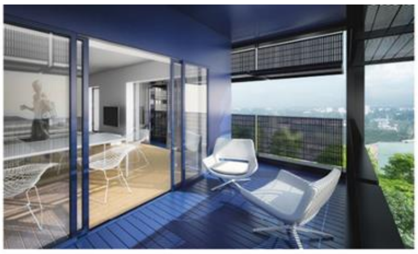
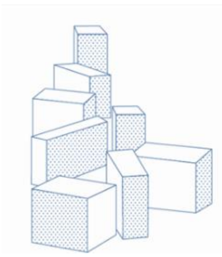


HALF-YEAR FINANCIAL REPORT

JUNE 30, 2016

WE BRING LIFE TO SMART AND SUSTAINABLE CITIES



we bring life to the city

ICADE

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STATEMENT BY THE PERSON RESPONSIBLE FOR THIS DOCUMENT

I certify that, to the best of knowledge, the condensed financial statements for the first half of 2016 have been prepared in accordance with the 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 the scope of consolidation; and that the attached half-year 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 25, 2016

Olivier Wigniolle

CEO

OVERVIEW OF ICADE

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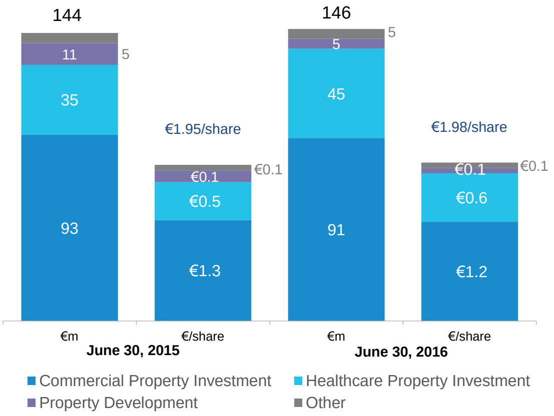
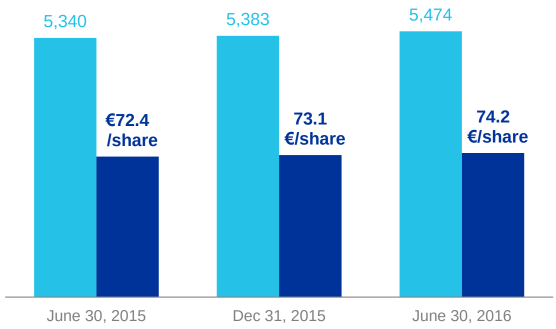
1. KEY FIGURES AND PERFORMANCE INDICATORS

1.1. Group performance indicators

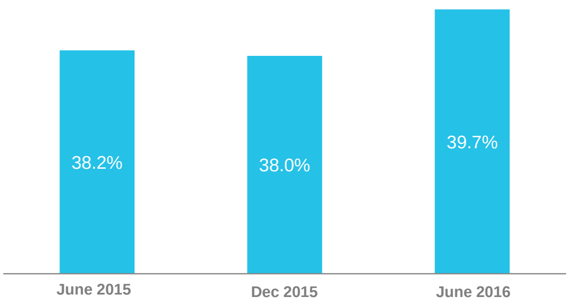
NET CURRENT CASH-FLOW *(IN €M AND €/SHARE)*



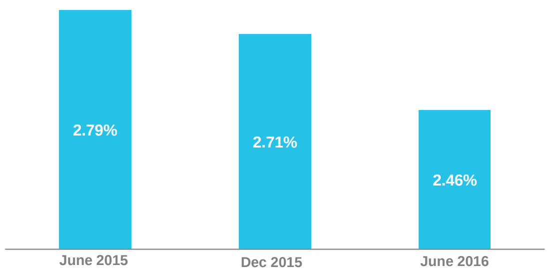
EPRA TRIPLE NAV *(IN €M AND €/SHARE)*



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

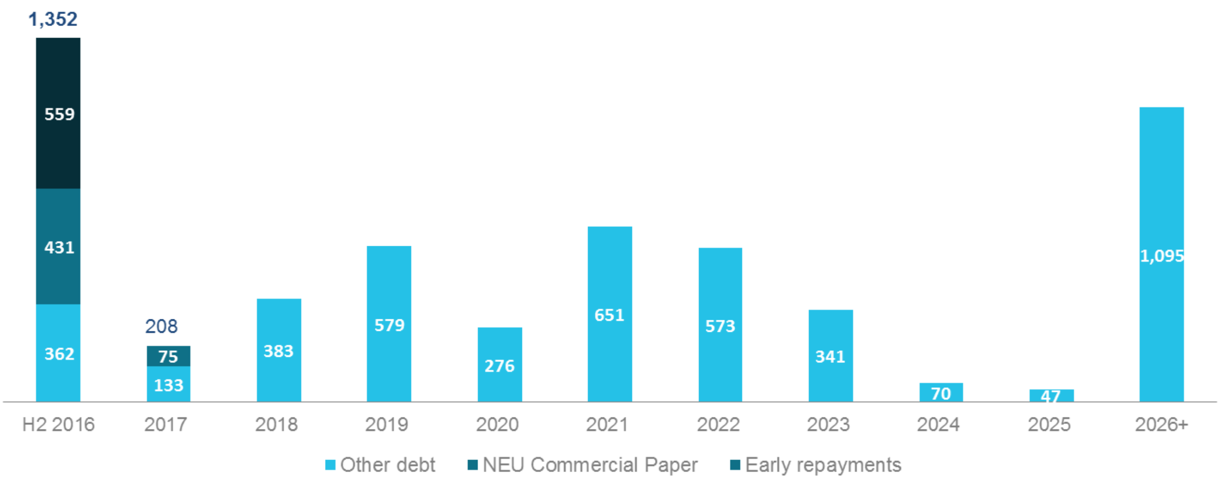


AVERAGE COST OF DEBT AFTER HEDGING *(IN %)*



(*) Includes the value of the Property Development companies as well as financial receivables from public-private partnerships, and for June 2015 the value of Property Services companies.

MATURITY SCHEDULE OF DRAWN DEBT AS AT 06/30/2016 *(IN €M)*



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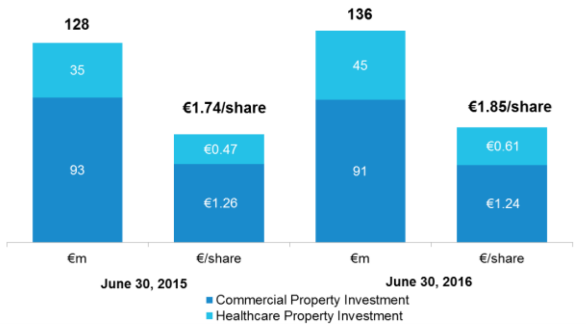
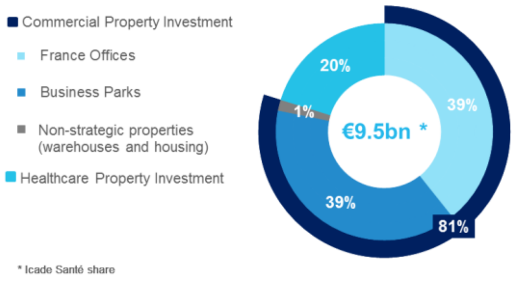
1.2. Property Investment performance indicators

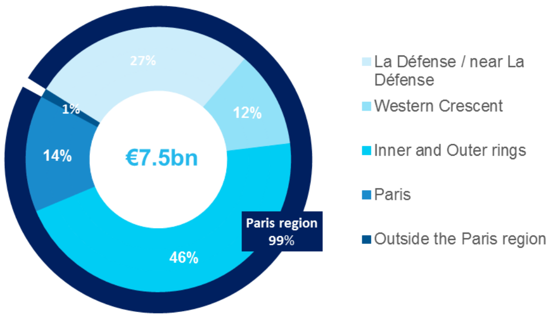
EPRA EARNINGS FROM PROPERTY INVESTMENT *(IN €M AND €/SHARE)*



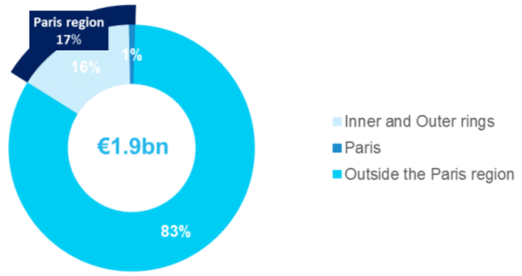
PORTFOLIO DISTRIBUTION *(IN %)*



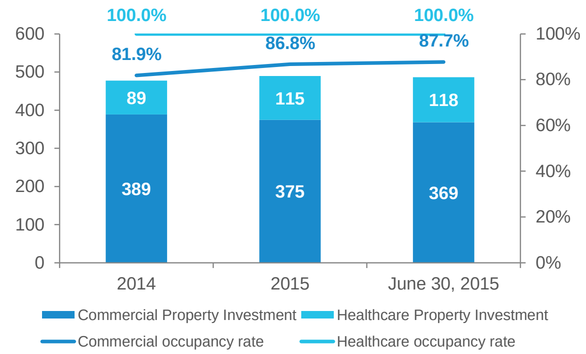
GEOGRAPHIC DISTRIBUTION OF THE OFFICES AND BUSINESS PARKS PORTFOLIO *(IN %)*



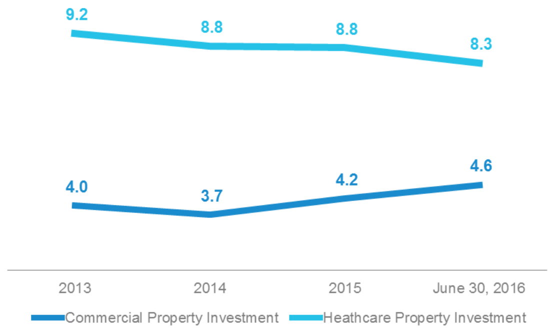
GEOGRAPHIC DISTRIBUTION OF THE HEALTHCARE PROPERTY PORTFOLIO *(IN %)*



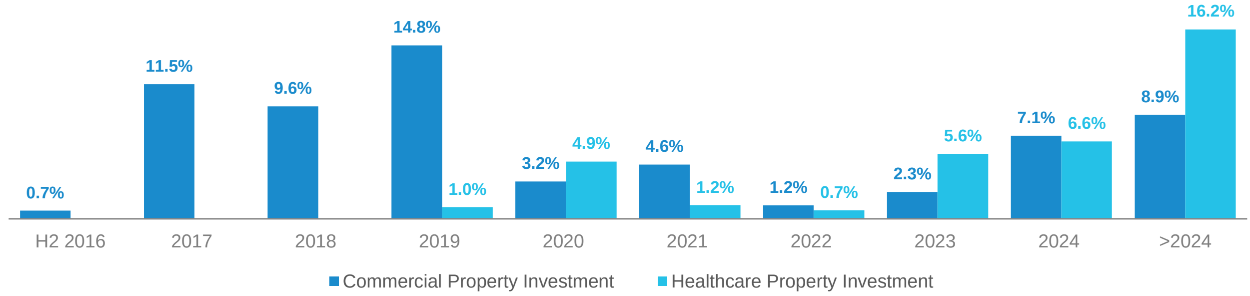
IFRS RENTAL INCOME (IN €M) AND FINANCIAL OCCUPANCY RATE (IN %)



AVERAGE REMAINING LEASE TERM TO FIRST BREAK *(IN YEARS)*



LEASE EXPIRY SCHEDULE (AS A % OF ANNUALISED RENTS) [1]

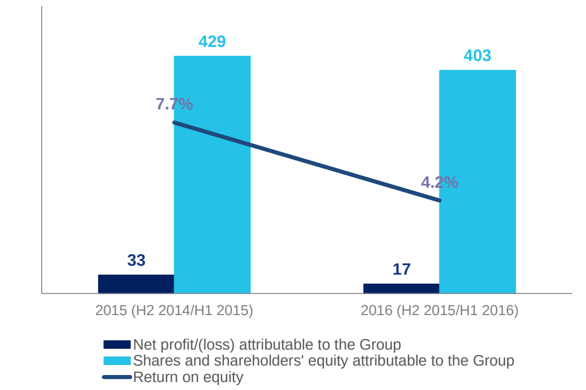


(*) Annualised rental income from the Healthcare Property Investment Division on a full consolidation basis

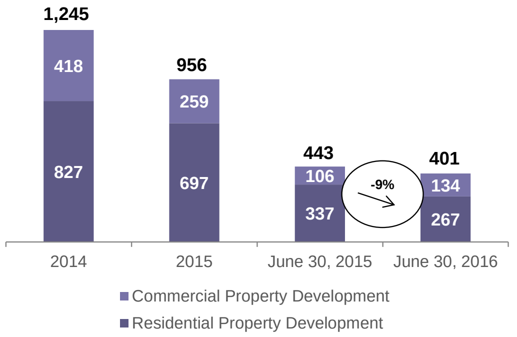
1.3. Property Development performance indicators

PROPERTY DEVELOPMENT RETURN ON EQUITY *(IN €M)*

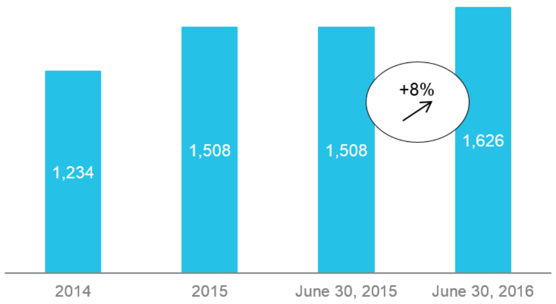
(calculation based on a 12-month rolling period)



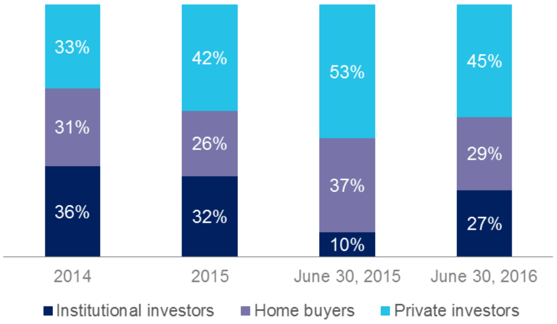
PROPERTY DEVELOPMENT REVENUES – BASED ON PROPORTIONATE CONSOLIDATION *(IN €M)*



PROPERTY DEVELOPMENT BACKLOG *(IN €M)*



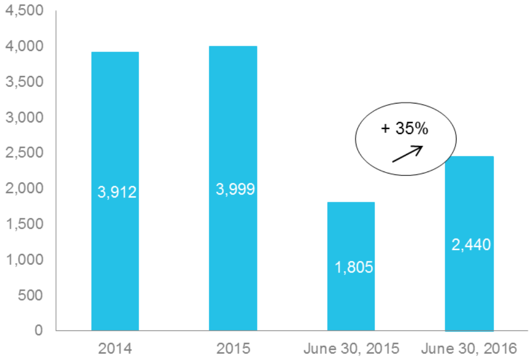
BREAKDOWN OF NEW HOUSING DEVELOPMENTS BY CUSTOMER TYPE *(IN %)*



NET HOUSING RESERVATIONS

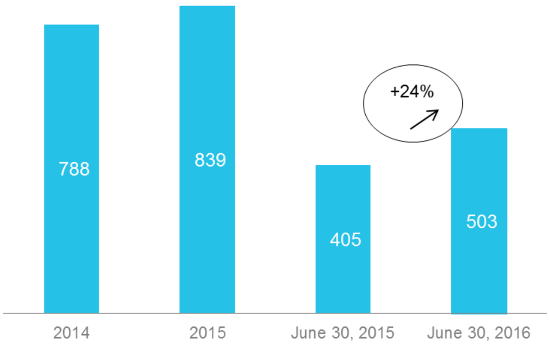
IN VOLUME TERMS

(Number of housing units)



IN VALUE TERMS

(in €m)



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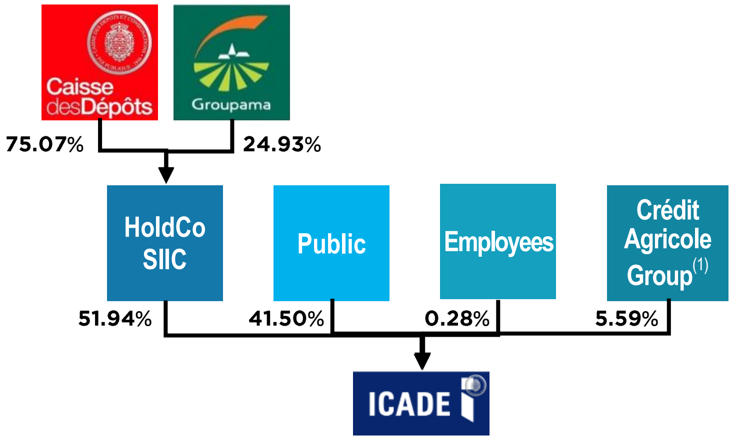
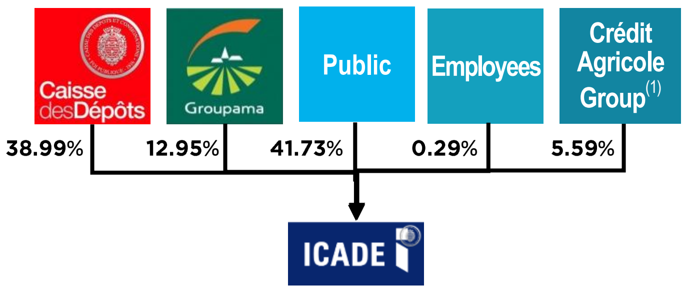
2. SHAREHOLDING STRUCTURE AFTER THE MERGER BY ACQUISITION OF HOLDCO SIIC

The Combined General Meeting held on May 23, 2016 approved the merger by acquisition of HoldCo SIIC by Icade. Since it results in a simplified shareholding structure, through the direct stake of CDC and Groupama, and consequently in an improved governance, it seems this merger is beneficial to Icade and its shareholders.

SHAREHOLDING STRUCTURE BEFORE THE MERGER BY ACQUISITION OF HOLDCO SIIC



SHAREHOLDING STRUCTURE AFTER THE MERGER BY ACQUISITION OF HOLDCO SIIC (% AS OF JUNE 30, 2016)



Notes: % excluding treasury shares

(1) Based on the last number of shares held notified to Icade as at December 31, 2015.

BUSINESS PERFORMANCE

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2

1. BUSINESS AND FINANCIAL REVIEW

1.1. Income and cash flow statements

1.1.1. Condensed consolidated income statement

	06/30/2016			06/30/2015 restated (1)			
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total	Change
Revenue	651.9		651.9	695.7		695.7	(6.3%)
Income from operating activities	654.6		654.6	697.3		697.3	
Purchases used	(298.0)		(298.0)	(340.1)		(340.1)	
Outside services	(48.6)		(48.6)	(53.4)		(53.4)	
Taxes, duties and similar payments	(5.1)		(5.1)	(5.6)		(5.6)	
Staff costs, performance incentive scheme and profit sharing	(57.0)		(57.0)	(54.3)		(54.3)	
Other operating expenses	(2.9)		(2.9)	(2.1)		(2.1)	
Operating expenses	(411.6)		(411.6)	(455.4)		(455.4)	
EBITDA	243.0		243.0	241.9		241.9	0.5%
Depreciation charges net of investment grants		(159.9)	(159.9)		(135.5)	(135.5)	
Charges and reversals related to impairment of tangible, financial and other current assets		18.8	18.8		(91.7)	(91.7)	
Profit/(loss) from acquisitions		0.7	0.7				
Profit/(loss) from asset disposals		3.1	3.1		33.4	33.4	
Impairment of goodwill and intangible fixed assets		-	0.0		0.0	0.0	
Share of profit/(loss) of equity-accounted companies	8.8	(13.7)	(4.9)	5.2	(13.8)	(8.5)	
OPERATING PROFIT/(LOSS)	251.8	(151.0)	100.8	247.1	(207.5)	39.6	154.4%
Cost of gross debt	(66.1)		(66.1)	(67.7)		(67.7)	
Net income from cash and cash equivalents, related loans and receivables	3.8		3.8	5.6		5.6	
Cost of net debt	(62.3)		(62.3)	(62.1)		(62.1)	(0.4%)
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)		(0.7)	(0.7)		1.7	1.7	
Other finance income and costs	(1.6)	-	(1.5)	(2.0)		(2.0)	
FINANCE INCOME/(COSTS)	(63.9)	(0.6)	(64.5)	(64.1)	1.7	(62.3)	(3.5%)
Income tax	(9.0)	0.5	(8.6)	(11.9)	(26.2)	(38.1)	
Profit/(loss) from discontinued operations	2.1	-	2.1	0.2	(5.8)	(5.6)	
NET PROFIT/(LOSS)	180.9	(151.1)	29.8	171.3	(237.8)	(66.4)	
Net profit/(loss) attributable to non-controlling interests	35.1	(20.6)	14.4	27.6	(15.6)	12.0	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	145.9	(130.5)	15.4	143.8	(222.2)	(78.4)	
Average number of diluted shares outstanding used in the calculation			73,638,734			73,803,864	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in euros per share after dilution)	€1.98	(€1.77)	€0.21	€1.95	(€3.01)	(€1.06)	

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

1.1.2. Group net current cash flow

Group net current cash flow reached €145.9 million (€1.98 per share) as at June 30, 2016, versus €143.8 million as at June 30, 2015 (€1.95 per share), corresponding to an increase of 1.5%.

(in millions of euros)	06/30/2016	06/30/2015 restated	Change
EPRA earnings from Commercial Property Investment	91.5	93.1	(1.7%)
EPRA earnings from Healthcare Property Investment	44.6	35.0	27.7%
EPRA earnings from Property Investment	**136.1**	**128.1**	**6.3%**
Net current cash flow - Property Development	4.9	10.9	(54.6%)
Net current cash flow - Other (1)	4.8	4.8	(0.6%)
Group net current cash flow	**145.9**	**143.8**	**1.5%**
(in euros per share)			
EPRA earnings from Property Investment	€1.85	€1.74	6.3%
Group net current cash flow	€1.98	€1.95	1.5%

(1) The "Net Current Cash Flow - Other" line includes depreciation not related to investment properties, intersegment transactions and net current cash flow from discontinued operations.

Group net current cash flow primarily comprises the following two items:

- "EPRA earnings from Property Investment", which measures the cash flow from the Commercial Property Investment and Healthcare Property Investment activities in accordance with EPRA recommendations; and
- "Net current cash flow - Property Development", which measures the cash flow from Property Development activities.

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1.1.3. Presentation of segment information as at June 30, 2016 and June 30, 2015 (restated)

The segment information shown results from the structure of internal reporting set up following the strategic review of Icade's assets and activities proposed by management. Segment reporting distinguishes between the Commercial Property Investment, the Healthcare Property Investment and the Property Development divisions.

Additionally, withdrawal from the Property Services activity has led the Group to present its financial statements in accordance with IFRS 5, without a specific section for this activity in the segment information. This activity is now part of the Commercial Property Investment Division, which includes the parent company that holds the Property Services Division.

This new presentation has also been applied to the comparative segment report as at June 30, 2015.

1.2. Key events

Shareholding structure and governance

The Combined General Meeting held on May 23, 2016 approved the merger by acquisition of HoldCo SIIC by Icade, which resulted in Caisse des Dépôts holding a direct stake of 38.99% and Groupama holding a direct stake of 12.95%. It also approved the appointment of three new directors:

(i) Ms Florence Peronnau, new independent director;
(ii) Mr Georges Ralli, new independent director;
(iii) Mr Frédéric Thomas, who replaces Jérôme Grivet

The Board of Directors now consists of 15 members, including 7 appointed among candidates from Caisse des Dépôts, 3 appointed among candidates from Groupama, and 5 independent directors.

The Board of Directors includes 40% of women and 33.3% of independent directors, in compliance with the recommendations of the AFEP-MEDEF Code of Corporate Governance and with legal requirements.

Management

Following the departure of Hervé Manet last June 30, Maurice Sissoko joined Icade as member of the Executive Committee in charge of the Property Development Division. Maurice Sissoko is a graduate of École Nationale des Impôts (ENI). He began his career in 1987 at the French Ministry of Economy and Finance, within the Directorate-General for Taxation, and then within the Inspectorate-General for Finance between 2001 and 2005. He then joined the Caisse des Dépôts (CDC) Group as head of loans and housing for the Savings Fund. From 2008 to 2010, he served as a member of Icade's Executive Committee in charge of the Property Services Division. In 2010, he was appointed CEO of the Economic Interest Group (GIE) "Informatique CDC" and head of the digital subsidiaries of the CDC Group. Previously, Maurice Sissoko had been a director of Icade (Permanent Representative of Caisse des Dépôts) since September 2013 and a director of SCET (Société de conseil et d'expertise des territoires), which he chaired. Since July 2015, he had been an Adviser to the CEO of CDC, in charge of the preparatory mission for a public-sector property investment company dedicated to housing.

Mr Jean-François Galloüin, member of Icade's Advisory Board for Innovation, joined the company as head of the Innovation department. Mr Galloüin is an entrepreneur, a professor (CentraleSupélec and Essec), and a specialist in innovation and entrepreneurial issues. His former position as CEO of Paris & Co, his perfect understanding of the stakeholders and issues related to innovation, his experience as an entrepreneur and his connection to the world of prestigious universities that create the entrepreneurs of tomorrow, will allow Icade to intensify its focus on innovation. He is a permanent invitee of Icade's Executive Committee.

H1 2016 business review

In H1 2016, the Commercial Property Investment Division renewed 45 leases covering a total area of 71,316 sq.m including the PwC lease in the Crystal Park building in Neuilly-sur-Seine (23,800 sq.m). These renewals represented a headline rental income of €21.0 million, implying a 14% discount compared to previous rents.

In March 2016, Icade entered into a 12-year lease with no break clause with a leading French company for the whole Millénaire 4 building (24,500 sq.m), which will start in October 2016 when the building is expected to be completed. This signing confirms the appeal of the Millénaire business park, located in the North of Paris, in the 19th district. In total, Icade signed new leases for 65,800 sq.m in H1 2016, representing a total headline rental income of €16.9 million.

In H1 2016, exits from the portfolio of leased space represented 66,235 sq.m, equivalent to €12.6 million of annual headline rental income.

On July 5, 2016, Icade officially launched "Coach Your Growth with Icade", a far-reaching plan to improve quality of life within business parks. This plan is based on three commitments to tenant companies and their employees:

- Vibrant business parks fostering excellence through a transformation in their structure in order to offer higher quality services and to make them more functional and efficient;
- Better quality of life and work through the creation of convivial spaces and new services available to the tenants;
- A sharing and learning community through tools made available to tenant companies to help them develop business relationships within their community.

This plan will be first implemented in the Rungis business park as soon as September 2016 and then in Icade's main business parks by 2017.

Compared with December 31, 2015, the spot financial occupancy rate of the Commercial Property Investment Division improved by 0.9 percentage points to 87.7%, thanks to new leases taking effect in the EQHO Tower (5,600 sq.m) and the PB5 Tower (6,250 sq.m). As a reminder, the financial occupancy rate of the Healthcare Property Investment Division is 100%. In the Property Investment Division as a whole, the financial occupancy rate thus stands at 90.2%.

In H1 2016, the Property Development Division noted a significant rise in its main business performance indicators (backlog +7.8%, reservations +24.3%). This was driven, on the one hand, by the residential segment which benefited from the "Pinel" tax measure, the revamped interest-free loan and the still very low interest rates of property loans. A substantial increase in reservations from institutional investors was also recorded in H1. In the commercial segment, contracts signed in 2015 and H1 2016 increased the backlog by 9.1% compared to December 31, 2015, to €455.7 million.

In particular, in H1 2016, the Commercial Property Development Division signed several off-plan sales of office properties with leading institutional investors, especially in Lyon ("OXAYA", 7,200 sq.m) and Paris ("Themis", 10,655 sq.m).

Asset rotation

Investments made in 2016 in the Property Investment Division amounted to €214.9 million, including €84.5 million related to the development pipeline of the Commercial Property Investment Division (Veolia, Millénaire 4), and €107.3 million of investments in the Healthcare portfolio. The remaining €23.1 million are connected with major maintenance work on the properties and lease incentives granted to tenants in the form of work on the properties.

The Véolia project was completed according to schedule on July 18, 2016. It is subject to a 9-year lease that started on the date of completion and will generate around €16.5 million in annual rental income.

Concerning investments in the Healthcare portfolio, the acquisition of a portfolio of 4 healthcare establishments outside the Paris region (Ile-de-France) was completed in June 2016 with private investors for €57 million.

The first half of 2016 was also marked by the signing of a preliminary contract to purchase an office building located in Gentilly, next to the Paris ring road. The transaction for this 13,000 sq.m property amounts to €49.2 million.

Disposals completed in H1 2016 totalled €29.1 million. This amount is mainly related to the sale of the Reflet Défense building in Nanterre Préfecture for €22.0 million.

Also, in April and May 2016, Icade entered into exclusive talks with several investors to sell the companies of the Property Services Division: Icade Property Management, I-Porta, Icade Asset Management and Icade Conseil.

Finally, as part of process to sell non-core business parks initiated in H1 2016, Icade should receive binding offers in September 2016.

Financing strategy – liability optimisation

In H1 2016, Icade continued to benefit from very favourable financing terms with:

- The issue, in May 2016, of a new 10-year, €750 million bond with an annual coupon of 1.75%. These funds were raised with a 123-bp spread over the reference rate. This issue was very largely oversubscribed, thus confirming investors' confidence in Icade's credit quality;
- The refinancing of a €225 million mortgage with Allianz for a term of 20 years and with a fixed rate of 2.172%. This refinancing allowed Icade to obtain very attractive terms, as the new loan is 150 bps below the initial interest rate and its remaining term was extended by 11 years.

As the company continued to optimise its funding structure, the average debt maturity increased appreciably to 5.5 years and the average cost of debt went down to 2.46% in H1 2016, compared to 2.71% in 2015.

Property portfolio

As at June 30, 2016, the value of the whole property portfolio increased by 4.1% compared with December 31, 2015.

It was up 2.7% on a like-for-like basis, due to:

- The value of the portfolio of the Healthcare Property Investment Division, which rose by 7.6% as a result of a yield compression in this segment between December 31, 2015 and June 30, 2016;
- The value of the portfolio of office properties improved by 2.9% compared with 2015, especially thanks to the EQHO Tower (+6.0%) because of the gradual utilisation of the lease incentives granted to tenants and the occupation by new tenants. Thanks to the renewal of the lease with PwC, the value of the Crystal Park building increased by 3.7% compared with 2015;
- The value of the portfolio of business parks went up by 0.4%, fuelled by the increase in value of the Millénaire business park as the Millénaire 4 building was pre-leased.

1.3. Events after the balance sheet date

Acquisition of an office building

In June 2016, Icade entered into a synallagmatic contract to acquire a fully-leased building located in Gentilly from an investment fund managed by OREIMA. The final acquisition of this 13,000-sq.m building took place on July 20, 2016 for a total of €49.2 million including duties.

Restructuring of financial liabilities

- Early repayment of €559 million in bank loans:

In the first days of H2 2016, Icade repaid €559 million in bank loans, pursuing the same objectives of optimising cost of debt and average debt maturity as with the bond issue completed in H1. Thanks to these repayments, Icade is able to optimise its short- and medium-term liquidity.

- Cancellation of derivatives (swaps):

In an effort to manage its interest rate hedges proactively and in addition to the early debt repayments mentioned above, swaps were unwound in the first two weeks of July 2016, for a notional amount of €561.3 million and a cash adjustment (excluding interest accrued but not due) of €23.6 million.

Disposal of property services companies

As part of the implementation of its strategic plan, Icade has already taken several steps towards the goal of selling its property services companies:

- On July 22, 2016, Icade sold its stake in the company iPorta to the Visiativ Group.
- On July 25, 2016, Icade entered into a binding agreement to sell its stake in Icade Property Management to the Foncia Group. The sale will be completed on September 30, 2016.
- In H1, Icade entered into exclusive negotiations to sell its subsidiaries Icade Asset Management and Icade Conseil. These transactions are expected to be completed by the end of Q3 2016.

1.4. Outlook

In 2016, as indicated during the presentation of November 30, 2015, the company is focusing on its six strategic priorities:

- Reducing the vacancy rate of its business parks, especially via the implementation of the programme Coach your Growth with Icade;
- Developing synergies between the Property Investment activity and the Property Development activity;
- Discontinuing Property Services operations by selling all related subsidiaries (sale expected in Q3);
- Launching the disposals of 4 "non-core" business parks (sale expected for the end of 2016);
- Targeting investment opportunities, especially in major French cities;
- Implementing "aligned" compensation schemes for the management.

H2 2016 will be marked by important milestones for the Commercial Property Investment Division: completion of Veolia's headquarters in July (45,000 sq.m), final acquisition of an office building in Gentilly (13,000 sq.m) expected in Q3, completion of the Camille Desmoulins (9,100 sq.m being redeveloped) and Millénaire 4 buildings (24,500 sq.m) in Q4. In line with the acquisitions made in H1 (4 private hospitals worth €57 million in total), the Healthcare Property Investment Division will continue its policy to grow both organically and through acquisitions.

In H2 2016, the Residential Property Development activity will continue the positive trend outside the Paris region, while the Commercial Property Development activity, supported by a backlog which increased by 9.1%, also starts to record the impact of office projects (Panorama T6 located in the Paris Rive gauche development zone [ZAC], Ekla and Le Conex in Lille, Sky 56, Ivoire and RTE in Lyon) and public and healthcare facilities projects (Nouméa Hospital and high speed train [TGV] station in Montpellier).

Furthermore, Icade intends to continue to optimise its funding structure by taking advantage of favourable market conditions in order to further reduce the average cost of debt while extending its average maturity. This liability optimisation will have a very positive impact on Group net current cash flow. Thus, in 2016, EPRA earnings from Property Investment should grow, fuelled by:

- an increase in the financial occupancy rate of the Commercial Property Investment Division, especially in business parks and in certain office properties (EQHO Tower);
- the growing number of private hospitals in the portfolio of the Healthcare Property Investment Division (91 operating establishments as at June 30, 2016 versus 87 as at December 31, 2015);
- an appreciable decrease in the average cost of debt through a proactive refinancing policy in a favourable market environment (€750 million, 10-year bond issued on May 31, 2016 at a rate of 1.75%; mortgage refinanced with Allianz for €225 million at a rate of 2.172% for 20 years).

Furthermore, since the contribution of the Property Development business should be stable in 2016, management is confident in its guidance and expects Group net current cash flow to grow by over 3% compared with 2015.

1.5. Property Investment Division

The Property Investment Division consists of the following activities:

- The Commercial Property Investment Division, whose portfolio includes office properties and business parks worth €7.5 billion as at June 30, 2016, as well as 2% of residual assets (warehouses and residential units) valued at €153.9 million.
- The Healthcare Property Investment Division (€1.9 billion on a proportionate consolidation basis), which is mainly made up of medicine, surgery and obstetrics (MSO) facilities, and follow-up and rehabilitation care (FRC) facilities.

EPRA earnings from Property Investment totalled €136.1 million as at June 30, 2016, up 6.4% compared to June 30, 2015.

	06/30/2016			06/30/2015 restated		
(in millions of euros)	EPRA earnings from Property Investment (Recurring)	Non recurring (1)	Total Property Investment	EPRA earnings from Property Investment (Recurring)	Non recurring (1)	Total Property Investment
GROSS RENTAL INCOME	289.4	-	289.4	273.3	-	273.3
Land-related costs	(1.1)	-	(1.1)	(1.1)	-	(1.1)
Service charges not recovered from tenants	(24.1)	-	(24.1)	(22.8)	-	(22.8)
Property operating expenses	1.7	-	1.7	(3.0)	-	(3.0)
NET RENTAL INCOME	266.0	-	266.0	246.5	-	246.5
Margin rate (net rental income/ gross rental income)	*91.9%*	*0.0%*	*91.9%*	*90.2%*	*0.0%*	*90.2%*
Net operating costs	(25.0)	-	(25.0)	(20.4)	-	(20.4)
Profit/(loss) from other activities	0.3	-	0.3	1.6	-	1.6
EBITDA	241.2	-	241.2	227.7	-	227.7
Depreciation and impairment of operating assets	(3.9)	21.0	17.2	(4.7)	(8.4)	(13.0)
Depreciation and impairment of investment properties	-	(158.4)	(158.4)	-	(211.2)	(211.2)
Profit/(loss) from acquisitions	-	0.7	0.7	-	-	-
Profit/(loss) from asset disposals	-	2.8	2.8	-	33.3	33.3
Goodwill impairment	-	-	-	-	-	-
Share of profit/(loss) of equity-accounted companies	3.3	(13.8)	(10.5)	2.0	(13.8)	(11.8)
OPERATING PROFIT/(LOSS)	240.6	(147.6)	93.0	225.1	(200.0)	25.0
Cost of gross debt	(66.1)	-	(66.1)	(67.7)	-	(67.7)
Net income from cash and cash equivalents, related loans and receivables	3.6	-	3.6	5.4	-	5.4
Cost of net debt	(62.5)	-	(62.5)	(62.2)	-	(62.2)
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)	-	(0.7)	(0.7)	-	1.7	1.7
Other finance income and costs	(2.0)	-	(2.0)	(2.0)	-	(2.0)
FINANCE INCOME/(COSTS)	(64.6)	(0.7)	(65.2)	(64.2)	1.7	(62.5)
Corporate tax	(5.6)	0.3	(5.3)	(5.9)	(26.0)	(31.8)
Profit/(loss) from discontinued operations	-	2.1	2.1	-	(5.6)	(5.6)
NET PROFIT/(LOSS)	170.5	(145.9)	24.6	155.0	(229.8)	(74.9)
Net profit/(loss) attributable to non-controlling interests	*34.4*	*(20.3)*	*14.1*	*26.9*	*(15.5)*	*11.4*
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	136.1	(125.6)	10.5	128.1	(214.4)	(86.3)
Average number of diluted shares outstanding			*73,638,734*			*73,803,864*
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in € per share)	€1.85	€(1.71)	€0.14	€1.74	€(2.90)	€(1.17)

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

1.5.1. Commercial Property Investment Division

1.5.1.1. Portfolio presentation

The property portfolio of Icade's Commercial Property Investment Division represents over 2.0 million sq.m of leasable area. It is primarily composed of offices and business parks.

Portfolio breakdown (in leasable area)

				Other assets		
(in sq.m)	Business parks	Offices	Subtotal	Warehouses	Total	Share of total
Paris	115,450	17,174	132,624		132,624	6.5%
La Défense & surroundings	86,587	266,266	352,853		352,853	17.3%
Other Western Crescent	62,746	64,792	127,538		127,538	6.3%
Inner Ring	361,040	134,882	495,922		495,922	24.4%
Outer Ring	792,625	19,965	812,590	15,915	828,505	40.7%
Outside the Paris region	-	30,993	30,993	67,225	98,218	4.8%
COMMERCIAL PROPERTY INVESTMENT	1,418,448	534,072	1,952,520	83,140	2,035,660	100.0%
Share of total	69.7%	26.2%	95.9%	4.1%	100.0%	

Office and business park portfolio

Description of the portfolio

- Offices

Icade owns office buildings (total floor area of 602,000 sq.m, including 67,600 sq.m of non-leasable area) mainly in La Défense, the Western Crescent, Saint-Denis and Villejuif.

In June 2016, Icade entered into a preliminary agreement to acquire an office building located in Gentilly (13,000 sq.m). The final agreement was signed on July 20, 2016.

Furthermore, two buildings were sold during the first half of 2016: Reflet Défense in Nanterre Préfecture (5,804 sq.m) and an office building in Maisons-Alfort (4,032 sq.m).

- Business parks

Icade holds business parks (comprising a large proportion of office properties) in Paris (19th district), Saint-Denis, Aubervilliers, Rungis, Nanterre, Paris-Nord, Colombes, Cergy, Antony, Evry, Villebon and Fresnes, representing a total of 1,539,000 sq.m including 120,600 sq.m of non-leasable floor area. The business parks stand out for their high organic growth potential. This is why the Commercial Property Investment Division dedicates a large proportion of its investments to this type of assets.

The Commercial Property Investment Division has launched an action plan to improve the quality of a part of its business parks, which has led to the approval of a marketing plan ("Coach Your Growth with Icade") to be implemented in 2016 and 2017 in order to optimise the occupancy rate of its business parks and accelerate the utilisation of the value creation potential of its assets.

On July 18, Icade completed Veolia's headquarters in Aubervilliers. This 45,000-sq.m office building with 553 parking spaces was built in 28 months. It is subject to a 9-year lease that started on the date of completion and will generate around €16.5 million in annual rental income.

Other property assets

Other property assets consist of residual assets including warehouses and residential units which are intended to be sold in the coming years.

***Market update** (source: Jones Lang Lasalle, CBRE, Immostat)*

Office rental market in the Paris region

The reversal of the demand trend observed at the end of 2015 has been confirmed. Take up reached 1.1 million sq.m in H1 2016, representing a 20% year-on-year increase.

The growth in large transactions may be observed both in terms of floor area and number of transactions, with respective increases of 43% and 41%. This market segment registered about thirty transactions representing almost 380,000 sq.m.

As market conditions change, rental values seem to be gradually approaching inflection point in some specific areas. In inner Paris, strong pressure on immediate supply offers more discretion for owners to raise rents. The average prime rent in Western Central Paris totalled 743 euros/sq.m excluding taxes and charges (+ 3% in 6 months). While lease incentives reached peak levels at the beginning of 2016 (22% of headline rent in the Paris region for leases > 1,000 sq.m), Paris and the west of the Paris region are showing downward pressure. On the other hand, average prime rents in La Défense and the Western Crescent are on the rise, at €507 and €495/sq.m/year excluding tax and duties. The headline rent for new or redeveloped properties was up 5% in one year to 377 euros/sq.m/year excluding taxes and duties.

Immediate supply continues to decline as at July 1, 2016 (- 3% during the quarter, - 7% in one year) with a little over 3.7 million sq.m available. The vacancy rate reached 6.6%, its lowest level in the past 3 years (8.5% in the Inner Ring and 5.8% in the Outer Ring).

The share of new-build and redeveloped properties is still low, at 16%, as major users continue to favour this category in a context of scarce completions.

As at July 1, 2016, definite future supply was rising again to 1.9 million sq.m (including 1.3 million sq.m of properties > 5 000 sq.m). There were more speculative developments, with 10 transactions > 5 000 sq.m during the quarter (mainly located in Inner Paris and in the inner western suburbs).

The trends observed in H1 2016 should be confirmed in the next quarters: increasing scarcity of immediate supply, especially in central areas, and slight increase in the economic rents of the most sought-after properties in the areas with the most difficult supply-demand balance. The growth in volumes resulting from an increase in size of the properties is a positive sign for the Paris region market: if this trend is confirmed in the next quarters, net absorption could turn positive again. It could take some time for this trend to impact the whole Paris region, since economic growth remains low and the decrease in the unemployment rate should be slow.

Commercial property investment market in the Paris region

After a relatively quiet start to the year, the investment market sped up in Q2, reaching a total of almost €5 billion in transactions. Overall, €8.2 billion of commercial property commitments were recorded in the first half of the year. France's good performance stood out during the pre-Brexit period, in an environment of high uncertainty characterised by a significant slowdown in investments at the European level. Volumes were up +10% in one year in France while Europe as a whole posted a -17% drop.

Large transactions (above €100 million) made a comeback this quarter, with 10 such deals, 2 of which exceeded €300 million: the acquisition by AXA and ASSURANCES DU CREDIT MUTUEL of the "First" tower in La Défense (around €800 million), and the sale by MEYER BERGMAN and THOR EQUITIES of the building located at 65, Champs Elysées, Paris for €490 million.

In a market dominated by core strategies where prime yields are still under pressure due to the short supply of safe assets, international investors are finding it increasingly difficult to face competition from national players. This is why the portion of French buyers has been growing for the past several years to reach near 75%, of which the majority are institutional investors working closely together under club deals or joint ventures.

Although they remained stable in Paris CBD, prime yields experienced a 25-bps compression in Q2 in most of the other areas of the Paris region.

Record money inflows in 2015 and substantial liquidity currently available on the market point to an active H2 2016 in the French property investment market.

Following the Brexit vote, investors largely favoured bond products and French treasury bond rates fell to historically low levels, thus implying a substantial real estate risk premium (300 bps). In this context, France which is the 3rd European market, and especially Paris which is the only true competitor to the London market, are attractive to investors in many ways: maturity, stability, potential rebound in the rental market. However, it is still difficult to anticipate the direct consequences of the Brexit vote on the Paris rental market and the economic impact could remain limited in the near term.

1.5.1.2. Key figures as at June 30, 2016

EPRA Income statement of the Commercial Property Investment Division and contribution to EPRA earnings from Property Investment

(in millions of euros)	06/30/2016			06/30/2015 restated		
	EPRA earnings from Commercial Property Investment (Recurring)	Non recurring (1)	Total Commercial Property Investment	EPRA earnings from Commercial Property Investment (Recurring)	Non recurring (1)	Total Commercial Property Investment
GROSS RENTAL INCOME	186.7	-	186.7	193.2	-	193.2
Land-related costs	(1.1)	-	(1.1)	(1.1)	-	(1.1)
Service charges not recovered from tenants	(22.8)	-	(22.8)	(21.7)	-	(21.7)
Property operating expenses	2.2	-	2.2	(3.0)	-	(3.0)
NET RENTAL INCOME	165.0	-	165.0	167.4	-	167.4
Margin rate (net rental income/ gross rental income)	*88.4%*	*0.0%*	*88.4%*	*86.7%*	*0.0%*	*86.7%*
Net operating costs	(18.5)	-	(18.5)	(15.6)	-	(15.6)
Profit/(loss) from other activities	0.3	-	0.3	1.6	-	1.6
EBITDA	146.8	-	146.8	153.4	-	153.4
Depreciation and impairment of operating assets	(3.9)	21.0	17.2	(4.7)	(8.4)	(13.0)
Depreciation and impairment of investment properties	-	(111.4)	(111.4)	-	(175.5)	(175.5)
Profit/(loss) from acquisitions	-	-	-	-	-	-
Profit/(loss) from asset disposals	-	3.1	3.1	-	33.3	33.3
Goodwill impairment	-	-	-	-	-	-
Share of profit/(loss) of equity-accounted companies	3.3	(13.8)	(10.5)	2.0	(13.8)	(11.8)
OPERATING PROFIT/(LOSS)	146.2	(101.0)	45.3	150.7	(164.3)	(13.5)
Cost of gross debt	(60.8)	-	(60.8)	(62.1)	-	(62.1)
Net income from cash and cash equivalents, related loans and receivables	13.1	-	13.1	11.9	-	11.9
Cost of net debt	(47.7)	-	(47.7)	(50.3)	-	(50.3)
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)	-	(0.4)	(0.4)	-	1.5	1.5
Other finance income and costs	(1.5)	-	(1.5)	(1.5)	-	(1.5)
FINANCE INCOME/(COSTS)	(49.2)	(0.4)	(49.6)	(51.8)	1.5	(50.2)
Corporate tax	(5.6)	-	(5.6)	(5.9)	(26.0)	(31.8)
Profit/(loss) from discontinued operations	-	2.1	2.1	-	(5.6)	(5.6)
NET PROFIT/(LOSS)	91.5	(99.3)	(7.8)	93.1	(194.3)	(101.2)
Net profit/(loss) attributable to non-controlling interests	-	-	-	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	91.5	(99.3)	(7.8)	93.1	(194.3)	(101.2)

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

Rental income from the Commercial Property Investment Division

(in millions of euros)	06/30/2015 restated	Acquisitions / completions	Disposals / redevelopments	Rent indexation	Leasing activity	06/30/2016	Like-for-like change
France offices	82.6	2.9	(6.5)	0.2	3.5	82.6	4.9%
Business parks	104.7	0.2	(3.8)	0.1	(3.0)	98.2	(3.1%)
OFFICES & BUSINESS PARKS	187.3	3.1	(10.3)	0.3	0.6	180.8	0.4%
Other assets	8.8	-	-	0.1	(0.1)	8.7	(0.3%)
Intra-group Property Investment operations	(2.9)		-	-	(0.0)	(2.9)	1.5%
GROSS RENTAL INCOME	193.2	3.1	(10.3)	0.3	0.5	186.7	0.4%

Gross rental income generated by the Commercial Property Investment Division in H1 2016 amounted to €186.7 million, i.e. a decrease of €6.5 million in rents compared to H1 2015 (-3.3%).

However, on a like-for-like basis, rental income was stable (+0.4%).

- Changes in scope of consolidation: -€7.2 million, which break down as follows:
  - +€3.1 million in additional rental income, mainly related to the completion of the Le Monet building in June 2015 in Saint-Denis;
  - -€5.6 million in lost rental income due to asset disposals: Millénaire 2, Reflet Défense and two non-strategic buildings in Evry;
  - Redevelopments were accompanied by a loss of rental income of €4.6 million and were mainly related to the following assets: Open in Issy-les-Moulineaux (expected to be completed by the end of 2016), as well as Défense 4/5/6 and Défense 1. The latter building was demolished to make room for the Campus Défense project (70,000 sq.m)
- Like-for-like basis: + €0.7 million
  - The changes in the Cost-of-Construction (CCI) and Tertiary Activities Rent (TARI) indices led to an increase in revenue of €0.2 million.
  - Leasing activity showed a net positive balance of +0.5 million, which is mainly attributable to the full-period impact of rents from leases signed in 2015 for the EQHO Tower and to the positive impact of new leases signed (+ 5,575 sq.m) for the same tower in H1 2016. This offsets the negative balance of additions to and exits from the portfolio of leased space in business parks (-€3.0 million) and renewals in the office segment in 2015 and 2016 (AXA France for 57,800 sq.m in the Axe 14/15/16 buildings in Nanterre Préfecture and PwC for 23,800 sq.m in Crystal Park in Neuilly-sur-Seine).

Net rental income from the Commercial Property Investment Division for H1 2016 totalled €165.0 million, representing a margin rate of 88.4%, up 1.7 percentage point compared to 2015. This is due, in particular, to strong leasing activity in the office segment and to reversals of provisions concerning business parks.

	06/30/2016		06/30/2015 restated	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
France offices	75.6	91.6%	75.4	91.2%
Business parks	84.6	86.1%	89.7	85.7%
OFFICES & BUSINESS PARKS	160.2	88.6%	165.0	88.1%
Other assets	2.3	26.5%	0.5	5.4%
Intra-group Commercial Property Investment operations	2.5		1.9	
NET RENTAL INCOME	165.0	88.4%	167.4	86.7%

Net operating costs from the Commercial Property Investment Division grew by €2.9 million compared to June 30, 2015, mainly due to:

- Costs of tests performed in 2016 in the business parks for €0.6 million;
- Exceptional positive impact in 2015 from stock options for €1.2 million;
- Costs related to innovation and marketing in the business parks for €0.7 million.

Finance income/(costs) as at June 30, 2016 totalled -€49.6 million vs. -€50.2 million as at June 30, 2015. This change can be partly explained by a reduction of €2.6 million in the cost of net debt between June 30, 2015 and June 30, 2016, mainly attributable to the decline in average cost of debt (25 bps).
The impact on the change in fair value of derivatives and ORNANE bonds is -€1.9 million (not included in the calculation of EPRA Earnings from Commercial Property Investment).

Thus, after taking into account the items above, **EPRA Earnings from Commercial Property Investment** reached €91.5 million (€1.24 per share) as at June 30, 2016 vs. €93.1 million as at June 30, 2015 (€1.26 per share).

Other items that had an impact on the net profit/(loss) attributable to the Group generated by the Commercial Property Investment Division represented a total net charge of €99.3 million and were comprised mainly of:

- **Depreciation and impairment of investment properties** in the amount of -€111.4 million in H1 2016 vs. -€175.5 million as at June 30, 2015. This positive change can be explained by the recognition in H1 2015 of a net charge for asset impairments of €88.4 million, to be compared with a positive figure of +€18.5 million as at June 30, 2016;
- **Profit/(loss) from asset disposals** of €3.1 million in H1 2016 vs. €33.3 million in H1 2015. In Q1 2015, the Commercial Property Investment Division had recorded the sale of the Millénaire 3 building to the French Ministry of Justice (selling price of €180.5 million);

- The **income tax charge** of the Commercial Property Investment Division as at June 30, 2016, which totalled -€5.6 million, implying a decline of €26.2 million compared to June 30, 2015. This trend is due to an exceptional tax charge recorded in 2015 in connection with:
  - The sale of the Millénaire 3 building, which could not benefit from the SIIC tax status, generated a tax charge of €9.1 million in H1 2015;
  - The recognition of a provision for a tax dispute dating back to 2010 for €16.8 million.
- **Profit/(loss) from discontinued operations**, which was €2.1 million as at June 30, 2016 vs. -€5.6 million as at June 30, 2015.

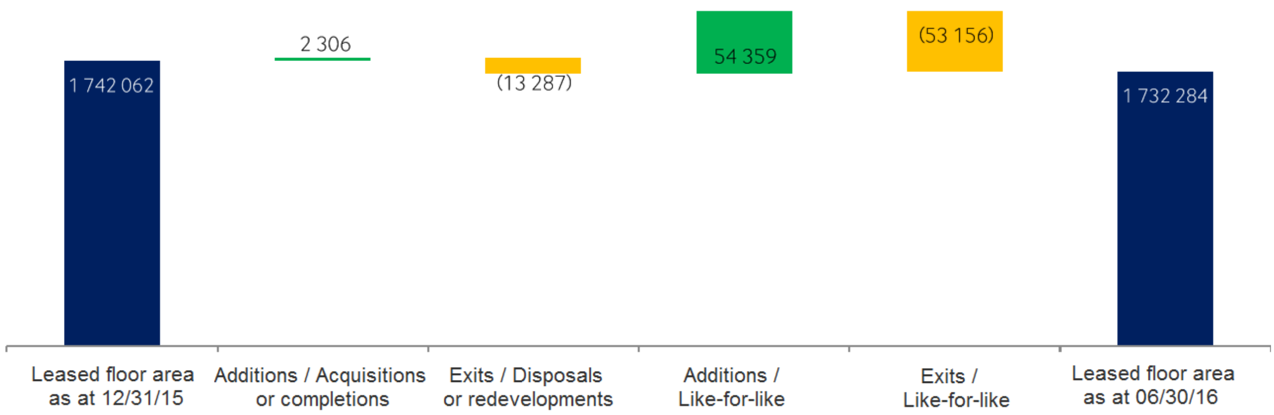
  The strategic plan, which was approved by the Board of Directors on November 24, 2015, provides for the exit from the Property Services business, which led to reviewing the presentation of accounts for this division in compliance with IFRS 5. This activity is now incorporated in the profit/(loss) from discontinued operations of the Commercial Property Investment Division, which includes the parent company that owns the Property Services Division.

In view of the above, **net profit/(loss) attributable to the Group** from the Commercial Property Investment Division reached -€7.8 million as at June 30, 2016 vs. -€101.2 million as at June 30, 2015.

2

1.5.1.3. Leasing activity of the Commercial Property Investment Division

	12/31/2015	Changes with impact in H1 2016		06/30/2016	New leases		06/30/2016
	Leased floor area	Additions	Exits	Leased floor area	Changes with impact in H1 2016	Changes with impact after H1 2016	Total
Asset class	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*
France offices	494,161	17,285	13,576	497,870	10,310	2,164	12,474
Business parks	1,183,782	35,969	52,624	1,167,127	21,841	31,493	53,334
OFFICES & BUSINESS PARKS	1,677,943	53,254	66,200	1,664,997	32,151	33,657	65,808
Warehouses	64,119	3,411	243	67,287	-	-	-
COMMERCIAL PROPERTY INVESTMENT	1,742,062	56,665	66,443	1,732,284	32,151	33,657	65,808



New leases **coming into force** in H1 2016 represented 56,665 sq.m and €10.5 million in annual headline rental income, including:

- 2,306 sq.m due to changes in scope of consolidation (new lease entered into with Telecity Redbus in an extension of a building in the Portes de Paris business park).
- 54,155 sq.m on a like-for-like basis. The main additions were as follows:
  - 8,578 sq.m leased to Atlantic Media in the Gardinoux building in the Portes de Paris park
  - 6,244 sq.m leased to audit firm PwC in the PB5 Tower in La Défense
  - 5,575 sq.m leased in the EQHO Tower (Mersen and Celgene leases)
  - 2,769 sq.m leased to Société du Grand Paris in the Cézanne building in Saint-Denis

Exits from the portfolio of leased space represented 66,443 sq.m and a loss of annual headline rental income estimated at €12.6 million, including:

- 13,287 sq.m due to changes in scope of consolidation (properties that were intended to be redeveloped or sold) including:
  - 1,434 sq.m in a non-strategic building in Maisons-Alfort (sold in June 2016)
  - 3,760 sq.m vacated by Verizon in the Défense 1 building (Campus Défense project)
  - 3,873 sq.m vacated by PwC in the Crystal Park building (renovation of the building)
  - 3,480 sq.m for a building intended to be demolished in the Portes de Paris business parks,

- 53,156 sq.m on a like-for-like basis. The main properties vacated were as follows:

  8,578 sq.m leased by Euro Media France in the Gardinoux building in the Portes de Paris park (fully re-leased);
  1,931 sq.m related to the departure of Numergy in the Millénaire park.

In H1 2016, 73 **new leases** were signed, representing 65,800 sq.m and €16.9 million in additional headline rental income (including €10.6 million which will have an positive impact in H2 2016 and FY 2017). Leasing activity expanded compared to H1 2015, when new leases represented 49,400 sq.m (+33%) for a total amount of €8.0 million of headline rental income (+€8.9 million).

- In the office segment, the main leases entered into concerned the following assets:
  - PB5 Tower in La Défense: 6,244 sq.m leased to PwC;
  - Cézanne in Saint-Denis: 2,769 sq.m leased to Société du Grand Paris;
  - Défense 2 in Nanterre Préfecture: 1,267 sq.m leased to Léon Grosse.

- Regarding business parks, the main leases entered into concerned the following assets:
  - Millénaire 4 in the 19th district of Paris, for the whole building, i.e. 24,584 sq.m. The building is expected to be completed in October 2016;
  - Séville in the Rungis business park: 2,744 sq.m leased to Dimension DATA France;
  - Rostand in the Paris Nord business park: 3,678 sq.m leased to Sharp.

In H1 2016, 45 leases were **renewed**, representing a total area of 71,316 sq.m and an annualised headline rental income of €21 million (down 14% compared to previous rents) for an average remaining lease term to first break of 9.7 years. It should be noted that 3 leases account for over 80% of these renewals in terms of rental income:

- The PwC lease in the Crystal Park building in Neuilly (23,800 sq.m) which was renewed for a term of 12 years;
- The Telecity Redbus lease in the Portes de Paris business park which was renewed for a term of 12 years with no break clause (8,643 sq.m);
- The Eurasia Group lease in the Portes de Paris business park (8,635 sq.m).

Taking these changes into account, **the average lease term to first break** is 4.6 years and is up by 0.4 years compared with December 31, 2015 (4.2 years).

As at June 30, 2016, the 10 largest tenants generated total annualised rents of €113.9 million (31% of the annualised rents of the property portfolio as a whole).

Financial occupancy rate and average remaining lease term

As at June 30, 2016, the **financial occupancy rate** stood at 87.7%, implying an increase of 0.9 percentage points in comparison to December 31, 2015. As a reminder, the financial occupancy rate stood at 81.9% as at June 30, 2015.

This improvement is primarily driven by strong leasing activity in the office segment, with significant new leases signed.

	Financial occupancy rate *(in %)*[2]			Average remaining lease term *(in years)*[2]	
Asset class	06/30/2016	12/31/2015	Like-for-like change[1]	06/30/2016	12/31/2015
Offices	93.4%	90.2%	+1.7%	6.5	5.7
Business parks	83.2%	84.1%	-1.2%	2.9	2.9
OFFICES & BUSINESS PARKS	87.7%	86.9%	-0.1%	4.6	4.2
Warehouses	84.5%	82.7%	1.8%	1.5	1.7
COMMERCIAL PROPERTY INVESTMENT	**87.7%**	**86.8%**	**-0.1%**	**4.6**	**4.2**

(1) Excluding completions, acquisitions and disposals for the period
(2) Based on proportionate consolidation.

The annualised potential rental income from vacant space (excluding structural vacancy of 10% on average in business parks) in operating properties represents €34 million, and the related annualised cost of vacancy stands at €10 million. This means that the annual rental income of the Commercial Property Investment Division has an optimisation potential of €44 million.

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

	France offices	Business parks	Warehouses	Total	Share of total
H2 2016	0.4	3.5	0.0	3.9	1.1%
2017	16.0	49.7	0.6	66.3	18.0%
2018	26.4	28.5	0.5	55.4	15.0%
2019	24.9	59.3	1.3	85.5	23.2%
2020	6.1	12.1	0.2	18.4	5.0%
2021	5.7	21.1	-	26.8	7.3%
2022	0.8	5.9	-	6.7	1.8%
2023	7.9	5.4	-	13.3	3.6%
2024	32.3	8.7	-	41.0	11.1%
>2024	48.3	3.0	-	51.3	13.9%
TOTAL	**168.8**	**197.2**	**2.6**	**368.6**	**100.0%**

When the 2015 annual financial statements were presented in February 2016, leases expiring in 2016 amounted to €60.8 million. The analysis shows that as at June 30, 2016, 26% of tenants included in that sample exercised their break options, representing €16 million.

The table above shows that leases expiring in H2 2016 and in 2017 represent €70.2 million. The analysis conducted on this scope indicates that a return to estimated rental value for all leases would lead to a decrease in headline rents of about 4%.

1.5.1.4. Investments

Investments are presented as per EPRA recommendations, distinguishing contributions to tenants' fitting out costs, marketing costs and finance costs under the item "others".

Total investments over the period amounted to €107.6 million.

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

Investments made during the period mainly relate to:

- Asset construction and redevelopments (€84.5 million), which mainly involved the following projects:
  - Véolia's headquarters are expected to be completed in July 2016. Construction costs over the period amounted to €33.4 million;
  - The Millénaire 4 building for €23.3 million. It is scheduled to be completed in October 2016 and it has already been fully pre-committed;
  - The Campus Défense project for €17.1 million;
  - The Camille Desmoulins building for €7.2 million.

- Other capex (€12.8 million): they include primarily the renovation costs of the business parks (major maintenance and restoration work on the premises).

- Other (€10.3 million): mainly lease incentives (contributions to tenants' fitting out costs), marketing costs for the assets, and capitalised finance costs of projects under development.

(in millions of euros)	Asset construction / redevelopments	Other Capex	Other	Total
France offices	27.8	5.0	3.9	36.7
Business parks	56.7	6.9	6.4	70.0
OFFICES & BUSINESS PARKS	84.5	11.9	10.3	106.7
Other assets	-	0.9	-	0.9
COMMERCIAL PROPERTY INVESTMENT	84.5	12.8	10.3	107.6

Property development projects

A €780.2 million development pipeline including €299 million committed and with an average yield on cost of over 7%.

	Completion	% pre-committed	sq.m	Rents	Yield on cost (1)	Remaining investment Total	Remaining investment H2 2016
Millénaire 4 (Paris, 19th district)	2016	100%	24,500			24.6	24.6
Open (Camille Desmoulins)	2016	0%	9,100			5.4	5.4
ILÔT E ("Section E")	2019	0%	30,000			109.2	10.0
PROJECTS STARTED		39%	63,600	22.4	7.5%	139.2	40.0
Ottawa		0%	12,900			39.9	
Campus La Défense (Nanterre)		0%	70,000			338.8	
PROJECTS UNDER DEVELOPMENT		0%	82,900	32.9	6.8%	378.7	-
TOTAL			146,500	55.3	7.1%	517.9	40.0

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

The Veolia headquarters project has been removed from the list of projects under development since its completion on July 18, 2016.

1.5.1.5. Asset disposals

In H1 2016, asset disposals amounted to €29.1 million.

They included primarily:

- the sale of 2 non-strategic office buildings (€25.0 million) located in:
  - Nanterre (Reflet Défense): 5,804 sq.m
  - Maisons-Alfort: 4,032 sq.m
- the sale of 31 housing lots for €4.1 million:

These disposals generated a consolidated capital gain of €3.1 million.

1.5.2. Healthcare Property Investment Division

1.5.2.1. Portfolio presentation

The assets of Icade's Healthcare Property Investment Division represent over 1.3 million sq.m of leasable 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.

Portfolio breakdown in leasable floor areas by tenant (on a proportionate consolidation basis)

Geographic area *(in sq.m)*	Paris	La Défense & surroundings	Other Western Crescent	Inner Ring	Outer Ring	Outside the Paris region	HEALTHCARE PROPERTY INVESTMENT
Elsan Group (Vedici)					23,684	291,933	315,617
Médipôle Partenaires				3,252		141,467	144,719
Ramsay Générale de Santé	2,644			7,443	47,731	82,546	140,364
Capio						75,244	75,244
Other						81,064	81,064
TOTAL	2,644	-	-	10,695	71,415	672,254	757,009

Description of the portfolio

As a market leader, Icade has been a major player in healthcare since 2007 by building up a property portfolio of 95 healthcare facilities, including 4 under construction, featuring:

- assets that start generating cash flows immediately;
- initial lease terms of 12 years with no break clause and a residual term of 8.3 years as at June 30, 2016;
- high rental margin rates (net rental income/gross rental income) (> 98%).

For the development and management of Icade Santé, Icade can rely on a team and expertise recognised by its peers.

Since H1 2012, and in order to support its growth and preserve the key balance sheet ratios of the Group, Icade Santé has conducted successive capital increases with institutional investors.

As at June 30, 2016, Icade held a 56.5% stake in Icade Santé.

In June 2016, Icade purchased a portfolio of 4 private hospital properties for €57 million and continued to consolidate its position as the leader in healthcare real estate. These establishments are under leases with no break clauses for an average term of 8.9 years

Market update (source: Jones Lang Lasalle).

A mature market with a long-term investment horizon

The healthcare real estate market breaks down into two main asset classes:

- healthcare facilities, including medicine, surgery and obstetrics (MSO) facilities for short-term stays, or psychiatric facilities and follow-up and rehabilitation care (FRC) facilities for medium-term stays;
- medical-social establishments, namely nursing homes (accommodation facilities for dependent elderly persons [EHPAD]), retirement homes (accommodation facilities for the elderly [EHPA]) and serviced residences.

These single-use assets cover various property classifications, sometimes with large spaces of medical and technical capacity and sometimes with predominant accommodation structures.

The leases signed on these assets are predominantly for a term of 12 years with no break clause and all charges are recoverable from the tenants. However, since the entry into force of the Decree implementing Law 2014-626 dated June 18, 2014 (Pinel Law), major work under Article 606 of the French Civil Code is now at the expense of property owners in new leases signed starting on November 5, 2014. As part of sales of properties by their operators, work commitments and warranties are often provided by the sellers.

An asset class that is attracting more and more interest from investors

Healthcare property has long been viewed as 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 interest and the number of players have greatly increased in healthcare real estate in recent years.

In H1 2016, the healthcare real estate investment market has distinguished itself with several transactions in France and in Europe, of which the largest is still the sale by Gecina of its healthcare portfolio to Primonial REIM for €1.35 billion (including transfer taxes), with a 5.9% net initial yield.

The secondary market showed a strong degree of maturity, as evidenced by:

- the acquisition by Icade Santé of the Vaguil real estate portfolio, composed of 4 medium-term care facilities operated by Ramsay Générale de Santé, representing an investment of €57 million;
- the acquisition of accommodation facilities for dependent elderly persons (EHPAD) in Germany by Primonial REIM, on behalf of investors, for €1 billion;
- the preliminary sale agreement between Foncière des Murs and Primonial Reim regarding an EHPAD portfolio for €301 million, implying a net initial yield between 4.5% and 4.7%.

Therefore, there is still fierce competition in the market for sales of buildings by healthcare operators who continue to operate them and in transactions between investors. Competition is even stronger in transactions for property portfolios, which generally provide a minimum size to international investors or new investment vehicles looking to specialise in healthcare.

The year 2016 also saw concentration in the sector of private healthcare operators rise, especially through the sale of independent facilities or regional groups to national groups.

Product scarcity that leads to rate compression

H1 2016 confirms the general trend of the last few years, when both healthcare real estate and the operation of healthcare facilities have become increasingly attractive to investors.

This is why the current prime yield (for establishments very well-located in dynamic areas, excluding Paris) stands at 5.75% for medicine, surgery and obstetrics (MSO) facilities, 5.50% for private psychiatric hospitals and follow-up and rehabilitation care (FRC) facilities and between 5.00% and 5.25% for accommodation facilities for dependent elderly persons (EHPAD). (Source: JLL). Yield compression is confirmed, making it possible to fulfil the value creation potential of Icade Santé.

In particular, the very large transaction carried out by Primonial for the acquisition of Gecimed at the beginning of the year and the yield compression it reflects had a direct impact on the value of Icade Santé's portfolio, which was up 11% in H1 (7.5% on a like-for-like basis).

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1.5.2.2. Key figures as at June 30, 2016

EPRA Income statement of the Healthcare Property Investment Division and contribution to EPRA earnings from Property Investment

	06/30/2016			06/30/2015 restated		
(in millions of euros)	EPRA earnings from Healthcare Property Investment (Recurring)	Non recurring (1)	Healthcare Property Investment Total	EPRA earnings from Healthcare Property Investment (Recurring)	Non recurring (1)	Healthcare Property Investment Total
GROSS RENTAL INCOME	102.7	-	102.7	80.2	-	80.2
Land-related costs	-	-	-	-	-	-
Service charges not recovered from tenants	(1.3)	-	(1.3)	(1.1)	-	(1.1)
Property operating expenses	(0.5)	-	(0.5)	-	-	-
NET RENTAL INCOME	100.9	-	100.9	79.1	-	79.1
Margin rate (net rental income/ gross rental income)	*98.3%*	*0.0%*	*98.3%*	*98.7%*	*0.0%*	*98.7%*
Net operating costs	(6.5)	-	(6.5)	(4.8)	-	(4.8)
Profit/(loss) from other activities	-	-	-	-	-	-
EBITDA	94.4	-	94.4	74.3	-	74.3
Depreciation and impairment of operating assets	-	-	-	-	-	-
Depreciation and impairment of investment properties	-	(47.0)	(47.0)	-	(35.8)	(35.8)
Profit/(loss) from acquisitions	-	0.7	0.7	-	-	-
Profit/(loss) from asset disposals	-	(0.3)	(0.3)	-	-	-
Goodwill impairment	-	-	-	-	-	-
Share of profit/(loss) of equity-accounted companies	-	-	-	-	-	-
OPERATING PROFIT/(LOSS)	94.4	(46.6)	47.8	74.3	(35.8)	38.6
Cost of gross debt	(5.3)	-	(5.3)	(5.5)	-	(5.5)
Net income from cash and cash equivalents, related loans and receivables	(9.6)	-	(9.6)	(6.5)	-	(6.5)
Cost of net debt	(14.9)	-	(14.9)	(12.0)	-	(12.0)
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)	-	(0.3)	(0.3)	-	0.2	0.2
Other finance income and costs	(0.5)	-	(0.5)	(0.5)	-	(0.5)
FINANCE INCOME/(COSTS)	(15.4)	(0.3)	(15.6)	(12.5)	0.2	(12.3)
Corporate tax	-	0.3	0.3	-	-	0.0
Profit/(loss) from discontinued operations	-	-	-	-	-	-
NET PROFIT/(LOSS)	79.0	(46.6)	32.4	61.9	(35.6)	26.3
Net profit/(loss) attributable to non-controlling interests	34.4	(20.3)	14.1	26.9	(15.5)	11.4
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	44.6	(26.3)	18.3	35.0	(20.1)	14.9

(1) 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 Healthcare Property Investment Division

(in millions of euros)	06/30/2015 restated	Acquisitions / completions	Disposals / redevelopments	Rent indexation	Leasing activity	06/30/2016	Like-for-like change
GROSS RENTAL INCOME	80.2	23.3	(1.1)	0.3	-	102.7	0.4%

Gross rental income generated by the Healthcare Property Investment Division in H1 2016 amounted to €102.7 million, i.e. an increase of €22.5 million (+28.1%) in comparison to H1 2015.

On a like-for-like basis, rental income was up 0.4% due to rent indexation.

Changes in scope of consolidation represented €22.2 million, including:

- + €22.8 million in additional rental income related to acquisitions in H2 2015
- + €0.5 million following extension work on private hospitals in operation
- - €1.1 million for the disposal of the "Renaison" and the "Clinique du Parc" private hospitals.

Net rental income generated by the Healthcare Property Investment Division in H1 2016 totalled €100.9 million, implying a margin rate of 98.3% and a slight decline compared to 2015 (-0.4 percentage point).

	06/30/2016		06/30/2015 restated	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
NET RENTAL INCOME	100.9	98.3%	79.1	98.7%

Finance income/(costs) for the Healthcare Property Investment Division as at June 30, 2016 totalled -€15.6 million vs. -€12.3 million as at June 30, 2015. This change is primarily explained by the increase in debt related to asset acquisitions conducted in 2015.

Net profit/(loss) attributable to non-controlling interests from the Healthcare Property Investment Division (Icade Santé's minority interests) stood at €14.1 million vs. -€11.4 million thanks to an improvement in net profit. This corresponds to the share of minority owners (43.49% of capital) of Icade Santé as at June 30, 2016.

After taking into account the items above, **EPRA Earnings from Healthcare Property Investment** reached €44.6 million (€0.61 per share) as at June 30, 2016, vs. €35.0 million as at June 30, 2015 (€0.47 euro per share).

Other items that had an impact on Net profit/(loss) attributable to the Group generated by the Healthcare Property Investment Division represented a total net charge of €26.3 million compared to €20.1 million as at June 30, 2015. This mainly includes depreciation and impairment charges for investment properties (+€11.2 million) resulting from new acquisitions of healthcare properties.

Thus, considering the items above, **Net profit/(loss) attributable to the Group** from the Healthcare Property Investment Division reached €18.3 million as at June 30, 2016 vs. €14.9 million as at June 30, 2015.

1.5.2.3. Leasing activity of the Healthcare Property Investment Division

As at June 30, 2016, the **financial occupancy rate** remained unchanged compared to June 30, 2015, at 100%. Private hospitals also showed a physical occupancy rate of 100%.

The average lease term to first break was 8.3 years as at June 30, 2016.

	Financial occupancy rate *(in %)*(2)			Average remaining lease term *(in years)*(2)	
Asset class	06/30/2016	12/31/2015	Like-for-like change(1)	06/30/2016	12/31/2015
HEALTHCARE PROPERTY INVESTMENT	100.0%	100.0%	+0.0 points	8.3	8.8

(1) Excluding completions, acquisitions and disposals for the period
(2) Based on proportionate consolidation.

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

	H2 2016	2017	2018	2019	2020	2021	2022	2023	2024	>2024	Total
HEALTHCARE PROPERTY INVESTMENT	0.0	0.0	-	5.8	28.3	6.8	4.3	32.1	38.2	93.4	208.8

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1.5.2.4. Investments in H1 2016

(in millions of euros)	Asset acquisitions	Asset construction / redevelopments	Other Capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	60.7	45.9	0.1	0.6	107.3

In order to finance these investments during the period, the Healthcare Property Investment Division used its own cash and corporate lines of credit.

H1 2016 investments amounted to €107.3 million, of which €60.7 million were acquisitions, including a portfolio of 4 medium-term care facilities operated by Ramsay Générale de Santé (the leader in the French private hospital industry):

- The "Chalonnais" follow-up and rehabilitation care facility in Châtenoy-le-Royal (Saône-et-Loire department);
- The "Pont de Gien" private psychiatric hospital in Gien (Loiret department);
- The "Océane" private psychiatric hospital in Le Havre (Seine-Maritime department);
- The "Ronsard" private psychiatric hospital in Chambray-les-Tours (Indre-et-Loire department)

This is in addition to €45.9 million of construction costs, incurred in particular in 4 projects under development:

- The construction of the Courlancy polyclinic in Bezannes for €12.0 million
- The "La croix du sud" polyclinic in Quint-Fonsegrives for €14.5 million
- The construction of a private hospital in Domont for €4.3 million
- The construction of a private hospital in Saint-Herblain for €2.4 million (including €2.0 million of land acquisition costs)

Property development projects

						Remaining investment	
In millions of euros	Completion	Operator	Number of beds and outpatient places	Rental income	Yield on cost (1)	Total	2016
Domont private hospital	H2 2016	Capio	26			3.8	3.8
Courlancy polyclinic	2018	Courlancy	458			54.4	16.7
La Croix du Sud polyclinic	2018	Capio	269			57.8	13.4
Bromélia project (AHO)	2018	Elsan	169			36.5	9.5
PROJECTS STARTED			922	14.1	6.8%	152.5	43.3

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

The Healthcare Property Investment Division has a €207 million development pipeline corresponding to the construction of four private hospitals with an off-plan lease agreement, one of which will be completed in H2 2016 (Domont private hospital). The average estimated yield on cost of these investments stands at 6.8%.

1.6. Property Development Division

The revenue of the Property Development Division under IFRS 11 was down 13.5% as a result of an unfavourable base effect in the residential segment due to the completion of the Northeast Paris project (19th district of Paris, Mac Donald: 1,126 housing units) in July 2015, which should be offset in the second half of the year by higher sales of residential properties.

The revenue of Commercial Property Development grew in H1 2016 to €111.7 million (€105.7 million as at June 30, 2015) as a result of numerous contracts signed in 2015.

The operating margin (operating profit/revenue) reached 2.2% as at June 30, 2016 vs. 3.3% as at June 30, 2015, due to a decrease in residential revenue in H1.

Condensed income statement and contribution to net current cash flow attributable to the Group

	06/30/2016			06/30/2015		
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total
Revenue	365.7		365.7	422.7		422.7
Income from operating activities	368.1		368.1	424.3		424.3
Purchases used	(297.9)		(297.9)	(339.8)		(339.8)
Outside services	(25.4)		(25.4)	(29.9)		(29.9)
Taxes, duties and similar payments	(2.4)		(2.4)	(2.9)		(2.9)
Staff costs, performance incentive scheme and profit sharing	(34.4)		(34.4)	(32.5)		(32.5)
Other operating expenses	(5.1)		(5.1)	(5.0)		(5.0)
Operating expenses	(365.3)		(365.3)	(410.1)		(410.1)
EBITDA	2.9		2.9	14.1		14.1
Depreciation charges net of investment grants		(0.7)	(0.7)		(0.7)	(0.7)
Charges and reversals related to impairment of tangible, financial and other current assets		0.2	0.2		(2.8)	(2.8)
Profit/(loss) from acquisitions		-	-		-	-
Profit/(loss) from asset disposals		-	-		-	-
Impairment of goodwill and intangible fixed assets		-	-		-	-
Share of profit/(loss) of equity-accounted companies	5.5	0.1	5.6	3.2	-	3.2
OPERATING PROFIT/(LOSS)	8.4	(0.4)	7.9	17.4	(3.5)	13.9
Cost of gross debt	-		-	-		-
Net income from cash and cash equivalents, related loans and receivables	0.2		0.2	0.2		0.2
Cost of net debt	0.2		0.2	0.2		0.2
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)		-	-		-	-
Other finance income and costs	0.5	-	0.5	-	-	-
FINANCE INCOME/(COSTS)	0.7	-	0.7	0.2	-	0.2
Income tax	(3.4)	0.2	(3.3)	(6.0)	(0.3)	(6.3)
Profit/(loss) from discontinued operations	-	-	-	-	-	-
NET PROFIT/(LOSS)	5.6	(0.2)	5.4	11.5	(3.8)	7.8
Net profit/(loss) attributable to non-controlling interests	0.7	(0.4)	0.3	0.6	(0.1)	0.6
Net profit/(loss) attributable to the Group	4.9	0.1	5.1	10.9	(3.7)	7.2

Return on equity

(in millions of euros)	06/30/2016	12/31/2015	06/30/2015
Net profit/(loss) attributable to the Group (1)	16.9	19.1	33.1
Shares and shareholders' equity attributable to the Group (2)	403.4	446.9	428.7
Return on equity	4.2%	4.3%	7.7%

(1) Over a 12-month rolling period

(2) Average value over the rolling period under consideration

Return on equity was calculated based on the results for a 12-month rolling period (H2 2015 and H1 2016 vs. H2 2014 and H1 2015). It was adversely affected by the weaker performance of the Property Development Division during the H2 2015/H1 2015 period. Moreover, in H1 2016 Icade continued to optimise its capital allocation through the intragroup payment of a €23.3 million dividend by the subsidiary Icade Promotion to Icade SA.

The IFRS 11 standard, which requires the equity method of accounting for joint ventures, does not allow Icade to fully reflect the activities of the Property Development Division. Consequently, the financial indicator tables below present the relationship between the accounting presentation (equity method as per IFRS) and the economic presentation (proportionate consolidation).

The financial indicators below therefore take into consideration the joint ventures accounted for according to the proportionate consolidation method ("economic presentation").

	06/30/2016			06/30/2015			
(in millions of euros)	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	Change
Residential Property Development	253.9	13.5	267.4	317.0	19.6	336.6	(20.5%)
Commercial Property Development	111.7	22.3	134.0	105.7	0.3	106.0	26.4%
Intra-group property development operations	-	-	-	-	-	-	-
REVENUE (1)	365.7	35.8	401.5	422.7	19.9	442.6	(9.3%)
Residential Property Development	0.3	1.5	1.8	15.5	1.9	17.3	(89.7%)
Commercial Property Development	2.6	3.9	6.5	(1.3)	0.5	(0.8)	N/A
EBITDA	2.9	5.4	8.2	14.1	2.4	16.5	(50.1%)
EBITDA margin (EBITDA/revenue)	*0.8%*	*15.0%*	*2.1%*	*3.3%*	*12.0%*	*3.7%*	
Residential Property Development	1.1	0.1	1.2	15.1	0.1	15.1	(92.0%)
Commercial Property Development	6.8	(0.0)	6.8	(1.2)	(0.0)	(1.2)	N/A
OPERATING PROFIT/(LOSS)	7.9	0.1	8.0	13.9	0.1	14.0	(42.7%)
Operating margin (operating profit/revenue)	*2.2%*	*0.2%*	*2.0%*	*3.3%*	*0.3%*	*3.2%*	

(1) Revenue based on the percentage of completion method, taking into account the stage of completion of commercial and construction work of each project.

The economic revenue from the Property Development Division thus stands at €401.5 million as at June 30, 2016 vs. €442.6 million as at June 30, 2015.

Property development backlog and service order book

The backlog represents the revenue secured (excluding taxes) but not yet recognised for property development projects, based on the stage of completion and signed reservations (excluding taxes).

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

	06/30/2016			12/31/2015		
(in millions of euros)	Total	Paris region	Outside the Paris region	Total	Paris region	Outside the Paris region
Residential Property Development (incl. subdivisions)	954.6	310.4	644.2	834.1	271.1	563.0
Commercial Property Development	455.7	226.4	229.3	417.6	143.1	274.5
Public and Healthcare Amenities Development	179.4		179.4	228.6	28.4	200.2
Order book for Services & Project owner assistance operations	36.4	26.7	9.7	28.1	23.6	4.5
TOTAL	1,626.1	563.5	1,062.6	1,508.4	466.2	1,042.2
Share of total	100.0%	34.7%	65.3%	100.0%	30.9%	69.1%

The Property Development Division's total backlog was up 7.8% to €1,626.1 million vs. €1,508.4 million as at December 31, 2015.

These changes can be analysed as follows:

- an increase in the Residential Property Development Division's backlog of 14.4% resulting from higher reservations and notarised sales in H1 2016.

- an increase in the Commercial Property Development Division's backlog of 9.1% compared to December 31, 2015, thus reaching €455.7 million and approaching historical highs thanks to substantial new contracts signed throughout 2015 and in H1 2016. In H1 2016, the following contracts were signed:

    - In Lyon:
        - Off-plan sale agreement signed with AEW Europe SGP, acting on behalf of the French real estate investment company (SCPI) "Fructifonds Immobilier" for the OXAYA office property located in the north end of Gerland and which is due to be completed by early 2018;
        - Off-plan sale agreement signed with Héraclès Investissement for the UnitY building extending to 2,800 sq.m and consisting of 11 ground floor retail units within the A3 section of the Ynfluences Square complex, in development zone No.2 ("ZAC 2") of Lyon Confluence;

    - In Paris, in the Clichy-Batignolles development zone (N5 lot), a preliminary off-plan sale agreement was signed with ACM Vie for the Twist building, representing 10,400 sq.m of office space.

- a 21.5% decline in the "Public and Healthcare Amenities Development" backlog, due to the progress of the Nouméa private hospital and Montpellier-Sud de France high-speed train (TGV) station projects, which had a positive impact on the H1 2016 revenue of this business activity.

- the order book for Services and Project owner assistance operations grew by 29.5% in connection with the integration of the Delegated Project Management team, in charge of works on the properties of the Commercial Property Investment Division.

Residential Property Development

	06/30/2016			06/30/2015			
(in millions of euros)	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	Change
Revenue	253.9	13.5	267.4	317.0	19.6	336.6	(20.5%)
EBITDA	0.3	1.5	1.8	15.5	1.9	17.3	(89.7%)
EBITDA margin (EBITDA/revenue)	*0.1%*	*11.2%*	*0.7%*	*4.9%*	*9.5%*	*5.1%*	
OPERATING PROFIT/(LOSS)	1.1	0.1	1.2	15.1	0.1	15.1	(92.0%)
Operating margin (operating profit/revenue)	*0.4%*	*0.6%*	*0.5%*	*4.8%*	*0.4%*	*4.5%*	

Market update (source: FPI)

Following a +13.6% increase in 2015, sales of new residential units in Q1 2016 followed the same trend with a +14.7% increase. This rise is mainly attributable to higher sales to private customers (+16.6%) and to a surge in sales in serviced residences (+32.1%).

Sales to investors continue to increase (+12.9%) but Q1 2016 was mainly marked by soaring sales to owner-occupiers (+20.3%), boosted by interest-free loans.

Properties put up for sale increased by +17.9% in Q1 2016 and reached 26,812 housing units, thus returning to the average quarterly level registered between 2010 and 2016. Time on market decreased slightly (11.3 months) and prices were broadly stable.

From March to May 2016, 99,600 building permits were issued, i.e. a +12.1% increase compared that same period in 2015, which suggests upcoming market tensions.

This situation, along with the decrease in interest rates and price stability, creates an environment conductive to the recovery of the new build housing market. The rise of owner-occupier transactions, at a standstill for several years, could very well bring the construction of residential units back to life in France. The interest-free loan reform and the one-year extension of the Pinel tax incentive scheme, as well as the announcement regarding the extension from 300 to 500 metres of the strip around Priority Neighbourhoods (QPV, *Quartier prioritaire de la Politique de la Ville*) should boost market momentum.

The acceleration of the residential property market recovery appears to be taking hold in Q1 2016, for both home-buyers (with the revamped interest-free loan) and individual investors (Pinel incentives), in a historically low interest rate environment.
The recovery is especially strong in the Paris region with a 26.1% increase in housing starts, to 67,800 units.
At the country level, housing starts (355,600 units) rose by 5.2% in the past 12 months (June 2015 - May 2016).
Professionals estimate the new build housing market for 2016 at between 110,000 and 120,000 residential units.

This accelerated recovery in the residential property market has not yet had an impact on the revenue of the Residential Property Development Division, which stands at €267.4 million in H1 2016, i.e. a 20.5% decrease compared to H1 2015, in line with the Group's guidance. This decrease is mainly due to a higher proportion of projects at the construction start stage compared to the previous year, as their contribution to revenues is lower; it was intensified by an unfavourable base effect related to the substantial contribution of the large-scale "North East Paris" project (19th district of Paris – Mac Donald: 1,126 units) until July 2015.

As a result, operating profit/(loss) from the Residential Property Development Division went down to €1.2 million as at June 30, 2016, compared with €15.1 million as at June 30, 2015. The margin rate recorded in H1 is not representative of the rate which may be anticipated for the full year.

Main physical indicators as at June 30, 2016

	06/30/2016	06/30/2015 restated	Change
Properties put on the market			
Paris region	660	625	5.6%
Outside the Paris region	1,778	1,281	38.8%
TOTAL UNITS PUT ON THE MARKET ***(in units)*** (1)	**2,438**	**1,906**	**27.9%**
Paris region	145.4	125.4	15.9%
Outside the Paris region	314.8	274.0	14.9%
TOTAL POTENTIAL REVENUE FROM UNITS PUT ON THE MARKET ***(in millions of euros incl. tax)***	**460.2**	**399.4**	**15.2%**
Projects started			
Paris region	526	191	175.4%
Outside the Paris region	1,734	2,314	(25.1%)
TOTAL UNITS IN PROJECTS STARTED ***(in units)*** (1)	**2,260**	**2,505**	**(9.8%)**
Paris region	97.5	42.7	128.3%
Outside the Paris region	295.9	449.0	(34.1%)
TOTAL POTENTIAL REVENUE FROM PROJECTS STARTED ***(in millions of euros incl. taxes)***	**393.4**	**491.7**	**(20.0%)**
Reservations			
Paris region	651.0	477.0	36.5%
Outside the Paris region	1,789.0	1,328.0	34.7%
TOTAL HOUSING RESERVATIONS ***(in units)*** (1)	**2,440.0**	**1,805.0**	**35.2%**
Paris region	142.5	128.8	10.6%
Outside the Paris region	360.4	275.9	30.6%

TOTAL HOUSING RESERVATIONS *(in millions of euros incl. taxes)*	502.9	404.7	24.3%
Housing - cancellation rate *(in %)*	17%	21%	(17.7%)
Average sale price and average floor area based on reservations			
Average price including taxes per habitable sq.m *(in €/sq.m)*	3,749	4,031	(7.0%)
Average budget including taxes per housing unit (in thousands of euros)	208.0	229.0	(9.2%)
Average floor area per housing unit *(in sq.m)*	55.4	57.0	(2.8%)

(1) "Units" mean 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, shop, office) by the average floor area of residential units calculated during the preceding quarter. Therefore, reservations were adjusted on June 30, 2015 in order to take this definition into account.

Breakdown of reservations by type of customer

	06/30/2016	06/30/2015
Social institutional investors (ESH) - social landlords	18.5%	3.7%
Institutional investors	8.0%	6.0%
Individual investors	44.5%	52.9%
Home buyers	29.0%	37.4%
TOTAL	100.0%	100.0%

In line with the recovery of the market, the number of residential units put on the market in H1 2016 was 27.9% higher than the same period a year earlier.

Net new build housing reservations recorded by the Property Development Division as at June 30, 2016 were 35.2% higher in volume terms compared to H1 2015, reaching 2,440 reservations. They increased by 24.3% in value terms, as a result of an average price per unit lower than in the preceding year due to more reservations having been made by professional property owners (for whom the unit selling price is significantly lower).

In line with the trend observed in Q1 2016, reservations from institutional investors rose substantially and accounted for 26.5% of total reservations made as at June 30, 2016, vs. 9.7% for the same period a year earlier. On the other hand, the proportion of individual investors using the Pinel tax incentive programme continues to predominate. The number of reservations from first-time buyers also increased thanks to the new incentive measures taken by the government (especially the interest-free loan).

The decrease in the average price per sq.m to €3,749 (including taxes) was mostly driven by the increased proportion of block reservations in H1 2016.

Notarised sales have been following an upward trend, in line with the increasing reservations, and reached 1,796 lots for a revenue of €337 million as at June 30, 2016, versus 1,257 lots for €269 million as at June 30, 2015, i.e. an increase of 42.9% in volume terms.

The inventory of unsold completed properties is kept under control, with €30.7 million as at June 30, 2016 vs. €51.6 million as at June 30, 2015.

Land portfolio

The residential land and building plot portfolio improved; it represented 9,024 plots as at June 30, 2016 (7,376 as at June 30, 2015), with potential revenue estimated at €1.8 billion (vs. €1.5 billion as at June 30, 2015, i.e. a 20% increase).

2

Commercial Property Development

(in millions of euros)	06/30/2016 IFRS	06/30/2016 Reclassification of joint ventures	06/30/2016 Total	06/30/2015 IFRS	06/30/2015 Reclassification of joint ventures	06/30/2015 Total	Change
Public and healthcare amenities	62.7	-	62.7	33.5		33.5	87.2%
Commercial	41.5	22.3	63.8	65.4	0.1	65.5	(2.6%)
Project Owner Assistance	7.5		7.5	6.7	0.2	6.9	8.7%
REVENUE	111.7	22.3	134.0	105.7	0.3	106.0	26.4%
EBITDA	2.6	3.9	6.5	(1.3)	0.5	(0.8)	N/A
EBITDA margin (EBITDA/revenue)	*2.3%*	*17.3%*	*4.8%*	*-1.3%*	*176.8%*	*-0.7%*	
OPERATING PROFIT/(LOSS)	6.8	(0.0)	6.8	(1.2)	(0.0)	(1.2)	N/A
Operating margin (operating profit/revenue)	*6.1%*	*(0.1%)*	*5.1%*	*(1.1%)*	*(4.3%)*	*(1.1%)*	

Public and Healthcare Amenities Development

In H1 2016, revenue from the Public and Healthcare Amenities Development business reached €62.7 million, which marked a substantial increase from H1 2015 (€33.5 million). The ramp-up of the "Nouméa Private Hospital" and the "Montpellier-Sud de France" high-speed train (TGV) station, which are both major projects, contributed significantly to the improvement in the revenue of this business in H1.

As at June 30, 2016, the portfolio of "Public and Healthcare Amenities Development" projects was equivalent to 176,864 sq.m, including 101,342 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). At this point in the year, completed projects represent 24,665 sq.m.

Commercial and Retail Property Development

As at June 30, 2016, the revenues from the Commercial Property Development activity stood at €63.8 million, which is relatively stable compared to H1 2015 revenues (€65.5 million). The projects completed in 2015 which had a significant impact on H1 2015 revenues (such as the "Le Garance" building sold to the Ministry of the Interior and the Le Cargo building located in the 19th district of Paris) were offset by the launch of several projects sold in 2015 which, in H2, will contribute to the improvement of Commercial Property Development revenues expected by the end of the year, in line with the forecast for the Property Development Division.

In H1 2016, the Property Development Division completed the first phase of the "Seaty Campus" complex located at the heart of the "Technopôle de la Mer" in Ollioules, including the construction of a restaurant shared by several companies, a 500-sq.m retail area and a multi-storey car park with 800 parking spaces.

At the end of June 2016, the "offices and shopping centres" project portfolio represents 555,336 sq.m, including projects in the execution phase for 174,916 sq.m and projects in the development phase for 380,420 sq.m. For the record, properties sold by commercial property developers in 2015 represented 700,000 sq.m, i.e. about 9% of the French commercial property investment market.

During the first half year, the Property Development Division started the construction of the "Urban Quartz" development in Rennes (13,700 sq.m) and the Thémis office building (10,655 sq.m) located on the N4 lot of the Clichy-Batignolles development zone (ZAC) in Paris.

Speculative developments represented an exposure of €125.9 million as at June 30, 2016, implying a decrease with respect to December 31, 2015 (€201.4 million) due to the signing of a preliminary off-plan sale agreement for the Twist building located in the N5 lot of the Clichy-Batignolles development zone in Paris.

Project Owner Assistance

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

Revenue from this business segment increased slightly from €6.9 million as at June 30, 2015 to €7.5 million as at June 30, 2016.

Working capital requirement and debt

	06/30/2016			12/31/2015 restated			
(in millions of euros)	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	Change
Residential Property Development	172.6	23.4	196.0	198.2	22.4	220.6	(24.5)
Commercial Property Development	77.9	23.7	101.6	36.7	13.5	50.2	51.4
WORKING CAPITAL REQUIREMENT (2)	250.5	47.1	297.6	234.9	35.8	270.7	26.9
NET DEBT (1)	(84.0)	40.1	(43.8)	(113.1)	25.0	(88.1)	44.3

(1) A negative number is a net asset, while a positive number is a net liability.
(2) WCR now includes deferred tax assets and liabilities

The working capital requirement (WCR) improved by €26.9 million compared to the beginning of the year 2016, totalling €297.6 million.

WCR for the Residential Property Development Division business was down €24.5 million, while that of the Commercial Property Development Division increased by €51.4 million as the launch of new projects had a positive impact on business performance.

Net cash from the Property Development Division stood at €43.8 million, implying a €44.3 million decrease compared with December 31, 2015, due to the increase in WCR and to the payment, in June 2016, of dividends for financial year 2015.

2. NET ASSET VALUE AS AT JUNE 30, 2016

2.1. Valuation of the property portfolio

2.1.1. Valuation assignments and methods

2.1.1.1. Valuation assignments

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

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

Property valuation fees are billed to Icade on the basis of a fixed remuneration that takes into account the specifics of the properties (number of units, number of square meters, number of leases, etc.) and that is independent of the value of the assets.

The assignments of the surveyors, whose main valuation methods and conclusions are presented hereafter, are performed according to the standards of the profession, 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 Exchange Commission (COB), which is part of the French Financial Authority (AMF), dated February 3, 2000 on the valuation of the property assets of publicly traded companies;
- at international level, the European surveying 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 surveyors, the principles of good conduct and ethics and the basic definitions (values, floor areas, rates and main valuation methods).

On each valuation assignment and on the presentation of values, Icade makes sure that the methods used by the different surveyors for the valuation of its assets are consistent.

"Duties included" and "duties excluded" values are calculated, the "duties excluded" values being determined after deduction of fees and fixed legal expenses calculated by the surveyors.

The Crystal Park office building, the EQHO and PB5 towers, and the Millénaire shopping centre were valued twice and the average of the two valuations was used.

In H2 2015, as part of the preparation of the financial statements for 2015, Icade applied this double valuation approach to all of its business parks in order to obtain more reliable valuations. For this purpose, Icade invited the main property surveyors to a bidding process in July 2015. Surveyors 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 real estate companies, a procedure of internal valuations performed by its asset management teams, in order to verify the asset values obtained by the surveyors, 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 surveyors 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 at June 30, 2016, with the exception of:

- properties that are subject to a preliminary sale agreement as at the end of the reporting period or those for which an accepted binding offer has been received and that are valued based on the contractual sale price. As at June 30, 2016, that was the case for condominium units in the Arago tower, the extension of an asset in Rueil-Malmaison, the Champion store in Reims, and the Nanturra and Navarque buildings (Nanterre Seine business park);
- the underlying properties of a financing transaction (i.e. finance lease or lease with an option to buy where Icade acts exceptionally as the lessor), which are valued based on the financial receivable recognised in the accounts or, as the case may be, based on the price of the option to buy provided for in the contract: as at June 30, 2016, the Levallois-Perret office building leased to the Ministry of the Interior for 20 years with an option to buy was the only property included in that category;
- 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 at June 30, 2016, 5 assets acquired during the last quarter fell within this category.

2.1.1.2. Methods used by the surveyors

The methods used by the surveyors were identical to those used in the previous financial year.

Investment properties are valued by the surveyors by using two methods simultaneously: the income method (the surveyor using the most appropriate method between net rent capitalisation and discounted cash flows) and the method of direct comparison with the prices of the 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 adopted in different ways according to the income basis considered (actual rent, estimated rental value and net rental income) to which different yields correspond.

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 theoretical yield (which differs depending on the sites) 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 qualities in terms of location, construction and security of income) or on the weighted average cost of capital.

Irrespective of the method 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 subject to a valuation taken into account in calculating the NAV. The methods used by the surveyors primarily include the residual method (or hypothetical development method) and/or the discounted cash flow method, and also in certain cases the comparison method (see above for details of the last two methods).

The residual method involves producing the financial projections of the project from the point of view of a property developer to whom the land has been offered. From the selling price of the building at the time of completion, the surveyor deducts all the costs to be incurred, including building costs, fees and margin, 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 examined and implemented.

Considering its special situation, and its development model, the land bank of the Rungis park was valued separately. In fact, in the Rungis park there is an unutilised capacity for construction 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 construction of around 385,000 sq.m of mixed-use buildings (office and business premises) through the demolition of the most obsolete buildings or construction in attractive areas for the development of the portfolio.

The method is based on:

- Applicable urban planning rules,
- Estimated absorption rate,
- The current market for new offices (estimated rental value, yield),
- The redevelopment plan of the site on 5-, 10-, 15-, 20- and 25-year horizons: 32,900 sq.m in the first 5 years, 81,500 sq.m between the 5th and 10th years, 89,000 sq.m between the 10th and 15th years, 115,000 sq.m between the 15th and 20th years, and 66,000 sq.m between the 20th and 25th years.

The estimated value of unutilised capacity for construction is based on the value of building land in the 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%. The land bank in the Rungis park was valued at €74.3 million as at June 30, 2016.

Additionally, Icade identified "non-leasable floor space pending redevelopment" in its assets: buildings that are completely vacant, held for sale, or due to be renovated or demolished, and for which no project has been initiated to date. This floor space was valued at €154.1 million and €37.4 million for offices and business parks, respectively.

Whichever method is selected, it is ultimately up to the property surveyors to set a value and discount rate in line with the risks inherent in each project and, in particular, the state of progress of the various 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 surveyors 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.

The buildings of private hospitals or healthcare establishments are valued by surveyors taking 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 the value determined by the surveyor nevertheless is totally related to its operation and consequently to the goodwill of the 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 configuration and the degree of specialisation of the property imposes objective limits (number of beds or rooms, etc.) on the operator, whatever its qualities.

The estimated rental value used by the property surveyors is thus based on taking 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. Otherwise, the establishment's premises could be valued by capitalisation of the rental income reported by Icade.

Finally, valuations dated June 30, 2016 take into account the effects related to the increase in "additional tax" in the Paris region and the increase in transfer duties in the city of Paris.

2.1.2. Summary of valuations of Icade's property assets

Assets are classified as follows:

- the 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);
- the other assets of the Commercial Property Investment Division, which consist of warehouses and housing units;
- the assets of the Healthcare Property Investment Division.

Furthermore, the assets of 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 €11,016.8 million excluding duties vs. €10,497.6 million at the end of 2015 (and €11,660.6 million including duties vs. €11,065.7 million at the end of 2015).

The like-for-like changes shown in the table below take into account the asset reclassifications made between the two periods, including reclassifications of assets "under development" as "operating" upon completion ("operating" properties are classified by geographic area in the table below). For this purpose, we use the category of the asset as at the end of the reporting period in order to determine its like-for-like change in value.

(value of the property portfolio excl. duties, on a proportionate consolidation basis, in millions of euros)	06/30/2016	12/31/2015	Change *(in €m)*	Change *(in %)*	Like-for-like change (a) *(in €m)*	Like-for-like change (a) *(in %)*	Total floor area *(in sq.m)*	Price (b) *(in €/sq.m)*	Net yield, excl. duties (c) *(in %)*	Reversionary potential (d) *(in %)*	Overall estimated rental value *(in €m)*	EPRA vacancy rate (e) *(in %)*
France offices												
Paris	259.4	249.1	+10.3	+4.1%	+10.0	+4.0%	17,174	15,102	4.4%	(0.5%)	11.5	10.4%
La Défense & surroundings	1,726.7	1,724.7	+2.0	+0.1%	+55.5	+3.3%	266,504	6,479	6.0%	(1.7%)	102.6	10.8%
Other Western Crescent	676.7	667.6	+9.1	+1.4%	+17.5	+2.6%	74,929	9,031	6.0%	(7.6%)	38.1	0.6%
Inner Ring	754.9	738.4	+16.5	+2.2%	+15.8	+2.1%	134,891	5,596	5.5%	(1.8%)	40.7	0.4%
Outer Ring	34.6	38.3	(3.7)	(9.8%)	(0.1)	(0.2%)	6,340	696	18.4%	(11.1%)	0.8	55.4%
Total Paris region	3,452.2	3,418.1	+34.2	+1.0%	+98.7	+2.9%	499,839	6,846	5.8%	(2.8%)	193.7	6.7%
Outside the Paris region	75.9	76.3	(0.4)	(0.5%)	-	-	4,348	1,753	8.0%	(1.6%)	0.6	13.1%
TOTAL	3,528.2	3,494.4	+33.8	+1.0%	+98.7	+2.9%	504,187	6,802	5.8%	(2.8%)	194.3	6.8%
Land bank	3.2	3.2	-	-	-	-						
Projects under development	61.0	62.8	(1.7)	(2.7%)	+4.8	+9.7%						
Non-leasable area pending redevelopment (f)	154.1	81.9	+72.2	+88.1%	+0.9	+0.6%						
TOTAL OFFICES	3,746.5	3,642.3	+104.2	+2.9%	+104.4	+2.9%	504,187	6,802	5.8%	(2.8%)	194.3	6.8%
Business parks												
Paris	639.5	628.8	+10.6	+1.7%	+7.8	+1.2%	115,547	5,534	6.1%	(0,4%)	37.6	7.0%
La Défense & surroundings	157.0	164.7	(7.8)	(4.7%)	(7.7)	(4.7%)	93,335	1,682	10.1%	(5.2%)	15.5	40.5%
Other Western Crescent	136.0	139.1	(3.0)	(2.2%)	(3.4)	(2.4%)	62,746	2,168	8.1%	(3.0%)	10.7	6.9%
Inner Ring	930.1	944.0	(13.9)	(1.5%)	(18.6)	(2.0%)	375,514	2,477	7.8%	(4.1%)	70.2	9.3%
Outer Ring	1,175.9	1,209.6	(33.8)	(2.8%)	(36.1)	(3.0%)	816,389	1,440	9.9%	(5.3%)	112.3	23.4%
Total Paris region	3,038.4	3,086.2	(47.8)	(1.5%)	(58.0)	(1.9%)	1,463,531	2,076	8.4%	(4.0%)	246.3	17.2%
Land bank	131.2	150.8	(19.6)	(13.0%)	(7.9)	(5.7%)						
Projects under development	499.3	333.8	+165.6	+49.6%	+85.1	+24.0%						
Non-leasable area pending redevelopment (f)	37.4	50.4	(12.9)	(25.7%)	(5.5)	(12.8%)						
TOTAL BUSINESS PARKS	3,706.4	3,621.2	+85.2	+2.4%	+13.8	+0.4%	1,463,531	2,076	8.4%	(4.0%)	246.3	17.2%
TOTAL OFFICES AND BUSINESS PARKS	7,452.9	7,263.4	+189.4	+2.6%	+118.2	+1.6%	1,967,718	3,287	7.0%	(3.3%)	440.6	12.6%
Other Commercial Property Investment assets (g)	153.9	163.3	(9.5)	(5.8%)	(7.3)	(4.6%)	83,140	248	12.9%			16.6%
TOTAL COMMERCIAL PROPERTY INVESTMENT ASSETS	7,606.7	7,426.8	+179.9	+2.4%	+110.9	+1.5%	2,050,858	3,164	7.0%	(3.3%)	440.6	12.7%
Healthcare Property Investment												
Paris - Inner Ring	59.9	55.5	+4.4	+7.8%	+4.3	+7.7%	13,339	4,491	5.9%			0.0%
Outer Ring	255.2	239.2	+16.0	+6.7%	+16.7	+7.0%	71,413	3,573	6.2%			0.0%
Total Paris region	315.1	294.7	+20.4	+6.9%	+21.0	+7.2%	84,751	3,718	6.1%			0.0%
Outside the Paris region	1,568.4	1,440.6	+127.8	+8.9%	+97.4	+6.8%	665,436	2,357	6.3%			0.0%
TOTAL	1,883.5	1,735.3	+148.2	+8.5%	+118.4	+6.9%	750,187	2,511	6.3%			0.0%
Projects under development	43.5	0.0	+43.5	-	+12.9	+108.4%						
TOTAL HEALTHCARE PROPERTY INVESTMENT	1,927.0	1,735.3	+191.7	+11.0%	+131.2	+7.6%	750,187	2,569	6.3%			0.0%
GRAND TOTAL	9,533.8	9,162.1	+371.7	+4.1%	+242.1	+2.7%	2,801,045	3,005	6.9%			9.9%
Including assets consolidated by the equity method	*167.4*	*179.2*	*(11.8)*	*(6.6%)*	*(12.8)*	*(7.1%)*						

(a) Net change in disposals and investments for the period.

(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 appraised value excluding duties of leasable space.

(d) Difference noted between the estimated rental value of leased properties and the annualised rental income net of non-recoverable charges for the same properties (expressed as a percentage of net 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 100% vacant that are intended to be sold, redeveloped or demolished.

(g) Indicators (Total floor area, Price in €/sq.m, EPRA net yield excluding duties, and EPRA vacancy rates) are presented excluding the Residential Property Investment Division and excluding PPPs.

2.1.2.1. 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 €7,452.9 million excluding duties as at June 30, 2016 vs. €7,263.4 million at the end of 2015, i.e. an increase of €189.4 million (+2.6%).

Excluding the impact of investments and disposals made in H1 2016, the change in value of office and business park assets was +1.6%.

In value terms, 99% of the portfolio is located in the Paris region.

The value of the land bank and projects under development stood at €886.3 million as at June 30, 2016, including €134.4 million of land bank, €560.4 million of projects under development, and €191.6 million of non-leasable floor area pending redevelopment.

Offices

During the first half of 2016, investments made in office assets, which comprise mainly the construction work for the Camille Desmoulins building in Issy-les-Moulineaux (Open project) and the studies for Campus Défense project, stood at total of €24.9 million (adjusted for the €11.4 million change of the underlying properties of a financing transaction and of public-sector properties and projects held as part of PPPs and the corresponding construction work).

Excluding the impact of these investments and asset disposals completed in H1, the change in value of the portfolio of the Offices Division as at June 30, 2016 was +€104.4 million on a like-for-like basis (i.e. +2.9%) to €3,746.5 million.

Business parks

Property assets in the business parks consist of a stock of operating properties as well as the land bank and building rights for which property projects have been identified and/or are under development.

In H1 2016, Icade spent €71.4 million in maintenance and development investments in the business parks.

On a like-for-like basis, excluding investments, the value of the business park portfolio rose by €13.8 million in H1 2016 (+0.4%) to €3,706.4 million.

Finally, the impact of the new valuations of the land bank, projects under development and non-leasable floor area was +71.7 million (see above for details on valuation methods).

2.1.2.2. Other assets of the Commercial Property Investment Division

Warehouses

The market value of warehouses was estimated at €20.6 million excluding duties as at June 30, 2016, which was stable compared to December 31, 2015.

Residential

As at June 30, 2016, the assets of the Residential Property Investment Division were composed of buildings managed by SNI, together with condominium units and various residual assets, which were valued by surveyors.

The value of these assets was €133.3 million excluding duties as at June 30, 2016 vs. €142.7 million at the end of 2015, i.e. a change of -€9.5 million (-6.6%).

2.1.2.3. Assets of the Healthcare Property Investment Division

The property portfolio of the Healthcare Property Investment Division includes private hospital buildings and healthcare establishment buildings.

Based on proportionate consolidation, the overall value of Icade's Healthcare Property Investment portfolio is estimated at €1,927 million excluding duties as at June 30, 2016, vs. €1,735.3 million at the end of 2015, i.e. an increase of €191.7 million which can be mainly explained by substantial yield compression in the healthcare real estate market, by the acquisition, in H1, of three mental health establishments (MHE), one follow-up and rehabilitation care (FRC) facility and one land plot where a medicine, surgery and obstetrics (MSO) facility is under construction, for a total of €33.5 million (excluding duties, based on proportionate consolidation), and by increases in value.

The value of projects under development stands at €43.5 million as at June 30, 2016 based on proportionate consolidation.

On a like-for-like basis, excluding H1 construction works for the year of €27.1 million (proportionate consolidation basis), and acquisitions, the value of the portfolio rose by €131.2 million in H1 2016, i.e. +7.6%.

2.2. Valuation of the Property Development and Property Services businesses

The valuation of Icade's property development companies was performed by Détroyat Associés, an independent firm, for the purpose of calculating the net asset value. The method selected by the surveyor is based mainly on discounting the cash flows (DCF) generated by each company over the period of its business plan, discounting the cash flows calculated by extending those from the business plan over an additional 10-year period, and adding a terminal value calculated by applying a perpetual growth rate to the cash flows. The value of the companies is the used in the calculation of net asset value. Due to the ongoing sale process, the values used as at June 30, 2016 for the Property Services companies are based on the offers received from potential buyers with which Icade has entered into exclusive negotiations.

On this basis, the values of the property development and services companies as at June 30, 2016 break down as follows:

(in millions of euros)	06/30/2016 Property development and services companies	12/31/2015 Property development and services companies
Enterprise value	380.0	345.9
Net debt[1]	(89.4)	(119.5)
Other adjustments[1]	61.4	54.9
Value of fully-consolidated companies	**408.0**	**410.6**
Value of equity-accounted companies	**46.4**	**68.4**
Total value of the companies	**454.4**	**478.9**

[1] *A negative number is a net asset, while a positive number is a net liability.*

Enterprise value of fully-consolidated companies	380.0	345.9
Enterprise value of equity-accounted companies	87.4	94.2
Enterprise value of property development and services companies	**467.4**	**440.1**

Among the selected financial parameters, the surveyor used a weighted average cost of capital between 8.44% and 10.34%.

The value of shares in property development companies as at June 30, 2016 (including the value of shares in equity-accounted companies) was down compared with June 30, 2015.

This variation mainly results from:

- a negative impact from an increase in the cost of capital of Icade Promotion, due to changes in market parameters as at June 30, 2016. The surveyor in charge of valuing the property development companies, Détroyat Associés, observed a sharp increase in risk premium in a very volatile market environment, affected in particular by the Brexit vote at the end of June 2016. It should be noted that this higher risk premium was not fully offset by the lower risk-free rate (10-year treasury bond);
- the dividend payment made during the period (€20.3 million).

The start of exclusive negotiations for the sale of Icade Property Management was announced to the market on April 28, 2016, those of the sale of Icade Asset Management, Icade Conseil and I-Porta were announced to the market on May 26, 2016.

The sale of these companies took place as follows:

- On July 22, 2016, Icade sold its stake in the company iPorta to the Visiativ Group.
- On July 25, 2016, Icade entered into an agreement to sell its stake in Icade Property Management to the Foncia Group. The sale will be completed on September 30, 2016.
- In H1, Icade entered into exclusive negotiations to sell its subsidiaries Icade Asset Management and Icade Conseil. These transactions are expected to be completed by the end of Q3 2016.

2.3. Calculation of EPRA net asset value

(in millions of euros)		06/30/2016	12/31/2015
Consolidated equity attributable to the Group[a]	(1)	3,344.3	3,592.5
Impact of the dilution of securities giving access to the capital[b]	(2)	0.0	0.0
Unrealised capital gains on property assets (excl. duties)	(3)	2,200.9	1,810.0
Unrealised capital gains on shares in equity-accounted property investment companies (excluding duties)	(4)	22.0	21.0
Unrealised capital gains on property development and services companies	(5)	61.5	51.1
Unrealised capital gains on shares in equity-accounted property development companies	(6)	40.6	59.6
Adjustment for the revaluation of interest rate hedging instruments	(7)	62.7	60.8
EPRA net asset value attributable to the Group	(8)=(1)+(2)+(3)+(4)+(5)+(6)+(7)	**5,732.1**	**5,595.0**
Revaluation of interest rate hedging instruments	(9)	(62.7)	(60.8)
Revaluation of fixed-rate debt	(10)	(183.4)	(135.7)
Tax on unrealised capital gains on shares in property development and services companies	(11)	(12.4)	(15.4)
EPRA triple net asset value attributable to the Group	(12)=(8)+(9)+(10)+(11)	**5,473.6**	**5,383.0**
Number of fully diluted shares[d]	n	73,779,542	73,607,581
EPRA net asset value per share *(attributable to the Group - fully diluted in euros)*	(8)/n	**77.7**	**76.0**
Change over the period		*2.2%*	
EPRA triple net asset value per share *(attributable to the Group - fully diluted in euros)*	(12)/n	**74.2**	**73.1**
Change over the period		*1.5%*	

[a] Including Net profit attributable to the Group of €15.4 million as at June 30, 2016.
[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 obtained from the stock options exercisable at the end of the period.
[c] 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.
[d] Stands at 73,779,542 as at June 30, 2016, after cancelling treasury stock (-331,664 shares).

Despite the dividend payment of €276.4 million made in Q2 2016, the NAV improved compared with December 31, 2015. It increased by €90.6 million, from €5,383.0 million as at December 31, 2015 to €5,473.6 million as at June 30, 2016.

The change in NAV per share over the period is detailed in the table below.

EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2015 (in euros per share)	€73.1
Dividends paid in H1	€(3.7)
Consolidated profit/(loss) for the year attributable to the Group as at H1 2016	+€0.2
Change in unrealised capital gains on real estate assets and shares in equity-accounted property investment companies	+€5.3
Change in unrealised capital gains on property development and services companies	€(0.1)
Change in fair value of fixed-rate debt	€(0.6)
Impact of the change in the number of diluted shares on NAV per share	€(0.2)
Other	+€0.2
EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 06/30/2016 (in euros per share)	€74.2

The change in unrealised capital gains of property assets from the property development and services companies resulted from changes in the values detailed above (see 2.1.2 and 2.2).

The value of healthcare assets grew significantly during this half-year, due to a substantial yield compression in the healthcare real estate market, in line with the major deals completed in this sector during the period.

In the Offices and Business Parks segment, the main changes refer to the real estate assets situated in dynamic areas or in areas experiencing a rebound (Paris business parks and offices in the inner ring), where significant value increases were recorded, resulting in higher unrealised capital gains.

On the other hand, the constant decrease in interest rates throughout the half-year increased the fair value adjustment for fixed-rate debt, whose outstanding amount grew in 2016, especially due to a €750 million bond issue in June 2016.

The fair value of interest rate hedging instruments decreased, which is explained by the constant decrease in interest rates in H1 and the increase in notional amounts during this period.

3. EPRA REPORTING AS AT JUNE 30, 2016

Below, Icade presents all its performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations.

3.1. EPRA net asset value (net and triple net)

The EPRA NAV calculation is detailed in Chapter 2, section 1.3.3: "Calculation of EPRA net asset value".

(in millions of euros)	06/30/2016	12/31/2015	Change *(in %)*
EPRA net asset value attributable to the Group	5,732.1	5,595.0	+2.5%
EPRA net asset value attributable to the Group, per share (in €)	77.7	76.0	+2.2%
EPRA triple net asset value attributable to the Group	5,473.6	5,383.0	+1.7%
EPRA triple net asset value attributable to the Group, per share (in €)	74.2	73.1	+1.5%

3.2. EPRA earnings from Property Investment

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

(in millions of euros)		06/30/2016	06/30/2015 restated	Year-on-year % change
	NET PROFIT/(LOSS)	29.8	(66.4)	
	Net profit/(loss) - Other activities (1)	7.3	2.8	
(a)	NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT (2)	22.5	(69.3)	
(i)	Change in value of investment properties and depreciation charge	(137.3)	(219.6)	
(ii)	Profit/(loss) from fixed asset disposals	2.8	33.3	
(iii)	Profit/(loss) from acquisitions	0.7		
(iv)	Tax on profits from disposals and impairments		(26.0)	
(v)	Negative goodwill on acquisition / goodwill impairment			
(vi)	Change in fair value of financial instruments	(0.7)	1.7	
(vii)	Acquisition costs on share deals			
(viii)	Tax charge related to EPRA adjustments	0.3		
(ix)	Adjustment for equity-accounted companies	(13.8)	(13.8)	
(x)	Minority interests (Healthcare Property Investment)	34.4	26.9	
(b)	TOTAL ADJUSTMENTS	(113.6)	(197.3)	
(a-b)	**EPRA EARNINGS FROM PROPERTY INVESTMENT**	**136.1**	**128.1**	**6.3%**
	Average number of diluted shares outstanding used in the calculation	73,638,734	73,803,864	
	EPRA EARNINGS FROM PROPERTY INVESTMENT IN € PER SHARE	**€1.85**	**€1.74**	**6.3%**

(1) Other activities are: property development, discontinued operations and intersegment transactions.
(2) Profit/(loss) from the continuing operations of the Commercial Property Investment and Healthcare Property Investment Divisions.

EPRA earnings from Property Investment rose by 6.3% from €1.74 per share as at June 30, 2015 to €1.85 per share as at June 30, 2016.

3.3. EPRA yield

The table below presents the adjustments to Icade's net yields as described elsewhere that are required to obtain EPRA yields. The calculation is carried out after adjustment for Icade Santé's minority interests.

	06/30/2016	12/31/2015	06/30/2015
ICADE NET YIELD [1]	6.9%	7.2%	7.2%
Impact of estimated duties and fees	(0.4)%	(0.4)%	(0.4)%
Adjustment for potential rents from vacant properties	(0.6)%	(0.9)%	(0.9)%
EPRA TOPPED-UP NET INITIAL YIELD [2]	5.8%	5.9%	6.0%
Inclusion of rent-free periods	(0.5)%	(0.3)%	(0.4)%
EPRA NET INITIAL YIELD [3]	5.4%	5.6%	5.6%

[1] 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 surveyor valuation excluding duties of operating properties.
[2] Annualised net rental income from leased space, excluding lease incentives, divided by the surveyor value (including duties) of operating properties.
[3] Annualised net rental income from leased space, including lease incentives, divided by the surveyor value (including duties) of operating properties.

3.4. EPRA vacancy rate

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

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

	06/30/2016	12/31/2015	06/30/2015
Total office and business park assets	12.6%	12.8%	14.9%
Other assets	16.6%	18.3%	27.0%
COMMERCIAL PROPERTY INVESTMENT DIVISION (excluding Residential)	12.6%	12.8%	15.0%
HEALTHCARE PROPERTY INVESTMENT DIVISION (based on proportionate consolidation)	0.0%	0.0%	0.0%
TOTAL PROPERTY INVESTMENT (excluding Residential)	9.8%	10.3%	12.5%

The EPRA vacancy rate for Commercial Property Investment Division decreased slightly compared to December 31, 2015. It should improve by the end of 2016, thanks to the completion of the two pre-committed Veolia and Millénaire 4 assets in H2 2016.

3.5. 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 the EPRA, for operations of the Commercial Property Investment (excluding Residential Property Investment) and Healthcare Property Investment divisions (after adjustment for minority interests).

		06/30/2016	06/30/2015 restated
	Includes:		
(i)	Structural costs and other overhead costs	(42.7)	(38.4)
(ii)	Service charges net of recharges to tenants	(17.8)	(19.4)
(iii)	Management fees net of actual/estimated profit element		
(iv)	Other recharges intended to cover overhead expenses	19.8	19.4
(v)	Share of equity-accounted companies of overheads and expenses	(1.4)	(2.0)
(vi)	Share of non-controlling interests of overheads and expenses	3.6	2.5
	Excludes:		
(vii)	Depreciation of investment properties	-	-
(viii)	Ground rent costs	(1.1)	(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)	(37.3)	(36.7)
(x)	Direct vacancy costs	(20.3)	(20.6)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(17.0)	(16.1)
(xi)	Gross rental income less ground rent costs	280.9	264.9
(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	5.3	4.8
(xiv)	Share of non-controlling interests of rental income less ground rent costs	(44.7)	(34.9)
(C)	GROSS RENTAL INCOME	241.6	234.8
(A/C)	EPRA COST RATIO - PROPERTY INVESTMENT (INCL. DIRECT VACANCY COSTS)	15.4%	15.6%
(B/C)	EPRA COST RATIO - PROPERTY INVESTMENT (EXCL. DIRECT VACANCY COSTS)	7.0%	6.9%

The EPRA cost ratio was stable compared to June 30, 2015, at 15% including vacancy costs and 7% excluding vacancy costs.

This is due to the combination of the following factors:

- An increase of €4.3 million in structural costs and other overhead costs:
    - The costs of tests performed in 2016 in the business parks for €0.6 million;
    - Costs related to innovation and marketing in the business parks for €0.7 million.
    - Acquisition costs for projects that were not carried out for €0.8 million
    - The exceptional positive impact in 2015 from stock options for €1.2 million;
- A reduction in Service charges net of recharges to tenants of €1.6 million resulting from exceptional reversals of provisions for tenant risk for €2.8 million in H1 2016 vs. €1.7 million in 2015;
- Vacancy cost stood at €20.3 million as at June 30, 2016, vs. €20.6 million as at June 30, 2015, in line with the improvement in the occupancy rate of the Commercial Property Investment Division in the past 12 months.
- Gross rental income improved by €6.8 million (based on proportionate consolidation of healthcare subsidiaries), in line with the acquisitions made by the Healthcare Property Investment Division in H2 2015.

4. FINANCIAL RESOURCES

During the half-year, Icade took advantage of favourable market conditions by issuing the largest bond in the history of the Group. In early June, Icade successfully completed a new 10-year euro-denominated bond issue totalling €750 million, with a 123-bp spread over the reference rate (i.e. a 1.75% coupon). This new issue was oversubscribed, mostly by European investors, confirming their confidence in the credit quality of Icade.

The Group also conducted the following transactions over the half-year:

- Signing of the refinancing of a mortgage for €225 million, with a term of 20 years and a fixed-rate of 2.1720%;
- Signing of €75 million in revolving credit lines for 5 years;

All of these transactions allowed the Group to achieve its financial goals while increasing its average debt maturity, reducing finance costs and further diversifying its funding sources.

The average cost of debt stood at a historical low and financial fundamentals remained solid.

4.1. Liquidity

Icade's funding was maintained during H1 2016 as existing credit lines were renewed. The main financing transactions were as follows:

- cancellation of €300 million in short-term revolving credit and setting up of €75 million in medium- and long-term revolving credit lines (renewal of €225 million is underway);
- €750 million bond issue;
- refinancing of a mortgage for €225 million;
- issue of Negotiable European Commercial Paper to reach an outstanding amount of €505.5 million at the end of H1.

This new funding (excluding Negotiable European Commercial Paper and revolving credit lines) had an average credit spread of 134 bps and an average maturity of 12 years.

Icade's undrawn amounts on short- and medium-term credit lines totalled €1,205 million vs. 1,440 million as at December 31, 2015, which are fully available. €225 million in revolving credit lines are currently being renewed.

4.2. Debt structure as at June 30, 2016

4.2.1. Debt by type

As at June 30, 2016, gross financial debt stood at €5,628.6 million and included:

- €1,355.3 million in corporate loans;
- €2,554.4 million in bonds;
- €784.1 million in mortgage financing;
- €227.8 million in finance leases;
- €505.5 million in Negotiable European Commercial Paper;
- €94.1 million in private placement;
- €43.2 million in bank overdrafts;
- €46.3 million in ORNANE bonds; and
- €17.9 million in debt associated with equity interests.

As at December 31, 2015, gross debt amounted to €4,672.6 million. The €956.0 million change primarily stems from the following:

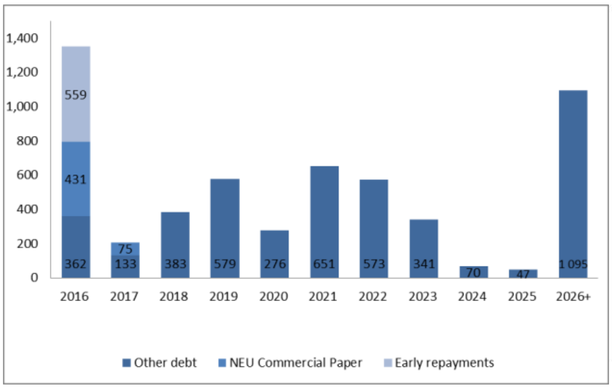
- new debt for an amount of €1,016 million related to the June bond issue, the growth in the outstanding amount of Negotiable European Commercial Paper, the refinancing of a mortgage, and additions to the scope of consolidation;
- scheduled amortisation of corporate loans for about €71 million;
- scheduled amortisation of finance leases for about €13 million;
- decrease of €0.5 million in the fair value of ORNANE bonds, with a positive impact in the income statement;
- an increase in bank overdrafts of €19 million;

Net financial debt totalled €4,515.8 million as at June 30, 2016, up €394.6 million compared with December 31, 2015.

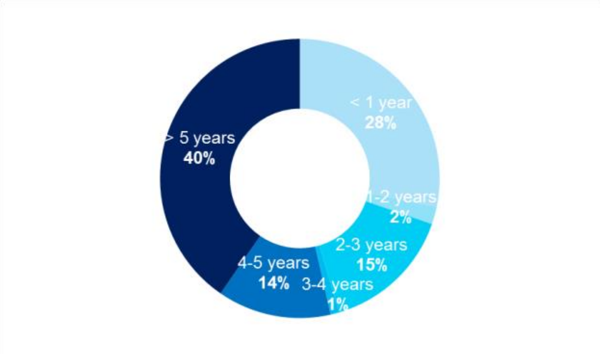
4.2.2. Debt by maturity date

The maturity schedule of debt drawn by Icade (excluding overdrafts) as at June 30, 2016 is as follows:

MATURITY SCHEDULE OF DRAWN DEBT
(June 30, 2016, in millions of euros)



BREAKDOWN OF DEBT BY MATURITY
(June 30, 2016)



The average debt maturity was 5.5 years as at June 30, 2016 (excluding Negotiable European Commercial Paper), versus 4.5 years as at December 31, 2015. Thanks to the debt raised in H1 2016, especially the 10-year bond issue and the refinancing of a mortgage for a further term of 20 years, the average maturity of Icade's debt increased to over 5 years.

4.2.3. Debt by division

After allocation of intra-group financing, almost 100% of the Group's debt is used by the Property Investment Division, the share allocated to the Property Development Division being insignificant at this stage.

4.2.4. Average cost of debt

In H1 2016, the average cost of debt was 1.83% before hedging and 2.46% after hedging, compared with 1.94% and 2.71% respectively in 2015.

This strong decrease in the average cost of debt between 2015 and H1 2016 was achieved through the proactive management of existing debt and new debt issues (full-period impact of a bond issued in 2015 and Negotiable European Commercial Paper).

4.2.5. Interest rate risk

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

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

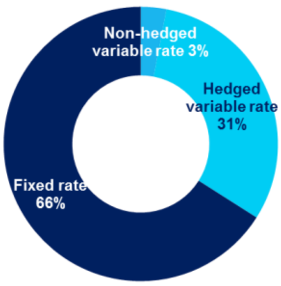
Changes in financial markets can entail a variation in interest rates, which may be reflected in higher financing costs. Since part of the debt used by Icade to finance its investments is at variable rate, the company uses hedging instruments to minimise interest rate risk.

Variable rate debt (before hedging) represented nearly 34% of its total debt as at June 30, 2016 (excluding debt associated with equity interests and bank overdrafts).

In 2016, 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).

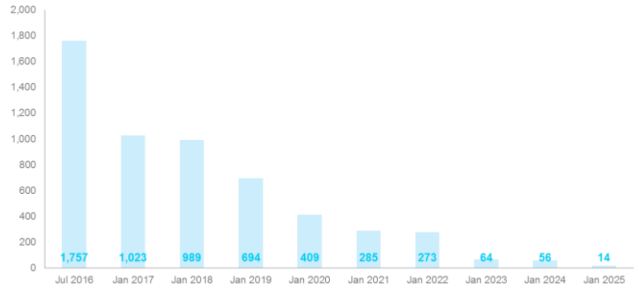
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING DEBT ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(June 30, 2016)



OUTSTANDING HEDGING POSITIONS *

(June 30, 2016, in millions of euros)



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

Most of the debt (97%) 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 net position is shown in the following table, taking into the financial assets and the new hedges entered into:

	06/30/2016									
	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	562.9	588.6	595.7	1,004.0	32.8	415.4	-	751.0	(32.8)	335.6
1 to 2 years	-	-	28.0	59.5	28.0	59.5	-	528.7	(28.0)	469.2
2 to 3 years	-	-	526.8	344.5	526.8	344.5	-	373.4	(526.8)	28.9
3 to 4 years	-	-	26.2	51.5	26.2	51.5	-	23.4	(26.2)	(28.1)
4 to 5 years	-	-	511.8	247.5	511.8	247.5	-	122.2	(511.8)	(125.3)
> 5 years	26.8	0.3	1,978.0	255.1	1,951.2	254.7	-	278.1	(1,951.2)	23.4
TOTAL	589.7	588.9	3,666.5	1,962.1	3,076.8	1,373.2	-	2,076.9	(3,076.8)	703.7

The average maturity of variable rate debt is 2.13 years; and 2.29 years for the related hedges, allowing adequate hedging, and anticipating hedging for a future financing need.

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.

Changes in fair value of hedging instruments, which reflect the year's profile and the changes in interest rates, had a negative impact of €2.8 million on recyclable reserves.

4.3. Credit rating

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

After its annual review, in August 2015, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2. These two ratings were reiterated by the agency following the presentation of the Group's strategic direction last 30 November.

4.4. Financial structure

4.4.1. Financial structure ratios

4.4.1.1. LTV (loan-to-value) ratio

The LTV ratio (net financial debt divided by the latest valuation of property assets excluding duties [total share] and including the value of property development companies) stands at 39.7% as at June 30, 2016 (compared with 38.0% as at December 31, 2015).

This ratio remains well below the maximum levels established by the financial covenants stipulated in the banking contracts (50% and 52% in the majority of cases where this ratio is mentioned as a covenant). These covenants do not provide for the inclusion of the value of Property Development companies in the calculation of the ratio. On this basis, the "bank" LTV ratio stands at 41.1% (compared with 39.5% as at December 31, 2015).

If the value of the portfolio used for its calculation was valued including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 37.1% as at June 30, 2016.

4.4.1.2. ICR (interest coverage ratio)

The operating-profit-to-interest coverage ratio (better known as EBIT ICR) (net of depreciation) was 4.18x for the period. This ratio was up compared to the previous financial year (2.52x in 2015), mainly due to the impacts of reversals of impairment losses for H1 2016. The EBITDA-to-interest coverage ratio (EBITDA ICR) stands at 3.90x.

	06/30/2016	12/31/2015
Ratio of net financial debt/asset value (LTV)[1]	39.7%	38.0%
Operating-profit-to-interest coverage ratio (EBIT ICR)	4.18x	2.52x

[1] Includes the balance sheet value of property development companies as well as the financial debt of public-private partnerships.

4.4.2. Table of covenants

		Covenants	06/30/2016
LTV covenant (1)	Maximum	<50% or <52%	41.1%
ICR	Minimum	> 2	4.18x
CDC's stake	Minimum	34%	38.99%
Value of property investment assets (2)	Minimum	> €4 billion > €5 billion > €7 billion	€11.0 billion
Debt from property development subsidiaries/consolidated gross debt	Maximum	< 20%	0.7%
Security interests in assets	Maximum	< 20% of property investment assets	9.2%

(1) Around 97% of the debt subject to an LTV covenant has a limit of 52% and the remaining 3% has a limit of 50%.

(2) Around 16% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €3 billion, 11% of the debt has a limit of €5 billion and the remaining 72% has a limit of €7 billion.

The covenants were met as at June 30, 2016.

5. 2015 RESTATEMENTS

Financial statements as at June 30, 2015 were restated in order to take into account the transfer of the entities from the Property Services Division to "Profit/(loss) from discontinued operations". The *pro forma* financial statements below also take into account the transfer of the healthcare business, which was historically aggregated in the Commercial Property Investment Division, to a new Healthcare Property Investment Division.

5.1. Income statement (current/non-current classification)

	06/30/2015 reported		06/30/2015 restated		
(in millions of euros)	Total	Adjustments	Total	incl. Current	incl. Non-current
Revenue	**714.4**	**(18.7)**	**695.7**	**695.7**	**-**
Income from operating activities	716.3	(19.1)	697.3	697.3	-
Purchases used	(341.1)	1.0	(340.1)	(340.1)	-
Outside services	(56.2)	2.8	(53.4)	(53.4)	-
Taxes, duties and similar payments	(5.9)	0.3	(5.6)	(5.6)	-
Staff costs, performance incentive scheme and profit sharing	(68.6)	14.3	(54.3)	(54.3)	-
Other operating expenses	(2.4)	0.3	(2.1)	(2.1)	-
Operating expenses	**(474.1)**	**18.7**	**(455.4)**	**(455.4)**	**-**
EBITDA	242.2	(0.4)	241.9	241.9	-
Depreciation charges net of investment grants	(135.7)	0.2	(135.5)	-	(135.5)
Charges and reversals related to impairment of tangible, financial and other current assets	(91.7)	-	(91.7)	-	(91.7)
Profit/(loss) from asset disposals	33.3	-	33.4	-	33.4
Impairment of goodwill and intangible fixed assets	(5.7)	5.7	-	-	-
Share of profit/(loss) of equity-accounted companies	(8.5)	-	(8.5)	5.2	(13.8)
OPERATING PROFIT/(LOSS)	34.0	5.6	39.6	247.1	(207.5)
Cost of gross debt	(67.7)	-	(67.7)	(67.7)	-
Net income from cash and cash equivalents, related loans and receivables	5.6		5.6	5.6	-
Cost of net debt	**(62.1)**	**-**	**(62.1)**	**(62.1)**	**-**
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)	1.7	-	1.7	-	1.7
Other finance income and costs	(2.0)	-	(2.0)	(2.0)	
FINANCE INCOME/(COSTS)	(62.3)	-	(62.3)	(64.1)	1.7
Income tax	(38.1)	-	(38.1)	(11.9)	(26.2)
Profit/(loss) from discontinued operations	-	(5.6)	(5.6)	0.2	(5.8)
NET PROFIT/(LOSS)	(66.4)		(66.4)	171.3	(237.8)
Net profit/(loss) attributable to non-controlling interests	12.0	-	12.0	27.6	(15.6)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(78.4)	-	(78.4)	143.8	(222.2)

5.2. EPRA income statement of the Property Investment Division

(in millions of euros)	06/30/2015 reported	Adjustments	06/30/2015 restated	EPRA earnings from Property Investment (Recurring)	Non-recurring
GROSS RENTAL INCOME	273.3	-	273.3	273.3	-
Land-related costs	(1.1)	-	(1.1)	(1.1)	-
Service charges not recovered from tenants	(22.8)	-	(22.8)	(22.8)	-
Property operating expenses	(2.2)	(0.8)	(3.0)	(3.0)	-
Net rental income	247.3	(0.8)	246.5	246.5	-
Margin (net rental income/gross rental income)	*90.5%*		*90.2%*	*90.2%*	
Net operating costs	(21.2)	0.8	(20.4)	(20.4)	-
Profit/(loss) from other activities	1.6	-	1.6	1.6	-
EBITDA	227.7	-	227.7	227.7	-
Depreciation and impairment of operating assets	(13.0)	-	(13.0)	(4.7)	(8.4)
Depreciation and impairment of investment properties	(211.2)	-	(211.2)	-	(211.2)
Profit/(loss) from asset disposals	33.3	-	33.3	-	33.3
Share of profit/(loss) of equity-accounted companies	(11.8)	-	(11.8)	2.0	(13.8)
OPERATING PROFIT/(LOSS)	25.0	-	25.0	225.1	(200.0)
Cost of gross debt	(67.7)	-	(67.7)	(67.7)	-
Net income from cash and cash equivalents, related loans and receivables	5.4	-	5.4	5.4	-
Cost of net debt	(62.2)	-	(62.2)	(62.2)	-
Adjustment to the value of derivatives and other fair value adjustments (ORNANE bonds)	1.7	-	1.7	-	1.7
Other finance income and costs	(2.0)	-	(2.0)	(2.0)	-
FINANCE INCOME/(COSTS)	(62.5)	-	(62.5)	(64.2)	1.7
Corporate tax	(31.8)	-	(31.8)	(5.9)	(26.0)
Profit/(loss) from discontinued operations	-	(5.6)	(5.6)	-	(5.6)
NET PROFIT/(LOSS)	(69.3)	(5.6)	(74.9)	155.0	(229.8)
Profit/(loss) attributable to non-controlling interests	11.4	-	11.4	26.9	(15.5)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(80.7)	(5.6)	(86.3)	128.1	(214.4)

5.3. Net rental income from the Property Investment Division

(in millions of euros)	06/30/2015 reported	Adjustments	06/30/2015 restated	
France offices	75.4	-	75.4	91.2%
Business parks	89.7	-	89.7	85.7%
OFFICES & BUSINESS PARKS	165.0	-	165.0	88.1%
ALTERNATIVE ASSETS	79.1	(79.1)		
OTHER ASSETS	0.5	-	0.5	5.4%
Intra-group Property Investment operations	2.7	(0.8)	1.9	
COMMERCIAL PROPERTY INVESTMENT DIVISION	247.3	(79.9)	167.4	86.7%

5.4. EPRA cost ratio for the Property Investment Division

		06/30/2015 reported	Adjustments	06/30/2015 restated
	Includes:			
(i)	Structural costs and other overhead costs	(34.9)	(3.5)	(38.4)
(ii)	Service charges net of recharges to tenants	(18.6)	(0.8)	(19.4)
(iii)	Management fees net of actual/estimated profit element	-	-	-
(iv)	Other recharges intended to cover overhead expenses	15.1	4.3	19.4
(v)	Share of equity-accounted companies of overheads and expenses	(2.0)	-	(2.0)
(vi)	Share of non-controlling interests of overheads and expenses	2.5	-	2.5
	Excludes:			
(vii)	Depreciation of investment properties	-	-	-
(viii)	Ground rent costs	(1.1)	-	(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)	(36.7)	-	(36.7)
(x)	Minus: Vacancy expenses	(20.6)	-	(20.6)
(b)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(16.1)	-	(16.1)
(xi)	Gross rental income less ground rent costs	264.9	-	264.9
(xii)	Other service charge costs recovered through rents but not separately invoiced	-	-	-
(xiii)	Plus: share of rental income less charges from equity-accounted property investment companies	4.8	-	4.8
(xiv)	Share of rental income less charges from property investment allocated to non-controlling interests	(34.9)	-	(34.9)
(c)	GROSS RENTAL INCOME	234.8	-	234.8
(a/c)	EPRA COST RATIO - PROPERTY INVESTMENT (INCL. DIRECT VACANCY COSTS)	15.6%		15.6%
(b/c)	EPRA COST RATIO - PROPERTY INVESTMENT (EXCL. DIRECT VACANCY COSTS)	6.9%		6.9%

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2016

3

1. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in millions of euros)	Notes	06/30/2016	06/30/2015 Restated (1)	12/31/2015
Revenue	5.1.1	651.9	695.7	1,439.7
Other income from operations		2.6	1.6	3.6
Net financial income from operations		-	-	-
Income from operating activities		654.6	697.3	1,443.3
Purchases used		(298.0)	(340.1)	(717.5)
Outside services		(48.6)	(53.4)	(97.3)
Taxes, duties and similar payments		(5.1)	(5.6)	(11.1)
Staff costs, performance incentive scheme and profit sharing		(57.0)	(54.3)	(108.5)
Other operating expenses		(2.9)	(2.1)	(7.5)
Operating expenses		(411.6)	(455.4)	(941.9)
EBITDA		243.0	241.9	501.5
Depreciation charges net of investment grants		(159.9)	(135.5)	(281.8)
Charges and reversals related to impairment of tangible, financial and other current assets		18.8	(91.7)	(310.2)
Profit/(loss) from acquisitions		0.7	-	(0.3)
Profit/(loss) from asset disposals	5.1.2	3.1	33.4	129.2
Impairment of goodwill and intangible fixed assets		-	-	0.1
Share of profit/(loss) of equity-accounted companies	4.4	(4.9)	(8.5)	(8.4)
OPERATING PROFIT/(LOSS)		100.8	39.6	29.9
Cost of gross debt		(66.1)	(67.7)	(133.2)
Net income from cash and cash equivalents, related loans and receivables		3.8	5.6	9.2
Cost of net debt		(62.3)	(62.1)	(123.9)
Other finance income and costs		(2.2)	(0.3)	(2.2)
FINANCE INCOME/(COSTS)	5.2	(64.5)	(62.3)	(126.1)
Income tax	5.3	(8.6)	(38.1)	(63.5)
Profit/(loss) from discontinued operations	6	2.1	(5.6)	(20.5)
NET PROFIT/(LOSS)		29.8	(66.4)	(180.2)
Net profit/(loss) attributable to non-controlling interests		14.4	12.0	27.4
Net profit/(loss) attributable to the Group		15.4	(78.4)	(207.6)
Net profit/(loss) per share attributable to the Group (in €)	5.4	0.21	(1.06)	(2.82)
Diluted net profit/(loss) per share attributable to the Group (in €)	5.4	0.21	(1.06)	(2.81)
NET PROFIT/(LOSS) FOR THE PERIOD		29.8	(66.4)	(180.2)
Other items of comprehensive income:				
Other comprehensive income recyclable to the income statement:		(3.5)	24.6	26.6
Available-for-sale financial assets		-	-	(1.2)
- Changes in fair value recognised directly in equity		-	-	(1.2)
Cash flow hedges recyclable to the income statement		(3.5)	24.6	27.8
- Changes in fair value recognised directly in equity		(2.8)	25.4	29.4
- Transfer to income statement of non-hedging instruments		(0.8)	(0.8)	(1.7)
Other comprehensive income not recyclable to the income statement:		2.7	1.3	2.0
Actuarial gains and losses and asset ceiling adjustments		3.3	1.7	2.7
Taxes on actuarial gains and losses and asset ceiling adjustments		(0.6)	(0.4)	(0.6)
Total comprehensive income recognised in equity		(0.8)	25.9	28.6
Including transfer to net profit/(loss)		(0.8)	(0.8)	(1.7)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		29.0	(40.5)	(151.6)
- Attributable to non-controlling interests		12.2	13.5	28.3
- Attributable to the Group		16.7	(54.1)	(179.9)

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

Consolidated statement of financial position (consolidated balance sheet)

ASSETS *(in millions of euros)*	Notes	06/30/2016	12/31/2015
Goodwill	4.1	46.3	46.3
Net intangible fixed assets		5.6	5.1
Net tangible fixed assets	4.2	75.9	79.0
Net investment properties	4.2	8,021.4	7,989.8
Non-current available-for-sale securities	4.3	27.1	27.1
Equity-accounted securities	4.4	119.0	114.9
Other non-current financial assets and derivatives	4.5	6.5	4.6
Deferred tax assets		15.4	17.6
TOTAL NON-CURRENT ASSETS		8,317.1	8,284.3
Inventories and work in progress	4.6	472.6	430.5
Accounts receivable		487.4	449.3
Amounts due from customers (construction contracts and off-plan sales)		26.3	30.5
Tax receivables		20.9	22.3
Miscellaneous receivables		240.4	228.7
Other current financial assets and derivatives	4.5	130.4	149.9
Cash and cash equivalents	4.8	1,036.2	451.4
Assets held for sale	6	156.4	156.8
TOTAL CURRENT ASSETS		2,570.6	1,919.3
TOTAL ASSETS		10,887.7	10,203.7

LIABILITIES *(in millions of euros)*	Notes	06/30/2016	12/31/2015
Share capital		113.0	113.0
Premiums		2,689.9	2,692.0
Treasury shares		(24.4)	(40.0)
Revaluation reserves		(65.8)	(64.5)
Other reserves		616.3	1,099.5
Net profit/(loss) attributable to the Group		15.4	(207.6)
Equity attributable to the Group		3,344.3	3,592.5
Non-controlling interests		647.8	675.0
EQUITY		3,992.1	4,267.4
Non-current provisions	4.11	26.3	28.7
Non-current financial debt	4.12	4,028.8	3,771.5
Tax payables		27.4	12.2
Deferred tax payables		12.2	10.7
Other non-current financial liabilities and derivatives	4.13	112.1	133.9
TOTAL NON-CURRENT LIABILITIES		4,206.9	3,956.9
Current provisions	4.11	34.0	37.3
Current financial liabilities	4.12	1,599.7	901.1
Current tax payables		15.1	64.9
Accounts payable		346.5	359.8
Amounts due to customers (construction contracts and off-plan sales)		10.3	7.2
Miscellaneous current payables		499.7	446.7
Other current financial liabilities and derivatives	4.13	30.9	6.8
Liabilities held for sale	6	152.5	155.5
TOTAL CURRENT LIABILITIIES		2,688.7	1,979.3
TOTAL LIABILITIES AND EQUITY		10,887.7	10,203.7

Consolidated cash flow statement

(in millions of euros)	06/30/2016	06/30/2015	12/31/2015
I) TRANSACTIONS RELATED TO OPERATIONS			
Net profit(/loss)	**29.8**	**(66.4)**	**(180.2)**
Net depreciation and provision charges	135.5	246.5	610.6
Unrealised gains and losses due to changes in fair value	(0.3)	(2.6)	(3.9)
Other non-cash income and expenses	5.0	5.3	11.6
Capital gains or losses on asset disposals	(3.7)	(34.0)	(135.1)
Capital gains or losses on disposal of consolidated securities	0.1	-	1.7
Share of profit/(loss) of equity-accounted companies	4.9	8.5	8.4
Dividends received	(1.0)	(0.7)	(1.5)
Cash flow from operating activities after cost of net financial debt and tax	**170.4**	**156.6**	**311.7**
Cost of net financial debt	52.6	61.8	114.9
Tax expense	8.6	21.5	65.6
Cash flow from operating activities before cost of net financial debt taxes	**231.5**	**239.9**	**492.2**
Interest paid	(64.5)	(72.0)	(122.1)
Tax paid	(32.1)	(21.1)	(59.3)
Change in working capital requirement related to operating activities	(21.1)	(36.6)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	113.7	110.2	310.8
Including net cash flow from operating activities – Discontinued operations	*-*	*(2.5)*	*3.0*
II) INVESTMENT ACTIVITIES			
Tangible and intangible fixed assets and investment properties			
- acquisitions	(171.1)	(194.2)	(633.3)
- disposals	28.3	204.8	403.7
Change in deposits paid and received	(3.7)	(0.1)	(5.1)
Change in financial accounts receivable	11.4	10.9	6.7
Operating investments	**(135.2)**	**21.4**	**(227.9)**
Available-for-sale securities			
- acquisitions	(0.1)	4.0	(12.0)
Consolidated securities			
- acquisitions	(10.4)	-	(213.0)
- disposals	(0.3)	-	(0.5)
- impact of changes in scope of consolidation	(2.1)	(0.7)	-
Dividends received	(10.2)	0.8	6.2
Financial investments	**(23.1)**	**4.1**	**(219.3)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES	(158.2)	25.6	(447.2)
Including net cash flow related to investment activities – Discontinued operations	*(0.1)*	*(0.1)*	*(0.4)*
III) FINANCING ACTIVITIES			
Amounts received from shareholders on capital increases			
- paid by Icade shareholders	-	6.1	6.1
- paid by non-controlling interests of consolidated subsidiaries	-	-	191.3
Dividends paid during the financial year			
- dividends (including withholding tax) and interim dividends paid during the year by Icade	(275.3)	(275.1)	(275.1)
- dividends and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries	(40.0)	(30.9)	(32.3)
Repurchase of treasury shares	12.7	7.0	(0.9)
Change in cash from capital activities	**(302.6)**	**(292.9)**	**(110.9)**
Issues or subscriptions of borrowings and financial debts	1,170.0	281.0	960.2
Repayment of borrowings and financial debts	(273.4)	(253.4)	(654.9)
Acquisitions and disposals of current financial assets and liabilities	16.7	5.0	(68.4)
Change in cash from financing activities	**913.3**	**32.6**	**237.0**
NET CASH FLOW FROM FINANCING ACTIVITIES	610.8	(260.3)	126.1
Including net cash flow from financing activities – Discontinued operations	*(2.2)*	*-*	*0.7*
NET CHANGE IN CASH (I) + (II) + (III)	566.2	(124.5)	(10.2)
CHANGES IN CASH FROM DISCONTINUED OPERATIONS	-	-	(5.5)
OPENING NET CASH	426.0	441.8	441.8
CLOSING NET CASH	992.3	317.3	426.0
Cash and cash equivalents (excluding interest accrued but not due)	1,035.5	351.2	450.2
Bank overdrafts (excluding interest accrued but not due)	(43.2)	(33.9)	(24.2)
NET CASH	992.3	317.3	426.0

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Issue premium and merger premium	Treasury shares	Cash flow hedges net of tax	Available-for-sale securities net of tax	Other reserves and net profit/(loss) attrib. to the Group	Equity attrib. to the Group	Non-controlling interests	Total equity
AS AT 01/01/2016	113.0	2,692.0	(40.0)	(62.7)	(1.7)	891.9	3,592.5	675.0	4,267.4
Cash flow hedges:									
- Changes in fair value recognised directly in equity				(0.9)			(0.9)	(1.8)	(2.8)
- Revaluation reserves recycled to the income statement				(0.4)			(0.4)	(0.3)	(0.8)
Other items recognised in equity:									
- 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)
TOTAL CHANGES DIRECTLY RECOGNISED IN RESERVE ACCOUNTS (I)				(1.4)	-	2.7	1.3	(2.2)	(0.8)
NET PROFIT/(LOSS) (II)						15.4	15.4	14.4	29.8
TOTAL RECOGNISED INCOME AND EXPENSES (I) + (II)				(1.4)	-	18.1	16.7	12.2	29.0
Dividends for 2015						(275.3)	(275.3)	(39.4)	(314.7)
Treasury shares (1)			15.5	-	-	(2.8)	12.7	-	12.7
Other		(2.1)	-	-	-	(0.2)	(2.3)	-	(2.3)
AS AT 06/30/2016	113.0	2,689.9	(24.4)	(64.1)	(1.7)	631.7	3,344.3	647.8	3,992.1

(1) As at June 30, 2016, Icade held 331,644 treasury shares valued at €24.4 million.

(in millions of euros)	Share capital	Issue premium and merger premium	Treasury shares	Cash flow hedges net of tax	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 AT 01/01/2015	112.8	2,686.1	(40.1)	(89.4)	(0.5)	1,373.4	4,042.3	487.9	4,530.2
Cash flow hedges:									
- Changes in fair value recognised directly in equity (1)				23.6			23.6	1.8	25.4
- Revaluation reserves recycled to the income statement				(0.5)			(0.5)	(0.3)	(0.8)
Other items recognised in equity:									
- Actuarial gains and losses and asset ceiling adjustments						1.7	1.7	-	1.7
- Taxes on actuarial gains and losses and asset ceiling adjustments						(0.4)	(0.4)	-	(0.4)
TOTAL CHANGES DIRECTLY RECOGNISED IN RESERVE ACCOUNTS (I)				23.1	-	1.3	24.4	1.5	25.9
NET PROFIT/(LOSS) (II)						(78.4)	(78.4)	12.0	(66.4)
TOTAL RECOGNISED INCOME AND EXPENSES (I) + (II)				23.1	-	(77.1)	(54.0)	13.5	(40.5)
Dividends for 2014						(275.1)	(275.1)	(33.0)	(308.1)
Capital increase	0.2	5.9	-	-	-	-	6.1	-	6.1
Treasury shares (2)			8.0	-	-	(1.0)	7.0	-	7.0
Other			-	(0.2)	-	(0.3)	(0.5)	0.4	(0.1)
AS AT 06/30/15	113.0	2,692.0	(32.1)	(66.5)	(0.5)	1,019.9	3,725.8	468.8	4,194.6

(1) The value of cash flow hedges increased significantly during H1 2015 due to interest rate changes.

(2) As at June 30, 2015, Icade held 411,965 treasury shares valued at €32.1 million.

(in millions of euros)	Share capital	Issue premium and merger premium	Treasury shares	Cash flow hedges net of tax	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 AT 01/01/2015	112.8	2,686.1	(40.1)	(89.4)	(0.5)	1,373.4	4,042.3	487.9	4,530.2
Cash flow hedges:									
- Changes in fair value recognised directly in equity (1)				27.8			27.8	1.7	29.4
- Revaluation reserves recycled to the income statement				(0.9)			(0.9)	(0.7)	(1.7)
Fair value of available-for-sale securities:									
- Changes in fair value					(1.2)		(1.2)	-	(1.2)
Other items recognised in equity:									
- Actuarial gains and losses and asset ceiling adjustments						2.7	2.7	-	2.7
- Taxes on actuarial gains and losses and asset ceiling adjustments						(0.6)	(0.6)	-	(0.6)
TOTAL CHANGES DIRECTLY RECOGNISED IN RESERVE ACCOUNTS (I)				26.9	(1.2)	2.0	27.7	0.9	28.6
NET PROFIT/(LOSS) (II)						(207.6)	(207.6)	27.4	(180.2)
TOTAL RECOGNISED INCOME AND EXPENSES (I) + (II)				26.9	(1.2)	(205.5)	(179.9)	28.3	(151.6)
Dividends for 2014						(275.1)	(275.1)	(33.0)	(308.1)
Capital increase	0.2	5.9	-	-	-	-	6.1	191.3	197.4
Treasury shares (2)			0.1	-	-	(1.0)	(0.9)	-	(0.9)
Other			-	(0.2)	-	-	(0.2)	0.5	0.3
AS AT 12/31/2015	113.0	2,692.0	(40.0)	(62.7)	(1.7)	891.9	3,592.5	675.0	4,267.4

(1) The value of cash flow hedges rose again significantly during the financial year 2015, through optimisation of the hedging structure.

(2) As at December 31, 2015, Icade held 532,965 treasury shares valued at €40.0 million.

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

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

1.1. Standards applied

The condensed interim financial statements for the 6-month period ended June 30, 2016 of the Icade group ('the Group') 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, 2015. The financial statements were approved by the Board of Directors on July 25, 2016.

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, 2015. All standards and interpretations adopted by the European Union that are mandatory in 2016 have been applied for the interim financial statements as of June 30, 2016.

However, the Group has not early adopted any standard or interpretation that is not mandatory in 2016.

The main impacts of the standards issued by the IASB but not yet adopted by the European Union on the Group's consolidated financial statements are currently under review:

- IFRS 9 "Financial instruments", applicable from January 1, 2018;
- IFRS 15 "Revenue from Contracts with Customers", applicable from January 1, 2018;
- IFRS 16 "Leases". This new standard issued by the IASB on January 13, 2016, applicable from January 1, 2019, supersedes IAS 17 and related interpretations. This standard introduces the following changes:
  - all leases will be recorded on the lessees' balance sheets, including operating leases for which the single rent expense line item under IAS 17 will be replaced by a depreciation expense for the rented assets and an interest expense for the liabilities related to the rented assets;
  - while total cash flows will not be affected, cash flows from operating activities will be reduced with a corresponding increase in cash flow from financing activities.

1.2. Basis of assessment, 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 accounted for 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 assessment process, the Group reviews its estimates on the basis of regularly updated information. It is possible that the future results of the activities 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 4.2.2;
- performs a half-yearly review of its property developments subject to land control;
- evaluates the revenue according to the progress of construction projects, off-plan sale projects and certain service contracts as specified in note 1.17 to the financial statements as of December 31, 2015;
- performs a half-yearly evaluation of employee benefits and provisions (notes 4.11 and 8);
- 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 2016 data approved by the management (note 5.3);
- assesses 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 activities and transactions where current IFRS interpretations do not specifically deal with the accounting problems concerned. In particular, management has exercised its judgement for classifying the leases (operating lease or finance lease), for determining if the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5, and for determining 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 users' understanding of the consolidated financial statements is reported.

[1] *http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm*

NOTE 2. MAIN TRANSACTIONS AFFECTING THE SCOPE OF CONSOLIDATION

Healthcare Property Investment

On June 14, 2016, Icade Santé acquired a portfolio of 4 healthcare properties (5 companies) from private investors as part of a share deal. The acquisition of these companies resulted in particular in a net gain of €0.7 million.

NOTE 3. SEGMENT REPORTING

The segment information shown results from the structure of internal reporting set up following the strategic review of Icade's assets and activities decided by management in 2015. Segment reporting distinguishes between the Commercial Property Investment, the Healthcare Property Investment and the Property Development Divisions.

Additionally, withdrawal from the Property Services activity has led the Group to present its financial statements in accordance with IFRS 5 (see note 6) without distinction in the segment reporting. This activity is part of the Commercial Property Investment Division, which includes the parent company that holds the Property Services Division.

This presentation has also been applied to the comparative segment report.

In H1 2016, 100% of revenue came from France.

	06/30/2016				
(in millions of euros)	Commercial Property Investment	Healthcare Property Investment	Property Development	Intersegment eliminations	Total
INCOME STATEMENT					
Consolidated revenue	197.3	102.7	365.7	(13.8)	651.9
- Intersegment sales (Group)	(23.2)	-	(6.5)	(15.3)	(44.9)
Total sales, including intersegment sales (Group)	220.5	102.7	372.1	1.5	696.9
EBITDA	146.8	94.4	2.9	(1.1)	243.0
- Depreciation of operating assets	(3.9)	-	(0.7)	-	(4.5)
- Impairment of operating assets	21.0	-	0.2	-	21.2
- Depreciation of investment properties	(108.8)	(47.1)	-	0.6	(155.3)
- Impairment of investment properties	(2.5)	0.1	-	-	(2.4)
- Profit/(loss) from acquisitions	-	0.7	-	-	0.7
- Profit/(loss) from disposals	3.1	(0.3)	-	0.3	3.1
- Share of equity-accounted companies	(10.5)	-	5.6	-	(4.9)
Operating profit/(loss)	45.3	47.8	7.9	(0.2)	100.8
- Cost of net debt	(47.7)	(14.9)	0.2	-	(62.3)
- Other finance income and costs	(1.9)	(0.8)	0.5	-	(2.2)
Finance income/(costs)	(49.6)	(15.6)	0.7	-	(64.5)
- Income tax	(5.6)	0.3	(3.3)	-	(8.6)
- Profit/(loss) from discontinued operations	2.1	-	-	-	2.1
Net profit/(loss)	(7.8)	32.4	5.4	(0.2)	29.8
- Net profit/(loss) attributable to non-controlling interests	-	14.1	0.3	-	14.4
Net profit: attributable to the Group	(7.8)	18.3	5.1	(0.2)	15.4

	06/30/2015 Restated (1)				
(in millions of euros)	Commercial Property Investment	Healthcare Property Investment	Property Development	Intersegment eliminations	Total
INCOME STATEMENT					
Consolidated revenue	203.4	80.2	422.7	(10.6)	695.7
- Intersegment sales (Group)	(22.2)	-	(6.1)	(12.2)	(40.5)
Total sales, including intersegment sales (Group)	225.6	80.2	428.8	1.6	736.2
EBITDA	153.4	74.3	14.1	-	241.9
- Depreciation of operating assets	(4.7)	-	(0.7)		(5.3)
- Impairment of operating assets	(8.4)	-	(2.8)	-	(11.2)
- Depreciation of investment properties	(95.5)	(35.3)	-	0.6	(130.1)
- Impairment of investment properties	(80.0)	(0.5)	-	-	(80.5)
- Profit/(loss) from disposals	33.3	-	-	0.1	33.4
- Share of equity-accounted companies	(11.8)	-	3.2	-	(8.5)
Operating profit/(loss)	(13.5)	38.6	13.9	0.7	39.6
- Cost of net debt	(50.3)	(12.0)	0.2	-	(62.1)
- Other finance income and costs	-	(0.3)	-	-	(0.3)
Finance income/(costs)	(50.2)	(12.3)	0.2	-	(62.3)
- Income tax	(31.8)	-	(6.3)	-	(38.1)
- Profit/(loss) from discontinued operations	(5.6)	-	-	-	(5.6)
Net profit/(loss)	(101.2)	26.3	7.8	0.6	(66.4)
- Net profit/(loss) attributable to non-controlling interests	-	11.4	0.6	-	12.0
Net profit: attributable to the Group	(101.2)	14.9	7.2	0.6	(78.4)

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

(in millions of euros)	06/30/2016 Commercial Property Investment	Healthcare Property Investment	Property Development	Intersegment eliminations	Total
Acquisition of intangible and tangible fixed assets and investment properties	109.2	50.4	0.2	-	159.8
CLOSING BALANCE SHEET					
Goodwill	4.0	-	42.3	-	46.3
Intangible fixed assets	5.0	-	0.6	-	5.6
Tangible fixed assets	73.1	-	2.8	-	75.9
Investment properties	5,412.6	2,664.7	-	(55.9)	8,021.4
Equity-accounted securities	113.4	-	5.6	-	119.0
Non-current financial assets	1,590.0	(805.2)	(135.9)	(616.8)	32.1
Other non-current assets	1.5	-	15.4	-	16.9
Inventories and work in progress	1.0	-	471.6	-	472.6
Accounts receivable	385.3	14.0	96.5	(8.5)	487.4
Amounts due from customers	-	-	26.3	-	26.3
Current financial assets and cash	1,071.3	2.5	131.0	(52.9)	1,151.8
Other current assets	99.7	8.3	168.6	(0.6)	276.0
Assets held for sale	158.5	-	-	(2.1)	156.4
TOTAL ASSETS	**8,915.3**	**1,884.3**	**824.9**	**(736.7)**	**10,887.7**
Equity attributable to the Group	3,162.0	35.3	202.9	(55.9)	3,344.3
Non-controlling interests	-	647.8	-	-	647.8
Non-current financial debt	3,621.3	1,024.0	-	(616.5)	4,028.8
Other non-current liabilities	111.9	50.7	15.6	-	178.1
Current financial liabilities	1,534.9	69.5	47.0	(51.6)	1,599.7
Accounts payable	44.3	4.6	304.1	(6.5)	346.5
Amounts due to customers	-	-	10.3	-	10.3
Other current liabilities	283.8	52.4	245.1	(1.6)	579.7
Liabilities held for sale	157.1	-	-	(4.6)	152.5
TOTAL LIABILITIES AND EQUITY	**8,915.3**	**1,884.3**	**824.9**	**(736.7)**	**10,887.7**
CASH FLOWS					
Tangible and intangible investments and investment properties	(124.8)	(46.1)	(0.2)	-	(171.1)
Disposal of tangible and intangible assets and investment properties	28.3	-	-	-	28.3

(in millions of euros)	06/30/2015 Commercial Property Investment	Healthcare Property Investment	Property Development	Intersegment eliminations	Total
Acquisition of intangible and tangible fixed assets and investment properties	124.4	68.7	1.3	-	194.4
CLOSING BALANCE SHEET					
Goodwill	21.5	-	42.3	-	63.7
Intangible fixed assets	4.2	-	0.7	-	4.9
Tangible fixed assets	79.3	-	3.5	-	82.8
Investment properties	5,716.7	1,994.3	-	(57.2)	7,653.9
Equity-accounted securities	111.4	-	5.7	-	117.1
Non-current financial assets	899.6	(557.5)	(137.8)	(189.4)	14.9
Other non-current assets	7.2	0.4	15.2	-	22.8
Inventories and work in progress	1.0	-	442.7	(1.2)	442.5
Accounts receivable	361.4	13.1	149.4	(10.1)	513.8
Amounts due from customers	-	-	26.5	-	26.5
Current financial assets and cash	731.7	1.3	172.6	(427.9)	477.6
Other current assets	221.7	3.1	180.1	(1.6)	403.3
TOTAL ASSETS	**8,155.6**	**1,454.7**	**900.8**	**(687.4)**	**9,823.8**
Equity attributable to the Group	3,426.8	51.3	306.1	(58.4)	3,725.8
Non-controlling interests	-	468.7	0.1	-	468.8
Non-current financial debt	3,335.6	445.6	-	(189.4)	3,591.8
Other non-current liabilities	159.6	19.4	13.8	-	192.8
Current financial liabilities	757.7	443.3	30.5	(427.9)	803.5
Accounts payable	47.1	1.6	325.9	(9.3)	365.3
Amounts due to customers	-	-	9.3	-	9.3
Other current liabilities	428.8	24.8	215.2	(2.4)	666.4
TOTAL LIABILITIES AND EQUITY	**8,155.6**	**1,454.7**	**900.8**	**(687.4)**	**9,823.8**
CASH FLOWS					
Tangible and intangible investments and investment properties	(125.9)	(67.0)	(1.3)	-	(194.2)
Disposal of tangible and intangible assets and investment properties	204.8	-	-	-	204.8

NOTE 4. NOTES TO THE BALANCE SHEET

4.1. Goodwill

	06/30/2016		
(in millions of euros)	Gross amount	Impairments	Net amount
Commercial Property Investment	4.0	-	4.0
Property Development	42.3	-	42.3
GOODWILL	46.3	-	46.3

	12/31/2015		
(in millions of euros)	Gross amount	Impairments	Net amount
Commercial Property Investment	4.0	-	4.0
Property Development	42.3	-	42.3
GOODWILL	46.3	-	46.3

An impairment test was conducted as at June 30, 2016 and December 31, 2015 based on valuations carried out by surveyors.

Property Development:

The method used by the surveyors for measuring fair value is based on discounted cash flow projections. The zero-risk rate used was the 3-month average of the 10-year OAT TEC (variable-rate fungible treasury bond). The risk premium applied is a prospective market premium based on forecasts and estimates for cash flows of listed companies.

The discount rates before tax used for determining the value in use are:

- Residential Property Development: 8.44% as at June 30, 2016 (8.14% for financial year 2015);
- Commercial Property Development: 10.34% as at June 30, 2016 (10.36% for financial year 2015).

4.2. Tangible fixed assets, investment properties and sensitivity of net carrying amounts

4.2.1. Table of changes

(in millions of euros)	12/31/2015	Acquisitions and projects (2)	Sales	Depreciation charges	Net impairment charges	Impact of changes in scope of consolidation	Other changes (3)	06/30/2016
Gross amount	140.8	0.6	(0.1)			-	-	141.2
Depreciation	(61.7)		0.1	(3.6)		-	-	(65.3)
TANGIBLE FIXED ASSETS – NET VALUE (1)	79.0	0.6	-	(3.6)	-	-	-	75.9
Gross amount	9,680.1	157.8	(26.5)			56.9	(6.1)	9,862.2
Depreciation	(1,204.8)		2.0	(155.3)		-	1.9	(1,356.2)
Impairments	(485.5)		2.2		(2.5)	-	1.2	(484.6)
INVESTMENT PROPERTIES – NET VALUE	7,989.8	157.8	(22.3)	(155.3)	(2.5)	56.9	(3.0)	8,021.4
Properties held for sale – Net value	-	-	(3.0)			-	3.0	-
PROPERTIES HELD FOR SALE – NET VALUE	-	-	(3.0)	-	-	-	3.0	-
Including investment properties under finance leases:								
Gross amount	498.9	-	-			56.9	(5.4)	550.4
Depreciation	(66.0)		-	(8.2)		-	0.6	(73.6)
PROPERTIES UNDER FINANCE LEASES – NET VALUE	433.0	-	-	(8.2)	-	56.9	(4.8)	476.8

(1) Including operating properties €71 million.

(2) Including financial costs recognised as assets for €1.3 million.

(3) Other changes correspond mainly to reclassifications of investment properties as assets held for sale

The acquisitions, projects and changes in scope of consolidation affecting investment properties during the period were:

- the continuation of works to buildings and private hospitals under construction for €155.7 million;
- acquisition of a portfolio of four new private hospitals from private investors for €56.9 million;
- acquisition of a land plot to build a new private hospital for €2.1 million.

Disposals made during the period concern mainly one building in Nanterre Préfecture, sold for €21.7 million.

Other changes correspond mainly to the reclassification of an investment property in Maisons-Alfort as an asset held for sale. The asset was sold in H1 2016.

The Impairment account recorded a charge net of reversals of €2.5 million, which breaks down as follows:

- charges totalling €19.5 million, primarily concerning the business parks for €18.8 million;
- reversals totalling €17.0 million, primarily concerning offices for €9.6 million and business parks for €6.5 million.

4.2.2. Fair value of the assets

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	DCF	4.85% - 4.90%	3.75% - 4.00%		€582 - €695
La Défense & surroundings	DCF	4.75% - 6.95%	4.90% - 6.53%		€207 - €509
Other Western Crescent	DCF	4.75% - 6.10%	4.00% - 5.60%		€361 - €666
Inner Ring	DCF	5.45% - 5.95%	5.00% - 5.40%		€267 - €295
Outer Ring	DCF	11.45% - 11.45%	11.00% - 11.00%		€110 - €110
Outside the Paris region	DCF	7.10% - 10.35%	7.00% - 9.75%		€80 - €104
Business parks					
Paris	DCF	4.00% - 7.50%	3.75% - 7.00%		€220 - €353
La Défense & surroundings	DCF	6.20% - 9.50%	6.75% - 8.50%		€128 - €207
Other Western Crescent	DCF	5.25% - 8.75%	6.50% - 8.50%		€132 - €275
Inner Ring	DCF	5.50% - 10.00%	5.00% - 10.08%		€80 - €328
Outer Ring	DCF	5.00% - 10.50%	5.60% - 10.25%		€50 - €278
HEALTHCARE					
Paris and Inner Ring	Capitalisation and DCF	5.50% - 6.00%	5.40% - 6.35%	5.05% - 5.85%	(1)
Outer Ring	Capitalisation and DCF	6.10% - 6.70%	5.75% - 6.50%	5.40% - 6.15%	(1)
Outside the Paris region	Capitalisation and DCF	5.90% - 11.40%	5.85% - 11.30%	5.50% - 10.00%	(1)

(1) *Not subject to the traditional rules for determining market rental value, due to the configuration and highly-specific use of the properties.*

Methods used by the surveyors

The methods used by the surveyors were identical to those used in the previous financial year.

Investment properties are valued by the surveyors by using two methods simultaneously: the income method (the surveyor using the most appropriate method between net rent capitalisation and discounted cash flows) and the method of direct comparison with the prices of the 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 adopted in different ways according to the income basis considered (actual rent, estimated rental value and net rental income) to which different yields correspond.

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 theoretical yield (which differs depending on the sites) 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 qualities in terms of location, construction and security of income) or on the weighted average cost of capital.

Irrespective of the method 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 subject to a valuation taken into account in calculating the NAV. The methods used by the surveyors primarily include the residual method (or hypothetical development method) and/or the discounted cash flow method, and in certain cases the comparison method (see above for details of the last two methods).

The residual method involves producing the financial projections of the project from the point of view of a property developer to whom the land has been offered. From the selling price of the building on completion, the surveyor deducts all the costs to be incurred, including building costs, fees and margin, 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' provisional 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 examined and implemented.

Considering its special situation, and its development model, the land bank of the Rungis park is valued separately. In fact, in the Rungis park there is an unutilised capacity for construction 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 construction of around 385,000 sq.m of premium offices in mixed-use buildings (office and business premises) through the demolition of the most obsolete buildings or the construction in strategic areas for the development of a park.

The method is based on:

- Applicable urban planning rules,
- Estimated absorption rate,
- The current market for new offices (estimated rental value, yield),
- The redevelopment plan for the site on 5-, 10-, 15-, 20- and 25-year horizons: 32,900 sq.m in the first 5 years, 81,500 sq.m between the 5th and 10th years, 89,000 sq.m between the 10th and 15th years, 115,000 sq.m between the 15th and 20th years, and 66,000 sq.m between the 20th and 25th years.

The estimated value of unutilised capacity for construction is based on the value of building land in the park. A land coefficient of 18% is applied including a developer margin of 8%. This coefficient is the result of the average price by 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%. The land bank in the Rungis park is valued at €74.3 million as at June 30, 2016.

Additionally, Icade identified non-leasable floor space in its assets: buildings that are completely vacant, held for sale, or due to be renovated or demolished, and for which no project has been initiated. This floor space was valued at €154.1 million and €37.4 million for offices and business parks, respectively.

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Whichever method is selected, it is ultimately up to the property surveyors to set a value and discount rate in line with the risks inherent in each project and, in particular, the state of progress of the various approval and construction stages (demolition permit, building permit, objections, progress of work, pre-commitments achieved, or rent guarantee). From the exit value, the surveyors 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.

The buildings of private hospitals or healthcare establishments are valued by surveyors taking 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 the value determined by the surveyor is nevertheless totally related to its operation and consequently to the goodwill of the 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 configuration and the degree of specialisation of the property imposes objective limits (number of beds or rooms, etc.) on the operator, whatever its qualities.

The estimated rental value used by the property surveyors is thus based on taking 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. Otherwise, the establishment's premises could be valued by capitalisation of the rental income reported by Icade.

Finally, valuations dated June 30, 2016 take into account the effects related to the increase in "additional tax" in the Paris region (Ile-de-France) and the increase in transfer duties in the city of Paris.

Breakdown of valued assets by asset type

	06/30/2016			12/31/2015		
	Net carrying amount	Fair value	Unrealised capital gain	Net carrying amount	Fair value	Unrealised capital gain
(in millions of euros)	(1)	(2)	(3)=(2-1)	(4)	(5)	(6)=(5-4)
Operating properties	71.0	181.2	110.1	73.1	178.4	105.3
Investment properties	8,021.4	10,429.3	2,407.9	7,989.8	9,889.9	1,900.1
Investment properties held by equity-accounted companies (Group share)	145.4	167.4	22.0	158.2	179.2	21.0
Financial receivables and other assets	231.2	239.0	7.7	242.6	250.1	7.5
TOTAL ASSETS	8,469.1	11,016.8	2,547.8	8,463.7	10,497.6	2,033.9
ASSETS – GROUP SHARE	7,310.2	9,533.8	2,223.6	7,331.1	9,162.1	1,831.0

Breakdown of valued assets by segment

(in millions of euros)	Commercial Property Investment			Healthcare Property Investment	Total	Incl. full consolidation	Incl. equity accounting
	Offices	Business parks	Other assets				
NET CARRYING AMOUNT AS AT 12/31/2015	3,149.5	2,660.1	49.8	2,604.4	8,463.7	8,305.5	158.2
Investments and acquisitions (1)	36.3	71.4	0.9	107.3	215.8	214.9	1.0
Disposals (1)	(24.7)	(0.2)	(0.4)	-	(25.3)	(25.3)	-
Depreciation charges	(55.2)	(57.3)	(1.7)	(47.1)	(161.3)	(157.6)	(3.8)
Net impairment charges	9.2	(22.4)	0.7	0.1	(12.4)	(2.4)	(10.0)
Other changes (2)	(11.4)	-	-	-	(11.4)	(11.4)	-
NET CARRYING AMOUNT AS AT 06/30/2016	3,103.6	2,651.6	49.2	2,664.7	8,469.1	8,323.7	145.4
FAIR VALUE (FV)							
As at 06/30/2016	3,746.5	3,706.4	153.9	3,410.1	11,016.8	10,849.4	167.4
As at 12/31/2015	3,642.3	3,621.2	163.4	3,070.8	10,497.6	10,318.4	179.2
Change in FV	104.2	85.2	(9.5)	339.3	519.2	531.0	(11.8)
Group share as at 06/30/2016	3,746.5	3,706.4	153.9	1,927.0	9,533.8	9,366.4	167.4
Group share as at 12/31/2015	3,642.3	3,621.2	163.4	1,735.3	9,162.1	8,982.9	179.2
Change in FV – Group share	104.2	85.2	(9.5)	191.7	371.7	383.5	(11.8)
NET CARRYING AMOUNT (NCA)							
As at 06/30/2016	3,103.6	2,651.6	49.2	2,664.7	8,469.1	8,323.7	145.4
As at 12/31/2015	3,149.5	2,660.1	49.8	2,604.4	8,463.7	8,305.5	158.2
Change in NCA	(45.9)	(8.5)	(0.6)	60.3	5.3	18.2	(12.8)
Group share as at 06/30/2016	3,103.6	2,651.6	49.2	1,505.8	7,310.2	7,164.8	145.4
Group share as at 12/31/2015	3,149.5	2,660.1	49.8	1,471.8	7,331.1	7,172.8	158.2
Change in NCA – Group share	(45.9)	(8.5)	(0.6)	34.1	(20.9)	(8.0)	(12.8)
UNREALISED CAPITAL GAINS (UCG)							
As at 06/30/2016	642.9	1,054.8	104.6	745.4	2,547.8	2,525.7	22.0
As at 12/31/2015	492.8	961.1	113.6	466.4	2,033.9	2,012.9	21.0
Change in UCG	150.1	93.6	(8.9)	279.0	513.9	512.8	1.0
Group share as at 06/30/2016	642.9	1,054.8	104.6	421.2	2,223.6	2,201.5	22.0
Group share as at 12/31/2015	492.8	961.1	113.6	263.6	1,831.0	1,810.0	21.0
Change in UCG – Group share	150.1	93.6	(8.9)	157.7	392.5	391.5	1.0
NET UNREALISED CAPITAL GAINS (NUCG) (3)							
As at 06/30/2016	642.3	1,054.8	104.6	421.2	2,222.9	2,200.9	22.0
As at 12/31/2015	492.8	961.1	113.6	263.6	1,831.0	1,810.0	21.0
Change in NUCG – Group share	149.5	93.6	(8.9)	157.7	391.9	390.9	1.0

(1) Including changes in scope of consolidation.

(2) Including €11.4 million of changes in financial receivables.

(3) Net unrealised capital gains are equal to unrealised capital gains less the net carrying amount of receivables recognised on a straight-line basis for assets held for sale

The ratio of net financial debt to value of property assets (loan-to-value) stood at 41.1% as at June 30, 2016 (see note 7.1.6).

Sensitivity of the net carrying amounts of valued assets to potential changes in fair value

Impact on net carrying amounts	Changes in fair value of investment properties			
(in millions of euros)	- 5.00 %	- 2.50%	+ 2.50 %	+ 5.00%
Offices				
Paris	-	-	-	-
La Défense & surroundings	(17.2)	(8.6)	+ 14.4	+ 19.5
Other Western Crescent	-	-	-	-
Inner Ring	-	-	-	-
Outer Ring	(0.2)	(0.1)	+ 0.1	+ 0.2
SUBTOTAL PARIS REGION	(17.4)	(8.7)	+ 14.5	+ 19.7
Outside the Paris region	-	-	-	-
TOTAL OFFICES	(17.4)	(8.7)	+ 14.5	+ 19.7
Business parks				
Paris	-	-	-	-
La Défense & surroundings	(7.9)	(4.0)	+ 4.0	+ 7.9
Other Western Crescent	(7.0)	(3.5)	+ 3.5	+ 7.0
Inner Ring	(4.8)	(2.4)	+ 2.4	+ 4.8
Outer Ring	(60.7)	(30.4)	+ 30.1	+ 60.1
TOTAL BUSINESS PARKS	(80.3)	(40.3)	+ 39.9	+ 79.8
TOTAL OFFICES AND BUSINESS PARKS	(97.8)	(49.0)	+ 54.4	+ 99.5
TOTAL OTHER ASSETS	(0.9)	(0.5)	+ 0.5	+ 0.9
TOTAL COMMERCIAL PROPERTY INVESTMENT	(98.7)	(49.4)	+ 54.9	+ 100.4
Healthcare[1]				
Paris and Inner Ring	-	-	-	-
Outer Ring	-	-	-	-
SUBTOTAL PARIS REGION	-	-	-	-
Outside the Paris region	(1.4)	(0.9)	+ 0.2	+ 0.4
TOTAL HEALTHCARE	(1.4)	(0.9)	+ 0.2	+ 0.4
TOTAL PROPERTY PORTFOLIO	(100.1)	(50.4)	+ 55.1	+ 100.8

[1] *Net carrying amounts based on full consolidation*

4.3. Available-for-sale securities

(in millions of euros)	12/31/2015	Acquisitions	Sales	Impact of changes in value recognised in equity	Net charges related to impairment recognised in the income statement (2)	Other	06/30/2016
Non-current available-for-sale securities (1)	27.1	0.1	-	-	-	(0.1)	27.1
TOTAL AVAILABLE-FOR-SALE SECURITIES	27.1	0.1	-	-	-	(0.1)	27.1

(1) This heading includes the net value of shares and other variable-income securities.

(2) As at 06/30/2016, impairment was stable compared to 12/31/2015, at €0.6 million.

4.4. Equity-accounted securities

Changes in equity-accounted securities

(in millions of euros)	
Share of net assets of equity-accounted companies as at 12/31/2015	114.9
Share of profit/(loss) for the financial year	(4.9)
Dividends paid	9.0
Share of net assets of equity-accounted companies as at 06/30/2016	119.0

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Fair value of equity-accounted securities

	06/30/2016			12/31/2015		
(in millions of euros)	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
Equity-accounted securities (A)	113.4	5.6	119.0	105.2	9.7	114.9
Fair value (B)	135.4	46.2	181.6	126.1	68.4	194.5
UNREALISED CAPITAL GAINS ON EQUITY-ACCOUNTED SECURITIES (B) - (A)	22.0	40.6	62.6	21.0	58.7	79.7

Investments in joint ventures

The income statement of joint ventures on a Group share basis is presented below:

Income statement

(in millions of euros)	06/30/2016			06/30/2015			12/31/2015		
	Commercial Property Investment	Property Dev.	Total	Commercial Property Investment	Property Dev.	Total	Commercial Property Investment	Property Dev.	Total
Revenue	5.4	35.8	41.2	4.9	19.9	24.8	9.7	70.1	79.7
EBITDA	4.1	5.4	9.4	2.9	2.4	5.3	6.2	8.8	15.0
OPERATING PROFIT/(LOSS)	(9.7)	5.4	(4.3)	(10.9)	2.4	(8.5)	(16.5)	9.1	(7.3)
FINANCE INCOME/(COSTS)	(0.8)	-	(0.8)	(0.9)	-	(0.9)	(1.5)	-	(1.5)
Income tax	-	-	-	-	(0.1)	(0.1)	-	(0.2)	(0.2)
NET PROFIT/(LOSS)	(10.5)	5.4	(5.1)	(11.8)	2.3	(9.5)	(18.0)	8.8	(9.2)
including depreciation net of subsidies	(3.8)	-	(3.8)	(3.4)	-	(3.4)	(7.0)	-	(7.0)

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Investments in associates

The income statement of associates on a Group share basis is presented below:

Income statement

(in millions of euros)	06/30/2016 Property Development	06/30/2015 Property Development	12/31/2015 Property Development
Revenue	-	12.1	18.8
EBITDA	0.2	1.0	0.9
OPERATING PROFIT/(LOSS)	0.2	1.0	0.9
Income tax	-	-	0.1
NET PROFIT/(LOSS)	0.2	1.0	0.7

4.5. Other financial assets and derivatives

(in millions of euros)	Notes	12/31/2015	Acquisitions	Disposals / redemptions	Impact of changes in fair value	Net charges related to impairment recognised in the income statement (1)	Impact of changes in scope of consolidation and capital	Other	06/30/2016
Receivables associated with investments and other related parties		65.5	4.4	(8.6)	-	-	3.5	(0.8)	64.0
Loans		0.2	-	-	-	-	-	-	0.2
Deposits and guarantees paid		3.3	1.9	-	-	-	-	-	5.2
Related current accounts		70.2	-	-	-	-	-	(19.2)	51.1
TOTAL OTHER FINANCIAL ASSETS AT AMORTISED COST		139.3	6.4	(8.6)	-	-	3.5	(20.0)	120.5
Other financial assets at fair value through profit or loss		0.1	-	-	-	-	-	-	0.1
Derivative instruments	4.13	15.1	-	-	-	-	-	1.1	16.2
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND DERIVATIVES		15.3	-	-	-	-	-	1.1	16.4
Total other non-current financial assets and derivatives		4.6	1.9	-	-	-	-	-	6.5
Total other current financial assets and derivatives		149.9	4.4	(8.6)	-	-	3.5	(18.9)	130.4

(1) No further impairment has been recognised during the period. As at 06/30/2016, impairment of other financial assets stood at €0.8 million for non-current assets and €0.3 million for current assets and concern receivables associated with investments and other related parties.

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Financial assets at amortised cost by maturity

(in millions of euros)	06/30/2016	Portion due in < 1 year (current)	Portion due in > 1 year and < 5 years (non-current)	Portion due in > 5 years (non-current)	Total non-current
Receivables associated with investments and other related parties	64.0	64.0	-	-	-
Loans	0.2	0.1	0.1	0.1	0.1
Deposits and guarantees paid	5.2	0.3	4.1	0.8	4.9
Related current accounts	51.1	51.1	-	-	-
TOTAL OTHER FINANCIAL ASSETS AT AMORTISED COST	120.5	115.5	4.2	0.8	5.0

4.6. Inventories and work in progress

Analysis of inventories and impairment

(in millions of euros)	06/30/2016						
	Commercial Property Investment			Property Development			Total
Analysis of inventories	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Net value
Land and land bank	1.2	(0.2)	1.0	65.5	(7.4)	58.1	59.1
Work in progress	-	-	-	391.7	(11.5)	380.2	380.2
Unsold finished lots	-	-	-	34.6	(1.2)	33.3	33.3
Opening inventories and work in progress	1.2	(0.2)	1.0	491.8	(20.2)	471.6	472.6
IMPAIRMENTS: OPENING BALANCE		(0.2)			(20.0)		(20.2)
IMPAIRMENTS: CHANGES DURING THE PERIOD		-			(0.2)		(0.2)
including charges for the financial year		-			(1.4)		(1.4)
including reversals for the financial year		-			1.1		1.1
including other		-			-		-

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4.7. Construction contracts and off-plan sales

	The buyer has the option to define the major structural elements of the design of the real estate before and during the construction phase					
	06/30/2016			12/31/2015		
(in millions of euros)	Commercial	Intersegment eliminations	Total	Commercial	Intersegment eliminations	Total
Aggregate receivables, including tax, according to the percentage of completion method	188.2	-	188.2	303.5	-	303.5
Work in progress	9.0	-	9.0	17.4	-	17.4
Progress payments received	(181.3)	-	(181.3)	(297.7)	-	(297.7)
AMOUNTS DUE FROM CUSTOMERS	26.3	-	26.3	30.5	-	30.5
AMOUNTS DUE TO CUSTOMERS	(10.3)	-	(10.3)	(7.2)	-	(7.2)
INCOME FOR THE YEAR	65.3	-	65.3	150.2	-	150.2

4.8. Cash and cash equivalents

(in millions of euros)	06/30/2016	12/31/2015
Money-market UCITS	568.9	157.7
Cash assets (including bank interest receivable)	467.3	293.7
CASH AND CASH EQUIVALENTS	1,036.2	451.4

4.9. Investment properties and other assets held for sale

(in millions of euros)	06/30/2016	12/31/2015
Investment properties held for sale	-	-
Other assets held for sale	156.4	156.8
TOTAL ASSETS HELD FOR SALE	156.4	156.8

The assets held for sale concern the Property Services activity as indicated in note 6.

4.10. Equity

Share capital

	06/30/2016		12/31/2015	
Shareholders	Number of shares	% stake	Number of shares	% stake
Public	30,928,982	41.73	34,874,248	47.05
Caisse des dépôts	28,895,631	38.99	-	-
Groupama	9,596,200	13		
HoldCo SIIC (*)	-	-	38,491,773	51.94
Crédit Agricole	4,144,304	5.59		
Employees	214,425	0.29	212,200	0.29
Treasury shares	331,644	0.45	532,965	0.72
TOTAL	74,111,186	100	74,111,186	100

(*) Company that was 75.07% owned by Caisse des Dépôts and 24.93% owned by Groupama and which was the subject of merger by acquisition by Icade in 2016.

Following satisfaction of conditions precedent, the Combined General Meeting of May 23, 2016 approved the proposed merger by acquisition of HoldCo SIIC by Icade. After the merger, Caisse des Dépôts and Groupama hold a 38.99% and 12.95% stake in Icade, respectively.

Dividends

(in millions of euros)	06/30/2016	12/31/2015
Payment to shareholders of Icade SA		
- dividends from tax-exempt fiscal profit/(loss) (in accordance with the SIIC status)	191.9	275.1
- dividends deducted from profit taxable at the ordinary rate	83.4	-
TOTAL	275.3	275.1

Dividends per share distributed in 2016 and 2015 in respect of profits for the financial years 2015 and 2014 were identical, i.e. €3.73.

4.11. Provisions

(in millions of euros)	01/01/2016	Charges	Utilisations	Reversals	Changes in scope of consolidation	Actuarial gains and losses	Reclassi-fication	06/30/2016
Lump-sum final payments and similar liabilities	23.4	0.8	(0.1)	-	-	(2.7)	-	21.5
Losses on contracts	1.9	(0.1)	(0.3)	-	-	-	-	1.5
Tax risks	0.1	-	-	-	-	-	-	0.1
Risks and charges – Other	40.6	2.6	(2.5)	(3.4)	-	-	-	37.3
TOTAL	66.0	3.4	(2.9)	(3.4)	-	(2.7)	-	60.4
Non-current provisions	28.7	0.9	(0.5)	(0.1)	-	(2.7)	-	26.3
Current provisions	37.3	2.5	(2.4)	(3.3)	-	-	-	34.0
including: operating profit/(loss)		3.4	(2.9)	(3.4)				
including: finance income/(costs)		-	-	-				
including: tax charges		-	-	-				

Icade identifies several types of provisions. In addition to lump-sum final payments and similar liabilities, which are subject to specific explanations (see note 8), provisions are made whenever the risks identified are the result of past events creating a current obligation and it is probable that this obligation will cause an outflow of resources.

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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 at June 30, 2016;
- the other provisions for risks and charges, amounting to €37.3 million, mainly come from the Property Development and Commercial Property Investment Divisions, with €25.6 million and €11.7 million respectively. This essentially relates to business risks, labour tribunal disputes and litigation.

4.12. Financial debt

4.12.1. Net financial debt by category

(in millions of euros)	06/30/2016	12/31/2015
Bonds	2,534.6	1,788.4
ORNANE bonds	-	46.2
Loans from credit institutions (1)	1,207.0	1,668.8
Finance leases	202.2	183.1
Other loans and similar debts (2)	85.0	85.0
LONG AND MEDIUM TERM FINANCIAL DEBT	4,028.8	3,771.5
Bonds	19.8	21.1
ORNANE bonds	46.3	1.1
Loans from credit institutions (1)	932.4	513.7
Finance leases	25.6	23.3
Other loans and similar debts (2)	9.1	9.1
Debts associated with equity interests	17.9	6.1
Commercial paper	505.5	302.5
Bank overdrafts (3)	43.2	24.2
SHORT TERM FINANCIAL DEBT	1,599.7	901.1
GROSS FINANCIAL DEBT	5,628.6	4,672.6
Interest rate derivatives (assets and liabilities)	66.0	63.2
GROSS FINANCIAL DEBT AFTER ACCOUNTING FOR DERIVATIVES	5,694.6	4,735.8
Available-for-sale securities and other non-current financial assets (excluding interest rate derivatives and deposits paid)	(27.2)	(27.2)
Available-for-sale securities and other current financial assets (excluding interest rate derivatives and deposits paid)	(115.3)	(136.0)
Cash and cash equivalents	(1,036.2)	(451.4)
NET FINANCIAL DEBT	4,515.8	4,121.2

(1) Including mortgage financing: €784.1 million.

(2) Private placements for the same amount.

(3) Including interest accrued but not due.

Gross financial debt totalled €5,628.6 million as at June 30, 2016, up €956.0 million compared with June 30, 2015. This change mainly reflects:

- a bond issue for €750.0 million with a ten-year maturity and a spread of 123 basis points over the benchmark, i.e. a coupon rate of 1.75 %;
- a net increase in commercial paper outstanding of €203.0 million (including a €392.0 million increase and a €189.0 million decrease);
- the refinancing of a mortgage backed by the Pont de Flandre business park with Allianz. With a term of 20 years and a fixed rate of 2.172%, this new loan is more than 150bps below the initial interest rate and its amount has increased by €28.0 million to €225 million. The remaining term was extended by 11 years.
- the €34.7 million increase in finance leases due to changes in the scope of consolidation of the Healthcare Property Investment Division.
- the normal amortisation of loans from credit institutions and finance leases for €84.4 million;
- an increase in bank overdrafts of €18.9 million;
- a decrease in the fair value of ORNANE bonds of €0.5 million.

4.12.2. Financial debt by type of rate and by maturity

(in millions of euros)	06/30/2016	Portion due in < 1 year	Portion due in 1-2 years	Portion due in 2-3 years	Portion due in 3-4 years	Portion due in 4-5 years	Portion due in > 5 years	Fair value as at 06/30/2016
Fixed rate debt	**3,666.5**	**595.7**	**28.0**	**526.8**	**26.2**	**511.8**	**1,978.0**	**3,875.5**
Bonds	2,554.4	19.8	-	500.0	-	489.4	1,545.2	2,672.6
ORNANE bonds	46.2	46.3	-	-	-	-	-	45.7
Loans with credit institutions	420.9	7.9	12.7	13.3	14.0	10.9	362.1	487.4
Finance leases	45.5	7.2	6.8	4.9	3.7	3.0	19.7	52.5
Other loans and similar debts	94.1	9.1	8.5	8.5	8.5	8.4	51.0	111.8
Debts associated with equity interests	-	-	-	-	-	-	-	-
Commercial paper	505.5	505.5	-	-	-	-	-	505.5
Variable rate debt	**1,962.1**	**1,004.0**	**59.5**	**344.5**	**51.5**	**247.5**	**255.1**	**1,970.4**
Loans with credit institutions	1,718.6	924.6	40.5	327.9	34.7	232.1	158.8	1,727.3
Finance leases	182.3	18.3	19.0	16.7	16.7	15.4	96.2	181.8
Debts associated with equity interests	17.9	17.9	-	-	-	-	-	18.2
Bank overdrafts	43.2	43.2						43.2
TOTAL GROSS FINANCIAL DEBT	**5,628.6**	**1,599.7**	**87.5**	**871.3**	**77.7**	**759.3**	**2,233.1**	**5,845.9**
Including non-current	**4,028.8**		**87.5**	**871.3**	**77.7**	**759.3**	**2,233.1**	
Including current	**1,599.7**	**1,599.7**						

The average debt maturity was 5.5 years as at June 30, 2016 (excluding commercial paper), versus 4.5 years as at December 31, 2015. Funding raised in H1 2016 has therefore helped to keep Icade's average debt maturity stable.

The average maturity of variable rate debt is 2.12 years, while that of the associated hedging instruments stood at 2.29 years, allowing adequate hedging.

Financial covenants

		Covenants	06/30/2016
LTV covenant [1]	Maximum	<50% or <52%	41.1%
ICR	Minimum	> 2	4.18x
CDC's stake	Minimum	34%	38.99%
Value of property investment assets [2]	Minimum	> €4 billion > €5 billion > €7 billion	€11.0 billion
Debt from property development subsidiaries / consolidated gross debt	Maximum	< 20%	0.7%
Security interests in assets	Maximum	< 20% of property investment assets	9.2%

(1) Around 97% of the debt subject to an LTV covenant has a limit of 52% and the remaining 3% has a limit of 50%.

(2) Around 16% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €3 billion, 11% of the debt has a limit of €5 billion and the remaining 72% 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 at June 30, 2016 (see note 7.1.6).

As at June 30, 2016, Caisse des Dépôts held 39.16% of voting rights and a 38.99% stake in Icade.

4.13. Other financial liabilities and derivatives

4.13.1. Presentation of other financial liabilities (excluding derivatives)

(in millions of euros)	06/30/2016	12/31/2015
Deposits and guarantees received	59.1	60.7
OTHER NON-CURRENT FINANCIAL LIABILITIES	59.1	60.7
Deposits and guarantees received	1.6	1.6
OTHER CURRENT FINANCIAL LIABILITIES	1.6	1.6

4.13.2. Derivatives: presentation on the balance sheet

(in millions of euros)		Notes	06/30/2016	12/31/2015
Assets:	non-current	4.5	1.5	1.5
	current	4.5	14.7	13.6
Liabilities:	non-current		(52.9)	(73.2)
	current		(29.3)	(5.2)
TOTAL INTEREST RATE DERIVATIVES			(66.0)	(63.2)
TOTAL DERIVATIVES			(66.0)	(63.2)

4.13.3. Derivatives: analysis of notional amounts by maturity

	06/30/2016				
(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 at 06/30/2016					
Interest rate swaps – fixed-rate payer	2.35%	1,272.5	591.0	420.2	261.3
Interest rate options – caps	1.31%	485.0	160.0	325.0	-
Interest rate options – floors	0.00%	300.0	-	300.0	-
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES		2,057.5	751.0	1,045.2	261.3
Portfolio of outstanding deferred derivatives					
Interest rate swaps – fixed-rate payer	0.92%	19.4	-	2.1	17.3
TOTAL PORTFOLIO OF OUTSTANDING DEFERRED DERIVATIVES		19.4	-	2.1	17.3
TOTAL INTEREST RATE DERIVATIVES		2,076.9	751.0	1,047.3	278.6

4.13.4. Derivatives: changes in fair value

(in millions of euros)	Fair value 12/31/2015 (1)	Additions to the scope of conso-lidation (2)	Acquisitions (3)	Sales (4)	Payment for guarantee (5)	Changes in fair value recognised in the income statement (6)	Changes in fair value recognised in equity (7)	Fair value as of 06/30/2016 (8) = (1) to (7) inclusive
Swaps and rate options – fixed-rate payer	(78.0)	-	-	-	-	(1.4)	(2.8)	(82.2)
- including change in interest accrued but not due	-	-	-	-	-	(0.1)	-	-
- including ineffective portion	-	-	-	-	-	(1.3)	-	-
Total cash flow hedges (1)	**(78.0)**	**-**	**-**	**-**	**-**	**(1.4)**	**(2.8)**	**(82.2)**
Interest rate swaps – fixed-rate payer	-	-	-	-	-	-	-	-
Interest rate options	1.1	-	-	-	-	0.3	-	1.4
TOTAL NON-HEDGING INSTRUMENTS (2)	**1.1**	**-**	**-**	**-**	**-**	**0.3**	**-**	**1.4**
Total interest rate hedging instruments excluding margin calls (3) = (1) + (2)	**(76.8)**	**-**	**-**	**-**	**-**	**(1.1)**	**(2.8)**	**(80.7)**
Derivatives: margin calls (4)	13.6	-	-	-	1.1	-	-	14.7
TOTAL INTEREST RATE HEDGING INSTRUMENTS (5) = (3) + (4)	**(63.2)**	**-**	**-**	**-**	**1.1**	**(1.1)**	**(2.8)**	**(66.0)**

NOTE 5. NOTES TO THE INCOME STATEMENT

5.1. Elements of operating profit/(loss)

5.1.1. Revenue

Revenues by category are detailed as follows:

(in millions of euros)	06/30/2016	06/30/2015 Restated (1)	12/31/2015
Rental income, including finance lease rents	287.3	271.2	552.8
Construction contracts and off-plan sales	358.1	415.0	864.4
Services provided	6.4	7.6	20.0
Other sales	0.3	1.8	2.6
TOTAL REVENUES	651.9	695.7	1,439.7

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

5.1.2. Profit/(loss) from disposals

(in millions of euros)	06/30/2016	06/30/2015 Restated (1)	12/31/2015
Profit/(loss) from disposals of investment properties	3.2	33.5	131.2
Profit/(loss) from disposals of other tangible and intangible assets	-	-	(0.1)
Profit/(loss) from disposals of consolidated securities	-	(0.1)	(2.0)
TOTAL PROFIT/(LOSS) FROM DISPOSALS	3.1	33.4	129.2

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

Profit/(loss) from disposals of the period mainly concerns sales of residual residential units for a total of €3.4 million. The sale of two office buildings in Nanterre Préfecture and Maisons-Alfort recorded during the period did not significantly impact Profit/(loss) from disposals.

5.2. Finance income/(costs)

(in millions of euros)	06/30/2016	06/30/2015 Restated (1)	12/31/2015
Interest expenses from financial debts	(50.7)	(49.0)	(98.7)
Interest expenses from derivatives	(15.5)	(18.7)	(34.5)
COST OF GROSS DEBT	(66.1)	(67.7)	(133.2)
Interest income from cash and cash equivalents	1.3	1.7	2.8
Income from receivables and loans	2.5	3.9	6.3
Change in fair value of cash equivalents recognised in the income statement	-	-	0.1
Net income from cash and cash equivalents, related loans and receivables	3.8	5.6	9.2
COST OF NET DEBT	(62.3)	(62.1)	(123.9)
Net income from equity investments	1.0	0.7	1.5
Change in fair value of derivatives recognised in the income statement	(1.0)	0.3	(0.3)
Change in fair value of ORNANEs	0.5	1.5	2.5
Impairment charges and reversals for loans and receivables	0.1	-	-
Other finance income	-	-	0.1
Other finance costs	(2.7)	(2.8)	(6.0)
Other finance income and costs	(2.2)	(0.3)	(2.2)
TOTAL FINANCE INCOME/(COSTS)	(64.5)	(62.3)	(126.1)

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

5.3. Tax

(in millions of euros)	06/30/2016	06/30/2015 Restated (1)	12/31/2015
Current taxes	(8.0)	(37.0)	(64.6)
"Exit tax" (SIIC status)	0.3	-	-
Deferred taxes	(0.9)	(1.2)	1.1
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	(8.6)	(38.1)	(63.5)
TAX ON ITEMS RECOGNISED IN EQUITY	(0.6)	(0.4)	(0.6)

(1) Reclassification of the Property Services business as discontinued operations in accordance with IFRS 5.

The tax expense includes in particular the 3% contribution on a portion of the €5 million in dividends paid by Icade and the €0.6 million in dividends paid by Icade Promotion.

5.4. Earnings per share

(in millions of euros)	06/30/2016	06/30/2015	12/31/2015
Net profit/(loss) attributable to the Group	15.4	(78.4)	(207.6)
Net profit/(loss) attributable to the Group from discontinued operations	2.1	(5.6)	(20.5)
Net profit/(loss) attributable to the Group from continuing operations	*13.3*	*(72.8)*	*(187.0)*
Opening number of shares	74,111,186	74,022,386	74,022,386
Increase in the average number of shares associated with the exercise of stock options	-	60,415	74,724
Average number of treasury shares outstanding	472,452	311,245	388,946
Average undiluted number of shares	73,638,734	73,771,556	73,708,164
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE	€0.21	(€1.06)	(€2.82)
Net profit/(loss) attributable to the Group from discontinued operations per share	€0.03	(€0.08)	(€0.28)
Net profit/(loss) attributable to the Group from continuing operations per share	€0.18	(€0.99)	(€2.54)

(in millions of euros)	06/30/2016	06/30/2015	12/31/2015
Net profit/(loss) attributable to the Group	15.4	(78.4)	(207.6)
Impact of dilutive instruments	-	-	-
Diluted net profit/(loss) attributable to the Group	15.4	(78.4)	(207.6)
Diluted net profit/(loss) attributable to the Group from discontinued operations	2.1	(5.6)	(20.5)
Diluted net profit/(loss) attributable to the Group from continuing operations	13.3	(72.8)	(187.0)
Average undiluted number of shares	73,638,734	73,771,556	73,708,164
Impact of dilutive instruments (stock options and bonus shares)	-	32,308	29,360
Average diluted number of shares	73,638,734	73,803,864	73,737,524
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE	€0.21	(€1.06)	(€2.81)
Diluted net profit/(loss) attributable to the Group from discontinued operations per share	€0.03	(€0.08)	(€0.28)
Diluted net profit/(loss) attributable to the Group from continuing operations per share	€0.18	(€0.99)	(€2.54)

NOTE 6. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On November 24, 2015, the Board of Directors approved the decision made by the Group to sell its Property Services activity. The communication of this decision as well as the progress of the sale led the Group to account for the activities of the Property Services business as discontinued operations in accordance with IFRS 5 and as mentioned in note 1.10 to the financial statements as at December 31, 2015.
In H1 2016, the Group entered into exclusive talks with major property services companies to sell the subsidiaries making up its Property Services Divisions. The transaction should be completed in H2 2016. Therefore, as was the case on December 31, 2015:

- the assets held for sale and the corresponding liabilities are presented separately from the other assets and liabilities on the lines "Assets and liabilities held for sale" on the balance sheet and recognised at the lower of their carrying amount and their fair value less the estimated costs of sale, without reclassification on the comparative balance sheet for the preceding year;
- the net profit/(loss) from discontinued operations for the period is presented on a separate line of the income statement titled "Net profit/(loss) from discontinued operations". The same treatment has been applied to comparative information;
- the net cash flow from operating, investment and financing activities from discontinued operations for the period is presented in the cash flow statement of the Group comparatively with those for the preceding period;

The impacts as at June 30, 2015 on the Group's income statement are:

(in millions of euros)	Reported	IFRS 5	Restated
Income from operating activities	716.3	(19.1)	697.3
EBITDA	242.2	(0.4)	241.9
Share of profit/(loss) of equity-accounted companies	(8.5)	-	(8.5)
OPERATING PROFIT/(LOSS)	34.0	5.6	39.6
FINANCE INCOME/(COSTS)	(62.3)	-	(62.3)
Profit/(loss) from discontinued operations	-	(5.6)	(5.6)
NET PROFIT/(LOSS)	(66.4)	0.0	(66.4)

Financial statements for discontinued operations

Income statement

(in millions of euros)	06/30/2016	06/30/2015	12/31/2015
Revenue	17.6	18.7	42.0
Operating profit/(loss)	2.0	(5.6)	(19.2)
Income tax	0.1	-	(1.3)
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	2.1	(5.6)	(20.5)
Profit/(loss) from discontinued operations attributable to the Group	2.1	(5.6)	(20.5)

(in millions of euros)	06/30/2016	06/30/2015	12/31/2015
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	2.1	(5.6)	(20.5)
Other items of comprehensive income:			
Actuarial gains and losses and asset ceiling adjustments	0.5	0.3	0.7
Taxes on actuarial gains and losses and asset ceiling adjustments	(0.1)	(0.1)	(0.2)
Total comprehensive income recognised in equity	0.4	0.2	0.5
TOTAL COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS FOR THE PERIOD	2.5	(5.4)	(20.0)
- Attributable to the Group	2.5	(5.4)	(20.0)

Balance sheet

(in millions of euros)	06/30/2016	12/31/2015
ASSETS		
Goodwill	13.5	13.5
Net intangible fixed assets	0.4	0.4
Net tangible fixed assets	1.0	1.0
Non-current available-for-sale securities	0.4	0.3
Other non-current financial assets and derivatives	0.1	0.1
Deferred tax assets	1.6	1.7
TOTAL NON-CURRENT ASSETS	17.0	16.9
Accounts receivable	10.1	15.2
Tax receivables	0.7	-
Miscellaneous receivables	122.0	118.1
Cash and cash equivalents	6.6	6.6
TOTAL CURRENT ASSETS	139.4	139.9
TOTAL ASSETS HELD FOR SALE	156.4	156.8

(in millions of euros)	06/30/2016	12/31/2015
LIABILITIES		
Non-current provisions	5.2	5.6
Other non-current financial liabilities and derivatives	1.2	1.2
TOTAL NON-CURRENT LIABILITIES	6.4	6.9
Current provisions	5.8	8.7
Current tax payables	-	0.9
Accounts payable	10.9	11.2
Miscellaneous current payables	129.3	127.9
TOTAL CURRENT LIABILITIIES	146.0	148.6
TOTAL LIABILITIES HELD FOR SALE	152.5	155.5

NOTE 7. RISK EXPOSURE AND HEDGING STRATEGY

7.1. 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 monthly basis to Icade's Risk, Rates, Treasury and Finance Committee on all matters related to finance, investment and interest rate risk management policies.

7.1.1. Liquidity risk

The Group's undrawn amounts on short- and medium-term credit lines total €1,205 million, which are fully available (renewal of €225 million in short- and medium-term credit lines currently being signed). This amount does not include the undrawn amounts of credit lines that may have been opened for specific property developments.

During this period, Icade has continued to access liquidity under good conditions and still has the ability 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:

	06/30/2016								
	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	-	55.1	500.0	110.3	500.0	87.8	1,550.0	114.8	2,917.9
Bonds redeemable in cash or in new or existing shares (ORNANE bonds)	45.7	1.1	-	-	-	-	-	-	46.9
Loans with credit institutions	936.4	21.6	395.6	35.2	297.0	30.5	526.4	128.5	2,371.3
Finance leases	25.6	4.0	47.5	6.0	38.9	4.9	116.0	7.9	250.8
Other loans and similar debts	8.5	4.5	17.0	7.8	17.0	6.0	51.1	7.8	119.9
Debts associated with equity interests	18.0	-	-	-	-	-	-	-	18.0
Commercial paper	505.5	-	-	-	-	-	-	-	505.5
Bank overdrafts	43.2	-	-	-	-	-	-	-	43.2
Accounts payable and tax payable	361.6	-	27.4	-	-	-	-	-	389.0
Derivative instruments		17.6		24.6		9.0		5.6	56.8
TOTAL	**1,944.5**	**103.9**	**987.6**	**183.8**	**852.9**	**138.2**	**2,243.5**	**264.6**	**6,719.2**

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

7.1.2. Interest rate risk

	06/30/2016									
	Financial assets (a)		Financial liabilities (b)		Net exposure before hedging (c) = (b) - (a)		Interest rate hedging instrument (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	562.9	588.6	595.7	1,004.0	32.8	415.4	-	751.0	(32.8)	335.6
1 to 2 years	-	-	28.0	59.5	28.0	59.5	-	528.7	(28.0)	469.2
2 to 3 years	-	-	526.8	344.5	526.8	344.5	-	373.4	(526.8)	28.9
3 to 4 years	-	-	26.2	51.5	26.2	51.5	-	23.4	(26.2)	(28.1)
4 to 5 years	-	-	511.8	247.5	511.8	247.5	-	122.2	(511.8)	(125.3)
> 5 years	26.8	0.3	1,978.0	255.1	1,951.2	254.7	-	278.1	(1,951.2)	23.4
TOTAL	589.7	588.9	3,666.5	1,962.1	3,076.8	1,373.2	-	2,076.9	(3,076.8)	703.7

Changes 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 variable rate debt, which is then hedged, thus remaining able to prepay loans without penalties. This type of debt represents, before hedging, nearly 34 % of its total debt as at June 30, 2016 (excluding debts associated with equity interests and bank overdrafts).

In 2016, 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).

3

The average maturity of variable rate debt is 2.12 years and that of the associated hedges is 2.29 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.

Changes in fair value of hedging instruments, which reflect the year's profile and the changes in interest rates, had a negative impact on recyclable reserves of €2.8 million.

	06/30/2016	
	Impact on equity before tax (€m)	Impact on the income statement before tax (€m)
Impact of a +1% change in interest rates	37.5	(0.4)
Impact of a -1% change in interest rates	(39.8)	3.5

After taking derivatives into account,

- a sudden 1% increase in short-term interest rates applied to the financial liabilities would have a maximum positive impact of €37.5 million on equity and a negative impact of €0.4 million on the income statement;
- a sudden 1% decrease in short-term interest rates applied to the financial liabilities would have a maximum negative impact of €39.8 million on equity and a positive impact of €3.5 million on the income statement.

7.1.3. Currency risk

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

7.1.4. Credit risk

Part of credit and/or counterparty risk concerns cash and cash equivalents, as well as the banks where they are deposited. The investment vehicles 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 usually 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 maximum exposure to credit risk corresponds to the carrying amount of accounts receivable less deposits received from customers, i.e. €204.6 million as at June 30, 2016, compared with €152.3 million as at December 31, 2015.

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

7.1.5. Capital management

The Group manages changes in its capital and makes the necessary adjustments in order to take into account changes in the economic environment. The capital is adjusted by taking into account the dividend payment policy, which complies with the dividend payment obligations related to the SIIC regime or by issuing new securities.

7.1.6. Covenants and financial ratios

The Group monitors the following elements:

- Financial structure ratio

The LTV ratio (net financial debt divided by the latest valuation of property assets excluding duties plus the value of property development companies) stands at 39.7% as at June 30, 2016 (compared with 38.0% as at December 31, 2015).

(in millions of euros)		06/30/2016	12/31/2015
Net financial debt	(A)	4,515.8	4,121.2
Fair value excluding duties of fully-consolidated assets		10,849.4	10,318.4
Market value of equity-accounted Property Investment companies		135.4	126.1
VALUE OF PROPERTY INVESTMENT COMPANIES' ASSETS	(B)	10,984.8	10,444.5
Valuation of the Property Development companies		389.6	387.5
VALUE OF GROUP ASSETS	(C)	11,374.4	10,832.0
Benchmark LTV for covenants	(A/B)	41.1%	39.5%
LTV including Property Development companies	(A/C)	39.7%	38.0%

This ratio remains well below the maximum levels established by the financial covenants stipulated in the banking contracts (50% and 52% in the majority of cases where this ratio is mentioned as a covenant). These covenants do not provide for the inclusion of the value of Property Development companies in the calculation of the ratio. On this basis, the LTV ratio stands at 41.1% (compared with 39.5% as of December 31, 2015).

If the value of the portfolio used for its calculation were valued including duties and if the fair value of interest rate derivatives were not included in net debt, the adjusted LTV ratio would be 37.1% as of June 30, 2016.

- Interest coverage ratio

The operating-profit-to-interest coverage ratio (better known as EBIT ICR) (net of depreciation) was 4.18x for H1 2016. This ratio was up compared to previous years (2.52x in 2015), due mainly to the impacts of reversals of provisions for impairment for H1 2016. The EBITDA-to-interest coverage ratio (EBITDA ICR) stands at 3.90x (vs. 4.05 in 2015).

(in millions of euros)		06/30/2016	06/30/2015 Restated (1)	12/31/2015
Cost of net debt	(A)	(62.3)	(62.1)	(123.9)
Operating profit/(loss)		100.8	39.6	29.9
Depreciation		(159.9)	(135.5)	(281.8)
OPERATING PROFIT/(LOSS) ADJUSTED FOR DEPRECIATION	(B)	260.6	175.1	311.8
EBITDA	(C)	243.0	241.9	501.5
ICR based on operating profit/(loss) adjusted for depreciation (EBIT ICR)	(B)	4.18x	2.82x	2.52x
EBITDA ICR	(C)	3.90x	3.90x	4.05x

(1) Adjusted for the reclassification of the Property Services business as discontinued operations.

This ratio remains above the thresholds to be met in the financial covenants included in the banking contracts (2.00x).

7.2. Fair value of financial assets and liabilities

		06/30/2016				
		Carrying amount				Fair value
(in millions of euros)	Notes	Available-for-sale financial assets	Loans and receivables	Assets at fair value through profit or loss	Total	Total
Financial assets						
Current and non-current available-for-sale securities	4.3	27.1			27.1	27.1
Other current and non-current financial assets and derivatives	4.5		120.5	16.4	136.9	136.9
Accounts receivable			487.4		487.4	487.4
Other operating receivables (1)			55.7		55.7	55.7
Cash equivalents	4.8			568.9	568.9	568.9
TOTAL FINANCIAL ASSETS		27.1	663.6	585.3	1,276.0	1,276.0

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

		06/30/2016				
		Carrying amount				Fair value
(in millions of euros)	Notes	Liabilities at amortised cost	Liabilities at fair value through equity	Liabilities at fair value through profit or loss and held for trading	Total	Total
Financial liabilities						
Current and non-current financial debt	4.12	5,582.3		46.3	5,628.6	5,845.9
Other current and non-current financial liabilities and derivatives	4.13	60.7	77.2	5.0	143.0	143.0
Accounts payable		346.5			346.5	346.5
Other operating debts (1)		293.3			293.3	293.3
TOTAL FINANCIAL LIABILITIES		6,282.8	77.2	51.3	6,411.3	6,628.7

(1) Excluding agency transactions, deferred income and social security and tax debts.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The table below presents the fair value hierarchy of financial instruments according to three levels:

- 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.

		06/30/2016			
(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 at 06/30/2016 (fair value)
ASSETS					
Derivatives excluding margin calls	4.5-4.13	-	1.5	-	1.5
Available-for-sale financial assets	4.3	-	-	27.1	27.1
Cash equivalents	4.10	568.9	-	-	568.9
LIABILITIES					
Financial liabilities designated at fair value through profit or loss	4.12	-	-	46.3	46.3
Derivative instruments	4.13	-	82.2	-	82.2

Financial instruments whose fair value is determined using a valuation technique based on non-observable data correspond to non-consolidated unlisted securities and to ORNANE bonds.

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NOTE 8. EMPLOYEE COMPENSATION AND BENEFITS

Change in employee benefit liabilities

(in millions of euros)		06/30/2016	12/31/2015
OPENING ACTUARIAL DEBT	(1)	19.8	26.3
Impact of changes in scope of consolidation and other changes	**(2)**	**-**	**-**
Cost of service provided during the year	(a)	0.7	1.6
Financial cost for the year	(a)	0.2	0.4
Costs for the period	**Σ (a)**	**0.9**	**2.1**
Benefits paid out	(3)	(0.4)	(1.7)
Net costs recognised in the income statement	**b=Σ(a)+(3)**	**0.5**	**0.4**
Actuarial (gains) losses for the year	(4)	(2.7)	(2.0)
Reclassification of liabilities held for sale	(5)	-	(4.8)
CLOSING NET LIABILITIES	(A)=(1)+(2) +(b)+(4)+(5)	17.6	19.8

Employee benefit liabilities are valued as at June 30, 2016 according to the terms of the Single Group Agreement signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate: 1.39% as at June 30, 2016 and 1.81% as at December 31, 2015:
- the discount rate used at the end of the period on June 30, 2016 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 at June 30, 2016;
- male/female mortality tables:
  - male/female Insee tables for 2011-2013 as at June 30, 2016,
  - male/female Insee tables for 2011-2013 as at December 31, 2015;
- retirement age starting in 2008: 62 years for employee categories and employees, technicians and supervisors and 64 years for executives.

Rates of salary increase and employee turnover are defined by job, occupational group and age range. 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 accounts for long-term liabilities related to anniversary bonuses.

NOTE 9. EVENTS AFTER THE BALANCE SHEET DATE

Acquisition of an office building

- In 2016, Icade entered into a synallagmatic contract to acquire a fully-leased building located in Gentilly from an investment fund managed by OREIMA. The final acquisition of this 13,000-sq.m building took place on July 20, 2016 for a total of €49.2 million including duties.

Restructuring of financial liabilities

- Early repayment of €559 million in bank loans

  In the first days of H2 2016, Icade repaid €559 million in bank loans, pursuing the same objectives of optimising cost of debt and average debt maturity as with the bond issue completed in H1. Thanks to these repayments, Icade is able to optimise its short- and medium-term liquidity.

- Cancellation of derivatives (swaps)

  In an effort to manage its interest rate hedges proactively and in addition to the early debt repayments mentioned above, swaps were unwound in the first two weeks of July 2016, for a notional amount of €561.3 million and a cash adjustment (excluding interest accrued but not due) of €23.6 million.

Disposal of property services companies

As part of the implementation of its strategic plan, Icade has already taken several steps towards the goal of selling its property services companies:

- On July 22, 2016, Icade sold its stake in the company iPorta to the Visiativ Group.
- On July 25, 2016, Icade entered into an agreement to sell its stake in Icade Property Management to the Foncia Group. The sale will be completed on September 30, 2016.
- In H1, Icade entered into exclusive negotiations to sell its subsidiaries Icade Asset Management and Icade Conseil. These transactions are expected to be completed by the end of Q3 2016.

NOTE 10. SCOPE OF CONSOLIDATION

	Legal form	06/30/2016				2015
		% direct stake	% 2016 ownership interest	Joint ventures / Associates	Method of consolidation	% 2015 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 3.0	SASU	100.00	100.00		Full	
Offices						
ICADE LEO LAGRANGE (formerly VILLEJUIF)	SCI	100.00	100.00		Full	100.00
MESSINE PARTICIPATIONS		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
POLICE DE MEAUX (PCM)	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
SCI Gascogne	SCI	100.00	100.00		Full	100.00
EVRY MOZART	SCI	100.00	100.00		Full	100.00
Housing						
PAYS DE LOIRE	SCI	100.00	100.00		Full	100.00
SARVILEP	SAS	100.00	100.00		Full	100.00
Discontinued operations						
Property management						
ICADE PROPERTY MANAGEMENT	SASU	100.00	100.00		Full	100.00
Consulting & solutions						
I PORTA	SAS	100.00	100.00		Full	100.00
ICADE CONSEIL	SAS	100.00	100.00		Full	100.00
ICADE EXPERTISE	SAS	100.00	100.00		Full	100.00
ICADE TRANSACTIONS	SASU	100.00	100.00		Full	100.00
ICADE ASSET MANAGEMENT	SAS	100.00	100.00		Full	100.00
HEALTHCARE PROPERTY INVESTMENT DIVISION						
ICADE SANTE	SAS	56.51	56.51		Full	56.51
VITALIA Expansion MCO Propco SAS	SAS		Merged		Full	56.51
SCI MTS	SCI		Merged		Full	56.51
SCI ST-LAZARE	SCI		Merged		Full	56.51
VITALIA DÉVELOPPEMENT MCO PROPCO SAS	SAS		Merged		Full	56.51
SAS LA HAIE ST-CLAUDE	SAS		Merged		Full	56.51
SCI DES PIPIERS	SCI		Merged		Full	56.51
SCI DES ETATS-UNIS	SCI		Merged		Full	56.51
CHP SAS	SAS		Merged		Full	56.51
OCEANE IMMOBILIERE SAS	SAS		Merged		Full	56.51
VITALIA Santé MCO Propco SAS	SAS		Merged		Full	56.51
SCI HONORE DE BALZAC	SCI		Merged		Full	56.51
SASU GVM SANTE	SASU	56.51	56.51		Full	56.51

06/30/2016	2015

	Legal form	% direct stake	% 2016 ownership interest	Joint ventures / Associates	Method of consolidation	% 2015 ownership interest
SAS VAGUIL	SAS	56.51	56.51		Full	
SAS CHATENOY LE ROYAL SSR	SAS	56.51	56.51		Full	
SAS GIEN SOINS PSYCHIATRIQUES	SAS	56.51	56.51		Full	
SAS OCEANE LE HAVRE PSYCHIATRIE	SAS	56.51	56.51		Full	
SAS MONTCHENAIN SOINS PSYCHIATRIQUES	SAS	56.51	56.51		Full	
PROPERTY DEVELOPMENT DIVISION						
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
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	85.00
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	90.00
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
LES CHENES			Liquidation		Full	100.00
SCI 460 AVENUE DE PESSICART	SCI	50.00	50.00	Joint ventures	Equity	50.00
		06/30/2016				2015

	Legal form	% direct stake	% 2016 ownership interest	Joint ventures / Associates	Method of consolidation	% 2015 ownership interest
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
SCI COURBEVOIE LES LILAS D'Espagne			Liquidation		Equity	50.00
SAS AD2B	SAS	100.00	100.00		Full	100.00
SCI CHATILLON AVENUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE - 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
SCI CHATOU RUE DES BEAUNES	SCI	50.10	50.10	Joint ventures	Equity	50.10
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

	Legal form	06/30/2016 % direct stake	% 2016 ownership interest	Joint ventures / Associates	Method of consolidation	2015 % 2015 ownership interest
RUE DES HEROS			Liquidation		Full	100.00
RUE DU 11 NOVEMBRE	SCI	100.00	100.00		Full	100.00
RUE DES FABRIQUES			Liquidation		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
SCI ROUEN GRAMMONT			Liquidation		Full	80.00
SCCV LES VILLAS DU PARC	SCCV	100.00	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00	100.00		Full	100.00
SCCV NIMES ALIZES 2			Liquidation		Equity	50.00
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	40.00	40.00	Joint ventures	Equity	40.00
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

	Legal form	06/30/2016				2015
		% direct stake	% 2016 ownership interest	Joint ventures / Associates	Method of consolidation	% 2015 ownership interest
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	20.00	20.00	Joint ventures	Equity	100.00
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
SCCV DUNKAN			Liquidation		Equity	50.00
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	100.00	99.96		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	99.99	99.99		Full	99.99
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	
SCI CAPITAINE BASTIEN	SCI	80.00	80.00		Full	
SCCV THERESIANUM CARMELITES	SCCV	65.00	65.00		Full	
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	50.00	Joint ventures	Equity	
ICADE COMMERCIAL PROPERTY DEVELOPMENT						
PARIS BERTHELOT	SCI	50.00	50.00	Joint ventures	Equity	50.00
ICADE G3A PROMOTION	SNC	100.00	100.00		Full	100.00

		06/30/2016				2015
	Legal form	% direct stake	% 2016 ownership interest	Joint ventures / Associates	Method of consolidation	% 2015 ownership interest
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	99.99	99.99		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

3. STATUTORY AUDITORS' REVIEW REPORT ON THE 2016 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 2016;
- 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.

1. 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.

2. 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 25, 2016

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit | MAZARS

Jean-Baptiste Deschryver | Gilles Rainaut

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