



Q1 2016 BUSINESS ACTIVITY AND REVENUE

Paris, Wednesday, 27 April 2016

Robust levels of business, especially in new homes

- Residential real estate: 2,947 net new home reservations in France, up 35% from Q1 2015. Reservations up 29% by value to €536 million including VAT
- Commercial real estate: €44 million in new orders
- Group backlog: €3.4 billion (up 2%), i.e. 16 months' revenue from development activities¹
- Revenue: €622 million, up 9% from Q1 2015

Outlook for 2016 confirmed

- External growth: acquisition of a majority stake in Groupe Edouard Denis
- Growth in Nexity's new home reservations, consistent with estimated French market volume of around 110,000 reservations for 2016 (versus 102,500 in 2015)
- Order intake in Commercial real estate of about €250 million
- 2016 revenue: stable, around €3 billion
- 2016 current operating profit target: at least €235 million (up 7%)
- Proposed dividend per share up 10% (€2.20) for 2016² and 2017³

The financial data and indicators used in this press release – including forward-looking information – are based on Nexity's operational reporting, with joint ventures proportionately consolidated. All indicators are exclusive of Edouard Denis.

¹ Revenue basis – previous 12-month period

² See the proposed resolutions for Nexity's Shareholders' Meeting of 31 May 2016, adopted by the Board of Directors on 12 May 2016

³ Pending the decision of Nexity's Board of Directors and approval at the Shareholders' Meeting



Alain Dinin, Chairman and CEO of Nexity, commented:

“The gradual recovery of the French residential market, which began in 2015, continued over the first quarter of 2016. This recovery was rooted in the continuation of factors at play in 2015 (very low interest rates, the Pinel scheme) and the new PTZ interest-free loan scheme’s immediate success upon implementation. The announcements made by France’s president on 8 April 2016 (on extending the Pinel scheme until end-2017 and expanding assistance for low-income homebuyers) helped improve visibility for the real estate industry and clients alike. All the pieces are in place for the market to pick up again, and all signs point to the French residential market continuing to grow in 2016 (growth estimated by Nexity: 5% to 10%, closer to the upper end of the range), and once again in 2017. On a less positive note, administrative burdens continue to weigh on the structuring of development projects, reflected in particular by the persistently sluggish pace of the pickup in building permits.

National statistics are not yet available but should confirm that the new home market is well on track, with Nexity’s first-quarter new home reservations growing by 35%. However, this high growth rate should be put into perspective: first of all, first-quarter trends cannot be extrapolated to the entire year; secondly, this growth reflects a catch-up effect from the end of 2015.

It goes without saying that Nexity continues to carefully monitor the medium-term risks that may affect the housing market (macroeconomic, geopolitical and banking risks), and has also adopted a prudent approach to the commercial real estate market, while being especially vigilant as to the proper correlation of asset values and changes in end-user take-up (in volume and value of rents).

Lastly, Nexity is continuing to pursue the digital transformation of its businesses and the development of its distribution methods, as reflected for example by its 40% investment in Bien’ici, a new website launched by real estate professionals.

To sum up, Nexity has entered 2016 with confidence, and confirms all the targets and guidance shared with the market for the year, as well as its medium-term target of €300 million in current operating profit for 2018.”



Business activity in Q1 2016

Residential real estate

Mortgage rates continued to decline in France, benefiting from an abundance of under-earning monetary resources, and with the ECB offering even better refinancing terms. As a result, in March 2016, mortgage rates averaged 1.97% (2.12% in the new-build market), their lowest level since the end of the 1940s.

<i>Reservations (units and €m)</i>	Q1 2016	Q1 2015	Change %
New homes (France)	2,947	2,187	+34.8%
Subdivisions	417	321	+29.9%
International	73	14	x 5.2
Total reservations (number of units)	3,437	2,522	+36.3%
New homes (France)	536	415	+29.3%
Subdivisions	32	23	+37.9%
International	13	2	x 6.4
Total reservations (€m incl. VAT)	581	440	+32.2%

- New homes

In the first quarter of 2016, the Group recorded 2,947 net new home reservations in France, up 35% by volume and 29% by value year on year.

The first quarter stood out by virtue of very significant growth in all client segments.

Reservations made by first-time buyers were up 39% with respect to Q1 2015, following the application of the new PTZ interest-free loan scheme, in effect since 1 January 2016, which can now finance up to 40% of the property price, versus the previous maximum limit of 26%. At end-March 2016, 67% of first-time buyers took out a PTZ interest-free loan to finance their Nexity home (63% in Q1 2015).

Reservations with individual investors also surged in Q1 2016 (up 28% with respect to Q1 2015), driven by the Pinel scheme, which remained very attractive. This trend should continue, following the French government's announcement that the scheme will be extended until the end of 2017.

Reservations by professional landlords were up 32%, with an increase in transaction size (33 units per transaction on average in Q1 2016, versus 29 units on average in Q1 2015). All of these reservations were placed by social housing operators (whereas in the first quarter of 2015, 20% of reservations were transacted with institutional investors).



<i>Breakdown of new home reservations by client – France (number of units)</i>		Q1 2016		Q1 2015		Change %
Homebuyers		885	30%	592	27%	+49.5%
	<i>o/w: - first-time buyers</i>	653	22%	471	22%	+38.6%
	<i>- other homebuyers</i>	232	8%	121	5%	+90.6%
Individual investors		1,317	45%	1,032	47%	+27.6%
Professional landlords		745	25%	563	26%	+32.3%
Total new home reservations		2,947	100%	2,187	100%	+34.8%

At end-March 2016, the average price of residential units reserved by Nexity's individual clients⁴ was up 2% relative to end-March 2015, due to a 2% increase in average floor area (since the proportion of homebuyers, who on average purchase larger units than individual investors, grew more than the latter group over the quarter), with the average price per square metre remaining stable in the first quarter of 2016 with respect to the first quarter of 2015. Given this virtually flat trend in retail prices for property developed under the Nexity brand, the weaker increase in value terms than in volume for reservations of new homes during the first quarter of 2016 is explained by the decrease in average sale prices at PERL and Iselection and for bulk sales (reflecting the mix of products and geographies).

<i>Average sale price & floor area *</i>	Q1 2016	Q1 2015	Change %
Average home price incl. VAT per sq.m (€)	3,705	3,703	+0.1%
Average floor area per home (sq.m)	56.6	55.5	+2.0%
Average price incl. VAT per home (€k)	209.9	205.7	+2.0%

* Excluding bulk sales, Iselection and PERL

As the market recovered, the number of units launched by Nexity more than doubled in Q1 2016⁵ (2,572 units, versus 1,155 units at end-March 2015). This increase arose from the size of the developments launched (89 units per development on average in Q1 2016, versus 44 units on average in Q1 2015). The unsold completed stock of new residential units remained very low (76 homes). The average level of pre-selling recorded at the time construction work was started remains high (68% on average).

At end-March 2016, the business potential⁶ for new homes totalled 31,882 units, up 21% from end-March 2015 and up 8% from end-December 2015, illustrating Nexity's capacity to replenish its potential supply.

- Subdivisions

Subdivision reservations totalled 417 units, soaring 30% relative to the first quarter of 2015, with the average price of net reservations from individuals falling 2.5% to €76k due to a combination of a 5.0% decrease in the average unit size and a 2.5% increase in the average price per square metre.

⁴ Excluding bulk sales to professional landlords, and Iselection and PERL sales

⁵ Excluding PERL and Iselection for all data relative to selling, supply for sale and business potential

⁶ 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 73 international new home reservations in the first quarter of 2016. In Poland, the number of reservations came to 47 units, with a satisfactory pace of sales activity across all developments. In Italy, 26 reservations were recorded in the first quarter of 2016.

Commercial real estate

Transaction volumes in the French commercial real estate market in the first quarter of 2016 totalled €2.9 billion. The now commonly accepted seasonality of the French property investment market was fully borne out with robust end-of-year purchase volumes (€10.8 billion in transactions for Q4 2015 alone) generally giving way to a lull in the following quarter. The beginning of 2016 seemed especially sluggish, however, with volumes driven down 37% year on year⁷ with a lack of large deals valued at €200 million or more (only two such deals were closed, versus eight the year before).

Conversely, take-up in the Paris region (492,600 sq.m) was up 19% year on year in Q1 2016, rallying thanks to a number of deals of more than 5,000 sq.m, but remaining 11% below the 10-year Q1 average.⁷

Nexity booked new orders totalling €44 million in the first quarter of 2016, of which €41 million were for wood-frame constructions⁸, a testament to the rising popularity of this product line. Given its portfolio of projects in the advanced start-up or marketing phases, the Group's target of achieving new orders of at least €250 million in the year is confirmed.

Services and Distribution Networks

In **Real estate services to companies**, the volume of units under management totalled 12.3 million sq.m at end-March 2016, up 1% from end-December 2015.

In **Real estate services to individuals**, the portfolio of units under management for individuals (910,500 units at 31 March 2016) shrank slightly (down 0.5%) relative to end-December 2015. A major property management contract covering the entire residential portfolio of an institutional investor, awarded to Nexity's large-scale private investment subsidiary Nexity GIP, was an important win this quarter. The portfolio contains 728 units in around twenty buildings, most of them housing or shops, all within the City and the inner suburbs of Paris.

For **Distribution Networks**, the number of provisional sale agreements recorded in the first quarter by Century 21 and Guy Hoquet l'Immobilier was up 9.5% relative to the same period a year earlier, despite a decrease in the number of franchisees (1,211 agencies at end-March 2016 versus 1,221 at end-March 2015). This increase was due in particular to the Century 21 distribution network, which saw a 12% increase in the number of provisional sales agreements signed between end-March 2015 and 2016.

⁷ Source: CBRE

⁸ Wood-frame offices in the French regions marketed by the Ywood and Térénéo brands



Urban regeneration (Villes & Projets)

For end-March 2016, at 500,000 sq.m⁹, the land development potential of Nexity's urban regeneration business (Villes & Projets) was down 6% relative to year-end 2015 on account of parts of some projects being transferred to the development phase. No additions to the portfolio were recorded in the first quarter.

Digital and Innovation

In line with its strategic plan, Nexity continued to pursue innovative projects focused on digital transformation. Following the launches of Weroom, Blue Office and E-gérance over the past two years, the first quarter of 2016 saw the ramp-up of Bien'ici, a new property listings website based on 3D maps, of which Nexity is a 40% owner. Launched in December 2015, Bien'ici brings together a large number of real estate professionals and currently features more than one million online listings.

Revenue

In the first quarter of 2016, Nexity recorded **revenue** of €622 million, up 9% relative to the first quarter of 2015. This €53 million increase was driven by the increase in revenue recognised by the Residential division (up €72 million from end-March 2015).

<i>€ millions</i>	Q1 2016	Q1 2015	Change %
Residential real estate	432.8	360.5	+20.0%
Commercial real estate	67.6	85.7	-21.1%
Services and Distribution Networks	120.9	121.5	-0.5%
Other activities	0.7	1.0	-31.9%
Total Group revenue*	621.9	568.7	+9.4%

* Revenue generated by the Residential and Commercial divisions from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of incurred construction costs.

- **Residential real estate** revenue totalled €433 million, up 20% relative to the same period in 2015. This increase was mainly due to a higher number of notarial deeds of sale for new homes signed in the first quarter of 2016 (up 28% compared to Q1 2015), but also reflected a favourable base effect for PERL, which in the first quarter of 2015 had been affected by restatements in the opening balance sheet and remeasurements of assets and liabilities to fair value.
- In **Commercial real estate**, in line with Nexity's expectations, revenue was down 21% for the first quarter of 2016, at €68 million, reflecting the construction schedules of ongoing developments. The first quarter of 2015 included several major developments that contributed heavily to revenue.

⁹ Floor areas are provided for information purposes only and may be subject to adjustment once administrative authorisations have been obtained



- The **Services and Distribution Networks** division recognised revenue of €121 million, stable with respect to the first quarter of 2015, with higher revenue from Distribution Networks (up 9%) offsetting lower revenue from the Services businesses (down 1%).
- Revenue from **Other activities** (€0.7 million) takes into account rents received in connection with the Group's investment activities and revenue generated by the Blue Office business (shared offices in the Paris region).

In IFRS terms, revenue for the first quarter of the year was €605 million, up 14.7% relative to consolidated revenue of €528 million as of 31 March 2015. 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 2016

<i>€ millions, excluding VAT</i>	Q1 2016	2015	Change %
Residential real estate – New homes *	2,671	2,573	+3.8%
Residential real estate – Subdivisions	231	233	-1.2%
Residential real estate backlog	2,901	2,806	+3.4%
Commercial real estate backlog	467	487	-4.1%
Total Group backlog	3,368	3,293	+2.3%

* Including International

The Group's order book at end-March 2016 stood at €3.368 billion, up 2.3% from end-2015 and equivalent to 16 months' revenue from Nexity's development activities¹⁰.

¹⁰ Revenue basis – previous 12-month period



Financial calendar and practical information

- Shareholders' Meeting Tuesday, 31 May 2016
- 2014 dividend*, subject to approval at the Shareholders' Meeting:
 - Ex-dividend date Friday, 3 June 2016
 - Payment date Tuesday, 7 June 2016
- H1 2016 results Thursday, 21 July 2016

* For tax purposes, all amounts distributed to shareholders (€2.20 per share) constitute repayments of capital contributions (see resolutions submitted to the Shareholders' Meeting of 31 May 2016).

A **conference call** on Q1 2016 revenue and business activity will be held in English at 6:30 p.m. CET on Wednesday, 27 April 2016, which may be accessed using the code 7240706 by dialling one of the following numbers:

- Calling from France +33 (0)1 76 77 22 23
- Calling from elsewhere in Europe +44 (0)203 427 1918
- Calling from the USA +1 646 254 3363

The presentation accompanying this conference will be available on the Group's website from 6:15 p.m. CET and may be viewed at the following address: <http://edge.media-server.com/m/p/xsdunt33>

The conference call will be available on replay at <http://www.nexity.fr/immobilier/groupe/finance/slides-show/webcast> from the following day.

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.16-0325 on 13 April 2016 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 targets described, and makes no commitment or undertaking to update or otherwise revise this information.

This press release is considered 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
Member of the 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

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ANNEXES

ANNEX 1: RESERVATIONS BY QUARTER

	2016	2015				2014			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>Number of units</i>									
New homes	2,947	4,237	2,368	2,949	2,187	3,653	2,175	2,722	1,815
Subdivisions	417	925	400	556	321	836	395	547	326
International	73	133	103	42	14	7	73	10	3
Total (number of units)	3,437	5,295	2,871	3,547	2,522	4,496	2,643	3,279	2,144
<i>Value, in €m incl. VAT</i>									
New homes	536	803	473	595	415	677	419	475	353
Subdivisions	32	69	29	45	23	63	29	42	29
International	13	19	15	6	2	2	10	1	-2
Total (€m incl. VAT)	581	891	516	646	440	742	458	518	380



ANNEX 2: REVENUE¹¹

Revenue by division

€ millions	Q1 2016	Q1 2015	Change %
New homes	398.5	325.2	+22.5%
Subdivisions	29.7	25.5	+16.4%
International	4.7	9.8	-52.3%
Residential real estate	432.8	360.5	+20.0%
Commercial real estate	67.6	85.7	-21.1%
Services	112.3	113.6	-1.2%
Distribution Networks	8.6	7.9	+9.3%
Services and Distribution Networks	120.9	121.5	-0.5%
Other activities	0.7	1.0	-31.9%
GROUP	621.9	568.7	+9.4%

Quarterly progression of revenue by division

€ millions	2016	2015				2014			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Residential real estate	432.8	809.3	460.3	531.5	360.5	672.4	425.2	394.4	340.7
Commercial real estate	67.6	74.2	102.8	116.5	85.7	104.6	58.2	49.4	55.4
Services and Distribution Networks	120.9	131.3	129.8	121.2	121.5	131.2	122.9	123.6	106.6
Other activities	0.7	1.3	1.2	9.0	1.0	1.4	1.4	42.5	1.9
GROUP	621.9	1,016.0	694.1	778.2	568.7	909.6	607.7	610.0	504.6

¹¹ According to IFRS but with joint ventures proportionately consolidated