

## Q1 2011 Revenue and Business Activity

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- Residential: 2,892 net new home and subdivision reservations; volumes were stable as compared to Q1 2010
- Increase in backlog as of end-March: €2.8 billion (up 2% as compared to 31 December 2010), equivalent to 16 months' revenue from development activities<sup>1</sup>. Residential backlog up 4%
- Revenue: €559 million, stable compared to first quarter 2010, including €360 million for the Residential division (up 5% from the same period in 2010)

### Outlook for 2011

- Residential: market share target of 10% in a new home market estimated at around 105,000 units
- Commercial: order intake target of €500 million
- Consolidated revenue for 2011 expected to be around €2.7 billion
- Current operating margin for 2011 higher than 8%, excluding expenses related to the "Nexity Demain" project
- Proposed dividend payment of €2 per share in respect of 2010, to be submitted to the Shareholders' Meeting of May 11, 2011

### ALAIN DININ, CHAIRMAN AND CEO OF NEXITY, COMMENTED:

*"In the first quarter of 2011, the French new home market seemed to have leveled off somewhat, after the high sales volumes recorded in 2010. The Group managed to maintain its sales volumes at a level equivalent to that of the same period the previous year. Both positive and negative uncertainties identified for market activity in 2011 remain pertinent: the impact of the return to higher mortgage rates on household solvency on the one hand and the revised government stimulus measures implemented at the start of the year, coupled with a continuing insufficient supply of new homes, on the other hand. Market evolutions seem to be increasingly driven by local trends, rather than by an overall market trend, with a widening dividing line between the Paris region and the other French regions. However, following flat growth in volumes in the first quarter, total reservations registered as of end-April 2011 show an increase compared to the same four-month period in 2010, in both volume and value terms.*

*For the Group's Commercial division, the fire at the construction site of the Basalte building in La Défense on March 17, 2011 was a significant event of the period. The delivery of this*

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

*building, initially scheduled for the fourth quarter of 2011, will now most likely be delayed for about one year. The consequences of this fire are still being analyzed by various experts and stakeholders, in particular insurers, though it is not yet possible to obtain a complete and final assessment of this event. On the basis of the information presently available to the Group and the financial forecasts for all of its businesses, this event does not cause the Group to amend its full-year revenue and results outlook for 2011. Furthermore, the Group confirms its €500 million order intake target for its Commercial division.”*

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## REVENUE

Revenue recorded by Nexity Group in the first quarter of 2011 was €559 million and thus stable as compared to the first quarter of 2010.

€ millions	Q1 2011	Q1 2010	Change %
Residential	359.8	342.9	+5%
Commercial	72.7	81.8	-11%
Services & Distribution	126.3	130.3	-3%
Other activities	0.5	1.0	-
<b>Total Group revenue*</b>	<b>559.3</b>	<b>555.9</b>	<b>+1%</b>

\* Revenue generated by the Residential (excluding Italy) and Commercial divisions is calculated using the percentage-of-completion method, on the basis of notarized sales pro-rated to reflect the progress of committed construction costs.

- The Residential division posted revenue of €359.8 million, an increase of 5% compared to the first quarter of 2010. Revenue from new home development activity in France grew by 2%, accounting for €325.2 million of this total, and the subdivision business reported revenue of €34.2 million, up 36% compared to the first quarter of 2010.
- Revenue for the Commercial division came to €72.7 million, 11% lower than the figure recorded during the same period in 2010, due to the decline in the order backlog seen in 2010. By attaining its order intake targets for 2011, the Group expects to see growth in the Commercial division backlog over the year for the first time since 2008.

On March 17, a fire broke out on the construction site of the Basalte building in La Défense. The delivery of this building, initially scheduled for the fourth quarter of 2011, will now most likely be delayed for about one year. Revenue posted by the Commercial division for the first quarter of 2011 takes into account progress made at this site prior to the date of the fire. The delayed delivery of this building and the restoration work required in the fire-damaged areas will result in lower revenue recognition for construction work in progress over the year, which will be carried forward to the following year.

- The Services division posted revenue of €102.4 million, thus remaining stable compared to the same period the previous year. Revenue recorded by the Distribution (€23.9 million) business fell by 11% compared to the first quarter of 2010. The decline in revenue seen by Iselection following the surge in the number of definitive sales agreements concluded towards the close of 2010 was not offset by increased revenue from transactions in the franchise networks.

## REVENUE AND BUSINESS ACTIVITY IN Q1 2011

### *Residential division*

Following a particularly strong performance near the end of the year in 2010, with a sharp rise in Residential business activity over the same period in 2009, the Group saw stable growth in volume terms in the first quarter of 2011 compared to the same period in 2010.

Volumes of the new, re-targeted zero-interest loan schemes known as the PTZ+ (for *prêt à taux zéro renforcé*), which increases the borrowing capacity of first-time buyers in urban areas, are progressively growing in the banking networks. Seventy percent of Nexity's first-time buyers made use of this loan scheme in the first quarter of 2011, up from 56% in 2010 for the former PTZ. The Scellier buy-to-let investment scheme continues to attract individual investors, following a correction phase early in the year, which was logically to be expected after the strong interest seen in 2010. At present, the impact of the return to higher mortgage rates since the start of the year (3.67% on average in March, up from 3.27% in the fourth quarter of 2010 according to Crédit Logement) is being cushioned by the trend favoring longer loan terms (217 months on average in March, up from 211 in Q4 2010, according to Crédit Logement).

Net new home and subdivision reservations booked by Nexity Group amounted to 2,892 units (including 38 promissory purchase agreements in Italy) representing a total value of €475 million (including €17 million in Italy).

<i>New home and subdivision reservations - FRANCE</i> <i>(units and €m)</i>	<b>Q1 2011</b>	<b>Q1 2010</b>	<b>Change %</b>
New homes (number of units)	2,333	2,201	+6%
Subdivisions (number of units)	521	651	-20%
<b>Total new home and subdivision reservations (number of units)</b>	<b>2,854</b>	<b>2,852</b>	<b>-</b>
New home reservations (€m incl. VAT)	420	455	-8%
Subdivision reservations (€m incl. VAT)	38	46	-17%
<b>Total new home and subdivision reservations (€m incl. VAT)</b>	<b>458</b>	<b>501</b>	<b>-9%</b>

The number of new home reservations in France came to 2,333 units, up 6% compared to the first quarter of 2010. The decline in reservations in value terms compared to the first quarter of 2010 is attributable to the exceptionally high share of reservations from institutional investors (36% of reservations).

<i>Breakdown of new home reservations by client - FRANCE</i>	<b>Q1 2011</b>		<b>Q1 2010</b>		<b>Change %</b>
Home buyers (number of units)	645	28%	758	34%	-15%
<i>o/w: - first-time buyers</i>	481	21%	597	27%	-19%
<i>- other home buyers</i>	164	7%	161	7%	-
Private investors (number of units)	853	36%	1.075	49%	-21%
Institutional investors (number of units)	835	36%	368	17%	X 2.3
<b>Total new home reservations (number of units)</b>	<b>2,333</b>	<b>100%</b>	<b>2,201</b>	<b>100%</b>	<b>+6%</b>

Excluding block sales to institutional investors and Iselection sales<sup>1</sup>, the average price including VAT of homes sold was €224 thousand for an average floor area of 61 sq.m. The rise seen in average prices reflects the growing proportion of developments in large urban areas characterized by low supply (the share of sales recorded in the most heavily populated areas - the so-called zones A and B1 - grew by 10% compared to Q1 2010) and in particular the steep increase in the proportion of sales recorded in the Paris region in Q1 2011 compared to Q1 2010.

<i>Average sale price &amp; surface area*</i>	<b>Q1 2011</b>	<b>Q1 2010</b>
Average home price incl. VAT per sq.m (€)	3,672	3,621
Average surface area per home (sq.m)	60.9	59.8
<b>Average price incl. VAT per home (€k)</b>	<b>223.8</b>	<b>216.5</b>

\* excluding block sales and Iselection

The unsold completed stock held by the Group remained at a very low level, amounting to 87 homes as of end-March 2011, down as compared to December 31, 2010. The level of pre-commercialization recorded at the time construction work was launched remained exceptionally high, reaching 77% on average in the first quarter.

The Group continues its efforts to replenish its available supply, with 23 new developments launched during the quarter, corresponding to nearly 1,900 units, compared to less than 1,500 units during the same period in 2010. The rhythm of project launches is expected to accelerate over the year. The business potential for new homes of the Group's Residential<sup>2</sup> division as of March 31, 2011 corresponded to the equivalent of 20,400 units<sup>3</sup>.

**Subdivision** reservations totaled 521 units, decreasing by 20% compared to the first quarter of 2010. This decline was attributable to a 23% drop in sales to individuals, while net grouped sales to developers rose by 6%. The average price of net reservations from individuals remained stable at €75 thousand, compared to the average price recorded in 2010. Business potential<sup>1</sup> for subdivisions amounted to 9,900 units, compared to 9,400 units as of December 31, 2010.

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

<sup>2</sup> The business potential includes current supply for sale, future supply corresponding to project tranches not yet commercialized on acquired land, and supply not yet launched associated with land secured through options

<sup>3</sup> Excluding Villes et Projets operations portfolio

*Commercial division*

- In the first quarter of 2011, investments in the French real estate market amounted to €2 billion<sup>1</sup>, a 34% jump from the previous year. Investors continue to focus on high-quality assets, with commitments still largely favoring office properties (72% of total investments), in Paris CBD and the area known as the Western Crescent. Yields for prime office space have stabilized (between 4.75% and 6% in Paris CBD) and a high proportion of investments is now focused on new or refurbished buildings (60% of volumes). The limited supply of these types of assets helped spur a rise in VEFA (sales pending future completion), which represent 12% of the amounts committed.
- Order intake recorded by Nexity in the first quarter 2011 was €7.4 million excluding VAT and corresponded to the VEFA sale of a 6,500 sq.m logistics platform at Chaponnay in the Rhône-Alpes region. This order intake level is not representative of the Group's annual targets (€500 million in 2011), expected to reach record levels for this business. Furthermore, the Group launched a new comprehensive solution for the refurbishment of commercial buildings in April tailored to the specific needs of investors and corporate clients, offering several main features: assistance with proactive measures to ensure compliance with anticipated changes in regulatory requirements, valuation of the client's property assets, service charge optimization, and comfort improvements for building users.

*Services & Distribution division*

In the **Services** business, the portfolio of units under condominium management remained stable compared to year-end 2010 and totaled 700,000 units. In rental management, the Group's portfolio numbered 196,000 units at the end of the first quarter, down from 212,000 units as of December 31, 2010, due to the expiration of one institutional investor's mandate corresponding to a portfolio of more than 14,000 units. The Group continues to strengthen its efforts with the aim of improving service quality and furthering the development of new solutions (for example, an all-inclusive condominium management fee package), through its "Nexity Demain" enterprise project. In the area of commercial real estate, total space under management amounted to 6.4 million square meters as of March 31, 2011, compared to 6.6 million as of December 31, 2010.

Within the **Distribution** business, the number of agencies belonging to the franchise networks operated by the Group increased for the first time since 2008, reaching 1,362 agencies as of March 31, 2011, up from 1,343 agencies as of December 31, 2010. As a vendor of real estate savings products on behalf of third-party real estate developers, Iselection saw a marked decline in reservations during the first quarter of 2011 (280 reservations compared to 621 in the first quarter of 2010).

**BACKLOG - ORDER BOOK AS OF 31 MARCH 2011**

<i>€ millions (excluding VAT)</i>	<b>March 31, 2011</b>	<b>Dec. 31, 2010</b>	<b>Change %</b>
New homes*	2,206	2,098	+5%
Subdivisions	243	246	-1%
<b>Residential division backlog</b>	<b>2,449</b>	<b>2,344</b>	<b>+4%</b>
Commercial division backlog	331	390	-15%
<b>Total Group backlog</b>	<b>2,780</b>	<b>2,734</b>	<b>+2%</b>

\* including Italy

<sup>1</sup> Source: CBRE

As of end-March 2011, the Group's total order backlog amounted to €2,780 million, a 2% rise compared to December 31, 2010, mainly as a result of the 4% increase in the Residential backlog. The Group's total order backlog represented 16 months of revenue from Nexity's real estate development activities<sup>1</sup>.

## OUTLOOK FOR 2011

- Residential: 10% market share based on an expected market of around 105,000 new homes
- Commercial: order intake target of €500 million
- Consolidated revenue for 2011 expected to be around €2.7 billion
- Current operating margin for 2011 expected to be higher than 8%, excluding expenses related to the "Nexity Demain" project
- Proposed dividend payment of €2 per share in respect of 2010, to be submitted to the Shareholders' Meeting of May 11, 2011

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

## FINANCIAL CALENDAR & PRACTICAL INFORMATION

- Shareholders' Meeting	Wednesday, May 11, 2011
- Ex dividend	Friday, May 13, 2011
- Dividend payment	Wednesday, May 18, 2011
- H1 2011 Revenue and results	Wednesday, July 27, 2011

- A conference call on Q1 2011 Revenue and Business Activity will be accessible in English at 3:00 p.m. CET on Wednesday, May 11, 2011, by dialing the following numbers:

- Dial-in number (France)	+ 33 (0) 1 70 99 35 14	Access code: Nexity
- Dial-in number (rest of Europe)	+ 44 (0) 207 153 20 27	Access code: Nexity
- Dial-in number (United States)	+ 1 (0) 480 629 98 70	Access code: Nexity

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

+44 (0) 20 79 59 67 20 (code: 4438783#)

The presentation accompanying this conference can be accessed at the following address:

<http://www.thomson-webcast.net/uk/dispatching/?nexity110511>

This presentation will be available on the Group's Web site as of 9 a.m. CET on May 11, 2011.

## DISCLAIMER

*The information, assumptions and estimates that the Company could reasonably use to determine its objectives are subject to change or modification due notably 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.11-317 on April 18, 2011 could have an impact on the Group's activities and the Company's ability to achieve its 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 considered to be a Quarterly Financial Report as defined in 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 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, logistics platforms, hotels and other business premises), 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 elsewhere in Europe.

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

Member of the Indices: SBF120, SBF 80, CAC Mid60, CAC Mid & Small and CAC All Tradable

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

ISIN code: FR0010112524

### **NEXITY CONTACTS**

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#### **Analysts/Investors**

Olivier SEUX +33 (0)1 71 12 15 49

Investor Relations Director

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

#### **Press**

Delphine CHANDELLE +33 (0)1 71 12 10 92

Deputy Communications Director

[directiondelacommunication@nexity.fr](mailto:directiondelacommunication@nexity.fr)



## Appendices

### REVENUE BY DIVISION

#### RESIDENTIAL

<i>€ millions</i>	<b>Q1 2011</b>	<b>Q1 2010</b>	<b>Change %</b>
Residential	325.2	317.8	+2%
Subdivisions	34.2	25.1	+36%
International	0.4	0.1	ns
<b>Residential</b>	<b>359.8</b>	<b>342.9</b>	<b>+5%</b>

#### COMMERCIAL

<i>€ millions</i>	<b>Q1 2011</b>	<b>Q1 2010</b>	<b>Change %</b>
Office buildings	56.9	77.1	-26%
Logistics platforms and other business premises	15.5	4.1	X 3.8
International	0.3	0.6	-
<b>Commercial</b>	<b>72.7</b>	<b>81.8</b>	<b>-11%</b>

#### SERVICES & DISTRIBUTION

<i>€ millions</i>	<b>Q1 2011</b>	<b>Q1 2010</b>	<b>Change %</b>
Services	102.4	103.4	-1%
Distribution	23.9	26.9	-11%
<b>Services &amp; Distribution</b>	<b>126.3</b>	<b>130.3</b>	<b>-3%</b>

### QUARTERLY PROGRESSION OF REVENUE BY DIVISION

<i>€ millions</i>	<b>2010</b>				<b>2011</b>
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>
Residential	342.9	442.9	380.4	565.5	359.8
Commercial	81.7	102.1	103.6	87.6	72.7
Services & Distribution	130.3	134.4	133.6	210.9	126.3
Other activities	1.0	0.9	1.1	28.3	0.5
<b>Revenue</b>	<b>555.9</b>	<b>680.3</b>	<b>618.7</b>	<b>892.3</b>	<b>559.3</b>