts to 87.5 million euros as at 31 March 2011, i.e. a rise of 3.1% compared to 31 March 2010.

This increase results from the Public and Healthcare Amenities business, principally related to the fact that a significant part of the Saint-Nazaire operation, which consists in building a 92,000 m² hospital complex, was accounted for in the first quarter of 2011.

In parallel, the turnover from the Offices and Shopping Centres business fell by 47% compared to the first quarter of 2010, particularly due to the development of project management support contracts which have taken over from the off-plan sales operations and CPI projects delivered in 2010.

At 31 March 2011, Icade's project portfolio in commercial property development (offices and shopping centres) represented 584,373 sqm including projects under way for 93,668 sqm and 490,705 sqm of projects at the initial development stage.

At 31 March 2011, Icade's project portfolio in the Public and Healthcare Commercial Property Development field represented 230,312 sqm of projects under way (including 128,851 sqm for PPP), and 217,866 sqm of projects at the initial development stage (of which 29,070 sqm for PPP).

PROPERTY SERVICES

Turnover in millions of euros	31/03/2011	31/03/2010	Change (in %)
Core business	25.1	24.5	+2.3%
Property management	8.1	7.7	+6.2%
Serviced residences	11.0	11.3	-2.9%
Consulting and Surveying business	6.1	5.6	+7.4%
Activities divested	-	2.0	
Property management	-	0.9	
Serviced residences	-	0.5	
Consulting and Surveying business	-	0.6	
Intra-business services	-0.1	-0.1	
TOTAL PROPERTY SERVICES DIVISION	25.0	26.5	-5.8%

On a like-for-like basis, turnover from the Property Services division increased by 2.3%. This rise stems principally from additional mandates from the Property Management business.

The main businesses which were removed from the scope of the Property Services division in 2010 are Icade Italia (property management in Italy), Fincas Anzizu (property management in Spain), both of which were sold, and Icade Gestec, the technical survey business which was transferred to the Engineering business of the Property Development division.

In the first quarter of 2011, MMA (Covéa group) entrusted Icade with a management mandate for 21 corporate buildings in Paris and the rest of France (totalling 85,136 sqm) and 25 high-quality residential buildings in Paris and the immediate surroundings (877 housing units).

In parallel, Icade Property Management has taken over management of the office assets of the former Compagnie la Lucette, of which the property management had been entrusted to external service providers (over 110,000 sqm) prior to the acquisition by Icade.

INTRA-GROUP ELIMINATIONS

Intra-group eliminations amount to 15.4 million euros as at 31 March 2011, compared to 32.4 million euros as at 31 March 2010.

As at 31 March 2011, 9.7 million euros relate to operations carried out by the Property Development division for the Property Investment division. They mainly concern the buildings for LCL in Villejuif and project management support for the Millénaire shopping centre in Aubervilliers. Due to the delivery of operations under way, these intra-Group eliminations should decline in the years to come.

NOTE ON THE FINANCING POLICY

Icade confirms a healthy and liquid situation in terms of liabilities and as at 31 March 2011 has non-drawn backup lines of 628 million euros.



HIGHLIGHTS

One week after the successful launch of the Millénaire shopping centre in Aubervilliers, Icade was selected by Veolia Environnement as exclusive partner for a 100,000 sqm project which complies with the highest sustainable development standards, and which will accommodate around 3,000 to 4,000 persons in the Millénaire district by the end of 2015.

OUTLOOK

The significant work in restructuring its businesses combined with its dynamic asset management policy carried out over recent years allows Icade to look calmly to the future. Thanks to the specific characteristics of its model, which is now based on the recurring, rising income of its Commercial Property Investment division, the favourable dynamics of its business parks and the secure profit outlook in its Property Development division, Icade reiterates its anticipation of strong growth in its current cash flow for 2011 and 2012.

AGENDA

2011 half-year results: 26 July 2011 after market close

SFAF meeting: 27 July 2011 at 11.30 am – Millénaire 1 – 35 rue de la gare – 75019 Paris

ABOUT ICADE

Icade is a company listed on the stock exchange, a subsidiary of the Caisse des Dépôts which carries out business activities in property investment and associated services in 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 response to all the current concerns of the property sector. In 2010, Icade recorded consolidated turnover of 1,432 million euros and net current cash flow of 175 million euros. At 31 December 2010, the liquidation net assets were valued at 4,187 million euros or 81.4 euros per share.

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