

Revenue and business activity 9M 2008

- Revenue 9M 2008: €1,946 million, up 8% compared to 9M 2007 pro forma, with consolidated revenue for 2008 expected to rise slightly compared to 2007 pro forma
- End-September order backlog stable compared to end-2007: €3.4 billion, equivalent to 19 months' development revenue, with end-2008 backlog expected to come in marginally above €3 billion
- New home and subdivision reservations (already communicated): down 28%¹ in volume (compared to 9M 2007). Commercial orders: €579 million
- End-September stock of completed unsold new homes: 186 units
- Healthy financial situation: financing secured and liquidity assured²

Nexity Group (NXI.PA) recorded revenue of €1,946m in the first nine months of 2008, representing an 8% increase compared to the 2007 pro forma figure³ including the contributions in kind of the Caisses d'Epargne from January 1, 2007.

The Group's business activity was markedly lower for the Residential division compared to the same period in 2007, but remained robust for the Commercial division thanks to a strong volume of order intake during the first half of the year. Reservations of new homes and subdivisions came to 6,897 units, a decline of 28% compared to the same period in 2007. Net order intake for the Commercial division was €579m (Nexity portion). Figures for the Group's Services division confirm the resilience of this business line.

In response to deteriorating market conditions, the Group has launched a vigorous adaptation and restructuring initiative, which was presented in an earlier press release.

The Group's order backlog amounted to €3,374m at end-September and represents 19 months of revenue from property development activities (both residential and commercial).⁴

¹ Including Iselection in 2008

² See press release dated October 8, 2008

³ The pro forma revenue figure for 2007 is calculated by simulating as of January 1, 2007 the impact of the businesses contributed in July 2007 by Groupe Caisse d'Epargne

⁴ Revenue basis over 12-month period

9M 2008 REVENUE*

In millions of euros	9M 2008	9M 2007	Change (%)	9M 2007 Pro Forma	Change	
					vs. 9M 2007 Pro Forma	
Residential	1,311.7	1,167.8	+12%	1,167.8	+12%	
Commercial	229.4	282.9	-19%	282.9	-19%	
Services & Distribution	400.7	169.3	x 2.4	348.0	+15%	
Other activities	4.0	2.7	-	5.6	-	
Group revenue	1,945.8	1,622.7	+20%	1,804.3	+8%	

* Revenue generated by the Residential and Commercial divisions is calculated using the percentage-of-completion method, on the basis of notarized sales pro-rated to reflect committed construction costs. The revenue figure essentially mirrors the degree of completion of the various construction projects in progress.

Revenue recorded by Nexity for the first nine months of 2008 came to €1,945.8 million, representing an 8% increase compared to the 2007 pro forma figure, including the contributions in kind of the Caisses d'Epargne from January 1, 2007.¹ Compared to the published revenue figure for the first nine months of 2007, which only includes these contributions from July 1, 2007, revenue grew by 20%.

- The Residential division posted revenue of €1,311.7 million, an increase of 12% on the first nine months of 2007. This performance was mainly driven by increased revenue from new home development operations (€1,210.3 million, up 13%), which reflected a higher volume of developments under construction. The subdivision business reported revenue of €101.4 million, up 6% year on year.
- In the Commercial division, revenue came to €229.4 million, 19% lower than the year-earlier figure, due to phases of work in the first half of 2008 contributing less revenue than those characterizing the first half of 2007. For the third quarter, revenue grew by 12% compared to the previous year, thanks in particular to the advancement of several major projects (Saint-Ouen) as well as new operations entering into the production phase (the trading-room building for Société Générale in La Défense).
- Revenue for the Services and Distribution division amounted to €400.7 million. This figure notably includes the revenue generated by the real estate services division contributed by the Caisses d'Epargne (i.e., mainly Lamy and Keops, for a contribution of €284.6 million) as well as that generated by Iselection, which is fully consolidated from January 1, 2008 (impact of €51 million). At constant structure, revenue for the Services and Distribution division was stable.
- Revenue generated by other activities amounted to €4.0m and was essentially attributable to professional fees (asset management and real estate advisory services).

¹ The pro forma revenue figure for 2007 is calculated by simulating as of January 1, 2007 the impact of the businesses contributed in July 2007 by Groupe Caisse d'Epargne

BUSINESS ACTIVITY

Residential division

Business activity for the Residential division for the nine-month period ended September 30, 2008 is presented in the Group's press release dated October 8, 2008. This press release is available on the Group's website, <http://www.nexity.fr> or on request from the company.

The main indicators for the period are reminded below.

Over the first nine months of the year, the Group recorded a total of 6,897 reservations for new homes and subdivisions, down 28% compared to the same period in 2007. In value terms, the drop in reservations amounted to 29%.

<i>New home and subdivision reservations (units and € million)</i>	9M 2008	9M 2007	Change %
New homes (number of units)	5,568	7,355	-24%
Subdivisions (number of units)	1,329	2,196	-39%
Total new home and subdivision reservations (number of units)	6,897	9,551	-28%
New homes (€m incl. VAT)	1,105	1,535	-28%
Subdivisions (€m incl. VAT)	101	171	-41%
Total new home and subdivision reservations (€m incl. VAT)	1,206	1,706	-29%

- The number of **new home** reservations came to 5,568 units, down 24%¹ compared to the first nine months of 2007. This change in net reservations is chiefly attributable to the drop in gross reservations (down 19% excluding block sales) and the strong rise in cancellations (up 19%). Please note that the reservation figures communicated by Nexity always represent net reservations; this calculation corresponds to the number of gross reservations recorded during the period concerned, from which the number of cancellations recorded in the same period is deducted, even if such cancellations relate to gross reservations booked in previous periods.

<i>New home reservations (units)</i>	9M 2008	9M 2007	Change %
Gross new home reservations, excluding Iselection and block sales (number of units)	6,975	8,582	-19%
New home cancellations (number of units)	(2,865)	(2,402)	+19%
Block sales and Iselection sales ²	1,458	1,175	NA
Net new home reservations (number of units)	5,568	7,355	-24%

In value terms, new home reservations totaled €1,105 million, representing a 28% decrease³. The average price of new homes sold, excluding Iselection sales, was €200 thousand, slightly lower than the average price in the first nine months of 2007 (down 4%).

¹ Down 29% excluding Iselection

² Including reservations recorded by Iselection as from January 1, 2008

³ Down 32% excluding Iselection

<i>New home reservations (units)</i>	9M 2008	Q3 2008	H1 2008
Gross new home reservations (number of units)	6,975	1,693	5,282
New home cancellations (number of units)	(2,865)	(1,061)	(1,804)
Block sales and Iselection sales	1,458	504	954
Net new home reservations (number of units)	5,568	1,136	4,432

- **Subdivision** reservations came to 1,329 units, down 39% year-on-year, and average prices declined by 3%.

The decline in new home and subdivision reservations is attributable to the tangible deterioration in the market observed during the first half of 2008, which worsened further over the summer. These circumstances have led the Group to implement a vigorous reorganization plan, encompassing supply adjustments as well as reductions in costs and working capital requirements. Further details on this plan may be found in the press release mentioned above.

Commercial division

The overall context of the commercial investment market in France has taken a significant downturn since the beginning of the year. A total of €9.4 billion¹ was invested during the first nine months of the year, representing a decline of 57% compared to the same period a year earlier. This decrease is explained by an abrupt tightening of credit conditions and a wait-and-see attitude on the part of investors. Nevertheless, investor focus continues to be centered firmly on new or recently built property, which now represents 44% of investments.

The office rental market remains active. It looks however fragile, with only a few large transactions and a downward adjustment in volumes for small and medium-sized units. Take-up in the Paris region amounted to 1.8 million sq.m, down 10% for the nine-month period compared to 2007. The vacancy rate remains very low (5% in the Paris region), with an immediate supply of 2.5 million sq.m, in line with normal levels.

Net order intake recorded by Nexity in the first nine months of 2008 reached €579 million excluding VAT (Nexity portion). Orders booked notably include the trading-room building for Société Générale in La Défense, on which construction work has already begun.

<i>Commercial division business activity</i>	9M 2008	9M 2007
Offices, net orders (sq.m)	48,400	90,800
Warehouses, distribution centers and other activities (sq.m)	38,800	76,600
Net order intake (sq.m)	87,200	167,400
Net order intake (€m excl. VAT)	578.9	292.1

¹ Source: CBRE

Services and Distribution division

Figures for the Group's Services division confirm the resilience of this business line. As of September 30, 2008, the number of managed residential housing units topped 1 million, thus remaining stable year-on-year, and included 90,000 units outside France (mainly in Germany, Belgium and Poland). Commercial units under management grew 19% to 8.8 million sq.m, thanks to new mandates and acquisitions.

The restructuring process undergone by this division is ongoing. The Group confirms its aim to increase the average operating margin in this business to a minimum of 10% over the coming years.

<i>Residential and commercial units under management</i>	Sept. 30, 2008	Dec. 31, 2007	Change (%)
Rental management (number of units)	223,500	208,500	+7%
Condominium management (number of units)	793,400	794,100	-
RESIDENTIAL: Property under management (units)	1,016,900	1,002,600	+1%
COMMERCIAL: Rental management (sq.m)	8,832,700	7,422,800	+19%

Nexity's Distribution business continues to show some resistance in a context of a marked downturn in the market for existing properties. The integration of new agencies within its network has offset the exits recorded. The net change in the number of agencies in the Century 21 network was affected by the exit of a group of 31 agencies, when they were sold by the owner. As of September 30, 2008, the Group's network numbered a total of 1,646 agencies, versus 1,642 as of end-2007¹. The number of sales handled fell by 12% over the first nine months of the year compared to the same period in 2007 (excluding Keops Résidentiel). This reduction follows the trend observed at the national level in the market for existing properties.

<i>Franchise networks – Number of agencies</i>	Sept. 30, 2008	Dec. 31, 2007	Change
Century 21 France agencies	928	943	-15
Guy Hoquet l'Immobilier agencies	653	627	+26
Keops Résidentiel agencies*	65	72	-7
Total number of agencies	1,646	1,642	+4

* part of the Distribution division since January 1, 2008

With regard to its commercialization activity for real estate savings products on behalf of third party real estate developers, Iselection commercialized 853 new homes during the nine-month period.

¹ Including the Keops Résidentiel network, contributed by Groupe Caisse d'Epargne as part of the July 2007 operations

Nexity Villes & Projets (the Group's urban renewal division)

A total floor area of 19,400 sq.m was marketed by the Villes & Projets division in the first nine months of 2008, mainly located in Boulogne-Billancourt. As of September 30, 2008, **Nexity Villes & Projets** thus had a non-commercialized **land potential** representing a total floor area of 898,100 sq.m¹, including 548,100 sq.m in the Paris region. Fifty-six percent of this total area corresponded to potential residential properties, compared to 35% for offices and related activities, and 9% for retail.

ORDER BACKLOG AS OF SEPTEMBER 30, 2008

<i>In millions of euros (excl. VAT)</i>	Sep. 30, 2008	Dec. 31, 2007	Change (%)
New homes	1,952	2,316	-16%
Subdivisions	317	329	-4%
Residential division backlog	2,269	2,645	-14%
Commercial division backlog	1,105	768	-44%
Total Group backlog	3,374	3,413	-1%

As of September 30, 2008, the Group's order backlog totaled €3,374 million, stable compared with end-December 2007. The Residential order backlog represents 14 months of revenue for this division while that for the Commercial division represents nearly 4 years of revenue². The Group's total order backlog represents 19 months' development revenue for Nexity and gives the Group genuine visibility.

CORPORATE GOVERNANCE

Following the resignation of Messrs. Charles MILHAUD and Nicolas MERINDOL from their positions as directors of the company, at its meeting of November 5, 2008, the Board of Directors co-opted as Director and Vice-Chairman of the Board of Directors Mr. Bernard COMOLET, Chairman of the Management Board of the Caisse Nationale des Caisses d'Epargne (CNCE), and also co-opted as Director and **Co-Chairman** of the Accounts Committee, Mr. Alain LEMAIRE, Chief Executive Officer of the CNCE. Moreover, in his capacity of permanent representative of the CNCE, Mr. Guy COTRET was nominated member of the Remuneration Committee.

¹ Indicative floor areas, which may be adjusted following the attribution of administrative authorizations

² Revenue basis over 12-month period

OUTLOOK

With the reorganization plan discussed in previous press releases well under way, the Group confirms its full-year outlook announced for 2008 as well as its forecasts for the medium term. The Group also provides below details of its revenue guidance for the year.

Full-year 2008 outlook

- Residential division: Minimum target market share of 9% in a residential property development market estimated at around 75,000 units for the fiscal year¹ (compared with 127,400 units in 2007)
- Commercial division: Favorable outlook in light of the Group's order backlog, on the basis of a commercial real estate market in France expected to be half that of 2007 at best
- Consolidated revenue for 2008 expected to rise slightly compared to 2007 pro forma
- Net profit for 2008 of around €140m²
- Minimum payout ratio: 35% of Group share of net profit

Medium-term outlook

- Recovery of the real estate market expected in 2010 following a low point in 2009
- Forecast operating margins of more than 8%³ on average over the 2008-2010 period
- Minimum payout ratio: 35% of Group share of net profit

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¹ Excluding the effects of the housing support plan announced by the French Government on October 1st, 2008

² Taking into account Eurosic's NAV assumptions as at June 30, 2008

³ Under comparable accounting standards

FINANCIAL CALENDAR & PRACTICAL INFORMATION

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

number: 44 (0) 20 71 00 52 01 (Access code: 141114#)

The presentation accompanying this conference may be followed at the following address:
http://webcast.hugingroup.com/20081106_nexity/

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DISCLAIMER

The information, assumptions and estimates that were used as a reasonable basis to determine these 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.08-0295 on April 25, 2008 could have an impact on the company's ability to achieve these objectives. Accordingly, the Company cannot give any assurance as to whether it will achieve the objectives described, and makes no commitment or undertaking to update or otherwise revise this information.

This press release may be considered to be a Financial Report, as defined in the Transparency Directive transposed by the AMF.

ABOUT NEXITY

As the leading fully integrated real estate group in France, Nexity combines all of the skills and expertise required by private individuals, enterprises, investors and local authorities. A leading player in the various real estate businesses: urban renewal, development (new homes, offices, commerce and other activities), real estate services for private individuals and enterprises, distribution networks, specialist financing and asset management, Nexity has established itself as a peerless actor in the French real estate sector with the capacity to offer a complete response to the needs of its clients.

With locations spanning the entire French national territory, Nexity is also present in Europe, notably in Belgium, Germany, Italy, Poland, Spain and Switzerland.

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

Member of the Indices: SBF80, SBF120, CACmid100, Next150 and MSCI SmallCap France

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

ISIN code: FR0010112524

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Appendices

REVENUE BY DIVISION

RESIDENTIAL

€ millions	9M 2008	9M 2007	Change %
New homes	1,210.3	1,071.8	+13%
Subdivisions	101.4	96.0	+6%
New homes and subdivisions	1,311.7	1,167.8	+12%

COMMERCIAL

€ millions	9M 2008	9M 2007	Change %
Office buildings	180.8	218.7	-17%
Warehouses and distribution centers	22.4	41.5	-46%
International	26.2	22.7	+15%
Commercial	229.4	282.9	-19%

SERVICES & DISTRIBUTION

€ millions	9M 2008	9M 2007	Change
Services	324.1	144.2	ns
Distribution	76.6	25.1	ns
Services & Distribution	400.7	169.3	ns

QUARTERLY PROGRESSION OF REVENUE BY DIVISION

€ millions	2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Residential	372.8	403.3	391.7	573.9	421.0	483.0	407.7	
Commercial	98.8	106.4	77.7	72.8	60.3	81.8	87.3	
Services & Distribution	21.3	23.7	124.3	119.8	128.5	131.2	141.0	
Other activities	0.5	0.6	1.6	5.5	0.9	1.9	1.2	
Revenue	493.4	534.0	595.3	772.0	610.7	697.9	637.2	