HALF-YEAR FINANCIAL REPORT

June 30, 2019

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DECLARATION BY THE PERSON RESPONSIBLE FOR THIS DOCUMENT

I certify that, to the best of my knowledge, the condensed consolidated financial statements for the half year ended have been drawn up in accordance with applicable accounting standards, and give a true and fair view of the assets and liabilities, financial position, and profits and losses of the Company, and of all the companies included in its scope of consolidation; and that the attached interim management report presents a true and fair view of the major events that took place in the first half of the year, their impact on the financial statements, the main related-party transactions, and a description of the main risks and uncertainties for the remaining six months of the year.

Issy-les-Moulineaux, July 22, 2019

Olivier Wigniolle

Chief Executive Officer

1 PERFORMANCE INDICATORS

1. Key indicators

Strong increase in key performance indicators in H1 2019

GROUP INDICATORS

-13.3%
€678.5m
vs. €782.6m as of 06/30/2018
CONSOLIDATED REVENUE

+73.3% *
€47.0m
vs. €27.1m as of 06/30/2018*
NET PROFIT ATTRIBUTABLE TO THE GROUP

+4.5%
€2.36 per share
vs. €2.26 per share as of 06/30/2018
€174.9m
GROUP NCCF

+2.7%
€92.3 per share
vs. €89.8 per share as of 12/31/2018
€6,825.4m
EPRA NAV
(attributable to the Group - fully diluted in euros)

LIABILITIES

-2 bps
1.53%
vs. 1.55% as of 12/31/2018
AVERAGE COST OF DEBT

> 6 years
6.3 years
vs. 6.4 years as of 12/31/2018
AVERAGE DEBT MATURITY

100 bps
41%
vs. 40% as of 12/31/2018
LOAN-TO-VALUE

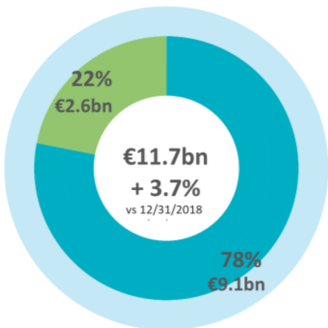
*Notes: * Restated for the reclassification of the company value-added contribution (CVAE) to "Tax expense"*

PROPERTY INVESTMENT

+5.8%
€2.23 per share
vs. €2.11 per share as of 06/30/2018
€164.9m
ADJUSTED EPRA EARNINGS FROM PROPERTY INVESTMENT

+3.7%
€11.7bn
vs. €11.3bn as of 12/31/2018
PROPERTY INVESTMENT PORTFOLIO (PROPORTIONATE BASIS)*

-52 bps (like-for-like)
91.8%
vs. 93.4% as of 12/31/2018
OFFICE PROPERTY INVESTMENT FINANCIAL OCCUPANCY RATE



Office Property Investment
Healthcare Property Investment

PROPERTY DEVELOPMENT

-25.7%
€388.5m
vs. €523m as of 06/30/2018
PROPERTY DEVELOPMENT ECONOMIC REVENUE

-14.7%
€13.8m
vs. €16.2m as of 06/30/2018
NCCF (PROPORTIONATE BASIS)

-140 bps
16.0%
vs. 17.4% as of 12/31/2018
PROPERTY DEVELOPMENT ROE

*Notes: * On a proportionate consolidation basis, excluding duties. Portfolio value on a full consolidation basis: €13.8bn as of 06/30/2019 vs. €13.4bn as of 12/31/2018*

2. Overview of the Group

As an investor and a developer, Icade is an integrated real estate player which designs innovative real estate products and services adapted to new urban lifestyles and habits.

Icade makes a positive contribution in the cities where it operates, both in the Paris region and elsewhere. More than ever, the company is playing a role in the emergence of tomorrow's greener, smarter and more responsible cities.

Placing corporate social responsibility (CSR) and innovation at the centre of its strategy, Icade creates value for its stakeholders across all of its business lines.

(*) including 56.84% stake in Icade Santé

Since 2015, Icade has refocused its business activities on its three main divisions:

- The **Office Property Investment Division** which owns offices and business parks characterised by their strategic location in the Paris region and in other large French cities, along with the diversity of their innovative services aimed at meeting the needs of their users;

€186.7m
Gross rental income as of 06/30/2019

€105.0m
Adjusted EPRA earnings from Office Property Investment as of 06/30/2019

5.70%
Average net initial yield
(excluding duties) as of 06/30/2019

- The **Healthcare Property Investment Division**, the leading investor in private healthcare property in France and Europe, with its extensive knowledge of the real estate value chain, long-term institutional shareholders and partnerships with operators;

€129.3m
Gross rental income as of 06/30/2019

€59.9m
Adjusted EPRA earnings from Healthcare Property Investment as of 06/30/2019

5.80%
Average net initial yield
(on a proportionate consolidation basis, excluding duties) as of 06/30/2019

- A full-service, nationwide **property developer** with 19 local offices, active in both the residential and office segments, having the necessary expertise to meet all its customers' needs.

€388.5m
Economic revenue as of 06/30/2019

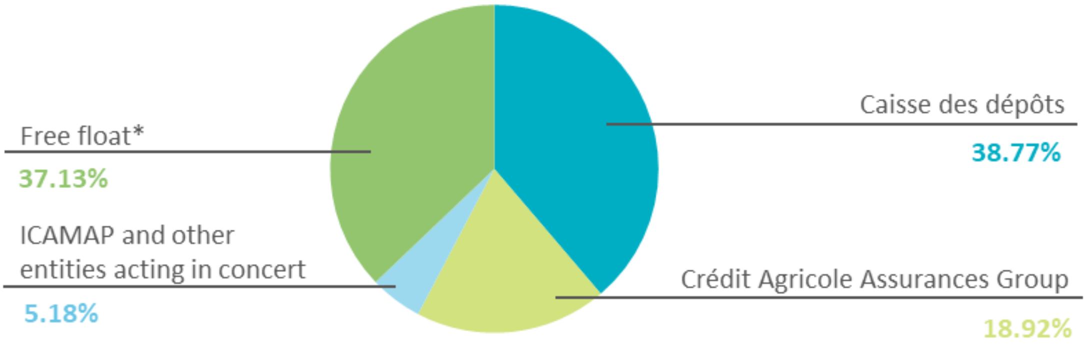
€23.8m
Current economic operating profit*
as of 06/30/2019

€1.2bn
Backlog as of 06/30/2019

**Current economic operating profit/(loss) including entities accounted for using the equity method, adjusted for trademark royalties and holding company costs.*

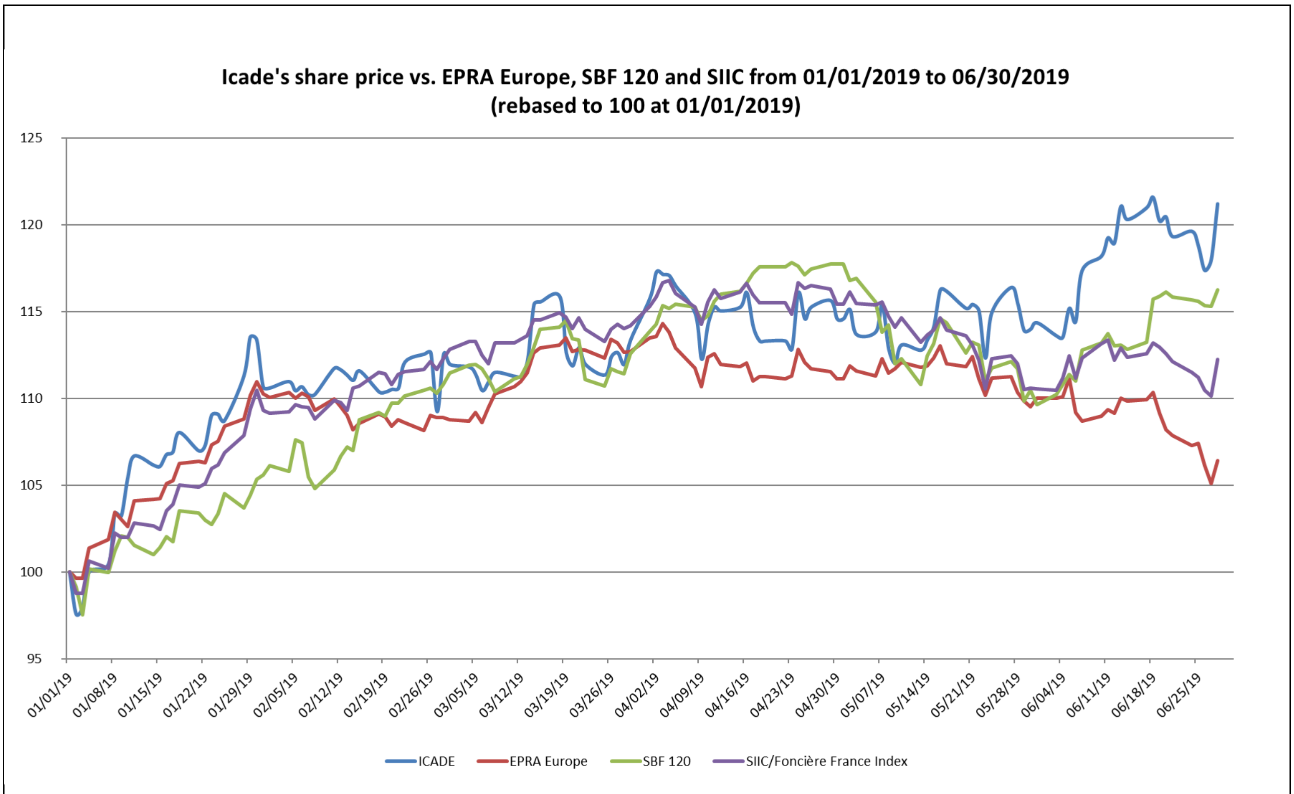
3. Share performance and shareholding structure

With the Caisse des dépôts Group as its leading shareholder, Icade is listed on Euronext Paris as a French Listed Real Estate Investment Company (SIIC).



* Including 0.27% for Icade's "FCPE" employee-shareholding fund and 0.85% of treasury shares

Over H1, Icade's share price rose by +21.2%, outperforming the EPRA Europe index by nearly 15 pps. As of June 30, 2019, the share price stood at €80.60, market capitalisation at nearly €6 billion and the average daily trading volume at €11.03 million over the half year.



4. 2019 outlook: guidance confirmed

As announced in February 2019, Icade's priorities for 2019 are as follows:

- Office development pipeline and "opportunistic" disposals of Core offices
- International expansion of Icade Santé
- Icade Promotion: launch of large projects won in 2018
- CSR priority: low carbon
- Continued liability optimisation (LTV ratio, maturity)

At the end of H1 2019, Icade confirms its guidance for the year:

- **In 2019, Group net current cash flow per share should be stable excluding the impact of any disposals completed in 2019**
  (The sale of the Crystal Park building on 2019 net current cash flow will have an impact of -3%)
- **In 2019, dividend should increase by c.+4.5%.**

2 PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

1. Group

1.1. H1 2019 highlights

Changes in governance:

On April 25, 2019, Icade published a press release on the outcome of the General Meeting held on April 24, 2019 and the changes in governance decided at the meeting of the Board of Directors held on the same date, including:

- The appointment of Frédéric THOMAS as Chairman of the Board of Directors;
- The appointment of Florence PERONNAU as Vice-Chairwoman and Lead Independent Director;
- The appointment of Emmanuel CHABAS as director;
- The appointment of Waël RIZK as director;
- The appointment of Gonzague de PIREY as independent director.

The number of members on the Board of Directors increased from 14 to 15, including 5 independent directors (i.e. 33%) and 40% of women.

In addition, Olivier WIGNIOLLE was reappointed CEO of Icade for four years.

Some appointments were also made to the Executive Committee in H1:

- Mr Emmanuel DESMAIZIERES was appointed CEO of Icade Promotion, effective June 24, 2019; he is a member of Icade's Executive Committee;
- Mr Xavier CHEVAL was appointed CEO of Icade Santé effective April 25, 2019, replacing Ms Françoise DELETTRE who announced her retirement; he is a member of Icade's Executive Committee;
- Mr Jérôme LUCCHINI was appointed General Secretary of Icade; he is a member of Icade's Executive Committee.

These appointments have expanded the capability and expertise of the Executive Committee, supporting the implementation of Icade's 2019–2022 strategic plan.

Property Investment: an active H1 for both Property Investment Divisions (acceleration of sales of Core assets and nursing home acquisitions):

Office Property Investment:

- On June 5, 2019, Icade entered into a bilateral sale agreement with a leading South Korean investor advised by La Française, acting as asset manager and co-investor, for the Crystal Park building located in Neuilly-sur-Seine (Hauts-de-Seine).

  This recently renovated, 44,000-sq.m building complex is fully leased to four tenants.

  This sale totals €691 million excluding duties and the final deed of sale is expected to be signed by the end of July, once customary conditions precedent have been satisfied;
- Completion in H1 2019 of 5 assets from the development pipeline representing a total floor area of 84,300 sq.m and total potential rental income of €27.3 million;
- Leases signed or renewed in H1 2019 represented 116,800 sq.m and total annual rental income of €25.1 million.

Healthcare Property Investment:

- Continued diversification into the nursing home sector with a preliminary agreement signed in April 2019 to acquire 12 medium- and long-term care assets in France (7 nursing homes, 4 post-acute care facilities and 1 psychiatric hospital) for a total of €191 million from an OPPCI managed by Swiss Life Asset Managers France;
- Partnership[1] with Korian: on May 23, 2019, Korian and Icade broke ground on a Korian post-acute care (PAC) facility in Livry-Gargan. This new health complex will have 166 inpatient beds, as well as 25 outpatient beds in the day hospital—the first such facility in the Livry-Gargan area. It will also house a specialist unit for patients in a persistent vegetative state (PVS). The facility is due to open its doors in spring 2021;
- Icade took top honours at the 2019 MIPIM Awards in the "Best Healthcare Development" category for the Reims-Bezannes Polyclinic. This recognition and the fact that MIPIM has created a category dedicated to healthcare real estate confirm this segment's status as a full-fledged asset class.

1 Under this partnership, Icade Promotion will be in charge of developing an initial set of 15 new facilities (nursing homes and post-acute care facilities) in France. Korian and Icade Santé retain the option to act as investors, on a case-by-case basis.

Property Development: major projects, four Pyramides d'Argent awarded in H1

"Inventing Bruneseau – Nouvel R Project", France's first low-carbon neighbourhood:

- In March 2019, a consortium of developers made up of AG Real Estate, Icade, Les Nouveaux Constructeurs and Nexity, was selected as the winner of the "Inventing Bruneseau" call for projects organised by the City of Paris and SEMAPA. "Nouvel R" involves carrying out a project covering close to 100,000 sq.m (25,000 sq.m offices, 50,000 sq.m housing and 20,000 sq.m shops and business premises) designed to create a real connection between Paris and Ivry-sur-Seine. The carbon footprint of this ambitious project is expected to be 5 times lower than the average in Paris, making Bruneseau France's first low-carbon neighbourhood.

"Îlot 8.12" in Bordeaux:

- Icade Promotion was selected by the urban planner Bordeaux-Euratlantique to carry out a mixed-use project near the Saint-Jean train station.

  The project includes a 450-space multi-storey car park (around 10,000 sq.m), 64 homes (floor area of about 5,000 sq.m) and 350 sq.m of shops (business premises on the ground floor). The project will stand out for its mainly wood-based structure.

Four "Pyramides d'Argent" in Paris and Toulouse

- Icade Promotion was awarded four Pyramides d'Argent by the French Federation of Real Estate Developers (FPI):
  - A Pyramide d'Argent for Industrial Innovation for the Airtime building (13th district of Paris);
  - A Pyramide d'Argent for Low-Carbon Buildings for Thémis (17th district of Paris);
  - Regional Grand Prize for the Wood'Art La Canopée complex in Toulouse (Haute-Garonne);
  - A Pyramide d'Argent for Commercial Real Estate for the Latécoère headquarters in Toulouse.

"Nanterre partagée":

- Crédit Agricole Immobilier, Icade and Novaxia's project for the site of the Nanterre hospital won the "Inventing the Greater Paris Metropolis 2" competition.

  With their "NANTERRE PARTAGÉE" project, Crédit Agricole Immobilier, Icade and Novaxia, supported by CDU, were chosen by Métropole du Grand Paris for the urban development of part of the site of the CASH hospital (Hospital Accommodation and Care Centre) in Nanterre.

"Expansion", in the Rungis business park:

- Partnership with La Poste: on June 14, 2019, Arkadea, Poste Immo and Icade started construction work on "EXPANSION", a 182-unit, 5-building residential project in Icade's Orly-Rungis business park. The units are scheduled to be completed in early 2021 and 80% have already been pre-sold.

Continued liability optimisation:

In February 2019, Icade successfully completed a bond tender offer for three outstanding issues maturing in 2021, 2022 and 2023 listed on Euronext Paris. The offer was closed on February 27, 2019 with a total buyback amount of €156.5 million. This transaction had a positive impact on the average debt maturity, which improved by 0.2 year for the Group.

Icade was awarded the highest score by the Climate Bonds Initiative for its Green Bond reporting at the end of March 2019. It should be noted that Icade issued its Inaugural Green Bond in 2017 for a total of €600 million, with a maturity of 10 years and an annual coupon of 1.5%.

Other highlights:

- Digitalisation: at BIM World 2019, Icade announced the launch of its own BIM Charter, which will turn the BIM approach into a strategic priority for its Property Development and Property Investment businesses. This move is part of the 2019–2022 strategic plan, the goal being to apply BIM to all projects by 2022;
- CSR: Icade recognised for combating climate change alongside the City of Paris. On May 28, 2019, Icade signed the "Paris Climate Action" charter at the highest "Platinum" level, reaffirming its commitment to tackling climate change;
- Innovation: in June 2019, Icade launched its start-up studio Urban Odyssey dedicated to shaping the cities of tomorrow and recruiting entrepreneurs to help get start-ups off the ground in partnership with the HEC Incubator.

1.2. Income and cash flow statements

KEY FIGURES AS OF JUNE 30, 2019

	06/30/2019	06/30/2018	Change /reported (%)
Adjusted EPRA earnings from Property Investment (in €m)	**164.9**	**155.9**	**+5.8%**
Adjusted EPRA earnings from Property Investment per share	2.23	2.11	+5.8%
Net current cash flow from Property Investment (in €m)	**169.8**	**159.2**	**+6.6%**
Net current cash flow from Property Investment per share	2.29	2.15	+6.6%
Net current cash flow from Property Development (in €m)	**13.8**	**16.2**	**-14.7%**
Net current cash flow from Property Development per share	0.19	0.22	-14.7%
Other (in €m)	**(8.8)**	**(8.0)**	**+9.0%**
Group net current cash flow (in €m)	**174.9**	**167.4**	**+4.5%**
Group net current cash flow per share	2.36	2.26	+4.5%
Net profit/(loss) attributable to the Group (in €m)	**47.0**	**27.1**	**+73.3%**

	06/30/2019	12/31/2018	Change
EPRA triple net asset value per share	**€89.3**	**€89.8**	**-0.5%**
EPRA net asset value per share	**€92.3**	**€89.8**	**+2.7%**
Average cost of drawn debt	**1.53%**	**1.55%**	**-2 bps**
LTV ratio	**41.0%**	**40.0%**	**+100 bps**
Property Development ROE	**16.0%**	**17.4%**	**-140 bps**

Note: After adjustment for the sale of Crystal Park to be completed in July 2019, the Group's LTV ratio would be 38.2%.

1.2.1. Summary IFRS consolidated income statement

As of June 30, 2019, IFRS net profit/(loss) attributable to the Group stood at €47.0 million, up €19.9 million (+73.3%) compared to June 30, 2018.

The income statement as of June 30, 2019 is as follows:

	06/30/2019			06/30/2018 Restated(*)			
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total	Change (%)
REVENUE	678.5	-	678.5	782.6	-	782.6	(13.3%)
EBITDA	288.6	(1.3)	287.3	267.5	(0.8)	266.7	7.7%
OPERATING PROFIT/(LOSS)	288.0	(151.4)	136.6	274.2	(155.6)	118.6	15.1%
FINANCE INCOME/(EXPENSE)	(56.6)	(9.6)	(66.2)	(52.5)	(14.2)	(66.6)	(0.6%)
NET PROFIT/(LOSS)	223.6	(156.7)	66.9	209.9	(169.6)	40.2	66.3%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	174.9	(127.9)	47.0	167.4	(140.3)	27.1	73.3%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in euros per share after dilution)	**2.36**	**(1.73)**	**0.63**	**2.26**	**(1.90)**	**0.37**	

(*) Restated for the reclassification of the company value-added contribution (CVAE) to "Tax expense"

The above presentation of the income statement, with a breakdown between current and non-current items, makes it possible to distinguish the amount resulting from current items (Group net current cash flow) as of June 30, 2019 from the other non-current items.

1.2.2. Group net current cash flow

Group net current cash flow covers the Office Property Investment, Healthcare Property Investment and Property Development Divisions. It serves as the basis for the dividend policy.

Group net current cash flow rose by 4.5% to €174.9 million (€2.36 per share) as of June 30, 2019, vs. €167.4 million as of June 30, 2018 (€2.26 per share).

This increase resulted from the positive performance of the Property Investment businesses, with NCCF up 6.6%.

(in millions of euros)	06/30/2019	06/30/2018	Change 2019 vs. 2018
TOTAL GROUP	174.9	167.4	4.5%
TOTAL GROUP (in € per share)	**2.36**	**2.26**	**4.5%**

1.2.3. Segment reporting

As of June 30, 2019, segment reporting is divided into four main categories: Office Property Investment, Healthcare Property Investment, Property Development and "Other".

The Group's holding company activities are included in the Office Property Investment Division.

(in millions of euros)	06/30/2019 Adjusted EPRA earnings from Property Investment	%	NCCF	%	06/30/2018 Adjusted EPRA earnings from Property Investment	%	NCCF	%	Change 2019 vs. 2018 Adjusted EPRA earnings from Property Investment	NCCF
Office Property Investment	105.0	63.7%	110.0	62.9%	104.8	67.2%	108.2	64.6%	0.2%	1.6%
Healthcare Property Investment	59.9	36.3%	59.9	34.2%	51.1	32.8%	51.1	30.5%	17.2%	17.2%
Total Property Investment (a)	**164.9**	**100.0%**	**169.8**	**97.1%**	**155.9**	**100.0%**	**159.2**	**95.1%**	**5.8%**	**6.6%**
Property Development			13.8	7.9%			16.2	9.7%		(14.7%)
Other (b)			(8.8)	(5.0%)			(8.0)	(4.8%)		9.0%
TOTAL GROUP			**174.9**	**100.0%**			**167.4**	**100.0%**		**4.5%**
TOTAL GROUP (in € per share)	**2.23**		**2.36**		**2.11**		**2.26**		**5.8%**	**4.5%**

(a) "Adjusted EPRA earnings" includes the depreciation of operating assets which are excluded from net current cash flow.
(b) "Other" includes "Intersegment transactions and other items", as well as discontinued operations.

1.3. EPRA reporting as of June 30, 2019

Icade presents below all its performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations. These are all leading indicators for the property investment industry.

The following indicators are presented in the next pages:

- EPRA net asset value;
- Adjusted EPRA earnings from Property Investment;
- EPRA yield;
- EPRA vacancy rate;
- EPRA cost ratio from Property Investment.

1.3.1. EPRA net asset value as of June 30, 2019

The net asset value measures the value of the Company based on changes in equity and changes in value of asset portfolios, liabilities and Property Development companies.

The Icade Group's triple net asset value stood at €6,609.4 million as of June 30, 2019 (€89.3 per share), down 0.5% compared to December 31, 2018.

The Icade Group's net asset value stood at €6,825.4 million (€92.3 per share), up 2.7% compared to December 31, 2018. It reflects the value of Icade excluding changes in fair value of financial instruments.

(in millions of euros)	06/30/2019	12/31/2018	06/30/2018
Consolidated equity attributable to the Group	2,841.6	3,185.2	3,076.0
Amounts payable to shareholders[(a)]	171.4		
Impact of dilution from securities entitling their holders to Icade shares[(b)]		0.3	3.8
Unrealised capital gains on property assets and property development companies	3,766.0	3,464.4	3,456.6
Tax on unrealised capital gains	(10.6)	(12.5)	(18.1)
Revaluation of fixed-rate debt	(159.0)	18.9	(82.6)
EPRA triple net asset value attributable to the Group	**6,609.4**	**6,656.3**	**6,435.7**
in euros per share	**89.3**	**89.8**	**86.6**
Year-on-year change	**3.1%**		
Adjustment for tax on unrealised capital gains	10.6	12.5	18.1
Adjustment for revaluation of fixed-rate debt	159.0	(18.9)	82.6
Adjustment for revaluation of interest rate hedges	46.4	8.2	0.9
EPRA net asset value attributable to the Group	**6,825.4**	**6,658.2**	**6,537.2**
in euros per share	**92.3**	**89.8**	**88.0**
Year-on-year change	**4.8%**		
Number of fully diluted shares[(c)]	73,978,962	74,109,000	74,291,564

(a) Final dividend for FY 2018 to be paid in July 2019.
(b) Dilution related to stock options which had the effect of increasing consolidated equity and the number of shares. This increase can be up to the number of shares that can be obtained from the stock options exercisable at the end of the period.
(c) Stood at 73,978,962 as of June 30, 2019, after cancelling treasury shares (-633,937 shares) and the positive impact of dilutive instruments (+77,158 shares).

EPRA triple net asset value decreased by -0.5% in H1 2019. This was due to:

- The negative impact of the -€177.9 million change in value of fixed-rate debt compared to December 31, 2018;
- The interim dividend paid in March 2019 for €171.4 million (€2.6 per share);

After adjustment for the dividend payment, EPRA triple net asset value increased by +2.0% in H1 2019 compared to the end of 2018.

1.3.2. Adjusted EPRA earnings from Property Investment

Adjusted EPRA earnings from Property Investment measure the performance of the recurring (current) operations of the Office Property Investment and Healthcare Property Investment Divisions.

(in millions of euros)		06/30/2019	06/30/2018 Restated	Change 2019 vs. 2018 Restated (%)
	NET PROFIT/(LOSS)	66.9	40.2	
	Net profit/(loss) from other activities (a)	8.3	9.4	
(a)	NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT	58.6	30.8	
(i)	Changes in value of investment properties and depreciation charges	(139.8)	(150.1)	
(ii)	Profit/(loss) on asset disposals	4.0	5.6	
(iii)	Profit/(loss) from acquisitions	-	-	
(iv)	Tax on profits or losses on disposals and impairment			
(v)	Negative goodwill / goodwill impairment	-	-	
(vi)	Changes in fair value of financial instruments and restructuring of financial liabilities	(9.5)	(14.2)	
(vii)	Acquisition costs on share deals			
(viii)	Tax expense related to EPRA adjustments	-	0.6	
(ix)	Adjustment for equity-accounted companies	(7.5)	(7.9)	
(x)	Non-controlling interests	47.8	41.7	
(b)	TOTAL ADJUSTMENTS	(105.1)	(124.3)	
(a-b)	**EPRA EARNINGS**	**163.6**	**155.1**	**5.5%**
(c)	Other non-recurring items	(1.3)	(0.8)	
(a-b-c)	**ADJUSTED EPRA EARNINGS FROM PROPERTY INVESTMENT**	**164.9**	**155.9**	**5.8%**
	Average number of diluted shares outstanding used in the calculation	74,025,738	74,023,920	
	ADJUSTED EPRA EARNINGS FROM PROPERTY INVESTMENT IN € PER SHARE	**€2.23**	**€2.11**	**5.8%**

(a) Other activities include property development, intersegment transactions and other items, as well as discontinued operations.

Significant increase in adjusted EPRA earnings from Property Investment to €164.9 million as of June 30, 2019 (+5.8%). This increase was driven by strong operational performance in Healthcare and Office Property Investment.

1.3.3. EPRA yield

The table below presents the adjustments to Icade's net yields that are required to obtain EPRA yields. The calculation includes Icade's three types of assets: offices, business parks and healthcare property assets. It is carried out after adjustment for non-controlling interests.

	06/30/2019	12/31/2018	06/30/2018
ICADE NET YIELD [(a)]	**5.7%**	**5.9%**	**6.0%**
Impact of estimated duties and fees	(0.3)%	(0.3)%	(0.3)%
Adjustment for potential rental income from vacant properties	(0.3)%	(0.3)%	(0.3)%
EPRA TOPPED-UP NET INITIAL YIELD [(b)]	**5.1%**	**5.2%**	**5.3%**
Inclusion of rent-free periods	(0.5)%	(0.5)%	(0.4)%
EPRA NET INITIAL YIELD [(c)]	**4.6%**	**4.8%**	**4.9%**

(a) Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, excluding lease incentives, divided by the appraised value (excluding duties) of operating properties.
(b) Annualised net rental income from leased space, excluding lease incentives, divided by the appraised value (including duties) of operating properties.
(c) Annualised net rental income from leased space, including lease incentives, divided by the appraised value (including duties) of operating properties.

The EPRA net initial yield was slightly down compared to December 31, 2018. The compression in EPRA net initial yield, which was down 0.2 pp compared to December 31, 2018, was mainly due to a like-for-like increase in appraised values of €220.3 million (+2.0%) for the entire portfolio.

1.3.4. EPRA vacancy rate

The EPRA vacancy rate is defined as the ratio between the estimated rental value of vacant space and the estimated rental value of the whole portfolio. Properties under development are not included in the calculation of this ratio.

Below are detailed figures concerning the vacancy rate, in accordance with the definition recommended by EPRA, for the Office and Healthcare Property Investment portfolios after adjustment for non-controlling interests.

	06/30/2019	12/31/2018	06/30/2018
Office and business park assets	8.3%	6.4%	7.8%
Other assets	10.6%	9.3%	0.0%
OFFICE PROPERTY INVESTMENT DIVISION (EXCLUDING RESIDENTIAL)	**8.4%**	**6.5%**	**7.8%**
HEALTHCARE PROPERTY INVESTMENT DIVISION (ON A PROPORTIONATE CONSOLIDATION BASIS)	**0.0%**	**0.0%**	**0.0%**
TOTAL PROPERTY INVESTMENT (EXCLUDING RESIDENTIAL)	**6.3%**	**4.9%**	**6.0%**

The EPRA vacancy rate went up compared to December 31, 2018, due in particular to the completion of new buildings from the development pipeline, which are currently being offered for lease.

1.3.5. EPRA cost ratio for the Property Investment Division

Below are detailed figures concerning the cost ratio, in accordance with the definition recommended by EPRA, for the Office (excluding Residential Property Investment) and Healthcare Property Investment portfolios after adjustment for non-controlling interests.

	(in millions of euros)	06/30/2019	06/30/2018 Restated
	Including:		
	Structural costs and other overhead costs	(50.0)	(56.6)
	Service charges net of recharges to tenants	(5.0)	(21.3)
	Other recharges intended to cover overhead expenses	17.9	20.2
	Share of overheads and expenses of equity-accounted companies	(3.5)	(2.1)
	Share of overheads and expenses of non-controlling interests	3.6	4.4
	Excluding:		
	Ground rent costs	(0.0)	(1.1)
(A)	EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(37.1)	(54.2)
	Less: direct vacancy costs	(7.7)	(11.8)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(29.4)	(42.3)
	Gross rental income less ground rent costs	309.6	307.6
	Plus: share of rental income less ground rent costs of equity-accounted companies	3.3	4.2
	Share of rental income less ground rent costs of non-controlling interests	(59.7)	(53.0)
(C)	GROSS RENTAL INCOME	253.3	258.8
(A/C)	**EPRA COST RATIO - PROPERTY INVESTMENT (INCL. DIRECT VACANCY COSTS)**	**14.6%**	**20.9%**
(B/C)	**EPRA COST RATIO - PROPERTY INVESTMENT (EXCL. DIRECT VACANCY COSTS)**	**11.6%**	**16.4%**

In H1 2019, Icade's direct vacancy costs continued to go down, reaching -€7.7 million vs. -€11.8 million in H1 2018 (-34.9%). This positive trend is partly due to the sale of high-vacancy buildings at the end of 2018 (Paris Nord 2 business park, Axe Seine).

As of June 30, 2019, the EPRA cost ratio was down compared to June 30, 2018:

- +6.3 pps including direct vacancy costs;
- +4.8 pps excluding direct vacancy costs.

In addition, our determined efforts to keep operating costs down had a positive impact in H1 2019.

1.4. Financial resources

In a context of favourable interest rates and abundant liquidity, the Company conducted several major transactions during the half year:

- €300 million in new unsecured, 7-year corporate financing for Icade Santé with an average margin of 108 bps;
- Repurchase of €156.5 million in short-term, high-coupon Icade bonds: €47.5 million for the one maturing in 2021, €88.2 million for the one maturing in 2022 and €20.8 million for the one maturing in 2023;
- Optimisation of Icade Santé's hedging structure through the purchase of €299.2 million in medium- and long-term swaps;
- Increase in outstanding NEU Commercial Paper to €899.9 million.

All these transactions allowed the Group to continue to implement an appropriate and optimised funding policy, by lowering the average cost of debt to 1.53% and maintaining its average debt maturity above 6 years via access to diverse funding sources.

As a result, the fundamentals of Icade's liabilities remained strong in H1 2019.

1.4.1. Cash

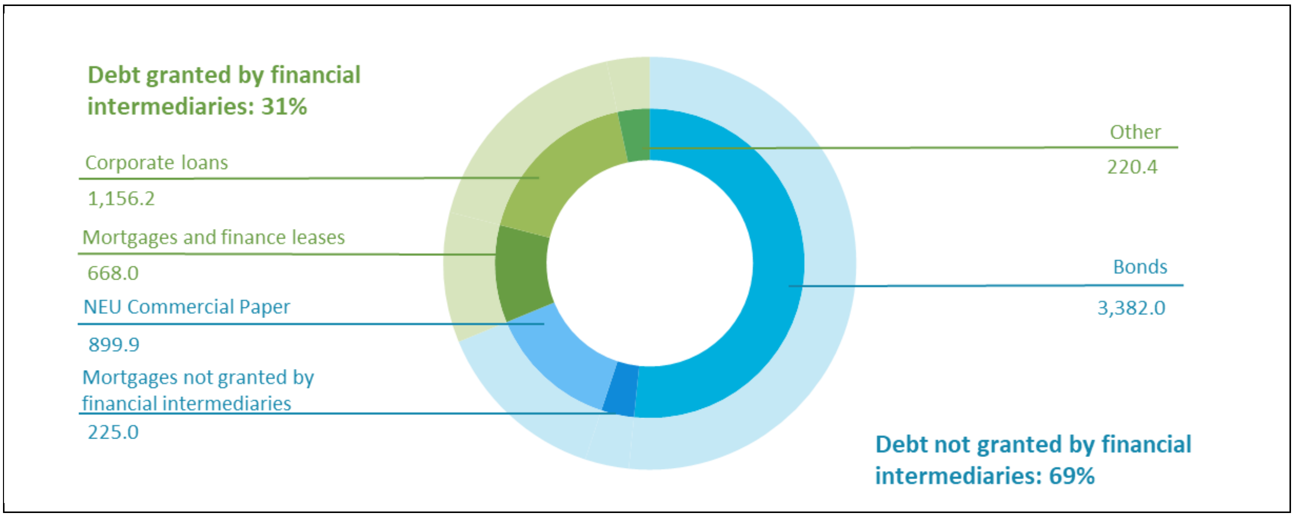
In H1 2019, Icade's funding was optimised by a €337.5 million increase in the outstanding amount of NEU Commercial Paper as of June 30, 2019. Icade's credit quality allowed the Company to issue short-term debt on very favourable terms: during the half year, all NEU Commercial Paper was issued at negative interest rates, between -0.25% and -0.30% on average.

In addition, Icade's undrawn amounts of short- and medium-term credit lines total €1,755.9 million, which are fully available. These undrawn amounts as of June 30, 2019 cover three years of debt principal and interest payments.

1.4.2. Debt structure as of June 30, 2019

1.4.2.1. Debt by type

As of June 30, 2019, gross financial liabilities stood at €6,551.5 million and broke down as follows:



As of December 31, 2018, gross financial liabilities amounted to €6,287.8 million. The €263.7 million change is explained in the following graph:

From December 31, 2018 to June 30, 2019, the change in gross financial liabilities is mainly explained by a €337.5 million increase in NEU Commercial Paper outstanding and €300 million in new corporate financing raised for Icade Santé.

Net financial liabilities amounted to €5,925.5 million as of June 30, 2019, representing an increase of €332.7 million compared to December 31, 2018, in connection with the increased financing requirements of Office and Healthcare Property Investment assets.

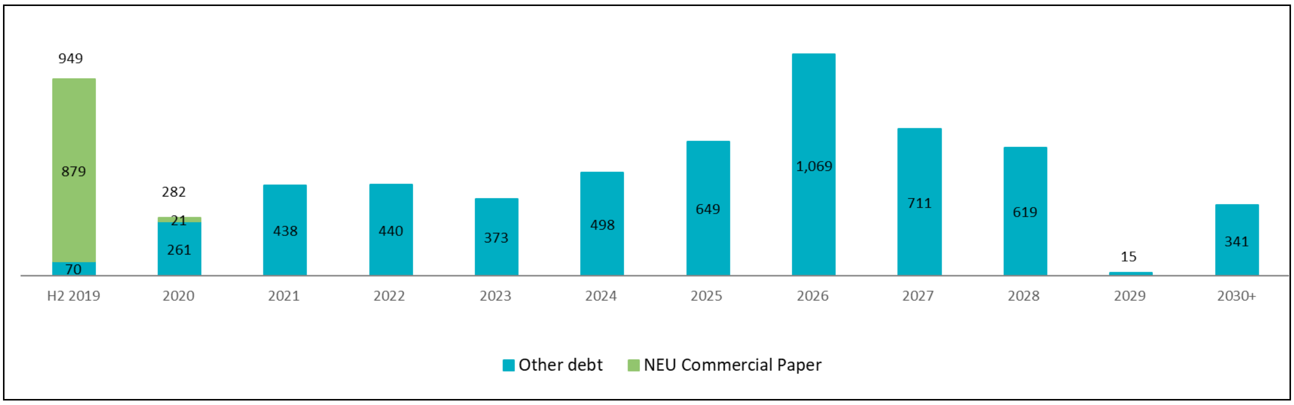
Furthermore, as the first bond issued in 2013 for €211.3 million at 2.25% matured and a bond repurchase was carried out on favourable terms at the beginning of 2019 (rates at their highest), debt not granted by financial intermediaries was down at June 30, 2019 (69% of total debt as of June 30, 2019 vs. 72% as of December 31, 2018).

1.4.2.2. Debt by maturity date

The maturity schedule of debt drawn by Icade (excluding overdrafts) as of June 30, 2019 shows well-balanced maturities, with no maturity that would have been too significant in the coming years, as shown in the graph below:

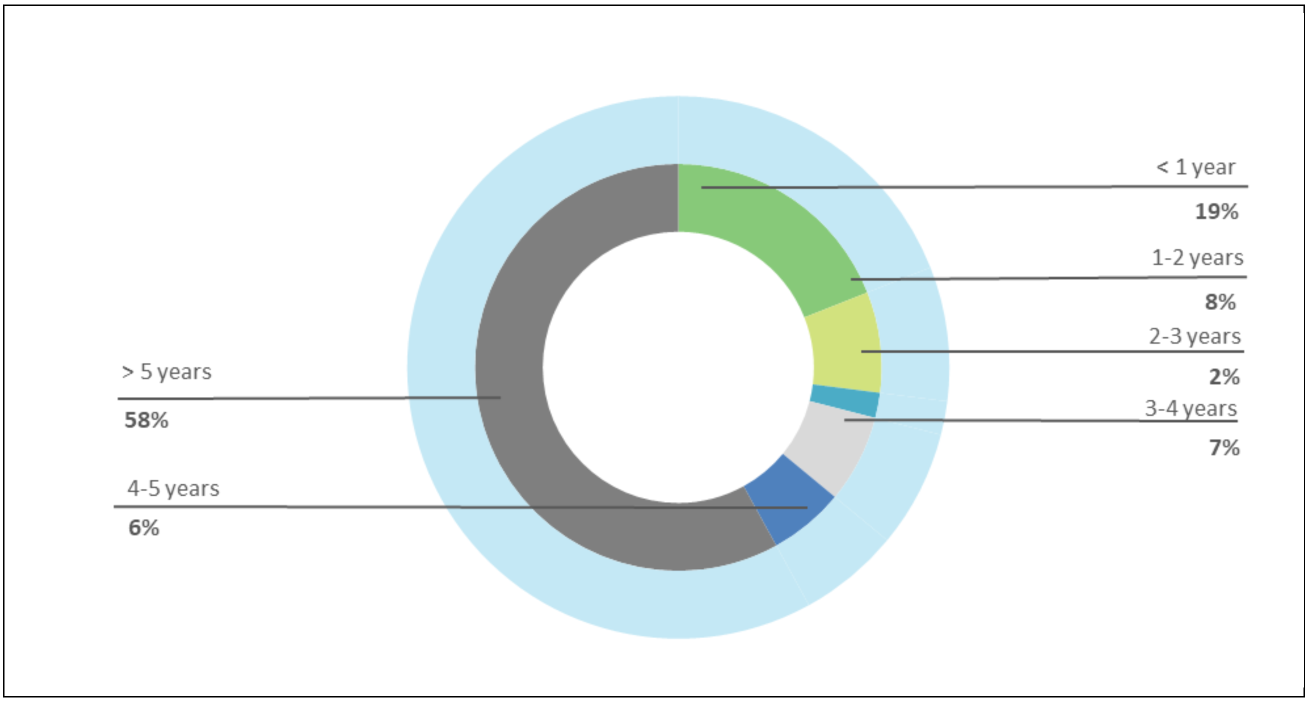
MATURITY SCHEDULE OF DRAWN DEBT

(June 30, 2019, in millions of euros)



BREAKDOWN OF DEBT BY MATURITY

(June 30, 2019)



The average debt maturity was 6.3 years as of June 30, 2019 (excluding NEU Commercial Paper). It stood at 6.4 years as of December 31, 2018.

1.4.2.3. Debt by division

After allocation of intra-group financing, almost 97% of the Group's debt is used by the Office and the Healthcare Property Investment Divisions.

1.4.2.4. Average cost of drawn debt

In H1 2019, the average cost of debt was 1.40% before hedging and 1.53% after hedging, compared with 1.42% and 1.55% respectively in FY 2018.

This reduction in average cost of debt between 2018 and H1 2019 was achieved through the proactive management of existing debt and interest rate hedges which was initiated in 2016 and has continued since then.

1.4.2.5. Management of interest rate risk exposure

Variable rate debt represented nearly 26% of total debt as of June 30, 2019 (excluding payables associated with equity interests and bank overdrafts).

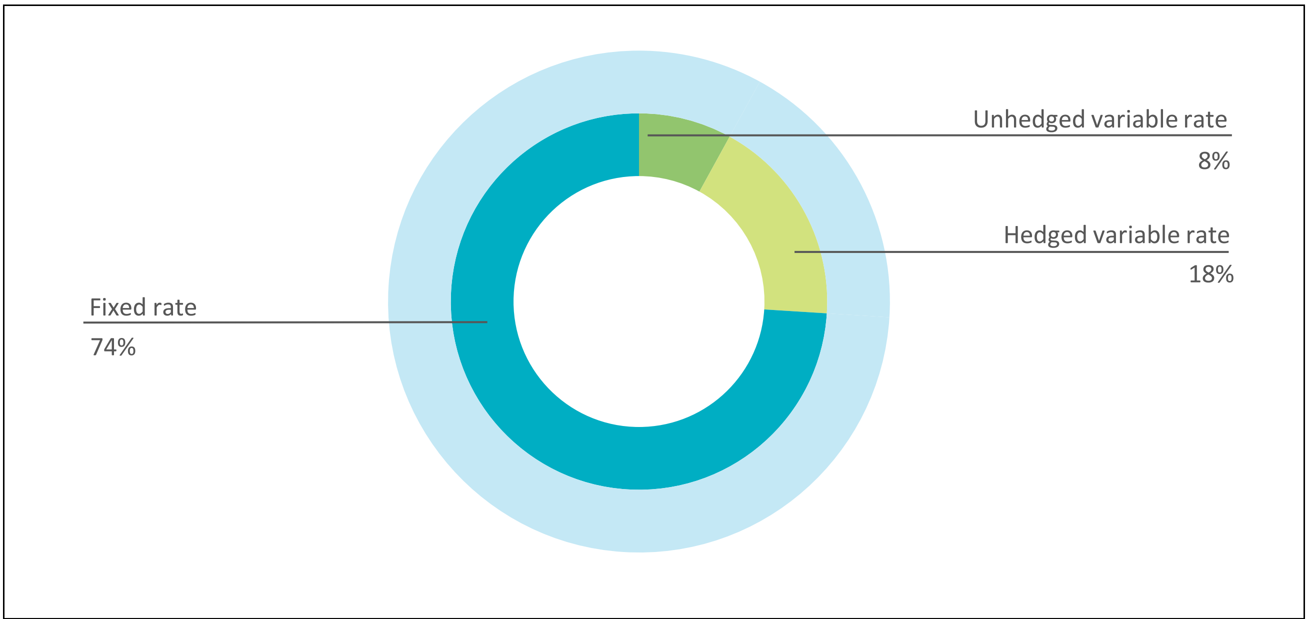
In H1 2019, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts (vanilla swaps).

In particular, swaps for a notional amount of €299.2 million with an average maturity of 6.6 years were taken out to lock in today's historically low interest rates in the medium term.

As of June 30, 2019, 92% of debt was hedged against interest rate risk. On July 1, 2019, the percentage of debt hedged increased to 97% as €300 million of fixed rate swaps starting on July 1, 2019 were taken out.

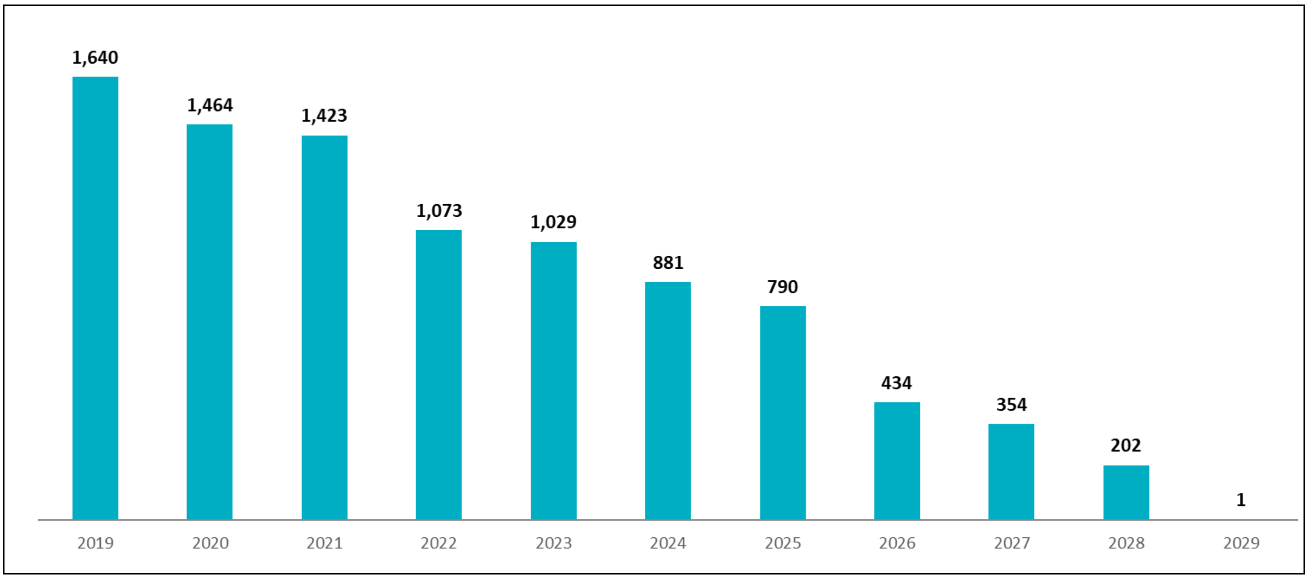
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING LIABILITIES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(June 30, 2019)



OUTSTANDING HEDGING POSITIONS

(June 30, 2019, in millions of euros)



Most of the Group's debt is protected against an increase in interest rates (fixed rate debt or variable rate debt hedged by interest rate swaps or options). The notional amounts of hedging instruments are summarised in the graph above.

The average maturity of variable rate debt is 4.8 years and that of the associated hedges is 4.7 years.

1.4.3. Credit rating

Icade has been rated by the Standard & Poor's rating agency since September 2013.

After its annual review, in September 2018, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2.

1.4.4. Financial structure

1.4.4.1. Financial structure ratios

1.4.4.1.1. LTV (loan-to-value) ratio

The LTV ratio, which is the ratio of net financial liabilities and the latest valuation of the property portfolio excluding duties (on a full consolidation basis) plus the value of property development companies, stood at 41.0% as of June 30, 2019 (compared with 40.0% as of December 31, 2018).

After adjustment for the sale of the Crystal Park asset to be completed at the end of July 2019, the LTV ratio would be 38.2%.

If the value of the portfolio was including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 38.4% as of June 30, 2019.

As of June 30, 2019, the LTV ratio calculated as part of bank covenants stood at 42.8%, below the maximum level of 52.0% provided for in the bank agreements.

1.4.4.1.2. ICR (Interest Coverage Ratio)

The interest coverage ratio based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 5.89x for H1 2019. The ratio remains at a high level, significantly higher than the covenant minimum of 2x.

	06/30/2019	12/31/2018
Ratio of net financial liabilities/asset value (LTV) [a]	41.0%	40.0%
Interest coverage ratio (ICR) [b]	5.89x	6.00x

(a) Includes the balance sheet value of property development companies.

(b) Interest coverage ratio (ICR) based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies

2. Property Investment Divisions

2.1. Summary income statement and valuation of property assets for the Property Investment Divisions (EPRA indicators)

The Property Investment Division consists of the following activities:

- Office Property Investment: the whole portfolio is valued at €9.1 billion on a proportionate consolidation basis (€9.3 billion on a full consolidation basis). It breaks down between office buildings valued at €7.0 billion and business parks (also mainly composed of office assets) valued at €1.8 billion. It also includes a portfolio of hotels as a result of acquiring ANF Immobilier and a portfolio of residual assets made up of warehouses, retail and housing units (worth €383 million as of June 30, 2019, i.e. 4.2% of the Office Property Investment Division's portfolio).
- Healthcare Property Investment: the Healthcare Property Investment Division, whose activities are mainly carried out through 56.84% owned Icade Santé and 59.39% owned Icade Healthcare Europe. This division valued at €2.6 billion (€4.5 billion on a full consolidation basis) is mainly made up of private healthcare properties such as acute care facilities (medicine, surgery and obstetrics), post-acute care (PAC) facilities and nursing homes.

2.1.1. Summary EPRA income statement for the Property Investment Divisions

The following table summarises the IFRS income statement for the Office and Healthcare Property Investment Divisions.

"Adjusted EPRA earnings from Property Investment" is the main relevant indicator used to analyse the financial results of these two divisions.

	06/30/2019			06/30/2018 Restated		
(in millions of euros)	Adjusted EPRA earnings from Property Investment	Non-recurring (a)	Total Property Investment	Adjusted EPRA earnings from Property Investment	Non-recurring (a)	Total Property Investment
GROSS RENTAL INCOME	316.1	-	316.1	315.3	-	315.3
NET RENTAL INCOME	306.4	-	306.4	288.8	-	288.8
MARGIN RATE (NET RENTAL INCOME / GROSS RENTAL INCOME)	*97.0%*	*0.0%*	*97.0%*	*91.6%*	*0.0%*	*91.6%*
Net operating costs	(32.8)	(1.3)	(34.1)	(37.3)	(0.8)	(38.1)
Profit/(loss) from other activities	-	-	-	(0.1)	-	(0.1)
EBITDA	273.6	(1.3)	272.4	251.4	(0.8)	250.7
Depreciation and impairment	(4.9)	(139.8)	(144.7)	(3.4)	(150.1)	(153.5)
Profit/(loss) on asset disposals	-	4.0	4.0	-	5.6	5.6
Share of profit/(loss) of equity-accounted companies	(0.3)	(7.5)	(7.8)	1.9	(7.9)	(6.0)
OPERATING PROFIT/(LOSS)	268.4	(144.5)	123.9	250.0	(153.2)	96.7
Cost of net debt	(44.7)	-	(44.7)	(46.9)	-	(46.9)
Other finance income and expenses	(8.2)	(9.5)	(17.8)	(3.1)	(14.2)	(17.2)
FINANCE INCOME/(EXPENSE)	(52.9)	(9.5)	(62.5)	(50.0)	(14.2)	(64.1)
Tax expense	(2.9)	-	(2.9)	(2.4)	0.6	(1.8)
NET PROFIT/(LOSS)	212.6	(154.1)	58.6	197.6	(166.8)	30.8
Net profit/(loss) attributable to non-controlling interests	47.8	(28.8)	19.0	41.7	(29.3)	12.4
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**164.9**	**(125.3)**	**39.6**	**155.9**	**(137.4)**	**18.4**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.

Gross rental income amounted to €316.1 million as of June 30, 2019 vs. €315.3 million as of June 30, 2018. This change can be explained by the combination of the following elements:

- A -€13.5 million decrease in gross rental income from Office Property Investment due primarily to asset disposals completed at the end of 2018 (Colombes and Paris Nord 2 business parks);
- A +€14.2 million increase in gross rental income from Healthcare Property Investment in connection with asset acquisitions (nursing homes) and completions (Courlancy, Croix du Sud) which took place in 2018.

On a like-for-like basis, gross rental income was up +3.0%, including 3.1% for Office Property Investment and 2.8% for Healthcare Property Investment.

Net rental income reached €306.4 million as of June 30, 2019, implying a margin rate of 97.0%, substantially higher than in H1 2018 (91.6%) thanks to a significant reduction in vacancy costs (see EPRA cost ratio) and non-recurring lease termination payments received by Icade Santé.

Net operating costs from the Property Investment Division stood at €32.8 million in H1 2019;

The recurring portion of **finance income/(expense)** from the Property Investment Division amounted to €(52.9) million as of June 30, 2019 vs. €(50.0) million as of June 30, 2018.

Thus, after taking into account the items above, **adjusted EPRA earnings from Property Investment** reached €164.9 million as of June 30, 2019 vs. €155.9 million as of June 30, 2018, **a 5.8% year-on-year increase**.

Other items that had an impact on the net profit/(loss) attributable to the Group from the Property Investment Division represented a total net expense of €(125.3) million and were mainly comprised of:

- Depreciation and impairment of investment properties of €(139.8) million as of June 30, 2019 vs. €(150.1) million as of June 30, 2018. This trend is explained by changes in scope of consolidation for the Property Investment Divisions and accelerated depreciation prior to refurbishments on assets of the Office Property Investment Division;
- Gains on disposals of €4.0 million vs. €5.6 million as of June 30, 2018.

As a result, **net profit/(loss) attributable to the Group** from the Property Investment Division reached +€39.6 million as of June 30, 2019 vs. +€18.4 million as of June 30, 2018.

2.1.2. Valuation of the Property Investment Divisions' property assets

The valuation methods used by the independent property valuers are described in the notes to the consolidated financial statements, section 1.1. "Valuation of the property portfolio: methods and assumptions" of Note 4 "Portfolio and fair value".

VALUATION OF THE PROPERTY INVESTMENT DIVISIONS' PROPERTY ASSETS

Assets are classified as follows:

- Offices and business parks of the Office Property Investment Division;
- Other Office Property Investment assets, which consist of housing units, hotels, warehouses, public-sector properties and projects held as part of public-private partnerships, the Fresnes retail park and the Millénaire shopping centre;
- The assets of the Healthcare Property Investment Division, consisting of nursing homes, acute care and post-acute care facilities.

Furthermore, the assets in the Healthcare Property Investment portfolio are valued in proportion to Icade's stake in Icade Santé (56.84%) and Icade Healthcare Europe (59.39%).

As of June 30, 2019, Icade's property portfolio was worth €11,712.1 million on a proportionate consolidation basis vs. €11,291.0 million as of December 31, 2018. If these assets were presented on a full consolidation basis, Icade's portfolio would represent €13,843.7 million excluding duties vs. €13,397.1 million at the end of 2018.

Value of the property portfolio excl. duties on a proportionate consolidation basis	06/30/2019 (in €m)	12/31/2018* (in €m)	Change (in €m)	Change (in %)	Like-for-like change [(a)] (in €m)	Like-for-like change [(a)] (in %)	Total floor area on a proportionate consolidation basis (in sq.m)	Price [(b)] (in €/sq.m)	Net initial yield excl. duties [(c)] (in %)	EPRA vacancy rate[(d)] (in %)
OFFICES										
Paris	1,652.6	1,601.3	+51.3	+3.2%	+30.5	+1.9%	194,506	8,496	4.5%	1.7%
La Défense/Peri-Défense	2,055.1	2,016.2	+38.9	+1.9%	+15.9	+0.8%	287,097	7,158	5.5%	6.2%
Other Western Crescent	758.9	639.5	+119.4	+18.7%	+115.4	+18.0%	48,488	15,652	4.1%	3.2%
Inner Ring	1,098.8	1,092.2	+6.6	+0.6%	+5.7	+0.5%	167,831	6,547	5.1%	4.1%
Outer Ring	0.0	2.9	(2.9)	(100.0%)						
Total Paris region	5,565.4	5,352.1	+213.3	+4.0%	+167.4	+3.1%	697,922	7,974	4.9%	4.2%
Outside the Paris region	461.0	454.2	+6.8	+1.5%	+4.0	+0.9%	143,038	3,223	6.1%	9.7%
TOTAL OPERATING OFFICE PROPERTIES [(f)]	**6,026.4**	**5,806.3**	**+220.1**	**+3.8%**	**+171.4**	**+3.0%**	**840,960**	**7,166**	**5.0%**	**4.7%**
Land bank and floor space awaiting refurbishment (not leased) [(e)]	21.3	24.5	(3.2)	(13.0%)	-	-				
Projects under development	865.8	726.9	+138.8	+19.1%	+39.3	+5.4%				
Off-plan acquisition	79.0	50.1	+28.9	+57.8%	+8.0	+15.9%				
TOTAL OFFICES	**6,992.4**	**6,607.8**	**+384.7**	**+5.8%**	**+218.7**	**+3.3%**	**840,960**	**7,166**	**5.0%**	**4.7%**
BUSINESS PARKS										
Inner Ring	865.4	856.2	+9.2	+1.1%	(1.4)	(0.2%)	325,923	2,655	7.3%	19.4%
Outer Ring	747.0	735.1	+11.8	+1.6%	+7.5	+1.0%	375,593	1,989	8.4%	14.0%
Total Paris region	1,612.3	1,591.3	+21.0	+1.3%	+6.1	+0.4%	701,516	2,298	7.8%	16.8%
Land bank and floor space awaiting refurbishment (not leased) [(e)]	128.8	133.3	(4.5)	(3.4%)	(3.7)	(2.8%)				
Projects under development	24.3	17.9	+6.4	+35.9%	(0.8)	(4.5%)				
TOTAL BUSINESS PARKS	**1,765.5**	**1,742.5**	**+23.0**	**+1.3%**	**+1.6**	**+0.1%**	**701,516**	**2,298**	**7.8%**	**16.8%**
TOTAL OFFICES AND BUSINESS PARKS	**8,757.9**	**8,350.2**	**+407.7**	**+4.9%**	**+220.3**	**+2.6%**	**1,542,476**	**4,952**	**5.6%**	**8.3%**
Other Office Property Investment assets [(g)]	382.9	394.9	(11.9)	(3.0%)	(8.0)	(2.1%)	118,692	1,805	8.3%	10.6%
TOTAL OFFICE PROPERTY INVESTMENT ASSETS	**9,140.9**	**8,745.1**	**+395.7**	**+4.5%**	**+212.3**	**+2.4%**	**1,661,168**	**4,727**	**5.7%**	**8.4%**
HEALTHCARE PROPERTY INVESTMENT										
Paris region	386.5	390.1	(3.6)	(0.9%)	+1.5	+0.4%	100,594	3,842	5.6%	0%
Outside the Paris region	2,164.6	2,147.7	+16.9	+0.8%	+6.0	+0.3%	796,688	2,717	5.7%	0%
International	6.9		+6.9				3,974	1,748	6.5%	0%
TOTAL	**2,558.0**	**2,537.8**	**+20.2**	**+0.8%**	**+7.5**	**+0.3%**	**901,256**	**2,838**	**5.8%**	**0%**
Projects under development	13.3	8.1	+5.2	+63.6%	+0.5	+6.2%				
TOTAL HEALTHCARE PROPERTY INVESTMENT	**2,571.3**	**2,545.9**	**+25.4**	**+1.0%**	**+8.0**	**+0.3%**	**901,256**	**2,853**	**5.8%**	**0%**
GRAND TOTAL	**11,712.1**	**11,291.0**	**+421.1**	**+3.7%**	**+220.3**	**+2.0%**	**2,562,424**	**4,068**	**5.7%**	**6.3%**
Including assets consolidated using the equity method	*128.8*	*131.2*	**(2.4)**	*(1.9%)*	*(3.4)*	*(2.6%)*				

**Adjusted for the asset reclassifications made between the two periods, including reclassifications from "Projects under development" to the "Operating" category upon completion of a property.*

(a) Net change in disposals for the period and investments, and changes in the values of assets treated as financial receivables (PPPs).

(b) Established based on the appraised value excluding duties.

(c) Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, divided by the appraised value (excluding duties) of leasable space.

(d) Calculated based on the estimated rental value of vacant space divided by the overall estimated rental value.

(e) Properties that are completely vacant, held for sale, or due to be refurbished or demolished, and for which a project will be initiated at a later stage.

(f) Indicators (total floor area, price in €/sq.m, EPRA net initial yield excluding duties, and EPRA vacancy rates) are presented excluding PPPs.

(g) Includes residential, retail, hotel (excluding business parks), warehouse and PPP assets. Indicators (total floor area, price in €/sq.m, EPRA net initial yield excluding duties, and EPRA vacancy rates) are presented excluding the Residential Property Investment Division and PPPs.

Note: asset status as of June 30, 2019

2.2. Office Property Investment Division

2.2.1. Market update and property portfolio as of June 30, 2019

MARKET UPDATE

The office rental market in the Paris region (source: JLL / ImmoStat)

Take-up totalled 1.1 million sq.m in H1 2019, marking a 19% decrease year-on-year, **which reflected France's cooling economy**. However, this level of activity is still in line with the ten-year average at a time when the vacancy rate has never been lower over this period (5.3% in mid-2019).

While the market was driven by mid-scale lettings (properties between 1,000 and 5,000 sq.m), transactions involving office space in excess of 5,000 sq.m plummeted after two record years, with 34 transactions this half year compared to 43 one year ago. With economic indicators trending positive and job creation remaining constant at over 0.7%/year through to 2020 (Oxford Economics forecast), annual take-up can be expected to be at least 2.3 million sq.m over the coming years.

Leasing activity has fallen across all markets with the notable exception of the Inner Ring (+23% totalling 223,000 sq.m) which accounts for the largest transactions in the half year (Société du Grand Paris in the "Moods" building in Saint-Denis, Société Générale in "Sakura" in Fontenay-sous-Bois, and Edvance in "Flow" in Montrouge). **After having significantly bolstered the Western Crescent rental market in both 2017 and 2018, large occupiers have increasingly switched their allegiance to new locations.**

The Parisian market remains strong (480,000 sq.m) but fell by 12% due to scarce supply, especially for larger units, despite strong activity from coworking operators. At the other end of the spectrum, the La Défense market is still sluggish (45,000 sq.m in H1) as the supply, most of which is future supply, appears to prioritise the demand for very large properties. In the Outer Ring, the rental market has returned to a more typical volume (111,000 sq.m) with only one transaction over 5,000 sq.m which contrasts with the record 8 transactions completed in H1 2018.

Due to the resiliency of the rental market, immediate supply in the Paris region is still dwindling (-199,000 sq.m year-on-year). Immediate supply totalled only 2.85 million sq.m in mid-2019, with the vacancy rate standing at 5.3%. The biggest drops were observed in the Inner Ring (-8%) and Western Crescent (-14%) while the Parisian market contributed only minimally to this trend due to its already very low vacancy rate (1.6% in the Paris CBD and 2.7% in the rest of the capital).

New supply represents only 15% of the vacant stock as office space under construction has been mostly pre-let before completion. Construction activity remains very strong with 2.2 million sq.m under construction in mid-2019 in the Paris region, including 40% already pre-let. The shift of future supply to the suburbs which was already noticeable last year has become more pronounced. Energised by the work being done in the Greater Paris area and the upcoming Olympic Games in 2024, the future supply under construction is now primarily concentrated in the Inner Ring (30%), La Défense (23%) and Péri-Défense (14%) while market demand is high in Paris which struggles to renew its supply.

This imbalance in Paris contributes to an overall increase in rental values with the prime rent in the Paris CBD now standing at €825/sq.m (compared to €780/sq.m one year ago) and unprecedented average rents for both new and existing space, especially in Paris (in the 3rd, 4th, 10th and 11th districts).

Outside Paris, increases in prime rents have been more modest, as evidenced by the Péri-Défense area which recorded a new high in H1 of €450/sq.m for the "SENSE" building in Puteaux (compared to €440/sq.m previously). **Average rents (calculated by ImmoStat) are nonetheless on the rise with a record €339/sq.m in the Inner Ring and an upswing in the Western Crescent to €391/sq.m.** As occupiers have shifted primarily to new properties in these markets, second-hand rents and those in the Outer Ring have been broadly stable.

While the scarcity of the available office stock in Paris has kept the average level of lease incentives to around 12% for floor space between 1,000 and 5,000 sq.m, such incentives stood at over 20% elsewhere due to higher supply.

The office rental market outside the Paris region (source: BNP Paribas Real Estate)

Less exposed to the economic slowdown, the **major French cities outside Paris (Lyon, Lille, Toulouse, Aix/Marseille, Bordeaux and Nantes) continue to see record leasing activity** with 1.2 million sq.m of take-up in 2018, coupled with a dynamic Q1 2019 (+4% compared to Q1 2018) which sustains the trend.

Leasing activity in Lyon clearly stands out from the other major French cities. Having surpassed 300,000 sq.m of take-up in 2018, leasing activity in Q1 2019 was particularly robust (+39% year-on-year) due to small and medium-sized units and a number of large transactions in the Gerland district (CIRC, La Poste and Nexans).

At the end of March 2019, the supply available within one year amounted to 1.5 million sq.m, of which 32% was new space. Over a 12-month rolling period, second-hand supply dropped by 5% due to the buoyancy of Lyon's market while new projects in Lille (+40k sq.m) and Aix/Marseille (+18k sq.m) have added to new supply by 7%.

Overall, vacancy rates are low outside the Paris region. In Lyon, the supply of high-quality space is abundant which promotes the fluidity of its rental market, with a vacancy rate of 5% in Q1 2019. In contrast, the vitality of the other markets has been dampened by a vacancy rate under 4% (Bordeaux, Nantes) or a scarcity of new office space (less than 18% of the supply in Aix/Marseille and Toulouse).

This scarcity of new space, at a time when major French cities are increasingly concentrating on the service sector, **contributes to an incremental, sustained growth in rental values** in city centres.

As a result, in 2019, the Part-Dieu district in Lyon is expected to catch up to the prime rent of €320/sq.m which is already charged in Marseille in the "La Marseillaise" Tower, while the highest rents charged in Lille and Bordeaux hover above €230/sq.m.

In 2018, investors (mainly domestic) showed their interest in office space outside the Paris region through a record investment of €3.5 billion (85% more than the average of the five previous years). In H1 2019, their activity followed along the same lines with a volume of acquisitions of over €1 billion.

The French commercial property investment market (source: BNP Paribas Real Estate / JLL)

With €13.8 billion invested in H1 2019, the French commercial property market (including diversification assets) has got off to the same very good start observed in 2018.

Activity considerably picked up in Q2 due to a number of major transactions, such as the Terreïs portfolio in the Paris CBD (€1.8 billion), Lumière in the 12th district of Paris (€1.2 billion) and the CBX Tower in La Défense (€450 million). **In an environment where liquidity abounds, transactions of over €100 million remain predominant, accounting for 60% of the volumes across 31 transactions.**

In France, offices remain popular with investors (71% of the total volume) who have been reassured by the good performance of the French economy and its rental markets. Paris remained the most active market with two transactions in excess of €1 billion, for a total volume of acquisitions of €5.3 billion in H1 2019 (+20%). Investment activity has also been strong in the Inner Ring with €1.2 billion invested (+32%) due to Greater Paris projects while office yields outside the Paris region have attracted around €1 billion (+3%). The La Défense market (€865 million in H1 2019) should be stable, with transactional activity likely to remain exceptional (€3.4 billion in 2017 and €2.4 billion in 2018) due to its international visibility and large-scale core assets.

The first half of 2019 confirms a very strong presence of foreign investors (36% of the total volume, i.e. the same as in 2018) with **record-breaking investment from Korean investors** (16% of the total) who signed the four largest transactions over the period (the Lumière building and CBX Tower, as well as the Majunga and Crystal Park buildings expected in Q3). The market has also been driven by SCPIs and OPCIs (16%) whose inflows remain strong (net inflows in Q1 2019 for both types of property funds up by 79% in Q1 2019 totalling €2.6 billion).

Against a backdrop of low interest rates prolonged by central banks and persistent geopolitical risks, the French 10-year government bond yield fell precipitously, reaching zero at the end of June 2019. **The risk premium of property is therefore more attractive than ever** with a prime yield which has remained stable at 3% for two years for offices in the Paris CBD and going as high as 4% in La Défense and 4.75% outside the Paris region.

This stimulus coupled with the appeal of the French market should allow investment in 2019 to remain as strong as in the 5 previous years, with at least €30 billion invested.

GEOGRAPHIC DISTRIBUTION OF THE PROPERTY PORTFOLIO BY TYPE OF ASSET

As of June 30, 2019

In value terms (on a proportionate consolidation basis) **(in millions of euros)**	Offices	Business parks	Subtotal offices and business parks	Other Office Property Investment assets	TOTAL	%
PARIS REGION	6,393	1,765	8,158	265	8,423	92.1%
% of total	*91.4%*	*100.0%*	*93.2%*	*69.2%*		
incl. Paris	1,772	-	1,772	0.5	1,772	
incl. La Défense/Peri-Défense	2,485	-	2,485	-	2,485	
incl. Western Crescent	907	-	907	-	907	
incl. Inner Ring	1,229	936	2,165	93	2,258	
incl. Outer Ring	-	830	830	171	1,001	
OUTSIDE THE PARIS REGION	600	-	600	118	718	7.9%
% of total	*8.6%*	*0.0%*	*6.8%*	*30.8%*		
GRAND TOTAL	**6,992**	**1,765**	**8,758**	**383**	**9,141**	
% OF TOTAL PORTFOLIO VALUE	76.5%	19.3%	95.8%	4.2%		100%

DESCRIPTION OF THE PORTFOLIO

The tables below show leasable floor areas for office and business park properties between December 31, 2018 and June 30, 2019. Leasable floor space relates to leasable units in portfolio assets (excluding car parks). It is shown on a full consolidation basis.

- Offices

As of June 30, 2019, Icade owned office buildings representing a total leasable floor area of 872,087 sq.m. 79% of the floor area of these assets is in the Paris region (mainly in the La Défense/Péri-Défense areas, in Paris and in the Inner Ring).

The rest of the assets are located in the city centres of the main regional cities—Lyon, Marseille, Toulouse and Bordeaux.

	12/31/2018	H1 2019 changes			06/30/2019
Asset classes On a full consolidation basis	Leasable floor area *(in sq.m)*	Acquisitions/ completions *(in sq.m)*	Asset disposals *(in sq.m)*	Developments/ refurbishments *(in sq.m)*	Leasable floor area *(in sq.m)*
PARIS REGION	698,102	38,573	(6,341)	(44,467)	685,867
% of total	*80.5%*	*69.6%*	*100.0%*	*99.6%*	*78.6%*
incl. Paris	179,502	20,033		(8,242)	191,293
incl. La Défense/Peri-Défense	277,670	18,540		(17,955)	278,255
incl. Western Crescent	66,759	-		(18,271)	48,488
incl. Inner Ring	167,831	-			167,831
incl. Outer Ring	6,341	-	(6,341)		-
OUTSIDE THE PARIS REGION	169,515	16,882	-	(177)	186,220
%	*19.5%*	*30.4%*	*0.0%*	*0.4%*	*21.4%*
TOTAL OFFICES	**867,617**	**55,455**	**(6,341)**	**(44,645)**	**872,087**

In H1, Icade completed 4 office buildings totalling 55,455 sq.m which were previously in the development pipeline. 44,645 sq.m of floor space joined the "[under] Development/refurbishment" category, including in particular the Fresk building in Issy-les-Moulineaux and the Fontanot building in Nanterre.

- Business parks

Icade owns business parks in Saint-Denis, Aubervilliers and Rungis which are mainly composed of offices and business premises.

The overall leasable floor area of the business parks totalled 679,319 sq.m as of June 30, 2019.

	12/31/2018	H1 2019 changes			06/30/2019
Asset classes On a full consolidation basis	Leasable floor area *(in sq.m)*	Acquisitions/ completions *(in sq.m)*	Asset disposals *(in sq.m)*	Developments/ refurbishments *(in sq.m)*	Leasable floor area *(in sq.m)*
PARIS REGION	661,070	32,844	-	(14,595)	679,319
% of total	*100.0%*	*100.0%*	*0.0%*	*100.0%*	*100.0%*
incl. Inner Ring	295,489	32,844		(7,193)	321,140
incl. Outer Ring	365,580			(7,402)	358,178
OUTSIDE THE PARIS REGION	-				-
%	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
TOTAL BUSINESS PARKS	**661,070**	**32,844**	**-**	**(14,595)**	**679,319**

In the business park segment, the most significant change in floor area during H1 related to the completion of the Pulse building, which added nearly 28,900 sq.m to the Portes de Paris business park.

2.2.2. Changes in value of the Office Property Investment portfolio

(on a proportionate consolidation basis)	FV as of 12/31/2018 (€m)	FV of assets sold as of 12/31/2018 (€m)	Investments and other (€m) (1)	Like-for-like change (€m)	Like-for-like change (%)	FV as of 06/30/2019 (€m)
Offices	6,607.7	(6.1)	172.1	218.7	+3.3%	6,992.4
Business parks	1,742.5	-	21.4	1.6	+0.1%	1,765.5
Other Office Property Investment assets	394.9	(4.1)	0.2	(8.0)	(2.1%)	382.9
TOTAL	**8,745.1**	**(10.2)**	**193.6**	**212.3**	**+2.4%**	**9,140.9**

(1) Includes capex, payments made in 2019 as part of ongoing off-plan acquisitions and Icade's increased stake in ANF Immobilier. Also includes the restatement of transfer duties and fees, changes in the values of assets acquired during the financial year, works to properties sold and changes in the values of assets treated as financial receivables

On a proportionate consolidation basis, the overall value of the Office Property Investment Division's portfolio was €9,140.9 million excluding duties as of June 30, 2019 vs. €8,745.1 million at the end of 2018, i.e. an increase of €395.7 million (+4.5%). On a full consolidation basis, the Office Property Investment Division's portfolio was worth €9,320.1 million vs. €8,912.8 million as of December 31, 2018.

Excluding the impact of investments and disposals completed in H1 2019, the like-for-like change in value of the assets of the Office Property Investment Division was +€212.3 million, **i.e. +2.4%**.

In value terms, 92% of Icade's office property portfolio is located in the Paris region.

OFFICES

As of June 30, 2019, the office portfolio represented €6,992.4 million, vs. €6,607.7 million as of December 31, 2018, an increase of +€384.7 million (+5.8%). Excluding the impact of investments and asset disposals completed during the half year, the change in value of the office portfolio as of June 30, 2019 was +€218.7 million (i.e. +3.3%). On a full consolidation basis, the office portfolio was worth €7,153.2 million vs. €6,758.6 million as of December 31, 2018.

This sharp rise in the value of the office portfolio resulted from value creation driven by increased rental values in inner Paris, the increased value of projects under development (especially the Origine, Castel and Gambetta projects), as well as the inclusion of the preliminary agreement signed to sell the Crystal Park building on very favourable terms, reflecting Icade's desire to step up disposals in a buoyant real estate market.

BUSINESS PARKS

As of June 30, 2019, the business park portfolio represented €1,765.5 million vs. €1,742.5 million as of December 31, 2018, an increase of +€23.0 million (+1.3%). On a like-for-like basis, the value of business parks was broadly stable, with +€1.6 million over the half year, i.e. +0.1%.

OTHER OFFICE PROPERTY INVESTMENT ASSETS

As of June 30, 2019, other Office Property Investment assets were valued at €382.9 million, vs. €394.9 million as of December 31, 2018, down -€11.9 million (-3.0%). Excluding the impact of investments and asset disposals completed during the half year, the change in value of other Office Property Investment assets as of June 30, 2019 was -€8.0 million (i.e. -2.1%). On a full consolidation basis, other Office Property Investment assets were worth €401.4 million vs. €411.7 million as of December 31, 2018.

2.2.3. Investments

Investments are presented as per EPRA recommendations: tenant improvements, broker fees and finance costs are grouped under the heading "Other".

(in millions of euros)	Off-plan acquisitions	Projects under development	Other capex	Other	Total
Offices	53.9	105.2	16.6	8.8	184.6
Business parks		13.0	7.7	0.7	21.4
OFFICES AND BUSINESS PARKS	53.9	118.2	24.4	9.5	206.0
Other Office Property Investment assets			1.4	0.0	1.4
OFFICE PROPERTY INVESTMENT	**53.9**	**118.2**	**25.8**	**9.5**	**207.4**

As of June 30, 2019, investments amounted to **€207.4 million**, vs. €266.7 million for the same period in 2018.

The largest investments related to:

- Off-plan acquisitions for a total of **€53.9 million**, including primarily:
  - Spring A in Nanterre (Hauts-de-Seine) for €15.8 million. This is the second phase of the project and it was completed in H1 2019;
  - Gambetta building (20th district of Paris) for €14.6 million, also completed in H1 2019;
  - Eko Active (Marseille) for €9.3 million, scheduled for completion in Q4 2019.

- Projects under development for **€118.2 million** including mainly the Origine project (Nanterre) for €51.2 million and the Fresk project (Issy-les-Moulineaux) for €11.6 million.

Other investments, encompassing "Other capex" and "Other" for €35.3 million, have been primarily earmarked for building maintenance work and tenant improvements.

PROPERTY DEVELOPMENT PROJECTS

Icade has significant development projects representing a total investment of €1.96 billion and nearly 350,000 sq.m, including 250,000 sq.m already started. The yield on cost expected for these projects is 6.3%.

In H1 2019, the most significant changes in the pipeline were:

- Five completions: Gambetta (Paris), Pulse (Portes de Paris business park), Spring A (Nanterre), Factor E (Bordeaux), Le Castel (Marseille);
- Launch of the Fresk project in Issy-les-Moulineaux.

Project name [(a)]	Location	Type of project	Property type	Estimated date of completion	Floor area (sq.m)	Expected rent	Yield on cost [(b)]	Total investment [(c)] (in €m)	Remaining to be invested > H1 2019	% pre-let or pre-sold
LAFAYETTE B-C (d)	Lyon	Refurbishment	Offices	Q3 2019	7,100			27	3	31%
MARSEILLE - EKO ACTIVE	Marseille	Construction	Offices	Q3 2019	8,300			29	3	0%
B007 (Urssaf)	Pont de Flandre	Construction	Offices	Q4 2019	8,400			40	13	100%
MONACO	Rungis business park	Refurbishment	Hotel	Q4 2019	4,600			18	4	100%
19 Quai Rive Neuve	Marseille	Redevelopment	Offices	Q1 2020	3,100			15	6	99%
TOULOUSE - LATECOERE	Toulouse	Construction	Offices	Q2 2020	12,700			42	23	100%
B034	Pont de Flandre	Refurbishment	Hotel	Q4 2020	4,800			30	20	100%
ORIGINE	Western Crescent	Redevelopment	Offices	Q4 2020	65,000			448	187	79%
PARK VIEW	Lyon	Construction	Offices	Q2 2020	22,800			81	41	0%
FONTANOT	Western Crescent	Redevelopment	Offices	Q4 2020	15,800			108	34	100%
PÔLE NUMERIQUE	Portes de Paris business park	Construction	Offices / business centre	Q1 2021	9,400			38	32	0%
ÎLOT B32	Millénaire	Construction	Offices	Q1 2021	27,700			136	116	0%
FRESK	South Loop	Redevelopment	Offices	Q1 2021	20,500			238	77	0%
ÎLOT B2	Millénaire	Construction	Offices	Q2 2022	40,600			216	189	0%
TOTAL PROJECTS STARTED					**251,000**	**90.0**	**6.1%**	**1,467**	**747**	**41%**
TOTAL OFFICE PROJECTS NOT COMMITTED					**90,700**	**33.7**	**6.9%**	**489**	**413**	**0**
TOTAL PIPELINE (a)					**341,700**	**123.7**	**6.3%**	**1,956**	**1,161**	**30%**

Notes: on a full consolidation basis

(a) Includes identified projects on secured plots of land, which have started or will start within 24 months – Includes off-plan acquisitions

(b) YoC = headline rental income / cost of the project as approved by Icade's governance bodies (as defined in (c))

(c) Total investment includes the fair value of land (or building), cost of works, tenant improvements, finance costs and other fees

(d) Includes a lease signed after the reporting period ended June 30, 2019

2.2.4. Asset disposals

Disposals carried out in H1 2019 amounted to €12.2 million.

Asset disposals generated an overall capital gain of €6.2 million.

In addition, on June 5, 2019, Icade entered into a bilateral sale agreement for the 44,000-sq.m Crystal Park building located in Neuilly-sur-Seine (Hauts-de-Seine).

The disposal represents €691.0 million excluding duties and before lease incentives and other maintenance or repair costs to be borne by Icade. The deed of sale is expected to be signed at the end of July 2019.

2.2.5. Adjusted EPRA earnings from Office Property Investment as of June 30, 2019

	06/30/2019			06/30/2018 Restated		
(in millions of euros)	Adjusted EPRA earnings from Office Property Investment	Non-recurring (a)	Total Office Property Investment	Adjusted EPRA earnings from Office Property Investment	Non-recurring (a)	Total Office Property Investment
GROSS RENTAL INCOME	**186.7**	**-**	**186.7**	**200.2**	**-**	**200.2**
NET RENTAL INCOME	**177.2**	**-**	**177.2**	**177.2**	**-**	**177.2**
MARGIN RATE (NET RENTAL INCOME / GROSS RENTAL INCOME)	**94.9%**	**0.0%**	**94.9%**	**88.5%**	**0.0%**	**88.5%**
Net operating costs	(25.9)	(1.3)	(27.2)	(31.8)	(0.8)	(32.5)
Profit/(loss) from other activities	-	-	-	(0.1)	-	(0.1)
EBITDA	**151.3**	**(1.3)**	**150.0**	**145.4**	**(0.8)**	**144.6**
Depreciation and impairment	(4.9)	(81.3)	(86.2)	(3.4)	(98.3)	(101.7)
Profit/(loss) from acquisitions	-	-	-	-	-	-
Profit/(loss) on asset disposals	-	6.2	6.2	-	5.7	5.7
Share of profit/(loss) of equity-accounted companies	(0.3)	(7.5)	(7.8)	1.9	(7.9)	(6.0)
OPERATING PROFIT/(LOSS)	**146.1**	**(83.9)**	**62.2**	**144.0**	**(101.3)**	**42.6**
Cost of net debt	(29.7)	-	(29.7)	(32.6)	-	(32.6)
Other finance income and expenses	(7.8)	(9.1)	(16.9)	(2.8)	(3.9)	(6.7)
FINANCE INCOME/(EXPENSE)	**(37.4)**	**(9.1)**	**(46.6)**	**(35.4)**	**(3.9)**	**(39.3)**
Tax expense	(1.5)	-	(1.5)	(1.4)	-	(1.4)
NET PROFIT/(LOSS)	**107.2**	**(93.0)**	**14.2**	**107.2**	**(105.2)**	**2.0**
Net profit/(loss) attributable to non-controlling interests	2.2	(2.4)	(0.2)	2.4	(2.6)	(0.1)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**105.0**	**(90.6)**	**14.4**	**104.8**	**(102.7)**	**2.1**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.

2.2.6. Rental income from Office Property Investment as of June 30, 2019

GROSS RENTAL INCOME FROM OFFICE PROPERTY INVESTMENT

(in millions of euros)	06/30/2018 Restated	Asset acquisitions	Asset disposals	New builds / Refurbishments	Leasing activity and index-linked rent reviews	06/30/2019	Total change	Like-for-like change
France offices	127.4	-	(2.8)	(2.3)	3.2	125.5	(1.9)	2.9%
Business parks	59.7	-	(13.4)	(1.1)	1.7	47.0	(12.7)	3.9%
OFFICES AND BUSINESS PARKS (a)	187.1	-	(16.2)	(3.3)	4.9	172.5	(14.6)	3.1%
Other assets (a)	15.7		(1.3)	0.3	0.2	14.9	(0.9)	1.8%
Intra-group transactions from Property Investment	(2.6)		2.0		(0.0)	(0.7)	1.9	N/A
GROSS RENTAL INCOME	**200.2**	**-**	**(15.5)**	**(3.1)**	**5.1**	**186.7**	**(13.5)**	**3.1%**

(a) Transfer of the assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment. Transfer of the Fresnes business park, the Millénaire shopping centre and public-private partnerships to "Other assets".

Gross rental income from Office Property Investment amounted to €186.7 million in H1 2019, down €13.5 million from the same period in 2018 (-6.7%).

On a reported basis, income from the office segment declined by -1.5%. In the business park segment, gross rental income fell by -21.3% as a result of major asset disposals in 2018 (Colombes and Paris Nord business parks).

On a like-for-like basis, gross rental income was up +3.1%, fuelled by index-linked rent reviews of around 2.0% and strong leasing activity over the period. Increases of 2.9% and 3.9% were recorded for the office and business park segments, respectively.

	06/30/2019		06/30/2018 Restated	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
Offices	121.0	96.4%	116.2	91.2%
Business parks	41.5	88.1%	49.1	82.2%
OFFICES AND BUSINESS PARKS (a)	162.4	94.2%	165.3	88.4%
Other assets (a)	10.3	68.9%	9.5	60.1%
Intra-group transactions from Office Property Investment	4.5	N/A	2.5	N/A
NET RENTAL INCOME	**177.2**	**94.9%**	**177.2**	**88.5%**

(a) Transfer of the assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment. Transfer of the Fresnes business park, the Millénaire shopping centre and public-private partnerships to "Other assets".

Net rental income from Office Property Investment for H1 2019 totalled €177.2 million (unchanged compared to the same period in 2018). Office and business park margin rates stood at 96.4% and 88.1%, respectively, up 5.8 pps for Office Property Investment compared to June 30, 2018.

The overall margin rate was positively impacted by the sale of business parks in 2018 and solid leasing activity in the office segment.

2.2.7. Leasing activity of the Office Property Investment Division

	12/31/2018	H1 2019 changes				06/30/2019	New leases		06/30/2019
Asset classes	Leased floor area	Additions	Exits	Exits due to disposals	Floor area adjustments (a)	Leased floor area	Leases starting in H1 2019	Leases starting after H1 2019	Total
On a full consolidation basis	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*
Offices	785,225	16,757	(30,811)	-	210	771,381	13,283	5,528	18,812
Business parks	580,093	17,397	(13,970)	-	96	583,616	13,739		13,739
Other Office Property Investment assets	147,554	2,431	(1,121)	-	(555)	148,309	2,328		2,328
LIKE-FOR-LIKE SCOPE (A)	1,512,873	36,585	(45,902)	-	(249)	1,503,307	29,350	5,528	34,878
Offices	30,408	52,287	(30,272)			52,423	14,375	350	14,725
Business parks	15,993	1,227	(9,687)			7,534			-
ACQUISITIONS / COMPLETIONS / REFURBISHMENTS (B)	46,401	53,514	(39,958)	-	-	59,957	14,375	350	14,725
SUBTOTAL (A+B)	1,559,274	90,098	(85,860)	-	(249)	1,563,263	43,725	5,878	49,603
Offices	2,201			(2,201)		-	173		173
Other Office Property Investment assets	968			(968)		-			-
DISPOSALS (C)	3,169	-	-	(3,169)	-	-	173	-	173
OFFICE PROPERTY INVESTMENT (A)+(B)+(C)	**1,562,442**	**90,098**	**(85,860)**	**(3,169)**	**(249)**	**1,563,263**	**43,897**	**5,878**	**49,776**

(a) Change in floor areas as a result of a new survey by a licensed surveyor

New leases signed in H1 2019 (tenant arrivals) covered more than 90,000 sq.m and represented annualised headline rental income of €25.5 million.

Among all new leases, more than 52,000 sq.m related to the following buildings completed during the period: Gambetta (19,400 sq.m), Spring A (18,500 sq.m), Factor E (8,400 sq.m) and Le Castel (5,960 sq.m).

On a like-for-like basis, new leases were signed for more than 36,000 sq.m. These tenant arrivals related mainly to:

- The Rungis business park for close to 11,000 sq.m;
- The re-letting of 4,500 sq.m in the Maine Montparnasse Tower.

Vacated properties added up to nearly 86,000 sq.m during the half year ended, representing annualised headline rental income of €27.7 million, including 40,000 sq.m to be refurbished or sold.

On a like-for-like basis, these tenant departures represented 45,902 sq.m and the most significant ones included:

- The end of the rent guarantee period for the Spring B building (11,855 sq.m);
- The end of the lease with RTE for the Initiale Tower (6,037 sq.m on a proportionate consolidation basis);
- 7,138 sq.m vacated by Chronopost in the Orsud building in Gentilly.

The main **leases entered into** during the half year amounted to 49,776 sq.m and related to the following assets:

- Orsud: new lease signed with Orange for 5,344 sq.m starting on January 1, 2020 (space vacated by Chronopost during Q2 2019);
- Factor E: new lease signed with Regus for 5,651 sq.m which will start when the building is completed (Q2 2019);
- Le Castel: two new leases signed for the entire building totalling 5,960 sq.m, making it possible to fully pre-let the property before its completion in Q2 2019.

During the period, **30 leases were renewed**, representing more than 67,000 sq.m. With annualised headline rental income of €14.5 million, these renewed leases contribute to increasing the weighted average unexpired lease term across the whole portfolio. The WAULT to break of these leases stands at 7.0 years.

Taking these changes into account, **the weighted average unexpired lease term to first break** was 5.0 years as of June 30, 2019, up +0.3 year compared to December 31, 2018 and including +0.4 year in the business park segment.

As of June 30, 2019, the ten largest tenants generated a combined annual rental income of €128.0 million (about 34.0% of the annualised rental income of the Office Property Investment portfolio), excluding public entity.

FINANCIAL OCCUPANCY RATE AND WEIGHTED AVERAGE UNEXPIRED LEASE TERM

As of June 30, 2019, the **financial occupancy rate** stood at 91.8%, down -1.6 pp compared to December 31, 2018.

On a like-for-like basis, this downward trend reached -0.5 pp including -0.8 pp for offices, while remaining stable for business parks.

On a reported basis, the drop in the financial occupancy rate observed in business parks (-6.1 pps) is primarily due to the completion of an asset currently being offered for lease (the Pulse building).

The **weighted average unexpired lease term** to first break stood at 5.0 years, up +0.3 year compared to the end of 2018.

In the office segment, it stood at 5.5 years, up +0.3 year compared to the end of 2018 due to the impact of new leases, in particular those relating to asset completions and lease renewals.

Asset classes [(a) (c)]	Financial occupancy rate *(in %)*			Weighted average unexpired lease term *(in years)*	
	06/30/2019	12/31/2018	Like-for-like change[(b)]	06/30/2019	12/31/2018
Offices	95.2%	95.1%	-0.8 pp	5.5	5.2
Business parks	83.0%	89.1%	0.0 pp	3.3	2.9
OFFICES AND BUSINESS PARKS	91.7%	93.5%	-0.6 pp	4.9	4.6
Other Office Property Investment assets	93.8%	92.9%	1.0 pp	6.8	6.7
OFFICE PROPERTY INVESTMENT	91.8%	93.4%	-0.5 pp	5.0	4.7

(a) Transfer of the assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment.

Transfer of the Fresnes business park, the Millénaire shopping centre and public-private partnerships to "Other assets".

(b) Change between December 31, 2018 and June 30, 2019, excluding completions, acquisitions and disposals for the period.

(c) On a full consolidation basis, except for equity-accounted assets which are included on a proportionate consolidation basis.

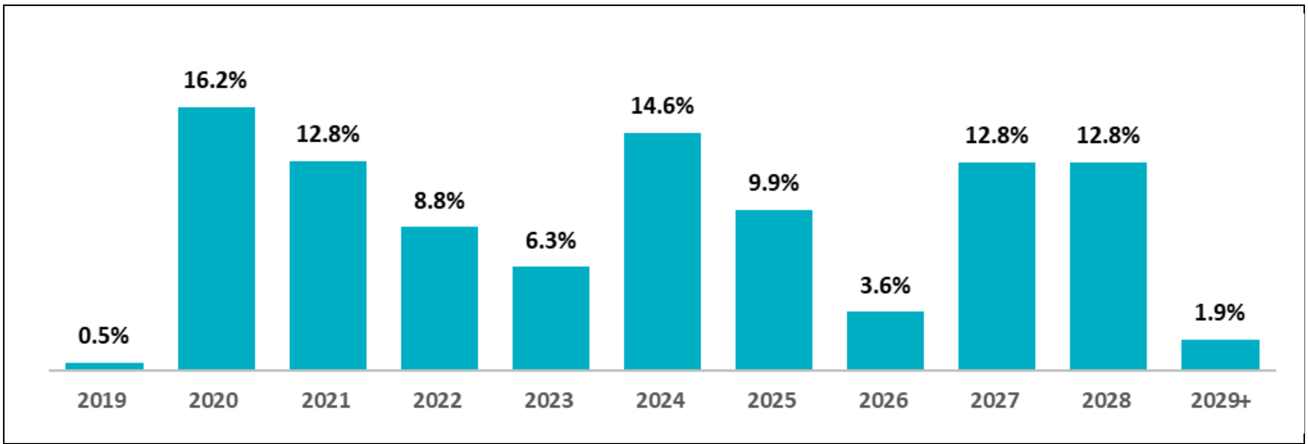
As of June 30, 2019, vacancy costs went significantly down on a year-on-year basis (€7.7 million in 2019 compared to €11.8 million in 2018, i.e. a €4.1 million decrease). This resulted in particular from disposals of business parks with high vacancy rates carried out in 2018.

LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in millions of euros and on a full consolidation basis)	France offices	Business parks	Other	Total	Share of total
H2 2019	1.2	0.4	0.1	1.7	0.5%
2020	28.8	25.5	6.5	60.7	16.2%
2021	26.3	19.9	2.1	48.3	12.8%
2022	13.4	16.5	3.1	33.0	8.8%
2023	15.7	7.9	0.1	23.8	6.3%
2024	44.4	10.1	0.4	54.8	14.6%
2025	33.7	1.3	2.1	37.1	9.9%
2026	9.7	3.4	0.3	13.4	3.6%
2027	37.3	9.5	1.3	48.0	12.8%
2028	47.0	0.0	1.0	48.0	12.8%
2029 and beyond	2.3	0.1	4.7	7.1	1.9%
TOTAL	**259.9**	**94.5**	**21.6**	**376.0**	**100.0%**

LEASE EXPIRY SCHEDULE IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in % and on a full consolidation basis)



2.3. Healthcare Property Investment Division

2.3.1. Market update and overview of the property portfolio as of June 30, 2019

MARKET UPDATE

(sources: DREES Santé, Cushman & Wakefield, Your Care Consult)

Assets with attractive features

The healthcare sector represents a promising market that is less cyclical than the rest of the economy, thanks to underlying fundamentals such as the ageing population in Europe, rising healthcare costs and the prevalence of chronic diseases. Healthcare property assets are single-use properties with long-term leases that can be divided into two main categories:

- **healthcare facilities** including, for short-term stays, acute care facilities (medicine, surgery and obstetrics) with extensive space dedicated to medical technology equipment, or for medium-term stays, psychiatric (PSY) or post-acute care (PAC) facilities. 85 to 90% of tenant operators' revenues come from the French national health insurance (*Assurance Maladie*);
- **medical-social facilities** referred to as nursing homes; tenant operators derive their revenue from the French national health insurance for care and from Departmental Councils for the costs associated with assisting dependent persons, while accommodation costs are primarily borne by the residents themselves or their families.

In France, leases are predominantly for a term of 12 years with no break clause and all service charges are recoverable from the tenant operators, excluding major works falling within the scope of Article 606 of the French Civil Code, which are now borne by property owners in new leases signed or renewed on or after November 5, 2014 (following entry into force of the decree establishing rules for allocation of service charges under Law 2014-626 dated June 18, 2014 for commercial leases, known as the Pinel Law). As part of sales of properties by their operators (sale and leaseback transactions), commitments to perform works and warranties are often provided by the sellers.

In the rest of Europe, rental practices are even more attractive with leases having longer terms with no break option which can reach 25 years in some countries. Despite still being fragmented between multiple operators, Germany has the deepest medical-social market with a strong level of sale and leaseback activity. In Italy and Spain, markets remain medium-sized with substantial growth prospects.

Concentration continues to rise among French healthcare operators, which are now expanding abroad

Reforms in the French health sector have led operators to start a major process of consolidation in order to become more efficient and thus preserve historical margins. The main healthcare operators (Elsan and Ramsay Générale de Santé for acute care facilities along with Orpéa and Korian for post-acute care and psychiatric facilities) own over 400 out of the 1,003 facilities recorded by the Directorate of Research, Studies, Evaluation and Statistics (DREES) in 2017.

Following Elsan's takeover of Médipôle Partenaires in 2017, Ramsay Générale de Santé regained its place atop the ranking for healthcare operators through its acquisition of Capio (22 healthcare facilities in France). Approved by the Group's shareholders in October 2018, this new structure has enabled Ramsay to become the 2nd largest Group in private healthcare in Europe, with a presence in six countries. In 2019, it was Vivalto Santé's turn to distinguish itself through the acquisition of 5 healthcare facilities. It also entered into exclusive negotiations to acquire the Confluent Private Hospital in Nantes, considered to be the largest private healthcare facility in France.

The environment is also more favourable for healthcare operators due to medical fees which have been trending upwards for the first time in 5 years (+0.5% for acute care facilities, +0.1% for PAC facilities and +0.7% for PSY facilities, excluding the "prudential coefficient" of 0.7 pp which is applied to all public and private facilities).

Consolidation of the medical-social sector has been on the rise due to the near-freeze on the number of building authorisations granted for new facilities since 2011. The Korian, Orpéa and DomusVi groups are now the main private nursing home operators in France, with each counting more than 15,000 beds. In addition, their business has expanded internationally to such an extent that they have become the leaders in Europe, with more than half of their capacity located outside France.

H1 2019 has more than ever confirmed this trend through the acquisition in France of Residalya (2,600 beds) by DomusVi which consolidates its position among the top three. International expansion is also in full swing through the takeover of Armonea (Belgium and Germany) by the Colisée Group and Korian which has stepped up its acquisitions in Spain and gained a foothold in the Netherlands by acquiring the Stepping Stones Group.

The medical-social sector in France is also the particular focus of draft legislation on "dependency", to be enacted in the autumn of 2019. Drawing on the Libault report submitted in the spring, it could provide new resources and expand the role of nursing homes as part of a more comprehensive approach to dependency.

Benefiting from the operators' growth, real estate investors are particularly suited to this sector as they enable tenant operators to finance their goals for expansion by freeing up capital through sale and leasebacks.

A full-fledged asset class attracting investors

Healthcare property is no longer a niche with few investors and tightly controlled by healthcare operators.

The quest for attractive yields and long-term, secure rental income has attracted a growing number of investors: asset management firms have been raising funds specifically to invest in this segment since 2014 by creating dedicated investment vehicles, initially invested in nursing homes but also to be invested in international and healthcare assets, despite their greater specificity.

The two main investors which have emerged in France are Primonial REIM with €2 billion in healthcare assets under management in 2018 (with an additional €3.5 billion in Europe) and BNP Paribas REIM (€600 million). Cofinimmo, a Belgian property investment company specialised in nursing homes, and the property investment company SisCare rank ahead of the other asset management firms present in the French market (Axa REIM, Euryale, Cleaveland and Perial). By expanding into healthcare property starting in 2007 and then on a regular basis each year, Icade Santé has confirmed its leadership position in France.

Limited supply of properties that attract strong interest, leading to value increases

The healthcare property market is now characterised by increased investor demand. Transactions used to be only related to properties sold by their operators (in order to finance their acquisitions) and to doctors selling their properties and practices (primary market). There is now an active secondary market for transactions between investors, capable of dealing with major portfolios such as Vitalia's (2015) or Gecimed's (2016).

In France, after two record years in 2015 and 2016 (€1.2 billion and €1.6 billion respectively), the investment market remained subdued in 2017 with transactions totalling €425 million. **Nursing home portfolios, such as the one acquired by Icade Santé from Residalya, have nonetheless reinvigorated the French market** with €730 million invested in 2018. Icade Santé's acquisition of 12 facilities (including 7 nursing homes) from Swiss Life Asset Managers France for €191 million which was announced in April confirms the buoyancy of the investment market in H1 2019.

Current **prime yields** (new facilities or facilities in excellent condition, with 12-year leases, very well located in dynamic areas outside Paris and operated by a leading company) **are still among the most attractive in the real estate sector** by remaining stable in H1 2019 at 4.25% for nursing homes (vs. 4.50% at the end of 2017), 4.50% for post-acute care (PAC) and psychiatric (PSY) facilities (vs. 4.75% at the end of 2017) and 5.0% for acute care (medicine, surgery and obstetrics) facilities (vs. 5.25% at the end of 2017).

However, the scarcity of opportunities in France against a backdrop of fierce competition has spurred investors to diversify their strategy through the signing of development partnerships, like the framework agreement signed by Korian, Icade Santé and Icade Promotion at the end of 2017 or by expanding into other countries.

Healthcare property investment is indeed European in scope with nearly €6 billion invested in nursing homes, 30% of which in the German market alone through two major portfolios (the Medical Properties Trust portfolio acquired by Primonial REIM and a portfolio of 30 nursing homes acquired by Deutsche Wohnen). Activity is nonetheless slower at the start of 2019 with two portfolio acquisitions signed in H1 (Aedifica in the United Kingdom for 92 facilities and Primonial REIM in Germany for 12 facilities).

HEALTHCARE PROPERTY INVESTMENT DIVISION'S PORTFOLIO AS OF JUNE 30, 2019

The property portfolio of Icade's Healthcare Property Investment Division represents nearly 1.6 million sq.m of operating floor area (0.9 million sq.m on a proportionate consolidation basis). It is comprised of acute care facilities (medicine, surgery and obstetrics), post-acute care (PAC) facilities and nursing homes.

GEOGRAPHIC DISTRIBUTION OF THE PROPERTY PORTFOLIO BY TYPE OF ASSET

	Portfolio value (full consolidation basis)		Total floor area (full consolidation basis)	
In terms of total value and floor area	(in €m)	% of total portfolio value	In terms of floor area (in sq.m)	% of total portfolio floor area
PARIS REGION	**680**	**15%**	**177,190**	**11%**
Occitanie	930	21%	360,546	23%
Nouvelle-Aquitaine	576	13%	242,787	15%
Auvergne-Rhône-Alpes	451	10%	155,671	10%
Pays-de-la-Loire	448	10%	174,804	11%
Hauts-de-France	385	9%	138,917	9%
Provence-Alpes-Côte d'Azur	291	6%	71,421	5%
Grand-Est	162	4%	51,233	3%
Bretagne	156	3%	54,630	3%
Normandie	155	3%	45,409	3%
Centre-Val-de-Loire	142	3%	57,601	4%
Bourgogne-Franche-Comté	136	3%	48,707	3%
Total OTHER FRENCH REGIONS	**3,832**	**85%**	**1,401,726**	**88%**
Total INTERNATIONAL	**12**	**0%**	**6,692**	**0%**
GRAND TOTAL	**4,524**	**100%**	**1,585,608**	**100%**

DESCRIPTION OF THE PORTFOLIO

As a market leader, Icade has become a major player in the healthcare real estate by building, since 2007, a portfolio of 115 healthcare assets featuring:

- Cash flows that start immediately;
- Initial lease terms of 12 years with no break clause and a weighted average unexpired lease term of 7.6 years as of June 30, 2019;
- A high margin rate (net rental income/gross rental income);
- A financial occupancy rate of 100%.

For the development and management of this type of asset through its Healthcare Property Investment Division, Icade can rely on a team and expertise recognised by its peers.

Icade owns healthcare facilities in France through Icade Santé and abroad through Icade Healthcare Europe (IHE). Icade Santé is 56.84% owned by Icade, the remainder being owned by France's largest life insurance companies (Prédica, Cardif, CNP Assurances, Macif and Sogecap). IHE is 59.39% owned by Icade.

2.3.2. Changes in value of Healthcare Property Investment assets

(in millions of euros, on a proportionate consolidation basis)	Fair value as of 12/31/2018	FV as of 12/31/2018 of assets sold	Investments and other [(1)]	Like-for-like change (€m)	Like-for-like change (%)	Fair value as of 06/30/2019
Healthcare	2,545.9	(11.4)	28.7	+8.0	+0.3%	2,571.3

[(1)] Includes transfer duties, acquisition costs and changes in value of assets acquired during the financial year.

On a proportionate consolidation basis, the overall value of the Healthcare portfolio stood at €2,571.3 million excluding duties as of June 30, 2019 vs. €2,545.9 million at the end of 2018, an increase of €25.4 million (i.e. +1.0%). On a full consolidation basis, the value of the Healthcare Property Investment Division's portfolio stood at €4,523.6 million as of June 30, 2019 vs. €4,484.4 million at the end of 2018.

On a like-for-like basis, excluding disposals and investments made during the period, portfolio value increased by +€8.0 million on a proportionate consolidation basis over H1 2019, i.e. +0.3%.

This slight increase reflects stable prime yields both for acute care facilities and nursing homes since the beginning of 2019.

2.3.3. Investments

(in millions of euros)	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	**12.4**	**16.8**	**15.9**	**0.5**	**45.5**

In H1 2019, investments amounted to €45.5 million (vs. €59.6 million as of June 30, 2018), including:

- €12.1 million invested in acquiring a healthcare facility in Jesolo (Italy);
- €16.8 million invested in projects from the development pipeline including €5.6 million in the Greater Narbonne private hospital project in Montredon-des-Corbières (completion scheduled for Q4 2020) and €3.4 million in the "Santé Atlantique" health complex project in Saint-Herblain (completion scheduled for Q4 2019).

DEVELOPMENT PIPELINE

Project (in millions of euros)	Estimated date of completion	Operator	Number of beds and places	Rental income	Yield on cost [(1)]	Total cost of project	Remaining to be invested (€m)
Clinique de l'Atlantique private hospital – Puilboreau	Q3 2019 - Q4 2019	Ramsay GDS (formerly Capio)	100			20.0	2.1
Santé Atlantique health complex (Bromélia) – Saint-Herblain	Q4 2019	Elsan	169			8.2	2.1
Greater Narbonne private hospital – Montredon-des-Corbières	Q4 2020	Elsan	283			47.8	28.0
Italy – 7 facilities	2020-2021	Gheron	1,020			113.0	113.0
Le Parc polyclinic – Caen	Q4 2021	Elsan	288			19.6	17.4
Mornay post-acute care facility – Saintes	Q1 2021	Korian	82			10.2	7.6
Jonc Marins post-acute care facility – Le Perreux-sur-Marne	Q3 2021	Korian	136			21.9	21.9
Saint-Charles private hospital – La Roche-sur-Yon	Q1 2022	Sisio	210			14.1	13.5
TOTAL PIPELINE			**2,288**	**14.1**	**5.7%**	**254.8**	**205.5**

(1) YoC = headline rental income / cost of the project as approved by Icade's governance bodies.
This cost includes the value of land, cost of works and carrying costs.

The Healthcare Property Investment Division has a development pipeline of €254.8 million (costs of the projects). The average estimated yield on cost of these projects is 5.7%.

Nearly 45.0% of investments in the development pipeline relate to projects located in Italy.

2.3.4. Asset disposals

Disposals completed during the half year ended amounted to €17.5 million and related to the Ter private hospital in Ploemer (Morbihan) and the Pasteur private hospital in Vitry-sur-Seine (Val-de-Marne).

2.3.5. Adjusted EPRA earnings from Healthcare Property Investment as of June 30, 2019

	06/30/2019			06/30/2018 Restated		
(in millions of euros)	Adjusted EPRA earnings from Healthcare Property Investment	Non-recurring (a)	Total Healthcare Property Investment	Adjusted EPRA earnings from Healthcare Property Investment	Non-recurring (a)	Total Healthcare Property Investment
GROSS RENTAL INCOME	129.3	-	129.3	115.1	-	115.1
NET RENTAL INCOME	129.2	-	129.2	111.6	-	111.6
MARGIN RATE (NET RENTAL INCOME / GROSS RENTAL INCOME)	99.9%	0.0%	99.9%	96.9%	0.0%	96.9%
Net operating costs	(6.9)	-	(6.9)	(5.6)	-	(5.6)
EBITDA	122.3	-	122.3	106.0	-	106.0
Depreciation and impairment	-	(58.4)	(58.4)	-	(51.8)	(51.8)
Profit/(loss) on asset disposals	-	(2.2)	(2.2)	-	(0.1)	(0.1)
OPERATING PROFIT/(LOSS)	122.3	(60.7)	61.7	106.0	(51.9)	54.1
Cost of net debt	(15.0)	-	(15.0)	(14.3)	-	(14.3)
Other finance income and expenses	(0.5)	(0.4)	(0.9)	(0.2)	(10.2)	(10.5)
FINANCE INCOME/(EXPENSE)	(15.5)	(0.4)	(15.9)	(14.6)	(10.2)	(24.8)
Tax expense	(1.4)	-	(1.4)	(1.1)	0.6	(0.4)
NET PROFIT/(LOSS)	105.5	(61.1)	44.4	90.4	(61.5)	28.8
Net profit/(loss) attributable to non-controlling interests	45.6	(26.4)	19.2	39.3	(26.8)	12.5
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**59.9**	**(34.7)**	**25.2**	**51.1**	**(34.8)**	**16.3**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals and fair value adjustments to financial instruments.

2.3.6. Rental income from Healthcare Property Investment as of June 30, 2019

GROSS AND NET RENTAL INCOME FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION

(in millions of euros)	06/30/2018	Asset acquisitions	Asset disposals	New builds / Refurbishments	Leasing activity and index-linked rent reviews	06/30/2019	Total change	Like-for-like change
HEALTHCARE PROPERTY INVESTMENT	**115.1**	**5.0**	**(0.2)**	**6.5**	**2.8**	**129.3**	14.2	2.8%

Gross rental income from the Healthcare Property Investment Division surged by +€14.2 million (+12.3%) in H1 2019 to €129.3 million.

On a like-for-like basis, the change was +2.8%.

On a reported basis, gross rental income rose substantially due to 2018 and 2019 completions (+€6.5 million) and acquisitions (+€5.0 million), which mainly included the portfolio of 14 nursing homes acquired in 2018.

Net rental income generated by the Healthcare Property Investment Division in H1 2019 totalled €129.2 million, implying a margin rate of 99.9%, up 3.0 pps from H1 2018. This high rate resulted from two early termination payments received during the half year.

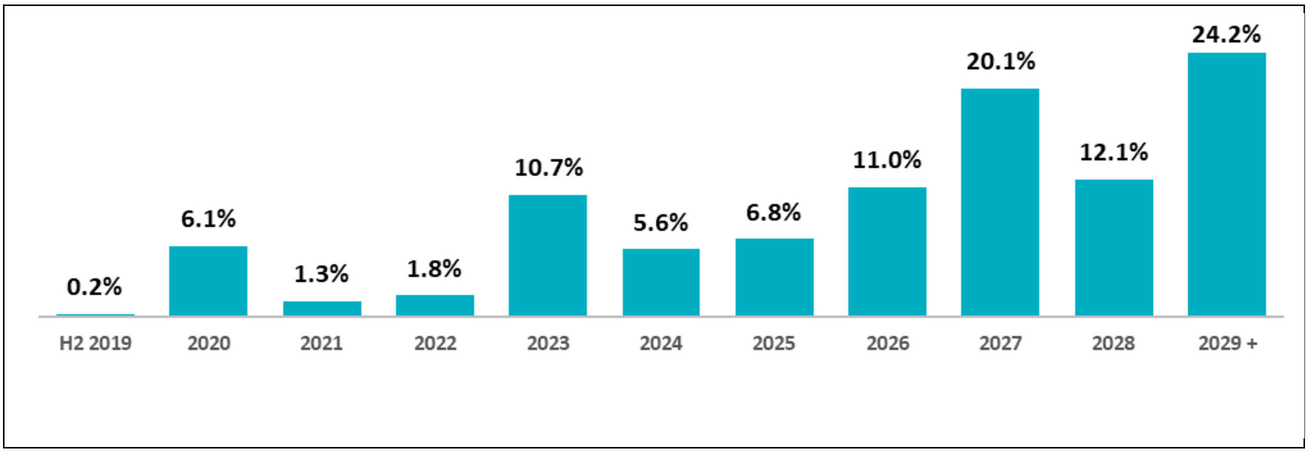
2.3.7. Leasing activity of the Healthcare Property Investment Division

The Healthcare Property Investment Division's average remaining lease term reached 7.6 years at June 30, 2019, a 0.2-year improvement compared to December 31, 2018. In H1 2019, 8 leases were renewed or extended, which contributed to securing leases over the long term.

On a full consolidation basis (in millions of euros)	H2 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029 and beyond	Total
HEALTHCARE PROPERTY INVESTMENT	0.6	15.9	3.4	4.8	27.6	14.4	17.6	28.3	51.9	31.2	62.4	258.0

LEASE EXPIRY SCHEDULE IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in % and on a full consolidation basis)



3. Property Development Division

3.1. Market update and Icade Promotion's business indicators for H1 2019

Following an exceptional increase in transactions in 2017 for both new-build (+13%) and existing (+14%) properties, the residential market clearly ran out of steam in 2018. With prices sharply up (+3.2% in 2018 according to INSEE), activity flattened out at very high levels (965,000 sales of pre-owned homes and 163,000 net new-build housing orders according to FPI).

Continued favourable financing conditions enable the market to absorb the higher prices and fall only very gradually. With prolonged low interest rates confirmed by central banks, home loan interest rates reached a new record low of 1.29% on average at the end of May 2019 according to Observatoire Crédit Logement, while loan terms have never been longer at 228 months on average.

In Q1 2019, net housing orders over a 12-month rolling period dropped only 3% year-on-year, totalling 162,523 units according to the French Federation of Real Estate Developers (FPI). Despite the cutback in support measures (reduced scope of interest-free loans and home ownership subsidies practically eliminated), net orders from home buyers showed strong momentum (up by 6% over a 12-month rolling period), which offset the decline in individual investors (-4%) due to the refocusing of the Pinel tax incentive scheme in areas with the tightest supply-demand balance.

At the same time, bulk sales, which have been on the rise, posted a significant but temporary drop of 16% due to the economic measures applied to social landlords in 2018. This market is expected to ultimately recover through the consolidation of social landlords initiated by the Elan housing bill, the renewal of their stock and the upswing in intermediate housing, which is actively sought after by institutional investors.

The challenges facing the property development industry stem less from the demand outlook than from supply constraints. In addition to the higher costs of construction (INSEE's ICP-F index up by 5% over 2 years) and land (+3.6% in 2017 according to SDES), the number of building permits granted has steadily declined nationwide since 2018 (SDES, Sit@del2). This decline can be explained in large part by the looming municipal elections in 2020 and the preparation of new Intercommunal Land-Use Plans (PLUI).

In May 2019, building permits over a 12-month rolling period in the multi-family housing segment (230,600) were down by 12% compared to May 2018, particularly in markets with the tightest housing supply (the Paris region, Auvergne-Rhône-Alpes and the Provence-Alpes-Côte d'Azur regions) which accounted for 70% of the national decline. The average waiting period from permit to construction start is estimated at 10.6 months in the multi-family housing segment. This decline in the number of permits granted is about to affect construction starts which up to now were only down by 2% for a total of 221,000.

Such supply constraints have led to a worrying 11% decline in new housing supply observed by FPI in Q1 2019 (over a 12-month rolling period). Property developers are being forced to dip into the existing supply to satisfy the demand. At the end of March 2019, the total stock of housing units put up for sale individually dropped by 11% year-on-year and represented only 95,199 units, i.e. a very low theoretical absorption rate of 9.4 months. Supply under development (46%) was down by 9 pps year-on-year while the supply of completed properties represented only 5%.

While the measures adopted in June 2018 under the Elan housing bill (freezing the existing standards, limiting the periods for processing third-party objections, making more land available for development) **are understandably designed to increase supply, their impact remains limited and has had no bearing on the drop in building permits currently pending.**

In this context, average selling prices (excluding car parks) continued their upward trajectory in Q1 2019 with €5,034/sq.m in the Paris region (+2%) and €3,966/sq.m outside the Paris region (+1%) according to FPI. Prices are expected to continue to rise moderately over the remainder of the year.

ICADE PROMOTION'S H1 BUSINESS INDICATORS

After generating record revenue in 2018, economic revenue[2] in H1 2019 decreased by 25.7% compared to H1 2018, due primarily to a downturn in the Office Property Development segment, whose revenue dropped by 49.8% between June 30, 2018 and June 30, 2019, caused by the numerous completions in 2018. Residential revenue was down by 14.9%, echoing the slowdown in the market.

Residential business indicators were down against the backdrop of decreased supply. Mayors have granted fewer building permits due to the upcoming municipal elections in 2020 and the ongoing preparation of Intercommunal Land-Use Plans (PLUI).

The Residential backlog was up by 9.8%, with higher revenue expected to be generated in H2 2019 compared to the first half of the year.

The slowdown in the Residential segment nonetheless confirms the prediction of decreased revenue in FY 2019, as compared to 2018.

The current economic operating profit/(loss) stood at €23.8 million as of June 30, 2019 vs. €33.2 million as of June 30, 2018.

Profitability for the Property Development Division, which is measured by the current economic operating margin[3], totalled 6.1% as of June 30, 2019 vs. 6.3% as of June 30, 2018.

The net profit/(loss) attributable to the Group (NPAG) as of June 30, 2019 for the Property Development Division amounted to €11.1 million, down €5.6 million compared to the net profit/(loss) recorded as of June 30, 2018.

The net current cash flow (NCCF) was also down, reaching €13.8 million as of June 30, 2019 compared to €16.2 million as of June 30, 2018.

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2 Revenue including entities accounted for using the equity method

3 Ratio between operating profit/(loss) (including entities accounted for using the equity method, adjusted for non-current items, trademark royalties and holding company costs) and economic revenue

The financial indicators shown take into account the adoption of IFRS 16 "Leases" which became mandatory on January 1, 2019. 2018 figures do not have to be restated for its impact as the Standard is not retrospectively applied.

Since December 31, 2018, the company value-added contribution (CVAE) has no longer been recorded in the operating income section but under the heading "Corporate tax". To allow comparison with H1 2019, H1 2018 performance indicators have been restated using this new presentation.

An "Other activities" section was created on January 1, 2019 for the purpose of recording development projects and land acquired for the land bank. The impact on profit/(loss) is not material and therefore not shown in the financial indicator tables.

NET PROFIT/(LOSS) AND NET CURRENT CASH FLOW

	06/30/2019			06/30/2018 Restated			
(in millions of euros)	**Total Property Development**	**Current**	**Non-current**	**Total Property Development**	**Current**	**Non-current**	**Change 2019 vs. 2018 restated**
ECONOMIC REVENUE	**388.5**	**388.5**		**523.0**	**523.0**		**(134.5)**
ECONOMIC OPERATING PROFIT/(LOSS) (a)	19.7	23.8	(4.1)	33.8	33.2	0.7	(14.1)
Current economic operating margin (current economic operating profit or loss/revenue)		6.1%			6.3%		-0.2 pp
OPERATING PROFIT/(LOSS)	**15.7**	**19.8**	**(4.1)**	**29.0**	**28.3**	**0.7**	**(13.3)**
FINANCE INCOME/(EXPENSE)	**(0.1)**	**(0.0)**	**(0.1)**	**(1.9)**	**(1.9)**	**-**	**1.8**
Corporate tax	(3.6)	(5.0)	1.5	(9.7)	(9.5)	(0.2)	6.1
NET PROFIT/(LOSS)	12.0	14.7	(2.7)	17.4	16.9	0.4	(5.4)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**11.1**	**13.8**	**(2.7)**	**16.6**	**16.2**	**0.4**	**(5.6)**

(a) Adjustment for trademark royalties and holding company costs.

3.1.1. Return on equity

(in millions of euros)	**06/30/2019**	**12/31/2018**	**06/30/2018**
Net profit/(loss) attributable to the Group (a)	36.9	42.4	36.8
Average allocated capital (b)	231.3	243.9	235.8
RETURN ON EQUITY	**16.0%**	**17.4%**	**15.6%**

(a) Half-year results are shown over a 12-month rolling period.

(b) Weighted average value over the period of equity attributable to the Group before elimination of securities and excluding profit/(loss).

As of June 30, 2019, ROE came in at 16.0%, up 0.4 pp from June 30, 2018 and down 1.4 pp from December 31, 2018.

3.1.2. Property Development backlog and service order book

The backlog represents signed orders expressed in terms of revenues (excluding taxes) but not yet recognised for property development projects, based on the stage of completion.

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

	06/30/2019			12/31/2018		
(in millions of euros)	Total	Paris region & Dom-Tom (overseas)	Outside the Paris region	Total	Paris region & Dom-Tom (overseas)	Outside the Paris region
Residential Property Development	1,018.5	524.4	494.1	927.4	474.6	452.8
Office Property Development	87.5	47.9	39.5	126.2	54.4	71.8
Public and Healthcare Amenities Development	71.7	28.9	42.7	76.8	22.8	54.0
Project Management Support service order book	28.9	28.2	0.7	32.4	31.6	0.7
TOTAL	**1,206.5**	**629.4**	**577.1**	**1,162.8**	**583.4**	**579.3**
Share of total	100.0%	52.2%	47.8%	100.0%	50.2%	49.8%

The total backlog of the Property Development Division as of June 30, 2019 rose slightly compared to that reported at the end of 2018, standing at €1,206.5 million vs. €1,162.8 million as of December 31, 2018.

This change resulted from:

- An increase in the Residential Property Development backlog of 9.8% due to new housing orders exceeding the revenue recorded in H1;

- A 21.6% drop in the Office Property Development and Public and Healthcare Amenities Development backlog as a result of the progress of construction on ongoing projects, mainly the office project located in Villejuif and numerous completions carried out at the beginning of 2019:

  - In Lyon, completion of the 9,800-sq.m KARRE office building located in the heart of the Carré de Soie multimodal hub;
  - In Lille, completion of the EKLA Business office building covering 14,800 sq.m and located in the Le GIAC development zone;
  - In Paris, completion of the Twist office building totalling 10,400 sq.m and located in the Clichy-Batignolles development zone;
  - In Toulouse, completion of the 4,692-sq.m Sky-Line II building located at the base of the Borderouge metro station.

3.2. Residential Property Development

(in millions of euros)	06/30/2019	06/30/2018 Restated	Change
Economic revenue	306.7	360.4	(14.9%)
Current economic operating profit/(loss)	15.8	18.5	(14.4%)
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	**5.2%**	**5.1%**	**0.0 pp**

H1 2019 revenue for the Residential segment amounted to €306.7 million, a 14.9% decrease year-on-year. The acceleration in bulk sales expected in H2 should allow for higher revenue during the same period, although the year-end revenue is expected to be lower than in 2018.

Current economic operating profit/(loss) from the Residential Property Development business was down by -€2.6 million with a broadly stable margin rate which moved from 5.1% in H1 2018 to 5.2% in H1 2019.

MAIN PHYSICAL INDICATORS AS OF JUNE 30, 2019

	06/30/2019	06/30/2018	Change
PROPERTIES PUT ON THE MARKET			
Paris region & DOM-TOM (overseas)	1,003	1,272	(21.1%)
Outside the Paris region	1,276	2,009	(36.5%)
TOTAL UNITS *(a)*	**2,279**	**3,281**	**(30.5%)**
Paris region & DOM-TOM (overseas)	272.4	373.3	(27.0%)
Outside the Paris region	297.2	371.4	(20.0%)
TOTAL REVENUE *(potential in millions of euros)*	**569.6**	**744.6**	**(23.5%)**
Projects started			
Paris region & DOM-TOM (overseas)	873	1,331	(34.4%)
Outside the Paris region	1,075	1,617	(33.5%)
TOTAL UNITS *(a)*	**1,948**	**2,948**	**(33.9%)**
Paris region & DOM-TOM (overseas)	247.1	300.3	(17.7%)
Outside the Paris region	254.2	309.4	(17.8%)
TOTAL REVENUE *(potential in millions of euros)*	**501.3**	**609.7**	**(17.8%)**
NET HOUSING ORDERS			
Housing orders ***(in units) (a)***	2,242	2,751	(18.5%)
Housing orders ***(in millions of euros including taxes)***	519.0	590.0	(12.0%)
Housing order cancellation rate ***(in %)***	17.4%	13.4%	+4.0 pps
AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON ORDERS			
Average price including taxes per habitable sq.m ***(in €/sq.m)***	4,107	4,069	0.9%
Average budget including taxes per housing unit ***(in €k)***	231.9	214.7	8.0%
Average floor area per housing unit ***(in sq.m)***	56.5	52.8	7.0%

(a) "Units" means the number of residential units or equivalent residential units (for mixed-use developments) of any given development. The number of equivalent residential units is determined by dividing the floor area by type (business premises, shops, offices) by the average floor area of residential units calculated as of December 31 of the preceding year.

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER

	06/30/2019	06/30/2018
Social housing institutional investors (ESH) – social landlords	13.2%	19.8%
Institutional investors	12.6%	20.3%
Individual investors	40.2%	31.8%
Home buyers	34.1%	28.1%
TOTAL	**100.0%**	**100.0%**

Net orders of new housing units were down by 18.5% in volume terms, bringing the total to 2,242 units. This fall is attributable to a significant drop in bulk orders (25.8% in H1 2019 vs. 40.1% in H1 2018) and fewer properties put on the market than in H1 2018 (2,279 units in H1 2019 vs. 3,281 units in H1 2018). The period required to obtain government permits increased in the run-up to elections.

The sharp decline in the number of orders from institutional investors during H1 2019 does not reflect the full year's activity as significant orders are scheduled for H2 2019.

Properties put up for sale went down by 30.5% in volume terms and by 23.5% in value terms. This drop is mainly attributable to difficulties in initiating new projects (i.e. limited land supply, burden of regulations and third-party objections, pre-election context, upward pressure on construction costs, low availability of construction companies, etc.).

Simultaneously, the absorption rate improved from 9.8% as of June 30, 2018 to 10.8% as of June 30, 2019 thanks to strong marketing performance. These results confirm that household demand is still strong and that the decline in housing orders is mainly explained by a lack of supply.

In value terms, the 12% decrease in potential revenue from new housing orders was less pronounced than in volume terms due to a higher average budget per housing unit (i.e. €231.9k in H1 2019 vs. €214.7k in H1 2018).

In volume terms, housing starts plunged -33.9% both inside and outside the Paris region, resulting from delays in obtaining government permits and longer transaction negotiations relating to construction work due to constraints in the construction market. With -17.8%, the decrease was less significant in value terms as projects were located in more expensive areas.

The unsold new housing stock increased (selling price including taxes), amounting to €25.5 million as of June 30, 2019 vs. €16.2 million as of December 31, 2018. This stock growth is mainly attributable to the large number of completions recorded during the half year and is expected to decrease by the end of the year.

Land portfolio

In H1 2019, the portfolio of residential land and building plots represented 10,795 units and potential revenues of €2.4 billion including taxes, i.e. a slight decrease of 4.8% in value terms compared to December 31, 2018 (11,638 units for €2.5 billion).

3.3. Office Property Development

(in millions of euros)	06/30/2019	06/30/2018 Restated	Change
Economic revenue	81.6	162.6	-49.8%
Current economic operating profit/(loss)	8.1	14.6	-44.7%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	9.9%	9.0%	0.9 pp

H1 2019 saw a sharp decline in Office Property Development and Public and Healthcare Amenities Development revenue (€81.6 million in H1 2019 vs. €162.6 million in H1 2018). This drop reflects a reduction in the backlog over the last two years.

The improved margin rate related primarily to the application of IFRS 16 and effective control of operating costs.

Office Property Development project portfolio

As of June 30, 2019, Icade Promotion had a portfolio of Office Property Development projects of around 579,552 sq.m (vs. 598,458 sq.m as of June 30, 2018), including 124,913 sq.m under construction.

At this point in the year, completed projects represent 43,577 sq.m.

Public and Healthcare Amenities Development project portfolio

As of June 30, 2019, the portfolio of Public and Healthcare Amenities Development projects was equivalent to 160,574 sq.m (vs. 182,426 sq.m as of June 30, 2018), including 70,006 sq.m under construction. The projects in this portfolio were exclusively located outside the Paris region and in the French overseas departments and territories (DOM-TOM). Projects completed during the year represented 4,604 sq.m.

3.4. Major projects

Since the start of the year, the Property Development Division has been chosen to develop several major projects:

- **Inventing Bruneseau – Nouvel R Project**

In March 2019, a consortium of developers made up of AG Real Estate, Icade, Les Nouveaux Constructeurs (lead developer) and Nexity, in conjunction with the retail specialist Frey, was selected as the winner of the "Inventing Bruneseau" call for projects organised by the City of Paris and SEMAPA. "Nouvel R" involves the development of close to 100,000 sq.m designed to create a real connection between Paris and Ivry-sur-Seine. This ambitious project will make Bruneseau France's first low-carbon neighbourhood.

It includes 25,000 sq.m of office space, 50,000 sq.m of residential units, and 20,000 sq.m of shops and business premises. The entire project is scheduled to be carried out from 2021 to 2025.

- **Îlot 8.12 in Bordeaux**

Icade Promotion was selected by the urban planner Bordeaux-Euratlantique to carry out a mixed-use project near the Saint-Jean train station.

The project includes a 450-space multi-storey car park (around 10,000 sq.m), 64 homes (floor area of about 5,000 sq.m) and 350 sq.m of shops (business premises on the ground floor).

The project will stand out for its mainly wood-based structure.

In addition, the multi-storey car park will be designed so as to be partly convertible into offices with a view to anticipating the city's future expansion.

An application for a building permit will be lodged in the spring with the aim of starting construction work in early 2020.

- **Air France site in Valbonne**

Following a competitive process held by Air France in November 2018, Icade Promotion was chosen in May 2019 to develop a plot of land located in the town of Valbonne, in the heart of the Sophia Antipolis technology park (Alpes-Maritimes).

This project covers a total floor area of 14,000 sq.m including 6,000 sq.m of residential units and 8,000 sq.m of office space.

Considering today's environmental challenges related to the conservation of fauna and flora, the building permit application is to be submitted in Q3 2020, and the project is scheduled for completion in 2022.

- **Caen University Hospital (CHU) – Les Grands Jardins de Calix**

Following a competitive process held by the CHU of Caen in collaboration with the City Council, a group composed of Icade Promotion, the urban developer Shema, and regional property developers Pozzo and Flaviae, was chosen to develop close to 80,000 sq.m of land formerly occupied by the Clemenceau hospital.

Icade and its partners aspire to develop a new residential neighbourhood which will be both vibrant and family-friendly. "Les Grands Jardins de Calix" project involves the development of residential and office buildings covering more than 44,000 sq.m.

Construction is scheduled to start by 2020.

- **Nanterre Partagée**

Icade, Crédit Agricole Immobilier and Novaxia won the "Inventing the Greater Paris Metropolis 2" competition for the site of the Nanterre hospital.

As part of its modernisation and refurbishment, the Hospital Accommodation and Care Centre (CASH) of Nanterre will free up over 20,000 sq.m of land which will be reconfigured to open up the hospital to its neighbourhood and provide residents with a new experience.

Around the historical building, which will be preserved and refurbished, this 29,000-sq.m project will consist of housing units, shared housing units, a student residence, a residence for employees on the go, a collaborative café and a Montessori school.

3.5. Working capital requirement and net debt[4]

The working capital requirement and net debt include fully consolidated entities and joint ventures.

(in millions of euros)	06/30/2019 (a)	12/31/2018 Restated (a) (b)	Change
Residential Property Development	(308.4)	(288.8)	(19.6)
Office Property Development	(9.9)	(14.2)	4.3
NET WORKING CAPITAL REQUIREMENT – PROPERTY DEVELOPMENT	**(318.4)**	**(303.0)**	**(15.3)**
NET DEBT – PROPERTY DEVELOPMENT	**119.7**	**57.9**	**61.8**

(a) A negative number is a net asset, while a positive number is a net liability.

(b) The working capital requirement and net debt as of December 31, 2018 have been restated to include only Property Development activities.

The working capital requirement (WCR) for Property Development increased by €15.3 million over H1 2019, totalling €318.4 million.

The WCR for the Residential segment increased by €19.6 million and the main changes related to tax and social security receivables and payables, and corporate tax. The WCR for the Office segment decreased by €4.3 million, due in particular to the sale of SCI Cap Est Loisirs shares.

Net debt stood at €119.7 million, up €61.8 million compared to December 31, 2018 due to higher WCR and to €50.0 million in dividends paid in H1 2019.

[4] *excluding urban development activities and land bank*

3 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2019

1. Consolidated financial statements

Consolidated income statement

(in millions of euros)	Notes	06/30/2019	06/30/2018 Restated (a)	12/31/2018
Revenue	**8.2.3**	**678.5**	**782.6**	**1,771.5**
Other income from operations		0.9	1.7	3.8
Income from operating activities		**679.4**	**784.3**	**1,775.3**
Purchases used		(273.7)	(372.3)	(923.1)
Outside services		(42.3)	(54.3)	(94.2)
Taxes, duties and similar payments		(3.5)	(2.5)	(5.9)
Staff costs, performance incentive scheme and profit sharing		(65.4)	(70.4)	(134.7)
Other operating expenses		(7.3)	(18.1)	(27.2)
Expenses from operating activities		**(392.1)**	**(517.6)**	**(1,185.2)**
EBITDA		**287.3**	**266.7**	**590.1**
Depreciation charges net of government investment grants		(169.2)	(186.5)	(380.4)
Charges and reversals related to impairment of tangible, financial and other current assets	4.2.2	22.2	34.0	40.1
Profit/(loss) from acquisitions		-	-	(0.5)
Profit/(loss) on asset disposals		4.3	5.7	90.9
Share of profit/(loss) of equity-accounted companies	8.1.1	(8.0)	(1.3)	1.1
OPERATING PROFIT/(LOSS)		**136.6**	**118.6**	**341.4**
Cost of gross debt		(51.1)	(51.3)	(104.7)
Net income from cash and cash equivalents, related loans and receivables		3.7	3.2	6.2
Cost of net debt		**(47.4)**	**(48.2)**	**(98.5)**
Other finance income and expenses		(18.8)	(18.5)	(25.0)
FINANCE INCOME/(EXPENSE)	**5.1.2**	**(66.2)**	**(66.6)**	**(123.5)**
Tax expense	8.3	(6.4)	(11.5)	(31.1)
Profit/(loss) from discontinued operations		2.9	(0.3)	(1.4)
NET PROFIT/(LOSS)		**66.9**	**40.2**	**185.4**
Net profit/(loss) attributable to non-controlling interests		19.9	13.1	30.4
Net profit/(loss) attributable to the Group		**47.0**	**27.1**	**154.9**
Net profit/(loss) attributable to the Group per share (in €)	**6.1**	**0.64**	**0.37**	**2.09**
Diluted net profit/(loss) attributable to the Group per share (in €)	**6.1**	**0.63**	**0.37**	**2.09**
NET PROFIT/(LOSS) FOR THE PERIOD		**66.9**	**40.2**	**185.4**
Other comprehensive income:				
Other comprehensive income recyclable to the income statement:		**(45.7)**	**(0.6)**	**(8.4)**
Cash flow hedges recyclable to the income statement	5.1.4	(45.7)	(0.6)	(8.4)
- Changes in fair value recognised directly in equity		(45.2)	(2.5)	(11.3)
- Transfer of non-hedging instruments to the income statement		(0.4)	1.9	3.0
Other comprehensive income not recyclable to the income statement:		**(1.0)**	**(0.1)**	**(0.1)**
- Actuarial gains and losses and asset ceiling adjustments		(1.2)	-	0.1
- Taxes on actuarial gains and losses and asset ceiling adjustments		0.2	(0.1)	(0.1)
Total comprehensive income recognised in equity		**(46.6)**	**(0.7)**	**(8.4)**
Including transfer to net profit/(loss)		(0.4)	1.9	3.0
COMPREHENSIVE INCOME FOR THE PERIOD		**20.2**	**39.6**	**176.9**
- Attributable to non-controlling interests		12.4	12.2	28.1
- Attributable to the Group		7.9	27.4	148.8

(a) The financial statements as of June 30, 2018 have been restated for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

Consolidated balance sheet

ASSETS

(in millions of euros)	Notes	06/30/2019	12/31/2018
Goodwill	4.3.3	46.1	46.1
Net intangible fixed assets		11.0	9.5
Net tangible fixed assets (a)		60.5	16.9
Net investment property	4.2.1	8,889.3	9,235.7
Equity-accounted investments	8.1	132.8	139.7
Financial assets at fair value through profit or loss	5.1.5	23.5	23.1
Financial assets at amortised cost	5.1.5	8.2	6.4
Derivative assets	5.1.4	0.3	5.1
Deferred tax assets		11.8	11.6
NON-CURRENT ASSETS		9,183.5	9,494.0
Inventories and work in progress	8.2.1	524.1	479.7
Contract assets	8.2.2	279.1	367.3
Accounts receivable	8.2.2	347.5	353.7
Tax receivables		7.7	4.4
Miscellaneous receivables		343.5	359.2
Other financial assets at amortised cost	5.1.5	53.9	61.9
Derivative assets	5.1.4	6.9	2.4
Cash and cash equivalents	5.1.6	618.8	634.6
Assets held for sale and discontinued operations	8.2.5	463.1	2.0
CURRENT ASSETS		2,644.6	2,265.1
TOTAL ASSETS		**11,828.1**	**11,759.2**

(a) The change in "Net tangible fixed assets" compared to December 31, 2018 is due to right-of-use assets recognised (pursuant to IFRS 16) on property leased by the Group (see note 1.1).

LIABILITIES

(in millions of euros)	Notes	06/30/2019	12/31/2018
Share capital	6.2	113.6	113.6
Share premium		2,644.4	2,712.2
Treasury shares		(47.4)	(37.2)
Revaluation reserves	5.1.4	(46.4)	(8.2)
Other reserves		130.3	249.9
Net profit/(loss) attributable to the Group		47.0	154.9
Equity attributable to the Group		**2,841.6**	**3,185.2**
Non-controlling interests		753.9	751.5
EQUITY		3,595.5	3,936.7
Provisions	7	30.9	29.7
Financial liabilities at amortised cost	5.1.1	5,299.2	5,238.5
Lease liabilities (b)		61.4	
Tax liabilities		10.1	6.1
Deferred tax liabilities		13.0	15.5
Other financial liabilities		63.1	65.4
Derivative liabilities	5.1.4	68.0	27.4
NON-CURRENT LIABILITIES		5,545.7	5,382.6
Provisions	7	34.2	33.4
Financial liabilities at amortised cost	5.1.1	1,252.3	1,049.3
Lease liabilities (b)		8.6	
Tax liabilities		15.6	19.4
Contract liabilities	8.2.2	15.8	9.6
Accounts payable		580.8	668.7
Miscellaneous payables		769.9	646.0
Other financial liabilities		1.4	1.4
Derivative liabilities	5.1.4	1.7	2.2
Liabilities held for sale and discontinued operations	8.2.5	6.5	9.8
CURRENT LIABILITIES		2,686.9	2,439.9
TOTAL LIABILITIES AND EQUITY		**11,828.1**	**11,759.2**

(b) The lease liability is recognised as a result of the application of IFRS 16, which became effective January 1, 2019 (see note 1.1).

Consolidated cash flow statement

(in millions of euros)	Notes	06/30/2019	12/31/2018	06/30/2018 Restated (a)
I) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss)		**66.9**	**185.4**	**40.2**
Net depreciation and provision charges		142.1	339.3	165.3
Unrealised gains and losses due to changes in fair value		(1.0)	2.0	0.7
Other non-cash income and expenses		4.8	10.9	1.8
Capital gains or losses on asset disposals		3.3	(95.8)	(6.2)
Capital gains or losses on disposals of investments in consolidated subsidiaries		(3.0)	0.2	0.2
Share of profit/(loss) of equity-accounted companies		8.0	(1.1)	1.3
Dividends received		(0.9)	-	0.3
Cash flow from operating activities after cost of net financial liabilities and tax		**220.3**	**440.9**	**203.5**
Cost of net financial liabilities		49.2	86.8	37.4
Tax expense		6.4	36.2	11.5
Cash flow from operating activities before cost of net financial liabilities and tax		**275.9**	**563.9**	**252.4**
Interest paid		(51.8)	(96.1)	(44.6)
Tax paid		(12.8)	(24.5)	14.7
Change in working capital requirement related to operating activities	8.2.4	(17.5)	(87.1)	(18.3)
NET CASH FLOW FROM OPERATING ACTIVITIES		**193.8**	**356.3**	**204.1**
II) CASH FLOW FROM INVESTING ACTIVITIES				
Tangible and intangible fixed assets and investment properties				
- acquisitions		(303.2)	(525.4)	(264.9)
- disposals		30.3	591.0	16.3
Change in security deposits paid and received		(9.3)	(2.7)	2.4
Change in financial accounts receivable		0.7	1.3	0.7
Operating investments		**(281.5)**	**64.4**	**(245.5)**
Unconsolidated, equity-accounted subsidiaries				
- acquisitions		(12.6)	(3.5)	(3.5)
- disposals		-	3.0	-
Fully consolidated subsidiaries				
- acquisitions		-	(77.7)	-
- disposals		2.9	0.1	0.1
- impact of changes in scope of consolidation		-	3.7	-
Dividends received and profit/(loss) of tax-transparent equity-accounted companies		0.1	10.4	(2.0)
Financial investments		**(9.5)**	**(64.0)**	**(5.4)**
NET CASH FLOW FROM INVESTING ACTIVITIES		**(291.0)**	**0.3**	**(250.9)**
III) CASH FLOW FROM FINANCING ACTIVITIES				
Amounts received from shareholders on capital increases				
- paid by non-controlling interests of consolidated subsidiaries		50.0	63.0	62.7
- final and interim dividends paid by Icade during the year		(170.0)	(317.8)	(317.8)
- final and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(67.5)	(62.6)	(61.0)
Repurchase of treasury shares		(10.4)	(15.4)	(2.3)
Acquisitions and disposals of non-controlling interests		9.0	(31.1)	(31.1)
Change in cash from capital activities		**(189.0)**	**(363.8)**	**(349.5)**
Bond issues and new financial liabilities		1,136.5	1,447.7	1,104.2
Repayments of lease liabilities		(4.4)	-	(773.2)
Bond redemptions and repayments of financial liabilities		(900.8)	(1,241.9)	(773.2)
Acquisitions and disposals of current financial assets and liabilities		20.2	11.5	9.0
Change in cash from financing activities	**5.1.1**	**251.5**	**217.3**	**340.1**
NET CASH FLOW FROM FINANCING ACTIVITIES		**62.5**	**(146.5)**	**(9.5)**
NET CHANGE IN CASH (I) + (II) + (III)		**(34.6)**	**210.1**	**(56.2)**
OPENING NET CASH		**571.7**	**361.6**	**361.6**
CLOSING NET CASH		**537.1**	**571.7**	**305.8**
Cash and cash equivalents (excluding interest accrued but not due)		618.3	633.6	355.0
Bank overdrafts (excluding interest accrued but not due)		(81.2)	(61.9)	(49.6)
NET CASH		**537.1**	**571.7**	**305.8**

(a) The financial statements as of June 30, 2018 have been restated for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
01/01/2018 Restated for IFRS 15 impact	113.0	2,690.7	(16.3)	(2.2)	565.6	3,350.8	774.3	4,125.0
Capital increase	0.6	20.5				**21.1**	62.7	**83.9**
Treasury shares			(14.6)			**(14.6)**		**(14.6)**
Dividends paid					(317.8)	**(317.8)**	(62.4)	**(380.2)**
Net profit/(loss)					27.1	**27.1**	13.1	**40.2**
Other comprehensive income:								
- Cash flow hedges				0.4		**0.4**	(0.9)	**(0.6)**
- Actuarial gains and losses (IAS 19)					(0.1)	**(0.1)**		**(0.1)**
Other (a)					9.1	**9.1**	(51.1)	**(42.1)**
06/30/2018	113.6	2,711.2	(30.9)	(1.8)	284.0	3,076.0	735.6	3,811.5
Capital increase		1.0				**1.0**		**1.0**
Treasury shares			(6.3)			**(6.3)**		**(6.3)**
Dividends paid								
Net profit/(loss)					127.8	**127.8**	17.3	**145.1**
Other comprehensive income:								
- Cash flow hedges				(6.4)		**(6.4)**	(1.4)	**(7.8)**
- Actuarial gains and losses (IAS 19)								
Other					(7.0)	**(7.0)**		**(7.0)**
12/31/2018	113.6	2,712.2	(37.2)	(8.2)	404.8	3,185.2	751.5	3,936.7
Capital increase							50.0	**50.0**
Treasury shares (b)			(10.2)			**(10.2)**		**(10.2)**
Dividends		(67.8)			(273.6)	**(341.5)**	(69.8)	**(411.3)**
Net profit/(loss)					47.0	**47.0**	19.9	**66.9**
Other comprehensive income:								
- Cash flow hedges				(38.1)		**(38.1)**	(7.6)	**(45.7)**
- Actuarial gains and losses (IAS 19)					(1.0)	**(1.0)**		**(1.0)**
Other (c)					0.1	**0.1**	9.9	**10.0**
06/30/2019	113.6	2,644.4	(47.4)	(46.4)	177.3	2,841.6	753.9	3,595.5

(a) The change in non-controlling interests as of June 30, 2018 mainly resulted from transactions with non-controlling interests due to the merger of ANF Immobilier into Icade on June 29, 2018 and from the impact of dilution of the non-controlling interests of Icade Santé following a capital increase unevenly subscribed by its shareholders on June 27, 2018.

(b) Treasury shares went up from 488,116 as of December 31, 2018 to 633,937 as of June 30, 2019.

(c) The change in non-controlling interests over the period resulted, on the one hand, from the sale by Icade to the non-controlling interests of Icade Santé of 40.61% of its stake in OPPCI ICADE HEALTHCARE EUROPE and, on the other hand, from the impact of dilution related to the Icade Santé's capital increase, which was unevenly subscribed by its shareholders on June 27, 2019.

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand euros. Rounding differences may therefore occur in the financial statements presented.

2. Notes to the consolidated financial statements

Note 1. Accounting principles

1.1. Standards applied

The condensed interim financial statements of the Icade group ("the Group") for the 6-month period ended June 30, 2019 have been prepared in accordance with IAS 34. Condensed financial statements do not include all the information required under IFRS for the preparation of annual financial statements and are therefore to be read in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS as adopted by the European Union, for the financial year ended December 31, 2018. They were approved by the Board of Directors on July 19, 2019.

These accounting standards include the IAS/IFRS standards issued by the IASB and their interpretations issued by the IFRS IC as adopted by the European Union. These standards are available for viewing on the European Commission's website (http://ec.europa/internal-market/accounting/ias/index_en.htm).

The accounting methods applied are the same as those used for the annual financial statements as of December 31, 2018, except for the changes in methods outlined below.

Mandatory standards, amendments and interpretations adopted by the European Union to be applied for financial years starting on or after January 1, 2019

IFRS 16 "Leases"

This new mandatory standard, which became effective on January 1, 2019, supersedes IAS 17 and related interpretations. It no longer makes a distinction between finance and operating leases. IFRS 16 requires a lessee to recognise on its balance sheet a right-of-use asset representing its right to use the underlying leased asset over the lease term and a lease liability representing its obligation to make lease payments, for all types of contracts qualifying as leases.

As part of the transition to IFRS 16, which became effective January 1, 2019, the Group applied the following requirements contained therein:

Transitional measures as of January 1, 2019:

- Use of the modified retrospective approach without restatement of the comparative periods;
- Non-inclusion of contracts previously not identified as containing leases under IAS 17 and IFRIC 4;
- The lease liability is the present value of future lease payments that are to be made throughout the period covered by the agreement for which the lease term has been assessed by management;
- The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments;
- A lessee may exclude initial direct costs from the measurement of the right-of-use asset.

Permanent exemption:

- Exemption for leases with a remaining lease term of 12 months or less, or leases for which the value of the underlying asset is less than €5,000.

The discount rate used is the incremental borrowing rate that is specific to each one of the Group's business lines. It corresponds to the rate at January 1, 2019 for contracts in progress at that date.

The leases identified by the Group relate to building leases and property leases. The right-of-use assets and corresponding liabilities are presented on the balance sheet within the line items "Investment property" and "Tangible fixed assets" on the asset side and within the new line item "Lease liabilities" on the liability side, respectively.

For the initial application of IFRS 16, lease liabilities and right-of-use assets each amounted to €73.5 million, with €42.2 million recognised under "Tangible fixed assets" and €31.3 million under "Investment property".

The reconciliation between off-balance sheet commitments as of December 31, 2018, recognised in accordance with IAS 17, and lease liabilities under IFRS 16 is presented in the following table:

Minimum lease payments to be made under operating leases (from the lessee's perspective) as of December 31, 2018	**123.2**
Leases not recognised in accordance with exemptions under IFRS 16	(6.8)
Undiscounted lease liabilities estimated in accordance with IFRS 16 as of December 31, 2018	**116.4**
Effect of discounting	(43.0)
Lease liabilities as of January 1, 2019 after applying IFRS 16	**73.5**

As a result of applying IFRS 16, principal repayments on lease liabilities affect the cash flow from financing activities and interest paid on lease liabilities affects the cash flow from operating activities in the statement of cash flows.

The interpretation and amendments discussed below, which have been mandatory since January 1, 2019, have had no impact on the Group's consolidated financial statements

- IFRIC 23 "Uncertainty over income tax treatments";
- Amendments to IFRS 9 "Prepayment features with negative compensation";
- Amendments to IAS 19 "Plan amendment, curtailment or settlement";
- Amendments to IAS 28 "Long-term interests in associates and joint ventures";
- Annual improvements to IFRS Standards 2015–2017 Cycle.

Mandatory standards, amendments and interpretations not yet adopted by the European Union to be applied for financial years starting on or after January 1, 2020

- Amendments to IAS 1 and IAS 8 "Definition of material";
- Amendments to IFRS 3 "Definition of a business".

The Group has not early adopted any standards.

Change in presentation: Company value-added contribution

Following a tax analysis in the light of IAS 12, the Group has concluded that the company value-added contribution (CVAE) complies with the definition of a tax calculated on the basis of taxable income. Therefore, since December 31, 2018, this contribution has been recorded as a tax expense instead of under the heading "Taxes, duties and similar payments" in the operating income section of the income statement.

Given this change in accounting policy, the consolidated income statement as of June 30, 2018 was restated to ensure comparability.

1.2. Basis of measurement, judgement and use of estimates

The financial statements have been prepared according to the amortised cost method, with the exception of certain financial instruments which are recognised at fair value, and of assets and liabilities held for sale recognised at the lower of their carrying amount and their fair value, less the costs associated with the sale in accordance with IFRS 5.

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, the assessment of any positive or negative unanticipated events as of the end of the half year, and income and expenses for the half year.

Due to the uncertainties inherent in any measurement process, the Group reviews its estimates on the basis of regularly updated information. The future revenues of the projects concerned may differ from those estimates. In particular, the Group carries out (or causes to be carried out):

- A half-yearly valuation of its real estate assets by independent valuers in accordance with the methods described in note 4.1;
- A measurement of revenue based on the percentage of completion method for construction and off-plan sale contracts following the half-yearly review of its property developments whose land is controlled by Icade;
- A half-yearly measurement of employee benefits and provisions (note 7);
- The determination of the half-yearly tax expense, by applying, for each company, the average effective tax rate estimated for the full financial year to the profit/(loss) before tax for the interim period; this rate is calculated based on 2019 data approved by management (note 8.3).

In addition to using estimates, the Group's management uses its judgement to define the appropriate accounting treatment for certain operations and transactions where current IFRS and their interpretations do not specifically address the accounting issues raised. In particular, management has exercised its judgement to determine:

- The period over which the leases should be recognised as liabilities on the balance sheet in accordance with IFRS 16;
- Whether the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5;
- The accounting treatment of certain transactions for which IFRS provide insufficient guidance.

Finally, according to the principle of relevance and the ensuing materiality notion, only information deemed relevant and useful to the users' understanding of the consolidated financial statements is reported.

Note 2. Main transactions affecting the scope of consolidation

2.1. Office Property Investment

The Group sold 40.61% of its interest in OPPCI ICADE HEALTHCARE EUROPE to the non-controlling interests of Icade Santé. After this transaction, Icade's stake in the company stood at 59.39%.

2.2. Healthcare Property Investment

Icade Santé carried out a €120.0 million capital increase, €70.0 million of which was subscribed by Icade, bringing its ownership interest from 56.77% to 56.84%.

Note 3. Segment reporting

In the segment information, discontinued operations are shown in the column "Intersegment transactions and other items" and holding company activities are classified in the Office Property Investment Division.

In H1 2019, 99.9% of revenue was generated in France.

	Office Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/19	06/30/18 Restated (a)	06/30/19	06/30/18 Restated (a)	06/30/19	06/30/18 Restated (a)	06/30/19	06/30/18	06/30/19	06/30/18 Restated (a)
INCOME STATEMENT										
Consolidated revenue	**196.2**	**209.1**	**134.8**	**115.1**	**364.6**	**477.3**	**(17.1)**	**(19.0)**	**678.5**	**782.6**
- Intersegment sales (Group)	(23.0)	(22.0)	-	-	(14.8)	(5.6)	(17.1)	(19.0)	(54.9)	(46.6)
- Total sales, including intersegment sales (Group)	219.2	231.1	134.8	115.1	379.5	482.9	-	-	733.4	829.1
EBITDA	150.0	144.6	122.3	106.1	19.5	23.6	(4.6)	(7.4)	287.3	266.7
Depreciation and impairment	(86.2)	(101.7)	(58.5)	(51.8)	(3.7)	0.7	1.4	0.3	(146.9)	(152.5)
Profit/(loss) on asset disposals	6.2	5.7	(2.2)	(0.1)	-	-	0.2	0.1	4.3	5.7
Share of equity-accounted companies	(7.8)	(6.0)	-	-	(0.2)	4.7	-	-	(8.0)	(1.3)
OPERATING PROFIT/(LOSS)	62.2	42.6	61.7	54.1	15.7	29.0	(3.0)	(7.1)	136.6	118.6
Cost of net debt	(29.7)	(32.6)	(15.0)	(14.3)	(2.7)	(1.2)	-	-	(47.4)	(48.2)
Other finance income and expenses	(16.9)	(6.7)	(0.9)	(10.5)	2.7	(0.7)	(3.6)	(0.6)	(18.8)	(18.5)
FINANCE INCOME/(EXPENSE)	(46.6)	(39.3)	(15.9)	(24.8)	(0.1)	(1.9)	(3.6)	(0.6)	(66.2)	(66.6)
Tax expense	(1.5)	(1.3)	(1.4)	(0.5)	(3.6)	(9.7)	-	-	(6.4)	(11.5)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	2.9	(0.3)	2.9	(0.3)
NET PROFIT/(LOSS)	14.2	2.0	44.4	28.8	12.0	17.4	(3.7)	(8.0)	66.9	40.2
Net profit/(loss) attributable to non-controlling interests	(0.2)	(0.1)	19.2	12.5	0.9	0.7	-	-	19.9	13.1
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**14.4**	**2.1**	**25.2**	**16.3**	**11.1**	**16.6**	**(3.7)**	**(8.0)**	**47.0**	**27.1**

(a) The financial statements as of June 30, 2018 have been restated for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

	Office Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/19	06/30/18	06/30/19	06/30/18	06/30/19	06/30/18	06/30/19	06/30/18	06/30/19	06/30/18
Acquisition of intangible and tangible fixed assets and investment properties	208.3	267.7	45.5	59.6	5.4	0.7	-	-	259.2	328.0
CASH FLOWS										
Tangible and intangible investments and investment properties	(246.9)	(198.9)	(50.9)	(65.4)	(5.4)	(0.7)	-	-	(303.2)	(264.9)
Disposal of tangible and intangible assets and investment properties	12.8	14.5	17.5	1.8	-	-	-	-	30.3	16.3

	Office Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/19	06/30/18	06/30/19	06/30/18	06/30/19	06/30/18	06/30/19	06/30/18	06/30/19	06/30/18
CLOSING BALANCE SHEET										
Non-current assets	7,822.9	8,402.8	2,085.9	2,009.2	(34.8)	(75.2)	(690.6)	(689.6)	9,183.5	9,647.2
Current assets	1,545.5	809.1	445.4	39.3	1,264.3	1,069.2	(610.5)	(176.5)	2,644.6	1,741.1
TOTAL ASSETS	**9,368.4**	**9,211.9**	**2,531.3**	**2,048.5**	**1,229.5**	**994.0**	**(1,301.2)**	**(866.1)**	**11,828.1**	**11,388.3**
Equity attributable to the Group	2,860.5	3,027.6	(76.8)	(23.0)	95.3	112.2	(37.4)	(40.8)	2,841.6	3,076.0
Non-controlling interests	21.2	22.3	733.1	713.7	(0.4)	(0.5)	-	-	753.9	735.6
Non-current financial liabilities	4,153.9	4,477.0	1,702.6	1,156.0	100.0	100.0	(657.4)	(667.4)	5,299.2	5,065.6
Other non-current liabilities	162.5	93.9	51.7	24.7	41.7	16.8	(9.4)	-	246.5	135.4
Current financial liabilities	1,540.9	1,138.6	59.4	98.3	242.3	169.1	(590.2)	(164.3)	1,252.3	1,241.7
Other current liabilities	629.2	452.5	61.3	78.8	750.7	596.4	(6.7)	6.4	1,434.5	1,134.0
TOTAL LIABILITIES AND EQUITY	**9,368.4**	**9,211.9**	**2,531.3**	**2,048.5**	**1,229.5**	**994.0**	**(1,301.2)**	**(866.1)**	**11,828.1**	**11,388.3**

Note 4. Portfolio and fair value

4.1. Valuation of the property portfolio: methods and assumptions

The property portfolio consists primarily of investment properties and financial receivables.

4.1.1. Valuation assignments

The Group's property assets are valued twice a year by independent property valuers for the publication of the half-year and annual financial statements, according to a framework consistent with the SIIC Code of Ethics published in July 2008 by the French Federation of Real Estate Companies (*Fédération des sociétés immobilières et foncières*).

Following a tendering process conducted by the Group, property valuations were entrusted to Jones Lang LaSalle Expertises, Cushman & Wakefield Valuation France, CBRE Valuation, Catella Valuation FCC and BNP Paribas Real Estate Valuation.

Property valuers were selected based on criteria of independence, qualification, reputation, expertise in property valuation, organisational capacity, responsiveness and price.

Property valuation fees are billed to the Group on the basis of a fixed service fee that takes into account the specificities of the properties (number of units, number of square metres, number of current leases, etc.) and that is not based on the value of the assets.

The assignments of the property valuers, whose main valuation methods and conclusions are presented hereafter, are performed according to professional standards, in particular:

- the Property Valuation Charter (*Charte de l'expertise en évaluation immobilière*), fifth edition, published in March 2017;
- the Barthès de Ruyter report from the French Securities and Exchange Commission (COB), which is part of the French Financial Markets Authority (AMF), dated February 3, 2000, on the valuation of the property assets of publicly traded companies;
- on an international level, the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations), published in April 2009 in the Blue Book, as well as the Red Book standards of the Royal Institution of Chartered Surveyors (RICS).

These various texts specify the required qualifications for the property valuers, a code of conduct and ethics, and the main definitions (values, floor areas, rates and main valuation methods).

During each valuation session and when valuers submit their valuation reports, the Group makes sure that the methods used by the different property valuers to value its assets are consistent.

Valuations are calculated both inclusive and exclusive of duties, the values excluding duties being net of duties and fixed legal expenses calculated by the property valuers.

Operating office properties of significant value, i.e. the Millénaire shopping centre, the Fresnes retail and business park and all other business parks are subject to a double appraisal approach. On June 30, 2018, the application of the double appraisal approach was extended to cover office development projects (excluding off-plan acquisitions) of the Office Property Investment Division with a valuation or a capex budget over €10.0 million.

On-site visits are systematically conducted by the property valuers for all new assets added to the portfolio. Further on-site visits are then organised according to a multi-year schedule or each time that a specific event in the life of the building requires it (occurrence of significant changes in its structure or environment).

All of the Group's assets, including its land bank and projects under development, were valued as of June 30, 2019 according to the procedures currently in place within the Group, with the exception of:

- properties subject to a preliminary sale agreement as of the end of the reporting period or those for which an offer has been received and that are valued based on the contractual sale price;
- public properties and projects held as part of a public-private partnership (PPP) which are not subject to a formal valuation due to the fact that ownership ultimately returns to the State at the end of these contracts. These assets are therefore still recognised based on their net carrying amount in the fair value of the property portfolio reported by the Group (see note 4.3.1);
- properties acquired less than three months before the end of the half-yearly or annual reporting period, which are valued based on their net carrying amount.

In 2015, the Group also established a process of internal valuations performed by its asset management teams, in order to verify the asset values obtained by the property valuers, and to gain a better understanding of the future performance of the portfolio on the basis of the business plans defined. This procedure is updated on a yearly basis. However, assets whose business plan changes materially are subject to a half-yearly update.

4.1.2. Methods used by the property valuers

The methods used by the property valuers are identical to those used in the previous financial year.

4.1.2.1. Portfolio of the Office Property Investment Division

Investment properties are valued by the property valuers who use two methods simultaneously: the income method (the property valuer uses the most appropriate method between net rent capitalisation and discounted cash flows) and the direct sales comparison method which is based on the prices of transactions noted on the market for assets equivalent in type and location.

The net income capitalisation method involves applying a yield to income streams, whether that income is reported, existing, theoretical or potential (estimated rental value). This approach may be implemented in different ways depending on the type of income considered (effective rent, estimated rental value and net rental income), as different yields are associated with each type.

The discounted cash flow method assumes that the value of the assets is equal to the present value of the cash flows expected by the investor, including the sale at the end of the holding period. In addition to the resale value obtained by applying a market yield to the previous year's rents, cash flows include rents, the different charges not recovered by the owner and the major maintenance and repair work. The discount rate to be applied to the cash flows is calculated based either on a risk-free rate plus a risk premium (related both to the property market and to the building considered taking into account its characteristics in terms of location, construction and security of income) or on the weighted average cost of capital.

Whichever method is used, valuation calculations are carried out on a lease by lease basis, except for particular cases and justified exceptions.

The land bank and properties under development are also the subject of a valuation taken into account in calculating the net asset value and in performing impairment tests on property assets. The methods used by the property valuers primarily include the residual method and/or the discounted cash flow method, and also in certain cases the sales comparison method.

The residual method involves calculating the residual value of a project from the point of view of a property developer to whom the land has been offered. From the sale price of the building at the time of completion, the property valuer deducts all the costs to be incurred, including construction costs, fees and profit, finance costs and any land-related costs.

For properties under development, all outstanding costs linked to the completion of the project, along with carrying costs until completion, must be deducted from the buildings' estimated sale price.

Projects under development are valued on the basis of a clearly identified and approved project, as soon as the building permit can be processed and implemented.

The land bank of the Rungis business park is valued separately. It should be noted that, in the Rungis business park, there is a remaining buildable area on plots already developed. The Group valued the difference between the constructed area and the potential area in the context of a 25-year redevelopment plan. This plan provides for the net construction of 230,000 sq.m, resulting from the construction of a total of 340,000 sq.m, including 142,000 sq.m, 55,000 sq.m and 143,000 sq.m of premium, mid-range and mixed-use office space, respectively, all located in strategic areas for the development of the business park, and from the demolition of the most obsolete buildings, representing nearly 110,000 sq.m.

The method is based on:

- applicable urban planning rules,
- estimated absorption rate,
- current market for new offices (estimated rental value, yield),
- redevelopment plan for the site on 5-, 10-, 15-, 20- and 25-year horizons: 34,250 sq.m in the first five years, 48,146 sq.m between the 5th and the 10th year, 64,728 sq.m between the 10th and the 15th year, 38,484 sq.m between the 15th and the 20th year, and 44,053 sq.m between the 20th and the 25th year.

The estimated value of the remaining buildable area is based on the value of building land in the business park. A land coefficient of 17.25% is applied including a developer's profit of 8.25%. This coefficient is the result of the average price per square meter of the land and of a coefficient observed in business parks in the outskirts of Paris (2nd/3rd ring). The values thus obtained are discounted based on the 5-, 10-, 15-, 20- and 25-year redevelopment periods provided for in the projected plan with the respective rates of 3.25%, 5.25%, 6.25%, 7.25% and 8.25%. This land bank made up of vacant land and existing buildings is valued at €63.1 million as of June 30, 2019.

Additionally, the Group identified floor space awaiting refurbishment (not leased) in its assets: buildings that are completely vacant, held for sale, or due to be refurbished or demolished, and for which a project will be initiated at a later stage. This floor space is valued at €36.7 million as of June 30, 2019.

Whichever method is selected, it is ultimately up to the property valuers 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 approval and construction stages (demolition permit, building permit, objections, stage of completion of work, any pre-commitment, or rent guarantee). From the exit value, the property valuers must explain which procedure they followed in estimating the degree of risk and the change in valuation for the building in the light of the circumstances under which they worked and the information made available to them.

4.1.2.2. Portfolio of the Healthcare Property Investment Division

The buildings of private hospitals or other healthcare institutions are valued by property valuers based on the mean of the values obtained using the rent capitalisation method (also known as “estimated rental value” method) and the discounted cash flow method.

The market value of a hospital is essentially dependent on its operation and its ability to generate sufficient income to provide a reasonable return on the property investment. These buildings fall under the category of single-use buildings and their value determined by the property valuer is totally related to their operation and consequently to the value of the underlying business. Also, since these premises are unsuitable for any other use without substantial conversion works, they are not subject to rent ceilings upon lease renewals or rent reviews or to the traditional rules for determining the estimated rental value.

The estimated rental value used by the property valuers thus takes into account a share of the average revenue or EBITDA that the institution has generated during the last years of operation, with or without adjustment for category, administrative environment, quality of operating structure (price positioning, hospital fee agreement with the French Social Security, income statement, etc.) and competitive position. Alternatively, the institution’s premises can be valued by capitalisation of the rental income reported by the Group.

4.1.3. Main valuation assumptions for investment properties

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)	Estimated rental value (in €/sq.m)
OFFICES AND BUSINESS PARKS					
Offices					
Paris	Capitalisation and DCF	3.5% - 7.5%	3.2% - 7.0%	3.3% - 7.5%	€225 - €925
La Défense/Peri-Défense	Capitalisation and DCF	4.5% - 6.0%	4.6% - 6.5%	4.3% - 10.0%	€220 - €470
Other Western Crescent	Capitalisation and DCF	3.5% - 4.5%	4.0% - 6.0%	3.8% - 5%	€410 - €645
Inner Ring	Capitalisation and DCF	4.5% - 5.5%	4.4% - 5.8%	4.3% - 5.3%	€275 - €370
Outside the Paris region	Capitalisation and DCF	5.1% - 10.0%	5.1% - 12%	4.9% - 10.5%	€65 - €260
Business parks					
Inner Ring	DCF	4.5% - 10%	4.8% - 9.0%		€85 - €355
Outer Ring	DCF	5% - 10.0%	5.3% - 10.0%		€50 - €290
Other Office Property Investment assets					
Hotels	Capitalisation and DCF	7.7% - 7.9%	6.0% - 6.25%	5% - 6.3%	(a)
Retail	Capitalisation and DCF	5.9% - 7.0%	5.7% - 11.0%	5.8% - 8.0%	€80 - €260
Warehouses	Capitalisation and DCF	9.5% - 10.5%	N/A	11.0% - 13.0%	€50 - €70
Residential	Comparison	N/A	N/A	N/A	N/A
HEALTHCARE					
Paris region	Capitalisation and DCF	5.3% - 6.5%	4.9% - 6.5%	4.5% - 6.0%	(a)
Outside the Paris region	Capitalisation and DCF	5.1% - 8.4%	4.7% - 8.5%	4.4% - 8.0%	(a)

(a) Not subject to the traditional rules for determining market rental value, due to the layout and highly specific use of the premises.

4.2. Property portfolio

4.2.1. Balance sheet value

The net carrying amount of the portfolio increased from €9,434.1 million as of December 31, 2018 to €9,512.7 million as of June 30, 2019.

(in millions of euros)	12/31/2018	Acquisitions and construction work (a)	Disposals	Depreciation charges	Net change in impairment charges	Other changes (d)	06/30/2019
Gross amount	11,296.2	250.2	(60.4)	-	-	(555.8)	10,930.2
Depreciation	(1,921.0)	-	32.9	(162.0)	-	82.2	(1,967.8)
Impairment	(139.6)	-	7.3	-	24.8	3.7	(103.7)
Investment properties (b) (c)	9,235.7	250.2	(20.1)	(162.0)	24.8	(469.8)	8,858.7
Properties held for sale	2.0	-	(5.0)	-	-	466.1	463.1
Investment properties held by equity-accounted companies (on a proportionate consolidation basis)	115.7	2.7	-	(3.5)	(4.0)	-	110.9
Financial receivables and other assets	80.8	-	-	-	-	(0.7)	80.0
TOTAL PROPERTY PORTFOLIO	**9,434.1**	**252.9**	**(25.1)**	**(165.5)**	**20.7**	**(4.4)**	**9,512.7**
Portfolio distribution:							
Office – Offices	4,685.2	184.4	(5.0)	(72.9)	1.9	(3.7)	4,789.8
Office – Business parks	1,257.0	21.4	0.1	(29.4)	25.1	-	1,274.1
Office – Other assets	336.1	1.5	(0.6)	(6.9)	(4.0)	(0.7)	325.3
Office Property Investment	**6,278.2**	**207.4**	**(5.6)**	**(109.2)**	**22.9**	**(4.5)**	**6,389.3**
Healthcare Property Investment	**3,155.9**	**45.5**	**(19.6)**	**(56.3)**	**(2.2)**	**-**	**3,123.4**

(a) Including capitalised finance costs for €3.3 million.

(b) Including investment properties under finance leases:

(in millions of euros)	*12/31/2018*	*Acquisitions and construction work*	*Disposals*	*Depreciation charges*	*Net reversals of impairment charges*	*Options exercised*	*06/30/2019*
Properties under finance leases – net value	*515.6*	*3.1*	*-*	*(9.6)*	*-*	*21.2*	*530.2*

(c) In addition to the assets making up the property portfolio, the heading "Investment properties" on the balance sheet includes right-of-use assets relating to building leases (in accordance with IFRS 16):

(in millions of euros)	*12/31/2018*	*Impact of the initial application of IFRS 16*	*Disposals*	*Depreciation charges / Finance expense for the period*	*Net reversals of impairment charges*	*Other changes*	*06/30/2019*
Right-of-use assets relating to building leases - net value	*-*	*31.3*	*-*	*(0.6)*	*-*	*-*	*30.7*

(d) Other changes relate mainly to reclassifications of investment properties to assets held for sale.

- **acquisitions and construction work** associated with the investment properties of the Office Property Investment Division amounted to **€207.4 million** and primarily included the following:
  - off-plan sale projects for **€53.9 million**, mainly including:
    - second phase of the Go Spring development in Nanterre (Hauts-de-Seine) for €15.8 million;
    - continuation of the construction project on avenue Gambetta (20th district of Paris) for €14.6 million;
    - investments in property assets located in Marseille including €9.3 million for the Eko Active building.
  - projects under development for **€118.2 million** of which €105.2 million in the office segment including mainly the Origine project (Nanterre) for €51.2 million and the Fresk project (Issy-les-Moulineaux) for €11.6 million.
  - other capex for **€24.9 million**, consisting primarily of renovation costs for business parks and offices (major maintenance and repairs, restoration work on premises).

- **the investments** of the Healthcare Property Investment Division for **€45.5 million** include mainly:
  - the acquisition of its first nursing home located in Italy for €12.1 million.
  - projects in the development pipeline for €16.8 million including healthcare facility projects in Narbonne and Saint-Herblain.
  - other capex for €10.1 million.

- **other changes** relate to reclassifications of investment properties to assets held for sale.

- During the half year, the Group sold a number of assets for a total selling price of €29.7 million including €12.2 million for Office Property Investment and €17.5 million for Healthcare Property Investment. These disposals generated a net capital gain of €4.1 million.

4.2.2. Impact of impairment charges on the income statement

In the income statement for the half year, "Impairment" mainly consisted of a net reversal of €24.8 million for investment properties, resulting from a charge of €2.3 million and a reversal of €27.1 million.

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

	06/30/2019			12/31/2018			Change		
(in millions of euros)	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains
Investment properties	12,937.4	8,858.6	4,078.8	13,173.1	9,235.7	3,937.5	(235.7)	(377.0)	141.3
Properties held for sale	691.0	463.1	227.9	3.2	2.0	1.1	687.8	461.1	226.7
Financial receivables and other assets	86.6	80.0	6.6	89.6	80.8	8.8	(3.0)	(0.7)	(2.3)
Property portfolio of fully consolidated companies	**13,715.0**	**9,401.8**	**4,313.2**	**13,265.9**	**9,318.4**	**3,947.5**	**449.0**	**83.3**	**365.7**
Investment properties of equity-accounted companies	**128.8**	**110.9**	**17.9**	**131.2**	**115.7**	**15.5**	**(2.4)**	**(4.8)**	**2.4**
TOTAL PROPERTY PORTFOLIO	13,843.7	9,512.7	4,331.1	13,397.1	9,434.1	3,963.0	446.6	78.5	368.1
Portfolio distribution:									
Office – Offices	7,153.2	4,789.8	2,363.4	6,758.6	4,685.2	2,073.4	394.7	104.6	290.0
Office – Business parks	1,765.5	1,274.1	491.4	1,742.5	1,257.0	485.6	23.0	17.2	5.8
Office – Other assets	401.4	325.3	76.1	411.7	336.1	75.6	(10.2)	(10.8)	0.5
Office Property Investment	**9,320.2**	**6,389.3**	**2,930.9**	**8,912.8**	**6,278.2**	**2,634.5**	**407.4**	**111.1**	**296.4**
Healthcare Property Investment	**4,523.6**	**3,123.4**	**1,400.2**	**4,484.4**	**3,155.9**	**1,328.5**	**39.2**	**(32.5)**	**71.7**
TOTAL PROPERTY PORTFOLIO	13,843.7	9,512.7	4,331.1	13,397.1	9,434.1	3,963.0	446.6	78.5	368.1

4.3.2. Sensitivity of the net carrying amounts of appraised assets to potential changes in fair value

Impact on net carrying amounts	Changes in fair value of investment properties			
(in millions of euros)	- 5.00%	- 2.50%	+ 2.50%	+ 5.00%
Offices				
La Défense/Peri-Défense	(5.4)	(2.3)	2.3	4.5
SUBTOTAL PARIS REGION	(5.4)	(2.3)	+ 2.3	+ 4.5
Outside the Paris region	(3.5)	(1.9)	(0.0)	(0.0)
TOTAL OFFICES	**(8.9)**	**(4.2)**	**+ 2.3**	**+ 4.5**
Business parks				
Outer Ring	(41.5)	(20.7)	20.7	83.3
TOTAL BUSINESS PARKS	**(41.5)**	**(20.7)**	**+ 20.7**	**+ 83.3**
TOTAL OFFICES AND BUSINESS PARKS	(50.4)	(24.9)	+ 23.0	+ 87.8
Other assets	(4.1)	(1.6)	1.6	3.2
TOTAL OFFICE PROPERTY INVESTMENT	(54.5)	(26.5)	24.6	91.0
Healthcare (a)				
Outside the Paris region	(11.1)	(4.9)	0.0	0.1
TOTAL HEALTHCARE PROPERTY INVESTMENT (a)	(11.1)	(4.9)	+ 0.0	+ 0.1
TOTAL PROPERTY PORTFOLIO	**(65.6)**	**(31.4)**	**+ 24.6**	**+ 91.1**

(a) Net carrying amounts on a full consolidation basis

4.3.3. Goodwill

No indication of impairment was detected in H1 2019.

Note 5. Financing and financial instruments

5.1. Financial structure and contribution to net profit/(loss)

5.1.1. Change in net financial liabilities

(in millions of euros)		06/30/2019	12/31/2018
Medium- and long-term financial liabilities		5,299.2	5,238.5
Short-term financial liabilities		1,252.3	1,049.3
GROSS FINANCIAL LIABILITIES	5.1.3	6,551.5	6,287.8
Interest rate derivatives (assets and liabilities)	5.1.4	62.5	22.1
GROSS FINANCIAL LIABILITIES INCLUDING DERIVATIVES		6,614.0	6,309.9
Financial assets (a)	5.1.5	(69.7)	(82.5)
Cash and cash equivalents	5.1.6	(618.8)	(634.6)
NET FINANCIAL LIABILITIES		**5,925.5**	**5,592.8**

(a) Excluding security deposits paid.

			Changes with no impact on cash flow			
(in millions of euros)	12/31/2018	Cash flow	Fair value through profit or loss	Fair value through reserve	Other changes	06/30/2019
Financial liabilities	6,287.8	243.7	-	-	20.0	6,551.5
Derivative liabilities	29.6	-	(0.3)	40.4	(0.1)	69.7
Other financial liabilities and lease liabilities (a)	66.8	(4.4)	-	-	72.2	134.6
TOTAL LIABILITIES	6,384.2	239.3	(0.3)	40.4	92.1	6,755.7
Derivative assets	(7.5)	(4.5)	-	4.9	-	(7.2)
Other financial assets	(68.2)	16.7	-	-	(10.6)	(62.1)
TOTAL ASSETS	(75.7)	12.2	-	4.9	(10.6)	(69.3)
TOTAL FINANCIAL ASSETS AND LIABILITIES	**6,308.5**	**251.5**	**(0.3)**	**45.2**	**81.4**	**6,686.5**
Exclusion of deposits and guarantees:						
- Deposits and guarantees received	(66.8)				2.2	(64.5)
- Deposits and guarantees paid	8.9				7.1	16.0
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**6,250.7**	**251.5**	**(0.3)**	**45.2**	**90.8**	**6,638.0**
Other financial liabilities and lease liabilities (a)	(0.1)					(70.0)
Financial assets at fair value through profit or loss (b)	(23.2)					(23.6)
Cash and cash equivalents	(634.6)					(618.8)
TOTAL NET FINANCIAL LIABILITIES	**5,592.8**					**5,925.5**

(a) Lease liabilities recognised at January 1, 2019 in accordance with IFRS 16 for €73.5 million amounted to €70.0 million at June 30, 2019.

(b) This item consists of unconsolidated subsidiaries.

The €263.7 million increase in gross debt (excluding derivatives) compared to December 31, 2018 stems primarily from:

- The normal amortisation of bonds for €211.3 million and the repurchase of three existing bonds for €156.5 million. This bond repurchase resulted in a termination payment of €8.8 million;
- new loans granted by credit institutions (including credit lines) and new finance leases for €304.9 million;
- the normal amortisation of loans from credit institutions (including credit lines) and finance leases for €33.3 million;
- the early termination of finance leases for €5.6 million;
- a net increase in NEU Commercial Paper outstanding of €337.5 million (including a €831.5 million increase and a €494.0 million decrease);
- an increase in bank overdrafts of €19.3 million.

5.1.2. Finance income/(expense)

(in millions of euros)	06/30/2019	06/30/2018	12/31/2018
Interest expenses from financial liabilities	(46.8)	(47.6)	(96.5)
Interest expenses from derivatives	(5.1)	(4.3)	(9.7)
Recycling to the income statement of interest rate hedging instruments	0.8	0.6	1.6
COST OF GROSS DEBT	(51.1)	(51.3)	(104.7)
Interest income from cash and cash equivalents	0.7	0.7	1.3
Income from receivables and loans	3.0	2.5	4.8
Net income from cash and cash equivalents, related loans and receivables	**3.7**	**3.2**	**6.2**
COST OF NET DEBT	(47.4)	(48.2)	(98.5)
Change in fair value of derivatives recognised in the income statement	0.2	0.2	1.0
Commitment fees	(3.4)	(3.1)	(6.7)
Restructuring costs for financial liabilities	(10.2)	(14.9)	(17.2)
Finance income/(expense) from lease liabilities (a)	(1.1)	-	-
Other finance income and expenses	(4.5)	(1.6)	(2.0)
Total other finance income and expenses	**(18.8)**	**(18.5)**	**(25.0)**
FINANCE INCOME/(EXPENSE)	**(66.2)**	**(66.6)**	**(123.5)**

(a) This item relates to the finance expense for the period recognised under IFRS 16.

"Restructuring costs for financial liabilities" representing €(10.2) million include €(8.8) million of termination payments for the repurchase of three bonds.

5.1.3. Gross financial liabilities

Gross financial liabilities: type of rate, maturity and fair value

		Current	Non-current					
(in millions of euros)	Balance sheet value as of 06/30/2019	Portion due in < 1 year	Portion due in 1 to 2 years	Portion due in 2 to 3 years	Portion due in 3 to 4 years	Portion due in 4 to 5 years	Portion due in > 5 years	Fair value as of 06/30/2019
Fixed rate debt	4,720.6	940.3	281.1	9.5	405.9	298.3	2,785.6	4,882.3
Bonds	3,380.9	24.4	252.6	(4.3)	391.9	275.7	2,440.6	3,507.1
Borrowings from credit institutions	338.2	5.2	18.3	5.2	5.6	14.0	289.9	368.9
Finance leases	99.2	8.4	10.2	8.6	8.5	8.5	55.1	103.9
Payables associated with equity interests	2.5	2.5	-	-	-	-	-	2.5
NEU Commercial Paper	899.9	899.9	-	-	-	-	-	899.9
Variable rate debt	1,830.9	312.0	209.8	124.3	30.5	112.6	1,041.6	1,822.3
Borrowings from credit institutions	1,510.9	129.2	197.9	107.9	18.2	90.8	966.9	1,501.6
Finance leases	94.6	9.5	9.3	13.8	9.7	19.2	33.1	93.0
Other loans and similar liabilities	54.6	2.6	2.5	2.6	2.6	2.7	41.6	56.9
Payables associated with equity interests	86.4	86.4	-	-	-	-	-	86.4
Bank overdrafts	84.3	84.3	-	-	-	-	-	84.3
GROSS FINANCIAL LIABILITIES AS OF 06/30/2019	**6,551.5**	**1,252.3**	**490.9**	**133.8**	**436.5**	**410.8**	**3,827.2**	**6,704.5**
GROSS FINANCIAL LIABILITIES AS OF 12/31/2018	**6,287.8**	**1,049.3**	**254.2**	**478.3**	**520.4**	**384.3**	**3,601.3**	**6,276.6**

Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 12/31/2018	Increase	Decrease	Nominal value as of 06/30/2019
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Interest only	300.0	-	20.8	279.2
FR0011577170	09/30/2013	01/30/2019	500.0	Fixed rate 2.25%	Interest only	211.3	-	211.3	-
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Interest only	304.6	-	47.5	257.1
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Interest only	483.9	-	88.2	395.7
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Interest only	750.0	-	-	750.0
FR0013218393	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Interest only	500.0	-	-	500.0
FR0013281755	09/13/2017	09/13/2027	600.0	Fixed rate 1.5%	Interest only	600.0	-	-	600.0
FR0013320058	02/28/2018	02/28/2028	600.0	Fixed rate 1.625%	Interest only	600.0	-	-	600.0
BONDS						**3,749.8**	**-**	**367.8**	**3,382.0**

The average debt maturity was 6.3 years as of June 30, 2019 (excluding NEU Commercial Paper). It stood at 6.4 years as of December 31, 2018.

The average maturity is 4.8 years for variable rate debt and 4.7 years for the related hedges, allowing adequate hedging.

5.1.4. Derivative instruments

Presentation of derivatives on the balance sheet

(in millions of euros)	Fair value as of 12/31/2018	Payment for guarantee	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	Fair value as of 06/30/2019
	(1)	(2)	(3)	(4)	(5) = (1) to (4) inclusive
Presentation of derivatives on the balance sheet:					
Derivative instruments – Assets	7.5	4.5	-	(4.9)	7.2
Derivative instruments – Liabilities	(29.6)	-	0.3	(40.4)	(69.7)
TOTAL	(22.1)	4.5	0.3	(45.2)	(62.5)
Breakdown of derivative instruments by type:					
Interest rate swaps – fixed-rate payer	(22.6)	-	0.1	(45.2)	(67.8)
Cash flow hedges	**(22.6)**	**-**	**0.1**	**(45.2)**	**(67.8)**
Interest rate swaps – fixed-rate payer	(2.1)	-	0.4	-	(1.7)
Interest rate options	0.2	-	(0.2)	-	-
Non-hedging instruments	**(1.9)**	**-**	**0.2**	**-**	**(1.7)**
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	(24.5)	-	0.3	(45.2)	(69.5)
Derivatives: margin calls	2.4	4.5	-	-	6.9
TOTAL INTEREST RATE DERIVATIVES	**(22.1)**	**4.5**	**0.3**	**(45.2)**	**(62.5)**

Changes in hedge reserves

(in millions of euros)	12/31/2018	Recycling to the income statement (a)	Other comprehensive income (b)	06/30/2019
CFH reserves – Interest rate swaps	(13.5)	(0.4)	(45.2)	(59.2)
Attributable to the Group	**(8.2)**	**(0.2)**	**(37.9)**	**(46.4)**

(a) Cash flow hedge reserves recycled to the income statement during the period.

(b) Changes in value of cash flow hedges.

Derivatives: analysis of notional amounts by maturity

	06/30/2019							
			Portion due in < 1 year		Portion due in > 1 year and < 5 years		Portion due in > 5 years	
(in millions of euros)	Total	Average rate	Amount	Average rate	Amount	Average rate	Amount	Average rate
PORTFOLIO OF OUTSTANDING DERIVATIVES								
Interest rate swaps – fixed-rate payer	1,092.3	0.6%	67.8	1.7%	522.2	0.5%	502.3	0.6%
Interest rate options – caps	88.9	0.8%	40.7	1.0%	48.2	0.7%	-	0.0%
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES	1,181.3		108.5		570.4		502.3	
PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES								
Interest rate swaps – fixed-rate payer	518.6	0.5%	4.0	0.4%	30.3	0.5%	484.4	0.5%
TOTAL PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES	518.6		4.0		30.3		484.4	
TOTAL INTEREST RATE DERIVATIVES AS OF 06/30/2019	**1,699.9**		**112.5**		**600.7**		**986.7**	
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2018	**1,540.7**		**198.7**		**599.0**		**743.0**	

5.1.5. Other financial assets and liabilities

Financial assets

(in millions of euros)	12/31/2018	Acquisitions	Disposals / Repayments	Impact of changes in fair value recognised in the income statement	06/30/2019
Financial assets at fair value through profit or loss (a)	23.1	0.1	-	0.3	23.5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**23.1**	**0.1**	**-**	**0.3**	**23.5**
Receivables associated with equity investments and other related parties	38.8	5.5	(11.5)	-	32.9
Loans	0.4	-	-	-	0.4
Deposits and guarantees paid	8.9	11.7	(4.6)	-	16.0
Shareholder loans	20.1	-	(7.2)	-	12.8
Other	0.1	-	(0.1)	-	-
FINANCIAL ASSETS AT AMORTISED COST	**68.2**	**17.2**	**(23.3)**	**-**	**62.1**
FINANCIAL ASSETS (excluding security deposits paid)	**82.5**	**5.6**	**(18.7)**	**0.3**	**69.7**

Financial assets by maturity

		Current	Non-current	
(in millions of euros)	06/30/2019	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Receivables associated with equity investments and other related parties	32.9	32.9	-	-
Loans	0.4	0.1	0.3	-
Deposits and guarantees paid	16.0	8.1	3.0	4.9
Shareholder loans	12.8	12.8	-	-
OTHER FINANCIAL ASSETS AT AMORTISED COST	**62.1**	**53.9**	**3.3**	**4.9**

Financial liabilities

Other financial liabilities consist exclusively of deposits and guarantees received from tenants for €64.5 million as of June 30, 2019.

5.1.6. Cash and cash equivalents

(in millions of euros)	06/30/2019	12/31/2018
Term deposit accounts	31.3	36.1
Cash assets (including bank interest receivable)	587.5	598.5
CASH AND CASH EQUIVALENTS	**618.8**	**634.6**

5.2. Management of financial risks

The monitoring and management of financial risks are centralised within the Corporate and Financing division of the Finance department.

That division reports on a regular basis to the Group's Risk, Rates, Treasury and Finance Committee on all matters related to finance, investment and interest rate risk management policies.

5.2.1. Liquidity risk

The Group's undrawn amounts of short- and medium-term credit lines total €1,755.9 million, which are fully available. This amount does not include the undrawn amounts of credit lines that may have been opened for specific property developments.

During the half year, the Group continued to access liquidity on favourable terms and is still fully able to raise more funds if necessary.

The residual contractual maturities of financial liabilities (excluding construction and off-plan sale contracts) can be analysed as follows:

(in millions of euros)	06/30/2019 Portion due in < 1 year Repay-ments	Interest	Portion due in > 1 year and < 3 years Repay-ments	Interest	Portion due in > 3 years and < 5 years Repay-ments	Interest	Portion due in > 5 years Repay-ments	Interest	Total repay-ments	Total interest	Grand total
Bonds	-	60.1	257.1	114.5	674.9	101.3	2,450.0	112.5	3,382.0	388.4	3,770.4
Borrowings from credit institutions	134.1	19.5	333.2	32.1	131.4	35.3	1,260.0	107.4	1,858.7	194.3	2,053.1
Finance leases	17.1	4.0	40.7	6.6	45.2	5.3	88.0	5.5	191.0	21.3	212.3
Other loans and similar liabilities	2.4	1.1	-	2.1	5.1	1.9	41.0	6.5	53.5	11.6	65.0
Payables associated with equity interests	88.7	-	-	-	-	-	-	-	88.7	-	88.7
NEU Commercial Paper	899.9	-	-	-	-	-	-	-	899.9	-	899.9
Bank overdrafts	84.3	-	-	-	-	-	-	-	84.3	-	84.3
Accounts payable and tax liabilities	596.4	-	10.1	-	-	-	-	-	606.5	-	606.5
Financial derivatives		15.9		27.5		15.4		9.1	-	67.9	67.9
TOTAL	**1,822.8**	**100.6**	**646.1**	**182.8**	**856.6**	**159.1**	**3,839.0**	**241.1**	**7,164.5**	**683.6**	**7,848.0**

Future interest payments on loans and derivative instruments are determined based on anticipated market interest rates.

5.2.2. Covenants and financial ratios

The Group monitors the following covenants:

		Covenants	06/30/2019
LTV bank covenant	Maximum	< 52%	42.8%
ICR	Minimum	> 2	5.89x
CDC's stake	Minimum	34%	38.77%
Value of the Property Investment portfolio [(a)]	Minimum	From > €1.7bn to > €7bn	€13.8bn
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	1.2%
Security interests in assets	Maximum	< 20% of property investment assets	6.5%

(a) Around 5% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €1.7 billion, 22% of the debt has a limit of €2 billion, 10% of the debt has a limit of €5 billion and the remaining 62% has a limit of €7 billion.

Loans taken out by the Group may be subject to covenants based on financial ratios (loan-to-value and interest coverage ratios) and to a clause on the level of control by Caisse des dépôts which may trigger early repayment. All covenants were met as of June 30, 2019.

As of June 30, 2019, Caisse des dépôts held 39.10% of voting rights and a 38.77% stake in Icade.

5.2.3. Interest rate risk

Variable rate debt represented nearly 26% of total debt as of June 30, 2019 (excluding payables associated with equity interests and bank overdrafts).

In H1 2019, the Group continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps).

In particular, medium-term swaps and forward swaps for a notional amount of €299.2 million were taken out to lock in today's historically low interest rates in the long term.

As of June 30, 2019, 92% of debt was hedged against interest rate risk. On July 1, 2019, the percentage of debt hedged increased to 97% as €300 million of fixed rate swaps starting on July 1, 2019 were taken out.

The accounting impacts of a -1% or +1% change in interest rates on the value of derivatives are described below:

(in millions of euros)	06/30/2019 Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	88.0	1.3
Impact of a (1)% change in interest rates	(95.8)	(1.0)

5.2.4. Currency risk

Since the Group does not enter into any foreign currency transactions, it is not exposed to currency risk.

5.2.5. Credit risk

The cash, cash equivalents and derivative instruments recorded as assets on the Group's balance sheet may expose it to credit and/or counterparty risk with banking institutions. The investments chosen have maturities of less than one year and a very low risk profile, and are monitored daily. A regular review of authorised investments complements the control process. Additionally, in order to limit its counterparty risk, the Group only deals in interest rate derivatives with major banking institutions which help fund its expansion. With both types of instruments, the Group applies a principle of risk dispersion, avoiding concentration of exposure to any single counterparty.

Credit and/or counterparty risk also applies in respect of tenants. The Group has introduced procedures to verify the credit quality of customers and third parties before dealing with them. In the Property Investment Division, a customer solvency analysis is carried out and, in the Property Development Division, a check is made on the financing of insurance and guarantees. These procedures are subject to regular monitoring.

Impairment of accounts receivable is estimated after analysing unpaid balances. Customer files are analysed on an individual basis.

The Group's exposure to credit risk corresponds primarily to the carrying amount of receivables less deposits received from customers, i.e. €331.5 million as of June 30, 2019, compared with €421.8 million as of December 31, 2018, restated for the impact of applying IFRS 15.

The Group is not exposed to high credit concentration risk owing to the diversity of its business activities and customers.

5.3. Fair value of financial assets and liabilities

(in millions of euros)	Carrying amount as of 06/30/2019	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 06/30/2019
ASSETS					
Financial assets at fair value through profit or loss	23.5	-	-	23.5	23.5
Financial assets at amortised cost	62.1	62.1	-	-	62.1
Derivatives	7.2	6.9	0.2	-	7.2
Current and non-current financial assets and derivatives	**92.8**	**69.1**	**0.2**	**23.5**	**92.8**
Contract assets	279.1	279.1	-	-	279.1
Accounts receivable	347.5	347.5	-	-	347.5
Other operating receivables (a)	28.5	28.5	-	-	28.5
Cash equivalents	31.4	-	-	31.4	31.4
TOTAL FINANCIAL ASSETS	**779.3**	**724.2**	**0.2**	**54.9**	**779.3**
LIABILITIES					
Current and non-current financial liabilities	6,551.5	6,551.5	-	-	6,704.5
Lease liabilities	70.0	70.0	-	-	70.0
Other current and non-current financial liabilities	64.5	64.5	-	-	64.5
Derivatives	69.7	-	68.0	1.7	69.7
Contract liabilities	15.8	15.8	-	-	15.8
Accounts payable	580.8	580.8	-	-	580.8
Other operating payables (a)	461.8	461.8	-	-	461.8
TOTAL FINANCIAL LIABILITIES	**7,814.2**	**7,744.5**	**68.0**	**1.7**	**7,967.2**

(a) Excluding agency transactions, prepaid expenses/income and social security and tax receivables/payables.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The table below presents a three-level hierarchy of the fair value of financial instruments:

- level 1: the fair value of the financial instrument corresponds to unadjusted prices quoted in active markets for identical assets or liabilities;
- level 2: the fair value of the financial instrument is established on the basis of observable data, either directly (i.e. prices), or indirectly (i.e. data derived from prices);
- level 3: the fair value of the financial instrument is determined using market data not directly observable.

		06/30/2019			
(in millions of euros)	Notes	Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on non-observable data	Fair value as of 06/30/2019
ASSETS					
Derivatives excluding margin calls	5.1.4		0.3		0.3
Financial assets at fair value through profit or loss	5.1.5			23.5	23.5
Cash equivalents	5.1.6	31.4			31.4
LIABILITIES					
Derivative instruments	5.1.4		69.7		69.7

The financial instruments whose fair value is determined using a valuation technique based on non-observable data are investments in unconsolidated, unlisted companies.

Note 6. Earnings per share and equity

6.1. Earnings per share

(in millions of euros)		06/30/2019	06/30/2018	12/31/2018
Net profit/(loss) attributable to the Group from discontinued operations		2.9	(0.3)	(1.4)
Net profit/(loss) attributable to the Group from continuing operations		44.0	27.4	156.3
Net profit/(loss) attributable to the Group	**(A)**	**47.0**	**27.1**	**154.9**
Opening number of shares		74,535,741	74,111,186	74,111,186
Increase in the average number of shares as a result of the capital increase		-	2,322	214,441
Average number of treasury shares outstanding		(588,856)	(212,926)	(287,615)
Average undiluted number of shares	**(B)**	**73,946,885**	**73,900,582**	**74,038,012**
Impact of dilutive instruments (stock options and bonus shares)		78,853	123,338	76,645
Average diluted number of shares	**(C)**	**74,025,738**	**74,023,920**	**74,114,657**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)	**(A/B)**	**€0.64**	**€0.37**	**€2.09**
Net profit/(loss) attributable to the Group from discontinued operations per share		€0.04	-	(€0.02)
Net profit/(loss) attributable to the Group from continuing operations per share		€0.60	€0.37	€2.11
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)	**(A/C)**	**€0.63**	**€0.37**	**€2.09**
Diluted net profit/(loss) attributable to the Group from discontinued operations per share		€0.04	€0.0	(€0.02)
Diluted net profit/(loss) attributable to the Group from continuing operations per share		**€0.60**	**€0.37**	**€2.11**

6.2. Equity

Share capital

	06/30/2019		12/31/2018	
Shareholders	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts	28,895,621	38.77%	28,895,621	38.77%
Crédit Agricole Assurances Group (a)	14,105,510	18.92%	13,704,789	18.39%
Icamap Investments S.ar.I/GIC Pte LTD/Future Board of Guardians acting in concert (b)	3,858,476	5.18%	3,858,476	5.18%
Public	26,842,966	36.01%	27,395,820	36.76%
Employees	199,231	0.27%	192,919	0.26%
Treasury shares	633,937	0.85%	488,116	0.65%
TOTAL	**74,535,741**	**100.00%**	**74,535,741**	**100.00%**

(a) Number of shares held notified to the Company as of June 30, 2019.

(b) As last notified to the Company on September 27, 2018.

Change in the number of shares outstanding

	Number	Share capital *(in €m)*
SHARE CAPITAL AS OF 01/01/2018	74,111,186	113.0
Capital increase in consideration for the transfer value received from ANF Immobilier	420,242	0.6
Exercise of stock options	4,313	0.0
SHARE CAPITAL AS OF 12/31/2018	74,535,741	113.6
SHARE CAPITAL AS OF 06/30/2019	**74,535,741**	**113.6**

Dividends

(in millions of euros)	06/30/2019	12/31/2018
Payment to Icade SA shareholders during the half year for financial year N-1 (a)		
- Interim dividends deducted from tax-exempt fiscal profit (in accordance with the SIIC status)	143.8	275.6
- Interim dividends deducted from profit taxable at the ordinary rate	26.2	42.2
TOTAL	170.0	317.8

(a) The dividend of €4.60 per share approved by Icade's General Meeting held on April 24, 2019 was paid on July 4, 2019 after deduction of the interim dividend of €2.60 per share paid on March 21, 2019.

Dividends per share distributed in 2019 and 2018 in respect of profits for the financial years 2018 and 2017 were €4.60 and €4.30, respectively.

Note 7. Provisions

(in millions of euros)	12/31/2018	Charges	Use	Reversals	Actuarial gains and losses	06/30/2019
Lump-sum final payments and similar liabilities	23.3	0.4	(0.4)	-	1.2	24.5
Losses on contracts	0.7	0.2	-	-	-	0.8
Liabilities and charges – Other	39.1	8.8	(4.8)	(3.4)	-	39.7
PROVISIONS FOR LIABILITIES AND CHARGES	**63.1**	**9.4**	**(5.2)**	**(3.4)**	**1.2**	**65.1**
Non-current provisions	29.7	0.4	(0.4)	-	1.2	30.9
Current provisions	33.4	9.0	(4.8)	(3.4)	-	34.2
including: operating profit/(loss)		5.5	(4.6)	(2.5)		
including: finance income/(expense)		3.9	(0.6)	(0.9)		

Provisions are made whenever the risks identified which result from past events have given rise to a current obligation and that obligation is likely to cause an outflow of resources.

Regarding the determination of lump-sum final payments and similar liabilities, the main actuarial assumptions used were as follows:

- Discount rates: 1.06% as of June 30, 2019 vs. 1.63% as of December 31, 2018 for lump-sum final payments. The discount rate used is defined based on the "iBoxx € Corporates AA 10+" reference index;
- Male/female INSEE tables for 2012-2016, identical to those used at December 31, 2018;
- Retirement age calculated according to statutory provisions.

Note 8. Other items

8.1. Equity-accounted investments

8.1.1. Changes in equity-accounted investments

	06/30/2019			12/31/2018		
(in millions of euros)	Joint ventures	Associates	Total value of equity-accounted companies	Joint ventures	Associates	Total value of equity-accounted companies
OPENING SHARE IN NET ASSETS	139.5	0.2	139.7	150.2	(0.1)	150.1
Share of profit/(loss) for the financial year	(7.5)	(0.5)	(8.0)	0.6	0.6	1.1
Dividends paid	(5.8)	0.3	(5.4)	(14.7)	(0.1)	(14.9)
Impact of changes in scope of consolidation and capital	6.5	-	6.5	3.5	(0.1)	3.4
CLOSING SHARE IN NET ASSETS	**132.8**	**0.1**	**132.8**	**139.5**	**0.2**	**139.7**

8.1.2. Key information on the income statement

The key information on the income statement of joint ventures is presented below on a proportionate consolidation basis.

Income statement

	06/30/2019			06/30/2018			12/31/2018		
(in millions of euros)	Office Property Investment	Property Development	Total	Office Property Investment	Property Development	Total	Office Property Investment	Property Development	Total
Revenue	3.5	23.9	27.4	4.2	45.7	50.0	8.8	102.7	111.5
EBITDA	(0.1)	0.4	0.3	2.2	4.8	6.9	5.0	11.4	16.4
Operating profit/(loss)	(7.7)	0.5	(7.2)	(5.8)	4.7	(1.1)	(10.2)	11.2	1.0
Finance income/(expense)	(0.1)	(0.1)	(0.2)	(0.2)	-	(0.2)	(0.4)	(0.1)	(0.5)
Income tax	-	(0.1)	(0.1)	-	-	-	-	-	-
NET PROFIT/(LOSS)	(7.8)	0.3	(7.5)	(6.0)	4.7	(1.3)	(10.5)	11.1	0.6
including depreciation net of government grants	(3.5)	-	(3.5)	(3.5)	-	(3.5)	(7.0)	(0.2)	(7.2)

8.2. Components of the working capital requirement

8.2.1. Inventories and work in progress

	Property Development				Office Property Investment	Total
(in millions of euros)	Land bank	Work in progress	Unsold finished lots	Total		
Gross value as of 12/31/2018	114.1	352.5	29.6	496.2	1.0	497.2
Gross value as of 06/30/2019	**171.8**	**332.4**	**37.1**	**541.3**	**1.0**	**542.2**
Impairment as of 12/31/2018	(9.3)	(6.6)	(1.6)	(17.5)	-	(17.5)
Impairment as of 06/30/2019	**(11.4)**	**(5.1)**	**(1.6)**	**(18.1)**	**-**	**(18.1)**
Net value as of 12/31/2018	104.8	346.0	28.1	478.8	0.9	479.7
Net value as of 06/30/2019	**160.4**	**327.3**	**35.5**	**523.2**	**1.0**	**524.1**

8.2.2. Contract assets and liabilities and accounts receivable

(in millions of euros)	12/31/2018	Change for the period	Net change in impairment charges recognised in the income statement	06/30/2019
Construction contracts (advances from customers)	8.9	6.9		15.7
Advances, down payments and credit notes to be issued	0.7	(0.6)		0.1
CONTRACT LIABILITIES	**9.6**	**6.2**		**15.8**
Construction contracts	367.3	(88.2)		279.1
CONTRACT ASSETS – NET VALUE	**367.3**	**(88.2)**	**-**	**279.1**
Accounts receivable – operating leases	216.4	14.1		230.4
Financial accounts receivable – finance leases	78.9	(0.7)		78.2
Accounts receivable from revenue from ordinary activities	92.5	(13.9)		78.6
Accounts receivable – Gross value	387.8	(0.5)		387.2
Impairment of receivables from leases	(29.2)		(6.2)	(35.3)
Impairment of receivables from ordinary activities	(4.9)		0.5	(4.4)
Accounts receivable – Impairment	(34.1)		(5.6)	(39.7)
ACCOUNTS RECEIVABLE – NET VALUE	**353.7**	**(0.5)**	**(5.6)**	**347.5**

8.2.3. Revenue

Revenue by category breaks down as follows:

(in millions of euros)	06/30/2019	06/30/2018	12/31/2018
REVENUE	**678.5**	**782.6**	**1,771.5**
Including:			
Gross rental income from Office Property Investment	186.7	200.3	402.4
Gross rental income from Healthcare Property Investment	129.3	115.1	241.0
Construction and off-plan sale contracts from Property Development	356.2	470.1	1,122.5

8.2.4. Cash flow from components of the working capital requirement

(in millions of euros)	06/30/2019	12/31/2018
Office Property Investment	19.4	(40.3)
Healthcare Property Investment	0.5	10.2
Property Development	(37.4)	(57.1)
Other	-	0.1
TOTAL CASH FLOW FROM COMPONENTS OF THE WORKING CAPITAL REQUIREMENT	**(17.5)**	**(87.1)**

The €17.5 million change in working capital as of June 30, 2019 is mainly attributable to:

- an increase in accounts receivable and other receivables for a total of €20.9 million and an increase in accounts payable and other payables for a total of €41.3 million for the Property Investment Division;
- an increase in inventories of €45.0 million, a decrease in receivables of €101.4 million and a decrease in accounts payable and other payables of €93.7 million for the Property Development Division.

8.2.5. Other assets and liabilities held for sale and discontinued operations

(in millions of euros)	06/30/2019	12/31/2018
Total assets held for sale	**463.1**	**2.0**
Total liabilities held for sale and discontinued operations	**6.5**	**9.8**

Assets held for sale as of June 30, 2019 related mainly to the Crystal Park building in Neuilly-sur-Seine for which Icade entered into a bilateral sale agreement with a major South Korean investor on June 5, 2019 for €691 million, excluding duties. The final deed of sale is expected to be signed by the end of July, once customary conditions precedent have been satisfied.

Liabilities held for sale and discontinued operations relate to the liabilities retained from operations sold during previous financial years, as of June 30, 2019.

8.3. Tax

(in millions of euros)	06/30/2019	06/30/2018 Restated (a)	12/31/2018
Current and deferred tax expense	(3.0)	(8.4)	(23.8)
“Exit tax” (SIIC status)	-	0.3	0.3
Company value-added contribution	(3.5)	(3.4)	(7.7)
TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(6.4)**	**(11.5)**	**(31.1)**

(a) The financial statements as of June 30, 2018 have been restated for the reclassification of the company value-added contribution (CVAE) to “Tax expense”.

Note 9. Additional information

9.1. Scope of consolidation

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2019 % direct stake	% 2019 ownership interest	Joint ventures / Associates	Method of consolidation	2018 % 2018 ownership interest
OFFICE PROPERTY INVESTMENT						
ICADE	SA		Parent company		Full	
GIE ICADE MANAGEMENT	GIE	100.00	100.00		Full	100.00
BUSINESS PARKS						
BATI GAUTIER	SCI	100.00	100.00		Full	100.00
OFFICES						
PARC DU MILLENAIRE	SCI	100.00	100.00		Full	100.00
68 VICTOR HUGO	SCI	100.00	100.00		Full	100.00
PDM 1	SCI	100.00	100.00		Full	100.00
PDM 2	SCI	100.00	100.00		Full	100.00
ICADE LEO LAGRANGE (formerly VILLEJUIF)	SCI	100.00	100.00		Full	100.00
MESSINE PARTICIPATIONS	SCI	100.00	100.00		Full	100.00
MORIZET	SCI	100.00	100.00		Full	100.00
CAMILLE DESMOULINS	SCI	100.00	100.00		Full	100.00
1 TERRASSE BELLINI	SCI	33.33	33.33	Joint ventures	Equity	33.33
ICADE RUE DES MARTINETS	SCI	100.00	100.00		Full	100.00
ICADE TOUR EQHO	SAS	100.00	100.00		Full	100.00
LE TOLBIAC	SCI	100.00	100.00		Full	100.00
EVRY MOZART	SCI	100.00	100.00		Full	100.00
SAS ICADE TMM	SAS	100.00	100.00		Full	100.00
SCI ISSY HOLDING COEUR DE VILLE	SCI	49.00	49.00	Associates	Equity	49.00
SNC LES BASSINS A FLOTS	SNC	100.00	100.00		Full	100.00
SCI LAFAYETTE	SCI	54.98	54.98		Full	54.98
SCI STRATEGE	SCI	54.98	54.98		Full	54.98
SCI SILKY WAY	SCI	70.00	70.00		Full	70.00
SCI FUTURE WAY	SCI	50.55	50.55		Full	50.55
SCI NEW WAY	SCI	100.00	100.00		Full	100.00
SCI ORIANZ	SCI	65.31	65.31		Full	65.31
SCI FACTOR E.	SCI	65.31	65.31		Full	65.31
OTHER ASSETS						
BASSIN NORD	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BATIMENT SUD DU CENTRE HOSP PONTOISE	SCI	100.00	100.00		Full	100.00
SCI BSM DU CHU DE NANCY	SCI	100.00	100.00		Full	100.00
SARVILEP	SAS	100.00	100.00		Full	100.00
SCI ANF IMMOBILIER HOTELS	SCI	77.00	77.00		Full	77.00
OTHER						
ICADE 3.0	SASU	100.00	100.00		Full	100.00
CYCLE-UP	SAS	50.00	50.00	Joint ventures	Equity	50.00
HEALTHCARE PROPERTY INVESTMENT						
ICADE SANTE	SAS	56.84	56.84		Full	56.77
SCI TONNAY INVEST	SCI	100.00	56.84		Full	56.77
SCI PONT DU CHÂTEAU INVEST	SCI	100.00	56.84		Full	56.77
SNC SEOLANES INVEST	SNC	100.00	56.84		Full	56.77
SCI SAINT AUGUSTINVEST	SCI	100.00	56.84		Full	56.77
SCI CHAZAL INVEST	SCI	100.00	56.84		Full	56.77
SCI DIJON INVEST	SCI	100.00	56.84		Full	56.77
SCI COURCHELETTES INVEST	SCI	100.00	56.84		Full	56.77
SCI ORLÉANS INVEST	SCI	100.00	56.84		Full	56.77
SCI MARSEILLE LE ROVE INVEST	SCI	100.00	56.84		Full	56.77
SCI GRAND BATAILLER INVEST	SCI	100.00	56.84		Full	56.77
SCI SAINT CIERS INVEST	SCI	100.00	56.84		Full	56.77
SCI SAINT SAVEST	SCI	100.00	56.84		Full	56.77
SCI BONNET INVEST	SCI	100.00	56.84		Full	56.77
SCI GOULAINE INVEST	SCI	100.00	56.84		Full	56.77
OPPCI ICADE HEALTHCARE EUROPE	SPPPICAV	59.39	59.39		Full	100.00
SALUTE ITALIA - FUND	REIF	100.00	59.39		Full	
SAS IHE Salud Ibérica	SAS	100.00	59.39		Full	

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Company name	Legal form	06/30/2019 % direct stake	% 2019 ownership interest	Joint ventures / Associates	Method of consolidation	2018 % 2018 ownership interest
PROPERTY DEVELOPMENT						
RESIDENTIAL PROPERTY DEVELOPMENT						
SCI DU CASTELET	SCI	100.00	100.00		Full	100.00
SARL B.A.T.I.R. ENTREPRISES	SARL	100.00	100.00		Full	100.00
SCI LONGCHAMP CENTRAL FAC	SCI	100.00	100.00		Full	100.00
ST CHARLES CHANCEL	SCI	100.00	100.00		Full	100.00
SARL FONCIERE ESPACE ST CHARLES	SARL	86.00	86.00		Full	86.00
MONTPELLIERAINE DE RENOVATION	SARL	86.00	86.00		Full	86.00
SCI ST CHARLES PARVIS SUD	SCI	58.00	58.00		Full	58.00
MSH	SARL	100.00	100.00		Full	100.00
SARL GRP ELLUL-PARA BRUGUIERE	SARL	100.00	100.00		Full	100.00
SNC LE CLOS DU MONESTIER	SNC	100.00	100.00		Full	100.00
SCI LES ANGLES 2	SCI	75.50	75.50		Full	75.50
SARL DOMAINE DE LA GRANGE	SARL	51.00	51.00		Full	51.00
SCI CASTEL D’UZEGES	SCI	62.50	62.50		Full	62.50
SNC MARINAS DEL SOL	SNC	100.00	100.00		Full	100.00
SCI LE BELEM	SCI	100.00	100.00		Full	100.00
SCI CŒUR MARINE	SCI	99.00	99.00		Full	99.00
SCI LES BASTIDES D’UZEGES	SCI	62.50	62.50		Full	62.50
SCI LES JARDINS D’HARMONY	SCI	100.00	100.00		Full	100.00
SCI CŒUR CATALUNA	SCI	100.00	100.00		Full	100.00
SNC MEDITERRANEE GRAND ARC	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI ROYAL PALMERAIE	SCI	100.00	100.00		Full	100.00
SCI LA SEIGNEURIE	SCI	62.50	62.50		Full	62.50
ICADE PROMOTION LOGEMENT	SAS	100.00	100.00		Full	100.00
CAPRI PIERRE	SARL	99.92	99.92		Full	99.92
SNC CHARLES	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI TERRASSE GARONNE	SCI	49.00	49.00	Joint ventures	Equity	49.00
SCI MONNAIE - GOUVERNEURS	SCI	70.00	70.00		Full	70.00
SCI ERSTEIN LA FILATURE 3	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI STIRING WENDEL	SCI	75.00	75.00		Full	75.00
STRASBOURG R. DE LA LISIERE	SCI	33.00	33.00	Joint ventures	Equity	33.00
SCI KEMBS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LES SYMPHONIES	SNC	66.70	66.70		Full	66.70
SCI LES PLEIADES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LA POSEIDON	SNC	100.00	100.00		Full	100.00
LES JARDINS D’ALMERIA	SCI	50.00	50.00	Joint ventures	Equity	50.00
TERRASSES ALHAMBRA	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PARC	SCI	50.00	50.00	Joint ventures	Equity	50.00
LE PRINTEMPS DES ROUGIERES	SARL	96.00	96.00		Full	96.00
LES ALPINES	SCI	100.00	100.00		Full	100.00
SNC MONTBRILLAND	SNC	87.00	87.00		Full	87.00
SNC STE FOY - VALLON DES PRES	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI PIERRE AUDRY	SCI		Dissolution			50.00
SCI BRENIER	SCI	95.00	95.00		Full	95.00
SCI GERLAND ILOT 3	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI GERLAND ILOT 4	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI 460 AVENUE DE PESSICART	SCI	50.00	50.00	Joint ventures	Equity	50.00
PARC DU ROY D’ESPAGNE	SNC	50.00	50.00	Joint ventures	Equity	50.00
LE DOMAINE DU ROY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI JEAN DE LA FONTAINE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI 101 CHEMIN DE CREMAT	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PINATEL	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC 164 PONT DE SEVRES	SNC	65.00	65.00		Full	65.00
SCI LILLE LE BOIS VERT	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LES LYS DE MARGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00

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Company name	Legal form	06/30/2019 % direct stake	% 2019 ownership interest	Joint ventures / Associates	Method of consolidation	2018 % 2018 ownership interest
SCI GARCHES 82 GRANDE RUE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI RUEIL CHARLES FLOQUET	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VALENCIENNES RESIDENCE DE L'HIPPODROME	SCI	75.00	75.00		Full	75.00
SCI COLOMBES ESTIENNES D'ORVES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VILLA DES GARDES	SCI		Dissolution			75.00
SCI BOULOGNE SEINE D2	SCI	17.33	17.33	Associates	Equity	17.33
BOULOGNE VILLE A2C	SCI	17.53	17.53	Associates	Equity	17.53
BOULOGNE VILLE A2D	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2E	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2F	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B1	SCI	18.23	18.23	Associates	Equity	18.23
BOULOGNE 3-5 RUE DE LA FERME	SCI	13.21	13.21	Associates	Equity	13.21
BOULOGNE PARC B2	SCI	17.30	17.30	Associates	Equity	17.30
SCI Lieusaint Rue de Paris	SCI	50.00	50.00	Joint ventures	Equity	50.00
BOULOGNE PARC B3A	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B3F	SCI	16.94	16.94	Associates	Equity	16.94
SCI ROTONDE DE PUTEAUX	SCI	33.33	33.33	Joint ventures	Equity	33.33
SAS AD2B	SAS	100.00	100.00		Full	100.00
SCI CHATILLON AVENUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE - 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
ESSEY LES NANCY	SCI	75.00	75.00		Full	75.00
SCI LE CERCLE DES ARTS – Housing	SCI	37.50	37.50		Full	37.50
LE CLOS STANISLAS	SCI	75.00	75.00		Full	75.00
LES ARCHES D'ARS	SCI	75.00	75.00		Full	75.00
ZAC DE LA FILATURE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LA SUCRERIE – Housing	SCI	37.50	37.50		Full	37.50
SCI LA JARDINERIE – Housing	SCI	37.50	37.50		Full	37.50
LES COTEAUX DE LORRY	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI LE PERREUX ZAC DU CANAL	SCI	72.50	72.50		Full	72.50
SCI Boulogne Ville A3 LA	SCI	17.40	17.40	Associates	Equity	17.40
SNC Nanterre MH17	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC SOISY Avenue KELLERMAN	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC ST FARGEAU HENRI IV	SNC	60.00	60.00		Full	60.00
SCI ORLEANS St JEAN LES CEDRES	SCI	49.00	49.00	Joint ventures	Equity	49.00
RUE DE LA VILLE	SNC	100.00	99.99		Full	99.99
BEAU RIVAGE	SCI	100.00	99.99		Full	99.99
33 RUE DE LA REPUBLIQUE	SCI	55.00	55.00		Full	55.00
JARDINS DE LA SEIGNEURERIE	SCI		Dissolution			60.00
RUE DU 11 NOVEMBRE	SCI	100.00	100.00		Full	100.00
RUE GUSTAVE PETIT	SCI	100.00	100.00		Full	100.00
RUE DEBLORY	SCI	100.00	100.00		Full	100.00
RUE DU MOULIN	SCI	100.00	100.00		Full	100.00
IMPASSE DU FORT	SCI	100.00	100.00		Full	100.00
RUE CHATEAUBRIAND	SCI	100.00	100.00		Full	100.00
SCI AVENUE DEGUISE	SCI	100.00	100.00		Full	100.00
LE GRAND CHENE	SCI	100.00	100.00		Full	100.00
DUGUESCLIN DEVELOPPEMENT	SAS	100.00	100.00		Full	100.00
DUGUESCLIN & ASSOCIES MONTAGNE	SAS	100.00	100.00		Full	100.00
CHALET DE LA VANNOISE	SCI		Dissolution			33.33
BALCONS DU SOLEIL	SCI	40.00	40.00	Joint ventures	Equity	40.00
DU LIZE LE MAS DES OLIVIERS	SCI		Dissolution			50.00
CDP THONON	SCI	33.33	33.33	Joint ventures	Equity	33.33
SCI RESID. SERVICE DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI RESID. HOTEL DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI LE VERMONT	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI HAGUENAU RUE DU FOULON	SCI	50.00	50.00	Joint ventures	Equity	50.00

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		06/30/2019				2018
Company name	Legal form	% direct stake	% 2019 ownership interest	Joint ventures / Associates	Method of consolidation	% 2018 ownership interest
SNC URBAVIA	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI GERTWILLER 1	SCI	50.00	50.00		Full	50.00
SCCV LES VILLAS DU PARC	SCCV	100.00	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00	100.00		Full	100.00
SCI SOPHIA PARK	SCI	50.00	50.00	Joint ventures	Equity	50.00
LES HAUTS DE L'ESTAQUE	SCI	51.00	51.00		Full	51.00
ROUBAIX RUE DE L'OUEST	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCV CHATILLON MERMOZ FINLANDE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DES COSTIERES	SCI	60.00	60.00		Full	60.00
SARL LAS CLOSES	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI CHAMPS S/MARNE RIVE GAUCHE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BOULOGNE SEINE D3 PP	SCI	33.33	33.33	Associates	Equity	33.33
SCI BOULOGNE SEINE D3 D1	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 E	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 DEF COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 ABC COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 F	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 C1	SCI	16.94	16.94	Associates	Equity	16.94
SCCV SAINTE MARGUERITE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC ROBINI	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DU SABLASSOU	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV LES PATIOS D'OR - GRENOBLE	SCCV	80.00	80.00		Full	80.00
SCI DES AUBEPINES	SCI	60.00	60.00		Full	60.00
SCI LES BELLES DAMES	SCI	66.70	66.70		Full	66.70
SCI PLESSIS LEON BLUM	SCI	80.00	80.00		Full	80.00
SCCV RICHET	SCCV	100.00	100.00		Full	100.00
SCI BOULOGNE PARC B4B	SCI	20.00	20.00	Associates	Equity	20.00
SCI ID	SCI	53.00	53.00		Full	53.00
SNC PARIS MACDONALD PROMOTION	SNC	100.00	100.00		Full	100.00
RESIDENCE LAKANAL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
COEUR DE VILLE	SARL	70.00	70.00		Full	70.00
SCI CLAUSE MESNIL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
ROUEN VIP	SCCV	100.00	100.00		Full	100.00
OVALIE 14	SCCV	80.00	80.00		Full	80.00
SCCV VILLA ALBERA	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI ARKADEA LA ROCHELLE	SCI	100.00	100.00		Full	100.00
SCCV FLEURY MEROGIS LOT1.1	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT1.2	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT3	SCCV	100.00	100.00		Full	100.00
SCI L'ENTREPÔT MALRAUX	SCI	65.00	65.00		Full	65.00
SCCV CERGY - LES PATIOS D'OR	SCCV	67.00	67.00		Full	67.00
MULHOUSE LES PATIOS D'OR	SCCV	40.00	40.00	Joint ventures	Equity	40.00
SCCV CLERMONT-FERRAND LA MONTAGNE	SCCV	90.00	90.00		Full	90.00
SCCV NICE GARE SUD	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SEP COLOMBES MARINE	SEP	25.00	25.00	Joint ventures	Equity	25.00
SCI CLAYE SOUILLY - L'OREE DU BOIS	SCI	80.00	80.00		Full	80.00
SCI BONDOUFLE - LES PORTES DE BONDOUFLE	SCI	80.00	80.00		Full	80.00
SCCV ECOPARK	SCCV	90.00	90.00		Full	90.00
SCI FI BAGNOLET	SCI	90.00	90.00		Full	90.00
SCI ARKADEA TOULOUSE LARDENNE	SCI	100.00	100.00		Full	100.00
SCCV 25 BLD ARMEE DES ALPES	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV HORIZON PROVENCE	SCCV	58.00	58.00		Full	58.00
SARL DOMAINE DE FAHAM	SARL	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CROIX ROUSSE	SCI	70.00	70.00	Joint ventures	Equity	70.00
SCCV SETE - QUAI DE BOSC	SCCV	90.00	90.00		Full	90.00
SCI SAINT FARGEAU CENTRE	SCI	70.00	70.00		Full	70.00

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SCCV RIVES DE SEINE - BOULOGNE YC2	SCCV	80.00	80.00		Full	80.00
SCI BLACK SWANS	SCI	85.00	85.00		Full	85.00
SCCV CANAL STREET	SCCV	100.00	100.00		Full	100.00
SCCV BLACK SWANS TOUR B	SCCV	85.00	85.00		Full	85.00
SCCV ORCHIDEES	SCCV	51.00	51.00		Full	51.00
SCCV MEDICADE	SCCV	80.00	80.00		Full	80.00
SCI PERPIGNAN LESAGE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC TRIGONES NIMES	SCI	49.00	49.00	Joint ventures	Equity	50.00
SCCV BAILLY CENTRE VILLE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV MONTLHERY LA CHAPELLE	SCCV	100.00	100.00		Full	100.00
SCI ARKADEA MARSEILLE SAINT VICTOR	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCCV SAINT FARGEAU 23 FONTAINEBLEAU	SCCV	70.00	70.00		Full	70.00
SCCV CARENA	SCCV	51.00	51.00		Full	51.00
SCCV BLACK SWANS TOUR C	SCCV	85.00	85.00		Full	85.00
SCCV TOURS RESIDENCE SENIOR MELIES	SCCV	99.96	99.96		Full	99.96
SCI CAEN LES ROBES D'AIRAIN	SCI	60.00	60.00		Full	60.00
SCI CAPITAINE BASTIEN	SCI	80.00	80.00		Full	80.00
SCCV THERESIANUM CARMELITES	SCCV	65.00	65.00		Full	65.00
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LILLE WAZEMMES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV ANTONY	SCCV	100.00	100.00		Full	100.00
SCCV SAINT FARGEAU LEROY BEAUFILS	SCCV	65.00	65.00		Full	65.00
SCI ST ANDRE LEZ LILLE - LES JARDINS DE TASSIGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV CARIVRY	SCCV	51.00	51.00		Full	51.00
SCCV L'ETOILE HOCHE	SCCV	60.00	60.00		Full	60.00
SCCV LES PINS D'ISABELLA	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SCCV LES COTEAUX LORENTINS	SCCV	100.00	100.00		Full	100.00
SCCV ROSNY 38-40 JEAN JAURES	SCCV	100.00	100.00		Full	100.00
SCCV CARETTO	SCCV	51.00	51.00		Full	51.00
SNC MASSY VILGENIS	SNC	50.00	50.00		Full	50.00
SCCV MASSY CHATEAU	SCCV	50.00	50.00		Full	50.00
SCCV MASSY PARC	SCCV	50.00	50.00	Associates	Equity	50.00
SCCV NEUILLY S/MARNE QMB 10B	SCCV	50.00	50.00		Full	50.00
SCCV VITA NOVA	SCCV	70.00	70.00		Full	70.00
SCCV NEUILLY S/MARNE QMB 1A	SCCV	44.45	44.45	Associates	Equity	44.45
SCCV LE RAINCY RSS	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV LE MESNIL SAINT DENIS SULLY	SCCV	90.00	90.00		Full	90.00
SCCV 1-3 RUE D'HOZIER	SCCV	45.00	45.00	Joint ventures	Equity	45.00
SAS LE CLOS DES ARCADES	SAS	50.00	50.00	Joint ventures	Equity	50.00
SCCV LE PETIT ROBINSON	SCCV	50.00	50.00		Full	50.00
SCCV CUGNAUX - LEO LAGRANGE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV COLOMBES MARINE LOT A	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT B	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT D	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT H	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV LES BERGES DE FLACOURT	SCCV	65.00	65.00		Full	65.00
SCCV LE PLESSIS-ROBINSON ANCIENNE POSTE	SCCV	75.00	75.00		Full	75.00
SCCV QUAI 56	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV CARE44	SCCV	51.00	51.00		Full	51.00
SCCV LE PIAZZA	SCCV	70.00	70.00		Full	70.00
SCCV ICAGIR RSS TOURS	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SSCV ASNIERES PARC B8 B9	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SSCV SAINT FARGEAU 82-84 Avenue de Fontainebleau	SCCV	70.00	70.00		Full	70.00
SAS PARIS 15 VAUGIRARD LOT A	SAS	50.00	50.00	Joint ventures	Equity	50.00
SCCV PARIS 15 VAUGIRARD LOT C	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV SARCELLES - RUE DU 8 MAI 1945	SCCV	51.00	51.00		Full	51.00

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SCCV SARCELLES - RUE DE MONTFLEURY	SCCV	51.00	51.00		Full	51.00
SCCV MASSY PARC 2	SCCV	50.00	50.00	Associates	Equity	50.00
SCCV CANTEROUX	SCCV	50.00	50.00		Full	50.00
SCCV SOHO	SCCV	51.00	51.00		Full	51.00
SCCV IPK NIMES CRESPON	SCCV	51.00	51.00		Full	51.00
SCCV BEARN	SCCV	65.00	65.00		Full	65.00
SCCV ASNIERES PARC B2	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV PERPIGNAN AVENUE D'ARGELES	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV 117 AVENUE DE STRASBOURG	SCCV	70.00	70.00		Full	70.00
SCCV MARCEL PAUL VILLEJUIF	SCCV	100.00	100.00		Full	100.00
SCCV MAISON FOCH	SCCV	40.00	40.00		Full	40.00
SCCV CHATENAY MALABRY LA VALLEE	SCCV	50.10	50.10		Full	50.10
SCCV LOT 2G2 IVRY CONFLUENCES	SCCV	51.00	51.00		Full	51.00
SCCV LA PEPINIERE	SCCV	100.00	100.00		Full	100.00
SCCV NICE CARRE VAUBAN	SCCV	95.00	95.00		Full	
SNC IP1R	SNC	100.00	100.00		Full	100.00
SNC IP3M LOGT	SNC	100.00	100.00		Full	100.00
SCCV NGICADE MONTPELLIER OVALIE	SCCV	50.00	50.00		Full	
SCCV MARCEL GROSMENIL VILLEJUIF	SCCV	100.00	100.00		Full	
SCCV LILLE CARNOT LOGT	SCCV	50.00	50.00	Joint ventures	Equity	
OFFICE PROPERTY DEVELOPMENT						
PARIS BERTHELOT	SCI		Dissolution			50.00
SNC ICADE PROMOTION TERTIAIRE	SNC	100.00	100.00		Full	100.00
ICADLEO	SNC	66.67	66.67		Full	66.67
SORIF ICADE LES PORTES D’ESPAGNE	SNC		Dissolution			50.00
PORTES DE CLICHY	SCI	50.00	50.00	Joint ventures	Equity	50.00
MONTROUGE CAP SUD	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV SAINT DENIS LANDY 3	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC SAMICADE	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC DU PLESSIS BOTANIQUE	SNC	100.00	100.00		Full	100.00
SNC GERLAND 1	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC GERLAND 2	SNC	50.00	50.00	Joint ventures	Equity	50.00
CITE SANITAIRE NAZARIENNE	SNC	60.00	60.00		Full	60.00
SNC DU CANAL ST LOUIS	SNC	100.00	100.00		Full	100.00
CAP EST LOISIR	SCI		Disposal			50.00
ICAPROM	SNC	45.00	45.00	Joint ventures	Equity	45.00
SCCV LE PERREUX CANAL	SCCV	72.50	72.50		Full	72.50
ARKADEA SAS	SAS	50.00	50.00	Joint ventures	Equity	50.00
CHRYSALIS DEVELOPPEMENT	SAS	35.00	35.00	Joint ventures	Equity	35.00
MACDONALD BUREAUX	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI 15 AVENUE DU CENTRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SAS CORNE OUEST VALORISATION	SAS	25.00	25.00	Associates	Equity	25.00
SAS ICADE-FF-SANTE	SAS	65.00	65.00		Full	65.00
SCI BOURBON CORNEILLE	SCI	100.00	100.00		Full	100.00
SCI SEINE CONFLUENCES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI ARKADEA FORT DE France	SCI	51.00	51.00		Full	51.00
SCCV SKY 56	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV OCEAN COMMERCES	SCCV	100.00	100.00		Full	100.00
SCCV SILOPARK	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV TECHNOFFICE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SARL LE LEVANT DU JARDIN	SARL	50.67	50.67		Full	50.67
SAS OCEAN AMENAGEMENT	SAS	51.00	51.00		Full	51.00
SCI ARKADEA RENNES TRIGONNE	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CREPET	SCI	65.00	65.00	Joint ventures	Equity	65.00

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2019 % direct stake	 % 2019 ownership interest	 Joint ventures / Associates	 Method of consolidation	2018 % 2018 ownership interest
SCCV LE SIGNAL/LES AUXONS	SCCV	51.00	51.00		Full	51.00
SCCV LA VALBARELLE	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SNC ISSY COEUR DE VILLE PROMOTION BUREAUX	SNC	49.00	49.00	Joint ventures	Equity	49.00
SAS ANF IMMOBILIER DEVELOPPEMENT	SAS	100.00	100.00		Full	100.00
SCCV HOTELS A1-A2	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV BUREAUX B-C	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV MIXTE D-E	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV CASABONA	SCCV	51.00	51.00		Full	51.00
SNC VERSAILLES PION	SNC	100.00	100.00		Full	100.00
SCCV GASTON ROUSSEL ROMAINVILLE	SCCV	75.00	75.00		Full	75.00
SNC IP2T	SNC	100.00	100.00		Full	100.00

3. Statutory auditor's review report on the 2019 half-year financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by shareholders' annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*) , we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of Icade SA, for the six months ended June 2019;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to half-year financial information.

Without qualifying our opinion expressed above, we draw your attention to the part of note 1.1 to the financial statements which describes the change in accounting policy due to the first application of IFRS 16.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, July 22, 2019

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Mazars
Eric Bulle	Gilles Magnan

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