Foncière-développeur

Annexes

I – CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET AS AT 30TH JUNE 2011

(in millions of euros)	30 Jun 2011	30 Jun 2010
Turnover	**717.2**	**650.7**
EBITDA	**163.9**	**141.1**
As a % of turnover	*22.9%*	*21.7%*
Depreciation expenses net of investment grants	(70.2)	(76.7)
Charges and write-backs related to impairment of tangible, financial and other current assets	(5.0)	4.3
Profit/loss from disposals	**34.4**	**901.6**
Impairment of goodwill and intangible assets	-	-
Operating profit/loss	**123.1**	**970.3**
Financial profit/loss	**(47.1)**	**(52.1)**
Tax on profits	(25.4)	(11.2)
Net profit/loss	51.2	909.2
Net profit: Group share	**48.4**	**906.2**
Net current cash flow	**100.3**	**81.8**
Data per share in euros		
Number of diluted shares in circulation used in the calculation	***51,734,876***	***50,662,582***
Group share of net diluted earnings per share	***€0.94***	***€17.89***
Net current cash flow per diluted share	***€1.94***	***€1.62***

(in millions of euros)	30 Jun 2011	31 Dec 2010
Goodwill	80.1	82.8
Net intangible assets	8.1	9.1
Net tangible assets	132.7	135.7
Net investment property	4,451.2	4,495.7
Non-current securities available for sale	3.6	13.0
Securities consolidated by the equity method	0.8	3.8
Other non-current financial assets	26.2	29.1
Deferred tax assets	13.3	14.7
TOTAL NON-CURRENT ASSETS	**4,716.0**	**4,783.9**
Inventories and work in progress	482.7	477.1
Trade debtors	507.4	530.3
Amounts due from customers (building contracts and off-plan projects)	69.6	74.0
Tax credits	15.9	24.8
Miscellaneous receivables	425.4	450.4
Current securities available for sale	-	5.2
Other current financial assets	24.7	32.5
Cash and cash equivalents	354.4	648.2
Assets held for sale	161.9	115.5
TOTAL CURRENT ASSETS	**2,042.0**	**2,358.0**
TOTAL ASSETS	**6,758.0**	**7,141.9**

Capital and reserves - Group share	**2,772.4**	**2,833.2**
Minority interests	-	0.8
CAPITAL AND RESERVES	**2,772.4**	**2,834.0**
Non-current provisions	46.7	47.1
Non-current financial payables	2,489.1	2,598.4
Tax payable	-	-
Deferred tax payable	8.1	7.1
Other non-current liabilities	141.1	169.0
TOTAL NON-CURRENT LIABILITIES	**2,685.0**	**2,821.6**
Current provisions	22.1	23.7
Current financial accounts payable	208.7	277.2
Tax payable	22.5	13.1
Trade creditors	463.6	520.1
Amounts due to customers (building contracts and off-plan projects)	3.6	5.9
Miscellaneous current payables	515.8	582.1
Other current financial liabilities	15.7	17.6
Liabilities held for sale	48.6	46.6
TOTAL CURRENT LIABILITIES	**1,300.6**	**1,486.3**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**6,758.0**	**7,141.9**

Net asset value (in millions of euros)	30 Jun 2011	31 Dec 2010	Change (in value)	Change (in %)
Group share of EPRA NAV	4,462.3	4,385.0	77.3	1.8%
EPRA NAV per share (group share - fully diluted in €)	€86.1	€84.8	1.3	1.5%
Group share of EPRA triple net NAV	4,352.2	4,208.5	143.7	3.4%
EPRA triple net NAV per share (group share - fully diluted in €)	**€83.9**	**€81.4**	**2.5**	**3.1%**

For the record, the NAV published on 31 December 2010 was the liquidation NAV (Group share, fully diluted: 4,186.8 million or €81.4 per share). This was calculated using the share buy-back method for calculating the dilution with no impact on the consolidated capital and reserves. Using either method gives an almost identical figure for the NAV per share.

(in millions of euros)	30 Jun 2011	31 Dec 2010	Change (in value)	Change (in %)
Net financial debt	2,400.9	2,292.2	108.7	4.7%
Appraisal value of property companies	6,283.8	6,128.9	155.1	2.5%
Loan to value (LTV)	**38.2%**	**37.4%**		

II – ANALYSIS AND COMMENTS ON THE RESULTS AND THE ACTIVITIES

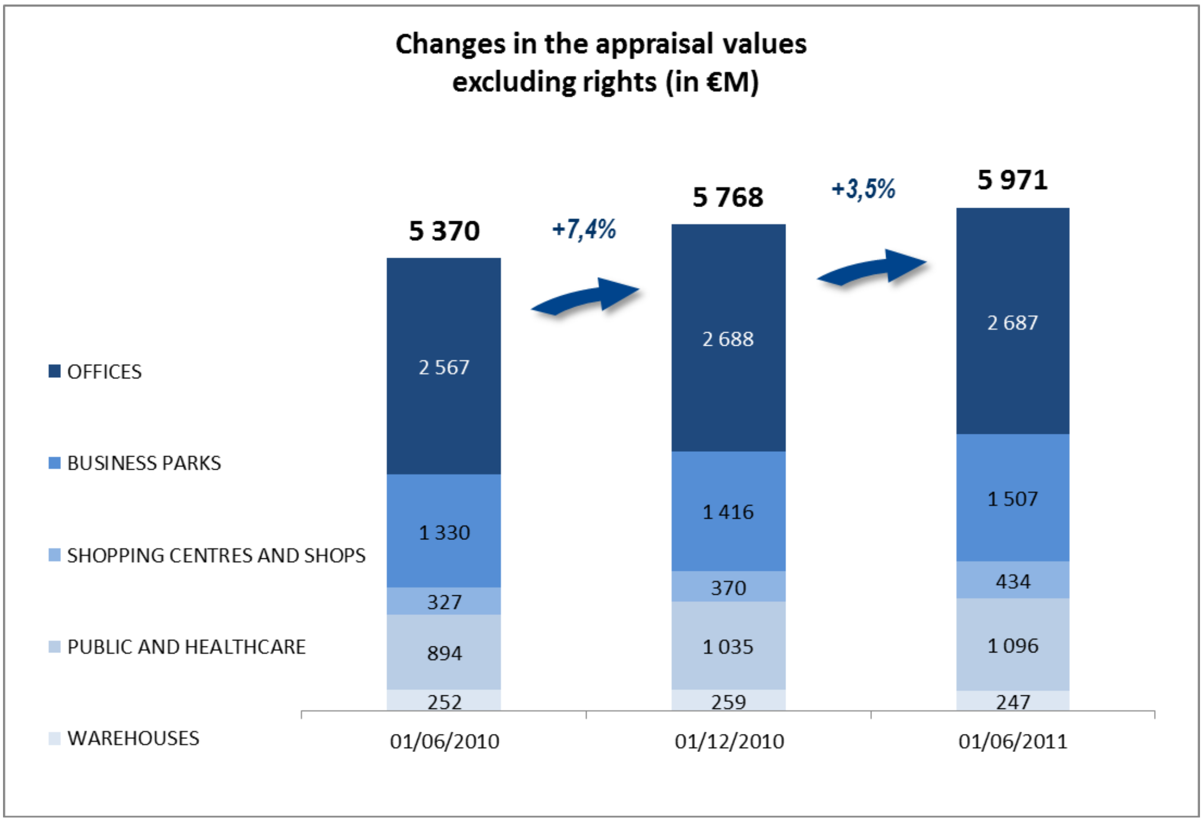
A - HIGHLIGHTS AND KEY FIGURES, first half of 2011

1. The highlights in the first half of 2011

During the first half of 2011, Icade assured the performance of its existing assets by applying active asset management and the appropriate development of its property reserves to suit market needs.

These operational efforts have resulted in improved financial performance as at 30 June 2011. The improvements can be broken down by division as follows:

Commercial property – investment assets went up by 3.5% (2.4% on a like-for-like basis), rental income increased by 16.4% (3.5% on a like-for-like basis) and a rental margin rate (net rent/turnover) of 93.5%, which represents an increase of 2.0 points compared with 30 June 2010.



Offices – maintaining values despite the competitive environment, particularly thanks to:

- successful integration of the assets of the former Compagnie la Lucette (acquisition completed in February 2010)
- signing up some big names for the floor space that has been delivered: Ingenico (green lease for a 10-year term for the Link building (10,200 m^2) located on Boulevard de Grenelle (Paris 15th), Heineken Group (green lease for a floor space of 9,000 m^2 in the H_2O building at Rueil Malmaison (92)
- continuing construction work on offices being developed for LCL in Villejuif (final delivery expected in the first half of 2012: fifth building of 12,000 m^2)

Business parks - an increase in value of 6.4% over the first half of 2011, principally due to:

- a development plan that is aligned with local dynamics and appealing to new tenants
- signature of an exclusive partnership with Veolia for their implementation project of roughly 100,000 m^2 in the Millénaire area
- the arrival of the Fnac Group in building 521 (2,200 m^2) and DIRECCTE (directorate for regional companies, competition, consumers, labour and employment) in 12,400 m^2 of the Parc du Millénaire
- further work on Le Beauvaisis (12,000 m^2), the first Parisian operation to get the BBC Rénovation label. Delivery is scheduled for the last quarter of 2011 as part of the Parc du Pont de Flandre, representing over 90,000 m^2 of offices and industrial premises, surrounded by over 10,000 m^2 of green space.

Shops and Shopping Centres – very strong growth in value during the first half of 2011 (+17.3%), basically due to:

- the opening of Le Millénaire, the largest shopping centre in France, at the end of April 2011. It includes brands that will be recognised by the general public, such as Boulanger, Carrefour, Fnac, H&M and Desigual. As of 30 June 2011, the centre has already had more than a million visitors.

Public and healthcare – an increase in value of 5.9% over the first half of 2011, reflecting Icade's interest in this sector.

- The value of this portfolio has increased by 30% since 31 December 2009 as a result of continued investments, which have generated an average rental margin of 98.6% in the period to 30 June 2011.

- On 30 June 2011, Icade and Médi-Partenaires signed a promise to purchase for the acquisition of a portfolio of seven clinics for the sum of 233 million euros (incl. rights). This portfolio comprises establishments such as the Clinique Saint Augustin in Bordeaux, la Polyclinique du Parc in Saint-Saulve and the Pôle Santé République in Clermont-Ferrand, representing a total of 1,285 beds. These institutions are subject to firm leases of 12 years, signed with the operator Médi-Partenaires, the third largest group of private hospitals in France with 25 clinics.

- This activity is a logical extension of the partnerships that have been set up between Icade Santé and its operational tenants, the private clinic operators. It is based on both the expertise of Icade in the healthcare sector and the strength of its balance sheet. This operation allows Icade Santé to continue its development and the diversification of its rental base.

- In parallel with this acquisition, in order to make the most of its knowledge of the sector and its know-how regarding the management of healthcare property assets, Icade has adopted a process of opening up Icade Santé's capital for leading third-party investors. Participating in future capital expansions will let these investors be involved in Icade Santé's future development, but Icade will keep control.

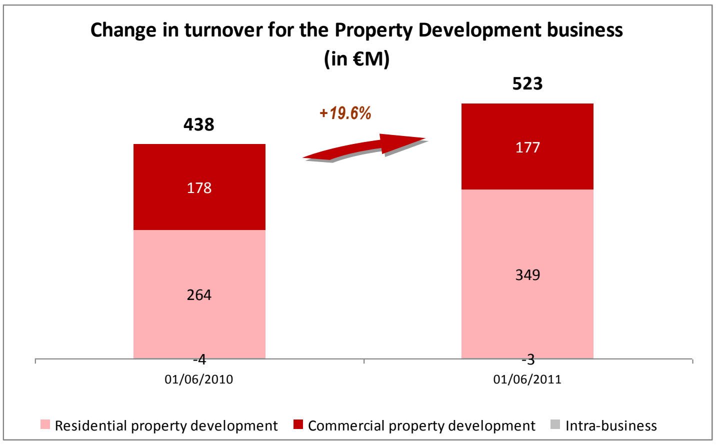
At the same time, there were arbitrage operations in the first half of 2011 relating to the following assets:

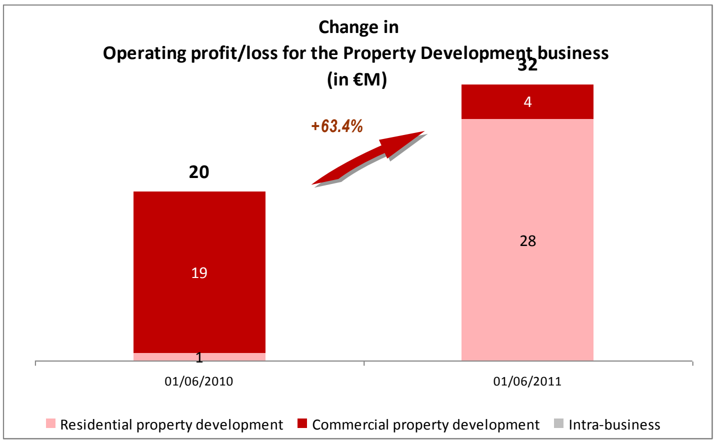
- Commercial property investment:
  - the signing of a bilateral promise of sale for disposal of the Atrium building in Paris 12th. Allowing for the suspensive conditions, the transfer of the premises should take place during July 2011.

- completion of the sale of the 19,300 m² office block on Arnulfpark in Munich to Deka Immobilien Investment (sale price ex-rights: 72.5 million euros).
  At the end of January 2011, Icade was awarded DGNB (*Deutsche Gesellschaft für Nachhaltiges Bauen*) Gold certification for this building, which was designed for its tenant Ernst & Young.

- Residential Property investment: continuing with the disposal plan
  - sale of a block of 264 residential units in Sarcelles (12 million euros)
  - sale to Carval of shops on the ground floor of buildings, situated primarily in Epinay sur Seine, Bagneux, Sarcelles and Créteil (26 million euros)

Property Development division - the operating profit is up by a factor of 1.6 compared with 30 June 2010, driven by growth in the Residential Property Investment business





Residential Property Development – good performance linked to high levels of commercial progress, resulting in:

- historically high letting figures for 2010, particularly in December
- sustained sales patterns during the first half of 2011
  Icade's Residential Property Development Division has managed to keep up the disposal and withdrawal rates for the first half of 2011 at 11.3% and 17.8% respectively, levels comparable to those seen in 2010.

Commercial Property Development – a drop in the operating profit/loss over the first half of 2011 as expected, taking into account the slow-down in the sector observed over recent years. Still worth noting:

- the increased strength of the Public and Healthcare business, principally associated with continued construction of the hospital centre at Saint Nazaire (92,000 m² with delivery anticipated in 2012) x office development projects, mostly at the stage of work starting on site as at 30 June 2011. These include a VEFA (off-plan sales project) of about 19,000 m² at Joinville (where Wereldhave is the purchaser), the zero-energy building with a capacity of 6,300 m² in the Lyon Vaise business zone (being purchased by Spi West) and the "Prelude" building (8,475 m² with HEQ certification and BBC label) located in the future Euratlantique district in Bordeaux (where UFG is the buyer)
- the signing in early July of an off-plan sales agreement for an office building in Lyon Gerland for Suravenir, a life insurance company in the Crédit Mutuel Arkéa group. This project is being co-developed with Altaréa Cogedim. The building will have 12,300 m² gross floor area and will have the BBC's NF HEQ label. Delivery is scheduled for summer 2013.
- the signing of a project development contract with Axa Real Estate at the beginning of July for a development of offices with 90,000 m² usable floor area in the Corne Ouest. This operation, which is being jointly developed with Sodéarif, will be producing four BBC-certified buildings at the heart of a

landscaped garden for which the design was entrusted to Jean Michel Wilmotte. Deliveries are scheduled from the summer of 2014.

- the signing of a project development contract with Axa Real Estate at the beginning of July for a development of offices with 90,000 m^2 usable floor area in the Corne Ouest. This operation, which is being jointly developed with Sodéarif, will be producing four BBC-certified buildings at the heart of a landscaped garden for which the design was entrusted to Jean Michel Wilmotte. Deliveries are scheduled to start in the summer of 2014.

Property Services division - stable turnover from the core business activities and a substantial increase in the operating profit (4.7% of turnover at 30 June 2011 against a break-even result for the same period in 2010), thanks to improved performance.

Events subsequent to the close

No significant events occurred subsequent to the close of the accounts.

2. Key figures

(in millions of euros)	30/06/2011	30/06/2010	Change
Turnover	**717.2**	**650.7**	**10.2%**
EBITDA	**163.9**	**141.1**	**16.2%**
Profit/loss from disposals	**34.4**	**901.6**	**(96.2%)**
Operating profit/loss	**123.1**	**970.3**	**(87.3%)**
Financial profit/loss	**(47.1)**	**(52.1)**	**(9.6%)**
Tax charge	**(25.4)**	**(11.2)**	**126.1%**
Group share of net profit	**48.4**	**906.2**	**(94.7%)**
Net current cash flow	**100.3**	**81.8**	**22.6%**

Icade's turnover amounted to 717.2 million euros in the six months to 30 June 2011, compared with 650.7 million euros in the period up to 30 June 2010. The increase is mainly due to high rates of commercial progress in the residential development operations and to strong asset management of the commercial property assets.

(in millions of euros)	30/06/2011	30/06/2010	Change
Turnover			
Property investment	179.0	212.2	**(15.7%)**
Property development	523.4	437.8	**19.6%**
Property services	48.9	51.3	**(4.6%)**
Other *	(34.1)	(50.6)	**(32.5%)**
Total turnover	**717.2**	**650.7**	**10.2%**

* The "Other" activities consist of what Icade Group calls its "head office" charges and eliminations of Icade's intra-group operations.

The turnover for the **Commercial Property Investment Division** breaks down into 92.2% for commercial property assets and 7.8% for residential assets.
The income from commercial assets increased by 16.3% compared with 30 June 2010, reaching 165.7 million euros as at 30 June 2011. This growth came essentially from the assets that were delivered during the period (such as the LCL offices located in Villejuif and the Le Millénaire shopping centre at Aubervilliers) and the fact that six months of the turnover for the assets of the former Compagnie la Lucette were taken into account at 30 June 2011, as opposed to 4.5 months for the same period in 2010 (as the takeover was only finalised in February 2010).
Turnover in 2011 from residential property assets has become only of marginal importance following the sale in 2010 of more than 23,000 accommodation units to a consortium consisting of 26 social landlords.

Turnover for the **Property Development Division** to 30 June 2011 increased by 19.6% compared with the same period in 2010. This growth is due to the residential property development business, for which turnover rose from 263.9 million euros as at 30 June 2010 to 349.0 million euros as at 30 June 2011 (+32.2%). The contribution made by commercial properties remained stable at 177 million euros, as increased activity in Public and Healthcare compensated for a slow-down in Offices development starting construction.

Turnover for the **Property Services Division** was down by 2.4 million euros compared with 30 June 2010 due to changes in the baseline (including the sale of the Italian and Spanish subsidiaries at the start of 2010 and 2011 respectively).

The changes in **Other** turnover, corresponding to the elimination of intra-group transactions, reflect the reduction in the number of operations carried out by the Property Development Division on behalf of the Property Investment Division.

The **EBITDA** came to 163.9 million euros on 30 June 2011, as opposed to 141.1 million euros at the same date in 2010.

(in millions of euros)	30/06/2011	30/06/2010	Change
EBITDA			
Property investment	140.5	142.2	**(1.2%)**
Property development	28.2	20.1	**40.4%**
Property services	3.0	1.3	**135.3%**
Other	(7.8)	(22.5)	**(65.5%)**
Total EBITDA	**163.9**	**141.1**	**16.2%**

The EBITDA/turnover ratio for the **Property Investment Division** was 78.5% on 30 June 2011 compared with 67.0% on 30 June 2010. This improvement came predominantly from the commercial property assets, for which the EBITDA/turnover ratio was 84.4% on 30 June 2011. The contribution made by residential property assets on 30 June 2011 was negligible.

The EBITDA for the **Property Development Division** grew by 40.4% compared with 30 June 2010. It reflects substantial improvement in the profitability of residential property development linked to an increase in the volume of business. The EBITDA/turnover ratio for residential property development went up from 0.4% at the end of June 2010 to 6.8% at the end of June 2011.

The EBITDA for the **Property Services Division** went up by a factor of 2.3 by 30 June 2011 compared with the same period in 2010, thanks to a performance improvement policy.

The **operating profit** was 123.1 million euros at 30 June 2011 as opposed to 970.3 million euros at 30 June 2010; the results for 2010 included 901.6 million euros of net capital gains related primarily to disposals of residential assets.

(in millions of euros)	30/06/2011	30/06/2010	Change
Operating profit/loss			
Property investment	98.9	959.7	**(89.7%)**
Property development	32.3	19.8	**63.4%**
Property services	2.2	0.6	**313.8%**
Other	(10.3)	(9.8)	**5.1%**
Total operating profit/loss	**123.1**	**970.3**	**(87.3%)**

The changes between 2010 and 2011 in the components of the EBITDA and the operating profit/loss are as follows:

- the **net capital gains on disposals** as at 30 June 2011 were 34.4 million euros, compared with 901.6 million euros at the same date in 2010. This difference is principally related to residential property assets

- the **net amortisation expenses** as at 30 June 2011 were 70.2 million euros, compared with 76.7 million euros at the same date in 2010. The decrease is primarily due to the amortisation of the client contracts (the Opéra Construction portfolio) acquired by the Residential Property Development Division ending on 30 June 2010.

- the **charges and write-backs related to the impairment of assets** consisted at 30 June 2011 of a net allocation of 5.0 million euros as opposed to a net write-back of 4.3 million euros as at 30 June 2010.

The Group Share Net Profit reached 48.4 million euros, against 906.2 million euros at 30 June 2010.

Net Current Cash Flow stood at 100.3 million euros at 30 June 2011, up 22.6% on 30 June 2010 (81.8 million euros).

This performance comes basically from growth in the commercial property investment business (due to a successful asset management policy) and residential property development (supported by high rates of commercial progress). At the same time, optimum management of the financial resources and prudent interest-rate risk management have allowed the financial charges to be reduced. The increase in the current tax charge is predominantly related to the residential property development business.

(in millions of euros)	30/06/2011	30/06/2010	Change
EBITDA	***163.9***	***141.1***	***16.2%***
Financial profit/loss	(47.1)	(52.1)	**(9.6%)**
Effect of non-discounting of the exit tax	**0.0**	1.4	**(100.0%)**
Current Financial Profit/Loss	***(47.1)***	***(50.7)***	***(7.2%)***
Corporate tax (*)	(25.4)	(11.2)	**126.1%**
Tax on provision for amortisation of client contracts and net write-back of investment provisions - Property Development Division	2.1	(0.1)	
Tax on capital gains from sales	6.6	2.7	**144.9%**
Current corporate tax	***(16.6)***	***(8.6)***	***94.2%***
NET CURRENT CASH FLOW	**100.3**	**81.8**	**22.6%**

(*) The corporate tax results partly from the activities of the Property Development and Services divisions and partly from Icade's Holding business.

Loan to value (LTV):

(in millions of euros)	30/06/2011	31/12/2010	Change
Net financial debt	2,400.9	2,292.2	4.7%
Appraisal value of property investments	6,283.9	6,128.8	2.5%
Loan to value (LTV)	**38.2%**	**37.4%**	

The loan to value (LTV) ratio, is calculated using the conservative method as the ratio between the group's net debt on all business activities including funding development, service and public & private partnership (PPP) operations, and the appraisal value of the assets (excluding rights) of the Property Division.

As at 30 June 2011, it remains below 40%, in line with Icade's strategy.

Revalued net asset value:

(in millions of euros)	30/06/2011	31/12/2010	Change
Group share of EPRA NAV as	4,462.3	4,385.0	77.3
EPRA NAV per share (Group share - fully diluted in €)	€86.1	€84.8	1.3
Group share of EPRA triple net NAV	4,352.2	4,208.5	143.7
EPRA triple net NAV per share (Group share - fully diluted in €)	**€83.9**	**€81.4**	**2.5**

As at 30 June 2011, the EPRA simple net asset value came to 4,462.3 million euros or 86.1 euros per share, representing an increase of 1.5% compared with 31 December 2010. The EPRA triple net asset value came to 4,352.2 million euros or 83.9 euros per share, representing an increase of 3.1% compared with 31 December 2010 and 7.1% after adjustment for the dividend of 3.3 euros per share that was paid out in April 2011.

B – BUSINESS ACTIVITIES AND RESULTS, first half of 2011

1. Property Investment

1.1 Company profile

The **Commercial Property Investment Division** of Icade operates principally in the Offices and Business Parks segments in the Île-de-France area. Icade also has a presence in the Shopping Centre segment, as well as in healthcare establishments, in the interests of diversification and taking account of the complementary nature of the segment profiles. Finally, Icade has a more marginal presence in segments that are not active targets, such as logistics hubs and offices in Germany.

The **Offices** business in France

Icade owns office buildings with a total floor area of 370,000 m^2, principally in Paris in the Central Business Quarter, but also in La Défense, Neuilly sur Seine, Villejuif, Boulogne Billancourt and Issy les Moulineaux.

The **Business Parks** operations

Icade owns a site of nearly 80 hectares in the communes of Paris 19th, Saint-Denis and Aubervilliers. It has created a business complex there, combining a diverse mix of services in a commitment to sustainable development.

The Business Parks operations stand out for their great potential for organic development. That is why the Commercial Property Investment Division is concentrating a significant proportion of its medium-term investments in this segment, both for the refurbishment of existing assets and the construction of new assets. This business will generate future cash flows and create significant value.

The **Shops and Shopping Centres** business

This activity is characterised by:

- holdings of shop assets such as “Mr Bricolage”, which generate immediate cash flows
- the operation (since its delivery in October 2009) of a shopping centre in Montpellier (50% ownership, jointly with Klépierre)
- the operation (since its delivery in April 2011) of a shopping centre in Aubervilliers (50% ownership, jointly with Klépierre)

The **Public and Healthcare** business

Icade’s strategy is to become a major player in the healthcare sector. This is why since 2007 it has built up a portfolio of 30 healthcare institutions with the following characteristics:

- assets that generate immediate cash flows
- firm leases of 9 years or more
- rental margins (net rental/gross rental) of close on 100%

Icade benefits here from a reputable team and expertise in this market.

On 30 June 2011, Icade and Médi-Partenaires signed a promise to sell for the acquisition of a portfolio of seven clinics for the sum of 233 million euros (incl. rights). These institutions (95,000 m^2 - 1,285 beds) are subject to firm leases of 12 years, signed with the operator Médi-Partenaires, the third largest group of private hospitals in France, operating 25 clinics. This deal allows Icade to continue its development and the diversification of its rental base in the healthcare sector.

At the same time, the Public and Healthcare business includes the operation of an office block at Levallois that has been rented to the Ministry of the Interior, and some non-strategic assets of marginal importance located in the regions.

The **Warehouses** business

This primarily concerns a portfolio of assets, representing 431,000 m^2, that is rented out to the Casino group.

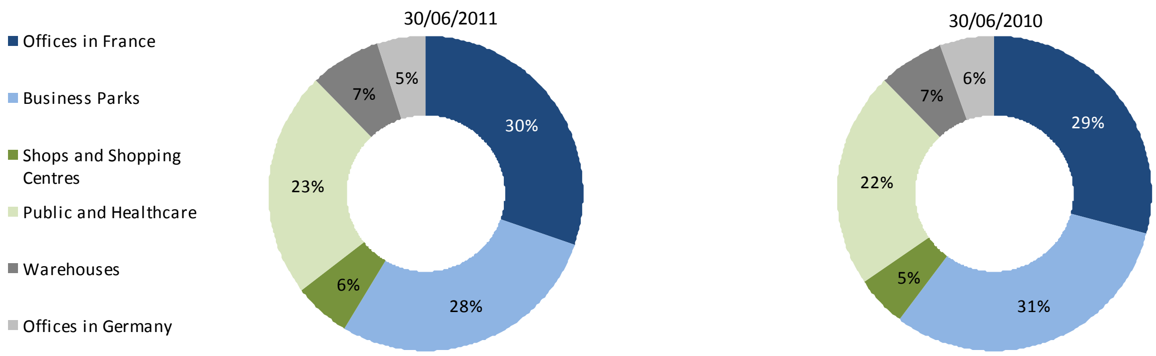
The **Offices business in Germany**

Icade owns a residual portfolio of offices in Germany, currently consisting of eight buildings (with a total floor area of 140,000 m^2) located principally in Munich, Hamburg and Berlin, plus 80 hectares of undeveloped property.

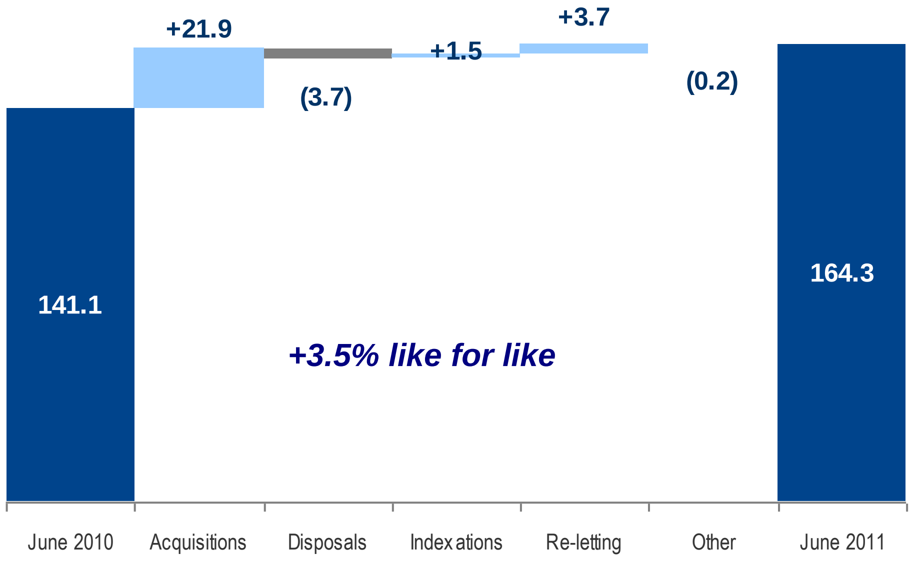
1.2 Key figures as at 30 June 2011

Turnover for the Commercial Property Investment Division was 165.0 million euros as at 30 June 2011, up 16.3% on 30 June 2010. On a like-for-like basis, this is a 3.5% improvement.

Turnover (in millions of euros)	30/06/2011	30/06/2010	Δ	Δ on a like-for-like basis
Offices in France	50,0	41,5	+ 20,5%	+ 5,6%
Business Parks	46,7	44,2	+ 5,7%	+ 5,8%
Shops and Shopping Centres	9,8	7,3	+ 34,2%	(2,1)%
Public and Healthcare	38,5	31,7	+ 21,5%	+ 0,6%
Warehouses	11,9	9,3	+ 28,0%	(0,5)%
Offices in Germany	8,1	7,9	+ 2,5%	+ 1,4%
COMMERCIAL PROPERTY	**165,0**	**141,9**	**+ 16,3%**	**+ 3,5%**



The table below shows the changes in **rental income** for 2010/2011:



Rental income (comparing like with like) shows an improvement of 3.5% with respect to 30 June 2010.

Rental income (in millions of euros)	30-6-2010	Acquisitions	Disposals	Indexing	Rental business	Other	30-6-2011
Offices in France	41.0	9.9	-3.6	0.6	1.8		49.6
Business Parks	44.2	-	-0.1	0.7	1.8		46.7
Shops and Shopping Centres	7.3	2.6	0.0	-0.1		-0.1	9.8
Public and Healthcare	31.4	6.7		0.3		-0.1	38.2
Warehouses	9.3	2.7		0.0	-0.1		11.9
Offices in Germany	7.9				0.1		8.0
COMM. PTY INIVESTMT - rental income	**141.1**	**21.9**	**-3.7**	**1.5**	**3.6**	**-0.2**	**164.3**
Other turnover	0.7						0.7
COMM. PROPERTY INVESTMT - Turnover	**141.8**	**21.9**	**-3.7**	**1.5**	**3.6**	**-0.2**	**165.0**

Acquisitions and deliveries of assets: 21.9 million euros of additional income

- rental income related to the delivery of assets came to 6.6 million euros. This essentially concerns two office properties located in Villejuif (2.0 million euros) and the Le Millénaire shopping centre in Aubervilliers, opened in April 2011 (1.6 million euros, pro rata)

- rental income related to acquisitions of assets in 2010 and 2011 came to 15.3 million euros. These are basically the assets of the former Compagnie la Lucette at 10.7 million euros, the clinics at 3.6 million euros, and the leisure centres 1 & 2 in Montpellier at 0.7 million euros.

Disposals and refurbishments: 3.7 million euros of lost rent in 2011

This mostly refers to the sale of the Colisée asset in La Défense in May 2010.

The rental business (renting, re-rentals, renovations, departures) and others: 3.4 million euros of additional income

- These are basically lettings that took place in 2010:
  - balance of the unlet floor area at the Millénaire 2 building (2.3 million euros of rent)
  - a third of the floor area of the H_2O building at Rueil Malmaison (1.3 million euros of rent generated in 2011) relating to its 75% physical occupancy as at 30 June 2011

- The difference can primarily be explained by the effect of lease renewals in 2010 and 2011. Indeed, Icade has continued discussions with its tenants with the objective of securing its long-term cash flows, either taking advantage of the expiry of certain leases or anticipating them in order to increase the rents concerned to market levels in return for a longer fixed term of those leases.

- For the Shops and Shopping Centres business line, the decrease in rental income on a like-for-like basis can basically be explained by the effect of the variable part of the rents associated with the reduction in turnover from the Mr Bricolage shops (0.1 million euros).

The **net rents** of the Commercial Property Investment Division were 153.6 million euros as at 30 June 2011, which corresponds to a rental margin of 93.5%, an increase of 2.0 points compared with 30 June 2010.

	30-6-2011		30-6-2010	
Net rent (in millions of euros)	**Net rent**	**Margin**	**Net rent**	**Margin**
Offices in France	45.8	92.3%	36.0	87.8%
Business Parks	41.8	89.6%	39.5	89.4%
Shops and Shopping Centres	8.6	88.4%	6.8	92.9%
Public and Healthcare	37.7	98.6%	30.9	98.5%
Warehouses	11.2	93.5%	8.7	93.6%
Offices in Germany (*)	8.5	105.7%	7.1	90.1%
COMMERCIAL PROPERTY INVESTMENT	**153.6**	**93.5%**	**129.1**	**91.5%**

This change is mostly due to an improvement in the recovery of operating costs following lettings that were made in the second half of 2010 (Millénaire 2 and H_2O in Rueil Malmaison).

The **operating profit/loss** of the Commercial Property Investment Division came to 69.9 million euros on 30 June 2011, an increase of 20.3 million euros compared with 30 June 2010.

	30-6-2011		30-6-2010	
Operating profit/loss (in millions of euros)	**Op. profit**	**Op. profit / turnover**	**Op. profit**	**Op. profit / turnover**
Offices in France	11.2	22.4%	14.1	34.0%
Business Parks	26.8	57.3%	18.4	41.7%
Shops and Shopping Centres	2.8	28.9%	2.8	38.5%
Public and Healthcare	21.5	55.7%	17.3	54.7%
Warehouses	-2.0	(16.7%)	-6.3	(67.2%)
Offices in Germany	9.6	118.9%	3.2	40.1%
COMMERCIAL PROPERTY INVESTMENT	**69.9**	**42.4%**	**49.6**	**35.0%**

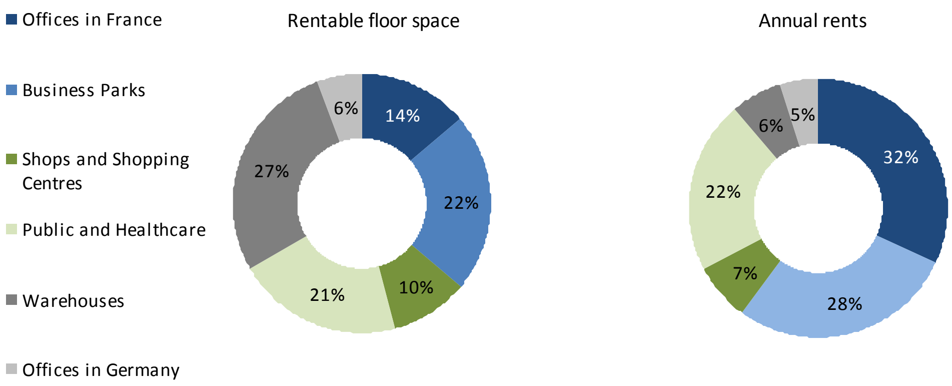
These increases can be explained by:

- net rentals that have gone up sharply compared with 30 June 2010 (up by 24.5 million euros) due to the effects of a changed baseline and improved recoverability of the operational expenses for the buildings
- capital gains on asset disposals, to the sum of 6.1 million euros

The increase is offset by the depreciation of assets, which came to 8.5 million euros, essentially for the Scor tower.

1.3 Rental business

Breakdown of indicators by business



Businesses	Rentable floor space	Rented floor space	Physical occupancy rate	Financial occupancy rate	Annualised rent in €M (*)	Average rent / m²	Firm residual term on leases (years)
Offices in France	291,635	256,139	87.8%	89.2%	107.0	435	5.5
Business Parks	484,766	442,184	91.2%	91.6%	94.5	268	3.5
Parc du Mauvin	21,916	16,305	74.4%	81.7%	2.8	169	1.6
Parc du Millénaire	66,741	64,327	96.4%	96.5%	20.0	310	4.7
Parc du Pont de Flandre	78,510	73,510	93.6%	93.9%	21.6	294	5.1
Parc des Portes de Paris Aubervilliers	241,594	219,042	90.7%	90.3%	38.0	174	2.3
Parc des Portes de Paris Saint Denis	68,399	61,393	89.8%	85.8%	9.5	154	3.4
Quartier du Canal	7,606	7,606	100.0%	100.0%	2.6	345	2.0
Shops and Shopping Centres	208,563	206,286	98.9%	96.0%	25.0	121	6.7
Shopping Centres	56,203	51,969	95.8%	93.8%	15.7	303	4.5
Mr Bricolage shops	154,317	154,317	100.0%	100.0%	9.3	60	10.4
Public and Healthcare	444,012	444,012	100.0%	100.0%	72.3	163	10.1
Clinics	409,068	409,068	100.0%	100.0%	60.0	147	9.0
Other	34,944	34,944	100.0%	100.0%	12.4	354	15.0
Warehouses	597,555	531,286	88.9%	88.4%	21.7	41	5.9
Offices in Germany	120,788	104,671	86.7%	90.2%	15.8	151	4.7
COMM. PROPERTY INVESTMENT	**2,147,318**	**1,984,577**	**92.4%**	**92.5%**	**336.3**	**169**	**6.0**

(*) Total of rents reported for the duration of the lease

The financial occupancy rate has improved by 1.5 points as at 30 June 2011, as compared with 31 December 2010. This change is largely explained by the additional lettings listed below.

New signings

During the first half of 2011, Icade recorded the signing of 167 **new leases** relating to 55,900 m² and representing 14.7 million euros of rents on an annual basis (of which 26,000 m² were for the Le Millénaire shopping centre).

New signings for assets currently in use:

- letting the whole of the office space in the Link building at 28-32 Boulevard de Grenelle in Paris (15th) to the Ingenico group in June 2011 (10,200 m² - effective from 1 November 2011)

- letting of 15% of the vacant space in building 521 to the Fnac group in June 2011 (2,200 m^2 – effective from 15 June 2011)

- letting 97% of the floor area of the Le Millénaire shopping centre at the end of June 2011, based on signed leases and reservations (including Boulanger, Carrefour, C&A, Fnac, H&M, Sephora, Toys'R'Us and Zara)

New signings for assets currently being developed:

- exclusive partnership with Veolia Environnement regarding an implementation project of roughly 100,000 m^2 intended to accommodate the relocation of about 4,000 staff to the Millénaire district in Aubervilliers by 2015

Icade is also finalising its programme for development in the north-eastern part of Paris. Veolia Environnement is already setting up its new headquarters there and is involved in the renovation of this district. The project, which meets the latest technological requirements in terms of the environment and energy performance, and directly overlooking the Cours d'Aubervilliers, will mark the arrival of the Eco-Quartier district. About 100,000 m^2 will be developed at the terminus of new transport facilities, foreshadowing what will become Icade's eco-friendly district.

Renovations

During 2011, Icade has continued its rental policy, which consists of offering its main tenants a **renewal** of their leases in order to secure sustained cash flows. This asset management work resulted in the signing of 11 leases covering 16,000 m^2.

The renewals have secured 5.4 million euros in face rents over an average firm period of 5 years.

Departing tenants

Departures during the first half of 2011 involved 34 leases (25,000 m^2) and represented lost rents of 2.3 million euros. It should be noted that 16% of the floor area vacated during the first half of 2011 has been re-let again during the same reporting period.

The nature of the **vacant space** as at 30 June 2011 is diverse and should therefore be adjusted in terms of the impact, depending on the designated use. The vacant space principally concerns the following assets:

Assets in operation	Town/city	Vacant floor space (m²)	Potential annual rent (in €M)
H_2O	Rueil-Malmaison	5,500	
7 Messine	Paris	2,200	
Factory	Boulogne	14,000	
Other offices in France		13,800	
	Subtotal for offices in France	**35,500**	**13.0**
Building 521	Aubervilliers	12,700	
Millénaire 6	Aubervilliers	2,400	
Building 270	Aubervilliers	2,300	
Building 026	Paris	4,000	
Building 410	Le Mauvin	5,600	
Other business parks		15,600	
	Subtotal for business parks	**42,600**	**8.4**
Le Millénaire shopping centre	Aubervilliers	2,000	
Other shopping centres		300	
	Subtotal for shopping centres	**2,300**	**1.0**
Tharabie	Saint Quentin Fallavier (38)	40,000	
Eurofret	Strasbourg (67)	23,300	
Other warehouses		3,000	
	Subtotal for warehouses	**66,300**	**2.9**
Other offices in Germany		16,100	
	Subtotal for offices in Germany	**16,100**	**1.7**
		162,800	**27.0**

Breakdown of main tenants as at 30 June 2011

Occupants	Rent %	Rented floor space (%)
Générale de Santé	7.4%	6.6%
PwC	6.4%	1.6%
Vedici Group	5.9%	7.4%
Casino Group	5.2%	21.7%
Scor Group	3.9%	1.5%
Ministry of the Interior	3.5%	1.5%
Crédit Agricole SA	3.2%	2.1%
Icade Group	2.8%	1.5%
Mr Bricolage Group	2.8%	7.8%
Harpin Group	2.1%	2.4%
Rhodia Group	2.0%	1.9%
GMG (T-systems)	2.0%	2.0%
Ministry of Finance	1.8%	0.5%
Pierre & Vacances Group	1.7%	1.0%
3H Group	1.6%	2.7%
Ingenico	1.5%	0.5%
Euro Média France	1.5%	2.1%
Regional Health Board	1.5%	0.9%
Axa Group	1.5%	0.3%
High Court	1.1%	0.4%
Balance	40.7%	33.7%
	100%	**100%**

At 30 June 2011, the 10 largest tenants represented a total rent on an annual basis of 145.0 million euros (43% of the annualised rental figure).

Lease expirations by business

Businesses	Offices in France	Business Parks	Shops and Shopping Centres	Public and Healthcare	Warehouses	Offices in Germany	Total	%
2011	2.2	8.1	0.1	0.0	0.6	0.3	**11.3**	**3.4%**
2012	20.9	10.4	2.4	0.0	1.6	1.3	**36.5**	**10.9%**
2013	8.7	26.3	2.0	2.3	0.5	1.8	**41.6**	**12.4%**
2014	11.3	16.6	1.8	0.0	4.4	2.6	**36.8**	**10.9%**
2015	12.9	4.5	3.3		3.3	0.9	**24.9**	**7.4%**
2016	8.4	7.6	0.0	0.0		1.6	**17.7**	**5.3%**
2017	0.4	4.0		0.2	2.3	0.6	**7.5**	**2.2%**
2018	6.0	4.2			0.5	6.6	**17.2**	**5.1%**
2019	2.6	9.3	0.9	14.0			**26.9**	**8.0%**
>2019	33.5	3.4	14.5	55.5	8.5	0.2	**115.6**	**34.4%**
Total	**107.0**	**94.5**	**25.0**	**72.2**	**21.7**	**15.8**	**336.2**	**100.0%**

At 30 June 2011, the **average fixed lease duration** was 6.0 years, virtually the same as on 31 December 2010 (6.2 years).

Rental position - risk of rent revision

Businesses	Annualised rent in €M	Rents at risk (€M)	%	Market rents (€M)	Potential risk (€M)
Offices in France	107.0	17.6	16.4%	15.5	-2.1
Business Parks	94.5	10.9	11.6%	8.6	-2.3
Shops and Shopping Centres	25.0	0.0	0.0%	0.0	0.0
Public and Healthcare	72.2	0.0	0.0%	0.0	0.0
Warehouses	21.7	0.0	0.0%	0.0	0.0
Offices in Germany	15.8	0.0	0.0%	0.0	0.0
COMM. PROPERTY INVESTMENT	**336.2**	**28.5**	**8.5%**	**24.1**	**-4.4**

Icade, which has benefited from continuous increases in rents, must sometimes meet the demands of certain tenants to revise their leases under article L145-39 of the French Commercial Code. This specifies that if indexing means that the amount of the indexed rent is 25% greater than the amount of the initial rent, the tenant has the right to request that their rent be revised to bring it in line with market values.

The analysis, made within the scope of Commercial Property Investment Division, nevertheless shows that the risk is limited.

In fact, the potential risk of a return to market rental values is 4.4 million euros, representing a risk of potential loss of rent of around 1.3% of rents for the entire Commercial Property Investment division.

Average age of the property assets in use, broken down by business

Businesses	Appraisals incl. rights 06/2011, €M	of which HEQ	Average age of assets: < 10 yrs	Average age of assets: > 10 yrs
Offices in France	1,938	428	1,357	581
Business Parks	1,457	423	667	790
Shops and Shopping Centres	455	202	375	80
Public and Healthcare	1,107		762	345
Warehouses	261		183	78
Offices in Germany	261		204	56
COMM. PROPERTY INVESTMENT	**5,479**	**1,052**	**3,548**	**1,931**
			65%	**35%**

The average age of the assets was calculated taking into account the latest refurbishments of the assets.

Taking the assets in use for the Commercial Property Investment Division and based on the rights-inclusive appraisal values as at 30 June 2011, nearly 65% of the assets have been built or refurbished within the last 10 years.

Moreover, the share of assets in use that have HEQ certificates came to nearly 20% on 30 June 2011, an increase of nearly 5% compared with 31 December 2010, thanks to the delivery of the Le Millénaire shopping centre in April 2011.

Geographical breakdown of property assets

Geographical region	Annualised rent in €M	%
Paris QCA	14.9	4.4%
Western suburbs	74.6	22.2%
Elsewhere in Paris	52.5	15.6%
Other suburbs	99.8	29.7%
Regional	78.6	23.4%
Foreign	15.8	4.7%
	336.3	**100.0%**

Rentable floor space	%
26,602	1.2%
176,450	8.2%
164,845	7.7%
575,400	26.8%
1,083,235	50.4%
120,788	5.6%
2,147,318	**100.0%**

The offices and business parks of the Commercial Property Investment Division are located in Paris and Ile-de-France.

The shops and shopping centres, and clinics are mainly located in Ile de France and the regions.

1.4 Investment

Icade has continued to add value to its assets in order to increase the generation of cash flows in the longer term, and at the same time it has acquired healthcare assets that produce immediate cash flows. The amount of these investments over the period stood at **176.6 million euros**.

Assets	Total	Asset acquisitions	Asset refurbish-ments	Construction/ extensions	Renovation/ major maintenance
Offices in France	85.6		46.9	36.3	2.4
Business Parks	23.1		12.1	7.6	3.4
Shops and Shopping Centres	19.6	5.3		14.2	0.1
Public and Healthcare	43.5	14.8		28.7	
Warehouses	1.3				1.3
Offices in Germany	3.5			2.0	1.5
COMM. PROPERTY INVESTMENT	**176.6**	**20.1**	**59.0**	**88.8**	**8.7**

This policy can be divided into four types of investments:

Acquisition of assets: a selective strategy concerning highly-profitable assets and immediate cash flows. These break down into:

- Public and Healthcare: acquisition of a healthcare institution in Vitry sur Seine in June 2011 for the sum of 14.8 million euros, giving property assets in use on 30 June 2011 that were close to 410,000 m^2 with 5,100 beds

These new acquisitions form part of the investment strategy that Icade is operating in the healthcare sector (a strategy of building up an attractive portfolio in terms of net yield, with several operators and therefore with enough diversification to limit rental risk). The acquisitions also complete Icade's nationwide coverage, with a total portfolio of 5,100 beds and a floor area of nearly 410,000 m^2.

Finally, it is worth noting that the majority of the leases in the clinics business are on very favourable terms, as the tenant is contractually obliged to take on all the charges and the expenses for major maintenance and renovation (triple net rent).

On 30 June 2011, Icade and Médi-Partenaires signed a promise to sell for the acquisition of a portfolio of seven clinics for the sum of 233 million euros (incl. rights). These institutions

($95{,}000\ m^2$ - 1,285 beds) are subject to firm leases of 12 years, signed with the operator Médi-Partenaires, the third largest group of private hospitals in France, operating 25 clinics. This operation allows Icade to continue its development and the diversification of its rental base in the healthcare sector.

In parallel with this acquisition, in order to make the most of its knowledge of the sector and its know-how regarding the management of healthcare property assets, Icade has adopted a process of opening up Icade Santé's capital for leading third-party investors. By participating in the capital increases in future, these investors will accompany the future development of Icade Santé. Icade will retain control.

- Shops and Shopping Centres: acquisition in January 2011 of two stores operated by the Mr Bricolage group (5.3 million euros) in partnership with the tenant.

Asset refurbishments: a selective strategy for adding value to assets with a strong potential for profitability. The essential features are:

- Offices in France: 46.9 million euros for the work on the EQHO Tower (formerly the Descartes Tower) as part of its refurbishment

The EQHO Tower:

Icade started the rehabilitation work for this tower, of which it is the owner, in March 2010. A contract for general building work was signed with BATEG (VINCI Group).

This work starts with cleaning and asbestos removal at all levels of the tower and will continue with a complete renovation of all the interior spaces.

Moreover, it was decided during the course of 2010 to carry out the second phase of the work, which consists of replacing the façade of the tower and renovating the car park and the exterior spaces; an amendment to the contract for the work was signed with the company in December 2010.

The building permit for phase 3 of the work was obtained on 26 April 2011 and the activities for this phase will be starting during early October 2011.

The base of the tower (storeys -1 to 4) is being refurbished, including in particular the creation of a second access from the La Défense ring road and the realisation of a number of service areas at the foot of the building.

Once it has been renovated, the tower will be able to claim a position on a par with the latest generation of towers at La Défense (high-quality performance, environmental labels and premium rents).

It will be available for rent at the end of the first half of 2013.

- Business Parks: 12.1 million euros for the work on Le Beauvaisis (028)

Le Beauvaisis:

This property is located in the Parc du Pont de Flandre, Paris 19th. This park extends over an enclosed area of 5 ha and offers more than $90{,}000\ m^2$ of offices and business premises split over 13 buildings. The park is located in the immediate proximity of the Porte de la Villette, in close proximity to the Corentin Cariou metro station (line 7). The park has two inter-company restaurants, two cafeterias, a fitness room and a crèche. It is surrounded by $10{,}000\ m^2$ of landscaped green space.

The work on Le Beauvaisis consists of large-scale renovation, aiming for HEQ/THPE certification. The projected cost of this renovation work is 43.6 million euros. Delivery is expected in the final quarter of 2011.

Since its launch, this project has been the subject of an HEQ certification process. Certification was obtained in April 2009 for the "programme" phase, based on the following high-performance profiles:

- The relationship of the building with its environment
- Energy management
- Management of waste from the activities
- Maintenance and long-term sustainability of environmental performance

It is the first operation in Paris to obtain the BBC Rénovation seal of approval.

Construction/extension of assets: the investments primarily concern:

- Offices in France: the Métropolitan operation in Villejuif, with 26.7 million euros invested during 2011. This consists of the construction of 80,000 m^2 of office floor area, split over 5 buildings. As at 30 June 2011, 3 buildings (46,000 m^2) are in use and fully rented to the tenant LCL. Two further buildings, Rhin and Garonne, will be delivered in December 2011 and March 2012 respectively. All these buildings are the subject of a purchase option clause that LCL can exercise as of 1 July 2012.

- Shops and Shopping Centres: 14.2 million euros relating to the final stages of the work on the Le Millénaire shopping centre in Aubervilliers. Delivery took place in April 2011.

Le Millénaire shopping centre

The shopping centre accommodates 140 shops and restaurants on a floor area of 56,000 m^2 (baseline 100%).

This operation represents a total investment of the order of 400 million euros, divided equally between the two partners, Icade and Klépierre. The letting rates for the floor area of the centre when it was opened (96%) are testimony to the confidence that the various brands have in this ambitiously innovative project, the biggest commercial development in France for 10 years.

Designed by Antoine Grumbach, the architecture of Le Millénaire is at the same time both a shopping area and living space. It expresses diversity and plays with dual perceptions of inside and outside, with its 10,000 m^2 of glass. Along the landscaped waterfront promenade, the red brick docks, terracotta facades, and glass and steel profiles are blended together in an unusual architectural style that can be seen from the ring road.

A precursor and a symbol of the land-use objectives and the urban redefinition of Greater Paris, Le Millénaire – which also includes 17,000 m^2 of offices (100% basis) – is part of a large-scale operation covering an area of 5 hectares.

Located very close to Paris, in an extremely attractive area, Le Millénaire is the shopping centre that had previously lacking in a catchment area covering nearly a million people.

The only shopping centre with both *HEQ® Commerce* and *BREEAM Very Good* certification, Le Millénaire has all the qualities that would be expected from an environmentally highly responsible shopping centre (optimisation of resources, choice of materials, and so forth).

- Public and Healthcare: this essentially involves construction or extension work on clinics, to a sum of 28.7 million euros. This work is part of the rental conditions, fixed contractually on acquisition, and will lead to a rent supplement on delivery.

Renovations/major maintenance & repairs: This mainly refers to the expenses of renovation work on business parks and accompanying measures (leaseholders' work).

1.5 Arbitrage

Icade is carrying out an active arbitrage policy on its assets, revolving around three main principles:

- Optimisation: sale of mature assets, for which most of the asset management work has been done and where there is a high probability of capital gain on the sales.

- Portfolio rationalisation: sale of assets of modest size or those that are held under joint ownership;

- Transition to the commercial sector: sale of assets that do not fit in the Commercial Property Investment Division's core business.

During the first half-year of 2011, the disposals made totalled 74.1 million euros. They fall into the category of "portfolio rationalisation", primarily relating to the sale of the office block in Munich for the sum of 72.5 million euros. This prime asset of 19,300 m^2, which has been let for a fixed term of 10 years to Ernst & Young, has DGNB Gold certification (equivalent to the French HEQ). The building, for which there was already an agreement for sale in its future completed state to the German fund Deka Immobilien Investment, was delivered at the end of 2010.

Icade saw three promises of asset sales signed during the first half of 2011, the key one being the sale of the Atrium building (11,000 m^2) in Paris (12^{th}). Notarial completion of the deed of transfer is scheduled for July 2011. The proceeds from the sale will therefore be included in the financial statements for the second half year.

1.6 Residential Property Investment Division

(in millions of euros)	30/06/2011	30/06/2010	Change
Turnover	**14.0**	**70.4**	(80.1%)
EBITDA	**0.6**	**23.7**	(97.4%)
EBITDA/turnover	*4.4%*	*33.6%*	
Profit from disposals	**29.0**	**892.2**	(96.7%)
Operating profit/loss	**29.0**	**910.2**	(96.8%)

Main indicators

	30/06/2011	30/06/2010
Block sales		
- in numbers of units	**264**	**17,286**
- sales price (in millions of euros)	**12**	**1,193**
Sales by unit		
- in numbers of units	**68**	**96**
- sales price (in millions of euros)	**8**	**12**

During the first half of 2010, 17,286 residential units were sold to a consortium comprising 26 social landlords.

During the first half of 2011, Icade continued the process of selling residential units with the block sale of 264 units located in Sarcelles for 12 million euros. In addition, shops in the ground floor of office buildings, situated primarily in Epinay sur Seine, Bagneux, Sarcelles and Créteil, were sold to Carval for 26 million euros.

2. Property Development

2.1 Key figures

The first half of 2011 was marked by an increase of 19.6% in turnover (523.4 million euros to 30 June 2011, as opposed to 437.8 million euros on the same date in 2010), driven primarily by residential property development.

Profits also show strong improvement compared with the first half of 2010.

The volume of business in the first half of 2011 remained virtually the same.

The Property Development Division remains vigilant in its commitments, continuously adapting its output to the market conditions.

The EBITDA and operating profit/loss grew by 40.4% and 63.4% respectively.

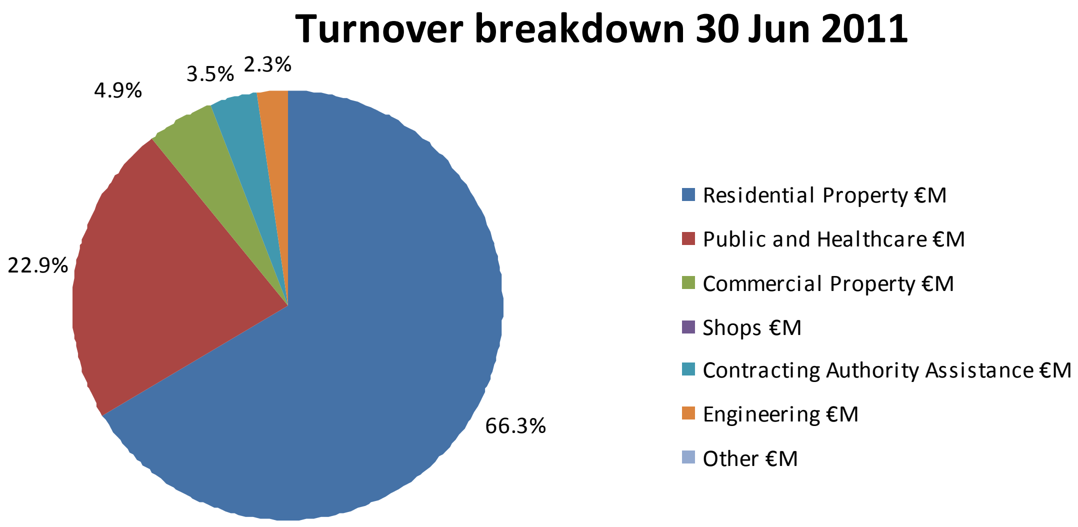
At 30 June 2011, the operating profit for the division stood at 32.3 million euros or 6.2% of turnover, as opposed to 19.8 million euros, or 4.5% of turnover, for the first half of 2010.

This increase derives primarily from the recovery in the profitability of the residential property development business (operating profit of 8.1%), which accounted for nearly 88% of the division's contribution to profits over the half year.

(in millions of euros)	30/06/2011	30/06/2010	Change
TURNOVER (*)	**523.4**	**437.8**	**+19.6%**
Residential Property development	349.0	263.9	**+32.3%**
Commercial Property Development	177.0	177.6	**(0.3%)**
Intra-business development	(2.6)	(3.7)	**(28.4%)**
EBITDA	**28.2**	**20.1**	**+40.4%**
Residential Property Development	23.8	1.1	
Commercial Property Development	4.4	19.0	**(-76.8%)**
Intra-business development	0.0	0.0	**-**
OPERATING PROFIT/LOSS	**32.3**	**19.8**	**+63.4%**
Residential Property Development	28.3	0.9	
Commercial Property Development	4.0	18.9	**(-79.0%)**
Intra-business development	**0.0**	**0.0**	**-**

(*) Turnover based on progress, after inclusion of the commercial progress and work progress of each operation.

Turnover



Overall business is increasing once again this year thanks to residential property development, the turnover of which (349 million euros to 30 June 2011) accounted for 66.3% of the divisional turnover, up by 32.3% compared with 30 June 2010.

Commercial property development business is largely stable (turnover at 30 June 2011 was 177 million euros); a decline in office development compared with 30 June 2010 (-19.8%, down to 25.7 million euros) was compensated by a rise in public and healthcare (+12.1%, up to 120.7 million euros).

With a turnover of 12 million euros, engineering is on a par with 2010.

Development pipeline and services order book

The pipeline represents the turnover of signed sales (excluding taxes) that have not yet been accounted for in the development operations, taking into account progress and the signed reservations (excluding taxes).

The order book represents the service contracts (excluding taxes) that have been signed but are not yet productive.

Development pipeline as at 30 June 2011 (in millions of euros)	Total	Ile de France	Regions
Residential Property Development (including subdivision)	843.2	364.9	**478.3**
Commercial Property Development	259.5	197.3	**62.2**
Shops Development	0.0	0.0	**0.0**
Public and Healthcare Development	184.0	79.8	**104.2**
Engineering order book	42.0	28.6	**13.4**
Project management services order book	74.6	39.9	**34.7**
TOTAL	**1,403.3**	**710.5**	**692.8**
	100.0%	**50.6%**	**49.4%**

The overall pipeline for the Property Development Division went down slightly. It stood at 1,403.3 million euros (against 1,438 million euros on 31 December 2010).

These changes can be analysed as follows:

- an increase of 4% in the Residential Property Development's pipeline, which rose from 811.1 million euros to 843.2 millions as a result of the growth of the business. The guaranteed portion, corresponding to deeds of sale, is 53% of the total (against 71% on 31 December 2010)

- an increase in the Commercial Property Development's pipeline, which went from 225.5 million euros to 259.5 million euros, largely due to VEFA (off-plan sales) or CPI (property development contract) agreements for the office blocks in Lyon Vaise Nexans *Ilot M* (69) (19.4 million euros), Toulon (83) (14.7 million euros) and Bordeaux Prélude

- a decline in the Public and Healthcare pipeline, which fell by 30% from 261.3 million euros to 184.0 million euros due to the lack of new signed agreements for the major operations

2.2 Residential Property Development

(in millions of euros)	30/06/2011	31/06/2010	Change
Turnover (*)	**349.0**	**263.9**	**+32.3%**
EBITDA	**23.8**	**1.1**	
Margin (EBITDA/Turnover)	*6.8%*	*0.4%*	
Operating profit/loss	**28.3**	**0.9**	

(*) Turnover based on progress, after inclusion of the commercial progress and work progress of each operation.

Investors were being even more cautious in the first half of 2011 than in 2010.

The housing supply is however still unable to meet demands, taking account of the large volumes of the previous year.

As expected, given the context of 2010, the turnover of Icade's Residential Property Development Division is growing strongly. It stood at 349 million euros, compared with 263.9 million euros for the first half of 2010. This increase comes in particular from the high levels of letting at the end of 2010. The EBITDA came to 23.8 million euros, or 6.8% of turnover.

At 30 June 2011, the unsold stock level was 183 residential units and plots, representing 25.5 million euros of potential turnover, as opposed to 218 residential units and plots (representing 33.4 million euros of potential turnover) at 31 December 2010.

LETTING OF NEW UNITS AND BUILDING PLOTS OVER THE FIRST HALF OF 2011

	Ile de France	Regions	TOTAL
Number of units	1,287	1,488	2,775
Turnover (potential in millions of euros)	319.2	284.4	603.6

During the first half year, 2,775 accommodation units and building plots were let, as compared with 1,938 for the same period in 2010.

START OF OPERATIONS FOR NEW RESIDENTIAL UNITS AND BUILDING PLOTS AT 30 JUNE 2011

	Ile de France	Regions	TOTAL
Number of units	678	895	1,573
Turnover (potential in millions of euros)	146.3	149.6	295.9

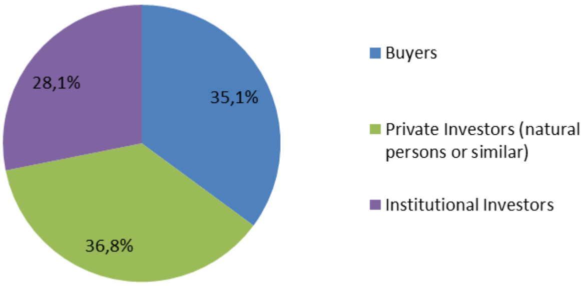
During the first half year, transactions for 1,573 accommodation units and building plots were commenced, as compared with 2,160 for the same period in 2010.

RESERVATIONS OF NEW RESIDENTIAL UNITS AND BUILDING PLOTS

	30/06/2011	30/06/2010	Change
Number of residential unit reservations	1,990	2,392	-16.8%
Reservations of residential units in millions of euros (including taxes)	423.0	443.4	-4.6%
Withdrawal rate for residential units	18%	16%	
Number of reservations of building lots	118	254	-53.5%
Reservations of building lots in millions of euros (including taxes)	11.5	16.8	-31.5%

The number of reservations made during the first six months of 2011 (a total of 2,108) is down by 16.8% for residential units and 53.5% for building plots.

BREAKDOWN OF ACCOMMODATION BY CLIENT TYPE



During the first half of 2011, reservations for buyers covered 740 residential units and plots, which is 35.1% of the business (as opposed to 46.5% in 2010). The share of private investors (775 reservations) was stable at 36.8% (versus 36.2% in 2010). That of institutional investors (593 units reserved) increased substantially to 28.1% of reservations, as opposed to 18.6% over 2010.

This distribution helps make Icade less vulnerable than its competitors to volatility in a market in which an increasing proportion of investors operate.

AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON RESERVATIONS:

	30/06/2011	30/06/2010	Change
Average price including taxes per habitable m^2 (€/m^2)	3,441	3,474	-0.9%
Average budget including taxes, per residential unit (€k)	212.6	185.4	+14.7%
Average floor area per residential unit (m^2)	61.8	53.4	+15.7%

The average budget for reserved units in the first half of 2011 was €212,600 (up by 15%).

However, the average price per square metre including taxes was down a little compared with the first half of 2010 (by 0.9%) due to the effect of a higher proportion of transactions relating to larger properties.

It should be noted here that the first half of 2010 included the reservations for two major transactions for student housing, with small floor areas and relatively higher prices per square metre.

PROPERTY INVESTMENT PORTFOLIO

The residential property portfolio and the numbers of building plots came to 8,633 plots (versus 8,253 plots on 30 June 2010) for a potential turnover estimated at 1.719 billion euros (against 1.519 billion euros at 30 June 2010).
In particular, it includes 14 projects (1,191 units) under the label "Golden Village". The Golden Villages are projects aimed at investors as a tax exemption device, consisting of groups of buildings designed for senior citizens, located in town centres and offering à-la-carte services.
As a result of a cautious policy in terms of property investment undertakings, the output that is under development represents about two years of business.

2.3 Commercial property development

(in millions of euros)	30/06/2011	30/06/2010	Change
Turnover	**177.0**	**177.6**	**(-0.3%)**
EBITDA	**4.4**	**19.0**	**(-76.8%)**
Margin (EBITDA/Turnover)	*2.5%*	*10.7%*	
Operating profit/loss	**4.0**	**18.9**	**(-79.0%)**

Turnover (in millions of euros)	30/06/2011	30/06/2010	Change
Commercial Property Development	**177.0**	**177.6**	**-0.3%**
- Public and Healthcare	120.7	107.7	12.1%
- Commercial Property	25.7	32.1	-19.8%
- Shops		2.2	
- Contracting authority assistance	18.3	22.7	-19.2%
- Engineering	12.0	12.3	-2.8%
- Other	0.3	0.6	

Public and Healthcare

In the Public and Healthcare area, the highlights for the first half of 2011 were as follows:

Icade is continuing its developments in the medical/social arena, with numerous contracts signed.

A development contract was signed for the car park at the St Denis de la Reunion hospital.

In the PPP field, the relocation of the Defence Ministry to Balard was won together with Bouygues. This co-development contract will mean for Icade the development of Corne Ouest for the private part (office blocks, 90,000 m²) and a project management contract for the public part of the project (about 270,000 m²).

A building permit was obtained for the refurbishment of Paris zoo as a partnership agreement within the scheduled time. The competitive PPP procedure for the new Paris TGI (High Court) has entered its final phase after submission of the detailed proposal at the end of June.

The Campus programme has entered the operational phase with the launch of the first PPPs at Grenoble and Toulouse, for which Icade's candidacy has been agreed. The major works for the Cité Sanitaire de St Nazaire have continued as per schedule.

The partnership with Poste-Immo in the joint development company ARKADEA resulted in the first co-development deal with Poste-Immo being signed for a project involving 65 residential units in the centre of La Rochelle. Other operations are also being prepared outside the Paris area.

Turnover for the Public and Healthcare Division increased by 12.1% over the first half of 2011 to stand at 120.7 million euros.

On 30 June 2011, the portfolio of projects in Public and Healthcare Development came to 221,227 m² (versus 238,923 m² on 31 December 2010) of projects under construction, including 125,251 m² for PPPs (115,000 m² on 31 December 2010) and 192,889 m² of projects at the initial setup stage (217,304 m² on 31 December 2010), of which 33,122 m² are PPP projects.

At 30 June 2011, the principal operations in progress were as follows:

Operations in progress	Total rounded floor area (in m^2 Net Floor Area)	Type of development	Structure	Location	Expected completion date
Hospital at Saint Nazaire (PPP)	92,000	Hospital	Property Development Contract	Saint Nazaire (44)	**2012**
Vincennes Zoo (PPP)	10,000	Zoological gardens	Property Development Contract	Paris 12th (75)	**2013**
Sablé Sur Sarthe	16,000	Care Centre	Property Development Contract	Sablé Sur Sarthe (72)	**2012**
MUCEM Centre, Marseilles (PPP)	13,000	Archaeological museum	Property Development Contract	Marseilles (13)	**2012**
Saint Aignan-Daher 2	8,939	Industrial warehouse building	Property Development Contract	St Aignan (44)	**2011**
Lyon, La Sucrière 2	11,522	Multifunctional space (hall + museum + offices)	Property Development Contract	Lyon (69)	2011

The main projects delivered during the half year are:

- Chalon sur Saône St Cosme: 12,225 m^2 off-plan sales of offices, shops and car parking
- St Nazaire Pen Bron: 4,475 m^2 of healthcare facilities as a property development contract
- St Philbert de Grand lieu : PPP project for the police, as a property development contract of 3,600 m^2
- Toulouse Cancéropole: hotel accommodation as a property development contract of 5,278 m^2
- Limoges: EHPAD des 5 Sens, a care home for the elderly as a property development contract of 5,095 m^2
- Vannes Grand Champ: 56 accommodation units as off-plan sales

Since 1 January 2011, 28.9 million euros (Icade's proportional share) of contracts were signed for off-plan sales (VEFA) or property development contracts (CPI):

- property development contract for the Viviani Care Home for the Elderly, for Orpéa in Nantes (44) for 8.7 million euros
- property development contract for the Red Cross Training Centre in Limoges (87) for 2.1 million euros
- property development contract for the Obesity Centre in Saint Yrieix (87) for 7.5 million euros
- off-plan sale for the Parish Church Centre and housing at Veigne (37) for 4.5 million euros
- property development contract for a home for disabled people in Poitiers La Varenne (86) for 1.8 million euros
- off-plan sales for social housing at Romainville Veuve Aublet (93) for 4.3 million euros

Commercial Property and Shops

The level of investment in offices in France stood at a fairly low level in 2011, much the same trend as last year (11 billion euros in 2010).

In this context, Icade has reached agreement on the following contracts during this half year:

- an off-plan project for SURAVENIR in Lyon (12,320 m^2 of office space)

- “Le Prélude” in Bordeaux, an off-plan project with UFG (9,347 m² of office space)
- a property development contract in Toulon for APGM (6,700 m² of office space)

In the shops segment, a protocol was signed with Altarea-Cogedim for the sale of the Nîmes Costières retail park.

Turnover in the first half of 2011 does not yet include these recently-signed projects.

Over the first half of 2011, the turnover for office and shop development (25.7 million euros, compared to 32.0 million euros to 30 June 2010) is in sharp decline as a result of contraction in the market.

The main operations that have contributed to the turnover for the first half of 2011 are:

- Villejuif (blocks 1 and 6) for ICADE
- Lyon Vaise (block 11) for SPI WEST

On 30 June 2011, Icade Promotion had a **portfolio of projects** in Commercial Property Development and Shops of about 614,346 m² (603,063 m² on 31 December 2010), which breaks down as:

- projects under construction for 152,136 m² (93,668 m² on 31 December 2010), representing future turnover of 259.5 million euros (versus 225.5 million euros on 31 December 2010), of which 14.62% is for commercial property (24.65% on 31 December 2010)
- projects under construction for 462,210 m² (versus 509,395 m² on 31 December 2010), representing turnover of 1,367.4 million euros (1,443.1 million euros on 31 December 2010). These latter items represent projects not yet begun or not yet delivered for which there is a signed promise for the 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 project with a property development contract), or for which 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 currently under development are summarised in the table below:

	Total rounded floor area (in m² Net Floor Area)	Type of structure (offices, shops, etc.)	Operation type	Purchasers	Expected completion date
Saint Denis Landy (50%)	22,001	Offices	Property Development Contract	SILIC	**2013**
Villejuif 1 “Rhin”	10,839	Offices	Property Development Contract	Icade	**2012**
Joinville “Canadiens”	18,950	Offices	Off Plan	Wereldhave	**2013**
Villejuif 6 “Garonne”	20,260	Offices	Property Development Contract	Icade	**2011**
Toulon	6,700	Offices	Property Development Contract	SCP AGPM	**2013**
Bordeaux “Prélude”	9,347	Offices	Off Plan	UFG	**2012**
Lyon Nexans block M	12,320	Offices	Off Plan	SURAVENIR	**2013**

Guyancourt (50%) *	30,101	Offices	Off Plan	*	**2013**
Paris North-East activities	15,000	Business premises	Off Plan	RIVP	**2013**
Lyon VAISE	6,618	Offices	Property Development Contract	SPI WEST	**2012**
Total	**152,136**				

* *Speculative development*

The operations that are in the process of being set up, with planning permission applied for or obtained, are summarised in the following table:

Total rounded floor area (in m^2 Net Floor Area)	Type of development offices, shops, etc.)	Expected completion date
73,551	Offices	**2013**
30,895	Offices	**2014**
30,000	Offices	**2014**
16,564	Offices	**2015**
151,010	**Total**	

Operations at the initial development stage, with controlled land but without planning permission, are summarised in the following table:

Total rounded floor area (in m^2 Net Floor Area)	Type of development offices, shops, etc.)	Expected completion date
13,411	Offices	**2012**
9,424	Offices + hotel	**2013**
31,673	Shopping centre	**2013**
34,711	Offices	**2013**
16,619	Offices + handicrafts mall	**2013**
58,982	Shopping centre	**2014**
31,000	Offices + housing units	**2014**
53,000	Offices	**2015**
248,820	**Total**	

At 30 June 2011, 80.21% of the area under construction had been sold.

These operations constitute an irreversible commitment that comes to 221.5 million euros (excluding taxes).

Contracting authority assistance ("AMO")

The “Contracting authority assistance” business line (AMO) involves contracts for project management and studies carried out for customers in the public and healthcare, commercial and shop development segments.

Over the first half of 2011, the turnover for project management assistance was down 19.2%, standing at 18.3 million euros.

The main activity for commercial property that contributed to the turnover for the first half of 2011 is the Le Millénaire shopping centre in Aubervilliers (93), which was delivered in April 2011. The Costières Parc project in Nîmes (30), the Passage du Nord shopping centre and the Boulevard MacDonald in Paris, and the La Capelette shopping centre in Marseilles (13) will start contributing to the results as of the second half of 2011.

In the offices segment, the principal contracts for 2011 relate to Icade’s commercial property projects:

- the EQHO Tower in La Défense
- the Le Millénaire shopping centre in Aubervilliers (93)
- Le Beauvaisis (Paris 19th)
- the *Ilot E* property in Saint Denis

Engineering

The activities for the first half were marked by several noteworthy events:

- the delivery of the Le Millénaire shopping district in Aubervilliers (pilot studies, monitoring of the work and obtaining the HEQ certificates)
- successful delivery of the LCL headquarters in Villejuif
- a successful advice, design and construction project for the Healthcare Coordination Group of Villeneuve sur Lot, one of the largest in France

Finally, the combination of GESTEC and ARCOBA has allowed the creation of a key team of specialists on topical matters such as the operation of buildings, their energy performance and their certifications, as well as sustainable development.
In the field of healthcare buildings, the establishment of the Regional Health Agencies is now in effect; several dossiers are being analysed and have been shifted, resulting in order-taking for SETRHI that is down on the first half.

The order books for the two companies are 27 and 20 months respectively, providing a clear picture of the activities.

Intra-group operations with Commercial Property Development

For Office Development:
Continuation of the programmes for the headquarters of LCL in Villejuif (94).

Turnover still to be completed on 30 June 2011 was 37.7 million euros.

For Contracting Authority Assistance:

The Ilôt 1 building in Villejuif (94)
The Le Millénaire shopping centre in Aubervilliers (93)
Renovation of the Maine-Montparnasse tower in Paris (75)
Major renovation of the EQHO tower in La Défense (92)
Major renovation of the Beauvaisis building in Parc du Pont de Flandre in Paris (75)
Major renovation of the *Ilôt E* block in Saint Denis (93).

Turnover still to be completed on 30 June 2011 was 10.4 million euros.

Requirements for working capital and borrowing

There was movement back towards more normal levels of cash in 2011, after a financial year in 2010 that saw the need for working capital and borrowing down substantially due to the acceleration in sales of residential property at the end of the year and a shift in the starting dates of office projects.

Accompanying the growth in activities, particularly in residential property development, the first half of 2011 saw the division's requirements for working capital and borrowing increase by 60.4 million euros and net borrowing went from a financial surplus of 43.6 million euros to a borrowing requirement of 1.6 million euros.

3. Property services

The Services division mainly covers property management, the operation of serviced residences, and consulting and expertise.

Discontinued activities are for the Italian and Spanish subsidiaries (sold off in the first half of 2010 and at the beginning of 2011 respectively) and for Icade Gestec (transferred at the beginning of 2011 to the Development division).

(in millions of euros)	30/06/2011	30/06/2010	Change
TURNOVER	**48.9**	**51.3**	**(4.6%)**
Core businesses	**48.9**	**48.5**	**1.1%**
Property Management	16.7	15.6	6.9%
Serviced Residences	22.1	22.0	0.5%
Consulting and Appraisal	10.4	11.1	(6.5%)
Intra-business services	(0.2)	(0.3)	(15.3%)
Businesses sold	**0.0**	**2.8**	
EBITDA	**3.0**	**1.3**	**135.3%**
Core businesses	**3.0**	**0.5**	**391.2%**
Property Management	1.8	0.6	207.3%
Serviced Residences	1.5	1.3	11.4%
Consulting and Appraisal	(0.3)	(1.3)	(76.4%)
Intra-business services	0.0	0.0	-
Businesses sold	**0.0**	**0.8**	
OPERATING PROFIT/LOSS	**2.3**	**0.6**	**313.8%**
Core businesses	**2.3**	**(0.1)**	
Property Management	1.6	0.3	298.0%
Serviced Residences	1.3	1.1	18.9%
Consulting and Appraisal	(0.6)	(1.5)	(62.7%)
Intra-business services	0.0	0.0	-
Businesses sold	**0.0**	**0.6**	

The turnover of the Property Services division reached 48.9 million euros on 30 June 2011, as opposed to 51.3 million euros as at 30 June 2010. The change has varied depending on the business line as follows:

- a stable turnover of 22.1 million euros for the Serviced Residences business line, with:
    - delivery of two residences located at Chelles (77) and Pré St Gervais (93) at the end of 2010, for 252 plots that will have generated turnover of 0.9 million euros during the first half of 2011
    - the decision not to renew the leasing agreement for the Noisy-le-Grand and Talence residences because of their operating deficits that are having a negative impact of 0.5 million euros on the turnover
    - the start of commercial operation of 150 new units at Valence

Assets managed in France on 30 June 2011:

56 serviced residences, representing nearly 7,400 units distributed throughout the country.

Icade is the third largest private operator of student accommodation, after Lamy Résidences (over 12.000 units), Réside Etudes (over 10,000 units) and ahead of BNP Paribas (5,800 units).

At 30 June 2011, 60% of the units are operated through commercial leases and 40% through property management mandates.

Assets managed in Spain on 30 June 2011:

23 student residences spread throughout the peninsula, representing **6,600 units.**

- Declining surveying and consultancy business is primarily due to the expected reduction of Icade Transaction, deriving from the market conditions and contracts to be wound down over the course of the second half year for Iporta and Icade Conseil.

- Significant growth in turnover of the property management business line, thanks to the new orders that were gained in the second half of 2010 (Tour First, CB20 Les Miroirs, Tour Cristal, Poste-Immo monitoring, etc.), now offsetting the decline in basic rents resulting from renegotiated leases and the loss of fees resulting from divestments of assets by their owners.

Assets managed in France on 30 June 2011:

2,400,000 m² as the manager

1,400,000 m² as the managing agent

725,000 m² as the controller

15,300 accommodation units managed for institutional owners.

Intra-group operations with Icade's other business lines

The consulting and expertise activities are associated with the disposal of various commercial property assets by Icade. In addition, the Property Services Division is involved in the management and sale of the widely-scattered residual residential properties. In terms of technical consultancy, the Property Services Division supports Icade in order to ensure the security of all Icade's business parks. This group of services represents 12% of the turnover of the Property Services Division in France.

The **EBITDA** for the core business activities, with a stable turnover, went from 0.5 million euros at 30 June 2010 to 3.0 million euros at 30 June 2011.

48% of the improvement comes from the property management activities, 44% from consultancy and expertise activities, and 8% from serviced residences.

The **operating profit/loss** for the core business activities shows a profit of 2.3 million euros to 30 June 2011, as against a loss of 0.1 million euros to 30 June 2010. In accordance with its strategy, Icade uses every means of improving performance in all of its activities.

4. Other

The "Other" activities consist of what Icade Group calls its "head office" charges and eliminations of Icade's intra-group operations.

"Other" **turnover** was -34.1 million euros to 30 June 2011, as opposed to -50.6 million euros in 2010. This corresponds basically to the elimination of turnover associated with intra-group activities.

The Property Development Division purchases property development contracts and assistance for contracting authorities from the Commercial Property Development Division. The main projects during the first half of 2011 are the LCL offices in Villejuif, the Le Millénaire shopping centre in Aubervilliers (93), the EQHO tower in La Défense (92), the Beauvaisis building in Paris (75) and Ilôt E in Saint Denis (93). The impact on turnover was a negative 23.6 million euros at 30 June 2011.

"Other" **operating profit/loss** was a negative 10.3 million euros at 30 June 2010, compared to a negative 9.8 million euros at 30 June 2010. At 30 June 2011, it consisted on the one hand of eliminations of margins on activities within the Icade group (a negative 8.3 million euros) and on the other hand the negative contribution made by Icade's "head office" charges (a negative 1.9 million euros).

5. Results for the first half of 2011

5.1 Financial profit/loss

At 30 June 2011, Icade produced a financial loss of 47.1 million euros against a loss of 52.1 million euros at 30 June 2010.

This improvement can be seen as part of the policy of continuous improvement for Icade's financial resources, accompanied by prudent management of interest rate risks and stabilisation of its Loan to Value ratio at below 40%.

5.2 Tax charge

The tax charge for the first half of 2011 comes to a negative 25.4 million euros, as opposed to a negative 11.2 million euros at 30 June 2010. This increase is particularly linked to the residential development business line and the taxes on capital gains from the sale of shops in the ground floors of buildings by Icade Commerce (a company that is not under the SIIC regime).

We would like to point out that the accounts of Icade SA were audited for the financial year 2010. The tax authorities had on this particular occasion challenged its proposal to correct the market values on 31 December 2006 based on property valuations that had served as the basis for calculating the exit tax (corporation tax at a rate of 16.50%) when Icade Patrimoine was merged with/absorbed into Icade on 1 January 2007. This resulted in an increase in the basis on which the exit tax was imposed, in principle generating an additional tax charge of 204 million euros. The company disputed the whole of this proposed correction, as it was advised to do. Accordingly, no provision was made for this on 31 December 2010.

Taking account of the absence of new elements, the company's position has been held steady up to 30 June 2011.

5.3 Group share of net profit

After taking into account all of the above factors, the **Net Profit Group Share** was 48.4 million euros on 30 June 2011, against 906.2 million euros on 30 June 2010.

III – NET ASSET VALUE ON 30/06/2011

As at 30 June 2011, the simple EPRA net asset value came to 4,462.3 million euros or 86.1 euros per share, representing an increase of 1.5% compared to 31 December 2010, and the triple EPRA net asset value came to 4,352.2 million euros or 83.9 euros per share, representing an increase of 3.1% compared to 31 December 2010 and 7.1% after adjustment for the dividend of 3.3 euros per share that was paid out in April 2011.

A - VALUATION OF PROPERTY ASSETS

1. Summary of expert valuations of Icade's assets

Group assets work out at 6,283.8 million euros excluding rights, against 6,128.9 million euros at the end of 2010, a change of +154.9 million euros over the first half of 2011 (+2.5%). On a like-for-like basis, the half-yearly change in portfolio value stands at +138.3 million euros, i.e. an increase of 2.3% compared with 31 December 2010, as shown in the table below:

Ex-rights value of assets in €M [1]	30/06/11	31/12/10	Change (in €M)	Change (in %)	Change on a like-for-like basis (in €M) [2]	Change on a like-for-like basis (in %) [2]
Commercial Property Investment Division	5,971.1	5,768.3	+202.8	+3.5%	+136.3	+2.4%
Residential Property Investment Division	312.7	360.6	(47.9)	(13.3%)	+2.0	+0.6%
Value of property assets	**6,283.8**	**6,128.9**	**+154.9**	**+2.5%**	**+138.3**	**+2.3%**

(1) According to the companies in the consolidation as at 30/06/2011 (100% consolidation of assets consolidated by the full consolidation method and up to the percentage interest for other consolidated assets).
(2) Net change over the period in disposals and investments.

Icade's property assets are valued by independent property surveyors twice a year for the publication of the half-yearly and annual financial statements, according to arrangements compliant with the SIIC code of ethics published in July 2008 by the "*Fédération des sociétés immobilières et foncières*" [Federation of property and real-estate companies].

The property surveying assignments were performed by Jones Lang LaSalle, DTZ Eurexi, CB Richard Ellis Valuation and Catella.

Early in 2011, Icade launched a consultation with the main property experts about renewing the surveying tasks for its office properties in France, plus the business parks, the shops and shopping centres and the warehouses. The criteria used for appointing the experts were independence, qualifications, reputation, expertise in property evaluation, organisational capacities, flexibility and the proposed pricing. At the end of this process, a three-year contract was signed with the selected valuers. For the portfolios of offices in Germany and for the public and healthcare, an annually renewable valuation contract was signed between Icade and the property experts, who will be rotating their teams internally over a period of seven years.
The property valuation fees are invoiced to Icade on the basis of a fixed fee that takes account of the specific features of the buildings (numbers of units, number of square metres, number of current leases, etc.). The fees are independent of the value of the assets.
The surveyors' assignments, for which the main methods of valuation and the conclusions are presented below, are performed according to the standards of the profession. In particular:

- the *Property Valuation Surveying Charter, third edition, published in June 2006;*
- the "Barthès de Ruyter" report from the COB (AMF) dated 3 February 2000 on the valuation of the property assets of companies making public offerings for investment;

- at the international level, the TEGOVA (*The European Group of Valuers' Associations) European surveying standards published in April 2009 in the Blue Book, and the standards of the Red Book* from the Royal Institution of Chartered Surveyors (RICS).

These various texts specify the qualification of the valuers, the rules for good conduct and ethics and the basic definitions (values, surface areas, rates and the main methods of valuation).
Icade uses an expert committee to ensure the consistency of the valuation methods used when submitting valuations for its property assets for all valuation rounds.

The values are established "rights included" and "ex-rights", the "ex-rights" values being determined after deduction of fees and legal expenses calculated on an outright basis by the surveyors.
The Crystal Park office block and the EQHO and Scor towers were appraised twice, with the value given corresponding to the average of the two survey values.

The sites are systematically visited by the surveyors for all new assets coming into the portfolio. New site visits are then organised according to a long-term schedule, or each time that a specific event in the life of the building requires it (occurrence of significant modifications in its structure or environment). Following their work, the surveyors issue a surveyor's report, which is generally presented in the form of a summary surveyor's report and/or a surveying certificate. For assets that were not surveyed, the surveyors update their previous reports after reviewing changes that have occurred in their legal, urban planning or rental situations.

Following the procedures currently in practice within the Group, all Icade's assets were valued at 30 June 2011, with the exception of:

- buildings that are currently being divested, including those that were subject to a promise of sale at the point when the accounts were closed and have been valued at the contractual sale price; this was the case on 30 June 2011 for the Atrium office block in Paris, plus those in Lille La Madeleine and Goldsteinstrasse in Frankfurt;

- the buildings underlying a financial operation (i.e. capital leasing or rent with the option to buy where Icade acts exceptionally as the leaser) which are maintained at the cost price, or as in this case, the purchase option cited in the contract: the Levallois-Perret office block leased to the Ministry of the Interior for a 20-year duration with a purchase option (LDA) is the only building which figures in that category on 30 June 2011;

- public buildings and works held via a PPP (public-private partnership) which are not valued, as the ownership ultimately returns to the State at the end of the concession. These assets are therefore held at the book value and are not listed elsewhere in the property assets currently published by Icade;

- the buildings acquired under off-plan sales or from the Group's property developers, which are also valued at their production cost until their delivery dates, like the office buildings in Villejuif; these assets are maintained at their production cost disbursed on 30 June 2011;

- buildings acquired less than three months before the date of the half-year or annual closure, which are maintained at the net book value. On 30 June 2011, the clinic at Vitry-sur-Seine was retained at its purchase price.

2. The Commercial Property Investment Division

At 30 June 2011, the overall value of the Commercial Property Investment division portfolio came out at 5,971.1 million euros excluding rights, against 5,768.3 million euros at end 2010, a rise of 202.8 million euros (+3.5%).

Commercial property portfolio (ex. rights) in €M	**30/06/11**	31/12/10	Change (in €M)	Change (in %)	Change on a like-for-like basis (in €M)	Change on a like-for-like basis (in %)
Offices Division	2,686.7	2,687.7	(1.0)	0.0%	+27.3	+1.0%
Business Parks Division	1,506.7	1,416.1	+90.6	+6.4%	+60.2	+4.3%
Shops and Shopping Centres Division	434.4	370.3	+64.1	+17.3%	+33.9	+9.2%
Public and Healthcare	1,096.0	1,035.3	+60.7	+5.9%	+27.7	+2.7%
Warehouses Division	247.3	258.9	(11.6)	(4.5%)	(12.8)	(5.0%)
Total for the Commercial Property Investment Division	**5,971.1**	**5,768.3**	**+202.8**	**+3.5%**	**+136.3**	**+2.4%**

After eliminating the impact of acquisitions and disposals carried out in the first half of 2011, the change in the value of commercial assets amounted to +2.4% on a like-for-like basis. This increase in value shows just how very resilient the assets of the Commercial Property Investment Division have been with regard to the market trends seen in the investment market for corporate property during the first half of 2011.

In terms of value, 76% of the portfolio is located in Ile-de-France, predominantly in Paris and the inner ring of suburbs. Buildings situated in Paris and La Défense alone represent 32% of the total. The assets in Germany, which are integrated into the Offices division, represent 5% of the portfolio.

Valuation of the commercial property assets by geographical sector	**Value excl. rights (in €M)**		Change (in €M)	Change on a like-for-like basis	Change on a like-for-like basis
	30/06/11	**31/12/10**		(in €M)	(in %)
Paris QCA (Central Business Quarter)	277	276	+1	+1	+0.2%
Paris (excluding QCA)	988	918	+70	+50	+5.5%
La Défense	632	611	+21	(4)	(0.6%)
Western Quadrant	1,021	1,024	(3)	+4	+0.4%
Inner ring	1,316	1,194	+122	+47	+3.9%
Outer Ring	319	289	+30	+30	+10.5%
Subtotal for the Ile-de-France region	**4,553**	**4,312**	**+241**	**+128**	**+3.0%**
Regional	1,116	1,076	+40	+16	+1.5%
Germany	302	380	(78)	(8)	(2.6%)
TOTAL	**5,971**	**5,768**	**+203**	**+136**	**+2.4%**

The values at 30 June 2011 are given below for each of the portfolios that make up the Commercial Property Investment Division: Offices, Business Parks, Shops and Shopping Centres, Public and Healthcare, and Warehouses.

2.1 The Commercial Property Investment Division - offices

This activity includes the buildings belonging to Office Investment Property France and the property assets belonging to Icade REIT in Germany. The overall value of this portfolio stood at 2,686.7 million euros ex-rights at 30 June 2011, against 2,687.7 million euros at the end of 2010, representing a decrease of 1.0 million euros.

Value of property assets in €M	30/06/11	31/12/10	Change (in €M)	Change (in %)	Change on a like-for-like basis (in €M)	Change on a like-for-like basis (in %)
Office property investment (France)	2,384.4	2,307.3	+77.1	+3.3%	+35.2	+1.5%
Icade REIT	302.3	380.4	(78.1)	(20.5%)	(7.9)	(2.6%)
Offices Division	**2,686.7**	**2,687.7**	**(1.0)**	**0.0%**	**+27.3**	**+1.0%**

During the first half of 2011, investments made in office assets, comprising principally the work for the EQHO tower and the two office blocks in Villejuif, came to a total of 44.2 million euros. Eliminating the impact of these investments and the disposal of the MK9 building in Munich (sold at the beginning of 2011), the change in value of the assets of the Offices division at 30 June 2011 came to an increase of +27.3 million euros on a like-for-like basis, i.e. +1.0%.

In general, this change can basically be explained by the effects of a slight drop in interest rates, resulting in an increase in values by about 16.0 million euros, and the impact of the business plans for the buildings, coming to +11.3 million euros on 30 June 2011.

Yield of assets and reversion potential

Value of office property assets	Value incl. rights (in €M) (1)	Value excl. rights (in €M) (2)	Net rate of return (excl. rights) (3)	Average price €/m^2 (4)
Paris QCA	294	277	6.1%	10,399
Paris (excluding QCA)	216	213	6.2%	8,294
La Défense	246	231	8.9%	5,091
Western Quadrant	898	851	6.3%	8,425
Inner ring	198	195	6.3%	4,629
Outer Ring	42	40	10.6%	1,341
TOTAL for the Paris region	**1,894**	**1,807**	**6.7%**	**6,680**
Regional	33	31	9.2%	1,454
Germany	238	229	7.8%	1,897
TOTAL	**2,165**	**2,067**	**6.8%**	**5,011**
Property reserves and projects under development (5)	630	620	n/a	n/a
TOTAL	**2,795**	**2,687**		

(1) Rights-inclusive valuation of office assets established from the average of surveyed values as at 30 June 2011
(2) Ex-rights valuation of the office assets established from the average surveyed values at 30 June 2011 (after deducting fees and lump-sum legal expenses calculated by the surveyors).
(3) Net annualised rents for rented floor areas added to potential net rents of vacant floor areas at the market rental value related to the ex-rights surveyed value of the rentable floor areas.
(4) Established according to the appraisal value excluding rights.
(5) Primarily includes the land and development projects in Germany (Arnulfstrasse 61 in Munich, Mercedesstrasse in Düsseldorf, Hohenzollerndamm and Salzufer in Berlin, and Ahrensdorf in Ludwigsfelde), the buildings under construction in Villejuif (Avenue de Paris), the EQHO Tower and the Le Mistral project in Paris 15th.

The yield of the Office Division's buildings was 6.8% at 30 June 2011 (identical to 2010) for a reversion potential (*) valued at -3.2% according to the market rental values estimated by the property surveyors. This change in the rate of return can be explained by the stability of the interest rates used by the valuers when calculating the value of the assets.

(*) reversion potential: difference ascertained between the market rental value of the rented floor area and the annualised rent net of non-recoverable charges for these same floor areas (expressed as a percentage of net 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.

2.2 The Commercial Property Investment Division – business parks

The property assets of the business parks consist of built assets that are 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 market value of the business park assets was assessed at 1,506.7 million euros excluding rights on 30 June 2011, against 1,416.1 million euros on 31 December 2010, representing an upward change of 90.6 million euros (+6.4%).

Icade made 30.4 million euros of maintenance and development investments in its business parks during the first half of 2011.

On a like-for-like basis, after neutralising investments for the half-year, the value of the business park assets increased by 60.2 million euros over the first half of 2011, which is +4.3%. This variation can be explained as comprising about +116.8 million euros of downward adjustments due to interest rates and -56.6 million euros due to the impact of the business plans for the buildings.

Geographical breakdown of assets

Value of the property assets of business parks	Value excl. rights	
	(in €M)	(in %)
Paris (75)	717	47.6%
Saint Denis (93)	152	10.1%
Aubervilliers (93)	638	42.3%
TOTAL	**1,507**	**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 Flandre and Parc du Millénaire).

Yield of assets and reversion potential

Value of property assets of business parks	Value incl. rights (in €M)	Value excl. rights (in €M)	Net rate of return, excl. rights	Average price €/m²
Parc du Pont de Flandre	363	343	6.9%	4,366
Parc des Portes de Paris	522	492	8.5%	2,234
Parc Pilier du Sud	33	31	8.5%	1,363
Parc CFI	126	121	8.6%	1,957
Parc du Millénaire	336	330	6.3%	4,943
Parc du Quartier du Canal	24	22	7.4%	2,934
Parc le Mauvin	33	31	10.4%	1,395
TOTAL	**1,437**	**1,370**	**7.6%**	**2,856**
Property reserves and projects under development (1)	139	137	n/a	n/a
TOTAL	**1,576**	**1,507**		

(1) Includes mainly buildings under reconstruction (Parc du Pont de Flandre: Building 028, Parc des Portes de Paris: Buildings 114, 206, 287 and 291) and the development projects (Parc du Millénaire: Buildings 3 & 4).

Based on the rent at 30 June 2011, the returns of the business park assets were at 7.6% (as opposed to 7.7% at the end of 2010), with the reversion potential of the portfolio estimated at -2.3% according to the market rental values given by DTZ.

2.3 The Commercial Property Investments Division - shops and shopping centres

At 30 June 2011, this class of assets comprised the Odysseum shopping centre in Montpellier, delivered by Icade Property Development and opened in 2009, plus the portfolio of shop buildings for Mr Bricolage, acquired at the start of 2008. The shopping centre assets also include the Le Millénaire shopping centre located in Aubervilliers, developed in a 50-50 partnership with Klépierre and delivered in April 2011.

On 30 June 2011, the overall value of the Shops and Shopping Centre assets stood at 434.4 million euros ex-rights, against 370.3 million euros at the end of 2010, representing an increase of 64.1 million euros (+17.3%).

Value of property assets in €M	30/06/11	31/12/10	Change (€M)	Change (%)	Change on a like-for-like basis (€M)	Change on a like-for-like basis (%)
Shopping centres	316.4	257.5	+58.9	+22.9%	+33.9	+9.2%
Icade Bricolage	118.0	112.8	+5.2	+4.6%	0.0	+0.0%
Shops and shopping centres	**434.4**	**370.3**	**64.1**	**+17.3%**	**+ 33.9**	**+9.2%**

After adjustments to the development costs incurred during the first half of 2011, in particular for the shopping centre at Aubervilliers and the acquisition of the Mr Bricolage shops at Bessines and Ruffec, the change in value of the shops and shopping centre assets came to +33.9 million euros on a like-for-like basis over the first half of 2011 (+9.2%). About +13.0 million euros of this change can be explained by a downward adjustment in the yield and discount rates used by the property surveyors; the revision of the business plan assumptions for the buildings accounts for 20.9 million euros.

Return on assets

Valuation of shopping centre assets	Value incl. rights (in €M)	Value excl. rights (in €M)	Net rate of return (excl. rights)	Average price €/m²
Paris	8	7	6.3%	3,022
Inner ring	202	190	6.1%	6,776
Outer Ring	4	4	7.4%	734
Regional	241	233	6.8%	1,346
TOTAL	**455**	**434**	**6.5%**	**2,083**

The net yield of the shops portfolio was 6.5% on 30 June 2011 (against 6.7% at the end of 2010). This change in rate of return is explained principally by the favourable changes in the rates of interest used by the surveyors in calculating the value of the assets, and the effect of opening the Le Millénaire shopping centre in Aubervilliers.

2.4 The Commercial Property Investment Division - Public and Healthcare

The health property portfolio consists principally of buildings for clinics and healthcare establishments, plus one office building in Levallois-Perret (92).

The office block at Levallois Perret (92) comprises 30,000 m² net usable floor area. This building, acquired in 2006 for 179.2 million euros including costs and works, was leased to the Ministry of the Interior for a 20-year period with an option to purchase. Because of the provisions in the rental contract that deem this to be equivalent to a property financing deal, the building was not subject to a property valuation at 30 June 2011, as was the case at 31 December 2010. This lease was used in the NAV calculation at a value corresponding to the purchase option price stated in the contract, namely 162.3 million euros at 30 June 2011.

The overall value of this portfolio was estimated at 1,096.0 million euros ex-rights at 30 June 2011, against 1,035.3 million euros at the end of 2010, representing an increase of 60.7 million euros.

This change in value is primarily attributable to the acquisition of a clinic in Vitry-sur-Seine and work that was carried out during the first half year.

On a like-for-like basis, the value of the portfolio has varied by +27.7 million euros over the first half of 2011, i.e. +2.7%. About +16.6 million euros of this variation is explained by the impact of interest rates and +11.1 million euros by the impact of the business plans for the buildings.

Geographical breakdown of assets

Valuation of Public and Healthcare property assets	Value excl. rights	
	(in €M)	(in %)
Western Quadrant	162	14.8%
Inner ring	53	4.8%
Outer Ring	266	24.3%
Total for the Ile-de-France region	**481**	**43.9%**
Regional	615	56.1%
TOTAL	**1,096**	**100%**

Return on assets

Valuation of Public and Healthcare property assets	Value incl. rights (in €M)	Value excluding rights (in €M)	Net rate of return (excl. rights) (1)	Average price €/m^2
Clinics and other health centres	935	885	6.8%	2,163
Levallois	162	162	n/a	n/a
Property reserves and projects under development (2)	40	39	n/a	n/a
Other (3)	10	109	n/a	n/a
TOTAL	**1,147**	(4) **1,096**		

(1) Annualised rent net of non-recoverable charges for assets related to their ex-rights surveyed value, supplemented where necessary by additional rent contracted if work is carried out.
(2) Monet clinic in Champigny-sur-Marne and the Villeneuve d'Ascq private hospital
(3) Buildings in Périgeux and the crèche at Toulouse Blagnac
(4) Of which Icade Santé: 859 million euros for the assets currently in operation and 39 million euros for the assets being developed, i.e. a total of 898 million euros

The net yield of the clinics portfolio was 6.8% on 30 June 2011 (against 7.0% at the end of 2010).

2.5 The Commercial Property Investment Division - warehouses

The market value of the warehouse assets was put at 247.3 million euros ex-rights on 30 June 2011, against 258.9 million euros on 31 December 2010. This represents a downward change of 11.6 million euros (-4.5%).

On a like-for-like basis, after neutralising investments for the first half-year of 2011, the value of these assets was down by 12.9 million euros, i.e. -5.0%. This variation is explained by the combined effect of an increase in interest rates leading to a reduction in value by about 7.0 million euros, plus the effects of the business plans for the buildings with a negative impact of 5.9 million euros.

Yield of assets and reversion potential

Valuation of Office property assets	Value incl. rights (in €M)	Value excluding rights (in €M)	Net rate of return (excl. rights)	Average price €/m^2
Outer ring	10	9	16.5%	343
Regional	251	238	10.4%	417
TOTAL	**261**	**247**	**10.7%**	**414**

The return on the warehouse assets was 10.7% on 30 June 2011, for a reversion potential valued at -7.1% based on the market rental values estimated by the property experts.

3. The Residential Property Investment Division

Taking account of the significant disposals made during the course of 2010 under the agreements made with the consortium, the assets of the Residential Property Division on 30 June 2011 comprised the buildings assigned to the common structure with SNI by virtue of the protocol dated November 2009, as well as accommodation under joint ownership and various residual assets of the Residential Property Division that have been valued on the basis of property surveys.

The value of the Residential Property Investment Division's portfolio stood at 312.7 million euros ex-rights at 30 June 2011, against 360.6 million euros at the end of 2010, representing a change of -47.9 million euros (-13.3%).

This change is explained principally by the effect of the disposals of shops in the ground floors of residential buildings by the end of the first half of 2011. On a like-for-like basis, the change in the value of the assets of the residential property division is up by 2.0 million euros (+0.6%) and is essentially due to adjustments to the value of the jointly owned residential property.

4. Methods used by the valuers

The methods used by the experts are identical to those used for the previous financial year (see 2010 reference document).

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 NAV (net asset value). The method used by the valuer, which remains identical to that used for the previous year, is essentially based on each company's discounted cash flow over the term of their business plan, together with a terminal value based on a normative cash flow increasing to infinity.

On this basis, at 30 June 2011, the value of the service and development companies corresponded to 475.5 million euros against 443.3 million euros at 31 December 2010, a half-yearly increase of 7.3%. The value of these companies on 30 June 2011 breaks down as 87% for the development companies and 13% for the service companies.

Among the financial parameters adopted, the surveyor used a stable weighted average cost of capital (as compared to the valuation made at the end of 2010), ranging from 8.78% to 9.71% for the service companies and from 8.78% to 12.78% for the development companies.

C – METHODOLOGY FOR CALCULATING NET ASSET VALUE

The EPRA simple net asset value (NAV) was calculated based on the consolidated capital and reserves, set out in accordance with the IFRS standards, to which the following items have been added or removed:

(+) the impact of the dilution of securities providing access to capital;

(+) the unrealised capital gain on property assets established on the basis of property surveys, excluding 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 property development and service companies, as established on the basis of the independent valuation that was carried out;

(+/-) cancellation of the positive or negative effects of converting cash flow hedging instruments at market value, included in the consolidated capital and reserves as per the IFRS standards;

The EPRA triple net NAV is the simple met EPRA NAV minus the following items:

(+/-) taking account of the positive or negative effects of converting cash flow hedging instruments at market value, included in the consolidated capital and reserves as per the IFRS standards;

(+/-) the positive or negative effects of conversion to market value of fixed-rate financial debts not taken into account under the IFRS standards (according to the IFRS standards, derivative financial instruments are shown on the balance sheet at their fair value and the financial liabilities are carried at cost);

(-) 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 EPRA NAV include the net result for the reference period. The EPRA NAV is calculated in terms of group share and then diluted per share after cancelling any treasury shares and taking account of the diluting impact of stock options or stock purchases.

D – CALCULATION OF THE EPRA NET ASSET VALUE

1. Consolidated capital and reserves

As at 30 June 2011, the group share of consolidated capital and reserves came to 2,772.4 million euros, including a group share of net profit of 48.4 million euros. Converting financial instruments for hedging cash flows at market value had a positive impact of 30.9 million euros on the capital.

2. Unrealised capital gain on property assets

The unrealised capital gains to be taken into account derive from the valuation of property assets that are still accounted for at cost on the balance sheet. On 30 June 2011, unrealised capital gains excluding rights and legal fees came to 1,424.3 million euros.

3. Unrealised capital gain on development and service companies

The service and development companies were valued by an independent expert on 30 June 2011. This resulted in an unrealised capital gain of 148.9 million euros which was taken into account in calculating the EPRA net asset value (NAV) as at 30 June 2011.

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 0.6 million euros, which is taken into account when calculating the EPRA NAV (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 amounted to 4.5 million euros at 30 June 2011. This tax liability applies primarily to the assets held by Icade Commerces and the assets of Icade REIT in Germany, taxed at 15.83%.
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 5.3 million euros at 30 June 2011.

6. Treasury shares and securities providing access to capital

The number of fully-diluted shares used when calculating the EPRA NAV on 30 June 2011 was 51,847,239, after cancelling treasury stock. The impact of diluting instruments comes to 292,530 shares on 30 June 2011.

The group share of the simple EPRA NAV was 4,462.3 million euros on 30 June 2011, i.e. 86.1 euros per share.

The group share of the triple EPRA NAV was 4,352.2 million euros on 30 June 2011, i.e. 83.9 euros per share.

In the calculation of the EPRA NAV, the effect of dilution linked to stock options has been to increase the consolidated capital and reserves and the number of shares in proportion to the number of shares exercisable at the end of the reporting period.

As a reminder: the NAV published previously used the share repurchase method for calculating the dilution with no impact on the consolidated capital. Using either method gives an almost identical figure for the NAV per share.

Determining the Group share of the EPRA NAV (in €M)		30/06/11	31/12/10
Group share of consolidated capital	(1)	2,772.4	2,833.2
Impact of the dilution of securities providing access to capital	(2)	17.0	21.7
Unrealised capital gain on property assets (excluding rights)	(3)	1,424.3	1,240.4
Unrealised capital gain on development companies	(4)	128.9	121.1
Unrealised capital gain on service companies	(5)	20.0	38.0
Adjustment for revaluation of interest-rate hedging instruments	(6)	99.7	130.6
Group share of EPRA NAV	(7)=(1)+(2)+(3)+(4)+(5)+(6)	**4,462.3**	**4,385.0**
Adjustment for revaluation of interest-rate hedging instruments	(8)	(99.7)	(130.6)
Revaluation of fixed-rate debt	(9)	(0.6)	(13.1)
Tax liability on unrealised capital gain on property assets (excl. rights)	(10)	(4.5)	(13.9)
Tax liability on unrealised capital gain on securities for development companies	(11)	(4.7)	(3.8)
Tax liability on unrealised capital gain on securities for service companies	(12)	(0.6)	(15.1)
Group share of EPRA triple net NAV	(13)=(7)+(8)+(9)+(10)+(11)+(12)	**4,352.2**	**4,208.5**
Number of fully diluted shares in millions	n	51.8	51.7
EPRA NAV per share *(Group share - fully diluted in €)*	(7)/n	**86.1**	**84.8**
Half-year increase			*+1.5%*
EPRA triple net NAV per share *(Group share - fully diluted in €)*	(13)/n	**83.9**	**81.4**
Half-year increase			*+3.1%*

Change in liquidation NAV in euros per share

EPRA NAV, Group share as at 31 December 2010 (in euros per share)	€81.4
Half-yearly change in capital and reserves	-€1.3
- *increase in capital*	*€0.2*
- *dividends paid in the first half year*	*-€3.3*
- *Group share of consolidated profit for first half year*	*€0.9*
- *change in the fair value of derivative instruments*	*€0.6*
- *impact of the liquidity contract*	*€0.3*
Change in the impact of the number of diluted shares on capital and reserves	(€0.1)
Change in capital gains on property assets	€3.5
Change in capital gains on property-development and services companies, adjusted for non-distributed results in 2010	€0.7
Change in tax on unrealised capital gains	€0.4
Change in fair value of the fixed-rate debt	€0.2
Other changes	(€0.9)
EPRA triple net NAV, Group share as at 30 June 2011 (in euros per share)	**€83.9**

The EPRA triple net NAV has increased by 2.5 euros per share over the first half of 2011.

IV – FINANCIAL RESOURCES

Against a background where there is still a great deal of uncertainty concerning market liquidity, Icade has pursued its policy of setting up and renewing bank financing and has been able to benefit from conditions that were more favourable than the margins to be seen in its sector, giving it substantial room for manoeuvre in terms of the mobilisation of funds.

In this context, Icade focused on controlling its financial resources:
- no major expirations during the next two years, with the available lines of credit at a sufficiently high level
- stability of its LTV, with a target figure of about 40%
- prudent management of its interest-rate risks, with a stable average cost of debt
- control of the average term of its debts, thanks to proactive follow-up of market opportunities

The major financial balances have thus been kept in equilibrium, thanks to prudent management of financing and interest-rate hedging, and Icade is preparing for the future through a solid strategy and a financial base that is in line with its ambitions.

A - CASH ASSETS

Financial resources have been obtained during the first half of 2011 by renewing existing lines of credit and setting up new confirmed lines, plus the residual cash receipts from sales of residential accommodation assets in 2010.

The main financing operations during the 1st half-year 2011 were as follows:
- renewal or implementation of 80 million euros in short-term credit lines
- renewal and/or setting up of several lines of bilateral banking credit for a total amount of 80 million euros
- establishing property development financing for a dossier in partnership for an Icade Group quota share of 29 million euros

These lines, except for the partnership line, have an average spread of 116 basis points.

Icade has drawing capacity on short and medium-term credit lines of nearly 554 million euros, to be used entirely as it sees fit. Bearing in mind the profile concerning repayments and the current restructuring of a certain number of debts, these backup lines and cash available on 30 June 2011 allow coverage of over two years of repayments for capital and interest.

B – DEBT STRUCTURE ON 30 JUNE 2011

1. Nature of debt

The gross financial debt on 30 June 2011 was 2,697.8 million euros, a decrease of 177.8 million euros compared with 31 December 2010. It comprised:

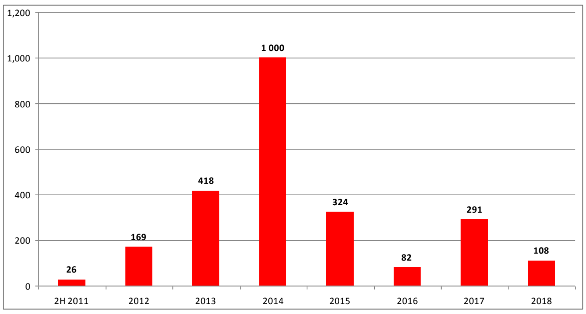
- 2,176.9 million euros of corporate borrowing
- 327.4 million euros of mortgage financing or PPD (preferential mortgages)
- 130.6 million euros of direct finance leases
- 10.3 million euros of other debts (feeder loans, etc.)
- 52.6 million euros of bank overdrafts

Net financial debt stood at 2,400.9 million euros on 30 June 2011, up by 108.7 million euros compared with 31 December 2010. This change is mainly explained by:

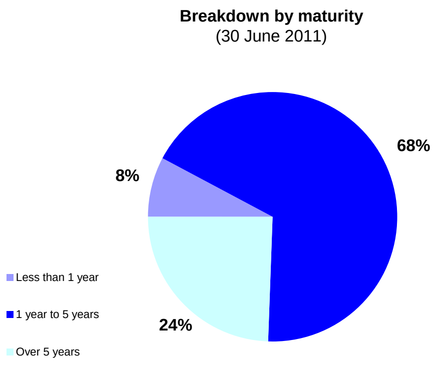
- about 65 million euros drawn over the half year
- anticipated repayments and natural amortisation of 231.6 million euros
- a reduction of 295 million euros in cash assets, basically due to dividend payments, and its deployment in investments
- a change of 27.5 million euros in the value of derivative liabilities

2. Debt by maturity

The maturity schedule of the debts drawn by Icade on 30 June 2011 is given below:



(excluding overdrafts and PPP pre-financing)

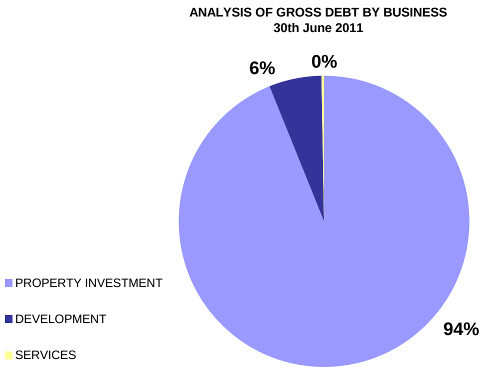


The proportions of the debt broken down by maturity have remained virtually unchanged over the half year. Icade has reduced the proportion of its debt with a maturity of less than one year in favour of its medium and long-term debts, thereby reducing its short-term liquidity challenges.

The average age of the debt as a whole is 4 years, which is down over the first half year as no new credit has been drawn upon since the start of the year.

3. Debt by business

After allocation of the intra-group refinancing, nearly 94% of the Group's bank debt relates to the Property Investment Division and 6% relates to the Property Development Division. The part assigned to the services business line is insignificant



4. Average cost of debt

At 30 June 2010, the average cost of financing came to 2.02% before hedging and 3.98% after hedging, against 1.84% and 3.93% respectively in 2010.
Due to the hedging that is in place and the active control of its debts, Icade has seen only a limited increase in the average cost of its debt, despite the interest-rate increases (Euribor 3-month average for the half year was 1.254%, as opposed to 0.812% for 2010).
, Icade has succeeded in controlling its financing costs and maintaining them at a low level against the background of an uncertain market and heavy upward pressure on financing margins.

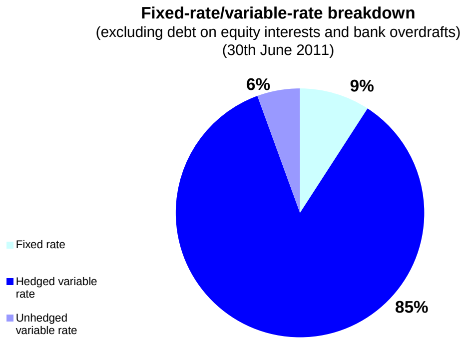
5. Interest-rate risk

The monitoring and management of financial risks are centralised within the Treasury and Debts Division of the Finance Department.

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

Changes in financial markets can entail variations in interest rates, which may result in an increase in the cost of refinancing. To finance its investments, Icade favours the use of variable-rate debt that is then hedged so that early repayments can be made without penalties: this represents, before hedging, nearly 90.7 % of its debt as at 30 June 2011 (excluding debts associated with shareholdings and bank overdrafts).

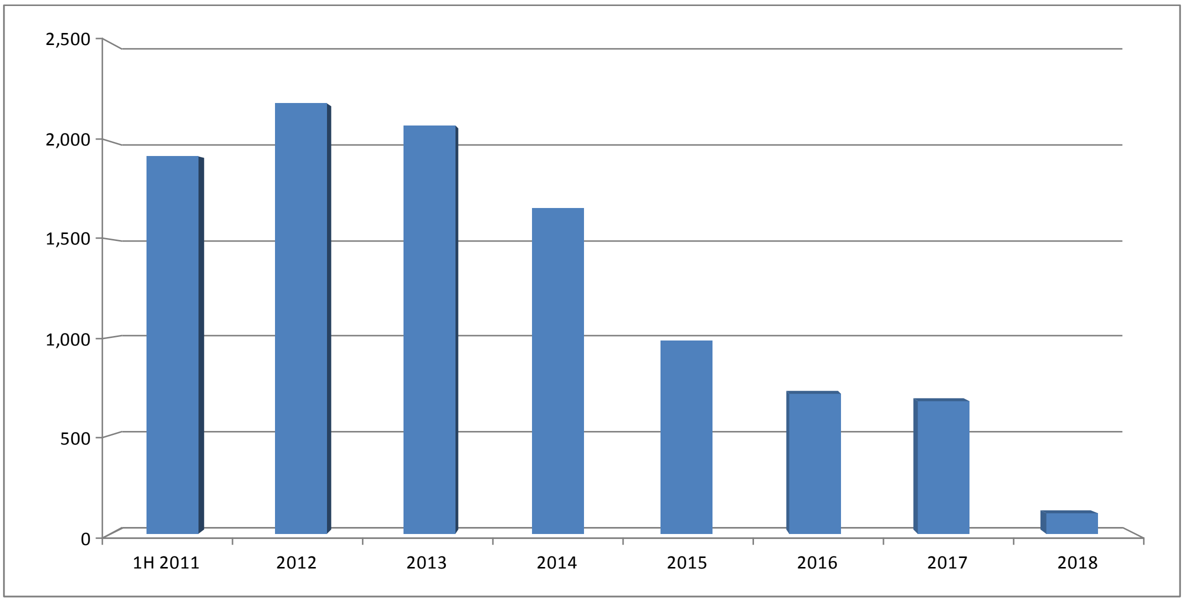
In the first half of 2011, Icade continued its prudent debt management policy by maintaining limited exposure to interest-rate risks by setting up appropriate hedging contracts (exclusively plain vanilla swaps throughout the year). New debts with maturity periods of more than one year were hedged. Thus, two swaps of 50 million euros were agreed in order to hedge two medium-term debts. Moreover, as part of the management of its hedges, Icade restructured part of the hedge for its 2014 syndicated loan during the half-year.



The average maturity of variable-rate debt is 3.4 years, whereas that of the associated hedging is 3.6 years, i.e. somewhat longer, covering a portion of future financing requirements, but before the cancellable swaps expire.

In total, the bulk of the debt (94.1%) is protected against interest-rate rises, because a part is at fixed rates, and by caps and swaps for the variable part. Most of the debt that is not hedged has a maturity of less than one year.

The notional hedging amounts for future years are as follows:



Given the financial assets and the new hedges set up, the net position is given in the following table:
(in millions of euros)

30-6-2011	Financial assets (*) (a)		Financial liabilities (**) (b)		Net exposure before hedging (c) = (a) - (b)		Rate hedging instrument (***) (d)		Net exposure after hedging (e) = (c) + (d)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Less than 1 year		394.2	13.8	195.0	- 3.8	199.3		57.4	-3.8	256.7
Between 1 and 5 years			41.6	1,791.6	-41.6	-1,791.6		1,706.5	-41.6	-85.0
More than 5 years			189.4	466.5	-189.4	-466.5		705.6	-189.4	239.1
Total		394.2	244.7	2,453.1	-244.7	-2,058.8		2,469.6	-244.7	410.8

* Current and non-current financial assets, cash and cash equivalents
** Gross financial debt
*** Hedging instruments excluding swaptions

Finally, Icade prefers to describe its hedging instruments as “cash-flow hedging” under the IFRS standards, which means it recognises changes in the fair value its instruments in its capital and reserves rather than in the income statement.

During this financial year, the notional amount of cash-flow hedges remained stable. Given the way interest rates have changed in the first half of 2011, we see a positive impact on equity of 30.3 million euros.

C – FINANCIAL STRUCTURE

1. Financial structure ratio

The LTV (Loan To Value) ratio: (net financial debt) / (net asset value ex. rights) comes out at 38.2% as at 30 June 2010 (versus 37.4 % as at 31 December 2010).
This change can be broken down into an increase of around 1.8 % due to the increase in net debt and a fall of around -0.9% due to the reduction in the net asset value.

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 in a covenant).

Furthermore, this figure is the result of a conservative calculation as it includes all of Icade's debts (debts related to development, service businesses and PPPs etc.) without taking the value of those assets or companies as a counterpart, because it is calculated purely on the ex-rights asset value of the property investment. After taking the value of the development and services companies into account, the adjusted LTV ratio stood at 35.6% on 30 June 2011.

2. Interest coverage ratio

The interest coverage ratio for the operating profit/loss (adjusted for amortisation and depreciation) came to 3.85 for the first half of 2011. This ratio is down on the level of the previous reporting period (14.27 in 2010), taking account of the capital gains from disposals in 2010. If EBITDA is used rather than operating profit/loss, this ratio stood at 3.27.

FINANCIAL RATIOS	30/06/2011	31/12/2010
Net financial debt/NAV ex-rights (LTV)	38.2%	37.4%
Net financial debt/NAV including development and service companies (adjusted LTV)	35.6%	34.1%
Ratio of interest coverage to operating profit/loss (ICR)	3.85x	14.27x

3. Covenant tracking table

		Covenants	30/06/2011
LTV (*)	maximum	<45% and <50% *	38.2%
ICR	minimum	> 2	3.85x
CDC holding	minimum	50.1%	55.8%
Value of investment property assets	minimum	> 3 billion euros	6.3 billion euros
Ratio of subsidiaries' debt to consolidated gross debt	maximum	33%	16.6%
Surety on assets	maximum	< 20% of property assets	8.12% **

* *around 90% of the debt relating to an LTV covenant has a limit of 50%, with a limit of 45% for the remaining 10%*

** *maximum calculation under the loan clauses*

All the covenants were being complied with on 30 June 2011.

V – OUTLOOK

The success of the major operation of transformation carried out during the course of 2010 has enabled Icade to achieve a sharp increase in cash flows during this first half year, and Icade will now be pursuing its strategy of focusing on commercial property in the years to come. It is currently clearly positioned as a leading player in the French commercial property scene, and Icade intends to take full advantage of its specific capabilities to deliver sustainable growth for its shareholders in terms of its cash flows and the value of its property assets. In particular it will benefit from:

- new rents from lettings/deliveries completed in 2010 (such as Millénaire 1, Millénaire 2, H_2O, the Loire and Rhône buildings in Villejuif) and the delivery in 2011 of assets that have already been leased (such as the Millénaire shopping centre, the Rhine and Garonne buildings in Villejuif and buildings 2 & 3 of the Canal offices);
- its capacity for investment and development enabled by its strong financial structure and the lack of major refinancing challenges between now and 2014;
- the recovery in the property development market; this will allow Icade's Property Development Division (which maintained its positive EBITDA in 2008, 2009 and 2010 thanks to its prudent approach to development) to play the role of "results accelerator" during this more favourable part of the economic cycle;
- the significance of its property investment reserves, which are ideally placed to take full advantage of the dynamics of Greater Paris and which allow buildings to be developed that tie in perfectly with the new requirements of users from both the functional and the environmental points of view.

The combination of these aspects should therefore allow Icade to implement its three-phase strategy, continuing in the short term to reinvest the proceeds from the disposal of its residential accommodation portfolio in commercial property assets for immediate, secure and anti-dilutive cash flows, and by focusing on classes of assets in which it already has a presence and in which its teams possess recognised expertise.

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

The period from 30 June 2011 to the end of 2015 will see the delivery of several identified projects, some of which are already under way. This investment project pipeline, representing a sum of about 600 million euros, characterises Icade's willingness to rely on the expertise of its commercial property development business to develop projects that can generate future cash flows and create value in the medium term.

In the longer term, Icade's positioning is focusing on the significant growth opportunity in the development of its business parks on the outskirts of Paris. The control of these unique property investment reserves (80 ha) will allow Icade to develop sites that meet the requirements of the market.

The important work of restructuring its businesses combined with the dynamic asset management policy that has been pursued in recent years leaves Icade in a position in which it can look forward calmly to the future. So, thanks to the specific features of its model – now benefiting from both recurring income from its Commercial Property Investment Division and prospects for a secure margin from its Property Development Division – Icade can confirm that it expects its current cash flow to grow strongly in 2011 and 2012.