

OPEN, ISSY-LES-MOULINEAUX (HAUTS-DE-SEINE)

MONDAY, NOVEMBER 28, 2016

INVESTOR DAY

JOURNÉE INVESTISSEURS

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OPEN, ISSY-LES-MOULINEAUX (HAUTS-DE-SEINE)



INTRODUCTION

André MARTINEZ

Chairman of the Board of Directors

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ICADE WELL ON TRACK...

One year after its strategic plan was announced, Icade has already made progress

Icade is now a company:

- With a simplified shareholding structure, with two clearly-identifiable major shareholders: Caisse des Dépôts (**39%**) and Groupama (**13%**)
- With stable and strong strategic shareholders that support the management in the implementation of the roadmap
- With a governance structure that has been further enhanced: **1/3** of independent directors; **47%** of women in the Board of Directors; all Board committees are chaired by independent directors
- Controlled by the private sector

ICADE WELL ON TRACK...

A new, strengthened team supporting the CEO, Olivier Wigniolle

A clear roadmap for 2019 backed by the entire Board of Directors

An action plan for 2016 that has been fully implemented, much to the satisfaction of all directors

STEPPING UP THE IMPLEMENTATION OF THE PLAN HAS EVEN BECOME POSSIBLE, CONSIDERING:

- **ACTIONS CARRIED OUT AND PROJECTS LAUNCHED IN 2016**
- **FAVOURABLE MARKET ENVIRONMENT IN OUR 3 BUSINESS AREAS**

AGENDA

1. Icade well on track to growth and performance
2. Commercial Property Investment: renewed growth dynamic
3. Healthcare Property Investment: expansion and value creation
4. Property Development: return to performance in 2017
5. Outlook 2017/2018

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MILLÉNAIRE PARK VIEWED FROM VEOLIA'S NEW HEADQUARTERS BUILDING
(19TH DISTRICT OF PARIS, AUBERVILLIERS)



1.

ICADE WELL ON TRACK TO GROWTH AND PERFORMANCE

Olivier WIGNIOLLE

Chief Executive Officer

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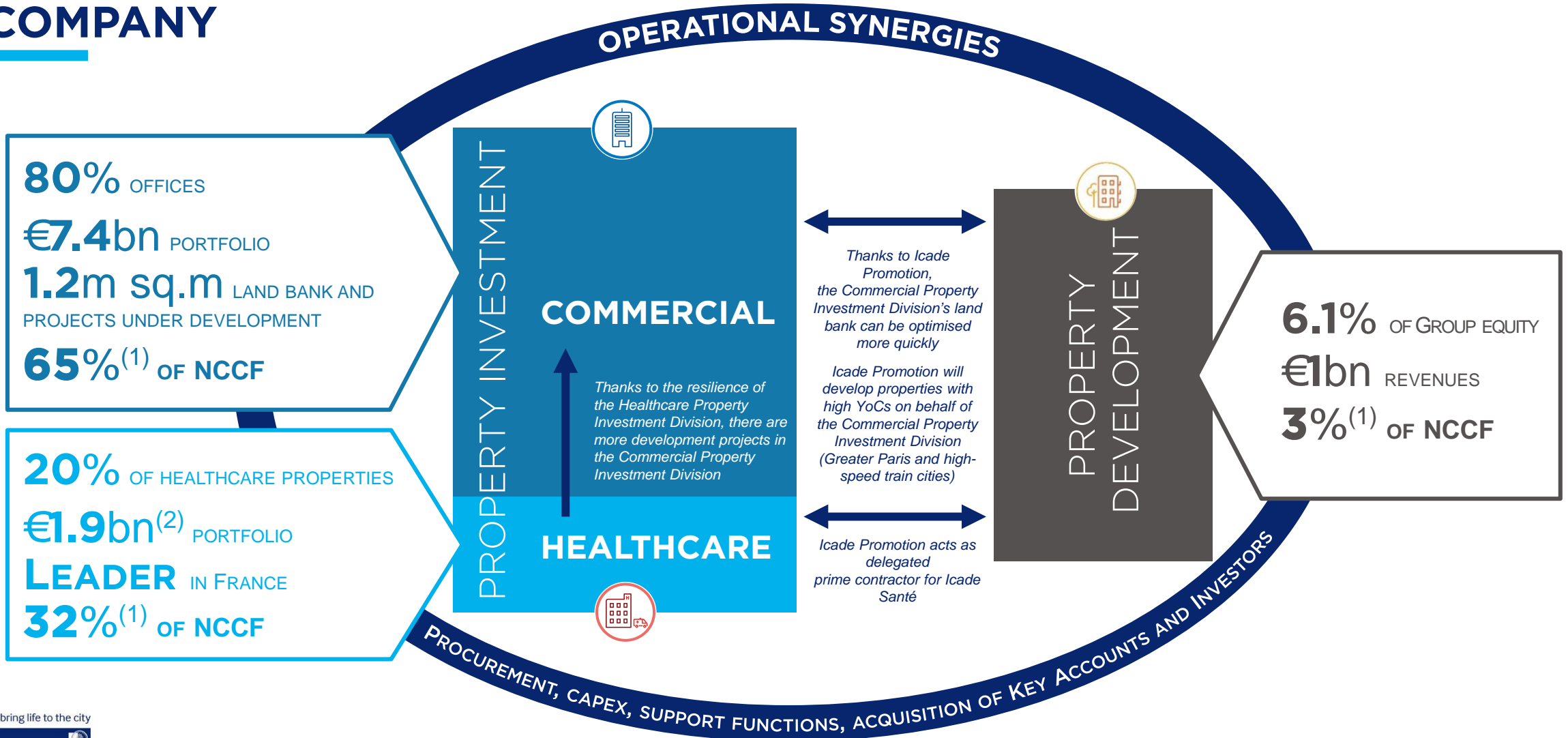


OUR AMBITION

1.
TO BE A
TOP-PERFORMING
INTEGRATED
REAL ESTATE
COMPANY

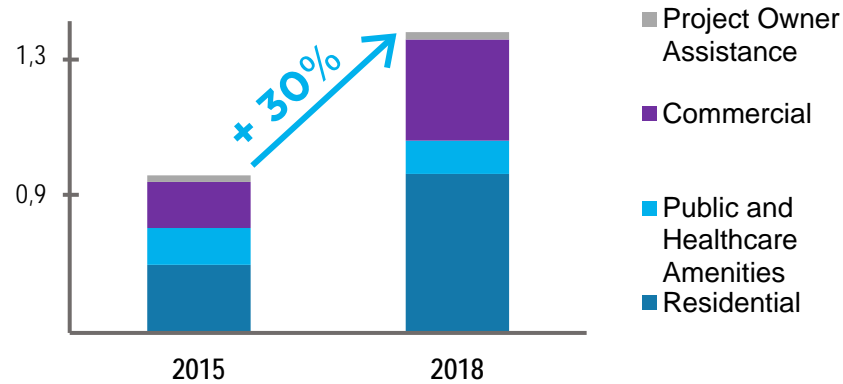
2.
TO FOCUS ON
OUR LEADERSHIP
POSITIONS TO
FOSTER
GROWTH AND
PERFORMANCE

OUR BUSINESS MODEL: BEING AN INTEGRATED REAL ESTATE COMPANY



REMINDER OF THE STRATEGIC PLAN

PROPERTY DEVELOPMENT REVENUE (€bn)

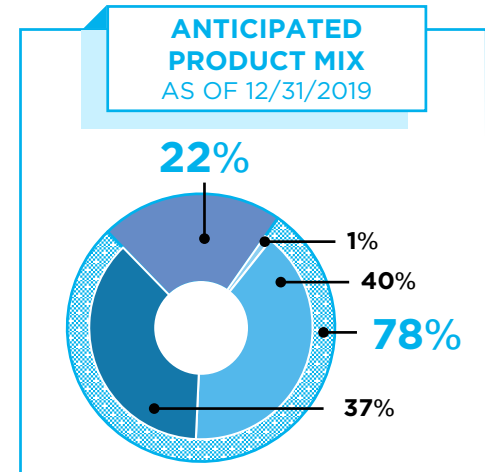
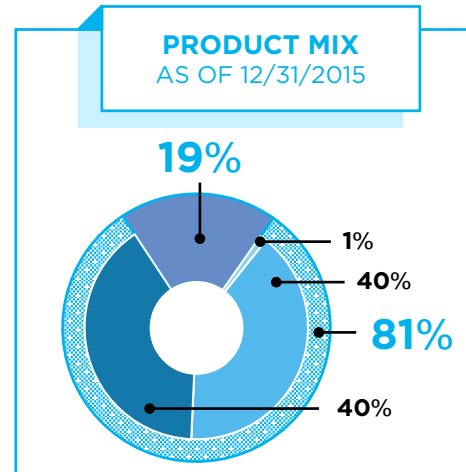
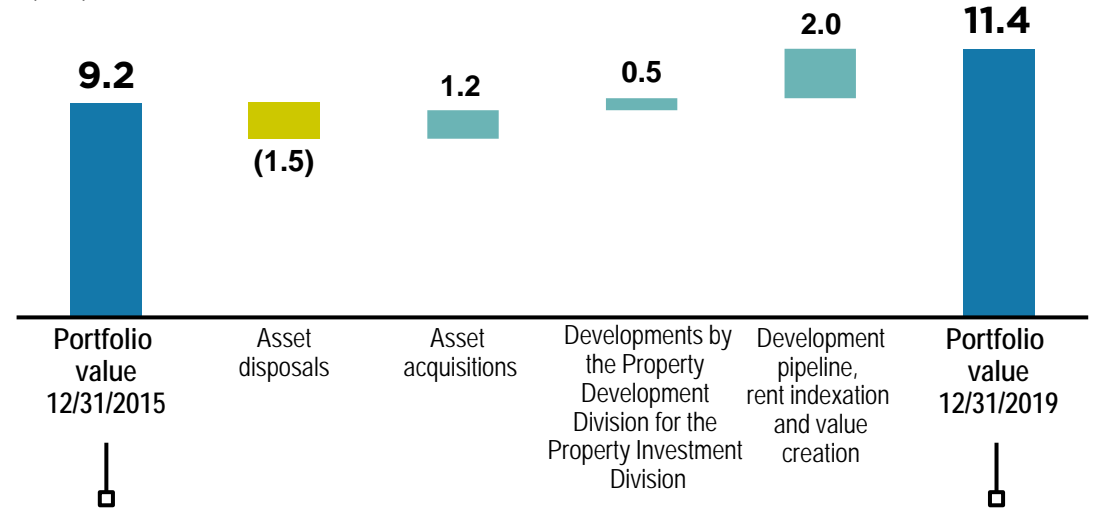


- Backlog growing sharply
- Very buoyant pipeline
- Upturn in the cycle expected within 3 years

Target ROE for the Property Development Division of 12% by 2018

- Improved operational performance
- Optimised capital allocation

ANTICIPATED GROWTH IN THE PROPERTY PORTFOLIO (GROUP SHARE) FOR THE 2015-2019 PERIOD (€bn)



- Healthcare Property Investment
- Commercial Property Investment
 - Offices
 - Business parks
 - Other

UPDATE ON THE IMPLEMENTATION OF THE STRATEGIC PLAN

Our 6 priorities for 2016 **have all been successfully achieved**

Our action plan is on track, or even ahead of schedule

Market conditions are favourable

for our 3 business areas

Liability optimisation contributes to growth

over the course of the plan

Clear and strengthened course of action for our strategic plan

acceleration is expected

**THE NEW BUSINESS MODEL IS IN PLACE,
WE ARE CONFIDENT THAT WE WILL ACHIEVE
THE OBJECTIVES ANNOUNCED IN OUR PLAN**

2016 PRIORITIES: WHERE DO WE STAND?

1

DISPOSAL OF THE PROPERTY SERVICES BUSINESS

As of September 30, all of the Property Services Division's companies had been sold

2

IMPLEMENT "ALIGNED" COMPENSATION INCENTIVE SCHEMES FOR THE MANAGEMENT

ExCo: variable compensation based on overall performance
Management (**20%** of staff): performance share plan
Indicators: share price, NCCF, NAV

3

REFOCUS ON CERTAIN BUSINESS PARKS

Signing of preliminary agreements for the sale of our 5 non-strategic business parks (Nanterre-Seine, Cergy, Antony, Evry, Villebon)

4

START DEVELOPING SYNERGIES BETWEEN PROPERTY INVESTMENT AND DEVELOPMENT

First business synergies: tenders, sale of land plots, a single Delegated Project Management team for the Paris region in the commercial segment, capex procurement

5

IDENTIFY INVESTMENT OPPORTUNITIES IN MAJOR FRENCH CITIES

Tenders in Toulouse and Lille where the Commercial Property Investment Division and Icade Promotion are bidding jointly

6

HIGHER OCCUPANCY RATE AND BRAND REPOSITIONING FOR BUSINESS PARKS

Rollout of *Coach Your Growth with Icade*
On-site marketing efforts

... OUR ACTION PLAN IS ON TRACK (1/2)

COMMERCIAL AND HEALTHCARE PROPERTY INVESTMENT

Accelerated acquisitions

- ▀ 2016 to date: **€400m** for Commercial Property Investment and **€107m** for Healthcare Property Investment
- ▀ **Close to 40%** of acquisitions scheduled for 2016-2019 already completed as of November 2016

COMMERCIAL PROPERTY INVESTMENT

Financial occupancy rates expected to rise sharply in 2016

- ▀ **Close to 87%** for business parks
- ▀ **Close to 95%** for offices
- ▀ New leases signed in the first 10 months of 2016: **120,152** sq.m

PROPERTY DEVELOPMENT

Improvement in 2017

- ▀ Growth in the land portfolio to over **€2bn** as of the end of October 2016
- ▀ Strong backlog (**€1.62bn** in Q3 2016), pipeline of adequate size that will provide revenues throughout the duration of the plan

... OUR ACTION PLAN IS ON TRACK (2/2)

The work already undertaken on liability optimisation has a positive impact on NCCF growth and contributes to step up the implementation of the plan: 50% of liabilities have been renewed in 2016

- ▀ All types of liabilities are concerned: bonds, bank debt, mortgages, swaps
- ▀ Two liability management transactions
- ▀ Hedge restructuring
- ▀ Backup lines of credit strengthened

- **REDUCED COST OF DEBT**
- **INCREASED AVERAGE DEBT MATURITY**
- **DIVERSIFICATION**
- ▶ **POSITIVE IMPACT ON NCCF STARTING IN 2016 AND THROUGHOUT THE DURATION OF THE PLAN**

FAVOURABLE MARKET CONDITIONS FOR OUR 3 BUSINESS AREAS

OFFICES ⁽¹⁾

French commercial property investment market: continued growth

- 9M 2016 **€15.3bn + 3%** ⁽²⁾
- 48** transactions of > **5,000 sq.m** signed in 9M (+ **46%**)
- Transactions between **€50m** and **€200m** account for **40%** of commitments

Office rental market in the Paris region: robust leasing activity

- Take-up of **1.7 million sq.m + 14%** ⁽²⁾
- Immediate office supply of **3.6 million sq.m - 8%** ⁽²⁾
- Vacancy rate of **6.4%** (lowest level since 2009)

Brexit: wait-and-see attitude of some big UK and US investors

HEALTHCARE

Active and attractive property investment market

- A mature market with large deals (Gecimed)
- Very active secondary market in France and Europe for transactions made on behalf of investors:
 - 2** acquisitions by Primonial REIM:
 - Accommodation facilities for dependent elderly persons (EHPAD) for **€300 m** (net initial yield of **≈ 4.60%**)
 - Acquisition in Germany for **≈€1bn**
 - In H1, acquisition of **4** private hospitals by Icade Santé for **€57m**
- Significant yield compression and increase in property values

The French healthcare market is still buoyant

- Rising concentration in the sector of private healthcare operators
- Strong growth potential, increasing needs

FAVOURABLE MARKET CONDITIONS FOR OUR 3 BUSINESS AREAS

PROPERTY DEVELOPMENT ⁽¹⁾

Residential market: the rebound is confirmed

- ▀ Housing units put up for sale: + **17.3%** in H1 2016 to 59,426 units
- ▀ Between June and August 2016, **110,200** building permits were issued, + **6.6%** compared to the same period in 2015
- ▀ Time on market decreased slightly (11 months as of June 30, 2016) and prices increased slightly (+ **1.2%**)
- ▀ Favourable market thanks to the 2016 Pinel tax incentive scheme, the expanded interest-free loan and low interest rates

Commercial

- ▀ Renewed investor confidence in speculative developments
- ▀ Immediate supply of completed properties still accounts for over half of transactions

CSR / INNOVATION: STRONG COMMITMENTS AND WIDELY ACKNOWLEDGED RESULTS

CSR / Innovation commitments:

- - 40% reduction in CO₂ intensity between 2011 and 2020 for Commercial Property Investment
- 100% of property development projects HQE-certified for the Healthcare Property Investment Division
- + 33% increase in the customer satisfaction index for the Property Development Division
- 20 innovative services in 2018
- 70% of employees benefiting from digital training in 2016

Strengthened CSR/Innovation governance structure:

- 2 committees of external experts, Hub innovation community, persons appointed to ensure the implementation of specific CSR actions, start-up ecosystem, industrial partnerships...

Ongoing and completed projects to better serve our customers:

- 1st biodiversity performance contract (Commercial Property Investment Division) and "Nature 2050" programme
- New certifications for commercial property development projects: BBCA (low-carbon buildings) for Thémis (Paris) and Well for Sky 56 (Lyon)
- Autonomous car with Transdev
- Digital concierge services with Jobbers
- Telemedicine booth with H4D
- The "AirBnB" of parking with ZenPark
- etc.



A policy recognised by non-financial rating agencies



Climate A-list



4th place out of 286 listed real estate companies (worldwide)



Green Star category



1st place in the ranking of female representation in the governing bodies of SBF 120 companies, in the category "gender balance in the executive committee"

A RELEVANT STRATEGIC PLAN AND BUSINESS MODEL

Three favourable markets

Three positive years ahead of us

Teams working in synergy to create more value

First effects of Grand Paris Express, with a **strong potential** for our land bank

Highly complementary sources of cash flow that will allow us to increase the volume of property development projects



2.

COMMERCIAL PROPERTY INVESTMENT: RENEWED GROWTH DYNAMIC

Emmanuelle BABOULIN

*Member of the Executive Committee
in charge of the Commercial Property
Investment Division*

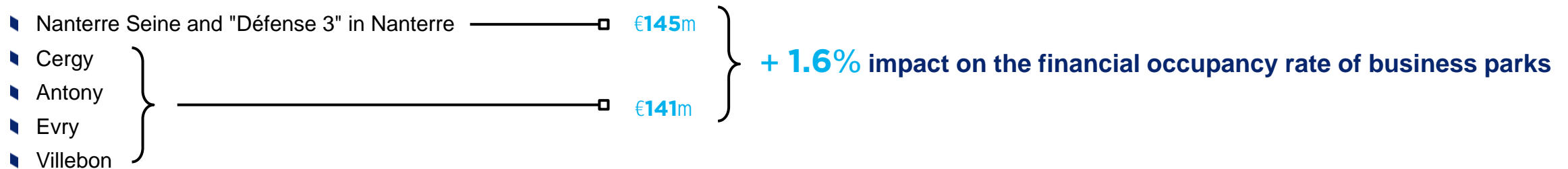
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OPTIMISATION OF THE BUSINESS PARK PORTFOLIO AND ROTATION OF ASSETS IN THE OFFICE PORTFOLIO

In line with announcements made in November 2015, Icade is refocusing on its business parks with a strong value creation potential

Preliminary agreements for the sale of our 5 non-strategic business parks for €286 m (less than 10% of the value of the business park portfolio)



Preliminary agreement for the sale of a mature office building for €128m

- 69, boulevard Haussmann in the 8th district of Paris

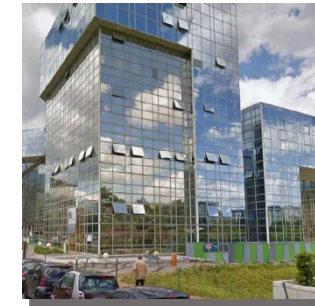
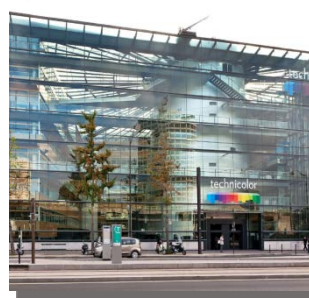
Final agreements are expected to be signed by 2016 for all these sales, with an overall positive impact on IFRS net profit

VALUE-CREATING INVESTMENTS

Acquisition completed on November 28, 2016

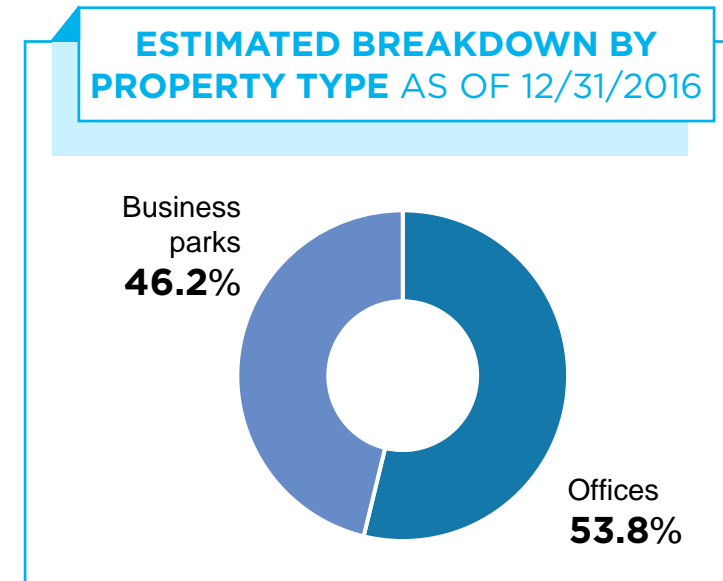
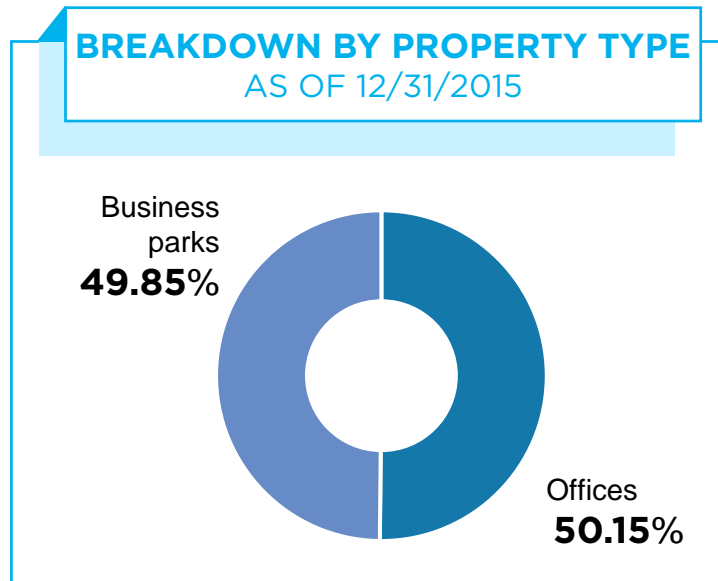
Acquisitions subject to preliminary agreements on November 28, 2016

	ORSUD BUILDING in Gentilly, 100% leased, "BREEAM in use" certified	PARISSY BUILDING in Issy-les-Moulineaux, 100% leased	ARC OUEST BUILDING in the 15 th district of Paris, "BREEAM Very Good" and "BBC Effinergie Rénovation" certified	
Amount	€49.2M	€149.3M	€202M	€400.5m
Annual rent	+ €3.0M	+ €9.5M	+ €9.7M	€22.2m



VALUE-CREATING INVESTMENTS

- ▀ Total amount of acquisitions of **€400.5m** that will generate an annual rental income of **€22.2m**
- ▀ "Core+ or Value-add" investments with a potential for redevelopment
- ▀ 2016 acquisitions carried out with an average net initial yield of **5.5%** ⁽¹⁾
- ▀ Very conservative market value of about **€6,600 per sq.m (excl. duties)**, excluding car parks
- ▀ Change in portfolio structure



SPOTLIGHT ON THE ORSUD BUILDING IN GENTILLY (94)



KEY FACTS

- Acquisition date: **July 20, 2016**
- Annual rental income: **€3m**
- Net initial yield: **6%**
- Tenants: fully leased to Chronopost, La Poste, Locaposte, ITAC
- Remaining lease term: **about 3 years with no break option**

SPOTLIGHT ON THE ORSUD BUILDING IN GENTILLY (94)

DESCRIPTION OF THE BUILDING

- Building with an excellent visibility, in South Paris next to the ring road
- Architectural design: **Olivier-Clément Cacoub**
- Total floor area of **13,172 sq.m**
- **242** parking spaces
- Flexible and divisible open floor plates of **1,600 sq.m**
- Has received the **BREEAM In-Use** assessment rating of "Very good" for parts 1 and 2

ACCESS

- **Excellent road access:** the building is ideally situated right next to the Paris ring, with access to the A6 motorway within just a few minutes' drive
- **Public transport access:** the building is 850 m from the "Porte d'Italie" metro station on line 7 and 450 m from the "Poterne des Peupliers" tram stop on line T3. Many bus lines stop in front of the building.

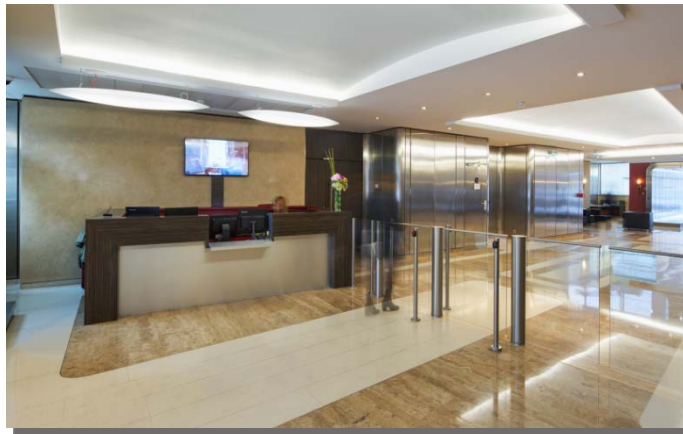


SPOTLIGHT ON THE ORSUD BUILDING IN GENTILLY (94)



A BUILDING THAT SATISFIES ICADE'S INVESTMENT CRITERIA

- ▀ Net initial yield of **6%**
- ▀ Enviable location
- ▀ Fully leased to first-class tenants



VALUE CREATION POTENTIAL IF TENANTS LEAVE

- ▀ We have identified a remaining buildable area on the plot of around **6,000 sq.m**
- ▀ If a redevelopment or extension project is launched, it will be carried out in synergy with Icade Promotion

DEVELOPING SYNERGIES BETWEEN COMMERCIAL PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT

Stronger collaboration between the teams and centralisation of the procurement function

The Property Development Division will systematically act as Delegated Project Manager for projects in the development pipeline (investments of over €1bn expected until 2020)

Joint bids for tenders for major office development projects within and outside the Paris region

Sale of land by the Commercial Property Investment Division for Icade Promotion to carry out residential developments

■ Nanterre Préfecture	11,000 sq.m	open market and social housing
■ Fresnes	14,000 sq.m	senior residence, shops, banquet hall
■ Rungis	19,500 sq.m	open market and social housing in 2 phases: <ul style="list-style-type: none">■ Phase 1 11,000 sq.m■ Phase 2 8,500 sq.m

A VERY SIGNIFICANT DEVELOPMENT PIPELINE

DEVELOPMENT PIPELINE FOR 2020
300,000 sq.m



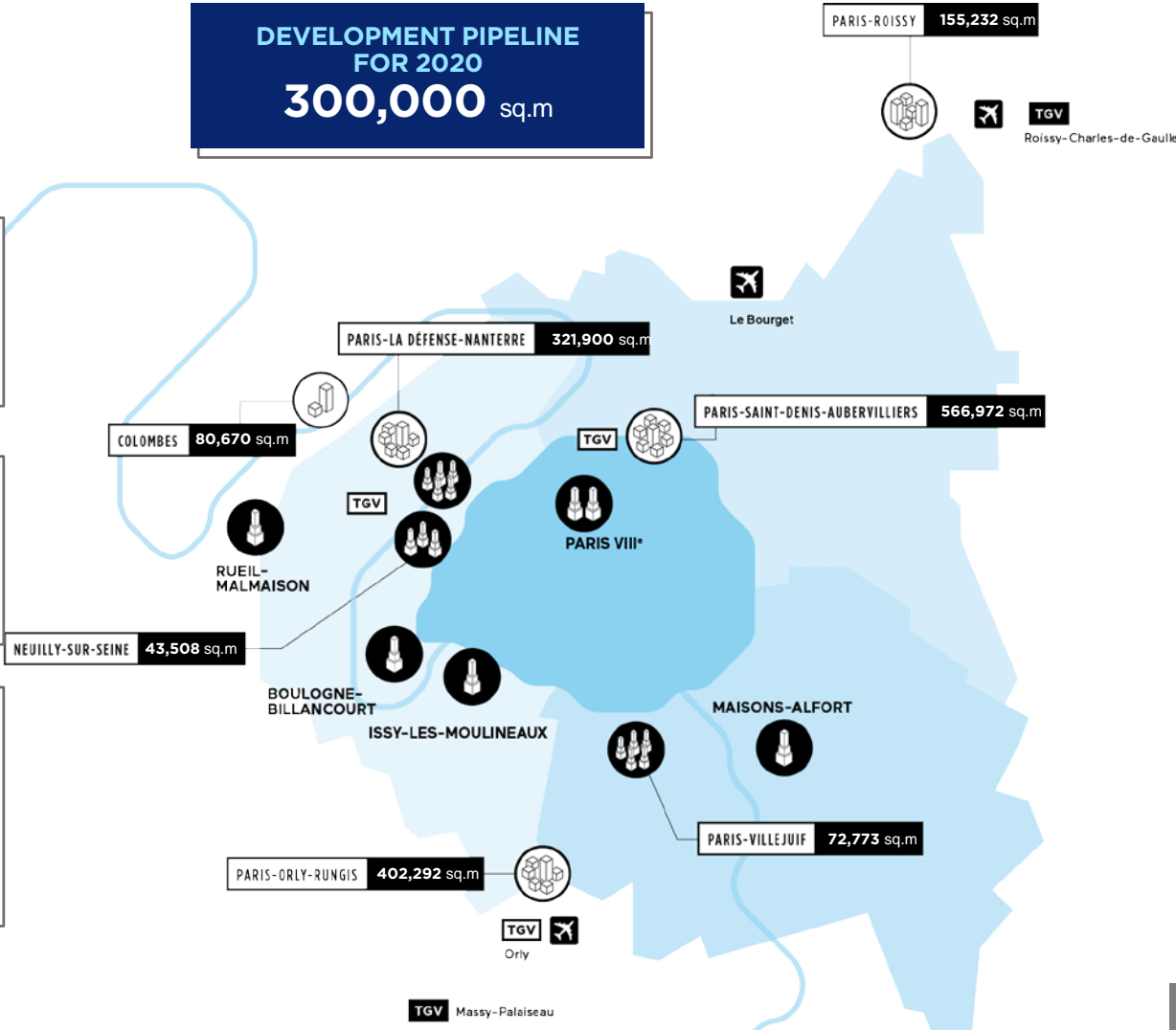
LA DÉFENSE / "ORIGINE" PROJECT (1)
70,000 sq.m
 Offices



LA DÉFENSE 4-5-6
15,850 sq.m
 Offices



RUNGIS BUSINESS PARK
19,060 sq.m
Bucarest (2,000 sq.m) Service centre
Ottawa (12,900 sq.m) Business park
Monaco (4,160 sq.m) Hotel



PORTES DE PARIS BUSINESS PARK
180,900 sq.m
PDM1 (25,000 sq.m) Offices
Îlot E (28,000 sq.m) Business parks / Offices
Îlot B2 (39,000 sq.m) Business parks / Offices
Îlot B3 (29,000 sq.m) Offices
Îlot C1 (42,900 sq.m) Offices
Îlot D (8,000 sq.m) Hotel
Pôle Numérique (9,000 sq.m) business parks / Offices



PONT DE FLANDRE BUSINESS PARK
14,100 sq.m
B007 (8,800 sq.m) Offices
B034 (5,300 sq.m) Hotel



PORTFOLIO IN THE PARIS REGION

HIGH-SPEED TRAIN (TGV) STATIONS	ICADE PROPERTIES
Existing high-speed train station Planned high-speed train station	Business park Offices

Floor areas are in sq.m of operating space

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Note: (1) Project formerly called "Campus Défense"

ACCELERATED UTILISATION OF THE LAND BANK

DEVELOPMENT PIPELINE

Project	Geographic area	Floor area (sq.m)	Investment (€M)	Yield on cost ⁽³⁾	Completion	Pre-leasing	
PROJECTS STARTED			135.1	6.0%			
DÉFENSE 4-5-6	OFFICES	NANTERRE PRÉFECTURE	15,850	10.8	6.1%	May 2017	100%
BUCAREST	SERVICE CENTRE	RUNGIS	2,000	3.5	5.0%	June 2017	0%
ILÔT E ("SECTION E")	BUSINESS PARK / OFFICES	SAINT-DENIS	28,000	120.8	7.0%	Q1 2019	0%
PROJECTS NOT COMMITTED			904.5	6.8%			
ORIGINE	OFFICES	NANTERRE PRÉFECTURE	70,000	338.8	6.7%	Q4 2020	0%
ÎLOT B2	BUSINESS PARK / OFFICES	AUBERVILLIERS	39,000	167.1	6.8%	Q4 2020	0%
ÎLOT B3	BUSINESS PARK / OFFICES	AUBERVILLIERS	29,000	114.7	7.9%	26 months ⁽¹⁾	0%
ÎLOT C1	BUSINESS PARK / OFFICES	AUBERVILLIERS	42,900	171.0	7.3%	32 months ⁽¹⁾	0%
PÔLE NUMÉRIQUE	BUSINESS PARK / OFFICES	SAINT-DENIS	9,000	31.2	5.5%	18 months ⁽¹⁾	0%
B007 BUILDING	BUSINESS PARK / OFFICES	PARIS, 19 th DISTRICT	8,800	41.8	7.4%	18 months ⁽¹⁾	0%
OTTAWA	BUSINESS PARK / OFFICES	RUNGIS	12,900	39.9	6.0%	18 months ⁽¹⁾	0%
PROJECTS NOT COMMITTED IN THE HOTEL SEGMENT			57.5	5.5%			
MONACO	BUSINESS PARK / HOTEL	RUNGIS	4,160	10.8		15 months ⁽¹⁾	In progress ⁽²⁾
ÎLOT D	BUSINESS PARK / HOTEL	AUBERVILLIERS	8,000	27.0		20 months ⁽¹⁾	In progress ⁽²⁾
B034	BUSINESS PARK / HOTEL	PARIS, 19 th DISTRICT	5,300	19.7		16 months ⁽¹⁾	In progress ⁽²⁾
TOTAL			1,097.1				

After the relocation of Icade's headquarters: redevelopment of Millénaire 1 (Paris 19th – **25,000** sq.m); commitment already signed: the building will be fully leased in April 2017

SPOTLIGHT ON ÎLOT E ("BLOCK E"): PULSE SAINT-DENIS (SEINE-ST-DENIS)

TRANSPORT

ROAD ACCESS

Ring road: "Porte de la Chapelle" and "Porte d'Aubervilliers" exits

Motorway: A1, "Porte de la Chapelle" exit
A86, "La Plaine Stade de France" exit

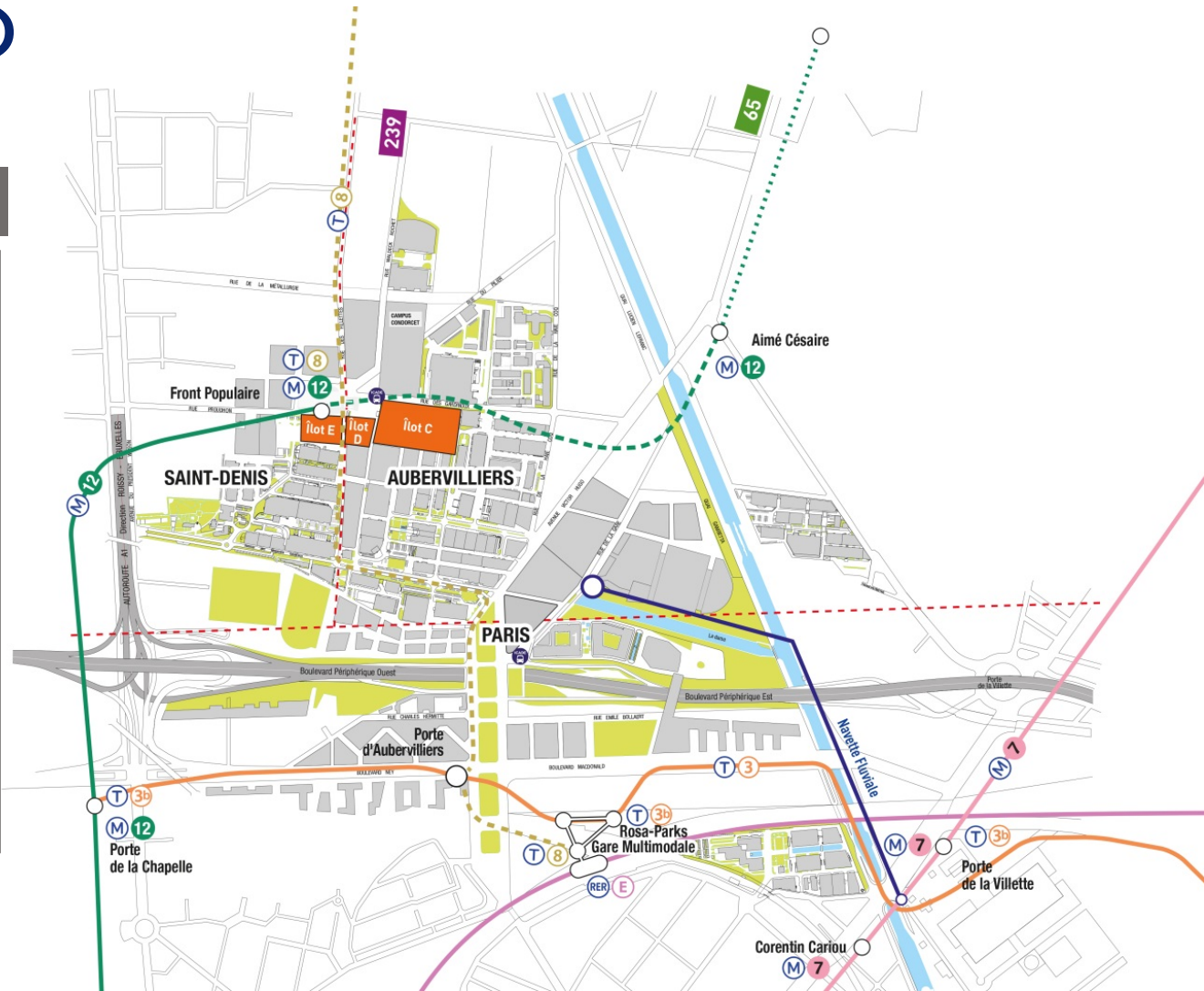
PUBLIC TRANSPORT

Metro: "Front Populaire" station on line 12
"Corentin Cariou" station on line 7

Regional Express Network:

"La Plaine Stade de France" station on line B
"Stade de France Saint-Denis" station on line D
"Rosa Parks" station on line E, within walking distance

Tram: "Porte de la Villette" and "Porte d'Aubervilliers" stations on line T3
Future line T8



SPOTLIGHT ON ÎLOT E ("BLOCK E"): PULSE SAINT-DENIS (SEINE-ST-DENIS)



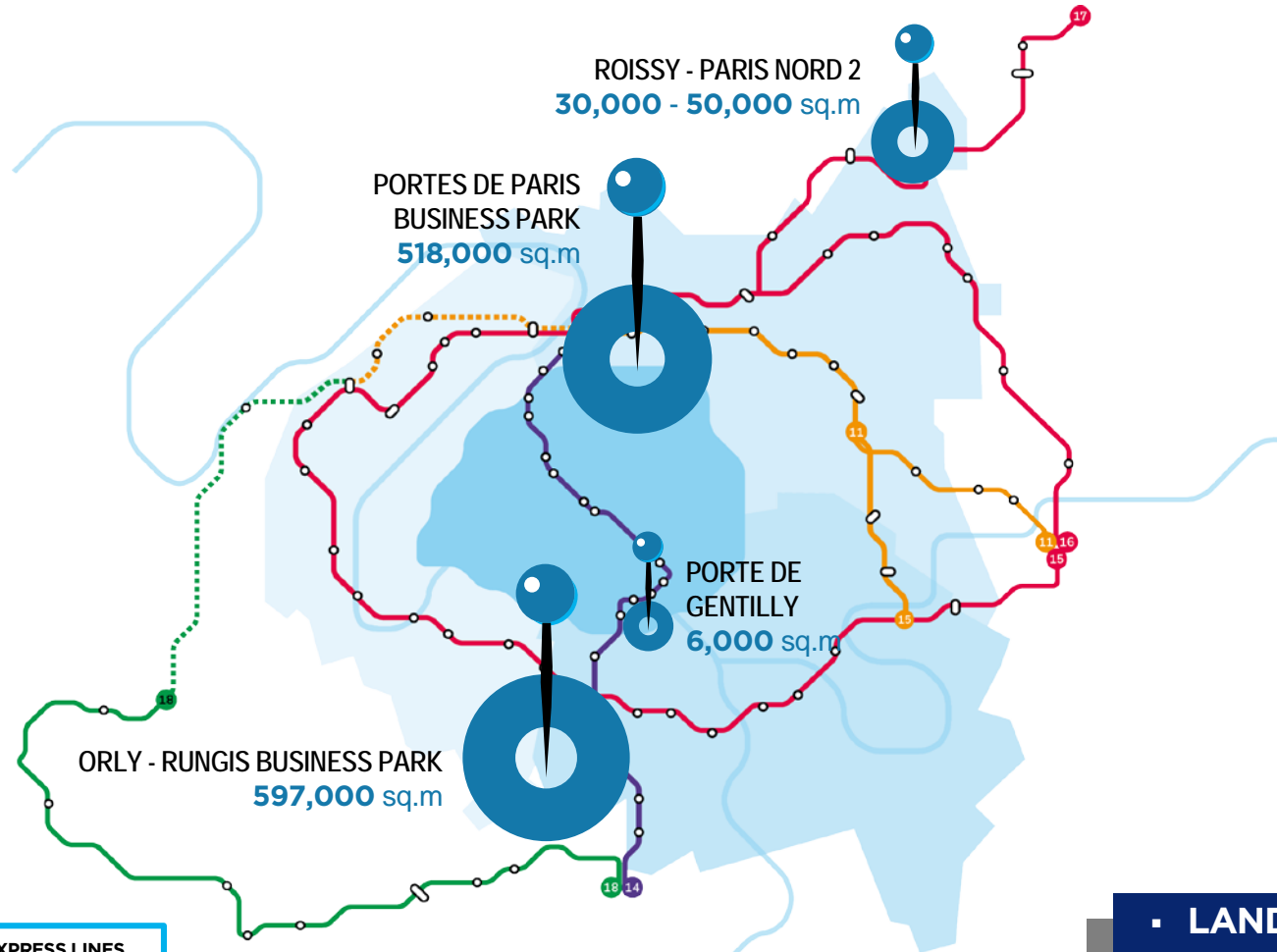
CHARACTERISTICS

- ▮ 8-storey, timber-framed office building
- ▮ Architect: Fassio-Viaud Architectes
- ▮ **28,000 sq.m**
- ▮ 2 underground levels with **323** parking spaces
- ▮ Services on the ground floor:
 - ▮ **3** catering outlets: a **500**-seat restaurant shared by several companies, a contemporary café and a cafeteria
 - ▮ Fitness
- ▮ Terraces and an urban vegetable garden on the 7th floor
- ▮ Ambitious certifications:
 - ▮ HQE 2015 certification: "excellent" rating
 - ▮ BREEAM 2016 certification: "very good" rating
 - ▮ BBCA certification: "excellent" rating targeted
- ▮ Investment (including land): **€120.8m**
- ▮ Office rent: **€330/sq.m** of gross lettable area
- ▮ YoC: **7%**
- ▮ Schedule:
 - ▮ September 2016: preparatory work (demolition, injections...)
 - ▮ January 2017: start of excavations
 - ▮ Q1 2019: completion of the building

FUTURE VALUE CREATION WITHIN ICADE'S PORTFOLIO

PORTES DE PARIS BUSINESS PARK
518,000 sq.m

ORLY-RUNGIS BUSINESS PARK
597,000 sq.m



ROISSY - PARIS NORD 2
30,000 - 50,000 sq.m

Remaining buildable area to be defined more precisely depending on the outcome of discussions to be held with local authorities and on the Paris Region Land Management and Development Agency's (AFTRP) ambitions for the area

PORTE DE GENTILLY
6,000 sq.m

GRAND PARIS EXPRESS LINES	
14	15
15, 16, 17	18
18	
11, 15	

- **LAND BANK: 1.2 million sq.m**
- **CONSERVATIVE NAV VALUATION (AS OF 06/30/2016: €134.4M)**



"COACH YOUR GROWTH" MARKETING PLAN FOR BUSINESS PARKS: OUR BUSINESS PARKS ARE REGAINING THEIR LEADERSHIP!

CLEAR OBJECTIVES

- ▮ Increase the attractiveness of our business parks in order to retain our tenants and attract new prospects
- ▮ The plan will be in place in all business parks by the end of 2017, with one pilot site: the Rungis business park, **80%** of actions will be common to all 7 business parks in order for Icade's initiative to be readily identifiable and visible
- ▮ Customer-centric approach: converting our business parks into business communities
- ▮ An investment of **€30m**, i.e. **1%** of the value of the business park portfolio
- ▮ A dedicated cross-functional team
 - A head of Business Park Marketing Plan
 - A Meetings and Events Manager for Business Parks
 - Representatives of different areas of expertise: Asset Management, Property, Environmental Transitions Department and Digital Community Manager
- ▮ Increase the occupancy rate of business parks from **84%** (at the end of 2015) to **89%** (at the end of 2018)



ACTIONS IMPLEMENTED BASED ON 3 COMMITMENTS

TURN OUR BUSINESS PARKS INTO HIGH-QUALITY, EXEMPLARY BUSINESS PARKS IN TERMS OF CSR

- High visibility
- Nature as a key element
 - Urban farms, shared gardens
- Integrated security system
- Business parks with internet access through WiFi
- Promotion of soft mobility
 - Electric shuttles
 - Autonomous vehicles under study
 - Charging stations for electric vehicles

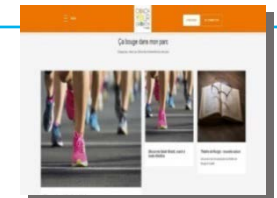
OFFER OUR TENANTS QUALITY OF LIFE AND WORK

- One main "village square" in each business park
- High-quality lunch experience, varied catering options
- Innovative services
 - Sports coaching, fitness trails
 - Gardening classes
 - Theatre performances in the Rungis business park
 - House of wellbeing in the Rungis business park (physicians, saunas...)

CREATE A SHARING AND LEARNING COMMUNITY

- Launch of a community platform
- Community building
 - Runners, CSR, HR, gardeners
- Rollout of Real Estate 3.0
 - Smartdesk (Rungis, Paris Nord II and Pont de Flandre)
 - Maison des start-ups (Portes de Paris and Rungis)
 - Work Up (business centre in Portes de Paris)

ICADE
ATHLETICS



OUTLOOK 2017/2019

Strong efforts on rental issues and completion of the rollout of actions from the marketing plan for business parks: continued rise in financial occupancy rate

Asset rotation: sale of mature assets and acquisitions of “Core + / Value Add” assets with an average net initial yield of about **5.5%**

Development of new assets on land from the land bank, as in the “Origine” and “Îlot E” projects...

Continuation and acceleration of synergies with the Property Development Division

OUTLOOK 2017/2019

Stronger partnerships with local authorities in order to develop new projects within our land bank

Rollout of CSR actions to improve the quality of the portfolio.
Budget and actions defined for each scope of application (€60m for the plan, i.e. nearly 1% of portfolio value)

Objectives for 2020:

- **30%** in energy intensity
- **40%** in CO₂ intensity
- + **20%** in the use of renewable energy
- **25%** in water consumption



3.

HEALTHCARE PROPERTY INVESTMENT: EXPANSION AND VALUE CREATION

Françoise DELETTRE

*CEO of Icade Santé
Member of the Executive Committee
in charge of the Healthcare Property
Investment Division*

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SUSTAINED GROWTH SINCE 1945

Ageing population

- People over 60 years old will represent **29%** of the overall population in 2030, vs. **22%** in 2010
- Average health costs of people over 65 years old are **3 to 4 times greater** than those of people aged between 26 and 55

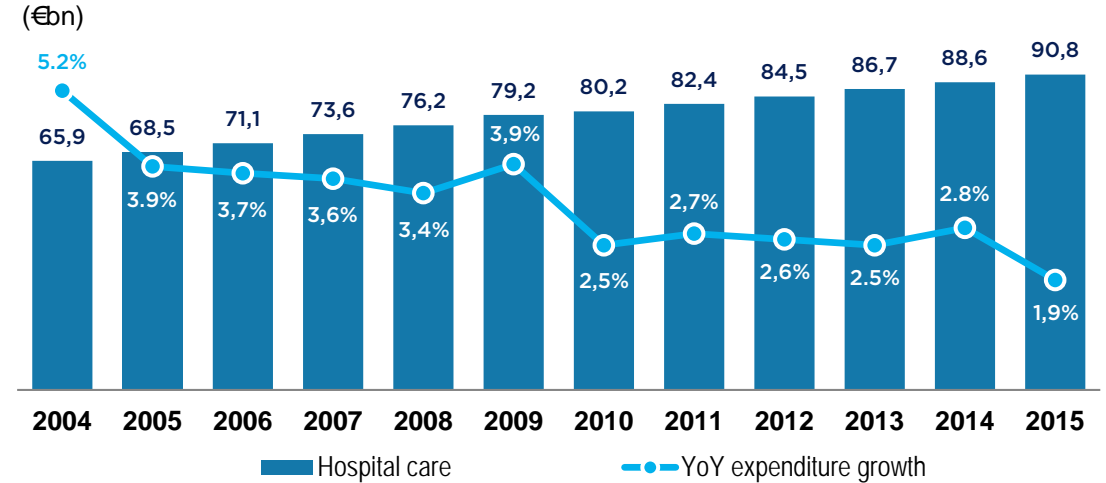
Improvement of medical standards and techniques

- Improvement of screening techniques
- Health regulations tighten and cause equipment costs to rise
- Therapeutic innovation leads to the development of new treatments which boost demand and are more expensive

Other social factors

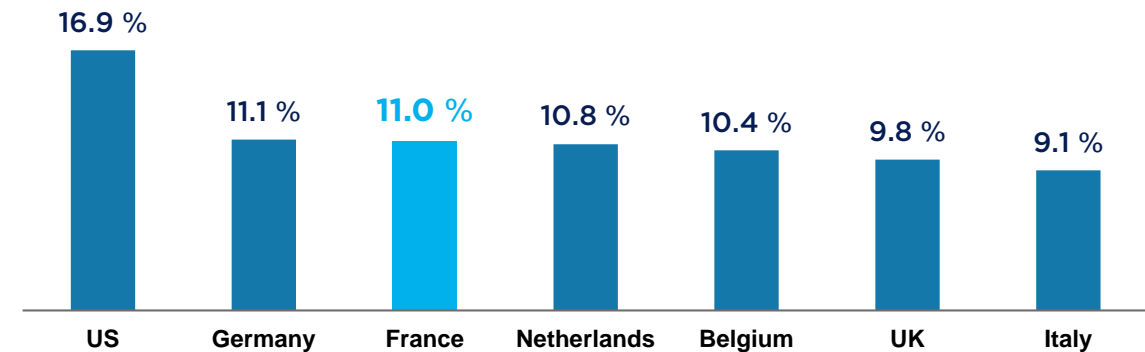
- Increased prevalence of long-term conditions: obesity, diabetes, pollution-related diseases...

HOSPITAL EXPENDITURES IN FRANCE OVER 2004-2015



Source: 2014 National Health Accounts
Health expenditures in 2015 - published by the Directorate for Research, Studies, Evaluation and Statistics (Panoramas de la DREES)

HEALTH EXPENDITURES (% of GDP)



Source: OECD 2015 - Estimated data

SEGMENTS OF THE HEALTHCARE MARKET

HEALTH SECTOR (ICADE SANTÉ'S TARGET)

Short-term care facilities: MSO ⁽¹⁾

- Few tenant operators (4 major ones)
- Since properties need to have a stronger technical component, they tend to be single-use assets
- Greater investments
- Costs of specific equipment borne by the operators
- Triple net leases (except for charges referred to in Article 606 of the French Civil Code for new leases subject to the Pinel tax incentive scheme)
- Rent indexation (construction cost index [CC/] and commercial rent index [CR/])

Medium-term care facilities: FRC ⁽²⁾/MHE ⁽³⁾

- Slightly more tenant operators
- Accommodation capacity and minor technical component, making property conversion easier
- Lower investments
- Triple net leases (except for charges referred to in Article 606 of the French Civil Code for new leases subject to the Pinel tax incentive scheme)
- Rent indexation (construction cost index [CC/] and commercial rent index [CR/])

Higher yields

(5.25% - 5.50% for prime assets)

Moderate yields

(5.00% - 5.25% for prime assets)

MEDICAL-SOCIAL SECTOR

Long-term care facilities: EHPAD...

- Slightly more tenant operators
- Minor technical component / accommodation capacity, making property conversion easier
- Lower investments
- Double or triple net leases (except for charges referred to in Article 606 of the French Civil Code for new leases subject to the Pinel tax incentive scheme)
- Rent indexation (construction cost index [CC/] and commercial rent index [CR/])

Yields partly driven by the "professional rental of furnished property" (LMP) status
(4.60% - 4.70% for prime assets)

A SUSTAINABLE MIXED MODEL WHERE THE PRIVATE SECTOR PLAYS A KEY ROLE

In France, hospital care (short-term/MSO and medium-term/FRC&MHE) is provided by 3 sectors:

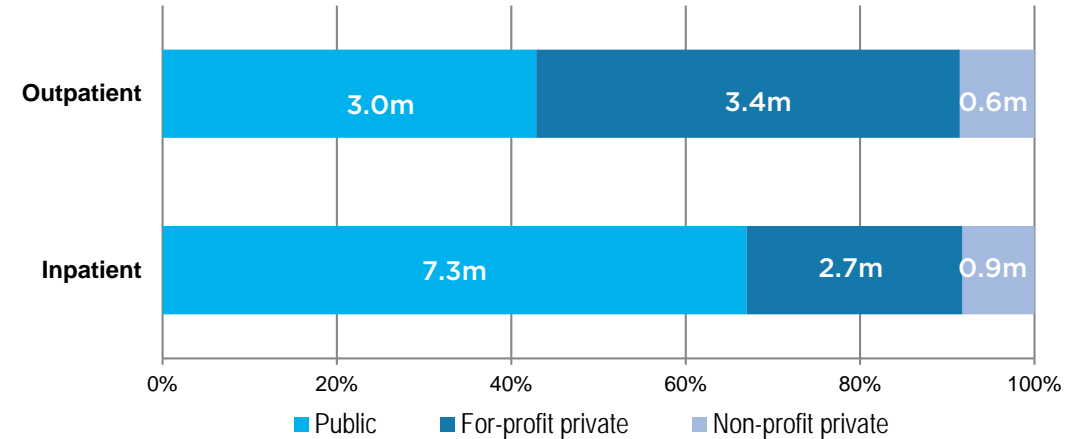
- ▀ The **public sector**, with **1,416** public facilities accounting for **298,000** inpatient and outpatient beds
- ▀ The **non-profit private sector**, with **683** facilities accounting for **70,600** inpatient and outpatient beds
- ▀ The **for-profit private sector**, with **1,012** facilities (including **514** MSO) accounting for **115,000** inpatient and outpatient beds
(source: DREES – 2014 annual statistical survey of healthcare facilities)

The for-profit private sector: **1st** provider of surgical services (**55%** market share), and **2nd** provider of medical (**27%**) and obstetric services (**23%**)

In the short-term care MSO market, the for-profit private sector provides more than **50%** of outpatient care and **26%** of inpatient care

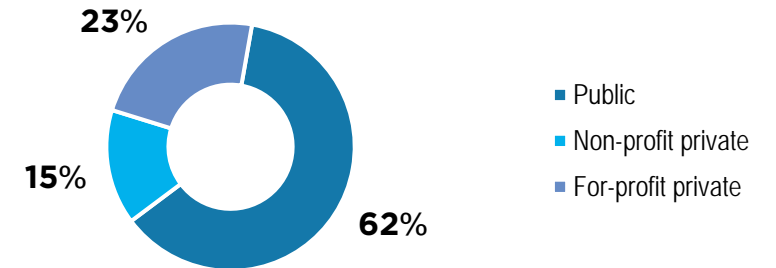
MSO fees established by Assurance Maladie are on average **24%** lower for private hospitals than for public facilities
(assessment made by the Cour des Comptes in 2011)

▀ BREAKDOWN OF STAYS IN MSO FACILITIES IN 2014 BY SECTOR AND TYPE



Source: Technical Agency for Information on Hospital Care (ATIH), 2015

▀ MARKET SHARE / OVERALL INPATIENT AND OUTPATIENT BEDS



Source: Overview of healthcare facilities, 2014 edition, DREES 2015 (published in May 2015) - Les Echos Etudes

A SUSTAINABLE MIXED MODEL WHERE THE PRIVATE SECTOR PLAYS A KEY ROLE

Market consolidation continues among the main private hospital operators

- 4 major national healthcare groups: Ramsay Générale de Santé, Elsan, MédiPôle Partenaires and Capio are the leaders and are all partners of Icade Santé
- In the medical-social sector, Korian-Medica, Orpea and Domus Vi are the main players with an overall capacity of **60,000 beds**, i.e. near half the total number of beds in this segment

At the end of 2015:

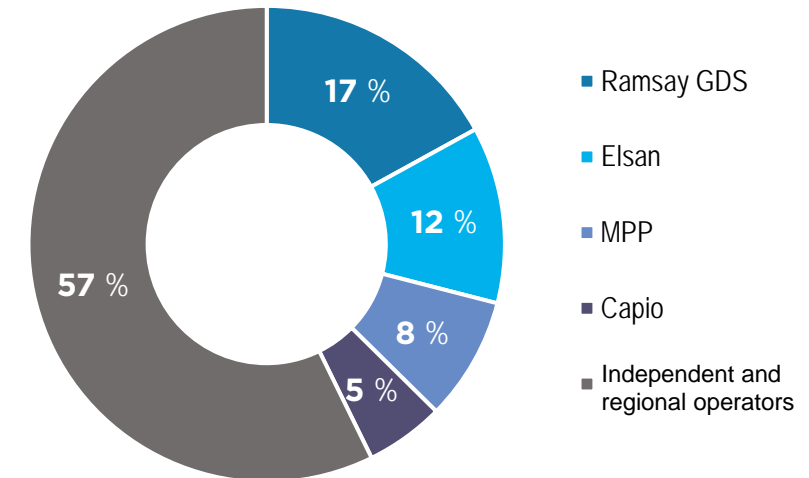
- The Vedici group acquired the Vitalia group from Blackstone (Icade Santé acquired at the same time a portfolio of **16 assets** operated by Vitalia for **€606m**). The resulting group was renamed **Elsan**.
- Ramsay Générale de Santé acquired the Hôpital Privé Métropole group (HPM) in Lille

In 2016:

- The three private healthcare operators of the Centre Loire region merged to acquire the 3H group (which operates **4 facilities** owned by Icade Santé)
- The Elsan and the MédiPôle Partenaires groups entered into exclusive negotiations on a possible merger. Both are partner operators of Icade Santé.

By no longer owning the properties they operate, healthcare operators have more funds available to invest in equipment or to reduce their debt.






MARKET SHARE (HEALTH SECTOR)



A FULL-FLEDGED ASSET CLASS

Players are increasingly active in a growing market

- Icade Santé, a French listed real estate investment company (SIIC), is the market leader with a portfolio of over + €3.4bn in the health segment in 2016. It is 56.5% owned by Icade**
- Primonial REIM (asset manager of real estate collective investment schemes [OPCIs]) is the second largest player in the sector. It invests in the health and medical-social segments (impending acquisition of the EHPADs owned by Foncière des Murs for €300m and of a portfolio composed of 68 EHPAD and FRC facilities in Germany for €1bn)**
- Cofinimmo, a Belgian property investment company is present in Belgium and France, only in the accommodation facilities for dependent elderly persons (EHPAD) and medium-term care facilities (FRC) segments**
- Several other funds are managed by: BNP Paribas REIM, SwissLife, Viveris REIM, Péral, Amundi, Weinberg...**

Investor	Portfolio 06/30/2016	Sector
 Icade Santé	€3.4bn	Health
	≈ €1.8bn France with Gecimed and FDM	Health and medical-social
	€1.4bn (France: €0.4bn)	Medical-social
	≈ €400m	Health and medical-social
	€200m	Health and medical-social

A VERY ATTRACTIVE RISK/RETURN PROFILE

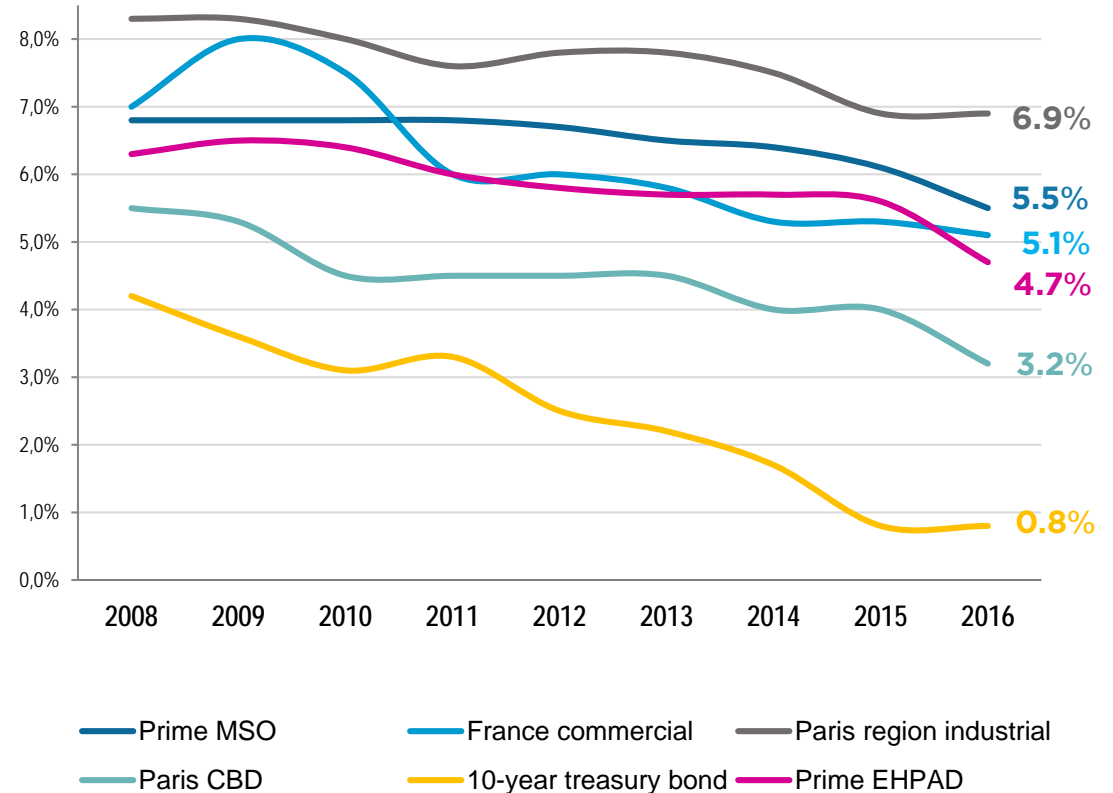
With the development of a secondary market and the appetite of new players, the healthcare property investment market offers:

- ▀ Assets safeguarded by operating permits
- ▀ Secure cash flows thanks to long leases (12 years to first break or expiry)
- ▀ Indexed triple net leases (except for charges referred to in Article 606 of the French Civil Code for new leases subject to the Pinel tax incentive scheme)
- ▀ No vacancies
- ▀ Attractive and fairly stable yields in a non-cyclical sector

With yield compression... still ongoing

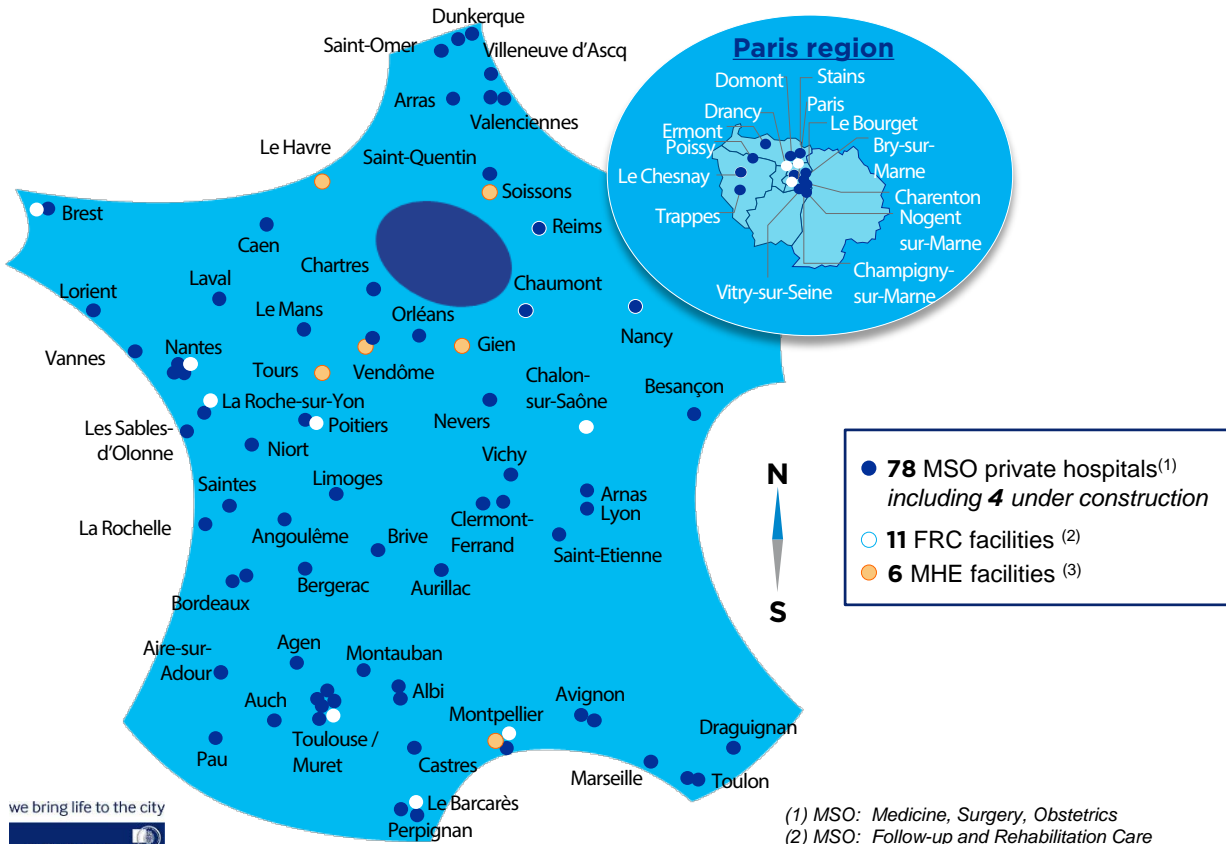
...but these assets need an in-depth knowledge of the sector, specific technical expertise and strong skills in counterparty risk analysis. Building conversion is more complicated and remains rare in MSO facilities

Resilient yields compared to other asset classes
A historically high premium to the 10-year treasury bond

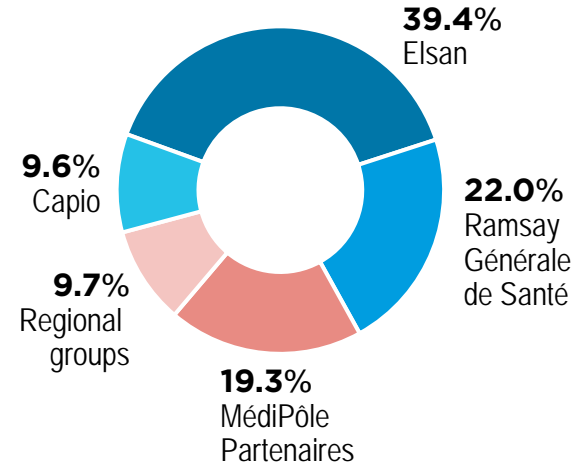


ICADE SANTÉ'S PORTFOLIO AS OF SEPTEMBER 30, 2016

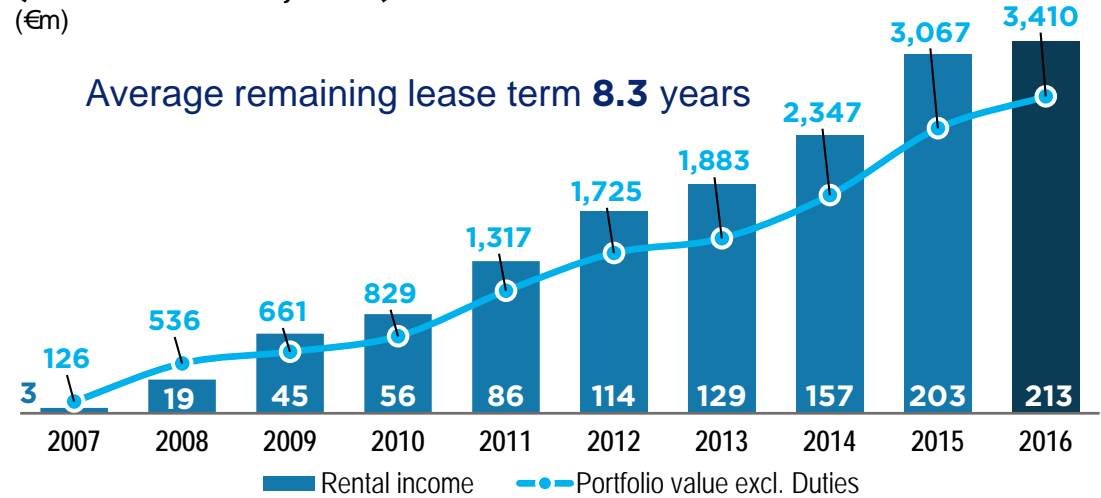
95 facilities owned by Icade Santé - 11 partner operators
 €3.4bn ⁽¹⁾ - currently 4 projects under development
 + 1 acquisition (a private hospital in Tarbes) subject to a preliminary agreement



BREAKDOWN BY OPERATOR AS OF JUNE 30, 2016 (as a % of portfolio value)



ANNUALISED RECURRING RENTAL INCOME (INCLUDING ARREARS OF RENT) AND PORTFOLIO VALUE SINCE 2007 (AS OF JUNE 30, 2016) (€m)



Note : (1) Value as of June 30, 2016

(1) MSO: Medicine, Surgery, Obstetrics
 (2) MSO: Follow-up and Rehabilitation Care
 (3) MSO: Mental Health Establishments

AN ACTIVE AND HIGHLY COMPETITIVE MARKET

Healthcare has become a full-fledged asset class and is attracting many investors, both in the health and medical-social segments

Investments are often made via real estate collective investment schemes (OPCIs) and real estate collective investment companies (SCPIs) by asset managers

Market players are starting to invest in other European countries, especially by acquiring portfolios of accommodation facilities for dependent elderly persons (Primonial: €1bn in Germany)

Competition is also fierce in the market for acquisitions of healthcare businesses and valuation multiples are soaring

But... Icade Santé remains one step ahead and still has a value creation potential thanks to:

- ▀ A dedicated team with a good knowledge of the market and its players, which reinforces the position of Icade Santé as a leader
- ▀ Privileged and high-quality partnerships with several national operators (Elsan, MédiPôle Partenaires, Capiro...) and provision of support to public authorities
- ▀ 4 large-scale projects under development (that will start generating cash flows in 2018) and ongoing works to several facilities
- ▀ A thorough analysis of investment opportunities, within the scope of a portfolio diversified by operator and by region
- ▀ A will to expand backed by its shareholders

CHANGES IN THE HEALTHCARE PROPERTY INVESTMENT'S PORTFOLIO

06/30/2015

- 72 facilities
- Portfolio value: €2.5bn excl. duties
- H1 2015 consolidated revenues: 80.2m



06/30/2016

- 95 facilities
- Portfolio value: €3.4bn excl. duties
- H1 2016 consolidated revenues: €103m

Acquisitions in the past year:

- **Vision portfolio:**
€606m incl. duties (incl. construction work) – Acquisition: October 30, 2015
- **Vaguil** (portfolio of 4 FRC/MHE facilities):
€57m incl. duties – Acquisition: June 14, 2016
- Acquisition of land and start of construction work for **4 HQE-certified projects under development** (Courlancy in Reims/Bezannes, Quint-Fonsegrives in Toulouse, Bromelia in St Herblain/Nantes and more recently Montredon/Narbonne).
€270m of ongoing investments which will generate secure cash flows in 2018 and 2019.

These projects are carried out with the support of Icade Promotion



Courlancy, Reims/Bezannes



Quint-Fonsegrives, Toulouse

- **PORTFOLIO VALUE ON A LIKE-FOR-LIKE BASIS BETWEEN 12/31/2015 AND 06/30/2016: + €132M I.E. + 7.6%**
- **INCREASE EXPECTED TO CONTINUE AT THE END OF THE YEAR**

BEYOND PROFITABILITY, SYNERGIES WITH ICADE PROMOTION ARE GETTING STRONGER

A synergy was initiated in 2008 through project owner assistance with the Property Development division

The synergy was strengthened in 2014 with the creation of a national healthcare property development division within Icade Promotion

Since 2015, the synergy has continued to develop and this development has even accelerated

- Through the large development projects, an innovative model has been implemented: it associates Icade Santé's investment in the construction of a private hospital and the construction by Icade Promotion of an adjoining clinic on the same site, to be run by the hospital's doctors
- This model, created by the Healthcare Property Investment and the Property Development divisions, is being applied to the 4 large projects under development

GROWTH OUTLOOK FOR 2019: INVESTMENTS AND RENTAL INCOME

A 3-year ambitious and proactive plan
(2017-2019)

Including **€300m** of acquisitions already identified

Including **€250m** construction work and development projects with a memorandum of understanding signed

Rent increase of more than **25%**
in 3 years

Long leases with no break options
(average remaining lease term > 8 years)

CONCLUSION: STRATEGY AND OUTLOOK 2017/2019

Continue acquisitions and developments while supporting our partner healthcare operators

Focus on facilities operated by large operators and/or major facilities

Promote the Healthcare Property Investment division's independence (debt, resources...)

CARRÉ DE SOIE,
(VILLEURBANNE, 69)



4.

PROPERTY DEVELOPMENT: RETURN TO PERFORMANCE IN 2017

Maurice SISSOKO

*Member of the Executive Committee
in charge of the Property Development Division*

we bring life to the city



A FAVOURABLE MARKET

RESIDENTIAL: STRONG GROWTH IN THE NEW BUILD MARKET

- ▮ Historically low interest rates
 - Attractive borrowing costs for home buyers
 - Low interest rates paid for personal savings
- ▮ Favourable demographic trends (demographic growth, people living apart, longer life expectancy...)
- ▮ New interest-free rate for first-time home buyers
- ▮ Pinel incentive tax scheme for individual investors: a profitable, responsible, non-inflationary scheme

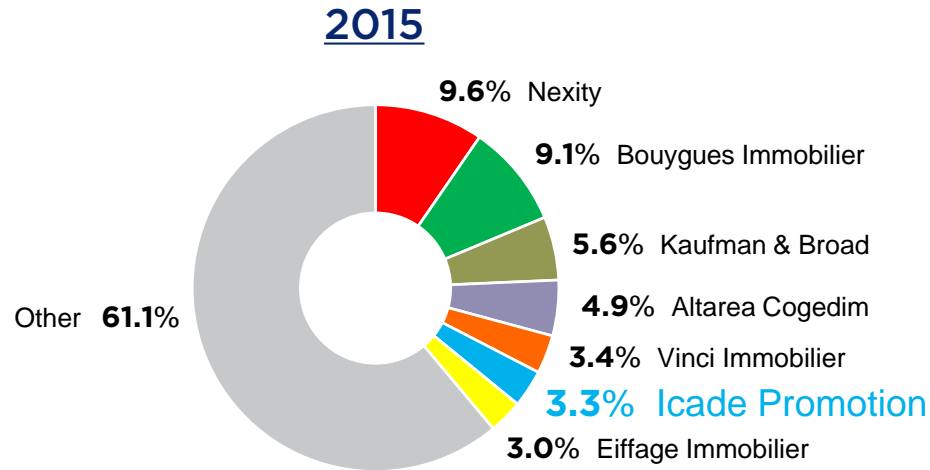
COMMERCIAL

- ▮ Renewed investor confidence in speculative developments
- ▮ Immediate supply of completed properties still accounts for over half of transactions

- **IN THE CURRENT ECONOMIC ENVIRONMENT, RESERVATIONS IN THE NEW BUILD RESIDENTIAL MARKET ARE EXPECTED TO GROW BY ABOUT 20% IN 2016**
- **STRONG UPTURN IN THE COMMERCIAL SEGMENT**

ICADE IN THE FRENCH PROPERTY DEVELOPMENT MARKET: LEADER IN THE COMMERCIAL SEGMENT, 6TH LARGEST PLAYER IN THE RESIDENTIAL SEGMENT

MARKET SHARES OF THE MAIN PROPERTY DEVELOPERS, BASED ON HOUSING RESERVATIONS ACCORDING TO FPI (2)



122,781 sales in 2015

108,107 sales in 2014

RANKING OF OFFICE DEVELOPERS

In sq.m	2013	2014	2015
Icade Promotion	879,000	835,489	769,443
Altarea Cogedim	457,099	490,677	531,000
Nexity	531,100	471,200	313,200
Kaufman & Broad	86,229	165,267	204,615

COMMERCIAL, HEALTHCARE AND PUBLIC FACILITIES: HIGH FINANCIAL STAKES, A DISTINCTIVE POSITIONING

COMMERCIAL REAL ESTATE

Icade Promotion is a major player in the office market and, as part of an opportunistic strategy, in the retail market

- In the office segment, out of an average production of **4 million sq.m/year** over the **last 10 years**, Icade accounts for an average of **100,000 sq.m/year**, i.e. a market share of **2.5%**
- In 2015, Icade Promotion held a market share of **17%** of the production of offices (in terms of floor area), ranking **1st in the segment** ⁽¹⁾
- Very promising joint bids for tenders (Property Development and Property Investment): synergies to be developed

A LEADING POSITION IN COMMERCIAL REAL ESTATE



SKY 56, A landmark project in the revitalisation of the Part-Dieu district in Lyon

30,700 sq.m total lettable area and **3,000** sq.m of services with a total height of **56** metres

Certifications: BREEAM, HQE Excellent, Effinergie+, WELL (Silver rating)

Completion scheduled for **2019**



PANORAMA T6, the first bridge-shaped building in Paris

This entirely metal-framed building designed by architect Marc MIMRAM will span the railway tracks of the Austerlitz station over 60 metres (Paris, 13th district)

Completion scheduled for **2018**



THEMIS, **10,655** sq.m of office space within the Clichy-Batignolles development zone (Paris, 17th district)

Icade participates in the pilot phase of the BBCA certification and shows excellent environmental performance: BBC-Effinergie+ and Bâtiment Biosourcé certifications, - **70%** in carbon footprint related to building operation and - **30%** related to building construction, **75%** of construction waste is recovered.

Completion scheduled for **2018**



TWIST, an office building of **10,340** sq.m within the Clichy-Batignolles development zone (Paris, 17th district)

Certifications awarded: HQE Excellent (2015 rules), BREEAM Excellent (2013 rules), Effinergie+ (RT 2012) and Biosourcé (2015 rules)

Completion scheduled for **2018**

COMMERCIAL, HEALTHCARE AND PUBLIC FACILITIES: HIGH FINANCIAL STAKES, A DISTINCTIVE POSITIONING

HEALTHCARE AND PUBLIC AMENITIES

- ▀ Icade operates on this market by building on its historical synergies with Icade Santé and has adopted an opportunistic approach by capturing project opportunities thanks to its knowledge of the healthcare industry
- ▀ Public amenities: recognised expertise, ongoing tenders

COMPLETED PROJECTS THAT REFLECT OUR DISTINCTIVE IDENTITY (1/2)



MONTPELLIER HIGH-SPEED TRAIN STATION

New multimodal transport hub of the Odysseum district, situated on the new high-speed train line called "Nîmes–Montpellier Bypass" (expected to be extended to Perpignan and Barcelona).
Completion scheduled for **2017**



GREAT STADIUM OF THE FRENCH RUGBY FEDERATION

82,000-seat multi-purpose stadium with a retractable roof and a removable pitch
Completion scheduled for **2019**

HOSPITAL IN THE NORTH OF THE PARIS REGION

Projected merger of the Bichat and Beaujon hospitals: a super-hospital to be built on this site



SENIORS' RESIDENCE WITH SERVICES IN TROUVILLE

One of the first seniors' residences with services developed for an institutional investor by Icade
120 apartments
Completion scheduled for **2018**



COMPLETED PROJECTS THAT REFLECT OUR DISTINCTIVE IDENTITY (2/2)



SOUTH NICE TRAIN STATION, IN AN URBAN AREA ON THE SITE ON THE FORMER PROVENCE TRAIN STATION

The project includes the completion of the following development:

- A covered market whose frame is listed as a historic monument and which was rebuilt for the City of Nice
- An associations centre for the City of Nice
- A gymnasium for the Alpes-Maritimes Departmental Council, which complements the facilities of the nearby secondary school
- A **9**-screen multiplex
- **67** open-market and **51** social housing units
- A **182**-room hall of residence + **1** employer-provided accommodation
- Shops on the ground floor of buildings and on market stalls
- A **750**-space car park including **500** non-reserved parking spaces
- Completion to be phased between **2017** and **2019**

LA RÉUNION CULTURAL CENTRE

St-Denis, a modular auditorium with a capacity of **1,000** including **350** seats, a place for artistic creation, accommodations

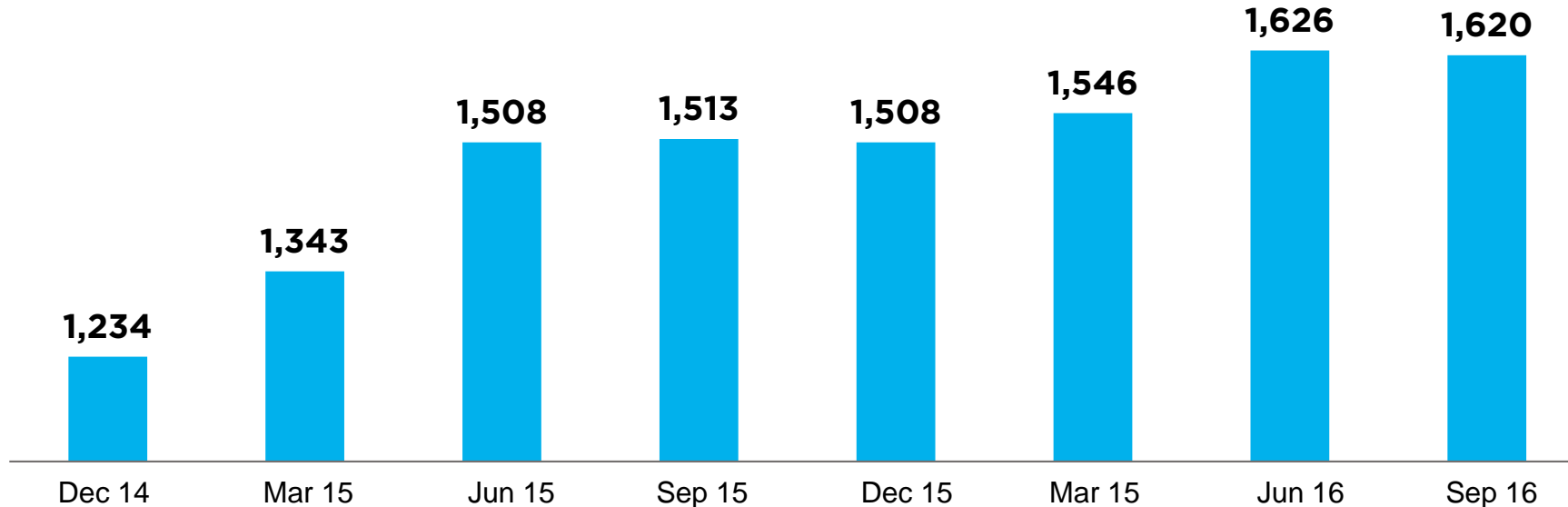
- Completed in **2015**

STRONG RECOVERY IN BUSINESS INDICATORS IN A DYNAMIC MARKET ENVIRONMENT

Total backlog of over **€1.6bn**:

- including a commercial backlog of **€637m**
- and a residential backlog of **€984m**, equivalent to **19 months** of revenues

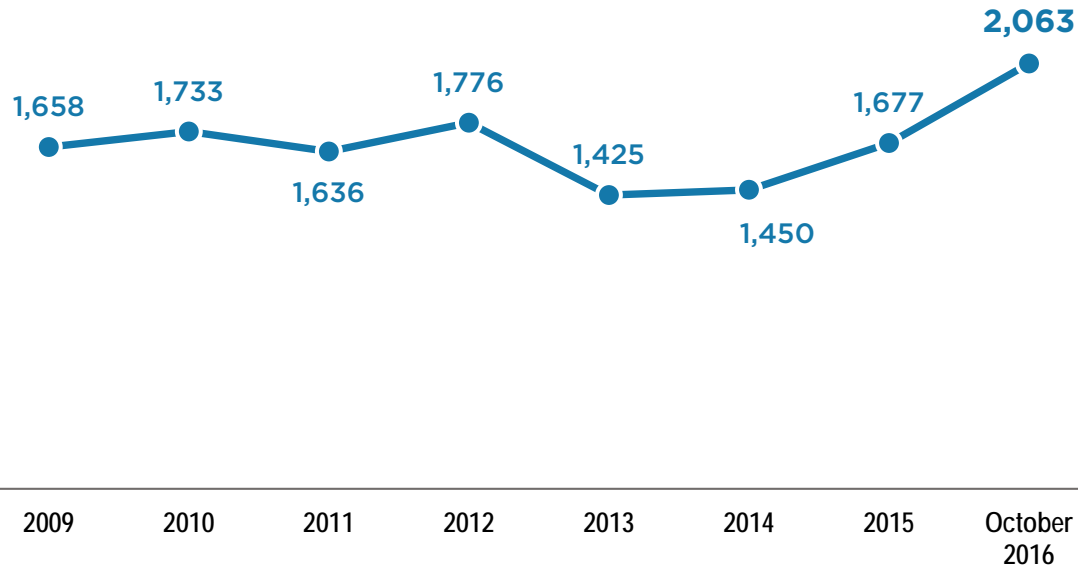
TOTAL BACKLOG (RESIDENTIAL AND COMMERCIAL)
(in €m excluding taxes, group share)



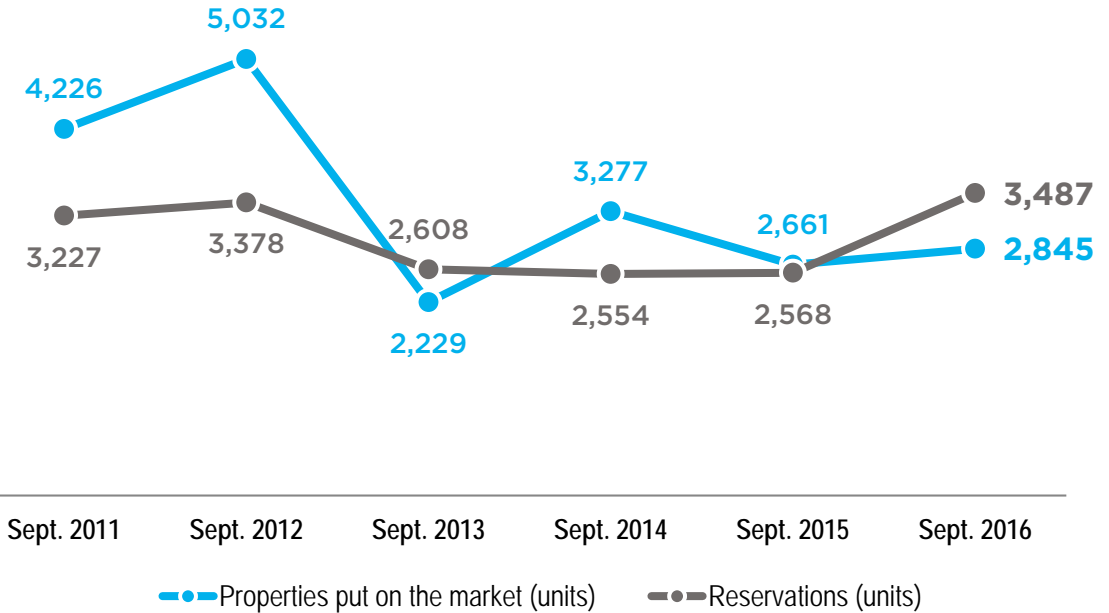
**INCREASE IN THE BACKLOG WHICH WILL DRIVE REVENUES
THROUGHOUT THE DURATION OF THE PLAN**

LAND PORTFOLIO, PROPERTIES PUT ON THE MARKET AND RESERVATIONS: INDICATORS ON THE RISE

LAND PORTFOLIO
(in €m including taxes)



RESERVATIONS AND PROPERTIES PUT ON THE MARKET
(units)



AT THE END OF 2016, THE RECOVERY OF RESIDENTIAL DEVELOPMENTS ALLOWS THE VALUE OF THE LAND PORTFOLIO TO REACH ITS HISTORICAL HIGH

ACTIONS ALREADY UNDERTAKEN TO IMPROVE PERFORMANCE

REMINDER OF 2015 FIGURES

- Return On Equity: **4.3%** ⁽¹⁾
- Operating margin: **5.3%** ⁽²⁾
- Significant potential for improvement compared to peers

ICADE PROMOTION HAS SET ITSELF 5 TARGETS

1. Develop the land portfolio for all its business activities
2. Reposition itself as one of the leaders in each business segment
3. Develop synergies with the Commercial and Healthcare Property Investment Divisions
4. Step up its digital transformation to become an effective developer
5. Improve financial performance (revenues, ROE)

AND A 5-PRONGED ACTION PLAN

1. Develop the business and revenue growth
2. Optimise the design-build-sell process
3. Develop synergies with the Property Investment Division's activities
4. Move to a more integrated organisational structure
5. Step up its digital transformation and innovation

4 WAYS TO DEVELOP THE BUSINESS

THEME 1

DEVELOP THE
BUSINESS AND
REVENUE GROWTH

1. **Implement a more ambitious land acquisition policy to build a portfolio with different maturities**
2. **Broaden the range of new build properties (currently narrower than our competitors') and start operating in the renovation segment**
3. **Strengthen significantly our business development forces, especially for major tendering processes**
4. **On a case-by-case basis, consider external growth to reinforce our presence in specific geographic areas or segments**

3 WAYS TO OPTIMISE THE DESIGN-BUILD-SELL PROCESS

THEME 2

OPTIMISE THE
DESIGN-BUILD-SELL
PROCESS

1. Offer a consistent product range across all our locations
2. Create a strong technical department for the whole country
3. Optimise distribution channels and adapt sales methods
(bulk sales, direct online sales, opening up to other developers)

HOW TO DEVELOP TODAY'S AND TOMORROW'S SYNERGIES

THEME 3

DEVELOP SYNERGIES
WITH
THE PROPERTY
INVESTMENT DIVISION

- 1. Own-account Delegated Project Management revenues** (projects secured for the Icade Group's own account and to be carried by 2020) **for the Commercial and Healthcare Property Investment divisions:**
 - ▮ **€47m** revenues with the Commercial Property Investment Division ⁽¹⁾
 - ▮ **€235m** potential revenues with the Healthcare Property Investment Division ⁽¹⁾
- 2. Land bank assigned to property development for third parties by the Commercial Property Development Division: €195m** potential revenues
- 3. Potential to be unlocked:**
 - ▮ **More staff to be dedicated to tendering processes that are complex or with high financial stakes, especially outside the Paris region: €129m** potential revenues
 - ▮ **Strong momentum and involvement of teams in common projects to be achieved by 2020 around 3 main pillars:**
 - Delegated Project Management contracts for **100%** of the Healthcare and Commercial Property Investment divisions' development projects: about 15 projects to be carried out by 2020
 - Acquisition of land from the Healthcare and Commercial Property Investment divisions: around 10 projects to be carried out by 2020
 - Joint bids for tenders for large projects within and outside the Paris region: 10 projects to be carried out by 2020

HOW TO IMPROVE BUSINESS MANAGEMENT AND THE ORGANISATIONAL STRUCTURE

THEME 4

IMPROVE BUSINESS MANAGEMENT AND IMPLEMENT AN INTEGRATED ORGANISATIONAL STRUCTURE THAT GENERATES SAVINGS

1. Optimisation of support functions together with the other entities: implementation scheduled for H2 2017
2. A centralised procurement function for the whole Property Development and Commercial Property Investment divisions: over €1bn of annual purchases, 1% to 2% of potential savings; new procurement organisation to be implemented in H2 2017

HOW TO STEP UP DIGITAL TRANSFORMATION

THEME 5

STEP UP DIGITAL TRANSFORMATION AND INNOVATION

1. **Digital transformation:** Implementation of a digital strategy specific to the property development activity, based on the innovation strategy (Launch of an audit of IT systems and a best practice benchmarking process)

2. Innovation: two pillars

Change and improve:

- Use innovation as a lever for improving operational performance and optimising our products and how they respond to current needs, practices and lifestyles
- This innovation process cuts across the entire production cycle

Focus on the highest value added elements from the value chain:

- Significantly develop co-construction of programmes, modular housing solutions, BIHOME, partnership with SFR (homes with internet access)
- Innovation budget throughout the duration of the plan equivalent to **10%** of net profit

2018 PERFORMANCE OBJECTIVES

Optimised capital allocation since 2015

- Allocated capital went down from **€445m** as of June 30, 2015 to **€342m** as of June 30, 2016
- Further reduction in the capital allocated to Property Development at the end of 2016
- Optimisation of Icade Promotion's WACC (Weighted Average Cost of Capital)

- The action plan is aimed at improving the operating margin in order to reach the same level as our peers by 2018: between **6.5%** and **7%**. The operating margin is based on the operating profit/(loss) ⁽¹⁾, in line with methods used by our peers: trademark royalties and the holding costs of the Economic Interest Group (GIE) are offset

2017 PRIORITIES

Develop our land portfolio in all our business areas

Consolidate our leading position in the commercial segment, especially by relying on the Property Investment Division

Set up partnerships with one or more key accounts and operators

Adapt the organisational structure

Materialisation of synergies with the Property Investment Division

GRAND PHARE
(ISSY-LES-MOULINEAUX, HAUTS-DE-SEINE)



5.

OUTLOOK 2017/2018

Olivier WIGNIOLLE

Chief Executive Officer

Victoire AUBRY

*Member of the Executive Committee
in charge of Finance, IT and Legal*

we bring life to the city

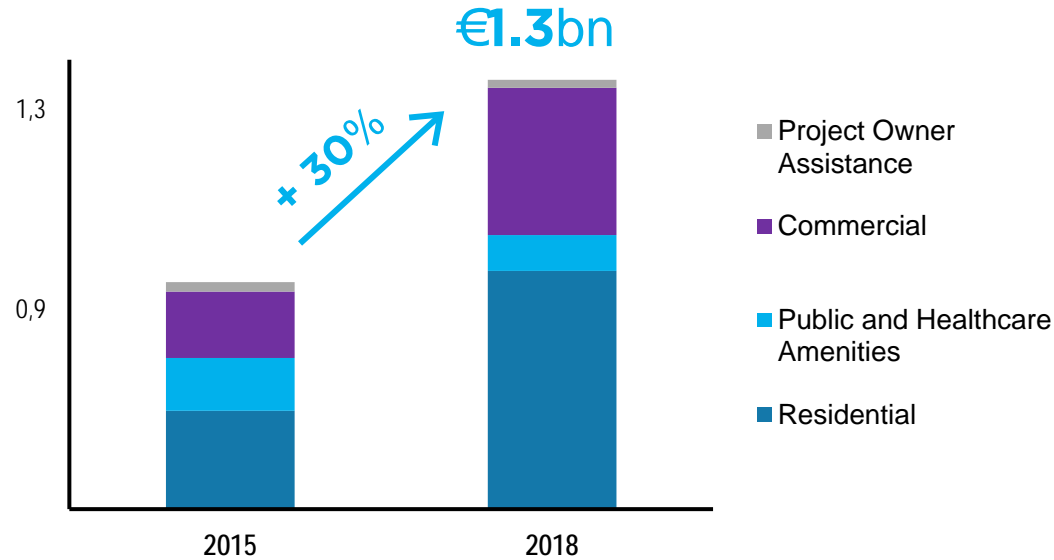


CASH FLOW GROWTH TO BE EXACERBATED BY DEBT RESTRUCTURING

- ▮ The average cost of debt has benefited from market conditions in 2016
- ▮ Two bond issues on attractive terms:
 - At the end of May, €750m with a 10-year maturity and a coupon of 1.75%
 - Last November 7, €850m with a 9-year maturity and a coupon of 1.125%
- ▮ Two liability management transactions:
 - In July, regarding our bank credit lines for €455m
 - In November, regarding our existing bonds maturing in 2019 and 2021 (€300m)
- ▮ Hedge restructuring with the early unwinding of €850m of short-term swaps, and new swaps taken out for €250m with maturities between 7 and 10 years

PROPERTY DEVELOPMENT: VOLUME AND PROFITABILITY OBJECTIVES CONFIRMED

2018 REVENUE FORECAST (€bn)



Revenues of €1.3bn in 2018

- Backlog growing sharply, especially in the residential segment
- Very buoyant pipeline
- Upturn in the cycle within 3 years

ROE for the Property Development Division of 12% in 2018

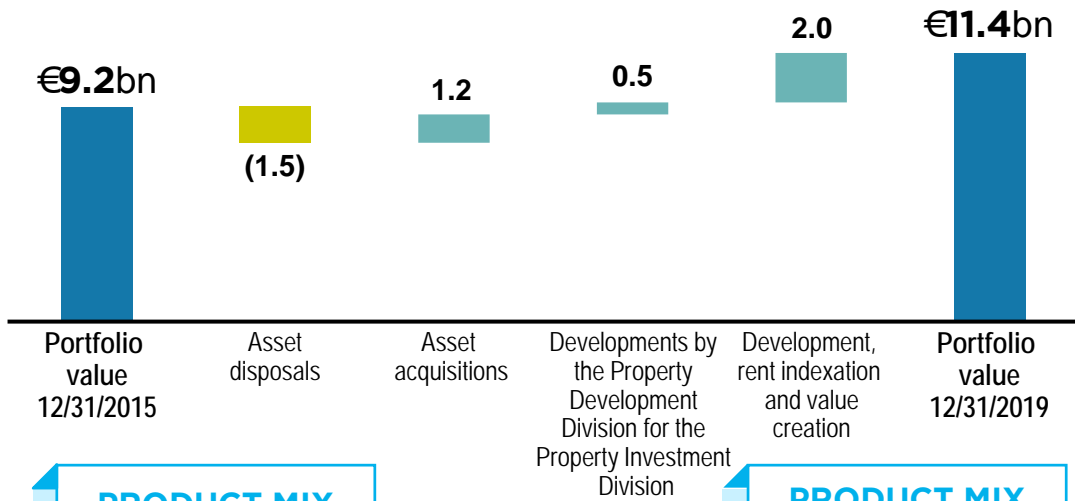
- Operating margin ⁽¹⁾ between **6.5** and **7%** in 2018
- Allocated capital: **6%** to date; maximum of **10%**

Note: (1) Economic operating profit/(loss) (IFRS operating profit/(loss) adjusted in accordance with IFRS 11 and expenses adjusted for trademark royalties and holding costs) / Economic revenues (adjusted in accordance with IFRS 11)

OBJECTIVES CONFIRMED:

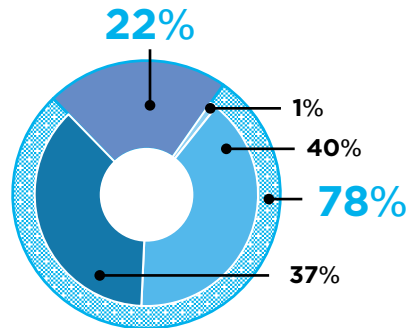
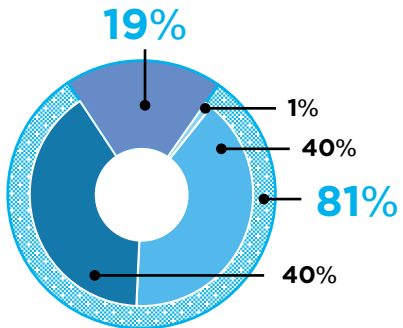
- REVENUES OF €1.3BN
- ROE OF 12%

AMBITION CONFIRMED REGARDING THE PORTFOLIO



PRODUCT MIX AS OF 12/31/2015

PRODUCT MIX AS OF 12/31/2019



- Objective: portfolio growth of + 24% to €11.4bn in 4 years
- In 2016, we are ahead of schedule regarding the initial trend
 - Acquisitions (close to 40% ⁽¹⁾ completed to date)
 - Disposals (28% ⁽¹⁾ completed to date)
- Potential acceleration of acquisitions, both in the Commercial and Healthcare segments, acceleration of development projects and, in the meantime, acceleration of asset disposals
- LTV ratio around 40%, benefiting from increased property values in the Healthcare segment, value creation in the Commercial Property Investment Division, and a valuation of Icade Promotion in line with the expected results
- Portfolio mix in line with objectives



CONCLUSION

Strong momentum for office assets: developments and acquisitions

Effects of the action plan on business parks: increased occupancy rates

Further expansion of the Healthcare Property Investment Division and increased property values

Improvement in the results of the Property Development Division will become noticeable in 2017

Boosting effect of liability optimisation

OUTLOOK FOR 2016 AND 2017/2018



2016: **growth forecast of 7% to 8%**
(vs. growth of > **3%**, announced in July 2016)



Based on the change in **NCCF PER SHARE**