



Paris, November 28, 2016

## INVESTOR DAY: ICADE STRATEGIC PLAN WELL ON TRACK FY 2016 GUIDANCE REVISED UPWARD

One year after the strategic plan was announced, André Martinez, Olivier Wigniolle and the members of the Executive Committee present the changes implemented in the past few months and the outlook for the years 2017 and 2018.

Olivier Wigniolle, CEO of Icade, declared:

*"12 months after the launch of our strategic plan, Icade is ahead of schedule on its roadmap. The teams are fully operational and all the employees are strongly committed to the execution of the plan. The strategic guidelines adopted at the end of 2015 have proved relevant. By taking advantage of the favourable trend in the markets in which we operate, and thanks to the reduction in our cost of debt, we are able to raise our net current cash flow objective for 2016. We are also confident in Icade's 2017 outlook."*

### **Commercial Property Investment: renewed dynamic**

- Strong efforts on rental issues, financial occupancy rate expected to rise as soon as 2016 (offices c. 95% and business parks c. 87%)
- Dynamic asset rotation: sale of mature assets and acquisitions of "core + / value-add" assets with an average net initial yield of about 5.5%
- Increased volume of new development projects on land from the land bank: these projects will be carried out in synergy with the Property Development Division and are expected to represent over €1bn (300,000 sq.m) by 2020.

### **Healthcare Property Investment: expansion and value creation**

- Acquisitions and developments continue in 2016: €260m including acquisitions for almost €110m
- Rental income to increase by over 25% in the next 3 years (2017-2019)
- Increase in portfolio value expected to continue (+7.6% as of June 30 on a like-for-like basis)

### **Property Development: return to performance expected in 2017**

- Solid backlog: up +7.1% (vs. september 30, 2015) to €1.6bn
- Strong growth in the land portfolio to over €2bn as of the end of October 2016
- 2018 objectives remain unchanged: €1.3bn revenue, ROE<sup>1</sup> of 12% and operating margin between 6,5% and 7%<sup>2</sup>

---

<sup>1</sup> Return On Equity: Net profit attributable to the Group/average equity over the period

<sup>2</sup> Economic operating profit (IFRS operating profit adjusted in accordance with IFRS 11 and expenses adjusted for trademark royalties and holding costs) / Economic revenues (adjusted in accordance with IFRS 11)

## In 2016, Icade will have achieved its 6 strategic priorities:

- 1- As of September 30, 2016, all of the Property Services Division's companies have been sold.
- 2- Alignment of the management's interests with those of investors: variable compensation of ExCo members and performance share plan for the management, based on share price, net current cash flow and NAV. Purchase of Icade shares by the CEO in January 2016 (equivalent to 2.5 times his annual salary).
- 3- Signing of preliminary agreements for the sale of 5 non-strategic business parks (Nanterre-Seine, Cergy, Antony, Evry, Villebon) before the end of the year and for a total of €286m (including Défense 3), subject to satisfaction of conditions precedent. Sales resulting in a +1.6 pp increase in the financial occupancy rate of the business park portfolio.
- 4- The first synergies between the Property Investment Division and the Property Development Division can already be seen: ongoing joint bids for tenders, creation of a single Delegated Project Management team for the Paris region in the commercial segment, 100% of Icade Santé's and the Commercial Property Investment Division's Delegated Project Management contracts granted to Icade Promotion, centralisation of construction procurement, use of Icade's land portfolio by Icade Promotion to carry out developments...
- 5- The analysis of investment opportunities in Toulouse, Lille, Marseille and Lyon is underway for the Property Investment Division, in particular for projects in which the Property Development Division would participate.
- 6- Rollout of the Coach Your Growth with Icade marketing plan in the business parks in order to create high-quality business parks in terms of corporate social responsibility and a business community dedicated to serving users (investment of approximately €30m for 2016 and 2017).



## Icade is in line with the objectives of its strategic plan:

- **Commercial and Healthcare Property Investment:** accelerated investments in the first 11 months of 2016: €400m for the Commercial Property Investment Division and €107m for the Healthcare Property Investment Division (registered or under preliminary agreements). Nearly 40% of acquisitions scheduled in the 2016-2019 plan have already been completed in 2016. Furthermore, disposals of assets to be carried out in 2016 for more than € 400 million should have an overall positive impact on IFRS net income.
- **Property Development:** business indicators showing a strong recovery in 2016, and return to high performance expected for 2017 thanks to a buoyant backlog (€1,620m in Q3 2016), pipeline of adequate size that will provide secure revenues throughout the duration of the plan, and optimisation of allocated capital.
- **Liability optimisation:** with 50% of liabilities renewed, contributes to higher net current cash flow, lower cost of debt and longer average maturity. The LTV (Loan to Value) is expected to remain around 40% over the course of the plan.

#### **Icade's 2016 outlook: guidance revised upward**

- 2016 net current cash flow: as regards the NCCF outlook, and taking into account the very positive impacts of debt restructuring measures carried out in H2 (especially the liability management transaction at the beginning of November), the improved operational performance and the accelerated investments made at the end of the year, Icade expects growth to reach 7 to 8% for FY 2016, which is higher than the previous forecast published in July ("over 3%").
- The dividend policy is still based on the trend in net current cash flow.

#### **Icade's outlook for 2017/2018**

- The actions undertaken in the first year of implementation of the strategic plan and the continuation of efforts already in place will continue to have positive effects on net current cash flow growth in 2017 and 2018.
- Guidance for 2017 net current cash flow will be announced on February 13, 2017 during the presentation of the 2016 full-year results.

#### **UPCOMING EVENTS**

**2016 Full-year results: February 13, 2017, before the market opens.**

André Martinez and Olivier Wigniolle will start the presentation for analysts and investors on November 28 at 10:00 am (Paris time). The presentation will be available on the following website:

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

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

Live webcast with synchronised slides will be accessible from 10:00 (Paris time), via the following link:

In French: <https://edge.media-server.com/m/go/lcadelD2016>

Conference call: +33(0)1 76 77 22 25

Conference ID: Journée Investisseurs Icade Français: 5570991

In English: <https://edge.media-server.com/m/go/lcadelD2016/lan/en>

Conference call: UK +44(0)20 3427 1901 / US +1646 254 3364

Conference ID: Icade Investor Day English: 5626597

This press release does not constitute an offer, or an invitation to sell or exchange securities, or a recommendation to subscribe, purchase or sell Icade securities. Distribution of this press release may be restricted by legislation or regulations in certain countries. As a result, any person who comes into possession of this press release should be aware of and comply with such restrictions. To the extent permitted by the applicable laws, Icade excludes all liability and makes no representation regarding the violation of any such restrictions by any person.

---

## ABOUT ICADE

As a French listed real estate investment company (SIIC) belonging to the Caisse des Dépôts Group, Icade is a major player in Greater Paris and territorial development. Icade is a key integrated property player able to provide comprehensive, sustainable and innovative solutions that are tailored to customer needs and to the challenges of tomorrow's cities. As at June 30, 2016, it recorded EPRA Earnings of €136.1 million, a net current cash flow of €145.9 million, and an EPRA triple net asset value (NNNAV) of €5,473.6 million, i.e. €74.2 per share.

The text of this press release is available on the Icade website: [www.icade.fr](http://www.icade.fr)

## CONTACT

Guillaume Tessler, Head of financial communication and investor relations

Tel: +33 (0)1 41 57 71 61  
guillaume.tessler@icade.fr

Charlotte Pajaud-Blanchard, Press relations manager

Tel: +33 (0)1 41 57 71 19  
charlotte.pajaud-blanchard@icade.fr