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PRESS RELEASE

Cancel and Replace

Paris, 22 October 2015

ICADE – THIRD QUARTER FINANCIAL REPORT 2015

- Strong letting performance in the quarter with more than 37,000 m² in new leases signed
- EQHO tower more than 90% leased
- Property Investment Division revenues slightly down as a result of renewal of leases already announced
- Strong dynamic recorded for the 3rd quarter 2015 in commercial property development
- Successful bond issue of €500m with seven years maturity and a coupon rate of 1.875%
- BBB+ rating, outlook stable, confirmed by Standard & Poor's
- Strategic review: investors' day on 30 November 2015

1. REVENUE AS AT 30 SEPTEMBER 2015

As at 30 September 2015, Icade's consolidated turnover fell by 5.6%, mainly because of changes linked to commercial property development revenues.

<i>(in millions of euros)</i>	30/09/2015	30/09/2014	Change (%)
Property Investment Division	419.9	424.6	(1.1)%
Development	619.5	680.9	(9.0)%
Services	30.6	31.1	(1.6)%
Intra-Group Elimination	(11.6)	(15.2)	NA
REVENUES	1,058.5	1,121.5	(5.6)%



2. PROPERTY INVESTMENT DIVISION

2.1. Turnover and rental income

(in millions of euros)	30/09/2014	Change in scope		Like-for-like basis		30/09/2015	Change on a like-for-like basis (%)
		Acquisitions/ Deliveries	Disposals/ Restructuring	Indexation	Rental business		
Offices in France	128.3	3.8	(4.2)	0.2	(2.3)	125.9	(1.6)%
Business parks	162.4	1.6	(4.8)	0.3	(3.2)	156.3	(1.8)%
Strategic assets portfolio	290.7	5.4	(9.0)	0.5	(5.5)	282.2	(1.7)%
Alternative assets portfolio	102.7	18.6	(0.2)	0.5	(0.2)	121.4	+0.3%
Non-strategic assets portfolio^c	26.7		(13.9)	0.0	0.1	12.9	+0.5%
Investment intra-group	(4.6)				0.3	(4.3)	
Rental income	415.5	24.1	(23.2)	1.0	(5.3)	412.1	(1.0)%
Other revenues	9.1				(1.3)	7.8	
REVENUES	424.6					419.9	

At 412.1 million euros, rental income is down 0.8% compared with 30 September 2014 (3.4 million euros).

Changes to consolidation scope: +0.9 million euros

- +24.1 million euros resulting from acquisitions/deliveries
 - 17.5 million euros as a result of the clinics acquired during the period.
 - 1.1 million euros as a result of additional works on clinics
 - 3.8 million euros as a result of delivery of the Sisley and Monet building in Saint Denis which is entirely leased
 - 1.7 million as a result of delivery of Le Brahms in Colombes in the 3rd quarter 2014
- -23.2 million euros resulting from disposals/restructurings, broken down as
 - -6.2 million euros as a result of leavers from buildings due to be restructured or demolished
 - -17.9 million euros resulting from asset sales, including -13.9 million euros in non-strategic assets (shops, residential property, Germany) and -4 million euros in mature strategic assets

Like-for-like basis: the change is -1%, i.e.-4.3 million euros under the impact mainly of rent renegotiations particularly regarding the Axa France lease in Nanterre Préfecture and the



Thales lease in Rungis in return for an extension to the fixed term of nine years and six years respectively.

2.2. Rental activity

Classes of assets	31/12/2014	30/06/2015	Q3 2015 movements		30/09/2015
	Leased surface area (m ²)	Leased surface area (m ²)	New tenants (m ²)	Tenant departures (m ²)	Leased surface area (m ²)
Offices in France	469,119	505,770	20,730	2,638	523,862
Business parks	1,215,288	1,222,498	17,374	32,933	1,206,939
STRATEGIC ASSETS	1,684,407	1,728,268	38,104	35,571	1,730,801
ALTERNATIVE ASSETS	597,315	612,373	12,655	6,936	618,092
NON-STRATEGIC ASSETS	68,382	60,322	7,108		67,430
COMMERCIAL PROPERTY INVESTMENT	2,350,104	2,400,963	57,867	42,507	2,416,323

New leases starting during the quarter related to 57,867 m² including 44,800 m² on a like-for-like basis (excluding acquisitions). They represent annualised rent of 10.3 million euros.

The main newcomers on a like-for-like basis relate to the following surface areas:

- three leases (Air Liquide, Banque de France and Union des Banques Arabes et Françaises) in the EQHO tower (19,300 m²)
- Lapeyre (3,400 m²) in Parc du Mauvin
- CS Comandi (5,320 m²) in the Saint Quentin Fallavier warehouse

Tenant departures during the quarter meanwhile related to 42,507 m² including 35,570 m² on a like-for-like basis (excluding disposals). The main ones were:

- Thales (3,710 m²) in the Strasbourg building in Rungis
- Orange (3,530 m²) in the Manille building in Rungis;
- Geodis Wilson (2,970 m²) in the Eiffel building in Paris Nord;
- Financière Seinga (2,860 m²) in the Doha building in Rungis;
- Alain Afflelou (2,630 m²) in the Gardinoux building in Parc des Portes de Paris.



New signings: dynamic activity in the 3rd quarter

Since the start of 2015, Icade signed 112 new leases relating to 85,000 m² of offices and business parks representing 15 million euros in annualised rent.

Third quarter activity was particularly buoyant with the signing of 38 leases for a surface area of 37,300 m² including 30,200 m² in strategic assets.

The most notable signings include:

- Three signings in the EQHO tower in La Défense, increasing the physical occupancy rate to 90.2%. Two signings took place as announced on 6 October, with 3,720 m² leased to Celgene starting on 1 February 2016 and 1,860 m² leased to Mersen starting on 1 January 2016. A third lease relating to 1,850 m² was signed with KPMG starting on 1 October 2016, increasing its occupancy of the building to 42,320 m².
- The signing of a lease for 8,580 m² with AMP Visual TV in Parc des Portes de Paris will start on 5 January 2016.

Combined renewals over the three quarters related to 42 leases for a total surface area of 138,450 m², including 18 leases in the 3rd quarter (45,900 m²). Those in the third quarter mainly relate to two leases for 32,350 m² representing a total annualised rent of 6.3 million euros. These relate to a lease signed with the tenant Thales for a fixed term of six years in the Genève building in Rungis for 22,160 m² and four leases for a total surface area of 10,180 m² with the tenant Euromedia in Parc des Portes de Paris for a fixed term of six years. Renewal rent resulted in an average decrease of 17% compared with previous leases.

Following these movements, as at 30 September 2015, the average fixed term of leases is 4.8 years, stable compared with 31 December 2014.

Financial occupancy rate:

Asset classes	Financial occupancy rate (as %) ⁽²⁾			Average lease terms (in years) ⁽²⁾	
	30/09/2015	31/12/2014	Change on a like-for-like basis ⁽¹⁾	30/09/2015	31/12/2014
Offices	90.8%	80.3%	+10.5 pt	5.7	4.3
Business parks	83.6%	83.1%	(0.5) pt	3.0	3.1
STRATEGIC ASSETS	86.9%	81.9%	+5.0 pt	4.2	3.7
Healthcare	100.0%	100.0%	+0.0 pt	8.2	8.8
Warehouses	79.8%	81.8%	(2.0) pt	1.6	2.6
COMMERCIAL PROPERTY INVESTMENT	88.9%	84.6%	+4.3 pt	4.8	4.7

(1) Excluding deliveries, acquisitions and disposals during the period

(2) In proportion to Icade's stake



The financial occupancy rate of 88.9% as at 30 September 2015 is up by 4.3 points compared with 31 December 2014 (84.6%) and by 1.2 points compared with 30 June 2015 (87.7%). This further increase reflects the price effect between newcomers and leavers over the quarter; newcomers represent 12.2 million euros in annualised headline rents while leavers represent 5.8 million euros in annualised headline rents. New leases for 19,300 m² in the EQHO tower have an impact of 1.5 points on the financial occupancy rate as of 30 September 2015.

2.3. Total investments

<i>(in millions of euros)</i>	Acquisitions	Constructions/ Restructuring	Major maintenance/Renovation	Others	Total
Offices	-	16.6	11.6	15.5	43.6
Business parks	-	81.7	16.6	2.9	101.2
Strategic assets portfolio	0.0	98.3	28.1	18.4	144.9
Alternative assets portfolio	107.4	19.6	1.0	0.2	128.3
PROPERTY INVESTMENT DIVISION	107.4	118.0	29.1	18.6	273.1

Investments over the period stand at 273.1 million euros, including 83.4 million euros in the 3rd quarter 2015, with:

- continuation of the development pipeline initiated, representing 24.9 million euros, mainly Véolia in Aubervilliers and Le Millénaire 4 in Paris 19
- the acquisition of a clinic in Stains for 50.1 million euros

2.4. Disposals

Disposal during the quarter related to:

- the sale of 18 housing units for 1.8 million euros
- the sale of the Renaison clinic for 10.2 million euros



PROPERTY DEVELOPMENT DIVISION

<i>(in millions of euros)</i>	30/09/2015			30/09/2014			Change
	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	
Residential Property Development	459.9	32.2	492.1	550.6	19.4	570.0	(13.7)%
Commercial Property Development	159.6	7.3	166.8	130.3	45.7	176.0	(5.2)%
REVENUES	619.5	39.4	658.9	680.9	67.0	748.0	(11.7)%

Revenues from the residential property development business stand at 492.1 million euros as at 30 September 2015, down 13.7% compared with 2014.

This change is mainly due to:

- the effect in the 2015 revenues of the decline in sales activity recorded on the first nine months of 2014;
- delivery of the large-scale Paris North East project (Paris 19 – Mac Donald: 1,126 housing units), made a significant contribution to turnover in 2014.

This trend is in line with Icade's projections, which anticipate a fall in residential revenues in 2015 compared with 2014.

Revenues from the commercial property development business stand at 166.8 million euros, a fall of 5.2% between 30 September 2015 and 30 September 2014. This fall is mainly the result of the completion of large projects in 2014, which made a greater contribution to revenues in the previous year.

	30/09/2015	30/09/2014	Change (%)	31/12/2014
Reservations of new homes and plots of building land				
Reservations of new homes and plots of building land <i>(as a number)</i>	2,511	2,554	(1.7)%	3,912
Reservations of new homes and plots of building land <i>(in millions of euros including tax)</i>	560.0	526.0	6.5%	787.7
Housing withdrawal rate <i>(as %)</i>	21%	20%	0.6%	19%
Average sale price and average surface				



area based on reservations				
Average price including taxes per habitable m ² (€/m ²)	3,856	3,610	6.8%	3,615
Average budget including tax per residential unit (€K)	218.0	210.0	3.8%	205.7
Average floor area per residential unit (m ²)	56.0	58.0	(3.4)%	56.9
Reservations by type of customer (as %)				
Buyers	30.6%	36.7%		30.7%
Private investors	46.4%	31.7%		33%
Institutional investors	23.0%	31.6%		36.3%
Development backlog and Order book				
Residential Property Development (incl. subdivision)	1,512.8	1,277.9	18.4%	1,234.0
Commercial, Public and Healthcare Property Development	813.0	865.0	(6.0)%	825.8
Project management services order book	667.1	367.5	81.5%	366.3
	32.7	45.4	(27.9)%	41.9

3.1. Residential

While at 30 September 2015, net reservations of new homes and plots of building land had fallen by 1.7% in volume, they increased by 6.5% in value. This increase is due to a higher average price per plot than in the previous year, notably because of significant reservations of street-level business premises.

Block reservations by institutional investors are at a lower level than at 30 September 2014, but with volumes expected to catch up at the end of 2015. Icade Property Development is also counting on dynamic investment in intermediate housing to boost its production of reservations by the end of the year.

The proportion of private investors in reservations increased from 31.7% to 46.4%, since implementation of the "Pinel" tax incentive scheme.

The Residential Property backlog stands at 813 million euros, down slightly by 1.5% since 31 December 2014.

The decrease in the backlog as a result of delivery of the Paris Nord Est project (Paris 19 – 1,126 housing units) in June 2015 was almost totally offset by the increase in volume of completed sales (2,073 plots sold as at 30 September 2015 compared with 1,698 plots sold as at 30 September 2014).



3.2. Commercial

The market was very active in terms of investment in the 1st half of the year, significantly benefiting Icade Property Development's commercial property business.

As at 30 September 2015, the backlog in the Commercial Property Development and Public and Healthcare Facilities business increased sharply by 82% compared with 31 December 2014 to reach 667.1 million euros, following major signings completed since the start of the year:

- In Lyon:
 - GECINA signed an off-plan contract for 30,700 m² in the SKY 56 building in the Part Dieu district of Lyon.
 - RTE selected Icade Property Development, in partnership with Poste Immo, to carry out its 14,000 m² real-estate project in the Gerland district of the ZAC des Girondins. The sale is due to be signed by the end of 2015,
 - BNP PRE has recently signed an off-plan contract with Icade Property Development for the Ivoire building in Lyon Gerland (7,550 m²)
 - Icade Property Development has signed an off-plan undertaking with AG REAL ESTATE for the entire Factory building in Ynfluences Square,

- In Lille, Icade Property Development has signed an off-plan undertaking with an institutional investor for the Ekla office building in the ZAC du GIAG, representing a surface area of 14,800 m²,

- In Rennes, Icade Property Development signed an off-plan undertaking with a leading investor on 21 July for the Urban Quartz office complex in the ZAC EuroRennes, representing a surface area of 13,300 m².

- In Paris 17, in the ZAC Clichy Batignolles (lot N4), an off-plan undertaking was signed with an institutional investor to build 14,800 m² of office space.

- In Public and Healthcare Facilities, 18,000 m² of buildings were sold since the start of the year representing revenues of 94.5 million euros, particularly including a public-private partnership (PPP) to build the TGV Montpellier – Sud de France station, due to open at the end of 2017.

The Le Garance project, sold in December 2014 to France Domaine on behalf of the French Interior Ministry, was delivered on schedule at the end of August 2015.

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1. SERVICES DIVISION

<i>(in millions of euros)</i>	30/09/2015	30/09/2014	Change (%)	Change on a like-for-like basis (%)
Property Management	23.2	24.2	(3.8)%	(3.8)%
Consultancy and Solutions	7.7	7.2	+6.1%	+6.1%
Inter-business services	(0.2)	(0.2)	+0.8%	+0.8%
REVENUES	30.6	31.1	(1.6)%	(1.6)%

Revenues from the Services Division are slightly lower (1.6%) compared with 30 September 2014.

This change is mainly explained by renegotiation of the management mandate with one of its important clients during the 2nd half of 2014 which has secured a significant proportion of property management revenues for the next three years.

FINANCING

On 2 September 2015, Icade issued a seven-year 500 million euro bond with an annual coupon rate of 1.875%. The financing was raised with a 125 bp spread over the reference rate. By largely oversubscribing this issue, investors confirmed their confidence in Icade's credit quality, supported by Standard & Poor's BBB+ rating with stable outlook. This operation contributes to the group's diversification policy and improves the average cost of debt and extending its average maturity.

INVESTORS' DAY – 30 NOVEMBER 2015

As announced, the new management team will present its strategic road map during an Investors' Day to be held on 30 November 2015.

Next events

Investors' Day: Monday, 30 November 2015

2015 annual results: Monday, 22 February 2016 after markets close.

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ABOUT ICADE

Icade is a listed 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. Leading commercial real estate company in Europe, Icade recorded an EPRA Earnings of 128 million euros in H1 2015. On 30 June 2015, its EPRA triple net asset value reached 5,340 million euros, or 72.4 euros per share.

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

CONTACTS **Victoire Aubry**, Member of the executive board, in charge of finance, legal matters, information systems and general resources
Tel.: +33 (0)1 41 57 70 12
victoire.aubry@icade.fr

Jean-Philippe Carrascosa, Head of corporate and financing

Tel.: +33 (0)1 41 57 71 96

jean-philippe.carrascosa@icade.fr