RESULTS FOR THE FIRST HALF OF 2014

Paris, Thursday, 24 July 2014

Nexity's new home reservations up slightly in 1st half 2014, in line with its forecasts

- **Residential real estate in France: 4,537 net new home reservations, up 2.2% in volume, down 5.1% in value compared to H1 2013. Acquisition of PERL alongside its management speeds up business development at Nexity**
- **Commercial real estate: order intake of €21 million for the half-year period**
- **Real estate services to individuals: Oralia acquisition is half-year highlight, adding 164,000 more units to Nexity's portfolio**
- **Order backlog as of 30 June 2014: €3.3 billion. Residential real estate backlog stable at €2.9 billion (19 months' revenue from development activities)[1]**

Financial results[2] match Nexity's guidance

- **Half-year revenue of €1.11 billion, down from H1 2013 (€1.27 billion), notably due to decreased revenue in Commercial real estate**
- **Current operating profit of €73.2 million (versus €85.3 million in H1 2013); operating margin stable (6.6%) compared to H1 2013 (6.7%)**
- **Net debt of €207 million at 30 June 2014. Nexity optimises its financing by completing two bond issues during the half-year period for a total of €351 million**

Outlook for 2014 confirmed[3]

- **Residential: business volume of around 10,000 net reservations, comparable to 2013, in a tough market, with recovery expected from 2015**
- **Commercial: order intake of at least €100 million**
- **Consolidated revenue for 2014 to exceed €2.5 billion**
- **Current operating profit target for 2014 of at least €170 million**
- **Based on its outlook, Nexity will consider proposing to its shareholders the renewal of a €2 per share dividend in 2015.**

[1] Revenue basis – previous 12-month period.
[2] The financial data and indicators used in this press release are based on Nexity's operational reporting, with joint ventures proportionately consolidated.
[3] The outlook for 2014 was prepared using financial data and indicators from Nexity's operational reporting, with joint ventures proportionately consolidated. It does not include the impact of the PERL acquisition or the potential impact of housing stimulus policies.

ALAIN DININ, CHAIRMAN AND CEO OF NEXITY, COMMENTED:

"Since the start of the year, and especially in the second quarter, the French residential real estate market has been in a particularly tough situation. Household purchasing power has continued to decline, a host of complex regulations have been introduced (notably under the newly enacted ALUR Act) and, most importantly, buyer sentiment has suffered. All of those factors have combined to slow the – already historically low – rate of new homes entering the market for sale, whether to investors or would-be homeowners. According to French Housing Ministry statistics, the number of new home starts in the 12 months to end-May 2014 was down 9% year on year. If this trend continues, France is looking at housing production levels of 300,000 new homes per year at best.

With that in mind, Nexity is pleased to confirm its full-year target announced in early 2014, of about 10,000 net reservations (no change from 2013). However, we now believe that the French market on the whole will go down this year rather than stay flat.

On 25 June 2014, Prime Minister Manuel Valls, realising the gravity of the problems plaguing construction in France, announced a first series of initiatives which, if implemented swiftly, could help stem the market's decline in the final months of this year. The government's efforts should also have a positive impact in the medium term, assuming they are part of a larger and more proactive plan – which is the only way to rebuild confidence among investors and home buyers.

With a total of 4,537 net reservations in the first half of 2014, a 2.2% year-on-year increase, Nexity has demonstrated its resilience in a depressed market. We accomplished this thanks to a wide and diverse array of products, spot-on price positioning, sales clout, and our strong franchise with professional landlords, who accounted for 38% of Nexity's net reservations in residential real estate.

The drop in revenue and operating profit in the first half of 2014 was expected. It does not adversely impact the targets shared with the market earlier this year, which Nexity fully stands by.

Nexity's operating margin (6.6%) remained stable overall compared to the first half of 2013, driven by strong financial performances in Residential as well as Commercial real estate, and Services and Distribution Networks, where margins have begun trending towards target levels.

Another highlight of early 2014 was the completion of two major acquisitions (Oralia and PERL) which will help accelerate Nexity's profitable growth."

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At its meeting on Thursday, 24 July 2014, chaired by Alain Dinin, Nexity's Board of Directors reviewed and approved the Group's consolidated financial statements for the half-year period ended 30 June 2014, which can be found in Annex 2 of this press release. The 2014 half-year financial statements were subjected to a limited review by the Statutory Auditors of the Company.

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BUSINESS ACTIVITY IN H1 2014

Residential real estate

During the first six months of this year, the market for **new homes** in France was held back by even tougher conditions than in 2013. A slow economy, combined with heavy tax burdens, sapped consumer confidence and ate away at household purchasing power, while the European Central Bank's continued policy of low interest rates proved insufficient to make up for the underlying trend. On 25 June 2014, breaking from a long string of policies unfavourable to any housing recovery, the French government announced that it would take steps to revitalise the construction sector, and especially housing. Those announcements could help reverse the trend somewhat, if real action is taken by autumn.

Despite the challenging environment, Nexity's net reservations for new homes in France were up 2.2% by volume in the first half of the year, to 4,537. They were down 5.1% in value terms, on account of the lower unit price paid on reservations by professional landlords (social housing), who buoyed business for Nexity over the entire half-year period. The robust growth recorded in the first quarter of 2014 slowed in the second quarter (down 2% compared to Q2 2013), in both the investor and home-buyer segments. In addition, the implementation of the ALUR Act hampered the conversion of promises to sell (*promesses de vente*) into actual deeds of sale.

The first half of 2014 was also characterised by fewer units marketed (down 18% compared to the same period last year) – in the second quarter, Nexity intentionally reduced its scheduled commercial launches to match the slower pace of reservations.

New home and subdivision reservations - France (units and €m)	**H1 2014**	**H1 2013**	**Change %**
New homes (number of units)	4,537	4,441	+2.2%
Subdivisions (number of units)	873	891	-2.0%
Total new home and subdivision reservations (number of units)	**5,410**	**5,332**	**+1.5%**
New homes (€m incl. VAT)	828	873	-5.1%
Subdivisions (€m incl. VAT)	71	67	+4.9%
Total new home and subdivision reservations (€m incl. VAT)	**899**	**940**	**-4.4%**

Reservations by professional landlords were up noticeably (16.4%) in the first half of the year, offsetting the drop in reservations by individuals, namely home buyers (down 7.1%) and individual investors (down 2.9%), as inauspicious economic conditions and the lack of any clear prospects for improvement caused more households to put off their real estate objectives. Reservations by individual investors accounted for 31% of all reservations at 30 June 2014, versus 32% the year before. Of those reservations, 80% used the tax incentives offered under the Duflot scheme (H1 2013: 75%).

Professional landlords accounted for 38% of Nexity's total reservations. One highlight of the half-year period was the reduction in the VAT rate on social housing, from 7% to 5.5%. The change was announced in 2013 but not applied until 1 January 2014, causing some social housing operators to postpone projects until the new year. As things stand, the hoped-for renewal of institutional appetite for residential assets has yet to materialise.

Breakdown of new home reservations by client – France (number of units)	H1 2014		H1 2013		Change %
Home buyers	1,405	31%	1,513	34%	-7.1%
o/w: - first-time buyers	*1,104*	*24%*	*1,277*	*29%*	*-13.5%*
- other home buyers	*301*	*7%*	*236*	*5%*	*+27.5%*
Individual investors	1,394	31%	1,435	32%	-2.9%
Professional landlords	1,738	38%	1,493	34%	+16.4%
Total new home reservations	**4,537**	100%	**4,441**	100%	**+2.2%**

Excluding bulk sales to professional landlords and Iselection sales, the average price of homes sold in France fell by 1.7% compared to the previous year. That decrease is partly explained by the lower proportion of sales in the Paris region (42% versus 45% in first-half 2013), where the average price (€260,000) is much higher than in the rest of France (€186,000); the other factor being the decline in the average size of homes.

Average sale price & floor area - France*	H1 2014	H1 2013	Change %
Average home price incl. VAT per sq.m (€)	3,801	3,835	-0.9%
Average floor area per home (sq.m)	58.1	58.5	-0.8%
Average price incl. VAT per home (€k)	**220.7**	**224.5**	**-1.7%**

* excluding bulk sales and Iselection sales

For Nexity's new residential developments in France, the average presale rate recorded at the time construction work was started remained very high (76% on average in the first half of the year), and unsold completed stock held by the Group remained very low, at 65 homes as of 30 June 2014 (year-end 2013: 66).

The Residential division's new home business potential[4] in France totalled nearly 24,300 units, equal to 2.5 years of reservations on a rolling 12-month basis. That level of supply will enable Nexity to muster a well-timed and effective response when the market picks up again.

Subdivision reservations totalled 873 units, down 2% compared to the first half of 2013, with the average price of net reservations from individuals rising to €81,000. The drop in volumes was part of a general decline that continued to weigh on the detached house market. According to the *Union des Maisons Françaises*[5] (French homebuilders' association), sales were down about 3% in the three-month period from March to May 2014, compared to the same period in 2013.

Outside France, reservation levels for the half-year period were not significant.

[4] Includes the Group's current supply for sale, its future supply corresponding to project phases not yet marketed on acquired land, and projects not yet launched associated with land secured through options.
[5] Bulletin Markemetron - May 2014.

Commercial real estate

The beginning of the year witnessed a recovery in take-up volumes (1.1 million sq.m in first-half 2014 in the Paris region - source: CBRE), but was especially marked by major deals, which were few in 2013, and by renewed investor appetite for office assets in the Paris region. Nevertheless, economic conditions continued to undermine the anticipated development of take-up in the Paris region, translating into a disconnect between optimistic investors on the one hand and end-users with a wait-and-see attitude on the other. The market also continued to show little interest in either new-build or renovation projects that were not secured (i.e. not fully or partially pre-let).

Nexity did not record any significant new orders over the first half of 2014 (new orders equalled €21 million). Taking into account its portfolio of projects currently in the advanced set-up phase, the Group is confident that it will achieve its annual target of at least €100 million in new orders.

Services and Distribution Networks

Oralia was integrated into **Real estate services** with effect from 1 April 2014. Oralia had 164,000 units under management at 30 June 2014, bringing the total portfolio of units under management in Real estate services to individuals to 944,000. On a like-for-like basis, the attrition rate remained limited to 2.4% compared to year-end 2013. With its acquisition of Oralia, Nexity has strengthened its foothold in France’s big cities (primarily Paris and Lyon) and bolstered its No. 2 position in the property management business. In Real estate services to companies, total floor area under management amounted to 12 million sq.m at 30 June 2014, up 5.6% from 31 December 2013 after the signing of a major contract.

In **Distribution Networks**, the number of provisional sale agreements recorded in first-half 2014 by Century 21 and Guy Hoquet l’Immobilier was down 7.1% compared to the same period last year, following a difficult second quarter and signalling a bearish market for existing property transactions in the latter half of 2014. The implementation of the ALUR Act hampered the conversion of promises to sell into actual deeds of sale. The number of franchised agencies also dropped very slightly, to 1,256 agencies at 30 June 2014, from 1,261 at year-end 2013.

Urban regeneration (Villes & Projets)

At 30 June 2014, Nexity’s urban regeneration business (Villes & Projets) had a land development potential of 615,100 sq.m[6], up 10% from 31 December 2013, of which 70% was in the Paris region and 30% in the rest of France. Potential uses were as follows: 43% earmarked for residential projects, 27% for offices, 27% for light industry, and 3% for retail.

During the first quarter of 2014, the Group acquired an initial plot of land as part of the Acacias development project in Montreuil (Seine-Saint-Denis, Paris region). The entire project is slated to cover a total surface area of 104,500 sq.m, of which Nexity will be responsible for developing 63,350 sq.m. Urban regeneration projects generated €80.8 million in revenue for the Group’s property development operations in the first half of 2014 (€8.5 million in Commercial real estate and €72.3 million in Residential), versus €148.2 million in the six months to 30 June 2013. Urban regeneration thus accounted for nearly 10% of the Group’s revenue from property development in the first half of 2014.

[6] Floor areas are provided for information purposes only and may be subject to adjustment once administrative authorisations have been obtained.

FIRST-HALF 2014 FINANCIAL INFORMATION

IFRS 11 *Joint Arrangements*, which is required to be applied as of 1 January 2014, states that “joint ventures” must be accounted for using the equity method (whereas before they could be proportionately consolidated). Nexity’s joint ventures are mainly co-development vehicles in Residential and Commercial real estate. For operational reporting and management purposes, Nexity continues to apply proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group’s performance and risks as measured by revenue, operating profit, working capital and debt. Segment-specific presentations are based on operational reporting data.

The Group’s external growth operations led to the following changes in scope:

- Oralia was integrated into the Services and Distribution Networks division with effect from 1 April 2014. The accounting and financial data presented below therefore consolidate Oralia’s results for one quarter.
- PERL, acquired on 28 May 2014, will be consolidated in the accounts of Nexity’s Residential real estate division starting only on 1 July 2014, and therefore had no impact on the H1 financial statements (aside from changes in financial assets and cash resulting from the acquisition of the 76.4% stake in PERL).

Revenue

Consolidated revenue for the first half of 2014 was €1,114.6 million, down 12.4% from first-half 2013.

€ millions	**H1 2014**	**H1 2013**	**Change %**
Residential real estate	735.1	804.1	-8.6%
Commercial real estate	104.8	244.5	-57.1%
Services and Distribution Networks	230.2	220.4	+4.5%
Other activities	44.4	2.7	NA
Total Group revenue*	**1,114.6**	**1,271.7**	**-12.4%**

** Revenue generated by the Residential and Commercial divisions (through VEFA off-plan sales and real estate development contracts) is calculated using the percentage-of-completion method, i.e. on the basis of notarised sales pro-rated to reflect the progress of committed construction costs.*

Residential real estate revenue was €735.1 million, down 8.6% from the same period in 2013. Recognised on a percentage-of-completion basis, it reflected the delayed impact of the decline in reservations-based revenue recorded some two years earlier (starting in late 2011 and continuing into 2012). Two other factors explain the decrease in residential revenue: construction starts on major developments, which take longer to deliver and therefore slow down the recognition of revenue; and the less sustained pace of sales activity.

In **Commercial real estate**, revenue for the half-year period (€104.8 million) was down, as expected, by 57.1% from the first half of 2013. Last year’s results were boosted by substantial contributions from the Solstys site (Paris, 8th arrondissement) and the T8 building, part of the “Paris Rive Gauche” urban planning programme (13th arrondissement). In the first half of 2014, structural work began on the division’s major ongoing developments, “Eco Campus” in Châtillon and “Le Nuovo” in Clichy (both in Hauts-de-Seine, Paris region), whose contribution to division revenue remained modest.

The **Services and Distribution Networks** division recognised revenue of €230.2 million, up 4.5% from the first half of 2013. Real estate services to individuals recorded €16.2 million in additional revenue from the consolidation of Oralia in the second quarter. Excluding Oralia, services revenue was down 3% due to attrition in the portfolio of units under management and the low level of brokerage operations achieved by Keops. Revenue from Distribution Networks was resilient at €15 million, showing a small increase of 1.6%.

Revenue from **Other activities** (€44 million) included non-recurring income from the Group's April 2014 disposal of its shares in the OPCI real estate investment fund that owns the Aviso building, located in Puteaux (Hauts-de-Seine, Paris region).

Operating profit

Nexity's operating profit in the first half of 2014 was €73.2 million (versus €85.3 million in the first half of 2013), with an almost completely stable operating margin of 6.6%.

€ millions		**H1 2014**	**H1 2013**
Residential real estate		58.6	63.9
	% of revenue	*8.0%*	*8.0%*
Commercial real estate		13.2	23.5
	% of revenue	*12.6%*	*9.6%*
Services and Distribution Networks		11.0	7.6
	% of revenue	*4.8%*	*3.4%*
Other activities		(9.6)	(9.8)
Operating profit		**73.2**	**85.3**
	% of revenue	***6.6%***	***6.7%***

The operating margin for the **Residential real estate** division held steady at 8.0%, the same level as the previous year. New homes in France delivered an improved operating margin of 9.1% versus 8.5% in first-half 2013, while the margin on subdivisions was down and operations outside France again contributed a net loss to the division's operating profit. In a challenging environment, the Group continued honing its cost management techniques to provide clients with a competitively priced offering in line with their disposable resources.

The **Commercial real estate** division's operating margin was pushed higher (12.6% versus 9.6% in first-half 2013) by some non-recurring items over the half-year period, namely a successful legal outcome and reversals of provisions on projects delivered in 2013.

The **Services and Distribution Networks** division turned in an operating profit of €11.0 million, versus €7.6 million at 30 June 2013, up 45.5% and corresponding to an operating margin of 4.8% (first-half 2013: 3.4%). Despite a weak half year in brokerage operations, profit from Services increased thanks to improved cost control and Oralia's contribution in the second quarter.

Profit from franchise operations was up (€1.2 million versus €1.0 million at 30 June 2013), essentially as a result of increased revenue providing better coverage of fixed costs.

Other activities generated an unchanged operating loss of €9.6 million. That included non-allocated holding company expenses, research and structuring costs incurred by Villes & Projets[7], profit from innovation start-ups, and IFRS expenses on share-based payments (totalling €4 million). The division's 80% divestment of its asset management arm (formerly Nexity REIM) and its exit from the Aviso OPCI fund did not significantly impact the Group's financial statements at 30 June 2014.

Net profit

€ millions	H1 2014	H1 2013
Revenue	**1,114.6**	**1,271.7**
Operating profit	**73.2**	**85.3**
Net financial income/(expense)	(6.3)	(2.5)
Corporate income tax	(27.0)	(32.6)
Dividend withholding tax (3%)	(3.2)	(3.2)
Share of profit from equity-accounted associates	0.4	0.0
Consolidated net profit	37.1	47.1
Net profit attributable to equity holders of the parent company	**35.1**	**45.1**

The Group's net financial expense was €6.3 million (compared to €2.5 million in the first half of 2013) mainly resulting from an increase in the average amount of debt it used, following a dual-tranche €171 million bond issue in April 2014 and a €180 million convertible issue in June 2014, as well as the lower interest rates earned by its cash holdings.

Nexity's tax expense for the first half of 2014 included €3.2 million in additional 3% dividend tax and €27.0 million in corporate income tax. Excluding the dividend tax, Nexity's effective tax rate for the half-year period was 40.4%, the same as in full-year 2013.

The net profit attributable to shareholders of the Nexity parent company was €35.1 million for the period (H1 2013: €45.1 million).

Working capital requirement

€ millions	30 June 2014	31 Dec. 2013	Change in €m
Residential real estate	598	533	+65
Commercial real estate	(51)	(71)	+20
Services and Distribution Networks	(58)	(52)	-5
Other activities	93	80	+13
Operating WCR	**583**	**490**	**+93**
Corporate income tax	25	(12)	+37
Total WCR	**608**	**478**	**+130**

Nexity's working capital requirement increased by €130 million in the first half of the year, to €608 million at 30 June 2014 (year-end 2013: €478 million).

In the Residential real estate division, WCR increased by €65 million, notably due to greater amounts of work in progress and the slower pace of sales activity.

[7] Revenue and operating profit from operations initiated by Villes & Projets are recognised in the Residential and Commercial real estate divisions.

The Commercial real estate division's WCR remained negative (-€51 million at 30 June 2014) as a result of client advances received on transaction signings.

Working capital requirement under Other activities arise mainly from Villes & Projets urban regeneration projects and from investment operations. The €13 million increase this half-year period was primarily due to a one-off impact on the holding company (intra-Group trade receivables). The substantial increase in tax-related WCR (up €37 million) was not of a recurring nature.

Financial structure

Nexity's consolidated equity (attributable to parent company shareholders) was €1,555 million at 30 June 2014, compared to €1,612 million at 31 December 2013, mainly after €108 million in dividends paid and the inclusion of net profit for the half-year period (€35 million attributable to parent company shareholders).

Nexity had a consolidated net debt position of €207 million at 30 June 2014, as opposed to a net cash position of €252 million at 31 December 2013. The difference between the change in WCR on the statement of financial position (€93 million) and the change in WCR on the cash flow statement (€98.3 million) is because of the scope of consolidation, which was altered by the Oralia acquisition and other items. The €459 million reduction in net cash is the result of a combination of several factors: external growth costs (€266 million) and the increase in Group WCR (€98 million) were the main reasons, in addition to dividend payments (€108 million), taxes (€59 million) and operating investments (€17 million). As a whole, these outlays were only partially offset by cash flow from operating activities before financial and tax expenses, which came to €76.1 million.

€ millions	**H1 2014**	**H1 2013**
Cash flow from operating activities before financial and tax expenses	76.1	86.7
Change in operating WCR *	(98.3)	(102.7)
Interest and tax payments	(59.2)	(13.8)
Net cash from (used in) operations	**(81.4)**	**(29.7)**
Net cash from (used in) operating investments	(17.4)	(5.5)
Free cash flow	**(98.8)**	**(35.2)**
Net cash from (used in) financial investing activities	(196.3)	(0.5)
Dividends paid	(108.1)	(106.6)
Net cash from (used in) financing activities, excluding dividends	326.7	227.8
Change in cash and cash equivalents	**(76.5)**	**85.4**

* *Excluding changes in scope*

At 30 June 2014, the Group had authorisations from banks to borrow up to €695 million, including available facilities of €285 million on its corporate credit lines (undrawn). The Group had drawn down €171 million of its authorised credit at 30 June 2014.

€ millions	**30 June 2014**	**31 Dec. 2013**	**Change in €m**
Bond issues (and accrued interest)	533.8	199.0	+334.8
Bank borrowings[8]	171.2	123.4	+47.8
Other financial borrowings and other financial receivables	5.2	5.4	-0.2
Net cash and cash equivalents	(503.3)	(579.8)	+76.5
Net debt/(cash) position	**206.9**	**(252.1)**	**+459.0**

In first-half 2014 the Group issued[9] a €171 million bond in two tranches of 6 and 7 years paying respective annual coupon rates of 3.252% and 3.522%, as well as OCEANE convertibles redeemable in January 2020 for a total principal of €180 million and paying an annual coupon rate of 0.625%.

The Group was in compliance with all of the financial covenants attached to its borrowings and lines of credit as of 30 June 2014.

[8] Includes IFRS restatements (fair value adjustment of derivatives).
[9] See press releases dated 29 April and 12 June 2014.

BACKLOG – ORDER BOOK AT 30 JUNE 2014

€ millions, excluding VAT	**30 June 2014**	**31 Dec. 2013**	**Change %**
Residential real estate – New homes *	2,617	2,604	0%
Residential real estate – Subdivisions	259	265	-2%
Residential real estate backlog	**2,876**	**2,869**	**0%**
Commercial real estate backlog	430	486	-12%
Total Group backlog	**3,306**	**3,355**	**-1%**

** including outside France and Iselection*

The Group's total order backlog at 30 June 2014 was €3.3 billion, down slightly from year-end 2013 and equivalent to 19 months' revenue from development operations[10]. Order backlog for the Residential real estate division at 30 June 2014 was €2.9 billion, remaining stable compared to 31 December 2013.

OUTLOOK FOR 2014[11]

- Residential: business volume of around 10,000 net reservations, comparable to 2013, in a tough market, with recovery expected from 2015
- Commercial: order intake of at least €100 million
- Consolidated revenue for 2014 expected to exceed €2.5 billion
- Current operating profit target for 2014 of at least €170 million
- Based on its outlook, Nexity will consider proposing to its shareholders the renewal of a €2 per share dividend in 2015.

[10]Revenue basis – previous 12-month period.
[11]The outlook for 2014 was prepared using financial data and indicators from Nexity's operational reporting, with joint ventures proportionately consolidated. It does not include the impact of the PERL acquisition or the potential impact of housing stimulus policies.

FINANCIAL CALENDAR & PRACTICAL INFORMATION

A **conference call** on H1 2014 business activity and results will take place in English on Thursday, 24 July 2014 at 19.00 CET. To participate, dial one of the following numbers:

- Calling from France	+33 (0)1 76 77 22 20	Code: 7828907
- Calling from the rest of Europe	+44 (0) 20 3427 1916	Code: 7828907
- Calling from the USA	+1 212 444 0481	Code: 7828907

The presentation accompanying the conference call may be viewed at the following address:
http://www.media-server.com/m/p/7u6g2gjq

The presentation will be available on the Group's website starting on 24 July 2014 at 18:45 CET.

9M 2014 revenue and business activity: Wednesday, 29 October 2014

Investor Day 2014: November 2014 (date to be announced in early September)

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 Section 4 of the Document de Référence, filed with the AMF under number D.14-0304 on 8 April 2014 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.

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ANNEXES

ANNEX 1: FINANCIAL INFORMATION

IFRS 11 Joint Arrangements, which is required to be applied as of 1 January 2014, states that "joint ventures" must be accounted for using the equity method (whereas before they could be proportionately consolidated). Nexity's joint ventures are mainly co-development vehicles in Residential and Commercial real estate. For operational reporting and management purposes, Nexity continues to apply proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group's performance and risks as measured by revenue, operating profit, working capital and debt. Segment-specific presentations are based on operational reporting data.

CONSOLIDATED INCOME STATEMENT* 30 JUNE 2014

(€ thousands)	**30/06/2014**	**30/06/2013**
Revenue	**1,114,554**	**1,271,734**
Purchases	(695,770)	(854,279)
Personnel costs	(215,518)	(206,892)
Other operating expenses	(105,048)	(100,645)
Taxes other than income tax	(16,380)	(17,448)
Depreciation and amortisation	(8,615)	(7,210)
Operating profit/(loss)	**73,223**	**85,260**
Financial expense	(9,529)	(8,408)
Financial income	3,251	5,943
Net financial income/(expense)	**(6,278)**	**(2,465)**
Pre-tax recurring profit	**66,945**	**82,795**
Corporate income tax	(30,281)	(35,757)
Share of profit/(loss) from equity-accounted associates	405	50
Consolidated net profit/(loss)	**37,069**	**47,088**
Net profit/(loss) attributable to equity holders of the parent company	**35,077**	**45,053**
Net profit/(loss) attributable to non-controlling interests – minority interests	1,992	2,035

* According to IFRS but with joint ventures proportionately consolidated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION* 30 JUNE 2014

ASSETS *(€ thousands)*	**30/06/2014**	**31/12/2013**
Non-current assets		
Goodwill	1,061,857	917,147
Other intangible assets	62,642	45,299
Property, plant and equipment	40,188	24,615
Equity-accounted investments	25,558	26,876
Other financial assets	133,821	20,286
Deferred tax assets	5,637	4,748
Total non-current assets	**1,329,703**	**1,038,971**
Current assets		
Inventories and work in progress	1,366,766	1,357,646
Trade and other receivables	329,398	342,570
Tax accounts receivable	30,343	534
Other current assets (1)	996,294	828,715
Other financial receivables	13,165	12,766
Cash and cash equivalents	524,819	605,713
Total current assets	**3,260,785**	**3,147,944**
TOTAL ASSETS	**4,590,488**	**4,186,915**
(1) *of which, client working capital accounts (Services)*	*607,396*	*485,829*

* According to IFRS but with joint ventures proportionately consolidated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION* 30 JUNE 2014

LIABILITIES AND EQUITY *(€ thousands)*	**30/06/2014**	**31/12/2013**
Equity		
Share capital	270,215	267,883
Additional paid-in capital	1,037,015	1,039,347
Treasury shares		
Reserves and retained earnings	212,427	204,746
Net profit/(loss) for the period	35,077	100,115
Equity attributable to equity holders of the parent company	**1,554,734**	**1,612,091**
Non-controlling interests – minority interests	22,655	20,703
Total equity	**1,577,389**	**1,632,794**
Non-current liabilities		
Long-term loans and borrowings	590,464	211,408
Employee benefits	28,112	25,868
Deferred tax liabilities	34,674	15,809
Total non-current liabilities	**653,250**	**253,085**
Current liabilities		
Short-term borrowings, financial and operating liabilities (1)	154,441	155,015
Current provisions	90,775	94,821
Trade and other payables	670,333	746,068
Current tax liabilities	4,738	12,088
Other current liabilities (2)	1,439,562	1,293,044
Total current liabilities	**2,359,849**	**2,301,036**
TOTAL LIABILITIES AND EQUITY	**4,590,488**	**4,186,915**
(1) of which, bank overdrafts	*21,542*	*25,956*
(2) of which, client working capital accounts (Services)	*607,396*	*485,829*

* According to IFRS but with joint ventures proportionately consolidated.

REVENUE* BY DIVISION

RESIDENTIAL REAL ESTATE

€ millions	H1 2014	H1 2013	Change %
New homes	651.9	700.5	-6.9%
Subdivisions	51.0	61.3	-16.7%
International	32.1	42.3	-24.1%
Residential real estate	**735.1**	**804.1**	**-8.6%**

COMMERCIAL REAL ESTATE

€ millions	H1 2014	H1 2013	Change %
Commercial real estate	**104.8**	**244.5**	**-57.1%**

SERVICES AND DISTRIBUTION NETWORKS

€ millions	H1 2014	H1 2013	Change %
Services	215.4	205.8	4.7%
Distribution Networks	14.8	14.6	1.6%
Services and Distribution Networks	**230.2**	**220.4**	**4.5%**

QUARTERLY PROGRESSION OF REVENUE* BY DIVISION

	2014		2013				2012			
€ millions	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Residential real estate	394.4	340.7	636.2	391.8	440.0	364.1	654.7	404.7	399.2	396.8
Commercial real estate	49.4	55.4	97.5	111.4	130.5	114.0	204.3	126.2	105.2	81.8
Services and Distribution Networks	123.6	106.6	115.2	109.9	113.0	107.4	120.0	112.8	112.1	107.8
Other activities	42.5	1.9	1.7	1.8	1.6	1.1	1.3	1.7	1.2	1.4
Revenue	**610.0**	**504.6**	**850.6**	**614.9**	**685.2**	**586.5**	**980.2**	**645.6**	**617.6**	**587.9**

* According to IFRS but with joint ventures proportionately consolidated.

OPERATING PROFIT/(LOSS)* BY DIVISION

RESIDENTIAL REAL ESTATE

€ millions	H1 2014	H1 2013	Change %
New homes	59.2	59.5	-0.5%
% of revenue	9.1%	8.5%	
Subdivisions	2.3	5.0	-55.1%
% of revenue	4.4%	8.2%	
International	(2.8)	(0.6)	na
Residential real estate	**58.6**	**63.9**	**-8.3%**
% of revenue	**8.0%**	**8.0%**	

COMMERCIAL REAL ESTATE

€ millions	H1 2014	H1 2013	Change %
Commercial real estate	**13.2**	**23.5**	**-44.0%**
% of revenue	***12.6%***	***9.6%***	

SERVICES AND DISTRIBUTION NETWORKS

€ millions	H1 2014	H1 2013	Change %
Services	9.8	6.6	49.4%
% of revenue	*4.6%*	*3.2%*	
Distribution Networks	1.2	1.0	20.2%
% of revenue	*8.2%*	*7.0%*	
Services and Distribution Networks	**11.0**	**7.6**	**45.5%**
% of revenue	***4.8%***	***3.4%***	

OTHER ACTIVITIES

€ millions	H1 2014	H1 2013	Change %
Other activities	**(9.6)**	**(9.8)**	**ns**

* According to IFRS but with joint ventures proportionately consolidated.

ANNEX 2: STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT (IFRS)

CONSOLIDATED INCOME STATEMENT 30 JUNE 2014

(€ thousands)	30/06/2014 6 months	30/06/2013 6 months restated *
Revenue	**977,641**	**1,172,738**
Purchases	(571,665)	(774,906)
Personnel costs	(215,508)	(206,861)
Other operating expenses	(106,029)	(99,590)
Taxes other than income tax	(15,647)	(17,091)
Depreciation and amortisation	(8,615)	(7,210)
Operating profit/(loss)	**60,177**	**67,080**
Financial expense	(9,039)	(7,845)
Financial income	3,108	6,065
Net financial income/(expense)	**(5,931)**	**(1,780)**
Pre-tax recurring profit	**54,246**	**65,300**
Corporate income tax	(25,418)	(28,201)
Share of profit/(loss) from equity-accounted associates	8,241	9,989
Consolidated net profit/(loss)	**37,069**	**47,088**
Net profit/(loss) attributable to equity holders of the parent company	**35,077**	**45,053**
Net profit/(loss) attributable to non-controlling interests – minority interests	1,992	2,035

* 2013 data have been restated to account for joint ventures in accordance with IFRS 11.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 JUNE 2014

ASSETS *(€ thousands)*	**30/06/2014**	**31/12/2013 restated** *
Non-current assets		
Goodwill	1,061,857	917,147
Other intangible assets	62,642	45,299
Property, plant and equipment	40,188	24,615
Equity-accounted investments	55,689	64,906
Other financial assets	133,821	20,286
Deferred tax assets	4,454	3,677
Total non-current assets	**1,358,651**	**1,075,930**
Current assets		
Inventories and work in progress	1,288,535	1,220,042
Trade and other receivables	291,105	305,761
Tax accounts receivable	32,496	413
Other current assets	963,742	793,095
Other financial receivables	81,681	89,555
Cash and cash equivalents	418,652	498,584
Total current assets	**3,076,211**	**2,907,450**
TOTAL ASSETS	**4,434,862**	**3,983,380**

LIABILITIES AND EQUITY *(€ thousands)*	**30/06/2014**	**31/12/2013 restated** *
Equity		
Share capital	270,215	267,883
Additional paid-in capital	1,037,015	1,039,347
Treasury shares		
Reserves and retained earnings	212,426	204,746
Net profit/(loss) for the period	35,077	100,115
Equity attributable to equity holders of the parent company	**1,554,733**	**1,612,091**
Non-controlling interests – minority interests	22,655	20,703
Total equity	**1,577,388**	**1,632,794**
Non-current liabilities		
Long-term loans and borrowings	590,464	211,408
Employee benefits	28,112	25,868
Deferred tax liabilities	21,847	3,917
Total non-current liabilities	**640,423**	**241,193**
Current liabilities		
Short-term borrowings, financial and operating liabilities	150,937	125,699
Current provisions	89,569	93,368
Trade and other payables	634,488	705,539
Current tax liabilities	3,016	10,874
Other current liabilities	1,339,041	1,173,913
Total current liabilities	**2,217,051**	**2,109,393**
TOTAL LIABILITIES AND EQUITY	**4,434,862**	**3,983,380**

* 2013 data have been restated to account for joint ventures in accordance with IFRS 11.