

## 9M 2009 Revenue and Business Activity

---

- Revenue for 9-month period ended September 30, 2009 (9M 2009): €1,962 million, stable compared to end-September 2008
- Residential: new home reservations<sup>1</sup> rise 40% versus 9M 2008 to 7,810 units
- Residential division reservation revenue of €1,307 million excluding VAT, representing a 27 % increase in value terms
- Commercial division: limited net order intake over the nine-month period (€42 million excluding VAT)
- Backlog as of September 30, 2009: €2.9 billion, equivalent to 16 months development revenue<sup>2</sup>

### 2009 full-year outlook

- Confirmation of market share target of 10% in a new home market estimated at 90,000 units
- Consolidated revenue decline in 2009 now expected to be contained under 5% compared to 2008
- Confirmation of 2009 operating margin target of more than 7%

ALAIN DININ, CHAIRMAN AND CEO OF NEXITY, COMMENTED:

*"The recovery in new home sales mainly reflects two factors: lower mortgage rates and government measures introduced at the end of 2008 to stimulate the housing sector. The new structures and schemes are proving to be a real success and are achieving their objectives: spurring housing starts and supporting employment.*

*Nevertheless, as high unemployment persists in France and consumer confidence has dropped to near-record lows, the recovery in the French new home market remains fragile and the shortfall of new housing production is growing. Over and above maintaining its existing measures, the government needs to formulate new stimulus measures for the housing sector. On the basis of 90,000 new homes produced by private developers, it is difficult to see how the total number of new homes produced in France, including family house construction by private individuals and social housing, could this year exceed the threshold of 310,000 to 320,000 units, which would remain well below the level required.*

---

<sup>1</sup> Excluding Italy

<sup>2</sup> Revenue basis - previous 12-month period

*In the short term, our current sales trend confirms the relevance of Nexity's long-standing positioning of servicing different types of customers: first-time buyers, private investors and institutional investors. Subsequently, the expected recovery in the existing-home market will deliver an additional boost to our business in new homes by facilitating the return of second-time buyers to the market.*

*Commercial real estate has begun to show some signs of recovery. Investors show increased preference for constructions that meet the latest energy consumption and environmental quality standards, and end users are interested in optimizing their total costs of occupation through efficient and economical buildings: Nexity is well positioned to take advantage of this trend.*

*Backed by its diversified business model, including a services business that is proving its resilience, Nexity posted stable revenue at end-September 2009 compared to the same period in 2008."*

\* \* \*

In the first nine months of 2009, Nexity Group (NXI.PA) recorded consolidated revenue of €1,962 million, which thus remained stable compared to the same period in 2008. The revenue decline for the Residential division, and for the Distribution business albeit to a lesser extent, was offset by the increase in revenue posted by the Commercial division.

The Group's business activity was markedly higher for the Residential division compared to the first nine months of 2008. Reservations of new homes and subdivisions came to 9,283 units,<sup>1</sup> an increase of 35% compared to the same period in 2008. Total gross orders booked by the Commercial division during the period amounted to €131 million excluding VAT. This amount includes in particular a new €100 million order (excluding VAT) booked in July. Due to the cancellation in June of an order in the amount of €89 million, the Group's net order intake as of September 30, 2009 came to €42 million excluding VAT. The revenue for the Services business was stable, while the franchise networks saw a slight upturn in transactions. Iselection continued the recovery that it has enjoyed since the second quarter.

The Group's order backlog came to €2,870 million as of September 30, 2009 and represents nearly 16 months of real estate development revenue.<sup>2</sup>

\* \* \*

---

<sup>1</sup> Including Iselection and Italy

<sup>2</sup> Revenue basis - previous 12-month period

## 9M 2009 REVENUE\*

€ millions	9M 2009	9M 2008	Change %
Residential	1,224.3	1,311.7	-7%
Commercial	370.1	229.4	+61%
Services & Distribution	363.7	400.7	-9%
Other activities	3.6	4.0	ns
<b>Group revenue</b>	<b>1,961.7</b>	<b>1,945.8</b>	<b>+1%</b>

\* 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.

In the first nine months of 2009, revenue recorded by Nexity Group came to €1,962 million and thus remained stable compared to the same period in 2008.

- The Residential division posted revenue of €1,224 million, a decrease of 7% compared to the first nine months of 2008. This decrease mainly reflects the lower level of net reservations for new homes and subdivisions recorded by the Group between mid-2007 and end-2008. Revenue from new home development operations (€1,133 million) declined by 6%, while subdivision revenue fell more sharply to €91 million (representing a decrease of 10%).
- In the Commercial division, revenue came to €370 million, 61% higher than the figure recorded during the same period in 2008. This significant improvement is due to the high level of backlog reached at year-end 2008 (€970 million) and to the progress made during the period on major construction projects in France, such as the Basalte building (Société Générale) in La Défense. It is also attributable to the rise in revenue generated outside France (€66 million, up from €26 million in the first nine months of 2008), corresponding to the completion of construction projects in Barcelona and Milan.
- Revenue for the Services and Distribution division amounted to €364 million. In the Services business, revenue was stable (€320 million), whereas in Distribution business, revenue fell to €43 million from €77 million as of September 30, 2008, due to the decrease in activity for the franchise networks and Iselection at the start of the year.

## BUSINESS ACTIVITY

*Residential division*

The market for new homes remained strong in the third quarter of 2009, thanks to low mortgage rates and the various measures introduced by the French government to promote real estate purchases at the end of 2008, such as the doubling of zero-interest loans for first-time buyers and the Scellier-Carrez scheme for buy-to-let investments.

Against this backdrop, net reservations for new home and subdivisions recorded in France by Nexity Group in the first nine months of 2009 came to 9,283 units, representing an increase of 35% compared to the same period in 2008, and are nearly stable compared to the first nine months of 2007.

- In France, during the first nine months of 2009, the Group recorded a total of 9,188 reservations for new homes and subdivisions, an increase of 33% in volume terms compared to the same period in 2008. The volume of reservations increased by 88% in the third quarter of 2009 year-on-year, due in particular to the very low number of reservations recorded in the third quarter of 2008. In value terms, reservations advanced by 24% over the period.

<i>New home and subdivision reservations - France (units and € millions)</i>	<b>9M 2009</b>	<b>9M 2008</b>	<b>Change %</b>
New homes (number of units)	7,810	5,568	+40%
Subdivisions (number of units)	1,378	1,329	+4%
<b>Total new home and subdivision reservations (number of units)</b>	<b>9,188</b>	<b>6,897</b>	<b>+33%</b>
New home reservations (€m incl. VAT)	1,411	1,105	+28%
Subdivision reservations (€m incl. VAT)	82	101	-18%
<b>Total new home and subdivision reservations (€m incl. VAT)</b>	<b>1,493</b>	<b>1,206</b>	<b>+24%</b>

- The number of new home reservations came to 7,810 units, up 40% compared to the first nine months of 2008.

Sales to first-time buyers, encouraged by the doubling of zero-interest loans, continued to see robust growth (up 38% compared to the same period in 2008). Reservations by second-time buyers and second home buyers remained weak (157 reservations in Q3 2009 as against 146 in Q3 2008 and 421 in Q3 2007). Sales to private investors, particularly in connection with the tax benefits provided under the Scellier-Carrez law, represent a proportion of total 9M 2009 reservations that is more consistent with historic averages, i.e. around 50%. Block sales to institutional investors, mainly social housing operators, corresponded to 263 units in the third quarter, compared to 493 units during the same period in 2008, and 1,352 during H1 2009.

<i>Breakdown of new home reservations by client</i>	<b>9M 2009</b>	<b>9M 2008</b>	<b>Change %</b>
Home buyers (number of units)	2,199	2,205	-
<i>o/w: - first-time buyers</i>	1,615	1,171	+38%
<i>- other home buyers</i>	584	1,034	-44%
Private investors (number of units)	3,996	2,236	+79%
Institutional investors (number of units)	1,615	1,127	+43%
<b>Total new home reservations (number of units)</b>	<b>7,810</b>	<b>5,568</b>	<b>+40%</b>

In value terms, new home reservations totaled €1,411 million including VAT, up by 28%. For the first time, the increase in the value of new home sales during the third quarter (81%) exceeded the rise in volume terms (78%), thus reflecting a higher average price.

The average price including VAT of new home reservations in the third quarter came to nearly €195 thousand, compared to an average of €186 thousand in 2008. This increase, after the steep decline recorded at the end of 2008 and in early 2009, is mainly attributable to a more favorable mix (lower proportion of block sales to social housing operators, which accounted for only 13% of the total in Q3, compared to 34% on average in 2008).

Excluding block sales to institutional investors and Iselection sales,<sup>1</sup> the average price including VAT of new homes sold was €192 thousand, 9% lower than the average price recorded in the first nine months of 2008, affected by the impact of lower average surface areas (-3.4 sq.m) and changes in both the geographical mix and prices (-2%).

<i>Average sale price &amp; surface area</i>	<b>9M 2009</b>	<b>9M 2008</b>	<b>Change</b>
Average home price incl. VAT per sq.m (€)*	3,380	3,438	-2%
Average surface area per home (sq.m)*	56.9	60.3	-3.4 sq.m
<b>Average price incl. VAT per home (€)*</b>	<b>192.4</b>	<b>211.4</b>	<b>-9%</b>

\* excluding block sales and Iselection

Unsold completed stock held by the Group remains very low, amounting to 176 homes as of September 30, 2009, 68% of which were delivered in the last six months. In the period under review, the level of pre-commercialization recorded at the time construction work was launched remained high (78% on average).

- **Subdivision** reservations came to 1,378 units, up 4% compared to the first nine months of 2008. The third quarter saw a significant rebound in sales (419 units, versus 162 units in the third quarter of 2008). After the recovery in sales to private individuals, seen from the start of the year (19% growth over nine months), grouped sales to developers also began to return to growth in the third quarter. The average price of net reservations by private individuals was €63 thousand, versus €74 thousand a year earlier, due, among others, to the price decrease applied and the drop in the average surface area per lot (627 sq.m, -11%).
- As of September 30, 2009, Nexity Logement's residential business potential in France amounted to the equivalent of 27,300 units,<sup>2</sup> comprising 18,600 units for new home development and 8,700 units for subdivision development. This potential represents more than 2 years of Nexity Logement reservations. It includes the Group's current commercial supply, its future supply corresponding to as yet non-commercialized project tranches of land acquired for development, and projects not yet launched relating to land plots secured through options.
- In Northern Italy, Nexity Residenziale continued its development. In the first nine months of 2009, 93 options to purchase (*proposte d'acquisto*) and 95 purchase agreements (*compromessi*) were recorded, corresponding to revenue figures including VAT of €21 million and €20 million, respectively.

### *Commercial division*

- Although 9M accumulated investment volumes remain weak, in the third quarter the French commercial investment market seemed to confirm the first signs of recovery noted at the end of June. Nearly €1.7 billion euros were invested in the third quarter, as against €0.7 billion in the first quarter and €1.6 billion in the second quarter.<sup>3</sup> In the Paris region, a total of €1.25 billion was invested in the third quarter of 2009, compared to €809 million in the second quarter and €445 million in the first quarter.<sup>4</sup> Investments were mainly focused on well-located and let

<sup>1</sup> Sales of new homes as an operator, excluding commercialization on behalf of third parties

<sup>2</sup> Excluding Villes et Projets operations portfolio

<sup>3</sup> Source: CBRE

<sup>4</sup> Source: Jones Lang Lasalle

assets, for which the bank financing has become easier to obtain. However, financial institutions still appear to be less amenable to financing speculative commercial development projects. Certain leased assets enjoying prime locations are currently the focus of competition between buyers. Prime yields seem to have stabilized at around 5.75% to 6.50% in Paris CBD,<sup>1</sup> with the noticeable return to the market of foreign, and especially German, investors.

The total take-up of office space in the Paris region continued to decline, amounting to 1,226,000 sq.m in the first nine months of the year, down 35% compared to the same period in 2008).<sup>1</sup> Despite its recent increase, the vacancy rate remains low in the Paris region (6.5%), with an immediate supply of 3.4 million sq.m. Average rents for new-build or refurbished space declined by 6% year-on-year,<sup>1</sup> with rent renegotiation becoming more prevalent.

The emphasis placed by companies on reducing their total cost of occupation, whether in relation to rents, related service charges, or the actual efficiency of leased surfaces in terms of cost per workstation, confirm the relevance of the product positioning adopted by the Group. Moreover, the anticipated growth in the medium term of investments in new-build or restructured properties meeting sustainable development and low energy consumption criteria, to the detriment of investments in existing properties, inspire confidence in the gradual upturn in order intake for this segment.

- Following a record level of orders in 2008 (€579 million excluding VAT), Nexity had a gross order intake of €131 million excluding VAT in the first nine months of 2009. This total includes in particular a new order booked in July for the refurbishment of a high-rise building in Levallois, in the amount of €100 million excluding VAT. Other orders booked during the period chiefly relate to logistic platforms and activity facilities. The Group withdrew from its backlog an order for a building in Paris in June, corresponding to a value of €89 million excluding VAT, following its cancellation by the investor due to longer than expected administrative procedures. Overall, accumulated net order intake at end-September amounted to €42 million excluding VAT.

### *Services & Distribution division*

Within the Services division, there were a total of almost 970,000 managed residential units as of September 30, 2009, including more than 200,000 units under rental management. After falling to nearly 7.7 million sq.m in the first half, commercial units under management totaled 8.4 million sq.m as of September 30, 2009, reflecting several new mandates booked in the third quarter. The transaction business, both in residential and in commercial real estate, which suffered the impact of the steep decline in volumes at the start of the year, saw some improvement in the third quarter.

---

<sup>1</sup> Sources: Immostat - CBRE

<i>Residential housing units and commercial sq.m under management</i>	<b>Sep. 30, 2009</b>	<b>Dec. 31, 2008</b>	<b>Change %</b>
Rental management (number of units)	212,600	216,000	-2%
Condominium management (number of units)	758,100	791,000	-4%
<b>RESIDENTIAL: Property under management (units)</b>	<b>970,700</b>	<b>1,007,000</b>	<b>-4%</b>
<b>COMMERCIAL: Rental management (sq.m)</b>	<b>8,390,000</b>	<b>8,804,000</b>	<b>-5%</b>

The **Distribution** division saw a genuine improvement in its business activity in the third quarter. In the franchise networks, provisional sale agreement signings rose for the first time on a quarterly basis (up 7%) since the low point reached in the fourth quarter of 2008 and production per agency recovered momentum. The number of agencies in the networks is beginning to stabilize: following 90 net agency closures in the first quarter and 44 further agency closures in the second quarter, there were only 15 net franchise agency closures in the third quarter. The number of agencies in Century 21's network grew for the first time in a year (3 net additional agencies).

<i>Franchise networks – Number of agencies</i>	<b>Sep. 30, 2009</b>	<b>June 30, 2009</b>	<b>Dec. 31, 2008</b>	<b>Change (Sep. - Dec.)</b>
Century 21 France agencies	879	876	917	-38
Guy Hoquet l'Immobilier agencies	537	555	632	-95
Kéops Résidentiel agencies	34	34	50	-16
<b>Total number of agencies</b>	<b>1,450</b>	<b>1,465</b>	<b>1,599</b>	<b>-149</b>

Iselection has clearly benefited from the extension of the Scellier tax benefits to investments made under the LMNP scheme, a tax treatment status granted to *loueurs en meublé non professionnel*, or non-professional landlords of furnished property. As a vendor of real estate savings products on behalf of third-party real estate developers, Iselection commercialized 1,524 units in the nine-month period, thus nearly 700 units more than during the same period in 2008.

#### *Urban renewal division (Nexity Villes & Projets)*

As of September 30, 2009, Nexity Villes & Projets had a non-commercialized land potential of 785,000 sq.m,<sup>1</sup> thus remaining unchanged compared to end-June. Within the portfolio, 55% percent of the total area corresponded to potential residential properties, compared to 39% for offices and related activities, and 6% for retail.

<sup>1</sup> Surface areas provided for information purposes only and may be subject to adjustment once administrative authorizations have been obtained

**BACKLOG - ORDER BOOK AS OF SEPTEMBER 30, 2009**

<i>€ millions (excluding VAT)</i>	<b>Sep. 30, 2009</b>	<b>Dec. 31, 2008</b>	<b>Change %</b>
New homes*	1,981	1,865	+6%
Subdivisions	245	265	-8%
<b>Residential backlog</b>	<b>2,226</b>	<b>2,130</b>	<b>+5%</b>
Commercial backlog	644	970	-34%
<b>Total Group backlog</b>	<b>2,870</b>	<b>3,100</b>	<b>-7%</b>

*\*excluding Iselektion, including Italy as of 2009*

As of September 30, 2009, the Group's total order backlog amounted to €2,870 million, representing 16 months' development revenue for Nexity<sup>1</sup> (both for the Residential and the Commercial divisions). In the Residential division, the backlog again posted growth, increasing by 5% compared to December 31, 2008.

**OUTLOOK FOR 2009**

- Residential division: market share target of 10% in a residential property development market estimated at 90,000 units
- Commercial division: reduced order intake offset by high backlog
- Consolidated revenue decline now expected to be contained under 5% compared to 2008
- Operating margin target of more than 7%
- Minimum payout ratio: 35% of Group share of net profit (excluding the impact of Eurosic)

<sup>1</sup> Revenue basis - previous 12-month period



## FINANCIAL CALENDAR & PRACTICAL INFORMATION

- Full-year 2009 Revenue and Business Activity    Wednesday, February 3, 2010    Market close
- 2009 Results    Tuesday, February 23, 2010    Market close
  
- A conference call on 9M 2009 Revenue and Business Activity will be accessible in English at 3:00 p.m. CET on Thursday, October 29, 2009, by dialing the following numbers:
  - Dial-in number (France)    +33 (0)1 70 99 35 15    Access code: Nexity
  - Dial-in number (rest of Europe)    +44 (0)207 153 20 27    Access code: Nexity
  - Dial-in number (United States)    +1 480 629 9725    Access code: Nexity

Playback will be available by phone after the conference call by dialing the following number:

+44 (0)207 190 59 01 (Access code: 142312#)

The presentation accompanying this conference can be accessed at the following address: [http://webcast.hugingroup.com/20091029\\_nexity/](http://webcast.hugingroup.com/20091029_nexity/). This presentation will be available on the Group's Web site as of 9 a.m. CET on October 29, 2009.

## DISCLAIMER

*The information, assumptions and estimates that the Company could reasonably use to determine these objectives are subject to change or modification due to economic, financial and competitive uncertainties. Furthermore, it is possible that some of the risks described in chapter 4 of the Document de Référence, filed with the AMF under number D. 09-0398 on May 6, 2009 could have an impact on the company's ability to achieve these objectives. Accordingly, the Company cannot give any assurance as to whether it will achieve the objectives described, and makes no commitment or undertaking to update or otherwise revise this information.*

*This press release is deemed to be a Financial Report as defined for the purposes of the Transparency Directive transposed by the AMF.*

## 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 an established leader across the entire spectrum of real estate businesses, spanning property development (homes, offices, retail and other businesses), real estate services for private individuals and companies, franchise networks, urban regeneration and asset management, Nexity can provide global responses to the needs of its customers. Nexity is present throughout France and in some countries in Europe.

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

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

Ticker: 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](mailto:investorrelations@nexity.fr).

### Press

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

## Appendices

### REVENUE BY DIVISION

#### RESIDENTIAL

<i>€ millions</i>	<b>9M 2009</b>	<b>9M 2008</b>	<b>Change %</b>
New homes	1,133.4	1,210.3	-6%
Subdivisions	90.9	101.4	-10%
<b>Residential</b>	<b>1,224.3</b>	<b>1,311.7</b>	<b>-7%</b>

#### COMMERCIAL

<i>€ millions</i>	<b>9M 2009</b>	<b>9M 2008</b>	<b>Change %</b>
Office buildings	276.6	180.8	+53%
Logistic platforms and activity facilities	27.3	22.4	+22%
International	66.3	26.2	x 3
<b>Commercial</b>	<b>370.1</b>	<b>229.4</b>	<b>+61%</b>

#### SERVICES & DISTRIBUTION

<i>€ millions</i>	<b>9M 2009</b>	<b>9M 2008</b>	<b>Change %</b>
Services	320.5	324.1	-1%
Distribution	43.2	76.6	-44%
<b>Services &amp; Distribution</b>	<b>363.7</b>	<b>400.7</b>	<b>-9%</b>

### QUARTERLY PROGRESSION OF REVENUE BY DIVISION

<i>€ millions</i>	<b>2008</b>				<b>2009</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Residential	421.0	483.0	407.7	469.8	329.0	477.4	417.9	
Commercial	60.3	81.8	87.3	114.9	123.7	140.0	106.4	
Services & Distribution	128.5	131.2	141.0	151.0	112.4	127.8	123.5	
Other activities	0.9	1.9	1.2	1.4	0.9	1.1	1.6	
<b>Revenue</b>	<b>610.7</b>	<b>697.9</b>	<b>637.2</b>	<b>737.1</b>	<b>566.0</b>	<b>746.3</b>	<b>649.4</b>	