REGISTRATION DOCUMENT

2017

Growth and Performance

ICADE

Building for every future

CONTENTS

ICADE
REGISTRATION DOCUMENT

2017

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed with the French Financial Markets Authority ("AMF") on March 29, 2018, 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.

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.

The consolidated financial statements as of December 31, 2016 and our Statutory Auditors' reports on these financial statements shown on pages 194 to 247 and 248, respectively, of the registration document filed with the AMF on March 23, 2017.

READY FOR TOMORROW

Message from André Martinez

Icade, which posted solid earnings in 2017, is ahead of schedule in carrying out its 2015-2019 strategic plan.

Among the noteworthy events in 2017, the Commercial Property Investment Division signed new leases, representing more than 200,000 sq.m. It made acquisitions worth over €700 million and disposals of over €250 million. The Healthcare Property Investment Division acquired five new healthcare facilities. It was a landmark year for this division, which now owns 100 healthcare facilities, ten years after its inception. Icade Promotion has sold more than 5,500 homes and forged a partnership with Poste Immo to create ARKADEA.

The support of our shareholders was reaffirmed this year. After the simplification of Icade's shareholding structure in 2016, the significant increase in Crédit Agricole Assurances' stake reflects its confidence in the company's teams, performance and growth outlook. Icade is now supported by two strong shareholders, namely Caisse des dépôts (39%), its leading shareholder, and Crédit Agricole Assurances (18.5%).

Icade has also been able to continue its transformation. Its integrated real estate player model, testament to a holistic view of the market, has proven its relevance. To successfully complete its projects against the backdrop of profound change in the real estate industry, Icade has seized on three key issues at the core of its 2018 strategy, namely innovation, CSR and digital solutions. With the support of its Board of Directors, Icade will unveil a new strategic plan at the end of H1 2018.

"Icade is making progress. Faster than ever."

André Martinez
Chairman of the Board of Directors

Interview with Olivier Wignolle

"The originality of Icade's business model as an integrated real estate player is a real advantage which sets us apart from our competitors."

Olivier Wigniolle
Chief Executive Officer

Icade is ahead of schedule on its strategic plan. How do you account for this success?

Olivier Wigniolle: First of all, the economic environment is better than we expected it to be in 2015, with the favourable alignment of our three markets, namely healthcare, offices and housing. We also benefited from a lower cost of borrowing than we expected. For the rest, the originality of Icade's business model as an integrated real estate player combined with its expertise as a property developer and investor is a real advantage which sets us apart from our competitors and has allowed us to increase our earnings through synergies between the various business lines. I would like to add that our strong performance and the support of the Board of Directors should enable us to meet almost all of our goals nearly one year ahead of schedule. Lastly, this success is first and foremost due to the strong commitment of our employees since the end of 2015.

What are our priorities for 2018?

O. W.: 2018 will be a very busy year and our priority is yet again "growth and performance". For the Commercial Property Investment Division, we must first market the large development projects we have launched since 2016 and integrate ANF Immobilier following its acquisition in October 2017. As regards the Healthcare Property Investment Division, we announced that we are diversifying into nursing homes, with the goal now being to have this diversification take shape. We are also studying, if conditions allow, the possibility of Icade Santé expanding internationally. For Icade Promotion, the priority is to pursue our current path, by stepping up the company's growth and transformation. As regards ARKADEA, created in partnership with Poste Immo, we are aiming to launch its first development projects as early as 2018. Bolstered by our success in 2017, we can tackle a new priority with confidence for the upcoming year, namely preparing the new 2019–2023 strategic plan, which will be unveiled at the end of H1 2018. These efforts will require us to combine our outlook for the market with our expertise. It is crucial, you could say indispensable, to have a medium-term strategic plan, which makes it possible to clearly indicate to employees and investors what we want to do and where we are heading.

1. PERFORMANCE INDICATORS AND STRATEGY

ICADE

Building for every future

1. Performance indicators

Group performance indicators

Net current cash flow

+8.3%

€4.77 per share
vs. €4.41 per share as of 12/31/2016

+8.5%

€353.2m
vs. €325.4m as of 12/31/2016

Net profit/(loss) attributable to the Group

+194%

€170.3m
vs. €58.0m in 2016

Dividend per share

+7.5%

€4.30 per share
vs. €4.00 per share in 2016

EPRA triple net asset value *(on a proportionate consolidation basis – fully diluted in euros)*

+7.8%

€84.8 per share
vs. €78.7 per share as of 12/31/2016

+8%

€6.3bn
vs. €5.8bn as of 12/31/2016

Loan-to-value ratio [(a)]

41.0%
vs. 37.9% as of 12/31/2016

Average debt maturity

6.5 years
vs. 6.6 years as of 12/31/2016

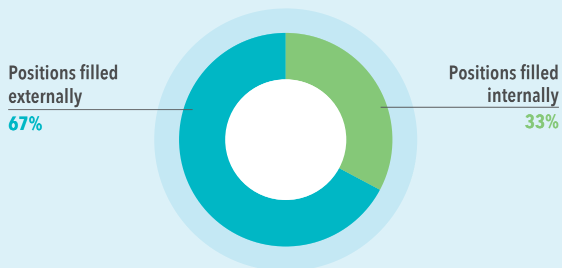
Average cost of debt after hedging

1.59%
vs. 2.18% as of 12/31/2016

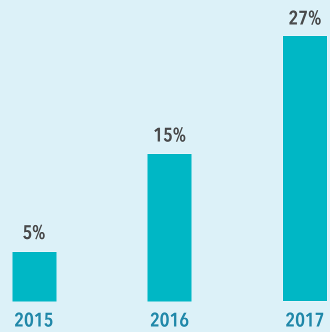
(a) Includes the value of the Property Development companies and financial receivables from public-private partnerships, as well as the value of Property Services companies until June 30, 2016.

1,129 employees
as of 12/31/2017

Proportion of positions filled internally in 2017 *(in %)*



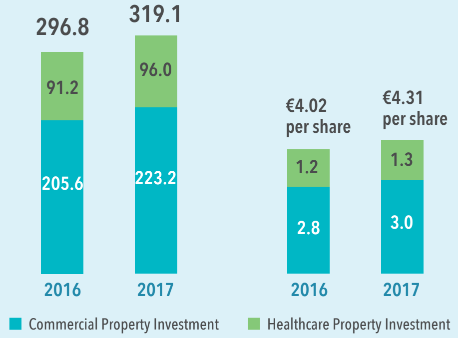
Proportion of employees who telework *(in %)*



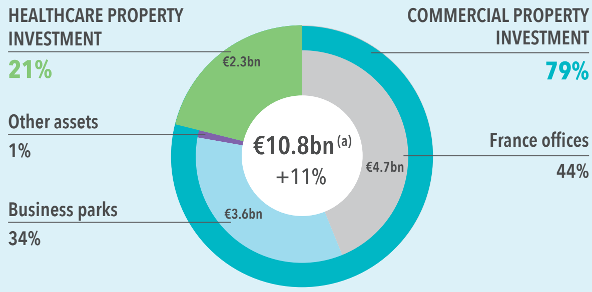
1

Commercial and Healthcare Property Investment performance indicators

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

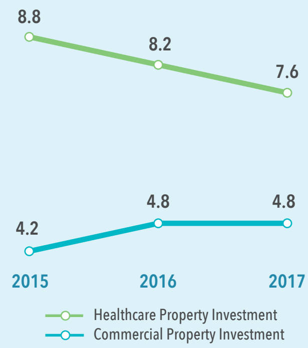


Fair value of the property portfolios of the Property Investment divisions
(in %)

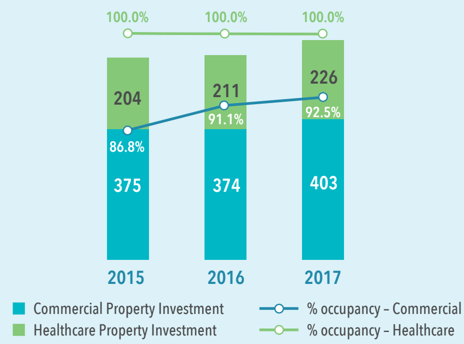


(a) *On a proportionate consolidation basis for Icade Santé and ANF Immobilier.*

Weighted average unexpired lease term
(in years)

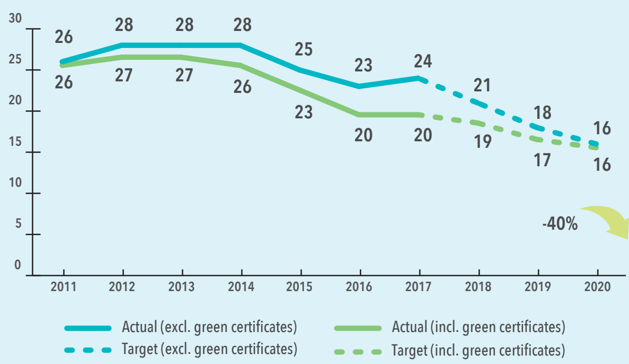


IFRS annualised rental income
(in millions of euros) **and spot financial occupancy rate at the balance sheet date** *(in %)* (a) (b)

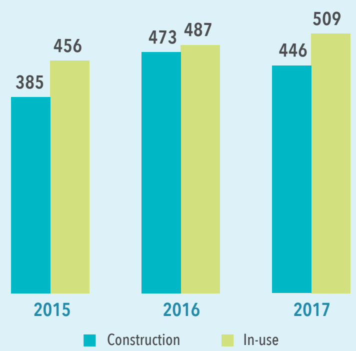


(a) *IFRS annual rental income estimated based on occupancy as of the balance sheet date.*
(b) *2015 and 2016 financial occupancy rates: pro forma data, taking into account the reclassification of the Axe Seine building from the business park segment to the office segment.*

Commercial Property Investment – greenhouse gas emissions from offices and business parks
(in kg of CO_2e/sq.m/year)

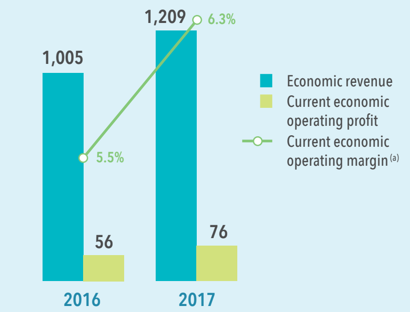


Commercial Property Investment – HQE/BREEAM certified office floor area
(in thousands of sq.m)



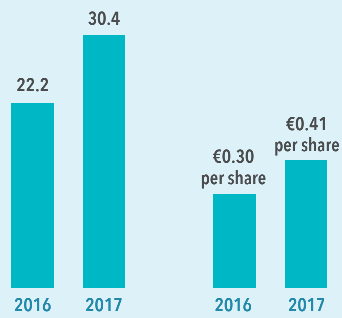
Property Development performance indicators

Economic revenue *(in millions of euros)*, current economic operating profit *(in millions of euros)* and operating margin *(in %)*

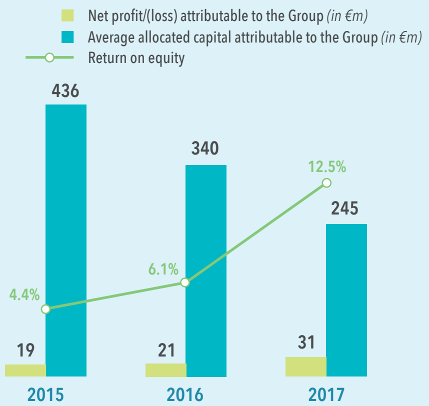


(a) *Current economic operating profit/(loss) / Economic revenue (revenue including entities accounted for using the equity method).*

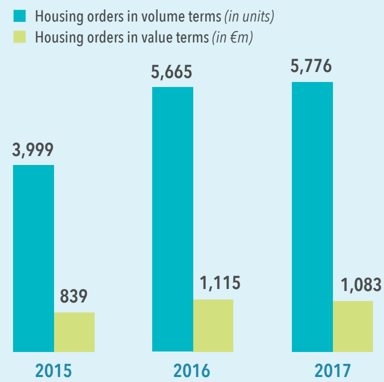
Net current cash flow from Property Development *(in millions of euros and euros per share)*



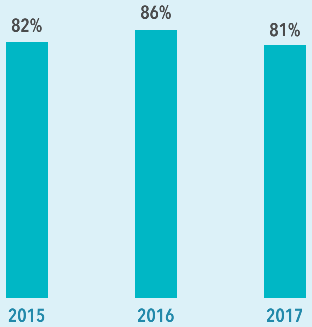
Return on equity for Property Development



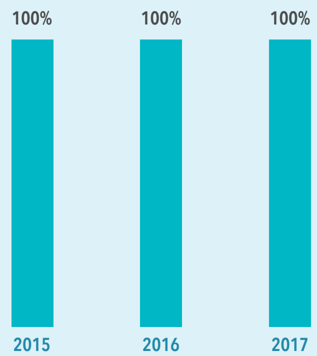
Net housing orders in volume *(number of housing units)* and value terms incl. taxes *(in millions of euros)*



Property Development – proportion of new projects located less than a five-minute walk from public transport

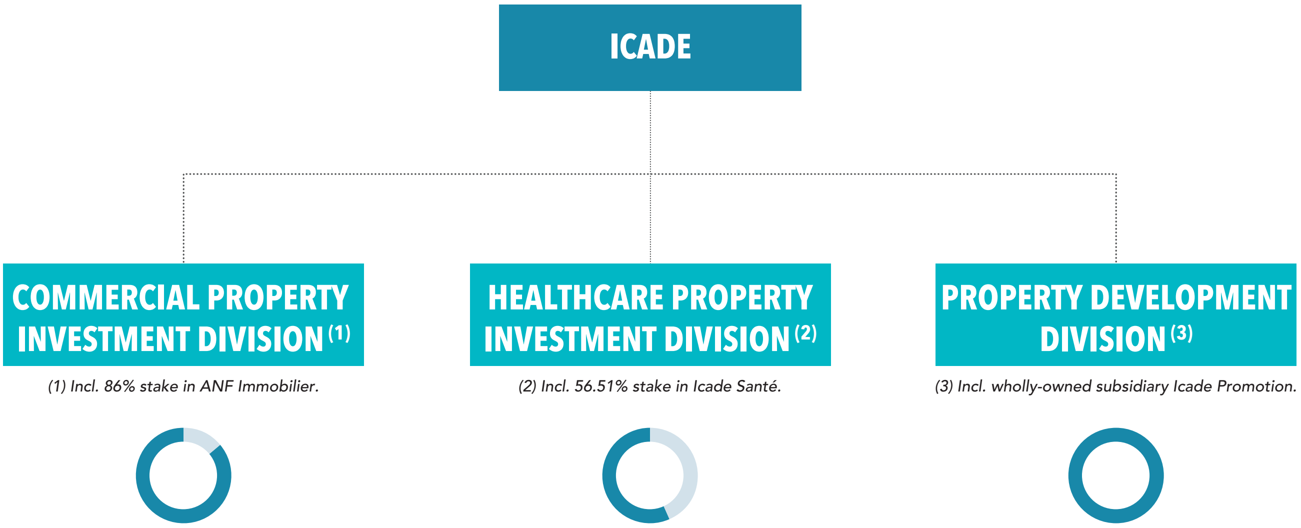


Property Development – proportion of new-build projects subject to a responsible procurement charter



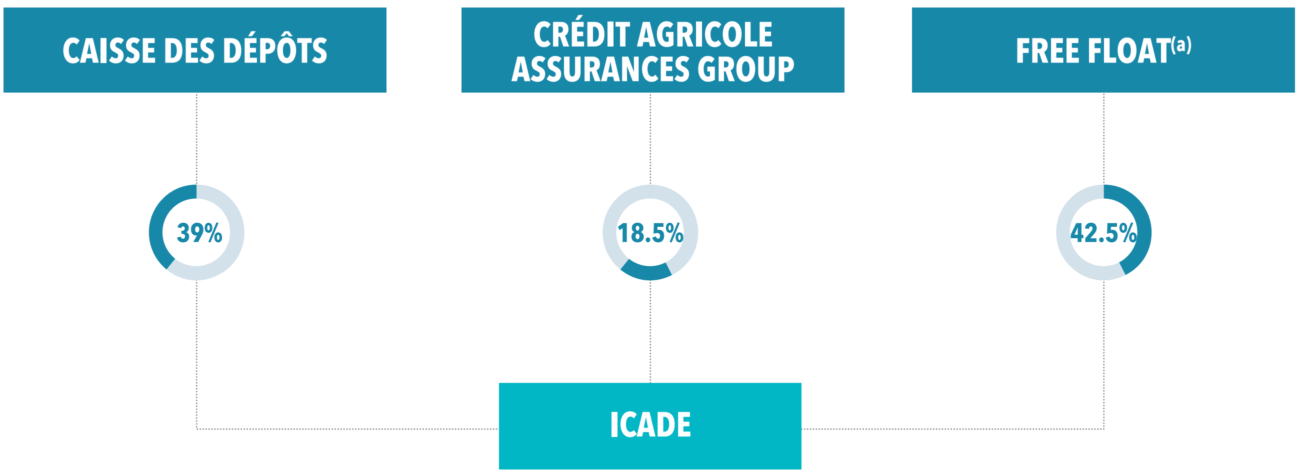
2. Overview of the Group

2.1. Simplified organisational chart



2.2. Shareholding structure

SHAREHOLDING STRUCTURE AS OF 12/31/2017 *(in %)*



(a) Including 0.26% for the Icade's "FCPE" employee-shareholding fund and 0.28% of treasury shares.

3. Group strategy and outlook

3.1. Strategy

Icade's strategic plan presented to the market in November 2015 hinges on one ambition: to achieve strong growth and performance as a top-performing integrated real estate company by focusing on its core business as a Commercial Property Investor (€8.5 billion of assets on a proportionate consolidation basis) and on its diversifications into Healthcare Property Investment (€2.3 billion of assets on a proportionate consolidation basis) and Property Development (€1.2 billion of revenue as of the end of 2017). Icade Promotion is a major player in the French residential and commercial real estate market and operates throughout the country (fifth largest player in France – *Source: Innovapresse*).

Icade's objectives are clear:

- **Growth plan for the Commercial and Healthcare Property Investment divisions:**

Icade announced a target portfolio value of €11.4 billion by 2019. The Company intends to achieve its growth ambitions as early as 2018.

After refocusing its Commercial Property Investment Division's property portfolio on the assets that create the most value, Icade has continued its policy of strong rotation for its property assets.

Icade already achieved in 2017 its target occupancy rates for the Commercial Property Investment Division: 95% for offices and 89% for business parks.

The Healthcare Property Investment Division has continued to expand through a dynamic acquisition-led growth policy (+5% increase in portfolio value over two years). The diversification into the nursing home segment which was announced in 2017 has begun to bear fruit as part of the partnership with Korian. Icade Santé is currently exploring the possibility of expanding internationally.

The overall property portfolio of the two Property Investment divisions is also expected to grow thanks to a development pipeline of nearly €2.1 billion, whose projects are mainly located in the heart of the Greater Paris area, on a land bank offering a high value creation potential.

- **Expansion and solid performance for the Property Development Division:**

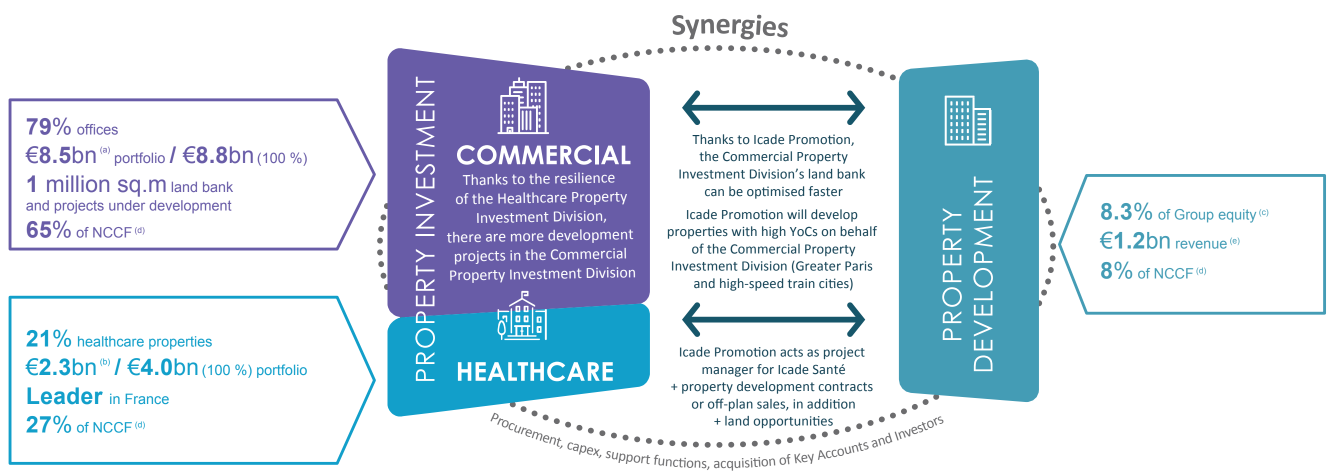
The objective for the Property Development Division is to deliver performance in line with market average. In this regard, the target ROE(1) of 12% was already reached in 2017. As a result, the target ROE for 2018 has been raised to 15%. The operating margin(2) is expected to be between 6.5% and 7%. The goal is for revenue to grow by +7.5% between 2017 and 2018 to €1.3 billion.

Ahead of schedule in carrying out its strategic plan and bolstered by the Board of Directors, Icade is currently drafting its 2019/2023 strategic plan, which will be presented before the summer.

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

(2) *Current economic operating profit/(loss): (IFRS operating profit/(loss) adjusted from IFRS 11 and adjusted for non-current items, trademark royalties expenses and holding company costs) / economic revenue (IFRS revenue adjusted from IFRS 11).*

A UNIQUE BUSINESS MODEL SUPPORTING VALUE CREATION



Notes:

(a) *Amount excluding duties on a proportionate consolidation basis.*
(b) *On a proportionate consolidation basis (Icade's holding: 56.51%) as of December 31, 2017.*
(c) *Property Development equity attributable to the Group (before elimination of securities)/Total consolidated equity attributable to the Group as of December 31, 2017.*
(d) *% of NCCF as of December 31, 2017.*
(e) *2017 economic revenue.*

3.2. Outlook

Icade's priorities for the year 2018 are:

- to continue development projects;
- to diversify Icade Santé into the nursing home segment (Ehpad) and prepare for international expansion;
- to maintain rigorous liability management (hedging, maturities, LTV ratios, etc.);
- in addition, the awarding of the 2024 Olympic Games to Paris will allow Icade to step up the development of 650,000 sq.m and of the 332,000 sq.m of land plots it owns in the north of Paris (19th district of Paris/Aubervilliers/Saint-Denis) at the heart of the future Olympic infrastructure.

From an operational perspective, the Commercial and Healthcare Property Investment Divisions also have a €2.1 billion development pipeline on plots of land for which construction projects are under development.

In 2018, Group net current cash flow per share should grow by about 5% compared with 2017.

Ahead of schedule in carrying out its strategic plan and bolstered by the Board of Directors, Icade is currently drafting its 2019/2023 strategic plan which will be presented at the end of H1 2018.

2. PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

1. Group

1.1. Highlights of the financial year 2017

Two years after announcing our strategic plan, Icade is delivering on its growth and performance ambitions:

The Group has recorded strong performance, which is reflected in the significant increase in its leading indicators: Group NCCF at €4.77 per share (+8.3%) and EPRA triple net asset value up 7.8% to €84.8 per share.

Crédit Agricole Assurances increasing its stake in Icade has further strengthened the Company's shareholding structure, as it is now 39% owned by Caisse des dépôts et consignations and 18.5% owned by Crédit Agricole Assurances. The free float represents 42% of market capitalisation.

On June 19, 2017, Crédit Agricole Assurances announced the acquisition of Groupama's stake in Icade, which represented 12.95% of the share capital. A shareholder since 2013, Crédit Agricole is represented on Icade's Board of Directors and has supported the implementation of the strategic plan. This move shows Crédit Agricole Assurances's confidence in Icade's value creation potential in the coming years.

The shareholder agreement between CDC and Groupama became void as a result of the sale of Groupama's entire stake. On July 18, the Board of Directors thus acknowledged the resignation of the directors representing Groupama.

As of the end of 2017, Icade was ahead of schedule on its action plan. The target occupancy rates for offices and business parks were already achieved this year and the Property Development business's profitability improved substantially, with return on equity (ROE) at 12.5% for 2017, reaching the target ROE announced to the market one year earlier than expected.

Double-digit share price total shareholder return (TSR) for the second year in a row: nearly 28% as of December 31, 2017. The Icade share outperformed its industry and peers. At the end of the reporting period, Icade's market capitalisation stood at about €6 billion.

Continued positive momentum across our three business lines

Commercial Property Investment

In 2017, asset rotation was particularly strong for the Commercial Property Investment Division, the most significant transaction being the acquisition of the listed company ANF Immobilier.

ANF Immobilier was acquired through the purchase on October 23, 2017 of Eurazeo's stake in ANF Immobilier (50.48% of share capital and 50.23% of voting rights) for €213 million. Following this acquisition, Icade crossed over the thresholds of 30% and 50% of the share capital and voting rights of ANF Immobilier, and as a result, it filed with the AMF a simplified public tender offer for ANF Immobilier shares on October 25, 2017.

On November 13, 2017, Icade acquired from Caisse d'Épargne CEPAC 1,219,914 shares representing the same number of voting rights of ANF Immobilier (i.e. 6.42% of the share capital and 6.39% of the voting rights) through an off-market acquisition. Lastly, the public tender offer took place from November 16, 2017 to December 6, 2017, at a price of €22.15 per share. Immediately following this offer, Icade owned 16,091,464 shares representing the same number of voting rights of ANF Immobilier, i.e. 84.65% of the share capital and at least 84.28% of this company's voting rights. Following the acquisitions (at a price of €22.15 per share) made as part of the share purchase mandate for ANF Immobilier shares signed between Icade and Natixis on December 19, 2017, Icade owned 16,190,546 shares representing 85.17% of the share capital and 84.91% of the voting rights as of December 31, 2017. These shares were purchased at a price that was less than €22.15 per share.

The portfolio of ANF Immobilier, which amounted to €457 million on a proportionate consolidation basis as of June 30, 2017 (€614 million on a full consolidation basis), primarily includes office buildings in Lyon, Marseille, Toulouse and Bordeaux. The portfolio's yield stands at 5.8%.

Icade also carried out the following acquisitions:

- acquisition of the "Le Ponant D" office building covering approximately 5,800-sq.m and located in the 15th district of Paris for €55.5 million (including duties, excluding fees), which is in addition to the four assets totalling 27,400 sq.m already owned by Icade on this site;
- off-plan agreement signed in July 2017 for a total of €137 million (excluding duties), to acquire a building located on avenue Gambetta in the 20th district of Paris. This 20,000-sq.m development includes offices and shops. Furthermore, Icade signed an off-plan lease for the retail section (3,300 sq.m) of the development.

Asset disposals represented an aggregate amount of €256.0 million, relating primarily to the sale of three office buildings (Seine, Rhône and Garonne) in Villejuif for €226.0 million (including duties) to the French bank LCL.

Meanwhile, leasing activity was especially robust for the Commercial Property Investment Division, with:

- the signing of an off-plan lease agreement subject to conditions precedent with TechnipFMC, for approximately 51,000 sq.m in the Origine building for a term of nine years with no break option. This major project developed by Icade is expected to be completed in 2020;
- 139 new leases signed by Icade during the financial year 2017 for a combined floor area of 160,170 sq.m, representing €34.4 million in headline rental income, including the lease signed with Groupama for the Fontanot building in Nanterre, which extends to 15,700 sq.m;
- in 2017, exits from the portfolio of leased space represented 71,200 sq.m, equivalent to €17.4 million of annual rental income;
- 57 leases were renewed for a total floor area of 152,175 sq.m, including those with LCL in the Loire and Rhin buildings in Villejuif (29,772 sq.m).

The spot financial occupancy rate of the Commercial Property Investment Division reached 92.5% as of December 31, 2017, an increase of 1.4 pp compared to December 31, 2016. It was fuelled by an increase in its two main types of assets: offices (95.3%, i.e. +0.9 pp) and business parks (89.3%, i.e. +1.7 pp). Icade reached one of the key objectives from its strategic plan announced in 2015.

Healthcare Property Investment

The Healthcare Property Investment Division continued to consolidate its leading position through acquisition-led growth and development projects:

- acquisitions for a total of €229.4 million, relating mainly to five healthcare facilities under long leases, with an average remaining term of 10.7 years, which will provide secure income streams to the Healthcare Property Investment Division;
- investments in development projects, with €125.3 million spent in 2017.

Also significant for the Healthcare Property Investment Division was the innovative and promising development partnership that was formed with the Korian group, the leading player in the nursing home segment. Under this partnership, Icade Promotion will be in charge of developing an initial set of 16 new facilities (nursing homes and post-acute care facilities) in France for a total of €175 million. Korian and Icade Santé retain the option to act as investors, on a case-by-case basis.

Property Development

2017: A roadmap based on growth and performance; results showing a strong improvement and supporting our ambition to bring our financial performance into line with that of our industry peers by the end of 2018.

As of the end of 2017, the economic revenue of the Property Development Division reached €1,208.6 million, rising by as much as 20.3% compared to 2016:

- +21.0% for the Residential Property Development Division;
- +18.8% for the Commercial Property Development Division.

As of the end of 2017, the land portfolio of the Property Development Division represented over €2.4 billion in potential revenues (i.e. +12.5% from 2016) and a backlog of €1,643.6 million (i.e. +2.9%).

These positive results, combined with a disciplined management of the capital allocated to this activity, made it possible for Icade Promotion to achieve its target ROE of "over 12%" one year earlier than announced in its strategic plan.

Stronger synergies between Property Investment and Property Development

The expected synergies became a reality in 2017, with a potential revenue of €370 million in total, including primarily:

- a framework agreement signed with Latécoère regarding the Company's historic site in Toulouse. The development programme provides for the completion of Latécoère's new headquarters in 2019 (an off-plan lease agreement has already been signed for a floor area of over 11,000 sq.m), where Icade's Commercial Property Investment Division will be the investor. The development will total about 70,000 sq.m. The Property Development Division will build the housing section of the project (831 units totalling 55,200 sq.m);
- development by the Property Development Division of about 1,300 housing units (80,000 sq.m) on land owned by the Commercial Property Investment;
- Korian partnership developed in synergy with the Healthcare Property Investment Division (16 new buildings to be completed by 2024);
- development by the Property Development Division of an 84-room hall of residence (Poissonniers project);
- five healthcare property development projects on behalf of third parties (operators of Icade Santé's properties or physicians).

Gradual increase in the value of Icade's property portfolio and diversification of the Commercial property portfolio outside the Paris region thanks to the acquisition of ANF and the operational achievements that had a positive impact on property values

The value of the whole property portfolio (on a proportionate consolidation basis) stood at €10.8 billion, up 11.1% from December 31, 2016. It expanded by 3.0% on a like-for-like basis, including:

- +3.3% in the healthcare segment;
- +3.9% in the office segment;
- +1.9% in the business park segment.

Another highlight of the financial year was the continued debt restructuring programme and the issuance of a Green Bond fully in line with the proactive CSR policy pursued by Icade

After a year 2016 marked by significant restructuring in the Company's liabilities, in 2017 Icade continued its policy of optimising its funding structure, in a favourable market environment, allowing the Company to:

- maintain its average debt maturity above 6.5 years;
- lower significantly the average cost of debt to 1.59% in 2017, compared to 2.18% in 2016.

The year 2017 was also marked by the issuance in early September of an Inaugural Green Bond for a total of €600 million, with a maturity of 10 years and an annual coupon of 1.5%. These funds were raised with an 80-bp spread over the reference rate and a near-zero premium.

On August 30, 2017, Standard & Poor's affirmed Icade's long-term rating of BBB+, stable outlook and short-term rating of A-2. This rating comes after the agency's annual review.

2017 also saw Icade climb to the top of ESG rankings from rating agencies GRESB, EPRA and Vigeo. These ESG ratings reflect the quality and relevance of Icade's CSR policy.

1.2. Events after the balance sheet date

During their respective meetings held on February 9, 2018 and February 8, 2018, the Board of Directors of Icade and the Supervisory Board of ANF Immobilier approved the principle of a merger which, subject to satisfaction of certain conditions precedent, should take place before the summer of 2018.

According to the indicative range for the exchange ratio, the shareholders of ANF Immobilier would receive between 0.25 and 0.30 Icade share for 1 ANF Immobilier share.

1.3. Income and cash flow statements

1.3.1. IFRS consolidated income statement

In 2017, IFRS net profit/(loss) attributable to the Group stood at €170.3 million, a very substantial improvement compared to 2016, driven by positive trends in all contributing factors:

- a significant improvement in operating activities across the three business lines;
- rising income from asset disposals;
- a significant reduction in the cost of net debt;
- and, to a lesser extent, the recognition of accrued extraordinary income for the refund by the tax authorities of a 3% tax paid on dividends.

The following presentation of the income statement, with a breakdown between current and non-current items, makes it possible to identify the Group's net current cash flow as of December 31, 2017 and the other non-current items.

(in millions of euros)	12/31/2017 Current	12/31/2017 Non-current	12/31/2017 Total	12/31/2016 Current	12/31/2016 Non-current	12/31/2016 Total	Change
REVENUE	1,654.2		1,654.2	1,492.7		1,492.7	10.8%
EBITDA	534.9		534.9	521.1		521.1	2.6%
OPERATING PROFIT/(LOSS)	552.9	(229.1)	323.7	538.2	(275.5)	262.7	23.2%
FINANCE INCOME/(EXPENSE)	(92.7)	(34.0)	(126.7)	(113.3)	(50.2)	(163.6)	22.5%
NET PROFIT/(LOSS)	430.8	(227.7)	203.1	397.7	(308.8)	88.9	128.5%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	353.2	(182.9)	170.3	325.4	(267.5)	58.0	193.9%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP *(in € per share after dilution)*	**4.77**	**(2.47)**	**2.30**	**4.41**	**(3.62)**	**0.78**	

1.3.2. Group net current cash flow

Group net current cash flow is one of Icade's key indicators as it reflects the operating and financial performance of the Commercial Property Investment, Healthcare Property Investment and Property Development Divisions. The dividend policy is based on this indicator. It primarily comprises the following two items:

- "EPRA earnings from Property Investment" which represents the income from commercial property investment and healthcare property investment activities in accordance with EPRA recommendations (European Public Real Estate Association); and
- "Net current cash flow from property development" which measures the cash flow from property development activities.

Group net current cash flow increased by as much as 8.5% to €353.2 million (€4.77 per share) as of December 31, 2017, versus €325.4 million as of December 31, 2016 (€4.41 per share).

(in millions of euros)	12/31/2017	12/31/2016	Year-on-year change
TOTAL GROUP	353.2	325.4	8.5%
TOTAL GROUP *(in € per share)*	**4.77**	**4.41**	**8.3%**

1.3.3. Segment reporting

As of December 31, 2017, segment reporting is divided into four main categories: Commercial Property Investment Division, Healthcare Property Investment Division, Property Development Division and "Other".

(in millions of euros)	12/31/2017 EPRA earnings from Property Investment	%	NCCF	%	12/31/2016 EPRA earnings from Property Investment	%	NCCF	%	Year-on-year change EPRA earnings from Property Investment	NCCF
Commercial Property Investment	223.2	69.9%	231.5	65.5%	205.6	69.3%	213.9	65.7%	8.5%	8.2%
Healthcare Property Investment	96.0	30.1%	96.0	27.2%	91.2	30.7%	91.2	28.0%	5.2%	5.2%
TOTAL PROPERTY INVESTMENT [(a)]	319.1	100.0%	327.4	92.7%	296.8	100.0%	305.1	93.7%	7.5%	7.3%
Property Development			30.4	8.6%			22.2	6.8%		36.5%
Other [(b)]			(4.6)	(1.3)%			(1.9)	(0.6)%		NA
TOTAL GROUP			353.2	100.0%			325.4	100.0%		8.5%
TOTAL GROUP *(in € per share)*	4.31		4.77		4.02		4.41		7.3%	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.

The improvement in Group net current cash flow results from 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 8.2%, 5.2% and 36.5%, respectively.

As of December 31, 2017, the contribution to Group net current cash flow of the Commercial Property Investment Division was 65.5%, that of the Healthcare Property Investment Division was 27.2%, and that of the Property Development Division was 8.6%.

1.4. EPRA reporting as of December 31, 2017

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

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

1.4.1. EPRA net asset value as of December 31, 2017

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 Icade Promotion.

Triple net asset value attributable to the Icade group stood at €6,273.8 million as of December 31, 2017 (€84.8 per share, on a fully-diluted basis), a significant improvement of +7.8% compared to December 31, 2016.

(in millions of euros)		12/31/2017	06/30/2017	12/31/2016
Consolidated equity attributable to the Group [(a)]	(1)	3,336.3	3,229.2	3,435.2
Impact of dilution from securities convertible or exchangeable into Icade shares [(b)]	(2)	0.0	0.0	0.0
Unrealised capital gains on property assets and property development companies	(3)	3,098.7	2,689.3	2,528.5
Tax on unrealised capital gains	(4)	(16.5)	(10.2)	(10.3)
Revaluation of fixed-rate debt	(5)	(144.7)	(98.8)	(132.4)
EPRA TRIPLE NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(6) = (1) + (2) + (3) + (4) + (5)	6,273.8	5,809.4	5,820.9
(in € per share)	(6)/N	84.8	78.6	78.7
Year-on-year change		*7.8%*		
Adjustment for tax on unrealised capital gains	(7)	16.5	10.2	10.3
Adjustment for revaluation of fixed-rate debt	(8)	144.7	98.8	132.4
Adjustment for revaluation of interest rate hedges	(9)	(7.5)	(7.0)	1.2
EPRA NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(10) = (6) + (7) + (8) + (9)	6,427.5	5,911.5	5,964.9
(in € per share)	(10)/N	86.9	79.9	80.6
Year-on-year change		*7.8%*		
NUMBER OF FULLY DILUTED SHARES [(c)]	N	73,978,328	73,949,951	73,987,751

(a) Including Net profit attributable to the Group of +€170.3 million for 2017. This includes income of €35.0 million including penalty interest relating to the refund claims submitted to the tax administration with regard to the 3% contribution paid on dividends distributed from 2014 to 2017.

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

(c) Stands at 73,978,328 as of December 31, 2017, after cancelling treasury shares (206,644 shares) and the positive impact of dilutive instruments (73,786 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 12/31/2016 ***(in € per share)***	€78.7
Dividends paid in H1	€(4.0)
Consolidated profit/(loss) for the year attributable to the Group [(a)]	+€2.3
Changes in fair value of financial derivatives	+€0.3
Changes in unrealised capital gains on property assets and property development companies	+€7.7
Changes in fair value of fixed-rate debt	€(0.2)
Impact of the change in number of diluted shares on NAV per share	€(0.0)
Other	€(0.0)
EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2017 *(in € per share)*	**€84.8**

(a) This includes income of €0.5 per share including penalty interest relating to the refund claims submitted to the tax administration with regard to the 3% contribution paid on dividends distributed from 2014 to 2017.

The favourable trend in EPRA triple net asset value attributable to the Group results from:

- the performance of the different business lines with a significant increase in Group net current cash flow;
- the strong increase in value of the property assets of the Commercial and Healthcare Property Investment Divisions;
- the significant rise in the values of the Group's property development companies in a context of strong increase in the profitability of the division and positive medium-term outlook.

It should also be noted that the change in equity includes the distribution of a dividend of €4.00 per share, i.e. 90.7% of 2016 Group net current cash flow, and the recognition of accrued extraordinary income of €35.0 million to be received from the tax administration for the refund request submitted in respect of the 3% tax paid on dividends.

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)		12/31/2017	12/31/2016	Year-on-year % change
	NET PROFIT/(LOSS)	203.1	88.9	
	Net profit/(loss) from other activities [(a)]	44.1	32.9	
(A)	NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT	159.0	56.0	
(i)	Changes in value of investment properties and depreciation charges	(282.6)	(263.9)	
(ii)	Profit/(loss) from asset disposals	75.1	19.1	
(iii)	Profit/(loss) from acquisitions	(7.0)	(0.6)	
(iv)	Tax on profits from disposals and impairments			
(v)	Negative goodwill/goodwill impairment	0.1	1.9	
(vi)	Changes in fair value of financial instruments and restructuring of financial liabilities	(34.2)	(50.3)	
(vii)	Acquisition costs on share deals			
(viii)	Tax expense related to EPRA adjustments	20.5	5.5	
(ix)	Adjustment for equity-accounted companies	(7.2)	(22.7)	
(x)	Non-controlling interests (Healthcare Property Investment)	75.2	70.2	
(B)	TOTAL ADJUSTMENTS	(160.1)	(240.9)	
(A-B)	**EPRA EARNINGS FROM PROPERTY INVESTMENT**	**319.1**	**296.8**	**7.5%**
	Average number of diluted shares outstanding used in the calculation	73,971,634	73,848,960	
	EPRA EARNINGS FROM PROPERTY INVESTMENT *(in € per share)*	**€4.31**	**€4.02**	**7.3%**

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

EPRA earnings from Property Investment totalled €319.1 million as of December 31, 2017, up +7.5% year-on-year. This significant increase was driven by strong operational performance in both Commercial and Healthcare Property Investment.

1.4.3. EPRA yield

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

	12/31/2017	06/30/2017	12/31/2016
ICADE NET YIELD [(a)]	**6.1%**	**6.2%**	**6.4%**
Impact of estimated duties and fees	(0.3)%	(0.3)%	(0.3)%
Adjustment for potential rental income from vacant properties	(0.3)%	(0.4)%	(0.4)%
EPRA TOPPED-UP NET INITIAL YIELD [(b)]	**5.4%**	**5.4%**	**5.7%**
Inclusion of rent-free periods	(0.4)%	(0.5)%	(0.6)%
EPRA NET INITIAL YIELD [(c)]	**4.9%**	**5.0%**	**5.1%**

(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 compression in EPRA net initial yield was down 0.2 pp compared to December 31, 2016, mainly due to a like-for-like increase in appraised values of €283.8 million (+3.0% for the entire portfolio).

1.4.4. EPRA vacancy rate

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

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

	12/31/2017	06/30/2017	12/31/2016
Total office and business park assets	7.8%	8.3%	9.0%
Other assets	0.0%	16.2%	16.5%
COMMERCIAL PROPERTY INVESTMENT DIVISION (EXCLUDING RESIDENTIAL)	**7.7%**	**8.4%**	**9.1%**
HEALTHCARE PROPERTY INVESTMENT DIVISION (BASED ON PROPORTIONATE CONSOLIDATION)	**0.0%**	**0.0%**	**0.0%**
TOTAL PROPERTY INVESTMENT (EXCLUDING RESIDENTIAL)	**6.1%**	**6.6%**	**7.1%**

The EPRA vacancy rate was down 1.0 pp year-on-year, thanks to improved financial occupancy during the period. This is the result of proactive efforts to build loyalty among the tenants and to attract new ones. This improvement can also be explained by the integration of ANF Immobilier, which shows a lower vacancy rate than the portfolio average.

1.4.5. EPRA cost ratio for the Property Investment Division

Below are detailed figures concerning the cost ratio of the Commercial Property Investment Division (excluding the Residential Property Investment Division and after adjustment for non-controlling interests in ANF Immobilier) and the Healthcare Property Investment Division (after adjustment for non-controlling interests).

		12/31/2017	12/31/2016
	Including:		
(i)	Structural costs and other overhead costs	(100.9)	(87.5)
(ii)	Service charges net of recharges to tenants	(29.4)	(30.8)
(iii)	Management fees net of actual/estimated profit element		
(iv)	Other recharges intended to cover overhead expenses	42.9	41.8
(v)	Share of equity-accounted companies of overheads and expenses	(4.0)	(2.4)
(vi)	Share of non-controlling interests of overheads and expenses	7.4	6.9
	Excluding:		
(vii)	Depreciation of investment properties	-	-
(viii)	Ground rent costs	(2.2)	(2.1)
(ix)	Other service charge costs recovered through rents but not separately invoiced	(0.2)	(0.1)
(A)	EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(81.5)	(69.8)
(x)	Direct vacancy costs	(21.0)	(27.7)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(60.5)	(42.2)
(xi)	Gross rental income less ground rent costs	574.2	570.1
(xii)	Other service charge costs recovered through rents but not separately invoiced		
(xiii)	Plus: share of equity-accounted companies of rental income less ground rent costs	9.6	9.0
(xiv)	Share of non-controlling interests of rental income less ground rent costs	(95.2)	(90.2)
(C)	GROSS RENTAL INCOME	488.6	488.9
(A/C)	**EPRA cost ratio – Property Investment (incl. direct vacancy costs)**	**16.7%**	**14.3%**
(B/C)	**EPRA cost ratio – Property Investment (excl. direct vacancy costs)**	**12.4%**	**8.6%**

Following a like-for-like improvement in occupancy in the past 24 months and, at the end of 2016, the disposal of the business parks that strongly contributed to the vacancy rate, vacancy costs went down by as much as 24.2% compared to 2016.

Nevertheless, the EPRA cost ratio increased between 2016 and 2017:

- +2.4 pps including vacancy costs;
- +3.8 pps excluding vacancy costs.

This change is due in particular to:

- an increase in structural costs and other overhead costs of €13.4 million, most of which relates to:
  - non-recurring costs related to the relocation of Icade's headquarters to the Open building,
  - the impact of introducing the bonus share plan at the end of 2016,
  - the development of operational expertise in connection with the expansion of Icade's main business lines.

However, Icade was able to keep the costs of support functions stable compared to 2016;

- a year-on-year decrease in service charges net of recharges to tenants of €1.4 million. However, these include provisions net of non-recurring reversals for compensation payments for termination of lease in relation to future development projects, for €3.0 million.

It should also be noted that the 2017 EPRA cost ratio includes the expenses and income of the company ANF Immobilier (on a proportionate consolidation basis) since its acquisition by Icade at the end of 2017.

After adjustment for non-recurring items and the impact of changes in scope of consolidation due to the ANF Immobilier acquisition, the EPRA cost ratio shows an increase compared to December 31, 2016:

- +1.1 pp including vacancy costs (from 14.3% at the end of 2016 to 15.4% at the end of 2017);
- +2.5 pps excluding vacancy costs (from 8.6% at the end of 2016 to 11.0% at the end of 2017).

1.5. Financial resources

Against a backdrop of favourable financing conditions, Icade continued the optimisation of its financial resources.

In September 2017, Icade issued its first 10-year, €600 million euro-denominated Green bond, with an attractive margin of 80 bps above the benchmark rate and a near-zero risk premium (i.e. a 1.50% coupon). This new bond issue was substantially oversubscribed, taken up by both French and international investors, including SRI investors. Such enthusiasm underscores the confidence these investors have in both Icade's creditworthiness and the high environmental quality of the assets financed through the funds raised. The proceeds from this issue will be used to finance or refinance assets and Green projects for the Commercial Property Investment Division, based on stringent eligibility criteria. These criteria have been selected to reflect Icade's environmental policy, which covers the entire life cycle of the properties including the environmental quality of new properties, improvement projects for the existing property portfolio, support for tenants and access to low-impact transport.

This Green issue complies with "Green Bond Principles 2017" issued by the International Capital Market Association (ICMA) and is subject to an independent second party opinion provided by Sustainalytics, a non-financial rating agency (available on the Icade website).

Over the course of 2017, the Group also carried out a number of major financial transactions:

- optimisation of Icade's interest rate hedging structure through the purchase of €300 million in long-term forward swaps in an environment of historically low rates;
- prepayment of €282 million in bank debt with a low average maturity replaced by new bank debt for €300 million with a 7-year maturity;
- prepayment of private placement debt (USPP) for a total of €84.5 million with a fixed rate of 5.07%;
- new bank debt facilities and mortgage financing secured for €208.4 million and new swaps purchased for €198.6 million for Icade Santé.

All these transactions allowed the Group to continue to implement an appropriate and optimised funding policy, by lowering the average cost of debt, maintaining its average debt maturity above six years and diversifying its funding sources.

As of December 31, 2017, the average cost of debt stood at a historical low of 1.59% (after hedging), with average debt maturity nearly constant, at 6.5 years.

At year-end, the LTV ratio stood at 41.0% in the context of a stepped-up acquisition plan – the ANF Immobilier acquisition has made it possible to carry out the investment plan outside the Paris region which was scheduled over the next two years. Icade has informed the market that its LTV ratio should stabilise around 40% no later than the end of 2019.

The interest coverage ratio (ICR) based on Ebitda increased sharply to 6.53x.

Icade's balance sheet fundamentals have remained strong.

1.5.1. Cash

Icade's financial resources were strengthened during 2017 by renewing existing credit lines, setting up new ones and increasing the outstanding amount of NEU Commercial Paper. The main financing transactions were as follows:

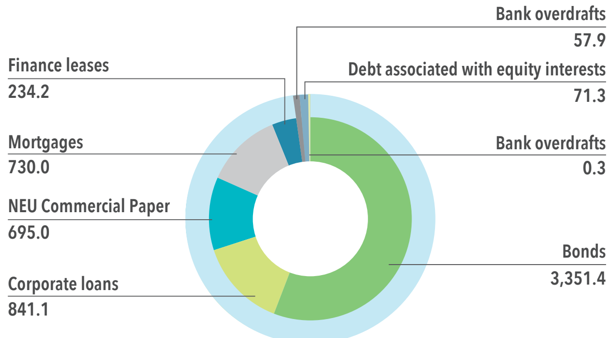
- cancellation of €230 million in revolving credit;
- €400 million in new medium- and long-term revolving credit lines;
- issue of NEU Commercial Paper to reach an outstanding amount of €695 million at the end of the year (€166.5 million increase between December 31, 2016 and December 31, 2017).

Icade now has fully-available undrawn amounts from short- and long-term credit lines of €1,750 million compared with €1,580 million as of December 31, 2016. These undrawn amounts as of December 31, 2017 cover more than three years of debt principal and interest payments.

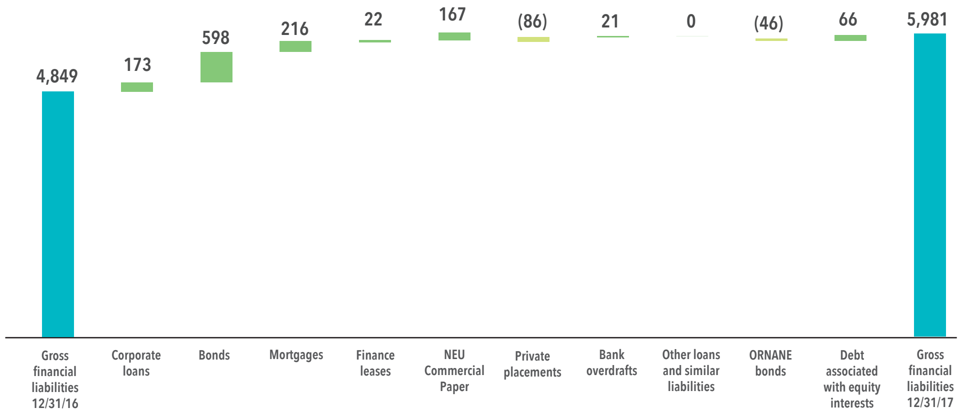
1.5.2. Debt structure as of December 31, 2017

1.5.2.1. Debt by type

As of December 31, 2017, gross financial liabilities stood at €5,981.1 million and broke down as follows:



As of December 31, 2016, gross financial liabilities amounted to €4,849 million. The €1,132 million change is explained in the following graph:



Net financial liabilities amounted to €5,471.0 million as of December 31, 2017, representing an increase of €1,019.7 million compared to December 31, 2016.

This trend is explained by higher short-term financial liabilities as the outstanding amount of NEU Commercial Paper was increased, and higher medium- and long-term financial liabilities as a Green Bond was issued and new bank financing was obtained.

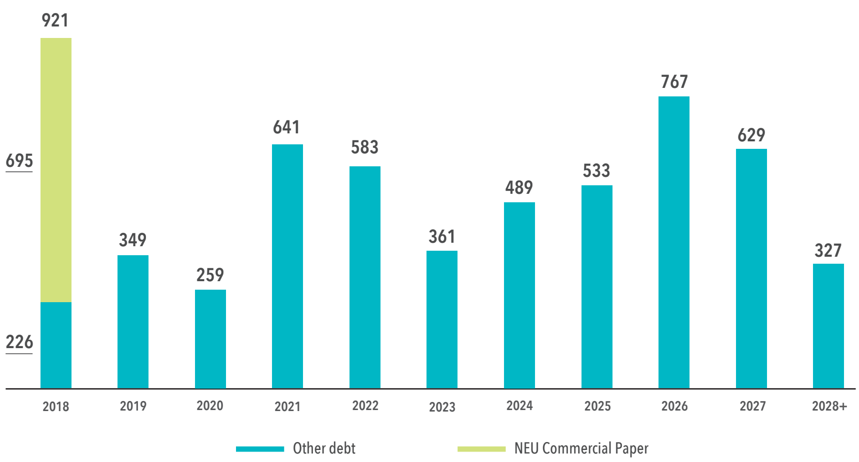
The new debt facilities secured in 2017 have an average credit margin of 85 bps and an average maturity of 8.6 years and represent a total of €1,108.4 million (excluding NEU Commercial Paper and revolving credit).

1.5.2.2. Debt by maturity date

The maturity schedule of debt drawn by Icade (excluding overdrafts) as of December 31, 2017 is as follows:

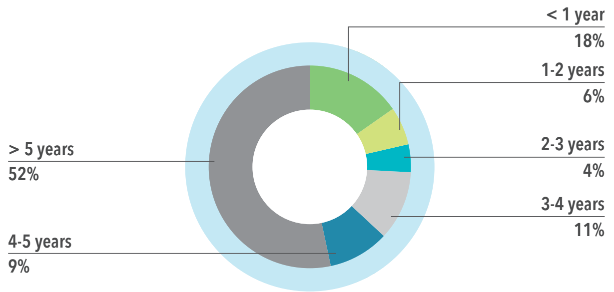
MATURITY SCHEDULE OF DRAWN DEBT

(December 31, 2017, in millions of euros)



BREAKDOWN OF DEBT BY MATURITY

(December 31, 2017)



The average debt maturity was 6.5 years as of December 31, 2017 (excluding NEU Commercial Paper), almost stable on a year-on-year basis.

1.5.2.3. Debt by division

After allocation of intra-group financing, almost 97% 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 2017, the average cost of debt was 1.50% before hedging and 1.59% after hedging, compared with 1.80% and 2.18% in 2016, respectively.

This strong decrease in the average cost of debt between 2016 and 2017 was achieved through the proactive management of existing debt and interest rate hedges.

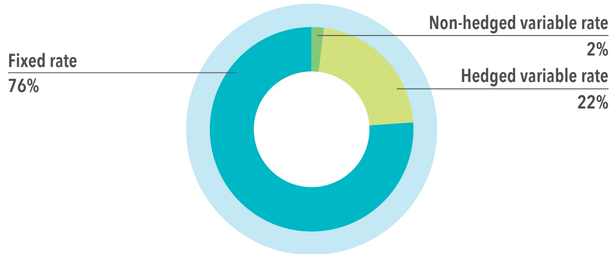
1.5.2.5. Management of interest rate risk exposure

Variable rate debt represented nearly 24% of total Group debt as of December 31, 2017 (excluding debt associated with equity interests and bank overdrafts).

In 2017, 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). Out of a total of €498.6 million swaps taken out, €300 million are forward-start swaps. As of December 31, 2017, hedged variable rate debt accounted for 22% of total debt while unhedged variable rate debt accounted for 2% of total debt.

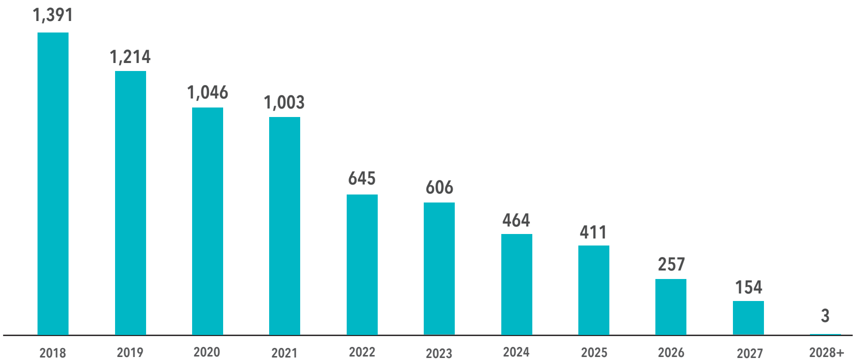
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING LIABILITIES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(December 31, 2017)



OUTSTANDING HEDGING POSITIONS

(December 31, 2017, in millions of euros)



Most of the debt (98%) 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:

	12/31/2017									
	Financial assets (A)		Financial liabilities (B)		Net exposure before hedging (C) = (B) - (A)		Interest rate hedging instruments (D)		Net exposure after hedging (E) = (D) - (C)	
(in millions of euros)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	20.8	466.9	731.5	342.2	710.7	(124.7)	-	215.5	(710.7)	340.2
1 to 2 years	-	-	257.5	92.4	257.5	92.4	-	196.1	(257.5)	103.7
2 to 3 years	-	-	12.1	247.2	12.1	247.2	-	167.9	(12.1)	(79.2)
3 to 4 years	-	-	479.8	161.3	479.8	161.3	-	43.0	(479.8)	(118.2)
4 to 5 years	0.1	-	492.8	71.0	492.7	71.0	-	358.1	(492.7)	287.0
> 5 years	27.5	0.1	2,489.1	604.3	2,461.6	604.1	-	644.6	(2,461.6)	40.4
TOTAL	**48.4**	**467.0**	**4,462.8**	**1,518.3**	**4,414.3**	**1,051.3**	**-**	**1,625.1**	**(4,414.3)**	**573.8**

The average maturity is 4.3 years for variable rate debt and 6.2 years for related hedges, reflecting Icade's policy of anticipating coverage of future financing needs.

Finally, Icade favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; this involves recognising 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 August 2017, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2. The agency also specified that the acquisition of ANF Immobilier and its limited impact on the LTV ratio did not affect the Group's credit rating.

1.5.4. Financial structure

1.5.4.1. Financial structure ratios

1.5.4.1.1. LTV (loan-to-value) ratio

The LTV ratio, which is the ratio of net financial liabilities and the latest valuation of the property portfolio excluding duties (total share) plus the value of property development companies, stands at 41.0% as of December 31, 2017 (compared with 37.9% as of December 31, 2016).

The level recorded on December 31, 2017 is in line with Icade's policy (LTV around 40%) and is fully compatible with Icade's expansion.

If the value of the portfolio used for its calculation was including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 38.8% as of December 31, 2017.

The LTV ratio calculated as part of bank covenants stood at 42.8%, well below the maximum level of 52% provided for in the bank agreements.

1.5.4.1.2. ICR (interest coverage ratio)

The interest coverage ratio based on Ebitda plus the Group's share in profit/(loss) of equity-accounted companies was 6.53x for the financial year 2017. This ratio, which was calculated using the same method as in 2016, increased on a year-over-year basis (4.71x in 2016) and its level demonstrates the Company's ability to comfortably comply with its bank covenants (see table below).

	12/31/2017	12/31/2016
Ratio of net financial liabilities/asset value (LTV) [(a)]	41.0%	37.9%
Interest coverage ratio (ICR) based on Ebitda plus the Group's share in profit/(loss) of equity-accounted companies	6.53x	4.71x

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

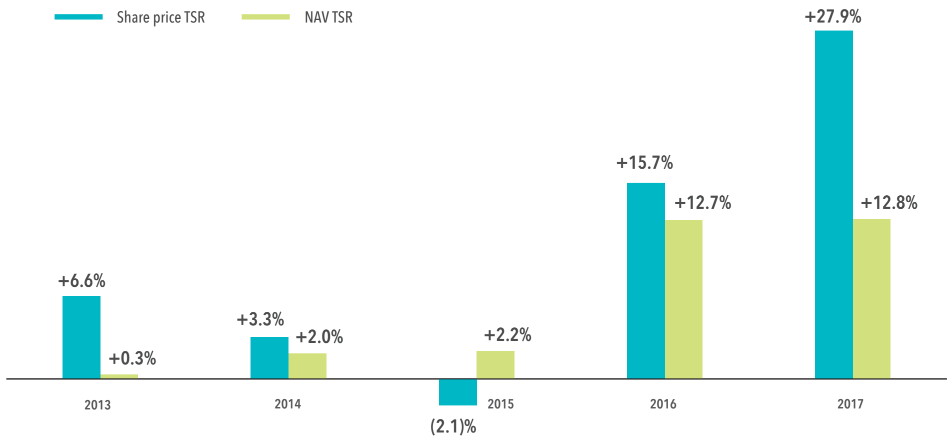
1.5.4.2. Table of covenants

		Covenants	12/31/2017
LTV bank covenant	Maximum	< 52%	42.8%
ICR	Minimum	> 2	6.53x
CDC's stake	Minimum	34%	38.99%
Value of Property Investment assets [(a)]	Minimum	From > €1.7bn to > €7bn	€12.8bn
Debt from property development subsidiaries/consolidated gross debt	Maximum	< 20%	0.7%
Security interests in assets	Maximum	< 20% of property investment assets	7.5%

(a) Around 6% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €1.7 billion, 8% of the debt has a limit of €2 billion, 12% of the debt has a limit of €5 billion and the remaining 74% has a limit of €7 billion.

All covenants were met as of December 31, 2017, and remain comfortably within the limits.

1.6. Share performance and NAV performance



The Icade share, which stood at €82.9 as of December 31, 2017, outperformed the SIIC/Foncière France (Euronext) and EPRA Europe indices in 2017, with a market return of 20.9% and a total shareholder return, with dividends reinvested, around 27.9%.

It is calculated as the difference between the share price at the end of the previous reporting period and the share price at the end of the reporting period 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 2017 TSR, €4.00 are assumed to be reinvested at the closing share price on April 25, 2017), divided by the share price at the end of the previous reporting period.

NAV TSR, which is based on the change in triple net asset value, again grew by double digits, with +12.8% in 2017 after +12.7% in 2016.

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 (including, for the purpose of calculating 2017 TSR, the €4.00 dividend paid during the period), 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)

Icade's Property Investment segment covers the following business activities:

- the Commercial Property Investment Division's portfolio consists primarily of office assets located in the Paris region but also, since 2017, of office buildings in major cities outside the Paris region. The whole portfolio is valued at €8.5 billion on a proportionate consolidation basis (€8.8 billion on a full consolidation basis). It can be broken down between office buildings valued at €4.7 billion and business parks (also mainly composed of office assets) valued at €3.6 billion. It also includes a portfolio of hotels as a result of acquiring ANF Immobilier and a portfolio of residual assets, made up of warehouses and housing units (worth €183 million as of December 31, 2017, i.e. 2.1% of the Commercial Property Investment Division's portfolio);
- the Healthcare Property Investment Division, whose activities are carried out through 56.51% owned Icade Santé (and its subsidiaries). The division is valued at €2.3 billion (€4.0 billion on a full consolidation basis), is mainly made up of private healthcare properties such as medicine, surgery and obstetrics (MSO) facilities and post-acute care (PAC) facilities.

2.1.1. 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)" is the main indicator used to analyse the financial results of these two divisions.

This indicator stood at €319.1 million as of December 31, 2017, a significant increase of 7.5% compared to 2016 (see the analysis for each Property Investment Division in the following pages).

	12/31/2017			12/31/2016		
(in millions of euros)	**EPRA earnings from Property Investment (recurring)**	**Non-recurring (a)**	**Total Property Investment**	**EPRA earnings from Property Investment (recurring)**	**Non-recurring (a)**	**Total Property Investment**
GROSS RENTAL INCOME	590.2	-	590.2	587.0	-	587.0
Land-related costs	(2.2)	-	(2.2)	(2.1)	-	(2.1)
Service charges not recovered from tenants	(27.0)	-	(27.0)	(34.0)	-	(34.0)
Property operating expenses	(8.9)	-	(8.9)	(5.9)	-	(5.9)
NET RENTAL INCOME	552.2	-	552.2	545.0	-	545.0
MARGIN RATE ***(net rental income/gross rental income)***	93.6%	0.0%	93.6%	92.8%	0.0%	92.8%
Net operating costs	**(61.1)**	**-**	**(61.1)**	**(50.2)**	**-**	**(50.2)**
Profit/(loss) from other activities	**(0.3)**	**-**	**(0.3)**	**(1.0)**	**-**	**(1.0)**
EBITDA	490.8	-	490.8	493.8	-	493.8
Depreciation and impairment of operating assets	(8.3)	(17.3)	(25.6)	(8.2)	20.6	12.4
Depreciation and impairment of investment properties	-	(265.3)	(265.3)	-	(284.5)	(284.5)
Profit/(loss) from acquisitions	-	(6.9)	(6.9)	-	1.3	1.3
Profit/(loss) from asset disposals	-	75.1	75.1	-	19.1	19.1
Share of profit/(loss) of equity-accounted companies	5.3	(7.2)	(1.9)	5.5	(22.7)	(17.2)
OPERATING PROFIT/(LOSS)	487.8	(221.6)	266.2	491.1	(266.3)	224.9
Cost of gross debt	**(89.2)**	**-**	**(89.2)**	**(116.4)**	**-**	**(116.4)**
Net income from cash and cash equivalents, related loans and receivables	6.9	-	6.9	6.5	-	6.5
Cost of net debt	(82.3)	-	(82.3)	(109.9)	-	(109.9)
Other finance income and expenses	(5.2)	(34.2)	(39.4)	(4.2)	(50.3)	(54.5)
FINANCE INCOME/(EXPENSE)	(87.5)	(34.2)	(121.7)	(114.1)	(50.3)	(164.3)
Corporate tax (b)	(6.0)	20.5	14.6	(10.1)	5.5	(4.6)
NET PROFIT/(LOSS)	394.3	(235.3)	159.0	367.0	(311.0)	56.0
Net profit/(loss) attributable to non-controlling interests	75.2	(44.3)	30.9	70.2	(40.9)	29.2
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**319.1**	**(191.0)**	**128.1**	**296.8**	**(270.1)**	**26.7**
Average number of diluted shares outstanding			**73,971,634**			**73,848,960**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.
(b) Including €20.4 million recorded for the refund request submitted in respect of the 3% tax on dividends, including penalty interest.

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".

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, housing units and hotels;
- the assets of the Healthcare Property Investment Division.

Furthermore, the assets from the Healthcare Property Investment and ANF portfolios are valued in proportion to Icade's holding in Icade Santé (56.51%) and ANF (89.02%, excluding treasury shares), respectively. Therefore, the portfolio of the Property Investment Divisions totals €10,810.6 million (€8,530.0 million for the Commercial segment and €2,280.6 million for the Healthcare segment).

If these assets were presented on a full consolidation basis, Icade's portfolio would represent €12,786.9 million excluding duties vs. €11,285.3 million at the end of 2016.

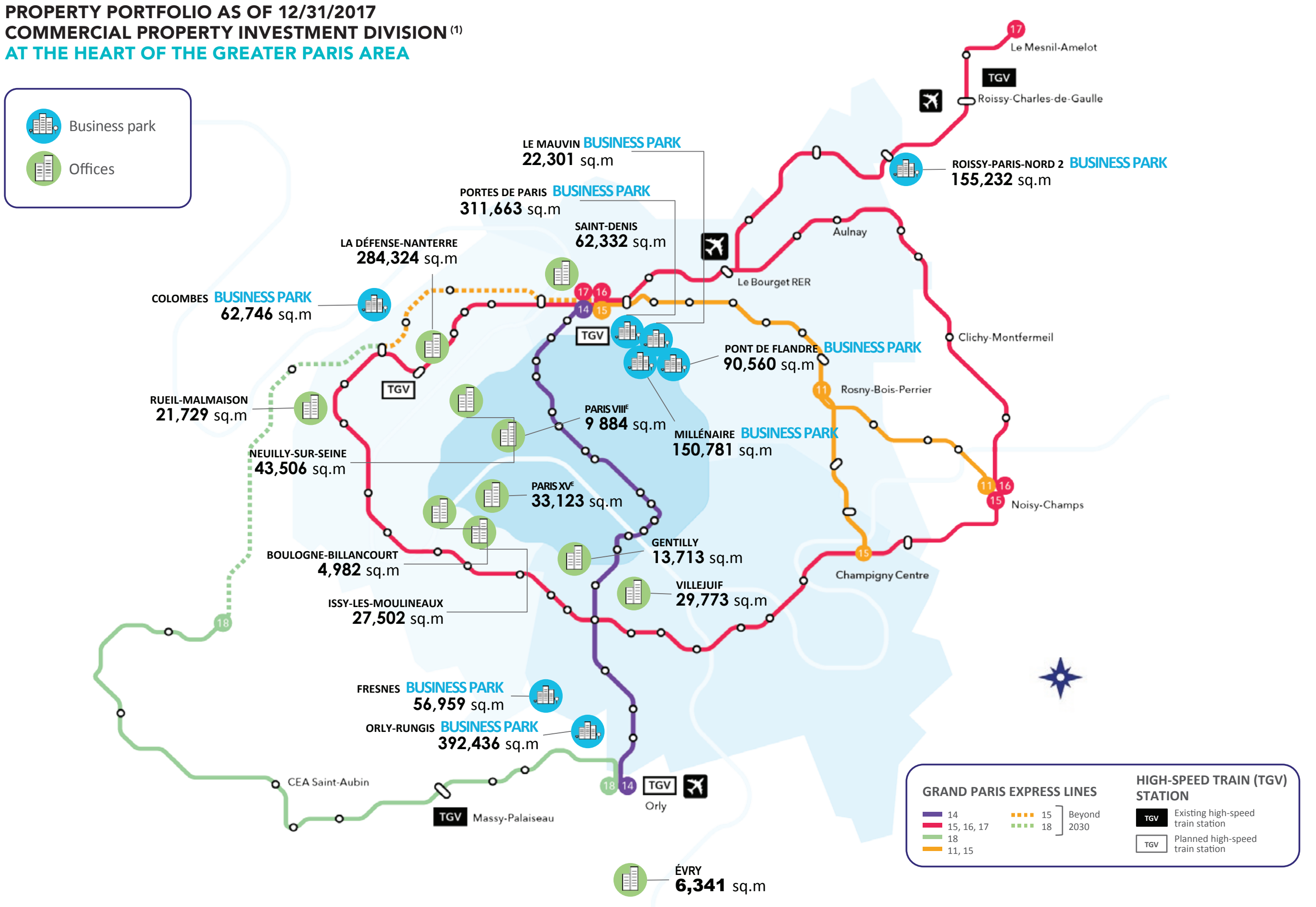
Unless otherwise stated, Icade does not present values including duties.

Value of the property portfolio excl. duties on a proportionate consolidation basis	12/31/2017 (in €m)	12/31/2016 (restated*) (in €m)	Change (in €m)	Change (in %)	Like-for-like change (in €m) [(a)]	Like-for-like change (in %) [(a)]	Total floor area on a proportionate consolidation basis (in sq.m)	Price [(b)] (in €/sq.m)	Net initial yield excl. duties (in %) [(c)]	EPRA vacancy rate (in %) [(d)]
OFFICES										
Paris	501.2	407.2	+94.0	+23.1%	+15.6	+3.8%	43,007	11,653	4.2%	11.3%
La Défense/Peri-Défense	2,037.0	1,918.1	+118.9	+6.2%	+86.8	+4.5%	306,052	6,656	5.6%	6.1%
Other Western Crescent	854.1	790.5	+63.6	+8.0%	+31.0	+3.9%	75,990	11,240	5.0%	0.1%
Inner Ring	625.6	779.1	(153.6)	(19.7)%	+33.8	+5.7%	105,818	5,912	5.0%	0.4%
Outer Ring	18.7	20.2	(1.4)	(7.2)%	(1.1)	(5.6)%	6,341	473	18.1%	56.4%
TOTAL PARIS REGION	4,036.6	3,915.1	+121.5	+3.1%	+166.1	+4.5%	537,207	7,485	5.2%	4.7%
Outside the Paris region	366.9	71.9	+295.0	+410.1%	(1.6)	(2.3)%	105,324	2,865	6.8%	6.5%
TOTAL OPERATING OFFICE PROPERTIES [(e)]	**4,403.6**	**3,987.1**	**+416.5**	**+10.4%**	**+164.5**	**+4.3%**	**642,531**	**6,727**	**5.3%**	**4.9%**
Land bank	17.3	5.1	+12.2	+238.4%	+1.1	+22.0%				
Projects under development	119.0	95.9	+23.2	+24.2%	(14.1)	(14.7)%				
Floor space awaiting refurbishment (not leased) [(f)]	2.0	5.8	(3.8)	(65.4)%	(0.5)	(19.4)%				
Off-plan acquisition	182.1	21.7	+160.4	+738.2%	+3.3	+15.0%				
TOTAL OFFICES	**4,724.0**	**4,115.6**	**+608.4**	**+14.8%**	**+154.4**	**+3.9%**	**642,531**	**6,727**	**5.3%**	**4.9%**
BUSINESS PARKS										
Paris	896.5	834.2	+62.3	+7.5%	+50.6	+6.1%	140,162	6,396	5.2%	1.0%
Other Western Crescent	134.0	133.9	+0.1	+0.1%	(4.4)	(3.3)%	62,746	2,136	8.1%	10.8%
Inner Ring	1,284.0	1,232.4	+51.6	+4.2%	+24.4	+2.0%	414,049	3,101	6.7%	6.9%
Outer Ring	1,014.6	985.3	+29.3	+3.0%	(7.8)	(0.8)%	596,514	1,701	9.2%	18.1%
TOTAL PARIS REGION	3,329.0	3,185.7	+143.3	+4.5%	+62.8	+2.0%	1,213,470	2,743	7.1%	10.2%
Land bank	117.2	142.1	(24.9)	(17.5)%	(21.6)	(15.7)%				
Projects under development	169.6	112.8	+56.7	+50.3%	+24.9	+22.1%				
Floor space awaiting refurbishment (not leased) [(f)]	7.5	11.0	(3.6)	(32.4)%	(0.1)	(1.2)%				
TOTAL BUSINESS PARKS	**3,623.2**	**3,451.7**	**+171.5**	**+5.0%**	**+66.1**	**+1.9%**	**1,213,470**	**2,743**	**7.1%**	**10.2%**
TOTAL OFFICES AND BUSINESS PARKS	**8,347.2**	**7,567.3**	**+780.0**	**+10.3%**	**+220.4**	**+3.0%**	**1,856,002**	**4,123**	**6.1%**	**7.6%**
Other assets of the Commercial Property Investment Division [(g)]	**182.8**	**135.1**	**+47.7**	**+35.3%**	**(3.0)**	**(2.4)%**	**59,267**	**1,172**	**7.7%**	**0.0%**
TOTAL COMMERCIAL PROPERTY INVESTMENT ASSETS	**8,530.0**	**7,702.4**	**+827.6**	**+10.7%**	**+217.4**	**+2.9%**	**1,915,269**	**4,031**	**6.1%**	**7.5%**
HEALTHCARE PROPERTY INVESTMENT										
Paris region	370.6	359.3	+11.2	+3.1%	+11.1	+3.1%	100,232	3,697	5.8%	0.0%
Outside the Paris region	1,789.8	1,595.2	+194.5	+12.2%	+50.6	+3.2%	710,355	2,520	6.0%	0.0%
TOTAL	**2,160.3**	**1,954.6**	**+205.8**	**+10.5%**	**+61.6**	**+3.2%**	**810,587**	**2,665**	**6.0%**	**0.0%**
Projects under development	120.2	70.1	+50.1	+71.4%	+4.7	+6.7%				
TOTAL HEALTHCARE PROPERTY INVESTMENT	**2,280.6**	**2,024.7**	**+255.9**	**+12.6%**	**+66.4**	**+3.3%**	**810,587**	**2,813**	**6.0%**	**0.0%**
GRAND TOTAL	**10,810.6**	**9,727.1**	**+1,083.5**	**+11.1%**	**+283.8**	**+3.0%**	**2,725,856**	**3,669**	**6.1%**	**5.9%**
Including assets consolidated using the equity method	*144.0*	*159.5*	*(15.5)*	*(9.7)%*	*(15.5)*	*(9.7)%*				
Including ANF Immobilier [(h)]	*429.0*	*0.0*	*+429.0*	*NA*	*NA*	*NA*				

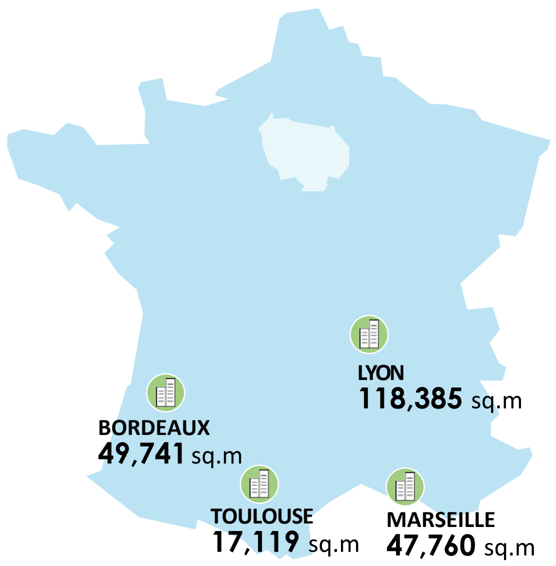
* *Adjusted for the asset reclassifications made between the two periods, including reclassifications from "Projects under development" to the "Operating" category upon completion of a property.*
(a) *Net change in disposals for the period, investments and changes in the values of assets treated as financial receivables (PPP).*
(b) *Established based on the appraised value excluding duties.*
(c) *Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, divided by the appraised value excluding duties of leasable space.*
(d) *Calculated based on the estimated rental value of vacant space divided by the overall estimated rental value.*
(e) *Indicators (total floor area, price in €/sq.m, EPRA net initial yield excluding duties, and EPRA vacancy rates) are presented excluding PPPs.*
(f) *Properties that are completely vacant, held for sale, or due to be refurbished or demolished.*
(g) *Includes hotels from the ANF Immobilier portfolio*
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.
(h) *€429.0 million on a proportionate consolidation basis, based on Icade's holding in ANF Immobilier as of December 31, 2017. On a full consolidation basis, the value as of December 31, 2017 was €650.1 million.*

2.2. Commercial Property Investment Division

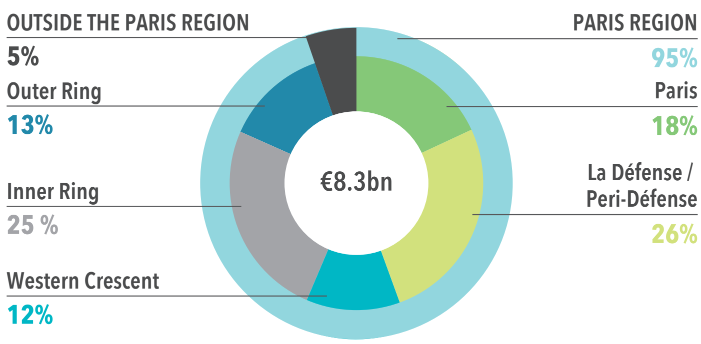
PROPERTY PORTFOLIO AS OF 12/31/2017
COMMERCIAL PROPERTY INVESTMENT DIVISION (1)
AT THE HEART OF THE GREATER PARIS AREA



AND IN MAJOR FRENCH CITIES (2)



GEOGRAPHIC DISTRIBUTION OF THE OFFICE AND BUSINESS PARK PORTFOLIO (IN %) ON A PROPORTIONATE CONSOLIDATION BASIS



(1) *Offices and business parks, total floor area.*

(2) *Offices, total floor area (excluding hotels).*

2.2.1. Market update

Office rental market in the Paris region *(Source: JLL)*

With take-up of 2.6 million sq.m, the office market in the Paris region remained dynamic and increased by 8% compared to 2016. In 2017, leasing activity was 13% above the 10-year average, thanks to a very strong Q4 which set a new record for three-month take-up, at 853,000 sq.m. This positive trend combined with favourable economic indicators makes it possible to anticipate take-up to continue at this rate in 2018.

The performance recorded in 2017 is largely attributable to transactions for over 5,000 sq.m. There were 88 in 2017 compared to 65 in 2016, representing a total of 1.1 million sq.m (43% of the activity) and implying a 27% rise. Large companies benefited from an improving economic environment and focused mainly on latest-generation offices, and especially off-plan properties which accounted for 52% of the largest transactions in 2017. The "coworking" phenomenon also supported the rental market, with the creation of seven centres of over 5,000 sq.m during the year. It should also be noted that part of the market for units of less than 1,000 sq.m (slight decline in 2017) is currently shifting to this type of property.

Despite a limited available stock, leasing activity remained strong in Paris (1.1 million sq.m in 2017, i.e. -2% from 2016), especially in the CBD where the arrival of new space during the year allowed for as many as three transactions above 10,000 sq.m and a 7% increase in leasing activity. **Large companies shifting to the Western Crescent and Inner Ring – where the supply of high-quality space is higher – has made these areas the most active this year, with increases of 40% and 52%, respectively, especially in the South Loop area (+53%), Neuilly-Levallois (+55%) and Inner Ring North (+143%).** After a record 2016, the La Défense market dropped 36% in 2017 due to a decline in large-scale transactions which are likely to recover in 2018 as new supply is expected.

With 10 transactions for more than 5,000 sq.m in 2017 (including five in Q4), the take-up of large offices rose by 53% in the Outer Ring. However, this rise was due primarily to the areas of Saint-Quentin-en-Yvelines and Marne-la-Vallée and it was not enough to offset the general decline in smaller transactions.

After reaching 3.5 million sq.m at the end of 2016, the available supply in the Paris region started to decrease again in Q4 2017 and fell below 3.4 million sq.m (-4% year-on-year), representing a vacancy rate of 6.4%. The decrease was particularly pronounced for units over 5,000 sq.m (-10%), which accounted for 42% of the total supply at the end of 2017. Despite a 8% rise in completions (735,000 sq.m in 2017), new office supply remained limited, at 435,000 sq.m at the end of 2017 (14% of supply) as most projects under construction had been pre-let. Also, the development of new space is under control for the medium term as future supply under construction stabilised in 2017, at about 1.7 million sq.m.

With a vacancy rate of only 3% in Paris (2.9% in the CBD), the Paris rental market was especially tight in 2017. The market's attention is mainly focused on substantial future supply, with over 550,000 sq.m under construction that should be completed in the next 36 months, including 210,000 sq.m in the CBD and almost half already pre-let.

Although less active than in 2016, the La Défense market saw its vacancy rate go down from 9.5% at the end of 2016 to 7.7% at the end of 2017 due to the virtual absence of completions in the last two years. As the market stabilised, a new wave of projects available for lease emerged (Trinity, LandScape, Alto towers etc. representing 251,000 sq.m to be completed in the next 36 months including 42% pre-let).

In 2017, immediate supply also declined in the Western Crescent. The vacancy rate went down in Neuilly-Levallois (from 10.6% at the end of 2016 to 7.8% at the end of 2017) and in the South Loop area (from 9.8% at the of 2016 to 8.7% at the end of 2017), while it was stable in the Peri-Défense area (14.8% on average over five years). While future supply under construction increased sharply to 410,000 sq.m at the end of 2017, only one-third of total space is still available.

In the Inner Ring, the available stock rose slightly to 676,000 sq.m (+6% year-on-year), including 325,000 sq.m in the North (Clichy, Saint-Ouen, Saint-Denis, Aubervilliers). In this area, however, the vacancy rate remained at a reasonable level in the past four years around 10% (10.5% at the end of 2017) thanks to a stable volume of space under construction. **Finally, the immediate supply in the Outer Ring, at around 1.1 million sq.m,** declined slightly (-4% year-on-year), in particular in Outer Ring South (-10% year-on-year) due to very moderate future supply in the last two years.

In 2017, headline rental values mainly increased in Paris because of the very low availability of office space. The average rent for new or second-hand space climbed from 3% to 4% in 2017 while the prime rent in the CBD reached €775/sq.m (maximum at €850/sq.m) and lease incentives gradually decreased (approximately 16% in Q4 2017).

Outside the capital, rents remained broadly stable over the year, including in very active markets such as the South Loop or Neuilly-Levallois, where supply is higher. The Inner Ring North area stood out, with rents for new space up from €314/sq.m in 2016 to €345/sq.m in 2017 as a result of the emergence of the Docks development zone in Saint-Ouen.

Lease incentives for transactions for less than 1,000 sq.m also remained stable in the Paris region over the year at 22%, but this stability masks a reduction in the most mature areas (Paris, La Défense, Neuilly-Levallois, South Loop) offset by an increase in the most peripheral markets, especially in the Inner and Outer Rings.

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

As of Q3 2017, the six major regional cities (Lille, Lyon, Marseille, Toulouse, Bordeaux and Nantes) totalled a 12-month rolling take-up of 1.1 million sq.m (equivalent to 40% of the leasing activity observed in the Paris region). This leasing activity was up 2% compared to the previous year and it exceeded by 20% the average volume recorded over the last five years, reflecting a dynamic market driven by significant net job creation since the end of 2015 (+137,000 jobs in 2016).

Over 9M 2017, 752,000 sq.m of office space were taken up outside the Paris region. 45% of this volume was derived from transactions for less than 1,000 sq.m, which were up 3% compared to the same period in 2016. But take-up was actually driven by transactions above 5,000 sq.m (22 over 9 months, including 3 of more than 10,000 sq.m), which saw a 33% increase, primarily for new space. This leasing activity reflects the needs for development of large companies who seek, above all, latest-generation offices and who are ready to make commitments on properties that have not yet been completed.

Lyon is still the main office market outside the Paris region, with 181,000 sq.m taken up in nine months (-14% vs. 9M 2016, but above the 10-year average), followed by Lille with 136,000 sq.m (+7% vs. 9M 2016), Bordeaux with 130,000 sq.m (+75% vs. 9M 2016), Toulouse with 122,000 sq.m (-3% vs. 9M 2016), Aix/Marseille with 93,000 sq.m (+9% vs. 9M 2016) and, lastly, Nantes with 89,000 sq.m (+1% vs. 9M 2016).

The available supply and supply that would become available in the next year represented 1.5 million sq.m at the end of Q3 2017, of which 1.1 million were available immediately. Over twelve months, it dropped 7% as robust leasing activity absorbed completions and also some of the stock of second-hand space (-10%). Vacancy rates in the different major cities remained at reasonable levels (between 4% in Bordeaux or Nantes and 6% in Marseille or Toulouse) and limited new space (on average, 22% of immediate supply) tended to push up rents for new space, in particular in business districts, as illustrated since 2015 by rising prime rents in Lyon (€300/sq.m for the Grand-Hôtel-Dieu and in Part-Dieu) or more recently in Marseille (€320/sq.m for the La Marseillaise tower at the heart of Euroméditerranée). Conversely, second-hand rents in the outskirts of these cities suffered a downward correction amid low demand.

French commercial property investment market *(Sources: BNP Paribas Real Estate/JLL/CBRE)*

In 2017, investments in commercial property (including those used for diversification) reached €26.4 billion as a number of anticipated large transactions were concluded in the fourth quarter (e.g. Cœur Défense), offsetting the modest pace of the first three quarters.

The 17% drop compared to 2016 is primarily attributable to the 80% decline in service assets (hotel, leisure and healthcare assets). **Investments in offices** were resilient, up 1% from 2016 in the Paris region and up as much as 22% in other French regions to a total of €18.8 billion (including more than €4 billion off-plan according to CBRE, the best volume achieved for this type of investment since 2007). **The retail segment** was held back by high market concentration and continued to decline to only €3.9 billion in 2017, while **the logistics segment** grew by 20% compared to 2016 thanks to the acquisition of several portfolios, including two very extensive pan-European portfolios.

The French market therefore remained active despite a very narrow segment for medium-size core transactions, which investors have learned to adjust to. **In the face of this limited supply, in 2017 they turned to larger transactions,** for which competition is typically lower. The 17 transactions of more than €200 million (vs. 21 in 2016) thus represented 39% of total investments compared to 29% last year.

Although core transactions still represented a significant proportion of the total (about 50%), **the market environment continued to force the market players to diversify their investment strategies** to achieve their target returns. Core+ transactions were particularly substantial in 2017 (about 30%), with some large-scale transactions such as Cœur Défense or major logistics portfolios such as Logicor or Gazeley.

In the meantime, speculative off-plan developments such as the Hekla tower or Grand Central contributed largely to the weight of value-add transactions (about 20%).

Lastly, **in terms of location,** acquisitions in Paris totalled only €6.3 billion due to a shortage of supply, a 26% fall compared to 2016. Investors had to step up their presence outside the capital, although they focused on the most mature markets, such as the Western Crescent (€4.5 billion, an increase of 5%) and La Défense (€3.2 billion, an increase of 44%) as well as the centres of major regional cities (the Docks in Marseille, the New Deal or Silex 1 and 2 in Lyon).

With its transparent, secure and deep market, France remains – along with Germany and the United Kingdom – a destination of choice for international investors. The main reason why they represented only one-third of the market in 2017 (the contribution of Asian investors increased to 9%) is the significant competition from French institutional investors, real estate investment companies (SCPIs) and real estate collective investment schemes (OPCIs) aimed at retail investors, especially on large-scale transactions.

In 2017, the prime yield for office properties in Paris CBD was also stable at 3.0%, supported by the slight rebound in French 10-year government bond yields at the beginning of the year (from 0.12% at the end of September 2016 to 0.96% at the end of March 2017). As such, the property risk premium remained above 200 bps throughout the year, making it possible to look with confidence to a potential increase in interest rates, which is likely to be very slow and gradual. **Thanks to the improvement in the rental market, 2017 was, on the other hand, marked by a compression in the location premium,** with yields significantly down in Inner Ring North, Peri-Défense or Lyon (4.0% vs. 4.5% at the end of 2016), Inner Ring South (5.0% vs. 5.25% at the end of 2016), La Défense (4.0% vs. 4.25% at the end of 2016), South Loop (3.5% vs. 3.75% at the end of 2016) or Neuilly-Levallois (3.25% vs. 3.5% at the end of 2016).

2.2.2. Property portfolio as of December 31, 2017

The operating property portfolio of Icade's Commercial Property Investment Division represents nearly 2.2 million sq.m of leasable area and is valued at €8,530 million.

Geographic distribution of the property portfolio by type of asset

AS OF DECEMBER 31, 2017

In value terms (on a proportionate consolidation basis (in millions of euros)	Offices	Business parks	Subtotal offices and business parks	Warehouses	Hotels	Residential	Total	%
PARIS REGION	4,282	3,623	7,906	4	8	108	8,025	94.1%
% of total	*90.7%*	*100.0%*	*94.7%*	*27.9%*	*12.8%*	*99.9%*		
incl. Paris	588	931	1,519	-	-	0	1,520	
incl. La Défense/Peri-Défense	2,191	-	2,191	-	-	-	2,191	
incl. Western Crescent	854	134	988	-	-	7	995	
incl. Inner Ring	626	1,456	2,082	-	6	4	2,091	
incl. Outer Ring	24	1,102	1,125	4	2	97	1,229	
OUTSIDE THE PARIS REGION	442	-	442	10	53	0	505	5.9%
% of total	*9.3%*	*0.0%*	*5.3%*	*72.1%*	*87.2%*	*0.1%*	*5.9%*	
GRAND TOTAL	**4,724**	**3,623**	**8,347**	**14**	**61**	**108**	**8,530**	
% OF TOTAL PORTFOLIO VALUE	55.4%	42.5%	97.9%	0.2%	0.7%	1.3%		100%

Description of the portfolio

The tables below show leasable floor areas for office and business park properties between December 31, 2016 and December 31, 2017. Leasable floor space relates to leasable units in portfolio assets (excluding car parks). It is shown on a full consolidation basis.

Offices

As of December 31, 2017, Icade owns office buildings representing a total leasable floor area of 707,951 sq.m. Most of these assets are located in the Paris region, in the La Défense/Peri-Défense area and in the Inner Ring.

The property portfolio of ANF Immobilier mainly consists of office assets located in the city centres of the main regional cities – Lyon, Marseille, Toulouse and Bordeaux. It also contains a portfolio of hotel properties (29,590 sq.m) which are mostly outside the Paris region. Furthermore, acquiring ANF Immobilier has allowed Icade to access the Company's significant development pipeline.

As of December 31, 2017, the ANF Immobilier property portfolio represented €650 million on a full consolidation basis (€429 million on a proportionate consolidation basis, according to Icade's holding in ANF Immobilier). This amount includes the appraised values of ANF Immobilier properties, i.e. €614 million (€457 million on a proportionate consolidation basis), plus investments net of disposals carried out in H2 2017 and a like-for-like increase in portfolio value.

	12/31/2016	2017 changes			12/31/2017
Asset class (a) **On a full consolidation basis**	**Leasable floor area**	**Acquisitions/ completions**	**Asset disposals**	**Developments/ refurbishments**	**Leasable floor area**
	(in sq.m)	***(in sq.m)***	***(in sq.m)***	***(in sq.m)***	***(in sq.m)***
PARIS REGION	525,048	52,804	(43,001)	(2,883)	531,968
% of total	*94.6%*	*26.4%*	*100.0%*	*100.0%*	*75.1%*
incl. Paris	31,716	11,372	-	(82)	43,007
incl. La Défense/Peri-Défense	276,393	30,152	-	(3,025)	303,521
incl. Western Crescent	56,917	11,279	-	-	68,196
incl. Inner Ring	148,595	-	(43,001)	223	105,818
incl. Outer Ring	11,426		-		11,426
OUTSIDE THE PARIS REGION	28,816	147,167	-	-	175,983
% of total	*5.4%*	*73.6%*	*0.0%*	*0.0%*	*24.9%*
TOTAL OFFICES	**553,864**	**199,971**	**(43,001)**	**(2,883)**	**707,951**

(a) After reclassification of Axe Seine to the office segment.

In 2017, the Group also carried out selective acquisitions of office assets for a total of €82.4 million, including transfer taxes, with two assets acquired in the 15th district of Paris:

- building D (about 5,800 sq.m) from the Arc Ouest development, which complements the acquisition made in 2016;
- three office floors in the Maine Montparnasse tower (5,739 sq.m). This investment will allow Icade to be actively involved in the future renovation project for the tower.

As part of its active asset rotation policy:

- Icade sold three property assets in Villejuif (Garonne, Rhône and Seine) with a combined floor area of 43,000 sq.m. The leases from the two assets that have been retained and leased to LCL (Loire and Rhin) were renewed for a further nine and seven years, respectively.

Business parks

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

The leasable floor area of the business parks totals 1,158,055 sq.m as of December 31, 2017.

Asset class [(a)] On a full consolidation basis	12/31/2016 Leasable floor area *(in sq.m)*	2017 changes Acquisitions/ completions *(in sq.m)*	 Asset disposals *(in sq.m)*	 Developments/ refurbishments *(in sq.m)*	12/31/2017 Leasable floor area *(in sq.m)*
PARIS REGION	1,172,439	12,211	-	(26,597)	1,158,055
% of total	*100.0%*	*100.0%*	*0.0%*	*100.0%*	*100.0%*
incl. Paris	138,550	-	-	(23,426)	115,124
incl. La Défense/Peri-Défense [(a)]	-	-	-	-	-
incl. Western Crescent	62,746	-	-	-	62,746
incl. Inner Ring	395,509	9,790	-	(62)	405,236
incl. Outer Ring	575,634	2,421	-	(3,109)	574,947
OUTSIDE THE PARIS REGION	-	-	-	-	-
% of total	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
TOTAL BUSINESS PARKS	**1,172,439**	**12,211**	**-**	**(26,597)**	**1,158,055**

(a) After reclassification of Axe Seine to the office segment.

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

In 2017, Icade initiated the refurbishment of its former headquarters building (Millénaire 1) located in the Millénaire business park (22,493 sq.m).

The newly-refurbished space, which will be completed in 2018, has already been pre-let in its entirety to BNP Paribas.

Furthermore, the Coach Your Growth with Icade marketing plan launched in 2016 (budget of €30 million), which aims to improve the business parks' attractiveness, has been almost fully implemented as of the end of 2017. In the business parks where it has been implemented, this initiative has already added substantial value to the rental properties.

2.2.3. 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 (nearly 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. The takeover of property investor ANF Immobilier, most of whose property assets are in Lyon, Marseille, Bordeaux and Toulouse, has significantly increased Icade's presence in French regional markets.

Furthermore, Icade has expanded its range of real estate solutions by including new ways of working and rolling out its Coach Your Growth with Icade 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 and Société Foncière Lyonnaise. At the end of December 2017, Icade ranked fifth in terms of market capitalisation among French listed real estate investment companies, with €6.1 billion.

2.2.4. Key figures as of December 31, 2017

INCOME STATEMENT FOR THE COMMERCIAL PROPERTY INVESTMENT DIVISION

	12/31/2017			12/31/2016		
(in millions of euros)	EPRA earnings from Commercial Property Investment (recurring)	Non-recurring [a]	Total Commercial Property Investment	EPRA earnings from Commercial Property Investment (recurring)	Non-recurring [a]	Total Commercial Property Investment
GROSS RENTAL INCOME	375.4	-	375.4	379.7	-	379.7
Land-related costs	(2.2)	-	(2.2)	(2.1)	-	(2.1)
Service charges not recovered from tenants	(24.4)	-	(24.4)	(31.5)	-	(31.5)
Property operating expenses	(7.9)	-	(7.9)	(5.1)	-	(5.1)
NET RENTAL INCOME	340.9	-	340.9	341.0	-	341.0
Margin rate (net rental income/gross rental income)	*90.8%*	*0.0%*	*90.8%*	*89.8%*		*89.8%*
Net operating costs	**(48.4)**	**-**	**(48.4)**	**(37.6)**	**-**	**(37.6)**
Profit/(loss) from other activities	**(0.3)**	**-**	**(0.3)**	**(1.0)**	**-**	**(1.0)**
EBITDA	292.2	-	292.2	302.4	-	302.4
Depreciation and impairment of operating assets	(8.3)	(17.3)	(25.6)	(8.2)	20.6	12.4
Depreciation and impairment of investment properties	-	(167.0)	(167.0)	-	(189.4)	(189.4)
Profit/(loss) from acquisitions	-	(6.8)	(6.8)	-	-	-
Profit/(loss) from asset disposals	-	74.9	74.9	-	19.4	19.4
Share of profit/(loss) of equity-accounted companies	5.3	(7.2)	(1.9)	5.5	(22.7)	(17.2)
OPERATING PROFIT/(LOSS)	289.2	(123.3)	165.9	299.7	(172.1)	127.6
Cost of gross debt	**(78.5)**	**-**	**(78.5)**	**(105.7)**	**-**	**(105.7)**
Net income from cash and cash equivalents, related loans and receivables	24.5	-	24.5	25.3	-	25.3
Cost of net debt	(53.9)	-	(53.9)	(80.5)	-	(80.5)
Other finance income and expenses	(4.8)	(33.8)	(38.6)	(3.6)	(50.0)	(53.6)
FINANCE INCOME/(EXPENSE)	(58.7)	(33.8)	(92.5)	(84.0)	(50.0)	(134.1)
Corporate tax [b]	(6.0)	20.5	14.5	(10.0)	5.2	(4.8)
NET PROFIT/(LOSS)	224.5	(136.6)	88.0	205.6	(216.9)	(11.3)
Net profit/(loss) attributable to non-controlling interests	1.3	(1.4)	(0.0)	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**223.2**	**(135.2)**	**88.0**	**205.6**	**(216.9)**	**(11.3)**
Average number of diluted shares outstanding			**73,971,634**			**73,848,960**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.
(b) Including €20.4 million recorded for the refund request submitted in respect of the 3% tax paid on dividends, including penalty interest.

RENTAL INCOME FROM THE COMMERCIAL PROPERTY INVESTMENT DIVISION

(in millions of euros)	12/31/2016	Asset acquisitions	Asset disposals	New builds/ Refurbishments	Leasing activity and rent escalation	12/31/2017	Total change	Like-for-like change
France offices [a]	168.0	23.4	(25.1)	7.1	2.4	175.7	7.7	1.8%
Business parks	200.1		(22.2)	12.6	(1.5)	189.0	(11.1)	(0.9)%
OFFICES & BUSINESS PARKS	368.1	23.4	(47.3)	19.6	0.9	364.7	(3.4)	0.3%
Other assets	17.4	0.8	(1.5)	-	0.1	16.8	(0.5)	8.3%
Intra-group transactions from Property Investment	(5.8)	-	-	-	(0.5)	(6.2)	(0.5)	NA
GROSS RENTAL INCOME	**379.7**	**24.2**	**(48.8)**	**19.6**	**0.6**	**375.4**	**(4.3)**	**0.4%**

(a) Reclassification of Axe Seine from the business park to the office segment.

Gross rental income generated by the Commercial Property Investment Division during the financial year 2017 amounted to €375.4 million, a decrease of €4.3 million compared to 2016 (-1.1%) due primarily to the full-year impact of the disposals made in 2016 and 2017. The loss in rental income relating to asset disposals in 2016 and 2017 represents €48.8 million (offices for €25.1 million and business parks for €22.2 million).

On the other hand, the acquisitions made during the period generated additional income of +€24.2 million, of which €18.6 million are related to the acquisition of three office buildings in 2016 (Orsud, Arc Ouest, Parissy) and €5.5 million to the acquisition of the company ANF Immobilier.

After adjustment for acquisitions and disposals, gross rental income went up by €20.3 million, i.e. +5.3% between 2016 and 2017.

This change resulted from:

- new builds and refurbishments: +€19.6 million which include:
  - +€22.9 million from projects completed in 2016, in particular the Veolia and Millénaire 4 buildings,
  - +€7.1 million for three assets completed in 2017 (phase B of Go Spring, Défense 456 and Open in Issy-les-Moulineaux),
  - -€3.2 million drop in rental income due to buildings subject to refurbishments, including Icade's former headquarters (Millénaire building in the 19th district of Paris);
- leasing activity and rent escalation: +€0.6 million:
  - positive impact of +€2.4 million for the office segment,
  - negative impact of -€1.5 million for the business park segment.

As a result, on a like-for-like basis (excluding the impact of asset acquisitions, disposals, new builds and refurbishments), gross rental income went up by 0.4%.

Net rental income from the Commercial Property Investment Division for the year 2017 totalled €340.9 million, stable compared to 2016. The margin rate stands at 90.8%, up 1 pp from 2016.

	12/31/2017		12/31/2016 (a)	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
France offices	168.5	95.9%	155.3	92.4%
Business parks	161.1	85.2%	174.8	87.3%
OFFICES & BUSINESS PARKS	329.7	90.4%	330.1	89.7%
Other assets	7.8	46.0%	5.3	30.3%
Intra-group transactions from Commercial Property Investment	3.5	NA	5.7	NA
NET RENTAL INCOME	**340.9**	**90.8%**	**341.0**	**89.8%**

(a) Reclassification of Axe Seine from the business park to the office segment.

Net operating costs from the Commercial Property Investment Division stood at €48.4 million, an increase compared to 2016. It should be borne in mind that they include holding company costs.

The recurring portion of finance income/(expense) from the Commercial Property Investment Division amounted to -€58.7 million as of December 31, 2017, vs. -€84.0 million a year earlier.

This change stemmed primarily from a reduction in the average cost of debt between 2016 and 2017 (1.59% in 2017 vs. 2.18% in 2016, i.e. -59 bps) as debt and derivatives restructuring undertaken in 2016 made it possible to cut the cost of net debt by nearly 33% between 2016 and 2017.

Thus, after taking into account the items above, EPRA earnings from Commercial Property Investment reached €223.2 million (€3.02 per share) as of December 31, 2017, vs. €205.6 million (€2.78 per share) as of December 31, 2016, i.e. an 8.5% year-on-year increase.

Other items that had an impact on the net profit/(loss) attributable to the Group from the Commercial Property Investment Division represented a total net expense of -€135.2 million and were mainly comprised of:

- depreciation and impairment of investment properties of -€167.0 million as of December 31, 2017 vs. -€189.4 million in 2016. This was due mainly to the reversal of an impairment loss for +€65.9 million, to be compared with a reversal of €30.7 million in 2016;
- profit/(loss) from asset disposals for +€74.9 million vs. +€19.4 million in 2016;
- non-current tax income of +€20.4 million corresponding to accrued extraordinary income to be received from the tax administration for the refund request submitted in respect of the 3% tax paid on distributed dividend (classified as non-current).

In view of the above, **net profit/(loss) attributable to the Group** from the Commercial Property Investment Division reached +€88.0 million as of December 31, 2017 vs. -€11.3 million as of December 31, 2016.

2.2.5. Leasing activity of the Commercial Property Investment Division

Asset class On a full consolidation basis	12/31/2016 Leased floor area (in sq.m)	2017 changes Additions (in sq.m)	Exits (in sq.m)	Exits due to disposals (in sq.m)	Floor area adjustments [(a)] (in sq.m)	12/31/2017 Leased floor area (in sq.m)	New leases Impact in 2017 (in sq.m)	Impact after 2017 (in sq.m)	12/31/2017 Total (in sq.m)
Offices	451,559	12,240	(6,738)	-	-	457,061	8,357	19,169	27,526
Business parks	970,625	48,972	(36,457)	-	-	983,140	41,525	25,890	67,415
Warehouses	34,321	4,819	-	-	-	39,140	4,819	4,819	9,638
LIKE-FOR-LIKE SCOPE (A)	1,456,505	66,031	(43,195)	-	-	1,479,341	54,701	49,878	104,579
Offices	20,964	190,983	(928)	-	(246)	210,773	14,970	65,867	80,837
Business parks	54,262	14,854	(27,040)	-	354	42,430	9,003	16,942	25,945
Warehouses	-	-	-	-	(376)	(376)	-	-	-
Hotels	-	29,590	-	-	-	29,590	-	-	-
ACQUISITIONS/COMPLETIONS/ REFURBISHMENTS (B)	75,226	235,427	(27,968)	-	(268)	282,417	23,973	82,809	106,782
SUBTOTAL (A + B)	1,531,731	301,458	(71,163)	-	(268)	1,761,758	78,674	132,687	211,361
Offices	43,001	-	-	(43,001)	-	-	-	-	-
Warehouses	29,718	285	-	(30,003)	-	-	285	-	285
DISPOSALS (C)	72,719	285	-	(73,004)	-	-	285	-	285
COMMERCIAL PROPERTY INVESTMENT (A) + (B) + (C)	**1,604,450**	**301,743**	**(71,163)**	**(73,004)**	**(268)**	**1,761,758**	**78,959**	**132,687**	**211,646**

(a) Change in floor areas as a result of new surveys by a licensed surveyor.

As of December 31, 2017, leased floor area in the Commercial Property Division's portfolio reached 1,761,758 sq.m, up 157,308 sq.m from December 31, 2016.

In 2017, the main like-for-like changes were as follows:

- office segment:
  - additions: 12,240 sq.m recorded during the financial year, including:
    - 3,040 sq.m leased in the PB5 tower in La Défense, of which 972 sq.m were leased to PwC,
    - 2,050 sq.m in additional floor space leased to the company IFF in the Crystal Park building in Neuilly-sur-Seine,
    - 2,860 sq.m in new leases signed in the Axe Seine building in Nanterre,
  - exits: 6,738 sq.m recorded during the financial year, including:
    - 1,807 sq.m vacated by Avnet Technology in the Fontanot building, which is scheduled for refurbishment in 2019,
    - 1,686 sq.m vacated in the Marignan building in Paris,
    - 1,594 sq.m vacated in the Défense 2 building;
- business park segment:
  - additions: 48,972 sq.m recorded during the financial year, including:
    - 18,655 sq.m of new leases signed in the Orly-Rungis business park,
    - 8,073 sq.m leased in the Portes de Paris business park,
    - 10,877 sq.m leased in the Roissy-Paris-Nord 2 business park, including a new lease with Ophtalmic Cie in the Eddington building (6,326 sq.m),
  - exits: 36,457 sq.m recorded during the financial year, including:
    - 13,537 sq.m vacated in the Orly-Rungis business park,
    - 11,875 sq.m vacated in the Portes de Paris business park, including 3,784 sq.m from the departure of TARKETT France,
    - 4,029 sq.m vacated in the Roissy-Paris-Nord 2 business park.

In the financial year 2017, 140 **new leases** were signed, representing a total floor area of 211,600 sq.m and €56.9 million of annualised headline rental income, including 108,400 sq.m in the office segment (€39.7 million), 93,360 sq.m in business parks (€16.8 million) and 9,923 sq.m in warehouses (€0.4 million).

The most significant **new leases** were:

- 51,476 sq.m signed with the company TechnipFMC in the Origine building, for a term of nine years with no break option. This major project developed by Icade is expected to be completed in 2020;
- 15,700 sq.m signed with the company Groupama Immobilier in the Fontanot building in Nanterre (12-year off-plan lease with no break option);
- 11,088 sq.m signed with the company Latécoère in Toulouse (12-year off-plan lease with no break option);
- 8,450 sq.m signed with Urssaf in the Pont de Flandre business park (nine-year off-plan lease with no break option);
- 5,739 sq.m signed with the Eramet group in the Maine Montparnasse tower (new lease in the condominium units);
- 4,483 sq.m signed with Esi group in the Rungis business park (Séville-Venise building).

In 2017, 57 leases were **renewed,** representing a combined floor area of 152,175 sq.m and annualised headline rental income of €31.0 million.

These renewed leases have a weighted average unexpired lease term of 6.6 years. The most significant ones are:

- leases with LCL for 29,772 sq.m in two buildings (Loire and Rhin) in Villejuif with lease terms of nine and seven years, respectively;
- lease with GIE AXA France (16,432 sq.m) in the AXE 13 building in Nanterre Préfecture renewed for a term of nine years with no break option;
- lease with IFF (5,477 sq.m) in the Crystal Park building in Neuilly-sur-Seine renewed for 12 years with no break option.

Acquisitions/completions

The balance of acquisitions and completed projects reached 207,459 sq.m, resulting primarily from:

- the addition of the 169,773-sq.m portfolio of leased space (on a full consolidation basis) of ANF Immobilier acquired in 2017 to the Icade group's portfolio;
- the completion of the first phase of the Go Spring development project (off-plan purchase) in Q1 2017 for a total of 14,300 sq.m. Icade benefits from a rent guarantee of €4.8 million linked to this completion;
- Icade moving to its new headquarters (Open building) in Issy-les-Moulineaux (9,321 sq.m) in September 2017;
- the completion of the Défense 456 building which is fully leased to Groupama and DIRECCTE (15,853 sq.m);
- two office assets acquired in December 2017 and located in the 15th district of Paris: Ponant D (about 5,800 sq.m) and three office floors (floors 51 to 53) totalling 5,739 sq.m in the Maine Montparnasse tower, and their annexes.

Taking all these changes into account, **the weighted average unexpired lease term** was 4.8 years as of December 31, 2017, stable compared with December 31, 2016.

As of December 31, 2017, the ten largest tenants (excluding government agencies) generated a combined annual rental income of €121.4 million (30.2% of the annualised rental income of the Commercial Property Investment portfolio).

Financial occupancy rate and weighted average unexpired lease term

As of December 31, 2017, **the financial occupancy rate** stood at 92.5%, up 1.4 pp compared to December 31, 2016 (91.1%).

The financial occupancy rate improved in both business segments, especially in business parks, where it was up 1.2 pp. These rates were supported by strong occupancy in the Pont de Flandre business park (occupancy rate of nearly 100%) and improved leasing activity, especially in the Orly-Rungis business park, which benefited from the *Coach Your Growth With Icade* programme.

The office segment recorded a solid occupancy rate of 95.3%, 0.7 pp higher than in 2016.

	Financial occupancy rate (in %) [b]			Weighted average unexpired lease term (in years) [b]	
Asset class	12/31/2017	12/31/2016 [c]	Like-for-like change [a]	12/31/2017	12/31/2016 [c]
Offices	95.3%	94.6%	+0.9 pp	5.7	5.9
Business parks	89.3%	88.1%	+1.7 pp	3.7	3.9
OFFICES & BUSINESS PARKS	92.4%	91.1%	+1.4 PP	4.7	4.8
Hotels	100.0%	-	-	8.4	-
Warehouses	100.0%	84.7%	+10.5 pps	2.2	1.3
COMMERCIAL PROPERTY INVESTMENT	**92.5%**	**91.1%**	**+1.4 PP**	**4.8**	**4.8**

(a) Excluding completions, acquisitions and disposals for the period.
(b) On a full consolidation basis.
(c) After reclassification of the Axe Seine building from the business park segment to the office segment.

Annualised potential rental income from vacant space (excluding structural vacancy estimated at 8% on average in business parks) in operating properties represented €27 million. The related annualised vacancy costs stood at €10 million. This means that the Commercial Property Investment Division has an optimisation potential of €37 million, representing 11.6% of EPRA earnings from the Property Investment Division as a whole.

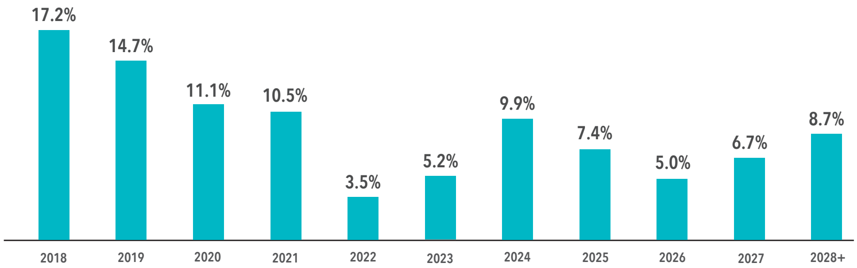
LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF IFRS ANNUALISED RENTS

(in millions of euros and on a full consolidation basis)

	France offices	Business parks	Hotels	Warehouses	Total	Share of total
2018	36.0	33.0	-	0.4	69.4	17.2%
2019	20.6	38.2	0.4	-	59.2	14.7%
2020	9.1	34.3	-	1.2	44.7	11.1%
2021	16.1	26.4	-	-	42.4	10.5%
2022	4.4	9.1	0.6	-	14.0	3.5%
2023	11.3	9.5	-	0.2	21.0	5.2%
2024	36.0	4.0	-	-	40.0	9.9%
2025	10.6	18.3	0.9	-	29.8	7.4%
2026	15.7	4.1	0.3	-	20.0	5.0%
2027	23.9	1.9	1.1	-	26.9	6.7%
2028 and beyond	23.4	10.0	1.8	-	35.2	8.7%
TOTAL	**207.0**	**188.8**	**5.0**	**1.8**	**402.6**	**100.0%**

LEASE EXPIRY SCHEDULE IN PERCENTAGE OF IFRS ANNUALISED RENTAL INCOME

(in % and on a full consolidation basis)



Lease rollover risk for 2018 (leases expiring or having a break option in 2018) represents a total of €69.4 million, evenly distributed between business parks and offices.

Business park users occupy small and medium-size units and have mainly signed leases with break options on years 3/6/9, which explains the significant proportion of break options in the next three years: 55.9% of total rental income from business parks (69.9% in the next four years).

Based on the turnover of tenants observed in previous financial years and confirmed in 2017, about 20% of tenants usually exercise their break options. Thus, the probability that most tenants will not exercise their break options is high.

Also, it should be noted that leases expiring in 2018 are, on average, in line with their estimated rental value.

BREAKDOWN OF RENTAL INCOME BY RENT REVIEW INDEX – ICC, ILAT AND ILC

(based on IFRS current rental income)

(in %)	2016	2017
Cost-of-construction index (ICC)	50.1%	34.3%
Tertiary activities rent index (ILAT)	47.4%	60.3%
Commercial rent index (ILC)	1.6%	2.3%
Other	0.9%	3.1%
TOTAL	**100.0%**	**100.0%**

The portion of leases subject to the tertiary activities rent index (ILAT) increased in the portfolio between 2016 and 2017, owing in particular to:

- leases renewed this year which are now subject to the ILAT index while they were previously subject to the cost-of-construction index (ICC);
- the addition of ANF's assets, predominantly subject to the ILAT index, to Icade's portfolio;
- several disposals carried out in this financial year, including leases subject to the ICC.

2.2.6. Asset rotation

2.2.6.1. Investments

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

(in millions of euros)	Operating asset acquisitions	Off-plan acquisitions	Projects under development	Other capex	Other	Total
OFFICES & BUSINESS PARKS	652.9	114.7	77.5	102.4	10.9	958.4
Other assets	88.8	-	-	1.2	0.3	90.4
COMMERCIAL PROPERTY INVESTMENT	**741.7**	**114.7**	**77.5**	**103.7**	**11.2**	**1,048.9**

Total investments over the period amounted to **€1,048.9 million**. This amount breaks down as follows according to the recommendations of EPRA:

- asset acquisitions:

  These amounted to €741.7 million over the period and related to:

  - first-time consolidation of ANF Immobilier's property portfolio and related building works for a total of €659.3 million (values as reported on Icade's consolidated balance sheet as of December 31, 2017, to be compared with the reference value of property assets that was used for the acquisition of the Company (values as of June 30, 2017), i.e. €614 million on a full consolidation basis and €457 million on a proportionate consolidation basis). This property portfolio located in major French cities consists primarily of office buildings (€570.5 million) and hotels (€88.8 million).

    It includes:

    - €538.8 million of operating assets,
    - €80.2 million of assets being acquired off-plan,
  - acquisitions of operating assets for a total of €82.4 million (including duties), including:
    - €55.5 million for the Le Ponant D office building in the 15th district of Paris, covering a floor area of approximately 5,800 sq.m and entirely leased to CEA,
    - €26.5 million of office space in the Maine Montparnasse tower;

- off-plan acquisitions (excluding ANF Immobilier's off-plan acquisitions) for a total of €114.7 million, which included the following three projects:
  – Go Spring in Nanterre (Hauts-de-Seine) for €42.1 million. This development representing a total investment of €191.2 million comprises two phases, the first of which (14,100 sq.m) was completed in 2017. The second phase (18,500 sq.m) that is scheduled for completion in Q1 2019 has been partially pre-let to the company Franfinance (13,700 sq.m),
  – Gambetta (20th district of Paris) for €71.2 million. In total, this project represents 20,000 sq.m (16,000 sq.m of offices and 4,000 sq.m of retail space) and a total investment of €139.0 million including duties,
  – EKO Active (Marseille) for €1.4 million invested during the financial year out of a total of €28.4 million, to develop 8,370 sq.m of office space;
- new builds/extensions and refurbishments (€77.5 million) including €32.3 million in offices and €45.2 million in business parks:
  – in business parks, investments were focused on the Pulse project (€22.5 million), the Urssaf project (€4.7 million), the renovation works to Millénaire 1 (€4.2 million) and the renovation of the Romarin staff restaurant in Rungis (€2.9 million),
  – in offices, most of the investments of the financial year were made in the Origine (€16.8 million) and Défense 456 projects (€7.7 million), the latter project having been completed in 2017;
- other capex (€103.7 million): these include primarily the renovation costs of the business parks and offices (major maintenance and repairs and restoration work on the premises);
- other investments (€11.2 million): these include lease incentives (tenant improvements), broker fees and capitalised finance costs of projects under development.

Property development projects

Icade has significant development projects representing a total investment of €1.83 billion and nearly 340,000 sq.m., including 170,000 sq.m already started.

Project name	Location	Type of works	Type of property	Estimated date of completion	Floor area	Expected rental income	Yield on cost [b]	Total investment [c]	Remaining to be invested > 2017	% pre-let or pre-sold
Origine	Nanterre Préfecture	Development	Offices	Q3 2020 - Q3 2021	65,000	28.8	5.8%	500.1	343.8	79% [d]
Millénaire 1	Millénaire	Renovation	Offices	Q2 2018	29,700	9.9	5.1%	192.4	9.7	100%
B007	Pont de Flandre	Development	Offices	Q3 2019	8,500	3.2	7.4%	43.4	31.2	100%
Pulse	Portes de Paris	Development	Offices	Q4 2018	28,700	9.4	7.3%	128.2	71.8	0%
Pôle Numérique	Portes de Paris	Development	Offices/ business centre	Q4 2019	9,400	2.1	5.4%	38.5	33.4	50%
B034	Pont de Flandre	Refurbishment	Hotel	Q2 2020	4,900	1.1	4.3%	24.5	19.9	0%
Fontanot	Nanterre Préfecture	Refurbishment	Offices	Q4 2021	15,800	5.5	4.8%	115.2	41.8	100%
Monaco	Rungis	Refurbishment	Hotel	Q3 2019	4,600	0.9	4.9%	17.5	13.4	100%
19 Quai Rive Neuve	Marseille	Refurbishment	Offices	Q2 2019	3,100	0.7	5.4%	13.7	8.3	98%
PROJECTS STARTED					169,700	61.5	5.7%	1,073.5	573.3	69%
Îlot B2	Millénaire	Development	Offices		40,600	14.8	7.6%	196.1	169.1	0%
Îlot D	Portes de Paris	Development	Offices/hotel		14,500	4.7	6.4%	73.8	63.5	0%
Îlot B32	Millénaire	Development	Offices		27,300	10.0	7.8%	128.1	106.1	0%
Park view	Lyon	Development	Offices		22,800	5.0	6.2%	80.8	52.5	0%
Lafayette B-C	Lyon	Refurbishment	Offices		7,100	1.9	6.6%	28.3	15.2	0%
Ottawa 1	Rungis	Development	Offices		7,500	2.0	7.7%	26.0	20.7	0%
Ottawa 2	Rungis	Development	Offices		7,500	2.0	7.7%	26.0	20.7	0%
Îlot C1	Portes de Paris	Development	Offices		42,900	14.4	7.1%	201.3	174.0	0%
COMMERCIAL PROJECTS UNDER DEVELOPMENT					170,200	54.8	7.2%	760.4	621.8	0%
TOTAL PIPELINE [a]					**339,900**	**116.3**	**6.3%**	**1,833.9**	**1,195.1**	**35%**

(a) On a full consolidation basis – Includes identified projects on secured plots of land, which have started or will start within 24 months – Excludes off-plan acquisition.
(b) YOC = Headline rental income/Cost of the project as approved by Icade's governance bodies. This cost includes the appraised value of the asset, cost of works, carrying costs and any lease incentives.
(c) Total investment includes the fair value of the asset, cost of works, lease incentives and finance costs.
(d) Including off-plan lease on the Origine project confirmed after December 31, 2017.

2.2.6.2. Asset disposals

The value of asset disposals carried out in 2017 was €256.0 million.

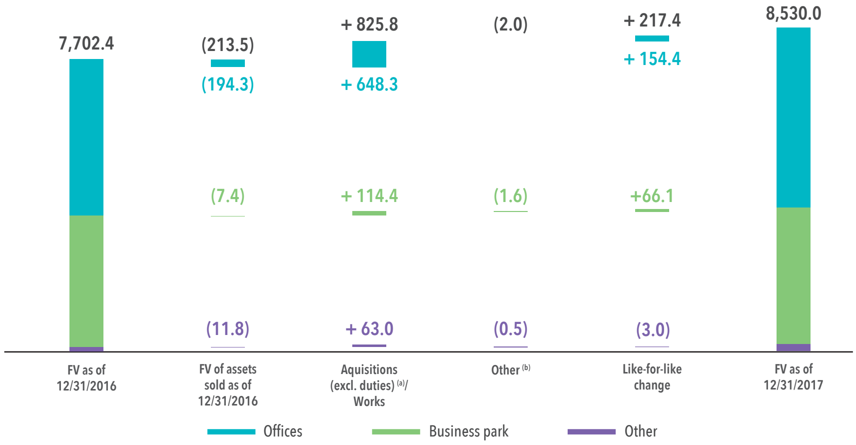
They included the following main transactions:

- the sale of the three office buildings (Garonne, Rhône and Seine) located in Villejuif for a total of €226.0 million;
- the sale of the Saint-Quentin Fallavier warehouse for €9.8 million;
- the sale of housing units for €6.7 million.

Overall, asset disposals generated a net capital gain of €74.9 million.

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

(in millions of euros)



(on a proportionate consolidation basis)	Fair value as of 12/31/2016	Fair value as of 12/31/2016 of assets sold	Acquisitions incl. duties [(a)]/Works	Other [(b)]	Like-for-like change	Fair value as of 12/31/2017
Offices [(d)]	4,115.6	(194.3)	648.3	-	154.4	4,724.0
Business parks [(d)]	3,451.7	(7.4)	114.4	(1.6)	66.1	3,623.2
Other Commercial Property Investment assets [(c)]	135.1	(11.8)	63.0	(0.5)	(3.0)	182.8
TOTAL	**7,702.4**	**(213.5)**	**825.8**	**(2.0)**	**217.4**	**8,530.0**

(a) Includes the acquisition (including duties and fees) of the ANF portfolio, of two operating assets (the Ponant D building and a condominium unit in the Montparnasse tower) and the portion paid in 2017 for off-plan purchases.
(b) 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).
(c) Includes warehouses, housing units and hotels.
(d) After reclassification of Axe Seine to the office segment.

2.2.7.1. 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 €8,347.2 million excluding duties as of December 31, 2017 vs. €7,567.3 million at the end of 2016, i.e. an increase of €780.0 million (+10.3%).

Excluding the impact of investments, acquisitions and disposals made during the year 2017, the change in value of office and business park assets was +3.0% on a like-for like basis.

In value terms, 95% of Icade's commercial property portfolio is located in the Paris region.

The value of the land bank, projects under development and properties awaiting refurbishment stood at €432.5 million as of December 31, 2017: €134.5 million land bank, €288.6 million of projects under development, and €9.5 million of properties awaiting refurbishment (not leased).

Offices

In 2017, investments made in office assets included acquisitions (mainly, the ANF portfolio, the Gambetta and Ponant D office buildings) for a total value as of December 31, 2017 of €577.7 million (including duties and fees) and refurbishment works (Crystal Park, Défense 456, Origine development project) which totalled €70.6 million.

Excluding the impact of these investments and of asset disposals completed during the year (whose fair value as of December 31, 2016 was €194.3 million), the value of the Office Division's assets as of December 31, 2017 was up +€154.4 million on a like-for-like basis (i.e. +3.9%) to €4,724.0 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.

In 2017, Icade spent €114.4 million in maintenance and development investments in the business parks, namely in the Pulse development project (Portes de Paris business park), PAT007 (Pont de Flandre business park), and the continuation of its *Coach Your Growth With Icade* marketing plan.

On a like-for-like basis, after adjustment for these works and disposals (fair value of €7.4 million as of December 31, 2016), the value of business park assets increased by €66.1 million over the year 2017, i.e. +1.9% to €3,623.3 million (vs. 1.4% in 2016).

2.2.7.2. Other assets of the Commercial Property Investment Division

Warehouses

The market value of the warehouses was estimated at €13.6 million excluding duties as of December 31, 2017 vs. €19.8 million as of December 31, 2016, a decrease of €6.2 million (-31.3%) following the sale of a warehouse.

After adjustment for this disposal (fair value of €7.9 million as of December 31, 2016) and works performed during the period, the like-for-like change in warehouses was +€1.6 million (+13.0%).

Residential

As of December 31, 2017, the property portfolio of the Residential Property Investment Division consisted of buildings whose management was outsourced to a social landlord (CDC Habitat), condominium housing units and various residual assets.

The value of these assets was €108.4 million excluding duties as of December 31, 2017 vs. €115.3 million at the end of 2016, i.e. a change of -€7 million (-6.0%), which is explained by disposals.

Hotels

The hotel portfolio was created in 2017 as a result of the acquisition of the ANF portfolio.

These assets are predominantly located outside the Paris region and their aggregate value stood at €60.8 million (Icade share) as of December 31, 2017.

2.2.8. List of property assets

2.2.8.1. Office portfolio

AS OF DECEMBER 31, 2017

Office portfolio as of December 31, 2017	Municipality	Department No.	Floor area *(in sq.m)*	Office floor area	Retail floor area	Other floor area	Floor space awaiting development, disposal or refurbishment	Acquisition date [a]	Construction or renovation date	Consolidation %
			Total	(Leasable)	(Leasable)	(Leasable)	(non leasable)			
FRANCE			849,803	622,893	12,323	72,735	141,852			
PARIS REGION			590,153	483,811	9,157	38,999	58,185			
SUBTOTAL PARIS			63,007	37,816	3,717	1,474	20,000			
Le Marignan – 29-33, avenue des Champs-Élysées	Paris, 8th district	75	9,884	6,003	3,717	164	-	2004	1950	100%
Arc Ouest 19-29, rue Leblanc	Paris, 15th district	75	27,384	26,462	-	922	-	2016		100%
94, avenue Gambetta	Paris, 20th district	75	20,000	-	-	-	20,000	2017	1985-1989-2016	100%
Montparnasse tower – 1, rue de l'Arrivée	Paris, 15th district	75	5,739	5,351	-	388	-	2017	1973	100%
SUBTOTAL LA DÉFENSE/PERI-DÉFENSE			324,354	281,986	2,114	19,421	20,833			
PB5 tower – 1, avenue du Général-de-Gaulle	Paris-La Défense	92	30,209	26,125	-	2,437	1,648	2009	0	100%
Initiale tower – 1, Terrasse Bellini	Puteaux	92	10,268	9,568	-	416	284	2004	2003	33%
Eqho tower – 2, avenue Gambetta	Courbevoie	92	78,974	73,856	-	4,517	601	2004-2007	2013	100%
Défense 2 – 25, boulevard des Bouvets	Nanterre	92	14,611	11,154	-	3,457	-	2013	1982	100%
Axe 13 – Les Terrasses de l'Arche	Nanterre	92	16,831	16,432	399	(0)	-	2013	2010	100%
Axe 14 – Les Terrasses de l'Arche	Nanterre	92	20,956	19,584	-	1,372	-	2013	2006	100%
Axe 15 – Les Terrasses de l'Arche	Nanterre	92	19,722	18,858	864	-	-	2013	2006	100%
Axe 16 – Les Terrasses de l'Arche	Nanterre	92	18,979	17,965	851	163	-	2013	2006	100%
Étoile Park – 123, rue Salvador Allende	Nanterre	92	5,606	5,484	-	122	-	2009	-	100%
H2O – 2, rue des Martinets	Rueil-Malmaison	92	21,729	21,609	-	120	-	2007	2008	100%
Fontanot – 21-29 rue des Trois-Fontanot	Nanterre	92	13,808	12,068	-	1,740	-	2013	2010	100%
Go Spring – 1st phase	Nanterre	92	14,299	14,299	-	-	-	NA	NA	100%
Go Spring – 2nd phase	Nanterre	92	18,301	-	-	-	18,301			
Défense 1 – 39-45, boulevard des Bouvets	Nanterre	92	-	-	-	-	-	2013	1982	100%
Origine	Nanterre	92	-	-	-	-	-	2013	-	100%
Défense 456 – 7-11, boulevard des Bouvets	Nanterre	92	15,853	13,737	-	2,116	-	2013	2005	100%
1, rue du 1er Mai	Nanterre	92	24,207	21,247	-	2,961	-			
SUBTOTAL WESTERN CRESCENT			75,990	66,564	-	1,632	7,794			
Crystal Park – 62-64, boulevard Victor-Hugo	Neuilly-sur-Seine	92	39,909	31,975	-	140	7,794	2009	2003	100%
11-15, avenue Morizet	Boulogne-Billancourt	92	4,982	4,982	-	-	-	2004	2000	100%
Dulud – 22, rue Jacques-Dulud	Neuilly-sur-Seine	92	1,805	1,805	-	-	-	2009	-	100%
Charles de Gaulle – 93, avenue Charles-de-Gaulle	Neuilly-sur-Seine	92	1,792	1,446	-	346	-	2009	-	100%
Parissy – 1-5, rue Jeanne-d'Arc	Issy-les-Moulineaux	92	18,271	17,235	-	1,036	-	2016	1997-2008	100%
Open – 27, rue Camille-Desmoulins	Issy-les-Moulineaux	92	9,231	9,122	-	110	-	2004	2017	100%
SUBTOTAL INNER RING			105,818	97,445	2,235	6,138	-			

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

Office portfolio as of December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Office floor area (Leasable)	Retail floor area (Leasable)	Other floor area (Leasable)	Floor space awaiting development, disposal or refurbishment (non leasable)	Acquisition date [(a)]	Construction or renovation date	Consolidation %
Îlot 3 Loire – 32-36, avenue de Paris	Villejuif	94	19,805	19,361	444	-	-	2010	-	100%
Îlot 5 Seine – 10-12, avenue de Paris	Villejuif	94	9,968	8,726	328	914	-	2008	-	100%
Orsud 3-5, rue Gallieni	Gentilly	94	13,713	12,251	-	1,462	-	2016		100%
Cézanne – 30, avenue des Fruitiers	Saint-Denis	93	21,160	18,492	697	1,971	-	2013	2011	100%
Sisley – 40, avenue des Fruitiers	Saint-Denis	93	20,606	19,839	767	-	-	2013	2014	100%
First Landy/Monet	Saint-Denis	93	20,567	18,775	-	1,791	-	2012	2015	100%
SUBTOTAL OUTER RING			20,985	-	1,091	10,335	9,558			
Mozart – 39-41, rue Paul-Claudel	Évry	91	6,341	-	1,091	5,249	-	2009	-	100%
Centaure – 10, avenue du Centaure	Cergy Saint-Christophe	95	-	-	-	-	-	2013	-	100%
BSP Pontoise – CH René Dubos, 8, avenue de l'Île-de-France	Pontoise	95	5,086	-	-	5,086	-	2007	2009	100%
Aigrins – 27, avenue de la Baltique	Villebon	91	2,942	-	-	-	2,942	2013	-	100%
Bleuet – 28, avenue de la Baltique	Villebon	91	3,698	-	-	-	3,698	2013	-	100%
Digitale – 10, avenue de Norvège	Villebon	91	2,918	-	-	-	2,918	2013	-	100%
OUTSIDE THE PARIS REGION			259,650	139,081	3,165	33,736	83,667			
2, rue Jean-Artus	Bordeaux	33	1,203	956	247	-	-	1978	1978	100%
University hospital (CHU) of Nancy – Site de Brabois – 5, allée du Morvan	Vandoeuvre	54	26,645	-	-	26,645	-	2007	2010	100%
Eko Active – 174, boulevard de la Villette	Marseille	13	8,300	-	-	-	8,300	2017	-	100%
4, allée Saint Exupéry	Blagnac	31	968	-	-	968		2008	-	100%
Le Castel – 22, rue Jean-François-Leca	Marseille	13	5,961	-	-	-	5,961	2017	-	89%
40, rue Fauchier	Marseille	13	8,077	8,077	-	-	-	2017	2010	89%
19, quai de Rive-Neuve	Marseille	13	3,112	-	136	-	2,976	2017	-	89%
23, quai de Rive-Neuve	Marseille	13	-	-	-	-	-	2017	2007	89%
1, rue de Suez	Marseille	13	134	-	-	-	134	2017	-	89%
4, place Sadi-Carnot	Marseille	13	5,936	3,690	925	1,321	-	2017	-	89%
42, rue de Ruffi	Marseille	13	8,005	7,846	159	(0)	-	2017	2013	89%
44, rue de Ruffi (PKG)	Marseille	13	1	-	-	1	-	2017	2013	89%
5, place de la Joliette	Marseille	13	3,294	2,620	622	52	-	2017	-	89%
38, rue de Forbin (DESBIEF)	Marseille	13	4,940	-	-	-	4,940	2017	-	89%
Centreda TR1 – 4, avenue Didier-Daurat	Blagnac	31	12,001	12,001	-	-	-	2017	1974	89%
Centreda TR2 – 4, avenue Didier-Daurat	Blagnac	31	4,150	4,150	-	-	-	2017	1989	89%
Silky Way – Rue Alfred-de-Musset	Villeurbanne	69	36,593	36,593	-	-	-	2017	2015	58%
New Way – 2-4 et 4bis, rue Legay	Villeurbanne	69	13,275	13,275	-	-	-	2017	2016	45%
4, rue de la République	Lyon	69	74	-	-	-	74	2017	-	89%
Park View – 2, boulevard du 11 novembre 1918	Lyon	69	22,800	-	-	-	22,800	2017	-	45%
Lafayette – Buildings A-E – Car parks – 10, rue Récamier	Lyon	69	10,715	8,952	-	118	1,645	2017	1976	48%
Lafayette – Buildings B-C – 10, rue Récamier	Lyon	69	5,220	295	-	16	4,909	2017	1976	48%
Lafayette – Building D – 10, rue Récamier	Lyon	69	8,272	7,837	-	435	-	2017	1976	48%
Stratège – 12-22, rue Juliette Recamier	Lyon	69	16,515	12,515	-	4,000	-	2017	1993	48%
Milky Way – 42, cours Suchet	Lyon	69	4,475	4,059	416	-	-	2017	2013	89%
57, passage de l'Argue	Lyon	69	446	-	218	-	228	2017	-	89%

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

Office portfolio as of December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Office floor area (Leasable)	Retail floor area (Leasable)	Other floor area (Leasable)	Floor space awaiting development, disposal or refurbishment (non leasable)	Acquisition date [(a)]	Construction or renovation date	Consolidation %
Orianz – 200, boulevard Albert-1er	Bordeaux	33	20,778	-	-	-	20,778	2017	-	58%
Factor E – Rue d'Armagnac, boulevard Albert-1er	Bordeaux	33	10,922	-	-	-	10,922	2017	-	58%
Nautilus – 118-122, quai de Bacalan	Bordeaux	33	13,124	12,502	442	180	-	2017	2012-2014	89%
La Fabrique – 1-13, rue de Gironde	Bordeaux	33	3,714	3,714	-	-	-	2017	2014	89%
GRAND TOTAL			**849,803**	**622,893**	**12,323**	**72,735**	**141,852**			
Including operating properties			725,132							
Including other assets (PPP, developments…)			124,671							

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

2.2.8.2. Business park portfolio

AS OF DECEMBER 31, 2017

Business park portfolio as of December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Businesses floor area (Leasable)	Office floor area (Leasable)	Warehouses floor area (Leasable)	Misc. floor area (Leasable)	Floor space awaiting development, disposal or refurbishment (Non leasable)	Acquisition date [(a)]	Consolidation %
SUBTOTAL PARIS			144,883	5,581	106,516	-	3,027	29,759		
Pont de Flandre business park	Paris, 19th district	75	90,560	3,180	80,626	-	711	6,044	2002	100%
Millénaire business park: Millénaire 1	Paris, 19th district	75	29,708	2,402	3,532	-	59	23,715	2002	100%
Millénaire business park: Millénaire 4	Paris, 19th district	93	24,615	-	22,358	-	2,257	-	2016	100%
SUBTOTAL WESTERN CRESCENT			62,746	20,907	41,838	-	-	-		
Colombes park	Colombes	92	62,746	20,907	41,838	-	-	-	2013	100%
SUBTOTAL INNER RING			430,422	177,365	151,410	43,694	32,767	25,186		
Portes de Paris business park – Saint-Denis	Saint-Denis	93	67,252	41,469	17,799	2,549	78	5,357	2002	100%
Portes de Paris business park – Batigautier LEM	Aubervilliers	93	10,327	5,732	4,595	-	-	-	2002	100%
Portes de Paris business park – Aubervilliers Gardinoux	Aubervilliers	93	142,120	61,309	39,937	28,469	2,324	10,083	2002	100%
Portes de Paris business park – Pilier Sud	Aubervilliers	93	22,384	20,793	-	576	1,015	-	2002	100%
Portes de Paris business park – parc CFI	Aubervilliers	93	69,580	41,949	22,602	2,647	-	2,382	2002	100%
Portes de Paris business park – Quartier du Canal	Aubervilliers	93	5,413	707	-	-	-	4,707	2002	100%
Portes de Paris business park – Le Mauvin	Aubervilliers	93	22,301	5,407	4,909	9,454	320	2,211	2011	100%
Millénaire business park: Véolia	Aubervilliers	93	44,908	-	44,908	-	-	-		100%
Millénaire business park: Millénaire 5	Aubervilliers	93	17,106	-	16,660	-	-	446	2011	100%
Millénaire business park – Shopping centre (on a proportionate consolidation basis)	Aubervilliers	93	29,031	-	-	-	29,031	-	2011	50%
SUBTOTAL OUTER RING			604,626	129,487	393,284	-	52,176	29,678		
Orly-Rungis business park	Rungis	94	392,436	93,908	270,976	-	5,758	21,793	2013	100%
La Cerisaie business park	Fresnes	94	56,959	4,269	6,267	-	46,072	351	2013	100%
Roissy-Paris-Nord 2 business park	Villepinte	93	155,232	31,310	116,041	-	347	7,534	2013	100%
GRAND TOTAL			**1,242,677**	**333,342**	**693,048**	**43,694**	**87,971**	**84,623**		
Including operating properties			1,212,496							

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

2.2.8.3. Hotel portfolio

AS OF DECEMBER 31, 2017

Hotel portfolio as of December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Acquisition date [(a)]	Construction or renovation date	Consolidation %
FRANCE			32,444			
PARIS REGION			3,269			
B&B Hotel Bobigny – 6, rue René-Goscinny	Bobigny	93	2,193	2017	2016	68.55%
B&B Hotel Saclay – Plateau du Moulon	Saclay	91	1,076	2017	1984	89.02%
OUTSIDE THE PARIS REGION			29,175			
AC Mariott Velodrome hotel – 4, allée Marcel-Leclerc	Marseille	13	3,940	2017	2016	68.55%
B&B Hotel Velodrome – 6, allée Marcel-Leclerc	Marseille	13	3,089	2017	2016	68.55%
B&B Hotel Forbin Joliette – 52/54, rue de Forbin	Marseille	13	2,975	2017	2010	68.55%
B&B Hotel Îlot 34 – 44, rue du Ruffi	Marseille	13	3,864	2017	2013	68.55%
B&B Hotel Bègles – 1, rue des Terres-Neuves	Bègles	33	2,988	2017	2015	68.55%
B&B Hotel Allar Euromed – 7, rue André-Allar	Marseille	13	1,983	2017	2015	68.55%
B&B Hotel Armagnac Euratlantique – Rue d'Armagnac 200, boulevard Albert-1er	Bordeaux	33	2,854	2017	-	68.55%
B&B Hotel Saint Victoret – ZAC des Cascades Rue René Cailloux	Saint-Victoret	13	2,114	2017	2013	68.55%
B&B Hotel Perpignan – 3429, avenue Julien-Panchot	Perpignan	66	1,926	2017	2013	68.55%
B&B Hotel Quimper – 131, route de Bénodet	Quimper	29	3,442	2017	1995	68.55%
GRAND TOTAL			**32,444**			

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

2.2.8.4. Warehouse portfolio

AS OF DECEMBER 31, 2017

Warehouse portfolio December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Office floor area (Leasable)	Warehouses and misc. floor area (Leasable)	Acquisition date [(a)]	Construction or renovation date	Consolidation %
FRANCE			38,764	1,765	36,999			
OUTER RING			10,890	1,198	9,692			
10, rue Denis-Papin	Chilly-Mazarin	91	10,890	1,198	9,692	2009	-	100%
OUTSIDE THE PARIS REGION			27,874	568	27,307			
Zone Eurofret Terrain	Strasbourg	67	27,874	568	27,307	2009	2009	100%
GRAND TOTAL			**38,764**	**1,765**	**36,999**			

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

2.2.8.5. Residential portfolio

AS OF DECEMBER 31, 2017

Residential portfolio as of December 31, 2017	Municipality	Department No.	Habitable floor area *(in sq.m)*	Acquisition date	Consolidation %	No. of housing units	
						Total	Incl. subsidised
RESIDENTIAL ASSETS							
SUBTOTAL PARIS			178			2	-
Porte de Vincennes vente	Paris	75	178	1968	100%	2	
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			5,312			88	-
Eluard	Bagneux	92	91	1972	100%	1	
Galilée	Bagneux	92	180	1959	100%	2	
Pont de Pierre	Bobigny	93	2,234	1957	100%	40	
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	695	1954	100%	11	
Karl Marx	Villejuif	94	1,232	1954	100%	21	
SUBTOTAL OUTER RING			153,546			2,737	354
Gémeaux	Les Mureaux	78	176	1977	100%	2	
Sorrières	Montygny le Bretonneux	78	906	1979	100%	13	
Romarins	Montigny	78	55	1977	100%	1	
Castillan	Poissy	78	46	1958	100%	1	
Corniche	Poissy	78	187	1954	100%	3	
Côte tower	Poissy	78	152	1958	100%	2	
6-16 Montaigne	Poissy	78	1,124	1954	100%	24	
78-88 Maladrerie (Clos céleste)	Poissy	78	1,127	1954	100%	24	
6 to 16, rue de Montaigne-Lyautey	Poissy	78	621	1954	100%	19	
Square Cocteau	Trappes	78	223	1974	100%	3	
Mermoz	Versailles	78	-	1976	100%	-	
2-6, d'Orbay	Draveil	91	64	1957	100%	1	
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	622	1967	100%	8	
5 France	Épinay-sous-Sénart	91	328	1967	100%	4	
Saint-Marc vente (Massy)	Massy	91	136	1960	100%	2	
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	156	1968	100%	2	
Blum	Massy	91	61	1968	100%	1	
Blum II	Massy	91	511	1968	100%	7	
2 bis Herriot (Aigue Marine)	Massy	91	937	1968	100%	13	
4 Herriot	Massy	91	619	1968	100%	7	
1 to 5, rue Julian Grimaud	Sainte-Geneviève	91	1,212	1954	100%	16	
Vaux Germains Vente	Chatenay	92	107	1959	100%	2	
La Roue vente	Fontenay	92	160	1958	100%	3	
Voltaire	Rueil	92	53	1956	100%	1	
Arthur Rimbaud	Rueil	92	228	1957	100%	4	
Gibets II	Rueil	92	233	1957	100%	5	

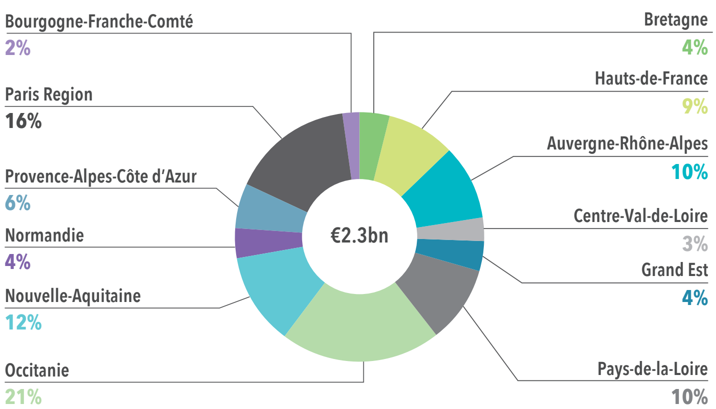
Residential portfolio as of December 31, 2017	Municipality	Department No.	Habitable floor area *(in sq.m)*	Acquisition date	Consolidation %	No. of housing units	
						Total	Incl. subsidised
Pasteur	Bondy	93	177	1955	100%	3	
Jannin/Bouin	Gagny	93	3,274	1959	100%	46	
Dumas	Gagny	93	450	1959	100%	7	
Jean Bouin	Gagny	93	607	1959	100%	9	
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	537	1960	100%	13	
10-14 Couperin- blérioz	Rosny	93	887	1960	100%	17	
6-8 De la Lande	Rosny	93	973	1976	100%	14	
2-4 Couperin	Rosny	93	812	1960	100%	14	
2-4 Franck	Rosny	93	342	1975	100%	5	
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	1,374	1961	100%	19	
Col Rivière (Fresnes)	Fresnes	94	165	1957	100%	3	
Poétes (Haÿ)	L'Haÿ-les-Roses	94	337	1957	100%	5	
Peintres (Haÿ)	L'Haÿ-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	4,430	1983	100%	65	
Hauts de Cergy	Cergy	95	193	1983	100%	1	
Cergy Pissaro	Cergy	95	135	1983	100%	2	
Van Gogh	Ermont	95	136	1961	100%	2	
Orme Saint-Edme vente	Franconville	95	181	1967	100%	3	
Entrée de Ville (1, 2 and 3)	Sarcelles	95	0	1972	100%	-	
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	
SUBTOTAL OUTSIDE THE PARIS REGION			304			4	-
SCI Grande Terre des Vignes	Vénissieux	69	304	1966	100%	4	
TOTAL RESIDENTIAL			167,158			2,943	354
OTHER ASSETS							
Retail and commercial assets			7,985		100%		
Homes and residences for the elderly			9,613		100%		
TOTAL OTHER ASSETS			17,598			-	-
GRAND TOTAL			**184,756**			**2,943**	**354**
Land bank			1,335,742		100%		

2.3. Healthcare Property Investment Division

100 facilities owned by Icade Santé as of December 31, 2017

Notes: *(1) MSO: Medecine, Surgery, Obstetrics.*
(2) PAC: Post-Acure Care.
(3) MHE: Mental Health Establishments.

GEOGRAPHIC DISTRIBUTION OF THE HEALTHCARE PORTFOLIO (IN %) ON A PROPORTIONATE CONSOLIDATION BASIS



2.3.1. Market update

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

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

- healthcare facilities, including medicine, surgery and obstetrics (MSO) facilities for short-term stays, and psychiatric facilities and post-acute care (PAC) facilities for medium-term stays; 85 to 90% of revenues of tenant operators of healthcare facilities 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 nursing homes is derived from the French national health insurance (Assurance Maladie), Departmental Councils (housing assistance and assistance to dependent persons) and the residents themselves or their families.

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

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

Continued consolidation of healthcare providers

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

As a result, 2017 was highlighted by continued consolidation of healthcare providers and changes in shareholders in the medical-social sector. Aside from the sales of DomusVi and Colisée by their financial shareholders and a number of acquisitions of facilities made by healthcare operators, the most outstanding transaction of the period was the merger of the Médipôle Partenaires group into the Elsan group at the end of June 2017. This made it possible for the Elsan group to reach the size of its competitor Ramsay Générale de Santé, increasing its market share to 20% in the French short-term private healthcare facilities sector.

Real estate investors have played an active role in industry consolidation by offering sale-and-leaseback transactions to healthcare operators and thereby allowing them to free up capital for their core businesses.

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

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

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

At the end of 2015, Eurosic formed a vehicle dedicated to leisure and healthcare assets (Lagune) located in Europe, which was bought out by the Batipart group in August 2017 as part of the acquisition of Eurosic by Gecina.

Since 2014, the healthcare real estate market has also seen the entry of a number of asset management firms which have often created dedicated investment vehicles and raised funds specifically for the purpose of investing in nursing home facilities as this is a less specific type of asset than hospitals. For instance, Primonial held a portfolio of around €2 billion of healthcare assets located in France as of the end of 2017, through the 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 few years, in particular in 2015 and 2016, after two significant healthcare property portfolios were put on the market (Vitalia and Gecimed). However, the increased depth of the secondary market (investor to investor) has also made the entry of new players easier by lowering the minimum size of new investment vehicles dedicated to healthcare real estate.

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

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

After two record years in 2015 and 2016 (respectively, €1.2 billion and €1.6 billion invested in healthcare real estate), 2017 saw a decline in investments to €497 million in France, of which €374 million were attributable to real estate investors. Yet, based on transactions currently under negotiation, 2018 is shaping up to be more active as investments could reach €700 million according to advisory firm Cushman & Wakefield.

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

The nursing home market was mainly driven by corporate transactions in 2017 but it was also marked by the signing, on September 13, 2017, of an innovative framework agreement between KORIAN, Icade Santé and Icade Promotion for the development of an initial set of 16 new facilities (nursing homes [Ehpad] and post-acute care [PAC] facilities) to be completed in France by 2020 (half of which through direct investments). Competition, which remains strong between specialised investors and new entrants in a context of strong capital flows into all real estate markets, continues to drive yield compression in the healthcare segment, although these yields are still attractive. The current prime yield (new facilities or facilities in excellent condition, with 12-year leases, very well located in dynamic areas, outside Paris and operated by a leading company) is around 4.50% for nursing homes (Ehpad) (vs. 4.70% at the end of 2016), 5.0% for post-acute care (PAC) and psychiatric (PSY) facilities (vs. 5.25% at the end of 2016) and 5.25%-5.50% for medicine, surgery and obstetrics (MSO) facilities (vs. 6.15% at the end of 2015) *(Source: JLL)*.

2.3.2. Property portfolio as of December 31, 2017

The property portfolio of Icade's Healthcare Property Investment Division represents nearly 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 post-acute care (PAC) facilities.

Geographic distribution of the property portfolio by type of asset

AS OF DECEMBER 31, 2017

	Asset value (full-consolidation basis)		Total floor area (full-consolidation basis)	
In terms of total portfolio value and total floor area	*(in €m)*	% of total portfolio value	floor area *(in sq.m)*	% of total floor area of the portfolio *(in sq.m)*
Paris region	656	16%	177,371	12%
Hauts-de-France	359	9%	134,417	9%
Auvergne-Rhône-Alpes	417	10%	148,771	10%
Bourgogne-Franche-Comté	93	2%	36,267	3%
Bretagne	163	4%	68,270	5%
Centre-Val de Loire	124	3%	53,283	4%
Grand Est	149	4%	21,418	1%
Pays de la Loire	386	10%	145,695	10%
Occitanie	838	21%	326,540	23%
Nouvelle-Aquitaine	475	12%	220,233	15%
Normandie	142	4%	46,244	3%
Provence-Alpes-Côte d'Azur	233	6%	55,904	4%
GRAND TOTAL	**4,036**	**100%**	**1,434,413**	**100%**

Description of the portfolio

As the leader in its market, Icade has become a major player in the healthcare sector by building, between 2007 and 2017, a portfolio of 100 healthcare facilities, 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 7.6 years as of December 31, 2017;
- a high margin rate (net rental income/gross rental income) (> 98%);
- financial occupancy rate at 100%.

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 subscribed by institutional investors.

As of December 31, 2017, Icade held a 56.5% stake in Icade Santé, the same level as December 31, 2016.

In 2017, Icade Santé continued its selective acquisition policy, which represented a total investment of €229.4 million. The most significant ones were:

- the Ormeau polyclinic in Tarbes for €43.3 million as part of an asset deal;
- the Clinique de l'Europe facility in Rouen for €87.7 million as part of an asset deal;
- the Saint-Roch polyclinic in Cabestany for €76.5 million, acquired through the purchase of all SAS FONCIÈRE MSR shares.

2.3.3. Competitive position of the Healthcare Property Investment Division

Yield-hungry institutional investors have been diversifying their real estate investments for several years. Until recently considered alternative, 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 tender 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 both in France and in other European countries. 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.

By developing real partnerships with major national healthcare operators such as Ramsay Générale de Santé, Elsan or Capio, and other regional groups, at the end of 2017 Icade Santé was still the undisputed leader in the private healthcare property market, with a portfolio of nearly €4 billion (excluding duties, on a full consolidation basis).

Icade Santé is known for the expertise of its teams and its integrated, high-quality solutions which cover both property investment and construction thanks to the synergies developed with the Group's Property Development Division. Over the years, it has been able to build close-knit relationships with healthcare operators and to support them in their projects. This has given Icade Santé access to investment opportunities, often off-market.

A prime example of these relationships is the framework agreement signed with Korian – one of the main healthcare operators in France – for the construction of 16 new nursing homes (Ehpad) by 2020, which will allow Icade Santé to make its entry in this market segment.

In years to come, this product diversification could potentially be coupled with geographic diversification into other European countries, similarly to how major healthcare operators from the medical-social segment have recently gone international.

2.3.4. Key figures as of December 31, 2017

Income statement for the Healthcare Property Investment Division

(in millions of euros)	12/31/2017			12/31/2016		
	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	214.9	-	214.9	207.3	-	207.3
Service charges not recovered from tenants	(2.6)	-	(2.6)	(2.5)	-	(2.5)
Property operating expenses	(1.0)	-	(1.0)	(0.8)	-	(0.8)
NET RENTAL INCOME	211.3	-	211.3	204.0	-	204.0
Margin rate (net rental income/gross rental income)	98.3%	0.0%	98.3%	98.4%	0.0%	98.4%
Net operating costs	(12.7)	-	(12.7)	(12.6)	-	(12.6)
Profit/(loss) from other activities	-	-	-	-	-	-
EBITDA	198.6	-	198.6	191.4	-	191.4
Depreciation and impairment of investment properties	-	(98.3)	(98.3)	-	(95.1)	(95.1)
Profit/(loss) from acquisitions	-	(0.2)	(0.2)	-	1.3	1.3
Profit/(loss) from asset disposals	-	0.2	0.2	-	(0.3)	(0.3)
OPERATING PROFIT/(LOSS)	198.6	(98.3)	100.2	191.4	(94.2)	97.3
Cost of gross debt	(10.8)	-	(10.8)	(10.6)	-	(10.6)
Net income from cash and cash equivalents, related loans and receivables	(17.6)	-	(17.6)	(18.8)	-	(18.8)
Cost of net debt	(28.4)	-	(28.4)	(29.4)	-	(29.4)
Other finance income and expenses	(0.4)	(0.4)	(0.8)	(0.6)	(0.2)	(0.9)
FINANCE INCOME/(EXPENSE)	(28.8)	(0.4)	(29.2)	(30.0)	(0.2)	(30.3)
Corporate tax	-	-	-	-	0.3	0.3
NET PROFIT/(LOSS)	169.8	(98.7)	71.1	161.4	(94.1)	67.2
Net profit/(loss) attributable to non-controlling interests	73.8	(42.9)	30.9	70.2	(40.9)	29.2
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**96.0**	**(55.8)**	**40.2**	**91.2**	**(53.2)**	**38.0**

(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)	12/31/2016	Asset acquisitions	Asset disposals	New builds/ Refurbishments	Leasing activity and rent escalation	12/31/2017	Total change	Like-for-like change
HEALTHCARE PROPERTY INVESTMENT	**207.3**	**5.6**	**(0.5)**	**1.6**	**0.8**	**214.9**	**7.5**	**0.4%**

Gross rental income generated by the Healthcare Property Investment Division in 2017 amounted to €214.9 million, a €7.5 million increase compared to 2016 (+3.6%).

On a like-for-like basis, leasing activity rose by 0.4%, due mainly to rent escalation.

Changes in scope of consolidation represented +€6.8 million, including:

- +€5.6 million in additional rental income related to acquisitions, in particular the Ormeau polyclinic in Tarbes and the Saint-Roch polyclinic in Cabestany, both purchased in 2017;
- +€1.6 million in additional rental income as a result of extension works and completions;
- -€0.5 million in loss of rental income due to the sale of the Chênes polyclinic.

Net rental income from the Healthcare Property Investment Division for the year 2017 totalled €211.3 million, implying a margin rate of 98.3%, almost the same level as in 2016.

(in millions of euros)	12/31/2017		12/31/2016	
	Net rental income	Margin	Net rental income	Margin
HEALTHCARE PROPERTY INVESTMENT	**211.3**	**98.3%**	**204.0**	**98.4%**

The recurring portion of **finance income/(expense)** from the Healthcare Property Investment Division as of December 31, 2017 amounted to -€28.8 million, down by -€1.2 million compared to December 31, 2016 to -€30.0 million.

Net profit/(loss) attributable to non-controlling interests from the Healthcare Property Investment Division stood at €30.9 million vs. €29.2 million thanks to an improvement in net profit. This corresponds to non-controlling interests (43.49% of capital) in Icade Santé as of December 31, 2017.

After taking into account the items above, **EPRA earnings from Healthcare Property Investment** reached €96.0 million (€1.30 per Icade share) as of December 31, 2017, vs. €91.2 million as of December 31, 2016 (€1.23 per Icade share).

The non-recurring items included in net profit/(loss) attributable to the Group from the Healthcare Property Investment Division represented a net expense of -€55.8 million vs. -€53.2 million as of December 31, 2016 and consisted primarily of depreciation charges for investment properties.

As a result, **net profit/(loss) attributable to the Group** from the Healthcare Property Investment Division reached €40.2 million as of December 31, 2017 vs. €38.0 million as of December 31, 2016, an improvement of +5.8% (+€2.2 million).

2.3.5. Leasing activity of the Healthcare Property Investment Division

As of December 31, 2017, **the financial occupancy rate** remained unchanged compared to December 31, 2016, at 100%. Private healthcare facilities also showed a physical occupancy rate of 100%.

The weighted average unexpired lease term was 7.6 years, down 0.6 year compared with 2016.

	Financial occupancy rate *(in %)*			Weighted average unexpired lease term *(in years)*	
Asset class	**12/31/2017**	**12/31/2016**	**Like-for-like change [(a)]**	**12/31/2017**	**12/31/2016**
HEALTHCARE PROPERTY INVESTMENT	**100.0%**	**100.0%**	**+0.0 PP**	**7.6**	**8.2**

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

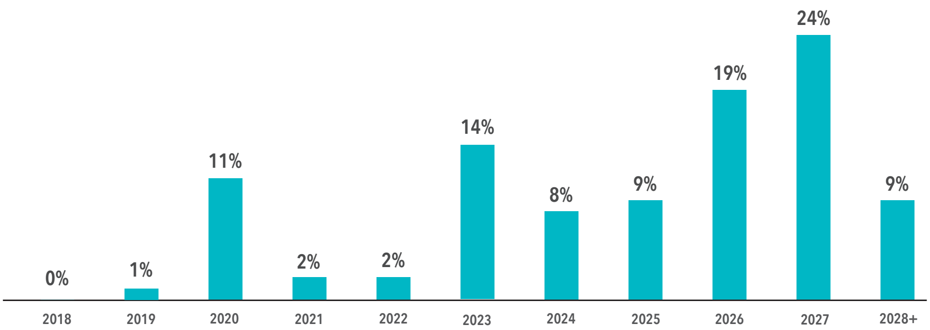
LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF IFRS ANNUALISED RENTAL INCOME

(in millions of euros)

On a full consolidation basis	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 and beyond	Total
HEALTHCARE PROPERTY INVESTMENT	**-**	**2.3**	**24.5**	**5.4**	**5.2**	**32.1**	**18.4**	**19.5**	**42.5**	**55.0**	**21.1**	**226.0**

LEASE EXPIRY SCHEDULE IN PERCENTAGE OF IFRS ANNUALISED RENTAL INCOME

(in % and on a full consolidation basis)



2.3.6. Asset rotation for the Healthcare Property Investment Division

2.3.6.1. Investments

(in millions of euros)	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	**229.4**	**79.0**	**45.0**	**1.3**	**354.7**

Investments made in 2017 added up to €354.7 million, of which €229.4 million related to acquisitions, including:

- Clinique de l'Europe private hospital in Rouen (Seine-Maritime) acquired for €87.7 million;
- Saint-Roch polyclinic in Cabestany (Pyrénées-Orientales) acquired for €76.5 million;
- Ormeau polyclinic in Tarbes (Hautes-Pyrénées) acquired for €43.3 million;
- Helios disability care home in Saint-Germé (Gers) acquired for €9.8 million.

This is in addition to €79.0 million in investments made in the development pipeline of the Healthcare Property Investment Division as part of the following projects:

- Courlancy polyclinic in Bezannes for €31.2 million;
- La Croix du Sud polyclinic in Quint-Fonsegrives for €32.0 million;
- Elsan Stoa project in Saint-Herblain for €15.8 million.

Lastly, following the acquisition of Medipôle-Partenaires by ELSAN in July 2017, the construction project for the Greater Narbonne Private Hospital in Montredon-des-Corbières (Aude) was rescheduled to start in 2018.

Other investments made during the financial year represented €46.3 million. They mainly consisted of extension works or refurbishments generating additional rental income.

DEVELOPMENT PIPELINE

(in millions of euros)	Completion	Operator	Number of inpatient and outpatient beds	Rental income	Yield on Cost [(a)]	Total cost of project	Remaining to be invested 2018-2020
Courlancy polyclinic – Bezannes	2018	Courlancy	458	5.7		75.7	3.3
La Croix du Sud polyclinic – Quint-Fonsegrives	2018	Capio	269	5.0		80.4	11.7
Saint-Herblain polyclinic (Bromélia)	2018	Elsan	169	2.1		31.9	2.5
Greater Narbonne Private Hospital – Montredon-des-Corbières	2020	Elsan	283	3.0		49.0	45.5
PROJECTS STARTED			**1,179**	**15.8**	**6.7%**	**237.0**	**63.0**

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

The Healthcare Property Investment Division has a development pipeline of €237.0 million (costs of the projects excluding internal costs). The average estimated yield on cost of these projects is 6.7%.

2.3.6.2. Asset disposals

The amount of asset disposals made during the financial year mainly related to the Les Chênes polyclinic, which accounted for €7.6 million.

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

(on a proportionate consolidation basis)	Fair value as of 12/31/2016	Fair value as of 12/31/2016 of assets sold	Acquisitions incl. duties/ Works	Other [(a)]	Like-for-like change	Fair value as of 12/31/2017
Healthcare	2,024.7	(3.2)	200.5	(7.8)	66.4	2,280.6
TOTAL	**2,024.7**	**(3.2)**	**200.5**	**(7.8)**	**66.4**	**2,280.6**

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

The property portfolio of the Healthcare Property Investment Division includes private hospitals and other healthcare properties.

Based on proportionate consolidation, the overall value of Icade's Healthcare Property Investment portfolio is estimated at €2,280.6 million excluding duties as of December 31, 2017, vs. €2,024.7 million at the end of 2016, i.e. an increase of €255.9 million, which is explained by value increases, the acquisition of five main healthcare facilities for €124.6 million (including duties and fees, based on proportionate consolidation), and investments in construction works.

On a like-for-like basis, after exclusion of (i) works for the year for €70.8 million (proportionate consolidation basis), (ii) acquisitions, and (iii) the adjustment for acquisition duties and fees and change in value of assets acquired during the financial year, the value of the portfolio rose by +€66.4 million over the year 2017, i.e. +3.3%.

2.3.8. List of property assets

AS OF DECEMBER 31, 2017

Healthcare portfolio as of December 31, 2017	Municipality	Department No.	Floor area *(in sq.m)* Total	Floor area *(in sq.m)* (Leasable)	Other floor area (Leasable)	MSO facilities floor area (Leasable)	PAC facilities floor area (Leasable)	Number of beds	Acquisition date [(a)]	Construction or renovation date	Consolidation percentage	Operator
SUBTOTAL PARIS REGION			177,371	177,371	-	156,844	20,527	2,754				
La Muette private hospital – 46/48, rue Nicolo	Paris 16th 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
Le 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	131	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
L'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	-	134,417	-	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
Roseraie private hospital – 6, rue Neuve-de-l'Hôpital	Soissons	2	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
Le Parc polyclinic – 48 bis, rue Henri-Barbusse	Saint-Saulve	59	17,084	17,084	-	17,084	-	174	2011	2004	56.51%	Elsan
Vauban private hospital – 10, avenue Vauban	Valenciennes	59	18,410	18,410	-	18,410	-	234	2011	1999	56.51%	Elsan
Flandre private hospital – 300, rue des Forts – Lieu-Dit du Boernhol	Coudekerque	59	9,927	9,927	-	9,927	-	111	2012	2004	56.51%	Elsan
Villette private hospital – 18, rue Parmentier	Dunkerque	59	11,434	11,434	-	11,434	-	137	2012	1991	56.51%	Elsan
Saint-Claude private hospital – 1, boulevard du Dr-Schweitzer	Saint-Quentin	2	15,947	15,947	-	15,947	-	189	2015	-	56.51%	Elsan
Saint-Omer private hospital – 71, rue Ambroise-Paré	Sain-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.

Healthcare portfolio as of December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Floor area (in sq.m) (Leasable)	Other floor area (Leasable)	MSO facilities floor area (Leasable)	PAC facilities floor area (Leasable)	Number of beds	Acquisition date [(a)]	Construction or renovation date	Consolidation percentage	Operator
SUBTOTAL AUVERGNE-RHÔNE-ALPES			**148,771**	**148,771**	-	**148,771**	-	**1,690**				
La Loire private hospital centre – 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%	Elsan
Le Beaujolais polyclinic – 120, Ancienne Route Beaujeu	Arnas	69	14,024	14,024	-	14,024	-	101	2014	2004	56.51%	Capio Santé
La 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 de la Châtaigneraie	Beaumont	63	24,316	24,316	-	24,316	-	357	2015	-	56.51%	Elsan
La Pergola private hospital – 75, allée des Ailes	Vichy	3	10,042	10,042	-	10,042	-	146	2015	-	56.51%	Elsan
Medical-surgical centre of Tronquières	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 centre, 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
L'Elorn private hospital – 30, rue Claude-Bernard	Landerneau	29	5,019	5,019	-	-	5,019	60	2010	2010	56.51%	Elsan
Le 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 Dr-Joseph-Audic	Vannes	56	29,346	29,346	-	29,346	-	350	2015	-	56.51%	Elsan
SUBTOTAL CENTRE-VAL DE LOIRE			**53,283**	**53,283**	**14,185**	**39,098**	-	**692**				
L'Archette private hospital – rue Jacques-Monod	Olivet	45	17,179	17,179	-	17,179	-	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
Le Saint Cœur private hospital – 10 b, rue Honoré-de-Balzac	Vendome	41	10,454	10,454	-	10,454	-	133	2015	-	56.51%	Elsan
Mas du Vendômois – 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-les-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%	Elsan
Medical-surgical centre of Chaumont le Bois – 17, avenue des États-Unis	Chaumont	52	9,689	9,689	-	9,689	-	135	2015	-	56.51%	Elsan
Courlancy polyclinic – ZAC de Bezannes	Bezannes	51	-	-	-	-	-	-	2015	-	56.51%	Regional groups
SUBTOTAL NORMANDIE			**46,245**	**46,245**	**5,117**	**41,128**	-	**726**				
Le 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
Europe polyclinic	Rouen	76	25,221	25,221	-	25,221	-	400	2017	1996	56.51%	Vivalto

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

Healthcare portfolio as of December 31, 2017	Municipality	Department No.	Floor area *(in sq.m)* Total	Floor area *(in sq.m)* (Leasable)	Other floor area (Leasable)	MSO facilities floor area (Leasable)	PAC facilities floor area (Leasable)	Number of beds	Acquisition date [(a)]	Construction or renovation date	Consolidation percentage	Operator
SUBTOTAL NOUVELLE-AQUITAINE			220,233	220,233	-	216,123	4,110	2,575				
Poitiers polyclic – 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
Centre Clinical – 2, chemin de Fregeneuil	Soyaux	16	20,932	20,932	-	20,932	-	233	2012	2009	56.51%	Elsan
Les 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	33,618	33,618	-	33,618	-	329	2007	Années 70 et 80	56.51%	Elsan
Saint Augustin private hospital – 112, avenue d'Arès	Bordeaux	33	15,919	15,919	-	15,919	-	227	2011	2007	56.51%	Elsan
Inkermann polyclinic – 84, route d'Aiffers	Niort	79	21,434	21,434	-	21,434	-	223	2011	2009	56.51%	Elsan
Pasteur private hospital – 54, rue du Professeur-Pozzi	Bergerac	24	9,416	9,416	-	9,416	-	155	2011	2007	56.51%	Elsan
Jean Vilar polyclinic – avenue Maryse-Bastie	Bruges	33	16,982	16,982	-	16,982	-	214	2012	2009	56.51%	Elsan
L'Atlantique private hospital – 26, rue du Moulin-des-Justices	Puilboreau	17	10,726	10,726	-	10,726	-	100	2014	2011	56.51%	Capio Santé
Marzet private hospital – 42, boulevard d'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			326,540	326,540	15,339	294,631	16,570	4,171				
L'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%	Elsan
Le Sidobre polyclinic – Chemin de Saint-Hippolyte	Castres	81	12,063	12,063	-	12,063	-	168	2015	-	56.51%	Elsan
Gascogne polyclinic – 55, avenue de 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%	Elsan
Saint-Pierre private hospital – 169, avenue de Prades	Perpignan	66	16,142	16,142	-	16,142	-	266	2014	2001	56.51%	Elsan
Saint-Michel private hospital – 25-27, avenue Louis-Prat	Prades	66	5,127	5,127	-	5,127	-	65	2014	1997	56.51%	Elsan
Le Floride healthcare centre – Avenue Thalassa	Le Barcarès	66	5,342	5,342	-	-	5,342	107	2014	1989	56.51%	Elsan
Grand Narbonne private hospital	Montredon-des-Corbières	11	-	-	-	-	-	-	2016	-	56.51%	Elsan
Ormeau polyclinic – 28, boulevard du 8 Mai 1945	Tarbes	65	21,046	21,046	-	21,046	-	304	2017		56.51%	Elsan
Le Parc private hospital – 50, rue Émile-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
MAS Helios – 32400 Saint-Germé	Saint-Germé	32	5,262	5,262	5,262	-	-	95	2017		56.51%	Regional groups

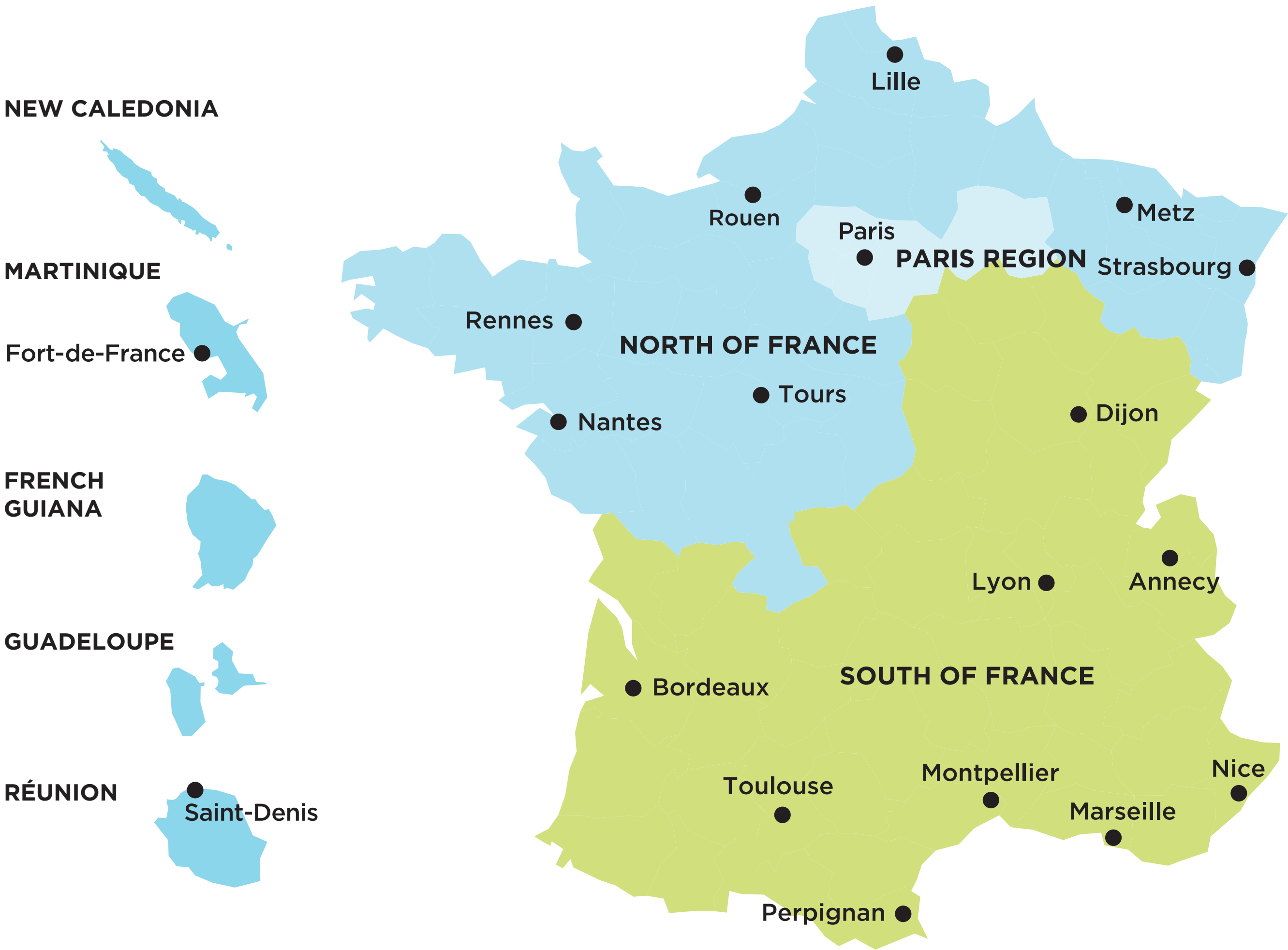
(a) Date of inclusion of the asset and/or entity in the Icade group.

Healthcare portfolio as of December 31, 2017	Municipality	Department No.	Floor area (in sq.m) Total	Floor area (in sq.m) (Leasable)	Other floor area (Leasable)	MSO facilities floor area (Leasable)	PAC facilities floor area (Leasable)	Number of beds	Acquisition date [a]	Construction or renovation date	Consolidation percentage	Operator
L'Union private hospital – boulevard de Ratalens	Saint-Jean	31	34,343	34,343	-	34,343	-	392	2013	2006	56.51%	Ramsay-GDS
Le Marquisat centre – 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
Saint Roch polyclinic	Cabestany	66	17,929	17,929	-	17,929	-	314	2017	1990	56.51%	Elsan
Beaupuy private hospital	Beaupuy	31	6,518	6,518	6,518	-	-	158	2017	1964	56.51%	Capio Santé
SUBTOTAL PAYS DE LA LOIRE			**145,695**	**145,695**	**-**	**137,126**	**8,569**	**1,550**				
L'Atlantique polyclic – 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 – Bromelia	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
Le 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 – Val d'Olonne private hospital	Olonne	85	14,425	14,425	-	14,425	-	90	2008	2009	56.51%	Regional groups
Physical rehabilitation private hospital Centre Vendée – 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**				
Le 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%	Elsan
Les Fleurs polyclinic – Quartier Quiez	Ollioules	83	12,870	12,870	-	12,870	-	243	2012	2007	56.51%	Elsan
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			**1,434,414**	**1,434,414**	**34,641**	**1,339,980**	**59,793**	**18,052**				

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

3. Property Development Division

LOCATIONS IN FRANCE AS OF DECEMBER 31, 2017



3.1. Market update

(Source: FPI, SOeS, CGDD)

2017 was characterised by a favourable economic environment – firstly due to **interest rates which remained low** throughout the year, thus preserving the solvency of home buyers and investors, and secondly due to **the French government presenting its draft housing act in September 2017,** under which the Pinel tax incentive scheme adopted at the end of 2014 will remain in place until 2021 for the areas with the tightest supply/demand balance (A bis, A and B1 which represented 88% of multi-family housing sales in 2016 according to FPI, the French Federation of Real Estate Developers).

This environment is reflected in the statistics published by the Service de l'observation et des statistiques (SOeS), with building permits and housing starts (throughout France) significantly up since early 2015, coming close at the end of 2017 to their last peak reached at the end of 2011.

In 2017, building permits numbered 497,000, up 8% on a year-on-year basis, mainly due to the increase in multi-family housing units (260,700 permits issued over the period, up 7% on a year-on-year basis).

Housing starts also rose with 418,900 starts in 2017, up 16% on a year-on-year basis (including 222,600 multi-family housing units, up 19% on a year-on-year basis) concerning housing starts in all regions of Metropolitan France, bearing in mind that two-thirds of this increase involves the Paris region (+15,100), Occitanie (+10,200), Auvergne-Rhône-Alpes (+6,200) and Bretagne (+4,900).

The data published by FPI (French Federation of Real Estate Developers) make it possible to fine-tune the analysis by focusing on new projects consisting of at least five housing units. Statistics for Q3 2017 confirm the sector's resurgence and the buoyancy of the market in 2017.

The number of housing orders (net of cancellations recorded over the period) calculated over a 12-month rolling period (including residences and bulk sales) has gradually increased from 100,000 in 2013 and 2014 to close to 150,000 in early 2017 (154,507 in Q3 2017, up 8% on a year-on-year basis). After 10 consecutive quarters of growth, the market experienced a lull halfway through the year, preferring to wait for the French government's to announce its housing strategy in September.

While interest-free loans and the Pinel tax incentive scheme were extended for another four years in the areas with the tightest supply/demand balance, the market resumed its rise with 33,497 net orders in Q3 2017 (including 5,900 representing bulk sales and 1,300 residences with services), i.e. 5% higher than in Q3 2016.

The investment sales market stands out as being the largest and most active, up 12% to a total of 64,404 net orders (accounting for 42% of the transaction activity over the last 12 months).

Bolstered in 2016 by lower interest rates on housing loans, **sales to home buyers remained steady at 55,000 net units since the beginning of the year,** despite a slight uptick in average interest rates on housing loans (from 1.34% in December 2016 to around 1.54% since April 2017), which was offset by longer loan maturities (219 months on average in November 2017).

Despite positive business indicators, new housing supply recorded its first drop (-8%) after twelve consecutive quarters of growth (18,304 units put up for sale in Q3 2017 compared to 19,847 in Q3 2016). These developments reflect the difficulty that property developers face in initiating new projects and further underlines the importance of the measures announced by the French government (freezing the existing standards, limiting the periods for processing third-party objections, making more land available for development).

With new housing supply flattening out at 110,000 units over a 12-month rolling period, **the available housing stock remained stable in Q3 2017** (+1.5% compared to the previous year) and represents a total of 95,560 units (including 90,154 multi-family housing units, of which 49% are under development, 44% under construction and only 7% completed).

The ratio of the available housing stock to net orders, which measures the average time on the market, remained below 10 months from the end of 2016 at 9.4 theoretical months in Q3 2017 (compared to 14 months at the end of 2014 and 12 months at the end of 2015).

In Q3 2017, the average sale price (excluding car parks) was stable compared to the previous year at €4,108/sq.m. This overall stability nonetheless masks significant disparities, with growth of 1.8% outside the Paris region (7.9% in Bordeaux) while prices dropped 3.7% in the Paris region after having gone up 4.9% in the previous year.

3.2. Income statement and performance indicators

The Property Development Division's business activities are conducted through its wholly-owned subsidiary Icade Promotion (and its subsidiaries). The Residential and Commercial segments account for two-thirds and one-third of the division's revenue, respectively. This reflects Icade Promotion's positioning as an all-around player in property development throughout Metropolitan France and its overseas departments and territories.

The Residential segment not only involves new development projects for multi-family buildings, but also student and senior residences.

The Commercial segment covers property development for third parties in offices and hotels, in healthcare (private hospitals, nursing homes [Ehpad], medical centres) as well as Delegated Project Management, especially for the Commercial and Healthcare Property Investment Divisions, for which Icade Promotion is the exclusive property developer.

The growth strategy fulfilled its promise in 2017, evidenced by the sharp increase in economic revenue [(1)], up 20.3% on a year-on-year basis, amounting to €1,208.6 million in 2017 compared to €1,005 million in 2016.

This growth was evenly divided between the Residential (+21.0%) and Commercial (+18.8%) segments, with their economic revenue representing €806.4 million and €402.2 million respectively in 2017.

The increase in revenue mirrors the increase in housing sales in the Residential segment (5,510 units, i.e. +14.7% compared to 2016) and the progress of the Commercial segment's construction projects.

The efforts deployed by the operational teams also resulted in a strong performance in terms of orders (5,776 units compared to 5,665 in 2016) and a backlog up +2.9% over the year (€1,644 million compared to €1,597 million in 2016), up for Residential to €1,119 million and steady for Commercial, at €524 million.

Business was not only buoyed by this large backlog of orders in the short term, but also in the medium term by a land portfolio worth €2.4 billion, up 12.5% in value terms compared to 2016.

(1) Revenue including entities accounted for using the equity method.

The strong growth of the Property Development Division was also accompanied by a considerable improvement in its performance in terms of profitability, through improving operating margins and controlling operating costs.

As a result, the current economic operating profit/(loss) increased by +35.9% in 2017, reaching €75.6 million in 2017 compared to €55.6 million in 2016. The current economic operating profit/(loss) for the Residential segment stood at €45.7 million in 2017 (+46.8% compared to 2016) and for the Commercial Segment at €29.9 million (+22.2% compared to 2016).

Operating profitability, measured by the current economic operating margin (current economic operating profit/(loss) [1]/economic revenue) rose from 5.5% in 2016 to 6.3% in 2017. The Residential segment contributed +1.0% and the Commercial segment +0.2% in this overall +0.7 pp increase in margin.

The 2017 net profit/(loss) attributable to the Group (NPAG) for the Property Development Division amounted to €38.3 million. After adjustment for €7.7 million of income recognised in 2017 for the refund of the 3% tax on dividends (including penalty interest), the NPAG would have amounted to €30.6 million, i.e. an increase of €9.7 million (+46.8%) compared to 2016.

The net current cash flow (NCCF) was also sharply up, reaching €30.4 million in 2017 compared to €22.2 million in 2016, representing an increase of €8.1 million.

Thanks to the increase in NPAG coupled with a capital optimisation policy, the ROE goal of 12% set in the strategic plan was achieved ahead of schedule, in 2017. As a result, the 2017 ROE [2] stood at 12.5% compared to 6.1% in 2016.

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

	12/31/2017			12/31/2016		
(in millions of euros)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
REVENUE	1,071.8		1,071.8	913.1		913.1
Income from operating activities	1,075.1		1,075.1	917.9		917.9
Purchases used	(874.3)		(874.3)	(744.9)		(744.9)
Outside services	(58.0)		(58.0)	(55.0)		(55.0)
Taxes, duties and similar payments	(6.1)		(6.1)	(4.5)		(4.5)
Staff costs, performance incentive scheme and profit sharing	(73.2)		(73.2)	(71.3)		(71.3)
Other operating expenses	(14.8)		(14.8)	(10.3)		(10.3)
Operating expenses	(1,026.4)		(1,026.4)	(886.0)		(886.0)
EBITDA	48.7		48.7	31.9		31.9
Depreciation charges net of government investment grants		(1.5)	(1.5)		(1.3)	(1.3)
Charges and reversals related to impairment of tangible, financial and other current assets		1.6	1.6		(1.4)	(1.4)
Profit/(loss) from asset disposals		-	-		(0.1)	(0.1)
Share of profit/(loss) of equity-accounted companies	12.7	(0.2)	12.5	11.6	0.1	11.6
OPERATING PROFIT/(LOSS)	61.4	(0.1)	61.3	43.4	(2.7)	40.7
Cost of gross debt	(0.4)	-	(0.4)	-	-	-
Net income from cash and cash equivalents, related loans and receivables	(0.9)	-	(0.9)	0.5	-	0.5
COST OF NET DEBT	(1.2)	-	(1.2)	0.4	-	0.4
Other finance income and expenses	(4.0)	0.2	(3.8)	0.4	-	0.4
FINANCE INCOME/(EXPENSE)	(5.2)	0.2	(5.0)	0.8	-	0.8
Income tax [(a)]	(23.4)	7.6	(15.8)	(19.9)	0.9	(19.0)
NET PROFIT/(LOSS)	32.8	7.8	40.6	24.3	(1.8)	22.5
Net profit/(loss) attributable to non-controlling interests	2.4	(0.1)	2.3	2.0	(0.3)	1.7
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**30.4**	**7.9**	**38.3**	**22.2**	**(1.4)**	**20.8**

(a) Including €7.7 million of income recognised for the refund request submitted in respect of the 3% tax on dividends, including penalty interest.

(1) Operating profit/(loss) including entities accounted for using the equity method, adjusted for non-current items, trademark royalties and holding company costs.

(2) Net profit(/loss) attributable to the Group (excluding income from the refund of the 3% tax on dividends)/Average allocated capital.

The revenue and economic operating profit presented below include the partnerships entered into by companies accounted for according to the equity method in the consolidated financial statements.

	12/31/2017			12/31/2016			Change
(in millions of euros)	Total Property Development	Residential Property Development	Commercial Property Development	Total Property Development	Residential Property Development	Commercial Property Development	Total Property Development
Economic revenue							
IFRS segment reporting	1,071.8	747.0	324.8	913.1	627.6	285.5	
Joint ventures	136.8	59.4	77.4	91.8	38.9	53.0	
ECONOMIC REVENUE	1,208.6	806.4	402.2	1,005.0	666.5	338.5	20.3%
Economic operating profit/(loss)							
IFRS segment reporting	61.3	36.0	25.3	40.7	23.9	16.8	
Cancellation of IFRS income from equity-accounted joint ventures	(12.4)	(5.0)	(7.4)	(11.4)	(3.1)	(8.3)	
Operating profit/(loss) from joint ventures	12.6	5.1	7.5	11.5	3.2	8.3	
Adjustment [(a)]	14.1	9.5	4.6	14.8	7.1	7.7	
CURRENT ECONOMIC OPERATING PROFIT/(LOSS)	75.6	45.7	29.9	55.6	31.1	24.5	35.9%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	6.3%	5.7%	7.4%	5.5%	4.7%	7.2%	+0.7 PP

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

3.2.2. Return on equity

(in millions of euros)	12/31/2017	12/31/2016
Adjusted net profit/(loss) attributable to the Group [(a)]	30.6	20.8
Average allocated capital [(b)]	245.3	339.5
RETURN ON EQUITY	**12.5%**	**6.1%**

(a) Net profit/(loss) attributable to the Group for 2017 has been adjusted for €7.7 million of income recognised in respect of the 3% tax on dividends, including penalty interest.
(b) Weighted average value over the period of equity attributable to the Group before elimination of securities and excluding profit/(loss).

As of December 31, 2017, return on equity stood at 12.5%, more than double that of the previous year, driven by improved net profit/(loss) attributable to the Group and lower capital allocated to property development. In particular, the special dividend of €100 million paid at the end of 2016 had a full-year impact on 2017.

3.2.3. Working capital requirement and debt

	12/31/2017			12/31/2016			
(in millions of euros)	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	Change
Residential Property Development	(212.1)	(17.4)	(229.5)	(201.7)	(27.7)	(229.4)	(0.1)
Commercial Property Development	(24.0)	(31.8)	(55.8)	(81.5)	(15.4)	(96.9)	41.1
NET WORKING CAPITAL REQUIREMENT [(a)]	**(236.1)**	**(49.2)**	**(285.3)**	**(283.2)**	**(43.1)**	**(326.3)**	**41.0**
NET DEBT [(a)]	**11.7**	**22.8**	**34.4**	**53.2**	**30.7**	**83.9**	**(49.5)**

(a) A negative number is a deficit, while a positive number is a surplus.

The working capital requirement (WCR) went down by €41.0 million over the year 2017 to €285.3 million as the WCR of the Commercial Property Investment business declined from €96.9 million at the end of 2016 to €55.8 million at the end of 2017, mainly as a result of fewer land acquisitions in 2017.

Net debt from the Property Development Division stood at €34.4 million, down €49.5 million compared to December 31, 2016, due to the lower WCR.

3.2.4. 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.

	12/31/2017			12/31/2016		
(in millions of euros)	Total	Paris region & Dom-Tom (overseas)	Outside the Paris region	Total	Paris region & Dom-Tom (overseas) (a)	Outside the Paris region (a)
Residential Property Development	1,119.5	511.7	607.8	1,058.2	392.2	666.0
Commercial Property Development	379.6	263.6	116.0	366.9	168.3	198.6
Public and Healthcare Amenities Development	107.2	16.6	90.6	142.2	57.8	84.4
Project Management Support service order book	37.3	36.5	0.8	29.7	28.1	1.6
TOTAL	**1,643.6**	**828.4**	**815.2**	**1,597.0**	**646.4**	**950.6**
Share of total	100.0%	50.4%	49.6%	100.0%	40.5%	59.5%

(a) The financial year 2016 is presented based on the new organisational structure introduced in 2017.

The Property Development Division's total backlog was up 2.9% to €1,643.6 million from €1,597.0 million as of December 31, 2016.

This change originates from:

- increase in the Residential Property Development Division's backlog in connection with still strong housing orders;
- resilience of the Commercial backlog, as revenue recorded as construction projects progressed was almost fully renewed thanks to new contracts signed in 2017 for the following projects:
  - in Lyon, the 9,800-sq.m KARRE office building located at the heart of the Carré de Soie multimodal hub,
  - in Tours, as part of the Méliès project, a multiplex cinema (1,940 seats and a 499-space multi-storey car park), a hotel and a restaurant,
  - in Marseille, 6,580 sq.m of warehouses and ancillary offices, jointly developed with Eiffage on behalf of the company Alliance Healthcare Répartition,
  - in Toulouse, three buildings at the base of the Borderouge metro station (representing a total floor area of 10,000 sq.m), an off-plan sale agreement signed with Korian for the development of a 5,600 sq.m post-acute care (PAC) facility on the Oncopole site in Toulouse, and the DAURAT office development covering 7,034 sq.m and located in Blagnac, sold to property investor INEA,
  - in the municipality of Miramont (Lot-et-Garonne), a 119-bed nursing home (Ehpad),
  - in the municipality of Canohès (Pyrénées-Orientales), an elderly care complex consisting of an 81-bed nursing home and a 17-dwelling residence with services, with a total leasable floor area of 5,325 sq.m,
  - in the French West Indies (Antilles), a 14,000-sq.m hotel with a 3,716-sq.m conference centre in Les Trois-Îlets, on the island of Martinique, and a 9,632-sq.m hotel in Pointe-à-Pitre, on the island of Guadeloupe,
  - in Villejuif (Paris region), a turnkey office building spanning 18,000 sq.m with a 9-year off-plan lease with no break option signed with the Orange group;
- the order book for Delegated Project Management grew by 25.6%, driven mostly by new projects from the Commercial Property Investment Division.

3.3. Residential Property Development

(in millions of euros)	12/31/2017	12/31/2016	Change
Economic revenue	806.4	666.5	21.0%
Current economic operating profit/(loss)	45.7	31.1	46.8%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	5.7%	4.7%	

The acceleration in housing orders and sales by the Residential Property Development Division, which stems from market recovery, is reflected in the economic revenue of the Residential Property Development Division, which stood at €806.4 million as of December 31, 2017, up 21.0% compared to 2016.

The Property Development Division benefited from the recovery which was confirmed in the residential real estate market, still driven by individual investors in the rental property market (Pinel tax incentive scheme extended to December 31, 2021) and by home buyers who benefit from interest-free loans and from the implementation of the Priority Neighbourhoods government programme (QPV).

The solvency of buyers has been preserved thanks to a still very favourable low interest rate environment and longer loan maturities, which offset their very slight increase during the financial year. New build prices remained stable, although with significant variations between regions, intensified by the increased concentration of the French population in metropolitan areas.

Current economic operating profit/(loss) from the Residential Property Development Division increased to €45.7 million as of December 31, 2017 compared to €31.1 million as of December 31, 2016.

MAIN PHYSICAL INDICATORS AS OF DECEMBER 31, 2017

	12/31/2017	12/31/2016	Change
PROPERTIES PUT ON THE MARKET			
Paris region & Dom-Tom (overseas) [(b)]	2,596	2,105	23.3%
Outside the Paris region [(b)]	3,315	3,185	4.1%
TOTAL UNITS [(a)]	**5,911**	**5,290**	**11.7%**
Paris region & Dom-Tom (overseas) [(b)]	512.7	443.8	15.5%
Outside the Paris region [(b)]	600.7	580.4	3.5%
TOTAL REVENUE *(potential in millions of euros)*	**1,113.4**	**1,024.2**	**8.7%**
PROJECTS STARTED			
Paris region & Dom-Tom (overseas) [(b)]	1,623	1,435	13.1%
Outside the Paris region [(b)]	3,069	3,691	(16.9)%
TOTAL UNITS	**4,692**	**5,126**	**(8.5)%**
Paris region & Dom-Tom (overseas) [(b)]	336.0	297.7	12.9%
Outside the Paris region [(b)]	551.4	677.4	(18.6)%
TOTAL REVENUE *(potential in millions of euros)*	**887.4**	**975.1**	**(9.0)%**
NET HOUSING ORDERS			
Housing orders ***(in units)***	5,776	5,665	2.0%
Housing orders ***(in millions of euros including taxes)***	1,082.6	1,114.8	(2.9)%
Housing order cancellation rate ***(in %)***	18%	14%	+4.0 pps
AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON ORDERS			
Average price including taxes per habitable sq.m ***(in €/sq.m)***	3,663	3,671	(0.2)%
Average budget including taxes per housing unit ***(in €k)***	187.5	198.1	(5.4)%
Average floor area per housing unit ***(in sq.m)***	51.2	54.0	(5.2)%

(a) "Units" means the number of residential units or equivalent residential units (for mixed-use developments) of any given development. The number of equivalent residential units is determined by dividing the floor area by type (business premises, shops, offices) by the average floor area of residential units calculated as of December 31 of the preceding year.
(b) The financial year 2016 is presented based on the new organisational structure introduced in 2017.

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER

	12/31/2017	12/31/2016
Social housing institutional investors (ESH) – social landlords	25.9%	21.9%
Institutional investors	14.7%	17.5%
Individual investors	36.8%	39.7%
Home buyers	22.6%	20.9%
TOTAL	**100.0%**	**100.0%**

The number of housing units put on the market during the year 2017 was up 11.7% compared with the preceding year (5,911 as of December 31, 2017 vs. 5,290 as of December 31, 2016), and this increase was even stronger in the Paris region, which had experienced a slowdown in 2016.

Icade Promotion's net housing orders as of December 31, 2017 increased by 2.0% in volume terms compared to the previous year (5,665) – which was already a record for Icade Promotion – reaching 5,776 orders, and decreasing by 2.9% in value terms. 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 51.2 sq.m in 2017 vs. 54.0 sq.m in 2016), and in particular to a stronger level of orders for managed residences (894 units in 2017 vs. 651 in 2016, a 37% increase).

In line with the recovery in the real estate market, the absorption rate improved from 10.3% as of December 31, 2016 to 10.7% at the end of 2017.

In line with the trend observed in H1 2017, orders from institutional investors and social housing companies remained significant at 40.6% of total orders made as of December 31, 2017, vs. 39.4% for the same period a year earlier. On the other hand, the proportion of individual investors using the Pinel tax incentive scheme continued to predominate. The number of orders from first-time buyers also slightly increased thanks to the new incentive measures taken by the government (especially the interest-free loan).

The unsold housing stock declined, with €24 million as of December 31, 2017 vs. €30 million as of December 31, 2016.

The average level of pre-let or pre-sold projects recorded at construction start remained high (70% on average).

Land portfolio

The portfolio of residential land and building plots represented 11,365 units and potential revenues of €2.4 billion, a 12.5% increase in value terms compared to December 31, 2016 (10,449 units for €2.2 billion). This increase reflects the acceleration in the development strategy pursued by the Property Development Division and its new management, as part of the new strategic plan.

Icade Promotion continued to develop projects in synergy with the Commercial and Healthcare Property Investment Divisions. For example, the Property Development and Commercial Property Investment Divisions won two joint bids, one in Toulouse (Latécoère project) and the other in Paris (Poissonniers project). In both cases, in addition to those developed for the Commercial Property Investment Division, the Property Development Division will develop buildings to sell them to third parties – 830 housing units in Toulouse and an 84-room hall of residence with common areas in Paris.

3.4. Commercial Property Development

(in millions of euros)	12/31/2017	12/31/2016	Change
Economic revenue	402.2	338.5	18.8%
Current economic operating profit/(loss)	29.9	24.5	22.2%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	7.4%	7.2%	

Public and Healthcare Amenities Development

As of December 31, 2017, revenue from Public and Healthcare Amenities Development dropped 13% to €105.5 million, as a result of the lower level of new contracts signed for this segment.

As of December 31, 2017, the portfolio of Public and Healthcare Amenities Development projects was equivalent to 250,457 sq.m (vs. 202,314 sq.m as of December 31, 2016), including 104,219 sq.m under construction. The projects in this portfolio were mostly located outside the Paris region and in the French overseas departments and territories (Dom-Tom). Projects completed during the year represented 20,831 sq.m.

Icade Promotion and Icade Santé entered into a partnership agreement with the Korian group. Most of the 16 projects that have been identified are expected to be completed in the next five years.

Office, Hotel and Retail Property Development

As of December 31, 2017, revenue from the Office, Hotel and Retail Property Development business reached €278 million, compared to €199 million as of December 31, 2016. This growth of as much as 39.7% was primarily driven by the numerous contracts signed in the past two years which contributed greatly to 2017 revenues. The largest contributors were: in the Paris region, the Twist (10,400 sq.m) and Thémis projects (10,655 sq.m), both located in the Clichy Batignolles development zone in Paris; and in Lyon, the OXAYA building (7,200 sq.m) and the regional headquarters of RTE (14,000 sq.m), both in the Gerland neighbourhood, as well as the Sky 56 building (31,471 sq.m), located in the Part Dieu neighbourhood.

As of December 31, 2017, Icade Promotion had a portfolio of projects in the Commercial and Retail Property Development segment of around 510,671 sq.m (vs. 507,657 sq.m as of December 31, 2016), including 218,643 sq.m under construction. In particular, the Property Development Division started construction of the building located in Villejuif (18,000 sq.m). In 2017, completions added up to 48,920 sq.m and included the 7,440-sq.m Le Conex building located at the base of the Lille Flandre train station in Lille, and the 7,550-sq.m Ivoire building in Lyon.

Delegated Project Management

The Delegated Project Management business focuses on synergistic projects developed for the Commercial and Healthcare Property Investment Divisions.

In addition, Icade Promotion still possesses valuable expertise in the field of public amenities.

In 2017, revenue from this business activity stood at €18.8 million.

3.5. Competitive position of the Property Development Division

Icade Promotion is an all-round property developer operating throughout Metropolitan France and its overseas departments and territories thanks to its network of 19 local offices. Icade Promotion is actively involved in urban planning and the development of residential, commercial and public facilities in the French cities and regions.

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 [OPCIs] 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 managed residences for students or seniors.

In the Commercial segment, Icade Promotion has created synergies with the Commercial Property Investment Division, while continuing to develop office and hotel projects for its clients.

Icade Promotion is one of the leaders in the development of healthcare facilities (public and private hospitals, nursing homes and medical centres). This activity is performed as part of off-plan purchase agreements or property development contracts, or as part of project management support or delegated project management contracts, especially for the Healthcare Property Investment Division, for which Icade Promotion is the exclusive property developer.

Icade Promotion is capable of working on all types of solutions and draws on recognised expertise in large-scale, complex and/or mixed-use projects.

Icade Promotion is the fifth largest property developer in France in terms of revenues and it ranks 10th out of 338 companies worldwide in GRESB's 2017 ESG ranking.

REVENUES OF THE MAIN PROPERTY DEVELOPERS FROM 2013 TO 2017 *(in millions of euros)*

Property developers	2017	2016	2015	2014	2013
Nexity [(a)]	2,995	2,574	2,541	2,100	2,285
Bouygues Immobilier	2,712	2,568	2,304	2,775	2,510
Altarea Cogedim	1,731	1,370	1,012	822	883
Kaufman & Broad [(b)]	1,381	1,238	1,063	1,083	1,026
Icade Promotion [(a)]	1,209	1,055	955	1,245	1,091
Vinci Immobilier [(a)]	1,116	919	826	677	816
Eiffage Immobilier	845	768	743	740	662

(a) Revenue including entities accounted for using the equity method.
(b) Revenue from December 1, N-1 to November 30, N.

Residential Property Development

There are several regional and national players involved in this market. Icade Promotion is ranked sixth based on the number of housing orders.

The following table shows the number of orders of the main residential developers in the past five years:

Residential developers	2017	2016	2015	2014	2013
Nexity [(a)]	21,372	18,890	14,235	12,562	12,322
Bouygues Immobilier [(b)]	15,199	13,866	12,195	11,776	10,963
Altarea Cogedim	11,189	10,011	6,011	4,526	3,732
Kaufman & Broad [(c)]	9,027	8,017	6,901	5,871	5,379
Vinci Immobilier	6,630	5,485	4,189	3,321	2,823
Icade Promotion [(d)]	5,776	5,665	3,999	3,912	3,605
Eiffage Immobilier	4,530	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, N-1 to November 30, N.
(d) Number of housing orders and building plot reservations.

Source: Company data.

Commercial Property Development

In this segment, Icade competes with the main real estate companies, including Bouygues Immobilier, Nexity, BNP Paribas Real Estate, Altarea Cogedim, GA, as well as the numerous subsidiaries of major construction players, including Linkcity (Bouygues Construction) and ADIM (Vinci).

This activity can be carried out either as part of off-plan sale contracts or property development contracts (in the latter case, the client is the owner of the land and commissions the developer to build on it).

4. Other information

4.1. Financial data for the past five financial years

Icade – Type of indications		2017	2016	2015	2014	2013
1 – Financial position at year-end						
A	Share capital	112,966,652	112,966,652	112,966,652	112,831,295	112,669,299
B	Number of issued shares	74,111,186	74,111,186	74,111,186	74,022,386	73,916,109
C	Total bonds convertible into shares		0	0	0	0
2 – Comprehensive income from continuing operations						
A	Revenue excluding tax	284,242,137	295,866,267	312,582,499	337,698,268	174,908,821
B	Profit/(loss) before tax, employee profit-sharing, depreciation, amortisation and provisions	246,535,763	271,980,136	417,122,872	275,186,266	145,586,017
C	Corporate tax	(20,627,687)	6,205,103	48,303,767	5,995,796	6,361,617
D	Profit/(loss) after tax, depreciation, amortisation and provisions	128,616,134	121,834,718	113,713,289	95,094,569	(31,183,581)
E	Total dividend distribution	317,789,531 [a]	295,618,168	275,291,874	275,054,642	270,944,411
3 – Key income statement items (per share)						
A	Profit/(loss) after tax and employee profit-sharing, but before depreciation, amortisation and provisions	3.605	3.586	4.977	3.637	1.884
B	Profit/(loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	1.735	1.644	1.535	1.285	(0.422)
C	Dividend per share	4.3 [a]	4.00	3.73	3.73	3.67
4 – Staff						
A	Number of employees at year-end	11	11	13	12	342
B	Total payroll expense	4,251,477	4,572,032	4,606,077	19,404,131	27,423,673
C	Amount of sums paid for employee benefits (social security, social welfare programmes, etc.)	1,807,147	1,456,242	1,620,221	6,393,398	12,419,164

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

4.2. Acquisitions of controlling and non-controlling interests

ANF Immobilier

On October 23, 2017, Icade ("the Company") completed the off-market acquisition of Eurazeo's controlling interest in ANF Immobilier at a price of €22.15 per share, i.e. 9,596,267 shares representing the same number of this company's voting rights, i.e. 50.48% of the share capital and 50.23% of the voting rights.

Following this acquisition, Icade crossed over the thresholds of 30% and 50% of the share capital and voting rights of ANF Immobilier, and as a result, it filed with the AMF a simplified public tender offer for ANF Immobilier shares on October 25, 2017.

On November 13, 2017, Icade acquired from Caisse d'Épargne CEPAC 1,219,914 shares representing the same number of the voting rights of ANF Immobilier (i.e. 6.42% of the share capital and 6.39% of the voting rights) through an off-market acquisition at the same price of €22.15 per share.

Lastly, the tender offer took place from November 16, 2017 to December 6, 2017, at the same price of €22.15 per share. Immediately following this offer, Icade owned 16,091,464 shares representing the same number of voting rights of ANF Immobilier, i.e. 84.65% of the share capital and at least 84.28% of this company's voting rights.

Following the acquisitions of ANF Immobilier shares made as part of the share purchase mandate signed between Icade and Natixis on December 19, 2017, Icade owned 16,190,546 shares representing 85.17% of the share capital and 84.91% of the voting rights as of December 31, 2017. All these shares were purchased at a price that was less than €22.15 per share.

Other

Icade has acquired:

- 50% of the share capital and voting rights in Cycle-Up, a company aimed at promoting the recycling of building materials;
- 100% of the share capital and voting rights in Icade TMM, a company whose purpose is to hold condominium units in the Maine Montparnasse tower, in the 15th district of Paris.

4.3. Payment terms

4.3.1. Accounts payable

The payment terms for accounts payable are detailed below:

Icade's individual accounts (in millions of euros)	Received invoices due but not yet paid at the end of the financial year 2017 [a]				
	< 30 days	30 to 60 days	60 to 90 days	> 90 days [b]	Total
Number of invoices	25	9	4	1,202	1,240
Total amount including VAT	0.20	0.21	0.29	2.48	3.18
Total amount excluding VAT	0.17	0.18	0.24	2.07	2.66
PERCENTAGE OF TOTAL PURCHASES MADE DURING THE FINANCIAL YEAR	0.05%	0.05%	0.07%	0.60%	0.76%

(a) No disputed or queried invoices have been excluded from this table.
(b) The number of invoices >90 days mainly relates to invoices from utilities providers (energy, water, telephone) for each building.

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.

4.3.2. Accounts receivable

The payment terms for accounts receivable are detailed below:

Icade's individual accounts (in millions of euros)	Issued invoices due but not yet paid at the end of the financial year 2017 [a]				
	< 30 days	30 to 60 days	60 to 90 days	> 90 days	Total
Number of invoices and credit notes [b]	147	7	12	65	231
Total amount including VAT	1.30	(0.10)	(0.70)	6.30	6.80
Total amount excluding VAT	1.10	(0.10)	(0.60)	5.30	5.70
PERCENTAGE OF TOTAL SALES RECORDED DURING THE FINANCIAL YEAR	0.38%	(0.03)%	(0.21)%	1.85%	1.99%

(a) Customers currently in a legal dispute with Icade are excluded from this table and represent 76 invoices for a total of €7.7 million.
(b) Data shown before taking into consideration the account balances of customers.

The payment terms agreed with customers are usually between 30 and 60 days. They are generally observed.

4.4. Material contracts

4.4.1. Contracts

Icade completed a number of significant acquisitions and disposals over the last few financial years *(see note 2. "Main transactions affecting the scope of consolidation").*

In terms of financing, Icade continued the optimisation of its financial resources *(see section "Financial resources" of the chapter on the performance of the Group's business activities).*

4.4.2. Transactions between consolidated companies of the Icade group

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

4.4.3. Related-party agreements

No such agreements or commitments were submitted to the Board of Directors for approval during the financial year 2017.

As part of the annual review of related party agreements, the members of the Board of Directors reviewed the previously approved agreements whose performance continued during the financial year 2017.

(see section on the Statutory Auditors' special report on related party agreements and commitments).

4.4.4. Specific clauses relating to the business activities

None.

3. CORPORATE SOCIAL RESPONSIBILITY

1. CSR strategy and organisation

1.1. History and highlights

2015

- 1st Autolib' stations (electric car-sharing service) in a private business park
- 1st incubator for real estate start-ups fully funded by a private company in France

GROW UP Le bureau accélérateur by ICADE

- 1st private company to obtain the "Bâtiment biosourcé" label (biosourced building)
- Among the 1st developers to obtain the NF Habitat HQE certification (related to the living environment) with the new HQE framework

2016

- Signing of the first biodiversity performance contract and participation in the Nature 2050 programme, both led by CDC Biodiversité

NATURE 2050

- "Reims Métropole Durable" label received by the Courlancy private hospital

GRAND REIMS DURABLE

- 1st skills sponsorship agreement with Samusocial of Paris involving the creation of an accommodation and healthcare centre
- "Be Digit'all", a digital literacy programme aimed at employees

2017

- 1st developer to obtain the E+C- label (positive energy and low-carbon buildings) for an office building
- 1st green bond issued by Icade for €600 million
- Creation of a materials reuse online platform called Cycle Up as part of a joint venture with Egis
- Solidarity leave and solidarity days off available to employees

- 1st place in the 2017 ranking of women representation in the governing bodies of SBF 120 companies, in the category "gender balance in the Executive Committee", for the third year in a row

2014

- Among the 1st property investment companies to obtain the BiodiverCity label

biodivercity

2013

- Partnership signed with Philips on innovation

2012

- Creation of BIHOME® (shared housing)

BIHOME® Une solution ICADE

- 1st HQE Aménagement ("urban development") certification

2011

- 1st shopping centre to obtain both the HQE and BREEAM certifications in Europe

2010

- 1st green lease clause signed and 1st green lease committee with Pierre & Vacances-Center Parcs, three years before the regulation came into force

2005

- 1st private commercial building to receive the HQE Construction certification in France

- Local development charter signed with Plaine Commune

2007

- 1st all-electric river shuttle in a business park

2009

- 1st commercial building to receive the HQE Exploitation ("in-use") certification in France
- 1st Vélib' stations (bicycle rental) in a private business park

- 1st collective agreement on disability

1.2. An approach structured around priority issues

In 2015, Icade conducted a detailed review of its CSR strategy. For this purpose, it created a CSR Materiality Matrix based on two analyses conducted for the Commercial Property Investment and Property Development Divisions by two independent firms in collaboration with panels of internal and external stakeholders. The findings of this assessment made it possible to prioritise the impact of each CSR issue on Icade's operations and performance on the one hand and its stakeholders on the other.

ICADE'S CSR MATERIALITY MATRIX

1.3. Contribution to UN Sustainable Development Goals

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs). These 17 goals, broken down into 169 targets to be achieved by 2030, contribute to the three pillars of sustainable development, in order to ensure environmental, social and societal prosperity throughout the world. These SDGs call upon the private sector, civil society and governments to act.

In order to ensure its contribution and to be actively involved in this initiative, Icade wanted to benchmark its CSR strategy against these ambitious goals. As a result, the Company conducted an analysis based on methodology from SDG Compass, which is supported by the United Nations Global Compact and WBCSD (World Business Council for Sustainable Development) and a study carried out by the World Green Building Council relating to the contribution of green buildings to SDGs.

This study shows a connection between the 169 SDG targets on the one hand, and CSR material issues, 2020 commitments and Icade's initiatives on the other. As a result, this "bottom-up" analysis identified 32 relevant targets consistent with 13 overall goals to which Icade can make a major contribution.

The selected goals have been ranked based on two priority levels, depending on Icade's potential degree of contribution to each one of them:

- priority goals: these are the most strategic goals, for which Icade wants to position itself as a leader, and which it has already integrated into its products and services or has the intention to do so. Eight goals are considered to be a priority:

GOOD HEALTH AND WELL-BEING
AFFORDABLE AND CLEAN ENERGY
DECENT WORK AND ECONOMIC GROWTH
INDUSTRY INNOVATION ND INFRASTRUCTURE
SUSTAINABLE CITIES AND COMMUNITIES
RESPONSIBLE CONSUMPTION AND PRODUCTION
CLIMATE ACTION
LIFE ON LAND

- significant goals: these are goals which are relevant to Icade's business activities and that are also integrated into its strategy. Five goals are considered to be significant:

GENDER EQUALITY
CLEAN WATER AND SANITATION
REDUCED INEQUALITIES
PEACE, JUSTICE AND STRONG INSTITUTIONS
PARTNERSHIPS FOR THE GOALS

Icade has identified three types of possible contributions to the Sustainable Development Goals:

- contribution through operational efficiency: this includes Icade's initiatives to improve its internal operations and the effectiveness of its processes;
- contribution through the development of new products and services: Icade's contribution to these goals opens up potential for new market penetration through the development of new products, services and solutions to meet major societal challenges;
- contribution through its societal commitment: Icade's contribution to these goals is not central to its business, but the Company wants to become involved because it considers that it is part of its societal responsibility.

As a result, the analysis conducted in 2017 identified Icade's main contributions to SDGs and its conclusions will contribute to future discussions on how its CSR strategy should evolve.

Icade's contribution to SDGs

	Operational efficiency	Developing new products and services	Societal commitment
1 PRIORITY GOALS	3 GOOD HEALTH AND WELL-BEING	3 GOOD HEALTH AND WELL-BEING	
	7 AFFORDABLE AND CLEAN ENERGY	7 AFFORDABLE AND CLEAN ENERGY	7 AFFORDABLE AND CLEAN ENERGY
	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH
		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	11 SUSTAINABLE CITIES AND COMMUNITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	11 SUSTAINABLE CITIES AND COMMUNITIES
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
	13 CLIMATE ACTION	13 CLIMATE ACTION	
	15 LIFE ON LAND	15 LIFE ON LAND	15 LIFE ON LAND
2 SIGNIFICANT GOALS	5 GENDER EQUALITY		5 GENDER EQUALITY
	6 CLEAN WATER AND SANITATION		
	10 REDUCED INEQUALITIES		10 REDUCED INEQUALITIES
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		
	17 PARTNERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS

SDG targets relevant to Icade*	Key commitments and measures taken by Icade for each target
Three relevant targets from SDG 3: – promote mental health and well-being (target 3.4); – give access to quality essential healthcare services at an affordable price (target 3.8); – reduce the number of deaths and illnesses from air, water and soil pollution (target 3.9).	➥ health innovations: optimised outpatient care in private hospitals, telemedicine booth with H4D, wellness areas and fitness trails in the business parks, etc.; ➥ measures to promote the quality of life in the workplace, the Well label, Osmoz initiative; ➥ measures to promote air, water and soil quality in Icade's buildings, partnership with AirParif on air quality and an experiment with Veolia.
Two relevant targets from SDG 7: – increase the share of renewable energy in the energy mix (target 7.2); – double the global rate of improvement in energy efficiency by 2030 (target 7.3).	➥ target of a 20% share of renewable energy in the Commercial Property Investment Division portfolio's energy mix by 2020; ➥ goal for reducing energy consumption by 30% and CO_2 emissions by 40% in offices and business parks between 2011 and 2020; ➥ energy efficiency plan for commercial properties with a budget of €60 million between 2017 and 2019; ➥ goals to develop properties surpassing Thermal Regulation RT 2012 by at least 10% and with the BEPOS label (positive energy buildings).
Four relevant targets from SDG 8: – promote entrepreneurship, innovation and the growth of small- and medium-sized enterprises (target 8.3); – achieve decent work and equal pay for equal work (target 8.5); – reduce the proportion of youth not in employment, education or training (target 8.6); – protect labour rights and promote safe and secure working environments for all workers (target 8.8).	➥ a real estate solution dedicated to start-ups ("Grow-up", Icade's accelerator), range of services developed in partnership with start-ups, Icade's intrapreneurial approach; ➥ agreements relating to gender equality, disability and age diversity; ➥ professional integration and local employment commitments for construction sites and employee involvement in associations promoting integration; ➥ responsible procurement charters and supplier CSR assessments, in particular ensuring compliance with labour rights; ➥ policies dealing with health, safety and the quality of life in the workplace.
Two relevant targets from SDG 9: – develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being (target 9.1); – increase access to information technology (target 9.8).	➥ 20 solutions resulting from the innovation process that aim to contribute to customers' well-being and environmental performance; ➥ solutions and commitments to promote Smart City: the Coach Your Growth programme, sustainable mobility, certified buildings, etc.; ➥ 100% connected dwellings and business parks, oversight of the "smart and connected buildings" label.
Five relevant targets from SDG 11: – ensure access for all to adequate, safe and affordable housing (target 11.1); – provide access to safe, accessible and sustainable transport systems for all (target 11.2); – enhance capacities for sustainable urban planning and participatory management (target 11.3); – reduce the adverse environmental impact of cities, paying special attention to air quality, waste management and access to green spaces (targets 11.6 and 11.7).	➥ 26% of the homes built in 2017 are social housing; ➥ accessible and innovative soft mobility solutions (car-sharing, ride-sharing, electric shuttle buses, autonomous shuttle pilot project, etc.); ➥ participation in the emergence of the new profession of eco-friendly property manager responsible for locally coordinating the management of a neighbourhood or block of buildings, a local development charter with Plaine Commune, and local consultation bodies; ➥ measures to promote air quality and responsible waste management for existing properties and new builds, EcoJardin-labelled green space and the development of urban vegetable gardens in the business parks.
Three relevant targets from SDG 12: – achieve the sustainable management and efficient use of natural resources (target 12.2); – reduce waste generation (target 12.5); – ensure that people everywhere have the relevant information and awareness for sustainable development (target 12.8).	➥ use of FSC®- or PEFC-certified wood in buildings, measures to reduce the water consumption of existing properties and new builds, and a paperless office policy within Icade; ➥ creation of a circular economy and reuse platform (Cycle Up, a joint venture with Egis), measures for waste reduction, recycling and recovery; ➥ CSR e-learning module for employees, green lease committees for tenants, user guides for property buyers to help raise awareness about eco-friendly practices.
Two relevant targets from SDG 13: – strengthen resilience and adaptive capacity to climate change (target 13.1); – improve awareness-raising to climate change for all (target 13.3).	➥ assessing risks related to climate change in order to adapt commercial properties; ➥ CSR e-learning module for employees, green lease committees for tenants, user guides for property buyers to help raise awareness about eco-friendly practices.
Three relevant targets from SDG 15: – ensure the conservation, restoration and sustainable use of ecosystems (target 15.1); – promote the sustainable management of forests (target 15.2); – halt the loss of biodiversity (target 15.5).	➥ goal of 25% of commercial properties and new builds with a net positive impact on biodiversity by 2020; ➥ biodiversity performance contracts for business parks and the Nature 2050 programme led by CDC Biodiversité; ➥ use of FSC®- or PEFC-certified wood.
Two relevant targets from SDG 5: – end all forms of discrimination against women (target 5.1); – ensure women's effective participation for leadership (target 5.5).	➥ gender equality agreement: solutions for working parents, raising the awareness of recruitment agencies, special budget to fill the gender pay gap; ➥ goal of increasing the rate of women managers from 29% in 2015 to 34% in 2018.
Two relevant targets from SDG 6: – increase water-use efficiency and ensure sustainable withdrawals of fresh water (target 6.4); – support and strengthen the participation of local communities in improving water management (target 6.8).	➥ goal of reducing the water consumption of commercial properties by 25% between 2011 and 2020 and equipping at least 25% of projects with a rainwater collection system; ➥ green lease committees with tenants, user guides for property buyers to help raise awareness about eco-friendly practices.
Two relevant targets from SDG 10: – promote the inclusion of all, irrespective of age, sex, disability, etc. (target 10.2); – ensure equal opportunity by eliminating discriminatory practices and promoting appropriate policies (target 10.3).	➥ agreements relating to gender equality, disability and age diversity; ➥ disability awareness e-learning module; ➥ goal of increasing procurement from the sheltered work sector by 50% between 2015 and 2018.
One relevant target from SDG 16: – reduce corruption and bribery in all their forms (target 16.5).	➥ creation of a Compliance Department and updating the Code of Ethics in 2017; ➥ risk mapping, training employees identified as "at risk" in the fight against corruption and the fight against money laundering and the financing of terrorism, anonymous whistleblower system.
One relevant target from SDG 17: – promote partnerships, especially public-private and civil society partnerships (target 17.17).	➥ partnerships and working groups with institutions, local governments, industrial players, start-ups, schools and associations.

** Further information about the SDG targets referred to in this table is available on the global compact website: https://sustainabledevelopment.un.org/content/documents/11803Official-List-of-Proposed-SDG-Indicators.pdf*

1.4. CSR risks and opportunities

The management of Icade's risks relies on an internal control framework overseen by the Audit, Risk and Sustainable Development Committee. It is based on risk mapping which is updated every six months. This mapping is carried out through a combined approach – a bottom-up approach where detailed risks are identified at the operational and functional management level and a top-down approach where major risks are assessed by the Executive Committee.

The risks included on the risk map are assessed based on their critical nature, i.e. 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 close to 350 control points, overseen by the Audit, Risk, Compliance and Internal Control Department.

Icade considers CSR as a tool for improving risk management and as a source of value creation opportunities for its business. In 2017, Icade's

Themes	Description	Associated risks and opportunities
Impact of climate change and energy transition	– degree of alignment of Icade's strategy with a 2°C trajectory; – compliance with Icade's CSR commitments with respect to climate change; – transition towards a low-carbon economy; – impact of climate change on the assets and their use (heatwaves, droughts, higher average temperatures, floods); – scarcity of resources, higher energy prices.	**Risks:** obsolescence of assets, higher energy prices, business interruption events, damage to an asset. **Opportunities:** attractiveness and value of the assets, operational control, occupancy optimisation.
Compliance with environmental, health and safety regulations	– compliance with environmental regulations: pollution, biodiversity, energy consumption, etc.; – compliance with health and safety regulations: asbestos, air quality, water quality, etc.	**Risks:** cost discrepancies or increases for development projects, loss affecting an asset, legal claims against Icade. **Opportunities:** attractiveness and value of the assets, occupancy optimisation, operational control.
Innovation and adaptation to customers' needs	– adapting products and services to new habits and lifestyles: teleworking, co-working, well-being, digitalisation, etc.; – integrating innovation into products and services, anticipating new labels and certifications.	**Risk:** obsolescence of assets, asset impairment, loss of market share. **Opportunities:** attractiveness and value of the assets, occupancy optimisation, increased market share.
Customer relations	– brand promise and image; – user experience, effectiveness of marketing tools; – responsible marketing practices.	**Risks:** loss of attractiveness and market share, legal claims against Icade. **Opportunities:** improving the customer retention and recommendation rate.
Consideration of the needs of local communities	– integrating local needs into bids for tenders: local territorial issues, local employment and professional integration, proposals for appropriate cultural and sporting services, etc.; – consideration of the changing social situation in the main locations where the Company operates; – joint action with local stakeholders: local authorities, local communities, associations, etc.	**Risks:** unsuccessful tenders, declining attractiveness of assets. **Opportunities:** increased market share, occupancy optimisation, improved right to operate.
Responsible procurement	– worksite safety; – labour law compliance; – respect of commitments made by suppliers and subcontractors in the responsible procurement charters: environmental protection, fair commercial practice, etc.; – compliance with Icade's CSR commitments relating to procurement from the sheltered work sector.	**Risks:** legal claims against Icade, deterioration in the customer relationship. **Opportunities:** operational control, improved customer relationships.
HR policy: adaptation of skills, workplace well-being and diversity	– adaptation of skills to the Company's strategy: anticipation of needs, employees' adaptability, attractiveness and key skills retention; – workplace well-being and diversity: preventing discrimination and harassment, managing restructuring, social dialogue.	**Risks:** legal claims against Icade, lower productivity, loss of competitiveness. **Opportunities:** improved productivity, protection of the Company's growth.
Business ethics	– Prevention of the risk of corruption, money laundering, financing of terrorism, fraud, collusion, conflict of interest and illegal insider trading.	**Risks:** legal claims against Icade, deterioration in brand image and brand value. **Opportunities:** establishing relationships of trust with stakeholders founded upon principles of transparency; improvement in brand image; and control of brand value.
Data protection and security	– information system security; – compliance with regulations governing the use of data.	**Risks:** legal claims against Icade, loss of strategic data, reduced productivity, deterioration in the customer relationship. **Opportunities:** operational control, improved customer relationships.

Regulatory *Reputational* *Operational* *Financial* *Physical*

CSR and Risk Management teams together conducted an in-depth review of the risks and opportunities related to the environmental, social and societal aspects aimed at expanding earlier CSR risk analyses. It is based on regulatory monitoring, a review of the most significant studies, an industry benchmark in addition to a materiality analysis and study of Icade's contribution to UN Sustainable Development Goals. This analysis will be updated on an annual basis. In 2017, close to sixty CSR risks were so identified (i.e. 30% of the 200 risks included in the map).

The table below outlines Icade's main CSR risks and opportunities, their impact, control measures and solutions implemented. They are also referred to in chapter 4 "Risk Factors". They include financial risks related to the impact of climate change on operations, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD), which was assembled at the behest of the G20 and Financial Stability Board (FSB). Icade has accounted for no provision or guarantee for environmental risk for the financial year 2017.

Impact	Main risk control measures and solutions implemented
	Key climate commitments: reducing the Commercial Property Investment Division's CO_2 emissions by 40% between 2011 and 2020 and the Property Development Division's CO_2 emissions related to grey energy by 12% between 2015 and 2020. These goals are based on action plans: – Commercial Property Investment: an energy efficiency and renewable energy development plan with a €60 million budget between 2017 and 2019; conducting an assessment of the risks associated with the physical impact of climate change on assets in order to gradually adapt the properties; – Property development: developing wood-based buildings with energy performance 10% better than French Thermal Regulation RT 2012; – Healthcare Property Investment: energy/carbon mapping and installation of photovoltaic shade structures. *For further information, see section 3.1. "Taking action to fight climate change".*
	Environmental, health and safety risk management is ensured through a robust system comprising environmental management systems, certifications (ISO 14001, NF, HQE, BREEAM, etc.), monitoring of regulatory changes, environmental impact studies, inspections and maintenance of technical installations, and evaluation and internal monitoring systems (biodiversity performance contracts, energy audits, etc.). *For further information, see section 2.2. "Improving occupants' quality of life and adapting to new habits and lifestyles"; 3.1. "Taking action to fight climate change"; 3.2. "Integrating the best certification and labelling standards"; 3.4. "Promoting biodiversity to make the assets more appealing"; 3.5. "Integrating the principles of a circular economy into the products and services".*
	At Icade, innovation is managed by the Innovation Department, composed of five employees with a budget of €3 million. Innovative initiatives are defined by business division: – **the Commercial Property Investment Division** develops new solutions such as "Coach Your Growth" – a quality of life programme for business parks – and new commercial property solutions from "Real Estate 3.0", which are aimed at all market segments (office space for start-ups, business centres with shared services, etc.); – **the Healthcare Property Investment Division** assists private operators by adapting the design of healthcare facilities to changing health needs, including the expansion of outpatient surgery; – **the Property Development Division** develops innovative solutions, including a mini social network specific to each building, car-sharing services and a participative housing offering. Icade's existing properties and new projects show high levels of certification and Icade acts as the pilot company for new labels (R2S, E+C-, Well, etc.). *For further information, see section 2.2. "Improving occupants' quality of life and adapting to new habits and lifestyles" and 3.2. "Integrating the best certification and labelling standards".*
	Each one of Icade's divisions develops solutions to promote interaction with its customers, to improve customer journey and user experience through digital platforms, customer surveys, after-sales service, new services (online selling, virtual tours, automated handling of complaints, etc.), etc. *For further information, see section 2.2. "Improving occupants' quality of life and adapting to new habits and lifestyles".*
	Icade maintains a regular, active dialogue with local communities: – participation in local consultation bodies with local authorities; – charters dedicated to local employment and professional integration; – development of functional, social and age diversity for existing properties and new builds. *For further information, see section 1.5. "An approach in tune with stakeholders"; 2.4. "Participating in local economic and social development".*
	Icade's responsible procurement policy is based on: – the systematic signing of responsible procurement charters by its suppliers and subcontractors and assessing compliance with the charter; – including specific requirements relating to sustainable materials, respect for biodiversity, back-to-work schemes, labour law compliance, safety and procurement from the sheltered work sector; – systematising the use of service providers specialised in safety for construction and renovation projects. *For further information, see section 2.5. "Reinforcing our responsible procurement policy".*
	Icade's HR policy endeavours to support the Company's strategic project, develop employee expertise, build a compelling employer brand, increase workplace well-being and promote diversity in all its forms. Workplace well-being is monitored on a regular basis through a dedicated tool which also allows employees to suggest initiatives. *For further information, see section 4. "Employee skills development, workplace well-being and diversity".*
	The business ethics policy is overseen by the Audit, Risk, Compliance and Internal Control Department. It is based on robust frameworks such as the presence of an internal compliance officer, a Code of Ethics, risk mapping, a framework for the fight against corruption and the fight against money laundering and the financing of terrorism, a know-your-customer framework, regular employee training and an anonymous whistleblower system. *For further information, see section 2.6. "Ensuring business ethics".*
	Icade's IT security policy is overseen by the IT Department and ensured through the implementation of dedicated procedures and measures (business continuity plan, system protection and redundancy, monitoring and backup, etc.). Icade sees to it that new regulations governing data protection are correctly implemented. *For further information, see section 2.2.2. "Digital technologies at the heart of Icade's products and services".*

1.5. An approach in tune with stakeholders

Icade's CSR approach is based on an ongoing dialogue with its main stakeholders. Nine categories of key stakeholders have been identified as a consequence of their level of influence and their impact on the Company's strategy and business activities. The forms of dialogue used with each of these categories are described in the table below. Commitments made with stakeholders are summarised in section 1.7. "Summary of 2016–2020 commitments and progress made in 2017" which includes the material issues identified in 2015.

Icade's key stakeholders	Forms of dialogue
Customers	■ Customer service ■ Satisfaction surveys ■ Thematic conferences ■ Green lease committees ■ User Clubs ■ Periodic reports for customers on the use and environmental performance of existing properties ■ Dedicated websites: the Commercial Property Investment Division's digital platform www.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, Instagram, Facebook
Employees & employee representatives	■ Relations with social partners ■ Annual performance reviews ■ Employee surveys ■ Toll-free helpline providing employee assistance ■ Internal communication: Intranet, information screens, magazines and in-house newsletters ■ Events: Sustainable Development Week, results presentation with employees, New Year's Reception, seminars, conferences
Financial and ESG community: investors, institutional and individual shareholders, moneylenders, credit rating agencies, banks and insurance companies	■ Signing the Green Bond Pledge and French Green Business Climate Pledge ■ General Shareholders' Meeting ■ Investor presentations, annual and semi-annual reports, press releases ■ Rebroadcasting of audio presentations and webcasts ■ Meetings with financial analysts and conferences ■ Response to ESG rating agency questionnaires and meetings with SRI (socially responsible investments) analysts ■ Actionaria Fair ■ Letters to shareholders
Elected officials, local authorities and communities	■ Signing of the Climate Action Charter of the City of Paris ■ Participation in drafting the Climate Plan and resilience programme for the City of Paris ■ Participation in ALEC (Local Energy and Climate Agency for Plaine Commune) and the ViTeCC Club (Cities, Regions, Energy and Climate Change) ■ Participation in several consultation bodies dedicated to local economic and social development (Club de mobilité ADOR in Rungis, club GIE, Paris Terre d'envol in Paris Nord 2, etc.) ■ Local development charter signed with the Plaine Commune local administrative body, encompassing nine major cities in the north of Paris ■ Signing of a partnership with Réseau Entreprendre Val de Marne, which includes 90 entrepreneurs and 80 award-winning companies ■ Signing of local employment and integration charters ■ Provision of a toll-free number and suggestion boxes for local residents near construction sites
Business partners & suppliers: architects, builders, contractors, providers of intellectual services, service providers, Caisse des dépôts group, start-ups and industrial partners	■ Signing of responsible procurement charters and clean construction site charters ■ Regular assessment of suppliers ■ Development of joint projects with start-ups and industrial partners (Philips, Veolia, etc.) ■ Development of joint projects with subsidiaries of the Caisse des dépôts group (SNI, Transdev, Egis, CDC Biodiversité, etc.)
Professional sector: certifiers and labellers, trade associations and regulatory authorities	■ Development of the new "Smart and connected buildings" label of the HQE certification framework ■ Participation in the certification committee of the NF Housing and NF Living Environment (Cerqual) brands ■ Afnor: member of the Standardisation Commission for the Sustainable Development of Business Districts (ADQA) ■ Active member of several trade groups: EPRA (European Public Real Estate Association), Alliance HQE-GBC, Smart Building Alliance, FPI (French Federation of Real Estate Developers), FSIF (French Federation of Real Estate Companies) ■ Founding member of the 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	■ Partnerships with associations on the topic of integration: "Les jeunes talents de Plaine Commune" (Young talent from Plaine Commune), "Nos quartiers ont des talents" (Our neighbourhoods have talent) ■ Employee involvement in community projects through solidarity days off and solidarity leave (La Cravate Solidaire, Unicef, etc.) ■ LPO (League for the Protection of Birds): partnership agreement that resulted in the adaptation of several sites of the Commercial Property Investment Division ■ Participation in the Nature 2050 programme to restore biodiversity, led by CDC Biodiversité in partnership with the Nicolas Hulot Foundation for Nature and Humanity, France Nature Environment Association, the League for the Protection of Birds and the National Natural History Museum ■ Sponsorship and patronage, mainly supporting community projects, 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	■ Press releases, press kits, press briefings, articles ■ Events: the launch of Cycle Up and Urban Synergies, trade fairs (SIMI, MIPIM), etc.
Universities and schools	■ Partnerships specialised in recruitment with ESSEC, ESTP and HEC ■ Participating in research on next-generation green roofs in partnership with the Institute of Ecology and Environmental Sciences of Paris and CDC Biodiversité ■ Providing support for innovative projects from schools (CentraleSupélec, etc.)

1.6. CSR governance and management

Icade, a positive agent for change

Redefined in 2015 by its Executive Committee, Icade's CSR strategy determines its commitments and the Company's level of ambition in this area. Icade factors into its CSR strategy the guidelines of the Caisse des dépôts group, its leading shareholder, with which it shares a sense of common purpose, a commitment to innovative solutions and ambitious goals relating to energy transition. To meet these shared goals, Icade has taken tangible steps toward positive biodiversity and is committed to reducing greenhouse gas emissions by 40% by 2020. It has also adopted a proactive policy relating to social and local development aspects by promoting diversity, the quality of life at work, social cohesion and urban renewal.

Icade is a significant player in the Greater Paris area and a partner of choice for major French cities. As such, its employees and network of experts assist local authorities in their economic and territorial development by building homes, offices, and shopping centres as well as public and healthcare facilities.

Its mission is to invent the buildings and the city of the future. A city both smart and sustainable, supported by local governance and collaborative services, built in partnership with all its stakeholders. The "smart city" which is currently taking shape in the Portes de Paris business park, close to the future Olympic Village, is one of the most representative examples.

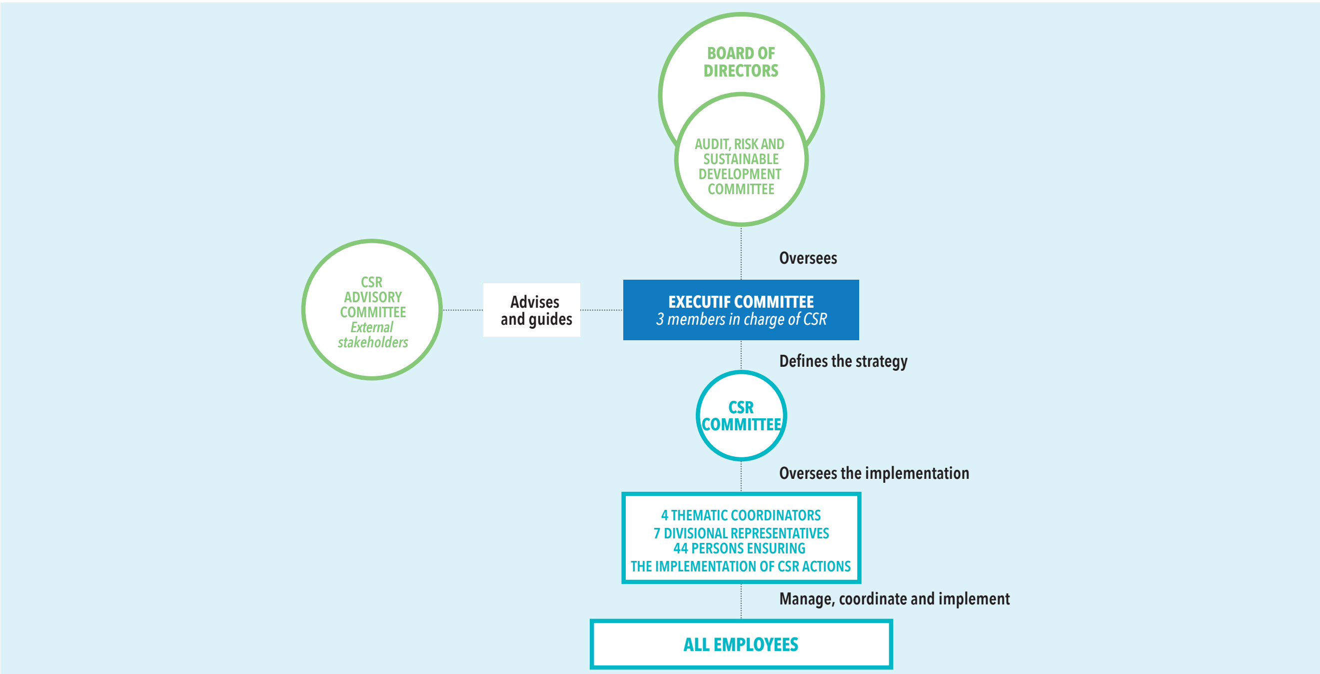
CSR governance

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, monitors compliance with the CSR commitments. Composed of four directors [(1)], including two independent directors (including its Chairman), the committee met eight times in 2017, including twice to discuss Icade's CSR initiatives and results;
- the purpose of the CSR Advisory Committee – made up of representatives of Icade's stakeholders (customers, service providers, shareholders, CSR experts), the Executive Committee and the Chairman of the Board of Directors – is to advise the Company on its CSR priorities in consultation with its stakeholders;
- responsible for defining Icade's CSR strategy, the Executive Committee consists of ten members [(1)], including three specifically dedicated to each of the CSR components: Emmanuelle Baboulin, Head of the Commercial Property Investment Division, is in charge of the environmental component while Corinne Lemoine, Head of Human Relations, is in charge of the social and societal components. Marianne de Battisti, Head of Innovation, Institutional Relations and Communication manages Icade's CSR communication;
- the CSR Committee monitors and adjusts the implementation of Icade's CSR commitments. Chaired by the CEO, it is made up of the three members of the Executive Committee in charge of CSR, the heads of Icade's business divisions and support functions as well as four thematic coordinators.

The four thematic coordinators (Environment, Social, Societal and Communication) coordinate their actions and ensure that CSR initiatives and commitments are carried out. Reporting directly to the three members of the Executive Committee in charge of CSR, these coordinators are supported by seven divisional representatives and a network of 44 persons ensuring the implementation of CSR actions.

ICADE'S CSR ORGANISATION



The entire management structure is now involved in CSR strategy, which was completely revised in 2015. Integrated into the Company's overall strategy, it includes measurable, time-bound goals. A significant portion (10%) of the variable remuneration of Executive Committee members is contingent upon meeting CSR and innovation objectives. CSR commitments and innovation are also integrated into the individual road maps of managers and employees: in 2017, 46% of them had a CSR objective.

(1) As of December 31, 2017.

1.7. Summary of 2016–2020 commitments and progress made in 2017

Pillars	2016-2020 commitments	Scope	Indicators
1 NEW HABITS AND LIFESTYLES AND PARTNERSHIP WITH LOCAL AUTHORITIES AND COMMUNITIES	1. INNOVATING WITH EMPLOYEES AND THE ECOSYSTEM OF STAKEHOLDERS	Icade	Number of solutions resulting from the innovation process that contribute to customers' well-being and environmental performance
	2. IMPROVING OCCUPANTS' QUALITY OF LIFE AND ADAPTING TO NEW HABITS AND LIFESTYLES	Commercial Property Investment	Percentage of business parks having the new private "Business Park of Excellence" label
			Number of "User Clubs" in the five main business parks
		Property Development	Customer satisfaction index on construction 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 home and office buyers who received user guides aimed at raising awareness about eco-friendly practices
	4. PARTICIPATING IN LOCAL ECONOMIC AND SOCIAL DEVELOPMENT	Icade	Number of partnerships with associations 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	Rate of increase in the amount of procurement from the sheltered work sector
		Commercial Property Investment	Proportion of new service provision contracts subject to a responsible procurement charter
			Proportion of the main service providers evaluated by an outside body
		Property Development	Proportion of new-build projects subject to a responsible procurement charter
	6. ENSURING BUSINESS ETHICS	Icade	Proportion of employees identified as "at risk" who received anti-money laundering training
			Distribution of the new Code of Ethics
2 ENERGY TRANSITION AND PRESERVATION OF RESOURCES	1. TAKING ACTION TO FIGHT CLIMATE CHANGE	Commercial Property Investment	Reduction of building CO_2 emissions *(in kg CO_2/sq.m/year)*
			Reduction of building energy consumption *(in kWh_{PE}/sq.m/year)*
			Proportion of renewable energy in the energy mix
		Property Development	Reduction of CO_2 emissions related to the grey energy of new builds *(in kg CO_2/sq.m/year)*
			Proportion of new offices exceeding Thermal Regulation RT 2012 in the Paris region by at least 10%
			Proportion of new residential units exceeding Thermal Regulation RT 2012 by at least 10%
			Number of new positive energy projects with the BEPOS label
		Icade	Assessment of the risks associated with adapting the entire portfolio to climate change

N/Ap.: not applicable, N/Av.: not available

In progress *Objective achieved* *Objective not achieved*

Base year	Results 2015	Results 2016	Results 2017	Objectives	Time horizon	Progress	Comments
	2	10	20	20	2018		The objective was met one year ahead of schedule: 20 solutions resulting from the innovation process are available to customers in 2017, including nine that were developed by Icade's intrapreneurs, three from industrial partnerships and eight from start-up partnerships.
	N/Ap.	N/Ap.	0%	100%	2017		The label's standards were finalised in 2017 and the first park was awarded a label in January 2018. In order to learn from feedback on this first park, the roll-out of the label for the parks as a whole has been rescheduled for 2018.
	1	3	5	5	2017		Five "User Clubs" were set up at the end of 2017. Icade currently aims to maintain these clubs in the main parks and to ensure the clubs' activities through the involvement of happiness managers.
	6.4/10	6.6/10	7.0/10	8.5/10	2018		The satisfaction index increased from 6.4 in 2015 to 7.0 in 2017. New initiatives aimed at improving customer experience throughout their journey will be implemented in 2018.
	36%	82%	89%	90%	2017		The goal of 90% was almost reached in 2017. Despite the strenuous efforts made, the goal was hard to reach due to the large number of new leases that were signed during the year. Icade has set a goal of 100% of green lease committees in 2018.
	100%	100%	100%	100%	2016 to 2020		This guide is systematically issued to home and office buyers.
	1	3	5	Stable	2016 to 2020		A number of measures have been proposed: partnerships with Our Neighbourhoods Have Talent and the Plaine Commune Young Talent Club, a skills sponsorship agreement with Samusocial of Paris, solidarity days off and solidarity leave.
	100%	100%	100%	100%	2016 to 2020		All major new construction projects (above €50 million in work costs) included professional integration commitments in 2017.
2015	N/Ap.	+15%	31%	+50%	2018		Procurement from the sheltered work sector rose sharply and the goal was reached one year ahead of schedule.
	100%	100%	100%	100%	2016 to 2020		All suppliers signed this charter in 2017.
	0%	100%	100%	100%	2016 to 2020		The main service providers were evaluated by EcoVadis. This evaluation will result in action plans being developed and will be updated on an annual basis.
	100%	100%	100%	100%	2016 to 2020		All suppliers signed this charter in 2017.
	82%	100%	100%	100%	2016		All employees identified as "at risk" received anti-money laundering training at the end of 2016 and throughout 2017. Icade currently aims to train 100% of those employees identified as "at risk" in the fight against corruption and money laundering and the financing of terrorism by the end of 2019.
	N/Ap.	Reached	-	Reached	2016		The Code of Ethics was updated in 2016. It will be updated again in 2018 to be in compliance with the French Anti-Corruption Sapin II law and will be available on Icade's website. In addition, a whistleblower system, outsourced to an external party and guaranteeing the confidentiality of the whistleblower's identity, will be implemented in 2018.
2011	(12)%	(23)%	(23)%	(40)%	2020		Energy and carbon indicators improved between 2011 and 2017. Icade has initiated an action plan in connection with the various driving forces to reach its 2020 goals, which include energy performance contracts, equipment replacement, on-site renewable energy production, partnerships and green lease committees.
2011	(3)%	(11)%	(10)%	(30)%	2020		
	8%	16%	17%	20%	2020		
2015	N/Ap.	+3.5%	+4.5%	(12)%	2020		Carbon intensity from grey energy increased by 1% between 2016 and 2017, after an increase of 3.5% between 2015 and 2016. In order to reverse this trend, Icade has recently strengthened its expertise by recruiting a manager for biosourced materials responsible for increasing the use of low-carbon materials in Icade's new builds.
	100%	100%	100%	100%	2016 to 2020		The objectives were met in the office segment and exceeded in the residential segment.
	12%	55%	70%	25%	2016 to 2020		
	0	0	0	5	2017 to 2020		The goal was not reached in 2017. A number of BEPOS projects are in the design phase.
	N/Ap.	Reached	-	Reached	2016		A first study was conducted to assess the risks for the Commercial Property Investment Division's portfolio in its entirety. Icade aims to complete an assessment of the financial risks associated with the physical impact of climate change in 2018 and to gradually adapt its portfolio.

Pillars	2016-2020 commitments	Scope	Indicators
2 ENERGY TRANSITION AND PRESERVATION OF RESOURCES	2. INTEGRATING THE BEST CERTIFICATION AND LABELLING STANDARDS	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
			Proportion of new offices with HQE certification
	3. DEVELOPING SOLUTIONS FOR SUSTAINABLE MOBILITY	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 five-minute walk from public transport
	4. PROMOTING BIODIVERSITY TO MAKE THE ASSETS MORE APPEALING	Commercial Property Investment	Share of assets with a net positive impact on biodiversity
		Property Development	Share of new builds with a net positive impact on biodiversity
	5. INTEGRATING THE PRINCIPLES OF A CIRCULAR ECONOMY INTO THE PRODUCTS AND SERVICES	Commercial Property Investment	Proportion of controlled operational waste that is recycled or recovered
			Reduction of building water consumption *(in m^3/sq.m/year)*
		Property Development	Proportion of new offices with HQE certification that recover 60% of construction waste
			Proportion of new projects equipped with a rainwater collection system
	6. INNOVATING FOR SUSTAINABLE CONSTRUCTION	Property Development	Proportion of projects over 10,000 sq.m for which a life-cycle assessment has been conducted
			Number of new wood-based buildings per year
3 EMPLOYEE SKILLS DEVELOPMENT, WORKPLACE WELL-BEING AND DIVERSITY	1. DEVELOPING EMPLOYEE SKILLS AND REINFORCING THE COMPANY'S ATTRACTIVENESS	Icade	Average percentage of positions filled internally
			Average rate of employees trained
			Proportion of employees who received targeted training
			Proportion of employees made aware of CSR issues
			Integration of CSR and innovation objectives into the individual road maps of senior executives and managers
	2. COMMITTED TO IMPROVING THE QUALITY OF LIFE IN THE WORKPLACE	Icade	Percentage of teleworking employees
	3. PROMOTING DIVERSITY IN ALL ITS FORMS	Icade	Percentage of women managers
			Average rate of permanent positions filled externally by people under 26 years old
			Proportion of employees over the age of 55

N/Ap.: not applicable, N/Av.: not available

In progress *Objective achieved* *Objective not achieved*

Base year	Results			Objectives	Time horizon	Progress	Comments
	2015	2016	2017				
	+14%	+7%	+5%	+5%	2016 to 2020		The objective was met. The proportion of offices with Construction or In-Use certification increased from 41% in 2015 to 56% in 2017.
	78%	100%	100%	100%	2017		The objective of 100% of parks with ISO 14001 certification was met. Icade intends to maintain this performance.
	100%	100%	100%	100%	2016 to 2020		All the major projects of the Healthcare Property Investment Division aim to obtain HQE certification.
	23%	18%	18%	35%	2018		The office segment had already met its 2018 objective in 2016 while efforts must be reinforced in the residential segment.
	92%	100%	100%	100%	2018		
	59%	63%	81%	100%	2018		The proportion of assets equipped with charging stations for electric vehicles increased in 2017.
	82%	86%	81%	> 75%	2016 to 2020		The objective relating to the distance of new projects from public transport was reached again in 2017.
	N/Av.	N/Av.	N/Av.	25%	2020		The first indicators analysed as part of the biodiversity performance contract, which is in place for 33% of the portfolio, were stable or improving. A complete analysis will be released in 2018.
	N/Av.	N/Av.	N/Av.	25%	2020		
	39%	35%	38%	100%	2020		To meet its 2020 objective, Icade is experimenting with various initiatives focused on three pillars: recovering on-site waste, improving the sorting process and assisting tenants.
2011	+2%	(6)%	0%	(25)%	2020		Measures will be reinforced to achieve the Company's objectives.
	N/Av.	75%	100%	100%	2016 to 2020		In 2017, 100% of office development projects with HQE certification recovered at least 60% of construction waste.
	31%	38%	20%	> 25%	2016 to 2020		The proportion of new projects equipped with a rainwater collection system decreased in 2017. Efforts will be reinforced in 2018.
	N/Av.	22%	71%	100%	2016 to 2020		The proportion of major projects (excluding jointly developed projects) for which a life-cycle assessment has been conducted rose sharply in 2017 but nonetheless remains below the objective that was set. Efforts will be reinforced in 2018.
	0	3	3	5	2017 to 2020		Construction began on three wood-based buildings in 2017, slightly below the objective that was set. Several large-scale projects are currently under way.
	27%	44%	33%	25%	2016–2018		Internal mobility remained strong with an average of 38% of jobs filled internally in 2016 and 2017.
	69%	90%	80%	80%	2016–2018		On average, 85% of employees received training in 2016 and 2017.
	N/Ap.	94%	94%	80%	2017		100% of asset managers and 87.5% of property managers were trained.
	N/Ap.	N/Ap.	22%	80%	2018		22% of the employees participated in the CSR awareness module and/or the disability awareness module in 2017. New CSR training programmes will be offered in 2018.
	N/Ap.	Reached	Reached	Reached	2016 to 2020		CSR and innovation objectives have been integrated into the individual road maps of senior executives and managers since 2016 and are being gradually extended to all employees. At the end of 2017, 46% of the employees had a CSR and innovation objective.
	5%	15%	27%	> 10%	2016		The objective was met in 2016 and the experiment produced satisfying results. Teleworking was expanded and involved 27% of the workforce in 2017.
	29%	31%	30%	34%	2018		A slight increase was recorded between 2015 and 2017.
	16%	15%	15%	15%	2016–2018		The average rate was 15% in 2016 and 2017, in line with the objective. Icade set a new objective of 18% in 2020.
2015	16%	16%	16%	Stable	2016–2018		The employment rate of seniors remained stable between 2015 and 2017.

1.8. External evaluation of Icade's ESG performance

Icade uses the evaluations conducted each year by ESG rating agencies to track its performance and continuously improve its CSR policy through a benchmark of industry best practices. The graph below shows the changes in Icade's ratings in the main ESG classifications.

	SCORES		RANKINGS
GRESB	62 (2015) · 76 (2016) · 81 (2017)	SCORE OUT OF 100	2017 **Sector leader** in the category "diversified assets, listed companies, Europe" "Green Star" status
CDP	B (2015) · A (2016) · A- (2017)	PERFORMANCE SCORE FROM E TO A	2017 **Among the 22% highest scoring companies** (World) **Performance above** sector average of 'C'
SUSTAINALYTICS	88 (2016)	SCORE OUT OF 100	2016 **4th out of 259 companies** in the real estate sector (World)
vigeoeiris	49 (2015) · 59 (2017)	SCORE OUT OF 100	2017 **6th out of 37 companies** in the real estate sector (Europe)
oekom research	C (2015) · C (2017)	SCORE FROM D- TO A+	2017 **Among the 10% highest scoring companies** in the real estate sector (World) "Prime" Status
FTSE4Good	4 (2015) · 4 (2016)	SCORE FROM 1 TO 5	2016 **Among the 3% highest scoring companies** in the real estate sector (World)
Gaïa-Index	82 (2015) · 88 (2016) · 90 (2017)	SCORE OUT OF 100	2017 **2nd out of 230 companies** on the Gaia index (all sectors, France)

2015 · 2016 · 2017

Overall, Icade moved up ESG rating agencies' rankings in 2017:

- Icade is the industry leader in the 2017 GRESB (Global Real estate Sustainability Benchmark) ranking out of 20 companies in the "diversified assets" category in Europe. The Company has moved up four places and maintained its "Green Star" rating (the highest rating). The Company improved its score, from 76/100 in 2016 to 81/100 in 2017. Its Property Development business, which was assessed for the second time, ranked 10th out of 338 companies from around the world, moving up three places compared to 2016. The Global Real Estate Sustainability Benchmark (GRESB) is an international organisation specialising in the assessment of CSR policies implemented by real estate companies;
- Icade obtained a score of A-, reflecting the "leadership" level granted by the Climate Disclosure Project (CDP) in 2017, for its policies and efforts toward climate protection. This score places it above the industry average of C and among the 22% of companies having obtained the best scores from CDP worldwide. CDP is a non-profit organisation dedicated to assessing companies' impact on climate change;
- in 2016, Icade ranked fourth out of 259 companies in the real estate sector according to Sustainalytics, a leading global provider of company ESG assessments. As a result, Icade kept its place in the STOXX® Global ESG Leaders index, which is based on Sustainalytics ratings. This score will be updated in 2018;
- Icade ranked sixth out of 37 European real estate companies according to Vigeo Eiris, with a score of 59/100, i.e. ten points more than in 2015. Vigeo Eiris is a European ESG rating agency. Its assessment is updated every two years;
- Icade once again received "Prime" status awarded to leading companies in their industries by Oekom Research in 2017. Oekom Research is a German ESG rating agency. This agency's assessment will be updated in 2018;
- Icade also kept its place in the FTSE4Good Global Index in 2017. With a score of four out of five according to this British index in 2016, Icade is among the top performing 3% of companies in its industry. The score will be updated in 2018;
- Icade came in second on the Gaïa Index, created by the Ethifinance agency, out of the 230 companies rated in 2017. With this result, Icade moved up 22 places between 2015 and 2017. Ethifinance is a French ESG research agency and its Gaïa Index measures the degree of involvement of small- and mid-cap companies in CSR issues.

Apart from these agency ratings, Icade received several trophies and awards in 2017:

- for the third consecutive year, 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 134 companies, Icade was one of the 36 companies that received this award in 2017. In addition, Icade once again won a Gold Award in the financial category for the quality and transparency of its reporting;
- in 2017, for the third year running, Icade took first place in the ranking of women representation in the governing bodies of SBF 120 companies, in the category "gender balance in the Executive Committee". It also took third place in the ranking of SBF 120 top companies in terms of gender equality in the workplace.

1.9. Inaugural green bond issue

Aware of the major impact of the real estate sector on climate change, Icade has set ambitious goals to reduce its greenhouse gas emissions in order to step up its energy transition and assist its tenants along this path. As part of this commitment, Icade issued its inaugural green bond for €600 million in September 2017.

Following this first issue, Icade announced at the Climate Finance Day in December 2017 in Paris that it had signed the Green Bond Pledge, alongside eight of the main industrial issuers of green bonds (EDF, Enel, ENGIE, Iberdrola, Paprec, SCNF Réseau, SSE and TenneT). In doing so, it agrees to promote the development of the green bond market as part of its strategy and financing policy and to become actively involved in discussions on reporting and interaction with investors.

The success of this inaugural issue

The purpose of this inaugural green bond, with a maturity of ten years and an annual coupon of 1.50%, is to finance both so-called green assets and projects. Almost three-times oversubscribed, the issue was met with great success by both French and international socially responsible investors. This cross-cutting project, jointly conducted by the Finance, CSR, Commercial Property Investment, Portfolio Management, Investment and Legal teams, provided an opportunity for in-depth discussions among the teams and increased awareness of environmental criteria in Icade's policies and business activities.

A rigorous selection process for green assets and projects

The proceeds from this issue are used to finance or refinance green assets and projects for the Commercial Property Investment Division, based on stringent eligibility criteria. These criteria have been selected to reflect Icade's environmental policy, which covers the property's entire life cycle. For this reason, the selection criteria also include the environmental quality of new builds, improvement projects for the existing properties, tenant support programmes and access to low-impact transport.

This green bond complies with "Green Bond Principles 2017" issued by the International Capital Market Association (ICMA) and is subject to an independent second party opinion provided by ESG rating agency Sustainalytics, available on Icade's website.

The proceeds from this issue will be used for:

- the construction and renovation of "green" commercial buildings (green assets), meeting the following criteria:
  - HQE Certification (construction or renovation) "Very Good" minimum level and/or BREEAM "Very Good" minimum level,
  - distance to public transport not exceeding 400 metres,
  - green lease committees organised by Icade with tenants to share best practices and draft action plans to reduce energy and water consumption and improve waste management;

- investments in favour of energy transition made in the existing property portfolio (green projects), meeting the following criteria:
  - energy-efficient equipment: projects enabling energy savings of at least 20% and/or reducing CO_2 emissions by at least 20% compared to the previous level. This mainly involves replacing existing light bulbs with LED ones, which represents one of the best ways to save energy in buildings,
  - renewable energy: this mainly involves the installation of solar photovoltaic panels, wind power and geothermal energy. These installations will help Icade meet its goal of 20% of renewable energy in its mix by 2020,
  - ecomobility: this involves the installation of charging stations for electric vehicles or any other equipment promoting the use of low-carbon urban transport systems. This initiative will help Icade meet its goal of equipping 100% of its business parks with charging stations for electric vehicles by 2018.

Cross-functional committee and reporting commitments

The annual evaluation and selection of assets and projects associated with the green bond are overseen by a Green Committee composed of several members of the Executive Committee and representatives of the business divisions involved.

Monitoring the allocation of the proceeds and compliance with the eligibility criteria will be subject to an annual verification by an independent third party, PricewaterhouseCoopers.

Icade has pledged to report annually on:

- the allocation of the proceeds;
- the list of assets and projects financed;
- the environmental benefits of the assets and projects financed using specific output and impact indicators. Icade also agreed to publish its methods for assessing avoided carbon emissions.

All documentation relating to green bonds is available on Icade's website: http://www.icade.fr/en/finance/financing/bond-issue

2. New habits and lifestyles and partnership with local authorities and communities

2.1. Innovating with employees and the ecosystem of stakeholders

The upheavals facing the real estate sector, whether technological, environmental or social, have profoundly changed habits and lifestyles. Icade considers the ongoing transformation to be an opportunity. Fully integrated into its ecosystem of stakeholders, the Company has capitalised on this interaction to create innovative products and services to promote more responsible lifestyles.

2016–2020 COMMITMENT	RESULT	COMMENT
• Propose twenty new solutions resulting from the innovation process that contribute to customers' well-being and environmental performance by 2018.	✔	• The objective was met one year ahead of schedule: 20 solutions resulting from the innovation process are available to customers in 2017, including nine that were developed by Icade's intrapreneurs, three from industrial partnerships and eight from start-up partnerships.

In progress *Objective achieved* *Objective not achieved*

An open and collaborative structure

In 2015, with the aim of placing innovation at the heart of its strategy, Icade created a dedicated department, composed of five members who are either entrepreneurs or innovation specialists. This department features collegial governance:

- an Advisory Board, made up of outside experts in sustainable cities, economics and innovation, which meets once a year with Icade's innovation community to make recommendations;
- an Innovation Council made up of a representative from each department, which meets monthly to identify new business needs and to bring innovation into the Company;
- an Innovation Commitments Committee overseen by the Executive Committee, which determines the allocation of resources to intrapreneurial projects and ensures their strategic consistency and monitoring. With a budget of €3 million over a two-year period (2017–2018), the committee has the ability to create full-time equivalent positions or enlist the aid of graduate programme participants.

Icade's approach to innovation focuses on creating new products and services to improve the quality of life of users and to identify solutions having a positive social and environmental impact. Innovation also constitutes a driving force for improvement in the Company's internal processes. The approach has been co-designed by Icade's intrapreneur community and its external partners – local communities, a network of start-ups, schools, companies – as part of an open approach (open innovation).

The innovation strategy and CSR strategy benefit each other. For this reason, Icade is committed to offering a range of twenty solutions that result from this innovative process by the end of 2018 that would contribute to its customers' well-being and environmental performance. This objective was met in 2017, one year ahead of schedule. Examples of solutions are described in the following section.

A culture of innovation shared by all members of staff

Internally, Icade has made every effort to promote a culture of innovation among all staff members through a number of initiatives.

Develop and support an intrapreneur community:

The intrapreneurial approach is supported through events organised by the Innovation Department or may be spontaneous, set up by employees presenting personal projects. In 2017, the Innovation Department organised design thinking sessions called "Innovathons" in five French cities. Each participating team (Icade employees, start-ups, experts, etc.) was responsible for promoting an intrapreneurial project on one of the themes involved (local communities, employees, partners, environment, customers and users) and presenting this project before an Executive Committee member. 25 concepts were presented, four of which obtained financing from the Innovation Commitments Committee in 2017.

Since launching the innovation initiative in 2016, 18 projects have received support from the Innovation Commitments Committee. Some of them may also receive support from the Caisse des dépôts group (e.g. Lab CDC, its business incubator) or outside entities (design agencies, schools such as CentraleSupélec). In 2017, innovation projects received €1 million from the Innovation Commitments Committee. Among these projects, 11 are in the development phase. Here are a few important examples:

- a dwelling buyback guarantee granted to private buyers of Icade dwellings, which has been developed in partnership with a start-up;
- a social network by means of an application dedicated to building residents to foster interaction and improve the quality of life. *For further information, see Section 2.2.1. "Adapting to changing habits and ways of life to better meet our tenants' needs"*;
- an eco-friendly laundry service for common use by all tenants in a residential building.

Developing monitoring processes for employees:

- a standard bearer for real estate innovation, which was invented by Icade, Hub Smart City (www.hub-smartcity.com) has been open to the general public since late 2015;
- the Hub: this physical setting, where both employees and visitors can come to find inspiration and exchange ideas, is devoted to co-working, exhibitions and conferences. It also hosts "Meetings at the Hub" (thematic conferences). 26 conferences have been organised over the past three years on various topics, including new work practices, blockchain technology and the Smart City;
- innovation library: this database includes more than 500 start-ups and innovative solutions. It facilitates the search for innovative concepts and partners when operational teams participate in tender processes. In 2017, close to one hundred tender processes benefited from this support;
- a monitoring network: it is made up of forty of Icade's employees responsible for following the news on innovation in their sphere of activity and sharing this information via the Hub Smart City website and the innovation library.

An approach open to outside partners

Icade's innovation approach extends beyond the Company's walls and provides a number of advantages: fast implementation and agility, ability to experiment with new solutions and anticipate technological developments which closely reflect changing habits.

To this end, Icade maintains close relationships with many different types of actors:

- the start-up network: involved in Icade's innovation strategy, these new companies are given the opportunity to test their concepts with the aim of developing new products and services. The most representative examples include: the partnership between Icade and Yellogarden which provides gardening workshops in business parks and offices; pilot projects with Air Support by Parrot, which carries out thermal imaging on buildings using drones to determine or prioritise energy renovation work. Lastly, with La Belle Friche, Icade makes space available to associations and cultural organisations, particularly for events organised in its business parks;
- partnerships forged with large corporations: with Philips, EDF, Transdev, Veolia and Egis, these mainly relate to two themes – environmental transition and digital technology. With Veolia for example, Icade conducted tests on interior air quality as part of AirLab *(for further details, see section 2.2.3. "Guaranteeing the health and safety of occupants")*;
- higher education institutions and laboratories: Icade has recently entered into a partnership with CentraleSupélec to include students in a project to update the Property Development Division's customer platform;
- solutions developed with local authorities and communities: as part of a working group with the City of Paris mission for a smart and sustainable city (MIVIDA), Icade has participated in discussions on the emergence of the new profession of eco-friendly property manager, in partnership with Caisse des dépôts, Étude Cheuvreux, Agence parisienne du climat, Foncia IPM, Paris Habitat and Efficacity. The purpose of this new kind of sustainability-minded property manager is to coordinate a range of shared, collaborative services at neighbourhood level. This initiative has been incorporated into the resilience strategy of the City of Paris.

Icade will soon host these various external players and project leaders at its Open Lab, a site dedicated to planning and creating new solutions in conjunction with the Company's various business lines.

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

Customers' lifestyles and expectations are changing. Living and working areas must now provide services with the comfort and well-being of occupants in mind. In close cooperation with its stakeholders, Icade has designed a range of innovative solutions to improve users' quality of life.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Create a "Business Park of Excellence" proprietary label and launch this label in all parks by 2017.	Objective not achieved	• The label's standards were finalised in 2017 and the first park was awarded a label in January 2018. In order to learn from feedback on this first park, the roll-out of the label for the parks as a whole has been rescheduled for 2018.
• Set up "User Clubs" in the five main business parks by 2017.	Objective achieved	• The objective was met. Icade currently aims to maintain these clubs in the main parks and to ensure the clubs' activities through the involvement of happiness managers.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Increase the customer satisfaction index on construction completion to 8.5/10 for the Property Development Division by 2018 (+33% compared to 2015).	In progress	• The satisfaction index increased from 6.4 in 2015 to 7.0 in 2017. New initiatives aimed at improving customer experience throughout their journey will be implemented in 2018.
• Systematically use 3D building information modelling (BIM) for 75% of residential units and 100% of offices starting in 2016.	Objective not achieved	• Icade has taken significant steps internally to deploy BIM (training and the adaptation of contractual documents), but ran up against the lower readiness level of some of its partners. In 2017, more than half of new projects were developed using BIM. While this represents a good performance, it remains below the targets that were set. Efforts will continue in 2018 to further improve not only itself but also its partners.

In progress *Objective achieved* *Objective not achieved*

2.2.1. Adapting to changing habits and ways of life to better meet tenants' needs

Commercial Property Investment Division

To meet the needs of its tenant companies, Icade has implemented several solutions: Coach Your Growth, a quality of life programme for business parks, and "Real Estate 3.0", a range of new commercial solutions.

Coach Your Growth programme: for vibrant business parks fostering excellence

Icade provides services which go beyond just the building: 70% of the parks and offices feature concierge services and a fitness centre. In addition to these traditional services, Icade has developed the Coach Your Growth programme.

Launched in 2016, the purpose of this programme is to respond to the changing expectations of tenant companies in the business parks, with the aim of a five percentage point improvement in business parks' occupancy rate by 2018–2019. Icade met this objective one year ahead of schedule with a rate of 89% in 2017 compared to 84% in 2015. The actions carried out focus on three commitments: CSR excellence, quality of life in the workplace and developing a business community.

The roll-out of new innovative services contributes on a daily basis to improving the quality of life in the business parks – various eating areas, outdoor sports facilities, pop-up event venues, health services, ride-sharing, etc. The parks are now changing into genuine communities through an online platform enabling occupants to log on to various business clubs and networks and discuss topics relating to work, culture and sports.

The initiative has been reinforced through the creation of new professions, such as that of happiness manager, whose role is to organise activities and build ties. Working out of the "Icade House" open to all park users, the happiness manager provides information and manages the organisation of events.

In 2017, the new private "Business Park of Excellence" label was created for Icade by an external certifying body. It includes more than 60 requirements and 200 performance indicators relating to, for example, green space, connectivity, security, well-being, health and sports, ecomobility, biodiversity, etc. The Orly-Rungis business park was audited and certified in January 2018 and the parks in their entirety will be certified in 2018.

To round out the Coach Your Growth programme, Icade provides a range of services called "Real Estate 3.0" in the commercial segment:

Real Estate 3.0

Companies are currently taking advantage of social and technological upheavals to reinvent themselves. Icade and these companies have co-designed Real Estate 3.0, an innovative concept which provides workspaces and flexible office solutions meeting the needs of companies of every size, from start-ups and small- and medium-sized companies (SMEs) to large corporations. Beyond mere support, Icade is concerned with facilitating relationships between the various players in the business parks and developing projects with tenant companies. Real Estate 3.0 is organised around three initiatives: Smartdesk, GrowUp and WorkUp:

- Smartdesk office space for mobile workers available in five cities (Paris, La Défense, Nanterre, Rungis and Villepinte): designed as third places for teleworking and teamwork, these co-working areas are tailored to various uses, formal and informal – shared workspaces, conference rooms, lounge areas, cafeterias and soundproofed areas. Networking activities are organised there on a regular basis to facilitate the exchange of ideas;
- GrowUp, Icade's start-up accelerator: the first accelerator opened in 2015 in the Portes de Paris business park on 1,000 sq.m and hosts 11 start-ups. Its aim is to advance the professional development of these start-ups by forging ties with local players and companies present in the park;
- WorkUp, a flexible office space solution: the first WorkUp opened in 2017 in the Portes de Paris business park and includes 155 workstations on 1,900 sq.m. This modular office space was designed to meet the needs of entrepreneurs (micro-enterprises, SMEs, middle-market companies) in the cultural and creative sector, who are already present in the park. This very flexible solution is based on a service provision contract whose term is adapted to users' needs.

Customer service that meets tenants' needs in the parks

Icade's business park tenants benefit from customer service whose quality is monitored on a regular basis. In 2017, the call centre's response time was ten seconds on average and 94% of requests were answered in less than 24 hours (compared to 82% in 2016). Satisfaction surveys were also routinely conducted to control the quality of the services provided in the parks.

Healthcare Property Investment Division

Icade Santé makes its expertise available to its healthcare operator partners and helps them respond to changing medical practices. For example, outpatient care has been growing due to the progress in medical and anaesthetic techniques – much medical care can now be provided on an outpatient basis that does not require an overnight stay. It is within this context that Icade completed the Domont private hospital with its partner Capio. Opened in November 2016, all medical care is provided on an outpatient basis in an innovative setting that features optimised space ensuring patient comfort. Cocoon care is another emerging concept, developed by the architectural firm AIA. These modular structures are used to provide preoperative care to patients and to enable them to recuperate in a more comfortable setting, while optimising patient flows. Completed in 2018, these two major projects, the Pôle Santé Ouest Atlantique in Nantes (with Elsan) and Croix-du-Sud in Toulouse (with Capio) will make this concept available.

Property Development Division

For Icade, improving customer satisfaction is a top priority. The satisfaction index upon construction completion increased from 6.6 in 2016 to 7 out of 10 in 2017. To reach its objective of 8.5 out of 10 in 2018, Icade has created an action plan aimed at optimising customer experience throughout their journey. This plan is based on digital tools and human assistance to facilitate the acquisition process as well as on a range of innovative services:

- **Focus on customers in the IcadeStore:**

  Located in the Millénaire business park, IcadeStore is a true prototype of real estate of the future, open to all. IcadeStore is where property is sold and potential investors and customers are informed and advised. It aims to facilitate the property acquisition process so as to provide a successful customer experience. This concept will be rolled out outside the Paris region in 2018.

- **A digital and personalised customer journey:**

  In order to accompany customers throughout their residential journey, the Property Development Division provides a 100% digital journey. Buyers can now purchase their dwellings online via the customer portal for certain pilot projects and gain access to photos reflecting the stage of completion of their future home. This portal will be expanded to provide even more services, including a 3D tool enabling them to personalise their home design.

- **Automated handling of complaints:**

  Developed in partnership with a start-up, this online system considerably reduces the time needed to process complaints, and is a source of occupant satisfaction.

- **A mini social network specific to each building:**

  Available on smartphones and tablets, this mini social network-like application meets the occupants' needs for social ties (interaction between neighbours, posting classified ads, etc.). It allows Icade to build relationships with non-owner occupants, representing 80% of the occupants.

To support new habits and lifestyles, Icade is testing and developing a range of solutions:

- **BiHome, a concept adapted to new urban lifestyles:**

  Featuring separate entrances, these two-in-one homes combine a main apartment and another fully-adaptable area to be used as desired (office or as accommodation for a student or dependent person).

- **Auton'home, a tool for providing participative housing:**

  This co-design initiative enables future buyers to benefit from a property developer's expertise and technical skills to help them better define their participative housing project [1].

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

The digital revolution has had a major impact on companies and businesses. As an honorary member of the Smart Building Alliance (SBA), an organisation which brings together 215 participants in the Smart City, Icade endeavours to integrate digital technology into its organisation and solutions to improve efficiency and meet its customers' expectations.

Digitalisation involves all stages of property development and investment:

- **Development: digital tools for land sourcing**

  To improve the efficiency of their efforts to find sites suitable for development, property developers use digital tools which identify all the urban and economic data relating to an area or a given market.

- **Design and construction: building information modelling (BIM), a tool that promotes the sustainable city**

  Actively involved in the BIM approach, Icade Promotion signed the French government's "Objectif BIM 2022" charter of voluntary commitment in October 2017 for digital transition in the construction industry. By using a collection of building data to digitally create a 3D model that covers from the building's design to its future use by the occupants, BIM helps reduce costs, optimises the resources used and facilitates the flow of information between the project's various participants. Icade has developed its own BIM charter to help implement this process and to harmonise its practices. To improve data consolidation, Icade has entered into a partnership with the start-up Datasoluce, which provides data collection, storage and reliability solutions. In 2017, more than half of new construction projects were developed using BIM, and Icade currently aims to routinely use this technology.

- **Marketing and services: a digital journey**

  All of Icade's divisions are developing personalised digital tools that foster relationships between the stakeholders involved – between the users themselves, between Icade and its customers, and between these customers and their partners. The Residential Property Development Division has made a portal available to its customers dedicated to this type of interaction, as well as a platform on which property can be acquired online. In business parks, a platform makes it possible to reserve and manage "Real Estate 3.0" offices and promote interaction among user communities.

- **New habits and lifestyles: 100% connected dwellings and business parks**

  Since signing a memorandum of understanding with SFR in 2016, all new homes completed by the Property Development Division have been equipped with fibre optic broadband service. Key advantages for buyers: Internet access from the very first day, a socket in each room, a "home automation pack" and three years of free service with SFR (Internet, telephone and television). In addition, the Commercial Property Investment Division deployed WiFi in 87% of its business parks in 2017 and is aiming for 100% in 2020. This commitment is part of the Coach Your Growth programme to improve the quality of life in the parks.

- **Certifications and labels:**

  To remain on the cutting edge of digital innovation, Icade has been actively involved in testing and creating new labels. In 2017, several Icade buildings obtained WiredScore certification, which evaluates the quality of the digital infrastructure and connectivity provided to occupants.

  Icade also participated in the pilot phase of the "Smart and connected buildings" label issued by the certification body Certivéa. This new label is based on the Ready to Service (R2S) standards that the Group co-designed with all the members of the Smart Building Alliance (SBA) association. The concept 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 which facilitates and secures the data collection. In 2017, Icade signed the charter of voluntary commitment on "connected, socially responsible and humane buildings" drafted by the SBA and HQE associations and supported by housing minister Julien Denormandie.

2.2.3. Guaranteeing the health and safety of occupants

On the important issues of the health and safety of occupants, Icade has introduced more stringent requirements and implemented an action-oriented strategy through routine performance measures, improvement programmes and testing new solutions.

Commercial Property Investment Division

Air quality is monitored on a routine basis: the performance of ventilation systems and the level of indoor air pollutants are measured each year for all HQE In-Use-certified buildings (i.e. 45% of the portfolio in 2017).

In addition to these routine controls, Icade participates in innovative projects on air quality:

- **An Airlab pilot project:**

  As a member of Airparif (an air quality monitoring association in the Paris region), Icade participates in the Airlab initiative, an accelerator of innovative air quality solutions created in September 2017 by 12 association members (Icade, EDF, ENGIE, Métropole du Grand Paris, etc.). In this context, Icade is testing a new generation of sensors with Veolia with the aim of improving indoor air quality in office buildings. The first tests will be conducted in 2018 on one of Icade's commercial assets. This service, which aims to improve a building's indoor conditions and energy efficiency, is designed to be proposed to all the Commercial Property Division's customers over time.

- **Green walls to reduce pollution in cities:**

  Icade is testing the installation of "urban trees" in partnership with the start-up Green City Solution. An urban tree consists of a moss wall that acts as a natural filter which purifies the air. Two of these urban trees were installed in the Eqho tower in La Défense, a solution which could be more broadly implemented in other offices and business parks after feedback has been received.

Each year, Icade introduces more stringent health and safety requirements:

- Health and safety: In 2013, Icade created a Health and Safety Department dedicated to the Commercial Property Investment Division's assets. In addition, this cross-business entity supports other Icade divisions on development, construction or acquisition projects. A security system, as well as fire safety and assistance systems, has been implemented. To respond to exceptional events, high-rise buildings and strategic assets are subject to strict security measures (access controls and additional agents). In business parks, the Coach Your Growth programme sets out health and safety requirements.

(1) *As defined in the Alur law (on access to housing and town planning reform), participative housing is a civic-minded approach that allows 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.*

The Orly-Rungis park, where the programme was implemented on a pilot basis, is now equipped with a video surveillance system. This system is currently being implemented in all the parks.

- Wellness and health: the Coach Your Growth programme provides for dedicated services. For example, the Orly-Rungis park features a sports and wellness area and a sporting community. A telemedicine booth, in partnership with H4D and Ipsec, will be available in several parks in 2018 (Orly-Rungis, Portes de Paris and Pont de Flandre).
- ISO 14001 and HQE In-Use certifications, which cover 86% of the property assets whose operation is controlled by Icade, provide for additional measures to ensure health and safety. They particularly cover pollution (air, water and soil), contamination, operating incidents (fires, floods, etc.), comfort (hygrothermal, sound and visual), and emergency management and accessibility. 70% of the parks are accessible to persons with reduced mobility and the hearing and visually impaired. In 2017, Icade reported nine health and safety incidents that mainly related to water leaks and heatwaves and had no major impact on the tenants or Icade. Heatwaves were correctly anticipated, and procedures for water leaks worked well. Increased awareness training is planned for security personnel.

Property Development Division

Recognising that air quality and minimising noise pollution are real health and wellness issues that go beyond mere comfort, the Property Development Division has also introduced a range of dedicated measures.

During the construction phase and for its HQE- and H&E-certified buildings, Icade has introduced green construction site charters which limit noise levels. With respect to noise prevention, Icade has significantly exceeded the requirements set out for NF Living Environment ("NF Habitat") certification: sound power in new builds is two times lower than the limit.

With respect to air quality, the materials used play an important role. Icade uses only low-polluting materials (ranked A or A+). NF Living Environment certifications, which Icade has chosen to routinely implement, also require on-site verification of the installation and effectiveness of the ventilation systems.

2.3. Assisting customers in matters of environmental performance

As a building's environmental performance largely depends on the behaviour and habits of its users, Icade supports them by raising their awareness of eco-friendly practices. As a result, they can better control their consumption and reduce the use of natural resources.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Reach 75% of green lease committees by the end of 2016 and 90% by the end of 2017.	Objective not achieved	• The goal of 90% was almost reached in 2017 (89%). Despite the strenuous efforts made, the goal was hard to reach due to the large number of new leases that were signed during the year. Icade has set a goal of 100% of green lease committees in 2018.
• Sign 100% of regulatory green leases in 2016.	Objective not achieved	• Goal almost reached with 97%. The goal of 100% is carried over to 2018.
• Sign 100% of green leases on HQE or BREEAM In-Use-certified buildings in 2016.	Objective not achieved	• The participation of tenants renting space of less than 2,000 sq.m remains difficult to obtain. The goal of 100% has been maintained but extended to 2020.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Systematically provide user guides to help raise awareness about eco-friendly practices in new builds.	Objective achieved	• This guide is systematically issued to home and office buyers.

In progress *Objective achieved* *Objective not achieved*

Commercial Property Investment Division

Icade has included green lease clauses in its leases since 2010, i.e. three years before regulations made it mandatory. These green clauses provide for the measurement of energy and water consumption and the amount of waste produced by the tenants. Icade decided to go one step further by setting up green lease committees. These committees provide a forum for exchanging ideas and best practices, making it possible to develop action plans with quantified objectives to reduce the consumption of energy, carbon, water and waste. 89% of tenants subject to green lease regulations benefit from a green lease committee with Icade aiming for 100% in 2018.

Some tenants can now closely monitor their consumption and progress on a digital platform. In 2018, this platform will be available for all properties having green lease committees.

Icade is committed to widening the scope of green lease clauses to tenants not subject to these regulations. Green leases are now only required for retail space over 2,000 sq.m, i.e. 42% of the Commercial Property Investment Division's total floor area. Under this threshold, it is more difficult to convince tenants to participate: 12% of In-Use-certified tenants signed a green lease clause in 2017. In contrast, regulatory green lease clauses covered 97% of the commercial properties having this requirement in 2017.

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

In parallel to the development of green lease committees, Icade has been experimenting with other innovative practices, such as "nudges", to encourage tenants to adopt eco-friendly practices. This fun approach consists in introducing visual supports to encourage eco-friendly behaviour on topics such as waste sorting and low-impact transport. Starting in 2018, suitable "nudges" will be rolled out in the Orly-Rungis business park and at Open – Icade's headquarters building – in partnership with eGreen. The initiative will be extended to other parks and buildings after feedback has been received.

Healthcare Property Investment Division

Icade Santé assists its customers in achieving their environmental performance goals. It has widened the scope of monitoring its portfolio's energy and water consumption indicators from 13% in 2016 to 51% in 2017, in order to provide a wider range of improvement solutions to healthcare operators.

This intent is also reflected in HQE certifications for its development projects, such as the Reims-Bezannes polyclinic, for which Icade Santé has planned to provide assistance during the first three years of operation, focusing on three main areas: consumption monitoring, maintenance interventions and user satisfaction. The performance levels achieved will be measured and compared to simulations conducted during the design phase. An improvement plan will be put in place depending on the results, and patients and employees will receive a user guide including information and practical advice on eco-friendly practices and the building's proper handling. The employees can provide input by completing a survey on comfort, safety, the building's use and the planned improvements.

Property Development Division

Customers strongly expect good energy performance from buildings in the operational phase. To ensure this, Icade has put in place a range of solutions which goes beyond mere property development.

Commissioning is one of these initiatives. This quality assurance process ensures that the resources that would be required to meet performance targets set during the construction and handover phases are provided. Three areas are covered by this initiative: energy performance, acoustics and ventilation (mechanical ventilation). The HQE- and BREEAM-certified commercial property developments systematically provide an energy performance guarantee and NF Living Environment-certified residential property developments are implementing a performance guarantee plan for energy, acoustics and ventilation.

To address the specific needs of residential property and office buyers, the Property Development Division has drafted and systematically distributes a user guide containing information and practical advice on how to optimise the use of the equipment and consumption. This user guide will soon be available in digital format. Alongside La Poste, Caisse de dépôts, SMA and Qualitel, Icade is testing the building digital logbook on more than 600 homes, in order to provide input in defining this tool which resulted from the French Act on Energy Transition for Green Growth. The purpose of this user guide is to electronically collect any information relevant to the correct use, maintenance and gradual improvement of energy performance in the housing unit and the building's common areas.

2.4. Participating in local economic and social development

As a social and economic development player in the French regions, Icade is instrumental in promoting employment, professional integration as well as age, social and functional diversity. These driving forces strengthen its ties to local communities and contribute to the vitality and appeal of the French regions and the Company's property portfolio.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
ICADE:		**ICADE:**
• Develop integration and local employment partnerships and involve employees in partnerships with associations.	Objective achieved	• A number of measures have been proposed to employees: partnerships with Our Neighbourhoods Have Talent and the Plaine Commune Young Talent Club, a skills sponsorship agreement with Samusocial of Paris, solidarity days off and solidarity leave.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Include professional integration commitments in major construction projects.	Objective achieved	• 100% of major construction projects included professional integration commitments.

In progress *Objective achieved* *Objective not achieved*

2.4.1. Committed to professional integration and local employment

Commercial Property Investment Division

Icade engages with local communities through various local bodies, dedicated to local economic and social development, including the Association for the Economic Development of the Orly-Rungis hub, the Local Energy and Climate Agency for Plaine Commune in the north of Paris, the Kléber club in Colombes and the Association of Users of La Défense. Due to the Company's strong presence in this area (more than one-third of its floor area), Icade is particularly involved in Plaine Commune, a local administrative body which includes nine major municipalities in the north of Paris. As a result, Icade signed as early as 2005 a local development charter with this body. The charter, which was renewed in 2015, provides for employment and training initiatives. A number of such measures will be implemented for the construction of the Pulse building in Saint-Denis, which is scheduled for completion in 2018:

- professional integration: goal of 50,000 hours of professional integration over the construction period;
- local economy: project managers incentivised to hire local subcontractors;
- youth training: as part of the "Reinvent the Forest in the City" project developed for construction at the Pulse site, Icade provides training courses and professional integration for long-term unemployed young people, high school students and professionals working in the local wood industry.

Property Development Division

The Property Development Division supports local economic development, most notably by signing charters targeting local employment and integration and engaging with local communities. All of Icade's major construction projects (above €50 million in work costs) include professional integration commitments. For all of its development projects combined, 20 projects included integration clauses in 2017, representing 35% of floor area being constructed.

Local integration is a key factor in the success of a property development project. In accordance with the law, the Property Development Division conducts environmental and social impact assessments for all its development projects over 10,000 sq.m. Icade goes further than regulations require by setting up a toll-free line on each site and making a suggestion box available to local residents to encourage feedback.

2.4.2. Employees actively involved in community initiatives

In addition to other commitments, Icade employees, backed by the Company, are actively involved in community activities and those promoting integration.

The Plaine Commune Young Talent Club is an example of Icade's commitment to integration in the areas where it operates. Introduced in 2010 by Icade and Klépierre in conjunction with Plaine Commune Maison de l'emploi (an employment resource centre), the club is responsible for assisting young people in Seine Saint-Denis with their search for training or a job through a week-long training course and meetings with some of the 100 partner companies. Since 2015, 115 young people have benefited from this programme. 77% of them have signed permanent or fixed-term employment contracts of over six months or received vocational training.

In line with this initiative, Icade joined the "Our Neighbourhoods Have Talent" association in April 2016. The purpose of this association is to promote the professional integration of young college graduates (three years of university study or more) from modest social backgrounds or priority neighbourhoods, through a sponsorship programme with the participation of currently employed, experienced managers. Since this initiative was launched, 22 Icade employees have participated and 50 young graduates have benefited from their advice.

Another driver of employee engagement: skills sponsorships. In 2016, Icade signed its first sponsorship agreement with Samusocial of Paris, as part of an overall sponsorship initiative conducted by C3D (the Council of Sustainable Development Directors). The agreement involves the creation of an accommodation and healthcare centre at Charles-Foix Hospital in Ivry-sur-Seine. 194 isolated individuals will be provided with lodging, healthcare and assistance from social workers with Samusocial of Paris in a 4,000-sq.m facility. The project involves Icade's Healthcare Property Development Division, which provides project management support covering all the technical, legal and financial aspects of the project. Close to 400 hours of sponsorship have been devoted to the project. Construction work began in 2017 and the project is due to be completed in the summer of 2018.

Since 2017, Icade has been experimenting with a new system to facilitate the organisation of solidarity leave. It provides for accompanying measures, such as payment of 75% of the salary of the employee involved and the possibility of calling upon a replacement for the full duration of the leave, which can last from one day to six months. A first candidate was validated in 2017. During a six-month period, the employee participating will work to raise capital and help find partners for the Étoile de Martin association, which supports childhood cancer research.

Solidarity days off represent an additional way to provide support to local communities. Six solidarity days off were organised both inside and outside the Paris region in 2017 bringing together around sixty employees. Some examples include a solidarity project for the renovation of the accommodation and healthcare centre of Samusocial of Paris, food sorting for the Food Bank, etc. These solidarity days off, which allow employees to become involved in meaningful activities, have been met with much enthusiasm and will be renewed in 2018.

2.4.3. Functional, social and age diversity

For Icade, diversity, whether social, functional or age, is both a social commitment and a key factor in urban development.

Commercial Property Investment Division

To meet the needs of the various types of companies and players, Icade has diversified the functionality of its business parks: offices, hotels, start-up incubators, co-working space, eating areas, wellness centres, childcare centres and associations. This is reflected in the Orly-Rungis park's new facilities such as the wellness area which includes a fitness centre and a treatment room for a physiotherapist/osteopath as well as the opening of a residence for the Association Simon de Cyrène, which develops and organises "shared housing". This supportive housing solution allows disabled adults to share their daily lives with non-disabled residents.

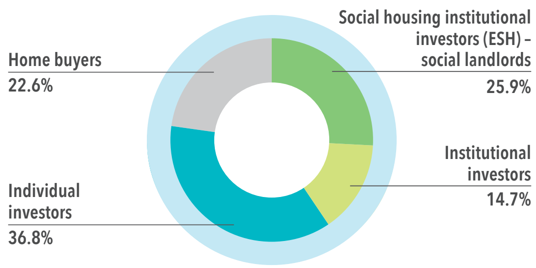
Property Development Division

Small cities in their own right, the neighbourhoods developed by the Property Development Division incorporate functional, social and age diversity criteria. As a result, out of the 85 projects under construction in 2017, 19% include social diversity measures, 10% include functional diversity measures and 6% include age diversity measures.

For example, the Karré project involving the conversion of the Vaulx-en-Velin (Rhône) industrial site includes both office and residential buildings (including 68 low-cost ownership units and 76 social housing units), all located around a public square.

Icade home buyers have socially diverse profiles. 25.9% of the dwellings built by Icade are social housing:

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER IN 2017



With a view to expanding its diversity policy, Icade developed Mix'Cité, a project resulting from its intrapreneurial approach aimed at developing projects which include a mix of complementary property types – social housing, low-cost ownership units, and residences for students and seniors, etc.

The approach is based on the pooling of space and services (eating areas, activities organised by local associations, gardens and outdoor areas, self-service laundry, a fitness room, etc.) as well as staff (night and day security guards, maintenance workers). In addition to optimising operating costs, Mix'Cité aims to meet the needs of a mixed population while facilitating intergenerational interaction.

After building the first Mix'Cité in Montaigu (Vendée) in 2015, other similar projects have been developed. This is the case in Créteil (Paris region) with an overall project including the refurbishment of a nursing home, reconstruction work on a residence for independent seniors and low-cost ownership residential units (one-third of which is adapted to seniors). Another project in the town of Canohès (Pyrénées-Orientales) will include a nursing home and a small seniors' residence with services with shared common areas and services such as eating areas. Other projects of this type are currently in the bidding phase.

2.4.4. Sponsorships and patronage

In 2017, Icade allocated a budget of €980,225 to its sponsorship and patronage policy, a key element in strengthening local development and ties to local communities. The Company mainly supports sporting, cultural and community activities such as the L'Étoile de Martin association, the Football Club d'Aubervilliers, or funding the exhibition of the artist Joseph Aragon.

In 2017, Icade strengthened its commitment through new initiatives. For example, the Company chose to support a sports project encompassing ecomobility and awareness-raising in the fight against climate change. As a result, through a partnership agreement signed with the yachtswoman Anne Quéméré, Icade will support the "Arctic Solar" expedition, the first solar-powered solo crossing of the Arctic which will take place between July and September 2018. This challenge consists in crossing the mythical Northwest Passage connecting the Atlantic and Pacific Oceans in a solar-powered boat.

In addition, Icade contributes to the cultural development of the regions in which it operates through two flagship projects:

- the creation of its first nomad artist residency in the IcadeStore in Paris-Aubervilliers which provides four world-renowned artists with an environment conducive to creation on urban planning and environmental themes. In this way, Icade meets a range of different needs – the demand for artist studios is constantly on the rise – while ensuring that the city of the future remains a place for culture and artistic expression. The experience will be renewed in 2018 and Icade intends to use these works of art to decorate a number of residential developments in the Paris region;
- supporting the project to rebuild the north tower of the Basilica of Saint-Denis – since 2016, Icade has worked on this sponsorship project located at the heart of the Commercial Property Division's locations in the north of Paris.

2.5. Reinforcing our responsible procurement policy

Purchasing and subcontracting constitute a large part of the activities carried out by players in the real estate industry. Recognising that choices and actions of this sort can be critical to the effective implementation of its CSR policy, Icade has been gradually strengthening its responsible procurement policy and has centralised its procurement processes.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
ICADE:		**ICADE:**
• Implement responsible procurement charters on 100% of the new-build construction sites of the Property Development Division and 100% of the new service provision contracts of the Commercial Property Investment Division.	Objective achieved	• The goal was achieved for both divisions.
• Increase procurement from the sheltered work sector by 30% by 2016 and 50% by 2018.	Objective achieved	• Procurement from the sheltered work sector increased by 50% between 2015 and 2017. The objective was met one year ahead of schedule.
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Conduct a CSR assessment of the main suppliers for the service provision contracts of the Commercial Property Investment Division.	Objective achieved	• The main suppliers were reviewed in 2017.
• Incorporate respect for biodiversity into procurement.	Objective achieved	• Clauses pertaining to respecting biodiversity were included in the service provision contracts for green space maintenance.

In progress *Objective achieved* *Objective not achieved*

2.5.1. Responsible procurement charters

Since 2015, all new service provision contracts for the Commercial Property Investment Division and new construction projects for the Property Development Division (excluding joint development projects whose administrative management is not controlled by Icade) must involve signing up to Icade's responsible procurement charter. This charter provides guidelines shared by both entities with respect to better procurement management. By signing this charter, they agree to comply with all the clauses relating to employment and integration, respect for human and labour rights, prevention of environmental risks and pollution, health and environmental protection, sustainable use of resources, fair commercial practices and the prevention of corruption. Through this binding framework – compliance with the charter is fully part of the supplier's contractual obligations – Icade abides by the principles laid down by the UN Global Compact and signed by Caisse des dépôts, its leading shareholder.

2.5.2. Reviewing suppliers and subcontractors

To ensure compliance with the responsible procurement charter, Icade launched an evaluation process of the Commercial Property Investment Division's main suppliers in 2016. These suppliers are now evaluated by the specialised agency EcoVadis based on the charter's criteria. Following their annual assessment, an action plan may be suggested to suppliers where appropriate. In line with the goal Icade set, 100% of its main suppliers were evaluated in 2017.

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

In addition to the CSR principles included in the responsible procurement charter, Icade has laid down a number of specific requirements in relation to its suppliers and subcontractors:

- **Sustainable materials and systems:**

  All new builds are required to have materials and products that comply with the rigorous standards regarding the protection of health and the environment – Class A or A+ for the emission of volatile compounds, Ecolabel and/or NF Environment labels for adhesives, FSC© or PEFC labels for wood, and the suppression of almost all unwanted electromagnetic fields emanating from cable conduits, etc.

- **Protecting the environment and biodiversity:**

  Icade provides specific clauses to encourage its service providers for green space maintenance to use techniques and products that respect biodiversity and the environment.

- **Employing vulnerable workers:**

  Icade continues its efforts for the sheltered work sector and professional integration. Through its efforts, total purchases from the sheltered work sector increased by 50% between 2015 and 2018, one year ahead of the objective set. In addition, professional integration will be systematically relied on for major projects.

- **Fight against illegal employment:**

  Subcontractors for the Property Development and Commercial Property Investment Divisions are all required to register on a supplier compliance platform making it possible to ensure that the companies working for Icade comply with the French Labour Code.

- **Safety requirements for suppliers and subcontractors:**

  In accordance with the French Labour Code and for all its construction projects, health and safety coordination will be carried out by an independent specialist who will monitor the extent of compliance with safety rules.

2.6. Ensuring business ethics

Whether it involves suppliers and customers seeking transparency or investors wanting to manage risk or governments pursuing regulatory compliance, business ethics are a key issue for all of Icade's stakeholders. Implementing ethics procedures and fighting corruption are priorities for Icade.

2016–2020 COMMITMENT	RESULT	COMMENTS
• Finalise the training of employees in anti-money laundering and distribute the new Code of Ethics in 2016.	Objective achieved	• All employees identified as "at risk" were trained and the Code of Ethics was updated in 2016. Icade made new commitments for 2018 and 2019: • Bring the Code of Ethics into compliance with the French Anti-Corruption Sapin II law and make the Code of Ethics available on Icade's website in 2018. • Set up a whistleblower system, outsourced to an external party, guaranteeing the protection of the whistleblower's identity in 2018. • Train 100% of the employees identified as "at risk" in the fight against corruption, money laundering and the financing of terrorism by the end of 2019.

In progress *Objective achieved* *Objective not achieved*

Managing the business ethics policy

The business ethics policy is managed by:

- the Compliance Department created in 2017 within the Audit, Risk, Compliance and Internal Control Department. It ensures compliance with current regulations relating to the fight against corruption, money laundering and the financing of terrorism. In connection with internal control, it establishes control points to ensure their implementation;
- an independent internal compliance officer responsible for implementing the rules of conduct laid down in the Code of Ethics.

Reinforcing the business ethics policy

In 2016, the Code of Ethics was updated to include regulatory changes. It sets out the rules to be applied in the employee's professional life and business dealings. Available to all employees on the Intranet, it is also given to all new hires.

It covers:

- dealings with customers and suppliers;
- the fight against money laundering and combating 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;
- the protection of persons: health and safety, the fight against discrimination and harassment.

All of these measures are accompanied by a whistleblower system enabling any employee having observed a breach of the rules of conduct to report it to Icade's compliance officer who will handle the complaint in a confidential manner in order to protect the whistleblower's identity. The ensuing review could lead to an internal and/or external audit in addition to disciplinary measures when appropriate.

Measures to prevent money laundering and the financing of terrorism

Icade has an anti-money laundering/combating the financing of terrorism (AML/CFT) framework in place which covers all of its activities. This framework is based on:

- an AML/CFT Committee;
- an assessment process for risks related to customers and transactions (KYC) making it possible to conduct due diligence depending on the level of risk;
- training: each year, employees identified as "at risk" receive AML training. In 2017, 91 Icade employees received such training.

Integrating provisions of the French Anti-Corruption Sapin II law

The framework designed to fight against corruption has been reinforced to reflect provisions in the French Sapin II law which came into effect on June 1, 2017 and recommendations from the French anti-corruption agency:

- implementation of compliance risk mapping in 2017;
- introduction of awareness modules and employee training. In 2017, awareness training was organised for the Coordination Committee which brings together Icade's top management. Starting in 2018, an online awareness module will be available to all employees in addition to mandatory face-to-face training given to all employees identified as "at risk";
- reinforcing existing whistleblower protection. Starting in 2018, whistleblowers, in addition to being able to file complaints with the internal compliance officer, may report suspected irregularities to an external party via a secure, anonymous online platform;
- updating the Code of Ethics to incorporate changes introduced by the French Sapin II law in 2018. The charter will be provided to all employees who must submit a statement confirming they have reviewed it. It will also be available on Icade's website;
- the compliance risk of customers and first-tier suppliers and intermediaries is assessed using specialised software.

An evaluation of all these measures will be conducted both internally and externally by an independent firm.

Monitoring compliance with rules of professional conduct and the fight against corruption

Managing risks involves monitoring and controls on a regular basis. Eight incidents relating to attempted external fraud were identified in 2017. These attempts were detected before fraud was actually committed and therefore had no impact on Icade. In addition, an internal audit with respect to the relevance of the fraud prevention and detection system was conducted. No system failures were detected.

No legal proceedings relating to corruption are pending and Icade was not found guilty of any ethics violations during the year.

3. Energy transition and preservation of resources

3.1. Taking action to fight climate change

On December 12, 2015, the 21st session of the UN Conference of the Parties (COP 21) reached a historic agreement to keep global temperatures from rising more than 2°C, with an ideal target of 1.5°C, by 2100. Responsible for 25% of CO_2 emissions in France, the real estate industry has a major role to play in the fight against climate change. The French Act on Energy Transition for Green Growth enacted in 2015 requires the industry to reduce its greenhouse gas emissions by 54% between 2013 and 2030 and 87% between 2013 and 2050. Icade has set ambitious goals to reduce its greenhouse gas emissions and has reaffirmed its commitment by signing the French Business Climate Pledge during the One Planet Summit on December 12, 2017 alongside 88 French companies.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Reduce CO_2 emissions by 40% in offices and business parks between 2011 and 2020 *(in kg CO_2/sq.m/year).*		• CO_2 emissions were reduced by 23% between 2011 and 2017.
• Reduce energy consumption by 30% in offices and business parks between 2011 and 2020 *(in kWhpe/sq.m/year).*		• Energy consumption was reduced by 10% between 2011 and 2017.
• Reach 20% of renewable energy in the portfolio's energy mix by 2020.		• The proportion of renewable energy reached 17% in 2017.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Reduce CO_2 emissions related to grey energy from new builds by 12% between the end of 2015 and 2020 *(in kg CO_2/sq.m/year).*		• Carbon intensity from grey energy increased by 1% between 2016 and 2017, after an increase of 3.5% between 2015 and 2016. In order to reverse this trend, Icade has recently strengthened its expertise by recruiting a manager for biosourced materials responsible for increasing the use of low-carbon materials in Icade's new builds.
• Develop 100% of offices in the Paris region and 25% of residential units with an energy performance 10% better than that required by Thermal Regulation RT 2012, starting in 2016.		• 100% of offices in the Paris region and 70% of residential units surpass by at least 10% Thermal Regulation RT 2012 in 2017.
• Develop at least five positive energy projects with the BEPOS label, per year starting in 2017.		• The goal could not be reached in 2017. A number of BEPOS projects are in the design phase.

In progress *Objective achieved* *Objective not achieved*

3.1.1. The search for greater energy efficiency in existing properties and new builds

The fight against climate change and efforts to maintain a trajectory below 2°C entails setting up a policy in favour of energy efficiency during both the construction and operational phase.

Commercial Property Investment Division

Icade's energy policy not only covers the common areas (of which it has full control), but the private areas as well, in collaboration with the tenants.

Two tools enable Icade to closely monitor the energy consumption and carbon emissions of operating properties – the mapping of the buildings' environmental performance and regular energy audits. To further optimise its energy performance, Icade is committed to the ISO 50001 certification process for all its properties.

In 2017, Icade improved the management of its environmental data by automating the collection and analysis of consumption data in partnership with Deepki. The initiative will be reinforced in 2018 through the implementation of an energy management system, developed by Ubigreen, to monitor and manage building consumption in real time and to respond quickly to any anomalies.

To meet its goal of reducing its energy intensity by 30% and its carbon intensity by 40% between 2011 and 2020, Icade has implemented a proactive action plan, with a budget of €60 million over three years (2017–2019):

- **Improving energy equipment and renovating the assets:**

  The best way for Icade to improve its energy efficiency involves replacing less energy-efficient equipment (installing high-efficiency boilers and air conditioners in addition to systematically using LED lighting). Icade intends to use LED lighting in the common areas in more than 75% of its properties by the end of 2019. Beyond merely funding the conversion to LED lighting in the common areas, Icade is educating its tenants about the advantages of this type of lighting for the private areas by providing them premium, personalised solutions, leading to an overall reduction in energy consumption of up to 60% per office.

- **Introducing energy performance contracts (EPCs):**

  EPCs set an energy performance objective for property managers coupled with financial incentives. At the end of 2017, 90% of floor area was subject to an EPC. Under this contract, the property manager agrees to reduce energy consumption in the common areas of operating properties. Tenants will benefit from the savings obtained up to the performance threshold set out in the contract. Above this level of performance, savings will be allocated between the property manager and the tenant.

- **Increasing the share of renewable energy in the energy mix:**

  In two years, Icade has more than doubled its share of renewable energy: 17% in 2017 versus 8% in 2015. These results are in line with the goal it has set: to reach 20% of renewable energy in the energy mix by 2020. For this purpose, Icade uses three types of renewable energy: the purchase of green certificates for a total of 49,151 MWh, i.e. 22% of electricity consumption in 2017; connecting buildings to heat networks, including 15% of their consumption from renewable energy; and on-site energy generation (geothermal energy and solar photovoltaic panels). Icade will step up its efforts through the purchase of green certificates in addition to increased investment in renewable energy generation, in particular by installing rooftop solar photovoltaic panels. In addition, business park tenants have been made aware of this initiative through a number of "totemic" installations, including the solar modular array "Smartflower" and the wind turbine "Wind Tree".

- **Partnerships with leading industrial groups to promote environmental innovation and connected buildings:**

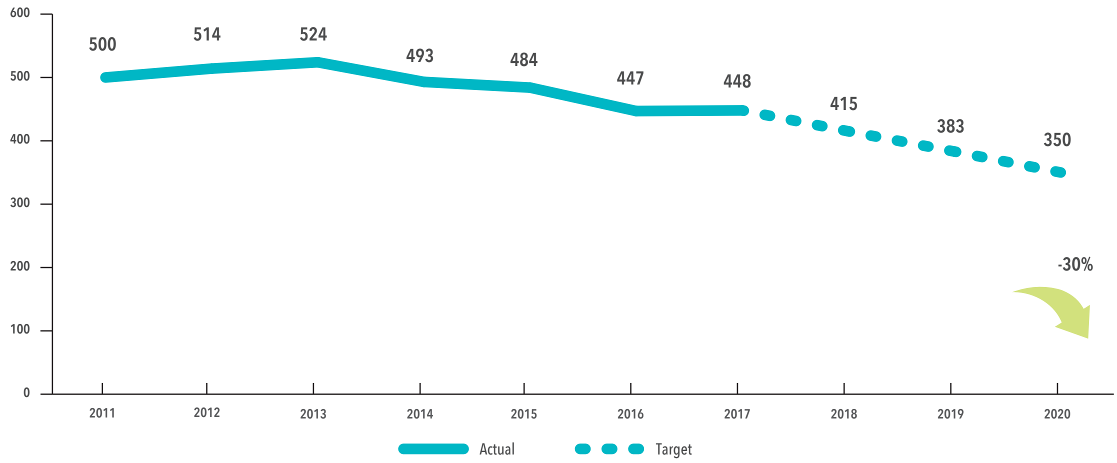
  Developed with Philips, the power over ethernet (POE) connected lighting system captures outside data (brightness, human presence, etc.) to adjust lighting in real time. Combined with the renovation of its outdoor lighting and the installation of LED lighting, this initiative resulted in energy savings of 90% in the common areas of the Orly-Rungis business park.

- **Green lease committees:**

  These meetings enable Icade to educate tenants about the energy savings possible in the private areas and to implement a comprehensive action plan to reduce energy and water consumption, carbon emissions and waste production with quantified targets. In 2017, 89% of tenants subject to green lease regulations were able to exchange ideas and best practices at green lease committee meetings. *For further information, see section 2.3. "Assisting customers in matters of environmental performance".*

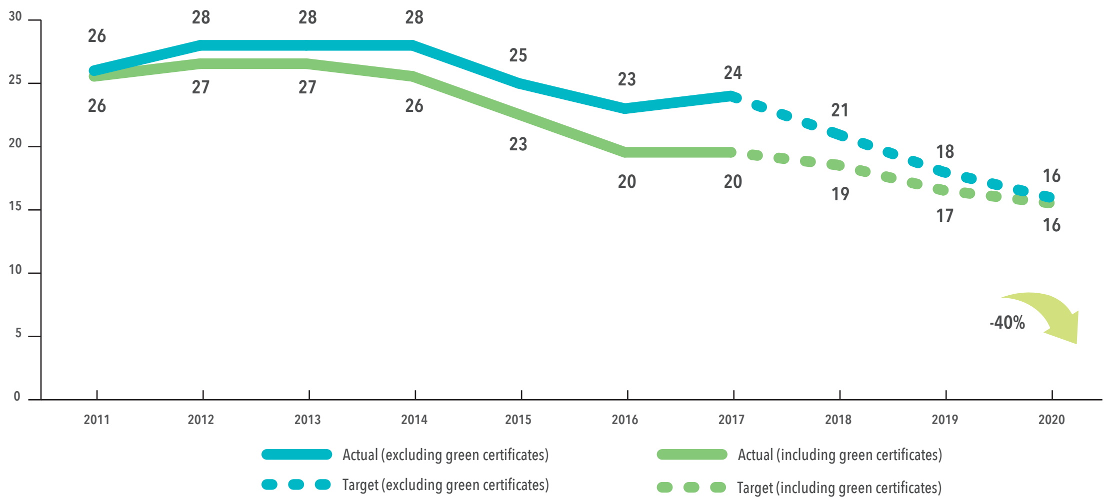
In 2017, Icade offset 12,484 tonnes of CO_2 on a voluntary basis, i.e. 52% of the emissions mapped by the Commercial Property Investment Division, through the purchase of certified emission reductions (CERs). These carbon credits, generated under the rules provided for in the Kyoto Protocol, are used to fund clean energy projects in developing countries. For example, they contributed to funding projects for mangrove reforestation in Indonesia and installing energy-efficient lighting equipment in Senegal. These emissions that were offset were not deducted from Icade's CO_2 emission calculations.

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



Weather-adjusted energy consumption decreased by 10% between 2011 and 2017. Between 2016 and 2017, the change in energy consumption was stable due to the adverse impact of the change in scope. This is attributable to the sale of energy-efficient buildings that could not be offset by the buildings which were acquired although they are energy-efficient. However, on a like-for-like basis, energy consumption significantly dropped between 2016 and 2017 (-11%), reflecting the investments which were made in the properties' energy efficiency.

GREENHOUSE GAS EMISSIONS IN OFFICES AND BUSINESS PARKS *(in kg CO_2e/sq.m/year)*



Icade's carbon intensity dropped by 23% between 2011 and 2017 (-8% excluding green certificates). Performance was stable between 2016 and 2017 on a total basis but significantly improved on a like-for-like basis (-12%). 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.

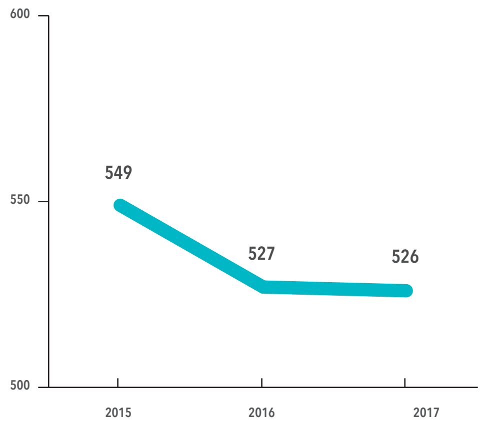
For further information about energy consumption and greenhouse gas emissions, on a total and like-for-like basis and by asset class, *see 6.1. "Tables of environmental indicators of the Commercial Property Investment Division – EPRA format".*

Healthcare Property Investment Division

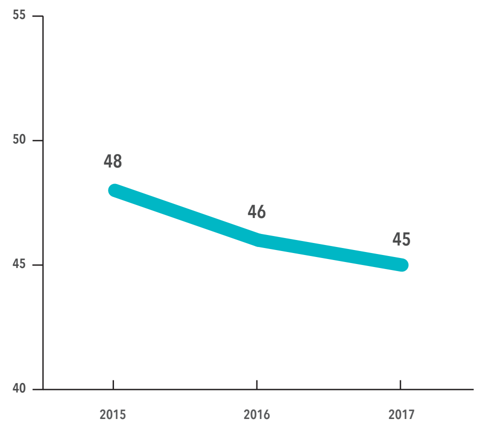
Icade Santé's healthcare assets are wholly operated by the tenants, who therefore are responsible for managing their energy consumption. Nevertheless, Icade Santé wants to play a role in improving their energy performance by assisting healthcare operators through various measures such as:

- mapping the properties' energy consumption and CO_2 emissions. Along with the Commercial Property Investment Division, the Healthcare Property Investment Division has worked with Deepki since 2017 to automate the collection and management of environmental data. It also called upon the Primum Non Nocere agency, specialised in providing support to CSR initiatives in the healthcare sector, to adapt its environmental oversight to the specificities of healthcare facilities;
- conducting energy audits, coupled with proposals for corrective measures. *See the example of the Reims-Bezannes polyclinic, section 2.3. "Assisting customers in matters of environmental performance"*;
- projects for the installation of photovoltaic shade structures;
- raising awareness of LED lighting.

ENERGY CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION
(in kWh_{PE}/sq.m/year adjusted for unified degree days)



GREENHOUSE GAS EMISSIONS FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION *(in kg CO_2e/sq.m/year)*



All the measures taken by the Healthcare Division to assist healthcare operators and to better manage their consumption led to a 4% drop in energy intensity and a 6% drop in carbon intensity between 2015 and 2017.

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

With its dual role as a property developer and property manager, Icade is able to implement a long-term strategy for energy performance throughout the building's life cycle. Due to new regulations concerning the operational phase (especially Thermal Regulation RT 2012), carbon emissions from materials have become increasingly important. This explains the emphasis Icade places on the choice of materials used in the construction phase.

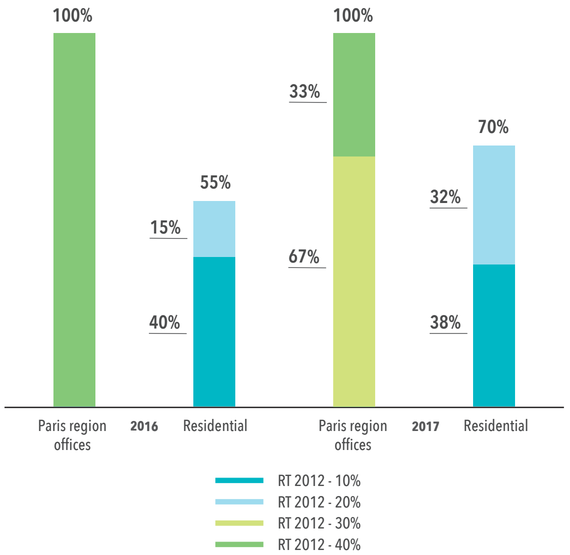
Construction phase: greenhouse gas emission assessment for new projects

New builds are systematically subject to a complete carbon footprint assessment which measures greenhouse gas emissions during the construction phase (transport, materials and waste) and the operational phase. Icade is committed to reducing CO_2 emissions associated with the construction phase by 12% between the end of 2015 and 2020.

Carbon intensity from grey energy increased by 1% between 2016 and 2017, after an increase of 3.5% between 2015 and 2016. In order to reverse this trend and meet its objective, Icade has recently strengthened its expertise by recruiting a manager for biosourced materials responsible for increasing the use of low-carbon materials in Icade's new builds.

Operational phase: energy consumption and carbon footprint assessment for new projects

PROPORTION OF OFFICES (PARIS REGION) AND RESIDENTIAL UNITS SURPASSING THERMAL REGULATORY REQUIREMENTS (RT 2012) IN 2016 AND 2017



With regard to the energy performance of buildings in the operational phase, Icade exceeded its goals. 70% of residential development projects and 100% of office development projects in the Paris region have outperformed the energy performance thresholds as stipulated in the French Thermal Regulation "RT 2012".

All new buildings are equipped with meters which measure energy consumption per unit and per use. Available on a web portal, the data collected enable occupants to better manage their energy consumption.

Despite more development projects with a higher energy performance than required under thermal regulations, carbon intensity related to the operational phase increased in 2017, after having sharply declined in 2016. 2016 was particularly favourable in terms of greenhouse gas emissions related to the distance from public transport and the use of renewable energy. Overall, the trend remained positive over two years with a 15% decrease in carbon intensity from the operational phase between 2015 and 2017. In 2017, 25% of constructed floor area was supplied with renewable energy, including 20% through solar thermal power, 52% through heat networks (geothermal energy, biogas, etc.) and 28% through photovoltaic solar energy.

For further information about CO_2 emissions, see 6.4. "Carbon footprint assessment for the Property Development Division".

3.1.2. The necessary adaptation to climate change

The effects of climate change can have a profound impact on the regions, their infrastructure and buildings, as well as energy generation and transmission and raw materials. Icade is committed to assessing and anticipating these risks.

2016–2020 COMMITMENT	RESULT	COMMENT
COMMERCIAL PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT DIVISIONS:		**COMMERCIAL PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT DIVISIONS:**
• Evaluate the risks related to adapting all the property assets and strategic property development projects to climate change in 2016. If necessary, adapt assets, land choice and project design.	Objective achieved	• A first study was conducted to assess the risks for the Commercial Property Investment Division's portfolio in its entirety. Icade now aims to complete an assessment of the financial risks associated with the physical impact of climate change and to gradually adapt its properties.

In progress *Objective achieved* *Objective not achieved*

In 2016, Icade commissioned the specialised consulting firm Carbone 4 to assess its properties and any risks and vulnerabilities related to the physical impact of climate change based on various factors, including location, age of the properties, type of construction and the environment. The assessment identified four climatic hazards affecting Icade's portfolio: heatwaves, droughts, rising average temperatures and floods. In 2017, Icade furthered this assessment by analysing the vulnerability of its portfolio. This analysis will be completed in 2018 by considering adaptation solutions for the most vulnerable buildings, an evaluation grid for investments and an assessment of the financial impact enabling Icade to gradually adapt its portfolio to these changes.

In addition, Icade has integrated climate change adaptation practices into its green space management, in conjunction with CDC Biodiversité, such as selecting plants adapted to climate change.

3.2. Integrating the best certification and labelling standards

In keeping with its pioneering role in labels and certifications, Icade is actively involved in developing upcoming standards.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Increase in-use certified office space by +5% per year through to 2020.	Objective achieved	• In-use certified office space increased by 5% in 2017.
• Obtain ISO 14001 certification for all business parks in 2017.	Objective achieved	• 100% of business parks have been ISO 14001-certified since 2016. Icade intends to maintain this performance.
HEALTHCARE PROPERTY INVESTMENT DIVISION:		**HEALTHCARE PROPERTY INVESTMENT DIVISION:**
• Obtain HQE certification for all new-build projects with a floor area above 10,000 sq.m.	Objective achieved	• All the major projects of the Healthcare Property Investment Division aim to obtain HQE certification.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Obtain HQE certification for 100% of offices and 35% of residential units starting in 2018.	In progress	• 100% of offices and 18% of residential units received HQE certification in 2017.

In progress *Objective achieved* *Objective not achieved*

3.2.1. Icade, a pioneer in new certifications and labelling

As the first player to receive HQE certification for commercial buildings in 2005, as well as a pilot property investment company for the BiodiverCity® label in 2014 and the first private property developer to use the new *Bâtiment biosourcé* (biosourced building) label in 2015, Icade continues to anticipate developments in labelling and certifications. With this objective in mind, Icade is spearheading development projects, such as the Thémis office project in Paris, one of the first commercial property developments to obtain the BBCA (low-carbon building) label and the French government's experimental E+C- label (positive energy and low-carbon buildings) with the highest rating (E2C2). This label is the precursor of the 2020 Environmental Regulations. Other pioneering examples include the Sky 56 building, located in Lyon with the Well label, and the Open building, which is testing the OsmoZ approach developed by the certification body Certivéa. These two labels focus on the occupants' well-being and comfort.

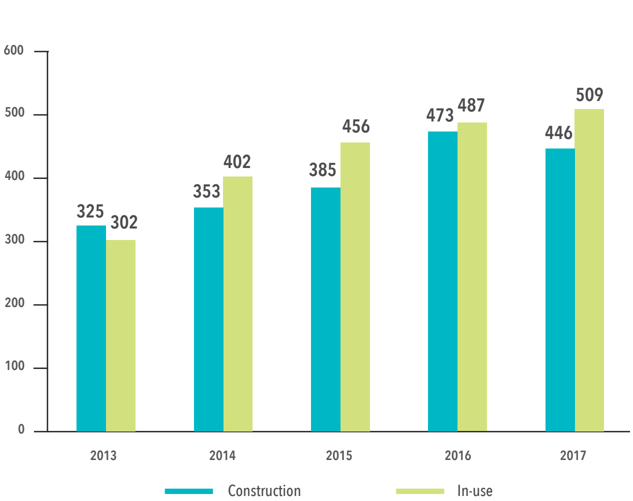
Equally involved in drafting future standards, Icade is taking part in a working group led by the French standardisation agency Afnor whose goal is to establish a framework for the sustainable development of business districts. Icade is also involved in developing and testing labels related to building connectivity, including the PB5 tower in La Défense which obtained one of the first WiredScore labels in France and two other sites which are experimenting with the R2S (Ready to Service) label, stemming from the "smart and connected buildings" framework developed by HQE and Smart Building Alliance of which Icade is a member. *For further information, see section 2.2.2. "Digital technologies at the heart of Icade's products and services".*

3.2.2. Developing environmental certifications for existing properties and new builds

Commercial Property Investment Division

Icade is committed to implementing environmental certification for both its existing properties and new builds and acquisitions. This approach is reflected in the constant increase in the proportion of HQE- and/or BREEAM-certified office floor space – increasing from 41% in 2015 to 56% in 2017 (construction and/or in-use).

HQE/BREEAM CERTIFIED OFFICE AND BUSINESS PARK FLOOR SPACE *(in thousands of sq.m)*



All business park floor space was ISO 14001-certified in 2017. Through this initiative, the Commercial Property Investment Division ensures the implementation of an environmental management system for its parks and buildings.

Icade has also incorporated the quality of certifications into its investment strategy. As a result, acquisitions made in 2017 have or aim to have a high level of certification:

- the ANF Immobilier company was acquired in 2017 (1), with a portfolio of 169,773 sq.m of offices and hotels (2). HQE- or BREEAM-certified properties represent 62% of total floor area of office assets (excluding historic buildings), with the majority having a Very Good or Excellent rating. This includes the New Way building, BREEAM-certified with a Very Good rating, which features notably an automated water leak detection system, and eco-labelled low-VOC products with an energy intensity 18% below the limit set by thermal regulations;
- Go Spring building in Nanterre with 32,600 sq.m, acquired off-plan, completed in two phases in 2017 and 2019, with BREEAM Very Good certification and the BEPOS label (positive energy building);
- Gambetta building in Paris with 20,000 sq.m, acquired off-plan, scheduled for renovation aiming for BREEAM Very Good certification and BBC Effinergie Rénovation by 2019;
- EKO Active building with 8,300 sq.m, acquired off-plan, aiming for BREEAM Very Good certification upon its completion in 2019.

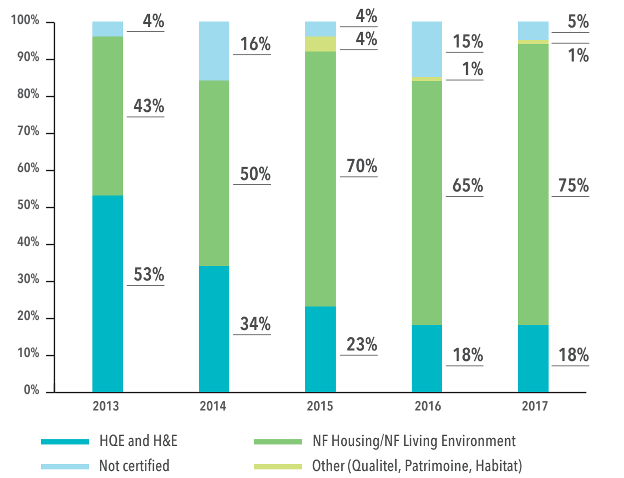
Healthcare Property Investment Division

Icade Santé has embarked upon an environmentally responsible path – all construction or extension projects with total floor area over 10,000 sq.m must be HQE-certified, representing close to 90% of projects completed between 2017 and 2020. For example, the polyclinic designed with the Courlancy Santé group will feature HQE Excellent certification when it opens in 2018. This facility obtained the "Reims Sustainable City" label's highest score, proof of the vision shared by Icade and local communities. The Croix du Sud polyclinic, developed with the Capio group, will also feature HQE Excellent certification when it opens, thanks to measures such as the installation of solar thermal panels, sustainable green space management, and 75% recovery of construction waste.

Property Development Division

75% of residential projects obtained NF Housing/NF Living Environment quality certification in 2017 and 18% obtained HQE and H&E (living environment and environmental quality) certifications. Icade's goal is 35% of HQE and H&E certifications by 2018.

CERTIFICATIONS OF RESIDENTIAL PROJECTS

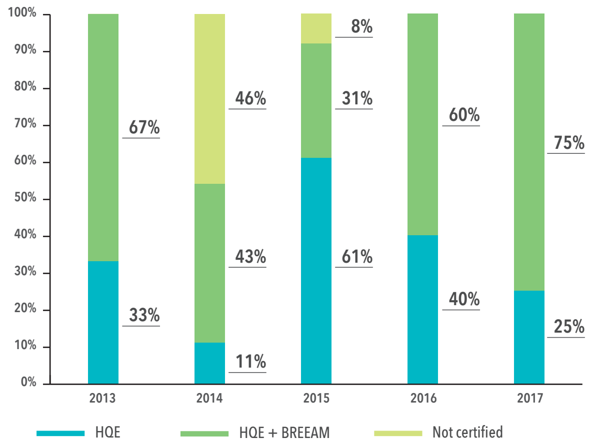


(1) *As of December 31, 2017, Icade held 16,190,546 shares representing 85.17% of the share capital and 84.80% of the voting rights of ANF Immobilier.*

(2) *Leasable floor area (on a full consolidation basis).*

As regards office starts, in 2017 Icade reached its 2018 goal of obtaining HQE certification for 100% of the offices. 75% of the projects obtained both HQE and BREEAM certification.

CERTIFICATIONS OF OFFICE PROJECTS



3.3. Developing solutions for sustainable mobility

To reduce CO_2 emissions related to its activities, Icade sees to it that its buildings are located close to public transport networks and makes every effort to develop innovative sustainable mobility solutions. These services contribute to the comfort and loyalty of its customers and to the value of its assets.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Equip 100% of the offices and business parks with charging stations for electric vehicles by 2018.	In progress	• 81% of business parks and offices were equipped at the end of 2017.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Develop at least 75% of projects less than a five-minute walk from public transport starting in 2016.	Objective achieved	• 81% of projects were located less than a five-minute walk from public transport in 2017.
• Provide a car-sharing service in at least five development projects per year starting in 2017.	Objective not achieved	• Two property development projects introduced a car-sharing service in 2017. A partnership is in the pipeline that would make it possible to expand the electric car-sharing initiative.

In progress *Objective achieved* *Objective not achieved*

Commercial Property Investment Division

All of Icade's assets are less than 400 metres (a five-minute walk) from public transport. This result has been achieved through a proactive policy developed by Icade over a number of years in terms of ecomobility to meet its tenants' needs. Icade makes an ever wider range of solutions available to them:

- electric shuttle boats and buses: some business parks are equipped with all-electric shuttle boats and two-thirds of the parks are accessible via private shuttle buses which connect to public transport. Diesel-powered shuttle buses were replaced by all-electric buses in partnership with Transdev and Bolloré;
- electric vehicles, car-sharing, ride sharing and bicycle sharing: as part of the Coach Your Growth initiative to improve the quality of life in the business parks, Icade facilitates access to all these means of transport. In 2017, 81% of the business parks and offices operated by Icade are equipped with charging stations for electric vehicles. All of Icade's properties will be equipped with charging stations in 2018. Ride-sharing and car-sharing solutions are available in 45% of the business parks;
- autonomous shuttle pilot project: from September through November 2017, Caisse des dépôts, Icade and Transdev tested an autonomous shuttle service, unprecedented in France on public streets, intended for Orly-Rungis business park employees;
- innovative shared parking solution: in 2017, Icade tested a shared parking service in the Portes de Paris business park developed by the start-up Zenpark. This mobile app is designed to allow the park's employees and visitors to find available parking spaces using a geolocation system and to access an online reservation system.

In 2017, emissions related to transport used by business park and office users stood at 35,917 tonnes of CO_2 (scope 3). Carbon emissions from transport are calculated based on the properties' location and local average data for the breakdown of transport use by mode of transport and data from Icade's corporate transport plan to which an emission factor is applied.

Property Development Division

Building as closely as possible to public transport networks and offering ecomobility solutions are two key issues for the Property Development Division. In 2017, 81% of projects were located less than a five-minute walk from public transport (400 metres away). Considered systematically, all-electric car-sharing solutions were implemented in two new-build schemes in 2017. A partnership is in the pipeline that will make it possible to expand this service.

3.4. Promoting biodiversity to make the assets more appealing

According to the UN, 80% of the world's population will live in urban areas by 2050. Contributing to soil degradation, this trend makes preserving biodiversity a key issue for the real estate industry. Fully aware of these issues governed by the Biodiversity Act of July 20, 2016, Icade has adopted a range of solutions to integrate nature into the city and achieve a net positive impact on diversity. This approach is beneficial for all involved, making it possible to improve the impact on ecosystems, meet the needs of local communities and contribute to the tenants' quality of life.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION/PROPERTY DEVELOPMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION/PROPERTY DEVELOPMENT DIVISION:**
• Achieve a net positive impact on biodiversity in 25% of existing properties and new builds by 2020.	In progress	• The first indicators analysed as part of the biodiversity performance contract, which is in place for 33% of the portfolio, were stable or improving. A complete analysis will be released in 2018.
• Conduct biodiversity assessments for all new projects starting in 2016.	Objective achieved	• All new projects in the design phase are subject to biodiversity assessments.
• Expand the use of the Ecojardin label into three new business parks in 2016.	Objective achieved	• 100% of the parks with green space are covered by the EcoJardin label in 2017. Icade intends to maintain this performance until 2020.

In progress *Objective achieved* *Objective not achieved*

3.4.1. Icade's impact on biodiversity

In the urban setting in which Icade operates, space dedicated to natural habitats remains limited and the environment is not favourable to the development of ecological corridors to connect fragmented habitats for wildlife populations.

Icade's activities having an impact on biodiversity include land selection and acquisition, building design and construction, building operations and green space management.

The major potential impediments and damage to plant and animal life caused by Icade's activities include light and noise pollution, fragmented habitats, soil sealing, the introduction of invasive species and soil pollution. Its activities may impact ecosystem diversity, mobility and genetic mixing of populations, and the appearance of new populations. It could reduce the size or change the structure of populations with an expansion of pest species and disrupt natural cycles in ecosystems.

Icade has put corrective measures in place to prevent, reduce and offset any adverse impacts on biodiversity throughout the building's life cycle.

3.4.2. Innovative tools to prevent, reduce and offset any adverse impacts on biodiversity

Integrating biodiversity into new developments

The first way to protect biodiversity consists in preventing impacts during the buildings' design and construction. To accomplish that, Icade uses a variety of tools including biodiversity assessments and the BiodiverCity label and has set a target of 25% of its new builds having a net positive impact on biodiversity in 2020.

Since 2016, development projects have been systematically subject to a biodiversity assessment conducted during the design phase. Starting in 2018, property developers will receive biodiversity training to meet the growing demand from local communities.

In addition, Icade has demonstrated its pioneering spirit with respect to eco-labelling since 2014 in connection with the construction of the Veolia headquarters (45,000 sq.m), a pilot project of the new BiodiverCity label. This label will also be implemented as part of the refurbishment and fitting out of Ateliers Vaugirard (in the 15th district of Paris), which will be completed between 2021 and 2023, with 700 sq.m dedicated to a rooftop vegetable farm and 65% of green surfaces.

The Commercial Property Investment Division's portfolio aims to achieve a net positive impact on diversity

A net positive impact on biodiversity is defined as positive change in a set of ecological criteria relating to plant and animal life, soil, water and green space management. Icade is committed to ensuring that 25% of its portfolio achieves a net positive impact on diversity by 2020. In order to meet this objective, Icade has introduced a biodiversity performance contract with CDC Biodiversité and played a role in creating a standardised indicator to measure the net positive impact on diversity with the B4B+ Club:

- **Biodiversity performance contracts:**

After conducting a first ecological assessment with CDC Biodiversité in 2014, Icade signed the first biodiversity performance contract with this entity in 2016 for a period of three years. This innovative initiative, based on indicators of resources and performance, aims to give a more prominent place to nature in cities and to improve the well-being of Icade's business park users.

The performance contract is based on measurable performance indicators with respect to plant and animal life, biological diversity, lower chemical inputs and water supply. These indicators demonstrate habitat diversification and an improvement in related services, such as temperature control, water management, food production and wellness.

In conjunction with CDC Biodiversité, Icade has defined "positive diversity" as part of the biodiversity performance contract as an improvement (or stabilisation at optimal level) in 100% of resource indicators and 50% of performance indicators which were measured. The detailed methodology is available on the Company's website. The evaluation is carried out by way of biennial ecological assessments.

The last study conducted in 2017 showed the following: for 33% of the parks covered by biodiversity performance contracts, two indicators improved, eight indicators remained stable, including two at an optimal level and no indicator deteriorated (11 additional indicators available in 2018 will make it possible to finalise the assessment). For example, less intrusive approaches to green space management (grazing, mulching and the total absence of plant protection products) promoted the expansion and diversification of plant species – close to 30% of species are growing; around 60% remain stable and only 10% have lost ground. The study also shows that very few species present are endangered and none of the invasive species identified threaten the habitats under consideration. Increased resources will be mobilised to achieve a net positive impact on biodiversity on these sites by 2020 (creating green spaces, land earmarked for mowing, etc.).

Biodiversity performance contracts will be extended to two-thirds of the business parks in 2018.

- **Moving towards a common indicator to monitor positive biodiversity impacts:**

Icade is actively involved in several working groups, such as the B4B+ Club (Business for Positive Biodiversity Club) led by CDC Biodiversité, which brings together companies, associations and researchers. Its members are discussing the drafting of a common methodology designed to calculate an indicator measuring the net impact on biodiversity of companies across industries. The objective is to arrive at a clear definition of what constitutes a net-positive company.

The indicator was discussed in an issue of Nature 2050's Outlook magazine published by CDC Biodiversité at the end of 2017 and its operational launch is scheduled for 2020. These discussions will improve the measurement method implemented in connection with biodiversity performance contracts.

- **Developing urban agriculture:**

Icade has developed a number of urban agriculture projects. This includes Farmhouse Millénaire inaugurated in 2017 in the Portes de Paris business park. In partnership with the start-up "Sous les Fraises", this urban farm combines vegetable growing and fish farming in a closed-loop, rain-fed ecosystem. It combines 500 sq.m of vegetable gardens, 8,000 cultivated plants and 200 sq.m of fish ponds. It is also a place where social ties are forged through the lively gardening and cooking workshops and after-work gatherings organised there. Vegetable gardens are present in other business parks such as Orly-Rungis with close to 50 employees from the park's tenant companies taking part. In a related move, a vegetable garden is planned for the Portes de Paris business park in 2018. Icade employees also benefit from urban vegetable gardens. At its headquarters, Icade provides gardening workshops led by Yellogarden in its green areas open to the public.

- **Ecological management of green spaces:**

Since 2016, Icade has integrated specific criteria into its green space management contracts. This ecological management approach was awarded the EcoJardin label for 100% of Icade's business parks that have green spaces.

- **Partnership with the League for the Protection of Birds:**

Icade has maintained its partnership with the League for the Protection of Birds which is conducting improvement studies on a number of the business parks and making recommendations for reintroducing birds.

- **Innovative green roofs:**

With CDC Biodiversité and in partnership with the Institute of Ecology and Environmental Sciences of Paris, Icade has developed two projects. The two-year research project on green roofs conducted on the site of Icade's former headquarters in the Millénaire business park made it possible to create a numerical model of the environmental benefits of new-generation green roofs. For example, the project demonstrated that improvements such as reducing urban heat islands, capturing soil pollutants and reducing rainwater runoff depend on soil type and plant diversity. The project is expected to continue on a new test site.

The *Dessus Dessous* project, soon to be tested on an Icade property, aims to combine green roofs and solar panels to create positive synergies between the two and increase their performance.

Nature 2050: restoring the most fragile ecosystems

Created and developed by CDC Biodiversité, the Nature 2050 programme strives to protect particularly vulnerable ecosystems and natural habitats. For Icade, this involves a proactive approach designed to fund ecological initiatives outside the urban areas where it operates, which are already covered by biodiversity performance contracts. This approach focuses not only on restoring biodiversity and protecting endangered species but also on adapting agriculture, nature and forests to climate change. For example, Nature 2050 funded a coastal preservation project in Baie de l'Aiguillon (Vendée and Charente-Maritime), conducted in partnership with the League for the Protection of Birds.

Icade is part of this initiative through funding the restoration and maintenance of 1 sq.m of natural habitat for 1 sq.m of land developed by Icade Promotion on behalf of the Commercial Property Investment Division and for the Healthcare Property Investment Division's development projects with surface area over 10,000 sq.m until 2050. As a result, 47,000 sq.m have been restored since 2016.

3.5. Integrating the principles of a circular economy into the products and services

Circular economy takes into account the impact on the environment by actors in the economic chain. This involves reducing waste related to raw materials and turning all waste into a resource. To accomplish this, Icade's approach is based on the EU Directive of 2008 on waste management, whose 3R principle (reduce, recycle, reuse) was echoed by the French Act on Energy Transition for Green Growth.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
COMMERCIAL PROPERTY INVESTMENT DIVISION:		**COMMERCIAL PROPERTY INVESTMENT DIVISION:**
• Recycle or recover 100% of controlled operational waste in 2020.	In progress	• The portion of recyclable waste was 38% in 2017. Icade is experimenting with various innovative approaches to meet its target in 2020.
• Ensure the collection of used objects by government-approved waste collection and treatment companies for all business parks by 2017.	Objective not achieved	• Implementation was slower than expected and only 35% of the parks were covered at the end of 2017. The time frame for meeting the objective has been postponed until 2018 for the main business parks and 2019 for all the parks.
• Initiate local partnerships on circular economy.	Objective achieved	• A number of partnerships have been initiated or are under consideration.
• Reduce water consumption in the buildings by 25% between 2011 and 2020 *(in m³/sq.m/year)*.	In progress	• Water consumption remained stable between 2011 and 2017. Measures will be reinforced to achieve the Company's objectives.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Recover 60% of construction waste for all HQE-certified offices starting in 2016.	Objective achieved	• The objective was met in 2017.
• Develop at least 25% of projects with a rainwater collection system starting in 2016.	Objective not achieved	• 20% of projects were developed with a rainwater collection system in 2017, slightly below the target.

In progress *Objective achieved* *Objective not achieved*

3.5.1. Reducing, re-using, recycling and recovering waste

The real estate industry is particularly affected by issues related to raw material consumption and recycling. According to the French Environment and Energy Management Agency (Ademe), the construction industry accounts for close to 50% of natural resource consumption and nearly 40% of waste production in Europe. From a building's design to its demolition, the use of resources must be optimised and the recycling of materials must be taken into account. Several flagship initiatives launched in 2017 illustrate Icade's efforts in this regard.

Creation of Cycle Up with Egis:

In 2017, Icade entered into a 50/50 joint venture with Egis to launch Cycle Up, a platform dedicated to the reuse of construction materials. This digital platform available to all industry participants records all the available building materials on a construction site and ranks them according to their degree of reusability. Through this initiative, Icade has established itself as a pioneer in the reuse of building materials, a not yet widespread practice in the construction industry, but with a promising future. For example, the Pulse building in the Portes de Paris business park will be built using material obtained through this initiative (raised flooring, parquet floors, etc.). In addition to the financial benefit of reusing materials, which reduces construction costs, the practice is beneficial for both the environment (reduced carbon footprint, improved waste management, resource conservation) and local communities (back-to-work jobs and local hiring, supply chain reshoring).

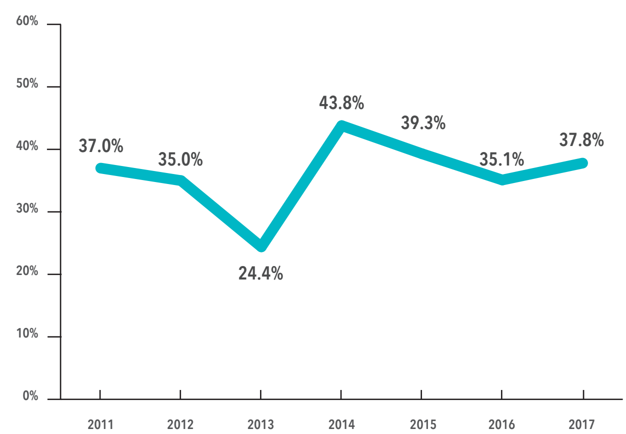
This cross-business project supplements the other initiatives implemented in each division.

Commercial Property Investment Division

Icade annually monitors the waste collected and the portion of recyclable waste from its offices and business parks.

In recent years, the performance has been as follows:

PORTION OF RECYCLABLE WASTE OF OFFICES AND BUSINESS PARKS *(in %)*



The percentage of recyclable waste rose slightly between 2011 and 2017. Icade is increasing and diversifying its efforts to meet its goal of recycling or recovering all controlled waste in 2020. Its strategy to achieve this goal is based on three pillars: recovering on-site waste, improving the sorting process, and assisting tenants:

- **Setting up waste sorting units in office buildings and business parks:**

  Icade has set up an Ecobase in its Orly-Rungis business park, in partnership with Semardel, dedicated to waste sorting and recovery. The waste is sorted at source and the Ecobase is located near a recovery centre to minimise transport-related CO_2 emissions. The site's waste recovery rate was 98% in 2017. In addition, two buildings are testing a solidarity-based solution for a waste sorting unit in partnership with La Corbeille Bleue. These on-site sorting units create jobs from the sheltered work sector and show strong results in terms of recycling waste. The solution is currently in the pipeline for several buildings in the Commercial Property Investment Division. Lastly, recycling and collection bins provided by Les Joyeux Recycleurs were installed in 2017 in Smartdesks (office space for mobile workers) in the Pont de Flandre business park and La Défense.

- **Collection of used objects:**

  Since 2017, Icade has provided its business park occupants with hands-on collection equipment that ensures the traceability of deliveries to government-approved waste collection and treatment companies and associations responsible for the collection. The initiative has been implemented in the Eqho tower in La Défense and will be expanded to other sites starting in 2018.

- **Green lease committees gain traction:**

  In addition to regulatory requirements, green lease committees help to promote performance by setting goals for improvement, introducing action plans and sharing best practices. *For further information, see section 2.3. "Assisting customers in matters of environmental performance".*

- **Employee awareness:**

  As part of the Open ID project which included accompanying measures when Icade's headquarters relocated to Issy-les-Moulineaux, the employees have been made aware of the importance of reducing their waste and use of paper. The paperless office policy has already made it possible to reduce paper consumption by more than 50%.

Property Development Division

Icade is making every effort to ensure that all HQE-certified new builds obtain the level of "very efficient" for "low-disturbance construction site" and "operational waste management". HQE standards set out stringent requirements in terms of reducing, recovering and treating hazardous waste during the construction and operational phases. In 2017, 100% of HQE-certified development projects aimed for a waste recovery rate of at least 60%.

3.5.2. Reducing water consumption

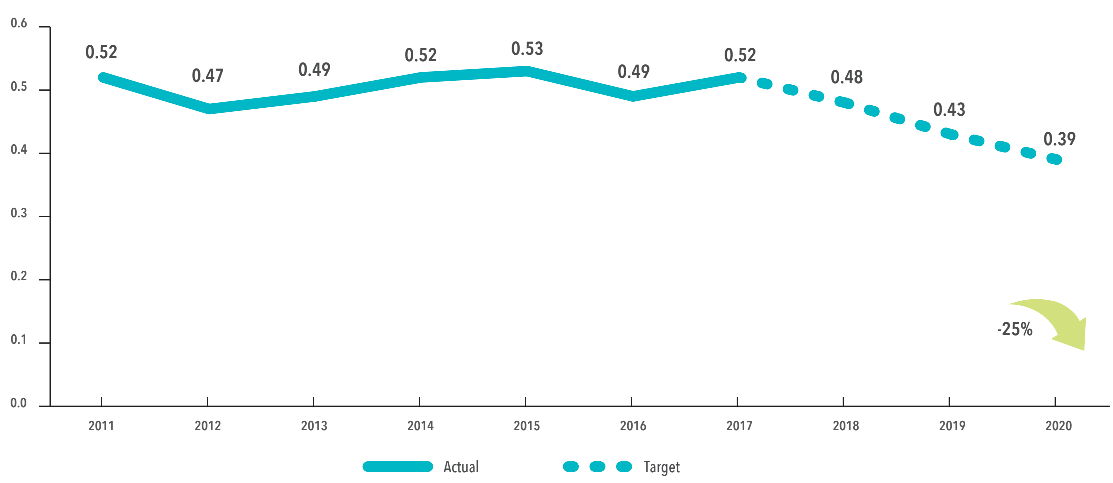
Even though Icade is not subject to water restrictions, it works to minimise its impact through management tools and dedicated solutions.

Commercial Property Investment Division

The Commercial Property Investment Division is committed to reducing its water consumption by 25% by 2020. Tools for measuring and managing consumption have been implemented, including:

- mapping the water distribution network combined with monthly meter readings of usage identifies possible leaks and the condition of the equipment and office buildings. Consumption monitoring was reinforced in 2017 through a partnership with the start-ups Deepki and Ubigreen which are helping to automate data collection and analysis;
- Icade educates and informs its tenants about water management best practices, particularly through green lease committees. These practices include the installation of water-efficient fixtures such as tap flow restrictors and water-saving toilet flushing systems, as well as metre readings, etc.
- Icade has improved its water management through various measures, including the installation of retention basins in certain business parks to reduce rainwater runoff and avoid saturating sewage treatment plants during periods of heavy rainfall, less automatic watering, and using plants that require little water. Research is also being conducted to analyse the role of green roofs in reducing rainwater runoff.

WATER CONSUMPTION IN OFFICES AND BUSINESS PARKS *(in m³/sq.m/year)*



Water consumption remained stable between 2011 and 2017 and increased between 2016 and 2017. This is due to the effect of changes in scope of consolidation: on a like-for-like basis, there was a very significant improvement (-14% in one year).

For further information about water consumption and waste production, on a total and like-for-like basis and by asset class, *see 6.1. "Tables of environmental indicators of the Commercial Property Investment Division – EPRA format".*

Property Development Division

In connection with expanding NF certification to all of Icade's new builds, Icade is working to reduce water consumption and pollution during construction. Additional measures include buildings equipped with taps with flow restrictors, rainwater collection systems (for 20% of development projects in 2017).

3.6. Innovating for sustainable construction

As a company committed to the Smart City concept, Icade has taken steps to promote a resilient city and sustainable urban planning. This can mainly be achieved through the choice of materials used, which play a critical role in a development project's environmental footprint.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Systematically carry out a life-cycle assessment for projects over 10,000 sq.m starting in 2016.	Objective not achieved	• While the proportion of major projects for which a life-cycle assessment was performed increased sharply from 22% in 2016 to 71% in 2017, it still remains below the target. This type of assessment will be expanded through the introduction of the BIM method at Icade.
• Develop at least five wood-based buildings per year starting in 2017.	Objective not achieved	• Three wood-based buildings were developed in 2017, slightly below the objective that was set. Several large-scale development projects are under way.

In progress *Objective achieved* *Objective not achieved*

3.6.1. Life-cycle assessments

In 2017, 71% of large-scale new projects were subject to life-cycle assessments (LCAs). This includes several flagship commercial property developments, such as the Pulse building located in Saint-Denis, in the Paris region. The LCA conducted on this building led to the wider use of low-carbon, biosourced materials and material reuse and to anticipating the building's end of life. As a result, Pulse is aiming to obtain the E+C- label (positive energy and low-carbon buildings), which promotes efforts to reduce carbon emissions throughout the building's life cycle.

3.6.2. Sustainable materials

Since creating its materials monitoring unit in 2014, Icade's technical requirements and practices have moved towards more effective environmental solutions making it easier for its operational teams to address these issues. As a result, while concrete remains the predominant construction material (used in 60% of projects in 2017 compared to 70% in 2014), the use of brick, having a lower carbon footprint than concrete, has been growing steadily. It was used in 25% of construction projects in 2017 compared to 14% in 2014. In addition, materials are systematically purchased with environmental performance criteria in mind (emission of volatile compounds, environmental quality labels, etc.). *For further information, see section 2.5. "Reinforcing our responsible procurement policy".*

As a founding member of BBCA (low-carbon building association) and ADIVbois (association for the development of wood-based residential buildings), Icade furthered its commitment by becoming the first private developer to use the "Biosourced Building" label in its Parc des Closbilles development project, whose structural parts, cladding, flooring, doors and frames are made from wood.

In 2017, nine wood-based projects were completed or being developed:

- two office buildings in Paris with hybrid wood and concrete structures: Thémis: HQE and BREEAM Excellent certifications, Effinergie+, Biosourcé, BBCA and E+C- quality labels; Twist: HQE and BREEAM Excellent certifications, Effinergie+ and Biosourcé quality labels;
- L'Aparté, a 23-unit residential building in Strasbourg, with a 100% wood-based structure. This development project aims to obtain the BBCA and E+C- labels;
- the B007 building developed for the Commercial Property Investment Division in the Pont de Flandre business park, with a hybrid wood and concrete structure, due to be completed in 2019;
- the Pulse building developed for the Commercial Property Investment Division in the Portes de Paris business park, due to be completed in 2018. Reused, biosourced and low-carbon materials will be used with the objective of obtaining the E+C- label;
- "Les suites du Lac", a 121-unit residential project in Thonon-les-Bains, with timber-framed façades, due to be completed in 2019;
- the Origine office building on 65,000 sq.m in Nanterre developed for the Commercial Property Investment Division. This project featuring a wood and concrete structure aims to obtain HQE and BREEAM Excellent certifications and BEPOS and BBCA quality labels;
- the "Wood'art" complex in Toulouse, winner of the ADIVbois "Wood-based Residential Buildings" award, includes a hotel and wood homes. It aims to obtain the E+C- label;
- the Atelier de L'Arsenal project in Paris, winner of the "Reinventing the Seine" competition, will feature a portion of timber frame homes.

4. Employee skills development, workplace well-being and diversity

Icade's HR policy at the heart of its corporate strategy

Key to the success of Icade's strategic plan, its HR policy supports transformational and innovative projects. This policy is also fundamental to the quality of life in the workplace. The Company undertook several initiatives in 2017:

- **Managerial practices and the work environment given a fresh look:**

  The design of the new Open headquarters which promotes a dynamic work environment demonstrates Icade's intent to make cross-functionality, the quality of life in the workplace, and innovation the key drivers of performance. Employees have benefited from specific accompanying measures and tools to monitor the quality of life at work have been implemented.

- **Employee skills development:**

  Changing business practices have been anticipated through recruitment, and training which aim to develop the skills that Icade needs, such as digital technology and customer orientation.

- **Supporting innovation and CSR initiatives:**

  Awareness-raising measures and training, cross-business workshops to design new solutions and financial support for intrapreneurial projects are provided to employees.

- **Tools to strengthen the employer brand:**

  Icade has built a network of brand ambassadors on social media and is pursuing a proactive internal mobility policy.

- **Productive social dialogue:**

  In 2017, new agreements were entered into, including gender equality and intergenerational agreements.

- **An incentive-based remuneration policy:**

  Icade pursues a general incentive-based remuneration policy including new employee savings schemes, a performance incentive scheme more favourable than the preceding one and a new system for employer contributions.

4.1. Developing employee skills and reinforcing the Company's attractiveness

Icade is committed to developing employee skills and is actively involved in advancing their mobility which is key to a productive career and employee engagement.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
Fill 25% of positions internally, on average, over the 2016–2018 period.	In progress	38% of positions filled internally on average between 2016 and 2017.
Train at least 80% of employees on average over the period 2016–2018.	In progress	On average, 85% of employees received training in 2016 and 2017.
Train 80% of employees identified as eligible for the asset management and property management training programmes by 2017.	Objective achieved	100% of asset managers and 87.5% of property managers were trained.
Raise employee CSR awareness by 80% by 2018.	In progress	22% of the employees participated in the CSR awareness module and/or the disability awareness module in 2017. New CSR training programmes will be offered in 2018.
Integration of CSR and innovation objectives into the individual road maps of senior executives and managers.	Objective achieved	CSR and innovation objectives have been integrated into the individual road maps of senior executives and managers since 2016 and are being gradually extended to all employees. At the end of 2017, 46% of the employees had a CSR and innovation objective.

In progress *Objective achieved* *Objective not achieved*

4.1.1. Workforce

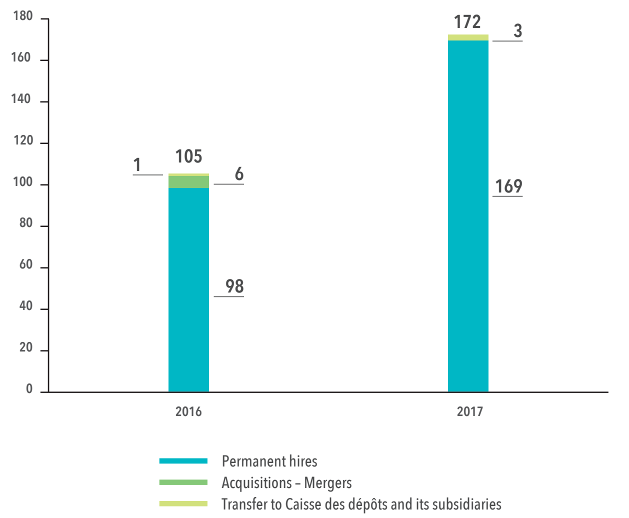
WORKFORCE BY CATEGORY AND TYPE OF CONTRACT

	2017	2016
Total registered workforce at the end of the period (excluding interns)	**1,129**	**1,104**
Year-on-year change	2.3%	0.3%
Like-for-like change	2.3%	(0.2)%
WORKFORCE BY CATEGORY (EXCLUDING INTERNS)		
Women executives	299	285
Men executives	432	412
Executives	**731**	**697**
Women non-executives	296	308
Men non-executives	102	99
Non-executives	**398**	**407**
WORKFORCE BY CONTRACT TYPE (INCLUDING INTERNSHIPS AND TEMPORARY CONTRACTS)		
Permanent contract	1,084	1,057
Fixed-term contract	18	26
Work-study/internships/apprenticeships	32	24
Temporary (annual FTE)	10	15
ORGANISATION OF WORKING TIME		
Number of part-time employees	71	77

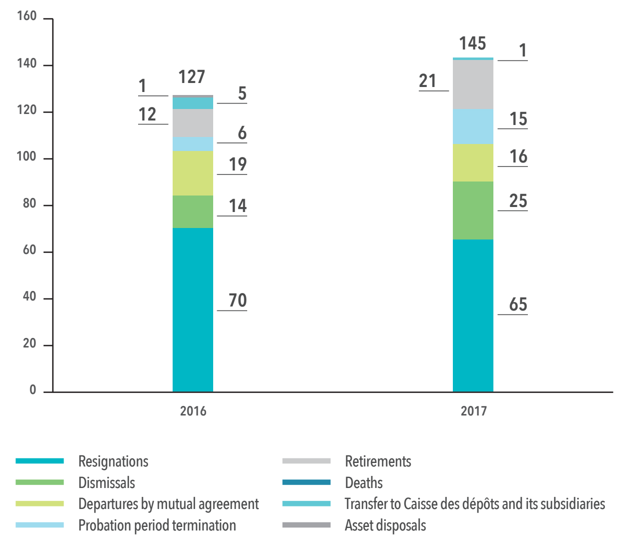
The number of Icade employees increased by 2.3% in 2017 (excluding ANF Immobilier [1]), reflecting the reinforcement of the Property Development Division's development teams.

Hires and departures (by reason) in 2016 and 2017

NUMBER OF HIRES – PERMANENT EMPLOYMENT CONTRACTS



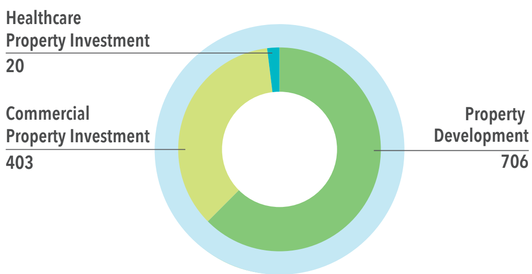
NUMBER OF DEPARTURES – PERMANENT EMPLOYMENT CONTRACTS



(1) 33 employees joined Icade in January 2018 following the acquisition of ANF Immobilier.

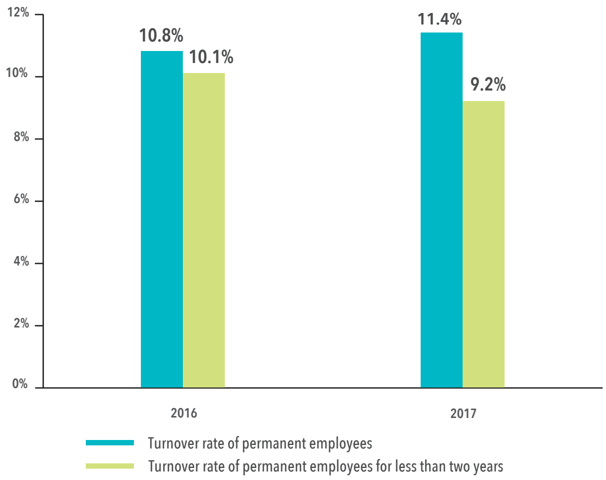
The Property Development Division has the largest share of the workforce (63%). The Healthcare Property Investment Division's workforce relies on internal expertise, especially from the Healthcare teams of the Property Development Division.

WORKFORCE BY DIVISION IN 2017



The employees are all located in France, with 64% in the Paris region ("Île-de-France") and 36% outside the Paris region. All 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 2016 AND 2017



The turnover rate increased slightly in 2017. The turnover rate of employees with permanent contracts signed less than two years ago decreased slightly, demonstrating Icade's capacity to attract and retain new hires.

4.1.2. A dynamic policy for skills management

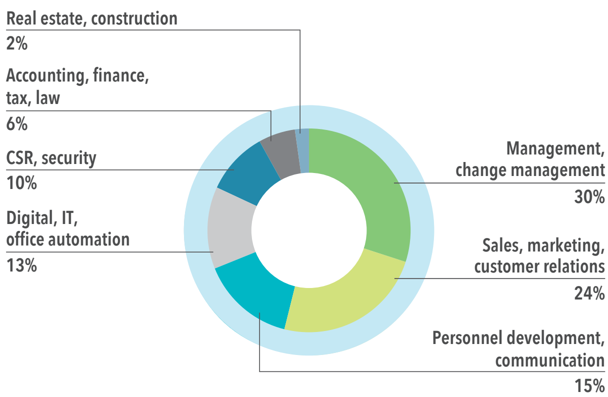
A key factor in Icade's performance, skills management is based on four pillars: promoting new ways of working and collaborating; anticipating changing business practices; encouraging employees to become actively involved in their development; assisting intrapreneurs and supporting CSR commitments.

80% of the employees received an average of 19 hours of training in 2017. The total budget allocated to training represented 3% of the total payroll.

Some of Icade's main initiatives carried out in 2017 include:

- changes in management practices have been reinforced through the creation of a dynamic work environment in its new headquarters – an initiative that will be implemented outside the Paris region starting in 2018. Icade sees this as a real opportunity for change, aimed at achieving improved performance and a better quality of life in the workplace. A listening and assistance programme has been put in place to help managers adapt to these new practices. Managers were given the opportunity to exchange ideas on pertinent topics – resistance to change, managerial behaviour, cross-functionality – at the three workshops that were held. Within this context, a "positive energy manager" (MEPOS) programme will be implemented starting in 2018, a change management system designed for managers. Arising from an internal innovation approach, positive energy managers are effective leaders, with experience in new management practices and committed to motivating their teams;
- specific training programmes were introduced for the roles undergoing significant change. In 2017, 94% of asset managers and property managers received training and a specific programme was put in place for sales managers. The Commercial Property Investment Division's asset managers and property managers have been made aware of the customer-centric approach and the innovative services in the business parks as part of Coach Your Growth, an ambitious plan to improve the quality of life in the business parks;
- cross-functional working between the teams is encouraged through initiatives such as the Property Development Division's business communities and thematic innovation workshops, where best practices can be exchanged and new ones developed;
- In 2017, Icade introduced CSR and disability awareness training modules, to be completed by 80% of the employees by the end of 2018 (22% of the employees completed the training at the end of 2017). In 2018, Icade will introduce biodiversity training to enable property developers to meet the growing needs of local authorities with respect to major projects;
- each year, sales managers receive anti-money laundering training which will be supplemented by a digital anti-corruption module for all employees in 2018. Coordination Committee members have already received awareness training on this subject in 2017;
- lastly, in order to keep Icade employees informed of the new trends in real estate, "Meetings at the Hub" conferences have been regularly held since 2014 on topics such as blockchain technologies, new work practices, Smart City, etc.

BREAKDOWN OF TRAINING HOURS PER AREA IN 2017



In 2017, the first area of training involved the "Management – Change management" module, which reflects Icade's intention to adapt its managerial practices. Training relating to sales, marketing and customer relationship represents the second area, largely due to the implementation of a programme dedicated to sales managers.

4.1.3. Promoting internal mobility and attracting new talent

Internal mobility allows Icade, which has a dynamic policy in place in this area, to keep pace with change: 38% of recruitment was conducted internally on average between 2016 and 2017, above the target of 25% set by the Company for the 2016–2018 period.

These results were achieved through an approach based on various measures to promote internal mobility:

- the annual performance review, the cornerstone of Icade's approach, enables employees to take stock of their performance with their managers and to anticipate how their role could change: 90% of employees had a performance review in 2017;
- career interviews with HR teams: 132 interviews were conducted in 2017 by HR teams including 46 dealing with professional mobility;
- real-time access to the full range of employment opportunities at Caisse des dépôts via the online platform "mobil'idées" in addition to mobility committees formed by Icade and Caisse des dépôts. These committees allow HR teams to identify new mobility opportunities for employees actively seeking to advance their careers;
- talent pools managed by Caisse des dépôts, in which Icade participates, which aim to select and train managers capable of assuming managerial positions in the Group;
- a process for the "forward planning of jobs and skills" (GPEC) was introduced in 2015 and complemented by an agreement signed in 2016. This initiative makes it possible to develop new tools that promote mobility such as a progress chart of changes in employment and skills, financial measures in support of mobility, etc.

Although Icade prioritises mobility, needs are rapidly changing and positions cannot always be filled internally. As a result, several measures were taken in 2017 to improve the Company's employer brand and to attract new talent. Employees participating in a new Employee Advocacy programme post content about the Icade employer brand on social media, especially LinkedIn, which has become a powerful recruiting tool. Icade ranked third in leading web communities (Facebook, Twitter, LinkedIn) for France's real estate industry, which adds to its visibility. In order to diversify its recruitment sources, Icade has offered incentives to develop co-opting. Lastly, Icade will organise recruiting chatbots starting in 2018 to allow candidates to ask their questions via Facebook messaging.

4.1.4. Employees committed to a socially responsible company that is respectful of the environment

To encourage its employees to become actively involved in its CSR policy, Icade has implemented incentives, specific training and has provided employees the opportunity to participate in community and eco-friendly activities.

Since 2016, a significant portion of the variable remuneration of Executive Committee members (10%) has been contingent upon meeting CSR and innovation objectives. CSR and innovation commitments are also integrated into the individual road maps of managers and employees: in 2017, 46% of them had a CSR objective.

To develop CSR skills, employees receive targeted training, on topics such as the buildings' environmental performance, certifications and BIM. A CSR awareness module was introduced for all employees in 2017. Employees may also stay informed through conferences organised on a regular basis at Icade's headquarters, on topics such as sustainable materials, new labels, UN Sustainable Development Goals, etc.

Icade also facilitates the involvement of its employees in solidarity actions. These include a number of initiatives: skills sponsorships, a partnership with the "Our Neighbourhoods Have Talent" association as well as solidarity leave and solidarity days off. *For further information, see section 2.4.2. "Employees actively involved in local initiatives".*

For many years, Icade has educated its employees about the importance of "eco-friendly practices". The relocation of its new Open headquarters provided an opportunity to strengthen this initiative, which includes adopting a paperless office policy, collecting equipment and materials for reuse, implementing measures to promote the use of public transport, etc. All of these best practices will gradually be implemented outside the Paris region.

4.1.5. Sharing the earnings

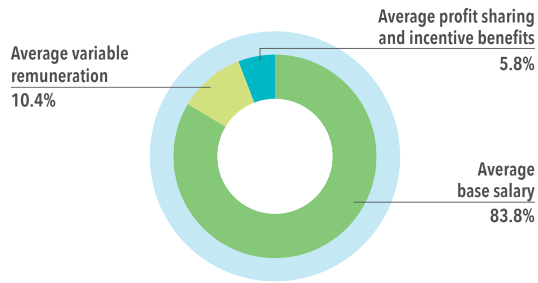
Icade includes its employees in the Company's performance through an incentive-based remuneration policy. This policy is based on individual variable remuneration, employee savings plans and, where appropriate, bonus share plans as was the case in 2016.

The average salary of permanent employees stood at €52,999 gross in 2017. This represents a 3.2% increase compared to 2016, assuming staff numbers remain unchanged.

In 2017, 78% of the employees received individual variable remuneration. Representing 10.4% on average of the employee's total remuneration, variable remuneration is based on the Company's economic performance in the division to which the employee belongs and the employee's ability to meet their objectives.

Performance incentives and profit-sharing represented 5.8% of total remuneration in 2017 (vs. 4.1% in 2016). The performance incentive plan was the subject of a new agreement with social partners for the 2017–2019 period. More advantageous than in previous years, it also provides employees with the opportunity to invest their performance incentives in a group savings plan (PEG) or a collective group retirement savings plan (PERCOG) with Icade matching 200% of employee contributions up to the maximum amounts determined according to seniority.

BREAKDOWN OF AVERAGE TOTAL REMUNERATION IN 2017



Since 2014, employees have received an individual remuneration and benefits report (BSI) on a yearly basis. This document, which brings together key information (total remuneration, training, employee savings plans, etc.), has been met with the approval of a large majority of employees (85%).

4.2. Committed to improving the quality of life in the workplace

2016–2020 COMMITMENT	RESULT	COMMENT
• Conduct a telework experiment with 10% of Icade's employees in 2016.	Objective achieved	• The objective was met in 2016 and the experiment produced satisfying results. Teleworking was expanded and involved 27% of the workforce in 2017.

In progress *Objective achieved* *Objective not achieved*

In 2017, Icade took advantage of its relocation to Open (Issy-les-Moulineaux) to strengthen measures to improve workplace quality of life and well-being. The building, which showcases Icade's knowledge and expertise, also provides a place to test new service solutions before making them available to its customers.

4.2.1. Health and safety at work

In 2017, lower rates of absenteeism and workplace accidents were noted.

HEALTH AND SAFETY AT WORK INDICATORS

	2017	2016
Frequency rate	1.64	3.34
Severity rate	0.37	0.17
Number of fatal accidents	0	0
Number of illnesses reported during the year	0	1
Absenteeism rate [a]	3.42%	3.94%

(a) Absenteeism includes all 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, unjustified absences, short-term leave without pay, paid holiday leave based on prorated 13th month pay).

Icade's health and safety policy is carried out in conjunction with the Health, Safety and Work Conditions Committees (CHSCT), which are consulted on a regular basis, especially in connection with the relocation to the Open building.

The "single risk assessment document", which details professional risks, provides a framework for this policy. The document was updated to take into account the new work environment of headquarters staff. To avoid the risks related to this relocation, an overall plan for the prevention of professional and psychosocial risks was implemented together with a comprehensive support programme. The programme was conducted both before and after the relocation, with input from an ergonomist who observed the new work conditions in order to propose measures tailored to employees' needs. Already an Icade partner, PSYA, a firm specialised in the prevention of psychosocial risks and improving the quality of life in the workplace, has also been involved in the project. In addition to the already existing toll-free line, employees and managers can schedule an individual appointment with a psychologist if they so desire.

These measures accompany a more comprehensive plan for managing psychosocial risks which includes workplace harassment prevention measures, a toll-free line and the availability of a social worker.

At the same time, in order to educate its employees about what to do in the event of an emergency, first aid officer training and fire safety training programmes are organised each year.

With respect to health, Icade provides its employees access to the Lyfe platform, in partnership with CNP Assurances. In 2017, this specialised service offer (access to simplified care, wellness services and caregiver support) was supplemented by Betterise, a personalised coaching app which provides advice and practical exercises to employees on topics such as sleep and nutrition. Icade also continued its health promotion programme by making sports activities available (running coach, discounted membership fees at a sports club) and by organising several conferences on topics such as "eye health", "stopping smoking" and "healthy living".

A telemedicine booth set up at Icade's headquarters in partnership with H4D and Ipsec, makes it possible to conduct a check-up autonomously and consult a physician via videoconferencing. Since its launch in 2016, 220 check-ups and 60 teleconsultations have been performed and 95% of the employees report being "more than satisfied".

4.2.2. Well-being and quality of life at work

A new work environment for an improved quality of life

More than a mere relocation, the new Open headquarters represents both an innovative environment for employees and a showcase for new work practices – open-plan offices with unassigned seating, places to be creative and to relax in, new digital tools, etc. It was designed to help the Company develop synergies across business areas and facilitate the flow of information exchanged in order to achieve cross-functionality conducive to performance and to improve workplace well-being. The concept will gradually be expanded to employees outside the Paris region.

At a time when more than half of its employees are involved in the move to their new headquarters, Icade put a comprehensive relocation support programme in place before, during and after the move. In addition to forums intended for managers, employees were invited to participate in a number of open and interactive discussions, round tables and conferences on the project. Employees were regularly informed of the project's progress and its related benefits through newsletters. Specific measures were also taken to provide solid support to employees most impacted by the move, including 100% reimbursement of public transport season tickets, provision of a parking space, adaptation of working hours, pre-paid vouchers allowing for payment of domestic services and financial assistance for any employees having to move house.

Measures to promote work-life balance and social connectedness

A number of services and benefits allow employees to better balance their personal and professional lives, such as concierge services, videoconferencing, leisure activities (sports coach, gardening lessons, etc.).

After being tested in 2016, the teleworking initiative, bolstered by a collective agreement entered into in July 2017, is now available to all employees. As of December 31, 2017, 27% of Icade employees chose to telework. Employees committed to optimising their time may also use the five Smartdesks – co-working areas that can be reserved in advance – provided by Icade in Paris and on its outskirts. In 2018, a charter on the right to disconnect will be published to reaffirm Icade's intention to respect its employees' work-life balance.

Icade encourages activities which strengthen team cohesiveness and team spirit. This includes the Meet'Icade initiative, created and launched by the Company's young employees. This initiative aims to forge ties between employees of all ages and from all divisions through cultural, sporting and community activities organised at work or close by: Summer event, sporting competitions, choral singing, mural painting, clothes collecting for an association, etc. In 2017, close to 230 employees participated in these activities and new events are already scheduled for 2018.

Tools to monitor and manage the quality of life in the workplace

With a view to assessing the quality of life in the workplace, Icade has also introduced a pilot survey conducted on a sample of employees in partnership with the start-up Wittyfit. This innovative platform measures workplace well-being by enabling participants to not only freely and anonymously express themselves but also to make suggestions for improvement. For Icade, the goal is to assess stress levels and employee satisfaction and to create action plans per team. Topics covered by the survey include recognition, work-life balance, workload and autonomy. Designed to include all employees starting in 2018 and to be conducted on a regular basis, the survey supplements the social barometer carried out by Caisse des dépôts.

The latest barometer, conducted in 2015, revealed a high level of engagement among Icade employees (78% of participants) and areas for improvement include career and skills development. Since that time, these last two topics have led to measures being taken, as outlined in section 4.1. "Developing employee skills and reinforcing the Company's attractiveness".

With the aim of further improving its practices involving the quality of life in the workplace, Icade has decided to experiment with the OsmoZ approach, developed by the certification body Certivéa. This set of solutions designed to improve well-being within organisations includes a process for assessing the quality of living conditions (health, comfort, usability, and user experience). This framework takes into account building design quality, interior design, services provided to residents and the Company's HR policies. In 2017, Icade's new headquarters were included in this initiative's pilot projects. Following this experiment, Icade will consider whether to apply this approach to other commercial buildings.

4.2.3. Productive social dialogue

Icade complies with French labour law and the fundamental conventions of the International Labour Organization (ILO) on the freedom of association and the right to collective bargaining. 100% of the employees are covered by employee representative bodies and collective bargaining agreements. Employee representative bodies are systematically associated with the Company's major strategic and operational projects. Icade operates only in France and compliance with French labour law guarantees compliance with standards on the elimination of forced or compulsory labour and child labour.

In order to fulfil their mission, elected and designated employee representatives are entitled to an operating budget guaranteed under the agreements. For example, these agreements involve allowing trade unions access to electronic messaging and the Intranet and the provision of premises. In 2017, Icade reaffirmed its desire to pursue productive social dialogue with all its social partners: 40 meetings were held with union representatives, which led to ten new agreements being entered into.

The following main agreements are currently in effect:

- agreement on accompanying measures relating to the headquarters relocation from Paris to Issy-les-Moulineaux (2017): a range of solutions to compensate employees most impacted by the move to facilitate their work-life balance;
- teleworking agreement (2017): this agreement helps to improve work-life balance and the quality of life in the workplace;
- leave donation agreement (2017): beyond the scope of the regulatory framework, the agreement enables an employee caring for a child, spouse or elderly relative with an illness, disability or having suffered a serious accident to use days donated by their colleagues. Starting in 2018, employees will be able to anonymously donate days through a solidarity fund which will be matched by Icade;
- amendment to the collective agreement on the Time Savings Account (2017): each employee may now save up leave in time savings accounts that can be used for personal or professional projects or in connection with solidarity and/or community activities;
- 2017 performance incentive agreement and 2006 profit-sharing agreement: these agreements reflect Icade's intention to redistribute the Company's profits to its employees and to reward their collective performance;
- collective agreement on employee health coverage (2017): it implements the "responsible contract", with optional additional coverage to reimburse medical costs;
- collective agreement on the prevention of psychosocial risks (2012): this agreement helps to reduce stress and preserve employees' well-being;
- new collective agreement on disability signed in 2015: the measures provided for offset the effects of disability and preserve the health and comfort of the individuals involved;
- agreement on gender equality (2017), which supplemented the 2015 action plan: this agreement is intended to ensure the fair treatment of employees and a better work-life balance;
- intergenerational agreement (2017): promotes the employability of young people, keeping older workers in employment and knowledge transfer;
- employment and skills planning agreement (2016): this initiative allows for improved human resource management and adapting the teams to Icade's development strategy.

4.3. Promoting diversity in all its forms

For Icade, promoting diversity is a source of social cohesion and innovation. Since 2011, a diversity policy officer has ensured that there is no discrimination in compliance with French law and the ILO's fundamental conventions.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
• Increase the percentage of women managers from 29% to 34% between 2015 and 2018.	In progress	• The percentage of women managers was 30% in 2017.
• Fill 15% of positions externally under permanent employment contracts with people under 26 on average in 2016–2018 and maintain the employment rate of older workers over the age of 55.	In progress	• The recruitment rate of young people was 15% on average over the 2016–2017 period, in line with the objective. A new objective was set – to reach 18% by 2020. The employment rate of older workers remained stable at 16% and the objective is to maintain this rate until 2020.

In progress *Objective achieved* *Objective not achieved*

4.3.1. Creating a more inclusive environment for disabled workers

Icade is committed to going beyond regulatory requirements with respect to the integration of people with disabilities. Renewed for the third time in 2015, the agreement on the professional inclusion of disabled persons was reinforced through various measures, including supporting employees dealing with the disability of a family member, increased funding for service vouchers (CESUs) from €600 to €700 per year and per employee and improving reimbursement of transport costs (from 50% to 100%).

The agreement is based on five pillars:

- retention of disabled persons in employment: awareness-raising initiatives organised on a regular basis to encourage employees to declare their disability have yielded positive results. In 2017, 48 Icade employees were officially designated as being disabled representing 4.3% of the workforce (vs. 1.7% in 2012). In addition, four workstations have been adapted with the help of experts;
- inclusion of disabled persons in everyday life: various measures promote a better work-life balance, including pre-paid service vouchers for the disabled, transport assistance, flexitime, part-time work, etc. In 2017, 21 employees were entitled to at least one of these measures (vs. 16 in 2016);
- participation in meetings promoting the recruitment of disabled workers: Icade participated in meetings organised by its partner schools (the ESTP engineering school and the ESSEC business school) on diversity and solidarity to meet students with disabilities;
- communication campaigns to change the way people see disability: in 2017, during Disability Employment Week, Icade launched Hand'Icade, a digital disability awareness module available to all employees;
- strengthening ties with the sheltered sector: thanks to considerable efforts to rally its procurement teams' support, the volume of procurement from sheltered companies and workshops increased by 50% compared to 2015. Icade was awarded the year's *Coup de Cœur* Trophy by ESAT Ménilmontant.

Lastly, the apprenticeship tax paid to associations dedicated to people with disabilities totalled €70,069.

4.3.2. Developing age diversity

Icade's age diversity policy aims to maintain the employment rate of older workers over 55 and to increase recruitment of young people under 26. A series of measures were taken to increase the Company's appeal to young talent:

- school partnerships: in addition to ESTP and ESSEC, Icade entered into a new partnership with HEC (business school) in 2017;
- graduate programme: since January 2018, this 12- to 18-month program has been available to young graduates, who are thus able to discover more than one business area and participate in innovative projects;
- Y Board: through this group of employees under 35, the young generation has an opportunity to share its vision. In 2017, its members participated in the response to the call for proposals of Métropole du Grand Paris, discussions on the evolving Property Development business, and the organisation of leisure activities proposed by Meet'Icade *(see section 4.2.2. "Well-being and quality of life at work")*;
- developing work-study programmes and internships: in 2017, 43% of fixed-term or work-study contracts resulted in permanent employment, making these types of contracts a major driver for the recruitment of young people;
- social media presence: the Company has an active presence on social media so as to strengthen its employer brand *(for further information, see section 4.1.3. "Promoting internal mobility and attracting new talent")*;
- new employee induction seminar: in order to make new employees feel as welcome as possible, they are systematically offered an induction interview in addition to a seminar. Three induction seminars took place in 2017. Starting in 2018, a digital new employee induction passport will also be provided to new hires.

Young people under 26 represent 5% of the workforce and 15% of new hires on permanent contracts in 2017, in line with the target set over the 2016–2018 period.

At the same time, Icade is committed to maintaining the employment rate of older workers. Employees over 55 represented 16% of the workforce in 2017, remaining stable in comparison to 2015. Older workers are entitled to specific measures, including career interviews, retirement information group meetings, individual interviews with an adviser, and retirement preparation courses. In order to facilitate the transition from work to retirement, Icade intends to assist employees over 58 wanting to get involved in CSR activities, e.g. by paying for their time devoted to solidarity days off. As part of the agreement for forward planning of jobs and skills (GPEC) signed in 2016, other measures were introduced, including part-time work for older workers 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.

Icade has set new goals as part of a three-year intergenerational agreement signed in 2017:

- facilitate the sustainable inclusion of young people under 26 who are expected to represent 18% of new hires on permanent contracts by 2020. To help integrate them into the Company, an adviser will be assigned to each employees under 26 to help them become familiar with company culture and become part of the teams;
- promote the hiring of older workers over 55 and maintain their employment rate. The employment rate of older workers is to remain at 16% until 2020;
- ensure the transfer of skills and knowledge: as an example, the Company is committed to giving priority to employees who are 55 and older if they wish to act as internal trainers or tutors.

4.3.3. Increasing the presence of women in management

With an Executive Committee composed of five women and five men [(1)], Icade took first place for the third year running in the ranking of women representation in the governing bodies of SBF 120 companies in the category "gender balance in the Executive Committee". Across all categories, Icade was awarded third place by the French minister for women's rights, in partnership with Ethics & Boards and the Challenges magazine.

Gender equality in the workplace is the subject of a proactive policy, as reflected in a three-year agreement signed in June 2017. A number of topics are covered:

- recruitment and professional diversity;
- equal access to training;
- career promotion and development;
- remuneration;
- work-life balance.

With regard to remuneration, additional funds were made available to offset the gender pay gap after an analysis was conducted in 2016 on this subject. *For further information on the methodology used in this analysis, see 5. "Summary of reporting scope and methods".*

In matters involving work-life balance, Icade has made a pilot programme for working parents available to its employees, granting access to emergency childcare, enrolment in a private childcare centre paid for by the Company, continued payment of the employee's salary when on paternity leave and an online platform providing solutions for families.

Icade is pursuing its efforts to increase the proportion of women in management positions. While women represent the majority of the overall workforce (53%), they represent 30% of managers in 2017 compared to 29% in 2015. For this purpose, Icade is taking various steps, such as raising the awareness of recruitment agencies, employee participation in the Caisse des dépôts group's Diversity Network and identifying high-potential women employees.

(1) *As of December 31, 2017.*

5. Summary of reporting scope and methods

5.1. Reporting period

The period selected for annual reporting is the calendar year from January 1 to December 31, 2017.

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 consolidated financial reporting scope 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 ("leasable floor area"): the portfolio of the Commercial Property Investment Division in 2017 included all the assets held as of December 31, 2017, which made up the leasable floor area. The following are not included in the 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: is obtained by 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;
- "corporate" reporting scope: includes the buildings occupied by Icade.

To take into account EPRA's recommendation to disclose CSR indicators for the corporate scope, Icade has exceptionally departed from the general principles of its methodology under which assets in use for less than one year over a full calendar year are usually not taken into account. As Icade relocated its headquarters during the course of 2017, the floor area of the new headquarters building should have been excluded from the calculation and the total corporate floor area would have been nil. Calculating corporate floor area thus includes Icade's headquarters as well as the other buildings occupied by Icade. These floor areas have also been included in the "mapped floor area" and "CSR" reporting scope.

The CSR reporting scope of the Commercial Property Investment Division solely includes office assets, classified into two categories: offices not part of any business park (referred to below as "offices") and offices located in business parks (referred to as "business parks"), some which are occupied by Icade (corporate scope).

SCOPE OF THE COMMERCIAL PROPERTY INVESTMENT DIVISION AS OF 12/31/2017

	Leasable floor area *(in sq.m)*	CSR reporting scope *(in sq.m)*	Mapped floor area *(in sq.m)*	Mapped share *(in %)*	Percentage of controlled buildings	Percentage of non-controlled buildings
Business parks	1,158,055	687,776	602,651	88%	86%	14%
Offices	707,951	447,282	403,609	90%	80%	20%
including: corporate	*19,157*	*19,157*	*19,157*	*100%*	*100%*	*0%*
COMMERCIAL PROPERTY INVESTMENT DIVISION	**1,866,006**	**1,135,058**	**1,006,260**	**89%**	**84%**	**16%**

In the "CSR" scope covering 1,135,058 sq.m, mapped buildings totalled 1,006,260 sq.m at the end of 2017, i.e. 89% of the floor area. Assets identified as "controlled" are properties whose operation is fully or partially controlled by Icade. Assets identified as "non-controlled" are properties held by Icade but fully operated by the tenant (single-tenant buildings). In 2017, Icade had control of the operation of 84% of business park and office assets in the "CSR" scope.

The choice of scope for environmental and societal indicators is determined based on its relevance for the indicator under consideration:

- financial reporting scope ("leasable floor area") with the exception of ANF Immobilier assets, 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, access to low-impact transport, the portion of renewable energy in the energy mix, services available to tenants, and WiFi coverage of the properties;
- "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 and waste, the distance of the properties from public transport, charging stations for electric vehicles and health and safety measures for the assets.

Healthcare Property Investment Division

The financial reporting scope includes all the healthcare facilities held as of December 31, 2017 based on leasable floor area according to the same rules as those set out for the Commercial Property Investment Division. The "CSR" scope of the Healthcare Property Investment Division includes the healthcare facilities of the financial reporting scope, except for those having less than one year's use over the full calendar year (acquired less than one year ago or undergoing works during the financial year). The "mapped floor area" reporting scope includes the share of healthcare facilities for which mapping of environmental indicators (energy, carbon and water) was carried out during the financial year. In contrast to the Commercial Property Investment Division which controls a vast majority of its assets, the Healthcare Property Investment Division does not control the operation of its healthcare properties, which explains the difference in mapped floor area of the two divisions. As part of its partnerships with healthcare operators, Icade owns the properties but does not manage operations. Its tenants have total control over the operation of the buildings, on both an operational and environmental level.

SCOPE OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION AS OF 12/31/2017

	Leasable floor area *(in sq.m)*	CSR reporting scope *(in sq.m)*	Mapped floor area *(in sq.m)*	Mapped share *(in %)*	Percentage of controlled buildings	Percentage of non-controlled buildings
HEALTHCARE PROPERTY INVESTMENT DIVISION	**1,434,413**	**1,358,438**	**691,504**	**51%**	**0%**	**100%**

The floor areas of mapped healthcare facilities increased from 171,706 sq.m in 2016 to 691,504 sq.m in 2017 (i.e. an increase of 13% to 51% of total floor area).

Property Development Division

The scope used is that of the buildings and projects for which construction has been started during the financial year, corresponding to the consolidated financial reporting scope as defined in the management report. No exclusions with respect to the financial scope have been applied.

PROPERTY DEVELOPMENT DIVISION SCOPE AS OF 12/31/2017

	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	69	308,367	100%
Offices	5	74,489	100%
Other activities (Healthcare, Amenities)	11	47,572	100%
TOTAL	**85**	**430,428**	**100%**

Mapped floor area represents 100% of the projects in 2017, as in 2016 and 2015.

All the environmental and societal 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 in the design phase during the year);
- share of orders by type of customer (scope: number of housing 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 included in the scope of financial consolidation, with the exception of ANF Immobilier data (33 employees as of December 31, 2017).

5.3. Change in scope

There has been no material change in the scope in 2017 compared to the previous year.

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 were defined based on the recommendations of international standards, such as the Global Reporting Initiative (GRI) standards published in October 2016, the GRI's "Construction & Real Estate Sector Supplement", version 4 (GRI-G4), EPRA's "Sustainability Best Practices Recommendations Guidelines" of September 2017, and the "Reporting Guide – Article 225 for Construction and Real Estate" 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 the indicator heading, its correspondence to standards, its definition, its calculation or estimation guidelines, source data, the possible connection to other indicators and its 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. The tools, data collection methods, calculation and consolidation guidelines, verification and internal updating process 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 representatives from the Commercial Property Investment and Healthcare Property Investment Divisions, a network of "energy/water/waste" representatives within the operational entities, property management companies and, as the case may be, office tenants and healthcare operators. In 2017, Icade improved the management of its environmental data by automating the collection and analysis of consumption data in partnership with Deepki. The data is extracted and then processed in a spreadsheet format. A consistency check is performed by CSR representatives 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 is 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 representatives 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 tool from the Property Development Division, field surveys and thermal analysis of the projects supplied by a network of contributors. The collection and verification are carried out by the Property Development Division's quality manager. A consistency check and verification of any duplicates are also performed by the Property Development Division's quality manager 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

Labour-related data is collected by the "Analysis and Remuneration" unit of the Human Relations Department and comes from payroll and labour management software, the results of analyses conducted as well as all HR players responsible for training, mobility, diversity and labour-related 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 approval 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 data: Commercial Property Investment and Healthcare Property Investment Divisions

To meet EPRA's 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 basis. Like-for-like data includes all historical data for a specific property asset portfolio that remains unchanged for three years for the Healthcare Property Investment Division – from January 1, 2015 to December 31, 2017 – and for two years for the Commercial Property Investment Division – from January 1, 2016 to December 31, 2017. For buildings which were newly added to the mapping in 2017, data is collected ex post for 2016 and 2015 and integrated into the calculations.

For the Healthcare Property Investment Division, there is no difference between the total scope and the like-for-like scope.

Comparing weather-adjusted energy performance: Commercial Property Investment and Healthcare Property Investment Divisions

To remove weather variations and enable energy consumption to be compared from one year to another, the raw data has been corrected using a methodology proposed by national weather service Météo-France. The data was adjusted 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 greenhouse gas emissions: Commercial Property Investment and Healthcare Property Investment Divisions

In compliance with the recommendations of the international greenhouse gas protocol (GHG Protocol) standards, all Scope 3 emissions relating to non-controlled data for both controlled and non-controlled assets were accounted for as indirect emissions. 2016 was adjusted to reflect this accounting.

Since 2011, Icade has accounted for its greenhouse gas emissions based on national or local emission factors (referred to as location-based) in accordance with the international greenhouse gas (GHG) Protocol. For electricity (excluding renewables) and natural gas, CO_2 emissions are calculated by using coefficients set out in the order of February 8, 2012 which amended the Order of September 15, 2006 on energy performance assessments for existing buildings. For heating and cooling networks, the coefficients used are those of the urban network to which Icade's assets are connected.

Calculating carbon intensity: Commercial Property Investment Division

To calculate its carbon intensity, Icade has departed from GHG Protocol by deducting CO_2 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 on-site renewable energy production. Icade has chosen to not replace its location-based accounting with 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 addition, EPRA favours the location-based method. 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 total carbon emission calculations. On the other hand, emissions offset on a voluntary basis (52% of mapped emissions in 2017) were not deducted from Icade's CO_2 emission calculations.

Calculating transport-related carbon emissions: Commercial Property Investment Division

Icade reports its transport-related CO_2 emissions. Carbon emissions from transport are calculated based on the properties' location and local average data for the breakdown of transport use by mode of transport and data from Icade's corporate transport plan to which an emission factor is applied.

Women-to-men earnings ratio

The gender pay gap shown in the table of HR indicators (section 6.5.) was calculated based on a limited scope, which Icade considers to be relevant (around 30% of the workforce). It was determined based on a gender pay gap analysis conducted by the Human Relations Department. It includes only job families whose degree of diversity is high and excludes highly gender-segregated jobs that could skew the results. The indicator reflects the disparity of the average monthly base salary of women compared with that of men.

Fight against food waste

Article 4 of the law on the fight against food waste published in the French 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 in some of its properties. 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. Changes in calculation methods

Percentage of offices and business parks equipped with charging stations for electric vehicles: Commercial Property Investment Division

In order to better reflect the scope in which Icade has real power to act, the indicator related to the percentage of offices and parks equipped with charging stations for electric vehicles was limited to assets over which Icade has operational control (controlled buildings).

Energy, carbon and water intensity: Healthcare Property Investment Division

Indicators have evolved to take into account changes in medical practices, especially the growth of outpatient surgery. As a result, intensity indicators per person have been replaced by indicators of the number of inpatient and outpatient beds. The number of inpatient beds is used for traditional private hospitals and medical-social facilities whereas the number of outpatient beds is used for facilities dedicated to short-term outpatient care. In the latter case, outpatient beds include the number of operating rooms, recovery rooms, waiting rooms, etc.

Average rate of permanent positions filled externally by people under the age of 26

The calculation was adjusted to include only external recruitments and not the recruitment of young people under 26 previously on fixed-term contracts, work-study contracts or apprenticeship contracts at Icade.

Proportion of employees over the age of 55

The calculation was adjusted to include only employees strictly older than 55 (vs. "55 or older" in the previous calculation), for the sake of consistency with the calculation used as part of the intergenerational agreement signed in 2017. The objective of the agreement is to keep workers over 55 in employment so that they still represent 16% by 2020. The calculation was also adjusted retrospectively for 2015 and 2016.

5.8. External assurance

For the purpose of obtaining an outside opinion on the completeness and accuracy of its ESG data reporting process, Icade has commissioned Mazars, in its capacity as an independent third-party body, to carry out the following verifications:

- verification of the presence of ESG disclosures required in the list provided for by Article R. 225-105-1 of the French Commercial Code (as amended by decree of August 22, 2016); and
- verification of the accuracy of the ESG 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 tests of details and independent third-party body report".*

Correspondence to the Global Reporting Initiative

A consulting firm specialised in ESG reporting assessed the extent to which the CSR chapter of this registration document complies with Global Reporting Initiative standards. 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, Global Reporting Initiative and EPRA 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 2016 AND 2017: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis							
			Controlled assets							
			Corporate		Controlled data (common areas)		Non-controlled data (private areas)		Non-controlled assets	
Indicator	**EPRA code**	**Unit**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Total electricity consumption	Elec-Abs	MWh$_{pe}$	6,313	10,294	187,186	208,437	162,372	137,750	44,150	44,247
Total district heating & cooling consumption	DH&C-Abs	MWh$_{pe}$	0	963	18,819	19,494	0	1,545	673	0
Total fuel consumption	Fuels-Abs	MWh$_{pe}$	17	45	33,394	21,084	153	51	1,283	1,012
TOTAL ENERGY CONSUMPTION		**MWH$_{PE}$**	**6,330**	**11,302**	**239,399**	**249,015**	**162,525**	**139,346**	**46,106**	**45,259**
Energy intensity per floor area – primary energy	Energy-Int	kWh$_{PE}$/sq.m	330	483	456	471	456	471	433	433
Energy intensity per person – primary energy	Energy-Int	kWh$_{PE}$/pers.	4,956	7,244	6,847	7,059	6,847	7,059	6,488	6,489
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh$_{PE}$/sq.m	330	464	452	452	452	452	431	410
Energy intensity per floor area – final energy	Energy-Int	kWh$_{FE}$/sq.m	129	210	213	214	213	214	179	174

ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2016 AND 2017

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	**EPRA code**	**Unit**	**2017**	**2016**	**2017**	**2016**
Coverage rate of the reporting scope (based on floor area)		%	89%	88%	89%	
Proportion of total energy consumption which is estimated		%	5%	15%	5%	5%
Total electricity consumption	Elec-Abs/LfL	MWh$_{PE}$	400,021	400,727	400,021	449,522
Total district heating & cooling consumption	DH&C-Abs/LfL	MWh$_{PE}$	19,492	22,002	19,492	24,042
Total fuel consumption	Fuels-Abs/LfL	MWh$_{PE}$	34,847	22,193	34,847	39,151
TOTAL ENERGY CONSUMPTION		**MWH$_{PE}$**	**454,360**	**444,922**	**454,360**	**512,716**
Energy intensity per floor area – primary energy	Energy-Int	kWh$_{PE}$/sq.m	452	466	452	510
Energy intensity per person – primary energy	Energy-Int	kWh$_{pe}$/pers.	6,773	6,996	6,773	7,643
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh$_{PE}$/sq.m	448	447	448	505
Energy intensity per floor area – final energy	Energy-Int	kWh$_{FE}$/sq.m	208	209	208	236

GREENHOUSE GAS EMISSIONS OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2016 AND 2017: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis							
			Controlled assets						Non-controlled assets	
			Corporate (scope 1 and 2)		Controlled data (scope 1 and 2)		Non-controlled data (scope 3)		Scope 3	
Indicator	**EPRA code**	**Unit**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Direct greenhouse gas emissions	GHG-Dir-Abs	tonnes CO_2e	4	11	7,814	4,934	0	0	0	0
Indirect greenhouse gas emissions	GHG-Indir-Abs	tonnes CO_2e	206	529	8,930	10,170	5,322	4,807	1,873	1,678
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2E**	**210**	**540**	**16,744**	**15,104**	**5,322**	**4,807**	**1,873**	**1,678**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	11	23	25	24	25	24	18	16
Building carbon intensity	GHG-Int	kg CO_2e/pers./year	164	349	376	361	376	361	264	241

GREENHOUSE GAS EMISSIONS OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2016 AND 2017

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	**EPRA code**	**Unit**	**2017**	**2016**	**2017**	**2016**
Coverage rate of the reporting scope (based on floor area)		%	89%	88%	89%	
Proportion of total greenhouse gas emissions which are estimated		%	5%	15%	5%	5%
Direct greenhouse gas emissions	GHG-Dir-Abs/LfL	tonnes CO_2e	7,818	4,945	7,818	8,833
Indirect greenhouse gas emissions	GHG-Indir-Abs/LfL	tonnes CO_2e	16,331	17,184	16,331	18,682
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2E**	**24,149**	**22,129**	**24,149**	**27,515**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	24	23	24	27
Building carbon intensity	GHG-Int	kg CO_2e/pers./year	360	348	360	410

WASTE PRODUCTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2016 AND 2017: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis							
			Controlled assets						Non-controlled assets	
			Corporate		Controlled data		Non-controlled data			
Indicator	**EPRA code**	**Unit**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Percentage of hazardous waste	Waste-Abs	%	0%		0%		0%		0%	
Percentage of recyclable hazardous waste	Waste-Abs	%	0%		0%		0%		0%	
Percentage of recyclable non-hazardous waste	Waste-Abs	%	30.4%		39.5%		49.7%		34.8%	
Percentage of recyclable waste	Waste-Abs	%	30.4%	55.2%	39.5%	33.2%	49.7%	44.0%	34.8%	30.8%
TOTAL WEIGHT OF WASTE	**WASTE-ABS**	**TONNES/ YEAR**	**144**	**91**	**7,805**	**5,470**	**1,988**	**2,388**	**874**	**1,129**

WASTE PRODUCTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2016 AND 2017

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	EPRA code	Unit	2017	2016	2017	2016
Coverage rate of the reporting scope (based on floor area)		%	89%	88%	89%	
Proportion of weight of waste which is estimated		%	53%	48%	53%	30%
Percentage of hazardous waste	Waste-Abs/LfL	%	0%		0%	0%
Percentage of recyclable hazardous waste	Waste-Abs/LfL	%	0%		0%	0
Percentage of recyclable non-hazardous waste	Waste-Abs/LfL	%	37.8%		37.8%	36.1%
Percentage of recyclable waste	Waste-Abs/LfL	%	37.8%	35.2%	37.8%	36.1%
TOTAL WEIGHT OF WASTE	**WASTE-ABS/LFL**	**TONNES/YEAR**	**10,810**	**9,079**	**10,810**	**12,280**

WATER CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2016 AND 2017: CORPORATE, CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis							
			Controlled assets						Non-controlled assets	
			Corporate		Controlled data		Non-controlled data			
Indicator	EPRA code	Unit	2017	2016	2017	2016	2017	2016	2017	2016
WATER CONSUMPTION	**WATER-ABS**	**M³**	**4,233**	**18,060**	**451,259**	**385,871**	**27,613**	**29,212**	**42,349**	**36,341**
Building water intensity	Water-Int	m³/sq.m/year	0.22	0.59	0.54	0.51	0.54	0.51	0.40	0.35
Building water intensity	Water-Int	litre/pers./day	15.3	40.8	37.6	35.3	37.6	35.3	27.5	24.0

WATER CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2016 AND 2017

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	EPRA code	Unit	2017	2016	2017	2016
Coverage rate of the reporting scope (based on floor area)		%	89%	88%	89%	
Proportion of total water consumption which is estimated		%	38%	13%	38%	24%
WATER CONSUMPTION	**WATER-ABS/LFL**	**M³**	**525,454**	**469,483**	**525,454**	**613,580**
Building water intensity	Water-Int	m³/sq.m/year	0.52	0.49	0.52	0.61
Building water intensity	Water-Int	litre/pers./day	36.1	34.0	36.1	42.1

6.2. Tables 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 (from 13% in 2016 to 51% in 2017) was related to the increase in the coverage rate and not to a change in scope of consolidation. Environmental indicators of healthcare facilities included in the new 2017 scope were also assessed in 2016 and included in the calculations.

ENERGY CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION, IN 2016 AND 2017

Indicator	EPRA code	Unit	2017	2016
Coverage rate of the reporting scope (based on floor area)		%	51%	51%
Proportion of total energy consumption which is estimated		%	15%	33%
Total electricity consumption	Elec-Abs/LfL	MWh_{pe}	272,788	275,654
Total district heating & cooling consumption	DH&C-Abs/LfL	MWh_{pe}	3,333	3,388
Total fuel consumption	Fuels-Abs/LfL	MWh_{pe}	91,353	92,428
TOTAL ENERGY CONSUMPTION		**MWH_{PE}**	**367,474**	**371,470**
Energy intensity per floor area – primary energy	Energy-Int	kWh_{PE}/sq.m	531	537
Energy intensity per inpatient or outpatient bed – primary energy	Energy-Int	kWh_{PE}/inpatient or outpatient bed/year	44,951	45,798
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh_{PE}/sq.m	526	527
Energy intensity per floor area – final energy	Energy-Int	kWh_{FE}/sq.m	290	293

GREENHOUSE GAS EMISSIONS OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2016 AND 2017

			Scope 3	
Indicator	**EPRA code**	**Unit**	**2017**	**2016**
Coverage rate of the reporting scope (based on floor area)		%	51%	51%
Proportion of total greenhouse gas emissions which are estimated		%	15%	33%
Indirect greenhouse gas emissions	GHG-Indir-Abs/LfL	tonnes CO_2e	31,209	31,583
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2**	**31,209**	**31,583**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	45	46
Building carbon intensity	GHG-Int	kg CO_2e/inpatient or outpatient bed/year	3,818	3,894

WATER CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2016 AND 2017

Indicator	EPRA code	Unit	2017	2016
Coverage rate of the reporting scope (based on floor area)		%	51%	51%
Proportion of total water consumption which is estimated		%	24%	0%
WATER CONSUMPTION	**WATER-ABS/LFL**	**M^3**	**830,739**	**813,594**
Building water intensity	Water-Int	m^3/sq.m/year	1.20	1.18
Building water intensity	Water-Int	litre/inpatient or outpatient bed/year	101,619	100,307

WASTE PRODUCTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION

Discussions are being held between Icade and its operators concerning waste monitoring and recovery, taking into account the specificity of medical waste and its disposal routes.

6.3. Classified Facilities for Environmental Protection

Classified Facilities for Environmental Protection are mainly the buildings' heating and cooling equipment, whose management is ensured as part of the business parks' ISO 14001 certification.

	2017
Air conditioning equipment	22
Gas-fired equipment	10
Electrical equipment	3
TOTAL	**35**

3

6.4. Carbon footprint assessment for the Property Development Division

All new builds are 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 operation (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 2016	Operating emissions (energy, transport, maintenance)	Emissions avoided by the use of renewable electricity	Total operating emissions	Change compared to 2016	Total construction and operating emissions	Change compared to 2016
CO_2 emissions – intensity ***(in kg CO_2/sq.m)***										
Residential	507	(8)	499	1.5%	299	(1)	298	10.0%	797	4.5%
Offices and other activities	472	(12)	460	9.4%	729	(94)	635	18.9%	1,094	14.7%
TOTAL	**497**	**(9)**	**488**	**0.9%**	**421**	**(28)**	**393**	**30.4%**	**881**	**12.3%**
CO_2 emissions – total ***(in tonnes of CO_2)***										
Residential	156,294	(2,348)	153,945	(8)%	92,193	(443)	91,750	(0.3)%	245,695	(5.3)%
Offices and other activities	57,602	(1,506)	56,096	195.6%	89,011	(11,525)	77,486	221.2%	133,582	209.9%
TOTAL	**213,895**	**(3,854)**	**210,041**	**12.7%**	**181,204**	**(11,968)**	**169,236**	**45.7%**	**379,277**	**25.4%**

6.5. Table of HR indicators

The workforce is reported without interns, except in special cases specified in the table.

	2017	2016
REGISTERED WORKFORCE [(a)]		
Total workforce at the end of the period	**1,129**	**1,104**
Absolute change	2.3%	0.3%
Like-for-like change	2.3%	(0.2)%
Average monthly workforce	1,120	1,095
Workforce by division		
Commercial Property Investment	403	401
Healthcare Property Investment	20	14
Property Development	706	689
Workforce by region		
Paris region	722	699
Outside the Paris region	407	405
Workforce by category		
Executives	731	697
Non-executives	398	407
Workforce by contract type (including internships and temporary contracts)		
Permanent contract	**1,084**	**1,057**
Women	568	566
Men	516	491
Fixed-term contract	**18**	**26**
Women	14	16
Men	4	10
Work-study/internships/apprenticeships	**32**	**24**
Women	16	12
Men	16	12
Temporary (annual FTE)	**10**	**15**
Women	1	13
Men	9	2
CHANGES IN WORKFORCE		
Permanent hires		
External permanent hires	169	98
Mergers – Acquisitions	0	6
Transfers from Caisse des dépôts and its subsidiaries	3	1
TOTAL	172	105
Departures of permanent employees		
Resignations	65	70
Dismissals	25	14
Departures by mutual agreement	16	19
Probation period termination	15	6
Retirements	21	12
Deaths	2	0
Transfers from Caisse des dépôts and its subsidiaries	1	5
Disposals	0	1
TOTAL	145	127
Turnover rate of permanent employees	11.4%	10.8%
Turnover rate of permanent employees for less than two years	9.2%	10.1%

(a) Excluding ANF Immobilier.

	2017	2016
ORGANISATION OF WORKING TIME		
Employees, supervisors and non-autonomous executives		
Average number of actual working hours per week	37.5	37.5
Autonomous executives		
Number of days worked per year	210	210
Number of part-time employees		
Men	4	5
Women	67	72
TOTAL	71	77
LABOUR RELATIONS		
% of employees covered by collective bargaining agreements	100%	100%
Number of agreements signed during the year	10	4
Number of agreements relating to health and safety signed during the year	1	0
REMUNERATION		
Fixed remuneration (average annual base salary of permanent employees as of December 31 excluding sales managers, Executive Committee members and corporate officers)		
Executives	62,497	62,354
Non-executives	30,586	30,187
TOTAL	52,999	52,031
Variable remuneration		
Average variable remuneration ***(in %)***	10.4%	8.5%
Average performance incentive and profit-sharing ***(in %)***	5.8%	4.1%
Women-to-men earnings ratio (b)	**92.4%**	
SKILLS AND CAREER		
Training		
Total number of training hours	17,305	19,040
Training budget ***(in €)***	2,227,636	1,991,462
Share of payroll dedicated to training ***(in %)***	3.00%	2.87%
Number of employees trained	899	980
Average number of training hours per employee trained		
Men	20.4	18.8
Women	18.2	20.0
Executives	18.8	19.4
Non-executives	20.0	19.0
Overall average number of training hours per employee trained	**19.2**	**19.4**
Share of employees trained ***(in %)***	80%	90%
Career management		
% of positions filled internally	33%	44%
% of employees who had an annual performance review		
Men	87%	
Women	93%	
Executives	87%	
Non-executives	97%	
TOTAL	90%	93%

(b) On a relevant scope as outlined in section 5. "Summary of reporting scope and methods".

	2017	2016
HEALTH AND SAFETY		
Absenteeism		
Absenteeism rate	3.42%	3.94%
Breakdown of hours of absence		
Illness (excluding part-time sick leave)	86%	91%
Occupational/commuting accident	9%	7%
Family events	1%	0%
Other causes	4%	2%
Accidents		
Number of workplace accidents	3	6
Number of commuting accidents	9	8
Frequency rate		
Local employees	0	0
Employees	3.47	5.29
Supervisors	0	0
Executives	0.86	2.64
TOTAL	1.64	3.34
Severity rate		
Local employees	0	0
Employees	0.71	0.23
Supervisors	0.4	0
Executives	0.21	0.15
TOTAL	0.37	0.17
Number of fatal accidents	**0**	**0**
Occupational illnesses		
Number of illnesses reported during the year	0	1
DIVERSITY		
Gender equality		
% of women on the Executive Committee	50%	56%
% of women managers	30%	31%
% of women in the workforce	53%	54%
Breakdown of the workforce by age		
< 26 years old	5.5%	4.3%
26-39 years old	34.2%	34.1%
40-55 years old	43.9%	45.2%
> 55 years	16.4%	16.5%
Average age		
Executives	43.8	44.4
Non-executives	42.6	42.6
Average length of service ***(in years)***	11.1	11.7
Disability		
Number of employees officially recognised as disabled	48	40
Amount of services paid to the sheltered work sector ***(in €)***	172,405	132,008

7. Grenelle 2, Global Reporting Initiative and EPRA correspondence tables

CORRESPONDENCE TABLE FOR THE SECTIONS OF CHAPTER 3 OF THE 2017 REGISTRATION DOCUMENT WITH ARTICLE R. 225-105-1 OF THE FRENCH COMMERCIAL CODE ON TRANSPARENCY REQUIREMENTS FOR COMPANIES ON SOCIAL AND ENVIRONMENTAL MATTERS (GRENELLE 2 LAW)

Heading	Sections
I. LABOUR-RELATED INFORMATION	
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
Health and safety	
Health and safety conditions at work	4.2.1, 4.2.2, 4.2.3 and 6.5
Accidents in the workplace, with particular reference to frequency and severity, and work-related illness	4.2.1 and 6.5
Occupational diseases	4.2.1 and 6.5
Employee relations	
Organisation of employee relations, particularly the procedures for informing and consulting employees and negotiating with them	4.2.3
Assessment of collective agreements, especially as regards workplace health and safety	4.2.3 and 6.5
Training	
Training policies implemented, particularly with respect to environmental protection	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
II. ENVIRONMENTAL INFORMATION	
General policy in environmental matters	
Organising the Company so as to take account of environmental issues and, where necessary, environmental assessment or certification procedures	3.1 and 3.2
Methods used to prevent pollution and environmental risks	1.4, 2.5 and 3.1.2
The amount of provisions and guarantees for environmental risks, provided such information is not of a nature that could cause serious harm to the Company in an ongoing dispute	1.4
Pollution	
Measures for the prevention, reduction or offsetting of emissions with serious environmental impact on air, water or soil	1.4, 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6
Recognition of noise and other pollution specific to a particular business	2.2.3 and 3.4
Circular economy	
Waste prevention and management	
Preventive measures, recycling, reuse and other forms of waste recovery and disposal	3.5, 3.6 and 6.1
Fight against food waste initiatives	5.6
Sustainable use of resources	
Water consumption and water procurement (based on local circumstances)	3.5.2, 6.1 and 6.2
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

Heading	Sections
Climate change	
The most significant sources of greenhouse gas emissions generated by the Company's operations, and more specifically by the use of the goods and services it produces	3.1.1, 3.3, 6.1, 6.2 and 6.4
Adapting to the impact of climate change	3.1.2
Voluntary medium- and long-term goals to reduce greenhouse gas emissions and the resources deployed for this purpose	1.7 and 3.1
Protecting biodiversity	
Measures to preserve or enhance biodiversity	3.4
III. SOCIETAL INFORMATION	
Societal commitments in favour of sustainable development	
The impact of the Company's activities with respect to employment and local development	2.4
The impact of the Company's activities on neighbouring and local populations	2.4
Relations and dialogue with the Company's stakeholders	1.5, 2.4 and 2.5
Partnerships or sponsorship activities	1.5, 2.4.2, 2.4.4, 3.4.2 and 4.3.1
Subcontractors and suppliers	
Social and environmental issues taken into account in the procurement policy	2.5, 3.6.1 and 3.6.2
Extent of subcontracting and recognising social and environmental responsibility in dealings with suppliers and subcontractors	2.4.1 and 2.5
Fair practice	
Measures taken to support consumer health and safety	2.2.3
IV. INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION	
Initiatives taken to prevent corruption	2.5 and 2.6
V. INFORMATION RELATING TO ACTIONS TAKEN TO PROMOTE HUMAN RIGHTS	
Promotion and enforcement of the provisions of the fundamental conventions of the International Labour Organization (ILO)	
Respect for freedom of association and the right to collective bargaining	4.2.3
Elimination of discrimination in respect of employment and occupation	4.3
Elimination of forced or compulsory labour	4.2.3
Effective abolition of child labour	4.2.3
Other actions taken to promote human rights	
Other actions 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 AND EPRA'S SUSTAINABILITY BEST PRACTICES RECOMMENDATIONS GUIDELINES

Icade is in compliance with the "Core" level of the October 2016 GRI standards and follows the EPRA recommendations of September 2017. The specific disclosures presented are based on criteria that could be considered material.

GRI code	EPRA code	General standard disclosures	Section of the registration document	External assurance
GENERAL INDICATORS				
		Organisational profile		
102-1		Report the name of the organisation	Chapter 8 section 1	
102-2		Report the primary brands, products, and services	Chapters 1 and 2	
102-3		Report the location of the organisation's headquarters	Chapter 8 section 1	
102-4		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 section 3 and Chapter 2	
102-5		Report the nature of ownership and legal form	Chapter 8 section 1	
102-6		Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Chapter 1 section 3 and Chapter 2	
102-7		Report the scale of the organisation	Chapter 1 sections 1 and 3	
102-8		Detailed information on the workforce	Chapter 3 sections 4.1 and 6.5	✓
102-9		Describe the organisation's supply chain	Chapter 3 sections 1.5 and 2.5	
102-10		Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Chapter 2 section 1	
102-11		Report whether and how the precautionary approach or principle is addressed by the organisation	Chapter 3 sections 1.2, 1.4 and 1.6	
102-12		List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Chapter 3 section 1.5	
102-13		List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation participates	Chapter 3 section 1.5	
		Strategy		
102-14		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 of Olivier Wignolle	
102-15		Information related to key risks, opportunities and impacts	Chapter 3 sections 1.2 and 1.4, and Chapter 4	
		Ethics and integrity		
102-16		Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Chapter 3 section 2.6	
		Governance		
102-18		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 3 section 1.6 and Chapter 5 sections 1, 2 and 3	
102-21		Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Chapter 3 sections 1.5 and 1.6	
102-22	Gov-Board	Report the composition of the highest governance body and its committees	Chapter 5	
102-24	Gov-Selec	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Chapter 5	
102-25	Gov-Col	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Chapter 3 section 2.6 and Chapter 4	
		Stakeholder engagement		
102-40		Provide a list of stakeholder groups engaged by the organisation	Chapter 3 section 1.5	
102-41		Collective bargaining agreements	Chapter 3 section 4.2	
102-42		Report the basis for identification and selection of stakeholders with whom to engage	Chapter 3 section 1.5	
102-43		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, 1.5 and 1.6	
102-44		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 1.5	

GRI code	EPRA code	General standard disclosures	Section of the registration document	External assurance
		Report profile		
102-45		List all entities included in the organisation's consolidated financial statements or equivalent documents	Chapter 1 section 2	
102-46		Explain the process for defining the report content and the aspect boundaries	Chapter 3 sections 1.2 and 5	
102-47		List all the material aspects identified in the process for defining report content	Chapter 3 sections 1.2, 1.6, 1.7 and 5	
102-48		Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Chapter 3 section 5	
102-49		Report significant changes from previous reporting periods in the scope and aspect boundaries	Chapter 3 section 5	
102-50		Reporting period (such as fiscal or calendar year) for information provided	Chapter 3 section 5	
102-51		Date of most recent previous report (if any)	March 23, 2017	
102-52		Reporting cycle	Chapter 3 section 5	
102-53		Provide the contact point for questions regarding the report or its contents	MILLET Daphné daphne.millet@icade.fr	
102-54		Report the "in accordance" option the organisation has chosen	Chapter 3 section 7	
102-55		GRI content index	Chapter 3 section 7	
102-56		Report the organisation's policy and current practice with regard to seeking external assurance for the report	Chapter 3 section 8	
103-1		Explain the process for defining the report content and the aspect boundaries	Chapter 3 sections 1.2 and 5	
103-2		Explain the management approach and its components	Chapter 3	
103-3		Evaluation of the management approach	Chapter 3	
ECONOMIC INDICATORS				
		Anti-corruption		
205-2		Communication and training on anti-corruption policies and procedures	Chapter 3 section 2.6	
205-3		Confirmed incidents of corruption and actions taken	Chapter 3 section 2.6	
ENVIRONMENTAL INDICATORS				
		Materials – Management approach		
301-1		Materials used by weight or volume	Chapter 3 sections 3.5 and 3.6	
		Energy – Management approach		
302-1	Elec-Abs	Energy consumption within the organisation	Chapter 3 sections 3.1, 6.1 and 6.2	✓
	Elec-Lfl			
	DH&C-Abs			
	DH&C-Lfl			
	Fuels-Abs			
	Fuels-Lfl			
302-2		Energy consumption outside of the organisation	Chapter 3 sections 3.1, 3.3, 6.1 and 6.2	✓
302-4		Reduction of energy consumption	Chapter 3 sections 2.3 and 3.1	✓
302-5		Reductions in energy requirements of products and services	Chapter 3 sections 2.3, 3.1, 3.2, 3.3 and 3.6	✓
CRE1	Energy-Int	Energy intensity	Chapter 3 sections 3.5, 6.1 and 6.2	✓
		Water – Management approach		
303-1	Water-Abs	Total water withdrawal by source	Chapter 3 sections 3.5, 6.1 and 6.2	✓
	Water-Lfl			✓
CRE2	Water-Int	Water intensity	Chapter 3 section 6	✓
		Biodiversity – Management approach		
304-2		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	

GRI code	EPRA code	General standard disclosures	Section of the registration document	External assurance
		Emissions – Management approach		
305-1	GHG-Dir-Abs	Direct greenhouse gas (GHG) emissions (Scope 1)	Chapter 3 sections 3.1 and 6.1	✓
305-2	GHG-Indir-Abs	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Chapter 3 sections 3.1 and 6.1	✓
305-3		Other indirect greenhouse gas (GHG) emissions (Scope 3)	Chapter 3 sections 3.1, 3.3, 6.1, 6.2 and 6.3	✓
305-4	GHG-Int	Greenhouse gas (GHG) emissions intensity	Chapter 3 sections 3.1, 6.1 and 6.2	✓
305-5		Reduction of greenhouse gas (GHG) emissions	Chapter 3 sections 3.1, 6.1 and 6.2	✓
CRE3		Greenhouse gas emissions intensity from buildings	Chapter 3 sections 3.1, 6.1 and 6.2	✓
CRE4		Greenhouse gas emissions intensity from new construction and redevelopment activity	Chapter 3 sections 3.1, 3.3 and 6.4	✓
		Effluents and waste – Management approach		
306-2	Waste-Abs	Total weight of waste by type and disposal method	Chapter 3 sections 3.5 and 6.1	✓
	Waste-Lfl			
SOCIAL INDICATORS				
		Employment – Management approach		
401-1	Emp-Turnover	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	
		Occupational health and safety – Management approach		
403-1		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	Chapter 3 sections 4.2 and 6.5	
403-2	H&S-Emp	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	✓
		Training and education – Management approach		
404-1	Emp-Training	Average hours of training per year per employee by gender, and by employee category	Chapter 3 sections 4.1 and 6.5	
404-3	Emp-Dev	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 – Management approach		
405-1	Diversity-Emp	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 4.1, 4.3, 6.5 and chapter 5	✓
405-2	Diversity-Pay	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Chapter 3 sections 4.3, 5, 6.5	
		Local communities – Management approach		
413-1	Comty-Eng	Operations with significant actual and potential negative impacts on local communities	Chapter 3 sections 2.2 and 2.4	
		Supplier social and environmental assessment – Management approach		
414-1		Percentage of new suppliers that were screened using human rights criteria.	Chapter 3 section 2.5	
		Customer health and safety – Management approach		
416-1	H&S-Asset	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Chapter 3 sections 2.2 and 2.5	
416-2	H&S-Comp	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	
CRE8	Cert-Tot	Type and number of certification, rating and labelling schemes for new construction, occupation and redevelopment	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

Energy transition and preservation of resources – Property Investment Division
Environmental certification of the property assets (Commercial and Healthcare Property Investment Divisions)
Energy consumption (Commercial and Healthcare Property Investment Divisions)
Energy consumption adjusted for unified degree days (Commercial and Healthcare Property Investment Divisions)
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 and Healthcare Property Investment divisions)
Greenhouse gas emissions (Commercial and Healthcare Property Investment Divisions)
Water consumption (Commercial and Healthcare Property Investment Divisions)
Amount of waste generated and percentage of non-recyclable waste (Commercial Property Investment Division)
Energy transition and preservation of resources – Property Development Division
Environmental construction certifications
Energy labels relating to construction
Surface area powered by renewable energy
Greenhouse gas emissions
New habits and lifestyles and partnership with local authorities and communities
Number of green lease clauses signed and surface area covered (Commercial Property Investment Division)
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
Employee skills development, workplace well-being and diversity
Total workforce and breakdown of employees by gender, age and geographic area
Absenteeism rate
Percentage of employees trained
Measures taken to promote the employment and inclusion of persons with disabilities

REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

This is a free English translation of the Independent third party's 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 standards applicable in France.

For the year ended December 31, 2017

To the Shareholders,

In our capacity as independent third party, certified by Cofrac under number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code *(Code de commerce).*

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in chapters 6.8 and 17.2 of the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of Ethics *(Code de déontologie)* of our profession and the requirements of article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

It is however not our responsibility to attest compliance with other legal dispositions where appropriate, in particular those included in article L. 225-102-4 of the French Commercial Code (vigilance plan of parent companies) and law n° 2016-1691, dated December 9, 2016, said Sapin II (fight against corruption).

Our work involved four persons and was conducted between November 2017 and February 2018 during a six-week period.

We performed our work in accordance with the professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement, and with ISAE 3000 (1) concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code, within the limitations set out in the methodological note, presented in the paragraph "5. Summary of reporting scopes and methods" of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about twenty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

(1) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

Regarding the CSR Information that we considered to be the most important [1], we at the level of the Human Resources Department, the Commercial Property Investment Division, the Healthcare Property Investment Division, and the Property Development Division:

- referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 100% of headcount, considered as material data of social issues and 100% of the weighted average energy consumption of the Property Development Division and energy consumption of the Commercial and Healthcare Property Investment Divisions, considered as material data of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, March 8, 2018

The independent third body

Mazars SAS

Edwige REY

Partner CSR & Sustainable Development

(1) *Total workforce at the end of the period and distribution of employees by sex, age and geographical area; Absenteeism rate; Percentage of employees trained; Measures taken to promote the employment and integration of disabled people whose number of employees benefiting from recognition as disabled workers; Environmental certifications for 2017 Service Orders – Property Development Division; Energy Labels of 2017 Service 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 and Healthcare Property Investment Divisions; Energy consumption and energy consumption adjusted for UDD – Commercial and Healthcare Property Investment Divisions; 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 and Healthcare Property Investment Divisions; Greenhouse gas emissions – Commercial and Healthcare Property Investment Divisions; Water consumption – Commercial and Healthcare Property Investment Divisions; 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 Division who are signatories of the CSR charter; Percentage of surface area covered by services (concierge, fitness, community platform, third places) – Commercial Property Investment Division; Customers surveys – Property Development Division; Amount allocated to sponsorships and patronage.*

4. RISK FACTORS

1. Risk management and control

1.1. General organisation of risk management

Icade is a major player in the French property market and is subject to general sectoral and financial risks as well as to risks inherent in its operational activities.

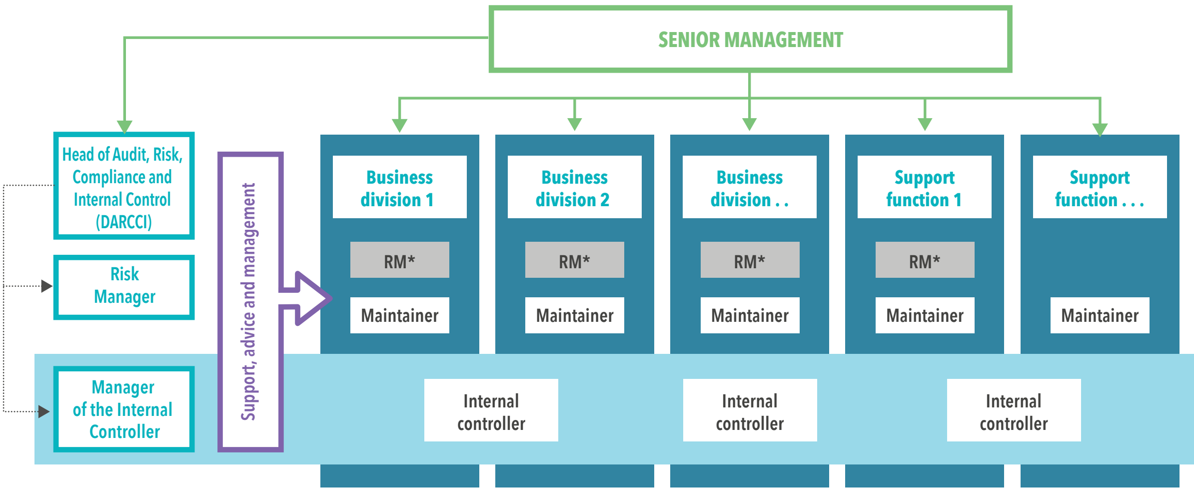
Effectively managing these risks contributes to the performance of the Group's strategy, especially in terms of asset value and business expansion.

Risk management allows executives to identify events which might have an impact on the Company's staff, assets, environment, objectives or reputation and thus maintain these risks at an acceptable level, in particular through an internal control framework, which is intended to ensure:

- compliance with laws and regulations;
- compliance with the directions and guidelines defined by the senior management and the Board of Directors;
- the proper functioning of the Company's internal processes;
- the reliability of financial information.

Generally speaking, it contributes to the effective management of its activities, the effectiveness of its operations, and the efficient use of its resources.

The risk management framework covers all of the Group's business activities and is implemented under the responsibility of the members of the Executive Committee in charge of the different business lines (Property Development, Commercial Property Investment, and Healthcare Property Investment) and support functions (Finance, Human Resources and Communication Departments).



** RM – Risk Management correspondent.*

Each division has its own organisational chart and delegations of authority, where the main remits, tasks and responsibilities of each employee are detailed. The remits assigned to each employee are defined in job description files.

Operational risk management and internal control are the responsibility of the heads of divisions and 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 (second level controls) and maintaining the incident database;
- a person responsible for updating delegations of authority and internal procedures, as well as implementing action plans.

The Audit, Risk, Compliance and Internal Control Department (DARCCI) ensures the implementation and monitoring of the 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 control points;
- it regularly assesses the effectiveness of the framework through successive checks carried out by a network of internal controllers specialised by division but managed centrally;
- it conducts specific audits according to a control plan revised each year by the Audit Committee or upon request of the senior management.

The Audit Committee and the Board of Directors are informed of the results of these audits every six months.

1.2. Main risk factors for the Company

The main risks to which the Company's activities are exposed are assessed through risk maps produced according to two complementary and independent approaches:

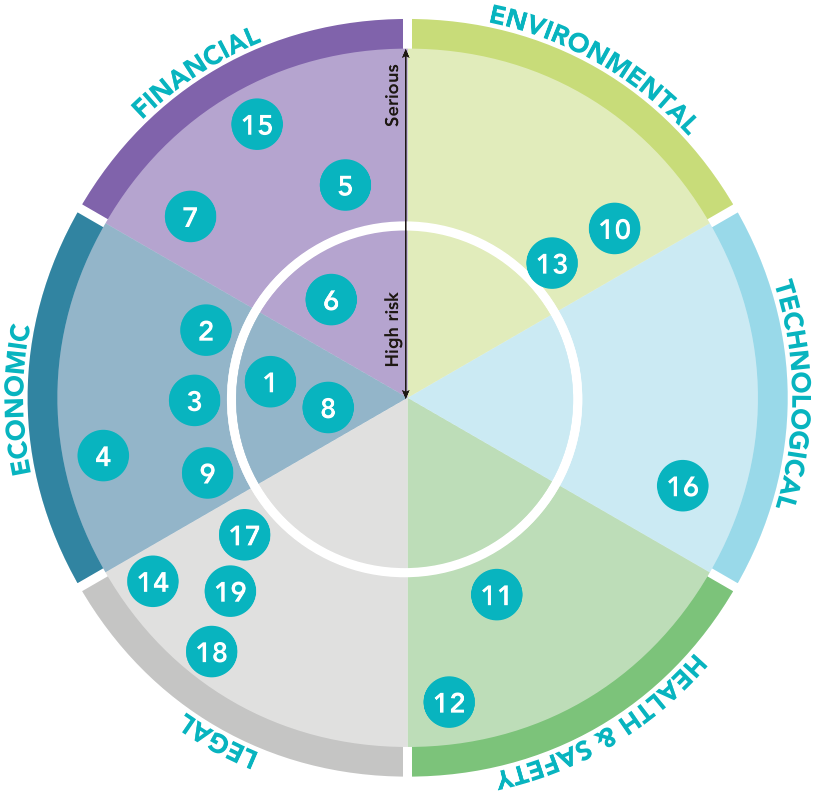
- a top-down approach: the Company's **major risks** are reported and rated biannually by the members of the Executive Committee. The top 10 risks are identified by the Risk Committee. Their potential impact is estimated by the Risk Management Department;
- a bottom-up approach: the **detailed risks (operational and financial)** are reported biannually by the heads of business and functional units. Control mechanisms are in place to minimise the occurrence or impact of each identified risk (internal procedures, specific control points, etc.). The net risk score, after taking into account control mechanisms, is obtained by combining the probability of occurrence of the risk and its impact.

The Risk Management Department reports on the consistency between the two approaches to the Risk Committee and then to the Audit Committee.

As of December 31, 2017, approximately 200 risks had been mapped.

MAJOR RISKS BY TYPE

1. Fluctuations in the property market
2. Fluctuations in rent levels
3. Competitive environment and innovation
4. Regulatory instability
5. Financial liquidity
6. Increase in interest rates
7. Counterparty
8. Development/property development
9. Property vacancy/products not matching market needs
10. Damage to the environment
11. Health and safety hazards
12. Major loss
13. Natural disasters and climate change
14. Work carried out by external suppliers
15. Misstatements in the financial statements
16. IT system failure
17. Ethics and non-compliance
18. Shareholding structure
19. SIIC tax regime



Below is a detailed analysis of the main risks.

Risks	Impact
1 Fluctuations in the property market In the Paris region and in other major French cities, the commercial property market is cyclical and prices vary according to supply and demand of offices from property investors. The new-home market is less volatile, although it follows broadly the same trends. In addition to the general economic environment, these markets are influenced by important factors such as the availability of modern properties, interest rates, the availability of credit, and personal taxation, which are beyond the Company's control and are difficult to anticipate.	**On the business volume and the achievement of the strategic plan:** - Implementation and profitability of the plan for investment and disposal of mature assets of the Property Investment Divisions. - Demand volume in property development, execution of acquisition plans for building land, and profit margins on the projects. **On the portfolio value and NAV**
2 Fluctuations in rent levels Rental income stems from long-term lease commitments which are reviewed annually, based primarily on upward or downward changes in the cost-of-construction (ICC) index and the tertiary activities rent index (ILAT), both defined by Insee (French Institute of Statistics and Economic Studies). Upon expiry of an existing lease (3, 6, 9 or 12 years), the Company is subject to the uncertainties of the rental market when renewing the lease or re-letting the vacated space. The lease expiry schedule is shown in chapter 2 § 2.2.5. and 2.3.4. In this highly-competitive market, macroeconomic conditions, especially economic activity and employment, have an impact on the time of re-letting the properties and their rents (estimated rental value).	- Rent levels of new and renewed leases. - Asset valuation. - Longer vacancy periods.
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. Competition is especially high when buying land and available properties, as well as in terms of rents and prices of services offered.	- Strategic weakening. - Missed opportunities. - Difficulty in achieving business objectives.
4 Regulatory instability 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 law, corporate law, securities regulations and corporate and personal taxation.	- Positive or negative deviation of the business volumes of the Property Investment and Property Development Divisions compared to the medium-term plan (*e.g.* taxation of individual investors). - Deviation of the profitability of projects from the medium-term plan (construction standards, service charges recovered from tenants, taxation levels…).
5 Financial liquidity Icade relies largely on debt to finance its growth. 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 plan.	- Difficulties in financing the growth plan. - Increased finance costs.
6 Increase in interest rates The Group is exposed to the risk that increases in interest rates may affect the variable-rate portion of its debt. This portion accounted for 24% of gross debt as of December 31, 2017.	- Increase in the cost of debt. - Reduction in the profitability of projects.

Regulatory *Reputational* *Operational* *Financial* *Physical*

Main risk control measures and solutions implemented

Strategic:

- Product diversification: Icade diversifies its portfolio across offices (45%), business parks (35%), and healthcare properties (20%).
- Geographic diversification: The Commercial and Healthcare Property Investment Divisions invest exclusively in the most dynamic geographic areas (Paris region and major French cities).
- Synergies between the Group's Property Development and Property Investment business lines.
- Property development order book: property development teams strive to keep the value of land for which projects are under development below the level of twice the annual revenue.
- Assets measured at cost with no impact on unrealised capital gains.

Operational:

- Regular monitoring of property markets by the Portfolio Management Department.
- Biannual appraisals performed by independent property valuers and checked against internal valuations.
- Business plans fully consistent with the Company's medium-term plan are prepared on an asset-by-asset basis by the Asset Management teams.

Strategic:

- Signing of long leases allowing for highly stable rental income over time. The weighted average unexpired lease term of the portfolio as of the end of 2017 is shown in chapter 2 § 2.2.5. and 2.3.4.
- Rental risk is spread across more than 1,400 leases. The 10 most important tenants of the Commercial Property Investment Division account for 30.2%.

Lease terms and the high level of dispersion of leases help smooth the impact of any fluctuations in the rental market on rental income.

Operational:

- Rent reviews based on a wide basket of indices. The breakdown and five-year history are shown in chapter 2 § 2.2.5. and 2.3.4.
- Monitoring of tenant turnover: in practice, based on the historical tenant turnover, only 20% to 30% of tenants exercise their break options.

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 (office space for start-ups, business centres with shared services, premises with all types of layouts in the business parks, office buildings and office campuses).
- Its land bank, which is unique in the Paris region, provides the Company with a high degree of control over its long-term growth.
- As an integrated real estate player, the Company has dedicated teams with all the expertise and experience needed to carry out complex urban development, infrastructure and property 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.
- An open innovation approach through intrapreneurs and external partners (start-ups, schools, local communities and large companies).

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 Companies Federation; FPI, the French Real Estate Developers Federation) constantly monitor technical, legal and tax regulations.

Strategic:

- Prudent financial policy, illustrated by a target LTV ratio of around 40%.
- Diversified funding sources (intermediated and non-intermediated debt) and maturities, which are well-spread over time.
- Increase in undrawn bank credit lines, representing €1,750 million, *i.e.* 3 years' worth of repayments of the existing debt.

Operational:

- Anticipating financing needs over a rolling four-year period as part of the medium-term plan and defining these needs more precisely over a period of 12 to 18 months as part of cash curve management.
- Centralised monitoring of Group treasury and debt.
- Centralised monitoring of covenants, mainly the LTV ratio and ICR. As of December 31, 2017, Icade's credit rating by Standard & Poor's was BBB+.

As of December 31, 2017, as was the case at the end of the previous financial years, the Group complied with all its bank covenants:

- reaching the most restrictive LTV covenant (52%) would require a €2,260 million decrease in asset value, *i.e.* -18% (assuming debt remains constant);
- reaching the most restrictive ICR covenant (2x) would require either a €189 million increase in 2017 finance costs, or a €379 million decrease in EBITDA.

The liquidity, interest rate, and counterparty risk policies are set by the Risk, Rates, Treasury and Financing Committee (CRTTF), implemented by the Finance Department and regularly presented to the Audit Committee.

Based on this work, Icade considers that its resources are appropriate to its liquidity requirements. Additional numerical data are shown in chapter 1 § 1.5.

Strategic:

- Use of fixed-rate financial instruments.

Operational:

- Centralised management of a portfolio of interest rate derivatives. These derivatives, which are intended to fix interest rates (swaps) or to set a maximum interest rate level (caps), are used solely for hedging purposes. Icade's hedging policy requires a minimum level of debt hedging for the coming years (80%).

Numerical data on interest rate hedges are shown in chapter 1 § 1.5.

Risks	Impact	
7 **Bank counterparty** As a result of its banking transactions, which mainly consist of cash investments, loans, drawdowns of credit lines and interest rate derivatives, Icade is exposed to a risk of default by its bank counterparties.	Reputational, Financial	- Failure of a financing counterparty creating a liquidity risk. - Reputational risk if the Company is unable to meet its payment obligations.
Insurance counterparty The financial risks linked to losses on property assets and Group operations are transferred to insurers, exposing Icade to a risk of insolvency of the insurer.		- Ineffective insurance coverage. - Deterioration in the financial and cash position.
Customer The economic environment and changes in habits or technologies may result in some firms or business sectors experiencing financial difficulties, causing late payments or even enterprise deaths.		- Risk of non-payment.
8 **Development/Property development** As part of its operations as a property developer for its own account (Property Investment Divisions) or on behalf of third parties (Property Development Division), Icade is exposed to a number of technical and financial risks related in particular to: – obtaining government permits (third-party objections to building permits, approval of the Departmental Commission for Commercial Development [CDAC], etc.); – technical ability to undertake projects (construction standards and uncertainties); and – complying with schedules and anticipated costs. These projects are also exposed to the uncertainties of the property investment (Property Development Division) and/or rental property markets (Property Investment Divisions).	Reputational, Operational, Financial	- Abandonment of projects that may have an impact on the business volume and earnings. - Delays in project completion. - Increase in production and distribution costs, affecting the profitability of projects.
9 **Vacancy in rental properties/products not matching market needs** As a long-term investor, Icade is exposed to the risk of obsolescence, significantly increasing its risk of prolonged vacancy: – a range of products and services that does not adequately respond to the needs of the property market in terms of location, product mix or technical performance; – similarly, there is a risk that the existing properties might become obsolete over time due to changes in technologies, habits, customers' environmental and well-being expectations, etc. Historical occupancy rates for the portfolio are shown in chapter 2 § 2.2.5. and 2.3.4.	Financial, Physical	- Earnings objectives not achieved. - Decline in portfolio value and NAV.
10 **Damage to the environment** Icade's activities are not subject to a specific industrial risk. However, – the construction and operation of commercial property involve a risk of damaging the environment (CO_2 emissions, biodiversity, water and waste…); – some technical installations, such as heat or cold generators, use potentially contaminating fluids.	Regulatory, Reputational, Financial	- Legal claims against Icade. - Growth in asset value over time.
11 **Health and safety hazards** Property construction and operation may expose building site personnel and employees, as well as the users of the Group's properties to health and safety hazards.	Regulatory, Reputational, Physical	- Legal claims against Icade. - Deterioration in the customer relationship.
12 **Major loss** In collaboration with their service providers, property management teams constantly ensure the preservation of the properties through the maintenance and control of fixtures and fittings and buildings as well as the implementation of management and alert systems (building management systems, fire detection, etc.).	Operational, Financial, Physical	- Asset valuation. - Decline in the business volume and earnings. - Financial impact of remedial and business interruption actions.
13 **Natural disasters and climate change** Property assets are sensitive to higher average temperatures and the increase in extreme weather events (floods, heat waves, drought).	Operational, Financial, Physical	- Financial impact of remedial and business interruption actions.

Regulatory *Reputational* *Operational* *Financial* *Physical*

Main risk control measures and solutions implemented

- Diversification of funding sources. The portion of debt not granted by financial intermediaries (which is subject to a risk spread over a large number of counterparties) reached 71% at the end of 2017.
- Commitments are limited to major European banks with long-term ratings of A-/A3 and money is spread among different banks.

- The Group's property assets and public liability are insured with AXA and Groupama.

- Sector diversification of assets and customers (aside from the specific exposure to the health sector).
- Rental risk is spread across a portfolio of over 1,400 leases. The 10 largest tenants of the Commercial Property Investment Division represent 30.2% of annualised rental income.

Strategic:

- Limiting Group exposure to property development for third parties to a maximum of 10% of its equity.

Operational:

- Operational management of projects by dedicated property development teams.
- Project management structure in line with the size and technical complexity of the projects (general contractors vs. separate subcontractors, consultancy firms, quantity surveyors, etc.).
- Property development projects for third parties only start when they have been at least partially pre-sold (off-plan sales). The proportion of current projects that have been pre-let or pre-sold is shown in chapter 2 § 3.

Strategic:

- Business and investments are focused on the most dynamic geographic areas of Greater Paris and large regional cities where demand is stronger and less volatile.
- Diversification of the property solutions in terms of product ranges and property uses (conventional leases, *Maisons des Start-Up*, Smartdesks…).
- Implementation of an asset management policy focused on new or recent assets with the best certifications and labels (HQE, BREEAM, E + C6, etc.).
- Implementation of multiannual programmes for the modernisation and energy transition of existing buildings.

Operational:

- New-build development programmes are jointly prepared by the asset management and development teams of the Icade's Property Development Division.
- Risk limits for speculative developments are defined by the Commitment Committees.
- Proactive operational monitoring of lease expiries by the Asset Management teams (lease extensions, early renewals, etc.).

- Icade is firmly committed to a policy of reducing the environmental footprint of its activities by making very ambitious commitments, particularly in the area of greenhouse gases and energy consumption, circular economy, biodiversity and sustainable mobility. These commitments are detailed in chapter 3.
- In the existing properties, a monitoring framework is in place for all the mandatory controls to be performed on technical installations by specialist property management teams (HSE). In 2017, 3,000 controls were performed, traced and monitored.
- Energy transition policy which reduces the risks of pollution.

- Prevention of health and safety risks: Many actions are undertaken to limit the occurrence and severity of such hazards, including regular technical inspections, monitoring of Classified Facilities for Environmental Protection (ICPE) under the French Environmental Code, monitoring of asbestos technical reports, implementation of fire alarms, regular maintenance of technical installations or vocational training for property management teams.
- Constantly monitoring technical innovations and planning works to bring the buildings into compliance with new standards.
- Systematising the use of specialised health & safety service providers (H&S coordinators) in construction and renovation projects.
- Updating regularly the Single Document and submitting it to the Health, Safety and Work Conditions Committee (CHSCT).

Strategic:

- Low concentration of the property portfolio. The Group's largest individual asset (Eqho tower) accounts for less than 8% of the total value of the property portfolio.
- Having comprehensive insurance policies based on the reinstatement value of the properties and covering operating losses.

Operational:

- Crisis management plans for risks such as floods, fire, terrorist attacks, explosions and construction site accidents within the framework of ISO 14001 commitments.

- Analysis conducted on the risks associated with the physical impact of climate change on assets in order to gradually adapt the properties (see chapter 3).

Risks	Impact	
14 Work carried out by external suppliers Icade uses the services of different third-party companies (architect firms, construction, maintenance and safety companies, utilities and operating equipment suppliers, etc.). As a result, the Group is exposed to the following risks, among others: – failure by a service provider to provide an outsourced service; – non-compliance with labour, health & safety regulations, etc.	Regulatory, Operational	Legal claims against Icade. Deterioration in the customer relationship.
15 Misstatements in the financial statements Publication of financial statements that may contain misstatements, whether caused by errors or fraud, of such a nature as to distort the assessment of performance by investors (incomplete or incorrect recognition of complex transactions, errors in the upstream data processing channels, etc.).	Regulatory, Reputational	Claims against the Company. Icade's image tarnished in the market.
16 IT system failure Part of Icade's business relies on the use of an extensive and open IT system which is based on complex databases facing a risk of failure, whether accidental or malicious.	Regulatory, Reputational, Operational	Loss of strategic data. Reduced productivity. Claims against Icade regarding the handling of personal data.
17 Ethics and non-compliance **Commitments** Icade is required to make significant legal and financial commitments as part of its property development activities (acquiring land, launching development projects) and its property investment activities (acquisitions, launching new property developments for its own account, disposals). **Business ethics** Icade puts business ethics at the heart of its long-term growth strategy and has defined the main principles in a Code of Ethics applicable to all Group employees. **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.	Regulatory, Reputational, Financial	Claims against Icade regarding illegal commitments. Damage to brand image and brand value.
18 Shareholding structure Caisse des dépôts et consignations directly holds 39.10% of the voting rights in the Company. At General Shareholders' Meetings, 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 6 seats on the Board of Directors (out of a total of 11).	Regulatory	Compliance with governance rules.
19 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 leasing activities (property development is subject to the ordinary tax regime), subject to compliance with specific obligations, especially in terms of dividend distribution. If the Company were to breach any of these obligations, it would be subject to ordinary corporate tax for the relevant financial years and could potentially lose its status.	Regulatory, Financial	Deterioration in financial performance if the Company becomes subject to corporate tax. Deterioration in the Company's value.

Regulatory *Reputational* *Operational* *Financial* *Physical*

Main risk control measures and solutions implemented

Strategic:

- All the key competencies required for business activities, concerning in particular the sourcing and development of property projects, construction project management, property management, as well as marketing and customer relationship activities, are available in house.

Operational:

- List of preferred suppliers and monitoring of their qualifications, insurance policies, social responsibility and financial strength.
- Regular assessment of the quality of the major regular suppliers and definition of improvement plans.

- Centralised production of accounting and financial information based on standardised procedures for the flow and processing of information.
- Integrated IT systems enabling extensive and secure automation of data processing.
- Detailed budget analysis which ensures the relevance of the financial information generated.
- The financial statements are formally approved by the Board of Directors after hearing the conclusions of the Audit Committee and the Statutory Auditors.
- Strict framework for financial communication.

Strategic:

- Business continuity plan which sets out the relocation of teams and the restoration of IT systems (hardware, software and database access). This plan is regularly tested and can be activated in the event of physical destruction or unavailability of IT facilities or systems.

Operational:

- Physical and logical protection of IT facilities, networks, applications and databases.
- Real-time redundancy of IT production systems on remote sites.
- Monitoring and backup systems.

These different protections are regularly tested by the IT Department.

- Standardised procedure for commitment approval and monitoring implemented by Divisional Commitment Committees, 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).
- Formal framework for delegation of authority and signature authority.
- Implementation of a comprehensive compliance framework for the Group (Code of Ethics, alert procedure, anti-money laundering and financing of terrorism, corruption, staff training, etc.).
- Presence of an internal compliance officer who must be consulted on specific issues (conflicts of interest, gifts, corporate actions, etc.) in a confidential manner.
- Implementation of a specific know-your-customer framework.

- Compliance with the Afep-Medef Code of Corporate Governance.
- Sub-committees of the Board of Directors chaired by independent Directors.

- Proactive monitoring of obligations related to the SIIC tax status by the In-House Tax Department (ownership interests, breakdown of business activities, required distribution level, etc.).

2. Internal control procedure

Internal control aims to prevent and control the risk of not achieving the objectives set out by Icade, in terms of asset protection, compliance with laws and regulations or the proper functioning of internal processes, including in regard to the production of financial information.

The framework is implemented in the Company through:

- **a control environment** in accordance with French Financial Markets Authority's (AMF) recommendations and implemented in all of the Group's business activities. It is the subject of a formal annual self-evaluation;
- **delegations of authority**;
- **procedures** governing the Group's operational and financial activities in order to control the risks, among others by performance tests (first level) made by the operational and functional teams. The Audit, Risk, Compliance and Internal Control Department (DARCCI) ensures and coordinates their regular updating.

  In particular, 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,
  - regulatory reporting (quarterly, semi-annual and annual) is published by press release according to a previously approved procedure and formal schedule, and the half- and full-year financial statements are only made public after being formally approved by the Board of Directors;
- **a permanent control plan** (second level), which aims to ensure the effective implementation of operational control measures. This control plan is implemented by the network of cross-functional internal controllers headed by DARCCI.

  The checks intended to ensure the comprehensiveness, truthfulness and accuracy of accounting entries as well as the relevance of reported information include:

  - interface checks, and checks of the consistency of data entered into the interface against upstream systems in order to ensure the integrity of information production systems. 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,
  - specific documentation for special operations, in order to ensure that the associated accounting entries are justified and traceable,
  - a detailed budget analysis, carried out by the management control team, explains any deviations from forecasts and confirms that relevant financial information is being produced.

The identified key control points (about 350) are reviewed at least every two years, on a rotational basis, with particular attention paid to those covering highly critical risks (biannually) and those whose previous assessment was not fully satisfactory. Checks are independently performed (by members of other business lines) using sampling methods. The use of specialised software ensures the completeness, traceability and documentation of findings and conclusions.

In 2017, 211 control points were checked (60% of total control points), a level equivalent to the previous financial year. It should be noted that some control points relating to high risks were checked twice. Overall, these checks revealed a **non-compliance rate of 3%**, a slight decrease compared to 2016 (4%).

- a list of **incidents** which makes it possible to adjust risk criticality and control measures;
- **an internal audit plan** (periodic control or third level) for key processes, decentralised entities and significant projects is detailed by the Internal Audit Department (DARCCI) in order to provide an assurance as to the compliance of the operations (risk identification and assessment, appropriate and effective coverage), their effective management and planning. About ten audits are performed every year;
- **a continuous improvement plan**, which compiles the action plans resulting from internal audit and which is being implemented by operational teams.

An update on these elements is provided biannually to the Risk Committee (Executive Committee) and the **Audit Committee**.

3. Insurance and disputes

3.1. Insurance

3.1.1. General presentation of Icade's policy regarding insurance

For several years, Icade has had a policy of limiting the number of its insurance brokers. As part of this policy, at the end of 2016, Icade invited tenders from four brokerage firms: Marsh, Aon, Siaci Saint-Honoré and SATEC. As a result of this invitation to tender, Icade selected the SATEC firm to manage all its insurance needs.

This approach is part of a process of 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, facilitated by notification of the Insurance Department, which may intervene in the event of major claims or physical injury claims.

Thus, based on the information at its disposal, Icade has noted a like-for-like reduction in the total amount of insurance premiums paid by Icade and its subsidiaries in 2017. This reduction could continue in 2018.

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)* and 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.

3.1.2. Risk prevention and assessment of the Company's insurance 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 broker, Icade endeavours to maintain a level of cover that it deems appropriate to each identified risk, subject, among others, to limitations related to the insurance market and according to an estimate of the amount it considers reasonable to cover and the probability of occurrence of a claim.

Thus, in order to identify and, as far as possible, quantify the most significant specific risks in its business activities, Icade has undertaken a process of mapping its main risks since 2002.

This risk map, which breaks down into specific risks (business-specific) and non-specific risks (cross-business), results from the review of risk reporting files. Each of these files identifies a specific risk which is assessed in terms of occurrence and impact and the criticality of which is assessed by a set of measures (transfer to insurance, implementation of specific procedures or actions, etc.).

These files are reviewed 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.

3.1.3. 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.

3.1.3.1. Main compulsory insurance

Compulsory insurance varies primarily according to Icade's two main business areas: Property Development and Property Investment.

3.1.3.1.1. 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 building work carried out. This insurance must be taken out as soon as work starts on site and is primarily intended 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 any of its constituent parts or any of its fixtures or fittings, 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 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), that is, the payment for the repairs to the building in which Icade was involved as builder, developer or vendor where it was held liable on the basis of the presumption principle established by Articles 1792 *et seq.* of the French Civil Code. This guarantee only covers the construction cost of the buildings for non-housing projects and the amount of repairs for housing projects.

It should be noted that courts tend to widen the scope of vendors' and contractors'/subcontractors' liabilities beyond the minimum legal obligations.

3.1.3.1.2. Property Investment

This business activity requires taking out compulsory insurance, namely 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-build projects and damage to works policies known as "works to existing property" *(travaux sur existants)* (which include CNR cover) when carrying out major refurbishment works on its properties.

3.1.3.2. Other major insurance taken out by Icade

3.1.3.2.1. Optional insurance covering construction risks

This includes 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.

3.1.3.2.2. 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 a property for a period of up to 36 months.

3.1.3.2.3. Public liability insurance

All of Icade's subsidiaries carry professional liability insurance as part of a Group policy.

This "all-risks except" policy is taken out with AXA France IARD and specifically covers the financial consequences of liabilities 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 as a result of any damage and/or loss caused to third parties.

3.1.3.2.4. Other insurance

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;
- cyber risk insurance.

3.1.3.3. Cover and excesses

3.1.3.3.1. 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.

3.1.3.3.2. 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 has a general excess of €45,734;
- the policies taken out under "other insurance" carry small excesses.

3.2. 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, earnings 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, 2017, depending on their likely 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, 2017, provisions for disputes amounted to €41.3 million for the Group as a whole (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 and which may have, or have had in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

5. CORPORATE GOVERNANCE

1. Corporate governance report

This report, prepared by the Board of Directors pursuant to Article L. 225-37, last paragraph of the French Commercial Code, contains the information referred to in Articles L. 225-37-2 to L. 225-37-5 of the French Commercial Code, including:

- information on the Company's corporate governance;
- information on the remuneration of corporate officers; and
- information on the capital structure and elements that might have an impact in the event of a public offer.

This report was prepared with the support of the Legal Department, the Human Resources Department and the Secretary of the Board of Directors.

It was presented to the Appointments and Remuneration Committee before being approved by the Board of Directors at its meeting on March 15, 2018.

1.1. Information on the composition, operation and powers of the Board of Directors and its committees

1.1.1. 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. 225-37-4 of the French Commercial Code states that "when a company complies on a voluntary basis with a Corporate Governance Code prepared by employer representative organisations, [the corporate governance report shall contain] 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 paragraph 1.1.2 of AMF Recommendation 2012-02 updated November 22, 2017 regarding the implementation of the "comply or explain" rule, the following table presents the provisions from the Afep-Medef Code with which Icade is not in full compliance as of the date of this report and explains the reasons behind this deviation.

Disregarded provision	Justification
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 being present"*)	Due to the ANF Immobilier transaction, 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 Chief Executive Officer was necessary for all meetings held in 2017. Since the Board of Directors and the committees had a particularly busy financial year, scheduling an additional meeting without the Chief Executive Officer being present was not deemed appropriate. In light of the recommendations made by the High Committee of Corporate Governance, Icade is considering proposing that such a meeting be held in the financial year 2018.
Composition of the Audit Committee (Article 15.1 of the Reference Code: *"The proportion of independent Directors on the Audit Committee should be at least two-thirds, and the committee should not include any executive corporate officer"*)	As of December 31, 2017, the proportion of independent Directors on the Audit Committee stood at 50%. Deviation from this recommendation of the Reference Code is justified by the change in composition of the committee which occurred in 2017 due to (i) the resignation of Ms Cécile Daubignard as director dated July 21, 2017 and (ii) Frédéric Thomas no longer being considered an independent member starting December 19, 2017. Nevertheless, the Company did make sure that the committee was still chaired by an independent member. In 2018, the Company will increase the share of independent members to at least two-thirds.
Appointments Committee (Article 16.2.2 of the Reference Code: *"the Appointments Committee (or an* ad hoc *committee) should set out a succession plan for corporate officers"*)	At its meeting of December 15, 2017, the Appointments and Remuneration Committee decided to establish a succession plan for Icade's corporate officers (Chairman of the Board of Directors and Chief Executive Officer) and directors, starting in 2018. At its meeting of December 19, 2017, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, has commissioned Icade's Chief Executive Officer to start working, jointly with the Head of Human Relations, on the succession plan for its main Executive Committee members.
Ongoing information (Article 25.1 of the Reference Code: *"All the elements of remuneration of corporate officers, whether potential or vested, must be made public immediately after the Board meeting at which they were approved"*)	The elements of remuneration of corporate officers, whether potential or vested, are not made public immediately after the Board meeting at which they were approved, but when the registration document and the explanatory statement on the resolutions are published.
Annual variable remuneration of executive corporate officers (Article 24.3.2 of the Reference Code: *"Quantitative criteria, which are not necessarily financial criteria, must be simple, relevant and suited to the corporate strategy. Quantitative criteria must be used predominantly"*)	The annual variable remuneration of the Chief Executive Officer, 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 one based on qualitative goals represents 6.25% of the annual base remuneration. As such, quantitative criteria are not strictly predominant in determining the overall annual variable remuneration of the Chief Executive Officer. 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 Chief Executive Officer.

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 Chief Executive Officer (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)	NA
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 the section above)
10.		Directors' access to information (recommendation No. 11)	Yes
11.		Directors' training (recommendation No. 12)	Yes
12.		Duration of directors' terms of office (recommendation No. 13)	Yes
13.		Board committees (recommendation No. 14)	Yes
14.		Audit Committee (recommendation No. 15)	No (explanation provided in section 1.1 above)
15.		Selection or Appointments Committee (recommendation No. 16)	Yes With the exception of the succession plan for corporate officers
16.		Remuneration Committee (recommendation No. 17)	Yes
17.		Number of terms of office for 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 corporate officer (recommendation No. 21)	Yes
21.		Requirement for corporate officers to hold shares (recommendation No. 22)	Yes
22.		Conclusion of a non-compete agreement with a corporate officer (recommendation No. 23)	NA
23.		Remuneration of 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 Chief Executive Officer
	24.3	Long-term remuneration of executive corporate officers (recommendation No. 24.3.3)	Yes
	24.4	Extraordinary remuneration of executive corporate officers (recommendation No. 24.3.4)	NA
	24.5	Benefits for taking up a position as an executive corporate officer (recommendation No. 24.4)	NA
	24.6	Severance compensation (recommendation No. 24.5)	Yes
	24.7	Supplementary pension schemes (recommendation No. 24.6)	NA
25.		Information on remuneration of 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 corporate officers (recommendation No. 26)	Yes
27		Implementation of the recommendations (recommendation No. 27)	Yes

1.1.2. Procedures for senior management duties

1.1.2.1. 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 Chief Executive Officer, which was adopted on February 17, 2015, the date of termination of the office of the former Chairman and Chief Executive Officer. 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 Senior Management, managing potential conflicts of interest in a more efficient manner, and aligning Icade's governance model with that of comparable companies.

It should be noted that the Chairman of the Board of Directors, in addition to the general duties provided for by law, was entrusted with the following specific tasks in the Rules of Procedure:

- the Chairman of the Board of Directors is kept regularly informed by the Chief Executive Officer of significant events and situations, especially those considered urgent for the Group so that the Chairman may inform the Board of Directors. The Chairman may ask the Chief Executive Officer for any information likely to assist the Board of Directors;
- the Chairman must ensure that the Board of Directors is informed of any issues relating to compliance with the principles of corporate social responsibility, changes in markets, competitive environment and main challenges, and that the Chief Executive Officer provides all the information that they deem relevant for this purpose in a timely manner;
- the Chairman of the Board of Directors undertakes to respect shareholders' rights in connection with organising General Meetings;
- the Chairman of the Board of Directors may be entrusted with an occasional or special tasks for the purpose of leading or participating in discussions between the Company and its high-level relationships, particularly with major clients and public authorities at national and international levels.

1.1.2.2. 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 Chief Executive Officer of Icade, effective after the General Meeting held on April 29, 2015, and (ii) to propose to the General Meeting held 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 Chief Executive Officer 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 powers 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 significance, 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 any significant transactions outside the scope of the strategy announced by the Company before they are carried out.

1.1.3. Operation of the Board of Directors

1.1.3.1. Duties and work

The Board of Directors sets the Company's business strategy and supervises its implementation. Subject to the powers expressly reserved for Shareholders' Meetings and within the scope of the object of the Company, it addresses any questions relating to the 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 from 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 Chief Executive Officer. Since April 29, 2015, these offices have been held 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.

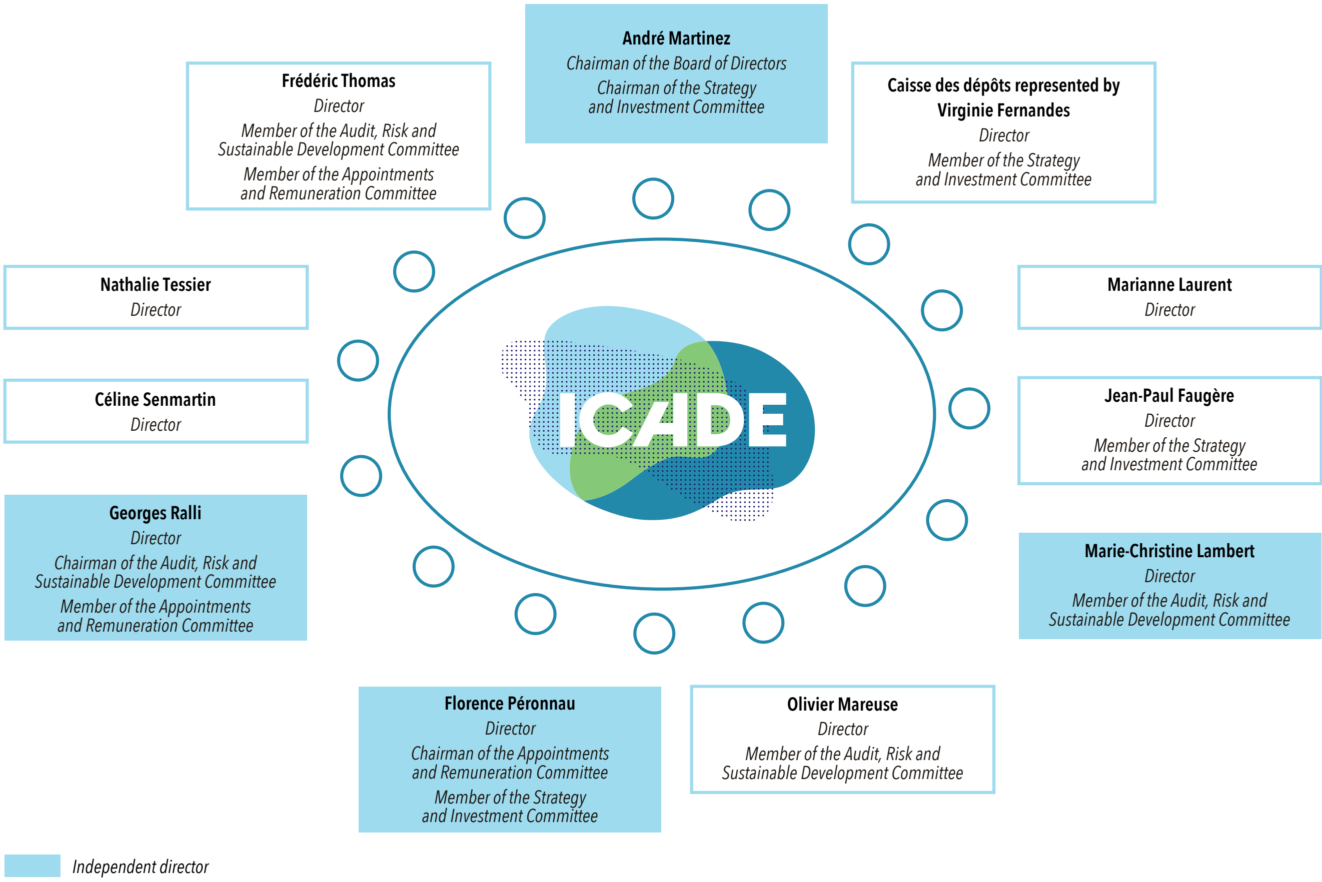
In addition to the matters and decisions resting with the Board of Directors according to the law (approving the annual and half-year financial statements and reports; convening the General Meeting to approve: the financial statements for the last financial year, forward planning documents, rules for distributing attendance fees among directors, annual authorisation given to the Chief Executive Officer to grant sureties, endorsements and guarantees, investment and disinvestment proposals, the Group's strategy, etc.), the Board examined or adopted the following points, among others:

- revision of the Rules of Procedure of the Board of Directors;
- operation of the Board of Directors, self-assessment of the work of the Board of Directors and reporting of the work of the Board of Directors and its committees;
- determination of the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer as well as performance criteria used to determine the variable component of the Chief Executive Officer's remuneration for the 2017 financial year;
- 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;
- 2018 budget and the 2022 medium term plan;
- issue of bonds by the Company;
- internal audit activity in 2017 and 2018 programme;
- implementation of the Company's share repurchase programme for the purpose of repurchasing its own shares;
- assessment of the independence of independent Directors;
- acknowledgement of the resignation of four directors, proposal to reappoint two directors, examination of a new director's application prior to her appointment by the General Meeting;
- distribution of attendance fees;
- change in composition of the committees;

- approval of investment or disinvestment commitment proposals, in accordance with the thresholds set out in the Rules of Procedure of Icade's Board of Directors;
- forward planning documents;
- relocation of the Company's headquarters and the resulting amendment of the Company's Articles of Association;
- the ANF Immobilier transaction;
- rotation of signatories within the two firms from the Board of Statutory Auditors, regardless of the renewal of their terms at the General Meetings.

The minutes of Board meetings are prepared after each meeting and communicated to the Directors for approval at the next meeting.

1.1.3.2. Composition* and offices and positions held at December 31, 2017



* *At its meeting held on March 15, 2018, Icade's Board of Directors temporarily appointed, subject to ratification at the General Meeting to be held on April 25, 2018:*
– Carole Abbey, to replace Marianne Laurent, who resigned in March 2018;
– Sophie Quatrehomme, to replace Franck Silvent, who resigned in July 2017.
As of March 15, 2018, the Board of Directors consisted of 12 members, including seven women and four independent 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 directors' terms of office, the Combined General Meeting held on 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, 2017, the Board of Directors of Icade consists of 11 members, including six women and four independent Directors (i.e. 36.4% of independent Directors): André Martinez (Chairman of the Board of Directors), Marie-Christine Lambert, Florence Péronnau and Georges Ralli.

The percentage of women on the Board is currently 54.5%, 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 (40% at the end of the General Meeting held in 2017).

As of December 31, 2017, the average term of office of the Company's directors was 2.8 years; their average age was 57.4 and they were all French nationals.

As of December 31, 2017, the Company's Board of Directors was composed of the following 11 members:

- André Martinez, Chairman of the Board of Directors, independent Director;
- Caisse des dépôts et consignations, represented by Virginie Fernandes;
- Jean-Paul Faugère;

- Céline Senmartin;
- Marie-Christine Lambert, independent Director;
- Marianne Laurent;
- Olivier Mareuse;
- Nathalie Tessier;
- Frédéric Thomas;
- Georges Ralli, independent Director;
- Florence Péronnau, independent Director.

During the financial year 2017, 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
Céline Senmartin	Ratification of the appointment	Combined General Meeting of April 20, 2017	Higher percentage of women
Jean-Paul Faugère	Reappointment	Combined General Meeting of April 20, 2017	
Olivier Mareuse	Reappointment	Combined General Meeting of April 20, 2017	
Marianne Laurent	Appointed to replace Céline Scemama	Combined General Meeting of April 20, 2017	Higher percentage of women
Cécile Daubignard	Resignation	Board of Directors meeting of July 21, 2017	
Éric Donnet	Resignation	Board of Directors meeting of July 21, 2017	
Benoît Maes	Resignation	Board of Directors meeting of July 21, 2017	
Franck Silvent	Resignation	Board of Directors meeting of October 19, 2017	

- on April 20, 2017, the Combined General Meeting ratified the temporary appointment, by the Board of Directors at its meeting of October 19, 2016, of Ms Céline Senmartin as director to replace Ms 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 ending December 31, 2018;
- on April 20, 2017, the Combined General Meeting reappointed Mr Jean-Paul Faugère as director for a term of four years, i.e. until the end of the General Meeting to be held in 2021 to approve the financial statements for the year ended;
- on April 20, 2017, the Combined General Meeting reappointed Mr Olivier Mareuse as director for a term of four years, i.e. until the end of the General Meeting to be held in 2021 to approve the financial statements for the year ended;
- on April 20, 2017, the Combined General Meeting appointed Ms Marianne Laurent as director for a term of four years, i.e. until the end of the General Meeting to be held in 2021 to approve the financial statements for the year ended;
- on July 21, 2017, the Board of Directors noted the resignation of Ms Cécile Daubignard, Mr Éric Donnet and Mr Benoît Maes as directors of Icade;
- on October 19, 2017, the Board of Directors noted the resignation of Mr Franck Silvent as director of Icade.

POSITIONS, OFFICES AND BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2017

André MARTINEZ

Chairman of the Board of Directors
Chairman of the Strategy and Investment Committee
Independent Director
64 years old
Nationality: French

First appointed as director:
General Meeting of 04/29/2015

End of term of office:
General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company: 20

Professional address:
27, rue Camille-Desmoulins
92130 Issy-les-Moulineaux, France

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, belonging to 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 then Senior Advisor and Director of the global hotel activity. 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 Managing Director of two family-owned property investment companies (SCI) and 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

Chairman
- Financière des Cent Chênes SAS [(a)]

Director
- Ville Pour Tous [(a)]
- Financière Sun [(a)] (B&B Hotels)

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 (CDC) - Director
Member of the Strategy and Investment Committee
43 years old
Nationality: French

Expertise and professional experience

Virginie Fernandes, Head of the Group Steering Department – Caisse des dépôts group, 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 was 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, in 2013, she took over 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. She is, among others, in charge of further strengthening the Group's shareholding strategy.

First appointed as permanent representative of CDC, director: Board of Directors meeting of 09/30/2016

End of term of office of CDC: General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company by Virginie Fernandes: 1

Professional address:
56, rue de Lille
75007 Paris, France

Other offices and positions currently held

Member of the Supervisory Board
- SNI [b]

Director
- Bpifrance [b]
- Bpifrance Investissement [b]
- Bpifrance Participations [b]
- SCET [b]
- Transdev group [b]

CDC permanent representative/Director
- Compagnie des Alpes [a][b]

Member of the Audit Committee
- Bpifrance Investissement [b]
- Bpifrance Participations [b]
- SCET [b]
- SNI [b]
- Transdev group [b]

Member of the Strategic Committee
- Bpifrance Participations
- Compagnie des Alpes [a][b]
- SNI [b]

Member of the Appointments and Remuneration Committee
- Bpifrance [b]
- Compagnie des Alpes [a][b]
- SCET [b]

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) Listed company.
(b) Icade group/CDC group company.

Jean-Paul FAUGÈRE

Director
Member of the Strategy and Investment Committee
61 years old
Nationality: French

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 Auditor (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).

First appointed as director: Board of Directors meeting of December 20, 2012

End of term of office: General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 20

Professional address:
4, place Raoul-Dautry
75716 Paris Cedex 15, France

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
64 years old
Nationality: French

First appointed as director:
Board of Directors meeting of 12/06/2011

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 10

Home address:
24, rue Rouelle
75015 Paris, France

Expertise and professional experience

Marie-Christine Lambert, a graduate of ESC Dijon with a major in Finance, is now retired. She used to be Deputy CFO and Head of Financial Control for 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 Head 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 CFO and Head of Financial Control for the Orange group
Director
- Orange France
- Orange Studio
- Buy-in joint venture (Orange/Deutsche Telekom)

Member of the Supervisory Board and Audit Committee
- Orange Polska

Marianne LAURENT[b]

Director
56 years old
Nationality: French

First appointed as director:
General Meeting of 04/20/2017

End of term of office:
General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
72, avenue Pierre-Mendès-France
75914 Paris Cedex 13, France

Expertise and professional experience

Marianne Laurent, a graduate from the Université de Rennes in banking and finance, started her career in 1984 in the banking sector before joining Caisse des dépôts in 1990.

She first managed the unit in charge of institutional relations and relations with subsidiaries' customers for Caisse des dépôts's Banking Services Department. In 2000, she joined the newly-formed CDC Ixis where she worked until 2003. She later joined the Group Finance, Strategy and Holdings Department and managed equity transactions. In 2007, Marianne Laurent joined the Executive Board of Efidis, a subsidiary of the SNI group, where she served as Finance Director. In 2012, she became Deputy CEO in charge of Group Finances for the SNI group.

Since January 16, 2017, she has been Head of Loans and Housing for the Savings Funds Department.

Other offices and positions currently held

Director
- Foncière Publique Solidaire

Member of the Supervisory Board
- SNI[a]

Head of Loans and Housing for the Savings Funds Department
- Caisse des dépôts

Offices and positions held in the past five years and which have expired

Deputy CEO in charge of Group Finances and Executive Committee member
- SNI

Director and member of the Audit Committee:
- Efidis
- Osica
- Ste Barbe
- Adoma

(a) Icade group/CDC group company.
(b) At its meeting held on March 15, 2018, Icade's Board of Directors temporarily appointed Carole Abbey to replace Marianne Laurent who resigned, subject to ratification at the General Meeting to be held on April 25, 2018.

Olivier MAREUSE

Director
Member of the Audit, Risk and Sustainable Development Committee
54 years old
Nationality: French

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, and then Head of Strategy, Financial Control and 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. From December 2010, he served as Chief Financial Officer of the Caisse des dépôts group. Since September 2016, Olivier Mareuse has been Director of Savings Funds of Caisse des dépôts.

First appointed as director:
Board of Directors meeting of 05/31/2011

End of term of office:
General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
72, avenue Pierre-Mendès-France
75914 Paris Cedex 13, France

Other offices and positions currently held

Director of Savings Funds
- Caisse des dépôts group

Member of 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
- 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

Group CFO
- Caisse des dépôts

Chief Investment Officer
- CNP Assurances

Director
- Bpifrance 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.

Florence PÉRONNAU

Independent Director
Chairman of the Appointments and Remuneration Committee
Member of the Strategy and Investment Committee
60 years old
Nationality: French

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 Péronnau 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 "workspace" 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 Péronnau has sat on the French State Real Estate Board as a qualified person.

In 2017, Florence Péronnau, 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".

First appointed as director:
General Meeting of 05/23/2016

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 5

Professional address:
Pollen RE SAS
35, rue Malar
75007 Paris, France

Other offices and positions currently held

Member of the French State Real Estate Council (a)

Vice-Chairman
- Association des directeurs immobiliers (a)

Board Member
- RICS France (a) (Royal Institution of Chartered Surveyors)

Offices and positions held in the past five years and which have expired

None

(a) Non-group company.

Georges RALLI

Independent Director
Chairman of the Audit, Risk and Sustainable Development Committee
Member of the Appointments and Remuneration Committee
69 years old
Nationality: French

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 Division, in charge of corporate clients; and Financial Affairs Department, in charge of primary equity market activities).

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 Department in 1999. From 2000 to 2010, he was Managing Director and Deputy Chairman of the Executive Committee of Lazard LLC (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 health sector which invests in biotech, medtech, diagnostics and vaccines companies through structured loans. He is currently Partner and Managing Director of IPF Partners.

Lastly, in 2017, he participated in the creation of LLC Real Estate Fund SCA, an investment fund dedicated to property in Luxembourg (75%) and neighbouring countries (excluding France).

First appointed as director:
General Meeting of 05/23/2016

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 775

Professional address:
IPF Partners
8, rue Toepffer
CH-1206 Geneva, Switzerland

Other offices and positions currently held

Non-voting director, Member of the Audit Committee and Chairman of the Remuneration Committee
- Chargeurs SA [(b)]

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)]
- Kampos SARL (Switzerland) [(b)]
- IPF Partners SARL (Switzerland) [(b)]
- LLC RE Management SARL (Luxembourg) [(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 (USA)
- 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 (USA)

CEO of the European Investment Banking Business
- Lazard (USA)

Co-Chairman of the European Investment Banking Committee
- Lazard (USA)

Chairman of the Board of Managers
- Lazard Wealth Management Europe SARL (Luxembourg)

Chairman of the Advisory Board
- Lazard GmbH (Switzerland)

Member
- LFCM Holdings LLC (USA)
- Advisory Committee of Lazard BV (Belgium)
- European Advisory Board of Lazard (USA)

(a) Listed company.
(b) Non-group company.

Céline SENMARTIN

Director
40 years old
Nationality: French

First appointed as director: Board of Directors meeting of 10/19/2016

End of term of office: General Meeting to be held in 2019 to approve the financial statements for the year ended

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, France

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 Picardie Regional Manager. On March 1, 2016, she became Deputy Head of the Network and Territory 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, representative of the Somme Departmental Council
- Board of Directors of OPSOM (OPH) from 10/23/2012 to 04/30/2015

Director, representative of CDC
- Board of Directors of CDC Développement Solidaire
- Board of Directors of Agence de Développement de l'Aisne
- Board of Directors of Picardie Active
- Board of Directors of IMPROVE SAS
- Board of Directors of Société d'Équipement du Département de l'Aisne – SEDA (semi-public company)
- Board of Directors of SEM Amiens Aménagement – SEMAA (semi-public company)
- Board of Directors of Société pour l'Immobilier d'Entreprise de l'Aisne – 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.

Nathalie TESSIER

Director
55 years old
Nationality: French

First appointed as director: General Meeting of 04/29/2015

End of term of office: General Meeting to be held in 2018 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
27, quai Anatole-France
75007 Paris, France

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 Managing Director 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

Frédéric THOMAS

Director
Member of the Audit, Risk and Sustainable Development Committee
Member of the Appointments and Remuneration Committee
61 years old
Nationality: French

First appointed as director:
General Meeting of 05/23/2016

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
CAA
16-18, boulevard de Vaugirard
75015 Paris, France

Expertise and professional experience

Frédéric Thomas began his career with the Pas-de-Calais regional bank 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 SA.

Frédéric Thomas graduated in agronomic engineering from ENSA Rennes and holds a "DESS" postgraduate degree in business administration.

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
- Pacifica (SA) [a][b]
- Spirica (SA) [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]

Vice-Chairman
- CA Vita (SPA) [a][b]
- Groupement français des Bancassureurs [b]

Permanent representative of Predica
- Fonds stratégique de participations (Sicav) [b]

Permanent representative of CAA, legal entity serving as director
- Crédit Agricole Assurances Solutions (SAS) [b]

Member of the Supervisory Board
- Crédit Agricole Innovations & Territoires (SAS) [b]

Chairman of the Supervisory Board
- F/I Venture (SAS) [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
- Caagis SAS
- LCL (SA, issuer of listed debt securities)
- Crédit Agricole Services
- Ifcam
- Acticam
- Cité de l'agriculture
- Uni Éditions
- CA Consumer Finance
- CA Leasing & Factoring
- NCI Normandie Capital Investissement

Representative of the 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

Non-voting director
- CA Immobilier

(a) Listed company.
(b) Icade group/CDC group company.

1.1.3.3. Independent directors

At its meeting of December 19, 2017, Icade's Board of Directors reviewed the independence criteria for directors and, on the recommendation of the Appointments and Remuneration Committee, (i) noted that Frédéric Thomas could no longer be considered an independent director under the Afep-Medef Code, which is the Company's Reference Code, and (ii) declared four directors as independent, since they met all the director independence criteria required by the Reference Code, namely:

Independence criteria set out in the Afep-Medef Code	André Martinez	Marie-Christine Lambert	Georges Ralli	Florence Péronnau	Frédéric Thomas
1. Not being and not having been during the previous five years:					
▪ Employee or executive corporate officer of the Company	Complies	Complies	Complies	Complies	Complies
▪ Employee, executive corporate officer or director of an entity included in the scope of consolidation of the company	Complies	Complies	Complies	Complies	Complies
▪ Employee, 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 a directorship, or in which an employee appointed as such or an executive corporate officer of the Company (currently or having been so in the past five years) holds a directorship	Complies	Complies	Complies	Complies	Complies
3. Not being a customer, supplier, merchant banker or corporate banker that is material to the Company or its Group or for which 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 director of the Company 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 (threshold of 10% of share capital or voting rights)	Complies	Complies	Complies	Complies	Does not comply
8. For the Chairman (role separated from that of CEO): not receiving variable remuneration in cash or in securities, or any remuneration related to the performance of the Company or the Group	Complies	NA	NA	NA	NA
CONCLUSIONS	**INDEPENDENT**	**INDEPENDENT**	**INDEPENDENT**	**INDEPENDENT**	**NON-INDEPENDENT**

No independent Director of Icade has business connections with the Company.

As stipulated in the Rules of Procedure of the Board of Directors of Icade, the Board may take the position that a director, although meeting the above criteria, cannot 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 was composed of 11 directors including a third of independent Directors (36%) as of December 31, 2017, complies with the recommendation from Article 8.3 of the Reference Code.

1.1.3.4. Balanced representation on the Board of Directors

The Board of Directors has an objective for diversified composition in terms of gender and expertise representation, in accordance with the recommendation of the Afep-Medef Code.

The Board of Directors sees to it that any change in its composition complies with this objective in order to be able to perform its duties in the best possible conditions.

The table below presents the main areas of expertise of the Company's directors.

	Real estate	Finance/ Accounting	CSR	Innovation/ Digital technologies	Banking/ Insurance	Management	Human Resources and Governance
André Martinez	X	X	X	X		X	X
Caisse des dépôts represented by Virginie Fernandes	X	X			X	X	
Jean-Paul Faugère	X	X			X		X
Marie-Christine Lambert		X	X	X	X	X	
Marianne Laurent	X	X				X	
Olivier Mareuse	X	X	X		X	X	
Florence Péronnau	X		X	X		X	
Georges Ralli	X	X	X	X	X	X	X
Céline Senmartin	X	X					
Nathalie Tessier	X	X	X		x	X	
Frédéric Thomas	X	X	X		x	X	X

1.1.3.5. Convening and preparing the meetings of the Board of Directors

The current Articles of Association of the Company 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 a meeting, each director receives information relevant to effective participation in the Board's proceedings so that they are able to effectively carry out their duties. The same applies at all times in the life of the Company, between Board meetings, when the importance or urgency of the information so requires.

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 senior management 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 previous 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 consideration, the director(s) in question is(are) required to refrain from taking part in the discussions and in the vote. In the financial year ended December 31, 2017, this rule was applied to several investment transactions. It should be noted that, according to the Rules of Procedure of the Board of Directors, the Appointments and Remuneration Committee shall examine significant transactions involving a risk of conflict of interest between the Company and the members of the Board of Directors. Also, no director may take on a leadership position in an entity or business which is in competition with the Company without informing the Chairman of the Board of Directors and the Chairman of the Appointments and Remuneration Committee.

1.1.3.6. Frequency of meetings of the Board of Directors

The Board of Directors of Icade met 10 times during the financial year 2017. The attendance rate of the members of the Board of Directors was 84%.

The table below presents each director's attendance rate at meetings of the Board of Directors, in 2017:

Directors	Meetings attended	Total number of meetings	Individual attendance rate
Caisse des dépôts et consignations	7	10	70%
Cécile Daubignard [(a)]	2	4	50%
Éric Donnet [(a)]	4	4	100%
Jean-Paul Faugère	9	10	90%
Marianne Laurent	5	7	71%
Marie-Christine Lambert	9	10	90%
Benoît Maes [(a)]	3	4	75%
Olivier Mareuse	8	10	80%
André Martinez	10	10	100%
Florence Péronnau	8	10	80%
Georges Ralli	10	10	100%
Céline Scemama [(b)]	3	3	100%
Céline Senmartin	9	10	90%
Franck Silvent [(c)]	4	6	67%
Nathalie Tessier	10	10	100%
Frédéric Thomas	8	10	80%

(a) On July 21, 2017, the Board of Directors noted the resignation of Ms Cécile Daubignard, Mr Éric Donnet and Mr Benoît Maes as directors.
(b) On April 20, 2017, the General Meeting noted the expiry of the term of office of Ms Céline Scemama.
(c) On October 19, 2017, the Board of Directors noted the resignation of Mr Franck Silvent as director.

1.1.3.7. 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 Board of Directors, 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 2017, 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 March 7, 2018.

The conclusion of this self-assessment is that the directors consider that the issues related to the organisation of the Board of Directors are adequately dealt with, whether it is in relation to skills, expertise and complementarity of directors, the proportion of independent members, and the gender balance. Areas for improvement have been identified in regard to the operation of the Board, especially concerning the meeting schedule and making more condensed presentations at Board and Committee meetings. In particular, directors have insisted on the need to highlight the major issues related to each of the topics discussed. To preserve the quality of discussions and streamline meeting agendas of the Audit, Risk and Sustainable Development Committee, directors wish to create a new permanent specialised committee in charge of Innovation and CSR. Directors also expressed their wish to receive more information regarding the competitive and financial environment, especially by having access to the Company's press review, and to gain a better understanding of operational risks, especially regarding investment or disinvestment projects. As regards the operation of the committees, directors indicated that they would like information to be provided sufficiently in advance.

1.1.3.8. Regulated agreements and commitments

Agreements and commitments approved during the year ended and approved since the end of the financial year

None.

Agreements and commitments approved during prior financial years whose performance continued during the financial year ended

Pursuant to Article L. 225-40-1 of the French Commercial Code, which is based on Ordinance No. 2014-863 of July 31, 2014, the following agreements and commitments approved in previous financial years whose performance continued during the financial year ended were reviewed on March 7, 2018 by the Board of Directors, which noted the continuation of these agreements and commitments.

Contingency insurance policy for Olivier Wigniolle in his capacity as Chief Executive Officer of Icade

A group contingency insurance policy *(contrat d'assurance prévoyance)* was taken out by Caisse des dépôts ("CDC") with CNP Assurances on February 15, 2012. This policy covers certain senior executives of the subsidiaries of the Caisse des dépôts group.

In this context, Olivier Wigniolle, Chief Executive Officer of Icade, is one of the insured persons under this policy, under which he benefits from insurance cover as a corporate officer.

Caisse des dépôts decided to charge Icade for the share of the payments made under the contingency insurance policy corresponding to the cover granted to Olivier Wigniolle as Chief Executive Officer of Icade. The recharge by Caisse des dépôts of this group contingency insurance policy and the payment by Icade of invoices to be issued in this context shall indicate the existence of a recharge agreement, even if this recharge agreement is not evidenced by a written contract.

On April 29, 2015, the Board of Directors authorised the signing of this commitment and acknowledged the merits of this contingency insurance policy, particularly (i) with regard to pricing conditions, considered as fair and equitable for Icade for this type of insurance agreement, and (ii) considering how complex it would be to take out a new insurance policy for the senior executive concerned. The amount of the recharge did not exceed €10,000 for 2017.

Allocation of a severance payment in the event of dismissal of Olivier Wigniolle as Chief Executive Officer of Icade

At its meetings of March 19, 2015 and April 29, 2015, the Board of Directors approved all the terms and conditions relating to the corporate office of Olivier Wigniolle, which are in line with market practices and compliant with the guidelines and principles for the senior executives of Caisse des dépôts.

In the event of dismissal related to a change of control (within the meaning of Article L. 233-3 of the French Commercial Code) or a strategic disagreement with the Board of Directors, Olivier Wigniolle, Chief Executive Officer of Icade, will receive a severance benefit equal to the gross overall remuneration (fixed and variable) received over the twelve months preceding his dismissal.

In accordance with Article L. 225-42-1 of the French Commercial Code, the severance benefit shall only be paid if the following performance condition has been satisfied: the most recent NPAG (net profit(/loss) attributable to the Group as reported in the consolidated financial statements and after adjustment for capital gains from disposals) for the financial year preceding the dismissal is greater than or equal to the arithmetic mean of the NPAGs for the two financial years immediately preceding the most recent NPAG.

1.1.3.9. Summary table of financial delegations and authorisations

Types of securities concerned	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount	Use during the financial year 2017
Authorisation to have the Company repurchase its own shares	04/20/2017	14th 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	Used in the context of the liquidity contract: ▫ purchases: 1.039.306 shares ▫ sales: 1.039.306 shares
Authorisation to reduce the share capital through the cancellation of treasury shares	04/20/2017	15th 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	None
Delegation to increase the share capital by capitalisation of reserves, profits, share premiums or other items	04/20/2017	16th resolution	26 months i.e. until June 19, 2019	Shares: €15 million	None
Delegation to increase the share capital through an issue reserved for employees as part of the Company savings plan (PEE)	04/20/2017	17th resolution	26 months i.e. until June 19, 2019	1% of the diluted share capital as of the date of the General Meeting	None
Delegation to increase the share capital with preferential subscription right (reserved for existing shareholders)	05/23/2016	19th resolution	26 months i.e. until July 22, 2018	€38 million (power to issue only ordinary shares)	None
Delegation to increase the share capital in consideration for contributions in kind	05/23/2016	20th 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	None
Authorisation to grant free shares to employees and corporate officers	05/23/2016	22nd 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	None

1.1.4. Operation of the committees of the Board of Directors

In the interests of transparency and public information, Icade has established the various committees described below. 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 the Company's 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, two 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 €1,750 per meeting; the Chairman of each committee meeting receives an additional fee of €1,750 per meeting. It should be recalled that André Martinez does not receive attendance fees for his office as a director and as Chairman of the Strategy and Investment Committee.

1.1.4.1. Strategy and Investment Committee

Duties

According to the Rules of Procedure of Icade's Board of Directors, 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 Group's strategic directions. It issues opinions and recommendations to facilitate the work of the Board of Directors.

Composition

As of December 31, 2017, the four members of the Strategy and Investment Committee were André Martinez (Chairman and independent Director), Jean-Paul Faugère, Florence Péronnau (independent Director) and Caisse des dépôts, represented by Virginie Fernandes.

Frequency of meetings and summary of the committee's activities

This committee met eight times during the financial year 2017. The attendance rate was 98%.

The table below presents each member's attendance rate at meetings of the Strategy and Investments Committee, in 2017:

Members	Meetings attended	Total number of meetings	Individual attendance rate
André Martinez (Chairman)	8	8	100%
Caisse des dépôts represented by Virginie Fernandes [(a)]	5	5	100%
Éric Donnet [(b)]	3	3	100%
Jean-Paul Faugère	8	8	100%
Florence Péronnau	7	8	88%
Céline Scemama [(c)]	3	3	100%

(a) Caisse des dépôts, represented by Virginie Fernandes, was appointed as committee member to replace Ms Céline Scemama.
(b) On July 21, 2017, the Board of Directors noted the resignation of Mr Éric Donnet as director.
(c) On April 20, 2017, the General Meeting noted the expiry of the term of office of Ms Céline Scemama.

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 of the progress of major projects and the conditions in the commercial real estate market.

The committee gave an account of its work to the Board, which took note thereof and followed all its recommendations.

1.1.4.2. 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 on Audit Committees dated July 22, 2010.

Duties

The Audit, Risk and Sustainable Development Committee is responsible for assisting the Board of Directors in assessing the annual separate and consolidated financial statements as well as the quality of internal control and information provided to shareholders and to the market, and for authorising services other than the audit 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, 2017, the four members of the Audit, Risk and Sustainable Development Committee, two of whom are independent Directors, were: Georges Ralli (Committee Chairman and independent Director), Marie-Christine Lambert (independent Director), Olivier Mareuse, and Frédéric Thomas.

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 section 1.1.3.4. of this chapter).

Frequency of meetings and summary of the committee's activities

This committee met eight times during the financial year 2017. The attendance rate was 83%.

The table below presents each member's attendance rate at meetings of the Audit, Risk and Sustainable Development Committee, in 2017:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Georges Ralli (Chairman)	8	8	100%
Cécile Daubignard [(a)]	3	3	100%
Marie-Christine Lambert	8	8	100%
Olivier Mareuse	6	8	75%
Frédéric Thomas	3	8	38%

(a) On July 21, 2017, the Board of Directors noted the resignation of Ms Cécile Daubignard as director.

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;
- 2017 results of the internal control process and presentation of the 2018 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 proposed disposals and acquisitions in relation to the full-year and half-year financial results;
- analysis of the impact of the audit reform on the Statutory Auditors' work;
- prior approval of services provided by the Statutory Auditors other than the audit of financial statements which do not fall within the scope of their statutory tasks;
- rotation of signatories within the two firms from the Board of Statutory Auditors, regardless of the renewal of their terms at the General Meetings;
- review of the Statutory Auditors' new audit reports;
- several internal audit assignments.

The committee gave an account of its work to the Board, which took 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 Auditors, asset valuation consultants, etc.).

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.

1.1.4.3. 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. 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, 2017, the three members of the Appointments and Remuneration Committee were Florence Péronnau (Committee Chairman and independent Director), Frédéric Thomas (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 2017. The attendance rate was 100%.

The table below presents each member's attendance rate at meetings of the Appointments and Remuneration Committee, in 2017:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Florence Péronnau (Chairman)	3	3	100%
Franck Silvent [(a)]	2	2	100%
Benoît Maes [(b)]	2	2	100%
Frédéric Thomas	3	3	100%
Georges Ralli	3	3	100%

(a) On October 19, 2017, the Board of Directors noted the resignation of Mr Franck Silvent as director.
(b) On July 21, 2017, the Board of Directors noted the resignation of Mr Benoît Maes as director.

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 2018 for the financial year 2017, determination of his gross annual remuneration for the financial year 2018 and performance criteria used to determine the variable component of his remuneration for the financial year 2018;
- determination of the Chairman of the Board's remuneration;
- annual amount of attendance fees;
- renewal of the directors' terms of office;
- director candidates;
- authorisation of a bonus share plan for all the employees and authorisation of a performance share plan for some executives (excluding the Chairman of the Board and the CEO);
- continuation of bonus shares and stock options granted to former employees;
- launch of two bonus share plans;
- change in composition of the committees;
- appointment of a new Chairman of the Appointments and Remuneration Committee (independent Director);
- assessment of the independence of directors.

At its meeting of December 15, 2017, the Appointments and Remuneration Committee confirmed its willingness to comply with the Afep-Medef Code and decided to establish a succession plan for Icade's corporate officers (Chairman of the Board of Directors and CEO) and directors, starting in 2018.

1.1.4.4. *Ad hoc* committee

Duties

As part of the acquisition of a controlling interest in ANF Immobilier, Icade's Board of Directors decided, on March 7, 2017, to appoint an *ad hoc* committee to review the transaction in preparation for the work of the Board of Directors.

Composition

The *ad hoc* committee was composed of the members of the Strategy and Investment Committee (André Martinez, Chairman; Céline Scemama; Jean-Paul Faugère; Florence Péronnau; and Virginie Fernandes) and another director, Georges Ralli.

Frequency of meetings and summary of the committee's activities

The *ad hoc* committee met once during the financial year 2017. The attendance rate was 100%.

1.1.4.5. Procedures for the participation of shareholders in 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, whose provisions are shown in chapter 8, section 1 "Information on the issuer and its capital" of this registration document.

1.2. Information relating to governance bodies

1.2.1. Executive Committee

The members of Icade's Executive Committee are recognised by their peers. They rely on their expertise and experience to contribute to Icade's expansion and performance. This committee meets each week to discuss issues relating to Icade's strategy, finances, operating activities, organisation, customers and staff.

The Executive Committee comprises the following members as of the date of this document:

Olivier WIGNIOLLE

Chief Executive Officer
54 years old

Olivier Wigniolle is a graduate of HEC business school (1985). 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 Deputy CEO of Société Foncière Lyonnaise. 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.

On March 19, 2015, Olivier Wigniolle was appointed CEO of Icade 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).

Distinctions: 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".

First appointed:
Board of Directors meeting of April 29, 2015

End of term of office:
General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company: 16,000

Other offices and positions currently held

Director
- Icade Management GIE [b]

Chairman of the Supervisory Board
- ANF Immobilier SA [a][b]

Chairman
- Icade Promotion SAS [b]
- Duguesclin et Associés Montagnes SAS [b]
- Duguesclin Développement SAS [b]
- Atrium Développement Boulogne Billancourt SAS [b]

Managing Director
- SNC Du Canal Saint Louis [b]
- SARL Soc D'aménagement Des Coteaux De Lorry [b]
- SARL Le Levant Du Jardin [b]
- SCI Batignolles Patrimoine [b]
- SNC Du Plessis Botanique [b]
- SARL Cœur De Ville [b]
- SARL Las Closes [b]

Offices and positions held in the past five years and which have expired

Chairman
- SAS Allianz Logistique
- SAS Madeleine Opéra
- SAS Duguesclin Développement
- SAS Allianz Forum Seine
- SAS Allianz Serbie
- SAS Allianz Rivoli
- SAS Allianz Platine
- SAS Passage Des Princes
- SAS Allianz Étoile
- Allianz Real Estate France
- Real Fr Haussmann SAS
- SAS 20 Pompidou
- Real Faubourg Haussmann SAS
- Allianz Grenelle
- SAS SMDH
- Société Immobilière 173-175 Bd Haussmann
- Vernon SAS
- Société Foncière Européenne
- Invco
- Société de Négociation Immobilières Mobilières Malevill

Managing Director
- Via Pierre I
- SCI Volnay
- SCI 46 Desmoulins
- EURL 20-22 Rue Le Peletier
- SCI Allianz Messine
- SIS De Sacy
- Allianz Invest Pierre
- SCI Allianz Châteaudun
- SIS Greffulhe
- SIS Lisbonne
- SIS Branly
- SCI Le Surmelin
- SIS La Bourdonnais
- SC Remaupin
- SCI 43 Caumartin
- SCI 10 Port Royal
- SIS Wagram
- SIS Petrarque Schloesing
- SCI 19 General Mangin
- SIS Victor Hugo
- Phenix Immobilier
- SIS Miromesnil
- SIS Versailles
- Ldw Station
- Relais De La Nautique

(a) Listed company.
(b) Icade group/CDC group company.

Victoire AUBRY

In charge of Finance, Legal, IT, and Work Environment
51 years old

Victoire Aubry holds a Master's degree and a "DESS" postgraduate degree in Finance from Paris Dauphine University, an Executive MBA from HEC and a Director Certificate from the Institute of Corporate Directors (IFA) and Sciences Po.

After 10 years in the Investment Bank Ixis, in 2000 she joined the Finance and Strategy Department of the Caisse des dépôts group, in charge of the management of the Group's financial and competitive activities.

In September 2005, she became Head of the Performance Management Department for the CNP Assurances group. 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 Work Environment.

Distinction: in October 2016, Victoire Aubry received the title of "Chevalier" in the National Order of Merit.

Emmanuelle BABOULIN

In charge of the Commercial Property Investment Division
53 years old

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 1, 2015 she has served as a member of Icade's Executive Committee in charge of the Commercial Property Investment Division.

Marianne DE BATTISTI

In charge of Innovation and Communication
62 years old

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 (residential and commercial) and public sectors (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 of Icade, in charge of Foreign Operations, Communication and Marketing.

After 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 and Communication.

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 Women's 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.

Distinction: in September 2012, Marianne de Battisti received the title of "Chevalier" in the National Order of Merit.

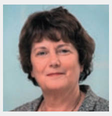
Antoine DE CHABANNES

In charge of Portfolio Management
38 years old

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
In charge of the Healthcare Property Investment Division
65 years old

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 Foncière Publique. 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.

Distinction: in January 2016, Françoise Delettre received the title of "Chevalier" in the National Order of Merit.

Corinne LEMOINE
In charge of Human Resources
55 years old

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 consulting. She became Head of Human Resources at Scetauroute in 1998. In October 2007, she was appointed Head of Human Resources Development at Egis SA.

Corinne Lemoine joined Icade on February 1, 2013 as member of the Executive Committee in charge of Human Resources.

Laurent POINSARD
In charge of Audit, Risk, Compliance and Internal Control
52 years old

A Chartered Accountant who holds a Master's degree in accounting, financial control and audit, Laurent Poinsard began his career in 1990 as a financial auditor at PwC.

In 1994, he became financial controller for Groupama. After spending 10 years in the Finance Department of Silic, he joined Icade in 2013 as Organisation and Performance Director before becoming Head of Audit, Risk and Internal Control in October 2015.

Laurent Poinsard joined Icade's Executive Committee on September 1, 2017, in charge of Audit, Risk, Compliance and Internal Control.

He is also a member of RICS (Royal Institution of Chartered Surveyors).

Maurice SISSOKO
In charge of the Property Development Division
51 years old

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. Until now, 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 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.

1.2.2. Management Committees

Coordination Committee

The Coordination Committee is a cross-functional body made up of about sixty senior executives which works 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

The CSR Committee is tasked with steering the Group's CSR policy and ensuring its implementation within the operational teams and its relevance in relation to 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 Icade's business lines and support functions, the three members of the Executive Committee in charge of CSR, and the four thematic coordinators (environment, social, societal, communication) in charge of raising awareness of CSR commitments and implementing them.

Commitment Committee

The Commitment Committee is responsible for examining and approving all investment and disinvestment commitments of Icade and its subsidiaries. It meets on a weekly basis and whenever the situation demands. The projects submitted to Icade's Commitment 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 are below the thresholds for referral to the Strategy and Investment Committee and the Board of Directors. The Commitment Committee is also responsible for approving all international expansion projects, projects to expand into new sectors and external growth transactions as well as equity investments, disposal of equity investments and 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 the allocation of the Group's resources and market risks associated with cash investments and financing (credit risk, interest rate risk, etc.). It also monitors the financial activity indicators of Icade's treasury and financing activities. It meets every two months on average.

1.3. Remuneration of corporate officers

The information below has been established with the support of the Appointments and Remuneration Committee and is presented in accordance with the Afep-Medef Code, the activity reports of the High Committee of Corporate Governance, AMF Recommendation No. 2012-02 on corporate governance and the remuneration of corporate officers referring to the Afep-Medef Code (Consolidated presentation of the recommendations contained in the AMF annual reports updated on November 22, 2017) and the Guide to preparing registration documents updated by the AMF on April 13, 2015.

1.3.1. Remuneration policy for corporate officers ("say on pay")

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total remuneration and the benefits of any kind that may be awarded to the Chairman of the Board of Directors and the Chief Executive Officer are set out below.

Based on this information, on April 25, 2018, the General Meeting will be asked to vote on the remuneration policy for corporate officers. For this purpose, two resolutions, as set out below, shall be presented to the Chairman of the Board of Directors and the Chief Executive Officer respectively. It should be noted that resolutions of this kind are submitted at least once a year for approval to the General Meeting of Shareholders as provided for by law.

In the event the General Meeting fails to approve these resolutions on April 25, 2018, remuneration shall be determined in accordance with the remuneration policy previously approved for prior years or, in the absence of a previously approved remuneration policy, in accordance with the remuneration awarded for the prior year or, in the absence of remuneration awarded for the prior year, in accordance with the Company's prevailing practices.

It should be noted that starting from 2017, payment of the variable components of the remuneration awarded for the corporate office shall be subject to approval from the Ordinary General Meeting of the remuneration components for the corporate officer under consideration for the financial year ended.

1.3.1.1. Remuneration policy for the Chairman of the Board of Directors (non-executive corporate officer)

Chairman of the Board of Directors	
Annual fixed remuneration	The remuneration policy defined by the Board of Directors provides that the Chairman of the Board of Directors, as a non-executive corporate officer, should only receive an annual fixed remuneration and no other element of remuneration (excluding benefits in kind). The amount of this fixed component is determined based on specific criteria for each person concerned (experience, length of service, responsibilities) and on criteria related to the business sector and the general economic environment.
Annual variable remuneration	The Chairman of the Board of Directors does not receive variable remuneration.
Multi-annual variable remuneration	NA
Directors' attendance fees	Directors' remuneration must be based exclusively on their attendance at the meetings of the Board of Directors and its committees, through the payment of attendance fees, whose overall amount is determined by the Ordinary General Meeting. According to the recommendations of the Appointments and Remuneration Committee of April 27, 2015, and to the decisions made by the Board of Directors meeting on April 29, 2015, the Chairman of the Board does not receive attendance fees by reason of his office and duties as Chairman of the Strategy and Investment Committee.
Benefits in kind	Company car in accordance with the rules defined by the Company.
Grants of bonus shares and share subscription or purchase options	At this time, corporate officers do not benefit from the bonus share and performance share plans issued by the Board of Directors.
Severance and non-compete payments	
Severance payment	NA
Non-compete payment	NA
Pensions	NA
Exceptional remuneration	NA

Draft resolutions submitted to the General Meeting on April 25, 2018 relating to the approval of the principles of the remuneration policy for the Chairman of the Board of Directors

"The General Meeting, having read the report of the Board of Directors and the corporate governance report prepared in accordance with Article L. 225-37-2 of the French Commercial Code, approves the remuneration policy for the Chairman of the Board of Directors as presented in the corporate governance report in chapter 5 of the 2017 registration document."

In accordance with the above principles, starting January 1, 2018 and subject to the remuneration policy for the Chairman of the Board of Directors being approved at the Combined General Meeting on April 25, 2018, the remuneration components for 2018 will be as follows:

Chairman of the Board of Directors	
Annual fixed remuneration	According to the recommendations of the Appointments and Remuneration Committee, the Board of Directors decided, on October 19, 2016, to increase André Martinez's gross annual remuneration to €200,000 effective October 19, 2016 and to €240,000 effective January 1, 2018.
Annual variable remuneration	NA
Multi-annual variable remuneration	NA
Directors' attendance fees	NA
Benefits in kind	Company car in accordance with the rules defined by the Company.
Grants of bonus shares and share subscription or purchase options	At this time, corporate officers do not benefit from the bonus share and performance share plans issued by the Board of Directors.
Severance and non-compete payments	
Severance payment	NA
Non-compete payment	NA
Pensions	NA
Exceptional remuneration	NA

1.3.1.2. Remuneration policy for the Chief Executive Officer (executive corporate officer)

Chief Executive Officer	
Annual fixed remuneration	The remuneration policy for corporate officers defined by the Board of Directors of the Company provides for a maximum gross annual fixed remuneration for the Chief Executive Officer. The amount of this fixed component is determined based on specific criteria for each person concerned (experience, length of service, responsibilities) and on criteria related to the business sector and the general economic environment.
Annual variable remuneration	The annual variable remuneration of the Chief Executive Officer, 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 one 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 Chief Executive Officer. 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 Chief Executive Officer. The payment of the annual variable remuneration granted for the financial year 2017 will be subject to the approval of the Ordinary General Meeting of the elements of remuneration of the Chief Executive Officer for that financial year.
Multi-annual variable remuneration	NA
Directors' attendance fees	NA
Benefits in kind	▪ Company car in accordance with the rules defined by the Company. ▪ Unemployment insurance from the GSC association (insurance for corporate officers). This insurance covers 70% of net earned income for tax purposes, with a maximum duration of benefits of 12 months, extended to 24 months after one year of membership. ▪ 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 contributions corresponding to the Chief Executive Officer's insurance, which will be considered additional remuneration and as such will be subject to tax and social security contributions.
Grants of bonus shares and share subscription or purchase options	At this time, corporate officers do not benefit from the bonus share and performance share plans issued by the Board of Directors
Exceptional remuneration	NA
Reminder of the commitments made pursuant to Article L. 225-42-1 of the French Commercial Code and agreements entered into between the Chief Executive Officer and a controlled company as referred to in Article L. 233-16 of the French Commercial Code or another company which controls it under the same article: Severance and non-compete payments	
Severance payment	The remuneration policy for executive corporate officers defined by the Board of Directors provides that the Chief Executive Officer will receive a severance payment, subject to certain conditions. This severance payment is subject to the following cumulative conditions being met: (i) dismissal and (ii) change of control or disagreement on strategy. No severance payment is due in case of resignation, dismissal for serious or gross misconduct, retirement, or non-renewal of term of office. This severance payment is subject to performance conditions assessed over a two-year period. The severance payment cannot exceed 12 months' worth of the reference monthly remuneration received by the Chief Executive Officer (last remuneration received at the time of departure). The severance payment is subject to the Board of Directors acknowledging the satisfaction of performance conditions. The severance payment is subject to performance conditions, as set out below: In the event of dismissal, the Company will pay the Chief Executive Officer the severance payment if the most recent net profit attributable to the Group ("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 the Company's most recent NPAG known for the financial year preceding the date of the dismissal; ▪ the "NPAG for the Reference Period" means the arithmetic mean of the Company's NPAGs over the two financial years immediately preceding the most recent NPAG.
Non-compete payment	NA
Pensions	NA

Draft resolutions submitted to the General Meeting on April 25, 2018 relating to the approval of the principles of the remuneration policy for the Chief Executive Officer

"The General Meeting, having read the report of the Board of Directors and the corporate governance report prepared in accordance with Article L. 225-37-2 of the French Commercial Code, approves the remuneration policy for the Chief Executive Officer as presented in the corporate governance report in chapter 5 of the 2017 registration document."

In accordance with the above principles, starting January 1, 2018 and subject to the remuneration policy for the Chief Executive Officer being approved at the Combined General Meeting on April 25, 2018, the remuneration components for 2018 will be as follows:

Chief Executive Officer

Annual fixed remuneration	In 2018, the annual fixed remuneration of the Chief Executive Officer remains unchanged at a gross amount of €400,000.
Annual variable remuneration	On the recommendation of the Appointments and Remuneration Committee held on March 6, 2018, the Board of Directors established, on March 7, 2018, the objectives for the variable component of the Chief Executive Officer's remuneration for the year 2018, as set out below: The maximum potential level of the variable component at 12.5% of base remuneration (i.e. €50,000) and the equal weight of quantitative and qualitative objectives are maintained. **Quantitative objectives:** ▪ Improvement in net current cash flow. The bonus amount related to this criterion is €12,500 if the objective is met and cannot exceed 115%. ▪ Relative performance of Icade's share price compared to the FTSE EPRA Euro index The bonus amount related to this criterion is €12,500 if the objective is met and cannot exceed 115%. **Qualitative objectives:** ▪ Continued implementation of the strategic plan defined in 2015 while complying with the budget for 2018, maintaining quality social dialogue and ensuring that the teams are adequately managed The bonus amount related to this criterion is €12,500 if the objective is met and cannot exceed 115%. ▪ Proposal and approval of a new strategic plan for the years 2019/2023 according to schedule and implementation of this plan for the current year. The bonus amount related to this criterion cannot exceed €12,500. The levels of achievement of these objectives have been precisely defined by the Board of Directors but they are not made public for confidentiality reasons.
Multi-annual variable remuneration	NA
Directors' attendance fees	NA
Benefits in kind	▪ Company car in accordance with the rules defined by the Company. ▪ Unemployment insurance from the GSC association (insurance for corporate officers). This insurance covers 70% of net earned income for tax purposes, with a maximum duration of benefits of 12 months, extended to 24 months after one year of membership. ▪ 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 contributions corresponding to the Chief Executive Officer's insurance, which will be considered additional remuneration and as such will be subject to tax and social security contributions.
Grants of bonus shares and share subscription or purchase options	At this time, corporate officers do not benefit from the bonus share and performance share plans issued by the Board of Directors.
Severance and non-compete payments	
Severance payment	Application of the principles of the remuneration policy relating to severance payments as set out above.
Non-compete payment	NA
Pensions	NA
Exceptional remuneration	NA

1.3.2. Elements of remuneration paid or granted for the financial year 2017

Pursuant to Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of total remuneration and the benefits of any kind that may be paid or granted for the previous financial year must be approved at the Annual General Meeting, in accordance with the remuneration principles and criteria approved at the Annual General Meeting held on April 20, 2017, through separate resolutions for the Chairman of the Board of Directors and the Chief Executive Officer. The payment of variable remuneration components payable for the financial year ended is subject to the approval of the General Meeting.

On April 25, 2018, the General Meeting will be asked to approve the elements of remuneration payable or granted for the financial year 2017 to the Chairman of the Board of Directors and the Chief Executive Officer, as detailed below.

André Martinez, Chairman of the Board of Directors

Elements of remuneration payable or granted for the financial year 2017, in accordance with the remuneration principles and criteria approved at the Annual General Meeting held on April 20, 2017	Amounts or accounting valuation to be put to a vote
Annual fixed remuneration	€200,000 gross (amount paid)
Benefits in kind	€3,400 (company car)

Olivier WIGNIOLLE, Chief Executive Officer

Elements of remuneration payable or granted for the financial year 2017, in accordance with the remuneration principles and criteria approved at the Annual General Meeting held on April 20, 2017	Amounts or accounting valuation to be put to a vote
Annual fixed remuneration	€400,000 gross (amount paid)
Annual variable remuneration	€50,000 gross (amount to be paid after approval at the General Meeting)
Benefits in kind	€26,100 (corresponding to a company car, unemployment insurance from the GSC association (insurance for entrepreneurs and corporate officers) and voluntary employer-sponsored supplementary contingency insurance)
Severance payment	No amount has been put to a vote

1.3.3. Presentation of tables of remuneration paid or payable for the financial year 2017 to each corporate officer

TABLE SUMMARISING THE REMUNERATION, OPTIONS AND SHARES GRANTED TO EACH CORPORATE OFFICER
TABLE 1 OF THE 2012-02 AMF RECOMMENDATIONS

	Year 2016	Year 2016	Year 2017	Year 2017
Name and position of the corporate officer (in thousands of euros)	MARTINEZ André, Chairman	WIGNIOLLE Olivier, Chief Executive Officer	MARTINEZ André, Chairman	WIGNIOLLE Olivier, Chief Executive Officer
Remuneration due for the financial year (detailed in Table 2)	163.5	487.6	203.4	476.1
Value of options granted during the financial year (detailed in Table 4) [(a)]	NA	NA	NA	NA
Value of performance shares granted during the financial year (detailed in Table 6)	NA	NA	NA	NA
Value of other long-term remuneration plans	NA	NA	NA	NA
TOTAL	**163.5**	**487.6**	**203.4**	**476.1**

(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 CORPORATE OFFICER
TABLE 2 OF THE 2012-02 AMF RECOMMENDATIONS

	Year 2016		Year 2017	
André MARTINEZ, Chairman	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	160.1	160.1	200.0	200.0
Annual variable remuneration				
Exceptional remuneration				
Directors' attendance fees	0.0	0.0	0.0	0.0
Benefits in kind – car	3.4	3.4	3.4	3.4
TOTAL	**163.5**	**163.5**	**203.4**	**203.4**

	Year 2016		Year 2017	
Olivier WIGNIOLLE, Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	400.0	400.0	400.0	400.0
Annual variable remuneration	50.0	48.8	50.0	50.0
Exceptional remuneration				
Directors' attendance fees	0.0	0.0	0.0	0.0
Benefits in kind (car, GSC insurance, voluntary employer-sponsored supplementary contingency insurance)	37.6	37.6	26.1	26.1
TOTAL	**487.6**	**437.6**	**476.1**	**426.1**

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE YEAR TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY WITHIN THE GROUP
TABLE 4 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the 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
Olivier Wigniolle	No.: NA Date:	NA	NA	NA	NA	NA
André Martinez	No.: NA Date:	NA	NA	NA	NA	NA
TOTAL						

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH CORPORATE OFFICER
TABLE 5 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the corporate officer	No. and date of the plan	Number of options exercised during the period	Exercise price
Olivier Wigniolle	No.: NA Date:	NA	NA
André Martinez	No.: NA Date:	NA	NA
TOTAL			

BONUS SHARES GRANTED TO EACH CORPORATE OFFICER
TABLE 6 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the 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
Olivier Wigniolle	No.: NA Date:	NA	NA	NA	NA	NA
André Martinez	No.: NA Date:	NA	NA	NA	NA	NA
TOTAL						

TABLE 7 OF THE 2012-02 AMF RECOMMENDATIONS

Name of the 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
Olivier Wigniolle	No.: NA Date:	NA	NA
André Martinez	No.: NA Date:	NA	NA
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	NA
Date of the Board of Directors' meeting	NA
Total number of shares that can be subscribed or purchased, including the number that can be subscribed or purchased by:	
Start of the stock option exercise period	NA
Expiry date	NA
Subscription or purchase price ***(in €)***	NA
Exercise terms and conditions	NA
Number of shares subscribed as of 12/31/2017	NA
Cumulative number of cancelled or expired share subscription or purchase options	NA
Remaining share subscription or purchase options at the end of the year	NA

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 which were 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	1-2014 plan General Meeting of 06/22/2012	2-2014 plan	1-2016 plan General Meeting of 05/23/2016	2-2016 plan General Meeting of 05/23/2016
Date of the Board of Directors' meeting	02/19/2014	02/19/2014	10/19/2016	10/19/2016
Total number of bonus shares granted, including the number granted to:	21,990	14,250	31,560	52,959
André Martinez	-	-	-	-
Olivier Wigniolle	-	-	-	-
Vesting date for the shares	03/03/2016	03/03/2016	11/07/2018	11/07/2018
Date of end of the mandatory holding period	03/03/2018	03/03/2018	11/07/2019	11/07/2020
Total number of vested shares as of 12/31/2017	19,095	1,256	-	-
Cumulative number of cancelled or expired shares	2,895	12,994	3,870	6,863
Total remaining bonus shares at the end of the financial year	-	-	27,690	46,096

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	
Corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
André Martinez Chairman Start of term of office: 04/29/2015 End of term of office: General Meeting to be held in 2019 to approve the financial statements for the year ended		X		X		X		X
Olivier Wigniolle Chief Executive Officer Start of term of office: 04/29/2015 End of term of office: General Meeting to be held in 2019 to approve the financial statements for the year ended		X		X	X			X

Obligations and benefits in favour of Mr Olivier Wigniolle as of December 31, 2017

On April 29, 2015, the Board of Directors of Icade agreed to pay Olivier Wigniolle a severance payment in the event of dismissal 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. It should be noted that the Combined General Meeting of May 23, 2016, having read the Statutory Auditors' special report on related party agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code, approves the commitment given by the Company in respect of benefits that might be payable in the event of termination of office.

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, as detailed below.

In the paragraph below, the NPAG (net profit(/loss) attributable to the Group) is indicated after adjustment for capital gains from disposals.

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.

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 twelve months preceding the date of the dismissal.

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 2017, the amount of contributions totalled €21,645.12.

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 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 contributions corresponding to Mr Olivier Wigniolle's insurance, which will be considered additional remuneration and as such will be subject to tax and social security contributions.

Obligations and benefits in favour of other corporate officers

As of December 31, 2017, no compensation is provided for the other corporate officers of Icade in the event of termination of their office within the Company (excluding the Chief Executive Officer).

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.

1.3.4. Directors' remuneration

For financial years beginning on or after January 1, 2017, the Combined General Meeting held on April 20, 2017 set the annual amount of attendance fees to be allocated to directors at €400,000. The distribution of directors' attendance fees as approved by the Board of Directors is shown in the table below.

Meeting actually attended	Attendance fees per person and per meeting *(in €)*
Director/Board of Directors	1,750
Member/Committees of the Board of Directors (Audit, Risk and Sustainable Development; Appointments and Remuneration; and Strategy and Investments)	1,750
Chairman/Committees of the Board of Directors (Audit, Risk and Sustainable Development; Appointments and Remuneration; and Strategy and Investments)	3,500

It should be recalled that André Martinez does not receive attendance fees for his office as a director and as Chairman of the Strategy and Investment Committee.

In accordance with these principles, attendance fees paid during the financial years 2016 and 2017 were as follows:

TABLE SUMMARISING THE DIRECTORS' ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS
TABLE 3 OF THE 2012-02 AMF RECOMMENDATIONS

Non-executive corporate officers (in thousands of euros)	Paid in 2016 for the financial year 2015	Paid in 2017 for the financial year 2016
CAISSE DES DÉPÔTS		
Directors' attendance fees	113.3	122.1
Other remuneration	0.0	0.0
BOUVIER CHRISTIAN		
Directors' attendance fees	4.5	0.0
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	30.0	0.0
Other remuneration	0.0	0.0
GILLY NATHALIE		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
PÉRONNAU FLORENCE		
Directors' attendance fees		13.5
Other remuneration		0.0
GRIVET JÉRÔME		
Directors' attendance fees	19.5	7.5
Other remuneration	0.0	0.0

Non-executive corporate officers (in thousands of euros)	Paid in 2016 for the financial year 2015	Paid in 2017 for the financial year 2016
LAMBERT MARIE-CHRISTINE		
Directors' attendance fees	24.0	28.5
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	0.0
Other remuneration	0.0	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
LAURENT MARIANNE		
Directors' attendance fees		0.0
Other remuneration		0.0
FERNANDES VIRGINIE		
Directors' attendance fees		0.0
Other remuneration		0.0
THOMAS FRÉDÉRIC		
Directors' attendance fees		13.5
Other remuneration		0.0
RALLI GEORGES		
Directors' attendance fees		15.6
Other remuneration		0.0
TOTAL	**191.3**	**200.7**

1.4. Information that might have an impact in the event of a public offer

In accordance with the provisions of Article L. 225-37-5 of the French Commercial Code, we draw your attention to the information that might have an impact in the event of a public offer.

- **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 have been notified to the Company**

  None (excluding the provisions of Article 6 of the Articles of Association in the event of non-compliance with the disclosure obligation set out in the Articles of Association in the event of crossing of the shareholding threshold of 0.5% of share capital or voting rights: one or more 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).

- **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.

- **Control mechanisms applying where an employee shareholding scheme is in place and the control rights attached to employee-owned shares are not exercised by 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 Actions, which is invested in Icade shares and offered to employees as part of the Group savings plan as described in chapter 8, section 3.1 of this registration document. Icade employees who hold shares in the Icade Actions fund are represented at Icade's Annual General Meeting by an employee representative appointed at a meeting of the FCPE's Supervisory Board.

- **Shareholder agreements of which the Company is aware that could restrict share transfers and the exercise of voting rights**

  As far as the Company is aware, there is no shareholder agreement in place that could restrict share transfers or the exercise of voting rights of the Company.

- **Rules governing the appointment and replacement of members of the Board of Directors**

  These rules comply with applicable law and regulations.

- **Rules governing amendments to the Company's Articles of Association**

  Pursuant to Article L. 225-96 of the French Commercial Code, the Extraordinary General Meeting has the exclusive authority to amend the Company's Articles of Association; any amendment made in contravention of this rule shall be deemed not to have been made.

- **Delegations of authority to the Board of Directors, especially in respect of the issue or repurchase of shares**

  See the delegations of authority referred to in chapter 8 of this registration document. Unless prior approval has been obtained from the General Meeting, such delegations shall be suspended during a pre-offer period or a public offer initiated by a third party for the Company's shares until the end of the offer period (except for authorisations/delegations relating to employee shareholding).

- **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 being a shareholder of the Company. However, in most cases, these debt repayment terms only apply in the event of Icade's credit rating being significantly downgraded following a change of control.

- **Agreements on severance payments for Icade Board of Directors members or employees if they resign or are dismissed without just cause, or if their employment is terminated because of a public offer**

  None.

2. Other information

2.1. Transactions in Icade shares made by members of governance or management bodies

For the financial year 2017, the following transactions in Icade shares were carried out by members of the management bodies:

Declaring party	Date	Transaction	Financial instrument	Price per share (in €)	Volume
PREDICA SA, legal entity related to Frédéric THOMAS, director	09/19/2017	Disposal	Debt security	118,351.0270	165
PREDICA SA, legal entity related to Frédéric THOMAS, director	09/19/2017	Disposal	Debt security	104,478.4660	35
PREDICA SA, legal entity related to Frédéric THOMAS, director	06/19/2017	Acquisition	Share	74.50	9,176,200
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/19/2017	Disposal	Bond	1.06789	8,000,000
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/19/2017	Disposal	Bond	1.06789	18,000,000
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/29/2017	Disposal	Share	70.7969	17,453
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/26/2017	Disposal	Share	70.9215	25,627
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/25/2017	Disposal	Share	70.9920	18,318
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/24/2017	Disposal	Share	70.9490	14,923
PREDICA SA, legal entity related to Frédéric THOMAS, director	05/23/2017	Disposal	Share	71.0550	23,679

2.2. Loans and guarantees granted to members of governance or management bodies

None.

2.3. 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 Senior 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 Senior Management;
- no member of the Board of Directors or of Senior 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 Senior 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 refrain from voting in the matters relating thereto. 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 Senior Management have no conflict of interest between their duties towards the issuer and their private interests and/or other duties.

2.4. Prevention of insider trading/Ethical trading policy

Corporate officers and persons treated as such, as well as persons having close personal ties to them, must report any trading in the Company's shares. In addition, management must refrain from trading in the 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.

6. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated financial statements

Consolidated income statement

(in millions of euros)	Notes	12/31/2017	12/31/2016
Revenue	**8.2.4**	**1,654.2**	**1,492.7**
Other income from operations		4.1	4.8
Net finance income from operations		-	0.1
Income from operating activities		**1,658.3**	**1,497.6**
Purchases used		(875.0)	(745.6)
Outside services		(101.2)	(88.2)
Taxes, duties and similar payments		(6.0)	(12.4)
Staff costs, performance incentive scheme and profit sharing		(123.2)	(117.2)
Other operating expenses		(18.1)	(13.1)
Operating expenses		**(1,123.5)**	**(976.5)**
EBITDA		534.9	521.1
Depreciation charges net of government investment grants		(339.5)	(323.3)
Charges and reversals related to impairment of tangible, financial and other current assets	4.2.2	49.4	49.6
Profit/(loss) from acquisitions		(7.0)	1.3
Profit/(loss) from asset disposals	4.2.3	75.4	19.4
Impairment of goodwill and intangible fixed assets		-	0.1
Share of profit/(loss) of equity-accounted companies	8.1	10.6	(5.6)
OPERATING PROFIT/(LOSS)		323.7	262.7
Cost of gross debt		(89.6)	(116.4)
Net income from cash and cash equivalents, related loans and receivables		6.0	7.0
Cost of net debt		**(83.6)**	**(109.4)**
Other finance income and expenses		(43.2)	(54.1)
FINANCE INCOME/(EXPENSE)	5.1.2	(126.7)	(163.6)
Income tax	8.3	5.7	(23.6)
Profit/(loss) from discontinued operations	2.2	0.3	13.3
NET PROFIT/(LOSS)		203.1	88.9
Net profit/(loss) attributable to non-controlling interests	6.3	32.8	30.9
Net profit/(loss) attributable to the Group		**170.3**	**58.0**
Net profit/(loss) attributable to the Group per share *(in €)*	**6.1**	**2.30**	**0.79**
Diluted net profit/(loss) attributable to the Group per share *(in €)*	**6.1**	**2.30**	**0.79**

NET PROFIT/(LOSS) FOR THE PERIOD		203.1	88.9
Other items of comprehensive income:			
Other comprehensive income recyclable to the income statement:		**25.9**	**37.8**
Available-for-sale financial assets		1.7	1.2
◻ Changes in fair value recognised directly in equity		4.5	2.8
◻ Transfer of available-for-sale securities to the income statement		(2.8)	(1.6)
Cash flow hedges recyclable to the income statement		24.2	36.7
◻ Changes in fair value recognised directly in equity		11.3	11.0
◻ Transfer of non-hedging instruments to the income statement		12.9	25.7
Other comprehensive income not recyclable to the income statement:		**0.7**	**1.9**
Actuarial gains and losses and asset ceiling adjustments		0.8	2.2
Taxes on actuarial gains and losses and asset ceiling adjustments		(0.1)	(0.3)
Total comprehensive income recognised in equity		**26.6**	**39.7**
Including transfer to net profit/(loss)		10.1	24.1
COMPREHENSIVE INCOME FOR THE PERIOD		229.7	128.6
◻ Attributable to non-controlling interests		34.3	29.9
◻ Attributable to the Group		195.5	98.7

Consolidated balance sheet

Assets (in millions of euros)	Notes	12/31/2017	12/31/2016
Goodwill	4.4	46.1	46.3
Net intangible fixed assets		8.5	6.1
Net tangible fixed assets	4.2	66.1	74.6
Net investment property	4.2	9,176.2	8,176.4
Non-current available-for-sale securities	5.1.5	27.4	26.8
Equity-accounted investments	8.1.1	149.1	118.1
Other non-current financial assets	5.1.5	5.8	5.1
Non-current derivative assets	5.1.4	10.9	6.5
Deferred tax assets	8.3.3	9.8	12.9
TOTAL NON-CURRENT ASSETS		9,499.9	8,473.0
Inventories and work in progress	8.2.1	510.1	492.3
Accounts receivable	8.2.3	387.9	408.0
Amounts due from customers (construction contracts and off-plan sales)	8.2.2	15.9	31.8
Tax receivables		33.1	18.9
Miscellaneous receivables	8.2.5	281.2	222.6
Other current financial assets	5.1.5	68.0	112.1
Current derivative assets	5.1.4	2.2	2.0
Cash and cash equivalents	5.1.6	420.3	272.4
Assets held for sale and discontinued operations	8.2.7	11.1	3.7
TOTAL CURRENT ASSETS		1,729.9	1,564.0
TOTAL ASSETS		**11,229.8**	**10,037.0**

Liabilities (in millions of euros)	Notes	12/31/2017	12/31/2016
Share capital	6.2	113.0	113.0
Share premium		2,690.7	2,690.7
Treasury shares		(16.3)	(16.3)
Revaluation reserves		(1.0)	(25.6)
Other reserves		379.8	615.5
Net profit/(loss) attributable to the Group		170.3	58.0
Equity attributable to the Group		**3,336.3**	**3,435.2**
Non-controlling interests	6.3	774.1	665.2
EQUITY		4,110.4	4,100.4
Non-current provisions	7	27.9	28.3
Non-current financial liabilities	5.1.1	4,907.4	4,131.2
Tax liabilities		6.8	17.8
Deferred tax liabilities	8.3.3	6.8	7.5
Other non-current financial liabilities	5.1.5	63.2	56.7
Non-current derivative liabilities	5.1.4	17.7	21.1
TOTAL NON-CURRENT LIABILITIES		5,029.8	4,262.6
Current provisions	7	41.1	51.3
Current financial liabilities	5.1.1	1,073.7	717.8
Current tax liabilities		15.6	10.9
Accounts payable		437.8	388.7
Amounts due to customers (construction contracts and off-plan sales)	8.2.2	2.4	5.1
Miscellaneous current liabilities	8.2.6	507.6	486.4
Other current financial liabilities	5.1.5	1.5	1.8
Current derivative liabilities	5.1.4	0.8	0.9
Liabilities held for sale and discontinued operations	8.2.7	9.0	11.1
TOTAL CURRENT LIABILITIES		2,089.5	1,674.1
TOTAL LIABILITIES AND EQUITY		**11,229.8**	**10,037.0**

Consolidated cash flow statement

(in millions of euros)	Notes	12/31/2017	12/31/2016
I) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss)		**203.1**	**88.9**
Net depreciation and provision charges		288.4	289.5
Unrealised gains and losses due to changes in fair value		13.2	25.8
Other non-cash income and expenses		(18.8)	(19.0)
Capital gains or losses on asset disposals		(115.4)	(26.0)
Capital gains or losses on disposals of investments in consolidated subsidiaries		-	(10.3)
Share of profit/(loss) of equity-accounted companies		(10.6)	5.6
Dividends received		-	(1.4)
Cash flow from operating activities after cost of net financial liabilities and tax		**359.9**	**353.2**
Cost of net financial liabilities		73.0	91.2
Tax expense		(4.6)	17.5
Cash flow from operating activities before cost of net financial liabilities and tax		**428.3**	**461.9**
Interest paid		(84.7)	(115.3)
Tax paid		(20.2)	(53.9)
Change in working capital requirement related to operating activities	8.2.8	14.0	(83.0)
NET CASH FLOW FROM OPERATING ACTIVITIES		337.4	209.6
II) CASH FLOW FROM INVESTING ACTIVITIES			
Tangible and intangible fixed assets and investment properties			
◻ acquisitions		(677.9)	(829.7)
◻ disposals		661.8	586.7
Change in deposits paid and received		(1.3)	(6.5)
Change in financial accounts receivable		1.2	7.5
Operating investments		**(16.2)**	**(242.0)**
Available-for-sale securities			
◻ acquisitions		(2.8)	(0.1)
◻ disposals		4.2	3.0
Consolidated subsidiaries			
◻ acquisitions		(240.6)	(13.9)
◻ disposals		0.5	30.4
◻ impact of changes in scope of consolidation		26.9	(7.9)
Dividends received and profit/(loss) of tax-transparent equity-accounted companies		(11.0)	(4.0)
Financial investments		**(222.8)**	**7.5**
NET CASH FLOW FROM INVESTING ACTIVITIES		(239.0)	(234.5)
III) CASH FLOW FROM FINANCING ACTIVITIES			
Amounts received from shareholders on capital increases			
◻ paid by non-controlling interests of consolidated subsidiaries		43.3	-
Dividends paid during the financial year			
◻ dividends (including withholding tax) and interim dividends paid during the year by Icade		(295.6)	(275.3)
◻ dividends and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(47.9)	(40.9)
Repurchase of treasury shares		1.1	21.4
Acquisition of non-controlling interests		(146.0)	
Change in cash from capital activities		**(445.1)**	**(294.8)**
Bond issues and new financial liabilities		1,905.6	2,086.5
Bond redemptions and repayment of financial liabilities		(1,450.0)	(1,937.1)
Acquisitions and disposals of current financial assets and liabilities		17.9	(26.3)
Change in cash from financing activities	**5.1.1**	**473.6**	**123.1**
NET CASH FLOW FROM FINANCING ACTIVITIES		28.4	(171.7)
NET CHANGE IN CASH (I) + (II) + (III)		**126.8**	**(196.5)**
CHANGES IN CASH FROM DISCONTINUED OPERATIONS		**-**	**5.4**
Opening net cash		234.9	426.0
CLOSING NET CASH		**361.6**	**234.9**
Cash and cash equivalents (excluding interest accrued but not due) [(a)]		419.5	271.5
Bank overdrafts (excluding interest accrued but not due)		(57.9)	(36.6)
NET CASH		**361.6**	**234.9**

(a) The €0.8 million deviation from the amount of cash appearing on the assets side of the balance sheet relates to interest accrued but not due.

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Issue premium and merger premium	Treasury shares (a)	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 01/01/2016	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				11.4		**11.4**	(0.4)	**11.0**
Revaluation reserves for cash flow hedges recycled to the income statement				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			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
Changes in value of cash flow hedges (b)				9.4		**9.4**	1.9	**11.3**
Revaluation reserves for cash flow hedges recycled to the income statement (b)				13.4		**13.4**	(0.5)	**12.9**
Changes in fair value of available-for-sale securities				4.5		**4.5**	-	**4.5**
Transfer of available-for-sale securities to the income statement				(2.8)		**(2.8)**	-	**(2.8)**
Actuarial gains and losses and asset ceiling adjustments					0.8	**0.8**	-	**0.8**
Taxes on actuarial gains and losses and asset ceiling adjustments					(0.1)	**(0.1)**	-	**(0.1)**
Net profit/(loss)					170.3	**170.3**	32.8	**203.1**
Dividends for 2016					(295.6)	**(295.6)**	(47.7)	**(343.3)**
Capital increase	-	-			-	**-**	43.5	**43.5**
Treasury shares			-		0.1	**0.1**	-	**0.1**
Non-controlling interests (c)					-	**-**	78.9	**78.9**
Other	-	-	-	-	1.1	**1.1**	-	**1.0**
AS OF 12/31/2017	**113.0**	**2,690.7**	**(16.3)**	**(1.1)**	**550.1**	**3,336.3**	**774.1**	**4,110.4**

(a) There were 206,644 treasury shares as of December 31, 2017, the same number as on December 31, 2016.
(b) The increase in value of hedging instruments resulted from an optimisation of the hedging structure conducted by the Group during the last few financial years, combined with the debt prepayments made in 2017. Consequently, the revaluation reserves for hedging instruments (swaps) unwound in 2016 were recycled to the income statement and represented €12.9 million.
(c) Resulting from the acquisition of ANF Immobilier and its subsidiaries.

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

2. Notes to the consolidated financial statements

Note 1. Accounting principles

1.1. Standards applied

The consolidated financial statements of the Icade group ("the Group") as of December 31, 2017 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. The financial statements were approved by the Board of Directors on February 9, 2018.

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, 2016 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 for the financial years starting on or after January 1, 2017

- IAS 7 "Cash-flow statements":

  On November 6, 2017, the European Union adopted the amendment "Disclosures related to financing activities", effective from January 1, 2017.

  This amendment requires that an entity disclose information enabling financial statement users to assess changes in liabilities arising from financing activities whether these changes stem from cash flows or other sources.

  The Group has provided in note 5.1 a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities;
- other mandatory amendments with no impact on the Group's consolidated financial statements:
  - annual improvements from IFRS Cycle 2014-2016:
    - IFRS 1 "First-time adoption of IFRS",
    - IAS 28 "Investments in associates",
    - IFRS 12 "Disclosure of interests in other entities";
  - IAS 12 "Income taxes: recognition of deferred tax assets for unrealised losses".

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

- IFRS 9 "Financial instruments":

  On November 22, 2016, the European Union adopted IFRS 9 which had been issued by the IASB on July 24, 2014, to replace IAS 39 relating to financial instruments. Although the new standard became effective on January 1, 2018 with earlier application permitted, the Group has elected not to early adopt this standard.

  The potential impact on Icade as of January 1, 2018 of applying the three pillars of the Standard and its amendment is described below.
  - classification and measurement:

    The classification and measurement of financial assets set out by IFRS 9 relies on the joint analysis of the inherent characteristics of the financial instrument and the business model implemented by the Group. From the date of the Standard's initial application on January 1, 2018, this new approach will require the Group to:
    - recognise unconsolidated securities at fair value through profit or loss in accordance with the Group's business model for this type of financial asset. Measurement at cost is permitted only in cases where cost represents the best estimate of fair value.

      As a result, the cumulative gains or losses previously recognised in other comprehensive income in accordance with IAS 39 will be reclassified to consolidated reserves for a total of €1.1 million, net of taxes,
    - clarify, as regards the Amendment to IFRS 9, the accounting treatment of modifications of financial liabilities that do not result in derecognition.

      IFRS 9, with retrospective application for this provision, reinforces the qualitative test for assessing the materiality of debt modifications. This assessment alone can result in derecognition. A quantitative assessment ("10 per cent test") and a qualitative assessment of the characteristics of the financial liability (interest rate, amount, maturity, etc.) are performed to assess the potential substantial modification. The preliminary analysis performed by the Group as of the date of this report has not revealed any significant impact. This analysis will continue in H1 2018;
  - impairment model for financial assets:

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

    By virtue of its activities relating to property investment and residential property development, the methods used to determine the impairment of the Group's trade receivables falls within the scope of this Standard. However, assets that could be so affected are considered immaterial relative to the consolidated financial statements. The current methods of calculating the impairment of trade receivables will remain unchanged;
  - hedge accounting:

    In accordance with the option given by the Standard, the Group has elected to apply this pillar from January 1, 2018. The key changes compared to IAS 39 include:
    - the designation of a hedging relationship is now assessed on the basis of the risk management practices implemented by the Company aligning the accounting treatment with management's intentions,
    - the eligibility conditions for hedged items have been extended to non-financial items,
    - the criteria for hedge effectiveness testing have been modified (removal of thresholds). As a result, while the ineffectiveness is still measured and recognised in profit or loss, it no longer leads to the hedging relationship being disqualified.

  All of these new recognition principles are aimed at reducing income statement volatility.

  As of January 1, 2018, no significant, quantifiable impact has been identified by the Group. Hedging documentation is currently being updated to reflect these new provisions.
- IFRS 15 "Revenue from contracts with customers"

  On September 22, 2016, the European Union adopted IFRS 15 on revenue recognition, supplemented by the amendment "Clarifications to IFRS 15" of October 31, 2017.

  This standard will apply to financial years beginning on or after January 1, 2018. Although early adoption is permitted, the Group has elected not to early adopt this standard. This standard had been issued by the IASB on May 28, 2014 and provides a single model for recognising revenue based on the transfer of control of the promised good or service.

(1) http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

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 Divisions' income.

The projected impact would primarily affect property development activities, especially with respect to the application guidance for the percentage of completion method in the case of off-plan purchase agreements.

An analysis of this standard has resulted in the recognition of land in proportion to the construction work completed, from the moment that control of the land passes to the purchaser, upon signing the deed of acquisition. This differs from the percentage of completion that Icade applies under the IAS 11 and IAS 18 accounting standards, since the progress toward completion is measured on a prorata basis of the work completed.

Applying IFRS 15 will involve recognising the revenue and profit on off-plan sale contracts earlier than under the current method.

This will have a positive yet non-significant impact on Group equity as of January 1, 2018. The table below shows a first estimate of the impact on the consolidated income statement for the financial years 2016 and 2017:

Income statement (in millions of euros)	12/31/2017	12/31/2016
Revenue	(34.2)	66.9
OPERATING PROFIT/(LOSS)	(7.3)	12.2
NET PROFIT/(LOSS)	(4.8)	8.0
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(4.8)**	**8.1**

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

- IFRS 16 "Leases":

  On October 31, 2017, the European Union adopted IFRS 16 which replaces 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.

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

- amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate or joint venture";
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- amendments to IAS 28 "Long-term interests in associates and joint ventures";
- amendments to IAS 40 "Transfers of investment property";
- amendments to IFRS 9 "Prepayment features with negative compensation".

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.

Significant estimates made by the Group in preparing its financial statements mainly include:

- the measurement of tangible and intangible fixed assets and property assets by independent valuers (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 (note 1.17);
- the measurement of employee benefits and provisions as specified in notes 1.21, 1.22.

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 address the accounting issues raised. In particular, management has exercised its judgement to classify the types of leases (operating lease or finance lease), to determine if the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5, and to determine the accounting treatment of certain transactions for which IFRS provide insufficient 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 over 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 acquires control over 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 intragroup transactions and balances are eliminated in full. On the other hand, for equity-accounted companies, only intragroup profits and dividends are eliminated based on the Group's ownership interest.

The list of fully-consolidated and equity-accounted companies is shown in note 11.4.

1.4. Business combinations and asset acquisitions

In the event of an acquisition, an analysis is 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;
- business combinations completed in or after 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.

According to the acquisition method, the acquirer must, at the acquisition date, recognise the identifiable assets, liabilities and contingent liabilities of the acquiree at fair value at that date.

Goodwill is measured as the difference between, on the one hand, the fair value of the consideration transferred and, on the other hand, the net of the acquisition-date amounts of the identifiable assets and the liabilities assumed measured at fair value.

For each business combination, "Non-controlling interests" in the acquiree can be recognised either at acquisition-date fair value (full goodwill method) or on the basis of their share in the identifiable net assets of the acquiree (partial goodwill method).

Goodwill can be determined by either of the two methods, each of which takes a different approach to non-controlling interests:

- in the partial goodwill method, goodwill is the difference between
  - the consideration paid, and
  - the purchaser's share of the fair value of the identifiable net assets acquired,

  This amount does not include goodwill attributable to non-controlling interests;
- in the full goodwill method, goodwill is the sum of
  - the goodwill recognised for the interest acquired by the purchaser's,
  - the goodwill attributable to minority interests,

  Therefore, this amount includes both the goodwill attributable to the Group and that attributable to non-controlling interests.

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 a change in the nature 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 ownership interest retained as a corresponding entry of the profit or loss.

The acquirer has 12 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 on a yearly basis, 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 healthcare properties 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 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 to set 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 return on the net investment in the finance lease. Lease payments received for 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 included in the initial measurement of the finance lease receivable 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 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.

Sales of goods

Sales of goods relate mainly to property agent transactions.

Provision of services

Services provided mainly cover the following items:

- studies and project management support: revenue is recognised based on the percentage of the service completed;
- service operations: revenue is recognised 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 amortised 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 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 depreciated according to the straight-line method.

IAS 40 defines investment property as property held by the owner 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.

Furthermore, the existence of building rights, leasehold rights or a building lease also falls within the definition of investment property.

Property that is being developed for future use as investment property, as well as advances paid on those properties, are classified as investment property.

In accordance with the option offered by IAS 40, investment properties are measured at cost less accumulated depreciation and any 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 way of a reduced 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 by the Group (in years) are as follows:

	Offices				
Components	"Haussmann" 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 ("Île-de-France"), and the Healthcare Property Investment Division operates in the healthcare facilities segment. The methods and assumptions used to value the property portfolio are described in note 4.1.

The fair values shown in note 4.3 are appraised values excluding duties, excluding 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 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 disposed of or 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 impairment of investment properties

The recoverable amount of investment properties is the fair value less any costs to sell. The fair value is the market value excluding duties, determined by independent property valuers (see note 4.1.1).

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. 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 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 financial statements for the 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 net 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 corresponding to registration fees and other acquisition costs is not recognised as an impairment loss.

Procedures for impairment 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 for the Property Development Division. In 2016, only the DCF method was used to perform the impairment test. In 2017, the value used is the arithmetic mean of the values obtained with three methods: DCF, comparable transaction analysis and comparable company analysis.

In the discounted cash flows (DCF) method, the cash flows generated by each company over the period of its business plan as well as the cash flows calculated by extending those from the business plan over an additional 10-year period are discounted, and a terminal value calculated by applying a perpetual growth rate to the cash flows is added.

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 a 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 income from 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 loan is granted or the asset is acquired. 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.

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 or 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 and land banks, work in progress and unsold units from the Residential Property Development business.

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 down payments 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 demand 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 excluded from 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 makes it possible to determine the amount of provisions deemed necessary.

1.22. Employee benefits

Post-employment benefits: retirement benefit liabilities

Companies of the Icade economic and social unit (UES)

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 under 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 agreements affecting pre-existing plans, pursuant to IAS 19, the Group shall immediately recognise the impact in the income statement.

Company "ANF Immobilier"

The company decided to outsource the management of its retirement benefit liabilities to AXA.

The assessment conducted by ANF Immobilier of its own retirement benefit liabilities as of December 31, 2017 does not deviate significantly from the balance of ANF Immobilier's account kept and managed by AXA as of the end of the financial year.

Other long-term employee benefits

Anniversary bonuses

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.

Employee profit sharing

The provision for the employee profit sharing plan is determined in accordance with the 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

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.

Until December 31, 2016, an Ornane (bond redeemable in cash and in new or existing shares) issued in 2010 by Silic was 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 was not listed on an exchange, it was measured at each balance sheet date using the valuation method of the financial services agent (IFRS 7, level 3). The change in fair value was 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".

This Ornane was redeemed at the beginning of 2017.

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 5.2.3 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 not 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

Eligible companies of the Icade group benefit from the specific tax regime for Listed Real Estate Investment Companies (SIICs). Ordinary tax rules apply to the other companies of the Group.

SIIC tax regime

Icade and its eligible subsidiaries have opted for the SIIC tax regime. Two segments have been identified within these companies:

- a SIIC segment exempt from tax on current income from leasing activities, capital gains on disposals and dividends received from subsidiaries which have opted for 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 exemption from corporate tax, the application of the SIIC tax regime entails specific dividend payment obligations, and the payment of an exit tax calculated at a rate of 19% 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 financial year on which the company begins to apply the tax regime and the remainder is spread over the following three financial years.

Entities to which the SIIC tax regime applies must pay out:

- 95% of profits from leasing activities;
- 60% of capital gains on disposals;
- 100% of dividends paid by subsidiaries which have opted for 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 expense is recognised as an offsetting entry 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 expense includes an additional contribution to corporate tax in respect of gross distributed income amounts, established under Article 5 of the Amendment to the Finance Act for 2012 (the "Contribution"). This contribution with a rate of 3% applied 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.

By decision No. 1017-660 relating to the priority preliminary ruling on constitutionality (QPC) of October 6, 2017, the French Constitutional Council held that the Contribution was contrary to the French Constitution. Consequently, the French tax authorities must refund the amounts paid as regards Contributions for which a claim has been made within the applicable limitation period. These refunds are coupled with penalty interest of 4.80% (until 12/31/2017) calculated from the payment date of the contribution by the companies involved.

The Icade group has submitted a number of refund requests to the French tax authorities, the amounts of which are provided in note 8.3.

The refund requests submitted in connection with the 3% contribution on distributed amounts fall within the scope of IAS 12 which sets out that current tax assets should be measured when these assets are expected to be recovered from tax authorities. As the decision of the French Constitutional Council gives rise to the refund of the contributions paid, this accrued income, equal to the amount of the refund requests (principal and penalty interest) has been accounted for in the income statement for the financial year 2017.

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. Acquisitions

ANF Immobilier

On October 23, 2017, Icade completed the off-market acquisition of Eurazeo's controlling interest in ANF Immobilier at a price of €22.15 per share, i.e. 9,596,267 shares representing the same number of this company's voting rights (i.e. 50.48% of the share capital and 50.23% of the voting rights [1]).

Following this acquisition, Icade crossed over the thresholds of 30% and 50% of the share capital and voting rights of ANF Immobilier with the result that it filed with the AMF a simplified public tender offer for ANF Immobilier shares on October 25, 2017.

On November 13, 2017, Icade acquired from Caisse d'Épargne CEPAC 1,219,914 shares representing the same number of the voting rights of ANF Immobilier (i.e. 6.42% of the share capital and 6.39% of the voting rights) through an off-market acquisition at the same price of €22.15 per share.

Lastly, the public tender offer took place from November 16, 2017 to December 6, 2017, at the same price of €22.15 per share. Immediately following this offer, Icade owned 16,091,464 shares representing the same number of voting rights of ANF Immobilier, i.e. 84.65% of the share capital and at least 84.28% of this company's voting rights [2].

Following the acquisitions made as part of the share purchase mandate for ANF Immobilier shares signed between Icade and Natixis on December 19, 2017, Icade owned 16,190,546 shares representing 85.17% of the share capital and 84.91% of the voting rights as of December 31, 2017. These shares were purchased at a price that was less than €22.15 per share.

Accounting treatment for the acquisition of ANF Immobilier in the consolidated financial statements

In accordance with IFRS 10, Icade has controlled ANF Immobilier since October 23, 2017. The first-time consolidation of the acquired company in the Group's consolidated financial statements took place on that date. The company will be fully consolidated.

As of the date of this report, this takeover has been treated as a business combination. However, subsequent acquisitions, which totalled €146 million, have been recognised as transactions with non-controlling interests in accordance with the revised IAS 27.

The acquired Group's identifiable assets, liabilities assumed, off-balance sheet items and contingent liabilities were measured individually at their fair value, including but not limited to investment properties and hotel properties, for which the fair value was determined on the basis of valuations conducted by independent property valuers.

The assets held for sale of ANF Immobilier were recorded at the value of the bilateral sale and purchase agreement signed with Primonial REIM prior to Icade's takeover with respect to the sale of residential property assets less costs to sell. The liabilities held for sale of ANF Immobilier mainly involve the financial liabilities relating to these assets (see statement of the major cash flows relating to the acquisition transaction).

Following the purchase price allocation process, the balance sheet of the acquired company as of the date of its first-time consolidation was as follows:

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ANF Immobilier: balance sheet

(in millions of euros)		10/23/2017
Investment properties		640.2
Other non-current assets		5.7
Total non-current assets		**645.9**
Total current assets		**462.8**
TOTAL ASSETS	(A)	1,108.6
Non-current financial liabilities		208.7
Other non-current liabilities		11.7
Total non-current liabilities		**220.4**
Current financial liabilities		138.3
Other current liabilities		314.2
Total current liabilities		**452.5**
TOTAL LIABILITIES	(B)	673.0
Non-controlling interests [a]	**(C)**	**(34.1)**
NET ASSET VALUE	**(A) - (B) + (C)**	**401.6**

(a) ANF Immobilier's subsidiaries own non-controlling interests.

The full goodwill method will be used to calculate goodwill. This method consists in measuring any non-controlling interest at fair value and calculating the goodwill on 100% ownership.

(1) Based on the total number of shares and theoretical voting rights (i.e. voting rights calculated in accordance with the provisions of Article 223-11 of the AMF General Regulation) as of October 23, 2017 (following the acquisition of the controlling interest and the loss of 1,436,172 double voting rights attached to some of the shares sold by Eurazeo) published by the Company on October 24, 2017, i.e. 19,009,271 shares and 19,105,108 theoretical voting rights.

(2) Based on share capital composed of 19,009,271 shares representing 19,067,962 voting rights, in accordance with paragraph 2 of Article 223-11 of the AMF General Regulation.

(in millions of euros)	Consideration transferred and fair value of the non-controlling interest
Price paid at takeover (50.48%)	212.2
Measurement of non-controlling interests determined based on the market price of the ANF Immobilier share on October 20, 2017 (€22.09 per share)	189.4
TOTAL AS OF OCTOBER 23, 2017	**401.6**

The fair value of the net assets of the ANF Immobilier group, attributable to the Group, on the takeover date, amounts to €401.6 million. Consequently, no goodwill was recognised as of December 31, 2017. However, the Group has 12 months from the takeover date to complete its assessments.

ANF Immobilier: major cash flows relating to the acquisition transaction

Acquisition of shares

(in millions of euros)	Amounts paid	Acquisition dates	Ownership %
Off-market controlling interest, held by Eurazeo	212.2	10/23/2017	50.48%
Off-market stake, held by Caisse d'Épargne CEPAC	27.0	11/13/2017	6.42%
Simplified public tender offer	116.8	11/16-12/06/2017	27.75%
Natixis share purchase mandate and other off-market acquisitions	2.2	12/12-12/31/2017	0.52%
TOTAL AS OF DECEMBER 31, 2017	**358.3**		**85.17%**

Assets and liabilities held for sale: residential property portfolio of the ANF Immobilier's group sold to Primonial REIM

(in millions of euros)	11/30/2017
Selling price paid by Primonial REIM	399.7
Repayment of financial liabilities associated with these assets	(272.9)

ANF Immobilier: income statement

For information purposes, the table below presents the operating profit/(loss) of the combined entity as if the transaction had occurred on January 1, 2017.

These financial statements have been prepared solely for the purpose of illustrating the impact that the acquisition of ANF Immobilier could have had on the consolidated income statement for the year ended December 31, 2017 for the Icade group, if the transaction had come into effect on January 1, 2017.

The accounting principles and methods applied in the preparation of these statements are identical to those applied to Icade's consolidated financial statements as of December 31, 2017 as set out in these notes.

The accounting principles applied as described in the consolidated financial statements of ANF Immobilier as of December 31, 2017 are not materially different from the accounting principles used by Icade, with the exception of investment property for which ANF Immobilier has elected the fair value measurement option as provided for in IAS 40.

(in millions of euros)	from January 1 to October 23, 2017	from October 23, 2017 to December 31, 2017	12-month period
Revenue	27.1	6.0	33.1
EBITDA	16.4	4.3	20.7
OPERATING PROFIT/(LOSS)	2.2	0.6	2.8

Healthcare Property Investment

In the course of 2017, Icade Santé acquired three companies, each owning one healthcare facility. Two of these entities were absorbed by Icade Santé over this same period.

2.2. Discontinued operations

Property Services operations

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 had no significant impact on the consolidated income for the period.

Note 3. Segment reporting

As of December 31, 2017, holding company activities are classified in the Commercial Property Investment Division, as was the case in the financial year 2016.

In 2017, 100% of revenue was generated in France.

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**
INCOME STATEMENT										
Consolidated revenue	**397.2**	**401.4**	**214.9**	**207.3**	**1,071.8**	**913.1**	**(29.7)**	**(29.2)**	**1,654.2**	**1,492.7**
Intersegment sales (Group)	(45.2)	(51.8)	-	-	(11.8)	(11.1)	(29.7)	(31.8)	(86.7)	(94.6)
Total sales, including intersegment sales (Group)	442.4	453.2	214.9	207.3	1,083.7	924.2	-	2.6	1,741.0	1,587.3
EBITDA	292.2	302.4	198.6	191.4	48.7	31.9	(4.6)	(4.6)	534.9	521.1
Depreciation of operating assets	(8.3)	(8.2)	-	-	(1.5)	(1.3)	-	-	(9.7)	(9.5)
Impairment of operating assets	(17.3)	20.5	-		1.6	(1.4)	-	-	(15.7)	19.2
Depreciation of investment properties	(232.9)	(220.0)	(97.5)	(95.0)	-	-	0.6	1.3	(329.8)	(313.8)
Impairment of investment properties and financial receivables	65.9	30.7	(0.8)	(0.2)	-	-	-		65.0	30.5
Profit/(loss) from acquisitions	(6.8)	-	(0.2)	1.3	-	-	-		(7.0)	1.3
Profit/(loss) from asset disposals [(a)]	74.9	19.4	0.2	(0.3)	-	(0.1)	0.3	0.5	75.4	19.4
Impairment of goodwill and intangible fixed assets	-	0.1	-	-	-	-	-	-	-	0.1
Share of equity-accounted companies	(1.9)	(17.2)	-	-	12.5	11.6	-	-	10.6	(5.6)
OPERATING PROFIT/(LOSS)	165.9	127.6	100.2	97.3	61.3	40.7	(3.8)	(2.9)	323.7	262.7
Cost of net debt	(53.9)	(80.5)	(28.4)	(29.4)	(1.2)	0.4	-	-	(83.6)	(109.4)
Other finance income and expenses	(38.5)	(53.6)	(0.8)	(0.9)	(3.8)	0.4	-	(0.1)	(43.2)	(54.1)
FINANCE INCOME/(EXPENSE)	(92.5)	(134.1)	(29.2)	(30.3)	(5.0)	0.8	-	(0.1)	(126.7)	(163.6)
Income tax	14.5	(4.8)	-	0.3	(15.8)	(19.0)	6.9	-	5.7	(23.6)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	0.3	13.3	0.3	13.3
NET PROFIT/(LOSS)	88.0	(11.3)	71.1	67.2	40.6	22.5	3.5	10.4	203.1	88.9
Net profit/(loss) attributable to non-controlling interests	-	-	30.9	29.2	2.3	1.7	(0.4)	-	32.8	30.9
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**88.0**	**(11.3)**	**40.2**	**38.0**	**38.3**	**20.8**	**3.9**	**10.4**	**170.3**	**58.0**

(a) Including the elimination of €32.3 million in intercompany profits between the Property Development Division and the Commercial Property Investment Division for the assets sold in Villejuif. These profits were eliminated as "Intersegment transactions" until December 31, 2016.

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**
Acquisition of intangible and tangible fixed assets and investment properties	425.8	700.5	268.4	146.3	0.7	0.5	-	-	694.9	847.4
CASH FLOWS										
Tangible and intangible investments and investment properties	(406.1)	(706.6)	(270.7)	(122.6)	(0.7)	(0.5)	(0.5)	-	(677.9)	(829.7)
Disposal of tangible and intangible assets and investment properties	254.9	586.7	6.9	-	-	-	0.3	-	661.8	586.7

	Commercial Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
CLOSING BALANCE SHEET	-	-	-	-	-	-	-	-	-	-
Non-current assets	8,161.0	7,289.1	2,100.5	1,907.2	(58.7)	(66.1)	(703.0)	(657.3)	9,499.8	8,473.0
Current assets	812.3	780.2	24.9	13.1	967.7	957.5	(74.9)	(186.9)	1,730.0	1,564.0
TOTAL ASSETS	**8,973.3**	**8,069.3**	**2,125.4**	**1,920.4**	**909.0**	**891.4**	**(777.9)**	**(844.1)**	**11,229.8**	**10,037.0**
Equity attributable to the Group	3,108.1	3,317.9	39.1	56.4	133.6	118.3	55.4	(57.4)	3,336.3	3,435.2
Non-controlling interests	69.6	-	694.2	664.1	1.3	1.1	8.9	-	774.1	665.2
Non-current financial liabilities	4,300.0	3,691.0	1,188.0	1,041.5	100.0	-	(680.6)	(601.3)	4,907.4	4,131.2
Other non-current liabilities	85.9	77.3	21.9	37.0	14.8	17.1	-	-	122.6	131.4
Current financial liabilities	951.6	658.2	119.5	63.4	70.6	72.2	(68.0)	(75.9)	1,073.7	717.8
Other current liabilities	458.1	325.0	62.7	58.0	588.5	682.7	(93.7)	(109.4)	1,015.7	956.2
TOTAL LIABILITIES AND EQUITY	**8,973.3**	**8,069.3**	**2,125.4**	**1,920.4**	**909.0**	**891.4**	**(777.9)**	**(844.1)**	**11,229.8**	**10,037.0**

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 (located at 27 rue Camille Desmoulins, 92130 Issy-les-Moulineaux, following the relocation of Icade's headquarters from the Millénaire 1 building, 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).*

The valuers are selected through competitive bidding. The property valuers consulted are selected from among members of AFREXIM (French Association of Property Valuation Companies) and are appointed for a maximum period of three years.

In accordance with the SIIC Code of Ethics, after seven years Icade shall ensure that there is an internal turnover of the teams entrusted with the valuation of its assets in the selected property valuation company. The valuer may only be appointed for two consecutive terms of four years except where the valuer has met the requirement with regard to the internal turnover of the teams.

Property valuations were entrusted to Jones Lang LaSalle Expertises, Cushman & Wakefield 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),* fifth edition, published in March 2017;
- the Barthès de Ruyter report from the French Securities and Exchange Commission (COB), which is part of the French Financial Markets Authority (AMF), dated February 3, 2000, on the valuation of the property assets of publicly traded companies;
- on an international level, the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations), published in April 2009 in the Blue Book, as well as the Red Book standards of the Royal Institution of Chartered Surveyors (RICS).

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

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

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

The most significant office buildings in the portfolio are subject to a double appraisal approach. The value used is the average of the two appraised values.

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.

Icade has also in place a procedure for 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.

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 (every three years) 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 as of December 31, 2017 according to the procedures currently in place within the Group, with the exception of:

- properties in the process of being sold, including those that are subject to a preliminary sale agreement as of the end of the reporting period or those for which an offer has been received and that are valued based on the offered price. As of December 31, 2017, that was the case for three office buildings in the Rungis business park, three office buildings in Villebon, two plots of land in Cergy-Pontoise and Rueil-Malmaison, and housing units in Villeneuve-la-Garenne;
- 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, 2017, four 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 uses the most appropriate method between net rent capitalisation and discounted cash flows) and the direct sales comparison method which is based on the prices of transactions noted on the market for assets equivalent in type and location (price per unit, per block, per building).

The net income capitalisation method involves applying a yield to income streams, whether that income is reported, existing, theoretical or potential (estimated rental value). This approach may be implemented in different ways depending on the type of income considered (effective rent, market rent 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 the subject of a valuation taken into account in calculating the net asset value and in performing impairment tests on property assets. The methods used by the property valuers primarily include the residual method and/or the discounted cash flow method, and also in certain cases the sales comparison method (see above for details of the last two methods).

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

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

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

Considering its special situation, and its development model, the land bank of the Rungis business park is valued separately. It should be noted that, in the Rungis business park, there is a remaining buildable area on plots already developed. 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 net construction of 250,000 sq.m, resulting from new construction for a total of around 360,000 sq.m, including 150,000 sq.m, 65,000 sq.m and 145,000 sq.m of premium, mid-range and mixed-use office space, respectively, all located in strategic areas for the development of the business park, and from the demolition of the most obsolete buildings, representing nearly 110,000 sq.m.

The method is based on:

- applicable urban planning rules;
- estimated absorption rate;
- current market for new offices (estimated rental value, yield);
- redevelopment plan for the site on 5-, 10-, 15-, 20- and 25-year horizons: 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, 95,000 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's profit of 8%. This coefficient is the result of the average price per square meter of the land and of a coefficient observed in business parks in the outskirts of Paris (2nd/3rd ring). The values thus obtained are discounted based on the 5-, 10-, 15-, 20- and 25-year redevelopment periods provided for in the projected plan with the respective rates of 3.5%, 5.5%, 6.5%, 7.5% and 8.5%. The land bank in the Rungis business park was valued at €74.8 million as of December 31, 2017.

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 €2.0 million and €7.5 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.

Regarding the portfolio of ANF Immobilier, the existing structures are valued using both the sales comparison and income capitalisation approaches. Projects are valued using two approaches depending on their nature. For development projects on land belonging to ANF Immobilier, the residual method is used. For major overhauls of existing structures, both the income capitalisation and sales comparison approaches are applied. Hotels are valued using the net income capitalisation approach.

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 their value determined by the property valuer is totally related to their operation and consequently to the value of their business. Also, since these premises are unsuitable for any other use without substantial conversion works, they are not subject to rent ceilings upon lease renewals or rent reviews or to the traditional rules for determining the estimated rental value, because the layout and the highly-specific use of the property imposes objective physical limits (number of beds or rooms, etc.) on the operator, whatever its quality.

The estimated rental value used by the property valuers thus takes into account a share of the average revenue or EBITDA that the establishment has generated during the last years of operation, with or without adjustment for category, 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.

4.1.3. Main valuation assumptions for investment properties

The following valuation assumptions also include ANF Immobilier's portfolio.

Asset types	Methods generally used	Rates for discounting cash flows (DCF) [a]	Exit yields (DCF) [a]	Market yields (income capitalisation)	Estimated rental value *(in €/sq.m)*
OFFICES & BUSINESS PARKS					
Offices					
Paris	Capitalisation and DCF	3.5%-4.6%	3.2%-4.5%	3.3%-4.5%	€400-€850
La Défense & surroundings	Capitalisation and DCF	4.5%-6.0%	4.5%-7.0%	4.3%-7.0%	€160-€460
Other Western Crescent	Capitalisation and DCF	3.5%-5.0%	4.2%-6.0%	3.9%-5.5%	€370-€615
Inner Ring	Capitalisation and DCF	4.5%-5.0%	4.5%-5.8%	4.3%-5.5%	€220-€300
Outer Ring	Capitalisation and DCF	7.5%-8.5%	15.5%-15.5%	14.5%-15.5%	€95-€105
Outside the Paris region [a]	Capitalisation and DCF	9.5%-10.5%	11.5%-12.5%	5.0%-11.0%	€65-€260
Business parks					
Paris	DCF	4.0%-7.5%	4.2%-7.0%		€220-€390
Other Western Crescent	DCF	5.3%-8.5%	6.3%-8.4%		€130-€275
Inner Ring	DCF	4.7%-10.5%	4.4%-10.0%		€85-€370
Outer Ring	DCF	5.0%-10.8%	5.3%-10.5%		€50-€280
HEALTHCARE					
Paris region	Capitalisation and DCF	5.3%-7.0%	5.0%-6.8%	4.7%-6.5%	[b]
Outside the Paris region	Capitalisation and DCF	5.7%-8.1%	5.2%-7.8%	4.9%-7.2%	[b]

(a) Discount rates and exit yields (DCF method) do not apply to the ANF portfolio, which is valued using only the capitalisation and comparison approaches.
(b) 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 €8,471.8 million at the beginning of the financial year to €9,448.4 million as of December 31, 2017.

(in millions of euros)	12/31/2016	Acquisitions and construction work [c]	Disposals	Depreciation charges	Net reversals of impairment charges	Impact of changes in scope of consolidation	Other changes [d]	12/31/2017
Gross amount	113.5	0.7	-	-	-	-	(52.7)	61.5
Depreciation	(44.1)	-	-	(3.5)	-	-	36.5	(11.2)
OPERATING PROPERTIES [a]	69.4	0.7	-	(3.5)	-	-	(16.2)	50.3
Gross amount	9,991.2	675.4	(95.4)	-	-	726.5	(160.5)	11,137.2
Depreciation	(1,437.9)	-	80.9	(330.1)	-	-	13.7	(1,673.4)
Impairment	(376.9)	-	2.6	-	65.0	-	21.6	(287.7)
INVESTMENT PROPERTIES [b]	8,176.4	675.4	(11.9)	(330.1)	65.0	726.5	(125.3)	9,176.2
Properties held for sale	3.4	-	(536.2)	-	-	401.5	141.7	10.4
Investment properties held by equity-accounted companies (Group share)	136.6	-	-	(7.0)	(0.2)	-	-	129.4
Financial receivables and other assets	85.8	-	(2.4)	-	0.1	-	(1.4)	82.1
TOTAL PROPERTY PORTFOLIO	**8,471.8**	**676.1**	**(550.6)**	**(340.5)**	**64.9**	**1,128.0**	**(1.2)**	**9,448.4**
Portfolio distribution:								
Commercial – Offices [e]	3,400.3	289.8	(126.6)	(136.4)	25.8	554.4	(1.0)	4,006.2
Commercial – Business parks [e]	2,311.0	114.3	(8.4)	(103.2)	38.0	-	-	2,351.6
Commercial – Other assets	48.1	3.5	(8.5)	(3.4)	2.0	86.9	(0.2)	128.4
Commercial Property Investment	**5,759.3**	**407.6**	**(143.5)**	**(243.0)**	**65.8**	**641.3**	**(1.2)**	**6,486.2**
Healthcare Property Investment	**2,712.4**	**268.4**	**(7.4)**	**(97.5)**	**(0.8)**	**86.3**	**-**	**2,961.4**
Activities held for sale [f]	**-**	**-**	**(399.7)**	**-**	**-**	**400.4**	**-**	**0.7**

(a) On the balance sheet, the heading "Tangible fixed assets" includes property improvements and other tangible fixed assets in addition to the headquarters building (operating property). Other changes for the period relate to the relocation of the headquarters from Aubervilliers to Issy-les-Moulineaux.
(b) Including fixed assets under finance leases:

Gross amount	555.8	-	-			80.3	(4.2)	632.0
Depreciation	(83.0)	-	-	(18.4)		-	-	(101.5)
Impairment	(30.2)		-		(2.2)	-	-	(32.4)
Properties under finance leases – net value	**442.6**	**-**	**-**	**(18.4)**	**(2.2)**	**80.3**	**(4.2)**	**498.1**

(c) Including capitalised finance costs for €2.5 million.
(d) Other changes relate to reclassifications of investment properties to assets held for sale and to a reclassification between operating property and investment property as a result of the relocation of the headquarters.
(e) Data as of 12/31/2016 were adjusted for asset reclassifications from the business park segment to the office segment (€52.0 million).
(f) These changes relate to ANF Immobilier's assets held for sale which were sold on November 30, 2017 to Primonial REIM. The remainder includes ANF Immobilier's assets which are intended to be sold in H1 2018.

- **Acquisitions and construction work** associated with the investment properties of the Commercial Property Investment Division amounted to €1,048.9 million and included, among others, the following:
  - changes in scope of consolidation and construction work associated with ANF Immobilier's property portfolio, which totalled €659.3 million. These property assets located in major French cities consist primarily of office buildings (€570.5 million) and hotels (€88.8 million);
  - acquisitions of operating assets for a total of €82.4 million (including duties), including:
    - €55.9 million for the Arc Ouest office building (Building D) in the 15th district of Paris, covering a floor area of 5,678 sq.m and entirely leased to CEA,
    - and €26.5 million of office space in the Montparnasse tower;
  - off-plan sales projects for €114.7 million, mainly including the following:
    - works representing €42.1 million carried out during the financial year on the Go Spring development acquired off-plan at the end of 2016, with a first phase of 14,100 sq.m completed and handed over in the first half of the year. Completion of this project's second phase extending to 18,500 sq.m and 75% pre-leased by Franfinance, a subsidiary of Société Générale, is scheduled for January 2019,
    - the payment of €71.2 million, out of a total of €136.7 million (excluding duties), for the off-plan acquisition of a building located on avenue Gambetta in the 20th district of Paris. This development covers a floor area of 20,000 sq.m including 16,000 sq.m of offices and 4,000 sq.m of shops with 3,300 sq.m already pre-leased under a 12-year off-plan lease agreement;

- current or upcoming projects under development as of December 31, 2017 for €78.2 million, including:
  - Pulse: €22.5 million,
  - Origine: €16.8 million,
  - Défense 4/5/6: €7.7 million;
- major maintenance/repair work and restoration work for rental properties for €97.1 million;
- other investments for €11.2 million.

In order to finance the investments of the Commercial Property Investment Division, Icade used its own cash and corporate lines of credit.

- **The investments** of the Healthcare Property Investment Division for €354.7 million include mainly:
  - changes in scope of consolidation and operating asset acquisitions for €229.4 million, including, among others,
    - as part of asset deals: the Ormeau MSO polyclinic in Tarbes for €43.3 million and the "Europe" medical-surgical private hospital in Rouen for €87.7 million,
    - as part of a share deal: the Saint-Roch polyclinic in Cabestany for €76.4 million through the purchase of SAS FONCIÈRE MSR shares;
  - development projects for €120.4 million, including:
    - the Courlancy polyclinic in Bezannes for €31.2 million,
    - the La Croix du Sud polyclinic in Quint-Fonsegrives for €32.0 million,
    - the Bromélia private hospital in Saint-Herblain for €15.8 million,
    - extension works to private healthcare facilities currently operating amounted to €41.3 million;
  - other investments for €4.9 million.

In order to finance these investments, the Healthcare Property Investment Division used its own cash, corporate lines of credit and carried out a €100 million capital increase subscribed by its shareholders in proportion to their respective holdings.

- **The net carrying amounts of disposals** totalling €550.6 million for the period include primarily:
  - three office buildings in Villejuif (Rhône, Seine and Garonne), an office building in the Colombes business park (Bourgogne), office space owned in the Arago tower, a warehouse in Saint-Quentin Falavier and scrapped assets (net carrying amount of €141.1 million);
  - the Les Chênes polyclinic in Aire-sur-Adour as well as land (net carrying amount of €7.4 million);
  - the residential assets sold to Primonial REIM (net carrying amount of €399.7 million) as part of the ANF Immobilier transaction.
- **Other changes** relate to a reclassification between operating property and investment property as a result of the relocation of the headquarters and to reclassifications of investment properties to assets held for sale. The latter were actually sold during the financial year with the exception of a few assets that were still subject to a preliminary sale agreement as of December 31, 2017 (net carrying amount of €10.4 million).

4.2.2. Impact of impairment charges on the income statement

In the income statement, "Impairment" showed a net reversal of €49.4 million, resulting from a charge of €25.1 million and a reversal of €74.5 million.

4.2.3. Profit/(loss) from disposals

In the financial year 2017, Icade also sold a number of property assets for an aggregate amount of €263.6 million, mainly attributable to:

- three office buildings in Villejuif (Rhône, Seine and Garonne): €226.0 million;
- the continuation of its programme to sell housing units: €6.7 million.

For the financial year, the profit/(loss) from the disposal of investment properties net of costs to sell reached €75.4 million.

(in millions of euros)	12/31/2017	12/31/2016
Profit/(loss) from disposals of investment properties	75.4	20.2
Profit/(loss) from disposals of investments in consolidated subsidiaries	-	(0.8)
TOTAL PROFIT/(LOSS) FROM DISPOSALS	**75.4**	**19.4**

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

(in millions of euros)	12/31/2017 Fair value	12/31/2017 Net carrying amount	12/31/2017 Unrealised capital gain	12/31/2016 Fair value	12/31/2016 Net carrying amount	12/31/2016 Unrealised capital gain	Change Fair value	Change Net carrying amount	Change Unrealised capital gain
Operating properties	88.6	50.3	38.3	178.3	69.4	108.9	(89.7)	(19.1)	(70.6)
Investment properties	12,447.1	9,176.2	3,270.9	10,850.0	8,176.4	2,673.6	1,597.0	999.7	597.3
Properties held for sale	16.6	10.4	6.3	4.1	3.4	0.7	12.5	6.9	5.6
Financial receivables and other assets	90.6	82.1	8.4	93.4	85.8	7.5	(2.8)	(3.7)	0.9
Property portfolio of fully-consolidated companies	**12,642.9**	**9,319.0**	**3,323.9**	**11,125.8**	**8,335.1**	**2,790.7**	**1,517.1**	**983.9**	**533.2**
Investment properties of equity-accounted companies	**144.0**	**129.4**	**14.6**	**159.5**	**136.6**	**22.8**	**(15.5)**	**(7.2)**	**(8.3)**
TOTAL PROPERTY PORTFOLIO	12,786.9	9,448.4	3,338.4	11,285.3	8,471.8	2,813.5	1,501.6	976.7	524.9
Portfolio distribution:									
Commercial – Offices [a]	4,917.2	4,006.2	911.0	4,115.6	3,400.3	715.4	801.6	605.9	195.7
Commercial – Business parks [a]	3,623.2	2,351.6	1,271.6	3,451.7	2,311.0	1,140.7	171.5	40.6	130.9
Commercial – Other assets	210.0	128.4	81.6	135.1	48.1	87.0	74.9	80.4	(5.5)
Commercial Property Investment	**8,750.4**	**6,486.2**	**2,264.2**	**7,702.4**	**5,759.3**	**1,943.1**	**1,048.0**	**726.9**	**321.1**
Healthcare Property Investment	**4,035.7**	**2,961.4**	**1,074.2**	**3,582.9**	**2,712.4**	**870.5**	**452.8**	**249.0**	**203.8**
Activities held for sale	**0.7**	**0.7**	**-**	**-**	**-**	**-**	**0.7**	**0.7**	**-**
TOTAL PROPERTY PORTFOLIO	12,786.9	9,448.4	3,338.4	11,285.3	8,471.8	2,813.5	1,501.6	976.7	524.9

(a) Data as of December 31, 2016 were adjusted for asset reclassifications from the business park segment to the office segment (€52.0 million).

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	(9.0)	(3.2)	3.2	6.5
Inner Ring	-	-	-	-
Outer Ring	(0.2)	(0.1)	0.1	0.2
TOTAL OFFICES	**(9.1)**	**(3.3)**	**+3.3**	**+6.6**
La Défense & surroundings	-	-	-	-
Other Western Crescent	(11.7)	(8.3)	-	-
Inner Ring	(4.1)	(2.0)	2.0	4.1
Outer Ring	(51.0)	(25.5)	25.5	51.0
TOTAL BUSINESS PARKS	**(66.7)**	**(35.8)**	**+27.5**	**+55.1**
TOTAL OFFICES AND BUSINESS PARKS	(75.8)	(39.1)	+30.8	+61.7
Other assets	(0.2)	+0.0	+0.6	+0.8
TOTAL COMMERCIAL PROPERTY INVESTMENT	**(76.1)**	**(39.1)**	**+31.4**	**+62.5**
Outside the Paris region	(11.1)	(7.7)	0.7	0.7
TOTAL HEALTHCARE PROPERTY INVESTMENT [a]	(11.1)	(7.7)	+0.7	+0.7
TOTAL PROPERTY PORTFOLIO	**(87.2)**	**(46.9)**	**+32.1**	**+63.2**

(a) Net carrying amounts based on full consolidation.

4.4. Goodwill impairment tests

	12/31/2017			12/31/2016		
(in millions of euros)	Commercial Property Investment	Property Development [a]	Total	Commercial Property Investment	Property Development [a]	Total
GOODWILL	**3.8**	**42.3**	**46.1**	**4.0**	**42.3**	**46.3**

(a) Relates to the Residential Property Development Division.

An impairment test was performed as of December 31, 2017 and December 31, 2016. Since no impairment was detected, the gross value is equal to the net value.

Following the expiry of the previous valuer's contract, Icade conducted a competitive bidding process in 2017 and selected the Eight Advisory firm, which is now responsible for valuing the Property Development Division on a yearly basis. Impairment tests on goodwill from the cash-generating units (CGU) of the Residential Property Development business are performed on this basis.

In 2016, only the DCF method was used to perform the impairment test. In 2017, the value used is the arithmetic mean of the values obtained with three methods: DCF, comparable transaction analysis and comparable company analysis.

In the discounted cash flows (DCF) method, the cash flows generated by each company over the period of its business plan as well as the cash flows calculated by extending those from the business plan over an additional 10-year period are discounted, and a terminal value calculated by applying a perpetual growth rate to the cash flows is added. The risk-free rate used is the 5-year average interest rate of the 10-year OAT TEC (variable-rate fungible treasury bond). Three risk premia are used: a market risk premium, a size premium and a specific risk premium. The discount rate before tax used to determine the value in use of the Residential Property Development CGU is 9.60% for the financial year 2017 (vs. 8.73% for FY 2016).

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)		12/31/2017	12/31/2016
Medium- and long-term financial liabilities		4,907.4	4,131.2
Short-term financial liabilities		1,073.7	717.8
GROSS FINANCIAL LIABILITIES	5.1.3	5,981.1	4,849.0
Interest rate derivatives (assets and liabilities)	5.1.4	5.4	13.4
GROSS FINANCIAL LIABILITIES INCLUDING DERIVATIVES		5,986.5	4,862.4
Available-for-sale securities and other financial assets [a]	5.1.5	(95.2)	(138.6)
Cash and cash equivalents	5.1.6	(420.3)	(272.4)
NET FINANCIAL LIABILITIES		**5,471.0**	**4,451.3**

(a) Excluding deposits paid.

(in millions of euros)	12/31/2016	Cash flow	Changes with no impact on cash flows: Changes in scope of consolidation	Fair value through profit or loss	Fair value through reserve	Other changes [(a)]	12/31/2017
Derivative assets	8.6	0.1	0.6	(0.8)	4.8	(0.1)	13.1
Other financial assets	117.3	(23.7)	(7.9)	-	-	(11.8)	73.8
TOTAL ASSETS	125.8	(23.6)	(7.3)	(0.8)	4.8	(11.9)	86.9
Financial liabilities	4,849.0	462.4	393.9	-	-	275.7	5,981.1
Total derivative liabilities	21.9	(12.8)	3.9	(0.6)	(6.5)	12.5	18.5
Other financial liabilities	58.5	0.3	5.2	-	-	0.8	64.7
TOTAL LIABILITIES	4,929.4	449.9	403.0	(0.6)	(6.5)	289.1	6,064.3
TOTAL FINANCIAL ASSETS AND LIABILITIES	**4,803.6**	**473.5**	**410.3**	**0.2**	**(11.3)**	**300.9**	**5,977.3**
Deposits and guarantees received	58.5	-	5.2	-	-	0.8	64.4
Deposits and guarantees paid	5.4	-	-	-	-	0.6	6.0
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**4,750.6**	**473.5**	**405.1**	**0.2**	**(11.3)**	**300.7**	**5,918.9**
Other financial liabilities	-						0.3
Available-for-sale securities	26.8						27.4
Cash and cash equivalents	272.4						420.3
TOTAL NET FINANCIAL LIABILITIES	**4,451.4**						**5,471.0**

(a) Other changes mainly related to the repayment of liabilities associated with ANF Immobilier's assets held for sale as of November 30, 2017 following the sale to Primonial REIM and to the reclassification of a provision for liabilities and charges to impairment of receivables associated with equity investments.

The €1,132.1 million increase in gross debt compared to December 31, 2016 stems primarily from:

- Icade issuing a Green Bond for a total of €600.0 million, with a maturity of 10 years and an annual coupon of 1.50%. These funds were raised with an 80-bp spread over the reference rate and a near-zero premium;
- Icade taking out four new debt facilities for a total €300.0 million from major banking institutions with an average maturity of seven years and variable rates based on the 3-month Euribor plus an average margin of 0.80%, prepaying the outstanding principal amounts of four bank debt facilities for a total of €282.0 million, and prepaying private placement debt (USPP) with a short residual maturity for €84.5 million.

  These prepayments resulted in €19.3 million in penalties being paid, accelerated amortisation of deferred financing costs for €1.2 million and the cancellation of the balance of termination payments for the unwinding of the related hedges for €6.5 million. These items had a €26.2 million impact on the income statement for the financial year;
- Icade Santé taking out three new debt facilities for a total €208.4 million (including €50 million of secured debt) from major banking institutions with maturities of 7 to 10 years and variable rates based on the 3-month Euribor plus an average margin slightly above 1%;
- a €220.6 million increase in debt resulting from the first-time consolidation of ANF Immobilier, including €2.2 million drawn after the company was taken over;
- a €45.2 million increase in finance leases due to the acquisition of the Cabestany private healthcare facility as part of a share deal;
- a net increase in Negotiable European Commercial Paper (NEU CP) outstanding of €166.5 million (including a €695.0 million increase, a €579.5 million decrease and €51.0 million from the first-time consolidation of ANF Immobilier);
- a €21.3 million increase in bank overdrafts;
- a €64.6 million increase in loans from minority shareholders upon the first-time consolidation of ANF Immobilier;
- the redemption of the remaining Ornane bonds for €44.8 million;
- the normal amortisation of loans and credit lines from credit institutions and finance leases for €86.3 million.

5.1.2. Finance income/(expense)

(in millions of euros)	12/31/2017	12/31/2016
Interest expenses from financial liabilities	(85.0)	(97.9)
Interest expenses from derivatives	(5.8)	(20.0)
Recycling to the income statement of interest rate hedging instruments whose underlying asset is kept	1.2	1.5
COST OF GROSS DEBT	(89.6)	(116.4)
Interest income from cash and cash equivalents	1.0	2.0
Income from receivables and loans	5.1	4.9
Net income from cash and cash equivalents, related loans and receivables	**6.0**	**7.0**
COST OF NET DEBT	(83.6)	(109.4)
Profit/(loss) from disposals of available-for-sale securities	2.8	1.6
Change in fair value of derivatives recognised in the income statement	(0.3)	(1.5)
Change in fair value of Ornane bonds	-	1.4
Commitment fees	(6.1)	(5.1)
Restructuring costs for financial liabilities	(34.6)	(51.4)
Other finance income and expenses	(5.0)	0.9
Total other finance income and expenses	**(43.2)**	**(54.1)**
FINANCE INCOME/(EXPENSE)	**(126.7)**	**(163.6)**

5.1.3. Components of financial liabilities

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

(in millions of euros)	Balance sheet value as of 12/31/2017	Current	Non-current					Fair value as of 12/31/2017
		Maturing in < 1 year	Maturing in 1 to 2 years	Maturing in 2 to 3 years	Maturing in 3 to 4 years	Maturing in 4 to 5 years	Maturing in > 5 years	
Fixed rate debt	**4,462.8**	**731.5**	**257.5**	**12.0**	**479.8**	**492.9**	**2,489.1**	**4,616.8**
Bonds	3,351.4	24.4	245.1	-	454.7	485.7	2,141.5	3,473.5
Loans from credit institutions	335.5	3.6	4.9	5.2	18.5	0.9	302.5	362.6
Finance leases	80.6	8.5	7.5	6.8	6.6	6.2	45.0	85.4
Other loans and similar liabilities	0.3	0.1	-	-	-	0.1	0.1	0.3
NEU Commercial Paper	695.0	695.0	-	-	-	-	-	695.0
Variable rate debt	**1,518.3**	**342.2**	**92.4**	**247.2**	**161.3**	**71.0**	**604.3**	**1,547.5**
Loans from credit institutions	1,235.6	194.8	76.4	231.5	141.4	34.1	557.3	1,262.1
Finance leases	153.6	18.2	16.0	15.7	19.9	36.9	47.0	156.2
Payables associated with equity interests	71.3	71.3	-	-	-	-	-	71.3
Bank overdrafts	57.9	57.9	-	-	-	-	-	57.9
GROSS FINANCIAL LIABILITIES AS OF 12/31/2017	**5,981.1**	**1,073.7**	**349.9**	**259.2**	**641.0**	**563.9**	**3,093.4**	**6,164.3**
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**

Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Interest rate	Repayment profile	Nominal value as of 12/31/2016	Increase	Decrease	Nominal value as of 12/31/2017
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Interest only	300.0	-	-	300.0
FR0011577170	09/30/2013	01/30/2019	500.0	Fixed rate 2.25%	Interest only	245.1	-	-	245.1
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Interest only	454.7	-	-	454.7
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Interest only	500.0	-	-	500.0
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Interest only	750.0	-	-	750.0
FR0013218393	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Interest only	500.0	-	-	500.0
FR0013281755	09/13/2017	09/13/2027	600.0	Fixed rate 1.5%	Interest only	-	600.0	-	600.0
BONDS						**2,749.8**	**600.0**	**-**	**3,349.8**

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 12/31/2016	Increase	Decrease	Nominal value as of 12/31/2017
FR0010961128	11/16/2010	01/01/2017	175.0	Fixed rate 2.5%	Interest only	44.8	-	44.8	-

The average debt maturity was 6.5 years as of December 31, 2017 (excluding NEU Commercial Paper). Thanks to the debt raised in 2017, especially the ten-year Green Bond, the prepayment of short-term bank debt and its replacement with 7-year credit lines, the average maturity of Icade's debt remained longer than six years.

The average maturity is 4.3 years for variable rate debt and 6.2 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 as of 12/31/2016	Additions to the scope of consolidation	Disposals	Payment for guarantee	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	Fair value as of 12/31/2017
Swaps and interest rate options – fixed-rate payer	(15.4)	-	-	-	0.3	11.3	(3.8)
◘ including change in interest accrued but not due	-	-	-	-	0.1	-	-
◘ including ineffective portion	-	-	-	-	0.1	-	-
Cash flow hedges	**(15.4)**	**-**	**-**	**-**	**0.3**	**11.3**	**(3.8)**
Interest rate swaps – fixed-rate payer	-	(3.8)	-	-	0.4	-	(3.4)
Interest rate options	0.8	0.6	-	-	(0.8)	-	0.6
Non-hedging instruments	**0.8**	**(3.2)**	**-**	**-**	**(0.4)**	**-**	**(2.8)**
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	(14.6)	(3.2)	-	-	(0.2)	11.3	(6.7)
Derivatives: margin calls	1.2	-	-	0.1	-	-	1.3
INTEREST RATE DERIVATIVES	(13.4)	(3.2)	-	0.1	(0.2)	11.3	(5.4)
Presentation of derivatives on the balance sheet:							
Derivative instruments – Assets	8.6	0.6	-	-	(0.8)	4.8	13.1
Derivative instruments – Liabilities	(21.9)	(3.8)	-	0.1	0.6	6.5	(18.5)

Derivatives: analysis of notional amounts by maturity

(in millions of euros)	12/31/2017				
	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 12/31/2017					
Interest rate swaps – fixed-rate payer	0.63%	877.8	15.3	563.5	299.0
Interest rate options – caps	1.06%	384.9	200.1	184.8	
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES		1,262.7	215.4	748.3	299.0
PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES					
Interest rate swaps – fixed-rate payer	0.72%	319.4	-	4.1	315.3
Interest rate options – caps	0.58%	43.0	-	12.7	30.3
TOTAL PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES		362.4	-	16.8	345.6
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2017		**1,625.1**	**215.4**	**765.1**	**644.6**
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2016		**1,267.4**	**321.1**	**424.6**	**521.8**

5.1.5. Available-for-sale securities and other financial assets and liabilities

(in millions of euros)	12/31/2016	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]	12/31/2017
Available-for-sale securities [a]	26.8	0.1	(4.2)	4.2	0.2	-	0.3	27.4
AVAILABLE-FOR-SALE SECURITIES	26.8	0.1	(4.2)	4.2	0.2	-	0.3	27.4
Receivables associated with equity investments and other related parties	61.8	9.4	(16.5)	-	(2.4)	(0.4)	(9.6)	42.3
Loans	0.2	-	-	-	-	0.2	-	0.4
Deposits and guarantees paid	5.4	0.6	-	-	-	-	-	6.0
Shareholder loans	49.8	-	-	-	-	(7.9)	(17.0)	24.9
Other	-	-	-	-	-	0.1	-	0.1
OTHER FINANCIAL ASSETS	117.3	10.0	(16.5)	-	(2.4)	(7.9)	(26.6)	73.8

(a) Available-for-sale securities include shares and other variable-income securities, classified in their entirety as non-current assets.
(b) Other items include increases, net of repayments for the period, in shareholder loans and the reclassification of a provision for liabilities and charges to impairment of receivables associated with equity investments.

Financial assets by maturity

(in millions of euros)	12/31/2017	Current	Non-current	
		Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Receivables associated with equity investments and other related parties	42.3	42.3	-	-
Loans	0.4	0.1	0.1	0.2
Deposits and guarantees paid	6.0	0.6	2.6	2.9
Shareholder loans	24.9	24.9	-	-
Other	0.1	0.1	-	-
OTHER FINANCIAL ASSETS AT AMORTISED COST	**73.8**	**68.0**	**2.7**	**3.1**

Other financial liabilities consist mostly of deposits and guarantees received from tenants for €64.4 million as of December 31, 2017.

5.1.6. Cash and cash equivalents

(in millions of euros)	12/31/2017	12/31/2016
Money-market UCITS	30.0	32.1
Cash assets (including bank interest receivable)	390.3	240.4
CASH AND CASH EQUIVALENTS	**420.3**	**272.4**

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, in the presence of the CEO, Head of Risk and CFO, on all matters relating 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 €1,750 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.

ANF Immobilier also has access to undrawn funds of €31 million on short-term credit lines for development projects.

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

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

	12/31/2017								
	Portion due in < 1 year		Portion due in > 1 year and < 3 years		Portion due in > 3 years and < 5 years		Portion due in > 5 years		
(in millions of euros)	Principal repayments	Interest	Principal repayments	Interest	Principal repayments	Interest	Principal repayments	Interest	Total
Bonds	-	63.0	245.1	120.5	954.7	104.7	2,150.0	124.5	3,762.5
Loans from credit institutions	199.9	19.2	318.3	41.6	200.3	38.7	865.4	129.8	1,813.2
Finance leases	26.2	4.0	45.2	7.4	68.8	6.3	91.5	7.5	256.8
Other loans and similar liabilities	-	-	0.1	-	0.1	-	0.1	-	0.2
Payables associated with equity interests	70.8	-	-	-	-	-	-	-	70.8
NEU Commercial Paper	695.0	-	-	-	-	-	-	-	695.0
Bank overdrafts	57.9	-	-	-	-	-	-	-	57.9
Accounts payable and tax liabilities	453.3	-	6.8	-	-	-	-	-	460.2
Derivative instruments	-	10.1	-	12.4	-	(1.8)	-	(14.2)	6.5
TOTAL	**1,503.1**	**96.4**	**615.4**	**181.8**	**1,223.9**	**147.9**	**3,107.0**	**247.5**	**7,123.1**

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	12/31/2017
LTV bank covenant	Maximum	< 52%	42.8%
ICR	Minimum	> 2	6.53x
CDC's stake	Minimum	34%	38.99%
Value of Property Investment assets [a]	Minimum	From > €1.7bn to > €7bn	€12.8bn
Debt from property development subsidiaries/consolidated gross debt	Maximum	< 20%	0.7%
Security interests in assets	Maximum	< 20% of property investment assets	7.5%

(a) Around 6% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €1.7 billion, 8% of the debt has a limit of €2 billion, 12% of the debt has a limit of €5 billion and the remaining 74% 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, 2017.

As of December 31, 2017, Caisse des dépôts held 39.10% of voting rights and a 38.99% stake in Icade.

LTV bank covenant

The LTV or loan-to-value bank covenant, based on the ratio of net financial liabilities and the latest valuation of property assets excluding duties, stands at 42.8% as of December 31, 2017 (compared with 39.5% 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 6.53x for the financial year 2017. This ratio, which was calculated using the same method as in the previous financial year, rose on a year-over-year basis (4.71x in 2016), thanks to the restructuring of liabilities initiated in 2016 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

	12/31/2017									
	Financial assets (A)		Financial liabilities (B)		Net exposure before hedging (C) = (B) - (A)		Interest rate hedging instruments (D)		Net exposure after hedging (E) = (D) - (C)	
(in millions of euros)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
< 1 year	20.8	466.9	731.5	342.2	710.7	(124.7)	-	215.5	(710.7)	340.2
1 to 2 years	-	-	257.5	92.4	257.5	92.4	-	196.1	(257.5)	103.7
2 to 3 years	-	-	12.1	247.2	12.1	247.2	-	167.9	(12.1)	(79.2)
3 to 4 years	-	-	479.8	161.3	479.8	161.3	-	43.0	(479.8)	(118.2)
4 to 5 years	0.1	-	492.8	71.0	492.7	71.0	-	358.1	(492.7)	287.0
> 5 years	27.5	0.1	2,489.1	604.3	2,461.6	604.1	-	644.6	(2,461.6)	40.4
TOTAL	**48.4**	**467.0**	**4,462.8**	**1,518.3**	**4,414.3**	**1,051.3**	**-**	**1,625.1**	**(4,414.3)**	**573.8**

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 24% of its total debt as of December 31, 2017 (excluding payables associated with equity interests and bank overdrafts).

As of December 31, 2017, hedged variable rate debt accounted for 22% of total debt while unhedged variable rate debt accounted for 2% of total debt.

In 2017, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates.

In particular, long-term forward start swaps for a notional amount of €300 million were concomitantly taken out to make sure the Company will keep benefiting from today's low interest rates in the long term.

The average maturity of variable rate debt is 4.1 years and that of the associated hedges is 6.2 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 are 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 in the last few financial years, changes in fair value of hedging instruments had a positive impact of €11.3 million.

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

	12/31/2017	
(in millions of euros)	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	65.1	3.5
Impact of a (1)% change in interest rates	(71.1)	(2.8)

5.2.4. Currency risk

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

5.2.5. Credit risk

Part of credit and/or counterparty risk concerns cash and cash equivalents, as well as the banks where they are deposited. The investments chosen have maturities of less than one year and a very low risk profile, and are monitored daily. A regular review of authorised vehicles complements the control process. Additionally, in order to limit its counterparty risk, Icade only deals in interest rate derivatives with banking institutions which help fund its expansion. Furthermore, Icade only enters into financial transactions with major banking institutions and 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. €88.4 million as of December 31, 2017, compared with €124.2 million as of December 31, 2016.

The Group is not significantly 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 12/31/2017	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 12/31/2017
ASSETS					
Current and non-current available-for-sale securities	27.4	6.1	21.3		27.4
Other current and non-current financial assets [(b)]	86.9	75.0	10.3	1.6	86.9
Accounts receivable	387.9	387.9			387.9
Other operating receivables [(a)]	38.6	38.6			38.6
Cash equivalents	30.0			30.0	30.0
TOTAL FINANCIAL ASSETS	**571.0**	**507.7**	**31.6**	**31.6**	**571.0**
LIABILITIES					
Current and non-current financial liabilities	5,981.1	5,981.1		-	6,164.3
Other current and non-current financial liabilities [(b)]	83.2	64.7	14.4	4.1	83.2
Accounts payable	437.8	437.8			437.8
Other operating payables [(a)]	280.6	280.6			280.6
TOTAL FINANCIAL LIABILITIES	**6,782.6**	**6,764.1**	**14.4**	**4.1**	**6,965.8**

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

Fair value hierarchy of financial instruments

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

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

		12/31/2017			
(in millions of euros)	Notes	Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on non-observable data	Carrying amount as of 12/31/2017 (fair value)
ASSETS					
Derivatives excluding margin calls (assets)	5.1.4		11.8		11.8
Available-for-sale financial assets	5.1.5			27.4	27.4
Cash equivalents	5.1.6	30.0			30.0
LIABILITIES					
Derivatives (liabilities)	5.1.4		18.5		18.5

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

Note 6. Earnings per share and equity

6.1. Earnings per share

(in millions of euros)		12/31/2017	12/31/2016
Net profit/(loss) attributable to the Group from discontinued operations		0.3	13.3
Net profit/(loss) attributable to the Group from continuing operations		170.0	44.7
Net profit/(loss) attributable to the Group	**(A)**	**170.3**	**58.0**
Diluted net profit/(loss) attributable to the Group	**(B)**	**170.3**	**58.0**
Opening number of shares		74,111,186	74,111,186
Average number of treasury shares outstanding [(a)]		213,338	345,435
Average undiluted number of shares	**(C)**	**73,897,848**	**73,765,751**
Impact of dilutive instruments (stock options and bonus shares)		73,786	83,209
Average diluted number of shares	**(D)**	**73,971,634**	**73,848,960**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE *(in €)*	**(A/C)**	**€2.30**	**€0.79**
Net profit/(loss) attributable to the Group from discontinued operations per share		€0.00	€0.18
Net profit/(loss) attributable to the Group from continuing operations per share		€2.30	€0.61
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE *(in €)*	**(B/D)**	**€2.30**	**€0.79**
Diluted net profit/(loss) attributable to the Group from discontinued operations per share		€0.00	€0.18
Diluted net profit/(loss) attributable to the Group from continuing operations per share		**€2.30**	**€0.61**

(a) Including shares allocated for the purposes of the liquidity contract.

6

6.2. Equity

Share capital

	12/31/2017		12/31/2016	
Shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Caisse des dépôts	28,895,631	38.99%	28,895,631	38.99%
Groupama Holding [(a)]	-	-	9,596,200	12.95%
SUBTOTAL CDC AND GROUPAMA HOLDING ACTING IN CONCERT [(b)]			38,491,831	51.94%
Crédit Agricole Assurances Group [(a)]	13,704,789	18.49%	4,219,304	5.69%
Public	31,111,533	41.98%	30,987,735	41.81%
Employees	192,589	0.26%	205,672	0.28%
Treasury shares	206,644	0.28%	206,644	0.28%
TOTAL	**74,111,186**	**100.00%**	**74,111,186**	**100.00%**

(a) On June 19, 2017, the Crédit Agricole Assurances group announced the acquisition of Groupama Holding's stake in Icade, which represented 12.95% of the share capital.
(b) By letters of June 22 and 23, 2017, Caisse des dépôts and Groupama Holding informed the French Financial Markets Authority (AMF) that, following the sale by Groupama Holding of its entire stake in Icade, the shareholder agreement they had entered into on May 23, 2016, whereby they were considered to be acting in concert, had been terminated.
As of December 31, 2017, Caisse des dépôts and the Crédit Agricole Assurances group held a 38.99% and 18.49% stake in Icade, respectively.

Change in the number of shares outstanding

	Number	Capital *(in €m)*
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
SHARE CAPITAL AS OF 12/31/2017	**74,111,186**	**113.0**

Shares of parent company Icade SA held by third parties and that are pledged

As of December 31, 2017, no shares registered directly with Icade (not with an agent of Icade) were pledged.

Dividends

(in millions of euros)	12/31/2017	12/31/2016
Payment to Icade SA shareholders in year N for year N-1		
▪ dividends deducted from tax-exempt fiscal profit/(loss) (in accordance with the SIIC status)	159.8	191.9
▪ dividends deducted from profit taxable at the ordinary rate	135.8	83.4
TOTAL	**295.6**	**275.3**

Dividends per share distributed in 2017 and 2016 in respect of profits for the financial years 2016 and 2015 were €4.00 and €3.73, respectively.

The distribution of a dividend of €4.30 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, 2017. Based on the number of shares entitled to dividends as of January 1, 2018, i.e. 73,904,542 shares, the dividend distribution amount proposed to the General Meeting will be €317.8 million.

6.3. Non-controlling interests

In 2017, the main non-controlling interests relate to:

- the Commercial Property Investment business;
- the Healthcare Property Investment business;

  Icade Santé carried out a capital increase of €100 million, which was subscribed by its shareholders in proportion to their respective holdings. Therefore, Icade's stake in Icade Santé remained unchanged, at 56.51% as of December 31, 2017.
- the Property Development business.

Change in non-controlling interests

(in millions of euros)	12/31/2017	12/31/2016
OPENING POSITION	665.2	675.0
Icade Santé capital increase subscribed by minority shareholders	43.5	-
Change in fair value of derivatives	1.4	(1.1)
Impact of changes in scope of consolidation [(a)]	78.9	-
Profit	32.8	30.9
Dividends	(47.7)	(39.7)
CLOSING POSITION	**774.1**	**665.2**
Including Healthcare Property Investment	694.2	664.1
Including Commercial Property Investment	69.6	-
Including other [(b)]	8.9	-
Including Property Development	1.3	1.1

(a) Resulting from the acquisition of ANF Immobilier and its subsidiaries.
(b) Consists of assets and liabilities held for sale as of December 31, 2017.

Financial information on non-controlling interests

The share of non-controlling interests in the main items on the balance sheet, the income statement and the cash flow statement of fully-consolidated entities which are not fully owned by the Group is presented below:

Balance sheet

	12/31/2017					12/31/2016		
(in millions of euros)	Commercial Property Investment	Healthcare Property Investment	Property Development	Other [(a)]	Total	Healthcare Property Investment	Property Development	Total
Investment properties	222.6	1,287.9	-	-	1,510.5	1,179.6	-	1,179.6
Other non-current assets	0.7	0.9	0.3	-	1.9	0.6	0.2	0.8
Total non-current assets	**223.3**	**1,288.8**	**0.3**	**-**	**1,512.4**	**1,180.2**	**0.2**	**1,180.4**
Total current assets	**6.0**	**10.8**	**40.7**	**8.9**	**66.4**	**5.7**	**32.7**	**38.5**
TOTAL ASSETS	229.3	1,299.6	41.0	8.9	1,578.9	1,185.9	32.9	1,218.9
Non-current financial liabilities	95.0	516.6	-	-	611.6	452.9	-	452.9
Other non-current liabilities	3.2	9.5	0.2	-	12.9	16.1	-	16.1
Total non-current liabilities	**98.2**	**526.1**	**0.2**	**-**	**624.5**	**469.0**	**-**	**469.0**
Current financial liabilities	56.0	51.9	19.6	-	127.5	27.6	13.3	40.8
Other current liabilities	5.6	27.3	19.9	-	52.8	25.2	18.6	43.8
Total current liabilities	**61.6**	**79.2**	**39.5**	**-**	**180.3**	**52.8**	**31.8**	**84.6**
TOTAL LIABILITIES	159.7	605.3	39.7	-	804.8	521.8	31.9	553.7
NET ASSETS	**69.6**	**694.2**	**1.3**	**8.9**	**774.1**	**664.1**	**1.1**	**665.2**

(a) Consists of assets and liabilities held for sale as of December 31, 2017.

Income statement

	12/31/2017					12/31/2016		
(in millions of euros)	Commercial Property Investment	Healthcare Property Investment	Property Development	Other [(a)]	Total	Healthcare Property Investment	Property Development	Total
Revenue	1.9	92.9	29.3	-	124.0	90.2	24.7	114.9
EBITDA	1.5	85.9	2.4	-	90.0	83.3	1.9	85.2
Operating profit/(loss)	0.4	43.5	2.4	-	46.0	42.3	1.6	43.9
Finance income/(expense)	(0.3)	(12.6)	(0.1)	-	(13.0)	(13.2)	-	(13.2)
Profit/(loss) from discontinued operations	-	-	-	(0.4)	(0.4)	-	-	-
NET PROFIT/(LOSS)	**-**	**30.9**	**2.3**	**(0.4)**	**32.8**	**29.2**	**1.7**	**30.9**

(a) Consists of assets and liabilities held for sale as of December 31, 2017.

Cash flow statement

(in millions of euros)	12/31/2017	12/31/2016
Net profit/(loss) attributable to non-controlling interests	32.8	30.9
Net cash flow from operating activities	65.9	64.5
Net cash flow from investing activities	(78.1)	(60.6)
Net cash flow from financing activities	27.0	(41.0)
NET CHANGE IN CASH	**14.8**	**(37.1)**
Opening net cash	2.7	38.5
Closing net cash	17.5	1.4

Note 7. Provisions

(in millions of euros)	01/01/2017	Charges	Use	Reversals	Changes in scope of consolidation	Actuarial gains and losses	Reclassification [a]	12/31/2017
Lump-sum final payments and similar liabilities	22.9	0.8	(0.5)	-	0.8	(0.8)	-	23.1
Losses on contracts	1.7	0.3	(1.3)	-	-	-	-	0.8
Tax risks	5.7	-	(1.0)	(0.9)	-	-	-	3.9
Liabilities and charges – Other	49.3	18.4	(6.1)	(11.4)	0.6	-	(9.5)	41.3
PROVISIONS FOR LIABILITIES AND CHARGES	**79.6**	**19.6**	**(9.0)**	**(12.3)**	**1.4**	**(0.8)**	**(9.5)**	**69.0**
Non-current provisions	28.3	1.5	(1.3)	(1.1)	1.4	(0.8)	-	27.9
Current provisions	51.3	18.1	(7.6)	(11.2)	-	-	(9.5)	41.1
including: operating profit/(loss)		*17.4*	*(8.1)*	*(11.8)*				
including: finance income/(expense)		*2.3*	*(0.1)*	*(0.0)*				
including: tax expenses		*-*	*(0.7)*	*(0.5)*				

(a) Reclassification of a provision for liabilities and charges to impairment of receivables associated with equity investments.

Icade has identified several types of provisions. In addition to lump-sum final payments and similar liabilities, which are discussed separately elsewhere in this report (see note 9), provisions are made whenever the risks identified which result from past events have given rise to a current obligation and that obligation is likely to cause an outflow of resources.

The following risks were identified:

- losses on service contracts and off-plan contracts (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, 2017;
- the other provisions for liabilities and charges, amounting to €41.3 million, come from the Property Development and Commercial Property Investment Divisions, with €16.8 million and €24.5 million, respectively. This essentially relates to business risks, employment tribunal disputes and litigation.

Note 8. Other items

8.1. Equity-accounted investments

8.1.1. Changes in equity-accounted investments

	12/31/2017			12/31/2016		
(in millions of euros)	Joint ventures	Associates	Total value of equity-accounted companies	Joint ventures	Associates	Total value of equity-accounted companies
OPENING SHARE IN NET ASSETS	118.3	(0.1)	118.1	114.9	-	114.9
Share of profit/(loss) for the financial year	10.5	-	10.6	(5.8)	0.3	(5.6)
Dividends paid	13.2	(0.1)	13.1	9.2	(0.4)	8.8
Impact of changes in scope of consolidation and capital	7.2	-	7.3	-	-	-
CLOSING SHARE IN NET ASSETS	**149.2**	**(0.2)**	**149.1**	**118.3**	**(0.1)**	**118.1**

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)	12/31/2017 Commercial Property Investment	12/31/2017 Property Development	12/31/2017 Total	12/31/2016 Commercial Property Investment	12/31/2016 Property Development	12/31/2016 Total
Total non-current assets	**129.8**	**0.5**	**130.3**	**136.6**	**0.2**	**136.9**
Total current assets	**25.3**	**188.8**	**214.1**	**24.4**	**181.6**	**205.9**
TOTAL ASSETS	155.1	189.4	344.4	161.0	181.8	342.8
Other non-current liabilities	1.5	0.2	1.7	1.7	0.2	1.9
Total non-current liabilities	**1.5**	**0.2**	**1.7**	**1.7**	**0.2**	**1.9**
Current financial liabilities	24.8	72.3	97.1	46.0	82.4	128.3
Other current liabilities	5.6	90.9	96.5	6.7	87.6	94.3
Total current liabilities	**30.4**	**163.3**	**193.6**	**52.7**	**170.0**	**222.6**
TOTAL LIABILITIES	31.9	163.5	195.3	54.4	170.2	224.5
NET ASSETS	**123.3**	**25.9**	**149.1**	**106.7**	**11.6**	**118.2**

Income statement

(in millions of euros)	12/31/2017 Commercial Property Investment	12/31/2017 Property Development	12/31/2017 Total	12/31/2016 Commercial Property Investment	12/31/2016 Property Development	12/31/2016 Total
Revenue	9.8	136.8	146.6	9.1	91.8	101.0
EBITDA	5.8	12.8	18.6	6.7	11.5	18.2
Operating profit/(loss)	(1.3)	12.6	11.3	(16.0)	11.5	(4.5)
Finance income/(expense)	(0.6)	(0.1)	(0.7)	(1.2)	(0.1)	(1.2)
Income tax	-	(0.1)	(0.1)	-	(0.1)	(0.1)
NET PROFIT/(LOSS)	**(1.9)**	**12.4**	**10.5**	**(17.2)**	**11.4**	**(5.9)**
including depreciation net of government grants	(6.9)	(0.5)	(7.4)	(6.8)	-	(6.8)

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)	12/31/2017 Property Development	12/31/2016 Property Development
Total current assets	2.5	3.2
TOTAL ASSETS	2.5	3.3
Current financial liabilities	0.8	1.1
Other current liabilities	1.9	2.3
TOTAL LIABILITIES	2.7	3.4
NET ASSETS	**(0.2)**	**(0.1)**

Income statement

(in millions of euros)	12/31/2017 Property Development	12/31/2016 Property Development
EBITDA	-	0.3
Operating profit/(loss)	-	0.3
NET PROFIT/(LOSS)	**-**	**0.3**

8.2. Components of the 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 lots	Total		
NET VALUE AS OF 12/31/2016	73.3	393.2	24.9	491.3	1.0	492.3
Gross value as of 12/31/2016	83.1	401.5	28.2	512.8	1.2	514.0
Change for the period	53.2	(34.6)	(1.7)	16.9	(0.2)	16.7
Impact of changes in scope of consolidation	0.1	0.2	-	0.3	-	0.3
GROSS VALUE AS OF 12/31/2017	136.4	367.1	26.5	530.1	1.0	531.1
Impairment as of 12/31/2016	(9.8)	(8.3)	(3.4)	(21.5)	(0.2)	(21.7)
Charges and reversals of charges to the income statement	0.1	1.6	(1.1)	0.7	0.1	0.8
IMPAIRMENT AS OF 12/31/2017	(9.7)	(6.7)	(4.5)	(20.9)	(0.1)	(20.9)
NET VALUE AS OF 12/31/2017	**126.7**	**360.4**	**22.1**	**509.2**	**0.9**	**510.1**

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			
	12/31/2017		12/31/2016	
	Commercial Property Development	Total	Commercial Property Development	Total
Aggregate receivables, including tax, according to the percentage of completion method	301.1	301.1	244.0	244.0
Work in progress	7.7	7.7	24.8	24.8
Progress payments received	(295.4)	(295.4)	(242.1)	(242.1)
AMOUNTS DUE FROM CUSTOMERS	**15.9**	**15.9**	**31.8**	**31.8**
AMOUNTS DUE TO CUSTOMERS	**(2.4)**	**(2.4)**	**(5.1)**	**(5.1)**
INCOME FOR THE YEAR	**111.9**	**111.9**	**122.1**	**122.1**
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	31.7	31.7	26.9	26.9
Advances received in respect of contracts which have not started	-	-	1.7	1.7
Reciprocal off-balance sheet commitments (final purchase and sale agreements including tax – Progress payments received)	80.8	80.8	117.3	117.3

(in millions of euros)	The buyer has limited ability to specify the major structural elements of the design of the real estate							
	12/31/2017				12/31/2016			
	Residential Property Development	Commercial Property Development	Intersegment eliminations	Total	Residential Property Development	Commercial Property Development	Intersegment eliminations	Total
INCOME FOR THE YEAR	**724.5**	**189.1**	**-**	**913.6**	**615.7**	**141.2**	**-**	**756.9**
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	-	54.0	-	54.0	-	21.8	-	21.8
Advances received in respect of contracts which have not started	-	-	-	-	-	0.2	-	0.2
Reciprocal off-balance sheet commitments (final purchase and sale agreements including tax – Progress payments received)	2.0	118.2	(2.0)	118.2	2.0	207.9	(2.0)	207.9

8.2.3. Accounts receivable

Changes in trade receivables are as follows:

(in millions of euros)	12/31/2016	Change for the period	Impact of changes in scope of consolidation	Net impairment charges recognised in the income statement	Other [a]	12/31/2017
Accounts receivable and related accounts	337.4	(6.5)	5.3	-	1.5	337.8
Financial accounts receivable	83.7	(1.2)	-	-	(2.3)	80.3
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS – GROSS VALUE	421.1	(7.7)	5.3	-	(0.8)	418.0
Impairment of accounts receivable and related accounts	(13.1)	-	(0.3)	(16.1)	(0.5)	(30.1)
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS – IMPAIRMENT LOSSES	(13.1)	-	(0.3)	(16.1)	(0.5)	(30.1)
Accounts receivable and related accounts – net value	324.3	(6.5)	5.0	(16.1)	1.0	307.7
Financial accounts receivable – net value	83.7	(1.2)	-	-	(2.3)	80.3
ACCOUNTS RECEIVABLE – NET VALUE	**408.0**	**(7.7)**	**5.0**	**(16.1)**	**(1.3)**	**387.9**

(a) Other changes relate mainly to the sale of a car park in Courchevel.

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
2017	307.7	262.0	5.9	1.2	(0.3)	2.9	36.0
2016	324.3	297.7	6.9	3.3	2.7	6.0	7.6

8.2.4. Revenue

Revenue by category breaks down as follows:

(in millions of euros)	12/31/2017	12/31/2016
Lease income, including finance lease income	588.0	583.3
Construction contracts and off-plan sales	1,050.7	893.4
Services provided	14.6	16.0
Other sales	0.9	-
TOTAL REVENUES	**1,654.2**	**1,492.7**

8.2.5. Miscellaneous receivables

(in millions of euros)	12/31/2017 Gross	Impairment	Net	12/31/2016 Net
Advances to suppliers	17.2	-	17.2	16.2
Receivables from asset disposals	1.7	-	1.7	0.1
Agency transactions	32.4	-	32.4	45.4
Prepaid expenses	14.3	-	14.3	6.2
Social security and tax receivables	195.9	-	195.9	138.8
Other receivables	20.2	(0.4)	19.8	15.8
TOTAL MISCELLANEOUS RECEIVABLES	**281.6**	**(0.4)**	**281.2**	**222.6**

8.2.6. Miscellaneous payables

(in millions of euros)	12/31/2017	12/31/2016
Advances from customers	106.7	149.3
Payables on asset acquisitions	151.9	123.9
Agency transactions	32.4	45.4
Prepaid income	32.5	32.2
Tax and social security payables excluding income taxes	162.1	116.7
Other liabilities	22.0	18.9
TOTAL MISCELLANEOUS PAYABLES	**507.6**	**486.4**

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

(in millions of euros)	12/31/2017	12/31/2016
TOTAL ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	11.1	3.7
TOTAL LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS	9.0	11.1

- Assets held for sale and discontinued operations for €11.1 million mostly relate to property assets subject to preliminary sale agreements as of December 31, 2017, including:
  - three office assets in the Rungis business park for €5.5 million;
  - housing units for €2.5 million (including €0.7 million ANF Immobilier's residual assets still to be sold to Primonial REIM);

  These sales are expected to take place in 2018.
- Liabilities held for sale for €9.0 million mainly come from the remaining balance of provisions made for Service operations discontinued.

8.2.8. Cash flow from components of the working capital requirement

(in millions of euros)	12/31/2017	12/31/2016
Commercial Property Investment	(13.4)	5.8
Healthcare Property Investment	(8.3)	(0.6)
Property Development	38.4	(95.2)
Intersegment transactions and other items	(2.7)	7.0
TOTAL CASH FLOW FROM COMPONENTS OF THE WORKING CAPITAL REQUIREMENT	**14.0**	**(83.0)**

The +€14.0 million rise in working capital requirement as of December 31, 2017 can be explained by:

- an increase in tax receivables as accrued income was recorded (-€35.0 million) for claims submitted to the tax administration with regard to the 3% contribution paid on dividends distributed from 2014 to 2017;
- a decline in amounts due from and to customers (+€13.3 million) and an increase in inventories (-€16.7 million) for the Property Development segment;
- an increase in accounts payable (+€52.2 million) driven by construction starts.

8.3. Tax

8.3.1. Analysis of tax expense

(in millions of euros)	12/31/2017	12/31/2016
Current taxes	6.6	(23.6)
"Exit tax" (SIIC status)	-	0.3
Deferred taxes	(0.8)	(0.2)
TOTAL TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**5.7**	**(23.6)**
TAX ON ITEMS RECOGNISED IN EQUITY	**(0.1)**	**(0.3)**

The tax expense includes in particular the 3% contribution on a portion of the dividends paid by Icade, which represents €6.8 million, and on the dividends paid by Icade Promotion, which represents €0.7 million in 2017.

Furthermore, following the decision of the Constitutional Council of October 6, 2017 declaring the 3% contribution unconstitutional, the Icade group submitted tax refund claims to the tax administration for dividends paid from 2014 to 2017 and recognised €35.0 million of accrued income as a result, including €32.3 million of principal and €2.7 million of penalty interest accrued as of December 31, 2017.

8.3.2. Reconciliation of tax expense

(in millions of euros)	12/31/2017
Profit/(loss) before tax	**197.4**
Profit/(loss) from discontinued operations	**0.3**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	197.1
Theoretical tax rate	**34.43%**
THEORETICAL TAX EXPENSE	(67.9)
Impact on the theoretical tax expense of:	
Permanent differences [(a)]	(30.3)
Tax-exempt segment under the SIIC regime	74.5
Change in unrecognised tax assets (tax loss carry forwards)	(0.1)
Tax on dividend distributions [(b)]	27.6
Tax borne by non-controlling interests	0.7
Other impacts (including exit tax, provision for taxes…)	1.2
EFFECTIVE TAX EXPENSE	**5.7**
EFFECTIVE TAX RATE	**(2.91)%**

(a) Permanent differences mainly relate to differences between the consolidated income and the taxable fiscal income from companies benefiting from the SIIC tax regime.
(b) Including tax income equal to the amount of the refund requests submitted in respect of the 3% tax paid on dividends.

8.3.3. Breakdown of deferred tax

(in millions of euros)	12/31/2017	12/31/2016
Deferred tax relating to temporary differences		
◻ Provisions for non-deductible assets	3.0	3.8
◻ Provisions for employee benefit liabilities	3.4	3.3
◻ Provisions for non-deductible liabilities	0.9	3.8
◻ Finance leases	(5.1)	(5.1)
◻ Other	0.7	(0.6)
Deferred tax assets related to tax loss carry forwards	0.2	0.2
NET DEFERRED TAX POSITION	**3.0**	**5.4**
Net deferred tax assets	9.8	12.9
Net deferred tax liabilities	6.8	7.5
NET DEFERRED TAX POSITION	**3.0**	**5.4**

As of December 31, 2017, unused tax loss carry forwards amounted to €21.8 million (tax base).

Note 9. Employee compensation and benefits

9.1. Employee benefit liabilities

9.1.1. Change in employee benefit liabilities

Post-employment benefits

Lump-sum final payments and other benefits

(in millions of euros)		12/31/2017	12/31/2016
OPENING ACTUARIAL DEBT	(1)	19.0	19.8
Impact of changes in scope of consolidation and other changes	**(2)**	**0.6**	**0.1**
Cost of services provided during the year	(a)	1.3	1.4
Finance cost for the year	(a)	0.2	0.4
Costs for the period	**Σ (a)**	**1.5**	**1.8**
Benefits paid out	(3)	(0.7)	(0.8)
Net expense recognised in the income statement	**(b) = Σ(a) + (3)**	**0.8**	**0.9**
Actuarial (gains) losses for the year	(4)	(0.8)	(1.9)
CLOSING NET LIABILITIES	**(A) = (1) + (2) + (b) + (4)**	**19.6**	**19.0**

For the Icade group, employee benefit liabilities are valued as of December 31, 2017 according to the terms of the Single Group Agreement signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate of 1.45% as of December 31, 2017 and 1.32% as of December 31, 2016;
- the discount rate used for the period ended December 31, 2017 is defined based on the "iBoxx € Corporates AA 10+" reference index. This reference index explicitly represents the yields of top-rated corporate bonds as of December 31, 2017;
- male/female mortality tables:
  - male/female Insee tables for 2013-2015 as of December 31, 2017,
  - male/female Insee tables for 2012-2014 as of December 31, 2016;
- retirement age calculated according to statutory provisions.

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.

As for ANF Immobilier, the company decided to outsource the management of its retirement benefit liabilities to AXA.

Other long-term employee benefits

Anniversary bonuses

The Group also recognises long-term liabilities related to anniversary bonuses.

(in millions of euros)	12/31/2017	12/31/2016
Anniversary bonuses	3.5	3.9
TOTAL	**3.5**	**3.9**

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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 and pensions	Anniversary bonuses	Other benefits	Total
(1.00)%	(2.2)	(0.3)	(0.1)	(2.6)
(0.50)%	(1.0)	(0.1)	(0.1)	(1.2)
0.50%	1.0	0.1	-	1.1
1.00%	1.8	0.3	0.1	2.2

9.1.3. Projected flows

(in millions of euros)	Lump-sum final payments and pensions	Anniversary bonuses	Other benefits	Total
N+1	2.0	0.3	-	2.3
N+2	1.1	0.3	-	1.4
N+3	0.8	0.3	-	1.1
N+4	0.7	0.3	-	1.0
N+5	1.0	0.3	-	1.3
Beyond	16.8	2.2	0.8	19.8
TOTAL	**22.4**	**3.7**	**0.8**	**26.9**
Discounting	(3.3)	(0.2)	(0.3)	(3.8)
Liabilities as of 12/31/2017	19.0	3.5	0.6	23.1

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9.1.4. Employee termination benefits

In the light of the 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)	12/31/2017	12/31/2016
Potential termination benefits	0.7	0.7
TOTAL NOT RECOGNISED	**0.7**	**0.7**

9.2. Staff

	Executives Average number of staff		Non-executives Average number of staff		Total employees Average number of staff	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Commercial Property Investment	278.6	275.9	105.6	107.1	384.2	383.0
Healthcare Property Investment	16.9	11.3	2.0	2.0	18.9	13.3
Property Development	404.2	388.0	272.4	267.6	676.6	655.6
Property Services [(a)]	-	152.1	-	105.3	-	257.4
TOTAL NUMBER OF STAFF [(b)]	**699.7**	**827.3**	**380.0**	**482.0**	**1,079.7**	**1,309.3**

(a) Relates to discontinued operations.
(b) These figures do not include the ANF Immobilier group's staff, which consisted of 23 executives, 9 non-executives and 1 fixed-term contract as of December 31, 2017.

9.3. Description of stock option and bonus share plans

9.3.1. Stock option plans

Description of the 2011 stock option plan

The characteristics of the stock option plan in place on December 31, 2017 and changes occurred during financial year 2017 are presented in the following table:

Original characteristics of the plans						Changes for the period					Fulfilment of performance conditions	
Expired plans	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, 2017	Number of options cancelled during the period	Number of options outstanding as of December 31, 2017	Including those attributable to related parties	Including those exercisable at the end of the period	Market related performance conditions	Non-market related performance conditions
1-2011	03/03/2011	4 years	8 years	147,500	1.00	26,525	1,725	24,800	6,900	24,800	0%	Vested 8.125%
TOTAL PLANS				147,500		**26,525**	**1,725**	**24,800**	**6,900**	**24,800**		
Average exercise price per share *(in €)*						**80.86**	**80.86**	**80.86**	**80.86**	**80.86**		

As of December 31, 2017, 24,800 stock options representing 24,800 shares were exercisable under the 1-2011 Plan.

Valuation method: fair value of stock option plans

	1-2011 Plan
Weighted average fair value of the option	€19.33
Probability of service	100.00%
Risk-free rate	3.38%
Expected volatility	33.00%
Expected dividend rate	4.00%
Price of underlying shares	€82.43
Exercise price	€80.86
MODEL USED	**TRINOMIAL**

9.3.2. Bonus share plans

The characteristics of the bonus share plans in place as of December 31, 2017 are presented in the following table:

Original characteristics of the plans					Number of shares as of January 1, 2017			Changes during the period		Number of shares as of December 31, 2017		
Plans	Grant date	Vesting period	Duration of the plans	Number of shares granted at the beginning of the plan	Shares vested	Shares granted	Incl. contingent shares	Shares granted	Shares cancelled	Incl. number of shares granted	Incl. number of shares vested	Incl. contingent shares
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	19,095		-				19,095	
2-2014 [(b)]	03/04/2014	2 years	4 years	14,250	1,256						1,256	
1-2016	11/07/2016	2 years	3 years	31,560	-	30,510	-		2,820	27,690		
2-2016 [(c)]	11/07/2016	2 years	4 years	52,959	-	52,699	52,699		6,603	46,096		46,096
TOTAL					**32,664**	**83,209**	**52,699**	**-**	**9,423**	**73,786**	**32,664**	46,096

(a) *After the merger by acquisition of Silic, the 12,000 unvested shares as of the date of integration into the Icade group from the 2013 Plan were converted into Icade shares based on the exchange ratio of the merger, that is, 5 Icade shares for 4 Silic shares, i.e. 15,032 Icade shares.*

(b) *The performance conditions to be met 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 to be met 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.*

9.3.3. Impact of bonus share plans on the income statement

Taking into account the vesting conditions based on the length of service in the Group, the bonus share plans represented an expense of €1.6 million for financial year 2017, including an expense of €0.2 million for related parties, to be compared with an expense of €0.1 million for financial year 2016, including income of €0.1 million for related parties.

Note 10. Off-balance-sheet commitments

10.1. Off-balance-sheet commitments

Commitments made

(in millions of euros)			12/31/2017	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			21.0	3.9	17.1	-
		Put options given	3.2	-	3.2	-
		Call options given	3.7	-	3.7	-
Commitments made as part of disposals of equity investments		Minimum revenue guarantees given	11.6	3.9	7.7	-
		'No undisclosed liabilities' warranties given	2.6	-	2.6	-
FINANCING COMMITMENTS			1,223.4	105.3	501.3	616.8
		Mortgages	490.5	44.9	118.8	326.8
Mortgage financing and lender's liens		Lender's liens	239.6	12.6	191.2	35.7
Mortgage charge promises and assignments of claims		Mortgage charges promised and claims assigned as loan guarantees	258.9	21.0	75.8	162.0
Finance leases		Finance lease payables	234.2	26.7	115.5	92.0
Pledged securities		Non-consolidated securities pledged	0.3	-	-	0.3
COMMITMENTS RELATED TO OPERATING ACTIVITIES			1,685.3	619.0	1,052.3	14.0
Commitments made relating to business development and asset disposals	Residual commitments in work contracts	Property Investment: Residual commitments in construction contracts, property development contracts and off-plan sales – Property under construction or redevelopment	362.3	291.8	70.4	-
	Commitments to sell given	Commitments to sell given – Property Investment – Tangible fixed assets	12.7	12.7	-	-
	Commitments to buy given	Commitments to buy given – Property Investment – Tangible fixed assets	113.4	90.9	8.5	14.0
		Commitments to buy given – Property Development – Land	200.6	43.7	156.9	-
	Property Development: orders including tax	Property Development: orders including tax	716.4	15.0	701.4	-
	Commercial Property Development – Off-plan and Property Development Contract preliminary agreements signed with customers	Commercial Property Development – Off-plan and Property Development Contract preliminary agreements signed with customers	232.0	164.4	67.6	-
Commitments made relating to the execution of operating contracts	Demand guarantees given	Demand guarantees given	21.2	0.4	20.8	-
	Other commitments made	Other commitments made	24.7	-	24.7	-

Commitments received

(in millions of euros)			12/31/2017	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			11.0	3.1	7.9	-
		Put options received	3.7	-	3.7	-
		Call options received	3.2	-	3.2	-
Commitments received as part of disposals of equity investments		'No undisclosed liabilities' warranties received	4.1	3.1	1.0	-
FINANCING COMMITMENTS			1,884.2	107.9	1,776.3	-
Unused credit lines		Unused credit lines	1,884.2	107.9	1,776.3	-
COMMITMENTS RELATED TO OPERATING ACTIVITIES			2,858.2	573.3	1,281.9	1,003.0
Other contractual commitments received related to operating activities	Commitments to sell received	Commitments to sell received – Property Investment – Tangible fixed assets	90.2	90.2	-	-
	Commitments to buy received	Commitments to buy received – Property Investment – Tangible fixed assets	22.5	-	8.5	14.0
		Commitments to buy received – Property Development – Land	192.7	43.7	149.1	-
	Off-plan and Property Development Contract preliminary agreements signed with customers	Commercial Property Development	40.7	24.7	16.0	-
		Property Investment: Property development contracts or off-plan sales – Property under construction or redevelopment	0.4	0.4	-	-
	Residual commitments in work contracts	Off-plan lease agreements – commitments received	295.7	1.3	81.8	212.6
	Residual commitments in work contracts	Bank guarantees received – construction work	225.2	161.2	64.0	-
	Demand guarantees received	Demand guarantees received – Rent guarantees – Property Investment	37.9	6.2	9.4	22.2
		Demand guarantees received – Property Development	20.6	-	20.5	-
Other commitments received		Security deposits received for rents – private healthcare facilities	1,828.2	236.2	888.0	704.0
		Security deposits received for rents – other assets	81.4	8.2	31.6	41.6
		Other sureties and guarantees received	22.8	1.3	12.9	8.6

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)		12/31/2017	12/31/2016
Existing finance leases at the balance sheet date			
Total gross initial investment in the lease	**A**	**178.5**	**183.8**
Lease payments due	**B**	**40.1**	**37.6**
Gross initial investment in the lease to be made not later than one year		5.6	7.8
Gross initial investment in the lease to be made later than one year and not later than five years		23.4	22.8
Gross initial investment in the lease to be made later than five years		109.4	115.6
GROSS INVESTMENT IN THE LEASE AT THE BALANCE SHEET DATE	C = A - B	138.4	146.2
Earned finance income at the balance sheet date	**D**	**34.1**	**32.0**
Unearned finance income at the balance sheet date	**E = C - I - D - F**	**59.0**	**62.5**
Impact of undiscounting	**F**	**(8.0)**	**(7.2)**
Present value of unguaranteed residual values accruing to the lessor	G	-	1.2
Present value of the minimum lease payments to be received not later than one year		3.6	4.4
Present value of the minimum lease payments to be received later than one year and not later than five years		12.9	13.4
Present value of the minimum lease payments to be received later than five years		36.8	39.9
TOTAL PRESENT VALUE OF THE MINIMUM LEASE PAYMENTS TO BE RECEIVED	H = C - D - E - F - G	53.3	57.8
Net investment in the lease	**I**	**53.3**	**58.9**
Unguaranteed residual values accruing to the lessor		**-**	**2.3**

(in millions of euros)	12/31/2017	12/31/2016
Operating and finance leases		
Lease income from operating leases	586.0	571.3
Lease income from finance leases	4.3	15.7
GROSS RENTAL INCOME	590.2	587.0
Service charges net of recharges to tenants	(38.0)	(42.0)
NET RENTAL INCOME	552.2	545.0
Not later than one year	600.2	543.2
Later than one year and not later than five years	1,841.7	1,740.1
Later than five years	1,249.0	1,352.9
MINIMUM LEASE PAYMENTS TO BE RECEIVED UNDER NON-CANCELLABLE OPERATING LEASES	3,690.9	3,636.2

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 the lessee's perspective)

(in millions of euros)	12/31/2017	12/31/2016
Not later than one year	(31.3)	(30.0)
Later than one year and not later than five years	(124.2)	(97.7)
Later than five years	(82.5)	(92.8)
MINIMUM LEASE PAYMENTS TO BE MADE UNDER FINANCE LEASES	(238.0)	(220.5)
Not later than one year	(26.7)	(25.4)
Later than one year and not later than five years	(115.5)	(84.9)
Later than five years	(92.0)	(102.1)
PRESENT VALUE OF LEASE PAYMENTS TO BE MADE UNDER FINANCE LEASES	(234.2)	(212.4)

(in millions of euros)	12/31/2017	12/31/2016
Operating leases		
Lease expenses	**(9.6)**	**(8.0)**
Not later than one year	(6.8)	(6.6)
Later than one year and not later than five years	(14.7)	(14.9)
Later than five years	(50.1)	(37.1)
MINIMUM LEASE PAYMENTS TO BE MADE UNDER NON-CANCELLABLE OPERATING LEASES	(71.6)	(58.5)

Note 11. Additional information

11.1. Related parties

11.1.1. Management personnel compensation

(in millions of euros)	12/31/2017	12/31/2016
Short-term employee benefits (salaries, bonus, etc.) [a]	5.5	4.8
Share-based payments	0.2	(0.1)
BENEFITS RECOGNISED	5.7	4.7
Termination benefits	0.7	0.7
TOTAL NOT RECOGNISED	0.7	0.7
TOTAL	**6.4**	**5.4**

(a) Figures include employer 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

	12/31/2017			12/31/2016		
(in millions of euros)	Parent company	Other	Total	Parent company	Other	Total
Related receivables	0.4	26.4	26.8	0.2	40.6	40.8
Related payables	1.1	0.5	1.6	1.0	-	1.0

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 €21.1 million.

11.2. Events after the balance sheet date

During their respective meetings held on February 9, 2018 and February 8, 2018, the Board of Directors of Icade and the Supervisory Board of ANF Immobilier approved the principle of a merger which, subject to satisfaction of certain conditions precedent, should take place before the summer of 2018.

According to the indicative range for the exchange ratio, the shareholders of ANF Immobilier would receive between 0.25 and 0.30 Icade share for 1 ANF Immobilier share.

11.3. Statutory Auditors' fees

	MAZARS				PRICEWATERHOUSE COOPERS AUDIT			
	(in millions of euros)		*(in %)*		*(in millions of euros)*		*(in %)*	
	2017	2016	2017	2016	2017	2016	2017	2016
Audit [(a)]								
Audit, certification, review of individual and consolidated financial statements								
Issuer	0.5	0.5	35.7%	41.7%	0.6	0.5	43.8%	46.3%
Fully-consolidated subsidiaries	0.7	0.5	51.9%	46.4%	0.7	0.4	51.9%	41.6%
Services other than the certification of financial statements [(a)]								
Issuer	0.1	0.1	7.5%	11.9%	0.1	0.1	4.3%	12.1%
Fully-consolidated subsidiaries	0.1	-	4.9%	-	-	-	-	-
TOTAL	**1.4**	**1.1**	**100.0%**	**100.0%**	**1.3**	**1.0**	**100.0%**	**100.0%**

(a) For the financial year 2017, these amounts include the Statutory Auditors' fees of the companies of the ANF group.

Services provided by the Board of Statutory Auditors to Icade SA and its controlled entities other than the certification of financial statements primarily include the provision of various certificates (covenants, net asset value, etc.), the independent third-party body report on social, environmental and societal disclosures, work performed in the context of bond issues (comfort letters) and due diligence assignments.

11.4. Scope of consolidation

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
COMMERCIAL PROPERTY INVESTMENT DIVISION						
ICADE	SA		Parent company		Full	
GIE ICADE MANAGEMENT	GIE	100.00	100.00		Full	100.00
BUSINESS PARKS						
BATI GAUTIER	SCI	100.00	100.00		Full	100.00
BASSIN NORD	SCI	50.00	50.00	Joint ventures	Equity	50.00
PARC DU 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
OFFICES						
ICADE LEO 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		Merged			100.00
MORIZET	SCI	100.00	100.00		Full	100.00
CAMILLE DESMOULINS	SCI	100.00	100.00		Full	100.00
1 TERRASSE BELLINI	SCI	33.33	33.33	Joint ventures	Equity	33.33
ICADE RUE DES MARTINETS	SCI	100.00	100.00		Full	100.00
ICADE TOUR EQHO	SAS	100.00	100.00		Full	100.00
LES TOVETS	SCI		Liquidation		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
ÉVRY MOZART	SCI	100.00	100.00		Full	100.00
SAS ICADE TMM	SAS	100.00	100.00		Full	
SCI ISSY HOLDING COEUR DE VILLE	SCI	49.00	49.00	Associates	Equity	
ANF IMMOBILIER GROUP						
SA ANF IMMOBILIER	SA	85.17	89.02		Full	
SNC LES BASSINS À FLÔTS	SNC	100.00	89.02		Full	
SCI LAFAYETTE	SCI	53.98	48.06		Full	
SCI STRATÈGE	SCI	53.98	48.06		Full	
SCI SILKY WAY	SCI	65.00	57.86		Full	
SCI FUTURE WAY	SCI	50.54	45.00		Full	
SCI NEW WAY	SCI	50.26	44.75		Full	
SCI ORIANZ	SCI	65.31	58.14		Full	
SCI FACTOR E.	SCI	65.31	58.14		Full	
SAS FINANCIÈRE DES BROTTEAUX	SAS	20.00	17.80	Associates	Equity	
RESIDENTIAL						
PAYS DE LOIRE	SCI		Liquidation		Full	100.00
SARVILEP	SAS	100.00	100.00		Full	100.00
SMDH	SASU		Merged		Full	100.00
ANF IMMOBILIER GROUP – HOTELS						
SCI ANF IMMOBILIER HOTELS	SCI	77.00	68.55		Full	
OTHER						
ICADE 3.0	SASU	100.00	100.00		Full	100.00
CYCLE-UP	SAS	50.00	50.00	Joint ventures	Equity	
DISCONTINUED OPERATIONS						
ICADE EXPERTISE – Consulting/engineering	SAS		Disposal		Full	100.00

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
SARL ANF REPUBLIQUE	SARL		Disposal			
HEALTHCARE PROPERTY INVESTMENT DIVISION						
ICADE SANTÉ	SAS	56.51	56.51		Full	56.51
SASU GVM SANTE	SASU		Merged			56.51
SAS CARRERE	SAS		Merged			
SCI SAINT-GERMOISE	SCI		Merged			
SAS FONCIÈRE MSR	SAS	100.00	56.51		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 BRUGUIERE	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'UZEGES	SCI	62.50	62.50		Full	62.50
SCI LES JARDINS D'HARMONY	SCI	100.00	100.00		Full	100.00
SCI CŒUR CATALUNA	SCI	100.00	100.00		Full	100.00
SNC MEDITÉRRANÉE 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 PLEIADES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LA POSÉIDON	SNC	100.00	100.00		Full	100.00
JARDINS D ALMERIA	SCI	50.00	50.00	Joint ventures	Equity	50.00
TERRASSES ALHAMBRA	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PARC	SCI	50.00	50.00	Joint ventures	Equity	50.00
LE PRINTEMPS DES ROUGIÈRES	SARL	96.00	96.00		Full	96.00
LES ALPINES	SCI	100.00	100.00		Full	100.00
SCI PRADO ROUET	SCI		Liquidation			50.00
SNC MONTBRILLAND	SNC	87.00	87.00		Full	87.00
SNC STE FOY – VALLON DES PRES	SNC	50.00	50.00	Joint ventures	Equity	50.00

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
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 ILÔT 3	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI GERLAND ILÔT 4	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI 460 AVENUE DE PESSICART	SCI	50.00	50.00	Joint ventures	Equity	50.00
PARC DU ROY D'ESPAGNE	SNC	50.00	50.00	Joint ventures	Equity	50.00
LE DOMAINE DU ROY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI JEAN DE LA FONTAINE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI 101 CHEMIN DE CREMAT	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PINATEL	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC 164 PONT DE 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 RESIDENCE DE L'HIPPODROME	SCI	75.00	75.00		Full	75.00
SCI COLOMBES ESTIENNES D'ORVES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VILLA DES GARDES	SCI	75.00	75.00		Full	75.00
SCI BOULOGNE SEINE D2	SCI	17.33	17.33	Associates	Equity	17.33
BOULOGNE VILLE A2C	SCI	17.53	17.53	Associates	Equity	17.53
BOULOGNE VILLE A2D	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2E	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2F	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B1	SCI	18.23	18.23	Associates	Equity	18.23
BOULOGNE 3-5 RUE DE LA FERME	SCI	13.21	13.21	Associates	Equity	13.21
BOULOGNE PARC B2	SCI	17.30	17.30	Associates	Equity	17.30
SCI Lieusaint Rue de Paris	SCI	50.00	50.00	Joint ventures	Equity	50.00
BOULOGNE PARC B3A	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B3F	SCI	16.94	16.94	Associates	Equity	16.94
SCI ROTONDE DE PUTEAUX	SCI	33.33	33.33	Joint ventures	Equity	33.33
SAS AD2B	SAS	100.00	100.00		Full	100.00
SCI CHÂTILLON AVENUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE – 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
LES TUILERIES	SCI	50.00	50.00	Joint ventures	Equity	50.00
ESSEY LES NANCY	SCI	75.00	75.00		Full	75.00
SCI LE CERCE DES ARTS – Housing	SCI	37.50	37.50		Full	37.50
LE CLOS STANISLAS	SCI	75.00	75.00		Full	75.00
LES ARCHES D'ARS	SCI	75.00	75.00		Full	75.00
ZAC DE LA FILATURE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LA SUCRERIE – Housing	SCI	37.50	37.50		Full	37.50
SCI LA JARDINERIE – Housing	SCI	37.50	37.50		Full	37.50
LES 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 ORLÉANS St JEAN LES CÈDRES	SCI	49.00	49.00	Joint ventures	Equity	49.00
RUE DE LA VILLE	SNC	100.00	99.99		Full	99.99
BEAU RIVAGE	SCI	100.00	99.99		Full	99.99
33 RUE DE LA RÉPUBLIQUE	SCI	55.00	55.00		Full	55.00

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
JARDINS DE LA SEIGNEURERIE	SCI	60.00	60.00		Full	60.00
RUE DU 11 NOVEMBRE	SCI	100.00	100.00		Full	100.00
RUE GUSTAVE PETIT	SCI	100.00	100.00		Full	100.00
RUE DEBLORY	SCI	100.00	100.00		Full	100.00
RUE DU MOULIN	SCI	100.00	100.00		Full	100.00
IMPASSE DU FORT	SCI	100.00	100.00		Full	100.00
RUE CHATEAUBRIAND	SCI	100.00	100.00		Full	100.00
SCI AVENUE DEGUISE	SCI	100.00	100.00		Full	100.00
LE GAND 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 RESID. SERVICE DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI RESID. HOTEL DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI LE VERMONT	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI HAGUENAU RUE DU FOULON	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC URBAVIA	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI GERTWILLER 1	SCI	50.00	50.00		Full	50.00
SCCV LES VILLAS DU PARC	SCCV	100.00	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00	100.00		Full	100.00
SCI SOPHIA PARK	SCI	50.00	50.00	Joint ventures	Equity	50.00
LES HAUTS DE L'ESTAQUE	SCI	51.00	51.00		Full	51.00
ROUBAIX RUE DE L'OUEST	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCV CHÂTILLON 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 COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 ABC COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 F	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 C1	SCI	16.94	16.94	Associates	Equity	16.94
LES CÔTEAUX DU VIGNOBLE	SAS		Liquidation			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 AUBEPINES	SCI	60.00	60.00		Full	60.00
SCI LES BELLES DAMES	SCI	66.70	66.70		Full	66.70
SCI PLESSIS LEON BLUM	SCI	80.00	80.00		Full	80.00
SCCV RICHET	SCCV	100.00	100.00		Full	100.00
SCI BOULOGNE PARC B4B	SCI	20.00	20.00	Associates	Equity	20.00
SCI ID	SCI	53.00	53.00		Full	53.00
SNC PARIS MACDONALD PROMOTION	SNC	100.00	100.00		Full	100.00
RESIDENCE LAKANAL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
COEUR DE VILLE	SARL	70.00	70.00		Full	70.00

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
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. Gal de GAULLE	SCCV		Disposal			20.00
SCI ARKADEA LA ROCHELLE	SCI	100.00	100.00		Full	100.00
SCCV FLEURY MEROGIS LOT1.1	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT1.2	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MEROGIS LOT3	SCCV	100.00	100.00		Full	100.00
SCI L'ENTREPÔT MALRAUX	SCI	65.00	65.00		Full	65.00
SCCV CERGY – LES PATIOS D'OR	SCCV	67.00	67.00		Full	67.00
MULHOUSE LES PATIOS D'OR	SCCV	40.00	40.00	Joint ventures	Equity	40.00
SCCV CLERMONT-FERRAND LA MONTAGNE	SCCV	90.00	90.00		Full	90.00
SCCV NICE GARE SUD	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SEP COLOMBES MARINE	SEP	25.00	25.00	Joint ventures	Equity	25.00
SCI CLAYE SOUILLY – L'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
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	51.00	51.00		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 SAINT FARGEAU 23 FONTAINEBLEAU	SCCV	70.00	70.00		Full	70.00
SCCV CARENA	SCCV	51.00	51.00		Full	51.00
SCCV BLACK SWANS TOUR C	SCCV	85.00	85.00		Full	85.00
SCCV TOURS RESIDENCE SENIOR MÉLIÈS	SCCV	99.96	99.96		Full	99.96
SCI CAEN LES ROBES D'AIRAIN	SCI	60.00	60.00		Full	60.00
SCI CAPITAINE BASTIEN	SCI	80.00	80.00		Full	80.00
SCCV THERESIANUM CARMELITES	SCCV	65.00	65.00		Full	65.00
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LILLE WAZEMMES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV ANTONY	SCCV	80.00	80.00		Full	80.00
SCCV SAINT FARGEAU LEROY BEAUFILS	SCCV	65.00	65.00		Full	65.00
SCI ST ANDRÉ LEZ LILLE – LES JARDINS DE TASSIGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV CARIVRY	SCCV	51.00	51.00		Full	51.00
SCCV L'ÉTOILE HOCHE	SCCV	60.00	60.00		Full	
SCCV LES PINS D'ISABELLA	SCCV	49.90	49.90	Joint ventures	Equity	
SCCV LES CÔTEAUX LORENTINS	SCCV	100.00	100.00		Full	

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
SCCV ROSNY 38-40 JEAN JAURÈS	SCCV	100.00	100.00		Full	
SCCV CARETTO	SCCV	51.00	51.00		Full	
SNC MASSY VILGENIS	SNC	50.00	50.00	Joint ventures	Equity	
SCCV MASSY CHATEAU	SCCV	50.00	50.00		Full	
SCCV MASSY PARC	SCCV	50.00	50.00	Associates	Equity	
SCCV NEUILLY S/MARNE QMB 10B	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV VITA NOVA	SCCV	70.00	70.00		Full	
SCCV NEUILLY S/MARNE QMB 1A	SCCV	44.45	44.45	Associates	Equity	
SCCV LE RAINCY RSS	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV LE MESNIL SAINT DENIS SULLY	SCCV	100.00	99.99		Full	
SCCV 1-3 RUE D'HOZIER	SCCV	45.00	40.06	Joint ventures	Equity	
SAS LE CLOS DES ARCADES	SAS	50.00	50.00	Joint ventures	Equity	
SCCV LE PETIT ROBINSON	SCCV	50.00	50.00		Full	
SCCV CUGNAUX – LEO LAGRANGE	SCCV	50.00	50.00	Joint ventures	Equity	
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
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		Merged			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
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	SAS	50.00	50.00	Joint ventures	Equity	50.00
SAMICADE GUADELOUPE	SNC	40.00	40.00	Joint ventures	Equity	40.00
CHRYSALIS DEVELOPPEMENT	SAS	35.00	35.00	Joint ventures	Equity	35.00
MACDONALD BUREAUX	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI 15 AVENUE DU CENTRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SAS CORNE OUEST VALORISATION	SAS	25.00	25.00	Associates	Equity	25.00
SAS ICADE-FF-SANTE	SAS	65.00	65.00		Full	65.00
SCI BOURBON CORNEILLE	SCI	100.00	100.00		Full	100.00
SCI SEINE CONFLUENCES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI ARKADEA FORT DE France	SCI	51.00	51.00		Full	51.00
SCCV SKY 56	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV OCEAN COMMERCES	SCCV	100.00	100.00		Full	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

Full = full consolidation Equity = equity method	Legal form	12/31/2017 % direct stake	% 2017 ownership interest	Joint ventures/ Associates	Method of consolidation	2016 % 2016 ownership interest
SAS OCEAN AMENAGEMENT	SAS	51.00	51.00		Full	51.00
SCI ARKADEA RENNES TRIGONNE	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CREPET	SCI	65.00	65.00	Joint ventures	Equity	65.00
SCCV LE SIGNAL/LES AUXONS	SCCV	51.00	51.00		Full	51.00
SCCV LA VALBARELLE	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SNC ISSY COEUR DE VILLE PROMOTION BUREAUX	SNC	49.00	49.00	Joint ventures	Equity	
ANF IMMOBILIER GROUP						
SAS ANF IMMOBILIER DÉVELOPPEMENT	SAS	100.00	89.02		Full	
SCCV HOTELS A1-A2	SCCV	50.00	44.51	Joint ventures	Equity	
SCCV BUREAUX B-C	SCCV	50.00	44.51	Joint ventures	Equity	
SCCV MIXTE D-E	SCCV	50.00	44.51	Joint ventures	Equity	

3. Statutory Auditors' report on the consolidated financial statements

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 includes information specifically required by European Regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2017

To the Shareholders of Icade,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Icade for the year ended December 31, 2017.

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 December 31, 2017 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.

The audit opinion expressed above is consistent with our report to the Audit, Risk Management and Sustainable Development Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation and impairment risk of investment properties (Notes 1.9, 1.11 and 4 to the consolidated financial statements)

Description of risk

At December 31, 2017, the carrying value of investment properties amounted to €9,176 million in the consolidated balance sheet, representing 82% of the Group's assets. Investment properties are held to earn rentals or for capital appreciation (or both).

Investment properties are recognised at cost less accumulated depreciation and any impairment, which is determined based on their fair value. Fair value is also used to determine key indicators of the Group's performance and financial situation, such as Net Asset Value and the Loan-to-Value ratio. Management has implemented procedures with the purpose to estimate the fair value of the investment properties portfolio, based on valuations performed by independent external appraisers and supplemented by an internal valuation process.

Measuring the fair value of a property asset is a complex estimation process. Thorough knowledge of the investment property market and significant judgement are required to determine the most appropriate assumptions, such as: yield rate, discount rate, estimated rental values, cost estimates for construction work to be carried out and the estimated date of completion (in particular, for investment property under development) and any lease incentives (rent-free periods, free leaseholds, etc.) granted to tenants.

We deemed the valuation and impairment risk of investment properties to be a key audit matter due to the materiality of the amounts recognised with respect thereto in the consolidated financial statements, the high degree of judgement and estimation involved in determining the main assumptions to be used and the potentially high sensitivity of the investment properties' fair value to these assumptions.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the process implemented by management to communicate data inputs to the external appraisers and reviewing the related values provided by said appraisers;
- collecting the external appraisers' engagement letters and assessing their competency and independence with respect to the Group;

- obtaining the appraisal valuation reports; critically assessing (i) the valuation methods used, (ii) the market inputs used (yield rate, discount rate, estimated rental values, etc.) and (iii) the asset-specific assumptions used (in particular, the cost estimates for construction work to be carried out and the estimated date of completion for investment properties under development); and testing, on a sample basis, the data used (construction costs, rental market conditions, etc.);
- conducting interviews with management and the external appraisers to discuss their valuation of the overall portfolio and the individual assets values with the most significant or unexpected fluctuations;
- verifying the amounts booked with respect to impairment;
- verifying the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Measurement of revenue and income from property development activities (Notes 1.6, 1.16 and 1.17 to the consolidated financial statements)

Description of risk

Revenue from property development activities amounted to €1,071.8 million in 2017, representing 65% of consolidated revenue.

The Group carries out its property development activities through construction contracts and off-plan sales *(French "VEFA"),* for which revenue and margins are booked based on the estimated percentage of the construction and commercial work completed as at the end of the year and recognised using the percentage of completion method. A provision for loss at completion is recognised when it is probable that the final overall cost of a project will be higher than the expected revenue.

The amounts recognised with respect to revenue, margins and provisions for loss at completion depend on the ability of management to optimally estimate the construction costs incurred on a project as at the reporting date and to reliably estimate the construction costs still to be incurred as well as the amount of any future revenue until the end of the project. This is notably the case for projects with specific characteristics or significant deviations from initial estimates, in terms of construction costs or the percentage of completion of construction or commercial work.

We deemed the measurement of revenue and income from property development activities to be a key audit matter due to the materiality of the corresponding amounts recognised in the consolidated financial statements, the number of ongoing projects and the high degree of judgement and estimation involved in forecasting revenue and final construction costs.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the processes implemented by management to estimate revenue and construction costs and selecting a sample of operations to review the components of the cost, forecast estimated revenue and the percentage of completion of construction and commercial work;
- for those of the operations for which we pay attention (as an example, because of significant or unusual changes in costs or in the percentage of completion of construction or commercial work), performing additional procedures, including conducting interviews with management and, where appropriate, gathering supporting evidence to confirm our understanding of the percentage of completion of such operations and to verify that they have been properly recognised in the consolidated financial statements;
- on the basis of all operating budgets, ensuring the proper recognition of revenue and margins to be booked using the percentage of completion method and of losses at completion;
- verifying the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Accounting treatment of the acquisition of ANF Immobilier (Note 2.1 to the consolidated financial statements)

Description of risk

The Group took control of ANF Immobilier in 2017 and held 85.13% of the share capital by December 31, 2017 for a total purchase price of €358.3 million. ANF Immobilier is a property investment company which manages a property portfolio valued at €641.3 million as at December 31, 2017.

The accounting treatment of the first-time consolidation of ANF Immobilier requires that its assets, liabilities and contingent liabilities be measured and recognised at their fair value at the acquisition date. These measurements, in particular the investment property portfolio valuations for which management has entrusted external property appraisers, are complex and include estimates.

For the first consolidation of ANF Immobilier in the Group's consolidated accounts, the following had to be taken into consideration:

- ANF Immobilier's property portfolio has been booked at fair value, which requires the same significant judgements as those described above in the "valuation and impairment risk of investment properties" key audit matter;
- as the Group applies the cost accounting method, the gross value of investment properties was split between land and buildings and the gross value of buildings was then allocated into separate components (structural works, external structures, general and technical equipment, etc.), which each have their own duration of use. This process, which determines the future depreciation charge that will be recognised with respect to ANF Immobilier's property portfolio and for which the Group has entrusted to external appraisers, involves significant judgement.

We deemed the accounting treatment of the acquisition of ANF Immobilier to be a key audit matter due to the high degree of judgement involved in the estimations made (in particular, with respect to the fair value of properties), breaking down properties into their components and determining their duration of use and identifying and measuring ANF Immobilier liabilities and contingent liabilities.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the process implemented by management to identify and measure the assets, liabilities and contingent liabilities of ANF Immobilier to be recognised in the Group's consolidated financial statements with respect to the business combination;
- analysing contracts between the Group and the other parties to the transaction and discussing with the management the particulars of this business combination;
- with respect to ANF Immobilier's investment property portfolio, performing procedures similar to those described above in the "valuation and impairment risk of investment properties" key audit matter and critically assessing, on a sample basis, the division by component of ANF Immobilier's property portfolio and the related duration life of use;
- verifying the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Verification of the information pertaining to the Group presented in the management report

As required by law and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Icade by the General Meetings held on March 22, 2006 for Mazars and June 22, 2012 for PricewaterhouseCoopers Audit.

As at December 31, 2017, Mazars and PricewaterhouseCoopers Audit were in the twelfth year and the sixth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it expects to liquidate the Group or to cease operations.

The Audit, Risk Management and Sustainable Development Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit, Risk Management and Sustainable Development Committee

We submit a report to the Audit, Risk Management and Sustainable Development Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Risk Management and Sustainable Development Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Risk Management and Sustainable Development Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit, Risk Management and Sustainable Development Committee.

Paris La Défense and Neuilly-sur-Seine, March 16, 2018

The Statutory Auditors

Mazars
Gilles RAINAUT

PricewaterhouseCoopers Audit
Éric BULLE

7.

SEPARATE ANNUAL FINANCIAL STATEMENTS

1. Financial statements

Balance sheet

Assets (in thousands of euros)	Notes	Gross amount	Depreciation and impairment	Net amount as of 12/31/2017	Net amount as of 12/31/2016
Uncalled capital (I)		-	-	-	-
FIXED ASSETS					
Intangible fixed assets					
Research and development costs		-	-	-	-
Concessions, patents and similar rights		9	9	-	-
Real property rights and technical merger deficits	2.2	16,724	15,886	838	-
Other intangible fixed assets		177	-	177	14
Advances and down payments on intangible fixed assets		-	-	-	-
TOTAL INTANGIBLE FIXED ASSETS	3	16,910	15,895	1,015	14
Tangible fixed assets					
Land		1,228,732	83,361	1,145,371	1,059,572
Buildings		3,245,710	1,192,337	2,053,373	2,020,544
Other tangible fixed assets	2.2	1,050,901	191,927	858,974	834,320
Assets under construction		237,678	5,107	232,571	151,018
Advances and down payments on tangible fixed assets		6,065	-	6,065	6
TOTAL TANGIBLE FIXED ASSETS	3	5,769,086	1,472,732	4,296,354	4,065,460
Financial fixed assets					
Equity investments	4	2,633,069	115,763	2,517,306	2,108,273
Receivables associated with equity investments	5.1	1,235,844	3,890	1,231,954	1,236,475
Other long-term securities		-	-	-	-
Loans		199	-	199	199
Other financial fixed assets (including treasury shares)		17,242	1,630	15,612	14,130
Advances and down payments on financial fixed assets		-	-	-	-
TOTAL FINANCIAL FIXED ASSETS		3,886,354	121,283	3,765,071	3,359,077
TOTAL FIXED ASSETS (II)		**9,672,350**	**1,609,910**	**8,062,440**	**7,424,551**
CURRENT ASSETS					
Inventories					
Raw materials and supplies		-	-	-	-
Land and land bank	3.6	1,009	60	949	997
Advances and down payments on orders		**6,278**	-	**6,278**	**5,036**
Receivables					
Accounts receivable and related accounts	6.1	126,857	23,906	102,951	98,546
Other receivables	6.1	87,873	351	87,522	46,289
Group and associates	5.1	306,916	-	306,916	494,890
Called-up capital		-	-	-	-
Miscellaneous					
Investment securities (including treasury shares)		4	-	4	-
Derivative instruments	7.1.1	29,638	623	29,015	62,998
Cash assets	7.1.2	231,079	-	231,079	205,381
Accruals and prepayments					
Prepaid expenses		3,492	-	3,492	1,588
TOTAL CURRENT ASSETS (III)		**793,146**	**24,940**	**768,206**	**915,725**
Deferred charges (IV)	7.1.3	20,321	-	20,321	20,232
Bond redemption premiums (V)	7.1.3	17,501	-	17,501	14,424
TOTAL ASSETS (I TO V)		**10,503,318**	**1,634,850**	**8,868,468**	**8,374,932**

Liabilities (in thousands of euros)	Notes	12/31/2017	12/31/2016
EQUITY			
Share capital	8.1	112,967	112,967
Share premiums, merger premiums, contribution premiums, etc.		2,690,667	2,690,667
Revaluation differences		185,729	185,729
Legal reserve		11,297	11,297
Reserves required by the Articles of Association or contractually		-	-
Regulated reserves		-	-
Other reserves		-	-
Retained earnings		279,143	452,926
Including interim dividends		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		128,616	121,835
TOTAL		**3,408,419**	**3,575,421**
Government investment grants		6,798	6,944
Regulated provisions		6,256	2,011
TOTAL EQUITY (I)	8.3	3,421,473	3,584,376
OTHER EQUITY INSTRUMENTS			
Bonds redeemable in shares		-	-
Conditional advances		-	-
TOTAL OTHER EQUITY INSTRUMENTS (II)		-	-
PROVISIONS FOR LIABILITIES AND CHARGES			
Provisions for liabilities		19,962	18,505
Provisions for charges		3,394	3,908
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (III)	9	23,356	22,413
DEBT			
Financial liabilities	**7.2**		
Other bonds		3,378,349	2,821,635
Loans and borrowings from credit institutions		806,479	806,486
Miscellaneous borrowings and financial liabilities		743,827	661,715
Group and associates		229,606	240,605
Operating liabilities	**6.3**		
Advances and down payments received for work in progress		35,432	34,746
Accounts payable and related accounts		51,702	54,433
Tax and social security liabilities		25,483	19,686
Liabilities on fixed assets and related accounts		90,638	67,322
Other liabilities		25,799	26,506
Miscellaneous			
Derivative instruments		14	9
Accruals and prepayments			
Prepaid income		36,310	35,000
TOTAL DEBT (IV)		5,423,639	4,768,143
TOTAL LIABILITIES (I TO IV)		**8,868,468**	**8,374,932**

Income statement

(in thousands of euros)	Notes	12/31/2017	12/31/2016
Operating income			
Revenue	11.1.1	284,242	295,866
Capitalised production		-	-
Government operating grants		-	-
Reversals of depreciation and provision, reclassification of expenses		134,611	89,404
Other operating income		93,977	105,217
TOTAL OPERATING INCOME		512,830	490,487
Operating expenses			
Purchases and changes in inventory		61,454	65,291
Outside services		85,523	80,614
Taxes, duties and similar payments		47,659	54,878
Wages and salaries	10.1	4,252	4,572
Social security expenses	10.1	1,807	1,456
Depreciation and impairment charges		193,847	225,955
Impairment charges on current assets		18,900	2,928
Provisions for liabilities and charges		2,110	8,327
Other expenses		12,461	2,424
TOTAL OPERATING EXPENSES		428,013	446,445
OPERATING PROFIT/(LOSS)	**11.1.2**	**84,817**	**44,042**
Joint operations			
Profit or loss borne		-	-
Finance income			
Finance income from equity investments		178,603	297,731
Income from other securities and fixed asset receivables		-	-
Other interest and similar income		7,158	3,951
Reversals of provisions, impairment and reclassification of expenses		2,748	75,591
Net gains on disposal of investment securities		158	1,836
TOTAL FINANCE INCOME		188,667	379,109
Finance expenses			
Depreciation, impairment and provision charges for financial assets		7,597	16,869
Interest and similar expenses		136,654	192,934
Net losses on disposals of investment securities		18	2,164
TOTAL FINANCE EXPENSES		144,269	211,967
FINANCE INCOME/(EXPENSE)	**11.2**	**44,398**	**167,142**
RECURRING PROFIT/(LOSS) BEFORE TAX		**129,215**	**211,184**
Non-recurring income			
Non-recurring income from management transactions		10	11
Non-recurring income from capital transactions		29,943	489,726
Reversals of provisions, impairment and reclassification of expenses		451	332
TOTAL NON-RECURRING INCOME		30,404	490,069
Non-recurring expenses			
Non-recurring expenses from management transactions		3	399
Non-recurring expenses from capital transactions		47,383	570,010
Non-recurring depreciation, impairment and provision charges		4,244	2,804
TOTAL NON-RECURRING EXPENSES		51,630	573,213
NON-RECURRING PROFIT/(LOSS)	**11.3**	**(21,226)**	**(83,144)**
Employee profit-sharing plans		-	-
Corporate tax		(20,627)	6,205
TOTAL INCOME		**731,901**	**1,359,665**
TOTAL EXPENSES		**603,285**	**1,237,830**
NET PROFIT/(LOSS)		**128,616**	**121,835**

2. Notes to the financial statements

Note 1. Main events of the financial year

1.1. Acquisition of ANF

On October 23, 2017, Icade ("the Company") completed the off-market acquisition of Eurazeo's controlling interest in ANF Immobilier at a price of €22.15 per share, i.e. 9,596,267 shares representing the same number of this company's voting rights, i.e. 50.48% of the share capital and 50.23% of the voting rights [1].

Following this acquisition, Icade crossed over the thresholds of 30% and 50% of the share capital and voting rights of ANF Immobilier, and as a result, it filed with the AMF a simplified public tender offer for ANF Immobilier shares on October 25, 2017.

On November 13, 2017, Icade acquired from Caisse d'Épargne CEPAC 1,219,914 shares representing the same number of the voting rights of ANF Immobilier (i.e. 6.42% of the share capital and 6.39% of the voting rights) through an off-market acquisition at the same price of €22.15 per share.

Lastly, the tender offer took place from November 16, 2017 to December 6, 2017, at the same price of €22.15 per share. Immediately following this offer, Icade owned 16,091,464 shares representing the same number of voting rights of ANF Immobilier, i.e. 84.65% of the share capital and at least 84.28% of this company's voting rights [2].

Following the acquisitions of ANF Immobilier shares made as part of the share purchase mandate signed between Icade and Natixis on December 19, 2017, Icade owned 16,190,546 shares representing 85.17% of the share capital and 84.91% of the voting rights as of December 31, 2017. All these shares were purchased at a price that was less than €22.15 per share.

As of December 31, 2017, the net carrying amount of Icade's investment in the company ANF Immobilier stood at €358,288 thousand.

1.2. Receivable from the French state for the refund of the tax on dividends

By decision No. 1017-660 relating to the priority preliminary ruling on constitutionality (QPC) of October 6, 2017, the French Constitutional Council held that the 3% tax paid on distributed dividends was contrary to the French Constitution. Consequently, the French tax authorities must refund the amounts paid for this tax and for which a claim has been made within the applicable limitation period. These refunds are coupled with penalty interest of 4.80% (until December 31, 2017) calculated from the payment date of the contribution by the companies involved.

Icade has submitted a number of refund requests to the French tax authorities for the financial years 2014 to 2017 for a total principal amount of €25,039 thousand and penalty interest of €2,306 thousand, calculated based on a rate of 4.80%. As a result, a total amount of €27,345 thousand was recorded on the balance sheet.

After deducting the 2017 contribution, the impact on the income statement amounts to €20,562 thousand, presented under the heading "corporate tax".

1.3. Financing put in place in the financial year 2017 and restructuring of financial liabilities

In 2017, Icade:

- issued a Green Bond for a total of €600,000 thousand, with a maturity of 10 years and an annual coupon of 1.50%. These funds were raised with an 80-bp spread over the reference rate and a near-zero premium;
- took out four new debt facilities from major banking institutions for a total of €300,000 thousand with an average maturity of seven years and variable rates based on the 3-month Euribor plus an average margin of 0.80%.

Furthermore, in 2017, Icade:

- repaid €401,736 thousand in bank debt, including €279,719 thousand in prepayments;
- redeemed the remaining Ornane bonds for €44,845 thousand.

(1) Based on the total number of shares and theoretical voting rights (i.e. voting rights calculated in accordance with the provisions of Article 223-11 of the AMF General Regulation) as of October 23, 2017 (following the acquisition of the controlling interest and the loss of 1,436,172 double voting rights attached to some of the shares sold by Eurazeo) published by the Company on October 24, 2017, i.e. 19,009,271 shares and 19,105,108 theoretical voting rights.

(2) Based on share capital composed of 19,009,271 shares representing 19,092,888 voting rights, in accordance with paragraph 2 of Article 223-11 of the AMF General Regulation.

1.4. 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
ICADE REIM DEUTSCHLAND	-	Dissolution by voluntary liquidation	05/18/2017	05/18/2017	Capital gain of €333 thousand
SCI DES PAYS DE LOIRE	-	Dissolution by voluntary liquidation	07/28/2017	07/28/2017	Capital loss of €181 thousand
SCI ICADE-69 BD HAUSSMANN	07/21/2017	Transfer of all assets (dissolution without liquidation decision on 07/21/2017)	08/31/2017	08/31/2017	Merger reserve of €4,099 thousand
SASU SMDH	07/21/2017	Transfer of all assets (dissolution without liquidation decision on 07/21/2017)	08/31/2017	08/31/2017	Merger deficit of €624 thousand
SCI LES TOVETS	-	Dissolution by voluntary liquidation	12/14/2017	12/14/2017	Capital gain of €486 thousand

Note 2. Accounting methods and principles

2.1. Standards applied

The annual financial statements of the Company were prepared as of December 31, 2017 in accordance with the requirements of the French Commercial Code, the general chart of accounts and other applicable requirements. They were approved by the Board of Directors of Icade on February 9, 2018. The previous annual financial statements reported by Icade on December 31, 2016 had been prepared and approved using the same principles and methods, with the exception of Regulation No. 2015-05 of the French Accounting Standards Authority (ANC), which did not have a significant impact on the financial statements.

2.2. 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 to prepare its financial statements mainly related 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.

2.3. 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 carried out by the company Icade Santé and its subsidiaries.

Other operating income is mainly composed of the following three types of income:

- service charges and taxes recharged to tenants as part of leases;
- expenses incurred on behalf of subsidiaries and recharged to them;
- royalties for the Icade trademark.

2.4. 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 property rights and technical merger deficits" consists of:

- 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;
- a technical merger deficit allocated to a real estate finance lease (Axe Seine building in Nanterre).

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 liabilities is recorded as a liability.

Real property 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 amount again becomes higher than the net carrying amount.

2.5. 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, which are depreciated on a straight-line basis over five years.

In accordance with ANC Regulation No. 2014-03, the properties are recognised at cost, less accumulated 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:

	Offices			
Components	Haussmann 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 in order to vacate premises for a potential future tenant; it is then recognised as an expense for 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.

Government investment grants

Government 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 amount 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 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 might have to fully or partially reverse in the next financial statements, Icade only recognises an impairment loss if the unrealised capital loss on 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 net 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 corresponding to registration fees and other acquisition costs is not recognised as an impairment loss.

2.6. 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 next 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 next 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 next break option.

Any expenses directly incurred and paid to third parties to set 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 next break option.

2.7. 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 those of borrowings taken out for the purpose of building specific assets. The capitalised amount may not exceed the amount of costs actually borne.

2.8. 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 the investment in 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 investments in listed companies, the recoverable amount is determined on the basis of the average price over the last month of the financial year.

For investments 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.

2.9. 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.

2.10. 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.

2.11. 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.

2.12. 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 the potential impairment at the balance sheet date. Impairment losses are recognised for unrealised capital losses.

2.13. 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 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.

2.14. 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 rates;
- mortality tables;
- rates of return on plan assets.

Actuarial gains or losses are recognised as profit or loss for 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 the agreements currently in place for the Icade group.

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2.15. 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 and 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.

2.16. 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”.

2.17. Tax

Icade is eligible for the tax regime for French listed real estate investment companies (SIICs) (provided for by Article 208 C of the French General Tax Code).

In return for exemption from corporate tax, the application of the SIIC tax regime entails specific dividend payment obligations, and the immediate recognition of an exit tax expense calculated at a rate of 19% 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 financial year on which the Company begins to apply the tax regime and the remainder is spread over the following three financial years.

The specific dividend payment obligations are as follows:

- 95% of profits from leasing activities;
- 60% of capital gains on disposals;
- 100% of dividends paid by subsidiaries which have opted for 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.

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)	12/31/2016	Increases, acquisitions, asset creations	Decreases, disposals or scrapped assets	Transfer from one line item to another	12/31/2017
Intangible fixed assets	9	-	-	-	9
Real property rights and technical merger deficits	16,724	-	-	-	16,724
Including technical merger deficits on intangible fixed assets	*13,030*	-	-	-	*13,030*
Other intangible fixed assets	14	163	-	-	177
INTANGIBLE FIXED ASSETS	16,747	163	-	-	16,910
Land	1,161,811	99,225	(9,253)	(23,050)	1,228,732
Buildings	1,986,241	27,698	(51,737)	54,688	2,016,890
Fixtures and fittings	1,176,066	9,225	(46,799)	90,328	1,228,820
Other tangible fixed assets	1,092,470	-	(41,577)	8	1,050,901
Including technical merger deficits on land	*469,608*	-	*(4,452)*	-	*465,156*
Including technical merger deficits on buildings, fixtures and fittings	*621,701*	-	*(37,124)*	-	*584,576*
Tangible fixed assets under construction and advances on tangible fixed assets	155,603	214,564	(4,451)	(121,973)	243,743
TANGIBLE FIXED ASSETS	5,572,191	350,712	(153,817)	-	5,769,086
TOTAL GROSS FIXED ASSETS	**5,588,938**	**350,875**	**(153,817)**	**-**	**5,785,996**

As of December 31, 2017, real property rights included €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 2017, the amount of borrowing costs included in the gross value of fixed assets totalled €675 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	12/31/2017
Offices	55,878	114,697	22,708	50,743	244,026
Business parks	-	-	40,651	65,603	106,254
Other property assets	-	-	-	424	424
INVESTMENTS IN PROPERTY ASSETS	55,878	114,697	63,359	116,770	350,704
Other tangible fixed assets	-	-	-	-	-
TOTAL INVESTMENTS	**55,878**	**114,697**	**63,359**	**116,770**	**350,704**

In the financial year 2017, Icade acquired the Arc Ouest building (building D) for €55,828 thousand.

Off-plan property acquisitions related to:

- the two Go Spring buildings with the recognition of a fixed asset of €42,056 thousand. The building B was completed in March 2017 and the building A is scheduled for completion in January 2019;
- the building located on avenue Gambetta in Paris, with the recognition of a fixed asset of €71,169 thousand;
- the Eko Active building in Marseille, with the recognition of a fixed asset of €1,471 thousand.

Projects under development related mainly to the following buildings: Crystal Park for €27,586 thousand, Pulse for €22,452 thousand, Origine for €16,758 thousand, and Défense 4-5-6 for €7,696 thousand.

Other investments, which added up to €116,770 thousand, related primarily to:

- works to business parks in operation for a total of €60,048 thousand (including Portes de Paris for €20,685 thousand, Rungis for €18,086 thousand, Paris Nord for €7,808 thousand and Pont de Flandre for €7,141 thousand);
- works to office buildings in operation for €8,372 thousand;
- lease incentives for €4,954 thousand;
- broker fees for €3,287 thousand.

3.3. Depreciation and impairment of intangible and tangible fixed assets

Depreciation and impairment (in thousands of euros)	12/31/2016	Depreciation and impairment charges	Decreases	Transfer from one line item to another	12/31/2017
Intangible fixed assets	(9)	-	-	-	(9)
Real property rights and technical merger deficits	(16,724)	(74)	912	-	(15,886)
Including technical merger deficits on intangible fixed assets	(13,030)	-	-	-	(13,030)
Other intangible fixed assets	-	-	-	-	-
INTANGIBLE FIXED ASSETS	(16,734)	(74)	912	-	(15,895)
Land	(102,239)	(1,428)	20,306	-	(83,361)
Buildings	(521,031)	(61,217)	39,940	-	(542,309)
Fixtures and fittings	(620,731)	(72,851)	43,553	-	(650,028)
Other tangible fixed assets	(258,150)	(52,659)	118,882	-	(191,927)
Including technical merger deficits on land	*(169,503)*	*(84)*	*72,067*	-	*(97,520)*
Including technical merger deficits on buildings, fixtures and fittings	*(87,585)*	*(52,385)*	*46,815*	-	*(93,155)*
Tangible fixed assets under construction and advances on tangible fixed assets	(4,579)	(528)	-	-	(5,107)
TANGIBLE FIXED ASSETS	(1,506,731)	(188,682)	222,681	-	(1,472,732)
DEPRECIATION AND IMPAIRMENT	**(1,523,465)**	**(188,756)**	**223,594**	**-**	**(1,488,627)**
NET CARRYING AMOUNTS OF FIXED ASSETS	**4,065,473**	**162,119**	**69,777**	**-**	**4,297,369**

3.4. Impairment losses by type of property asset

Impairment losses by type of property asset (in thousands of euros)	12/31/2016	Charges	Reversals relating to assets sold	Other reversals	Transfer from one line item to another	12/31/2017
Offices	(139,664)	(2,599)	2,701	43,460	(23,348)	(119,451)
Business parks	(182,914)	(79)	19,611	42,305	23,348	(97,728)
Other property assets	(12,815)	18	3,372	2,302	-	(7,125)
PROPERTY ASSETS	(335,393)	(2,660)	25,683	88,067	-	(224,303)
Other tangible fixed assets	-	-	-	-	-	-
TOTAL	**(335,393)**	**(2,660)**	**25,683**	**88,067**	**-**	**(224,303)**

3.5. Gains or losses on disposals of property assets

Gains or losses on disposals of property assets (in thousands of euros)	12/31/2017	12/31/2016
Selling price of property assets	24,406	455,577
Net carrying amounts of assets sold or scrapped	(44,015)	(535,974)
Disposal costs	(758)	(8,591)
GAINS OR LOSSES ON DISPOSALS	(20,368)	(88,988)
Reversals of impairment losses on property assets and receivables recognised on a straight-line basis	26,018	25,372
GAINS OR LOSSES ON DISPOSALS AFTER REVERSALS OF IMPAIRMENT LOSSES	**5,650**	**(63,616)**

In the financial year 2017, Icade sold the warehouse located in Saint-Quentin Fallavier, the Arago tower in La Défense and the Les Bourgognes building in Colombes for an aggregate amount of €17,676 thousand. Disposals of residential assets amounted to €6,669 thousand.

In 2016, Icade had 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.

3.6. Unrealised capital gains on property assets

Unrealised capital gains on property assets (in thousands of euros)	12/31/2017 Appraised or agreed values	Net carrying amounts (including special depreciation allowances, provisions and outstanding principal amount for finance leases)	Unrealised capital gains
Offices	2,786,631	2,371,484	415,147
Business parks	2,806,486	1,941,430	865,056
Other property assets	69,402	20,927	48,475
PROPERTY ASSETS RECORDED AS FIXED ASSETS	5,662,519	4,333,841	1,328,678
Land bank inventory	6,024	949	5,075
TOTAL PROPERTY PORTFOLIO	**5,668,543**	**4,334,790**	**1,333,753**

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)	12/31/2016	Mergers and contributions	Creations, acquisitions, capital increases	Decreases, disposals	12/31/2017	Dividends and profits allocated to Icade
Consolidated property investment companies	2,065,471	(25,838)	440,793	(586)	2,479,840	97,706
Consolidated property development companies	135,089	-	-	-	135,089	22,912
Companies of the Property Services Division	500	-	-	(500)	-	-
Non-consolidated companies	19,778	-	-	(1,638)	18,140	166
TOTAL EQUITY INVESTMENTS	**2,220,839**	**(25,838)**	**440,793**	**(2,724)**	**2,633,069**	**120,784**

The main changes related to:

- the acquisition of the company ANF for €358,288 thousand. As of December 31, 2017, Icade owned 85.17% of the share capital of the company;
- the recapitalisation of the company Icade Camille Desmoulins for €12,038 thousand following debt restructuring;
- increase in the capital of Icade Santé of €56,512 thousand to finance its growth;
- creation of the company Icade TMM whose purpose is to acquire condominium units in the Maine Montparnasse tower in Paris for €13,200 thousand;
- creation—in partnership with Egis—of the company Cycle-up whose purpose is to promote the recycling of building materials, for €750 thousand;
- disposal of the investment in Icade Expertise on January 3, 2017 for €301 thousand;
- disposal of investments in six non-consolidated companies holding public-private partnership projects, for a total of €4,337 thousand.

The change relating to legal restructuring amounted to €(25,838) thousand and mainly related to the companies Icade 69 Boulevard Haussmann and SMDH. Lastly, the consolidated companies SCI Pays de Loire and SCI Les Tovets were liquidated for a total of €(586) thousand.

4.2. Impairment of equity investments

Impairment of equity investments (in thousands of euros)	12/31/2016	Charges	Reversals	12/31/2017
Consolidated property investment companies	112,368	3,870	(479)	115,759
Consolidated property development companies	-	-	-	-
Companies of the Property Services Division	193	-	(193)	-
Non-consolidated companies	4	-	-	4
IMPAIRMENT OF EQUITY INVESTMENTS	**112,565**	**3,870**	**(672)**	**115,763**

As regards property investment companies, impairment losses on equity investments include, among others, €1,817 thousand for Sarvilep, a company holding a residential property development project, and €1,052 thousand for SCI Mozart. Reversals of impairment losses include a reversal of €479 thousand for SCI Pays de Loire and €193 thousand for Icade Expertise.

4.3. Gains or losses on disposals of equity investments

Gains or losses on disposals of equity investments (in thousands of euros)	12/31/2017	12/31/2016
Selling price of equity investments	5,391	34,002
Net carrying amounts of investments sold	(2,724)	(20,648)
Disposal costs	114	(3,917)
GAINS OR LOSSES ON DISPOSALS	2,781	9,436
Reversals of impairment losses on equity investments	672	11,524
GAINS OR LOSSES ON DISPOSALS AFTER REVERSALS OF IMPAIRMENT LOSSES	**3,453**	**20,961**

In 2017, proceeds from disposals related primarily to six public-private partnership companies for €4,337 thousand and generated a capital gain of €2,706 thousand. Reversals of impairment losses related to the disposal of Icade Expertise and the liquidation of SCI Pays de Loire.

In 2016, the proceeds from disposals of companies from the Property Services Division added up to €30,716 thousand, resulting in a gain of €7,709 thousand. These equity investments showed an accumulated impairment loss of €11,524 thousand.

Reversals of impairment losses are recognised as finance income.

Note 5. Intra-group financing

5.1. Financing granted to subsidiaries and equity investments

Financing granted to subsidiaries and equity investments (in thousands of euros)	12/31/2016	Subscriptions, increases	Repayments, decreases	12/31/2017	Finance interest
Financing of operating assets					
Consolidated property investment companies	1,131,215	117,293	(121,781)	1,126,727	33,720
Consolidated property development companies	100,033	100,000	(100,033)	100,000	1,572
Non-consolidated companies	9,117	-	-	9,117	-
TOTAL RECEIVABLES ASSOCIATED WITH EQUITY INVESTMENTS	**1,240,365**	**217,293**	**(221,814)**	**1,235,844**	**35,292**
Financing of development projects					
Consolidated property investment companies	354,429	25,787	(172,052)	208,164	3,595
Consolidated property development companies	37,945	-	(11,115)	26,830	1,075
Non-consolidated companies	3,796	-	(3,755)	41	220
CASH ADVANCES (I)	396,170	25,787	(186,922)	235,035	4,890
Financing of subsidiaries' working capital requirements					
Consolidated property investment companies	13,321	13,239	(14)	26,546	72
Consolidated property development companies	-	-	-	-	-
Non-consolidated companies	-	-	-	-	-
CASH-POOLING (II)	13,321	13,239	(14)	26,546	72
Share of profits of partnerships and dividends to be received					
Consolidated property investment companies	85,399	45,335	(85,399)	45,335	-
Consolidated property development companies	-	-	-	-	-
Non-consolidated companies	-	-	-	-	-
SHARE OF PROFITS AND DIVIDENDS TO BE RECEIVED (III)	85,399	45,335	(85,399)	45,335	-
TOTAL GROUP AND ASSOCIATES (IV=I+II+III)	**494,890**	**84,361**	**(272,335)**	**306,916**	**4,962**

Following the completion of several development projects, two long-term intra-group loans were arranged:

- a €100,000 thousand loan to finance the Véolia building held by SCI 68 Victor Hugo;
- a €16,250 thousand loan to finance the Open building (Icade's new headquarters building) held by Icade Camille Desmoulins.

In addition, a €100,000 thousand long-term loan was granted by Icade to the company Icade Promotion.

The increase in cash advances to property investment companies mainly related to the acquisition by Icade TMM, in December 2017, of a number of condominium units in the Maine Montparnasse tower for a total of €13,400 thousand. The declines related to repayments from SCI Bassin Nord for €(21,756) thousand and Icade Camille Desmoulins for €(22,100) thousand and to the refinancing of SCI 68 Victor Hugo for €(120,343) thousand.

5.2. Impairment of receivables associated with equity investments

Impairment of receivables associated with equity investments (in thousands of euros)	12/31/2016	Charges	Reversals	12/31/2017
Consolidated property investment companies	-	-	-	-
Consolidated property development companies	-	-	-	-
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)	12/31/2016	Increases	Decreases	12/31/2017	2017 interest expenses
Financing of Icade's working capital requirements					
Consolidated property investment companies	213,128	113,651	(112,244)	214,535	-
Consolidated property development companies	3,087	1,144	-	4,231	-
Non-consolidated companies	1,313	-	-	1,313	-
CASH-POOLING	217,528	114,795	(112,244)	220,079	-
Share of profits of partnerships				-	
Consolidated property investment companies	23,057	9,507	(23,057)	9,507	-
Consolidated property development companies	-	-	-	-	-
Non-consolidated companies	20	-	-	20	-
SHARE OF PROFITS	23,077	9,507	(23,057)	9,527	-
GROUP AND ASSOCIATES	**240,605**	**124,302**	**(135,301)**	**229,606**	**-**

Note 6. Maturities of assets and liabilities, impairment of other assets

6.1. Asset maturities

Asset maturities (in thousands of euros)	12/31/2017					
	Total	< 1 year	Between 1 and 5 years	> 5 years	*including accrued income*	12/31/2016
Receivables associated with equity investments	1,235,844	83,423	634,441	517,980	*7,749*	1,240,365
Other long-term securities	-	-	-	-	-	-
Loans	199	100	77	23	-	199
Other financial fixed assets	17,242	17	137	17,088	-	17,160
including treasury shares	*16,339*	-	-	*16,339*	-	*16,339*
Advances and down payments on financial fixed assets	-	-	-	-	-	-
FIXED ASSETS	1,253,285	83,540	634,654	535,091	*7,749*	1,257,725
Advances and down payments made and credit notes to be received	6,278	6,278	-	-	-	5,036
Accounts receivable	126,857	126,857	-	-	*111,632*	106,754
Staff and related accounts	52	52	-	-	-	20
Social security and other social agencies	-	-	-	-	-	-
State – Corporate tax	32,141	32,141	-	-	-	16,079
State – Value-added tax	44,877	44,877	-	-	-	20,560
State – Other taxes and duties	926	926	-	-	*654*	1,185
Miscellaneous debtors	9,875	9,875	-	-	*3,252*	8,713
Group and associates	306,916	306,916	-	-	*955*	494,890
Derivative instruments	29,638	6,267	23,371	-	*(10)*	63,613
Prepaid expenses	3,492	3,492	-	-	-	1,588
CURRENT ASSETS	561,054	537,682	23,371	-	*116,482*	718,438
DEFERRED CHARGES AND BOND REDEMPTION PREMIUMS	37,822	6,053	19,146	12,623	-	34,656
TOTAL RECEIVABLES	**1,852,161**	**627,275**	**677,172**	**547,714**	***124,231***	**2,010,819**

Intra-group accounts receivable stood at €9,421 thousand as of December 31, 2017.

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)	12/31/2016	Charges	Reversals	Other changes	12/31/2017	Bad debt
Treasury shares	3,030	-	(1,401)	-	1,629	-
Loans	-	-	-	-	-	-
IMPAIRMENT LOSSES ON OTHER FINANCIAL FIXED ASSETS	**3,030**	**-**	**(1,401)**	**-**	**1,629**	**-**
Inventories	191	48	(179)	-	60	-
Accounts receivable	8,207	18,767	(3,068)	-	23,906	690
Other receivables	268	86	(2)	-	352	-
Investment securities	-	-	-	-	-	-
Derivative instruments	614	343	-	(334)	623	-
IMPAIRMENT LOSSES ON CURRENT ASSETS	**9,280**	**19,244**	**(3,249)**	**(334)**	**24,941**	**690**

6.3. Liability maturities

Liability maturities (in thousands of euros)	12/31/2017 Total	< 1 year	Between 1 and 5 years	> 5 years	*including accrued expenses and accrued interest*	12/31/2016
Bonds	3,378,349	28,549	1,199,800	2,150,000	*28,549*	2,775,669
Ornane bonds	-	-	-	-	-	45,966
OTHER BONDS	3,378,349	28,549	1,199,800	2,150,000	*28,549*	2,821,635
Borrowings from credit institutions	784,905	128,742	136,163	520,000	*211*	801,656
Bank credit balances	21,575	21,575	-	-	-	4,830
LOANS AND BORROWINGS FROM CREDIT INSTITUTIONS	806,479	150,316	136,163	520,000	*211*	806,486
Other loans and commercial paper	695,217	695,026	105	87	*1*	614,261
Deposits and guarantees received	48,609	496	212	47,901	-	47,453
Payables associated with equity interests	-	-	-	-	-	-
MISCELLANEOUS BORROWINGS AND FINANCIAL LIABILITIES	743,826	695,522	316	47,988	*1*	661,715
Group current accounts	220,079	220,079	-	-	-	217,379
Other Group liabilities	9,527	9,527	-	-	-	23,226
GROUP AND ASSOCIATES	229,606	229,606	-	-	-	240,605
Advances and down payments received in respect of orders	35,432	35,432	-	-	-	34,746
Accounts payable and related accounts	51,702	51,702	-	-	*49,326*	54,433
Staff and related accounts	2,829	2,829	-	-	*2,807*	2,345
Social security and other social agencies	1,764	1,764	-	-	*1,571*	1,535
State – Corporate tax	-	-	-	-	-	0
State – Value-added tax	19,208	19,208	-	-	-	15,223
State – Other taxes and duties	1,682	1,682	-	-	*1,682*	582
Suppliers of fixed assets	90,638	90,388	250	-	*87,623*	67,322
Other liabilities	25,799	25,799	-	-	-	26,506
OPERATING LIABILITIES	229,054	228,804	250	-	*143,007*	202,694
Derivative instruments	14	14	-	-	*14*	9
Prepaid income	36,310	2,873	1,511	31,926	-	35,000
TOTAL LIABILITIES	**5,423,640**	**1,335,685**	**1,338,040**	**2,749,914**	***171,783***	**4,768,144**

Prepaid income includes a total of €33,816 thousand in payments under the building leases relating to the Millénaire shopping centre held by SCI Bassin Nord and to the offices of SCI 69 Victor Hugo. These lease payments were made in full at the beginning of the leases.

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)	12/31/2016 net amount	Increases	Decreases (impact on the income statement): Deferral over the life of the underlying asset	Decreases (impact on the income statement): Expense not spread relating to the early redemption of the underlying asset	Payment for guarantee	Change in interest accrued but not due	12/31/2017 net amount
Interest accrued	55	-	-	-	-	(66)	(10)
Premiums paid in respect of derivatives	508	-	(343)	-	-	-	165
Termination payments in respect of unwound derivatives	61,235	-	(26,342)	(7,333)	-	-	27,560
Margin calls paid in respect of derivatives	1,200	-	-	-	100	-	1,300
TOTAL DERIVATIVE INSTRUMENTS – ASSETS	**62,998**	**-**	**(26,685)**	**(7,333)**	**100**	**(66)**	**29,015**

Notional amounts of hedging contracts (excluding forward start derivatives) (in thousands of euros)	Average rate	12/31/2016	Increases	Decreases	12/31/2017	Fair value as of 12/31/2017	Interest expenses and income
Swaps	0.32%	350,000	100,000	-	450,000	6,025	(2,774)
Interest rate options – caps	1.04%	325,000	-	-	325,000	-	847
Interest rate options – floors	0.00%	300,000	-	(300,000)	-	-	-
SWAPS AND INTEREST RATE OPTIONS		**975,000**	**100,000**	**(300,000)**	**775,000**	**6,025**	**(1,927)**
Maturing in less than 1 year					200,000		
Maturing in 1 to 5 years					325,000		
Maturing in more than 5 years					250,000		

Termination payments were spread according to accounting principles set forth in the paragraph “Financial liabilities and interest rate hedges”.

In the financial year 2017, the prepayment of the principal amount of three bank debt facilities resulted in the cancellation of the balance of termination payments for the unwinding of the related derivatives for €7,333 thousand.

Furthermore, termination payments remaining to be spread at the beginning of the financial year 2017, 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, with an impact on finance income of €26,342 thousand.

7.1.2. Cash

Cash and cash equivalents (in thousands of euros)	12/31/2017	12/31/2016	12/31/2017: Interest income	12/31/2017: Proceeds from disposals net of expenses
Treasury shares – liquidity contract	-	-	-	140
Money-market UCITS	-	-	-	-
UCITS part of the liquidity contract	-	-	-	-
Other securities	4	-	-	-
INVESTMENT SECURITIES	4	-	-	140
Term deposit accounts or term deposits	27,680	22,008	-	-
Bank debit balances	203,399	183,373	192	-
CASH ASSETS	231,079	205,381	192	-
TOTAL CASH AND CASH EQUIVALENTS	**231,083**	**205,381**	**192**	**140**

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)	12/31/2016	Increases	Decreases (impact on the income statement): Deferrals over the life of the borrowings	Decreases (impact on the income statement): Deferrals due to the early repayment of borrowings	12/31/2017
Costs of bonds	8,420	2,425	(1,370)	-	9,475
Costs of borrowings from credit institutions	11,567	2,675	(2,412)	(984)	10,846
Costs of others borrowings	245	-	(12)	(233)	-
DEFERRED CHARGES IN RESPECT OF BORROWINGS	20,231	5,100	(3,794)	(1,216)	20,321
Bond redemption premiums	14,424	5,340	(2,263)	-	17,501
TOTAL DEFERRED CHARGES AND PREMIUMS IN RESPECT OF BONDS	**34,656**	**10,440**	**(6,057)**	**(1,216)**	**37,822**

7.2. Financial liabilities and cost of debt

7.2.1. Changes in financial liabilities

Financial liabilities (in thousands of euros)	12/31/2016	Subscriptions	Repayments	Interest accrued but not due and other changes	12/31/2017	*Incl. fixed rate debt*	*Incl. variable rate debt*	Interest expenses
Bonds	2,775,669	600,000	-	2,680	3,378,349	*3,378,349*	-	(56,707)
Ornane bonds	45,966	-	(44,845)	(1,121)	-	-	-	-
OTHER BONDS	2,821,635	600,000	(44,845)	1,559	3,378,349	*3,378,349*	-	(56,707)
Borrowings from credit institutions (a)	801,656	300,000	(316,719)	(33)	784,905	*225,042*	*559,863*	(8,037)
Bank credit balances	4,830	-	-	16,744	21,575			(1)
LOANS AND BORROWINGS FROM CREDIT INSTITUTIONS	806,486	300,000	(316,719)	16,712	806,479	*225,042*	*559,863*	(8,038)
Other borrowings	85,761	-	(85,017)	(527)	217	*217*	-	(2,305)
Commercial paper	528,500	695,000	(528,500)	-	695,000	*695,000*	-	1,790
Deposits and guarantees received	47,453	1,155	-	-	48,609			
Payables associated with equity interests	-	-	-	-	-	-	-	-
MISCELLANEOUS BORROWINGS AND FINANCIAL LIABILITIES	661,715	696,155	(613,517)	(527)	743,826	*695,217*	-	(516)
Group current accounts	217,379	-	-	2,701	220,079	-	*220,079*	-
Other Group liabilities	23,226	-	-	(13,699)	9,527	-	-	-
GROUP AND ASSOCIATES	240,605	-	-	(10,999)	229,606	-	*220,079*	-
TOTAL FINANCIAL LIABILITIES	**4,530,441**	**1,596,155**	**(975,081)**	**6,745**	**5,151,515**	***4,298,608***	***779,942***	**(65,260)**

(a) These borrowings are hedged and are further guaranteed through:
- *mortgages or lender's liens totalling €378,888 thousand;*
- *pledged securities for €323 thousand.*

The main changes in financial liabilities resulted from:

- Icade issuing a Green Bond for a total of €600,000 thousand, with a maturity of 10 years and an annual coupon of 1.50%. These funds were raised with an 80-bp spread over the reference rate and a near-zero premium;
- four new debt facilities taken out from major banking institutions for a total of €300,000 thousand with an average maturity of seven years and variable rates based on the 3-month Euribor plus an average margin of 0.80%;
- a net increase in NEU Commercial Paper outstanding of €166,500 thousand (including a €695,000 thousand increase and a €528,500 thousand decrease);
- the prepayment of the principal amount of three bank debt facilities for a total of €279,719 thousand. These prepayments resulted in €18,490 thousand in penalties being paid, accelerated amortisation of deferred financing costs for €1,216 thousand and the cancellation of the balance of termination payments for the unwinding of the related hedges for €7,333 thousand. These items had a €(27,039) thousand impact on the income statement for the financial year;
- the redemption of the remaining Ornane bonds for €44,845 thousand;
- the normal amortisation of loans and credit lines from credit institutions for €122,017 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 12/31/2016	Increases	Decreases	Nominal value as of 12/31/2017	Interest expenses for the period
FR0011577188	09/30/2013	09/29/2023	300,000	Fixed rate 3.375%	Interest only	300,000	-	-	300,000	(10,125)
FR0011577170	09/30/2013	01/30/2019	500,000	Fixed rate 2.25%	Interest only	245,100	-	-	245,100	(5,514)
FR0011847714	04/16/2014	04/16/2021	500,000	Fixed rate 2.25%	Interest only	454,700	-	-	454,700	(10,231)
FR0012942647	09/14/2015	09/14/2022	500,000	Fixed rate 1.875%	Interest only	500,000	-	-	500,000	(9,375)
FR0013181906	06/10/2016	06/10/2026	750,000	Fixed rate 1.75%	Interest only	750,000	-	-	750,000	(13,125)
FR0013211893	11/15/2016	11/17/2025	500,000	Fixed rate 1.125%	Interest only	500,000	-	-	500,000	(5,625)
FR0013281755	09/13/2017	09/13/2027	600,000	Fixed rate 1.5%	Interest only	-	600,000	-	600,000	(2,712)
BONDS			**3,650,000**			**2,749,800**	**600,000**	**-**	**3,349,800**	**(56,707)**
FR0010961128	11/16/2010	01/01/2017	175,000	Fixed rate 2.5%	Interest only	44,845	-	(44,845)	-	-
ORNANE BONDS			**175,000**			**44,845**	**-**	**(44,845)**	**-**	**-**

In the financial year 2017, Icade issued a Green Bond for a total of €600,000 thousand, with a maturity of 10 years and an annual coupon of 1.50%.

Note 8. Share capital

8.1. Change in the number of shares outstanding

	Number	Capital *(in €m)*
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
SHARE CAPITAL AS OF 12/31/2017	74,111,186	113.0

8.2. Shareholding structure

	12/31/2017		12/31/2016	
Shareholders	Number of shares	% of capital	Number of shares	% of capital
Caisse des dépôts	28,895,631	38.99%	28,895,631	38.99%
Groupama Holding [(a)]	-	-	9,596,200	12.95%
SUBTOTAL CDC AND GROUPAMA HOLDING ACTING IN CONCERT [(b)]			38,491,831	51.94%
Crédit Agricole Assurances Group [(a)]	13,704,789	18.49%	4,219,304	5.69%
Public	31,111,533	41.98%	30,987,735	41.81%
Employees	192,589	0.26%	205,672	0.28%
Treasury shares	206,644	0.28%	206,644	0.28%
TOTAL	**74,111,186**	**100.00%**	**74,111,186**	**100.00%**

(a) On June 19, 2017, the Crédit Agricole Assurances group announced the acquisition of Groupama Holding's stake in Icade, which represented 12.95% of the share capital.
(b) By letters of June 22 and 23, 2017, Caisse des dépôts and Groupama Holding informed the French Financial Markets Authority (AMF) that, following the sale by Groupama Holding of its entire stake in Icade, the shareholder agreement they had entered into on May 23, 2016, whereby they were considered to be acting in concert in relation to Icade, had been terminated.
As of December 31, 2017, Caisse des dépôts and the Crédit Agricole Assurances group held a 38.99% and 18.49% 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 Crédit Agricole according to the equity method.

8.3. Changes in equity

Equity (in thousands of euros)	12/31/2016	Appropriation of profits: Reserves	Appropriation of profits: Dividends	Other changes	12/31/2017
Share capital	112,967	-	-	-	112,967
Share premiums	1,454,049	-	-	-	1,454,049
Merger premiums	1,030,116	-	-	-	1,030,116
including merger reserve	*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	11,297	-	-	-	11,297
Other reserves	-	-	-	-	-
Retained earnings	452,927	121,835	(295,618)	-	279,143
Profit/(loss) for the previous financial year	121,835	(121,835)	-	-	-
Profit/(loss) for the financial year	-	-	-	128,616	128,616
TOTAL	3,575,421	-	(295,618)	128,616	3,408,418
Government investment grants	6,944	-	-	(146)	6,798
Regulated provisions	2,011	-	-	4,244	6,256
EQUITY	**3,584,376**	**-**	**(295,618)**	**132,714**	**3,421,472**

Note 9. Provisions for liabilities and charges

Provisions for liabilities and charges (in thousands of euros)	Description	12/31/2016	Mergers and contributions	Charges	Reversals of used provisions	Reversals of unused provisions	12/31/2017
Subsidiary risks	Financial	-	-	1,464	-	-	1,464
Tax risks	Exceptional	5,626	-	-	-	(880)	4,746
Disputes and other provisions for liabilities	Exceptional/ Operational	12,879	-	1,811	(749)	(189)	13,752
PROVISIONS FOR LIABILITIES		18,505	-	3,275	(749)	(1,070)	19,962
Post-employment benefits	Operational	1,503	-	298	(44)	-	1,757
Anniversary bonuses	Operational	30	-	1	-	-	31
Other provisions for charges	Operational	2,374	-	-	(768)	-	1,606
PROVISIONS FOR CHARGES		3,908	-	299	(813)	-	3,394
PROVISIONS FOR LIABILITIES AND CHARGES		**22,413**	**-**	**3,574**	**(1,561)**	**(1,070)**	**23,355**

Icade has identified 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 liabilities and charges identified are the result of past events creating an obligation likely to cause an outflow of resources.

The following liabilities and charges were identified:

- tax risks: these provisions cover estimated risks for which tax adjustment notices have been received as of December 31, 2017;
- in the course of its business, Icade may be 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, 2017 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)	12/31/2017	12/31/2016
Staff seconded to subsidiaries	204	976
Recharges of staff costs (rounded to the nearest euro) incurred for subsidiaries	382	150
RECHARGES OF STAFF COSTS (I)	586	1,127
Salaries	(4,251)	(4,572)
Social security expenses	(1,807)	(1,456)
Taxes on salaries	(511)	(289)
STAFF COSTS (II)	(6,569)	(6,317)
NET STAFF COSTS (III = I + II)	**(5,983)**	**(5,190)**

10.2. Average number of staff

Average number of staff	12/31/2017	12/31/2016
Executives	9.0	9.7
Employees	0.0	0.0
Executives seconded	1.6	3.1
AVERAGE FULL-TIME EQUIVALENT NUMBER OF STAFF	**10.6**	**12.8**

10.3. Potential termination benefits and other deferred remuneration for senior executives

Potential benefits (in thousands of euros)	12/31/2017	12/31/2016
Icade – Executive Committee members	658	658
Icade – other employees	-	-
TOTAL NOT RECOGNISED	**658**	**658**

10.4. Post-employment benefits

Liabilities in respect of lump-sum final payments and life-contingent pensions

(in thousands of euros)		12/31/2017	12/31/2016
OPENING ACTUARIAL DEBT	**A**	**1,503**	**1,981**
Past service cost not recognised at the beginning of the period	b	-	-
OPENING NET LIABILITIES	C	1,503	1,981
Impact of changes in scope of consolidation and other changes	d		-
Current service cost	e	50	69
Financial cost for the year	f	17	33
Costs for the period	**g = e + f**	**67**	**102**
Benefits paid during the year	h	101	(104)
Past service cost spread	i	-	-
Actuarial gains for the year	j	85	(476)
Net expenses recognised in the income statement	**k = g + h + i + j**	**253**	**(478)**
CLOSING NET LIABILITIES	L = C + D + K	1,756	1,503
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**	**1,756**	**1,503**

Employee benefit liabilities are valued as of December 31, 2017 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: 1.45% as of December 31, 2017 and 1.32% as of December 31, 2016;
- the discount rate used is defined based on 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 2013-2015 as of December 31, 2017;
  - male/female INSEE tables for 2012-2014 as of December 31, 2016;
- retirement age calculated according to statutory provisions.

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 reasons 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.

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)	12/31/2017	12/31/2016
Remuneration paid	3,157	3,056
Attendance fees paid	201	191
TOTAL	**3,358**	**3,247**

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, 2017 are presented below:

10.6.1. Description of the 2011 stock option plans

The characteristics of stock option plans in place on December 31, 2017 and changes occurred during financial year 2017 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, 2017	Number of options cancelled during the period	Number of options outstanding as of December 31, 2017	Including those attributable to related parties	Including those exercisable at the end of the period	Market related performance conditions	Non-market related performance conditions
1-2011	03/03/2011	4 years	8 years	147,500	1.00	26,525	1,725	24,800	6,900	24,800	0%	Vested 8.125%
TOTAL PLANS				**147,500**		**26,525**	**1,725**	**24,800**	**6,900**	**24,800**		
Average exercise price per share *(in euros)*						**80.86**	**80.86**	**80.86**	**80.86**	**80.86**		

As of December 31, 2017, 24,800 stock options representing 24,800 shares were exercisable under the 1-2011 Plan.

10.6.2. Valuation method: fair value of stock option plans

	1-2011 Plan
Weighted average fair value of the option	€19.33
Probability of service until the vesting date	100.00%
Risk-free rate	3.38%
Expected volatility	33.00%
Expected dividend rate	4.00%
Price of underlying shares	€82.43
Exercise price	€80.86
MODEL USED	**TRINOMIAL**

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, 2017 are presented in the following table:

Original characteristics of the plans					Number of shares as of January 1, 2017			Changes during the period		Number of shares as of December 31, 2017		
Plans	Grant date	Vesting period	Duration of the plans	Number of shares granted at the beginning of the Plan	Shares vested	Shares granted	Incl. contingent shares	Shares granted	Shares cancelled	Incl. number of shares granted	Incl. number of shares vested	Incl. contingent shares
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	19,095		-				19,095	
2-2014 (b)	03/04/2014	2 years	4 years	14,250	1,256						1,256	
1-2016	11/07/2016	2 years	3 years	31,560	-	30,510	-		2,820	27,690		
2-2016 (c)	11/07/2016	2 years	4 years	52,959	-	52,699	52,699		6,603	46,096		46,096
TOTAL					**32,664**	**83,209**	**52,699**	**-**	**9,423**	**73,786**	**32,664**	**46,096**

(a) After the merger by acquisition of Silic, the 12,000 unvested shares from the 2013 Plan as of the date of integration into the Icade group were converted into Icade shares based on the exchange ratio of the merger, that is, 5 Icade shares for 4 Silic shares, i.e. 15,032 Icade shares.

(b) Under the 2-2014 Plan, the performance conditions to be met for the vesting of bonus shares are 50% based on EPRA earnings per share as reported in the financial statements and 50% based on the relative performance of Icade's share price relative to the FTSE EPRA Euro Zone Index.

(c) Under the 2-2016 Plan, the performance conditions to be met for the vesting of bonus shares are 50% based on EPRA triple net asset value per share as reported in the financial statements and are 50% based on the relative performance of Icade's share price relative 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)	12/31/2017	12/31/2016
Gross rental income	271,002	281,622
Sales of goods	57	-
Property services	7,989	8,807
Administrative and accounting services	4,069	3,909
Recharge of staff secondments	204	976
Miscellaneous services	922	552
REVENUE	**284,242**	**295,866**

100% of revenue is generated in France.

11.1.2. Operating income by function

Operating profit/(loss) (in thousands of euros)	12/31/2017	12/31/2016
Gross rental income	271,002	281,622
Land-related costs	(1,902)	(2,052)
Recoverable service charges not recovered from tenants	(21,073)	(28,006)
Non-recoverable property-related expenses	(17,185)	(7,729)
NET RENTAL INCOME	230,842	243,835
Property, administrative, accounting and other services	12,980	13,268
Royalties for the Icade trademark charged to subsidiaries	9,176	9,322
Other miscellaneous income	91	681
Purchases used	(62)	(69)
Other external operating expenses	(53,712)	(41,141)
Net staff costs	(5,983)	(5,190)
Taxes and duties (excluding rental management activity)	(2,423)	(3,204)
Other expenses	(3,859)	(1,272)
NET OPERATING COSTS	(43,791)	(27,605)
Sales of goods	57	-
Purchases and changes in inventory	(179)	-
MISCELLANEOUS INCOME AND EXPENSES	(122)	-
Finance lease payments for investment properties	(4,500)	(4,332)
Depreciation charges on fixed assets	(186,054)	(189,587)
Depreciation charges on deferred charges	(5,010)	(12,439)
Net impairment charges on property assets	111,089	37,156
Net provisions for liabilities and charges excluding investment properties	(408)	(5,898)
Net impairment charges on inventories and other receivables	(17,230)	2,911
OPERATING PROFIT/(LOSS)	**84,817**	**44,042**

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11.1.3. Changes in net rental income

Net rental income (in thousands of euros)	12/31/2016	Acquisitions/ completions	Disposals/ refurbishments	Leasing activity	12/31/2017
Gross rental income	281,622	31,353	(42,000)	27	271,002
Land-related costs	(2,052)	-	170	(19)	(1,902)
Recoverable service charges not recovered from tenants	(28,006)	(223)	5,672	1,484	(21,073)
Non-recoverable property-related expenses [(a)]	(7,729)	(90)	635	(10,001)	(17,185)
NET RENTAL INCOME	**243,835**	**31,040**	**(35,523)**	**(8,509)**	**230,842**
Net rental income/gross rental income	*86.6%*				*85.2%*

(a) The item "Non-recoverable property-related expenses" includes provisions for disputes, impairment losses on accounts receivable and bad debt.

Rental income amounted to €271,002 thousand in 2017, a decline of €10,620 thousand (-3.8%) compared to the previous financial year.

The acquisitions of the Orsud, Arc Ouest and Parissy buildings in 2016 resulted in a €18,630 thousand increase in rental income. The completions of the Go Spring and Défense 4-5-6 buildings in 2017 and the PDM4 building in 2016 resulted in a €12,434 thousand decrease in rental income. The impact of disposals and refurbishments amounted to €(42,000) thousand, including €(22,123) thousand for business parks sold in 2016 and €(18,709) thousand for office buildings sold (including Défense 3 and Levallois).

On a like-for-like basis, rental income was stable. The largest decreases represented €(2,214) thousand and related primarily to the following buildings: Crystal Park, Toronto in Rungis and Grand Axe in Nanterre Préfecture. The largest increases related to the following buildings: PB5 and Défense 2 in La Défense, Fontanot and PAT032 in the Pont de Flandre business park for €3,855 thousand. The like-for-like increase in non-recoverable property-related expenses of €(10,001) thousand resulted, among others, from a number of compensations paid and demolition works to assets held for sale in business parks.

11.2. Finance income

Finance income/(expense) (in thousands of euros)	12/31/2017	12/31/2016
Income from equity investments and share of profit/(loss) of tax transparent companies	120,784	236,468
Finance income from equity investments	40,255	39,185
Finance expenses from equity investments	-	-
Impairment losses net of reversals on equity investments and financing related to equity investments	(3,197)	57,679
FINANCE INCOME/(EXPENSE) FROM EQUITY INVESTMENTS	157,842	333,332
Interest income on financial assets	970	1,979
Interest income and premium amortisation on derivative instruments	847	729
Reclassification of finance expenses	675	124
Net gains on disposal of investment securities	158	1,836
Interest expenses from financial liabilities	(65,260)	(75,239)
Interest expenses and premium amortisation on derivative instruments	(3,117)	(17,512)
Net losses on disposals of investment securities	(18)	(2,164)
Amortisation of premiums or discounts on financial assets and liabilities	(2,263)	(2,326)
Impairment losses net of reversals on other financial assets	-	-
COST OF NET DEBT	(68,007)	(92,572)
Commitment fees net of recharges to subsidiaries	(4,740)	(3,900)
Penalties and net termination payments relating to the restructuring of financial liabilities	(10,433)	(17,102)
Deferrals of termination payments on disposal of derivatives	(33,675)	(53,033)
Impairment losses net of reversals on treasury shares and liquidity contract	1,401	2,779
Provisions net of reversals on liabilities and charges	(1,464)	466
Other finance income and expenses	3,475	(2,830)
OTHER FINANCE INCOME AND EXPENSES	(45,437)	(73,619)
FINANCE INCOME/(EXPENSE)	**44,398**	**167,142**

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Dividends for the year totalled €82,335 thousand compared with €172,467 thousand in 2016. 2016 dividends included €120,535 thousand from the company Icade Promotion.

Commitment fees before recharges to subsidiaries amounted to €(5,982) thousand.

The net impact of the restructuring of financial liabilities was €(10,433) thousand after recharges to subsidiaries of €8,057 thousand.

The impact of termination payments from the unwinding of hedges, i.e. €(33,675) thousand, is described in section 7.1.1 "Derivative instruments".

Other finance income and expenses, which totalled €3,475 thousand, related exclusively to mergers occurred during the financial year.

11.3. Non-recurring income

Non-recurring income/(expense) (in thousands of euros)	12/31/2017	12/31/2016
Gains or losses on disposals of property assets	(20,368)	(88,988)
Gains or losses on disposals of equity investments	2,781	9,436
Share of government grants	146	146
Net depreciation and provision charges	(3,793)	(2,470)
Other non-recurring income and expenses	8	(1,267)
NON-RECURRING INCOME/(EXPENSE)	**(21,227)**	**(83,143)**

Provisions net of reversals of €(3,793) thousand mainly related to special depreciation charges for the PDM4 building and a reversal of 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 €(451) thousand.

11.4. Income tax

Under the SIIC tax regime, Icade recorded a taxable profit of €638 thousand as of December 31, 2017. After use of tax loss carryforwards, no current tax expense was recorded for the financial year 2017.

As of December 31, 2017, unused tax loss carryforwards totalled €3,657 thousand.

The item "Corporate tax" also includes the expected refund of the tax on dividends paid for the financial years 2014 to 2016 for a total of €18,256 thousand plus penalty interest of €2,306 thousand.

Note 12. Off-balance-sheet commitments

12.1. Commitments made

		Remaining term		
(in thousands of euros)	**12/31/2017**	**< 1 year**	**1-5 years**	**> 5 years**
Commitments relating to the scope of consolidation	**5,650**	**-**	**5,650**	**-**
Commitments made as part of disposals of equity investments:				
'No undisclosed liabilities' warranties given	5,650	-	5,650	-
Financing commitments	**1,028,621**	**619,052**	**168,433**	**241,136**
Unused advances granted to subsidiaries	571,242	571,242	-	-
Mortgages	255,557	30,557	-	225,000
Lender's liens	123,331	10,424	112,907	-
Finance leases: Minimum lease payments to be made	49,689	4,394	45,295	-
Pledged securities	323	-	-	323
Sureties and guarantees given in respect of financing	28,479	2,435	10,231	15,813
Commitments relating to operating activities	**411,501**	**283,552**	**81,662**	**46,287**
Commitments made 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 refurbishment	234,404	175,652	58,752	-
Commitments to sell given – Property Investment – Tangible fixed assets	124,060	101,560	8,500	14,000
Commitments made relating to the execution of operating contracts:				
Operating leases: Minimum lease payments to be made	41,045	2,024	6,734	32,287
Demand guarantees given	399	399	-	-
Other commitments made	11,593	3,917	7,676	-

12.2. Commitments received

(in thousands of euros)	12/31/2017	Remaining term < 1 year	1-5 years	> 5 years
Commitments relating to the scope of consolidation	-	-	-	-
Financing commitments	**1,752,600**	**2,600**	**1,750,000**	-
Unused credit lines	1,752,600	2,600	1,750,000	-
Commitments relating to operating activities	**1,726,513**	**460,710**	**751,828**	**513,976**
Other contractual commitments received relating to operating activities:				
Operating leases – minimum lease payments to be received	1,131,501	248,570	595,018	287,913
Commitments to sell received – Property Investment – Tangible fixed assets	90,069	90,069	-	-
Commitments to buy received – Property Investment – Tangible fixed assets	22,500	-	8,500	14,000
Off-plan lease agreements – commitments received	270,494	214	70,935	199,345
Property Investment: Residual commitments received in construction contracts, property development contracts and off-plan sales – Property under construction or refurbishment	405	331	74	-
Bank guarantees received – construction work	169,758	108,981	60,778	-
Demand guarantees received – Rent guarantees – Property Investment	9,037	4,800	4,219	18
Other commitments received	451	400	5	46
Assets taken as security, by mortgage or pledge, as well as security deposits received:				
Security deposits received for rents – other assets	32,298	7,345	12,299	12,654
Other sureties and guarantees received	-	-	-	-

12.3. Finance lease commitments

	Fixed assets under finance leases			
		Depreciation charges		
Balance sheet items	**Initial cost**	**For the year**	**Accumulated**	**Net amount**
Land	4,089	-	-	4,089
Buildings	70,686	2,438	17,684	53,002
TOTAL	**74,775**	**2,438**	**17,684**	**57,091**

	Finance lease commitments							
	Finance lease payments made		Finance lease payments remaining to be made					
Balance sheet items	**For the financial year**	**Accumulated**	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total to be paid**	**Residual value**	**Total**
Axe Seine project	4,499	32,859	4,746	17,802	-	22,548	29,000	51,548
TOTAL	**4,499**	**32,859**	**4,746**	**17,802**	-	**22,548**	**29,000**	**51,548**

Note 13. Other information

13.1. Events after the balance sheet date

During their respective meetings held on February 9, 2018 and February 8, 2018, the Board of Directors of Icade and the Supervisory Board of ANF Immobilier approved the principle of a merger which, subject to satisfaction of certain conditions precedent, should take place before the summer of 2018.

According to the indicative range for the exchange ratio, the shareholders of ANF Immobilier would receive between 0.25 and 0.30 Icade share for one ANF Immobilier share.

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.

13.3. Statutory Auditors' fees

	MAZARS				PRICEWATERHOUSECOOPERS AUDIT			
	(in thousands of euros)		*(in %)*		*(in thousands of euros)*		*(in %)*	
	2017	2016	2017	2016	2017	2016	2017	2016
Audit, certification, review of individual and consolidated financial statements	493	468	82.7%	77.9%	593	468	91.7%	79.3%
Services other than the certification of financial statements	103	133	17.3%	22.1%	54	122	8.3%	20.7%
TOTAL	**596**	**601**	**100.0%**	**100.0%**	**646**	**590**	**100.0%**	**100.0%**

Services provided during the financial year by the Board of Statutory Auditors to Icade SA other than the certification of financial statements primarily include the provision of various certificates (including covenants), the independent third-party body report on social, environmental and societal disclosures, work performed in the context of bond issues (comfort letters) and due diligence assignments.

13.4. Table of subsidiaries and equity investments

(in thousands of euros)		Share capital	Equity excluding share capital	% holding	Carrying amount of equity investments: Gross	Carrying amount of equity investments: Net	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)
SASU	Icade Santé	518,474	1,019,102	57	862,798	862,798	601,316	7,300	-	213,870	60,003	59,329	2017
SAS	Icade Tour Eqho	305,842	62,894	100	405,842	405,842	255,517	58,176	-	27,441	3,162	-	2017
SA	ANF	19,009	294,613	85	358,288	358,288	-	-	-	26,199	71,123	-	2017
SAS	Sarvilep	1,000	53,143	100	156,500	54,143	-	-	-	14,239	(1,817)	-	2017
SCI	Icade-Léo Lagrange	121,911	30,812	100	121,911	121,911	26,500	30,812	-	10,892	30,812	-	2017
SCI	68 Victor Hugo	116,594	4,647	100	116,594	116,594	126,546	4,684	-	21,977	4,684	-	2017
SCI	Icade-Rue des Martinets	99,177	(6,187)	100	99,177	99,177	34,430	-	-	7,385	1,628	-	2017
SCI	Bassin Nord	103,889	30,840	50	72,762	72,762	-	15,947	-	14,837	(10,795)	-	2017
SCI	PDM 2	42,702	(219)	100	42,702	42,702	-	-	-	-	(219)	-	2017
SCI	PDM 1	39,652	1,925	100	39,652	39,652	22,656	5,557	-	7,766	1,925	-	2017
SCI	Terrasse Bellini	91,469	3,796	33	37,179	37,179	-	8,805	-	11,476	3,796	2,222	2017
SCI	Icade Camille Desmoulins	33,500	(1,805)	100	35,507	35,507	16,250	-	-	1,309	(1,805)	-	2017
SCI	Messine Participations	24,967	12,494	100	34,388	34,388	13,870	19,768	-	5,831	3,738	-	2017
GIE	Icade Management	10,000	9,368	100	23,240	19,368	-	-	-	32,988	-	-	2017
SCI	Le Tolbiac	22,938	589	100	22,938	22,938	14,141	1,210	-	2,516	589	-	2017
SAS	Icade TMM	13,200	14	100	13,200	13,200	-	13,400	-	52	14	-	2017
SCI	Évry Mozart	7,257	(3,518)	100	12,268	3,739	-	-	-	(425)	(1,052)	-	2017
SCI	Bati Gautier	1,530	2,935	100	11,497	11,497	-	2,494	-	3,162	2,494	-	2017
SCI	Icade Morizet	9,100	1,093	100	10,234	10,234	7,752	3,246	-	2,136	1,093	-	2017
SCI	BSM du CHU de Nancy	1,400	(3,281)	100	1,400	1,400	-	193	-	3,442	414	-	2017
SASU	Icade 3.0	1,000	(1,219)	100	1,000	-	-	4,088	-	631	(993)	-	2017
SA	Cycle Up	1,500	(558)	50	750	750	-	-	-	-	(58)	-	2017
SCI	BSP	10	(500)	99	10	10	-	-	-	1,202	(273)	-	2017
SCIA	Le Parc Du Millénaire	5	(2,436)	86	5	5	-	103,550	-	-	(2,436)	-	2017
SCI	Issy Cœur de ville	1	(1)	49	1	1	-	-	-	-	-	-	2017
CONSOLIDATED PROPERTY INVESTMENT COMPANIES					2,479,843	2,364,085	1,118,978	279,230					
SASU	Icade Promotion	29,683	194,776	100	135,089	135,089	100,000	13,789	-	601,001	22,912	22,912	2016
CONSOLIDATED PROPERTY DEVELOPMENT COMPANIES					135,089	135,089	100,000	13,789					
SPPICAV	Boutiques Prémium	38,656	-	47	18,105	18,105	-	-	-	5	(1,959)	-	2015
SEM	Plaine Développement	4,314	(4,314)	-	17	17	-	-	-	-	-	-	
SIC	SEMHACH	-	-	-	6	6	-	-	-	-	-	-	
SCI	La Sucriere	5	38	99	4	4	-	40	-	-	(2)	-	2016
BV	Icade Reit (a)	18	17,434	100	4	-	9,117	-	-	-	-	-	
SEM	SEMGEP	-	-	-	3	3	-	-	-	-	-	-	
SNC	SNC Capri Danton	1	-	100	1	1	-	-	-	-	-	-	2016
NON-CONSOLIDATED COMPANIES					18,140	18,136	9,117	40	-				
TOTAL					**2,633,072**	**2,517,310**	**1,228,095**	**293,059**					

(a) Equity, revenues and profit/(loss) calculated in accordance with IFRS.

3. Statutory Auditors' report on the annual financial statements

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 includes information specifically required by European Regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2017

To the Shareholders of Icade,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying annual financial statements of Icade for the year ended December 31, 2017.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in Note 2.1 to the annual financial statements, which relates to the first-time application of the ANC Regulation 2015-05 of July 2, 2015 on accounting for forward financial instruments and hedging.

The audit opinion expressed above is consistent with our report to the Audit, Risk Management and Sustainable Development Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the annual financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the annual financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the annual financial statements.

Valuation and impairment risk of tangible fixed assets (Notes 2.6 and 3 to the annual financial statements)

Description of risk

As at December 31, 2017, the carrying value of tangible fixed assets amounted to €4,296 million, representing 48% of the Company's total assets. Tangible fixed assets are mostly comprised of property assets held to earn rental or for capital appreciation (or both).

Property assets are recognised at cost less accumulated depreciation and any impairment, which is determined based on their fair value. Management has implemented procedures with the purpose to estimate the fair value of the investment property portfolio, based on valuations performed by independent external appraisers and supplemented by an internal valuation process.

Measuring the fair value of a property asset is a complex estimation process. Thorough knowledge of the investment property market and significant judgement are required to determine the most appropriate assumptions, such as: yield rate, discount rate, estimated rental values, cost estimates for construction work to be carried out and the estimated date of completion (in particular, for investment property under development) and any lease incentives (rent-free periods, free leaseholds, etc.) granted to tenants.

We deemed the valuation and impairment risk of tangible fixed assets to be a key audit matter due to the materiality of the amounts recognised with respect thereto in the annual financial statements, the high degree of judgement and estimation involved in determining the main assumptions to be used and the potentially high sensitivity of the investment properties' fair value to these assumptions.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the process implemented by management to communicate data inputs to external appraisers and to review the related values provided by said appraisers;
- collecting the external appraisers' engagement letters and assessing their competency and independence with respect to the Company;
- obtaining the appraisers valuation reports; critically assessing (i) the valuation methods used, (ii) the market inputs used (yield rate, discount rate, estimated rental values, etc.) and (iii) the asset-specific assumptions used (in particular, the cost estimates for construction work to be carried out and the estimated date of completion for investment property under development); and testing, on a sample basis, the data used (construction costs, rental market conditions, etc.);
- conducting interviews with management and the external appraisers to discuss their valuation of the overall property portfolio and the individual assets values with the most significant or unexpected fluctuations;
- verifying the amounts booked with respect to impairment;
- verifying the appropriateness of the disclosures provided in the notes to the annual financial statements.

Valuation of equity investments and associated receivables (Notes 2.9 and 4 to the annual financial statements)

Description of risk

The Company holds shares in property development and property investment companies. As at December 31, 2017, equity investments and associated receivables amounted to €2,517 million and €1,231 million respectively, representing 28% and 14% of the Company's assets.

After their acquisition, equity investments and related receivables are valued at their value in use. For equity investments in property investment companies, the value in use is the adjusted net asset value including any unrealised gains on investment properties, based on their related fair value (determined with the assistance of external appraisers). For equity investments in property development companies, value in use is determined with the assistance of an independent appraiser using both the discounted cash flow and the comparable multiples methods.

Both for property development and property investment companies, estimating the value in use of equity investments and associated receivables requires in-depth knowledge of the property market and requires the same significant judgements as those described above under the "valuation and impairment risk of tangible fixed assets" key audit matter. For property development companies, judgements rely in particular on forecast data, such as business plans and discount rates.

We deemed the valuation of equity investments and associated receivables to be a key audit matter due to the materiality of the corresponding amounts recognised in the annual financial statements, the high degree of judgement and estimation involved in determining the main assumptions to be used and the potential significance of the sensitivity of the fair value of the related assets to these assumptions.

How our audit addressed this risk

We carried out the following procedures:

- verifying the appropriateness of the valuation methods used by management depending on the type of equity investment;
- comparing the carrying amounts of equity investments with the net asset values of the related companies;
- verifying, when applicable, the inputs used to estimate value in use;
  - for equity investments in property investment companies (on a sample basis):
    - ensuring that the equity values used were consistent with the financial statements of the related entities valued,
    - ensuring that any adjustments made to calculate the adjusted net asset value, in particular by taking into account any unrealised capital gains on investment property assets, were estimated based on the fair values determined by management with the assistance of external appraisers,
  - for equity investments in property development companies, based on a report prepared by an independent appraiser:
    - collecting the independent appraiser's engagement letter and assessing his competency and independence with respect to the Company,
    - collecting the independent appraiser's report and critically assessing the valuation methods used,
    - gaining an understanding of the main inputs used to perform the discounted cash flows and the comparable multiples valuations;
- verifying the amounts booked with respect to impairment;
- verifying the appropriateness of the disclosures provided in the notes to the annual financial statements.

Verification of the management report and of the other documents provided to the shareholders

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

Information given in the management report with respect to the Company's financial position and the annual financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the annual financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the annual financial statements, or with the underlying information used to prepare these annual financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L. 225-37-5 of the French Commercial Code relating to items that the Company deems liable to have an impact in the event of a public tender or exchange offer, we verified the consistency of said information with the underlying documents provided to us. Based on this work, we have no matters to report on the information.

Other information

In accordance with French law, we have verified 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.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Icade by the General Meetings held on March 22, 2006 for Mazars and June 22, 2012 for PricewaterhouseCoopers Audit.

As at December 31, 2017, Mazars and PricewaterhouseCoopers Audit were in the twelfth year and the sixth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for preparing annual financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of annual financial statements free of material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit, Risk Management and Sustainable Development Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the annual financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the annual financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Risk Management and Sustainable Development Committee

We submit a report to the Audit, Risk Management and Sustainable Development Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Risk Management and Sustainable Development Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the annual financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Risk Management and Sustainable Development Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit, Risk Management and Sustainable Development Committee.

Paris La Défense and Neuilly-sur-Seine, March 16, 2018

The Statutory Auditors

Mazars
Gilles RAINAUT

PricewaterhouseCoopers Audit
Éric BULLE

8. CAPITAL, SHARES AND DISTRIBUTION POLICY

1. Information on the issuer and its capital

1.1. Legal information on the issuer

1.1.1. Registered office, legal form and applicable legislation

Company name	Icade
Registered office	27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France
Legal form	French public limited company (*société anonyme*, SA) with a Board of Directors
Legislation	French legislation
Date of incorporation and expiry of the Company's duration	The Company was incorporated on October 27, 1955. The period fixed for the duration of the Company shall expire on December 31, 2098.
Trade and companies register	Registered in the Nanterre Trade and Companies Register (RCS) under No. 582 074 944
Identification number	SIRET code: 582 074 944 01211
APE code (classification of activities)	6820 B
LEI code	969500UDH342QLTE1M42
Financial year	The financial year runs for twelve months from January 1 to December 31.

Tax regime for French listed real estate investment companies (SIICs)

The Company opted for the tax regime introduced by the Finance Act 2003 of December 30, 2002, applicable from January 1, 2003, which provided for the creation of listed real estate investment companies (*sociétés d'investissement immobilier cotées*, SIICs). Companies opting for this tax regime may benefit from an exemption from tax on income and capital gains realised as part of their activities as a real estate investment company, provided that they pay an exit tax now calculated at a rate of 19% on unrealised capital gains existing at the date of the option, and whose payment is to be spread over four years. In return for this tax exemption, SIICs are required to distribute 95% of their tax-exempt rental income, 60% of their tax-exempt capital gains within two years, and 100% of profits received from subsidiaries.

1.2. Articles of Association

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 real 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 any 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, set up 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 any operations, whether economic or legal, financial, trading or non-trading, which may be directly or indirectly associated with the object of the Company or with 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 discretion, 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 entails agreement with the Articles of Association and decisions of the General Meeting.

Where it is necessary to own a certain number of shares in order to exercise a right, it shall be up to the shareholders who do not own the required number of shares to make suitable pooling arrangements to reach the required number of shares.

All shares which make up or will make up the share capital of the Company and which belong to the same category, have the same nominal value and 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 in cash is payable under the conditions laid down by the applicable legal and regulatory provisions.

Calls for payments for any unpaid amounts relating to shares shall be brought to the attention of the subscribers and shareholders concerned at least fifteen 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 unpaid amounts relating to 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 or 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 as provided for by current regulations.

1.2.3.2. Access to meetings

General Meetings shall include all shareholders whose shares are fully paid up (meaning that any amounts owing have been paid) and, in accordance with the provisions of Article R. 225-85 of the French Commercial Code, whose right to participate in General Meetings has been justified by the registration of their shares either in the name of the shareholder or, if the shareholder is not domiciled in France, in the name of the intermediary registered on their behalf, before the third working day preceding the meeting at midnight (Paris time).

The shares must be registered either in the registered securities accounts kept by the Company or in the bearer securities accounts kept by the authorised intermediary, within the time limit mentioned in the previous 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.

Any shareholder may, in accordance with the law, vote by post or be represented by another shareholder, their spouse or "civil solidarity pact" partner, or by any other natural or legal person of their choice.

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 transfer ownership of all or part of their shares.

However, if the transfer is made before the second working day preceding the meeting at midnight, Paris time, 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 and account keeper shall notify the Company or its representative of the transfer of ownership and provide the necessary information to the Company.

No transfer of ownership carried out after the second working day preceding the meeting at midnight, Paris time, 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 Ordinary or Extraordinary Meeting 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 had been justified that they had 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 their 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 Works Council (if any), both appointed by that 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 fourth 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 fully paid-up, no-par-value shares, all of the same category. As far as the Company is aware and as of the date of this document, 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

Pursuant to Article L. 225-100 of the French Commercial Code, the table below summarises the authorisations and delegations in force or which have expired since the last General Shareholders' Meeting.

Types of securities concerned	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount	Use during the financial year 2017
Authorisation to have the Company repurchase its own shares	04/20/2017	14th 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	Used in the context of the liquidity contract: ▫ purchases: 1,039,306 shares ▫ sales: 1,039,306 shares
Authorisation to reduce the share capital through the cancellation of treasury shares	04/20/2017	15th 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	None
Delegation to increase the share capital by capitalisation of reserves, profits, share premiums or other items	04/20/2017	16th resolution	26 months i.e. until June 19, 2019	Shares: €15 million	None
Delegation to increase the share capital with preferential subscription right (reserved for existing shareholders)	05/23/2016	19th resolution	26 months i.e. until July 22, 2018	€38 million (power to issue only ordinary shares)	None
Delegation to increase the share capital in consideration for contributions in kind	05/23/2016	20th 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	None
Authorisation to grant free shares to employees and corporate officers	05/23/2016	22nd 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	None
Delegation to increase the share capital through an issue reserved for employees as part of the Company Savings Plan (PEE)	04/20/2017	20th resolution	26 months i.e. until June 19, 2019	1% of the diluted share capital as of the date of the General Meeting	None

List of authorisations and delegations to be submitted for approval at the Combined General Meeting on April 25, 2018

Types of securities concerned	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount
Authorisation to have the Company repurchase its own shares	04/25/2018	15th resolution	18 months i.e. until October 24, 2019	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: €110 per share Maximum amount per transaction: €735 million
Authorisation to reduce the share capital through the cancellation of treasury shares	04/25/2018	17th resolution	18 months i.e. until October 24, 2019	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 with preferential subscription right (reserved for existing shareholders)	04/25/2018	18th resolution	26 months i.e. until July 24, 2020	€38 million (power to issue only ordinary shares)
Delegation to increase the share capital in consideration for contributions in kind	04/25/2018	19th resolution	26 months i.e. until July 24, 2020	10% of the share capital as of the date of use of this delegation by the Board of Directors [a]
Authorisation to grant free shares to employees and corporate officers	04/25/2018	20th resolution	38 months i.e. until July 24, 2021	1% of the diluted share capital as of the date of use of this authorisation by the Board of Directors [b]
Delegation to increase the share capital through an issue reserved for employees as part of the Company Savings Plan (PEE)	04/25/2018	21st resolution	26 months i.e. until June 24, 2020	1% of the diluted share capital as of the date of the General Meeting [a]

(a) Combined maximum amount: €38 million.
(b) Maximum sub-amount for corporate officers: 2% of shares granted during the relevant financial year.

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 April 20, 2017 renewed a resolution before its expiry date which authorised the Board of Directors, in accordance with Articles 225-209 *et seq.* of the French Commercial Code, for a period of eighteen months, to have the Company repurchase its own shares, in one or more transactions and at such times as it deems appropriate, subject to a maximum limit of 10% of the number of shares making up the Company's share capital, adjusted where appropriate to take into account any increases or reductions in the share capital that may occur during the period of the share repurchase programme.

This authorisation is intended to enable the Company to:

- stimulate the secondary market, or ensure the liquidity of Icade shares through an investment services provider, by entering into a liquidity contract that complies with the Amafi's Code of Ethics (French Financial Markets Association), which is recognised by the regulations. It should be noted that within this context, the number of shares used for the purpose of calculating the above limit is the number of shares purchased, less the number of shares resold;
- retain the shares so purchased for subsequent use in exchange or as payment for potential external growth transactions;
- meet the obligations arising from stock option plans and/or bonus share plans (or similar plans) for Group employees and/or corporate officers, as well as any share allocations as part of Company or Group Savings Plans (or similar plans), or as part of an employee profit-sharing plan and/or other forms of allocating shares to Group employees and/or corporate officers;
- ensure that a sufficient number of shares are available to meet the obligations arising from securities entitling their holders to Company shares, as allowed under current regulations;
- potentially cancel the shares so purchased.

Shares may be purchased by any means, including block trades, at such times as the Board of Directors deems appropriate.

Except in cases where prior approval has been obtained from the General Meeting, the Board of Directors may not use this authorisation during a "pre-offer" period or a public offer initiated by a third party for the Company's shares until the end of the offer period.

The Company reserves the right to use options or other derivatives pursuant to applicable regulations.

The maximum purchase price is set at €130 per share. In the event of corporate actions affecting equity, especially share splits, reverse share splits or bonus shares granted to shareholders, the above-mentioned amount will be adjusted in the same proportion (multiplication factor equal to the number of shares making up share capital before the transaction divided by the number of shares after the transaction).

The maximum amount of the transaction is set at €735 million.

On April 20, 2017, 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 April 20, 2017.

Situation as of December 31, 2017

Of the 206,644 treasury shares representing 0.28% of the share capital as of December 31, 2017, none are held as part of the liquidity contract.

2017 information (cumulative data)	Shares	% of capital
Total number of shares making up the issuer's capital at the start of the programme (January 1, 2011)	51,802,133	
Directly- and indirectly-held treasury shares at the start of the programme	705,205	
Number of shares held as of December 31, 2017	206,644	0.28%
Number of shares repurchased during the year	1,039,306	1.40%
Number of shares sold during the year	1,039,306	1.40%
Average price of repurchases	€72.14	
Average price of sales	€72.27	
Transaction costs excluding tax	€50,000	
Portfolio net book value	€14,709,670.13	
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, 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 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 receive shares according to the procedure described in the Offering Circular. They have a 2.50% annual coupon. In accordance with the issue contract, the remaining Ornane bonds were fully redeemed on January 1, 2017.

1.3.4.2. Stock options

The information and history of stock option grants are described in chapter 8 of this registration document.

1.3.4.3. Bonus share grants

The information and history of bonus share grants 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 Icade's capital or (ii) all or part of the capital of a direct subsidiary of Icade.

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 €)*	Share premiums, contribution premiums or merger premiums *(in €)*	Cumulative capital amount *(in €)*	Cumulative number of shares
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 as losses 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 badwill), the remaining balance being recorded in other merger premium accounts which were on the Company's balance sheet before the merger.

1.3.7. Changes in the distribution of Icade's capital over the last three years

	12/31/2017		12/31/2016		12/31/2015	
Shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Caisse des dépôts	28,895,631	38.99	28,895,631	39	-	-
Groupama Holding [(a)]	-	-	9,596,200	12.95	-	-
SUBTOTAL CDC AND GROUPAMA HOLDING ACTING IN CONCERT [(b)]	-	-	38,491,831	51.94	-	-
HoldCo SIIC	-	-	-	-	38,491,773	51.94
Crédit Agricole Assurances Group [(a)]	13,704,789	18.49	4,219,304	5.69	4,144,304	5.59
Public	31,111,533	41.98	30,987,735	41.81	30,729,944	41.46
Employees	192,589	0.26	205,672	0.28	212,200	0.29
Treasury shares	206,644	0.28	206,644	0.28	532,965	0.72
TOTAL	**74,111,186**	**100**	**74,111,186**	**100**	**74,111,186**	**51,992,462**

(a) On June 19, 2017, the Crédit Agricole Assurances Group announced the acquisition of Groupama Holding's stake in Icade, which represented 12.95% of the share capital.
(b) By letters of June 22 and 23, 2017, Caisse des dépôts and the company Groupama Holding informed the French Financial Markets Authority (AMF) that, following the sale by Groupama Holding of its entire stake in Icade, the shareholder agreement they had entered into on May 23, 2016, whereby they were considered to be acting in concert in relation to Icade, had been terminated.
As of December 31, 2017, Caisse des dépôts and Crédit Agricole Assurances held a 38.99% and 18.49% stake in Icade, respectively.

As far as the Company is aware, there are no other shareholders who hold 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 or 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 entitling their holders to shares and associated voting rights in the Company.

Beyond 5% and up to a threshold of 50% (without prejudice to any additional legal requirement), the disclosure obligation mentioned 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.

To the best of the Company's knowledge, the shareholding threshold disclosures provided for by law and/or the Articles of Association which were notified by shareholders to the Company and/or the AMF and which are relevant to the market are listed below:

Declaring party	Crossing date	Number of shares held after the threshold was crossed	Date of the notification letter sent to the Company	Crossing of the threshold in terms of share capital	Crossing of the threshold in terms of voting rights
Norges Bank	02/15/2017	744,524	02/16/2017	Upward	Upward
BNP Paribas Investment Partners SA	02/16/2017	1,128,215	02/23/2017	Upward	Upward
Amundi	04/04/2017	684,270	04/04/2017	Downward	Downward
AXA Investment Managers	05/11/2017	770,438	05/16/2017	Upward	Upward
BNP Paribas Investment Partners SA	05/23/2017	1,110,198	06/06/2017	Downward	Downward
Amundi	06/12/2017	775,927	06/12/2017	Upward	Upward
Caisse des dépôts [(a)]	06/19/2017	28,895,631	06/23/2017	Downward	Downward
Groupama [(a)]	06/19/2017	0	06/21/2017	Downward	Downward
Spirica [(c)]	06/19/2017	415,898	06/23/2017	Upward	Upward
Predica [(c)]	06/19/2017	12,677,222	06/23/2017	Upward	Upward
Crédit Agricole SA/Crédit Agricole Assurances [(b)]	06/19/2017	13,715,504	06/23/2017	Upward	Upward
Allianz Global Investors GmbH	07/13/2017	395,667	07/17/2017	Upward	Upward
Icamap Investments S.àr.l	08/02/2017	669,425	08/02/2017	Upward	Upward
Icamap Investments S.àr.l	08/21/2017	742,571	08/21/2017	Upward	Upward
BNP Paribas Asset Management	11/08/2017	1,111,500	11/10/2017	Downward	Unchanged
BNP Paribas Asset Management	11/13/2017	1,094,330	11/15/2017	Unchanged	Downward
Icamap Investments S.àr.l	11/15/2017	1,131,588	11/15/2017	Upward	Upward
Crédit Agricole SA/Crédit Agricole Assurances	12/01/2017	13,704,789	12/06/2017	Downward	Downward
Amundi	12/07/2017	1,119,216	12/07/2017	Upward	Upward

(a) The downward crossings of thresholds for shareholders acting in concert resulted from the termination of the shareholder agreement entered into between Caisse des dépôts and the companies Groupama Holding, Groupama SA and Groupama Gan Vie, whereby they were considered to be acting in concert. The termination of this share agreement whose parties where considered to be acting in concert in relation to the Company resulted from the sale by Groupama of its entire stake in Icade to Crédit Agricole Assurances on June 19, 2017.
As a result of this transaction, Caisse des dépôts continues to hold, individually, 28,895,631 shares representing the same number of voting rights of Icade.
(b) On June 19, 2017, Crédit Agricole Assurances announced the acquisition of Groupama's stake in Icade.
(c) Notification from Crédit Agricole SA, both for itself as parent company and on behalf of its controlled entities.

1.4. Shareholding structure

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, 2017.

Shareholders (as of 12/31/2017)	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Caisse des dépôts	28,895,631	38.99	28,895,631	39.10
Crédit Agricole Assurances Group [(a)]	13,704,789	18.49	13,704,789	18.54
Public	31,111,533	41.98	31,111,533	42.10
Employees (FCPE Icade)	192,589	0.26	192,589	0.26
Treasury shares	206,644	0.28	0	0.00
TOTAL	**74,111,186**	**100.00**	**73,904,542**	**100.00**

(a) Number of shares held last notified to Icade as of December 31, 2017.

In accordance with Icade's Articles of Association, no shareholder holds any special voting rights. Changes in Icade's shareholding structure are shown in the section "Events after the balance sheet date".

1.4.1. Legal or natural persons who may exercise control over the Company

Under Article L. 233-3 I, 4° of the French Commercial Code, Caisse des dépôts exercises sole control over the Company.

In the interests of good corporate governance, Icade has taken a number of actions to prevent conflicts of interest and has four independent Directors on its Board of Directors. Furthermore, all sub-committees of the Board of Directors (Appointments and Remuneration Committee; Audit, Risks and Sustainable Development Committee; and Strategy and Investment Committee) are chaired by independent Directors.

1.4.2. 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, 2017, Icade had in place a set of measures intended to prevent conflicts of interest, amongst which:

- the presence of four independent Directors on the Board of Directors made up of eleven members. The proportion of independent Directors on the Board of Directors is in compliance with Article 8.3 of the Afep-Medef Code of Corporate Governance;
- the existence of three committees including independent Directors: Appointments and Remuneration Committee (two-thirds of the members are independent Directors); Audit, Risks and Sustainable Development Committee (half of the members are independent Directors); and the Strategy and Investment Committee (half of the members are independent Directors);
- 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, 2017 and two related party agreements entered into during a prior financial year were still ongoing during this financial year (see the Statutory Auditors' special report on regulated related-party agreements).

2. The Company's shares

As of December 31, 2017, Icade's share capital stood at €112,966,652.03, divided into 74,111,186 shares. As of December 31, 2017, the Company's market capitalisation was €6,071,929,469.

2.1. Data sheet

CAPITALISATION
as of 12/31/2017
€6,072 million

NUMBER OF LISTED SHARES
as of 12/31/2017
74,111,186

DATA SHEET

ISIN code	FR0000035081
Ticker	ICAD
Listing market	Euronext Paris – Euronext – Local equities
Specific market	Local equities – Compartment A *(Blue Chips)*
Industry (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 120 Euronext, Euronext IEIF REIT Europe

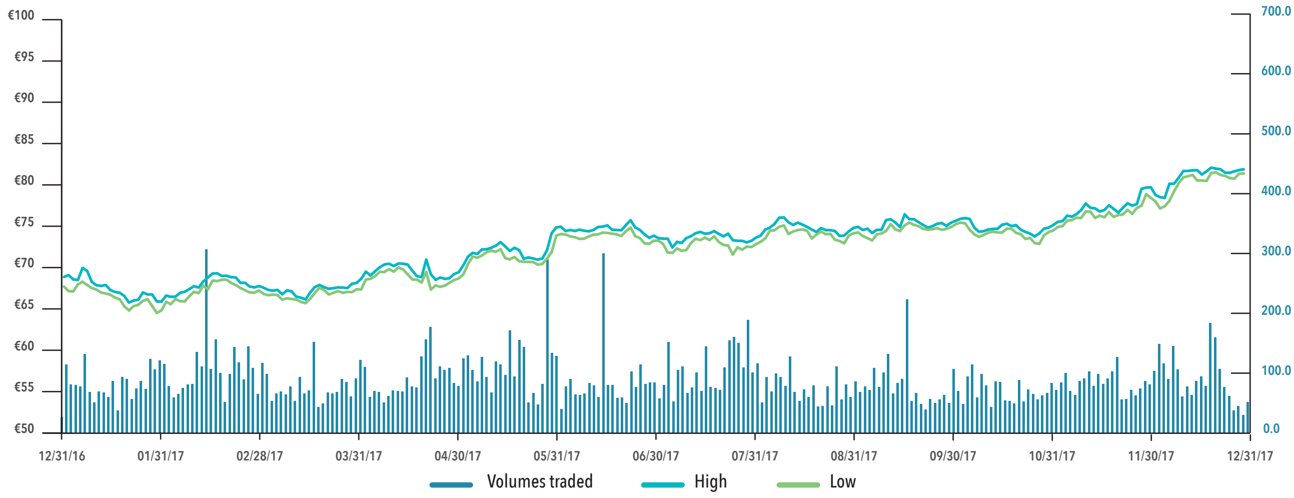
2.2. Icade shares from January 1 to December 31, 2017

	Price *(in €)*		**Trading volumes**	
2017	**High**	**Low**	**Shares traded** *(in number)*	**Amount traded** *(in €m)*
January	69.99	68.32	1,773,270	118.52
February	69.34	68.57	2,222,484	150.56
March	68.68	67.60	1,785,832	119.94
April	71.00	67.37	1,642,556	113.67
May	73.11	68.20	2,430,031	173.02
June	75.76	71.91	1,970,227	146.28
July	74.45	71.61	2,193,296	160.40
August	76.10	72.52	1,764,533	131.11
September	76.48	73.32	1,685,193	118.16
October	76.02	72.90	1,549,035	115.53
November	79.75	74.95	1,915,589	147.59
December	82.12	77.19	1,669,756	134.78
			22,601,802	**1,629.56**

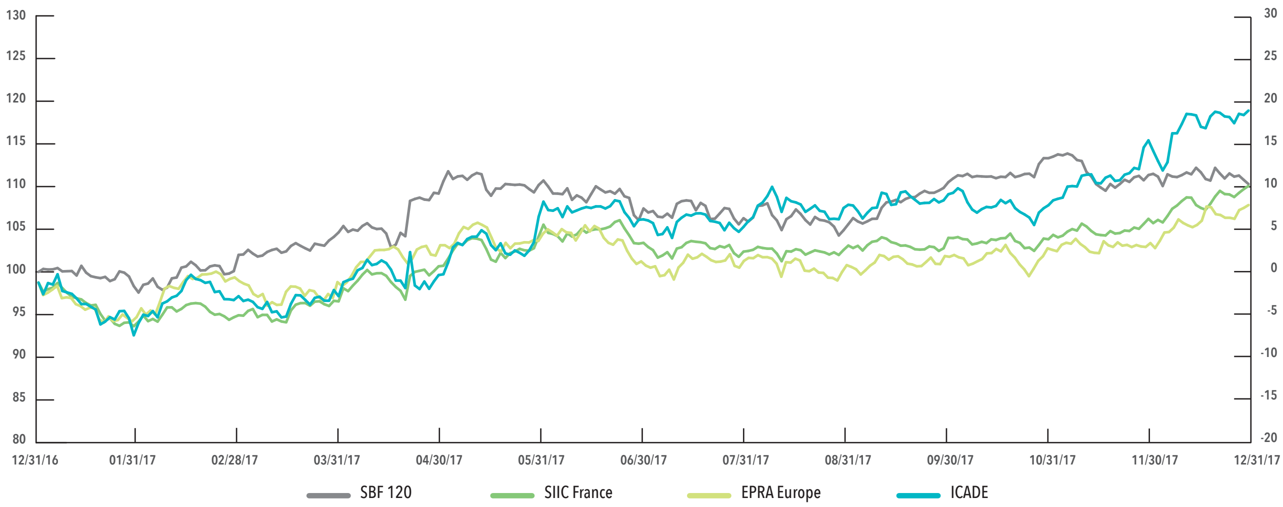
(Sources: Euronext/Bloomberg).

ICADE'S SHARE PRICE IN 2017 AND VOLUMES OF SHARES TRADED ON EURONEXT

Volumes of shares traded *(in thousands of shares)*



Icade's share price vs. EPRA Europe, SIIC France, SBF 120 from 12/31/2016 to 12/31/2017 *(100 = Icade's share price as of 12/31/2016)*



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

All employees of Icade's Economic and Social Unit (UES) who have completed at least three months of service in the Icade Group benefit from the Group Savings Plan.

To invest these funds, Icade's Group Savings Plan offers employees several "FCPE" employee-shareholding funds, including four multi-company funds and the Icade fund.

FCPE Icade Action represents 37.3% of outstanding investments in the Group Savings Plan, and 41% of employee shareholders hold shares in this particular fund.

As of December 31, 2017, FCPE Icade Action held all employee-owned Icade shares, that is: 192,589 shares, i.e. 0.26% of capital.

As of December 31, 2017, no other "FCPE" employee-shareholding fund held Icade shares.

3.2. Bonus share plans and performance share plans

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 share plan and performance share plan

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 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 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 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 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 ICADE 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%	80.00%	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 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.

3.2.2. Summary of current bonus share plans and performance share plans

The table below shows the features of all bonus share plans and performance share plans implemented by Icade and still in effect.

	1-2014 Plan	2-2014 Plan	1-2016 Plan	2-2016 Plan
Date of the General Meeting	06/22/2012	06/22/2012	05/23/2016	05/23/2016
Date of the Board of Directors' meeting	02/19/2014	02/19/2014	10/19/2016	10/19/2016
Maximum number of shares that may be granted	519,962 [(a)]	519,962 [(a)]	370,555 [(e)]	370,555 [(e)]
Total number of shares initially granted	21,990	14,250	31,560	52,959
Total number of shares that may vest	21,990 [(b)]	14,250	31,560 [(f)]	52,959
– in favour of the top ten non-corporate officer employee awardees		*9,550*		*13,237*
– in favour of other non-corporate officer employee awardees		*4,700*		*39,722*
– in favour of corporate officers [(e)]				
Total number of beneficiaries	1,466	34	1,052	220
Grant date	03/04/2014	03/04/2014	11/07/2016	11/07/2016
Vesting date	03/04/2016	03/04/2016	11/07/2018	11/07/2018
Date of end of the mandatory holding period	03/04/2018	03/04/2018	11/07/2019	11/07/2020
Grant price	€68.81 [(c)]	€68.81 [(c)]	€66.49 [(g)]	€66.49 [(g)]
Vesting subject to a condition of service on the vesting date	yes	yes	yes	yes
Vesting subject to performance conditions	no	yes [(d)]	no	yes [(h)]
Cancelled shares (II) including:	2,895	12,994	3,870	6,863
Vested shares (III)	19,095	1,256	0	0
– in favour of the top ten non-corporate officer employee awardees		*692*		
– in favour of other non-corporate officer employee awardees		*564*		
– in favour of corporate officers [(e)]				
Remaining shares as of 12/31/2016 (IV) = (I) - (II) - (III)	0	0	27,690	46,096

(a) 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)".
(b) That is, 15 shares per employee holding a permanent employment contract on December 31, 2013 and still working for the Company on the grant date.
(c) Average of the 20 most recent closing prices, prior to March 4, 2014.
(d) 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 as part of the plan's performance conditions, with each of these criteria relating to 50% of the performance shares granted.
(e) 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)".
(f) 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.
(g) Average of the 20 most recent opening prices, prior to November 7, 2016.
(h) 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 as part of 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 plan introduced by the Board of Directors of Silic on February 22, 2013 by delegation of its Combined General Meeting of May 6, 2011, was converted into Icade bonus share plans applying the exchange ratio used for the merger (five Icade shares for four Silic shares).

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 introduced 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	122,700
including those cancelled for failing to meet performance conditions	80,190
Options exercised:	0
– in favour of the top ten non-corporate officer employee awardees	*0*
– in favour of other non-corporate officer employee awardees	*0*
– in favour of corporate officers	*0*
Remaining options as of 12/31/2017	24,800

(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 the beneficiary still working for the Company on the vesting date.
65% of options are subject to performance conditions in addition to the condition of the beneficiary still working for the Company on the vesting 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 contingent on cash flow may be exercised by the beneficiaries.

(c) Average of the 20 most recent opening prices, prior to March 3, 2011.

3.3.1. 1-2011 Plan for stock options

In accordance with the authorisation given by the Combined General Meeting of Icade Emgp (renamed "Icade") of April 15, 2009, Icade's Board of Directors meeting of February 16, 2011 approved a 1-2011 Plan in favour of corporate officers (Article L. 225-185 of the French Commercial Code) including the Chairman of simplified joint stock companies (SAS) in the Group, and/or a salaried individual of a company of the Group and member of the Executive Committee or Coordination Committee of the Company, or performing management duties within a company of the Group.

In accordance with the delegation granted to him by Icade's Board of Directors on February 16, 2011, the Chairman and Chief Executive Officer decided that the grant of options provided for by the 1-2011 Plan would take place on March 3, 2011.

The main characteristics of this 1-2011 Plan are described below:

1-2011 Plan

Maximum number of options that can be subscribed if all the options are granted and exercised	751,361 [(a)] and 498,377 per financial year
Total number of stock options initially granted	147,500
Total number of shares that can be subscribed by exercising options	147,500, of which 80,500 shares can be subscribed by the top ten non-corporate officer employee awardees, 26,000 can be subscribed by other non-corporate officer employee awardees, and 40,000 can be subscribed by Serge Grzybowski, Chairman and Chief Executive Officer and the only corporate officer concerned
Total number of beneficiaries	32
Start of the stock option exercise period	March 4, 2015
Expiry date	March 3, 2019
Subscription price	€80.86
Exercise terms and conditions	These options can be exercised by their beneficiaries from the start of the stock option exercise period under the following terms and conditions: ▪ up to 35% of the total number of options granted to them; and ▪ for the remainder, i.e. up to 65% of the total number of options granted (the "Performance-Contingent Options"), 32.5% of options shall be exercisable or not depending on the change in the price of the Icade share relative to the change in the IEIF benchmark index ([b]) and the remaining 32.5% depending on the achievement of objectives in terms of net current cash flow.
Cancelled stock options	122,700 (including 80,190 for failing to meet objectives set as part the performance conditions)
Exercised stock options	-
Outstanding stock options as of 12/31/2017	24,800

(a) The 18th resolution of the Combined General Meeting of April 15, 2009 states that: "the General Meeting decided that the number of options granted cannot provide entitlement to a total number of shares resulting in a nominal capital increase exceeding 1.5% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months) and 1% of the diluted capital determined as of the day of this meeting per financial year."

(b) Thus, these objectives will be achieved for half of the Performance-Contingent Options if, over the reference periods, the change in Icade's share price (average of the twenty 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.
Similarly, the objectives will be achieved for half of the Performance-Contingent Options 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 contingent on cash flow may be exercised by the beneficiaries.

3.4. Bonus shares

3.4.1. 1-2014 and 2-2014 plans for Icade bonus shares

In accordance with the authorisation given by the Combined General Meeting of Icade of June 22, 2012, Icade's Board of Directors, at its meeting of February 19, 2014, approved a bonus share plan for the employees of Icade and its subsidiaries within the Icade Economic and Social Unit (UES) (i.e.: Icade SA, Sarvilep, Icade Promotion, Icade Transactions, Icade Property Management, I Porta, Icade Conseil, Icade Expertise, Icade Asset Management, Socomie) holding a permanent employment contract on December 31, 2013.

In accordance with the delegation granted to him by Icade's Board of Directors on February 19, 2014, the Chairman and Chief Executive Officer decided that the assignment of bonus shares under the two 2014 plans would take place on March 3, 2014.

The main characteristics of the 1-2014 and 2-2014 plans are described below:

1-2014 Plan

Maximum number of shares that may be granted	519,962 [(a)]
Total number of shares initially granted	21,990
Total number of shares that may vest	21,990, i.e. 15 shares per employee holding a permanent employment contract on December 31, 2013 and still working for the Company on the grant date
Total number of beneficiaries	1,466
Vesting date	March 4, 2016
End of the mandatory holding period	March 4, 2018
Grant price	€68.81 [(b)]
Vesting terms and conditions	These shares will vest provided that their beneficiary still works for the Company on the vesting date
Cancelled shares	2,895
Vested shares [(c)]	19,095
Remaining shares as of 12/31/2017	0

(a) 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)."
(b) Average of the 10 most recent prices, prior to March 3, 2014.
(c) As of December 31, 2015, there were two cases of early vesting in accordance with the rules defined in the plan's regulations (i.e. 30 shares for death).

2-2014 Plan

Maximum number of shares that may be granted	519,962 [(a)]
Total number of shares initially granted	14,250
Total number of shares that may vest	14,250, of which 9,300 shares may vest in favour of the top ten non-corporate officer employee awardees and 4,950 in favour of other non-corporate officer employee awardees
Total number of beneficiaries	34
Vesting date	March 4, 2016
End of the mandatory holding period	March 4, 2018
Grant price	€68.81 [(b)]
Exercise terms and conditions	100% of these shares will vest provided that their beneficiary still works for the Company on the vesting date and that EPRA earnings per share and the price of the Icade share reach the objectives set as part of the plan's performance conditions
Cancelled shares	12,994
Vested shares	1,256
Remaining shares as of 12/31/2017	0

(a) 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)."
(b) Average of the 10 most recent prices, prior to March 3, 2014.

3.4.2. 1-2016 and 2-2016 plans for Icade bonus shares

In accordance with the authorisation given by the Combined General Meeting of Icade of May 26, 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) (i.e.: Icade SA, Sarvilep, Icade Management, SMDH, Icade Promotion) holding a permanent employment contract on October 1, 2016.

The main characteristics of the 1-2016 and 2-2016 plans are described below:

1-2016 Plan

Maximum number of shares that may be granted	370,555 (a)
Total number of shares initially granted	31,560
Total number of shares that may vest	31,560, i.e. 30 shares per employee holding a permanent employment contract on October 1, 2016 and still working for the Company on the grant date
Total number of beneficiaries	1,052
Vesting date	November 7, 2018
End of the mandatory holding period	November 7, 2019
Grant price	€66.49 (b)
Vesting terms and conditions	These shares will vest provided that their beneficiary still works for the Company on the vesting date
Cancelled shares	3,870
Vested shares	0
Remaining shares as of 12/31/2017	27,690

(a) 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)."
(b) Average of the 20 most recent prices, prior to November 7, 2016.

2-2016 Plan

Maximum number of shares that may be granted	370,555 (a)
Total number of shares initially granted	52,959
Total number of shares that may vest	52,959, of which 13,237 shares may vest in favour of the top ten non-corporate officer employee awardees and 39,722 in favour of other non-corporate officer employee awardees
Total number of beneficiaries	220
Vesting date	November 7, 2018
End of the mandatory holding period	November 7, 2020
Grant price	€66.49 (b)
Exercise terms and conditions	100% of these shares will vest provided that their beneficiary still works for the Company on the vesting date and that EPRA earnings per share and the price of the Icade share reach the objectives set as part of the plan's performance conditions
Cancelled shares	6,863
Vested shares	0
Remaining shares as of 12/31/2017	46,096

(a) 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)."
(b) Average of the 20 most recent prices, prior to November 7, 2016.

3.5. Information on stock options granted by the Company and exercised by non-corporate officer employees during the year

Date on which the options were granted Grant and exercise of stock options for current and former non-corporate officer employees (aggregate information)	-
Options granted by the Company during the financial year to the 10 non-corporate officer employees who received the highest number of options	-
Share subscription price	-

Stock options granted to the top ten non-corporate officer employee awardees and options exercised by the latter during the financial year	Total number of options granted/shares subscribed or purchased	Weighted average price
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)	-	-
Options held against the issuer and the above-mentioned companies which were exercised during the year by the ten employees of the issuer or of these companies who received the highest number of options (aggregate information)	-	-

4. Appropriation of profits and dividend distribution policy

4.1. History of dividends and proposed appropriation of profits

Icade	2015	2016	2017
Dividend proposed by the annual OGM for the financial year ***(in €m)*** [(a)]	276.4	296.4	318.7 [(b)]
Dividend per share ***(in €)***	3.73	4.00	4.30
Number of shares (including treasury shares)	74,111,186 [(c)]	74,111,186 [(c)]	74,111,186 [(d)]
Number of shares (excluding treasury shares)	73,804,792 [(c)]	73,904,542 [(c)]	73,904,542 [(d)]

(a) Including treasury shares.
(b) Subject to the approval of the Annual Ordinary General Meeting 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 Ordinary General Meeting.
(c) Number of shares as of the date of the Annual Ordinary General Meeting to be held to approve the financial statements for the year.
(d) Number of shares as of 12/31/2017 at midnight.

4.2. Obligation 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 stood at 7.49% as of December 31, 2017.

In 2017, Icade's net profit was €128.6 million, corresponding to a fiscal profit of €67.1 million.

This tax base breaks down between the various business activities as follows:

- €17.0 million in tax-exempt current income from SIIC activities, subject to a 95% distribution obligation;
- €16.3 million in tax-exempt income from disposals, subject to a 60% distribution obligation;
- €33.1 million in tax-exempt dividends from SIIC subsidiaries, subject to a 100% distribution obligation;
- taxable profit stands at €0.6 million before deduction of tax loss carryforwards.

These results generated a total distribution obligation of €59.2 million for the financial year 2017, broken down as follows:

- €16.2 million relating to the rental business (95% obligation);
- €9.8 million relating to asset disposals (60% obligation);
- €33.1 million relating to dividends from SIIC subsidiaries (100% obligation).

	Fiscal profit/(loss)	Distribution obligation		Fiscal profit/(loss)	Distribution obligation	
(in millions of euros)	**12/31/2017**	**%**	**Amount**	**12/31/2016**	**%**	**Amount**
Current profit/(loss) from SIIC activities	17.0	95.00%	16.2	37.4	95.00%	35.5
Profit/(loss) from asset disposals	16.3	60.00%	9.8	35.4	60.00%	21.3
Dividends from SIIC subsidiaries	33.1	100.00%	33.1	11.7	100.00%	11.7
Taxable profit/(loss)	0.6	0.00%	-	10.0	0.00%	-
TOTAL	**67.1**		**59.2**	**94.5**		**68.6**
Obligations limited to tax-exempt profit			NA			NA
Distribution obligations taken over from acquired companies			NA			NA
TOTAL	**67.1**		**59.2**			**68.6**

The distribution of a dividend of €4.30 per share will be proposed to the Annual General Meeting to be held to approve the financial statements for the year ended December 31, 2017. Based on existing shares as of December 31, 2017, i.e. 74,111,186 shares, the dividend distribution amount proposed to the General Meeting will be €318.7 million.

	12/31/2017	12/31/2016
Dividend distributed for the financial year ***(in €m)*** [(a)]	318.68	296.44
Including ordinary dividend	*318.68*	*296.44*
Including special dividend	-	-
Dividend per share ***(in €)*** [(a)]	4.30	4.00
Including ordinary dividend	*4.30*	*4.00*
Including special dividend	-	-

(a) The number of shares used is the number of shares making up the capital, i.e. 74,111,186 as of December 31, 2017 and December 31, 2016.

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.

9. ADDITIONAL INFORMATION

1. Persons responsible

1.1. Person responsible for the registration document

Mr Olivier Wigniolle, Chief Executive Officer of Icade.

1.2. Declaration by the person responsible for the registration 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 drawn up in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company, and of all the companies included in its scope of consolidation, and that the information contained in the management report, whose correspondence table is shown on page 305, 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.

Paris, on March 29, 2018

Olivier Wigniolle

Chief Executive Officer

1.3. Persons responsible for audits

1.3.1. Principal Statutory Auditors

PricewaterhouseCoopers Audit

Member of *Compagnie regionale des commissaires aux comptes de Versailles*

63, rue de Villiers
92200 Neuilly-sur-Seine, France

Registered in the Nanterre Trade and Companies Register (RCS) under No. 672 006 483

Represented by Éric Bulle

First appointed: 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 regionale des commissaires aux comptes de Versailles*

Tour Exaltis
61, rue Henri-Regnault
92400 Courbevoie, France

Registered in the Nanterre Trade and Companies Register (RCS) under No. 784 824 153

Represented by Gilles Rainaut

First appointed: 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, France

First appointed: 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.

Yves Nicolas

Alternate for PricewaterhouseCoopers Audit

63, rue de Villiers
92200 Neuilly-sur-Seine, France

First appointed: 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 2017

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

27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France

Telephone: +33 1 41 57 70 01

olivier.wigniolle@icade.fr

Victoire Aubry

Member of the Executive Committee in charge of Finance, Legal, IT, and Work Environment

27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France

Telephone: +33 1 41 57 70 12

victoire.aubry@icade.fr

2. Third-party information, statements by experts 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 assignment.

Our annual fees charged to the Company represent less than 10% of our Company's revenue 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, 2017.

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 property was owned by a special purpose company, its value 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 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:
  - 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.

2.3. Total fair value as of December 31, 2017

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 2017 campaign	Fair value excluding duties as of 12/31/2017 [(a)] on a full consolidation basis *(in €m)*
BNP Paribas Real Estate Valuation	Offices/Business parks	135	4	1,559
CBRE Valuation	Offices/Residential	203	-	2,422
Cushman & Wakefield	Business parks	225	57	3,490
Jones Lang Lasalle Expertise	Offices/Healthcare/Hotels	94	7	4,913
Catella Valuation FCC	Offices/Warehouses/ Healthcare/Shopping centres	71	2	5,562
Impact of assets subject to a double appraisal approach				(5,688)
Non-appraised assets or assets measured at a different value				528
TOTAL ASSETS				**12,786.9**

(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. Including the ANF Immobilier portfolio

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.

Christophe Adam
Director
Jones Lang LaSalle Expertises

Philippe Dorion
Director
Cushman & Wakefield Valuation France

Anne Digard
Chairman
CBRE Valuation

Jean-François Drouets
Chairman
Catella Valuation FCC

Jean-Claude Dubois
Chairman
BNP Paribas Real Estate Valuation

3. Statutory Auditors' special report on related party agreements and commitments

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.

General Meeting held to approve the financial statements for the year ended December 31, 2017

To the General Meeting of the Icade company,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

Based on the information provided to us, it is our responsibility to report to shareholders on the characteristics, main terms and conditions and justification of the appropriateness for the Company, of the agreements and commitments that have been disclosed to us or that we may have identified as part of our assignment, without commenting on their relevance or merits or identifying any undisclosed agreements or commitments. Pursuant to Article R. 225-31 of the French Commercial Code, 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 performance during the year ended of any agreements or commitments already approved by the General Meeting.

We performed the procedures that we deemed necessary for this task in accordance with the professional standards applicable in France. These procedures consisted in ensuring that the information provided to us agrees with the underlying documents.

Agreements and commitments to be submitted to the General Meeting for approval

We were not informed of any agreement or commitment authorised during the financial year ended to be submitted for approval to the General Meeting, pursuant to Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the General Meeting

Agreements and commitments approved during prior financial years

a) whose fulfilment continued during the financial year ended

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the execution of the following agreements and commitments, which were approved by the General Meeting during prior financial years, continued during the financial year ended.

Contingency insurance policy for Olivier Wigniolle in his capacity as Chief Executive Officer of Icade

A group contingency insurance policy *(contrat d'assurance prévoyance)* was taken out by Caisse des dépôts with CNP Assurances on February 15, 2012. This policy covers certain senior executives of the subsidiaries of the Caisse des dépôts group.

In this context, Olivier Wigniolle, Chief Executive Officer of Icade, is one of the insured persons under this policy, under which he benefits from insurance cover as a corporate officer.

Caisse des dépôts decided to charge Icade for the share of the payments made under the group contingency insurance policy corresponding to the cover granted to Olivier Wigniolle as Chief Executive Officer of Icade. The recharge by Caisse des dépôts of this group contingency insurance policy and the payment by Icade of invoices to be issued in this context shall indicate the existence of a recharge agreement, even if this recharge agreement is not evidenced by a written contract.

On April 29, 2015, the Board of Directors authorised the signing of this commitment and acknowledged the merits of this contingency insurance policy, particularly i) with regard to pricing conditions, considered fair and equitable for Icade for this type of insurance cover, and ii) considering how complex it would be to take out a new insurance policy for the senior executive concerned. The amount of the recharge did not exceed €10,000 for the financial year 2017.

Directors concerned: *Caisse des dépôts, Marianne Laurent, Olivier Mareuse, Céline Senmartin and Nathalie Tessier*

b) whose fulfilment did not continue during the financial year ended

In addition, we have been informed that the following agreements and commitments, which were approved by the General Meeting during prior financial years, remained in force but were not executed during the financial year ended.

Allocation of a severance payment in the event of dismissal of Olivier Wigniolle as Chief Executive Officer of Icade

At its meetings of March 19, 2015 and April 29, 2015, the Board of Directors approved all the terms and conditions relating to the corporate office of Olivier Wigniolle, which are in line with market practices and compliant with the guidelines and principles for the senior executives of Caisse des dépôts.

In the event of dismissal related to a change of control (within the meaning of Article L. 233-3 of the French Commercial Code) or a strategic disagreement with the Board of Directors, Olivier Wigniolle, Chief Executive Officer of Icade, will receive a severance benefit equal to the gross overall remuneration (fixed and variable) received over the twelve months preceding his dismissal.

In accordance with Article L. 225-42-1 of the French Commercial Code, the severance benefit shall only be paid if the following performance condition has been satisfied: the most recent NPAG (net profit(/loss) attributable to the Group as reported in the consolidated financial statements and after adjustment for capital gains from disposals) for the financial year preceding the dismissal is greater than or equal to the arithmetic mean of the NPAGs for the two financial years immediately preceding the most recent NPAG.

Corporate officer concerned: *Olivier Wigniolle*

Paris La Défense and Neuilly-sur-Seine on March 16, 2018
The Statutory Auditors

Mazars	**PricewaterhouseCoopers Audit**
Gilles Rainaut	Éric Bulle

4. Documents on display

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: 27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France.

The regulated information as defined in Article 221-3 of the AMF General Regulation is available on Icade's website (www.icade.fr).

Copies of this registration document are available free of charge from Icade (27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France), on its website (www.icade.fr), and on the French Financial Markets Authority's (AMF) website (www.amf-france.org).

5. Schedule of financial publications and events in 2018

Publications	Estimated publication dates (AMF press releases)	Quiet Period [(a)]	Blackout Period [(b)]
Q4 2017 revenue **2017 full-year financial statements**	February 12, 2018 before the market opens	January 28, 2018 to February 12, 2018	January 13, 2018 to February 13, 2018 inclusive
Q1 2018 revenue	April 27, 2018 before the market opens	April 20, 2018 to April 27, 2018	April 12, 2018 to April 28, 2018 inclusive
Q2 2018 revenue **2018 half-year financial statements**	July 23, 2018 before the market opens	July 8, 2018 to July 23, 2018	June 23, 2018 to July 24, 2018 inclusive
Q3 2018 revenue	October 19, 2018 after the market closes	October 12, 2018 to October 19, 2018	October 4, 2018 to October 20, 2018 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. Persons responsible	
1.1 Name and position of persons responsible	Chap. 9 p. 298
1.2 Declaration from persons responsible	Chap. 9 p. 298
2. Statutory Auditors	**Chap. 9 p. 299**
3. Selected financial information	**Chap. 1 p. 7-9**
4. Risk factors	**Chap. 4 p. 134-144**
5. Information about the issuer	
5.1 History and development of the Company	
5.1.1 Legal and commercial name of issuer	Chap. 8 §1.1. p. 278
5.1.2 Place of registration and registration number of the issuer	Chap. 8 §1.1. p. 278
5.1.3 Date of incorporation and length of life of the issuer	Chap. 8 §1.1. p. 278
5.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates	Chap. 8 §1.1. p. 278
5.1.5 Important events	Chap. 2 §1.1. p. 14 – Chap. 8 §1.3.7. p. 283
5.2 Investments	–
5.2.1 Description of investments made during the financial year	Chap. 2 p. 14-15, 31-32, §2.2.6. p. 37-39, §2.3.6. p. 51, Chap. 6 §4.2.1. p. 201
5.2.2 Description of future investments	Chap. 2 p. 38, 52
6. Business overview	
6.1 Principal activities	Chap. 1 p. 10, Chap. 2 p. 25, 57, 63
6.2 Principal markets	Chap. 2 p. 29-30, 48, 58
6.3 Exceptional factors	Chap. 2 p. 14-15
6.4 Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	NA
6.5 The basis for any statements made by the issuer regarding its competitive position	Chap. 1 p. 11, Chap. 2 p. 32, p. 49, p. 63-64, Chap. 4 p. 136-137
7. Organisational structure	
7.1 Brief description of the Group	Chap. 1 p. 10
7.2 List of significant subsidiaries	Chap. 6 p. 229-235
8. Property, plants and equipment	
8.1 Material tangible fixed assets	Chap. 2 p. 27, p. 30, p. 49, Chap. 6 p. 201-202
8.2 Environmental issues that may affect the issuer's utilisation of the tangible fixed assets	Chap. 3, Correspondence tables p. 127-129
9. Financial review	
9.1 Financial condition	Chap. 2 p. 15-64, Chap. 6 p. 181-183
9.2 Operating results	Chap. 2 p. 15-64, Chap. 6 p. 180
10. Capital resources	
10.1 Information concerning capital resources	Chap. 6 p. 183, p. 212-213
10.2 Sources and amounts of cash flows	Chap. 6 p. 182
10.3 Information on borrowing requirements and funding structure	Chap. 2 p. 20-23, Chap. 6 p. 204-211
10.4 Restrictions on the use of capital resources that have materially affected, or could materially affect the Company's operations	Chap. 2 p. 23, Chap. 6 p. 221, Chap. 8 p. 285
10.5 Anticipated sources of funds needed to fulfil firm investment commitments made by the managers and planned tangible fixed assets	Chap. 2 p. 20-23, Chap. 6 p. 204-211
11. Research and development, patents and licences	**NA**

Subjects (headings of Appendix 1 of Commission Regulation No. 809/2004)	Registration document
12. Trend information	**Chap. 1 p. 11-12**
13. Profit forecasts or estimates	**NA**
14. Board of Directors and senior management	
14.1 Information on the members of the Board of Directors and Senior Management	Chap. 5 p. 149-156, p. 163-165
14.2 Conflicts of interest	Chap. 5 p. 177
15. Remuneration and benefits	
15.1 Amount of remuneration paid and benefits in kind granted	Chap. 5 p. 166-175, p. 177, Chap. 6 p. 227, Chap. 7 p. 263-264
15.2 Amount set aside or accrued to provide pension, retirement or similar benefits	Chap. 5 p. 173, Chap. 6 p. 221-222
16. Board practices	
16.1 Date of expiry of current terms of office	Chap. 5 p. 150-156, p. 163
16.2 Service contracts binding the members of the Board of Directors	Chap. 5 p. 173
16.3 Information concerning committees	Chap. 5 p. 163-166
16.4 Statement of compliance with the corporate governance regime	Chap. 5 p. 146-147
17. Employees	
17.1 Number of employees	Chap. 3 p. 106-107, Chap. 6 p. 222
17.2 Shareholdings and stock options of corporate officers	Chap. 5 p. 171-172, Chap. 8 p. 289-291
17.3 Arrangement providing for employee shareholding	Chap. 8 p. 288-294
18. Major shareholders	
18.1 Shareholders holding more than 5% of the share capital or voting rights	Chap. 8 p. 283-284
18.2 Existence of different voting rights	NA
18.3 Control of the issuer	Chap. 8 p. 285
18.4 Any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	Chap. 8 p. 285
19. Related party transactions	**Chap. 2 p. 66**
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
20.1 Historical financial information	Chap. 6 p. 180-235, Chap. 7 p. 242-272
20.2 Pro forma financial information	NA
20.3 Financial statements	Chap. 6 p. 194-247, Chap. 7 p. 273-276
20.4 Statutory Auditors' reports	Chap. 6 p. 236-239, Chap. 7 p. 273-276
20.5 Age of latest financial information	p. 1
20.6 Interim and other financial information	NA
20.7 Dividend policy	Chap. 8 §4. p. 294-295
20.8 Legal and arbitration proceedings	Chap. 4 §3.2. p. 144
20.9 Significant change in the financial or trading position	NA
21. Additional information	
21.1 Share capital	Chap. 8 p. 280-281
21.2 Memorandum and Articles of Association	Chap. 8 § 1.2.1. p. 278
22. Material contracts	**Chap. 2 §4.4. p. 66**
23. Third-party information, statements by experts and declarations of interest	**Chap. 9 §2. p. 300**
24. Documents on display	**Chap. 9 §4. p. 304**
25. Information on holdings	**Chap. 7 p. 272**

6.2. Correspondence table for the financial report

The following table identifies the information required by the French Financial Markets Authority (AMF) in respect of the annual financial report, in accordance with Article 212-13 VI of its General Regulation.

Subjects (in compliance with Article 222-3 of the AMF General Regulation)		Registration document
1.	**Annual financial statements**	**Chap. 7 p. 242-272**
2.	**Consolidated financial statements**	**Chap. 6 p. 180-234**
3.	**Statutory Auditors' reports on the annual financial statements and consolidated financial statements**	**Chap. 7 p. 273-276, Chap. 6 p. 236-239**
4.	**Management report**	
4.1	Activity of the Company and its subsidiaries	Chap. 2 p. 14-64, Chap. 4 p. 133-144, Chap. 3 § 3 p. 93
4.2	Appropriation of profits, and dividends	Chap. 8 §4 p. 294-295
4.3	Subsidiaries and holdings	Chap. 6 p. 229-235, Chap. 7 §13.4. p. 272
4.4	Treasury shares	Chap. 8 p. 281-282
4.5	Employee shareholding	Chap. 8 §3 p. 288-294
4.6	Other information	
4.6.1	Payment terms	Chap. 2 p. 66
4.6.2	Corporate officers' transactions in the Company's securities	Chap. 5 §2.1. p. 177
4.7	Social, environmental and R&D information and opinion of the independent third-party body	Chap. 3 p. 67-129
5.	**Corporate governance report**	**Chap. 5 §1 p. 146-176**

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ADDITIONAL INFORMATION...

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