HALF-YEAR FINANCIAL REPORT

June 30, 2018

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DECLARATION BY THE PERSON RESPONSIBLE FOR THIS DOCUMENT

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

Paris, on July 23, 2018

Olivier Wigniolle

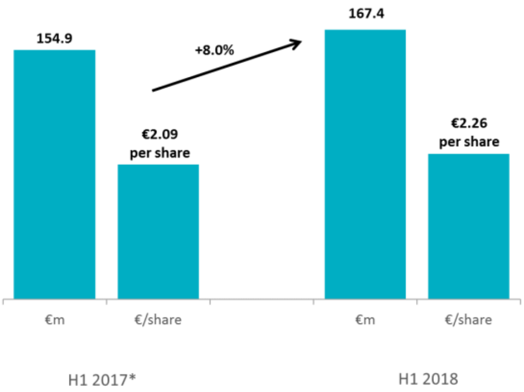
Chief Executive Officer

PERFORMANCE INDICATORS

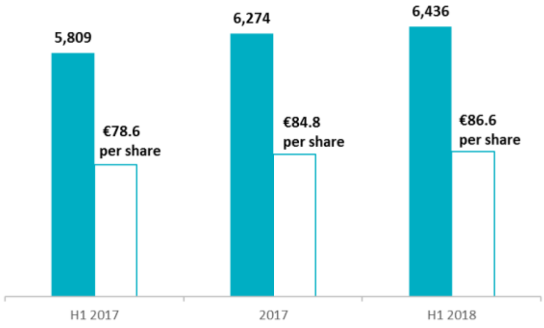
1. Performance indicators

GROUP PERFORMANCE INDICATORS

Net current cash flow
(in millions of euros and euros per share)

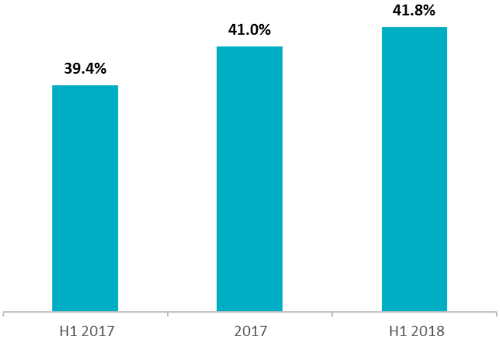


EPRA triple net NAV[a]
(in millions of euros and euros per share)



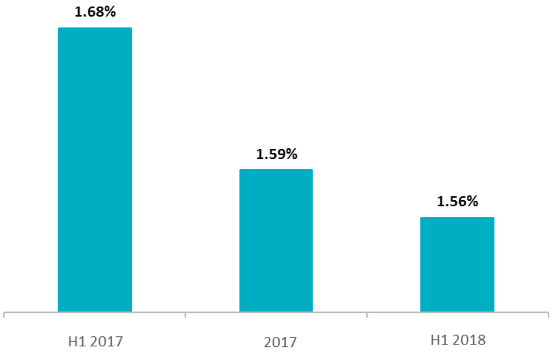
(a) attributable to the Group – fully diluted in euros

Loan-to-value ratio[b]
(in %)

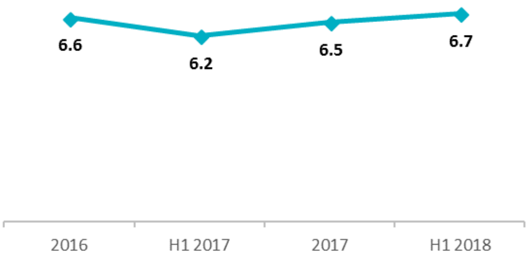


(b) Includes the value of the property development companies and financial receivables from public-private partnerships

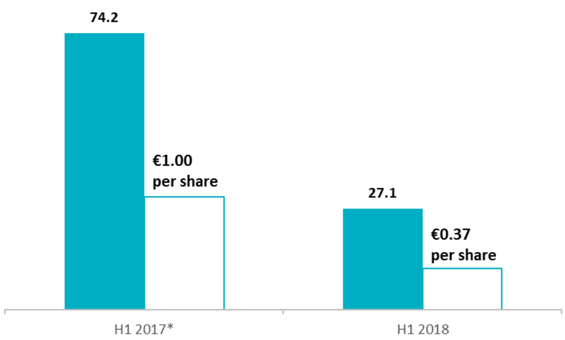
Average cost of drawn debt after hedging *(in %)*



Average debt maturity
(in years)



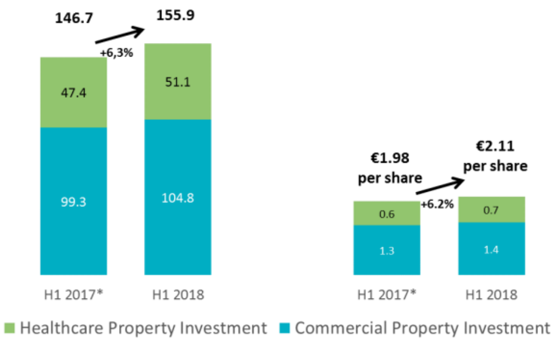
Net profit/(loss) attributable to the Group
(in millions of euros and euros per share)



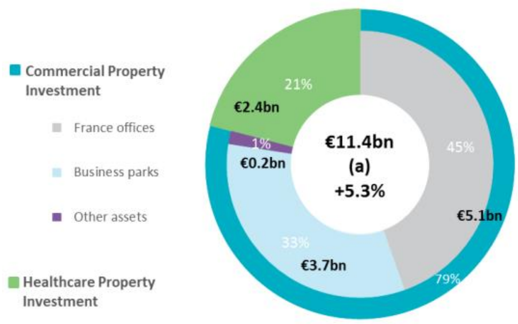
**Restated for IFRS 15 and IFRS 2*

COMMERCIAL AND HEALTHCARE PROPERTY INVESTMENT PERFORMANCE INDICATORS

EPRA earnings from Property Investment
(in millions of euros and euros per share)

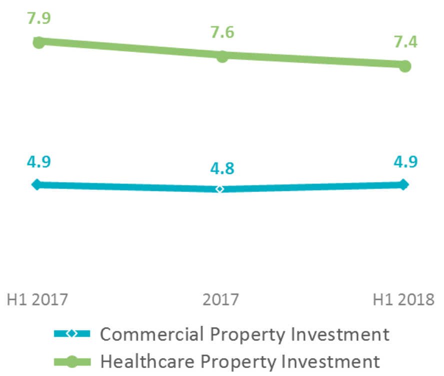


Value of the Property Investment portfolio as of June 30, 2018
(in %)

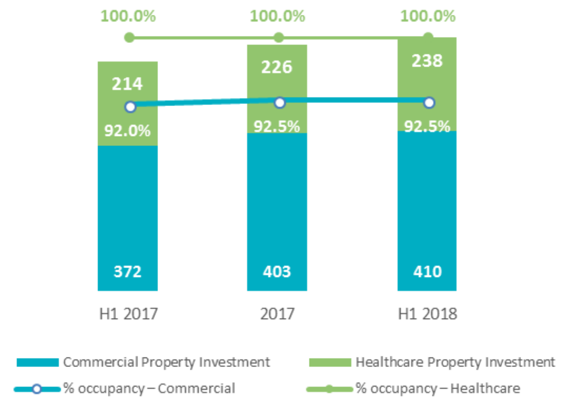


(a) *On a proportionate consolidation basis for Icade Santé and ANF Immobilier.*

Weighted average unexpired lease term
(in years)



IFRS annualised rental income *(in millions of euros)* and financial occupancy rate *(in %)* [b]

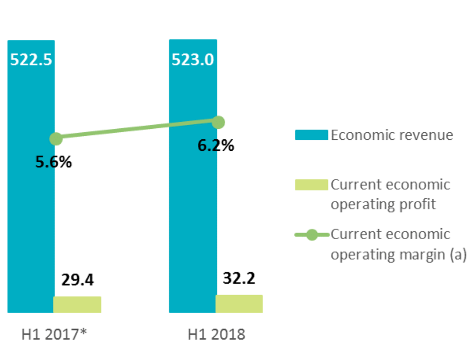


(b) *IFRS annual rental income estimated based on occupancy as of the balance sheet date*

**Restated for IFRS 2*

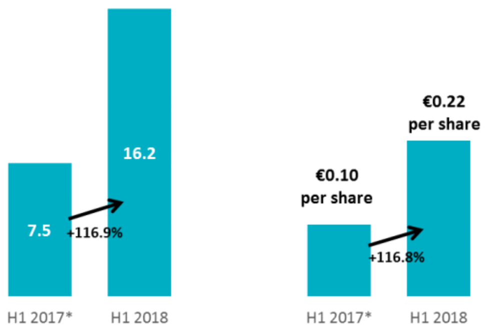
PROPERTY DEVELOPMENT PERFORMANCE INDICATORS

Economic revenue *(in € million)*, **current economic operating profit** *(in € million)* **and margin** *(in %)*

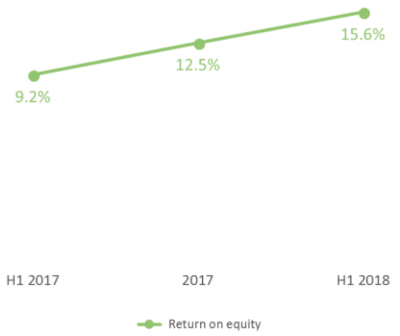


(a) Current economic operating profit/(loss) / Economic revenue (revenue including entities accounted for using the equity method)

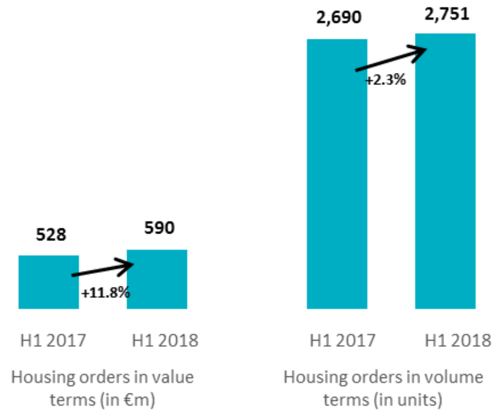
Property Development NCCF
(in millions of euros and euros per share)



Return on equity for Property Development



Net housing orders in volume *(number of housing units)* **and value terms incl. taxes** *(in millions of euros)*



**Restated for IFRS 15*

2 PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

1. Group

1.1. H1 2018 highlights

Changes in governance: appointment of the following directors:

- Ms Carole Abbey, to replace Ms Marianne Laurent, representing Caisse des Dépôts;
- Ms Sophie Quatrehomme, to replace Mr Franck Silvent, representing Caisse des Dépôts;
- Mr Jean-Marc Morin, to replace Ms Cécile Daubignard, representing Caisse des Dépôts; and
- Mr Guillaume Poitrinal as independent director.

The composition of the Board of Directors is in accordance with the AFEP-MEDEF Code, with 50% of women, 35.7% of independent directors and an independent Chairman.

Property Investment: an active H1 for both Property Investment divisions:

- For the Commercial Property Investment Division, the merger with ANF Immobilier is now effective:
  Icade's portfolio now includes 7.1% of assets located in very dynamic French cities outside the Paris region such as Lyon, Bordeaux, Marseille and Toulouse. The assets consist of prime offices in city centres for €557.3 million (on a proportionate consolidation basis) and an additional development pipeline of €245 million, which will contribute to value creation in the medium term.

- For the Healthcare Property Investment Division, signing of a preliminary agreement on March 27, 2018 for the acquisition of a portfolio of 14 nursing homes worth a total of €189 million from the Residalya group. Residalya will remain the tenant and operator of these nursing homes under new 12-year leases with no break options. Through this transaction, Icade Santé has implemented its strategy to diversify into long-term facilities. It has also reinforced its position as the leader in healthcare real estate.
  This acquisition was completed on July 4, 2018.

Property Development: significant projects won, positive H1 performance:

Terres de Versailles:

- In March 2018, Icade Promotion was awarded the concession to plan and develop the new "Terres de Versailles" neighbourhood, located on the site of the former Pion barracks. This project covers 51,250 sq.m and includes housing units, a hotel, a childcare centre, shops, space dedicated to social economy initiatives, as well as public facilities. The entire project is scheduled to be carried out between 2019 and 2026. In addition to the planning involved, Icade Promotion will carry out 65% of the construction work included in the overall project apart from the public facilities, representing potential revenue of €157 million excluding taxes.

Bercy Charenton:

- In April 2018, Icade, Sogaris and Poste Immo were awarded a contract as part of the "Inventing the Greater Paris Metropolis" call for projects on the site located in the 12th district of Paris. This project encompasses a 50,000-sq.m mixed-use complex including a 15,000-sq.m office building which will be built under a delegated project management agreement by Icade Promotion with the Commercial Property Investment Division as investor. In addition, Icade Promotion will develop 18,000 sq.m as part of an off-plan sale, including a hotel, a co-living apartment hotel and shops as well as event and sports areas.
  The Property Development and Commercial Property Investment divisions will work together on this large-scale project scheduled to take place between 2020 and 2023 once again reflecting the synergies that can be achieved between Icade's different divisions. The potential revenue from this project is €42 million excluding duties.

Liability optimisation continues:

On February 19, 2018, Icade successfully issued a €600 million, 10-year bond with an annual coupon of 1.625%. These funds were raised with a 65-bp spread over the reference rate, an improvement of 15 bps compared to the previous 10-year bond issue in September 2017 and the historically lowest level for Icade, demonstrating the increased attractiveness of Icade's credit quality.

In line with this issue, Icade successfully completed the bond tender offer on February 26, 2018 for three outstanding issues (for an aggregate amount of €200 million with a maturity of less than 3 years), continuing to pursue its active policy of optimising its funding structure.

1.2. Outlook: Guidance raised

Given the company's outlook, 2018 Group net current cash flow (€ per share) has been revised upward: it is now expected to "grow by more than 6% compared to 2017 reported Group net current cash flow", i.e. an increase of over 7% compared to 2017 restated Group net current cash flow[1].

1.3. Income and cash flow statements

It should be noted that 2017 data ("12/31/2017 restated" and "06/30/2017 restated") presented hereafter retroactively includes the impact of adopting new IFRS since January 1, 2018.

KEY FIGURES AS OF JUNE 30, 2018

	06/30/2018	06/30/2017 restated	06/30/2017 reported	Change /restated (%)	Change /reported (%)
EPRA earnings from Property Investment (in €m)	**155.9**	**146.7**	**145.8**	**+6.3%**	**+6.9%**
EPRA earnings from Property Investment per share	**2.11**	1.98	1.97	+6.2%	+6.8%
Net current cash flow from Property Investment (in €m)	**159.2**	**151.2**	**150.3**	**+5.3%**	**+5.9%**
Net current cash flow from Property Investment per share	2.15	2.04	2.03	+5.3%	+5.9%
Net current cash flow from Property Development (in €m)	**16.2**	**7.5**	**10.5**	**+116.9%**	**+55.0%**
Net current cash flow from Property Development per share	0.22	0.10	0.14	+116.8%	+54.9%
Other (in €m)	**(8.0)**	**(3.8)**	**(3.8)**	**+113.1%**	**+113.1%**
Group net current cash flow (in €m)	**167.4**	**154.9**	**157.0**	**+8.1%**	**+6.6%**
Group net current cash flow per share	2.26	2.09	2.12	+8.0%	+6.6%
Net profit/(loss) attributable to the Group (in €m)	**27.1**	**74.2**	**77.2**	**-63.5%**	**-64.9%**

	06/30/2018	12/31/2017	Change (%)
EPRA triple net asset value per share	**€86.6**	**€84.8**	**+2.1%**
Average cost of drawn debt	**1.56%**	**1.59%**	**-3 bps**
LTV ratio	**41.8%**	**41.0%**	**+80 bps**
Property Development ROE [(a)]	**15.6%**	**12.5%**	**+310 bps**

(a) Property Development ROE = Net profit/(loss) attributable to the Group excluding income from the refund of the 3% tax / Average allocated capital (on a proportionate consolidation basis and excluding profit/(loss))

1.3.1. Summary IFRS consolidated income statement

The IFRS net profit/(loss) attributable to the Group as of June 30, 2018 amounted to €27.1 million, a decrease compared to June 30, 2017, resulting primarily from gains on disposals of as much as €46.3 million in H1 2017 vs. €5.7 million in H1 2018.

The income statement as of June 30, 2018 is as follows:

	06/30/2018			06/30/2017 restated			
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total	Change
REVENUE	782.6		782.6	752.7		752.7	4.0%
EBITDA	264.1	(0.8)	263.3	248.1	(0.8)	247.3	6.5%
OPERATING PROFIT/(LOSS)	270.8	(155.6)	115.2	256.4	(96.3)	160.1	(28.0%)
FINANCE INCOME/(EXPENSE)	(52.5)	(14.2)	(66.6)	(45.8)	(5.2)	(51.0)	30.6%
NET PROFIT/(LOSS)	209.9	(169.6)	40.2	192.4	(101.5)	90.9	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	167.4	(140.3)	27.1	154.9	(80.6)	74.2	(63.5%)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in euros per share after dilution)	**2.26**	**(1.90)**	**0.37**	**2.09**	**(1.09)**	**1.00**	

Icade's current net profit (NCCF per share) increased by 8.0% (see section 1.3.2)

Net profit/(loss) attributable to the Group dropped to €27.1 million as of June 30, 2018, due in particular to the absence of gains on disposals in H1 2018 whereas two-thirds of 2017 disposals had occurred in H1 2017.

[1] 2017 Group net current cash flow restated for IFRS 15 and IFRS 2: €4.73/share

1.3.2. Group net current cash flow

Group net current cash flow covers the Commercial Property Investment, Healthcare Property Investment and Property Development divisions. It serves as the basis for the dividend policy. It breaks down into the Group's three business activities and also includes the indicator "EPRA earnings" from both Property Investment divisions.

Group net current cash flow increased by 8.0% to €167.4 million (€2.26 per share) as of June 30, 2018, versus €154.9 million as of June 30, 2017 (€2.09 per share).

This improvement is the result of the performance of all business activities. The Commercial Property Investment Division, the Healthcare Property Investment Division and the Property Development Division all posted growing NCCF: +4.2%, +7.9% and +116.9%, respectively. (see section 1.3.3)

As of June 30, 2018, their respective contributions to Group NCCF were 64.6%, 30.5%, and 9.7%.

(in millions of euros)	06/30/2018	06/30/2017 Restated	Change 2018 - 2017
TOTAL GROUP	167.4	154.9	8.1%
TOTAL GROUP (in € per share)	**2.26**	**2.09**	**8.0%**

1.3.3. Segment reporting

As of June 30, 2018, segment reporting is divided into four main categories: Commercial Property Investment, Healthcare Property Investment, Property Development and "Other".

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

	06/30/2018				06/30/2017 Restated				Change 2018 - 2017	
(in millions of euros)	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	NCCF
Commercial Property Investment	104.8	67.2%	108.2	64.6%	99.3	67.7%	103.8	67.0%	5.5%	4.2%
Healthcare Property Investment	51.1	32.8%	51.1	30.5%	47.4	32.3%	47.4	30.6%	7.9%	7.9%
Total Property Investment (a)	155.9	100.0%	159.2	95.1%	146.7	100.0%	151.2	97.6%	6.3%	5.3%
Property Development			16.2	9.7%			7.5	4.8%		116.9%
Other (b)			(8.0)	(4.8%)			(3.8)	(2.4%)		N/A
TOTAL GROUP			167.4	100.0%			154.9	100.0%		8.1%
TOTAL GROUP **(in € per share)**	**2.11**		**2.26**		**1.98**		**2.09**		**6.2%**	**8.0%**

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

1.4. EPRA reporting as of June 30, 2018

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

The following indicators are presented in the next pages:

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

1.4.1. EPRA net asset value as of June 30, 2018

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

The Icade Group's triple net asset value stood at €6,435.7 million as of June 30, 2018 (€86.6 per share), an increase of 2.1% compared to December 31, 2017.

(in millions of euros)		06/30/2018	12/31/2017	06/30/2017
Consolidated equity attributable to the Group [(a)]	(1)	3,076.0	3,336.3	3,229.2
Impact of dilution from securities convertible or exchangeable into Icade shares [(b)]	(2)	3.8	0.0	0.0
Unrealised capital gains	(3)	3,456.6	3,098.7	2,689.3
Tax on unrealised capital gains	(4)	(18.1)	(16.5)	(10.2)
Revaluation of fixed-rate debt	(5)	(82.6)	(144.7)	(98.8)
EPRA TRIPLE NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(6) =(1)+(2)+(3)+(4)+(5)	6,435.7	6,273.8	5,809.4
(in € per share)	(6)/n	86.6	84.8	78.6
Change during the half year		*2.1%*		
Adjustment for tax on unrealised capital gains	(7)	18.1	16.5	10.2
Adjustment for revaluation of fixed-rate debt	(8)	82.6	144.7	98.8
Adjustment for revaluation of interest rate hedges	(9)	0.9	(7.5)	(7.0)
EPRA NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(10) = (6)+(7)+(8)+(9)	6,537.2	6,427.5	5,911.5
(in € per share)	(10)/n	88.0	86.9	79.9
Change during the half year		*1.3%*		
NUMBER OF FULLY DILUTED SHARES [(c)]	n	74,291,564	73,978,328	73,949,951

(a) Including net profit attributable to the Group of +€27.1 million as June 30, 2018.
(b) Dilution related to stock options which had the effect of increasing consolidated equity and the number of shares. This increase can be up to the number of shares that can be obtained from the stock options exercisable at the end of the period.
(c) Stands at 74,291,564 as of June 30, 2018, after cancelling treasury shares (-363,202 shares) and the positive impact of dilutive instruments (+123,338 shares).

EPRA triple net asset value increased by +2.1% in H1 2018. This performance results:

- From the performance of the different business lines with a significant increase in Group net current cash flow of +8.0% compared to June 30, 2017;
- From the increase in value of property assets from the Property Investment divisions (Commercial and Healthcare) with a like-for-like rise of €195.4 million (+1.8%);
- From the positive impact of the €62.1 million change in value of fixed-rate debt compared to December 31, 2017;
- Less the dividend paid in May 2018 (€4.3 per share).

Excluding the dividend payment, EPRA triple net asset value increased by +7.2% in H1 2018 compared to the end of 2017.

1.4.2. EPRA earnings from Property Investment

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

	(in millions of euros)	06/30/2018	06/30/2017 Restated	% change 2018/2017
	NET PROFIT/(LOSS)	40.2	90.9	
	Net profit/(loss) from other activities (a)	9.4	5.2	
(a)	NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT	30.8	85.7	
(i)	Changes in value of investment properties and depreciation charges	(150.9)	(132.9)	
(ii)	Profit/(loss) from asset disposals	5.6	46.2	
(iii)	Profit/(loss) from acquisitions		(0.1)	
(iv)	Tax on profits from disposals and impairments			
(v)	Negative goodwill / goodwill impairment		0.1	
(vi)	Changes in fair value of financial instruments and restructuring of financial liabilities	(14.2)	(5.2)	
(vii)	Acquisition costs on share deals			
(viii)	Tax expense related to EPRA adjustments	0.6		
(ix)	Adjustment for equity-accounted companies	(7.9)	(5.4)	
(x)	Non-controlling interests (Healthcare Property Investment)	41.7	36.4	
(b)	TOTAL ADJUSTMENTS	(125.0)	(60.9)	
(a-b)	**EPRA EARNINGS FROM PROPERTY INVESTMENT**	**155.9**	**146.7**	**6.3%**
	Average number of diluted shares outstanding used in the calculation	74,023,920	73,979,298	
	EPRA EARNINGS FROM PROPERTY INVESTMENT IN € PER SHARE	**€2.11**	**€1.98**	**6.2%**

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

Significant increase in EPRA earnings from Property Investment to €155.9 million as of June 30, 2018 (+6.3%). This increase was driven by strong operational performance in Healthcare and Commercial Property Investment.

1.4.3. EPRA yield

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

	06/30/2018	12/31/2017	06/30/2017
ICADE NET YIELD [a]	**6.0%**	**6.1%**	**6.2%**
Impact of estimated duties and fees	(0.3)%	(0.3)%	(0.3)%
Adjustment for potential rental income from vacant properties	(0.3)%	(0.3)%	(0.4)%
EPRA TOPPED-UP NET INITIAL YIELD [b]	**5.3%**	**5.4%**	**5.4%**
Inclusion of rent-free periods	(0.4)%	(0.4)%	(0.5)%
EPRA NET INITIAL YIELD [c]	**4.9%**	**4.9%**	**5.0%**

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

(b) Annualised net rental income from leased space, excluding lease incentives, divided by the appraised value (including duties) of operating properties.

(c) Annualised net rental income from leased space, including lease incentives, divided by the appraised value (including duties) of operating properties.

The EPRA net initial yield was stable compared to December 31, 2017.

1.4.4. EPRA vacancy rate

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

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

	06/30/2018	12/31/2017	06/30/2017
Total office and business park assets	7.8%	7.8%	8.3%
Other assets	0.0%	0.0%	16.2%
COMMERCIAL PROPERTY INVESTMENT DIVISION (EXCLUDING RESIDENTIAL)	**7.8%**	**7.7%**	**8.4%**
HEALTHCARE PROPERTY INVESTMENT DIVISION (BASED ON PROPORTIONATE CONSOLIDATION)	**0.0%**	**0.0%**	**0.0%**
TOTAL PROPERTY INVESTMENT (EXCLUDING RESIDENTIAL)	**6.0%**	**6.1%**	**6.6%**

The EPRA vacancy rate over a 12-month rolling period went down, in connection with an improved financial occupancy rate for the Commercial Property Investment Division. Compared to December 31, 2017, the EPRA vacancy rate for the Offices and Business Parks portfolio was stable at 7.8%.

1.4.5. EPRA cost ratio for the Property Investment Division

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

		06/30/2018	06/30/2017
	Including:		
(i)	Structural costs and other overhead costs	(59.1)	(48.4)
(ii)	Service charges net of recharges to tenants	(21.3)	(23.3)
(iii)	Management fees net of actual/estimated profit element		
(iv)	Other recharges intended to cover overhead expenses	20.2	20.6
(v)	Share of overheads and expenses of equity-accounted companies	(2.1)	(2.1)
(vi)	Share of overheads and expenses of non-controlling interests	4.8	3.4
	Excluding:		
(vii)	Depreciation of investment properties	-	-
(viii)	Ground rent costs	(1.1)	(1.0)
(ix)	Other service charge costs recovered through rents but not separately invoiced	(0.1)	(0.1)
(A)	EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(56.2)	(48.7)
(x)	Direct vacancy costs	(11.8)	(15.9)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(44.4)	(32.8)
(xi)	Gross rental income less ground rent costs	307.6	284.5
(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	4.2	5.6
(xiv)	Share of rental income less ground rent costs of non-controlling interests	(53.0)	(46.1)
(C)	GROSS RENTAL INCOME	258.8	244.0
(A/C)	**EPRA cost ratio - Property Investment (incl. direct vacancy costs)**	**21.7%**	**20.0%**
(B/C)	**EPRA cost ratio - Property Investment (excl. direct vacancy costs)**	**17.1%**	**13.4%**

In H1 2018, Icade's vacancy costs continued to go down, reaching -€11.8 million vs. -€15.9 million in H1 2017 (-25.5%).

Nevertheless, the EPRA cost ratio increased between June 30, 2017 and June 30, 2018:

- +1.7 pp including vacancy costs;
- +3.7 pps excluding vacancy costs.

This change is due in particular to:

- The inclusion of ANF's costs for €4.0 million in H1 2018;
- The non-recurring costs for studies relating to discontinued projects for €3.0 million.

1.5. Financial resources

As interest rates were still favourable while market liquidity was becoming more selective, at the end of February the Company successfully completed the issue of a 10-year, €600 million bond with the historically lowest margin for this maturity, only 65 bps above the benchmark rate (i.e. a 1.625% coupon). This new issue was largely oversubscribed by French and international investors, confirming their confidence in Icade's credit quality.

The Group also conducted several major transactions during the half year:

- Redemption of existing bonds for an overall amount of €200 million: €33.8 million for the bond maturing in 2019, €150.1 million for the bond maturing in 2021 and €16.1 million for the bond maturing in 2022;
- Optimisation of Icade's hedging structure through the purchase of €200 million in long-term forward swaps and through the unwinding of a notional amount of €300 million of pre-hedge swaps entered into in anticipation of a bond issue (those swaps purchased in 2017 helped reduce the cost of the February 2018 bond issue by circa €7.4 million);
- Optimisation of Icade Santé's hedging structure through the purchase of €200 million in medium- and long-term swaps;
- Signing of a 7-year, €100 million loan starting in July 2018 in favour of Icade Santé.

All these transactions allowed the Group to continue implementing an appropriate and optimised financial policy: lower average cost of debt, longer average debt maturity and more diversified financial resources.

The average cost of drawn debt was down compared to December 31, 2017, reaching a new historical low of 1.56% in H1 2018 vs. 1.59% as of December 31, 2017.

The average debt maturity rose to 6.7 years as of June 30, 2018, compared to 6.5 years as of December 31, 2017.

The fundamentals of Icade's liabilities improved during H1 2018.

1.5.1. Cash

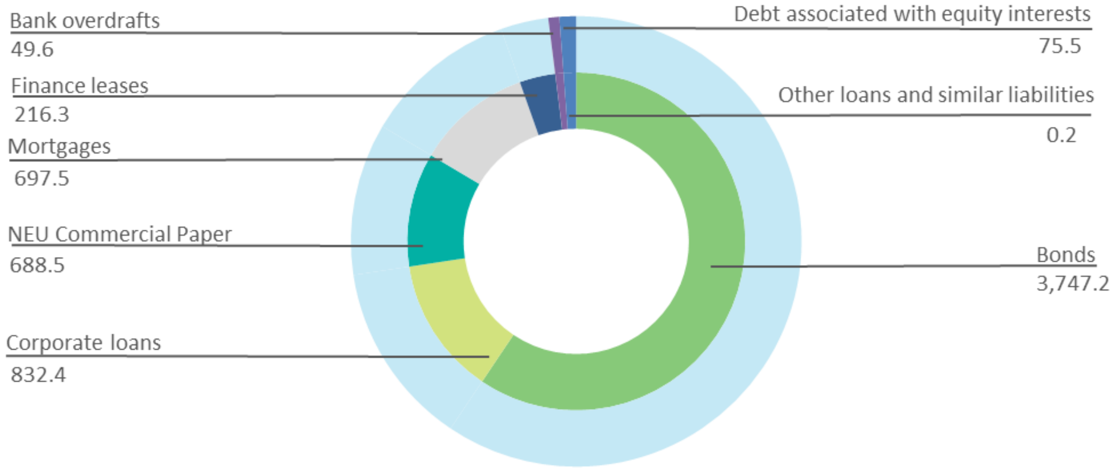
In H1 2018, Icade's funding was achieved by a stable outstanding amount of NEU Commercial Paper of €688.5 million as of June 30, 2018. Icade's credit quality allowed the company to issue short-term debt on very favourable terms: once again, all NEU Commercial Paper was issued at negative interest rates during the half year.

In addition, Icade has a fully-available undrawn amount from short- and medium-term credit lines of €1,771 million, slightly above its level from December 31, 2017. Those undrawn facilities as of June 30, 2018 cover three years of debt principal and interest payments.

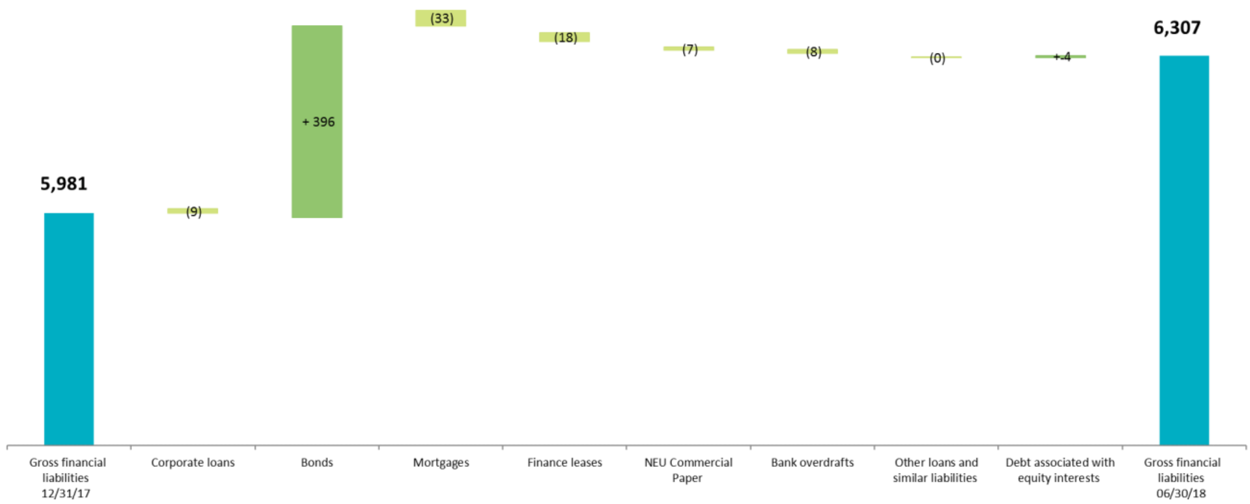
1.5.2. Debt structure as of June 30, 2018

1.5.2.1. Debt by type

As of June 30, 2018, gross financial liabilities stood at €6,307.3 million and broke down as follows:



As of December 31, 2017, gross financial liabilities amounted to €5,981.1 million. The €326.2 million change is explained in the following graph:



From December 31, 2017 to June 30, 2018, the change in gross financial liabilities is mainly explained by the higher outstanding amount of bonds, with a €400 million increase as a result of the €600 million bond issue and bond repurchases totalling €200 million.

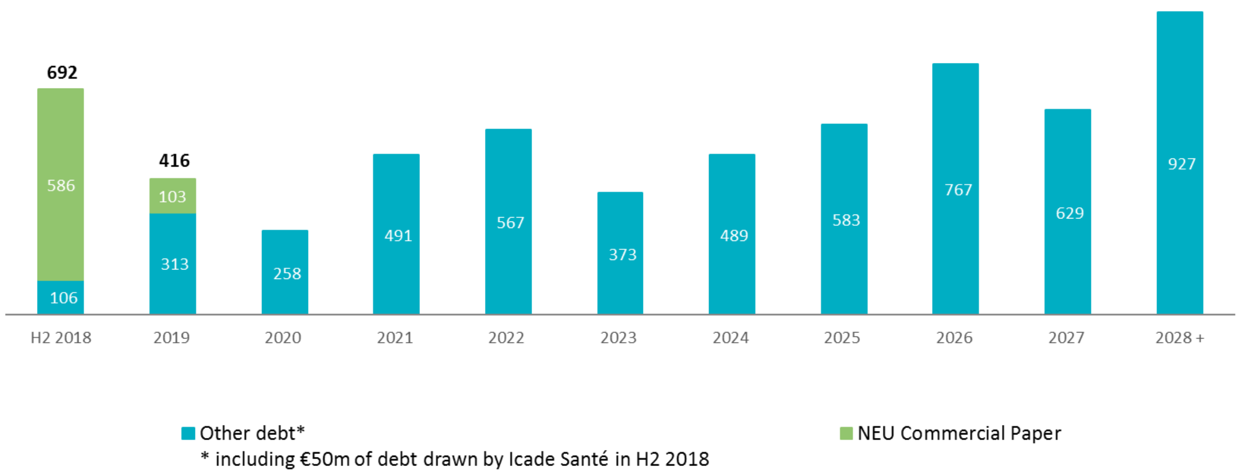
Net financial liabilities amounted to €5,867.9 million as of June 30, 2018, representing an increase of €396.9 million compared to December 31, 2017, in connection with the increased financing requirements of Commercial and Healthcare Property Investment assets.

1.5.2.2. Debt by maturity date

Icade's maturity schedule of drawn debt (excluding overdrafts) as of June 30, 2018 shows well-balanced maturities, with no maturity that would have been too significant in the coming years, as shown in the graph below:

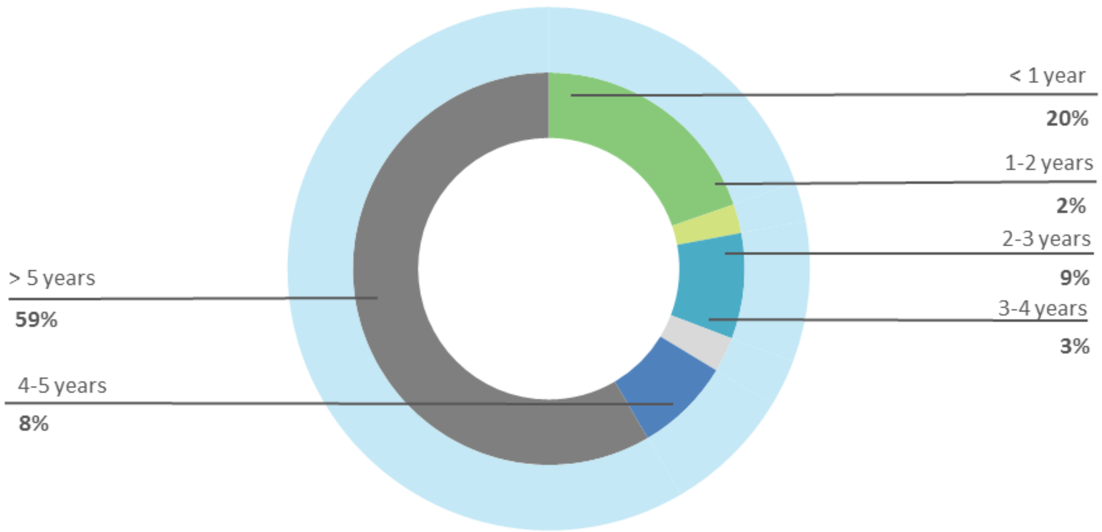
MATURITY SCHEDULE OF DRAWN DEBT

(June 30, 2018, in millions of euros)



BREAKDOWN OF DEBT BY MATURITY

(June 30, 2018)



The average debt maturity was 6.7 years as of June 30, 2018 (excluding NEU Commercial Paper). It stood at 6.5 years as of December 31, 2017.

1.5.2.3. Average cost of drawn debt

In H1 2018, the average cost of debt was 1.43% before hedging and 1.56% after hedging, compared with 1.50% and 1.59% respectively in 2017.

This reduction in average cost of debt between 2017 and H1 2018 was achieved through the proactive management of debts and interest rate hedges which were initiated in 2016 and have continued since then.

1.5.2.4. Management of interest rate risk exposure

Variable rate debt represented nearly 21% of total debt as of June 30, 2018 (excluding payables associated with equity interests and bank overdrafts).

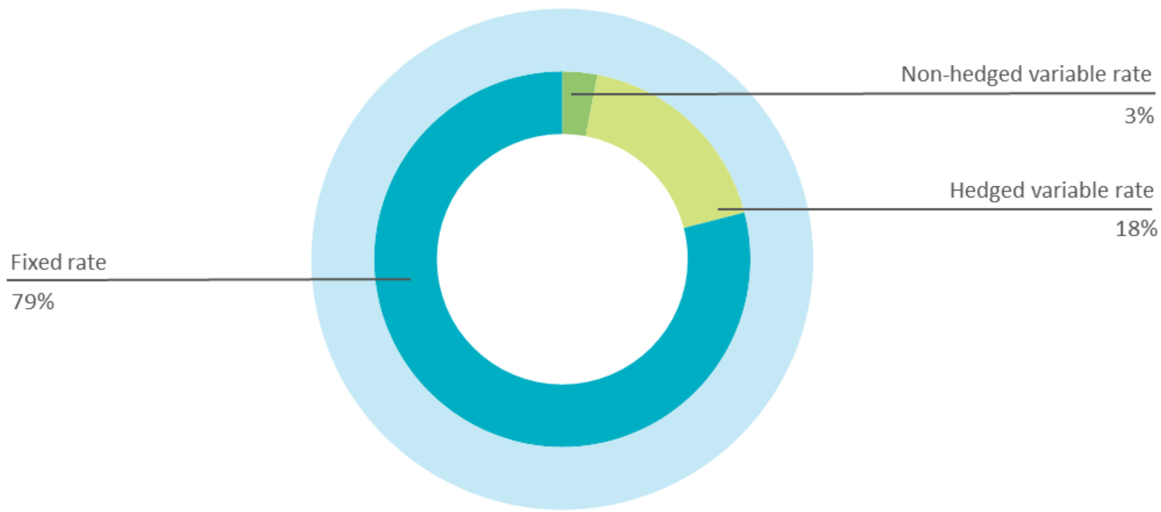
In H1 2018, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps).

In particular, 7- to 10-year swaps and forward swaps for a notional amount of €400 million were concomitantly entered into to lock in today's historically low interest rates for the long term.

As of June 30, 2018, 97% of debt was hedged against interest rate risk.

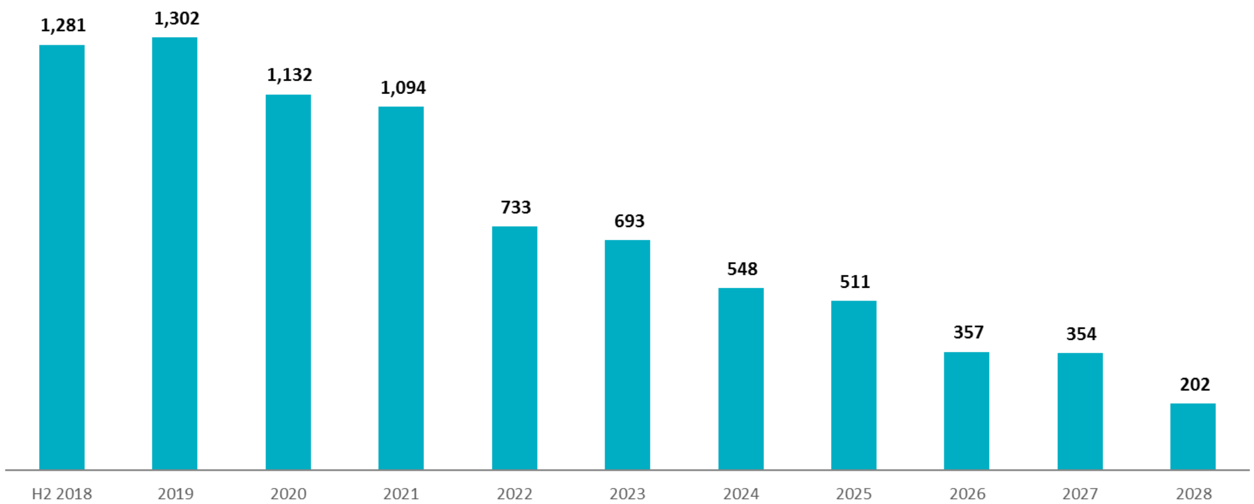
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING LIABILITIES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(June 30, 2018)



OUTSTANDING HEDGING POSITIONS

(June 30, 2018, in millions of euros)



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

The average maturity of variable rate debt is 4.8 years and that of the associated hedges is 7.1 years.

1.5.3. Credit rating

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

After its annual review, in September 2017, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2.

1.5.4. Financial structure

1.5.4.1. Financial structure ratios

1.5.4.1.1. LTV (loan-to-value) ratio

The LTV ratio, which is the ratio between net financial liabilities and the latest valuation of the property portfolio excluding duties (total share) plus the value of property development companies, stood at 41.8% as of June 30, 2018 (compared with 41.0% as of December 31, 2017).

If the value of the portfolio was including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 39,8% as of June 30, 2018.

As of June 30, 2018, the LTV ratio calculated as part of bank covenants stood at 44.0%, below the maximum level of 52% indicated in the bank agreements.

1.5.4.1.2. ICR (Interest Coverage Ratio)

The interest coverage ratio based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 5.44x for H1 2018. The ratio remains at a high level, significantly higher than the covenant minimum of 2x.

	06/30/2018	12/31/2017
Ratio of net financial liabilities/asset value (LTV) [(a)]	41.8%	41.0%
Interest coverage ratio (ICR) [(b)]	5.44x	6.53x

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

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

2. Property Investment divisions

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

The Property Investment Division consists of the following activities:

- The Commercial Property Investment Division's portfolio consists primarily of office assets located in the Paris region but also, since 2017, of office buildings in the largest French cities outside Paris. The whole portfolio is valued at €9.0 billion on a proportionate consolidation basis (€9.2 billion on a full consolidation basis). It breaks down between office buildings valued at €5.1 billion and business parks (also mainly composed of office assets) valued at €3.7 billion. It also includes a portfolio of hotels as a result of acquiring ANF Immobilier and a portfolio of residual assets, made up of warehouses and housing units (worth €182 million as of June 30, 2018, i.e. 2.0% of the Commercial Property Investment Division's portfolio).
- The Healthcare Property Investment Division, whose activities are carried out through 56.77% owned Icade Santé. This division valued at €2.4 billion (€4.2 billion on a full consolidation basis) is mainly made up of private healthcare properties such as medicine, surgery and obstetrics (MSO) facilities and post-acute care (PAC) facilities.

2.1.1. Summary EPRA income statement

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

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

	06/30/2018			06/30/2017 restated		
(in millions of euros)	EPRA earnings from Property Investment (recurring)	Non-recurring (a)	Total Property Investment	EPRA earnings from Property Investment (recurring)	Non-recurring (a)	Total Property Investment
GROSS RENTAL INCOME	315.3	-	315.3	292.5	-	292.5
NET RENTAL INCOME	288.8	-	288.8	262.6	-	262.6
MARGIN RATE (NET RENTAL INCOME / GROSS RENTAL INCOME)	*91.6%*	*0.0%*	*91.6%*	*89.8%*	*0.0%*	*89.8%*
Net operating costs	(39.8)	(0.8)	(40.6)	(28.2)	(0.8)	(29.1)
Profit/(loss) from other activities	(0.1)	-	(0.1)	(0.2)	-	(0.2)
EBITDA	248.9	(0.8)	248.1	234.1	(0.8)	233.3
Depreciation and impairment	(3.4)	(150.1)	(153.5)	(4.5)	(132.1)	(136.6)
Profit/(loss) from asset disposals	-	5.6	5.6	-	46.2	46.2
Share of profit/(loss) of equity-accounted companies	1.9	(7.9)	(6.0)	3.1	(5.4)	(2.3)
OPERATING PROFIT/(LOSS)	247.5	(153.2)	94.2	232.8	(92.1)	140.6
Cost of net debt	(46.9)	-	(46.9)	(40.4)	-	(40.4)
Other finance income and expenses	(3.1)	(14.2)	(17.2)	(2.5)	(5.2)	(7.7)
FINANCE INCOME/(EXPENSE)	(50.0)	(14.2)	(64.1)	(42.9)	(5.2)	(48.1)
Corporate tax (b)	0.1	0.6	0.7	(6.8)	-	(6.8)
NET PROFIT/(LOSS)	197.6	(166.8)	30.8	183.1	(97.4)	85.7
Net profit/(loss) attributable to non-controlling interests	41.7	(29.3)	12.4	36.4	(21.0)	15.5
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**155.9**	**(137.4)**	**18.4**	**146.7**	**(76.4)**	**70.3**

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

(b) Including, as of June 30, 2017, €6.8 million recorded for the 3% tax on dividends.

Gross rental income stood at €315.3 million as of June 30, 2018 vs. €292.5 million as of June 30, 2017, due mainly to the changes in scope of consolidation which occurred between the two periods (in particular the acquisition of ANF Immobilier, Clinique de l'Europe private hospital and Saint-Roch polyclinic), partly offset by asset disposals (mainly office assets in Villejuif);

Net rental income reached €288.8 million as of June 30, 2018, implying a margin rate of 91.6%, substantially higher than in H1 2017 (89.8%);

Net operating costs from the Property Investment Division stood at €40.6 million in H1 2018 (see explanation on the variation in the section EPRA reporting – EPRA cost ratio from Property Investment);

The recurring portion of the **finance income/(expense)** from the Property Investment Division amounted to €(50.0) million as of June 30, 2018 vs. €(42.9) million as of June 30, 2017. This change is explained by the volume effect of gross debt, which was up from €5,048.8 million as of June 30, 2017 to €6,307.3 million as of June 30, 2018, in connection with the accelerated pace of investments in 2017, in particular with the ANF Immobilier acquisition, which was partly offset by a reduction in the average cost of debt between June 30, 2017 and June 30, 2018 (1.54% in H1 2018 vs. 1.68% in H1 2017).

Thus, after taking into account the items above, **EPRA earnings from Property Investment** reached €155.9 million as of June 30, 2018 vs. €146.7 million as of June 30, 2017, a 6.3% year-on-year increase.

Other items that had an impact on the net profit/(loss) attributable to the Group from the Commercial Property Investment Division represented a total net expense of €(137.4) million and were mainly comprised of:

- Depreciation and impairment of investment properties of €(150.1) million as of June 30, 2018 vs. €(132.1) million as of June 30, 2017. This change mainly reflects the depreciation of acquisitions net of disposals carried out in 2017;
- Profit/(loss) from asset disposals for €5.6 million vs. €46.2 million as of June 30, 2017.

In view of the above, **net profit/(loss) attributable to the Group** from the Property Investment Division reached +€18.4 million as of June 30, 2018.

2.1.2. Valuation of the Property Investment divisions' property assets

The valuation methods used by the independent property valuers are described in the notes to the consolidated financial statements, section 4.1. "Valuation of the property portfolio: methods and assumptions" of Note 4 "Portfolio and fair value".

VALUATION OF THE PROPERTY INVESTMENT DIVISIONS' PROPERTY ASSETS

Assets are classified as follows:

- Offices and business parks of the Commercial Property Investment Division (including public-sector properties and projects held as part of public-private partnerships, and the Millénaire shopping centre);
- Other assets of the Commercial Property Investment Division, which consist of residential properties, hotels and warehouses;
- The assets of the Healthcare Property Investment Division.

Furthermore, the assets from the Healthcare Property Investment portfolio are valued in proportion to Icade's stake in Icade Santé (56.77%) and those from the ANF portfolio in proportion to Icade's stake. If these assets were presented on a full consolidation basis, Icade's portfolio would represent €13,349.1 million excluding duties vs. €12,786.9 million at the end of 2017.

Unless otherwise stated, Icade does not present values including duties.

Value of the property portfolio excl. duties on a proportionate consolidation basis	06/30/2018 (in €m)	12/31/2017 restated* (in €m)	Change (in €m)	Change (in %)	Like-for-like change [a] (in €m)	Like-for-like change [a] (in %)	Total floor area on a proportionate consolidation basis (in sq.m)	Price [b] (in €/sq.m)	Net initial yield excl. duties [c] (in %)	EPRA vacancy rate[d] (in %)
OFFICES										
Paris	506.8	501.2	+5.6	+1.1%	+4.6	+0.9%	43,007	11,783	4.2%	3.5%
La Défense/Peri-Défense	2,039.3	2,037.0	+2.3	+0.1%	(4.6)	(0.2%)	306,558	6,652	5.6%	6.7%
Other Western Crescent	868.0	854.1	+13.9	+1.6%	-	-	75,990	11,422	5.0%	12.3%
Inner Ring	626.6	625.6	+1.0	+0.2%	+1.0	+0.2%	105,818	5,921	5.0%	0.4%
Outer Ring	18.5	18.7	(0.3)	(1.5%)	(0.1)	(0.5%)	6,341	457	28.9%	56.3%
Total Paris region	4,059.1	4,036.6	+22.5	+0.6%	+0.9	-	537,713	7,520	5.2%	6.7%
Outside the Paris region	437.2	361.5	+75.7	+20.9%	+6.9	+1.9%	123,802	3,008	6.4%	5.8%
TOTAL OPERATING OFFICE PROPERTIES [f]	**4,496.3**	**4,398.1**	**+98.2**	**+2.2%**	**+7.8**	**+0.2%**	**661,515**	**6,676**	**5.3%**	**6.6%**
Land bank	18.8	17.3	+1.5	+8.7%	+0.1	+0.7%				
Projects under development	246.3	122.9	+123.4	+100.4%	+55.8	+46.1%				
Floor space awaiting refurbishment (not leased) [e]	0.2	2.2	(2.0)	(89.5%)	-	(0.1%)				
Off-plan acquisition	312.6	183.4	+129.2	+70.4%	+14.6	+8.0%				
TOTAL OFFICES	**5,074.3**	**4,724.0**	**+350.3**	**+7.4%**	**+78.3**	**+1.7%**	**661,515**	**6,676**	**5.3%**	**6.6%**
BUSINESS PARKS										
Paris	934.5	896.5	+38.0	+4.2%	+26.5	+3.0%	140,292	6,661	5.0%	1.3%
Other Western Crescent	135.0	134.0	+1.0	+0.8%	+0.5	+0.4%	62,746	2,152	8.1%	9.2%
Inner Ring	1,288.6	1,278.1	+10.5	+0.8%	+6.2	+0.5%	411,100	3,134	6.5%	6.1%
Outer Ring	1,031.7	1,014.6	+17.1	+1.7%	+7.9	+0.8%	596,475	1,730	9.0%	15.8%
Total Paris region	3,389.8	3,323.1	+66.7	+2.0%	+41.1	+1.2%	1,210,614	2,800	6.9%	9.0%
Land bank	110.1	118.5	(8.4)	(7.1%)	(3.2)	(2.7%)				
Projects under development	227.0	168.2	+58.8	+35.0%	+22.3	+13.3%				
Floor space awaiting refurbishment (not leased) [e]	13.8	13.3	+0.5	+3.5%	+0.4	+3.4%				
TOTAL BUSINESS PARKS	**3,740.8**	**3,623.2**	**+117.6**	**+3.2%**	**+60.6**	**+1.7%**	**1,210,614**	**2,800**	**6.9%**	**9.0%**
TOTAL OFFICES AND BUSINESS PARKS	**8,815.0**	**8,347.2**	**+467.8**	**+5.6%**	**+139.0**	**+1.7%**	**1,872,128**	**4,169**	**6.0%**	**7.8%**
Other assets of the Commercial Property Investment Division [g]	182.2	182.8	(0.6)	(0.3%)	(1.7)	(1.0%)	61,796	217	7.6%	-
TOTAL COMMERCIAL PROPERTY INVESTMENT ASSETS	**8,997.2**	**8,530.0**	**+467.2**	**+5.5%**	**+137.2**	**+1.6%**	**1,933,925**	**4,043**	**6.0%**	**7.8%**
HEALTHCARE PROPERTY INVESTMENT										
Paris region	381.0	370.6	+10.5	+2.8%	+8.6	+2.3%	100,699	3,784	5.7%	-
Outside the Paris region	1,949.0	1,864.7	+84.3	+4.5%	+49.6	+2.7%	742,068	2,626	5.8%	-
TOTAL	**2,330.0**	**2,235.2**	**+94.8**	**+4.2%**	**+58.2**	**+2.6%**	**842,767**	**2,765**	**5.8%**	**-**
Projects under development	52.5	45.3	+7.2	+15.9%	-	-				
TOTAL HEALTHCARE PROPERTY INVESTMENT	**2,382.5**	**2,280.6**	**+102.0**	**+4.5%**	**+58.2**	**+2.6%**	**842,767**	**2,827**	**5.8%**	**-**
GRAND TOTAL	**11,379.7**	**10,810.6**	**+569.1**	**+5.3%**	**+195.4**	**+1.8%**	**2,776,691**	**3,674**	**6.0%**	**6.0%**
Including assets consolidated using the equity method	*136.0*	*144.0*	*(8.0)*	*(5.6%)*	*(8.3)*	*(5.8%)*				

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

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

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

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

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

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

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

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

2.2. Commercial Property Investment Division

2.2.1. Market update and property portfolio as of June 30, 2018

MARKET UPDATE

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

The Paris region office market continued to perform well with over 1.3 million sq.m of take-up over H1 2018, **+15% compared to the beginning of 2017. This performance is the best on record since 2007.** Although the small and medium space segments increased by 4% and 10% respectively, it was clearly transactions over 5,000 sq.m which drove the market, with a 28% rise over the half year.

Thanks to an improved economic climate, industrial groups can more easily plan for the future. This is reflected in the sector's strong activity with around twelve large transactions over 5,000 sq.m carried out in H1 2018. There have also been three major transactions since the beginning of the year: Vinci with "Archipel" (~62,600 sq.m), Technip with "Origine" (~48,500 sq.m) and Danone with "Shift" (~46,800 sq.m). These Peri-Défense locations are in contrast to the strong performance of co-working operators whose transactions are primarily located in Paris.

Despite its continued limited level of supply, performance in Paris remained strong (~550,000 sq.m in H1 2018, i.e. +6% year on year), especially in the CBD. It should be noted, however, that most of the renewed supply is in the process of being absorbed. The level of new supply accounts for barely 120,000 sq.m of availability in the CBD, with few buildings permits issued to date. **Benefiting from a shift of large companies from Paris thanks to quality available space, the Western Crescent is clearly the most dynamic area at the start of this year, up +29% over H1 with 385,000 sq.m**, driven by the outstanding performance of Peri-Défense.

The Outer Ring saw increased volume in H1, posting a take-up of 153,000 sq.m (+49% year on year) fuelled by the signing of large deals (Amaris in Vélizy, AKKA Technologie in Rocquencourt and Crédit Agricole in Chessy) accounting for 40% of take-up compared to 22% in H1 2017. The same is true for the Roissy and Orly-Rungis areas with take-up in the first half of the year up around 60%, following a lacklustre 2017.

- **The Roissy area posted H1 take-up of 6,950 sq.m thanks to the transaction undertaken by Icade and Française des Jeux**, but nonetheless remains below its five-year average (~9,500 sq.m/half year). Boosted by the completion of Baïkal, the only new build project headed by ADP in Roissy-en-France, immediate supply rose to 78,000 sq.m, i.e. a 7.7% vacancy rate.
- **The increased take-up in the Orly-Rungis area is attributable to the 7,400-sq.m Cœur d'Orly transaction,** with take-up totalling 9,835 sq.m in H1 2018, well above its five-year average (~5,800 sq.m/half year). As a result, the vacancy rate has continued to fall since the end of 2016, reaching 6% to date (i.e. 37,000 sq.m available) mainly due to the absorption of new supply, making it possible to start construction on an additional 22,000 sq.m in the area.

After having reached 3.5 million sq.m at the end of 2016, office vacancy continues to fall in the Paris region across all of its submarkets, almost dipping below the threshold of 3 million sq.m (3,050,000 sq.m at the end of June 2018).

This trend is especially pronounced in available properties over 5,000 sq.m (44% of vacant stock) which fell 15% year on year **and for new office supply which accounts for only 13% of vacant office space and fell 21%** against the backdrop of strong pre-letting activity (51% of the 2 million sq.m currently under construction).

With only a 2% vacancy rate in Paris CBD and 2.6% in the rest of Paris, the rental market in Paris is especially tense as the capital's available new space fell 27% year on year, particularly in the CBD and Southern Paris. In the long run, this is expected to redirect the demand towards peripheral markets such as the Western Crescent and Inner Suburbs.

The vacancy rate in La Défense continued its sharp decline, falling from 8.3% one year ago to 5.3% today, while new construction projects have gathered steam (+61% for a total of ~334,000 sq.m) with 35% already pre-let.

Immediate availability in the Western Crescent also declined during H1, which mainly stemmed from Peri-Défense where take-up was the strongest. With 842,000 sq.m immediately available and an additional 202,000 sq.m under construction, this area is the one most likely to benefit from the shift of companies from Paris, making it possible to balance the vacancy rate of its various submarkets (7.4% in Neuilly-Levallois, 9.8% in South Loop, 13.4% in Peri-Défense). In addition, the pre-letting rate of construction projects is one of the highest in this market, i.e. 63%.

Lastly, supply in the Outer Ring posted a year-on-year decrease (-10%), particularly in Outer Ring South (-16% year on year) due to very limited future supply since 2016, which amounted to around 150,000 sq.m at the end of June 2018, with a pre-letting rate of 41%.

As a result of a significant supply and demand imbalance, headline rents are sharply up in Paris while incentives have been reined in. The latest data available from ImmoStat for Q1 2018 shows a reduction in rent-free periods across all Paris areas (15% in Paris CBD and 13% in the rest of Paris) whereas the other markets have only decreased slightly (23% in La Défense for leases > 5,000 sq.m, 24% in the Western Crescent, 25% in the Inner Ring and 23% in the Outer Ring).

The prime rent in the Paris CBD now stands at €780/sq.m with a maximum amount recorded at €850/sq.m. This opens the door to a cycle of higher rents to which the economic climate lends itself (rising GDP and the gradual return of core inflation). The appeal of Paris has also played a role in the increase of average rents for both new supply (+4% year on year) and second-hand spaces (+5% year on year). **Outside the capital, prime rents have also increased in markets in the Western Crescent and the Inner Suburbs**, as seen in the example of the lease signed by "Parfums Christian Dior" for the Kosmo building for €620/sq.m and new leases in the Outer Ring.

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

Leasing activity in the six main French cities outside Paris (Lyon, Lille, Toulouse, Aix/Marseille, Bordeaux and Nantes) achieved its best results in 2017 with take-up of 1.1 million sq.m, up 5% compared to 2016 and 21% higher than the average volume over the past five years.

This recovery stems from the sharp increase in take-up in Marseille (+31% vs. 2016) and especially the boom in the Bordeaux market (+51% vs. 2016), while Lyon, Lille and Toulouse were slightly off pace after performing well in 2016.

In Q1 2018, the market continued to thrive with take-up rising 10% (248,000 sq.m in Q1 2018 vs. 225,000 in Q1 2017), driven mainly by Lyon and Lille. These two cities regained their footing thanks to small and medium spaces and a number of large transactions such as Booking (7,927 sq.m in Lille) and Opteven Services (5,250 sq.m in Lyon).

The supply available within one year amounted to 1.5 million sq.m at the end of Q1 2018. After an 8% drop in 2017, mostly due to a shortage of second-hand supply which remains in demand, the supply available within one year flattened out in early 2018 **with the proportion of new supply remaining low at 30%**, and particularly low in Aix/Marseille (11%).

With vacancy rates below 6% in Lyon, Marseille and Toulouse, and even lower in Bordeaux at 2.5% and new supply of no more than 3% being added to the existing stock in Lyon and Bordeaux, **office rents will continue to rise, especially for new offices.** In Bordeaux, the top rent for new offices rose to €240/sq.m in the city centre, while Lyon and Marseille remained in first place with prime rents of €300/sq.m (Grand Hôtel-Dieu and Part-Dieu districts in Lyon) and €320/sq.m (Tour La Marseillaise in Marseille).

Broadly speaking, the six main French cities outside Paris have reaped the benefits of their local development and enjoy a particularly favourable environment with job creation among the most dynamic for French departments over the past three years and for the five coming years (Oxford Economics forecasts).

This environment, favourable to both the rental market and rent increases, attracts an increasing amount of mainly domestic investment (€2.4 billion in 2017, i.e. +25% compared to 2016 and €528 million in Q1 2018, i.e. +27% compared to Q1 2017). More attractive than in the Paris region, prime yields have fallen sharply since 2015, appearing to have bottomed out at an unprecedented 3.90% in Lyon, followed by Lille at 4.15% in Q2 2018 and Aix/Marseille at 4.70% in Q1 with Amundi's acquisition of Corail. There exists the possibility for further yield compression mid-2018 in Bordeaux (5.10%), Toulouse (5.40%) and Nantes (6.10%).

French commercial real estate investment market (source: BNP Paribas Real Estate / JLL)

With €12.5 million invested, the French commercial real estate market (including diversification assets) has recorded its best half-year since 2014, up 49% compared to H1 2017.

The last three months of H1 were marked by an unusually high volume of investment activity, with €8.0 million invested in this period alone through a number of major transactions (at least €400 million) such as the acquisition of the future Apple headquarters at 114 Avenue des Champs-Elysées, Primonial's acquisition of a 50% stake in the "Qu4drans" site in Paris 15, Sogecap's acquisition of the "Kosmo" building in Neuilly-sur-Seine and the 50% disposal of Oxford Properties' Parisian portfolio. **In a context of abundant liquity with limited supply, transactions over €100 million reinforced their dominant role, making up close to 63% of the market in H1 2018 compared to 45% in H1 2017.**

The office segment continues to predominate, accounting for 70% of total investments in H1. While volumes remained stable outside the Paris region, in the Inner Ring and La Défense, the **Western Crescent was up 32% through the sale of Kosmo in Neuilly-sur-Seine and increased investment activity in Paris** (€4.2 billion in H1 2018, i.e. 2.1 times more than in H1 2017), boosting the overall investment volume.

Foreign investors continued to invest in H1 2018, attracted by the growth potential of rents in France in a favourable economic and real estate environment. With 38% of investment activity compared to less than 30% in 2016 and 2017, they are ahead of SCPIs which began 2018 at a slower pace. American investors were the most active accounting for 19% of investment activity, followed by German investors with 11% and English investors with 4%. France continues to interest Asian funds, evidenced by the acquisition of the "Le Balthazar" office building in Saint-Denis by a Korean consortium headed by Hyundai.

Prime office yields for Paris CBD have remained stable at 3.0% since the end of 2016, which keeps the risk premium of real estate at around 200 basis points. In addition, there is no reason to doubt that French 10-year government bonds (OAT) will rebound by the end of the year.

Despite a buoyant rental market, H1 was characterised by a selective compression in the location premium, with new prime yield benchmarks, including 3.25% for Eastern Paris (Cœur Marais/Fhive), 3.8% for the Inner Ring North (Docks en Seine), 4.70% in Marseille (Le Corail in Euroméditerranée) and more recently 4.15% in Lille (Biotope in Euralille 2).

As a result, 2018 is well positioned to record an investment volume at least equal to 2017, i.e. €27.2 million, thanks to a dynamic H1 and a high number of ongoing major transactions. The stepped-up activity shown in the last quarter is expected to continue thanks to France and Luxembourg signing a new double tax treaty.

The operating property portfolio of Icade's Commercial Property Investment Division represents over 1.9 million sq.m of leasable area and is valued at €8,997.2 million.

GEOGRAPHIC DISTRIBUTION OF THE PROPERTY PORTFOLIO BY TYPE OF ASSET

As of June 30, 2018

In value terms on a proportionate consolidation basis

(in millions of euros)	Offices	Business parks	Other assets	TOTAL	%
PARIS REGION	4,506	3,741	111	8,358	92.9%
% of total	*88.8%*	*100.0%*	*61.1%*		
incl. Paris	629	975	0	1,604	
incl. La Défense/Peri-Défense	2,362	-	-	2,362	
incl. Western Crescent	868	135	-	1,003	
incl. Inner Ring	627	1,517	10	2,154	
incl. Outer Ring	21	1,113	101	1,235	
OUTSIDE THE PARIS REGION	568	-	71	639	7.1%
% of total	*11.2%*	*0.0%*	*38.9%*		
GRAND TOTAL	**5,074**	**3,741**	**182**	**8,997**	
% OF TOTAL PORTFOLIO VALUE	56.4%	41.6%	2.0%		100%

DESCRIPTION OF THE PORTFOLIO

The tables below show leasable floor areas for office and business park properties between December 31, 2017 and June 30, 2018. Leasable floor space relates to leasable units in portfolio assets (excluding car parks). It is shown on a full consolidation basis.

- Offices

As of June 30, 2018, Icade owns office buildings representing a total leasable floor area of 711,343 sq.m. Most of these assets are located in the Paris region, in the La Défense/Peri-Défense area and in the Inner Ring for 535,672 sq.m.

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

	12/31/2017	H1 2018 changes			06/30/2018
Asset class	Leasable floor area	Acquisitions/ completions	Asset disposals	Developments/ refurbishments	Leasable floor area
On a full consolidation basis	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*
PARIS REGION	531,968	8,489	-	(4,785)	535,672
% of total	*75.1%*	*100.0%*	*0.0%*	*93.9%*	*75.3%*
incl. Paris	43,007	-	-	(2,788)	40,219
incl. La Défense/Peri-Défense	303,521	695	-	(1,996)	302,220
incl. Western Crescent	68,196	7,794	-	-	75,990
incl. Inner Ring	105,818	-	-	-	105,818
incl. Outer Ring	11,426	-	-	-	11,426
OUTSIDE THE PARIS REGION	175,983	-	-	(312)	175,671
%	*24.9%*	*0.0%*	*0.0%*	*6.1%*	*24.7%*
TOTAL OFFICES	**707,951**	**8,489**	**-**	**(5,097)**	**711,343**

In H1, Icade completed the refurbishment of 7,794 sq.m in the Crystal Park building in Neuilly-sur-Seine, which has already been fully pre-let with leases taking effect after June 30, 2018.

- Business parks

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

The overall leasable floor area of the business parks totalled 1,173,840 sq.m as of June 30, 2018.

Asset class On a full consolidation basis	12/31/2017 Leasable floor area *(in sq.m)*	H1 2018 changes Acquisitions/ completions *(in sq.m)*	Asset disposals *(in sq.m)*	Developments/ refurbishments *(in sq.m)*	06/30/2018 Leasable floor area *(in sq.m)*
PARIS REGION	1,158,055	26,055	-	(10,269)	1,173,840
% of total	*100.0%*	*100.0%*	*0.0%*	*100.0%*	*100.0%*
incl. Paris	115,124	24,851	-	-	139,975
incl. La Défense/Peri-Défense	-	-	-	-	-
incl. Western Crescent	62,746	-	-	-	62,746
incl. Inner Ring	405,236	390	-	(9,556)	396,070
incl. Outer Ring	574,947	814	-	(713)	575,048
OUTSIDE THE PARIS REGION	-				-
%	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
TOTAL BUSINESS PARKS	**1,158,055**	**26,055**	**-**	**(10,269)**	**1,173,840**

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

In H1 2018, Icade completed the refurbishment of its former headquarters building (Millénaire 1) located in the Millénaire business park (23,715 sq.m) and leased to BNP Paribas.

In addition, in anticipation for the development of Block D (17,350 sq.m of offices and hotels) located in the Portes de Paris business park, 8,578 sq.m have been made available for refurbishment.

Likewise, 1,545 sq.m have been made available for development to allow for an extension of the Block C project in the same business park (Portes de Paris in Aubervilliers).

2.2.2. Changes in value of the Commercial Property Investment Division's portfolio on a proportionate consolidation basis

(on a proportionate consolidation basis)	FV as of 12/31/2017	FV as of 12/31/2017 of assets sold	Investments and other [1]	Like-for-like change (€m)	Like-for-like change (%)	FV as of 06/30/2018
Offices [d]	4,724.0	(4.8)	276.8	78.3	+1.7%	5,074.3
Business parks [d]	3,623.2	-	56.9	60.6	+1.7%	3,740.8
Other Commercial Property Investment assets[c]	182.8	(7.5)	8.5	(1.7)	(1.0%)	182.2
TOTAL	**8,530.0**	**(12.3)**	**342.2**	**137.2**	**+1.6%**	**8,997.2**

[1] Includes capex, payments made in 2018 as part of ongoing off-plan acquisitions and Icade's increased stake in ANF Immobilier. Also includes the restatement of transfer duties and fees, changes in the values of assets acquired during the financial year, works to properties sold and changes in the values of assets treated as financial receivables

On a proportionate consolidation basis, the overall value of the Commercial Property Investment Division's portfolio was €8,997.2 million excluding duties as of June 30, 2018 vs. €8,530.0 million at the end of 2017, i.e. an increase of €467.2 million (+5.5%). On a full consolidation basis, the Commercial Property Investment Division's portfolio was worth €9,152.5 million vs. €8,751.2 million as of December 31, 2017.

Excluding investments and asset disposals in H1 2018, the like-for-like change is +€137.2 million, i.e. +1.6%.

In value terms, 93% of Icade's commercial property portfolio is located in the Paris region.

OFFICES

As of June 30, 2018, the office portfolio represented €5,074.3 million, vs. €4,724.0 million as of December 31, 2017, an increase of +€350.3 million (+7.4%). Excluding investments and asset disposals in H1 2018, the value of the Offices division's assets as of June 30, 2018 is +€78.3 million (i.e. + 1.7%). On a full consolidation basis, the office portfolio is worth €5,209.4 million vs. €4,918.0 million as of December 31, 2017.

BUSINESS PARKS

As of June 30, 2018, the business park portfolio represented €3,740.8 million vs. €3,623.2 million as of December 31, 2017, an increase of +€117.6 million (+3.2%). On a like-for-like basis, the value of business park assets increased by €60.6 million over the half year, i.e. +1.7%. This rise resulted mainly from a +€54.4 million increase in the business parks located at the gateway to Paris, reflecting in particular the attractiveness of the Millénaire and Pont de Flandre business parks. On a full consolidation basis, the business park portfolio was worth €3,740.8 million vs. €3,623.2 million as of December 31, 2017.

These strong increases in the values of the Office and Business Park portfolios reflect value creation driven in particular by projects under development (Origine, Pulse and B007 projects) and proactive asset management resulting in yield compression for secure assets. The portfolio of assets outside the Paris region also saw the progress of projects under development (Orianz and Factor E in Bordeaux, Lafayette B-C in Lyon) and benefited from improved occupancy.

2.2.3. Investments

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

(in millions of euros)	Off-plan acquisitions	Projects under development	Other capex	Other	Total
Offices	115.8	71.3	17.2	4.1	208.4
Business parks	-	40.8	14.7	1.6	57.2
OFFICES & BUSINESS PARKS	115.8	112.1	31.9	5.8	265.6
Other assets	0.7	-	0.4	0.0	1.1
COMMERCIAL PROPERTY INVESTMENT	**116.4**	**112.1**	**32.3**	**5.8**	**266.7**

Investments made in H1 2018 added up to **€266.7 million**, including among others:

- Off-plan acquisitions for a total of **€116.4 million** relating to:
  - Go Spring development in Nanterre (Hauts-de-Seine) for €55.2 million. The first phase was completed in H1 2017 (second phase scheduled for completion in 2019);
  - Continuation of construction of the property scheme on avenue Gambetta (20th district of Paris). The amount for the half year ended represented €28.1 million;
  - Investments in the portfolio of assets located outside the Paris region for €25.7 million;
  - The signing of a project in synergy with Icade Promotion for the construction of the Latécoère Group's future headquarters in Toulouse. The amount invested for H1 2018 was €7.3 million.

- Projects under development for **€112.1 million** including the Origine project (Nanterre) for €59.5 million for the office portfolio, and refurbishment works in the Millénaire 1 building and the continuation of development schemes for the business park portfolio.

- Other capex for **€32.3 million**: These include primarily the renovation costs of the business parks and offices (major maintenance and repairs and restoration work on premises).

PROPERTY DEVELOPMENT PROJECTS

As of June 30, 2018, 24 identified projects represented a total pipeline of development projects of €2.1 billion (€2.0 billion on a proportionate consolidation basis) and a floor area of 413,300 sq.m, up €300 million from December 2017.

Development projects are located not only in the major commercial hubs of the Greater Paris area but also in other major French cities (Lyon, Marseille, Bordeaux).

Among the highlights of H1 2018 was the Millénaire 1 project, which was completed and leased to BNP Paribas. Two projects were launched outside the Paris region during the same period:

- Park View in Lyon: construction of a 22,800-sq.m office building, scheduled for completion in 2020.
- Lafayette B-C in Lyon: refurbishment of 7,115 sq.m of office space in the heart of the largest business district in Lyon (Part-Dieu), expected to be completed in 2019.

In total, projects started represented a total investment volume of €1.4 billion. These projects are 53% pre-let or pre-sold.

Icade also owns a pipeline of projects under development of €672 million.

The expected yield on cost is 6.4%, with a pipeline of 82% located in Paris, Peri-Défense and Inner Ring, and a value creation potential estimated at €0.6 billion for the coming years.

Project name	Location	Type of project	Type of property	Estimated date of completion	Floor area	Expected rent	Yield on cost (1)	Total investment (2)	Remaining to be invested > H1 2018	% pre-let or pre-sold
ORIANZ (3)	Bordeaux	Construction	Offices	Q3 2018	20,778	4.3	6.9%	62.9	11.8	56%
B&B HOTEL ARMAGNAC EURATLANTIQUE (3)	Bordeaux	Construction	Hotel	Q3 2018	2,854	0.5	6.9%	7.6	0.6	100%
FACTOR E (3)	Bordeaux	Construction	Offices	Q4 2018	10,922	2.3	7.4%	31.3	6.3	0%
AVENUE GAMBETTA (4)	Paris	Construction	Offices	Q1 2019	20,000	7.9	5.7%	138.7	39.0	97%
PULSE	Portes de Paris business park	Development	Offices	Q1 2019	28,695	9.4	7.3%	128.2	46.4	0%
GO SPRING - BUILDING A	Nanterre	Construction	Offices	Q1 2019	18,507	6.4	5.2%	122.7	17.9	74%
LAFAYETTE B-C (3)	Lyon	Refurbishment	Offices	Q1 2019	7,115	1.9	6.6%	28.3	12.7	0%
LE CASTEL - BOULEVARD DES DAMES	Marseille	Construction	Offices	Q2 2019	5,960	1.5	7.4%	20.0	12.8	0%
QUAI RIVE NEUVE	Marseille	Refurbishment	Offices	Q2 2019	3,112	0.7	5.4%	13.7	6.1	100%
B007	Pont de Flandre business park	Development	Offices	Q3 2019	8,443	3.2	7.4%	43.4	28.0	100%
EKO ACTIVE	Marseille	Construction	Offices	Q3 2019	8,300	2.1	7.4%	28.4	26.8	0%
MONACO	Rungis business park	Refurbishment	Hotel	Q3 2019	4,628	0.9	4.9%	17.5	11.7	100%
TOULOUSE - LATECOERE	Toulouse	Construction	Offices	Q1 2020	12,500	2.0	5.2%	39.0	30.5	100%
B034	Pont de Flandre business park	Refurbishment	Hotel	Q2 2020	4,850	1.1	4.3%	26.4	21.4	0%
ORIGINE	Nanterre Préfecture	Development	Offices	Q4 2020	65,000	28.8	5.8%	500.1	284.1	79%
PARK VIEW (3)	Lyon	Construction	Offices	Q4 2020	22,800	5.0	6.2%	80.8	48.1	0%
POLE NUMERIQUE	Portes de Paris business park	Development	Offices / business centre	Q1 2021	9,444	2.1	5.2%	38.5	30.7	0%
FONTANOT	Nanterre Préfecture	Refurbishment	Offices	Q4 2021	15,756	5.5	4.8%	115.2	40.8	100%
PROJECTS STARTED					269,700	85.7	5.9%	1,443.0	675.7	53%
BLOCK C1	Portes de Paris business park	Development	Offices		42,900					0%
BLOCK B2	Millénaire business park	Development	Offices		40,616					0%
BLOCK B32	Millénaire business park	Development	Offices		27,695					0%
BLOCK D	Portes de Paris business park	Development	Offices / hotel		17,350					0%
OTTAWA 1	Rungis business park	Development	Offices		7,500					0%
OTTAWA 2	Rungis business park	Development	Offices		7,500					0%
COMMERCIAL PROJECTS NOT COMMITTED					143,600	48.7	7.3%	672.0	568.7	0%
TOTAL PIPELINE					**413,300**	**134.4**	**6.4%**	**2,115.0**	**1,244.4**	**35%**

(1) YOC = headline rental income / cost of the project as approved by Icade's governance bodies. This cost includes the fair value of land, cost of works, carrying costs and any lease incentives.
(2) Total investment includes the fair value of land, cost of works, lease incentives and finance costs - For off-plan projects, this is the acquisition price including transfer taxes.
(3) On a full consolidation basis
(4) Includes a lease signed for 16,000 sq.m in the office segment due to start after June 30, 2018

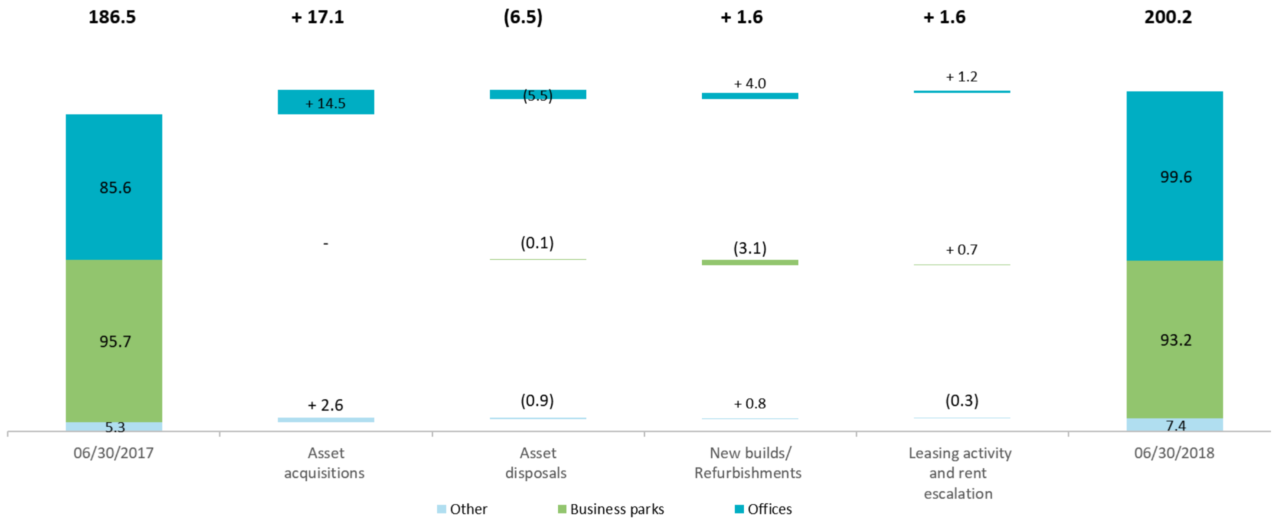
2.2.4. Asset disposals

Disposals carried out in H1 2018 amounted to €14.2 million and mainly related to disposals of individual housing units from the Residential Property Investment Division.

Asset disposals generated an overall capital gain of €5.9 million.

2.2.5. Rental income from the Commercial Property Investment Division as of June 30, 2018

RENTAL INCOME FROM THE COMMERCIAL PROPERTY INVESTMENT DIVISION



Gross rental income generated by the Commercial Property Investment Division in H1 2018 amounted to €200.2 million, an increase of €13.7 million compared to 2017 (+7.3%).

Rental income from the office and business park business went up by +€11.5 million (+6.4%) compared to H1 2017.

On a like-for-like basis, rental income was up +1.2%, with +1.5% in the office segment and +0.8% in the business park segment.

The total change in rental income during the half year ended breaks down as follows:

- Impact of changes in scope of consolidation: +€12.2 million including:
  - Asset acquisitions: +€17.1 million mainly relating to income from the ANF Immobilier company acquired in 2017
  - Asset disposals: -€6.5 million including:
    - -€5.4 million in rental income due to the sale of three LCL office assets in 2017;
    - -€0.9 million in rental income due to the disposals carried out in the 'Other assets' segment (homes and warehouses).
  - Completions and refurbishments: +€1.6 million, most of which relates to:
    - -€2.7 million for refurbishment works in the Millénaire 1 building;
    - +€4.4 million for asset completions including Open, Défense 456 and Go Spring

- Leasing activity: up +€1.6 million, most of which comes from the office and business park segment. The variation in the main indices (ICC, ILAT) resulted in a +1.0% increase in the half year ended.

	06/30/2018		06/30/2017	
(in millions of euros)	**Net rental income**	**Margin**	**Net rental income**	**Margin**
France offices	92.5	92.9%	80.6	94.1%
Business parks	77.7	83.4%	74.7	78.1%
OFFICES & BUSINESS PARKS	**170.2**	**88.3%**	**155.3**	**85.7%**
Other assets	4.6	46.0%	1.1	13.4%
Intra-group transactions from Commercial Property Investment	2.5		1.9	
NET RENTAL INCOME	**177.2**	**88.5%**	**158.4**	**84.9%**

Net rental income from the Commercial Property Investment Division for H1 2018 totalled €177.2 million. The office and business park margin rate stood at 92.9% and 83.4%, respectively, up 2.6 pps compared to June 30, 2017.

The rise observed in business parks is mainly due to the improved occupancy level.

In the office segment, the decline in net rental income stems from extraordinary income (tax relief) obtained in connection with the EQHO Tower in H1 2017 which creates an unfavourable base effect.

2.2.6. Leasing activity of the Commercial Property Investment Division

	12/31/2017	H1 2018 changes				06/30/2018	New leases		06/30/2018
		Additions	Exits						
Asset class	Leased floor area	leasing activity	leasing activity	disposals	Adjustments (1)	Leased floor area	Impact in H1 2018	Impact after H1 2018	Total
On a full consolidation basis	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*	*(in sq.m)*
Offices	667,169	10,047	(11,867)	-	-	665,349	9,146	10,323	19,469
Business parks	999,306	41,595	(20,309)	-	-	1,020,592	19,258	538	19,796
Warehouses	38,764	4,819	(4,819)	-	-	38,764	-	4,854	
Hotels	29,590	-	-	-	-	29,590	-	-	-
LIKE-FOR-LIKE SCOPE (A)	1,734,829	56,461	(36,995)	-	-	1,754,296	28,404	15,715	44,119
Offices	447	881	(311)	-	(887)	131	-	-	-
Business parks	26,264	26,830	(12,763)	-	-	40,331	1,227	256	1,483
Warehouses	-	-	-	-	-	-	-	-	-
Hotels	-	-	-	-	-	-	-	-	-
ACQUISITIONS / COMPLETIONS / REFURBISHMENTS (B)	26,711	27,711	(13,074)	-	(887)	40,461	1,227	256	1,483
SUBTOTAL (A+B)	1,761,540	84,172	(50,069)	-	(887)	1,794,757	29,631	15,971	45,602
Offices	218	-	-	-	-	218			-
Business parks	-	-	-	-	-	-	-	-	-
Warehouses	-	-	-	-	-	-	-	-	-
DISPOSALS (C)	218	-	-	-	-	218	-	-	-
COMMERCIAL PROPERTY INVESTMENT (A)+(B)+(C)	**1,761,758**	**84,172**	**(50,069)**	**-**	**(887)**	**1,794,975**	**29,631**	**15,971**	**45,602**

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

On a like-for-like basis, the Commercial Property Investment Division's leasing activity in H1 2018 resulted in the addition of 56,461 sq.m to and the exit of 36,995 sq.m from the portfolio of leased space.

The balance between additions and exits during the half year stands at 19,466 sq.m and breaks down as follows:

- Like-for-like office portfolio
  - On a like-for-like basis, additions to the leased office space totalled 10,047 sq.m. They mainly included the Axe Seine building (Nanterre) and the PB5 Tower (La Défense) for 2,787 sq.m and 1,615 sq.m, respectively.
  - Like-for-like exits (tenant departures) represented 11,867 sq.m including 3,992 sq.m recorded in the Défense 2 building (Nanterre).

- Like-for-like business park portfolio
  - Out of a total of 41,595 sq.m added to the portfolio of leased space, the main changes were as follows:
    - 5,587 sq.m leased to ESI Group in the Séville - Copenhague building in the Rungis business park;
    - 3,985 sq.m leased to La Française Des Jeux in the Paris Nord business park;
    - 3,737 sq.m leased to Atalian in the Portes de Paris business park.
  - Out of a total of 20,309 sq.m of exits from the portfolio of leased space, the main changes were as follows:
    - 2,817 sq.m vacated by Xeros in the Paris Nord business park;
    - 1,055 sq.m vacated by Buhler in the Paris Nord business park;
    - 1,022 sq.m vacated by MC Group in the Portes de Paris business park.

- Acquisitions / completions

The balance of property acquisitions, completions and refurbishments reached 14,637 sq.m.

H1 2018 saw the completion of the refurbishment works in the Millénaire 1 building for 23,715 sq.m leased to BNP Paribas in March 2018.

Vacated space due for refurbishment or demolition totalled 13,074 sq.m and was mainly located in the Portes de Paris business park (11,607 sq.m).

In H1 2018, Icade signed 66 leases representing an aggregate floor area of 45,602 sq.m and annualised headline rental income of €10.9 million including:

- 19,470 sq.m in the office segment (€6.8 million) including 4,572 sq.m of newly refurbished space in the Crystal Park building in Neuilly (lease due to start after financial year 2018);
- 21,280 sq.m in the business park segment (€3.9 million)
- 4,854 sq.m in the warehouse segment (€0.2 million).

During the period, 30 leases were **renewed**, representing a combined floor area of 100,940 sq.m and annualised headline rental income of €22.7 million. The weighted average unexpired lease term of these renewed leases stood at 6.2 years. This is 1.3 years longer than portfolio average, having a positive impact on the average unexpired lease term of the portfolio.

The main lease renewals related to the following tenants:

- Pierre & Vacances lease in the Pont de Flandre business park (18,942 sq.m) renewed for a term of 9 years;
- Club Méditerranée lease in the Pont de Flandre business park (12,489 sq.m) renewed for a term of 5 years.

Taking these changes into account, the weighted average unexpired lease term was 4.9 years as of June 30, 2018, a slight increase compared with December 31, 2017 and a marked improvement in the business park segment (+0.4 years).

As of June 30, 2018, the ten largest tenants generated a combined annual rental income of €130.4 million (about 31.8% of the annualised rental income of the Commercial Property Investment portfolio), excluding public entity.

Financial occupancy stood at 92.5% as of June 30, 2018, the same figure as on December 31, 2017.

On a like-for-like basis, financial occupancy was up +0.7 pp. This increase was less pronounced for offices (+0.2 pp) than for business parks (+1.4 pps).

On a reported basis, the completion of 7,800 sq.m of newly refurbished space in H1 2018 in the Crystal Park building in Neuilly explains the occasional drop in financial occupancy for offices. This space has already been 100% pre-let (with leases scheduled to start after June 30, 2018).

	Financial occupancy rate *(in %)*[b]			Weighted average unexpired lease term *(in years)*[b]	
Asset class	**06/30/2018**	**12/31/2017**	**Like-for-like change[a]**	**06/30/2018**	**12/31/2017**
Offices	93.8%	95.3%	+0.2 pp	5.6	5.7
Business parks	90.9%	89.3%	1.4 pp	4.1	3.7
OFFICES & BUSINESS PARKS	**92.4%**	**92.4%**	**+0.8 pp**	**4.8**	**4.7**
Hotels	100.0%	100.0%	+0.0 pp	2.2	8.4
Warehouses	100.0%	100.0%	+0.0 pp	7.9	2.2
COMMERCIAL PROPERTY INVESTMENT	**92.5%**	**92.5%**	**+0.7 pp**	**4.9**	**4.8**

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

(b) Based on proportionate consolidation

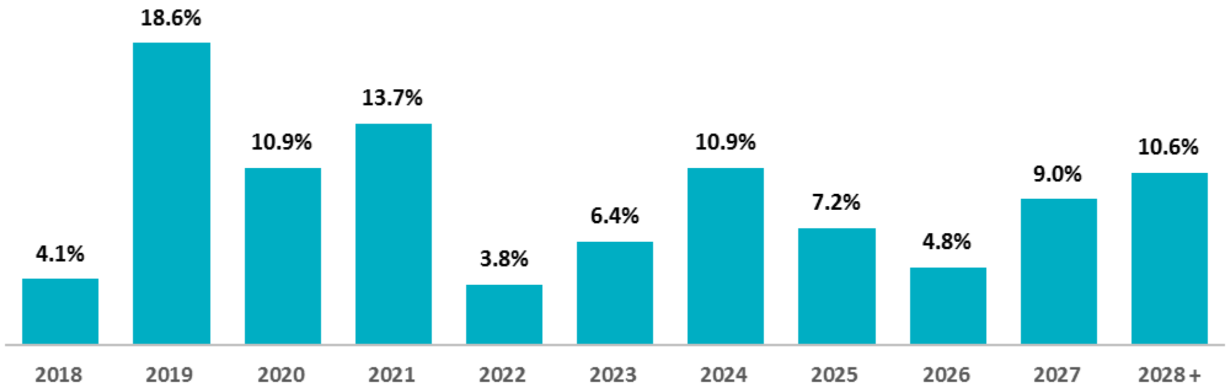
The annualised potential rental income from vacant space (excluding structural vacancy estimated at 8% on average in business parks and excluding floor space due to be refurbished and/or demolished) in operating properties represents €27.8 million, and the related annualised vacancy costs stand at €7.2 million. This means that the Commercial Property Investment Division has an optimisation potential of €35.1 million in terms of annual rental income.

LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF ANNUALISED RENTAL INCOME (IN MILLIONS OF EUROS)

	France offices	Business parks	Hotels	Warehouses	Total	Share of total
H2 2018	10.7	5.9	-	0.2	16.8	4.1%
2019	31.1	44.7	0.4	-	76.1	18.6%
2020	9.8	33.6	-	1.3	44.7	10.9%
2021	22.3	33.7	-	-	56.0	13.7%
2022	2.3	12.5	0.6	-	15.4	3.8%
2023	14.3	11.5	-	0.4	26.2	6.4%
2024	37.6	7.2	-	-	44.8	10.9%
2025	10.3	18.3	0.9	-	29.5	7.2%
2026	15.3	4.1	0.3	-	19.7	4.8%
2027	27.3	8.5	1.1	-	36.9	9.0%
2028 and beyond	23.9	17.8	1.8	-	43.5	10.6%
TOTAL	**204.8**	**197.9**	**5.1**	**1.8**	**409.6**	**100.0%**

LEASE EXPIRY SCHEDULE IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in % and on a full consolidation basis)



2.3. Healthcare Property Investment Division

2.3.1. Market update and overview of the property portfolio

MARKET UPDATE

(source: Jones Lang LaSalle, Cushman & Wakefield, Drees Santé)

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

- Healthcare facilities, including medicine, surgery and obstetrics (MSO) facilities for short-term stays, and psychiatric facilities and post-acute care (PAC) facilities for medium-term stays; 85 to 90% of revenues of tenant operators of healthcare facilities are derived from the French national health insurance (Assurance Maladie);
- Long-term facilities, including medical-social establishments—i.e. nursing homes (accommodation facilities for dependent elderly persons [EHPAD]) and retirement homes (accommodation facilities for the elderly [EHPA])—and managed residences (seniors' residences with services). The revenue of tenant operators of nursing homes is derived from the French national health insurance (Assurance Maladie), Departmental Councils (housing assistance and assistance to dependent persons) and the residents themselves or their families.

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

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

Continued consolidation of healthcare providers

As the number of building permits for healthcare facilities has declined since 2011, healthcare and medical-social operators have focused on acquisition-led growth to strengthen their market position, geographic coverage and effectiveness.

H1 2018 was highlighted by continued consolidation of regional healthcare providers with changes in the shareholding structure of fast growing groups (Almaviva Santé and C2S, sold by their financial shareholders) and sales of smaller groups by their historic owners (Saint George and start of the selling process for Confluent). A number of facilities were also acquired by healthcare operators (acquisitions by DocteGestio, Vivalto Santé, etc.).

Real estate investors have continued to play a role in industry consolidation by offering sale-and-leaseback transactions to healthcare operators and thereby allowing them to free up capital for acquisition-led growth.

A full-fledged asset class with a strong transaction volume in the secondary market

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

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

At the end of 2015, Eurosic formed a vehicle dedicated to leisure and healthcare assets (Lagune) located in Europe, which was bought out by the Batipart group in August 2017 as part of the acquisition of Eurosic by Gecina while the investment market was especially dynamic with two significant portfolios put on the market (Vitalia and Gecimed).

A number of asset management firms which carried out targeted fundraising have entered the market since 2014 by creating dedicated investment vehicles, often investing in nursing homes as this is a less specific type of asset than hospitals. For instance, Primonial held a portfolio of around €2 billion of healthcare assets located in France as of the end of 2017, through the Primovie OPCI (a real estate collective investment scheme). BNP Paribas REIM has about €400 million of assets under management through Health Property Fund 1, its dedicated investment fund. Similarly, Swiss Life REIM, La Française, and AXA IM have dedicated investment vehicles for healthcare real estate.

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

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

After two record years in 2015 and 2016 (respectively, €1.2 billion and €1.6 billion invested in healthcare real estate), 2017 saw a decline in investments to €497 million in France, of which €374 million were attributable to real estate investors. H1 2018 was primarily marked by two acquisitions—Icade Santé making its first investment in the nursing home sector by purchasing a portfolio of 14 such facilities located across France from the Residalya network and AXA IM acquiring a portfolio of 8 nursing homes from GDP Vendôme—while Pierval Santé (Euryale Asset Management) acquired 3 nursing homes from Vivalto Vie.

2018 should also see investments rebound and potentially hit the €700 million mark that Cushman & Wakefield considered achievable at the beginning of 2018.

While healthcare property sales have been weak in the French market, investors have expanded abroad since 2017, turning to Germany—the biggest healthcare real estate market in Europe—but also to Italy, Spain, Ireland and the United Kingdom.

Competition, which remains strong between specialised investors and new entrants in a context of strong capital flows into all real estate markets, continues to drive yield compression in the healthcare segment, although these yields are still attractive. The current prime yield (new facilities or facilities in excellent condition, with 12-year leases, very well located in dynamic areas outside Paris and operated by a leading company) is around 4.50% for nursing homes (EHPAD) (vs. 4.70% at the end of 2016), 4.75% for post-acute care (PAC) and psychiatric (PSY) facilities (vs. 5.25% at the end of 2016) and 5.25% for medicine, surgery and obstetrics (MSO) facilities (vs. 6.15% at the end of 2015) (source: JLL).

PROPERTY PORTFOLIO OF ICADE SANTÉ

The property portfolio of Icade's Healthcare Property Investment Division represents nearly 1.5 million sq.m of operating floor area (0.8 million sq.m on a proportionate consolidation basis). It is mainly comprised of medicine, surgery and obstetrics (MSO) facilities, and post-acute care (PAC) facilities.

GEOGRAPHIC DISTRIBUTION OF THE PROPERTY PORTFOLIO BY TYPE OF ASSET

	Portfolio value (full consolidation basis)		Total floor area (full consolidation basis)	
In terms of total portfolio value and total floor area	(in €m)	% of total portfolio value	In terms of floor area (in sq.m)	% of total floor area of the portfolio (sq.m)
AUVERGNE-RHONE-ALPES	433	10%	151,713	10%
BOURGOGNE-FRANCHE-COMTÉ	94	2%	36,267	2%
BRETAGNE	169	4%	68,270	5%
CENTRE-VAL DE LOIRE	127	3%	53,283	4%
GRAND EST	159	4%	51,233	3%
HAUTS-DE-FRANCE	369	9%	134,417	9%
PARIS REGION	671	16%	177,371	12%
NORMANDIE	149	4%	46,287	3%
NOUVELLE-AQUITAINE	499	12%	220,498	15%
OCCITANIE	876	21%	326,708	22%
PAYS DE LA LOIRE	410	10%	161,907	11%
PROVENCE-ALPES-CÔTE D'AZUR	239	6%	56,496	4%
GRAND TOTAL	**4,197**	**100%**	**1,484,450**	**100%**

DESCRIPTION OF THE PORTFOLIO

As a market leader, Icade has become a major player in the healthcare sector by building, between 2007 and 2018, a portfolio of 100 healthcare assets featuring:

- Cash flows that start immediately;
- Initial lease terms of 12 years with no break clause and a weighted average unexpired lease term of 7.4 years as of June 30, 2018;
- A high margin rate (net rental income/gross rental income)
- Financial occupancy rate of 100%

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

Icade Santé is 56.77% owned by Icade, the remainder being owned by France's largest life insurance companies (Prédica, Cardif, CNP Assurances, Macif and Sogecap).

2.3.2. Changes in value of assets from the Healthcare Property Investment Division on a proportionate consolidation basis

(on a proportionate consolidation basis)	FV as of 12/31/2017	FV as of 12/31/2017 of assets sold	Investments and other	Like-for-like change (€m)	Like-for-like change (%)	FV as of 06/30/2018
Healthcare	2,280.6	(0.6)	44.4	+58.2	+2.6%	2,382.5

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

Based on proportionate consolidation, the overall value of this portfolio is estimated at €2,382.5 million excluding duties as of June 30, 2018 vs. €2,280.6 million at the end of 2017, an increase of €102.0 million, i.e. +4.5%. On a full consolidation basis, the value of the Healthcare Property Investment Division's portfolio stood at €4,196.6 million as of June 30, 2018 vs. €4,035.7 million at the end of 2017.

On a like-for-like basis, excluding disposals and investments made during the period, portfolio value increased by +€58.2 million on a proportionate consolidation basis over H1 2018, i.e. +2.6%.

This value creation is mainly due to continued yield compression for the most significant assets.

2.3.3. Investments

(in millions of euros)	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	**1.3**	**28.9**	**16.3**	**13.2**	**59.6**

In order to support its investments planned for the year and in line with the subsidiary's policy of financing its acquisitions with 60% of equity, a €160 million capital increase was carried out in June 2018. It will help fund, in particular, the acquisition of 14 nursing homes for €189 million in July 2018, in addition to the development projects scheduled during the year.

In H1 2018, investments amounted to €59.6 million and broke down as follows:

- €28.9 million invested in developments, especially in:
  - The Croix du Sud polyclinic in Quint-Fonsegrives for €11.4 million;
  - The extension project for the Clinique de l'Atlantique private hospital in Puilboreau for €7.8 million;
  - The Bromélia polyclinic in Saint-Herblain for €5.7 million;
  - Courlancy polyclinic in Bezannes for €3.6 million.

- €16.3 million of works to operating healthcare facilities, most of which will generate additional rental income.

- €13.2 million including €11.9 million of VAT add-backs generating additional rental income for four operating healthcare facilities.

H1 2018 also saw the completion of two assets in the development pipeline:

- Reims-Bezannes (30,000 sq.m) which is in the process of obtaining HQE certification, with a lease that started on April 1, 2018 (12-year off-plan lease entered into with Courlancy Santé).
- Bromélia in Saint-Herblain (16,000 sq.m) with a 12-year lease with no break option having started in May 2018.

DEVELOPMENT PIPELINE

In millions of euros	Estimated date of completion	Operator	Number of inpatient and outpatient beds	Rental income	Yield on cost [1]	Total cost of project	Remaining to be invested (€m)
La Croix du Sud polyclinic Quint-Fonsegrives	2,018	Capio	269			80.8	1.1
Grand Narbonne private hospital Montredon-des-Corbières	2,020	Elsan	283			47.8	43.7
Clinique de l'Atlantique - Puilboreau	2019-2020	Capio	100			20.0	10.1
ELSAN STOA - Saint-Herblain (complement)	2,019	Elsan	169			8.2	6.6
PROJECTS STARTED			**821**	**9.4**	**6.0%**	**156.8**	**61.5**

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

Icade Santé has a development pipeline of €156.8 million (costs of the projects). The average estimated yield on cost of these projects is 6.0%.

2.3.4. Asset disposals

Assets disposals were not significant in H1 2018.

2.3.5. Rental income from the Healthcare Property Investment Division as of June 30, 2018

GROSS AND NET RENTAL INCOME FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION

Gross rental income generated by Icade Santé in H1 2018 amounted to €115.1 million, a €9.1 million increase compared to June 30, 2017 (+8.6%).

On a like-for-like basis, rental income was up €1.2 million (+1.2%).

Changes in scope of consolidation represented €7.9 million, including primarily:

- + €5.9 million in additional rental income related to acquisitions in 2017;
- + €1.6 million in additional rental income related to the completion of two assets from the development pipeline in H1 2018. These two assets were the Courlancy polyclinic and the Bromélia project;

	06/30/2018		06/30/2017	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
HEALTHCARE PROPERTY INVESTMENT	**111.6**	**96.9%**	**104.2**	**98.3%**

Net rental income generated by the Healthcare Property Investment Division in H1 2018 totalled €111.6 million, implying a margin rate of 96.9%, down 1.4 pps from H1 2017.

2.3.6. Leasing activity of the Healthcare Property Investment Division

As of June 30, 2018, the **financial occupancy rate** remained unchanged compared to December 31, 2017, at 100%.

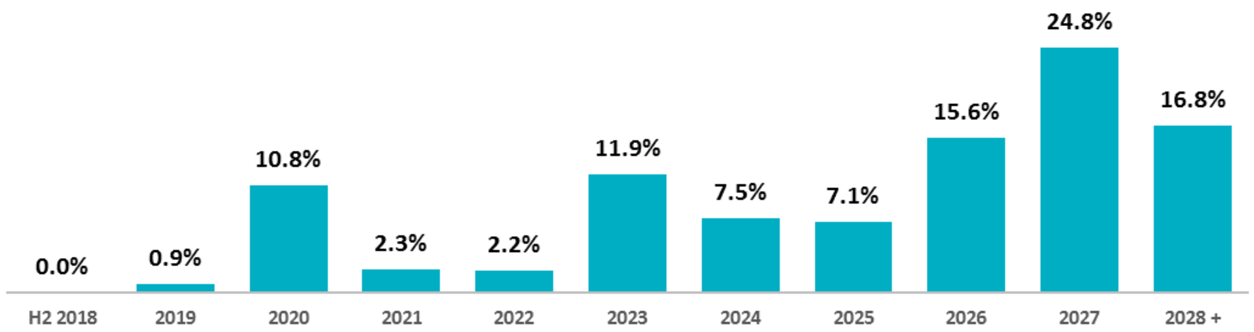
The weighted average unexpired lease term was 7.4 years and was down by only 0.2 year compared with December 31, 2017.

Most of the Healthcare Property Investment Division's are long-term, as shown in the lease expiry schedule in terms of annualised IFRS rental income.

	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 and beyond	Total
HEALTHCARE PROPERTY INVESTMENT	**-**	**2.0**	**25.8**	**5.4**	**5.2**	**28.4**	**17.8**	**17.0**	**37.2**	**58.8**	**40.0**	**237.5**

LEASE EXPIRY SCHEDULE IN TERMS OF ANNUALISED IFRS RENTAL INCOME

(in % and on a full consolidation basis)



3. Property Development Division

3.1. Market update and Icade Promotion's business indicators for H1 2018

MARKET UPDATE (H1 2018)

(source: Observatoire Crédit Logement, SOeS, CGDD, FPI)

After a record-setting 2017, **the start of 2018 remains positive** for the housing market, **despite its somewhat slower growth.**

Financing conditions remain favourable to buyers with mortgage rates down slightly (1.46% at the end of May 2018 compared to 1.51% at the end of December 2017) and longer average terms (224 months in May 2018 vs. 218 months at the end of 2017).

Despite this favourable environment, the **creditworthiness of borrowers is deteriorating** due to challenges facing government assistance programmes for first-time home buyers (the limited scope of interest-free loans and the almost total elimination of home ownership subsidies) and the rise in average selling prices (+4% according to FPI).

These economic constraints which are starting to adversely affect the purchasing power of households partially explain the market slowdown.

Statistics published by the Service de l'Observation et des Statistiques (SOeS) also show a levelling off with building permits and housing starts (throughout France) losing momentum after a sharp improvement from 2015 to 2017.

At the end of May 2018, building permits totalled 491,400 (calculated over a 12-month rolling period), which after a 7% increase in 2017, amounts to a 0.7% drop since the beginning of the year. In contrast, permits for multi-family homes were up again by 1.4% over the period (i.e. 264,800 permits over the last 12 months).

In parallel, housing starts have dropped 1.7% since the beginning of the year (with 422,200 starts over a rolling 12-month period as of the end of May) compared with an increase of 16% in 2017. Construction of new multi-family housing fell at the sharpest rate, plummeting from +20% in 2017 to -1.9% in H1, stemming mostly from the most dynamic areas (the Paris region, Auvergne-Rhône-Alpes, Occitanie, Provence-Alpes-Côte d'Azur and Nouvelle-Aquitaine).

The data published by FPI (French Federation of Real Estate Developers) make it possible to fine-tune the analysis by focusing on new build schemes consisting of at least 5 housing units and their sale. Q1 2018 statistics confirm the market slowdown due to a drop in housing orders.

The number of housing orders (net of cancellations recorded over the period, including residences and bulk sales) remains one of the highest recorded over the past ten years and levelled off at 154,262 units in Q1 2018 (calculated over a 12-month rolling period).

In Q1 2018, the average selling price (excluding car parks) of multi-family housing units calculated by FPI was up 4%, reaching €4,314/sq.m (4% outside the Paris region and 2% in the Paris region).

This price increase partially explains the 3.5% decline in housing orders recorded in Q1 2018 (12 rolling months), with first-time buyers experiencing the sharpest drop (-5.5%), due to their sensitivity to financing conditions. In addition, investors dropped off by -1.8% who since 2017 have followed the trend one quarter behind the first-time buyers.

New housing supply remained stable with 108,272 housing units (on year-on-year basis) in Q1 2018 compared to 109,009 the previous year. This stability, despite a structurally strong demand, reflects the difficulty that property developers face in initiating new projects and further underlines the **importance of the measures adopted by the French government on June 12, 2018 under the Elan housing bill (freezing the existing standards, limiting the periods for processing third-party objections, making more land available for development).**

The ratio of the available housing stock to net orders, which measures the average time on the market, remained below 10 months from the end of 2016 at 9.8 theoretical months in Q1 2018 (compared to 14 months at the end of 2014 and 12 months at the end of 2015) **which reflects a still very tense market.**

ICADE PROMOTION'S BUSINESS INDICATORS FOR H1

The Residential and Commercial segments account for two-thirds and one-third of the Property Development Division's business, respectively. This reflects Icade Promotion's positioning as an all-around player in property development throughout Metropolitan France and its overseas departments and territories.

The application of IFRS 15 "Revenue from contracts with customers" has been mandatory since January 1, 2018. For property development activities in France, the main impact of applying this standard is the accelerated recognition of revenue and profit margins based on the progress of construction work. This is due to the fact that the stage of completion of the project now includes land. As a result, this cumulative additional progress has been deducted from Icade Promotion's backlog (reduced by €138 million as of December 31, 2017 on a restated basis vs. reported, i.e. -8.4%).

Financial indicators and the backlog shown for the previous financial year have been restated for the impact of adopting this standard.

In H1 2018, the economic revenue[2] was stable compared to H1 2017 in both segments with 1.4% growth for the Commercial segment and a slight decline of 0.5% for the Residential segment.

Positive business indicators in the residential segment resulted in solid performance in terms of orders (+11.8% in value terms compared to H1 2017) and a Residential backlog up +11,1%.

[2] Revenue including entities accounted for using the equity method

This growth in the Residential segment confirms the prediction of increased revenue in FY 2018, as compared to 2017.

Improved profitability for the Property Development Division, which is measured by the current economic operating margin[3] (6.2% as of June 30, 2018 vs. 5.6% as of June 30, 2017) was mainly driven by the Commercial segment, whose current economic operating margin went up from 6.2% as of June 30, 2017 to 8.8% as of June 30, 2018.

The net profit/(loss) attributable to the Group (NPAG) as of June 30, 2018 for the Property Development Division amounted to €16.6 million, more than twice the level of June 30, 2017.

The net current cash flow (NCCF) was also sharply up, reaching €16.2 million as of June 30, 2018 compared to €7.5 million as of June 30, 2017.

SUMMARY TABLE

	06/30/2018			06/30/2017 restated			
In millions of euros	**Total Property Development**	**Current**	**Non-current**	**Total Property Development**	**Current**	**Non-current**	**Change 06/30/18 vs. 06/30/2017 restated**
ECONOMIC REVENUE	**523.0**	**523.0**		**522.5**	**522.5**		**0.6**
ECONOMIC OPERATING PROFIT/(LOSS) (a)	32.9	32.2	0.7	29.2	29.4	(0.2)	3.7
Current economic operating margin (current economic operating profit or loss/revenue)		6.2%			5.6%		0.5%
OPERATING PROFIT/(LOSS)	**28.0**	**27.4**	**0.7**	**22.8**	**22.9**	**(0.2)**	**5.3**
FINANCE INCOME/(EXPENSE)	**(1.9)**	**(1.9)**	**-**	**(2.9)**	**(2.9)**	**-**	**1.0**
Corporate tax	(8.8)	(8.5)	(0.2)	(11.4)	(11.4)	0.1	2.6
NET PROFIT/(LOSS)	17.4	16.9	0.4	8.5	8.6	(0.1)	8.8
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**16.6**	**16.2**	**0.4**	**7.4**	**7.5**	**(0.1)**	**9.3**

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

3.1.1. Return on equity

(in millions of euros)	06/30/2018	12/31/2017	06/30/2017
Adjusted net profit/(loss) attributable to the Group (a)	36.8	30.6	26.1
Average allocated capital (b)	235.8	245.3	284.9
RETURN ON EQUITY	**15.6%**	**12.5%**	**9.2%**

(a) Half-year results are shown over a 12-month rolling period. Net profit/(loss) attributable to the Group for H2 2017 does not include €7.7 million of income recognised in respect of the 3% tax on dividends, including penalty interest. Net profit(/loss) attributable to the Group is calculated in accordance with IFRS 15 for H1 2018.
(b) Weighted average value over the period of equity attributable to the Group before elimination of investments in subsidiaries, excluding profit/(loss) and including IFRS 15 impact starting on January 1, 2018.

As of June 30, 2018, return on equity stood at 15.6%, up 6.4 pps compared to June 30, 2017 and 3.1 pps compared to December 31, 2017, driven by improved net profit/(loss) attributable to the Group and lower capital allocated to Property Development.

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

3.1.2. Property Development backlog and service order book

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

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

	06/30/2018 IFRS 15			12/31/2017 IFRS 15 restated		
(in millions of euros)	Total	Paris region & Dom-Tom (overseas)	Outside the Paris region	Total	Paris region & Dom-Tom (overseas)	Outside the Paris region
Residential Property Development	1,122.2	538.3	583.9	1,010.3	457.4	552.9
Commercial Property Development	275.4	183.2	92.3	351.2	243.6	107.6
Public and Healthcare Amenities Development	71.7	7.7	64.0	106.4	16.5	89.9
Project Management Support service order book	34.9	34.0	1.0	37.3	36.5	0.8
TOTAL	**1,504.3**	**763.1**	**741.2**	**1,505.2**	**754.0**	**751.2**
Share of total	100.0%	50.7%	49.3%	100.0%	50.1%	49.9%

The total backlog of the Property Development Division as of June 30, 2018 was stable compared to that reported as of the end of 2017, at €1,504.3 million vs. €1,505.2 million as of December 31, 2017.

This change originates from:

- A 11.1% increase in the Residential Property Development Division's backlog resulting from higher housing orders in H1 (+11.8% in value terms);
- A 24.1% drop in the Commercial Property Development and Public and Healthcare Amenities Development backlog, as a result of the progress of construction in ongoing projects, mainly the office project located in Villejuif and numerous completions at the beginning of 2018:
  - In Lyon:
    - Completion of the 7,150-sq.m OXAYA office building located in the north end of Gerland;
    - Completion and handover to investor AG Real Estate of the Factory office building located in the Confluence district in the Ynfluences Square scheme (6,900 sq.m).
  - In Paris, completion and handover to Covea GMF Vie of the Thémis office building (10,655 sq.m) located in the N5 lot of the Clichy-Batignolles development zone (ZAC), which is managed by Paris Batignolles Aménagement;
  - In Montpellier, completion of the high-speed train (TGV) station, built as part of a public-private partnership (PPP);
  - In Rennes, completion and handover to investor PFO2 represented by Périal of buildings 1 and 2 of Urban Quartz (8,400 sq.m of offices located in the Euro Rennes development zone).

In synergy with the Commercial Property Investment Division, Icade Promotion will build the headquarters of aeronautical equipment manufacturer Latécoère, which has signed an off-plan sale agreement, in Toulouse, including 11,130 sq.m of offices, 1,582 sq.m of services (food services, fitness, …) and 414 underground parking spaces.

3.2. Residential Property Development

(in millions of euros)	06/30/2018	06/30/2017 restated	Change
Economic revenue	360.4	362.1	(0.5%)
Current economic operating profit/(loss)	17.9	19.5	(8.3%)
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	5.0%	5.4%	

H1 2018 revenue for the Residential segment amounted to €360.4 million, stable from the same period a year earlier. The increase in sales and construction starts, which is expected starting in H2 2018, should significantly boost the revenue to be recorded by this business activity in 2018 compared to 2017.

The current economic operating profit/(loss) of the Residential Property Development business dropped €(1.6) million, mostly because of increased expenses which will allow for stronger activity and will start generating revenues from H2 2018. This revenue will make it possible to post increased operating profit/(loss) for the full year.

MAIN PHYSICAL INDICATORS AS OF JUNE 30, 2018

	06/30/2018	06/30/2017	Change
PROPERTIES PUT ON THE MARKET			
Paris region & DOM-TOM (overseas)	1,272	1,319	(3.6%)
Outside the Paris region	2,009	2,057	(2.3%)
TOTAL UNITS *(a)*	**3,281**	**3,376**	**(2.8%)**
Paris region & DOM-TOM (overseas)	373.3	277.4	34.6%
Outside the Paris region	371.4	370.1	0.3%
TOTAL REVENUE *(potential in millions of euros)*	**744.6**	**647.5**	**15.0%**
Projects started			
Paris region & DOM-TOM (overseas)	1,331	857	55.3%
Outside the Paris region	1,617	1,439	12.4%
TOTAL UNITS *(a)*	**2,948**	**2,296**	**28.4%**
Paris region & DOM-TOM (overseas)	300.3	182.6	64.5%
Outside the Paris region	309.4	265.8	16.4%
TOTAL REVENUE *(potential in millions of euros)*	**609.7**	**448.4**	**36.0%**
NET HOUSING ORDERS			
Housing orders ***(in units) (a)***	2,751	2,690	2.3%
Housing orders ***(in millions of euros including taxes)***	590.0	527.7	11.8%
Housing order cancellation rate ***(in %)***	13.4%	18.3%	(4.9) pps
AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON ORDERS			
Average price including taxes per habitable sq.m ***(in €/sq.m)***	4,069	3,545	14.8%
Average budget including taxes per housing unit ***(in €k)***	214.7	196.8	9.1%
Average floor area per housing unit ***(in sq.m)***	52.8	55.5	(4.9%)

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

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER

	06/30/2018	06/30/2017
Social housing institutional investors (ESH) – social landlords	19.8%	19.0%
Institutional investors	20.3%	11.4%
Individual investors	31.8%	42.1%
Home buyers	28.1%	27.5%
TOTAL	**100.0%**	**100.0%**

In H1 2018, Icade's Residential Property Development activity saw a 15% increase in properties put on the market in value terms.

Icade's net housing orders as of June 30, 2018 increased by 2.3% in volume terms compared to the same period a year earlier, reaching 2,751 orders, and increasing by 11.8% in value terms.

In line with the stability of the real estate market, the absorption rate stood at 9.8% as of June 30, 2018, the same level as a year earlier.

As a continuation of the trend observed for over a year with respect to the renewed interest of institutional investors in residential real estate, their orders rose to 40.1% of total orders recorded in H1 2018, vs. 30.4% for the same period a year earlier. On the other hand, the proportion of individual investors using the Pinel tax incentive scheme remains significant, as it accounts for 25.9% of total housing orders.

Housing starts grew by as much as +36% in value terms, and the increase was very significant in the Paris region, with +64%. This reflects the acceleration in production achieved by the Property Development Division since the beginning of the year and will make it possible to record increased revenue in H2.

The inventory of unsold completed properties fell sharply, with €16.4 million as of June 30, 2018 vs. €26.6 million as of June 30, 2017 and €24 million as of December 31, 2017.

The average level of pre-let or pre-sold projects recorded at construction start in 2018 remained high (71% on average).

Land portfolio

In H1 2018, the portfolio of residential land and building plots represented 10,840 units and potential revenues of €2.3 billion, a 4.3% increase in value terms compared to June 30, 2017 (10,686 units for €2.2 billion).

3.3. Commercial Property Development

(in millions of euros)	06/30/2018	06/30/2017 restated	Change
Economic revenue	162.6	160.4	1.4%
Current economic operating profit/(loss)	14.4	9.9	44.8%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	8.8%	6.2%	

H1 2018 saw a slight increase of 1.4% in the Commercial Property Development and Public and Healthcare Amenities Development's revenue and was highlighted by the off-plan sale of an office building in Villejuif.

Commercial Property Development project portfolio

As of June 30, 2018, Icade Promotion had a portfolio of projects in the Commercial Property Development segment of around 598,458 sq.m (vs. 462,226 sq.m as of June 30, 2017), including 205,955 sq.m under construction.

In H1 2018, Icade Promotion and SCPI Elysées Pierre (managed by HSBC REIM) signed an off-plan sale agreement for an 18,000-sq.m office building in Villejuif (Val-de-Marne) for €95 million excluding duties. The lease for this development project has been secured since February 2017 through the signing of a 9-year off-plan lease with no break option with Orange.

At this point in the year, completed projects represent 27,165 sq.m.

Public and Healthcare Amenities Development project portfolio

As of June 30, 2018, the portfolio of Public and Healthcare Amenities Development projects was equivalent to 182,426 sq.m (vs. 180,929 sq.m as of June 30, 2017), including 83,981 sq.m under construction. The projects in this portfolio were exclusively located outside the Paris region and in the French overseas departments and territories (DOM-TOM). Projects completed during the year represented 21,234 sq.m.

3.4. Large-scale projects

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

- **Terres de Versailles:**

In March 2018, Icade Promotion was awarded the concession to plan and develop the new "Terres de Versailles" neighbourhood, located on the site of the former Pion barracks.

This project covers 51,250 sq.m and includes housing units, a hotel, a childcare centre, shops, space dedicated to social economy initiatives, as well as public facilities.

The entire project is scheduled to be carried out from 2019 to 2026. In addition to the planning involved, Icade Promotion will develop 65% of the real estate included in the overall project apart from the public facilities, representing potential revenue of €157 million excluding taxes.

- **Bercy Charenton:**

In April 2018, Icade, Sogaris and Poste Immo were awarded a contract as part of the "Inventing the Greater Paris Metropolis" call for projects on the Bercy-Charenton site.

Located in the 12th district of Paris, this project encompasses a 50,000-sq.m mixed-use complex including a 15,000-sq.m office building which will be built under a delegated project management agreement by Icade Promotion with the Commercial Property Investment Division as investor. In addition, Icade Promotion will develop 18,000 sq.m as part of an off-plan sale, including a hotel, a co-living apartment hotel and shops as well as event and sports areas.

The Property Development and Commercial Property Investment divisions will work together on this large-scale project scheduled to take place between 2020 and 2023 reflecting the synergies that can be achieved between Icade's different divisions, with potential revenue of €42 million excluding duties.

3.5. Working capital requirement and debt

	06/30/2018			12/31/2017			
(in millions of euros)	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	Change
NET WORKING CAPITAL REQUIREMENT	**(320.2)**	**(2.6)**	**(322.8)**	**(252.4)**	**(48.0)**	**(300.4)**	**(22.4)**
NET DEBT (a)	**102.4**	**(12.0)**	**90.4**	**11.7**	**22.8**	**34.4**	**(56.0)**

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

The working capital requirement (WCR) increased by €22.4 million over H1 2018, totalling €322.8 million.

The WCR from Commercial Property Development was down €54.0 million, resulting primarily from building completions and well-balanced cash from new projects.

The WCR from Residential Property Development rose by €76.4 million due to accelerated development and business performance and seasonality effects from sales and receipts.

Net debt from the Property Development Division stood at €90.4 million, up €56.0 million compared to December 31, 2017, due to higher WCR and to the dividend paid in H1 2018.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2018

1. Consolidated financial statements

Consolidated income statement

(in millions of euros)	Notes	06/30/2018	06/30/2017 Restated (a)	12/31/2017 Restated (a)
Revenue	**8.2.3**	**782.6**	**752.7**	**1,620.0**
Other income from operations		1.7	2.1	4.1
Income from operating activities		**784.3**	**754.8**	**1,624.1**
Purchases used		(372.3)	(375.3)	(846.6)
Outside services		(54.3)	(56.7)	(101.2)
Taxes, duties and similar payments		(5.9)	(0.6)	(6.0)
Staff costs, performance incentive scheme and profit sharing		(70.4)	(62.8)	(123.2)
Other operating expenses		(18.1)	(12.1)	(18.1)
Operating expenses		**(521.0)**	**(507.5)**	**(1,095.1)**
EBITDA		263.3	247.3	529.0
Depreciation charges net of government investment grants		(186.5)	(162.3)	(339.5)
Charges and reversals related to impairment of tangible, financial and other current assets	4.2.2	34.0	25.6	49.4
Profit/(loss) from acquisitions		-	-	(7.0)
Profit/(loss) from asset disposals		5.7	46.3	75.4
Share of profit/(loss) of equity-accounted companies	8.1	(1.3)	3.1	9.1
OPERATING PROFIT/(LOSS)		115.2	160.1	316.4
Cost of gross debt		(51.3)	(43.9)	(89.6)
Net income from cash and cash equivalents, related loans and receivables		3.2	3.3	6.0
Cost of net debt		**(48.2)**	**(40.5)**	**(83.6)**
Other finance income and expenses		(18.5)	(10.5)	(43.2)
FINANCE INCOME/(EXPENSE)	5.1.2	(66.6)	(51.0)	(126.7)
Income tax	8.3	(8.1)	(18.1)	8.3
Profit/(loss) from discontinued operations		(0.3)	(0.1)	0.3
NET PROFIT/(LOSS)		40.2	90.9	198.3
Net profit/(loss) attributable to non-controlling interests		13.1	16.6	32.8
Net profit/(loss) attributable to the Group		**27.1**	**74.2**	**165.5**
Net profit/(loss) attributable to the Group per share (in €)	**6.1**	**0.37**	**1.00**	**2.24**
Diluted net profit/(loss) attributable to the Group per share (in €)	**6.1**	**0.37**	**1.00**	**2.24**
NET PROFIT/(LOSS) FOR THE PERIOD		40.2	90.9	198.3
Other items of comprehensive income:				
Other comprehensive income recyclable to the income statement:		**(0.6)**	**14.5**	**26.0**
Available-for-sale financial assets			0.5	1.7
- Changes in fair value recognised directly in equity			0.5	1.7
Cash flow hedges recyclable to the income statement	5.1.4	(0.6)	13.9	24.3
- Changes in fair value recognised directly in equity		(2.5)	10.3	11.3
- Transfer of non-hedging instruments to the income statement		1.9	3.6	12.9
Other comprehensive income not recyclable to the income statement:		**(0.1)**	**0.5**	**0.7**
- Actuarial gains and losses and asset ceiling adjustments		-	0.5	0.8
- Taxes on actuarial gains and losses and asset ceiling adjustments		(0.1)	-	(0.1)
Total comprehensive income recognised in equity		**(0.7)**	**14.9**	**26.7**
Including transfer to net profit/(loss)		1.9	3.6	12.9
COMPREHENSIVE INCOME FOR THE PERIOD		39.6	105.8	224.9
- Attributable to non-controlling interests		12.2	17.5	34.2
- Attributable to the Group		27.4	88.3	190.7

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

Consolidated balance sheet

ASSETS

(in millions of euros)	Notes	06/30/2018	12/31/2017 Restated (a)
Goodwill	4.3.3	46.1	46.1
Net intangible fixed assets		7.2	8.5
Net tangible fixed assets	4.2.1	65.9	66.1
Net investment property	4.2.1	9,345.5	9,176.2
Equity-accounted investments	8.1.1	137.4	150.1
Non-current financial assets at fair value through profit or loss	5.1.5	28.3	27.3
Non-current financial assets at amortised cost	5.1.5	6.0	5.9
Non-current derivative assets	5.1.4	7.8	10.9
Deferred tax assets		3.0	7.9
TOTAL NON-CURRENT ASSETS		9,647.2	9,498.8
Inventories and work in progress	8.2.1	456.8	443.4
Contract assets	8.2.2	222.9	226.4
Accounts receivable	8.2.2	331.8	312.1
Tax receivables		10.1	33.1
Miscellaneous receivables		282.9	291.4
Other current financial assets at amortised cost	5.1.5	70.5	68.0
Current derivative assets	5.1.4	1.3	2.2
Cash and cash equivalents	5.1.6	355.5	420.3
Assets held for sale and discontinued operations	8.2.5	9.3	11.1
TOTAL CURRENT ASSETS		1,741.1	1,808.1
TOTAL ASSETS		**11,388.3**	**11,306.9**

LIABILITIES

(in millions of euros)	Notes	06/30/2018	12/31/2017 Restated (a)
Share capital	6.2	113.6	113.0
Share premium	6.2	2,711.2	2,690.7
Treasury shares		(30.9)	(16.3)
Revaluation reserves	5.1.4	(1.8)	(1.0)
Other reserves		256.9	401.3
Net profit/(loss) attributable to the Group		27.1	165.5
Equity attributable to the Group		**3,076.0**	**3,353.0**
Non-controlling interests		735.6	774.3
EQUITY		3,811.5	4,127.3
Non-current provisions	7	28.6	27.9
Non-current financial liabilities at amortised cost	5.1.1	5,065.6	4,907.4
Tax liabilities		9.0	6.8
Deferred tax liabilities		8.9	13.8
Other non-current financial liabilities	5.1.5	65.6	63.2
Non-current derivative liabilities	5.1.4	23.2	17.7
TOTAL NON-CURRENT LIABILITIES		5,201.0	5,036.9
Current provisions	7	52.0	41.1
Current financial liabilities at amortised cost	5.1.1	1,241.7	1,073.7
Current tax liabilities		17.0	15.6
Contract liabilities		16.6	13.7
Accounts payable		473.3	498.9
Miscellaneous current liabilities		565.0	488.5
Other current financial liabilities	5.1.5	1.4	1.5
Current derivative liabilities	5.1.4	1.0	0.8
Liabilities held for sale and discontinued operations	8.2.5	7.8	9.0
TOTAL CURRENT LIABILITIIES		2,375.8	2,142.7
TOTAL LIABILITIES AND EQUITY		**11,388.3**	**11,306.9**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and presenting information in accordance with IFRS 9.

Consolidated cash flow statement

(in millions of euros)	Notes	06/30/2018	12/31/2017 Restated (a)	06/30/2017 Restated (a)
I) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss)		**40.2**	**198.3**	**90.9**
Net depreciation and provision charges		165.3	288.4	137.3
Unrealised gains and losses due to changes in fair value		0.7	13.2	4.0
Other non-cash income and expenses		1.8	(18.8)	(11.3)
Capital gains or losses on asset disposals		(6.2)	(115.4)	(64.1)
Capital gains or losses on disposals of investments in consolidated subsidiaries		0.2	-	-
Share of profit/(loss) of equity-accounted companies		1.3	(9.1)	(3.1)
Dividends received		0.3	-	0.2
Cash flow from operating activities after cost of net financial liabilities and tax		**203.5**	**356.5**	**153.7**
Cost of net financial liabilities		37.4	73.0	41.1
Tax expense		8.1	(7.1)	17.6
Cash flow from operating activities before cost of net financial liabilities and tax		**248.9**	**422.4**	**212.5**
Interest paid		(44.6)	(84.7)	(44.6)
Tax paid (b)		18.1	(20.2)	(1.2)
Change in working capital requirement related to operating activities	8.2.4	(18.3)	19.9	(12.7)
NET CASH FLOW FROM OPERATING ACTIVITIES		204.1	337.4	154.0
II) CASH FLOW FROM INVESTING ACTIVITIES				
Tangible and intangible fixed assets and investment properties				
- acquisitions		(264.9)	(677.9)	(207.8)
- disposals		16.3	661.8	130.1
Change in deposits paid and received		2.4	(1.3)	(1.6)
Change in financial accounts receivable		0.7	1.2	0.6
Operating investments		**(245.5)**	**(16.2)**	**(78.6)**
Unconsolidated, equity-accounted subsidiaries				
- acquisitions		(3.5)	(2.8)	-
- disposals		-	4.2	1.3
Fully-consolidated subsidiaries				
- acquisitions		-	(240.6)	(15.6)
- disposals		0.1	0.5	0.3
- impact of changes in scope of consolidation		-	26.9	7.9
Dividends received and profit/(loss) of tax-transparent equity-accounted companies		(2.0)	(11.0)	(13.3)
Financial investments		**(5.4)**	**(222.8)**	**(19.4)**
NET CASH FLOW FROM INVESTING ACTIVITIES		(250.9)	(239.0)	(98.0)
Including net cash flow from investing activities – Discontinued operations		*-*	*407.8*	*(0.1)*
III) CASH FLOW FROM FINANCING ACTIVITIES				
Amounts received from shareholders on capital increases				
- paid by non-controlling interests of consolidated subsidiaries		62.7	43.3	-
Dividends paid during the financial year				
- final and interim dividends paid by Icade during the year		(317.8)	(295.6)	(295.6)
- dividends and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(61.0)	(47.9)	(46.5)
Repurchase of treasury shares		(2.3)	1.1	(2.5)
Acquisition of non-controlling interests		(31.1)	(146.0)	-
Change in cash from capital activities		**(349.5)**	**(445.1)**	**(344.6)**
Bond issues and new financial liabilities		1,104.2	1,905.6	596.0
Bond redemptions and repayment of financial liabilities		(773.2)	(1,450.0)	(422.1)
Acquisitions and disposals of current financial assets and liabilities		9.0	17.9	24.4
Change in cash from financing activities	**5.1.1**	**340.1**	**473.6**	**198.3**
NET CASH FLOW FROM FINANCING ACTIVITIES		(9.5)	28.4	(146.3)
NET CHANGE IN CASH (I) + (II) + (III)		**(56.2)**	**126.8**	**(90.3)**
CHANGES IN CASH FROM DISCONTINUED OPERATIONS		**-**	**-**	**0.1**
OPENING NET CASH		361.6	234.9	234.9
CLOSING NET CASH		**305.8**	**361.6**	**144.7**
Cash and cash equivalents (excluding interest accrued but not due) (c)		355.0	419.5	206.7
Bank overdrafts (excluding interest accrued but not due)		(49.6)	(57.9)	(62.0)
NET CASH		**305.8**	**361.6**	**144.7**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.
(b) The amount of tax paid includes the income received for the refund of the 3% tax on dividends paid.
(c) The €0.5 million deviation from the amount of cash appearing on the assets side of the balance sheet relates to interest accrued but not due.

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Share premium	Treasury shares (a)	Revaluation reserves (b)	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
12/31/2016 reported	113.0	2,690.7	(16.3)	(25.6)	673.5	3,435.2	665.2	4,100.4
Impact of applying IFRS 15	-	-	-	-	21.5	**21.5**	0.2	**21.6**
01/01/2017 restated for IFRS 15 impact	113.0	2,690.7	(16.3)	(25.6)	695.0	3,456.7	665.4	4,122.0
Treasury shares			(2.6)	-	0.1	**(2.5)**	-	**(2.5)**
Dividends paid					(295.6)	**(295.6)**	(47.5)	**(343.2)**
Restated net profit/(loss) (c)					74.2	**74.2**	16.6	**90.9**
Other items of comprehensive income:								
- Cash flow hedges				13.1	-	**13.1**	0.9	**13.9**
- Available-for-sale securities				0.5	-	**0.5**	-	**0.5**
- Actuarial gains and losses (IAS 19)					0.5	**0.5**	-	**0.5**
Other				-	0.9	**0.9**	-	**0.9**
06/30/2017 restated for IFRS 15 impact	113.0	2,690.7	(18.9)	(12.0)	475.0	3,247.7	635.3	3,883.0
Capital increase	-	-				**-**	43.5	**43.5**
Treasury shares			2.6			**2.6**	-	**2.6**
Dividends paid						**-**	(0.2)	**(0.2)**
Restated net profit/(loss) (c)					91.2	**91.2**	16.2	**107.4**
Other items of comprehensive income:								
- Cash flow hedges				9.8	-	**9.8**	0.5	**10.3**
- Available-for-sale securities				1.2	-	**1.2**	-	**1.2**
- Actuarial gains and losses (IAS 19)					0.2	**0.2**	-	**0.2**
Other				-	0.3	**0.3**	78.9	**79.2**
12/31/2017 restated for IFRS 15 impact	113.0	2,690.7	(16.3)	(1.1)	566.7	3,353.0	774.3	4,127.3
Impact of applying IFRS 9				(1.1)	(1.1)	**(2.3)**	-	**(2.3)**
01/01/2018 restated for IFRS 15 and 9 impacts	113.0	2,690.7	(16.3)	(2.3)	565.6	3,350.8	774.3	4,125.0
Capital increase	0.6	20.5				**21.1**	62.7	**83.9**
Treasury shares (a)			(14.6)		13.0	**(1.6)**	-	**(1.6)**
Dividends paid					(317.8)	**(317.8)**	(62.4)	**(380.2)**
Net profit/(loss)					27.1	**27.1**	13.1	**40.2**
Other items of comprehensive income:								
- Cash flow hedges				0.4	-	**0.4**	(0.9)	**(0.6)**
- Actuarial gains and losses (IAS 19)					(0.1)	**(0.1)**	-	**(0.1)**
Other (d)				-	(3.9)	**(3.9)**	(51.1)	**(55.1)**
06/30/2018	113.6	2,711.2	(30.9)	(1.8)	284.0	3,076.0	735.6	3,811.5

(a) Treasury shares went up from 206,644 as of December 31, 2017 to 363,202 as of June 30, 2018 due to the conversion of ANF Immobilier treasury shares into Icade shares as a result of the merger and the repurchases of treasury shares as part of the liquidity contract.
(b) Including the equity impact related to available-for-sale securities up to December 31, 2017, which was transferred to other reserves on January 1, 2018.
(c) The net profit/(loss) reported for H1 and H2 2017 was restated for the impact of adopting IFRS 15.
(d) The change in non-controlling interests during the period resulted from transactions with non-controlling interests due to the merger of ANF Immobilier into Icade on June 29, 2018 and from the impact of dilution of the non-controlling interests of Icade Santé following a capital increase unevenly subscribed by its shareholders on June 27, 2018.

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

2. Notes to the consolidated financial statements

Note 1. Accounting principles

1.1. Standards applied

The condensed interim financial statements of the Icade group (“the Group”) for the 6-month period ended June 30, 2018 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, 2017. The financial statements were approved by the Board of Directors on July 20, 2018.

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[4].

The accounting methods applied are the same as those used for the annual financial statements as of December 31, 2017, except for the changes in methods outlined below resulting from the initial application starting on January 1, 2018 of IFRS 15 “Revenue from contracts with customers” and IFRS 9 “Financial instruments”.

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

- **IFRS 15 “Revenue from contracts with customers”:**

This new standard, which supersedes IAS 18, IAS 11 and related interpretations, provides a single model for recognising revenue based on the transfer of control of the promised good or service. This standard applies to all contracts with customers with the exception of leases which fall within the scope of IAS 17 “Leases”. As a result, this standard does not apply to the Property Investment Divisions’ lease income.

As the preparatory work for the implementation of IFRS 15 has been completed, the expected impact of this first-time application has been confirmed.

The impact on the Group’s financial statements mainly affects Property Development activities and includes:

- accelerated recognition of revenue and profit margins from off-plan sale contracts as a result of the recognition of land in proportion to the construction work completed, as control of the land is transferred to the purchaser upon signing the deed of acquisition;
- a contract asset or contract liability reported on the balance sheet which accounts for the amount recognised in proportion to the construction work completed net of any payment made by the customer.

The Group has elected to apply IFRS 15 retrospectively starting on January 1, 2018, by restating the reported 2017 comparative periods and by applying the practical expedient covered by paragraph C5, d) of IFRS 15.

The impact of the initial application of IFRS 15 on equity attributable to the Group as of January 1, 2017 resulting from the application of the new method for calculating the progress of construction work completed under off-plan sale contracts amounted to €21.5 million with a corresponding increase in the working capital requirement.

The negative impact of €(4.8) million on net profit attributable to the Group for 2017, including €(3.0) million as of June 30, 2017, resulted from the percentage of completion of the various property development projects.

- **IFRS 9 “Financial instruments”:**

This new Standard supersedes IAS 39 and is based on three main pillars. The impact on the Group as of January 1, 2018 of applying the new principles of each pillar of the standard and its amendment is set out below:

- classification and measurement:
  The classification and measurement of categories of financial assets set out by IFRS 9 relies on the joint analysis of the inherent characteristics of the financial instrument and the business model implemented by the Group. From its initial application, this new approach will require the Group to:
  - recognise investments in unconsolidated companies in a new category on the balance sheet, “Financial assets at fair value through profit or loss” in accordance with the Group’s business model for this type of financial asset.
  - analyse the accounting treatment of modifications of financial liabilities. In this regard, the change in accounting method related to the initial application of IFRS 9 had a negative impact of €(2.3) million on equity attributable to the Group as of January 1, 2018.
- impairment model for financial assets:

  IFRS 9 introduces a new impairment model based on expected losses rather than incurred losses as per IAS 39.

  Due to the nature of its Property Investment and Property Development activities, the methods used to determine the impairment of the Group’s trade receivables fall within the scope of this Standard. However, the new model introduced by IFRS 9 has no impact on estimating the impairment risk of these receivables.

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

- hedge accounting:

  In accordance with the option given by the standard, the Group has elected to apply this pillar from January 1, 2018. The key changes compared to IAS 39 include:

  - the designation of a hedging relationship is now assessed on the basis of the risk management practices implemented by the company aligning the accounting treatment with management's intentions;
  - the eligibility conditions for hedged items have been extended to non-financial items;
  - the criteria for hedge effectiveness testing have been modified (removal of thresholds). As a result, while the ineffectiveness is still measured and recognised in profit or loss, it no longer leads to the hedging relationship being disqualified.

  As of January 1, 2018, the Group has not identified any impact from applying this pillar of the standard. Hedging documentation has been updated to reflect these new provisions.

The impact of applying these two new standards to the Group's financial statements is shown in the tables below:

Comparative income statement as of June 30, 2017 and December 31, 2017

INCOME STATEMENT AS OF JUNE 30, 2017 (in millions of euros)	06/30/2017 Reported	IFRS 15 impact	06/30/2017 Restated
Revenue	**775.9**	**(23.2)**	**752.7**
OPERATING PROFIT/(LOSS)	164.6	(4.5)	160.1
FINANCE INCOME/(EXPENSE)	(51.0)	-	(51.0)
Income tax	(19.7)	1.6	(18.1)
NET PROFIT/(LOSS)	93.9	(3.0)	90.9
Net profit/(loss) attributable to non-controlling interests	16.6	-	16.6
Net profit/(loss) attributable to the Group	**77.2**	**(3.0)**	**74.2**

INCOME STATEMENT AS OF DECEMBER 31, 2017 (in millions of euros)	12/31/2017 Reported	IFRS 15 impact	12/31/2017 Restated
Revenue	**1,654.2**	**(34.2)**	**1,620.0**
OPERATING PROFIT/(LOSS)	323.7	(7.3)	316.4
FINANCE INCOME/(EXPENSE)	(126.7)	-	(126.7)
Income tax	5.7	2.6	8.3
NET PROFIT/(LOSS)	203.1	(4.8)	198.3
Net profit/(loss) attributable to non-controlling interests	32.8	-	32.8
Net profit/(loss) attributable to the Group	**170.3**	**(4.8)**	**165.5**

The impact of applying IFRS 15 on net profit/(loss) also reduces comprehensive income from €229.7 million to €224.9 million as of December 31, 2017 and from €108.8 million to €105.8 million as of June 30, 2017.

Comparative balance sheet as of December 31, 2017

(in millions of euros)	12/31/2017 Reported	IFRS 15 impact	12/31/2017 restated	IFRS 9 impact	01/01/2018
ASSETS					
Non-current assets	9,499.9	(1.1)	9,498.8	-	9,498.8
Current assets	1,729.9	78.2	1,808.1	-	1,808.1
TOTAL ASSETS	11,229.8	77.2	11,306.9	-	11,306.9

(in millions of euros)	12/31/2017 Reported	IFRS 15 impact (a)	12/31/2017 restated	IFRS 9 impact	01/01/2018
LIABILITIES					
Equity attributable to the Group	3,336.3	16.7	3,353.0	(2.3)	3,350.8
Non-controlling interests	774.1	0.2	774.3	-	774.3
EQUITY	4,110.4	16.9	4,127.3	(2.3)	4,125.0
Non-current liabilities	5,030.0	6.9	5,036.9	2.2	5,039.1
Current liabilities	2,089.4	53.3	2,142.7	0.1	2,142.8
TOTAL LIABILITIES AND EQUITY	11,229.8	77.2	11,306.9	(0.0)	11,306.9

(a) The €21.5 million impact of adopting IFRS 15 on equity attributable to the Group as of January 1, 2017 is partly offset by the €(4.8) million impact on net profit for 2017.

In the cash flow statement, applying IFRS 15 only affects the breakdown of cash flow from operating activities: The net profit/(loss), the share of profit/(loss) of equity-accounted companies and the tax expense have been adjusted with a corresponding entry made to working capital requirement.

The interpretation and amendments discussed below, which have been mandatory since January 1, 2018, have had no impact on the Group's consolidated financial statements

- IFRIC interpretation 22 "Foreign currency transactions and advance consideration";
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- amendments to IAS 40 "Transfers of investment property";
- annual improvements to IFRS Standards 2014–2016 Cycle.

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

- **IFRS 16 "Leases"**

On October 31, 2017, the European Union adopted IFRS 16 which supersedes IAS 17 and related interpretations. This new standard, which will become effective on January 1, 2019, with earlier application permitted, no longer makes a distinction between finance leases and operating leases. It will result in the recognition on the lessee's balance sheet of a right-of-use asset with a corresponding lease liability, for all types of contracts qualifying as leases.

As a lessor, the Group should not be significantly impacted by the application of this new standard.

- amendments to IFRS 9 "Prepayment features with negative compensation".

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

- amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate or joint venture";
- amendments to IAS 28 "Long-term interests in associates and joint ventures";
- amendments to IAS 19 "Plan amendment, curtailment or settlement";
- annual improvements to IFRS Standards 2015–2017 Cycle.

The Group has not early adopted any standards.

1.2. Basis of measurement, judgement and use of estimates

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

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

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

- has its real estate assets valued for each half year by independent valuers in accordance with the methods described in note 4.1;
- measures revenue based on the percentage of completion method for construction contracts and off-plan sale projects following the half-yearly review of its property developments whose land is controlled by Icade;
- performs a half-yearly measurement of employee benefits and provisions (note 7);
- determines the half-yearly tax expense, by applying, for each company, the average effective tax rate estimated for the full financial year to the profit/(loss) before tax for the interim period; this rate is calculated based on 2018 data approved by the management (note 8.3).

In addition to using estimates, the Group's management uses its judgement to define the appropriate accounting treatment for certain operations and transactions where current IFRS interpretations do not specifically address the accounting issues raised. In particular, management has exercised its judgement to classify the types of leases (operating lease or finance lease), to determine if the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5, and to determine the accounting treatment of certain transactions for which IFRS provide insufficient guidance.

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

Note 2. Main transactions affecting the scope of consolidation

2.1. Commercial Property Investment

After having obtained control of ANF Immobilier in late 2017, Icade increased its stake in this company in H1 2018, increasing the percentage of shares held to 90.84% compared to 85.17% as of December 31, 2017.

Icade then successfully merged ANF Immobilier into itself, after obtaining approval from the Combined General Meetings of both companies on June 28 and 29, 2018, based on a share exchange ratio of three Icade shares for eleven ANF Immobilier shares, i.e. 0.273 Icade share for one ANF Immobilier share.

This transaction resulted in an increase in Icade's share capital through the creation of 420,242 new shares, for a total of €24.1 million, including a nominal value of €0.6 million and a merger premium of €23.5 million.

Icade also acquired minority stakes totalling €10.2 million in ANF Immobilier subsidiaries, including SCI New Way which the Group now wholly owns.

2.2. Healthcare Property Investment

Icade Santé carried out €160.0 million capital increase, €97.3 million of which was subscribed by Icade, bringing its ownership interest from 56.51% to 56.77%.

In addition, Icade Santé merged its subsidiary MSR into itself.

Note 3. Segment reporting

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

In H1 2018, 100% of revenue was generated in France.

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/18	06/30/17	06/30/18	06/30/17	06/30/18	06/30/17 restated (a)	06/30/18	06/30/17	06/30/18	06/30/17 restated (a)
INCOME STATEMENT										
Consolidated revenue	**209.1**	**197.4**	**115.1**	**106.0**	**477.3**	**464.1**	**(19.0)**	**(14.8)**	**782.6**	**752.7**
- Intersegment sales (Group)	(22.0)	(21.6)	-	-	(5.6)	(3.0)	(19.0)	(14.8)	(46.5)	(39.4)
- Total sales, including intersegment sales (Group)	231.1	219.0	115.1	106.0	482.9	467.1	-	-	829.1	792.1
EBITDA	143.2	135.2	105.0	98.1	22.6	17.8	(7.4)	(3.8)	263.3	247.3
Depreciation and impairment	(101.7)	(88.4)	(51.8)	(48.2)	0.7	(0.4)	0.3	0.3	(152.5)	(136.7)
Profit/(loss) from asset disposals	5.7	46.0	(0.1)	0.2	-	0.0	0.1	0.1	5.7	46.3
Share of equity-accounted companies	(6.0)	(2.3)	-	-	4.7	5.4	-	-	(1.3)	3.1
OPERATING PROFIT/(LOSS)	41.2	90.5	53.0	50.1	28.0	22.8	(7.1)	(3.3)	115.2	160.1
Cost of net debt	(32.6)	(26.3)	(14.3)	(14.2)	(1.2)	(0.1)	-	-	(48.2)	(40.5)
Other finance income and expenses	(6.7)	(7.4)	(10.5)	(0.3)	(0.7)	(2.8)	(0.6)	-	(18.5)	(10.5)
FINANCE INCOME/(EXPENSE)	(39.3)	(33.6)	(24.8)	(14.5)	(1.9)	(2.9)	(0.6)	-	(66.6)	(51.0)
Income tax	0.1	(6.8)	0.6	0.0	(8.8)	(11.4)	-	-	(8.1)	(18.1)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	(0.3)	(0.1)	(0.3)	(0.1)
NET PROFIT/(LOSS)	2.0	50.1	28.8	35.6	17.4	8.5	(8.0)	(3.4)	40.2	90.9
Net profit/(loss) attributable to non-controlling interests	(0.1)	-	12.5	15.5	0.7	1.1	-	-	13.1	16.6
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**2.1**	**50.1**	**16.3**	**20.1**	**16.6**	**7.4**	**(8.0)**	**(3.4)**	**27.1**	**74.2**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/18	06/30/17	06/30/18	06/30/17	06/30/18	06/30/17	06/30/18	06/30/17	06/30/18	06/30/17
Acquisition of intangible and tangible fixed assets and investment properties	267.7	126.0	59.6	118.1	0.7	0.5	-	-	328.0	244.6
CASH FLOWS										
Tangible and intangible investments and investment properties	(198.9)	(93.1)	(65.4)	(114.2)	(0.7)	(0.5)	-	-	(264.9)	(207.8)
Disposal of tangible and intangible assets and investment properties	14.5	124.3	1.8	5.8	-	-	-	-	16.3	130.1

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	06/30/18	12/31/17	06/30/18	12/31/17	06/30/18	12/31/17 restated (a)	06/30/18	12/31/17	06/30/18	12/31/17 restated (a)
CLOSING BALANCE SHEET										
Non-current assets	8,402.8	8,161.0	2,009.2	2,100.5	(75.2)	(59.7)	(689.6)	(703.0)	9,647.2	9,498.8
Current assets	809.1	812.3	39.3	24.8	1,069.2	1,045.8	(176.5)	(74.9)	1,741.1	1,808.1
TOTAL ASSETS	**9,211.9**	**8,973.3**	**2,048.5**	**2,125.4**	**994.0**	**986.1**	**(866.1)**	**(777.9)**	**11,388.3**	**11,306.9**
Equity attributable to the Group	3,027.6	3,108.1	(23.0)	39.1	112.2	150.4	(40.8)	55.4	3,076.0	3,353.0
Non-controlling interests	22.3	69.6	713.7	694.2	(0.5)	1.5	-	8.9	735.6	774.3
Non-current financial liabilities	4,477.0	4,300.0	1,156.0	1,188.0	100.0	100.0	(667.4)	(680.6)	5,065.6	4,907.4
Other non-current liabilities	93.9	85.9	24.7	21.9	16.8	21.7	-	-	135.4	129.5
Current financial liabilities	1,138.6	951.6	98.3	119.5	169.1	70.6	(164.3)	(68.0)	1,241.7	1,073.7
Other current liabilities	452.5	458.1	78.8	62.7	596.4	641.9	6.4	(93.7)	1,134.0	1,069.0
TOTAL LIABILITIES AND EQUITY	**9,211.9**	**8,973.3**	**2,048.5**	**2,125.4**	**994.0**	**986.1**	**(866.1)**	**(777.9)**	**11,388.3**	**11,306.9**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and presenting information in accordance with IFRS 9.

Note 4. Portfolio and fair value

4.1. Valuation of the property portfolio: methods and assumptions

The property portfolio consists primarily of investment properties, an operating property (headquarters located in the OPEN building at 27 rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France) and financial receivables.

4.1.1. Valuation assignments

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

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

For all contracts having expired on December 31, 2017, the Group invited the main property valuation firms to a selection process in order to assign one or more of them the twice-yearly valuation of part of its Commercial Property Investment Division's property portfolio but also of its healthcare property investment portfolio. Property valuers were selected based on criteria of independence, qualification, reputation, expertise in property valuation, organisational capacity, responsiveness and price. Following this selection process, the contracts of Catella Valuation FCC and Jones Lang LaSalle Expertises were renewed for the Icade Santé portfolio. The same two valuation firms were appointed to value the ANF portfolio.

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

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

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

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

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

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

The Crystal Park and Marignan office buildings, the EQHO, PB5 and Arc Ouest towers, the Millénaire shopping centre, and the business parks are subject to a double appraisal approach. On June 30, 2018, the double appraisal approach was extended to cover the development projects from the ANF portfolio valued at €10 million or more. This is the case with the Future Way and Lafayette (B-C) assets.

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

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

All of the Group's assets, including its land bank and projects under development, were valued as of June 30, 2018 according to the procedures currently in place within the Group, with the exception of:

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

4.1.2. Methods used by the property valuers

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

4.1.3. Portfolio of the Commercial Property Investment Division

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

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

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

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

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

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

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

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

Considering its special situation, and its development model, the land bank of the Rungis business park is valued separately. It should be noted that, in the Rungis business park, there is a remaining buildable area on plots already developed. The Group valued the difference between the constructed area and the potential area in the context of a 25-year redevelopment plan. This plan provides for the net construction of 229,750 sq.m, resulting from new construction for a total of around 339,750 sq.m, including 142,000 sq.m, 55,000 sq.m and 142,750 sq.m of premium, mid-range and mixed-use office space, respectively, all located in strategic areas for the development of the business park, and from the demolition of the most obsolete buildings, representing nearly 110,000 sq.m.

The method is based on:

- applicable urban planning rules,
- estimated absorption rate,
- current market for new offices (estimated rental value, yield),
- redevelopment plan for the site on 5-, 10-, 15-, 20- and 25-year horizons: 34,300 sq.m in the first five years, 48,150 sq.m between the 5th and the 10th year, 64,700 sq.m between the 10th and the 15th year, 38,500 sq.m between the 15th and the 20th year, and 44,100 sq.m between the 20th and the 25th year.

The estimated value of the remaining buildable area is based on the value of building land in the business park. A land coefficient of 18% is applied including a developer's profit 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 3.25%, 5.25%, 6.25%, 7.25% and 8.25%. This land bank made up of vacant land and existing buildings is valued at €66.1 million as of June 30, 2018.

Additionally, the Group identified floor space awaiting redevelopment (not leased) in its assets: buildings that are completely vacant, held for sale, or due to be redeveloped or demolished, and for which a project will be initiated at a later stage. This floor space is valued at €14.0 million as of June 30, 2018.

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

4.1.4. Portfolio of the Healthcare Property Investment Division

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

The market value of a hospital is essentially dependent on its operation and its ability to generate sufficient income to provide a reasonable return on the property investment. These buildings fall under the category of single-use buildings and their value determined by the property valuer is totally related to their operation and consequently to the value of their business. Also, since these premises are unsuitable for any other use without substantial conversion works, they are not subject to rent ceilings upon lease renewals or rent reviews or to the traditional rules for determining the estimated rental value, because the layout and the highly-specific use of the property impose objective physical limits (number of beds or rooms, etc.) on the operator, whatever its quality.

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

4.1.5. Main valuation assumptions for investment properties

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)	Estimated rental value (in €/sq.m)
OFFICES & BUSINESS PARKS					
Offices					
Paris	Capitalisation and DCF	3.5% - 6.5%	3.2% - 4.7%	3.25% - 4.75%	€435 - €920
La Défense/Peri-Défense	Capitalisation and DCF	4.5% - 6%	4.5% - 7%	4.25% - 10%	€180 - €460
Other Western Crescent	Capitalisation and DCF	3.5% - 5%	4.15% - 6%	3.75% - 5.5%	€160 - €640
Inner Ring	Capitalisation and DCF	4.5% - 5%	4.5% - 5.75%	4.25% - 5.5%	€250 - €310
Outer Ring	Capitalisation and DCF	9% - 9%	15.5% - 15.5%	15% - 15%	€120 - €125
Outside the Paris region	Capitalisation and DCF	5.15% - 10%	5.15% - 12%	4.75% - 10.5%	€65 - €255
Business parks					
Paris	DCF	4% - 7.5%	4.15% - 7%		€220 - €390
Other Western Crescent	DCF	5.25% - 8.5%	6.2% - 8.25%		€130 - €275
Inner Ring	DCF	4.4% - 10.5%	4.35% - 10%		€85 - €370
Outer Ring	DCF	5% - 10.75%	5.25% - 10.5%		€50 - €280
Other assets of the Commercial Property Investment Division					
Hotels	Capitalisation / DCF	7.6% - 7.85%	6% - 6.25%	5.75% - 7.5%	(a)
HEALTHCARE					
Paris region	Capitalisation and DCF	5.3% - 7.3%	4.85% - 7.1%	4.5% - 6.75%	(a)
Outside the Paris region	Capitalisation and DCF	4.5% - 8.05%	5.05% - 8.5%	4.7% - 8%	(a)

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

4.2. Property portfolio

4.2.1. Balance sheet value

The net carrying amount of the portfolio increased from €9,448.4 million as of December 31, 2017 to €9,608.0 million as of June 30, 2018.

(in millions of euros)	12/31/2017	Acquisitions and construction work (c)	Disposals	Depreciation charges	Net reversals of impairment charges	Other changes (d)	06/30/2018
Gross amount	61.5	0.3	-	-	-	-	61.8
Depreciation	(11.2)	-	-	(0.8)	-	-	(12.0)
OPERATING PROPERTIES (a)	50.3	0.3	-	(0.8)	-	-	49.8
Gross amount	11,137.2	325.3	(14.4)	-	-	(1.1)	11,447.1
Depreciation	(1,673.4)	-	2.1	(182.4)	-	-	(1,853.7)
Impairment	(287.7)	-	6.0	-	34.1	(0.4)	(248.0)
INVESTMENT PROPERTIES (b)	9,176.2	325.3	(6.2)	(182.4)	34.1	(1.5)	9,345.5
Properties held for sale	10.4	-	(2.7)	-	-	1.4	9.0
Investment properties held by equity-accounted companies (Group share)	129.4	0.7	-	(3.5)	(4.5)	-	122.1
Financial receivables and other assets	82.1	-	-	-	-	(0.7)	81.5
TOTAL PROPERTY PORTFOLIO	**9,448.4**	**326.3**	**(8.9)**	**(186.7)**	**29.6**	**(0.7)**	**9,608.0**
Portfolio distribution:							
Commercial – Offices	4,006.9	208.4	(6.0)	(82.8)	7.0	(0.7)	4,132.8
Commercial – Business parks	2,351.6	57.2	-	(49.7)	22.0	-	2,381.2
Commercial – Other assets	128.4	1.1	(1.8)	(2.6)	0.7	-	125.9
Commercial Property Investment	**6,487.0**	**266.7**	**(7.8)**	**(135.1)**	**29.8**	**(0.7)**	**6,639.9**
Healthcare Property Investment	**2,961.4**	**59.6**	**(1.1)**	**(51.6)**	**(0.2)**	**-**	**2,968.1**

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

(b) Including fixed assets under finance leases:

Gross amount	632.0	-	-		-	-	632.0
Depreciation	(101.5)	-	-	(10.1)		-	(111.6)
Impairment	(32.4)	-	-	-	2.9	-	(29.5)
Properties under finance leases – net value	**498.1**	**-**	**-**	**(10.1)**	**2.9**	**-**	**490.9**

(c) Including capitalised finance costs for €2.5 million.

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

- **acquisitions and construction work** associated with the investment properties of the Commercial Property Investment Division amounted to **€266.7 million** and included primarily the following:
  - off-plan sales projects for **€116.4 million**, mainly including the following:
    - Go Spring development in Nanterre (Hauts-de-Seine) for €55.2 million. The first phase was completed in H1 2017 (second phase scheduled for completion in 2019);
    - continuation of construction of the property scheme on avenue Gambetta (20th district of Paris). The amount for the half year ended represented €28.1 million;
    - investments in the portfolio of assets located outside the Paris region for €25.7 million;
    - the signing of a project in synergy with Icade Promotion for the construction of the Latécoère Group's future headquarters in Toulouse. The amount invested for H1 2018 was €7.3 million.
  - projects under development for **€112.1 million** including the Origine project (Nanterre) for €59.5 million for the office portfolio, and refurbishment works in the Millénaire 1 building and the continuation of development schemes for the business park portfolio.
  - other capex for **€32.3 million**, consisting primarily of renovation costs for business parks and offices (major maintenance and repairs and restoration work on premises).

- **the investments** of the Healthcare Property Investment Division for **€59.6 million** include mainly:
  - development projects for €28.9 million, including:
    - the La Croix du Sud polyclinic in Quint-Fonsegrives for €11.4 million;
    - the Bromélia private hospital in Saint-Herblain for €5.7 million;
    - the Courlancy polyclinic in Bezannes for €3.6 million.

  The latter two facilities were completed in H1.

  - other works to private hospitals currently operating for €16.3 million;

  - other investments for €13.2 million.

- **other changes** relate mainly to reclassifications of investment properties to assets held for sale. As of June 30, 2018, assets subject to preliminary sale agreements are classified on the balance sheet as "assets held for sale" for a total of €9.0 million.

- during the half year, the Group sold a number of assets for a total selling price of €15.2 million including €1.1 million in the healthcare segment and €14.2 million in the commercial segment. These disposals generated a net capital gain of €5.7 million.

4.2.2. Impact of impairment charges on the income statement

In the income statement for the half year, "Impairment" showed a net reversal of €34.0 million, resulting from a charge of €1.1 million and a reversal of €35.1 million.

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

	06/30/2018			12/31/2017			Change		
(in millions of euros)	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains
Operating properties	89.5	49.8	39.7	88.6	50.3	38.3	0.9	(0.5)	1.4
Investment properties	13,023.2	9,345.5	3,677.7	12,447.1	9,176.2	3,270.9	576.1	169.3	406.8
Properties held for sale	10.5	9.0	1.5	16.6	10.4	6.3	(6.1)	(1.3)	(4.8)
Financial receivables and other assets	89.9	81.5	8.4	90.6	82.1	8.4	(0.7)	(0.7)	(0.0)
Property portfolio of fully-consolidated companies	**13,213.1**	**9,485.8**	**3,727.3**	**12,642.9**	**9,319.0**	**3,323.9**	**570.2**	**166.8**	**403.4**
Investment properties of equity-accounted companies	**136.0**	**122.2**	**13.8**	**144.0**	**129.4**	**14.6**	**(8.0)**	**(7.3)**	**(0.7)**
TOTAL PROPERTY PORTFOLIO	13,349.1	9,608.0	3,741.1	12,786.9	9,448.4	3,338.4	562.2	159.5	402.7
Portfolio distribution:									
Commercial – Offices	5,209.4	4,132.8	1,076.7	4,917.9	4,006.9	911.0	291.5	125.9	165.6
Commercial – Business parks	3,740.8	2,381.2	1,359.6	3,623.2	2,351.6	1,271.6	117.6	29.6	88.0
Commercial – Other assets	202.3	125.9	76.4	210.0	128.4	81.6	(7.7)	(2.5)	(5.2)
Commercial Property Investment	**9,152.5**	**6,639.9**	**2,512.6**	**8,751.1**	**6,486.9**	**2,264.2**	**401.3**	**152.9**	**248.4**
Healthcare Property Investment	**4,196.6**	**2,968.1**	**1,228.5**	**4,035.7**	**2,961.4**	**1,074.2**	**160.9**	**6.7**	**154.3**
TOTAL PROPERTY PORTFOLIO	13,349.1	9,608.0	3,741.1	12,786.9	9,448.4	3,338.4	562.2	159.5	402.7

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

Impact on net carrying amounts	Changes in fair value of investment properties			
(in millions of euros)	**- 5.00%**	**- 2.50%**	**+ 2.50%**	**+ 5.00%**
Offices				
Paris	(3.1)	-	-	-
La Défense/Peri-Défense	(6.7)	(3.4)	3.4	6.7
Outer Ring	(0.1)	(0.1)	0.1	0.1
SUBTOTAL PARIS REGION	**(9.9)**	**(3.4)**	**+ 3.4**	**+ 6.9**
Outside the Paris region	(5.5)	(2.3)	-	-
TOTAL OFFICES	**(15.4)**	**(5.8)**	**+ 3.4**	**+ 6.9**
Business parks				
Other Western Crescent	(8.0)	-	-	-
Inner Ring	(3.7)	(1.9)	1.9	3.7
Outer Ring	(51.6)	(25.8)	25.8	51.6
TOTAL BUSINESS PARKS	**(63.3)**	**(27.7)**	**+ 27.7**	**+ 55.4**
TOTAL OFFICES AND BUSINESS PARKS	**(78.7)**	**(33.4)**	**+ 31.1**	**+ 62.2**
Other assets	(1.5)	(0.3)	0.3	0.5
TOTAL COMMERCIAL PROPERTY INVESTMENT	(80.3)	(33.7)	31.4	62.7
Healthcare (a)				
Outside the Paris region	(8.4)	(0.4)	0.4	0.5
TOTAL HEALTHCARE PROPERTY INVESTMENT (a)	**(8.4)**	**(0.4)**	**+ 0.4**	**+ 0.5**
TOTAL PROPERTY PORTFOLIO	**(88.7)**	**(34.1)**	**+ 31.8**	**+ 63.2**

(a) Net carrying amounts based on full consolidation

4.3.3. Goodwill

No indication of impairment was detected in H1 2018.

Note 5. Financing and financial instruments

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

5.1.1. Change in net financial liabilities

(in millions of euros)		06/30/2018	12/31/2017
Medium- and long-term financial liabilities		5,065.6	4,907.4
Short-term financial liabilities		1,241.7	1,073.7
GROSS FINANCIAL LIABILITIES	5.1.3	6,307.3	5,981.1
Interest rate derivatives (assets and liabilities)	5.1.4	15.1	5.4
GROSS FINANCIAL LIABILITIES INCLUDING DERIVATIVES		6,322.3	5,986.5
Financial assets (a)	5.1.5	(98.9)	(95.2)
Cash and cash equivalents	5.1.6	(355.5)	(420.3)
NET FINANCIAL LIABILITIES		**5,867.9**	**5,471.0**

(a) Excluding deposits paid.

			Changes with no impact on cash flows			
(in millions of euros)	12/31/2017	Cash flow	Fair value through profit or loss	Fair value through reserve	Other changes	06/30/2018
Financial liabilities	5,981.1	335.4	-	-	(9.2)	6,307.3
Total derivative liabilities	18.5	-	(0.4)	6.0	0.1	24.2
Other financial liabilities	64.7	-	-	-	2.3	67.0
TOTAL LIABILITIES	6,064.3	335.4	(0.4)	6.0	(6.8)	6,398.5
Derivative assets	(13.1)	7.4	0.1	(3.5)	-	(9.1)
Other financial assets	(73.8)	(2.9)	-	-	(0.0)	(76.5)
TOTAL ASSETS	(86.9)	4.4	0.1	(3.5)	(0.0)	(85.7)
TOTAL FINANCIAL ASSETS AND LIABILITIES	**5,977.4**	**340.0**	**(0.2)**	**2.5**	**(6.8)**	**6,312.8**
Exclusion of deposits and guarantees:	-	-	-	-	-	-
- Deposits and guarantees received	(64.4)	-	-	-	(2.3)	(66.8)
- Deposits and guarantees paid	6.0	-	-	-	(0.1)	5.9
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**5,919.0**	**340.0**	**(0.2)**	**2.5**	**(9.3)**	**6,252.0**
Other financial liabilities	(0.3)					(0.3)
Financial assets at fair value through profit or loss (a)	(27.4)					(28.3)
Cash and cash equivalents	(420.3)					(355.5)
TOTAL NET FINANCIAL LIABILITIES	**5,471.0**					**5,867.9**

(a) This item consists of unconsolidated subsidiaries

The €326.2 million increase in gross debt (excluding derivatives) compared to December 31, 2017 stems primarily from:

- the issue of a new, 10-year, €600.0 million bond with an annual coupon of 1.625% and the repurchase of three existing bonds for €200.0 million. This bond repurchase resulted in a termination payment of €11.3 million;
- drawdowns of credit lines for €15.7 million;
- the normal amortisation of loans from credit institutions (including credit lines) and finance leases for €78.2 million;
- a net decrease in NEU Commercial Paper outstanding of €6.5 million (including a €488.5 million increase and a €495.0 million decrease);
- a decrease in bank overdrafts of €8.3 million.

5.1.2. Finance income/(expense)

(in millions of euros)	06/30/2018	06/30/2017	12/31/2017
Interest expenses from financial liabilities	(47.6)	(41.9)	(85.0)
Interest expenses from derivatives	(4.3)	(2.6)	(5.8)
Recycling to the income statement of interest rate hedging instruments	0.6	0.6	1.2
COST OF GROSS DEBT	(51.3)	(43.9)	(89.6)
Interest income from cash and cash equivalents	0.7	0.5	1.0
Income from receivables and loans	2.5	2.9	5.1
Net income from cash and cash equivalents, related loans and receivables	**3.2**	**3.3**	**6.0**
COST OF NET DEBT	(48.2)	(40.5)	(83.6)
Profit/(loss) from disposals of available-for-sale securities		0.5	2.8
Change in fair value of derivatives recognised in the income statement	0.2	(0.4)	(0.3)
Commitment fees	(3.1)	(2.9)	(6.1)
Restructuring costs for financial liabilities	(14.9)	(5.0)	(34.6)
Other finance income and expenses	(1.6)	(2.7)	(5.0)
Total other finance income and expenses	**(18.5)**	**(10.5)**	**(43.2)**
FINANCE INCOME/(EXPENSE)	**(66.6)**	**(51.0)**	**(126.7)**

In H1, the Group unwound forward swaps (entered into in 2017) following the issue of a new bond. The premium received in this respect is to be spread over the life of the hedging relationship and is included in the cost of net debt for €0.1 million as of June 30, 2018.

In addition, "Restructuring costs for financial liabilities" representing €(14.9) million include €(11.3) million of termination payments for the repurchase of three bonds.

5.1.3. Gross financial liabilities

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

(in millions of euros)	Balance sheet value as of 06/30/2018	Current: Maturing in < 1 year	Non-current: Maturing in 1 to 2 years	Maturing in 2 to 3 years	Maturing in 3 to 4 years	Maturing in 4 to 5 years	Maturing in > 5 years	Fair value as of 06/30/2018
Fixed rate debt	4,862.3	948.8	11.8	329.5	11.6	477.8	3,082.7	4,947.3
Bonds	3,747.2	239.4	-	304.6	-	466.1	2,737.1	3,822.8
Borrowings from credit institutions	344.1	6.4	4.6	18.3	5.2	5.6	303.9	349.4
Finance leases	75.6	7.6	7.2	6.6	6.4	6.1	41.6	79.7
Payables associated with equity interests	6.8	6.8	-	-	-	-	-	6.8
NEU Commercial Paper	688.5	688.5	-	-	-	-	-	688.5
Variable rate debt	1,445.0	292.9	140.5	218.5	168.9	19.2	605.0	1,473.5
Borrowings from credit institutions	1,185.8	159.7	125.8	204.0	122.8	12.6	560.9	1,212.3
Finance leases	140.7	15.0	14.7	14.5	46.0	6.5	44.0	142.7
Other loans and similar liabilities	0.2	0.0	-	-	-	0.1	0.1	0.2
Payables associated with equity interests	68.7	68.7	-	-	-	-	-	68.7
Bank overdrafts	49.6	49.6	-	-	-	-	-	49.6
GROSS FINANCIAL LIABILITIES AS OF 06/30/2018	**6,307.3**	**1,241.7**	**152.3**	**548.1**	**180.5**	**497.1**	**3,687.7**	**6,420.7**
GROSS FINANCIAL LIABILITIES AS OF 12/31/2017	**5,981.1**	**1,073.7**	**349.9**	**259.2**	**641.0**	**563.9**	**3,093.4**	**6,164.3**

Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 12/31/2017	Increase	Decrease	Nominal value as of 06/30/2018
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Interest only	300.0	-	-	300.0
FR0011577170	09/30/2013	01/30/2019	500.0	Fixed rate 2.25%	Interest only	245.1	-	(33.8)	211.3
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Interest only	454.7	-	(150.1)	304.6
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Interest only	500.0	-	(16.1)	483.9
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Interest only	750.0	-	-	750.0
FR0013218393	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Interest only	500.0	-	-	500.0
FR0013281755	09/13/2017	09/13/2027	600.0	Fixed rate 1.5%	Interest only	600.0	-	-	600.0
FR0013320058	02/28/2018	02/28/2028	600.0	Fixed rate 1.625%	Interest only	-	600.0	-	600.0
BONDS						3,349.8	600.0	(200.0)	3,749.8

The average debt maturity was 6.7 years as of June 30, 2018 (excluding NEU Commercial Paper), versus 6.5 years as of December 31, 2017.

The average maturity is 5 years for variable rate debt and 7.1 years for the related hedges, allowing adequate hedging, and anticipating coverage of future financing needs.

5.1.4. Derivative instruments

Presentation of derivatives on the balance sheet

(in millions of euros)	Fair value as of 12/31/2017	Disposals	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	Fair value as of 06/30/2018
Presentation of derivatives on the balance sheet:					
Derivative instruments – Assets	13.1	(7.4)	(0.1)	3.5	9.1
Derivative instruments – Liabilities	(18.5)	-	0.3	(6.0)	(24.2)
TOTAL	(5.4)	(7.4)	0.1	(2.5)	(15.1)
Breakdown of derivative instruments by type:					
Interest rate swaps – fixed-rate payer	(3.8)	(7.4)	(0.4)	(2.5)	(14.1)
- including change in interest accrued but not due	-	-	(0.1)	-	-
- including ineffective portion	-	-	(0.4)	-	-
Cash flow hedges	**(3.8)**	**(7.4)**	**(0.4)**	**(2.5)**	**(14.1)**
Interest rate swaps – fixed-rate payer	(3.4)	-	0.7	-	(2.6)
Interest rate options	0.6	-	(0.1)	-	0.4
Non-hedging instruments	**(2.8)**	**-**	**0.6**	**-**	**(2.2)**
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	(6.7)	(7.4)	0.1	(2.5)	(16.3)
Derivatives: margin calls	1.3	-	-	-	1.3
TOTAL INTEREST RATE DERIVATIVES	(5.4)	(7.4)	0.1	(2.5)	(15.1)

Changes in hedge reserves

(in millions of euros)	12/31/2017 (a)	Recycling to the income statement (b)	Other items of comprehensive income (c)	06/30/2018
CFH reserves - interest rate swaps	(5.1)	1.9	(2.5)	(5.7)
NET CASH FLOW HEDGE RESERVES	(5.1)	1.9	(2.5)	(5.7)
Attributable to the Group	(2.2)	2.1	(1.8)	(1.8)

(a) The revaluation reserves presented on the balance sheet as of December 31, 2017 include available-for-sale reserves for €1.1 million which were transferred on January 1, 2018 to other reserves as a result of applying IFRS 9

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

(c) Changes in value of cash flow hedges

Derivatives: analysis of notional amounts by maturity

	06/30/2018							
			Portion due in < 1 year		Portion due in > 1 year and < 5 years		Portion due in > 5 years	
(in millions of euros)	Average rate	Total	Amount	Average rate	Amount	Average rate	Amount	Average rate
PORTFOLIO OF OUTSTANDING DERIVATIVES								
Interest rate swaps – fixed-rate payer	0.6%	913.1	24.6	2.6%	555.1	0.6%	333.4	0.6%
Interest rate options – caps	1.3%	211.8	125.2	1.5%	59.6	1.2%	27.0	0.5%
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES		1,124.9	149.8		614.7		360.4	
PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES								
Interest rate swaps – fixed-rate payer	1.1%	369.4	-	-	4.6	0.9%	364.7	1.1%
Interest rate options – caps	0.7%	16.0	-	-	12.7	0.5%	3.3	1.5%
TOTAL PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES		385.4	-		17.4		368.0	
TOTAL INTEREST RATE DERIVATIVES AS OF 06/30/2018		1,510.3	149.8		632.1		728.4	
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2017		1625.1	215.4		765.1		644.6	

5.1.5. Other financial assets and liabilities

Financial assets

(in millions of euros)	01/01/2018 (a)	Acquisitions	Disposals / redemptions	Impact of changes in fair value recognised in the income statement	Other	06/30/2018
Financial assets at fair value through profit or loss (b)	27.4	-	(0.1)	1.0	-	28.3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**27.4**	**-**	**(0.1)**	**1.0**	**-**	**28.3**
Receivables associated with equity investments and other related parties	42.3	5.3	(6.4)	-	-	41.1
Loans	0.4	-	-	-	-	0.4
Deposits and guarantees paid	6.0	0.2	(0.3)	-	-	5.9
Shareholder loans	24.9	-	-	-	4.0	29.0
Other	0.1	-	(0.1)	-	-	-
FINANCIAL ASSETS AT AMORTISED COST	**73.8**	**5.5**	**(6.7)**	**-**	**4.0**	**76.6**

(a) Amounts after reclassifications resulting from the application of IFRS 9: available-for-sale securities have been reclassified as financial assets at fair value through profit or loss.
(b) Financial assets at fair value through profit or loss consist of investments in unconsolidated companies.

Financial assets by maturity

		Current	Non-current	
(in millions of euros)	06/30/2018	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Receivables associated with equity investments and other related parties	41.1	41.1	-	-
Loans	0.4	0.1	0.1	0.2
Deposits and guarantees paid	5.9	0.3	2.5	4.1
Shareholder loans	29.0	29.0	-	-
OTHER FINANCIAL ASSETS AT AMORTISED COST	**76.5**	**70.5**	**2.6**	**4.3**

Other financial liabilities consist exclusively of deposits and guarantees received from tenants for €67.0 million as of June 30, 2018.

5.1.6. Cash and cash equivalents

(in millions of euros)	06/30/2018	12/31/2017
Money-market UCITS	35.3	30.0
Cash assets (including bank interest receivable)	320.2	390.3
CASH AND CASH EQUIVALENTS	**355.5**	**420.3**

5.2. Management of financial risks

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

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

5.2.1. Liquidity risk

The Group's undrawn amounts of short- and medium-term credit lines total €1,771.0 million, which are fully available. This amount does not include the undrawn amounts of credit lines that may have been opened for specific property developments.

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

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

	06/30/2018								
	Portion due in < 1 year		Portion due in > 1 year and < 3 years		Portion due in > 3 years and < 5 years		Portion due in > 5 years		
(in millions of euros)	Repayments	Interest	Repayments	Interest	Repayments	Interest	Repayments	Interest	Total
Bonds	211.3	68.3	304.6	127.1	483.9	113.4	2,750.0	160.2	4,218.8
Borrowings from credit institutions	166.5	19.0	353.9	38.1	150.7	36.9	868.1	119.7	1,752.8
Finance leases	22.1	3.7	42.3	6.8	64.3	5.5	85.3	6.2	236.2
Other loans and similar liabilities	-	-	-	-	0.1	-	0.1	-	0.2
Payables associated with equity interests	75.2	-	-	-	-	-	-	-	75.2
NEU Commercial Paper	688.5	-	-	-	-	-	-	-	688.5
Bank overdrafts	49.6	-	-	-	-	-	-	-	49.6
Accounts payable and tax liabilities	490.3	-	9.0	-	-	-	-	-	499.3
Derivative instruments		10.0		16.6		2.0		(13.5)	15.1
TOTAL	**1,703.4**	**101.0**	**709.8**	**188.7**	**699.0**	**157.8**	**3,703.5**	**272.5**	**7,535.7**

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

5.2.2. Covenants and financial ratios

The Group monitors the following covenants:

		Covenants	06/30/2018
LTV bank covenant	Maximum	< 52%	44.0%
ICR	Minimum	> 2	5.44x
CDC's stake	Minimum	34%	38.96%
Value of Property Investment assets [(a)]	Minimum	From > €1.7bn to > €7bn	€13.5bn
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	0.6%
Security interests in assets	Maximum	< 20% of property investment assets	6.8%

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

Loans taken out by the Group may be subject to covenants based on financial ratios (loan-to-value and interest coverage ratios) and to a clause on the level of control by Caisse des dépôts which may trigger early repayment. All covenants were met as of June 30, 2018.

As of June 30, 2018, Caisse des dépôts held 38.96% of voting rights and a 38.77% stake in Icade.

5.2.3. Interest rate risk

	06/30/2018									
	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	41.2	384.5	948.8	292.9	907.5	(91.6)	-	149.8	(907.5)	241.3
1 to 2 years	-	-	11.8	140.5	11.8	140.5	-	109.9	(11.8)	(30.7)
2 to 3 years	-	-	329.5	218.5	329.5	218.5	-	145.3	(329.5)	(73.2)
3 to 4 years	-	-	11.6	168.9	11.6	168.9	-	31.2	(11.6)	(137.7)
4 to 5 years	0.1	-	477.8	19.2	477.7	19.2	-	345.7	(477.7)	326.5
> 5 years	28.6	-	3,082.7	605.0	3,054.1	605.0	-	728.4	(3,054.1)	123.5
TOTAL	69.9	384.5	4,862.3	1,445.0	4,792.3	1,060.6	-	1,510.3	(4,792.3)	449.8

Variable rate debt represented nearly 21% of total debt as of June 30, 2018 (excluding payables associated with equity interests and bank overdrafts).

In H1 2018, the Group continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps).

In particular, 7- to 10-year swaps and forward swaps for a notional amount of €400.0 million were concomitantly taken out to make sure the company will keep benefiting from today's historically low interest rates in the long term.

As of June 30, 2018, 97% of debt was hedged against interest rate risk.

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

(in millions of euros)	06/30/2018	
	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	71.5	2.4
Impact of a -1% change in interest rates	(78.5)	(1.8)

5.2.4. Currency risk

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

5.2.5. Credit risk

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

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

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

The Group's exposure to credit risk corresponds primarily to the carrying amount of accounts receivable less deposits received from customers, i.e. €246.6 million as of June 30, 2018, compared with €233.2 million as of December 31, 2017, restated for the impact of applying IFRS 15.

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

5.3. Fair value of financial assets and liabilities

(in millions of euros)	Carrying amount as of 06/30/2018	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 06/30/2018
ASSETS					
Financial assets at fair value through profit or loss	28.3	-	-	28.3	28.3
Financial assets at amortised cost	76.6	76.6	-	-	76.6
Derivatives	9.1	1.3	7.4	0.4	9.1
Current and non-current financial assets and derivatives	**114.0**	**77.9**	**7.4**	**28.7**	**114.0**
Accounts receivable	331.8	331.8	-	-	331.8
Other operating receivables (a)	39.2	39.2	-	-	39.2
Cash equivalents	35.3	-	-	35.3	35.3
TOTAL FINANCIAL ASSETS	**520.3**	**448.8**	**7.4**	**64.0**	**520.3**
LIABILITIES					
Current and non-current financial liabilities	6,307.3	6,307.3	-	-	6,428.0
Other current and non-current financial liabilities (b)	91.2	67.0	21.6	2.6	91.2
Accounts payable	473.3	473.3	-	-	473.3
Other operating payables (a)	295.6	295.6	-	-	295.6
TOTAL FINANCIAL LIABILITIES	**7,167.4**	**7,143.2**	**21.6**	**2.6**	**7,288.2**

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

(b) Including derivatives

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

		06/30/2018			
(in millions of euros)	Notes	Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on non-observable data	Fair value as of 06/30/2018
ASSETS					
Derivatives excluding margin calls (assets)	5.1.4		7.8		7.8
Financial assets at fair value through profit or loss	5.1.5			28.3	28.3
Cash equivalents	5.1.6	35.3			35.3
LIABILITIES					
Derivatives (liabilities)	5.1.4		24.2		24.2

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

Note 6. Earnings per share and equity

6.1. Earnings per share

(in millions of euros)		06/30/2018	06/30/2017 restated (a)	12/31/2017 restated (a)
Net profit/(loss) attributable to the Group from discontinued operations		(0.3)	(0.1)	0.3
Net profit/(loss) attributable to the Group from continuing operations		27.4	74.3	165.1
Net profit/(loss) attributable to the Group	**(A)**	**27.1**	**74.2**	**165.5**
Opening number of shares		74,111,186	74,111,186	74,111,186
Increase in the average number of shares as a result of the capital increase		2,322	-	-
Average number of treasury shares outstanding		(212,926)	(211,797)	(213,338)
Average undiluted number of shares	**(B)**	**73,900,582**	**73,899,389**	**73,897,848**
Impact of dilutive instruments (stock options and bonus shares)		123,338	79,909	73,786
Average diluted number of shares	**(C)**	**74,023,920**	**73,979,298**	**73,971,634**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)	**(A/B)**	**€0.37**	**€1.00**	**€2.24**
Net profit/(loss) attributable to the Group from discontinued operations per share		(€0.0)	(€0.0)	€0.00
Net profit/(loss) attributable to the Group from continuing operations per share		€0.37	€1.01	€2.23
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)	**(A/C)**	**€0.37**	**€1.00**	**€2.24**
Diluted net profit/(loss) attributable to the Group from discontinued operations per share		(€0.0)	€0.0	€0.00
Diluted net profit/(loss) attributable to the Group from continuing operations per share		**€0.37**	**€1.00**	**€2.23**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

6.2. Equity

Share capital

	06/30/2018		12/31/2017	
Shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Caisse des dépôts	28,895,631	38.77%	28,895,631	38.99%
Crédit Agricole Assurances group	13,704,789	18.39%	13,704,789	18.49%
Public	31,371,512	42.09%	31,111,533	41.98%
Employees	196,294	0.26%	192,589	0.26%
Treasury shares	363,202	0.49%	206,644	0.28%
TOTAL	**74,531,428**	**100.00%**	**74,111,186**	**100.00%**

Change in the number of shares outstanding

	Number	Share capital *(in €m)*
SHARE CAPITAL AS OF 12/31/2016	**74,111,186**	**113.0**
SHARE CAPITAL AS OF 12/31/2017	**74,111,186**	**113.0**
Capital increase in consideration for the transfer value received from ANF Immobilier (a)	420,242	0.6
SHARE CAPITAL AS OF 06/30/2018	**74,531,428**	**113.6**

(a) The capital increase amounted to €24.1 million including a nominal value of €0.6 million and a merger premium of €23.5 million. Merger costs deducted from the merger premium totalled €3.0 million.

Dividends

(in millions of euros)	06/30/2018	12/31/2017
Payment to Icade SA shareholders in year N for year N-1		
- dividends deducted from tax-exempt fiscal profit/(loss) (in accordance with the SIIC status)	275.6	159.8
- dividends deducted from profit taxable at the ordinary rate	42.2	135.8
TOTAL	**317.8**	**295.6**

Dividends per share distributed in 2018 and 2017 in respect of profits for the financial years 2017 and 2016 were €4.30 and €4.00, respectively.

Note 7. Provisions

(in millions of euros)	12/31/2017	Charges	Use	Reversals	Reclassification	06/30/2018
Lump-sum final payments and similar liabilities	23.1	0.4	(0.1)	-	-	23.4
Losses on contracts	0.8	-	(0.2)	-	-	0.6
Tax risks	3.9	-	-	-	1.0	4.8
Liabilities and charges – Other	41.3	13.3	(1.0)	(1.0)	(0.9)	51.8
PROVISIONS FOR LIABILITIES AND CHARGES	**69.0**	**13.7**	**(1.2)**	**(1.0)**	**0.1**	**80.6**
Non-current provisions	27.9	0.9	(0.1)	(0.2)	0.1	28.6
Current provisions	41.1	12.8	(1.1)	(0.8)	-	52.0
including: operating profit/(loss)		13.0	(1.2)	(1.0)		
including: finance income/(expense)		0.6	-	-		

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

The following risks were identified:

- losses on service contracts and off-plan contracts;
- tax risks: provisions cover estimated tax risks for which tax adjustment notices have been received as of June 30, 2018;
- other provisions for liabilities and charges amounting to €51.8 million cover primarily business risks, employment tribunal disputes and litigation.

Provisions for lump-sum final payments and similar liabilities stood at €23.4 million as of June 30, 2018. The main actuarial assumptions used as of June 30, 2018 are unchanged compared to December 31, 2017, including the discount rate of 1.45%.

Note 8. Other items

8.1. Equity-accounted investments

8.1.1. Changes in equity-accounted investments

	06/30/2018			12/31/2017 restated (a)		
(in millions of euros)	Joint ventures	Associates	Total value of equity-accounted companies	Joint ventures	Associates	Total value of equity-accounted companies
OPENING SHARE IN NET ASSETS	150.2	(0.1)	150.1	120.7	(0.1)	120.6
Share of profit/(loss) for the financial year	(1.3)	-	(1.3)	9.1	-	9.1
Dividends paid	(14.7)	(0.1)	(14.8)	13.2	(0.1)	13.1
Impact of changes in scope of consolidation and capital	3.5	(0.1)	3.4	7.2	0.1	7.3
CLOSING SHARE IN NET ASSETS	**137.7**	**(0.3)**	**137.4**	**150.2**	**(0.1)**	**150.1**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.1.2. Key information on the income statement

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

Income statement

	06/30/2018			06/30/2017 restated (a)			12/31/2017 restated (a)		
(in millions of euros)	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
Revenue	4.2	45.7	50.0	5.7	58.4	64.1	9.8	122.5	132.3
EBITDA	2.2	4.8	6.9	3.6	5.1	8.7	5.8	11.3	17.1
Operating profit/(loss)	(5.8)	4.7	(1.1)	(1.9)	5.4	3.5	(1.3)	11.1	9.8
Finance income/(expense)	(0.2)	-	(0.2)	(0.4)	-	(0.5)	(0.6)	(0.1)	(0.7)
Income tax	-	-	0.0	-	0.1	0.1	-	(0.1)	(0.1)
NET PROFIT/(LOSS)	(6.0)	4.7	(1.3)	(2.3)	5.4	3.1	(1.9)	11.0	9.1
including depreciation net of government grants	(3.5)	-	(3.5)	(3.4)	-	(3.4)	(6.9)	(0.3)	(7.3)

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.2. Components of the working capital requirement

8.2.1. Inventories and work in progress

	Property Development				Commercial Property Investment	
(in millions of euros)	Land bank	Work in progress	Unsold finished lots	Total		Total
Gross value as of 12/31/2017 restated (a)	136.4	300.4	26.5	463.3	1.0	464.4
Gross value as of 06/30/2018	**128.9**	**309.4**	**37.1**	**475.4**	**1.0**	**476.4**
Impairment as of 12/31/2017 restated (a)	(9.7)	(6.7)	(4.5)	(20.9)	(0.1)	(20.9)
Impairment as of 06/30/2018	**(8.8)**	**(7.7)**	**(3.1)**	**(19.6)**	**(0.1)**	**(19.7)**
Net value as of 12/31/2017 restated (a)	126.7	293.7	22.1	442.5	0.9	443.4
Net value as of 06/30/2018	**120.1**	**301.7**	**34.0**	**455.8**	**0.9**	**456.8**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.2.2. Contract assets and liabilities and accounts receivable

(in millions of euros)	12/31/2017 restated (a)	Change for the period	Net reversals of impairment losses recognised in the income statement	Other (b)	06/30/2018
Construction contracts (advances from customers)	12.3	3.7		-	16.0
Advances, down payments and credit notes to be issued	1.5	(0.9)		-	0.6
CONTRACT LIABILITIES	**13.7**	**2.9**		**-**	**16.6**
Construction contracts	226.4	(3.5)		-	222.9
Impairment of construction contracts	-	-	-	-	-
CONTRACT ASSETS – NET VALUE	**226.4**	**(3.5)**	**-**	**-**	**222.9**
Accounts receivable – operating leases	216.1	17.3		2.0	235.4
Financial accounts receivable – finance leases	80.3	(0.7)		-	79.6
Accounts receivable from revenue from ordinary activities	45.8	5.6		-	51.4
Accounts receivable – gross value	**342.2**	**22.2**		**2.0**	**366.5**
Impairment of receivables from leases	(26.7)		(3.0)	(1.8)	(31.5)
Impairment of receivables from ordinary activities	(3.3)		0.1		(3.2)
Accounts receivable – Impairment	**(30.1)**		**(2.9)**	**(1.8)**	**(34.7)**
ACCOUNTS RECEIVABLE – NET VALUE	**312.1**	**22.2**	**(2.9)**	**0.3**	**331.8**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.
(b) Other changes relate to discontinued operations

8.2.3. Revenue

Revenue by category breaks down as follows:

(in millions of euros)	06/30/2018	06/30/2017 restated (a)	12/31/2017 restated (a)
REVENUE	**782.6**	**752.7**	**1,620.0**
Including:			
Gross rental income from Commercial Property Investment	200.3	186.5	375.4
Gross rental income from Healthcare Property Investment	115.1	106.0	214.9
Construction contracts and off-plan sales from Property Development	470.1	454.4	1,016.6

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.2.4. Cash flow from components of the working capital requirement

(in millions of euros)	06/30/2018	12/31/2017 restated (a)
Commercial Property Investment	(7.2)	(13.4)
Healthcare Property Investment	21.2	(8.3)
Property Development	(39.6)	44.3
Other	7.3	(2.7)
TOTAL CASH FLOW FROM COMPONENTS OF THE WORKING CAPITAL REQUIREMENT	**(18.3)**	**19.9**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

The €(18.3) million decline in WCR as of June 30, 2018 is explained by:

- an increase in receivables of €16.2 million including prepaid expenses as of June 30, 2018 for the office space tax on the buildings and a decrease in accounts payable of €7.0 million, in addition to a rise in tax liabilities of €43.2 million including land tax on the buildings for which a provision was recorded on June 30, 2018 for the Commercial and Healthcare Property Investment divisions;
- an increase in inventories of €12.1 million, a decrease in accounts receivable of €15.6 million and a decrease in payables of €43.1 million for the Property Development Division.

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

(in millions of euros)	06/30/2018	12/31/2017
TOTAL ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	9.3	11.1
TOTAL LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS	7.8	9.0

Investment properties held for sale relate to property assets subject to preliminary sale agreements as of June 30, 2018.

Liabilities held for sale relate to the liabilities retained from operations sold during previous financial years, as of June 30, 2018.

8.3. Tax

8.3.1. Analysis of tax expense

(in millions of euros)	06/30/2018	06/30/2017 Restated (a)	12/31/2017 Restated (a)
Current taxes	(8.5)	(17.1)	6.6
"Exit tax" (SIIC status)	0.3	-	-
Deferred taxes	0.1	(1.0)	1.7
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(8.1)**	**(18.1)**	**8.3**
TAX ON ITEMS RECOGNISED IN EQUITY	**(0.1)**	**-**	**(0.1)**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

The tax expense as of June 30, 2017 included a €7.5 million expense for the 3% contribution on a portion of the dividends paid by Icade in H1.

Note 9. Additional information

On March 27, 2018, Icade Santé made its first investment in the nursing home sector through the signing of a preliminary agreement to acquire 14 healthcare facilities, for €189.0 million, from the Residalya network. The final deed of sale was signed on July 4, 2018.

9.1. Scope of consolidation

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2018 % direct stake	% 2018 ownership interest	Joint ventures / Associates	Method of consolidation	2017 % 2017 ownership interest
COMMERCIAL PROPERTY INVESTMENT DIVISION						
ICADE	SA		Parent company		Full	
GIE ICADE MANAGEMENT	GIE	100.00	100.00		Full	100.00
BUSINESS PARKS						
BATI GAUTIER	SCI	100.00	100.00		Full	100.00
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
OFFICES						
ICADE LEO LAGRANGE (formerly VILLEJUIF)	SCI	100.00	100.00		Full	100.00
MESSINE PARTICIPATIONS	SCI	100.00	100.00		Full	100.00
MORIZET	SCI	100.00	100.00		Full	100.00
CAMILLE DESMOULINS	SCI	100.00	100.00		Full	100.00
1 TERRASSE BELLINI	SCI	33.33	33.33	Joint ventures	Equity	33.33
ICADE RUE DES MARTINETS	SCI	100.00	100.00		Full	100.00
ICADE TOUR EQHO	SAS	100.00	100.00		Full	100.00
SCI BATIMENT SUD DU CENTRE HOSP PONTOISE	SCI	100.00	100.00		Full	100.00
SCI BSM DU CHU DE NANCY	SCI	100.00	100.00		Full	100.00
LE TOLBIAC	SCI	100.00	100.00		Full	100.00
EVRY MOZART	SCI	100.00	100.00		Full	100.00
SAS ICADE TMM	SAS	100.00	100.00		Full	100.00
SCI ISSY HOLDING COEUR DE VILLE	SCI	49.00	49.00	Associates	Equity	49.00
SA ANF IMMOBILIER	SA		Merger			89.02
SNC LES BASSINS A FLOTS	SNC	99.00	99.00		Full	89.02
SCI LAFAYETTE	SCI	54.98	54.98		Full	48.06
SCI STRATEGE	SCI	54.98	54.98		Full	48.06
SCI SILKY WAY	SCI	70.00	70.00		Full	57.86
SCI FUTURE WAY	SCI	50.55	50.55		Full	45.00
SCI NEW WAY	SCI	100.00	100.00		Full	44.75
SCI ORIANZ	SCI	65.31	65.31		Full	58.14
SCI FACTOR E.	SCI	65.31	65.31		Full	58.14
SAS FINANCIERE DES BROTTEAUX	SAS		Disposal			17.80
RESIDENTIAL						
SARVILEP	SAS	100.00	100.00		Full	100.00
HOTELS						
SCI ANF IMMOBILIER HOTELS	SCI	77.00	77.00		Full	68.55
OTHER						
ICADE 3.0	SASU	100.00	100.00		Full	100.00
CYCLE-UP	SAS	50.00	50.00	Joint ventures	Equity	50.00
HEALTHCARE PROPERTY INVESTMENT DIVISION						
ICADE SANTE	SAS	56.77	56.77		Full	56.51
SAS FONCIERE MSR	SAS		Merger			56.51
PROPERTY DEVELOPMENT						
RESIDENTIAL PROPERTY DEVELOPMENT						
SCI DU CASTELET	SCI	100.00	100.00		Full	100.00
SARL B.A.T.I.R. ENTREPRISES	SARL	100.00	100.00		Full	100.00
SCI LONGCHAMP CENTRAL FAC	SCI	100.00	100.00		Full	100.00
ST CHARLES CHANCEL	SCI	100.00	100.00		Full	100.00
SARL FONCIERE ESPACE ST CHARLES	SARL	86.00	86.00		Full	86.00
MONTPELLIERAINE DE RENOVATION	SARL	86.00	86.00		Full	86.00
SCI ST CHARLES PARVIS SUD	SCI	58.00	58.00		Full	58.00
MSH	SARL	100.00	100.00		Full	100.00
SARL GRP ELLUL-PARA BRUGUIERE	SARL	100.00	100.00		Full	100.00
SNC LE CLOS DU MONESTIER	SNC	100.00	100.00		Full	100.00

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2018 % direct stake	% 2018 ownership interest	Joint ventures / Associates	Method of consolidation	2017 % 2017 ownership interest
SCI LES ANGLES 2	SCI	75.50	75.50		Full	75.50
SARL DOMAINE DE LA GRANGE	SARL	51.00	51.00		Full	51.00
SCI CASTEL D'UZEGES	SCI	62.50	62.50		Full	62.50
SNC MARINAS DEL SOL	SNC	100.00	100.00		Full	100.00
SCI LE BELEM	SCI	100.00	100.00		Full	100.00
SCI CŒUR MARINE	SCI	99.00	99.00		Full	99.00
SCI LES BASTIDES D'UZEGES	SCI	62.50	62.50		Full	62.50
SCI LES JARDINS D'HARMONY	SCI	100.00	100.00		Full	100.00
SCI CŒUR CATALUNA	SCI	100.00	100.00		Full	100.00
SNC MEDITERRANEE GRAND ARC	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI ROYAL PALMERAIE	SCI	100.00	100.00		Full	100.00
SCI LA SEIGNEURIE	SCI	62.50	62.50		Full	62.50
ICADE PROMOTION LOGEMENT	SAS	100.00	100.00		Full	100.00
CAPRI PIERRE	SARL	99.92	99.92		Full	99.92
SNC CHARLES	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI TERRASSE GARONNE	SCI	49.00	49.00	Joint ventures	Equity	49.00
SCI MONNAIE - GOUVERNEURS	SCI	70.00	70.00		Full	70.00
SCI ERSTEIN LA FILATURE 3	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI STIRING WENDEL	SCI	75.00	75.00		Full	75.00
STRASBOURG R. DE LA LISIERE	SCI	33.00	33.00	Joint ventures	Equity	33.00
SCI KEMBS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LES SYMPHONIES	SNC	66.70	66.70		Full	66.70
SCI LES PLEIADES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LA POSEIDON	SNC	100.00	100.00		Full	100.00
JARDINS D ALMERIA	SCI	50.00	50.00	Joint ventures	Equity	50.00
TERRASSES ALHAMBRA	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PARC	SCI	50.00	50.00	Joint ventures	Equity	50.00
LE PRINTEMPS DES ROUGIERES	SARL	96.00	96.00		Full	96.00
LES ALPINES	SCI	100.00	100.00		Full	100.00
SNC MONTBRILLAND	SNC	87.00	87.00		Full	87.00
SNC STE FOY - VALLON DES PRES	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI PIERRE AUDRY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BRENIER	SCI	95.00	95.00		Full	95.00
SCI GERLAND ILOT 3	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI GERLAND ILOT 4	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI 460 AVENUE DE PESSICART	SCI	50.00	50.00	Joint ventures	Equity	50.00
PARC DU ROY D'ESPAGNE	SNC	50.00	50.00	Joint ventures	Equity	50.00
LE DOMAINE DU ROY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI JEAN DE LA FONTAINE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI 101 CHEMIN DE CREMAT	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PINATEL	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC 164 PONT DE SEVRES	SNC	65.00	65.00		Full	65.00
SCI LILLE LE BOIS VERT	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LES LYS DE MARGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI GARCHES 82 GRANDE RUE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI RUEIL CHARLES FLOQUET	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VALENCIENNES RESIDENCE DE L'HIPPODROME	SCI	75.00	75.00		Full	75.00
SCI COLOMBES ESTIENNES D'ORVES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VILLA DES GARDES	SCI	75.00	75.00		Full	75.00
SCI BOULOGNE SEINE D2	SCI	17.33	17.33	Associates	Equity	17.33
BOULOGNE VILLE A2C	SCI	17.53	17.53	Associates	Equity	17.53
BOULOGNE VILLE A2D	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2E	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2F	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B1	SCI	18.23	18.23	Associates	Equity	18.23
BOULOGNE 3-5 RUE DE LA FERME	SCI	13.21	13.21	Associates	Equity	13.21

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2018 % direct stake	% 2018 ownership interest	Joint ventures / Associates	Method of consolidation	2017 % 2017 ownership interest
BOULOGNE PARC B2	SCI	17.30	17.30	Associates	Equity	17.30
SCI Lieusaint Rue de Paris	SCI	50.00	50.00	Joint ventures	Equity	50.00
BOULOGNE PARC B3A	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B3F	SCI	16.94	16.94	Associates	Equity	16.94
SCI ROTONDE DE PUTEAUX	SCI	33.33	33.33	Joint ventures	Equity	33.33
SAS AD2B	SAS	100.00	100.00		Full	100.00
SCI CHATILLON AVENUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE - 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
LES TUILERIES	SCI	50.00	50.00	Joint ventures	Equity	50.00
ESSEY LES NANCY	SCI	75.00	75.00		Full	75.00
SCI LE CERCE DES ARTS – Housing	SCI	37.50	37.50		Full	37.50
LE CLOS STANISLAS	SCI	75.00	75.00		Full	75.00
LES ARCHES D’ARS	SCI	75.00	75.00		Full	75.00
ZAC DE LA FILATURE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LA SUCRERIE – Housing	SCI	37.50	37.50		Full	37.50
SCI LA JARDINERIE – Housing	SCI	37.50	37.50		Full	37.50
LES COTEAUX DE LORRY	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI LE PERREUX ZAC DU CANAL	SCI	72.50	72.50		Full	72.50
SCI Boulogne Ville A3 LA	SCI	17.40	17.40	Associates	Equity	17.40
SNC Nanterre MH17	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC SOISY Avenue KELLERMAN	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC ST FARGEAU HENRI IV	SNC	60.00	60.00		Full	60.00
SCI ORLEANS St JEAN LES CEDRES	SCI	49.00	49.00	Joint ventures	Equity	49.00
RUE DE LA VILLE	SNC	100.00	99.99		Full	99.99
BEAU RIVAGE	SCI	100.00	99.99		Full	99.99
33 RUE DE LA REPUBLIQUE	SCI	55.00	55.00		Full	55.00
JARDINS DE LA SEIGNEURERIE	SCI	60.00	60.00		Full	60.00
RUE DU 11 NOVEMBRE	SCI	100.00	100.00		Full	100.00
RUE GUSTAVE PETIT	SCI	100.00	100.00		Full	100.00
RUE DEBLORY	SCI	100.00	100.00		Full	100.00
RUE DU MOULIN	SCI	100.00	100.00		Full	100.00
IMPASSE DU FORT	SCI	100.00	100.00		Full	100.00
RUE CHATEAUBRIAND	SCI	100.00	100.00		Full	100.00
SCI AVENUE DEGUISE	SCI	100.00	100.00		Full	100.00
LE GAND CHENE	SCI	100.00	100.00		Full	100.00
DUGUESCLIN DEVELOPPEMENT	SAS	100.00	100.00		Full	100.00
DUGUESCLIN & ASSOCIES MONTAGNE	SAS	100.00	100.00		Full	100.00
CHALET DE LA VANNOISE	SCI	33.33	33.33	Joint ventures	Equity	33.33
BALCONS DU SOLEIL	SCI	40.00	40.00	Joint ventures	Equity	40.00
DU LIZE LE MAS DES OLIVIERS	SCI	50.00	50.00	Joint ventures	Equity	50.00
CDP THONON	SCI	33.33	33.33	Joint ventures	Equity	33.33
SCI RESID. SERVICE DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI RESID. HOTEL DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI LE VERMONT	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI HAGUENAU RUE DU FOULON	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC URBAVIA	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI GERTWILLER 1	SCI	50.00	50.00		Full	50.00
SCCV LES VILLAS DU PARC	SCCV	100.00	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00	100.00		Full	100.00
SCI SOPHIA PARK	SCI	50.00	50.00	Joint ventures	Equity	50.00
LES HAUTS DE L’ESTAQUE	SCI	51.00	51.00		Full	51.00
ROUBAIX RUE DE L’OUEST	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCV CHATILLON MERMOZ FINLANDE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DES COSTIERES	SCI	60.00	60.00		Full	60.00
SARL LAS CLOSES	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI CHAMPS S/MARNE RIVE GAUCHE	SCI	50.00	50.00	Joint ventures	Equity	50.00

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2018 % direct stake	% 2018 ownership interest	Joint ventures / Associates	Method of consolidation	2017 % 2017 ownership interest
SCI BOULOGNE SEINE D3 PP	SCI	33.33	33.33	Associates	Equity	33.33
SCI BOULOGNE SEINE D3 D1	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 E	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 DEF COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 ABC COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 F	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 C1	SCI	16.94	16.94	Associates	Equity	16.94
SCCV SAINTE MARGUERITE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC ROBINI	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DU SABLASSOU	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV LES PATIOS D'OR - GRENOBLE	SCCV	80.00	80.00		Full	80.00
SCI DES AUBEPINES	SCI	60.00	60.00		Full	60.00
SCI LES BELLES DAMES	SCI	66.70	66.70		Full	66.70
SCI PLESSIS LEON BLUM	SCI	80.00	80.00		Full	80.00
SCCV RICHET	SCCV	100.00	100.00		Full	100.00
SCI BOULOGNE PARC B4B	SCI	20.00	20.00	Associates	Equity	20.00
SCI ID	SCI	53.00	53.00		Full	53.00
SNC PARIS MACDONALD PROMOTION	SNC	100.00	100.00		Full	100.00
RESIDENCE LAKANAL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
COEUR DE VILLE	SARL	70.00	70.00		Full	70.00
SCI CLAUSE MESNIL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
ROUEN VIP	SCCV	100.00	100.00		Full	100.00
OVALIE 14	SCCV	80.00	80.00		Full	80.00
SCCV VILLA ALBERA	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI ARKADEA LA ROCHELLE	SCI	100.00	100.00		Full	100.00
SCCV FLEURY MEROGIS LOT1.1	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT1.2	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT3	SCCV	100.00	100.00		Full	100.00
SCI L'ENTREPÔT MALRAUX	SCI	65.00	65.00		Full	65.00
SCCV CERGY - LES PATIOS D'OR	SCCV	67.00	67.00		Full	67.00
MULHOUSE LES PATIOS D'OR	SCCV	40.00	40.00	Joint ventures	Equity	40.00
SCCV CLERMONT-FERRAND LA MONTAGNE	SCCV	90.00	90.00		Full	90.00
SCCV NICE GARE SUD	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SEP COLOMBES MARINE	SEP	25.00	25.00	Joint ventures	Equity	25.00
SCI CLAYE SOUILLY - L'OREE DU BOIS	SCI	80.00	80.00		Full	80.00
SCI BONDOUFLE - LES PORTES DE BONDOUFLE	SCI	80.00	80.00		Full	80.00
SCCV ECOPARK	SCCV	90.00	90.00		Full	90.00
SCI FI BAGNOLET	SCI	90.00	90.00		Full	90.00
SCI ARKADEA TOULOUSE LARDENNE	SCI	100.00	100.00		Full	100.00
SCCV 25 BLD ARMEE DES ALPES	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV HORIZON PROVENCE	SCCV	58.00	58.00		Full	58.00
SARL DOMAINE DE FAHAM	SARL	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CROIX ROUSSE	SCI	70.00	70.00	Joint ventures	Equity	70.00
SCCV SETE - QUAI DE BOSC	SCCV	90.00	90.00		Full	90.00
SCI SAINT FARGEAU CENTRE	SCI	70.00	70.00		Full	70.00
SCCV RIVES DE SEINE - BOULOGNE YC2	SCCV	80.00	80.00		Full	80.00
SCI BLACK SWANS	SCI	85.00	85.00		Full	85.00
SCCV CANAL STREET	SCCV	100.00	100.00		Full	100.00
SCCV BLACK SWANS TOUR B	SCCV	85.00	85.00		Full	85.00
SCCV ORCHIDEES	SCCV	51.00	51.00		Full	51.00
SCCV MEDICADE	SCCV	80.00	80.00		Full	80.00
SCI PERPIGNAN LESAGE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC TRIGONES NIMES	SCI	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

Full = full consolidation
Equity = equity method

Company name	Legal form	% direct stake (06/30/2018)	% 2018 ownership interest (06/30/2018)	Joint ventures / Associates (06/30/2018)	Method of consolidation (06/30/2018)	% 2017 ownership interest (2017)
SCCV SAINT FARGEAU 23 FONTAINEBLEAU	SCCV	70.00	70.00		Full	70.00
SCCV CARENA	SCCV	51.00	51.00		Full	51.00
SCCV BLACK SWANS TOUR C	SCCV	85.00	85.00		Full	85.00
SCCV TOURS RESIDENCE SENIOR MELIES	SCCV	99.96	99.96		Full	99.96
SCI CAEN LES ROBES D'AIRAIN	SCI	60.00	60.00		Full	60.00
SCI CAPITAINE BASTIEN	SCI	80.00	80.00		Full	80.00
SCCV THERESIANUM CARMELITES	SCCV	65.00	65.00		Full	65.00
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LILLE WAZEMMES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV ANTONY	SCCV	80.00	80.00		Full	80.00
SCCV SAINT FARGEAU LEROY BEAUFILS	SCCV	65.00	65.00		Full	65.00
SCI ST ANDRE LEZ LILLE - LES JARDINS DE TASSIGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV CARIVRY	SCCV	51.00	51.00		Full	51.00
SCCV L'ETOILE HOCHE	SCCV	60.00	60.00		Full	60.00
SCCV LES PINS D'ISABELLA	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SCCV LES COTEAUX LORENTINS	SCCV	100.00	100.00		Full	100.00
SCCV ROSNY 38-40 JEAN JAURES	SCCV	100.00	100.00		Full	100.00
SCCV CARETTO	SCCV	51.00	51.00		Full	51.00
SNC MASSY VILGENIS	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCCV MASSY CHATEAU	SCCV	50.00	50.00		Full	50.00
SCCV MASSY PARC	SCCV	50.00	50.00	Associates	Equity	50.00
SCCV NEUILLY S/MARNE QMB 10B	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV VITA NOVA	SCCV	70.00	70.00		Full	70.00
SCCV NEUILLY S/MARNE QMB 1A	SCCV	44.45	44.45	Associates	Equity	44.45
SCCV LE RAINCY RSS	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV LE MESNIL SAINT DENIS SULLY	SCCV	100.00	99.99		Full	99.99
SCCV 1-3 RUE D'HOZIER	SCCV	45.00	45.00	Joint ventures	Equity	40.06
SAS LE CLOS DES ARCADES	SAS	50.00	50.00	Joint ventures	Equity	50.00
SCCV LE PETIT ROBINSON	SCCV	50.00	50.00		Full	50.00
SCCV CUGNAUX - LEO LAGRANGE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV COLOMBES MARINE LOT A	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT B	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT D	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT H	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV LES BERGES DE FLACOURT	SCCV	65.00	65.00		Full	
SCCV LE PLESSIS-ROBINSON ANCIENNE POSTE	SCCV	75.00	75.00		Full	
SCCV QUAI 56	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV CARE44	SCCV	51.00	51.00		Full	
SCCV LE PIAZZA	SCCV	70.00	70.00		Full	
SCCV ICAGIR RSS TOURS	SCCV	50.00	50.00	Joint ventures	Equity	
SSCV ASNIERES PARC B8 B9	SCCV	50.00	50.00	Joint ventures	Equity	
SSCV SAINT FARGEAU 82-84 Avenue de Fontainebleau	SCCV	70.00	70.00		Full	
COMMERCIAL PROPERTY DEVELOPMENT						
PARIS BERTHELOT	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC ICADE PROMOTION TERTIAIRE	SNC	100.00	100.00		Full	100.00
ICADLEO	SNC	66.67	66.67		Full	66.67
SORIF ICADE LES PORTES D'ESPAGNE	SNC	50.00	50.00	Joint ventures	Equity	50.00
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

Full = full consolidation
Equity = equity method

Company name	Legal form	06/30/2018 % direct stake	% 2018 ownership interest	Joint ventures / Associates	Method of consolidation	2017 % 2017 ownership interest
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	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
SCI ARKADEA FORT DE France	SCI	51.00	51.00		Full	51.00
SCCV SKY 56	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV OCEAN COMMERCES	SCCV	100.00	100.00		Full	100.00
SCCV SILOPARK	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV TECHNOFFICE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SARL LE LEVANT DU JARDIN	SARL	50.67	50.67		Full	50.67
SAS OCEAN AMENAGEMENT	SAS	51.00	51.00		Full	51.00
SCI ARKADEA RENNES TRIGONNE	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CREPET	SCI	65.00	65.00	Joint ventures	Equity	65.00
SCCV LE SIGNAL/LES AUXONS	SCCV	51.00	51.00		Full	51.00
SCCV LA VALBARELLE	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SNC ISSY COEUR DE VILLE PROMOTION BUREAUX	SNC	49.00	49.00	Joint ventures	Equity	49.00
SAS ANF IMMOBILIER DEVELOPPEMENT	SAS	100.00	100.00		Full	89.02
SCCV HOTELS A1-A2	SCCV	50.00	50.00	Joint ventures	Equity	44.51
SCCV BUREAUX B-C	SCCV	50.00	50.00	Joint ventures	Equity	44.51
SCCV MIXTE D-E	SCCV	50.00	50.00	Joint ventures	Equity	44.51
SCCV CASABONA	SCCV	35.00	35.00	Associates	Equity	

3. Statutory auditors' review report on the 2018 half-year financial information

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

To the Shareholders,

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

- the limited review of the accompanying condensed half-year consolidated financial statements of Icade SA, for the six months ended June 2018;
- the verification of the information contained in the half-year management report.

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

I - Conclusion on the financial statements

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

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

Without qualifying our opinion expressed above, we draw your attention to the part of note 1.1 to the financial statements which describes the change in accounting policy due to the first application of IFRS 9 and IFRS 15.

II - Specific verification

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

Neuilly-sur-Seine and Courbevoie, July 20, 2018

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	**MAZARS**
Eric Bulle	Gilles Magnan

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