



ICADE – REVENUE UP +5.5%

IN Q3 2018

- **Office Property Investment:**
 - Rental income rises by as much as +8.6%¹ to €303.8 million, +1.1% on a like-for-like basis
 - Financial occupancy rate up at 92.7%
 - Investments accelerate to €377 million (development pipeline and off-plan sales)
- **Healthcare Property Investment:**
 - Strong increase in rental income of +10.9%¹ to €177.1 million, +1.6% on a like-for-like basis
- **Property Development:**
 - Economic revenue² grows by +1.8%¹ to €777.6 million
 - Residential Property Development backlog up +8.8% to €1,099.6 million
- **2018 net current cash flow outlook confirmed:** 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. REVENUE AS OF SEPTEMBER 30, 2018

As of September 30, 2018, Icade's consolidated revenue grew by 5.5% compared to September 30, 2017, driven by all the business lines: Office Property Investment (+8.6%), Healthcare Property Investment (+10.9%) and Property Development (+4.0%).

In addition, Group revenue improved by 2.4% on a like-for-like basis from September 30, 2017.

<i>(in millions of euros)</i>	09/30/2018	09/30/2017 RESTATED (*)	09/30/2017 REPORTED	Change (%)	Like-for-like change (%)
Gross rental income from Office Property Investment	303.8	279.7	279.7	8.6%	1.1%
Gross rental income from Healthcare Property Investment	177.1	159.7	159.7	10.9%	1.6%
Property Development revenue	708.9	681.8	719.2	4.0%	4.0%
Other revenue (**)	(12.5)	(5.7)	(5.7)	N/A	N/A
CONSOLIDATED REVENUE	1,177.3	1,115.4	1,152.9	5.5%	2.4%

(*) Proforma in accordance with IFRS 15

(**) "Other revenue" mainly includes intra-group revenue eliminations

¹ vs. September 2017

² Economic revenue = IFRS revenue adjusted from IFRS 15

2. PROPERTY INVESTMENT DIVISION

2.1 Office Property Investment

Gross rental income:

(in millions of euros)	09/30/2017	Acquisitions	Completions/ Developments/ Refurbishments	Disposals	Leasing activity and rent escalation	09/30/2018	Change (%)	Like- for-like change (%)
Offices ^(*)	173.9	22.4	1.9	(6.4)	2.3	194.1	11.6%	1.5%
Business parks ^(*)	89.8	-	(0.7)	(0.2)	0.8	89.8	(0.0)%	0.9%
OFFICE AND BUSINESS PARK ASSETS	263.7	22.4	1.2	(6.5)	3.1	283.8	7.6%	1.3%
Other assets ^(*)	20.8	3.9	-	(1.1)	0.3	24.0	15.1%	3.1%
Intra-group transactions from Office Property Investment	(4.8)		1.5		(0.6)	(4.0)	(18.2)%	N/A
GROSS RENTAL INCOME	279.7	26.3	2.7	(7.6)	2.7	303.8	8.6%	1.1%

(*) Since September 30, 2018, the Fresnes business park and public-private partnerships have been included in 'Other assets'. The assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park are included in the Office segment. All comparative information has been restated for these reclassifications (pro forma data for 2017).

Rental income from the Office Property Investment Division was up by a strong +8.6% to €303.8 million, primarily driven by the acquisition of ANF Immobilier (+€24.9 million).

The Office Property Investment Division showed **like-for-like growth of 1.1%** (including **1.5% for offices** and **0.9% for business parks**).

Analysis of leasing activity in Q3 2018:

New leases starting during the period represented 25,751 sq.m. In 9M 2018, additions to the portfolio of leased space totalled 109,923 sq.m while exits stood at 80,970 sq.m, i.e. a positive balance of +28,953 sq.m.

24 lease renewals were negotiated during the quarter ended, representing a total area of 33,804 sq.m and total annual rental income of €5.0 million.

In 9M 2018, renewals reached 134,340 sq.m (€27.7 million of annual rental income) and showed a weighted average unexpired lease term of 5.8 years.

New leases signed during the quarter ended represented 34,520 sq.m and €13.3 million in annual headline rental income.

Leases signed since the beginning of the year totalled 80,121 sq.m, equivalent to €24.2 million in annual rental income.

As of September 30, 2018, the financial occupancy rate stood at 92.7%, a 0.2 pp increase on a reported basis (+0.1 pp like-for-like) compared to June 30, 2018.

The financial occupancy rate for business parks (pro forma for the reclassifications made) was stable at 87.5% compared to June 30, 2018 (+0.1 pp on a like-for-like basis), and that of offices was slightly up by 0.2 pp (+0.1 pp on a like-for-like basis).

Asset class	Financial occupancy rate (in %) (*)				Weighted average unexpired lease term (in years) (*)		
	09/30/2018	06/30/2018	12/31/2017	Like-for-like change	09/30/2018	06/30/2018	12/31/2017
Offices	95.0%	94.8%	96.1%	+0.1 pp	5.3	5.5	5.4
Business parks	87.5%	87.5%	85.4%	+0.1 pp	3.0	3.0	3.0
OFFICE AND BUSINESS PARK ASSETS	92.6%	92.4%	92.5%	+0.1 pp	4.6	4.7	4.6
Other assets	93.6%	93.5%	93.7%	+0.2 pp	6.9	7.0	7.1
OFFICE PROPERTY INVESTMENT	92.7%	92.5%	92.5%	+0.1 pp	4.7	4.9	4.8

(*) Reclassification of the assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park to the Office segment. Reclassification of the Fresnes business park and public-private partnerships to 'Other assets'.

Cumulative investments since January 1, 2018:

<i>(in millions of euros)</i>	Off-plan acquisitions	Projects under development	Other capex	Other	Total
Offices	131.9	126.8	47.7	1.7	308.0
Business parks	0.0	44.0	22.7	0.5	67.1
OFFICES & BUSINESS PARKS	131.9	170.7	70.3	2.2	375.1
Other assets	0.5	0.0	1.4	0.0	2.0
OFFICE PROPERTY INVESTMENT	132.4	170.7	71.8	2.2	377.1

In 9M 2018, investments totalled €377.1 million (vs. €213.2 million as of September 30, 2017), with an acceleration in investments in the development pipeline:

- Off-plan investments: €132.4 million including €55.9 million invested in the Go Spring project in Nanterre (Hauts-de-Seine), €29.1 million in the Gambetta project in Paris and €25.7 million in the Orianz project in Bordeaux.
- Investments in the land bank: €170.7 million including the Pulse (€42.3 million) and Origine (€91.2 million) projects scheduled for completion in Q1 2019 and Q4 2020, respectively.

In 9M 2018, Icade completed two projects:

- Millénaire 1 leased to BNP Paribas, with a lease start in March 2018 (22,800 sq.m, 12-year lease). The refurbishment lasted 8 months;
- Armagnac hotel in Bordeaux, completed in July 2018 and fully leased to hotel operator B&B Hotels.

Asset disposals:

As of September 30, 2018, disposals completed since the beginning of the year amounted to €37.3 million (including residential assets).

In October, Icade also signed a preliminary agreement to sell the Paris Nord 2 and Colombes business parks as well as the Axe Seine building situated in Nanterre (Hauts-de-Seine) for a total of €425.0 million.

2.2 Healthcare Property Investment³

Gross rental income:

<i>(in millions of euros)</i>	09/30/2017	Acquisitions	Developments/ Refurbishments/ Completions	Disposals	Leasing activity and rent escalation	09/30/2018	Change (%)	Like-for-like change (%)
HEALTHCARE PROPERTY INVESTMENT	159.7	10.6	4.6	(0.2)	2.4	177.1	10.9%	1.6%

As of September 30, 2018, rental income from the Healthcare Property Investment Division reached €177.1 million, a 10.9% increase resulting primarily from acquisitions carried out in 2017/2018 and 2018 completions, including:

- The portfolio of 14 Residalya nursing homes (+€2.2 million) acquired in July 2018
- Europe private hospital in Rouen (+€3.8 million)
- Saint-Roch polyclinic in Cabestany (+€3.0 million)
- Positive impact of completions (+€4.6 million)

On a like-for-like basis, rental income **rose by 1.6% due to rent escalation**.

Cumulative investments since January 1, 2018:

<i>(in millions of euros)</i>	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	207.3	37.3	24.9	11.2	280.7

³ Icade Santé on a full consolidation basis

Year-to-date investments from the Healthcare Property Investment Division as of September 30, 2018 amounted to €280.7 million (vs. €230.2 million as of September 30, 2017), especially including:

- The acquisition in July 2018 of a portfolio of 14 nursing homes from the Residalya network (€189.6 million);
- The acquisition of a Post-Acute Care (PAC) facility located in Montévrain for a total of €17.6 million.

Lastly, at the beginning of October 2018, Icade signed a memorandum of understanding paving the way for its first international transaction.

3. PROPERTY DEVELOPMENT DIVISION

<i>(in millions of euros)</i>	09/30/2018			09/30/2017 RESTATED (*)			Change
	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	
Residential Property Development	503.7	40.9	544.6	497.8	37.1	534.9	1.8%
Commercial Property Development	205.2	27.7	232.9	184.0	44.7	228.7	1.9%
REVENUE (**)	708.9	68.6	777.6	681.8	81.8	763.6	1.8%

(*) Revenue adjusted in accordance with IFRS 15

	09/30/2018	09/30/2017	Change (%)	12/31/2017
Orders for new housing units and building plots				
Housing orders <i>(in units)</i> (**)	3,426	3,616	(5.3)%	5,776
Housing orders <i>(in millions of euros including taxes)</i>	733.3	696.6	5.3%	1,082.6
Housing order cancellation rate <i>(in %)</i>	15%	18%	(3.1) pps	18%
Average sale price and average floor area based on housing orders				
Average price including taxes per habitable sq.m <i>(in €/sq.m)</i>	4,013	3,597	11.6%	3,663
Average budget including taxes per housing unit <i>(in €k)</i>	214.3	193.0	11.0%	187.5
Average floor area per housing unit <i>(in sq.m)</i>	53.4	53.7	(0.6)%	51.2
Breakdown of housing orders by type of customer (in %)				
Home buyers	28.8%	25.5%	+3.3 pps	22.6%
Private investors	33.4%	41.5%	(8.1) pps	36.8%
Institutional investors	37.8%	33.0%	+4.8 pps	40.6%

(**) "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 during the preceding quarter.

<i>(in millions of euros)</i>	09/30/2018	12/31/2017 RESTATED (*)	Change (%)
Property Development backlog and service order book based on IFRS 15	1,426.8	1,505.2	(5.2)%
Residential Property Development	1,099.6	1,010.4	+ 8.8%
Office, Public Amenities and Healthcare Property Development	293.3	457.5	(35.9)%
Project Management Support service order book	33.9	37.3	(9.2)%

(*) Backlog adjusted in accordance with IFRS 15

3.1 Residential Property Development

Revenue from Residential Property Development stood at €544.6 million, up by 1.8% compared to September 30, 2017. The increase in construction starts as of September 30, 2018 (+33.3% i.e. 4,149 units in Q3 2018 vs. 3,114 in Q3 2017) and sales (+17.7 % i.e. 3,744 units in Q3 2018 vs. 3,182 units in Q3 2017) supports the revenue that is expected in 2018 for the Residential segment.

The growth in sales has been driven by bulk sales (1,721 units as of September 30, 2018 vs. 992 units as of September 30, 2017).

In this context, as part of a co-development partnership with Ynov, Icade has signed three off-plan sales to build a campus in Ivry-sur-Seine consisting of a sports facility for the town, a higher education school for Ynov, and 10-storey hall of residence comprising 367 studio flats for which Gecina acts as the investor.

Net new housing orders were down by 5.3% in volume terms, bringing the total to 3,426 units. In value terms, potential revenue from housing orders was up 5.3% due to a higher average price per unit. As of the end of September 2018, orders from institutional investors represented 37.8%, on the increase compared to the end of September 2017 (33.0%).

The backlog of the Residential Property Development business grew by 8.8% compared to December 31, 2017, bolstered by the increased number of orders.

At September 30, 2018, the land portfolio amounted to 10,752 units, representing potential revenue including tax of €2.2 billion compared to 11,365 units representing potential revenue including tax of €2.4 billion at the end of 2017.

3.2 Commercial Property Development

Revenue from Commercial Property Development increased to €232.9 million, up compared to Q3 2017 (+1.9%).

At the end of September 2018, the backlog of the “Office, Public Amenities and Healthcare Property Development” business amounted to €293.3 million, down by 35.9% compared to December 31, 2017. This change was due to the progress of ongoing projects (particularly the office building located in Villejuif) and to the many projects completed since the start of the year (Oxaya, Factory, Influence Square and Sky 56 in Lyon, Thémis in Paris, the Montpellier high speed train (TGV) station and Urban Quartz in Rennes).

In Q3, Sky 56, a high-rise office building (54 metres) located in the Part-Dieu district in Lyon, was completed and handed over to the investor Gécina.

In the same quarter, Icade Promotion signed an agreement to sell the Fondation Soussial de Miramont de Guyenne nursing home (119 beds), covering 5,900 sq.m.

In addition, two major project contracts have been won by Icade Promotion since the start of the year:

- Construction of the new “Terres de Versailles” neighbourhood, scheduled from 2019 to 2026,
- “Inventing the Greater Paris Metropolis” project on the Bercy-Charenton site, a mixed-use scheme with Sogaris and Poste Immo, including offices and a hotel, scheduled to be carried out from 2020 to 2023.

4. FINANCING

In Q3, Icade continued to pursue its goal of diversifying its liabilities by raising €100 million for Icade Santé over 8 years in the form of Corporate financing.

The Group’s liquidity has also been strengthened by the early renewal of bank credit lines for a total of €355 million with a longer average maturity.

5. ICADE’S CSR RATINGS

Icade’s CSR policy was once again acknowledged by ESG rating agencies—the certification bodies GRESB, ISS Oekom and MSCI raised Icade’s ratings and EPRA bestowed its Gold Sustainability Award on Icade for the quality of its environmental reporting.

Icade has shown its commitment to biodiversity by participating in the Act4nature initiative, launched on July 10, 2018 by EpE (Businesses for the Environment) and its partners.

6. 2018 OUTLOOK: CONFIRMED

Icade confirms its guidance for annual growth in Group net current cash flow: 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.

FINANCIAL CALENDAR

An **Investor Day** will be held on Monday, November 26, 2018.

2018 Full Year Results will be announced on Monday, February 18, 2019. The press release will be published before the market opens.

This press release does not constitute an offer, or an invitation to sell or exchange securities, or a recommendation to subscribe, purchase or sell Icade securities. Distribution of this press release may be restricted by legislation or regulations in certain countries. As a result, any person who comes into possession of this press release should be aware of and comply with such restrictions. To the extent permitted by applicable law, Icade excludes all liability and makes no representation regarding the violation of any such restrictions by any person.

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 €11.4bn as of 06/30/18 on a proportionate consolidation basis) and as a property developer (2017 economic revenues of €1,209m), 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

CONTACTS

Victoire Aubry, CFO
victoire.aubry@icade.fr

Hamza Gharbaoui, Investor relations
+33(0)1 41 57 71 77
hamza.gharbaoui@icade.fr

Charlotte Pajaud-Blanchard, Press relations manager
+33(0)1 41 57 71 19
charlotte.pajaud-blanchard@icade.fr

APPENDIX

Leasing activity – Office Property Investment Division excluding Residential

Asset class	06/30/2018	Q3 2018 changes				09/30/2018	New leases signed in Q3 2018		09/30/2018
	Leased floor area	Additions	Exits	Exits due to disposals	Adjusted floor area (**)	Leased floor area	Leases starting in Q3 2018	Leases starting after Q3 2018	Total new leases signed in Q3 2018
	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)
Offices	828,353	9,350	(7,535)		(878)	830,168	3,211	26,263	29,474
Business parks	777,323	8,140	(10,914)		(2,512)	774,550	2,651	1,842	4,493
Other assets (*)	172,229	5,407	(5,010)		-	172,626	553	-	553
LIKE-FOR-LIKE SCOPE (A)	1,777,905	22,897	(23,459)		(3,390)	1,777,343	6,415	28,105	34,520
Offices	5,014	-	-		-	5,014			-
Business parks	8,116	-	(7,442)		-	674			-
Other assets (*)	-	2,854		(3,940)	-	(1,086)	-	-	-
ACQUISITIONS / COMPLETIONS (B)	13,130	2,854	(7,442)		(3,940)	4,602	-	-	-
SUBTOTAL	1,791,035	25,751	(30,901)		(3,940)	1,781,945	6,415	28,105	34,520
DISPOSALS (C)	3,940	-	-		-	3,940	-	-	-
OFFICE PROPERTY INVESTMENT (A)+(B)+(C)	1,794,975	25,751	(30,901)		(3,940)	1,782,495	6,415	28,105	34,520

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

(**) New survey by a licensed surveyor / end of the rent guarantee period, etc.