



PRESS RELEASE

Paris, 22 July 2015

ICADE – 2015 HALF-YEAR RESULTS AN ACTIVE FIRST HALF OF THE YEAR

- **New governance and a renewed management team**
- **Recovery of optimism in property development activities:**
 - Reservations up 15.2% for residential property development
 - Strong increase of the commercial property development backlog
- **Property investment business still dynamic:**
 - Signing of a memorandum of understanding on the acquisition of 17 clinics for a total amount of €651 million
 - Renewal of AXA France leases for a nine-year period
- **Positive financial indicators:**
 - EPRA earnings from property investment: +6.2%
 - Group net current cash flow: +4.3%
- **Outlook 2015: EPRA earnings from property investment expected to remain stable or grow slightly; Group net current cash flow per share expected to be between €4 and €4.10**

	30/06/2015	Change
Group net current cash flow per share	€1.95	+4.3% ^a
EPRA earnings from property investment per share	€1.74	+6.2 % ^a
NAV per share	€74.9	(4.4)% ^b
Triple net NAV per share	€72.4	(3.7)% ^b
Cost of net debt	2.79%	(28) bp ^b
LTV	38.2%	+130 bp ^b

^a compared to 30 June 2014

^b compared to 31 December 2014

Olivier Wigniolle, Chief Executive Officer of Icade said: “While Icade implemented new governance measures and renewed its management team during the first half of the year, great successes were achieved in its various business activities. The renewal of the AXA leases, the announced acquisition of the Vitalia portfolio (17 clinics), and the recovery of optimism in property development activities are all well-oriented signs for Icade’s future. During the last quarter of 2015, we will have the opportunity to present the conclusions of the strategic review undertaken by the management in conjunction with the Board of Directors chaired by André Martinez.”



1. A renewed management team

Following the departure of Mr Serge Grzybowski on 17 February 2015 from his office of Chairman and Chief Executive Officer, the Board of Directors decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer of the company. Therefore, Mr André Martinez and Mr Olivier Wigniolle were appointed Chairman of the Board of Directors of the company and Chief Executive Officer respectively.

Within the executive committee, Ms Victoire Aubry was appointed as Head of Finance, Legal Affairs and IT after the departure of Nathalie Palladitcheff on 10 April 2015. The committee was also strengthened with the appointment of Ms Emmanuelle Baboulin (in charge of Commercial Property Investment Division), Ms Françoise Delettre (in charge of the Healthcare Property Investment Division), Ms Sabine Baïetto-Beysson (in charge of Greater Paris and Development) and Mr Denis Burckel (in charge of Audit, Risk and Sustainable Development as a permanent guest of the executive committee). This team will be completed by one new person in charge of Portfolio Management.

2. A recovery of optimism in property development activities

The main indicators of the property development business show a significant improvement in the outlook for the activity. Residential property development recorded a significant upturn in reservations (up 15.2% in number), driven in particular by demand from individual investors benefiting from the government's Pinel tax scheme set up at the end of 2014.

Commercial property development also benefited from investors' appetite, particularly in the regions. The backlog from this activity stood at €653 million, up 60% since 31 December 2014.

3. A large-scale operation for the growth of Icade Santé

Icade Santé has again strengthened its position as the leader in Healthcare real estate in France by acquiring a portfolio of 17 MSO (Medicine, Surgery Obstetrics) clinics from the Vedici group. This portfolio represents an investment of €651 million, which will generate returns for Icade Santé that are in line with its existing portfolio yield. Icade is thus consolidating its special partnership with the Vedici group, which was first formed in 2007.

Upon the completion of the operation, expected in Q4 2015, the Icade Santé portfolio will exceed €3 billion.



4. Rental successes in a rental market that remains fragile

Icade has consolidated the visibility of its cash flows with the renewal of 24 leases for a fixed term of 7.9 years, representing a surface area of 92,600 m² and €28.7 million in headline rents.

Icade has renewed AXA France's leases that were due to expire in October 2015 for a nine-year fixed term on the Axe 14/15/16 properties. As part of this renegotiation, the annual headline rents were lowered by 15%, with retroactive effect from 1 April 2015, to bring them into line with the market rents for the Nanterre district. AXA France also released 17,600 m².

The financial occupancy rate benefited significantly from the effective date of the KPMG lease (40,468 m²) in the EQHO Tower from 1 April 2015, to reach 87.7% at 30 June 2015 (+3.1 pts compared to 31 December 2014).

On a like-for-like basis, the value of all the assets is slightly down by 1.1%, as a consequence of the adaptation of the rents to the difficult market in the outer suburbs. The consideration of lower estimated rental values by property experts has not been offset by a contraction in the rates in this area.

The Group's triple net NAV, also affected by the Group dividend distribution, reflected the slight erosion in the portfolio value and fell 3.7% to €72.4 per share.

5. Solid results

Icade's two cash flow indicators are both growing:

- EPRA earnings from property investment stood at €128.1 million (i.e. €1.74 per share), up 6.2%, having been driven by rental activity and a fall in the cost of debt (2.79% at 30 June 2015, i.e. a contraction of 28 basis points compared to 31 December 2014).
- Group net current cash flow reached €143.8 million (i.e. €1.95 per share), up 4.3%.

6. Deliveries welcomed and investments for the future

The first half of 2015 was marked by the delivery of more than 34,000 m² of office real estate. This included the Le Monet building in Saint-Denis in June 2015 (20,700 m² and 275 parking spaces, leased to SNCF) and Québec building in Rungis (11,600 m² and 209 parking spaces, currently being marketed).

France Domaine, on behalf of the Ministry of Justice, exercised its purchase option on the Le Millénaire 3 building in March 2015 (the building's delivery date) for €180.5 million (€48.8 million pre-tax capital gain) as part of an agreement signed in 2012. This acquisition, which reflects the strength of the Millénaire area's attractiveness, was anticipated in Icade's outlook for 2015.

Investments made at 30 June 2015 amounted to €189.7 million, broken down as €93.1 million in development, €57.4 million in acquisitions in the healthcare portfolio; the

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balance of €39.3 million corresponds to maintenance work on assets held in the portfolio and to works support measures granted to tenants.

7. Outlook

EPRA earnings from property investment for 2015 should remain stable or grow slightly.

Net current cash flow is expected to be between €4 and €4.10 per share at 31 December 2015.

As a reminder, Icade's dividend policy follows the progression of the EPRA earnings from property investment.

The Group is strongly committed to continuing to lower vacancies in its strategic portfolio by implementing a proactive plan aimed at winning the loyalty of existing tenants, reorganising its sales and marketing initiatives, and concentrating investment efforts.

A **strategic review** of Icade's assets and businesses has also been launched, in close collaboration with the Board of Directors, with the conclusions to be presented at an Investor Day in Q4 2015.

The half-year consolidated financial statements were submitted to a limited review by the statutory auditors

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André Martinez Olivier Wigniolle will present the 2015 half-year results to analysts on 23 July 2015 at 8.30 a.m.

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The presentation will be available online:

In French: <http://www.icafe.fr/finance/resultats-publications/presentations-financieres>

In English: <http://www.icafe.fr/en/finance/results-and-publications/financial-presentations>

The live transmission with accompanying slides will be available from 8.00 a.m. (Paris time) on the website, via the following link:

In French: <http://edge.media-server.com/m/p/i6zfsy2g/lan/fr>

Conference call: +33 (0)1 76 77 22 27

Conference ID (*Identifiant de la conférence*): SFAF Icade French : 8165178

In English: <http://edge.media-server.com/m/p/i6zfsy2g/lan/en>

Conference call: UK +44 (0)20 3427 1919 / US +1212 444 0481

Conference ID: SFAF Icade English: 5909121

ABOUT ICADE

Icade is a listed real estate investment company, a subsidiary of the Caisse des Dépôts and a major player in Greater Paris and regional development, capable of providing comprehensive, sustainable and innovative solutions that are tailored to customer needs and the challenges of tomorrow's cities. The leading commercial real estate company in Europe, Icade recorded EPRA Earnings of €128 million in the first half of 2015. On 30 June 2015, its EPRA triple net NAV reached €5,340 million, or €72.4 per share.

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

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