

2016
REGISTRATION
DOCUMENT



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ICADE REGISTRATION DOCUMENT

2016

Including the Annual Financial Report



This registration document was filed with the French Financial Markets Authority ("AMF") on March 23, 2017, in accordance with Article 212-13 of its General Regulation.

It may be used to support a financial transaction if it is accompanied by an information memorandum approved by the AMF.

This document contains all the information required for the annual financial report. It was drawn up by the issuer and its signatories are responsible for its content.

Pursuant to Article 28 of Regulation (EC) No. 809/2004, the following information is incorporated by reference in this registration document.

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The consolidated financial statements as of December 31, 2014 and our Statutory Auditors' reports on these financial statements shown on pages 142 to 219, 220 to 222, respectively, of the registration document filed with the AMF on April 2, 2015.

x

The consolidated financial statements as of December 31, 2015 and our Statutory Auditors' reports on these financial statements shown on pages 180 to 254 and 255, respectively, of the registration document filed with the AMF on March 31, 2016.

Icade, ahead of schedule on its strategic plan

Message from André Martinez

Since announcing our strategic plan a year ago, Icade has changed significantly.

Regarding the composition of the Board of Directors, one-third of its members are now independent directors and 47% are women. All Board committees, namely Strategy and Investment; Audit, Risk and Sustainable Development; Appointments and Remuneration, are chaired by independent directors. This year was also characterised by a change in our shareholding structure.

Caisse des dépôts and Groupama, the two groups that owned HoldCo, Icade's majority holding company, simplified the ownership structure of their shares. Caisse des dépôts now has a 39% direct stake in Icade, thereby remaining the reference shareholder, with Groupama controlling 13%. Our company has benefited from the move, which is reflected by the increased transparency of its shareholding structure. This move also resulted in the privatisation of our company. Since May 2016, Icade has been part of the private sector and is now facing the reality of competition and the drive for performance.

Equipped with an improved governance structure, simplified shareholding structure and a strategic plan developed by management and unanimously supported by the Board of Directors, our roadmap is clearly laid out until 2019: Icade is now well on the path to growth and performance. The Board of Directors assists and supports General Management and the Executive Committee in implementing the strategic plan. The priorities that were set for 2016 have been met in their entirety. As a result of the sale of its Property Services Division, which occurred in Q3, Icade has established partnerships with key players in the real estate sector. Thanks to the sale of some of our business parks, we have been able to refocus our attention on our main business parks.

The first synergies between property investment and development have begun to produce results. Lastly, pay-for-performance alignment has been introduced for members of management. In addition to carrying out the strategic plan, being attentive to customers' needs and their level of satisfaction is of fundamental importance to us. Against the backdrop of the Digital Revolution, our company has had no choice but to transform itself and innovate.

The relocation of our headquarters is an opportunity to work together as a team, to break down silos and move forward as a group.

We therefore have every reason to look forward to 2017 with confidence when we will continue to implement our strategic plan.

André Martinez,
Chairman of the Board
of Directors



Interview with Olivier Wigniolle

Where do things stand one year after rolling out the strategic plan?

Olivier Wigniolle: Setting up a strategic plan is the indispensable first step in order to provide a clear vision of our purpose over the next three years. We have made clear-cut choices that we have combined into a coherent strategy with six priorities for 2016 which have already been met. So I consider 2016 to have been a very good year!

Since being appointed in 2015, what changes have you noticed in the company?

O. W.: We now have a clear strategy familiar to all those involved. We have measurable goals against which we can compare our performance targets. We have become more disciplined, by improving our budgetary culture and introducing an in-house valuation process for our assets. We have resumed acquiring assets that focus on long-term value creation which is the mainstay of property investment. Lastly, I am thrilled that our property development business has regained its growth momentum.

Icade positions itself as an “integrated real estate investment and development company”. What do you understand by that?

O. W.: Investment and development because we do not provide only one or the other, but we are active in both of these business areas. Integrated, because we have transitioned from a company with six or seven business lines to an organisation where our three divisions—Commercial Property Investment,



Healthcare Property Investment and Property Development—work hand in hand. An example of this would be the synergies that exist between the Healthcare Property Investment and Property Development Divisions, where each entity contributes to the other’s business activities by sharing its expertise. Creating synergies between Property Development and Commercial Property Investment is also doable and desirable, it’s our goal.

Icade has adopted a new identity, why did you decide on this change?

O. W.: The main challenge for this new identity is to incite us to reflect on our changing environment and how we adapt to it. What image do we want to project to our stakeholders and how do we want to convey this new positioning to our external audience? We position ourselves as a reliable, trusted and decidedly forward-looking real estate player. This also involves defining our role in serving local partners and communities as well as our ability to respond to changes in society.

And, more specifically, what are your main priorities for 2017 and the coming years?

O. W.: We have measurable goals, both precise and clear, which are broken down into sub-goals. One of our areas for improvement will be to promote synergies between our business divisions. Today, the Commercial Property Investment and Property Development Divisions are recognised as market leaders. In addition, Property Development should be able to reclaim one of the top three spots, which is our goal. We have strong new business potential with the Property Investment Division, which is a major advantage in a highly competitive market, in order to create value for Icade and its shareholders. The Healthcare Property Investment Division, the indisputable leader in the industry, has made internationalisation one of its medium-term goals.

Olivier Wigniolle,
CEO

PERFORMANCE INDICATORS AND STRATEGY

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AFFIRMING AND ACCELERATING OUR TRANSFORMATION

Icade's new brand identity responds to a number of challenges—how to mirror the company's transformation, build a strong brand to assist the integrated real estate company's positioning and accelerate progress toward completing the strategic plan.

Reflecting Icade's progress

Founded in 1954 by Caisse des dépôts, SCIC became Icade in 2003. Three years later, Icade went public, representing a major milestone in its history. From that time on, the company focused on gradually selling off its Property Services Division. Icade thus became a listed real estate investment company, the leading investor in the offices segment and private hospital real estate in France, as well as the fourth largest residential and commercial property developer. Consequently, in fifteen years, Icade underwent profound change..., except for its logo, which hadn't changed since 2003! It therefore became necessary to align Icade's visual identity with its underlying identity.

Building a well-known and respected brand

Its new position as an integrated real estate company requires making the brand known to all its stakeholders. A task that the former slogan "We bring life to the city" could no longer accomplish. The new slogan addresses all customers and more clearly illustrates Icade's business: "Building for every future".

Graphically, the new identity has kept a connection to Icade's roots by using the colour blue, which is combined with two less institutional hues. It is supplemented by the colour green which evokes sustainable development, CSR and biodiversity which lie at the heart of Icade's concerns and strategy. Lastly, the shapes that make up the logo symbolise not only the diversity of Icade's businesses, but also the regions where the company operates.

Accelerating the strategic plan

The new identity is thus a strong symbol of Icade's transformation: we have changed, we have to make it known and define our position in a different way with all of our stakeholders.

It also accelerates our company's strategic plan, allowing employees to envision themselves as part of Icade's future. What is more, the new identity was created through a highly collaborative approach—all employees were consulted and about 100 of them attended a creativity day to decide on a number of possible designs. Today, the new identity is yet another advantage allowing us to meet Icade's ambitious goals.

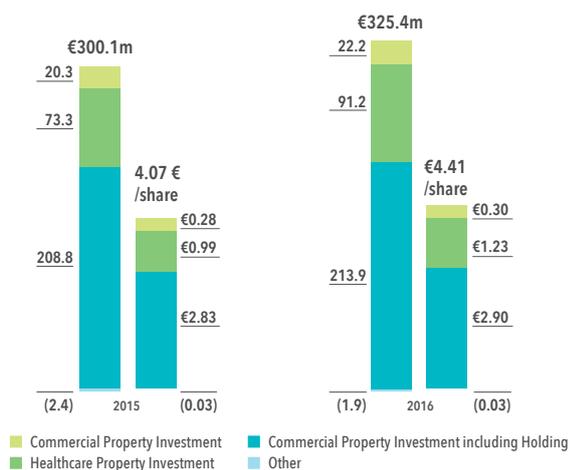


1. Performance indicators

1.1. Group performance indicators

NET CURRENT CASH FLOW

(in millions of euros and euros per share)



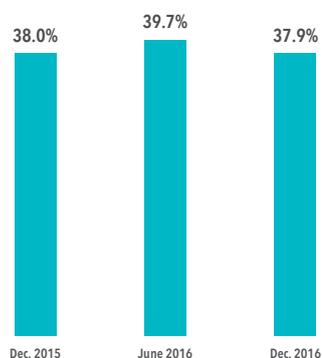
EPRA TRIPLE NET ASSET VALUE

(in millions of euros and euros per share)



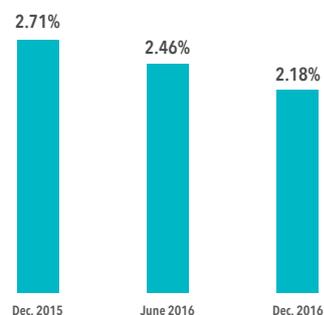
LOAN-TO-VALUE RATIO

(in %) ^(a)



AVERAGE COST OF DEBT AFTER HEDGING

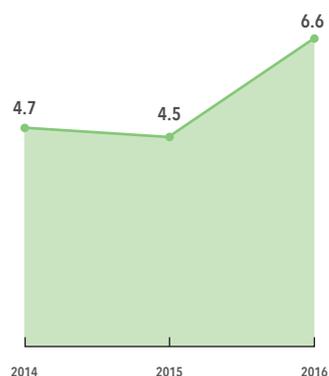
(in %)



(a) Includes the value of the Property Development companies and financial receivables from public-private partnerships, as well as the value of Property Services companies in December 2015 and June 2016.

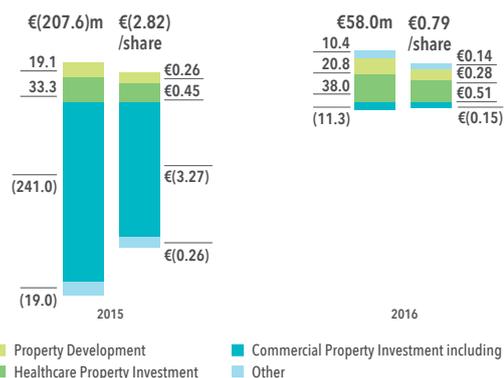
AVERAGE DEBT MATURITY

(in years)



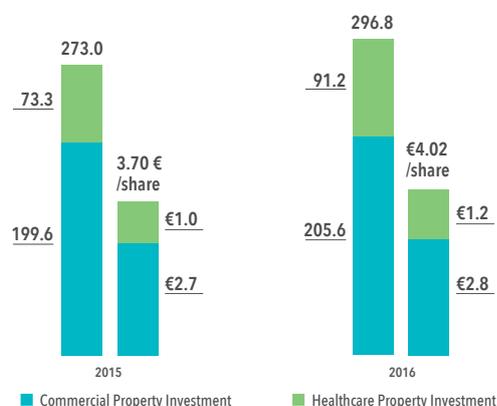
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP

(in millions of euros and euros per share)

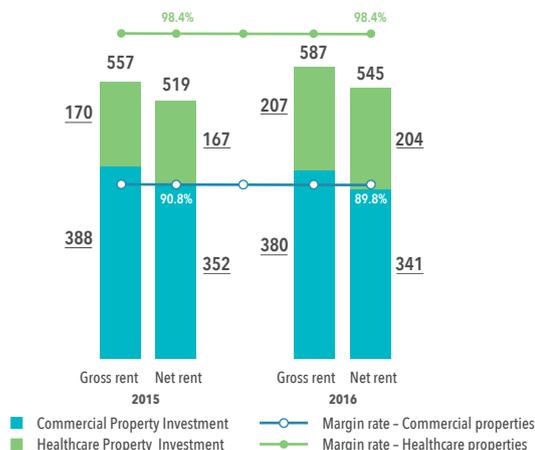


1.2. Commercial and Healthcare Property Investment performance indicators

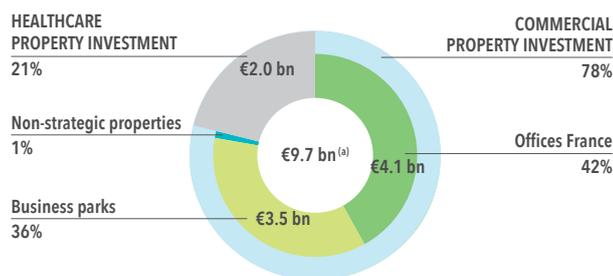
EPRA EARNINGS FROM PROPERTY INVESTMENT (in millions of euros and euros per share)



GROSS AND NET RENTAL INCOME (in millions of euros) AND MARGIN RATE (in %)

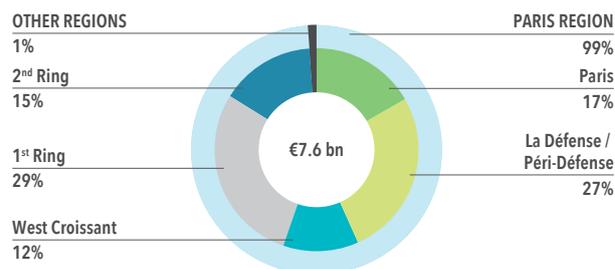


PORTFOLIO DISTRIBUTION (in %)

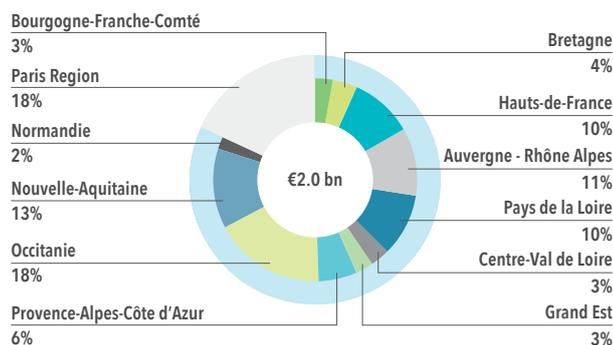


(a) Icade Santé share.

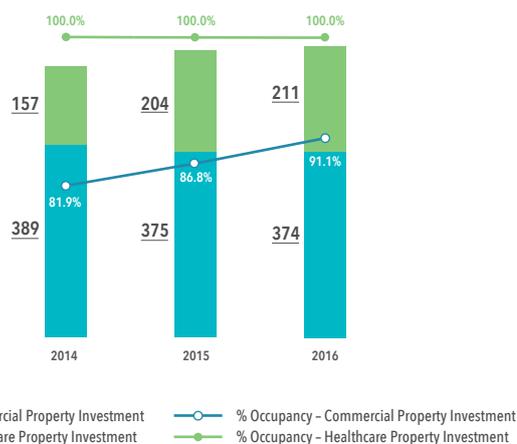
GEOGRAPHIC DISTRIBUTION OF THE OFFICES AND BUSINESS PARKS PORTFOLIO (in %)



GEOGRAPHIC DISTRIBUTION OF THE HEALTHCARE PROPERTY PORTFOLIO (in %)

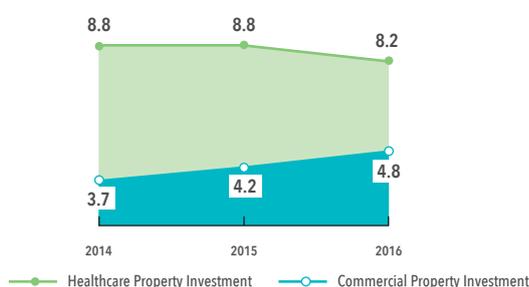


IFRS RECURRING RENTAL INCOME (in millions of euros) AND SPOT FINANCIAL OCCUPANCY RATE AT THE BALANCE SHEET DATE (in %) (a)



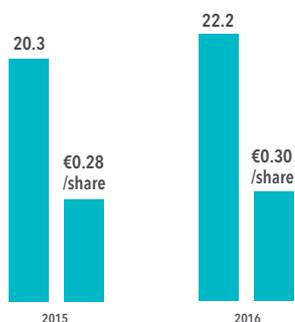
(a) IFRS annual rental income based on occupancy as of the balance sheet date.

WEIGHTED AVERAGE UNEXPIRED LEASE TERM (in years)

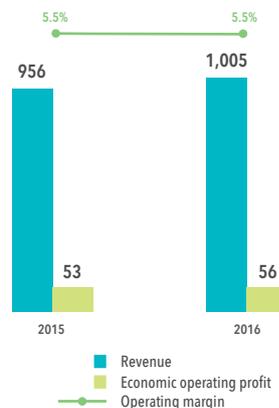


1.3. Property Development performance indicators

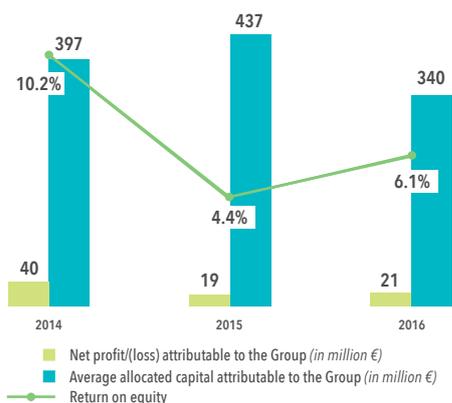
NET CURRENT CASH FLOW – PROPERTY DEVELOPMENT (in millions of euros and euros per share)



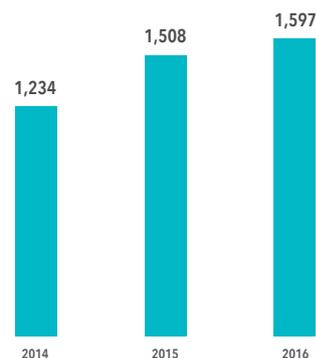
ECONOMIC REVENUE (in millions of euros), CURRENT ECONOMIC OPERATING PROFIT (in millions of euros) AND OPERATING MARGIN (in %)



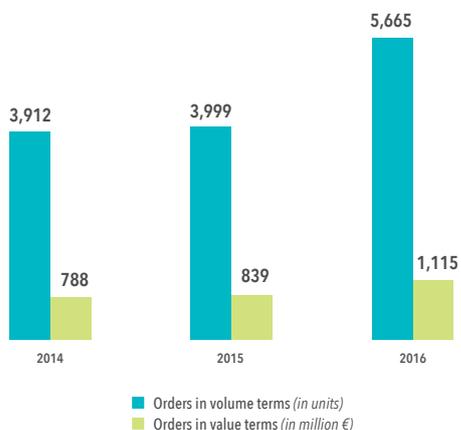
RETURN ON EQUITY



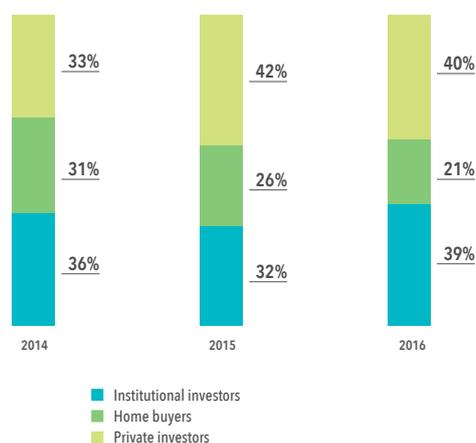
PROPERTY DEVELOPMENT BACKLOG (in millions of euros)



NET HOUSING ORDERS IN VOLUME (number of housing units) AND VALUE TERMS (in €m)



BREAKDOWN OF NEW HOUSING DEVELOPMENTS BY TYPE OF BUYER

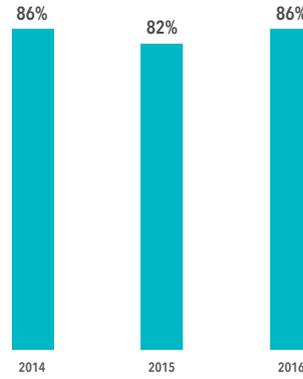


1.4. CSR indicators

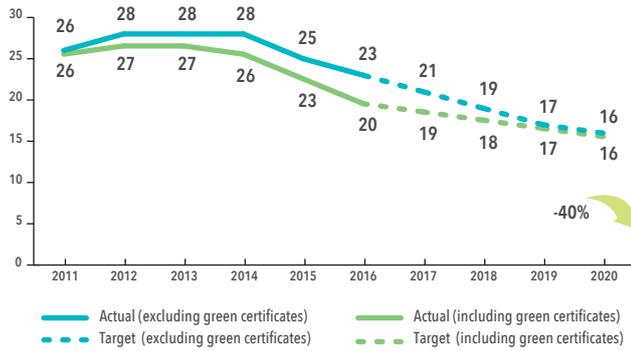
COMMERCIAL PROPERTY INVESTMENT – HQE/BREEAM CERTIFIED OFFICE FLOOR AREA (in thousands of sq.m)



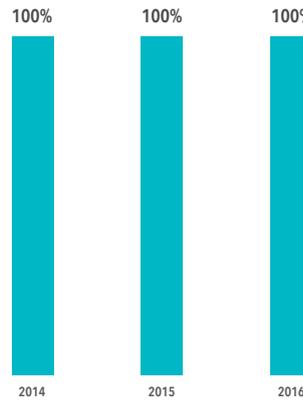
PROPERTY DEVELOPMENT – PROPORTION OF NEW PROJECTS LOCATED LESS THAN A 5-MINUTE WALK FROM PUBLIC TRANSPORT



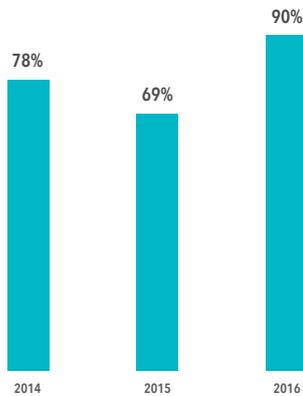
COMMERCIAL PROPERTY INVESTMENT – GREENHOUSE GAS EMISSIONS FROM OFFICES AND BUSINESS PARKS (in kg CO₂ eq/sq.m/year)



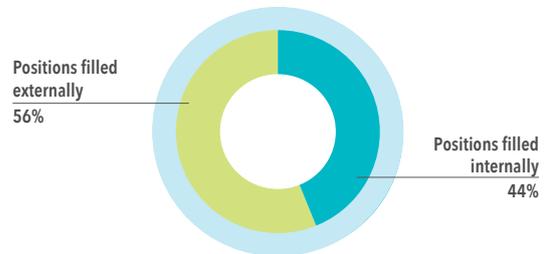
PROPERTY DEVELOPMENT – PROPORTION OF NEW CONSTRUCTION PROJECTS SUBJECT TO A RESPONSIBLE PROCUREMENT CHARTER



PROPORTION OF EMPLOYEES HAVING RECEIVED TRAINING (in %)

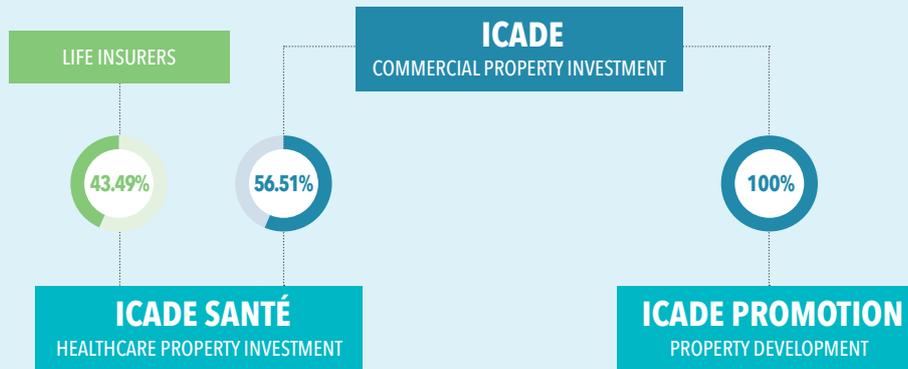


PROPORTION OF POSITIONS FILLED INTERNALLY IN 2016 (in %)



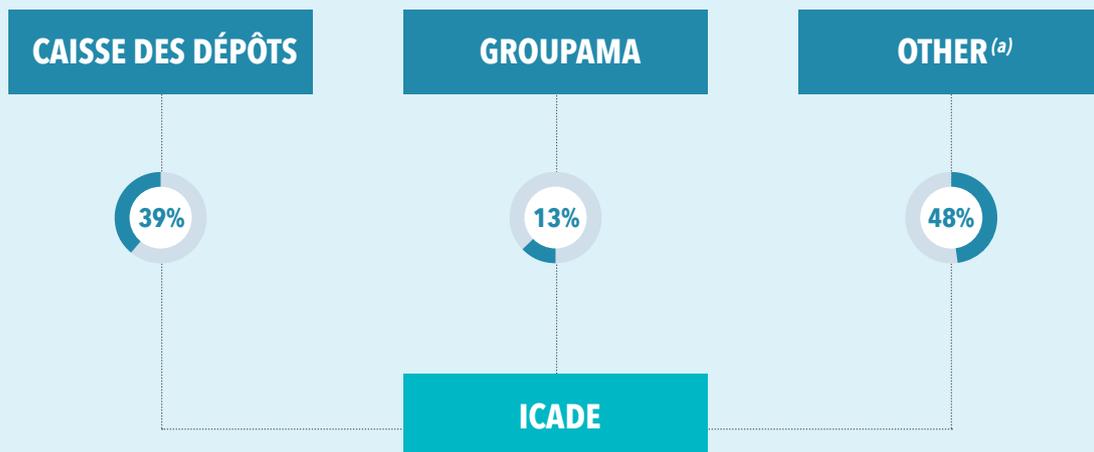
2. Overview of the Group

2.1. Simplified organisational chart



2.2. Shareholding structure

SHAREHOLDING STRUCTURE AS OF 12/31/2016 (in %)



(a) Including 0.28% for the Icade's "FCPE" employee-shareholding fund, 0.28% of treasury shares and 5.69% held by the Crédit Agricole group.

3. Group strategy and outlook

3.1. Strategy

Icade's strategic plan presented to the market in November 2015 hinges on one ambition: to be a top-performing integrated real estate company by focusing on its core businesses as a Commercial Property Investor (€7.7 billion of assets), as a Healthcare Property Investor (€2.0 billion of assets on a proportionate consolidation basis), and as a Property Developer (€1.0 billion of revenue as of the end of 2016). Icade Promotion is a major player in the French residential and commercial real estate market and operates throughout the country (fourth largest player in France – Source: Innovapresse).

Icade medium-term objectives are clear.

- Growth plan for the Commercial and Healthcare Property Investment Divisions

Icade intends to increase the value of its property portfolio to €11.4 billion ^(a) by 2019 (+24% within 4 years). After refocusing its Commercial Property Investment Division's property portfolio in 2016 on the assets that create the most value, Icade will continue its policy of strong rotation for its property assets.

In addition, Icade's target occupancy rates are 95% for offices and 89% for business parks.

Meanwhile, the Healthcare Property Investment Division will continue to expand through selected external growth transactions all across the country.

The overall property portfolio is also expected to grow thanks to a development pipeline of nearly €1.9 billion as of the end of 2016 (especially for the Commercial Property Investment portfolio and, to a lesser extent, for the Healthcare Property Investment portfolio).

- Expansion and solid performance for the Property Development Division

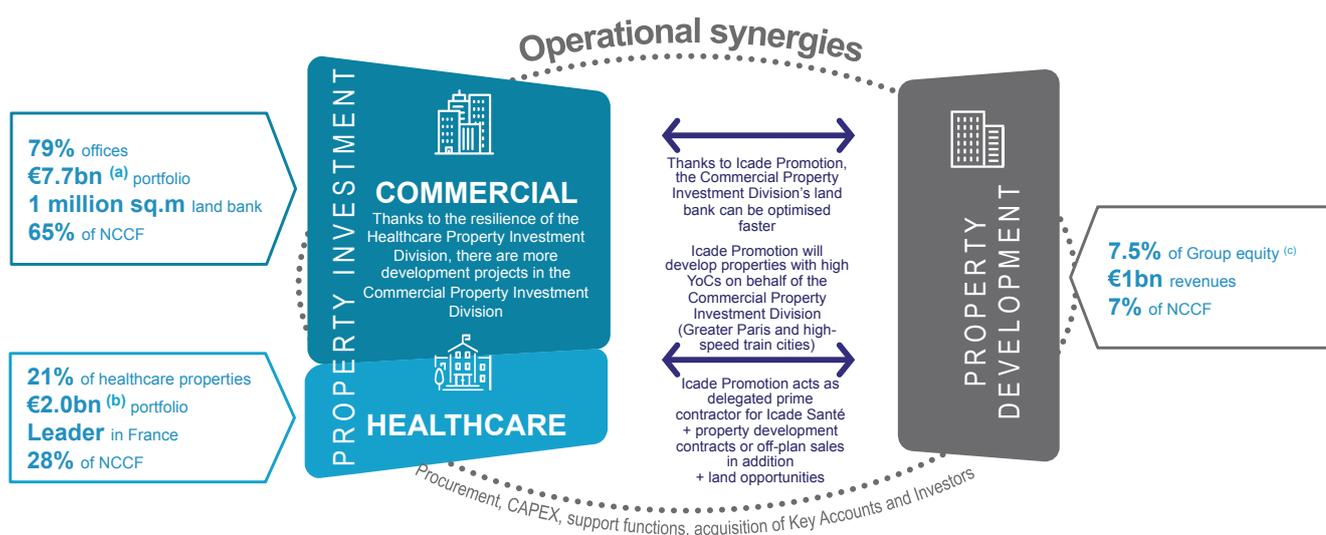
The objective for the Property Development Division is to perform at least equally to market average (target ROE ^(b) of 12% for 2018, operating profit margin ^(c) between 6.5% and 7%). Target revenue growth is 30% for the period between 2016 and 2018.

(a) Over the period 2016-2019: asset disposals (-€0.9 billion), asset acquisitions (+€0.7 billion), developments by the Property Development Division (+€0.5 billion) for the Property Investment Division, development pipeline, rent escalation and value creation (+€1.4 billion).

(b) Return on equity: Net profit attributable to the Group / average allocated capital over the period.

(c) Current economic operating profit/(loss): (IFRS operating profit/(loss) adjusted in accordance with IFRS 11 and adjusted for non-current items, trademark royalties expenses and holding company costs) / economic revenue (IFRS revenue adjusted in accordance with IFRS 11).

OUR BUSINESS MODEL: BEING AN INTEGRATED REAL ESTATE PLAYER



(a) Excluding duties.

(b) Icade share (56.51%), excluding duties.

(c) Property Development equity attributable to the Group (before elimination of securities) / Total consolidated equity attributable to the Group.

3.2. Outlook

In January 2017, Icade had already recorded several notable achievements:

- new lease signed with Groupama for 11,500 sq.m in the renovated Défense 4-5-6 office building complex (six-year lease with no break option, completion scheduled for May 2017);
- Metropolitan Campus in Villejuif: two leases renewed with LCL for 30,000 sq.m (ten-year lease, retroactive to January 1, 2017) and disposal of three assets to LCL planned in Q2 and Q3 for €225 million;
- off-plan lease signed with URSSAF for 8,490 sq.m in the Pont de Flandre business park (completion scheduled for the summer of 2019, nine-year lease with no break option);
- new off-plan lease signed by Icade Promotion with Orange: 18,000 sq.m of office space in Villejuif due to be completed in Q4 2019 (nine-year lease with no break option, and Orange has an option to buy exercisable until September 2017).

Furthermore, Icade's six priorities for the year 2017 are:

- continue acquisitions and property development projects at a robust pace;
- finalise the rollout of the «Coach Your Growth with Icade» programme;
- step up the development of synergies between the Commercial Property Investment and Property Development divisions;
- take advantage of favourable market conditions by ramping up the implementation of Icade Promotion's roadmap;

- maintain proactive and secure liability management;
- continue our investments in innovation and CSR.

From an operational perspective, the development pipeline of the Commercial and Healthcare Property Investment divisions on plots of land for which construction projects are under development stands at €1.9 billion.

The financial year 2017 will be marked by significant projects in the Commercial Property Investment Division: completion in May of the Défense 4-5-6 office building (16,000 sq.m, fully pre-leased) and progress on the Pulse project (28,000 sq.m of offices).

The Commercial Property Investment Division will also maintain its proactive acquisition strategy resumed in 2016.

With a development pipeline of €245 million, and acquisition projects, in 2017 the Healthcare Property Investment Division will continue its expansion strategy.

In 2017, the Residential Property Development Division will continue to benefit from positive market momentum and actions initiated within and outside the Paris region.

In 2017, Group net current cash flow should grow by at least 4% compared with 2016.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

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THE 6 STRATEGIC PRIORITIES ACHIEVED IN 2016

One year after the strategic plan was announced, Icade is well on the path to meeting its objectives for 2019, and the six priorities for 2016 have been successfully achieved.

1 EXIT THE PROPERTY SERVICES BUSINESS

As of September 30 all companies had been sold.
+€13m: profit from discontinued operations.

2 IMPLEMENT "ALIGNED" REMUNERATION SCHEMES FOR THE MANAGEMENT

The Executive Committee members' variable remuneration is based on overall performance (share price, NCCF, NAV).

Managers (representing 20% of the workforce) benefited from a performance share plan (indicators: share price, NAV)

3 REFOCUS ON CERTAIN BUSINESS PARKS

As of the end of December, our five non-strategic business parks had been sold.
€286m: selling price of the Nanterre Seine (and Défense 3 building), Antony, Cergy, Évry and Villebon business parks.

5 IDENTIFY INVESTMENT OPPORTUNITIES IN MAJOR FRENCH CITIES

Ongoing joint bids for tenders.

4 START DEVELOPING SYNERGIES BETWEEN PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT

First joint bids for tenders, sales of plots of land, a single Delegated Project Management team for the Paris region in the commercial segment and some synergies already well in place with the Healthcare Property Investment Division.

6 HIGHER OCCUPANCY RATE AND BRAND REPOSITIONING FOR BUSINESS PARKS

Operational launch of Coach Your Growth with Icade
€30m over two years
+3 percentage points: increase in the occupancy rate in 2016.

1. Group

1.1. Highlights of the financial year 2016

2016 was the first year of implementation of the strategic plan and brought about the following in-depth changes:

The governance structure was enhanced and the shareholding structure was simplified

The Combined General Meeting of May 23, 2016 approved the proposed merger by acquisition of HoldCo SIIC by Icade. HoldCo SIIC's was the holding company through which CDC and Groupama held their shares in Icade. Since it will result in a simplified shareholding structure (CDC and Groupama now hold direct stakes in Icade) and, consequently, in an improved governance model (two additional independent Directors, all Board committees chaired by independent Directors), the proposed merger will be beneficial to Icade and its shareholders.

As a result of this merger, Caisse des dépôts and Groupama hold a 38.99% and 12.95% direct stake in Icade, respectively.

The Board of Directors consists of 15 members, including seven appointed from among candidates from Caisse des dépôts, three appointed from among candidates from Groupama, and five independent Directors. It includes 47% of women and one third of independent Directors, which is in line with the recommendations of the AFEP-MEDEF Code of Corporate Governance and with legal requirements.

The Executive Committee is now complete

On June 30, Maurice Sissoko joined Icade as member of the Executive Committee in charge of the Property Development Division, thus replacing Hervé Manet. From 2008 to 2010, he had already served as a member of Icade's Executive Committee in charge of the Property Services Division. From September 2013, he was a director of Icade serving as a permanent representative of Caisse des dépôts, where he became in July 2015 an adviser to the CEO of CDC, in charge of the preparatory mission for a public-sector property investment company dedicated to housing.

At the beginning of November 2016, Antoine de Chabannes joined Icade as member of the Executive Committee in charge of Portfolio Management. He is a graduate of ESCP Europe. He started his career in 2004 at Ernst & Young, and later joined the Corporate Finance department of Allianz France in 2011. In September 2012, he became Head of Portfolio Management and Corporate Management, and a member of the Executive Committee of Allianz Real Estate France. He will supervise the valuation and performance of Icade's portfolio, as well as studies and research.

Jean-François Galloüin, member of Icade's Advisory Board for Innovation, joined the Company as Director of Innovation. He is an entrepreneur, a professor (Centrale Supélec and ESSEC), and a specialist in innovation and entrepreneurial issues.

Our six strategic priorities for 2016 have all been successfully achieved

In 2016, Icade achieved most of the six strategic priorities announced on November 2015 during the presentation of its new plan for the period 2015-2019:

- completion of the sale of all Property Services operations;

- alignment of the management's interests with those of investors by implementing adequate remuneration schemes;
- confirmation of the sale of the five non-strategic business parks (€286 million) to refocus on the eight main business parks;
- development of the first synergies between the Property Investment and Property Development Divisions;
- analysis of investment opportunities in major French cities;
- definition of the action plan and first phase of the roll-out of the Coach Your Growth with Icade marketing plan in the business parks retained with a view to making them more attractive and increasing their occupancy rates.

Moreover, 2016 leasing activity was especially robust for the Commercial Property Investment Division

In the financial year 2016, the Commercial Property Investment Division renewed 65 leases covering a total area of 138,911 sq.m including the PwC lease in the Crystal Park building in Neuilly-sur-Seine (23,800 sq.m). These renewed leases represented a headline rent of €33.1 million implying a (11.98)% discount compared to previous leases, since these leases signed at the peak of the cycle are now being realigned with current market conditions.

The Millénaire 4 building (24,500 sq.m) was entirely pre-leased to a leading company six months before its completion and represents a major achievement for the Commercial Property Investment Division. The 12-year lease started on October 17, 2016, on the day the building was completed. Icade also signed a new lease for 22,000 sq.m in the Millénaire 1 building (where Icade currently has its headquarters). The lease was signed for a term of ten years with no break clause and will start in April 2018, after the relevant parts are renovated. These new leases confirm the appeal of the Millénaire business park, located in the North of Paris, in the 19th district.

Over the year 2016, Icade secured new leases for a total of over 131,000 sq.m representing €40 million.

In 2016, exits from the portfolio of leased space represented 79,500 sq.m, equivalent to €14.4 million of annual rental income.

Lastly, on July 5, 2016, Icade officially launched "Coach Your Growth with Icade", an ambitious two-year plan to improve quality of life within business parks and an essential component of Icade's strategy for its business parks. This plan was first implemented in the Rungis business park in September 2016 and it will be rolled out in Icade's main business parks by the end of 2017.

The spot financial occupancy rate of the Commercial Property Investment Division reached 91.1% as of December 31, 2016, an increase of 4.3 pps compared to December 31, 2015. It was fuelled by an increase in its two main types of assets: offices (95.8%, i.e. +5.6 pps) and business parks (87.1%, i.e. +3.0 pps).

The year 2016 saw the ramp-up of the Healthcare Property Investment's portfolio following the major acquisition completed at the end of the financial year 2015: rental income strongly increased (+22.3%) over the year. The like-for-like analysis^(a) does not call for any particular comment since the Healthcare Property Investment Division benefits from very long leases and a 100% financial occupancy rate. Growth is therefore essentially propelled by external growth and extension or construction works in private hospitals which generate additional rental income.

In 2016, the Property Development Division's main business performance indicators improved significantly: land portfolio of over €2.2 billion of potential revenue (i.e. +28%), €1,597 million backlog (i.e. +5.9%),

(a) Like-for-like changes in rental income make it possible to compare rental income across different financial years by excluding, for the relevant periods, any income from assets that were affected by changes in scope of consolidation due to acquisitions, disposals, transfers to and from assets under development (extensions, completions of new assets or asset renovations resulting in an interruption of operations). Changes are calculated based on IFRS rental income.

orders up +41.7% in volume terms and +32.8% in value terms, 14.2% increase in sales in volume terms, to 4,803 units in 2016.

In 2016, the Commercial Property Development Division signed several off-plan sales of office properties with leading institutional investors, especially in Lyon, with the "Oxaya" building (7,200 sq.m) in H1 and the "Karre" office building (9,800 sq.m) in H2 2016; and in Paris with the "Twist" project (10,400 sq.m) in the Clichy-Batignolles development zone (ZAC).

The year 2016 also saw the resumption of asset rotation in the Commercial Property Investment Division

Acquisitions carried out by Icade's Commercial Property Investment Division in 2016 (Orsud, Parissy and Arc Ouest) added up to €400 million with an average net initial yield of 5.5%. In addition, Icade signed an off-plan agreement with Bouygues Immobilier to purchase the "Go Spring" development for a total of around €191 million. The first phase of the project is scheduled to be completed in the spring of 2017 (14,100 sq.m).

In 2016, the Veolia (45,000 sq.m) and Millénaire 4 (24,500 sq.m) buildings were also completed on budget and on schedule.

As for acquisitions carried out by Icade Santé, they added up to €56.9 million with an average net initial yield of 5.7%. In addition, in 2016 Icade Santé acquired two plots of land for €5.9 million to build new private hospitals (overall commitment including construction work: €113 million).

At the end of 2016, Icade completed its plan to divest its non-core business parks and to refocus on its eight main business parks. Asset disposals carried out in 2016 totalled €286 million. They include the sale of the following business parks: Antony, Cergy, Évry, Villebon and Nanterre Seine (excluding the Axe Seine building), and the Défense 3 building.

Icade also sold the building located at 69, boulevard Haussmann in Paris for a total of €128 million. This mature asset (lease at market rent, substantial yield compression in this area) was sold under very favourable conditions since it generated a capital gain of €71.5 million.

An office building located in Levallois was also sold for €135 million to the French state, which used to occupy the building as a tenant and exercised its option to buy.

In total, disposals carried out by the Commercial Property Investment Division in 2016 added up to €587 million.

As part of the implementation of its strategic plan, Icade sold its Property Services operations. On July 22, 2016, Icade sold all its shares in the company I Porta to the Visiativ group, and on September 30, 2016 it sold its subsidiary Icade Property Management to the Foncia group and its subsidiaries Icade Asset Management and Icade Conseil to the Colliers International group.

Portfolio value increased sharply: it benefited from a significant increase in property values in the Healthcare segment, as well as from operational achievements that had a positive impact of the value of commercial assets (rise in the occupancy rate, especially in the office segment)

As of December 31, 2016, the value of the whole property portfolio increased by 6.2% compared with December 31, 2015. It expanded by 4.8% on a like-for-like basis, resulting from:

- +10.0% in the healthcare portfolio value as a result of strong yield compression in this segment in 2016;

- +6.5% in the office portfolio value as a result of the 14% increase in value of the Eqho tower (new leases taking effect in 2016) and the net reduction in outstanding rent-free incentives;
- +1.4% in the business park portfolio. This increase is the result of different situations depending on the asset's location.

Another highlight of the financial year 2016: Icade carried out a major optimisation of its funding structure, in a favourable market environment

Icade issued two new bonds in 2016 and they were both very well received, thus confirming investors' confidence in Icade's credit quality:

- in May 2016 Icade issued a ten-year, €750 million bond with an annual coupon of 1.750%. These funds were raised with a 123-bp spread over the benchmark rate;
- in November 2016, Icade issued a nine-year, €500 million bond with an annual coupon of 1.125%. These funds were raised with an 82-bp spread over the benchmark rate.

After the bond issues and with a view to improving cost of debt and average debt maturity, Icade:

- prepaid €657 million in bank loans;
- unwound short-term swaps (< 2 years) for a notional amount of €892 million and took out new long-term swaps (seven and ten years) for €250 million;
- redeemed two existing bonds in cash for an overall amount of €300 million.

Icade also refinanced a €225 million mortgage with Allianz for a further term of 20 years and with a fixed rate of 2.172% (thus replacing a nine-year mortgage with a fixed rate above 3%).

Finally, new revolving credit lines were signed for a total of €630 million, with a €140 million increase in the outstanding amount which further reduces the Group's liquidity risk.

As the Company continued to optimise its funding structure:

- the average debt maturity went up to 6.6 years as of December 31, 2016, compared to 4.5 years as of December 31, 2015;
- the average cost of debt was lowered to 2.18% in 2016, compared to 2.71% in 2015.

This positively impacted Icade's net current cash flow in 2016 and will continue to do so in the years to come. A very significant proportion of the exceptional cost from the early unwinding of some debt and hedging instruments was recorded in 2016.

Lastly, in September 2016, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2.

1.2. Events after the balance sheet date

As part of the implementation of its strategic plan, Icade sold its stake in Icade Expertise on January 4, 2017. This deal marks the completion of the sale of its Property Services operations. This sale will have no significant impact on the consolidated income for financial year 2017.

1.3. Income and cash flow statements

1.3.1 IFRS consolidated income statement

In 2016, IFRS net profit/(loss) attributable to the Group was €58.0 million, driven by a significant improvement in its operating activities.

All the income statement indicators have improved and current finance income significantly increased. It should be noted that the major debt restructuring programme carried out during the year had an exceptional positive impact of €51 million.

The following presentation of the income statement, with a breakdown between current and non-current items, makes it possible to directly identify the Group's net current cash flow as of December 31, 2016 and the other non-current items.

(in millions of euros)	12/31/2016			12/31/2015			Change
	Current	Non-current	Total	Current	Non-current	Total	
REVENUE	1,492.7		1,492.7	1,439.7		1,439.7	3.7%
Income from operating activities	1,497.6		1,497.6	1,443.3		1,443.3	
Purchases used	(745.6)		(745.6)	(717.5)		(717.5)	
Outside services	(88.2)		(88.2)	(97.3)		(97.3)	
Taxes, duties and similar payments	(12.4)		(12.4)	(11.1)		(11.1)	
Staff costs, performance incentive scheme and profit sharing	(117.2)		(117.2)	(108.5)		(108.5)	
Other operating expenses	(13.1)		(13.1)	(7.5)		(7.5)	
Operating expenses	(976.5)		(976.5)	(941.9)		(941.9)	
EBITDA	521.1		521.1	501.5		501.5	3.9%
Depreciation charges net of investment grants		(323.3)	(323.3)		(281.8)	(281.8)	
Charges and reversals related to impairment of tangible, financial and other current assets		49.6	49.6		(310.2)	(310.2)	
Profit/(loss) from acquisitions		1.3	1.3		(0.3)	(0.3)	
Profit/(loss) from asset disposals		19.4	19.4		129.2	129.2	
Impairment of goodwill and intangible fixed assets		0.1	0.1		0.1	0.1	
Share of profit/(loss) of equity-accounted companies	17.1	(22.7)	(5.6)	13.9	(22.3)	(8.4)	
OPERATING PROFIT/(LOSS)	538.2	(275.5)	262.7	515.4	(485.4)	29.9	777.6%
Cost of gross debt	(116.4)		(116.4)	(133.2)		(133.2)	
Net income from cash and cash equivalents, related loans and receivables	7.0		7.0	9.2		9.2	
Cost of net debt	(109.4)		(109.4)	(123.9)		(123.9)	11.7%
Other finance income and expenses	(3.9)	(50.2)	(54.1)	(4.4)	2.2	(2.2)	
FINANCE INCOME/(EXPENSE)	(113.3)	(50.2)	(163.6)	(128.3)	2.2	(126.1)	(29.7%)
Income tax	(30.0)	6.4	(23.6)	(27.3)	(36.2)	(63.5)	
Profit/(loss) from discontinued operations	2.8	10.6	13.3	(1.5)	(19.0)	(20.5)	
NET PROFIT/(LOSS)	397.7	(308.8)	88.9	358.3	(538.5)	(180.2)	N/A
Net profit/(loss) attributable to non-controlling interests	72.2	(41.3)	30.9	58.2	(30.8)	27.4	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	325.4	(267.5)	58.0	300.1	(507.7)	(207.6)	N/A
Average number of diluted shares outstanding used in the calculation			73,848,960			73,737,524	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP (in € per share after dilution)	4.41	(3.62)	0.78	4.07	(6.88)	(2.81)	

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1.3.2. Group net current cash flow

Group net current cash flow is one of Icade's key indicators since it includes items from both the Property Investment and the Property Development Divisions. It is the basis of the dividend policy and it primarily comprises the following two items:

- "EPRA earnings from Property Investment" which represents the current income from the Commercial Property Investment and Healthcare Property Investment activities in accordance with EPRA recommendations (European Public Real Estate Association) net of depreciation charges, impairment loss and reversals of impairment losses over the period; and
- "Net current cash flow – property development" which measures the cash flow from property development activities.

Group net current cash flow sharply increased to €325.4 million (€4.41 per share) as of December 31, 2016, versus €300.1 million as of December 31, 2015 (€4.07 per share), corresponding to an increase of 8.4%.

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: 2.4%, 24.3% and 9.3%, respectively.

As of December 31, 2016, the contribution of the Commercial Property Investment Division was 65.7%, that of the Healthcare Property Investment Division was 28.0%, and that of the Property Development Division is 6.8%. It should be noted that all holding company costs are included in the Commercial Property Investment Division.

(in millions of euros)	12/31/2016				12/31/2015				Year-on-year change	
	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	NCCF
Commercial Property Investment	205.6	69.3%	213.9	65.7%	199.6	73.1%	208.8	69.6%	3.0%	2.4%
Healthcare Property Investment	91.2	30.7%	91.2	28.0%	73.3	26.9%	73.3	24.4%	24.3%	24.3%
TOTAL PROPERTY INVESTMENT^(a)	296.8	100.0%	305.1	93.7%	273.0	100.0%	282.2	94.0%	8.7%	8.1%
Property Development			22.2	6.8%			20.3	6.8%		9.3%
Other ^(b)			(1.9)	(0.6)%			(2.4)	(0.8)%		21.8%
TOTAL GROUP			325.4	100.0%			300.1	100.0%		8.4%
TOTAL GROUP (in € per share)	4.02		4.41		3.70		4.07		8.6%	8.3%

(a) EPRA Earnings includes the depreciation of operating assets which are excluded from net current cash flow.

(b) "Other" includes intersegment transactions and discontinued operations.

1.3.3. Segment reporting

As of December 31, 2016, discontinued operations were recognised in accordance with IFRS 5 and classified in a column called "Intersegment transactions and other items" in the segment information. This presentation was also applied to the comparative segment information.

As of December 31, 2016, segment reporting is divided into four main categories: Commercial Property Investment Division, Healthcare Property Investment Division, Property Development Division and "Other".

Holding company activities are included in the Commercial Property Investment Division.

1.4. EPRA reporting as of December 31, 2016

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

EPRA earnings from Property Investment includes the Commercial and the Healthcare Property Investment segments. The net asset value (NAV) is estimated based on all the Group's assets (including the value of Property Development companies).

1.4.1. EPRA net asset value as of December 31, 2016

The NAV is the main indicator of the Company's year-on-year 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 company.

The Icade group's triple net asset value stood at €5,820.9 million as of December 31, 2016 (€78.7 per share), an increase of +7.6% compared to December 31, 2015.

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(in millions of euros)		12/31/2016	06/30/2016	12/31/2015
Consolidated equity attributable to the Group ^(a)	(1)	3,435.2	3,344.3	3,592.5
Impact of the dilution of securities convertible or exchangeable into equity instruments ^(b)	(2)	0.0	0.0	0.0
Unrealised capital gains on property assets (excl. duties)	(3)	2,377.1	2,200.9	1,810.0
Unrealised capital gains on investments in equity-accounted property investment companies (excl. duties)	(4)	22.8	22.0	21.0
Unrealised capital gains on Property Development and Property Services companies ^(c)	(5)	81.5	61.5	51.1
Unrealised capital gains on investments in equity-accounted Property Development companies	(6)	47.1	40.6	59.6
Adjustment for the revaluation of interest rate hedges	(7)	1.2	62.7	60.8
EPRA NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(8) = (1) + (2) + (3) + (4) + (5) + (6) + (7)	5,964.9	5,732.1	5,595.0
Revaluation of interest rate hedges	(9)	(1.2)	(62.7)	(60.8)
Revaluation of fixed-rate debt	(10)	(132.4)	(183.4)	(135.7)
Tax on unrealised capital gains on investments in Property Development and Services companies ^(d)	(11)	(10.3)	(12.4)	(15.4)
EPRA TRIPLE NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(12) = (8) + (9) + (10) + (11)	5,820.9	5,473.6	5,383.0
Number of fully diluted shares ^(e)	n	73,987,751	73,779,542	73,607,581
EPRA NET ASSET VALUE PER SHARE (attributable to the Group – fully diluted in €)	(8)/N	80.6	77.7	76.0
Year-on-year change		6.1%		
EPRA TRIPLE NET ASSET VALUE PER SHARE (attributable to the Group – fully diluted in €)	(12)/N	78.7	74.2	73.1
Year-on-year change		7.6%		

(a) Including Net profit attributable to the Group of +€58.0 million for 2016.

(b) Dilution related to stock options which had the effect of increasing consolidated equity and the number of shares. This increase can be up to the number of shares obtained from the stock options exercisable at the end of the period.

(c) As of December 31, 2016, unrealised capital gains only came from Property Development companies.

(d) Calculated at a rate of 34.43% for shares held for less than two years and at a rate of 4.13% for shares held for more than two years. For shares owned directly by Icade, these rates were subject to the exceptional contribution (contribution exceptionnelle) as of December 31, 2015, increasing them respectively to 38.0% and 4.56%.

(e) Stands at 73,987,751 as of December 31, 2016, after cancelling treasury shares ((206,644) shares) and the positive impact of dilutive instruments (+83,209 shares).

The change in triple net asset value over the period is detailed in the table below.

EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2015 (in € per share)	€73.1
Dividends paid in H1	€(3.7)
Consolidated profit/(loss) for the year attributable to the Group	+€0.8
Change in fair value of financial derivatives	+€0.5
Change in unrealised capital gains on real estate assets and investments in equity-accounted property investment companies	+€7.7
Change in unrealised capital gains on Property Development and Property Services companies	+€0.2
Change in fair value of fixed-rate debt	+€0.0
Impact of the change in the number of diluted shares on NAV per share	€(0.4)
Other	+€0.4
EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2016 (in € per share)	€78.7

The favourable trend in EPRA triple net asset value can be explained by the following:

- performance of the different business lines with a significant increase in Group net current cash flow (+8.3%) compared to 2015;
- increase in value of property assets from the Property Investment Divisions (Commercial and Healthcare) with a like-for-like rise of €409.6 million (i.e. +4.8%);
- performance of the Property Development company: increase in unrealised capital gain net of tax of €29.8 million (+25%) due to a significant improvement in the main physical indicators and, therefore, in the five-year business plan used in the valuation;
- the change in equity including the dividend distribution of €3.73 per share made in 2016 for financial year 2015, which represents 91.7% of 2015 Group net current cash flow;
- net negative impact (€(51) million) of Icade's debt restructuring on the net asset value as of December 31, 2016.

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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)	12/31/2016	12/31/2015	Year-on-year change (%)
NET PROFIT/(LOSS)	88.9	(180.2)	
Net profit/(loss) - Other activities ^(a)	32.9	1.9	
(A) NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT ^(b)	56.0	(182.1)	
(i) Change in value of investment properties and depreciation charges	(263.9)	(582.2)	
(ii) Profit/(loss) from asset disposals	19.1	128.5	
(iii) Profit/(loss) from acquisitions	(0.6)	(0.3)	
(iv) Tax on profits from disposals and impairments			
(v) Negative goodwill on acquisition / goodwill impairment	1.9		
(vi) Change in fair value of financial instruments and restructuring of financial liabilities	(50.3)	2.2	
(vii) Acquisition costs on share deals			
(viii) Tax charge related to EPRA adjustments	5.5	(37.0)	
(ix) Adjustment for equity-accounted companies	(22.7)	(22.6)	
(x) Minority interests (Healthcare Property Investment)	70.2	56.4	
(B) TOTAL ADJUSTMENTS	(240.9)	(455.0)	
(A-B) EPRA EARNINGS FROM PROPERTY INVESTMENT	296.8	273.0	8.7%
Average number of diluted shares outstanding used in the calculation	73,848,960	73,737,524	
EPRA EARNINGS FROM PROPERTY INVESTMENT (in € per share)	€4.02	€3.70	8.6%

(a) Other activities are: property development, discontinued operations and intersegment transactions.

(b) Profit/(loss) from the continuing operations of the Commercial Property Investment and Healthcare Property Investment Divisions.

EPRA earnings from Property Investment totalled €296.8 million as of December 31, 2016, up +8.7% compared to 2015. This improvement was driven by improved 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 buildings of healthcare facilities. It is carried out after adjustment for Icade Santé's minority interests.

	12/31/2016	06/30/2016	12/31/2015
ICADE NET YIELD ^(a)	6.4%	6.9%	7.2%
Impact of estimated duties and fees	(0.3)%	(0.4)%	(0.4)%
Adjustment for potential rents from vacant properties	(0.4)%	(0.6)%	(0.9)%
EPRA TOPPED-UP NET INITIAL YIELD ^(b)	5.7%	5.8%	5.9%
Inclusion of rent-free periods	(0.6)%	(0.5)%	(0.3)%
EPRA NET INITIAL YIELD ^(c)	5.1%	5.4%	5.6%

(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 down 0.5 pp compared to December 31, 2015, mainly due to a like-for-like increase in appraised values of €409.6 million (4.8% in the entire portfolio) and to the disposal of non-core business parks which are high-recurring yield assets.

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 calculation of this ratio.

Below are detailed figures concerning the vacancy rate, in accordance with the definition recommended by EPRA, for the Commercial Property Investment portfolio after adjustment for Icade Santé's minority interests.

	12/31/2016	06/30/2016	12/31/2015
Total office and business park assets	9.0%	12.6%	12.8%
Other assets	16.5%	16.6%	18.3%
COMMERCIAL PROPERTY INVESTMENT DIVISION (EXCLUDING RESIDENTIAL)	9.1%	12.6%	12.8%
HEALTHCARE PROPERTY INVESTMENT DIVISION (BASED ON PROPORTIONATE CONSOLIDATION)	0.0%	0.0%	0.0%
TOTAL PROPERTY INVESTMENT (EXCLUDING RESIDENTIAL)	7.1%	9.8%	10.3%

The EPRA vacancy rate strongly declined over the past 12 months, especially due to the completion in H2 2016 of the Veolia and Millénaire 4 buildings, both fully pre-leased, and the disposal of non-core business parks that had a high vacancy rate.

1.4.5. EPRA cost ratio for the Property Investment Division

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

	12/31/2016	12/31/2015
Includes:		
(i) Structural costs and other overhead costs	(87.5)	(83.7)
(ii) Service charges net of recharges to tenants	(30.8)	(31.2)
(iii) Management fees net of actual/estimated profit element		
(iv) Other recharges intended to cover overhead expenses	41.8	41.3
(v) Share of equity-accounted companies of overheads and expenses	(2.4)	(3.5)
(vi) Share of non-controlling interests of overheads and expenses	6.9	5.6
Excludes:		
(vii) Depreciation of investment properties	-	-
(viii) Ground rent costs	(2.1)	(2.1)
(ix) Other service charge costs recovered through rents but not separately invoiced	(0.1)	(0.2)
(A) EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(69.8)	(69.1)
(x) Minus - Direct vacancy costs	(27.7)	(28.6)
(B) EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(42.2)	(40.6)
(xi) Gross rental income less ground rent costs	570.1	540.1
(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	9.0	9.5
(xiv) Share of non-controlling interests of rental income less ground rent costs	(90.2)	(73.7)
(C) GROSS RENTAL INCOME	488.9	475.9
(A/C) EPRA cost ratio - Property Investment (incl. direct vacancy costs)	14.3%	14.5%
(B/C) EPRA cost ratio - Property Investment (excl. direct vacancy costs)	8.6%	8.5%

As of December 31, 2016, the EPRA cost ratio slightly decreased to 14.3% including vacancy costs and 8.6% excluding vacancy costs. Vacancy cost went down by €0.9 million to €27.7 million as of December 31, 2016 (vs. €28.6 million as of December 31, 2015) as a result of an improved occupancy rate in the Commercial Property Investment Division in the past 12 months.

1.5. Financial resources

During the year 2016, Icade implemented an in-depth restructuring programme to continue the optimisation of its financial resources and benefit from very favourable financing terms.

Most notably, the Company successfully completed two new bonds issues:

- at the end of May, Icade issued a new ten-year, €750 million euro-denominated bond with a 123-bp spread over the benchmark rate (i.e. a 1.75% coupon);
- in early November, Icade issued a second nine-year, €500 million euro-denominated bond, with a margin of 82 bps above the benchmark rate (i.e. a 1.125% coupon).

These new issues were largely oversubscribed by French and foreign investors, confirming their confidence in Icade's credit quality.

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The Group also conducted several major transactions over the year:

- refinancing of a €225 million mortgage for a further term of 20 years and with a fixed rate of 2.172%;
- optimisation of Icade's hedging structure through the subscription of €250 million in long-term swaps in an environment of historically low rates, and the unwinding of swaps for a notional amount of €892 million;
- redemption of existing bonds for an overall amount of €300.2 million: €254.9 million for the bond maturing in 2019 and €45.3 million for the bond maturing in 2021;
- early repayment of €657 million in bank loans;
- signing of a two-year, €50 million loan in favour of Icade Santé.

All of 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 debt reached an all-time low in the financial year 2016 at 2.18%, and the average debt maturity stood at 6.6 years as of December 31, 2016, an increase of over two years.

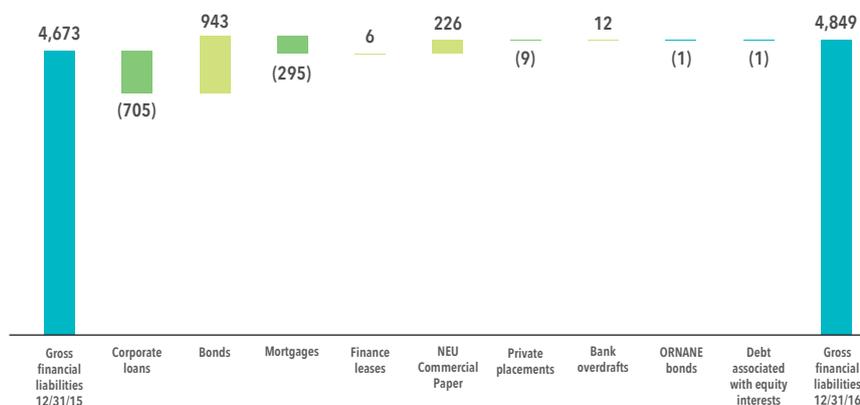
The loan-to-value (LTV) ratio stands at 37.9%, partly due to an overall increase in the value of the property portfolio.

All in all, Icade's balance sheet fundamentals improved very significantly in 2016.

1.5.1. Liquidity

Icade's financial resources were strengthened during 2016 by renewing existing credit lines, setting up new ones and increasing the outstanding amount of Negotiable European Commercial Paper (NEU CP). The main financing transactions were as follows:

- cancellation of €470 million in revolving credit;
- signing of €630 million in medium- and long-term revolving credit lines (maturity over five years on average);



Net financial liabilities amounted to €4,451.3 million as of December 31, 2016, representing an increase of €330.1 million compared to December 31, 2015.

The change between these two dates is mainly explained by the increase in medium- and long-term financial liabilities and an optimised management to reduce cash since short-term investment returns are currently low.

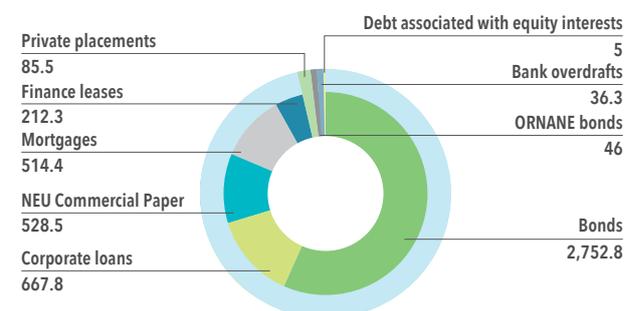
- issue of NEU CP to reach an outstanding amount of €528.5 million at the end of the year (€226 million increase between December 31, 2015 and December 31, 2016).

Icade now has a fully-available undrawn amount from short- and medium-term credit lines of €1,580 million compared with €1,440 million as of December 31, 2015. These undrawn amounts as of December 31, 2016 cover more than two years of debt principal and interest payments.

1.5.2. Debt structure as of December 31, 2016

1.5.2.1. Debt by type

As of December 31, 2016, gross financial liabilities stood at €4,849.0 million and broke down as follows:



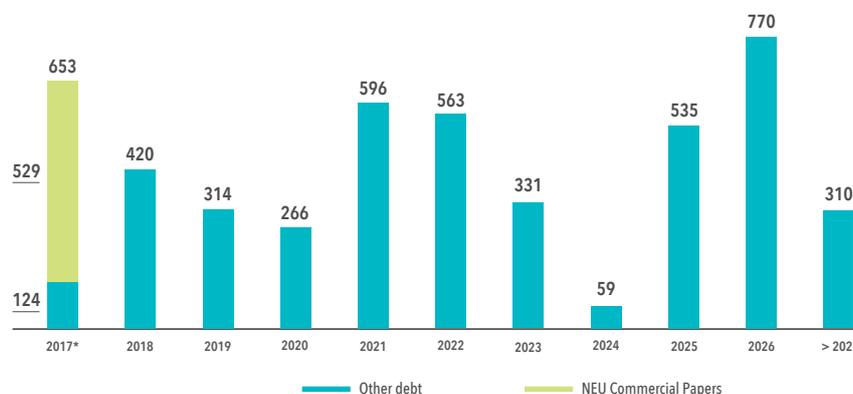
As of December 31, 2015, gross financial liabilities amounted to €4,672.6 million. The €176.4 million change is explained in the following graph:

The new debt facilities implemented during the financial year 2016 (excluding NEU Commercial Paper and revolving credit lines) had an average credit spread of 118 bps and an average maturity of 11 years.

1.5.2.2. Debt by maturity date

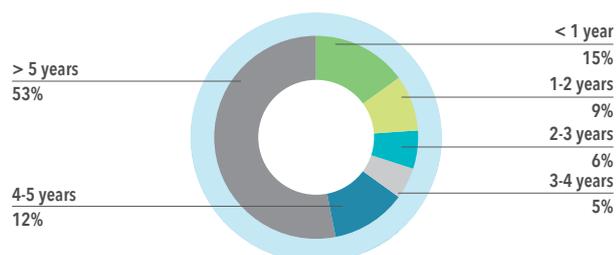
The maturity schedule of debt drawn by Icade (excluding overdrafts) as of December 31, 2016 is as follows:

MATURITY SCHEDULE OF DRAWN DEBT (December 31, 2016, in millions of euros)



* Including €528.5 million of NEU Commercial Paper.

BREAKDOWN OF DEBT BY MATURITY (December 31, 2016)



The average debt maturity was 6.6 years as of December 31, 2016 (excluding NEU CP) while it stood at 4.5 years as of December 31, 2015. Thanks to the debt raised in 2016, especially the 9- and 10-year bonds, the refinancing of a mortgage for a further term of 20 years, the redemption of bonds and prepayment of bank loans, the average maturity of Icade's debt increased to over 6 years.

1.5.2.3. Debt by division

After allocation of intra-group financing, almost 100% of the Group's debt is used by the Commercial and the Healthcare Property Investment Divisions.

1.5.2.4. Average cost of debt

In 2016, the average cost of debt was 1.80% before hedging and 2.18% after hedging, compared with 1.94% and 2.71% in 2015, respectively.

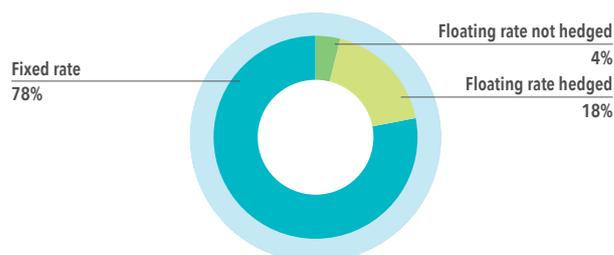
This strong decrease in the average cost of debt between 2015 and 2016 was achieved through the proactive management of existing debt and interest rate hedging.

1.5.2.5. Management of interest rate risk exposure

Variable rate debt represented nearly 22% of total debt as of December 31, 2016 (excluding debt associated with equity interests and bank overdrafts).

In 2016, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps). As of December 31, 2016, hedged variable rate debt accounted for 18% of total debt while unhedged variable rate debt accounted for 4% of total debt.

BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING PAYABLES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS) (December 31, 2016)



OUTSTANDING HEDGING POSITIONS ^(a) (December 31, 2016, in millions of euros)



(a) Excluding notional amounts from floors (when used to hedge the same debt as caps).

Most of the debt (96%) is protected against an increase in interest rates (fixed rate debt or variable rate debt hedged by interest rate swaps or options). The notional amounts of hedging instruments are summarised in the graph above.

The net position is shown in the following table, taking into account the financial assets and the new hedges entered into:

(in millions of euros)	12/31/2016									
	Financial assets (a)		Financial liabilities (b)		Net exposure before hedging (c) = (b) - (a)		Interest rate hedging instruments (d)		Net exposure after hedging (e) = (d) - (c)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	0.1	384.1	613.7	104.1	613.6	(280.0)	-	321.1	(613.6)	601.1
1 to 2 years	-	-	17.6	402.5	17.6	402.5	-	209.8	(17.6)	(192.7)
2 to 3 years	-	-	262.0	51.5	262.0	51.5	-	149.5	(262.0)	98.0
3 to 4 years	-	-	16.4	249.2	16.4	249.2	-	58.0	(16.4)	(191.2)
4 to 5 years	0.1	-	454.3	124.3	454.2	124.3	-	7.2	(454.2)	(117.1)
> 5 years	26.8	-	2,402.2	151.1	2,375.3	151.1	-	521.8	(2,375.3)	370.6
TOTAL	27.0	384.1	3,766.2	1,082.8	3,739.2	698.6	-	1,267.4	(3,739.2)	568.8

The average maturity of variable rate debt is 3.3 years; and 5.5 years for the related hedges, allowing adequate hedging, and anticipating coverage of future financing needs.

Finally, Icade favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; this involves the recognition of changes in fair value of these instruments in equity (for the effective part), rather than in the income statement.

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 2016, 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 (net financial liabilities divided by the latest valuation of property assets excluding duties [total share] plus the value of Property

Development companies) stood at 37.9% as of December 31, 2016 (compared with 38.0% as of December 31, 2015).

The level recorded at December 31, 2016, below Icade's policy (LTC ratio around 40%), gives a lot of leeway to seize potential growth or development opportunities.

In addition, this ratio is still well below maximum levels established by the financial covenants stipulated in the bank agreements (52% where this ratio is mentioned as a covenant). These covenants do not provide for the inclusion of the value of the Property Development company in the calculation of the ratio. On this basis, the LTV ratio stands at 39.5%, equal to that of December 31, 2015.

If the value of the portfolio used for its calculation was valued including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 36.0% as of December 31, 2016.

1.5.4.1.2. ICR (Interest Coverage Ratio)

The interest coverage ratio based on the EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 4.71x for the financial year 2016. This ratio, which was calculated using the same method as in the previous financial year, was up from 3.98x in 2015 due to increased EBITDA and the restructuring of liabilities which resulted in a lower cost of debt.

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During the financial year 2016, this ratio was standardised in all bank agreements, where it is used as covenant. It is now a performance indicator in line with the market's expectations and which is less volatile.

	12/31/2016	12/31/2015
Ratio of net financial liabilities/asset value (LTV) ^(a)	37.9%	38.0%
Interest coverage ratio based on the EBITDA plus the Group's share in profit/(loss) of equity-accounted companies	4.71x	3.98x

(a) Includes the balance sheet value of the Property Development companies.

1.5.4.2. Table of covenants

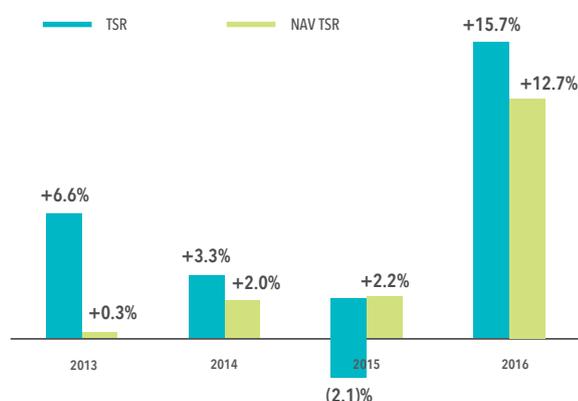
		Covenants	12/31/2016
LTV covenant ^(a)	Maximum	<52%	39.5%
ICR	Minimum	> 2	4.71x
CDC's stake	Minimum	34%	38.99%
Value of Property Investment assets ^(b)	Minimum	from > €1.7bn to > €7bn	€11.3 billion
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	<20%	0.7%
Security interests in assets	Maximum	< 20% of property investment assets	6.5%

(a) Excluding other loans and similar liabilities (LTV < 50%).

(b) Around 7% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €1.7 billion, 2% of the debt has a limit of €2 billion, 7% of the debt has a limit of €3 billion, 13% of the debt has a limit of €5 billion and the remaining 71% has a limit of €7 billion.

All covenants were met as of December 31, 2016, and remain comfortably within the limits.

1.6. Share performance and NAV performance



The Icade share outperformed the SIIC/Foncières France (Euronext) index and the EPRA Europe index in 2016, with a market return of **9.5%** (see chapter 8, section 2.2, p. 295) and a total shareholder return, with dividends reinvested, around **15.7%**.

The share price TSR is the difference between the share price at the end of the previous financial year and the share price at the end of the financial year under consideration (assuming that all dividends paid out are reinvested in shares at the share price as of the ex-dividend date; for the purpose of calculating 2016 TSR, €3.73 are assumed to be reinvested at the closing share price on May 27, 2016), divided by the share price at the end of the previous financial year.

The TSR, which is based on the change in net asset value for financial year 2016, stands at **12.7%**, showing a clear improvement compared to previous years.

The NAV TSR is the difference between the triple net asset value per share at the end of the previous financial year and that recorded at the end of the financial year under consideration (adjusted for the dividend paid during the period; for the purpose of calculating 2016 TSR, this adjustment represented €3.73), divided by the triple net asset value per share at the end of the previous financial year.

2. Property Investment Divisions

2.1. 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, whose portfolio includes office assets located in the Paris region is worth €7.6 billion. It can be broken down between office buildings valued at €4.1 billion and business parks (also mainly composed of office assets) valued at €3.5 billion. A residual portfolio of assets, such as warehouses and residential units should also be noted (value of €135 million as of December 31, 2016, i.e. 1.8% of the Commercial Property Investment Division's portfolio).

- The Healthcare Property Investment Division, valued at €3.6 billion (€2.0 billion on a proportionate consolidation basis), is mainly made up of properties where private hospitals such as medicine, surgery and obstetrics (MSO) facilities, and follow-up and rehabilitation care (FRC) facilities are located.

2.1.1. EPRA Income statement for the Property Investment Division

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.

Therefore, EPRA earnings from Property Investment totalled €296.8 million as of December 31, 2016, up 8.1% compared to 2015 (see the analysis by Property Investment Division in the following pages).

(in millions of euros)	12/31/2016			12/31/2015 Restated ^(a)		
	EPRA earnings from Property Investment (Recurring)	Non recurring ^(b)	Total Commercial	EPRA earnings from Property Investment (Recurring)	Non recurring ^(b)	Total Commercial
GROSS RENTAL INCOME	587.0	-	587.0	557.0	-	557.0
Land-related costs	(2.1)	-	(2.1)	(2.1)	-	(2.1)
Service charges not recovered from tenants	(34.0)	-	(34.0)	(33.3)	-	(33.3)
Property operating expenses	(5.9)	-	(5.9)	(3.0)	-	(3.0)
NET RENTAL INCOME	545.0	-	545.0	518.6	-	518.6
MARGIN RATE (net rental income / gross rental income)	92.8%	0.0%	92.8%	93.1%	0.0%	93.1%
Net operating costs	(50.2)	-	(50.2)	(48.6)	-	(48.6)
Profit/(loss) from other activities	(1.0)	-	(1.0)	1.7	-	1.7
EBITDA	493.8	-	493.8	471.7	-	471.7
Depreciation and impairment of operating assets	(8.2)	20.6	12.4	(9.2)	(16.8)	(26.0)
Depreciation and impairment of investment properties	-	(284.5)	(284.5)	-	(565.4)	(565.4)
Profit/(loss) from acquisitions	-	1.3	1.3	-	(0.3)	(0.3)
Profit/(loss) from asset disposals	-	19.1	19.1	-	128.5	128.5
Share of profit/(loss) of equity-accounted companies	5.5	(22.7)	(17.2)	4.6	(22.6)	(18.0)
OPERATING PROFIT/(LOSS)	491.1	(266.3)	224.9	467.1	(476.6)	(9.5)
Cost of gross debt	(116.4)	-	(116.4)	(133.0)	-	(133.0)
Net income from cash and cash equivalents, related loans and receivables	6.5	-	6.5	8.6	-	8.6
Cost of net debt	(109.9)	-	(109.9)	(124.4)	-	(124.4)
Other finance income and expenses	(4.2)	(50.3)	(54.5)	(4.6)	2.2	(2.4)
FINANCE INCOME/(EXPENSE)	(114.1)	(50.3)	(164.3)	(129.0)	2.2	(126.8)
Corporate tax	(10.1)	5.5	(4.6)	(8.7)	(37.0)	(45.7)
NET PROFIT/(LOSS)	367.0	(311.0)	56.0	329.4	(511.5)	(182.1)
Net profit/(loss) attributable to non-controlling interests	70.2	(40.9)	29.2	56.4	(30.8)	25.6
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	296.8	(270.1)	26.7	273.0	(480.7)	(207.7)

(a) Profit/(loss) from discontinued operations, which was included in the Commercial Property Investment segment, was restated and reclassified in the intersegment transactions category.

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

2.1.2. Valuation of the Property Investment Divisions' property assets

The valuation methods used by the 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 warehouses and housing units;
- 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 (56.5%). If these assets were held at 100% of their value, Icade's portfolio would represent €11,285.3 million excluding duties vs. €10,497.6 million at the end of 2015.

Unless otherwise stated, Icade does not present values including duties since it does not consider registration fees to be part of property value.

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(value of the property portfolio excl. duties on a proportionate consolidation basis)	12/31/2016 (in €m)	12/31/2015 (restated*) (in €m)	Change (in €m)	Change (in %)	Like-for-like change ^(a) (in €m)	Like-for-like change ^(a) (in %)	Total floor area (in sq.m)	Price ^(b) (in €/sq.m)	Net yield, excl. duties ^(c) (in %)	Reversionary potential ^(d) (in %)	Overall estimated rental value (in €m)	EPRA vacancy rate ^(e) (in %)
OFFICES												
Paris	407.2	249.1	+158.1	+63.5%	+58.7	+40.1%	31,716	12,837	4.2%	+5.9%	18.5	11.9%
La Défense & surroundings	1,811.1	1,724.7	+86.4	+5.0%	+110.2	+6.6%	281,753	6,428	5.9%	(1.1)%	106.0	5.7%
Other Western Crescent	790.5	716.6	+73.9	+10.3%	+48.3	+8.4%	75,747	10,436	5.4%	(9.0)%	39.3	0.6%
Inner Ring	779.1	738.4	+40.7	+5.5%	(8.5)	(1.1)%	148,604	5,243	5.7%	(1.7)%	43.8	0.6%
Outer Ring	20.2	38.3	(18.1)	(47.3)%	(0.4)	(1.9)%	6,340	648	19.0%	(14.9)%	0.7	52.5%
TOTAL PARIS REGION	3,808.1	3,467.1	+341.0	+9.8%	+208.3	+6.6%	544,162	6,969	5.6%	(2.2)%	208.2	4.4%
Outside the Paris region	71.9	76.3	(4.4)	(5.8)%	-	-	2,171	1,667	9.4%	(3.4)%	0.3	23.7%
TOTAL	3,880.0	3,543.5	+336.6	+9.5%	+208.3	+6.4%	546,333	6,922	5.6%	(2.2)%	208.6	4.4%
Land bank	3.2	3.2	-	-	-	-						
Projects under development	102.7	70.5	+32.2	+45.7%	+7.4	+10.5%						
Floor space pending redevelopment (not leased) ^(f)	3.3	25.1	(21.8)	(86.9)%	+0.2	+5.3%						
Off-plan acquisition	74.3	0.0	+74.3	N/A	-	-						
TOTAL OFFICES	4,063.6	3,642.3	+421.3	+11.6%	+215.9	+6.5%	546,333	6,922	5.6%	(2.2)%	208.6	4.4%
BUSINESS PARKS												
Paris	834.2	713.9	+120.3	+16.9%	+67.2	+9.4%	140,162	5,952	5.7%	(0.5)%	47.1	5.0%
La Défense & surroundings	47.6	164.7	(117.1)	(71.1)%	(4.0)	(7.6)%	24,208	1,968	10.2%	(6.8)%	4.7	60.6%
Other Western Crescent	133.9	139.1	(5.2)	(3.7)%	(6.1)	(4.4)%	62,746	2,134	8.1%	(2.1)%	10.7	8.5%
Inner Ring	1,255.6	1,194.1	+61.6	+5.2%	+9.9	+0.8%	420,621	2,985	6.9%	(3.2)%	85.6	7.1%
Outer Ring	988.0	1,212.6	(224.6)	(18.5)%	(38.1)	(3.8)%	597,200	1,654	9.6%	(5.8)%	90.7	20.7%
TOTAL PARIS REGION	3,259.3	3,424.3	(165.0)	(4.8)%	+28.9	+0.9%	1,244,937	2,618	7.5%	(3.5)%	238.7	13.0%
Land bank	145.3	137.2	+8.1	+5.9%	+9.0	+6.7%						
Projects under development	72.9	27.5	+45.4	+165.3%	+15.8	+57.5%						
Floor space pending redevelopment (not leased) ^(f)	26.2	32.2	(6.0)	(18.6)%	(7.6)	(23.6)%						
TOTAL BUSINESS PARKS	3,503.7	3,621.2	(117.5)	(3.2)%	+46.1	+1.4%	1,244,937	2,618	7.5%	(3.5)%	238.7	13.0%
TOTAL OFFICES AND BUSINESS PARKS	7,567.3	7,263.4	+303.8	+4.2%	+262.0	+4.0%	1,791,270	3,931	6.5%	(2.8)%	447.3	9.0%
Other assets of the Commercial Property Investment Division ^(g)	135.1	163.3	(28.2)	(17.3)%	(24.4)	(15.5)%	78,562	23	12.3%			16.5%
TOTAL COMMERCIAL PROPERTY INVESTMENT ASSETS	7,702.4	7,426.8	+275.6	+3.7%	+237.6	+3.5%	1,869,832	3,766	6.5%	(2.8)%	447.3	9.1%
HEALTHCARE PROPERTY INVESTMENT												
Paris region	359.3	316.6	+42.8	+13.5%	+32.6	+10.3%	100,232	3,585	6.0%			0.0%
Outside the Paris region	1,595.2	1,408.6	+186.6	+13.2%	+126.7	+9.0%	672,230	2,373	6.2%			0.0%
TOTAL	1,954.6	1,725.2	+229.3	+13.3%	+159.3	+9.2%	772,463	2,530	6.1%			0.0%
Projects under development	70.1	10.1	+60.0	+594.3%	+14.6	+144.0%						
TOTAL HEALTHCARE PROPERTY INVESTMENT	2,024.7	1,735.3	+289.4	+16.7%	+173.9	+10.0%	772,463	2,621	6.1%			0.0%
GRAND TOTAL	9,727.1	9,162.1	+565.0	+6.2%	+411.5	+4.8%	2,642,295	3,432	6.4%			7.1%
Including assets consolidated using the equity method	159.5	179.2	(19.7)	(11.0)%	(20.9)	(11.7)%						

* Adjusted for the asset reclassifications made between the two periods, including reclassifications of assets "under development" as "operating" upon completion.

(a) Like-for-like changes in value make it possible to compare changes in the value of assets across different financial years by excluding, for the relevant periods, changes in scope of consolidation related to transactions (acquisitions and disposals), investments related to existing assets (work) and changes in value of assets treated as financial receivables (i.e. three assets under PPPs: Pontoise, Les Tovets-Courchevel and University Hospital (CHU) of Nancy).

(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) Difference noted between the estimated rental value of leased space and gross annualised rental income for the same leasable space (expressed as a percentage of gross rental income). The reversionary potential as calculated above is established without taking into consideration lease expiry schedules and is not subject to discounting.

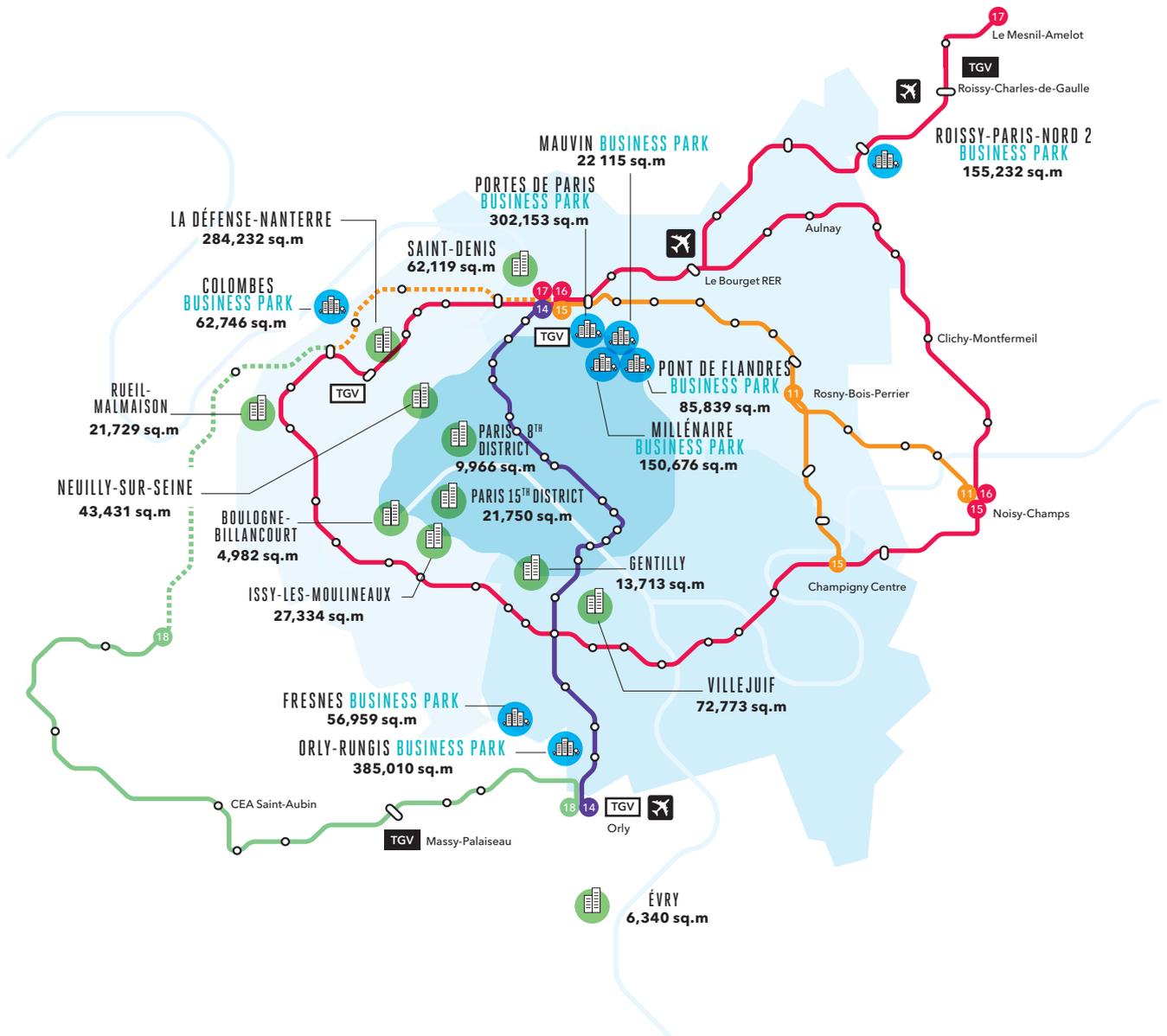
(e) Calculated based on the estimated rental value of vacant premises divided by the overall rental value.

(f) Properties 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.

(g) The 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 and excluding PPPs.

2.2. Commercial Property Investment Division

At the heart of the Greater Paris area



Assets (Offices and business parks) in the Paris region as of 12/31/2016

GRAND PARIS EXPRESS LINES	HIGH SPEED TRAIN (TGV) STATIONS	ICADE'S PROPERTY
<ul style="list-style-type: none"> 14 15, 16, 17 18 11, 15 	<ul style="list-style-type: none"> 15 18 After 2030 	<ul style="list-style-type: none"> Existing station Planned station Business parks Offices

The assets shown are operating assets (excluding land bank, projects under development, off-plan acquisitions and properties pending redevelopment)

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

2.2.1. Portfolio overview

The operating property portfolio of Icade's Commercial Property Investment Division (excluding the residential segment) represents nearly 1.9 million sq.m of leasable area and is valued at €7,587 million.

Geographic distribution of property assets by type

AS OF DECEMBER 31, 2016

In value terms (in millions of euros)	Offices	Business parks	Warehouses	Subtotal Commercial	Residential	Total	%
PARIS REGION	3,992	3,504	3	7,498	115	7,613	98.8%
% of total floor area	98.2%	100.0%	14.4%	98.8%	99.7%		
incl. Paris	407	850	-	1,257	0	1,258	
incl. La Défense & surroundings	1,995	48	-	2,042	-	2,042	
incl. Western Crescent	791	137	-	928	9	937	
incl. Inner Ring	779	1,386	-	2,165	5	2,170	
incl. Outer Ring	20	1,083	3	1,106	100	1,206	
OUTSIDE THE PARIS REGION	72	-	17	89	0	89	1.2%
% of total floor area	1.8%	0.0%	85.6%	1.2%	0.3%		
GRAND TOTAL	4,064	3,504	20	7,587	115	7,702	
% OF TOTAL VALUE OF THE PROPERTY PORTFOLIO	52.8%	45.5%	0.3%	98.5%	1.5%		100%

Total floor areas (in sq.m) ^(a)	Offices	Business parks	Warehouses	Subtotal Commercial	Residential ^(b)	Total	%
PARIS REGION	544,162	1,244,937	11,266	1,800,365	184,864	1,985,229	96.2%
% of total floor area	99.6%	100.0%	14.4%	96.3%	95.8%	96.2%	
incl. Paris	31,716	140,162	-	171,878	251	172,129	
incl. La Défense & surroundings	281,753	24,208	-	305,961	-	305,961	
incl. Western Crescent	75,747	62,746	-	138,493	7,818	146,311	
incl. Inner Ring	148,604	420,621	-	569,225	5,555	574,780	
incl. Outer Ring	6,340	597,200	11,266	614,806	171,240	786,046	
OUTSIDE THE PARIS REGION	2,171	-	67,225	69,396	8,079	77,475	3.8%
% of total floor area	0.4%	0.0%	85.6%	3.7%	4.2%	3.8%	
GRAND TOTAL	546,333	1,244,937	78,491	1,869,761	192,943	2,062,704	
% OF TOTAL FLOOR AREA OF THE PROPERTY PORTFOLIO	26.5%	60.4%	3.8%	90.6%	9.4%		100%

(a) Total floor areas, in sq.m, of operating properties (excluding PPPs) as of December 31, 2016.

(b) Excluding the land bank from the Residential portfolio.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Description of the portfolio

Offices

Icade owns office buildings representing a total leasable floor area of 529,656 sq.m as of December 31, 2016. These assets are mainly located in Paris, La Défense, the Western Crescent and Villejuif.

Asset class	12/31/2015	2016 changes			12/31/2016
	Leasable floor area (sq.m)	Acquisitions/completions (sq.m)	Asset disposals (sq.m)	Developments/redevelopments (sq.m)	Leasable floor area (sq.m)
PARIS REGION	520,275	53,734	(60,983)	(12,186)	500,840
% of total floor area	94.4%	100.0%	96.6%	100.0%	94.6%
incl. Paris	17,174	21,750	(7,208)		31,716
incl. La Défense & surroundings	270,598		(14,688)	(3,724)	252,186
incl. Western Crescent	75,006	18,271	(26,516)	(9,844)	56,917
incl. Inner Ring	133,500	13,713		1,382	148,595
incl. Outer Ring	23,997		(12,571)		11,426
OUTSIDE THE PARIS REGION	30,993	-	(2,177)	-	28,816
% of total floor area	5.6%	0.0%	3.4%	0.0%	5.4%
TOTAL OFFICES	551,268	53,734	(63,160)	(12,186)	529,656

In line with its strategy of acquisition and rotation of mature and/or non-strategic assets, Icade sold six office buildings in the financial year 2016. The most important ones are:

- 69, boulevard Haussmann in the 8th district of Paris;
- Levallois building which the French government purchased by exercising its option to purchase;
- the Défense 3 and Reflet Défense buildings, in the Nanterre Préfecture area.

In 2016, the Group carried out selective acquisitions of office assets representing a total investment, including transfer taxes, of €479.6 million and a total floor area of over 86,000 sq.m. The following buildings were acquired:

- Orsud: this 13,700-sq.m property is fully leased and is located in Gentilly (Val-de-Marne);
- Parissy: this 18,270-sq.m property is located in Issy-les-Moulineaux (Hauts-de-Seine), and is fully leased to Technicolor;

- Arc Ouest: this 21,750-sq.m property is located in the 15th district of Paris and is 95% leased;
- Go Spring: this 32,600-sq.m property was acquired through an off-plan agreement. The first phase of the project is scheduled to be completed in 2017 (14,100 sq.m) and the second phase in 2019 (18,500 sq.m). The second phase is already 75% pre-leased (13,700 sq.m) to a leading institutional investor. The rest is subject to rent guarantees from the developer for a 24-month period starting on the date of completion.

Business parks

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

The overall leasable floor area of the business parks totals 1,196,647 sq.m as of December 31, 2016.

Asset class	12/31/2015	2016 changes			12/31/2016
	Leasable floor area (sq.m)	Acquisitions / completions (sq.m)	Asset disposals (sq.m)	Developments / redevelopments (sq.m)	Leasable floor area (sq.m)
PARIS REGION	1,424,579	72,028	(279,850)	(20,110)	1,196,647
% of total floor area	100.0%	100.0%	100.0%	100.0%	100.0%
incl. Paris	115,730	24,615		(1,795)	138,550
incl. La Défense & surroundings	86,587		(62,379)		24,208
incl. Western Crescent	62,746				62,746
incl. Inner Ring	361,595	47,413		(13,499)	395,509
incl. Outer Ring	797,921		(217,471)	(4,816)	575,634
OUTSIDE THE PARIS REGION	-	-	-	-	-
% of total floor area	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL BUSINESS PARKS	1,424,579	72,028	(279,850)	(20,110)	1,196,647

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

As a result, two new office buildings were completed in the Millénaire business park in 2016:

- Veolia group's new headquarters (45,000 sq.m, completed in July 2016);
- Millénaire 4 (24,500 sq.m), fully leased to a leading institutional investor and completed in October 2016.

In 2016, Icade also implemented a marketing plan called "Coach Your Growth with Icade", representing a total investment of €30 million, aimed at improving its business parks' attractiveness. The objective of this plan is to offer more products and services to users in order to improve business parks' operating performance.

In accordance with its strategic plan, Icade completed the sale of five non-core business parks in 2016: Nanterre Seine (excluding the Axe Seine building), Cergy, Évry, Antony and Villebon.

Market update (source: CBRE)

French commercial real estate investment market

After a quiet start to the year, investments in the French commercial real estate market reached €23.6 billion in 2016, including €8 billion in Q4.

Within the global real estate investment market, France, and above all Paris, represent a viable alternative to London thanks to their depth and level of maturity. Paris and the inner western suburbs (Western Crescent and La Défense) have emerged as the most popular areas, with 68% of investments (Core and Core+ assets).

In the last two years, the market has seemed to be structurally well-balanced, with transactions between €50 million and €200 million accounting for over 40% of investments.

Investments in the **office market** stood at €17.2 billion. The **retail** segment represented nearly €3.7 billion of investments (similar to the solid levels recorded in 2012 and 2013, but significantly lower than in the past two years). Finally, investments in the **industrial/logistics** segments were at their highest levels since 2007, with €2.7 billion and 10% of total investments.

Core transactions continue to account for most of the investments, although Core+ transactions showed a significant surge. On the other hand, Value Add transactions were slightly down and showed a different profile than in previous years: fewer Paris buildings to be redeveloped and more speculative off-plan sales, especially in the Inner Ring.

In 2016, the **Paris prime yield reached 3.00%** (vs. 3.25% in 2015). Compared to the ten-year government bond yield of 0.66% at the end of 2016, the risk premium offered by the real estate market (234 bps) is still high for investors. Yield ranges by geographic area of the Paris region were as follows: 4.50% to 5.75% in La Défense; 3.50% to 7.00% in the Western Crescent; 4.25% to 8.50% in the Inner Ring; and 5.50% to 11.00% in the Outer Ring. Lastly, outside the Paris region, yields ranged from 4.50% in Lyon, 5.00% in Lille and up to 7.50% for more peripheral markets and cities.

Office rental market in the Paris region

Take-up of offices in the Paris region totalled 2.4 million sq.m in 2016 (+7% on a year-on-year basis and +4% compared to the annual average for the 2006-2015 period). In the Paris region, the rental market continued to perform well in Q4 2016, with take-up of 669,400 sq.m (+9% compared to the average for the fourth quarter of years between 2006 and 2015).

In 2016, the market rebounded for units over 5,000 sq.m, with a total of 65 transactions and 891,100 sq.m (i.e. +23% in one year). There were

substantial differences from one geographic area to another: excellent year for West Central Paris despite declining immediate supply, record levels for South Paris and La Défense thanks to a dynamic market for units over 5,000 sq.m, with 14 and 11 transactions, respectively. The year was satisfactory for units of less than 5,000 sq.m, with transactions up 5% from the 10-year average, but disappointing for units over 5,000 sq.m. Transaction activity improved in the Inner Ring while volumes remained below long-term average ((25)%).

Take-up in the Outer Ring stood at 300,700 sq.m in 2016, down 10% compared to 2015 and 27% lower than the annual average for the 2006-2015 period.

■ **In the Orly area:** Take-up reached 16,100 sq.m in 2016 (+24% compared to 2015), in particular with ADP's new lease for 9,500 sq.m in the new Askia building from the Cœur d'Orly development. 12 transactions were signed in 2016 vs. 25 in 2015. The market remains focused on smaller units, with eight new leases signed for units of less than 500 sq.m. Rungis accounts for close to three quarters of take-up (9,460 sq.m).

■ **In the Roissy area:** In 2016, take-up went down by 29% to 20,600 sq.m compared to 2015, a year which had been marked by ADP's 12,000-sq.m development project for its own operations in Tremblay-en-France. Transaction activity in the market for units over 5,000 sq.m was quite resilient, with 34 transactions signed (vs. 36 in 2015), including 23 in the Paris Nord 2 business park. 24 transactions for units of less than 500 sq.m were recorded, for a total take-up of 5,500 sq.m, in line with the 10-year average for the Roissy area. The most significant transaction of the year was a new lease signed by Sharp Electronics France for 3,678 sq.m within the Rostand building, which is located in the Paris Nord 2 business park. Five other transactions for units over 1,000 sq.m were signed, including two new leases in the Colonnadia building.

In the Paris region, immediate supply continued to decrease to **3.5 million sq.m available at the end of 2016** (vs. 3.9 million sq.m at the end of 2015), a year-on-year decline of 10%. The average vacancy rate dropped significantly to 6.2% in Paris, compared with 6.9% in 2015 and 7.2% in 2014. Yields stood at 3.5% in Paris CBD (vs. 4.7% in 2015), 10.6% in La Défense & surroundings (vs. 11.3% in 2015), 10.6% in Other Western Crescent (vs. 11.4% in 2015), 7.9% in the Inner Ring (vs. 8.7% in 2015), and 5.6% in the Outer Ring (vs. 5.8% in 2015).

The proportion of new and redeveloped property now only accounts for 15% of immediate supply.

■ **In the Orly area:** Immediate supply declined slightly, by 3% on a year-on-year basis, to 79,500 sq.m at the end of 2016, with a vacancy rate of 9.2% (vs. 9.5% last year). Six units over 5,000 sq.m for a total of 49,300 sq.m account for 62% of immediate supply, including four new buildings (Québec building; 9,700 sq.m for lease in the Venise and Séville buildings in Rungis; the remaining leasable space in the Askia building within the Cœur d'Orly development; and vacant space in the Oxygène Sud building in Chevilly-Larue). No definite future supply has been noted in this area, which means that the vacancy rate should go down in the short and medium term.

■ **In the Roissy area:** Immediate supply declined by 9% on a year-on-year basis to 83,500 sq.m at the end of 2016, with a vacancy rate of 7.8% (vs. 8.7% last year). Since definite future supply is still very reduced, the vacancy rate is expected to go down in 2017. Moreover, no definite or probable supply of units over 5,000 sq.m has appeared since 2013.

In 2016, **headline rental values increased in central locations.** The weighted average headline rent in the Paris region for new, redeveloped or renovated space was €300/sq.m/year excluding taxes and charges (vs. €296 in 2015 and €297 in 2014). In non-central locations, headline rents remained stable. Meanwhile, lease incentives were still at a substantial level, representing on average 22.2% of the headline rent in the Paris region for transactions for units over 1,000 sq.m, although with differences from one area to another: from 17% in West Central Paris to 27.2% in La Défense.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

At the end of 2016, the average prime rent in West Central Paris increased significantly to €778/sq.m/year excluding taxes and charges (vs. €724 in 2015 and €687 in 2014). In La Défense, as well as in the Western Crescent, the average prime yield was stable at €469 and €458/sq.m/year excluding taxes and charges, respectively.

2.2.2. Competitive position of the Commercial Property Investment Division

The Commercial Property Investment Division's activities as well as the structure of the market in which it operates are described in this registration document. Macroeconomic information and the competitive risk related to the investment and leasing activities are also presented.

In France, Icade is one of the few players to operate both in the business park and office segments. The Group's substantial land bank (over

1 million sq.m) allows it to design the city of tomorrow in collaboration with its stakeholders. Icade has a very significant organic growth potential. In the office segment, Icade has continued to expand in the Paris region while building on its strong geographic presence in order to diversify its investments in major French cities. Furthermore, Icade has further developed its range of real estate solutions by including new ways of working and implementing its Coach Your Growth programme in all its business parks.

Among the most active French investors, the main listed real estate companies are Unibail-Rodamco, Klépierre, Gecina, Foncière des Régions, Altarea Cogedim, Société Foncière Lyonnaise and Eurosic. As of December 31, 2016, Icade's ranked fifth in terms of market capitalisation among French listed real estate investment companies.

2.2.3. Key figures as of December 31, 2016

INCOME STATEMENT FOR THE COMMERCIAL PROPERTY INVESTMENT DIVISION

(in millions of euros)	12/31/2016			12/31/2015 Restated ^(a)		
	EPRA earnings from Commercial Property Investment (Recurring)	Non recurring ^(b)	Total Commercial Property Investment	EPRA earnings from Commercial Property Investment (Recurring)	Non recurring ^(b)	Total Commercial Property Investment
GROSS RENTAL INCOME	379.7	-	379.7	387.5	-	387.5
Land-related costs	(2.1)	-	(2.1)	(2.1)	-	(2.1)
Service charges not recovered from tenants	(31.5)	-	(31.5)	(31.2)	-	(31.2)
Property operating expenses	(5.1)	-	(5.1)	(2.3)	-	(2.3)
NET RENTAL INCOME	341.0	-	341.0	351.8	-	351.8
<i>Margin rate (net rental income / gross rental income)</i>	89.8%	0.0%	89.8%	90.8%	0.0%	90.8%
Net operating costs	(37.6)	-	(37.6)	(38.4)	-	(38.4)
Profit/(loss) from other activities	(1.0)	-	(1.0)	1.7	-	1.7
EBITDA	302.4	-	302.4	315.1	-	315.1
Depreciation and impairment of operating assets	(8.2)	20.6	12.4	(9.2)	(16.8)	(26.0)
Depreciation and impairment of investment properties	-	(189.4)	(189.4)	-	(488.7)	(488.7)
Profit/(loss) from asset disposals	-	19.4	19.4	-	122.5	122.5
Share of profit/(loss) of equity-accounted companies	5.5	(22.7)	(17.2)	4.6	(22.6)	(18.0)
OPERATING PROFIT/(LOSS)	299.7	(172.1)	127.6	310.6	(405.6)	(95.1)
Cost of gross debt	(105.7)	-	(105.7)	(122.4)	-	(122.4)
Net income from cash and cash equivalents, related loans and receivables	25.3	-	25.3	23.6	-	23.6
Cost of net debt	(80.5)	-	(80.5)	(98.8)	-	(98.8)
Other finance income and expenses	(3.6)	(50.0)	(53.6)	(3.6)	2.0	(1.6)
FINANCE INCOME/(EXPENSE)	(84.0)	(50.0)	(134.1)	(102.4)	2.0	(100.4)
Corporate tax	(10.0)	5.2	(4.8)	(8.5)	(37.0)	(45.5)
NET PROFIT/(LOSS)	205.6	(216.9)	(11.3)	199.6	(440.6)	(241.0)
Net profit/(loss) attributable to non-controlling interests	-	-	-	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	205.6	(216.9)	(11.3)	199.6	(440.6)	(241.0)

(a) Profit/(loss) from discontinued operations, which was included in the Commercial Property Investment segment, was restated and reclassified in the intersegment transactions category.

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

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

RENTAL INCOME FROM THE COMMERCIAL PROPERTY INVESTMENT DIVISION



(in millions of euros)	12/31/2015	Asset acquisitions	Asset disposals	New builds Redevelopments disposals	Leasing activity and rent escalation	12/31/2016	Total change	Like-for-like change
France offices	168.1	2.5	(3.0)	(3.9)	2.5	166.2	(1.9)	1.5%
Business parks	207.8	-	(9.3)	9.0	(5.6)	201.9	(5.9)	(3.3)%
OFFICES & BUSINESS PARKS	375.9	2.5	(12.4)	5.2	(3.1)	368.1	(7.8)	(1.0)%
Other assets	17.4	-	-	-	-	17.4	(0.0)	(0.8)%
Intra-group transactions from Property Investment	(5.8)	-	-	-	(0.0)	(5.8)	(0.1)	-
GROSS RENTAL INCOME	387.5	2.5	(12.4)	5.2	(3.1)	379.7	(7.8)	(1.0)%

Gross rental income generated by the Commercial Property Investment Division during the financial year 2016 amounted to €379.7 million, i.e. a decrease of €7.8 million compared to 2015 ((2.1)%). After adjustment for acquisitions and disposals, gross rental income went up by €2.0 million, i.e. +0.5%, between 2015 and 2016. On a like-for-like basis (excluding the impact of asset acquisitions, disposals, constructions and redevelopments), gross rental income was down (1.0)%.

- asset acquisitions: +€2.5 million from the sale of three office buildings acquired in 2016 (Orsud, Arc Ouest, Parissy);
- asset disposals: €(12.4) million from asset disposals carried out in 2015 and 2016, such as the Millénaire 2 (€(6.9) million) and Reflet Défense (€(1.4) million) buildings and non-core business parks (€(2.4) million);
- new builds and redevelopments: +€5.2 million, which break down as follows:
 - +€9.5 million from projects completed in 2016; most of this amount related to the Veolia and Millénaire 4 buildings,
 - +€2.7 million mainly related to the full-year impact of the completion of the Le Monet building (Saint-Denis) in 2015,
 - €(7.0) million from redevelopments, mainly in the office segment (Défense 4/5/6, Défense 1 and Open);
- leasing activity and rent escalation: €(3.1) million:
 - the changes in the Cost-of-Construction (ICC) and Tertiary Activities Rent (ILAT) indices led to an increase in revenue of €0.3 million,

- meanwhile, the leasing activity presented a negative net change of €(3.4) million, which breaks down as follows:

- +€2.5 million in the office sector with several new leases taking effect in La Défense assets which offset part of the negative impact from leases renewed during the financial year:
 - +€11.4 million in the Eqho tower,
 - +€0.7 million from the offices segment, which was positively impacted by the leases coming into effect in the PB5 tower,
 - €(6.8) million in the Crystal Park building,
 - €(2.1) million in the Grand Axe buildings located in Nanterre Préfecture,
- €(5.6) million from tenant inflows and outflows in the business parks, including:
 - €(2.0) million recorded in the Rungis business park due to the redevelopment carried out in the Genève building, and to vacated floor space in the Strasbourg building,
 - €(1.2) million in the Portes de Paris business park,
 - €(2.4) million in the Colombes and Paris Nord parks due in particular to the impact of the Hampton and Eddington buildings.

Net rental income from the Commercial Property Investment Division for the year 2016 totalled €341.0 million. The office and business park margin rate stood at 89.8%, which was stable compared to 2015.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

(in millions of euros)	12/31/2016		12/31/2015	
	Net rental income	Margin	Net rental income	Margin
France offices	156.0	93.9%	157.5	93.7%
Business parks	174.1	86.2%	179.8	86.5%
OFFICES & BUSINESS PARKS	330.1	89.7%	337.3	89.7%
Other assets	5.3	30.3%	8.9	51.0%
Intra-group transactions from Commercial Property Investment	5.7		5.7	
NET RENTAL INCOME	341.0	89.8%	351.8	90.8%

Net operating costs from the Commercial Property Investment Division remained stable at €37.6 million compared to 2015. It should be borne in mind that they include all holding company costs.

Cost of net debt from the Commercial Property Investment Division stood at €(80.5) million as of December 31, 2016 vs. €(98.8) million as of December 31, 2015.

This change can be mainly explained by the drop in average cost of debt between 2015 and 2016 ((53) bps). Thanks to the restructuring of debt and financial derivatives implemented by Icade in H2 2016 (prepayment of existing loans, unwinding of short-term swaps, redemption of bonds), cost of net debt went down by nearly 23% between 2015 and 2016. This effect is expected to continue in 2017 as a result of the full-year impact of this restructuring.

Thus, after taking into account the items above, **EPRA Earnings from Commercial Property Investment** reached €205.6 million as of December 31, 2016, vs. €199.6 million as of December 31, 2015, i.e. a 3.0% 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 charge of €(234.2) million and were mainly comprised of:

- depreciation and impairment of investment properties for €(189.4) million as of December 31, 2016 vs. €(488.7) million as of

December 31, 2015. Unlike financial year 2015, when negative changes in value of the non-core business parks had led to the recognition of net impairment losses of €(291.6) million, reversals of €30.7 million were made in 2016. The remainder corresponds to depreciation charges of €(220.0) million for the financial year;

- profit from asset disposals for €19.4 million;
- other finance income and expenses amounted to €(53.6) million as of December 31, 2016 vs. €(1.6) million as of December 31, 2015. This change was mainly the result of the recognition of €(51.4) million in costs and cash adjustments associated with the debt restructuring and financial derivatives carried out in H2 2016 as "non-recurring";
- the income tax liability from the Commercial Property Investment Division totalled €(4.8) million as of December 31, 2016, implying a decline of €40.7 million compared to December 31, 2015. This change is explained primarily by the recognition in 2015 of an exceptional charge debt of €31.5 million in order to definitively settle a tax dispute dating back to 2010 and which implied an overall maximum risk of €225 million for Icade.

In view of the above, **net profit/(loss) attributable to the Group** from the Commercial Property Investment Division reached €(11.3) million as of December 31, 2016 vs. €(241.0) million as of December 31, 2015.

2.2.4. Leasing activity of the Commercial Property Investment Division

Asset class	12/31/2015	2016 changes			12/31/2016	New leases		12/31/2016
	Leased floor area	Additions	Exits	Exits due to disposals	Leased floor area	Impact in 2016	Impact after 2016	Total
	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)
Offices	436,119	28,571	(12,119)	-	452,571	28,363	16,012	44,375
Business parks	983,053	45,909	(65,403)	-	963,559	29,807	29,212	59,019
Warehouses	59,470	6,535	(1,966)	-	64,039	3,124	-	3,124
LIKE-FOR-LIKE SCOPE (A)	1,478,642	81,015	(79,488)		1,480,169	61,294	45,224	106,518
Offices		52,452	-	-	52,452	-	-	-
Business parks		71,829	-	-	71,829	24,615	-	24,615
ACQUISITIONS / COMPLETIONS (B)	-	124,281	-	-	124,281	24,615	-	24,615
SUBTOTAL (A+B)	1,478,642	205,296	(79,488)		1,604,450	85,909	45,224	131,133
Offices	58,042	816	(1,684)	(57,174)	-	693	-	693
Business parks	200,729	17,479	(14,661)	(203,547)	-	17,016	1,351	18,367
Warehouses	4,649	-	-	(4,649)	-	-	-	-
DISPOSALS (C)	263,420	18,295	(16,345)	(265,370)	-	17,709	1,351	19,060
COMMERCIAL PROPERTY INVESTMENT (A)+(B)+(C)	1,742,062	223,591	(95,833)	(265,370)	1,604,450	103,618	46,575	150,193

In 2016, leasing activity in the Commercial Property Investment Division was impacted by substantial changes in scope of consolidation: five business parks and six office buildings were sold during the financial year.

Taking into account the assets that were not sold in 2016 as well as the properties acquired in 2016, the balance between additions to and exits from the portfolio of leased space is +125,808 sq.m.

Out of the 205,295 sq.m added to the portfolio of leased space in 2016, 124,281 sq.m related to a change in the scope (acquisitions/completions). In the business park segment, this is mainly due to two buildings completed in the Millénaire business park (45,000 sq.m leased to Veolia and 24,500 sq.m leased to BNP in the Millénaire 4 building). In the office segment, it is the result of acquisitions carried out in 2016 (Orsud, Parissy and Arc Ouest) that represent 52,452 sq.m.

Total exits from the portfolio of leased space represented 95,833 sq.m, including 79,488 sq.m from the portfolio of properties that were not sold in 2016 and the properties acquired in 2016.

Like-for-like office portfolio

Out of a total of 28,571 sq.m added to the portfolio of office leased area, the main changes were as follows:

- 12,359 sq.m leased in the Eqho Tower in La Défense (KPMG, Celgene, Mersen and Merz Pharma leases);
- 7,866 sq.m leased in the PB5 Tower in La Défense, including 6,244 sq.m leased to PwC.

Out of a total of 12,119 sq.m of exits from the portfolio of office leased area, the main changes were as follows:

- 3,760 sq.m vacated by Verizon in the Défense 1 building which is due to be redeveloped as part of the Origine project;
- 3,873 sq.m related to the partial departure of PwC from the Crystal Park building as part the lease renewal;
- 1,930 sq.m vacated by Arcelor Mittal in the Cézanne building in Saint-Denis.

Like-for-like business park portfolio

Out of a total of 45,909 sq.m added to the portfolio of leased space in business parks, the main changes were as follows:

- 4,000 sq.m leased to Corsair in the Oslo and Strasbourg buildings in Rungis;
- 8,578 sq.m leased to Atlantic Media following the departure of Euromedia;
- 2,744 sq.m leased to Dimension Data in the Séville-Venise building in Rungis;
- 3,678 sq.m leased to Sharp in the Le Rostand building in the Paris Nord business park.

Out of a total of 65,403 sq.m of exits from the portfolio of leased space in business parks, the main changes were as follows:

- 8,578 sq.m vacated by Euromedia France;
- 4,707 sq.m vacated by Locaber in the Quartier 7 building in the Millénaire business park (building due to be demolished);
- 3,480 sq.m vacated by Kookai in the Portes de Paris business park;
- 1,674 sq.m vacated by Ricoh in the Rungis business park.

In the portfolio of properties that were not sold and newly acquired properties, Icade signed 122 leases in 2016, representing a floor area of 131,133 sq.m and €40.0 million of annualised headline rental income including 44,375 sq.m in the office segment (€18.3 million), 83,634 sq.m in business parks (€21.6 million) and 3,124 sq.m in warehouses (€0.1 million).

These **new leases** mainly concerned the following assets:

- 47,871 sq.m leased to a leading institutional investor in the Millénaire 1 and Millénaire 4 buildings (lease taking effect after financial year 2016);
- 8,900 sq.m leased to IFF in the Crystal Park office building located in Neuilly-sur-Seine;
- 4,391 sq.m leased to La Direccte in the "Défense 4/5/6" building complex;
- 6,244 sq.m leased to PwC in the PB5 tower in La Défense;
- 4,321 sq.m leased to KPMG in the Eqho tower in La Défense.

In the portfolio of properties that were not sold and newly acquired properties, 65 leases were **renewed**, representing a total area of 138,911 sq.m and an annualised headline rental income of €33.1 million (11.98% decrease compared to previous rental income) for a weighted average unexpired lease term of 7.4 years. It should be noted that three leases account for over 70% of these renewals in terms of rental income:

- the PwC lease in the Crystal Park building in Neuilly (23,800 sq.m) which was renewed for a term of 12 years;
- the Rhodia lease in the Portes de Paris business park (38,134 sq.m);
- the Abbvie lease in the Rungis business park (10,575 sq.m).

Acquisitions/Completions

The acquisitions and completed projects represented 124,281 sq.m. They are broken down as follows:

- in the business park segment: two buildings completed in the Millénaire business park (44,908 sq.m leased to Veolia and 24,615 sq.m leased to BNP in the Millénaire 4 building) and an extension completed in the Portes de Paris park (2,306 sq.m) leased to the Telecity RedBus company;
- in the office segment: three acquisitions carried out in 2016 (Orsud, Parissy and Arc Ouest) for 52,452 sq.m of leased floor area.

Taking these changes into account, **the weighted average unexpired lease term** was 4.8 years as of December 31, 2016, up 0.6 years compared with December 31, 2015 (4.2 years).

As of December 31, 2016, the ten largest tenants generated a combined annual rental income of €137.4 million (37% of the annualised rental income of the Commercial Property Investment portfolio).

Financial occupancy rate and weighted average unexpired lease term

As of December 31, 2016, the **financial occupancy rate** stood at 91.1%, up 4.3 pps compared to December 31, 2015 (86.8%).

There was an improvement in the financial occupancy rate in both segments (offices and business parks).

In the office segment, operational performance was strong during the entire financial year, especially in La Défense where leases started in 2016 in the Eqho and PB5 towers for floor areas of 12,359 sq.m and 7,866 sq.m, respectively.

Thanks to the addition of assets acquired in H2 2016 (53,734 sq.m), where the average occupancy rate is close to 100% (i.e. 97.4%), to the scope of consolidation, the occupancy rate remained strong.

The improvement in financial occupancy rate (+3.0 pps in business parks) is partly due to the disposal of non-core parks and partly to the positive effect of completions of fully-leased buildings (69,533 sq.m) in the Millénaire business park.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Asset class	Financial occupancy rate			Weighted average unexpired lease term	
	(in %) ^(a)			(in years) ^(a)	
	12/31/2016	12/31/2015	Like-for-like change ^(b)	12/31/2016	12/31/2015
Offices	95.8%	90.2%	6.0%	5.9	5.7
Business parks	87.1%	84.1%	(0.2)%	3.9	2.9
STRATEGIC ASSETS	91.1%	86.9%	2.6%	4.8	4.2
Warehouses	84.7%	82.7%	(3.2)%	1.3	1.7
COMMERCIAL PROPERTY INVESTMENT	91.1%	86.8%	2.6%	4.8	4.2

(a) Based on proportionate consolidation.

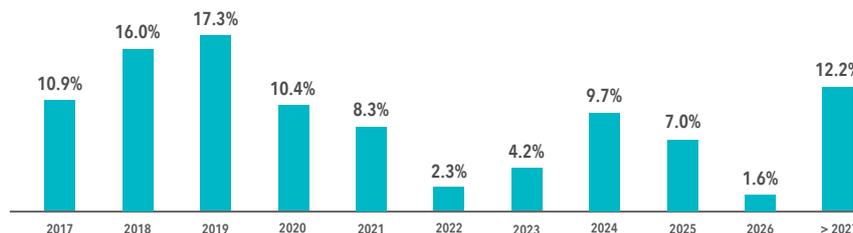
(b) Excluding completions, acquisitions and disposals for the period.

The annualised potential rental income from vacant space (excluding structural vacancy estimated at 8% on average in business parks) in operating properties represents €26 million, and the related annualised cost of vacancy stands at €6 million. This means that the Commercial Property Investment Division has an optimisation potential of €32 million, representing 11% of EPRA Earnings from the Property Investment Division as a whole.

This amount was down €18 million compared to 2015 thanks to the improvement in financial occupancy rate in the office segment (new leases starting in the Eqho and PB5 towers, asset acquisitions...) and business park segment (disposal of five non-core parks).

LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF ANNUALISED RENTS (in millions of euros)

	Offices France	Business parks	Warehouses	Total	Share of total
2017	4.6	34.7	1.4	40.7	10.9%
2018	34.6	24.9	0.5	60.0	16.0%
2019	23.1	41.3	0.3	64.7	17.3%
2020	13.7	24.9	0.2	38.9	10.4%
2021	5.8	25.4	-	31.1	8.3%
2022	2.2	6.6	-	8.8	2.3%
2023	7.9	7.7	-	15.6	4.2%
2024	32.2	4.2	-	36.4	9.7%
2025	7.9	18.4	-	26.3	7.0%
2026	5.5	0.5	-	6.1	1.6%
2027+	36.3	9.3	-	45.6	12.2%
TOTAL	173.8	197.9	2.4	374.1	100.0%



Lease rollover risk for 2017 represents a total of €40.7 million, 85.3% of which is in the business parks.

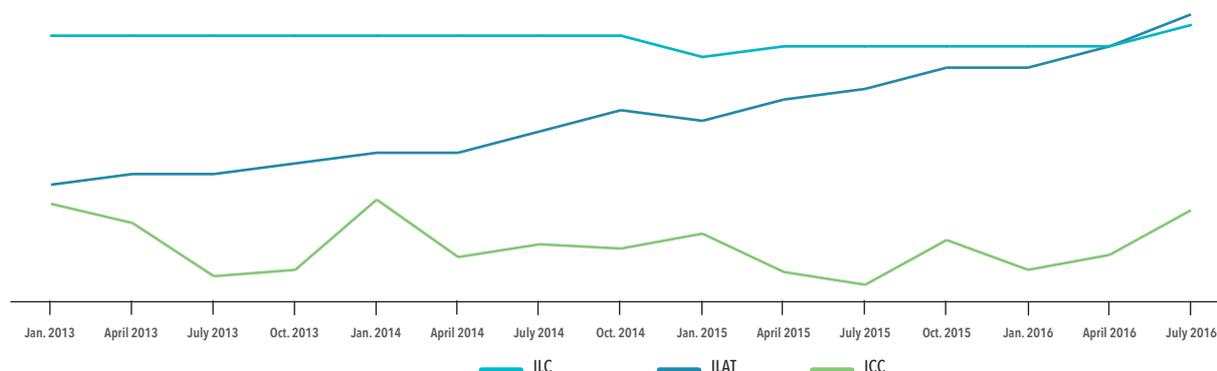
Business park users occupy small and medium-size units and have signed mainly 9-year leases with break options on years 3/6/9, which explains the significant proportion of break options in the years 2017 to 2019, namely 72.4% in total.

Based on the turnover of tenants observed in previous financial years and confirmed in 2016, only 20% to 25% of tenants exercised their break options. Thus, the probability that most tenants will not exercise their break options is high.

Based on leases expiring in 2017, we estimate the decrease in rental income due to reversion to market rental value at (4.5)%.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

ICC, ILAT AND ILC INDICES OVER THE PERIOD 2013-2016



BREAKDOWN OF LEASES BY TYPE OF INDEX FOR THE PERIOD 2015-2016

(in %)	2015	2016
Cost-of-Construction index (ICC)	62.5%	50.1%
Tertiary activities rent index (ILAT)	34.2%	47.4%
Commercial rent index (ILC)	0.3%	1.6%
Other	3.0%	0.9%
TOTAL	100.0%	100.0%

The portion of leases subject to the Tertiary Activities Rent Index (ILAT) strongly increased in the portfolio between 2015 and 2016, as a result of:

- leases in newly-acquired or newly-completed properties are, for the most part, subject to this index;
- significant leases renewed in 2016 are now subject to this index while they were previously subject to the Cost-of-Construction Index (ICC);
- several disposals carried out in this financial year included a high proportion of leases subject to the ICC.

2.2.5. Asset rotation

2.2.5.1. Investments

Investments are presented as per EPRA recommendations: contributions to tenants' fitting out costs, marketing costs and finance costs are grouped under the heading "other".

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

(in millions of euros)	Operating asset acquisitions	Off-plan acquisitions	Projects under development	Other Capex	Other	Total
Offices	403.5	76.1	35.4	13.8	31.6	560.3
Business parks	-	-	94.0	24.1	18.8	137.0
OFFICES & BUSINESS PARKS	403.5	76.1	129.3	37.9	50.4	697.2
Other assets	-	-	-	1.7	0.1	1.7
COMMERCIAL PROPERTY INVESTMENT	403.5	76.1	129.3	39.6	50.5	699.0

Total investments over the period amounted to **€699.0 million**. They include:

- Operating asset acquisitions:
 - Over the period, they totalled €403.5 million, and were carried out in the office segment. They relate to the following three assets:
 - Orsud building located in Gentilly (13,700 sq.m) for €49.2 million including duties;
 - Parissy building located in Issy-les-Moulineaux (18,270 sq.m) for €149.2 million including duties;
 - Arc Ouest building located in the 15th district of Paris (21,750 sq.m) for €201.8 million including duties.

Incidental expenses related to these acquisitions totalled €3.3 million.

- Off-plan acquisitions:
 - Icade has signed an off-plan agreement to purchase the Go Spring development in Nanterre (completion scheduled in two phases: 2017 and 2019) for a total of €191.2 million, including €75.5 million paid in 2016 and €0.6 million of incidental expenses.
- New builds/extensions and redevelopments (€129.3 million) including €35.4 million in offices and €94.0 million in business parks.

- in the business park segment, these investments mainly related to the completion in H2 2016 of the Veolia and Millénaire 4 buildings for €76.2 million and the Pulse project for €14.9 million.
- in the office segment, these investments related to completed or ongoing redevelopments such as the OPEN building (ICADE's future headquarters completed in 2016) for €10.9 million, the Défense 4/5/6 complex for €5.4 million, and the Origine project for €19.2 million.
- Other capex (€39.6 million): These include primarily the renovation costs of the business parks and offices (major maintenance and repairs and restoration work on the premises).
- Other (€50.5 million): mainly lease incentives (contributions to tenants' fitting out costs), marketing costs for the assets, and capitalised finance costs of projects under development.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Property development projects

Icade has significant development projects ^(a) representing a total investment of €1.6 billion and over 300,000 sq.m.

Project name	Location	Estimated date of completion	Floor area	Expected rent	Yield on cost ^(b)	Total investment ^(c)	Remaining investment > 2016	Premarketing
Défense 4/5/6	Nanterre Prefecture	T2 2017	15,850	4.6	6.0%	77	7	100%
Millénaire 1	Millénaire business park	T1 2018	29,700	9.9	5.1%	192	14	100%
Urssaf	Pont de Flandre business park	T3 2019	8,600	3.2	7.4%	44	41	100%
Pulse	Portes de Paris business park	T4 2018	28,000	8.9	7.0%	127	101	0%
Bucarest	Rungis business park	T2 2017	2,000	0.2	5.7%	4	3	0%
PROJECTS STARTED			84,150	26.8	6.0%	444	166	64%
Origine	Nanterre prefecture		70,000	28.9	6.1%	474	392	0%
Îlot B2	Portes de Paris business park		39,000	13.9	6.8%	206	178	0%
Îlot B3	Portes de Paris business park		29,000	10.4	7.9%	132	122	0%
Îlot C1	Portes de Paris business park		42,900	14.1	7.3%	194	181	0%
Ottawa	Rungis business park		12,900	3.1	6.0%	51	47	0%
Other projects			12,150	2.1	6.1%	35	34	0%
COMMERCIAL PROJECTS UNDER DEVELOPMENT			205,950	72.5	6.6%	1,091	952	16%
Monaco	Rungis business park		4,160	0.5	4.4%	11	11	0%
B034	Pont de Flandre business park		5,300	1.0	4.3%	23	18	0%
Îlot d	Portes de Paris business park		8,400	2.9	4.7%	62	54	0%
HOTEL PROJECTS UNDER DEVELOPMENT			17,860	4.4	4.6%	97	84	0%
TOTAL PIPELINE			307,960	103.6	6.3%	1,632	1,202	

(a) Identified projects on secured plots of land, whether they have started or not.

(b) YOC = headline rents / cost of the project as approved by Icade's governance bodies. This cost includes the appraised value of land, cost of works, carrying costs and any lease incentives.

(c) Total investment includes the fair value of land, cost of works, lease incentives and finance costs

2.2.5.2. Asset disposals

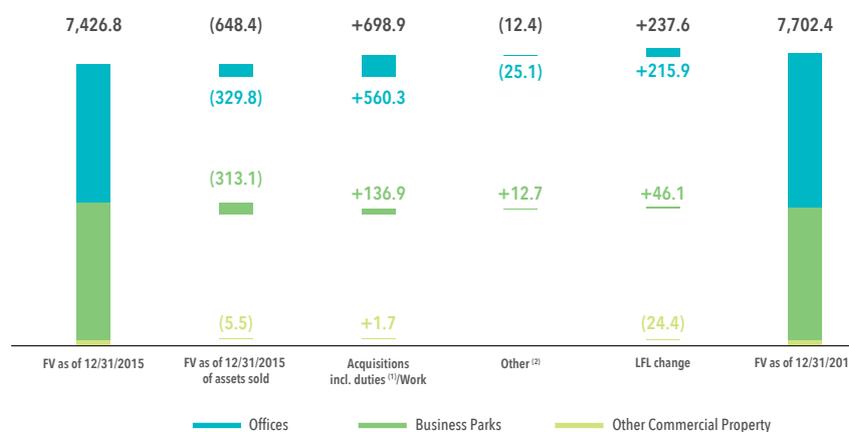
The value of asset disposals carried out in 2016 was €586.6 million.

They included the mainly following transactions:

- in December 2016, disposal of the Nanterre Seine business park (excluding the Axe Seine building) and the Défense 3 building for €145 million;

- in December 2016, disposal of the Antony, Cergy, Évry and Villebon business parks for €141 million;
 - in December 2016, disposal of the building located at 69, boulevard Haussmann in Paris (8th district) for €128 million;
 - in December 2016, disposal of the Levallois building for €135 million.
- Asset disposals generated an overall capital gain of €19.4 million.

2.2.6. Changes in value of assets from the Commercial Property Investment Division



(1) Includes transfer duties and fees, changes in the values of assets acquired during the period, works to properties sold and changes in the values of assets treated as financial receivables (PPP).

(2) Includes the acquisition (including duties and fees) of three operating buildings (Orsud, Parissy and Arc Ouest) and the portion already paid in 2016 for the off-plan purchase of the Go Spring complex, whose total price is €191.2 million including transfer taxes.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

	FV as of 12/31/2015	FV as of 12/31/2015 of assets sold	Acquisitions incl. duties ^(a) / Work	Other ^(b)	LFL change	FV as of 12/31/2016
Offices	3,642.3	(329.8)	560.3	(25.1)	215.9	4,063.6
Business parks	3,621.2	(313.1)	136.9	12.7	46.1	3,503.7
Other Commercial Property Investment assets	163.3	(5.5)	1.7	-	(24.4)	135.1
TOTAL	7,426.8	(648.4)	698.9	(12.4)	237.6	7,702.4

(a) Includes transfer duties and fees, changes in the values of assets acquired during the period, works to properties sold and changes in the values of assets treated as financial receivables (PPP).

(b) Includes the acquisition (including duties and fees) of three operating buildings (Orsud, Parissy and Arc Ouest) and the portion already paid in 2016 for the off-plan purchase of the Go Spring complex, whose total price is €191.2 million including transfer taxes.

2.2.6.1. Offices and business parks of the Commercial Property Investment Division

Based on proportionate consolidation, the overall value of Icade's office and business park portfolio was €7,567.3 million excluding duties as of December 31, 2016 vs. €7,263.4 million at the end of 2015, i.e. an increase of €303.8 million (+4.2%).

Excluding the impact of investments, acquisitions and disposals made during the year 2016, the change in value of office and business park assets was +4.0% on a like-for like basis.

In value terms, 99% of Icade's commercial portfolio is located in the Paris region.

The value of the land bank, projects under development and properties pending redevelopment stood at €353.6 million as of December 31, 2016: €148.5 million of land bank, €175.6 million of projects under development, and €29.5 million of properties pending redevelopment (not leased).

The value of off-plan acquisitions stands at €74.3 million.

Offices

During the year 2016, investments made in office assets, which related mainly to the works to the Crystal Park building in Neuilly-sur-Seine, the Open building in Issy-les-Moulineaux and the PB5 building in La Défense, stood at a total of €48.6 million (after the €25.1 million adjustment for transfer duties and fees, changes in the values of assets acquired during the period, works to properties sold and public-sector properties and projects held as part of PPPs).

Excluding the impact of these investments and asset disposals completed during the year, the value of the Offices Division's assets as of December 31, 2016 was up €215.9 million on a like-for-like basis (i.e. +6.5%) to €4,063.6 million.

Business parks

Business park assets consist of a stock of operating properties as well as a land bank and building rights for which property projects have been identified and/or are under development.

During the year 2016, Icade spent €149.6 million in maintenance and development investments in the business parks (excluding the value of works to properties sold during the financial year and adjustments for works to assets valued at their net carrying amount and for acquisition costs: total impact is positive and amounts to €12.7 million).

On a like-for-like basis, excluding investments, acquisitions and disposals, the value of business park assets increased by €46.1 million over the year 2016, i.e. +1.4%, to €3,503.7 million. This increase is the result of different situations from one area to another: the value of the parks located in Paris increased by €105.2 million, demonstrating the attractiveness of the Millénaire and Pont de Flandre business parks, while the business parks located in the Outer Ring showed a decline of €(58.7) million.

Finally, the impact of the new valuations of the land bank, projects under development and properties pending redevelopment (not leased) was €17.2 million (see above for details on valuation methods).

2.2.6.2. Other assets of the Commercial Property Investment Division

Warehouses

The market value of the warehouses was estimated at €19.8 million excluding duties as of December 31, 2016 vs. €20.6 million as of December 31, 2015, i.e. a decrease of €0.8 million ((3.8)%).

Residential

As of December 31, 2016, the assets of the Residential Property Investment Division were composed of buildings managed by SNI, together with condominium units and various residual assets, which were valued by property valuers.

The value of these assets was €115.3 million excluding duties as of December 31, 2016 vs. €142.7 million at the end of 2015, i.e. a change of €(27.4) million ((18.3)%), which is partly explained by the effect of the disposals.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

2.2.7. List of assets

2.2.7.1. Office portfolio

AS OF DECEMBER 31, 2016

Office portfolio as of December 31, 2016	Municipality	Dept No.	Floor area (in sq.m)		Retail floor area	Other floor area	Floorspace pending development, disposal or redevelopment (non leasable)	Number of parking spaces	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Main tenants
			Total	Leasable								
FRANCE			628,860	462,201	9,824	54,967	101,868	8,511				
PARIS REGION			600,044	461,245	9,577	27,354	101,868	8,415				
SUBTOTAL PARIS			31,716	25,263	3,717	73	2,664	298				
Le Marignan - 29,31,33, avenue des Champs-Élysées	Paris - 8 ^e district	75	9,966	3,512	3,717	73	2,664	-	2004	1950	100%	Pino Elysées - Eurotradia
Arc Ouest - 19,29, rue Leblanc	Paris - 15 ^e district	75	21,750	21,750	-	-	-	298	2016	-	100%	DCI
SUBTOTAL LA DÉFENSE & SURROUNDINGS			332,550	235,403	2,114	14,668	80,364	4,204				
PB5 Tower - 1, avenue du Général-de Gaulle	Paris - La Défense	92	30,209	27,819	-	2,390	-	276	2009	-	100%	ERDF-TOTAL France
Initiale Tower - 1, terrasse Bellini	Puteaux	92	10,390	9,973	-	417	-	143	2004	2003	33%	RTE
Eqho Tower - 2, avenue Gambetta	Courbevoie	92	78,974	74,457	-	4,517	-	1,110	2004-2007	2013	100%	KPMG
Défense 2 - 25, boulevard des Bouvets	Nanterre	92	14,611	11,154	-	3,457	-	182	2013	1982	100%	Mitsubishi Electric Europe BV - ITS Group
Axe 13 - Les Terrasses de l'Arche	Nanterre	92	16,831	16,432	399	(0)	-	130	2013	2010	100%	GIE AXA France
Axe 14 - Les Terrasses de l'Arche	Nanterre	92	20,956	19,584	-	1,372	-	147	2013	2006	100%	GIE AXA France
Axe 15 - Les Terrasses de l'Arche	Nanterre	92	19,722	18,858	864	-	-	147	2013	2006	100%	GIE AXA France
Axe 16 - Les Terrasses de l'Arche	Nanterre	92	18,979	17,965	851	163	-	146	2013	2006	100%	GIE AXA France
Etoile Park - 123, rue Salvador-Allende	Nanterre	92	5,606	5,484	-	122	-	68	2009	-	100%	Société Générale - Infotel Conseil
H2O - 2, rue des Martinets	Rueil-Malmaison	92	21,729	21,609	-	120	-	458	2007	2008	100%	Heineken Entreprise - DBAPPAREL
Fontanot - 21-29, rue des Trois-Fontanot	Nanterre	92	13,808	12,068	-	1,740	-	116	2013	2010	100%	RTE - Avnet Technology Solutions
Tour Arago - 5, rue Bellini	Puteaux	92	2,440	-	-	-	2,440	40	2007	1967	100%	-
Go Spring - VEFA	Nanterre	92	32,600	-	-	-	32,600	539	NA	-	100%	-
Défense 1 - 39-45, boulevard des Bouvets	Nanterre	92	29,938	-	-	370	29,568	402	2013	1982	100%	-
Défense 4/5/6 - 7-11, boulevard des Bouvets	Nanterre	92	15,757	-	-	-	15,757	300	2013	2005	100%	-
SUBTOTAL WESTERN CRESCENT			75,747	55,395	-	1,522	18,831	1,527				
Crystal Park - 62-64, boulevard Victor Hugo	Neuilly-sur-Seine	92	39,834	29,927	-	140	9,767	719	2009	2003	100%	PwC
11-15, avenue Morizet	Boulogne-Billancourt	92	4,982	4,982	-	-	-	131	2004	2000	100%	Omnicom Media GRP
Dulud - 22, rue Jacques-Dulud	Neuilly-sur-Seine	92	1,805	1,805	-	-	-	36	2009	-	100%	MTV Networks
Charles de Gaulle - 93, avenue Charles-de-Gaulle	Neuilly-sur-Seine	92	1,792	1,446	-	346	-	-	2009	-	100%	Oliktech - CWI Group
Parissy - 1-5, rue Jeanne-d'Arc	Issy-les-Moulineaux	92	18,271	17,235	-	1,036	-	428	2016	-	100%	Technicolor
Open - 27, rue Camille Desmoulins	Issy-les-Moulineaux	92	9,064	-	-	-	9,064	213	2004	1999	100%	-

(a) Date of inclusion of the asset and/or entity in the Icade group.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Office portfolio as of December 31, 2016	Municipality	Dept No.	Floor area (in sq.m)				Floorspace pending development, disposal or redevelopment (non leasable)	Number of parking spaces	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Main tenants
			Total	Office floor area	Retail floor area	Other floor area						
SUBTOTAL INNER RING			148,604	139,981	2,655	5,960	9	2,252				
Îlot 3 Loire - 32-36, avenue de Paris	Villejuif	94	19,805	19,361	444	-	-	250	2010	-	100%	LCL
Îlot 5 Seine - 10-12, avenue de Paris	Villejuif	94	14,342	14,342	-	-	-	238	2008	-	100%	LCL
Îlot 4 Rhône - 14-20, avenue de Paris	Villejuif	94	8,007	8,007	-	-	-	99	2010	-	100%	LCL
Îlot 6 Rhin - 2-4, avenue de Paris	Villejuif	94	20,652	20,226	426	0	-	256	2011	-	100%	LCL
Îlot 1 Tolbiac - 35-43, avenue de Paris	Villejuif	94	9,968	8,726	328	914	-	197	2012	-	100%	LCL
Orsud - 3-5, rue Gallieni	Gentilly	94	13,713	12,251	-	1,462	-	242	2016	-	100%	Chronopost
Cézanne - 30, avenue des Fruitières	Saint-Denis	93	20,952	18,453	697	1,793	9	352	2013	2011	100%	Arcelormittal France - Société du Grand Paris
Sisley - 40, avenue des Fruitières	Saint-Denis	93	20,600	19,839	761	-	-	343	2013	2014	100%	Siemens
First Landy / Monet	Saint-Denis	93	20,567	18,775	-	1,791	-	275	2012	2015	100%	SNCF
SUBTOTAL OUTER RING			11,426	5,204	1,091	5,132	-	134				
Mozart - 39-41, rue Paul-Claudé	Évry	91	6,340	5,204	1,091	45	-	134	2009	-	100%	El Campo - ACM Médical
BSP Pontoise - CH René Dubos, 8, avenue de l'Île-de-France	Pontoise	95	5,086	-	-	5,086	-	-	2007	2009	100%	CH René Dubos
OUTSIDE THE PARIS REGION			28,816	956	247	27,613	-	96				
2, rue Jean-Artus	Bordeaux	33	1,203	956	247	-	-	30	1978	1978	100%	Association Rénovation
Crèche Toulouse Blagnac	Blagnac	31	968	-	-	968	-	-	2008	2008	100%	L'Imagine R
Les Tovets - Courchevel 1850	Les Tovets	74	-	-	-	-	-	66	2005	2006	100%	Ville de Courchevel
CHU de Nancy - Brabois site - 5, allée du Morvan	Vandœuvre	54	26,645	-	-	26,645	-	-	2007	2010	100%	CHU de Nancy
GRAND TOTAL			628,860	462,201	9,824	54,967	101,868	8,511				
including operating assets			546,333									

(a) Date of inclusion of the asset and/or entity in the Icade group.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

2.2.7.2. Business park portfolio

AS OF DECEMBER 31, 2016

Business park portfolio as of December 31, 2016	Municipality	Dept No.	Business premises - floor area					Floor space pending development, disposal or redevelopment (non leasable)	Number of parking spaces	Date of acquisition ^(a)	Consolidation %	Main tenants
			Floor area (in sq.m)	Leasable	Office - floor area	Warehouse - floor area	Other - floor area					
SUBTOTAL PARIS			144,883	6,512	129,011	-	3,027	6,333	1,750			
Pont de Flandre business park	Paris - 19 th district	75	90,560	4,111	80,628	-	711	5,111	1,019	2002	100%	Groupe Pierre et Vacances - Club Méditerranée
Millénaire business park: Millénaire 1	Paris - 19 th district	75	29,708	2,402	26,025	-	59	1,222	432	2002	100%	Groupe Icade - Oddo & Cie
Millénaire business park: Millénaire 4	Paris - 19 th district	93	24,615	-	22,358	-	2,257	-	299	2016	100%	BNP Paribas
SUBTOTAL LA DÉFENSE & SURROUNDINGS			24,208	2,961	21,247	-	-	-	436			
La Défense - Nanterre-Seine business park	Nanterre	92	24,208	2,961	21,247	-	-	-	436	2013	100%	Locatel France - Tunzini
SUBTOTAL WESTERN CRESCENT			80,670	20,907	41,838	-	(0)	17,924	1,969			
Colombes business park	Colombes	92	80,670	20,907	41,838	-	(0)	17,924	1,969	2013	100%	Alcatel Lucent - Entrepouse Contracting
SUBTOTAL INNER RING			432,088	198,654	151,837	42,403	2,615	36,580	2,334			
Portes de Paris business park - Saint-Denis	Saint-Denis	93	66,688	38,969	16,251	2,277	78	9,113	340	2002	100%	Eurosites - Euro Media France
Portes de Paris business park - Batignolles LEM	Aubervilliers	93	10,327	5,732	4,595	-	0	-	-	2002	100%	Win's et Co - Eurasia Groupe
Portes de Paris business park - Aubervilliers Gardinoux	Aubervilliers	93	144,641	56,927	40,900	27,446	1,202	18,167	841	2002	100%	Euro Media France - Eurasia Groupe
Portes de Paris business park - Pilier Sud	Aubervilliers	93	22,384	20,793	-	576	1,015	-	-	2002	100%	Eurasia Groupe - Interxion France
Portes de Paris business park - CFI business park	Aubervilliers	93	69,580	41,193	23,358	2,647	-	2,382	172	2002	100%	Groupe Rhodia - Endemol France
Portes de Paris business park - Quartier du Canal	Aubervilliers	93	5,413	707	-	-	0	4,707	-	2002	100%	Locaber
Portes de Paris business park - Le Mauvin	Aubervilliers	93	22,115	5,407	4,720	9,457	320	2,211	50	2011	100%	Lapeyre - Aquila Audiovisuel
Millénaire business park: Veolia	Aubervilliers	93	44,908	-	44,908	-	-	-	553		100%	Veolia
Millénaire business park: Millénaire 5	Aubervilliers	93	17,106	-	17,106	-	-	-	378	2011	100%	État - Préfecture
Millénaire business park - shopping centre (on a proportionate consolidation basis)	Aubervilliers	93	28,926	28,926	-	-	-	-	-	2011	50%	Groupe Carrefour - C & A France
SUBTOTAL OUTER RING			615,185	180,339	395,182	-	113	39,551	13,493			
Orly-Rungis business park	Rungis	94	393,436	98,504	273,091	-	113	21,729	8,617	2013	100%	Groupe Thales - Système U Centrale Nationale
La Ceresaie business park	Fresnes	94	56,959	50,179	6,050	-	0	730	422	2013	100%	But International - Mattel France
Villebon-Courtabœuf business park	Villebon-sur-Yvette	91	9,558	-	-	-	-	9,558	86	2013	100%	Groupe Thales - Thermo Electron
Roissy - Paris Nord 2 business park	Villepinte	93	155,232	31,657	116,041	-	-	7,534	4,368	2013	100%	LG Electronics France - Xerox
GRAND TOTAL			1,297,033	409,373	739,115	42,403	5,755	100,388	19,982			
including operating assets			1,244,937									

(a) Date of inclusion of the asset and/or entity in the Icade group.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

2.2.7.3. Warehouse portfolio

AS OF DECEMBER 31, 2016

Warehouse portfolio as of December 31, 2016	Municipality	Dpt No.	Total area (in sq.m)		Warehouse and other - floor area	Number of parking spaces	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Main tenants
			Total	Leasable						
FRANCE			78,491	3,893	74,599	107				
PARIS REGION - OUTER RING			11,266	400	10,866	59				
10, rue Denis-Papin	Chilly-Mazarin	91	11,266	400	10,866	59	2009	-	100%	Locapost
OUTSIDE THE PARIS REGION			67,225	3,493	63,733	48				
ZI de Chesnes Tharabie	Saint-Quentin-Fallavier	38	39,351	2,925	36,426	-	2007	-	100%	MGPACK
Zone Eurofret Terrain	Strasbourg	67	27,874	568	27,307	48	2009	2009	100%	Mory Ducros
GRAND TOTAL			78,491	3,893	74,599	107				

(a) Date of inclusion of the asset and/or entity in the Icade group.

2.2.7.4. Residential portfolio

AS OF DECEMBER 31, 2016

Residential portfolio as of December 31, 2016	Municipality	Dpt. No.	Habitable floor area (in sq.m)	Date of acquisition	Consolidation %	Number of residential units	
						Total	Incl. subsidised
RESIDENTIAL ASSETS							
SUBTOTAL PARIS			251			3	-
Porte de Vincennes vente	Paris	75	251	1968	100%	3	
SUBTOTAL WESTERN CRESCENT			7,818			112	-
3, place André-Malraux	Villeneuve-la-G.	92	2,463	1980	100%	38	
9-10 Malraux	Villeneuve-la-G.	92	5,355	1980	100%	74	
SUBTOTAL INNER RING			5,555			92	
Éluard	Bagneux	92	91	1972	100%	1	
Galilée	Bagneux	92	180	1959	100%	2	
Pont de Pierre	Bobigny	93	2,407	1957	100%	43	
Cachan I	Cachan	94	44	1957	100%	1	
Cachan II	Cachan	94	399	1957	100%	6	
Rodin	Villejuif	94	283	1957	100%	4	
Rembrandt	Villejuif	94	154	1957	100%	2	
10-16, rue Léon-Moussinac	Villejuif	94	765	1954	100%	12	
Karl Marx	Villejuif	94	1,232	1954	100%	21	
SUBTOTAL OUTER RING			157,333			2,799	354
Gémeaux	Les Mureaux	78	176	1977	100%	2	
Sorrières	Montigny-le-Bretonneux	78	906	1979	100%	13	
Romarins	Montigny	78	55	1977	100%	1	
Castillan	Poissy	78	94	1958	100%	2	
Corniche	Poissy	78	187	1954	100%	3	
Tour Côte	Poissy	78	152	1958	100%	2	
6-16 Montaigne	Poissy	78	1,124	1954	100%	24	
78-88 Maladrerie (Clos céleste)	Poissy	78	1,175	1954	100%	25	
6 à 16, rue de Montaigne-Lyautey	Poissy	78	879	1954	100%	24	
Square Cocteau	Trappes	78	223	1974	100%	3	
Mermoz	Versailles	78	64	1976	100%	1	
2-6 d'Orbay	Draveil	91	64	1957	100%	1	

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Residential portfolio as of December 31, 2016	Municipality	Dpt. No.	Habitable floor area (in sq.m)	Date of acquisition	Consolidation %	Number of residential units	
						Total	Incl. subsidised
Colombe	Épinay-sous-Sénart	91	210	1967	100%	4	
1, rue Weber	Épinay-sous-Sénart	91	522	1967	100%	6	
11, rue du Petit-Pont	Épinay-sous-Sénart	91	779	1967	100%	10	
5 France	Épinay-sous-Sénart	91	328	1967	100%	4	
Saint Marc vente (Massy)	Massy	91	198	1960	100%	3	
Toulouse Lautrec (Massy)	Massy	91	347	1960	100%	7	
12-16 Mogador	Massy	91	508	1968	100%	10	
2-8 Lisbonne (Luisiades)	Massy	91	458	1968	100%	9	
Thorez	Massy	91	219	1968	100%	3	
Blum	Massy	91	61	1968	100%	1	
Blum II	Massy	91	511	1968	100%	7	
2 bis Herriot (Aigue Marine)	Massy	91	1,152	1968	100%	16	
4 Herriot	Massy	91	773	1968	100%	9	
1 à 5, rue Julian-Grimaud	Sainte-Geneviève	91	1,286	1954	100%	17	
Vaux Germain Vente	Châtenay	92	107	1959	100%	2	
La Roue vente	Fontenay	92	229	1958	100%	4	
Voltaire	Rueil	92	53	1956	100%	1	
Arthur Rimbaud	Rueil	92	228	1957	100%	4	
Gibets II	Rueil	92	233	1957	100%	5	
Courbet	Blanc Mesnil	93	64	1965	100%	1	
Pasteur	Bondy	93	177	1955	100%	3	
Jannin/Bouin	Gagny	93	3,274	1959	100%	46	
Dumas	Gagny	93	450	1959	100%	7	
Jean Bouin	Gagny	93	666	1959	100%	10	
Moulin vente II	Gagny	93	612	1957	100%	11	
Couperin	Rosny	93	55	1983	100%	1	
Herodia	Rosny	93	208	1960	100%	4	
108/112 Alsace	Rosny	93	660	1960	100%	15	
10/14 Couperin-Blériorz	Rosny	93	954	1960	100%	18	
6-8 De la Lande	Rosny	93	973	1976	100%	14	
2-4 Couperin	Rosny	93	869	1960	100%	15	
2-4 Franck	Rosny	93	409	1975	100%	6	
Sicopar	Sevran	93	-	1974	100%	-	
5 Ampère	Tremblay	93	48	1967	100%	1	
7 Ampère	Tremblay	93	71	1967	100%	1	
1 Ampère	Tremblay	93	367	1967	100%	5	
Orgemont	Épinay-sur-Seine	93	120,789	1957	100%	2,214	354
Plumerette	Créteil	94	56	1961	100%	1	
Mermoz	Créteil	94	56	1961	100%	1	
Savignat	Créteil	94	148	1961	100%	3	
1/3 Arcos	Créteil	94	526	1958	100%	9	
1/5 Timons	Créteil	94	357	1958	100%	7	
8/12 Vildrac	Créteil	94	1,836	1958	100%	27	
Roussel	Créteil	94	1,440	1961	100%	20	
Col Rivière (Fresnes)	Fresnes	94	209	1957	100%	4	
Poètes (Hay)	L'Hay-les-Roses	94	337	1957	100%	5	
Peintres (Hay)	L'Hay-les-Roses	94	259	1957	100%	4	
Château de Sucy vente	Sucy	94	57	1954	100%	1	
Cytises	Sucy	94	590	1965	100%	8	
Parc Leblanc	Villeneuve le Roi	94	127	1957	100%	2	
Justice	Cergy	95	4,640	1983	100%	69	
Hauts de Cergy	Cergy	95	193	1983	100%	1	

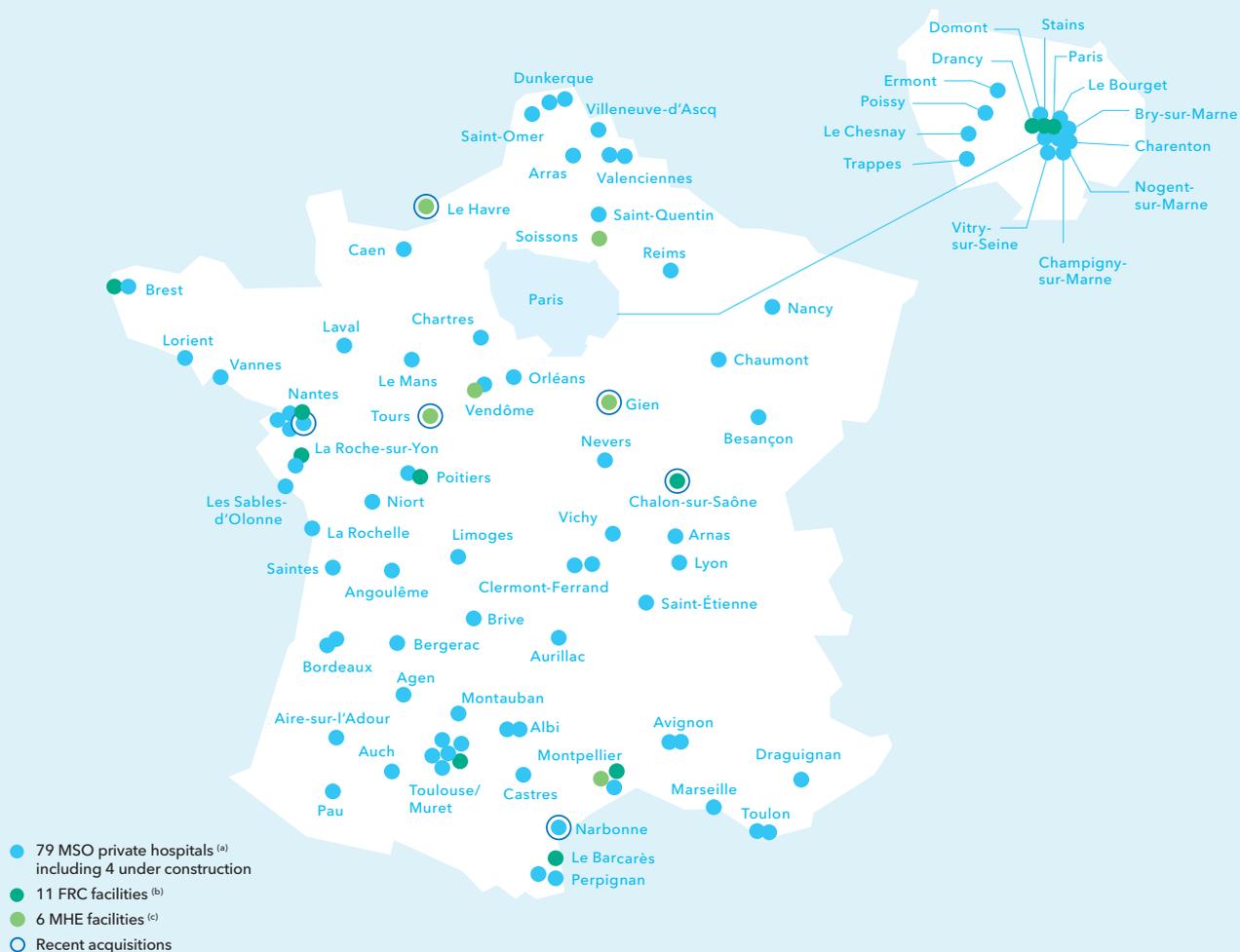
PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Residential portfolio as of December 31, 2016	Municipality	Dpt. No.	Habitable floor area (in sq.m)	Date of acquisition	Consolidation %	Number of residential units	
						Total	Incl. subsidised
Cergy Pissaro	Cergy	95	207	1983	100%	3	
Van Gogh	Ermont	95	136	1961	100%	2	
Orme Saint-Edme vente	Franconville	95	240	1967	100%	4	
Entrée de Ville (1, 2 and 3)	Sarcelles	95	0	1972	100%	8	
Sainte-Honorine	Taverny	95	126	1975	100%	2	
Pompon	Villiers-le-Bel	95	60	1965	100%	1	
Lalo	Villiers-le-Bel	95	59	1965	100%	1	
Varagne	Villiers-le-Bel	95	40	1958	100%	1	
Tour Guyenne	Sarcelles	95	1,687	1963	100%	20	
SUBTOTAL OUTSIDE THE PARIS REGION			482			6	
SCI Grande Terre des Vignes	Vénissieux	69	482	1966	100%	6	
TOTAL RESIDENTIAL ASSETS			171,439			3,012	354
OTHER ASSETS							
Retail and commercial assets			11,891		100%		
Homes and residences for the elderly			9,613		100%		
TOTAL OTHER ASSETS			21,504			-	-
GRAND TOTAL			192,943			3,012	354
Land bank			1,425,778		100%		

2.3. Healthcare Property Investment Division

96

facilities owned



PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

2.3.1. Portfolio overview

The assets of Icade's Healthcare Property Investment Division represent near 1.4 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 follow-up and rehabilitation care (FRC) facilities.

Geographic distribution of property assets by type

AS OF DECEMBER 31, 2016

% of total portfolio value and floor area	Asset value (full consolidation basis)		Total floor area (full consolidation basis)	
	(in millions of euros)	% of total value of the property portfolio	Floor area (in sq.m)	% of total floor area of the property portfolio
Paris region	636	18%	177,371	13%
Hauts-de-France	354	10%	134,417	10%
Auvergne - Rhône-Alpes	390	11%	148,771	11%
Bourgogne - Franche-Comté	91	3%	36,267	3%
Bretagne	157	4%	68,270	5%
Centre - Val-de-Loire	118	3%	53,124	4%
Grand Est	110	3%	21,418	2%
Pays-de-la-Loire	347	10%	145,695	11%
Occitanie	644	18%	275,785	20%
Nouvelle-Aquitaine	458	13%	228,903	17%
Normandie	57	2%	21,024	2%
Provence - Alpes - Côte d'Azur	221	6%	55,904	4%
GRAND TOTAL	3,583	100%	1,366,949	100%

Description of the portfolio

As a market leader, Icade has become a major player in the healthcare sector by building between 2007 and 2016 a portfolio of 96 healthcare assets, featuring:

- assets that start generating cash flows immediately;
- initial lease terms of 12 years with no break clause and a weighted average unexpired lease term of 8.2 years as of December 31, 2016;
- high margin rates (net rental income/gross rental income) (> 98%).

Icade can rely on a team and expertise recognised by its peers for the development and management of Icade Santé, the subsidiary holding the entire healthcare property portfolio.

Since H1 2012, in order to support its growth, Icade Santé has conducted capital increases with institutional investors.

As of December 31, 2016, Icade held a 56.5% stake in Icade Santé, the same level as a year earlier.

In 2016, Icade Santé acquired four private hospitals (Vaguil portfolio) for a total amount of €56.9 million including transfer taxes, two plots of land for €5.9 million (in Narbonne Montredon-des-Corbières and in La Baule Saint-Herblain) where healthcare facilities will be built, and paid a contingent consideration of €8.8 million for a facility acquired in 2014.

The Vaguil property portfolio was acquired by purchasing the company SAS Vaguil, which, in turn, owned the following companies: SAS Gien, SAS Montchenain, SAS Océane Le Havre and SAS Chatenoy. Icade did not directly or indirectly buy any other stake in or take control of any other company during the financial year.

Market update (source: Jones Lang Lasalle, Your Care, 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, or psychiatric facilities and follow-up and rehabilitation care (FRC) facilities for medium-term stays; 85 to 90% of revenues of tenant/operators of healthcare facilities is derived from the French national health insurance (*Assurance Maladie*);
- medical-social establishments, namely nursing homes (accommodation facilities for dependent elderly persons [EHPAD]), retirement homes (accommodation facilities for the elderly [EHPA]) and residences with services. The revenue of tenant/operators of EHPADs 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 medium-term facilities, and predominant accommodation in medical-social establishments.

The leases signed on these assets are predominantly for a term of 12 years with no break clause and all the charges are recoverable from the tenants (including major works falling within the scope of Article 606 of the French Civil Code). However, since the enactment of Law 2014-626 dated June 18, 2014 on commercial leases (Pinel law) and the entry into force of the Decree establishing rules for allocation of 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.

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, FRC and psychiatric facilities) and Cofinimmo (a Belgian REIT which holds primarily EHPAD) are the main property investment companies currently investing in France.

More recently, Eurosic formed a vehicle dedicated to leisure and healthcare assets (Lagune).

Since 2014, the healthcare real estate market has been characterised by substantial investments from several asset management firms, which raised funds specifically for this purpose and created dedicated investment vehicles. For instance, Primonial held a portfolio of around €2 billion of healthcare assets located in France as of the end of 2016, through the OPCI Primovie (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.

The market has expanded strongly in the past two years, in particular in the past few months, after two significant healthcare property portfolios were put on the market (Vitalia and Gecimed).

The rise of a secondary market facilitated the entry of new market players, by providing the minimum size required by new investment vehicles dedicated to healthcare real estate.

Limited supply, characteristics that attract strong interest, leading to value increases

The healthcare real estate market is now characterised by increased demand from investors looking for 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 who sold their properties and businesses (primary market), there are now more and more transactions between investors in an increasingly active secondary market.

After investment volumes increased sharply in 2015 (€1.2 billion compared to €730 million in 2014), a new record was set in 2016, with over €1.6 billion invested in healthcare real estate (source: Your Care Consult study).

This volume reflects the sales of large healthcare portfolios carried out by historical owners (Gecina and Foncière des Régions). In particular, the sale of Gecimed by Gecina for over €1.3 billion was the largest transaction in the history of the French healthcare real estate market.

The current prime yield (new facilities or facilities in excellent condition, with 12-year leases, very well located in dynamic areas, outside Paris) is around 5.50% for medicine, surgery and obstetrics (MSO) facilities (vs. 6.10-6.35% at the end of 2015) and 4.70% for accommodation facilities for dependent elderly persons (EHPAD) (vs. 5.50-5.75% at the end of 2015) (source: JLL).

This yield compression due to increased competition between specialised investors and new entrants since the end of 2015, resulted in value increases during financial year 2016.

2.3.2. Competitive position of the Healthcare Property Investment Division

By developing genuine partnerships with national healthcare operators such as Elsan, Ramsay/Générale de Santé, Medipôle Partenaires, Capio, and also regional groups, Icade Santé has clearly become a leader in the market for private hospital property assets, with a portfolio of near €3.6 billion (on a full consolidation basis) as of the end of 2016.

Icade Santé maintains solid relationships with healthcare operators it has worked with for a number years, which gives the Company access to investment opportunities, often off market.

However, yield-hungry institutional investors have been diversifying their real estate investments for several years. Until recently considered unconventional, healthcare real estate has become a full-fledged asset class. Competition between investors has increased since 2014, especially in 2015 and 2016, when two significant portfolios were put on the market: Vitalia, won by Icade Santé in a competitive bidding process, and Gecimed, won by Primonial.

New investors such as Primonial (Primovie), BNP Paribas (Health Property Fund 1), Swiss Life REIM as well as Eurosic, Euryale and AXA RE have also engaged in a number of transactions. These competitors are active in the secondary market, where investors trade among themselves, but also, albeit more rarely, in the traditional sale and leaseback market.

2.3.3. Key figures as of December 31, 2016

Income statement for the Healthcare Property Investment Division

(in millions of euros)	12/31/2016			12/31/2015		
	EPRA earnings from Healthcare Property Investment (Recurring)	Non recurring ^(a)	Total Healthcare Property Investment	EPRA earnings from Healthcare Property Investment (Recurring)	Non recurring ^(a)	Total Healthcare Property Investment
GROSS RENTAL INCOME	207.3	-	207.3	169.5	-	169.5
Service charges not recovered from tenants	(2.5)	-	(2.5)	(2.1)	-	(2.1)
Property operating expenses	(0.8)	-	(0.8)	(0.6)	-	(0.6)
NET RENTAL INCOME	204.0	-	204.0	166.8	-	166.8
Margin rate (net rental income / gross rental income)	98.4%	0.0%	98.4%	98.4%	0.0%	98.4%
Net operating costs	(12.6)	-	(12.6)	(10.2)	-	(10.2)
EBITDA	191.4	-	191.4	156.6	-	156.6
Depreciation and impairment of investment properties	-	(95.1)	(95.1)	-	(76.7)	(76.7)
Profit/(loss) from acquisitions	-	1.3	1.3	-	(0.3)	(0.3)
Profit/(loss) from asset disposals	-	(0.3)	(0.3)	-	6.0	6.0
OPERATING PROFIT/(LOSS)	191.4	(94.2)	97.3	156.6	(71.0)	85.6
Cost of gross debt	(10.6)	-	(10.6)	(10.7)	-	(10.7)
Net income from cash and cash equivalents, related loans and receivables	(18.8)	-	(18.8)	(14.9)	-	(14.9)
Cost of net debt	(29.4)	-	(29.4)	(25.6)	-	(25.6)
Other finance income and expenses	(0.6)	(0.2)	(0.9)	(1.0)	0.1	(0.9)
FINANCE INCOME/(EXPENSE)	(30.0)	(0.2)	(30.3)	(26.6)	0.1	(26.5)
Corporate tax	-	0.3	0.3	(0.2)	-	(0.2)
NET PROFIT/(LOSS)	161.4	(94.1)	67.2	129.8	(70.9)	58.9
Net profit/(loss) attributable to non-controlling interests	70.2	(40.9)	29.2	56.4	(30.8)	25.6
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	91.2	(53.2)	38.0	73.3	(40.0)	33.3

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

Rental income from the Healthcare Property Investment Division

(in millions of euros)	12/31/2015 restated	Acquisitions/completions	Disposals/redevelopments	Rent escalation	Leasing activity	12/31/2016	Total change	Like-for-like change
HEALTHCARE PROPERTY INVESTMENT	169.5	39.2	(1.7)	0.7	(0.3)	207.3	37.8	0.2%

Gross rental income generated by the Healthcare Property Investment Division during the financial year 2016 amounted to €207.3 million, i.e. an increase of €37.8 million compared to 2015 (+22.3%).

On a like-for-like basis, rental income was up 0.2% due to rent escalation.

Changes in scope of consolidation represented €37.5 million, including:

- +€36.9 million in additional rental income related to acquisitions, especially the Vision portfolio purchased in 2015;

- +€2.2 million following extension works and completions in operating private hospitals;

- €(1.7) million following the disposal of the "Renaissance" and the "Clinique du Parc" private hospitals.

Net rental income from the Healthcare Property Investment Division for the year 2016 totalled €204.0 million, representing a margin rate of 98.4%, as in 2015.

(in millions of euros)	12/31/2016		12/31/2015	
	Net rental income	Margin	Net rental income	Margin
HEALTHCARE PROPERTY INVESTMENT	204.0	98.4%	166.8	98.4%

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Finance income/(expense) for the Healthcare Property Investment Division as of December 31, 2016 totalled €(30.3) million vs. €(26.5) million as of December 31, 2015. This change is primarily explained by the increase in debt related to asset acquisitions conducted in 2015.

Net profit/(loss) attributable to non-controlling interests from the Healthcare Property Investment Division stood at €(29.2) million vs. €(25.6) million thanks to an improvement in net profit. This corresponds to minority interests (43.49% of capital) in Icade Santé as of December 31, 2016.

After taking into account the items above, **EPRA Earnings from Healthcare Property Investment** reached €91.2 million (€1.23 per share) as of December 31, 2016, vs. €73.3 million as of December 31, 2015 (€0.99 per share).

Other items that had an impact on Net profit/(loss) attributable to the Group from the Healthcare Property Investment Division represented

a total net expense of €(53.2) million compared to €(40.0) million as of December 31, 2015.

Thus, considering the items above, **Net profit/(loss) attributable to the Group** from the Healthcare Property Investment Division reached €38.0 million as of December 31, 2016 vs. €33.3 million as of December 31, 2015.

2.3.4. Leasing activity of the Healthcare Property Investment Division

As of December 31, 2016, the **financial occupancy rate** remained unchanged compared to December 31, 2015, at 100%. Private hospitals also showed a physical occupancy rate of 100%.

The weighted average unexpired lease term was 8.2 years and was down 0.6 year compared with 2015.

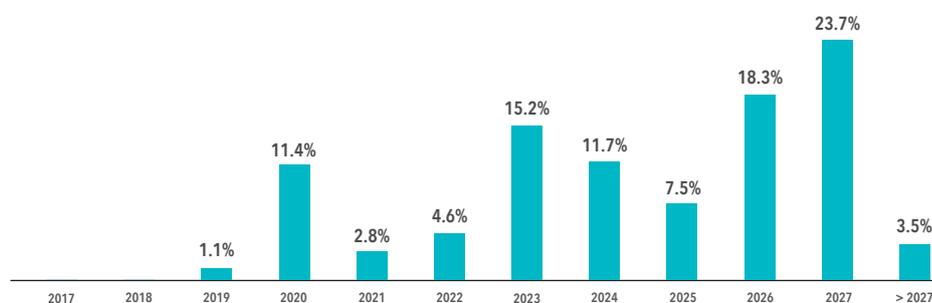
Asset class	Financial occupancy rate		Like-for-like change ^(b)	Weighted average unexpired lease term	
	(in %) ^(a)			(in years) ^(a)	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	
HEALTHCARE PROPERTY INVESTMENT	100.0%	100.0%	+0.0 PP	8.2	8.8

(a) Based on proportionate consolidation.

(b) Excluding completions, acquisitions and disposals for the period.

LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF ANNUALISED RENTS (in millions of euros)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2027+	Total
HEALTHCARE PROPERTY INVESTMENT	-	-	2.3	24.1	6.0	9.8	32.2	24.8	15.9	38.7	50.1	7.3	211.0



2.3.5. Asset rotation for the Healthcare Property Investment Division

2.3.5.1. Investments

(in millions of euros)	Asset acquisitions	Projects under development	Other Capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	65.7	84.6	52.2	0.7	203.2

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

2016 investments amounted to €203.2 million including €56.9 million for acquisitions, in particular for a portfolio of four medium-term care facilities operated by Ramsay Générale de Santé (the leader in the French private hospital industry). They include the following assets:

- the "Chalonnais" follow-up and rehabilitation care facility in Châtenoy-le-Royal (Saône-et-Loire department);

- the "Pont de Gien" private psychiatric hospital in Gien (Loiret department);
- the "Océane" private psychiatric hospital in Le Havre (Seine-Maritime department);
- the "Ronsard" private psychiatric hospital in Chambray-lès-Tours (Indre-et-Loire department).

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In addition to these acquisitions, the Healthcare Property Investment Division paid a contingent consideration for the Claude Bernard private hospital in Ermont for €8.8 million.

As a result, acquisitions represented a total of €65.7 million.

This is in addition to €84.6 million of development costs relating to the following facilities:

- Domont private hospital for €7.8 million, completed in H2 2016;
- Courlancy polyclinic in Bezannes for €30.7 million;

- La Croix du Sud polyclinic in Quint-Fonsegrives for €28.7 million;
- Bromélia project in Saint-Herblain for €13.6 million (including €2.1 million for land acquisition and €11.5 million for development works);

■ Greater Narbonne Private Hospital for €3.8 million for land acquisition. Finally, works to private hospitals currently operating amounted to €52.9 million.

PROPERTY DEVELOPMENT PROJECTS

(in millions of euros)	Completion	Operator	Number of inpatient and outpatient beds	Rental income	Yield on cost ^(a)	Total cost of project	Remaining investment	
							Total	2017
Courlancy polyclinic	2018	Courlancy	458			76.7	35.7	30.0
La Croix du Sud polyclinic	2018	Capio	269			80.3	43.7	37.6
Bromélia project (AHO)	2018	Elsan	169			38.9	25.3	20.5
Greater Narbonne Private Hospital	2019	MédiPôle	283			49.0	45.2	16.8
PROJECTS STARTED			1,179	16.3	6.7%	244.9	149.9	104.8

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

The Healthcare Property Investment Division has a development pipeline of €245 million (costs of the projects). The average estimated yield on cost of these projects stands at 6.7%.

2.3.5.2. Asset disposals

No asset was sold in 2016.

2.3.6. Changes in value of assets from the Healthcare Property Investment Division

	FV as of 12/31/2015	FV as of 12/31/2015 of assets sold	Acquisitions incl. duties / Works	Other ^(a)	LFL change	FV as of 12/31/2016
Healthcare	1,735.3		114.8	0.7	173.9	2,024.7
TOTAL	1,735.3	0.0	114.8	0.7	173.9	2,024.7

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

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

Based on proportionate consolidation, the overall value of Icade's Healthcare Property Investment portfolio is estimated at €2,024.7 million excluding duties as of December 31, 2016, vs. €1,735.3 million at the end of 2015, i.e. an increase of €289.4 million, which is explained mainly by value increases and the acquisition of four healthcare facilities and two plots of land for €42.1 million (including duties and fees, based on proportionate consolidation), and by investments in works.

On a like-for-like basis, after (i) exclusion of works for the year for €72.7 million (proportionate consolidation basis), (ii) exclusion of acquisitions, and (iii) adjustment for acquisition duties and fees and change in value of assets acquired during the financial year (+€0.7 million), the value of the portfolio rose by €173.9 million over the year 2016, i.e. +10.0%.

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2.3.7. List of assets

AS OF DECEMBER 31, 2016

Healthcare portfolio as of December 31, 2016	Municipality	Dpt. No.	Floor area (in sq.m)		Other floor area	Floor area - MSO private hospital	Floor area - FRC private hospital	Number of beds	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Operator
			Total	Leasable		Leasable	Leasable					
SUBTOTAL PARIS REGION			177,371	177,371	-	156,844	20,527	2,727				
La Muette private hospital - 46/48, rue Nicolo	Paris - 16 ^e district	75	4,149	4,149	-	4,149	-	80	2014	1987	56.51%	Ramsay-GDS
Armand Brillard private hospital - 3-5, avenue Watteau	Nogent	94	13,170	13,170	-	13,170	-	250	2008	2003/2006	56.51%	Ramsay-GDS
Medical-surgical centre of Parly II - 21, rue Moxouris	Le Chesnay	78	15,818	15,818	-	15,818	-	280	2008	1971/1997	56.51%	Ramsay-GDS
Ouest Parisien private hospital - 14, avenue Castiglione	Trappes	78	21,058	21,058	-	21,058	-	274	2008	1975/2000	56.51%	Ramsay-GDS
Paul d'Égine private hospital - 4, avenue Marx-Dormoy	Champigny-sur- Marne	94	14,270	14,270	-	14,270	-	233	2008	2001/2007	56.51%	Ramsay-GDS
Monet private hospital - 34, rue de Verdun	Champigny-sur- Marne	94	6,177	6,177	-	-	6,177	130	2011	2011	56.51%	Ramsay-GDS
Marne La Vallée private hospital - 33, rue Léon-Menu	Bry-sur-Marne	94	12,737	12,737	-	12,737	-	190	2010	2009	56.51%	Ramsay-GDS
Bourget private hospital - 7-7 bis, rue Rigaud	Le Bourget	93	7,893	7,893	-	-	7,893	150	2010	2007	56.51%	Ramsay-GDS
Bois d'Amour private hospital - 19, avenue Bois-d'Amour	Drancy	93	6,457	6,457	-	-	6,457	104	2009	2009	56.51%	Ramsay-GDS
Pasteur private hospital - 22, rue de la Petite-Saussaie	Vitry-sur-Seine	94	6,120	6,120	-	6,120	-	109	2011	2007	56.51%	Elsan
Saint-Louis private hospital - 1, rue Basset	Poissy	78	13,396	13,396	-	13,396	-	171	2013	2007	56.51%	Elsan
Estrée private hospital - 35, rue d'Amiens	Stains	93	26,418	26,418	-	26,418	-	368	2015	-	56.51%	Elsan
Domont private hospital - 7, rue André-Nouet	Domont	95	3,324	3,324	-	3,324	-	28	2015	-	56.51%	Capio Santé
Claude Bernard private hospital - 9, avenue Louis-Armand	Ermont	95	20,475	20,475	-	20,475	-	280	2014	2014	56.51%	Capio Santé
Bercy private hospital - 9, quai de Bercy	Charenton-le- Pont	94	5,909	5,909	-	5,909	-	80	2011	2005	56.51%	Regional groups
SUBTOTAL HAUTS-DE-FRANCE			134,417	134,417	-	129,382	5,035	1,551				
Bon secours private hospital - 9, place de la Préfecture	Arras	62	23,269	23,269	-	23,269	-	284	2009	2007	56.51%	Ramsay-GDS
Roseaie private hospital - 6, rue Neuve-de-l'Hôpital	Soissons	02	5,035	5,035	-	-	5,035	81	2009	2010	56.51%	Ramsay-GDS
Villeneuve d'Ascq private hospital - Le Recueil, Le Haut du Recueil	Villeneuve- d'Ascq	59	23,032	23,032	-	23,032	-	225	2010	2012	56.51%	Ramsay-GDS
Parc polyclinic - 48 bis, rue Henri Barbusse	Saint-Saulve	59	17,084	17,084	-	17,084	-	174	2011	2004	56.51%	Médipôle Partenaires
Vauban private hospital - 10, avenue Vauban	Valenciennes	59	18,410	18,410	-	18,410	-	234	2011	1999	56.51%	Médipôle Partenaires
Flandre private hospital - 300, rue des Forts - Lieu-dit du Boernhol	Coudekerque	59	9,927	9,927	-	9,927	-	111	2012	2004	56.51%	Médipôle Partenaires
Villette private hospital - 18, rue Parmentier	Dunkerque	59	11,434	11,434	-	11,434	-	137	2012	1991	56.51%	Médipôle Partenaires
Saint Claude private hospital - 1, boulevard du Docteur- Schweitzer	Saint-Quentin	02	15,947	15,947	-	15,947	-	189	2015	-	56.51%	Elsan
Saint-Omer private hospital - 71, rue Ambroise-Paré	Saint-Omer	62	10,279	10,279	-	10,279	-	116	2015	-	56.51%	Elsan

(a) Date of inclusion of the asset and/or entity in the Icade group.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
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Healthcare portfolio as of December 31, 2016	Municipality	Dpt. No.	Floor area (in sq.m)		Other floor area	Floor area - MSO private hospital	Floor area - FRC private hospital	Number of beds	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Operator
			Total	Leasable		Leasable	Leasable					
SUBTOTAL AUVERGNE - RHÔNE-ALPES			148,771	148,771	-	148,771	-	1,630				
Loire private hospital - 39, boulevard de La Palle	Saint-Étienne	42	31,074	31,074	-	31,074	-	305	2013	2005	56.51%	Ramsay-GDS
Pôle Santé République private hospital - 105, avenue de la République	Clermont- Ferrand	63	29,231	29,231	-	29,231	-	270	2011	2008	56.51%	Médipôle Partenaires
Beaujolais polyclinic - 120, ancienne route Beaujeu	Arnas	69	14,024	14,024	-	14,024	-	101	2014	2004	56.51%	Capio Santé
Sauvegarde private hospital - 480, avenue Ben-Gourion	Lyon	69	19,038	19,038	-	19,038	-	239	2014	2013	56.51%	Capio Santé
Beaumont private hospital - rue Châtaigneraie	Beaumont	63	24,316	24,316	-	24,316	-	297	2015	-	56.51%	Elsan
La Pergola private hospital - 75, allée des Ailes	Vichy	03	10,042	10,042	-	10,042	-	146	2015	-	56.51%	Elsan
Tronquières medical-surgical centre	Aurillac	15	21,046	21,046	-	21,046	-	272	2015	-	56.51%	Elsan
SUBTOTAL BOURGOGNE - FRANCHE-COMTÉ			36,267	36,267	-	31,269	4,998	544				
Saint-Vincent private hospital - 40, chemin des Tilleroyes	Besançon	25	19,317	19,317	-	19,317	-	333	2014	2013	56.51%	Capio Santé
Val de Loire polyclinic - 49, boulevard Jérôme-Trésaguet	Nevers	58	11,952	11,952	-	11,952	-	119	2015	-	56.51%	Elsan
Chalonnais private hospital - avenue du Général-de-Gaulle	Châtenoy-le- Royal	71	4,998	4,998	-	-	4,998	92	2016	-	56.51%	Ramsay-GDS
SUBTOTAL BRETAGNE			68,270	68,270	-	63,251	5,019	747				
Keraudren polyclinic -rue Ernestine-de-Trémaudan - ZAC de Keraudren	Brest	29	16,279	16,279	-	16,279	-	182	2010	2007	56.51%	Elsan
Elorn private hospital - 30, rue Claude-Bernard	Landerneau	29	5,019	5,019	-	-	5,019	60	2010	2010	56.51%	Elsan
Ter private hospital - Chemin de Kerbernès	Ploemeur	56	17,626	17,626	-	17,626	-	155	2015	-	56.51%	Elsan
Océane private hospital - 11, rue du Docteur Joseph-Audic	Vannes	56	29,346	29,346	-	29,346	-	350	2015	-	56.51%	Elsan
SUBTOTAL CENTRE - VAL-DE-LOIRE			53,124	53,124	-	38,939	14,185	692				
Archette private hospital - rue Jacques-Monod	Olivet	45	17,020	17,020	-	17,020	-	165	2007	2000	56.51%	Elsan
St. François private hospital - 2, rue Rolland-Buthier	Mainvilliers	28	11,465	11,465	-	11,465	-	155	2007	1998/2000	56.51%	Elsan
Saint Cœur private hospital - 10 B, rue Honoré-de-Balzac	Vendôme	41	10,454	10,454	-	10,454	-	133	2015	-	56.51%	Elsan
Mas du Vendômois private hospital -Lieu-dit "Sous Grand Champ"	Naveil	41	3,240	3,240	-	-	3,240	45	2011	2012	56.51%	Ramsay-GDS
Pont de Gien private hospital - rue des Coteaux-du-Giennois	Gien	45	4,903	4,903	-	-	4,903	84	2016	-	56.51%	Ramsay-GDS
Ronsard private hospital - 3, rue Lainé, rue de la Thibaudière	Chambray-lès- Tours	37	6,042	6,042	-	-	6,042	110	2016	-	56.51%	Ramsay-GDS
SUBTOTAL GRAND EST			21,418	21,418	-	21,418	-	281				
Majorelle private hospital - 1240, avenue Raymond Pinchard	Nancy	54	11,729	11,729	-	11,729	-	146	2011	2006	56.51%	Médipôle Partenaires
Chaumont le Bois medical-surgical centre - 17, avenue des États-Unis	Chaumont	52	9,689	9,689	-	9,689	-	135	2015	-	56.51%	Elsan
Courlancy polyclinic, ZAC Bezannes	Bezannes	51	-	-	-	-	-	-	2015	-	56.51%	Regional groups
SUBTOTAL NORMANDIE			21,024	21,024	-	15,907	5,117	326				
Parc polyclinic - 20, avenue du Capitaine-Georges-Guynemer	Caen	14	15,907	15,907	-	15,907	-	227	2014	2012	56.51%	Elsan
Océane private hospital - 514, rue Irène-Joliot-Curie	Le Havre	76	5,117	5,117	-	-	5,117	99	2016	-	56.51%	Ramsay-GDS

(a) Date of inclusion of the asset and/or entity in the Icade group.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Healthcare portfolio as of December 31, 2016	Municipality	Dpt. No.	Floor area (in sq.m)		Other floor area	Floor area - MSO private hospital	Floor area - FRC private hospital	Number of beds	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Operator
			Total	Leasable		Leasable	Leasable					
SUBTOTAL NOUVELLE-AQUITAINE			228,903	228,903	-	224,793	4,110	2,654				
Poitiers polyclinic - 1, rue de la Providence	Poitiers	86	19,631	19,631	-	19,631	-	206	2008	1990/2004	56.51%	Elsan
Saint-Charles private hospital - 3, rue de la Providence	Poitiers	86	4,110	4,110	-	-	4,110	76	2008	1990/2004	56.51%	Elsan
François Chenieux private hospital - 18, rue du Général-Catroux	Limoges	87	33,420	33,420	-	33,420	-	365	2012	2008	56.51%	Elsan
Clinical private hospital - 2, chemin de Fregeneuil	Soyaux	16	20,932	20,932	-	20,932	-	233	2012	2009	56.51%	Elsan
Cèdres private hospital - Impasse des Cèdres	Brive-la- Gaillarde	19	12,300	12,300	-	12,300	-	173	2012	2003	56.51%	Elsan
Esquirol Saint-Hilaire private hospital - 1, rue du Docteur-Delmas	Agen	47	33,414	33,414	-	33,414	-	329	2007	70's and 80's	56.51%	Médipôle Partenaires
Saint Augustin private hospital - 112, avenue d'Ares	Bordeaux	33	15,919	15,919	-	15,919	-	227	2011	2007	56.51%	Médipôle Partenaires
Inkermann polyclinic - 84, route d'Aiffers	Niort	79	21,434	21,434	-	21,434	-	223	2011	2009	56.51%	Médipôle Partenaires
Pasteur private hospital - 54, rue du Professeur-Pozzi	Bergerac	24	9,006	9,006	-	9,006	-	141	2011	2007	56.51%	Médipôle Partenaires
Jean Vilar polyclinic - Avenue Maryse-Bastie	Bruges	33	16,982	16,982	-	16,982	-	214	2012	2009	56.51%	Médipôle Partenaires
Atlantique private hospital - 26, rue du Moulin-des-Justices	Puilboreau	17	10,726	10,726	-	10,726	-	100	2014	2011	56.51%	Capio Santé
Les Chênes private hospital - rue Chantemerle, lieu-dit "Capit"	Aire-sur-l'Adour	40	9,284	9,284	-	9,284	-	93	2007	1977-1978	56.51%	Regional groups
Marzet private hospital - 42, boulevard Alsace-Lorraine	Pau	64	16,329	16,329	-	16,329	-	192	2007	1973 to 1999	56.51%	Regional groups
Richelieu private hospital - 22, rue Montlouis	Saintes	17	5,416	5,416	-	5,416	-	82	2011	2004	56.51%	Regional groups
SUBTOTAL OCCITANIE			275,785	275,785	-	255,656	20,129	3,300				
Occitanie private hospital - 20, avenue Bernard IV	Muret	31	18,475	18,475	-	18,475	-	170	2008	1973	56.51%	Elsan
Pont de Chaume private hospital - 330, avenue Marcel-Unal	Montauban	82	28,544	28,544	-	28,544	-	248	2011	2006	56.51%	Elsan
Toulouse-Lautrec private hospital - 2, rue Jacques-Monod	Albi	81	11,948	11,948	-	11,948	-	179	2015	-	56.51%	Elsan
Claude Bernard private hospital - 1, rue du Père-Colombier	Albi	81	26,023	26,023	-	26,023	-	301	2015	-	56.51%	Médipôle Partenaires
Sidobre polyclinic - Chemin de Saint-Hippolyte	Castres	81	12,063	12,063	-	12,063	-	168	2015	-	56.51%	Elsan
Gascogne polyclinic - 55, avenue Sambre-et-Meuse	Auch	32	7,514	7,514	-	7,514	-	111	2015	-	56.51%	Elsan
Ambroise Paré private hospital - 387, route Saint-Simon	Toulouse	31	17,213	17,213	-	17,213	-	222	2011	2004	56.51%	Médipôle Partenaires
Saint-Pierre private hospital - 169, avenue de Prades	Perpignan	66	16,142	16,142	-	16,142	-	266	2014	2001	56.51%	Médipôle Partenaires
Saint-Michel private hospital - 25-27, avenue Louis-Prat	Prades	66	5,127	5,127	-	5,127	-	65	2014	1997	56.51%	Médipôle Partenaires
Floride healthcare centre - Avenue Thalassa	Le Barcarès	66	5,342	5,342	-	-	5,342	107	2014	1989	56.51%	Médipôle Partenaires
Greater Narbonne private hospital	Montredon-des- Corbières	11	-	-	-	-	-	-	2016	-	56.51%	Médipôle Partenaires
Parc private hospital - 50, rue Emile-Combes	Castelnau-le-Lez	34	21,472	21,472	-	21,472	-	206	2012	2010	56.51%	Regional groups
Saint Clément private hospital - 115, avenue Saint-Sauveur-du-Pin	Saint-Clément- de-Rivière	34	6,213	6,213	-	-	6,213	89	2012	2005	56.51%	Regional groups
Pic Saint Loup private hospital - 96, avenue Saint-Sauveur-du-Pin	Saint-Clément- de-Rivière	34	3,559	3,559	-	-	3,559	62	2012	2005	56.51%	Regional groups

(a) Date of inclusion of the asset and/or entity in the Icade group.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Investment Divisions

Healthcare portfolio as of December 31, 2016	Municipality	Dpt. No.	Floor area (in sq.m)		Other floor area	Floor area - MSO private hospital	Floor area - FRC private hospital	Number of beds	Date of acquisition ^(a)	Construction or renovation date	Consolidation %	Operator
			Total	Leasable		Leasable	Leasable					
Union private hospital - boulevard de Ratalens	Saint-Jean	31	34,343	34,343	-	34,343	-	392	2013	2006	56.51%	Ramsay-GDS
Le Marquisat private hospital - boulevard de Ratalens	Saint-Jean	31	5,015	5,015	-	-	5,015	106	2013	1991	56.51%	Ramsay-GDS
Les Cèdres private hospital - Château d'Alliez	Cornebarrieu	31	56,792	56,792	-	56,792	-	608	2014	2012	56.51%	Capio Santé
La croix du Sud polyclinic, chemin de la Rebaute	Quint- Fonsegrives	31	-	-	-	-	-	-	2015	-	56.51%	Capio Santé
SUBTOTAL PAYS DE LA LOIRE			145,695	145,695	-	137,126	8,569	1,550				
Atlantique polyclinic - rue Claude-Bernard	Saint-Herblain	44	32,506	32,506	-	32,506	-	309	2008	1993/2002	56.51%	Elsan
Brétéché private hospital	Nantes	44	17,756	17,756	-	17,756	-	180	2009	2004/2007	56.51%	Elsan
Roz Arvor physical rehabilitation centre - 2, rue du Fort	Nantes	44	6,653	6,653	-	-	6,653	95	2008	1989/1996	56.51%	Elsan
Stoa - Bromélia	Saint-Herblain	44	-	-	-	-	-	-	2016	-	56.51%	Elsan
Pôle Santé Sud - 28, rue de Guetteloup	Le Mans	72	40,786	40,786	-	40,786	-	472	2012	2006	56.51%	Elsan
Saint Charles private hospital - 11, boulevard René-Levesque	La-Roche-sur- Yon	85	17,974	17,974	-	17,974	-	210	2008	1988/2004	56.51%	Regional groups
Maine polyclinic - 4, avenue des Français-Libres	Laval	53	13,679	13,679	-	13,679	-	154	2008	1987/1994	56.51%	Regional groups
Terrain PSO - Clinique du Val-d'Olonne	Olonne	85	14,425	14,425	-	14,425	-	90	2008	2009	56.51%	Regional groups
Centre Vendée physical rehabilitation centre - 5, rue de la Grotte	Les Essarts	85	1,916	1,916	-	-	1,916	40	2008	1987/1988	56.51%	Regional groups
SUBTOTAL PROVENCE-ALPES-CÔTE D'AZUR			55,904	55,904	-	55,904	-	771				
Cap d'Or private hospital - 1361, avenue des Anciens- Combattants-Français-d'Indochine	La-Seyne-sur- Mer	83	6,454	6,454	-	6,454	-	100	2011	2009	56.51%	Médipôle Partenaires
Les Fleurs polyclinic - Quartier Quiez	Ollioules	83	12,870	12,870	-	12,870	-	243	2012	2007	56.51%	Médipôle Partenaires
Fontvert Avignon Nord private hospital - 235, avenue Louis-Pasteur	Sorgues	84	8,726	8,726	-	8,726	-	76	2014	2012	56.51%	Capio Santé
Bouchard private hospital - 77, rue du Docteur-Escat	Marseille	13	14,249	14,249	-	14,249	-	177	2015	-	56.51%	Elsan
Montagard surgical centre - 23, boulevard Gambetta	Avignon	84	3,206	3,206	-	3,206	-	55	2015	-	56.51%	Elsan
Notre Dame polyclinic - 345, avenue Pierre-Brossolette	Draguignan	83	10,399	10,399	-	10,399	-	120	2015	-	56.51%	Elsan
GRAND TOTAL			1,366,949	1,366,949	-	1,279,260	87,689	16,773				

(a) Date of inclusion of the asset and/or entity in the Icade group.

3. Property Development Division

National presence

NOUVELLE CALÉDONIE

MARTINIQUE

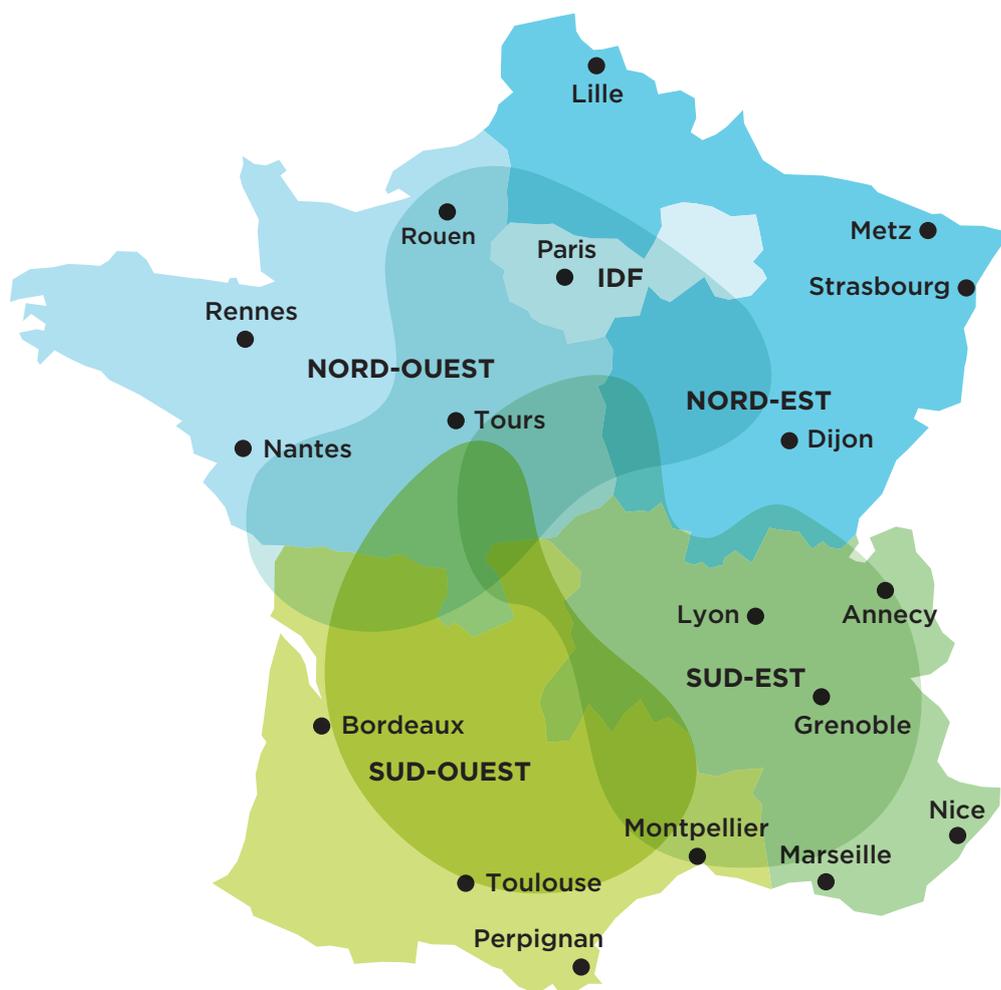
Fort-de-France

GUYANE

GUADELOUPE

RÉUNION

Saint-Denis



PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Development Division

3.1. Income statement and performance indicators

The Property Development Division operates in the following areas: Residential Property Development, which represents 68.7% of its IFRS revenue, Commercial Property Development (16.0%), and Public and Healthcare Amenities Development (13.3%). Additionally, the Property Development Division has a Project Management Support subdivision representing 2.0% of its IFRS revenue.

In 2016, revenue from the Property Development Division increased by 3.1% compared with 2015, driven by revenue from the Commercial segment.

As a result of revenue growth and structural costs which were kept under control, IFRS operating profit/(loss) stood at €40.7 million as of December 31, 2016 vs. €37.9 million as of December 31, 2015, and Net profit/(loss) attributable to the Group was €20.8 million, up 8.9% compared to 2015.

3.1.1. Condensed income statement and contribution to net current cash flow

(in millions of euros)	12/31/2016			12/31/2015		
	Current	Non-current	Total	Current	Non-current	Total
REVENUE	913.1		913.1	885.4		885.4
Income from operating activities	917.9		917.9	888.7		888.7
Purchases used	(744.9)		(744.9)	(717.8)		(717.8)
Outside services	(55.0)		(55.0)	(60.0)		(60.0)
Taxes, duties and similar payments	(4.5)		(4.5)	(5.5)		(5.5)
Staff costs, performance incentive scheme and profit sharing	(71.3)		(71.3)	(63.5)		(63.5)
Other operating expenses	(10.3)		(10.3)	(11.4)		(11.4)
Operating expenses	(886.0)		(886.0)	(858.1)		(858.1)
EBITDA	31.9		31.9	30.6		30.6
Depreciation charges net of investment grants		(1.3)	(1.3)		(1.4)	(1.4)
Charges and reversals related to impairment of tangible, financial and other current assets		(1.4)	(1.4)		(0.4)	(0.4)
Profit/(loss) from asset disposals		(0.1)	(0.1)		(0.6)	(0.6)
Share of profit/(loss) of equity-accounted companies	11.6	0.1	11.6	9.3	0.3	9.6
OPERATING PROFIT/(LOSS)	43.4	(2.7)	40.7	39.9	(2.0)	37.9
Cost of gross debt	-	-	-	(0.1)		(0.1)
Net income from cash and cash equivalents, related loans and receivables	0.5		0.5	0.6		0.6
COST OF NET DEBT	0.4		0.4	0.5		0.5
Other finance income and expenses	0.4	-	0.4	0.2	-	0.2
FINANCE INCOME/(EXPENSE)	0.8	0.0	0.8	0.8	-	0.8
Income tax	(19.9)	0.9	(19.0)	(18.6)	0.8	(17.8)
NET PROFIT/(LOSS)	24.3	(1.8)	22.5	22.1	(1.3)	20.8
Net profit/(loss) attributable to non-controlling interests	2.0	(0.3)	1.7	1.8	(0.0)	1.8
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	22.2	(1.4)	20.8	20.3	(1.3)	19.1

The application of IFRS 11 on joint ventures does not allow Icade to fully reflect the activity of the Property Development Division.

The IFRS 11 standard requires the equity method of accounting for joint ventures. Consequently, the financial indicator tables below present the relationship between the accounting presentation (equity method as per IFRS) and the economic presentation (proportionate consolidation).

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Development Division

The financial indicators below include joint ventures on a proportionate consolidation basis (economic presentation).

(in millions of euros)	12/31/2016			12/31/2015			Change
	Total Property Dev.	Residential Property Dev.	Commercial Property Dev.	Total Property Dev.	Residential Property Dev.	Commercial Property Dev.	Total Property Dev.
Economic revenue:							
IFRS segment reporting	913.1	627.6	285.5	885.4	647.2	238.3	
Joint ventures ^(a)	91.8	38.9	53.0	70.1	49.6	20.5	
ECONOMIC REVENUE	1,005.0	666.5	338.5	955.5	696.8	258.7	5.2%
Economic operating profit/(loss):							
IFRS segment reporting	40.7	23.9	16.8	37.9	33.6	4.3	
Cancellation of IFRS income from equity-accounted joint ventures	(11.4)	(3.1)	(8.3)	(8.8)	(6.0)	(2.9)	
Operating profit/(loss) from joint ventures ^(a)	11.5	3.2	8.3	9.1	6.1	3.0	
Adjustment ^(b)	14.8	7.1	7.7	14.9	9.8	5.1	
CURRENT ECONOMIC OPERATING PROFIT/(LOSS)	55.6	31.1	24.5	53.0	43.5	9.6	4.9%
CURRENT ECONOMIC OPERATING MARGIN (OPERATING PROFIT OR LOSS/REVENUE)	5.5%	4.7%	7.2%	5.5%	6.2%	3.6%	

(a) Adjustment for IFRS 11 impacts.

(b) Adjustment for non-current items, trademark royalties and holding company costs.

3.1.2. Return on equity

(in millions of euros)	12/31/2016	12/31/2015
Net profit/(loss) attributable to the Group	20.8	19.1
Average allocated capital ^(a)	339.5	437.1
RETURN ON EQUITY	6.1%	4.4%

(a) Weighted average value over the period of equity attributable to the Group before elimination of securities and excluding profit/(loss).

As of December 31, 2016, return on equity stood at 6.1%, an increase compared to the previous year, which resulted from improved Net profit/(loss) attributable to the Group and lower capital allocated to Property Development. At the end of 2016, in line with the payment made at the end of 2015, Icade Promotion paid a special dividend of €100 million to its sole shareholder Icade SA.

3.1.3. Property Development backlog and service order book

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

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

(in millions of euros)	12/31/2016			12/31/2015		
	Total	Paris region	Outside the Paris region	Total	Paris region	Outside the Paris region
Residential Property Development (incl. subdivisions)	1,058.2	392.2	666.0	834.1	271.1	563.0
Commercial Property Development	366.9	167.6	199.3	417.6	143.1	274.5
Public and Healthcare Amenities Development	142.2	-	142.2	228.6	28.4	200.2
Order book for Services & Project Management Support operations	29.7	19.0	10.7	28.1	23.6	4.5
TOTAL	1,597.0	578.8	1,018.2	1,508.4	466.2	1,042.2
Share of total	100.0%	36.2%	63.8%	100.0%	30.9%	69.1%

The Property Development Division's total backlog was up 5.9% to €1,597.0 million vs. €1,508.4 million as of December 31, 2015.

This change breaks down as follows:

- a strong increase in the Residential Property Development Division's backlog of 26.9% resulting from higher orders throughout 2016;
- an decrease in the Commercial Property Development Division's backlog of 12.1% due to the progress of construction work in a large

number of projects signed in 2015, partly renewed by the contracts signed in 2016:

- in Lyon:
 - off-plan sale agreement signed with AEW Europe SGP, acting on behalf of the French real estate investment company (SCPI) "Fructifonds Immobilier" for the Oxaya office building located in the north end of Gerland and which is due to be completed by early 2018,

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Development Division

- off-plan sale agreement signed with Héraclès Investissement for the UnitY building extending to 2,774 sq.m and consisting of 11 ground floor retail units in the Ynfluences Square complex, within the development zone (ZAC) of Lyon Confluence,
- preliminary off-plan sale agreement signed with BNP Paribas Diversipierre for the Karre office building (9,800 sq.m) located at the heart of the Carré de Soie multimodal hub in the Greater Lyon area,
- in Bordeaux:
 - off-plan sale agreement signed with PFO2, which is managed by Perial Asset Management, for the 5,044-sq.m Sémaphore office building, situated in the Bassins à flot area,
- in Paris:
 - off-plan sale agreement signed with ACM Vie for the Twist building, which represents 10,344 sq.m of office space in the Clichy Batignolles development zone (lot N5);

- a 37.8% decline in backlog for Public and Healthcare Amenities Development, due to the low volume of property development contracts renewed in this segment this year;
- the order book for Services and Project Management Support operations grew by 5.7% in connection with the integration of the Delegated Project Management team, in charge of works to the properties of the Commercial Property Investment Division.

3.1.4. Valuation of Property Development companies

The valuation methods used by the independent property valuer in charge of valuing Icade Promotion are described in the Notes to the Consolidated Financial Statements, section 4.4. "Impairment tests and unrealised capital gains on the property portfolio and Property Development companies" in note 4. "Portfolio and fair value".

The value of Icade Promotion as of December 31, 2016 breaks down as follows:

(in millions of euros)	12/31/2016	12/31/2015
Enterprise value	424.0	319.1
Net debt ^(a)	53.2	(113.0)
Provisions and minority interests ^(a)	43.2	40.5
VALUE OF INVESTMENTS IN FULLY-CONSOLIDATED COMPANIES	327.6	391.6
VALUE OF INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	58.2	68.4
TOTAL VALUE OF INVESTMENTS IN THE COMPANIES	385.8	460.0
Enterprise value of fully-consolidated companies	424.0	319.1
Enterprise value of equity-accounted companies	89.8	94.2
ENTERPRISE VALUE OF PROPERTY DEVELOPMENT COMPANIES	513.8	413.3

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

The enterprise value of Property Development companies as of December 31, 2016 (including the enterprise value of equity-accounted companies) grew significantly compared with December 31, 2015. This increase resulted mainly from the impact of the improved business plan for the Property Development Division, which takes into account

favourable conditions in the French property development market, improved profitability which will catch up with peer average over the period covered by the strategic plan, and an expansion in the portfolio of potential projects.

3.2. Residential Property Development

(in millions of euros)	12/31/2016	12/31/2015	Change
Economic revenue	666.5	696.8	(4.4)%
Current economic operating profit/(loss)	31.1	43.5	(28.5)%
CURRENT ECONOMIC OPERATING MARGIN (OPERATING PROFIT OR LOSS/REVENUE)	4.7%	6.2%	

Market update (source: FPI, SOEs, CGDD)

The recovery that had started at the end of 2015 continued and as of Q3 2016 the market already showed solid performance. With a total of 31,824 units (including 4,997 sold as part of bulk sales and 1,250 in residences with services), new-home sales rose again in Q3 2016, by 25.1% compared to Q3 2015 (25,436 units). This indicator increased for the eighth consecutive quarter since Q4 2014, when the Pinel tax incentive program was launched. This trend can be observed across all segments: unit sales (+27.6%), bulk sales (+13.8%), and sales of residences with services (+25%).

Thanks to the positive environment created by the continuation of the Pinel tax incentive program, sales to investors went up by 27.2% on a year-on-year basis, with 13,860 units (vs. 10,899 in Q3 2015).

Sales to home buyers rose by 28.1% compared to the previous year with 11,717 units (vs. 9,147 in Q3 2015), boosted by the decline in interest

rates (1.31% on average excluding insurance costs), longer loans (the proportion of loans longer than 25 years reached 33% in 2016) and the ramp-up of the interest-free loan.

Housing units put up for sale also increased, although at a lower pace than sales (+4.5%), with 19,847 units in Q3 2016 (vs. 18,987 in Q3 2015). Comparing 9M 2016 with 9M 2015, the same indicator went up by 13.9%.

The stock of homes available for sale, at 94,110 units as of Q3 2016 (including 88,083 apartments), remained stable in volume terms ((0.6)% over a 12-month rolling period). As of Q3 2016, this stock consisted of 48% of units under development, 44% under construction and 8% completed.

The stock/sales ratio, which measures the average time on market, went down to 10.1 theoretical months (vs. 12.4 months in Q3 2015 and 14 months in 2014).

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Property Development Division

The average sale price at the national level went up by 3.4% from its Q3 2015 level (+4.9% and 2.9% within and outside the Paris region, respectively).

In France as a whole, 453,200 building permits were issued in 2016, i.e. +14.2% compared to the same period in 2015. Bulk sale continued to drive the sector, with a 19% increase on a year-on-year basis. The most active markets (housing starts) were the following regions: Provence-Alpes-Côte d'Azur (+22.9%), Occitanie (+17.2%), Bretagne (+15.5%) and Paris region (+12.7%). Two markets showed a decline: the Grand Est ((2.9%)) and Normandie ((1.3%)) regions.

The number of housing starts represented 376,500 units in the last 12 months, a 10.41% increase compared to the preceding 12 months.

The increase in orders and sales of housing units by the Property Development Division, which stems from market recovery, did not yet have an impact on revenues from the Residential Property Development Division, which stood at €666.5 million as of December 31, 2016, down 4.3% compared to 2015.

This decrease is mainly due to a higher proportion of projects at the construction start stage compared to the previous year, as their contribution to revenues is lower; it was intensified by an unfavourable base effect related to the substantial contribution of the large-scale "North East Paris MacDonald" project (1,126 units) completed in July 2015.

The strong improvement in business indicators over 2016 (land portfolio, orders, backlog) will very positively impact this division's revenue in 2017.

As a result, economic operating profit/(loss) from the Residential Property Development Division declined to €31.1 million as of December 31, 2016 from €43.5 million a year earlier.

In 2016, recovery was confirmed in the residential real estate market, still driven by individual investors in the rental property market (Pinel tax incentive programme extended to December 31, 2017) and by home buyers who benefit from an interest-free loan and from the implementation of the Priority Neighbourhoods government programme (QPV).

Sales to social landlords were stable. Sales to other institutional investors grew sharply this year for Icade.

The environment of extremely low interest rates, which constantly declined during the year, has had a positive impact on buyers' solvency.

New-build prices are almost stable, although with substantial differences from one region to another.

Based on data made available by the French Federation of Real Estate Developers, nearly 145,000 new housing units are expected to be sold in 2016 (102,888 units sold during 9M 2016), which would be a record for the new-build residential market in France. Housing starts were up 6% over 9M 2016 (compared to 9M 2015).

MAIN PHYSICAL INDICATORS AS OF DECEMBER 31, 2016

	12/31/2016	12/31/2015	Change
PROPERTIES PUT ON THE MARKET			
Paris region	1,931	1,583	22.0%
Outside the Paris region	3,359	3,348	0.3%
TOTAL UNITS ^(a)	5,290	4,931	7.3%
Paris region	423.6	346.0	22.4%
Outside the Paris region	600.6	650.4	(7.7)%
TOTAL REVENUE (potential in millions of euros)	1,024.2	996.4	2.8%
PROJECTS STARTED			
Paris region	1,391	1,012	37.5%
Outside the Paris region	3,735	3,626	3.0%
TOTAL UNITS	5,126	4,638	10.5%
Paris region	293.5	216.2	35.8%
Outside the Paris region	681.6	735.4	(7.3)%
TOTAL REVENUE (potential in millions of euros)	975.1	951.6	2.5%
ORDERS			
Housing orders (in units)	5,665	3,999	41.7%
Housing orders (in millions of euros including taxes)	1,114.8	839.3	32.8%
Residential - cancellation rate (in %)	14%	23%	(37.7)%
AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON ORDERS			
Average price including taxes per habitable sq.m (in €/sq.m)	3,671	3,641	0.8%
Average budget including taxes per housing unit (in k€)	198.0	210.0	(5.7)%
Average floor area per housing unit (in sq.m)	54.0	57.6	(6.3)%

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

BREAKDOWN OF ORDERS BY CUSTOMER TYPE

	12/31/2016	12/31/2015
Social housing institutional investors (ESH) - social landlords	21.9%	21.6%
Institutional investors	17.5%	10.0%
Individual investors	39.7%	42.6%
Home buyers	20.9%	25.8%
TOTAL	100.0%	100.0%

Icade's net housing orders as of December 31, 2016 increased by 41.7% in volume terms compared to the previous year, reaching 5,665 orders, and increasing by 32.8% in value terms, the record level for the Property Development Division.

The discrepancy between the increase in value and volume terms can be explained by a unit price lower than in the previous year due to sales of smaller housing units on average (average floor area of 54 sq.m in 2016 vs. 57.6 sq.m in 2015) and a strong level of orders from professional property owners (with a significantly lower unit sale price).

In line with the recovery in the real estate market, the absorption rate increased from 7.2% as of December 31, 2015 to 10.3% at the end of 2016. In addition, the order cancellation rate declined dramatically (14% as of December 31, 2016 vs. 23% at the end of 2015).

As a continuation of the trend observed in H1 2016, orders from institutional investors rose to 39.4% of total orders made as of December 31, 2016, vs. 31.6% for the same period a year earlier. On the other hand, the proportion of individual investors using the Pinel

tax incentive programme continues to predominate. The number of orders from first-time buyers also increased thanks to the new incentive measures taken by the government (especially the interest-free loan).

The inventory of unsold completed properties was kept under control, with €30 million as of December 31, 2016 vs. €37 million as of December 31, 2015.

The average level of pre-committed projects recorded at construction start was high (67% on average).

Land portfolio

The portfolio of residential land and building plots represented 10,499 units and potential revenues of €2.2 billion, a 28% increase in value terms compared to December 31, 2015 (8,153 units for €1.7 billion). This increase reflects the acceleration in the development strategy pursued by the Property Development Division and its new management since the beginning of 2016, as part of the new strategic plan.

3.3. Commercial Property Development

(in millions of euros)	12/31/2016	12/31/2015	Change
Economic revenue	338.5	258.7	30.9%
Current economic operating profit/(loss)	24.5	9.6	155.3%
CURRENT ECONOMIC OPERATING MARGIN (OPERATING PROFIT OR LOSS/REVENUE)	7.2%	3.6%	

Public and Healthcare Amenities Development

In 2016, revenue from Public and Healthcare Amenities Development increased by 14.1% to €121.2 million.

The launch of construction works for the "Montpellier-Sud de France" high-speed train (TGV) station at the end of 2015 and the progress of the major "Nouméa Private Hospital" construction project contributed significantly to the increase in this division's revenue in 2016.

As of December 31, 2016, the portfolio of "Public and Healthcare Amenities Development" projects was equivalent to 202,314 sq.m (vs. 245,036 sq.m as of December 31, 2015), including 96,694 sq.m under construction. The project portfolio of this activity was exclusively located outside the Paris region and in French overseas departments and territories (DOM-TOM). Projects completed during the year represented 34,599 sq.m.

The cancellation of the new stadium project for the French Rugby Federation has no impact for Icade.

Commercial and Retail Property Development

As of December 31, 2016, revenue from the Commercial and Retail Property Development business totalled €199 million, vs. €133.5 million as of December 31, 2015. This 49.1% increase is mainly attributable to

the numerous contracts signed in 2015 which contributed significantly to revenue in 2016.

As of December 31, 2016, Icade Promotion had a portfolio of projects in the Commercial and Retail Property Development segment of around 507,657 sq.m (vs. 769,443 sq.m as of December 31, 2015), including 165,840 sq.m under construction. The Property Development Division started construction work on the Twist (10,400 sq.m) and Thémis (10,655 sq.m) projects, both in the Clichy-Batignolles development zone (ZAC) in Paris, and on the Oxaya building (7,200 sq.m) situated in the Gerland neighbourhood of Lyon. In 2016, completions added up to 26,732 sq.m.

Speculative developments represented an exposure of €128.1 million as of December 31, 2016, a significant decrease compared to December 31, 2015 (€201.4 million), due mainly to the signing of an off-plan sale agreement for the Twist building located in the Clichy-Batignolles development zone (N5 lot), in Paris.

Project Management Support

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

In 2016, revenue from this division stood at €18.3 million.

Working capital requirement and debt

(in millions of euros)	12/31/2016			12/31/2015 restated			Change
	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	
Residential Property Development	215.0	28.0	243.0	198.2	22.4	220.6	22.4
Commercial Property Development	92.0	15.4	107.4	36.7	13.5	50.2	57.2
WORKING CAPITAL REQUIREMENT^(a)	307.0	43.4	350.4	234.9	35.8	270.7	79.7
NET DEBT^(b)	53.2	30.7	83.9	(113.1)	25.0	(88.1)	172.0

(a) The WCR now includes deferred tax assets and liabilities.

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

The working capital requirement (WCR) improved by €79.7 million compared to the beginning of the year 2016, totalling €350.4 million.

The WCR for the Commercial Property Development Division rose to €57.2 million due to construction starts in major projects.

The WCR for the Residential Property Development Division also increased, by €22.4 million, following the business recovery shown by the significant growth in backlog and the revenue outlook for 2017.

Net cash from the Property Development Division stood at €(83.9) million, down €172 million compared with December 31, 2015, due to the increase in WCR and the payment of €120.5 million in dividends during financial year 2016.

3.4. Competitive position of the Property Development Division

Icade is a French property investment company with a presence all across the country, thanks to its network of 19 local offices. Icade is actively involved in urban planning and in the development of residential, commercial and public facilities in the French cities and regions. In the Commercial segment, Icade has reinforced the synergies between its property development activities and its Property Investment Division, while continuing to develop projects for its usual clients (investors and for its own account).

While Icade Promotion is capable of working on all types of solutions, it focuses mainly on important, large-scale, complex and/or mixed-use projects.

Icade Promotion is one of the leaders in the construction of public facilities (educational, cultural, police stations) or healthcare facilities (public and private hospitals, EHPAD). This activity is performed either as part of off-plan purchase agreements or property development contracts with the state or local authorities, or as part of Project Management Support contracts.

Icade also carries out major public infrastructure projects under public-private partnership (PPP) agreements. In the residential segment, Icade Promotion operates as a distributor to institutional investors (social institutional investors [ESHs], real estate investment companies [SCPIs], real estate collective investment schemes [OPCI] and the intermediate housing fund [FLI]), home buyers or individual investors. It is positioned in the entry-level and mid-range categories and it also develops residences with services for students or seniors, or innovative products such as the "BiHome" shared housing concept.

Icade: largest French property developer in the commercial segment, sixth largest in the residential segment, and among the highest scoring in CSR by GRESB in 2016.

Since 2006, Icade has accounted for 100,000 sq.m per year on average in the office market; it has a residential land portfolio of more than €2.2 billion.

2016 REVENUE OF THE MAIN PROPERTY DEVELOPERS (in millions of euros)

Property developers	2016	2015	2014	2013
Nexity ^(a)	2,574	2,541	2,100	2,285
Bouygues Immobilier	2,568	2,304	2,775	2,510
Altarea Cogedim ^(b)	1,370	1,012	822	883
Kaufman & Broad ^(c)	1,238	1,063	1,083	1,026
Icade Promotion	1,055	955	1,245	1,091
Eiffage Immobilier	768	743	740	662
Vinci Immobilier	774	707	587	816

(a) Revenue from the residential and commercial real estate segments.

(b) Revenue from the residential and office segments.

(c) Results from December 1, 2015 to November 30, 2016.

PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES
Results from discontinued operations

Residential Property Development

Icade's residential segment represents 66% of its IFRS revenue.

There are several regional and national players involved in this market. Icade is ranked fifth based on the number of housing orders. The following table shows the number of orders of the main residential developers in the past four years:

Residential developers	2016	2015	2014	2013
Nexity ^(a)	18,890	14,235	12,562	12,322
Bouygues Immobilier ^(b)	13,866	12,195	11,776	10,963
Altea Cgedim	10,011	6,011	4,526	3,732
Kaufman & Broad ^(c)	8,017	6,901	5,871	5,379
Icade Promotion ^(d)	5,665	3,999	3,912	3,605
Vinci Immobilier	5,485	4,189	3,321	2,823
Eiffage Immobilier	4,134	3,671	3,395	3,267

(a) Number of housing and subdivision orders, both in France and internationally.

(b) Number of housing orders, both in France and internationally.

(c) Results from December 1, 2015 to November 30, 2016.

(d) Number of housing orders and building plot reservations.

Source: Company data.

Commercial Property Development

Icade's Office and Retail segment represents 20% of its IFRS revenue.

In this segment, Icade competes with the main real estate companies, including Bouygues immobilier, Nexity, BNP Paribas Real Estate, Altea Cgedim, Linkcity (Bouygues construction).

Icade's public and healthcare amenities segment represents 13% of its IFRS revenue.

The Public-Private Partnerships/Healthcare activity consists of the development and execution of public or private amenities projects mainly in the fields of Healthcare (public or private hospitals, facilities for elderly dependent persons, accommodation facilities for the elderly) and education (high schools, universities, private schools and research). These projects are carried out under Project Management Support or property development contracts.

Icade's main competitors in the field of Project Management Support are semi-public companies (SEMs), public urban development companies (EPA) or engineering consultancies such as ISMS, A2MO, Sogelerg, Egis, Polyprogramme, and Seca Santé.

Regarding property development contracts, Icade's main competitors are the subsidiaries of major construction groups specialised in the planning and execution of property development projects such as Linkcity or Cirmad (Bouygues), Eiffage immobilier, Adim (Vinci), Fayat immobilier and Rabot Dutilleul. These competitors when it comes to property development are sometimes also partners in cases of joint tender bids.

4. Results from discontinued operations

Profit/(loss) from discontinued operations was +€13.3 million as of December 31, 2016 vs. €(20.5) million as of December 31, 2015.

This figure includes the profit/(loss) from disposals of entities from the Property Services Division in the amount of €16.0 million.

5. Other information

5.1. Financial data for the past five financial years

Icade - Type of indications	2016	2015	2014	2013	2012
1 - Financial position at year-end					
A Share capital	112,966,652	112,966,652	112,831,295	112,669,299	79,263,666
B Number of issued shares	74,111,186	74,111,186	74,022,386	73,916,109	52,000,517
C Total bonds convertible into shares	0	0	0	0	0
2 - Comprehensive income from continuing operations					
A Revenue excluding tax	295,122,899	312,582,499	337,698,268	174,908,821	180,946,050
B Profit/(loss) before tax, employee profit-sharing, depreciation, amortisation and provisions	271,980,136	417,122,872	275,186,266	145,586,017	211,966,065
C Corporate tax	6,205,103	48,303,767	5,995,796	6,361,617	4,003,466
D Profit/(loss) after tax, depreciation, amortisation and provisions	121,834,716	113,713,289	95,094,569	(31,183,581)	61,199,462
E Total dividend distribution				270,944,411	188,476,062
3 - Key income statement items (per share)					
A Profit/(loss) after tax and employee profit-sharing, but before depreciation, amortisation and provisions	3.586	4.977	3.637	1.884	3.999
B Profit/(loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	1.644	1.535	1.285	(0.422)	1.177
C Dividend per share	3.73 ^(a)	3.73	3.73	3.67	3.64
4 - Staff					
A Number of employees at year-end	9	13	12	342	309
B Total payroll expense	4,572,032	4,606,077	19,404,131	27,423,673	25,104,852
C Amount of sums paid for employee benefits (social security, social welfare programmes, etc.)	1,456,242	1,620,221	6,393,398	12,419,164	11,329,377

(a) Subject to the approval of the Annual Ordinary General Meeting (OGM). This sum will be adjusted based on the number of shares in existence on the day of the annual OGM.

5.2. Activity of Icade's main subsidiaries

5.2.1. Icade Santé

The main activity of this subsidiary, in which Icade has a 56.51% stake, is to own the buildings of short-term and medium-term healthcare facilities: medicine, surgery and obstetrics (MSO) private hospitals, follow-up and rehabilitation care (FRC) and psychiatric (PSY) establishments.

As of December 31, 2016, Icade Santé holds, both directly and indirectly via a wholly-owned subsidiary, a portfolio of 96 healthcare establishments, including 79 MSO private hospitals and 17 FRC and PSY establishments, for a total of over 16,800 inpatient and outpatient beds.

The value of Icade Santé's portfolio excluding duties stands at €3,516.9 million, including a value of €66.0 million excluding duties from assets held by its subsidiary GVM Santé.

During the financial year 2016, the Company continued to invest in healthcare real estate assets by purchasing directly or indirectly the buildings of four private hospitals and two plots of land for the construction of healthcare facilities. The Company also continued to invest in extension or redevelopment works to facilities in its portfolio. Lastly, the Company paid a contingent consideration that had been contractually agreed, in respect of the acquisition of the Claude Bernard private hospital in Ermont (Val-d'Oise department), in 2014.

In 2016, rental income from these activities amounted to €200.7 million vs. €165.6 million in 2015. This 21.2% increase is primarily attributable to the mergers in 2016 of subsidiaries that had been acquired in October 2015, and to the acquisitions conducted in 2015 and 2016. In 2016, net profit reached €50.5 million vs. €50.6 million a year earlier.

In 2016, Icade Santé distributed a dividend for financial year 2015 of €2.67 per share, for a total of €87 million.

5.2.2. Icade Promotion

The core business of this wholly-owned subsidiary of Icade is residential property development. As of December 31, 2016, it was a shareholder of 243 property development companies included in Icade's scope of consolidation.

The Company recorded revenue of €605.8 million in 2016 vs. €537.3 million in 2015. In line with revenue growth, operating profit went up to €4.1 million in 2016 vs. €1.7 million a year earlier.

As of the date of publication of this document, and pending the results of joint ventures, the individual financial statements of Icade Promotion have not yet been approved by the General Meeting. As a reminder, in 2015 net profit was €20.5 million.

In December 2016, Icade Promotion's General Meeting decided to pay a special dividend of €100 million, i.e. €13.48 per share, from reserves.

5.3. Other information – Payment terms – Contracts

5.3.1. Accounts payable

As of December 31, 2016, accounts payable and related accounts, including intra-group debt, amounted to €54.3 million vs. €34.4 million as of December 31, 2015.

Details are shown below:

(in millions of euros)	No due date		Due at period end		Not yet due				Total	
					< 30 days		> 30 days			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Accounts payable	-	-	-	-	0.40	3.83	-	0.04	0.40	3.86
Provisions for invoices to be received	53.60	30.22	-	-	-	-	-	-	53.60	30.22
Other	0.30	0.30	-	-	-	-	-	-	0.30	0.30
TOTAL	53.90	30.52	-	-	0.40	3.83	-	0.04	54.30	34.38

The payment terms agreed with suppliers are usually between 30 and 60 days. They are generally observed, except for disputes which are dealt with on a case by case basis.

5.3.2. Accounts receivables

As of December 31, 2016, accounts receivable and related accounts amounted to €106.8 million vs. €95.3 million as of December 31, 2015.

Details are shown below:

(in millions of euros)	Not yet due		Due date in <30 days		Due date in 30 to 60 days		Due date in 60 to 90 days		Due date in >90 days		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Accounts receivable	-	0.12	(0.27)	2.66	1.89	1.04	0.05	(0.00)	4.52	3.79	6.19	7.61
Doubtful debts	-	-	-	-	-	-	-	-	10.39	8.22	10.39	8.22
Invoices to be raised	90.17	79.45	-	-	-	-	-	-	-	-	90.17	79.45
TOTAL	90.2	79.6	(0.3)	2.7	1.9	1.0	0.1	(0.0)	14.9	12.0	106.8	95.3

The increase of €15.4 million in accounts receivable and related accounts is mainly related to the change in invoices to be raised, which are the result of straight-lining of lease incentives.

5.4. Contracts

5.4.1. Major contracts

Icade and its subsidiaries have not entered into any significant contracts, outside the normal course of business, for the group consisting of Icade and its subsidiaries during the two years preceding the date of this report.

5.4.2. Related-party transactions

The most significant agreements entered into between Icade and/or certain of its subsidiaries include: service provision agreements, a trademark license as well as financing agreements.

The report produced by Icade's Statutory Auditors on regulated related-party transactions and commitments as referred to in Article L. 225-38 of the French Commercial Code which were authorised or which continued during the year ended December 31, 2016 is shown in chapter 9 of this registration document.

Service agreements

On July 1, 2014, the administrative management and property management activities coming from Icade and the former Silic entity, performed respectively by Icade and by SAS Socomie until then, were grouped within GIE Icade Management.

This legal structure offers assistance and services in matters related to support functions and real estate, for the exclusive benefit of the companies of the Icade group.

Relationships between GIE Icade Management and its members, exclusive beneficiaries of its services, are governed by an internal procedure and by service provision agreements.

Trademark licensing agreements

Icade grants to the relevant subsidiaries the non-exclusive right to use the name "Icade", the "Icade" trademarks, and the stylised letter "I", whose dot is marked with the Caisse des dépôts badge, in their company name and/or their logo within the scope of their business activities, as well as the right to use the logo owned by Icade.

Trademark licensing agreements are concluded for an initial period of one year, renewable annually three times by tacit agreement. Trademark licensing agreements can be terminated annually by either party by giving at least three months' notice before the end of the current year.

5.4.3. Specific clauses relating to the business activities

None.

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ICADE, A COMMITTED AND SOCIALLY RESPONSIBLE PLAYER, CO-CREATOR OF THE SMART CITY

The city of tomorrow is designed today—it will be smart, sustainable, inclusive and more resilient as a result. As a committed and socially responsible player for cities, Icade has integrated its thoughts about the Smart City into its solutions. Its convictions are shared by its largest shareholder, Caisse des dépôts. A long-standing partner of local authorities, Caisse des dépôts supports projects for a smart city and has made Icade's Portes de Paris business park one of the eight showcases for the Smart City.



Jean-Pierre Matton

DIRECTOR OF PUBLIC PARTNERSHIPS AND THE GREATER PARIS PROJECT, PROPERTY DEVELOPMENT DIVISION

// Greater Paris, through its project for a sustainable city, calls upon the social responsibility of all its players, and foremost among them Icade, in designing the city of tomorrow. However, Icade must also adapt its property development and planning businesses, by providing solutions to spearhead and assist these new urban lifestyles and habits."

Olivier Guillouët

DIRECTOR OF DEVELOPMENT, COMMERCIAL PROPERTY INVESTMENT DIVISION

// The city of tomorrow will be state-of-the-art and open to trying new things. We are seeking to invent this city in our business parks by putting users and local development at the centre of our discussions about mobility, quality of life, social interaction and by embracing digital technology."



Icade's solutions contribute to building the city of tomorrow

Icade is a sustainable value creator which addresses all the challenges faced by the cities:

- intelligence, i.e. connectivity, data management and information sharing;
- sustainability through green urban planning;
- social inclusion: cities must be built for everyone;
- capacity to absorb future changes, to adapt and to be resilient.



DIGITAL CONCIERGE SERVICES

Developed in partnership with start-up company Jobbers, this digital service can be accessed from a smartphone and makes life easier for business park users while promoting shorter supply chains by bringing users together with local businesses and providers.



YNFLUENCES SQUARE

In Lyon, Ynfluences Square reinvents urban planning by being based on the wishes expressed by local residents and on workshops with sociologists, experts and stakeholders. This participatory approach led to a project promoting:

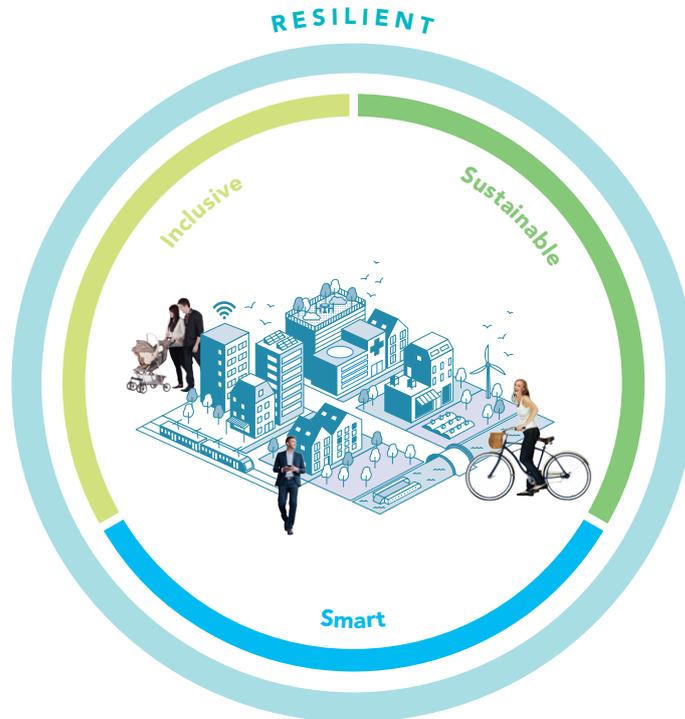
- social diversity and community harmony: 40% of social housing, shared services and gardens;

- environmental performance: 42% of vegetated surfaces, local and sustainable materials, Effinergie+ Label, rainwater collecting systems, solar photovoltaic energy;
- connected services: new generation of home automation, smart energy management (smart grid), digital concierge services...



DIGITAL SERVICE PLATFORMS

All of Icade's divisions are developing customised tools to enable users to be in direct contact between themselves and with their partners. They help create social ties between dwelling occupants and business ties between business park users, and they also give access to numerous services.



URBAN FARM

Icade participates in building an urban aquaponic farm in the Portes de Paris business park. This ecosystem will combine vegetable growing and fish farming and will contribute to the development of short supply chains by producing and distributing ultra-fresh organic products. This project will foster social cohesion through a learning programme and the creation of jobs promoting professional integration.



CAR-SHARING SOLUTIONS

Clean, quiet electric vehicles are made available to dwelling occupants and business park users who can reserve them on a dedicated web platform.

1. CSR Strategy and Organisation

1.1. 2016 highlights

May 12 and June 6, 2016

Signing of the first biodiversity performance contract and contributing to the Nature 2050 programme in partnership with CDC Biodiversity. By these two innovative initiatives, Icade shows its commitment to preserving biodiversity through accurate monitoring indicators and choosing to fund efforts to restore threatened natural habitats.



June 21, 2016

A committed and caring partner, Icade has signed its first skills sponsorship agreement with the Samusocial of Paris. In this regard, the teams from Project Management Support of the Public sector and Healthcare Property Development Division have contributed their expertise to creating an accommodation and healthcare centre in Ivry-sur-Seine, designed to care for 180 isolated individuals (the homeless, single women and families).



June 24, 2016

Launching the innovative "Be Digit'all" training programme (COOC – Corporate Open Online Course) which assists employees in Icade's digital transformation.



July 5, 2016

Icade initiated "Coach Your Growth with Icade" in its business parks in response to three challenges – CSR excellence, the quality of life at work, and developing a business community.



October 13, 2016

Laying the first stone for the Sky 56 project, the first building in Lyon with the Well label. Serving the occupant's experience, this mixed-use building will epitomise workplace well-being.



October 25, 2016

Icade made the "A-list" of the Climate Disclosure Project (CDP) 2016, for its policies and efforts toward climate protection. Icade is now part of the 9% of companies on the "Climate A-list" at the global level.



October 2016

The Courlancy private hospital received the "Reims Sustainable City" label, reinforcing the vision that Icade shares with local authorities in terms of development and green construction. This private hospital is also aiming for HQE Excellent certification.



1.2. An approach in tune with our stakeholders

Icade's CSR approach relies on identifying and fully understanding their stakeholders in order to best meet their expectations. To accomplish that, Icade maintains a regular and constructive dialogue with its key stakeholders.

Icade's key stakeholders	Forms of dialogue
Customers	<ul style="list-style-type: none"> ■ Customer service ■ Satisfaction surveys ■ Thematic conferences ■ Green Lease Committees ■ User Clubs ■ Periodic reports for customers on the use and environmental performance of the built assets ■ Dedicated websites: the Commercial Property Investment Division's business park digital platform https://cyg-icade.com and the Property Development Division's website www.icade-immobilier.com ■ Digital communication and exchange platform on innovation www.hub-smartcity.com ■ Institutional leaflets and product leaflets ■ Social networks: LinkedIn, YouTube, Twitter
Employees & employee representatives	<ul style="list-style-type: none"> ■ Relations with social partners ■ Annual performance reviews ■ Employee surveys ■ Internal communication: intranet, information screens, magazines and in-house newsletters ■ Events: Sustainable Development Week, meetings with employees (results presentation, New Year reception, seminars, conferences) ■ Innovative Hub approach getting employees involved (intrapreneurs, employees responsible for following the news in their sphere of activity) in a physical space for co-working and exchange
Financial and non-financial community: Investors, institutional and individual shareholders, moneylenders, credit rating agencies, banks and insurance companies	<ul style="list-style-type: none"> ■ Shareholders' Meeting ■ Presentation dedicated to the investors, annual and semi-annual reports, press communications ■ Rebroadcasting of audio presentations and webcasts ■ Meetings with financial analysts and conferences ■ Response to non-financial rating agency questionnaires and meetings with SRI (Socially Responsible Investments) analysts
Elected officials, local authorities and communities	<ul style="list-style-type: none"> ■ Work group on the energy transition of Greater Paris ■ Signing of the Climate Action Charter of the City of Paris ■ Participation in Alec (Local Energy and Climate Agency for the <i>Plaine Commune</i> area) and the ViTeCC Club (Cities, Regions, Energy and Climate Change) ■ "Company-Region" Charter signed with the local public body of <i>Plaine Commune</i>, encompassing nine major cities in the North of Paris ■ Signing of local employment and integration charters
Business partners & suppliers: architects, builders, contractors, providers of intellectual services, service providers, Caisse des dépôts group, start-up and industrial partners	<ul style="list-style-type: none"> ■ Signing of responsible procurement charters and clean work site charters ■ Regular assessment of suppliers ■ Development of common projects with start-ups and industrial partners (Philips, EDF, Schneider, Veolia) ■ Development of common projects with subsidiaries of the Caisse des dépôts group (SNI, Egis, CDC Biodiversité, etc.)
Professional sector: certifiers and labellers, professional associations and regulatory authorities	<ul style="list-style-type: none"> ■ Joint development of the new HQE framework ■ Development of the new "Connected Buildings and Networks" label of the HQE framework ■ Participation in the Application Committee of the NF Housing and NF Living Environment (Cerqual) brands ■ AFNOR: Member of the Standardisation Commission for the Sustainable Management of Business Districts (ADQA) ■ Active member of several professional groups: EPRA (European Public Real Estate Association), France GBC (Green Building Council), Smart Building Alliance, FPI (French Federation of Real Estate Developers), Association HQE, FSIF (French Federation of Real Estate and Property Investment Companies) ■ Founding member of ADIVbois and BBCA (low-carbon building) associations that promote the use of wood in construction ■ Signing of the energy charter of the French "Sustainable Building Plan"
Associations and NGOs	<ul style="list-style-type: none"> ■ Integration partnerships: "Young talent from Plaine Commune", "<i>Canal des métiers</i>" (Jobs channel) and "<i>Nos quartiers ont des talents</i>" (Our neighbourhoods have talent) ■ LPO (League for the Protection of Birds): partnership agreement that adapted several Commercial Property Investment Division sites ■ Sponsorship and patronage, mainly supporting cultural activities and local sports ■ Founder of the Palladio Foundation, dedicated to taking public interest into account when building the city of the future
Media and events	<ul style="list-style-type: none"> ■ Press releases, press kits, press points, articles ■ Events: launching Coach Your Growth, Forum Smart City of Caisse des dépôts, laying the first stone of the Sky 56 building in Lyon, trade shows (SIMI, MIPIM)...
Universities and schools	<ul style="list-style-type: none"> ■ Partnerships specialised in recruitment with Essec and ESTP ■ Participating in research on next generation green roofs in partnership with the Pierre-et- Marie-Curie University (Paris 6) and CDC Biodiversité

1.3. Opportunities and risks associated with sustainable development

The management of risks is ensured by a proven internal control mechanism under the supervision of the Audit, Risk and Sustainable Development Committee. It is based on the mapping of operational risk, whose critical nature is re-evaluated every half year and specific mapping for accounting and fraud risk which is reviewed on an annual basis.

The Executive Committee reviews strategic risks every half year. These risks are reviewed based on their potential impact on Icade and their probability of occurrence. This assessment results in action plans and procedures being introduced, whose effectiveness is checked on a regular basis by "second level" controls. The Audit, Risk and Internal Control Department leads this risk monitoring and management system in collaboration with internal controllers from the operational and functional departments.

Close to 200 risks have been identified, with 25% within the scope of CSR. Financial risks associated with the effect of climate change on operations are outlined in the report of the Chairman of the Board of Directors (see chapter 5, Part 3 of this registration document). None of the risks identified in the risk mapping is likely to seriously affect the environment, with the exception of ICPE (Classified Facilities for Environmental Protection). This mainly includes the buildings' heating and cooling equipment, whose control is provided for in the ISO 14001 certifications for the business parks. *For further information, please consult the list of ICPEs in section 6.3 "Classified Facilities for Environmental Protection".*

Icade has accounted for no provision or guarantee for environmental risk over the 2016 reporting period, as in the 2015 and 2014 reporting periods.

Icade considers CSR as a lever for managing its risks and as a source of value creation opportunities in its activities, as set out in the table below.

RISKS AND OPPORTUNITIES ASSOCIATED WITH SUSTAINABLE DEVELOPMENT FOR ICADÉ

Categories of issues	Underlying risks	Underlying opportunities
Regulations	Non-compliance with new environmental, social or societal regulatory requirements. For example: thermal regulation, law on energy transition, law on the national low carbon strategy, law for the reconquest of biodiversity, nature and landscapes, draft decree related to the mandatory work in commercial property, disability law in matters of accessibility to public places	Making assets more appealing, strengthening the well-being of users and the commercial value of the assets
Financial	Obsolescence leading to impairment of the value of certain assets	Measuring green value, offering the best potential for value creation and reducing vacancy
	Increasing CAPEX for bringing the assets into compliance	Smoothing the investment in anticipation of necessary asset restructuring
	Increasing tenant charges in the event of an increase in energy costs	Controlling charges through grouped purchases and the support of tenants (green lease, user guides) in a customer service approach
Physical	Impact of climate change: heat waves, droughts, increased average temperatures, floods.	Adapting the assets and maintaining their long-term value
Operational	Increase in the vacancy rate and impact on the valuation	Accelerating the investment of assets and limiting the vacancy of business parks
	Organisational and social risks related to Icade's transformation	Opportunity to attract and establish the loyalty of talent, in the context of simplifying the organisation and developing a more collaborative culture
	Lack of anticipation of new needs of customers	Strengthening the immaterial value by supporting new uses: well-being of the occupants, connected buildings, etc.
Reputational	Difficulty in collaborating with the local players and the value chain or in obtaining building permits in the event of a societal controversy	Strengthening the sustainable joint innovation with business partners and improving the appeal of new projects

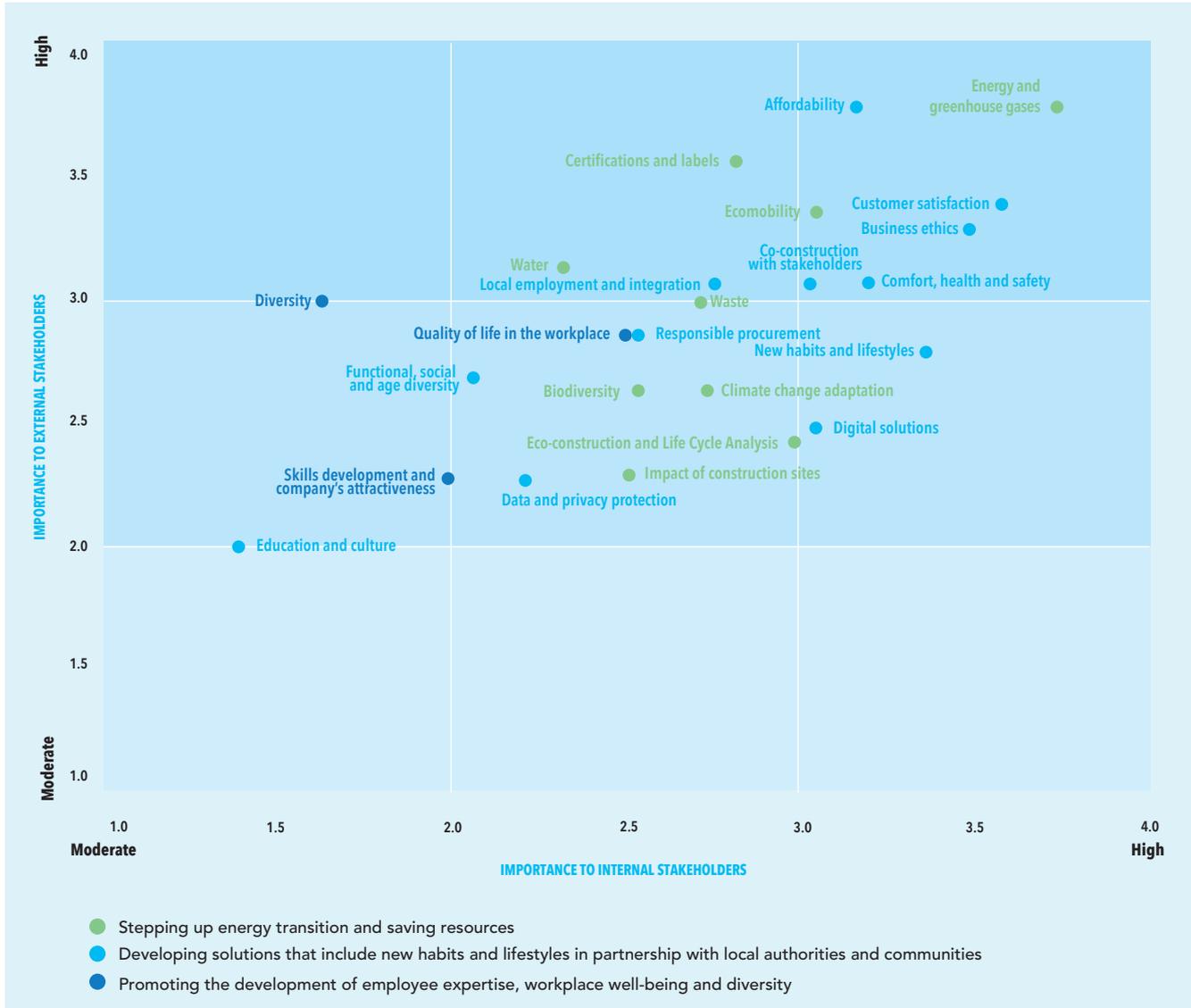
1.4. An approach structured around priority issues

In 2015, Icade conducted a detailed review of its CSR strategy based on the findings of two materiality analyses carried out for the Commercial Property Investment and Property Development Divisions. Aim: to

assess and prioritise the impact of each CSR issue on operations and performance for both Icade and its outside stakeholders.

This analysis was conducted by two independent firms, Greenflex and Imagin'able, in collaboration with panels of internal and external stakeholders. The issues matrices of the two divisions were combined into one, namely the Icade CSR Issues Materiality Matrix.

ICADE CSR ISSUES MATERIALITY MATRIX



1.5. Governance and CSR management

Icade, a player committed to CSR, alongside Caisse des dépôts

Icade's CSR strategy, which was redefined by its Executive Committee in 2015, takes into account the broad CSR guidelines adopted by Caisse des dépôts, its largest shareholder. Icade and Caisse des dépôts share an understanding of the public interest and a commitment to innovation. Innovation and CSR are closely related – any sustainable development strategy hinges on innovative solutions on a social, societal and environmental level being developed and implemented.

As an integrated real estate company with a long-term approach and strong local presence, Icade is also a major player in Greater Paris and a partner of choice in major urban areas. Its 1,100 employees and network of experts assist local authorities in their economic and regional development by building housing units, offices, shopping centres and public and healthcare facilities.

Caisse des dépôts is aiming high in matters of energy and ecological transition. Icade shares this desire by making concrete commitments, for example by reducing its greenhouse gas emissions by 40% by 2020 and promoting positive biodiversity. It also shares its social and regional commitments which include diversity and the quality of life at work, social cohesion and urban renewal.

In partnership with Caisse des dépôts, local authorities and its stakeholders, Icade wants to invent the city of tomorrow. This city will be smart, with local governance, collaborative services open to all, mobility and sustainable resource management. The first "Smart City" is being invented in the Portes de Paris business park. This demonstration project reflects the aims of both Icade and Caisse des dépôts for a smart and sustainable city.

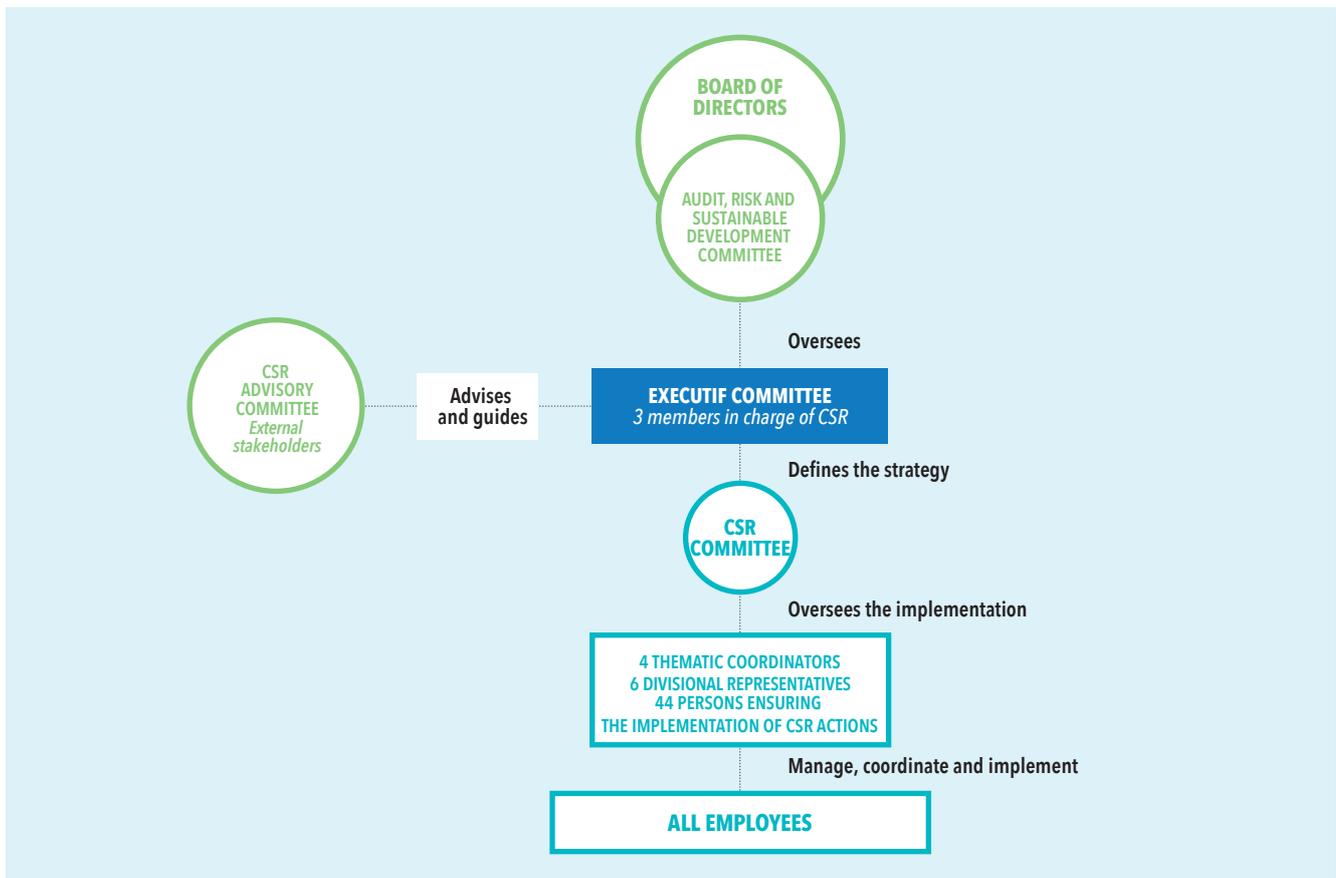
CSR Governance

Icade's CSR strategy is designed and led by four bodies:

- the Audit, Risk and Sustainable Development Committee, which reports to the Board of Directors, ensures the effectiveness of the internal control and risk management systems, analyses the separate and consolidated financial statements and sees to it that CSR commitments are met. The Committee is made up of five directors, which includes three independent directors. In 2016, this Committee met eight times, two of which to share Icade's 2016-2020 CSR commitments and measure its first results;
- the CSR Advisory Committee which brings together representatives of Icade's stakeholders (customers, service providers, shareholders, environmental experts, sociologists, etc.) as well as the Executive Committee and the Chairman of the Board of Directors. The purpose of this Committee is to steer the Company's CSR priorities. This bears witness to Icade's determination to reinforce its CSR strategy by bringing it face-to-face with all its stakeholders;
- the Executive Committee defines Icade's CSR strategy. Three of its members (out of a total of nine) are more specifically tasked with directing one of the components of Icade's CSR. They include Emmanuelle Baboulin, the Head of the Commercial Property Investment Division in charge of the environmental component of the CSR policy; Corinne Lemoine, Head of Human Relations specifically in charge of the social and societal components and Marianne De Battisti, Head of Innovation, Institutional Relations and Communication in charge of Icade's external CSR communication;
- the purpose of the CSR Committee is to monitor and adjust the implementation of Icade's CSR commitments. It is chaired by the CEO and is made up of three members of the Executive Committee in charge of CSR, Icade's divisional heads and heads of support functions and four thematic coordinators.

Implementing CSR initiatives and commitments is managed by the four thematic coordinators (Environment, Social, Societal and Communication), who report directly to the three members of the Executive Committee in charge of CSR. Their role is to spearhead the CSR approach and to ensure both the launch of CSR initiatives and cross-divisional collaboration. Implementing CSR initiatives is carried out by six divisional representatives supported by a network of 44 persons in charge of ensuring the implementation of specific CSR initiatives.

ICADE'S CSR ORGANISATION



The CSR strategy was entirely revamped in 2015 by adding quantified objectives on specific dates in connection with Icade overall strategic planning. The entire management structure is now involved – since 2016, all managers have had precise innovation and CSR objectives. As regards the members of the Executive Committee, a significant portion (10%) of their variable remuneration is contingent upon meeting CSR and innovation objectives.

1.6. Summary of 2016-2020 commitments and progress made in 2016

Pillars	2016-2020 Commitments	Scope	Indicators
<p>1</p> <p>DEVELOPING SOLUTIONS THAT INCLUDE NEW HABITS AND LIFESTYLES IN PARTNERSHIP WITH LOCAL AUTHORITIES AND COMMUNITIES</p>	1. Innovating with employees and the ecosystem of stakeholders	Icade	<p>Number of solutions resulting from the innovation process that contribute to customers' well-being and environmental performance</p> <p>Integration of CSR and innovation objectives into the individual road maps for senior executives and managers</p>
	2. Improving the occupants' quality of life and adapting to new lifestyles and habits	Commercial Property Investment	<p>Percentage of business parks having the new "Quality of life" label</p> <p>Number of "User Clubs" in the five main business parks</p>
		Property Development	Customer satisfaction index on completion
	3. Assisting customers in matters of environmental performance	Commercial Property Investment	Proportion of floor area covered by Green Lease Committees
		Property Development	Percentage of residential property and office buyers who received user guides aimed at raising awareness about environmentally-friendly practices
	4. Participate in the local economic and social development	Icade	Number of associative partnerships in which Icade employees are involved
		Property Development	Percentage of major construction projects that include professional integration commitments
	5. Reinforcing our responsible procurement policy	Icade	<p>Classifying materials and products having a low environmental and health impact</p> <p>Rate of increase in the amount of procurement from the sheltered work sector</p>
		Commercial Property Investment	<p>Proportion of new service provision contracts subject to a responsible procurement charter</p> <p>Proportion of main service suppliers evaluated by an outside body</p>
			Property Development
	6. Ensuring business ethics	Icade	<p>Proportion of employees identified as «at risk» having received anti-money laundering training</p> <p>Distribution of the new Code of Ethics</p>
<p>2</p> <p>STEPPING UP ENERGY TRANSITION AND SAVING RESOURCES</p>	1. Taking action to fight climate change	Commercial Property Investment	<p>Reducing CO₂ emissions of the buildings (<i>in kg CO₂/sq.m/year</i>)</p> <p>Reducing the energy consumption of the buildings (<i>in kWh_{pe}/sq.m/year</i>)</p> <p>Proportion of renewable energy in the energy mix</p>
		Property Development	<p>Reducing CO₂ emissions related to the grey energy of new construction projects (<i>in kg CO₂/sq.m/year</i>)</p> <p>Proportion of new offices exceeding Thermal Regulation RT 2012 in the Paris region by at least 10%</p> <p>Proportion of new residential units exceeding Thermal Regulation RT 2012 by at least 10%</p> <p>Number of new positive energy projects with the BEPOS label</p>
			Icade

NM: not monitored, NA: not applicable.

 Objective being achieved
  Objective achieved
  Objective not achieved

CORPORATE SOCIAL RESPONSIBILITY
CSR Strategy and Organisation

Base year	Results		Objectives	Time horizon	Progress	Comments
	2015	2016				
	2	10	20	2018		10 solutions resulting from the innovation process will be proposed to customers in 2016, including four that have been developed by Icade's intrapreneurs, one from industrial partnerships and five from start-up partnerships.
	NA	Reached	Reached	2016 to 2020		Since 2016, CSR and innovation objectives have been integrated into the individual road maps for senior executives and managers
	NA	0%	100%	2017		The label's standards are being finalised. It will be implemented in the parks in 2017.
	1	3	5	2017		Three "User Clubs" were set up at the end of 2016
	6.4/10	6.6/10	8.5/10	2018		The satisfaction index increased from 6.4 in 2015 to 6.6 in 2016. New initiatives aimed at improving customers' experience throughout their journey will be implemented in 2017.
	36%	82%	75%	2016		The goal of 75% was exceeded in 2016. For 2017, the goal is to reach 90%.
	100%	100%	100%	2016 to 2020		This guide is systematically issued to residential property and office buyers.
	1	3	Stable	2016 to 2020		Icade's permanent goal is to involve employees in associative partnerships. A number of initiatives were proposed in 2016 and new initiatives are planned for 2017.
	100%	100%	100%	2016 to 2020		All major new construction projects (above €50 million in work costs) included professional integration commitments in 2016.
	NM	Reached	Reached	2016		Materials for new construction comply with norms specifically related to the environment and health. Their use is planned to be expanded starting in 2017.
2015	NA	+15%	+50%	2018		The goal of +30% at the end of 2016 was not reached. Resources will be increased to reach the 2018 goal of +50%.
	100%	100%	100%	2016 to 2020		All suppliers signed this charter in 2016 as in 2015.
	0%	100%	100%	2016 to 2020		The main suppliers were evaluated by Ecovadis in 2016. This evaluation will result in action plans and will be updated on an annual basis.
	100%	100%	100%	2016 to 2020		All suppliers signed this charter in 2016 as in 2015.
	82%	100%	100%	2016		All employees identified as «at risk» were trained at the end of 2016.
	NA	Reached	Reached	2016		The Code of Ethics has been updated.
2011	(12)%	(23)%	(40)%	2020		Energy and carbon indicators significantly improved between 2011 and 2016. Icade has initiated action plans in connection with the various driving forces to reach its 2020 goals, including energy performance contracts, equipment replacement, on-site renewable energy production, partnerships and Green Lease Committees.
2011	(3)%	(11)%	(30)%	2020		
	8%	16%	20%	2020		
2015	NA	+3.5%	(12)%	2020		The carbon intensity of housing units increased by 1.1% whereas the carbon intensity of offices declined by 3.9%. The higher proportion of housing units as compared to offices in 2016 explains the rise in carbon intensity. Efforts will be stepped up to reverse the trend and reach the goal for 2020.
	100%	100%	100%	2016 to 2020		The objectives were met in the office segment and exceeded in the residential segment.
	12%	55%	25%	2016 to 2020		
	0	0	5	2017 to 2020		A number of BEPOS projects are being considered.
	NA	Reached	Reached	2016		A study was carried out on the Commercial Property Investment Division's entire property portfolio and will be continued in 2017.

Pillars	2016-2020 Commitments	Scope	Indicators
<p>2</p> <p>STEPPING UP ENERGY TRANSITION AND SAVING RESOURCES</p>	<p>2. Integrating the best certification and labelling standards</p>	Commercial Property Investment	Rate of annual increase in office floor area with In-Use certification
			Proportion of business parks with ISO 14001 certification
		Healthcare Property Investment	Proportion of new projects over 10,000 sq.m with HQE certification
		Property Development	Proportion of new residential units with HQE certification
	<p>3. Developing solutions for sustainable mobility</p>	Commercial Property Investment	Proportion of business parks and offices equipped with charging stations for electric vehicles
		Property Development	Proportion of new projects located less than a 5-minute walk from public transport
	<p>4. Promoting biodiversity to make the assets more appealing</p>	Commercial Property Investment	Share of assets with a net positive impact on biodiversity
		Property Development	Share of new construction with a net positive impact on biodiversity
	<p>5. Integrating the principles of a circular economy into the products and services</p>	Commercial Property Investment	Proportion of controlled operational waste that is recycled or recovered
			Reducing the water consumption of the buildings (<i>in m³/sq.m/year</i>)
		Property Development	Proportion of new offices with HQE certification that recover 60% of construction waste
	<p>6. Innovating for sustainable construction</p>	Property Development	Proportion of new projects equipped with a rainwater collecting system
Proportion of projects over 10,000 sq.m having conducted life-cycle assessments			
<p>3</p> <p>PROMOTING THE DEVELOPMENT OF EMPLOYEE EXPERTISE, WORKPLACE WELL-BEING AND DIVERSITY</p>	<p>1. Developing employees' skills and reinforcing the Company's attractiveness</p>	Icade	Percentage of positions filled internally
			Average rate of employees trained
			Percentage of employees benefiting from digital training
			Proportion of employees made aware of CSR issues
			Proportion of employees who received targeted training
	<p>2. Committed to improving quality of life in the workplace</p>	Icade	Percentage of teleworking employees
	<p>3. Promoting diversity in all its forms</p>	Icade	Percentage of female managers
Average rate of permanent positions filled externally by people under 26 years old			
		Proportion of employees over the age of 55	

NM: not monitored, NA: not applicable.

 Objective being achieved
  Objective achieved
  Objective not achieved

CORPORATE SOCIAL RESPONSIBILITY
CSR Strategy and Organisation

Base year	Results		Objectives	Time horizon	Progress	Comments
	2015	2016				
	+14%	+7%	+5%	2016 to 2020		The proportion of offices with Construction or In-Use certification increased from 41% in 2015 to 60% in 2016.
	78%	100%	100%	2017		The objective of 100% of parks with ISO 14001 certification was met.
	100%	100%	100%	2016 to 2020		The four major projects of the Healthcare Property Investment Division will all have HQE certification.
	23%	18%	35%	2018		The offices segment has already met the 2018 objective while efforts must be reinforced in the residential segment.
	92%	100%	100%	2018		
	59%	63%	100%	2018		The proportion of assets equipped with charging stations increased in 2016.
	82%	86%	>75%	2016 to 2020		The objective concerning the distance from public transport was reached in 2016.
	NA	NA	25%	2020		The first results will be ready to be released starting in 2017.
	NA	NA	25%	2020		
	39%	35%	100%	2020		To meet its objective in 2020, Icade has experimented with various approaches focused on three pillars: recovering on-site waste, improving the sorting process and assisting tenants.
2011	+2%	(6)%	(25)%	2020		Efforts will be reinforced in 2017 to step up the pace of reduction.
	NM	75%	100%	2016 to 2020		With 75% of the projects, the goal was not reached in 2016. Efforts will be reinforced to achieve this objective in 2017.
	31%	38%	>25%	2016 to 2020		Proportion of projects equipped with a rainwater collecting system increased in 2016.
	NM	22%	100%	2016 to 2020		22% of major development projects carried out an LCA in 2016. This type of assessment will be expanded through the introduction of the BIM method at Icade.
	0	3	5	2017 to 2020		A number of wood-based projects are under development, including two wood-based towers within the framework of a national tendering process.
	27%	44%	25%	2016-2018		Internal mobility significantly increased in 2016 in support of the Group's new strategy and the employees' desire for career advancement.
	69%	90%	80%	2016-2018		The proportion of employees trained increased in 2016.
	NA	70%	70%	2016		70% of employees were trained in this area which will be expanded in 2017-2018.
	NA	NA	80%	2018		This programme will be initiated in 2017.
	NA	94%	80%	2017		100% of asset managers and 87.5% of property portfolio managers were trained.
	5%	15%	>10%	2016		15% of Icade employees chose telecommuting in 2016. This work arrangement will be expanded in 2017.
	29%	31%	34%	2018		The objective was redefined to take into account the impact of the sale of the Property Services Division. The proportion of female managers increased between 2015 and 2016 in the new scope.
	16%	13%	15%	2016-2018		The rate stood at 13% in 2016 and should increase to reach 15% on average in 2016-2018. A number of initiatives are planned in order to hit this target.
2015	18%	19%	Stable	2016-2018		The employment rate of seniors increased slightly in 2016.

1.7. External evaluation of Icade's non-financial performance

Icade's CSR policy is reviewed by non-financial rating agencies on an annual basis. These scores allow Icade to place itself in a virtuous cycle of continuous improvement through a benchmark of sector best practices. The graph below shows the changes in Icade's scores in the main non-financial classifications.



● 2014 ● 2015 ● 2016

Icade clearly moved up CSR rating agencies' rankings in 2016:

- Icade made the "A-list" of the Climate Disclosure Project (CDP) 2016, for its policies and efforts toward climate protection. Icade is now part of the 9% of companies on the "Climate A-list" at the global level. CDP is a non-profit organisation dedicated to assessing companies' impact on climate change.
- The GRESB (Global Real Estate Sustainability Benchmark) placed Icade in its top "Green Star" category in both 2015 and 2016. Icade is ranked 5th out of 15 European companies in its "diversified assets" category. The Company has significantly improved its score, from 62/100 in 2015 to 76/100 in 2016. Its Property Development business, which was assessed for the first time, ranked 13th out of 315 companies from around the world. The Global Real Estate Sustainability Benchmark (GRESB) is an international organisation specialising in the assessment of CSR policies implemented by real estate companies.
- Icade ranks 4th out of 286 companies in the real estate sector according to Sustainalytics, a leading global provider of company CSR assessments. Icade thus remains in the 2016 STOXX® Global ESG Leaders index in 2016, which is based on Sustainalytics ratings.
- Icade ranks 7th out of 33 European companies in the real estate sector according to Vigeo Eiris, a European specialist in assessing CSR policies. The assessment made by Vigeo Eiris was not updated in 2016, but will be in 2017.
- Icade received "Prime" status awarded to leading companies in their industries by Oekom Research in 2015. Oekom Research is a German rating agency specialised in CSR assessment. The assessment made by this agency was not updated in 2016, but will be in 2017.
- Icade also maintains a presence on the FTSE4Good Global Index, with the score of 4 out of 5 from this British rating firm. This score places Icade among the top performing 3% of businesses in its sector.

- Icade was once again selected to be included in the Gaïa index of the Ethifinance agency, and moved up from 24th place in 2015 to 5th place out of 230 companies assessed in 2016. Ethifinance is a French non-financial research agency. The Gaïa index measures the degree of involvement of French small and mid-caps in CSR activities.

Apart from these agency ratings, Icade received several trophies and awards in 2016:

- The quality of Icade's environmental reporting was rewarded with a "Gold Sustainability Award" issued by EPRA (European Public Real Estate Association). Within the FTSE EPRA/NAREIT Developed Europe index, which is made up of 98 companies, Icade was one of the 25 companies that received a "Gold" award in 2016. In addition, Icade once again won a "Gold Award" in the financial category for the quality and transparency of its reporting.
- In 2016, for the second year in a row, Icade took first place in the ranking of female representation in the governing bodies of SBF 120 companies, in the category "gender balance in the Executive Committee".
- Icade received the 2016 CSR *Trophée Défis* for its involvement in the local community. This trophy was awarded to Icade for taking all the local players into account and its involvement in building the housing of the future. The trophy was awarded by a jury made up of partners, experts and top players in CSR, human resources, sustainable development, associations and foundations.
- Icade received two medals at the 2016 edition of the Cube 2020 competition which rewards building users that reduce their energy consumption. Icade received a silver medal for its Paris headquarters, Millénaire 1 (15.8% of energy savings) and a bronze medal for the Artois building in Paris (10.6% of energy savings).

DEVELOPING SOLUTIONS THAT INCLUDE NEW HABITS AND LIFESTYLES IN PARTNERSHIP WITH LOCAL AUTHORITIES AND COMMUNITIES

Development of collaborative processes, digitalisation, new expectations in terms of work practices, increased mobility, changes in ways of life... Society is undergoing profound changes to which real estate players must adapt. To meet its clients' expectations, or even anticipate them, and thus increase its business parks' and buildings' attractiveness, Icade invents new real

estate solutions and builds them in collaboration with its partners and local authorities and communities. The solutions designed by Icade have a different approach to space, include more flexible uses, offer new services accompanying changes in professional and personal life, ensure comfort and quality of life, foster social cohesion and provide high environmental performance.

COACH YOUR GROWTH: CSR EXCELLENCE



community. The following services are made available to companies:

- spaces and tools stimulating business relationships and collaborative work: office space solution for mobile workers, digital community platform, professional clubs;
- amenities and services promoting wellbeing: wide range of catering options, sports activities for all, cultural events, wellness centres, etc.

- innovative services: digital concierge services, shared conference room...

The services and infrastructures of the "Coach Your Growth" programme will be implemented in all of Icade's business parks by the end of 2017.

+5 PERCENTAGE POINTS

TARGET INCREASE
in the occupancy rate of business parks
between 2015 and 2018/2019.

Icade launched the marketing plan "Coach Your Growth with Icade", in its business parks for €30 million, to address three challenges: CSR excellence, quality of life at work, and developing a business



A CUSTOMER'S POINT OF VIEW

Thierry Hellin

**DEPUTY CEO OF PIERRE & VACANCES GROUP
- CENTER PARCS**

"To remain a showcase for the new urban way of life, Icade must help its tenants make better use of commercial buildings, meaning smaller but more functional offices with more common areas and a friendlier atmosphere."

€ **1.5** MILLION

BUDGET ALLOCATED TO INNOVATION.

100%

OF MAJOR CONSTRUCTION PROJECTS INCLUDE A PROFESSIONAL INTEGRATION COMMITMENT.

MIX'CITÉ: DIVERSITY AT THE HEART OF THE CITY

As a result of its **commitment to functional, social and age diversity**, Icade has created Mix'Cit . Arising from Icade's innovative approach, this new solution offers a threefold advantage—economic, social and societal. Its principles include developing projects at the centre of small and medium-sized cities, combining several complementary products (such as social housing, low-cost ownership units, residences for seniors, students or

the two combined, facilities for dependent elderly persons, medical services, etc.). The goal is to pool services and resources to optimise costs and meet the needs of a diverse population. The areas, services and resources shared by the various buildings promote social diversity, exchange and ties to the local community of both young and old.



A CUSTOMER'S POINT OF VIEW

Franck Darse

PROPERTY DEVELOPMENT DIRECTOR OF GIE ASTRIMMO

"The properties we develop must be adapted to today's new lifestyles. Housing has become modular and retail space has also become a place to relax and have fun. Real estate is evolving to find long-lasting solutions that meet the needs of users and local development."



2. Developing solutions that include new habits and lifestyles in partnership with local authorities and communities

2.1. Innovating with employees and the ecosystem of stakeholders

Sustainable innovation finds solutions to the societal and environmental problems of the 21st century. For this reason, Icade has made significant innovation efforts, putting its employees and its ecosystem at the centre of its strategy.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<ul style="list-style-type: none"> Propose twenty new solutions resulting from the innovation process that contribute to customers' well-being and environmental performance by 2018 		<ul style="list-style-type: none"> 10 solutions resulting from the innovation process will be proposed to customers in 2016, including four that have been developed by Icade's intrapreneurs, one from industrial partnerships and five from start-up partnerships. Since 2016, CSR and innovation objectives have been incorporated into the individual road maps for senior executives and managers
<ul style="list-style-type: none"> Implement CSR objectives and innovation for senior executives and managers starting in 2016 		

 Objective achieved
  Objective being achieved
  Objective not achieved

Cross-functional collaboration promotes innovation and CSR

At Icade, innovation and CSR are closely related – sustainable development hinges on the emergence of fresh solutions and original models on a social, societal and environmental level. Innovation is entrenched in Icade's overall strategy. In 2015, this was evidenced by the creation of an innovation department. Its duties include monitoring innovation to be able to identify new opportunities, coordinating the progress of innovative projects, ensuring that they are consistent with the Company's strategy and guaranteeing their operational implementation. The innovative process draws on an ecosystem of stakeholders:

- the Hub, Icade's intrapreneur community;
- the start-up network;
- partnerships with innovative large-, small- and medium-sized firms and schools' innovation labs.

Innovation strategy is closely tied to CSR strategy and they mutually benefit each other. For this reason, Icade is committed to proposing a range of twenty solutions that result from this innovative process by 2018 that would contribute to its customers' well-being or environmental performance.

A dedicated governance structure

Innovation is supervised at Icade by an Advisory Board, made up of outside experts providing expertise on the sustainable city, the economy, new uses and innovation. Innovation is coordinated internally by an Innovation Council and an Innovation Commitments Committee, with both bodies reflecting Icade's business lines and support functions. The Innovation Council oversees and steers innovation across various functions. The Innovation Commitments Committee decides how to allocate resources to the projects chosen, ensures that they are consistent with Icade's strategy and then monitors the projects that have been funded. It has a budget of €1.5 million.

Icade Hub

The Hub is Icade's innovation community which involves all employees in forward-looking planning for various activities including housing, the workplace, cities, healthcare and the company of the future. Launched at the end of 2014, this community has inspired a great deal of enthusiasm seeing that one-third of Icade's employees are involved outside the confines of any hierarchical structure.

A genuine community for exchanging ideas, the Hub takes many shapes:

- The intrapreneur community: as a result of forward-looking planning initiated at the end of 2014, thirty innovative projects formulated by employees have been identified. These projects deal with subjects such as participative housing, functional and age diversity, smart waste management, marketing tools, teleworking, the manager's changing role, green energy, etc. Each project is supervised by an operational department. Projects may also be supported by structures of the Caisse des dépôts group (the Lab CDC for example which is the business incubator of Caisse des dépôts) or outside structures (design agencies, schools such as Centrale Supélec). Some of these projects have already received funds from the Innovation Commitments Committee. Four projects resulting from the intrapreneurs' efforts were launched at the end of 2016, including Coach Your Growth, Real Estate 3.0, 100% Connected Dwellings and Mix'Cit . For further information about these projects, see sections 2.2. and 2.4.3.
- Open to the public since the end of 2015, Hub Smart City www.hub-smartcity.com serves as a standard bearer for real estate innovation. This site, where members of the innovation community can express themselves and contribute, aims to become the model source of information for the city of the future.
- The Hub is also a physical place where both employees and visitors can come to be inspired and exchange ideas. It provides space for co-working, exhibitions and conferences, most notably for the Meetings at the Hub. In two years, eighteen conferences have been organised on topics as diverse as workplace well-being, the major challenges facing the French health system, digital transition, uberisation, Big Data and artificial intelligence, "Smart Cities", etc. The eight meetings organised in 2016 drew 500 attendees and included speakers such as the former Health Minister Claude  vin, philosopher of science Jean Staune, futurist Jo l de Rosnay or "digital champion" Gilles Babinet.
- The monitoring network is made up of forty of Icade's employees responsible for following the news in their sphere of activity (think tanks, conferences, trade shows, start-up meetings) and sharing this news via Hub Smart City's website and innovation library.
- The innovation library is a database which is made available to operational teams to facilitate their search for innovative concepts and partners when participating in tender processes.

The start-up ecosystem

The first incubator of real estate innovation opened at the end of 2015 in Building 109 in the Portes de Paris business park: Icade invested €1 million in this 1,000 sq.m building which was entirely designed to facilitate the collaborative work of 11 young innovative companies: Immo Factory (digital tools for marketing real estate), eGreen (solutions for reducing energy consumption), Ecov (urban ride-sharing), Arteck (wood home construction), ACVFIT (connected applications for senior citizens) and the latest one, Epango (energy saving service for residents), etc.

Icade wants to involve these young companies in their innovation strategy by allowing them to test out their concepts with its customers and in doing so be able to develop new services and solutions. Icade has also worked with other start-ups. For example, Icade is exploring solutions for shared parking with ZenPark, a connected doctor's office with H4D or digital concierge service with Jobbers.

Innovating with industrial partners

Icade's innovation strategy extends beyond the Company's boundaries. Industrial partnerships have been entered into with leading innovative companies including Philips, EDF, Schneider, Veolia and Transdev. The main focus of these partnerships is energy and digital transition. With Philips, for example, the renovation of the Orly-Rungis business park's outdoor lighting resulted in energy savings of 90% thanks to LED lighting connected to a lighting management system making it possible to reduce lighting at night and on weekends.

Involving employees in the CSR strategy

Icade strives to involve all of its employees in its CSR strategy. This call to action relies on three driving factors – raising awareness, implication and incentives.

For a number of years, Icade has been making its employees aware of the CSR issues involving their line of business. For this purpose, specific training on topics such as the buildings' environmental performance, certifications or BIM has been offered. To enable each employee to fully embrace these issues, conferences are organised during Sustainable

Development Week and a CSR awareness module will be introduced in 2017 aiming to reach at least 80% of the employees.

Cross-functional focus groups have been formed to deal with a variety of topics, including ecomobility, circular economy, connected buildings, Smart Property, renewable energy, energy storage solutions and the use of wood in construction. Their aim is to contribute to training the teams by sharing the expertise of Icade's experts. Another of their aims is to add material to the innovation library.

At the same time, Icade encourages its employees to get involved in societal projects with many of the associative partnerships proposed to employee volunteers. The Company also gets its employees involved in environmental protection on a daily basis through its eco-friendly campaigns, the availability of electric vehicles and car sharing solutions. In 2016, Icade received the silver medal at the 2020 Contest for better Use and Building Efficiency (CUBE 2020) for energy efficiency at its headquarters (15.8% reduction in energy consumption to the previous year).

The Company strengthens the involvement of its senior executives and employees by making sure that they embrace the CSR policy. Since 2016, a significant portion (10%) of the Executive Committee members' variable remuneration is contingent upon meeting CSR and innovation objectives that have also been incorporated into the managers' individual road maps. This approach will be gradually broadened to include all employees.

2.2. Improving the occupants' quality of life and adapting to new lifestyles and habits

Lifestyles may be changing, but so are customers' expectations. They no longer only want a living or work space but are also looking for comfort, scalability, well-being and services attentive to their needs. Icade has met these expectations by developing innovative solutions promoting quality of life issues. These innovations are the result of a constant dialogue with its stakeholders.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● Create a "Quality of life" proprietary label for business parks and launch this label in all parks by 2017  ● Set up "User Clubs" in the five main business parks by 2017  <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> ● Increase the client satisfaction rating on completion to 8.5/10 in the Property Development Division by 2018 (+33% compared to 2015)  ● Use 3D building information modelling (BIM) for 75% of residential units and 100% of offices starting in 2016  		<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● The label's standards are being finalised. It will be implemented in the business parks in 2017 ● Three "User Clubs" were set up at the end of 2016 <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> ● The satisfaction index increased from 6.4 in 2015 to 6.6 in 2016. New initiatives aimed at improving customers' experience throughout their journey will be implemented in 2017. ● Despite the significant efforts that were made within the Company (training, adaptation of contractual documents), Icade grappled with its partners' more limited implementation of this method. More than half of new projects were developed in a BIM environment in 2016. While this represents a positive performance, it remains below target. Efforts will continue in 2017 to further improve not only itself but also its partners.

 Objective achieved

 Objective being achieved

 Objective not achieved

2.2.1. Adapting to changing habits and lifestyles

Adapting offices, dwellings and healthcare facilities to changing habits and lifestyles is the main challenge facing real estate professionals today. This has resulted in the introduction of new solutions.

Commercial Property Investment Division

In all new larger assets, such as the Echo Tower in La Défense, Icade's future headquarters in Issy-les-Moulineaux or business parks, services are systematically incorporated into the overall offering. As a result, two-thirds of offices and business parks have concierge services (physical or digital) and 46% have a fitness facility. Other services, such as workplace day care centres and convenience stores, also contribute to the users' ease of living. Beyond these traditional services, Icade has launched a "Coach Your Growth" programme and a "Real Estate 3.0" solution to meet the changing demands of companies that are more connected, flexible, mobile, collaborative and attentive to the well-being of their employees.

Launching the "Coach Your Growth" programme: vibrant business parks fostering excellence

To assist the companies that use its business parks and their employees with these transformations, in 2016 Icade launched its "Coach Your Growth" programme focused on three commitments, namely CSR excellence, the quality of life at work and developing a business community. Icade aims to strengthen the image of its business parks through a new identity and reinforced communication. Its goal is also to improve the appeal of its parks and increase their occupancy rates from 84% to 89% between 2015 and 2018-2019. To ensure the quality of its commitments, a new private label created by an external certifying body will be implemented in all business parks in 2017.

Business parks are becoming genuine business communities serving companies and their growth. Icade provides its tenant companies with space and tools to help them develop business relationships within their community. A community platform makes it possible to exchange ideas, pool best practices and develop shared projects. Digital exchanges are supplemented by face-to-face meetings through professional clubs (HR, CSR, etc.), real places for sharing experiences. Start-up accelerators will be set up in consultation with tenants to best meet the challenges they are facing.

The quality of life and work is increased through a wide range of eating areas, an outdoor sports facility and a sporting community led by professional trainers, common living areas, meeting places where users can relax and work that promote exchange ("village square", multi-purpose areas for hosting cultural events, etc.). A "service centre" will allow employees to find healthcare services (doctor's office, osteopaths) near their place of work. Regularly scheduled events (plays, gardening classes, etc.) set the tempo of community life. New services are tested in partnership with start-ups, including digital concierge services, ride-sharing, etc.

The commitments of the "Coach Your Growth" programme are complementary to the new "Real Estate 3.0" solution for the commercial segment.

Real Estate 3.0

Faced with social and technological change, companies are reinventing their culture and ways of working. To assist in this transformation and meet the needs of entrepreneurs, Icade has created an innovative concept, namely Real Estate 3.0. Designed for and with companies, from

start-ups to established firms, Real Estate 3.0 accompanies them on their journey with three new solutions: Smartdesk, GrowUp and WorkUp.

- Smartdesk is Icade's office space solution for mobile workers, with the first five locations in Paris, La Défense, Nanterre, Rungis and Villepinte. It provides space for co-working, most notably for remote workers, digital nomads and teams needing to meet to work on a project. It includes space adapted for each use, whether formal (shared workspaces, private offices, conference rooms) or informal (lounges, cafeterias, soundproofed areas).
- GrowUp, Icade's start-up accelerator: the first site opened in November 2015 in the Portes de Paris business park with 1,000 sq.m and hosting 11 start-ups. A second site is planned in the Orly-Rungis business park in 2017.
- WorkUp is a flexible office space solution. It caters to more established companies (very small businesses, SMEs and even intermediate-sized firms) needing flexible real estate solutions to assist them in their growth. Solutions include modular offices and flexible accommodations involving service provision contracts whose length can be adapted to users' needs. The first WorkUp will open at the end of H1 2017 in the Portes de Paris business park, with 1,900 sq.m of space able to accommodate 10 to 12 companies.

Healthcare Property Investment Division

As part of its partnership with Capio, one of the main healthcare operators, Icade has invested in the construction of an innovative healthcare facility, the Domont private hospital, entirely conceived and designed for outpatient care.

Outpatient care is becoming more and more prevalent in all healthcare facilities. Through changing techniques in surgery and anaesthesia, many operations can take place during the day without requiring a hospital stay. In order to make the best use of the space while ensuring patient comfort, the organisation and fitting-out of healthcare facilities must be entirely redesigned.

The Domont private hospital, which opened its doors on November 14, 2016, was designed with this in mind. The private hospital features an ultra-modern technical support centre and works in close partnership with the local medical network and Claude Bernard private hospital in Ermont, designed for care requiring longer stays.

Through this investment in an innovative and sustainable approach, Icade Santé has strengthened its position as a first-class real estate partner with healthcare operators.

Property Development Division

Blended families, joint custody of children, homeworking, apartment sharing, short-term renting between individual tenants, home care for the elderly and dependent persons all mean that individual housing units must be tailored to society's new ways of living. To meet these needs, Icade has invented new solutions:

- BiHome is a housing concept created by Icade and adapted to new urban lifestyles. It involves two-in-one housing units, with two separate entrances, one for the apartment and the other for a living environment that could be used as an office or for a student, dependent elderly person, live-in childcare help, teleworking area, etc. BiHome makes it possible to live both together and separately. This solution was implemented in one out of twenty development projects carried out by Icade in 2016.
- Auton'home is a response to the increasing demand for participative housing ^(a). Emanating from Icade's intrapreneurial approach, it is a participatory tool dedicated to facilitating this process which is more complex compared to a traditional development project.

(a) As defined in the Alur law (on access to housing and town planning reform), participative housing is a civic-minded approach that could allow natural and legal persons to work together to define and design their dwellings and shared space, to build or acquire one or more residential buildings and subsequently manage, if necessary, the constructed or acquired buildings.

It allows future buyers to benefit from the developer's expertise and technical competence to help them structure their ideas and better define their project. Highly developed in Northern Europe, participative housing has aroused a great deal of interest in France from individuals seeking to pool their resources to invent, finance and build their living environment centred on collective values and sharing. This thinking can be broadened to include issues concerning the interaction between housing, offices, shops, amenities, etc.

- ❑ In partnership with a start-up, Icade has developed a new state-of-the-art automated tool for handling complaints. This system considerably reduces the time needed to process complaints and could turn complaints into a way to increase the satisfaction of occupants, who welcome this tool which enables them to communicate. This innovation was tested in three development projects in 2016. This testing will continue on a wider audience in 2017 to assess whether it should be implemented on a national level.
- ❑ Icade is participating in the creation of a web application to meet the residents' need for social connectedness. This mini social network is specific to each building and allows its occupants to converse, post classified ads and find information about the condominium. Available on smartphones or tablets, this application also enables Icade to establish ties with the occupants, 80% of which rent their housing unit to individual owners. This tool makes it possible to go beyond the traditional product-customer approach to be part of a user-oriented approach.

2.2.2. Digital at the heart of Icade's products and services

Jean-Hervé Lorenzi, President of the *Cercle des économistes* and Chairman of Icade's Advisory Board, observed, "An effective innovation policy places the customer at the heart of the business. However, this customer is changing. In the future, a smart building will be the minimum requirement. Additional solutions will have to be proposed."

Digital technology has revolutionised organisational structures and business lines. Icade's digital strategy is designed to incorporate digital technology into its organisational structure and offerings in order to keep pace with customers' changing expectations.

The users' ease of use of digital technologies is one of Icade's top priorities.

- ❑ **100% connected dwellings:** In 2016, Icade signed a memorandum of understanding with SFR in order for 100% of new dwellings to be equipped with fibre optic broadband service, a socket in each room and a "home automation pack" for each development. There are many advantages – buyers have Internet access from their very first day on the premises and also benefit from three years of free service with SFR (Internet, telephone and television). Lastly, the housing units are designed to facilitate the integration of home automation services to afford occupants greater comfort and improve their daily lives.
- ❑ **Connected business parks:** as part of the quality of life improvement plan "Coach Your Growth", the Commercial Property Investment Division has increased the digital connectivity of its parks. In 2016, 35% of all parks had Wi-Fi access, with all parks to be connected by 2020.
- ❑ **Community platforms:** all of Icade's divisions are developing customised tools not only to enable Icade to be in direct contact with its users, but also for contact between the users themselves and between users and their partners: in this regard, the Commercial Property Investment Division has implemented a platform in its business parks to reserve and manage offices in "Real Estate 3.0" and to support user communities in its parks. The Residential Property Development Division is developing a customised portal putting in touch customers, project stakeholders and Icade. This platform will assist customers at every stage of their residential journey, from the order to two years after completion. It will store paperless documents, provide access to project information, put them in touch with their partners and enable them to make appointments (with bankers, notaries, brokers, property portfolio managers, movers, etc.). This platform will also integrate a 3D configurator for real

estate allowing customers to not only customise their future dwelling before completion, but also to choose its layout, decor, flooring, colour scheme, etc. Upon completion, in 2017, this multi-purpose and multi-service platform will provide E-commerce services offering the possibility to finance, reserve, visit and sell online.

- ❑ **"Connected Buildings and Networks" Label:** Icade, which has always supported the HQE Association in its commitment towards sustainable quality in building projects, is part of the pilot operations of this new label. The label's standards are being finalised and will be available in 2017. It will encompass all the functions of a connected building (equipment control, reducing energy consumption, protecting and securing the building, assisting persons with reduced mobility, accessing Internet). This label, co-developed with SBA (Smart Building Alliance) will attract attention to R2S ("Ready-to-service") standards developed by the association. The notion of "Ready-to-service" includes the ability of buildings and networks to accommodate new technologies (connected objects, home automation) through an open and interoperable infrastructure. The goal is to develop new services associated with the digital collaborative economy.

At staff level, integrating digital tools also optimises management procedures and increases customer satisfaction with the help of the following tools:

- ❑ **BIM Method (Building Information Modelling):** this 3D model-based process for all information about a building during its life-cycle (design, construction, operation, remodelling or demolition) to better manage the budget, have a comprehensive approach to costs, and optimise the quality and service life of materials. It involves new ways of working for Icade's employees and between Icade and its partners. For this reason, Icade made every effort to train more than 300 of its employees in BIM in 2016. In addition, contractual documents have been adapted and henceforth incorporate this way of working collaboratively with the different players in the construction process. In 2016, more than half of new projects has been developed using digital models.
- ❑ **Digital integration:** a digital training programme has been introduced for all Icade employees in 2016, to assist them in the digital transformation taking place at the Company. *For further information, see 4.1. "Developing employees' skills and reinforcing Icade's appeal".*

2.2.3. Measuring and improving customer satisfaction

Commercial Property Investment Division

To assist tenants in their everyday lives, a customer service department is available to all tenants. The quality of this service is closely monitored, for example the call centre's response time is five seconds on average and 82% of interventions took place in less than 24 hours in 2016 (as compared to 75% in 2015).

Icade also checks the quality of the services offered in its business parks through satisfaction surveys addressed to the users of fitness areas, Company restaurants and transport services.

Property Development Division

Icade has set an ambitious goal in connection with improving customer satisfaction, i.e. moving from 6.4/10 on the index in 2015 to 8.5/10 in 2018, representing a 33% increase. To accomplish this, an action plan aimed at optimising the experience of customers throughout their journey has been drawn up for all products and channels of communication.

The first part of this plan was to provide customers with qualitative questionnaires about their satisfaction at every stage of their journey in 2016. Analysing the level of satisfaction and the comments collected make it possible to rapidly take corrective measures, after a cancellation for example, to re-establish the sales relationship. New initiatives will be taken in 2017 to further enhance the customer experience.

2.2.4. Guaranteeing the health and safety of occupants

The customer experience also rests upon the quality of life, health and safety. Icade is taking concrete action on these topics.

Commercial Property Investment Division

Air quality of all HQE In-Use certified buildings is measured on an annual basis. At that time, the Commercial Property Investment Division verifies the performance of the ventilation systems as well as the level of indoor air pollutants.

The Coach Your Growth programme, currently being rolled out in business parks, includes significant health, fitness and safety requirements. The pilot project of the programme, the Orly-Rungis business park has a sports and wellness area for a sporting community led by professional trainers as well as a doctor's office.

The Safety Department, created in 2013, is responsible for risk management and prevention in the Commercial Property Investment Division's business parks and offices. To respond to exceptional events, Icade has reinforced security measures in 2016 for its high-rise buildings, increased the number of security guards and beefed up security measures

to control access to the buildings. Security will also be reinforced in the business parks as part of the Coach Your Growth programme (e.g. video surveillance equipment).

Property Development Division

Reducing noise and air pollution involves not only comfort levels but also has health implications. Consequently, Icade's Property Development Division has adopted measures that are specific to these two issues.

With regard to noise reduction, Icade has imposed sound power levels two times lower than what is required for its NF Living Environment-certified buildings. In addition, in its HQE- and H&E-certified buildings, the "green work site" charters limit the number of decibels during the construction phase.

Each development project uses only materials whose impact on air quality is reduced (Class A or A+) and NF-, HQE- or H&E-certified development projects are subject to on-site inspections, with verification of the effectiveness of the ventilation systems and monitoring of their implementation. In addition, the "user guide" raises the awareness of owners about the impact that materials (paint, varnish) might have on indoor air quality.

2.3. Assisting customers in matters of environmental performance

A building's environmental performance is not solely determined at the time it is designed or built. Its performance largely depends on the behaviour of its users. Icade pledges to work with users to help them reduce their energy consumption and expenses.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> Reaching 75% of Green Lease Committees by the end of 2016 and 90% by the end of 2017 Signing 100% of regulatory green leases in 2016 Signing 100% of green leases on HQE- or BREEAM In-Use certified buildings in 2016 <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> Expand the distribution of user guides to help raise awareness about eco-actions in new construction 	<ul style="list-style-type: none">     	<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> The goal was exceeded with 82% of Green Lease Committees in 2016. Goal almost achieved with 95% – The goal of 100% is carried over to 2017. Engaging and mobilising tenants not subject to regulatory requirements has presented difficulties. Efforts will be reinforced in 2017. <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> This guide is systematically issued to residential property and office buyers
<p> Objective achieved</p> <p> Objective being achieved</p> <p> Objective not achieved</p>		

Commercial Property Investment Division: Working with tenants

A pioneer in raising tenant awareness, Icade has included Green Lease clauses in its leases since 2010, i.e. three years before regulatory requirements were imposed. Green Leases are now only required for retail space over 2,000 sq.m, i.e. 42% of the Commercial Property Investment Division's floor area. However, Icade has been more ambitious by broadening the spectrum of tenants involved and setting up Green Lease Committees.

Green Lease clauses provide for an accurate inventory of energy consumption, water and waste production. This inventory will serve as a reference for monitoring future consumption and identifying where improvement can be made. Green Lease Committees become involved at this point. They are real places for exchanging ideas and best practices, making it possible to develop action plans with quantified

objectives for the consumption of energy, carbon, water and waste. Icade considers Green Lease Committees to be precious tools for the purpose of going beyond the principles contained in Green Lease clauses. These Committees make it possible to provide real support to tenants who welcome this approach. For this reason, Icade has set ambitious goals in this regard. Icade has exceeded its goal of 75% of Green Lease Committees in 2016, with 82% of Green Lease Committees set up or planned and aims for a rate of 90% in 2017.

The experience proves that setting up Green Lease Committees has very beneficial effects. For example, the first Committee, set up in 2010 with Pierre & Vacances-Center Parcs, made it possible to reduce energy consumption by 14%, water consumption by 75% and waste production by 36% between 2009 and 2016. These results were obtained not only by implementing technical measures (water-saving equipment, increased water leak detection, replacement of burners in gas-fired boilers, LED lighting, selective collection) but also by raising the users' awareness of

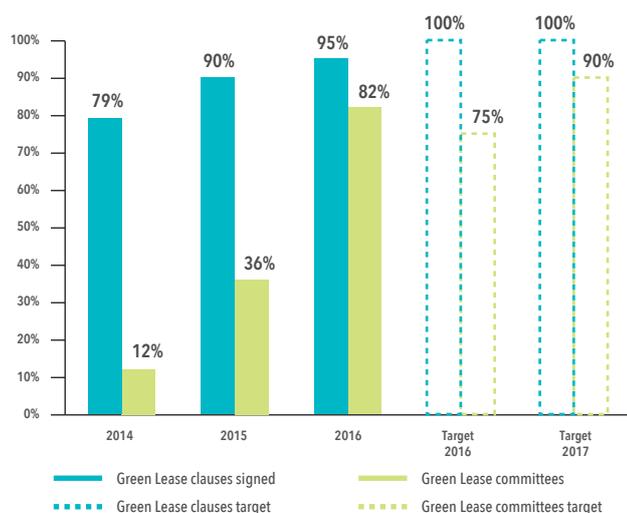
CORPORATE SOCIAL RESPONSIBILITY

Developing solutions that include new habits and lifestyles in partnership with local authorities and communities

eco-actions. This approach was rewarded at the 2016 Edition of CUBE 2020 (Contest for better Use and Building Efficiency) organised by IFPEB (French Institute for Building Performance). The headquarters of Pierre & Vacances-Center Parcs obtained a bronze medal by reducing energy by 10.6% between July 1, 2015 and June 30, 2016.

However, it remains difficult to engage tenants not subject to regulatory requirements and operator certification. Despite Icade's efforts, only 9% of them signed Green Lease clauses in 2016. Efforts will be reinforced in 2017. In contrast, the signing of regulatory Green Lease clauses increased from 90% in 2015 to 95% in 2016. Icade remains focused on its goal to reach 100%.

PORTION OF THE SURFACE AREA COVERED BY REGULATORY GREEN LEASE CLAUSES AND GREEN LEASE COMMITTEES



Property Development Division: guaranteeing the environmental performance of customers

Icade wishes to go beyond its responsibility as a developer by guaranteeing the environmental performance of the buildings after their completion. This reflects the strong expectations of its customers.

Icade has therefore put in place a commissioning process, i.e. a quality-assurance process that guarantees that the buildings are designed, constructed and tested in line with energy performance targets. Following the building's completion, Icade monitors the consumption of technical facilities (especially air conditioning and heating).

For example, this guarantee has been implemented in two development projects, namely the Thémis and Twist buildings in the Clichy-Batignolles district in Paris. From the moment they were designed, Icade and its partners committed themselves to the overall energy consumption of each of these buildings for three years. The energy performance guarantee will be systematically proposed for all commercial property developments in the Paris region.

To raise the buyers' awareness on completion of their housing unit or office, the Property Development Division will provide them with an information guide about their new living environment including advice on how to optimise the use of equipment, reduce waste production as well as the consumption of water and energy.

At the same time, Icade has anticipated regulatory requirements by immediately testing a digital log book in eight residential property developments. Icade, together with Caisse des dépôts, La Poste, SMA and Qualitel, has been selected to participate in testing pilot projects conducted by the French government. The findings of this study will enable the regulator to determine the provisions required for the digital log book. Provided for under the law on energy transition for green growth, this tool must disclose any information that would be relevant to the correct use, maintenance and gradual improvement of the energy performance of residential units and common areas. It will be mandatory for any new construction whose building permit was submitted on or after January 1, 2017.

2.4. Participating in the local economic and social development

As a social and economic development player in the French regions, Icade is committed to promoting age, social and functional diversity in its real estate developments. This diversity will make its real estate portfolio more dynamic and appealing and represents a driving force for its presence in the regions. By signing charters dedicated to local employment and professional integration, Icade has strengthened its ties to local communities and has positioned itself as a key player for social and economic development.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>ICADE:</p> <ul style="list-style-type: none"> Develop integration and local employment partnerships and involve employees in associative partnerships <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> Include professional integration commitments in major construction projects 	<p>✓</p> <p>✓</p>	<p>ICADE:</p> <ul style="list-style-type: none"> Two new initiatives were launched in 2016 which include a partnership with "Our Neighbourhoods Have Talent" and a skills sponsorship with Samusocial of Paris <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> 100% of major construction projects introduced professional integration commitments

Objective achieved
 Objective being achieved
 Objective not achieved

2.4.1. Committed to local employment, diversity and professional integration

Commercial Property Investment Division

The real estate industry employs close to two million people in France if developers, builders and all the suppliers and subcontractors involved are included. It is therefore a key player in employment policies, especially in the most vulnerable areas.

Icade assists local authorities with their employment and professional integration policies. A good example is *Plaine Commune*, a local public body encompassing nine major cities in the north of Paris, where Icade has a strong presence (37% of the business park surface area is located in this area).

In this area where the socio-economic indicators (unemployment, poverty, gender equality) are weaker than the national average, Icade signed as early as 2005 a "Company-Region" charter. This charter, which was renewed in 2015, provides for employment and training initiatives. It is within this context that 65,000 hours of professional integration commitments were targeted during the construction of the Veolia headquarters which was completed in 2016. This goal was exceeded with more than 90,000 hours of work carried out. Similarly, the 18-month construction project involving the Millénaire 4 building enabled Icade to create eight jobs within the framework of professional integration and to subcontract work to local very small businesses and SMEs.

Property Development Division

The Property Development Division supports economic development throughout the country by signing charters targeting local employment and professional integration: Icade will systematise this approach by introducing integration clauses for 100% of significant work sites (over €50 million in work costs). In 2016, for all of its development projects combined, Icade introduced integration clauses for 12 of these projects, representing 27% of surface area constructed.

2.4.2. Committed employees

Icade's commitment also includes marshalling the support of its employees. The Company supports and assists their initiatives promoting professional integration and solidarity.

The "Young Talent from Plaine Commune" Club is an example. Since its creation in 2010, two of Icade's employees have worked on this programme. Their task is to assist young people without skills to gain access to training and employment. Since its creation, 212 young people have benefited from this programme: 69% of them signed permanent employment or fixed-term contracts of over six months or received vocational training. Two of them signed permanent employment contracts with Icade.

Similarly, Icade became a partner of "Our Neighbourhoods Have Talent" in April 2016. This association works with young college graduates from modest social backgrounds or priority neighbourhoods, helping them gain access to employment. In 2016, 20 of Icade's employees volunteered to sponsor 29 young graduates to guide them in their job search or professional orientation. Anthony, one of the sponsored graduates, described his experience as follows, "Combining the energy of young people and the advice of a person having experience, that's the key in my opinion. And that is exactly what Our Neighbourhoods Have Talent offers". This initiative is also beneficial for Icade's employees who work alongside these young people: "I seized this opportunity which satisfied a personal yearning", explained Soraya Benaouya, Anthony's sponsor, in charge of the Strategic Monitoring initiative and Social Interactions for the Healthcare Property Investment Division. "The results have been very positive seeing as how Anthony quickly found employment. I would recommend this initiative to any Icade employee who feels he or she has the makings of a sponsor."

Icade has also rallied its employees through skills sponsorship initiatives. On June 21, 2016, Icade signed its first skills sponsorship agreement with Samusocial of Paris, as part of an overall sponsorship initiative conducted by C3D (the Council of Heads of Sustainable Development). This agreement involves the creation of an accommodation and healthcare

centre at Charles Foix Hospital in Ivry-sur-Seine. This 4000-sq.m facility can accommodate 180 isolated individuals who will be offered lodging, healthcare and assistance by social workers from Samusocial of Paris. The construction project will last nine months and will start in 2017. Icade's Public sector and Healthcare Property Development Division will provide Project Management Support covering all the technical, legal and financial aspects of the project.

Lastly, from September 20 to December 16, 2016, Icade organised its first Digital Forum of Associations. Icade employees were thus able to present the associations for which they do volunteer work. The goal was to make the associations known to all of Icade's teams and to involve the teams by inviting them to vote for these associations. The "Commitment to Associations" prize was awarded to two recipients. The first "Coup de Cœur" prize for €10,000 was awarded to *Étoile de Martin* and the second "Coup de Pouce" prize for €5,000 was awarded to *Amis de Mikhy*. These two associations assist children with cancer by supporting research, providing moments of relaxation and fun and offering psychological assistance. These prizes were awarded to the associations at the 2017 New Year reception in the presence of all of Icade's employees.

Icade's commitment is even more meaningful as it is in connection with these activities. It firmly establishes its local presence and enables its employees to develop their expertise by broadening their professional scope and giving a deeper meaning to their activity. This is a way to strengthen the Company's ties with its partners and employees.

Icade will continue to develop these initiatives in 2017, especially through the creation of a new skills sponsorship, solidarity days and volunteer work.

2.4.3. Functional, social and age diversity

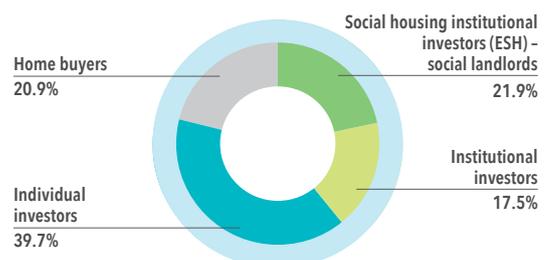
Functional, social and age diversity is a key element in urban dynamics. The French SRU law (relating to solidarity and urban renewal) sets a threshold of 20% or 25% for social housing depending on the size and location of the developments. This law is one of the main drivers of public policy promoting diversity. However, its implementation has encountered difficulties. More than 60% of some 2,000 French municipalities subject to this law have not met the established thresholds. Icade considers diversity not only a social commitment, but also a factor in the appeal of its business parks.

Property Development Division

The Property Development Division is developing new urban neighbourhoods proposing mixed-use, as well as social and age diversity. In the 77 projects under construction in 2016, 45% implemented social diversity measures, 18% implemented functional diversity measures and 17% implemented age diversity measures. The development project of the *Gare du Sud* neighbourhood in Nice is a prime example of this. It includes 269 dwellings (a hall of residence with 166 apartments, 41 social housing units and 62 low-cost ownership units), a 1,670 sq.m food market, multiplex, a supermarket, seven shops, an associations centre, sporting equipment and 500 spaces of public parking.

Icade home buyers have socially diverse profiles:

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER IN 2016



CORPORATE SOCIAL RESPONSIBILITY

Developing solutions that include new habits and lifestyles in partnership with local authorities and communities

To go even further, Icade developed a new initiative called Mix'Cit  that arose from intrapreneurial projects developed within the context of its approach to innovation. It includes developing projects at the centre of small and medium-sized cities, combining several complementary products (such as social housing, low-cost ownership units, residences for seniors, students or the two combined, facilities for dependent elderly persons, medical services, etc.). The goal is to pool services and resources to optimise costs and by doing so meet the needs of a diverse population by:

- ▣ pooling services and areas: restaurants, activities organised by local associations, gardens and outdoor areas, laundromats, a fitness room, etc.;
- ▣ pooling personnel: night and day security guards, maintenance workers.

The areas, services and resources shared by the various buildings promote social diversity, exchange and ties to the local community of both young and old.

For example, the Mix'Cit  programme was implemented in Montaigu (Vend e), which includes 22 EHPAD, eight non-subsidised units, 24 social housing rental units adapted for the elderly, 20 subsidised ownership units, and a shared business park.

2.4.4. Sponsorships and patronage

Supporting associations or local projects is a powerful driving force for creating ties to the local community. For this reason, Icade had increased its budget by devoting  1,276,652 to sponsorships and patronage in 2016, two and a half times more than in 2015.

This financial support is mainly directed to local sporting and cultural events (the Saint-Denis festival or Odysse  race which funds breast cancer research) as well as humanitarian aid, with Action Against Hunger for example.

Increasing the budget in 2016 is attributable to the signing of a sponsorship agreement to support the project to reconstruct the north tower of the Basilica of Saint-Denis, located at the heart of the Commercial Property Investment Division's long-standing locations in the north of Paris. Encouraged by the local public body of *Plaine Commune* and the municipality of Saint-Denis, it was decided to establish an endowment fund to support the re-assembly of the Basilica's north tower and its characteristic spire which were completed in the 13th century and destroyed in the 19th century. This patronage initiative demonstrates Icade's commitment, alongside elected officials, to local economic and cultural development.

2.5. Reinforcing our responsible procurement policy

In real estate, procurement and subcontracting represent a large part of the business. Implementing responsible procurement practices is a key part of CSR strategy. Icade has strengthened its approach to responsible procurement in 2016.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>ICADE:</p> <ul style="list-style-type: none"> ● Implement responsible procurement charters on 100% of the new building work sites of the Property Development Division, 100% of the new service provision contracts of the Commercial Property Investment Division ● Classify materials and products having a low impact on the environment and health in 2016 to extend their use starting in 2017 ● Increase recourse to procurement in the sheltered work sector by 30% by 2016 and 50% by 2018 <p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● Set up a CSR assessment of the main suppliers for the service provision markets of the Commercial Property Investment Division in 2016 ● Incorporate the respect for biodiversity into procurement 	<ul style="list-style-type: none">      	<p>ICADE:</p> <ul style="list-style-type: none"> ● The goal was achieved for both divisions ● Materials for new construction comply with norms specifically related to the environment and health. Their use is planned to be expanded starting in 2017. ● Procurement from the sheltered work sector increased by 15% in 2016. Resources will be increased in 2017 to reach the 2018 goal of +50%. <p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● The main suppliers were reviewed in 2016. ● Clauses pertaining to respecting biodiversity were included in the service contracts for green space maintenance.

 Objective achieved  Objective being achieved  Objective not achieved

Optimising and controlling procurement requires introducing procedures common to all business activities. This process is strengthened by standardising CSR procedures. In this regard, the Property Investment and Property Development Divisions introduced responsible procurement charters shared by both entities.

2.5.1. Responsible procurement charters

Distributed to all suppliers and subcontractors, responsible procurement charters expressly require businesses to commit to employment and integration, prevention of corruption, compliance with labour standards, respect for human rights, prevention of environmental risks and pollution, protection of health and the environment, use of sustainable resources and fair trade practices. Any serious and deliberate breach of the principles set out in the charter by a company constitutes a breach of its contractual obligations. Icade thus subscribes to the framework of the UN Global Compact of which the Caisse des dépôts is a signatory.

Since 2015, all new service provision contracts of the Commercial Property Investment Division are signatories of the responsible procurement charter. Similarly, all new construction projects of the Property Development Division are also signatories of this charter (excluding joint development whose administrative management is not controlled by Icade).

2.5.2. Reviewing suppliers and subcontractors

To develop this approach even further, in 2016 Icade initiated a review process for compliance with the responsible procurement charter. Pursuant to commitments made in 2015, the main suppliers of the Commercial Property Investment Division are now reviewed by EcoVadis, a specialised service provider. An assessment will be made for each supplier and may result in an action plan being implemented.

2.5.3. Stricter requirements relating to sustainable materials, respecting biodiversity, employing vulnerable people and respecting labour rights

In addition to respecting CSR principles included in the responsible procurement charter, Icade has specific requirements in relation to its buyers, suppliers and subcontractors in the following areas:

- **Materials and sustainable systems:** In 2016, Icade took a proactive approach to listing materials and products that have a low environmental and health impact. Implemented for all new projects, these materials must comply with certain standards, for example Class A or A+ for the emission of volatile compounds, Ecolabel and/or NF Environment labels for adhesives, paints and varnishes, FSC® or PEFC labels for wood, suppression of almost all unwanted electromagnetic fields from cable ducts, etc.
- **Protecting the environment and biodiversity:** Icade has also included clauses relating to respecting biodiversity with its service providers for green space maintenance to encourage them to use techniques and products that respect biodiversity and the environment.
- **Employing vulnerable workers:** Icade encourages its buyers to pursue their efforts in favour of the sheltered work sector (STPA) and employment through professional integration. In 2016, the volume of procurement from STPA increased by 15%. Efforts will be stepped up in 2017 to reach the goal of +50% between 2015 and 2018. Icade also promotes employment through professional integration by expanding this type of employment on its significant work sites.
- **The fight against undeclared work is another particularly sensitive issue in the real estate industry.** Icade has appointed service providers to collect and verify all administrative documents to verify that the companies working for Icade are in compliance with the Labour Code. All subcontractors of the Property Development and Commercial Property Investment Divisions must register with one of these providers.

The development of the new Veolia headquarters, inaugurated at the end of 2016 on 45,000 sq.m in Aubervilliers, is a good example of Icade's responsible procurement policy – 7,000 sq.m of oak flooring installed, stamped "Guaranteed French Origin" and NF certified. The flooring was manufactured by an SME (Compagnie Française du Parquet) in the Nièvre department of France and installed by young apprentices who were recruited locally. This has contributed to reinvigorating the local wood industry.

The next step is to introduce a centralised procurement function for the Property Development and Property Investment Divisions in 2017. This is expected to ramp up the use of responsible procurement policies.

2.6. Ensuring business ethics

2016-2020 COMMITMENT	RESULT	COMMENT
<ul style="list-style-type: none"> Finalise the training of employees in anti-money laundering and distribute the new Code of Ethics in 2016 		<ul style="list-style-type: none"> All employees identified as "at risk" were trained and the Code of Ethics was updated

 Objective achieved

 Objective being achieved

 Objective not achieved

The rules of professional conduct and business ethics are important issues for all of Icade's stakeholders, from suppliers to customers, desiring clear transparent communication, and for investors wanting to manage their risks. Implementing ethics procedures is one of Icade's top priorities. Enacted in December 2016, the French Sapin 2 Law on transparency, fighting corruption and modernising economic life represents an opportunity for Icade to bolster its ethical business practices.

The governance structure for the rules of professional conduct in their entirety revolves around:

- the Compliance Officer which establishes and disseminates the rules of professional conduct;
- the Audit, Risk and Internal Control Department which ensures their implementation.

The Compliance Officer is independent and reports directly to General Management.

Icade made the voluntary choice to draw up its first Code of Ethics in 2008. It was supplemented by an anti-money laundering and financing of terrorism component in 2009, and subsequently by the inclusion of fraud and corruption risks in the risk map in 2014.

In 2016, this Code of Ethics was updated to include regulatory changes. Now an ethics charter, this document will be distributed to all employees via intranet and will also be made available to all new hires. This charter defines the ethical principles which must be applied to professional practices and the employees' business relationships. It governs:

- dealings with customers and suppliers;
- the fight against money laundering and the financing of terrorism (AML/CTF);
- the fight against corruption and extortion;
- fraud;
- dealings with intermediaries receiving compensation;
- the financing of political life and patronage;
- gifts and perquisites, received or given;

- conflicts of interest;
- financial reporting and transactions involving financial instruments;
- sensitive, inside information and insiders;
- protection of individuals: health, safety, discrimination, harassment.

Employees are entitled to whistleblower rights, i.e. any person finding the existence of a breach of professional ethics may notify the Compliance Officer who will handle this notification in the strictest confidence and ensure that the employee involved is protected. The Compliance Officer will then make an assessment that may give rise to an internal and/or external audit or possible sanctions.

Icade's provisions for the fight against money laundering and the financing of terrorism go beyond legal requirements. Its scope of application is broader and includes acquisitions/real estate sales for own and third party accounts (including real estate developments with or without joint development) in France and abroad, as well as leasing activities. Its organisational structure is based on:

- a Committee focused on the fight against money laundering and the financing of terrorism;
- an assessment process for customer risk and transaction activity (KYC) making it possible to conduct due diligence reflecting the level of risk;
- a training programme relating to the fight against money laundering was developed in 2016. The 178 employees identified as working in the most at-risk roles have thus been trained over the past two years.

Managing fraud and corruption risks involves monitoring and controls on a regular basis. In the course of 2016, 12 incidents relating to attempts to commit external fraud were recorded. These attempts were detected before fraud was actually committed and therefore had no impact on Icade. An internal audit focusing on ethics and compliance was carried out in 2016. This audit found no existing business ethics violations. Icade was not found guilty of any business ethics violations during the year.

Icade's ethics policies will be reinforced to reflect the Sapin 2 Law which is set to come into effect on June 1, 2017 and recommendations of the future French anti-corruption agency.

STEPPING UP ENERGY TRANSITION AND SAVING RESOURCES

The fight against climate change and conservation of resources are critical issues for the real estate sector which must work towards reducing its environmental impact. They are drivers of economic and social performance since they help reduce water and energy consumption as well as waste production and shorten commute times for occupants. They also create an environment conducive to nature and

biodiversity. As a player involved in environmental transitions, Icade aims at being the pioneer of sustainable real estate. With buildings whose resource consumption and impacts are controlled over time and backed up by stringent certifications, Icade provides high-quality, sustainable and resilient assets to its occupants.

-23%

REDUCTION IN CO₂ EMISSIONS FOR THE PROPERTY PORTFOLIO AS A WHOLE BETWEEN 2011 AND 2016.

100%

OF OFFICES IN THE PARIS REGION AND 55% OF HOUSING UNITS surpass thermal regulations by at least 10%.

LOW-CARBON BUILDINGS



The Thémis tower in Paris is an exemplary building in terms of sustainable development. Mixed wood and concrete structure (FSC® or PEFC labels), vegetated open space, geothermal systems, daylight optimisation and 3-year energy performance guarantee: this development is both certified HQE Outstanding and BREEAM® Excellent and has been awarded three stringent quality labels (Effnergie+, Biosourcé and BBCA-low-carbon building).

BIODIVERSITY & INNOVATION



25%

OF PROPERTIES AND NEW CONSTRUCTION IN POSITIVE BIODIVERSITY BY 2020.

In 2016, Icade demonstrated its commitment to biodiversity through two innovative initiatives, in partnership with CDC Biodiversité:

- with the biodiversity performance contract, Icade is committed to preserving biodiversity and improving the buildings' outdoor areas through accurate monitoring indicators which bolster the quality of life and appeal of its sites;
- at the same time, Icade became part of the Nature 2050

programme. In doing so, the company has chosen to fund efforts to adapt and restore threatened natural habitats. Icade has also developed a comprehensive approach by taking action not only in the mostly urban regions where it operates, but also in more fragile natural settings where it does not intervene directly, but where the stakes are higher.



A PARTNER'S POINT OF VIEW

Laurent Piermont

CHAIRMAN OF CDC BIODIVERSITÉ

"The biodiversity performance contract solves a previously unsolvable problem—how to have nature play a larger role in urban communities while lowering the maintenance costs for the outdoor areas. This approach is guaranteed through measurements provided by accurate monitoring indicators."

HEALTH & CERTIFICATION



A CUSTOMER'S POINT OF VIEW

Anne-Caroline Rouyer

SUSTAINABLE DEVELOPMENT ADVISOR OF ELSAN (PRIVATE HOSPITAL OPERATOR)

"In order to meet the challenges we all face, we have to work together on renovating buildings, indoor air quality and waste management."



Icade and Courlancy Santé have started construction on a 30,000 sq m polyclinic near Reims, which will be both modern and aware of its surrounding environment. This building will be HQE Excellent certified, with specific requirements for water and indoor air quality, landscaping, rainwater management, plus recycling and recovery of waste from the site.

3. Stepping up energy transition and saving resources

3.1. Taking action to fight climate change

The real estate industry has an important role to play in the fight against climate change as it is responsible for 25% of greenhouse gas emissions in France. The decree of November 18, 2015 relating to the French law on Energy Transition for Green Growth requires the commercial and residential real estate sectors to reduce emissions by 54% between 2013 and 2030 and by 87% between 2013 and 2050.

Icade is firmly committed to this initiative by focusing its efforts on all its property assets, in both the construction and operational phase, by helping occupants to control their energy consumption.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● Reduce CO₂ emissions by 40% in offices and business parks between 2011 and 2020 (in kg CO₂/sq.m/year) ● Reduce energy consumption by 30% in offices and business parks between 2011 and 2020 (in kWh_{pe}/sq.m/year) ● Reach 20% of renewable energy in the portfolio's energy mix by 2020 <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> ● Reduce CO₂ emissions related to grey energy from new construction by 12% between the end of 2015 and 2020 (in kg CO₂/sq.m/year) ● Develop 100% of the offices in Île-de-France (Paris region) and 25% of the dwellings with an energy performance 10% below Thermal Regulation RT 2012 starting in 2016 ● Develop at least five positive energy projects with the BEPOS label, per year starting in 2017 	<ul style="list-style-type: none"> 🕒 🕒 🕒 🕒 ✅ 🕒 	<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● CO₂ emissions have been reduced by 23% between 2011 and 2016 ● Energy consumption has been reduced by 11% between 2011 and 2016 ● The proportion of renewable energy reached 16% in 2016. <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> ● Emissions from grey energy increased by 3.5% in 2016, after a decrease of 3.8% in 2015. The predominant share of housing units, whose performance declined, explains this change, while offices reduced their carbon intensity. ● 100% of offices in the Paris region and 55% of housing units surpass by at least 10% Thermal Regulation RT 2012 in 2016 ● A number of BEPOS projects are being considered
<p>✅ Objective achieved</p> <p>🕒 Objective being achieved</p> <p>❌ Objective not achieved</p>		

3.1.1. The search for greater energy efficiency in old and new buildings

Commercial Property Investment Division

Reducing greenhouse gases generated during the property's operational phase is a major challenge for Icade. For this reason, Icade is pulling out all the stops by applying its objectives to the common areas (of which it has full control) and the private areas (controlled by the tenants).

To best manage its energy consumption and carbon emissions, Icade has drawn up environmental mapping of its buildings and carries out energy audits. In addition to current regulatory requirements, Icade has imposed ISO 50001 certification on its property assets to improve efficient energy management and implement performance improvement solutions.

Energy performance management will be reinforced in 2017 by introducing an Environmental Management System (EMS). This computer-based tool for monitoring, controlling and optimising performance will be used on all the properties.

To reach its goals for reducing energy consumption and CO₂ emissions, Icade uses a variety of strategies, such as:

- ▣ improving energy equipment and renovating its assets: Icade is continuing and expanding its replacement programme of the least energy-efficient equipment. It will include installing high efficiency boilers and systematically using LED lighting which will help to reduce energy consumption associated with these uses by approximately 20% by 2020. A special effort will also be made for renovation and rehabilitation work in connection with scheduled development plans. Innovative solutions are planned for districts, which include installing smart street lighting;
- ▣ introducing Energy Performance Contracts (EPC) which give building operations managers quantitative targets for reducing energy consumption (3% per year on average). They cover the consumption controlled by Icade (common areas) and benefit the tenants. While the allocation varies depending on the contract, generally speaking it is the tenant who wholly benefits from reduced energy consumption up to the threshold set out in the contract. Above this level of performance, the savings will be allocated between the operations

manager and the tenant. It is a win-win system for all parties, including Icade who builds customer loyalty accordingly. At the end of 2016, 61% of the floor area for which Icade controlled operations was subject to an EPC;

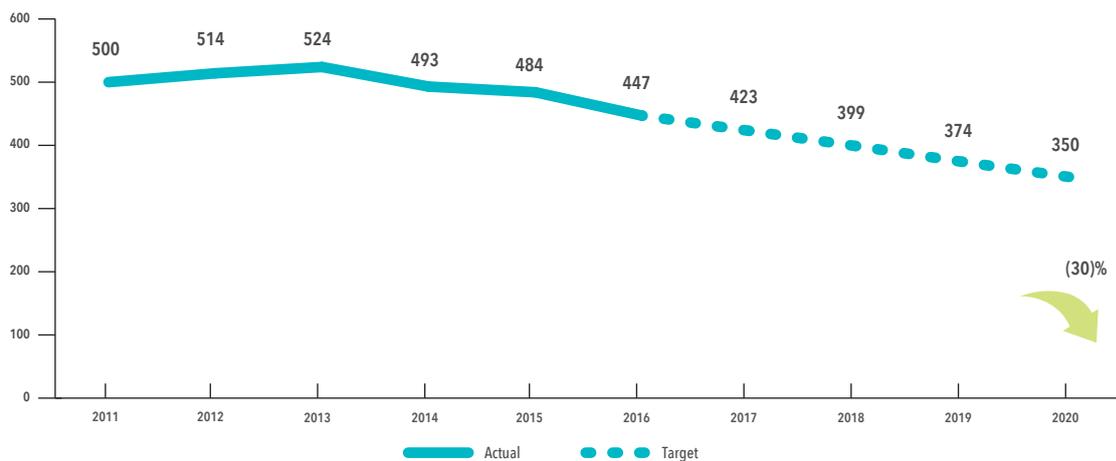
■ increasing the share of renewable energy in the energy mix: Icade has set an ambitious goal of incorporating 20% of renewable energy into its energy mix by 2020, i.e. 12 percentage points more than in 2015. The three types of renewable energy used include: purchasing green certificates, of up to 41,227 MWh, i.e. 18% of electricity usage in 2016; connecting buildings to heat networks (31% of their consumption came from renewable energy in 2016, i.e. 6,793 MWh); and on-site energy generation (geothermal and photovoltaic panels). As a result, the share of renewable energy doubled from 8% in 2015 to 16% in 2016. In order to reach its goal of 20% in 2020, Icade will gradually increase the share of green certificates and significantly step up investment in the production of renewable energy on its sites. This will be achieved by introducing photovoltaic panels, small wind turbines and a pyro-gasification project (waste-to-energy). Icade is also investing in "totemic" installations, such as the "Smartflower" and "Wind Tree", which harmoniously blend into the urban landscape. The Smartflower is a solar modular array which automatically directs itself toward the sun. The Wind Tree is a metallic tree-shaped wind turbine whose leaves use wind energy to generate electricity. These types of "totemic" solutions highlight Icade's approach to reducing greenhouse gases, and in doing so raise the awareness of tenants and business park users;

■ partnerships with leading industrial groups to promote environmental innovation and connected buildings. Icade has worked with Philips since 2013, specifically on the Power Over Ethernet (POE) connected lighting system, which captures outside data (brightness, human presence, temperature) to fine-tune lighting in real time. The renovation of the Orly-Rungis business park's outdoor lighting resulted in energy savings of 90% thanks to LED lighting connected to a lighting management system making it possible to reduce lighting at night and on weekends;

■ Green Lease Committees: in order to have an impact on private areas controlled by tenants, Icade has set up Committees enabling the property owner and the tenant(s) to exchange best practices and formulate an action plan, with quantifiable targets, for the consumption of energy, carbon, water and waste production. They cover 82% of tenants subject to Green Lease rules and regulations in 2016. For further information, see section 2.3. "Assisting customers in matters of environmental performance".

Icade offsets a part of its CO₂ emissions on a voluntary basis by purchasing carbon credits from energy suppliers. It purchases "Certified Emission Reductions" (CER) which are carbon credits issued under the rules of the Kyoto Protocol which finance emission-reduction projects in developing countries. In 2016, the volume of carbon emissions offset by Icade represented 10,228 tonnes of CO₂, i.e. 46% of CO₂ emissions mapped by the Commercial Property Investment Division. These emissions that were offset on a voluntary basis were not deducted from Icade's CO₂ emission calculations.

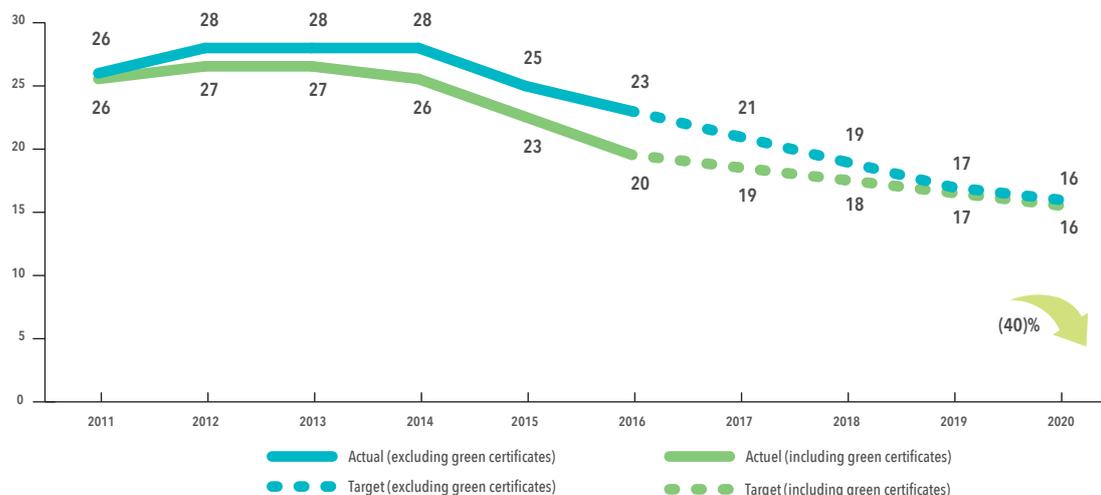
ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS (in kWh_{pe}/sq.m/year adjusted for unified degree days)



Energy consumption (adjusted for climate variations) decreased by 11% between 2011 and 2016 and by 8% in 2016. Half of this accelerated downward trend in 2016 was due to the sale of five business parks, whose energy intensity was higher than the average for Icade's property portfolio. The other half was attributable to energy efficiency measures

implemented by Icade (especially EPCs and Green Lease Committees). In the future, the replacement plan for energy equipment and the continuing introduction of EPCs and Green Lease Commitments should make it possible to reach the goal of reducing energy intensity by (30)% between 2011 and 2020.

GREENHOUSE GAS EMISSIONS IN OFFICES AND BUSINESS PARKS (in kg CO₂e/sq.m/year)



Carbon intensity dropped by 23% between 2011 and 2016 taking into account green certificates and 12% excluding green certificates.

The drop in carbon intensity results from improved energy performance as well as the replacement of heating equipment and the increased share of renewable energy in the energy mix. In the future, stronger measures regarding energy efficiency, increased use of green certificates and reliance on renewable energy on its sites should enable Icade to reach its goal of reducing carbon intensity by (40)% between 2011 and 2020.

It should be noted that the way these environmental indicators are calculated changed in 2016 to be more representative of Icade's performance. Environmental indicators have been recalculated going back to 2011 accordingly. For further information, see section 5. "Summary of reporting methodology and scope".

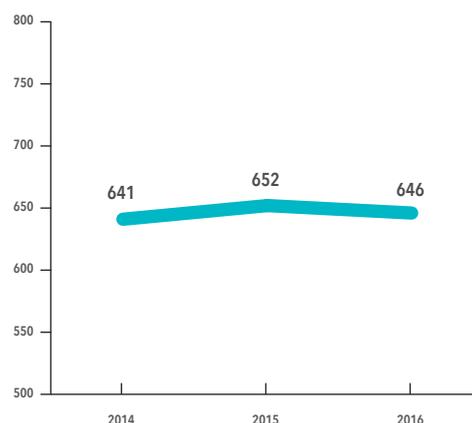
For further information about energy consumption and greenhouse gas emissions, on a total and like-for-like basis and by asset class, see 6.1. "Table of Environmental Indicators of the Commercial Property Investment Division – EPRA format".

Healthcare Property Investment Division

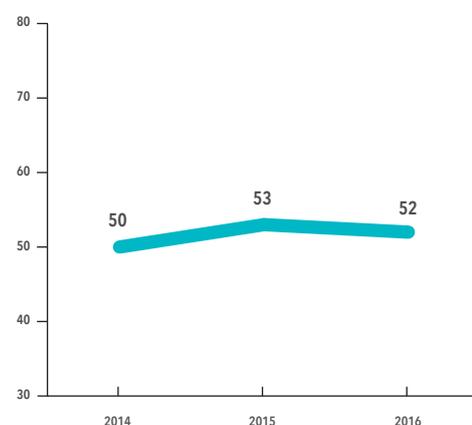
Icade's healthcare assets are wholly operated by the tenants who are thus responsible for managing their energy consumption. In cases where Icade does not control operations, it still works with healthcare operators through monitoring and advisory tools. In this way, mapping energy consumption and greenhouse gas emissions and conducting energy audits make it possible to identify areas needing improvement. Examples include LED lighting, which reduces consumption while improving the users' comfort level and the installation of photovoltaic awnings.

Changes in the private hospitals' energy and carbon performance are shown in the graphs opposite. After an increase in 2015, energy intensity and carbon indicators declined in 2016.

ENERGY CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION (in kWh_{pe}/sq.m/year)



GREENHOUSE GAS EMISSIONS FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION (in kg of CO₂e/sq.m/year)



For further information on the Healthcare Property Investment Division's environmental indicators, see 6.2 "Table of Environmental indicators of the Healthcare Property Investment Division – EPRA format".

Property Development Division

The implementation of Thermal Regulation RT 2012 made it possible to significantly reduce the energy consumption of new buildings during their use. The impact on climate change stemming from property development activities increasingly hinges on energy consumption during the construction phase and the choice of materials used. Being both a property developer and operator makes it possible to have a long-term strategy in choosing solutions for construction, materials and energy equipment.

Construction phase: greenhouse gas emission assessment for new projects

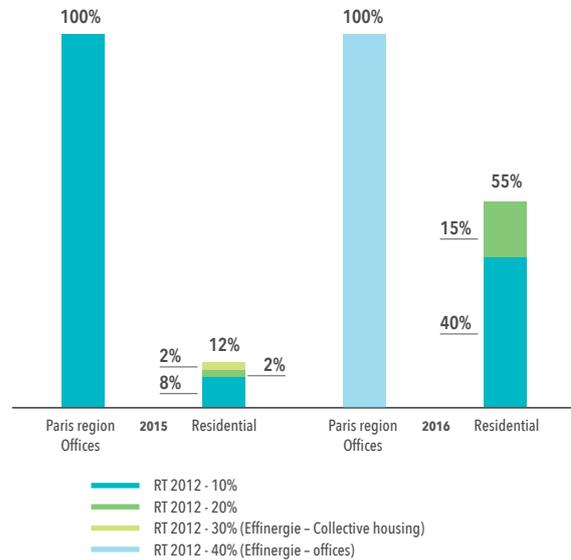
All new construction is subject to a complete carbon footprint assessment which measures all emissions during both the construction and operational phase (emissions caused by transport, materials and waste). Icade is committed to reducing CO₂ emissions associated with the construction phase of new projects by 12% between the end of 2015 and 2020.

After a decline of 3.8% between 2014 and 2015, CO₂ emissions associated with the construction phase increased by 3.5% between 2015 and 2016. The carbon intensity of housing units increased by 1.1% whereas the carbon intensity of offices declined by 3.9%. The higher proportion of housing units as compared to offices in 2016 explains the rise in carbon intensity. Efforts will be stepped up to reverse this trend and reach 2020 targets, most notably through increased reliance on life cycle assessments and the use of sustainable materials. *For further information, see section 3.6. "Innovating for sustainable construction".*

Operational phase: energy consumption and carbon footprint assessment for new projects

In the operational phase, the energy performance of constructed buildings improved between 2015 and 2016. 55% of residential property developments and 100% of office property developments in the Paris region achieved energy performance above both the thermal regulatory requirements (RT 2012) and the targets set by Icade. As a result, the energy consumption of projects initiated in 2016 decreased by 12% compared with 2015 to stand at 63.7 kWh_{pe}/sq.m/year on average in 2016.

PROPORTION OF OFFICES (PARIS REGION) AND HOUSING UNITS ABOVE THERMAL REGULATORY REQUIREMENTS (RT 2012) IN 2015 AND 2016



To improve the energy management of its office buildings, Icade has decided to equip them with meters making it possible to accurately measure consumption for each leased unit and each type of property use. This data is available on a web portal and allows occupants to control their consumption. All buildings constructed in 2016 were equipped with meters.

The carbon intensity related to building operations decreased by 35% between 2015 and 2016. This is attributable to three factors which include better access to public transport, the improved energy performance of the development projects and increased reliance on solar energy in 2016 (three times higher than in 2015). In 2016, 23% of constructed areas were supplied with renewable energy (compared to 24% in 2015), including 13% through solar thermal power, 57% through heat networks (geothermal energy, biogas, etc.) and 30% through photovoltaic solar energy.

For further information on CO₂ emissions, see 6.3. "Carbon footprint assessment for the Property Development Division".

3.1.2. The requisite adaptation to climate change

2016-2020 COMMITMENT	RESULT	COMMENT
<p>COMMERCIAL PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT DIVISIONS:</p> <ul style="list-style-type: none"> Evaluate the risks related to adapting all of the property assets and strategic development projects to climate change in 2016. If necessary, adapt assets, property choice and project design. 		<p>COMMERCIAL PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT DIVISIONS:</p> <ul style="list-style-type: none"> A study was carried out on the Commercial Property Investment Division's entire property portfolio and will be continued in 2017.

Objective achieved
 Objective being achieved
 Objective not achieved

To develop its expertise and better anticipate the consequences of climate change, Icade carried out a study in 2016 on the risks facing all its property assets. Each asset was examined for vulnerabilities related to age, construction type and its surroundings. This analysis, conducted by the specialised Carbone 4 firm, demonstrated that buildings in this grouping were particularly at risk due to four following climatic hazards: heat waves, drought, rising average temperatures and floods (even though no building was damaged by the exceptional flooding that took place in 2016).

The next step in 2017 is to refine this risk analysis for the purpose of developing an action plan to adapt its assets most at risk to climatic

hazards. The goal is to anticipate the risks associated with climate change on Icade's property assets and to propose innovative solutions to ward off the impact of these climatic hazards and improve the resilience of its assets.

In parallel with this study, Icade has already changed some of its practices, such as its green spaces management. In connection with CDC Biodiversity, Icade has selected plants which are most adapted to anticipated climate change and able to lower the temperature of their surroundings during extreme heat events for its business parks in the north of Paris.

3.2. Integrating the best certification and labelling standards

A pioneer in certification and quality labels, Icade has set ambitious goals aiming to introduce both on its existing sites or those under development. In addition, Icade is committed to playing an active role in developing the standards of tomorrow.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● Increase the surface areas of certified offices in operation by +5% per year through to 2020 ● ISO 14001 certification for all business parks in 2017 ● Contribute to introducing the Well label on at least one property development in 2016 <p>HEALTHCARE PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● HQE certify 100% of the new projects whose surface area is above 10,000 sq.m <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> ● HQE certify 100% of the offices and 35% of the dwellings starting in 2018 ● Test the BBCA label (low-carbon building) in at least one property development in 2016 	<ul style="list-style-type: none"> ✔ ✔ ✔ ✔ ⌚ ✔ 	<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● Certified office floor areas in operation increased by 7% in 2016 ● 100% of business parks were ISO 14001-certified by the end of 2016 ● One Property Development Division project had the Well label in 2016 <p>HEALTHCARE PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> ● The four major projects of the Healthcare Property Investment Division will all be HQE-certified <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> ● 100% of offices and 18% of residential units received HQE certification in 2016 ● The Thémis building (Paris 17th district) obtained the BBCA label in 2016
<p>✔ Objective achieved</p> <p>⌚ Objective being achieved</p> <p>⊖ Objective not achieved</p>		

3.2.1. Icade, a pioneer in new certifications and labelling

For both Icade and its customers, quality labels and certifications represent a guarantee of good performance. Icade has positioned itself as a pilot company for developing and introducing new labels and certification. It was the first commercial real estate player to receive the High Environmental Quality (HQE) certification in 2005, as well as a pilot company for the BiodiverCity® label in 2014 and the first private property developer to use the new Biosourced Building label as early as 2015. In addition, Icade is both a founding and honorary member of the BBCA (low-carbon building) association. It is part of this new label's pilot projects which aims to promote low-carbon buildings throughout their life cycle with its Thémis office project in Paris. It has supported the introduction of the Well label, which is focused on the occupants' well-being and comfort, with the Sky 56 building in Lyon.

Icade is actively involved in developing upcoming standards. It co-developed the new benchmark for HQE certification released in 2015, making it one of the first property developers to be NF HQE Living Environment-certified using this new framework. Icade is taking part in a work group led by AFNOR whose goal is to establish sustainable development frameworks in central business districts. It is also part of the pilot projects for the development of the "Connected Buildings and Networks" label under the HQE framework whose completion is scheduled in 2017.

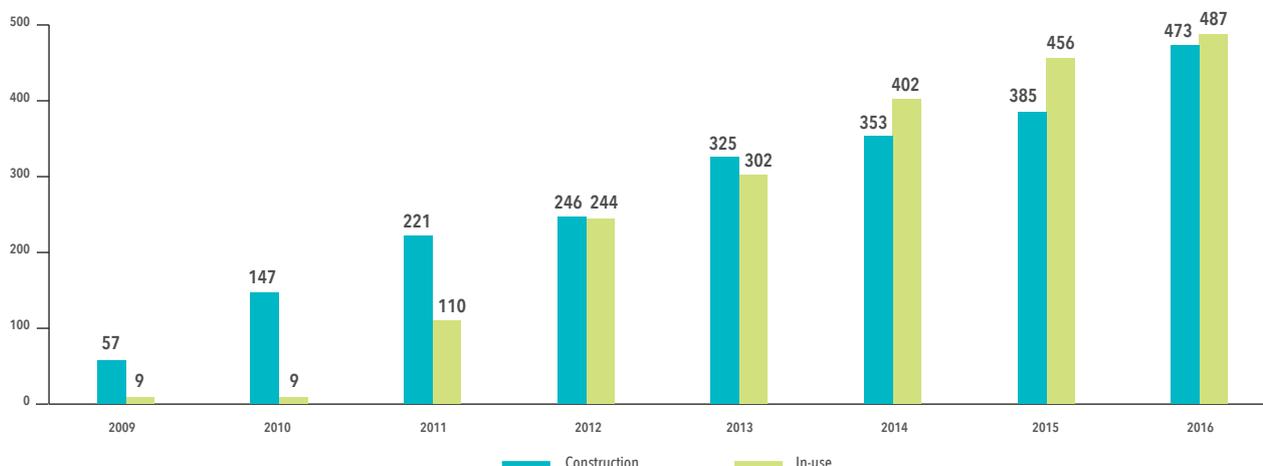
3.2.2. Developing environmental certifications for the existing business parks and new construction

Commercial Property Investment Division

Committed to developing ever-greener buildings, Icade continues to pursue its goal of implementing certification schemes whether it be for its existing assets, new constructions or acquisitions.

The proportion of HQE- and/or BREEAM-certified office floor area increased from 41% in 2015 to 60% in 2016, with some assets HQE-certified for both Construction and In-Use. The certification schemes can be broken down as follows: 44% of office assets have Construction certification (i.e. a 23% increase in floor area between 2015 and 2016) and 45% have In-Use certification (i.e. a 7% increase in floor area between 2015 and 2016). Buildings that have both Construction and In-Use certifications represent 29% of the total floor area.

OFFICE AND BUSINESS PARK FLOOR SPACE CERTIFIED HQE/BREEAM (in thousands of sq.m)



Many of the properties acquired in 2016 are certified:

- Go Spring, a 32,600 sq.m commercial development acquired off-plan in Rueil-Nanterre (Hauts-de-Seine) will be certified HQE Outstanding, BREEAM Very Good and have the BEPOS (positive energy buildings) label;
- the 13,000 sq.m Orsud building acquired in July 2016 in Gentilly is certified BREEAM In-Use with a Very Good rating;
- the Ponant/Arc Ouest building in the 15th district of Paris is certified BREEAM Very Good and three of the five buildings on the site have the BBC Effinergie Rénovation label.

Icade has also taken an active part in the environmental management of the common areas in the business parks. As a result, the Commercial Property Investment Division embarked upon the path to ISO 14001 environmental certification. 100% of business parks were certified in 2016.

Healthcare Property Investment Division

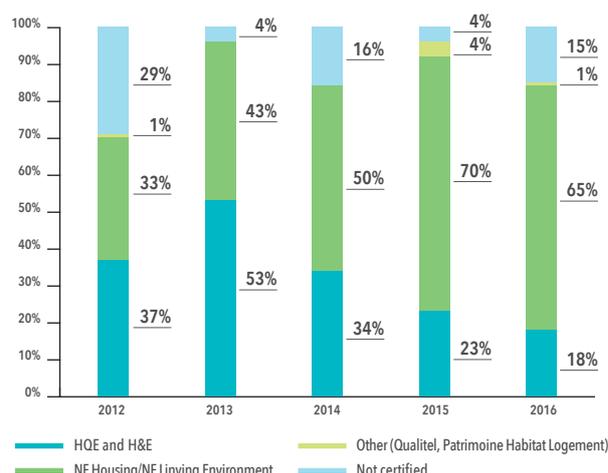
The Healthcare Property Investment Division aims to obtain HQE certification for all its construction or extension projects having a floor area above 10,000 sq.m. The goal is ambitious given that more than 75% of the floor area which will be completed between 2016 and 2018 is involved. This includes the following four projects: Courlancy in Bezannes near Reims, Quint-Fonsegrives in Toulouse, Bromelia in Saint-Herblain near Nantes and Montredon in Narbonne.

The polyclinic designed with the Courlancy Santé group is particularly representative of this goal. This healthcare facility is aiming for HQE Excellent certification when it opens its doors in early 2018. In addition, this project obtained the "Reims Sustainable City" label's highest score (Level A), reinforcing the vision that Icade shares with local authorities in terms of development and green construction. This building will be particularly cutting-edge concerning indoor air quality (choice of low-emitting materials, special precautions during the construction phase, measurements conducted prior to completion) and water quality that guarantee a high-quality project in health terms. In addition, special attention will be given to landscaping, rainwater management and recycling and recovery of waste from the site.

Property Development Division

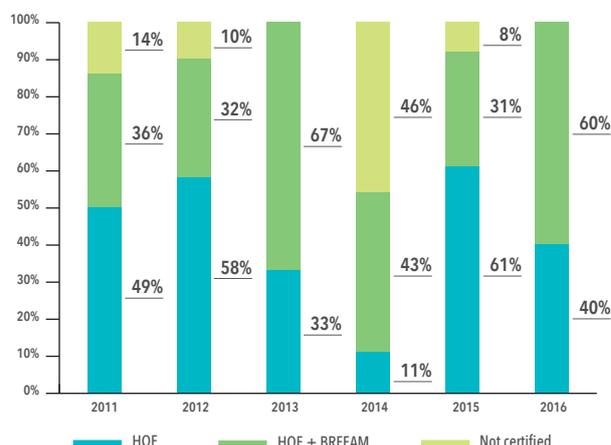
65% of the residential property developments have obtained NF Housing/Living Environment quality certification in 2016 and 18% have obtained the HQE and H&E (living environment and environmental quality) certifications. 2018 Target: 35% with both HQE and H&E certifications.

CERTIFICATIONS OF RESIDENTIAL PROJECTS



As regards offices starting construction, in 2016 Icade reached its 2018 goal of obtaining HQE certification for 100% of the offices built throughout France. 60% of the projects also obtained both HQE and BREEAM certification.

CERTIFICATIONS OF OFFICE PROJECTS



3.3. Developing solutions for sustainable mobility

Reducing greenhouse gases can be achieved by developing sustainable mobility solutions. Icade is committed to this initiative by building its property developments as closely as possible to public transport and making use of eco-mobility solutions. This type of service also contributes to user comfort and loyalty.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> Equip 100% of the offices and business parks with charging stations for electric vehicles by 2018 <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> Develop at least 75% of projects less than a 5-minute walk from public transport starting in 2016 Provide a car-sharing service in at least five development projects per year starting in 2017 	<p>  </p>	<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> 63% of business parks and offices were equipped at the end of 2016 <p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> 86% of projects were located less than a 5-minute walk from public transport in 2016 One property development project introduced a car-sharing service in 2016. A partnership is in the pipeline that would make it possible to expand the electric car-sharing initiative.
<p> Objective achieved</p> <p> Objective being achieved</p> <p> Objective not achieved</p>		

Commercial Property Investment Division

To make its business parks accessible, Icade is going well beyond the profession's best practices in matters of sustainable mobility by offering a wide range of solutions:

- all-electric river shuttles connected to the metro;
- private land shuttles: two-thirds of the business parks (in terms surface area) now provide this service;
- private bus lines connected to the RER (Regional Express Network);
- car-sharing solutions are available in 39% of the business parks;
- Icade is the first private company to have set up Autolib' and Vélib' terminals in the Portes de Paris and Orly-Rungis business parks. Now, 63% of its business parks and offices have both Autolib' and Vélib' stations and are equipped with electric charging stations. By 2018, all offices and business parks will have charging stations for electric vehicles.

To enable users of the Millénaire business park to have easy access to the 19th district of Paris, Icade has taken part in the financing of the first pedestrian bridge above the Paris ring road in 40 years.

Thanks to these solutions, 100% of Icade property assets are less than 400 metres (less than a 5-minute walk) from a public transport network.

Emissions from the business park users' transport represented 33,022 tonnes of CO₂ in 2016 (Scope 3). Carbon emissions from transport are calculated based on the properties' location and on-site average data for allocating the various users' means of transport to which an emission factor is attributed.

To reduce the impact of both transport and its related greenhouse emissions, Icade has chosen to provide the following three new means of transport and innovative transport systems starting in 2017:

- In its business parks, diesel-powered shuttle buses will be replaced by buses which are all-electric, silent, emitting no carbon or fine particles, equipped with Wi-Fi, a real-time tracking system, in partnership with Transdev and Bolloré. These buses will be rolled out on three business parks in 2017 (accounting for two-thirds of the parks in terms of floor area).
- A project for an autonomous vehicle relying on electric propulsion will be introduced in the Orly-Rungis business park, in partnership with Transdev. This project is the first of its kind in France in a private business park. Through this initiative, Icade positions itself as a forerunner in testing out innovative green solutions to improve the comfort of its users.
- Icade will also try out a shared parking service developed by the start-up Zenpark in one of its business parks. The goal is to make parking in the business parks easier to find and more accessible for its users thanks to a geolocation and online reservation system. As a result, Icade optimises the use of parking spaces and improves the service it provides to tenants.

Property Development Division

Building as closely as possible to public transport networks and proposing eco-mobility solutions is a major issue for the Property Development Division. 86% of projects developed in 2016 are located less than a 5-minute walk (i.e. 400 metres) from a public transport network.

In addition, car-sharing solutions are systematically examined for property development projects. A property development project introduced this type of service in 2016 and a partnership is currently in the pipeline to further expand the all-electric car-sharing initiative.

3.4. Promoting biodiversity to make the assets more appealing

The Law of July 20, 2016 is referred to as the law “for the reconquest of biodiversity, nature and landscapes” demonstrating that preserving biodiversity has gradually become a priority. Icade has embraced this responsibility and considers it to be an opportunity. By bringing nature to the city and promoting biodiversity, Icade also meets the needs of local communities and users for improved quality of life.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION / PROPERTY DEVELOPMENT DIVISION</p> <ul style="list-style-type: none"> ● Achieve a net positive impact on biodiversity in 25% of properties and new construction projects by 2020 ● Conduct biodiversity assessments for all new projects starting in 2016 ● Expand the use of the Ecojardin label in three new business parks in 2016 ● Draw up a best practices guideline 	<ul style="list-style-type: none">     	<p>COMMERCIAL PROPERTY INVESTMENT DIVISION / PROPERTY DEVELOPMENT DIVISION</p> <ul style="list-style-type: none"> ● The first results will be ready to be released starting in 2017 ● All new projects under consideration are subject to biodiversity assessments ● Three new business parks were certified in 2016, i.e. 93% of the parks now have the EcoJardin label ● A best practices guideline was drawn up and distributed to employees

 Objective achieved  Objective being achieved  Objective not achieved

3.4.1. Moving towards a building approach with a net positive impact on biodiversity

The building of cities has long had a negative impact on the environment by artificialising the soil and degrading plant and animal habitats. According to the UN, 80% of the world’s population will live in urban areas by 2050. Biodiversity in urban areas is thus a major challenge for our planet and the builders of its cities. Regulatory requirements now encourage real estate players to include and promote biodiversity in their urban projects. It is within this context that Icade is exploring all options not only to restore biodiversity but also to achieve a net positive impact on diversity.

Similar to a positive energy building which produces more energy than it uses, a construction site with net positive biodiversity observes marked improvements in biodiversity over time as a result of initiatives taken in key areas affecting biodiversity such as the proportion of green space, the sustainable management of these spaces (the absence of pesticides, ecological mowing, etc.), artificial night-time lighting that is not harmful to local wildlife, sound water management and monitoring animal and plant life.

In practice, expert ecologists will establish a starting point for the monitoring indicators on these crucial topics and will be responsible for measuring them. Obtaining positive feedback from these indicators and thus improving the site’s biodiversity compared with the starting point is the goal.

This progression is what determines the net positive impact. Icade has already established the starting points on several Commercial Property Investment Division sites and will measure its first biodiversity indicators in 2017. Icade’s Property Development Division will also systematically assess biodiversity of its new construction in order to better manage its impact. Icade is actively involved in a number of work groups, including B4B+ (a business club for positive biodiversity, led by CDC Biodiversité encompassing companies and researchers) to establish a common industry framework for biodiversity indicators for real estate and construction.

Icade has set a target of 25% of its portfolio holdings and new construction having a net positive impact on biodiversity by 2020.

3.4.2. Innovative tools promoting biodiversity: biodiversity performance contracts and Nature 2050

Biodiversity performance contracts

Icade and CDC Biodiversité, a subsidiary of Caisse des dépôts, signed the first three-year biodiversity performance contract in June 2016. This innovative initiative covers the monitoring, management and sustainable development of outdoor areas. It aims to have nature play a larger role in the well-being of urban communities. Its goal is to promote biodiversity based on indicators providing accurate findings, while reducing expenses by lowering the maintenance costs of the outdoor areas.

The biodiversity performance contract has been introduced in business parks in North East Paris, accounting for 33% of Icade’s parks and will be introduced in more than 75% of the parks in 2017. Based on benchmarks established at the start of the development project, these contracts set quantifiable targets by creating action plans for the following:

- animal and plant life: improving wildlife welfare, especially foraging insects and their natural helpers, promoting alternative management solutions such as conservation grazing, diversifying the range of plants by reintroducing local species into the existing plant selection;
- soil and water: raising users’ awareness about preserving water resources, conserving potable water through rainwater reuse, ensuring soil permeability by carefully selecting materials, creating or restoring wetlands based on the area’s natural hydromorphology;
- differentiated green space management: factoring in ecological continuity issues in development projects, promoting the maintenance and preservation of green and blue infrastructure ⁽¹⁾ on the site, expanding management methods favourable to biodiversity, culminating in differentiated green space management by adapting it to their characteristics and uses.

(1) Green and blue infrastructure is a network of the land and water ecological continuities identified by regional patterns of ecological coherence (SRCEs) and planning documents produced by the French government, local authorities and groups of authorities.

Nature 2050

The Nature 2050 programme has also been created and developed by CDC Biodiversité. It is in keeping with the biodiversity performance contract, which encompasses biodiversity on the urban sites on which Icade is involved. Nature 2050 focuses on ecosystems and natural habitats outside Icade's development areas but which are particularly vulnerable.

This proactive approach funds ecological initiatives to restore biodiversity and maintain ecosystem services in the various natural habitats under threat that were identified by CDC Biodiversité. For 1 sq.m of property developed by Icade's Property Development Division for the Commercial Property Investment Division, Nature 2050 is committed to restoring and maintaining 1 sq.m of natural habitat until 2050. The same commitment was made for all of the Healthcare Property Investment Division's major projects (involving a floor area over 10,000 sq.m).

3.4.3. An ambitious action plan promoting biodiversity

These commitments make it possible to continue and even accelerate initiatives that have been ongoing at Icade for a number of years to promote biodiversity:

- **Concrete action.** The ESR analysis (Ecosystem Services Review) conducted by CDC Biodiversité in 2014 had already made it possible to draw up a biodiversity improvement plan by introducing bird houses and a plant selection to encourage the presence of birds and substituting pest control products to reduce the negative effects on the soil. At the same time, Icade has maintained its partnership with the LPO (League for the Protection of Birds) which is conducting improvement studies and making recommendations for reintroducing birds to a number of the business parks.
- **New construction incorporating biodiversity.** Since 2016, all property development projects have been systematically subject to a biodiversity assessment. These assessments, conducted in advance of the projects, are used to manage and reduce the impact of new construction.
- **Pilot phase of the BiodiverCity® label.** Icade is one of the companies participating in the pilot phase of the BiodiverCity® label for the construction of the Veolia headquarters covering 45,000 sq.m.

- **Engaging and mobilising service providers.** Icade is calling on its green space managers to minimise the impact of their actions. In 2016, Icade included specific criteria in their service contracts. This ecological management approach for green space was awarded with an EcoJardin label on 93% of Icade's business parks (in terms of surface area).

- **Committed to green roof research.** Icade is participating in a research programme conducted by CDC Biodiversité and the Pierre-et-Marie-Curie University to scientifically ascertain the conditions under which green roofs actually provide the expected environmental benefits in terms of preventing urban heat islands, reducing stormwater flows, carbon sequestration and storage, improving air quality and maintaining biodiversity. 56 planter boxes installed on the roof of Icade's headquarters were used as a testing ground. The first results show that the choice of substrate and the combination of plants play a key role in optimising green roof functions. Depending on the desired "ecosystem services", this programme makes it possible to size and prepare next-generation green roofs, which are much more efficient in terms of ecological services rendered. The next step, already under consideration at Icade, will be to carry out a full-scale test of these results on a green roof in its entirety.

- **Involved in developing urban agriculture.** In 2017, Icade will participate in building an urban aquaponic farm in the Portes de Paris business park. This vertical farm will combine vegetable cultivation and fish farming in a closed-loop ecosystem. Using rainwater collection, this farm will help short food supply chains to expand by locally producing and distributing food that is ultra-fresh, organic and healthy. The urban farm will also become a place for meeting people and exchanging knowledge and expertise through a mechanism to integrate agriculture into the urban lifestyle.

Icade's commitment for biodiversity hinges on raising the awareness of its employees; a best practices guideline was drawn up and distributed in 2016 and training will be introduced in 2017 to enable developers and project managers to meet the growing need of local communities on this topic within the context of major projects.

3.5. Integrating the principles of a circular economy into the products and services

The essence of a circular economy includes transitioning from an environmental impact reduction model to a positive value creation

model on an economic, social and environmental level. Turning waste into a resource is another one of its basic principles. To accomplish that, Icade draws on the European Union Directive of 2008 on waste management, whose 3R principle (reduce, recycle, re-use) was echoed by the French law on Energy Transition for Green Growth. Creating as little waste as possible, re-using, recycling or recovering when necessary the waste produced – that’s the waste and water management strategy to which Icade is committed.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> Recycle or recover 100% of the controlled operational waste in 2020 Ensure the collection of used objects by government-approved waste collection and treatment companies for all business parks by 2017 Initiate local partnerships in the circular economy Reduce by 25% the water consumption of the buildings between 2011 and 2020 (in m³/sq.m/year) 	   	<p>COMMERCIAL PROPERTY INVESTMENT DIVISION:</p> <ul style="list-style-type: none"> The portion of recyclable waste was 35% in 2016. Icade is experimenting with various innovative approaches to meet its target in 2020. The design for waste collection equipment was finalised in 2016 and its roll-out is scheduled for 2017. A number of partnerships have been initiated or are under consideration. Water consumption was reduced by 6% between 2011 and 2016. New initiatives will be introduced to step up water conservation efforts to meet the goal of (25%) in 2020.
<p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> Recover 60% of construction waste for all HQE-certified offices starting in 2016 Develop at least 25% of projects with a rainwater collecting system starting in 2016 	 	<p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> With 75% of offices HQE-certified having recovered 60% of construction waste, the goal was not reached in 2016. Efforts will be reinforced to achieve this objective in 2017. 38% of projects were developed with a rainwater collecting system in 2016.

 Objective achieved
  Objective being achieved
  Objective not achieved

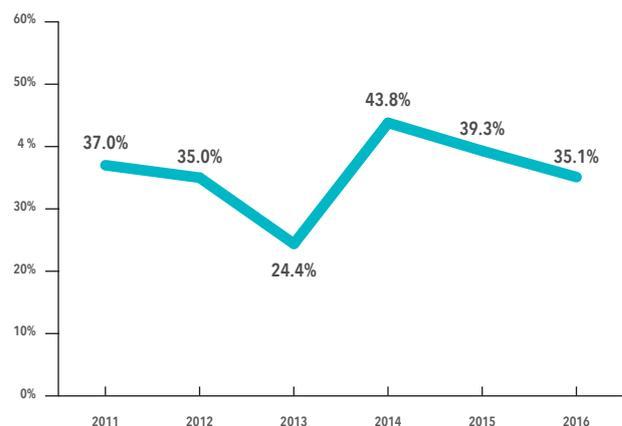
3.5.1. Reducing, re-using, recycling and recovering waste

The European construction industry alone represents close to 50% of all natural resource consumption and nearly 40% of waste production throughout Europe, according to ADEME (the French Environment and Energy Management Agency). As a result, recycling or re-using materials is one of Icade’s top priorities.

Commercial Property Investment Division

Every year, Icade maps the amount of waste collected and the portion of recyclable waste from its offices. The performance recorded in recent years is as follows:

PORTION OF RECYCLABLE WASTE OF OFFICES AND BUSINESS PARKS (in %)



Over the past five years, the percentage of recyclable waste has experienced a slight decline. Between 2015 and 2016, the decline in the portion of recyclable waste stems from the sale of five business parks, whose rate of recyclable waste was higher than the average for Icade’s property portfolio. However, on a like-for-like basis, the rate has improved by 1.4 percentage point.

Icade's goal is to recycle or recover all controlled waste in 2020. Consequently, efforts will have to be stepped up. In order to meet this goal, Icade has experimented with various approaches focused on three pillars: recovering on-site waste, improving the sorting process and assisting tenants. The following key initiatives are currently underway:

- Waste sorting units will be set up directly in office buildings. Since 2016, two towers have been experimenting with the "Corbeille Bleue" solidarity system which includes setting up an on-site sorting unit and creating jobs in the sheltered work sector. Waste recycling results have been very satisfactory. In 2017, Icade will continue to experiment with this approach on new sites.
- Icade is committed to collecting used objects in all its business parks and multi-tenant buildings over 15,000 sq.m in 2017. The design of appealing, hands-on collection equipment which inspires donations and ensures the traceability of deliveries to government-approved waste collection and treatment companies was entrusted to ESIEC (a French engineering school specialised in packaging) in Reims. The design of this equipment was completed in 2016 and its installation will be tested before the equipment is rolled out in 2017.
- As part of a partnership with Egis, a pyro-gasification project aimed at transforming waste into energy will be implemented. It involves heating a combustible (waste) in an oxygen poor environment, in this way the end product is charred without actually being incinerated. This process begins by applying external heat (a natural gas burner) and then becomes exothermic and sustains itself. As a result, pyro-gasification is at least 50% more energy efficient than incineration. In addition, it produces less smoke pollution. This process will soon be tested in the business parks.
- Icade is improving operational waste management through its partnership with the start-up Trinov. Trinov designs solutions for managing and optimising waste flows for buildings, blocks of buildings or neighbourhoods based on smart data management. This tool cross-checks operational data from Icade and its service providers against data recorded by connected objects.
- The growing number of Green Lease Committees should help to promote performance by setting goals for improvement, introducing action plans and sharing best practices.

Property Development Division

All new HQE-certified construction is aiming to achieve the level of "very efficient" for "low nuisance work site" and "operational waste management". The charter's requirements are stringent in terms of reducing, recovering and treating hazardous waste during the construction and operational phases. For example, the charter has set a minimum of 50% of construction waste that needs to be recovered. In 2016, 25% of office development projects met this 50% threshold and 75% of the projects aimed for at least 60% of recovered construction waste.

3.5.2. Reducing water consumption

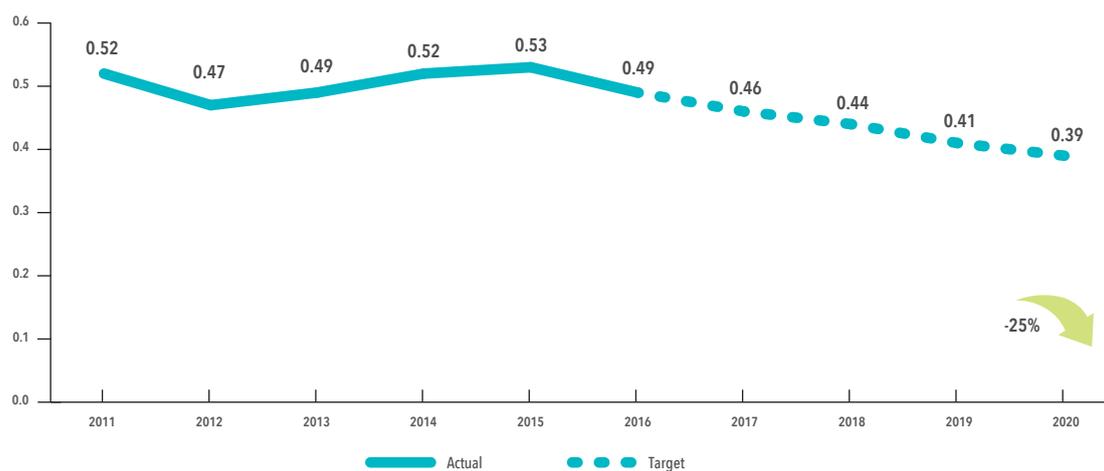
Even though Icade is not subject to water restrictions, it works to minimise its impact and is committed to reducing its water consumption by 25% by 2020.

Commercial Property Investment Division

Tools for measuring and managing consumption more closely have been implemented, including:

- In office buildings, precise mapping of the water distribution network and monthly meter readings of usage enable a better understanding of the equipment's condition and possible leaks.
- In connection with Green Lease Committees, tenants are given tips on smart water usage, through the use of low-flow faucet aerators or the installation of water-saving toilet flushing systems.
- In several of its business parks, Icade has installed retention basins to reduce rainwater runoff and avoid saturating sewage treatment plants during periods of heavy rainfall. Icade is also conducting research on green roofs exploring how to reduce rainwater runoff. Lastly, as part of its biodiversity performance contract, Icade will drastically reduce automatic watering and plants requiring too much water.

WATER CONSUMPTION IN OFFICES AND BUSINESS PARKS (in m³/sq.m/year)



Water consumption decreased by 6% between 2011 and 2016 and by 8% in 2016. The reduction observed in 2016 was related to both the sale of five business parks and water conservation measures that were implemented. Efforts will be reinforced to reach the goal of reducing water consumption by 2020.

It should be noted that the way these environmental indicators are calculated changed in 2016 to be more representative of Icade's performance. Environmental indicators have been recalculated going back to 2011 accordingly. *For further information, see section 5. "Summary of reporting scope and methods".*

For further information about water consumption and waste production, on a total and like-for-like basis and by asset class, see 6.1 "Table

of environmental indicators of the Commercial Property Investment Division – EPRA format".

Property Development Division

In the scope of broadening NF certification for all new construction, Icade is working to reduce water consumption and pollution during construction. In addition, buildings are equipped with low-flow faucet aerators.

In 2016, 38% of the development projects introduced rainwater collecting systems.

3.6. Innovating for sustainable construction

The choice of materials plays a key role in a project's environmental performance, which must take into account resource depletion at all stages of its life cycle, from the extraction of the natural resource through to recycling, but also including its use and transport.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> Systematically carry out a life-cycle assessment (LCA) for projects over 10,000 sq.m starting in 2016 Develop at least five wood-based buildings per year starting in 2017 	 	<p>PROPERTY DEVELOPMENT DIVISION:</p> <ul style="list-style-type: none"> 22% of major development projects carried out an LCA in 2016. This type of assessment will be expanded through the introduction of the BIM method at Icade. Three wood-based buildings were developed in 2016
 Objective achieved	 Objective being achieved	 Objective not achieved

3.6.1. Sustainable materials

Property Development Division

Icade has created a materials monitoring unit to assist operational teams in selecting the most sustainable materials. This strategy has obtained results; since setting up this unit, technological requirements and practices have changed.

While it is true that concrete is mainly used (in 64% of projects in 2016 compared to 70% in 2014), the use of brick, having a lower carbon footprint than concrete, increased (20% in 2016 compared to 14% in 2014).

Icade has included sustainability criteria in its procurement of materials for all its buildings, including for the emission of volatile compounds or environmental quality labels. *For further information, see section 2.5. "Reinforcing our responsible procurement policy".*

Icade has demonstrated its commitment to sustainable materials by becoming a founding member of the BBCA (Low-carbon building) association and ADIVbois (Association for the Development of Residential Wood-Based Buildings).

The Company also supports the use of biosourced materials by becoming the first private property developer to use in 2015 the "Biosourced Building" label in its Parc des Closbilles development project, whose structural parts, cladding, flooring, doors and frames are made from wood.

Six wood-based projects were completed in 2016 or are under development, including:

- a 34-residential unit building in Strasbourg whose structure is 100% wood-based;

- two office buildings in Paris, Thémis and Twist, have mixed wood and concrete structures. One of these projects is participating in the pilot phase of BBCA certification;
- two wood-based towers including a high-rise with a wood-based frame in Ostwald and a tower in Toulouse. Icade is also part of the 24 projects selected for a national competition organised by the French government;
- the Max Weber building at the Paris Ouest Nanterre University on five levels, 100% wood-based structure (including stairwells and elevators) obtained the first Bois Ile-de-France trophy in the "Public buildings, commercial facilities and buildings, other facilities" category as well as first place in Low Carbon at the 2016 France Green Buildings Awards.

3.6.2. Analysing the life cycle

In 2016, Icade introduced life-cycle assessments (LCA) for 22% of its major property developments under construction, such as Thémis and Twist in the 17th district of Paris. This has made it possible to examine multiple scenarios and to choose materials with the lowest impact on the environment. Thanks to this assessment, environmental performance is optimised. As a result, CO₂ emissions for both Thémis and Twist were 40% below the average for new commercial projects in France over the entire life cycle.

The major projects completed during the year also received LCAs, including the Veolia headquarters in Aubervilliers, Millénaire 4 building in Paris, and Icade's future headquarters in Issy-les-Moulineaux. This approach will be expanded through the introduction of BIM, with a life-cycle assessment conducted for each major new construction project.

PROMOTING WORKPLACE WELL-BEING, DIVERSITY AND EMPLOYEE COMMITMENT

13

Developing expertise, mobility, workplace well-being and employee diversity are known to be driving forces behind commitment, creativity and performance. These are also key values for Icade, which has taken an active role in advancing the careers of its employees, giving Generation Y an

opportunity to voice their opinions on the new "Y Board", investing in the quality of life in the workplace and promoting diversity of all kinds. The new "Open" headquarters will reflect these commitments.

RELOCATION OF ICADE'S HEADQUARTERS



Icade's headquarters will relocate to Open (Issy-les-Moulineaux) in the summer of 2017.

In order for the future headquarters to promote the new types of collaborative working, the project has drawn on the innovative approach of the Hub. It has integrated reflections on new ways of working, including teleworking, new managerial practices, co-working facilities and Third Places, the right to disconnect, etc.

The relocation is managed in consultation with employees who are invited to participate in the project by offering their suggestions. The building will be a showcase for Icade's expertise and a model of its mastery of innovation, comfort and workplace well-being.

A FORUM FOR THE UNDER 35



Generation Y wants a job that has meaning in a socially responsible company attentive to its needs. Icade has given those under 35 a place to express themselves by setting up the “Y Board” –a new group which works with management on business projects and brings young employees together by involving them in Icade’s goals.



Corinne Lemoine

**MEMBER OF THE EXECUTIVE COMMITTEE
IN CHARGE OF HUMAN RELATIONS**

“Icade’s businesses have evolved—developing service solutions and digitalisation have required helping employees improve their skills to be able to face the real estate business of the future.”



Alexandra Bertagna

**OPERATIONAL MARKETING MANAGER,
PROPERTY DEVELOPMENT DIVISION**

“Working at Icade means being an active member in a changing world, by experimenting with new ways of working which fuel the creation of new solutions and optimise the skills of all those involved—collaborative working, the flexibility of teleworking, co-innovation with start-ups.”

5 WOMEN OUT OF 9 MEMBERS:

ICADE’S EXECUTIVE COMMITTEE HAS THE HIGHEST PERCENTAGE OF WOMEN OF ANY SBF 120 COMPANY.

70%

OF EMPLOYEES HAVE BENEFITED FROM DIGITAL TRAINING.

92%

OF EMPLOYEES FEEL THAT TELEWORKING HAS HAD A POSITIVE impact on their work-life balance and 100% of managers want to continue this practice.

4. Promoting the development of employee expertise, workplace well-being and diversity

The HR department supports and reinforces the strategy

Icade's HR policy is a key factor in the success of strategic planning for 2016-2019. This policy supports Icade's major projects for transformation and is a driving force behind innovation as regards the quality of life in the workplace. The HR policy also provides support for those involved in strategic projects, such as the sale of the Property Services Division:

- Icade has been very attentive to managing the social impact of the sale of its Property Services Division for which it has provided support at each stage in 2016. These sales took place within the context of a sustained and constructive social dialogue with representative labour unions. The companies' senior managements were particularly vigilant in ensuring that the future buyers' projects allowed for the employees involved to be rehired with the possibility of career enhancement and development. Comprehensive accompanying social measures were implemented, including employment measures (for example, a three-year employment guarantee for IPM employees representing 278 employees out of a 330-person workforce for the services companies sold), compensatory financial measures, preserving health care coverage and pension benefits until the end of 2017 and special measures for the disabled and the elderly.
- Work is evolving, it is becoming more collaborative, cross-functional and digitised. As a result, managerial methods have to adapt as well:

Icade supports and trains its employees in adopting a new managerial style implemented in a very tangible way in collaborative projects (relocating) or cross-functional (innovation strategy).

- To attract top talent and develop skills, the Company encourages internal mobility and has thus reinforced accompanying social measures through a new Forward Planning of Jobs and Skills (GPEC) agreement signed in 2016.
- A proactive approach to business changes has been adopted. To help Icade achieve its goal of becoming a major integrated real estate company, the property development, development project management and sales teams have been reinforced. The growth in the Healthcare Property Investment Division's business is backed by the strengthening of its resources and skills. The development of new services in the Commercial Property Investment Division's business parks is supported by a training plan to adapt skills.
- Innovative and CSR initiatives strive to help the entire Company to grow. As a result, their organisation has been reinforced and the employees are incentivised by individual goals that are defined at annual performance reviews and supported through targeted training.
- In order to allow its employees to participate in its growth and earnings, Icade has introduced an overall incentive remuneration policy, which includes employee savings schemes and bonus share plans.

4.1. Developing employee skills and reinforcing the Company's appeal

Skills development and mobility are key issues for Icade which encourages and helps its employees to take an active role in advancing their careers and in the changing real estate business.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<ul style="list-style-type: none"> ● Fill 25% of jobs internally on average over the period 2016-2018 		<ul style="list-style-type: none"> ● 44% of positions were filled internally in 2016
<ul style="list-style-type: none"> ● Train at least 80% of the employees on average over the period 2016-2018 		<ul style="list-style-type: none"> ● 90% of the employees received training in 2016
<ul style="list-style-type: none"> ● Provide 70% of employees with digital training in 2016 		<ul style="list-style-type: none"> ● 70% of employees were trained in this area which will be expanded in 2017-2018
<ul style="list-style-type: none"> ● Raise employee CSR awareness by 80% by 2018 		<ul style="list-style-type: none"> ● The programme will start in 2017
<ul style="list-style-type: none"> ● Train 80% of employees identified as eligible for the asset management and investment management training programmes by 2017 		<ul style="list-style-type: none"> ● 100% of asset managers and 87.5% of property portfolio managers were trained in 2016

 Objective achieved
  Objective being achieved
  Objective not achieved

CORPORATE SOCIAL RESPONSIBILITY

Promoting the development of employee expertise, workplace well-being and diversity

4.1.1. Workforce

WORKFORCE BY CATEGORY AND TYPE OF CONTRACT

	2016	2015 restated	2015
Total workforce at the end of the period (excluding interns)	1,104	1,101	1,475
Change compared to the previous year	0.3%		(3.5)%
Organic change (on a like-for-like basis)	(0.2)%		(3.1)%
WORKFORCE BY CATEGORY (EXCLUDING INTERNS)			
Women	285	278	373
Men	412	414	536
Executives	697	692	909
Women	308	310	427
Men	99	99	139
Non-executives	407	409	566
WORKFORCE BY CONTRACT TYPE (INCLUDING INTERNSHIP AND TEMPORARY CONTRACTS)			
Permanent contract	1,057	1,072	1,400
Fixed-term contract	26	19	47
Work-study/internships/apprenticeships	24	16	35
Temporary (annual FTE)	8	9	12
ORGANISATION OF WORKING TIME			
Number of part-time employees	77	85	108

Following the sale of the Property Services Division in 2016, the indicators for 2015 were adjusted to enable a comparison on a like-for-like basis. The sale of the Property Services Division affected 330 employees over the year. Both departures and hires were controlled in 2016 and the workforce decreased by 0.2% on a like-for-like basis compared to 2015.

Hires and departures (by reason) in 2015 and 2016

NUMBER OF HIRES – PERMANENT EMPLOYMENT CONTRACTS



■ Permanent hires
■ Mergers & Acquisitions
■ Transfers from Caisse des dépôts and its subsidiaries

NUMBER OF DEPARTURES – PERMANENT EMPLOYMENT CONTRACTS



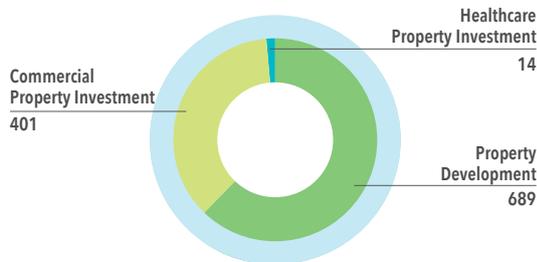
■ Resignations
■ Dismissals
■ Departures by mutual agreement
■ Probation period termination
■ Retirements
■ Deaths
■ Transfer from Caisse des dépôts and its subsidiaries
■ Asset disposals

CORPORATE SOCIAL RESPONSIBILITY

Promoting the development of employee expertise, workplace well-being and diversity

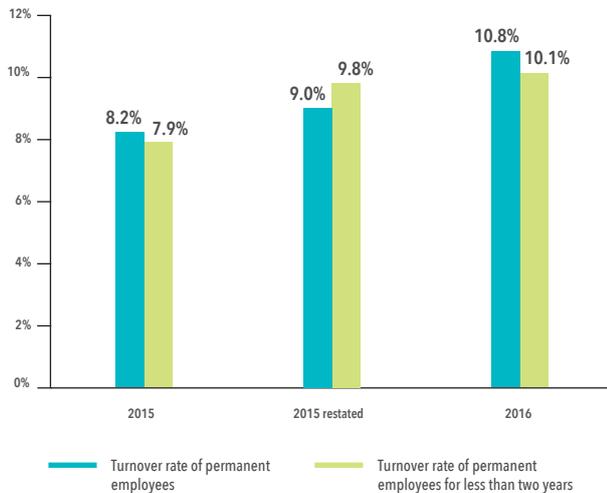
The Property Development Division has the largest share of the workforce (62%). The Healthcare Property Investment Division's workforce relies on internal expertise, especially from the Healthcare teams of the Property Development Division.

WORKFORCE BY DIVISION IN 2016



The employees are all located in France, with 63% in Île-de-France (Paris region) and 37% outside the Paris region. 99% of the employees outside the Paris region are from the Property Development Division.

TURNOVER RATE FOR PERMANENT EMPLOYMENT CONTRACTS AND TURNOVER RATE FOR PERMANENT EMPLOYMENT CONTRACTS SIGNED LESS THAN TWO YEARS AGO, IN 2015 AND 2016



The rise in the overall turnover rate in 2016 was offset by sustained recruitment activities which made it possible to renew and stabilise the workforce. The turnover rate of employees with permanent contracts signed less than two years ago was stable, demonstrating Icade's capacity to attract and retain new hires.

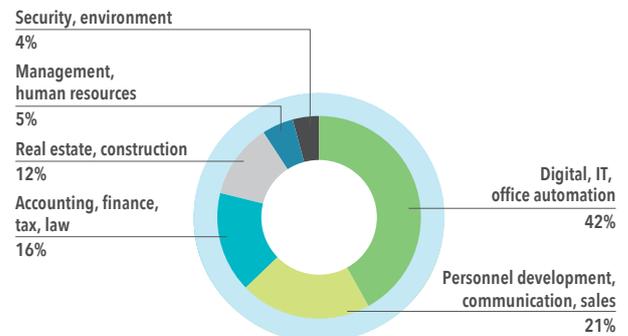
4.1.2. A dynamic policy for skills and career management

Skills management is an integral part of Icade's strategy, with a training policy that supports its goal to become one of the leading integrated real estate companies and to use this position as leader to promote growth and performance. Skills management is based on the following three pillars: encouraging cross-functional and collaborative work to develop synergies between the various business areas, increasing profitability and performance of all the business activities, and lastly, supporting Icade's CSR and innovation commitments.

The main initiatives taken in 2016 were as follows:

- The training budget was increased to 2.9% of payroll as compared to 2.3% in 2015. 90% of employees obtained training (compared to 69% in 2015), for an average of 19 hours.
- Specific training programmes were introduced for two roles which are undergoing significant change, i.e. asset managers and property portfolio managers. 94% of the employees involved participated in these specific programmes in 2016.
- The "Be Digit'all" training programme assists employees in Icade's digital transformation. This innovative training initiative strives to develop the employees' digital skills through an innovative approach and to help them to better understand their role, from the design phase to canvassing for customers. It includes an awareness raising phase and an in-depth training phase in a COOC format (Cooperative Open Online Course). 70% of the employees participated in this module in 2016. The digital course offering will be expanded in 2017-2018.
- The training programme also pays particular attention to managerial skills which include learning how to work using a cross-functional approach, developing a collaborative culture and contributing to collective success.
- Icade has set a goal to raise the CSR awareness of 80% of the employees by 2018. Icade's commitment is not only a moral decision, but is also a way to adapt its teams to changes in the real estate industry and businesses. For example, in 2017 Icade will introduce biodiversity training to enable property developers and project managers to meet the growing needs of local authorities with respect to major projects.
- Making Icade's employees aware of new trends in real estate can be achieved through Meetings at the Hub. Since the end of 2014, conferences have been regularly held for all who are interested in workplace well-being, innovation during a crisis period, "Smart Cities", digital transformation, etc.

BREAKDOWN OF TRAINING HOURS PER AREA IN 2016



In 2016, the first area of training involved IT and digital skills due to the introduction of digital training for all employees. Training for sales and the sales force were reinforced in 2016 and represent the second area of training.

4.1.3. A proactive policy for mobility and skills management

In 2016, 44% of positions were filled internally, above the goal of 25% on average in 2016-2018. Internal mobility has significantly increased so as to support the Group's new strategy and the employees' desire for career advancement. It is the result of a proactive approach to career management and skills development, whose pillar is the annual performance review: 93% of employees had a performance review in 2016.

This review conducted by managers is in addition to the career interviews carried out by HR teams: 138 interviews of this type were conducted in 2016, of which 21 dealt with professional mobility.

Various tools have been implemented to help employees envision career mobility, including "mobil'ideas", an online platform allowing employees to access all of the opportunities at Caisse des dépôts in real time; mobility interview assistance conducted by the HR Department, Mobility Committees of Icade and Caisse des dépôts and the talent pool of Caisse des dépôts.

Icade is involved in two talent pools managed by Caisse des dépôts, one with a high-potential group able to assume managerial positions in the medium- to long-term, and a second group with more experienced people capable of assuming managerial positions in the short- to medium-term. The individuals chosen by Icade and Caisse des dépôts benefit from a training cycle of between 18 to 36 months. In the last three training groups, 100% of the employees who were included in these talent pools have taken on new responsibilities within Icade or in a subsidiary of Caisse des dépôts.

The Forward Planning of Jobs and Skills (GPEC) agreement introduced in 2015 has resulted in the creation of a number of tools that promote mobility, such as job mapping, a progress chart of changes in employment and skills over a three-year period by occupational area, specific training programmes for fast-growing roles, accompanying measures for internal mobility and management guidelines.

These tools were finalised in 2016 pursuant to the GPEC agreement which includes:

- ❑ accompanying measures for geographical mobility: temporary dual residence allowance, spouse employment assistance, relocation assistance;
- ❑ a lump sum bonus for internal mobility;
- ❑ monitoring and planning processes: labour-related data, data from occupational groups, a professional committee, a Forward Planning of Jobs and Skills (GPEC) performance chart.

4.1.4. Employees committed to a socially responsible company

In an increasingly changing world, employees are looking for meaning and new social connections. Icade wants to accompany them on this journey to be able to satisfy their need for social responsibility and commitment. Introducing a skills sponsorship with Samusocial of Paris, partnering with the "Our Neighbourhoods Have Talent" association, implementing a digital forum for associations and solidarity days have all strengthened employees attachment and commitment. These

initiatives also make it possible to develop new skills in a setting other than the usual workplace. *For further information, see section 2.4.2. Committed employees.*

4.1.5. Sharing the earnings

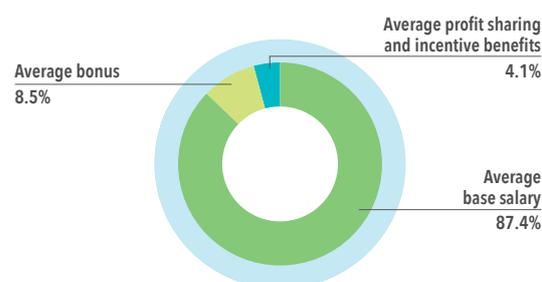
To include employees in the Company's performance, Icade has introduced an overall incentive remuneration policy which includes individual variable remuneration, employee savings schemes and bonus share and performance share plans (two plans launched in 2016).

The average salary of permanent employees stood at a gross amount of €52,031 in 2016 and increased by 2.9% compared to 2015.

77% of employees in 2016 received individual variable remuneration based on the economic performance of the Company, their division and their contribution to the targets set by their manager. Variable remuneration accounted for 8.5% of total remuneration.

Profit sharing and incentive plans represented 4.1% of total remuneration in 2016. Employees may deposit these amounts in a Group savings plan (PEG) or a collective Group retirement savings plan (PERCOG) or collect them directly.

BREAKDOWN OF AVERAGE TOTAL REMUNERATION IN 2016



On November 7, 2016, the following two bonus share and performance share plans were issued with the Board of Director's approval:

- ❑ a bonus share plan for all permanent employees subject to service conditions (30 shares per employee);
- ❑ a performance share plan for managers (representing 20% of the workforce), subject to service conditions and to performance conditions based on Icade's strategic objectives.

In this way, all employees have a stake in the Company's performance and the interests of management are aligned with those of shareholders.

Since 2014, Icade has carried out an Individual Corporate Assessment (BSI) for each employee, which summarises the various components of total remuneration (fixed, variable and deferred) as well as information concerning training, employee savings schemes, social security and other perquisites (e.g. meal vouchers). A satisfaction survey conducted in 2016 revealed that 85% of employees who responded found that BSIs provided useful information about their pay and benefits.

4.2. Committed to improving the quality of life in the workplace

Health, safety and the quality of life in the workplace are an integral part of an employer's responsibilities. Employee quality of life is within the scope of both the Company's health and safety policies and social innovations related to workplace well-being. Icade has been experimenting with new services for its employees that will be used in providing solutions to its customers in the future.

2016-2020 COMMITMENT	RESULT	COMMENT
<ul style="list-style-type: none"> Conduct a telecommuting experiment involving 10% of the employees in 2016 		<ul style="list-style-type: none"> 15% of Icade employees chose telecommuting in 2016. This work arrangement will be expanded in 2017.

 Objective achieved
  Objective being achieved
  Objective not achieved

4.2.1. Health and safety at work

Health and safety are important issues for companies, including in the service sector. The main indicators monitored by Icade are set out below:

HEALTH AND SAFETY AT WORK INDICATORS

	2016	2015 restated	2015
Frequency rate	3.34	1.64	2.46
Severity rate	0.17	0.09	0.09
Number of fatal accidents	0	0	0
Number of illnesses reported during the year	1	0	0
Absenteeism ^(a)	3.94%	3.33%	3.70%

(a) Absenteeism includes all of the days of absence for illness (occupational disease, other illness), days of absence for work/commuting accidents, absences for family events (special days off) and days of absence for other reasons (unpaid absences, authorised unpaid absences, unauthorised absences, short-term leave without pay, paid holiday leave based on prorated 13th month pay).

The rate of absenteeism is on the rise due to the higher incidence of sick leave. The rise in the frequency rate in 2016 is related to minor accidents.

Occupational health and safety policies at Icade are carried out in connection with the Health, Safety and Working Conditions Committee (CHSCT). The Company's top management has introduced the following initiatives: First Aid Officer (SST) training, fire and safety training and a driver safety awareness programme.

With respect to health issues, Icade provides a range of specialised services, in partnership with CNP Assurances, via a health platform (Lyfe) available on the Internet for all its employees. Through this platform, Icade's employees benefit from access to simplified and rapid care, connected to a network of healthcare centres, which provide medical appointments (general practitioners and specialists), healthcare assessments and a loss of autonomy prevention programme. In 2017, Icade plans to provide a wellness service to its employees via the personalised coaching application "Betterise".

To round out its prevention programme, in 2016 Icade organised conferences, activities and awareness-raising campaigns by taking a fun-filled approach on six issues which include resuming a physical activity, nutrition and hearing health.

4.2.2. A strong commitment

The social barometer carried out in 2015 by Caisse des dépôts with the Group's employees and its subsidiaries revealed a strong level of commitment. Out of the 53% of employees who responded, 78%

described themselves as committed or very committed. Between 2012 and 2015, both pride in a sense of belonging and the advocacy rate turned sharply upwards.

The organisation of work, job interest, working conditions and the relationship with their manager were also considered satisfactory. The survey also allowed Icade to identify several areas of improvement concerning both professional and skills development. It is precisely in response to these expectations that Icade has strengthened its initiatives for skills development and internal mobility, as described in section 4.1.2. "A dynamic policy for skills and career management".

4.2.3. Well-being and quality of life at work

A number of factors are involved in the quality of life in the workplace. Icade has decided to concentrate its efforts in three key areas.

- An action plan was drawn up several years ago for managing psychosocial risk factors. It includes prevention and accompanying measures such as setting up a toll-free line manned by a specialised service provider (PSYA), workplace harassment prevention procedures, management training and the availability of a social worker.
- Regarding work-life balance, Icade employees benefit from a number of services (concierge services, fitness centre, private transport service and a video-conferencing system). In addition, the Hub's approach to innovation allows employees to experiment with innovative solutions. As a result, a connected doctor's office was launched in April 2016 in the lobby of its headquarters. In partnership with H4D

and IPSEC, this "Consult Station®" allows employees to perform their own medical check-ups. A video-teleconsultation with a general medical practitioner is an option that is currently being developed. The assessment marking the halfway point of this experiment shows that 95% of employees are satisfied with the service and 85% consider that the service makes their daily life easier. This feedback will help to refine Icade's service solutions.

- Teleworking was initiated in 2007 during the prior relocation of headquarters. This work arrangement was then extended to seniors and the disabled. In 2016, a new experiment was carried out with a panel of 450 employees to examine the possibility of expanding the use of telework. 130 of these employees signed up for this experiment. Accompanying teleworking was reinforced in collaboration with the start-up LBMG. An assessment was conducted at the end of the experimentation period. The results indicated that 92% of respondents felt that teleworking had a positive impact on their work-life balance when performed one or two days a week and 95% considered that teleworking did not diminish their colleague's recognition of their work. The results were also conclusive for managers: 95% of managers felt that their employees were equally if not more productive and 100% of managers would like to continue this initiative. Icade will now more widely rely on this work arrangement.

The study carried out for teleworking made it possible to initiate brainstorming within cross-functional groups on new managerial practices, collaborative work, IT tools, the right to disconnect, the paperless office, using Third Places and co-working facilities, etc. These discussions are related to those carried out more broadly on the quality of life in the workplace within the context of the relocation of Icade headquarters and will be used as the basis for negotiating the upcoming collective agreement in 2017.

4.2.4. Productive social dialogue

Icade and its subsidiaries are organised in a single economic and social unit (UES) at whose level employee representative bodies (IRP) operate. 100% of the employees are covered by collective agreements.

Icade links its employee representative bodies with strategic and operational projects, in compliance with French social law and the

fundamental conventions of the International Labour Office (ILO) on the freedom of association and the right to collective bargaining. Icade operates only in France and compliance with French law also guarantees compliance with the fundamental conventions of the ILO relating to the elimination of forced labour and child labour.

Various agreements guarantee the means of operation of the employee representatives elected and designated. For example, these agreements involve allowing labour unions access to electronic messaging and the Intranet and the provision of premises. In 2016, Icade reaffirmed its desire to pursue productive social dialogue with all its social partners, for example: 111 joint consultations resulted in the signing of four agreements and an action plan.

The following main agreements are currently in effect:

- collective agreement of December 2012, harmonising the rules of the different companies from the UES (Economic and Social Unit) on working time, telecommuting, remuneration and mobility;
- collective agreement relating to the prevention of psycho-social risks of September 2012;
- collective agreement for employees with disabilities signed in 2009, renewed in 2012 and in 2015;
- professional gender equality action plans of 2015;
- intergenerational action plan of 2013, updated in 2014 and 2015;
- 2014 employee profit sharing agreements and 2006 incentive agreements;
- forward Planning of Jobs and Skills (GPEC) agreement of April 2016;
- 2016-2018 agreement on specific accompanying measures related to strategic guidelines of April 22, 2016 which includes measures related to the sale of the Property Services Division.

The collective agreements signed at the Company aim to improve the employees' working conditions. They focus on the quality of life in the workplace, improving employability, employment for people with disabilities, discrimination-free career management, work-life balance and employee profit sharing. These agreements bolster not only employee commitment, but also the Company's appeal and performance.

4.3. Promoting diversity in all its forms

Icade seeks to reflect French society – diverse, open and inclusive. Everyone deserves a fair chance to succeed, regardless of gender, national origin, age or health status. This diversity is a source of social cohesion and innovation.

Icade complies with French law in matters of diversity as well as the fundamental conventions of the ILO relating to the elimination of discrimination. To ensure that these laws are applied and its own objectives pursued, Icade appointed a diversity policy officer in 2011. A number of agreements and action plans have been implemented.

2016-2020 COMMITMENTS	RESULTS	COMMENTS
<ul style="list-style-type: none"> ● Increase the percentage of female managers from 29% to 34% between 2015 and 2018 		<ul style="list-style-type: none"> ● This rate increased from 29% in 2015 to 31% in 2016.
<ul style="list-style-type: none"> ● Have 15% of positions filled externally under permanent employment contracts with people under 26 on average in 2016-2018 and maintain the employment rate of seniors over 55 		<ul style="list-style-type: none"> ● The recruitment rate of young people stood at 13% in 2016 and should increase to reach 15% on average in 2016-2018. A number of initiatives are planned in order to reach this target. The employment rate of seniors increased slightly in 2016.

 Objective achieved
  Objective being achieved
  Objective not achieved

4.3.1. Creating an inclusive environment for the disabled

A number of measures have been adopted in recent years within Icade to go further than the regulations require and to facilitate the inclusion of people with disabilities. Icade demonstrated this commitment by renewing the agreement for the professional inclusion of disabled persons, whose third edition was ratified in 2015. New initiatives include: training for social partners, accompanying employees dealing with the disability of a family member; increased funding for service vouchers (CESU), from €600 to €700 per year and per employee; and improving coverage for transport aid which will increase from 50% to 100%.

This agreement hinges on five key areas:

- enabling disabled persons to continue working: Three work stations have been adapted with the help of experts. In 2016, 40 employees were officially recognised as disabled, which represents 3.6% of the workforce, more than double than in 2012 (1.7%). This proves that Icade's commitment in this area has been successful. The Company initiated an awareness raising and support programme to encourage more employees to declare their disability;
- making it easier for disabled persons to reconcile work and family life is a key issue. In 2016, 16 employees benefited from at least one of the following measures: Service vouchers (CESU) for the disabled, transport assistance, flexitime, part-time work, accompanying measures for employees dealing with the disability of a family member;
- in partnership with its target schools (the ESTP engineering school and the ESSEC business school), Icade is participating in diversity-themed meetings to meet the students, including persons with disabilities. As part of this initiative, in 2016 Icade participated in ESTP's Day of Solidarity;
- informing and raising awareness to change the way people see disability: Icade trains its managers and educates all its employees by organising conferences during the Disability Awareness Week and by publishing an information booklet on diversity;
- strengthening ties with the sheltered work sector: Icade is encouraging its buyers to increase the volume of procurement from sheltered work sector companies and workplaces. In 2016, procurement increased by 15%.

Lastly, the apprenticeship tax paid to associations dedicated to people with disabilities totalled €70,069 in 2016.

4.3.2. Developing age diversity

With an average age of 44.4 for executives and 42.6 for non-executives, Icade aims to maintain the employment rate of seniors (19% in 2016 compared to 18% in 2015) and raise the employment rate for young people under 26 (4% in 2016 compared to 3% in 2015).

For example, 13% of the employees hired on permanent employment contracts in 2016 were under the age of 26. A number of initiatives have been introduced to increase this rate and hit the target of 15% on average in 2016-2018.

Professional integration of young people is of primary focus for Icade. 41% of fixed-term or work-study contracts resulted in permanent employment in 2016. Icade has also built partnerships with the ESTP engineering school and the ESSEC business school which has resulted in their strong presence at Company Forums and participation in the Integration Day for new students. In 2016, Icade entered into a partnership with a start-up that allowed it to reach a wider audience of students for its products and better target its customers. The goal is to diversify the profiles of those hired and to develop apprenticeship programmes.

Icade continues to develop its integration programme. In addition to the initial integration interview which is systematically carried out with new hires, a digital service called the "Welcome Pass" will be added to the Company presentation seminar.

The young generation has a special place at Icade in the group for those under 35 called the "Y Board". This group was launched in 2016 so that young employees could be heard on subjects involving the Company's strategic projects.

Seniors also benefit from specific measures involving intergenerational action plans. These include career interviews, pre-retirement information group meetings (4 employees in 2016), individual interviews with an adviser (26 employees in 2016) and retirement preparation courses (8 employees in 2016 with a 100% rate of satisfaction). As part of the Forward Planning of Jobs and Skills (GPEC) agreement signed in 2016, new measures were introduced to facilitate the transition to retirement: for example part-time work for seniors or phased retirement plans, under which Icade assumes the additional pension contributions until pension benefits have vested allowing the employee to retire with a full pension.

4.3.3. Increasing the presence of women in management

Made up of five women and four men, Icade's Executive Committee has the highest percentage of women of any SBF 120 company. For this reason, on November 15, 2016, Icade was awarded first place for female representation in governing bodies, in the "gender balance in the Executive Committee" category for the second year in a row and 11th place for female representation in SBF 120 large firms. The award was presented by Laurence Rossignol, Minister for Family, Children and Women's Rights. Icade's commitment is part of Caisse des dépôts' strategy to promote female representation in governing bodies.

While women have a slight majority in the overall workforce (54%), they remain in the minority in managerial positions. Icade has thus committed itself to increasing female representation in management. Goal: Increase the percentage of female managers from 29% to 34% by 2018.

The Company has taken the following proactive measures to achieve this goal: removing all references to gender in job offers, raising the awareness of its recruitment agencies, launching leadership training specifically designed for women and promoting work-life balance. The first results have been visible as the rate of female managers has increased from 29% in 2015 to 31% in 2016.

5. Summary of reporting scopes and methods

5.1. Reporting period

The period selected for annual reporting is the calendar year from January 1 to December 31, 2016.

5.2. Reporting scope

The scope that is covered by the reporting process differs depending on Icade's business lines and indicators. It is determined based on its relevance in terms of representativeness and comparability. The related reporting scopes are explained below.

5.2.1. Environmental and societal reporting scopes

Commercial Property Investment Division

The scope of environmental and societal reporting for the Commercial Property Investment Division is based on the same scope of consolidation as financial reporting as defined in the management report. Depending on the environmental or societal performance indicators, the Commercial Property Investment Division will consider several reporting scopes. These scopes are defined as follows:

- Financial reporting scope (i.e. "leasable floor area"). The portfolio of the Commercial Property Investment Division in 2016 included all the assets held as of December 31, 2016 defined as the leasable floor area. The following are not included in leasable floor area: assets being renovated or soon to be renovated, assets with a low occupancy rate, assets under development / construction and assets sold during the year;
- CSR reporting scope. It is calculated excluding the following assets from the financial reporting scope: assets in use for less than one year over the full calendar year (acquired less than one year ago or undergoing works during the year) and "special" assets whose use presents a particular environmental profile and which are not significant enough in number to constitute an entire category by themselves (warehouses, data centres, television studios, industrial facilities, etc.);
- A "mapped floor area" reporting scope is subject to an assessment of certain key environmental indicators. The goal is to increase this "mapped" reporting scope each year.

The property portfolio in the CSR reporting scope of the Commercial Property Investment Division solely includes two categories of office assets: offices not part of any business park (referred to below as "offices") and offices located in business parks (referred to as "business parks") including some which are occupied by Icade ("corporate" scope).

SCOPE OF THE COMMERCIAL PROPERTY INVESTMENT DIVISION AS OF 12/31/2016

	Leasable floor area (in sq.m)	CSR reporting scope (in sq.m)	Mapped floor area (in sq.m)	Mapped share (in %)	Controlled building share	Non-controlled building share
Business parks	1,196,647	679,302	564,074	83%	92%	8%
Offices	529,656	404,354	389,840	96%	81%	19%
COMMERCIAL PROPERTY INVESTMENT DIVISION	1,726,303	1,083,654	953,914	88%	88%	12%

In the "CSR" scope of 1,083,654 sq.m, the mapped buildings totalled 953,914 sq.m at the end of 2016, i.e., 88% of the floor area, up sharply compared to last year (51% in 2015). The assets identified as "controlled" are properties whose operation is fully or partially controlled by Icade. Assets identified as "non-controlled" are the properties held by Icade but fully operated by the tenant (single-tenant buildings). In 2016, Icade had control of the operations of 88% of the assets of the business parks and offices in the "CSR" scope.

The choice of scope for environmental and social indicators is determined based on its relevance for the indicator under consideration:

- Financial reporting scope (referred to as the "leasable floor area") for indicators across Icade's property portfolio or business parks, such as ISO 14001 certification of the parks, biodiversity indicators of the parks, risk assessment related to climate change, assets' connection to low-impact transport, the portion of renewable energy in the energy mix, services available to tenants, Wi-Fi coverage across the property portfolio;
- "CSR" reporting scope for indicators relating to HQE/BREEAM certifications of the offices and business parks;

- "Mapped area" reporting scope for indicators of energy, carbon, water, waste and the distance of the assets from public transport.

Healthcare Property Investment Division

The financial reporting scope includes all the healthcare facilities, held as of December 31, 2016, referred to as "leasable floor area" pursuant to the same rules as those set out for the Commercial Property Investment Division. The "CSR" perimeter of the Healthcare Property Investment Division includes the private hospitals of the financial reporting scope, except for private hospitals in use for less than one year over the full calendar year (acquired less than one year ago or undergoing works during the year). The "mapped area" reporting scope includes the share of private hospitals for which mapping of environmental indicators (energy, carbon and water) was done during the year. In contrast to the Commercial Property Investment Division which controls a vast majority of assets, the Healthcare Property Investment Division does not control the operation of its private hospitals, which explains the difference in mapped areas of the two divisions. In conjunction with its partnership with healthcare operators, Icade owns the properties but does not manage operations. Its tenants have total control over operations, on both an operational and environmental level for the buildings.

SCOPE OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION AS OF 12/31/2016

	Leasable floor area (in sq.m)	CSR reporting scope (in sq.m)	Mapped floor area (in sq.m)	Mapped share (in %)	Controlled building share	Non-controlled building share
HEALTHCARE PROPERTY INVESTMENT DIVISION	1,366,949	1,306,354	171,706	13%	0%	100%

The floor areas of mapped private hospitals increased from 98,811 sq.m in 2015 to 171,706 sq.m in 2016 (i.e. 13% of total floor area in 2016). The mapped facilities are representative of the various private hospital profiles in terms of age and location.

Property Development Division

The scope used is that of the buildings and operations for which construction has been started during the year, corresponding to the consolidated financial reporting scope as defined in the management report. No rules governing exclusion with respect to the financial scope have been applied.

PROPERTY DEVELOPMENT DIVISION SCOPE AS OF 12/31/2016

	Number of property development projects	Floor area (in sq.m, gross internal area as defined by the French Thermal Regulation)	Mapped floor area (in %)
Residential	70	340,185	100%
Offices	4	35,810	100%
Other activities (Healthcare, Amenities)	3	9,382	100%
TOTAL	77	385,377	100%

The consolidation scope is 100% of the operations in 2016, as in 2014 and 2015.

All the environmental and social indicators of the Property Development Division are included in this scope, except for the following:

- share of projects subject to biodiversity assessments (scope: number of projects under consideration over the course of the year);
- share of orders by type of customer (scope: number of residential orders during the course of the year).

5.2.2. Scope of labour-related data

Labour-related data is consolidated for all of Icade's business lines and divisions and integrated into the scope of financial consolidation. No rules governing exclusion with respect to the financial reporting scope have been applied.

5.3. Change in scope

For 2016, the main changes in scope when compared to the previous year include:

- **The scope of labour-related data** following the sale of the Property Services Division in 2016 which affected 330 employees. 2015 figures were recalculated using the *pro forma* method excluding the Property Services Division ("2015 restated") and the data was reported with and without restatement to allow for comparison on a like-for-like basis and on a reported basis.
- **The scope of environmental and societal data of the Commercial Property Investment Division** following the sale of five business parks during the year. To enable meaningful comparison of environmental performance indicators (water, energy, carbon, waste) in the current year with those of previous years, Icade presents the results on a total and like-for-like basis.

5.4. Choice of indicators

To manage the progression in its environmental, social and societal performance, Icade has adopted indicators in connection with its 15 CSR commitments. The CSR indicators are consistent with international reference standards, such as the Construction & Real Estate Sector Supplement from the Global Reporting Initiative, version 4 (GRI-G4), EPRA's "Best Practices Recommendations on Sustainability Reporting Guidance" of September 2014 and the "Reporting Guide – Article 225 for Real Estate and Construction" prepared by France GBC (Green Building Council) of 2012.

Each indicator was selected by Icade for its relevance to its business activities and the expectations of its stakeholders. A fact sheet is provided for each indicator which includes its heading, correspondence to benchmarks, definition, calculation or estimation guidelines, source data, possible connection to other indicators and internal and external review processes.

5.5. Reporting tools

Indicators are compiled from a number of data collection systems, with each one placed under the responsibility of a specific department manager. The tools, data collection methods, calculation and consolidation guidelines, verification process and internal updating are presented below by division and type of indicator.

5.5.1. Data from the Commercial Property Investment and Healthcare Property Investment Divisions

Indicators for energy, carbon, water and waste

The organisation for the environmental reporting of this data is shared by the Commercial Property Investment and Healthcare Property Investment Divisions. It involves the CSR reporting manager, CSR correspondents from the Commercial Property Investment and Healthcare Property Investment Divisions, a network of "energy/water/waste" representatives, placed within the operational entities and property management companies and, as the case may be, office tenants and private hospital operators. Data processing is handled by computer software, namely ENERGIMMO, making it possible to compile a file with detailed results for each real estate portfolio segment. The data is extracted and then processed in a spreadsheet format. A consistency test is performed by CSR correspondents from the Commercial Property Investment and Healthcare Property Investment Divisions and by Icade's CSR reporting manager. The environmental reporting procedure is updated on an annual basis and available on Icade's website.

Other environmental and societal indicators

Collecting and processing source data of other environmental and societal indicators is carried out by CSR correspondents from Icade's Commercial Property Investment and Healthcare Property Investment Divisions. Data verification and validation is performed by these two same divisions and Icade's CSR reporting manager.

5.5.2. Environmental and societal data of the Property Development Division

The indicators are compiled from three sources: business management tools from the Property Development Division, field surveys and thermal analysis of the projects supplied by a network of contributors. The collection and verification is carried out by the Quality Manager of the Property Development Division. A consistency test and verification of any duplicates are also performed by the Quality Manager of the Property Development Division and Icade's CSR reporting manager. The Property Development Division's reporting protocol is updated on a regular basis and was last reviewed in September 2016.

5.5.3. Labour-related data

The labour-related data is collected by the "Analysis and Remuneration" unit of the Human Relations Department based on payroll and labour management software as well as on all HR players responsible for training, mobility, diversity and social affairs. Processing this data is carried out on a special spreadsheet. Monitoring and verification are conducted by the "Analysis and Remuneration" unit and Icade's CSR reporting manager. Releasing this data is subject to validation by the Human Relations Department.

5.6. Methodological clarification

Methodology relating to some indicators may exhibit specificities which are set out below.

Like-for-like: Commercial Property Investment and Healthcare Property Investment Divisions

To meet EPRA reporting recommendations, Icade has reported the environmental indicators of the Commercial Property Investment and Healthcare Property Investment Divisions on a total and like-for-like scope. Like-for-like data includes all historical data for a specific property asset portfolio that remains unchanged, for three years, i.e. from January 1, 2014 to December 31, 2016. For buildings which have been newly added to the mapping in 2016, data is collected ex post for 2014 and 2015 and integrated into the calculations.

For the Healthcare Property Investment Division, total scope is equal to like-for-like scope.

Comparing energy performance assuming climatic conditions remain constant: Commercial Property Investment and Healthcare Property Investment Divisions

To remove climatic variations and enable energy consumption to be compared on a like-for-like basis from one year to another, the raw data has been corrected using a methodology proposed by Météo France. The data was restated based on weather conditions in 2011 which was chosen by Icade as the base year. The key policies adopted by Icade are set out in the environmental reporting procedure, available on Icade's website.

Calculating carbon intensity: the Commercial Property Investment Division

Since 2011, Icade has accounted for its greenhouse gas emissions based on national emission factors (referred to as locally-based) in accordance with the international Greenhouse Gas (GHG) Protocol. For electricity (excluding renewables) and natural gas, CO₂ emissions are calculated by using coefficients set out in the Decision of February 8, 2012 which amended the Decision of September 15, 2006 on energy performance assessments for existing buildings. Since 2016, Icade has departed from GHG Protocol by deducting CO₂ emissions avoided by green certificates (which guarantee the purchase of renewable energy) from

the calculation of the Commercial Property Investment Division's overall carbon intensity. Icade relies on two driving forces to reduce its carbon emissions – the purchase of green certificates and on-site renewable energy production. To highlight these two driving forces, Icade has chosen to deduct carbon emissions associated with green certificates as well as from on-site renewable energy production. Icade has chosen to not exchange its locally-based accounting for a market-based approach (which would allow for green certificates to be deducted) in order to maintain continuity in its reporting and comparability with its peers. In order to ensure transparency on the impact of this methodological choice, the overall intensity indicator is reported both with and without green certificates. This departure from the Protocol affects only carbon intensity and has no impact on calculating emission volumes. Emissions offset on a voluntary basis (46% of mapped emissions in 2016) were not deducted from Icade's CO₂ emission calculations.

Calculating transport-related carbon emissions: Commercial Property Investment Division

Icade has included transport-related emissions in the carbon footprint assessment of its business activities. Carbon emissions from transport are calculated based on the properties' location and on-site average data for allocating the users' various means of transport to which an emission factor is attributed.

Waste: Commercial Property Investment and Healthcare Property Investment Divisions

Waste indicators calculated for the Commercial Property Investment Division were weighted according to the buildings' total floor area.

In addition, due to the specificity of medical waste and its disposal route, waste from healthcare facilities is not accounted for in the Healthcare Property Investment Division's environmental data reporting.

Fight against food waste

Article 4 of the law on the fight against food waste published in the Official Journal on August 21, 2016 obliges companies subject to reporting requirements to provide information on their responsibility in the fight against food waste. Icade does not consider this issue to be material, and consequently, does not report on this topic in the CSR chapter of the registration document for the following reasons: food waste for a company such as Icade is mainly related to the food services available on some of the property assets in its portfolio. However, Icade does not control the vast majority of these food services as it has entered into no direct contracts with the food service providers operating on its properties. As a result, Icade's ability to act and direct responsibility in matters involving the fight against food waste are very limited.

5.7. Calculation modifications

Energy, carbon, water and waste performance of the Commercial Property Investment Division

In recent years, Icade has gradually expanded the scope of its mapped buildings in the calculation for energy, carbon, water and waste indicators. As the most efficient buildings were among the first to be mapped, the gradual inclusion of additional buildings led to a deterioration in performance over time. The calculation of these indicators has been adjusted from 2011 (base year for defining 2020 environmental objectives) based on a wider scope to be more representative of the true change in Icade's environmental performance. In doing this, the floor areas included in the 2011 scope increased from 390,699 sq.m to 432,927 sq.m (i.e. 57% of floor areas). In addition, the methodology has changed to be more in line with financial reporting. It now takes into account leasable floor areas (as opposed to gross internal area previously).

Environmental indicators for the 2011 base year have been modified as follows:

- Energy intensity (in kWh_{pe}/sq.m/year, adjusted for uniform degree days): 469 with the previous methodology and 500 with the new methodology;
- Carbon intensity (in kg CO₂/sq.m/year): 23 with the previous methodology and 26 with the new methodology;
- Water intensity (in m³/sq.m/year): 0.60 with the previous methodology and 0.52 with the new methodology;
- Portion of recyclable waste (in %): 35.2% with the previous methodology and 37% with the new methodology.

Percentage of female managers

Calculating the target was modified in 2016 to take into account the impact of the sale of the Property Services Division. When this indicator was defined in 2015, the rate was 34% with a 2018 target of 40%. Restated in 2015 from the Property Services Division, the rate is 29%. The 17% increase between 2015 and 2018 was maintained and the related CSR target for this indicator was adjusted to 34% in 2018. The CSR commitment is now to "Increase the rate of female managers from 29% to 34% between 2015 and 2018" (as opposed to "Increase the rate of female managers from 34% to 40% between 2015 and 2018" previously).

Turnover rate for permanent contracts of less than two years

The definition of the turnover rate for permanent contracts of less than two years was adjusted in 2016 to remove the impact of departures before the end of the probation period which biased this indicator.

5.8. External verification

For the purpose of obtaining an outside opinion on the completeness and accuracy of its non-financial data reporting process, Icade has entrusted Mazars, in its capacity as an independent third-party body, to carry out the following verification measures:

- verification of the presence of non-financial disclosures with the list provided for by Article R. 225-105-1 of the French Commercial Code (amended on August 22, 2016 by decree); and
- verification of the accuracy of the non-financial disclosures made. In that capacity, the independent third-party body conducted tests of details on the most material disclosures and a consistency review on the other disclosures.

The independent third-party body's report is appended to this document. See 8 "Summary table of indicators subject to substantive tests and the report by the independent third-party body".

Correspondence to the Global Reporting Initiative – GRI G4

A consulting firm specialised in non-financial reporting assessed the extent to which the CSR chapter of this registration document complies with Global Reporting Initiative (GRI G4) framework criteria. Within this context, it was established that Icade is in accordance with GRI at the Core Level. The correspondence table is shown in section 7 "Grenelle 2 and GRI Correspondence Tables".

6. Summary tables of CSR indicators

6.1. Tables of environmental indicators of the Commercial Property Investment Division – EPRA format

ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2015 AND 2016: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

Indicator	EPRA Reference	Unit	Total basis							
			Controlled assets						Non-controlled assets	
			Corporate		Controlled data (common areas)		Non-controlled data (private areas)		2016	2015
			2016	2015	2016	2015	2016	2015		
Total electricity consumption	Elec-Abs	MWh _{pe}	10,294	13,483	208,437	169,501	137,750	152,743	44,247	37,289
Total district heating & cooling consumption	DH&C-Abs	MWh _{pe}	963	906	19,494	23,337	1,545	2,231	0	0
Total fuel consumption	Fuels-Abs	MWh _{pe}	45	155	21,084	16,481	51	334	1,012	625
TOTAL ENERGY CONSUMPTION		MWh_{pe}	11,302	14,544	249,015	209,319	139,346	155,308	45,259	37,914
Energy intensity per floor area – primary energy	Energy-Int	kWh _{pe} /sq.m	483	522	471	495	471	495	433	467
Energy intensity per person – primary energy	Energy-Int	kWh _{pe} /pers.	7,244	7,832	7,059	7,430	7,059	7,430	6,489	7,000
Energy intensity per floor area – primary energy – corrected for climate	Energy-Int	kWh _{pe} /sq.m	464	516	452	485	452	485	410	462
Energy intensity per floor area – final energy	Energy-Int	kWh _{fe} /sq.m	210	226	214	227	214	227	174	186

CORPORATE SOCIAL RESPONSIBILITY
Summary tables of CSR indicators

ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2015 AND 2016

Indicator	EPRA Reference	Unit	Total basis		Like-for-like basis	
			Overall		Overall	
			2016	2015	2016	2015
Coverage rate of the reporting scope (in floor area)		%	88%	51%	88%	
Proportion of total energy consumption which is estimated		%	15%	21%	15%	1%
Total electricity consumption	Elec-Abs/LfL	MWh _{pe}	400,727	373,018	400,727	411,102
Total district heating & cooling consumption	DH&C-Abs/LfL	MWh _{pe}	22,002	26,474	22,002	23,003
Total fuel consumption	Fuels-Abs/LfL	MWh _{pe}	22,193	17,595	22,193	23,660
TOTAL ENERGY CONSUMPTION		MWh_{pe}	444,922	417,087	444,922	457,765
Energy intensity per floor area - primary energy	Energy-Int	kWh _{pe} /sq.m	466	493	466	480
Energy intensity per person - primary energy	Energy-Int	kWh _{pe} /pers.	6,996	7,402	6,996	7,198
Energy intensity per floor area - primary energy - corrected for climate	Energy-Int	kWh _{pe} /sq.m	447	484	447	468
Energy intensity per floor area - final energy	Energy-Int	kWh _{fe} /sq.m	209	223	209	216

GREENHOUSE GAS EMISSIONS OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2015 AND 2016: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

Indicator	EPRA Reference	Unit	Total basis							
			Controlled assets						Non-controlled assets	
			Corporate		Controlled data (scope 1 and 2)		Non-controlled data (scope 3)		Scope 3	
			2016	2015	2016	2015	2016	2015	2016	2015
Direct greenhouse gas emissions	GHG-Dir-Abs	tonnes CO ₂ e	11	36	4,934	3,857	12	78	237	146
Indirect greenhouse gas emissions	GHG-Indir-Abs	tonnes CO ₂ e	529	622	10,170	9,527	4,795	5,421	1,441	1,214
TOTAL GREENHOUSE GAS EMISSIONS		TONNES CO₂E	540	659	15,104	13,384	4,807	5,499	1,678	1,360
Building carbon intensity	GHG-Int	kg CO ₂ e/sq.m	23	24	24	26	24	26	16	17
Building carbon intensity	GHG-Int	kg CO ₂ e/pers./year	349	357	361	385	361	385	241	251

GREENHOUSE GAS EMISSIONS OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2015 AND 2016

Indicator	EPRA Reference	Unit	Total basis		Like-for-like basis	
			Overall		Overall	
			2016	2015	2016	2015
Coverage rate of the reporting scope (in floor area)		%	88%	51%	88%	
Proportion of total greenhouse gas emissions which are estimated		%	15%	21%	15%	1%
Direct greenhouse gas emissions	GHG-Dir-Abs/LfL	tonnes CO ₂ e	5,193	4,117	5,193	5,537
Indirect greenhouse gas emissions	GHG-Indir-Abs/LfL	tonnes CO ₂ e	16,934	16,785	16,934	17,338
TOTAL GREENHOUSE GAS EMISSIONS		TONNES CO₂E	22,127	20,902	22,127	22,875
Building carbon intensity	GHG-Int	kg CO ₂ e/sq.m	23	25	23	24
Building carbon intensity	GHG-Int	kg CO ₂ e/pers./year	348	371	348	360

CORPORATE SOCIAL RESPONSIBILITY
Summary tables of CSR indicators

WASTE PRODUCTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2015 AND 2016: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

Indicator	EPRA Reference	Unit	Total basis							
			Controlled assets						Non-controlled assets	
			Corporate		Controlled data (common areas)		Non-controlled data (private areas)		2016	2015
			2016	2015	2016	2015	2016	2015		
TOTAL WEIGHT OF WASTE	WASTE-ABS	TONNES/YEAR	91	99	5,470	5,571	2,388	2,303	1,129	854
Percentage of recyclable waste	Waste-Abs	%	55.2%	45.9%	33.2%	33.3%	44.0%	51.1%	30.8%	44.6%

WASTE PRODUCTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2015 AND 2016

Indicator	EPRA Reference	Unit	Total basis				Like-for-like basis	
			Overall		Overall			
			2016	2015	2016	2015		
Coverage rate of the reporting scope (in floor area)		%	88%	51%	88%			
Proportion of weight of waste which is estimated		%	48%	55%	48%		47%	
TOTAL WEIGHT OF WASTE	WASTE-ABS	TONNES/YEAR	9,079	8,827	9,079	8,538	8,538	
Percentage of recyclable waste	Waste-Abs	%	35.2%	39.3%	35.2%		33.6%	

WATER CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2015 AND 2016: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

Indicator	EPRA Reference	Unit	Total basis							
			Controlled assets						Non-controlled assets	
			Corporate		Controlled data (common areas)		Non-controlled data (private areas)		2016	2015
			2016	2015	2016	2015	2016	2015		
WATER CONSUMPTION	WATER-ABS	M³	18,060	15,574	385,871	367,600	29,212	38,818	36,341	24,475
Building water intensity	Water-Int	m ³ /sq.m/year	0.59	0.56	0.51	0.55	0.51	0.55	0.35	0.30
Building water intensity	Water-Int	litre/pers./day	40.8	38.8	35.3	38.3	35.3	38.3	24.0	20.9

WATER CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2015 AND 2016

Indicator	EPRA Reference	Unit	Total basis				Like-for-like basis	
			Overall		Overall			
			2016	2015	2016	2015		
Coverage rate of the reporting scope (in floor area)		%	88%	51%	88%			
Proportion of total water consumption which is estimated		%	13%	7%	13%		0%	
WATER CONSUMPTION	WATER-ABS/LFL	M³	469,483	446,466	469,483	477,276	477,276	
Building water intensity	Water-Int	m ³ /sq.m/year	0.49	0.53	0.49		0.50	
Building water intensity	Water-Int	litre/pers./day	34.0	36.7	34.0		34.6	

6.2. Table of environmental indicators of the Healthcare Property Investment Division – EPRA format

The indicators below are calculated both on a total and like-for-like basis. The surge in floor areas included in the mapped scope (+73% between 2015 and 2016) was related to the increase in the coverage rate and not to a change in scope. Environmental indicators of private hospitals included in the new 2016 scope were also assessed in 2015.

ENERGY CONSUMPTION FOR THE HEALTHCARE PROPERTY INVESTMENT DIVISION, IN 2015 AND 2016

Indicator	EPRA Reference	Unit	2016	2015
Coverage rate of the reporting scope (in floor area)		%	13%	
Proportion of total energy consumption which is estimated		%	15%	0%
Total electricity consumption	Elec-Abs/LfL	MWh _{pe}	84,058	84,715
Total district heating & cooling consumption	DH&C-Abs/LfL	MWh _{pe}	0	0
Total fuel consumption	Fuels-Abs/LfL	MWh _{pe}	26,807	27,193
TOTAL ENERGY CONSUMPTION		MWh_{pe}	110,865	111,908
Energy intensity per floor area – primary energy	Energy-Int	kWh _{pe} /sq.m	646	652
Energy intensity per person – primary energy	Energy-Int	kWh _{pe} /pers./year	63,132	63,698
Energy intensity per floor area – primary energy – corrected for climate	Energy-Int	kWh _{pe} /sq.m	649	673
Energy intensity per floor area – final energy	Energy-Int	kWh _{pe} /sq.m	346	349

GREENHOUSE GAS EMISSIONS FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2015 AND 2016

Indicator	EPRA Reference	Unit	Scope 3	
			2016	2015
Coverage rate of the reporting scope (in floor area)		%	13%	
Proportion of total greenhouse gas emissions which are estimated		%	15%	0%
Direct greenhouse gas emissions	GHG-Dir-Abs/LfL	tonnes CO ₂ e	6,272	6,361
Indirect greenhouse gas emissions	GHG-Indir-Abs/LfL	tonnes CO ₂ e	2,737	2,757
TOTAL GREENHOUSE GAS EMISSIONS		TONNES CO₂E	9,009	9,118
Building carbon intensity	GHG-Int	kg CO ₂ e/sq.m	52	53
Building carbon intensity	GHG-Int	kg CO ₂ e/person/year	5,116	5,179

WATER CONSUMPTION FOR THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2015 AND 2016

Indicator	EPRA Reference	Unit	2016	2015
Coverage rate of the reporting scope (in floor area)		%	13%	
Proportion of total water consumption which is estimated		%	30%	0%
WATER CONSUMPTION	WATER-ABS/LFL	M³	248,017	285,727
Building water intensity	Water-Int	m ³ /sq.m/year	1.45	1.66
Building water intensity	Water-Int	litre/person/day	385	454

WASTE PRODUCTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION

A discussion is under way between Icade and its operators for monitoring and recovering waste, considering the specificity of medical waste and its disposal routes.

6.3. Classified facilities for environmental protection

	2016
Air conditioning equipment	25
Gas-fired equipment	10
Electrical equipment	3
TOTAL	38

6.4. Carbon footprint assessment for the Property Development Division

All new construction is subject to a complete carbon footprint assessment which measures all emissions during the construction phase (emissions caused by transport, materials and waste) and over a nine-year period of operations (energy consumption, renewing materials, commuting, etc.). The choice of the duration of responsibility is based on nine years as this is the average period during which a completed building does not undergo any significant modifications (new use, termination of lease, significant renovation work, etc.).

	Construction (grey energy)				Operation over nine years				Total	
	Construction emissions	Emissions avoided by using wood	Total construction emissions	Change compared to 2015	Operating emissions (energy, transport, maintenance)	Emissions avoided by the use of renewable electricity	Total operating emissions	Change compared to 2015	Total construction and operating emissions	Change compared to 2015
CO₂ emissions - intensity (in kg CO₂e/sq.m/year)										
Residential	500	(8)	492	1.1%	343	(73)	271	(10.3)%	762	(3.2)%
Offices and other	458	(38)	420	(3.9)%	720	(186)	534	(25.9)%	954	(17.6)%
TOTAL	495	(11)	483	3.5%	387	(86)	301	(35.1)%	785	(15.8)%
CO₂ emissions - total (in tonnes CO₂e)										
Residential	170,041	(2,694)	167,346	29.0%	116,754	(24,713)	92,041	14.4%	259,387	23.4%
Offices and other	20,703	(1,724)	18,979	(74.4)%	32,547	(8,421)	24,126	(80.3)%	43,105	(78.0)%
TOTAL	190,743	(4,418)	186,325	(8.6)%	149,300	(33,134)	116,166	(42.7)%	302,492	(25.6)%

6.5. Table of HR indicators

The workforce is reported without interns, except in special cases specified in the table.

	2016	2015 restated	2015
WORKFORCE			
Total workforce at the end of the period	1,104	1,101	1,475
Absolute change	0.3%		(3.5)%
Organic change (on a like-for-like basis)	(0.2)%		(3.1)%
Average monthly workforce	1,095	1,115	1,491
Workforce by division			
Commercial Property Investment	401	400	400
Healthcare Property Investment	14	14	14
Property Development	689	687	687
Property Services	0	0	374
Workforce by region			
Paris region	699	696	1,034
Outside the Paris region	405	405	441
Workforce by category			
Executives	697	692	909
Non-executives	407	409	566

CORPORATE SOCIAL RESPONSIBILITY
Summary tables of CSR indicators

	2016	2015 restated	2015
Workforce by contract type (including internship and temporary contracts)			
Permanent contract	1,057	1,072	1,400
Fixed-term contract	26	19	47
Work-study/internships/apprenticeships	24	16	35
Temporary (annual FTE)	8	9	12
CHANGES IN WORKFORCE			
Permanent hires			
External permanent hires	98	88	115
Mergers & Acquisitions	6	0	0
Transfers from Caisse des dépôts and its subsidiaries	1	1	1
TOTAL	105	89	116
Departures of permanent employees			
Resignations	70	34	40
Dismissals	14	27	31
Departures by mutual agreement	19	13	14
Probation period termination	6	8	13
Retirements	12	18	22
Deaths	0	3	3
Transfers from Caisse des dépôts and its subsidiaries	5	9	11
Asset disposals	1	6	6
TOTAL	127	118	140
Turnover rate of permanent employees	10.8%	9.0%	8.2%
Turnover rate of permanent employees for less than two years	10.1%	9.8%	7.9%
ORGANISATION OF WORKING TIME			
Employees, supervisors and non-independent executives			
Average number of actual working hours per week	37.5	37.5	37.5
Independent executives			
Annual number of hours worked	210	210	210
Number of part-time employees			
Men	5	4	8
Women	72	81	100
TOTAL	77	85	108
LABOUR RELATIONS			
% of employees covered by collective bargaining agreements	100%	100%	100%
Number of agreements signed during the year	4		5
Number of agreements relating to health and safety signed during the year	0		0
REMUNERATION			
Fixed remuneration (average annual base salary of permanent employees as of 12/31 excluding sales managers, Executive Committee members and corporate officers)			
Executives	62,354	62,013	59,022
Non-executives	30,187	30,000	30,654
TOTAL	52,031	51,554	49,868
Variable remuneration			
Average bonus (in %)	8.5%	9.2%	8.6%
Profit sharing and incentive plans (in %)	4.1%	6.5%	6.5%

CORPORATE SOCIAL RESPONSIBILITY
Summary tables of CSR indicators

	2016	2015 restated	2015
SKILLS AND CAREER			
Training			
Total number of training hours	19,040	14,541	18,560
Training budget <i>(in euros)</i>	1,991,462	1,601,911	2,237,021
Share of payroll dedicated to training <i>(in %)</i>	2.87%	2.27%	2.57%
Number of trained employees	980	766	1,006
Average number of training hours per trained employee	19.4	19.0	18.4
Share of workers trained <i>(in %)</i>	90%	69%	67%
Career management			
% of positions filled internally	44%	27%	25%
% of employees having had an annual performance review	93%	90%	91%
HEALTH AND SAFETY			
Absenteeism			
Absentee rate	3.94%	3.33%	3.70%
Breakdown of hours of absence			
Illness (excluding part-time medical leave)	91%	92%	93%
Occupational/commuting accident	7%	5%	4%
Family events	0%	0%	0%
Other causes	2%	3%	2%
Accidents			
Number of workplace accidents	6	3	7
Number of commuting accidents	8	9	11
Frequency rate			
Local employees	0	0	0
Employees	5.29	1.71	2.77
Supervisors	0	0	0
Executives	2.64	1.74	2.66
TOTAL	3.34	1.64	2.46
Severity rate			
Local employees	0	0.91	0.91
Employees	0.23	0.14	0.13
Supervisors	0	0	0
Executives	0.15	0.05	0.06
TOTAL	0.17	0.09	0.09
Number of fatal accidents	0	0	0
Occupational illnesses			
Number of illnesses reported during the year	1	0	0
DIVERSITY			
Gender equality			
% of women on the Executive Committee	56%	63%	63%
% of female managers	31%	29%	34%
% of women in the workforce	54%	53%	54%
Breakdown of the workforce by age			
<26 years old	4.3%	3.0%	3.9%
26-39 years old	34.1%	35.4%	35.8%
40-54 years old	42.4%	43.3%	42.4%
>55 years old	19.3%	18.3%	17.9%
Average age			
Executives	44.4	44.3	44.3
Non-executives	42.6	42.6	41.9
Average length of service <i>(in years)</i>	11.7	11.8	11.5
Disability			
Number of workers officially recognised as disabled	40	36	50
Amount of services paid to the sheltered work sector <i>(in euros)</i>	132,008	114,896	128,339

7. Grenelle 2 and Global Reporting Initiative Correspondence Tables

Correspondence table for the sections of chapter 3 of the 2016 registration document with Article R. 225-105-1 of the French Commercial Code, related to transparency requirements of companies on social and environmental matters (Grenelle 2 law)

Heading	Sections
LABOUR-RELATED	
Workforce	
Total workforce and breakdown by gender, age and geographic region	4.1.1 and 6.5
New hires and dismissals	4.1.1 and 6.5
Remuneration and changes in remuneration over time	4.1.5 and 6.5
Organisation of work	
Organisation of working hours	6.5
Absenteeism	4.2.1 and 6.5
Employee relations	
Organisation of employee relations, particularly the procedures for informing and consulting employees and negotiating with them	4.2.4
Assessment of collective agreements	4.2.4 and 6.5
Health and safety	
Health and safety conditions at work	4.2.1, 4.2.3 and 6.5
Review of collective agreements signed with unions or employee representatives regarding health and safety at work	6.5
Accidents in the workplace, with particular reference to frequency and severity, and work-related illness	4.2.1 and 6.5
Training	
Training policies implemented	4.1.2
Total hours of training	6.5
Equality of treatment	
Measures taken to promote gender equality	4.3.3
Measures taken to promote the employment and inclusion of persons with disabilities	4.3.1
Anti-discrimination policy	4.3
Promotion and enforcement of the provisions of the fundamental conventions of the International Labour Organization (ILO) on	
<input type="checkbox"/> respect for freedom of association and the right to collective bargaining	4.2.4
<input type="checkbox"/> elimination of discrimination in respect of employment and occupation	4.3
<input type="checkbox"/> elimination of forced or compulsory labour	4.2.4
<input type="checkbox"/> effective abolition of child labour	4.2.4
ENVIRONMENT	
General policy in environmental matters	
The organisation of the Company to take into account environmental issues and, if applicable, to take steps to carry out environmental assessments or certification	3.1 and 3.2
Training and informing employees about environmental protection issues	3.4.3 and 4.1.2
Methods used to prevent pollution and environmental risks	2.5, 3.1.2, 3.5.1, 3.5.2 and 3.6.1
Amount of provisions and guarantees for environmental risks, provided that this information is not materially detrimental to the Company in an on-going dispute	1.3
Pollution	
Measures for the prevention, reduction or offsetting of emissions with serious environmental impact on air, water or soil	1.3, 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6
Recognition of noise and other pollution specific to a particular business	2.2.4 and 3.5

Heading	Sections
Circular economy	
Waste prevention and management	
Preventive measures, recycling, re-use and other forms of waste recovery and disposal	3.2, 3.5 and 3.6
Fight Against Food Waste initiatives	5.6
Sustainable use of resources	
Water consumption and water procurement (based on local circumstances)	3.5.2
Consumption of raw materials and measures taken to improve efficiency of use	3.1, 3.5 and 3.6
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	2.3, 3.1, 3.3, 6.1, 6.2 and 6.4
Use of soil	3.4
Climate change	
Relevant line items for greenhouse gas emissions generated by the Company's operations, especially by the use of its goods and services	3.1.1, 3.3, 6.1, 6.2 and 6.4
Adapting to the impact of climate change	3.1.2
Protecting biodiversity	
Measures to preserve or enhance biodiversity	3.4
SOCIETAL	
Economic, social and regional impact of the Company's operations on	
Employment and regional development	2.4
Neighbouring or local populations	2.4
Dealings with persons or organisations affected by the Company's operations, especially organisations that promote employment and inclusion, educational institutions, environmental protection organisations, consumer associations and neighbouring populations	
Conditions for dialogue with these individuals or organisations	1.2, 2.4 and 2.5
Partnerships or sponsorship activities	1.2, 2.4.2, 2.4.4, 3.4.3 and 4.3.1
Subcontractors and suppliers	
Social and environmental issues taken into account in the procurement policy	2.5 and 3.6.1
Extent of subcontracting and recognising social and environmental responsibility in dealings with suppliers and subcontractors	2.4.1 and 2.5
Fair practice	
Initiatives taken to prevent corruption	2.5 and 2.6
Measures taken to support consumer health and safety	2.2.4
Other initiatives taken to promote human rights	
Other initiatives taken to promote human rights	2.5 and 4.3

CORRESPONDENCE TABLE BETWEEN THE CONTENTS OF THE REFERENCE DOCUMENT AND THE REAL ESTATE SECTOR SUPPLEMENT OF THE GLOBAL REPORTING INITIATIVE, 4TH EDITION (GRI G4)

ICADE is in compliance with the “Core” level of the GRI G4. The specific components of disclosure presented are based on the GRI-G4 criteria that could be considered material.

GRI code	General standard disclosures	Section of the registration document	External verification
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Message from André Martinez; Interview with Olivier Wigniolle	
ORGANISATIONAL PROFILE			
G4-3	Report the name of the organisation	Chapter 8 section 1	
G4-4	Report the primary brands, products, and services.	Chapters 1 and 2	
G4-5	Report the location of the organisation's headquarters.	Chapter 8 section 1	
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Chapter 1 sections 1 and 3, and chapter 2	
G4-7	Report the nature of ownership and legal form	Chapter 8 section 1	
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Chapter 1 sections 1 and 3, and chapter 2	
G4-9	Report the scale of the organisation	Chapter 1 sections 1 and 3	
G4-10	Detailed information on the workforce	Chapter 3 sections 4.1 and 6.5	✓
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Chapter 3 sections 4.2.4 and 6.5	
G4-12	Describe the organisation's supply chain	Chapter 3 sections 1.2 and 2.5	
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Chapter 2 section 1.1	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Chapter 3 sections 1.2; 1.3 and 1.5	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Chapter 3 section 1.2	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation participates	Chapter 3 section 1.2	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	Chapter 1 section 2 and chapter 3 section 5	
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	Chapter 3 section 5	
G4-19	List all the material Aspects identified in the process for defining report content.	Chapter 3 sections 1.4; 1.5; 1.6 and 5	
G4-20	For each material Aspect, report the Aspect Boundary within the organisation, and whether the Aspect is material within the organisation	Chapter 3 sections 1.4 and 5	
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation, and whether the Aspect is material outside of the organisation	Chapter 3 sections 1.4 and 5	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Chapter 3 section 5	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Chapter 3 section 5	
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organisation	Chapter 3 section 1.2	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Chapter 3 sections 1.2 and 1.4	
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Chapter 3 sections 1.2 and 1.4	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Chapter 3 sections 1.2 and 1.4	

CORPORATE SOCIAL RESPONSIBILITY
Grenelle 2 and Global Reporting Initiative Correspondence Tables

GRI code	General standard disclosures	Section of the registration document	External verification
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Chapter 3 section 5	
G4-29	Date of most recent previous report (if any).	March 31, 2016	
G4-30	Reporting cycle (such as annual, biennial).	Chapter 3 section 5	
G4-31	Provide the contact point for questions regarding the report or its contents.	Millet Daphné daphne.millet@icade.fr	
G4-32	Report the «in accordance» option the organisation has chosen and the GRI Content Index	Chapter 3 section 7	
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report	Chapter 3 sections 5 and 8	
GOVERNANCE			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Chapter 5 sections 1, 2 and 3; chapter 3 section 1.5	
ETHICS AND INTEGRITY			
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Chapter 3 sections 1.2; 2.5 and 2.6	
GRI code	Specific standard disclosures, for material aspects	Section of the registration document	External verification
ECONOMIC			
	Indirect economic impacts – Managerial approach	Chapter 3 section 2.4	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Chapter 3 section 2.4	
ENVIRONMENTAL			
	Materials – Managerial approach	Chapter 3 sections 3.5 and 3.6	
G4-EN1	Materials used by weight or volume	Chapter 3 sections 3.5 and 3.6	
G4-EN2	Percentage of materials used that are recycled input materials	Chapter 3 sections 3.5 and 3.6	
	Energy – Managerial approach	Chapter 3 sections 3.1; 6.1 and 6.2	
G4-EN3	Energy consumption within the organisation	Chapter 3 section 3.1 and 6.1	✓
G4-EN4	Energy consumption outside of the organisation	Chapter 3 section 3.1; 3.3; 6.1 and 6.2	✓
G4-EN5	Energy intensity	Chapter 3 section 3.1; 6.1 and 6.2	✓
G4-EN6	Reduction of energy consumption	Chapter 3 sections 3.1 and 2.3	✓
G4-EN7	Reduction in energy requirements of products and services	Chapter 3 sections 2.3; 3.1; 3.2; 3.3 and 3.6	✓
CRE1	Energy intensity	Chapter 3 section 3.1	✓
	Water – Managerial approach	Chapter 3 section 3.5.2	
G4-EN8	Total water withdrawal by source	Chapter 3 section 3.5.2	✓
CRE2	Water intensity	Chapter 3 section 3.5.2	✓
	Biodiversity – Managerial approach	Chapter 3 section 3.4	
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Chapter 3 section 3.4	
	Emissions – Managerial approach	Chapter 3 sections 3.1; 6.1; 6.2 and 6.4	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Chapter 3 sections 3.1 and 6.1	✓
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Chapter 3 sections 3.1 and 6.1	✓
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Chapter 3 sections 3.1; 3.3; 6.1; 6.2 and 6.4	✓
G4-EN18	Greenhouse gas (GHG) emissions intensity	Chapter 3 sections 3.1; 6.1; 6.2 and 6.4	✓
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Chapter 3 section 3.1 and 3.3	✓
CRE 3	Greenhouse gas emissions intensity from buildings	Chapter 3 section 3.1; 6.1 and 6.2	✓
CRE 4	Greenhouse gas emissions intensity from new construction and redevelopment activity	Chapter 3 sections 3.1; 3.3 and 6.4	✓
	Effluents and waste – Managerial approach	Chapter 3 section 3.5.1	
G4-EN23	Total weight of waste by type and disposal method	Chapter 3 section 3.5.1	✓
	Transport – Managerial approach	Chapter 3 section 3.3	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce	Chapter 3 section 3.3	

CORPORATE SOCIAL RESPONSIBILITY
Grenelle 2 and Global Reporting Initiative Correspondence Tables

GRI code	Specific standard disclosures, for material aspects	Section of the registration document	External verification
	Supplier environmental assessment – Managerial approach	Chapter 3 section 2.5	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Chapter 3 sections 2.5; 3.5 and 3.6	
SOCIAL - LABOUR PRACTICES AND DECENT WORK			
	Employment – Managerial approach	Chapter 3 section 4.1	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Chapter 3 sections 4.1 and 6.5	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Chapter 3 sections 4.1 and 4.2	
	Labour/management relations – Managerial approach	Chapter 3 section 4.2	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Chapter 3 section 4.2	
	Occupational health and safety – Managerial approach	Chapter 3 section 4.2	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Chapter 3 section 4.2	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Chapter 3 sections 4.2 and 6.5	✓
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Chapter 3 sections 4.2 and 6.5	
	Training and education – Managerial approach	Chapter 3 section 4.1	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Chapter 3 sections 4.1 and 6.5	✓
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Chapter 3 sections 4.1 and 4.3.2	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Chapter 3 sections 4.1 and 6.5	
	Diversity and equal opportunity – Managerial approach	Chapter 3 section 4.3	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Chapter 3 sections 4.3 and 6.5 Chapter 5 sections 1; 2 and 3	
SOCIAL - HUMAN RIGHTS			
	Supplier human rights assessment – Managerial approach	Chapter 3 section 2.5	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Chapter 3 section 2.5	
SOCIAL - SOCIETY			
	Local Communities – Managerial approach	Chapter 3 section 2.4	
G4-S02	Operations with significant actual and potential negative impacts on local communities	Chapter 3 section 2.4	
	Anti-corruption – Managerial approach	Chapter 3 section 2.6	
G4-S04	Communication and training on anti-corruption policies and procedures	Chapter 3 section 2.6	
G4-S05	Confirmed incidents of corruption and actions taken	Chapter 3 section 2.6	
SOCIAL - PRODUCT RESPONSIBILITY			
	Customer health and safety – Managerial approach		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Chapter 3 sections 2.2; 2.5 and 3.6	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Chapter 3 sections 2.2 and 2.5	
	Product and service labelling – Managerial approach	Chapter 3 section 3.2	
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Chapter 3 sections 2.5 and 3.6	
G4-PR5	Results of surveys measuring customer satisfaction	Chapter 3 section 2.2	✓
CRE 8	Type and number of certification, rating and labelling schemes for new construction, occupation and development	Chapter 3 section 3.2	✓

8. Summary table of indicators subject to tests of details and independent third-party body report

SUMMARY TABLE OF INDICATORS SUBJECT TO TESTS OF DETAILS

Indicators verified in substantive tests

Energy transition and conservation of resources - Property Investment Division

Environmental certification of the assets
 Number of Green Lease clauses signed and surface area covered by a Green Lease clause
 Energy consumption
 Amount of electricity covered by green certificates
 Surface area covered by energy performance contracts
 Amount of renewable energy from district heating networks
 Energy consumption adjusted for UDDs
 Greenhouse gas emissions
 Water consumption
 Amount of waste generated and percentage of non-recyclable waste

Energy transition and conservation of resources - Property Development Division

Environmental construction certifications
 Energy labels relating to construction
 Surface area affected by renewable energy
 Greenhouse gas emissions

New habits and lifestyles and partnership with local authorities and communities

Number of suppliers who are signatories of the responsible procurement charter - Commercial Property Investment Division
 Percentage of surface area covered by services - Commercial Property Investment Division
 Customer surveys - Property Development Division
 Amount allocated to sponsorships and patronage

Skills development, workplace well-being and diversity

Total workforce and breakdown of employees by gender, age and geographic area
 Absentee rate
 Percentage of employees trained
 Measures taken to promote the employment and inclusion of persons with disabilities

INDEPENDENT THIRD-PARTY BODY REPORT ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL DISCLOSURES CONTAINED IN THE MANAGEMENT REPORT

Year ended December 31, 2016

Dear Shareholders,

In our capacity as an independent third-party body, a member of the Mazars network, Statutory Auditors of the Icade SA company, accredited by COFRAC Inspection under the number 3-1058⁽¹⁾, we hereby present to you our report on the social, environmental and societal disclosures, consolidated for the financial year ended December 31, 2016, presented in the management report (hereinafter the "CSR Disclosures"), pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

The Board of Directors is responsible for drawing up a management report which includes CSR disclosures pursuant to Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the benchmarks used by the Company (hereinafter the "Benchmarks"), including a summary in the management report and available upon request at the Company's registered office.

Independence and quality control

Our independence is defined by regulatory requirements, the code of professional conduct and ethics, and Article L. 822-11 of the French Commercial Code. In addition, we have implemented a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, relevant professional standards applicable to Auditors in France as well as applicable legal and regulatory requirements.

Responsibility of the Independent Third-Party Body

It is our role, on the basis of our work:

- to certify that the required CSR Disclosures are included in the management report or, in the event of omission, is the subject of an explanation pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Certificate of inclusion of CSR Disclosures);
- to express a limited assurance conclusion that the required CSR disclosures, taken as a whole, are presented fairly in all material aspects, in accordance with applicable standards (Reasoned opinion on the fairness of CSR disclosures).

Our work was carried out by a team of four between November 2016 and February 2017, for a period of approximately six weeks.

We conducted the work described below in accordance with the professional standards applicable to Auditors in France and the Order of May 13, 2013 determining the conditions under which the independent third-party body conducts its engagement and, as regards the reasoned fairness opinion, to international standard ISAE 3000⁽²⁾.

I. Certificate of inclusion of CSR Disclosures

We reviewed, based on interviews with the relevant department heads, the presentation of sustainable development guidelines based on the social and environmental consequences of the Company's activities and its social commitments and, where appropriate, ensuing actions or programmes.

We compared the CSR disclosures presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

Where certain consolidated information was not presented, we verified that an appropriate explanation was given, in accordance with Article R. 225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR Disclosures covered the consolidated scope, which includes the Company and its subsidiaries under Article L. 233-1 of the French Commercial Code and the companies that it controls as defined in Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological note in paragraph 5. "Summary of reporting scope and methods" in the management report.

Based on our work and taking into account the limitations mentioned above, we attest that the required CSR Disclosures have been reported in the management report.

II. Reasoned opinion on the fairness of the CSR Disclosures

Nature and scope of our work

We conducted approximately 15 interviews with those responsible for preparing CSR disclosures in the departments overseeing the procedures for collecting information and, as necessary, the managers of internal control and risk management procedures, in order to:

- assess the appropriateness of the framework with respect to its relevance, completeness, reliability, neutrality and understandability, taking best industry practice into account where necessary;
- verify the implementation of a process for collecting, compiling, processing and checking the completeness and consistency of CSR disclosures, and obtaining an understanding of internal control and risk management procedures relating to the preparation of CSR disclosures.

We determined the nature and scope of our tests and inspections on the basis of the nature and importance of the CSR disclosures in relation to the Company's characteristics, the social and environmental issues relating to its business, its guidelines on sustainable development and best practices in the industry.

(1) The scope of which is available on www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

CORPORATE SOCIAL RESPONSIBILITY

Summary table of indicators subject to tests of details and independent third-party body report

Concerning the CSR disclosures that we considered to be the most material ⁽³⁾, as regards the Human Relations Department, the Commercial Property Investment Division, the Healthcare Property Investment Division and the Property Development Division:

- we consulted source documents and conducted interviews to corroborate the qualitative information (organisation, policies, actions); we implemented analytical procedures on the quantitative information and verified, on the basis of sampling techniques, the calculations and consolidation of the information; and we verified its consistency with the other information contained in the management report;
- we conducted interviews to verify the proper application of procedures and we conducted tests of details using sampling methods to verify the calculations performed, and reconciled data with supporting evidence.

The sample thus selected represent 100% of the work force and 100% of the quantitative environmental information.

We assessed the consistency of other consolidated CSR disclosures on the basis of our knowledge of the Company.

Lastly, we assessed the relevance of the explanations, if any, for the total or partial absence of certain disclosures.

We believe that the sampling methods and sample sizes we used, exercising our professional judgement, allow us to formulate a limited assurance opinion. A higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, as well as other limits inherent in the operation of any information and internal control system, the risk of failing to detect a material misstatement in CSR disclosures cannot be entirely eliminated.

Conclusion

Based on our work, we did not identify any material anomalies liable to call into question the fact that the CSR disclosures, taken together, are presented truthfully, in accordance with the framework.

Paris La Défense, February 10, 2017

The independent third-party body

Mazars SAS

Edwige REY

CSR governance/Sustainable Development Partner

(3) Total workforce at the end of the period and breakdown of employees by gender, age and geographic area; Absentee rate, Percentage of employees trained; Measures taken to promote the employment and inclusion of persons with disabilities including the number of employees officially recognised as disabled; Environmental certifications for 2016 work orders – Property Development Division; Energy Labels for 2016 work orders – Property Development Division; Average weighted primary energy consumption – Property Development Division; Surface area powered by renewable energy – Property Development Division; Greenhouse gas emissions – Property Development Division; Environmental Certifications of the portfolio – Commercial Property Investment Division; Energy consumption and energy consumption adjusted for UDD – Commercial Property Investment Division; Amount of electricity covered by green certificates – Commercial Property Investment Division; Surface area covered by energy performance contracts – Commercial Property Investment Division; Amount of renewable energy from district heating networks – Commercial Property Investment Division; Greenhouse gas emissions – Commercial Property Investment Division; Water consumption – Commercial Property Investment Division; Amount of waste generated and percentage of non-recyclable waste – Commercial Property Investment Division; Number of Green Lease clauses signed and surface area covered – Commercial Property Investment Division; Number of suppliers of the Commercial Property Investment Divisions who are signatories of the CSR charter; Percentage of surface area covered by services (conciierge, fitness, community platform, third places) – Commercial Property Investment Division; Customers surveys – Property Development Division; Amount allocated to sponsorships and patronage.



RISK FACTORS

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2.2. Disputes	148

FINANCIAL RISKS UNDER CONTROL THANKS TO DEBT RESTRUCTURING

By restructuring its debt in 2016, Icade was able to substantially extend its maturity (+2.1 years) while significantly reducing its average cost. Diversification of funding sources also allowed the company to lower its exposure to liquidity and counterparty risks.



Fabrice Millauriaux

HEAD OF BACK & MIDDLE OFFICE, FINANCE DEPARTMENT

// By reorganising our debt structure, we lowered our exposure to financial risk. This restructuring reduces our liquidity risk: with an average debt maturity longer than our average lease term, our financing is secure. It also has the positive effect of increasing our ability to draw from our available credit lines, which is key to being able to quickly act on market opportunities. Finally, Icade decided to partner with a new banking institution offering credit lines, which also minimises our exposure to counterparty risk."

Patricia Nirhou

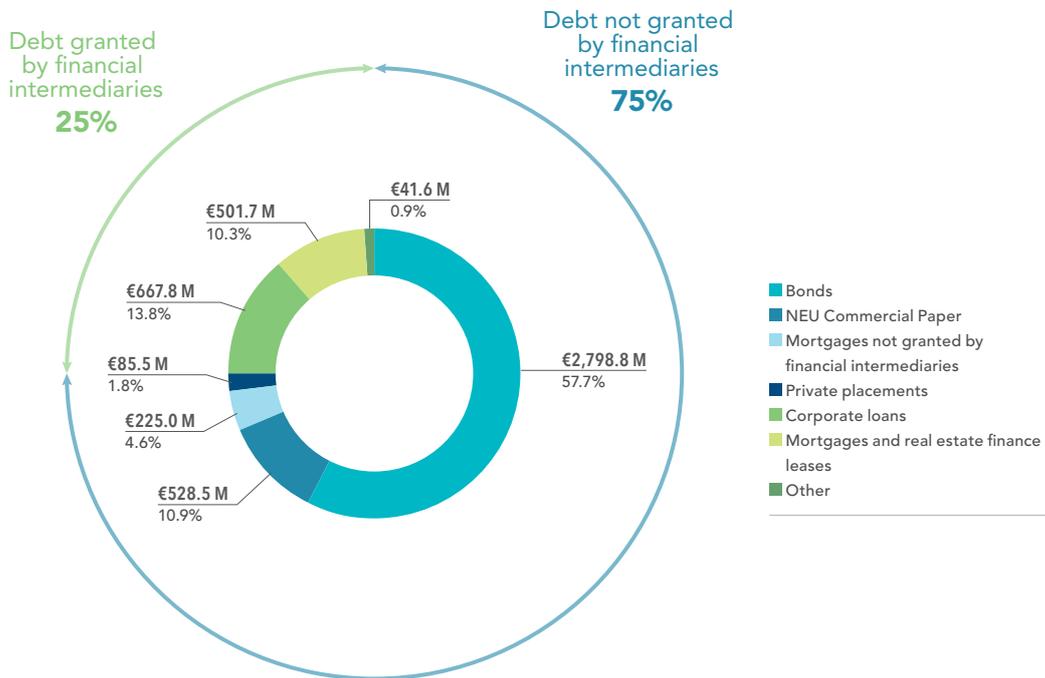
CORPORATE AND FINANCING LEGAL EXPERT

// We took advantage of favourable market conditions and protected ourselves against market volatility through the use of a series of financial derivatives, which require real legal expertise. Icade was able to attract interest from investors, restructure some of its debt and unify the terms and conditions of its debt with its different banking partners, especially its ICR covenant. This allowed us to keep optimising our cost of debt in the long term while reinforcing compliance with our bank covenants."



Debt indicators

DIVERSIFICATION OF FUNDING SOURCES



AVERAGE DEBT MATURITY EXTENDED (+2.1 YEARS)



SHARP RISE IN ICR (+0.73)



1. Risk management and control

1.1. Risks related to the property market

As one of the main players in the French property markets, Icade is subject to general sectoral and financial risks, and to more specific operational risks as part of its commercial property investment, healthcare property investment and property development activities.

1.1.1. Risk of fluctuations in the property market

In the Paris region and in large regional cities, the commercial property market is cyclical since prices vary according to supply and demand of offices from property investors. Although less volatile, the new-home market follows broadly the same trends. In addition to the general economic backdrop, these markets are influenced by important factors such as the availability of modern properties, interest rate levels, the availability of credit and the taxation of individuals, which are beyond the Company's control and are difficult to anticipate.

Fluctuations in the property market, both in terms of volumes and prices, may have a positive or negative impact on the estimated value of the property portfolio and the net asset value. These estimates are made half-yearly by independent property valuers and are supplemented by the Company's internal estimates (see 4.1 in note 4, in chapter 6

"Consolidated financial statements", section 2 "Notes to the consolidated financial statements").

Fluctuations in the property market also directly impact the development of the Group's following activities:

- ▣ property investment (implementation and profitability of the acquisition and disposal plans of the Property Investment Division);
- ▣ property development (acquisition plans for building land, profit margins on the projects).

To mitigate the impacts of this risk, Icade diversifies its portfolio across offices (40%), business parks (40%) and healthcare properties (20%). Icade exclusively invests in the most dynamic geographic areas (Paris region and large regional cities) and generates growth synergies between its property investment and its property development divisions.

In addition, the property development teams strive to keep the value of land for which projects are under development below the level of twice the annual revenue. At the end of 2016, the residential land portfolio represented over 10,000 units, i.e. the revenue that is generated in 28 months.

Furthermore, since investment properties are held as part of a long-term strategy, they are recognised at cost net of depreciation and short-term fluctuations in value have no direct impact on the income statement (except for provisions). However, these fluctuations do have an impact on the net asset value.

1.1.2. Risk of fluctuations in rent levels

Rent levels are established as part of long-term lease commitments and are adjusted annually, based primarily on changes in the cost-of-construction (ICC) and tertiary activities rent index (ILAT) indices defined by INSEE (French Institute of Statistics and Economic Studies). In the past five years, average year-on-year changes in these indices were:

Indices for the Commercial Property Investment Division	% of rental income subject to the index in 2016	2016	2015	2014	2013	2012
ICC ^(a)	50.1%	(1.0)%	(1.0)%	+0.1%	+1.8%	+4.1%
ILAT ^(b)	47.4%	+0.5%	+0.3%	+0.3%	+1.7%	+3.3%

(a) Cost-of-Construction index (ICC).

(b) Tertiary activities rent index (ILAT).

Upon expiry of an existing lease, Icade is subject to the uncertainties of the rental market when renewing the lease or leasing the vacated property to a new tenant.

At Icade, the terms and high level of dispersion of leases help smooth the effects of fluctuations in the rental market on rent levels.

See also chapter 2, page 41, table "Breakdown of leases by type of index for the period 2015-2016".

Indices for the Healthcare Property Investment Division	% of rental income subject to the index in 2016	2016	2015	2014	2013	2012
ILC ^(a)	56.5%	0.1%	(0.2)%	0.0%	1.4%	3.3%
ICC ^(b)	18.5%	(1.0)%	(1.0)%	0.1%	1.8%	4.1%
ILC/IPC Santé ^(c)	9%	0.2%	0.2%			
ICC/IPC ^(d)	16%	1.0%	1.4%	1.3%	1.8%	2.5%

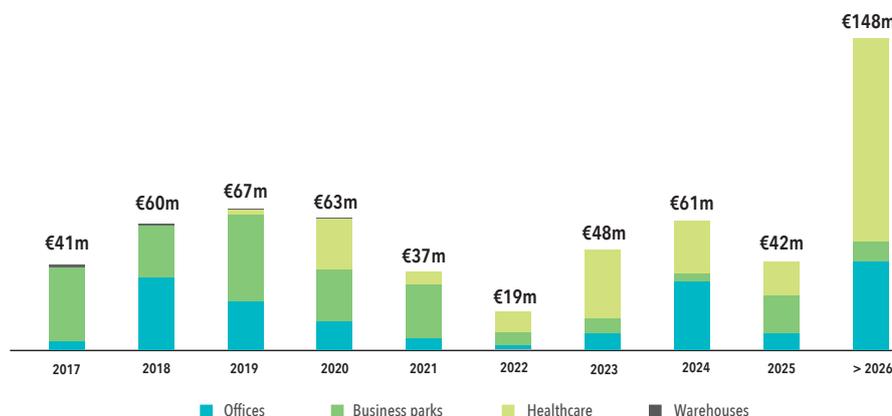
(a) Commercial Rent Index (ILC).

(b) Cost-of-Construction index (ICC).

(c) The composite index "ILC/IPC Santé" was introduced for the sale and leaseback transaction with the CAPIO Group in 2014, and was first used for rent escalation in 2015.

(d) Consumer price index (IPC).

LEASE EXPIRY SCHEDULE – ALL SEGMENTS (in millions of euros)



In practice, based on the turnover of tenants historically observed, only 20% to 25% of tenants exercised their break options.

In this highly-competitive market, macroeconomic conditions, especially economic activity and employment, have an impact on the time and cost of re-letting the properties (rental value). Sometimes, adapting the properties to the tenants' needs can result in a longer vacancy period.

Potential tenant departures in 2017 based on schedule	Impact of 3-month vacancy	Impact of a 10% decrease in rental income
€40.7 million	€10.2 million	€4.1 million

1.1.3. Competitive environment and innovation

The home purchase, property investment and rental markets are fragmented markets, with a large number of local, national and international investors.

In each of these markets, Icade competes with companies that have larger market shares and human and financial resources.

Icade is the fourth largest French property developer at the end of 2016.

Competition is especially high when buying land and available properties, as well as in terms of rents and prices of property services.

In these markets, Icade has clear competitive advantages:

- the Group's rental property portfolio provides its corporate clients with a variety of property solutions, especially in its business parks. Its products are aimed at all market segments (*Maison des Start-Up*, business centres with shared services, premises with all types of layouts in the business parks, and office buildings and campuses);
- its land bank, which is unique in the Paris region, provides the Company with a high degree of control over its growth in the long term;
- as an integrated real estate player, the Company has teams with all the expertise and experience needed to carry out complex urban planning, infrastructure and development projects, both for its own account and on behalf of third parties, and it generates synergies between its Property Development Division and its Commercial and Healthcare Property Investment Divisions;
- a participatory innovation approach implemented through the Hub and through innovative projects focused on housing solutions, offices and healthcare of tomorrow.

1.1.4. Regulatory risks

Real estate activities are subject to a large number of regulations in many areas: urban planning, construction, operation permits, health and safety, environment, property management, laws applicable to lease agreements, consumer laws, corporate law, securities regulations and corporate and personal taxation. Changes in the regulatory framework applicable to these activities may have positive or negative impact on activity levels (e.g. taxation of investments by individuals) and on its profitability (construction standards, charges recovered from tenants, taxation levels...).

In order to anticipate the impacts of any changes, Icade, as well as the trade associations to which it belongs (FSIF, the French Real Estate and Real Estate Investment Companies Federation; FPI, the French Real Estate Developers Federation; and IEIF, the French Institute for Real Estate Investments) constantly monitor technical, legal and tax regulations.

For further information on the competitive environment, see chapter 2, section 2.2.2. "Competitive position of the Commercial Property Investment Division", section 2.3.2. "Competitive position of the Healthcare Property Investment Division", and section 3.4. "Competitive position of the Property Development Division".

1.2. Financial risks

1.2.1. Liquidity risk

Icade finances a large proportion of its growth through debt. As a result, it is subject to a liquidity risk: when its existing debt reaches maturity, it needs to find new funds in order to finance its growth.

The Company's financing needs are anticipated through the medium-term plan over a 5-year rolling period, and defined more precisely every year as part of the budgeting process and every month as part of the liquidity plan covering a period of 12 to 18 months, with a monthly degree of accuracy.

For the medium term, Icade has a diversified funding structure based on bank loans and bonds whose maturities are well-spread over time. For the short term, all liquidity requirements can be met by undrawn bank credit lines, if necessary. As of December 31, 2016, these lines represented €1,580 million and represented almost twice the annual level of debt principal and interest payments.

Based on this work, Icade considers that its resources are appropriate to its liquidity requirements.



The availability of these funds depends partially on the Company's compliance with several financial ratios, in particular those related to the balance sheet structure (Loan-To-Value ratio or LTV ratio) and the business's ability to cover financial costs (Interest Coverage Ratio or ICR), and on its shareholding structure.

As of December 31, 2016, as was the case at the end of the previous financial years, the Group complied with all its bank covenants with a safety margin deemed adequate:

- reaching the most restrictive LTV covenant (50%), i.e. the covenant representing 2% of debt, would require either a decrease in asset value of €2,355 million, or an increase in net debt value of €1,177 million;
- reaching the ICR covenant (2x), would require either an increase in cost of debt of €149 million in the financial year 2017, or an EBITDA decrease of €297 million.

The liquidity, interest rate, and counterparty risk policies are decided by the Risk, Rates, Treasury and Financing Committee (CRTTF), implemented by the Finance Department and regularly presented to the Audit Committee.

Icade benefits from favourable borrowing terms thanks to its rating by the Standard & Poor's agency. A downgrade would result in higher future funding costs.

Additional numerical data are shown in the paragraph "Liquidity risk" of the section "Management of financial risks" in note 5 to the consolidated financial statements.

1.2.2. Interest rate risk

The Group is exposed to the risk that increases in interest rates may affect the variable-rate portion of its debt; this portion represented €1,083 million as of December 31, 2016, i.e. 22% of gross debt.

In order to mitigate the potential impact of such increases on its profits and to ensure, in the medium and long term, a favourable differential between the profitability of its property assets and the cost of its debt, Icade uses interest rate derivatives. These derivatives, which are intended to fix interest rates (swaps) or to set a maximum interest rate level (caps), are used for hedging purposes.

The objective is to hedge at least 75% of total debt for a five-year rolling period.

Numerical data on interest rate hedges are shown in the paragraph "Interest rate risk" of the section "Management of financial risks" in note 5 to the consolidated financial statements.

1.2.3. Currency risk

Since Icade does not conduct any transactions in foreign currencies and all its assets and liabilities are denominated in euros, Icade is not exposed to currency risk.

1.2.4. Risk concerning shares and other financial instruments

Share price risk

Icade does not have any equity interests in listed companies and is therefore not exposed to any significant risk of share price fluctuations.

Icade does not invest any of its cash in open-ended collective investment schemes (SICAV) investing in equity securities or in other financial instruments with an equity component.

In 2007, Icade implemented a share repurchase programme and, within that framework, signed a liquidity contract with an investment services provider. As of December 31, 2016, Icade held 206,644 treasury shares but none as part of the liquidity contract.

1.2.5. Credit or counterparty risks

Bank counterparty risk

As a result of its banking transactions, which mainly consist of cash investments, loans and drawdowns of credit lines and interest rate derivatives, Icade is exposed to a risk of default by its bank counterparties.

In order to mitigate this risk, Icade has gradually diversified its sources of funding in the past few years by issuing bonds and NEU Commercial Paper. The portion of debt not granted by financial intermediaries (which is subject to a risk spread over a large number of counterparties) reached 75% at the end of 2016.

Furthermore, Icade gives priority to bank counterparties among major banking institutions with long-term ratings of at least A/A2 and it spreads its money among different banks.

Insurance counterparty risk

The Group's property assets and public liability are insured with AXA and Groupama.

Client risk

With a client portfolio of over 1,300 lease agreements across a wide range of sectors, Icade's property investment activities are not subject to a specific client risk, except for its exposure to the healthcare sector through its subsidiary Icade Santé, which works alongside the main healthcare investors.

The Group derives less than 10% of its consolidated revenues from its largest tenant (AXA). The ten major tenants of the Commercial Property Investment and Healthcare Property Investment (Group share) Divisions represent 24% of overall rental income.

Client solvency is always assessed when the leases are signed and is regularly monitored by the property management and collection teams.

1.3. Operational risks

1.3.1. Risk of vacancy in the rental property portfolio and of mismatch between the Company's products and market needs

As a long-term investor, Icade is exposed to the risk of developing products and services that do not adequately respond to the needs of the property market in terms of location, product mix or characteristics, and to the risk of its property portfolio becoming obsolete, resulting in a significant increase in the risk of long-term vacancy.

The Group focuses its business and investments on the most dynamic geographic areas of Greater Paris and large regional cities where demand is stronger and less volatile. For this reason, in 2016 the Group sold its business parks located in the Outer Ring (Cergy, Évry, Antony and Villebon) as well as the Nanterre-Seine business park (excluding the Axe-Seine building).

Icade's office property portfolio is mainly made up of recent buildings (49% are less than 20 years old) complying with the highest environmental standards (60%, on a floor area basis, are HQE, BREEAM New Construction and/or BREEAM In-Use certified).

Buildings and business parks are regularly subject to programmes for modernisation, maintenance and development of services in order to offer property solutions in line with the expectations of a wide range of users. Moreover, the "Coach Your Growth with Icade" initiative launched in 2016 with a €30 million budget over two years, specifically aims at modernising the concept of business parks and turning them into high-quality certified business parks offering a higher quality of life and creating a business community in order to significantly increase their attractiveness.

Overall, the portfolio occupancy rate for the past five years is as follows:

	2016	2015	2014	2013	2012
FINANCIAL OCCUPANCY RATE AT THE END OF THE YEAR	91.1%	86.8%	81.9%	85.5%	92.6%

1.3.2. Development risk

As part of its operations as a property developer for its own account (Property Investment Division) or on behalf of third parties (Property Development Division), Icade is exposed to a number of administrative, technical or financial risks related in particular to:

- ▣ obtaining government permits (building permits, approval of the Departmental Commission for Commercial Development [CDAC]...) and whether such permits are irrevocable;
- ▣ technical ability to undertake the projects (construction standards and uncertainties); and
- ▣ complying with schedules and anticipated costs.

The occurrence of these risks may cause projects to be delayed, cancelled or completed with a lower profitability than expected, and potentially an underutilisation of the dedicated teams.

These projects are also exposed to the ups and downs of the investment property (Property Development Division) and/or rental property markets (Property Investment Division).

Icade intends to mitigate the potential impacts of these risks on its business and earnings:

- ▣ by limiting its exposure to property development for third parties to a maximum of 10% of its equity;
- ▣ by adopting a contract bidding and project management structure in line with the size and technical complexity of the projects (general contractor vs. separate subcontractors, consultancy firms, quantity surveyors...);
- ▣ by making the actual start of construction projects conditional on partial pre-marketing (off-plan sales by the Property Development Division).

1.3.3. Industrial and environmental risks

Icade's activities are not subject to a specific industrial or environmental risk. Nevertheless, some technical installations, such as heat or cold generators, use potentially contaminating fluids and are subject to periodic maintenance and inspections and formalised reporting (ICPE).

Beyond any potential malfunction, Icade is committed to reducing its environmental impact in the long and medium term, for instance in regards to the energy consumption of its buildings and business parks as well as greenhouse gas emissions generated by the construction and use of its properties. To this end, CSR commitments have been monitored by non-financial rating agencies based on multiannual action plans.

1.3.4. Health and safety risks

Building construction and operation may expose the building site personnel, employees and users of the Group's properties to health and safety hazards.

Much is done to limit the occurrence and severity of such hazards, including regular technical inspections, monitoring of compliance

with regulatory requirements and inspections, monitoring of Classified Facilities for Environmental Protection (ICPE) according to the French Environmental Code, monitoring of asbestos technical reports (DTA), implementation of fire prevention and fire fighting mechanisms and equipment in compliance with regulations, performance of evacuation exercises and regular maintenance of technical facilities.

As part of these efforts, a non-compliance was found in the flocking performed in the Crystal Park building. A remedial programme was launched in 2015 and it should last until 2017. In the meantime, appropriate temporary measures have been taken. Icade also took advantage of these works to negotiate the terms for extending the lease of the main tenant in the building.

In addition, all construction and renovation projects are supervised by specialised safety consulting firms.

The Single Document is regularly updated and submitted to the Health, Safety and Work Conditions Committee (CHSCT).

1.3.5. Major loss affecting the properties

In collaboration with their service providers, property management teams constantly ensure the preservation of the properties by developing building management systems and carrying out the maintenance of goods and equipment.

However, a major loss is still possible. Icade's properties are covered by comprehensive insurance policies up to a maximum sum corresponding to the reinstatement value of the property.

In addition to this insurance coverage, any major loss affecting a property would have a limited impact on Icade's business and NAV due to the low concentration of its property portfolio: the Group's largest property (Eqho tower) accounts for less than 6% of the total value of the property portfolio.

In operational terms, the Group has implemented crisis management plans for risks such as floods, fire, attacks, explosions, and construction site accidents.

1.3.6. Risk of misstatements in the financial statements

In order to avoid any misstatements due to errors or fraud, control and validation procedures for accounting and financial information are in place in the Group and are mainly based on:

- ▣ centralised accounting and financial organisation based on standardised procedures for data reporting and processing;
- ▣ an integrated IT system enabling extensive and secure data processing;
- ▣ detailed budget analysis which ensures the consistency of reported financial information.

The financial statements are formally approved by the Board of Directors after hearing the conclusions of the Audit Committee and the Statutory Auditors. The disclosure of financial information is strictly controlled.

1.3.7. Risks related to working with outside partners and service providers

Icade has available in house all the key competencies required for its business activities, concerning in particular the sourcing and development of property projects, construction project management, property management, as well as marketing and client relationship activities. Nevertheless, the Group uses the services of third-party companies (architect firms, construction, maintenance and safety companies, utilities and operating equipment providers...).

In order to keep the quality of these services under control, Icade works with a list of preferred service providers and constantly verifies their qualifications, insurance policies, social responsibility and financial strength. The quality of these services is contractually defined and, for the main service providers, it is regularly assessed by property management teams.

1.3.8. Risk of IT system failure

Part of Icade's business relies on the use of an extensive IT system which is based on complex databases whose risk of failure, whether due to accidents or malicious acts, is protected by:

- ▣ physical and logical protection of IT facilities and networks;
- ▣ redundancy in real time of IT production systems on remote sites;
- ▣ backup procedures.

These different protections are regularly tested by the IT Department.

Lastly, a business continuity plan is in place in the event of a physical destruction or unavailability of IT facilities or systems, to organise the actions to be taken by the teams and the restoration of IT systems (hardware, software and data).

1.3.9. Ethics and non-compliance risks

Commitments

Icade is required to make significant legal and financial commitments as part of its property development activities (acquiring land, launching new property developments) and its property investment activities (acquisitions, launching new property developments for its own account, disposals).

All these commitments are subject to a standardised authorisation and monitoring procedure implemented by the Business Line Commitment Committees and a Group Commitment Committee (thresholds) and, as the case may be, by the Board of Directors acting on a proposal from the Strategy and Investment Committee (thresholds).

Compliance and Business ethics

Icade puts business ethics at the heart of its long-term growth strategy and has defined the broad principles in a Code of Ethics applicable to all of the Group's employees. The ethical principles of this Code are defined more precisely in the internal policies and procedures.

The Group also appointed (i) an internal compliance officer who must be consulted when it comes to specific issues (conflicts of interest, gifts, corporate actions...) and whose work is confidential and (ii) an external compliance officer in charge of providing advice on potential securities transfers to be made by corporate officers and/or members of the Executive Committee.

Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)

Particular attention is paid to the fight against money laundering and financing of terrorism when entering into real estate transactions (property development and investments/disposals) as well as lease agreements.

1.4. Legal and tax risks

1.4.1. Shareholding structure

Caisse des dépôts et consignations directly holds 39% of voting rights of the Company. As a result, it has a significant influence on General Shareholders' Meetings, and it might be able, in the event of low turnout from other shareholders, to have the resolutions proposed to the Ordinary General Meeting approved or rejected, including those relating to the appointment of members of the Board of Directors, the approval of financial statements or the distribution of dividends. Moreover, Caisse des dépôts and related companies control seven seats in the Board of Directors (out of a total of 15).

1.4.2. SIIC tax regime

Icade is subject to the tax regime applicable to listed real estate investment companies (SIIC), under which it is exempted from corporate tax in relation to its property investment activities (property development and services are subject to the ordinary tax regime), subject to compliance with specific obligations, especially in terms of dividend distributions. Should the Company breach any of these obligations or any eligibility criteria, it would be subject to ordinary corporate tax for the relevant financial years and could potentially lose its status, which would have a negative impact on its revenues and value.

2. Insurance and disputes

2.1. Insurance

2.1.1. General presentation of Icade's policy regarding insurance

For several years, Icade has taken an approach intended to limit the number of its insurance brokers to three: the Marsh & McLennan firm (for all of Icade's and its subsidiaries' insurance policies), the AON France firm for protecting a part of the Property Investment Division's assets (formerly Silic and CFL) and the SATEC firm for "fleet car insurance" (*Flotte*) and "employer non-owned car liability coverage" (*Auto Mission*) policies.

This approach is due to a need for rationalisation and standardisation within Icade particularly in order to secure competitive rates, perpetuate risk cover, ensure better control of cover and more efficient claims management, especially through the preparation of reports by the Insurance Department and through its actions in the event of major claims or physical injury claims.

Thus, on the basis of the information available to it, Icade considers that the overall value of the insurance premiums paid by Icade and its subsidiaries should remain stable or decrease in 2017.

Depending on the activities concerned, Icade's main insurance companies are: (i) AXA for professional liability insurance; (ii) AXA and Groupama for comprehensive property insurance; (iii) Albingia and AXA for damage to works insurance (*dommages-ouvrage*), insurance for building companies not participating in the construction work (*constructeur non réalisateur*, CNR) and contractor's all risks insurance (*tous risques chantier*, TRC), (iv) AXA for public liability insurance under the Hoguet Act, and (v) Allianz for "fleet car insurance" and "employer non-owned car liability coverage" policies. Risk prevention and assessment of the Company's cover

2.1.2. Risk prevention and assessment of the Company's cover

The diversity of activities in which Icade engages means that risks are covered depending on each business's own insurance obligations and on the main risks identified.

In collaboration with its brokers, Icade endeavours to maintain a level of cover that it deems appropriate to each identified risk, in particular subject to limitations related to the insurance market and according to an estimate of the amount it considers reasonable to cover and the probability of a future claim.

Thus, in order to identify and, as far as possible, quantify the most significant specific risks in its businesses, since 2002 Icade has undertaken a process of mapping its main risks.

The risk map, which breaks down into specific risks (business-specific) and non-specific risks (applying to all businesses), is based on risk reporting files. Each of these files identifies a specific risk which is assessed in terms of occurrence and impact and the critical nature of which is assessed by a set of measures (transfer to insurance, implementation of specific procedures or actions, etc.).

These files are examined on a quarterly basis by the management of the operational entities concerned and any changes are included in the risk map at the same frequency. In addition, any significant claims are monitored.

2.1.3. Icade's main insurance policies

Insurance policies taken out by Icade can be schematically grouped into two main categories: (i) compulsory insurance pursuant to legal or regulatory provisions, and (ii) insurance taken out by Icade in addition to compulsory insurance so as to provide cover for certain other risks.

Due to the large number of business activities undertaken by Icade and the numerous types of insurance policies taken out within the framework of its activities, this section only provides a summary of the main insurance policies taken out by Icade.

2.1.3.1. Main compulsory insurance

Compulsory insurance varies primarily according to Icade's three main business areas: Property Development, Property Investment and Property Services.

2.1.3.1.1. Property Development

Icade has the compulsory insurance required by law No. 78-12 of January 4, 1978 covering completed works (called "damage to works" insurance), and the insurance covering the liability of the builder, property developer or vendor in relation to a building to be built or that was completed less than 10 years ago (called "10-year public liability insurance" [*responsabilité civile décennale*], or insurance for building companies not participating in the construction work [*constructeur non réalisateur*, CNR]).

Damage to works insurance is taken out by anyone acting as project owner, vendor or agent of the project owner who has to carry out building work. This insurance must be taken out as soon as work commences on site and is primarily designed to pre-finance the repair of any problems occurring that fall within the scope of the ten-year warranty. This insurance primarily covers damage which compromises the integrity of the property or which, by affecting one of its constituent parts or one of its amenities, makes it unfit for its purpose. This property insurance therefore follows the building and is transferred to purchasers and then to their successors in the event of a subsequent sale. The damage to works insurer can take legal action against those responsible for the problems, including Icade, if it were to have participated in the building operations in such a way that it is responsible for the those problems.

Ten-year liability insurance (or insurance for building companies not participating in the construction work [CNR]) covers ten-year building liability for the company that carried out the construction work (or company that did not participate in the construction work), i.e. the payment for the repairs to the building in which Icade was involved as builder, developer or vendor when it was held liable on the basis of the presumption principle established by Articles 1792 *et seq.* of the French Civil Code. This cover is unlimited in respect of the compulsory cover.

It should be noted that courts tend to widen the scope of vendors' and contractors'/subcontractors' liabilities beyond the minimum legal obligations.

2.1.3.1.2. Property Investment

This business requires taking out compulsory insurance in the field of construction insurance both for new builds and for works to existing property.

Icade then has to take out damage to works and CNR policies when carrying out new building operations and damage to works policies known as "works to existing property" (*travaux sur existants*) (which includes CNR cover) when carrying out major refurbishment works on its properties.

2.1.3.1.3. Property Services

In its project management support activities for public authorities or private companies, Icade can be considered a subcontractor and as such is required to take out the compulsory ten-year liability insurance.

Where Icade and its subsidiaries operate as estate agents or property managers, they must take out professional liability insurance to cover any financial consequences they may incur in those capacities (Article 49 of Decree No. 72-678 of July 20, 1972 as amended by Decree No. 2015-764 of June 29, 2015).

2.1.3.2. Other major insurance taken out by Icade

2.1.3.2.1. Optional insurance covering construction risks

This is primarily “contractor’s all-risk” insurance (*tous risques chantier*) and various policies supplementing the developer’s public liability cover as well as certain specific risks such as fire and natural disasters.

2.1.3.2.2. Optional insurance covering operations

As part of its property investment business, Icade takes out comprehensive property insurance specifically covering owner’s public liability and damage (up to a maximum sum corresponding to the reinstatement value of the property). These insurances also include an insurance covering any loss of rent due to the potential unavailability of the property for a period of up to 36 months.

2.1.3.2.3. Public liability insurance

All of Icade’s subsidiaries carry professional liability insurance within the framework of a Group policy for Icade.

This “all-risks except” policy is taken out with AXA France IARD Insurance and specifically covers the financial consequences of liability stemming from applicable law (tort, negligence and contractual public liability) which may be incumbent on the insured due to or in the course of its business activities by virtue of any damage and/or loss caused to third parties.

2.1.3.2.4. Other insurance policies

Icade has also taken out other insurance policies covering various risks.

In particular:

- “fleet car insurance” and “employer non-owned car liability coverage” policies for those employees who use their own vehicles for work;
- IT all-risk insurance;
- environmental risk insurance.

2.1.3.3. Cover and excesses

2.1.3.3.1. Cover

The main cover taken out by Icade under these insurance policies currently in force can be summarised as follows:

- with regard to construction insurance, work undertaken is covered up to its cost of completion (works and fees);
- with regard to comprehensive property insurance, buildings are covered up to their reinstatement value, although sometimes subject to a per-claim limit defined by the policy;
- with regard to public liability, the Group policy for Icade and some of its subsidiaries offers a limit of approximately €20 million;
- with regard to other insurance, it usually includes limits based on the replacement values of the damaged goods.

2.1.3.3.2. Excesses

The main excesses applicable in the insurance policies taken out by Icade which are currently in force can be summarised as follows:

- with regard to construction insurance (damage to works), the policies taken out by Icade and its subsidiaries do not usually carry an excess; the “contractor’s all-risk” and “insurance for building companies not participating in the construction work (CNR)” policies are subject to excess payments of €7,500 and €1,500, respectively;
- with regard to comprehensive property insurance, Icade’s policies carry limited excesses that vary according to the nature of the cover;
- with regard to public liability, the Group policy for Icade and some of its subsidiaries carries a general excess of €45,734;
- the policies taken out under “other insurance” carry small excesses.

2.2. Disputes

Icade and its subsidiaries are parties (i) to a number of claims or disputes in the normal course of their business activities, primarily property development in respect of construction matters and urban planning permits, as well as (ii) a number of other claims or disputes which, if they prove to be admissible and given the amounts in question, their possible recurrence and their impact in terms of image, might have a significant adverse impact on Icade’s business, results and financial position.

Where appropriate, these claims or disputes are covered by provisions recorded in the financial statements of the companies concerned for the year ended December 31, 2016, depending on their probable outcome and where it was possible to estimate their financial consequences. Thus, every year, Icade’s Legal Department prepares a list of all the disputes involving Icade and its subsidiaries, indicating the amount of any provision required for each significant case or dispute.

As of December 31, 2016, provisions for disputes amounted to €28.8 million for the entire Group (including €16.8 million for the Property Development Division).

Icade considers that these provisions represent reasonable cover for these claims and disputes.

Declaration relating to disputes

There are no other government, legal or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or threatening, that may have, or have had in the last 12 months, significant impacts on the financial position or profitability of the Company and/or Group.

CORPORATE GOVERNANCE

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CHANGES IN REMUNERATION SCHEMES

A significant portion of the remuneration of managers and Executive Committee members is now contingent on the company's performance and the successful implementation of its strategic plan.



Olivier Geysen

HEAD OF THE REMUNERATION,
HR STUDIES AND HR IT SYSTEMS DEPARTMENT

// Icade's remuneration policy has been adapted to the company's strategic guidelines. A significant measure implemented is that ExCo members' variable remuneration is now based on shared criteria, such as net current cash flow, share price, development of operational and functional synergies within Icade and CSR objectives."

Marie-Amélie Perrin

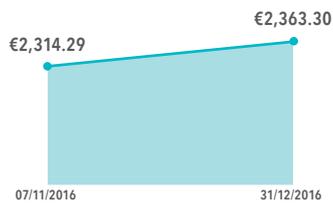
REMUNERATION MANAGER

// The employees' involvement in the success of the strategic plan was supported by a bonus share plan for all employees and a performance share plan for managers who represent around 20% of the workforce. With these share plans, all employees have a stake in the company's performance and the interests of management are more aligned with those of shareholders."



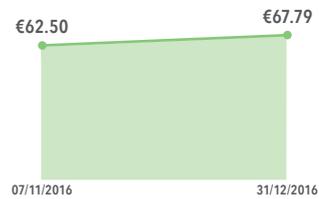
Share performance

FTSE EPRA EURO ZONE INDEX



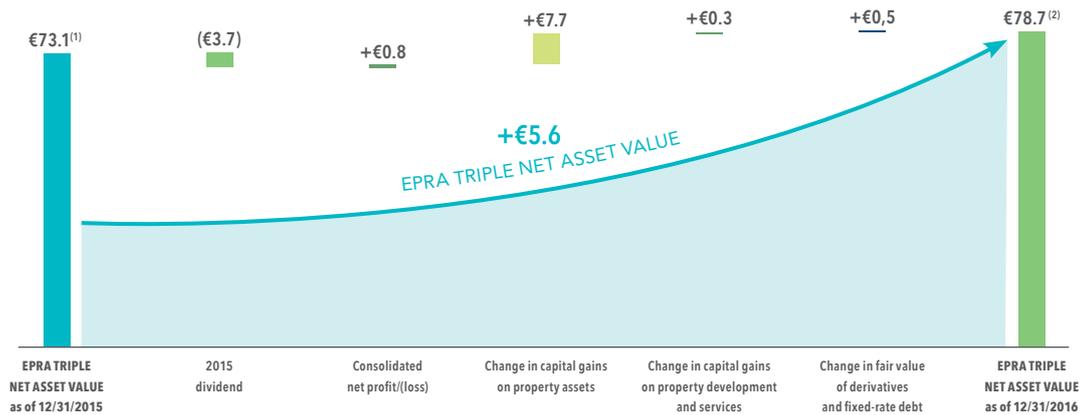
— FTSE EPRA Euro Zone index

ICADE SHARE PRICE



— Icade share price

SIGNIFICANT INCREASE IN EPRA TRIPLE NET ASSET VALUE



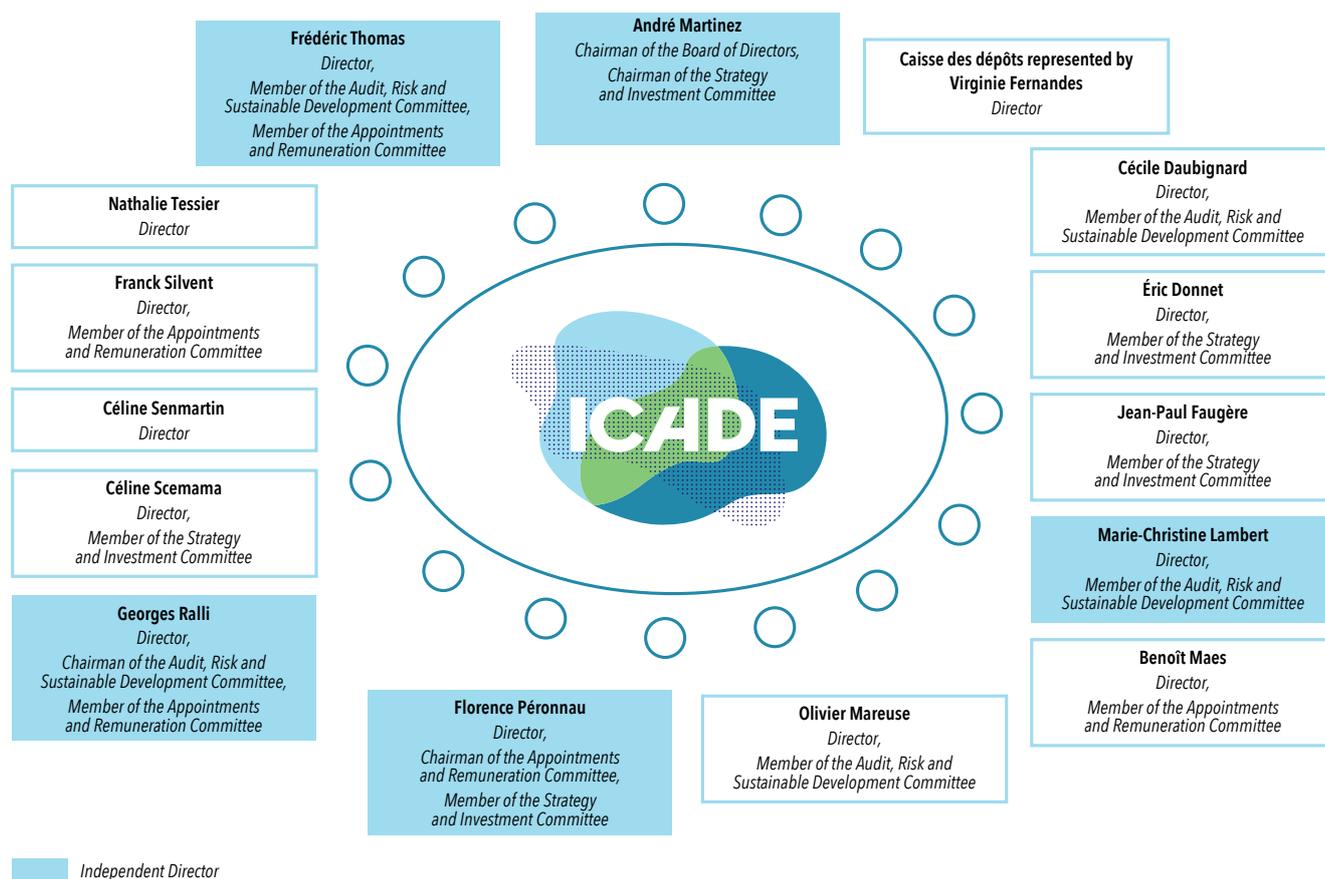
(1) EPRA TRIPLE NET ASSET VALUE as of 12/31/2015: €5,383.0m.

(2) EPRA TRIPLE NET ASSET VALUE as of 12/31/2016: €5,820.9m.

1. Governance bodies

1.1. Composition of the Board of Directors and its committees on the date of filing of the Company's registration document

The Board of Directors consists of 15 members including five independent directors.



1.2. Positions, offices and biographies of the members of the Board of Directors



André MARTINEZ
Chairman of the Board of Directors
Chairman of the Strategy and Investment Committee
Independent director
64 years old

First appointed as director:
General Meeting of 04/29/2015

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2018

Number of shares held in the Company: 20

Professional address:
35, rue de la Gare – 75019 Paris

Expertise and professional experience

André Martinez graduated from HEC business school, the Paris Institute of Political Studies (IEP) and holds a Master's degree in Economics (Paris II). He began his career in 1978 as a contracts negotiator for Airbus Industrie. In 1982, André Martinez joined the Hôtels Méridien company, from the Air France Group, as Development Director, and later became Chairman and CEO of Méridien Hôtels Inc and Chairman of Méridien Canada Ltd. In 1989, he was appointed CEO of Méridien Gestion and later CEO of the Hôtels Méridien company. In 1997, he joined the Accor group as CEO of Compagnie des Wagons-lits, and later became Development and Strategy Director of the Hotels Division. From 2003 to 2006, he was a member of the Executive Board and Manager of the hotel business for Europe, Africa and Middle-East. In 2006, André Martinez joined Morgan Stanley Real Estate where he was appointed Managing Director and later Senior Advisor and Director of the Global Lodging group. He was also Chairman of Panorama Hospitality. From 2012 to 2014, he became special advisor to the offices of Pierre Moscovici (Minister of Economy and Finance) and Nicole Bricq (Minister of Foreign Trade). André Martinez is also a Director of Ville pour Tous and Financière Sun. Additionally, he is the manager of two family-owned property investment companies (SCI) and the Chairman of Financière des Cent Chênes SAS. He was appointed Chairman of the Board of Directors of Icade in April 2015 and he is also the Chairman of the Strategy and Investment Committee of the Company.

Other offices and positions currently held

- Managing Director**
- Financière des Cent Chênes SAS ^(a)
- Director**
- Ville Pour Tous ^(a)
 - Financière Sun ^(a) (Hôtels B&B)

Offices and positions held in the past five years and which have expired

- Chairman**
- SGP Edifice Capital
- Director**
- Xiwen Media

(a) Non-group company.



Virginie FERNANDES
Permanent Representative of Caisse des dépôts - Director
42 years old

First appointed as director:
Board meeting of 09/30/2016

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2018

Number of shares held in the Company: 1

Professional address:
56, rue de Lille – 75007 Paris

Expertise and professional experience

Virginie Fernandes is a graduate of Rouen Business School and Société Française des Analystes Financiers (SFAF). She began her career in 1998 at EY as a financial auditor. From 2000, she served as financial analyst, first at Oddo Securities and later at Crédit Agricole Cheuvreux. She joined the Caisse des dépôts Group in 2010. She worked in the Finance Department of the Strategic Investment Fund where she is in charge of monitoring strategic holdings. In 2012 she joined the Finance, Strategy and Holdings Division where she served as Head of the Strategic Steering of Subsidiaries and later in 2013 as Head of the Real Estate, Housing and Tourism Division.

On January 24, 2017 she was appointed Head of the Group Steering Department within the Finance, Strategy and Holdings Division.

Other offices and positions currently held

- Member of the Supervisory Board**
- SNI ^(a)
- Member of the Audit Committee**
- SNI ^(a)

Offices and positions held in the past five years and which have expired

- Member of the Supervisory Board**
- Santoline
- Chairman**
- Audit Committee of Santoline
 - Holdco SIIC

(a) Icade group/CDC group company.



Cécile Daubignard
Director
Member of the Audit, Risk and Sustainable Development Committee
51 years old

First appointed as director:
General Meeting of 06/22/2012

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2019

Number of shares held in the Company: 1

Professional address:
8-10, rue d'Astorg – 75008 Paris

Expertise and professional experience

A graduate of *École centrale de Lyon*, with an MBA from *École supérieure de commerce de Lyon*, a graduate of the *Centre d'études actuarielles (CEA)*, and a member of the French Actuarial Institute, Cécile Daubignard began her career at Mazars, where she worked on audit and consulting engagements.

In 1995, she joined the Groupama group as Audit Manager within the Audit Department of Gan, and then joined the Health Department in 1997 as manager of the Accounting and Actuarial Department.

In 1999, she joined the International Division of Groupama S.A., where she headed the Financial Engineering Department and then the Planning, Budget and Results Department. She managed the Initial Public Offering project in 2002 within the Group's Finance Department and in 2005 she became project officer for the CEO of Groupama SA.

In January 2008, Cécile Daubignard was appointed Chief Strategy Officer of the Groupama group. She joined the General Management Committee of Groupama SA in July 2011. She became Secretary General on September 1, 2015.

Other offices and positions currently held

General Secretary
- Groupama ^(a)

Offices and positions held in the past five years and which have expired

Chief Strategy Officer

- Groupama Group

Director

- Amaline Assurances

- STAR

Member of the Supervisory Board

- Réunima

Vice-Chairman of the Supervisory Board

- Réunima

(a) *Non-group company.*

**Éric DONNET****Director****Member of the Strategy and Investment Committee**

47 years old

First appointed as director:

Board meeting of 07/23/2014

End of term of office:

General Meeting to be held to approve the financial statements for the year ended December 31, 2017

Number of shares held in the Company: 10**Professional address:**
21, boulevard Malesherbes – 75008 Paris**Expertise and professional experience**

Éric Donnet is a graduate of the *Institut commercial de Nancy* business school and holds the title of French Certified Public Accountant (DESCF). He began his career as a management controller with Lyreco in the UK. In 1995, he joined PricewaterhouseCoopers as head of audit and advisory, before returning to Lyreco in France in 1997, where he was European business development and acquisitions manager for Lyreco Management. In 2000, he joined the Valeo group as Head of Strategy and Special Projects of Valeo Distribution. In 2002, he joined the GE Real Estate group in Bail Investissement, as a Deputy Director of Bail Investissement Foncière, CEO of ADDVIM Property Management and Chairman and CEO of Deltis FM. In 2005, he joined AEW Europe (a subsidiary of Natixis Global Asset Management and CDC), as Head of Asset Management Europe, and then as Chief Operating Officer. Since June 3, 2013, Éric Donnet has served as CEO of Groupama Immobilier. He reports directly to Benoît Maes, Group CFO.

Éric Donnet has also been Chairman of the portfolio management structure Groupama Gan REIM since its creation in December 2014.

Other offices and positions currently held**CEO**

- Groupama Immobilier ^(a)
- CIE Foncière Parisienne ^(a)

Chairman

- Expertisimo ^(a)

Member of the Strategic Committee

- Expertisimo

Permanent representative of CIE Foncière Parisienne

- SCI 261 Raspail ^(a)

Permanent representative of Groupama Immobilier

- Gan Foncier ^(a)
- Haussmann Laffitte Immobilier ^(a)
- SCI 12 Victoire ^(a)
- SCI 99 Malesherbes ^(a)
- SCI 97 Victor Hugo ^(a)
- SCI 1 Bis Avenue Foch ^(a)
- SCI 9 Malesherbes ^(a)
- SCI 16 Messine ^(a)
- SCI 79 Champs Élysées ^(a)
- Société Forestière Groupama ^(a)
- SCI 44 Théâtre ^(a)
- SCI 150 Rennes ^(a)
- SCI 3 Rossini ^(a)
- SCI 102 Malesherbes ^(a)
- SCI Chamalières Europe ^(a)
- SCI 38 Le Pelletier ^(a)
- SCI Victor Hugo-Villiers ^(a)
- Ixellor ^(a)
- SCI Uni-Anges ^(a)
- Cofintex 18 ^(a)
- Gan Foncier II ^(a)
- SCI Groupama Frères Lumière ^(a)
- Fordev ^(a)

Offices and positions held in the past five years and which have expired**Permanent representative of Groupama Immobilier**

- Paris Falguière
- Immobilière Rennes Vaugirard
- OFI GB2
- SC de la tour GAN
- SCI Window La Défense
- SCI 40 René Boulanger
- 5/7 Percier

^(a) Non-group company.



Jean-Paul FAUGÈRE
Director
Member of the Strategy and Investment Committee
60 years old

First appointed as director:
General Meeting of 04/12/2013

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2016

Number of shares held in the Company: 20

Professional address:
4, place Raoul Dautry – 75716 Paris Cedex 15

Expertise and professional experience

A former student of *École polytechnique* and the National School of Administration (ENA), Jean-Paul Faugère, served as Head of the Office of the Prime Minister from 2007 to 2012. Prior to this, he worked as Head of the Office of François Fillon (Minister of Social Affairs and then of National Education) from 2002 to 2005 and Prefect of the Alsace-Bas Rhin region from 2005 to 2007. Jean-Paul Faugère has been Chairman of the Board of Directors of CNP Assurances since June 29, 2012. Previously, Jean-Paul Faugère held the following positions and offices: Insurance Commissioner (1980-1981), Auditor to the Council of State (1983), Deputy General Secretary of the Council of State (1986-1987), Technical Adviser to the Minister of Infrastructure, Housing, Spatial Planning and Transport (1987-1988), Government Commissioner to the Court of Disputes of the Council of State (1988-1990), Finance Director (1991-1994) of the French Atomic Energy Commission (CEA), Director of Civil Liberties and Legal Affairs for the Ministry of the Interior and Spatial Planning (1994-1997), Prefect of Loir-et-Cher (1997-2001), Prefect of Vendée (2001-2002), and member of the Council of State (1998).

Other offices and positions currently held

Chairman of the Board of Directors

- CNP Assurances ^{(a) (b)}

Director

- Caixa Seguros Holding SA Brésil ^(c)

Offices and positions held in the past five years and which have expired

Chairman of the Board of Directors

- Icade

(a) Listed company.

(b) Icade group/CDC group company.

(c) Non-group company.



Marie-Christine LAMBERT
Independent director
Member of the Audit, Risk and Sustainable Development Committee
62 years old

First appointed as director:
General Meeting of 06/22/2012

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2019

Number of shares held in the Company: 10

Address:
24, rue Rouelle – 75015 Paris

Expertise and professional experience

Marie-Christine Lambert, a graduate of ESC Dijon with a major in Finance, is now retired. She was Deputy Head of Finance and Head of Financial Control of the Orange group. After joining France Télécom in 1992, she served successively as Finance Director of the IT subsidiaries, Chief Financial Officer of the French Mobile Telephony Division, Chief Financial Officer of the Orange Division (the Group's mobile telephony arm), group Director of Finance and Operations Management in France (fixed and mobile telephony), and then Group Head of Financial Control. Marie-Christine Lambert began her career in 1975 in a French subsidiary of ITT, and then worked in operational finance in the industrial, services and telecommunications sectors.

Other offices and positions currently held

None

Offices and positions held in the past five years and which have expired

Deputy Head of Finance and Head of Financial Control

- Orange Group

Director

- Orange France
- Orange Studio
- Buy-in joint venture (Orange/Deutsche Telekom)

Member of the Supervisory Board and Audit Committee

- Orange Polska

CORPORATE GOVERNANCE

Governance bodies



Benoît MAES

Director

Member of the Appointments and Remuneration Committee
58 years old

First appointed as director:
General Meeting of 06/22/2012

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2019

Number of shares held in the Company: 1

Professional address:
8-10, rue d'Astorg – 75008 Paris

Expertise and professional experience

A *Corps des mines* engineer and graduate of the French Actuarial Institute, Benoît Maes began his career in public administration. He was Project Officer with the prefect of the French "Centre" region from 1982 to 1985, General Secretary of the Energy Observatory from 1987 to 1988 and Technical Adviser to the Office of the Minister of Industry from 1988 to 1990. In 1991, he joined the Gan group where he held various managerial positions within the General Technical Studies Department, the Individual Life Insurance Department and the Distribution Department before becoming deputy CEO of Gan Assurances in 2002. He became Groupama SA's group head of Auditing and Actuarial Services in 2005. In 2007 he was appointed CEO of Gan Assurances. In 2010, he became CEO of Groupama Gan Vie and Director of Life and Health Insurance for Groupama SA. He has been the Chief Financial Officer of Groupama SA since December 2011.

Other offices and positions currently held

Group CFO

- Groupama ^(a)

Chairman of the Board of Directors

- Compagnie Foncière Parisienne ^(a)
- France Gan ^(a)
- Groupama Asset Management ^(a)

Director

- Groupama Gan Vie ^(a)
- La Banque Postale-Assurances IARD ^(a)

Chairman of the Board of Directors

- Groupama Immobilier ^(a)
- Groupama Japon Stock ^(a)
- Securi-Gan ^(a)

Permanent representative of Groupama Gan Vie

- Gan Investissement Foncier (Managing Director) ^(a)

Offices and positions held in the past five years and which have expired

Chairman of the Supervisory Board

- Reunima

Permanent representative of Groupama SA

- Groupama Banque (director)

Chief Executive Officer

- Gan Assurances

- Groupama Gan Vie

Chairman of the Board of Directors

- Groupama Private Equity

Director

- Cegid Group

(a) Non-group company.



Olivier Mareuse

Director

Member of the Audit, Risk and Sustainable Development Committee
53 years old

First appointed as director:
Board meeting of 05/31/2011

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2016

Number of shares held in the Company: 1

Professional address:
56, rue de Lille – 75007 Paris

Expertise and professional experience

A graduate of the Paris Institute of Political Studies (IEP), former student of the National School of Administration (ENA), Olivier Mareuse began his career in 1988 at the Group Insurance Department of CNP Assurances, as deputy head of the Financial Institutions Department and then as Technical, Administrative and Accounting Director in 1989. In 1991, he was appointed project officer to the CEO, then Head of Strategy, Control and Management of Investor Relations in 1993. Appointed Chief Investment Officer of CNP Assurances in 1999, Olivier Mareuse joined Caisse des dépôts in October 2010 as deputy CFO of the Caisse des dépôts group. Since December 2010, he has served as Chief Financial Officer of the Caisse des dépôts group. Since September 2016, Olivier Mareuse has been the Head of Savings Funds at Caisse des dépôts.

Other offices and positions currently held

Group CFO

- Caisse des dépôts

Member of the Management Committees

- "Caisse des dépôts" Public Institution and Group

Director

- CNP Assurances ^(a) ^(b)
- Association française des investisseurs institutionnels (AF2i) ^(c)
- CDC International Capital ^(b)

Permanent representative of CDC

- Qualium Investissement ^(b)
- Veolia Environnement ^(a) ^(c)

Member of the Audit Committee

- CDC International Capital ^(b)
- CNP Assurances ^(a) ^(b)

Member of the Investment Committee

- CDC International Capital ^(b)

Member of the Strategic Committee

- CNP Assurances ^(a) ^(b)

Offices and positions held in the past five years and which have expired

Chief Investment Officer

- CNP Assurances

Director

- BPI France Investissement
- Dexia Groupe SA
- AEW Europe
- Société Forestière de la CDC
- CDC Infrastructures

Chairman of the Board of Directors

- CDCE-1

Chief Executive Officer

- CDCE-1

Permanent representative of CDC

- CDC GPI (Gestion des placements immobiliers)
- CDC GPII (Gestion des placements immobiliers internes)

(a) Listed company.

(b) Icade group/CDC group company.

(c) Non-group company.

CORPORATE GOVERNANCE

Governance bodies



Florence PÉRONNAU

Independent director
Chairman of the Appointments and Remuneration Committee
Member of the Strategy and Investment Committee

59 years old

First appointed as director:

General Meeting of 05/23/2016

End of term of office:

General Meeting to be held to approve the financial statements for the year ended December 31, 2019

Number of shares held in the Company: 5

Professional address:

Pollen RE SAS
35, rue Malar – 75007 Paris

Expertise and professional experience

After studying economics (bachelor's degree in economics from Paris X, degree in finance-economics from the Paris Institute of Political Studies) Florence Péronneau spent the first part of her career working for several major institutional investors.

1982-1990: AGP Compagnie du Midi – AXA, real estate investments.

1990-1993: CPII Promotion Immobilière – development of property projects and sales to investors.

1993-1997: SECL-UAP – Banque Worms – asset valuation and management.

1997-2004: AGF (Allianz group) – strategy and transformations, construction project management.

In 2006 she joined the Sanofi group to set up the Group Real Estate Department and as such switched to the “users” side.

Once the Corporate organisation was implemented at the national and international levels, she rolled out the “office space” and “green buildings” internal policies, in line with the group’s strategic guidelines.

She completed several major real estate projects in France and abroad, including the Group’s global headquarters (2012) and new business campuses (Paris and Lyon in 2015) to address the changes in work and management practices.

Since January 19, 2015 Florence Péronneau sits on the French State Real Estate Board as a qualified person.

In 2017, Florence Péronneau, who believes that real estate is a tangible as well as an intangible asset for a company, opened Pollen RE, a real estate strategy consulting firm dedicated to “Users”.

Other offices and positions currently held

Member of the French State Real Estate Council

Vice-Chairman

- Association des Directeurs Immobiliers

Board Member

- RICS France (Royal Institution of Chartered Surveyors)

Offices and positions held in the past five years and which have expired

None



Georges RALLI
Independent director
Chairman of the Audit, Risk and Sustainable Development Committee
Member of the Appointments and Remuneration Committee
 68 years old

First appointed as director:
 General Meeting of 05/23/2016

End of term of office:
 General Meeting to be held to approve the financial statements for the year ended December 31, 2019

Number of shares held in the Company: 775

Professional address:
 IPF Partners
 8, rue Toepffer
 CH – 1206 Geneva

Expertise and professional experience

Georges Ralli holds a "DESS" postgraduate degree in Banking and Finance from Paris-V University, a Finance and Economics degree from the Paris Institute of Political Studies and a degree from the *Institut commercial de Nancy* business school.

He joined Crédit Lyonnais in 1970 where he held various positions until 1981 (General Accounting Research Department, in charge of monitoring regulatory ratios and consolidation procedures for the Group – Alsace Regional Department, in charge of corporate clients – Financial Affairs Department responsible for the primary equity market business).

In 1982 he became Secretary of the Savings Development and Protection Commission.

From 1982 to 1985, he headed the Financial Negotiations department of Credit du Nord (primary equity and bond markets, mergers and acquisitions, proprietary investments).

In 1986 he joined Lazard in Paris to develop its primary equity markets activity. In 1989 he moved to the mergers and acquisitions department. He became managing partner in 1993 and was appointed as Co-Head of Lazard LLC's mergers and acquisitions in 1999. From 2000 to 2010, he was Managing Director and Deputy Chairman of the Lazard LLC Executive Committee (USA). He simultaneously headed the French branch until 2010. In 2010 he resigned his executive position but until 2012 he remained Chairman of the European mergers and acquisitions activities and Chairman of the European asset management and private banking activities.

In 2013, he created IPF Partners, an investment fund dedicated to the healthcare sector which invests in biotech, medtech, diagnostics and vaccines companies through structured loans. He is currently Partner and Managing Director of IPF Partners.

Other offices and positions currently held

Non-voting director, Member of the Audit Committee and Chairman of the Remuneration Committee

- Chargeurs SA ^(a)

Vice-Chairman and member of the Board of Directors, Chairman of the Accounting Committee

- Carrefour ^(a) ^(b)

Managing Director

- IPF Management 1 SARL (Luxembourg) ^(b)
- IPF Partners SARL (Switzerland) ^(b)

Director

- Quadrature Investment Managers ^(b)

Offices and positions held in the past five years and which have expired

Director

- Chargeurs SA
- Veolia Environnement
- Silic SA
- Lazard Wealth Management Holding SL (Spain)
- LAZ-MD Holding LLC (U.S.A.)
- Lazard Aserores Financieros SA (Spain)
- Lazard AB (Sweden)
- Lazard & Co Srl (Italy)
- Lazard Investments Srl (Italy)

Chairman

- Maison Lazard SAS
- Lazard Frères Gestion SAS

Managing partner

- Compagnie Financière Lazard Frères SAS
- Lazard Frères SAS
- Lazard Frères Gestion SAS

Member of the Supervisory Board

- VLGI SAS

Vice-Chairman and CEO

- Lazard Group LLC (U.S.A.)

CEO of the European Investment Banking Business

- Lazard (U.S.A.)

Co-Chairman of the European Investment Banking Committee

- Lazard (U.S.A.)

Chairman of the Board of Managers

- Lazard Wealth Management Europe SARL (Luxembourg)

Chairman of the Advisory Board

- Lazard GmbH (Switzerland)

Member

- LFCM Holdings LLC (U.S.A.)
- Advisory Committee of Lazard BV (Belgium)
- European Advisory Board of Lazard (U.S.A.)

(a) Icade group/CDC group company.

(b) Non-group company.



Céline SCEMAMA

Director
Member of the Strategy and Investment Committee
45 years old

First appointed as director:
General Meeting of 04/07/2011

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2016

Number of shares held in the Company: 1

Professional address:
56, rue de Lille – 75007 Paris

Expertise and professional experience

Céline Scemama is a graduate of *École supérieure de commerce de Paris*, holds a “DESS” postgraduate degree in Human Resources and is a member of the French Society of Financial Analysts (SFAF). She joined the Caisse des dépôts group in 1994 and is currently Chief Strategy Officer. Céline Scemama spent ten years working in the Department of Structured Finance in Paris and New York, where she worked on real estate financing, LBOs, and project and asset financing. She then joined the Strategy Department where she worked on a number of strategic investments, including an infrastructure asset portfolio. Céline Scemama also strategically monitors some of the Group’s subsidiaries and equity investments. She later joined the Finance Department where she was in charge of portfolios of unlisted assets (real estate, private equity, forests, and equity investments) in the Proprietary Asset Management Department.

Other offices and positions currently held

Director of the Strategy Department

- Caisse des dépôts

Chairman and CEO

- Société Foncière Mogador ^(b)

Chairman

- AIH France ^(b)

Director

- SITQ Les Tours SA ^(b)
- CDC-GPI ^(a)
- CDC-GPII ^(a)
- Galaxy ^(b)
- BBCA ^(b)
- Vigeo ^(b)

Permanent representative of CDC

- Société d'Épargne Forestière, “Forêts durables” ^(b)

Offices and positions held in the past five years and which have expired

Manager of unlisted portfolios at Caisse des dépôts

Chairman

- CDC-GPI

Director

- Foncière Franklin

Permanent representative of CDC

- AIH France
- Sagitrans
- Safitrans
- GIE RER 97

Member of the Investment Committee

- Patrimoine Uno

Member of the Management Board

- Compagnie des Landes

Chairman of the Investment Committee

- Société d'Épargne Forestière, “Forêts durables”

Member of the Advisory Board

- European Property Investors
- PBW Real Estate Fund NV

Member of the Investment Committee

- Curzon Capital Partners II LLP

Member of the Strategic Committee

- Neocase Software

(a) Icade group/CDC group company.

(b) Non-group company.

CORPORATE GOVERNANCE

Governance bodies



Céline SENMARTIN

Director

39 years old

First appointed as director:

Board meeting of 10/19/2016

End of term of office:

General Meeting to be held to approve the financial statements for the year ended December 31, 2018

Number of shares held in the Company: 1

Professional address:

Caisse des dépôts
Direction du réseau et des territoires
72, avenue Pierre Mendès France
75914 Paris Cedex 13

Expertise and professional experience

A graduate of the Bordeaux Institute of Political Studies (IEP), she joined Caisse des dépôts in 2001. After a first professional experience in HR management, she worked, starting in 2005, in the strategy department of the Retirement Division of Caisse des dépôts as head of the department in charge of institutional relations and governance, before being appointed General Secretary of the ERAFP (Public Service Additional Pension Scheme).

She became Advisor (August 2007) to and later Deputy Head (2011) of the Office of the CEO of the Caisse des dépôts Group. From August 2012 to February 2015 she served as Caisse des dépôts Picardy Regional Manager. On March 1, 2016, she became Deputy Head of the Network and Territorial Management Department.

Céline Senmartin was also "Auditeur Jeune" at the Institute of Advanced Studies in National Defence (IHEDN) in 1998 and she has been certified as a company director by the French Institute of Company Directors (2012).

Other offices and positions currently held

Member of the Supervisory Board

- Fondation Partage & Vie^(a)

Offices and positions held in the past five years and which have expired

Non-voting director, representative of Bpifrance Investissement

- Board of non-voting directors of Picardie Investissement

Director, representative of Bpifrance Investissement

- Board of Directors of Picardie Avenir

Qualified person, appointed by the Oise Departmental Council

- Board of Directors of OPAC de l'Oise (OPH)

Qualified person, appointed by the Somme Departmental Council

- Board of Directors of OPSOM (OPH) from October 23, 2012 to April 30, 2015

Director, representative of CDC

- Board of Directors of CDC Développement Solidaire
- Board of Directors of the Aisne Regional Development Agency
- Board of Directors of Picardie Active
- Board of Directors of Improve (SAS)
- Board of Directors of the Aisne public works company - SEDA (semi-public company)
- Board of Directors of the Amiens Urban Planning semi-public company - SEMAA
- Board of Directors of the commercial property company for the Aisne department - SIMEA (semi-public company)

Permanent representative of CDC

- Shareholders' Meeting of CADEMCE (SAS)
- General Meeting of Teloise (SAS)

Member, permanent representative of CDC

- Strategic Committee of Teloise (SAS)

(a) Non-group company.



Franck SILVENT
Director
Member of the Appointments
and Remuneration Committee
44 years old

First appointed as director:
General Meeting of 04/29/2014

End of term of office:
General Meeting to be held to
approve the financial statements for
the year ended December 31, 2017

**Number of shares held
in the Company:** 1

Professional address:
56, rue de Lille – 75007 Paris

Expertise and professional experience

Franck Silvent, an Inspector of Finance and former student of the National School of Administration (ENA), was detached in April 2002 as Deputy Director of Strategy, Finance, Management Control and Accounting at Caisse des dépôts. From January 2005 to March 2009, he was Director of Finance, Strategy and Development and a member of the Executive Board of Compagnie des Alpes (CDA). In March 2009, he became the Deputy Director of CDA and then Deputy CEO in October 2009. In May 2013, he joined Caisse des dépôts as Group Head of the Finance, Strategy and Holdings Division.

Other offices and positions currently held
Head of the Finance, Strategy and Holdings Division

- Caisse des dépôts

Director

- CNP Assurance ^(a) ^(b)
- Transdev Group ^(b)
- La Poste ^(a) ^(c)
- Bpifrance SA ^(b)
- Bpifrance Participations ^(b)
- Bpifrance Investissement ^(b)

Permanent representative of CDC as director

- CDC International Capital ^(b)

Chairman of the Investment Committee

- CDC International Capital ^(b)

Chairman of the Audit Committee

- La Poste ^(a) ^(c)
- Transdev Group ^(b)

Member of the Investment Committee

- Bpifrance Participations ^(b)

Member of the Strategy and Investment Committee

- La Poste ^(a) ^(c)
- CNP Assurances ^(a) ^(b)

Member of the Appointments and Remuneration Committee

- Bpifrance SA ^(b)
- Transdev Group ^(b)

Member of the Remuneration and Governance Committee

- La Poste ^(a) ^(c)

Member of the Audit and Risk Committee

- Bpifrance SA

**Offices and positions held in the past five years
and which have expired**

Director

- Lafuma
- Compagnie du Mont Blanc (CMB)

Chairman

- CDCE 1
- Compagnie Immobilière des 2 Savoie

Member of the Executive Board

- Compagnie des Alpes

Member of the Supervisory Board

- Looping Holding
- Société du Parc du Futuroscope
- CNP Assurances
- Santoline SAS

Permanent representative of Compagnie des Alpes

- Grévin et Cie SA
- Musée Grévin
- Valbus SAS

Deputy Managing Director

- Compagnie des Alpes

Member of the Audit Committee

- SAS Santoline

(a) Listed company.
(b) Icade group/CDC group company.
(c) Non-group company.



Nathalie TESSIER
Director
54 years old

First appointed as director:
General Meeting of 04/29/2014

End of term of office:
General Meeting to be held to
approve the financial statements for
the year ended December 31, 2017

**Number of shares held
in the Company:** 1

Professional address:
27, quai Anatole-France – 75007 Paris

Expertise and professional experience

Nathalie Tessier is a graduate of ISG business school, and holds a postgraduate degree in financial management (CNAM) and real estate management (Nanterre). She began her career in 1983 in a French urban planning semi-public company (SEM) located in the Paris region, and in 1992 she joined Crédit Foncier de France as head of the Semi-Public Sector Division. She was also in charge of loans in the Social Housing Department. She joined Caisse des dépôts in 1998, where she held the following positions within the Île-de-France Regional Division: Head of the Semi-Public Sector Division, then Head of the Seine-et-Marne/Val-de-Marne area, and later Head of Investment and Deputy Regional Head. In 2007, she left to participate in the creation of Établissement foncier d'Île-de-France, as deputy CEO in charge of development. In 2010, she came back to the Regional Division of Caisse des dépôts as Deputy Regional Head, in charge, among others, of the Greater Paris project. Since January 2013, she has been the General Secretary of the Supervisory Board of Caisse des dépôts.

Other offices and positions currently held
General Secretary of the Supervisory Board

- Caisse des dépôts

**Offices and positions held in the past five years
and which have expired**

Member of the Supervisory Board

- SNI

CORPORATE GOVERNANCE

Governance bodies



Frédéric THOMAS

Independent director

60 years old

First appointed as director:

General Meeting of 05/23/2016

End of term of office:

General Meeting to be held to approve the financial statements for the year ended December 31, 2019

Number of shares held in the Company: 1

Professional address:

CAA – 16/18, boulevard de Vaugirard
75015 Paris

Expertise and professional experience

Frédéric Thomas graduated in agronomic engineering from ENSA Rennes and holds a “DESS” postgraduate degree in business administration.

Frédéric Thomas began his career with the Pas-de-Calais Regional Bank of Crédit Agricole in 1982, where he held various positions, including Head of Financing from 1993 to 1996, and later Head of Networks from 1996 to 2000. In 2000, Frédéric Thomas was appointed Deputy CEO of the Charente-Maritime Deux-Sèvres Regional Bank. In 2007, Frédéric Thomas became CEO of the Crédit Agricole Normandie-Seine Regional Bank and Chairman of Crédit Agricole Technologies. He has been a member of the Board of Adicam since 2010.

Since 2015, Frédéric Thomas has been CEO of Crédit Agricole Assurances and CEO of Predica. He is a member of the Executive Committee of Crédit Agricole S.A.

Other offices and positions currently held

Member of the Executive Committee

– Crédit Agricole SA ^{(a)(b)}

Chief Executive Officer

– Crédit Agricole Assurances ^{(a)(b)}

– Predica ^(b)

Director

– Caagis (SAS) ^{(a) (b)}

– Pacifica (SA) ^{(a) (b)}

– Spirica (SA) ^{(a) (b)}

– CA Vita (SPA) ^{(a) (b)}

– CA Indosuez Wealth Management (SA) ^(b)

– Adicam (SARL) ^(b)

Permanent representative of CAA, director

– Caci (SA) ^{(a)(b)}

Non-voting director

– La Médicale de France (SA) ^{(a) (b)}

– CA Immobilier ^(b)

Vice-Chairman

– Groupement français des Bancassureurs ^(b)

Permanent representative of Predica

– Fonds Stratégique de Participations (SICAV) ^(b)

Offices and positions held in the past five years and which have expired

Chief Executive Officer

– Crédit Agricole de Normandie Seine Regional Bank

Chairman

– Crédit Agricole Technologies et Services

– Delta

– Progica (SAS)

Director

– LCL (SA, issuer of listed debt securities)

– Crédit Agricole Services

– Ifcam

– Acticam

– Cité de l'agriculture

– Uni Editions

– CA Consumer Finance

– CA Leasing & Factoring

– NCI Normandie Capital Investissement

Representative of Normandie Seine Regional Bank

– Uni Expansion Ouest

Managing Director

– SCI Montaigne

– SEP Normandie Seine

Permanent representative of Predica, member of the

Supervisory Board

– CA Grands Crus (SAS)

Member of FNCA (Fédération Nationale du Crédit Agricole)

– Member of the HR commission

– Vice Chairman of the national union office

(a) Listed company.

(b) Non-group company.

2. Governance bodies

2.1. Executive Committee

The members of Icade's Executive Committee are recognised by their peers. They rely on their expertise and they draw on their experience to contribute to the development of the French cities and regions and the expansion of Icade. This Committee meets each week to discuss issues regarding Icade's strategy, finances, organisation, clients and staff.

The Executive Committee comprises the following members as of the date of this document:



Olivier WIGNIOLLE
Chief Executive Officer

First appointed as CEO:
General Meeting of 04/29/2015

End of term of office:
General Meeting to be held to approve the financial statements for the year ended December 31, 2018

Olivier Wigniolle is a graduate of HEC business school (1985) and he began his career at Arthur Andersen, as an accounting and financial auditor.

He then held various positions in real estate groups: Deputy Head of the Key Accounts Department at Auguste-Thouard, Deputy CEO of SARI Conseil, Associate Director at DTZ Jean Thouard and Sales Director at Bouygues Immobilier Conseil.

From 1998 to 2005, Olivier Wigniolle was Sales Director and later Deputy CEO of Société Foncière Lyonnaise. And from 2006 to 2009, he was CEO of Crédit Agricole Immobilier.

From 2009 to March 2015, he was CEO of Allianz Real Estate France and a member of Allianz Real Estate's Executive Committee.

Olivier Wigniolle was appointed CEO of Icade on April 29, 2015 by a unanimous decision of the Board of Directors. He was also appointed member of the Management Committee of the Caisse des dépôts group.

He is a member of RICS (Royal Institution of Chartered Surveyors). He is a director at FSIF (French Federation of Real Estate Companies).

Awards: Olivier Wigniolle was awarded three "Pierres d'Or": in 2014 in the category "Investor of the year", in 2009 in the category "Asset, Property, Facility managers" and in 2017 in the category "Professional of the year".



Victoire AUBRY
Member of the Executive Committee
in charge of Finance, Legal, IT, and General Resources

Victoire Aubry holds a Master's degree and a "DESS" postgraduate degree in Finance from Paris Dauphine University, and an Executive MBA from HEC.

After ten years in the Investment Bank Ixis, in 2000 she joined the Finance and Strategy Department of the Caisse des dépôts group.

In September 2005, she became Head of the Performance Management Department at CNP Assurances. In 2012, she became a member of the Executive Committee in charge of Finance, Risk, IT, Procurement and Legal at Compagnie des Alpes.

Victoire Aubry joined Icade on September 1, 2015 as a member of the Executive Committee in charge of Finance, Legal, IT, and General Resources.

Award: in October 2016, Victoire Aubry received the title of "Chevalier" in the National Order of Merit.



Emmanuelle BABOULIN
Member of the Executive Committee
in charge of the Commercial Property Investment Division

Emmanuelle Baboulin is a graduate of *École supérieure des travaux publics*.

She began her career in 1986 at Bateg, a company of the SGE group, as a commercial engineer.

In 1990, she joined Sorif, a company of the Vinci group, as Property Development Manager, and later Property Development Director. In 2004, she became Head of the Commercial Real Estate Department and was appointed member of the Management Committee of Vinci Immobilier.

She joined Icade in 2008 as Head of Commercial Property Development for the Paris region and became a member of the Management Committee of Icade's Property Development Division.

Emmanuelle Baboulin is a member of "Club de l'Immobilier" and the Development Committee of the ESTP foundation.

Since September 2015 she has served as a member of Icade's Executive Committee in charge of the Commercial Property Investment Division.

CORPORATE GOVERNANCE

Governance bodies



Marianne de BATTISTI
Member of the Executive Committee
in charge of Innovation, Communication
and Institutional Relations

A graduate of the Institutes of Political Studies (IEP) of Grenoble and Paris, as well as *École nationale des ponts et chaussées*, Marianne de Battisti is a real estate specialist, both in the private sector (residential and commercial) and the public sector (healthcare, education, administrative buildings). At Icade, she successively held the positions of Development Director in Lyon, Branch Director in Grenoble and Rouen, and Head of the North and Paris Region Division. At the same time, she headed several semi-public real estate companies. In 2001, she took the position of Managing Director of Icade Cités.

In 2004, Marianne de Battisti became a member of the Executive Committee, in charge of Foreign Operations, Communication and Marketing.

After the foreign operations were sold, she was appointed member of the Executive Committee in charge of Key Accounts, Institutional Relations and Communication.

Since 2015, Marianne de Battisti has been in charge of Innovation, Communication and Institutional Relations.

She is a director of *Entreprises & Médias*, SCET (Société de Conseil et d'Expertise des Territoires), and she is an ASC-certified company director (IFA 2012). Marianne de Battisti is a member of RICS (Royal Institution of Chartered Surveyors). She is a member of the Real Estate Womens' Circle, the Association of Real Estate Directors, Vice-President of *Alter Egales* (the network of women in managerial positions in the Caisse des dépôts group), and a member of the Steering Committee of IEIF.

Award: in September 2012, Marianne de Battisti received the title of "Chevalier" in the National Order of Merit.



Jean Bensaïd
Member of the Executive Committee
in charge of Development Projects

A graduate of *École normale supérieure de Cachan* and ENSAE (INSEE Administrator), Jean Bensaïd began his career in 1989 as an economist in the Growth Models and Projections Division of INSEE.

In 1991 he became Deputy Head and later Head of the Office of Tax Policy, included in the Forecasting Department of the French Ministry of Economy and Finance. From 1994 to 1997, he was a financial attaché to the French Embassy in Washington.

Between June 1997 and May 2002 he was Technical Advisor and later Macroeconomics and Taxation Advisor to the Office of the Prime Minister.

Between 2002 and 2004, he was deputy director for social policies and employment with the Treasury Directorate General of the French Ministry of Economy and Finance.

He joined the Caisse des dépôts group in 2004, as deputy director of the Finance and Strategy Department.

In 2008, Jean Bensaïd was appointed Managing Director of CDC Infrastructure and, in 2012, member of the Management Committee of the Caisse des dépôts group.

He joined Icade on May 19, 2014.

Jean Bensaïd is a member of the Executive Committee, in charge of Development Projects.



Antoine de CHABANNES
Member of the Executive Committee
in charge of Portfolio Management

Antoine de Chabannes is a graduate of ESCP Europe.

He started his career in 2004 as an external auditor at Ernst & Young, where he became a senior consultant in 2007, within the Transactions Advisory Services team. In early 2011, he joined the Corporate Finance department of Allianz France. In September 2012, he became Head of Portfolio Management and Corporate Management, and a member of the Executive Committee of Allianz Real Estate France.

Antoine de Chabannes joined Icade on November 7, 2016 as a member of the Executive Committee in charge of Portfolio Management. He supervises the valuation and performance of the portfolio, as well as studies and research.



Françoise DELETTRE
Member of the Executive Committee
in charge of the Healthcare Property
Investment Division

Françoise Delettre holds a bachelor degree in Law as well as in History and Geography, and she is a graduate of the French Management Institute (IFG). She started her career as a property negotiator in 1976. In 1978 she became Head of Property Management at Sadec (a property development company in the form of a cooperative subsidiary of Crédit Agricole).

In 1982, she joined the Property Management Department of SCIC, and from 1987 to 1995, she held various positions in the Finance Department of SCIC.

In 1995, she was appointed Treasury and Financing Director at Icade, and then Managing Director of Icade Public Property Investment. She became CEO of SIICInvest in 2007.

In 2008, she took the position of CEO of Icade Santé.

Since September 1, 2015, Françoise Delettre has served as a member of Icade's Executive Committee in charge of the Healthcare Property Investment Division.

Award: in January 2016, Françoise Delettre received the title of "Chevalier" in the National Order of Merit.



Corinne LEMOINE
Member of the Executive Committee
in charge of Human Resources

A graduate of Celsa (1984) and IGS (1993).

Corinne Lemoine began her career working for Transearch International (1984-1986). She then joined Partner Consulting group, where she served as a consultant (1986-1992). In 1992, she joined Scetauroute (Egis Group) where she was in charge of recruitment and professional mobility counselling. She became Head of Human Resources at Scetauroute in 1998. From October 2007 to January 2013 she was Head of Human Resources Development at Egis SA.

Corinne Lemoine joined Icade on February 1, 2013 as a member of the Executive Committee in charge of Human Resources.



Maurice SISSOKO
Member of the Executive Committee
in charge of the Property Development
Division

Maurice Sissoko is a graduate of *École nationale des impôts* (ENI). He began his career in 1987 at the French Ministry of Economy and Finance, within the Directorate-General for Taxation, and then within the Inspectorate-General for Finance between 2001 and 2005.

He then joined the Caisse des dépôts (CDC) Group as head of loans and housing for the Savings Fund with a focus on stemming the decline in outstanding loans and reviving the lending policy and growth policy of the distribution network, within a regulated framework. From 2008 to 2010, he served as a member of Icade's Executive Committee in charge of the Property Services Division. In 2010, he was appointed CEO of the Economic Interest Group (GIE) "Informatique CDC" and head of the digital subsidiaries of the CDC Group. Maurice Sissoko had been a director of Icade (Permanent Representative of Caisse des dépôts) since September 2013 and a director of SCET (Société de Conseil et d'Expertise des Territoires), which he used to chair. Since July 2015, he had been an Adviser to the CEO of CDC, in charge of the preparatory mission for a public-sector property investment company dedicated to housing.

Maurice Sissoko joined Icade on July 4, 2016 as a member of the Executive Committee in charge of the Property Development Division.

Maurice Sissoko is an Inspector-General of Finance, a Chevalier in the National Order of Merit and a Chevalier of the Legion of Honor.



Jean-François GALLOÛIN
Permanent guest of the Executive
Committee

Jean-François Galloüin joined Icade on June 13, 2016 as Head of Innovation, within the Innovation, Communication and Institutional Relations Department.

Member of Icade's Advisory Board for Innovation, Jean-François Galloüin is an entrepreneurship professor at CentraleSupélec and Essec, and a specialist in innovation and "intrapreneurship" matters. He was Managing Director of Paris & Co, an incubation programme.

He is a permanent guest of the Executive Committee.

2.2. Management Committees

Coordination Committee

The Coordination Committee is a cross-functional body, working alongside the Executive Committee. It is a place for brainstorming, exchanging ideas, submitting proposals and sharing information in a top-down or bottom-up manner. It meets four times a year.

CSR Committee (formerly Sustainable Development Committee)

The CSR Committee is tasked with steering the Group's CSR policy and ensuring its implementation within the operational teams and its relevance in view of market developments. It monitors and refines the implementation of CSR actions and commitments and related indicators. It is chaired by the CEO and comprises the heads of divisions, the heads of Icade's support functions, the three members of the Executive Committee in charge of CSR, and the four thematic managers (environment, social, societal, communication) in charge of raising awareness of CSR commitments and implementing them.

Commitments Committee

The Commitments Committee is responsible for examining and giving its opinion on all investment and divestment commitments of Icade

and its subsidiaries, whether on or off the Group's balance sheet. It met twice a month in 2016 and whenever circumstances so dictated. Starting in 2017, the Committee will meet weekly.

It examines all projects exceeding certain predetermined thresholds. The projects submitted to Icade's Commitments Committee are subject to a prior opinion from the commitment committees and/or offices of each division, which express an opinion on all projects regardless of thresholds. The Committee is in charge of approving the commitments which are submitted to it, when they fall below the thresholds for referral to the Strategy and Investment Committee and the Board of Directors. The Commitments Committee gives its opinion, regardless of thresholds, on all international development projects, development projects in new businesses and external growth transactions as well as equity investments, disposal of equity investments, businesses, mergers and partnerships.

Risk, Rates, Treasury and Financing Committee

The Risk, Rates, Treasury and Financing Committee is responsible for assessing and giving its opinion on the Group's financing and interest rate hedging policy, and on relations with banks and financial market players. It is responsible for monitoring asset/liability management, allocation of the Group's resources and market risks associated with cash investments and financing (credit risk, interest rate risk, etc.). It also monitors macroeconomic indicators and market factors having an impact on Icade's sector as well as the financial activity indicators of Icade's treasury and financing activities. It meets every six weeks on average.

3. Chairman of the Board's report

In this report established in accordance with Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Icade gives an account of the composition of the Board of Directors, compliance with the principle of balanced representation of men and women within its membership, the conditions for preparing and organising the Board's activities, the restrictions imposed on the powers of the CEO, as well as internal control and risk management procedures implemented by Icade. Remuneration and benefits granted to executive corporate officers and directors are explained in chapter 5 of this registration document.

This report was prepared with the support of the Secretariat of the Board of Directors, the Legal, Tax and Insurance Department, the Human Resources Department, and the Audit, Risk and Internal Control Department. It is also based on meetings with the heads of the different departments within the Group. Before it was approved by the Board of Directors during the meeting of February 10, 2017, it was submitted to the Audit, Risk and Sustainable Development Committee, which examined aspects relating to internal control and risk management procedures. It should be noted that it was also presented to the Statutory Auditor.

3.1. Corporate governance

3.1.1. Guidance from the AFEP-MEDEF Code

The Company's approach to corporate governance is based on the AFEP-MEDEF Code of Corporate Governance for listed companies ("AFEP-MEDEF Code"), as decided by the Board of Directors on December 11, 2008. Icade announced this decision in a press release on December 12, 2008. This Code, which was last revised on November 2016, is available online at: <http://www.afep.com>.

Article L. 225-37 of the French Commercial Code states that "when a company voluntarily complies with a Corporate Governance Code prepared by employer representative organisations, the report provided for in this Article must also specify any provisions that have been disregarded and the reasons why they have been disregarded."

Pursuant to this Article, to recommendation 27.1 of the AFEP-MEDEF Code, and to the stipulations of AMF recommendation No. 2014-08 regarding the implementation of the "comply or explain" rule, the following table presents the legal provision from the AFEP-MEDEF Code with which Icade is not in full compliance as of the date of this document and explains the reasons behind this deviation.

Disregarded provision	Justification
<p>Composition of the Audit Committee (Article 15.1, paragraph 2 of the Reference Code: "the proportion of independent directors on the Audit Committee should be at least equal to two-thirds, and the Committee should not include any executive corporate officer.")</p>	<p>As had been announced in the 2015 registration document, the composition of the Audit Committee was changed during the financial year 2016. The Audit Committee now consists of five members including three independent directors. The Chairman of the Committee is independent. With the new proportion of independent members and now that the Chairman is an independent member, the Committee's composition complies with the intent of the Reference Code as expressed by the High Committee of Corporate Governance in its 2014 activity report.</p>
<p>Meetings of the Board and of the committees (Article 10.3 of the Reference Code: "It is recommended to hold a meeting each year without the executive corporate officers")</p>	<p>Due to the merger by acquisition of HoldCo SIIC by Icade and to the importance and number of issues submitted as part of the implementation of the strategic plan announced in November 2015, the presence of the CEO was necessary for all meetings held in 2016. Since the Board of Directors and the committees had a particularly busy financial year, scheduling an additional meeting without the CEO was not deemed appropriate. In light of the recommendations made to the Company by the High Committee of Corporate Governance in a letter dated July 27, 2016, the Company intends to suggest such a meeting to the directors during the financial year 2017.</p>
<p>Appointments Committee (Article 16.2.2 of the Reference Code: "the Appointments Committee [or a dedicated committee] should design a plan for the replacement of executive corporate officers")</p>	<p>Although thoughts have been given to this matter, the Appointments and Remuneration Committee has not yet established a plan for the replacement of executive corporate officers, but it is included in the agenda of meetings to be held in 2017.</p>
<p>Ongoing information (Article 25.1 of the Reference Code: "All the elements of remuneration of executive corporate officers, whether potential or vested, must be made public immediately after the Board meeting in which they were approved.")</p>	<p>The elements of remuneration of executive corporate officers, whether potential or vested, are not made public immediately after the Board meeting in which they were approved, but when the registration document and the explanatory statement on the resolutions are published.</p>
<p>Annual variable remuneration of executive corporate officers (Article 24.3.2 of the Reference Code: "Quantitative criteria, although not necessarily financial, must be simple, relevant and suited to the corporate strategy. Quantitative criteria must be used predominantly.")</p>	<p>The annual variable remuneration of the CEO, which may not exceed 12.5% of the annual base remuneration is based on specific objectives, including financial and qualitative objectives. The variable component of remuneration based on financial goals represents 6.25% of the annual base remuneration, and the component based on qualitative goals represents 6.25% of the annual base remuneration. As such, quantitative criteria are not strictly predominant to determine the overall annual variable remuneration of the CEO. It should be noted that 50% of qualitative criteria are related to the implementation of the new strategic guidelines, and the successful creation of a new strategic vision for Icade and its implementation; and the remaining 50% are related to the implementation of 2016 projects under exemplary governance and social dialogue conditions and the effective management of the Company aimed at involving management teams and employees in this new strategic vision. Given the weight of the variable component relative to the fixed component, and the suitability of qualitative criteria to the Company's strategy, it was deemed appropriate to maintain equal weights for the financial and qualitative criteria in the annual variable remuneration of the CEO.</p>

CORPORATE GOVERNANCE
Chairman of the Board's report

Consequently, the Company's compliance with the provisions of the Reference Code may be summarised as follows:

No.	Recommendation	Compliance with the recommendation
1.	Information on whether or not to separate the functions of Chairman of the Board and CEO (recommendation No. 2.3)	Yes
2.	Board of Directors and strategy (recommendation No. 3)	Yes
3.	Off-balance sheet items and corporate risks (recommendation No. 4.3)	Yes
4.	Board of Directors and General Shareholders' Meeting (recommendation No. 5.2)	Yes
5.	Composition of the Board of Directors (recommendation No. 6)	Yes
6.	Representation of employee shareholders and employees (recommendation No. 7)	N/A
7.	Independent directors (recommendation No. 8)	Yes
8.	Evaluation of the Board of Directors (recommendation No. 9)	Yes
9.	Meetings of the Board and of the committees (recommendation No. 10)	Yes With the exception of the meeting to be held without executive corporate officers being present (explanation provided in section 1.1 above)
10.	Directors' access to information (recommendation No. 11)	Yes
11.	Directors' training (recommendation No. 12)	Yes
12.	Directors' terms of office (recommendation No. 13)	Yes
13.	Board committees (recommendation No. 14)	Yes
14.	Audit Committee (recommendation No. 15)	Yes With the exception of the two-thirds of independent members (explanation provided in section 1.1 above)
15.	Selection or Appointments Committee (recommendation No. 16)	Yes With the exception of the design of a plan for the replacement of executive corporate officers (explanation provided in section 1.1 above)
16.	Remuneration Committee (recommendation No. 17)	Yes
17.	Number of directorships for executive corporate officers and directors (recommendation No. 18)	Yes
18.	Ethical rules for directors (recommendation No. 19)	Yes
19.	Directors' remuneration (recommendation No. 20)	Yes
20.	Termination of the employment contract in case of appointment as executive corporate officer (recommendation No. 21)	Yes
21.	Executive corporate officers' obligation to hold shares (recommendation No. 22)	Yes
22.	Non-compete agreement with an executive corporate officer (recommendation No. 23)	N/A
23.	Remuneration of executive corporate officers (recommendation No. 24)	Yes
24.	Principles for the determination of the remuneration of non-executive corporate officers (recommendation No. 24.2)	Yes
24.1	Fixed component of remuneration of executive corporate officers (recommendation No. 24.3.1)	Yes
24.2	Annual variable component of remuneration of executive corporate officers (recommendation No. 24.3.2)	Yes With the exception of predominant quantifiable criteria in the calculation of the variable remuneration of the CEO
24.3	Long-term remuneration of executive corporate officers (recommendation No. 24.3.3)	Yes
24.4	Exceptional remuneration of executive corporate officers (recommendation No. 24.3.4)	N/A
24.5	Benefits for taking up a position as an executive corporate officer (recommendation No. 24.4)	N/A
24.6	Severance compensation (recommendation No. 24.5)	Yes
24.7	Supplementary pension schemes (recommendation No. 24.6)	N/A
25.	Information on remuneration of executive corporate officers (recommendation No. 25)	Yes
25.1	Ongoing information (recommendation No. 25.1)	No (explanation provided in section 1.1 above)
25.2	Annual information (recommendation No. 25.2)	Yes
26	Annual consultation of shareholders on the individual remuneration of executive corporate officers (recommendation No. 26)	Yes
27	Implementation of the recommendations (recommendation No. 27)	Yes

3.1.2. Procedures for General Management duties

3.1.2.1. Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer

On April 29, 2015, the members of Board of Directors present or represented decided unanimously to maintain the separation between the functions of Chairman of the Board and CEO, which was adopted on February 17, 2015, the date of termination of the office of the former Chairman and CEO. The Board of Directors considered that this separation makes governance more efficient, and enables gathering complementary skills, ensuring a better balance of power between the Board of Directors and the General Management, managing potential conflicts of interest in a more efficient manner, and aligning Icade's governance model with that of comparable companies.

3.1.2.2. Restrictions imposed on the powers of the Chief Executive Officer

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors, during its meeting of March 19, 2015, decided (i) to appoint Olivier Wigniolle as CEO of Icade, effective after the General Meeting of April 29, 2015, and (ii) to propose to the General Meeting of April 29, 2015 the appointment of André Martinez as director, for the purpose of appointing him Chairman of the Board after that General Meeting.

No Deputy Chief Executive Officer has been appointed.

The CEO has the most extensive powers to act in the name of the Company in all circumstances. He exercises his powers within the scope of the object of the Company and subject to those that the law expressly assigns to Shareholders' Meetings and the Board of Directors.

He represents the Company in dealings with third parties. The Company is bound even by actions of the Chief Executive Officer that are beyond the scope of the object of the Company, unless the Company can prove that the third party knew that the act was beyond the scope of said object or could not have failed to know that fact, given the circumstances, bearing in mind that the publication of the Articles of Association alone is not sufficient proof.

The clauses of the Articles of Association or the decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

The Company's Articles of Association have not imposed limits on the Chief Executive Officer's authority to bind the Company. Nevertheless, in accordance with Article 3 of the Rules of Procedure of the Board: It is the responsibility of the Board of Directors to make decisions regarding transactions of strategic importance, acquisition or disposal transactions, major organic growth investments and internal restructurings, in accordance with the thresholds set out in Article 10.2.2 of the Rules of Procedure of Icade's Board of Directors. The Board must also approve, prior to their implementation, all significant operations outside the scope of the strategy announced by the Company.

3.1.3. Operation of the Board of Directors

3.1.3.1. Duties and prerogatives

The Board of Directors defines the Company's business strategy and supervises its implementation. Subject to the powers expressly reserved to Shareholder Meetings and within the scope of the object of the Company, it addresses all questions relating to the due and proper functioning of the Company and settles matters concerning it through its discussions. The Board of Directors meets at least twice a year and whenever the interests of the Company so require.

On recommendation by the Appointments and Remuneration Committee, the Board of Directors, during its meeting of April 29, 2015, decided to maintain the separation between the functions of Chairman of the Board and CEO. Since April 29, 2015, these positions have been filled by André Martinez and Olivier Wigniolle, respectively.

On November 30, 2007, the Board of Directors of Icade adopted the Rules of Procedure of the Board of Directors and the rules of each of the three specialised committees for implementing its new governance model. The Rules of Procedure of the Board of Directors were updated by the Board of Directors on December 11, 2008, April 7, 2011, June 22, 2012 and January 19, 2017.

3.1.3.2. Composition of the Board of Directors

The Board of Directors may include between 3 (minimum) and 18 (maximum) members, appointed by the Company's shareholders at the Ordinary General Meeting.

Directors are appointed for a renewable four-year term. It should be noted that, exceptionally and for the sole purpose of organising a staggered renewal of terms of office for directors, the Combined General Meeting of April 29, 2015 decided that the term of office of some directors reappointed or newly appointed (natural or legal persons) should be less than four years. No one may be appointed as a director if, having exceeded the age of 70, their appointment would bring the proportion of directors who have exceeded this age to more than one third.

As of December 31, 2016, the Board of Directors of Icade consists of 15 members, including seven women and five independent directors (i.e. 33.3% of independent directors): André Martinez (Chairman of the Board of Directors), Marie-Christine Lambert, Frédéric Thomas, Georges Ralli and Florence Péronneau.

The percentage of women on the Board is currently 46.6%, and is consistent with the provisions of the French law dated January 27, 2011 relating to the balanced representation of men and women on Boards of Directors and professional equality (20% in 2014 and 40% at the end of the General Meeting held in 2017).

As of December 31, 2016, the average term of office of the Company's directors is 2.7 years; their average age is 54.3 and they are all French nationals.

As of December 31, 2016, the Company's Board of Directors is composed of the following 15 members:

- André Martinez, Chairman of the Board of Directors, independent director;
- Caisse des dépôts et consignations, represented by Virginie Fernandes;
- Cécile Daubignard (Groupama);
- Éric Donnet (Groupama Immobilier);
- Jean-Paul Faugère (CNP Assurances);
- Marie-Christine Lambert, independent director;
- Benoît Maes (Groupama);
- Olivier Mareuse (Caisse des dépôts);
- Céline Scemama (Caisse des dépôts);
- Céline Senmartin (Caisse des dépôts);
- Franck Silvent (Caisse des dépôts);
- Nathalie Tessier (Caisse des dépôts);
- Frédéric Thomas, independent director;
- Georges Ralli, independent director;
- Florence Péronneau, independent director.

The other offices held by the directors are described in chapter 5 of this registration document. To the best of the Company's knowledge, no director holds a number of offices greater than the limit set by French law or the Reference Code.

During the financial year 2016, the composition of the Board of Directors of Icade was changed as follows:

Name of the members of the Board	Type of change	Effective date	Impact on diversity within the Board
Florence Péronnau	Appointment	Combined General Meeting of May 23, 2016	Higher percentage of women Higher percentage of independent directors
Frédéric Thomas	Appointment	Combined General Meeting of May 23, 2016	Higher percentage of independent directors
Georges Ralli	Appointment	Combined General Meeting of May 23, 2016	Higher percentage of independent directors
Jérôme Grivet	Resignation	Board of Directors of May 23, 2016	
Caisse des dépôts - Virginie Fernandes	Change of permanent representative to replace Maurice Sissoko	September 26, 2016	Higher percentage of women
Nathalie Gilly	Resignation	September 1, 2016	
Céline Senmartin	Co-optation to replace Nathalie Gilly	Board of Directors of October 19, 2016	Higher percentage of women

- On May 23, 2016, the Combined General Meeting appointed Florence Péronnau as a new director for a term of four years i.e. until the end of the General Meeting to be held in 2020 to approve the financial statements for the year ended.
- On May 23, 2016, the Combined General Meeting appointed Frédéric Thomas as a new director for a term of four years i.e. until the end of the General Meeting to be held in 2020 to approve the financial statements for the year ended.
- On May 23, 2016, the Combined General Meeting appointed Georges Ralli as a new director for a term of four years i.e. until the end of the General Meeting to be held in 2020 to approve the financial statements for the year ended.
- On May 23, 2016, the Board of Directors duly noted the resignation of Jérôme Grivet as a director, effective on that same date.
- On September 30, 2016, the Board of Directors duly noted the change of permanent representative of Caisse des dépôts et consignations and the appointment of Virginie Fernandes, effective on September 26, 2016.
- On September 30, 2016, the Board of Directors duly noted the resignation of Nathalie Gilly as a director dated September 1, 2016.
- On October 19, 2016, the Board of Directors co-opted Céline Senmartin as director to replace Nathalie Gilly for her remaining term office, i.e. until the end of the Ordinary General Meeting to be held in 2019 to approve the financial statements for the year ended on December 31, 2018.

3.1.3.3. Independent directors

The Board of Directors examined individually the status of independent director of these five directors and decided, on the recommendation of the Appointments and Remuneration Committee, to declare these five directors as independent, since they all meet the director independence criteria required by the Reference Code, namely:

Independence criteria set out in the AFEP-MEDEF Code	André Martinez	Marie-Christine Lambert	Frédéric Thomas	Georges Ralli	Florence Péronnau
1. Not being and not having been during the preceding five years:					
■ Employee or executive corporate officer of the Company	Complies	Complies	Complies	Complies	Complies
■ Employee or executive corporate officer or director of an entity included in the scope of consolidation of the Company	Complies	Complies	Complies	Complies	Complies
■ Employee or executive corporate officer or director of the Company's parent company or a company included in the scope of consolidation of the parent company	Complies	Complies	Complies	Complies	Complies
2. Not being an executive corporate officer of a company in which the Company directly or indirectly holds an office as director or in which an employee designated as such, or an executive corporate officer of the Company (currently or having been so in the past five years), holds an office as director	Complies	Complies	Complies	Complies	Complies
3. Not being a customer, supplier, corporate banker or major financing banker of the Company or its Group, or for which/whom the Company or its Group represents a significant proportion of revenue	Complies	Complies	Complies	Complies	Complies
4. Having no close family ties with a corporate officer	Complies	Complies	Complies	Complies	Complies
5. Not having been a Statutory Auditor of the Company in the previous five years	Complies	Complies	Complies	Complies	Complies
6. Not having been a Company director in the previous twelve years	Complies	Complies	Complies	Complies	Complies
7. Not being a shareholder participating in the control of the Company or the parent company (10% threshold of share capital or voting rights)	Complies	Complies	Complies	Complies	Complies
8. Not receiving variable remuneration in cash or in shares, or any remuneration related to the performance of the Company or the Group	Complies				
CONCLUSIONS	INDEPENDENT	INDEPENDENT	INDEPENDENT	INDEPENDENT	INDEPENDENT

No independent director of Icade has business connections with the Company.

It is indicated in the Rules of Procedure of the Board of Directors of Icade that the Board may take the position that a director, although meeting the above criteria, may not be considered as independent due to their specific situation or that of the Company, given its shareholding structure or for any other reason. Conversely, the Board can take the position that a director, although not fulfilling the above criteria is nevertheless independent.

Icade, whose Board, as of December 31, 2016, is composed of a total of 15 directors including a third of independent directors (33.3%), complies with the recommendation from Article 8.3 of the Reference Code.

3.1.3.4. Convening and preparing the meetings of the Board of Directors

The current Articles of Association provide that meetings of the Board of Directors are convened by its Chairman at least five days in advance and by any written or electronic method.

Prior to any meeting, each director receives information relevant to effective participation in the Board's proceedings so that they are able to properly exercise their duties. The same applies at all times in the

3.1.3.5. Frequency of meetings of the Board of Directors

The Board of Directors of Icade met 12 times during the financial year 2016. The attendance rate of the members of the Board of Directors was 96%.

The table below presents each director's attendance rate for meetings of the Board of Directors, in 2016:

Directors	Meetings attended	Total number of meetings	Individual attendance rate
Caisse des dépôts et consignations	11	12	92%
Cécile Daubignard	7	12	58%
Éric Donnet	11	12	92%
Jean-Paul Faugère	12	12	100%
Nathalie Gilly	6	8	75%
Jérôme Grivet	3	6	50%
Marie-Christine Lambert	11	12	92%
Benoît Maes	8	12	67%
Olivier Mareuse	9	12	75%
André Martinez	12	12	100%
Florence Péronnau	6	6	100%
Georges Ralli	6	6	100%
Céline Scemama	9	12	75%
Céline Senmartin	3	3	100%
Franck Silvent	10	12	83%
Nathalie Tessier	12	12	100%
Frédéric Thomas	5	6	83%

3.1.3.6. Duties and work of the Board of Directors

In addition to the matters and decisions for which the Board of Directors is legally responsible (approving of the annual and half-year financial statements and reports; convening the General Meeting to approve: the financial statements for the last financial year, forecast management documents, rules for distributing attendance fees among directors, annual authorisation given to the Chief Executive Officer for granting sureties, endorsements and guarantees, proposals for investment and disinvestment, the Group's strategy, etc.), the Board examined or adopted the following points, among others:

- merger by acquisition of HoldCo SIIC by Icade thanks to the work of an *Ad hoc* Committee;
- determination of the remuneration of the Chairman of the Board of Directors and gross annual remuneration of the Chief Executive Officer for 2015, as well as performance criteria used to determine the variable component of the Chief Executive Officer's remuneration for the 2016 financial year;

life of the Company, between Board meetings, when the importance or urgency of the information so requires it.

A director may ask the Chairman for any additional information that they consider necessary to effectively carry out their duties, especially regarding the agenda of meetings.

A director may ask the Chairman for permission to meet the top senior executives of the Group, even without the Chairman being present.

During each Board meeting, the Chairman notifies the members of the main significant facts and events regarding the life of the Group which have occurred since the last Board meeting.

Furthermore, in accordance with Article 3 of the Rules of Procedure, the Board is informed of the Company's financial and cash positions as well as of the commitments made by the Company.

In the event of a conflict of interest of one or more directors on a topic which is submitted to the Board for decision, it is requested that they do not take part in the discussions and do not participate in the vote. In the financial year ended December 31, 2016, this rule was applied to several investment transactions.

- renewal of the authorisation given to the Chief Executive Officer to issue bonds which do not entitle their holders to shares in the Company;
- authorisation given to the Chief Executive Officer to issue negotiable medium term notes (BMTN);
- authorisation given to the Chief Executive Officer to issue commercial paper;
- 2017 budget and the 2021 medium term plan;
- issue of bonds by the Company;
- internal audit activity in 2016 and 2017 programme;
- implementation of the Company's share repurchase programme for the purpose of repurchasing its own shares;
- operation of the Board of Directors and self-assessment of the tasks of the Board of Directors;
- assessment of the independence of independent directors;

- acknowledgement of the resignation of two directors, proposal to reappoint three directors, examination of three new directors' applications prior to their appointment by the Annual General Meeting and co-optation of a director;
- change in composition of the committees;
- review of ongoing stock option plans and bonus share plans and launch of two new bonus share plans;
- appointment of an external compliance officer in charge of providing advice on securities transfers made by corporate officers and/or members of the Executive Committee;
- approval of investment or disinvestment commitment proposals, in accordance with the thresholds set out in the Rules of Procedure of the Board of Directors of Icade;
- implementation of the strategic plan.

The minutes of Board meetings are prepared after each meeting and communicated to the directors for approval at the next meeting.

3.1.3.7. Summary of the Board of Directors' activities

The Board of Directors of Icade has conducted its activities in accordance with legal and regulatory requirements and met regularly during the 2016 financial year.

In addition to its normal and regular meetings, the Board of Directors of Icade was regularly informed of the situation in the property market and was particularly active and often called upon throughout the 2016 financial year. In this context, and in accordance with the recommendations of the Reference Code, during the financial year the Board of Directors had to examine and make decisions on strategic projects concerning Icade.

3.1.3.8. Assessment of the work of the Board of Directors

It should be borne in mind that, in accordance with the AFEP-MEDEF Code and Article 6 of the Rules of Procedure of the Company, the Board of Directors must assess each year its ability to meet shareholders' expectations, by analysing its own composition, organisation and operation as well as those of its committees.

During the financial year 2016, the Board of Directors performed an assessment of its own ability to meet shareholders' expectations based on a comprehensive questionnaire on the following topics: (i) rules of operation of the Board of Directors and of its committees, (ii) checking that major issues were suitably prepared and discussed during meetings, and (iii) determining the effective contribution of each director to the Board's work.

The results of this assessment were presented and discussed at the meeting of the Board of Directors held on January 19, 2017.

The conclusion of this self-assessment is that the directors consider that the issues related to the composition of the Board are adequately dealt with, whether it is in relation to its size, the terms of office, skills, expertise and complementarity of directors, the portion of independent members, the portion of members representing the Company's major shareholders, and the male-female balance. Areas for improvement have been identified in regard to the organisation and operation of the Board, especially concerning the meeting schedule. To preserve the quality of discussions, directors would like for the meeting agendas, the deadlines for submitting documents and the process for presenting documents to be more standardised. This led to the implementation of briefing notes for the documents submitted to the Strategy and Investment Committee, and an account given to the Board of Directors of recommendations made by this Committee. The directors also expressed their wish to

receive more information regarding the competitive and financial environment, and to gain a better understanding of the operational risks, especially regarding investment or disinvestment projects. As regards the operation of the committees, the directors indicated that they would like information to be provided well in advance. Finally, the directors consider that the total amount of attendance fees and their distribution among members should be reconsidered.

3.1.4. Operation of the Board committees

In the interests of transparency and public information, Icade has established the various committees described below. It should be noted that an *Ad hoc* Committee was created to prepare the work of the Board of Directors on the merger by acquisition of HoldCo SIIIC by Icade. These committees have an advisory role and operate under the authority of the Board of Directors. They make recommendations to the Board of Directors.

As explained above, on November 30, 2007, the Board of Directors of Icade adopted the Rules of Procedure of the Board of Directors and those of each of the three specialised committees, for the purpose of implementing its new governance structure. The Rules of Procedure of the Board of Directors were updated by the Board of Directors on December 11, 2008, April 7, 2011, June 22, 2012 and January 19, 2017. They include the Rules of Procedure of the committees.

The committees consist of a minimum of three and a maximum of five members. In the case of the Audit, Risk and Sustainable Development Committee, three fifths of the members must be independent directors. In the case of the Appointments and Remuneration Committee, at least half of the members must be independent directors. These members are chosen by the Board of Directors from among its members. They are appointed in a personal capacity and may only be represented by another member of the committee.

For the financial year, Committee members receive additional attendance fees of €1,500 per meeting; the Chairman of each committee meeting receives an additional fee of €1,700 per meeting.

3.1.4.1. Strategy and Investment Committee

Duties

According to the Rules of Procedure of the Board of Directors of Icade, one of the duties of the Strategy and Investment Committee is to examine any investment or disinvestment project of the Company which exceeds €50 million and any external growth transaction or disposal of equity interests or businesses which exceeds €30 million. It also examines the organic and/or external growth policy and the strategic directions of the Group. It issues opinions and recommendations to facilitate the work of the Board of Directors.

Composition

As of December 31, 2016, the five members of the Strategy and Investment Committee are André Martinez (Chairman and independent director), Éric Donnet, Jean-Paul Faugère, Florence Péronneau (independent director) and Céline Scemama.

Frequency of meetings and summary of the committee's activities

This committee met ten times during the financial year 2016. The attendance rate was 91%.

The table below presents each member's attendance rate for meetings of the Strategy and Investments Committee, in 2016:

Members	Meetings attended	Total number of meetings	Individual attendance rate
André Martinez (Chairman)	10	10	100%
Éric Donnet	9	10	90%
Jean-Paul Faugère	10	10	100%
Florence Péronnau	2	3	67%
Céline Scemama	10	10	100%

The Strategy and Investment Committee examined and issued recommendations on the following issues, among others:

- ❑ Commercial Property Investment operations;
- ❑ external growth or disposal transactions;
- ❑ real estate investment projects;
- ❑ projects to sell the property services businesses;
- ❑ off-plan sale projects;
- ❑ mixed-use property projects;
- ❑ presentation of the Company's strategic plan.

The Strategy and Investment Committee has been kept informed about the progress of major projects and about the conditions in the commercial real estate market.

The committee gave an account of its work to the Board, which took due note thereof and followed all its recommendations.

3.1.4.2. Audit, Risk and Sustainable Development Committee

In order to establish the Audit Committee and define its prerogatives and duties, the Company relied on the AMF (French Financial Markets Authority) task force report, dated July 22, 2010.

Duties

The Audit, Risk and Sustainable Development Committee is responsible for assisting the Board of Directors in assessing the truth and fairness of

The table below presents each member's attendance rate for meetings of the Audit, Risk and Sustainable Development Committee, in 2016:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Georges Ralli (Chairman)	3	3	100%
Cécile Daubignard	7	8	88%
Marie-Christine Lambert	8	8	100%
Olivier Mareuse	8	8	100%
Frédéric Thomas	3	5	60%

The Audit, Risk and Sustainable Development Committee has examined or issued recommendations on the following issues:

- ❑ draft approval of the annual and half-year financial statements and draft report of the Chairman of the Board on the conditions for preparing and organising the Board of Directors' work and on internal control procedures;
- ❑ 2016 results of the internal control process and presentation of the 2017 audit plan;
- ❑ guidance and dividend distribution policy;
- ❑ assessment of risk monitoring within the Company by the Audit, Risk and Internal Control Department;
- ❑ financial policy of the Company (funding structure and sources) and related financial risks (liquidity, interest rate and income statement);
- ❑ assessment of the CSR policy;
- ❑ assessment of the outcome of the disposal and acquisition projects based on the full-year and half-year results;
- ❑ review of the findings of a property valuation firm on the value of some property assets;
- ❑ analysis of the impact of the audit reform on the Statutory Auditors' work;
- ❑ prior approval of services other than the certification of financial statements;
- ❑ several internal audit assignments.

Icade's annual separate and consolidated financial statements as well as the quality of internal audit and information provided to shareholders and to the market, and for authorising services other than the certification of financial statements.

It assesses significant risks and ensures compliance with (i) the individual and collective values on which Icade's actions are based, and (ii) the rules of conduct that apply to all its staff. Among these values is corporate social responsibility (CSR) which Icade particularly embodies.

Composition

As of December 31, 2016, the five members of the Audit, Risk and Sustainable Development Committee, three fifths of which are independent directors, are: Georges Ralli (Committee Chairman and independent director), Cécile Daubignard, Marie-Christine Lambert (independent director), Olivier Mareuse, and Frédéric Thomas (independent director).

All members of the Audit, Risk and Sustainable Development Committee have specific experience and skills in financial matters and in the area of risk management (see their background and expertise in the Corporate Governance section of this registration document).

Frequency of meetings and summary of the committee's activities

This committee met eight times during the financial year 2016. The attendance rate was 90%.

The committee gave an account of its work to the Board, which took due note thereof and followed all its recommendations.

It should be noted that, in accordance with Article 10.2.3 of the Rules of Procedure of the Board of Directors, the Committee's review of the financial statements is accompanied by a note from the Statutory Auditors indicating the most important issues not only regarding the results but also the accounting methods used, as well as a note from the CFO describing the Company's risk exposure and significant off-balance-sheet commitments. The committee may call upon outside experts whenever deemed necessary (Statutory Auditor, asset valuation consultant).

The committee had two days to review the financial statements.

To complete these various tasks, the committee benefited from presentations made by members of Management and Internal Audit.

3.1.4.3. Appointments and Remuneration Committee

Duties

The Appointments and Remuneration Committee is responsible, among others, for assessing applications for the appointment of corporate officers and for making suggestions as regards their remuneration.

The table below presents each member's attendance rate for meetings of the Appointments and Remuneration Committee, in 2016:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Florence Péronnau (Chairman)	1	1	100%
Franck Silvent	3	3	100%
Benoît Maes	3	3	100%
Frédéric Thomas	1	1	100%
Georges Ralli	1	1	100%
Jérôme Grivet ^(a)	2	3	67%

(a) On May 23, 2016, the Board of Directors duly noted the resignation of Jérôme Grivet as a director, effective on that same date.

The Appointments and Remuneration Committee issued recommendations on the following issues, among others:

- determination of the variable component of the CEO's remuneration paid in 2016 for the financial year 2015, determination of his gross annual remuneration for the financial year 2016 and performance criteria used to determine the variable component of his remuneration for the financial year 2016;
- determination of the Chairman of the Board's remuneration;
- annual amount of attendance fees;
- renewal of the directors' terms of office;
- candidates for the office of director;
- authorisation of a bonus share plan for all the employees and authorisation of performance share plan for some executives (excluding Chairman of the Board and CEO);
- continuation of grants of bonus shares and stock options for the benefit of former employees;
- launch of two bonus share plans;
- change in composition of the committees;
- appointment of a new committee chairman (independent director);
- assessment of the independence of directors.

As part of its duties, the Committee shall design in 2017 a plan for the replacement of executive corporate officers to offer replacement solutions to the Board of Directors should a position unexpectedly become vacant, among other.

It is involved in developing the Company's performance incentive scheme (*intéressement*) and for making suggestions on (i) decisions to grant subscription and/or purchase options for the Company's shares to all or some of the employees and (ii) bonus share grants. It is also responsible for proposing the total annual amount of attendance fees, which is submitted to the General Meeting for approval, and the rules for distributing such attendance fees among the members of the Board of Directors. The committee also examines significant transactions involving a conflict of interest risk between the Company and the members of the Board of Directors. Finally, each year, the committee discusses the status of independent director.

Composition

As of December 31, 2016, the five members of the Appointments and Remuneration Committee are Florence Péronnau (Committee Chairman and independent director), Franck Silvent, Benoît Maes, Frédéric Thomas (independent director) and Georges Ralli (independent director).

Frequency of meetings and summary of the committee's activities

Icade's Appointments and Remuneration Committee met three times during the financial year 2016. The attendance rate was 94.44%.

To complete these tasks, the committee may use the services of a recruitment agency to identify candidates for the office of independent director.

The committee gave an account of its work to the Board, which took due note thereof and followed all its recommendations.

3.1.4.4. Ad hoc Committee

Duties

As part of the merger by acquisition of HoldCo SIIC by Icade, on January 20, 2016 Icade's Board of Directors appointed an *Ad hoc* Committee to review the proposed merger by acquisition in preparation for the work of the Board of Directors.

Composition

The *Ad hoc* Committee consisted of six members, including three directors not affected by the transaction, i.e. André Martinez (Chairman and independent director), Jérôme Grivet and Marie-Christine Lambert (independent director), and three directors representing Caisse des dépôts and Groupama, i.e. Franck Silvent, Olivier Mareuse and Benoît Maes.

Frequency of meetings and summary of the committee's activities

The *Ad hoc* Committee met twice during the financial year 2016. The attendance rate was 91.66%.

The table below presents each member's attendance rate for meetings of the *Ad hoc* Committee, in 2016:

Members	Meetings attended	Total number of meetings	Individual attendance rate
André Martinez (Chairman)	2	2	100%
Jérôme Grivet	2	2	100%
Marie-Christine Lambert	1	2	50%
Franck Silvent	2	2	100%
Olivier Mareuse	2	2	100%
Benoît Maes	2	2	100%

The *Ad hoc* Committee examined the following issues, among others:

- ❑ proposed agreement for the merger by acquisition of HoldCo SIIC by Icade;
- ❑ draft reports of the independent auditors of the merger;
- ❑ draft resolutions relating to the merger by acquisition;
- ❑ draft press release;
- ❑ any information necessary for the preparation of the Board of Directors' work regarding this transaction.

To complete these various tasks, the *Ad hoc* Committee benefited from presentations made by members of the Management team.

3.1.5. Specific procedures for shareholders' participation in Icade's General Meetings

The procedures relating to the participation of shareholders in General Meetings are stipulated in Article 15 of the Company's Articles of Association.

3.1.6. Principles and rules for setting remuneration and benefits of any kind granted to Icade's corporate officers

The actions undertaken have allowed full compliance with the law and the recommendations from the Company's Reference Code.

3.1.6.1. General provisions

The main task of the Appointments and Remuneration Committee is to make proposals to the Board of Directors regarding the remuneration of the Chairman and the Chief Executive Officer (the amount of fixed remuneration and procedure for variable remuneration where appropriate, pension and contingency insurance schemes, benefits in kind and miscellaneous remuneration, and the financial terms for the termination of his term of office) and for executive corporate officers, together with the rules of distribution of directors' attendance fees voted by the Company's General Meeting. Its duties also include making proposals concerning the granting of subscription or purchase options for the Company's shares (stock options) and bonus shares.

The Chairman of the Appointments and Remuneration Committee communicates the opinion of the committee to the Board of Directors.

The Board of Directors defines the assessments that it wants the Appointments and Remuneration Committee to provide to support its recommendations.

While determining the overall remuneration of corporate officers, the Board of Directors and the Appointments and Remuneration Committee must take into account the following principles, in accordance with the recommendations of paragraph 24-1 of the Reference Code:

- ❑ comprehensiveness: the determination of remuneration must be comprehensive. All elements of remuneration must be included in the determination of overall remuneration;

- ❑ balance between elements of remuneration: each element must be clearly justified and be in the Company's interest;
- ❑ comparability: this remuneration must be determined in the context of a benchmark business activity and the benchmark market. Although the market serves as a benchmark, it cannot be the only one since the remuneration of an executive corporate officer depends on responsibilities undertaken, results and work performed. Their remuneration may also be based on the nature of the specific tasks entrusted to them or exceptional situations (for instance turnaround plans);
- ❑ consistency: the remuneration of an executive corporate officer must be determined consistently with that of other senior executives and employees of the Company;
- ❑ understandability of the rules: the rules must be simple, stable and transparent. The performance criteria used must be in line with the Company's objectives, must be demanding, clear and, as far as possible, sustainable;
- ❑ moderation: the determination of remuneration must be balanced and must take into account, at the same time, Icade's interest, market practices, senior executives' performance and the other stakeholders of the Company.

3.1.6.2. Directors' attendance fees

The directors' remuneration must be based exclusively on their attendance at Board meetings, through the payment of attendance fees, whose overall amount is determined by the Ordinary General Meeting.

It should be reminded that, according to the recommendations of the Appointments and Remuneration Committee of April 27, 2015, and to the decisions of the Board of Directors of April 29, 2015, the Chairman of the Board does not receive attendance fees for his office as a director and Chairman of the Strategy and Investment Committee.

Attendance fees are freely distributed among the directors by the Board, on the recommendation of the Appointments and Remuneration Committee.

For the financial year 2016, the Annual General Meeting set a total amount of attendance fees to be paid to Board members of €320,000. Out of this amount, the amount of attendance fees actually granted was €200,700, after four directors waived their fees.

Given the existence of three specialised committees and the attention paid by the shareholders to the operation of governance bodies – and particularly the actual attendance at Board meetings – the Board has decided to divide the €200,700 in the following manner:

- ❑ for the Board of Directors: €136,500;
- ❑ for the Strategy and Investment Committee: €18,000;
- ❑ for the Audit, Risk and Sustainable Development Committee: €33,600;
- ❑ for the Appointments and Remuneration Committee: €12,600.

The attendance fee was established at (i) €1,500 per meeting for the directors of the Board of Directors, (ii) €1,500 per meeting for the members of specialised committees and (iii) €1,700 per meeting for the Chairman of specialised committees. It should be reminded that André Martinez does not receive attendance fees for his office as a director and as Chairman of the Strategy and Investment Committee.

3.1.6.3. Performance incentive scheme for senior executives

Stock options

There was no new stock options plan in 2016.

Bonus shares

There were two new bonus share plans in 2016, which did not include the executive or non-executive corporate officers.

Hedging instruments

As far as the Company is aware, no hedging instrument has been put in place concerning the stock options and/or bonus shares decided in previous years.

3.1.6.4. Remuneration of the Chairman of the Board and the Chief Executive Officer as of December 31, 2016

3.1.6.4.1. Remuneration of the Chairman of the Board as of December 31, 2016

On April 29, 2015, the Members of the Board of Directors present or represented decided unanimously, in accordance with the recommendations of the Appointments and Remuneration Committee, to appoint André Martinez as Chairman of the Board of Directors.

The Board of Directors decided to set his remuneration at a fixed gross annual amount of €150,000, it being understood that he will not receive attendance fees, although he can be reimbursed for expenses incurred as part of his duties on production of receipts.

The Board of Directors of October 19, 2016, based on the following:

- the strong involvement of André Martinez in the definition and implementation of the Company's strategic plan;
- the very significant increase in the frequency of meetings of Icade's governance bodies, especially the Board of Directors and the Strategy and Investment Committee which he both chairs;
- and the implementation of a new, broader governance structure for the Company more in line with the recommendations of the AFEP-MEDEF Code,

on October 19, 2016, the Board of Directors decided, based on the recommendations of the Appointments and Remuneration Committee, to increase André Martinez's gross annual remuneration to €200,000 effective October 19, 2016 and to €240,000 effective January 1, 2018.

In addition, André Martinez benefits from:

- a Company car, made available under the rules defined within Icade;
- the general insurance cover offered by IPSEC, regarding contingency and healthcare costs;
- the services of a chauffeur and an assistant.

3.1.6.4.2. Remuneration of the CEO as of December 31, 2016

On the recommendation of the Appointments and Remuneration Committee of April 27, 2015, the Board of Directors decided, on April 29, 2015, to set Olivier Wigniolle's gross annual base remuneration as CEO at €400,000 for the year 2015, with a maximum variable component of 12.5% of his fixed annual remuneration.

The fixed annual remuneration for 2016 remained unchanged.

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors, on April 29, 2015, set the variable part of the CEO's remuneration for the financial year 2016 at €50,000, i.e. 12.5% of the base remuneration, based on specific pre-established objectives, including financial and qualitative objectives.

The variable component of remuneration based on financial goals represents 6.25% of the annual base remuneration, i.e. €25,000 on a basis of 100% of the time. Of these objectives, 50% are related to the operating profitability of the Icade group in 2016: change in Icade's share price at least equal to that of the EPRA Europe Index within a 90-115% interval and there will be no remuneration if it does not reach 90% (i.e. 3.125% of the annual base remuneration, amounting to €12,500). The remaining 50% are related to the change in net current cash flow of the Icade group (i.e. 3.125% of the annual base remuneration, amounting to €12,500), based on levels reached determined by the Board but kept undisclosed for confidentiality reasons.

The variable component of remuneration based on qualitative goals represents 6.25% of the annual base remuneration, i.e. €25,000 on a basis of 100% of the time. Of these objectives, 50% are related to the implementation of the new strategic guidelines (i.e. 3.125% of the annual base remuneration, amounting to €12,500); and the remaining 50% are related to the implementation of 2016 projects under exemplary governance and social dialogue conditions (i.e. 3.125% of the annual base remuneration, amounting to €12,500).

On the recommendation of the Appointments and Remuneration Committee held on February 3, 2017, the Board of Directors, on February 10, 2017 determined that the variable component of remuneration to be paid to the Chief Executive Officer for the financial year 2016 was €48,750, meaning that, overall, quantitative and qualitative objectives were 97.5% reached.

3.1.6.4.3. Severance payment for the Chief Executive Officer

The Board meeting of April 29, 2015 resolved to allocate to the Chief Executive Officer a severance payment in the event of termination of his term of office as Chief Executive Officer.

In accordance with the decision of the Board of Directors of March 19, 2015 and with the recommendations of the Reference Code, the terms and conditions of office applicable to Olivier Wigniolle establish a severance payment in the event that his office as CEO should terminate, under the conditions set out below:

a. Event giving rise to the termination of the term of office

Severance shall only be paid in the event of Forced Departure of Mr Olivier Wigniolle as CEO resulting from a change of control of the Company (as defined in Article L. 233-3 of the French Commercial Code) or from a strategic disagreement with the Board of Directors.

In case of resignation, non-renewal of his term of office, or serious or gross misconduct, Olivier Wigniolle shall not be entitled to a severance payment.

b. Severance Payment amount

The amount of the Severance Payment will be equal to the total gross overall remuneration (including fixed and variable remuneration) received by the CEO over the 12 months preceding the date of Forced Departure.

c. Conditions for Severance Payment

In accordance with Article L. 225-42-1 of the French Commercial Code, the Severance Payment will be contingent upon fulfilment of the performance condition described below.

In the event of Forced Departure, Icade will pay the CEO the Severance Payment if the most recent NPAG is greater than or equal to the NPAG for the Reference Period.

For the purposes of assessing the performance condition:

- NPAG is the Net profit/(loss) attributable to the Group as reported by a company in its consolidated financial statements and after adjustment for capital gains on disposals;
- the most recent NPAG means Icade's most recent NPAG known for the financial year preceding the date of the Forced Departure;
- the NPAG for the Reference Period means the arithmetic mean of Icade's NPAGs over the two financial years immediately preceding the most recent NPAG.

3.1.6.4.4. Other benefits as of December 31, 2016

In his capacity as Chief Executive Officer of Icade, Olivier Wigniolle also benefited from:

- a Company car, made available under the rules defined within Icade;
- an unemployment insurance policy for corporate officers, taken out by Icade with the GSC association, with a maximum payment period of 12 months, which will be extended to 24 months after one year of membership.

The premium payment due is fully paid by Icade. The premium paid by the Company is considered additional remuneration (Article 82 of the CGI) and, as such, is subject to tax and social security contributions;

- the general contingency and healthcare costs scheme of the general cover offered by IPSEC;
- a voluntary employer-sponsored supplementary contingency insurance taken out by Caisse des dépôts with CNP Assurances. Caisse des dépôts will charge Icade for the share of the contributions corresponding to Olivier Wigniolle's insurance, which will be considered additional remuneration and as such will be subject to tax and social security contributions.

The CEO is subject to the mandatory pension scheme part of the French pay-as-you-go pension funding system composed of the general social security pension scheme as well as the ARRCO and AGIRC supplementary pension scheme. The CEO does not have any other supplementary pension scheme.

The CEO does not receive any directors' attendance fees from the Company.

3.1.6.5. Remuneration for special assignments

The Board of Directors may also allocate extraordinary remuneration for assignments or appointments entrusted to directors, under the conditions specified by applicable legal requirements.

No non-executive director received special compensation for this financial year.

3.1.7. Disclosures provided for by Article L. 224-100-3 of the French Commercial Code

Disclosures regarding items that might have an impact in the event of a public offer are shown in the management report.

3.2. Internal control and risk management procedures

Icade is a major player in the French real estate market and is subject to general sectoral and financial risks as well as to risks specific to its operational activities.

The management of these risks contributes to the performance of the Group's strategy, especially in terms of asset value and business expansion.

Icade's risk management and internal control framework complies with the AMF's implementation guide about internal control and financial and accounting information:

- The organisation of risk management and internal control procedures is clearly defined. Risks are identified and prioritised in terms of probability and impact, based on a mapping process and a frame of reference combining management and control means;
- The effectiveness of the framework is regularly evaluated and action plans are implemented;
- Results are reported to the Audit Committee on a regular basis.

3.2.1. General principles of the risk management and internal control framework

Risk management allows executives to identify events which might have an impact on the Company's staff, assets, environment, objectives or reputation and thus keep these risks at an acceptable level.

The internal control framework is intended to ensure:

- compliance with laws and regulations;
- the application of directions and guidelines defined by the General Management and the Board of Directors;
- the proper functioning of the Company's internal processes;
- the reliability of financial information.

It generally contributes to the control of its activities, the effectiveness of its operations, and the efficient use of its resources.

Icade's risk management and internal control framework applies to all business activities, processes and assets of the Group.

By helping to prevent and manage the risk of not achieving the Company's objectives, internal control plays a key role in the Company's conduct of business. However, it cannot absolutely guarantee that the Company's objectives will be achieved.

3.2.2. Parties involved in internal control

3.2.2.1. Board of Directors

The Board of Directors ensures the effectiveness of internal control and risk management procedures, especially thanks to the work of the Audit Committee.

3.2.2.2. General Management

The General Management is directly responsible for the internal control system. The CEO makes sure that internal control procedures exist and are effective within the Group. He defines guidelines for internal control and supervises the implementation of all its components.

Within the Executive Committee, which meets half-yearly under the name of "Risk Committee", he monitors:

- half-yearly changes in risk maps for all business lines;
- changes in the control frameworks specific to each division;
- the conclusions of assessments of the internal control framework and action plans.

3.2.2.3. Audit, Risk and Internal Control Department

The Audit, Risk and Internal Control Department ensures the implementation and the monitoring of the risk management framework, under the authority of the CEO:

- It assists employees and management in identifying and rating risks and draws up risk maps specific to each business line, detailing the corresponding control mechanisms and checks.

- It regularly assesses the effectiveness of the framework through successive checks carried out by a network of internal controllers who specialise by division but are managed centrally.
- It conducts specific audits according to a control plan revised every year by the Audit Committee or upon request of the General Management.

3.2.2.4. The Group's employees

The Group's employees play a major role in identifying risks related to their respective fields of activity. Along with management, they take part in the implementation of internal procedures and of the most suitable control mechanisms. On a daily basis, they are responsible for performing the checks defined in the procedures.

3.2.3. Organisation and management of the internal control framework

3.2.3.1. Organisation

The Group's organisational structure is based on an Executive Committee consisting of the CEO, the heads of business divisions (Property Development, Commercial Property Investment, Healthcare Property Investment and Property Services) and support functions (Finance, HR and Communication Departments).

Each division has its own organisational chart and delegations of authority, where the main duties, tasks and responsibilities of each employee are detailed. The duties assigned to employees are defined in job description files.

Operational risk and internal control management are the responsibility of the heads of divisions, members of the Executive Committee, each of them assisted by:

- an internal controller in charge of keeping the risk map up-to-date, assessing the efficiency of internal control on a regular basis (level 2 control) and maintaining the incident database;
- a reference person responsible for updating delegations of authority and internal procedures, as well as implementing action plans.

The Audit, Risk and Internal Control Department supervises the organisational structure and coordinates the actions of this network of controllers and managers.

In 2016, this structure was independently audited and as a result, the organisation and operation of the network was made more cross-functional and its functional management was strengthened effective in 2017.

3.2.3.2. Flow of information within the Company

All information related to internal control (organisational charts, delegations of authority, procedures...) is available to employees depending on their duties and levels of authority.

Operational committees working under the authority of the CEO or of the members of the Executive Committee supervise all of the Group's activities, promoting the provision of relevant and reliable information to the managers, especially:

- Executive Committee (once a week);
- Divisional Management Committees (once or twice a month);
- Coordination Committee (four times a year);
- Group Commitments Committee (twice a month);
- Divisional Commitment Committees (once or twice a month);
- Finance Committee (Risk, Rates, Treasury, Financing) (twice a quarter);
- Group Risk Management Committee (twice a year).

These committees are complemented by a number of specialised divisional committees.

The Head of the Audit, Risk and Internal Control Department sits on the Coordination Committee, on the Group Commitments Committee, and on the Finance Committee (Risk, Rates, Treasury, Financing). It also leads the Group Risk Committee.

3.2.3.3. Frame of reference for risk management

Risk management is based on a frame of reference which lists and analyses the main identifiable risks in terms of the Company's objectives and ensures the existence of control procedures to limit the probability of occurrence of those risks and their impact to an acceptable level for the Company.

Based on this frame of reference, it is possible to map residual risks for the Company which management will use for reporting purposes and in order to prioritise action plans that might be deemed necessary.

The entire process is monitored in a specific software application where internal controllers are able to assess the means of control and to define and monitor action plans.

3.2.4. Control environment specific to accounting and financial information

The internal control environment regarding the production of financial information receives special attention.

3.2.4.1. Accounting and financial organisation

The organisation of the Group's accounting teams is mainly characterised by:

- the use of a frame of reference and accounting methods common to all of the Group's entities which ensures the consistency of accounting methods and the standardisation of reporting formats;
- centralisation at the headquarters of consolidation tasks for all of the Group's entities (direct method of consolidation without steps) and of bookkeeping for entities from the Property Investment and Property Services Divisions (entities from the Property Development Division have their own accounting staff);
- the automation of recurring tasks such as invoicing or procurement, which contributes to reliability of accounting and allows for real-time budget management.

3.2.4.2. The accounting and financial information system

The accounting and financial information system is mainly based on integrated IT tools which are adapted to the Group's activities and maintained by an internal IT team.

Bookkeeping of all consolidated entities is based on a single system and a shared frame of reference. This ERP system processes data according to local accounting standards and IFRS, and has all the necessary features in terms of traceability, reliability, and security of data and processing. It also forms the basis for the analyses carried out by financial controllers. This application is integrated with the software applications specific to each division which are used for property management, monitoring of property development projects and treasury management.

The entire accounting and financial information system is included in the scope of the backup and disaster recovery plan.

3.2.4.3. Process of preparing the financial statements

The production of financial information is a standardised process which covers the flow and the processing of information:

- The procedures for preparing the financial statements explicitly specify, for each operational or financial process, the involved parties, the schedule and the information medium.
- Accounting principles and methods, accounts processing and charts of accounts are standardised and ensure the consistency of information processing across the Group.

3.2.4.4. Control procedures

Internal control procedures are intended to ensure the comprehensiveness, truthfulness and accuracy of accounting entries, as well as the relevance of reported information:

- The integrity of the information supply chain is ensured by interface checks and checks of the consistency of data entered into the interface vs. upstream systems.
- Special operations are subject to a specific documentation aiming at ensuring the justification and traceability of associated accounting treatments.
- A detailed budget analysis, carried out by the management control team, explains observed deviations from forecast and confirms that relevant financial information is being produced.

In addition, accounting and financial information is audited externally by a Statutory Auditor whose work and conclusions are presented to the Audit Committee before the approval of the financial statements by the Board of Directors.

3.2.4.5. Financial communication

Financial communication is under the direct authority of the member of the Executive Committee in charge of Finance.

Publication of periodic legal notices (quarterly, half-yearly and yearly) is carried out through press releases in accordance with a standard procedure and schedule, once they are validated.

Half-year and annual financial statements are made public once they are officially approved by the Board of Directors.

3.2.5. Main risks monitored by the Internal Control function

The main risk factors to which Icade's business lines are exposed are listed in the management report. They primarily include:

3.2.5.1. Risks related to the property market

As all the players in the home purchase, rental investment and property services markets, Icade is subject to the following risks:

- fluctuations in the value of properties and land included in its portfolio, or of those it intends to buy or sell as part of its investment plan;
- fluctuations in rent levels caused by changes in market rental values or rent escalation;
- competition.

To address these risks, Icade owns a diversified property portfolio invested in the most dynamic geographic areas of the Greater Paris region and large cities outside Paris. The portfolio is held and recorded in the financial statements as part of a long-term strategy.

The risk related to the leasing activity is highly diversified and well-spread over time thanks to a balanced lease expiry schedule.

3.2.5.2. Financial risks

Since Icade partially finances its growth through debt, it is subject to a liquidity risk, a risk related to the cost of debt, as well as a counterparty risk.

These risks are managed prospectively with a medium-term outlook, paying particular attention to diversification of funding sources, spreading of maturities over time and hedging against rising interest rates.

3.2.5.3. Operational risks

In the course of its operational activities, Icade is particularly sensitive to the following risks:

- risk of vacancy in the rental property portfolio due to a mismatch between its products and market needs;
- development risk, which includes technical and financial contingencies that might hinder the development or profitability of its operations;
- health and safety hazards;
- major loss affecting the properties.

As an integrated real estate player, Icade has available in-house all the key skills and competencies required for its development and for management of projects that respond to market needs. Its assets are constantly maintained and upgraded in order to keep them safe and attractive over time.

The Group is also exposed to the risk of misstatements in its financial statements and to the risk of IT system failure.

3.2.5.4. Legal and tax risks

Two of Icade's legal and tax specificities are: its shareholding structure and its tax regime as a SIIC (French listed real estate investment company).

3.2.6. Work and assessment of risk control in 2016

3.2.6.1. Assessment of risk control

Operational management of these risks falls under the responsibility of the different operational divisions and it is based on residual risks maps prepared according to two independent yet complementary methods:

- A top-down approach: the Company's major risks are reported and rated half-yearly by the members of the Executive Committee. After a debate and a vote, the Risk Committee defines the top 10 major risks. The Risk Management Department assesses their impact (since 2016) and reconciles it with provisions and budgets.
- A bottom-up approach: the detailed risks are reported half-yearly by the heads of the operational and functional business units. Control mechanisms are in place to minimise the occurrence or impact of each identified risk (internal procedures, specific checks...). The net risk score, after taking into account control mechanisms, is obtained by combining the probability of occurrence of the risk and its impact.

Risk Management reports the consistency between the two approaches to the Risk Committee (Executive Committee), on a half-yearly basis.

Results are reported half-yearly to the Audit Committee.

In 2016, major risks were assessed and reconciled with the detailed risk maps for the first time. Detailed risk maps were completely redesigned in order to obtain a standardised approach for the integrated company and better assess risks applying to all businesses.

As of the end of 2016, about 200 risks have been mapped and their probability of occurrence or their impact are covered by about 300 checks:

- 48% of risks seem to be completely controlled;
- 46% still have a potentially serious impact on the business and earnings;
- 6% remain high despite control measures.

On a half-yearly basis, Icade's network of internal controllers headed by the Audit, Risk and Internal Control Department assesses the actual implementation of these control measures in a structured and documented manner (level 2 control campaigns). The results are presented to the Risk Committee and the Audit Committee.

The conditions under which these controls are carried out, as well as the conclusions drawn are reviewed annually (level 3 control) by Icade's internal audit team which is independent from the internal control team, although it reports to the Audit, Risk and Internal Control Department.

3.2.6.2. Specific audits

Additionally to control campaigns intended to ensure that risk control procedures and measures are properly implemented, Icade's internal audit team carried out nine audit assignments in 2016, mainly as part of the audit plan approved by the Audit Committee.

The conclusions of these audits indicate that the responsible teams maintain satisfactory control over processes and operations. Internal control questions are integrated at all levels of the Company.

However, from a cross-functional perspective, it transpires that the organisational structure has not always followed the changes in operating activities and would require to be thought over and even harmonised. Moreover, the document management system and internal procedures could be strengthened in certain areas.

Overall, 38 recommendations were issued by the Audit, Risk and Internal Control Department, of which nine were deemed a priority.

The Statutory Auditors have also performed certain audits on internal control as part of their certification of 2016 financial statements.

3.2.7. Financial risks associated with the impact of climate change on the Company's activities

To report on the financial risks related to the effects of climate change and the measures the Company has taken to reduce them, Icade relies on the recommendations, issued in December 2016, of the Task Force on Climate-related Financial Disclosures (TFCD), that was assembled at the behest of G20 and Financial Stability Board (FSB).

3.2.7.1. Risk governance and opportunities related to climate change

Recognising the risks and opportunities related to climate change is managed by both:

- a governance structure to oversee Icade's CSR strategy; and
- a risk management framework

These two systems are supervised by the same body reporting directly to the Board of Directors, namely the Audit, Risk and Sustainable Development Committee (CARDD). This Committee ensures the effectiveness of internal control systems and risk management and sees to it that CSR commitments are met including those relating to the low-carbon strategy to reduce financial risk.

The specific roles of each of these systems when considering climate issues are detailed below.

CSR Governance

In addition to CARDD, CSR governance depends on three main bodies which include the Advisory Committee, Executive Committee and CSR Committee.

The purpose of the CSR Advisory Committee, made up of external stakeholders, members of the Executive Committee and the Chairman of the Board of Directors, is to further develop and guide Icade's CSR strategy. Two of the 13 outside members of CSR Advisory Committee are climate experts.

The Executive Committee defines Icade's CSR strategy and its low-carbon policies. It draws on recommendations from the CARDD, CSR Advisory Committee and CSR Committee. The CSR Committee, made up of representatives from the divisions and support functions, identifies the risks and opportunities related to climate change and shares this information with the Executive Committee.

In 2015, Icade conducted a detailed review of its CSR strategy. In order to do this, the Executive Committee was assisted by the various bodies outlined above as well as by the findings of a materiality analysis performed with its stakeholders and a survey carried out on all its employees. As a result of this review, energy-carbon performance emerged as the top priority among all the environmental, social and societal issues and adapting to climate change was regarded as an issue of significant importance. New CSR commitments which include the risks and opportunities related to the effects of climate change were incorporated into Icade's new strategy which was announced in November 2015. These new commitments are reflected in quantifiable targets, whose progress is measured, managed and disclosed on a regular basis.

Risk management framework

Risk management is based on both an internal control mechanism and a risk map which is regularly reviewed, as set out in 3.2.1, 3.2.2 and 3.2.3.

At the end of 2016, close to 200 risks were identified on the risk map, including 25% within the scope of CSR and 5% directly related to climate change.

3.2.7.2. Strategy for mitigating and adapting to the effects of climate change

Through its sustainable development policy launched in 2008, Icade has shown that it is fully aware of the need to take into account the risks and opportunities related to the effects of climate change on its business activities. Icade considers CSR as a lever for managing its risks and as a source of value creation opportunities for its business.

The main risks and opportunities related to climate change identified by Icade are included in its CSR strategy. Managing these risks and opportunities and their potential financial impact is outlined below:

- **Regulatory risks:** risks of non-compliance with new regulations (thermal regulatory requirements, French laws on energy transition, national low-carbon strategy and for the "reconquest of biodiversity, nature and landscapes", etc.) have led Icade to take a proactive approach to regulatory requirements and consumer expectations. Icade actively monitors these developments and participates in working groups on climate change. It relies on experts and consultants to incorporate regulatory changes into its business activities. A pioneer in establishing and implementing the best standards in certification and labelling promoting a low-carbon economy using fewer resources, Icade has innovated and adapted its products (positive energy buildings, reversible buildings, for example) and services (sustainable mobility solutions, optimised management solutions for energy consumption, etc.) by factoring in new technology and solutions that are more eco-friendly. All these initiatives contribute to making the assets more appealing and improve their marketability (for example, through tax incentives), while at the same time ensuring the well-being of users and reducing Icade's environmental footprint relating to climate change.
- **Reputational risk** in the event Icade's liability is invoked in legal terms or for failure to meet its objectives to reduce its greenhouse gas emissions. Icade ensures that its commitments will be met through dedicated governance and regular monitoring. Icade provides information about its CSR and climate initiatives on a regular basis to its stakeholders in a variety of ways, including its CSR report, website, dedicated committees, participation in conferences, press articles, etc. In addition, Icade is in regular contact with non-financial rating agencies and clearly moved up their rankings in 2016. This includes Icade becoming part of CDP's (Climate Disclosure Project) "A-list"

in 2016, for companies recognised as leaders for corporate action on climate change. This top ranking makes it possible to reinforce the confidence of investors, partners and employees and provides new opportunities for growth.

- Technological risks related to replacing energy-intensive equipment with more energy-efficient equipment with better performance as well as installing equipment to reduce greenhouse gas emissions (Vélib' stations, charging stations for electric vehicles for example). Each of these risks is an opportunity for Icade to optimise its resources and reduce its energy consumption and carbon emissions. Icade has put a work plan in place for renovation and replacement which prioritises the initiatives and assets involved. As part of its CSR commitments, Icade has installed high efficiency boilers and plans to systematically install LED lighting. In addition, Icade has pledged to equip all its business parks with charging stations for electric vehicles by 2018. It also intends to launch a 100% electric bus shuttle service in 2017 in three parks (representing two-thirds of the parks' area). These initiatives make it possible to adapt the assets and keep their market value stable while keeping the rise in CAPEX and operating costs under control. They also enable tenants to reduce their energy costs while increasing comfort.
- Risks and opportunities related to the market, especially in regard to energy price fluctuations or increased energy consumption to cool buildings during heat waves. For Icade, risk management entails diversifying the energy mix through renewable energy, organising collective energy purchasing for tenants and assisting tenants through dedicated committees (i.e. "Green Lease" Committees). These initiatives reduce tenants' expenses and bolster the appeal of Icade's assets. In addition, Icade has incorporated circular economy principles and innovates for sustainable construction (biosourced materials, wood construction, life-cycle assessment, biodiversity, etc.) which also have an indirect impact on climate change. Taking into account the effects of climate change is also an opportunity for partnerships with Caisse des dépôts and its subsidiaries, universities, start-ups and manufacturers to develop new solutions for its customers. These solutions include a research project on next-generation green roofs with Pierre-et-Marie-Curie University, testing autonomous electric vehicles with Transdev, and a smart waste management solution with the start-up Trinov.

- Physical risks related to damage to the assets and equipment due to weather events. Natural risks are taken into consideration by all of Icade's divisions during the construction, acquisition and property management phase in compliance with regulatory requirements. In addition, Icade maps assets exposed to the natural risks of flooding and rising groundwater levels. Safety management and technical management teams (Property Management) have put safety measures in place for each asset based on this mapping. Risks related to flooding are also covered by insurance policies. In 2016, Icade commissioned Carbon 4, a climate expert, to conduct a prospective study on the risks related to adapting to climate change for all of the Commercial Property Investment Division's assets. This risk map identified four climatic hazards to which Icade assets are most exposed: heat waves, drought, rising average temperatures and floods (even though no building was damaged by the exceptional flooding that took place in 2016). The main potential damage relates to material degradation, such as concrete cracking due to heat waves, embrittlement of brick structures or the deterioration of plaster and cladding following a flood. This study is expected to be expanded in 2017 to enable Icade to refine this risk analysis for the purpose of developing an action plan to adapt its assets most at risk to climatic hazards. In addition, Icade adheres to the Nature 2050 programme which supports regional adaptation to climate change. Developed in the wake of COP21 in partnership with CDC Biodiversité, the World Wild Fund NGO, France Nature Environment Association, League for the Protection of Birds and the National Natural History Museum, this programme aims to restore and adapt regions to climate change. As part of the biodiversity performance contract, Icade has anticipated adapting its parks to some of the hazards related to climate change. To prevent urban heat islands, Icade has chosen, for its parks in the north of Paris, plants that are best adapted to the local climate and capable of cooling the environment during peak heat periods. All of these initiatives ensure that the appeal and value of the assets that are the most vulnerable to these climatic hazards remain stable.

Paris, on February 10, 2017

The Chairman of the Board of Directors

CORPORATE GOVERNANCE

Statutory Auditors' report pursuant to Article L. 225-235 of the French Commercial Code
on the report of the Chairman of the Board of Directors of Icade SA

4. Statutory Auditors' report pursuant to Article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of Icade SA

This is a free translation into English of the Statutory Auditors' 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.

Financial year ended December 31, 2016

To the Shareholders,

In our capacity as Statutory Auditors of Icade and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report dealing with the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of French Commercial Code for the financial year ended December 31, 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

Our own responsibility is to:

- communicate to you any observations we may have as to the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information; and
- attest that the report includes the other disclosures required by Article L. 225-37 of the French Commercial code. It should be noted that we are not verifying the fair presentation of those other disclosures.

We have performed our work in accordance with the professional standards applicable in France.

Information relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information

Our professional standards require the application of procedures designed to assess the fair presentation of the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information. Those procedures involve in particular:

- obtaining an understanding of the underlying internal control and risk management procedures in the area of the preparation and processing of financial and accounting information presented in the Chairman's report, and of the related documentation;
- obtaining an understanding of the work performed as a basis for preparing that information and the existing documentation;
- determining if any major internal control weaknesses in the area of the preparation and processing of financial and accounting information identified by us during the course of our engagement have been appropriately disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information set out in the Chairman's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We hereby attest that the report of the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, March 7, 2017
The Statutory Auditors (French original signed by)

PricewaterhouseCoopers Audit
Jean-Baptiste Deschryver

Mazars
Gilles Rainaut

5. Remuneration and benefits for corporate officers

5.1. Remuneration policy for corporate officers

Pursuant to Article L. 225-37 of the French Commercial Code, the principles and rules for determining the remuneration and benefits of any kind granted to corporate officers are specified in the Chairman of the Board's report which describes the preparation and organisation of the Board of Directors' work and the internal control procedures.

On April 29, 2015, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, set André Martinez's gross annual remuneration as Chairman of the Board at €150,000 for the year 2015.

Based on the following:

- the strong involvement of André Martinez in the definition and implementation of the Company's strategic plan;
- the very significant increase in the frequency of meetings of Icade's governance bodies, especially the Board of Directors and the Strategy and Investment Committee which he both chairs;
- and the implementation of a new, broader governance structure for the Company more in line with the recommendations of the AFEP-MEDEF Code,

on October 19, 2016, the Board of Directors decided, based on the recommendations of the Appointments and Remuneration Committee, to increase André Martinez's gross annual remuneration to €200,000 effective October 19, 2016 and to €240,000 effective January 1, 2018.

On the recommendation of the Appointments and Remuneration Committee of April 27, 2015, the Board of Directors decided, on April 29, 2015, to set Olivier Wigniolle's gross annual base remuneration as CEO at €400,000 for the year 2015, with a maximum variable component of 12.5% of his fixed annual remuneration.

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors, on April 29, 2015, set the variable part of the CEO's remuneration for the financial year 2015 at €50,000, based on specific pre-established objectives, including financial and qualitative objectives.

On a proposal from the Appointments and Remuneration Committee, on February 22, 2016, the Board of Directors recalled that Olivier Wigniolle joined Icade on April 29, 2015 and that the variable component of the remuneration paid in 2016 should be determined on a full-year basis and then prorated based on his length of service in the Company during the year, i.e. 8 months out of 12.

The portion of variable remuneration related to economic indicators (EBITDA and NCCF) represents 50% of the total bonus, i.e. €25,000, while the remaining portion is related to qualitative criteria (defining a new strategic vision and involving teams in its implementation).

Based on the results for the financial year ended December 31, 2015, and according to the calculation rules indicated above, the variable remuneration of the CEO is as follows:

Economic indicators:

- The objective regarding the profitability of the Company (EBITDA/Revenue), which represents 25% of the variable component, was 100% reached, i.e. €12,500 (to be prorated based on the length of service during the year).
- The objective regarding the net current cash flow of the Company, which represents 25% of the variable component, was 76.2% reached, i.e. €9,525 (to be prorated based on the length of service during the year).

Qualitative objectives:

- The objective regarding the definition of a new strategic vision, which represents 25% of the variable component, was 100% reached, i.e. €12,500 (to be prorated based on the length of service during the year).
- The objective regarding the involvement of Icade's management teams and employees in the Company's performance and new strategic vision, which represents 25% of the variable component, was 100% reached, i.e. €12,500 (to be prorated based on the length of service during the year).

On February 22, 2016, the Board of Directors, on a proposal from the Appointments and Remuneration Committee, approved a variable remuneration (prorated based on the length of service during the year) of €31,350 for the CEO for the year 2015.

On February 22, 2016, the Board of Directors, on a proposal from the Appointments and Remuneration Committee, set the objectives for 2016 and kept the 50/50 distribution between quantitative and qualitative objectives.

Quantitative criteria:

- First quantitative criterion: net current cash flow of the Icade group (25% of the variable component). The bonus amount related to this criterion is limited to €12,500.
- Second quantitative criterion: Icade's share price at least equal to that of the EPRA Europe Index within an interval from 90% to 115% (25% of the variable component). The bonus amount related to this criterion cannot exceed €12,500.

Qualitative criteria:

- Implementation of the new strategic guidelines (25% of the variable component, i.e. €12,500) especially in regards to the sale of non-core business parks, development of synergies between the Property Development and Property Investment Divisions, and disposal of the Property Services Division under satisfactory financial and social conditions.
- Implementation of 2016 projects under exemplary governance and social dialogue conditions (25% of the variable component, i.e. €12,500).

The fixed annual remuneration for 2016 remained unchanged.

The payment of this variable component is deferred to 2017 on the day the Board of Directors recognises that the specified goals have been reached and the General Meeting gives its approval.

5.2. Individual and detailed remuneration of corporate officers

The following table lists the remuneration and benefits of all kinds paid to each corporate officer (including directors' attendance fees) during 2015 and 2016.

The Chairman and the Chief Executive Officer do not have an employment contract with Icade. They are remunerated for their positions as corporate officers, under the conditions set by the Board of Directors.

As of December 31, 2016, each Board member owned at least one Icade share, in accordance with legal provisions.

CORPORATE GOVERNANCE
Remuneration and benefits for corporate officers

TABLE SUMMARISING THE REMUNERATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER
TABLE 1 OF THE 2012-02 AMF RECOMMENDATIONS

(in thousands of euros)	Year 2015		Year 2016	
	MARTINEZ André, Chairman	WIGNIOLLE Olivier, CEO	MARTINEZ André, Chairman	WIGNIOLLE Olivier, CEO
Name and position of the executive corporate officer				
Remuneration due for the financial year (details in Table 2)	102.9	331.9	163.6	487.6
Value of options granted during the financial year (detailed in Table 4) ^(a)	N/A	N/A	N/A	N/A
Value of performance shares granted during the financial year (detailed in Table 6)	N/A	N/A	N/A	N/A
Value of other long term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	102.9	331.9	163.6	487.6

(a) Value of options and financial instruments at the time they were granted, as calculated in accordance with IFRS 2, including in particular any potential discount associated with performance criteria and with the probability of service in the Company at the end of the vesting period, but excluding the impact of recognising the expense over the vesting period, as required by IFRS 2.

TABLE SUMMARISING THE REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER
TABLE 2 OF THE 2012-02 AMF RECOMMENDATIONS

(in thousands of euros)	Year 2015		Year 2016	
	Amounts due	Amounts paid	Amounts due	Amounts paid
MARTINEZ André, Chairman				
Fixed remuneration	101.2	101.2	160.1	160.1
Annual variable remuneration				
Exceptional remuneration				
Directors' attendance fees	0.0	0.0	0.0	0.0
Benefits in kind - car	1.7	1.7	3.4	3.4
TOTAL	102.9	102.9	163.50	163.50

(in thousands of euros)	Year 2015		Year 2016	
	Amounts due	Amounts paid	Amounts due	Amounts paid
WIGNIOLLE Olivier, CEO				
Fixed remuneration	269.8	269.8	400.0	400.0
Annual variable remuneration	50.0	31.4	50.0	48.75 ^(a)
Exceptional remuneration				
Directors' attendance fees	0.0	0.0	0.0	0.0
Benefits in kind	12.1	12.1	37.6	37.6
TOTAL	331.9	281.9	487.6	437.6

(a) To be paid at the end of March 2017.

CORPORATE GOVERNANCE
Remuneration and benefits for corporate officers

TABLE SUMMARISING THE DIRECTORS' ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS
TABLE 3 OF THE 2012-02 AMF RECOMMENDATIONS

(in thousands of euros)		Paid in 2015 for the financial year 2014	Paid in 2016 for the financial year 2015
Non-executive corporate officers			
CAISSE DES DÉPÔTS			
Directors' attendance fees		50.7	113.3
Other remuneration		0.0	0.0
BOUVIER CHRISTIAN			
Directors' attendance fees		16.5	4.5
Other remuneration		0.0	0.0
DAUBIGNARD CÉCILE			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
DONNET ÉRIC			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
FAUGÈRE JEAN-PAUL			
Directors' attendance fees		12.0	30.0
Other remuneration		0.0	0.0
GILLY NATHALIE			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
GRIVET JÉRÔME			
Directors' attendance fees		7.5	19.5
Other remuneration		0.0	0.0
LAMBERT MARIE-CHRISTINE			
Directors' attendance fees		12.2	24.0
Other remuneration		0.0	0.0
MAES BENOÎT			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
MAREUSE OLIVIER			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
SCEMAMA CÉLINE			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
SENMARTIN CÉLINE			
Directors' attendance fees			0.0
Other remuneration			0.0
SILVENT FRANCK			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
TESSIER NATHALIE			
Directors' attendance fees		0.0	0.0
Other remuneration		0.0	0.0
PREDICA (J. GRIVET)			
Directors' attendance fees		1.5	
Other remuneration		0.0	
FAURE JARROSSON BENOIT			
Directors' attendance fees		6.2	
Other remuneration		0.0	
QUINET ALAIN			
Directors' attendance fees		4.5	
Other remuneration		0.0	
TOTAL		111.1	191.3

TABLE SUMMARISING BENEFITS (EMPLOYMENT CONTRACT, PENSION SCHEMES, COMPENSATION OR BENEFITS DUE OR LIKELY TO BE DUE IN THE EVENT OF TERMINATION OR CHANGE OF POSITION, OR COMPENSATION RELATING TO A NON-COMPETE CLAUSE)
TABLE 11 OF THE 2012-02 AMF RECOMMENDATIONS

	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due in the event of termination or change of position		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive corporate officers								
MARTINEZ André Chairman Start of term of office: 04/29/2015 End of term of office: Approval of the financial statements for the year ended December 31, 2018		X		X			X	X
WIGNIOLLE Olivier CEO Start of term of office: 04/29/2015 End of term of office: Approval of the financial statements for the year ended December 31, 2018		X		X	X			X

5.3. Compensation, pension liabilities and other benefits

5.3.1. Obligations and benefits in favour of Olivier Wigniolle as of December 31, 2016

On April 29, 2015, the Board of Directors of Icade agreed to pay Olivier Wigniolle a severance payment in the event of forced departure resulting from a change of control (under Article L. 233-3 of the French Commercial Code) or from a strategic disagreement with the Board of Directors.

In accordance with Article L. 225-42-1 of the French Commercial Code, this severance pay shall be subject to compliance with performance conditions in terms of value created by Icade, in accordance with the provisions specified below.

In the paragraph below, the NPAG (net profit/(loss)) attributable to the Group) is indicated after adjustment for capital gains from disposals.

5.3.1.1. Determination of the change in net profit/(loss) attributable to the Group (NPAG)

The change in NPAG shall be measured by comparing the last NPAG known during the calendar year preceding the date of dismissal of Olivier Wigniolle (hereinafter referred to as the "Most Recent NPAG") and its average value in the two calendar years preceding the Most Recent NPAG (hereinafter referred to as "NPAG for the Reference Period").

If the Most Recent NPAG is equal to or higher than the NPAG for the Reference Period, the payment shall be due.

5.3.1.2. Taking into account changes in market conditions

This severance payment will be equal to the total gross remuneration (including fixed and variable remuneration) received over the 12 months preceding the date of the Forced Departure.

On April 29, 2015, Icade's Board of Directors authorised the Company to take out an unemployment insurance policy for Olivier Wigniolle from the GSC association (*garantie sociale des chefs et dirigeants d'entreprise*). For the year 2016, the amount of contributions totalled €34,210.56.

On April 29, 2015, Icade's Board of Directors also decided to grant Olivier Wigniolle a Company car in accordance with the rules defined within Icade.

On the same day, Icade's Board of Directors also approved the purchase of a voluntary employer-sponsored contingency insurance for Olivier Wigniolle, taken out by Caisse des dépôts with CNP Assurances. Caisse des dépôts will charge Icade for the share of the contributions corresponding to Olivier Wigniolle's insurance, which will be considered additional remuneration and as such will be subject to tax and social security contributions.

5.3.2. Obligations and benefits in favour of other corporate officers

As of December 31, 2016, no compensation is provided for the other corporate officers of Icade in the event of termination of their office within the Company.

As of the same date, Icade has not provided any pension or similar benefits to its corporate officers. Moreover, no corporate officer of Icade has a voluntary employer-sponsored supplementary pension scheme.

As of the date of this document, Icade has not granted any loan, advance or guarantee to its corporate officers. There is no agreement in place between the members of the Board of Directors and Icade or its subsidiaries that provides for the granting of benefits.

5.4. Stock options and bonus shares granted during the financial year to corporate officers by the issuer and by any company within the Group

No stock options or bonus shares were granted to corporate officers in 2016.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY WITHIN THE GROUP
TABLE 4 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the executive corporate officer	No. and date of the plan	Type of option (purchase or subscription)	Value of options according to the method used in the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
O. WIGNIOLLE	No.: N/A Date:	N/A	N/A	N/A	N/A	N/A
A. MARTINEZ	No.: N/A Date:	N/A	N/A	N/A	N/A	N/A
TOTAL						

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER
TABLE 5 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the executive corporate officer	No. and date of the plan	Number of options exercised during the period	Exercise price
O. WIGNIOLLE	No.: N/A Date:	N/A	N/A
A. MARTINEZ	No.: N/A Date:	N/A	N/A
TOTAL			

BONUS SHARES GRANTED TO EACH CORPORATE OFFICER
TABLE 6 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the executive corporate officer	No. and date of the plan	Number of shares granted during the financial year	Value of shares according to the method used in the consolidated financial statements	Vesting date	End of the mandatory holding period	Performance conditions
O. WIGNIOLLE	No.: N/A Date:	N/A	N/A	N/A	N/A	N/A
A. MARTINEZ	No.: N/A Date:	N/A	N/A	N/A	N/A	N/A
TOTAL						

TABLE 7 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the executive corporate officer	No. and date of the plan	Number of shares that reached the end of their mandatory holding period during the financial year	Vesting conditions
O. WIGNIOLLE	No.: N/A Date:	N/A	N/A
A. MARTINEZ	No.: N/A Date:	N/A	N/A
TOTAL			

**HISTORY OF GRANTS OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS
INFORMATION REGARDING SHARE SUBSCRIPTION OR PURCHASE OPTIONS
TABLE 8 OF THE 2012-02 AMF RECOMMENDATIONS**

Date of the General Meeting	N/A
Date of the Board of Directors' meeting	N/A
Total number of shares that can be subscribed or purchased, including the number that can be subscribed or purchased by corporate officers	
Start of the stock option exercise period	N/A
Expiry date	N/A
Subscription or purchase price (in €)	N/A
Terms and conditions of exercise	N/A
Number of shares subscribed as of 12/31/2016	N/A
Cumulative number of cancelled or expired share subscription or purchase options	N/A
Remaining share subscription or purchase options at the end of the year	N/A

TABLE 9 OF THE 2012-02 AMF RECOMMENDATIONS

Share subscription or purchase options granted to the top ten non-corporate officer employee awardees and options they exercised	Total number of options granted / shares subscribed or purchased	Weighted average price	1-2-2008 Plan	1-2011 Plan
Options granted during the financial year by the issuer and by any company included within the scope of grant of options to the ten employees of the issuer and any company within this scope, who received the highest number of options (aggregate information)	0.0	0.0	0	0
Options held against the issuer and the above-mentioned companies, and exercised during the year by the ten employees of the issuer or of these companies who received the highest number of options (aggregate information)	0.0	0.0	0	0

**HISTORY OF BONUS SHARE GRANTS
INFORMATION REGARDING BONUS SHARES
TABLE 10 OF THE 2012-02 AMF RECOMMENDATIONS**

Date of the General Meeting	1-2016 Plan General Meeting of May 23, 2016	2-2016 Plan General Meeting of May 23, 2016
Date of the Board of Directors' meeting	10/19/2016	10/19/2016
Total number of bonus shares granted, including the number granted to:		
<i>André MARTINEZ</i>	-	-
<i>Olivier WIGNIOLLE</i>	-	-
Vesting date for the shares	11/07/2018	11/07/2018
Date of end of the mandatory holding period	11/07/2019	11/07/2020
Number of shares subscribed as of 12/31/2016	-	-
Cumulative number of cancelled or expired shares	-	-
Remaining bonus shares at the end of the financial year	-	-

6. Other information

6.1. Loans and guarantees granted to members of governance bodies or management

None.

6.2. Conflicts of interest – convictions for fraud

At the time of writing and to the best of the Company's knowledge:

- there are no family ties between the members of the Board of Directors and/or members of General Management;
- no conviction for fraud has been recorded in the last five years against any member of the Board of Directors and/or member of General Management;
- no member of the Board of Directors or of General Management has been associated with a bankruptcy, receivership or liquidation in the last five years as a member of an administrative, management or supervisory body or as Chief Executive Officer;
- no member of the Board of Directors or General Management has been incriminated and/or officially sanctioned; none has ever been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from managing or directing the affairs of an issuer in the last five years.

Pursuant to the Rules of Procedure, members of the Board of Directors must notify the Chairman of the Board of Directors and the Chairman of the Appointments and Remuneration Committee of any conflict of interest, whether actual or potential, with the Company and to refrain from voting in the matters relating thereto.

6.4. Transactions in Icade shares made by members of governance bodies or management

For the financial year 2016, the following transactions in Icade shares were carried out by members of the management bodies.

Declaring party	Date	Transaction	Price per share (in €)	Transaction amount (in €)
Olivier Wigniolle	01/11/2016	Acquisition	59.9461	959,137.6

No conflict of interest, whether actual or potential, has been brought to the attention of the Chairman of the Board of Directors or the Chairman of the Appointments and Remuneration Committee. To the Company's knowledge, members of the Board of Directors or General Management have no conflict of interest between their duties towards the issuer and their private interests and/or other duties.

6.3 Prevention of insider trading/ Ethical trading policy

Corporate officers and corporate insiders, as well as persons having close personal ties to them, must report any trading in the Company's shares. In addition, management will refrain from trading Company's securities in a personal capacity during the following periods:

- for each calendar quarter, during the 15 calendar days preceding the release of the Company's consolidated revenue which would occur during the quarter under consideration;
- for each calendar quarter, during the 30 calendar days preceding the release of the Company's full-year or half-year consolidated financial statements which would occur during the quarter under consideration;
- during the period between the date when Icade becomes aware of information which if made public might have a significant influence on the price of the securities and the date when this information is made public.

This obligation to refrain from trading was extended to employees who are considered permanent insiders. Lastly, employees can be classified as occasional insiders and may occasionally be subject to the same obligation for periods in which transactions that might influence Icade's share price are carried out.

The terms and conditions for applying these rules are set out in a procedural memorandum which is updated on a regular basis by Icade's Compliance Department.



CONSOLIDATED FINANCIAL STATEMENTS

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AGILITY TO SUPPORT CHANGES IN SCOPE OF CONSOLIDATION AND BETTER MONITOR OUR PERFORMANCE

Icade's teams proved extremely agile and adapted quickly to changes affecting the company's structure as a result of the implementation of the new strategic plan. Consolidated financial information was adapted to present Icade's three business lines (Commercial Property Investment, Healthcare Property Investment and Property Development) in line with the management of operational activities, and to reflect the disposal of the Property Services Division.



Abraham Oliel

HEAD OF CONSOLIDATION

// The implementation of the new strategic plan had two impacts on the presentation of the Group's consolidated financial statements. Consolidated segment information was brought into line with the structure of internal reporting to the management, which distinguishes between the Group's three business lines: Commercial Property Investment, Healthcare Property Investment and Property Development. This segmentation will later be refined to show the Group's holding company activities, which are still grouped with the Commercial Property Investment Division in 2016. In addition, the disposal of the Property Services business which had been announced in the strategic plan led to its classification as discontinued operations from the financial year 2015, in accordance with IFRS 5. As a result, these operations are no longer shown in the Group's segment reporting. However, the related assets, liabilities and income statement are respectively shown as two separate items on the consolidated balance sheet and as a separate item on the consolidated financial statement."

Xavier de la Sudrie

HEAD OF FINANCIAL CONTROL

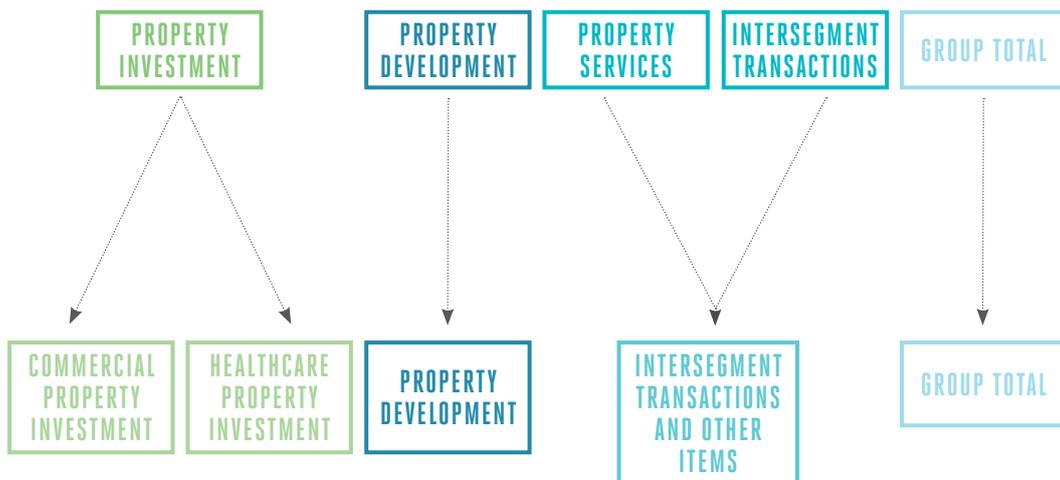
// As the implementation of the strategic plan results in a rapid transformation of the company, Icade must be able to anticipate changes and act quickly. There are several mechanisms to anticipate operational actions and ensure the achievement of objectives: defining and bringing management indicators into line with the organisational structure and business model in place, enhancing accountability of stakeholders for the objectives, improving internal management processes... Financial control teams have a pivotal role to play in supporting this transformation by providing the Executive Committee with all the decision-making support tools it needs to ensure the achievement of the Group's performance targets."



Impact of the strategic plan on segment reporting

The strategic plan is based on the development of three business lines: Commercial Property Investment, Healthcare Property Investment and Property Development.

Segment reporting, which was previously divided into Property Investment, Property Development and Property Services, was reorganised to reflect the new organisational and internal reporting structures. The Property Services Division was sold in 2016.



1. Consolidated financial statements

Consolidated income statement

(in millions of euros)	Notes	12/31/2016	12/31/2015
Revenue	8.2.4	1,492.7	1,439.7
Other income from operations		4.8	3.6
Net finance income from operations		0.1	-
Income from operating activities		1,497.6	1,443.3
Purchases used		(745.6)	(717.5)
Outside services		(88.2)	(97.3)
Taxes, duties and similar payments		(12.4)	(11.1)
Staff costs, performance incentive scheme and profit sharing		(117.2)	(108.5)
Other operating expenses		(13.1)	(7.5)
Operating expenses		(976.5)	(941.9)
EBITDA		521.1	501.5
Depreciation charges net of investment grants		(323.3)	(281.8)
Charges and reversals related to impairment of tangible, financial and other current assets	4.2.2	49.6	(310.2)
Profit/(loss) from acquisitions		1.3	(0.3)
Profit/(loss) from asset disposals	4.2.3	19.4	129.2
Impairment of goodwill and intangible fixed assets		0.1	0.1
Share of profit/(loss) of equity-accounted companies	8.1	(5.6)	(8.4)
OPERATING PROFIT/(LOSS)		262.7	29.9
Cost of gross debt		(116.4)	(133.2)
Net income from cash and cash equivalents, related loans and receivables		7.0	9.2
Cost of net debt		(109.4)	(123.9)
Other finance income and expenses		(54.1)	(2.2)
FINANCE INCOME/(EXPENSE)	5.1.2	(163.6)	(126.1)
Income tax	8.3	(23.6)	(63.5)
Profit/(loss) from discontinued operations	2.1	13.3	(20.5)
NET PROFIT/(LOSS)		88.9	(180.2)
Net profit/(loss) attributable to non-controlling interests	6.3	30.9	27.4
Net profit/(loss) attributable to the Group		58.0	(207.6)
Net profit/(loss) per share attributable to the Group (in €)	6.1	0.79	(2.82)
Diluted net profit/(loss) per share attributable to the Group (in €)	6.1	0.79	(2.81)
NET PROFIT/(LOSS) FOR THE PERIOD		88.9	(180.2)
Other items of comprehensive income:			
Other comprehensive income recyclable to the income statement:		37.8	26.6
Available-for-sale financial assets		1.2	(1.2)
▣ Changes in fair value recognised directly in equity		2.8	(1.2)
▣ Transfer of available-for-sale securities to the income statement		(1.6)	-
Cash flow hedges recyclable to the income statement		36.7	27.8
▣ Changes in fair value recognised directly in equity		11.0	29.4
▣ Transfer of non-hedging instruments to the income statement		25.7	(1.7)
Other comprehensive income not recyclable to the income statement:		1.9	2.0
Actuarial gains and losses and asset ceiling adjustments		2.2	2.7
Taxes on actuarial gains and losses and asset ceiling adjustments		(0.3)	(0.6)
Total comprehensive income recognised in equity		39.7	28.6
Including transfer to net profit/(loss)		24.1	(1.7)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		128.6	(151.6)
▣ Attributable to non-controlling interests		29.9	28.3
▣ Attributable to the Group		98.7	(179.9)

CONSOLIDATED FINANCIAL STATEMENTS
Consolidated financial statements

Consolidated statement of financial position (consolidated balance sheet)

Assets (in millions of euros)	Notes	12/31/2016	12/31/2015
Goodwill	4.4.2	46.3	46.3
Net intangible fixed assets		6.1	5.1
Net tangible fixed assets	4.2	74.6	79.0
Net investment properties	4.2	8,176.4	7,989.8
Non-current available-for-sale securities	5.1.5	26.8	27.1
Equity-accounted securities	8.1.1	118.1	114.9
Other non-current financial assets	5.1.5	5.1	3.1
Total non-current derivative assets	5.1.4	6.5	1.5
Deferred tax assets	8.3.3	12.9	17.6
TOTAL NON-CURRENT ASSETS		8,473.0	8,284.3
Inventories and work in progress	8.2.1	492.3	430.5
Accounts receivable	8.2.3	408.0	449.3
Amounts due from customers (construction contracts and off-plan sales)	8.2.2	31.8	30.5
Tax receivables		18.9	22.3
Miscellaneous receivables	8.2.5	222.6	228.7
Other current financial assets	5.1.5	112.1	136.3
Current derivative assets	5.1.4	2.0	13.6
Cash and cash equivalents	5.1.6	272.4	451.4
Assets held for sale and discontinued operations	8.2.7	3.7	156.8
TOTAL CURRENT ASSETS		1,564.0	1,919.3
TOTAL ASSETS		10,037.0	10,203.7

Liabilities (in millions of euros)	Notes	12/31/2016	12/31/2015
Share capital	6.2	113.0	113.0
Share premium		2,690.7	2,692.0
Treasury shares		(16.3)	(40.0)
Revaluation reserves		(25.6)	(64.5)
Other reserves		615.5	1,099.5
Net profit/(loss) attributable to the Group		58.0	(207.6)
Equity attributable to the Group		3,435.2	3,592.5
Non-controlling interests	6.3	665.2	675.0
EQUITY		4,100.4	4,267.4
Non-current provisions	7	28.3	28.7
Non-current financial liabilities	5.1.1	4,131.2	3,771.5
Tax liabilities		17.8	12.2
Deferred tax liabilities	8.3.3	7.5	10.7
Other non-current financial liabilities	5.1.5	56.7	60.7
Total non-current derivative liabilities	5.1.4	21.1	73.2
TOTAL NON-CURRENT LIABILITIES		4,262.6	3,956.9
Current provisions	7	51.3	37.3
Current financial liabilities	5.1.1	717.8	901.1
Current tax liabilities		10.9	64.9
Accounts payable		388.7	359.8
Amounts due to customers (construction contracts and off-plan sales)	8.2.2	5.1	7.2
Miscellaneous current liabilities	8.2.6	486.4	446.7
Other current financial liabilities	5.1.5	1.8	1.6
Total current derivative liabilities	5.1.4	0.9	5.2
Liabilities held for sale and discontinued operations	8.2.7	11.1	155.5
TOTAL CURRENT LIABILITIES		1,674.1	1,979.3
TOTAL LIABILITIES AND EQUITY		10,037.0	10,203.7

Consolidated cash flow statement

(in millions of euros)	12/31/2016	12/31/2015
I) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss)	88.9	(180.2)
Net depreciation and provision charges	289.5	610.6
Unrealised gains and losses due to changes in fair value	25.8	(3.9)
Other non-cash income and expenses	13.6	11.6
Capital gains or losses on asset disposals	(26.0)	(135.1)
Capital gains or losses on disposals of consolidated securities	(10.3)	1.7
Share of profit/(loss) of equity-accounted companies	5.6	8.4
Dividends received	(1.4)	(1.5)
Cash flow from operating activities after cost of net financial liabilities and tax	385.8	311.7
Cost of net financial liabilities	91.2	114.9
Tax expense	17.5	65.6
Cash flow from operating activities before cost of net financial liabilities and tax	494.5	492.2
Interest paid	(115.3)	(122.1)
Tax paid	(53.9)	(59.3)
Change in working capital requirement related to operating activities	(115.6)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	209.6	310.8
<i>Including net cash flow from operating activities - Discontinued operations</i>	<i>(2.7)</i>	<i>3.0</i>
II) CASH FLOW FROM INVESTING ACTIVITIES		
Tangible and intangible fixed assets and investment properties		
▣ acquisitions	(829.7)	(633.3)
▣ disposals	586.7	403.7
Change in deposits paid and received	(6.5)	(5.1)
Change in financial accounts receivable	7.5	6.7
Operating investments	(242.0)	(227.9)
Available-for-sale securities		
▣ acquisitions	(0.1)	(12.0)
▣ disposals	3.0	-
Consolidated securities		
▣ acquisitions	(13.9)	(213.0)
▣ disposals	30.4	(0.5)
▣ impact of changes in scope of consolidation	(7.9)	-
Dividends received	(4.0)	6.2
Financial investments	7.5	(219.3)
NET CASH FLOW FROM INVESTING ACTIVITIES	(234.5)	(447.2)
<i>Including net cash flow from investing activities - Discontinued operations</i>	<i>(2.1)</i>	<i>(0.4)</i>
III) CASH FLOW FROM FINANCING ACTIVITIES		
Amounts received from shareholders on capital increases		
▣ paid by Icade shareholders	-	6.1
▣ paid by non-controlling interests of consolidated subsidiaries	-	191.3
Dividends paid during the financial year		
▣ dividends (including withholding tax) and interim dividends paid during the year by Icade	(275.3)	(275.1)
▣ dividends and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries	(40.9)	(32.3)
Repurchase of treasury shares	21.4	(0.9)
Change in cash from capital activities	(294.8)	(110.9)
Issues or subscriptions of borrowings and financial liabilities	2,086.5	960.2
Repayment of borrowings and financial liabilities	(1,937.1)	(654.9)
Acquisitions and disposals of current financial assets and liabilities	(26.3)	(68.4)
Change in cash from financing activities	123.1	237.0
NET CASH FLOW FROM FINANCING ACTIVITIES	(171.7)	126.1
<i>Including net cash flow from financing activities - Discontinued operations</i>	<i>(1.6)</i>	<i>0.7</i>
NET CHANGE IN CASH (I) + (II) + (III)	(196.5)	(10.2)
CHANGES IN CASH FROM DISCONTINUED OPERATIONS	5.4	(5.5)
OPENING NET CASH	426.0	441.8
CLOSING NET CASH	234.9	426.0
Cash and cash equivalents (excluding interest accrued but not due)	271.5	450.2
Bank overdrafts (excluding interest accrued but not due)	(36.6)	(24.2)
NET CASH	234.9	426.0

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Issue premium and merger premium	Treasury shares	Cash flow hedges and available-for-sale securities net of tax	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
AS OF 01/01/2015	112.8	2,686.1	(40.1)	(89.9)	1,373.4	4,042.3	487.9	4,530.2
Changes in value of cash flow hedges				27.8		27.8	1.7	29.4
Revaluation reserves of cash flow hedges recycled to the income statement				(0.9)		(0.9)	(0.7)	(1.7)
Changes in fair value of available-for-sale securities				(1.2)		(1.2)	-	(1.2)
Actuarial gains and losses and asset ceiling adjustments					2.7	2.7	-	2.7
Taxes on actuarial gains and losses and asset ceiling adjustments					(0.6)	(0.6)	-	(0.6)
Net profit/(loss)					(207.6)	(207.6)	27.4	(180.2)
Dividends for 2014					(275.1)	(275.1)	(33.0)	(308.1)
Capital increase	0.2	5.9	-		-	6.1	191.3	197.4
Treasury shares			0.1		(1.0)	(0.9)	-	(0.9)
Other			-	(0.2)	-	(0.2)	0.5	0.3
AS OF 12/31/2015	113.0	2,692.0	(40.0)	(64.5)	891.9	3,592.5	675.0	4,267.4
Changes in value of cash flow hedges ^(a)				11.4		11.4	(0.4)	11.0
Revaluation reserves of cash flow hedges recycled to the income statement ^(a)				26.3		26.3	(0.6)	25.7
Changes in fair value of available-for-sale securities				2.8		2.8	-	2.8
Transfer of available-for-sale securities to the income statement				(1.6)	-	(1.6)	-	(1.6)
Actuarial gains and losses and asset ceiling adjustments					2.2	2.2	-	2.2
Taxes on actuarial gains and losses and asset ceiling adjustments					(0.3)	(0.3)	-	(0.3)
Net profit/(loss)					58.0	58.0	30.9	88.9
Dividends for 2015					(275.3)	(275.3)	(39.7)	(315.0)
Treasury shares ^(b)			23.6		(2.2)	21.4	-	21.4
Other		(1.4)	-	-	(0.7)	(2.1)	-	(2.1)
AS OF 12/31/2016	113.0	2,690.7	(16.3)	(25.6)	673.5	3,435.2	665.2	4,100.4

(a) The significant increase in value of hedging instruments resulted from an optimisation of the hedging structure conducted by the Group during the financial year. Consequently, unwound swaps gave rise to a significant amount of revaluation reserves of hedging instruments recycled to the income statement.

(b) Treasury shares went down from 532,965 as of December 31, 2015 to 206,644 as of December 31, 2016.

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

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Note 1. Accounting principles

1.1. Standards applied

The consolidated financial statements of the Icade group ("the Group") as of December 31, 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union pursuant to European Regulation No. 1606/2002 dated July 19, 2002. They were approved by the Board of Directors of Icade on February 10, 2017.

The International Accounting Standards are issued by the IASB (International Accounting Standards Board) and have been adopted by the European Union. They include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations. These standards are available for viewing on the European Commission's website⁽¹⁾.

The consolidated financial statements published by the Group on December 31, 2015 had been prepared and approved using the same principles and methods, with the exception of those indicated below:

Mandatory standards, amendments and interpretations adopted by the European Union to be applied in the financial years starting on or after January 1, 2016

- amendments to IAS 1 "Disclosure initiative";
- amendments to IAS 16 and IAS 38 "Clarification of acceptable methods of depreciation and amortisation";
- amendments limited to IFRS 10, IFRS 12 and IAS 28 "Investment entities: applying the consolidation exception";
- amendments to IFRS 11 "Acquisitions of an interest in a joint operation";
- amendments to IAS 19 "Defined benefit plans: employee contributions";
- annual improvements from IFRS Cycle 2010-2012;
- annual improvements from IFRS Cycle 2012-2014.

These publications have had no significant impact on the Group's consolidated financial statements.

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

- IFRS 9 "Financial instruments":

On November 22, 2016, the European Union adopted IFRS 9, which was issued by the IASB on July 24, 2014 to replace IAS 39 on financial instruments. The new standard will become effective on January 1, 2018 with earlier application permitted.

This standard will result in the following significant changes:

- the classification and measurement of financial assets are based on a joint analysis of the business model and features of the contractual cash flows of financial assets;
- the impairment model is based on expected losses rather than incurred losses;
- the more significant alignment between hedge accounting and risk management.

In financial year 2016, the application of this standard would have had no material impact on the consolidated financial statements.

- IFRS 15 «Revenue from Contracts with Customers»:

On September 22, 2016, the European Union adopted IFRS 15 on revenue recognition. This standard will apply to financial years beginning on or after January 1, 2018. Earlier application is permitted.

This standard had been issued by the IASB on May 28, 2014 and provides a single model for recognising revenues based on the transfer of control of the promised good or service.

The Group shall apply this standard to all contracts with customers with the exception of leases falling within the scope of IAS 17. Therefore, this standard does not apply to the Property Investment Division's income. Other income from the Property Development Division will continue to be recognised using the percentage of completion method. Several rules of application of this method are being analysed in the light of the new standard.

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

- IFRS 16 «Leases»:

On January 13, 2016, the IASB issued IFRS 16 which will replace IAS 17 and related interpretations. This new standard, which will become effective on January 1, 2019, with earlier application permitted, no longer distinguishes 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.

In view of the Group's balance sheet structure, this new standard is not expected to have a significant impact.

A schedule of minimum rent payments under operating leases (as a lessee) is shown in note 10.2.3;

- amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate or joint venture";
- amendments to IFRS 15 «Clarifications»;
- amendments to IFRS 2 «Classification and measurement of share-based payment transactions».

The above amendments are not expected to have a significant impact on the Group's consolidated financial statements.

The other publications described below, adopted by the European Union and whose application will be mandatory for financial years beginning after December 31, 2016, should not have a significant impact on the Group's consolidated financial statements:

- amendments to IAS 12 «Income taxes: Recognition of deferred tax assets for unrealised losses»;
- amendments to IAS 7 «Cash-flow statements: Disclosure initiative».

The Group has not early adopted any standards or interpretations.

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 balance sheet date, and income and expenses for the financial year.

(1) http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The significant estimates made by the Group for preparing its financial statements mainly include:

- measurement of tangible and intangible assets and property assets by independent valuers as indicated in notes 1.9 and 4.1;
- review of real estate developments (note 1.17);
- measurement of revenue based on the percentage of completion method for construction contracts, off-plan sale projects and certain service contracts as specified in note 1.17;
- measurement of employee benefits and provisions, as specified in notes 1.21, 1.22;
- measurement of fair value of financial derivatives, as specified in note 1.24.

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 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 deal with the accounting issues concerned. In particular, management has exercised its judgement for classifying the leases (operating lease or finance lease), for determining if the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5, and for determining the accounting treatment of certain transactions for which IFRS provide insufficient clarification.

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

1.3. Consolidation methods

The consolidation method is determined in accordance with the control exercised:

- The full consolidation method was applied for the subsidiaries in which the Group exercises control. The latter exists when the Group:
 - has power over the entity;
 - has rights to variable returns from its relationship with the entity;
 - has the ability to use its power to influence the amount of these returns.

The potential voting rights as well as the power to govern the financial and operating policies of the entity are part of the factors taken into account by the Group in order to assess control.

Subsidiaries are consolidated from the date the Group gains control of them until the date that such control ceases.

Non-controlling interests represent the share of interest which is not directly or indirectly attributable to the Group. These are presented in the income statement, within equity, as "Non-controlling interests" and in the income statement as "Net profit/(loss) attributable to non-controlling interests".

- The equity method is applied for joint ventures and associates:
 - joint ventures are the entities over which the Group exercises joint control by virtue of a contractual agreement. Joint control exists in the case of unanimous consent of the partners in the choice of financial and operating policies relating to the entity;
 - associates are the entities in which the Group has a significant influence over the financial and operating policies but not control.

The consolidated financial statements include the Group's share of total profits, losses and other items of comprehensive income recognised by the joint ventures and associates, starting from the date on which joint control or significant influence is gained until the date that such control or influence ceases.

For fully-consolidated companies, all intra-group transactions and balances are eliminated in full. On the other hand, for equity-accounted companies, only intra-group profits and dividends are eliminated based on the Group's percentage of interest.

The list of fully-consolidated and equity-accounted companies is shown in note 11.4.

1.4. Business combinations and asset acquisitions

An analysis is first carried out in order to ascertain whether it is a business combination, or the acquisition of an isolated asset.

- The acquisition of shares in legal entities holding one or more investment properties as the principal asset is recognised in accordance with the revised IFRS 3, depending on the date of the takeover, in line with the principles described below.
- The acquisition of isolated assets, meeting the definition of investment properties, is recognised in accordance with IAS 40.
- The accounting method for investment properties and their impairment methods are described in notes 1.9 and 1.11.
- The business combinations completed on or after January 1, 2010 are recognised using the acquisition method in accordance with the revised IFRS 3.

The consideration transferred must include any contingent consideration, which must be measured at fair value.

For each business combination, "Non-controlling interests" can be recognised either at acquisition-date fair value or on the basis of their share in the identifiable net assets of the acquiree.

According to the acquisition method, the acquirer must, at the acquisition date, recognise the identifiable assets, liabilities and contingent liabilities of the acquiree (with the exception of non-current assets held for sale) at fair value at that date.

Goodwill is measured as the difference between, on the one hand, the fair value of the consideration transferred (plus the recognised amount of the non-controlling interest) and, on the other hand, the net of the acquisition-date amounts of the identifiable assets and the liabilities assumed measured at fair value. This difference is recorded as an asset if positive and recognised immediately in the income statement if negative.

Share acquisition costs are recorded as expenses.

Since January 1, 2010, changes in scope of consolidation have been recognised in accordance with the revised IAS 27.

Changes in ownership interest that do not affect control (additional acquisition or disposal) shall result in a new apportionment of equity between the Group's share and the share of non-controlling interests.

Changes in ownership interest resulting in loss of control over an entity shall give rise to the recognition of a profit or loss on the disposal and remeasurement of the fair value of the residual holding as a corresponding entry of the profit or loss.

The acquirer has twelve months from the acquisition date to definitively determine the fair value of the assets and liabilities acquired.

Goodwill is not amortised but tested for impairment at the end of the financial year, or more frequently if there is an indication of impairment. The procedures for carrying out impairment tests are set out in note 1.11.

1.5. Segment reporting

The segment information shown results from the structure of internal reporting to the Group's management.

The Icade Group's structure reflects its three business lines. Each segment presents specific risks and rewards:

- the Commercial Property Investment business focuses primarily on holding offices and business parks for the rental of these assets and active management of this asset portfolio;
- the Healthcare Property Investment business focuses primarily on holding the buildings of healthcare facilities for the rental of these assets and active management of this asset portfolio;
- the Property Development business focuses primarily on building property assets with a view to selling them.

Holding company activities are classified in the Commercial Property Investment Division, in the segment information.

Discontinued operations as well as eliminations and reclassifications relating to intersegment transactions are shown in a column called «Intersegment transactions and other items» in the segment information.

1.6. Revenue, other income from operations, finance income from operations

Revenue

The Group's revenue comprises four types of income:

- lease income, including finance lease income;
- construction contracts and off-plan sales;
- sale of goods;
- provision of services.

Lease income, including finance lease income

Income from operating leases

Lease income from operating leases includes rent from office properties, business premises, healthcare establishments, warehouses, shopping centres and housing units.

Lease income is recorded using the straight-line method over the remaining terms of the leases (to break option or expiry). Consequently, any specific clauses and incentives specified in the leases (rent-free periods, progressive rent, lease premiums) are spread over the term of the shorter of the entire lease term or the period to the first break option, without taking rent escalation into account. The reference period used is the shorter of the entire lease term and the period to the first break option.

Any expenses directly incurred and paid to third parties for setting up a lease are recorded as assets, under the heading "Investment properties", and depreciated over the shorter of the entire lease term and the period to the first break option.

Service charges recharged to tenants are deducted from the corresponding charges accounts and excluded from revenues.

Income from finance leases

Income from finance leases includes finance income from property assets leased as part of projects carried out with public-sector partners.

When first recognised, an asset held under a finance lease is presented as a receivable at an amount equal to the net investment in the lease. Such receivable, including initial direct costs, is presented under the heading "Trade receivables".

After the initial recognition, income is spread over the lease term. This income allocation is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned income. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Income from building leases

Building leases may be treated as operating leases or finance leases depending on the risks and rewards retained by the lessor.

Building leases relating to land are generally treated as operating leases, depending on whether the lessor actually retains ownership of the land at the end of the lease term and on whether the land has an indefinite economic life.

Income from building leases is recognised depending on whether the building lease is treated as an operating lease or as a finance lease.

Construction contracts and off-plan sales

Revenues are recognised using the percentage of completion method.

Revenues are recognised during each financial year based on the estimated final revenues from the contract, in proportion to the percentage of the construction and commercial work completed as of the end of the year, less any revenues recognised in previous financial years in respect of contracts already in the construction phase at the beginning of the year.

Revenue recognised using the percentage of completion method relates only to units sold and commences when the notarial deed is signed.

Sale of goods

Sales of goods relate mainly to property agent transactions.

Provision of services

Services provided mainly cover the following items:

- studies and project owner assistance: revenue is recognised based on the percentage of the service completed;
- services and technical functions operations (management, building maintenance, general services, etc.): revenue is recognised when the service is provided;
- property management (property asset management, managing agent, etc.): fees and commissions are recorded as income when the service is provided.

Recharged service charges and expenses incurred on behalf of third parties are deducted from the corresponding charges if the Group does not bear any risk in respect of those services.

Other income from operations

Other income from operations includes income that is not directly related to the operations described in the paragraph "Revenues".

Finance income from operations

Finance income from operations includes finance income from funds received in respect of agency transactions and other finance income from operating activities.

1.7. Earnings per share

Undiluted earnings per share (basic earnings per share) are calculated by dividing net profit/(loss) attributable to the Group (ordinary shares) by the weighted average number of ordinary shares outstanding during the period. The average number of shares outstanding during the period is the average number of ordinary shares outstanding at the beginning of the financial year, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.

In calculating diluted earnings per share, the average number of shares outstanding is adjusted to take into account the diluting effect of equity instruments issued by the Company and likely to increase the number of shares outstanding.

1.8. Intangible fixed assets

An intangible asset is a non-monetary asset that does not have any physical substance but is both identifiable and controlled by the Company as a result of past events which may bring future economic benefits. An intangible asset is identifiable if it can be separated from the acquiree or if it stems from legal or contractual rights.

Intangible fixed assets whose useful lives can be determined are depreciated using the straight-line method over their estimated useful lives.

Intangible fixed assets	Useful life	Depreciation method
New contracts and customer relationships	Duration of contracts	Straight line
Other ^(a)	1 to 3 years	Straight line

(a) Other intangible fixed assets consist primarily of software.

1.9. Tangible fixed assets and investment properties

Tangible fixed assets mainly comprise property assets occupied by the Group, and office equipment which has been amortised according to the straight-line method, generally over five years.

Investment properties are properties held to earn rentals or for capital appreciation (or both). This category of property cannot be held for use in the production or supply of goods or services or for administrative purposes or held for sale in the ordinary course of business.

Property that is being constructed or developed for future use as investment property, as well as advances paid on those properties, is classified as investment property.

In accordance with the option offered by IAS 40, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses (see note 1.11).

The cost of investment properties consists of:

- the purchase price stated in the deed of sale or the construction costs, including non-refundable taxes, after deducting any trade discounts, rebates or cash discounts;

- the cost of restoration work;
- all directly attributable costs incurred in order to put the investment property in a condition to be leased in accordance with the use intended by management. Thus, transfer duties, fees, commissions and fixed legal expenses related to the acquisition and commissions related to leasing are included in the cost;
- costs of bringing the property into compliance with Safety and Environmental regulations;
- capitalised borrowing costs (see note 1.13).

Any government investment grants received are deducted from the value of the corresponding assets. These are therefore recognised as income over the useful life of the asset depreciable by means of a reduction in the depreciation charge.

The gross value is split into separate components which have their own useful lives.

Investment properties are depreciated using the straight-line method over periods which correspond to their expected useful life. Land is not depreciated. The depreciation periods used (in years) are as follows:

Components	Offices				
	"Hausmann" buildings	Other properties	Residential	Warehouses and business premises	Healthcare
Roads, networks, distribution	100	40-60	50	15	80
Building shell, structure	100	60	50	30	80
External structures	30	30	25	20	20-40
General and technical equipment	20-25	10-25	25	10-15	20-35
Internal fittings	10-15	10-15	15-25	10-15	10-20
Specific equipment	10-30	10-30	15-25	10	20-35

Useful lives are revised at each balance sheet date, particularly in respect of investment properties which are the subject of a restoration decision.

In accordance with IAS 36, where events, changes in the market environment or internal factors indicate a risk of impairment of investment properties, these are tested for impairment (see note 1.11).

Valuation of investment properties

The Commercial Property Investment Division operates mainly in the offices and business parks segment in the Paris region («Ile-de-France»), and the Healthcare Property Investment Division operates in the healthcare facilities segment. The methods and assumptions used for valuing the property portfolio are described in note 4.1.

The fair values shown in note 4.3 are appraised values excluding duties, except for those assets acquired at the end of the financial year and those held for sale whose fair values are defined in note 1.10.

1.10. Assets held for sale and discontinued operations

In accordance with IFRS 5, if the Group decides to dispose of an asset or group of assets, it should be classified as held for sale if:

- the asset or group of assets is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- it is highly likely to be sold within one year.

Consequently, this asset or group of assets is shown separately as "Assets held for sale" on the balance sheet. The liabilities related to this asset or group of assets are also shown separately on the liabilities side of the balance sheet.

For the Group, only assets meeting the above criteria and subject to a formal disposal decision at the appropriate management level, or failing that, the General Meeting, are classified as assets held for sale. The accounting consequences are as follows:

- the asset (or group of assets) held for sale is measured at the lower of carrying amount and fair value less costs to sell;
- the asset stops being depreciated with effect from the date of transfer.

According to IFRS 5, a discontinued operation is a component of the Group which has been sold or which is classified as held for sale, and which represents either a separate major line of business or a geographical area of operations.

If the component qualifies as a discontinued operation, the profit or loss as well as the capital gain and loss from the sale of this operation are also shown, net of taxes and actual or estimated selling costs, on a separate line of the income statement.

Cash flow from discontinued operations is also shown separately in the cash flow statement.

The same accounting treatments are applied to the income statement and the cash flow statement for the preceding financial year, which are shown as comparative information.

1.11. Procedures for carrying out asset impairment tests

IAS 36 provides that goodwill and intangible assets with an indefinite useful life must be tested at least once a year and other non-financial long-term assets, such as investment properties, must be checked to see if there is any indication that they may have been impaired.

Indications of impairment include:

- a substantial decline in the market value of the asset;
- a change in the technological, economic or legal environment.

Impairment of an asset is recognised where its recoverable amount is less than its carrying amount.

Procedures for depreciation of investment properties

The recoverable amount of investment properties is the higher of the fair value less disposal costs (where relevant) and the value in use. The fair value is the market value excluding duties, determined by independent property valuers (see note 4.1.1). The value in use is the present value of expected net rental income from those assets.

If there is any indication of impairment, and where the estimated recoverable amount is less than the net carrying amount, the difference between those two figures is recognised as impairment. Accounting for impairment entails a review of the depreciable amount and, as the

case may be, of the depreciation plan for the investment properties concerned.

If there is no longer an indication of impairment or if there is an indication that an impairment loss may have decreased, the impairment relating to the investment property may subsequently be reversed if the recoverable value again becomes higher than the net carrying amount. The value of the asset after reversal of the impairment loss should not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Although carried out by independent property valuers, it should be remembered that valuing a property asset is a complex estimation exercise, which is also subject from one half-year to the next to the changing economic climate and the volatility of some of the market parameters used, particularly yields and discount rates.

Therefore, in order to take into account the inherent difficulties of valuing a property asset and to avoid recognising an impairment loss that the Group would have to fully or partially reverse in the next financial statements, the Group only recognises an impairment loss if the unrealised capital loss of the property assets is more than 5% of the net carrying amount before impairment. It is determined whether or not this threshold has been crossed on an asset by asset basis, with the exception of business parks, for which this has been done on a park by park basis since the end of the financial year 2015. If this threshold is exceeded, the impairment loss recognised is the total amount of unrealised capital losses.

This impairment loss is adjusted upwards or downwards at each balance sheet date to reflect changes in the value of the asset and its net carrying amount, remembering that if the impairment loss is less than 5% of the carrying amount before impairment, the previously recognised impairment loss is reversed.

For properties acquired less than three months before the balance sheet date and recognised in the financial statements at their acquisition price including transfer taxes, the unrealised capital loss calculated, corresponding to registration fees and other acquisition costs, is not recognised as an impairment loss.

Procedures for depreciation of goodwill, intangible fixed assets and other tangible fixed assets

These assets are tested individually or combined with other assets if they do not generate any cash flow independently of other assets.

If there is no longer an indication of impairment or if there is an indication that an impairment loss may have decreased, the impairment relating to intangible and tangible fixed assets may subsequently be reversed if the recoverable value again becomes higher than the net carrying amount.

Reversal of an impairment loss for goodwill is not permitted.

Goodwill and intangible asset impairment tests are carried out per cash-generating unit. The method selected by the property valuer is based mainly on discounting the cash flows (DCF) generated by each company over the period of its business plan, discounting the cash flows calculated by extending those from the business plan over an additional 10-year period, and adding a terminal value calculated by applying a perpetual growth rate to the cash flows.

The discount rates used are determined before tax.

1.12. Leases

In the course of its business activities, the Group uses assets taken or given under leases.

These leases are classified as either operating leases or finance leases based on the situations described and criteria provided in IAS 17.

Finance leases are leases which transfer virtually all the risks and rewards of the asset concerned to the lessee. All leases which do not fall within the definition of finance lease are classified as operating leases.

Accounting by lessees

Finance lease

When first recognised, an asset used as part of a finance lease is recorded as a tangible fixed asset with a financial liability as the corresponding entry. The asset is recorded at the fair value of the leased asset at the inception of the lease or the present value of the minimum lease payments if that is lower.

Operating lease

For operating leases, the lease payments (other than costs for services such as insurance and maintenance) are recognised as an expense in the income statement over the lease term on a straight-line basis.

Accounting by lessors

The accounting treatment of operating and finance leases is described in note 1.6.

1.13. Capitalised borrowing costs

Borrowing costs directly attributable to the construction or production of an asset are included in the cost of that asset until work is completed.

Capitalised borrowing costs are determined as follows:

- where funds are borrowed in order to build a specific asset, the borrowing costs that are eligible for capitalisation are the costs actually incurred over the financial year less any investment income on the temporary investment of those borrowings;
- where the borrowed funds are used to build several assets, the borrowing costs that are eligible for capitalisation are determined by applying a capitalisation rate to the construction costs. This capitalisation rate is equal to the weighted average of borrowing costs for the year other than borrowings taken out for the purpose of building specific assets. The capitalised amount may not exceed the amount of costs actually borne.

1.14. Available-for-sale securities

Available-for-sale securities are recognised at fair value at the balance sheet date. For shares in listed companies, the fair value is determined on the basis of the share price as of the balance sheet date. For unlisted companies, the fair value is determined using recognised valuation techniques (reference to recent market transactions, discounting of future cash flows, etc.). Exceptionally, some securities which do not have a quoted market price in an active market and whose fair value cannot be measured reliably, are valued at cost.

Unrealised gains and losses in relation to the acquisition price are recognised in other comprehensive income until the disposal date. However, where an impairment test leads to the recognition of an unrealised capital loss in relation to the acquisition cost and that unrealised capital loss is associated with a significant or prolonged impairment, that impairment is recognised in the income statement. It cannot subsequently be reversed in the income statement in respect of shares and other variable income securities.

Available-for-sale securities are impaired individually if there is an objective indication of impairment as a result of one or more events that have occurred since acquisition. With regard to variable income

securities listed on an active market, a prolonged or significant fall in price below its acquisition cost constitutes an objective indication of impairment.

1.15. Other financial assets

Other financial assets consist primarily of:

- UCITS which do not qualify as cash equivalents (recognised at fair value through profit or loss);
- receivables associated with equity investments, loans, deposits and guarantees paid, term deposits (recognised at amortised cost).

Other financial assets are impaired if there is an objective indication of measurable impairment as a result of an event occurring after the granting of the loan or acquisition of the asset. Impairment is measured on an individual basis as the difference between the carrying amount before impairment and the estimated recoverable amount. Such impairment is recognised in the income statement as an unrealised capital loss.

1.16. Inventories

Inventories and work in progress are recognised at acquisition or production cost. At each balance sheet date, they are valued at the lower of their cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

An impairment loss is recognised if the net realisable value is less than the recognised cost.

Inventories primarily consist of land, land banks and unsold units from the Residential Property Development business (in progress or finished).

1.17. Construction contracts and off-plan sales

The Group applies the percentage of completion method to determine the revenues and costs of construction contracts and off-plan sales to be recognised in the income statement for each period.

The costs of construction contracts and off-plan sales are production costs that relate directly to the contract as well as borrowing costs incurred until the date of completion of the works.

When it is probable that total contract costs will exceed total contract revenue, the Group recognises a «loss on the entire contract» as an expense for the period.

Progress payments received on these contracts before the related work is performed are recognised as «advances and payments on account received» on the liabilities side of the balance sheet.

In accordance with the application of the interpretation «IFRIC 15», agreements for the construction of real estate where the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress, should be recognised in the following manner: the amount of costs incurred and recognised profits (less recognised losses) as well as progress billings is determined on a contract-by-contract basis.

If this amount is positive, it is recognised on the asset side in "amounts due from customers in respect of construction contracts and off-plan sales".

If it is negative, it is recognised on the liabilities side in "amounts due to customers in respect of construction contracts and off-plan sales".

1.18. Accounts receivable

Accounts receivable primarily consist of short-term receivables. An impairment loss is recognised if the carrying amount is higher than the recoverable amount. Accounts receivable are impaired on a case-by-case basis according to various criteria such as collection problems, litigation or the debtor's situation.

1.19. Cash and cash equivalents

Cash includes liquid assets in current bank accounts and sight deposits. Cash equivalents consist of money-market UCITS and investments maturing in less than three months, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, held for the purpose of meeting short-term cash commitments.

Overdrafts are treated as cash and cash equivalents and are recognised as current financial liabilities.

1.20. Accounting treatment of agency transactions

As an agent, the Group keeps its principals' accounts and represents them on its own balance sheet. Specific balance sheet items are used under the headings "miscellaneous receivables" and "miscellaneous payables". The principals' accounts on the balance sheet thus represent the position of managed funds and accounts.

1.21. Provisions

A provision is recognised if the Group has a present obligation to a third party, that arises from past events, the settlement of which is expected to result in an outflow from the Group of resources embodying economic benefits and the value of which can be estimated reliably. If the settlement date of that obligation is expected to be in more than one year, the present value of the provision is calculated and the effects of such calculation are recorded as finance income/(expense).

Identified risks of any kind, particularly operational and financial risks, are monitored on a regular basis, which enables the amount of provisions considered necessary to be determined.

1.22. Employee benefits

Retirement benefit and anniversary bonus liabilities

Contributions paid under plans which are considered as defined contribution plans, i.e. where the Group has no obligation other than to pay the contributions, are recognised as an expense for the year.

Retirement benefit plans, similar payments and other employee benefits, which are considered as defined benefits plans (plans in which the Group undertakes to guarantee a defined amount or level of benefit), are recognised on the balance sheet on the basis of an actuarial assessment of liabilities as of the balance sheet date, less the fair value of the assets of the related plan which are dedicated to them.

The provision recorded in the consolidated financial statements is calculated according to the projected unit credit method and takes into account the related social security expenses.

Actuarial gains and losses are due to differences between the assumptions used and reality or changes in the assumptions used to calculate liabilities and the assets assigned to cover them:

- employee turnover rates;
- rates of salary increases;

- discount rate;
- mortality tables;
- rates of return on plan assets.

In accordance with IAS 19, actuarial gains and losses on post-employment benefit plans are recognised directly in equity for the financial year in which they are measured and included in comprehensive income under the heading "Other comprehensive income not recyclable to the income statement".

In the event of legislative or regulatory changes, or in the event of agreements affecting pre-existing plans, pursuant to IAS 19, the Group shall immediately recognise the impact in the income statement.

A provision is recorded in respect of anniversary bonuses. It is calculated based on the likelihood of employees reaching the seniority required for each milestone. It is updated at the end of each reporting period. For these other long-term benefits, actuarial gains or losses for the financial year are recognised immediately and in full in the income statement.

Retirement benefit and anniversary bonus liabilities are valued by an independent actuary.

Employee profit sharing

The provision for the employee profit sharing plan is determined in accordance with a current Group agreement.

1.23. Share-based payments

Pursuant to IFRS 2 relating to share-based payments, share subscription or purchase options plans as well as bonus shares granted give rise to the recognition of a staff expense in respect of the fair value of the services to be rendered during the vesting period. The fair value of the financial instrument granted is determined on the grant date. It is not subsequently adjusted for changes in market parameters. Only the number of share subscription or purchase options is adjusted during the vesting period based on the satisfaction of service conditions or internal performance conditions. For plans subject to vesting conditions, this expense is spread on a straight-line basis over the vesting period with a corresponding increase in reserves.

1.24. Financial liabilities and interest rate hedges

Financial liabilities

An ORNANE (bond redeemable in cash and in new or existing shares) issued in 2010 by Silic has been recognised in accordance with the option provided for by IAS 39, without distinguishing between the bond liability and its embedded derivative. Since this financial instrument is not listed on a stock exchange, it is measured at each balance sheet date using the valuation method of the financial services agent (IFRS 7, level 3). The change in fair value is recorded in finance income/(expense) under the heading "Other finance income and expenses".

The corresponding finance costs (coupon) are recorded in the income statement under the heading "Cost of gross debt".

Borrowings and other interest-bearing financial liabilities are valued, after their initial recognition, according to the amortised cost method using the effective interest rate of the loan. Issue costs and premiums affect the opening value and are spread over the life of the loan using the effective interest rate.

In the case of financial liabilities resulting from the recognition of finance leases, the financial liability recognised as the corresponding entry of the asset is initially measured at the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Derivatives and hedge accounting

The Group uses financial derivatives to hedge its exposure to the market risk stemming from interest rate fluctuations. Derivatives are used as part of a Group policy on interest rate risk management. The financial risk management strategies and methods used to determine the fair value of financial derivatives are set out in notes 5.2.4 and 5.3.

Financial derivatives are recorded on the balance sheet at fair value.

The Group uses derivatives to hedge its fixed or variable rate debt against interest rate risk (cash flow hedging) and applies hedge accounting where the documentation and effectiveness requirements (*ex ante* and *ex post*) are met. In this case, changes in fair value of the financial derivative are recognised net of tax in equity (revaluation reserves) until the hedged transaction occurs in respect of the effective portion of the hedge. The ineffective portion is recognised immediately in the income statement for the period. Gains and losses accumulated in equity are reclassified in the income statement under the same heading as the hedged item for the same periods as those during which the hedged cash flow has an impact on the income statement.

Where financial derivatives do qualify for hedge accounting under the standard, they are classified under the category of trading instruments and any changes in their fair value are recognised directly in the income statement for the period.

The fair value of derivatives is measured using commonly accepted models (discounted cash flow method, Black and Scholes model, etc.) and based on market data.

1.25. Fair value hierarchy of financial instruments

Financial instruments (assets or liabilities) recognised at fair value are measured using three methods, each reflecting a different level of priority. Each method is presented in note 5.3.

1.26. Tax

The eligible companies of the Icade Group benefit from the SIIC tax regime specific to real estate companies (Listed Real Estate Investment Companies); ordinary tax rules apply to the other companies of the Group.

SIIC tax regime

Icade SA and its subsidiaries that are eligible for the tax status for Listed Real Estate Investment Companies (SIIC) have adopted it. Two distinct segments have been identified within the Group:

- a SIIC segment exempt from tax on current income from leasing activities, capital gains on disposals and dividends received from subsidiaries subject to the SIIC tax status;
- a segment that is taxable under ordinary tax rules in respect of other operations.

Description of the SIIC tax regime

In return for tax exemption, the application of the SIIC tax regime entails specific dividend payment obligations, and the immediate payment of an exit tax at a rate of 19% calculated on the unrealised capital gains relating to investment properties and partnerships not subject to corporate tax. A quarter of the tax amount is payable from December 15 of the year on which the company begins to apply the tax regime and the remainder is spread over the following three years.

Entities to which the SIIC tax regime applies must pay:

- 95% of profits from leasing activities;
- 60% of capital gains on disposals;
- 100% of dividends paid by subsidiaries subject to corporate tax which adopted the SIIC tax regime.

The exit tax liability is discounted according to its payment schedule on the basis of a market rate plus a premium.

The impact of discounting is deducted from the tax liability and the tax expense initially recognised; at the end of each reporting period until maturity, a finance charge is recognised as consideration for the undiscounting of the tax liability.

Ordinary tax regime

Current tax liabilities

The current tax liability is determined on the basis of the rules and tax rates applicable to Group companies not benefiting from the SIIC regime, and for operations not falling within the scope of the tax-exempt SIIC segment. The tax liability includes an additional corporate tax contribution on distributed amounts. This contribution with a rate of 3% applies to any amounts distributed by companies subject to the ordinary tax regime and to any distributed amounts in excess of the required distribution level for companies subject to the SIIC regime.

Deferred taxes

In accordance with IAS 12, deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities and their values for tax purposes. According to the liability method, they are calculated on the basis of the expected tax rate for the year in which the asset will be sold or the liability paid off. The effects of changes in tax rates from one year to the next are recognised in the income statement for the financial year in which the change occurs. Deferred tax assets and liabilities for the same entity for tax purposes are offset when they relate to income taxes levied by the same tax authority.

Deferred taxes relating to items recognised in other items of comprehensive income or directly in equity, are symmetrically recognised in other items of comprehensive income or directly in equity.

Companies that are subject to corporate tax and do not benefit from the SIIC status (directly or indirectly – companies considered tax transparent) recognise a deferred tax liability unless:

- the Group is able to control the moment in which the temporary difference will be reversed;
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets resulting from temporary differences, tax losses and tax credits which can be carried forward are limited to the estimated amount of recoverable tax. This is estimated as of the balance sheet date according to the estimated taxable income of the entities concerned. These estimates, which are approved by the management, result from the five-year medium-term plans. Deferred tax assets and liabilities are not discounted.

Contribution based on the value-added of companies

The contribution based on the value-added of companies (CVAE) is recognised under the heading «Taxes, duties and similar payments» in the income statement.

Note 2. Main transactions affecting the scope of consolidation

2.1. Discontinued operations

As part of the implementation of its strategic plan, Icade has sold all its shares in its main subsidiaries from the Property Services business, which has been classified as discontinued operations since December 31, 2015, in accordance with IFRS 5 :

- on July 22, 2016, Icade sold its shares in the company iPorta to the Visiativ Group;
- on September 30, 2016, Icade sold its shares in the company Icade Property Management to the Foncia Group and its shares in the companies Icade Asset Management and Icade Conseil to the Colliers International Group.

Income statement of discontinued operations

The net profit or loss from discontinued operations presented in the consolidated income statement relates to:

- operations of the Property Services business for the period, which posted a loss of €(2.6) million;
- the capital gain net of tax on the sale of subsidiaries from this business, which amounted to €16.0 million.

(in millions of euros)	12/31/2016	12/31/2015
Revenue	21.6	42.0
Operating profit/(loss)	(3.3)	(19.2)
Income tax	0.7	(1.3)
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS FOR THE PERIOD	(2.6)	(20.5)
Profit/(loss) on disposals of discontinued operations	16.2	-
Tax on profit/(loss) from the disposal of discontinued operations	(0.3)	-
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	13.3	(20.5)
Profit/(loss) from discontinued operations attributable to the Group	13.3	(20.5)

(in millions of euros)	12/31/2016	12/31/2015
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	13.3	(20.5)
Other items of comprehensive income:		
Actuarial gains and losses and asset ceiling adjustments	0.3	0.7
Taxes on actuarial gains and losses and asset ceiling adjustments	-	(0.2)
Total comprehensive income recognised in equity	0.3	0.5
TOTAL COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS	13.6	(20.0)

The Profit/(loss) from discontinued operations for the financial year 2015 included in particular a goodwill impairment of €9.7 million relating to an entity of the Property Services Division.

Balance sheet of discontinued operations

(in millions of euros)	12/31/2016	12/31/2015
ASSETS		
TOTAL NON-CURRENT ASSETS	-	16.9
TOTAL CURRENT ASSETS	0.3	139.9
TOTAL ASSETS OF DISCONTINUED OPERATIONS	0.3	156.8

(in millions of euros)	12/31/2016	12/31/2015
LIABILITIES		
Non-current provisions	5.7	5.6
Other non-current financial liabilities	-	1.2
TOTAL NON-CURRENT LIABILITIES	5.7	6.9
Current provisions	4.9	8.7
Current tax liabilities	0.3	0.9
Accounts payable	0.2	11.2
Miscellaneous current liabilities	-	127.9
TOTAL CURRENT LIABILITIES	5.4	148.6
TOTAL LIABILITIES OF DISCONTINUED OPERATIONS	11.1	155.5

2.2. Acquisition of new entities

Healthcare Property Investment Division

On June 14, 2016, Icade Santé acquired a portfolio of four healthcare properties (five companies) from private investors as part of a share deal (see note 4.2.1). The acquisition of these companies resulted in particular in a net gain of €1.3 million.

Note 3. Segment reporting

As of December 31, 2016, discontinued operations were recognised in accordance with IFRS 5 and classified in a column called «Intersegment transactions and other items» in the segment information. This was also applied to the comparative segment information. On the other hand, holding company activities are classified in the Commercial Property Investment Division.

In 2016, 100% of revenue was generated in France.

(in millions of euros)	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
INCOME STATEMENT										
Consolidated revenue	401.4	408.4	207.3	169.5	913.1	885.4	(29.2)	(23.6)	1,492.7	1,439.7
▣ Intersegment sales (Group)	(51.8)	(46.1)	-	-	(11.1)	(17.5)	(31.8)	(30.7)	(94.6)	(94.3)
▣ Total sales, including intersegment sales (Group)	453.2	454.5	207.3	169.5	924.2	903.0	2.6	7.1	1,587.3	1,534.1
EBITDA	302.4	315.1	191.4	156.6	31.9	30.6	(4.6)	(0.9)	521.1	501.5
Depreciation of operating assets	(8.2)	(9.2)	-	-	(1.3)	(1.4)	-	-	(9.5)	(10.6)
Impairment of operating assets	20.5	(17.0)	-	-	(1.4)	(0.4)	-	-	19.2	(17.3)
Depreciation of investment properties	(220.0)	(197.1)	(95.0)	(75.4)	-	-	1.3	1.3	(313.8)	(271.2)
Impairment of investment properties and financial receivables	30.7	(291.5)	(0.2)	(1.3)	-	-	-	-	30.5	(292.9)
Profit/(loss) from acquisitions	-	-	1.3	(0.3)	-	-	-	-	1.3	(0.3)
Profit/(loss) from asset disposals	19.4	122.5	(0.3)	6.0	(0.1)	(0.6)	0.5	1.2	19.4	129.2
Impairment of goodwill and intangible fixed assets	0.1	0.1	-	-	-	-	-	-	0.1	0.1
Share of equity-accounted companies	(17.2)	(18.0)	-	-	11.6	9.6	-	-	(5.6)	(8.4)
OPERATING PROFIT/(LOSS)	127.6	(95.1)	97.3	85.6	40.7	37.9	(2.9)	1.6	262.7	29.9
Cost of net debt	(80.5)	(98.8)	(29.4)	(25.6)	0.4	0.5	-	-	(109.4)	(123.9)
Other finance income and expenses	(53.6)	(1.6)	(0.9)	(0.9)	0.4	0.2	(0.1)	-	(54.1)	(2.2)
FINANCE INCOME/(EXPENSE)	(134.1)	(100.3)	(30.3)	(26.5)	0.8	0.8	(0.1)	-	(163.6)	(126.1)
Income tax	(4.8)	(45.5)	0.3	(0.2)	(19.0)	(17.8)	-	-	(23.6)	(63.5)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	13.3	(20.5)	13.3	(20.5)
NET PROFIT/(LOSS)	(11.3)	(241.0)	67.2	58.9	22.5	20.8	10.4	(19.0)	88.9	(180.2)
Net profit/(loss) attributable to non-controlling interests	-	-	29.2	25.6	1.7	1.8	-	-	30.9	27.4
NET PROFIT: ATTRIBUTABLE TO THE GROUP	(11.3)	(241.0)	38.0	33.3	20.8	19.1	10.4	(19.0)	58.0	(207.6)

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	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
(in millions of euros)										
Acquisition of intangible and tangible fixed assets and investment properties	700.5	229.7	146.3	409.7	0.5	1.7	-	0.4	847.4	641.4
CLOSING BALANCE SHEET										
Non-current assets	7,289.1	7,244.8	1,907.2	1,801.7	(66.1)	(66.7)	(657.3)	(695.4)	8,473.0	8,284.3
Current assets	780.2	945.1	13.1	90.8	957.5	981.6	(186.9)	(98.1)	1,564.0	1,919.3
TOTAL ASSETS	8,069.3	8,189.8	1,920.4	1,892.6	891.4	914.8	(844.1)	(793.6)	10,037.0	10,203.7
Equity attributable to the Group	3,317.9	3,376.9	56.4	69.0	118.3	218.0	(57.4)	(71.4)	3,435.2	3,592.5
Non-controlling interests	-	-	664.1	673.7	1.1	1.2	-	-	665.2	675.0
Non-current financial liabilities	3,691.0	3,381.7	1,041.5	1,011.3	-	-	(601.3)	(621.5)	4,131.2	3,771.5
Other non-current liabilities	77.3	139.0	37.0	31.0	17.1	15.4	-	-	131.4	185.4
Current financial liabilities	658.2	968.4	63.4	52.2	72.2	27.7	(75.9)	(147.1)	717.8	901.1
Other current liabilities	325.0	323.9	58.0	55.3	682.7	652.5	(109.4)	46.5	956.2	1,078.2
TOTAL LIABILITIES AND EQUITY	8,069.3	8,189.8	1,920.4	1,892.6	891.4	914.8	(844.1)	(793.6)	10,037.0	10,203.7
CASH FLOWS										
Tangible and intangible investments and investment properties	(706.2)	(226.4)	(120.1)	(404.8)	(0.5)	(1.7)	-	(0.4)	(829.7)	(633.3)
Disposal of tangible and intangible assets and investment properties	586.7	376.9	-	26.8	-	-	-	-	586.7	403.7

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 Millénaire 1 building at 35, rue de la Gare, 75019 Paris) and financial receivables.

4.1.1. Valuation assignments

Icade'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, DTZ Valuation France, CBRE Valuation, Catella Valuation FCC and BNP Paribas Real Estate Valuation.

Property valuation fees are billed to Icade on the basis of a fixed service fee that takes into account the specificities of the properties (number of units, number of square meters, 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*), fourth edition, published in October 2012;
- the Barthès de Ruyter report from the French Securities and Exchange Commission (COB), which is part of the French Financial Authority (AMF), dated February 3, 2000 on the valuation of the property assets of publicly traded companies;

- 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, Icade makes sure that the methods used by the different property valuers for valuing its assets are consistent.

Valuations are calculated both inclusive and exclusive of duties. Those excluding duties are determined by deducting a fixed amount for duties and legal expenses as calculated by the property valuers.

The Crystal Park office building, the EQHO and PB5 office towers, and the Millénaire shopping centre are subject to a double appraisal approach. Since December 31, 2016, the Marignan office building has been subject to a double appraisal approach, where the average of the two appraised values is used.

In H2 2015, as part of the preparation of the 2015 financial statements, Icade applied this double valuation approach to all of its business parks in order to obtain more reliable valuations. For this purpose, Icade invited the main property valuers to a selection process in July 2015. Property valuers were selected based on criteria of independence, qualification, reputation, expertise in property valuation, organisational capacity, responsiveness and price.

Note: In 2015, Icade also initiated, as most 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 Icade's assets, including its land bank and projects under development, were valued according to the procedures currently in place within the Group as of December 31, 2016, with the exception of:

- properties in the process of being sold, including those that are subject to a preliminary sale agreement as of the balance sheet date or those for which an offer has been received and that are valued based on the contractual sale price; that was the case, as of December 31, 2016, for condominium units in the Arago tower, the Rueil extension, a residential building in Sarcelles and a land bank in Sucy;
- public properties and projects held as part of a public-private partnership (PPP) which are not subject to a formal valuation due to the fact that ownership ultimately returns to the State at the end of these contracts. These assets are therefore recognised based on their net carrying amount, which is included unchanged in the value of the property portfolio reported by Icade;
- properties acquired less than three months before the end of the half-yearly or annual reporting period, which are valued based on their net carrying amount. As of December 31, 2016, 4 assets acquired during the last quarter fell within this category.

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.

4.1.2.1. 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 using the most appropriate method between net rent capitalisation and discounted cash flows) and the comparable sales 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 valued at fair value. They are therefore subject to 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 comparable sales 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, financial costs and any land-related costs.

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

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

Considering its special situation, and its development model, the land bank of the Rungis business park is valued separately. In fact, in the Rungis business park there is a remaining buildable area on plots already developed. Icade valued the difference between the constructed area and the potential area in the context of a 25-year redevelopment plan. This plan provides for the construction of around 380,000 sq.m of premium offices, mixed-use buildings (office and business premises) through the demolition of the most obsolete buildings or construction in strategic areas for the development of the portfolio.

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: 32,900 sq.m in the first five years, 77,250 sq.m between the 5th and the 10th year, 89,000 sq.m between the 10th and the 15th year, 115,000 sq.m between the 15th and the 20th year, and 66,000 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 margin of 8%. This coefficient is the result of the average price per square meter of the land and of a coefficient observed in business parks in the outskirts of Paris (2nd/3rd ring). The values thus obtained are discounted based on the 5-, 10-, 15-, 20- and 25-year redevelopment periods provided for in the projected plan with the respective rates of 3.5%, 5.5%, 6.5%, 7.5% and 8.5%. This land bank is valued at €74.2 million as of December 31, 2016.

Additionally, Icade identified floor space pending 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 was valued at €3.3 million and €26.2 million for offices and business parks, respectively.

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.

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4.1.2.2. 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 the value determined by the property valuer nevertheless is totally related to its operation and consequently to the goodwill of the business. Also, since these premises are unsuitable for any other use without substantial conversion works, they are not subject to rent ceilings upon lease renewals or rent reviews or to the traditional rules for determining the estimated rental value, because the layout

and the highly-specific use of the property imposes objective 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 could be valued by capitalisation of the rental income reported by Icade.

Finally, valuations dated December 31, 2016 take into account the effects related to the increase in additional tax in the Paris region (Île-de-France) and the increase in transfer duties decided by the city of Paris, both applicable as from 2016.

4.1.3. Main valuation assumptions for investment properties

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)	Estimated rental value (in €/sq.m)
OFFICES & BUSINESS PARKS					
Offices					
Paris	DCF	4.00% - 4.50%	2.95% - 3.30%		€790 - €915
La Défense & surroundings	DCF	4.65% - 8.25%	4.80% - 6.50%		€210 - €510
Other Western Crescent	DCF	4.50% - 7.00%	4.00% - 5.25%		€360 - €665
Inner Ring	DCF	5.00% - 6.55%	4.90% - 5.40%		€210 - €295
Outer Ring	DCF	11.20% - 11.50%	11.00%		€100 - €105
Outside the Paris region	DCF	10.25% - 10.40%	9.75%		€75 - €85
Business parks					
Paris	DCF	4.00% - 7.50%	4.30% - 7.00%		€220 - €390
La Défense & surroundings	DCF	6.80% - 7.50%	6.75% - 7.18%		€195 - €210
Other Western Crescent	DCF	5.25% - 8.50%	6.25% - 8.35%		€130 - €275
Inner Ring	DCF	4.50% - 10.00%	4.60% - 10.12%		€80 - €370
Outer Ring	DCF	5.00% - 10.00%	5.60% - 10.00%		€50 - €280
HEALTHCARE					
Paris region	Capitalisation and DCF	5.30% - 6.40%	5.30% - 6.50%	4.95% - 6.15%	(a)
Outside the Paris region	Capitalisation and DCF	5.70% - 11.20%	5.55% - 12.05%	5.10% - 10.75%	(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 €8,463.7 million to €8,471.8 million.

(in millions of euros)	12/31/2015	Acquisitions and construction work ^(c)	Asset disposals	Depreciation charges	Net reversals of impairment charges	Impact of changes in scope of consolidation	Other changes ^(d)	12/31/2016
Gross amount	112.2	1.3	-	-	-	-	-	113.5
Depreciation	(39.2)	-	-	(5.0)	-	-	-	(44.1)
OPERATING PROPERTIES^(a)	73.1	1.3	-	(5.0)	-	-	-	69.4
Gross amount	9,680.1	841.2	(31.2)	-	-	56.9	(555.7)	9,991.2
Depreciation	(1,204.8)	-	6.3	(313.8)	-	-	74.4	(1,437.9)
Impairments	(485.5)	-	2.2	-	30.5	-	76.0	(376.9)
INVESTMENT PROPERTIES^(b)	7,989.8	841.2	(22.7)	(313.8)	30.5	56.9	(405.4)	8,176.4
Properties held for sale	-	1.5	(403.5)	-	-	-	405.4	3.4
Investment properties held by equity-accounted companies (Group share)	158.2	1.2	-	(6.8)	(15.9)	-	-	136.6
Financial receivables and other assets	242.6	-	(135.8)	-	-	(13.4)	(7.6)	85.8
TOTAL PROPERTY PORTFOLIO	8,463.7	845.2	(562.1)	(325.6)	14.6	43.5	(7.6)	8,471.8
Portfolio distribution:								
Commercial – Offices	3,149.5	560.3	(259.5)	(109.7)	28.6	(13.4)	(7.6)	3,348.3
Commercial – Business parks	2,660.1	136.9	(301.9)	(117.5)	(14.5)	-	-	2,363.0
Commercial – Other assets	49.8	1.7	(0.8)	(3.4)	0.7	-	-	48.1
Commercial Property Investment	5,859.4	698.9	(562.1)	(230.6)	14.8	(13.4)	(7.6)	5,759.3
Healthcare Property Investment	2,604.4	146.3	-	(95.0)	(0.2)	56.9	-	2,712.4

(a) On the balance sheet, the heading «Tangible fixed assets» includes property improvements and other tangible fixed assets in addition to the PDM1 operating building.

(b) Including fixed assets under finance leases:

Gross amount	498.9	-	-	-	-	56.9	-	555.8
Depreciation	(66.0)	-	-	(17.0)	-	-	-	(83.0)
Impairments	-	-	-	-	0.3	-	(30.5)	(30.2)
Properties under finance leases – net value	433.0	-	-	(17.0)	0.3	56.9	(30.5)	442.6

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

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

■ **Acquisitions and construction work** associated with the investment properties of the Commercial Property Investment Division include:

- the acquisition of three operating office assets for €403.5 million:
 - 13,700-sq.m Orsud building in Gentilly for €49.2 million including duties,
 - 18,270-sq.m Parissy building in Issy-les-Moulineaux for €149.2 million including duties,
 - 21,750-sq.m Arc Ouest building in the 15th district of Paris for €201.8 million including transfer taxes,
 - incidental expenses included in 2016 in the acquisition cost of these assets stand at €3.3 million;
- the off-plan acquisition of the Go Spring development in Nanterre for a total of €191.2 million including transfer taxes, of which €75.5 million were capitalised in 2016 (+€0.6 million of expenses) and the remainder is expected to be capitalised in the next financial years. This development consists of:
 - a 14,100-sq.m building to be completed in March 2017,
 - a 18,500-sq.m building to be completed in January 2019,
 - 539 parking spaces;

- projects under development for €129.3 million, including:
 - projects completed during the financial year for €87.1 million (Véolia: €42.1 million; PDM 4: €34.1 million; Open: €10.9 million),
 - current or forthcoming projects under development as of the end of the reporting period for €42.3 million, especially in the Défense 4/5/6 buildings: €5.4 million; Pulse: €14.9 million; Origine: €19.2 million;
- major maintenance/repair work and restoration work for rental properties for €38.5 million;
- other investments for €50.4 million, including in particular €42.4 million of lease incentives and €6.2 million of marketing costs.

■ **The investments** of the Healthcare Property Investment Division for €203.2 million include:

- acquisitions of operating property assets and changes in scope of consolidation for €65.7 million:
 - portfolio of four new private hospitals operated by Ramsay Générale de Santé acquired from private investors for €56.9 million and added to the scope of consolidation,
 - a contingent consideration for the Claude Bernard private hospital for €8.8 million;

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- projects under development for €84.6 million:
 - private hospital in Domont for €7.8 million. This private hospital was completed in H2 2016,
 - Courlancy polyclinic in Bezannes for €30.7 million,
 - La Croix du Sud polyclinic in Quint-Fonsegrives for €28.7 million,
 - Bromélia private hospital in Saint-Herblain for €13.6 million; including €2.1 million for land acquisition and €11.5 million for construction work,
 - Greater Narbonne Private Hospital for €3.8 million for land acquisition;
- works to private hospitals currently operating for €52.9 million.

■ **The net carrying amounts of disposals and changes in scope of consolidation** for the period include primarily:

- a warehouse and four office buildings including the Défense 3 building (Nanterre Préfecture) and the building located at 69 boulevard Haussmann (8th district of Paris), the five non-strategic business parks respectively located in Nanterre, Évry, Villebon, Cergy and Antony as well as residential assets (net carrying amount of €426.0 million);
- an office building classified as a financial receivable, located in Levallois, which the French government used to occupy as a tenant and purchased on December 30, 2016 by exercising its option to purchase (net carrying amount of €135.8 million);
- a company which holds the Meaux police headquarters, classified as a financial receivable (net carrying amount of €13.4 million).

■ **Other changes** relate mainly to reclassifications of investment properties as assets held for sale. The latter were actually sold during the financial year with the exception of an office building subject to a preliminary sale agreement (net carrying amount of €3.4 million).

4.2.2. Impact of impairment charges

In the income statement, impairment showed a net reversal of €49.6 million, of which €51 million for the Property Investment Division which relate to:

- fully-consolidated investment properties for €30.5 million including:
 - €8.4 million of impairment charges, including €8.0 million due to business parks,
 - reversals totalling €38.9 million, primarily concerning offices for €28.7 million and business parks for €9.4 million;
- receivables from the straight-lining of rents for €20.5 million (mainly Eqho Tower).

4.2.3. Profit/(loss) from disposals

- In line with the strategic plan announced in November 2015, Icade completed the sale of its non-strategic business parks at the end of December 2016:
 - Nanterre Seine business park and Défense 3 building for €145.0 million;
 - Antony, Cergy, Évry and Villebon business parks for €141.0 million.
- In FY 2016, Icade also sold a number of office assets for an aggregate amount of €292.1 million, including:
 - the building in Levallois: €135.1 million;
 - the building at 69, boulevard Haussmann: €128.0 million;
 - three other commercial assets: €29.0 million.
- Lastly, Icade continued its programme to dispose of housing units, generating proceeds of €8.4 million.

For the financial year, the profit/(loss) from the disposal of investment properties net of costs to sell reached €20.2 million. The profit/(loss) from disposals of consolidated securities relates to SCI PCM (police headquarters of the city of Meaux).

(in millions of euros)	12/31/2016	12/31/2015
Profit/(loss) from disposals of investment properties	20.2	131.2
Profit/(loss) from disposals of other tangible and intangible assets	-	(0.1)
Profit/(loss) from disposals of consolidated securities	(0.8)	(2.0)
TOTAL PROFIT/(LOSS) FROM DISPOSALS	19.4	129.2

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

(in millions of euros)	12/31/2016			12/31/2015			Change		
	Fair value	Net carrying amount	Unrealised capital gain	Fair value	Net carrying amount	Unrealised capital gain	Fair value	Net carrying amount	Unrealised capital gain
Operating properties	178.3	69.4	108.9	178.4	73.1	105.3	(0.1)	(3.7)	3.6
Investment properties	10,850.0	8,176.4	2,673.6	9,889.9	7,989.8	1,900.1	960.1	186.6	773.5
Properties held for sale	4.1	3.4	0.7	-	-	-	4.1	3.4	0.7
Financial receivables and other assets	93.4	85.8	7.5	250.1	242.6	7.5	(156.8)	(156.8)	0.0
Property portfolio of fully-consolidated companies	11,125.8	8,335.1	2,790.7	10,318.4	8,305.5	2,012.9	807.4	29.6	777.8
Investment properties of equity-accounted companies	159.5	136.6	22.8	179.2	158.2	21.0	(19.7)	(21.6)	1.9
TOTAL PROPERTY PORTFOLIO	11,285.3	8,471.8	2,813.5	10,497.6	8,463.7	2,033.9	787.7	8.0	779.7
Portfolio distribution									
Commercial – Offices	4,063.6	3,348.3	715.3	3,642.3	3,149.5	492.8	421.3	198.8	222.5
Commercial – Business parks	3,503.7	2,363.0	1,140.7	3,621.2	2,660.1	961.1	(117.5)	(297.0)	179.6
Commercial – Other assets	135.1	48.1	87.0	163.4	49.8	113.6	(28.3)	(1.7)	(26.5)
Commercial Property Investment	7,702.4	5,759.3	1,943.1	7,426.8	5,859.3	1,567.5	275.6	(100.0)	375.6
Healthcare Property Investment	3,582.9	2,712.4	870.5	3,070.8	2,604.4	466.4	512.1	108.0	404.1
TOTAL PROPERTY PORTFOLIO	11,285.3	8,471.8	2,813.5	10,497.6	8,463.7	2,033.9	787.7	8.0	779.7
TOTAL PROPERTY PORTFOLIO GROUP SHARE^(a)	9,727.1	7,292.1	2,435.0	9,162.1	7,331.1	1,831.0	565.0	(38.9)	603.9

(a) This takes into account the Group's stake in Icade Santé, i.e. 56.51% in 2016 and 2015.

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

Impact on net carrying amounts (in millions of euros)	Changes in fair value of investment properties			
	(5.00)%	(2.50)%	+2.50%	+5.00%
La Défense & surroundings	(21.0)	(12.9)	4.4	8.7
Inner Ring	(3.7)	(2.5)	-	-
Outer Ring	(0.2)	(0.1)	0.1	0.2
SUBTOTAL PARIS REGION	(24.9)	(15.5)	+ 4.5	+ 8.9
Outside the Paris region	-	-	-	-
TOTAL OFFICES	(24.9)	(15.5)	+ 4.5	+ 8.9
Business parks				
Paris	-	-	-	-
La Défense & surroundings	(2.4)	(1.2)	1.2	2.4
Other Western Crescent	(6.9)	(3.4)	3.4	6.9
Inner Ring	(4.3)	(2.2)	2.2	4.3
Outer Ring	(50.8)	(25.5)	25.1	50.3
TOTAL BUSINESS PARKS	(64.4)	(32.3)	+ 31.9	+ 63.8
TOTAL OFFICES AND BUSINESS PARKS	(89.2)	(47.8)	+ 36.4	+ 72.8
Other assets	(0.9)	(0.4)	0.4	0.9
TOTAL COMMERCIAL PROPERTY INVESTMENT	(90.1)	(48.2)	36.8	73.7
Healthcare^(a)				
Total Paris region	-	-	-	-
Outside the Paris region	(0.3)	(0.2)	0.2	0.3
TOTAL HEALTHCARE PROPERTY INVESTMENT	(0.3)	(0.2)	+ 0.2	+ 0.3
TOTAL PROPERTY PORTFOLIO	(90.5)	(48.4)	+ 37.0	+ 74.0

(a) Net carrying amounts based on full consolidation.

4.4. Impairment tests and unrealised capital gains on the property portfolio and Property Development companies

4.4.1. Valuation of the Property Development companies

Icade's Property Development companies were valued by Détroyat Associés, an independent firm. The valuation method selected by the property valuer is based mainly on discounting the cash flows (DCF)

generated by each company over the period of its business plan, discounting the cash flows calculated by extending those from the business plan over an additional 10-year period, and adding a terminal value calculated by applying a perpetual growth rate to the cash flows.

The risk-free rate used was the 3-month average of the 10-year OAT TEC (variable-rate fungible treasury bond). The risk premiums applied are specific to each business and take into account developments in their respective markets during financial year 2016. The pre-tax discount rates used for determining the value in use ranged from 8.73% to 10.40% for financial year 2016 (8.14% to 10.36% during financial year 2015) depending on the assets tested.

The value of investments in these companies is used in the calculation of Icade's net asset value.

(in millions of euros)	12/31/2016			12/31/2015		
	Property Development companies			Property Development companies		
	Full consolidation	Equity method	Total	Full consolidation	Equity method	Total
Enterprise value	424.0	89.7	513.7	319.1	94.2	413.3
Net debt ^(a)	53.2	30.7	83.9	(113.1)	25.0	(88.1)
Provisions and minority interests	43.2	0.9	44.1	40.5	0.9	41.4
Total value of investments in the companies	327.6	58.1	385.7	391.6	68.4	460.0

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

The value of Property Development companies used in the calculation of the loan-to-value (LTV) ratio was €482.1 million. It is equal to the enterprise value of fully-consolidated companies, plus the value of investments in equity-accounted companies, i.e. €424.0 million and €58.1 million as of December 31, 2016, respectively (see note 5.2.3).

4.4.2. Goodwill

An impairment test was conducted as of December 31, 2016 and December 31, 2015 based on appraisals carried out by property valuers. If no impairment is detected, the gross value is equal to the net value.

(in millions of euros)	12/31/2016			12/31/2015		
	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
GOODWILL	4.0	42.3	46.3	4.0	42.3	46.3

4.4.3. Summary of unrealised capital gains on the property portfolio and Property Development companies

(in millions of euros)	12/31/2016				12/31/2015			
	Property Portfolio				Property Portfolio			
	Commercial Property Investment	Healthcare Property Investment	Total Property Investment	Property Development companies	Commercial Property Investment	Healthcare Property Investment	Total Property Investment	Property Development and Property Services companies
Equity-accounted securities								
Fair value of the securities	129.5	-	129.5	58.1	126.1	-	126.1	68.4
Net carrying amount of securities ^(a)	106.7	-	106.7	11.0	105.2	-	105.2	8.8
Gross unrealised capital gain	22.8	-	22.8	47.1	21.0	-	21.0	59.6
Fully-consolidated companies								
Fair value	7,542.9	3,582.9	11,125.8	327.6	7,247.7	3,070.8	10,318.5	410.6
Net carrying amount	5,622.7	2,712.4	8,335.1	246.1	5,701.2	2,604.4	8,305.6	359.6
Unrealised capital gain	1,920.2	870.5	2,790.7	81.4	1,546.5	466.4	2,012.9	51.1
Unrealised capital gain – Group share^(b)	1,920.2	491.9	2,412.1	81.5	1,546.5	263.6	1,810.0	51.0
Total gross unrealised capital gain – Group share	1,943.1	491.9	2,435.0	128.6	1,567.5	263.6	1,831.0	110.6
Impact of receivables from the straight-lining of rents	(35.0)	-	(35.0)	-	-	-	-	-
Tax on unrealised capital gains	-	-	-	(10.3)	-	-	-	(15.4)
Net unrealised capital gain used in calculating the NAV	1,908.0	491.9	2,399.9	118.3	1,567.5	263.6	1,831.0	95.2

(a) The value of equity-accounted securities for the Property Development Division is net of the cost of the securities, which stood at €0.5 million in 2015 and 2016.

(b) This takes into account the Group's stake in Icade Santé, i.e. 56.51% in 2016 and 2015.

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)	12/31/2016	12/31/2015
Medium- and long-term financial liabilities	4,131.2	3,771.5
Short-term financial liabilities	717.8	901.1
GROSS FINANCIAL LIABILITIES	4,849.0	4,672.6
Interest rate derivatives (assets and liabilities)	13.4	63.2
GROSS FINANCIAL LIABILITIES INCLUDING DERIVATIVES	4,862.4	4,735.8
Available-for-sale securities and other financial assets ^(a)	(138.6)	(163.2)
Cash and cash equivalents	(272.4)	(451.4)
NET FINANCIAL LIABILITIES	4,451.3	4,121.2

(a) Excluding deposits paid.

In order to optimise its cost of net debt and extend its average debt maturity, the Group restructured its financial liabilities during the financial year, in an environment of historically low rates. This had the following impacts:

■ **financial liabilities** increased by €320.8 million compared to December 31, 2015 as a result of the following:

- prepayment of €657.0 million of bank loans, whose penalties had a €1.1 million impact on finance income/(expense) for the year,
- redemption of two existing bonds:
 - a bond maturing in January 2019 with a nominal value of €500 million and a coupon of 2.25%,
 - a bond maturing in April 2021 with a nominal value of €500 million and a coupon of 2.25%.

In line with its objective, Icade redeemed a total of €300.2 million, i.e. an average take-up rate for all bonds of 30% (51% for the bond maturing in 2019 and 9% for the one maturing in 2021). This bond redemption had an impact on finance income/(expense) for the year of + €23.2 million, including the payment of a cash adjustment of €17.0 million,

- issue of two new bonds: a €750.0 million, 10-year bond with a margin of 123 bps above the benchmark rate (i.e. an annual coupon of 1.75%), and a €500 million, 9-year bond with a margin of 82 bps above the benchmark rate (i.e. an annual coupon of 1.125%),
- refinancing of a mortgage backed by the Pont de Flandre business park with Allianz. With a term of 20 years and a fixed rate of 2.172%, this new loan is more than 150 bps below the initial interest rate and its amount has increased by €28.0 million to €225 million. The remaining term was extended by 11 years;

■ **derivatives** decreased by €49.8 million compared to December 31, 2015 as a result of the following:

- unwinding of short-term swaps for a notional amount of €892 million and a cash adjustment of €48.7 million including:
 - €23.6 million for derivatives whose underlying debt was not kept, including a €23.4 million impact on finance income/(expense) for the year,
 - €25.1 million for derivatives whose underlying debt was kept, including a €3.8 million impact on finance income/(expense) for the year (the remainder will be spread over the remaining life of the underlying debt),
- long-term forward swaps for a notional amount of €250 million were taken out.

In addition, other changes in gross debt including derivatives compared to December 31, 2015, which represented €(138.4) million, relate primarily to:

- a net increase in Negotiable European Commercial Paper (NEU CP) outstanding of €226.0 million (including a €528.5 million increase and a €302.5 million decrease);
- a new bank loan taken out by Icade Santé with Banque Palatine for €50 million;
- drawdowns from new credit lines for €230.0 million;
- a €34.7 million increase in finance leases due to additions to the scope of consolidation of the Healthcare Property Investment Division;
- an increase in bank overdrafts of €12.4 million;
- the anticipated amortisation of loans from credit institutions (including credit lines) and finance leases for €677.4 million;
- a decrease in the amount of debt of €12.7 million due to changes in scope of consolidation;
- a decrease in fair value of ORNANE bonds of €1.4 million.

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Financing and financial instruments

5.1.2. Finance income/(expense)

(in millions of euros)	12/31/2016	12/31/2015
Interest expenses from financial liabilities	(97.9)	(98.7)
Interest expenses from derivatives	(20.0)	(36.1)
Recycling to the income statement of interest rate hedging instruments whose underlying asset is kept	1.5	1.7
COST OF GROSS DEBT	(116.4)	(133.2)
Interest income from cash and cash equivalents	2.0	2.8
Income from receivables and loans	4.9	6.3
Change in fair value of cash equivalents recognised in the income statement	-	0.1
Net income from cash and cash equivalents, related loans and receivables	7.0	9.2
COST OF NET DEBT	(109.4)	(123.9)
Profit/(loss) from disposals of available-for-sale securities	1.6	-
Change in fair value of derivatives recognised in the income statement	(1.5)	(0.3)
Change in fair value of ORNANE bonds	1.4	2.5
Commitment fees	(5.1)	(5.3)
Restructuring costs for financial liabilities	(51.4)	-
Other finance income and expenses	0.9	0.9
Total other finance income and expenses	(54.1)	(2.2)
FINANCE INCOME/(EXPENSE)	(163.6)	(126.1)

5.1.3. Components of net financial liabilities

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

(in millions of euros)	Balance sheet value as of 12/31/2016	Current		Non-current				Fair value as of 12/31/2016
		Portion due in < 1 year	Portion due in 1-2 years	Portion due in 2-3 years	Portion due in 3-4 years	Portion due in 4-5 years	Portion due in > 5 years	
Fixed rate debt	3,766.2	613.7	17.6	262.0	16.4	454.3	2,402.2	3,910.8
Bonds ^(a)	2,752.8	22.5	-	245.1	-	442.3	2,042.9	2,841.5
ORNANE bonds ^(b)	46.0	46.0	-	-	-	-	-	44.8
Loans with credit institutions	314.4	2.2	4.2	4.4	4.7	0.6	298.4	345.6
Finance leases	39.5	6.1	4.9	4.0	3.2	3.0	18.3	48.2
Other loans and similar liabilities	85.0	8.5	8.5	8.5	8.5	8.4	42.5	102.2
Commercial paper	528.5	528.5	-	-	-	-	-	528.5
Variable rate debt	1,082.8	104.2	402.5	51.5	249.2	124.3	151.1	1,092.9
Loans with credit institutions	867.8	42.7	384.4	35.5	233.4	104.4	67.3	877.7
Finance leases	172.8	19.3	18.2	16.0	15.7	19.9	83.8	173.5
Other loans and similar liabilities	0.5	0.5	-	-	-	-	-	-
Payables associated with equity interests	5.0	5.0	-	-	-	-	-	5.0
Bank overdrafts	36.6	36.6	-	-	-	-	-	36.6
GROSS FINANCIAL LIABILITIES AS OF 12/31/2016	4,849.0	717.8	420.1	313.5	265.6	578.6	2,553.3	5,003.6
GROSS FINANCIAL LIABILITIES AS OF 12/31/2015	4,672.6	901.1	593.0	381.6	580.4	268.9	1,947.7	4,830.4

(a) Characteristics of the bonds:

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Interest rate	Repayment profile	Nominal value as of 12/31/2015	Increase	Decrease	Nominal value as of 12/31/2016
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Bullet	300.0	-	-	300.0
FR0011577170	09/30/2013	01/30/2019	500.0	Fixed rate 2.25%	Bullet	500.0	-	254.9	245.0
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Bullet	500.0	-	45.3	455.0
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Bullet	500.0	-	-	500.0
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Bullet	-	750.0	-	750.0
FR0013211893	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Bullet	-	500.0	-	500.0
BONDS						1,800.0	1,250.0	300.2	2,750.0

(b) Bonds redeemable in cash and/or in new and/or existing shares (ORNANE bonds):

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Interest rate	Repayment profile	Nominal value as of 12/31/2015	Increase	Decrease	Nominal value as of 12/31/2016
FR0010961128	11/16/2010	01/01/2017	175.0	Fixed rate 2.5%	Bullet	45.0	-	-	45.0

The average debt maturity was 6.6 years as of December 31, 2016 (excluding NEU CP), versus 4.5 years as of December 31, 2015. Thanks to the debt raised in 2016, especially the 9- and 10-year bonds, the refinancing of a mortgage for a further term of 20 years, the redemption of bonds and prepayment of bank loans, the average maturity of Icade's debt increased to over 6 years.

The average maturity of variable rate debt is 3.3 years; and 5.5 years for the related hedges, allowing adequate hedging, and anticipating coverage of future financing needs.

5.1.4. Derivative instruments

Change in fair value

(in millions of euros)	Fair value 12/31/2015	Asset disposals	Payment for guarantee	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	Fair value as of 12/31/2016
Swaps and interest rate options – fixed-rate payer	(78.0)	48.7	-	2.9	11.0	(15.4)
□ including change in interest accrued but not due	-	-	-	4.0	-	-
□ including ineffective portion	-	-	-	(1.2)	-	-
Cash flow hedges	(78.0)	48.7	-	2.9	11.0	(15.4)
Interest rate options	1.1	-	-	(0.4)	-	0.8
Non-hedging instruments	1.1	-	-	(0.4)	-	0.8
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	(76.8)	48.7	-	2.5	11.0	(14.6)
Derivatives: margin calls	13.6	-	(12.4)	-	-	1.2
INTEREST RATE DERIVATIVES	(63.2)	48.7	(12.4)	2.5	11.0	(13.4)
Presentation of derivatives on the balance sheet						
Derivative instruments – Assets	15.1	-	(12.4)	(0.5)	6.3	8.6
Derivative instruments – Liabilities	(78.4)	48.7	-	3.0	4.6	(21.9)

Derivatives: analysis of notional amounts by maturity

(in millions of euros)	12/31/2016				
	Average rate	Total	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
PORTFOLIO OF OUTSTANDING DERIVATIVES AS OF 12/31/2016					
Interest rate swaps – fixed-rate payer	0.88%	523.0	21.1	96.5	405.5
Interest rate options – caps	1.04%	325.0	-	325.0	-
Interest rate options – floors	0.00%	300.0	300.0	-	-
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES		1,148.0	321.1	421.5	405.5
PORTFOLIO OF OUTSTANDING DEFERRED DERIVATIVES					
Interest rate swaps – fixed-rate payer	0.20%	119.4	-	3.1	116.3
TOTAL PORTFOLIO OF OUTSTANDING DEFERRED DERIVATIVES		119.4	-	3.1	116.3
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2016		1,267.4	321.1	424.6	521.8
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2015		2,040.7	195.6	1,559.6	285.5

5.1.5. Available-for-sale securities and other financial assets and liabilities

(in millions of euros)	12/31/2015	Acquisitions	Disposals/ redemptions	Impact of changes in fair value recognised in equity	Net charges related to impairment losses recognised in the income statement	Impact of changes in scope of consolidation and capital	Other ^(b)	12/31/2016
Available-for-sale securities ^(a)	27.1	0.1	(3.0)	2.8	-	(0.4)	0.3	26.8
AVAILABLE-FOR-SALE SECURITIES	27.1	0.1	(3.0)	2.8	-	(0.4)	0.3	26.8
Receivables associated with investments and other related parties	65.5	7.6	(14.9)	-	-	3.5	-	61.8
Loans	0.2	-	-	-	-	-	-	0.2
Deposits and guarantees paid	3.3	2.3	(0.2)	-	-	(0.1)	0.1	5.4
Shareholder current accounts	70.2	-	-	-	-	-	(20.4)	49.8
Other	0.1	-	-	-	-	-	(0.1)	-
OTHER FINANCIAL ASSETS	139.4	9.9	(15.2)	-	-	3.4	(20.3)	117.3

(a) Available-for-sale securities include shares and other variable-income securities, classified in their entirety as non-current assets. During the financial year, the Group sold a part of investments in public-private partnership companies for €3 million.

(b) Other changes in shareholder current accounts relate to increases net of repayments for the period.

Financial assets by maturity

(in millions of euros)	12/31/2016	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Receivables associated with investments and other related parties	61.8	61.8	-	-
Loans	0.2	0.1	0.1	-
Deposits and guarantees paid	5.4	0.4	2.4	2.6
Shareholder current accounts	49.8	49.8	-	-
OTHER FINANCIAL ASSETS AT AMORTISED COST	117.3	112.1	2.5	2.6

Other financial liabilities consist exclusively of deposits and guarantees received from tenants for €58.5 million as of December 31, 2016.

5.1.6. Cash and cash equivalents

(in millions of euros)	12/31/2016	12/31/2015
Money-market UCITS	32.1	157.7
Cash assets (including bank interest receivable)	240.4	293.7
CASH AND CASH EQUIVALENTS	272.4	451.4

5.2. Management of financial risks

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

That division reports on a regular basis to Icade'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 €1,580.0 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 this period, Icade has continued to access liquidity under good conditions 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:

(in millions of euros)	12/31/2016									
	Portion due in < 1 year		Portion due in > 1 year and < 3 years		Portion due in > 3 year and < 5 years		Portion due in > 5 years		Total	
	Principal repayments	Interest	Principal repayments	Interest	Principal repayments	Interest	Principal repayments	Interest		
Bonds	-	54.0	245.1	108.0	454.7	97.0	2,050.0	117.8	3,126.5	
ORNANE bonds	44.8	1.1	-	-	-	-	-	-	46.0	
Loans with credit institutions	47.0	15.8	429.4	28.1	348.3	23.6	371.8	115.5	1,379.6	
Finance leases	25.4	3.6	43.2	5.9	41.8	5.1	102.2	7.2	234.4	
Other loans and similar liabilities	8.5	4.3	17.0	7.4	17.1	5.6	42.6	6.5	109.0	
Hybrid instruments	-	-	-	-	-	-	-	-	-	
Payables associated with equity interests	5.0	-	-	-	-	-	-	-	5.0	
Commercial paper	528.5	-	-	-	-	-	-	-	528.5	
Bank overdrafts	36.6	-	-	-	-	-	-	-	36.6	
Accounts payable and tax liabilities	399.7	-	17.8	-	-	-	-	-	417.4	
Derivative instruments	-	5.3	-	10.3	-	5.2	-	(5.8)	15.1	
TOTAL	1,095.5	84.2	752.5	159.7	861.9	136.5	2,566.7	241.2	5,898.1	

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 elements:

Financial covenants

		Covenants	12/31/2016
LTV covenant ^(a)	Maximum	< 52%	39.5%
ICR	Minimum	> 2	4.71x
CDC's stake	Minimum	34%	38.99%
Value of Property Investment assets ^(b)	Minimum	from > €1.7 billion to > €7 billion	€11.3 billion
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	0.7%
Security interests in assets	Maximum	< 20% of property investment assets	6.5%

(a) Excluding other loans and similar liabilities (LTV < 50%).

(b) Around 7% of the debt subject to a covenant on the value of Property Investment division's portfolio has a limit of €1.7 billion, 2% of the debt has a limit of €2 billion, 7% of the debt has a limit of €3 billion, 13% of the debt has a limit of €5 billion and the remaining 71% has a limit of €7 billion.

Loans taken out by Icade may be subject to covenants based on financial ratios (loan to value and interest coverage ratios) and to a clause on the level of control by Caisse des dépôts which may trigger early repayment. All covenants were met as of December 31, 2016.

As of December 31, 2016, Caisse des dépôts held 39.10% of voting rights and a 38.99% stake in Icade.

Financial structure ratio

The LTV (loan to value) ratio (net financial liabilities divided by the latest valuation of property assets excluding duties plus the value of property development companies) stands at 37.9% as of December 31, 2016 (compared with 38.0% as of December 31, 2015).

(in millions of euros)		12/31/2016	12/31/2015
Net financial liabilities	(A)	4,451.3	4,121.2
Fair value excluding duties of fully-consolidated assets		11,125.8	10,318.4
Market value excluding duties of equity-accounted Property Investment companies		129.5	126.1
VALUE OF PROPERTY INVESTMENT COMPANIES' ASSETS	(B)	11,255.3	10,444.5
Valuation of the Property Development companies		482.1	387.5
VALUE OF GROUP ASSETS	(C)	11,737.4	10,832.0
Benchmark LTV for covenants	(A/B)	39.5%	39.5%
LTV including Property Development companies	(A/C)	37.9%	38.0%

This ratio is still well below maximum levels established by the financial covenants stipulated in the bank agreements (52% where this ratio is mentioned as a covenant). These covenants do not provide for the inclusion of the value of Property Development companies in the calculation of the ratio. On this basis, the LTV ratio stands at 39.5% (as at of December 31, 2015).

If the value of the portfolio used for its calculation was valued including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 36.0% as of December 31, 2016.

Interest coverage ratio

The interest coverage ratio based on the EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 4.71x for the financial year 2016. This ratio, which was calculated using the same method as in the previous financial year, was up from 3.98x in 2015 due to increased EBITDA and the restructuring of liabilities which resulted in a lower cost of debt.

This ratio remains above the thresholds to be met in the financial covenants provided for in the bank agreements (2.00x).

5.2.3. Interest rate risk

(in millions of euros)	12/31/2016									
	Financial assets (a)		Financial liabilities (b)		Net exposure before hedging (c) = (b) - (a)		Interest rate hedging instruments (d)		Net exposure after hedging (e) = (d) - (c)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	0.1	384.1	613.7	104.1	613.6	(280.0)	-	321.1	(613.6)	601.1
1 to 2 years	-	-	17.6	402.5	17.6	402.5	-	209.8	(17.6)	(192.7)
2 to 3 years	-	-	262.0	51.5	262.0	51.5	-	149.5	(262.0)	98.0
3 to 4 years	-	-	16.4	249.2	16.4	249.2	-	58.0	(16.4)	(191.2)
4 to 5 years	0.1	-	454.3	124.3	454.2	124.3	-	7.2	(454.2)	(117.1)
> 5 years	26.8	-	2,402.2	151.1	2,375.3	151.1	-	521.8	(2,375.3)	370.6
TOTAL	27.0	384.1	3,766.2	1,082.8	3,739.2	698.6	-	1,267.4	(3,739.2)	568.8

Developments in financial markets can entail a variation in interest rates, which may be reflected in higher financing costs. To finance its investments, Icade also uses hedged variable rate debt, thus remaining able to prepay loans without penalty. This type of debt represents nearly 22% of its total debt as of December 31, 2016 (excluding payables associated with equity interests and bank overdrafts).

As of December 31, 2016, hedged variable rate debt accounts for 18% of total debt while unhedged variable rate debt accounts for 4% of total debt.

In 2016, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates.

In particular, short-term swaps for a notional amount of €892 million were unwound and long-term forward swaps for a notional amount of €250 million were concomitantly taken out to make sure the company will keep benefiting from today's historically low interest rates in the long term.

The average maturity of variable rate debt is 3.3 years and that of the associated hedges is 5.5 years.

Finally, Icade favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; therefore, any changes in fair value of such instruments is recognised directly in equity (for the effective portion) rather than in the income statement.

Due to the optimisation by the Group of its hedging structure during the financial year and the trend in interest rates, changes in fair value of hedging instruments had a positive impact of €11 million.

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

(in millions of euros)	12/31/2016	
	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	39.0	0.3
Impact of a -1% change in interest rates	(42.7)	1.6

5.2.4. Currency risk

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

5.2.5. Credit risk

Part of credit and/or counterparty risk concerns cash and cash equivalents, as well as the banks where they are deposited. The investment vehicles chosen have maturities of less than one year and a very low risk profile, and are monitored daily. A regular review of authorised vehicles complements the control process. Additionally, in order to limit its counterparty risk, Icade only deals in interest rate derivatives with major banking institutions which usually fund its expansion. With both types of instruments, Icade applies a principle of risk dispersion, avoiding concentration of exposure to any single counterparty.

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

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

The Group's maximum exposure to credit risk corresponds to the carrying amount of accounts receivable less deposits received from customers, i.e. €124.2 million as of December 31, 2016, compared with €69.5 million as of December 31, 2015.

The Group is not exposed to 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 12/31/2016	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 12/31/2016
ASSETS					
Current and non-current available-for-sale securities	26.8	7.4	19.4		26.8
Other current and non-current financial assets	125.8	118.5	6.5	0.8	125.8
Accounts receivable	408.0	408.0			408.0
Other operating receivables ^(a)	32.2	32.2			32.2
Cash equivalents	32.1			32.1	32.1
TOTAL FINANCIAL ASSETS	624.9	566.1	25.9	32.9	624.9
LIABILITIES					
Current and non-current financial debt	4,849.0	4,803.1		46.0	5,003.6
Other current and non-current financial liabilities	80.4	58.5	21.1	0.8	80.4
Accounts payable	388.7	388.7			388.7
Other operating debts ^(a)	292.1	292.1			292.1
TOTAL FINANCIAL LIABILITIES	5,610.3	5,542.4	21.1	46.8	5,764.9

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

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.

(in millions of euros)	Notes	12/31/2016			Carrying amount as of 12/31/2016 (fair value)
		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	
ASSETS					
Financial assets designated at fair value through profit or loss					-
Derivatives excluding margin calls (assets)	5.1.4		7.4		7.4
Available-for-sale financial assets	5.1.5			26.8	26.8
Cash equivalents	5.1.6	32.1			32.1
LIABILITIES					
Financial liabilities designated at fair value through profit or loss				46.0	46.0
Derivatives (liabilities)	5.1.6		21.9		21.9

The financial instruments whose fair value is determined using a valuation technique based on non-observable data are non-consolidated unlisted securities and ORNANE bonds.

Note 6. Earnings per share and equity

6.1. Earnings per share

(in millions of euros)		12/31/2016	12/31/2015
Net profit/(loss) attributable to the Group from discontinued operations		13.3	(20.5)
Net profit/(loss) attributable to the Group from continuing operations		44.7	(187.0)
Net profit/(loss) attributable to the Group	(A)	58.0	(207.6)
Impact of dilutive instruments		0	0
Diluted net profit/(loss) attributable to the Group	(B)	58.0	(207.6)
Opening number of shares		74,111,186	74,022,386
Increase in the average number of shares associated with the exercise of stock options		-	74,724
Average number of treasury shares outstanding		345,435	388,946
Average undiluted number of shares	(C)	73,765,751	73,708,164
Impact of dilutive instruments (stock options and bonus shares)		83,209	29,360
Average diluted number of shares	(D)	73,848,960	73,737,524
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE	(A/C)	€0.79	€(2.82)
Net profit/(loss) attributable to the Group from discontinued operations per share		€0.18	€(0.28)
Net profit/(loss) attributable to the Group from continuing operations per share		€0.61	€(2.54)
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE	(B/D)	€0.79	€(2.81)
Diluted net profit/(loss) attributable to the Group from discontinued operations per share		€0.18	€(0.28)
Diluted net profit/(loss) attributable to the Group from continuing operations per share		€0.61	€(2.54)

6.2. Equity

Share capital

Shareholders	12/31/2016		12/31/2015	
	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts	28,895,631	38.99	-	-
Groupama ^(a)	9,596,200	12.95	-	-
SUBTOTAL CDC AND GROUPAMA IN CONCERT	38,491,831	51.94	-	-
HoldCo SIIC ^(b)	-	-	38,491,773	51.94
Crédit Agricole ^(c)	4,219,304	5.69	4,144,304	5.59
Public	30,987,735	41.81	30,729,944	41.46
Employees	205,672	0.28	212,200	0.29
Treasury shares	206,644	0.28	532,965	0.72
TOTAL	74,111,186	100	74,111,186	100

(a) Groupama Gan Vie, Groupama SA, and Groupama Holding.

(b) Company which was 75.07% owned by Caisse des dépôts and 24.93% owned by Groupama and which was the subject of a merger by acquisition by Icade in H1 2016.

(c) Last number of shares notified to Icade as of December 31, 2016.

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

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Change in the number of shares outstanding

	Number	Capital (in €m)
SHARE CAPITAL AS OF 12/31/2014	74,022,386	112.8
Capital increase related to the exercise of stock options	88,800	0.1
SHARE CAPITAL AS OF 12/31/2015	74,111,186	113.0
Capital increase in consideration for the contribution of HoldCo SIIC shares	38,491,773	58.7
Cancellation of all Icade shares contributed by HoldCo SIIC	(38,491,773)	(58.7)
SHARE CAPITAL AS OF 12/31/2016	74,111,186	113.0

Shares of parent company Icade SA held by third parties and that are pledged

As of December 31, 2016, no shares registered directly with Icade (not with an agent of Icade) were pledged.

Dividends

(in millions of euros)	12/31/2016	12/31/2015
Payment to Icade SA shareholders in year N for year N-1		
▣ dividends from tax-exempt fiscal profit/(loss) (in accordance with the SIIC status)	191.9	275.1
▣ dividends deducted from profit taxable at the ordinary rate	83.4	-
▣ interim dividends	-	-
TOTAL	275.3	275.1

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

The distribution of a dividend of €4.0 per share will be submitted to the approval of the General Meeting to be held to approve the financial statements for the year ended December 31, 2016. Based on the number of shares entitled to dividends as of January 1, 2017, i.e. 73,904,542 shares, the dividend distribution amount proposed to the General Meeting will be 295.6 million.

Change in non-controlling interests

(in millions of euros)	12/31/2016	12/31/2015
OPENING NET POSITION	675.0	487.9
Acquisitions of non-controlling interests	-	191.3
Other changes	-	0.5
Change in fair value of derivatives	(1.1)	0.9
Profit	30.9	27.4
Dividends	(39.7)	(33.0)
CLOSING NET POSITION	665.2	675.0
including Healthcare Property Investment	664.1	673.7
including Property Development	1.1	1.2

6.3. Non-controlling interests

In 2016 (as in 2015), the main non-controlling interests relate to:

- ▣ the Healthcare Property Investment business. As a reminder, Icade Santé is 56.51% owned by Icade SA and this stake remained unchanged during the financial year;
- ▣ the Property Development business.

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Financial information on non-controlling interests

The share of minority interests in the main items on the balance sheet, the income statement and the cash flow statement of fully-consolidated entities which have minority interests are presented below:

Balance sheet

(in millions of euros)	12/31/2016			12/31/2015		
	Healthcare Property Investment	Property Development	Total	Healthcare Property Investment	Property Development	Total
Investment properties	1,179.6	-	1,179.6	1,132.6	-	1,132.6
Other non-current assets	0.6	0.2	0.8	1.7	0.1	1.8
Total non-current assets	1,180.2	0.2	1,180.4	1,134.3	0.1	1,134.3
Total current assets	5.7	32.7	38.5	39.5	26.8	66.3
TOTAL ASSETS	1,185.1	32.9	1,218.1	1,173.8	26.9	1,200.7
Non-current financial liabilities	452.9	-	452.9	439.8	-	439.8
Other non-current liabilities	16.1	-	16.1	13.5	-	13.5
Total non-current liabilities	469.0	-	469.0	453.3	-	453.3
Current financial liabilities	27.6	13.3	40.8	22.7	10.5	33.3
Other current liabilities	25.2	18.6	43.8	24.1	15.2	39.2
Total current liabilities	52.0	31.8	83.8	46.8	25.7	72.4
TOTAL LIABILITIES	521.0	31.9	552.9	500.1	25.7	525.7
NET ASSETS	664.1	1.1	665.2	673.7	1.2	675.0

Income statement

(in millions of euros)	12/31/2016			12/31/2015		
	Healthcare Property Investment	Property Development	Total	Healthcare Property Investment	Property Development	Total
Revenue	90.2	24.7	114.9	73.7	20.2	94.0
EBITDA	83.3	1.9	85.2	68.1	1.9	70.0
Operating profit/(loss)	42.3	1.6	43.9	37.2	1.9	39.1
Finance income/(expense)	(13.2)	-	(13.2)	(11.5)	-	(11.5)
NET PROFIT/(LOSS)	29.2	1.7	30.9	25.6	1.8	27.4

Cash flow statement

(in millions of euros)	12/31/2016	12/31/2015
Net profit/(loss) attributable to non-controlling interests	30.9	27.4
Net cash flow from operating activities	64.5	47.3
Net cash flow from investment activities	(60.6)	(257.2)
Net cash flow from financing activities	(41.0)	240.5
NET CHANGE IN CASH	(37.1)	30.7
Opening net cash	38.5	7.9
Closing net cash	1.4	38.6

Note 7. Provisions

(in millions of euros)	01/01/2016	Charges	Utilisations	Reversals	Actuarial gains and losses	12/31/2016
Lump-sum final payments and similar liabilities	23.4	1.4	(0.1)	-	(1.9)	22.9
Losses on contracts	1.9	0.2	(0.4)	-	-	1.7
Tax risks	0.1	5.6	-	-	-	5.7
Risks and charges – Other	40.6	16.1	(3.6)	(3.8)	-	49.3
PROVISIONS FOR RISKS AND CHARGES	66.0	23.3	(4.0)	(3.8)	(1.9)	79.6
Non-current provisions	28.7	2.2	(0.7)	-	(1.9)	28.3
Current provisions	37.3	21.1	(3.3)	(3.8)	-	51.3
<i>including: operating profit/(loss)</i>		16.3	(4.0)	(3.9)		
<i>including: finance income/(expense)</i>		1.0	-	-		
<i>including: tax charges</i>		6.1	-	-		

Icade identifies several types of provisions. In addition to lump-sum final payments and similar liabilities, which are subject to specific explanations (see note 9), provisions are made whenever the risks identified are the result of past events creating a current obligation and it is probable that this obligation will cause an outflow of resources.

The following risks were identified:

- losses on service contracts and on off-plan contracts (note that losses on construction contracts appear under the headings “amounts due to customers” and “amounts due from customers”);

- tax risks: these provisions cover estimated tax risks for which tax adjustment notices have been received as of December 31, 2016;
- the other provisions for risks and charges, amounting to €49.3 million, mainly come from the Property Development and Commercial Property Investment Divisions, with €28.7 million and €20.6 million, respectively. This essentially relates to business risks, labour tribunal disputes and litigation.

Note 8. Other items

8.1. Equity-accounted securities

8.1.1. Changes in equity-accounted securities

(in millions of euros)	12/31/2016			12/31/2015		
	Joint ventures	Associates	Total equity-accounted companies	Joint ventures	Associates	Total equity-accounted companies
OPENING SHARE IN NET ASSETS	114.9	-	114.9	133.9	3.1	137.0
Share of profit/(loss) for the financial year	(5.8)	0.3	(5.6)	(9.1)	0.7	(8.4)
Dividends paid	9.2	(0.4)	8.8	(9.9)	(3.8)	(13.7)
CLOSING SHARE IN NET ASSETS	118.3	(0.1)	118.1	114.9	-	114.9

8.1.2. Investments in joint ventures

The key information on the financial position of joint ventures is presented below on a Group share basis.

Balance sheet

(in millions of euros)	12/31/2016			12/31/2015		
	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
Total non-current assets	136.6	0.2	136.9	158.2	0.2	158.4
Total current assets	24.4	181.6	205.9	22.0	177.3	199.3
TOTAL ASSETS	161.0	181.8	342.8	180.2	177.6	357.7
Non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	1.7	0.2	1.9	1.7	0.2	1.9
Total non-current liabilities	1.7	0.2	1.9	1.7	0.2	1.9
Current financial liabilities	46.0	82.4	128.3	65.6	80.1	145.7
Other current liabilities	6.7	87.6	94.3	7.7	87.6	95.3
Total current liabilities	52.7	170.0	222.6	73.3	167.7	241.0
TOTAL LIABILITIES	54.4	170.2	224.5	75.0	167.9	242.9
NET ASSETS	106.7	11.6	118.2	105.2	9.7	114.9

Income statement

(in millions of euros)	12/31/2016			12/31/2015		
	Commercial Property Investment	Property Development	Total	Commercial Property Investment	Property Development	Total
Revenue	9.1	91.8	101.0	9.7	70.1	79.7
EBITDA	6.7	11.5	18.2	6.2	8.8	15.0
Operating profit/(loss)	(16.0)	11.5	(4.5)	(16.5)	9.1	(7.3)
Finance income/(expense)	(1.2)	(0.1)	(1.2)	(1.5)	-	(1.5)
Income tax	-	(0.1)	(0.1)	-	(0.2)	(0.2)
NET PROFIT/(LOSS)	(17.2)	11.4	(5.9)	(18.0)	8.8	(9.2)
including depreciation net of government grants	(6.8)	-	(6.8)	(7.0)	-	(7.0)

8.1.3. Investments in associates

The key information on the financial position of associates is presented below on a Group share basis.

Balance sheet

(in millions of euros)	12/31/2016	12/31/2015
	Property Development	Property Development
Total current assets	3.2	5.4
TOTAL ASSETS	3.3	5.4
Current financial liabilities	1.1	2.5
Other current liabilities	2.3	2.9
TOTAL LIABILITIES	3.4	5.4
NET ASSETS	(0.1)	-

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Income statement

(in millions of euros)	12/31/2016	12/31/2015
	Property Development	Property Development
Revenue	-	18.8
EBITDA	0.3	0.9
Operating profit/(loss)	0.3	0.9
Finance income/(expense)	-	-
Income tax	-	(0.1)
NET PROFIT/(LOSS)	0.3	0.7

8.2. Components of working capital requirement

8.2.1. Inventories and work in progress: changes

(in millions of euros)	Property Development				Commercial Property Investment	Total
	Land and land bank	Work in progress	Unsold finished units	Total		
NET VALUE AS OF 12/31/2015	63.8	324.7	40.9	429.5	1.0	430.5
Gross value as of 12/31/2015	71.7	335.9	41.8	449.5	1.2	450.6
Change for the period	11.4	64.5	(13.5)	62.4	-	62.4
Impact of changes in scope of consolidation	-	1.0	-	1.0	-	1.0
GROSS VALUE AS OF 12/31/2016	83.1	401.5	28.2	512.8	1.2	514.0
Impairment as of 12/31/2015	(7.9)	(11.2)	(0.9)	(20.0)	(0.2)	(20.2)
Charges and reversals of charges to the income statement	(1.0)	2.0	(2.5)	(1.5)	-	(1.5)
Other	(0.9)	0.9	-	-	-	-
IMPAIRMENT AS OF 12/31/2016	(9.8)	(8.3)	(3.4)	(21.5)	(0.2)	(21.7)
NET VALUE AS OF 12/31/2016	73.3	393.2	24.9	491.3	1.0	492.3

8.2.2. Construction contracts and off-plan sales

(in millions of euros)	The buyer is able to specify the major structural elements of the design of the real estate before and during the construction phase					
	12/31/2016			12/31/2015		
	Commercial Property Development	Intersegment eliminations	Total	Commercial Property Development	Intersegment eliminations	Total
Aggregate receivables, including tax, according to the percentage of completion method	244.0	-	244.0	303.5	-	303.5
Work in progress	24.8	-	24.8	17.4	-	17.4
Progress payments received	(242.1)	-	(242.1)	(297.7)	-	(297.7)
AMOUNTS DUE FROM CUSTOMERS	31.8	-	31.8	30.5	-	30.5
AMOUNTS DUE TO CUSTOMERS	(5.1)	-	(5.1)	(7.2)	-	(7.2)
INCOME FOR THE YEAR	122.1	-	122.1	150.2	-	150.2
Concerning contracts in progress at the end of the reporting period and those completed during the reporting period:						
Total amount of costs incurred and profits recognised (less losses recognised) until December 31 of the financial year	26.9	-	26.9	25.7	-	25.7
Advances received in respect of contracts which have not started	1.7	-	1.7	1.0	-	1.0
Reciprocal off-balance sheet commitments (final purchase and sale agreements including tax - Progress payments received)	117.3	-	117.3	165.8	-	165.8

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The buyer has limited ability to specify the major structural elements of the design of the real estate

(in millions of euros)	12/31/2016				12/31/2015			
	Residential Property Development	Commercial Property Development	Intersegment eliminations	Total	Residential Property Development	Commercial Property Development	Intersegment eliminations	Total
INCOME FOR THE YEAR	615.7	141.2	-	756.9	623.2	67.7	-	691.0
Concerning contracts in progress at the end of the reporting period and those completed during the reporting period:								
Total amount of costs incurred and profits recognised (less losses recognised) until December 31 of the financial year	-	21.8	-	21.8	0.9	38.9	-	39.8
Advances received in respect of contracts which have not started	-	0.2	-	0.2	-	0.2	-	0.2
Reciprocal off-balance sheet commitments (final purchase and sale agreements including tax - Progress payments received)	2.0	207.9	(2.0)	207.9	-	80.4	-	80.4

8.2.3. Accounts receivable

Changes in trade receivables are as follows:

(in millions of euros)	12/31/2015	Change for the period	Impact of changes in scope of consolidation	Net reversals of impairment losses recognised in the income statement	Other ^(a)	12/31/2016
Accounts receivable and related accounts	242.9	95.4	1.6		(2.5)	337.4
Financial accounts receivable	251.9	(7.5)	(13.4)		(147.2)	83.7
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS - GROSS VALUE	494.8	87.8	(11.8)		(149.7)	421.1
Impairment of accounts receivable and related accounts	(34.2)		-	18.5	2.5	(13.1)
Impairment of financial accounts receivables	(11.3)		-	-	11.3	-
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS - GROSS VALUE	(45.5)			18.5	13.9	(13.1)
Accounts receivable and related accounts - net value	208.8	95.4	1.6	18.5	-	324.3
Financial accounts receivable - net value	240.5	(7.5)	(13.4)	-	(135.8)	83.7
ACCOUNTS RECEIVABLE - NET VALUE	449.3	87.8	(11.8)	18.5	(135.8)	408.0

(a) Other changes relate mainly to the disposal of the Levallois office building.

As of December 31, the repayment schedule of accounts receivable and related accounts is as follows:

(in millions of euros)	Total	Not yet due	Due				
			< 30 days	30 < X < 60 days	60 < X < 90 days	90 < X < 120 days	> 120 days
2016	324.3	297.7	6.9	3.3	2.7	6.0	7.6
2015	208.8	179.2	5.0	4.7	3.6	1.1	15.2

8.2.4. Revenue

Revenue by category is detailed as follows:

(in millions of euros)	12/31/2016	12/31/2015
Rental income, including finance lease rents	583.3	552.8
Construction contracts and off-plan sales	893.4	864.4
Services provided	16.0	20.0
Other sales	-	2.6
TOTAL REVENUES	1,492.7	1,439.7

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8.2.5. Miscellaneous receivables

(in millions of euros)	12/31/2016			12/31/2015
	Gross	Impairment	Net	Net
Advances to suppliers	16.2	-	16.2	7.5
Receivables from asset disposals	0.1	-	0.1	0.3
Agency transactions ^(a)	45.4	-	45.4	59.6
Prepaid expenses	6.2	-	6.2	3.3
Social security and tax receivables	138.8	-	138.8	127.5
Other receivables	16.1	(0.3)	15.8	30.6
TOTAL MISCELLANEOUS RECEIVABLES	222.9	(0.3)	222.6	228.7

(a) The details of agency transactions are presented in the table below:

(in millions of euros)	12/31/2016	12/31/2015
Cash	45.4	59.6
TOTAL AGENCY TRANSACTIONS	45.4	59.6

8.2.6. Miscellaneous payables

(in millions of euros)	12/31/2016	12/31/2015
Advances from customers	149.3	136.7
Payables on asset acquisitions	123.9	106.8
Agency transactions ^(a)	45.4	59.6
Accrued income	32.2	30.6
Tax and social security payables excluding income taxes	116.7	93.3
Other liabilities	18.9	19.5
TOTAL MISCELLANEOUS PAYABLES	486.4	446.6

(a) The details of agency transactions are presented in the table below:

(in millions of euros)	12/31/2016	12/31/2015
Payables	45.4	59.6
TOTAL AGENCY TRANSACTIONS	45.4	59.6

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

(in millions of euros)	12/31/2016	12/31/2015
Investment properties held for sale	3.4	-
Other assets held for sale and discontinued operations	0.3	156.8
TOTAL ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	3.7	156.8
Other liabilities held for sale and discontinued operations	11.1	155.5
TOTAL LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS	11.1	155.5

The assets and liabilities held for sale and discontinued operations relate to the Property Services business as indicated in note 2.1 and to a building that was subject to a preliminary sale agreement as of December 31, 2016.

8.3. Tax

8.3.1. Analysis of tax expense

(in millions of euros)	12/31/2016	12/31/2015
Current taxes	(23.6)	(64.6)
Deferred taxes	(0.2)	1.1
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	(23.6)	(63.5)
TAX ON ITEMS RECOGNISED IN EQUITY	(0.3)	(0.6)

The tax expense includes in particular the 3% contribution on a portion of the dividends paid by Icade, which represents €5.0 million, and on the intercompany dividends paid by Icade Promotion, which represents €3.6 million.

8.3.2. Reconciliation of tax expense

(in millions of euros)	12/31/2016
Profit/(loss) before tax	112.5
Profit/(loss) from discontinued operations	13.3
PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	99.2
Theoretical tax rate	34.43%
THEORETICAL TAX EXPENSE	(34.1)
Impact on the theoretical tax expense of:	
Permanent differences ^(a)	(63.9)
Tax-exempt segment under the SIIC regime	84.1
Change in unrecognised tax assets (including tax loss carry forwards)	(0.0)
Tax on dividend distributions	(8.6)
Tax rate differences (France and other countries)	0.1
Tax borne by minority interests	0.6
Other impacts (including exit tax, provision for taxes...)	(1.6)
EFFECTIVE TAX EXPENSE	(23.6)
EFFECTIVE TAX RATE	23.75%

(a) Permanent differences mainly relate to differences between the consolidated income and the taxable fiscal income from companies benefiting from the SIIC tax regime.

8.3.3. Breakdown of deferred tax

(in millions of euros)	12/31/2016	12/31/2015
Deferred tax relating to temporary differences		
▣ Provisions for non-deductible assets	3.8	5.0
▣ Provisions for employee benefit liabilities	3.3	3.4
▣ Provisions for non-deductible liabilities	3.8	2.9
▣ Finance leases	(5.1)	(9.2)
▣ Other	(0.6)	(0.5)
Deferred tax assets related to tax loss carry forwards	0.2	5.4
NET DEFERRED TAX POSITION	5.4	6.9
Net deferred tax assets	12.9	17.6
Net deferred tax liabilities	7.5	10.7
NET DEFERRED TAX POSITION	5.4	6.9

As of December 31, 2016, unused tax loss carry forwards amounted to €22.8 million (tax base).

Note 9. Employee compensation and benefits

9.1. Employee benefit liabilities

9.1.1. Change in employee benefit liabilities

(in millions of euros)		12/31/2016	12/31/2015
OPENING ACTUARIAL DEBT	(1)	19.8	26.3
Impact of changes in scope of consolidation and other changes	(2)	0.1	-
Cost of services provided during the year	(a)	1.4	1.6
Financial cost for the year	(a)	0.4	0.4
Costs for the period	Σ(a)	1.8	2.1
Benefits paid out	(3)	(0.8)	(1.7)
Net costs recognised in the income statement	b=Σ(a)+(3)	0.9	0.4
Actuarial (gains) losses for the year	(4)	(1.9)	(2.0)
Reclassification of liabilities held for sale	(5)		(4.8)
CLOSING NET LIABILITIES	(A)=(1)+(2) +(b)+(4)+(5)	19.0	19.8

Employee benefit liabilities are valued as of December 31, 2016 according to the terms of the Single Group Agreement signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate: 1.32% as of December 31, 2016 and 1.81% as of December 31, 2015;

the discount rate used at the end of the period on December 31, 2016 is defined in relation to the "iBoxx € Corporates AA 10+" reference index. This reference index explicitly represents the yields of top-rated corporate bonds as of December 31, 2016;

- male/female mortality tables:
 - male/female INSEE tables for 2012-2014 as of December 31, 2016,
 - male/female INSEE tables for 2011-2013 as of December 31, 2015;

- retirement age starting in 2008: 62 years of age for employee categories and employees, technicians and supervisors and 64 years of age for executives.

Rates of salary increase and employee turnover are defined by job, occupational group and age group. Social security and tax rates on salaries are defined by job and occupational group. Lump-sum final payments are valued based on lump-sum retirement payments.

The Group does not have an asset management policy in place to cover its employee benefit liabilities.

The Group also recognises long-term liabilities related to anniversary bonuses.

(in millions of euros)	12/31/2016	12/31/2015
Anniversary bonuses	3.9	3.6
TOTAL	3.9	3.6

9.1.2. Sensitivity of carrying amounts of employee benefit liabilities

Impact on net carrying amounts (in millions of euros)

Change in discount rate	Lump-sum final payments	Anniversary premiums	Total
(1.00)%	(2.2)	(0.3)	(2.5)
(0.50)%	(1.0)	(0.2)	(1.2)
0.50%	0.9	0.2	1.1
1.00%	1.8	0.3	2.1

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Employee compensation and benefits

9.1.3. Projected flows

(in millions of euros)	Lump-sum final payments and pensions	Anniversary premiums	Total
N+1	1.2	0.3	1.5
N+2	1.0	0.3	1.4
N+3	1.5	0.3	1.8
N+4	1.0	0.3	1.3
N+5	0.8	0.3	1.1
Beyond	16.4	2.7	19.1
TOTAL	22.0	4.2	26.1
Discounting	(3.0)	(0.3)	(3.3)
Liabilities as of 12/31/2016	19.0	3.9	22.9

9.1.4. Employee termination benefits

Finally, in the light of decisions taken by management, termination benefits relating to the Group's employees (excluding related parties, see note 11.1) are not covered by any provision.

(in millions of euros)	12/31/2016	12/31/2015
Potential termination benefits	0.7	1.4
TOTAL NOT RECOGNISED	0.7	1.4

9.2. Staff

	Executives Average number of staff		Non-executives Average number of staff		Total employees Average number of staff	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Commercial Property Investment	275.9	282.0	107.1	108.9	383.0	390.9
Healthcare Property Investment	11.3	11.0	2.0	2.4	13.3	13.4
Property Development	388.0	388.0	267.6	277.7	655.6	665.7
Property Services ^(a)	152.1	210.9	105.3	152.6	257.4	363.5
TOTAL NUMBER OF STAFF	827.3	891.9	482.0	541.6	1,309.3	1,433.5

(a) Relates to discontinued operations.

9.3. Description of stock option and bonus share plans

9.3.1. Stock option plans

Description of the 2007 and 2011 stock option plans

The characteristics of stock option plans in place on December 31, 2016 and changes occurred during financial year 2016 are presented in the following table:

Original characteristics of the plans						Changes for the period					Fulfilment of performance conditions	
Plans completed	Grant date	Vesting period	Duration of the plans	Number of options granted	Exchange ratio: number of options needed to obtain one share	Number of options outstanding as of January 1, 2016	Number of options cancelled during the period	Number of options outstanding as of December 31, 2016	Including those which may be granted to related parties	Including those exercisable at the end of the period	Market related performance conditions	Non-market related performance conditions
2007 ^(a)	05/10/2007	4	9	71,000	1.25	69,000	69,000	-	-	-		
1-2011	03/03/2011	4	8	147,500	1.00	33,857	7,332	26,525	6,900	26,525	0%	Vested 8.125%
TOTAL PLANS				218,500		102,857	76,332	26,525	6,900	26,525		
Average exercise price per share						95.74	99.96	80.86	80.86	80.86		

(a) The 2007 Plan had been decided by the management of the SILIC Group. The number of options granted corresponds to the number of stock options outstanding as of the date of SILIC's entry into the Icade Group, on July 22, 2013. The exchange ratio was the same as that used in the public exchange offer, i.e. 5 Icade shares for 4 Silic shares.

As of December 31, 2016, 26,525 stock options representing 26,525 shares were exercisable under the "1-2011" Plan.

Valuation method: fair value of stock option plans

	2007 Plan completed 05/10/2007	2011 Plan «1-2011» Plan 1
Weighted average fair value of the option	€32.32	€19.33
Probability of service	100.00%	100.00%
Risk-free rate	4.24%	3.38%
Expected volatility	25.74%	33.00%
Expected dividend rate	5.00%	4.00%
Price of underlying shares	€129.00	€82.43
Exercise price	€126.98	€80.86
MODEL USED	TRINOMIAL	TRINOMIAL

9.3.2. Bonus share plans

The «1-2016» bonus share plan provides for the grant of 30 bonus shares per employee.

The “2-2016” bonus share plan is dedicated to members of the Executive Committee (excluding the CEO), to the members of the Coordination Committee, and to senior executives appointed by the Executive Committee. The vesting of bonus shares is conditional exclusively on the satisfaction of market and non-market related performance conditions.

The characteristics of the bonus share plans in place as of December 31, 2016 are presented in the following table:

Original characteristics of the plans					Number of shares as of January 1, 2016			Changes during the period		Number of shares as of December 31, 2016		
Plans	Grant date	Vesting period	Duration of the Plans	Number of shares granted at the beginning of the Plan	Vested shares	Shares granted	Including contingent shares	Shares granted	Shares cancelled	Including number of shares granted	Including number of shares vested	Including contingent shares
1-2012	03/02/2012	2 years	4 years	26,190	23,760	-	-	-	-	-	23,760	-
2-2012	03/02/2012	2 years	4 years	28,290	25,638	-	-	-	-	-	25,638	-
2012 ^(a)	03/12/2012	2 years	4 years	12,000	12,673	-	-	-	-	-	12,673	-
2013 ^(a)	02/22/2013	2 years	4 years	12,000	12,313	-	-	-	-	-	12,313	-
1-2014	03/04/2014	2 years	4 years	21,990	30	19,110	-	-	45	-	19,095	-
2-2014 ^(b)	03/04/2014	2 years	4 years	14,250	-	10,250	10,250	-	8,994	-	1,256	-
1-2016	11/07/2016	2 years	3 years	31,560	-	-	-	31,560	1,050	30,510	-	-
2-2016 ^(c)	11/07/2016	2 years	4 years	52,959	-	-	-	52,959	260	52,699	-	52,699
TOTAL					74,414	29,360	10,250	84,519	10,349	83,209	94,735	52,699

(a) After the merger by acquisition of SILIC, unvested shares as of the date of entry into the Icade Group from the 2012 and 2013 Plans (11,947 and 12,000, respectively) were converted into Icade shares based on the exchange ratio of the merger, i.e. 5 Icade shares for 4 Silic shares, i.e. 14,969 and 15,032 Icade shares.

(b) The performance conditions required for the vesting of bonus shares of the 2-2014 Plan is partly conditional (50%) on recurring EPRA earnings per share as reported in financial statements and partly conditional (50%) on the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone Index.

(c) The performance conditions required for the vesting of bonus shares of the 2-2016 Plan is partly conditional (50%) on EPRA triple net NAV per share as reported in financial statements and partly conditional (50%) on the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone Index.

9.3.3. Impact of stock option and bonus share plans on the income statement

Taking into account the vesting conditions based on the length of service in the Group, the stock option and bonus share plans represented an expense of €0.1 million in financial year 2016, including income of €0.1 million for related parties, to be compared with income of €0.7 million including income of €0.9 million for related parties in financial year 2015.

Note 10. Off-balance sheet commitments

10.1. Off-balance-sheet commitments

Commitments made

(in millions of euros)		12/31/2016	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
COMMITMENTS RELATED TO THE SCOPE OF CONSOLIDATION		43.7	28.9	13.7	1.2
Equity investment commitments	Promises to buy securities	24.9	24.9	-	-
Commitments made under securities sale agreements	Minimum revenue guarantees given	16.3	4.0	11.1	1.2
	Liability guarantees given	2.6	-	2.6	-
FINANCING COMMITMENTS		953.8	73.7	344.3	535.9
Mortgage financing and lender's liens	Mortgages	380.8	19.1	67.5	294.2
	Lender's liens	133.8	10.4	123.3	-
Mortgage charge promises and assignments of claims	Mortgage charges promised and claims assigned as loan guarantees	226.1	18.8	68.5	138.8
Finance leases	Finance lease payables	212.4	25.4	84.9	102.1
Pledged securities	Non-consolidated securities pledged	0.8	-	-	0.8
COMMITMENTS RELATED TO OPERATING ACTIVITIES		1,673.2	848.2	824.9	0.1
Commitments given relating to business development and asset disposals	Residual commitments in work contracts	326.4	242.3	84.1	-
	Preliminary purchase agreements entered into	214.9	214.9	-	-
	Property Development: reservations including tax	683.6	0.3	683.3	-
	Commercial Property Development - Off-plan and Property Development Contract preliminary agreements signed with customers	391.4	353.8	37.5	-
Commitments made relating to the execution of operating contracts	Professional guarantees as part of management agreements and transactions	0.1	-	-	0.1
	Demand guarantees given	20.6	0.7	19.9	-
	Other commitments made	1.8	1.8	-	-

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Off-balance sheet commitments

Commitments received

(in millions of euros)		12/31/2016	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years	
COMMITMENTS RELATED TO THE SCOPE OF CONSOLIDATION		44.1	42.1	2.1	-	
Equity investment commitments	Promises to buy securities	24.9	24.9	-	-	
Commitments made under securities sale agreements	Liability guarantees received	19.3	17.2	2.1	-	
FINANCING COMMITMENTS		1,676.7	46.6	1,630.1	-	
Unused credit lines	Unused credit lines	1,676.7	46.6	1,630.1	-	
COMMITMENTS RELATED TO OPERATING ACTIVITIES		2,576.7	852.6	915.7	808.3	
Other contractual commitments received related to operating activities	Preliminary sale agreements entered into - Property Development - Land	214.9	214.9	-	-	
	Off-plan and Property Development Contract preliminary agreements signed with customers	83.8	46.3	37.5	-	
	Residual commitments in work contracts	1.3	-	1.3	-	
	Demand guarantees received	Demand guarantees received - Rent guarantees - Property Investment	32.9	2.8	7.9	22.2
		Demand guarantees received - Development	7.4	7.4	-	-
	Other commitments received	Security deposits received for rents - private hospitals	1,838.9	213.5	852.4	773.0
		Security deposits received for rents - other assets	37.2	7.4	16.7	13.1
Security deposits received from construction contractors		0.7	0.7	-	-	
	Other sureties and guarantees received	23.3	23.3	-	-	

10.2. Information on leases (from the lessor's and lessee's perspective)

10.2.1. Operating leases (from the lessor's perspective)

Types of leases

	Residential	Offices	Warehouses and business premises	Healthcare
Basis for determination of contingent rents			Revenues from lessees	
Renewal or purchase option terms	Tacit renewal or renewal offer with rent increase	Renewal offer six months before the first break or expiry	Renewal offer six months before the first break or expiry	Offer to renew before expiry for a minimum term of nine years with no break option
Rent escalation clauses	Rent reference index	Construction cost index (ICC) or Tertiary Activities Rent Index (ILAT)	Construction cost index (ICC) or Commercial Rent Index (ILC) if the lessee so requests	Construction cost index (ICC), Commercial Rent Index (ILC) and composite index (ICC/ILC)
Term	6 years renewable by tacit renewal	Lease with break options on years 3/6/9/12.5 (maximum of 12.5 years)	Lease with break options on years 3/6/9/12 (maximum of 12 years)	Triple net 12-year lease with no break option

10.2.2. Finance leases and operating leases (from the lessor's perspective)

(in millions of euros)		12/31/2016	12/31/2015
Existing finance leases at the balance sheet date			
Total gross initial investment in the lease	A	183.8	582.8
Lease payments due	B	37.6	179.3
Gross initial investment in the lease to be made not later than one year		7.8	25.5
Gross initial investment in the lease to be made later than one year and not later than five years		22.8	95.6
Gross initial investment in the lease to be made later than five years		115.6	282.3
GROSS INVESTMENT IN THE LEASE AT THE BALANCE SHEET DATE	C=A-B	146.2	403.5
Earned finance income at the balance sheet date	D	32.0	131.5
Unearned finance income at the balance sheet date	E=C-I-D-F	62.5	151.7
Impact of undiscounting	F	(7.2)	(31.3)
Present value of unguaranteed residual values accruing to the lessor	G	1.2	12.6
Present value of the minimum lease payments to be received not later than one year		4.4	14.3
Present value of the minimum lease payments to be received later than one year and not later than five years		13.4	50.4
Present value of the minimum lease payments to be received later than five years		39.9	74.3
TOTAL PRESENT VALUE OF THE MINIMUM LEASE PAYMENTS TO BE RECEIVED	H=C-D-E-F-G	57.8	139.0
Net investment in the lease	I	58.9	151.6
Unguaranteed residual values accruing to the lessor		2.3	43.9

(in millions of euros)	12/31/2016	12/31/2015
Operating and finance leases		
Lease income from operating leases	571.3	540.9
Lease income from finance leases	15.7	16.1
GROSS LEASE INCOME	587.0	557.0
<i>including contingent rents</i>	-	0.1
Service charges net of recharges to tenants	(42.0)	(38.4)
NET LEASE INCOME	545.0	518.6
Not later than one year	543.2	529.0
Later than one year and not later than five years	1,740.1	1,669.4
Later than five years	1,352.9	1,304.4
MINIMUM LEASE PAYMENTS TO BE RECEIVED UNDER NON-CANCELLABLE OPERATING LEASES	3,636.2	3,502.8

The payment schedule of minimum lease payments to be received under finance leases is shown in the previous table.

10.2.3. Finance leases and operating leases (from lessee's perspective)

(in millions of euros)	12/31/2016	12/31/2015
Not later than one year	(30.0)	(28.5)
Later than one year and not later than five years	(97.7)	(97.4)
Later than five years	(92.8)	(91.3)
MINIMUM LEASE PAYMENTS TO BE MADE UNDER FINANCE LEASES	(220.5)	(217.2)
Not later than one year	(25.4)	(23.2)
Later than one year and not later than five years	(84.9)	(82.9)
Later than five years	(102.1)	(100.2)
PRESENT VALUE OF LEASE PAYMENTS TO BE MADE UNDER FINANCE LEASES	(212.4)	(206.3)

(in millions of euros)	12/31/2016	12/31/2015
Operating leases		
Lease expenses	(8.0)	(9.2)
Sublease income	1.4	0.7
Not later than one year	(6.6)	(6.6)
Later than one year and not later than five years	(14.9)	(13.8)
Later than five years	(37.1)	(36.8)
MINIMUM LEASE PAYMENTS TO BE MADE UNDER NON-CANCELLABLE OPERATING LEASES	(58.5)	(57.3)

Note 11. Additional information

11.1. Related parties

11.1.1. Management personnel compensation

(in millions of euros)	12/31/2016	12/31/2015
Short-term employee benefits (salaries, bonus, etc.) ^(a)	4.8	5.0
Post-employment benefits ^(a)	-	0.4
Long-term employee benefits ^(a)	-	-
Share-based payments	(0.1)	(0.9)
BENEFITS RECOGNISED	4.7	4.5
Termination benefits	0.7	1.5
TOTAL NOT RECOGNISED	0.7	1.5
TOTAL	5.4	6.0

(a) Figures include employers' contributions.

Management personnel consists of the persons who during or at the end of the reporting period were directors or members of the Executive Committee of Icade SA.

11.1.2. Related party relationships

(in millions of euros)	12/31/2016			12/31/2015		
	Parent company	Other	Total	Parent company	Other	Total
Related receivables	0.2	40.6	40.8	-	21.6	21.6
Related payables	1.0	-	1.0	0.2	-	0.2

Related party transactions are executed under normal market conditions.

In the income statement, the main transactions relate to property developments by the Property Development Division for a total price of €19.5 million.

11.2. Events after the balance sheet date

As part of the implementation of its strategic plan, Icade sold its stake in Icade Expertise on January 4, 2017. This deal marks the completion of the sale of its Property Services operations. This sale will have no significant impact on the consolidated income statement for financial year 2017.

11.3. Statutory auditors' fees

	Mazars				Pricewaterhouse Coopers Audit			
	(in millions of euros)		in %		(in millions of euros)		in %	
	2016	2015	2016	2015	2016	2015	2016	2015
Audit								
Auditing, certification, examination of individual and consolidated financial statements								
▣ Issuer	0.5	0.6	41.7	48.1	0.5	0.6	46.3	49.6
▣ Fully-consolidated subsidiaries	0.5	0.6	46.4	45.9	0.4	0.6	41.6	47.4
Services other than the certification of financial statements								
▣ Issuer	0.1	-	11.9	3.8	0.1	-	12.1	2.7
▣ Fully-consolidated subsidiaries	-	-	-	2.2	-	-	0.0	0.3
TOTAL	1.1	1.2	100.0	100.0	1.0	1.2	100.0	100.0

11.4. Scope of consolidation

	Legal form	% direct stake	12/31/2016		Method of consolidation	2015
			% 2016 ownership interest	Joint ventures/ Associates		% 2015 ownership interest
COMMERCIAL PROPERTY INVESTMENT DIVISION						
ICADE	SA	100.00	100.00		Full	100.00
GIE ICADE MANAGEMENT	GIE	100.00	100.00		Full	100.00
BUSINESS PARKS						
BATI GAUTIER	SCI	100.00	100.00		Full	100.00
BASSIN NORD	SCI	50.00	50.00	Joint ventures	Equity	50.00
PARC DU MILLÉNAIRE	SCI	100.00	100.00		Full	100.00
68 VICTOR HUGO	SCI	100.00	100.00		Full	100.00
PDM 1	SCI	100.00	100.00		Full	100.00
PDM 2	SCI	100.00	100.00		Full	100.00
ICADE 3.0	SASU	100.00	100.00		Full	
OFFICES						
ICADE LÉO LAGRANGE (formerly VILLEJUIF)	SCI	100.00	100.00		Full	100.00
MESSINE PARTICIPATIONS	SCI	100.00	100.00		Full	100.00
69 BLD HAUSSMANN	SCI	100.00	100.00		Full	100.00
MORIZET	SCI	100.00	100.00		Full	100.00
CAMILLE DESMOULINS	SCI	100.00	100.00		Full	100.00
1 TERRASSE BELLINI	SCI	33.33	33.33	Joint ventures	Equity	33.33
ICADE RUE DES MARTINETES	SCI	100.00	100.00		Full	100.00
ICADE TOUR EQHO	SAS	100.00	100.00		Full	100.00
LES TOVETS	SCI	100.00	100.00		Full	100.00
POLICE DE MEAUX (PCM)	SCI		Disposal		Full	100.00
SCI BÂTIMENT SUD DU CENTRE HOSP PONTOISE	SCI	100.00	100.00		Full	100.00
SCI BSM DU CHU DE NANCY	SCI	100.00	100.00		Full	100.00
LE TOLBIAC	SCI	100.00	100.00		Full	100.00
SCI Gascogne	SCI		Merged		Full	100.00
ÉVRY MOZART	SCI	100.00	100.00		Full	100.00
RESIDENTIAL						
PAYS DE LOIRE	SCI	100.00	100.00		Full	100.00
SARVILEP	SAS	100.00	100.00		Full	100.00
SMDH	SASU	100.00	100.00		Full	
DISCONTINUED OPERATIONS						
PROPERTY MANAGEMENT						
ICADE PROPERTY MANAGEMENT	SASU		Disposal		Full	100.00
CONSULTING & SOLUTIONS						
I PORTA	SAS		Disposal		Full	100.00
ICADE CONSEIL	SAS		Disposal		Full	100.00
ICADE EXPERTISE	SAS		Disposal		Full	100.00
ICADE TRANSACTIONS	SASU		Merged		Full	100.00
ICADE ASSET MANAGEMENT	SAS		Disposal		Full	100.00
HEALTHCARE PROPERTY INVESTMENT DIVISION						
ICADE SANTÉ	SAS	56.51	56.51		Full	56.51
VITALIA Expansion MCO Propco SAS	SAS		Merged		Full	56.51
SCI MTS	SCI		Merged		Full	56.51
SCI ST-LAZARE	SCI		Merged		Full	56.51
VITALIA DÉVELOPPEMENT MCO PROPCO SAS	SAS		Merged		Full	56.51
SAS LA HAIE ST-CLAUDE	SAS		Merged		Full	56.51
SCI DES PAPIERS	SCI		Merged		Full	56.51
SCI DES ÉTATS-UNIS	SCI		Merged		Full	56.51
CHP SAS	SAS		Merged		Full	56.51

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OCEANE IMMOBILIÈRE SAS	SAS		Merged		Full	56.51
VITALIA Santé MCO Propco SAS	SAS		Merged		Full	56.51
SCI HONORÉ DE BALZAC	SCI		Merged		Full	56.51
SASU GVM SANTÉ	SASU	56.51	56.51		Full	56.51
SAS VAGUIL	SAS		Merged		Full	
SAS CHATENOY LE ROYAL SSR	SAS		Merged		Full	
SAS GIEN SOINS PSYCHIATRIQUES	SAS		Merged		Full	
SAS OCEANE LE HAVRE PSYCHIATRIE	SAS		Merged		Full	
SAS MONTCHENAIN SOINS PSYCHIATRIQUES	SAS		Merged		Full	
PROPERTY DEVELOPMENT						
ICADE GROUP RESIDENTIAL PROPERTY DEVELOPMENT						
SCI DU CASTELET	SCI	100.00	100.00		Full	100.00
SARL B.A.T.I.R. ENTREPRISES	SARL	100.00	100.00		Full	100.00
SCI LONGCHAMP CENTRAL FAC	SCI	100.00	100.00		Full	100.00
ST CHARLES CHANCEL	SCI	100.00	100.00		Full	100.00
SARL FONCIÈRE ESPACE ST CHARLES	SARL	86.00	86.00		Full	86.00
MONTPELLIÉRAINE 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 BRUGUIÈRE	SARL	100.00	100.00		Full	100.00
SNC LE CLOS DU MONESTIER	SNC	100.00	100.00		Full	100.00
SCI LES ANGLES 2	SCI	75.50	75.50		Full	75.50
SARL DOMAINE DE LA GRANGE	SARL	51.00	51.00		Full	51.00
SCI CASTEL D'UZÈGES	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'UZÈGES	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 MÉDITERRANÉE 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 LISIÈRE	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 PLÉIADES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LA POSÉIDON	SNC	100.00	100.00		Full	85.00
JARDINS D ALMERIA	SCI	50.00	50.00	Joint ventures	Equity	50.00
TERRASSES ALHAMBRA	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PARC	SCI	50.00	50.00	Joint ventures	Equity	50.00
LE PRINTEMPS DES ROUGIÈRES	SARL	96.00	96.00		Full	96.00
LES ALPINES	SCI	100.00	100.00		Full	90.00
SCI PRADO ROUET	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC MONTBRILLAND	SNC	87.00	87.00		Full	87.00

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SNC STE FOY - VALLON DES PRÉS	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 ÎLOT 3	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI GERLAND ÎLOT 4	SCI	40.00	40.00	Joint ventures	Equity	40.00
LES CHÊNES			Liquidated		Full	100.00
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 CRÉMAT	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 SÈVRES	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 RÉSIDENCE DE L'HIPPODROME	SCI	75.00	75.00		Full	75.00
SCI COLOMBES ESTIENNES D'ORVES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VILLA DES GARDES	SCI	75.00	75.00		Full	75.00
SCI BOULOGNE SEINE D2	SCI	17.33	17.33	Associates	Equity	17.33
BOULOGNE VILLE A2C	SCI	17.53	17.53	Associates	Equity	17.53
BOULOGNE VILLE A2D	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2E	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2F	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B1	SCI	18.23	18.23	Associates	Equity	18.23
BOULOGNE 3-5 RUE DE LA FERME	SCI	13.21	13.21	Associates	Equity	13.21
BOULOGNE PARC B2	SCI	17.30	17.30	Associates	Equity	17.30
SCI LIEUSANT RUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
BOULOGNE PARC B3A	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B3F	SCI	16.94	16.94	Associates	Equity	16.94
SCI ROTONDE DE PUTEAUX	SCI	33.33	33.33	Joint ventures	Equity	33.33
SCI COURBEVOIE LES LILAS D'ESPAGNE			Liquidated		Equity	50.00
SAS AD2B	SAS	100.00	100.00		Full	100.00
SCI CHATILLON AVENUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE - 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
SCI CHATOU RUE DES BEAUNES	SCI		Liquidated	Joint ventures	Equity	50.10
LES TUILERIES	SCI	50.00	50.00	Joint ventures	Equity	50.00
ESSEY LES NANCY	SCI	75.00	75.00		Full	75.00
SCI LE CERCE DES ARTS - Housing	SCI	37.50	37.50		Full	37.50
LE CLOS STANISLAS	SCI	75.00	75.00		Full	75.00
LES ARCHES D'ARS	SCI	75.00	75.00		Full	75.00
ZAC DE LA FILATURE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LA SUCRERIE - Housing	SCI	37.50	37.50		Full	37.50
SCI LA JARDINERIE - Housing	SCI	37.50	37.50		Full	37.50
LES CÔTEAUX 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 CÈDRES	SCI	49.00	49.00	Joint ventures	Equity	49.00

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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 RÉPUBLIQUE	SCI	55.00	55.00		Full	55.00
JARDINS DE LA SEIGNEURERIE	SCI	60.00	60.00		Full	60.00
RUE DES HÉROS			Liquidated		Full	100.00
RUE DU 11 NOVEMBRE	SCI	100.00	100.00		Full	100.00
RUE DES FABRIQUES			Liquidated		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 CHÊNE	SCI	100.00	100.00		Full	100.00
DUGUESCLIN DÉVELOPPEMENT	SAS	100.00	100.00		Full	100.00
DUGUESCLIN & ASSOCIÉS 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 RÉSID. SERVICE DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI RÉSID. HÔTEL DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI LE VERMONT	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI HAGUENAU RUE DU FOULON	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC URBAVIA	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI GERTWILLER 1	SCI	50.00	50.00		Full	50.00
SCI ROUEN GRAMMONT			Liquidated		Full	80.00
SCCV LES VILLAS DU PARC	SCCV	100.00	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00	100.00		Full	100.00
SCCV NÎMES ALIZÉS 2			Liquidated		Equity	50.00
SCI SOPHIA PARK	SCI	50.00	50.00	Joint ventures	Equity	50.00
LES HAUTS DE L'ESTAQUE	SCI	51.00	51.00		Full	51.00
ROUBAIX RUE DE L'OUEST	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCV CHATILLON MERMOZ FINLANDE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DES COSTIÈRES	SCI	60.00	60.00		Full	60.00
SARL LAS CLOSES	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI CHAMPS S/MARNE RIVE GAUCHE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BOULOGNE SEINE D3 PP	SCI	33.33	33.33	Associates	Equity	33.33
SCI BOULOGNE SEINE D3 D1	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 E	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 DEF COMMERCE	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 ABC COMMERCE	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 F	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 C1	SCI	16.94	16.94	Associates	Equity	16.94
LES CÔTEAUX DU VIGNOBLE	SAS	40.00	40.00	Joint ventures	Equity	40.00
SCCV SAINTE MARGUERITE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC ROBINI	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DU SABLASSOU	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV LES PATIOS D'OR - GRENOBLE	SCCV	80.00	80.00		Full	80.00
SCI DES AUBÉPINES	SCI	60.00	60.00		Full	60.00
SCI LES BELLES DAMES	SCI	66.70	66.70		Full	66.70
SCI PLESSIS LÉON BLUM	SCI	80.00	80.00		Full	80.00

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SCCV RICHEL	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
RÉSIDENCE LAKANAL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
CŒUR DE VILLE	SARL	70.00	70.00		Full	70.00
SCI CLAUSE MESNIL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
ROUEN VIP	SCCV	100.00	100.00		Full	100.00
OVALIE 14	SCCV	80.00	80.00		Full	80.00
SCCV VILLA ALBERA	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV 811 AV. GÉNÉRAL DE GAULLE	SCCV	20.00	20.00	Joint ventures	Equity	100.00
SCI ARKADEA LA ROCHELLE	SCI	100.00	100.00		Full	100.00
SCCV FLEURY MÉROGIS LOT1.1	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MÉROGIS LOT1.2	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MÉROGIS LOT3	SCCV	100.00	100.00		Full	100.00
SCI L'ENTREPÔT MALRAUX	SCI	65.00	65.00		Full	65.00
SCCV CERGY - LES PATIOS D'OR	SCCV	67.00	67.00		Full	67.00
MULHOUSE LES PATIOS D'OR	SCCV	40.00	40.00	Joint ventures	Equity	40.00
SCCV CLERMONT-FERRAND LA MONTAGNE	SCCV	90.00	90.00		Full	90.00
SCCV NICE GARE SUD	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV COLOMBES MARINE LOT A	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT B	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT D	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT H	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SEP COLOMBES MARINE	SEP	25.00	25.00	Joint ventures	Equity	25.00
SCI CLAYE SOUILLY - L'ORÉE DU BOIS	SCI	80.00	80.00		Full	80.00
SCI BONDOUFLE - LES PORTES DE BONDOUFLE	SCI	80.00	80.00		Full	80.00
SCCV ECOPARK	SCCV	90.00	90.00		Full	90.00
SCCV DUNKAN			Liquidated		Equity	50.00
SCI FI BAGNOLET	SCI	90.00	90.00		Full	90.00
SCI ARKADEA TOULOUSE LARDENNE	SCI	100.00	100.00		Full	100.00
SCCV 25 BLD ARMÉE 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 SÈTE - 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 ORCHIDÉES	SCCV	100.00	99.96		Full	99.96
SCCV MEDICADE	SCCV	80.00	80.00		Full	80.00
SCI PERPIGNAN LESAGE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC TRIGONES NÎMES	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 MONTLHÉRY LA CHAPELLE	SCCV	100.00	100.00		Full	100.00
SCI ARKADEA MARSEILLE SAINT VICTOR	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCCV SAINT FARGEAU 23 FONTAINEBLEAU	SCCV	70.00	70.00		Full	70.00
SCCV CARENA	SCCV	51.00	51.00		Full	51.00
SCCV BLACK SWANS TOUR C	SCCV	85.00	85.00		Full	99.99
SCCV TOURS RÉSIDENCE SENIOR MÉLIÈS	SCCV	99.96	99.96		Full	99.96

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SCI ARKADEA LYON GIRONDINS	SCI	65.00	65.00	Joint ventures	Equity	65.00
SCI CAEN LES ROBES D'AIRAIN	SCI	60.00	60.00		Full	
SCI CAPITAINÉ BASTIEN	SCI	80.00	80.00		Full	
SCCV THERESIANUM CARMÉLITES	SCCV	65.00	65.00		Full	
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	50.00	Joint ventures	Equity	
SCI LILLE WAZEMMES	SCI	50.00	50.00	Joint ventures	Equity	
SCCV ANTONY	SCCV	80.00	80.00		Full	
SCCV SAINT FARGEAU LEROY BEAUFILS	SCCV	65.00	65.00		Full	
SCI ST ANDRÉ LEZ LILLE - LES JARDINS DE TASSIGNY	SCI	50.00	50.00	Joint ventures	Equity	
SCCV CARIVRY	SCCV	51.00	51.00	Joint ventures	Equity	
ICADE 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
ICADE DOCKS DE PARIS	SNC	100.00	100.00		Full	100.00
PORTES DE CLICHY	SCI	50.00	50.00	Joint ventures	Equity	50.00
MONTROUGE CAP SUD	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV SAINT DENIS LANDY 3	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC SAMICADE	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC DU PLESSIS BOTANIQUE	SNC	100.00	100.00		Full	100.00
SNC GERLAND 1	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCCV LA VALBARELLE	SCCV	49.90	49.90	Joint ventures	Equity	
SNC GERLAND 2	SNC	50.00	50.00	Joint ventures	Equity	50.00
CITE SANITAIRE NAZARIENNE	SNC	60.00	60.00		Full	60.00
SNC DU CANAL ST LOUIS	SNC	100.00	100.00		Full	100.00
CAP EST LOISIR	SCI	50.00	50.00	Joint ventures	Equity	50.00
ICAPROM	SNC	45.00	45.00	Joint ventures	Equity	45.00
SCCV LE PERREUX CANAL	SCCV	72.50	72.50		Full	72.50
ARKADEA	SAS	50.00	50.00	Joint ventures	Equity	50.00
SAMICADE GUADELOUPE	SNC	40.00	40.00	Joint ventures	Equity	40.00
CHRYSLIS DÉVELOPPEMENT	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-SANTÉ	SAS	65.00	65.00		Full	65.00
SCI BOURBON CORNEILLE	SCI	100.00	100.00		Full	100.00
SCI SEINE CONFLUENCES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV IVRY SEINE	SCCV	60.00	30.00	Joint ventures	Equity	30.00
SCI ARKADEA FORT DE FRANCE	SCI	51.00	51.00		Full	51.00
SCCV SKY 56	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV OCÉAN COMMERCES	SCCV	99.99	99.99		Full	99.99
SCCV SILOPARK	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV TECHNOFFICE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SARL LE LEVANT DU JARDIN	SARL	50.67	50.67		Full	50.67
SAS OCÉAN AMÉNAGEMENT	SAS	51.00	51.00		Full	51.00
SCI ARKADEA RENNES TRIGONNE	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CREPET	SCI	65.00	65.00	Joint ventures	Equity	65.00
SCCV LE SIGNAL/LES AUXONS	SCCV	51.00	51.00		Full	51.00

3. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information presented in the Group's management report.

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 your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of Icade's consolidated financial statements accompanying this report;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures using sampling techniques or others methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 1.9 and 1.11 to the consolidated financial statements describe the accounting rules and methods for the valuation of investment property using the cost model and the procedures relating to impairment testing of these assets. The investments properties are subject to valuation procedures by independent appraisals in accordance with procedures described in the note 4.1.2 to the consolidated financial statements. We verified the appropriateness of accounting policies referred here above as well as the information provided in the notes thereto, and we ensured their correct application. We examined the assumptions, data and methods on which these estimates are based and we have ensured that the level of depreciation used by the management of the company was sufficient regarding these external values.
- Notes 1.16 and 1.17 to the consolidated financial statements describe the accounting rules and methods relating to the recognition, by using the percentage-of-completion method, applied to the property development business and off-plan sales agreements. As indicated in these notes, the assessment of turnover and results of these construction activities depends on final estimates made by the management of the company. Our work consisted in reviewing the assumptions on which these estimates are based, to verify the calculations made by your company and appreciate the resulting valuations.
- As indicated in the note 1.24 to the consolidated financial statements, the company is using derivative financial instruments recorded at fair value and apply the hedge accounting when IFRS requirements are satisfied. To determine the fair value, the company uses valuation techniques based on market parameters. We have examined the data and assumptions on which these estimates are based and verified the calculations made by the company. In addition, we have also verified the correctness and correct application of the hedge accounting.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 7, 2017

The Statutory Auditors (French original signed by)

Mazars
Gilles Rainaut

PricewaterhouseCoopers Audit
Jean-Baptiste Deschryver

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ACCOUNTING CHANGES IN 2016

The new rules relating to the recognition of technical merger deficits, introduced by Regulation 2015-06 of the French Accounting Standards Authority (ANC), have been applicable since January 1, 2016. Icade took advantage of this change to improve the presentation of fixed assets on its balance sheet.



Christophe Bouey

ACCOUNTING MANAGER AT ICADE MANAGEMENT

// A technical merger deficit is generally recognised in the case of simplified mergers and transfers of all assets and liabilities (*transmissions universelles de patrimoine*) valued at their carrying amount where the net value of the shares of the merged company recognised as assets on the merging company's balance sheet is greater than the net assets transferred. In the case of a property investment company, technical merger deficits relate primarily to unrealised capital gains on the property assets transferred from the merged company."

Jean-Michel Lazorko

HEAD OF THE ACCOUNTING DEPARTMENT OF ICADE MANAGEMENT

// Technical merger deficits, which arose mainly from the merger by acquisition of Silic by Icade on December 31, 2013, and which represent €1,273 million, were previously classified as intangible fixed assets. Since ANC Regulation 2015-06 makes it mandatory to allocate them to the underlying assets starting January 1, 2016, Icade took advantage of this regulatory opportunity to present its property portfolio in a way that reflects more accurately the economic reality of its business. Technical merger deficits are now allocated to individual property assets and amortised over the useful life of each component."



Focus on the allocation of technical merger deficits

In 2015, company M acquires all the shares of company F, which holds a property asset with a fair market value of 120 (land 40/buildings 80).

The carrying amount of the asset on the balance sheet of F is 100. The unrealised capital gain is 20 (land 10/buildings 10). In 2015, M acquires F by way of a merger by acquisition and records it at its carrying amount. In 2016, M applies ANC Regulation No. 2015-06 on the allocation of technical merger deficits.

ASSETS	2015				M after the merger	01/01/2016	01/01/2016
	M before the merger	F before the merger	M + F combined	Eliminations		Adjustment for change of method	M after the merger, adjusted
Intangible fixed assets	-	-	-	20	20	-20	-
Technical merger deficit	-	-	-	20	20	-20	-
Tangible fixed assets	-	100	100	-	100	20	120
Land	-	30	30	-	30	-	30
Buildings	-	70	70	-	70	-	70
Other tangible fixed assets	-	-	-	-	-	20	20
<i>including technical merger deficit on land</i>	-	-	-	-	-	10	10
<i>including technical merger deficit on buildings</i>	-	-	-	-	-	10	10
Financial fixed assets	80	-	80	-80	-	-	-
Equity investments in F	80	-	80	-80	-	-	-
TOTAL ASSETS	80	100	180	-60	120	-	120

LIABILITIES	2015				M after the merger	01/01/2016	01/01/2016
	M before the merger	F before the merger	M + F combined	Eliminations		Adjustment	M after the merger
Equity	50	60	110	-60	50	-	50
Net debt	30	40	70	-	70	-	70
TOTAL LIABILITIES	80	100	180	-60	120	-	120

1. Financial statements

Balance sheet

Assets (in thousands of euros)	Notes	Gross amount	Depreciation and impairment	Net amount as of 12/31/2016	Net amount as of 12/31/2015
Uncalled capital (I)		-	-	-	-
FIXED ASSETS					
Intangible fixed assets					
Research and development costs		-	-	-	-
Concessions, patents and similar rights		9	9	-	3
Real estate rights and technical merger deficits ^(a)	2.2	16,724	16,724	-	1,024,034
Other intangible fixed assets		14	-	14	14
Advances and down payments on intangible fixed assets		-	-	-	-
TOTAL INTANGIBLE FIXED ASSETS	3	16,747	16,733	14	1,024,051
Tangible fixed assets					
Land		1,161,811	102,239	1,059,572	938,661
Buildings		3,162,307	1,141,763	2,020,544	2,114,486
Other tangible fixed assets	2.2	1,092,470	258,150	834,320	129
Assets under construction		155,597	4,579	151,018	72,030
Advances and down payments on tangible fixed assets		6	-	6	7,153
TOTAL TANGIBLE FIXED ASSETS	3	5,572,191	1,506,731	4,065,460	3,132,459
Financial fixed assets					
Equity investments	4	2,220,839	112,566	2,108,273	2,066,625
Receivables associated with equity investments	5.1	1,240,365	3,890	1,236,475	1,040,379
Other long-term securities		-	-	-	-
Loans		199	-	199	199
Other financial fixed assets (including treasury shares)		17,160	3,030	14,130	14,917
Advances and down payments on financial fixed assets		-	-	-	-
TOTAL FINANCIAL FIXED ASSETS		3,478,563	119,486	3,359,077	3,122,120
TOTAL FIXED ASSETS (II)		9,067,501	1,642,950	7,424,551	7,278,630
CURRENT ASSETS					
Inventories					
Raw materials and supplies		-	-	-	-
Land and land bank	3.6	1,188	191	997	997
Advances and down payments on orders		5,036	-	5,036	5,497
Receivables					
Accounts receivable and related accounts	6.1	106,754	8,208	98,546	85,673
Other receivables	6.1	46,557	268	46,289	32,832
Group and associates	5.1	494,890	-	494,890	635,585
Called-up capital		-	-	-	-
Miscellaneous					
Investment securities (including treasury shares)		-	-	-	32,908
Derivative instruments	7.1.1	63,612	614	62,998	80,156
Cash assets	7.1.2	205,381	-	205,381	294,044
Accruals and prepayments					
Prepaid expenses		1,588	-	1,588	165
TOTAL CURRENT ASSETS (III)		925,006	9,281	915,725	1,167,857
Deferred charges (IV)	7.1.3	20,232	-	20,232	23,344
Bond redemption premiums (V)	7.1.3	14,424	-	14,424	8,728
TOTAL ASSETS (I TO V)		10,027,163	1,652,231	8,374,932	8,478,559

(a) In 2016, technical merger deficits attributable to property assets were reclassified as «other tangible fixed assets». 2015 figures were not restated.

SEPARATE ANNUAL FINANCIAL STATEMENTS
Financial statements

Liabilities (in thousands of euros)	Notes	12/31/2016	12/31/2015
EQUITY			
Share capital	8.1	112,967	112,967
Share premiums, merger premiums, contribution premiums, etc.		2,690,667	2,692,023
Revaluation differences		185,729	185,729
Legal reserve		11,297	11,290
Reserves required by the Articles of Association or contractually		-	-
Regulated reserves		-	-
Other reserves		-	-
Retained earnings		452,926	614,512
<i>Including interim dividends</i>		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		121,835	113,713
TOTAL		3,575,421	3,730,234
Investment grants		6,944	7,090
Regulated provisions		2,011	1,007
TOTAL EQUITY (I)	8.3	3,584,376	3,738,331
OTHER EQUITY INSTRUMENTS			
Bonds redeemable in shares		-	-
Conditional advances		-	-
TOTAL OTHER EQUITY INSTRUMENTS (II)		-	-
PROVISIONS FOR RISKS AND CHARGES			
Provisions for risks		18,505	10,999
Provisions for charges		3,908	3,177
TOTAL PROVISIONS FOR RISKS AND CHARGES (III)	9	22,413	14,176
DEBT			
Financial liabilities			
Other bonds	7.2	2,821,635	1,869,706
Loans and borrowings from credit institutions		806,486	1,835,198
Miscellaneous loans and financial liabilities		661,715	446,977
Group and associates		240,605	346,618
Operating liabilities			
Advances and down payments received for work in progress	6.3	34,746	40,671
Accounts payable and related accounts		54,433	34,381
Tax and social security liabilities		19,686	50,826
Liabilities on fixed assets and related accounts		67,322	38,343
Other liabilities		26,506	24,091
Miscellaneous			
Derivative instruments		9	4,084
Accruals and prepayments			
Prepaid income		35,000	35,157
TOTAL DEBT (IV)		4,768,143	4,726,052
TOTAL LIABILITIES (I TO IV)		8,374,932	8,478,559

SEPARATE ANNUAL FINANCIAL STATEMENTS
Financial statements

Income statement

(in thousands of euros)	Notes	12/31/2016	12/31/2015
Operating income			
Revenue	11.1.1	295,866	313,277
Capitalised production		-	-
Operating grants		-	(14)
Reversals of depreciation and provision, reclassification of expenses		89,404	41,581
Other operating income		105,217	111,589
TOTAL OPERATING INCOME		490,487	466,433
Operating expenses			
Purchases and changes in inventory		65,291	68,504
Outside services		80,614	66,052
Taxes, duties and similar payments		54,878	53,021
Wages and salaries	10.1	4,572	4,606
Social security expenses	10.1	1,456	1,620
Depreciation and impairment charges ^(a)		225,955	376,647
Impairment charges on current assets		2,928	6,450
Provisions for risks and charges		8,327	4,372
Other expenses		2,424	2,057
TOTAL OPERATING EXPENSES		446,445	583,329
OPERATING PROFIT/(LOSS)	11.1.2	44,042	(116,896)
Joint operations			
Profit or loss borne		-	-
Finance income			
Finance income from equity investments		297,731	276,637
Income from other securities and fixed asset receivables		-	-
Other interest and similar income		3,951	5,679
Reversals of provisions, impairment and reclassification of expenses		75,591	152,571
Net gains on disposal of investment securities		1,836	1,084
TOTAL FINANCE INCOME		379,109	435,971
Finance expenses			
Depreciation, impairment and provision charges for financial assets		16,869	20,949
Interest and similar expenses		192,934	168,989
Net losses on disposals of investment securities		2,164	979
TOTAL FINANCE EXPENSES		211,967	190,917
FINANCE INCOME/(EXPENSE)	11.2	167,142	245,054
RECURRING PROFIT/(LOSS) BEFORE TAX		211,184	128,158
Non-recurring income			
Non-recurring income from management transactions		11	318
Non-recurring income from capital transactions		489,726	190,693
Reversals of provisions, impairment and reclassification of expenses		332	463
TOTAL NON-RECURRING INCOME		490,069	191,474
Non-recurring expenses			
Non-recurring expenses from management transactions		399	816
Non-recurring expenses from capital transactions		570,010	155,834
Non-recurring depreciation, impairment and provision charges		2,804	966
TOTAL NON-RECURRING EXPENSES		573,213	157,616
NON-RECURRING PROFIT/(LOSS)	11.3	(83,144)	33,858
Employee profit-sharing plans		-	-
Corporate tax		6,205	48,303
TOTAL INCOME		1,359,665	1,093,878
TOTAL EXPENSES		1,237,830	980,165
NET PROFIT/(LOSS)		121,835	113,713

(a) The 2015 income statement, shown for comparison with the 2016 income statement, was restated compared to the originally reported 2015 figures. An operating expense of €(33,706) thousand recorded under the heading "Depreciation and impairment charges" for termination payments from the unwinding of hedging instruments was reclassified as a finance expense under the heading "Interest and similar expenses".

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Note 1 Main events of the financial year

1.1. Implementation of the strategic plan

In line with the strategic plan announced in November 2015, Icade completed the sale of its non-strategic business parks at the end of December 2016:

- Nanterre Seine business park and Défense 3 building for €145,000 thousand;
- Antony, Cergy, Évry and Villebon business parks for €141,040 thousand.

Furthermore, the year 2016 was marked by the acquisition of several office assets, leading to an improved balance between office and business park assets in the portfolio of the Commercial Property Investment Division:

- 13,700-sq.m Orsud building in Gentilly for €49,177 thousand including duties;
- 18,270-sq.m Parissy building in Issy-les-Moulineaux for €149,168 thousand including duties;
- 21,750-sq.m Arc Ouest building in the 15th district of Paris for €201,754 thousand including transfer taxes;
- Go Spring development in Nanterre purchased off plan for a total of €191,150 thousand including transfer taxes:
 - a 14,100 sq.m building to be completed in March 2017,
 - a 18,500 sq.m building to be completed in January 2019,
 - 539 parking spaces.

Lastly, H2 2016 saw the completion of the disposal of the Property Services Division:

- on July 22, 2016, sale of the company I Porta to the Visiativ group;
- on September 30, 2016, sale of the company Icade Property Management to the Foncia Group;
- on September 30, 2016, sale of the companies Icade Asset Management and Icade Conseil to the Colliers International Group;
- discontinuation of the company Icade Transactions's operations effective on November 30, 2016.

1.2. Sales of property assets

During the financial year 2016, Icade also sold a number of office assets for an aggregate amount of €161,090 thousand, including the Levallois building for €135,090 thousand. Lastly, Icade continued its programme to dispose of housing units, generating proceeds of €8,447 thousand.

1.3. Financing put in place in the financial year 2016 and restructuring of financial liabilities

In 2016, Icade:

- issued two new bonds: a €750,000 thousand, 10-year bond with a margin of 123 bps above the benchmark rate (i.e. an annual coupon of 1.75%), and a €500,000 thousand, 9-year bond with a margin of 82 bps above the benchmark rate (i.e. an annual coupon of 1.125%);
- redeemed two existing bonds:
 - a bond maturing in January 2019 with a nominal value of €500,000 thousand and a coupon of 2.25%;
 - a bond maturing in April 2021 with a nominal value of €500,000 thousand and a coupon of 2.25%.

In line with its objective, Icade redeemed a total of €300,200 thousand, i.e. an average take-up rate for all bonds of 30% (51% for the bond maturing in 2019 and 9% for the one maturing in 2021);

- continued a commercial paper programme, which allows the Company to issue short-term debt, with an outstanding amount of €302,500 thousand as of December 31, 2016;
- drew from new credit lines for €230,000 thousand;
- refinanced a mortgage backed by the Pont de Flandre business park with Allianz. With a term of 20 years and a fixed rate of 2.172%, this loan is more than 150 bps below the initial interest rate and its amount has increased by €28,000 thousand to €225,000 thousand. The remaining term was extended by 11 years.

Furthermore, in 2016, Icade repaid €1,294,901 thousand in bank debt, including €648,151 thousand in prepayments.

Finally, swaps for a notional of €891,800 thousand were cancelled and termination payments of €48,695 thousand were made.

1.4. Merger by acquisition of Holdco SIIC by Icade

On May 23, 2016, the Combined General Meeting approved the proposed merger by acquisition of HoldCo SIIC by Icade. Since it resulted in a simplified shareholding structure (as Caisse des dépôts and Groupama now hold direct stakes in Icade), and improved governance, the proposed merger has been beneficial to Icade and its shareholders.

As a result of this merger, Caisse des dépôts and Groupama hold a 38.99% and 12.95% direct stake in Icade, respectively.

This merger was not dilutive to Icade's shareholders.

1.5. Other legal restructuring

Icade's Board of Directors authorised the legal restructuring measures set out in the table below. These were carried out at book value.

Company	Decision of Icade's Board of Directors	Type of measure	Effective legal date	Effective accounting and tax date	Accounting impact
SCI GASCOGNE	09/30/2016	Transfer of all assets (dissolution without liquidation decision on 10/21/2016)	11/30/2016	11/30/2016	-
SASU ICADE TRANSACTIONS	09/30/2016	Transfer of all assets (dissolution without liquidation decision on 10/21/2016)	11/30/2016	11/30/2016	Merger deficit of €2,650 thousand

Note 2 Accounting methods and principles

2.1. Standards applied

The annual financial statements of Icade ("the Company") were prepared as of December 31, 2016 in accordance with the requirements of the French Commercial Code, general chart of accounts and other applicable requirements. They were approved by the Board of Directors of Icade on February 10, 2017. The previous annual financial statements reported by Icade on December 31, 2015 had been prepared and approved using the same principles and methods, with the exception of Regulation No. 2015-06 of the French Accounting Standards Authority's (ANC).

2.2. Application of ANC Regulation No. 2015-06 on the recognition of technical merger deficits

Until December 31, 2015, technical merger deficits used to be fully classified as "Real estate rights and technical merger deficits" on the balance sheet. Pursuant to Regulation No. 2015-06 dated November 23, 2015 of the French Accounting Standards Authority's (ANC), technical merger deficits have been allocated to individual buildings and components since January 1, 2016. These deficits mainly resulted from the merger by acquisition of Silic on December 31, 2013.

Technical merger deficits for a total gross amount of €1,272,526 thousand as of January 1, 2016 were allocated as follows:

- €13,029 thousand to intangible fixed assets under a real estate finance lease;
- €528,268 thousand to land;
- €731,229 thousand to other to tangible fixed assets. Amortisation schedules for technical merger deficits have the same residual duration as the components to which such technical merger deficits were allocated.

Amortisation charges for technical merger deficits have been applied prospectively since January 1, 2016. For the financial year 2016, this had an impact of €58,701 thousand.

In parallel, the impairment losses on technical merger deficits which had been recognised on December 31, 2015 were reclassified by individual building and component at the beginning of the financial year 2016, for a total €248,493 thousand.

Pursuant to the above Regulation, 2015 figures were not restated.

2.3. Basis of measurement, judgement and use of estimates

The financial statements were prepared based on a historical cost approach.

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 balance sheet date, and income and expenses for the financial year.

The significant estimates made by the Company for preparing its financial statements mainly relate to the recoverable amount of tangible and intangible fixed assets as specified in the paragraph "Procedures for carrying out tangible and intangible asset impairment tests", financial fixed assets as specified in the paragraph "Equity investments, receivables associated with equity investments and other long-term securities", and the measurement of employee benefits and provisions as specified in the paragraphs "Provisions" and "Employee benefits".

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

2.4. Activity of the Company

The Company engages in three main activities:

- leasing property assets including offices, business parks, warehouses and residential units;
- managing healthcare property assets;
- operating as a holding company and providing financing to the subsidiaries of the Icade Group.

As a result, the Company's revenues mainly consist of two types of income:

- lease income from property assets including offices, business parks, warehouses and residential units;
- services such as property management, asset management, administrative and accounting management for the Healthcare business activity driven by the company Icade Santé and its subsidiaries.

Other operating income is mainly composed of the following three types of income:

- from leases: service charges and taxes recharged to tenants;
- expenses incurred on behalf of subsidiaries and recharged to them;
- royalties for the Icade trademark.

2.5. Intangible fixed assets

An intangible asset is a non-monetary asset that does not have any physical substance but is both identifiable and controlled by the Company as a result of past events and which may bring future economic benefits. An intangible asset is identifiable if it can be separated from the acquiree or if it stems from legal or contractual rights.

Intangible fixed assets whose useful lives can be determined are amortised using the straight-line method over their estimated useful lives.

The item "Real estate rights and technical merger deficits" consists of:

- ▣ A technical merger deficit allocated to a real estate finance lease (Axe Seine building in Nanterre);
- ▣ A permit to temporarily occupy a plot of land belonging to the Independent Port of Strasbourg, amortised over the duration of this permit, i.e. 50 years.

Procedures for impairment of intangible fixed assets

- ▣ Finance leases are measured on an individual basis as follows: the fair value of the lease is equal to the fair value of the property asset (as determined by an independent valuer) less the outstanding principal amount. The fair value of each lease is compared to the sum of the tangible and intangible asset, as the case may be. In the event of an impairment, the intangible asset is impaired first, and then the tangible asset. If the impairment amount is greater than the value of the assets, a provision for risks is recorded as a liability.
- ▣ Real estate rights are tested on an individual basis as follows: The fair value of the property asset (as determined by an independent valuer) is compared to the sum of the intangible and tangible asset, as the case may be. In the event of an impairment, the intangible asset is impaired first, and then the tangible asset.

Impairment losses may subsequently be reversed if the recoverable value again becomes higher than the net carrying amount.

2.6. Tangible fixed assets

Tangible fixed assets consist mainly of properties held to earn rentals or for capital appreciation, or both, rather than for use in the production

or supply of goods or services or for administrative purposes or held for sale in the ordinary course of business.

Other tangible fixed assets mainly comprise technical merger deficits allocated to property assets as mentioned in note 2.2, IT equipment and office equipment, which are generally depreciated on a straight-line basis over five years.

In accordance with ANC Regulation No. 2014-03, the properties are recognised at cost, less the aggregate depreciation and any impairment as specified in the paragraph "Procedures for carrying out tangible and intangible asset impairment tests".

Cost of properties

The cost of properties consists of:

- ▣ the purchase price stated in the deed of sale or the construction costs, including non-refundable taxes, after deducting any trade discounts, rebates or cash discounts;
- ▣ the cost of restoration work;
- ▣ all directly attributable costs incurred in order to put the investment property in a condition to be leased in accordance with the use intended by management. Thus, transfer duties, fees, commissions and fixed legal expenses related to the acquisition, and commissions related to leasing are included in the cost;
- ▣ costs of bringing the property into compliance with Safety and Environmental regulations;
- ▣ capitalised borrowing costs as specified in the paragraph "Capitalised borrowing costs".

Depreciation procedures

In accordance with ANC Regulation No. 2014-03, the gross carrying amount is split into separate components which have their own useful lives.

Properties are depreciated on a straight-line basis over periods which correspond to their expected useful lives. Land is not depreciated. The depreciation periods used (in years) are as follows:

Components	Offices			
	Hausmann building	Other properties	Residential	Warehouses and business premises
Roads, networks, distribution	100	40-60	50	15
Building shell, structure	100	60	50	30
External structures	30	30	25	20
General and technical equipment	20-25	10-25	25	10-15
Internal fittings	10-15	10-15	15-25	10-15
Specific equipment	10-30	10-30	15-25	10

Useful lives are revised at each balance sheet date, particularly in respect of properties which are the subject of a restoration decision.

Where events, changes in the market environment or internal factors indicate a risk of impairment of investment properties, they are tested for impairment, as specified in the paragraph "Procedures for carrying out tangible and intangible asset impairment tests".

Properties which, on an exceptional basis, are leased with an option to buy, are not divided into components and are the subject of financial depreciation.

Compensation for termination of lease

When a lease is terminated, the Company may have to pay compensation to a former tenant. Three types of situations may arise:

- ▣ termination compensation is paid in order to vacate premises which require reconstruction or renovation; it is then capitalised by including it in the cost of the related tangible assets;
- ▣ termination compensation is paid with a view to vacating the premises for a potential future tenant; it is then recognised as an expense in the financial year in which it was incurred;

- termination compensation is paid following advanced negotiations for the signing of a lease with a new tenant; it is then capitalised and amortised over the lease term on the same basis as lease income.

Investment grants

Investment grants received are recognised in equity. These are recognised as income over the useful life of the depreciable asset.

Procedures for carrying out intangible and tangible asset impairment tests

Pursuant to ANC Regulation No. 2014-03, at each balance sheet date and at the time of each interim financial report, assets must be checked to see if there is any indication that they may have been impaired.

Indications of impairment include:

- a substantial decline in the market value of the asset;
- a change in the technological, economic or legal environment.

Impairment of an asset is recognised where its recoverable amount is less than its carrying amount.

Procedures for impairment of property

The recoverable amount of a property is the higher of the fair market value less disposal costs, and the value in use. The fair market value is the market value excluding duties, as determined by independent property valuers. The value in use is the present value of expected lease income from those assets.

If there is any indication of impairment, and where the estimated recoverable amount is less than the net carrying amount, the difference between those two figures is recognised as an impairment loss. Recognising an impairment loss entails a review of the depreciable amount and, as the case may be, of the depreciation schedule for the properties concerned. Impairment tests take into account any technical merger deficits allocated to property assets.

Impairment losses on properties may subsequently be reversed if the recoverable value again becomes higher than the net carrying amount. The value of the asset after reversal of the impairment loss should not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Although carried out by independent property valuers, it should be remembered that valuing a property asset is a complex estimation exercise, which is also subject from one half-year to the next to the changing economic climate and the volatility of some of the market parameters used, particularly yields and discount rates.

Therefore, in order to take into account the inherent difficulties of valuing a property asset and to avoid recognising an impairment loss that Icade would have to fully or partially reverse in the next financial statements, Icade only recognises an impairment loss if the unrealised capital loss of the property assets is more than 5% of the net carrying amount before impairment. It is determined whether or not this threshold has been crossed on an asset by asset basis, with the exception of business parks, for which this has been done on a park by park basis. If this threshold is exceeded, the impairment loss recognised is the total amount of unrealised capital losses.

This impairment loss is adjusted upwards or downwards at each balance sheet date to reflect changes in the value of the asset and its net carrying amount, remembering that if the impairment loss is less than 5% of the carrying amount before impairment, the previously recognised impairment loss is reversed.

For properties acquired less than three months before the balance sheet date and recognised in the financial statements at their acquisition

price including transfer taxes, the unrealised capital loss calculated, corresponding to registration fees and other acquisition costs, is not recognised as an impairment loss.

2.7. Operating and finance leases

In the course of its business activities, the Company uses assets taken under operating or finance leases and assets given under operating leases.

Accounting by lessees

For both operating and finance leases, lease payments are recognised as an expense over the lease term on a straight-line basis.

Accounting by lessors

Lease income from operating leases is recognised by lessors on a straight-line basis over the shorter of the entire lease term and the period to the first break option. Consequently, any specific clauses and incentives specified in the leases (rent-free periods, progressive rent, lease premiums) are spread over the shorter of the entire lease term and the period to the first break option, without taking rent escalation into account. The reference period used is the shorter of the entire lease term and the period to the first break option.

Any expenses directly incurred and paid to third parties for setting up a lease are recorded as assets, under the heading "Tangible fixed assets", and depreciated over the shorter of the entire lease term and the period to the first break option.

2.8. Capitalised borrowing costs

The Company has elected to include borrowing costs directly attributable to construction or production in the cost of the corresponding asset.

Borrowing costs are deducted from finance expenses and included in the construction costs up to the completion date of the works.

Capitalised borrowing costs are determined as follows:

- where funds are borrowed in order to build a specific asset, the borrowing costs that are eligible for capitalisation are the costs actually incurred over the financial year less any investment income on the temporary investment of those borrowings;
- where the borrowed funds are used to build several assets, the borrowing costs that are eligible for capitalisation are determined by applying a capitalisation rate to the construction costs. This capitalisation rate is equal to the weighted average of borrowing costs for the year other than borrowings taken out for the purpose of building specific assets. The capitalised amount may not exceed the amount of costs actually borne.

2.9. Equity investments, receivables associated with equity investments and other long-term securities

Equity investments and other long-term securities are recognised as assets at cost, contribution or subscription value, excluding expenses. receivables associated with equity investments are recognised at their nominal value.

If the recoverable amount is lower than the carrying amount, an impairment loss is recognised.

Equity investments

Subsequent to purchase, equity instruments, whether listed or not, are measured based on their value in use. This value is primarily determined in accordance with the following criteria: the adjusted net asset value and the profitability of the Company, estimated mainly by reference to the enterprise value net of financial liabilities. The enterprise value is calculated using the discounted cash flow method and, where appropriate, the multiples method. In the particular instance of Icade Promotion, the enterprise value is determined by an independent valuer. Investments in property investment companies are valued based on the net asset value including any unrealised capital gains or losses on property assets measured using the fair values determined by independent property valuers.

Receivables associated with equity investments and other related parties

Cash advances subject to a repayment schedule are classified as "Receivables associated with equity investments and other related parties". Other cash advances are classified as "Advances to associates". Advances are intended to cover the financing needs of subsidiaries' operations.

Receivables associated with equity investments are only impaired if the corresponding securities have previously been fully impaired. The impairment loss is equal to the recoverable amount of the securities less their carrying amount, within the limit of the nominal value of the receivable.

Assessment of the recoverability of receivables associated with equity investments in partnerships also takes into account the situation of other associates.

Other long-term securities

For securities in listed companies, the recoverable amount is determined on the basis of the average price over the last month of the financial year.

For securities in unlisted companies, the recoverable amount is estimated using recognised valuation methods (reference to recent transactions, discounted cash flows, share of net assets, etc.). On an exceptional basis, some securities which do not have a quoted price in an active market and whose recoverable amount cannot be measured reliably, are valued at acquisition cost.

2.10. Inventories

Inventories are recognised at acquisition or production cost. At each balance sheet date, they are valued at the lower of their cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion or the estimated costs necessary to make the sale.

2.11. Accounts receivable

Accounts receivable primarily consist of short-term receivables. An impairment loss is recognised if the carrying amount is higher than the recoverable amount. Accounts receivable are impaired on a case-by-case basis according to various criteria such as collection problems, litigation or the debtor's situation.

2.12. Investment securities

Investment securities are recognised as assets at acquisition price. An impairment loss is recognised if the realisable value is less than the net carrying amount.

2.13. Icade treasury shares

Treasury shares held under the liquidity contract are classified as "investment securities". Other treasury shares are classified as "Other financial fixed assets". As these are listed shares, the recoverable amount is defined as the average share price over the last month of the period in order to determine potential impairment at the balance sheet date. Impairment losses are recognised for unrealised capital losses.

2.14. Provisions

A provision is recognised if the Company has a probable obligation that arises from past events, the settlement of which is expected to result in an outflow of resources from the Company without an offsetting inflow at least equivalent, and the value of which can be estimated reliably.

Identified risks of any kind, particularly operational and financial risks, are monitored on a regular basis, which makes it possible to determine the amount of provisions deemed necessary.

2.15. Employee benefits

Retirement benefit and anniversary bonus liabilities

Retirement benefit plans, similar payments and other employee benefits, which are considered as defined benefit plans (plans in which the Company undertakes to guarantee a defined amount or level of benefit), are recognised on the balance sheet on the basis of an actuarial assessment of liabilities as of the balance sheet date, less the fair value of the assets of the related plan which are dedicated to them. Contributions paid under plans which are considered as defined contribution plans, i.e. where the Company has no obligation other than to pay the contributions, are recognised as an expense for the year.

The provision recorded in the separate financial statements is calculated according to the projected unit credit method and takes into account the related social security expenses.

Actuarial gains and losses are due to differences between the assumptions used and reality, or changes in the assumptions used to calculate liabilities and the assets assigned to cover them:

- employee turnover rates;
- rates of salary increases;
- discount rate;
- mortality tables;
- rates of return on plan assets.

Actuarial gains or losses are recognised as profit or loss in the financial year in which they are incurred.

As the accounting rules do not provide for a specific treatment in the case of legislative or regulatory reforms impacting an existing plan, Icade elected to consider that such reforms result in a change of plan and the impact is treated as past service costs to be spread over the remaining vesting period.

A provision calculated based on the likelihood of employees reaching the seniority required for each milestone is recorded in respect of anniversary bonuses and such bonuses are recalculated at each balance sheet date.

Retirement benefit and anniversary bonus liabilities are valued by an independent actuary.

Employee profit sharing and performance incentive plans

The provision for the employee profit sharing plan and the provision for the employee performance incentive plan are determined in accordance with agreements currently in place for the Icade Group.

2.16. Financial liabilities and interest rate hedges

Financial liabilities

Loans and other interest-bearing financial liabilities are recognised at their nominal repayment value. Issue costs and premiums are generally recognised as assets and spread out on a straight-line basis over the loan period.

Derivatives and hedge accounting

The Company uses financial derivatives (swaps, interest rate options and swaptions) to hedge its exposure to the market risk stemming from interest rate fluctuations. Derivatives are used as part of a Group policy on interest rate risk management.

Unrealised capital gains and losses resulting from the difference between the market value of contracts estimated at the balance sheet date and their nominal value are not recorded.

The fair value of derivatives as shown in the notes is measured using commonly accepted models (discounted cash flow method, Black & Scholes model, etc.) and based on market data.

Premiums paid when interest rate options are purchased are amortised on a straight-line basis over the life of these instruments.

When an instrument eligible for hedge accounting is unwound or reaches maturity, two scenarios are possible:

- First case: the hedging instrument is unwound or reaches maturity while the hedged item still exists.

In this case, hedge accounting continues to apply to the gain or loss realised on the unwound hedging instrument. The gain or loss realised is then carried over to a balance sheet suspense account provided that the hedged item itself has no impact on the income statement. Otherwise, it is recognised through profit or loss over the remaining life of the hedged item to offset the profit or loss recognised for the hedged item itself.

- Second case: the hedging instrument is unwound or reaches maturity and the hedged item also reaches maturity.

In this case, hedge accounting ceases to apply to the gain or loss realised on the hedging instrument. Termination payments in respect of hedges are immediately recognised through profit or loss.

2.17. Hybrid financial instruments

Hybrid financial instruments issued by Icade are analysed based on the terms of the contractual agreements. They are presented in "other equity".

2.18. Tax

Icade is eligible for the SIIC tax regime (provided for by Article 208-C of the French General Tax Code).

In return for tax exemption, applying the SIIC tax regime entails specific dividend payment obligations, and the immediate recognition of an exit tax expense at a rate of 19% calculated on the unrealised capital gains, as of the date of adoption of the tax regime, relating to properties and partnerships not subject to corporate tax. This tax is payable in four equal instalments.

The specific dividend payment obligations are as follows:

- 95% of profits from leasing activities;
- 60% of capital gains on disposals; and
- 100% of dividends paid by subsidiaries subject to corporate tax which adopted the SIIC tax regime.

The Company's fiscal income is divided into two separate segments:

- a segment exempt from tax on recurring income from leasing activities, capital gains on disposals and dividends received from subsidiaries subject to the SIIC tax status;
- a segment that is taxable under ordinary tax rules in respect of other operations.

SEPARATE ANNUAL FINANCIAL STATEMENTS

Fixed assets, investments and gains or losses on disposals of intangible and tangible assets

Note 3 Fixed assets, investments and gains or losses on disposals of intangible and tangible assets

3.1. Intangible and tangible fixed assets

Gross fixed assets (in thousands of euros)	12/31/2015	Mergers and contributions	Increases, acquisitions, asset creations	Decreases, disposals or scrapped assets	Transfer from one accounting item to another	12/31/2016
Intangible fixed assets	9	-	-	-	-	9
Real estate rights and technical merger deficits	1,276,221	-	-	-	(1,259,497)	16,724
<i>including technical merger deficits on intangible fixed assets</i>	1,272,527	-	-	-	(1,259,497)	13,030
Other intangible fixed assets	14	-	-	-	-	14
INTANGIBLE FIXED ASSETS	1,276,244	-	-	-	(1,259,497)	16,747
Land	1,049,412	-	194,026	(81,627)	-	1,161,811
Buildings	2,135,313	-	205,990	(364,412)	9,350	1,986,241
Fixtures and fittings	1,234,665	-	68,909	(173,116)	45,608	1,176,066
Other tangible fixed assets	1,161	-	-	(168,188)	1,259,497	1,092,470
<i>including technical merger deficits on land</i>	-	-	-	(58,660)	528,268	469,608
<i>including technical merger deficits on buildings, fixtures and fittings</i>	-	-	-	(109,528)	731,229	621,701
Tangible fixed assets under construction	79,091	-	119,519	(4,127)	(38,887)	155,597
Advances on tangible fixed assets	7,153	-	8,924	-	(16,071)	6
TANGIBLE FIXED ASSETS	4,506,795	-	597,369	(791,470)	1,259,497	5,572,191
TOTAL GROSS FIXED ASSETS	5,783,039	-	597,369	(791,470)	-	5,588,938

Real estate rights include €3,694 thousand for a permit to temporarily occupy a plot of land belonging to the Independent Port of Strasbourg and €13,030 thousand for a technical merger deficit allocated to a real estate finance lease for the Axe Seine building in Nanterre.

For the year 2016, the amount of borrowing costs included in the gross value of fixed assets totalled €124 thousand.

3.2. Investments made during the financial year

Investments (in thousands of euros)	Operating property asset acquisitions	Off-plan property asset acquisitions	Projects under development	Other investments	12/31/2016
Offices	403,575	76,073	24,624	39,279	543,551
Business parks	-	-	16,741	36,467	53,208
Other property assets	-	-	-	610	610
INVESTMENTS IN PROPERTY ASSETS	403,575	76,073	41,365	76,356	597,369
Other tangible fixed assets	-	-	-	-	-
TOTAL INVESTMENTS	403,575	76,073	41,365	76,356	597,369

In the financial year 2016, Icade acquired the Orsud, Parissy and Arc Ouest buildings for a total of €403,575 thousand. Off-plan property acquisitions relate to the signing of an off-plan agreement for €191,150 thousand for the acquisition of two office buildings (Go Spring), whose completions are scheduled for March 2017 and January 2019, of which €76,073 thousand were capitalised as fixed assets in 2016. Projects under development

relate mainly to the Origine building for €19,221 thousand, Défense 4-5-6 building for €5,402 thousand and Pulse building for €14,998 thousand. Other investments, which added up to €76,356 thousand, relate primarily to lease incentives for €39,449 thousand and marketing costs for €3,549 thousand.

SEPARATE ANNUAL FINANCIAL STATEMENTS

Fixed assets, investments and gains or losses on disposals of intangible and tangible assets

3.3. Depreciation and impairment of intangible and tangible fixed assets

Depreciation and impairment (in thousands of euros)	12/31/2015	Mergers and contributions	Depreciation and impairment charges	Decreases	Transfer from one accounting item to another	12/31/2016
Intangible fixed assets	(6)	-	(3)	-	-	(9)
Real estate rights and technical merger deficits	(252,187)	-	(13,104)	525	248,041	(16,724)
<i>including technical merger deficits on intangible fixed assets</i>	<i>(248,493)</i>	-	<i>(13,030)</i>	<i>451</i>	<i>248,041</i>	<i>(13,030)</i>
Other intangible fixed assets	-	-	-	-	-	-
INTANGIBLE FIXED ASSETS	(252,193)	-	(13,107)	525	248,041	(16,734)
Land	(110,751)	-	(2,204)	10,807	(91)	(102,239)
Buildings	(603,173)	-	(60,228)	141,506	863	(521,031)
Fixtures and fittings	(652,320)	-	(75,293)	107,217	(335)	(620,731)
Other tangible fixed assets	(1,032)	-	(62,536)	53,459	(248,041)	(258,150)
<i>including technical merger deficits on land</i>	<i>-</i>	<i>-</i>	<i>(1,322)</i>	<i>34,175</i>	<i>(202,356)</i>	<i>(169,503)</i>
<i>including technical merger deficits on buildings, fixtures and fittings</i>	<i>-</i>	<i>-</i>	<i>(61,184)</i>	<i>19,284</i>	<i>(45,686)</i>	<i>(87,585)</i>
Tangible fixed assets under construction	(7,060)	-	(149)	3,066	(436)	(4,579)
Advances on tangible fixed assets	-	-	-	-	-	-
TANGIBLE FIXED ASSETS	(1,374,336)	-	(200,410)	316,056	(248,041)	(1,506,731)
DEPRECIATION AND IMPAIRMENT	(1,626,529)	-	(213,516)	316,581	-	(1,523,465)
NET CARRYING AMOUNTS OF FIXED ASSETS	4,156,510	-	383,853	(474,890)	-	4,065,473

3.4. Impairment losses by type of property asset

Impairment losses by type of property asset (in thousands of euros)	12/31/2015	Mergers and contributions	Charges	Reversals relating to properties sold	Other reversals	Transfer from one accounting item to another	12/31/2016
Offices	(163,641)	-	(1,082)	4,541	20,518	-	(139,664)
Business parks	(195,247)	-	(22,684)	18,308	16,708	-	(182,914)
Other property assets	(13,660)	-	(163)	-	1,008	-	(12,815)
PROPERTY ASSETS	(372,548)	-	(23,929)	22,850	38,234	-	(335,393)
Other tangible fixed assets	-	-	-	-	-	-	-
TOTAL IMPAIRMENT LOSSES	(372,548)	-	(23,929)	22,850	38,234	-	(335,393)

3.5. Gains or losses on disposals of property assets

Gains or losses on disposals of property assets (in thousands of euros)	12/31/2016	12/31/2015
Selling price of property assets	455,577	190,371
Net carrying amounts of assets sold or scrapped	(535,974)	(151,916)
Disposal costs	(8,591)	(3,607)
GAINS OR LOSSES ON DISPOSALS	(88,988)	34,849
Reversals of impairment losses on property assets and receivables recognised on a straight-line basis	25,372	1,168
GAINS OR LOSSES ON DISPOSALS AFTER REVERSALS OF IMPAIRMENT LOSSES	(63,616)	36,017

During the financial year, Icade sold its non-strategic business parks (Antony, Cergy, Évry, Villebon and Nanterre) and the Défense 3 office building to two investors for €286,040 thousand, as well as other office buildings for a total of €161,090 thousand, including the building leased to the French Ministry of Interior and located in Levallois, for €135,090 thousand. In addition, disposals of residential assets amounted to €8,447 thousand.

SEPARATE ANNUAL FINANCIAL STATEMENTS

Equity investments, income from equity investments and gains or losses on disposals

3.6. Unrealised capital gains on property assets

Unrealised capital gains on property assets (in thousands of euros)	12/31/2016		
	Fair value of property assets and real estate finance leases	Net carrying amount of property assets and real estate finance leases	Unrealised capital gains
Offices	2,385,179	2,138,603	246,576
Business parks	2,675,039	1,889,039	786,001
Other property assets	76,508	29,546	46,962
PROPERTY ASSETS CAPITALISED AS FIXED ASSETS	5,136,727	4,057,188	1,079,539
Land bank inventory (residential)	9,606	997	8,610
TOTAL PROPERTY PORTFOLIO	5,146,333	4,058,185	1,088,149

Note 4 Equity investments, income from equity investments and gains or losses on disposals

4.1. Changes in equity investments and income for the financial year

Details on gross and net carrying amounts of equity investments, as well as debt and profit levels are shown in the table on subsidiaries and equity investments (see note 13).

Equity investments (in thousands of euros)	12/31/2015	Mergers and contributions	Creations, acquisitions, capital increases	Decreases, disposals	12/31/2016	Dividends and profits allocated to Icade
Consolidated property investment companies	2,073,287	(25,871)	18,200	(145)	2,065,471	112,897
Consolidated property development companies	135,090	-	-	-	135,090	120,535
Companies of the Property Services Division	19,237	(131)	500	(19,106)	500	2,208
Non-consolidated companies	21,176	-	-	(1,398)	19,778	828
TOTAL EQUITY INVESTMENTS	2,248,790	(26,002)	18,700	(20,649)	2,220,839	236,468

The main changes related to:

- the recapitalisation of two property investment companies, i.e. 68 Victor Hugo for €10,600 thousand and Camille Desmoulins for €5,600 thousand following the completion of buildings under development (Veolia and Open) during the financial year;
- the creation of the company Icade 3.0, whose purpose is to give Icade's tenants access to coworking space;
- the disposal of the Property Services Division's companies in H2 2016, with the exception of the company Icade Expertise sold on January 4, 2017;
- the disposal of investments in seven non-consolidated companies holding public-private partnership projects.

4.2. Impairment of equity investments

Impairment of equity investments (in thousands of euros)	12/31/2015	Mergers and contributions	Charges	Reversals	12/31/2016
Consolidated property investment companies	170,505	(11,789)	13,390	(59,738)	112,368
Consolidated property development companies	-	-	-	-	-
Companies of the Property Services Division	11,655	(131)	193	(11,524)	193
Non-consolidated companies	4	-	-	-	4
IMPAIRMENT OF EQUITY INVESTMENTS	182,164	(11,920)	13,583	(71,262)	112,565

As regards property investment companies, impairment losses on equity investments include €12,083 thousand for Sarvilep, a company holding a residential property development project, and €1,010 thousand for SCI Gascogne, which sold its property asset located in Maisons-Alfort in 2016.

Reversals of impairment losses include a reversal of €59,738 thousand for SAS Icade Tour Eqho, a company holding an asset in La Défense which was 96.4% leased as of December 31, 2016.

4.3. Gains or losses on disposals of equity investments

Gains or losses on disposals of equity investments (in thousands of euros)

	12/31/2016	12/31/2015
Selling price of equity investments	34,002	5
Net carrying amounts of equity investments sold	(20,648)	(5)
Disposal costs	(3,917)	(204)
GAINS OR LOSSES ON DISPOSALS	9,436	(204)
Reversals of impairment losses on equity investments	11,524	-
GAINS OR LOSSES ON DISPOSALS AFTER REVERSALS OF IMPAIRMENT LOSSES	20,961	(204)

Proceeds from disposals of companies from the Property Services Division added up to €30,716 thousand, resulting in a gain on these disposals of €7,709 thousand. These equity investments showed a cumulative impairment loss of €11,524 thousand. The reversal of this impairment loss was recognised as finance income.

Note 5 Intragroup financing

5.1. Financing granted to subsidiaries and equity investments

Financing granted to subsidiaries and equity investments (in thousands of euros)

	12/31/2015	Mergers and contributions	Subscriptions, increases	Repayments, decreases	12/31/2016	Finance interest
Financing of operating assets						
Consolidated property investment companies	934,667	-	260,000	(63,452)	1,131,215	30,774
Consolidated property development companies	100,033	-	120,535	(120,535)	100,033	-
Companies of the Property Services Division	452	-	-	(452)	-	12
Non-consolidated companies	9,117	-	-	-	9,117	-
TOTAL RECEIVABLES ASSOCIATED WITH EQUITY INVESTMENTS	1,044,269	-	380,535	(184,439)	1,240,365	30,786
Financing of development projects						
Consolidated property investment companies	504,007	-	112,032	(261,610)	354,429	7,542
Consolidated property development companies	2	-	37,946	(3)	37,945	350
Companies of the Property Services Division	-	-	900	(900)	-	-
Non-consolidated companies	4,624	-	43	(871)	3,796	407
CASH ADVANCES (I)	508,633	-	150,921	(263,384)	396,170	8,299
Financing of subsidiaries' working capital						
Consolidated property investment companies	16,469	-	7,124	(10,272)	13,321	92
Consolidated property development companies	-	-	-	-	-	-
Companies of the Property Services Division	1,412	(2,664)	1,254	(2)	-	7
Non-consolidated companies	-	-	-	-	-	-
CASH-POOLING (II)	17,881	(2,664)	8,378	(10,274)	13,321	99
Share of profits of partnerships and dividends to be received						
Consolidated property investment companies	108,993	-	69,278	(92,872)	85,399	-
Consolidated property development companies	-	-	-	-	-	-
Companies of the Property Services Division	-	-	-	-	-	-
Non-consolidated companies	77	-	-	(77)	-	-
SHARE OF PROFITS AND DIVIDENDS TO BE RECEIVED (III)	109,070	-	69,278	(92,949)	85,399	-
TOTAL GROUP AND ASSOCIATES (IV=I+II+III)	635,584	(2,664)	228,577	(366,607)	494,890	8,398

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Following the completion of works undertaken by the company SAS Icade Tour Eqho, an intragroup loan was arranged for €260,000 thousand to replace the cash advance. The €100,033 thousand receivable relates to dividends to be received as of December 31, 2016 from SAS Icade Promotion. Dividends receivable recognised as of December 31, 2015 were paid in Q1 2016.

The increased level of cash advances to property investment companies is due to the financing of property development projects:

■ €43,018 thousand for the Millénaire 4 building held by SCIA du Parc du Millénaire;

■ €51,313 thousand for the Veolia building completed in July 2016 and held by SCI 68 Victor Hugo;

■ €8,700 thousand for the Open building in Issy-les-Moulineaux, which is Icade's future headquarters building, held by SCI Icade Camille Desmoulins;

■ €9,000 thousand for Icade Santé's property developments.

5.2. Impairment of receivables associated with equity investments

Impairment of receivables associated with equity investments (in thousands of euros)	12/31/2015	Mergers and contributions	Charges	Reversals	12/31/2016
Consolidated property investment companies	-	-	-	-	-
Consolidated property development companies	-	-	-	-	-
Companies of the Property Services Division	-	-	-	-	-
Non-consolidated companies	3,890	-	-	-	3,890
IMPAIRMENT OF RECEIVABLES ASSOCIATED WITH EQUITY INVESTMENTS	3,890	-	-	-	3,890

5.3. Financing granted to Icade by subsidiaries and equity investments

Financing received (in thousands of euros)	12/31/2015	Mergers and contributions	Increases	Decreases	12/31/2016	Finance interest
Financing of Icade's working capital						
Consolidated property investment companies	274,020	(13,945)	128,324	(175,271)	213,128	-
Consolidated property development companies	44,532	-	-	(41,445)	3,087	-
Companies of the Property Services Division	2,534	-	-	(2,534)	-	-
Non-consolidated companies	1,317	-	-	(4)	1,313	-
CASH-POOLING	322,403	(13,945)	128,324	(219,254)	217,528	-
Share of profits of partnerships						
Consolidated property investment companies	24,179	-	2,049	(3,171)	23,057	-
Consolidated property development companies	-	-	-	-	-	-
Companies of the Property Services Division	-	-	-	-	-	-
Non-consolidated companies	35	-	-	(15)	20	-
SHARE OF PROFITS	24,214	-	2,049	(3,186)	23,077	-
GROUP AND ASSOCIATES	346,617	(13,945)	130,373	(222,440)	240,605	-

Note 6 Maturities of assets and liabilities, impairment of other assets

6.1. Asset maturities

Asset maturities (in thousands of euros)	12/31/2016					12/31/2015
	Total	< 1 year	Between 1 and 5 years	> 5 years	including accrued income	
Receivables associated with equity investments	1,240,365	170,109	345,490	724,767	106,739	1,044,269
Other long-term securities	-	-	-	-	-	-
Loans	199	80	79	40	-	199
Other financial fixed assets	17,160	17	137	17,007	-	19,030
<i>including treasury shares</i>	16,339	-	-	16,339	-	18,331
Advances and down payments on financial fixed assets	-	-	-	-	-	-
FIXED ASSETS	1,257,725	170,206	345,706	741,813	106,739	1,063,498
Advances and down payments made and credit notes to be received	5,036	5,036	-	-	-	5,497
Accounts receivable	106,754	106,754	-	-	90,169	95,276
Staff and related accounts	20	20	-	-	-	11
Social security and other social agencies	(0)	(0)	-	-	-	114
State - Corporate tax	16,079	16,079	-	-	-	10
State - Value-added tax	20,560	20,560	-	-	-	14,222
State - Other taxes and duties	1,185	1,185	-	-	850	3,624
Miscellaneous debtors	8,713	8,713	-	-	6,074	15,161
Group and associates	494,890	494,890	-	-	2,130	635,585
Derivative instruments	63,613	28,806	34,794	12	-	80,944
Prepaid expenses	1,588	1,588	-	-	-	165
CURRENT ASSETS	718,437	683,631	34,794	12	99,222	850,609
DEFERRED CHARGES AND BOND REDEMPTION PREMIUMS	34,656	6,047	17,429	11,180	55	7,973
TOTAL RECEIVABLES	2,010,818	859,884	397,929	753,005	206,017	1,922,080

Intragroup accounts receivable stood at €709 thousand as of December 31, 2016.

6.2. Impairment losses on other financial fixed assets and current assets

Impairment losses on other financial fixed assets and current assets (in thousands of euros)	12/31/2015	Mergers and contributions	Charges	Reversals	Other changes	12/31/2016	Bad debt
Treasury shares	4,113	-	-	(1,083)	-	3,030	
Loans	-	-	-	-	-	-	
IMPAIRMENT LOSSES ON OTHER FINANCIAL FIXED ASSETS	4,113	-	-	(1,083)	-	3,030	
Inventories	191	-	-	-	-	191	
Accounts receivable	9,604	-	2,921	(4,317)	-	8,208	333
Other receivables	310	-	7	(49)	-	268	
Investment securities	2,389	-	-	(2,389)	-	-	
Derivative instruments	788	-	463	-	(637)	614	
IMPAIRMENT LOSSES ON CURRENT ASSETS	13,281	-	3,392	(6,755)	(637)	9,281	333

6.3. Liability maturities

Liability maturities (in thousands of euros)	12/31/2016					12/31/2015
	Total	< 1 year	Between 1 and 5 years	> 5 years	including accrued expenses and accrued interest	
Bonds	2,775,669	25,869	699,800	2,050,000	26,990	1,823,740
ORNANE bonds	45,966	45,966	-	-	-	45,966
OTHER BONDS	2,821,635	71,835	699,800	2,050,000	26,990	1,869,706
Loans from credit institutions	801,656	36,910	533,936	230,809	244	1,834,763
Bank credit balances	4,830	4,830	-	-	-	435
LOANS AND BORROWINGS FROM CREDIT INSTITUTIONS	806,486	41,741	533,936	230,809	244	1,835,198
Other loans and commercial paper	614,261	537,551	34,099	42,611	528	396,836
Deposits and guarantees received	47,453	599	208	46,647	-	50,141
Payables associated with equity interests	-	-	-	-	-	-
MISCELLANEOUS LOANS AND FINANCIAL LIABILITIES	661,715	538,150	34,307	89,258	528	446,977
Group current accounts	217,379	217,379	-	-	-	322,254
Other Group liabilities	23,226	23,226	-	-	-	24,364
GROUP AND ASSOCIATES	240,605	240,605	-	-	-	346,617
Advances and down payments received in respect of orders	34,746	34,746	-	-	-	40,671
Accounts payable and related accounts	54,433	54,433	-	-	53,626	34,381
Staff and related accounts	2,345	2,345	-	-	2,341	2,655
Social security and other social agencies	1,535	1,535	-	-	1,376	1,945
State – Corporate tax	-	-	-	-	-	32,181
State – Value-added tax	15,223	15,223	-	-	-	13,324
State – Other taxes and duties	582	582	-	-	582	720
Suppliers of fixed assets	67,322	67,322	-	-	66,540	38,343
Other liabilities	26,506	26,506	-	-	17,521	24,091
OPERATING LIABILITIES	202,694	202,694	-	-	141,985	188,313
Derivative instruments	9	9	-	-	9	4,084
Prepaid income	35,000	1,185	1,512	32,304	-	35,157
TOTAL LIABILITIES	4,768,144	1,096,218	1,269,555	2,402,371	169,756	4,726,051

Prepaid income includes a €34,194 thousand payment under the building lease relating to the Millénaire shopping centre held by SCI Bassin Nord, which was paid in full at the beginning of the lease.

Note 7 Financial assets, financial liabilities and cost of debt

7.1. Derivative instruments and other financial assets

7.1.1. Derivative instruments

Derivative instruments - assets (in thousands of euros)	12/31/2015 net amount	Increases	Decreases (impact on the income statement)		Payment for guarantee	Change in interest accrued but not due	12/31/2016 net amount
			Deferral over the life of the underlying asset	Expense not spread relating to the early redemption of the underlying asset			
Interest accrued	12	-	-	-	-	43	55
Premiums paid in respect of derivatives	971	-	(463)	-	-	-	508
Termination payments in respect of unwound derivatives	65,573	48,695	(29,398)	(23,634)	-	-	61,235
Margin calls paid in respect of derivatives	13,600	-	-	-	(12,400)	-	1,200
TOTAL DERIVATIVE INSTRUMENTS - ASSETS	80,156	48,695	(29,862)	(23,634)	(12,400)	43	62,998

Notional amounts of hedging contracts (in thousands of euros)	Average rate	12/31/2015	Increases	Decreases	12/31/2016	Fair value as of 12/31/2016	Interest expenses and income
Swaps	0.40%	1,114,107	150,000	(914,107)	350,000	613	(17,049)
Interest rate options - caps	1.04%	485,000	-	(160,000)	325,000	30	729
Interest rate options - floors	0.00%	300,000	-	-	300,000	789	-
SWAPS AND INTEREST RATE OPTIONS		1,899,107	150,000	(1,074,107)	975,000	1,431	(16,319)
Maturing in less than 1 year					300,000		
Maturing in 1 to 5 years					325,000		
Maturing in more than 5 years					350,000		

Termination payments were spread according to accounting principles set forth in the paragraph "Financial liabilities and interest rate hedges".

In H2 2016, swaps were cancelled for a total of €48,695 thousand in termination payments paid and an aggregate outstanding notional amount of €891,800 thousand resulting from:

- on the one hand, a termination payment (excluding interest accrued but not due) of €23,634 thousand and an outstanding notional amount of €561,300 thousand, where the underlying debt was not kept; this termination payment was fully recognised as a finance expense for the financial year;
- on the other hand, a termination payment (excluding interest accrued but not due) of €25,061 thousand and an outstanding notional

amount of €330,500 thousand, where the underlying debt was kept; this termination payment was recorded as a deferred charge, with the recognition of a finance expense of €3,928 thousand for the financial year.

Furthermore, termination payments remaining to be spread at the beginning of the financial year 2016, mainly resulting from the cancellation of hedging instruments by the company Silic prior to its merger into Icade on December 31, 2013, continued to be spread at the same pace as initially. The impact on 2016 finance income was €25,470 thousand.

The total impact on finance income is €53,032 thousand.

The balance of termination payments recorded as deferred charges as of the balance sheet date is €61,235 thousand.

7.1.2. Cash and cash equivalents

Cash and cash equivalents (in thousands of euros)	12/31/2016	12/31/2015	Interest income	Proceeds from disposals net of expenses
Treasury shares - liquidity contract	-	21,621	-	(350)
Money-market UCITS	-	12,173	-	22
UCITS part of the liquidity contract	-	1,503	-	-
Other securities	-	-	-	-
INVESTMENT SECURITIES	-	35,297	-	(328)
Term deposit accounts or term deposits	22,008	38,469	1,114	-
Bank debit balances	183,373	255,575	864	-
CASH ASSETS	205,381	294,044	1,978	-
TOTAL CASH AND CASH EQUIVALENTS	205,381	329,340	1,978	(328)

7.1.3. Fees and commissions recorded as deferred charges in respect of borrowings

Deferred charges and premiums in respect of bonds (in thousands of euros)	12/31/2015	Increases	Decreases (impact on the income statement)		12/31/2016
			Deferrals over the life of the borrowings	Deferrals due to the early repayment of borrowings	
Costs of bonds	5,795	4,725	(1,542)	(558)	8,420
Costs of borrowings with credit institutions	17,280	4,601	(5,919)	(4,395)	11,567
Costs of others borrowings	270	-	(25)	-	245
DEFERRED CHARGES IN RESPECT OF BORROWINGS	23,344	9,326	(7,485)	(4,954)	20,231
Bond redemption premiums	8,728	8,023	(1,740)	(586)	14,424
TOTAL DEFERRED CHARGES AND PREMIUMS IN RESPECT OF BONDS	32,073	17,348	(9,225)	(5,540)	34,656

7.2. Financial liabilities and cost of debt

7.2.1. Changes in financial liabilities

Financial liabilities (in thousands of euros)	12/31/2015	Mergers and contributions	Subscriptions	Principal repayments	Interest accrued but not due and other changes	12/31/2016	Incl. fixed rate debt	Incl. variable rate debt	Interest expenses
Bonds	1,823,740	-	1,250,000	(300,200)	2,128	2,775,669	2,775,669	-	(49,323)
ORNANE bonds	45,966	-	-	-	-	45,966	45,966	-	(1,121)
OTHER BONDS	1,869,707	-	1,250,000	(300,200)	2,128	2,821,635	2,821,635	-	(50,444)
Loans from credit institutions ^(a)	1,834,763	-	258,000	(1,286,379)	(4,728)	801,656	225,027	576,629	(20,133)
Bank credit balances	435	-	-	-	4,396	4,830	-	-	(9)
LOANS AND BORROWINGS FROM CREDIT INSTITUTIONS	1,835,197	-	258,000	(1,286,379)	(332)	806,486	225,027	576,629	(20,141)
Other borrowings	94,336	-	-	(8,522)	(53)	85,761	85,760	2	(4,695)
Commercial paper	302,500	-	528,500	(302,500)	-	528,500	528,500	-	41
Deposits and guarantees received	50,141	-	-	(2,687)	-	47,453	-	-	-
Payables associated with equity interests	-	-	-	-	-	-	-	-	-
MISCELLANEOUS LOANS AND FINANCIAL LIABILITIES	446,977	-	528,500	(313,710)	(53)	661,715	614,260	2	(4,654)
Group current accounts	322,254	(13,945)	-	-	(90,930)	217,379	-	217,379	-
Other Group liabilities	24,364	24,328	-	-	(25,465)	23,226	-	-	-
GROUP AND ASSOCIATES	346,617	10,383	-	-	(116,395)	240,605	-	217,379	-
TOTAL FINANCIAL LIABILITIES	4,498,498	10,383	2,036,500	(1,900,289)	(114,652)	4,530,441	3,660,922	794,009	(75,239)

(a) These borrowings are hedged and are further guaranteed through:
- mortgages or lender's liens totalling €399,428 thousand;
- pledged securities for €802 thousand.

The main changes in financial liabilities result from:

- ▣ two bonds issued for a total of €1,250,000 thousand;
- ▣ bonds redeemed for a total of €300,200 thousand;
- ▣ net increase in outstanding commercial paper for €226,000 thousand;
- ▣ drawdowns from new credit lines for €230,000 thousand;
- ▣ refinancing of a mortgage backed by the Pont de Flandre business park with Allianz, causing an increase of €28,000 thousand;
- ▣ bank loan prepayments for €648,151 thousand;
- ▣ scheduled repayments of bank loans for €646,750 thousand.

7.2.2. Maturity dates and characteristics of bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Interest rate	Repayment profile	Nominal value as of 12/31/2015	Increases	Decreases	Nominal value as of 12/31/2016	Interest expenses for the period
FR0011577188	09/30/2013	09/29/2023	300,000	Fixed rate 3.375%	Bullet	300,000	-	-	300,000	(10,132)
FR0011577170	09/30/2013	01/30/2019	500,000	Fixed rate 2.25%	Bullet	500,000	-	(254,900)	245,100	(10,563)
FR0011847714	04/16/2014	04/16/2021	500,000	Fixed rate 2.25%	Bullet	500,000	-	(45,300)	454,700	(11,149)
FR0012942647	09/14/2015	09/14/2022	500,000	Fixed rate 1.875%	Bullet	500,000	-	-	500,000	(9,383)
FR0013181906	06/10/2016	06/10/2026	750,000	Fixed rate 1.75%	Bullet	-	750,000	-	750,000	(7,372)
FR0013218393	11/15/2016	11/17/2025	500,000	Fixed rate 1.125%	Bullet	-	500,000	-	500,000	(724)
BONDS						1,800,000	1,250,000	(300,200)	2,749,800	(49,323)
FR0010961128	11/16/2010	01/01/2017	175,000	Fixed rate 2.5%	Bullet	44,845	-	-	44,845	(1,121)
ORNANE BONDS						44,845	-	-	44,845	(1,121)

Note 8 Capital

8.1. Change in the number of shares outstanding

	Number	Capital (in k€)
SHARE CAPITAL AS OF 12/31/2014	74,022,386	112,831
Capital increase related to the exercise of stock options	88,800	135
SHARE CAPITAL AS OF 12/31/2015	74,111,186	112,967
Capital increase in consideration for the contribution of HoldCo SIIC shares	38,491,773	58,672
Cancellation of all Icade shares contributed by HoldCo SIIC	(38,491,773)	(58,672)
SHARE CAPITAL AS OF 12/31/2016	74,111,186	112,967

8.2. Shareholding structure

Shareholders	12/31/2016		12/31/2015	
	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts	28,895,631	38.99	-	-
Groupama ^(a)	9,596,200	12.95	-	-
SUBTOTAL CDC AND GROUPAMA ACTING IN CONCERT	38,491,831	51.94	-	-
HoldCo SIIC ^(b)	-	-	38,491,773	51.94
Crédit Agricole ^(c)	4,219,304	5.69	4,144,304	5.59
Public	30,987,735	41.81	30,729,944	41.46
Employees	205,672	0.28	212,200	0.29
Treasury shares	206,644	0.28	532,965	0.72
TOTAL	74,111,186	100	74,111,186	100

(a) Groupama Gan Vie, Groupama SA and Groupama Holding

(b) Company that was 75.07% owned by Caisse des dépôts and 24.93% owned by Groupama and which was the subject of a merger by acquisition by Icade in H1 2016.

(c) Number of shares held last notified to Icade as of December 31, 2016

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

All issued shares are fully paid up.

Icade's consolidated financial statements are consolidated into those of Caisse des dépôts according to the full-consolidation method and into those of Groupama according to the equity method.

8.3. Changes in equity

Equity (in thousands of euros)	Appropriation of income			12/31/2016
	12/31/2015	Reserves	Dividends	
Share capital	112,967	-	-	112,967
Share premiums	1,454,049	-	-	1,454,049
Merger premiums	1,031,473	-	-	1,030,116
<i>including merger reserve</i>	68,723	-	-	68,723
Contribution premiums	143,359	-	-	143,359
Premiums for conversions of bonds into shares	63,142	-	-	63,142
Special revaluation reserve	12,734	-	-	12,734
SIIC 2003 revaluation differences	172,995	-	-	172,995
Legal reserve	11,290	6	-	11,297
Other reserves	-	-	-	-
Retained earnings	614,512	113,707	(275,292)	452,927
Profit/(loss) for the previous financial year	113,713	(113,713)	-	-
Profit/(loss) for the financial year	-	-	-	121,835
TOTAL	3,730,234	-	(275,292)	3,575,420
Investment grants	7,090	-	-	6,944
Regulated provisions	1,007	-	-	2,011
EQUITY	3,738,331	-	(275,292)	3,584,376

On May 23, 2016, the Combined General Meeting approved the proposed merger of HoldCo SIIC into Icade. This transaction had the following consequences:

- Capital increase by Icade through the issue of 38,491,773 shares in consideration for the contribution of HoldCo SIIC shares followed by the cancellation of all Icade shares contributed by HoldCo SIIC, i.e. also 38,491,773 shares;

- The impact of this transaction on equity mainly relates to merger costs net of recharges to Caisse des dépôts and Groupama, i.e. €(2,096) thousand.

This merger was not dilutive to Icade's shareholders.

Note 9 Provisions for risks and charges

Provisions for risks and charges (in thousands of euros)	Description	12/31/2015	Other changes	Charges	Reversals of used provisions	Reversals of unused provisions	12/31/2016
Subsidiary risks	Financial	1,425	-	-	(1,425)	-	-
Tax risks	Extraordinary	-	3,229	2,397	-	-	5,626
Disputes and other provisions for risks	Extraordinary/ Operational	9,574	-	7,409	(1,256)	(2,848)	12,879
PROVISIONS FOR RISKS		10,998	3,229	9,806	(2,681)	(2,848)	18,505
Post-employment benefits	Operational	1,981	-	42	(520)	-	1,503
Anniversary bonuses	Operational	43	-	-	(13)	-	30
Other provisions for charges	Operational	1,153	-	1,237	-	(16)	2,374
PROVISIONS FOR CHARGES		3,177	-	1,279	(533)	(16)	3,908
TOTAL PROVISIONS FOR RISKS AND CHARGES		14,176	3,229	11,086	(3,214)	(2,863)	22,413

Icade identifies several types of provisions. In addition to lump-sum final payments and similar liabilities, which are subject to specific explanations (see note 10.4), provisions are made whenever the risks and charges identified are the result of past events creating an obligation likely to cause an outflow of resources.

The following risks and charges were identified:

- Tax risks: these provisions cover estimated risks for which tax adjustment notices have been received as of December 31, 2016.

- In the course of its business, Icade is faced with disputes. On the basis of a risk assessment conducted by management and its advisers, provisions made are considered adequate at the balance sheet date and the Company also considers that it possesses all the information required to support its position. Provisions that are individually significant as of December 31, 2016 primarily concern tenant disputes, labour tribunal disputes and contractual commitments made in the normal course of business.

Note 10 Post-employment remuneration and benefits

10.1. Staff costs net of recharges to subsidiaries

Net staff costs (in thousands of euros)	12/31/2016	12/31/2015
Staff seconded to subsidiaries	976	1,013
Recharges of staff costs (rounded to the nearest euro) incurred for subsidiaries	78	47
RECHARGES OF STAFF COSTS	1,055	1,060
Salaries	(4,572)	(4,586)
Tax and social security expenses	(1,745)	(4,135)
STAFF COSTS	(6,317)	(8,722)
TOTAL NET STAFF COSTS	(5,262)	(7,661)

10.2. Average number of staff

Average number of staff	12/31/2016	12/31/2015
Executives	9.7	9.0
Employees	-	-
Executives seconded	3.1	4.0
AVERAGE FULL TIME EQUIVALENT NUMBER OF STAFF	12.8	13.0

10.3. Potential termination benefits and other deferred remuneration for senior executives

Potential benefits (in thousands of euros)	12/31/2016	12/31/2015
Icade - Executive Committee members	658	1,537
Icade - other employees	1,528	1,448
TOTAL NOT RECOGNISED	2,186	2,986

In the light of decisions taken by management, no provision has been made for termination benefits relating to employment contracts of Icade employees.

10.4. Post-employment benefits

Liabilities in respect of lump-sum final payments and life-contingent annuities (in thousands of euros)

		12/31/2016	12/31/2015
OPENING ACTUARIAL DEBT	A	1,981	2,128
Past service cost not recognised at the beginning of the period	b	-	-
OPENING NET LIABILITIES	C	1,981	2,128
Impact of changes in scope of consolidation and other changes	d	-	-
Current service cost	e	69	92
Financial cost for the year	f	33	35
Costs for the period	g = e + f	102	127
Benefits paid during the year	h	(104)	(513)
Past service cost spread	i	-	-
Actuarial gains for the year	j	(476)	239
Net expenses recognised in the income statement	k = g + h + i + j	(478)	(147)
CLOSING NET LIABILITIES	L = C + d + k	1,503	1,981
Change of retirement benefit plan		-	-
Past service cost not recognised at the balance sheet date	m = b + i	-	-
CLOSING ACTUARIAL DEBT	N = A + d + g + h + j	1,503	1,981

Employee benefit liabilities are valued as of December 31, 2016 according to the terms of the Single Agreement of the Icade Group signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate: 1.32% as of December 31, 2016 and 1.81% as of December 31, 2015; the discount rate used is defined in relation to the "iBoxx € Corporates AA 10+" reference index. This reference index explicitly represents the yields of top-rated corporate bonds;
- male/female mortality tables:
 - male/female INSEE tables for 2012-2014 as of December 31, 2016;
 - male/female INSEE tables for 2011-2013 as of December 31, 2015;
- retirement age starting in 2008: 62 years of age for the "employees" and "employees, technicians and supervisors" categories, and 64 years of age for executives.

The turnover rate is defined for all entities of the Property Investment Division of the Icade group, by occupational category and by 10-year age group. It takes into account the grounds for exit in the case of resignations. Departures of employees aged 55 and over are not considered in the calculation of the turnover rate.

The rates of salary increases used are defined and applied to all companies of the Icade economic and social unit (UES), by occupational category and age group (under 50; 50 and over). The rates used for the calculation of salary increase assumptions are the overall percentage rate of salary increases noted over the previous four years (2012, 2013, 2014 and 2015).

Social security and tax rates for salaries are defined for all entities of the Property Investment Division of the Icade Group by occupational category.

Lump-sum final payments are valued based on lump-sum retirement payments.

10.5. Remuneration and benefits granted for the financial year to directors and members of the Executive Committee

Remuneration and benefits granted to directors and members of the Executive Committee (in thousands of euros)

	12/31/2016	12/31/2015
Remuneration paid	3,056	3,587
Attendance fees paid	191	111
TOTAL	3,247	3,698

10.6. Stock option and bonus share plans

Following the merger of Silic into Icade decided by the Extraordinary General Meeting on December 27, 2013, the 2005, 2006 and 2007 stock option plans granted by Silic were taken over by Icade.

The stock option plans in place as of December 31, 2016 are presented below:

10.6.1. Description of the 2007 and 2011 stock option plans

The characteristics of stock option plans in place on December 31, 2016 and changes occurred during financial year 2016 are presented in the following table:

Plans completed	Original characteristics of the plans					Changes for the period					Fulfilment of performance conditions	
	Grant date	Vesting period	Duration of the plans	Number of options granted	Exchange ratio: number of options needed to obtain one share	Number of options outstanding as of 01/01/2016	Number of options cancelled during the period	Number of options outstanding as of 12/31/2016	Including those which may be granted to related parties	Including those exercisable at the end of the period	Market related performance conditions	Non-market related performance conditions
2007 Plan ^(a)	05/10/2007	4	9	71,000	1.25	69,000	69,000	-	-	-		
1-2011 Plan	03/03/2011	4	8	147,500	1.00	33,857	7,332	26,525	6,900	26,525	0%	Vested 8.125%
TOTAL PLANS				218,500		102,857	76,332	26,525	6,900	26,525		
Average exercise price per share						95.74	99.96	80.86	80.86	80.86		

(a) The 2007 Plan had been decided by the management of the SILIC Group. The number of options granted corresponds to the number of stock options outstanding as of the date of SILIC's integration into the Icade Group, on July 22, 2013. The exchange ratio was the same as that used in the public exchange offer, i.e. 5 Icade shares for 4 Silic shares.

As of December 31, 2016, 26,525 stock options representing 26,525 shares were exercisable under the 1-2011 Plan.

10.6.2. Valuation method: fair value of stock option plans

	2007 Plan completed 05/10/2007	2011 Plan «1-2011» Plan 1
Weighted average fair value of the option	€32.32	€19.33
Probability of service	100.00%	100.00%
Risk-free rate	4.24%	3.38%
Expected volatility	25.74%	33.00%
Expected dividend rate	5.00%	4.00%
Price of underlying shares	€129.00	€82.43
Exercise price	€126.98	€80.86
MODEL USED	TRINOMIAL	TRINOMIAL

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10.6.3. Bonus share plans

The "1-2016" bonus share plan provides for the grant of 30 bonus shares per employee.

The "2-2016" bonus share plan is dedicated to members of the Executive Committee (excluding the CEO), to the members of the Coordination Committee, and to the senior executives appointed by the Executive Committee. The vesting of bonus shares is conditional exclusively on the satisfaction of market and non-market related performance conditions.

The characteristics of the bonus share plans in place as of December 31, 2016 are presented in the following table:

Plans	Original characteristics of the plans				Number of shares as of January 1, 2016			Changes during the period		Number of shares as of December 31, 2016		
	Grant date	Vesting period	Duration of the plans	Number of shares granted at the beginning of the Plan	Vested shares	Shares granted	Including contingent shares	Shares granted	Shares cancelled	Including number of shares granted	Including number of shares vested	Including contingent shares
1-2012	03/02/2012	2 years	4 years	26,190	23,760	-	-	-	-	-	23,760	-
2-2012	03/02/2012	2 years	4 years	28,290	25,638	-	-	-	-	-	25,638	-
2012 ^(a)	03/12/2012	2 years	4 years	12,000	12,673	-	-	-	-	-	12,673	-
2013 ^(b)	02/22/2013	2 years	4 years	12,000	12,313	-	-	-	-	-	12,313	-
1-2014	03/04/2014	2 years	4 years	21,990	30	19,110	-	-	45	-	19,095	-
2-2014 ^(b)	03/04/2014	2 years	4 years	14,250	-	10,250	10,250	-	8,994	-	1,256	-
1-2016	11/07/2016	2 years	3 years	31,560	-	-	-	31,560	1,050	30,510	-	-
2-2016 ^(c)	11/07/2016	2 years	4 years	52,959	-	-	-	52,959	260	52,699	-	52,699
TOTAL					74,414	29,360	10,250	84,519	10,349	83,209	94,735	52,699

(a) After the merger by acquisition of SILIC, unvested shares as of the date of integration into the Icade Group from the 2012 and 2013 Plans (11,947 and 12,000, respectively) were converted into Icade shares based on the exchange ratio of the merger, i.e. 5 Icade shares for 4 Silic shares, i.e. 14,969 and 15,032 Icade shares.

(b) The performance conditions required for the vesting of bonus shares under the 2-2014 Plan are 50% based on EPRA earnings per share as reported in financial statements and 50% based on the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone Index.

(c) The performance conditions required for the vesting of bonus shares under the 2-2016 Plan are 50% based on EPRA triple net asset value per share as reported in financial statements and are 50% based on the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone Index.

Note 11 Income statement

11.1. Operating income by function

11.1.1. Revenue

Revenue (in thousands of euros)	12/31/2016	12/31/2015
Gross rental income	281,622	299,710
Sale of goods	-	1,800
Property services	8,807	7,315
Administrative and accounting services	3,909	3,247
Recharge of staff secondments	976	1,013
Miscellaneous services	552	192
REVENUE	295,866	313,277

100% of revenue is generated in France.

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Income statement

11.1.2. Operating income by function

Operating profit/(loss) (in thousands of euros)	12/31/2016	12/31/2015
Gross rental income	281,622	299,710
Land-related costs	(2,052)	(2,068)
Recoverable service charges not recovered from tenants	(28,006)	(24,251)
Non-recoverable property-related expenses	(7,729)	(9,236)
NET RENTAL INCOME	243,835	264,156
Property, administrative, accounting and other services	13,268	10,754
Royalties for the Icade trademark charged to subsidiaries	9,322	9,132
Other miscellaneous income	681	101
Purchases used	(69)	(139)
Other external operating expenses	(41,068)	(37,762)
Net staff costs	(5,262)	(7,661)
Taxes and duties (excluding rental management activity)	(3,204)	(2,619)
Other expenses	(1,272)	(963)
NET OPERATING COSTS	(27,605)	(29,158)
Sale of goods	-	1,800
Purchases and changes in inventory	-	(473)
MISCELLANEOUS INCOME AND EXPENSES	-	1,327
Finance lease payments for investment properties	(4,332)	(4,256)
Fees related to the acquisition of equity investments	-	(1,358)
Depreciation charges on fixed assets	(189,587)	(117,820)
Depreciation charges on deferred charges	(12,439)	(11,329)
Net impairment charges on intangible and tangible assets	37,156	(217,613)
Net provisions for risks and charges excluding investment properties	(5,898)	2,119
Net impairment charges on inventories and other receivables	2,911	(2,965)
OPERATING PROFIT/(LOSS)	44,042	(116,896)

11.1.3. Changes in net rental income

Net rental income (in thousands of euros)	12/31/2015	Acquisitions / completions	Disposals / redevelopments	Leasing activity	12/31/2016
Gross rental income	299,710	6,876	(9,936)	(15,028)	281,622
Land-related costs	(2,068)	-	-	15	(2,052)
Recoverable service charges not recovered from tenants	(24,251)	(404)	(1,060)	(2,291)	(28,006)
Non-recoverable property-related expenses ^(a)	(9,236)	(3)	(373)	1,883	(7,729)
NET RENTAL INCOME	264,156	6,469	(11,369)	(15,421)	243,835
<i>Net rental income / gross rental income</i>	<i>88.1%</i>				<i>86.6%</i>

(a) The item «Non-recoverable property-related expenses» includes provisions for disputes, impairment losses on accounts receivable and bad debt.

The acquisition of the Orsud, Arc Ouest and Parissy buildings resulted in a €2,301 thousand increase in rental income and the completion of the PDM4 building in October 2016 and Saint-Denis Monet building in 2015 resulted in a €3,433 thousand increase in rental income. Disposals had an impact of €(3,386) thousand, including €(2,368) thousand from disposals of business parks and Défense 3. The restoration of the Défense 4-5-6

building caused a €(5,807) thousand decline in rental income. On a like-for-like basis, rental income went down by €(15,028) thousand, €(11,319) thousand of which related mainly to the Crystal Park, Fontanot and Eddington buildings in Colombes and the Grand Axe buildings in Nanterre Prefecture. The main increases related to the PB5 building in La Défense and the Le Rostand building in Villepinte for €1,327 thousand.

11.2. Finance income

Finance income/(expense) (in thousands of euros)	12/31/2016	12/31/2015
Income from equity investments and share of profit/(loss) of tax transparent companies	236,468	216,993
Finance income from equity investments	39,185	35,345
Finance expenses from equity investments	-	(3)
Impairment losses net of reversals on equity investments and financing related to equity investments	57,679	133,896
FINANCE INCOME/(EXPENSE) FROM EQUITY INVESTMENTS	333,332	386,232
Interest income on financial assets	1,979	2,631
Interest income and premium amortisation on derivative instruments	729	46
Reclassification of finance expenses	124	1,799
Net gains on disposal of investment securities	1,836	1,084
Interest expenses from financial liabilities	(75,239)	(73,154)
Interest expenses and premium amortisation on derivative instruments	(17,512)	(32,462)
Net losses on disposals of investment securities	(2,164)	(979)
Amortisation of premiums or discounts on financial assets and liabilities	(2,326)	(1,208)
Impairment losses net of reversals on other financial assets	-	-
COST OF NET DEBT	(92,572)	(102,243)
Commitment fees net of recharges to subsidiaries	(3,900)	(2,621)
Penalties and net termination payments relating to the restructuring of financial liabilities	(17,102)	-
Deferrals of termination payments on disposal of derivatives	(53,033)	(33,450)
Impairment losses net of reversals on treasury shares and liquidity contract	2,779	(1,675)
Provisions net of reversals on risks and charges	466	(1,190)
Other finance income and expenses	(2,830)	-
OTHER FINANCE INCOME AND EXPENSES	(73,619)	(38,935)
FINANCE INCOME/(EXPENSE)	167,142	245,054

Dividends for the year totalled €172,467 thousand compared with €141,200 thousand in 2015. 2016 dividends include €120,535 thousand from the company Icade Promotion.

Commitment fees before recharges to subsidiaries amounted to €(5,100) thousand.

Bond redemptions as described in note 1 "Main events of the financial year", resulted in a termination payment of €(17,005) thousand fully recognised in the income statement.

The impact of termination payments from the unwinding of hedges, *i.e.* €(53,033) thousand, is described in section 7.1.1 "Derivative instruments".

In 2015, the impact of such transactions was recognised as an operating expense of €(33,706) thousand under the heading "Depreciation and impairment charges". Comparative information from 2015 shown below includes this expense as a finance expense under the heading "Deferrals of termination payments on disposal of derivatives".

Other finance income and expenses, which stood at €(2,830) thousand, mainly relate to a merger deficit of €2,650 thousand.

11.3. Non-recurring income

Non-recurring income/(expense) (in thousands of euros)	12/31/2016	12/31/2015
Gains or losses on disposals of property assets	(88,988)	34,849
Gains or losses on disposals of equity investments	9,436	(204)
Share of grants	146	146
Depreciation and provision charges net of reversals	(2,470)	(503)
Other non-recurring income and expenses	(1,267)	(430)
NON-RECURRING INCOME/(EXPENSE)	(83,143)	33,858

Provisions net of reversals of €(2,470) thousand mainly related to a provision for the tax risk associated with a tax adjustment proposal received following a tax inspection for the financial years 2013 and 2014, which represented €(2,397) thousand.

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Off-balance-sheet commitments

11.4. Income tax

According to the SIIC tax regime, Icade recorded a taxable profit of €4,704 thousand, after use of tax loss carryforwards.

As of December 31, 2016, unused tax loss carryforwards totalled €4,103 thousand.

The corporate tax liability for the financial year was €(1,595) thousand.

Corporate tax also includes:

- the financial consequences of a tax inspection in 2007, representing €1,090 thousand;
- the additional corporate tax contribution on dividends for €(5,699) thousand.

Note 12 Off-balance-sheet commitments

12.1. Commitments made

(in thousands of euros)	12/31/2016	Remaining term		
		< 1 year	1-5 years	> 5 years
Commitments relating to the scope of consolidation	5,650	3,000	2,650	-
Commitments made as part of disposals of equity investments:				
Liability guarantees given	5,650	3,000	2,650	-
Financing commitments	884,376	424,817	184,842	274,717
Unused advances granted to subsidiaries	397,385	397,385	-	-
Mortgages	265,672	10,115	30,557	225,000
Lender's liens	133,756	10,424	123,332	-
Finance leases: Minimum lease payments to be made	55,894	4,506	20,920	30,468
Pledged securities	802	-	-	802
Sureties and guarantees given in respect of financing	30,867	2,387	10,033	18,447
Commitments relating to operating activities	236,229	120,844	80,295	35,090
Commitments given relating to business development and asset disposals:				
Property Investment: Residual commitments in construction contracts, property development contracts and off-plan sales – Property under construction or redevelopment	168,542	106,822	61,720	-
Preliminary sale agreements signed – Property Investment – Tangible fixed assets	6,239	6,239	-	-
Commitments made relating to the execution of operating contracts:				
Operating leases: Minimum lease payments to be made	42,944	1,971	7,050	33,923
Demand guarantees given	399	-	399	-
Other commitments made	18,105	5,812	11,126	1,167

12.2. Commitments received

(in thousands of euros)	12/31/2016	Remaining term		
		< 1 year	1-5 years	> 5 years
Commitments relating to the scope of consolidation	-	-	-	-
Financing commitments	1,580,000	-	1,580,000	-
Unused credit lines	1,580,000	-	1,580,000	-
Commitments relating to operating activities	1,245,842	250,843	633,218	361,781
Other contractual commitments received related to operating activities:				
Operating leases - minimum lease payments to be received	1,206,067	240,565	616,893	348,609
Property Investment: Residual commitments received in construction contracts, property development contracts and off-plan sales - Property under construction or redevelopment	886	765	121	-
Bank guarantees received - construction work	1,379	88	1,291	-
Demand guarantees received - Rent guarantees - Property Investment	6,470	2,000	4,452	18
Other commitments received	71	20	5	46
Assets taken as security, by mortgage or pledge, as well as security deposits received:				
Security deposits received for rents - other assets	30,969	7,405	10,456	13,108
Other sureties and guarantees received	-	-	-	-

12.3. Finance lease commitments

Balance sheet items	Fixed assets under finance leases			
	Initial cost	Depreciation charges		Net amount
		for the year	accumulated	
Land	4,089	-	-	4,089
Buildings	70,686	2,438	15,246	55,440
TOTAL	74,775	2,438	15,246	59,529

Balance sheet items	Finance lease commitments							
	Finance lease payments made		Finance lease payments remaining to be made			Total to be paid	Residual value	Total
	for the financial year	cumulative	< 1 year	1 to 5 years	> 5 years			
Axe Seine development	4,331	28,360	4,506	20,919	1,468	26,893	29,000	55,893
TOTAL	4,331	28,360	4,506	20,919	1,468	26,893	29,000	55,893

Note 13 Other information

13.1. Events after the balance sheet date

As part of the implementation of its strategic plan, Icade sold its stake in Icade Expertise on January 4, 2017. This deal marked the completion of the sale of Icade's Property Services operations. This sale will have no significant impact on the income for financial year 2017.

13.2. Related entities

Transactions entered into with companies wholly owned, directly or indirectly, by Icade are not mentioned, in accordance with Article 833-16 of the French Charter of Accounts. Furthermore, transactions entered into with other related parties are not detailed as they are not significant and/or they were entered into on normal market terms.

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13.3. Table of subsidiaries and equity investments

(in thousands of euros)	Share capital	Equity excluding share capital	Stake in %	Carrying amount of equity investments		Loans (excl. interest accrued but not due)	Advances (excl. interest accrued but not due)	Guarantees given to subsidiaries	Revenue	Profit/(Loss) for the last financial year	Dividends received	Obs. (last balance sheet date)
				Gross	Net							
SASU Icade Santé	497,208	984,217	57	806,286	806,286	621,484	9,000	-	200,704	50,499	49,169	2016
SAS Icade Tour Egho	305,842	59,787	100	405,842	405,842	260,000	58,176	-	25,933	19,524	-	2016
SAS Sarvilep	1,000	54,960	100	156,500	55,960	-	-	-	13,949	(12,090)	-	2016
SCI Icade-Léo Lagrange	121,911	4,247	100	121,911	121,911	94,939	4,247	-	18,196	4,247	-	2016
SCI 68 Avenue Victor-Hugo	116,594	(112)	100	116,594	116,594	32,850	118,564	-	13,082	(75)	-	2016
SCI Icade-Rue des Martinets	99,177	(7,815)	100	99,177	99,177	37,400	-	-	7,337	1,562	-	2016
SCI Bassin Nord	103,889	1,699	50	72,762	72,762	-	36,951	-	11,009	(39,936)	-	2016
SCI PDM 2	42,702	110	100	42,702	42,702	-	110	-	(10)	110	-	2016
SCI PDM 1	39,652	2,906	100	39,652	39,652	26,281	4,070	-	9,966	2,906	-	2016
SCI Terrasse Bellini	91,469	3,465	33	37,179	37,179	-	8,805	-	11,088	3,465	332	2016
SCI Messine Participations	24,967	12,432	100	34,388	34,388	19,298	14,252	-	5,835	3,675	-	2016
SCI Icade 69 Boulevard Haussmann	28,984	70,203	100	24,834	24,834	-	70,193	-	4,412	70,203	-	2016
SCI Icade Camille Desmoulins	21,462	(1,897)	100	23,469	23,469	7,891	20,300	-	-	(1,897)	-	2016
GIE Icade Management	10,000	9,368	100	23,240	19,368	-	-	-	40,650	-	-	2016
SCI Le Tolbiac	22,938	648	100	22,938	22,938	15,741	648	-	2,665	648	-	2016
SCI Évry Mozart	7,257	(2,466)	100	12,268	4,791	-	-	-	415	(274)	-	2016
SCI Bati Gautier	1,530	2,910	100	11,497	11,497	-	2,468	-	3,184	2,468	-	2016
SCI Icade Morizet	9,100	1,151	100	10,234	10,234	8,625	2,706	-	2,097	1,151	-	2016
SCI BSM, University hospital (CHU) of Nancy	1,400	(8,512)	100	1,400	1,400	-	521	-	4,143	(1,248)	-	2016
SASU SMDH	1,000	(1,000)	100	1,000	1,000	-	-	-	238	(1,125)	-	2016
SASU Icade 3.0	1,000	(1,000)	100	1,000	1,000	-	-	-	261	(225)	-	2016
SCI Des Pays de Loire	637	(540)	100	576	97	-	-	-	-	(24)	-	2016
SCI Les Tovets	10	280	100	10	10	-	-	-	311	138	90	2016
SCI BSP	10	(323)	99	10	10	-	-	-	1,190	(300)	-	2016
SCIA Millénaire business park	5	(1,304)	86	5	5	-	100,295	-	-	(1,304)	-	2016
CONSOLIDATED PROPERTY INVESTMENT COMPANIES				2,065,474	1,953,106	1,124,509	451,306					
SASU Icade Promotion	29,683	371,930	100	135,089	135,089	-	2,460	-	537,327	20,502	120,535	2015
CONSOLIDATED PROPERTY DEVELOPMENT COMPANIES				135,089	135,089	-	2,460					
SAS Icade Expertise	625	1,133	100	500	307	-	-	-	191	(78)	-	2016
COMPANY FROM THE PROPERTY SERVICES DIVISION				500	307	-	-					
SPPICAV BOUTIQUES PREMIUM	38,656	-	47	18,105	18,105	-	-	-	5	(1,959)	-	2015
SCI 2C Marseille	480	59	100	479	479	-	721	-	1,742	59	59	2015
SCI Centre des Archives Diplomatiques	1,440	2,691	22	317	317	-	29	-	3,059	326	58	2016
SAS Chrysalis	3,685	29,303	8	295	295	-	582	-	13,755	520	79	2015
SAS Guyane Lycees	1,650	34,181	16	264	264	-	-	-	3,726	447	56	2015
SAS La Cité	1,618	265	16	259	259	-	2,275	-	19,174	282	17	2016
GMBH Icade Reim Deutschland ^(a)	25	299	100	25	25	-	-	-	-	-	-	-
SEM Plaine Développement	4,314	(4,314)	-	17	17	-	-	-	-	-	-	-
SIC SEMHACH	n/a	n/a	-	6	6	-	-	-	-	-	-	-
SCI La Sucriere	5	39	99	4	4	-	40	-	-	(3)	-	2015
BV Icade Reit ^(a)	18	17,434	100	4	-	9,117	-	-	-	-	-	-
SEM SEMGEP	n/a	n/a	-	3	3	-	-	-	-	-	-	-
SNC SNC Capri Danton	1	n/a	100	1	1	-	-	-	-	4	-	2015
NON-CONSOLIDATED COMPANIES				19,779	19,775	9,117	3,647					
TOTAL				2,220,842	2,108,277	1,133,626	457,413					

(a) Equity, revenues and profit/(loss) calculated in accordance with the IFRS.

3. Statutory Auditors' report on the annual financial statements

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relative to the specific verification of information given in the management report and in the document addressed to the shareholders.

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 your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the annual financial statements of Icade;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with the auditing standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or others methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the financial position and assets and liabilities of Icade, as of 31 December 2016, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without qualifying the opinion expressed above, we draw your attention to the note 2.2 of the financial statements, which describes the effects of the change in accounting method resulting from the first application of the "Règlement ANC n° 2015-06" relating, in particular, to the accounting of the "mali technique"

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- The note 2.2 to the financial statements describe the effects of the first application of the "règlement ANC 2015-06", related, in particular, to the accounting of the "mali technique". We have verified the correct application of this change in accounting method and the presentation made of it.
- The notes 2.5, 2.6 and 2.9 to the financial statements describe the accounting rules and methods for the assessment of tangible and intangible fixed assets, equities and accounts receivables, as well as significant estimates made by the Company in connection with the implementation of impairment testing of these assets.

We assessed the adequacy of the data and assumptions used by Management and the resulting valuations. We also verified that the related to the financial statements provide the appropriate information.

The assessments were thus made in the context of the performance of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to compensation and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, March 7, 2017

The Statutory Auditors (French original signed by)

Mazars
Gilles Rainaut

PricewaterhouseCoopers Audit
Jean-Baptiste Deschryver



CAPITAL, SHARES AND DISTRIBUTION POLICY

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MERGER BY ACQUISITION OF HOLDCO SIIC BY ICADE

On May 23, 2016, Icade's shareholders approved the proposed merger by acquisition of HoldCo SIIC by Icade. Since it resulted in a simplified shareholding structure and improved governance, the proposed merger has been beneficial to Icade and its shareholders.



Florence Welti

HEAD OF LEGAL (CORPORATE, COMPLIANCE, FINANCING)

// By decision of the General Shareholders' Meeting of 23 May, 2016, Icade carried out the merger by acquisition of its holding company, HoldCo SIIC. The legal structure through which our two main shareholders, Caisse des dépôts and Groupama, hold their stakes in Icade, was streamlined without affecting their economic interests. Caisse des dépôts now holds a direct stake of 39% in Icade. For its part, Groupama has a stake of 13%."

Anne Coupé-Saladin

ACCOUNTING AND CONSOLIDATION DIRECTOR

// This transaction resulted in a simpler and clearer shareholding structure. Our leading shareholder is still Caisse des dépôts and Icade is now controlled by the private sector. At the same time, Icade improved its governance structure. This merger was not dilutive to existing shareholders and had no impact on Icade's separate and consolidated financial statements."



MAY 23

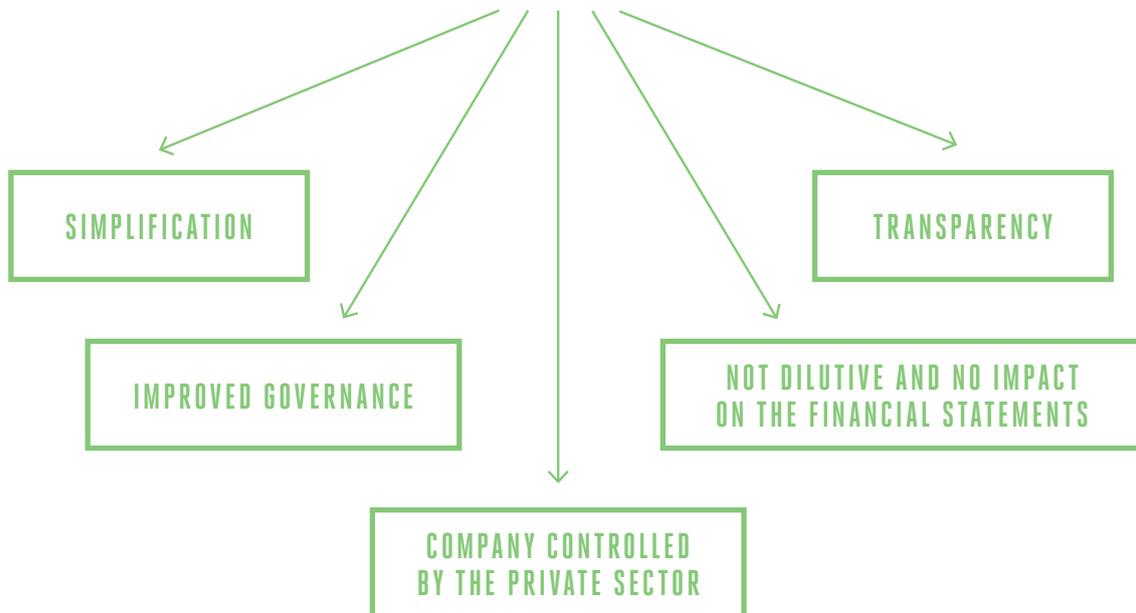
**MERGER BY ACQUISITION
OF HOLDCO SIIC**



CHANGE IN LEGAL STRUCTURE

Caisse des Dépôts: 39%

Groupama: 13%



1. Information on the issuer and its capital

1.1. Legal information on the issuer

1.1.1. Company name

The Company name is "Icade" following the change of name from Icade Emgp decided by its shareholders at the Combined General Meeting held on November 30, 2007.

1.1.2. Trade and companies register

The Company is registered under No. 582 074 944 in the Paris Trade and Companies Register. The Company's SIRET number (company registration number) is 582 074 944 00650. Its APE/NAF code (classification of activities) is 6820 B.

1.1.3. Date of incorporation and duration of the Company

The Company was registered in the Paris Trade and Companies Register on October 27, 1955. It shall terminate on December 31, 2098, unless it is extended or dissolved early as provided for by law and by the Articles of Association.

1.1.4. Registered office, legal form and applicable legislation

The Company's registered office is situated at:

35, rue de la Gare
75019 Paris, France

Tel: +33 1 41 57 70 00

Fax: +33 1 41 57 80 32

Website: www.icafe.fr

The Company is a "French public limited company" (*société anonyme*) with a Board of Directors, governed by all current legal and regulatory provisions applicable to corporate entities as well as the provisions of its Articles of Association.

1.2. Articles of Association

The provisions of the Articles of Association as described in this paragraph are those which have been applicable since they were adopted by the Company's Combined General Meeting held on November 30, 2007.

1.2.1. Object of the Company (Article 2 of the Articles of Association)

The object of the Company is:

- to acquire, build and operate, in any form whatsoever, any property, land and property rights or buildings located in France or abroad and in particular any business premises, offices, shops, dwellings, warehouses or public salesrooms, restaurants, drinks outlets, any means of communication, any securities, corporate rights and any assets that may be attached to such assets;

- to carry out all types of research relating to those business activities, both for its own account and on behalf of its subsidiaries or third parties;
- to carry out any transport, transit and handling operations, forwarding agency, auxiliary transport and related activities;
- to assist with and provide any administrative, accounting, financial and management services to all subsidiaries and partly-owned companies as well as to contribute to the companies in its Group with all material or financial resources, particularly through cash transactions, in order to secure or promote their expansion as well as to carry out or assist with any economic, technical, legal, financial or other research without any restriction other than compliance with current legislation;

- to carry out business as an estate agency company, or as an intermediary for movable, immovable or commercial assets.

To that end, to create, acquire, lease, install and operate any establishments relating to the estate agency business:

- to perform all types of property management agreements and in particular the collection of rents and tenant charges;
- to perform any activities related to the operation of the properties or provide services to the occupants;
- to take a direct or indirect interest or holding in any existing or future industrial, commercial or financial activities or operations, or in activities or operations related to movable or immovable property, of any kind, in any form whatsoever, in France or abroad, provided those activities or operations directly or indirectly relate to the object of the Company or to similar, related or complementary objects;
- and more generally speaking, to perform operations of any kind whatsoever, whether economic or legal, financial, civil or commercial, which may be directly or indirectly associated with the object of the Company or to similar, related or complementary objects.

1.2.2. Rights and obligations attached to the shares (Articles 6 to 8 of the Articles of Association)

1.2.2.1. Types of shares and identities of shareholders

Fully paid-up shares are in registered or bearer form, at the shareholder's option, within the framework of, and subject to, legal provisions in force.

The shares give rise to an account entry under the conditions of and in accordance with the procedures provided for by current legislation and are transferred by inter-account transfer.

The Company may at any time request information on the composition of its shareholders in accordance with the provisions of Article L. 228-2 of the French Commercial Code and/or any other law which may supplement or supersede it.

1.2.2.2. Rights attached to each share

The ownership of one share automatically entails the acknowledgement and approval of the Articles of Association and decisions of the General Meeting.

Whenever it is necessary to own a certain number of shares in order to exercise a right, it shall be up to owners who do not own the required number to make suitable pooling arrangements to reach the required share number.

All shares which make up or will make up the share capital of the Company and that are of the same share category, nominal value and that are fully paid up at the same price, shall have all the same characteristics as existing shares as soon as they entitle their holders to the same dividend rights as existing shares.

In addition to the non-pecuniary rights provided for by current legislation or by these Articles of Association, each share shall entitle its holder to a portion of the profits or liquidation dividend in proportion to the number of existing shares.

1.2.2.3. Payment for shares

The value of shares issued as part of a capital increase and to be paid for in cash is payable under the conditions laid down by the applicable legal and regulatory provisions.

Calls for payments for any unpaid value of shares shall be brought to the attention of subscribers and shareholders at least 15 days before the date set for each payment by means of a notice published in a legal notice newspaper for the area where the registered office is located or through an individual registered letter.

Any delay in paying any sums due on any unpaid value of shares shall, automatically and without the need for any formalities, entail payment of interest calculated *prorata temporis* at the legal interest rate plus two hundred (200) basis points, without prejudice to any personal action that the Company may initiate against the defaulting shareholder and to any forced execution measures provided for by current regulations.

1.2.3. General Meetings (Article 15 of the Articles of Association)

1.2.3.1. Notice of meeting

Shareholders' meetings shall be called and held and deliberations shall take place under the conditions provided for by current regulations.

1.2.3.2. Access to meetings

General Meetings shall include all shareholders whose shares, in accordance with the provisions of Article R. 225-85 of the French Commercial Code, are fully paid up (meaning that any amounts owing have been paid), and registered either in the name of the shareholder or, if the shareholder is not domiciled on French territory, in the name of the intermediary registered on their behalf, at midnight (Paris time) on the third working day preceding the meeting.

Shares must be registered either in the registered securities accounts held by the Company or in the bearer securities accounts held by the authorised intermediary, within the time limit mentioned in the preceding paragraph.

Access to the General Meeting is open to its members on production of proof of their titles and identities. If it sees fit, the Board of Directors may give shareholders individual, personal admission cards and require these to be produced.

Subject to legal requirements, any shareholder may vote by post or may appoint his/her spouse or any other shareholder as proxy in order to be represented at a General Meeting.

In accordance with legal and regulatory requirements, shareholders may send their postal ballots or proxies, as well as a share ownership certificate, in paper or electronic form at least three days before the date of the General Meeting. They may also vote electronically. The procedures for sending these documents shall be specified by the Board of Directors in the notice of meeting. The Board of Directors may shorten or remove this three-day period.

A shareholder who has already voted by postal ballot, submitted a proxy, or requested their admission card or a share ownership certificate may at any time sell all or part of their shares.

However, if the sale is made before midnight, Paris time, on the third working day preceding the meeting, the Company shall invalidate or amend accordingly, as appropriate, the postal vote, proxy, admission card or share ownership certificate. To this end, the authorised intermediary-account keeper shall notify the Company or its representative of the sale and forward the necessary information to the Company.

No sale or other transaction carried out after midnight, Paris time, on the third working day preceding the meeting, regardless of the method used, can be notified by the authorised intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

1.2.3.3. Voting rights

Each member of the meeting, whether Ordinary or Extraordinary, holds the same number of voting rights as the number of shares they own or represent.

Pursuant to Article L. 225-123, paragraph 3 of the French Commercial Code, the Combined General Meeting held on April 29, 2015 decided not to grant double voting rights for those shares for which it has been justified that they have been registered in the name of the same shareholder for at least two years.

1.2.3.4. Composition, attendance sheet and minutes

Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a director specially appointed by the Board. Otherwise, the Chairman shall be elected by the members of the meeting themselves.

Minutes shall be drawn up and copies shall be certified and distributed in accordance with current regulations.

Two members of the Employee Representative Committee, if any, both appointed by such committee, one of them belonging to the "technicians and supervisors" category and the other one to the "employees and labourers" category or, as the case may be, the persons referred to in the third and fifth paragraphs of Article L. 432-6 of the French Labour Code, may attend the General Meetings.

1.3. Information on the capital

1.3.1. General information

1.3.1.1. Value of the share capital

Icade's share capital stands at €112,966,652.03 and is divided into 74,111,186 no-par-value, fully paid-up shares, all of the same category. As far as the Company is aware and as of the date of this annual report, none of the Company's 74,111,186 shares have been pledged.

1.3.1.2. Capital authorised but not issued

List of delegations and other authorisations to increase the share capital granted by the General Meeting to the Board of Directors

The authorisations and delegations in force or which have expired since the last General Shareholders' Meeting are listed in the table below in accordance with Article L. 225-100 of the French Commercial Code.

Type of shares	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount	Use during FY 2016
Authorisation to have the Company repurchase its own shares	05/23/2016	17 th resolution	18 months, i.e. until November 22, 2017	10% of the shares making up the share capital	Used only in the context of the liquidity contract: <input type="checkbox"/> purchases: 414,604 shares <input type="checkbox"/> sales: 720,604 shares
Authorisation to reduce the share capital through the cancellation of treasury shares	05/23/2016	18 th resolution	18 months, i.e. until November 22, 2017	10% of the share capital for each 24-month period	None
Delegation to increase the share capital by capitalisation of reserves, profits, share premiums or other items	04/29/2015	24 th resolution	26 months, i.e. until June 28, 2017	€15 million (power to issue only ordinary shares)	None
Delegation to increase the share capital with preferential subscription right (reserved for existing shareholders)	05/23/2016	19 th resolution	26 months, i.e. until July 22, 2018	€38 million ^(a) (power to issue only ordinary shares)	None
Delegation to increase the share capital in consideration for contributions in kind	05/23/2016	20 th resolution	26 months, i.e. until July 22, 2018	10% of the share capital as of the date of use of this delegation by the Board of Directors ^(a) ^(b)	None
Delegation to increase the share capital through an issue reserved for employees as part of the Company Savings Plan (PEE)	05/23/2016	21 st resolution	26 months, i.e. until July 22, 2018	1% of the diluted share capital as of the date of the General Meeting ^(a)	None
Authorisation to grant free shares to employees and corporate officers	05/23/2016	22 nd resolution	38 months, i.e. until July 22, 2019	0.5% of the diluted share capital as of the date of use of this authorisation by the Board of Directors ^(c)	Used for 20,321 shares purchased by the Company as part of its share repurchase programme and allocated to the bonus share plans (AGA 1-2014 Plan and AGA 2-2014 Plan).

(a) Combined maximum amount: €38 million.

(b) Combined maximum amount: €11.3 million.

(c) Maximum sub-amount: 0.5% of this amount.

List of authorisations and delegations to be submitted to the vote of the Combined General Meeting to be held on April 20, 2017

Type of shares	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount
Authorisation to have the Company repurchase its own shares	04/20/2017	14 th resolution	18 months, i.e. until October 19, 2018	10% of the shares making up the share capital as adjusted for any capital increase or reduction occurring during the programme period. Maximum purchase price: €130 per share. Maximum amount per transaction: €735 million.
Authorisation to reduce the share capital through the cancellation of treasury shares	04/20/2017	15 th resolution	18 months, i.e. until October 19, 2018	10% of the share capital as calculated on the date of the cancellation decision, net of any shares cancelled in the previous 24 months
Delegation to increase the share capital by capitalisation of reserves, profits, share premiums or other items	04/20/2017	16 th resolution	26 months, i.e. until June 19, 2019	Shares: €15 million
Delegation to increase the share capital through an issue reserved for employees as part of the Company Savings Plan (PEE)	04/20/2017	17 th resolution	26 months, i.e. until June 19, 2019	1% of the diluted share capital as of the date of the General Meeting

1.3.2. Non-equity shares

There are no shares not representing Icade's equity capital.

1.3.3. Securities held by Icade or for its own account

The Company's Combined General Meeting of May 23, 2016 renewed a resolution authorising the Board of Directors, for a period of 18 months, to have the Company buy its own shares in application of the provisions of Article L. 225-209 *et seq.* of the French Commercial Code. The Combined General Meeting renewed this authorisation under the following conditions:

- the number of shares that the Company can buy during the repurchase programme shall not exceed 10% of the shares making up the capital of the Company (that percentage applies at all times to the value of capital adjusted for the transactions affecting it after the meeting of May 23, 2016), it being understood that a maximum of 5% of the shares making up the capital of the Company may be set aside to be kept and subsequently delivered in payment or exchange as part of a merger, demerger or contribution; and
- the number of shares that the Company may hold at any given time shall not exceed 10% of the shares making up the capital of the Company.

Under the terms and conditions of this authorisation, the Company's shares may at any time be purchased, sold, transferred or exchanged in accordance with current regulations on the exchange or over the counter, specifically by means of transactions in blocks of shares (which may be as large as the entire programme), through the use of financial derivatives (traded on a regulated or over the counter market) or through certificates or securities entitling their holders to shares in the Company, or by setting up option-based strategies, or issuing instruments that may, through their conversion, exchange or redemption, or through the exercise of a certificate, or through any other action, entitle their holders to shares in the Company held by the latter as own shares at such times as the Board of Directors or the person representing the Board of Directors shall determine.

The maximum value of the funds to be used to implement this share repurchase programme is €735 million. The maximum purchase price is set at €130, excluding acquisition fees.

This authorisation is intended to enable the Company (i) to retain the shares and subsequently use them for payment or exchange as part

of potential external growth transactions, in compliance with market practices accepted by the French Financial Markets Authority (AMF); (ii) to enhance the liquidity of transactions and consistency of prices of the Company's shares and to avoid share prices that do not appropriately reflect market trends through the conclusion of a liquidity contract with an independent investment services provider, in accordance with market practices accepted by the AMF and the AMAFI (formerly the AFEI) Code of Ethics dated March 8, 2011 regarding liquidity contracts; (iii) to grant them to the corporate officers or employees of the Company and/or companies in its Group under the conditions of and in accordance with the procedures provided for by legal and regulatory provisions applicable as part of the sharing of benefits of the Company's expansion, as part of the share purchase option scheme provided for by Articles L. 225-179 *et seq.* of the French Commercial Code, as part of the bonus share scheme provided for by Articles L. 225-197-1 *et seq.* of the French Commercial Code, and as part of a Company savings plan, and to carry out any hedging transactions relating to those operations under the conditions laid down by the market authorities and at such times as the Board of Directors or person representing the Board of Directors shall determine; (iv) to deliver them on exercise of rights attached to securities providing immediate or future entitlement to the grant of shares in the Company, as well as to carry out any hedging transactions in connection with the issue of such securities, under the conditions laid down by the market authorities and at such times as the Board of Directors or person representing the Board of Directors shall determine; or (v) to cancel them totally or partially by means of a capital reduction (particularly in order to improve cash management, return on equity or earnings per share).

This authorisation is also intended to enable the Company to trade in its own shares for any other authorised purpose or some purpose which may be authorised by applicable legal and regulatory provisions or which may become recognised as a market practice by the AMF.

On May 23, 2016, the Board of Directors decided to implement the share repurchase programme in respect of all the objectives set out by the Combined General Meeting of May 23, 2016.

In this respect, a liquidity contract that complies with the AMAFI Code of Ethics approved by the order of the AMF of October 1, 2008 was signed on December 31, 2010 with Rothschild & Cie Banque, an investment service provider, and became effective on January 1, 2011. Some of the shares were acquired by the Company as part of the liquidity contract. On January 1, 2011, €5 million and 231,803 Icade shares were transferred to the liquidity account to implement said contract.

Situation as of December 31, 2016

Of the 206,644 treasury shares representing 0.28% of the share capital as of December 31, 2016, none are held as part of the liquidity contract.

2016 information (cumulative data)	Shares	% of capital
Total number of outstanding shares as of the start of the programme (January 1, 2011)	51,802,133	100.00%
Directly- and indirectly-held treasury shares at the start of the programme	705,205	
Number of shares held as of December 31, 2016	206,644	0.28%
Number of shares repurchased during the year	414,604	0.56%
Number of shares sold during the year	740,925	1.00%
Average price of repurchases	€66.50	
Average price of sales	€67.88	
Transaction costs excluding tax	€50,000	
Portfolio book value	€13,308,938.93	
Portfolio nominal value	€314,984.58	

1.3.4. Complex securities

1.3.4.1. ORNANE bonds

On the date of the merger by acquisition of Silic by Icade (the Merger), Icade automatically took over all of Silic's obligations resulting from commitments made by Silic pursuant to the Offering Circular of November 3, 2010 approved by the AMF under number 10-386 (the Offering Circular) to the owners of the 940,641 bonds redeemable in cash and/or in new and/or existing shares (ORNANE bonds) outstanding on the date the Merger was completed (excluding those held by Icade).

The ORNANE bonds were issued on November 16, 2010 at a nominal value of €124.59 each. As from January 1, 2015 (inclusive), bondholders could exercise their right to be granted shares according to the procedure described in the Offering Circular. They have a 2.50% annual coupon. In accordance with the issue contract, the ORNANE bonds shall be fully redeemable on January 1, 2017, except for cases of early amortisation or early redemption and if the bondholder does not exercise the right to be granted shares.

ORNANE bonds are admitted to trading on Euronext Paris.

Adjustment of the ORNANE conversion ratio

Since the effective date of the merger, the right to be granted new and/or existing shares for the ORNANE bonds has been transferred to the Icade shares, and the conversion ratio of these bonds has been adjusted according to the exchange ratio of five (5) Icade shares for four (4) Silic shares kept under the merger. The other terms of the Offering Circular relating to the issue of the ORNANE bonds remain unchanged.

1.3.6. Changes in Icade's capital over the last three years

Date	Action	Number of shares issued/cancelled	Nominal value of the capital increase or reduction (in euros)	Share premiums, contribution premiums or merger premiums (in euros)	Cumulative capital amount (in euros)	Cumulative number of shares
Between March 1 and March 31, 2014	Capital increase due to the exercise of Icade stock options (noted by the Board of Directors on April 29, 2014)	16,782	25,580.57	914,547.07	112,694,879.43	73,932,891
Between April 1 and April 30, 2014	Capital increase due to the exercise of Icade stock options (noted by the Board of Directors on June 26, 2014)	59,482	90,667.59	3,796,430.05	112,785,547.02	73,992,373
Between June 1 and June 30, 2014	Capital increase due to the exercise of Icade stock options (noted by the Board of Directors on July 23, 2014)	30,013	45,748.4	2,007,276.40	112,831,295.42	74,022,386
Between January 1 and January 31, 2015	Capital increase due to the exercise of Icade stock options (noted by the Board of Directors on February 17, 2015)	8,000	12,194.29	520,685.71	112,843,489.71	74,030,386
Between February 1 and February 28, 2015	Capital increase due to the exercise of Icade stock options and stock options formerly issued by Silic (noted by the Board of Directors on March 19, 2015)	38,900	59,294.73	2,599,109.27	112,902,784.44	74,069,286
Between March 1 and March 31, 2015	Capital increase due to the exercise of Icade stock options and stock options formerly issued by Silic (noted by the Board of Directors on March 19, 2015)	41,900	63,867.59	2,839,216.41	112,966,652.03	74,111,186
May 23, 2016	Capital increase in consideration for the contributions made for the purposes of the merger by acquisition of HoldCo SIIC	38,491,773	58,672,475.25	3,017,970,913.85 ^(a) (2,426,710.62) ^(b)	171,639,127.28	112,602,959
May 23, 2016	Capital reduction due to the cancellation of shares in the Company transferred by HoldCo SIIC to the Company for the purposes of the merger by acquisition of HoldCo SIIC	(38,491,773)	(58,672,475.25)	(3,016,900,864.43) ^(c)	112,966,652.03	74,111,186

(a) Including €2,755,076,346.47 for the "legal" merger premium, €261,824,733.38 for the badwill recorded in a sub-account of this merger premium, and €1,069,834.00 recorded in a sub-account for losses for the interim period.

(b) Equal to duties and costs payable as a result of the merger, including €(2,096,710.62) recorded in the "legal" merger premium account and €(330,000) recorded in the losses account for the interim period.

(c) Recorded in the merger premium account formed as a result of the merger, after deducting any duties and costs payable as a result of the merger (including the portion recorded in the sub-account of the merger premium account for the badwill), the remaining balance being recorded in other merger premium accounts which were on the Company's balance sheet before the merger.

The number of Icade shares to which each ORNANE bondholder would be entitled, pursuant to the Offering Circular, thus corresponds to the number of Silic shares to which the holder is entitled by virtue of the prevailing conversion ratio on the date of the merger multiplied by the 1.25 exchange ratio of the merger.

Since the dividend distribution of May 31, 2016, the conversion ratio was changed from 1.65 to 1.674 Icade shares for each ORNANE bond. As of December 31, 2016, the number of outstanding ORNANE bonds stood at 359,942.

1.3.4.2. Stock options

The information and history of stock options granted are described in chapter 8 of this registration document.

1.3.4.3. Bonus shares granted

The information and history of bonus shares granted are described in chapter 8 of this registration document.

1.3.5. Option or agreement relating to the capital of Icade or companies in its Group

As of the date of this registration document, there are no commitments to purchase or sell (i) all or part of the capital of Icade or (ii) all or part of the capital of a direct subsidiary of Icade.

1.3.7. Changes in the distribution of Icade's capital over the last three years

Shareholders	12/31/2016		12/31/2015		12/31/2014	
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts	28,895,631	38.99	-	-	-	-
Groupama ^(a)	9,596,200	12.95	-	-	-	-
SUBTOTAL CDC AND GROUPAMA ACTING IN CONCERT	38,491,831	51.94	-	-	-	-
HoldCo SIIC ^(b)			38,491,773	51.94	38,491,773	52.07
Crédit Agricole ^(c)	4,219,304	5.69	4,144,304	5.59	-	-
Public	30,987,735	41.81	30,729,944	41.46	34,926,865	47.25
Employees	205,672	0.28	212,200	0.29	177,166	0.24
Treasury shares	206,644	0.28	532,965	0.72	320,305	0.43
TOTAL	74,111,186	100	74,111,186	100	73,916,109	100

(a) Groupama Gan Vie, Groupama SA and Groupama Holding.

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

(c) Number of shares held notified to Icade as of December 31, 2015 and December 31, 2016.

More than 10% of capital was paid for using assets other than cash during the period covered by the historical financial information.

As far as the Company is aware, there is no other shareholder who holds more than 5% of the capital or voting rights.

1.3.8. Crossing of shareholding thresholds (Article 6-III of the Articles of Association)

In addition to the thresholds provided for by applicable law, any natural/legal person who, acting alone or in concert, exceeds or falls below a threshold of 0.5% or more of the Company's capital or voting rights, or any whole multiple of that percentage below 5%, must, within the time limits and in accordance with the provisions set out in Article L. 233-7 of the French Commercial Code (or any other article which may replace it), inform the Company, by registered letter with acknowledgement of receipt, of the total number of shares and voting rights they hold as well as the total number of securities convertible or exchangeable into equity instruments of the Company and associated voting rights.

Beyond 5% and up to a threshold of 50% (without prejudice to any additional legal requirement), the disclosure obligation provided for in the previous paragraph shall apply when a threshold of 1% or more, or any whole multiple of that percentage, of the Company's capital or voting rights is crossed, upwards or downwards.

For the purposes of this article, the holding of the person concerned shall be calculated in the same way as for legal thresholds. In respect of thresholds being crossed as a result of a purchase or sale on a regulated market, the time limit mentioned in Article L. 233-7 of the French Commercial Code shall begin to run from the date on which the securities are traded and not the date of their delivery.

In the event of non-compliance with this disclosure obligation, the sanctions provided for in Article L. 233-14 of the French Commercial Code shall apply; in particular, shareholders holding at least 5% of the share capital may issue a request, which shall be included in the minutes of the General Meeting, that the voting rights attached to the shares exceeding the fraction which should have been declared be suspended in respect of any Shareholders' Meeting to be held in the two years following the date of the regularisation declaration.

1.4. Shareholding structure

1.4.1. Majority shareholder

The following table shows the number of shares, percentage of capital and corresponding percentage of voting rights held by the Company's shareholders as of December 31, 2016.

Shareholders (as of 12/31/2016)	Number of shares	Percentage of capital	Number of voting rights	Percentage of voting rights
Caisse des dépôts	28,895,631	38.99	28,895,631	39.10
Groupama ^(a)	9,596,200	12.95	9,596,200	12.98
SUBTOTAL CDC AND GROUPAMA ACTING IN CONCERT	38,491,831	51.94	38,491,831	52.08
Crédit Agricole Group ^(b)	4,219,304	5.69	4,219,304	5.71
Public	30,987,735	41.81	30,987,735	41.93
Employees (FCPE Icade)	205,672	0.28	205,672	0.28
Treasury shares	206,644	0.28	0	0.00
TOTAL	74,111,186	100.00	73,904,542	100.00

(a) Groupama Gan Vie, Groupama SA and Groupama Holding.

(b) Number of shares held last notified to Icade as of December 31, 2016.

In accordance with Icade's Articles of Association, no shareholder holds any special voting rights. Pursuant to Article L. 225-123, paragraph 3 of the French Commercial Code, the Combined General Meeting held on April 29, 2015 decided not to grant double voting rights for those shares for which it has been justified that they have been registered in the name of the same shareholder for at least two years.

Changes in Icade's shareholding structure are shown in the section "Events after the balance sheet date".

1.4.2. Disclosures in respect of crossings of shareholding thresholds provided for by the Articles of Association

Declaring party	Transaction date	Crossing of threshold		
		% of total number of shares	% of total number of votes	
BNP Paribas Investment Partners	01/05/2016	1.5221	1.5205	Upward
BNP Paribas Investment Partners	01/11/2016	1.4900	1.4884	Downward
Amundi SA	02/09/2016	1.00	1.00	Upward
AXA Investment Managers	02/11/2016	1.5	1.5	Downward
Moneta Asset Management	02/24/2016	0.5	0.5	Upward
Moneta Asset Management	03/10/2016	1.0	1.0	Upward
Caisse des dépôts et consignations / Groupama Holding, acting in concert ^(a)	05/23/2016	(a)	(a)	(a)
Baillie Gifford & Co	06/07/2016	0.47	0.47	Upward
Citigroup Global Markets Limited	06/08/2016	0.0007	0.3959	
Baillie Gifford & Co	06/08/2016	0.54	0.54	Upward
AXA Investment Managers	06/13/2016	1.00	1.00	Downward
Moneta Asset Management	08/26/2016	1.00	1.00	Downward
AXA Investment Managers	09/15/2016	1.00	1.00	Upward
Allianz Global Investors GmbH	09/29/2016	0.5004	0.5026	Upward

(a) In letters received on May 27, 2016, the companies Groupama Holding and Caisse des dépôts et consignations (CDC) notified that on May 23, 2016, while acting in concert, they exceeded the 5%, 10%, 15%, 20%, 25%, 30%, 1/3 and 50% threshold of the Company's capital and voting rights and that they held, while acting in concert, 38,491,831 Icade shares representing the same number of voting rights, i.e. 51.94% of the capital and voting rights (see AMF notice No. 216C1267 of June 1, 2016).

1.4.3. Declaration relating to the majority shareholder's control of the Company

In the interests of good corporate governance, Icade has taken a number of actions to prevent conflicts of interest and has five independent directors on its Board of Directors.

Caisse des dépôts exercises sole control, under Article L. 233-3-I-4° of the French Commercial Code, over the Company and acts in concert with the companies Groupama Holding, Groupama SA and Groupama Gan Vie; it should be noted that Caisse des dépôts remains predominant among these companies and that Groupama Holding, Groupama SA and Groupama Gan Vie are not considering individually taking control of the Company. Caisse des dépôts is represented by seven directors on the Board of Directors of the Company and may request that new directors be appointed to the Board pursuant to the shareholder agreement entered into on May 23, 2016. The companies Groupama Holding, Groupama SA and Groupama Gan Vie are represented by three directors on the Board of Directors of the Company (see AMF notice No. 216C0765 of March 30, 2016).

1.4.4. Agreement relating to the control of the Company

As far as the Company is aware, there is no agreement which could entail a change of control of Icade.

As of December 31, 2016, Icade had in place a set of measures intended to prevent conflicts of interest, amongst which:

- the presence of five independent directors on the Board of Directors made up of 15 members. The proportion of independent directors on the Board of Directors is in compliance with Article 8.2 of the AFEP-MEDEF Code of Corporate Governance;
- the existence of three committees on which independent directors sit: the Appointments and Remuneration Committee (three independent directors out of five); the Audit, Risks and Sustainable Development Committee (three independent directors out of five); and the Strategy and Investment Committee (two independent directors out of five);
- the ownership ties between Caisse des dépôts and Icade are described in this document. No related-party agreement within the meaning of Article L. 225-38 of the French Commercial Code was entered into during the financial year ended December 31, 2016 and two regulated related-party agreements entered into during a prior financial year was still ongoing during this financial year (see the Statutory Auditors' special report on regulated related-party agreements).

1.5. Items that could have a bearing on a takeover bid

It should be remembered that Caisse des dépôts is the majority shareholder of the Company, with a 39% stake as of December 31, 2016.

- Shareholding structure
This information is detailed in chapter 8 of this registration document.

- Restrictions to the exercise of voting rights and to share transfers provided for by the Company's Articles of Association, or terms of agreements that were notified to the Company

None.

- Significant holdings and treasury shares
This information is detailed in chapter 8 of this registration document.
- List of holders of securities with special control rights and description of these securities (preference shares)

None.

- Where an employee shareholding scheme is in place, control mechanisms applying when the control rights attached to employee-owned shares are not exercised by these employee shareholders

The Company has not implemented any employee shareholding scheme where control rights are not exercised by the employees with the exception of the FCPE Icade Actionnariat, which is invested in Icade shares, includes the "Icade Actions" sub-fund, and is offered to employees in connection with the Group Savings Plan as described in chapter 2 of the Company's 2015 registration document.

- Shareholder agreements that could restrict share transfers and the exercise of voting rights and of which the Company is aware (Shareholders' Agreement)

None.

It is stated that pursuant to the shareholder agreement entered into on May 23, 2016 between Caisse des dépôts and the companies Groupama Holding, Groupama SA and Groupama Gan Vie, the latter companies undertook not to carry out any transaction or make any decision that would require filing a public tender offer for the Company's shares. Any party to the shareholder agreement who does not fulfil this undertaking would be required to pay the full price of such offer and bear all the related costs. (see AMF notice No. 216C0765 of March 30, 2016).

- Rules governing the appointment and replacement of Board members and amendments to the Company's Articles of Association

These rules comply with applicable law and regulations.

- Authorisations granted to the Board of Directors, especially in respect of the issue or repurchase of shares

See authorisations granted to the Board of Directors in chapter 8 of this registration document. Pursuant to applicable regulations, such authorisations shall be suspended during public offers, unless the reciprocity exception provided for by applicable regulations is invoked.

- Agreements that will change or terminate if there is a change of control of the Company, unless disclosure of such agreements would severely damage its interests (except where such disclosure is required by law).

Some financing terms with external creditors were obtained by the Company as a result of Caisse des dépôts's majority stake in the Company.

- Agreements on severance payments for Icade Board members or employee corporate officers if they resign or are dismissed without just cause, or if their employment is terminated because of a public offering.

2. The Company's shares

As of December 31, 2016, Icade's share capital stood at €112,966,652.03, divided into 74,111,186 shares. As of December 31, 2016, the Company's market capitalisation was €5,023,997,299.

2.1. Data sheet

DATA SHEET	
CAPITALISATION as of 12/31/2016 €5,024m	ISIN code FR0000035081
NUMBER OF LISTED SHARES as of 12/31/2016 74,111,186	Ticker ICAD
	Listing market Euronext Paris – Euronext – Local securities
	Specific market Local securities – Compartment A (Blue Chips)
	Business activity (Euronext classification) 6570, Real Estate Investment Trusts
	PEA (French share savings scheme) Not eligible (except for shares purchased before October 21, 2011)
	SRD (deferred settlement service) Eligible
	Industry Classification Benchmark (ICB) ICB Industrial & Office REITS, 8671
	Indices EPRA, SBF 120, CAC All-Tradable, Euronext 100, Euronext IEIF Siic France, CAC All Shares, CAC Mid & Small, CAC Mid 60, CAC Financials, Vigeo Eur 120Euronext.

2.2. Icade's share from January 1 to December 31, 2016

2016	Price (in euros)		Trading volumes	
	High	Low	Shares traded (in number)	Amount traded (in millions of euros)
January	65.50	59.29	2,335,907	144.38
February	67.00	58.33	2,153,498	134.69
March	69.24	62.75	1,979,536	131.94
April	69.32	65.87	1,538,673	103.49
May	69.92	64.85	1,601,516	108.40
June	67.13	60.98	1,889,406	120.28
July	69.22	62.28	1,489,039	98.39
August	69.75	67.29	1,111,789	76.25
September	72.00	68.09	1,540,917	107.29
October	69.95	64.97	1,504,187	100.52
November	65.84	61.50	1,721,299	109.66
December	68.01	63.41	1,674,504	110.08
			20,540,271	1,345.37

(Sources: Euronext/Bloomberg).

CAPITAL, SHARES AND DISTRIBUTION POLICY
The Company's shares

ICADE'S SHARE PRICE IN 2016 AND VOLUMES OF SHARES TRADED ON EURONEXT (in thousands of shares)



EVOLUTION OF ICADE – EPRA EUROPE – SBF120 – SIIC FRENCH PROPERTY INVESTMENT COMPANIES IN 2016 (Base 100 as at December 31, 2015)



3. Employee shareholding

In order to involve employees in Icade's performance and strengthen their sense of belonging to the Group, whatever their rank or position, Icade has implemented a series of employee shareholding programmes including a Group Savings Plan with an "FCPE" employee-shareholding fund, bonus shares and performance shares, as well as stock option plans.

3.1. Group Savings Plan

Employees of Icade's Economic and Social Unit (UES) benefit from the Group Savings Plan, as long as they have completed at least three months of service in the Icade group.

To invest these assets, Icade's Group Savings Plan offers employees several "FCPE" employee-shareholding funds: four multi-company funds, and the Icade fund.

FCPE Icade Action represents 35.4% of outstanding assets invested in the Group Savings Plan, and 38.67% of unit holders hold assets within this fund.

As of December 31, 2016, FCPE Icade Action held all employee-owned Icade shares, that is: 205,672 shares, i.e. 0.28% of capital.

As of December 31, 2016, no other "FCPE" employee-shareholding fund held Icade shares.

3.2. Bonus share plan

In accordance with the authorisation given by the Combined General Meeting of Icade of May 23, 2016, Icade's Board of Directors, at its meeting of October 19, 2016, approved a bonus share plan for the employees of Icade and its subsidiaries within the Icade economic and social unit (UES) (Icade SA, Sarvilep, Icade Management, SMDH, Icade Promotion) holding a permanent employment contract on October 1, 2016.

3.2.1. 2016 bonus and performance share plans

In 2016, a bonus share plan for all the employees and a performance share plan were launched. The grant of 30 bonus shares to each employee will only become final after a two-year vesting period that started November 7, 2016, and subject to the satisfaction of the condition of continued service within the Group or within the subsidiaries belonging to the Icade economic and social unit (UES).

After the vesting period, the beneficiaries will become the owners of the bonus shares that were granted to them and the shares will be registered in their names on an account. As from the vesting date, they may only sell their bonus shares at the end of a one-year mandatory holding period.

The performance shares granted to senior executives (members of the Executive Committee and Coordination Committee, excluding the CEO) and to managers appointed in 2016 will only become final after a two-year vesting period that started November 7, 2016, and subject to the satisfaction of the condition of continued service within the Group or within the subsidiaries belonging to the Icade Economic and Social Unit (UES) and to the satisfaction of performance conditions as assessed according to the following two criteria:

- **Criterion 1:** Relative performance of Icade's share price compared to the FTSE EPRA Euro Zone index. This criterion applies to 50% of the performance shares granted:

Vesting of performance shares will be contingent on the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone index, as described in the following table:

RELATIVE PERFORMANCE: LEVEL OF THE ICADÉ SHARE COMPARED TO THE FTSE EPRA EURO ZONE INDEX

Relative performance of the Icade share compared to the FTSE EPRA Euro Zone index	< (1.5)%	≥ (1.5)% and < (0.5)%	≥ (0.5)% and ≤ index	> index and < +1%	> +1%
% of shares vested	0%	33.3%	66.7%	80.0%	100.00%

This criterion will be assessed based on a two-year period for the purpose of vesting calculations (vesting date in November 2018). For this calculation, the difference between the percentage change in Icade's share price and the percentage change in the index over the period from November 7, 2016 to October 31, 2018 (100 = November 7, 2016) will be assessed (determined at the end of October 2018 to allow calculation).

- **Criterion 2:** Operational and financial performance assessed based on the achievement of objectives in terms of EPRA triple net asset value over two years compared to EPRA triple net asset value as of the end of 2015, i.e. €73.1 per share. This criterion applies to 50% of the performance shares granted.

	< €74.93 per share	≥ €74.93 and < €75.66 per share	≥ €75.66 and < €76.76 per share	≥ €76.76 and < €77.61 per share	≥ €77.61 per share
Change in EPRA triple net asset value over two years (from 2016 to 2017) compared to the end of 2015	< +2.5%	≥ +2.5% and < +3.5%	≥ +3.5% and < +5%	≥ +5% and < +6.3%	≥ +6.3%
% of shares vested	0%	33.3%	50%	66.7%	100.00%

This criterion will be assessed at the end of the financial year 2017 for the purpose of vesting calculations (vesting date in November 2018).

After the vesting period, the beneficiaries will become the owners of the shares that were granted to them and the shares will be registered in their names on an account. As from the vesting date, they may only sell their bonus shares at the end of a two-year mandatory holding period.

CAPITAL, SHARES AND DISTRIBUTION POLICY
Employee shareholding

3.2.2. Summary of current bonus and performance share plans

The table below shows the features of all bonus and performance share plans implemented by Icade and still in effect.

	1-2012 Plan	2-2012 Plan	1-2014 Plan	2-2014 Plan	1-2016 Plan	2-2016 Plan
Date of the General Meeting	04/15/2009	04/15/2009	06/22/2012	06/22/2012	05/23/2016	05/23/2016
Date of the Board of Directors' meeting	02/16/2012	02/16/2012	02/19/2014	02/19/2014	10/19/2016	10/19/2016
Maximum number of shares that may be granted	498,377 ^(a)	498,377 ^(a)	519,962 ^(g)	519,962 ^(g)	370,555 ^(k)	370,555 ^(k)
Total number of shares initially granted (I)	26,190	28,290	21,990	14,250	31,560	52,959
Total number of shares that may vest	26,190 ^(b)	28,290 ^(e)	21,990 ^(h)	14,250	31,560 ^(l)	52,959
- in favour of the top ten non-corporate officer employee awardees		14,140		9,550		13,237
- in favour of other non-corporate officer employee awardees		8,166		4,700		39,722
- in favour of corporate officers ^(e)		5,984				
Total number of beneficiaries	1,746	35	1,466	34	1,052	220
Grant date	03/02/2012	03/02/2012	03/04/2014	03/04/2014	11/07/2016	11/07/2016
Vesting date	03/03/2014	03/03/2014	03/04/2016	03/04/2016	11/07/2018	11/07/2018
Date of end of the mandatory holding period	03/02/2016	03/02/2016	03/04/2018	03/04/2018	11/07/2019	11/07/2020
Grant price	€62.84 ^(c)	€62.84 ^(c)	€68.81 ⁽ⁱ⁾	€68.81 ⁽ⁱ⁾	€66.49 ^(m)	€66.49 ^(m)
Vesting subject to a condition of service on the vesting date	yes	yes	yes	yes	yes	yes
Vesting subject to performance conditions	no	yes ^(f)	no	yes ^(f)	no	yes ⁽ⁿ⁾
Cancelled shares (II) including:	2,430	2,652	2,895	12,994	1,050	260
Vested shares (III)	23,760 ^(d)	25,638	19,095	1,256	0	0
- in favour of the top ten non-corporate officer employee awardees		12,156		692		
- in favour of other non-corporate officer employee awardees		7,498		564		
- in favour of corporate officers ^(e)		5,984				
Remaining shares as of 12/31/2016 (IV) = (I)-(II)-(III)	0	0	0	0	30,510	52,699

- (a) The 19th resolution of the Combined General Meeting of April 15, 2009 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
- (b) That is, 15 shares per employee holding a permanent employment contract on December 31, 2011 and still working for the Company on the grant date.
- (c) Average of the 20 most recent opening prices, prior to March 3, 2012.
- (d) As of December 31, 2013, there were two cases of early vesting in accordance with the plan's rules (i.e. 30 shares for death and disability).
- (e) 5,984 shares that could potentially vest at the beginning of the plan and that did vest in favour of Serge Grzybowski, Chairman of the Board and CEO, the only corporate officer concerned.
- (f) 100% of these shares will vest in favour of their beneficiary subject to a condition of service on the vesting date and to net current cash flow reaching the objectives set by the plan's performance conditions
- (g) The 16th resolution of the Combined General Meeting of June 22, 2012 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
- (h) That is, 30 shares per employee holding a permanent employment contract on December 31, 2013 and still working for the Company on the grant date.
- (i) Average of the 20 most recent closing prices, prior to March 4, 2014.
- (j) 100% of these shares will vest in favour of their beneficiary subject to a condition of service on the vesting date, and to EPRA earnings per share and the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone Index reaching the objectives set by the plan's performance conditions, with each of these criteria relating to 50% of the performance shares granted.
- (k) The 22nd resolution of the Combined General Meeting of May 23, 2016 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 0.5% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
- (l) That is, 30 shares per employee holding a permanent employment contract on October 1, 2016 and still working for the Company on the grant date.
- (m) Average of the 20 most recent opening prices, prior to November 7, 2016.
- (n) 100% of these shares will vest in favour of their beneficiary subject to a condition of service on the vesting date, and to EPRA triple net asset value and the relative performance of Icade's share price compared to the FTSE EPRA Euro Zone Index reaching the objectives set by the plan's performance conditions, with each of these criteria relating to 50% of the performance shares granted.

In addition, after Silic and its subsidiary Socomie were acquired on July 22, 2013 and after the merger by acquisition of Silic by Icade on December 31, 2013, the performance share plans established by the Board of Directors of Silic on March 12, 2012 and February 22, 2013 by delegation of its Combined General Meeting of May 6, 2011, were converted into Icade bonus share plans applying the exchange ratio used for the merger (5 Icade shares for 4 Silic shares).

The 12,673 shares from the 2012 Plan that vested on March 12, 2014 became transferable on March 12, 2016. The 12,313 shares from the 2013 Plan that vested on February 22, 2015 became transferable on February 22, 2017.

3.3. Stock options – History of grants and information

No stock option plan was implemented in the financial year 2016.

One plan established by Icade is still in effect and its main features are described below:

	1-2011 Plan
Date of the General Meeting	04/15/2009
Date of the Board of Directors' meeting	02/16/2011
Maximum number of options that may be granted	498,377 ^(a)
Total number of options initially granted	147,500
Total number of shares that may vest	147,500 ^(b)
- in favour of the top ten non-corporate officer employee awardees	80,500
- in favour of other non-corporate officer employee awardees	27,000
- in favour of corporate officers	40,000
Total number of beneficiaries	32
Grant date	03/03/2011
Start date of the exercise period	03/03/2015
End date of the plan	03/03/2019
Exercise price	€80.86 ^(c)
Vesting subject to a condition of service on the vesting date	yes
Vesting subject to performance conditions ^(b)	yes
Options cancelled	120,975
including those cancelled for failing to meet performance conditions	80,190
Options exercised:	0
- by the top ten non-corporate officer employee awardees	0
- by other non-corporate officer employee awardees	0
- by corporate officers	0
Remaining options as of 12/31/2016	26,525

(a) The 18th resolution of the Combined General Meeting of April 15, 2009 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".

(b) 35% of options are not subject to any performance condition but only to a service condition, i.e. subject to the beneficiary still working for the Company on the exercise date. 65% of options are subject to performance conditions in addition to the condition of the beneficiary still working for the Company on the exercise date:

- for half of the performance-contingent options, achieving the objectives depends on the change in Icade's share price compared to the IEIF index; objectives will be achieved if, over the reference periods, the change in Icade's share price (average of the 20 opening prices prior to January 2 of each period) is between 4% and 16% greater than the change in the IEIF benchmark index over the same periods. However, if the change in Icade's share price between January 2, 2011 and January 2, 2015 is more than 16% greater than the change in the IEIF benchmark index over the same period, and the independently determined conditions for each of the periods have not been met, 80% of the Performance-Contingent Options may be exercised by the beneficiaries;
- for half of the performance-contingent options, the objectives will be achieved if, in the first four financial years, 2011 cash flow reaches €240 million, 2012 cash flow reaches €284 million, 2013 cash flow reaches €291 million, and 2014 cash flow reaches €337 million. However, if in year 4 the objective is 100% achieved, 80% of the options conditional on cash flow can be exercised by the beneficiaries.

(c) Average of the 20 most recent opening prices, prior to March 3, 2011.

In addition, after Silic and its subsidiary Socomie were acquired on July 22, 2013 and after the merger by acquisition of Silic by Icade on December 31, 2013, the stock option plan established by the Board of Directors of Silic on May 10, 2007 by delegation of its Combined General

Meeting of May 6, 2011, was converted into an Icade stock option plan applying the exchange ratio used for the merger (5 Icade shares for 4 Silic shares). Out of the 71,000 shares granted, there were 69,000 left on January 1, 2016, which were all cancelled during the financial year.

4. Appropriation of profits and dividend distribution policy

4.1. History of dividends and proposed appropriation of profits

Icade	2014	2015	2016
Dividend proposed by the annual OGM for the financial year (in millions of euros) ^(a)	276.3	276.4	296.4 ^(b)
Dividend per share (in euros)	3.73	3.73	4.00
Number of shares (including treasury shares)	74,069,286 ^(c)	74,111,186 ^(c)	74,111,186 ^(c)
Number of shares (excluding treasury shares)	73,741,191 ^(c)	73,804,792 ^(c)	73,904,542 ^(c)

(a) Including treasury shares.

(b) Subject to the approval of the annual OGM to be held to approve the financial statements. This sum will be adjusted to the number of shares in existence on the day of the annual OGM.

(c) Number of shares as of the date of the annual OGM to be held to approve the financial statements for the year.

(d) Number of shares (excluding treasury shares) as of 12/31/2016 at midnight.

4.2. Obligations related to the SIIC tax status and dividend distribution

The ratio of activities not eligible for the SIIC status on the parent company's balance sheet totalled 8.45% as of December 31, 2016.

In 2016, Icade's net profit was €121.8 million, corresponding to a fiscal profit of €94.5 million.

This tax base breaks down over the various business activities as follows:

- €37.4 million in tax-exempt current income from SIIC activities, subject to a 95% distribution obligation;
- €35.4 million in tax-exempt income from disposals, subject to a 60% distribution obligation;

- €11.7 million in tax-exempt dividends from SIIC subsidiaries, subject to a 100% distribution obligation;
- taxable profit stands at €10.0 million before deduction of tax loss carryforwards.

These results generated a total distribution obligation of €68.5 million for the financial year 2016, broken down as follows:

- €35.5 million relating to the rental business (95% obligation);
- €21.3 million relating to asset disposals (60% obligation);
- €11.7 million relating to dividends from SIIC subsidiaries (100% obligation).

This results in a total distribution obligation of €68.5 million.

(in millions of euros)	Fiscal profit/ (loss)			Fiscal profit/ (loss)		
	12/31/2016	%	Amount	12/31/2015	%	Amount
Current profit/(loss) from SIIC activities	37.4	95.00%	35.5	60.9	95.00%	57.8
Profit/(loss) from asset disposals	35.4	60.00%	21.3	76.2	60.00%	45.7
Dividends from SIIC subsidiaries	11.7	100.00%	11.7	6.4	100.00%	6.4
Taxable profit/(loss)	10.0	0.00%	-	48.5	0.00%	-
TOTAL	94.5		68.5	192.0		109.9
Obligations limited to tax-exempt profit			N/A			N/A
Distribution obligations taken over from acquired companies			N/A			N/A
TOTAL			68.5			109.9

CAPITAL, SHARES AND DISTRIBUTION POLICY
Appropriation of profits and dividend distribution policy

The distribution of a dividend of €4.00 per share will be proposed to the Annual General Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2016. Based on existing shares as of December 31, 2016, i.e. 74,111,186 shares, the dividend distribution amount proposed to the Shareholders' Meeting will be €296.4 million.

	12/31/2016	12/31/2015
Dividend distributed for the financial year <i>(in millions of euros)</i> ^(a)	296.44	276.43
<i>Including ordinary dividend</i>	296.44	276.43
<i>Including special dividend</i>	-	-
Dividend per share <i>(in euros)</i> ^(a)	4.00	3.73
<i>Including ordinary dividend</i>	4.00	3.73
<i>Including special dividend</i>	-	-

(a) *Excluding treasury shares.*

Article 6 of the 2012 French Amending Finance Law introduced an additional corporate tax contribution, which is calculated based on the amount of distributed profits. This contribution represents 3% of dividends distributed in excess of the distribution obligation. In 2016, Icade paid €5.0 million for this tax.

4.3. Non-tax deductible expenses

The financial year's expenses do not include expenses that are not considered deductible by the tax authorities, as defined by the provisions of Articles 39-4 and 223 *quater* of the French General Tax Code.

ADDITIONAL INFORMATION

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1. Responsible persons

1.1. Person responsible for this document

Mr Olivier Wigniolle, Chief Executive Officer of Icade.

1.2. Declaration by the person responsible for this document

I, the undersigned, Olivier Wigniolle, Chief Executive Officer of Icade, certify that, having taken all reasonable care to ensure such is the case, the information contained in this registration document, to the best of my knowledge, is in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company, and of all the companies included in its scope of consolidation, and that the information contained in the management report, whose correspondence table is shown on page 312, gives a fair view of the business, results and financial position of the Company and of all the companies included in its scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors stating that they have completed their assignment, which included checking the information relating to the financial position and the financial statements presented in this registration document, and that they have also read the entire document.

The Company's consolidated financial statements for the year ended December 31, 2016 were the subject of a report by the Statutory Auditors, which is presented on page 248 of this document, and which does not contain any observation or qualification.

The Company's annual financial statements for the year ended December 31, 2016 were the subject of a report by the Statutory Auditors, which is presented on page 282 of this document, and which contained the following observation:

"Without qualifying the opinion expressed above, we draw your attention to the note 2.2 of the financial statements, which describes the effects of the change in accounting method resulting from the first application of the "Règlement ANC No. 2015-06" relating, in particular, to the accounting of the "mali technique"."

The Company's consolidated financial statements for the year ended December 31, 2015 were the subject of a report by the Statutory Auditors, which is presented on page 255 of the 2015 registration document, No. D.16-0237, filed with the AMF on March 31, 2016, and which does not contain any observation or qualification.

The Company's annual financial statements for the year ended December 31, 2015 were the subject of a report by the Statutory Auditors, which is presented on page 290 of the 2015 registration document, No. D.16-0237, filed with the AMF on March 31, 2016, and which does not contain any observation or qualification.

The Company's consolidated financial statements for the year 2014 were the subject of a report by the Statutory Auditors, which is presented on pages 220 and 221 of the 2014 registration document, No. D.15-0284, filed with the AMF on April 2, 2015, and which contained the following observation:

"Without calling into question the opinion expressed above, we draw your attention to:

- the part of note 20 to the financial statements that presents the accounting treatment used for the tax audit that your Company underwent regarding the financial year 2007;
- the part of note 1.1 to the financial statements that presents the impact of changes in accounting methods resulting from the application of IFRS 10 (Consolidated financial statements) and IFRS 11 (Joint arrangements)."

The Company's annual financial statements for the year 2014 were the subject of a report by the Statutory Auditors, which is presented on pages 256 and 257 of the 2014 registration document (No. D.15-0284, filed with the AMF on April 2, 2015), and which contained the following observation:

"Without calling into question the opinion expressed above, we draw your attention to the part of note 3.9 to the financial statements concerning the accounting treatment used for the tax audit your Company underwent with regard to the financial year 2007."

Paris, on March 23, 2017

Olivier Wigniolle

Chief Executive Officer

1.3. Persons responsible for audits

1.3.1. Principal Statutory Auditors

PricewaterhouseCoopers Audit

Member of *Compagnie régionale des commissaires aux comptes de Versailles*

63, rue de Villiers
92200 Neuilly-sur-Seine

Registered in the Nanterre Trade and Companies Register (RCS) under No. 672 006 483

Represented by Jean-Baptiste Deschryver

First appointment: June 22, 2012

End of term: at the end of the Annual General Meeting of shareholders to be held to approve the financial statements for the year ended December 31, 2017.

Mazars

Member of *Compagnie régionale des commissaires aux comptes de Versailles*

Tour Exaltis
61, rue Henri-Regnault
92400 Courbevoie

Registered in the Nanterre Trade and Companies Register (RCS) under No. 784 824 153

Represented by Gilles Rainaut

First appointment: March 22, 2006

Reappointed: April 12, 2013

End of term: at the end of the Annual General Meeting of shareholders to be held to approve the financial statements for the year ended December 31, 2018.

1.3.2. Alternate Statutory Auditors

Charles de Boisriou

Alternate for Mazars

Tour Exaltis
61, rue Henri-Regnault
92400 Courbevoie

First appointed: April 12, 2013

Expiry of term: at the end of the Annual General Meeting of shareholders to be held to approve the financial statements for the year ended December 31, 2018.

Yves Nicolas

Alternate of PricewaterhouseCoopers Audit

63, rue de Villiers
92200 Neuilly-sur-Seine

First appointment: June 22, 2012

End of term: at the end of the Annual General Meeting of shareholders to be held to approve the financial statements for the year ended December 31, 2017.

1.4. Fees of the Statutory Auditors and members of their networks for 2016

The fees charged by the Statutory Auditors are detailed in note 11 to the consolidated financial statements, paragraph 11.3 (chapter 6 of this registration document).

1.5. Person responsible for financial disclosures

Olivier Wigniolle

Chief Executive Officer

35, rue de la Gare – 75019 Paris

Telephone: +33 (0)1 41 57 70 01

olivier.wigniolle@icade.fr

Victoire Aubry

Member of the Executive Committee in charge of Finance, Legal Affairs, IT, and General Resources

35, rue de la Gare – 75019 Paris

Telephone: +33 (0)1 41 57 70 12

victoire.aubry@icade.fr

2. Information from third parties, valuation declarations and declarations of interest – Independent property valuers’ condensed report

2.1. General background of the valuation assignment

General background

As part of our agreement entered into with Icade (“the Company”), we were requested to estimate the fair value of the property assets in the Company’s portfolio. This condensed report, which summarises the circumstances surrounding our assignment, was drawn up to be included in the Company’s registration document.

Our assignments have been carried out totally independently.

Our company has no ownership ties with Icade.

Our company confirms that the valuations have been carried out by and under the responsibility of qualified independent valuers and that our company has carried out its assignment as an independent valuation company qualified for the needs of the assignment.

Our annual fees charged to the Company represent less than 10% of our company’s turnover recorded in the previous accounting year.

We have not identified any conflicts of interest during these assignments.

The assignments comply with the AMF’s recommendation regarding the presentation of the valuations and risks associated with the property assets of listed companies published on February 8, 2010.

Current assignment

Our assignments included estimating the fair values of the properties based on their occupancy as of December 31, 2016.

We confirm that, in accordance with IFRS 13, the assets were appraised based on their “Highest and best use value”.

We only included alternative use values in situations where either the conditions for its implementation had been met, or the following three conditions had been met: the operation is physically possible, legally permissible and financially feasible.

It is recalled that when the client is the lessee under the terms of a finance lease, the property valuer only values the assets underlying the agreement and not the agreement itself. In the same way, where a property was owned by a special purpose company, the value of the property was estimated assuming the sale of the underlying property asset and not that of the company.

2.2. Procedures for performing the assignment

Information reviewed

This assignment has been carried out based on the documents and information provided to us, which are assumed to be accurate and inclusive of all of the information and documents in the Company’s possession or of which the Company is aware, and which might have an impact on the fair values of the properties.

Valuation standards

The property appraisals and valuations have been carried out in accordance with:

- national standards:
 - recommendations of the Barthès de Ruyter report on the valuation of the property assets of listed companies and companies making public offerings of securities, published in February 2000,
 - the Property Valuation Charter,
 - principles set out in the Code of Ethics for French Listed Real Estate Investment Companies (SIIC);
- international standards, which may be applied as alternatives or in combination:
 - the TEGoVA’s (The European Group of Valuers’ Association) European Valuation Standards published in its “Blue Book”,
 - and also the standards of the Royal Institution of Chartered Surveyors’ (RICS) Red Book published in its document “RICS Valuation – Professional Standards”,
 - the IVSC’s (International Valuation Standards Committee) provisions.

Methods used

Valuations are based on the discounted cash flow method, the income capitalisation method, the residual method and the comparable sales method.

ADDITIONAL INFORMATION

Information from third parties, valuation declarations and declarations of interest – Independent property valuers' condensed report

2.3. Total fair value as of December 31, 2016

The total fair value is the sum of the individual values of all assets and is calculated both excluding duties (after deducting transfer duties and fees) and including duties (fair value before deducting transfer duties and fees).

Name of the independent property valuer	Assets appraised	Number of assets appraised	Number of assets inspected during the December 2016 campaign	Fair value excluding duties as of 12/31/2016 ^(a) (in millions of euros)
BNP Paribas Real Estate Valuation	Business parks	127	7	1,319
CBRE Valuation	Offices/Business parks/ Warehouses/Residential	238	13	5,890
DTZ Valuation	Offices/Business parks	233	15	4,874
Jones Lang LaSalle Expertises	Healthcare	64	12	1,362
Catella Valuation FCC	Shopping Centre/Healthcare	34	4	756
Impact of assets subject to a double appraisal approach				(5,406)
Non-appraised assets or assets recognised at a different value				933
TOTAL ASSETS				9,727

(a) Fair value excluding duties and tax and excluding fixed legal expenses, adjusted for the share not attributable to Icade for assets held by equity-accounted companies in the consolidated financial statements.

2.4. General comments

These values are subject to market stability and to the absence of significant changes in the properties between the date the valuations were carried out and the value date.

This condensed report cannot be considered separately from the body of work carried out in respect of the valuation assignment.

Each of the five independent property valuers confirms the values of the properties that they appraised or updated, and may not be held responsible for the values determined by the other independent property valuers.

Gareth Sellars
Chairman
Jones Lang LaSalle Expertises

Anne Digard
Chairman
CBRE Valuation

Jean-Claude Dubois
Chairman
BNP Paribas Real Estate Valuation

Philippe Dorion
CEO
DTZ Valuation France

Jean-François Drouets
Chairman
Catella Valuation FCC

3. Statutory Auditors' special report on related party agreements and commitments

General Meeting held to approve the financial statements for the year ended December 31, 2016

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments 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 our capacity as Statutory Auditors of Icade, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Pursuant to the Article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

It is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting, when it is relevant.

We performed the procedures that we deem necessary for this task in accordance with professional standards applicable in France. These procedures consisted in ensuring that the information provided to us agree with the underlying documents.

Agreements and commitments to be submitted for the approval of the Annual General Meeting

Pursuant to the provisions of Article L. 225-38 of the French Commercial Code, we were informed of no agreement and commitment to be submitted for the approval of the Annual General Meeting.

Agreements and commitments already approved by the Annual General Meeting

Pursuant to the provisions of Article L. 225-38 of the French Commercial Code, we were informed of no agreement and commitment to be submitted for the approval of the Annual General Meeting.

Agreements and commitments already approved during past financial years

a) Whose fulfilment continued during the past financial year

Pursuant to the provisions of Article R. 225-30 of the French Commercial Code, we were informed that the execution of the following agreement and commitment, already approved by the Annual General Meeting, continued during the past financial year.

■ Insurance agreement "foresight" for your Chairman and CEO of Icade

An insurance agreement "foresight" group was subscribed by the Caisse des dépôts ("CDC") with the CNP Assurances on February 15, 2012. This contract allows certain senior executives of the subsidiaries of the Caisse des dépôts to benefit from this insurance.

In this context, Olivier Wigniolle, the Chief Executive Officer of Icade is one of the persons covered by this insurance, which allows him to receive an insurance coverage related to its executive officer status.

The Caisse des dépôts wished to charge back Icade its quota of the insurance agreement "foresight" group, which relates to insurance enjoyed by Olivier Wigniolle, Chief Executive Officer of Icade. The rebilling by the Caisse des dépôts of this insurance "foresight" group and the payment by Icade of invoices to be issued in this context will establish the existence of a chargeback agreement and that even if this chargeback agreement would not be formalized by a formal specific written contract.

The Board of Directors of April 29, 2015 authorised the signing of this commitment and stated that there is interest to benefit from this insurance "foresight", particularly with regard of (i) pricing conditions, considered as fair and equitable for Icade on this type of insurance agreement, and (ii) the complexity it would be to take out a new insurance policy for the senior executive concerned. The amount of the chargeback did not exceed €10,000 for 2016.

Directors concerned: Caisse des dépôts, Nathalie Gilly, Céline Scemama, Olivier Mareuse, Franck Silvent.

ADDITIONAL INFORMATION

Statutory Auditors' special report on related party agreements and commitments

b) Without fulfilment during the past financial year

In addition, we have been informed of the pursuance of the following agreement and commitment already approved by the Annual General Meeting in previous financial years, without fulfillment during the past financial year:

▣ Allocation of a severance payment to your Chairman/ CEO

The Boards of Directors of March 19, 2015 and April 29, 2015 agreed all terms and conditions relating to the mandate of Olivier Wigniolle, which are in line with market practices, motivated by the guidelines and principles attributed to the executive managers of the Caisse des dépôts.

Olivier Wigniolle, Chief Executive Officer of Icade, will receive – in case of a forced departure related to a change of control (Within the meaning of Article L. 233-3 of the French Commercial Code) or related to a strategic disagreement with the Board of Directors – a severance benefit determined as twice of the amount of his total gross retribution (fixed and variable) received over the 12 past months prior to his departure.

Pursuant to Article L. 225-42-1 of the French Commercial Code, the severance benefit will be calculated upon fulfillment of a performance criteria: the severance benefit will be paid if the latest Group net income per share (GNIS) for the financial year previous the departure is greater than or equal to the average GNIS for the two previous financial years (GNIS: Group net income per share as communicated in the consolidated financial statements, and after adjustment related to net proceeds from asset disposals).

Executive Officer concerned: Mr Olivier Wigniolle.

Paris La Défense and Neuilly-sur-Seine, March 7, 2017

The Statutory Auditors (*French original signed by*)

Mazars

Gilles Rainaut

PricewaterhouseCoopers audit

Jean-Baptiste Deschryver

4. Documents available to the public

The Articles of Association, minutes of General Meetings and other corporate documents of Icade, as well as historical financial information, all the valuations or declarations issued by an independent valuer at Icade's request that are required to be made available to the shareholders in accordance with applicable legislation, are available at Icade's registered office: 35, rue de la Gare, 75019 Paris.

The regulated information as defined in Article 221-3 of the AMF General Regulation is available on Icade's website (www.icable.fr).

Copies of this registration document are available free of charge from Icade (35, rue de la Gare, 75019 Paris), on its website (www.icable.fr), and on the AMF's website (www.amf-france.org).

5. Schedule of financial publications and events in 2017

Publications	Estimated publication dates (AMF press releases)	Quiet Period ^(a)	Blackout Period ^(b)
Q4 2016 revenue 2016 full-year results	February 13, 2017 <i>before the market opens</i>	January 29, 2017 to February 13, 2017	January 14, 2017 to February 14, 2017 inclusive
Q1 2017 revenue	April 28, 2017 <i>before the market opens</i>	April 21, 2017 to April 28, 2017	April 13, 2017 to April 29, 2017 inclusive
Q2 2017 revenue 2017 half-year financial statements	July 24, 2017 <i>before the market opens</i>	July 9, 2017 to July 24, 2017	June 24, 2017 to July 25, 2017 inclusive
Q3 2017 revenue	October 20, 2017 <i>after the market closes</i>	October 13, 2017 to October 20, 2017	October 5, 2017 to October 21, 2017 inclusive
Investor Day	November 27, 2017 <i>before the market opens</i>	November 20, 2017 to November 27, 2017	November 12, 2017 to November 28, 2017 inclusive

- (a) **Quiet Period:** period preceding the announcement of full-year and half-year results and quarterly financial data. During that period, Icade must not contact analysts, investors and the media in order to avoid the risk of disclosing insider information.
Specific rules applying to Icade: 7 days for Q1 and Q3 results and the Investor Day and 15 days for full-year and half-year results. The quiet period ends as soon as the relevant publication is issued to the market.
- (b) **Blackout Period:** period during which Icade's insiders must refrain from trading in Icade shares if they become aware of insider information, and until such information is made public.
Specific rules applying to Icade: 15 days for Q1 and Q3 results and the Investor Day and 30 days for full-year and half-year results. The prohibition is extended until the day after the publication date (inclusive).

6. Correspondence tables

6.1. Correspondence table for the registration document

Subjects (headings of Appendix 1 of Commission Regulation No. 809/2004)	Registration document
1. Responsible persons	
1.1 Name and position of responsible persons	Chap. 9 p. 302
1.2 Declaration from responsible persons	Chap. 9 p. 302
2. Statutory Auditors	Chap. 9 p. 303
3. Selected financial information	Chap. 1 p. 8-11
4. Risk factors	
4.1 Risks related to the property market	Chap. 4 p. 142-143
4.2 Financial risks	Chap. 4 p. 143-144
4.3 Operational risks	Chap. 4 p. 144-146
4.4 Legal and tax risks	Chap. 4 p. 146
4.9 Insurance – Disputes	Chap. 4 p. 147-148
5. Information about the issuer	
5.1 History and development of the Company	
5.1.1 Legal and commercial name of issuer	Chap. 8 p. 286
5.1.2 Place of registration and registration number of the issuer	Chap. 8 p. 286
5.1.3 Date of incorporation and length of life of the issuer	Chap. 8 p. 286
5.1.4 Domicile and legal form of the issuer, legislation under which the issuer operates	Chap. 8 p. 286
5.1.5 Important events	Chap. 2 p. 18 – Chap. 8 p. 290-291
5.2 Investments	
5.2.1 Description of investments made during the financial year	Chap. 2 p. 34-35, 41, 51, 54-55 Chap. 6 p. 212-213
5.2.2 Description of future investments	Chap. 2 p. 42, 55
6. Business overview	
6.1 Principal activities	Chap. 1 p. 12-13, 29, 61, 65
6.2 Principal markets	Chap. 2 p. 35-36, 51-52, 63-64
6.3 Exceptional factors	Chap. 2 p. 18-19
6.4 Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	N.A.
6.5 The basis for any statements made by the issuer regarding its competitive position	Chap. 1 p. 13, chap. 4 p. 143
7. Organisational structure	
7.1 Brief description of the Group	Chap. 1 p. 12
7.2 List of major subsidiaries	Chap. 6 p. 242-247
8. Property, plants and equipment	
8.1 Existing or planned material tangible fixed assets	Chap. 2 p. 30-34, 44-51 Chap. 6 p. 212-213
8.2 Environmental issues that may affect the issuer's utilisation of the tangible fixed assets	Chap. 3 Correspondence tables p. 133-135
9. Financial review	
9.1 Financial condition	Chap. 2 p. 24-28 Chap. 6 p. 195-197
9.2 Operating results	Chap. 6 p. 194

ADDITIONAL INFORMATION
Correspondence tables

Subjects (headings of Appendix 1 of Commission Regulation No. 809/2004)	Registration document
10. Capital resources	
10.1 Information concerning capital resources	Chap. 6 p. 197, p. 224-225
10.2 Sources and amounts of cash flows	Chap. 6 p. 196
10.3 Information on borrowing requirements and funding structure	Chap. 2 p. 24-28 Chap. 6 p. 216-223
10.4 Restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	Chap. 6 p. 225 Chap. 8 p. 293
10.5 Anticipated sources of funds needed to fulfil firm investment commitments made by the managers and planned tangible fixed assets	Chap. 2 p. 24-28 Chap. 6 p. 216-223
11. Research and development, patents and licences	-
12. Trend information	Chap. 1 p. 13-14
13. Profit forecasts or estimates	-
14. Board of Directors and senior management	
14.1 Information on the members of the Board of Directors and Senior Management	Chap. 5 p. 152-166
14.2 Conflicts of interest	Chap. 5 p. 189
15. Remuneration and benefits	
15.1 Amount of remuneration paid and benefits in kind granted	Chap. 5 p. 183-189 Chap. 6 p. 240 Chap. 7 p. 273-274
15.2 Amount set aside or accrued to provide pension, retirement or similar benefits	Chap. 5 p. 186 Chap. 6 p. 233-234
16. Board practices	
16.1 Date of expiry of current terms of office	Chap. 5 p. 153-164
16.2 Service contracts binding the members of the Board of Directors	Chap. 5 p. 186
16.3 Information concerning committees	Chap. 5 p. 164-166
16.4 Statement of compliance with the corporate governance regime	Chap. 5 p. 167-168
17. Employees	
17.1 Number of employees	Chap. 3 p. 128-129 Chap. 6 p. 234
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6.2. Correspondence table for the financial report

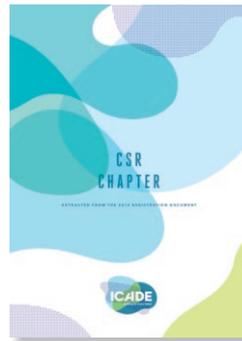
This document contains all the information required for the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General Regulation of the French Financial Markets Authority (AMF). Below is a correspondence table between the documents referred to in Article 222-3 of the AMF General Regulation and the corresponding sections of this registration document.

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1. Annual financial statements	Chap. 7, p. 252-281
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4. Declaration by the person responsible for the registration document	Chap. 9 p. 302
5. Statutory Auditors' report on the annual financial statements	Chap. 7 p. 282
6. Statutory Auditors' report on the consolidated financial statements	Chap. 6 p. 248

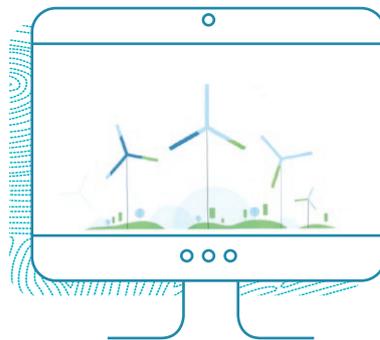
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<http://hub-smartcity.com>

Twitter@Icade_Officiel

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Millénaire 1
35, rue de la Gare
75 168 Paris Cedex 19
Tél.: 01 41 57 70 00
www.icade.fr