



Paris, 5 May 2015

ICADE – 1ST QUARTER 2015 ACTIVITY

1. PROPERTY INVESTMENT DIVISION

1.1. Rental business

Asset classes	Financial occupancy rate (as %) ⁽²⁾			Average lease terms (in years) ⁽²⁾	
	31/03/2015	31/12/2014	Change on a like-for-like basis ⁽¹⁾	31/03/2015	31/12/2014
Offices	78.3%	80.3%	(2.0) pt	4.2	4.3
Business parks	82.9%	83.1%	+0.8 pt	3.3	3.1
STRATEGIC ASSETS	80.9%	81.9%	(0.5) pt	3.7	3.7
Healthcare	100.0%	100.0%	+0.0 pt	8.7	8.8
Warehouses	83.2%	81.8%	+1.4 pt	2.5	2.6
COMMERCIAL PROPERTY INVESTMENT	83.8%	84.6%	(0.4) pt	4.8	4.7

(1) Excluding deliveries, acquisitions and disposals during the period

(2) In proportion to Icade's stake

At 83.8% as at 31 March 2015, the financial occupancy rate is slightly down by 0.8 points compared with 31 December 2014. On a like-for-like basis (excluding delivery of the Québec building in Rungis and acquisition of the Albi clinic), this rate is down by 0.4 points including 0.5 points on strategic assets due to the vacation by the tenant PwC, as provided for in the lease, of 3,100 sq. m of surface area in the Crystal Park building in Neuilly (10% of surface areas contained in the lease – the fixed expiry date of non-vacated surface areas being approximately six years).

As a reminder, the signed leases in the EQHO tower are related to KPMG (40,468 sq. m) with a lease starting on 1 April 2015, Air Liquide (9,955 sq. m) with a lease starting on 1 August 2015 and Banque de France (5,616 sq. m) and U.B.A.F (3,724 sq. m) with leases starting on 1 September 2015. These leases account for a positive impact of 5 points on the financial occupancy rate of the whole Commercial Property Investment Division.



	31/03/2015 (in sq. m)	31/03/2014 (in sq. m)	31/03/2015 (in millions of euros) ⁽¹⁾	31/03/2014 (in millions of euros) ⁽¹⁾	Maturity ⁽²⁾ (in years)
New signings	19,833	23,950	4.0	4.2	7.0
Departures	34,704	43,759	10.2	9.8	-
NET ABSORPTION	(14,871)	(19,809)	(6.2)	(5.6)	-
Renewals	23,109	34,632	5.1	8.6	4.1

(1) Annualised indexed headline rents in millions of euros

(2) Average fixed residual term

In the 1st quarter of 2015, Icade signed 19 new leases relating to 19,800 sq. m of offices and business parks for 4 million euros in annualised rent, with more sustained activity in March (7,700 sq. m). The most noteworthy signings include:

- 3,720 sq. m in the EQHO tower in La Défense leased to U.B.A.F from 1 September 2015 for a fixed term of nine years. The EQHO tower is therefore 81% let;
- 2,950 sq. m (1,475 sq. m for Icade's proportional share) in the Le Millénaire shopping centre in Aubervilliers let to Carrefour for an extension from 20 January 2015, for a fixed term of 10 years.

Renewals mainly concern two leases for total annualised rent of 3.2 million euros (Icade's proportional share): one lease for 17,300 sq. m (5,780 sq. m for Icade's proportional share) in the Initiale tower in La Défense and a lease for 6,920 sq. m (3,460 sq. m for Icade's proportional share) in the Le Millénaire shopping centre in Aubervilliers. In total during the 1st quarter, renewed leases represented 23,100 sq. m for an average fixed term of 4.1 years.

Over this quarter, the new signings still reflect a stretched rental market for offices in Île-de-France. Regarding the renewals, the average variance compared with previous rents is -13.0%.

Departures during the 1st quarter concerned 34,700 sq. m and represented a loss in annualised rents of 10.2 million euros. The main ones were:

- Coca Cola (9,060 sq. m) from the Camille Desmoulins building in Issy-les-Moulineaux. This building, which is currently undergoing restructuring following the tenant's departure, is not included in the financial occupancy rate;
- Precilec (3,850 sq. m) in the Gardinoux building in Aubervilliers;
- PwC (3,100 sq. m) in the Crystal Park building in Neuilly-sur-Seine.

As at 31 March 2015, the average fixed term of leases is 4.8 years, stable compared to 31 December 2014.



1.2. Investments

<i>(in millions of euros)</i>	Acquisitions	Construction/ Restructuring	Major maintenance/Renovation	Other	Total
Offices	-	18.1	2.7	7.6	28.4
Business parks	-	36.9	3.9	1.3	42.1
Strategic assets	0.0	55.0	6.6	8.9	70.5
Alternative assets	57.4	3.5	1.6	0.1	62.6
Non-strategic assets	0.0	0.0	0.0	0.0	0.0
PROPERTY INVESTMENT DIVISION	57.4	58.4	8.2	9.1	133.1

Investments for the period stand at 133.1 million euros, mainly including:

- continuation of the pipeline initiated with 58.4 million euros of investments in construction, 17.7 million euros of which in projects delivered (the Québec building in Orly–Rungis and Le Millénaire 3 in Paris (19th) sold to the French Ministry of Justice) and 40.7 million euros in projects in progress (Le Monet in Saint-Denis, Véolia in Aubervilliers and Le Millénaire 4 in Paris 19th);
- The acquisition of a clinic in Albi for 57.0 million euros.

1.3. Trade-offs

On 28 March 2015, the French Ministry of Justice exercised its purchase option on the Le Millénaire 3 buildings for a surface area of 32,000 sq. m in Paris (19th) for 180.5 million euros in respect of an undertaking signed on 29 February 2012.



2. PROPERTY DEVELOPMENT DIVISION

	31/03/2015	31/03/2014	Change (%)	31/12/2014
Reservations of new homes and plots of building land				
Reservations of new homes and plots of building land (as a number)	746	705	5.8%	3,912
Reservations of new homes and plots of building land (in millions of euros including tax)	162.7	168.2	(3.3)%	787.7
Housing withdrawal rate (as %)	23%	20%		19%
Average sale price and average surface area based on reservations				
Average price including taxes per habitable m ² (€/sq. m)	4,134	3,326	24.3%	3,615
Average budget including tax per residential unit (€K)	221.0	242.3	(8.8)%	205.7
Average floor area per residential unit (sq. m)	53.5	72.8	(26.5)%	56.9
Reservations by type of customer (as %)				
Buyers	45.4%	49.6%	(8.5)%	30.7%
Private investors	48.3%	30.4%	58.9%	33%
Institutional investors	6.3%	20.0%	(68.5)%	36.3%
Development backlog and Order book (in millions of euros)				
Residential Property Development (incl. subdivision)	831.2	961.1	(13.5)%	825.8
Commercial, Public and Healthcare Property Development	475.2	429.4	10.7%	366.3
Project management services order book	37.0	41.4	(10.6)%	41.9

2.1. Residential

Since the start of 2015, the residential property market has shown encouraging signs of a return of private investors. Icade Property Development also agreed a partnership with SNI during the quarter, relating to development of intermediate housing, for an initial phase of 458 housing units (to date, these housing units are not recorded as reservations for Icade Promotion).

As at 31 March 2015, net reservations of new homes and plots of building land had increased by 5.8% in volume compared with the previous year, to reach 746 reservations. The 3.3% fall in value is mainly explained by the difference in the breakdown in reservations between the Île-de-France and other regions (25% of reservations in the Île-de-France in the 1st quarter of 2015 compared with 32% in the 1st quarter of 2014).

The volume of reservations for managed residences, which was higher this quarter than at the start of 2014, led to a higher average price including taxes per habitable sq. m and a lower average surface area per housing unit.

The proportion of private investors in reservations increased from 30% to 48.3%, thanks to implementation of the "Pinel" tax incentive scheme and historically very low interest rates.



The anticipated return of institutional investors to the residential sector is not yet evident. They represent 6.3% of total reservations, down compared with the same period the previous year (20%), although that was not truly representative of activity over the year as a whole.

The level of unsold stock (completed and delivered lots) remains moderate at 120 lots for 26.9 million euros in the 1st quarter of 2015, compared with 103 lots as at 31 March 2014, representing 19.8 million euros. The housing backlog stood at €831.2m as at 31 March 2015, slight up compared with 31 December 2014.

If interest rates remain low, the 2015 market could remain at a similar level to 2014 in the individual homes market, with growth in block sales, particularly to landlords investing in intermediate housing.

The turnover achieved by Icade's Residential Property Development business will be impacted in 2015 compared with 2014 for the following reasons:

- delivery during the 2015 financial year of housing in the PNE development, which generated significant turnover for Icade in 2014;
- third-party appeals against building permits obtained;
- archaeological excavations being carried out on land.

2.2. Commercial Property

The Urban Cap real-estate complex in, to the south of the new Les Bassins à Flot district of Bordeaux, representing a total of 5,000 sq. m of useful surface area, was delivered at the end of March 2015.

As at 31 March 2015, the commercial property backlog had increased by 10.7% compared with 31 March 2014 and 29.7% compared with 31 December 2014, as a result of significant signings carried out at the start of this year:

- for the Offices and Shopping Centres business, Icade Property Development and Cirmad signed an off-plan sale undertaking with Gecina for the Sky 56 building (for a "deed in hand" transaction amount of 136 million euros) located in the Part Dieu district of Lyon, with a useful surface area of 30,700 sq. m;
- for the Public and Healthcare Facilities business, in February 2015 the consortium led by Icade Property Development signed a public-private partnership (PPP) with SNCF Réseau to build the Montpellier-Sud de France TGV station, due to open at the end of 2017.

As at 31 March 2015, Icade's project portfolio in the Offices and Shopping Centres sector covered 841,438 sq. m, consisting of 200,115 sq. m for projects under way and 641,323 sq. m for projects at the initial development stage. In the field of Public and

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Healthcare property development, the project portfolio comprises 254,125 sq. m, of which 110,068 sq. m are under construction and 144,057 sq. m are at the initial development stage.

Next event

2015 half-year results: 22 July 2015 after markets close.

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ABOUT ICADE

Listed real-estate investment company and subsidiary of the Caisse des Dépôts, Icade is a major player of Grand Paris and of the territorial development able to bring global, sustainable and innovative solutions adapted to the needs of its customers and issues of the city of tomorrow. Première property investment company of Europe offices, in 2014 Icade recorded a EPRA earnings of €270 million euros. As at 31 December 2014, EPRA net asset value (triple net) reached €5,528 million, or €75.2 per share.

The text of this communication is available on Icade's internet site: www.icade.fr.

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