

Revenue and business activity in 2008

Fiscal year 2008

- Revenue: €2,683 million, up 4% compared to 2007 pro forma
- Net reservations totaled 9,152 units, comprised of 7,307 new home reservations in France, 91 new home reservations in Italy and 1,754 subdivision reservations
- More than 1% gain in market share in the French residential real estate market, on the basis of a market estimated at 75,000 units (9.7% vs. 8.6% in 2007)
- Stock of completed unsold new homes amounting to 173 units as of December 31, 2008. Average pre-commercialization level of 59% over the year. Net Reservations figure not including a total of 422 new homes pre-reserved by SNI.
- Commercial orders: €579 million (versus €510 million in 2007)
- Year-end 2008 order backlog: €3.1 billion, equivalent to 17 months' development revenue¹
- 2008 operating profit margin expected in the range of 9%

Outlook for 2009

- Residential division: Target market share of 10% in a residential property development market estimated at between 65,000 and 70,000 units
- Commercial division: Anticipated decrease in order volume offset by the high backlog as of December 31, 2008 (€970 million)
- Revenue decline expected to be contained under 10% compared to 2008
- Recovery in the real estate market expected in 2010 following a low point in 2009

* * *

Nexity Group (NXI.PA) recorded revenue of €2,683m in 2008, representing a 4% increase compared to the 2007 pro forma figure,² including the contributions in kind of the Caisses d'Epargne from January 1, 2007.

For the Residential division, the Group's business activity was significantly lower compared to 2007, but remained robust for the Commercial division thanks to a strong volume of order intake during the first half of the year. Reservations of new homes and subdivisions came to 9,061 units in France, a decline of 38% compared to the previous year. Net order intake for the

¹ Based on revenue for the last 12 months.

² The pro forma revenue figure for 2007 is calculated by simulating as of January 1, 2007 the impact of the businesses contributed in July 2007 by Groupe Caisse d'Epargne.

Commercial division was €579m (Nexity portion). The volume of business handled by the Group's Services division was very stable.

The Group's reorganization plan, first adopted in July and further reinforced in October, was implemented in the fourth quarter. Amongst other effects, this plan played a part in maintaining the Group's stock of completed unsold new homes at the low level of 173 units as of December 31, 2008.

The Group's order backlog at the year-end amounted to €3,100m and represents 17 months of revenue from property development activities¹ (both residential and commercial).

IN THE WORDS OF ALAIN DININ, CHAIRMAN AND CEO OF NEXITY:

"Fiscal year 2008 has only just come to an end and all the analysts have had their say. In 2009, the low level of physical stock, the pertinence of new measures introduced by the government (tax reductions provided by the Scellier law, doubling of zero-interest loans, extension of the Pass-Foncier® scheme to apartment purchases, block purchases by social housing operators) and the beginnings of a decline in mortgage rates will be among important factors supporting the French real estate market. Combined with continued strong demand for new homes, these positive elements can be seen as pointing to a trend reversal before the end of the year, which should lead the way to a recovery commencing in 2010, once concerns related to the current climate of economic uncertainty have eased.

In response to the steep decline seen by its market in 2008, the Group adopted extensive reorganization measures, which were rapidly implemented and have already begun to bear fruit. Nexity has a sound financial structure combined with a high order backlog, which gives the Group genuine visibility. Current trends demonstrate the pertinence of our market positioning in residential property development: keeping prices at the most competitive level, focusing development in urban areas, packages combining a real estate offer and a property financing solution. In today's market, the Group's diversified business model shows its merits (robust activity in the Commercial division backed by a secure backlog, impressive stability of the Services division)."

* * *

¹ Revenue basis over 12-month period.

FISCAL YEAR 2008 REVENUE*

<i>In millions of euros</i>	2008	2007	Change (%)	2007 pro forma	Change vs. 2007 pro forma
New homes	1,781.5	1,741.7	+2%	1,741.7	+2%
Commercial	344.3	355.7	-3%	355.7	-3%
Services & Distribution	551.7	289.1	x 1.9	467.8	+18%
Other activities	5.4	8.2	-	11.1	-
Total Group revenue	2,682.9	2,394.7	+12%	2,576.3	+4%

* Revenue generated by the Residential and Commercial divisions is calculated using the percentage-of-completion method, on the basis of notarized sales pro-rated to reflect committed construction costs. The revenue figure essentially mirrors the degree of completion of the various construction projects in progress.

Revenue recorded by Nexity Group in 2008 came to €2,682.9 million, representing a 4% increase compared to the 2007 pro forma figure, including the contributions in kind of the Caisses d'Epargne from January 1, 2007.¹ Compared to the published revenue figure for 2007, which only includes these contributions from July 1, 2007, revenue grew by 12%.

- The Residential division posted revenue of €1,781.5 million, an increase of 2% compared to 2007. Revenue from new home development operations (€1,606.3 million) grew by 3%, reflecting a higher average number of developments under construction between 2007 and 2008. The subdivision business reported revenue of €175.2 million, remaining stable in relation to the previous year.
- In the Commercial division, revenue came to €344.3 million, 3% lower than in 2007. Following lower year-on-year performance in the first half (down 31%), due to phases of work contributing less revenue, revenue for this division made significant headway in the second half (up 34%), thanks to progress made on several major projects (Saint-Ouen) as well as new operations entering into the production phase (the trading-room building for Société Générale in La Défense).
- Revenue for the Services and Distribution division amounted to €551.7 million. This figure notably includes 12 months of revenue generated by the real estate services division contributed by the Caisses d'Epargne (i.e., mainly Lamy and Keops) as well as that generated by Iselection, which was fully consolidated from January 1, 2008. At constant structure, revenue for the Services and Distribution was stable.
- Revenue generated by Other activities amounted to €5.4 million and was essentially attributable to professional fees (asset management and real estate advisory services).

¹ The pro forma revenue figure for 2007 is calculated by simulating as of January 1, 2007 the impact of the businesses contributed in July 2007 by Groupe Caisse d'Epargne.

BUSINESS ACTIVITY

Residential division

Net reservations recorded by Nexity Group (NXI.PA) in 2008 fell significantly compared to the previous year's performance. The negative trend already observed in the first half of the year intensified in the second half, compounded by a high number of cancellations relating to reservations made in 2007.

- The overall market environment in 2008, characterized by a severe decline in consumer confidence, ongoing interest rate increases, and stricter lending criteria imposed by banks, weighed heavily on reservations. The impact of these elements was further exacerbated from September onwards by new concerns about the stability of the financial system and developments affecting the labor market. These concerns created a powerful psychological barrier, which forestalled buying decisions, outbalancing the effect of structural factors supporting the demand for housing: demographic growth combined with a shortage of residential properties, amid a climate of rising home ownership aspiration and low household debt.
- In 2008, the Group recorded a total of 9,061 reservations for new homes and subdivisions in France, down 38%¹ compared to 2007. In value terms, the drop in reservations amounted to 41%. The downward trend in gross reservations deepened at the level of net reservations due to the steep increase in cancellations.

	2008	2007	Change (%)
<i>New home and subdivision reservations (units and millions of €)</i>			
New homes (number of units)	7,307	10,919	-33%
Subdivisions (number of units)	1,754	3,784	-54%
Total new home and subdivision reservations (number of units)	9,061	14,703	-38%
New home reservations (€m incl. VAT)	1,361	2,202	-38%
Subdivision reservations (€m incl. VAT)	114	317	-64%
Total new home and subdivision reservations (€m incl. VAT)	1,475	2,519	-41%

- The number of **new home** reservations came to 7,307 units, down 33%² compared to the previous year. This change in net reservations is attributable both to the drop in gross reservations (down 24% excluding block sales) and to the strong rise in cancellations (up 29%).³ Apart from the worsening overall economic scenario, the increase in cancellations (in absolute terms) is tied to the high number of gross reservations recorded in 2007.

¹ Down 41% excluding Iselection.

² Down 36% excluding Iselection.

³ Please note that the reservation figures communicated by the Group represent net reservations; this calculation corresponds to the number of gross reservations recorded during the period concerned, from which the number of cancellations recorded in the same period is deducted, even if such cancellations relate to gross reservations booked in previous periods.

<i>New home reservations (units)</i>	2008	2007	Change (%)
Gross new home reservations, excluding Iselection and block sales (number of units)	9,211	12,194	-24%
New home cancellations (number of units)	(4,755)	(3,681)	+29%
Block sales and Iselection ¹	2,851	2,406	N/A
Net new home reservations (number of units)	7,307	10,919	-33%

The second half of the year saw a considerable escalation in the existing trend, with 3,929 gross reservations and 2,951 cancellations. The latter figure is partially attributable to project cancellations and suspensions by the Group, which entailed cancellation of 367 reservations. Excluding the impact of these 367 cancellations, the drop in net new home reservations would have been limited to 30%.

The information herein mentioned does not include the pre-reservation of 422 new homes by SNI, signed with the Group at the end of 2008, since the confirmation of these reservations remains subject to the consent of the municipalities in which the operations in question are located.

<i>New home reservations (units)</i>	2008	H2 2008	H1 2008
Gross new home reservations, excluding Iselection and block sales (number of units)	9,211	3,929	5,282
New home cancellations (number of units)	(4,755)	(2,951)	(1,804)
Block sales and Iselection ¹	2,851	1,897	954
Net new home reservations (number of units)	7,307	2,875	4,432

In value terms, new home reservations totaled €1,361 million, representing a 38% decrease.² The average price of new homes sold, excluding block sales to institutional investors and Iselection sales, was €200 thousand, 4% lower than the average price in 2007.

<i>Average sale price & floor area</i>	2008	2007	Change
Average price of new homes per sq.m (€incl. VAT)*	3,306	3,421	-3%
Average size of new homes (sq.m)*	60.4	61.0	-0.6
Average price of new homes (per unit, €incl. VAT)*	199.6	208.8	-4%

* Excluding block sales and Iselection

Home buyers accounted for 32% of reservations, a lower percentage than in 2007, while the proportion of sales to individual investors also declined (33%). Conversely, sales to institutional investors, chiefly social housing operators, increased by 5 percentage points and represented 35% of total sales, as against 22% in 2007.

¹ Including reservations recorded by Iselection as from January 1, 2008.

² Down 41% excluding Iselection.

<i>Breakdown of new home reservations by client</i>	2008	% of total (2008)	% of total (2007)
Home buyers (number of units)	2,363	32%	41%
<i>o/w first-time buyers</i>	1,347	18%	22%
Private investors (number of units)	2,425	33%	37%
Institutional investors (number of units)	2,519	35%	22%
Total new home reservations (number of units)	7,307	100%	100%

- **Subdivision** reservations came to 1,754 units, down 54% compared to 2007, with average prices declining by 22%. This segment was markedly affected by the current trend encouraging a return to urban centers, in connection with rising transportation costs. Although detrimental to the subdivision business, this development has a positive impact on the new home business. Business activity was also hindered by the sharp decline in reservations made by private property developers.
- In response to the sharp economic downturn, the Group adopted an initial reorganization plan in July 2008. This plan was further reinforced in October, following the steepening decline in sales during the summer. Details on this plan are included in the press release published by the Group on October 8, 2008, which may be accessed on its Web site: <http://www.nexity.fr>. The implementation of this plan notably entailed the cancellation of 367 reservations in the fourth quarter and cancellation of 35 projects in marketing phase. During the year, a total of 90 new residential projects were launched and not cancelled later in 2008, slightly more than half their number in 2007, which saw 177 project launches.

At the same time, in order to limit its exposure, the Group maintained its prudent approach, by favoring pre-commercialization prior to launching the construction phase of operations. In 2008, the average level of pre-commercialization recorded at the time work was launched was 59%.

All of these measures allowed the Group notably to keep its stock of completed unsold units at a very low level: as of December 31, 2008, this total came to 173 units (compared to 186 as of September 30, 2008).

- The only market outside France where the Group has a significant presence in new home property development is Northern Italy, through its subsidiary Nexity Residenziale, an entity created as a joint venture with a local developer in 2007. Active in a new home market that seems to be less affected by the current crisis than those of other European countries, Nexity Residenziale has already made its mark thanks to the success of its first project commercialization roll-outs in 2008. In all, eight projects have been rolled out, mainly in the regions of Milan and Turin, representing a total supply of 462 new homes. In 2008, 284 options to purchase (*proposte d'acquisto*) and 91 purchase agreements (*compromessi*) were recorded, corresponding to revenue figures including VAT of €53 million and €18 million, respectively.

Commercial division

- The overall context of the commercial investment market in France took a significant downturn in 2008. Total investment amounted to €12.5 billion,¹ a decline of 55% compared to 2007. Investment activity has thus returned to the level reached in 2004. The average size of transactions fell significantly, and far fewer transactions in excess of €100 million were recorded. The proportion of transaction volumes involving investment funds and real estate investment companies saw a marked decline.

The decline in this market is explained by a set of drastic changes in investors' access to bank financing (minimum equity requirements, bank spreads, difficulties in syndication for major transactions) and the wait-and-see attitude on the part of these investors, in a general context of uncertainty as regards valuations. As of December 31, 2008, prime yields for office properties rose by 175 to 200 basis points, depending on the location.¹

The total take-up of office space in the Paris region was 2.4 million sq.m, a drop of 14% compared to 2007.¹ Buoyed by a few large transactions in the third quarter, the market fell sharply in the fourth quarter. New-build or refurbished units accounted for 44% of take-up, thus confirming the attractiveness of high-quality office space. In the Paris Region, the vacancy rate remains very low (5%), with an immediate supply of 2.7 million sq.m, a 13% increase compared to end-2007. Average rents declined by 1% over the year.

- Net order intake recorded by Nexity in 2008 reached €579 million excluding VAT (Nexity portion). Orders booked notably include the trading-room building for Société Générale in La Défense (43,000 sq.m), on which construction work began during the summer. Other significant transactions include the VEFA deal (sale before completion) for the B2 building in Boulogne to Eurosic (8,000 sq.m).

<i>Commercial division business activity</i>	2008	2007
Offices, net orders (sq.m)	48,400	155,000
Warehouses, distribution centers and other activities (sq.m)	38,800	76,600
Net order intake (sq.m)	87,200	231,600
Net order intake (€m, excl. VAT)	578.9	509.9

Services and Distribution

The volume of business handled by the Services division was very stable. As of December 31, 2008, the number of managed residential housing units topped 1 million, thus remaining unchanged compared to the previous year, and included 84,000 units outside France (mainly in Germany, Belgium and Poland). Commercial units under management grew 19% to 8.8 million sq.m, thanks to new mandates and portfolio acquisitions.

The Group continues to reorganize its Services business, focusing on its main brands (Lamy, Saggel and Richardière), and confirms its aim of increasing the average operating margin in this business to a minimum of 10% over the coming years.

¹ Source: CBRE.

<i>Residential housing and commercial units under management</i>	Dec. 31, 2008	Dec. 31, 2007	Change (%)
Rental management (number of units)	216,000	208,500	+4%
Condominium management (number of units)	791,000	794,100	-
RESIDENTIAL: Property under management (units)	1,007,000	1,002,600	-
COMMERCIAL: Rental management (sq.m)	8,804,100	7,422,800	+19%

Within the **Distribution** division, the Group's franchise networks turned in a slightly lower performance, with 1,599 agencies at end-2008, compared to 1,642 at end-2007.¹ The net change in the number of agencies in the Century 21 network was affected by the exit at the beginning of 2008 of a group of 31 agencies, when they were sold by the owner. The Group's network of agencies weathered the current downturn better than the sector as a whole, with a drop in negotiated transactions of 15% (excluding Kéops Résidentiel), as against 20% for the sector.²

<i>Franchise networks – Number of agencies</i>	Dec. 31, 2008	Dec. 31, 2007	Change
Century 21 France agencies	917	943	-26
Guy Hoquet l'Immobilier agencies	632	627	+5
Keops Résidentiel agencies*	50	72	-22
Total number of agencies	1,599	1,642	-43

* part of the Distribution division since January 1, 2008

Also included in the Distribution division, Iselection commercialized 1,089 units during the year as a vendor of real estate savings products on behalf of third party real estate developers.

Urban renewal division (Nexity Villes & Projets)

In 2008, a total of 27,000 sq.m was made available by Nexity Villes & Projets, essentially corresponding to residential units in Boulogne (Hauts-de-Seine). As of December 31, 2008, **Nexity Villes & Projets** thus had a non-commercialized **land potential** representing a total floor area of 890,000 sq.m,³ including 540,000 sq.m in the Paris region. Fifty-five percent of this total area corresponded to potential residential properties, compared to 35% for offices and related activities, and 10% for retail.

¹ Including the Keops Résidentiel network, contributed by Groupe Caisse d'Épargne as part of the July 2007 operations.

² Source: Century 21.

³ Indicative floor areas, which may be adjusted following the attribution of administrative authorizations.

ORDER BACKLOG AS OF DECEMBER 31, 2008

<i>In millions of euros (excl. VAT)</i>	Dec. 31, 2008	Dec. 31, 2007	Change (%)
New homes	1,865	2,316	-19%
Subdivisions	265	329	-19%
Residential division backlog	2,130	2,645	-19%
Commercial division backlog	970	768	+26%
Total Group backlog	3,100	3,413	-9%

As of December 31, 2008, the Group's total order backlog amounted to €3,100 million and represented 17 months' development revenue for Nexity.¹ Within this total, the Residential order backlog represents 14 months of revenue for this division¹ while that for the Commercial division represents 2.8 years of revenue.¹

FISCAL YEAR 2008

- 2008 operating profit margin expected in the range of 9%
- Net loss resulting from the sale for 539.6 million in cash of the stake in Crédit Foncier estimated in the range of - €100 million
- Stake held in Eurosic to be valued according to its NAV

OUTLOOK FOR 2009

- Residential division: Target market share of 10% in a residential property development market estimated at between 65,000 and 70,000 units
- Commercial division: Anticipated decrease in order volume offset by the high backlog as of December 31, 2008 (€970 million)
- Consolidated revenue decline expected to be contained under 10% compared to 2008
- Recovery in the real estate market expected in 2010 following a low point in 2009

* * *

¹ Revenue basis over 12-month period.

ABOUT NEXITY

The largest fully integrated real estate group in France, Nexity uses its comprehensive range of sector-specific skills and expertise to serve the private individuals, companies and local authorities that make up its customer base. As well as being a leader across the entire spectrum of real estate businesses—property development (homes, offices, retail and other businesses), real estate services for private individuals and companies, franchise networks, turnkey urban development, specialized financing, and asset management—Nexity is today able to provide global responses to the needs of its customers. Nexity is present throughout France, and in other European countries.

Nexity is listed on the SRD and on Euronext's Compartment B

Index membership: SBF80, SBF120, CACmid100, Next150 and MSCI SmallCap France

Mnemo: NXI - Reuters: NXI.PA - Bloomberg: NXI FP

ISIN code: FR0010112524

NEXITY CONTACTS

Financial analysts/Investors

Olivier Seux +33 (0)1 71 12 15 49
Investor Relations Director
investorrelations@nexity.fr

Press

Guillaume Idier +33 (0)1 71 12 15 52
Communications Director
gidier@nexity.fr

Appendices

REVENUE BY DIVISION

NEW HOMES

<i>In millions of euros</i>	2008	2007	Change (%)
New homes	1,606.3	1,565.9	+3%
Subdivisions	175.2	175.8	-
New homes and subdivisions	1,781.5	1,741.7	+2%

COMMERCIAL

<i>In millions of euros</i>	2008	2007	Change (%)
Office buildings	274.6	280.1	-2%
Warehouses and distribution centers	30.2	48.3	-37%
International	39.6	27.3	+45%
Commercial	344.3	355.7	-3%

SERVICES & DISTRIBUTION

<i>In millions of euros</i>	2008	2007	Change
Services	436.9	255.3	ns
Distribution	114.8	33.8	ns
Services & Distribution	551.7	289.1	ns

QUARTERLY PROGRESSION OF REVENUE BY DIVISION

<i>In millions of euros</i>	2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New homes	372.8	403.3	391.7	573.9	421.0	483.0	407.7	469.8
Commercial	98.8	106.4	77.7	72.8	60.3	81.8	87.3	114.9
Services & Distribution	21.3	23.7	124.3	119.8	128.5	131.2	141.0	151.0
Other activities	0.5	0.6	1.6	5.5	0.9	1.9	1.2	1.4
Revenue	493.4	534.0	595.3	772.0	610.7	697.9	637.2	737.1