2011 BUSINESS ACTIVITY AND RESULTS

Paris La Défense, Tuesday, February 21, 2012

Strong order backlog increase (+21%): residential market share gains and exceptional order intake by Commercial division

- **Residential: 14,432 net new home and subdivision reservations, amounting to €2,527 million incl. VAT, close to the level in 2010 (14,885 units representing €2,566 million incl. VAT) in a market estimated to be down 13%[1]**
- **Commercial: €644 million excl. VAT order intake**
- **Backlog as of December 31: €3.3 billion (up 21% compared to December 31, 2010), equivalent to 19 months' revenue from development activities[2]**

Results in line with expectations and robust financial position

- **Revenue target met: €2,603 million**
- **Current operating profit (excluding expenses related to the "Nexity Demain" project): €212 million, corresponding to a Group margin of 8.1%**
- **Consolidated net cash position of €336 million and available and undrawn corporate credit facilities of €485 million**

Outlook for 2012: trough year for the new homes market, confidence in the medium term

- **Launch of the operating stage of the "Nexity Demain" project: transition to the single brand (January), progressive roll-out of new offerings and services over 2012**
- **Residential: market share maintained in an expected total market of between 70,000 and 80,000 new homes**
- **Commercial: order intake target of approximately €200 million**
- **Consolidated revenue for 2012 expected to be higher than €2.6 billion**
- **Current operating profit target for 2012 higher than €200 million, excluding expenses related to the "Nexity Demain" project**
- **Proposal to distribute a dividend of €2 per share in respect of 2011**

[1] FPI estimate (released on February 8, 2012)
[2] Revenue basis – previous 12-month period

ALAIN DININ, CHAIRMAN AND CEO OF NEXITY, COMMENTED:

“Nexity has met all of its performance targets in 2011. In terms of business activity, Nexity increased its share of the new homes market substantially, while orders for commercial real estate reached an all-time high. The order books for both of these markets are therefore now as full as ever. Although our Services and Distribution Networks businesses did well, thanks to our “Nexity Demain” project, we intend to do better. In terms of our financial performance, our earnings were strong, our balance sheet is still very solid and we have considerable untapped financial capacity.

In 2012, a "perfect storm" of negative factors is likely to result in a trough year for the new homes market and in a slowdown of the commercial real estate market. These factors include: the major uncertainties about the economic environment and the outlook for the eurozone’s sovereign debt crisis; likely recession; rising mortgage interest rates; tightening in mortgage volumes; a further cut in the tax deduction granted to French residential buy-to-let investments under the Scellier regime, which is to expire in 2012; substantial increases in taxes (VAT, income, property and other taxes); the "wait-and-see" attitude before presidential and legislative elections; and the time that will be necessary to implement any strong new measures to boost housing construction…

And yet the main candidates for the French presidential election all agree that the country needs to build some 500,000 new housing units a year. If we remove social housing and individual home construction from this objective, this still means about 150,000 new units a year for the private housing market, which is considerably more than even the highest levels of housing construction observed over the past 15 years. To achieve these objectives, the housing policy will need to be overhauled and structural measures will have to be adopted, which makes us feel confident in the future.

The new homes market will no doubt see some changes, such as a likely shift of buy-to-let investments from individual investors to institutions. However, the vital need to meet the housing requirements of first-time home buyers, the elderly and students, along with demographic pressures and the increasing number of households in France’s fastest growing regions, will provide a solid foundation for the future growth of the residential market.

Nexity is well positioned to support and benefit from these trends and we are already starting to reap the fruit of our past strategic market positioning, such as a focus on first-time home buyers, developing a managed-residence offering, and our new economical apartment concept, Access Design. Our corporate project, based on a single brand, reorganizing our operations and developing new offerings, combined with our strong balance sheet and financial capacity, will enable us to further strengthen our competitive advantage and win market share.”

* * *

Nexity’s Board of Directors convened on Tuesday, February 21, 2012. The meeting, which was chaired by Alain Dinin, reviewed and approved the consolidated financial statements for the year ended December 31, 2011. The consolidated balance sheet and income statement included on pages 14 to 16 of this press release were audited by the Company’s Statutory Auditors.

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BUSINESS ACTIVITY IN 2011

Residential real estate

The overall slowdown observed in the French new home market in 2011 masks contrasting trends. Sales to home buyers increased, driven in particular by first-time buyers. Since early 2011, the new retargeted zero-interest loan scheme known as the PTZ+ (for *prêt à taux zéro renforcé*) has served as a major incentive for this segment, increasing the borrowing capacity of first-time buyers in urban areas. In 2011, 66% of Nexity's first-time buyers made use of this loan scheme, up from 55% in 2010 (under the former PTZ scheme). Sales to private investors declined over the period, given the progressive reduction in tax benefits associated with buy-to-let investment (Scellier scheme) but demand from institutional investors is still improving. According to Crédit Logement, mortgage interest rates remained attractive over the period, at 3.80% on average (excluding insurance), a level below the average of rates for the period 2006–2010 (4.06%).

In the context of a decline in the market (down 13% according to FPI's estimates), Nexity Group booked 14,432 net new home and subdivision reservations in 2011 a level similar to those recorded in 2010 (14,885 units). They include 174 promissory purchase agreements in Italy, representing a total value of €2,527 million incl. VAT (including €61 million in Italy).

New home and subdivision reservations - FRANCE (units and €m)	**2011**	**2010**	**Change %**
New homes (number of units)	11,424	11,854	-4%
Subdivisions (number of units)	2,834	2,869	-1%
Total new home and subdivision reservations (number of units)	**14,258**	**14,723**	**-3%**
New home reservations (€m incl. VAT)	2,251	2,295	-2%
Subdivision reservations (€m incl. VAT)	215	219	-2%
Total new home and subdivision reservations (€m incl. VAT)	**2,466**	**2,514**	**-2%**

- The decline in **new home** reservations over the 12-month period reflects opposing trends. After a 9% decline in reservations in the first half of 2011, the first-time buyer segment grew by 24% in the second half of the year compared to the second half of 2010. This development is attributable in particular to the success of the PTZ+, which is increasingly being adopted by France's retail banking networks. However, the percentage of sales to private investors declined to a more moderate level (48%) after reaching a peak in 2010 (59%), given the reduction in tax benefits related to the Scellier scheme at the beginning of the year. Reservations of units in managed-residences for seniors rose 28% year-on-year to 1,013 units. Sales to institutional investors also significantly increased (up 43%).

Breakdown of new home reservations by client – FRANCE	2011		2010		Change %
Home buyers (number of units)	2,915	26%	2,802	24%	+4%
o/w: - first-time buyers	*2,119*	*19%*	*2,060*	*17%*	+3%
- other home buyers	*796*	*7%*	*742*	*7%*	+7%
Private investors (number of units)	5,540	48%	6,972	59%	-21%
Institutional investors (number of units)	2,969	26%	2,080	17%	+43%
Total new home reservations (number of units)	**11,424**	100%	**11,854**	100%	**-4%**

The notable increase in the average price of new homes sold, excluding block sales to institutional investors and Iselection[1] sales, is due in large part to the 148 sales recorded in Paris during the year, at an average price of €728 thousand. Excluding the city of Paris itself, the average price would have reached €217 thousand (as against €205 thousand in 2010). In the French regions, the average price came to €196 thousand.

*Average sale price & surface area**	2011	2010
Average home price incl. VAT per sq.m (€)	3,848	3,601
Average surface area per home (sq.m)	58.8	57.9
Average price incl. VAT per home (€k)	**226.4**	**208.6**

* excluding block sales and Iselection

Unsold completed stock held by the Group remains very low, amounting to 59 homes as of December 31, 2011. The level of pre-commercialization recorded at the time construction work was launched is still quite high (76% on average).

As of December 31, 2011, the business potential for new homes in France of the Group's Residential division[2] corresponded to the equivalent of 23,100 units,[3] up from 21,300 units at year-end 2010.

Subdivision reservations totaled 2,834 units, thus remaining stable compared to 2010, despite the elimination of the Pass-Foncier®, which took effect in January 2011. The average price of net reservations from individuals amounted to €75 thousand. Business potential for subdivisions amounted to more than 9,000 units, remaining stable compared to 2010.

[1] Sales of new homes as an operator, excluding commercialization on behalf of third parties
[2] 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.
[3] Excluding Villes & Projets operations portfolio

Commercial real estate

- In 2011, transaction volumes in the French commercial investment market came to €15.1 billion, up 29% compared to 2010.[1] The market notably benefited from the current appeal of commercial real estate, compared to other assets classes. Investors gave priority to the best locations and to the highest quality assets, keeping prime yields at levels in the range of 4.5% to 6% in Paris CBD. Take-up in the Paris region amounted to 2.4 million square meters (up 14% compared to 2010), owing to several exceptional transactions. New space is taken up as is commercialized, thus reducing its share in available offerings to 23% (down 5 points over 2 years). Worsening economic conditions and the expected bank financing contraction should cause postponements in investment or take-up decisions in the coming months.

- In 2011, new orders booked by the Group amounted to €644 million. This all-time high amount included, in addition to the orders already indicated during the period, a new order for an office building exceeding 16,000 sq.m carried out in co-development in Boulogne-Billancourt (Hauts-de-Seine), to the amount of €51.3 million in Group share. The Group continued to canvass major accounts, in order to adjust its offerings upstream to their needs. The solutions developed by the Group in order to renovate obsolete buildings are enjoying increased levels of interest, with several buildings currently being audited. The Ywood Business activities provide solutions for timber, low-energy "BBC" buildings with a reduced construction time-frame, which are adapted to commercial demand in regions. This product range is developing well, with around 30,000 sq.m under study. A new range of business-park type products, called Optimum, offering competitive development costs, will be added to the Group's products range in 2012. As of December 31, 2011, the order blacklog of real estate development activities totaled €709 million and provided great visibility for the forthcoming years.

Services and Distribution Networks

In the **Real estate services** business, the attrition rates of the portfolio of units under condominium management markedly improved in 2011. The portfolio totaled 681,000 units (including 46,000 units outside France), representing a drop of 19,000 units compared to December 31, 2010, against a loss of 59,000 units recorded for the previous year. The complete overhaul of reception conditions in agencies, and the improvement in service quality foreseen by our corporate project, should allow this improvement to continue. The all-inclusive condominium management fee package, launched at the beginning of 2011, aims at acquiring new customers. In rental management, the Group's portfolio numbered 189,000 units, down from 212,000 units as of December 31, 2010, due primarily to the expected expiration of an institutional investor's mandate corresponding to a portfolio of more than 14,000 units and to the removal of the 3,600 units concerned by the disposal of the Citéa urban extended-stay residence business in the second quarter.

In the area of commercial real estate, total space under management amounted to 5.7 million square meters, compared to 6.6 million as of December 31, 2010. This figure does not take into account the portfolio of 4.2 million square meters under management which was added as a consequence of the tie-up signed at year-end 2011 with la Française AM in this sector. This merger raises the Group to the first ranks in property management in France and strenghten its place as 4th ranking operator in the area of commercial advisory and brokerage services (Keops Colliers International). These two businesses are now run by a joint structure with La Française AM, 75% of which is held by Nexity and 25% by la Française AM. The structure, which received as a contribution both groups' commercial real estate services businesses, posted pro forma revenue of more than €77 million in 2011, of which €50 million in property management and €27 million in advisory and brokerage services. No revenue nor profit from the real estate

[1] Source: CBRE.

services businesses contributed by La Française AM at year-end was recognized in the Group consolidated P&L in 2011. These businesses posted €28 million in revenue in 2011.

In the **Distribution Networks** businesses, the number of agencies belonging to the franchise networks operated by the Group was stable in 2011, with 1,344 agencies as of December 31, 2011. After 2011, which should record exceptional transaction volumes in the market for existing properties (880,000 estimated transactions according to the notaries), transaction volumes are expected to drop significantly in 2012, following the elimination of the PTZ+ for second-hand homes and the recent changes in the tax regime applicable to capital gains on real estate. Preliminary purchase agreement volumes recorded by franchise agencies in the Group's networks, which are a good advanced indicator of future transaction volumes, were down by nearly 6% compared to 2010. As a vendor of real estate savings products on behalf of third-party real estate developers, Iselection saw a decline in reservations following the exceptionally strong performance recorded in 2010 (1,686 reservations compared to 2,039 in 2010).

As part of the Group's range of support solutions for individual clients, the internal mortgage broking offering (Credit solutions), representing around 1,700 mortgage offers to the Group's clients in 2011, is expected to be a key advantage in a context of more difficult access to lending.

Urban renewal division (Villes & Projets)

As of December 31, 2011, Nexity's urban renewal division (Villes & Projets) had a non-commercialized land development potential totaling 787,000 square meters[1], with 37% of space in the French regions and 63% in the Paris region. This portfolio was well-balanced between space earmarked for residential projects (totaling 51%), and space earmarked for commercial real estate projects (22% intended for offices, 23% for logistics platforms and business premises, and 4% for retail). In 2011, the portfolio mainly grew by the addition of a new project of 70,000 sq.m located in Marseilles, earmarked mainly for residential projects.

Operations initiated by Villes & Projets generated revenue for the Group's real estate development activities totaling €192 million in 2011, corresponding to €136 million in Residential and €56 million in Commercial.

"Nexity Demain" corporate project

The "Nexity Demain" Project entered the stage of operational implementation, with the adoption on January 18, 2012 of a single brand gathering all the Group's business activities[2], symbolically coupled with the revelation of the new visual identity. This project places clients as the focal point of each of the Group's businesses. Nexity's ambition is to serve its clients as their real estate needs evolve, by presenting new offerings and innovative products aiming at simplifying real estate and offering a higher level of service and guarantees. The Group has thus modified the organization of its operations, with the creation of a cross-cutting marketing and client relationship department for individual clients, which manages the new tools that have been deployed (CRM, private customer space, web site, mobile apps) and encourages cross-selling. By adopting this approach and by relying on a single and stronger brand, the Group which is the only integrated real estate operator in France distances itself from competitors and intends to become the reference brand of the real estate sector and win market shares in its various businesses.

[1] Surface areas provided for information purposes only and may be subject to adjustment once administrative authorizations have been obtained
[2] Excluding the brands of the franchise networks (Century 21 and Guy Hoquet l'immobilier) and Keops and Iselection which market the products of all real estate developers

2011 CONSOLIDATED RESULTS

€ millions	2011	2010	Change %
Revenue	2,602.9	2,747.2	-5%
Current operating profit (before "Nexity Demain" related expenses)	**211.6**	**205.3**	+3%
Current operating margin (excluding "Nexity Demain")	*8.1%*	*7.5%*	
Current operating profit	202.4	201.4	
Current operating margin	*7.8%*	*7.3%*	
Net financial expense	**(7.5)**	**(22.2)**	
Current profit after tax	**122.2**	**113.6**	**+8%**
Change in value of goodwill	(88.9)	(35.4)	
Share of profits (loss) from equity-accounted associates	24.9	43.9	
Group share of net profit (loss)	54.2	119.8	-55%
Earnings per share (€)	1.04	2.26	-54%

Revenue

In 2011, Nexity Group recorded **revenue** of €2,603 million, a 4% decline at constant consolidation scope compared to the same period in 2010. (i.e. restating the impact of the disposal of the Citéa urban extended-stay residence business). In addition to the scope of consolidation, the variance with 2010 is due to the impact of the fire that broke out in March 2011 on the site of the Basalte building (without which commercial real estate revenue would have grown) and to a basis effect on Other activities (sale of an office building in 2010).

€ millions	2011	2010	Change %
Residential real estate	1,732.2	1,731.7	-
Commercial real estate	320.9	375.0	-14%
Services and Distribution Networks	547.1	609.2	-10%
Other activities	2.7	31.4	ns
Total Group revenue*	**2,602.9**	**2,747.2**	**-5%**

** 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.*

- **Residential division** revenue totaled €1,732.2 million, stable as compared to 2010. The slight decrease in new home development activity in France (down 1%) is offset by new home development activity in Italy, which contributed €30 million to revenue.

- In the **Commercial division**, the fire which broke out on March 17, 2011 at the construction site of the Basalte office building in La Défense had a substantial impact on 2011 revenue and led to the postponement to 2012 of a significant portion of this project's revenue initially budgeted for 2011. In addition, a number of major orders booked in 2011 (totaling €644 million) have as yet made only a small contribution to the Group's recognized revenue. Outside France, revenue recorded in 2011 includes the proceeds from the sale of the third building in the Viale Edison Business Center development near Milan.

- Revenue posted by the **Services division** (€389.8 million) includes a scope of consolidation effect entailed by the disposal during the second quarter of the Citéa urban extended-stay residence business (impact of about €30 million). In addition, revenue reflects the effect of the decline in the number of units under management recorded in 2010.
  The **Distribution Networks** businesses posted revenue of €157.2 million, remaining at a high level but nevertheless down compared to 2010's exceptional performance, during which Iselection recorded a surge in the number of definitive sales agreements concluded at year-end.

Current operating profit

Current operating profit excluding expenses related to the "Nexity Demain" Project amounted to **€211.6 million** (€202.4 million including these expenses), resulting in a **current operating margin of 8.1%**, compared to 7.5% a year earlier (respectively 7.8% against 7.3% including "Nexity Demain" expenses).

€ millions	**2011**	**2010**	**Change %**
Residential real estate	173.9	136.9	+27%
% of revenue	*10.0%*	*7.9%*	
Commercial real estate	10.6	15.7	-32%
% of revenue	*3.3%*	*4.2%*	
Services and Distribution Networks	44.1	58.9	-25%
% of revenue	*8.1%*	*9.7%*	
Other activities	(26.2)	(10.0)	ns
Current operating profit	**202.4**	**201.4**	**+0%**
% of revenue	***7.8%***	***7.3%***	
Of which "Nexity Demain" related charges	***(9.1)***	***(3.9)***	
Current operating profit (excluding "Nexity Demain")	**211.6**	**205.3**	**+3%**
% of revenue	***8.1%***	***7.5%***	

Current operating margin for the **Residential** division reached 10.0% in 2011, with a second half year reaching 10.5%. The margin improvements observed since 2010 continued, in line with the Group's expectations.

The low current operating margin of the **Commercial** division reveals the impact of taking into account in 2011 the financial consequences of the fire that occurred at the site of the Basalte building in March 2011, as assessed to date, after final agreement with the insurance companies and negotiations held with the construction companies involved. The Commercial division's operating profit also recognizes the proceeds from the sale of the third building in the Viale Edison Business Center development in Italy.

Current operating profit from the **Services and Distribution Networks** division totaled €44.1 million, with a contribution of **Real estate services** amounting to €27.1 million. The latter result, which represents a margin of 7.0%, benefited from the non-recurring impact of the disposal of the Citéa urban extended-stay residence business. Profit from **Distribution Networks** activities (totaling €17.0 million against €34.1 million in 2010) represents a margin of 10.8%, with a significantly lower contribution by Iselection than the exceptional one recorded in 2010.

Other activities posted a current operating loss of €26.2 million, which comprises in particular holding company expenses (including a significant portion of expenses related to the Nexity Demain Project), expenses incurred by urban renewal activities (Villes & Projets)[1], expenses related to share-based payments, and Investment activities (co-investment and asset management).

The **net financial expense** was €7.5 million, compared to a net expense of €22.2 million in 2010, an improvement mainly due to the decrease in average debt outstanding in 2011.

Current profit after tax, the most relevant measure to compare results from one year to the previous one, taking into account the contrasting evolution of results from companies consolidated using the equity method and goodwill impairment, amounted to €122.2 million, up by 8%.

The contribution of equity-accounted investments includes the positive impact of the sale of the Group's stake in Eurosic, in June 2001, in the total amount of €21.7 million.

Net profit, totaling €54.2 million, takes into account goodwill impairment, amounting to €88.9 million. Restated from the latter item, consolidated net profit (Group share) would have totaled €143.1 million.

Working capital requirements by division

€ millions	12/31/ 2011	12/31/2010	Change in €m
Residential real estate	365	383.6	(18,6)
Commercial real estate	(71.5)	(81.1)	9.6
Services and Distribution Networks	5.2	5.1	0.1
Other activities	77.1	78	(0.9)
Tax	10.9	(26.8)	37.7
Total WCR	**386.7**	**358.7**	**28.0**

The Group's consolidated WCR excl. taxes totaled €375.8 million, stable as compared to December 31, 2010 (€385.5 million) but represents a significant increase, in line with expectations, compared to the lowest point reached as of June 2011 (€273.6 million). Despite this rise, the Group's consolidated WCR remains at a low level as of December 31, 2011.

[1] Revenue and operating profit stemming from operations initiated by Villes & Projets are recognized in the Residential and Commercial divisions

The Residential division's WCR, declined by €18.6 million compared with December 31, 2010 but increased compared to the low point reached as of June 30, 2011 (+ €50 million). This rise during the second half-year is the result of the increase in the number of sites undergoing construction and the renewal of commercial offerings. At December 31, 2011, the Residential division's WCR remains at a low level compared to levels observed in the past, due to high commercialization paces recorded in 2011. Return to usual commercialization paces should lead to the Residential division's WCR to continue growing in 2012.

The Commercial division's WCR remains at a negative amount of €71.5 million as it consolidates large advance payments received at the start of some projects. The progress of works which leads to the utilization of these advance payments results in a decrease of these negative WCR levels. The Commercial division's WCR is also expected to reach levels closer to usual levels (positive WCR).

Services and Distribution Networks' WCR and that of Other activities, which are mainly attributable to urban renewal projects (Villes & Projets) and Investment activities, are stable.

Moreover, as of December 31, 2011, the Group held in its current assets and on behalf of its customers, an outstanding cash balance of €515.2 million in connection with its property management business. This position did not impact the Group's WCR, since it was offset by a debt of the same amount.

Goodwill

€ millions	**12/31/2011**	**12/31/2010**
Residential	227.1	227.1
Commercial	51.9	51.9
Services	522.8	524.5
Distribution Networks		
- Franchises	68.9	89.9
- Iselection	83.3	128.4
Total goodwill	**953.9**	**1,021.8**

A total adjustment of €88.9 million was recognized in respect of goodwill for the Services and Distribution Networks division. Concerning the Services business, this accounting adjustment mainly results from the automatic effect in the calculation of the value of assets of a higher discount rate (rise of market risk premiums). Concerning Distribution Networks, this adjustment also results from a higher discount rate but it also results from revised medium term growth prospects for the earning power of these businesses, in a context of a market downturn.

Group financial structure

The Group share of **consolidated equity** (equity attributable to owners of the parent company) amounted to €1,659.0 million as of December 31, 2011. The recorded €222 million decline compared to December 31, 2010, mainly resulted from the cumulative payment of a €6 dividend per share in 2011, i.e. nearly €314 million. This impact was partly offset by the year's profit amounting to €54.2 million.

The Group's positive net cash position came to €336.2 million, compared to €291.1 million as of December 31, 2010. Cash generated by operating activities represented €173 million, of which €14 million related to the decline of operating WCR. The other main flows are formed by the proceeds cashed upon the disposal of the Group's stake in Eurosic (€195.7 million), both disbursements corresponding to normal and exceptional dividends, totaling almost €314 million and by the payment of additional rights related to minority interests in the Distribution Networks business to the amount of €34 million. Besides operating expenses related to the "Nexity Demain" Project, most operating investments related to that same project (totaling around €10 million) were incurred in 2011 but will only be disbursed in 2012.

€ millions	**2011**	**2010**
Cash flow from operations before WCR, interest and taxes	212.0	213.7
Changes in operating WCR	14.1	176.2
Interest and tax payments	(53.3)	(43.1)
Net cash generated by operating activities	**172.7**	**346.8**
Operating capital expenditure	(10.7)	(10.1)
Free cash flow	**162.0**	**336.7**
Dividends received from equity-accounted companies	11.8	1.1
Proceeds from the sale of the stake in Eurosic	195.7	
Net cash (used in) generated by other financial investment activities	(35.9)	(5.1)
Dividends paid	(313.6)	(85.7)
Net cash used in other financing activities	(185.2)	(103.0)
Net change in cash	**(165.1)**	**143.9**

The significant reduction in bank borrowings in the full year (reduced by €305 million to €154 million as of December 31) was made possible thanks to dynamic debt management. On this amount, €133 million correspond to oustandings drawn from the Group's credit facilities for development projects and to the balance of acquisition credits. In total, the Group benefits from €680 million available and undrawn credit facilities, among which two corporate credit facilities,totaling €485 million, which are undrawn and may be drawn down at any moment.

In today's restrictive lending environment, Nexity's strong cash position, its available credit lines, together with an envelope granted by its pool of banks for the Residential division for a total amount of €840 million of guarantee underwritings, in particular the performance bonds covering works completion, which are essential from a legal standpoint for the signing of new home sales agreements, all give the Group a significant competitive advantage.

€ millions	12/31/12011	12/31/2010	Change in €m
Bank borrowings and other borrowings	154.2	459.0	(304.8)
Other liabilities and financial receivables	2.2	8.4	(6.1)
Term deposit accounts	-	(100.8)	100.8
Net cash and cash equivalents	(492.5)	(657.7)	165.2
Net debt (net cash)	**(336.2)**	**(291.1)**	**(45.0)**

The Group was in compliance with all of the financial covenants attached to its lines of credit as of December 31, 2011.

BACKLOG – ORDER BOOK AS OF DECEMBER 31, 2011

€ millions (excluding VAT)	12/31/2011	12/31/2010	Change %
Residential real estate – new homes *	2,337	2,098	+ 11%
Residential real estate – subdivisions	269	246	+ 9%
Residential real estate blacklog	**2,606**	**2,344**	**+11%**
Commercial real estate blacklog	709	390	+82%
Total Group backlog	**3,315**	**2,734**	**+21%**

** including Italy*

As of December 31, 2011, the Group raised its backlog to a level nearing its best prior performance. Surging 21% compared to its level as of December 31, 2010, Nexity's total order backlog represented 19 months of revenue from real estate development activities as of December 31, 2011.[1] The substantial rise over the year is explained in particular by large orders signed by the Commercial division in the first half.

OUTLOOK FOR 2012

- Residential real estate: market share maintained in an expected total market of between 70,000 and 80,000 new homes
- Commercial real estate: order intake target of approximately €200 million
- Consolidated revenue for 2012 expected to be higher than €2.6 billion
- Current operating profit target for 2012 higher than €200 million, excluding expenses related to the "Nexity Demain" project
- Proposal to distribute a dividend of €2 per share for 2011

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[1] Revenue basis – previous 12-month period

FINANCIAL CALENDAR & PRACTICAL INFORMATION

- Q1 2011 Revenue and Business Activity	Wednesday, May 9, 2012 Market close
- Shareholders' Meeting	Thursday, May 10, 2012
- Ex-dividend date	Tuesday, May 15, 2012
- Dividend payment	Friday, May 18, 2012

- A **conference call** on 2011 Business Activity and Results will be accessible in English at 15:00 CET on Wednesday, February 22, 2012, 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 9673	Access code: Nexity

Playback will be available by phone after the conference call by dialing the following number:
+44 (0)207 959 67 20 (Access code: 4510591#)

The presentation accompanying this conference can be accessed at the following address:
http://www.media-server.com/m/p/6994r753

This presentation will be available on the Group's website starting at 9:00 a.m. CET on February 22, 2012.

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

CONTACTS

Nexity :
Olivier Seux – Investor Relations Director / +33 (0)1 71 12 15 49 - investorrelations@nexity.fr
Blandine Castarède – Vice-President, communication and brand strategy / +33 (0)1 71 12 15 52 -

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

€ THOUSANDS	12/31/2011	12/31/2010
Revenue	**2,602,875**	**2,747,206**
Purchases	(1,720,625)	(1,860,083)
Personnel costs	(421,973)	(414,862)
Other operating expenses	(213,266)	(223,372)
Taxes (other than income tax)	(33,805)	(33,713)
Depreciation and amortization	(10,772)	(13,767)
Current operating profit	**202,434**	**201,409**
Change in value of goodwill	(88,900)	(35,400)
Operating result	**113,534**	**166,009**
Financial expense	(18,495)	(31,850)
Financial income	10,988	9,670
Net financial income (expense)	**(7,507)**	**(22,180)**
Pre-tax recurring profit	**106,027**	**143,829**
Income taxes	(72,760)	(65,611)
Share of profits (loss) from equity-accounted investments	24,888	43,919
Consolidated net profit	**58,155**	**122,137**
Net profit (loss) attributable to owners	**54,207**	**119,758**
Net profit (loss) attributable to minority interests	3,948	2,379

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2011

ASSETS (IN THOUSANDS OF EUROS)	12/31/2011	12/31/2010
Non-current assets		
Goodwill	953,949	1,021,802
Other intangible assets	16,940	12,493
Property, plant and equipment	23,237	25,954
Equity-accounted investments	23,252	219,739
Other financial assets	27,161	28,279
Deferred tax assets	20,594	47,522
Total non-current assets	**1,065,133**	**1,355,789**
Current assets		
Inventories and work in progress	1,314,930	970,547
Trade and other receivables	285,728	403,651
Tax accounts receivable	13,571	2,023
Other current assets [1]	1,023,334	995,796
Other financial receivables	25,240	119,361
Cash and cash equivalents	545,452	702,941
Total current assets	**3,208,255**	**3,194,319**
TOTAL ASSETS	**4,273,388**	**4,550,108**
[1] of which cash held in client working capital accounts (Services division)	*515,240*	*550,866*

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2011

LIABILITIES AND EQUITY (IN THOUSANDS OF EUROS)	12/31/2011	12/31/2010
Share capital	262,011	259,964
Additional paid-in capital	1,150,887	1,254,510
Treasury shares	(3,257)	(2,075)
Reserves and retained earnings	195,169	248,659
Net profit for the period	54,207	119,758
Equity –Group Share	**1,659,017**	**1,880,816**
Minority interests	19,635	4,847
Consolidated equity	**1,678,652**	**1,885,663**
Non-current liabilities		
Long-term borrowings and financial debt	10,029	214,635
Employee benefits	19,404	16,993
Deferred tax liabilities	984	302
Total non-current liabilities	**30,417**	**231,930**
Current liabilities		
Short-term borrowings, financial and operating cycle debt [1]	224,493	316,545
Current provisions	88,946	102,645
Trade and other payables	876,232	664,162
Current tax liabilities	2,681	28,836
Other current liabilities [2]	1,371,967	1,320,327
Total current liabilities	**2,564,319**	**2,432,515**
TOTAL LIABILITIES and EQUITY	**4,273,388**	**4,550,108**
[1] *of which bank overdrafts*	*52,904*	*45,273*
[2] *of which client working capital accounts (Services division)*	*515,240*	*550,866*

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APPENDICES

REVENUE BY DIVISION

RESIDENTIAL REAL ESTATE

€ millions	2011	2010	Change %
New homes	1,541.4	1,560.1	-1%
Subdivisions	160.6	160.2	-
International	30.2	11.3	X 2.7
Residential real estate	**1,732.2**	**1,731.7**	**-**

COMMERCIAL REAL ESTATE

€ millions	2011	2010	Change %
Commercial real estate	**320.9**	**375.0**	**-14%**

SERVICES AND DISTRIBUTION NETWORKS

€ millions	2011	2010	Change %
Services	389.8	429.0	-9%
Distribution Networks	157.2	180.2	-13%
Services and Distribution Networks	**547.1**	**609.2**	**-10%**

QUARTERLY PROGRESSION OF REVENUE BY DIVISION

	2010				2011			
€ millions	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Residential real estate	342.9	442.9	380.4	565.5	359.8	435.5	353.9	583.0
Commercial real estate	81.7	102.1	103.6	87.6	72.7	108.0	74.4	65.8
Services and Distribution Networks	130.3	134.4	133.6	210.9	126.3	111.8	128.3	180.7
Other activities	1.0	0.9	1.1	28 .3	0.5	0.5	0.8	0.9
Revenue	**555.9**	**680.3**	**618.7**	**892.3**	**559.3**	**655.8**	**557.4**	**830.4**

CURRENT OPERATING PROFIT PER DIVISION

RESIDENTIAL REAL ESTATE

€ millions		2011	2010	Change %
New homes		162.1	125.3	+29%
	% of revenue	*10.5%*	*8.0%*	
Subdivisions		17.1	12.2	+40%
	% of revenue	*10.6%*	*7.6%*	
International		(5.2)	(0.6)	ns
Residential real estate		**173.9**	**136.9**	**+27%**
	% of revenue	***10.0%***	***7.9%***	

COMMERCIAL REAL ESTATE

€ millions		2011	2010	Change %
Commercial real estate		**10.6**	**15.7**	**-32%**
	% of revenue	***3.3%***	***4.2%***	

SERVICES AND DISTRIBUTION NETWORKS

€ millions		2011	2010	Change %
Services		27.1	24.8	+9%
	% of revenue	*7.0%*	*5.8%*	
Distribution Networks		17.0	34.1	-50%
	% of revenue	*10.8%*	*18.9%*	
Services and Distribution Networks		**44.1**	**58.9**	**-25%**
	% of revenue	***8.1%***	***9.7%***	

OTHER ACTIVITIES

€ millions	2011	2010	Change %
Other activities	**(26.2)**	**(10.0)**	**ns**