



Q1 2015 BUSINESS ACTIVITY AND REVENUE¹

Paris, Tuesday 28 April 2015

Robust business activity, especially in new homes

- Residential real estate: 2,234 net new home reservations in France, up 23% from Q1 2014. Reservations up 20% by value at €425 million including VAT
- Commercial real estate: €23 million in new orders in the quarter, full-year target confirmed
- Real estate services to individuals: stable portfolio of units under management
- Group backlog at end March: €3.2 billion (18 months' revenue from development activities²)
- Q1 revenue of €569 million, up 13% from Q1 2014³

Outlook for 2015 confirmed

- Residential: Nexity market share to be maintained at around 12% in a French new homes market estimated to grow slightly at 90,000-95,000 units
- Commercial: order intake of at least €200 million
- Consolidated revenue target for 2015: around €2.75 billion
- Current operating profit target for 2015: around €200 million (up 10%), after €20 million annual investment in innovation projects focused on digital transformation
- Confirmation of a dividend payment of €2 per share in 2015 and 2016⁴

¹ The financial data and indicators used in this press release are based on Nexity's operational reporting, with joint ventures proportionately consolidated

² Revenue basis – previous 12-month period

³ up 7% excluding changes in scope: Oralia has been consolidated with effect from 1 April 2014 and PERL with effect from 1 July 2014

⁴ Pending decision of Nexity's Board of Directors and approval at the General Shareholders' Meeting



Alain Dinin, Chairman and CEO of Nexity, commented:

"The most striking feature of this year so far has been the ultra-low interest rates implemented by monetary authorities and seemingly set to last. Such low rates make real estate assets (both commercial and residential) more attractive to investors. Under these circumstances 2015 appears to be marking the start of a recovery in France's housing market, which is encouraging after four consecutive years of decline. Activity over the first few months of the year has shown individual investors returning to the market, triggering a significant jump in sales in a number of major regional cities, while the Paris region remains sluggish and home purchases stagnate – a sign that the real economy is cut off from the optimism currently prevailing in financial circles.

With institutional investors likely to step up their activities throughout the year, 2015 looks set to be better than last year, in line with Nexity's expectations (predicted volumes in the French residential market of 90,000-95,000 in 2015, as compared with 85,800 in 2014).

On the supply side, despite encouraging language from the public authorities, considerable impediments remain. The permanence of heavy constraints and obstacles to land development makes it impossible to anticipate a rapid rise in new home construction at the level required to satisfy demand.

Against this backdrop, Nexity has delivered strong sales performance, with reservations up more than 20% year on year. Our business development nevertheless remains selective, with a cautious policy on new launches and a focus on profitability. The Group's other businesses are also performing in line with their sales targets.

Nexity confirms all the guidance given to the market at the beginning of the year, and all our staff are working very hard in 2015 to improve the Group's sales and financial performance as well as its innovation strategy, for the benefit of our clients, partners and shareholders."



Business activity in Q1 2015

Residential real estate

Mortgage rates continued to decline in France, driven by a decrease in the cost of funds and banks' desire to stimulate demand. The difference in interest rates between year-end 2013 (3.08% on average in December 2013) and Q1 2015 (2.16% on average in March 2015)⁵ equates to a fall in new home prices of around 8%⁶.

<i>Reservations (units and €m)</i>	Q1 2015	Q1 2014	Change %
New homes (France, number of units)	2,234*	1,815	+23.1%
Subdivisions (number of units)	321	326	-1.5%
International (number of units)	14	3	x4.7
Total reservations (number of units)	2,569	2,144	+19.8%
New homes (France, in €m incl. VAT)	425**	353	+20.4%
Subdivisions (€m incl. VAT)	23	29	-20.8%
International (€m incl. VAT)	2	-2	NA
Total reservations (€m incl. VAT)	450	380	+18.5%

*including 184 net reservations for PERL

**of which €44 million generated by PERL

■ New homes

In the first quarter of 2015, the Group recorded 2,234 net new home reservations in France, a 23% year-on-year increase by volume, while in value terms the expected revenue from those reservations was up 20% (€425 million including VAT) on account of a larger proportion of reservations in the French regions this year (65% as opposed to 53% in the first quarter of 2014), where the average selling price is lower than in and around the capital. On a like-for-like basis the net number of new home reservations grew 13% by volume and 8% by value.

The first quarter stood out by virtue of very significant growth in sales to individual investors (up 72%)⁷. As Nexity expected, this increase was driven by the introduction and strong reception of the "Pinel" scheme, more favourable than its predecessor. The impact of the change in tax regime was particularly favourable to a number of regional markets that crossed into different supply-constraint zoning brackets, enabling an increase in the amount of rent investors could charge.

Despite competitive interest rates, the number of home buyers decreased due to the still fragile state of the French economy (no growth in incomes, high unemployment). The situation was possibly aggravated in the Paris region by the reform of PTZ interest-free lending.

Reservations by professional landlords were up 3%. Pending the issue of building permits, no reservations by SNI were recorded in the first quarter under the preliminary agreement for 569 housing units.

⁵ Source: Observatoire Crédit Logement – rates for new-build purchases

⁶ All other things being equal

⁷ +43% excluding PERL



<i>Breakdown of new home reservations by client – France (number of units)</i>	Q1 2015		Q1 2014		Change %
Home buyers	592	27%	642	35%	-7.8%
o/w: - first-time buyers	471	21%	498	27%	-5.4%
- other home buyers	121	6%	144	8%	-16.0%
Individual investors	1,079	48%	627	35%	+72.1%
Professional landlords	563	25%	546	30%	+3.1%
Total new home reservations	2,234	100%	1,815	100%	+23.1%

In Q1 2015, the average price of residential units reserved by Nexity's individual clients⁸ was down 9.0% relative to Q1 2014, due to the geographic mix of sales and to the customer mix (individual investors, who on average purchase smaller units than owner-occupiers, were more widely represented this quarter).

<i>Average sale price & floor area*</i>	Q1 2015	Q1 2014	Change
Average home price incl. VAT per sq.m (€)	3,703	3,879	-4.6%
Average floor area per home (sq.m)	55.5	58.2	-4.6%
Average price incl. VAT per home (€k)	205.7	226.0	-9.0%

* excluding bulk sales, lselection and PERL

Nexity has continued its policy of controlled commercial launches, with the number of units placed on the market in the first quarter⁹ stable at 1,155. The unsold completed stock of new residential units remained very low (2%) and stable relative to the end of March 2014. The average level of pre-selling recorded at the time construction work was launched remains high (65% on average).

At end March 2015 the business potential¹⁰ for new homes was up 12% from end March 2014, and up 6% from end December 2014, at 26,250 units.

■ Subdivisions

Subdivision reservations totalled 321 units, down 2% relative to the first quarter of 2014, with the average price of net reservations from individuals falling 4% to €78k due to a decrease in the average price per square metre (down 1.2%) and the average unit size (down 2.6%).

⁸ Excluding bulk sales to professional landlords, and lselection and PERL sales

⁹ Excluding PERL and lselection for all data relative to selling, supply for sale and business potential

¹⁰ 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.



■ International

Nexity recorded 14 international new home reservations in the first quarter of 2015, of which 11 in Poland and three in Italy. In Italy, Nexity's announced policy of risk mitigation is being implemented.

Commercial real estate

Transaction volumes in the French commercial real estate market in the first quarter of 2015 totalled €4.3 billion, up 10% relative to the first quarter of 2014¹¹, driven by French and foreign investor appetite for real estate assets. In a reflection of this trend, investors began showing renewed interest in "speculative" VEFA off-plan arrangements in Paris and its inner suburbs.

For the same period, space taken up in the Paris region (372,500 sq.m) was down 27% relative to the first quarter of 2014 and 33% below the average first quarter volume for the past ten years¹¹.

There was thus a visible disconnect between investor demand and end-user demand, which could raise questions for the real estate outlook in France if it continues.

Nexity booked new orders totalling €23 million in the first quarter of 2015. Given its portfolio of projects at the advanced start-up or marketing phases, the Group's target of achieving new orders of at least €200 million in the year is confirmed.

Services and Networks

In **Real estate services**, the portfolio of units under management for individuals (933,300 units at 31 March 2015) remained stable relative to end December 2014.

In real estate services to companies, the volume of units under management totalled 12 million sq.m at 31 March 2015, up 2.4% from end 2014.

In **Networks**, the number of provisional sale agreements (*compromis*) recorded in the first quarter by Century 21 and Guy Hoquet l'Immobilier was up 1% relative to the same period a year earlier, despite a decrease in the number of franchises (1,221 agencies at end March 2015 versus 1,265 at end March 2014).

Urban regeneration (Villes & Projets)

For end March 2015, at 557,800 sq.m¹², the land development potential of Nexity's urban regeneration business (Villes & Projets) remained nearly stable relative to year-end 2014 (down 1%). No additions to the portfolio were recorded in the first quarter.

¹¹ Source: CBRE

¹² Floor areas are provided for information purposes only and may be subject to adjustment once administrative authorisations have been obtained



Revenue

In the first quarter of 2015, Nexity recorded **revenue** of €569 million, up 13% relative to the first quarter of 2014. This €64 million increase was mainly driven by the increase in revenue recognised by the Commercial division (up €30 million from the first quarter of last year) and by the acquisitions completed in 2014 (addition of €29 million for Oralia and PERL).

€ millions	Q1 2015	Q1 2014	Change %
Residential real estate	360.5	340.7	+5.8%
Commercial real estate	85.7	55.4	+54.7%
Services & Networks	121.5	106.6	+14.0%
Other activities	1.0	1.9	-46.3%
Total Group revenue*	568.7	504.6	+12.7%

* Revenue generated by the Residential and Commercial divisions (through VEFA off-plan sales and CPI 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 totalled €361 million, up 6% relative to the same period in 2014. This increase reflects a favourable base effect arising from the first quarter of 2014. PERL posted revenue of €25 million in the quarter, of which only €13 million was included in Nexity's revenue after accounting for restatements in the opening statement of financial position and remeasurements of assets and liabilities to fair value. Excluding changes in scope, revenue for the division was up 2% (up 4% in France after accounting for a €7 million decrease in international revenue).
- In **Commercial real estate**, continuing the trend seen in the fourth quarter of 2014 of a ramp-up in major developments initiated in 2013, including in particular "Eco Campus" in Châtillon (Hauts-de-Seine) and "Le Nuovo" in Clichy (Hauts-de-Seine), first quarter revenue was up 55% at €86 million.
- The **Services and Networks** division recognised revenue of €121 million, up 14% relative to the first quarter of 2014. This increase was driven by additional revenue arising from the consolidation of Oralia (€15 million). Excluding Oralia, revenue from Real estate services to individuals was down 2.1%.
- Revenue from **Other activities** (€1 million) takes into account rents received in connection with the Group's investment activities.

In IFRS terms, revenue for the first quarter of the year was €528 million, up 16% relative to consolidated revenue of €454 million to 31 March 2014. This figure excludes revenue from joint ventures, in accordance with IFRS 11, which requires joint ventures to be accounted for via the equity method instead of proportionately consolidated as they were before.



Backlog – Order book at 31 March 2015

€ millions, excluding VAT	31 March 2015	31 Dec. 2014	Change %
Residential real estate – New homes *	2,608	2,591	+0.6%
Residential real estate – Subdivisions	235	243	-3.3%
Residential real estate backlog	2,843	2,834	+0.3%
Commercial real estate backlog	389	449	-13.3%
Total Group backlog	3,232	3,283	-1.6%

* including outside France

The Group's order book at end March 2015 stood at €3.232 billion, slightly down relative to end 2014 and equivalent to 18 months' revenue from Nexity's development activities¹³.

Financial calendar and practical information

- General Shareholders' Meeting Tuesday, 19 May 2015
- 2014 dividend, subject to approval at the General Meeting:
 - Ex-dividend date Monday, 25 May 2015
 - Payment date Wednesday, 27 May 2015
- H1 2015 results Thursday, 23 July 2015

A **conference call** on the Group's revenue and business activity in Q1 2015 will be held in English at 19:00 CET on Tuesday, 28 April 2015, accessible by dialling the following numbers and using the code 1085986:

- Calling from France + 33 (0) 1 76 77 22 20
- Calling from the rest of Europe + 44 (0) 203 427 1900
- Calling from the USA + 1 646 254 3367

The presentation referred to in the conference call will be available via the Group's website from 18:45 CET, and may be followed at the following address: <http://edge.media-server.com/m/p/b8opii96>

A recording of the conference call will be available from the next day at the following link: <http://www.nexity.fr/immobilier/groupe/finance/slides-show/webcast>.

¹³ Revenue basis – previous 12-month period



Disclaimer

The information, assumptions and estimates that the Company could reasonably use to determine its targets 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.15-0297 on 8 April 2015, could have an impact on the Group's operations and the Company's ability to achieve its targets. Accordingly, the Company cannot give any assurance as to whether it will achieve the targets 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.

AT NEXITY, WE AIM TO SERVE ALL OUR CLIENTS AS THEIR REAL ESTATE NEEDS EVOLVE

Nexity offers the widest range of advice and expertise, products, services and solutions for private individuals, companies and local authorities, so as to best meet the needs of our clients and respond to their concerns.

Our business lines – real estate brokerage, management, design, development, planning, advisory and related services – are now optimally organised to serve and support our clients.

As the benchmark operator in our sector, we are resolutely committed to all of our clients, but also to the environment and society as a whole.

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

Nexity is included in the following indices: SBF 80, SBF 120, CAC Mid 60, CAC Mid & Small and CAC All Tradable

Ticker symbol: NXI; Reuters: NXI.PA; Bloomberg: NXI FP

ISIN: FR0010112524

CONTACT

Amélie Laroche-Truong – Head of Investor Relations / +33 (0)1 85 55 15 49 – investorrelations@nexity.fr



APPENDICES

APPENDIX 1: RESERVATIONS BY QUARTER¹⁴

	2015	2014				2013			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>Number of units</i>									
New homes	2,234	3,653	2,175	2,722	1,815	3,581	2,099	2,781	1,660
of which PERL	184	222	123						
Subdivisions	321	836	395	547	326	765	448	521	370
International	14	7	73	10	3	19	26	41	11
Total (number of units)	2,569	4,496	2,643	3,279	2,144	4,365	2,573	3,343	2,041
<i>Value, in €m incl. VAT</i>									
New homes	425	677	419	475	353	654	438	546	327
of which PERL	44	58	29						
Subdivisions	23	63	29	42	29	64	39	40	27
International	2	2	10	1	-2	2	7	12	5
Total (€m incl. VAT)	450	742	458	518	380	720	484	598	359

¹⁴ Following an error in the breakdown between Q3 and Q4 2014 of PERL reservations in the 2014 annual results disclosure (press release dated 17 February 2015), the "New homes" and "Total" number of units lines have been corrected.



APPENDIX 2: REVENUE¹⁵

Revenue by division

€ millions	Q1 2015	Q1 2014	Change %
New homes	325.2	298.9	+8.8%
Subdivisions	25.5	24.9	+2.2%
International	9.8	16.9	-42.0%
Residential real estate	360.5	340.7	+5.8%
Commercial real estate	85.7	55.4	+54.7%
Services	113.6	99.2	+14.5%
Networks	7.9	7.4	+7.4%
Services & Networks	121.5	106.6	+14.0%
Other activities	1.0	1.9	-46.3%
GROUP	568.7	504.6	+12.7%

Quarterly progression of revenue by division

€ millions	2015	2014				2013			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Residential real estate	360.5	672.4	425.2	394.4	340.7	636.2	391.8	440.0	364.1
Commercial real estate	85.7	104.6	58.2	49.4	55.4	97.5	111.4	130.5	114.0
Services & Networks	121.5	131.2	122.9	123.6	106.6	115.2	109.9	113.0	107.4
Other activities	1.0	1.4	1.4	42.5	1.9	1.7	1.8	1.6	1.1
GROUP	568.7	909.6	607.7	610.0	504.6	850.6	614.9	685.2	586.5

¹⁵ According to IFRS but with joint ventures proportionately consolidated