



ICADE – REVENUE UP +8.4% IN Q1 2018

- **Commercial Property Investment:**
 - Rental income up by as much as +5,8%¹ to €99.0 million
 - Financial occupancy rate at 92.4% (+0.5 pp like-for-like²)
 - Strong leasing activity: 19,700 sq.m in new leases signed (+€3.8 million in rental income)
- **Healthcare Property Investment:**
 - Rental income up by a robust +7.5%¹ to €56.7 million
 - Preliminary agreement signed for the acquisition of a portfolio of 14 nursing homes for a total of €189 million
- **Property Development:**
 - Economic revenue³ increases by +8.9%¹ to €226.9 million
 - Housing orders climb by 9.0%⁴ for the Residential Property Development business
 - Residential Property Development's backlog at €1,053.4 million (+4.3%²)
- **Significant development contracts won by Icade Promotion: Versailles Pion and Bercy Charenton**
- **Completion of the Millénaire 1 building (22,800 sq.m) and the Reims-Bezannes polyclinic (€76.0 million in investments)**
- **2018 net current cash flow outlook confirmed: growth of around 5% compared to 2017**

1. REVENUE AS OF MARCH 31, 2018

As of March 31, 2018, Icade's consolidated revenue grew by +8.4% compared to March 31, 2017, driven by all the business lines: Commercial Property Investment (+5.8%), Healthcare Property Investment (+7.5%) and Property Development (+13.8%).

(in millions of euros)

	03/31/2018	03/31/2017 RESTATED*	03/31/2017 REPORTED	Change (%)	Like-for-like (%)
Gross rental income from Commercial Property Investment	99.0	93.6	93.6	5.8%	(0.5)%
Gross rental income from Healthcare Property Investment	56.7	52.7	52.7	7.5%	1.2%
Property Development revenue	207.8	182.6	189.1	13.8%	13.8%
Other revenue	(1.3)	(1.4)	(1.4)	(6.1)%	(6.1)%
CONSOLIDATED REVENUE	362.1	327.5	333.9	8.4%	8.1%

*IFRS 15 "Revenue from contracts with customers", which became effective on January 1, 2018, changed the rate at which revenue and profits from Property Development activities are recognised.

¹ vs. March 2017

² vs. December 2017

³ Economic revenue = IFRS revenue adjusted from IFRS 11

⁴ in volume terms vs. March 2017

2. PROPERTY INVESTMENT DIVISION

2.1. Commercial Property Investment Division

Gross rental income:

<i>(in millions of euros)</i>	03/31/2017	Acquisitions	Completions	Refurbishments	Disposals	Leasing activity and rent escalation	03/31/2018	Change (%)	Like-for-like change (%)
Offices	42.7	7.7	2.6	0.0	(3.2)	(0.2)	49.7	16.4%	(0.5)%
Business parks	48.2	0.0	0.1	(2.6)	0.0	(0.3)	45.5	(5.7)%	(0.6)%
OFFICE AND BUSINESS PARK ASSETS	90.9	7.7	2.7	(2.6)	(3.2)	(0.4)	95.2	4.7%	(0.5)%
<i>Other assets¹</i>	<i>4.2</i>	<i>1.3</i>	<i>0.0</i>	<i>0.0</i>	<i>(0.2)</i>	<i>0.0</i>	<i>5.3</i>	<i>27.5%</i>	<i>10.4%</i>
<i>Intra-group transactions from Commercial Property Investment</i>	<i>(1.5)</i>	<i>0.0</i>	<i>(1.0)</i>	<i>1.4</i>	<i>0.0</i>	<i>(0.4)</i>	<i>(1.5)</i>	<i>1.2%</i>	<i>N/A</i>
GROSS RENTAL INCOME	93.6	9.0	1.8	(1.2)	(3.4)	(0.8)	99.0	5.8%	(0.5)%

¹ Hotels, housing units, warehouses

Gross rental income from Commercial Property Investment stood at €99.0 million, a significant increase of +5.8% compared to March 31, 2017 (€93.6 million).

On a like-for-like basis, the office and business park segment declined slightly by -0.5% (including -0.5% for offices and -0.6% for business parks) due to tenant departures and lease renegotiations in 2017 and Q1 2018.

During the period, rental income was impacted by strong changes in scope of consolidation, which breaks down as follows:

- **+€9.0 million** of positive impacts from acquisitions made in 2017, especially ANF Immobilier (+€8.0 million)
- **+€1.8 million** of positive impacts from completions in 2017, including the first phase of the Go Spring off-plan project (+€0.9 million) and Défense 456 (+€0.8 million)
- **-€1.2 million** due to the rental income shortfall from assets made available for refurbishment, including Millénaire 1 (-€0.8 million, at the consolidated level of the Commercial Property Investment Division¹)
- **-€3.4 million** of impacts from disposals, especially the three office assets located in Villejuif which were sold in 2017 (-€3.2 million).

Analysis of the leasing activity:

New leases starting during the period totalled 34,783 sq.m while tenant departures represented 29,751 sq.m, resulting in a net positive balance of +5,032 sq.m.

During the first quarter, 18 leases were renewed for a combined floor area of 72,730 sq.m and an annualised headline rental income of €16.1 million, with a weighted average unexpired lease term of 7.2 years.

As of March 31, 2018, the financial occupancy rate stood at 92.4%, a +0.5 pp like-for-like increase compared to December 31, 2017.

The financial occupancy rate of business parks improved by +0.8 pp to 90.1% (+0.9 pp like-for-like), while that of offices dropped 1.0 pp (+0.1 pp like-for-like), primarily due to the completion of newly refurbished space which is currently being offered for lease (Crystal Park).

¹ no impact from Millénaire 1 at the consolidated Group level

Asset class	Financial occupancy rate			Weighted average unexpired lease term	
	(in %)			(in years)	
	03/31/2018	12/31/2017	Like-for-like change*	03/31/2018	12/31/2017
Offices	94.3%	95.3%	+0.1 pp	5.7	5.7
Business parks	90.1%	89.3%	+0.9 pp	3.8	3.7
OFFICE AND BUSINESS PARK ASSETS	92.3%	92.4%	+0.5 pp	4.8	4.7
Hotels	100.0%	100.0%	+0.0 pp	8.1	8.4
Warehouses	100.0%	100.0%	+0.0 pp	2.5	2.2
COMMERCIAL PROPERTY INVESTMENT	92.4%	92.5%	+0.5 pp	4.8	4.8

* Excluding completions, acquisitions and disposals for the period

New leases signed since the beginning of the year totalled 19,720 sq.m, equivalent to €3.8 million in annualised headline rental income.

Cumulative investments since January 1, 2018:

(in millions of euros)	Off-plan acquisitions	Projects under development	Other capex	Other	Total
Offices	44.8	8.5	10.4	4.7	68.3
Business parks	-	19.0	7.2	0.5	26.7
OFFICES & BUSINESS PARKS	44.8	27.4	17.6	5.2	95.0
Other assets	0.6	-	0.1	0.0	0.8
COMMERCIAL PROPERTY INVESTMENT	45.5	27.4	17.7	5.2	95.8

Investments for the period amounted to €95.8 million (vs. €47.2 million as of March 31, 2017), including:

- In Q1 2018, investments in off-plan developments totalled €45.5 million (including the Gambetta building in Paris (€27.4 million) and the Orianz project from ANF Immobilier (€13.4 million))
- Investments in the development pipeline (€27.4 million), including the Origine (€3.8 million) and Pulse projects (€11.7 million)

In addition, Icade completed the renovation of Millénaire 1 building for BNP Paribas (12-year lease for 22,800 sq.m) at the beginning of April, after 8 months of works, in line with the agreed schedule; the lease started on the date on which the building was handed over to the tenant.

Asset disposals:

Asset disposals related to non-strategic assets (mostly housing units) and represented a total sale price of €12.7 million during the quarter.

2.2. Healthcare Property Investment Division¹

Gross rental income:

<i>(in millions of euros)</i>	03/31/2017	Acquisitions	New builds/ Refurbishments	Disposals	Leasing activity and rent escalation	03/31/2018	Change (%)	Like-for-like change (%)
HEALTHCARE PROPERTY INVESTMENT	52.7	3.3	0.4	(0.2)	0.5	56.7	7.5%	1.2%

In Q1 2018, gross rental income from Healthcare Property Investment stood at €56.7 million, a significant increase of +7.5% compared to March 31, 2017 (€52.7 million).

The increase in rental income was mainly driven by acquisitions completed in 2017, including:

- Europe private hospital in Rouen (+€1.3 million)
- Saint Roch polyclinic in Cabestany (+€1.1 million)
- Ormeau polyclinic in Tarbes (+€0.6 million)

On a like-for-like basis, rental income rose by +1.2%.

Analysis of the leasing activity on a like-for-like basis:

Asset class	Financial occupancy rate <i>(in %)</i>			Weighted average unexpired lease term <i>(in years)</i>	
	03/31/2018	12/31/2017	Like-for-like change*	03/31/2018	12/31/2017
HEALTHCARE PROPERTY INVESTMENT	100.0%	100.0%	+0.0 pp	7.3	7.6

*Excluding completions, acquisitions and disposals for the period

The financial occupancy rate of Icade Santé's portfolio was 100% as of March 31, 2018 and the weighted average unexpired lease term stood at 7.3 years.

Cumulative investments since January 1, 2018:

<i>(in millions of euros)</i>	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	0.3	11.4	14.3	0.7	26.8

Investments made for the Icade Santé portfolio amounted to €26.8 million and mainly consisted of:

- Investments related to the development pipeline for €11.4 million, including €6.8 million for the Croix du Sud polyclinic in Quint-Fonsegrives and €3.2 million invested in the project to build the Reims-Bezannes polyclinic;
- Other capex for €14.3 million, including extension works amounting to €5.4 million for the Atlantique private hospital, €1.8 million for the Saint-Herblain private hospital and €1.7 million for the Châtaigneraie private hospital.

On March 22, 2018, Icade Santé completed the 30,000-sq.m Reims-Bezannes polyclinic which is in the process of obtaining HQE certification. The lease—a 12-year off-plan lease agreement with no break option entered into with Courlancy Santé—took effect on April 1, 2018.

¹ On a full consolidation basis

In addition, Icade Santé made its first investment in the nursing home sector through the signing of a preliminary agreement to acquire 14 facilities, for €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. The acquisition is expected to be completed in July 2018 once the conditions precedent have been fulfilled.

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, with a post-acquisition portfolio of 114 assets for a total of more than €4.2 billion (excl. duties) and annualised rental income of over €235 million¹.

3. PROPERTY DEVELOPMENT DIVISION

<i>(in millions of euros)</i>	03/31/2018			03/31/2017 RESTATED (a)			Change
	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	
Residential Property Development	135.6	9.4	145.0	138.2	10.4	148.6	(2.5%)
Commercial Property Development	72.3	9.7	81.9	44.4	15.2	59.6	37.3%
REVENUE (a)	207.8	19.1	226.9	182.6	25.6	208.3	8.9%

(a) Revenue calculated in accordance with IFRS 15

	03/31/2018	03/31/2017	Change (%)	12/31/2017
New housing orders and building plot reservations				
Housing orders <i>(in number of units)</i> ¹	1,242	1,139	+9.0%	5,776
Housing orders <i>(in millions of euros including taxes)</i>	236.3	233.0	+1.4%	1,082.6
Housing order cancellation rate <i>(in %)</i>	14%	18%	(4.0) pps	18%
Average sale price and average floor area based on orders				
Average price including taxes per habitable sq.m <i>(in €/sq.m)</i>	4,080	3,704	+10.1%	3,663
Average budget including taxes per housing unit <i>(in €k)</i>	190.3	206.0	(7.6)%	187.5
Average floor area per housing unit <i>(in sq.m)</i>	46.6	55.5	(16.0)%	51.2
Breakdown of housing orders by type of customer (in %)				
Home buyers	23.4%	28.5%	(5.0) pps	22.6%
Private investors	29.7%	45.0%	(15.3) pps	36.8%
Institutional investors	46.8%	26.5%	+20.3 pps	40.6%

¹ "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.

	03/31/2018	12/31/2017 RESTATED (a)	Change (%)
Property Development backlog and service order book based on IFRS 15	1,471.4	1,505.2	(2.2)%
Residential Property Development (incl. subdivisions)	1,053.4	1,010.4	+4.3%
Commercial, Public Amenities and Healthcare Development	380.8	457.5	(16.8)%
Project Management Support service order book	37.2	37.3	(0.5)%

(a) Restated in accordance with IFRS 15

¹ on the basis of data as at 12/31/2017

3.1. Residential Property Development

Revenue from Residential Property Development totalled €145.0 million, down by only 2.5% compared to March 31, 2017. The increase in sales and construction starts, which is expected starting in H2 2018, should significantly boost the revenue to be recorded by the Residential Property Development business in 2018 compared to 2017.

Net new housing orders grew by 9.0% in volume terms, reaching 1,242 units. In value terms, potential revenue from housing orders was up 1.4%, due to the higher proportion of orders for managed residences (with less floor area and a lower average price per unit). In late March 2018, orders from institutional investors represented 46.8%, on the increase compared to the end of March 2017 (26.5%).

The backlog of the Residential Property Development business grew by 4.3% compared to December 31, 2017, bolstered by the increased number of orders.

At March 31, 2018, the land portfolio amounted to 10,791 units, representing potential revenue including tax of €2.3 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 stood at €81.9 million, up sharply compared to Q1 2017 (+37.3%). This strong performance is mainly due to the signing of an off-plan sale agreement for an office building in Villejuif, which strongly impacted revenue at the start of the year. This impact should be somewhat offset over the financial year as whole, as revenue from this business activity is expected to go up in 2018.

In the first quarter, 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 tax. 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 the end of March 2018, the backlog of the Commercial, Public Amenities and Healthcare Development business amounted to €418.0 million.

3.3. Large-scale projects

Since the start of the year, Icade Promotion 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, a 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.

- **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 for 18,000 sq.m an off-plan hotel, a co-living apartment hotel and shops as well as event and sports areas.

This project—scheduled to take place between 2020 and 2023 with Property Development and Commercial Property Investment working together on a large-scale initiative—reflects the synergies achieved between Icade’s different divisions.

4. FINANCING

On February 19, 2018, Icade took advantage of favourable timing to successfully issue a €600 million bond (with a maturity of 10 years and an annual coupon of 1.625%, taking into account the associated hedges).

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 maturity of less than 3 years).

This transaction supports Icade’s policy of optimising its funding structure by extending the average debt maturity while maintaining a very favourable average cost of debt.

5. PROPOSED MERGER OF ANF IMMOBILIER INTO ICADE

Icade's Supervisory Board (on the advice of the *ad hoc* committee), ANF Immobilier's Executive Board on April 24, 2018 and Icade's Board of Directors on April 25, 2018 approved narrowing the indicative range of the exchange ratio to 0.26 and 0.28 Icade share for one ANF Immobilier share.

A separate press release published on April 25, 2018 is available on our website.

Subject to securing the necessary approvals, the merger should take place before June 30, 2018.

6. 2018 OUTLOOK: GUIDANCE CONFIRMED

Icade confirms its target growth in Group net current cash flow of around 5% compared to 2017.

As already announced, Icade will present its strategic plan for 2019-2023 at the end of H1 2018.

Financial calendar

Half-year results: July 23, 2018, before the market opens

Investor Day: at the end of H1 2018

Q3 financial information: October 19, 2018, after the market closes

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 ICADE

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 a commercial and healthcare property investor (portfolio value of €10.8bn as of 12/31/17 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.icafe.fr

CONTACTS

Guillaume Tessler,
Head of financial communication and
investor relations

+33 (0)1 41 57 71 61

guillaume.tessler@icafe.fr

Charlotte Pajaud-Blanchard,
Press relations manager

Tel: +33 (0)1 41 57 71 19

charlotte.pajaud-blanchard@icafe.fr

APPENDIX

	12/31/2017	Q1 2018 changes		03/31/2018	New Leases signed in Q1 2018		03/31/2018
	Leased floor area	Additions	Exits	Leased floor area	Impact in Q1 2018	Impact after Q1 2018	Total new leases signed in Q1 2018
Asset class		<i>(sq.m)</i>	<i>(sq.m)</i>	<i>(sq.m)</i>	<i>(sq.m)</i>	<i>(sq.m)</i>	<i>(sq.m)</i>
Offices	667,524	4,590	(5,012)	667,102	4,057	-	4,057
Business parks	1,006,415	23,266	(10,324)	1,019,357	8,067	6,113	14,180
Hotels	29,590	-		29,590			
Warehouses	38,764	4,819	(4,819)	38,764			-
LIKE-FOR-LIKE SCOPE (A)	1,742,293	32,675	(20,155)	1,754,813	12,124	6,113	18,237
Offices	311	881	(311)	881			-
Business parks	19,154	1,227	(9,285)	11,096	1,227	256	1,483
Hotels	-			-			
Warehouses	-	-	-	-	-	-	-
ACQUISITIONS / COMPLETIONS (B)	19,465	2,108	(9,596)	11,977	1,227	256	1,483
SUBTOTAL	1,761,758	34,783	(29,751)	1,766,790	13,351	6,369	19,720
DISPOSALS (C)	-	-	-	-	-	-	-
COMMERCIAL PROPERTY INVESTMENT (A)+(B)+(C)	1,761,758	34,783	(29,751)	1,766,790	13,351	6,369	19,720