HALF-YEAR FINANCIAL REPORT
JUNE 30, 2017

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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 company's assets and liabilities, financial position, and results as well as those 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, of their impact on the financial statements, of the main related-party transactions, and describes the main risks and uncertainties for the remaining six months of the year.

Paris, on July 24, 2017

Olivier Wigniolle

Chief Executive Officer

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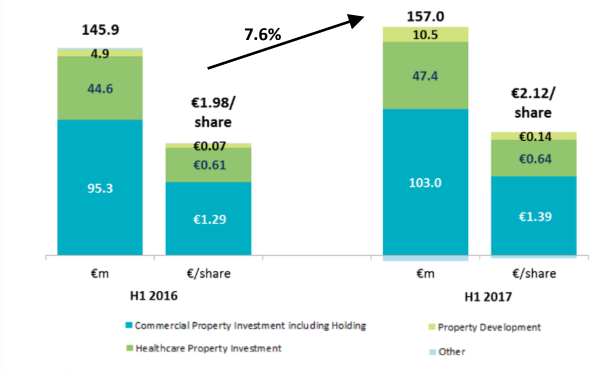
PERFORMANCE INDICATORS AND STRATEGY

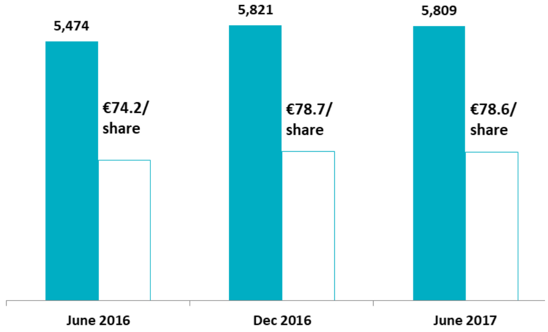
1. Performance indicators

1.1. Group performance indicators

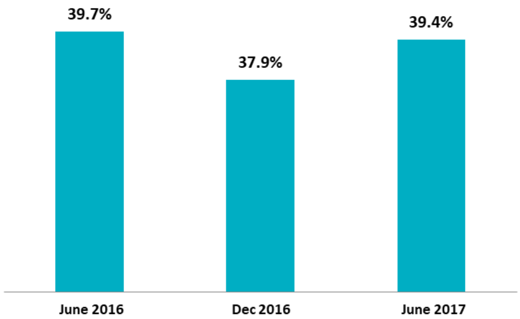
NET CURRENT CASH FLOW *(IN € MILLION AND € PER SHARE)*



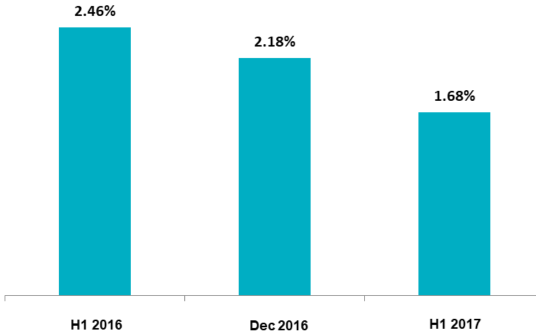
EPRA TRIPLE NET NAV *(IN € MILLION AND € PER SHARE)*



LOAN-TO-VALUE RATIO *(IN %) (*)*

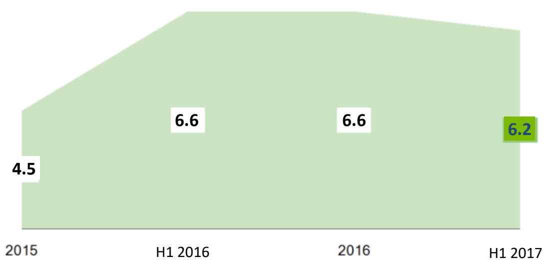


AVERAGE COST OF DEBT AFTER HEDGING *(IN %)*

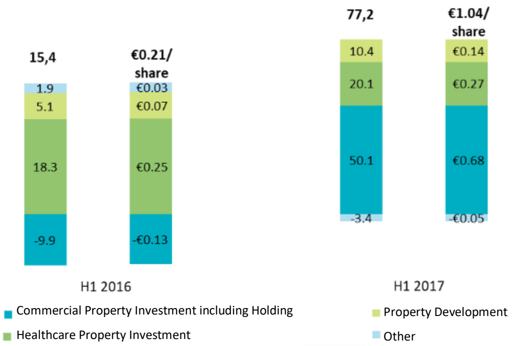


(*) Includes the value of the Property Development companies and financial receivables from public-private partnerships, as well as the value of Property Services companies in June 2016.

AVERAGE DEBT MATURITY (IN YEARS)

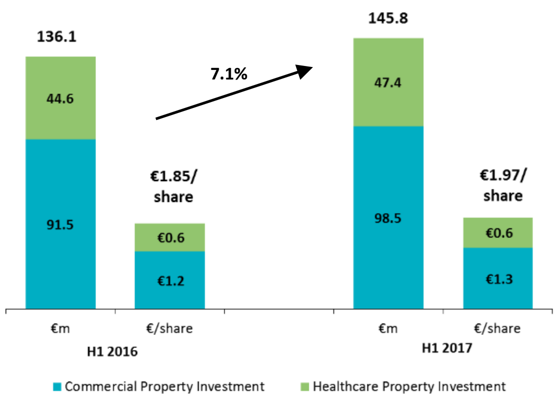


NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP *(IN € MILLION AND € PER SHARE)*



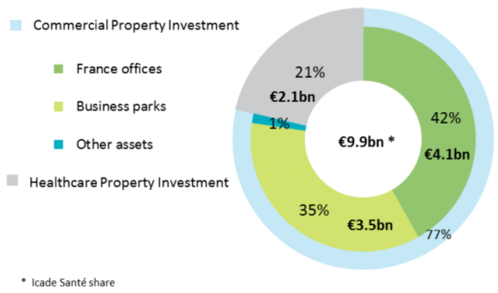
1.2. Commercial and Healthcare Property Investment performance indicators

EPRA EARNINGS FROM PROPERTY INVESTMENT *(IN € MILLION AND € PER SHARE)*

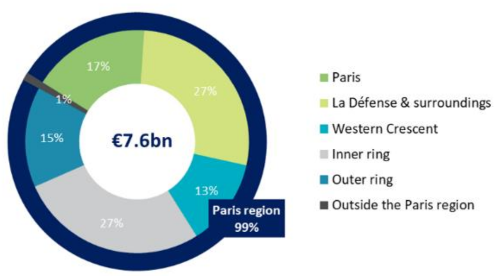


GROSS AND NET RENTAL INCOME *(IN € MILLION)* AND MARGIN RATE *(IN %)*

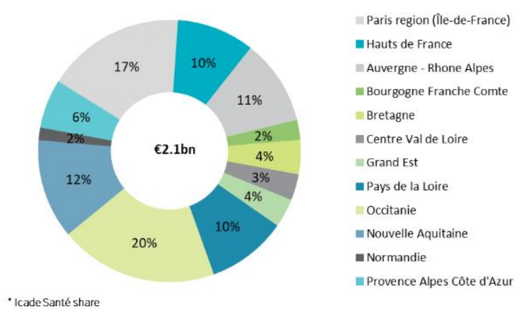
PORTFOLIO DISTRIBUTION *(IN %)*



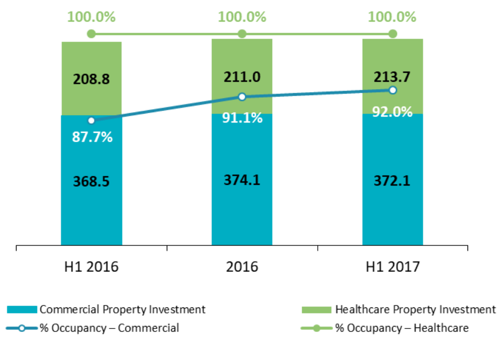
GEOGRAPHIC DISTRIBUTION OF THE OFFICES AND BUSINESS PARKS PORTFOLIO *(IN %)*



GEOGRAPHIC DISTRIBUTION OF THE HEALTHCARE PROPERTY PORTFOLIO *(IN %)*

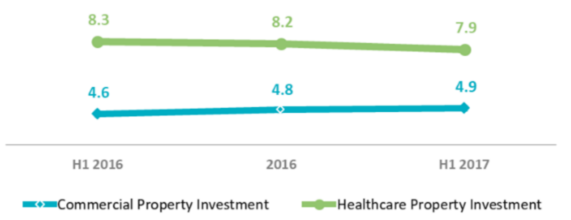


IFRS CURRENT RENTAL INCOME *(IN € MILLION)* AND SPOT FINANCIAL OCCUPANCY RATE AT THE BALANCE SHEET DATE *(IN %)* [(1)]



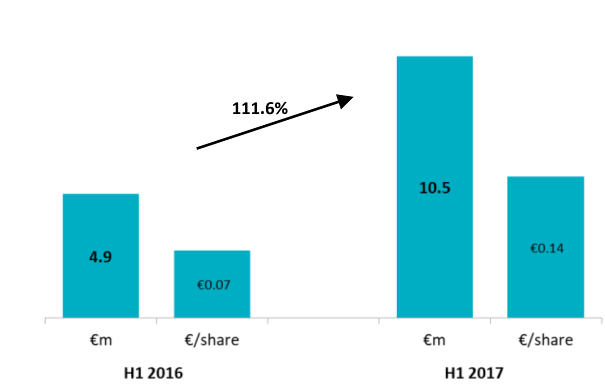
[(1)] *IFRS annual rental income based on occupancy as of the balance sheet date*

WEIGHTED AVERAGE UNEXPIRED LEASE TERM *(IN YEARS)*

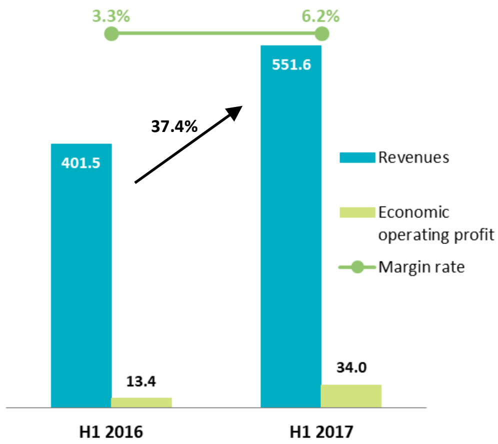


1.3. Property Development performance indicators

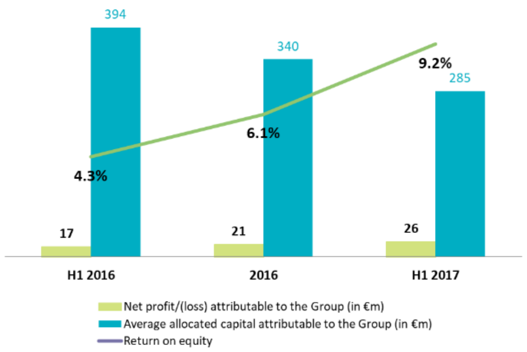
NET CURRENT CASH FLOW FROM PROPERTY DEVELOPMENT *(IN € MILLION)*



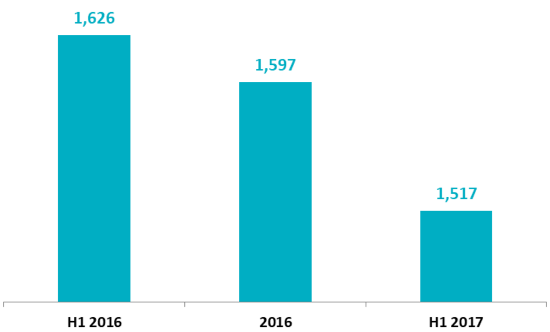
ECONOMIC REVENUE, CURRENT ECONOMIC OPERATING PROFIT AND OPERATING MARGIN *(IN € MILLION)*



RETURN ON EQUITY



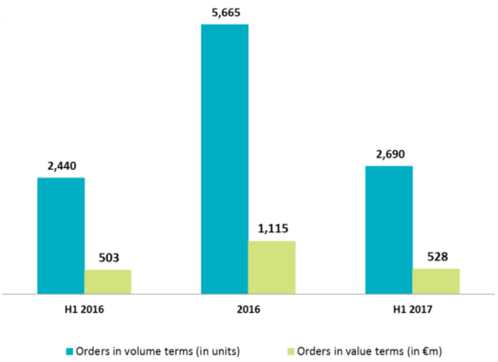
PROPERTY DEVELOPMENT BACKLOG *(IN € MILLION)*



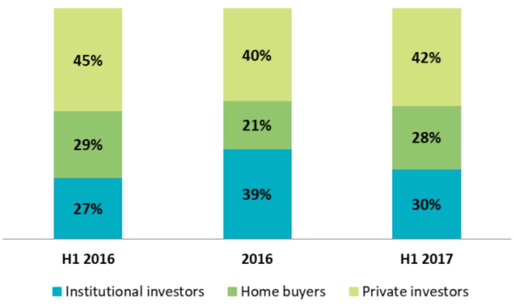
NET HOUSING ORDERS

IN VOLUME AND VALUE TERMS

(number of housing units)

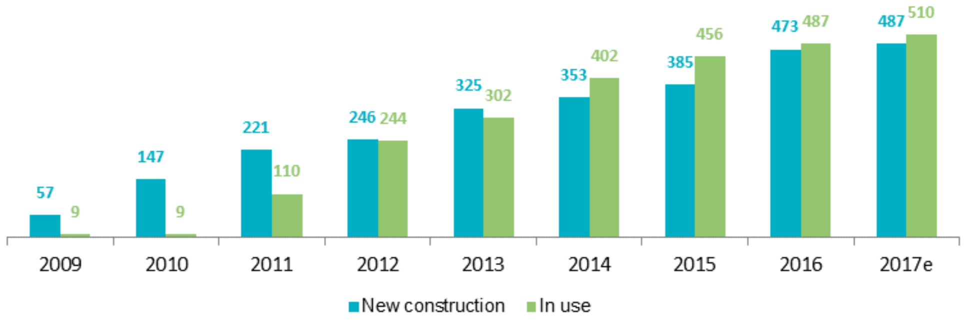


BREAKDOWN OF NEW HOUSING DEVELOPMENTS BY TYPE OF BUYER

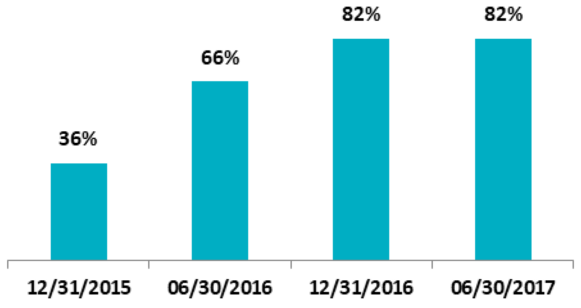


1.4. CSR indicators

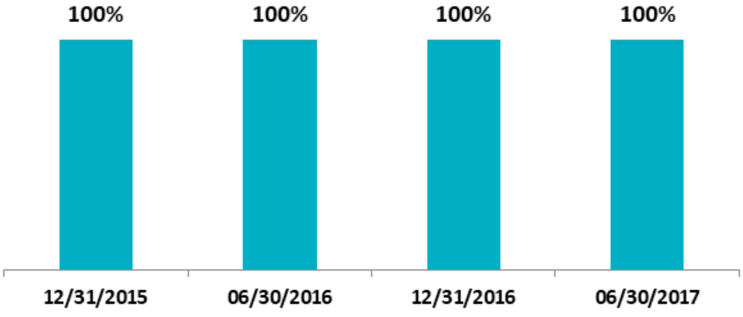
PROPERTY INVESTMENT DIVISION – HQE / BREEAM CERTIFIED OFFICE FLOOR AREA *(in thousands of sq.m)*



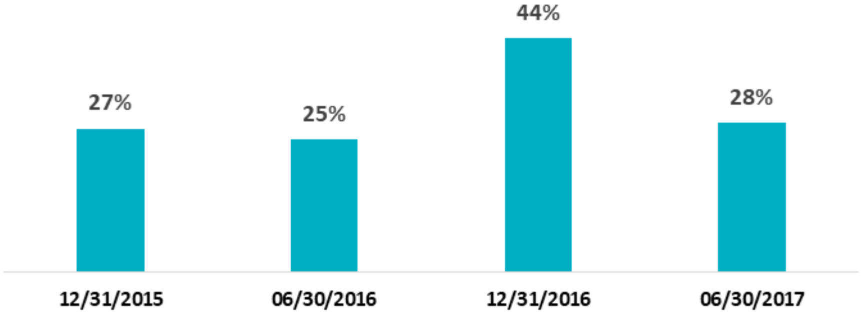
PROPERTY INVESTMENT DIVISION – PROPORTION OF FLOOR AREA COVERED BY GREEN LEASE COMMITTEES (in %)



PROPERTY DEVELOPMENT DIVISION – PROPORTION OF NEW CONSTRUCTION PROJECTS SUBJECT TO A RESPONSIBLE PROCUREMENT CHARTER

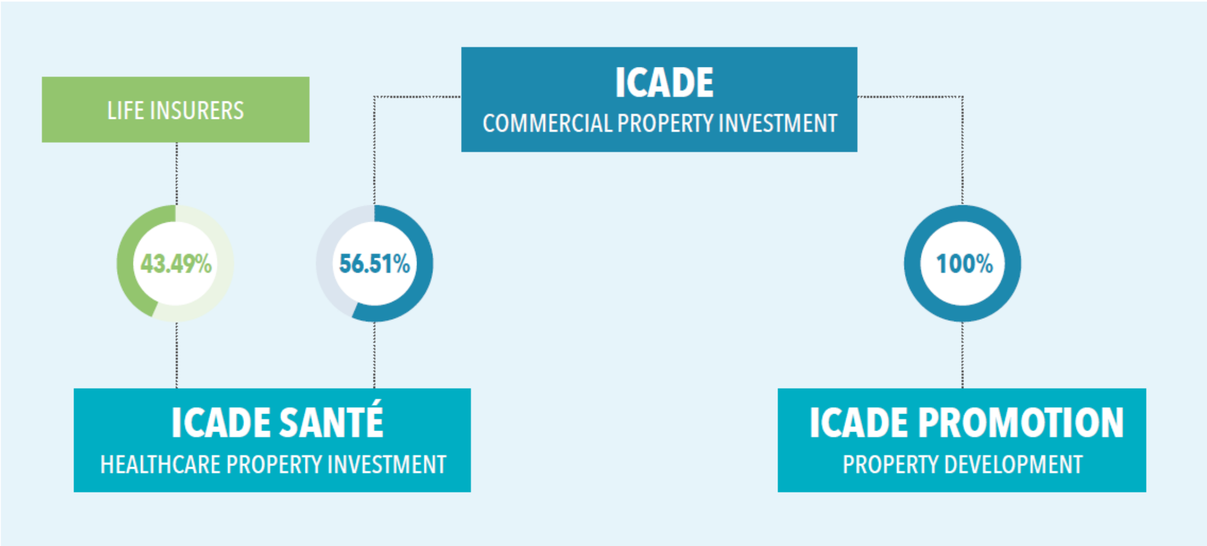


PROPORTION OF POSITIONS FILLED INTERNALLY (in %)



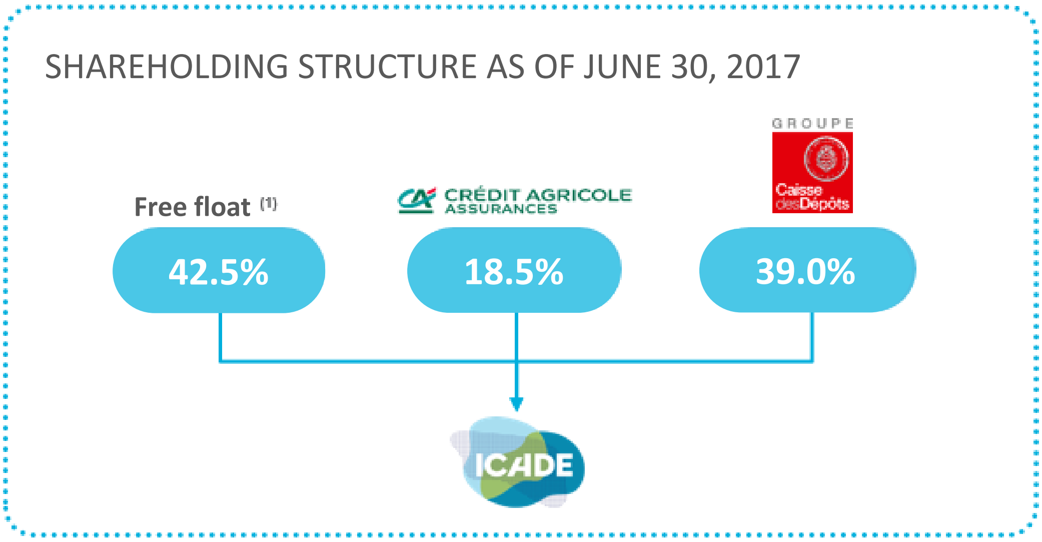
2. Overview of the Group

2.1. Simplified organisational chart



2.2. Shareholding structure

SHAREHOLDING STRUCTURE as of 06/30/2017 (in %)



Note : (1) Dont 0,28% pour le fonds commun de placement Icade et 0,33% d'autodétention

3. Group strategy and outlook

3.1. Strategy

Icade's strategic plan presented to the market in November 2015 hinges on one ambition: to be a top-performing integrated real estate company by focusing on its core businesses as a Commercial Property Investor (€7.8 billion of assets), as a Healthcare Property Investor (€2.1 billion of assets on a proportionate consolidation basis), and as a Property Developer (€1.0 billion of revenue as of the end of 2016). Icade Promotion is a major player in the French residential and commercial real estate market and operates throughout the country (fourth largest player in France – Source: Innovapresse).

Icade's medium-term objectives are clear.

- Growth plan for the Commercial and Healthcare Property Investment Divisions

Icade intends to increase the value of its property portfolio by 24% in 4 years to €11.4 billion in 2019 [a]. After refocusing, in 2016, its Commercial Property Investment Division's property portfolio on the assets that create the most value, Icade has continued its proactive asset acquisition and disposal policy.

Meanwhile, the Healthcare Property Investment Division will continue to expand through selective acquisition-led growth all across the country.

The overall property portfolio is also expected to grow thanks to a development pipeline of nearly €1.8 billion as of the end of June 2017 (especially for the Commercial Property Investment portfolio and, to a lesser extent, for the Healthcare Property Investment portfolio).

- Expansion and solid performance for the Property Development Division.

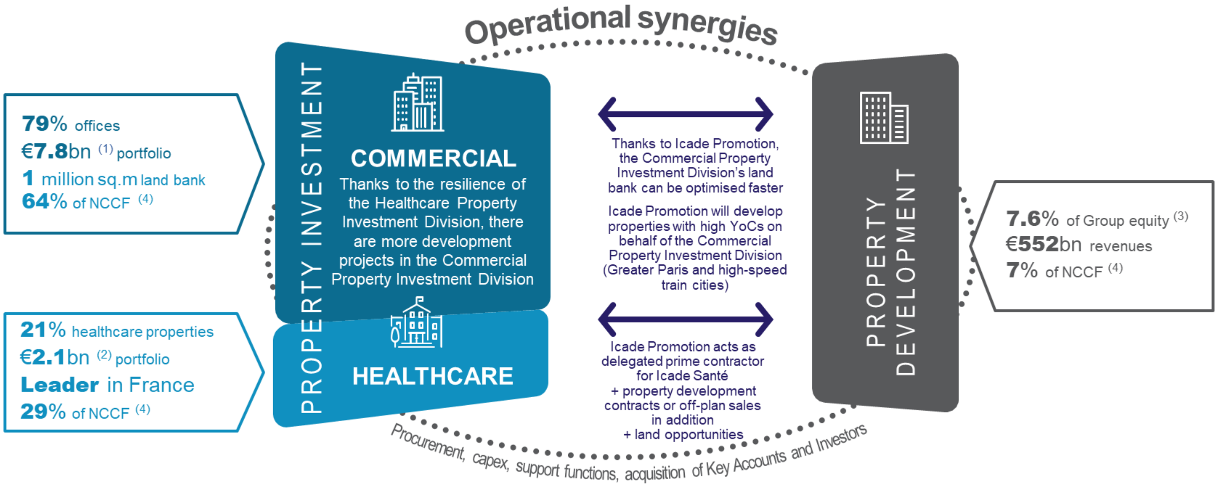
The objective for the Property Development Division is to perform at least equally to market average (target ROE [b] of 12% for 2018, operating profit margin [c] between 6.5% and 7%). Target revenue growth is 30% for the period between 2016 and 2018.

(a) During the period July 2017 - December 2019: asset disposals (-€0.8 billion), asset acquisitions (+€0.6 billion), developments by the Property Development Division for the Property Investment Division (+€0.5 billion), development pipeline, rent escalation and value creation (+€1.2 billion).

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

(c) Current economic operating profit/(loss): (IFRS operating profit/(loss) adjusted in accordance with IFRS 11 and adjusted for non-current items, trademark royalties expenses and holding company costs) / economic revenue (IFRS revenue adjusted in accordance with IFRS 11)

Our business model: being an integrated real estate company



Notes: *(1) Excluding duties*
(2) Icade share (56.51%), excluding duties
(3) Property Development equity attributable to the Group (before elimination of securities) / Total consolidated equity attributable to the Group.
(4) % of H1 2017 NCCF on a 100% basis

3.2. Outlook

Given the company's favourable outlook, Group net current cash flow is expected to grow by around 7% in 2017 compared to 2016, versus an increase of at least 4% announced last February.

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PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

1. Group

1.1. H1 2017 highlights

Crédit Agricole Assurances increases its stake in Icade

Crédit Agricole Assurances announced on June 19 the acquisition of Groupama's stake in Icade, which represented 12.95% of the share capital. Through this transaction, Crédit Agricole Assurances—a shareholder since 2013, represented on the Board of Directors and having supported the implementation of the strategic plan—increased its holding in Icade, which now amounts to 18.5% of the company's share capital.

The shareholder agreement between CDC and Groupama became void as a result of the sale of Groupama's entire stake. On July 18, the Board of Directors thus acknowledged the resignation of the directors representing Groupama.

Continued positive momentum across our three business activities

Commercial Property Investment

Leasing activity was especially robust for the Commercial Property Investment Division, with:

- More than 57,000 sq.m of new leases signed for total headline rental income of €11.5 million including the lease signed with Groupama for a 6-year period with no break option for the Défense 456 office building with total floor area of 11,460 sq.m. This lease will commence in July 2017.
- Off-plan lease signed with URSSAF in the Pont de Flandre business park. The lease is for a 9-year period with no break option for approximately 8,450 sq.m of offices;
- The renewal of 22 leases (in the office and business park segments) for a total floor area of 80,220 sq.m representing total rental income of €22.3 million and a weighted average unexpired lease term of 7.9 years.

In addition, tenant departures on a like-for-like basis involved 25,800 sq.m representing a loss of €5.0 million in annual rental income.

After an initial rollout in the Rungis business park in September 2016, the "Coach Your Growth with Icade" initiative expanded to the other parks, in particular the Portes de Paris and Pont de Flandre business parks. The first positive effects of this plan aimed at making Icade's business parks more attractive can already be seen.

The spot financial occupancy rate of the Commercial Property Investment Division reached 92.0% as of June 30, 2017, an increase of 0.9 pp compared to December 31, 2016. It was fuelled by an increase in its two main types of assets: offices (95.3%, i.e. +0.7 pp) and business parks (89.1%, i.e. +1.0 pp).

Healthcare Property Investment

The Healthcare Property Investment Division continued to expand its portfolio, driven by acquisition-led growth: two healthcare facilities acquired in H1 2017 for €54.0 million and development work for €56.7 million agreed upon with operators which will generate additional future rental income of €16.3 million.

Property Development

In the Property Development Division, a roadmap was introduced in H1 2017. It is based on clearly defined objectives intended to bring Icade Promotion's results into line with its peers in a context of strong growth.

In addition, H1 2017 was highlighted by the signing of a partnership with Poste Immo for the purpose of forming Arkadea, a joint property development company. This partnership is part of Icade Promotion's development strategy and will enable Icade to showcase its expertise as a property developer to a major real estate owner and step up the implementation of its roadmap.

The key business performance indicators of Icade Promotion have improved in the first half of 2017: a land portfolio of over €2.2 billion of potential revenue (i.e. +22%), a €1,517 million backlog (i.e. -5%), orders up +10.2% in volume terms and +4.9% in value terms, 24.8% increase in sales in volume terms, to 2,241 units as of June 30, 2017.

In H1 2017, the Commercial Property Development Division signed a number of off-plan sale agreements with leading investors which include:

- The 1,940-seat multiplex cinema in Tours sold to the Davoine group;
- The "Karre" office building (9,800 sq.m) at the heart of the Carré de Soie multimodal hub in the Greater Lyon area; and
- The "Commercial/Offices" project portfolio for 6,580 sq.m of warehouses and ancillary offices in Marseille, jointly developed with Eiffage on behalf of Alliance Healthcare Repartition.

In addition, Icade Promotion signed a 9-year off-plan lease with no break option with the Orange group which includes an option to purchase. The project includes 18,000 sq.m of office space in Villejuif and should be completed in Q4 2019.

Ongoing asset rotation

Acquisitions made by the Property Investment business amounted to €54.0 million and related to the acquisition of the Ormeau MSO polyclinic in Tarbes from the Médipôle Partenaires group for €43.3 million (including duties and fees) and the acquisition, in partnership with the Clinipôle group from Montpellier, of the Helios disability care home in Saint Germé for €9.8 million (including duties and fees). These two acquisitions are subject to 12-year leases with no break options.

Icade signed a preliminary off-plan agreement, for a total of €137 million excluding duties, to acquire a building located on avenue Gambetta in the 20th district of Paris. This 20,000-sq.m development includes offices and shops. The final purchase agreement was signed on July 21, 2017. Furthermore, Icade signed an off-plan lease for the retail section (3,300 sq.m) of the building complex.

The first half of the year also saw the realisation of the Commercial Property Investment Division's first site in Marseilles through the signing of an off-plan sale preliminary agreement for a 8,369-sq.m office building for €28.4 million excluding duties with a potential yield on cost of 7.3%. The acquisition is expected to be completed at the end of July 2017 with the building due to be completed in Q2 2019.

Preliminary sale agreements have also been signed with LCL on three office buildings (Seine, Rhône and Garonne) located in Villejuif for a total of €225 million including duties. The Seine and Rhône assets were sold in H1 2017. The Garonne asset will be sold in Q3 2017.

Disposals carried out by the Commercial Property Investment Division in H1 2017 amounted to €125.3 million.

Synergies achieved between Commercial Property Investment and Property Development

As part of a Commercial Property Investment and Property Development joint project, Icade has signed a framework agreement with Latécoère for the company's historic site in Toulouse. The development programme provides for the completion of Latécoère's new headquarters in 2019 (an off-plan lease agreement has already been signed for a floor area of over 11,000 sq.m), where Icade's Property Investment Division will be the investor. The development will total about 70,000 sq.m. The Property Development Division will build the housing section of the project.

Valuation of the property portfolio

As of December 31, 2016, the value of the whole property portfolio increased by 1.6% compared with December 31, 2016. It expanded by 0.9% on a like-for-like basis, including:

- 0.6% in the healthcare portfolio value as a result of slight yield compression in the most significant assets in this portfolio;
- 1,4% in the office portfolio, driven by yield compression in the most secure assets (especially Eqho, Crystal Park, PB5);
- 0.2% in the business park portfolio.

After a year 2016 marked by substantial restructuring in the company's liabilities, Icade's average cost of debt drops significantly in 2017

The cost of debt was greatly reduced as of June 30, 2017, reaching 1.68% vs. 2.18% in 2016.

In H1 2017, Icade took out €150 million in forward swaps at an average rate of 0.63% and a long average maturity, of 8.3 years, making sure that the company will keep benefiting from today's very low interest rates in the long term.

1.2. Events after the balance sheet date

Financing

After a year 2016 marked by significant restructuring in the company's liabilities, in July 2017 Icade is continuing its policy of optimising its funding structure, in a favourable market environment.

On July 13, 2017, Icade prepaid a private placement (USPP) with a short residual maturity for €85.0 million, with a view to optimising its cost of debt and average debt maturity. Furthermore, the group's funding structure was reinforced by renewing revolving credit lines prior to maturity and by setting up new ones for a total of €170 million in July 2017.

Proposed acquisition of Eurazeo's controlling interest in ANF Immobilier

Icade, ANF and Eurazeo have entered into an exclusive negotiation agreement for the acquisition by Icade of Eurazeo's controlling interest in ANF Immobilier. This acquisition is subject to satisfaction of several conditions precedent, in particular obtaining the opinion of the employee representative bodies of the relevant companies and having entered into a bilateral agreement with respect to the sale by ANF Immobilier of residential and retail property assets in Marseille and Lyon. Subject to satisfaction of conditions precedent, the acquisition should take place in the fourth quarter of 2017.

Once the acquisition of the controlling interest has been carried out, Icade will file a Mandatory Public Tender Offer for ANF Immobilier's remaining share capital.

1.3. Income and cash flow statements

1.3.1. IFRS consolidated income statement

As of June 30, 2017, IFRS net profit/(loss) attributable to the Group stood at €77.2 million, a very substantial improvement compared to June 30, 2016, driven by:

- Significant improvement in operating activities across the three business lines;
- Strong rise in income from asset disposals.

Current finance income/(expense) improved strongly in the context of a significant reduction in the average cost of debt.

The following presentation of the income statement, with a breakdown between current and non-current items, makes it possible to directly identify the Group's net current cash flow as of June 30, 2017 and the other non-current items.

	06/30/2017			06/30/2016			
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total	Change
REVENUE	775.9		775.9	651.9		651.9	19.0%
Income from operating activities	**778.0**		**778.0**	**654.6**		**654.6**	
Purchases used	(394.6)		(394.6)	(298.0)		(298.0)	
Outside services	(56.7)		(56.7)	(48.6)		(48.6)	
Taxes, duties and similar payments	(0.6)		(0.6)	(5.1)		(5.1)	
Staff costs, performance incentive scheme and profit sharing	(62.8)		(62.8)	(57.0)		(57.0)	
Other operating expenses	(12.1)		(12.1)	(2.9)		(2.9)	
Operating expenses	**(526.8)**		**(526.8)**	**(411.6)**		**(411.6)**	
EBITDA	251.2		251.2	243.0		243.0	3.4%
Depreciation charges net of investment government grants		(162.3)	(162.3)		(159.9)	(159.9)	
Charges and reversals related to impairment of tangible, financial and other current assets		25.6	25.6		18.8	18.8	
Profit/(loss) from acquisitions					0.7	0.7	
Profit/(loss) from asset disposals		46.3	46.3		3.1	3.1	
Impairment of goodwill and intangible fixed assets							
Share of profit/(loss) of equity-accounted companies	9.0	(5.2)	3.8	8.8	(13.7)	(4.9)	
OPERATING PROFIT/(LOSS)	260.2	(95.5)	164.6	251.8	(151.0)	100.8	63.3%
Cost of gross debt	(43.9)		(43.9)	(66.1)		(66.1)	
Net income from cash and cash equivalents, related loans and receivables	3.3		3.3	3.8		3.8	
Cost of net debt	**(40.5)**		**(40.5)**	**(62.3)**		**(62.3)**	**(35.0%)**
Other finance income and expenses	(5.3)	(5.2)	(10.5)	(1.6)	(0.6)	(2.2)	
FINANCE INCOME/(EXPENSE)	(45.8)	(5.2)	(51.0)	(63.9)	(0.6)	(64.5)	(20.9%)
Income tax	(19.8)	0.1	(19.7)	(9.0)	0.5	(8.6)	
Profit/(loss) from discontinued operations		(0.1)	(0.1)	2.1		2.1	
NET PROFIT/(LOSS)	194.6	(100.7)	93.9	180.9	(151.1)	29.8	215.1%
Net profit/(loss) attributable to non-controlling interests	37.6	(21.0)	16.6	35.1	(20.6)	14.4	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**157.0**	**(79.8)**	**77.2**	**145.9**	**(130.5)**	**15.4**	**401.3%**
Average number of diluted shares outstanding used in the calculation			73,979,298			73,638,734	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in euros per share after dilution)	**2.12**	**(1.08)**	**1.04**	**1.98**	**(1.77)**	**0.21**	

1.3.2. Group net current cash flow

Group net current cash flow is one of Icade's key indicators since it includes items from both the Property Investment and the Property Development divisions. It serves as the basis for the dividend policy. It breaks down into the Group's three business activities and includes in particular the indicator "EPRA earnings" from both Property Investment divisions.

Group net current cash flow sharply increased to €157.0 million (€2.12 per share) as of June 30, 2017, versus €145.9 million as of June 30, 2016 (€1.98 per share), corresponding to an increase of 7.6%.

This improvement is the result of the performance of all business activities. The Commercial Property Investment Division, the Healthcare Property Investment Division and the Property Development Division all posted growing NCCF: 8.0%, 6.1% and 111.6%, respectively.

As of June 30, 2017, their respective contributions to Group NCCF were 65.6%, 30.2%, and 6.7%. It should be noted that all holding company costs are included in the Commercial Property Investment Division.

1.3.3. Segment reporting

As of June 30, 2017, segment reporting is divided into four main categories: Commercial Property Investment Division, Healthcare Property Investment Division, Property Development Division and "Other".

Holding company activities are included in the Commercial Property Investment Division.

	06/30/2017				06/30/2016				Change 2017 vs. 2016	
(in millions of euros)	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	NCCF
Commercial Property Investment	98.5	67.5%	103.0	65.6%	91.5	67.2%	95.3	65.4%	7.6%	8.0%
Healthcare Property Investment	47.4	32.5%	47.4	30.2%	44.6	32.8%	44.6	30.6%	6.1%	6.1%
Total Property Investment (a)	145.8	100.0%	150.3	95.7%	136.1	100.0%	140.0	96.0%	7.1%	7.4%
Property Development			10.5	6.7%			4.9	3.4%		111.6%
Other (b)			(3.8)	(2.4%)			0.9	0.6%		N/A
Total Group			157.0	100.0%			145.9	100.0%		7.6%
Total Group (in euros per share)	1.97		2.12		1.85		1.98		6.6%	7.1%

(a) 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.

1.4. EPRA reporting as of June 30, 2017

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. They are all standard indicators for the property investment sector.

The following indicators are presented in the following pages:

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

1.4.1. EPRA net asset value as of June 30, 2017

The NAV is the main indicator of the company's year-on-year value creation efficiency. It measures the value of Icade, after distribution of dividends, based on two parameters: on the one hand, the changes in equity, and on the other hand, the changes in value of asset portfolios, liabilities and the Property Development companies.

The Icade Group's triple net asset value stood at €5,809.4 million as of June 30, 2017 (€78.6 per share), a decrease of -0.2% compared to December 31, 2016. After being adjusted for the dividend paid during the period (€4.0 per share), triple net asset value shows an improvement of +5,0% compared to December 31, 2016.

(in millions of euros)		**06/30/2017**	**12/31/2016**	**06/30/2016**
Consolidated equity attributable to the Group [(a)]	(1)	**3,229.2**	**3,435.2**	**3,344.3**
Impact of dilution from securities convertible or exchangeable into Icade shares [(b)]	(2)	**0.0**	**0.0**	**0.0**
Unrealised capital gains on property assets (excl. duties)	(3)	2,536.3	2,377.1	2,200.9
Unrealised capital gains on investments in equity-accounted Property Investment companies (excl. duties)	(4)	15.1	22.8	22.0
Unrealised capital gains on Property Development and Property Services companies [(c)]	(5)	92.0	81.5	61.5
Unrealised capital gains on investments in equity-accounted Property Development companies	(6)	45.9	47.1	40.6
Unrealised capital gains	(7) = ∑ (3 to 6)	**2,689.3**	**2,528.5**	**2,325.0**
Tax on unrealised capital gains on investments in Property Development and Property Services companies [(d)]	(8)	(10.2)	(10.3)	(12.4)
Tax on unrealised capital gains	(9)=(8)	**(10.2)**	**(10.3)**	**(12.4)**
Revaluation of fixed-rate debt	(10)	**(98.8)**	**(132.4)**	**(183.4)**
EPRA triple net asset value attributable to the Group	(11) =(1)+(2)+(7)+(9)+(10)	**5,809.4**	**5,820.9**	**5,473.6**
(in euros per share)	(11)/n	78.6	78.7	74.2
Change during the half-year		*(0.2%)*		
Adjustment for tax on unrealised capital gains	-(9)	10.2	10.3	12.4
Adjustment for revaluation of fixed-rate debt	-(10)	98.8	132.4	183.4
Adjustment for revaluation of interest rate hedges	(12)	(7.0)	1.2	62.7
EPRA net asset value attributable to the Group	(13) = (11)-(9)-(10)+(12)	**5,911.5**	**5,964.9**	**5,732.1**
(in euros per share)	(13)/n	79.9	80.6	77.7
Change during the half-year		*(0.8%)*		
Number of fully diluted shares [(e)]	n	73,949,951	73,987,751	73,779,542

(a) Including Net profit attributable to the Group of +€77.2 million as June 30, 2017.
(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) As of June 30, 2017, unrealised capital gains only came from Property Development companies, as was the case at December 31, 2016.
(d) Calculated at a rate of 34.43% for shares held for less than two years and at a rate of 4.13% for shares held for more than two years.
(e) Stands at 73,949,951 as of June 30, 2017, after cancelling treasury shares (-241,144 shares) and the positive impact of dilutive instruments (+79,909 shares).

The change in triple net asset value over the period is detailed in the table below.

EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2016 (in euros per share)	€78.7
Dividends paid in H1	€(4.0)
Consolidated profit/(loss) for the year attributable to the Group	+€1.0
Change in fair value of financial derivatives	+€0.2
Change in unrealised capital gains on real estate assets and investments in equity-accounted Property Investment companies	+€2.0
Change in unrealised capital gains on Property Development companies	+€0.1
Change in fair value of fixed-rate debt	+€0.5
Impact of the change in number of diluted shares on NAV per share	+€0.0
Other	€(0.0)
EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 06/30/2017 (in euros per share)	+€78.6

The trend in EPRA triple net asset value can be explained by the following:

- The dividend payment made in April 2017, which caused a decrease of -€4.0 per share in EPRA NAV;
- Performance of the different business lines with a significant increase in Group net current cash flow (7.6%) compared to June 30, 2016;
- Increase in value of property assets from the Property Investment Divisions (Commercial and Healthcare) with a like-for-like rise of €82.2 million (+0.9%).

1.4.2. EPRA earnings from Property Investment

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

(in millions of euros)		06/30/2017	06/30/2016
	NET PROFIT/(LOSS)	93.9	29.8
	Net profit/(loss) from other activities (a)	8.2	7.3
(a)	NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT	85.7	22.5
(i)	Change in value of investment properties and depreciation charges	(132.1)	(137.3)
(ii)	Profit/(loss) from asset disposals	46.2	2.8
(iii)	Profit/(loss) from acquisitions	(0.1)	(1.2)
(iv)	Tax on profits from disposals and impairments		
(v)	Negative goodwill on acquisition / goodwill impairment	0.1	1.9
(vi)	Change in fair value of financial instruments and restructuring of financial liabilities	(5.2)	(0.7)
(vii)	Acquisition costs on share deals		
(viii)	Tax charge related to EPRA adjustments		0.3
(ix)	Adjustment for equity-accounted companies	(5.4)	(13.8)
(x)	Minority interests (Healthcare Property Investment)	36.4	34.4
(b)	TOTAL ADJUSTMENTS	(60.1)	(113.6)
(a-b)	EPRA EARNINGS FROM PROPERTY INVESTMENT	145.8	136.1
	Average number of diluted shares outstanding used in the calculation	73,979,298	73,638,734
	EPRA EARNINGS FROM PROPERTY INVESTMENT IN € PER SHARE	1.97	1.85

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

EPRA earnings from Property Investment totalled €145.8 million as of June 30, 2017, up +7.1% year-on-year. This significant increase was driven by strong operational performance in Healthcare and Commercial Property Investment.

1.4.3. 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 buildings of healthcare facilities. It is carried out after adjustment for Icade Santé's minority interests.

	06/30/2017	12/31/2016	06/30/2016
ICADE NET YIELD [(a)]	**6.2%**	**6.4%**	**6.9%**
Impact of estimated duties and fees	(0.3)%	(0.3)%	(0.4)%
Adjustment for potential rents from vacant properties	(0.4)%	(0.4)%	(0.6)%
EPRA TOPPED-UP NET INITIAL YIELD [(b)]	**5.4%**	**5.7%**	**5.8%**
Inclusion of rent-free periods	(0.5)%	(0.6)%	(0.5)%
EPRA NET INITIAL YIELD [(c)]	**5.0%**	**5.1%**	**5.4%**

(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 down 0.1 pp compared to December 31, 2016, mainly due to a like-for-like increase in appraised values of €82.2 million (0.9% for the entire portfolio).

1.4.4. 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 Commercial Property Investment portfolio after adjustment for Icade Santé's minority interests.

	06/30/2017	12/31/2016	06/30/2016
Total office and business park assets	8.3%	9.0%	12.6%
Other assets	16.2%	16.5%	16.6%
COMMERCIAL PROPERTY INVESTMENT DIVISION (excluding Residential)	**8.4%**	**9.1%**	**12.6%**
HEALTHCARE PROPERTY INVESTMENT DIVISION (based on proportionate consolidation)	**0.0%**	**0.0%**	**0.0%**
TOTAL PROPERTY INVESTMENT (excluding Residential)	**6.6%**	**7.1%**	**9.8%**

The EPRA vacancy rate strongly declined over the past 12 months, especially due to the completion in H2 2016 of the Veolia and Millénaire 4 buildings, both fully pre-leased, and the disposal of non-core business parks that had a high vacancy rate. Compared to December 31, 2016, the EPRA vacancy rate improved by 0.5 pp to 6.6%, as a corollary of the higher financial occupancy rate of the Commercial Property Investment Division.

1.4.5. EPRA cost ratio for the Property Investment Division

The data below present a detailed calculation of the cost ratio, in accordance with the definition recommended by EPRA, for operations of the Commercial Property Investment (excluding Residential Property Investment) and Healthcare Property Investment divisions (after adjustment for minority interests).

		06/30/2017	06/30/2016
	Includes:		
(i)	Structural costs and other overhead costs	(48.4)	(42.7)
(ii)	Service charges net of recharges to tenants	(23.3)	(17.8)
(iii)	Management fees net of actual/estimated profit element		
(iv)	Other recharges intended to cover overhead expenses	20.6	19.8
(v)	Share of equity-accounted companies of overheads and expenses	(2.1)	(1.4)
(vi)	Share of non-controlling interests of overheads and expenses	3.4	3.6
	Excludes:		
(vii)	Depreciation of investment properties	-	-
(viii)	Ground rent costs	(1.0)	(1.1)
(ix)	Other service charge costs recovered through rents but not separately invoiced	(0.1)	(0.1)
(A)	**EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)**	**(48.7)**	**(37.3)**
(x)	Direct vacancy costs	(15.9)	(20.3)
(B)	**EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)**	**(32.8)**	**(17.0)**
(xi)	Gross rental income less ground rent costs	284.5	280.9
(xii)	Other service charge costs recovered through rents but not separately invoiced		
(xiii)	Plus: share of rental income less ground rent costs of equity-accounted companies	5.6	5.3
(xiv)	Share of non-controlling interests of rental income less ground rent costs	(46.1)	(44.7)
(C)	**GROSS RENTAL INCOME**	**244.0**	**241.6**
(A/C)	**EPRA COST RATIO - PROPERTY INVESTMENT (INCL. DIRECT VACANCY COSTS)**	**20.0%**	**15.4%**
(B/C)	**EPRA COST RATIO - PROPERTY INVESTMENT (EXCL. DIRECT VACANCY COSTS)**	**13.4%**	**7.0%**

Following an improvement in the rental situation in the past 18 months and, at the end of 2016, the disposal of the business parks that strongly contributed to the vacancy rate, vacancy costs went down by as much as -21.7% compared to June 30, 2016.

Nevertheless, the EPRA cost ratio increased between June 30, 2016 and June 30, 2017:

- +4.6 pps including vacancy costs;
- +6.4 pps excluding vacancy costs.

This trend can be explained by the non-recurring items recorded in H1 2017:

- An increase in service charges net of recharges to tenants of €5.5 million, most of which relates to:
  - Provisions net of non-recurring reversals for compensation payments for termination of lease in relation to future development projects, for €8.0 million;
  - Cost of demolishing a property for €1.9 million;
  - Offset by the relief from land tax obtained in connection with the EQHO tower for €4.1 million, and a €2.4 million positive impact from a long-standing dispute.
- An increase in structural costs and other overhead costs of €5.7 million, most of which relates to the costs of relocating Icade's headquarters to the Open building in September 2017 and the impact of introducing the bonus share plan at the end of 2016.

After adjustment for non-recurring items having an impact on service charges net of recharges to tenants, as of June 30, 2017 the EPRA cost ratio showed a year-on-year increase of:

- 2.0 pps including vacancy costs
- 3.9 pps excluding vacancy costs.

1.5. Financial resources

Icade's balance sheet fundamentals continued to strengthen, in particular with a strong improvement in average cost of debt, which was down 50 bps compared to December 31, 2016. The average cost of debt reached its historical low, at 1.68% for H1 2017 vs. 2.18% as of December 31, 2016, thanks in particular to the debt restructuring process carried out in H2 2016.

The average debt maturity was still over 6 years, at 6.2 years as of June 30, 2017, compared to 6.6 years as of December 31, 2016.

In H2 2017, the company will continue to optimise its debt, in a favourable liquidity and interest rate environment.

1.5.1. Cash

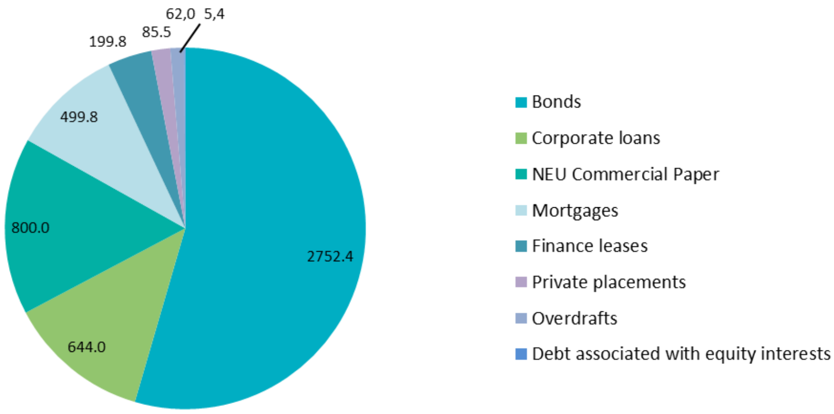
Icade's funding was strengthened during H1 2017 as the outstanding amount of NEU Commercial Paper was increased. As of June 30, 2017, NEU Commercial Paper outstanding amounted to €800 million (up €271.5 million between December 31, 2016 and June 30, 2017). Icade's credit quality allows the company to issue short-term debt on extremely favourable terms. During the half-year, all NEU Commercial Paper was issued at negative interest rates.

Icade has a fully-available undrawn amount from short- and medium-term credit lines of €1,580 million, unchanged compared to December 31, 2016. These undrawn amounts as of June 30, 2017 cover two years of debt principal and interest payments.

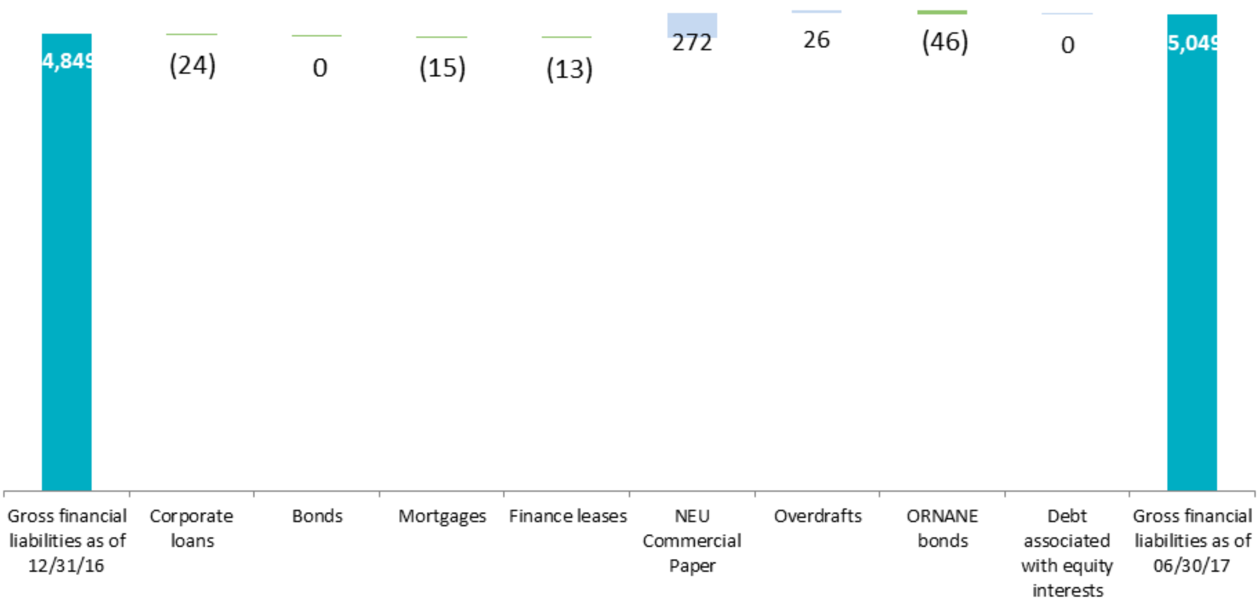
1.5.2. Debt structure as of June 30, 2017

1.5.2.1. Debt by type

As of June 30, 2017, gross financial liabilities stood at €5,048.8 million and broke down as follows:



As of December 31, 2016, gross financial liabilities amounted to €4,849.0 million. The €199.8 million change is explained in the following graph:



From December 31, 2016 to June 30, 2017, the change in gross financial liabilities is mainly explained by the higher outstanding amount of NEU Commercial Paper (€271.5 million) and the final payment of the ORNANE bond (€46 million).

Net financial liabilities amounted to €4,742.5 million as of June 30, 2017, representing an increase of €291.2 million compared to December 31, 2016.

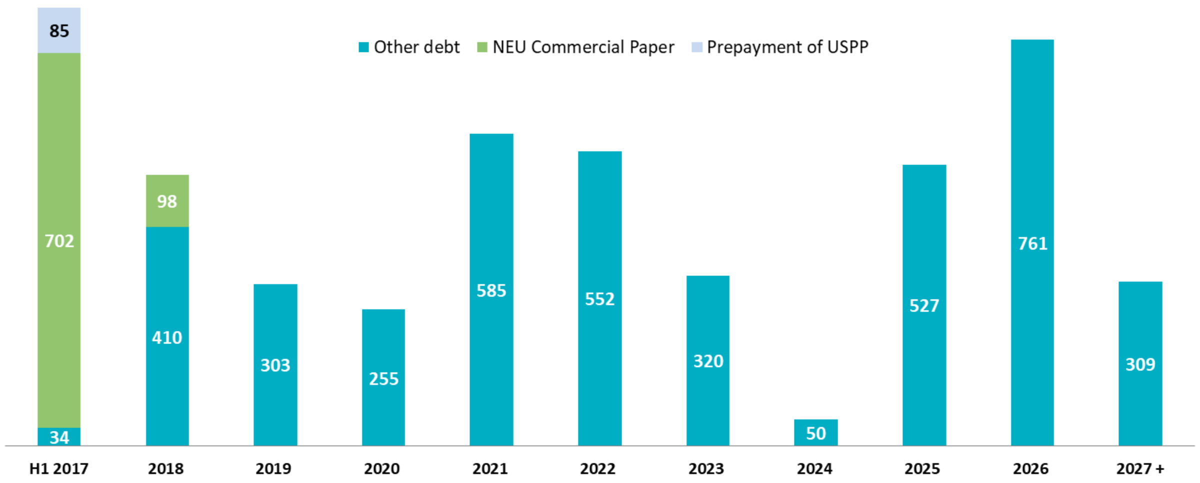
The change between these two dates primarily stems from the increase in short-term financial liabilities and the payment of dividends.

1.5.2.2. Debt by maturity date

The maturity schedule of debt drawn by Icade (excluding overdrafts) as of June 30, 2017 is as follows:

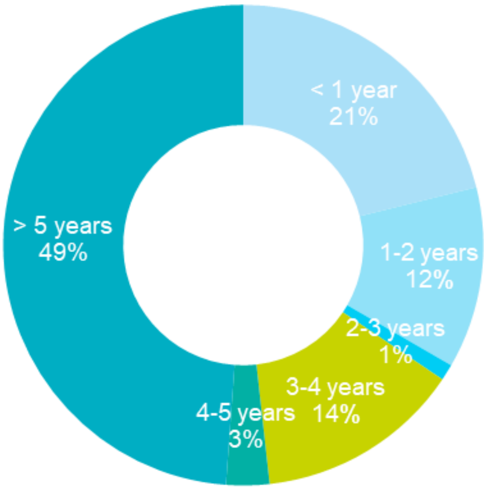
MATURITY SCHEDULE OF DRAWN DEBT

(June 30, 2017, in millions of euros)



BREAKDOWN OF DEBT BY MATURITY

(June 30, 2017)



The average debt maturity was 6.2 years as of June 30, 2017 (excluding NEU Commercial Paper), versus 6.6 years as of December 31, 2016.

1.5.2.3. Debt by division

After allocation of intra-group financing, 95% of the Group's debt relates to the Commercial and Healthcare Property Investment divisions, the remainder being allocated to the Property Development Division. As part of its strategic plan, Icade has reinforced the financial management of its Property Development subsidiary by adopting a capital allocation policy that is more in line with the level required by its activity.

1.5.2.4. Average cost of debt

In H1 2017, the average cost of debt was 1.58% before hedging and 1.68% after hedging, compared with 1.80% and 2.18% respectively in 2016.

This strong decrease in average cost of debt between 2016 and H1 2017 was achieved through the proactive management of existing debt and interest rate hedges which was initiated in 2016 and continued in 2017.

1.5.2.5. Management of interest rate risk exposure

Variable rate debt represented nearly 20% of total debt as of June 30, 2017 (excluding debt associated with equity interests and bank overdrafts).

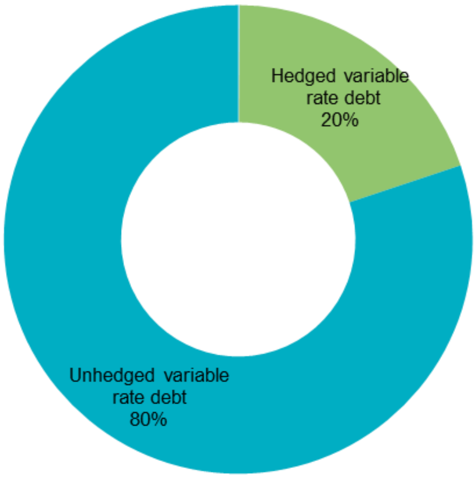
In H1 2017, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps).

In particular, long-term forward swaps for a notional amount of €150 million were concomitantly taken out to make sure the company will keep benefiting from today's historically low interest rates in the long term.

As of June 30, 2017, all variable rate debt was hedged.

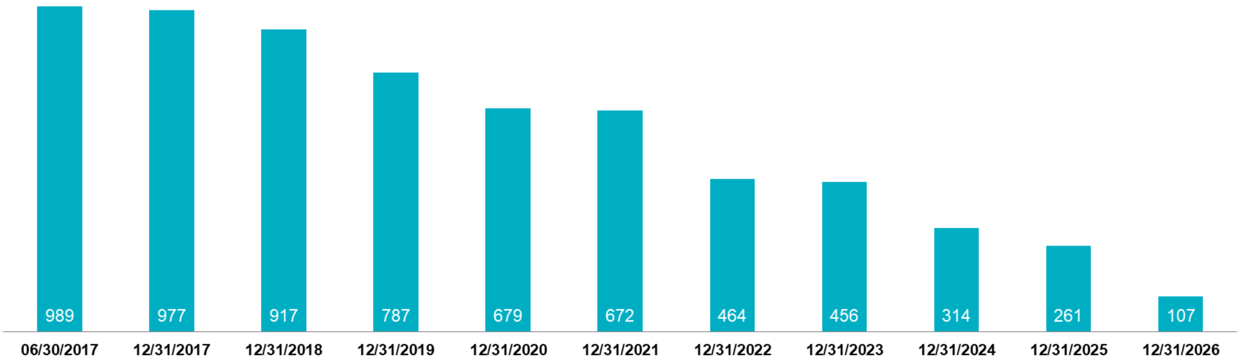
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING PAYABLES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(June 30, 2017)



OUTSTANDING HEDGING POSITIONS *

(June 30, 2017, in millions of euros)



*excluding notionals from floors (when used to hedge the same debt as caps)

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 2.8 years and that of the associated hedges is 5.1 years.

Finally, Icade favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; this involves the recognition of changes in fair value of these instruments in equity (for the effective part), rather than in the income statement.

1.5.3. Credit rating

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

After its annual review, in September 2016, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2.

1.5.4. Financial structure

1.5.4.1. Financial structure ratios

1.5.4.1.1. LTV (loan-to-value) ratio

The LTV or loan-to-value ratio, which is the ratio of net financial liabilities and the latest valuation of the property portfolio excluding duties (total share) plus the value of property development companies, stands at 39.4% as of June 30, 2017 (compared with 37.9% as of December 31, 2016).

This ratio is still well below the maximum levels established by the financial covenants stipulated in the bank agreements (52% where this ratio is mentioned as a covenant). The reference LTV ratio used for the purposes of covenants stands at 41.2% as of June 30, 2017, versus 39.5% as of December 31, 2016.

If the value of the portfolio used for its calculation was including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 37,3% as of June 30, 2017.

1.5.4.1.2. ICR (Interest Coverage Ratio)

The interest coverage ratio based on the EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 6.29x for H1 2017. This ratio, which was calculated using the same method as in the previous financial year, rose sharply on a year-over-year basis (4.71x for the financial year 2016), thanks in particular to the restructuring of liabilities which resulted in a lower cost of debt.

	06/30/2017	12/31/2016
Ratio of net financial liabilities/asset value (LTV) [(a)]	39.4%	37.9%
Interest coverage ratio (ICR) based on the EBITDA plus the Group's share in profit/(loss) of equity-accounted companies	6.29x	4.71x

(a) Includes the balance sheet value of the Property Development companies.

1.5.4.2. Table of covenants

		Covenants	06/30/2017
LTV covenant [(a)]	Maximum	< 52%	41.2%
ICR	Minimum	> 2	6.29x
CDC's stake	Minimum	34%	38.99%
Value of Property Investment assets [(b)]	Minimum	From > €3bn to > €7bn	€11.5bn
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	0.9%
Security interests in assets	Maximum	< 20% of property investment assets	6.1%

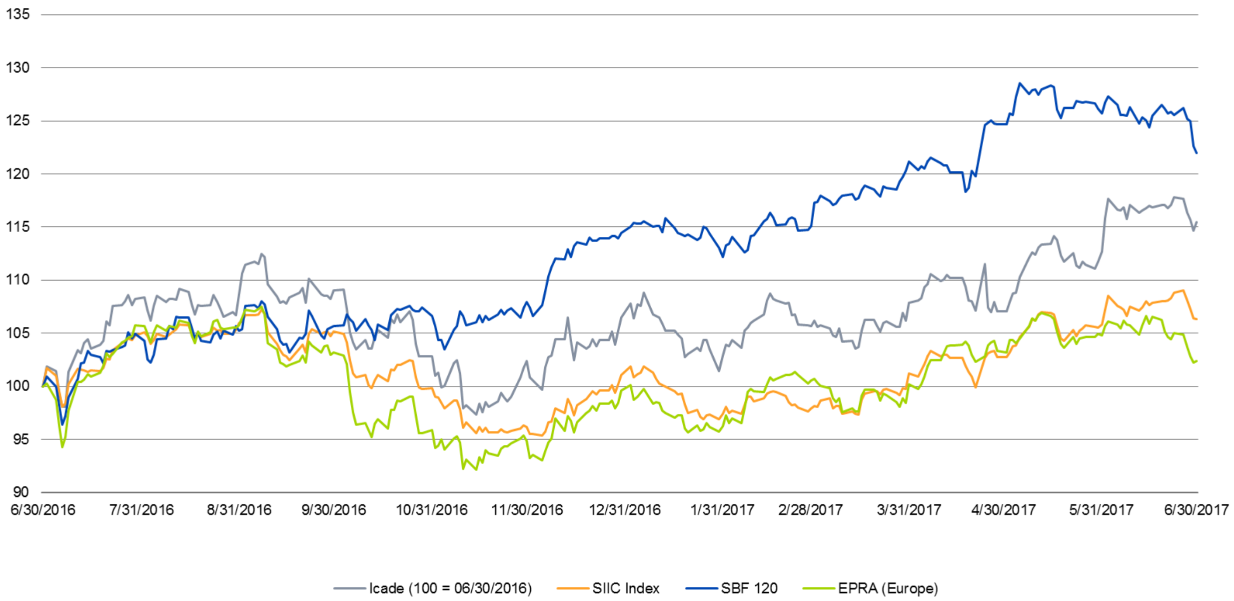
(a) Excluding other loans and similar liabilities (LTV < 50%)

(b) About 8% of the debt subject to a covenant on the value of the Commercial Property Investment Division's portfolio has a limit of €3 billion, 15% of the debt has a limit of €5 billion and the remaining 77% has a limit of €7 billion.

All covenants were met as of June 30, 2017, and remain comfortably within the limits.

1.6. Share performance

Icade's share price vs. EPRA Europe, SIIC Index and SBF 120 from 06/30/2016 to 06/30/2017
(100 = Icade's share price as of 06/30/2017)



The Icade share outperformed the SIIC/Foncières France (Euronext)

index and the EPRA Europe index during the period from June 30, 2016 to June 30, 2017, with a market return of 15.4% and 8.4% for the period from December 30, 2016 to June 30, 2017.

2. Property Investment Divisions

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

The Property Investment Division consists of the following activities:

- The Commercial Property Investment Division, whose portfolio includes office assets located in the Paris region and is worth €7.8 billion. It can be broken down between office buildings valued at €4.1 billion and business parks (also mainly composed of office assets) valued at €3.5 billion. A portfolio of residual assets, such as warehouses and residential units (worth €136 million as of June 30, 2017, i.e. 1.8% of the Commercial Property Investment Division's portfolio).
- The Healthcare Property Investment Division, valued at €3.7 billion (€2.1 billion on a proportionate consolidation basis), is mainly made up of buildings of private hospitals such as medicine, surgery and obstetrics (MSO) facilities, and follow-up and rehabilitation care (FRC) facilities.

2.1.1. EPRA income statement for the Property Investment Division

The following table summarises the IFRS income statement for the Commercial and Healthcare Property Investment divisions.

The column "EPRA earnings from Property Investment (Recurring)" shows the main indicator relevant for the analysis of the profit/(loss) of these two divisions.

Therefore, EPRA earnings from Property Investment totalled €145.8 million as of June 30, 2017, up 7.1% compared to June 30, 2016 (see the analysis for each Property Investment division in the following pages).

	06/30/2017			06/30/2016 restated (a)		
(in millions of euros)	EPRA earnings from Property Investment (recurring)	Non-recurring items (b)	Total Property Investment	EPRA earnings from Property Investment (recurring)	Non-recurring items (b)	Total Property Investment
GROSS RENTAL INCOME	292.5	-	292.5	289.4	-	289.4
Land-related costs	(1.0)	-	(1.0)	(1.1)	-	(1.1)
Service charges not recovered from tenants	(19.3)	-	(19.3)	(24.1)	-	(24.1)
Property operating expenses	(9.6)	-	(9.6)	1.7	-	1.7
NET RENTAL INCOME	262.6	-	262.6	266.0	-	266.0
Margin rate (net rental income / gross rental income)	*89.8%*	*0.0%*	*89.8%*	*91.9%*	*0.0%*	*91.9%*
Net operating costs	**(29.1)**	**-**	**(29.1)**	**(25.0)**	**-**	**(25.0)**
Profit/(loss) from other activities	**(0.2)**	**-**	**(0.2)**	**0.3**	**-**	**0.3**
EBITDA	233.3	-	233.3	241.2	-	241.2
Depreciation and impairment of operating assets	(4.5)	0.1	(4.4)	(3.9)	21.0	17.2
Depreciation and impairment of investment properties	-	(132.2)	(132.2)	-	(158.4)	(158.4)
Profit/(loss) from acquisitions	-	-	-	-	0.7	0.7
Profit/(loss) from asset disposals	-	46.2	46.2	-	2.8	2.8
Share of profit/(loss) of equity-accounted companies	3.1	(5.4)	(2.3)	3.3	(13.8)	(10.5)
OPERATING PROFIT/(LOSS)	231.9	(91.3)	140.6	240.6	(147.6)	93.0
Cost of gross debt	(43.9)	-	(43.9)	(66.1)	-	(66.1)
Net income from cash and cash equivalents, related loans and receivables	3.4	-	3.4	3.6	-	3.6
Cost of net debt	**(40.4)**	**-**	**(40.4)**	**(62.5)**	**-**	**(62.5)**
Other finance income and expenses	(2.5)	(5.2)	(7.7)	(2.0)	(0.7)	(2.7)
FINANCE INCOME/(EXPENSE)	(42.9)	(5.2)	(48.1)	(64.6)	(0.7)	(65.2)
Corporate tax	(6.8)	-	(6.8)	(5.6)	0.3	(5.3)
NET PROFIT/(LOSS)	182.3	(96.5)	85.7	170.5	(148.0)	22.5
Net profit/(loss) attributable to non-controlling interests	36.4	(21.0)	15.5	34.4	(20.3)	14.1
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**145.8**	**(75.6)**	**70.3**	**136.1**	**(127.7)**	**8.4**

(a) Profit/(loss) from discontinued operations, previously included in the Commercial Property Investment segment, was reclassified to the "Other" category.

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

2.1.2. Valuation of the Property Investment divisions' property assets

The valuation methods used by the property valuers are described in the notes to the consolidated financial statements, section 4.1 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 Commercial Property Investment Division (including public-sector properties and projects held as part of public-private partnerships, and the Millénaire shopping centre);
- Other assets of the Commercial Property Investment Division, which consist of warehouses and housing units;
- The assets of the Healthcare Property Investment Division.

It should be noted that the assets from the business parks sold in 2016 which have been kept by Icade, i.e. Centaure (previously in the Cergy business park), Les Aigrins (previously in the Villebon business park) and Axe Seine (previously in the Nanterre Seine business park), which were previously classified in the business parks category, were reclassified as office assets for the interim period ended June 30, 2017.

Furthermore, the assets from the Healthcare Property Investment portfolio are valued in proportion to Icade's stake in Icade Santé (56.5%). If these assets were held at 100% of their value, Icade's portfolio would represent €11,506.8 million excluding duties vs. €11,285.3 million at the end of 2016.

(value of the property portfolio excl. duties on a proportionate consolidation basis)	06/30/2017 (in €m)	12/31/2016 (restated*) (in €m)	Change (in €m)	Change (in %)	Like-for-like change (in €m) [(a)]	Like-for-like change (in %) [(a)]	Total floor area (in sq.m)	Prix [(b)] (in €/sq.m)	Net initial yield excl. duties (in %) [(c)]	Reversionary potential (in %) [(d)]	Overall estimated rental value (in €m)	EPRA vacancy rate (in %) [(e)]
Offices												
Paris	414.9	407.2	+7.7	+1.9%	+7.5	+1.9%	31,590	13,133	4.2%	+0.5%	17.6	8.1%
La Défense & surroundings	1,975.7	1,918.2	+57.5	+3.0%	+32.4	+1.7%	306,175	6,453	5.8%	(3.8%)	110.0	7.2%
Other Western Crescent	833.1	790.5	+42.5	+5.4%	+24.5	+3.1%	75,822	10,987	4.9%	+0.5%	41.6	0.3%
Inner Ring	690.1	779.1	(89.1)	(11.4%)	+8.2	+1.2%	126,469	5,456	5.4%	(1.1%)	37.1	0.6%
Outer Ring	18.9	20.2	(1.3)	(6.3%)	(1.1)	(5.5%)	6,294	477	27.8%	(14.6%)	0.8	53.1%
Total Paris region	**3,932.6**	**3,915.2**	**+17.4**	**+0.4%**	**+71.6**	**+1.9%**	**546,351**	**7,169**	**5.4%**	**(2.2%)**	**207.0**	**4.9%**
Outside the Paris region	68.8	71.9	(3.1)	(4.3%)	(0.4)	(0.5%)	2,171	1,492	9.7%	(7.4%)	0.3	23.8%
TOTAL operating office properties [(g)]	**4,001.4**	**3,987.1**	**+14.3**	**+0.4%**	**+71.2**	**+1.8%**	**548,522**	**7,141**	**5.4%**	**(2.2%)**	**207.3**	**4.9%**
Land bank	6.2	5.1	+1.1	+21.3%	+1.1	+21.3%						
Projects under development	95.1	95.9	(0.7)	(0.8%)	(16.0)	(16.7%)						
Floor space pending redevelopment (not leased) [(f)]	1.8	5.8	(3.9)	(68.2%)	(0.6)	(25.9%)						
Off-plan acquisition	34.2	21.7	+12.4	+57.3%	+2.9	+13.3%						
TOTAL OFFICES	**4,138.8**	**4,115.6**	**+23.2**	**+0.6%**	**+58.5**	**+1.5%**	**548,522**	**7,141**	**5.4%**	**(2.2%)**	**207.3**	**4.9%**
Business parks												
Paris	855.9	834.2	+21.7	+2.6%	+18.8	+2.3%	140,162	6,106	5.5%	(0.6%)	47.0	2.2%
Other Western Crescent	131.6	133.9	(2.3)	(1.7%)	(2.8)	(2.1%)	62,746	2,097	8.2%	(2.0%)	10.6	9.3%
Inner Ring	1,278.7	1,258.9	+19.8	+1.6%	+7.3	+0.6%	422,906	3,024	6.7%	(0.6%)	85.8	6.5%
Outer Ring	999.2	986.4	+12.8	+1.3%	+4.2	+0.4%	593,784	1,683	9.4%	(5.1%)	89.6	21.1%
Total operating business parks	**3,265.4**	**3,213.3**	**+52.1**	**+1.6%**	**+27.5**	**+0.9%**	**1,219,598**	**2,677**	**7.3%**	**(2.3%)**	**233.0**	**11.3%**
Land bank	132.0	158.6	(26.6)	(16.8%)	(28.2)	(17.8%)						
Projects under development	100.2	69.0	+31.2	+45.2%	+10.2	+14.8%						
Floor space pending redevelopment (not leased) [(f)]	10.5	10.7	(0.3)	(2.6%)	(0.3)	(2.6%)						
TOTAL BUSINESS PARKS	**3,508.0**	**3,451.7**	**+56.4**	**+1.6%**	**+9.2**	**+0.3%**	**1,219,598**	**2,677**	**7.3%**	**(2.3%)**	**233.0**	**11.3%**
TOTAL OFFICES AND BUSINESS PARKS	**7,646.8**	**7,567.3**	**+79.6**	**+1.1%**	**+67.7**	**+0.9%**	**1,768,120**	**4,062**	**6.2%**	**(2.2%)**	**440.4**	**8.3%**
Other Commercial Property Investment assets [(h)]	136.3	135.1	+1.1	+0.8%	+2.1	+1.5%	78,115	268	12.9%		2.8	16.2%
TOTAL COMMERCIAL PROPERTY INVESTMENT ASSETS	**7,783.1**	**7,702.4**	**+80.7**	**+1.0%**	**+69.8**	**+0.9%**	**1,846,235**	**3,902**	**6.3%**	**(2.2%)**	**443.2**	**8.4%**
Healthcare Property Investment												
Paris region	361.5	359.3	+2.2	+0.6%	+2.0	+0.6%	100,232	3,607	5.9%			0.0%
Outside the Paris region	1,638.9	1,595.2	+43.7	+2.7%	+9.1	+0.6%	681,851	2,404	6.1%			0.0%
TOTAL	**2,000.5**	**1,954.6**	**+45.9**	**+2.3%**	**+11.1**	**+0.6%**	**782,083**	**2,558**	**6.1%**			**0.0%**
Projects under development	103.8	70.1	+33.7	+48.0%	+1.3	+1.9%						
TOTAL HEALTHCARE PROPERTY INVESTMENT	**2,104.3**	**2,024.7**	**+79.6**	**+3.9%**	**+12.4**	**+0.6%**	**782,083**	**2,691**	**6.1%**			**0.0%**
GRAND TOTAL	**9,887.4**	**9,727.1**	**+160.3**	**+1.6%**	**+82.2**	**+0.9%**	**2,628,318**	**3,541**	**6.2%**			**6.6%**
Including assets consolidated using the equity method	*146.1*	*159.5*	*(13.4)*	*(8.4%)*	*(13.2)*	*(8.3%)*						

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

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

(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) Difference noted between the estimated rental value of leased space and gross annualised rental income for the same leasable space (expressed as a percentage of gross rental income). The reversionary potential as calculated above is established without taking into consideration lease expiry schedules and is not subject to discounting.

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

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

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

(h) 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.

2.2. Commercial Property Investment Division

2.2.1. Portfolio overview

The operating property portfolio of Icade's Commercial Property Investment Division (excluding the residential segment) represents nearly 1.85 million sq.m of leasable area and is valued at €7,289 million.

Geographic distribution of the property portfolio by type of asset

As of June 30, 2017

In value terms (in millions of euros)	Offices	Business parks	Warehouses	Subtotal Commercial	Residential	TOTAL	%
Paris region	4,068	3,508	4	7,580	114	7,694	98.9%
% of total	*98.3%*	*100.0%*	*17.8%*	*98.8%*	1		
incl. Paris	426	887	-	1,312	0	1,313	
incl. La Défense & surroundings	2,095	-	-	2,095	-	2,095	
incl. Western Crescent	833	136	-	969	7	976	
incl. Inner Ring	690	1,398	-	2,088	4	2,092	
incl. Outer Ring	24	1,087	4	1,115	102	1,218	
Outside the Paris region	71	-	18	89	-	89	1.1%
% of total	*1.7%*	*0.0%*	*82.2%*	*1.2%*	0		
GRAND TOTAL	4,139	3,508	22	7,669	114	7,783	
% of total value of the property portfolio	53.2%	45.1%	0.3%	98.5%	1.5%		100%

Total floor areas (sq.m) [(a)]	Offices	Business parks	Warehouses	Subtotal Commercial	Residential (b)	TOTAL	%
Paris region	546,351	1,219,598	10,890	1,776,839	181,587	1,958,425	96.2%
% of total	*99.6%*	*100.0%*	*13.9%*	*96.2%*	*95.7%*	*96.2%*	
incl. Paris	31,590	140,162	-	171,753	251	172,004	
incl. La Défense & surroundings	306,175	-	-	306,175	-	306,175	
incl. Western Crescent	75,822	62,746	-	138,568	7,818	146,386	
incl. Inner Ring	126,469	422,906	-	549,375	3,998	553,373	
incl. Outer Ring	6,294	593,784	10,890	610,968	169,520	780,487	
Outside the Paris region	2,171	-	67,225	69,396	8,079	77,475	3.8%
% of total	*0.4%*	*0.0%*	*86.1%*	*3.8%*	*4.3%*	*3.8%*	
GRAND TOTAL	548,522	1,219,598	78,115	1,846,235	189,666	2,035,900	
% of total floor area of the property portfolio	26.9%	59.9%	3.8%	90.7%	9.3%		100.0%

(a) Total floor areas, in sq.m, of operating properties (excluding PPPs) as of June 30, 2017
(b) Excluding the land bank from the Residential property portfolio

Description of the portfolio

- Offices

Icade owns office buildings representing a total leasable floor area of 551,212 sq.m as of June 30, 2017. These assets are mainly located in Paris, La Défense and the Western Crescent.

	12/31/2016	2017 changes			06/30/2017
	Leasable floor area	Asset acquisitions / completions	Asset disposals	Developments / redevelopments	Leasable floor area
Asset class	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*
Paris region	**525,048**	**20,740**	**(22,349)**	**(1,042)**	**522,397**
%	*94.8%*	*100.0%*	*100.0%*	*100.0%*	*94.8%*
incl. Paris	31,716	-	-	(126)	31,590
incl. La Défense & surroundings (*)	276,394	18,690	-	(1,093)	293,991
incl. Western Crescent	56,917	2,050	-	-	58,967
incl. Inner Ring	148,595	-	(22,349)	223	126,469
incl. Outer Ring	11,426		-	(46)	11,380
Outside the Paris region	**28,816**	-	-	-	**28,816**
% of total	*5.2%*	*0.0%*	*0.0%*	*0.0%*	*5.2%*
TOTAL OFFICES	**553,864**	**20,740**	**(22,349)**	**(1,042)**	**551,213**

(*) After reclassification of Axe Seine to the office segment

In line with its strategy of acquisition and rotation of mature and/or non-strategic assets, Icade sold three office buildings in H1 2017. The most important ones are 2 assets located in Villejuif and leased to LCL with a total floor area of 22,349 sq.m.

Furthermore, the 1st phase of the Go Spring asset (14,100 sq.m) was completed in H1 2017. A rent guarantee for a period of 24 months starting on the completion date has been granted.

- Business parks

Icade holds business parks, mainly composed of offices or business premises, in Paris (19th district), Saint-Denis, Aubervilliers, Rungis, Paris-Nord, Colombes, and Fresnes.

The overall leasable floor area of the business parks totals 1,172,871 sq.m as of June 30, 2017.

	12/31/2016	2017 changes			06/30/2017
	Leasable floor area	Acquisitions / completion	Asset disposals	Developments / redevelopments	Leasable floor area
Asset class	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*
Paris region	**1,172,439**	**5,787**	-	**(5,355)**	**1,172,871**
%	*100.0%*	*100.0%*	*0.0%*	*100.0%*	*100.0%*
incl. Paris	138,550			(768)	137,782
incl. La Défense & surroundings (*)	-				-
incl. Western Crescent	62,746				62,746
incl. Inner Ring	395,509	5,787		(1,896)	399,400
incl. Outer Ring	575,634			(2,691)	572,943
Outside the Paris region	-	-	-	-	-
% of total	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
TOTAL BUSINESS PARKS	**1,172,439**	**5,787**	-	**(5,355)**	**1,172,871**

(*) After reclassification of Axe Seine to the office segment

The business parks stand out for their high organic growth potential in the medium and long term due to land still available in addition to the existing constructed areas. This is why the Commercial Property Investment Division concentrates a significant proportion of its investments in this segment, through redevelopments and construction of new buildings.

In 2016, Icade also implemented a marketing plan called "Coach Your Growth with Icade", representing a total investment of €30 million, in order to improve its business parks' attractiveness. The objective of this plan is to offer more products and services to users and improve business parks' operating performance. As of June 30, 2017, expenses incurred in the implementation of the marketing plan amounted to €11 million.

Market update

French commercial real estate investment market (sources: ImmoStat, CBRE, JLL)

In H1 2017, investments in the French commercial property market reached €6.8 billion, including €5.0 billion in the Paris region, in the area covered by ImmoStat. This implies a 27% drop compared to H1 2016 due to a lack of large-scale transactions, the largest of the half-year representing €370 million, to be compared with €800 million in 2016 for the First tower.

However, the market remains very active with investments in excess of €20 billion over a rolling 12-month period, thanks to the large amounts of capital that have been pumped into the real estate market since 2014. As the second half-year is usually more active, transaction activity is likely to remain at a high level in H2 2017, also driven by a more favourable economic environment, the fact that the hurdle of important elections has been overcome, as well as the several transactions above €200 million that are expected to take place by the end of the year.

With 76% of total investments in H1, the **office** segment continues to predominate, especially in the Western Crescent as supply was limited in Paris CBD. It was followed by the **retail** segment with 14% of total investments (mostly relating to retail parks and shops, which is explains why volumes were limited) and by the **industrial and logistics** segment, which represented 10%.

Core assets continue to be sought-after, accounting for 50% of transactions in H1 2017, but transaction activity has been hindered by limited supply. Furthermore, yield-hungry investors are increasingly turning to Core+ and Value Add assets, the latter having accounted for one-third of total investments since the beginning of the year.

While the French 10-year government bond moved up and down during the half-year, **the Paris prime yield was stable at 3.0% with no foreseeable decline**. Real estate still offers a risk premium of as much as 220 bps over the risk-free rate.

Prime yields were also stable across all Paris region markets, with 3.5% in the Western Crescent (for Neuilly/Levallois), 4.25% in la Défense, and 5.5% in the Outer Ring. The Inner Ring stands out for its historic compression from 4.25% to 4.10% in Q2. As regards other regions, the prime yield went down from 4.5% to 3.95% in Lyon in Q1 while it was stable in other markets, at 5.0% in Lille, 5.25% in Bordeaux and 5.5% in Toulouse.

Office rental market in the Paris region (sources: ImmoStat, JLL, Cushman & Wakefield)

Take-up of offices in the Paris region totalled 1.2 million sq.m in H1 2017, a 4% increase compared to H1 2016. With 502,000 sq.m, take-up declined by 16% in Q2 on a year-on-year basis, offsetting part of the strong performance recorded in Q1 (662,000 sq.m, i.e. +26%).

This break in the upward trend is explained by unevenly distributed large transactions between the two quarters, with only 8 in the second one and 20 in the first one. Over a 12-month rolling period, take-up thus decreased to 2.5 million sq.m, but it should stay at this level until the end of the year thanks to positive economic conditions and solid demand. The decrease in Q2 mainly reflects a lack of supply, especially for new and redeveloped buildings, which remain scarce as they represent only 16% of immediate supply.

As a result, nearly 250,000 sq.m are expected to be completed in Paris by 2018. Nevertheless, take-up was focused on areas already equipped with this type of property, such as the Western Crescent and the Inner Ring, where it grew by 100,000 and 80 000 sq.m, respectively. Three large-scale transactions did, however, take place in Inner Ring North, with the Ile-de-France regional government (33,000 sq.m) and RSI (8,600 sq.m), both in Saint-Ouen, and SIACI (7,300 sq.m) in Clichy.

In the Outer Ring, take-up dropped 6% year-on-year to 117,000 sq.m in H1 2017 and was 40% below its long-term average (2006-2016).

- **In the Orly area:** Only 2,200 sq.m were taken up in Q1 2017, in the context of a sluggish market in Outer Ring South (-60% year-on-year). In the absence of new significant leases, immediate supply stands at 91,300 sq.m, its 15-year high, with a vacancy rate of 9,8%.

- **In the Roissy area:** With only 4,226 sq.m in H1 2017, take-up is still well below its average of 12,800 sq.m per half-year since 2010, for lack of any large-scale transactions (only one above 1,000 sq.m), while immediate supply adds up to 98,000 sq.m (hence a vacancy rate of 7%). This situation can be explained by the cyclical nature and geographically small size of the market. Aéroport de Paris did, however, kick off its "Baïkal" speculative development project during the first quarter.

In Q2 2017, **immediate supply** continued to stabilise, as it had done since the end 2016, and stood at 3.5 million sq.m, causing physical vacancy to remain at 6.2% and a 5% year-on-year fall. Historically low vacancy of 3.1% in Paris is putting pressure on prices, while the vacancy rate in La Défense continues to decrease from its 2014 high and currently stands at 8.4%, with most of the supply involving second-hand space.

While vacancy rates in the Western Crescent and the Inner Ring are still higher than the Paris region average, at 10.7% and 8.1%, respectively, these markets are likely to satisfy the demand as they originate 60% of the supply of new space (218,000 sq.m in the Western Crescent, half of which in Péri-Défense and 126,000 sq.m in the Inner Ring).

In H1 2017, headline rental values (in €/sq.m/year excluding taxes and duties) for new and redeveloped space went up in Paris (€500/sq.m on average) and in the Western Crescent (€380/sq.m on average), against the backdrop of a decline in high-quality supply that will continue until the next completions of significant projects, which are not expected to happen until mid-2018.

The prime headline rent in Paris CBD reached €800/sq.m (maximum value observed), with several transactions above the €750/sq.m mark, while leasing activity in Cœur Défense made it possible for the La Défense prime rent to remain stable at €540/sq.m.

In the Inner Ring, the headline rent stands at €286/sq.m as of the end of the quarter for new space vs. €228/sq.m for second-hand space, i.e. 3% above their average since 2010.

Lease incentives remained strong at 21.5% in Q1 2017 (22% twelve months earlier), although with some differences from one area to another, from 17.8% in West Central Paris to 24% in La Défense, bearing in mind that the relative scarcity of new-build supply in that area has had a downward effect on this indicator.

2.2.2. Key figures as of June 30, 2017

Income statement for the Commercial Property Investment Division

	06/30/2017			06/30/2016 restated (a)		
(in millions of euros)	EPRA earnings from Commercial Property Investment (recurring)	Non-recurring items (b)	Total Commercial Property Investment	EPRA earnings from Commercial Property Investment (recurring)	Non-recurring items (b)	Total Commercial Property Investment
GROSS RENTAL INCOME	186.5	-	186.5	186.7	-	186.7
Land-related costs	(1.0)	-	(1.0)	(1.1)	-	(1.1)
Service charges not recovered from tenants	(18.0)	-	(18.0)	(22.8)	-	(22.8)
Property operating expenses	(9.2)	-	(9.2)	2.2	-	2.2
NET RENTAL INCOME	158.4	-	158.4	165.0	-	165.0
Margin rate (net rental income / gross rental income)	**84.9%**	**0.0%**	**84.9%**	**88.4%**	**0.0%**	**88.4%**
Net operating costs	**(23.0)**	**-**	**(23.0)**	**(18.5)**	**-**	**(18.5)**
Profit/(loss) from other activities	**(0.2)**	**-**	**(0.2)**	**0.3**	**-**	**0.3**
EBITDA	135.2	-	135.2	146.8	-	146.8
Depreciation and impairment of operating assets	(4.5)	0.1	(4.4)	(3.9)	21.0	17.2
Depreciation and impairment of investment properties	-	(84.0)	(84.0)	-	(111.4)	(111.4)
Profit/(loss) from asset disposals	-	46.0	46.0	-	3.1	3.1
Share of profit/(loss) of equity-accounted companies	3.1	(5.4)	(2.3)	3.3	(13.8)	(10.5)
OPERATING PROFIT/(LOSS)	133.8	(43.3)	90.5	146.2	(101.0)	45.3
Cost of gross debt	(38.7)	-	(38.7)	(60.8)	-	(60.8)
Net income from cash and cash equivalents, related loans and receivables	12.5	-	12.5	13.1	-	13.1
Cost of net debt	**(26.3)**	**-**	**(26.3)**	**(47.7)**	**-**	**(47.7)**
Other finance income and expenses	(2.3)	(5.0)	(7.4)	(1.5)	(0.4)	(1.9)
FINANCE INCOME/(EXPENSE)	(28.6)	(5.0)	(33.6)	(49.2)	(0.4)	(49.6)
Corporate tax	(6.8)	-	(6.8)	(5.6)	-	(5.6)
NET PROFIT/(LOSS)	98.5	(48.3)	50.1	91.5	(101.4)	(9.9)
Net profit/(loss) attributable to non-controlling interests	-	-	-	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**98.5**	**(48.3)**	**50.1**	**91.5**	**(101.4)**	**(9.9)**

(a) Profit/(loss) from discontinued operations, previously included in the Commercial Property Investment segment, was reclassified to the "Other" category.

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

Rental income from the Commercial Property Investment Division

(in millions of euros)	06/30/2016	Asset acquisitions	Asset disposals	New builds / Redevelopments	Leasing activity and rent escalation	06/30/2017	Total change	Like-for-like change
France offices	83.5	10.5	(10.8)	1.9	0.4	85.6	2.1	0.6%
Business parks	97.3	-	(11.4)	11.6	(1.9)	95.7	(1.7)	(2.2%)
OFFICES & BUSINESS PARKS	180.8	10.5	(22.2)	13.5	(1.5)	181.3	0.4	(0.9%)
Other assets	8.7	-	(0.4)	-	-	8.3	(0.4)	(0.1%)
Intra-group transactions from Property Investment	(2.9)		-	-	(0.1)	(3.0)	(0.1)	-
GROSS RENTAL INCOME	186.7	10.5	(22.6)	13.5	(1.6)	186.5	(0.2)	(0.9%)

Gross rental income generated by the Commercial Property Investment Division in H1 2017 amounted to €186.5 million, a decrease of €0.2 million compared to 2016 (0.1%).

On a like-for-like basis, rental income was down -0.9%, with +0.6% in the office segment and -2.2% in the business park segment.

Rental income from the office and business park activity went up by +€0.4 million (+0.2%) compared to H1 2016.

The total change in rental income during the interim period ended breaks down as follows:

- Impact of changes in scope of consolidation: +€1.4 million, including:

- Asset acquisitions: +€10.5 million relating to three acquisitions in the office segment in 2016 (Orsud, Parissy and Arc Ouest)

- Asset disposals: -€22.6 million, including:
  - -€11.4 million in rental income due to the sale of non-core business parks carried out in 2016 and -€0.5 million due to redevelopments;
  - -€10.8 million in rental income due to sales of office buildings carried out in 2016, namely Levallois, Haussmann and Défense 3, and in 2017 (Seine and Rhône buildings in Villejuif).

- Completions and redevelopments: +€13.5 million, most of which relates to:
  - +€12.1 million due to the completion of the Millénaire 4 and Veolia buildings in the Millénaire business park in 2016;
  - +€2.0 million due to the completion of Go Spring (first phase) and Défense 456 (completed in H2 2016 and fully leased).

- Leasing activity: -€1.6 million, including +€0.4 million from offices and -€1.9 million from business parks

- +€0.4 million in the office segment, boosted by higher income in the EQHO and PB5 towers, both located in La Défense. This additional income partly offsets the negative impact of the many leases renegotiated in the office property portfolio, especially in the Loire (19,800 sq.m), Axe13 (16,432 sq.m) and Crystal Park (PwC lease renegotiated in 2016) buildings.

- €1.9 million in business parks. The largest decreases relate to the Millénaire business park for €0.7 million (1,930 sq.m of floor space vacated by Numergy in PAT605 in 2016), Rungis (-€0.4 million) and Paris Nord (-€0.3 million).

The variation in indices (ICC, ILAT) resulted in a €0.1 million increase in the half-year ended.

Net rental income from the Commercial Property Investment Division for the year 2017 totalled €158.4 million. The office and business park margin rate stood at 85.7%, down 2.9 pps compared to June 30, 2016.

The sharp decline in net rental income from business parks (-9.6 pps) resulted primarily from the non-recurring impact of provision charges for compensation payments for termination of lease in relation to future development projects.

After adjustment for non-recurring items, rental margin for business parks stands at 84.1%, down 0.7 pp from 2016. On a like-for-like basis, performance during the interim period ended was characterised by vacancy costs kept under control in the business parks. These costs went down by -€0.3 million over the interim period. Therefore, the decline in rental margin is mainly attributable to other items that are not directly related to vacancy per se, such as provisions, severance compensation, etc.

In the office segment, the rental margin soared by +4.4 pps. This positive change results from the combined effect of the improvement in the rental situation and non-recurring financial items, such as the tax relief obtained for the EQHO tower.

After adjustment for non-recurring items, rental margin for offices stands at 91.5 %, up +1.8 pp from 2016.

	06/30/2017			06/30/2016 restated (a)		
(in millions of euros)	Net rental income	Margin	Adjusted margin (b)	Net rental income	Margin	Adjusted margin (b)
France offices	80.6	94.1%	91.5%	74.9	89.7%	89.7%
Business parks	74.7	78.1%	84.1%	85.3	87.7%	84.8%
OFFICES & BUSINESS PARKS	**155.3**	**85.7%**	**87.6%**	**160.2**	**88.6%**	**87.1%**
Other assets	1.1	13.4%	13.5%	2.3	26.5%	26.5%
Intra-group transactions from Commercial Property Investment	1.9			2.5		
NET RENTAL INCOME	**158.4**	**84.9%**	**86.7%**	**165.0**	**88.4%**	**86.9%**

(a) Adjustment for assets transferred from the business park segment to the office segment.
(b) Adjustment for non-recurring items (provisions and reversals of provisions for disputes with tenants)

Net operating costs from the Commercial Property Investment Division stood at €23.0 million in H1 2017, up 24.4% compared to H1 2016 (see explanation on the variation in the section EPRA reporting – EPRA cost ratio from Property Investment). It should be borne in mind that they include all holding company costs.

The recurring portion of the **finance income/(expense)** from the Commercial Property Investment Division amounted to €(28.6) million as of June 30, 2017, vs. €(49.2) million as of June 30, 2016.

This change is mainly attributable to a reduction in cost of debt between June 30, 2016 and June 30, 2017 (1.68% in H1 2017 vs. 2.46% in H1 2016, i.e. -78 bps). Thanks to the restructuring of debt and derivatives implemented by Icade in H2 2016 (prepayment of existing loans, unwinding of short-term swaps, redemption of bonds), cost of net debt went down by nearly 45% between the two periods.

Thus, after taking into account the items above, **EPRA Earnings from Commercial Property Investment** reached €98.5 million as of June 30, 2017 vs. €91.5 million as of June 30, 2016, a 7.6% year-on-year increase.

Other items that had an impact on the net profit/(loss) attributable to the Group from the Commercial Property Investment Division represented a total net charge of €(48.3) million and were mainly comprised of:

- Depreciation and impairment of investment properties of €(84.0) million as of June 30, 2017 vs. €(111.4) million as of June 30, 2016. This positive change can be explained by a positive impact of +€25.2 million recorded in the financial statements for H1 2017 from impairment of investment properties, to be compared with a net charge of €(2.5) million in H1 2016;
- Profit/(loss) from asset disposals of €46.0 million vs. €3.1 million as of June 30, 2016.

In view of the above, **net profit/(loss) attributable to the Group** from the Commercial Property Investment Division reached +€50.1 million as of June 30, 2017 vs. €(9.9) million as of June 30, 2016.

2.2.3. Leasing activity of the Commercial Property Investment Division

	12/31/2016	2017 changes				06/30/2017	New leases		06/30/2017
		Additions	Exits						
	Leased floor area[1]	leasing activity	leasing activity	disposals	Adjustments [2]	Leased floor area	Changes with impact in H1 2017	Impact after H1 2017	Total
Asset class	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*sq.m*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*
Offices	493,175	6,606	(2,445)	-	-	497,336	3,775	-	3,775
Business parks	1,024,887	26,833	(23,381)	-	-	1,028,339	19,903	10,288	30,191
Warehouses	64,039	285		-	-	64,324	285		285
LIKE-FOR-LIKE SCOPE (A)	**1,582,101**	**33,724**	**(25,826)**	**-**	**-**	**1,589,999**	**23,963**	**10,288**	**34,251**
Offices	-	20,740	-	-	(244)	20,496	-	14,391	14,391
Business parks	-	4,372	-		1,769	6,141	-	8,450	8,450
Warehouses	-	-	-	-	(376)	(376)	-	-	-
ACQUISITIONS / COMPLETIONS (B)	**-**	**25,112**	**-**	**-**	**1,149**	**26,261**	**-**	**22,841**	**22,841**
SUBTOTAL (A+B)	**1,582,101**	**58,836**	**(25,826)**	**-**	**1,149**	**1,616,260**	**23,963**	**33,129**	**57,092**
Offices	22,349	-	-	(22,349)	-	-	-	-	-
DISPOSALS (C)	**22,349**	**-**	**-**	**(22,349)**	**-**	**-**	**-**	**-**	**-**
COMMERCIAL PROPERTY INVESTMENT (A)+(B)+(C)	**1,604,450**	**58,836**	**(25,826)**	**(22,349)**	**1,149**	**1,616,260**	**23,963**	**33,129**	**57,092**

[1] *After reclassification of Axe Seine to the office segment*
[2] *Change in floor areas as a result of a new survey by a licensed surveyor*

On a like-for-like basis, the Commercial Property Investment Division's leasing activity in H1 2017 resulted in the addition of 33,724 sq.m and the exit of 25,826 sq.m from the portfolio of leased space, representing a €5.0 million reduction in headline rental income.

The balance between additions and exits during the half-year stands at +7,898 sq.m.

- Like-for-like office portfolio

– On a like-for-like basis, additions to the leased office space totalled 6,606 sq.m. These included mainly 3,039 sq.m leased in the PB5 tower in La Défense, of which 1,038 sq.m to Cognizant Technology.

– Like-for-like exits due to tenant departures represented 2,445 sq.m. No significant exit was recorded in H1 2017.

- Like-for-like business park portfolio

– Out of a total of 26,833 sq.m added to the portfolio of leased space, the main changes were as follows:
  - 4,411 sq.m leased to Grand Paris Aménagement in the Pont de Flandre business park;
  - 1,515 sq.m leased to IMMO 3F in the Le Beauvaisis building, in the Pont de Flandre business park;
  - 3,295 sq.m leased to Wuson Immobilier in the Portes de Paris business park.

– Out of a total of 23,381 sq.m of exits from the portfolio of leased space, the main changes were as follows:
  - 1,829 sq.m vacated by Télé Shopping in the Portes de Paris business park;
  - 1,773 sq.m vacated by Paris Région in the Le Beauvaisis building, in the Pont de Flandre business park;
  - 2,161 sq.m vacated by SCO Aerospace in the Rungis business park.

- Acquisitions / completions

The balance of acquisitions and completed projects reached 25,112 sq.m, resulting primarily from the completion of Go Spring for 14,300 sq.m, Défense 456 for 4,390 sq.m for offices, and from new/completed space in the Portes de Paris business park for about 4,400 sq.m.

In H1 2017, Icade signed 61 new leases representing a total floor area of 57,092 sq.m and €11.5 million of annualised headline rental income, including 18,166 sq.m in the office segment (€3.7 million), 38,641 sq.m in business parks (€7.8 million) and 285 sq.m in warehouses.

These **new leases** mainly concerned the following assets:

- 8,450 sq.m in the Pont de Flandre business park with URSSAFF, where the lease will start after the financial year 2017
- 2,724 sq.m in the Québec building, within the Rungis business park, where the lease will start after the financial year 2017
- 1,514 sq.m in the Beauvaisis building located in the Pont de Flandre business park, with IMMO 3F
- 1,038 sq.m in the PB5 tower in La Défense, with Cognizant Technologies
- 11,088 sq.m in the Latécoère project in Toulouse, where the lease will start after the financial year 2017
- 3,303 sq.m in the Gambetta project in Paris, where the lease will start after the financial year 2017

In the office and business park portfolio, 22 leases were **renewed**, representing a combined floor area of 80,220 sq.m and annualised headline rental income of €22.3 million, with a weighted average unexpired lease term of 7.9 years, i.e. 3 years longer than the average lease term for the portfolio.

Furthermore, the headline rent of renewed leases is, on average, 2.6% higher than the estimated rental value of the assets to which these renewals relate.

It should also be noted that five leases of significant size, accounting for 90% of renewals in terms of rental income, were renewed with first-class tenants:

Il s'agit des baux suivants :

- IFF in the Crystal Park building in Neuilly (5,477 sq.m), which was renewed for a further term of 12 years.
- LCL in the Loire building in Villejuif (19,805 sq.m), which was renewed for a further term of 9 years.
- LCL in the Rhin building in Villejuif (9,968 sq.m), which was renewed for a further term of 7 years.
- AXA in the AXE13 building in Nanterre (16,432 sq.m), which was renewed for a further term of 9 years.
- ABBOTT FRANCE in the Rungis business park (5,419 sq.m), which was renewed for a further term of 3 years.

Taking these changes into account, **the weighted average unexpired lease term** was 4.9 years as of June 30, 2017, a very slight increase (+0.1 year) compared with December 31, 2016 (4.8 years).

As of June 30, 2017, the ten largest tenants generated a combined annual rental income of €122 million (32.8% of the annualised rental income of the Commercial Property Investment portfolio).

Financial occupancy rate and weighted average unexpired lease term

As of June 30, 2017, the **financial occupancy rate** stood at 92.0%, up 0.9 pp compared to December 31, 2016 (91.1%).

There was an improvement in financial occupancy rate both in the office and business park segments.

The office segment was marked by solid operational performance in H1, with no significant tenant departure, and with new leases signed in the La Défense and Nanterre area (PB5 tower and Défense 456). This is in addition to the rent guarantee from which Icade benefits in Go Spring.

The 1.0 pp improvement in financial occupancy rate in business parks results mainly from a positive leasing momentum in the Pont de Flandre business park, which boasts an occupancy rate of nearly 100%.

	Financial occupancy rate (in %)[b]			Weighted average unexpired lease term (In years)[b]	
Asset class	06/30/2017	12/31/2016 (c)	Like-for-like change[a]	06/30/2017	12/31/2016 (c)
Offices	95.3%	94.6%	0.8%	6.2	5.9
Business parks	89.1%	88.1%	1.0%	3.7	3.9
STRATEGIC ASSETS	**92.0%**	**91.1%**	**0.9%**	**4.9**	**4.8**
Warehouses	84.9%	84.7%	0.3%	2.2	1.3
COMMERCIAL PROPERTY INVESTMENT	**92.0%**	**91.1%**	**0.9%**	**4.9**	**4.8**

(a) Excluding completions, acquisitions and disposals for the period

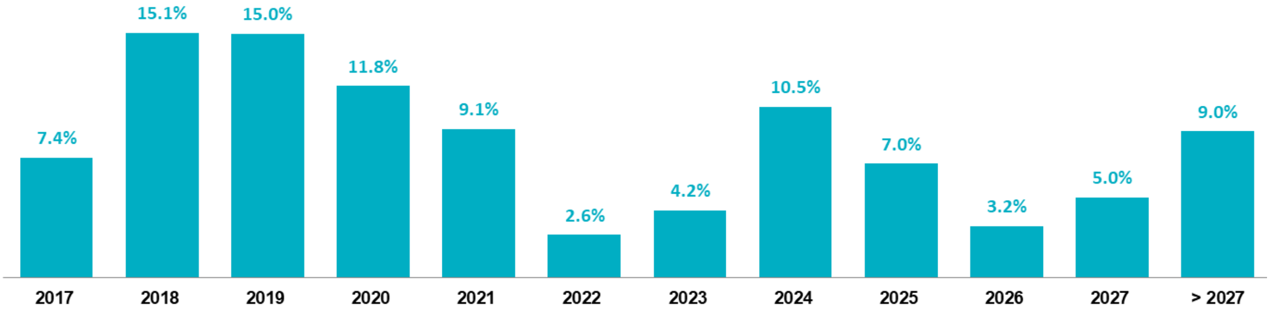
(b) Based on proportionate consolidation

(c) Reclassification of the Axe Seine building from the business park segment to the office segment

The annualised potential rental income from vacant space (excluding structural vacancy estimated at 7% on average in business parks and excluding floor space due to be redeveloped and/or demolished) in operating properties represents €26.8 million, and the related annualised vacancy costs stand at €9.8 million. This means that the Commercial Property Investment Division has an optimisation potential of €36.6 million, representing 17.8% of 2016 EPRA Earnings from Commercial Property Investment.

Lease expiry schedule by segment in terms of annualised rents (in millions of euros)

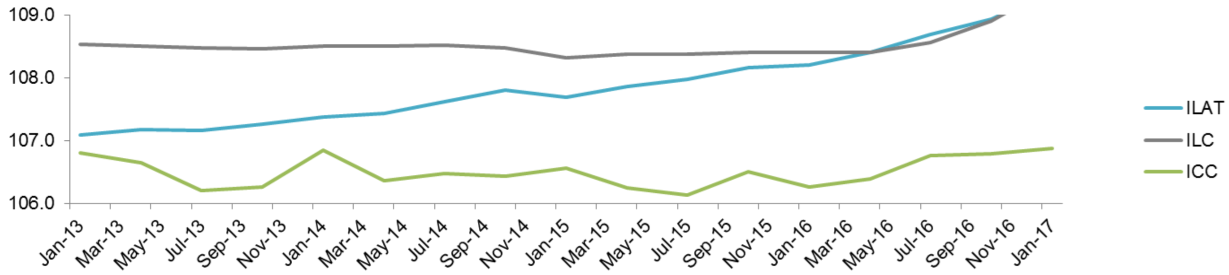
	France offices	Business parks	Warehouses	Total	Share of total
2017	4.6	22.9	-	27.5	7.4%
2018	29.1	26.1	0.9	56.1	15.1%
2019	16.9	38.8	0.3	56.0	15.0%
2020	11.6	31.1	1.2	43.9	11.8%
2021	7.1	26.9	-	34.0	9.1%
2022	1.7	8.2	-	9.8	2.6%
2023	8.2	7.3	-	15.5	4.2%
2024	35.0	4.2	-	39.2	10.5%
2025	8.1	18.1	-	26.2	7.0%
2026	11.6	0.3	-	11.9	3.2%
2027	17.1	1.4	-	18.5	5.0%
> 2027	23.6	9.9	-	33.6	9.0%
TOTAL	**174.5**	**195.1**	**2.5**	**372.1**	**100.0%**



Leases due to expire in 2017:

As of the end of 2016, leases with a potential expiry (end of lease term or break option) in H1 2017 were equivalent to €26.1 million in rental income (of which €21.2 million, i.e. 81.2% in the business park segment). Among these, actual tenant departures represented €3.6 million (14%, i.e. 86% still active/present).

ICC, ILAT and ILC indices over the period 2013 – 2016



(in %)	2016	June 30, 2017
Cost-of-Construction index (ICC)	50.1%	41.3%
Tertiary activities rent index (ILAT)	47.4%	54.3%
Commercial rent index (ILC)	1.6%	2.3%
Other	0.9%	2.1%
TOTAL	**100.0%**	**100.0%**

The proportion of leases subject to the ILAT and ILC indices increased, mostly as a result of changes in indices upon the renewal of significant leases.

The proportion of the ICC index declined for the same reasons, and also owing to the disposal of two assets in Villejuif.

2.2.4. Asset rotation

2.2.4.1. Investments

Investments are presented as per EPRA recommendations: contributions to tenants' fitting out costs, marketing costs and finance costs are grouped under the heading "Other".

In order to finance these investments over the year, Icade used its own cash and corporate lines of credit.

(in millions of euros)	Operating asset acquisitions	Off-plan acquisitions	Projects under development	Other Capex	Other	Total
Offices	4.6	24.5	17.8	21.7	2.0	70.5
Business parks	-	-	21.8	24.0	1.3	47.2
OFFICES & BUSINESS PARKS	**4.6**	**24.5**	**39.6**	**45.7**	**3.3**	**117.7**
Other assets	-	-	-	0.5	0.0	0.6
COMMERCIAL PROPERTY INVESTMENT	**4.6**	**24.5**	**39.6**	**46.2**	**3.4**	**118.3**

Investments made in H1 2017 added up to **€118.3 million**, breaking down as follows:

- Acquisitions of operating assets for a total of **€4.6 million** as of H1 2017. Investments relate to two earnest money payments for the signing of two bilateral preliminary purchase agreements for two real estate developments located in the 18th district of Paris for €74.7 million excluding duties and in Toulouse for €33.8 million excluding duties, with a view to developing two new projects.

- Off-plan acquisitions for a total of **€24.5 million** as of H1 2017:
  - Continuation of construction of the Go Spring development in Nanterre, whose 1st phase was completed in H1 2017 (second phase scheduled for 2019) for €16.2 million as of June 30, 2017;
  - The signing of a preliminary off-plan purchase agreement for a development located on avenue Gambetta in the 20th district of Paris. The total amount of this acquisition is €136.7 million excluding duties, of which €6.8 million was paid in H1 2017;
  - The signing of a preliminary off-plan purchase agreement for an 8,369 sq.m office building in Marseille, for a total amount excluding duties of €28.4 million, of which €1.4 million has already been paid as of June 30, 2017.

- Projects under development for **€39.6 million** (including €17.8 million for offices and €21.8 million for business parks):
  - In the office segment, these investments related to completed or ongoing developments such as the Défense 456 building for €7.3 million (completed in July 2017) and the Origine project for €10.7 million;
  - In the business park segment, these investments included mainly €1.6 million for the 007 building in the Pont de Flandre business park, which is intended for URSSAF, continuation of construction works in the Pulse building belonging to the Portes de Paris business park for €12.3 million, and construction works in the Bucarest building in the Rungis business park for €3.1 million.

- Other capex for **€46.2 million**: These include primarily the renovation costs of the business parks and offices (major maintenance and repairs and restoration work on the premises).

- Other investments representing **€3.4 million**: mainly lease incentives (contributions to tenants' fitting out costs), marketing costs for the assets, and capitalised finance costs of projects under development.

Property development projects

Icade has significant development projects representing a total investment of €1.6 billion and over 300,000 sq.m. Since December 31, 2016, 4 new projects totalling 86,000 sq.m have been launched, including the Origine project in Nanterre Préfecture for 70,000 sq.m.

The weighted capitalisation rate (market) for development projects is 4.7%, the yield on cost based on the fair value of land stands at an average of 6.3% (+160 bps). Lastly, the yield on cost based on the carrying amount of land is 7.0% (+230 bps).

Project name	Location	Type of property	Type of works	Estimated date of completion	Floor area	Expected rent	Yield on cost based on fair value (1)	Total investment (2)	Remaining investment > H1 2017	Premarketing
DEFENSE 456	NANTERRE PREFECTURE	Office	Renovation	07/05/2017	15,850	4.6	5.9%	77.7	-	100%
ORIGINE	NANTERRE PREFECTURE	Office	Redevelopment	Q3 2020 - Q3 2021	70,000	28.9	6.1%	473.8	381	0%
MILLENAIRE 1	MILLENAIRE	Office	Renovation	Q2 2018	29,700	9.9	5.1%	192.4	14	100%
URSSAF	PONT DE FLANDRE	Office	New build	Q3 2019	8,600	3.2	7.4%	39.0	35	100%
PULSE	PORTES DE PARIS	Office	New build	Q4 2018	28,000	8.9	7.0%	120.8	82	0%
POLE NUMERIQUE	PORTES DE PARIS	Offices / Business centre	New build	Q4 2019	9,500	2.1	5.4%	35.4	34	50%
B034	PONT DE FLANDRE	Hotel	Redevelopment	Q2 2019	5,300	1.0	3.8%	24.9	19	0%
BUCAREST	RUNGIS	Office	Redevelopment	Q3 2017	2,000	0.2	2.0%	7.3	1	55%
ROMARIN	RUNGIS	Restaurant shared by several companies	Renovation	Q3 2017	1,200	0.1	N/A	4.2	1	100%
PROJECTS STARTED					**170,150**	**58.7**	**5.9%**	**975.6**	**566**	**36%**
ILÔT B2	MILLENAIRE	Office	New build		39,000	13.9	6.7%	186	167	0%
ILÔT B3	MILLENAIRE	Office	New build		29,000	10.4	7.9%	124	115	0%
ILÔT C1	PORTES DE PARIS	Office	Redevelopment		42,900	14.1	7.3%	183	170	0%
ILÔT D	PORTES DE PARIS	Offices / Hotel	Redevelopment		15,000	2.9	4.8%	60	53	0%
OTTAWA	RUNGIS	Office	Redevelopment		13,100	3.3	6.4%	48	41	0%
MONACO	RUNGIS	Hotel	Redevelopment		4,160	0.6	3.7%	18	14	0%
COMMERCIAL PROJECTS UNDER DEVELOPMENT (not started)					**143,160**	**45.2**	**6.8%**	**618**	**560**	**0%**
TOTAL PIPELINE					**313,310**	**103.9**	**6.3%**	**1,594.1**	**1,126.1**	**20%**

(1) YOC = headline rents / cost of the project as approved by Icade's governance bodies. This cost includes the fair value of land, cost of works, carrying costs and any lease incentives.

(2) Total investment includes the fair value of land, cost of works, lease incentives and finance costs.

2.2.4.2. Asset disposals

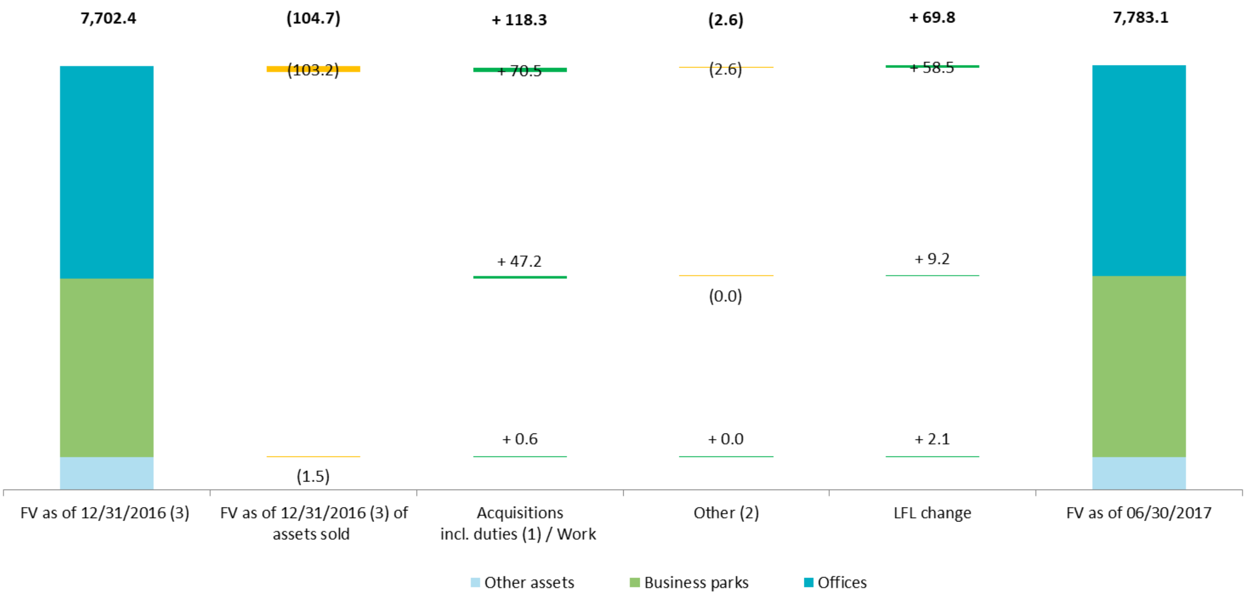
The value of asset disposals carried out in 2017 was €125.3 million.

They included the following transactions:

- The Rhône and Seine office buildings located in Villejuif totalling 22,349 sq.m;
- The portion held by Icade in the Arago tower, in La Défense (2,440 sq.m).

Asset disposals generated an overall capital gain of €46.0 million.

2.2.5. Changes in value of assets from the Commercial Property Investment Division



	FV as of 12/31/2016 [3]	FV as of 12/31/2016 [3] of assets sold	Acquisitions incl. duties [1] / Work	Other [2]	LFL change	FV as of 06/30/2017
Offices	4,115.6	(103.2)	70.5	(2.6)	58.5	4,138.8
Business parks	3,451.7	-	47.2	(0.0)	9.2	3,508.0
Other Commercial Property Investment assets	135.1	(1.5)	0.6	0.0	2.1	136.3
TOTAL	**7,702.4**	**(104.7)**	**118.3**	**(2.6)**	**69.8**	**7,783.1**

[1] Includes the payments made in 2017 (including duties and fees) as part of ongoing off-plan acquisitions

[2] Includes transfer duties and acquisition costs and changes in value of assets treated as financial receivables (PPP)

[3] After reclassification of the Axe Seine building from the business park segment to the office segment

2.2.5.1. Offices and business parks of the Commercial Property Investment Division

Based on proportionate consolidation, the overall value of Icade's office and business park portfolio was €7,646.8 million excluding duties as of June 30, 2017 vs. €7,567.3 million at the end of 2016, i.e. an increase of €79.6 million (+1.1%).

Excluding the impact of investments, acquisitions and disposals made during the year 2017, the change in value of office and business park assets was +0.9%.

In value terms, 99% of Icade's commercial property portfolio is located in the Paris region.

The value of the land bank, projects under development and properties pending redevelopment stood at €345.9 million as of June 30, 2017: €138.2 million of land bank, €195.4 million of projects under development, and €12.3 million of properties pending redevelopment (not leased).

Offices

In H1 2017, investments made in office assets, which related mainly to the redevelopment works to the Crystal Park building in Neuilly-sur-Seine, Défense 456 in Nanterre and the Origine development project, stood at a total of €38.6 million (after the €2.6 million adjustment for transfer duties and fees relating to public-sector properties and projects held as part of PPPs and works to those properties and projects).

As of June 30, 2017, the office portfolio represented €4,138.8 million, vs. €4,115.6 million as of December 31, 2016, an increase of +€23.2 million (+0.6%). Excluding the impact of investments and asset disposals completed during the half year, the value of the Offices division's assets as of June 30, 2017 was up €58.5 million (i.e. + 1.5%) to €4,174.1 million.

Business parks

Business park assets consist of a stock of operating properties as well as a land bank and building rights for which property projects have been identified and/or are under development.

In 2017, Icade spent €47.1 million in maintenance and development investments in the business parks.

As of June 30, 2017, the business park portfolio represented €3,508.0 million, vs. €3,451.7 million as of December 31, 2016, an increase of +€56.4 million (+1.6%). On a like-for-like basis, the value of business park assets increased by €9.2 million over the half year, i.e. +0.3%, to €3,460.9 million. This rise resulted mainly from a +€18.2 million increase in the business parks located on the doorstep of the City of Paris, reflecting in particular the attractiveness of the Millénaire and Pont de Flandre business parks.

Finally, the impact of the new valuations of the land bank, projects under development and properties pending redevelopment (not leased) was €22.6 million (see above for details on valuation methods).

2.2.5.2. Other assets of the Commercial Property Investment Division

Warehouses

The market value of the warehouses was estimated at €22.0 million excluding duties as of June 30, 2017 vs. €19.8 million as of June 30, 2016, i.e. an increase of €2.2 million (11.3%).

Residential

As of June 30, 2017, the property portfolio of the Residential Property Investment Division were composed of buildings managed by SNI, together with condominium units and various residual assets, which were valued based on their appraised values.

The value of these assets was €114.2 million excluding duties as of June 30, 2017 vs. €115.3 million at the end of 2016, i.e. a change of €(1.1) million (1.0%), which is partly explained by the effect of the disposals.

2.3. Healthcare Property Investment Division

2.3.1. Portfolio overview

The property portfolio of Icade's Healthcare Property Investment Division represents nearly 1.4 million sq.m of operating floor area (0.8 million sq.m on a proportionate consolidation basis). It is mainly comprised of medicine, surgery and obstetrics (MSO) facilities, and follow-up and rehabilitation care (FRC) facilities.

Geographic distribution of the property portfolio by type of asset

As of June 30, 2017

	Asset value		Total floor area (% of total)	
In terms of total portfolio value and floor area	In millions of euros	% of total value of the property portfolio	floor area (sq.m)	% of total floor area of the property portfolio (sq.m)
Paris region	640	17%	177,371	13%
Hauts-de-France	356	10%	134,417	10%
Auvergne-Rhône-Alpes	395	11%	148,771	11%
Bourgogne-Franche-Comté	91	2%	36,267	3%
Bretagne	157	4%	68,270	5%
Centre-Val de Loire	120	3%	53,124	4%
Grand Est	132	4%	21,418	2%
Pays de la Loire	367	10%	145,695	11%
Occitanie	727	20%	302,093	22%
Nouvelle-Aquitaine	458	12%	220,029	16%
Normandy	58	2%	21,024	2%
Provence-Alpes-Côte d'Azur	223	6%	55,904	4%
GRAND TOTAL	**3,724**	**100%**	**1,384,383**	**100%**

Description of the portfolio

As a market leader, Icade has become a major player in the healthcare sector by building, between 2007 and 2017, a portfolio of 97 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 7.9 years as of June 30, 2017;
- High margin rates (net rental income/gross rental income) (> 98%).

Icade can rely on a team and expertise recognised by its peers for the development and management of Icade Santé, the subsidiary holding the entire healthcare property portfolio.

Since H1 2012, in order to support its growth, Icade Santé has conducted capital increases with institutional investors.

As of June 30, 2017, Icade held a 56.5% stake in Icade Santé, the same level as December 31, 2016.

In H1 2017, Icade Santé acquired two private hospitals for €54.0 million including duties and fees.

Additionally, on March 31, 2017, Icade Santé sold the Les Chênes polyclinic in Aire-sur-l'Adour to its new operator, the Clinifutur group, for €5.6 million (net price received by the seller), in line with the asset's appraised value.

Market update (source: Jones Lang Lasalle, Your Care, Drees Santé)

A market characterised by single-use properties with long leases, divided into:

- Healthcare facilities, including medicine, surgery and obstetrics (MSO) facilities for short-term stays, and psychiatric facilities and follow-up and rehabilitation care (FRC) facilities for medium-term stays; 85 to 90% of revenues of tenant operators of healthcare facilities is derived from the French national health insurance (Assurance Maladie);
- Medical-social establishments, namely nursing homes (accommodation facilities for dependent elderly persons [EHPAD]), retirement homes (accommodation facilities for the elderly [EHPA]) and residences with services. The revenue of tenant operators of EHPADs is derived from the French national health insurance (Assurance Maladie), Departmental Councils (housing assistance and assistance to dependent persons) and the residents themselves or their families.

Healthcare properties are single-use properties with varying features: large spaces of medical and technical capacity in acute care and short-term facilities, and predominant accommodation in medical-social establishments.

The leases signed on these assets are predominantly for a term of 12 years with no break clause and all the charges are recoverable from the tenants (including major works falling within the scope of Article 606 of the French Civil Code). However, since the enactment of Law 2014-626 dated June 18, 2014 on commercial leases (Pinel law) and the entry into force of the Decree establishing rules for allocation of charges, major works under Article 606 of the French Civil Code are now at the expense of property owners in new leases signed (or renewed) on or after November 5, 2014. As part of sales of properties by their operators (sale and leaseback transactions), warranties are provided by the sellers.

A full-fledged asset class with transaction activity now driven by the secondary market

Healthcare real estate has long been a niche with few investors or investors closely related to healthcare operators. However, as investors seek to diversify their portfolios with property assets generating stable rental income in the long term, attractive yields and a low risk of vacancy, the number of investors in healthcare property has greatly increased in recent years.

Icade Santé, the market leader specialising in healthcare assets (MSO, FRC and psychiatric facilities) and Cofinimmo (a Belgian REIT which holds primarily EHPAD) are the main property investment companies currently investing in France.

At the end of 2015, Eurosic formed a vehicle dedicated to leisure and healthcare assets (Lagune) located in Europe. This vehicle is to be bought out by Batipart as part of the acquisition of Eurosic by Gecina, initiated on June 22, 2017.

Since 2014, the healthcare real estate market has been characterised by substantial investments from several asset management firms, which raised funds specifically for this purpose and created dedicated investment vehicles. For instance, PRIMONIAL held a portfolio of around €2 billion of healthcare assets located in France as of the end of 2016, through the Primovie SCPI and the Primosanté SCI. BNP Paribas REIM has about €400 million of assets under management through Health Property Fund 1, its dedicated investment fund. Euryale Asset Management manages Pierval Santé, an "SCPI" fund aimed at retail investors which focuses on healthcare real estate in France and Germany. Similarly, Swiss Life REIM, La Française, and AXA IM have dedicated investment vehicles for healthcare real estate.

The market has expanded strongly in the past 2 years, in particular in 2015 and 2016, after two significant healthcare property portfolios were put on the market (Vitalia and Gecimed).

The rise of a secondary market facilitated the entry of new market players, by providing the minimum size required by new investment vehicles dedicated to healthcare real estate.

Limited supply, characteristics that attract strong interest, leading to value increases

The healthcare real estate market is now characterised by increased demand from investors looking for long-term, secure rental income. While a few years ago transactions only related to properties sold by their operators as part of sale and leaseback transactions, thus increasing market concentration, or to doctors who sold their properties and businesses (primary market), there are now also more and more transactions between investors in an active secondary market.

After record investment volumes in 2015 and 2016, (€1.2 billion and €1.6 billion invested in healthcare real estate), the first half of 2017 saw €170 million in transactions and investors increasingly looking abroad, especially to Germany, but also to Italy (source: Your Care Consult study).

Competition between specialised investors and new entrants in a context of strong capital flows into all real estate markets has resulted in yield compression in the healthcare segment: the current prime yield (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) is around 5.25-5.50% for medicine, surgery and obstetrics (MSO) facilities (vs. 6.10-6.35% at the end of 2015) and 4.70% for accommodation facilities for dependent elderly persons (EHPAD) (vs. 5.50-5.75% at the end of 2015). (source: JLL).

Continued consolidation of providers

The first half of 2017 was also highlighted by continued consolidation of healthcare providers and changes in shareholders in the medical-social sector. Aside from the sales of DomusVi and Colisée by their financial shareholders in the EHPAD sector and a number of acquisitions of facilities made by healthcare operators, the most outstanding transaction of the period was the merger of the Médipôle Partenaires group into the Elsan group at the end of June 2017. This made it possible for the Elsan group to reach the size of its competitor Ramsay Générale de Santé, increasing its market share to 20% in the French short-term private healthcare facilities sector.

2.3.2. Key figures as of June 30, 2017

Income statement for the Healthcare Property Investment Division

(in millions of euros)	06/30/2017 EPRA earnings from Healthcare Property Investment (recurring)	06/30/2017 Non-recurring (a)	06/30/2017 Healthcare Property Investment Total	06/30/2016 EPRA earnings from Healthcare Property Investment (recurring)	06/30/2016 Non-recurring (a)	06/30/2016 Healthcare Property Investment Total
GROSS RENTAL INCOME	106.0	-	106.0	102.7	-	102.7
Service charges not recovered from tenants	(1.3)	-	(1.3)	(1.3)	-	(1.3)
Property operating expenses	(0.5)	-	(0.5)	(0.5)	-	(0.5)
NET RENTAL INCOME	104.2	-	104.2	100.9	-	100.9
Margin rate (net rental income / gross rental income)	**98.3%**	**0.0%**	**98.3%**	**98.3%**	**0.0%**	**98.3%**
Net operating costs	**(6.1)**	**-**	**(6.1)**	**(6.5)**	**-**	**(6.5)**
EBITDA	98.1	-	98.1	94.4	-	94.4
Depreciation and impairment of investment properties	-	(48.2)	(48.2)	-	(47.0)	(47.0)
Profit/(loss) from acquisitions	-	-	-	-	0.7	0.7
Profit/(loss) from asset disposals	-	0.2	0.2	-	(0.3)	(0.3)
OPERATING PROFIT/(LOSS)	98.1	(48.0)	50.1	94.4	(46.6)	47.8
Cost of gross debt	(5.1)	-	(5.1)	(5.3)	-	(5.3)
Net income from cash and cash equivalents, related loans and receivables	(9.0)	-	(9.0)	(9.6)	-	(9.6)
Cost of net debt	**(14.2)**	**-**	**(14.2)**	**(14.9)**	**-**	**(14.9)**
Other finance income and expenses	(0.2)	(0.2)	(0.3)	(0.5)	(0.3)	(0.8)
FINANCE INCOME/(EXPENSE)	(14.3)	(0.2)	(14.5)	(15.4)	(0.3)	(15.6)
Corporate tax	-	-	-	-	0.3	0.3
NET PROFIT/(LOSS)	83.8	(48.2)	35.6	79.0	(46.6)	32.4
Net profit/(loss) attributable to non-controlling interests	36.4	(21.0)	15.5	34.4	(20.3)	14.1
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**47.4**	**(27.2)**	**20.1**	**44.6**	**(26.3)**	**18.3**

(a) The "Non-recurring" column includes depreciation

Gross and net rental income from the Healthcare Property Investment Division

(in millions of euros)	06/30/2016 restated	Acquisitions / completions	Disposals / redevelopments	Rent escalation	Leasing activity	06/30/2017	Total change	Like-for-like change
HEALTHCARE PROPERTY INVESTMENT	**102.7**	**3.5**	**(0.2)**	**0.2**	**(0.3)**	**106.0**	3.3	(0.1%)

Gross rental income generated by Icade Santé in H1 2017 amounted to €106.0 million, a €3.3 million increase compared to June 30, 2016 (+3.2%).

On a like-for-like basis, rental income is stable (-0.1%).

Changes in scope of consolidation represented €3.3 million, including:

- +€2.4 million in additional rental income related to acquisitions in 2016 and H1 2017
- +€1.2 million following extension works and completions in operating private hospitals
- €(0.2) million following the disposal of the Les Chênes polyclinic in Aire-sur-l'Adour in H1 2017

Net rental income from the Healthcare Property Investment Division for H1 2017 totalled €104.2 million, implying a margin rate of 98.3%, the same level as in 2016.

	06/30/2017		06/30/2016	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
HEALTHCARE PROPERTY INVESTMENT	104.2	98.3%	100.9	98.3%

The recurring portion of **finance income/(expense)** from Icade Santé as of June 30, 2017 amounted to €(14.3) million, down by only €(1.1) million compared to June 30, 2016 to €(15.4) million.

The **recurring portion of net profit/(loss) attributable to non-controlling interests** from Icade Santé stood at €36.4 million vs. €34.4 million thanks to an improvement in net profit. This corresponds to minority interests (43.49% of Icade Santé's share capital as of June 30, 2017, unchanged since June 30, 2016).

After taking into account the items above, **EPRA Earnings from Healthcare Property Investment** reached €47.4 million (€0.64 per share) as of June 30, 2017 vs. €44.6 million as of June 30, 2016 (€0.61 per share).

Other items that had an impact on Net profit/(loss) attributable to the Group from Icade Santé represented a net expense of -€27.4 million as of June 30, 2017, compared to -€26.3 million as of June 30, 2016.

Thus, considering the items above, **net profit/(loss) attributable to the Group** from Icade Santé reached €20.1 million as of June 30, 2017, up +9.8% compared to €18.3 million as of June 30, 2016.

2.3.3. Leasing activity of the Healthcare Property Investment Division

As of June 30, 2017, the **financial occupancy rate** remained unchanged compared to December 31, 2016, at 100%. Private hospitals also showed a physical occupancy rate of 100%.

The weighted average unexpired lease term was 7.9 years and was down by only 0.3 year compared with December 31, 2016.

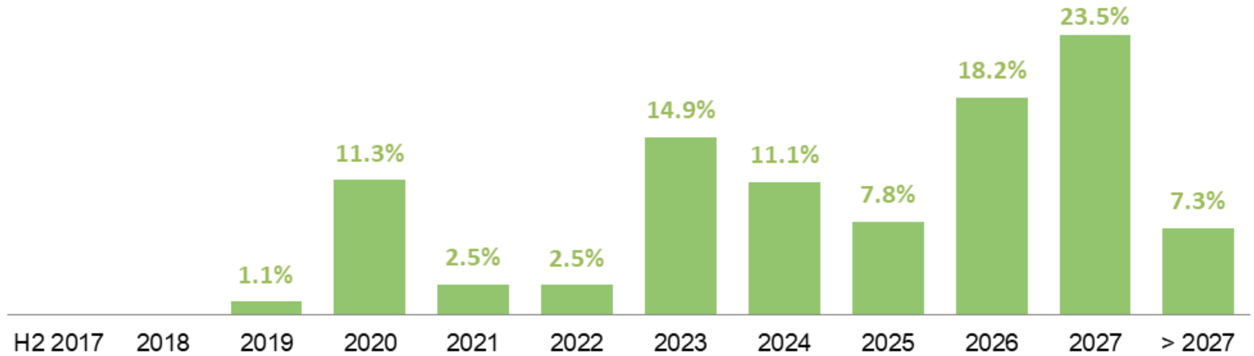
	Financial occupancy rate *(in %)*[b]			Weighted average unexpired lease term *(in years)*[b]	
Asset class	06/30/2017	12/31/2016	Like-for-like change[a]	06/30/2017	12/31/2016
HEALTHCARE PROPERTY INVESTMENT	100.0%	100.0%	+0.0 pp	7.9	8.2

(a) Excluding completions, acquisitions and disposals for the period

(b) Based on proportionate consolidation

Lease expiry schedule by segment in terms of annualised rents (in millions of euros)

	H2 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028+	Total
HEALTHCARE PROPERTY INVESTMENT	-	-	2.3	24.1	5.4	5.3	31.7	23.8	16.7	38.8	50.1	15.5	213.7



2.3.4. Asset rotation for the Healthcare Property Investment Division

2.3.4.1. Investments

(in millions of euros)	Asset acquisitions	Projects under development	Other Capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	**54.0**	**56.7**	**16.5**	**0.7**	**127.8**

In order to finance these investments over the year, Icade Santé used its own cash and corporate lines of credit.

In H1 2017, investments amounted to €127.8 million, including:

- €54.0 million from asset acquisitions, the largest ones being:
    - The Ormeau MSO polyclinic in Tarbes (Hautes-Pyrénées) from the Elsan group (the asset was owned by the Médipôle Partenaires group, which has been merged into the Elsan group), for €43.3 million (including duties and fees). This polyclinic has two sites: Ormeau Centre (10,437 sq.m) and Ormeau Pyrénées (10,609 sq.m);
    - The disability care home in Saint-Germé (Gers) for €9.8 million (including duties and fees), in partnership with the Clinipôle group from Montpellier (5,800 sq.m).

- €56.7 million to continue delivering the development pipeline:
    - Courlancy polyclinic in Bezannes for €19.6 million
    - La Croix du Sud polyclinic in Quint-Fonsegrives for €25.1 million
    - Bromélia project in Saint-Herblain for €11.9 million

- Finally, works to private hospitals currently operating amounted to €17.2 million.

All these investments generate additional rental income.

Development pipeline

In millions of euros	Completion	Operator	Number of inpatient and outpatient beds	Rental income	Yield on cost (1)	Total cost of project	Remaining investment Total	Remaining investment H2 2017
Courlancy polyclinic	2018	Courlancy	458			76.7	15.8	10.3
La Croix du Sud polyclinic	2018	Capio	269			80.3	18.3	12.5
Bromélia project (AHO)	2018	Elsan	169			38.9	13.3	8.5
Greater Narbonne Private Hospital	2019	Elsan	283			49.0	45.2	3.0
PROJECTS STARTED			**1,179**	**16.3**	**6.7%**	**244.9**	**92.6**	**34.3**

1 YOC = headline rents / cost of the project as approved by Icade's governance bodies. This cost includes the carrying value of land, cost of works, carrying costs and any lease incentives.

Icade Santé has a development pipeline of €245 million (costs of the projects). The average estimated yield on cost of these projects is 6.7%.

The weighted capitalisation rate (market) for the development pipeline is 5.25%, the yield on cost based on the fair value of land stands at an average of 6.7% (+145 bps). Lastly, the yield on cost based on the carrying amount of land is also 6.7% (+145 bps).

2.3.4.2. Asset disposals

Asset disposals made in H1 2017 represent a total of €5.8 million, most of which relates to the disposal of the Les Chênes polyclinic in Aire-sur-l'Adour for €5.6 million, in line with the asset's most recent appraised value.

A net gain of €0.2 million was recorded on this disposal.

2.3.5. Changes in value of assets from the Healthcare Property Investment Division

(in millions of euros)	FV as of 12/31/2016	FV as of 06/30/2016 of assets sold	Acquisitions incl. duties / Works	Other [(1)]	LFL change	FV as of 06/30/2017
Healthcare	2,024.7	-3.2	72.2	-1.9	12.4	2,104.3
TOTAL	**2,024.7**	**-3.2**	**72.2**	**-1.9**	**12.4**	**2,104.3**

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

The property portfolio of Icade Santé includes buildings of private hospitals and other healthcare establishments.

Based on proportionate consolidation, the overall value of Icade's Healthcare Property Investment portfolio is estimated at €2,104.3 million excluding duties as of June 30, 2017, vs. €2,024.7 million at the end of 2016, i.e. an increase of €79.6 million, which is explained mainly by value increases and the acquisition of two healthcare facilities for €30.2 million (including duties and fees, based on proportionate consolidation), and by investments in construction works.

On a like-for-like basis, after (i) exclusion of works for the year for €42.1 million (proportionate consolidation basis), (ii) exclusion of acquisitions, and (iii) adjustment for acquisition duties and fees and change in value of assets acquired during the financial year (-€1.9 million), the value of the portfolio rose by +€12.4 million over H1 2017, i.e. +0.6%.

3. Property Development Division

3.1. Income statement and performance indicators

The Property Development Division operates in the following areas: Residential Property Development and Commercial Property Development, which represent 68% and 32% of its IFRS revenue, respectively.

The IFRS revenue of the Property Development Division as of June 30, 2017 was up 33.2% compared to June 30, 2016, resulting from a 30.6% increase from the Residential segment and a 39.4% increase from the Commercial segment.

As a result of revenue growth and structural costs which were kept under control, IFRS operating profit/(loss) stood at €27.3 million as of June 30, 2017 vs. €7.9 million as of June 30, 2016, and net profit/(loss) attributable to the Group was €10.4 million, more than double that of the same period a year earlier.

3.1.1. Condensed income statement and contribution to net current cash flow

	06/30/2017			06/30/2016		
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total
Revenue	487.3		487.3	365.7		365.7
Income from operating activities	**489.3**		**489.3**	**368.1**		**368.1**
Purchases used	(394.1)		(394.1)	(297.9)		(297.9)
Outside services	(25.5)		(25.5)	(25.4)		(25.4)
Taxes, duties and similar payments	(3.2)		(3.2)	(2.4)		(2.4)
Staff costs, performance incentive scheme and profit sharing	(37.7)		(37.7)	(34.4)		(34.4)
Other operating expenses	(7.1)		(7.1)	(5.1)		(5.1)
Operating expenses	**(467.6)**		**(467.6)**	**(365.3)**		**(365.3)**
EBITDA	21.7		21.7	2.9		2.9
Depreciation charges net of investment government grants		(0.7)	(0.7)		(0.7)	(0.7)
Charges and reversals related to impairment of tangible, financial and other current assets		0.3	0.3		0.2	0.2
Profit/(loss) from acquisitions		-	-		-	-
Profit/(loss) from asset disposals		-	-		-	-
Share of profit/(loss) of equity-accounted companies	5.8	0.3	6.1	5.5	0.1	5.6
OPERATING PROFIT/(LOSS)	27.5	(0.2)	27.3	8.4	(0.4)	7.9
Cost of gross debt	-	-	-	-		-
Net income from cash and cash equivalents, related loans and receivables	(0.1)		(0.1)	0.2		0.2
Cost of net debt	**(0.1)**		**(0.1)**	**0.2**		**0.2**
Other finance income and expenses	(2.8)	-	(2.8)	0.5	-	0.5
FINANCE INCOME/(EXPENSE)	(2.9)	-	(2.9)	0.7	-	0.7
Income tax	(13.0)	0.1	(12.9)	(3.4)	0.2	(3.3)
NET PROFIT/(LOSS)	11.6	(0.1)	11.5	5.6	(0.2)	5.4
Net profit/(loss) attributable to non-controlling interests	1.2	-	1.2	0.7	(0.4)	0.3
Net profit/(loss) attributable to the Group	**10.5**	**(0.1)**	**10.4**	**4.9**	**0.1**	**5.1**

The application of IFRS 11 on joint ventures does not allow Icade to fully reflect the activity of the Property Development Division.

The IFRS 11 standard requires the equity method of accounting for joint ventures. Consequently, the financial indicator tables below present the relationship between the accounting presentation (equity method as per IFRS) and the economic presentation (proportionate consolidation).

Therefore, the financial indicators referred to below take into account the joint ventures based on their respective contribution to revenue and operating income.

	06/30/2017			06/30/2016			Change
In millions of euros	Property Development total	Residential Property Development	Commercial Property Development	Property Development total	Residential Property Development	Commercial Property Development	Property Development total
Economic revenue:							
IFRS segment reporting	487.3	331.6	155.7	365.7	253.9	111.7	
Joint ventures (a)	64.2	29.0	35.3	35.8	13.5	22.3	
ECONOMIC REVENUE	551.6	360.6	191.0	401.5	267.4	134.0	37.4%
Economic operating profit/(loss):							
IFRS segment reporting	27.3	14.3	13.0	7.9	1.1	6.8	
Cancellation of IFRS income from equity-accounted joint ventures	(6.1)	(2.4)	(3.7)	(5.4)	(1.5)	(3.9)	
Operating profit/(loss) from joint ventures (a)	6.1	2.3	3.7	5.4	1.6	3.9	
Adjustment (b)	6.6	4.4	2.2	5.4	4.3	1.2	
CURRENT ECONOMIC OPERATING PROFIT/(LOSS)	34.0	18.7	15.3	13.4	5.5	7.9	152.8%
Current economic operating margin (operating profit or loss/revenue)	6.2%	5.2%	8.0%	3.3%	2.1%	5.9%	

(a) Adjustment for IFRS 11 impacts.

(b) Adjustment for non-current items, trademark royalties and holding company costs.

3.1.2. Return on equity

(in millions of euros)	06/30/2017	12/31/2016	06/30/2016
Net profit/(loss) attributable to the Group (a)	26.1	20.8	16.9
Average allocated capital (b)	284.9	339.5	394.1
Return on equity	9.2%	6.1%	4.3%

(a) Profit as of the end of the half-year is profit 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, 2017, return on equity stood at 9.2%, a 3.1 pp increase compared to the previous year, which resulted from improved net profit/(loss) attributable to the Group and lower capital allocated to Property Development.

3.1.3. Property Development backlog and service order book

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

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

	06/30/2017			12/31/2016		
(in millions of euros)	**Total**	**Paris region**	**Outside the Paris region**	**Total**	**Paris region**	**Outside the Paris region**
Residential Property Development (incl. subdivisions)	1,111.5	455.9	655.6	1,058.2	392.2	666.0
Commercial Property Development	264.5	110.7	153.8	366.9	167.6	199.3
Public and Healthcare Amenities Development	110.7		110.7	142.2	-	142.2
Order book for Services & Project Management Support operations	30.0	28.8	1.2	29.7	19.0	10.7
TOTAL	**1,516.7**	**595.4**	**921.3**	**1,597.0**	**578.8**	**1,018.2**
Share of total	100.0%	39.3%	60.7%	100.0%	36.2%	63.8%

The Property Development Division's total backlog as of June 30, 2017 was down 5% to €1,516.7 million, from €1,597.0 million as of the end of 2016.

This change breaks down as follows:

- A 5% increase in the Residential Property Development Division's backlog resulting from higher housing orders in H1, which more than offsets the strong revenue performance recorded.

- A 27.9% decrease in the Commercial Property Development Division's backlog due to the progress of construction work in a large number of projects signed in the previous two years, partly renewed by the contracts signed in H1 2017:
  - In Lyon, an off-plan sale agreement signed with BNP Paribas Diversipierre for the 9,800-sq.m KARRE office building located at the heart of the Carré de Soie multimodal hub;
  - In Tours, an off-plan sale agreement signed with the Davoine group, the 4th largest cinema operator in France, for a 1,940-seat multiplex cinema and a 499-space multi-storey car park;
  - In Marseille, a deed of sale signed for 6,580 sq.m of warehouses and ancillary offices, jointly developed with Eiffage on behalf of the company Alliance Healthcare Répartition;
  - In Toulouse, an off-plan sale agreement signed with Keys Asset Management for a 1,813-sq.m office building situated in the Borderouge development zone.

- A 22.2% decline in backlog for Public and Healthcare Amenities Development, with an off-plan sale agreement signed with Korian for the development of a 5,200-sq.m follow-up and rehabilitation care facility on the Oncopole site in Toulouse.

3.2. Residential Property Development

(in millions of euros)	**06/30/2017**	**06/30/2016**	**Change**
Economic revenue	360.6	267.4	34.8%
Current economic operating profit/(loss)	18.7	5.5	240.7%
Current economic operating margin (operating profit or loss/revenue)	**5.2%**	**2.1%**	

Market update (source: FPI, SOeS, CGDD)

The market started the year 2017 with a positive momentum. With a total of 35,059 units (including 5,166 sold as part of bulk sales and 1,400 residences with services), new-home sales rose again in Q1 2017, by 13.8% compared to Q1 2016 (30,804 units). This indicator increased for the tenth consecutive quarter since Q4 2014, when the Pinel tax incentive programme was launched. This trend can be observed both in unit sales (+11.3%) and bulk sales (+35.5%).

Thanks to the positive environment created by the continuation of the Pinel tax incentive programme, sales to investors went up by 24.9% on a year-on-year basis, with 14,612 units (vs. 12,262 in Q1 2016).

Sales to home buyers rose by 21.9% compared to the previous year with 13,881 units (vs. 13,329 in Q1 2016), bolstered by still low interest rates (1.46% on average in Q1 2017) and the ramp-up of the interest-free loan.

Housing units put up for sale also increased, although at a lower pace than sales (+6.4%), with 28,541 units in Q1 2017 (vs. 26,812 in Q1 2016). The year-on-year increase is 8.2%.

The stock of homes available for sale, at 90,935 units as of Q1 2017 (including 85,853 apartments), went down in volume terms (-1.3% over a 12-month rolling period). As of Q1 2017, this stock consisted of 49% of units under development, 42% under construction and 9% completed.

The stock/sales ratio, which measures the average time on market, went down to 9.0 theoretical months (vs. 11.4 months in Q1 2016 in 13.6 months in 2015).

The average sale price at the national level went up by 5.1% from its Q1 2016 level (+7.3% and 3.2% within and outside the Paris region, respectively).

In France as a whole, 113,400 building permits were issued in Q1 2017, i.e. +15.9% compared to the same period in 2016. Blocks of apartments continued to drive the sector, with a 16.3% increase on a year-on-year basis. The markets that showed the highest year-on-year growth (housing starts) were the following regions: Corsica (+50.2%), Provence-Alpes-Côte d'Azur (+29.7%), Occitanie (+25.7%), Hauts-de-France (+21.2%) and the Paris region (+18.9%). The markets that showed the lowest growth were Grand Est (+3.4%) and the Normandy region (+3,9%).

The number of housing starts represented 393,400 units in the last 12 months, a 15.5% increase compared to the preceding 12 months.

The increase in orders and sales of housing units by the Property Development Division, which stems from market recovery, had an impact on revenue growth, which stood at €360.6 million as of June 30, 2017, up 34.8% compared to June 30, 2016.

This trend can be explained by the great increase in business indicators over 2016 (land portfolio, orders, backlog), confirmed by an acceleration in notarised sales in H1 2017 (+36% in value terms compared to H1 2016).

As a result, current economic operating profit/(loss) from the Residential Property Development Division soared by €18.7 million as of June 30, 2017, from €5.5 million as of June 30, 2016.

Main physical indicators as of June 30, 2017

	06/30/2017	06/30/2016	Change
Properties put on the market			
Paris region	1,319	660	99.8%
Outside the Paris region	2,057	1,778	15.7%
TOTAL UNITS *(1)*	**3,376**	**2,438**	**38.5%**
Paris region	277.4	145.4	90.8%
Outside the Paris region	370.1	314.8	17.6%
TOTAL REVENUE *(potential in millions of euros)*	**647.5**	**460.2**	**40.7%**
Projects started			
Paris region	817	526	55.3%
Outside the Paris region	1,479	1,734	(14.7%)
TOTAL UNITS	**2,296**	**2,260**	**1.6%**
Paris region	177.8	97.5	82.4%
Outside the Paris region	270.6	295.9	(8.6%)
TOTAL REVENUE *(potential in millions of euros)*	**448.4**	**393.4**	**14.0%**
Orders			
Housing orders *(in units)*	2,690	2,440	10.2%
Housing orders *(in millions of euros including taxes)*	527.7	502.9	4.9%
Residential – order cancellation rate *(in %)*	18.3%	17.1%	1.2 pp
Average sale price and average floor area based on orders			
Average price including taxes per habitable sq.m *(in €/sq.m)*	3,545	3,749	(5.4%)
Average budget including taxes per housing unit *(in €k)*	196.8	208.0	(5.4%)
Average floor area per housing unit *(in sq.m)*	55.5	55.4	0.2%

(a) *"Units" means the number of residential units or equivalent residential units (for mixed 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 based on the reference of December 31 of the preceding year.*

Breakdown of orders by type of customer

	06/30/2017	06/30/2016
Social housing institutional investors (ESH) – social landlords	19.0%	18.5%
Institutional investors	11.4%	8.0%
Individual investors	42.1%	44.5%
Home buyers	27.5%	29.0%
TOTAL	**100.0%**	**100.0%**

In H1 2017, the business performance of Icade's Residential Property Development Division was characterised by a rapid acceleration in properties put on the market, especially in the Paris region, where the number of units was almost twice that of H1 2016.

Icade's net housing orders as of June 30, 2017 increased by 10.2% in volume terms compared to the same period a year earlier, reaching 2,690 orders, and increasing by 4.9% in value terms.

The discrepancy between the increase in value and volume terms can be explained by a unit price lower than in the previous year due to a strong level of orders from professional property owners (with a significantly lower unit sale price).

The decrease in price per sq.m to €3,545 (including taxes) was predominantly driven by the higher proportion of bulk housing orders in H1 2016.

In line with the positive momentum in the real estate market, the absorption rate increased from 8.6% as of June 30, 2016 to 9.7% as of June 30, 2017.

As a continuation of the trend observed since early 2016 with respect to the renewed interest of institutional investors in residential real estate, their orders rose to 30.4% of total orders recorded in H1 2017, vs. 26.5% for the same period a year earlier. On the other hand, the proportion of individual investors using the Pinel tax incentive scheme remains significant, as it accounts for 31.8% of total housing orders.

Notarised sales grew, in line with increasing housing orders, and reached 2,241 units for a revenue of €460 million as of June 30, 2017, vs.1,796 units for €337 million as of June 30, 2016, an increase of 36% in value terms.

The inventory of unsold completed properties was kept under control, with €26.6 million as of June 30, 2017 vs. €30.8 million as of June 30, 2016.

Land portfolio

In H1 2017, the portfolio of residential land and building plots represented 10,686 units and potential revenues of €2.2 billion, a 25.6% increase in value terms compared to June 30, 2016 (9,024 units for €1.8 billion). This increase reflects the acceleration in the development strategy pursued by the Property Development Division and its new management since the beginning of 2016, as part of the new strategic plan.

3.3. Commercial Property Development

(in millions of euros)	06/30/2017	06/30/2016	Change
Economic revenue	191.0	134.0	42.5%
Current economic operating profit/(loss)	15.3	7.9	92.0%
Current economic operating margin (operating profit or loss/revenue)	**8.0%**	**5.9%**	

Public and Healthcare Amenities Development

In H1 2017, revenue from Public and Healthcare Amenities Development dropped 20.8% to €49.6 million, as a result of the low level of new contracts signed for this business.

As of June 30, 2017, the portfolio of Public and Healthcare Amenities Development projects was equivalent to 180,929 sq.m (vs. 176,864 sq.m as of June 30, 2016), including 83,549 sq.m under construction. The project portfolio of this activity was exclusively located outside the Paris region and in French overseas departments and territories (DOM-TOM). Projects completed during the year represented 27,484 sq.m.

Commercial and Retail Property Development

As of June 30, 2017, revenue from the Office and Retail Property Development business reached €132.6 million, a more than twofold increase from €63.8 million as of June 30, 2016. This strong growth is mainly attributable to the numerous contracts signed in the past two years and which have contributed greatly to 2017 revenues, the largest contributors being the Twist (10,400 sq.m) and Thémis (10,655 sq.m) projects, both located in the Clichy Batignolles development zone in Paris.

As of June 30, 2017, Icade Promotion had a portfolio of projects in the Commercial and Retail Property Development segment of around 462,226 sq.m (vs. 555,336 sq.m as of June 30, 2016), including 166,521 sq.m under construction. In H1 2017, the Property Development Division started construction of a multiplex cinema located in Tours and sold to the Davoine group, and of warehouses located in Marseille (6,580 sq.m), jointly developed with Eiffage. At this point in the year, completed projects represent 29,458 sq.m.

Project Management Support

The Project Management Support Division executes Project Management Support contracts and conducts studies on behalf of clients from the Public and Healthcare Amenities, Commercial and Retail sectors.

As of June 30, 2017, revenue from this business was up 16% year-on-year, at €8.7 million.

Working capital requirement and debt

(in millions of euros)	06/30/2017 IFRS	06/30/2017 Reclassification of joint ventures	06/30/2017 Total	12/31/2016 IFRS	12/31/2016 Reclassification of joint ventures	12/31/2016 Total	Change
Residential Property Development	281.0	17.8	298.8	215.0	28.0	243.0	55.8
Commercial Property Development	74.5	11.7	86.2	92.0	15.4	107.4	(21.3)
WORKING CAPITAL REQUIREMENT	**355.4**	**29.5**	**385.0**	**307.0**	**43.4**	**350.4**	**34.6**
NET DEBT (a)	**127.8**	**15.4**	**143.2**	**53.2**	**30.7**	**83.9**	**59.2**

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

The working capital requirement (WCR) improved by €34.6 million compared to the beginning of the year 2017, totalling €385 million.

The WCR from Commercial Property Development decreased by €21.3 million, mainly due to the marketing of the Hélios office building in Nantes.

The WCR from Residential Property Development rose by €55.8 million due to an acceleration in development and business performance.

Net debt from the Property Development Division stood at €143.1 million, up €59.2 million compared to December 31, 2016, due to higher WCR.

3 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2017

1. Consolidated financial statements

Consolidated income statement

(in millions of euros)	Notes	06/30/2017	06/30/2016	12/31/2016
Revenue	**8.2.4**	**775.9**	**651.9**	**1,492.7**
Other income from operations		2.1	2.6	4.8
Net finance income from operations		-	-	0.1
Income from operating activities		**778.0**	**654.6**	**1,497.6**
Purchases used		(394.6)	(298.0)	(745.6)
Outside services		(56.7)	(48.6)	(88.2)
Taxes, duties and similar payments		(0.6)	(5.1)	(12.4)
Staff costs, performance incentive scheme and profit sharing		(62.8)	(57.0)	(117.2)
Other operating expenses		(12.1)	(2.9)	(13.1)
Operating expenses		**(526.8)**	**(411.6)**	**(976.5)**
EBITDA		**251.2**	**243.0**	**521.1**
Depreciation charges net of investment government grants		(162.3)	(159.9)	(323.3)
Charges and reversals related to impairment of tangible, financial and other current assets	4.2.2	25.6	18.8	49.6
Profit/(loss) from acquisitions		-	0.7	1.3
Profit/(loss) from asset disposals	4.2.3	46.3	3.1	19.4
Impairment of goodwill and intangible fixed assets		-	-	0.1
Share of profit/(loss) of equity-accounted companies	8.1	3.8	(4.9)	(5.6)
OPERATING PROFIT/(LOSS)		**164.6**	**100.8**	**262.7**
Cost of gross debt		(43.9)	(66.1)	(116.4)
Net income from cash and cash equivalents, related loans and receivables		3.3	3.8	7.0
Cost of net debt		**(40.5)**	**(62.3)**	**(109.4)**
Other finance income and expenses		(10.5)	(2.2)	(54.1)
FINANCE INCOME/(EXPENSE)	**5.1.2**	**(51.0)**	**(64.5)**	**(163.6)**
Income tax	8.3	(19.7)	(8.6)	(23.6)
Profit/(loss) from discontinued operations	2.1	(0.1)	2.1	13.3
NET PROFIT/(LOSS)		**93.9**	**29.8**	**88.9**
Net profit/(loss) attributable to non-controlling interests		16.6	14.4	30.9
Net profit/(loss) attributable to the Group		**77.2**	**15.4**	**58.0**
Net profit/(loss) per share attributable to the Group (in €)	**6.1**	**1.04**	**0.21**	**0.79**
Diluted net profit/(loss) per share attributable to the Group (in €)	**6.1**	**1.04**	**0.21**	**0.79**
NET PROFIT/(LOSS) FOR THE PERIOD		**93.9**	**29.8**	**88.9**
Other items of comprehensive income:				
Other comprehensive income recyclable to the income statement:		**14.4**	**(3.5)**	**37.8**
Available-for-sale financial assets		0.5	-	1.2
- Changes in fair value recognised directly in equity		0.5	-	2.8
- Transfer of available-for-sale securities to the income statement		-	-	(1.6)
Cash flow hedges recyclable to the income statement		13.9	(3.5)	36.7
- Changes in fair value recognised directly in equity		10.3	(2.8)	11.0
- Transfer of non-hedging instruments to the income statement		3.6	(0.8)	25.7
Other comprehensive income not recyclable to the income statement:		**0.5**	**2.7**	**1.9**
Actuarial gains and losses and asset ceiling adjustments		0.5	3.3	2.2
Taxes on actuarial gains and losses and asset ceiling adjustments		-	(0.6)	(0.3)
Total comprehensive income recognised in equity		**14.9**	**(0.8)**	**39.7**
Including transfer to net profit/(loss)		3.6	(0.8)	24.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**108.8**	**29.0**	**128.6**
- Attributable to non-controlling interests		17.5	12.2	29.9
- Attributable to the Group		91.3	16.7	98.7

Consolidated balance sheet

ASSETS

(in millions of euros)	Notes	06/30/2017	12/31/2016
Goodwill	4.4.1	46.3	46.3
Net intangible fixed assets		7.3	6.1
Net tangible fixed assets	4.2	76.6	74.6
Net investment property	4.2	8,155.5	8,176.4
Non-current available-for-sale securities	5.1.5	27.3	26.8
Equity-accounted investments	8.1.1	135.1	118.1
Other non-current financial assets	5.1.5	5.5	5.1
Non-current derivative assets	5.1.4	11.7	6.5
Deferred tax assets		8.9	12.9
TOTAL NON-CURRENT ASSETS		8,474.1	8,473.0
Inventories and work in progress	8.2.1	538.8	492.3
Accounts receivable	8.2.3	391.3	408.0
Amounts due from customers (construction contracts and off-plan sales)	8.2.2	31.7	31.8
Tax receivables		10.8	18.9
Miscellaneous receivables		244.4	222.6
Other current financial assets	5.1.5	75.7	112.1
Current derivative assets	5.1.4	1.6	2.0
Cash and cash equivalents	5.1.6	207.1	272.4
Assets held for sale and discontinued operations	8.2.6	73.2	3.7
TOTAL CURRENT ASSETS		1,574.7	1,564.0
TOTAL ASSETS		10,048.8	10,037.0

LIABILITIES

(in millions of euros)	Notes	06/30/2017	12/31/2016
Share capital	6.2	113.0	113.0
Share premium		2,690.7	2,690.7
Treasury shares		(18.9)	(16.3)
Revaluation reserve		(12.0)	(25.6)
Other reserves		379.2	615.5
Net profit/(loss) attributable to the Group		77.2	58.0
Equity attributable to the Group		**3,229.2**	**3,435.2**
Equity attributable to non-controlling interests		635.2	665.2
EQUITY		3,864.4	4,100.4
Non-current provisions	7	27.1	28.3
Non-current financial liabilities	5.1.1	3,981.3	4,131.2
Tax liabilities		18.7	17.8
Deferred tax liabilities		6.1	7.5
Other non-current financial liabilities	5.1.5	55.9	56.7
Non-current derivative liabilities	5.1.4	16.0	21.1
TOTAL NON-CURRENT LIABILITIES		4,104.9	4,262.6
Current provisions	7	40.9	51.3
Current financial liabilities	5.1.1	1,067.5	717.8
Current tax liabilities		20.1	10.9
Accounts payable		379.6	388.7
Amounts due to customers (construction contracts and off-plan sales)	8.2.2	2.3	5.1
Miscellaneous current liabilities		557.4	486.4
Other current financial liabilities	5.1.5	1.6	1.8
Current derivative liabilities	5.1.4	0.7	0.9
Liabilities held for sale and discontinued operations	8.2.6	9.5	11.1
TOTAL CURRENT LIABILITIIES		2,079.6	1,674.1
TOTAL LIABILITIES AND EQUITY		10,048.8	10,037.0

Consolidated cash flow statement

(in millions of euros)	Notes	06/30/2017	12/31/2016	06/30/2016
I) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss)		93.9	88.9	29.8
Net depreciation and provision charges		137.3	289.5	135.5
Unrealised gains and losses due to changes in fair value		4.0	25.8	(0.3)
Other non-cash income and expenses		(11.3)	(19.0)	(13.6)
Capital gains or losses on asset disposals		(64.1)	(26.0)	(3.7)
Capital gains or losses on disposals of investments in consolidated subsidiaries		-	(10.3)	0.1
Share of profit/(loss) of equity-accounted companies		(3.8)	5.6	4.9
Dividends received		0.2	(1.4)	(1.0)
Cash flow from operating activities after cost of net financial liabilities and tax		156.0	353.2	151.8
Cost of net financial liabilities		41.1	91.2	52.6
Tax expense		19.2	17.5	8.6
Cash flow from operating activities before cost of net financial liabilities and tax		216.3	461.9	212.9
Interest paid		(44.6)	(115.3)	(64.5)
Tax paid		(1.2)	(53.9)	(32.1)
Change in working capital requirement related to operating activities	8.2.5	(16.5)	(83.0)	(2.5)
NET CASH FLOW FROM OPERATING ACTIVITIES		154.0	209.6	113.7
Including net cash flow from operating activities – Discontinued operations		*-*	*(2.7)*	*-*
II) CASH FLOW FROM INVESTING ACTIVITIES				
Tangible and intangible fixed assets and investment properties				
- acquisitions		(207.8)	(829.7)	(171.1)
- disposals		130.1	586.7	28.3
Change in deposits paid and received		(1.6)	(6.5)	(3.7)
Change in financial accounts receivable		0.6	7.5	11.4
Operating investments		(78.6)	(242.0)	(135.2)
Available-for-sale securities				
- acquisitions		-	(0.1)	(0.1)
- disposals		1.3	3.0	-
Consolidated subsidiaries				
- acquisitions		(15.6)	(13.9)	(10.4)
- disposals		0.3	30.4	(0.3)
- impact of changes in scope of consolidation		7.9	(7.9)	(2.1)
Dividends received		(13.3)	(4.0)	(10.2)
Financial investments		(19.4)	7.5	(23.1)
NET CASH FLOW FROM INVESTING ACTIVITIES		(98.0)	(234.5)	(158.2)
Including net cash flow from investing activities – Discontinued operations		*(0.1)*	*(2.1)*	*(0.1)*
III) CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid during the financial year				
- dividends (including withholding tax) and interim dividends paid during the year by Icade		(295.6)	(275.3)	(275.3)
- dividends and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(46.5)	(40.9)	(40.0)
Repurchase of treasury shares		(2.5)	21.4	12.7
Change in cash from capital activities		(344.6)	(294.8)	(302.6)
Bond issues and new financial liabilities		596.0	2,086.5	1,170.0
Bond redemptions and repayment of financial liabilities		(422.1)	(1,937.1)	(273.4)
Acquisitions and disposals of current financial assets and liabilities		24.4	(26.3)	16.7
Change in cash from financing activities		198.3	123.1	913.3
NET CASH FLOW FROM FINANCING ACTIVITIES		(146.3)	(171.7)	610.8
Including net cash flow from financing activities – Discontinued operations		*-*	*(1.6)*	*(2.2)*
NET CHANGE IN CASH (I) + (II) + (III)		(90.4)	(196.5)	566.2
CHANGES IN CASH FROM DISCONTINUED OPERATIONS		0.1	5.4	-
OPENING NET CASH		234.9	426.0	426.0
CLOSING NET CASH		144.7	234.9	992.3
Cash and cash equivalents (excluding interest accrued but not due)		206.7	271.5	1,035.5
Bank overdrafts (excluding interest accrued but not due)		(62.0)	(36.6)	(43.2)
NET CASH		144.7	234.9	992.3

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Issue premium and merger premium	Treasury shares	Cash flow hedges and available-for-sale securities net of tax	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
AS OF 01/01/2016	113.0	2,692.0	(40.0)	(64.5)	891.9	3,592.5	675.0	4,267.4
- Changes in value of cash flow hedges				(0.9)		**(0.9)**	(1.8)	**(2.8)**
- Revaluation reserve for cash flow hedges recycled to the income statement				(0.4)		**(0.4)**	(0.3)	**(0.8)**
- Actuarial gains and losses and asset ceiling adjustments					3.3	**3.3**	-	**3.3**
- Taxes on actuarial gains and losses and asset ceiling adjustments					(0.6)	**(0.6)**	-	**(0.6)**
- Net profit/(loss)					15.4	**15.4**	14.4	**29.8**
- Dividends for 2015					(275.3)	**(275.3)**	(39.4)	**(314.7)**
- Treasury shares			15.5		(2.8)	**12.7**	-	**12.7**
- Other		(2.1)	-	-	(0.2)	**(2.3)**	-	**(2.3)**
AS OF 06/30/2016	113.0	2,689.9	(24.4)	(65.8)	631.7	3,344.3	647.8	3,992.1
- Changes in value of cash flow hedges				12.3		**12.3**	1.4	**13.8**
- Revaluation reserve for cash flow hedges recycled to the income statement				26.8		**26.8**	(0.3)	**26.4**
- Changes in fair value of available-for-sale securities				2.8		**2.8**	-	**2.8**
- Transfer of available-for-sale securities to the income statement				(1.6)	-	**(1.6)**	-	**(1.6)**
- Actuarial gains and losses and asset ceiling adjustments					(1.1)	**(1.1)**	-	**(1.1)**
- Taxes on actuarial gains and losses and asset ceiling adjustments					0.2	**0.2**	-	**0.2**
- Net profit/(loss)					42.6	**42.6**	16.5	**59.1**
- Dividends for 2015					-	**-**	(0.3)	**(0.3)**
- Treasury shares			8.1		0.6	**8.7**	-	**8.7**
- Other		0.7	-	-	(0.5)	**0.2**	-	**0.2**
AS OF 12/31/2016	113.0	2,690.7	(16.3)	(25.6)	673.5	3,435.2	665.2	4,100.4
- Changes in value of cash flow hedges (a)				9.2		**9.2**	1.2	**10.3**
- Revaluation reserve for cash flow hedges recycled to the income statement (a)				3.9		**3.9**	(0.3)	**3.6**
- Changes in fair value of available-for-sale securities				0.5		**0.5**	-	**0.5**
- Actuarial gains and losses and asset ceiling adjustments					0.5	**0.5**	-	**0.5**
- Taxes on actuarial gains and losses and asset ceiling adjustments					-	**-**	-	**-**
- Net profit/(loss)					77.2	**77.2**	16.6	**93.9**
- Dividends for 2016					(295.6)	**(295.6)**	(47.5)	**(343.2)**
- Treasury shares (b)			(2.6)		0.1	**(2.5)**	-	**(2.5)**
- Other		-	-	-	0.8	**0.8**	-	**0.8**
AS OF 06/30/2017	113.0	2,690.7	(18.9)	(12.0)	456.4	3,229.2	635.2	3,864.4

(a) The value rose significantly in H1 2017 as a result of an optimisation of the hedging structure conducted by the Group in 2016.

(b) Treasury shares went up from 206,444 as of December 31, 2016 to 241,244 as of June 30, 2017.

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, 2017 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, 2016. The financial statements were approved by the Board of Directors on July 21, 2017.

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[1].

The accounting methods applied are the same as those used for the annual financial statements as of December 31, 2016. The following interpretation, whose earlier application has been permitted since January 1, 2017, was applied in the interim financial statements as of June 30, 2017.

- IAS 7 "Cash-flow statements"

The IASB has published an amendment to IAS 7, namely "Disclosures related to financing activities", effective on or after January 1, 2017 subject to EU approval.

This amendment requires that an entity disclose information enabling financial statement users to assess changes in liabilities arising from financing activities whether these changes stem from cash flows or other sources.

As early adoption of the amendment was recommended, the Group has provided in note 5.1 a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Mandatory standards, amendments and interpretations adopted by the European Union to be applied for the financial years starting on or after January 1, 2018

- IFRS 9 "Financial instruments":

On November 22, 2016, the European Union adopted IFRS 9, which was issued by the IASB on July 24, 2014 to replace IAS 39 on financial instruments. The new standard will become effective on January 1, 2018 with earlier application permitted.

This standard will result in the following significant changes:

- the classification and measurement of financial assets are based on a joint analysis of the business model and features of the contractual cash flows of financial assets;
- the impairment model is based on expected losses rather than incurred losses;
- the more significant alignment between hedge accounting and risk management.

The analysis performed as of the date of this report has not revealed any significant impact. This analysis will be continued in the second half-year.

- IFRS 15 "Revenue from Contracts with Customers"

On September 22, 2016, the European Union adopted IFRS 15 on revenue recognition. This standard will apply to financial years beginning on or after January 1, 2018. Earlier application is permitted. This standard had been issued by the IASB on May 28, 2014 and provides a single model for recognising revenues based on the transfer of control of the promised good or service.

The Group shall apply this standard to all contracts with customers with the exception of leases falling within the scope of IAS 17. Therefore, this standard does not apply to the Property Investment Division's income.

The impact expected from the application of this standard will be on the Property Development segment. The main impact relates to the application guidance for the percentage of completion method in the case of off-plan purchase agreements.

An analysis of this standard results in the recognition of land in proportion to the construction work completed, since control of the land is transferred to the purchaser upon signing the deed of acquisition. This differs from the percentage of completion that Icade applies under the IAS 11 and IAS 18 accounting standards, since the progress toward completion is measured on a pro rata basis of the work completed.

The method which will be applied under IFRS 15 will recognise the revenue and profit on off-plan sale contracts earlier than under the current method.

This will have a positive impact on equity as of January 1, 2017. The exact impacts are currently being quantified.

[1] http://ec.europa/internal-market/accounting/ias/index_en.htm

Main standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) not yet adopted by the European Union

- IFRS 16 "Leases"

On January 13, 2016, the IASB issued IFRS 16 which will replace IAS 17 and related interpretations. This new standard, which will become effective on January 1, 2019, with earlier application permitted, no longer distinguishes between finance leases and operating leases. It will result in the recognition on the lessee's balance sheet of a right-of-use asset with a corresponding lease liability, for all types of contracts qualifying as leases.

In view of the Group's balance sheet structure, this new standard is not expected to have a significant impact.

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:

- has its real estate assets valued for each half-year by independent valuers in accordance with the methods described in note 4.1;
- performs a half-yearly review of its property developments whose land is controlled by Icade;
- measures the revenue according to the progress of construction contracts, off-plan sale projects and certain service contracts as specified in note 1.17 to the financial statements as of December 31, 2016;
- performs a half-yearly measurement of employee benefits and provisions (notes 7 and 9);
- determines the half-yearly tax expense, by applying to 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 2017 data approved by the management (note 8.3);
- measures the fair value of financial instruments.

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 interpretations do not specifically address the accounting issues concerned. In particular, management has exercised its judgement to classify the types of leases (operating lease or finance lease), to determine if the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5, and to determine the accounting treatment of certain transactions for which IFRS provide insufficient clarification.

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. Discontinued operations

As part of the implementation of its strategic plan, Icade sold its stake in Icade Expertise on January 4, 2017. This deal marks the completion of the sale of its Property Services operations. This sale had no significant impact on the consolidated income for the first half-year.

2.2. Acquisition of new entities

Healthcare Property Investment

In H1 2017, Icade Santé acquired two healthcare properties as part of a share deal (two companies). These new entities were merged into Icade Santé during the first half-year.

Note 3. Segment reporting

As of June 30, 2017, discontinued operations were recognised in accordance with IFRS 5 and classified in a column called "Intersegment transactions and other items" in the segment information. This was also applied to the comparative segment information. On the other hand, holding company activities are classified in the Commercial Property Investment Division.

In H1 2017, 100% of revenue came from France.

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/17	06/30/16	06/30/17	06/30/16	06/30/17	06/30/16	06/30/17	06/30/16	06/30/17	06/30/16
INCOME STATEMENT										
Consolidated revenue	**197.4**	**197.3**	**106.0**	**102.7**	**487.3**	**365.7**	**(14.8)**	**(13.8)**	**775.9**	**651.9**
- Intersegment sales (Group)	(21.6)	(22.3)	-	-	(3.0)	(6.5)	(14.8)	(16.2)	(39.4)	(44.9)
- Total sales, including intersegment sales (Group)	219.0	219.6	106.0	102.7	490.3	372.1	-	2.4	815.3	696.9
EBITDA	135.2	146.8	98.1	94.4	21.7	2.9	(3.8)	(1.1)	251.2	243.0
Depreciation of operating assets	(4.5)	(3.9)	-	-	(0.7)	(0.7)	-	-	(5.2)	(4.5)
Impairment of operating assets	0.1	21.0	-	-	0.3	0.2	-	-	0.4	21.2
Depreciation of investment properties	(109.2)	(108.8)	(48.1)	(47.1)	-	-	0.3	0.6	(157.1)	(155.3)
Impairment of investment properties and financial receivables	25.2	(2.5)	(0.1)	0.1	-	-	-	-	25.1	(2.4)
Profit/(loss) from acquisitions	-	-	-	0.7	-	-	-	-	-	0.7
Profit/(loss) from asset disposals (a)	46.0	3.1	0.2	(0.3)	-	-	0.1	0.3	46.3	3.1
Share of equity-accounted companies	(2.3)	(10.5)	-	-	6.1	5.6	-	-	3.8	(4.9)
Operating profit/(loss)	**90.5**	**45.3**	**50.1**	**47.8**	**27.3**	**7.9**	**(3.3)**	**(0.2)**	**164.6**	**100.8**
Cost of net debt	(26.3)	(47.7)	(14.2)	(14.9)	(0.1)	0.2	-	-	(40.5)	(62.3)
Other finance income and expenses	(7.4)	(1.9)	(0.3)	(0.8)	(2.8)	0.5	-	-	(10.5)	(2.2)
Finance income/(expense)	**(33.6)**	**(49.6)**	**(14.5)**	**(15.6)**	**(2.9)**	**0.7**	**-**	**-**	**(51.0)**	**(64.5)**
Income tax	(6.8)	(5.6)	-	0.3	(12.9)	(3.3)	-	-	(19.7)	(8.6)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	(0.1)	2.1	(0.1)	2.1
Net profit/(loss)	**50.1**	**(9.9)**	**35.6**	**32.4**	**11.5**	**5.4**	**(3.4)**	**1.9**	**93.9**	**29.8**
Net profit/(loss) attributable to non-controlling interests	-	-	15.5	14.1	1.2	0.3	-	-	16.6	14.4
Net profit: attributable to the Group	**50.1**	**(9.9)**	**20.1**	**18.3**	**10.4**	**5.1**	**(3.4)**	**1.9**	**77.2**	**15.4**

(a) Including the elimination of €13.6 million in intercompany profits between the Property Development Division and the Commercial Property Investment Division for the assets sold in Villejuif. These profits were eliminated as "Intersegment transactions" until December 31, 2016.

Acquisition of intangible and tangible fixed assets and investment properties	126.0	109.2	118.1	50.4	0.5	0.2	-	-	244.6	159.8
CASH FLOWS										
Tangible and intangible investments and investment properties	(93.1)	(124.8)	(114.2)	(46.1)	(0.5)	(0.2)	-	-	(207.8)	(171.1)
Disposal of tangible and intangible assets and investment properties	124.3	28.3	5.8	-	-	-	-	-	130.1	28.3

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/17	12/31/16	06/30/17	12/31/16	06/30/17	12/31/16	06/30/17	12/31/16	06/30/17	12/31/16
CLOSING BALANCE SHEET										
Non-current assets	7,280.3	7,289.1	1,981.3	1,907.2	(68.7)	(66.1)	(718.7)	(657.3)	8,474.1	8,473.0
Current assets	914.8	780.2	24.9	13.1	962.0	957.5	(326.9)	(186.9)	1,574.7	1,564.0
TOTAL ASSETS	8,195.0	8,069.3	2,006.2	1,920.4	893.2	891.4	(1,045.6)	(844.1)	10,048.8	10,037.0
Equity attributable to the Group	3,151.0	3,317.9	18.4	56.4	105.6	118.3	(45.8)	(57.4)	3,229.2	3,435.2
Non-controlling interests	-	-	634.8	664.1	0.4	1.1	-	-	635.2	665.2
Non-current financial liabilities	3,555.7	3,691.0	1,021.7	1,041.5	100.0	-	(696.0)	(601.3)	3,981.3	4,131.2
Other non-current liabilities	74.8	77.3	34.3	37.0	14.6	17.1	-	-	123.6	131.4
Current financial liabilities	996.0	658.2	225.8	63.4	140.7	72.2	(295.0)	(75.9)	1,067.5	717.8
Other current liabilities	417.6	325.0	71.2	58.0	532.0	682.7	(8.9)	(109.4)	1,012.0	956.2
TOTAL LIABILITIES AND EQUITY	8,195.0	8,069.3	2,006.2	1,920.4	893.2	891.4	(1,045.6)	(844.1)	10,048.8	10,037.0

Note 4. Portfolio and fair value

4.1. Valuation of the property portfolio: methods and assumptions

The property portfolio consists primarily of investment properties, an operating property (headquarters located in the Millénaire 1 building at 35 Rue de la Gare, 75019 Paris) and financial receivables.

4.1.1. Valuation assignments

Icade'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*).

Property valuations were entrusted to Jones Lang LaSalle Expertises, DTZ Valuation France, CBRE Valuation, Catella Valuation FCC and BNP Paribas Real Estate Valuation.

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

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*), fourth edition, published in October 2012;
- 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, Icade 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.

The Crystal Park and Marignan office buildings, the EQHO, PB5 and Arc Ouest towers, the Millénaire shopping centre, and the business parks are subject to a double appraisal approach.

For all contracts having expired on December 31, 2016, Icade invited the main property valuation firms to a selection process in order to assign one or more of them the twice-yearly valuation of all or part of its Commercial Property Investment Division's property portfolio (offices, warehouses, business parks) but also of its residential property portfolio. Property valuers were selected based on criteria of independence, qualification, reputation, expertise in property valuation, organisational capacity, responsiveness and price.

Note: In 2015, Icade also initiated, as most property investment companies, a procedure 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.

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 Icade's assets, including its land bank and projects under development, were valued according to the procedures currently in place within the Group as of June 30, 2017, with the exception of:

- properties in the process of being sold, including those that are 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. As of June 30, 2017, that was the case for the Garonne office building in Villejuif, a warehouse in Saint Quentin Fallavier, a plot of land next to the H2O building in Rueil Malmaison, a plot of land in the Millénaire business park, as well as three residential assets situated in Sarcelles and Gagny;
- 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 recognised based on their net carrying amount, which is included unchanged in the value of the property portfolio reported by Icade;
- 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. As of June 30, 2017, six assets fell within this category.

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.

4.1.3. Portfolio of the Commercial Property Investment Division

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

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 (which varies depending on the location) 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 valued at fair value. They are therefore 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 comparable sales method (see above for details of the last two methods).

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, financial 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 documented project, as soon as the building permit can be processed and implemented.

Considering its special situation, and its development model, the land bank of the Rungis business park is valued separately. In fact, in the Rungis business park, there is a remaining buildable area on plots already developed. Icade 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 250,000 sq.m, resulting from new construction for a total of around 360,000 sq.m, including 150,000 sq.m, 65,000 sq.m and 145,000 sq.m of premium, mid-range and mixed-use office space, respectively, all located in strategic areas for the development of the property portfolio, 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: 32,900 sq.m in the first five years, 77,250 sq.m between the 5th and the 10th year, 89,000 sq.m between the 10th and the 15th year, 95,000 sq.m between the 15th and the 20th year, and 66,000 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 18% is applied including a developer margin of 8%. 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 3.5%, 5.5%, 6.5%, 7.5% and 8.5%. This land bank made up of vacant land and existing buildings is valued at €76.6 million as of June 30, 2017.

Additionally, Icade identified floor space pending redevelopment (not leased) in its assets: buildings that are completely vacant, held for sale, or due to be redeveloped or demolished, and for which a project will be initiated at a later stage. This floor space was valued at €1.8 million and €10.5 million for offices and business parks, respectively.

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 revaluation attached to the building in the light of the circumstances under which they work and the information made available to them.

4.1.4. Portfolio of the Healthcare Property Investment Division

The buildings of private hospitals or healthcare establishments are valued by property valuers based on the mean of the values obtained using the rent capitalisation method (or "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 their 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, because the layout and the highly-specific use of the property imposes objective limits (number of beds or rooms, etc.) on the operator, whatever its quality.

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

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 & BUSINESS PARKS					
Offices					
Paris	Capitalisation and DCF	3.50% - 4.60%	3.20% - 4.50%		€450 - €915
La Défense & surroundings	Capitalisation and DCF	4.50% - 6.50%	4.75% - 7.00%		€175 - €450
Other Western Crescent	Capitalisation and DCF	4.00% - 4.50%	4.15% - 6.00%		€400 - €645
Inner Ring	Capitalisation and DCF	4.50% - 5.00%	4.75% - 6.00%		€230 - €315
Outer Ring	Capitalisation and DCF	8%	15.50%		€120 - €125
Outside the Paris region	Capitalisation and DCF	10%	12.00%		€60 - €70
Business parks					
Paris	DCF	4.00% - 7.50%	4.15% - 7.00%		€220 - €390
Other Western Crescent	DCF	5.25% - 8.50%	6.25% - 8.35%		€130 - €275
Inner Ring	DCF	4.50% - 10.90%	4.45% - 10.00%		€80 - €370
Outer Ring	DCF	5.00% - 10.00%	5.60% - 10.00%		€50 - €280
HEALTHCARE					
Paris region	Capitalisation and DCF	5.30% - 6.90%	5.20% - 6.70%	4.85% - 6.35%	(a)
Outside the Paris region	Capitalisation and DCF	5.70% - 7.55%	5.50% - 7.40%	5.10% - 7.00%	(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 €8,471.8 million as of December 31, 2016 to €8,510.3 million as of June 30, 2017.

(in millions of euros)	12/31/2016	Acquisitions and construction work (c)	Sales	Depreciation charges	Net reversals of impairment charges	Impact of changes in scope of consolidation	Other changes (d)	06/30/2017
Gross amount	113.5	0.4	-	-	-	-	-	114.0
Depreciation	(44.1)	-	-	(2.2)	-	-	-	(46.3)
Operating properties (a)	69.4	0.4	-	(2.2)	-	-	-	67.6
Gross amount	9,991.2	236.2	(17.5)	-	-	9.7	(173.5)	10,046.1
Depreciation	(1,437.9)	-	9.2	(157.1)	-	-	41.9	(1,543.9)
Impairment	(376.9)	-	2.6	-	25.1	-	2.4	(346.7)
Investment properties (b)	8,176.4	236.2	(5.8)	(157.1)	25.1	9.7	(129.2)	8,155.5
Properties held for sale	3.4	-	(59.4)	-	-	-	129.2	73.2
Investment properties held by equity-accounted companies (Group share)	136.6	(0.2)	-	(3.4)	(2.0)	-	-	131.0
Financial receivables and other assets	85.8	-	(2.3)	-	0.1	-	(0.7)	83.0
TOTAL PROPERTY PORTFOLIO	8,471.8	236.4	(67.5)	(162.7)	23.2	9.7	(0.7)	8,510.3
Portfolio distribution:								
Commercial – Offices (e)	3,400.3	70.6	(61.7)	(62.0)	7.5	-	(0.6)	3,354.1
Commercial – Business parks (e)	2,311.0	47.1	-	(51.3)	14.2	-	-	2,321.0
Commercial – Other assets	48.1	0.6	(0.1)	(1.3)	1.6	-	(0.1)	48.7
Commercial Property Investment	**5,759.3**	**118.3**	**(61.9)**	**(114.5)**	**23.3**	**-**	**(0.7)**	**5,723.9**
Healthcare Property Investment	**2,712.4**	**118.1**	**(5.6)**	**(48.1)**	**(0.1)**	**9.7**	**-**	**2,786.4**

(a) On the balance sheet, the heading "Tangible fixed assets" includes property improvements and other tangible fixed assets in addition to the PDM1 operating building.

(b) Including fixed assets under finance leases:

Gross amount	555.8	-	-	-	-	-	0.4	556.2
Depreciation	(83.0)	-	-	(8.9)	-	-	-	(91.9)
Impairment	(30.2)	-	-	-	(5.2)	-	-	(35.4)
Properties under finance leases – net value	**442.6**	**-**	**-**	**(8.9)**	**(5.2)**	**-**	**0.4**	**428.9**

(c) Including capitalised finance costs for €1.1 million.

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

(e) Data as of 12/31/2016 were adjusted for asset reclassifications from the business park segment to the office segment (€52.0 million).

- **acquisitions and construction work** associated with the investment properties of the Commercial Property Investment Division amounted to €118.3 million and included the following:
  - two earnest money payments totalling €4.6 million for the signing of two bilateral preliminary purchase agreements relating to two real estate developments located in the 18th district of Paris for €74.7 million excluding duties and in Toulouse for €33.8 million excluding duties, with a view to developing two new projects;
  - off-plan sales projects for €24.5 million, including:
    - work representing €16.2 million carried out in H1 on the Go Spring development acquired off-plan at the end of 2016, with a first phase of 14,100 sq.m completed and handed over for a total of €67 million over the first half of the year and which is still available for lease. Completion of this project's second phase extending to 18,500 sq.m and 75% pre-leased by Franfinance, a subsidiary of Société Générale, is scheduled for January 2019;
    - an earnest money deposit paid for €6.8 million with respect to the signing of a preliminary off-plan purchase agreement for property located at avenue Gambetta in the 20th district of Paris for €136.7 million excluding transfer duties. This development covers a floor area of 20,000 sq.m including 16,000 sq.m of offices and 4,000 sq.m of shops with 3,300 sq.m already pre-leased under a 12-year off-plan lease agreement;
    - an earnest money deposit paid for €1.4 million with respect to the signing of a preliminary off-plan purchase agreement for an 8,369 sq.m office building in the Cité de la Méditerranée development zone in Marseilles for €28.4 million excluding transfer duties.
  - current or upcoming projects under development as of June 30, 2017 for €39.6 million, including:
    - Pulse: €12.3 million; Origine: €10.7 million; Défense 456: €7.3 million.
  - major maintenance/repair work and restoration work for rental properties for €46.2 million;
  - other investments for €3.4 million, including €1.2 million of lease incentives and €1.8 million of marketing costs.

- **the investments** of the Healthcare Property Investment Division for €127.8 million include:
  - changes in scope of consolidation and operating asset acquisitions for €54.0 million, of which:
    - two healthcare facilities, including the Ormeau MSO polyclinic in Tarbes (Hautes-Pyrénées) sold by the Médipôle Partenaires group, for a total of €43.3 million (including duties). The asset is composed of 2 sites (Ormeau Centre for 10,437 sq.m and Ormeau Pyrénées for 10,609 sq.m). This project finalises the preliminary sales agreement signed at the end of 2016. The second project consists of the Helios disability care home in Saint-Germé (Gers), acquired for €9.8 million (including duties) in partnership with the Clinipôle group from Montpellier which has taken over the operation of this 5,800 sq.m site on a land area of 23,000 sq.m. The two facilities are subject to 12-year leases with no break options.
  - development projects for €56.7 million, including:
    - Courlancy polyclinic in Bezannes for €19.6 million;
    - La Croix du Sud polyclinic in Quint-Fonsegrives for €25.1 million;
    - Bromélia private hospital in Saint-Herblain for €11.9 million.
  - other works to private hospitals currently operating for €17.2 million.
- **the net carrying amounts of disposals** for the period include primarily:
  - three office assets of which two in Villejuif (Rhône and Seine) and a building subject to a preliminary sale agreement as of December 31, 2016 (net carrying amount of €59.4 million);
  - a car park classified as a financial receivable located in Courchevel, which the Town used to occupy as a tenant and for which it has exercised its option to purchase (net carrying amount of €2.3 million);
  - the Les Chênes polyclinic (Aire-sur-Adour) (net carrying amount of €5.6 million).
- **other changes** relate mainly to reclassifications of investment properties to assets held for sale. The latter were actually sold during the half-year with the exception of an office building, a warehouse and three residential assets subject to a preliminary sale agreement (net carrying amount of €73.2 million).

4.2.2. Impact of impairment charges on the income statement

In the income statement, impairment showed a net reversal of €25.6 million, of which €25.3 million for the Commercial Property Investment Division which relates to fully-consolidated investment properties, including:
- €7.1 million of impairment charges, including €6.7 million due to the office segment;
- €32.3 million of reversals of impairment losses, including €14.2 million for offices and €16.4 million for business parks.

4.2.3. Profit/(loss) from disposals

In H1 2017, Icade also sold a number of property assets for an aggregate amount of €128.7 million:
- two office buildings in Villejuif (Rhône and Seine): €115.4 million;
- office space owned in the Arago tower in Puteaux: €3.7 million;
- the Les Chênes polyclinic in Aire-sur-Adour: €5.6 million;
- the car park in the Town of Courchevel: €3.8 million.

Furthermore, Icade continued its programme to dispose of housing units, generating proceeds of €2.3 million.

For the financial year, the profit/(loss) from the disposal of investment properties net of costs to sell reached €46.3 million.

(in millions of euros)	06/30/2017	06/30/2016	12/31/2016
Profit/(loss) from disposals of investment properties	46.3	3.2	20.2
Profit/(loss) from disposals of investments in consolidated subsidiaries	-	-	(0.8)
TOTAL PROFIT/(LOSS) FROM DISPOSALS	46.3	3.2	19.4

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

	06/30/2017			12/31/2016			Change		
(in millions of euros)	Fair value	Net carrying amount	Unrealised capital gain	Fair value	Net carrying amount	Unrealised capital gain	Fair value	Net carrying amount	Unrealised capital gain
Operating properties	184.0	67.6	116.4	178.3	69.4	108.9	5.7	(1.8)	7.5
Investment properties	10,981.2	8,155.5	2,825.7	10,850.0	8,176.4	2,673.6	131.1	(21.0)	152.1
Properties held for sale	100.4	73.2	27.2	4.1	3.4	0.7	96.3	69.8	26.5
Financial receivables and other assets	95.2	83.0	12.2	93.4	85.8	7.5	1.8	(2.9)	4.7
Property portfolio of fully-consolidated companies	**11,360.8**	**8,379.3**	**2,981.5**	**11,125.8**	**8,335.1**	**2,790.7**	**235.0**	**44.2**	**190.8**
Investment properties of equity-accounted companies	**146.1**	**131.0**	**15.1**	**159.5**	**136.6**	**22.8**	**(13.4)**	**(5.7)**	**(7.8)**
TOTAL PROPERTY PORTFOLIO	**11,506.8**	**8,510.3**	**2,996.6**	**11,285.3**	**8,471.8**	**2,813.5**	**221.6**	**38.5**	**183.1**
Portfolio distribution:									
Commercial – Offices (b)	4,138.8	3,354.0	784.7	4,115.6	3,400.3	715.3	23.2	(46.2)	69.4
Commercial – Business parks (b)	3,508.0	2,321.0	1,187.0	3,451.7	2,311.0	1,140.7	56.4	10.1	46.3
Commercial – Other assets	136.3	48.7	87.5	135.1	48.1	87.0	1.1	0.7	0.5
Commercial Property Investment	**7,783.1**	**5,723.8**	**2,059.3**	**7,702.4**	**5,759.3**	**1,943.1**	**80.7**	**(35.5)**	**116.2**
Healthcare Property Investment	**3,723.8**	**2,786.4**	**937.3**	**3,582.9**	**2,712.4**	**870.5**	**140.9**	**74.0**	**66.8**
TOTAL PROPERTY PORTFOLIO	**11,506.8**	**8,510.3**	**2,996.6**	**11,285.3**	**8,471.8**	**2,813.5**	**221.6**	**38.5**	**183.1**
TOTAL PROPERTY PORTFOLIO Group share (a)	**9,887.4**	**7,298.4**	**2,588.9**	**9,727.1**	**7,292.1**	**2,435.0**	**160.3**	**6.3**	**154.0**

(a) This takes into account the Group's stake in Icade Santé, i.e. 56,51% in June 30, 2017 and in 2016.

(b) Data as of 12/31/2016 were adjusted for asset reclassifications from the business park segment to the office segment (€52.0 million).

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%
La Défense & surroundings	(13.8)	(8.1)	4.6	9.2
Inner Ring	(12.2)	(8.6)	-	-
Outer Ring	(0.4)	(0.2)	0.3	0.5
TOTAL OFFICES	**(26.4)**	**(16.9)**	**+4.9**	**9.6**
La Défense & surroundings	-	-	-	-
Other Western Crescent	(6.8)	(3.4)	3.4	6.8
Inner Ring	(4.1)	(2.0)	2.0	4.1
Outer Ring	(51.1)	(25.6)	25.3	50.5
TOTAL BUSINESS PARKS	**(61.9)**	**(31.1)**	**30.7**	**61.4**
TOTAL OFFICES AND BUSINESS PARKS	**(88.3)**	**(47.9)**	**35.6**	**71.0**
Other assets	(0.5)	(0.2)	0.2	0.5
TOTAL COMMERCIAL PROPERTY INVESTMENT	(88.8)	(48.2)	35.9	71.5
Outside the Paris region	(1.1)	-	-	0.1
TOTAL HEALTHCARE PROPERTY INVESTMENT (a)	**(1.1)**	**-**	**-**	**0.1**
TOTAL PROPERTY PORTFOLIO	**(89.9)**	**(48.2)**	**35.9**	**71.6**

(a) Net carrying amounts based on full consolidation

4.4. Impairment tests and unrealised capital gains on the property portfolio and Property Development companies

4.4.1. Goodwill

No indication of impairment was detected in H1 2017.

	06/30/2017			12/31/2016		
(in millions of euros)	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
GOODWILL	4.0	42.3	46.3	4.0	42.3	46.3

4.4.2. Summary of unrealised capital gains on the property portfolio and Property Development companies

	Property portfolio					
	06/30/2017			12/31/2016		
(in millions of euros)	Commercial Property Investment	Healthcare Property Investment	Group	Commercial Property Investment	Healthcare Property Investment	Group
Equity-accounted investments						
Fair value of the investments	137.2	-	137.2	129.5	-	129.5
Net carrying amount of the investments	122.1	-	122.1	106.7	-	106.7
Gross unrealised capital gains	15.1	-	15.1	22.8	-	22.8
Fully-consolidated subsidiaries						
Fair value	7,637.0	3,723.8	11,360.8	7,542.9	3,582.9	11,125.8
Net carrying amount	5,592.8	2,786.4	8,379.3	5,622.7	2,712.4	8,335.1
Unrealised capital gains	2,044.2	937.3	2,981.5	1,920.2	870.5	2,790.7
Unrealised capital gains – Group share (a)	2,044.2	529.7	2,573.9	1,920.2	491.9	2,412.1
Total gross unrealised capital gains – Group share	2,059.3	529.7	2,588.9	1,943.1	491.9	2,435.0
Impact of receivables from the straight-lining of rents	(37.6)	-	(37.6)	(35.0)	-	(35.0)
Net unrealised capital gains on the property portfolio used in calculating the NAV	2,021.7	529.7	2,551.3	1,908.0	491.9	2,399.9
Net unrealised capital gains on the Property Development business (b)			127.8			118.3
TOTAL UNREALISED CAPITAL GAINS			2,679.1			2,518.2

(a) This takes into account the Group's stake in Icade Santé, i.e. 56,51% in June 30, 2017 and in 2016.

(b) The Property Development Division has not undergone any further valuation by an independent firm as of the end of the interim reporting period but its last valuation was updated to reflect the items recognised during the period and the impact of present value updates as a result of the passing of time since the last valuation.

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)		06/30/2017	12/31/2016
Medium- and long-term financial liabilities		3,981.3	4,131.2
Short-term financial liabilities		1,067.5	717.8
GROSS FINANCIAL LIABILITIES	5.1.3	5,048.8	4,849.0
Interest rate derivatives (assets and liabilities)	5.1.4	3.3	13.4
GROSS FINANCIAL LIABILITIES INCLUDING DERIVATIVES		5,052.1	4,862.4
Available-for-sale securities and other financial assets (a)	5.1.5	(102.5)	(138.6)
Cash and cash equivalents	5.1.6	(207.1)	(272.4)
NET FINANCIAL LIABILITIES		4,742.5	4,451.3

(a) Excluding deposits paid

			Changes with no impact on cash flows				
(in millions of euros)	12/31/2016	Cash flow	Changes in scope of consolidation	Fair value through profit or loss	Fair value through reserve	Other changes (a)	06/30/2017
Derivative assets	8.6	-	-	(0.5)	5.2	-	13.3
Other financial assets	117.3	(24.0)	(0.3)	-	-	(11.8)	81.1
Total assets	*125.8*	*(24.0)*	*(0.3)*	*(0.5)*	*5.2*	*(11.8)*	94.5
Financial liabilities	4,849.0	174.3	-	-	-	25.5	5,048.8
Total derivative liabilities	21.9	-	-	(0.1)	(5.1)	(0.1)	16.7
Other financial liabilities	58.5	-	-	-	-	(1.1)	57.4
Total liabilities	*4,929.4*	*174.3*	-	*(0.1)*	*(5.1)*	*24.3*	5,122.9
TOTAL FINANCIAL ASSETS AND LIABILITIES	4,803.6	198.3	0.3	0.4	(10.3)	36.1	5,028.4
Deposits and guarantees received	58.5	-	-	-	-	(1.1)	57.4
Deposits and guarantees paid	5.4	-	-	-	-	0.5	5.9
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	4,750.6	198.3	0.3	0.4	(10.3)	37.7	4,977.0
Other financial liabilities	-						-
Available-for-sale securities	26.8						27.3
Cash and cash equivalents	272.4						207.1
TOTAL NET FINANCIAL LIABILITIES	4,451.3						4,742.5

(a) Other items include an increase in bank overdrafts during the period and the reclassification of a provision for risks and charges to impairment of receivables associated with equity investments.

The €199.8 million increase in gross debt (excluding derivatives) compared to December 31, 2016 stems primarily from:

- a net increase in Negotiable European Commercial Paper (NEU CP) outstanding of €271.5 million (including a €596.0 million increase and a €324.5 million decrease);
- an increase in bank overdrafts of €25.4 million;
- the redemption of the remaining ORNANE bonds for €44.8 million;
- the anticipated amortisation of loans from credit institutions (including credit lines) and finance leases for €52.7 million.

5.1.2. Finance income/(expense)

(in millions of euros)	06/30/2017	06/30/2016	12/31/2016
Interest expenses from financial liabilities	(41.9)	(50.7)	(97.9)
Interest expenses from derivatives	(2.6)	(16.2)	(20.0)
Recycling to the income statement of interest rate hedging instruments whose underlying asset is kept	0.6	0.8	1.5
Cost of gross debt	(43.9)	(66.1)	(116.4)
Interest income from cash and cash equivalents	0.5	1.3	2.0
Income from receivables and loans	2.9	2.5	4.9
Net income from cash and cash equivalents, related loans and receivables	3.3	3.8	7.0
Cost of net debt	(40.5)	(62.3)	(109.4)
Profit/(loss) from disposals of available-for-sale securities	0.5	-	1.6
Change in fair value of derivatives recognised in the income statement	(0.4)	(1.0)	(1.5)
Change in fair value of ORNANE bonds	-	0.5	1.4
Commitment fees	(2.9)	(2.5)	(5.1)
Restructuring costs for financial liabilities	(5.0)	-	(51.4)
Other finance income and expenses	(2.7)	0.7	0.9
Total other finance income and expenses	(10.5)	(2.2)	(54.1)
FINANCE INCOME/(EXPENSE)	(51.0)	(64.5)	(163.6)

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 06/30/2017	Portion due in < 1 year	Portion between 1 and 2 years	Portion between 2 and 3 years	Portion between 3 and 4 years	Portion between 4 and 5 years	Portion due in > 5 years	Fair value as of 06/30/2017
Fixed rate debt	3,995.4	915.7	253.9	8.1	450.5	7.7	2,359.5	4,094.1
Bonds (a)	2,752.4	20.4	245.1	-	442.7	-	2,044.2	2,820.5
Loans from credit institutions	321.0	4.5	4.3	4.4	4.7	5.0	298.2	331.0
Finance leases	36.5	5.5	4.6	3.7	3.0	2.7	17.0	42.2
Other loans and similar liabilities	85.5	85.3	-	-	-	-	0.1	100.4
NEU Commercial Paper	800.0	800.0	-	-	-	-	-	800.0
Variable rate debt	1,053.4	151.8	364.1	48.8	245.5	137.3	105.9	1,080.1
Loans from credit institutions	822.6	64.8	347.8	32.7	230.4	91.3	55.7	846.1
Finance leases	163.3	19.6	16.3	16.0	15.0	46.0	50.2	166.6
Payables associated with equity interests	5.4	5.4	-	-	-	-	-	5.4
Bank overdrafts	62.0	62.0	-	-	-	-	-	62.0
GROSS FINANCIAL LIABILITIES AS OF 06/30/2017	5,048.8	1,067.5	618.0	56.8	696.0	145.1	2,465.4	5,174.2
GROSS FINANCIAL LIABILITIES AS OF 12/31/2016	4,849.0	717.8	420.1	313.5	265.6	578.6	2,553.3	5,003.6

(a) Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Interest rate	Repayment profile	Nominal value as of 12/31/2016	Increase	Decrease	Nominal value as of 06/30/2017
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Interest only	300.0	-	-	300.0
FR0011577170	09/30/2013	01/30/2019	500.0	Fixed rate 2.25%	Interest only	245.0	-	-	245.0
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Interest only	455.0	-	-	455.0
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Interest only	500.0	-	-	500.0
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Interest only	750.0	-	-	750.0
FR0013211893	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Interest only	500.0	-	-	500.0
BONDS						2,750.0	-	-	2,750.0

The average debt maturity was 6.2 years as of June 30, 2017 (excluding NEU Commercial Paper), versus 6.6 years as of December 31, 2016.

The average maturity is 2.8 years for variable rate debt and 5.1 years for the related hedges, allowing adequate hedging, and anticipating coverage of future financing needs.

5.1.4. Derivative instruments

Change in fair value

(in millions of euros)	Fair value as of 12/31/2016	Sales	Payment for guarantee	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	Fair value as of 06/30/2017
Swaps and interest rate options – fixed-rate payer	(15.4)	-	-	0.2	10.3	(5.0)
- including change in interest accrued but not due	-	-	-	0.1	-	-
- including ineffective portion	-	-	-	0.1	-	-
Cash flow hedges	**(15.4)**	**-**	**-**	**0.2**	**10.3**	**(5.0)**
Interest rate options	0.8	-	-	(0.4)	-	0.4
Non-hedging instruments	**0.8**	**-**	**-**	**(0.4)**	**-**	**0.4**
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	**(14.6)**	**-**	**-**	**(0.3)**	**10.3**	**(4.6)**
Derivatives: margin calls	1.2	-	-	-	-	1.2
INTEREST RATE DERIVATIVES	**(13.4)**	**-**	**-**	**(0.3)**	**10.3**	**(3.4)**
Presentation of derivatives on the balance sheet:						
Derivative instruments – Assets	8.6	-	-	(0.5)	5.2	13.3
Derivative instruments – Liabilities	(21.9)	-	0.1	0.1	5.1	(16.7)

Derivatives: analysis of notional amounts by maturity

	06/30/2017				
(in millions of euros)	Average rate	Total	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Portfolio of outstanding derivatives as of 06/30/2017					
Interest rate swaps – fixed-rate payer	0.65%	663.8	15.8	145.8	502.2
Interest rate options – caps	1.04%	325.0	200.0	125.0	
Interest rate options – floors	0.00%	300.0	300.0		
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES		**1,288.8**	**515.8**	**270.8**	**502.2**
Portfolio of outstanding deferred derivatives					
Interest rate swaps – fixed-rate payer	0.66%	169.4		3.6	165.8
TOTAL PORTFOLIO OF OUTSTANDING DEFERRED DERIVATIVES		**169.4**	**-**	**3.6**	**165.8**
TOTAL INTEREST RATE DERIVATIVES AS OF 06/30/2017		**1,458.2**	**515.8**	**274.4**	**668.0**
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2016		**1,267.4**	**321.1**	**424.6**	**521.8**

5.1.5. Available-for-sale securities and other financial assets and liabilities

(in millions of euros)	12/31/2016	Acquisitions	Disposals / redemptions	Impact of changes in fair value recognised in equity	Net charges related to impairment losses recognised in the income statement	Impact of changes in scope of consolidation and capital	Other (b)	06/30/2017
Available-for-sale securities (a)	26.8	-	(0.8)	1.0	-	-	0.3	27.3
AVAILABLE-FOR-SALE SECURITIES	**26.8**	**-**	**(0.8)**	**1.0**	**-**	**-**	**0.3**	**27.3**
Receivables associated with equity investments and other related parties	61.8	3.3	(8.0)	-	(2.5)	-	(9.6)	44.9
Loans	0.2	-	-	-	-	-	-	0.2
Deposits and guarantees paid	5.4	0.5	-	-	-	-	-	5.9
Shareholder current accounts	49.8	-	-	-	-	(0.3)	(19.5)	30.1
OTHER FINANCIAL ASSETS	**117.3**	**3.8**	**(8.0)**	**-**	**(2.5)**	**(0.3)**	**(29.1)**	**81.1**

(a) Available-for-sale securities include shares and other variable-income securities, classified in their entirety as non-current assets.
(b) Other items include increases, net of repayments for the period, in shareholder current accounts and the reclassification of a provision for risks and charges to impairment of receivables associated with equity investments.

Financial assets by maturity

(in millions of euros)	06/30/2017	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	44.9	44.9	-	-
Loans	0.2	0.1	0.1	-
Deposits and guarantees paid	5.9	0.6	2.1	3.3
Shareholder current accounts	30.1	30.1	-	-
OTHER FINANCIAL ASSETS AT AMORTISED COST	81.1	75.7	2.2	3.3

Other financial liabilities consist exclusively of deposits and guarantees received from tenants for €57.4 million as of June 30, 2017.

5.1.6. Cash and cash equivalents

(in millions of euros)	06/30/2017	12/31/2016
Cash assets (including bank interest receivable)	178.7	240.4
Money-market UCITS	28.4	32.1
CASH AND CASH EQUIVALENTS	207.1	272.4

5.2. Management of financial risks

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

That division reports on a regular basis to Icade'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 €1,580.0 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, Icade continued to access liquidity under good conditions and is still fully able to raise more funds if necessary.

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

	06/30/2017								
	Portion due in < 1 year		Portion due in > 1 year and < 3 years		Portion due in > 3 year and < 5 years		Portion due in > 5 years		
(in millions of euros)	Principal repayments	Interest	Principal repayments	Interest	Principal repayments	Interest	Principal repayments	Interest	Total
Bonds	-	54.0	245.1	102.5	454.7	86.7	2,050.0	104.6	3,097.7
Loans from credit institutions	71.3	15.6	390.4	27.8	335.8	22.4	358.9	110.5	1,332.7
Finance leases	25.2	3.3	40.7	5.9	66.9	5.2	67.2	6.4	221.0
Other loans and similar liabilities	85.0	4.1	-	6.9	0.1	5.2	0.1	5.4	106.8
Payables associated with equity interests	5.4	-	-	-	-	-	-	-	5.4
NEU Commercial Paper	800.0	-	-	-	-	-	-	-	800.0
Bank overdrafts	62.0	-	-	-	-	-	-	-	62.0
Accounts payable and tax liabilities	399.7	-	18.7	-	-	-	-	-	418.3
Derivative instruments		6.2		9.6		1.4		(12.2)	4.9
TOTAL	1,448.6	83.2	694.9	152.7	857.5	120.9	2,476.2	214.8	6,048.8

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 elements:

- **Financial covenants**

		Covenants	06/30/2017
LTV covenant [(a)]	Maximum	< 52%	41.2%
ICR	Minimum	> 2	6.29x
CDC's stake	Minimum	34%	38.99%
Value of Property Investment assets [(b)]	Minimum	From > €3bn to > €7bn	€11.5bn
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	0.9%
Security interests in assets	Maximum	< 20% of property investment assets	6.1%

(a) Excluding other loans and similar liabilities (LTV < 50%)

(b) About 8% of the debt subject to a covenant on the value of the Commercial Property Investment Division's portfolio has a limit of €3 billion, 15% of the debt has a limit of €5 billion and the remaining 77% has a limit of €7 billion.

Loans taken out by Icade 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, 2017.

As of June 30, 2017, Caisse des dépôts held 39.12% of voting rights and a 38.99% stake in Icade.

- **Financial structure ratio**

The LTV or loan-to-value ratio, which is the ratio of net financial liabilities and the latest valuation of property assets excluding duties plus the value of property development companies, stands at 39.4% as of June 30, 2017 (compared with 37.9% as of December 31, 2016).

(in millions of euros)		06/30/2017	12/31/2016
Net financial liabilities	(A)	4,742.5	4,451.3
Fair value excluding duties of fully-consolidated assets		11,360.8	11,125.8
Market value excluding duties of equity-accounted Property Investment companies		137.2	129.5
VALUE OF PROPERTY INVESTMENT COMPANIES' ASSETS	(B)	11,498.0	11,255.3
Reference LTV ratio used for covenants	**(A/B)**	**41.2%**	**39.5%**
LTV ratio used for management		**39.4%**	**37.9%**

This ratio is still well below maximum levels established by the financial covenants stipulated in the bank agreements (52% where this ratio is mentioned as a covenant). The reference LTV ratio used for the purposes of covenants stands at 41.2% as of June 30, 2017, versus 39.5% as of December 31, 2016.

If the value of the portfolio used for its calculation was including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 37,3% as of June 30, 2017.

- **Interest coverage ratio**

The interest coverage ratio based on the EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 6.29x for H1 2017. This ratio, which was calculated using the same method as in the previous financial year, rose on a year-over-year basis (4.71x for the financial year 2016), thanks in particular to the restructuring of liabilities which resulted in a lower cost of debt.

This ratio remains above the thresholds to be met in the financial covenants provided for in the bank agreements (2.00x).

5.2.3. Interest rate risk

	06/30/2017									
	Financial assets (a)		Financial liabilities (b)		Net exposure before hedging (c) = (b) - (a)		Interest rate hedging instruments (d)		Net exposure after hedging (e) = (d) - (c)	
(in millions of euros)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	0.1	282.1	915.7	151.8	915.6	(130.2)	-	515.8	(915.6)	646.1
1 to 2 years	-	-	253.9	364.1	253.9	364.1	-	141.7	(253.9)	(222.4)
2 to 3 years	-	-	8.1	48.8	8.1	48.8	-	18.2	(8.1)	(30.5)
3 to 4 years	-	-	450.5	245.5	450.5	245.5	-	107.1	(450.5)	(138.4)
4 to 5 years	0.1	-	7.7	137.3	7.6	137.3	-	7.4	(7.6)	(130.0)
> 5 years	27.3	-	2,359.5	105.9	2,332.2	105.9	-	668.1	(2,332.2)	562.2
TOTAL	27.5	282.1	3,995.4	1,053.4	3,967.9	771.3	-	1,458.2	(3,967.9)	686.9

Developments in financial markets can entail a variation in interest rates, which may be reflected in higher financing costs. To finance its investments, Icade also uses hedged variable rate debt, thus remaining able to prepay loans without penalty. This type of debt represents nearly 20% of its total debt as of June 30, 2017 (excluding payables associated with equity interests and bank overdrafts).

As of June 30, 2017, hedged variable rate debt accounted for 20% of total debt. All variable rate debt is hedged.

In H1 2017, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates.

In particular, long-term forward swaps for a notional amount of €150 million were concomitantly taken out to make sure the company will keep benefiting from today's historically low interest rates in the long term.

The average maturity of variable rate debt is 2.8 years and that of the associated hedges is 5.1 years.

Finally, Icade favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; therefore, any changes in fair value of such instruments is recognised directly in equity (for the effective portion) rather than in the income statement.

Due to the optimisation by the Group of its hedging structure during the financial year and the trend in interest rates, changes in value of cash flow hedges had a positive impact of €10.3 million.

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

	06/30/2017	
	Impact on equity before tax (€m)	Impact on the income statement before tax (€m)
Impact of a +1% change in interest rates	48.7	0.5
Impact of a -1% change in interest rates	(53.3)	0.1

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 Icade's balance sheet may expose the company 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 vehicles complements the control process. Additionally, in order to limit its counterparty risk, Icade only deals in interest rate derivatives with major banking institutions which help fund its expansion. With both types of instruments, Icade 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 accounts receivable less deposits received from customers, i.e. €151.3 million as of June 30, 2017, compared with €124.2 million as of December 31, 2016.

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 06/30/2017	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 06/30/2017
Assets					
Current and non-current available-for-sale securities	27.3	7.1	20.2		27.3
Other current and non-current financial assets	94.5	82.4	11.7	0.4	94.5
Accounts receivable	391.3	391.3			391.3
Other operating receivables (a)	40.6	40.6			40.6
Cash equivalents	28.4			28.4	28.4
TOTAL FINANCIAL ASSETS	**582.2**	**521.5**	**31.9**	**28.7**	**582.2**
Liabilities					
Current and non-current financial liabilities	5,048.8	5,048.8			5,174.2
Other current and non-current financial liabilities	74.1	57.4	16.0	0.7	74.1
Accounts payable	379.6	379.6			379.6
Other operating payables (a)	315.5	315.5			315.5
TOTAL FINANCIAL LIABILITIES	**5,817.9**	**5,801.3**	**16.0**	**0.7**	**5,943.4**

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

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.

		06/30/2017			
(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	Carrying amount as of 06/30/2017 (fair value)
ASSETS					
Financial assets designated at fair value through profit or loss					
Derivatives excluding margin calls (assets)	5.1.4		12.1		12.1
Available-for-sale financial assets	5.1.5			27.3	27.3
Cash equivalents	5.1.6	28.4			28.4
LIABILITIES					
Financial liabilities designated at fair value through profit or loss					
Derivatives (liabilities)	5.1.4		16.7		16.7

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

Note 6. Earnings per share and equity

6.1. Earnings per share

(in millions of euros)		06/30/2017	06/30/2016	12/31/2016
Net profit/(loss) attributable to the Group from discontinued operations		(0.1)	2.1	13.3
Net profit/(loss) attributable to the Group from continuing operations		77.3	13.3	44.7
Net profit/(loss) attributable to the Group	**(A)**	**77.2**	**15.4**	**58.0**
Diluted net profit/(loss) attributable to the Group	**(B)**	**77.2**	**15.4**	**58.0**
Opening number of shares		74,111,186	74,111,186	74,111,186
Average number of treasury shares outstanding		211,797	472,452	345,435
Average undiluted number of shares	**(C)**	**73,899,389**	**73,638,734**	**73,765,751**
Impact of dilutive instruments (stock options and bonus shares)		79,909	-	83,209
Average diluted number of shares	**(D)**	**73,979,298**	**73,638,734**	**73,848,960**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE	(A/C)	€1.04	€0.21	€0.79
Net profit/(loss) attributable to the Group from discontinued operations per share		(€0.0)	€0.03	€0.18
Net profit/(loss) attributable to the Group from continuing operations per share		€1.05	€0.18	€0.61
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE	(B/D)	€1.04	€0.21	€0.79
Diluted net profit/(loss) attributable to the Group from discontinued operations per share		(€0.0)	€0.03	€0.18
Diluted net profit/(loss) attributable to the Group from continuing operations per share		**€1.04**	**€0.18**	**€0.61**

6.2. Equity

Share capital

	06/30/2017		12/31/2016	
Shareholders	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts	*28,895,631*	*38.99*	*28,895,631*	*38.99*
Groupama [(a)]	-	-	*9,596,200*	*12.95*
SUBTOTAL CDC AND GROUPAMA ACTING IN CONCERT	28,895,631	38.99	38,491,831	51.94
Crédit Agricole [(a)]	13,715,504	18.51	4,219,304	5.69
Public	31,054,147	41.90	30,987,735	41.81
Employees	204,760	0.28	205,672	0.28
Treasury shares	241,144	0.33	206,644	0.28
TOTAL	74,111,186	100.00	74,111,186	100.00

(a) On June 17, 2017, Groupama sold its stake in Icade to Crédit Agricole.

Caisse des dépôts and Crédit Agricole currently hold a 38.99% and 18.51% stake in Icade, respectively.

Change in the number of shares outstanding

	Number	Share capital *(in €m)*
SHARE CAPITAL AS OF 12/31/2016	74,111,186	113.0
SHARE CAPITAL AS OF 06/30/2017	74,111,186	113.0

Dividends

(in millions of euros)	06/30/2017	12/31/2016
Payment to Icade SA shareholders in year N for year N-1		
- dividends from tax-exempt fiscal profit/(loss) (in accordance with the SIIC status)	159.8	191.9
- dividends deducted from profit taxable at the ordinary rate	135.8	83.4
TOTAL	295.6	275.3

Dividends per share distributed in 2017 and 2016 in respect of profits for the financial years 2016 and 2015 were €4.00 and €3.73, respectively.

Note 7. Provisions

(in millions of euros)	01/01/2017	Charges	Utilisations	Reversals	Actuarial gains and losses	Reclassification (a)	06/30/2017
Lump-sum final payments and similar liabilities	22.9	0.2	(0.5)	-	(0.5)	-	22.1
Losses on contracts	1.7	-	-	-	-	-	1.8
Tax risks	5.7	-	-	-	-	-	5.7
Risks and charges – Other	49.3	9.9	(3.9)	(7.5)	-	(9.5)	38.4
PROVISIONS FOR RISKS AND CHARGES	**79.6**	**10.1**	**(4.3)**	**(7.5)**	**(0.5)**	**(9.5)**	**68.0**
Non-current provisions	28.3	0.8	(1.0)	(0.6)	(0.5)	-	27.1
Current provisions	51.3	9.3	(3.4)	(6.9)	-	(9.5)	40.9
including: operating profit/(loss)		10.1	(4.1)	(7.5)			
including: finance income/(expense)		-	(0.2)	-			
including: tax expenses		-	-	-			

(a) Reclassification of a provision for risks and charges to impairment of receivables associated with equity investments.

Icade has identified several types of provisions. In addition to lump-sum final payments and similar liabilities, which are discussed separately elsewhere in this report (see note 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.

The following risks were identified:

- losses on service contracts and on off-plan contracts (note that losses on construction contracts appear under the headings "amounts due to customers" and "amounts due from customers");
- tax risks: provisions cover estimated tax risks for which tax adjustment notices have been received as of June 30, 2017;
- the other provisions for risks and charges, amounting to €38.4 million, mainly come from the Property Development and Commercial Property Investment Divisions, with €14.6 million and €23.8 million, respectively. This essentially relates to business risks, labour tribunal disputes and litigation.

Note 8. Other items

8.1. Equity-accounted investments

8.1.1. Changes in equity-accounted investments

(in millions of euros)	06/30/2017			12/31/2016		
	Joint ventures	Associates	Total value of equity-accounted companies	Joint ventures	Associates	Total value of equity-accounted companies
Opening share in net assets	118.3	(0.1)	118.1	114.9	-	114.9
Share of profit/(loss) for the financial year	3.8	-	3.8	(5.8)	0.3	(5.6)
Distribution of profits	13.3	(0.1)	13.2	9.2	(0.4)	8.8
Closing share in net assets	135.4	(0.2)	135.1	118.3	(0.1)	118.1

8.1.2. Investments in joint ventures

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

Income statement

(in millions of euros)	06/30/2017			06/30/2016			12/31/2016		
	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
Revenue	5.7	64.2	70.0	5.4	35.8	41.2	9.1	91.8	101.0
EBITDA	3.6	5.8	9.4	4.1	5.4	9.4	6.7	11.5	18.2
Operating profit/(loss)	(1.9)	6.1	4.2	(9.7)	5.4	(4.3)	(16.0)	11.5	(4.5)
Finance income/(expense)	(0.4)	-	(0.5)	(0.8)	-	(0.8)	(1.2)	(0.1)	(1.2)
Income tax	-	0.1	0.1	-	-	-	-	(0.1)	(0.1)
NET PROFIT/(LOSS)	(2.3)	6.1	3.8	(10.5)	5.4	(5.1)	(17.2)	11.4	(5.9)
including depreciation net of government grants	(3.4)	-	(3.4)	(3.8)	-	(3.8)	(6.8)	-	(6.8)

8.1.3. Investments in associates

The key information on the income statement of associates is presented below on a Group share basis.

Income statement

(in millions of euros)	Property Development		
	06/30/2017	06/30/2016	12/31/2016
EBITDA	-	0.2	0.3
Operating profit/(loss)	-	0.2	0.3
NET PROFIT/(LOSS)	-	0.2	0.3

8.2. Components of the working capital requirement

8.2.1. Inventories and work in progress

(in millions of euros)	Property Development				Commercial Property Investment	Total
	Land and land bank	Work in progress	Unsold finished lots	Total		
Net value as of 12/31/2016	**73.3**	**393.2**	**24.9**	**491.3**	**1.0**	**492.3**
Gross value as of 12/31/2016	83.1	401.5	28.2	512.8	1.2	514.0
Change for the period	5.9	42.7	(2.5)	46.2	(0.1)	46.1
Gross value as of 06/30/2017	**89.0**	**444.2**	**25.8**	**559.0**	**1.1**	**560.1**
Impairment as of 12/31/2016	(9.8)	(8.3)	(3.4)	(21.5)	(0.2)	(21.7)
Charges and reversals of charges to the income statement	0.1	0.2	-	0.3	0.1	0.4
Impairment as of 06/30/2017	**(9.7)**	**(8.1)**	**(3.4)**	**(21.2)**	**(0.1)**	**(21.3)**
NET VALUE AS OF 06/30/2017	79.4	436.0	22.4	537.8	1.0	538.8

8.2.2. Construction contracts and off-plan sales

	The buyer is able to specify the major structural elements of the design of the real estate before and during the construction phase					
	06/30/2017			12/31/2016		
(in millions of euros)	Commercial Property Development	Intersegment eliminations	Total	Commercial Property Development	Intersegment eliminations	Total
Aggregate receivables, including tax, according to the percentage of completion method	229.5	-	229.5	244.0	-	244.0
Work in progress	15.5	-	15.5	24.8	-	24.8
Progress payments received	(215.7)	-	(215.7)	(242.1)	-	(242.1)
AMOUNTS DUE FROM CUSTOMERS	31.7	-	31.7	31.8	-	31.8
AMOUNTS DUE TO CUSTOMERS	(2.3)	-	(2.3)	(5.1)	-	(5.1)
INCOME FOR THE YEAR	49.8	-	49.8	122.1	-	122.1

8.2.3. Accounts receivable

(in millions of euros)	12/31/2016	Change for the period	Impact of changes in scope of consolidation	Net reversals of impairment losses recognised in the income statement	Other (a)	06/30/2017
Accounts receivable and related accounts	337.4	(13.1)	(0.1)	-	0.1	324.3
Financial accounts receivable	83.7	(0.6)	-	-	(2.3)	80.8
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS – GROSS VALUE	421.1	(13.7)	(0.1)	-	(2.2)	405.2
Impairment of accounts receivable and related accounts	(13.1)	-	-	(0.7)	-	(13.8)
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS – IMPAIRMENT LOSSES	(13.1)	-	-	(0.7)	-	(13.8)
Accounts receivable and related accounts – net value	324.3	(13.1)	(0.1)	(0.7)	0.1	310.5
Financial accounts receivable – net value	83.7	(0.6)	-	-	(2.3)	80.8
ACCOUNTS RECEIVABLE – NET VALUE	408.0	(13.7)	(0.1)	(0.7)	(2.2)	391.3

(a) Other changes relate mainly to the sale of a car park in Courchevel.

8.2.4. Revenue

Revenue by category breaks down as follows:

(in millions of euros)	06/30/2017	06/30/2016	12/31/2016
Lease income, including finance lease income	291.1	287.3	583.3
Construction contracts and off-plan sales	477.6	358.1	893.4
Services provided	7.3	6.4	16.0
Other sales	-	0.3	-
TOTAL REVENUES	775.9	651.9	1,492.7

8.2.5. Cash flow from components of the working capital requirement

(in millions of euros)	06/30/2017	12/31/2016
Commercial Property Investment	36.4	5.8
Healthcare Property Investment	(3.6)	(0.6)
Property Development	(53.1)	(95.2)
Intersegment transactions and other items	3.7	7.0
TOTAL CASH FLOW FROM COMPONENTS OF THE WORKING CAPITAL REQUIREMENT	(16.5)	(83.0)

The -€16.5 million decline in WCR as of June 30, 2017 is explained by:

- an increase in social security and tax liabilities (+€41.0 million), including the VAT to be paid on the sale of two buildings in Villejuif and the land tax on the buildings (for which a provision was recorded on June 30, 2017) of the Commercial Property Investment Division;
- an increase in inventories (-€46.2 million), a decrease in accounts receivable (+€11.2 million) and a decrease in payables (-€14.8 million) for the Property Development Division.

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

(in millions of euros)	06/30/2017	12/31/2016
Investment properties held for sale	73.2	3.4
Other assets held for sale and discontinued operations	-	0.3
TOTAL ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	73.2	3.7
Other liabilities held for sale and discontinued operations	9.5	11.1
TOTAL LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS	9.5	11.1

Investment properties held for sale relate to property assets subject to preliminary sale agreements as of June 30, 2017.

The item “Other liabilities held for sale and discontinued operations” reflects the liabilities as of June 30, 2017 associated with the Property Services business, which was sold in 2016, and whose last company Icade Expertise was sold on January 4, 2017, as specified in note 2.1.

8.3. Tax

8.3.1. Analysis of tax expense

(in millions of euros)	06/30/2017	06/30/2016	12/31/2016
Current taxes	(17.1)	(8.0)	(23.6)
“Exit tax” (SIIC status)	-	0.3	0.3
Deferred taxes	(2.6)	(0.9)	(0.2)
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	(19.7)	(8.6)	(23.6)
TAX ON ITEMS RECOGNISED IN EQUITY	-	(0.6)	(0.3)

The tax expense includes in particular the 3% contribution on a portion of the dividends paid by Icade, which represents €6.8 million, and on the intercompany dividends paid by Icade Promotion, which represents €0.7 million.

Note 9. Employee compensation and benefits

9.1. Employee benefit liabilities

9.1.1. Change in employee benefit liabilities

(in millions of euros)		06/30/2017	12/31/2016
OPENING ACTUARIAL DEBT	(1)	19.0	19.8
Impact of changes in scope of consolidation and other changes	**(2)**	**-**	**0.1**
Cost of services provided during the year	(a)	0.6	1.4
Financial cost for the year	(a)	0.1	0.4
Costs for the period	**Σ (a)**	**0.8**	**1.8**
Benefits paid out	(3)	(0.6)	(0.8)
Net costs recognised in the income statement	**b=Σ(a)+(3)**	**0.2**	**0.9**
Actuarial (gains) losses for the year	(4)	(0.5)	(1.9)
CLOSING NET LIABILITIES	(A)=(1)+(2) +(b)+(4)	18.7	19.0

Employee benefit liabilities were valued as of June 30, 2017 according to the terms of the Single Group Agreement signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate: 1.48% as of June 30, 2017 and 1.32% as of December 31, 2016;
- the discount rate used at the end of the period on June 30, 2017 is defined in relation to the “iBoxx € Corporates AA 10+” reference index. This reference index explicitly represents the yields of top-rated corporate bonds as of June 30, 2017;
- male/female mortality tables:
  - male/female INSEE tables for 2012-2014 as of June 30, 2017;
  - male/female INSEE tables for 2012-2014 as of December 31, 2016;
- retirement age starting in 2008: 62 years of age for the “employees” and “employees, technicians and supervisors” categories, and 64 years of age for executives.

Rates of salary increase and employee turnover are defined by job, occupational group and age group. Social security and tax rates on salaries are defined by job and occupational group. Lump-sum final payments are valued based on lump-sum retirement payments.

The Group does not have an asset management policy in place to cover its employee benefit liabilities.

The Group also recognises long-term liabilities related to anniversary bonuses.

Note 10. Additional information

10.1. Events after the balance sheet date

Financing

After a year 2016 marked by significant restructuring in the company's liabilities, in July 2017 Icade is continuing its policy of optimising its funding structure, in a favourable market environment.

On July 13, 2017, Icade prepaid a private placement (USPP) with a short residual maturity for €85.0 million, with a view to optimising its cost of debt and average debt maturity. Furthermore, the group's funding structure was reinforced by renewing revolving credit lines prior to maturity and by setting up new ones for a total of €170 million in July 2017.

Proposed acquisition of Eurazeo's controlling interest in ANF Immobilier

Icade, ANF and Eurazeo have entered into an exclusive negotiation agreement for the acquisition by Icade of Eurazeo's controlling interest in ANF Immobilier. This acquisition is subject to satisfaction of several conditions precedent, in particular obtaining the opinion of the employee representative bodies of the relevant companies and having entered into a bilateral agreement with respect to the sale by ANF Immobilier of residential and retail property assets in Marseille and Lyon. Subject to satisfaction of conditions precedent, the acquisition should take place in the fourth quarter of 2017.

Once the acquisition of the controlling interest has been carried out, Icade will file a Mandatory Public Tender Offer for ANF Immobilier's remaining share capital.

10.2. Scope of consolidation

		06/30/2017				2016
	Legal form	% direct stake	% 2017 ownership interest	Joint ventures / Associates	Method of consolidation	% 2016 ownership interest
COMMERCIAL PROPERTY INVESTMENT DIVISION						
ICADE	SA	100.00	100.00		Full	100.00
GIE ICADE MANAGEMENT	GIE	100.00	100.00		Full	100.00
Business parks						
BATI GAUTIER	SCI	100.00	100.00		Full	100.00
BASSIN NORD	SCI	50.00	50.00	Joint ventures	Equity	50.00
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
69 BLD HAUSSMANN	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
LES TOVETS	SCI	100.00	100.00		Full	100.00
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
LE TOLBIAC	SCI	100.00	100.00		Full	100.00
EVRY MOZART	SCI	100.00	100.00		Full	100.00
Residential						
PAYS DE LOIRE	SCI	100.00	100.00		Full	100.00
SARVILEP	SAS	100.00	100.00		Full	100.00
SMDH	SASU	100.00	100.00		Full	100.00
Other						
ICADE 3.0	SASU	100.00	100.00		Full	100.00
Discontinued operations						
Consulting & solutions						
ICADE EXPERTISE – Consulting / engineering	SAS		Disposal		Full	100.00
HEALTHCARE PROPERTY INVESTMENT DIVISION						
ICADE SANTE	SAS	56.51	56.51		Full	56.51
SASU GVM SANTE	SASU		Merged		Full	56.51
SAS CARRERE	SAS		Merged		Full	
SCI SAINT-GERMOISE	SCI		Merged		Full	
PROPERTY DEVELOPMENT						
ICADE GROUP 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

		06/30/2017				2016
	Legal form	% direct stake	% 2017 ownership interest	Joint ventures / Associates	Method of consolidation	% 2016 ownership interest
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
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
SCI PRADO ROUET	SCI	50.00	50.00	Joint ventures	Equity	50.00
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	50.00	50.00	Joint ventures	Equity	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
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	75.00	75.00		Full	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 Lieusant 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

		06/30/2017				2016
	Legal form	% direct stake	% 2017 ownership interest	Joint ventures / Associates	Method of consolidation	% 2016 ownership interest
SCI FRANCONVILLE - 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
LES TUILERIES	SCI	50.00	50.00	Joint ventures	Equity	50.00
ESSEY LES NANCY	SCI	75.00	75.00		Full	75.00
SCI LE CERCE 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	60.00	60.00		Full	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 GAND 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	33.33	33.33	Joint ventures	Equity	33.33
BALCONS DU SOLEIL	SCI	40.00	40.00	Joint ventures	Equity	40.00
DU LIZE LE MAS DES OLIVIERS	SCI	50.00	50.00	Joint ventures	Equity	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
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
LES COTEAUX DU VIGNOBLE	SAS		Liquidation	Joint ventures	Equity	40.00

		06/30/2017				2016
	Legal form	% direct stake	% 2017 ownership interest	Joint ventures / Associates	Method of consolidation	% 2016 ownership interest
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
SCCV 811 Av. Gal de GAULLE	SCCV		Disposal	Joint ventures	Equity	20.00
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
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
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
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	99.96
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	50.00	50.00	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

		06/30/2017				2016
	Legal form	% direct stake	% 2017 ownership interest	Joint ventures / Associates	Method of consolidation	% 2016 ownership interest
SCCV TOURS RESIDENCE SENIOR MELIES	SCCV	99.96	99.96		Full	99.96
SCI ARKADEA LYON GIRONDINS	SCI	65.00	65.00	Joint ventures	Equity	65.00
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	80.00	80.00		Full	80.00
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	Joint ventures	Equity	51.00
SCCV L'ETOILE HOCHE	SCCV	60.00	60.00		Full	
SCCV LES PINS D'ISABELLA	SCCV	49.90	49.90	Joint ventures	Equity	
SCCV LES COTEAUX LORENTINS	SCCV	100.00	100.00		Full	
SCCV CARETTO	SCCV	51.00	51.00		Full	
SNC MASSY VILGENIS	SNC	50.00	50.00	Joint ventures	Equity	
SCCV MASSY CHATEAU	SCCV	50.00	50.00		Full	
SCCV MASSY PARC	SCCV	50.00	50.00	Associates	Equity	
SCCV NEUILLY S/MARNE QMB 10B	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV VITA NOVA	SCCV	70.00	70.00		Full	
ICADE COMMERCIAL PROPERTY DEVELOPMENT						
PARIS BERTHELOT	SCI	50.00	50.00	Joint ventures	Equity	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	50.00	50.00	Joint ventures	Equity	50.00
ICADE DOCKS DE PARIS	SNC	100.00	100.00		Full	100.00
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	50.00	50.00	Joint ventures	Equity	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	50.00	50.00	Joint ventures	Equity	50.00
SAMICADE GUADELOUPE	SNC	40.00	40.00	Joint ventures	Equity	40.00
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
SCCV IVRY SEINE	SCCV	60.00	30.00	Joint ventures	Equity	30.00
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	99.99
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
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

3. Statutory auditors' review report on the 2017 interim 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 review of the accompanying condensed interim consolidated financial statements of Icade SA, for the six months ended June 2017;
- the verification of the information contained in the interim management report.

These condensed interim 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.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim 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 interim 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 interim financial information.

II - Specific verification

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

Neuilly-sur-Seine and Courbevoie, July 21, 2017

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

MAZARS

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