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ICADE

Press release

Paris, 19 February 2014

REVISED VERSION

Solid 2013 results in a market under pressure

- ✓ **Strong increase in Net Profit (Group Share): +141% compared with 2012**
- ✓ **Growing net current cash flow: +1.2%**
- ✓ **Growing EPRA Earnings from Property Investment: +16%, slight decrease per share: −1.0% (+0.2% after restatement of the tax on dividends)**
- ✓ **Dynamic management of liabilities: average cost of debt stable despite the Silic merger (3.83%), extension of the average debt term to 4.6 years**
- ✓ **Controlled costs: EPRA Cost Ratio down by 3.9 points compared with 2012**

Silic merger

After the merger with Silic on 31 December 2013, Icade became the leading office property company in Europe with 7.5 billion euros of offices and business parks out of a total portfolio of 9.1 billion euros of assets, 502.9 million euros in annualised rents, 3.1 million square metres of property assets and 2 million square metres of land reserves.

With this potential, Icade is in the best position to take advantage of the growth of Greater Paris.

Property Investment Division's profits

Rental revenues in 2013 stood at 474.1 million euros, a 21.0% increase compared with 2012. This was mainly due to additional rents resulting from the acquisition of Silic (+75.5 million euros). On a like-for-like basis, the increase was 1.7% (+6.7 million euros).

Net rent stood at 434.3 million euros, representing a margin of 91.6%, an improvement of 2.4 point compared with 2012.

Financial profit stood at -124.4 million euros compared with -105.6 million euros in 2012. This change can mainly be explained by the increase in debt linked to Silic's integration into Icade's consolidation scope from 22 July 2013.

Tax liability on profits was 10.4 million euros, stable compared with 2012.

After taking into account the above elements, *EPRA Earnings from Property Investment* were 214.3 million euros (3.52 euros/share) in 2013, compared with 184.2 million euros in2012 (3.56 euros/share).

After restatement of the new tax on dividends paid in 2013, it rose slightly by 0.2% between 2012 and 2013.

Asset rotations

In an extension of the disposals carried out during the 2012 financial year, 2013 was characterised by the continued active optimisation of its portfolio of activities and the increased focusing of its assets on commercial property.

This was reflected in:

- completed sales of nearly 280 million euros for the non-strategic assets portfolio (block sales of residential units, logistics platforms, offices and land in Germany, jointly-owned office space);
- disposals of mature assets for 236 million euros.
- negotiations in progress regarding the sale during the 1st quarter of 2014 of an office building in Munich, constituting around 80% of the remaining German portfolio.

Taking into account all of these disposals, non-strategic properties represented just 4% of assets at 31 December 2013.

Investments carried out during 2013 amounted to 338 million euros, broken down as 167 million euros in development, 137 million in acquisitions (mainly in the healthcare portfolio) and the balance of 33 million euros on maintenance work on the portfolio.

Net Asset Value (NAV)

As at 31 December 2013, EPRA triple net NAV stood at 77.3 euros per share, compared with 80.7 euros as at 31 December 2012, a fall of 4.2%. This change can be mainly explained by an additional provision for the EQHO Tower. The tower's staggered letting led to its appraisal value being reduced by 458.6 million euros, resulting in a provision of 76.1 million euros being recorded in the 2013 accounts.

Development

Icade's Development Division recorded renevues of 1,091.5 million euros in 2013, up by 1.9% compared with 2012. In a considerably slower market, however, the backlog stands at 1,538.5 million euros, down by 7.0% compared with 2012 (pro forma). EBITDA is meanwhile down 10.2% compared with 2012, to 61.9 million euros, following the end of the Scellier scheme and the withdrawal of institutional investors. Several symbolic operatios are being carried out, illustrating Icade's capacity to : Îlot A3 (Lyon), Le Prélude (Bordeaux Euratlantique), Les Docks (Strasbourg).

The EBITDA margin was 5.7% for 2013, compared with 6.4% in 2012. This fall conceals varying performances between the commercial property development segment, which experienced better margins (6.0% compared with 5.3%) and the residential property development segment, whose profitability fell (5.5% compared with 7.7%).

Net current cash flow

The net current cash flow, restated for Icade Santé's minority interests, stands at 279.4 million euros as at 31 December 2013 compared with 235.0 million euros for the previous financial year. This represents 4.59 euros per share, up by 1.2% (4.54 euros as at 31 December 2012).

Management of liabilities

In September 2013, having obtained a BBB+ (outlook stable) rating from Standard & Poor's, Icade placed two loans which have been vastly over-subscribed by high-standing European investors and which perfectly suited the Group's debt curve: one for 500 million euros over five years four months with a 100bp spread over the reference rate, and the other for 300 million euros over 10 years with a 135bp spread, with an overall coupon rate of approximately 2.8%.

Taking advantage of these new resources, at a lower rate than its average debt cost, Icade repaid all the combined credit lines of Icade and Silic, and restructured part of its portfolio of hedging instruments, with a view to optimising its financing costs and in anticipation of maturity dates in 2014.

During the financial year, Icade reinforced the amount of its available credit lines to raise its total backup lines to 1,220 million euros as at 31 December 2013.

Dividend

Icade will propose the payment of a dividend of 3.67 euros per share (an increase compared with the previous year) to the Annual General Meeting on 29 April 2014.

Outlook

In 2014, Icade will finalise Silic's integration and aim for consolidation of its earnings per share, through:

- increased marketing efforts across the whole portfolio in order to increase the financial occupancy rate to above 90%;
- development of its major projects in its business parks under secure conditions that generate cash-flow;
- control over operational costs, particularly under the effect of cost synergies as a result of the merger with Silic;
- maintenance of LTV at around 40% and the continued reduction of the average cost of debt through greater financial disintermediation.

From 2015, Icade is expected to experience a significant improvement in its earnings thanks to letting of the EQHO Tower and delivery of secure projects (Le Monet and Le Millénaire 3 will be delivered in 2015, Veolia in 2016).

Icade contacts

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Coming events
Annual General Meeting: 29 April 2014 at 9.30am at Le Millénaire 1, 35 Rue de la Gare, 75019 Paris
Payment of dividends: At the latest on 7 May 2014
Revenues for the 1st quarter of 2014: 29 April 2014 after stock market close

About Icade

A listed real estate investment company and subsidiary of the Caisse des Dépôts, Icade is a major player in Greater Paris and regional development capable of providing comprehensive, sustainable and innovative solutions that are tailored to customer needs and the challenges of tomorrow's cities.

Leading commercial real estate company in Europe, Icade recorded an EPRA recurring net income of 214 million euros in 2013. On 31 December 2013, its EPRA triple net asset reached 5,703 million euros, or 77.3 per share.

The consolidated financial statements have been audited by the auditors.

This press release does not constitute an offer, or a solicitation of an offer to sell or exchange any shares or a recommendation to subscribe, buy or sell any Icade shares. The distribution of this press release may be limited in certain countries by legislation or regulations. Therefore persons who come into possession of this press release are required to obtain information about these restrictions and respect them. To the fullest extent permitted by the applicable law, Icade disclaims any responsibility or liability for the violation of any such restrictions by any person.

The text of this press release is available on Icade's website: www.icade.fr.

Serge Grzybowski and Nathalie Palladitcheff will be presenting the annual results for 2013 to analysts on 20 February 2014 at 8.30am CET.

The slide show will be available through the following links:
for the French version: http://www.icade.fr/finance/resultats-publications/presentations-financieres
for the English version: http://www.icade.fr/en/finance/results-and-publications/financial-presentations

A live broadcast of the analysts' conference call, with synchronised slideshow, will be available on the website from 8am (Paris time) via the following links:
https://engage.vevent.com/rt/icade~022014uk

For those participants who only want to listen to the conference, please register in advance via the following link:
https://eventreg2.conferencing.com/webportal3/reg.html?Acc=442938&Conf=214669
Every participant will receive the participant access code, conference access code and the phone number to call, together with instructions on how to join the conference.
Both French and English recordings will be available during 10 days from 20 February, 2013 until midnight on 3 March, 2014.

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Annexes

Contents

I - INCOME STATEMENT AS AT 31 DECEMBER 2013

(in millions of euros)	31/12/2013			31/12/2012		
	Group	Reclass-ifications	Property investmen	Group	Reclass-ifications	Property investmen
Revenue	**1,592.8**	**(1,116.4)**	**476.4**	**1,499.3**	**(1,103.7)**	**395.6**
EBITDA	**469.4**	**(65.3)**	**404.1**	**384.5**	**(67.1)**	**317.4**
As a% of revenues	*29.4%*		*84.8%*	*25.6%*		*80.2%*
Depreciation charges net of investment grants	(215.6)	0.5	(215.1)	(176.8)	0.5	(176.3)
Charges and reversals related to loss in value on tangible, financial and other current assets	(72.1)	(11.2)	(83.3)	(87.2)	16.2	(71.0)
Profit/(loss) from disposals	122.4	(1.6)	120.8	80.8	(0.9)	79.9
Operating profit/(loss)	**304.1**	**(77.6)**	**226.5**	**201.2**	**(51.3)**	**150.0**
As a% of revenues	*19.1%*		*47.6%*	*13.4%*		*37.9%*
Financial profit/(loss)	**(122.1)**	**(2.2)**	**(124.4)**	**(101.6)**	**(4.0)**	**(105.6)**
Share in profit of companies consolidated by the equity method	2.1	(2.1)	0.0	(0.7)	0.7	0.0
Tax on profit/(loss)	(39.2)	28.7	(10.4)	(37.2)	26.8	(10.4)
Profit from other activities	0.0	53.2	53.2	0.0	27.7	27.7
Net profit/(loss)	**144.9**	**0.0**	**144.9**	**61.7**	**0.0**	**61.7**
Net profit/(loss) Group Share	**126.9**	**0.0**	**126.9**	**52.7**	**0.0**	**52.7**
of which Property Investment Division net profit/(loss) Group share	75.0		75.0	27.2		27.2
of which net profit/(loss) Group share from other activities	51.9		51.9	25.5		25.5
EPRA Earnings from Property Investment [1]			**214.3**			**184.2**
Net current cash flow			**279.4**			**235.0**
Data per share:						
Average diluted number of shares in circulation			***60,865,381***			***51,795,086***
Net profit/(loss) Group Share			***€2.08***			***€1.02***
EPRA Earnings from Property Investment			***€3.52***			***€3.56***
Net current cash flow			***€4.59***			***€4.54***

N.B.:

The reinforcement of Icade's property investment business with the Silic merger requires a change to the way the Group's results are presented. The main changes compared with the financial year 2012 are as follows:

(i) *Presentation of the income statement in management format, focused on the property investment activity (including the holding) which mainly stands out from the consolidated income statement via the inclusion of results from property development and service activities via a single line of contribution to the Group's net profit;*

(ii) *Besides the net current cash flow, introduction of EPRA Earnings from Property Investment*[1].

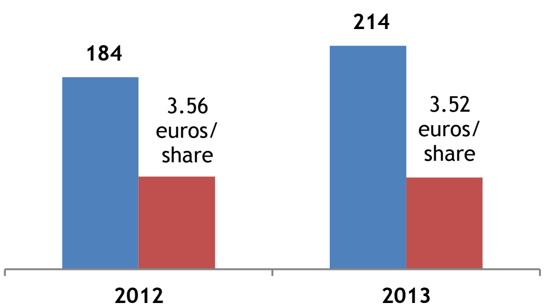
[1] The detailed calculation of the EPRA Earnings from Property Investment is provided in chapter IV: "EPRA reporting as at 31 December 2013".

II -ACTIVITIES AND RESULTS

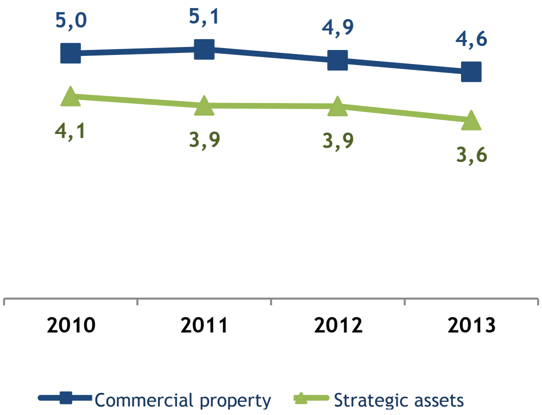
A. KEY FIGURES - 2013[2]

BUSINESS ACTIVITY

EPRA Earnings from Propery Investment
(in millions of euros and euros/share)

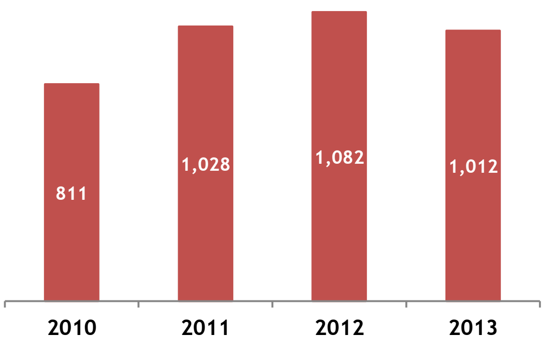


Fixed residual term of leases* *(years)*

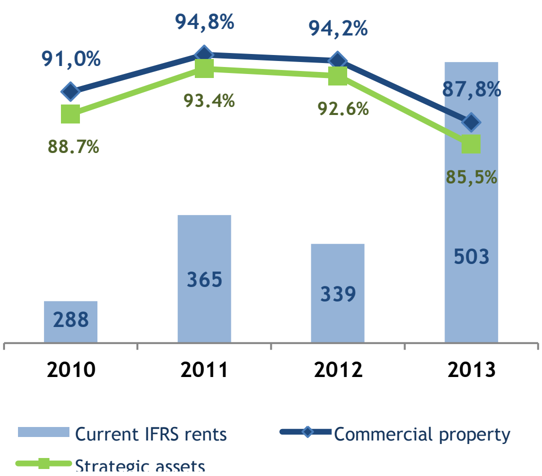


* Icade + Silic pro forma figures

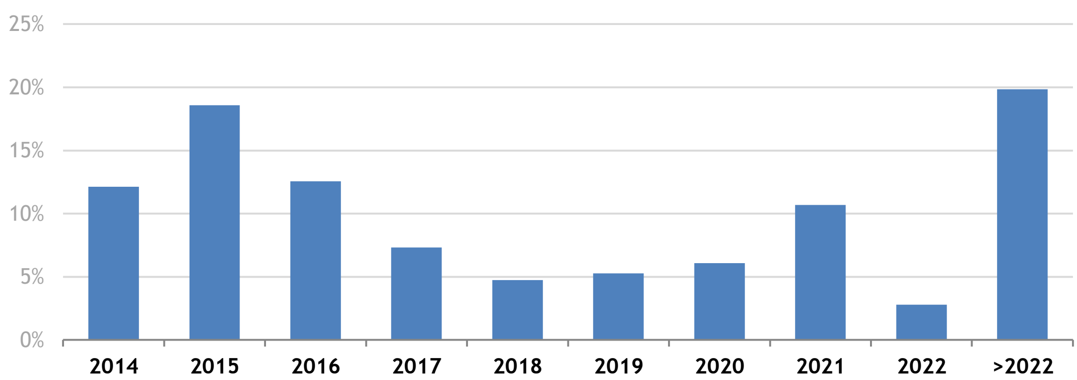
Property Development Backlog
(in millions of euros)



IFRS rents *(in million of euros)* and financial occupancy rate *(as %)*



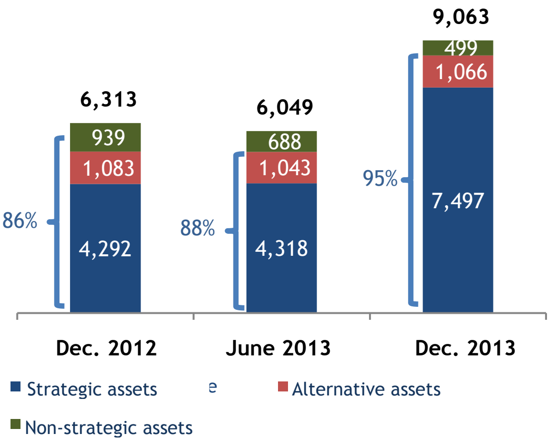
Schedule of leases
(as % of annualised rent)



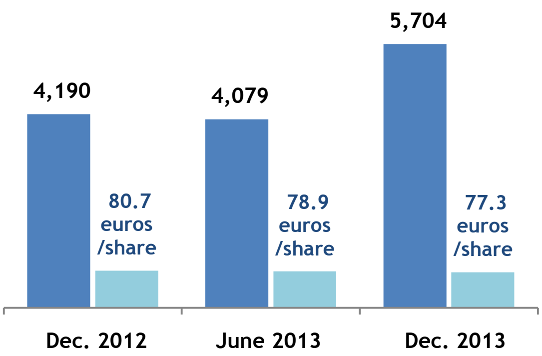
[2] Indicators are restated to take account of Icade Santé minority interests

ASSET INDICATORS

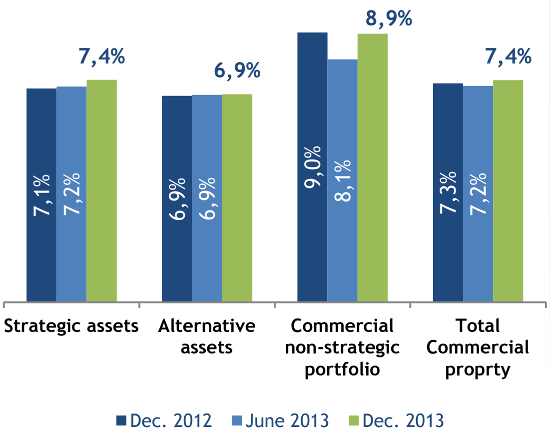
Valuation of assets
(in millions of euros) excluding duties



EPRA triple net NAV
(in millions of euros and euros/share)

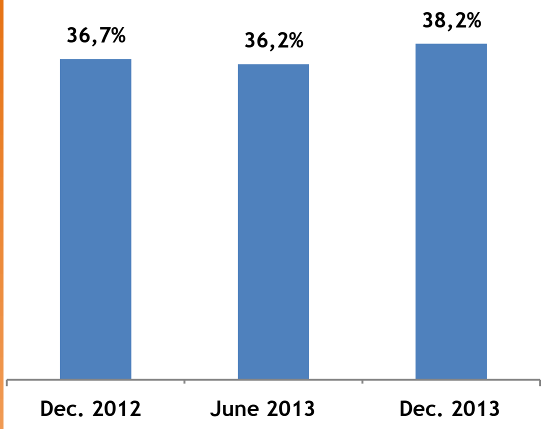


Rates of return
(as %) excl. duties



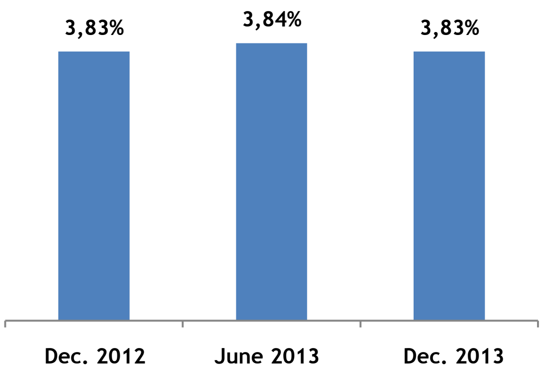
FINANCING INDICATORS

Loan To Value (LTV)
(as %) (*)

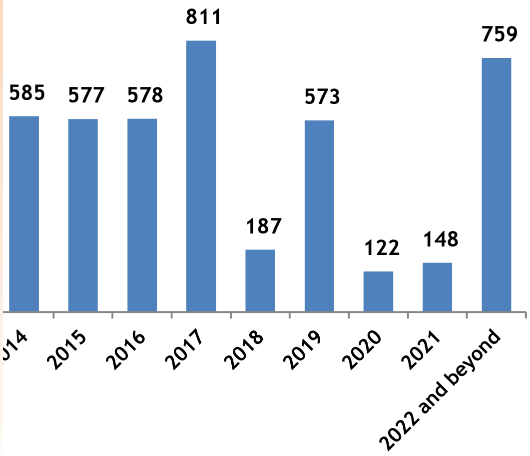


(*) includes the balance sheet value of PPP's' financial liabilities

Average cost of debt
(as %)



Schedule of drawn down debt
(en M€)



B. HIGHLIGHTS

The financial year 2013 was marked by an important new chapter in the history of Icade.

As a result of the merger with Silic on 31 December 2013, Icade entered a new era in its development by becoming the leading office property company in Europe with 7.5 billion euros of offices and business parks out of a total portfolio of 9.1 billion euros of assets, 502.9 million euros in annualised rents, 3.5 million square metres of property assets and 2 million square metres of land reserves. With this potential, Icade is in the best position to take advantage of the growth of Greater Paris.

COMBINATION WITH SILIC

On 27 December 2013, the respective shareholders of Icade and Silic approved Silic's merger by Icade on 31 December 2013, based on an exchange parity of five Icade shares for four Silic shares. This merger was the finalisation of the combining of the two companies initiated on 13 December 2011 and followed the great success of Icade's public offer for Silic[3].

Icade has fully included Silic in its consolidation scope since 22 July 2013.

ASSET ROTATION

In an extension of the disposals carried out during the 2012 financial year, 2013 was characterised by the continued active optimisation of its portfolio of activities and the increased focusing of its assets on commercial property.

This was reflected in:

- completed sales of nearly 280 million euros for the non-strategic assets portfolio (block sales of residential units, logistics platforms, offices and land in Germany, jointly-owned office space);
- disposals of mature assets for 236 million euros.
- negotiations carried out regarding the sale during the 1st quarter of 2014 of an office building in Munich, constituting around 80% of the remaining German portfolio.

Taking into account all of these disposals, non-strategic properties represented just 4% of assets at 31 December 2013.

Investments carried out during 2013 amounted to 338 million euros, broken down as 167 million euros in development, 137 million in acquisitions (mainly in the healthcare portfolio) and the balance of 33 million euros on maintenance work on the portfolio.

The 2013 financial year was also characterised by the delivery in July 2013 of the entirely renovated EQHO tower (79,000 m^2). The quality of the work (level of specifications and environmental labels), which had a total budget of approximately 300 million euros, positions this building at an equivalent level to the latest generation towers in La Défense.

PORTFOLIO

Taking into account integration of Silic's assets, the fair value of Icade's entire property portfolio increased by 44% during the financial year.

On a like-for-like basis, the value of the whole portfolio is down by 2.5% due principally to an adjustment in the appraisal value of the EQHO tower.

FINANCING STRATEGY

[3] The chronology of the various stages in the combination with Silic is set out in chapter C part 3: "Combination with Silic, recap of events".

Icade continued its policy of optimising its financial structure with the aim of diversifying its funding sources, extending the average term and reducing the average cost of its debt, particularly in the context of integration of Silic's balance sheet.

In September 2013, for instance, having obtained a BBB+ (outlook stable) rating from Standard & Poor's, Icade placed two loans which have been vastly over-subscribed by high-standing European investors and which perfectly suited the Group's debt curve: one for 500 million euros over 5 years 4 months with a 100bp spread over the reference rate, and the other for 300 million euros over 10 years with a 135bp spread, with an overall coupon rate of approximately 2.8%.

C. BUSINESS ACTIVITIES AND RESULTS 2013

1 Property Investment Division

1.1 Overview

The portfolio of **Icade Property Investment division**, representing more than 2.9 million m2 of leasable surface area, mainly comprises offices and business parks. Icade also operates in the healthcare establishment segment and more marginally the retail segment. Finally, Icade owns a very small number of non-strategic assets, such as warehouses, offices and land in Germany, as well as houses.

Silic was integrated on 22 July 2013. Its portfolio, representing 1.1 million m2 is made up exclusively of offices and business parks. The location of Silic's portfolio strengthens and enhances Icade's role as a major player in the development of Greater Paris.

Portfolio breakdown in leasable surface areas

Geographic region (in m²)	Strategic assets portfolio			Alternative assets portfolio	Non-strategic assets portfolio	Total	%
	Business parks	Offices	Subtotal	Healthcare *			
Paris	147,473	27,825	175,298		2,470	177,768	6.1%
La Défense/Near La Défense	87,485	285,099	372,585			372,585	12.7%
Other Western Crescent	71,911	84,070	155,981			155,981	5.3%
Inner Ring	348,622	93,462	442,083	10,695		452,778	15.4%
Outer Ring	811,841	42,361	854,203	54,744	23,583	932,530	31.8%
Regional		47,238	47,238	426,030	296,483	769,750	26.3%
Outside France					68,454	68,454	2.3%
COMMERCIAL PROPERTY INVESTMENT	1,467,332	580,055	2,047,387	491,469	390,990	2,929,846	100.0%
%	50.1%	19.8%	69.9%	16.8%	13.3%	100.0%	

** in proportion to Icade's stake in Icade Santé (56.5%)*

Strategic assets portfolio

- **Description of the portfolio**

Icade traditionally owns office buildings (with a total area of 425,000 m^2) primarily in Paris, the Western Crescent and Villejuif. By merging Silic, Icade has also become the owner of offices located in Nanterre Préfecture and Saint-Denis, representing a surface area of 194,000 m².

Icade also owns business parks located in Paris (19th), Saint-Denis and Aubervilliers, now joined by Silic's parks (1,030,000 m²) located in Rungis, Nanterre Seine, Paris-Nord, Colombes, Cergy, Antony, Evry, Villebon and Fresnes. The business parks stand out for their high organic development potential. 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 is a future cash flow generator and a significant value creator.

- **Market context**

  - ***An attractive investment market, particularly in Paris's inner suburbs***

The resilience of French property investments has been confirmed, despite the continuing bleak economic outlook and severely weakened user markets. Transaction values in 2013 were comparable with those in 2011 and 2012, i.e. around 18 billion euros.

Prime assets therefore continued to be in high demand on the market. As a result, fierce competition over prime assets led an increasing number of investors to show less timidity and embrace more flexible notions of risk, compatible with the high-quality products now available (particularly on the outskirts). Investors therefore significantly expanded their geographical range of their search beyond simply inner-city Parisian business districts, marking the end of the contraction in the capital often seen during crisis periods. Reflecting this trend, Paris's share of investment volumes fell this year to 33%, compared with 46% in 2012. This movement benefited the inner Parisian suburbs, which offer a combination of more attractive yields and a range of recent, secure products, immediately adjacent to public transport, ensuring good rental liquidity.

Prime secure assets located in the best districts ended up representing only a little over a third of investment volumes in 2013 (compared with 56% in 2012), almost as much as "value-added" investments whose volume has increased almost three-fold in a year. The market was also more balanced in terms of the size of transactions, with better market depth for unit amounts of between 50 and 150 million euros.
(Source: CB Richard Ellis, BNPP)

Office transactions for more than 50 million euros represented more than half of all the year's transactions. Large portfolios changed hands in 2013. Five transactions alone represented 20% of office transactions in 2013. Investors also demonstrated their appetite for retail properties, for which transactions volumes increased again in 2013. In terms of logistics, there were signs of an end to the withdrawal of property investment companies from this sector in 2013. Transactions in this segment fell by almost 40%.

Icade's main disposals during the year (the Factory building, the Odysseum shopping centre and the logistics portfolio) fit in perfectly with this approach.

Volumes invested in corporate property are set to continue to increase in 2014. In relation to the prime market, fierce competition for core assets is likely to push up values. Assets in the inner and outer ring located in a tertiary market should become profitable again after suffering from low investor interest in recent years.

  - ***Take-up down 25% over a year***

The volume of office take-up in the Ile-de-France region was 1.8 million m² in 2013, representing a 25% decrease in a year. This result is well below the long-term average and results largely from the economic context which has led to a minimum of decisions being taken and the postponement of some relocation plans. The significant fall in transactions >5000 m² was particularly severe. These amounted to 655,500 m² (53 transactions compared with 20 more in 2012). Although the <1,000 m² bracket was down 14% in a year (590,500 m² of take-up in 2013), only the 1000 m² – 5,000m² bracket managed to buck the trend with +3% over the year and a volume of 598,400 m ².

The 3rd and 4th quarter of 2013 saw a sudden drop-off in the pace of rental transactions. These quarters, which traditionally record higher volumes than the first two quarters of the year, were significantly down compared with the annual trend for 2013.

More specifically in terms of areas, La Défense remained a difficult market in 2013, recording just five transactions for more than 5,000 m² in 2013, one of which was a short-term lease.

Across the market as a whole, 41% of surface areas let in 2013 were new or restructured offices.

Immediate supply increased by 9%, to 3.9 million m² as at 1 January 2014. The vacancy rate in the Ile-de-France now stands at 7%. This increase is due to deliveries of new and restructured programmes (mainly in La Défense and the Western Crescent), the return to the market of surface areas most of which have been renovated, combined with the slowdown in rental activity.

The share of high-quality supply, which reached a low point at the end of 2012 (at 17%), had climbed back to 22% by the start of 2014.

Geographical and structural disparities are still as pronounced as ever, Paris still offering a relatively contained immediate supply, while available surface areas are abundant in La Défense and suburban areas such as the Western Crescent. Paris Centre West has seen its immediate supply increase and the vacancy rate there now stands at 5.8%. While competition is fierce for a certain number of small and medium-sized surface areas, there is still a scarcity of products larger than 3000 m^2. Paris South and Paris North East still have a low level of vacancy, at 3.5% and 3.9% respectively, and only a handful of buildings with surface areas >5,000 m^2.

Pressure continues to weigh down on rental values. Weighted average face rents in the Île-de-France for new, restructured or renovated surface areas generally stabilised in 2013, reaching 294 euros/m²/year excl. taxes and charges at year-end (-0.7% in a year). In terms of incentives, following a sharp increase in 2012, changes were more varied in 2013, although they remain high across all areas. The market overall continues to offer abundant supply and negotiating conditions, particularly in the form of rental holidays, are still very advantageous. For lettings >2,000 m² for a fixed term of at least six years, holidays tend to be around 2.5 to 3 months per year of commitment.

At 707 euros/m²/year excl. taxes and charges, the average prime rent in-Paris Centre West is down 8% in a year due to the scarcity of prime supply and therefore the number of transactions for more than 800 euros/m²/year excl. taxes and charges, as in 2012.

The average prime rent in La Défense remains at the same level as the previous year, at 442 euros/m²/year excl. taxes and charges.

<u>**Alternative assets portfolio (Icade Santé)**</u>

- **Description of the portfolio**

The leader in its market, Icade has become a major player in healthcare since 2007 by building up a property portfolio of 59 establishments, featuring:

  - assets that are instant cash flow generators;
  - initial fixed lease terms of 12 years and a residual term of 9.2 years as at 31 December 2013;
  - high rental margin rates (net/gross rent).

For the development and management of Icade Santé, Icade benefits from a team and expertise recognised on the market.

In order to accompany its growth and maintain the Group's key balance sheet ratios, Icade Santé successfully opened 250 million euros of its capital, during the 1st half of 2012 to three institutional investors (Crédit Agricole Assurance, BNP Paribas Cardif and CNP Assurances). In October/November 2012, a second capital increase of 155 million euros was carried out, to support investments in the 2nd half of the year (including 45 million euros provided by Icade). Finally, in May 2013, a further capital increase of 110 million euros was carried out with Sogecap. A total of 515 million euros was raised in all over a period of 15 months.

As at 31 December 2013, Icade's stake in Icade Santé stands at 56.5%.

- **Market context**

The healthcare sector has long been an interesting niche for investors. With the search for diversification towards assets offering stable and long-term rents along with attractive returns, the number of players in this sector is increasing.

The main French investors are: Icade Santé, the market leader specialising in health assets (medical, surgical and obstetrician (MCO), aftercare and rehabilitation facilities (SSR) and psychiatric facilities), Gecimed (a subsidiary of Gecina), Foncière des Murs and Cofinimmo (a Belgian REIT), as well as several funds.

Indeed, several investors are now present through SCPIs and OPCIs managed by Weinberg, Viveris, BNP Paribas, Primonial and La Française.

Over the past two years, the investment market has been characterised by increased demand from investors in the limited number of healthcare assets offered for sale. After two exceptional years in 2011 and 2012, with annual investment volumes of nearly 650 million euros, 450 million euros was invested in 2013, almost exclusively during the first three quarters.

This fall in investments mainly reflects the reduction in the amount of outsourcing in the primary market. The market is nevertheless becoming increasingly mature, with transactions on the secondary market (sales of assets by investors to investors) accounting for more than 40% of the total transaction volume.

The prime rate of return is currently around 6.60% for MCO clinics and 5.75% for nursing homes[4].

Non-strategic assets portfolio

In November 2013, Icade sold its stake in the Odysseum shopping centre in Montpellier to Klépierre. This transaction confirmed Icade's strategy of refocusing its activities on offices and business parks in the Île-de-France region, while enabling Klépierre to own 100% of this major regional shopping centre. At the start of 2014, Icade also acquired 50% of the office spaces located above the Le Millénaire shopping centre owned by Klépierre (8,500 m², 94% of which was let as at 31 December 2013) increasing its ownership stake in the offices to 100%.

Icade still owns, residually:

- a collection of shops, mainly comprising the Mr Bricolage retail network, generating recurrent cash-flows;

  As Icade does not plan to develop the retail parks segment, this portfolio was reclassified as non-strategic as at 31 December 2013.

- a shopping centre in Aubervilliers (50% owned with Klépierre) which contributes to increasing the value of the Le Millénaire and the Portes de Paris business parks as communal facilities. This asset, previously classified in the shops and shopping centres segment, has therefore been transferred to business parks in the strategic assets portfolio.

Icade's other non-strategic assets include warehouses, offices in Germany and housing owned by the Icade Group. In 2013, Icade disposed of 397,000 m² of warehouses, 31,000 m² of offices in Germany and 976 housing units. The objective is to continue the withdrawal from this portfolio.

1.2 Key figures as at 31 December 2013

Key figures (in millions of euros)	31/12/2013	31/12/2012 restated	Reclass-ifications (**)	31/12/2012	Change

[4] Source: Jones Lang Lasalle.

Revenues from Property Investment	476.4	395.6	(4.1)	399.7	+20.4%
EBITDA	404.1	317.4	(5.7)	323.1	+27.3%
Margin (EBITDA/Revenues)	*84.8%*	*80.2%*		*80.8%*	
Operating profit/(loss)	226.5	150.0	12.1	137.9	+51.0%
Financial profit/(loss)	(124.4)	(105.6)			(17.8)%
Tax on profit/(loss)	(10.4)	(10.4)			(0.6)%
Net profit/(loss)	91.7	34.0			169.3%
Net profit/(loss) Group Share	75.0	27.2			175.2%
EPRA Earnings from Property Investment	214.3	184.2			+16.3%
or in €/share	*3.52 €*	*3.56 €*			*(1.0)%*

(*) Reclassification of what the Icade Group calls its "head office" charges, previously posted in the Other section, to the Property Investment Division

Revenues achieved by the Property Investment Division during 2013 stands at 476.4 million euros, an increase of 20.4% compared with 2012.

Revenues from Property Investment (in millions of euros)	31/12/2012	31/12/2012 restated (*)	Acquisitions/ Deliveries	Disposals/ restructuring	Indexing	Rental business	31/12/2013	Change on a like-for-like basis
Offices in France	126.8	126.8	27.7	(12.5)	2.2	(0.7)	143.5	1.2%
Business parks	94.6	94.6	53.8	(1.4)	2.8	0.3	150.1	3.3%
Strategic assets portfolio	**221.5**	**221.5**	**81.5**	**(13.9)**	**5.0**	**(0.4)**	**293.6**	**2.0%**
Shops and shopping centres	24.8	24.8		(0.6)	0.7	0.7	25.5	5.3%
Healthcare	91.5	91.5	29.7		2.5	0.1	123.9	3.0%
Alternative assets portfolio	**116.3**	**116.3**	**29.7**	**(0.6)**	**3.2**	**0.8**	**149.4**	**3.4%**
Non-strategic assets portfolio	**59.2**	**59.2**		**(20.9)**	**0.2**	**(1.9)**	**36.6**	**(2.9)%**
Investment intra-group businesses	(0.1)	(5.0)	(0.4)			(0.2)	(5.6)	
Rental income	**396.8**	**391.9**	**110.9**	**(35.4)**	**8.4**	**(1.7)**	**474.1**	**1.7%**
Other Revenues	2.9	3.7	0.5			(1.8)	2.3	
Revenue from Property Investment	**399.7**	**395.6**	**111.4**	**(35.4)**	**8.4**	**(3.6)**	**476.4**	**1.2%**

(*) Reclassification of what the Icade Group calls its "head office" charges, previously posted in the Other section, to the Property Investment Division

Rental revenues, which stood at 474.1 million euros increased by 82.2 million euros compared with the previous financial year. This increase stands at 6.7 million euros on a like-for-like basis, or +1.7%.

- Changes to consolidation scope: +75.5 million euros
  - Or 110.9 million euros in additional rent linked to acquisitions. The acquisition of Silic contributed 81.0 million euros in additional revenues while acquisitions, extensions and restructuring of clinics added 29.7 million euros. Icade acquired four new clinics in 2013;
  - Asset disposals led to a decrease in rental revenues of 29.8 million euros, resulting from the sale of non-strategic assets for 20.9 million euros (warehouses, offices in Germany and housing) and mature strategic assets for 8.2 million euros;
  - Restructuring operations were accompanied by a 5.7 million less in rental revenue, mainly resulting from the partial renovation of the PB5 Tower in La Défense.
- Like-for-like basis: +6.7 million euros
  - The change in indices represents an increase in revenues of 8.4 million euros, or an average 2.4% increase in rent.
  - Rental activity meanwhile presents a negative net balance of 1.7 million euros, broken down as follows:

- The departure of the tenant SCOR from the PB 5 Tower, all of the available surface area of which was immediately re-let, i.e. surface area for which no works were planned. Several office floors were eliminated in order to restructure them before putting them back on the market. The PB 5 Tower is regularly the subject of requests from companies already located in La Défense that need additional space nearby.
- Several rent renegotiations in the Le Millénaire and Portes de Paris, all successfully concluded in exchange for longer lease terms and a slight reduction in rents, illustrating Icade's capacity to build loyalty among its tenants despite them being aggressively pursued by the competition.

The **net rent** of the Commercial Property Investment Division stood at 434.3 million euros for the year 2013, i.e. a margin of 91.6%, an improvement of 2.4 point compared with 2012.

	31/12/2013		31/12/2012			
(in millions of euros)	Net rental income	Margin	Net rental income	Reclass-ifications (*)	Restated net rental income	Margin
Offices in France	132.2	92.1%	117.6		117.6	92.7%
Business parks	137.9	91.9%	81.2		81.2	85.9%
Strategic assets portfolio	**270.2**	**92.0%**	**198.9**		**198.9**	**89.8%**
Shops and shopping centres	21.9	85.8%	21.5		21.5	86.7%
Healthcare	122.4	98.8%	90.5		90.5	98.9%
Alternative assets portfolio	**144.3**	**96.5%**	**112.0**		**112.0**	**96.3%**
Non-strategic assets portfolio	**20.4**	**55.7%**	**42.4**		**42.4**	**71.7%**
Investment intra-group businesses	-0.6		0.4	(4.2)	(3.8)	
PROPERTY INVESTMENT DIVISION	**434.3**	**91.6%**	**353.7**	**(4.2)**	**349.5**	**89.2%**

(*) Reclassification of what the Icade Group calls its "head office" charges, previously posted in the Other section, to the Property Investment Division

Silic's integration in July 2013 generated 78.2 million euros in net rent, adding 1 point to the margin.

On a like-for-like basis, Icade's margin improved by 1.4 points (+5.4 million euros), due to:

- the increase of +4.3 points recorded in business parks. The 2012 margin suffered from non-recurring expenses (losses from unrecoverable receivables of 2.2 million euros and compensation to tenants of 1.0 million euros);
- the 2.5 point decrease recorded in relation to offices, largely linked to the impact of delivery of the EQH0 tower in July 2013 (1.5 points);
- the decrease in the net rent from non-strategic assets due to the sale of warehouses with a high occupancy rate.

The Property Investment Division's **financial loss** at 31 December 2013 stood at -124.4 million euros compared with -105.6 million euros as at 31 December 2012.

This change can mainly be explained by the increase in debt linked to Silic's integration into Icade's consolidation scope from 22 July 2013 (see Chapter 5: Financial Resources).

The Property Investment Division's **tax liability on profits** at 31 December 2013 was (10.4) million euros, stable compared with 31 December 2012.

After taking into account the above elements, the Property Investment Division's **EPRA Earnings** was 214.3,million euros (3.52 euros/share) as at 31 December 2013, compared with 184.2 million euros as at 31 December 2012 (3.56 euros/share). After restatement of the new tax on dividends paid in 2013, it rose slightly by 0.2% between 2012 and 2013.

	31/12/2013	31/12/2012 restated	Restate-ments	31/12/2012 published	Change
Consolidated EBITDA	469.4	384.5		384.5	
PNE SAS classified as non-current		0.0	(2.3)	2.3	
EBO from other activities (*)	(65.3)	(67.0)	(67.0)	0.0	
Current EBITDA	**404.1**	**317.5**	**(69.3)**	**386.8**	**+27.3%**
Depreciations and impairments not related to investment properties	(12.9)	(10.4)	(10.4)	0.0	
Current operating profit/(loss)	**391.2**	**307.2**	**(79.7)**	**386.8**	**+27.4%**
Consolidated financial profit/(loss)	(122.1)	(101.6)		(101.6)	
PNE SAS classified as non-current	0.0	0.0	(0.4)	0.4	
Financial profit/(loss) from other activities (*)	(2.2)	(4.0)	(4.0)	0.0	
Hedging instruments JV	(3.6)	6.5	6.5	0.0	
Current financial profit/(loss)	**(127.9)**	**(99.1)**	**2.0**	**(101.1)**	**(29.1)%**
Consolidated corporate tax	(39.2)	(37.2)		(37.2)	
Corporate tax from other activities (*)	28.7	26.8	26.8	0.0	
Tax on provision for depreciation on client contracts and net release of investment provisions - Development Division	0.0	0.0	1.2	(1.2)	
Tax on capital gains from sales	(0.4)	1.9		1.9	
PNE SAS classified as non-current	0.0	0.0	(0.1)	0.1	
Exit tax	0.0	2.0		2.0	
Current corporate tax	**(10.8)**	**(6.4)**	**27.9**	**(34.3)**	**(68.7)%**
Profit/(loss), minority interests share	**(38.1)**	**(17.5)**	**(17.5)**	**0.0**	**(118.3)%**
EPRA EARNINGS **FROM PROPERTY INVESTMENT**	**214.3**	**184.2**	**(67.3)**	**251.4**	**+16.3%**
EPRA EARNINGS **FROM PROPERTY INVESTMENT** euros/share	**3.52 €**	**3.56 €**		**4.86 €**	**(1.0)%**
Restatement of the 3% tax on dividends paid	2.7	0.0	0.0	0.0	
EPRA EARNINGS **FROM PROPERTY INVESTMENT** (restated)	**217.0**	**184.2**	**(67.3)**	**251.4**	**+17.8%**
EPRA EARNINGS **FROM PROPERTY INVESTMENT** €/share (restated)	**3.56 €**	**3.56 €**		**4.86 €**	**+0.2%**

(*) Property Development, Services and Inter-business activities are excluded from the calculation

1.3 Rental activity of the Commercial Property Investment Division[5]

[5] All figures relating to Icade Santé are presented in proportion to Icade's stake.

Classes of assets	Rentable floor space (m^2)	Leased surface area (m^2)	Financial occupancy rate	Index-linked IFRS Rental Income (in millions of euros)	Average fixed lease residual duration (**) (years)
Offices in France (*)	580,055	488,464	83.7%	176.9	4.8
Business parks	1,467,332	1,275,766	87.0%	227.1	3.1
Parc des Portes de Paris	496,094	463,027	91.5%	103.1	3.9
Parc d'Orly/Rungis	375,495	326,583	87.9%	54.6	2.9
Parc de Nanterre	87,485	52,816	53.6%	8.9	2.0
Parc de Roissy/Paris Nord	155,232	135,900	88.0%	21.9	2.2
Parc de Fresnes	60,558	58,236	92.5%	7.3	2.4
Parc de Colombes	71,911	66,667	94.5%	12.2	2.2
Other parks	220,556	172,538	80.0%	19.2	2.1
Healthcare	491,469	491,469	100.0%	73.3	9.2
Shops	157,864	157,864	100.0%	10.0	7.9
Warehouses	164,672	127,150	76.9%	4.5	1.6
Offices in Germany	68,454	67,289	98.7%	11.0	7.7
COMMERCIAL PROPERTY INVESTMENT	2,929,846	2,608,003	**87.8%**	**502.9**	**4.6**

(*) includes the four consolidated public-private partnerships
(**) total rents reported for the term of the lease

At 87.8% as at 31 December, the **financial occupancy rate** is down by 7.0 points compared with 31 December 2012 (94.8%).

This change is linked to a combination of several factors:

- Offices: The fall in the occupancy rate is due is due to the inclusion in the operating scope of the EQHO Tower, delivered in 2013 and not yet let as at 31 December 2013. Several negotiations are ongoing for the lease of a significant proportion of the EQHO's surface area;
- Business parks: integration of the Silic portfolio had a negative impact on the portfolio's financial occupancy rate. However, this financial vacancy is limited to a small number of parks (mainly Nanterre Seine, Evry, Villebon, Antony and Cergy) where asset management is already in progress to remarket them for sale or conversion (creation of land for housing projects);
- Logistics: the sale of a significant proportion of the portfolio in 2013 undermined the overall financial occupancy rate, since the assets sold were mostly from a sale-and-lease-back arrangement with the tenant Easydis (fully-let warehouses).

Vacant surface areas as at 31 December 2013 represent 322,000 m^2 and 69.8 million euros in potential rent, including 68.3 million euros in the strategic assets portfolio, broken down as follows:

- the EQHO Tower alone represents 31.4 million euros, or nearly 45% of the total potential rent;
- business parks represent 33.9 million euros, including 24.3 million euros in the Silic portfolio. Major measures have already been taken, particularly in respect of the Orly Rungis park in order to re-let the vacant surface areas.

The **average fixed term of leases** is 4.6 years, taking into account a residual fixed term of three years on average for the Silic portfolio.

Integration of the Silic portfolio has not had any overall impact on the average residual term of leases in the large office assets portfolio. However, the type of users in most Silic parks – small and medium-sized companies – means a predominance of 3/6/9 leases, which are standard for this type of operator, automatically reducing this indicator across the whole portfolio.

As at 31 December 2013, the 10 biggest tenants accounted for total annual rents of 140.6 million euros (32.7% of annual rents from assets excluding Healthcare).

New signings

As observed on the rental market in the Île-de-France region, signings mainly related to surface areas of less than 5,000 m² during 2013. Icade recorded the signing of 95 new leases relating to almost 70,200 m² (47,400 m² of which in the strategic portfolio) and representing 12.0 million euros in face rents.

The largest new leases signed related to:

- 70% of the vacant space in the Factory building in Boulogne-Billancourt in June 2013 to Paris Saint Germain (5,400 m² – effective from 6 June 2013), encouraging the sale of the building;
- 29% of the vacant surface areas in the Le Beauvaisis building in the Parc du Pont de Flandre to Euro Cargo Bail (3,550 m² – start date: 1 January 2014);
- 3,031 m² in the Bali building to Osiatis France (start date: 15 October 2013);
- 3,353 m² in the Rimbaud building to Beckman Coulter France (start date: 1 October 2013);
- several units in the Saint-Quentin Fallavier warehouse (14,970 m²) leased to Merkancia, to LDLC and Mgpack;
- part of the Hamburg building with InnoGames GmbH (6,684 m² – start date 1 February 2014).

Tenant departures

Departures corresponded to 53,900 m^2 and represented 8.5 million euros in lost rent.

Tenant departures were limited in the offices portfolio (a total of 4,200 m² in 2013 compared with 9,200 m² of new surface areas leased).

For business parks, the number of tenant departures during the financial year stood at a significant 36,800 m². This figure should be put in perspective however:

- almost 4,400 m² was vacated in the Portes de Paris portfolio to reconstitute a significant plot of land in order to improve the road layout to support future development;
- a surface area of 2500 m² was vacated in Le Millénaire 2 in 2013 and re-let at the start of 2014;
- the departure in 2013 of Fnac, a tenant in the Le Millénaire shopping centre (1,500 m²). This unit is in the process of being re-let;
- the tenant Système U left the Bali building in 2013 (3,000 m²), in order to relocate to the Los Angeles building (5,000 m²) the lease for which was signed at the end of 2012;

The remaining 12,800 m² relate to tenant departures from the non-strategic portfolio. It should be noted that most surface areas vacated were re-let in 2013.

Most importantly, the net balance between new tenants and tenants leaving is positive in terms of surface area (70,200 m² compared with 53,900 m²), and in average rent per m² (170.9 euros for new tenants compared with 157.7 euros for departing tenants).

Finally, thanks to the efficiency of the asset management teams, numerous surface areas vacated in 2013 have been or are about to be re-let. The asset management activity also led to the renewal of 24,000 m² of surface areas, admittedly under less favourable rental conditions (-19%), although securing 3.2 million euros over a fixed period of approximately eight years.

Schedule of leases per business in annual rents (in millions of euros)

Businesses	Offices in France	Business Parks	Healthcare	Shops	Warehouses	Offices in Germany	Total	Share of total
2014	22.2	42.6	0.0		3.0	0.0	**67.8**	**13.5%**
2015	56.5	46.2		0.1	0.8	0.2	**103.9**	**20.7%**
2016	11.7	57.5	0.2		0.3	0.5	**70.2**	**14.0%**
2017	7.5	32.9			0.2	0.2	**40.9**	**8.1%**
2018	16.7	9.9					**26.6**	**5.3%**
2019	9.7	11.0	2.9	0.3		3.5	**27.3**	**5.4%**
2020	4.1	2.6	15.4				**22.1**	**4.4%**
2021	30.1	13.8	3.9	8.9			**56.7**	**11.3%**
2022	0.0	6.0	4.9	0.6	0.2		**11.8**	**2.3%**
>2022	18.4	4.7	46.0			6.5	**75.6**	**15.0%**
Total	**176.9**	**227.1**	**73.3**	**10.0**	**4.5**	**11.0**	**502.9**	**100.0%**

Among the main leases expiring in 2014, a distinction should be drawn between:

- leases subject to a simple exit option in 2014. These represent 73% of the 67.8 million euros expiring in 2014. Based on the turnover of tenants recorded in previous financial years, only 20% to 25% of potential exit options are actually exercised. There is therefore a strong possibility that a significant share of tenants with an exit option in 2014 will decide not to exercise this right and opt to extend their lease for a further three-year period.

- leases with an effective end date in 2014. These represent 27%. All relevant tenants are already in the process of renewing.

The following points should finally be highlighted:

- the lease signed with Club Méditerranée, representing 5.6% of rents expiring in 2014, was renewed with an extension in 2014;

- the Le Thibet building in Evry (1.7% of rent to be renewed in 2014) is in the process of being sold.

1.4 Investments

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. Total investments over the period amounted to **337.7 million euros**.

To finance its investments in 2012, Icade used its own cash flow, corporate credit lines and more specifically for investments in its subsidiary Icade Santé, capital increases carried out with institutional investors.

Assets	Asset acquisitions	Asset restructuring	Constructions & extensions	Renovation & major maintenance	Total
Offices in France		39.3	34.6	4.2	78.1
Business parks	6.6	8.7	65.6	19.1	100.0
Strategic assets portfolio	**6.6**	**48.0**	**100.2**	**23.3**	**178.1**
Shops and shopping centres				0.7	0.7
Healthcare	130.4		19.0	0.5	149.9
Alternative assets portfolio	**130.4**	**0.0**	**19.0**	**1.2**	**150.6**
Non-strategic assets portfolio	**0.0**	**0.0**	**0.0**	**8.9**	**8.9**

Investment intra-group businesses					
PROPERTY INVESTMENT DIVISION	**137.0**	**48.0**	**119.2**	**33.3**	**337.7**

This policy can be divided into four types of investments:

Asset acquisitions:

Icade pursues a selective acquisition strategy concerning assets with high profitability and generating instant cash flows. In 2013, total acquisitions represent 137 million euros and relate to four healthcare establishment and an extension for 130.4 million euros as well as building land in Fresnes, adjacent to the Parc de la Cerisaie, acquired in December 2013 for 6.6 million euros.

Asset restructuring:

Icade selectively restructures assets generating a significant potential for profitability. Most restructuring in 2013 related to:

- offices in France for a total of 39.3 million euros, including work on the EQHO Tower delivered in July 2013 and the PB5 Tower currently undergoing restructuring;
- business parks: 8.7 million euros particularly relates to renovation work on buildings in the Paris parks for 5 million euros and 2.8 million to the Los Angeles building in Rungis, let entirely to Système U for a term of 12 years.

Constructions & extensions of assets:

These investments mainly related to:

- strategic assets for 100.2 million euros in 2013, including:
    - four construction projects launched this year: Le Millénaire 3 (37.7 million euros), Le Monet in Saint Denis (6.4 million euros), Le Québec (7.5 million euros) in Rungis and Le Brahms in Colombes (3.6 million euros). These buildings are all pre-let, with the exception of the Québec building (12,000 m^2), due for delivery at the start of 2015;
    - the continuation in 2013 of work on the Sisley building in Saint-Denis (23.6 million euros). This building has been pre-let and is due for delivery in April 2014;
    - the cost of preliminary studies prior to beginning construction works, totalling 20.9 million euros, in respect of the Véolia building (10.8 million euros), Le Millénaire 4 (2.5 million euros), Block E (3.3 million euros) and Campus la Défense in Nanterre Préfecture (4.3 million euros);
- alternative assets: this mainly related to the construction or extension of clinics for 19 million euros, for which the rental conditions, agreed contractually at the time of acquisition, will include a rent supplement on delivery.

Renovations/Major maintenance & repairs: mainly refer to the expenses of renovation work on business parks and incentives (tenant works).

1.5 Arbitrage

Icade is carrying out an active trade-off policy on its assets, based on three main principles:

- Optimisation and turnover: 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 held under joint ownership;
- Shift to the commercial sector, disposal of non-strategic assets: sale of assets, which do not belong in the core of the Commercial Property Investments Division.

The value of sales realised during 2013 was 534.0 million euros.

Assets	Optimisation	Portfolio rationalisation	Shift to the commercial sector	Total
Offices in France	103.0	7.4		110.4
Business parks		13.5		13.5
Strategic assets portfolio	**103.0**	**20.9**		**123.9**
Shops and shopping centres	133.2			133.2
Healthcare				
Alternative assets portfolio	**133.2**			**133.2**
Non-strategic assets portfolio			**276.9**	**276.9**
PROPERTY INVESTMENT DIVISION	**236.2**	**20.9**	**276.9**	**534.0**

This relates primarily to the following:

- the sale in April 2013 and May 2013 of 11 logistics platforms mainly operated by the Casino group. This sale was carried out for 145 million euros;
- in 2013, Icade continued the process of selling residential units, notably including the block sale of 849 units located in Sarcelles for 43.2 million euros and of 125 single units for a total amount of 13.9 million euros;
- on 1 August 2013, Icade completed the sale of the La Factory building in Boulogne-Billancourt, with a surface area of 13,800 m², for 103 million euros;
- the disposals in 2013 of a business park in Berlin, an office building in Stuttgart and a plot of land in Munich for 68.8 million euros;
- the sale, on 30 November 2013 of Icade's equity shares in SCI Odysseum Place de France, owner of the Odysseum shopping centre in Montpellier.

2 Other activities

Key figures (in millions of euros)	31/12/2013				31/12/2012			
	Development	Services	Inter-group	Total	Development	Services	Inter-group	Total
Revenues	1,091.5	48.4	(23.5)	**1,116.4**	1,070.7	62.8	(29.8)	**1,103.7**
EBITDA	61.9	4.5	(1.1)	**65.3**	68.9	5.2	(7.2)	**67.1**
Margin (EBITDA/Revenues)	*5.7%*	*9.2%*	*4.5%*	***5.8%***	*6.4%*	*8.3%*	*24.1%*	***6.1%***
Operating profit/(loss)	71.4	3.4	2.8	**77.6**	51.9	3.4	(4.1)	**51.3**
Financial profit/(loss)	2.3	(0.1)	0.0	**2.2**	4.1	(0.1)	0.0	**4.0**
Tax on profit/(loss)	(27.3)	(1.6)	0.1	**(28.7)**	(25.3)	(1.4)	(0.1)	**(26.8)**
Net profit/(loss)	48.5	1.7	2.9	**53.2**	30.0	2.0	(4.3)	**27.7**
Net profit/(loss) Group Share	47.2	1.7	2.9	**51.9**	27.8	2.0	(4.3)	**25.5**

2.1 Development Division

2.1.1 Key figures

Summary income statement by business

Key figures (in millions of euros)	31/12/2013	31/12/2012 restated	Reclass-ifications (**)	31/12/2012	Change
Residential Property Development	729.3	669.9		669.9	+8.9%
Commercial Property Development	362.2	381.6	(27.3)	408.9	(5.1)%
PNE Development	0.0	0.0	(16.0)	16.0	N/A
Inter-business Development	0.0	0.0	24.1	(24.1)	N/A
Businesses sold	0.0	19.2	19.2	0.0	N/A
Revenues (*)	**1,091.5**	**1,070.7**	**0.0**	**1 070.7**	**+1.9%**
Residential Property Development	40.1	51.7		51.7	(22.4)%
Commercial Property Development	21.8	20.4	0.8	19.6	+6.8%
PNE Development	0.0	0.0	7.3	(7.3)	N/A
Inter-business Development	0.0	0.0	(5.0)	5.0	N/A
Businesses sold	0.0	(3.1)	(3.1)	0.0	N/A
EBITDA	**61.9**	**68.9**	**0.0**	**68.9**	**(10.2)%**
Residential Property Development	50.2	46.3		46.3	+8.5%
Commercial Property Development	21.2	21.9	0.8	21.1	(3.2)%
PNE Development	0.0	0.0	17.9	(17.9)	N/A
Inter-business Development	0.0	0.0	(2.4)	2.4	N/A
Businesses sold	0.0	(16.3)	(16.3)	0.0	N/A
Operating profit/(loss)	**71.4**	**51.9**	**0.0**	**51.9**	**+37.5%**

(*) Revenue based on progress, after inclusion of the commercial progress and work progress of each operation.
(**) Transfer in 2013 of the businesses sold (Icade Arcoba, Icade Sethri, Icade Gestec and SAS PNE) to the Businesses Sold row following the sale of these entities in the 1st half of 2013.

Development backlog and Service order book

The backlog represents the revenue signed (before tax) but not yet posted for development operations based on progress and signed orders (before tax).

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

Property Development Division backlog as at 31 December 2013 (in millions of euros)	31/12/2013			31/12/2012		
	Total	Île-de-France region	Regions	Total	Île-de-France region	Regions
Residential development (incl. subdivision)	1,011.7	599.0	412.7	1,081.6	599.0	482.6
Commercial Property Development	233.5	215.8	17.7	380.8	321.7	59.1
Public and Healthcare Development	249.0	19.9	229.1	123.5	35.5	88.0
Project management services order book	44.3	25.0	19.3	68.7	41.5	27.2
Engineering order book				38.6	19.9	18.7
TOTAL	**1,538.5**	**859.7**	**678.8**	**1,693.2**	**1,017.6**	**675.6**
	100.0%	55.9%	44.1%	100.0%	60.1%	39.9%

The total backlog of the Property Development Division stood at 1,538.5 million euros (compared with 1,654.6 million euros on a pro forma basis as at 31 December 2012), a fall of 7.0%.

These changes can be analysed as follows:

- a decrease of 6.2% in the Residential Property Development backlog. The guaranteed portion, corresponding to deeds of sale, represented 64% of the total, stable compared with 31 December 2012;
- a decrease of 6.2% in the Commercial Property Development backlog, from 380.8 million euros to 233.5 million euros, mainly due to the increase in the number of new commercial projects launched in 2012 (ZAC de Rungis, PNE Bureaux, etc.) and delivery during the financial year of several large-scale developments (Joinville Urbagreen, Guyancourt Le Start, Lyon Ambre and Opale, etc.)
- an increase of 101.6% in the Public and Healthcare Development backlog, mainly due to the signing of a large property development contract for the construction of the Nouméa hospital (New Caledonia);

2.1.2 Residential property development

(in millions of euros)	31/12/2013	31/12/2012	Change
Revenues (*)	729.3	669.9	+8.9%
EBITDA	40.1	51.7	(22.4)%
Margin (EBITDA/Revenues)	5.5%	7.7%	
Operating profit/(loss)	50.2	46.3	+8.5%

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

The residential property market experienced a very sharp slowdown in 2013. In an unstable economic climate, deteriorating macro-economic indicators and a lack of confidence among private individuals as well as investors are encouraging caution and limiting investment decisions.

Unlike in 2012, the market is suffering from a lack of support from private investors. The flow of commercial stock has slowed down (flow has fallen 6.6% compared with 7.8% in 2012). Sales also contracted over the year.

Interest rates, which remain at an historically low level, are not enough to maintain the level of activity and the new tax measures and regulations introduced by the ALUR law have not yet had a significant impact on the market and the behaviour of players.

Across all regions, the Residential market headed for a new fall in volume of approximately 70,000 plots in 2013, as well as in value with a more significant fall in prices regionally than in Paris and areas with a supply shortage, and increasing numbers of marketing incentives.

Marketing nevertheless remained very active in the individual homes market among first-time buyers, second-time buyers and private investors. The number of reservations excluding block sales remained at a good level compared with 2012 reflecting the efficient marketing efforts of the in-house sales force.

Revenue from the Residential Property Development business was up by 8.9% compared with 2012, mainly due to the launch of the Paris North East project (1,126 housing units).

EBITDA for this business was down to 40.1 million euros (5.5% of revenue) compared with 51.7 million euros in 2012 (7.7% of revenue).

This 22.4% fall in EBITDA compared with 2012 can particularly be explained by:

- The end of the Scellier scheme, which generated higher project margins in 2011;
- Contraction in margins on block sales carried out in 2012 to social-housing companies, to replace the rental investment sales carried out previously.

The operating profit for the Residential Development Division was up 8.5% (50.2 million euros as at 31 December 2013 compared with 46.3 million euros as at 31 December 2012), taking into account the significant reversals of provisions in relation to previously depreciated assets.

The Residential Property Development Division remains vigilant in its commitments by adapting production to market conditions and tightening its commitment criteria to preserve operations margins rather than revenue.

As at 31 December 2013, unsold completed stock comprised 109 residential properties, representing 21.1 million euros in revenues compared with a stock of 117 plots as at 31 December 2012 for 21.0 million euros in revenues.

The below indicators accurately reflect the state of the residential property market. The trend in 2014 is set to be identical to that in 2013 and marked by a significant reduction in activity. Nevertheless, the Residential Property Development Division forecasts that its revenues will be resilient in 2014, supported by the large-scale Paris North East project (1,126 housing units)and stability in its operating margin compared with 2013.

The priority objective of the Residential Property Development business is to maintain a market share of at least 5%, taking into account a slight increase in the overall volume of sales, by benefiting from the gradual return of private investors to the Duflot scheme (rent ceilings will be stables until 31 December 2016) and of institutional investors for intermediate housing.
In the Île-de-France region, the ambition of the Greater Paris project to increase production to 70,000 homes, doubling current production, is also an encouraging sign for the development in sales volumes.

Main physical indicators as at 31 December 2013:

PHYSICAL INDICATORS	31/12/2013	31/12/2012	Change
Marketing of new housing units and plots for construction			
Île-de-France region	1,416	2,427	(41.7)%
Regions	2,120	3,270	(35.2)%
Total plots by number	**3,536**	**5,697**	**(37.9)%**
Île-de-France region	335.5	534.3	(37.2)%
Regions	459.2	591.4	(22.4)%
Total revenues (potential in millions of euros)	**794.7**	**1125.7**	**(29.4)%**
Launch of projects to build new residential properties and building plots- SO			
Île-de-France region	2,535	1,759	44.1%
Regions	1,948	2,410	(19.2)%
Total plots by number	**4,483**	**4,169**	**7.5%**
Île-de-France region	656.6	358.6	83.1%
Regions	371.2	525.8	(29.4)%
Total revenues (potential in millions of euros)	**1,027.7**	**884.4**	**16.2%**
Reservations of new homes and plots of building land			
Number of housing reservations	3,533	4,295	(17.7)%
Housing reservations in millions of euros (including tax)	776.4	814.8	(4.7)%
Housing withdrawal rate	25%	19%	33.2%
Number of building plot reservations	72	99	(27.3)%
Reservations of building plots in € millions (including tax)	7.5	7.0	7.7%
Average sale price and average surface area based on reservations			
Average price including taxes per habitable m² (€/m²)	3,535	3,256	8.6%
Average budget including tax per residential unit (€K)	219.8	189.6	15.9%
Average floor area per residential unit (m²)	62.2	58.2	6.9%

Breakdown in reservations by type of customer:

	31/12/2013	31/12/2012
Social housing companies – Social landlords	30.5%	26.4%
Institutional Investors	9.8%	14.4%
Individual Investors	24.4%	25.0%
Buyers	35.3%	34.2%
TOTAL	100.0%	100.0%

The level of reservations carried out in 2013 combined with the strong performance of sale prices in the Île-de-France region resulted in an increase in the average price per m² over the course of 2013, despite stability in average sale prices regionally. The average surface area sold and the average budget per home also increased in 2013, with 2012 having seen falls, both in the average surface area and average budget per plot, as a result of significant sales of several student and senior residences.

As at 31 December 2013, the number of notarised sales decreased by 6.8% although it increased by 5.4% as a percentage. It stood at 817.4 million euros for 3,792 housing units and plots compared with 775.5 million euros and 4,069 housing units and plots as at 31 December 2012.

Property portfolio

The residential property and building plots portfolio represents 6291 plots (7675 plots as at 31 December 2012) for potential estimated revenues of 1.4 billion euros (compared with 1.8 billion euros as at 31 December 2012), a fall in value of 19.7% compared with 31 December 2012.

Production under development represents approximately 21 months' activity.

2.1.3 Commercial property development

(in millions of euros)	31/12/2013	31/12/2012 restated	Reclass-ifications (**)	31/12/2012	Change
Revenues (*)	362.2	381.6	(27.3)	408.9	(5.1)%
EBITDA	21.8	20.4	0.8	19.6	+6.8%
Margin (EBITDA/Revenues)	*6.0%*	*5.3%*		*4.8%*	
Operating profit/(loss)	21.2	21.9	0.8	21.1	(3.2)%

Revenue	31/12/2013	31/12/2012 restated	Reclass-ifications (**)	31/12/2012	Change
(in millions of euros) Commercial Property Development	**362.2**	**381.6**	**(27.3)**	**408.9**	**(5.1)%**
. Public and Healthcare	92.5	154.0	0.0	154.0	(39.9)%
. Services	241.3	186.3	0.0	186.3	+29.5%
. Project Management Assistance	28.4	41.3	0.0	41.3	(31.2)%
. Engineering	0.0	0.0	(27.3)	27.3	N/A
. Others	0.0	0.0	0.0	0.0	N/A

(*) Revenue based on progress, after inclusion of the commercial progress and work progress of each operation.
(**) Transfer in 2013 of the businesses sold (Icade Arcoba, Icade Sethri, Icade Gestec and SAS PNE) to the Businesses Sold row following the sale of these entities in the 1st half of 2013.

Public and Healthcare business

Revenues for the Public and Healthcare Development business fell by 39.9% in 2013 to reach 92.5 million euros. This fall in projected activity is mainly due to the delivery of a number of projects (the Paris Zoological Park and large-scale hospital projects in Toulouse, Dijon, Arcachon and Saint-Denis).

As at 31 December 2013, Icade's project portfolio in the Public and Healthcare Development sector, consisted of 278,508 m² of projects (compared with 198,717 m² as at 31 December 2012), comprising:

- 140,454 m² (compared with 111,490 m² in 2012) of projects under construction, including 10,000 m² for PPPs;
- 138,054 m² of projects at the set-up stage (87,227 m² as at 31 December 2012).

The surface area of projects delivered in 2013 was 44,749 m².

Since 1 January 2013, 208.1 million euros (Icade's proportional share) of new contracts were signed for off-plan sales or property development contracts, particularly including the Nouméa private hospital complex for 110.6 million euros.

Commercial property and shops

In an uncertain economic context the market is proving resilient, but is becoming very selective and concentrated on the best assets.

In this context, Icade continued its marketing efforts by signing several property development contracts and off-plan sales representing almost 20,000 m² of offices.

As at 31 December 2013, revenues of the offices and shops Development business (241.3 million euros compared with 186.3 million euros last year) have clearly increased, due to the start of numerous new projects in 2012 and 2013, particularly in the Ile-de-France region.

Projects delivered during the financial year total approximately 60,000 m².

As at 31 December 2013, Icade Promotion had a portfolio of projects in Commercial Property Development and Shops of about 879,000 m² (stable compared with 31 December 2012), which breaks down as:

- Projects under construction for around 192,000 m² (220,000 m² as at 31 December 2012), representing future revenue of almost 230 million euros (381 million euros as at 31 December 2012). As of 31 December 2013, 90% of surface areas under construction had been sold.

- Other projects under construction are also posted in Icade's consolidated accounts using the equity method and represent almost 92,000 m² as at 31 December 2013.

- As at 31 December 2013, projects at the set-up stage represented 595,000 m² (compared with 578,600 m² as at 31 December 2012), representing revenues of 1,534.4 million euros (1,029.3 million euros as at 31 December 2012).

Speculative projects represent commitments of 232.7 million euros, 66% of which correspond to a 30,000 m² project launched in Paris (Le Garance). Exclusive negotiations are currently underway with a view to signing, in the first half of 2014, an off-plan lease concerning this project which is due for delivery in the 2nd quarter of 2015.

Project management assistance

Project management assistance includes contracts to provide contracting authority assistance and studies performed for customers in the Public and HealthCare, Commercial and Retail Property sectors.

In 2013, revenue from this business fell 31.2% to 28.4 million euros.

The order book totals 44.3 million euros, representing approximately 16 months of business (revenues based on the last 12 months).

Requirements for working capital and borrowing

Working capital has increased by 36.9 million euros since the start of 2013.

This increase is the result of progress in commercial projects (particularly the Le Garance project in Paris), which consumed 89.8 million euros over the course of the year. The residential business has meanwhile cut its working capital by almost 52.9 million euros.

The commercial working capital/revenue ratio increased sharply to 47.4% (21.5% at the end of 2012) while the same residential ratio fell to 28.6% (39.0% at the end of 2012).

The Property Development Division's net debt presents a surplus of 7.3 million euros.

2.2 Services Division

The Services Division comprises the property management business as well as the consultancy and solutions business.

Key Figures (in millions of euros)	31/12/2013	31/12/2012	Change
REVENUES	**48.4**	**62.8**	**(22.9)%**
Property Management	31.1	33.3	(6.5)%
Consultancy and Solutions	15.6	14.9	+4.8%
O/w Icade Solutions Immobilière (ISI)	13.0	11.3	+14.8%
O/w Others	2.6	3.6	(27.0)%
Intra-business services	(0.3)	(0.4)	(26.7)%
Activities sold or in the process of being sold	1.9	14.9	(87.0)%
EBITDA	**4.5**	**5.2**	**(14.3)%**
Property Management	2.4	3.6	(34.1)%
Consultancy and Solutions	2.0	1.7	+13.8%
O/w Icade Solutions Immobilière (ISI)	2.3	1.6	+41.7%
O/w Others	(0.3)	0.1	N/A
Intra-business services	0.0	0.0	N/A
Activities sold or in the process of being sold	0.1	(0.1)	N/A
OPERATING PROFIT/(LOSS)	**3.4**	**3.4**	**(2.2)%**
Property Management	2.0	2.6	(23.5)%
Consultancy and Solutions	1.2	1.4	(17.4)%
O/w Icade Solutions Immobilière (ISI)	2.0	1.3	+51.5%
O/w Others	(0.8)	0.1	N/A
Intra-business services	0.0	0.0	N/A
Activities sold or in the process of being sold	0.2	(0.6)	N/A

Revenues from the Services Division reached 48.4 million euros as at 31 December 2013 compared with 62.8 million euros as at 31 December 2012.

This change is mainly related to the effects of change in the scope.

In fact, the sale in 2012 of Icade Résidences Services, the subsidiary specialising in the management of student residences, and in 2013 of Icade Suretis, led to a loss in revenues of 13.0 million euros.

On a like-for-like basis, the revenue represents 46.5 million euros as at 31 December 2013, down 2.8% compared with 31 December 2012.

This change is due to:

- the 2013 revenues of Icade Solutions Immobilières, comprising the property consultancy and valuation businesses, which grew by 15%. This growth is mainly due to the award of several asset management contracts which were signed in 2013. As a result of its certification by the AMF as a management company, Icade Asset Management particularly won a contract to manage an OPCI (real-estate mutual fund) whose underlying assets include seven shopping centres;
- transaction activity which recorded a decrease in revenues following a slowdown in its commercial activity;
- a fall in revenue from the property management activity of 2.2 million euros compared with 31 December 2012 mainly due to strategic rationalisation of the management mandate portfolio and the reintegration within the Property Investment Division of services provision to properties owned by Icade, representing 1.7 million euros.

The assets managed at 31 December 2013 are stable compared with 31 December 2012.

2.3 Inter-group

The Inter-groupe activities now solely consist of eliminations on Icade's intra-group operations.

The **revenues** for Other which reached (23.5) million euros as at 31 December 2013 compared with (29.8) million euros in 2012.

3 Combination with Silic

Following the signature of a non-binding protocol agreement on 13 December 2011 between the Caisse des Depots, Icade and Groupama, on 22 December, 2011, Icade and the CDC made Groupama a firm offer which was accepted on 30 December 2011.

The combination between Icade and Silic was structured in four stages:

1. Stage one: contribution to a subsidiary of the CDC, HoldCo SIIC, (a) of the shareholding held by the CDC in Icade and (b) of a fraction of the shareholding held by Groupama in Silic.

On 30 December 2011, the CDC contributed 55.57% of its capital and voting rights in Icade to HoldCo SIIC. At the same time, Groupama offered 6.5% of its capital and voting rights in Silic to HoldCo SIIC.

Each contribution was made based on an exchange parity of five Icade shares for four Silic shares, 2011 dividend attached for each company. The valuation of HoldCo SIIC was determined by transparency on the basis of this parity.

On 6 February 2012, CDC and Groupama signed a shareholders' agreement governing their relationship within HoldCo SIIC. This agreement relating to HoldCo SIIC is valid for a term of 20 years and includes the following stipulations:

- an agreement to not sell the shares in HoldCo SIIC owned by Groupama for 30 months from the date of signature of the shareholders' agreement;
- a preferential right for CDC at the end of the period prohibiting the sale of the shares;
- a proportional joint opt-out right for Groupama in the event that the CDC wants to sell all or some of its shares in HoldCo SIIC to a 3rdparty other than an affiliate;
- liquidity for Groupama.

A summary of the clauses in the shareholders' agreement which fall within the scope of the provisions of Article L. 233-11 of the French Commercial Code was given to Icade and was the subject of a notice published by the AMF on 17 February 2012 under the number 212C0291.

2. Stage two: contribution by Groupama of the balance of its shareholding in Silic to HoldCo SIIC

After permission was obtained from the Competition Authority on 13 February 2012, the CDC and Groupama, as shareholders of HoldCo SIIC, approved the contribution by Groupama of 37.44% of the capital and voting rights in Silic following a decision on 16 February 2012. The balance of Silic shares owned by Groupama was contributed according to the same parity as the first contributions, i.e. five Icade shares for four Silic shares, 2011 dividend attached for each of the companies.

As a result of the contributions described above, 75.07% of HoldCo SIIC's capital is owned by CDC and 24.93% is owned by Groupama. In addition, HoldCo SIIC holds (i) 55.57% of the capital and voting rights in Icade and (ii) in conjunction with CDC and Icade, 43.94% of the undiluted capital and voting rights in Silic.

3. Stage three: filing by Icade of a mandatory public offer for Silic

After HoldCo SIIC, acting in concert with CDC and Icade, crossed the 30% threshold, Icade filed a mandatory offer for Silic on 13 March 2012.

The offer included a public exchange offer for Silic shares as well as a public offer to purchase bonds redeemable in cash and/or new shares and/or existing shares (ORNANEs) issued by Silic.

The terms of the offer were as follows:

- for the share exchange: the parity was the same as the parity for the contributions, i.e. five Icade shares issued for four Silic shares contributed (2011 dividend attached or detached in both cases) and;
- for the purchase offer: the nominal value of the ORNANE convertible bonds to which the dividend accrued up to the scheduled date for early payment/delivery of the offer was added, i.e. 126 euros per ORNANE based on payment/delivery on 14 June 2012. A shift in the payment/delivery of the offer did not affect the price per ORNANE.

On 24 April 2012, the AMF declared the offer to be in compliance and appended stamp n°12-179 to Icade's information notice and stamp n°12-180 to Silic's response, which are available on the websites of Icade (www.icade.fr), Silic (www.silic.fr) and the AMF (www.amf-france.org).

The compliance decision and the notice of initiation of the offer were published by the AMF on 24 April 2012 under the number 212C0533 and on 26April 2012 under the number 212C0547 respectively.

In proceedings on 3 May and 4 May 2012, SMA Vie BTP and the ADAM brought an application to annul the AMF's compliance decision before the Paris Court of Appeal.

In its comments filed at the Paris Court of Appeal on 31 May 2012, the AMF agreed "in the interest of the market and as a precautionary measure, to extend the closing date of the public offer, originally set for 1 June 2012, so that the closing date shall be at least eight days after the decision of the court ruling on the annulment of the AMF's decision".

In a ruling dated 27 June 2013, the Paris Court of Appeal rejected all appeals by ADAM and SMA Vie BTP, thereby confirming the validity and regularity of the public offer for Silic.

The closing date of the public offer was fixed by the AMF as 12 July 2013 (see AMF notice no. 213C0781 dated 27 June 2013).

In an opinion dated 19 July 2013 (see AMF notice no. 213C0976), the AMF published the results of the initial public offer for which payment-delivery occurred on 22 July 2013. This involved the issue of 19,295,355 new Icade shares on 19 July 2013 at 69 euros per share (including issue premium) to pay for the 15,436,284 Silic shares contributed to the initial offer.

Following the initial public offer, Icade owned 15,436,284 Silic shares, representing 87.98% of the capital and voting rights. Furthermore, 99,520 ORNANEs have been contributed to the public offer.

In a notice dated 19 July 2013 (see AMF notice no. 213C0985), the AMF set the closing date for the re-opened offer as 2 August 2013. The results of the re-opened offer were published by the AMF on 9 August 2013 (see AMF notice no. 213C1217). This involved the issue of 1,161,750 new Icade shares at 67.36 euros per share (including issue premium) to pay for the 929,400 Silic shares contributed to the re-opened offer, representing 5.30% of Silic's capital and voting rights. Payment-delivery took place on 12 August 2013.

Following the public offer (including the re-opened offer), Icade owned 16,365,684 Silic shares, representing 93.28% of Silic's share capital and voting rights on the date of publication of the results of the re-opened offer, as well as 99,520 ORNANE convertible bonds issued by Silic.

On 23 July 2013, SMA Vie BTP brought an appeal against the ruling by the Paris Court of Appeal dated 27 June 2013.

4. Stage four: merger of Silic by Icade:

The merger was part of a strategy to simplify the Group's structure and the way in which its property assets are owned as well as to optimise the Icade Group's operating costs, particularly by rationalising costs associated with Silic's status as a listed company.

On 15 October 2013, the respective Boards of Directors of Icade and Silic met and approved the terms of the merger of Silic by Icade.

The general meeting of Silic's ORNANE-holders on 6 November 2013 approved the planned merger.

In an opinion published on 28 November 2013 (see AMF notice no. 213C1819), the AMF decided that the planned merger of Silic by Icade, subject to its examination pursuant to article 236-6 of the AMF's General Regulations, did not justify the filing of a public buyout offer for Silic shares prior to completion of the merger.

In proceedings on 6 December 2013, SMA Vie BTP brought an application before the Paris Court of Appeal to annul the abovementioned decision by the AMF. The date of the appeal hearing has been set for 23 October 2014.

On 6 December 2013, SMA Vie BTP asked the Nanterre Commercial Court, in the context of interim proceedings, to adjourn the extraordinary general meeting of Silic shareholders convened to rule on Silic's merger by Icade. In a ruling dated 20 December 2013, the Nanterre Commercial Court rejected this request and no appeal was lodged against its decision.

On 27 December 2013, the extraordinary general meetings of Icade and Silic approved the merger of Silic by Icade.

The main terms of the merger were as follows:

- the parity was the same as the parity for the public exchange offer, i.e. five Icade shares for four Silic shares;
- the merger took effect from a legal, accounting and tax perspective at midnight on 31 December, with transfer of all Silic's assets and liabilities to Icade and the dissolution without liquidation of Silic;
- the merger was carried out based on net book value, Icade and Silic being under joint control;
- in accordance with notice CU CNC no. 2005-C, the terms and conditions of the merger were established based on Silic's estimated corporate accounts on the date of the merger;
- On the merger completion date and in line with the exchange parity, Icade carried out an increase in its share capital for a nominal amount of 2,212,786.34 euros to raise it from 110,456,512.52 euros to 112,669,298.86 euros, through the creation of 1,451,687 new shares allocated to Silic shareholders (with the exception of Icade and Silic, their shareholding being treasury stock). In accordance with applicable regulations, there was no exchange of the Silic shares owned by Icade and no exchange of the treasury stock owned by Silic which was automatically cancelled on the merger completion date;
- the new Icade shares were accepted for trading on compartment A of Euronext Paris under ISIN code FR0000035081;
- on the merger completion date, Icade substituted itself for Silic in its obligations to (i) holders of Silic stock options, (ii) recipients of Silic bonus shares to be acquired and (iii) ORNANE-holders. Silic ORNANEs continued to be accepted for trading on Euronext Paris and those owned by Icade were cancelled.
- based on Silic's estimated corporate accounts as at 31 December 2013:
    - the net book value of the net asset transferred by Silic (excluding the net book value of Silic's treasury stock) stood at 166,684,783 euros;
    - the provisional amount of the merger premium was 8,818,371.67 euros;
    - the provisional amount of the merger malus payment was 1,253,981,349.81 euros.

At a meeting on 19 February 2014, Icade's Board of Directors closed Silic's final accounts ending on 31 December 2013. These accounts were audited by Icade's Statutory Auditors as part of checks directly linked to their responsibility for legally auditing Icade's accounts.

Based on Silic's final accounts closed on 31 December 2013, the Board of Directors ruled the net book value of the net asset transferred to be final.

Final value of net assets transferred	31/12/2013
Final total amount of assets contributed (1)	1,860,344,796.20
Final total amount of liabilities taken on	1,691,524,860.20
Final Net Assets	**168,819,936.00**
Final Net Assets (excluding the net book value of Silic's treasury stock)	**167,248,716.84**

(1) including treasury stock for 1,571,219.16 euros

Since final net assets were more than projected net assets, the capital was fully paid up and the final merger premium was revised upwards.

It was consequently recorded that the final amount of the merger premium was 8,855,692.66 euros before allocation of merger costs and transfer of investment grants and regulated provisions.

After (i) allocation to the merger premium of merger costs of 7,465,050.35 euros and (ii) partial transfer of Silic’s investment grants for 1,390,642.31 euros, the amount of the merger premium is nil. The Board of Directors submitted a proposal to Icade's Annual General Shareholders’ Meeting to assign to retained earning the remaining sums required to transfer (i) the outstanding portion of Silic’s investment grants (ii) regulatory provisions appearing on Silic’s balance sheet totalling 5,833,310.15 euros.

Icade's Board of Directors also recorded the final amount of the merger malus payment as 1,253,454,737.16 euros.

4 Tax dispute

When the accounts were audited during the 2010 financial year, in its proposed correction (8 December 2010), the tax authorities questioned the market values as at 31 December 2006, based on the property valuations that were used as the basis for calculating the exit tax (corporate tax at the rate of 16.50%) during the merger/absorption of Icade Patrimoine (Assets) as at 1 January 2007. As a result, the exit tax bases were increased, generating additional tax of 204 million euros in principal. In another proposed correction dated 26 April 2012, the tax authorities increased the rate of taxation applicable to some of the revised amounts from 16.5% to 19%. The additional tax was then increased to 206 million euros.

On 16 July 2012, Icade applied to consult the *Commission Nationale des Impôts Directs et Taxes sur le Chiffre d’Affaires* [National Commission for Direct Taxes and Revenue Taxes].

At the end of the hearing on 5 July 2013, the Commission gave an opinion questioning the valuation method used by the tax authorities ("[the comparison method] would appear much less suitable than the DCF to the type of assets in question") while recording that some sales carried out in 2007 had been completed for higher prices than those used to estimate the exit tax.

The tax authorities did not follow the commission’s recommendation and maintained the increases initially notified, a decision of which it informed Icade on 3 December 2013 at the same time the Commission's opinion was sent.

On 11 December 2013, in accordance with the applicable procedure, the tax authorities therefore sent a payment demand for all sums, i.e. 225,084,492 euros, including late payment interest (or 206 million euros in principal).

Maintaining its position, on 23 December 2013 Icade filed a claim asking for complete discharge of the sums demanded along with deferral of payment. Deferral of this payment will be subject to presentation of a guarantee from a banking establishment or similar.

In the event that the tax authorities refuse to grant discharge of the sums demanded, Icade will bring proceedings before the administrative court to obtain a ruling on the dispute.

In consultation with its legal firms, Icade continues to dispute this assessment.

Consequently, as was the case at 31 December 2012, no provision was recorded for this purpose at 31 December 2013.

5 Obligations of the SIIC Regime and Distribution

The ratio of activities not eligible for the SIIC regime in the parent company's balance sheet totalled 9.22% as at 31 December 2013.

Icade's 2013 net book profit was -31.2 million euros, corresponding to a fiscal profit of 104.8 million euros.

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

- 52.8 million euros in exempt current profits from SIIC activities, subject to an 95% distribution obligation (50.1 million euros);
- (17.2) million euros in proceeds from disposals;
- 48.3 million euros in tax-exempt dividends from SIIC subsidiaries, subject to a 100% distribution obligation;
- Taxable profit, which stands at 20.9 million euros before allocation of previous deficits.

Since total theoretical distribution obligations (98.4 million euros) were higher than the overall fiscal profit of the exempt sector (83.9 million euros), Icade's profit distribution obligation for 2013 is limited to 83.9 million euros, of which:

- 42.7 million euros relating to the rental business (limited 95% obligation);
- 41.2 million euros relating to dividends from SIIC subsidiaries (limited 100% obligation).

Furthermore, in the context of the Silic and Silic CBI mergers carried out during 2013, Icade committed to substituting itself for those companies in their distribution obligations, namely:

- 57.6 million euros in relation to the Silic merger;
- 22.4 million euros in relation to the Icade CBI merger.

This results in a total distribution obligation of 163.9 million euros.

	Fiscal Profit/(Loss)	Distribution obligation		Fiscal Profit/(Loss)	Distribution obligation	
(in millions of euros)	31/12/2013	%	Amount	31/12/2012	%	Amount
Current profit/(loss) from SIIC activities	52.8	95.0%	50.1	68.8	85.0%	58.5
Profit/(loss) from disposals	(17.2)	0.0%	0.0	(2.8)	0.0%	0.0
Dividends from SIIC subsidiaries	48.3	100.0%	48.3	43.7	100.0%	43.7
Taxable profit/(loss)	20.9	0.0%	0.0	12.3	0.0%	0.0
Total	**104.8**		**98.4**	**122.0**		**102.2**
Limitation on obligations for exempt profit			**83.9**		N/A	
Taking over of distribution obligations for merged companies			80.0		N/A	
TOTAL			**163.9**			**102.2**

The distribution of a dividend of 3.67 euros per share will be proposed to the Annual General Shareholders' Meeting, which will take place on 29 April 2014. Based on existing shares as at 19 February 2014, i.e. 73,916,109 shares, the dividend distribution amount proposed to the Shareholders' Meeting will be 271.3 million euros.

(in millions of euros)	31/12/2013	31/12/2012
Dividend (in millions of euros)	271.3	189.3
O/w current dividend	271.3	189.3
O/w exceptional dividend	0.0	0.0
Dividend (in euros/share)	3.67	3.64
O/w current dividend	3.67	3.64
O/w exceptional dividend	0.0	0.0

Article 6 of the amended 2012 French Finance Law introduced an additional contribution to the corporate tax, which is calculated on the amount of revenues distributed. This contribution represents 3% of dividends distributed beyond the distribution obligation. In 2013, Icade paid 2.6 million euros in respect of this tax.

III - ADJUSTED NET ASSET VALUE AS AT 31 DECEMBER 2013

A. VALUATION OF PROPERTY ASSETS

1. Surveyors' mission and methodology

1.1 Valuation mission

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 valuations were performed by Jones Lang LaSalle Expertises, DTZ Eurexi, CBRE Valuation, Catella Valuation FCC and BNP Paribas Real Estate.

The property valuation fees are billed to Icade based on a flat remuneration, taking into account the specifics of the buildings (number of units, number of square meters, number of current leases etc.) and independent of the value of the assets.

The surveyors' assignments, for which the main methods of valuation and the conclusions are presented hereafter, are performed according to the standards of the profession, in particular:

- the Property Valuation Charter, fourth edition, published in October 2012;
- 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 international level, the TEGoVA (The European Group of Valuers' Association) European valuation 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 surveyors, the rules for good conduct and ethics and the basic definitions (values, surface areas, rates and the main valuation methods).

On each valuation assignment and during the presentation of values, Icade ensures the consistency of the methods used for valuation of these assets within the panel of surveyors.

The values are established on the basis of "duties included" and "duties excluded", the "duties excluded" values being determined after deduction of fees and legal expenses calculated on an outright basis by the surveyors.

The Crystal Park office building and the EQHO and PB5 towers are appraised twice, the valuation retained corresponds to the average of the two appraised 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 the procedures currently in practice within the Group, including land reserves and projects under development, all Icade's assets were valued at 31 December 2013, with the exception of:

- properties currently the subject of an expert opinion, including those covered by a promise of sale at the time the accounts were closed and which are valued on the basis of the contract selling price; as at 31 December 2013, the jointly owned lots in the Arago Tower and a plot of land in Aubervilliers. The Munich-Allach office building, the Salzufer plot of land in Berlin and a shop in the Le Triangle shopping centre in Montpellier were subject to valuation on 31 December 2013 but remained at the value of the undertaking to sell signed or the offer accepted at the end of 2013;

- 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 total financial debt entered in the accounts, 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 31 December 2013;

- 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 partnership contracts. These assets are therefore held at the net book value and listed without modification in the property assets currently published by Icade;

- buildings acquired less than three months before the semi-annual or annual closing date, which are valued at their net book value. As at 31 December 2013, one plot of land located in Fresnes falls into that category.

1.2 Methodology used by the surveyors

The methodologies used by the surveyors were identical to those used in the previous fiscal year.

The investment buildings are valued by the surveyors by combining two methods: the revenue method (the surveyor using the net rent capitalisation or discounted cash flow method, whichever is the most appropriate) cross-checked using the method of direct comparison with the prices of transactions recorded on the market on equivalent assets in terms of nature and location (unit, block or building price).

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

The discounted cash flow method assumes that the value of the assets is equal to the discounted sum of the financial flows expected by the investor, including resale at the end of the holding period. In addition to the resale value obtained by applying a theoretical rate of return on the rents for the last year, which differs depending on the sites, the financial flows integrate the rents, the different charges not recovered by the owner and the heavy maintenance and repair work. The flow discount rate is calculated based on a rate without risk plus a risk premium (linked both to the property market and the building in question, based in its qualities in terms of location, construction and security of revenues) or else the weighted average cost of capital.

Irrespective of the method used, the valuation calculations are carried out on a lease by lease basis, except for particular cases and exceptions.

Land reserves and buildings under development are also valued at their fair value. They are therefore subject to a valuation taken into account in calculating the NAV. The main methods used by the surveyors are the developer balance sheet and/or discounted cash flows, combined in some cases with the comparison method (see above for details of the last two methods).

The developer balance sheet method involves producing the financial balance sheet for the project according to the approach of a property developer to whom the land has been offered. From the selling price of the building on delivery, the surveyor deducts all the costs to be incurred, building costs, fees and margin, financial expenses as well as the amount that could be assigned to the land cost.
For buildings under development, all outstanding costs linked to the project in order to complete it, along with the transfer costs until delivery, must be deducted from the buildings' provisional sale price.

Projects under development are valued on the basis of a clearly identified and documented project, as soon as planning permission can be examined and implemented.

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

The buildings of clinics or healthcare establishments are valued by surveyors taking the average value obtained using the rent capitalisation (or rental value) method or the discounted future cash flow method.

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

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

2. Summary of surveyor valuations of Icade's assets

Given the significant restructuring of Icade's portfolio (acquisition of Silic and continued disposal of non-strategic assets), the classification of assets has been reviewed and is presented as follows:

- strategic assets comprise offices in France (including public buildings and works held via public-private partnerships) and business parks (including the Le Millénaire shopping centre);
- alternative assets include only the Healthcare portfolio;
- non-strategic assets comprise the assets located in Germany, warehouses, shops and housing.

Furthermore, assets in the Healthcare portfolio are now valued in proportion to Icade’s stake in Icade Santé (56.5%). If these assets were included at 100% of their value, Icade's portfolio would total 9,883.4 million euros excluding duties instead of 6,954.9 million euros at the end of 2012 and 10,358.1 million euros including duties instead of 7,270.0 million euros at the end of 2012.

Value of assets excl. duties in millions of euros, Group share	31/12/2013	31/12/2012 restated	Change (in millions of euros)	Change (as %)	Change on a like-for-like basis (in millions of euros) (1)	Change on a like-for-like basis (as %) (1)	Total surface areas (m²)	Price in euros/m² (2)	Net rate of return, excl. duties (3)	Reversion potential (4)	Overall market rental value in millions of euros	EPRA vacancy rate (5)
Offices in France												
Paris	309.3	292.1	+17.2	+5.9%	+24.1	+8.5%	27,825	11,116	5.7%	-1.9%	17.2	7.8%
La Défense/Near La Défense	1,709.7	329.5	+1,380.2	+418.9%	+418.5	+127.0%	322,097	5,308	7.4%	-2.8%	123.7	25.4%
Other Western Crescent	756.0	869.1	(113.1)	(13.0)%	(15.2)	(2.0)%	84,070	8,992	6.5%	-7.7%	45.6	0.3%
Inner Ring	453.3	346.7	+106.6	+30.7%	+0.8	+0.2%	93,471	4,850	6.4%	-1.0%	28.6	1.9%
Outer Ring	66.8	70.2	(3.4)	(4.7)%	(4.4)	(6.3)%	28,803	1,158	12.2%	-5.6%	3.9	23.0%
Total IDF region	**3,295.1**	**1,907.6**	**+1,387.5**	**+72.7%**	**+423.8**	**+23.5%**	**556,266**	**5,863**	**6.9%**	**-3.8%**	**219.0**	**15.7%**
Regional	103.5	108.7	(5.2)	(4.7)%	(4.3)	(4.0)%	20,593	1,620	7.9%	-3.9%	2.5	2.2%
Total	**3,398.6**	**2,016.3**	**+1 382.3**	**+68.6%**	**+419.5**	**+21.9%**	**576,859**	**5,712**	**6.9%**	**-3.8%**	**221.5**	**15.5%**
Property reserves and projects under development	155.3	515.1	(359.8)	(69.8)%	(512.0)	(99.4)%	-	-	-	-	-	-
Total	**3,553.9**	**2,531.4**	**+1 022.5**	**+40.4%**	**(92.5)**	**(3.8)%**	**576,859**	**5,712**	**6.9%**	**-3.8%**	**221.5**	**15.5%**
Business parks												
Paris	674.8	682.6	(7.8)	(1.1)%	(14.6)	(2.1)%	148,501	4,544	7.2%	-2.9%	47.6	8.9%
La Défense/Near La Défense	230.0	-	+230.0	-	-	-	87,485	2,629	7.4%	+1.3%	17.1	45.1%
Other Western Crescent	150.4	-	+150.4	-	-	-	72,056	2,088	8.9%	-3.4%	13.1	5.5%
Inner Ring	897.2	926.9	(29.7)	(3.2)%	(28.8)	(3.1)%	364,089	2,464	8.3%	-0.8%	73.6	7.2%
Outer Ring	1,503.2	-	+1,503.2	-	-	-	833,995	1,802	7.9%	-1.7%	120.4	13.2%
Total IDF region	**3,455.6**	**1,609.5**	**+1,846.1**	**+114.7%**	**(43.4)**	**(2.7)%**	**1,506,126**	**2,294**	**7.9%**	**-1.6%**	**271.8**	**12.5%**
Property reserves and projects under development	487.8	150.8	+337.0	+223.4%	+24.7	+16.4%	-	-	-	-	-	-
Total	**3,943.4**	**1,760.3**	**+2,183.2**	**+124.0%**	**(18.7)**	**(1.1)%**	**1,506,126**	**2,294**	**7.9%**	**-1.6%**	**271.8**	**12.5%**
STRATEGIC ASSETS	7,497.3	4,291.6	+3,205.7	+74.7%	(111.2)	(2.7)%	2,082,985	3,241	7.4%	-2.6%	493.3	13.8%
Healthcare												
Inner Ring	39.5	43.9	(4.4)	(10.2)%	(0.1)	(0.2)%	10,695	3,692	6.6%			
Outer Ring	193.3	193.9	(0.6)	(0.3)%	+0.8	+0.5%	54,744	3,532	6.9%			
Total IDF region	**232.8**	**237.8**	**(5.0)**	**(2.1)%**	**+0.7**	**+0.3%**	**65,439**	**3,558**	**6.8%**			
Regional	833.4	845.0	(11.6)	(1.4)%	+6.6	+0.9%	426,030	1,956	6.9%			
Total	**1,066.2**	**1,082.8**	**(16.6)**	**(1.5)%**	**+7.3**	**+0.7%**	**491,469**	**2,170**	**6.9%**			
ALTERNATIVE ASSETS	1,066.2	1,082.8	(16.6)	(1.5)%	+7.3	+0.7%	491,469	2,170,	6.9%			0.0%
NON-STRATEGIC ASSETS PORTFOLIO (6)	499.3	938.8	(439.5)	(46.8)%	(39.6)	(7.4)%	390,990	762	8.9%			5.6%
Value of the property assets	**9,062.8**	**6,313.2**	**+2,749.6**	**+43.6%**	**(143.5)**	**(2.5)%**	**2,965,426**	**2,736**	**7.4%**			**11.7%**

(1) Net change in disposals over the period and in investments, restated for the dilution resulting from the continued opening of Icade Santé's capital.
(2) Established according to the appraisal value excluding duties.
(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 surveyed value excl. duties of the rentable floor areas.
(4) Difference ascertained between the market rental value of the rented space and the annual rent net of unrecoverable charges for the same space (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.
(5) Calculated based on the estimated rental value of vacant premises divided by the overall rental value.
(6) The indicators (Total surface areas, Price in euros/m², EPRA net rate of return excluding duties and vacancy rates) are presented excluding the Residential Property Investment Division and excluding PPPs.

2.1 Strategic assets

The overall value of the strategic portfolio, in proportion to Icade's stake, stands at 7,497.3 million euros excluding duties as at 31 December 2013 compared with 4,291.6 million euros at the end of 2012, an increase of 3,205.7 million euros (+74.7%) mainly linked to the acquisition of Silic's portfolio, representing 3,317.9 million euros as at 31 December 2013.

After eliminating the impact of investments and acquisitions and disposals carried out during 2013, the change in the value of strategic assets, excluding EQHO and the Le Millénaire shopping centre amounted to +0.1%.

By value, 99% of the portfolio is located in Île-de-France.

The value of property reserves and projects under development amounted to 643.1 million euros as at 31 December 2013 and breaks down as 228.4 million euros in property reserves and 414.7 million euros in projects under development.

2.1.1 Offices in France

During 2013, investments made in office assets (excluding Silic assets), which mainly include work on the EQHO tower, amounted to a total of 41.6 million euros.

After eliminating the impact of these investments, the acquisition of Silic and asset disposals carried out during the financial year, the change in the value of the Offices Division as at 31 December 2013 was -92.5 million euros on a like-for-like basis (or -3.8%), broken down as follows:

- an effect linked to the buildings' business plan (change in the rental situation and works budgets and rent indexation) of -100.2 million euros;

- an effect linked to the downward adjustment in rates of return and discount rates used by property surveyors to reflect changes in the real-estate market, of +7.7 million euros.

The change in value on a like-for-like level of the EQHO Tower alone over 2013 was -85.0 million euros, particularly due to the downgrading of letting assumptions.

2.1.2 Business parks

The property assets of the business parks consist of built assets in use as well as property reserves and building rights for which property projects have been identified and/or are under development.

Icade allocated 75.4 million euros in maintenance and development investments in its business parks (excluding Silic assets) in 2013.

On a like-for-like basis, after neutralising investments and the disposals, the value of the business park assets fell by 18.7 million euros over 2013 due to the fall in the value of the Le Millénaire shopping centre (-28.9 million euros over 2013).

After almost three years of operation, the centre is currently repositioning its retail brands while suffering from a two-fold negative influence on its value:

- departures of tenants at the end of the first three-year term of their leases;
- marketing/restructuring initiatives designed to tailor the centre's offering to its customers, their consumption behaviour and the frequency of their visits.

The overall change is explained by the effect of the buildings business plan, representing -22.3 million euros, and the impact of the upward adjustment in rates of return and discount rates used by the property surveyors to reflect changes in the real-estate market, of +3.6 million euros.

2.2 Alternative assets portfolio

The Healthcare property portfolio consists of clinics and healthcare establishments.

The overall value of this portfolio, in proportion to Icade's stake, is estimated at 1,066.2 million euros excluding duties as at 31 December 2013 compared with 1,082.8 million euros at the end of 2012, representing a fall of 16.6 million euros, mainly explained by the impact of the dilution resulting from the opening of Icade Santé's capital, representing 108.3 million euros, partially offset by the year's acquisitions totalling 73.4 million euros (Icade's proportional share).

On a like-for-like basis, after eliminating investments during the year of 11.0 million euros (Icade's proportional share), acquisitions and the impact of the dilution resulting from the opening of Icade Santé's capital, the portfolio value changed by +7.3 million euros over 2013, a change of +0.7%. About +10.5 million euros of this change is explained by the impact of interest rates and -3.2 million euros by the impact of the business plans for the buildings.

2.3 Non-strategic assets portfolio

2.3.1 Offices in Germany

The market value of the Offices in Germany assets was assessed at 156.0 million euros excluding duties at 31 December 2013 compared with 233.0 million euros at 31 December 2012, representing a downward change of 77.0 million euros (-33.0%).

This change can be explained by the sale during 2013 of a real-estate complex in Berlin and a building in Stuttgart and a plot of land in Munich.

2.3.2 Warehouses

The market value of the warehouses was assessed at 40.2 million euros excluding duties at 31 December 2013 compared with 197.4 million euros at 31 December 2012, representing a downward change of -157.2 million euros (-79.7%).

This sharp decrease is mainly the result of the sale of 13 warehouses in 2013.

2.3.3 Shops

As at 31 December, this asset class includes the portfolio of Mr. Bricolage stores acquired at the beginning of 2008, the Odysseum shopping centre and the recreation centres in Montpellier sold in November 2013 and the Le Millénaire shopping centre which was reclassified in the business parks portfolio.

As at 31 December 2013, the overall value of the shops stood at 121.0 million euros excluding duties, which is stable on a like-for-like basis.

2.3.4 Housing

The assets of the Residential Property Investment Division as at 31 December 2013 are composed of buildings managed by the SNI, together with the joint ownership housing and various residual assets of the Residential Property Investment Division, which were valued on the basis of property valuations.

The value of the Residential Property Investment Division's portfolio stood at 182.0 million euros excluding duties at 31 December 2013, compared with 256.9 million euros at the end of 2012, representing a change of -74.9 million euros (-29.2%), mainly explained by the effect of disposals.

B. VALUATION OF PROPERTY DEVELOPMENT AND SERVICES BUSINESSES

Icade’s development and service companies have been valued by an independent firm for the purposes of calculating the NAV (net asset value). The method used by the surveyor, 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 these bases, the values of property development and services companies at 31 December 2013 can be broken down as follows:

Value of development and service companies (in millions of euros)	31/12/2013		31/12/2012	
	Property development companies	Services companies	Property development companies	Services companies
Corporate value	483.8	36.5	429.8	40.6
Net debt	(3.9)	+3.5	(5.7)	+4.4
Other adjustments	(32.1)	(5.5)	(36.1)	(6.3)
Equity value	**447.8**	**34.5**	**388.0**	**38.7**

Among the financial parameters adopted, the surveyor used a lower weighted average cost of capital (as compared with the valuation made at the end of 2012), ranging from 8.46% to 11.83% for the development companies and from 7.73% to 9.94% for the service companies.

The change in the corporate value of property development companies can be analysed as follows:

- an effect linked to changes in scope totalling -7 million euros, following disposal of the engineering activity at the start of 2013
- an effect linked to the projected business plan of the property development business, for 34 million euros;
- an effect linked to the downward adjustment in discount rates used by the property surveyor to reflect changes in the property development market, of 27 million euros.

C. CALCULATING EPRA NET ASSET VALUE

(in millions of euros)		31/12/13	30/06/13	31/12/12
Group share of consolidated capital [1]	(1)	4,167.6	2,558.9	2,652.9
Impact of share dilution giving access to capital[2]	(2)	6.9	0.0	7.4
Unrealised capital gain on property assets (excl. duties)	(3)	1 492.4	1 500.2	1 495.4
Unrealised capital gain on development companies	(4)	50.5	32.3	58.4
Unrealised capital gain on service companies	(5)	7.7	11.7	12.9
Restatement of the revaluation of rate hedging instruments	(6)	102.2	121.3	172.7
Group share of EPRA NAV	(7)=(1)+(2)+(3) +(4)+(5)+(6)	**5,827.3**	**4,224.4**	**4,399.7**
Revaluation of rate hedging instruments	(8)	(102.2)	(121.3)	(172.7)
Revaluation of fixed-rate debt	(9)	(6.1)	(11.3)	(23.1)
Tax liability on unrealised capital gain on property assets (excl. duties) [3]	(10)	(0.3)	(0.7)	(1.7)
Tax liability on unrealised capital gain on securities for development companies [4]	(11)	(14.2)	(10.7)	(10.6)
Tax liability on unrealised capital gain on securities for services companies [4]	(12)	(1.0)	(0.9)	(1.5)
Group share of EPRA triple net NAV	(13)=(7)+(8) +(9)+(10)+(11) +(12)	**5,703.5**	**4,079.5**	**4,190.1**
Number of fully diluted shares in millions[5]	n	73.8	51.7	51.9
EPRA NAV per share *(Group share - fully diluted in euros)*	(7)/n	**79.0**	**81.7**	**84.7**
Annual growth		*(6.7)%*		
EPRA triple net NAV per share *(Group share - fully diluted in euros)*	(13)/n	**77.3**	**78.9**	**80.7**
Annual growth		*(4.2)%*		

a) Including a Group share of net profit of 126.9 million euros.
b) Dilution related to stock-options which had the effect of increasing consolidated capital and reserves and the number of shares will be deducted from the number of exercisable shares at the end of the fiscal year.
c) Relates to office assets in Germany taxed at 15.83%.
d) Calculated at a rate of 34.43% for securities held for less than two years and at a rate of 4.13% for securities held for more than two years. For securities owned directly by Icade, these rates are subjet to the exceptional contribution, increasing them to 38.0% and 4.56%
e) Stands at 73,774,827, after cancelling treasury stock (320,305 shares) and the impact of diluting instruments (179,023 shares).

EPRA triple net NAV, Group share as at 31 December 2012 (in euros per share)	**80.7 €**
Impact of the acquisition of Silic	(3.1) €
Dividends paid during the 1st half of the year	(3.6) €
Group share of consolidated profit for the year	+2.0 €
Change in fair value of financial derivative instruments	+1.3 €
Impact of the continued opening of the capital of Icade Santé [1]	+0.2 €
Change in unrealised capital gains on property assets	0.0 €
Change in unrealised capital gains on property-development and service companies	(0.3) €
Change in the fair value of fixed-rate debt	+0.3 €
Impact of the change in the number of diluted shares on the NAV per share	+0.2 €
Others	(0.4) €
EPRA triple net NAV, Group share as at 31 December 2013 (in euros per share)	**77.3 €**

(1) Impact linked to the of realisation of latent capital gains on healthcare assets due to Icade Santé's capital increase based on the company's NAV.

The impact of the combination with Silic had a dilutive effect on NAV, since the merger parity was slightly higher than the NAV parity of the two companies.

The change in fair value of hedging instruments can also be explained by the two-fold effect of the increase in interest rates between the two periods and the time which passed.

The increase in interest rates reduced the variation in the fair value of the fixed rate debt, with the increase of more than 1 billion euros in fixed rate debt, mainly as a result of the bond issue, not producing any significant change given its proximity to year-end.

In relation to unrealised capital gains from property assets and property development and service companies, the variation is explained in paragraphs A and B respectively.

IV - EPRA REPORTING AS AT 31 DECEMBER 2013

Below Icade presents all the European Public Real Estate Association (EPRA) performance indicators drawn up in accordance with its recommendations.

EPRA adjusted net asset value (simple net and triple net)

NAV (in millions of euros)	31/12/2013	30/06/2013	31/12/2012	Change 2012/2013	Change (as %)
Group share of EPRA NAV	5,827.4	4,224.4	4,399.7	1,427.7	+32.4%
EPRA NAV simple net per share (Group share - fully diluted in euros)	79.0	81.7	84.7	(5.7)	(6.7)%
Group share of EPRA triple net NAV	5,703.5	4,079.5	4,190.1	1,513.4	+36.1%
EPRA triple net NAV per share (Group share - fully diluted in euros)	**77.3**	**78.9**	**80.7**	**(3.4)**	**(4.2)%**

Calculation of the EPRA NAV is explained in chapter III – "Adjusted Net Asset Value as at 31 December 2013".

EPRA Earnings from Property Investment

EPRA Earnings from Property Investment measures the operational performance of recurring operating activities.

The indicator previously published by Icade to measure its operational performance was current net cash-flow, obtained by restating net profit principally for:

- all allocations to depreciation and provisions;
- profits from disposals;
- corporate tax linked to profits from disposals and provisions/reversals for impairments.

From publication of the 2013 annual accounts, the reference indicator chosen by Icade for measuring operational performance of its Property Investment activities is EPRA Earnings from Property Investment.

In addition to the abovementioned restatement, EPRA recommends restating the following items:

- conversion to fair value of financial instruments
- minority interests.

Finally, EPRA recommends not restating for the calculation allocations to depreciation and provisions not linked to investment properties (allocations to tangible assets, allocations to provisions for trade liabilities, etc.).

	EPRA Earnings from Property Investment	31/12/2013	31/12/2012	Change 2012/2013
	Icade Group income statement	144.9	61.7	
	Profit from other activities[1]	(53.2)	(27.7)	
(a)	**Property investment income statement**	**91.7**	**34.0**	
(i)	Change in value of investment properties and allocations to depreciation	(282.0)	(235.9)	
(ii)	Profit/(loss) from disposal of assets	120.8	79.9	
(iii)	Profit/(loss) from disposal of shops	(0.1)	0.0	
(iv)	Tax on profits from disposals and impairments	0.4	(1.9)	
(v)	Negative acquisition variance/depreciation of Goodwill	(3.2)	(1.1)	
(vi)	Change in fair value of financial instruments	3.6	(6.5)	
(vii)	Acquisition cost for shares	0.0	0.0	
(viii)	Deferred tax linked to EPRA adjustments	0.0	(1.9)	
(ix)	Adjustments for equity-accounted companies	0.0	0.0	
(x)	Minority interests (Icade Santé)	38.1	17.5	
(b)	**Total Restatements**	**(122.6)**	**(150.1)**	
(a-b)	**EPRA recurring net result from Property Investment**	**214.3**	**184.2**	**+16.3%**
	Average number of diluted shares in circulation used in the calculation	60,865,381	51,795,086	
	EPRA Earnings from Property Investment in euros/share	**3.52 €**	**3.56 €**	**(1.0)%**

(1) Property Development, Services and Inter-business activities are restated for the calculation

EPRA Earnings from Property Investment represent 3.52 euros per share as at 31 December 2013 compared with 3.56 euros per share as at 31 December 2012. Restated for the new 3% tax on dividends paid in 2013, this represents a 0.2% improvement.

EPRA rate of return

The table below presents the switch from the Icade net rate of return as described elsewhere and the rates of return defined by EPRA. The calculation is carried out after restatement of Icade Santé's minority interests.

EPRA rate of return	31/12/2013	31/12/2012
ICADE NET RETURN[1]	**7.4%**	**7.3%**
Restatement of Icade Santé minority interests	0.0%	0.0%
Effect of estimated duties and fees	(0.3)%	(0.3)%
Restatement for potential rents from vacant premises	(1.0)%	(0.6)%
EPRA TOPPED-UP NET INITIAL RETURN[2]	**6.0%**	**6.4%**
Integration of rental holidays	(0.3)%	(0.3)%
EPRA NET INITIAL RETURN[3]	**5.8%**	**6.1%**

(1) Net annualised rents for rented floor areas added to potential net rents of vacant floor areas at the market rental value, excluding special rent arrangements, related to the surveyed value excl. duties of assets in operation.

(2) Annualised rents net of leased surface areas, excluding special rent arrangements, related to the surveyed value incl. duties of assets in operation

(3) Annualised rents net of leased surface areas, including special rent arrangements, related to the surveyed value incl. duties of assets in operation

EPRA vacancy rate

The EPRA vacancy rate is defined as the ratio between the market rent for vacant surface areas and the market rent of the total surface area. Assets under development are not included in calculation of this ratio.

Below are detailed figures concerning the vacancy rate, in accordance with the definition recommended by EPRA, for the Property Investment portfolio after restatement of Icade Santé's minority interests.

EPRA vacancy rate	31/12/2013	31/12/2012
Strategic assets portfolio	13.8%	7.3%
Alternative assets (healthcare)	0.0%	0.0%
Non-strategic assets portfolio	5.6%	6.7%
COMMERCIAL PROPERTY INVESTMENT DIVISION	11.7%	6.0%

The negative change in the EPRA vacancy rate between 2012 and 2013 is particularly explained by the start of commercial operation of the EQHO Tower following delivery of works in July 2013. This asset, which was at the marketing stage at 31 December 2013, offers almost 79,000 m² over 40 floors and represents almost 45% of the portfolio's financial vacancy on that date.

EPRA Cost Ratio (Propery Investment)

Below are detailed figures concerning the costs ratio, in accordance with the definition recommended by EPRA, for the Property Investment portfolio after restatement of Icade Santé's minority interests.

	EPRA Cost Ratio (Propery Investment)	31/12/2013	31/12/2012
	Includes:		
(i)	Structural expenses and other overheads	(27.7)	(30.5)
(ii)	Rental charges net of reinvoicing	(25.3)	(28.0)
(iii)	Management fees net of actual/estimated margins	0.0	0.0
(iv)	Other reinvoicing covering overheads	2.1	2.0
(v)	Share of overheads and expenses of equity-accounted companies	0.0	0.0
	Excludes:		
(vi)	Depreciation of investment properties	0.0	0.0
(vii)	Land leasing costs	(1.5)	(0.6)
(viii)	Other property charges incorporated into rental revenues	0.0	0.0
(A)	EPRA costs (including vacancy costs)	(49.4)	(55.9)
(ix)	Minus: Vacancy expenses	(14.7)	(11.8)
(B)	EPRA costs (excluding vacancy costs)	(34.7)	(44.1)
(x)	Gross rental revenues minus land leasing costs	405.3	346.6
(xi)	Other property charges incorporated into rental revenues	0.0	0.0
(xii)	Plus: Share of rental revenues minus equity-accounted companies' land expenses	0.0	0.0
(C)	Rental income	405.3	346.6
	EPRA Cost Ratio (Propery Investment) (including vacancy costs) (A/C)	12.2%	16.1%
	EPRA Cost Ratio (Propery Investment) (excluding vacancy costs) (B/C)	8.6%	12.7%

The positive change in the EPRA Cost Ratio (Property Investment) between 2012 and 2013 can particularly be explained by the non-recurring costs recorded in 2012 (irrecoverable losses and severance compensation) which had a negative effect on the ratio.

V - FINANCIAL RESOURCES

Building on the success of the public exchange offer for Silic securities and the strength of its financial structure, Icade initiated a ratings process in 2013, which resulted in the publication of a long-term BBB+ rating awarded by Standard&Poor's. In September 2013, Icade announced a bonds road show and the following day carried out its first issue, thereby consolidating its model.

As a result, Icade placed two loans which were vastly over-subscribed by European investors :

- a bonded loan of 500 million euros over five years and four months with a 100bp spread over the reference rate (coupon rate 2.25%)
- a bonded loan of 300 million euros over 10 years, with a 135bp spread over the reference rate (coupon rate 3.375%)

This dual issue was welcomed by the markets, enabling the Group to pursue implementation of its financial policy, which involves diversification of financing resources, extension of the average maturity and lowering of the cost of its debt.
Taking advantage of these new resources, at a lower rate than its average debt cost, Icade repaid all the combined credit lines of Icade and Silic, and restructured part of its portfolio of hedging instruments, with a view to optimising its financing costs and in anticipation of maturity dates in 2014.

During the financial year, Icade reinforced the amount of its available credit lines to raise its total back up lines to 1,220 million euros as at 31 December 2013.

A. LIQUID ASSETS

New financial resources were obtained during 2013 by renewing existing credit lines and by setting up new confirmed credit lines. The main financing activities over 2013 were as follows:

- setting-up of 250 million euros of medium-term revolving credit lines;
- 800 million euro bond issue;
- renewal of a 60 million euro short-term revolving credit line;

The credit lines have an average credit margin of 124 base points and an average term of 5.8 years.

Icade has drawing capacity on short and medium-term credit lines of 1,220 million euros, to be used entirely as it sees fit. These backup lines of credit and available cash as at 31 December 2013 cover almost two years of repayments of capital debt.

B. DEBT STRUCTURE AS AT 31 DECEMBER 2013

Nature of debt

The gross financial debt of 4,469.8 million euros as at 31 December 2013 consisted of the following:

- 2,301.9 million euros in corporate loans;
- 924.8 million euros in bonded loans;
- 811 million euros in mortgage financing;
- 93.5 million euros in private investment;
- 198.4 million euros in direct-financing leases;

- 11.1 million euros in other debt (feeder loans, debt associated with holdings);
- 129.1 million euros in bank overdrafts.

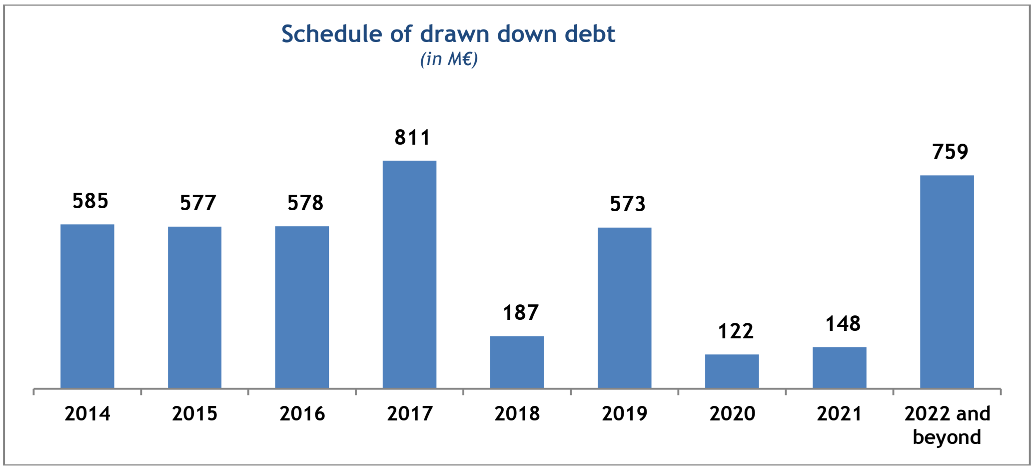
Net financial debt totalled 3,974.0 million euros as of 31 December 2013, up by 1,248.6 million euros compared with 31 December 2012.

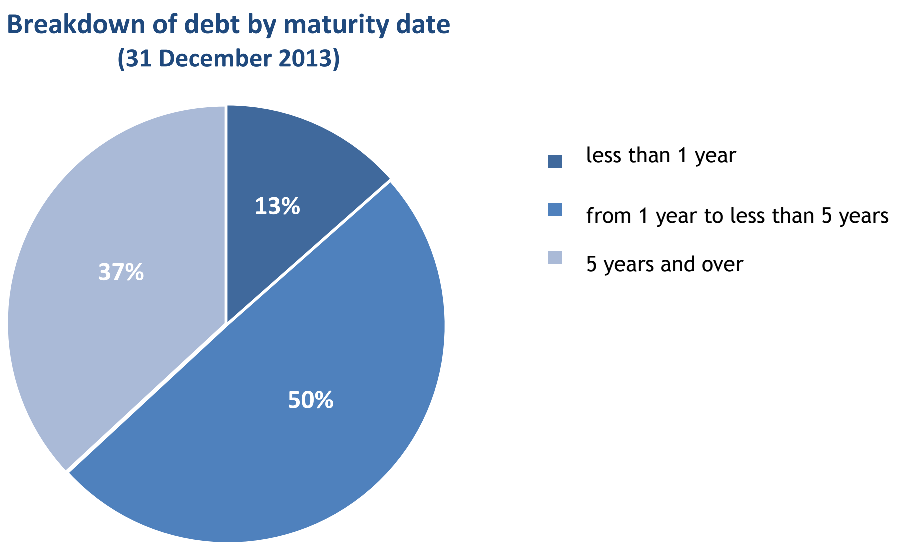
The change between these two dates primarily reflects:

- new debts of 1,080 million euros, mainly corresponding to the bond issue and establishment of mortgage financing for the Parc du Pont de Flandre;
- natural debt amortisation and repayments of corporate credit lines for a total of 637 million euros;
- early repayment of 498 million euros;
- natural amortisation on finance leases of 19.3 million euros;
- the inclusion of Silic in the consolidation scope for 1,074 million euros of debt (excluding hedging instruments and overdrafts);
- a fall of 365 million euros in other current financial assets, mainly corresponding to elimination of the intragroup loan for 350 million euros which had been granted to Silic;
- a 66.9 million euros increase in the value of hedging instruments;
- increased cash-flow of approximately 125.8 million euros
- a 63 million euro increase in overdrafts, mainly due to Silic

Debt by maturity date

The maturity schedule of the debts drawn by Icade (excluding overdrafts) as at 31 December 2013 is given below, in millions of euros:





The average term of debt works out at 4.6 years as at 31 December 2013. At 31 December 2012, it was 4.3 years, indicating that the financing raised in 2013 extended the average maturity of Icade's debt.

Debt by business

After allocation of the intra-group refinancing, nearly 96% of the Group's debt relates to the Property Investment Division and 4% relates to the Property Development Division. The share assigned to the Services business line is insignificant. These proportions are stable compared with the 2012 financial year.

Average cost of debt

The average cost of financing in 2013 was 1.71% before hedging and 3.83% after hedging, compared with 1.79% and 3.83% respectively in 2012.

The average cost of financing remained stable between 2012 and 2013, despite integration of Silic's financial liabilities (Silic's financing rate in 2012 was 4.45%) through proactive management of financing and restructuring of hedges during the second half of 2013.

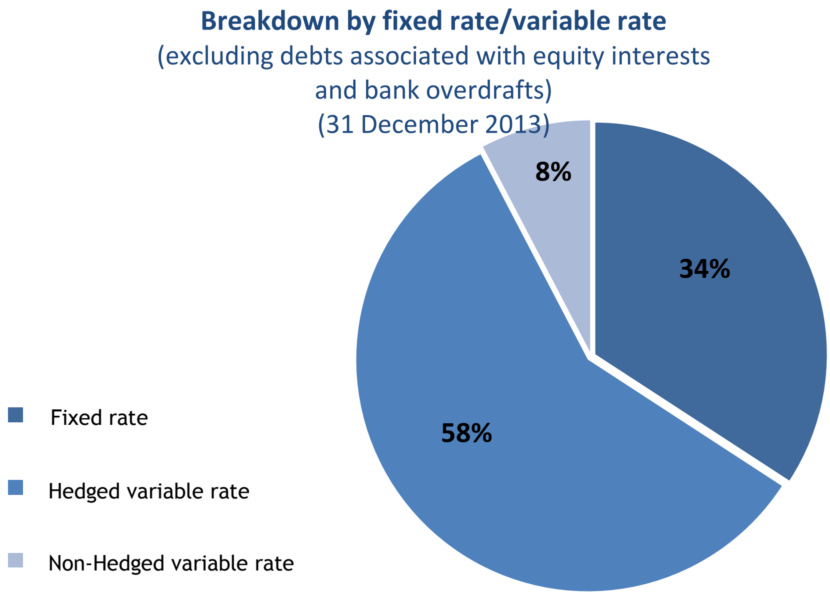
Interest-rate risk

The monitoring and management of financial risks are centralised within the Financing and Treasury Division.

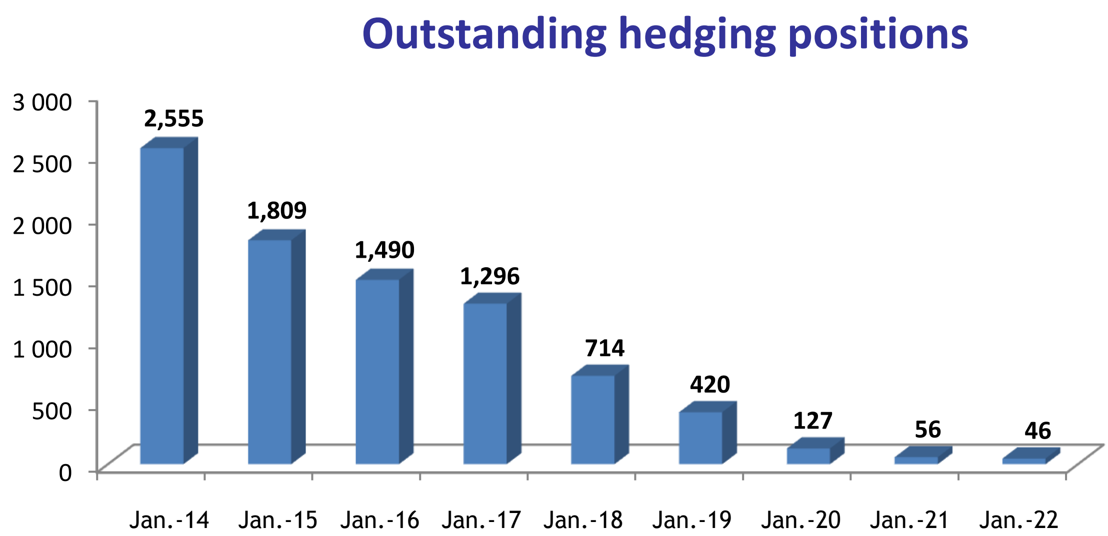
This department reports on a monthly basis to Icade's risk, rates, treasury and finance committee on all matters related to finance, investment, interest-rate risk management and liquidity management.

Changes in financial markets can entail a variation in interest rates, which may be reflected in an increase in the cost of refinancing. To finance its investments, Icade uses floating-rate debt, which is then hedged, thus conserving its ability to prepay loans without penalties. This represents, before hedging, nearly 65.8% of its debt as at 31 December 2013 (excluding debts associated with equity interests and bank overdrafts).

In 2013, Icade continued its prudent debt management policy by maintaining limited exposure to interest-rate risks by setting up appropriate hedging contracts (plain vanilla swaps and caps). The derivatives portfolio initially held by Silic has also been entirely restructured. This involved the cancellation of 1.390 billion euros in notional swap amounts and 800 million in notional options (tunnels and floors), some of which had been taken out as forward start options. At the same time as these disposals, 325 million euros in notional swap amounts maturing in 2018 and 2019 were put in place. These restructuring operations helped to optimise Icade's financing cost.



The main amount of the debt (92.3%) is protected against a rise in interest rates (fixed rate debt or variable rate debt hedged by vanilla instruments such as swaps or caps).
The notional hedging amounts, in millions of euros, 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)

31/12/2013	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	Fixe d Rate	Variable Rate	Fixed Rate	Variable Rate
Less than one year		579.5	9.7	1,079.1	(9.7)	(499.6)		746.4	(9.7)	246.8
More than 1 year and less than 5 years			226.4	1,557.4	(226.4)	(1,557.4)		1,389.1	(226.4)	(168.3)
More than 5 years			1,266.8	330.4	(1,266.8)	(330.4)		419.7	(1,266.8)	89.4
Total		579.5	1,502.9	2,966.9	(1,502.9)	(2,387.4)		2,555.3	(1,502.9)	167.9

** Current and non-current financial assets and cash and cash equivalents*
*** Gross financial debt*

The average term of variable debt was 2.9 years and of associated hedges was 2.9 years, providing adequate hedging.

Finally, Icade favours classifying its hedging instruments as “cash flow hedges” according to the IFRS standards, which requires that the variations in the fair value of these instruments be posted as capital and reserves (for the effective portion) rather than as profit/loss.

Considering the year’s profile, and the change in interest rates, the change in fair value of hedging instruments has had a positive impact on the capital and reserves of 74.5 million euros.

C. FINANCIAL RATING

Icade has been rated by rating agency Standard & Poors since September 2013.

Following changes to its rating criteria, in December 2013 Standard & Poors confirmed Icade's long-term rating as "BBB+" with a stable outlook.

D. FINANCIAL STRUCTURE

Financial structure ratio

The LTV (Loan To Value) ratio: (Net financial debt / Net asset value ex. rights plus the values of property development and services companies) comes out at 38.2% as at 31 December 2013 (compared with 36.7% as at 31 December 2012).

This ratio remains well below the ceiling levels to be met under the financial covenants stipulated in the banking documents (50% and 52% in the majority of cases where this ratio is mentioned as a covenant). In bank contracts the values of property development and services companies are not included in the calculation, positioning it at 40.2% (compared with 39.8% as at 31 December 2012).

If the value of the portfolio used for its calculation was assessed including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 35.6% at 31 December 2013.

The ratio of interest hedging by operating profit (corrected for depreciation) was 3.79x in financial year 2013. This ratio increased in comparison with previous years (3.52x in 2012), considering the Silic inclusion in the consolidation scope, the disposals carried out during the year and the improved cost of net debt. Compared with EBITDA, this ratio works out as 3.42x.

FINANCIAL RATIOS	31/12/2013	31/12/2012
Net financial debt/net asset value including development and service companies (LTV)	38.2%[1]	36.7%[1]
Ratio of interest hedging to operating profit corrected for depreciation (ICR)	3.79x	3.52x

[1] includes the balance sheet value of PPP's' financial liabilities

Covenants table

		Covenants	31/12/2013
LTV Covenant [1]	Maximum	< 45% < 50% and < 52%	40.2%
ICR	Minimum	> 2	3.79x
CDC control[2]	Minimum	34% / 50% - 51%	52.07%
Value of Investment property assets [3]	Minimum	>1- 3 billion euros > 4 billion euros > 5 billion euros > 7 billion euros	9.9 billion euros
Debt ratio of subsidiaries/Consolidated gross debt	Maximum	33%	7.29%
Surety on assets	Maximum	< 20% of property assets	10.7% [4]

(1) Around 41% of the debt relating to an LTV covenant has a limit of 52%, 54% of the debt has a limit of 50%, while the remaining 5% has a limit of 45%

(2) Around 94% of the debt relating to the covenant for the CDC change of control clause has a limit of 34%, with a limit of 50-51% for the remaining 6%

(3) Around 51% of the debt relating to the value of Investment property assets covenant has a limit of between 1 and 3 billion euros, 3% of the debt has a limit of 4 billion euros, 9% of the debt has a limit of 5 billion euros, with a limit of 7 billion euros the remaining 37%

(4) Maximum calculation under the loan agreements

The covenants were respected as at 31 December 2013.

VI - OUTLOOK

In 2014, Icade will finalise Silic's integration and aim for consolidation of its earnings per share, though:

- increased marketing efforts across the whole portfolio in order to increase the financial occupancy rate to above 90%;
- development of its major projects in its business parks under secure conditions that generate cash-flow;
- control over operational costs, particularly under the effect of cost synergies as a result of the merger with Silic;
- maintenance of LTV at around 40% and the continued reduction of the average cost of debt through greater financial disintermediation.

From 2015, Icade is expected to experience a significant improvement in its earnings thanks to letting of the EQHO Tower and delivery of secure projects (Le Monet and Le Millénaire 3 will be delivered in 2015, Veolia in 2016).

In the longer term, Icade’s positioning will be based on the significant potential to be found in developing its business parks on the outskirts of Paris, particularly as part of the Grand Paris project. The successful management of its unique land reserves will allow Icade to offer a comprehensive range of products, whose pace of development will be determined by market needs.