



ICADE – Q1 2019 PERFORMANCE

A STRONG Q1 FOR THE PROPERTY INVESTMENT DIVISIONS

- **Office Property Investment: rental income up 2.7% on a like-for-like basis**
 - 48 leases were signed or renewed during the quarter for nearly 82,946 sq.m
 - A financial occupancy rate of 91.4%
 - Investments accelerated to €108 million, primarily in the development pipeline
- **Healthcare Property Investment: rental income soars by +14.2%**
 - Significant increase in rental income due to 2018 completions and acquisitions (+2.7% on a like-for-like basis)
 - 7 leases secured¹ during the quarter for a WAULT of 10.6 years, resulting in a portfolio WAULT of 7.7 years
 - Expansion continues with the signing of a preliminary agreement for the acquisition² of 12 medium- and long-term care assets for €191 million
- **Property Development: lower revenue and residential backlog up nearly 5%³**
 - Consolidated revenue drops 28.5% to €148.5 million; residential segment: -14.7%
 - Growth in the backlog (€1,195 million, up +2.8%³) and land portfolio (€2.5 billion in potential revenue at the end of March 2019)
 - Icade continues to perform well in competitive selection processes: contract for the “Inventing Bruneseau” project which features a buildable area of 100,000 sq.m awarded in February 2019
- **Executive Committee appointments and changes in governance**
- **2019 guidance confirmed:**
 - Stable Group net current cash flow per share, excluding the impact of any opportunistic disposals in 2019
 - 2019 dividend: c.+4.5%

<i>(in millions of euros)</i>	03/31/2019	03/31/2018	Change (%)	Like-for-like change (%)
Gross rental income from Office Property Investment	92.0	99.0	(7.0)%	2.7%
Gross rental income from Healthcare Property Investment	64.7	56.7	14.2%	2.7%
Gross rental income from Property Investment	156.7	155.7	0.8%	2.7%
Property Development revenue	148.5	207.8	(28.5)%	(28.5)%
Other revenue (*)	(3.1)	(1.3)	N/A	N/A
CONSOLIDATED REVENUE	302.1	362.1	(16.6)%	(17.0)%

(*) “Other revenue” mainly includes intra-group revenue eliminations

¹ Lease renewal or extension

² See dedicated press release from April 11, 2019

³ vs. December 31, 2018

1. PROPERTY INVESTMENT DIVISIONS

1.1 Office Property Investment

Gross rental income:

(in millions of euros)	03/31/2018	Completions/ Developments/ Refurbishments	Disposals	Leasing activity and rent escalation	03/31/2019	Change (%)	Like-for-like change (%)
Offices ^(*)	62.5	(1.3)	(1.4)	1.7	61.6	(1.4)%	2.9%
Business parks ^(*)	29.7	(0.6)	(6.6)	0.8	23.3	(21.7)%	2.7%
OFFICE AND BUSINESS PARK ASSETS	92.3	(1.9)	(8.0)	2.5	84.9	(8.0)%	2.8%
Other assets ^(*)	7.9	0.1	(0.7)	0.0	7.4	(6.3)%	(0.1)%
Intra-group transactions from Office Property Investment	(1.3)		1.0	0.0	(0.3)	(74.7)%	N/A
GROSS RENTAL INCOME FROM OFFICE PROPERTY INVESTMENT	99.0	(1.7)	(7.7)	2.6	92.0	(7.0)%	2.7%

(*) Since September 30, 2018, the assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park have been included in the Office segment, and the Fresnes business park and public-private partnerships have been included in "Other assets". All comparative information has been restated for these reclassifications (pro forma data for 2018).

Analysis of leasing activity in Q1 2019:

The Office Property Investment Division reported **gross rental income** of €92 million.

- **On a like-for-like basis**, the Office Property Investment Division recorded a **+2.7% increase in income**, including +2.9% for offices and +2.7% for business parks, buoyed by vibrant leasing activity and a rent escalation rate of 2.0%;
- **On a reported basis**, rental income dipped €7.0 million (-7.0%) due to asset disposals carried out in H2 2018 (it is recalled that rental income related to assets sold in 2018 represented €37 million on an annual basis).

48 leases were signed or renewed for nearly 82,946 sq.m as **leasing activity remained strong**:

- **17 leases were renewed** during the quarter ended, representing a total area of 54,652 sq.m, total annual headline rental income of €12.3 million and a weighted average unexpired lease term of 7.1 years.
- **New leases** signed during the quarter ended totalled 28,294 sq.m, with annualised headline rental income of €5.7 million and a weighted average unexpired lease term of 6.4 years.

Tenant departures during the period stood at 69,941 sq.m (including 31,353 sq.m on a like-for-like basis).

As of March 31, 2019, **the financial occupancy rate stood at 91.4%**, a 0.7 pp decrease on a like-for-like basis (2.0 pps on a reported basis) compared to December 31, 2018. This drop is primarily due to completion of an asset currently being offered for lease.

The **average unexpired lease term** stood at 5.0 years, **an increase of 0.3 years** compared to December 31, 2018, due in part to leases renewed during the quarter.

Asset classes	Financial occupancy rate (in %) (**)			Weighted average unexpired lease term (in years) (**)	
	03/31/2019	12/31/2018	Like-for-like change*	03/31/2019	12/31/2018
Offices	95.2%	95.1%	(0.8) pp	5.6	5.2
Business parks	82.2%	89.1%	(0.8) pp	3.2	2.9
OFFICE AND BUSINESS PARK ASSETS	91.3%	93.5%	(0.8) pp	4.9	4.6
Other assets	93.2%	92.9%	+0.3 pp	6.5	6.7
OFFICE PROPERTY INVESTMENT	91.4%	93.4%	(0.7) pp	5.0	4.7

(*) Change between December 31, 2018 and March 31, 2019, excluding completions, acquisitions and disposals for the period.

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

Q1 2019 investments:

<i>(in millions of euros)</i>	Off-plan acquisitions	Projects under development	Other capex	Other	Total
Offices	42.5	38.7	8.9	5.0	95.1
Business parks		8.1	4.3	0.1	12.5
OFFICES & BUSINESS PARKS	42.5	46.8	13.2	5.1	107.6
Other assets			0.7		0.7
OFFICE PROPERTY INVESTMENT	42.5	46.8	13.9	5.1	108.3

As of March 31, 2019, investments amounted to €108.3 million (vs. €95.8 million as of March 31, 2018), including:

- Off-plan schemes for €42.5 million, including €15.7 million and €14.5 million invested in the Spring A (Rueil-Malmaison) and Gambetta (Paris, 20th district) projects, respectively. Both assets were completed in Q1 and have a nearly 100% occupancy rate.
- Development projects for €46.8 million, mainly allocated to Origine (€22.4 million) and Pulse (€5.6 million).

Other investments, encompassing “Other Capex” and “Other” for €19.0 million, have been earmarked for building maintenance work and tenant improvements.

Asset disposals:

Asset disposals completed in the quarter ended March 31, 2019 were not significant, amounting to €5.8 million (a €3.0 million gain).

1.2 Healthcare Property Investment⁴

Gross rental income:

<i>(in millions of euros)</i>	03/31/2018	Acquisitions	Completions/ Developments/ Refurbishments	Disposals	Leasing activity and rent escalation	03/31/2019	Change (%)	Like-for-like change (%)
GROSS RENTAL INCOME FROM HEALTHCARE PROPERTY INVESTMENT	56.7	2.5	4.1	(0.0)	1.5	64.7	14.2%	2.7%

Analysis of leasing activity in Q1:

Rental income from Healthcare Property Investment jumped 14.2% to €64.7 million.

- On a like-for-like basis, income rose by + 2.7%, fuelled by rent escalation of around 2.0%.
- On a reported basis, this strong income growth is attributable to asset completions (+€4.1 million) and acquisitions (+€2.5 million) recorded in 2018.

Asset classes	Financial occupancy rate <i>(in %)**</i>			Weighted average unexpired lease term <i>(in years)</i>	
	03/31/2019	12/31/2018	Like-for-like change*	03/31/2019	12/31/2018
HEALTHCARE PROPERTY INVESTMENT	100.0%	100.0%	0.0 pp	7.7	7.4

(*) Change between December 31, 2018 and March 31, 2019, excluding completions, acquisitions and disposals for the period.

(**) On a full consolidation basis.

The Healthcare Property Investment Division increased its weighted average unexpired lease term to 7.7 years (+0.3 years) as of March 31, 2019 after renewing or extending 7 leases during the quarter for a WAULT of 10.6 years.

⁴ Icade Santé on a full consolidation basis

Q1 2019 investments:

(in millions of euros)	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	12.3	11.4	9.1	0.4	33.2

As of March 31, 2019, the Healthcare Property Investment Division's investments amounted to €33.2 million (vs. €26.8 million as of March 31, 2018), including:

- The acquisition of a new facility (Jesolo) for €12.1 million which will start generating cash flows immediately, in line with the memorandum of understanding signed at the end of 2018 with respect to the development of 7 nursing homes in northern Italy;
- Development projects for €11.4 million, including the Greater Narbonne private hospital (€3.0 million) and the Clinique de l'Atlantique private hospital in Puilboreau (€1.6 million).

2. PROPERTY DEVELOPMENT DIVISION

(in millions of euros)	03/31/2019			03/31/2018			Change
	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	
Residential Property Development	115.6	10.2	125.7	135.6	9.4	145.0	(13.3%)
Office Property Development	33.0	0.8	33.7	72.3	9.7	81.9	(58.8%)
REVENUE	148.5	11.0	159.5	207.8	19.1	226.9	(29.7%)

	03/31/2019	03/31/2018	Change (%)	12/31/2018
Orders for new housing units and building plots				
Housing orders (in units) (*)	847	1,242	(31.8)%	4,938
Housing orders (in millions of euros including taxes)	197.3	236.3	(16.5)%	1,041.3
Housing order cancellation rate (in %)	23%	14%	+9.0 pps	16%
Average sale price and average floor area based on housing orders				
Average price including taxes per habitable sq.m (in €/sq.m)	3,858	4,080	(5.4)%	3,851
Average budget including taxes per housing unit (in €/k)	233.4	190.3	22.6%	211.2
Average floor area per housing unit (in sq.m)	60.5	46.6	29.8%	54.8
Breakdown of housing orders by type of customer (in %)				
Home buyers	36.3%	23.4%	+12.8 pps	29.2%
Private investors	40.0%	29.7%	+10.3 pps	36.8%
Institutional investors	23.8%	46.9%	(23.1) pps	34.0%

(*) "Units" means the number of residential units or equivalent residential units (for mixed-use developments) of any given development.

(in millions of euros)	03/31/2019	12/31/2018	Change (%)
Property Development backlog	1,195.0	1,162.8	+ 2.8%
Residential Property Development	972.4	927.4	+ 4.9%
Office, Public Amenities and Healthcare Property Development	192.3	203.0	(5.3)%
Project Management Support service order book	30.2	32.4	(6.7)%

2.1 Residential Property Development

Following a record-breaking 2018 in terms of sales and construction starts, Residential Property Development revenue amounted to €125.7 million for the quarter, down 13.3% compared to March 31, 2018. This decrease, in line with forecasts, is due to the time lag between the moment sales are signed and revenue is recognised (percentage of completion method).

Net new housing orders were down by 31.8% in volume terms, bringing the total to 847 units. This fall is attributable to a lower absorption rate (7.8% in Q1 2019 vs. 9.0% in Q1 2018) and fewer properties put on the market than in Q1 2018 (645 units in Q1 2019 vs. 1,397 units in Q1 2018). The period required to obtain government permits has also increased in the run-up to elections.

In value terms, the decrease in potential revenue from housing orders was less pronounced (16.5%) due to a favourable price effect (average budget per housing unit of €233.4k in Q1 2019 vs. €190.3k in Q1 2018).

The Residential Property Development backlog was up 4.9% compared to December 31, 2018 and the land portfolio continued to grow: as of March 31, 2019, the land portfolio amounted to 11,762 units compared to 11,638 units at December 31, 2018, representing potential revenue including tax of €2.5 billion.

The outlook for Residential Property Development is therefore positive over the time horizon of Icade's medium-term plan.

2.2 Office Property Development

At the end of March 2019, the Property Development Division completed the *Sky-Line II* project in Toulouse. This 4,692-sq.m building was sold to the City of Toulouse and is fully leased by some of the City's departments.

The revenue of the Office Property Development business reached €33.7 million, sharply down compared to Q1 2018 (€81.9 million) but in line with our forecasts.

At the end of March 2019, the backlog of the Office, Public Amenities and Healthcare Development business amounted to €192.3 million, down by 5.3% compared to December 31, 2018. This drop results from the progress of ongoing projects (especially an office building in the Carré de Soie district of Vaulx-en-Velin, the Latécoère building in Toulouse and an office building in Villejuif).

The lower revenue recorded in Q1 2019 is due to the completion of numerous projects in 2018 (over 150,000 sq.m including 9 major completions in 2018). The major contracts won in 2018 (and Q1 2019) will translate into significant revenue generation starting in 2020.

2.3 Contracts awarded in 2019: new attractive opportunities

- **“Inventing Bruneseau – Nouvel R Project”, France's first low-carbon neighbourhood**

In March 2019, a consortium of developers made up of AG Real Estate, Icade, Les Nouveaux Constructeurs and Nexity, was selected as the winner of the “Inventing Bruneseau” call for projects organised by the City of Paris and SEMAPA.

“Nouvel R” involves carrying out a project covering close to 100,000 sq.m (25,000 sq.m offices, 50,000 sq.m housing and 20,000 sq.m shops and business premises) designed to create a real link between Paris and Ivry-sur-Seine.

The carbon footprint of this ambitious project is expected to be five times lower than the average in Paris, making Bruneseau France's first low-carbon neighbourhood.

- **Îlot K in Bordeaux**

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

The project will include a 450-space multi-storey car park (around 10,000 sq.m), 64 residential units (5,000 sq.m) and 350 sq.m of shops. The project's distinctive features include a mainly wood-based structure and a car park that can be partly converted into offices. An application for a building permit will be lodged in the spring with the aim of starting construction work in early 2020.

3. FINANCIAL MANAGEMENT

- In February 2019, Icade successfully completed a bond tender offer for three outstanding issues maturing in 2021, 2022 and 2023 listed on Euronext Paris. The offer was closed on February 27, 2019 with a total buyback amount of €156.5 million. This transaction had a positive impact on the average debt maturity, which improved by 0.2 years for the Group.
- In addition, Icade was awarded the highest score by the Climate Bonds Initiative for its Green Bond reporting at the end of March 2019. It should be noted that Icade issued its Inaugural Green Bond in 2017 for a total of €600 million, with a maturity of 10 years and an annual coupon of 1.5%.
- Lastly, Icade completed its share buyback programme launched in December 2018 and limited to 0.5% of its share capital: 372,679 shares were repurchased at an average price of €69.68. These shares are intended to cover existing or future employee share ownership plans.

4. EXECUTIVE COMMITTEE APPOINTMENTS AND CHANGES IN GOVERNANCE

- Françoise DELETTRE, CEO of Icade Santé and member of Icade's Executive Committee, has announced her retirement. She will be replaced by Xavier Cheval, the current Deputy CEO of Icade Santé, effective today.
- Maurice SISSOKO, CEO of Icade Promotion and member of Icade's Executive Committee, is leaving the company to pursue personal goals. He will be replaced in the coming weeks by Emmanuel DESMAIZIERES, currently CEO of UrbanEra, International activities, Subsidiaries and Commercial business for Bouygues Immobilier.
- Jérôme LUCCHINI, Deputy CEO of Icade Santé and Secretary of the Board of Directors, has been appointed General Secretary of Icade; he will be a member of the Executive Committee. He has also been reappointed Secretary of the Board of Directors.
- Icade has today published a press release on the outcome of the General Meeting held on April 24, 2019 and the changes in governance that ensued from the meeting of the Board of Directors held on the same date, including:
 - The appointment of Frédéric THOMAS as Chairman of the Board of Directors;
 - The reappointment of Olivier WIGNIOLLE as CEO of Icade for four years;
 - The appointment of Florence PERONNAU as Vice-Chairwoman and Lead Independent Director;
 - The new composition of the Board of Directors and its committees.

5. 2019 OUTLOOK: PRIORITIES AND GUIDANCE CONFIRMED

Icade's priorities for 2019 were announced last February:

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

At the end of Q1 2019, Icade confirms its guidance for the year announced in February 2019:

- **In 2019, Group net current cash flow per share should be stable excluding the impact of any opportunistic disposals to be completed in 2019** (*it is recalled that excluding the impact of significant disposals in 2018, 2019 NCCF would have grown by +6%*).
- **2019 dividend policy: in 2019, the dividend should increase by c.+4.5%**, in line with NCCF CAGR over the course of the plan. This increased dividend will be achieved through a payout ratio of about 90% of NCCF and, as the case may be, the distribution of part of the capital gains realised on disposals (in accordance with the dividend distribution requirements imposed by the SIIC regime).

FINANCIAL CALENDAR

Half-year results: July 22, 2019, before the market opens.

Q3 financial data: October 17, 2019, after the market closes.

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ABOUT ICADÉ

BUILDING FOR EVERY FUTURE

As an investor and a developer, Icade is an integrated real estate player which designs innovative real estate products and services adapted to new urban lifestyles and habits. By placing corporate social responsibility and innovation at the core of its strategy, Icade is closely involved with stakeholders and users in the cities—local authorities and communities, companies and employees, institutions and associations... As an office and healthcare property investor (portfolio value of €11.3bn as of 12/31/18 on a proportionate consolidation basis) and as a property developer (2018 economic revenues of €1,251m), Icade has been able to reinvent the real estate business and foster the emergence of tomorrow's greener, smarter and more responsible cities. Icade is a significant player in the Greater Paris area and major French cities. Icade is listed on Euronext Paris as a French Listed Real Estate Investment Company (SIIC). Its leading shareholder is the Caisse des dépôts Group.

The text of this press release is available on the Icade website: www.icade.fr

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APPENDIX

Leasing activity – Office Property Investment Division excluding Residential

	12/31/2018		Q1 2019 changes			03/31/2019		New leases signed in Q1 2019		03/31/2019
	Leased floor area	Additions	Exits	Exits due to disposals	Adjustments**	Leased floor area	Leases starting in Q1 2019	Leases starting after Q1 2019	Total new leases signed in Q1 2019	
Asset classes (in sq.m)										
Offices	787,426	9,794	(21,622)		175	775,772	6,523	4,715		11,238
Business parks	580,093	7,411	(9,628)	-		577,877	6,438	-		6,438
Other assets (*)	147,554	439	(103)	-		147,890	439	1,764		2,203
LIKE-FOR-LIKE SCOPE (A)	1,515,073	17,644	(31,353)	-	175	1,501,540	13,400	6,479		19,879
Offices	30,408	37,912	(30,272)	-		38,048	-	8,415		8,415
Business parks	15,993	-	(8,317)	-		7,676	-	-		-
Other assets (*)	-	-	-	-		-	-	-		-
ACQUISITIONS / COMPLETIONS (B)	46,401	37,912	(38,589)	-		45,724	-	8,415		8,415
SUBTOTAL	1,561,474	55,556	(69,941)	-	175	1,547,264	13,400	14,894		28,294
Offices	-	-	-	-	-	-	-	-		-
Business parks	-	-	-	-	-	-	-	-		-
Other assets (*)	968	-	-	(968)	0	-	-	-		-
DISPOSALS (C)	968	-	-	(968)	-	-	-	-		-
OFFICE PROPERTY INVESTMENT (A)+(B)+(C)	1,562,442	55,556	(69,941)	(968)	175	1,547,264	13,400	14,894		28,294

(*) Including hotels, warehouses and other non-strategic assets

(**) New survey by a licensed surveyor