

H1 2010 Business activity and results

Backlog increasing steadily, business activity in line with full-year forecast

- Residential division: 6,733 net reservations, including 5,318 new homes, with total reservations amounting to €1.16 billion incl. VAT (i.e. +7% compared to H1 2009)
- Commercial division: €74m order intake
- Backlog as of June 30, 2010: €2.7 billion, equivalent to 15 months of revenue from development activities,¹ up 5% compared to year-end 2009

A robust financial position

- Revenue: €1,236 million, down 6% compared to H1 2009, in line with full-year forecast
- Operating profit: €80 million, corresponding to an operating margin of 6.5% for the Group (7.2% for the Residential division)
- Recurring profit after tax and before equity-accounted investments stable at €45 million. Positive contribution from Eurosic of €22 millions (compared to a negative contribution of €25 million for H1 2009), leading to a Group share of net profit of €64 million
- WCR reaching a low point at €494 million
- Consolidated net cash position: €135 million

Full-year outlook

- Residential: Market share target of 10% in a market now estimated at almost 100,000 new homes
- Commercial: new order intake target of €150 million
- Confirmation of full-year guidance: 2010 consolidated revenue expected to be around €2.5 billion, with a current operating margin target of 7% for 2010

¹ Revenue basis over 12-month period.

ALAIN DININ, CHAIRMAN AND CEO OF NEXITY COMMENTED:

"The evolution in new home sales by the Group again demonstrates the effectiveness of Nexity's strategic decision to focus on first-time buyers. Despite the very limited supply of new homes, this client segment is expected to reap the benefit, in the near future, of strengthened home-ownership assistance programs designed to be easier to comprehend, with efforts concentrated on those categories of first-time home buyers and regions most in need of aid. These new measures should have a positive impact on the ability of households to finance their purchases as opposed to the deductibility of interest paid on property loans. In the Commercial division, the Group has managed to book new orders in a particularly depressed market for new-build properties, buffeted by renewed concerns arising in the second quarter clouding the outlook for economic recovery. However, we feel that the medium-term outlook for this market remains more promising.

With respect to the Group's development and the use of our cash resources, our approach has not changed: we continue to examine opportunities for external growth in our real estate businesses while also considering more opportunistic land acquisition strategies. At the same time, we have launched a share repurchase plan to acquire up to 4.50% of our share capital."

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Nexity's Board of Directors convened on Wednesday, July 28, 2010. The meeting, which was chaired by Alain Dinin, reviewed and stated the Group's interim consolidated financial statements for the six-month period ended June 30, 2010. The Group's Statutory Auditors have conducted a limited review of these financial statements.

The business activity of Nexity Group (NXI.PA) was robust in the first half of 2010. The Group again recorded a high level of reservations for new homes and subdivisions (6,733 units), close to their level in the first half of 2009 (6,801 units). Demand has remained strong, sustained notably by historically low mortgage rates and government measures. Available supply is still limited, due to the cancellation of numerous projects as a result of the market downturn in 2008 and strong sales in 2009. The acceleration of the pace of commercial launches is instrumental in replenishing the Group's available supply. In the Commercial division, the Group booked €74 million in new orders. The Services business is showing a high degree of stability and the Distribution business benefits from the improved performance of Iselection.

The Group's revenue was €1,236 million for the first half of 2010, 6% lower than the first half of 2009. Revenue from the Residential division was down 3%; the decline in revenue from the Commercial division (-30%) was only partially offset by revenue growth in the Services and Distribution division (+10%).

Operating performance is consistent with the Group's forecasts. Operating profit came to €80 million, resulting in an operating margin of 6.5%. The Group maintains its current operating margin target of 7% for the year as a whole. The operating margin for the Residential division was 7.2% in the first half of 2010.

Recurring profit after tax and before equity-accounted investments came to €45 million. The net contribution of equity-accounted investments was €22 million (primarily attributable to Eurosic). The Group share of net profit was €64 million.

Working capital requirements reached a low point at €494 million, down €83 million over the six-month period. Net cash amounted to €135 million, €30 million higher than end-December 2009, after taking into account the payment of a dividend of €86 million.

The Group's order backlog came to €2,733 million as of June 30, 2010, a 5% increase over the half-year period, and represents nearly 15 months of revenue from development activities.¹

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BUSINESS ACTIVITY

Residential division

The French market remained very buoyant in the first half of 2010. Mortgage rates falling to near record lows, together with the continued success of government stimulus measures in favor of private individuals (home-ownership assistance, buy-to-let investment), kept demand strong. Against this backdrop, the stability of reservations booked in the period (-1%) is attributable to the limited available supply of new homes. Net reservations of new homes and subdivisions booked by Nexity Group remained stable compared to the first half of 2009 at 6,733 units.

- In France, the Group recorded a total of 6,685 new home and subdivision reservations, a stable performance compared to the first half of 2009. The strong increase in subdivision reservations (+48%) offset the decline in new home sales (-9%).

<i>New home and subdivision reservations</i> <i>(units and € millions)</i>	H1 2010	H1 2009	Change %
New homes (number of units)	5,270	5,794	-9%
Subdivisions (number of units)	1,415	959	+48%
Total new home and subdivision reservations (number of units)	6,685	6,753	-1%
New home reservations (€m incl. VAT)	1,048	1,018	+3%
Subdivision reservations (€m incl. VAT)	101	53	+91%
Total new home and subdivision reservations (€m incl. VAT)	1,149	1,071	+7%

- The number of new home reservations came to 5,270 units, down 9% compared to the first half of 2009, in a limited-supply environment.

Sales to first-time buyers amounted to 1,306 units (+4%), representing 25% of total reservations: this segment benefited from the doubling of the maximum amount for zero-rate loans ("PTZ"), a measure which remained fully in force during the first half of the year. Overall, home buyers accounted for 32% of new home sales recorded in the six-month period. Sales to individual investors, mainly in connection with the Scellier-Carrez scheme, were down slightly with 2,671 reservations, compared to 2,755 in the first half of 2009 (when this tax-break scheme was put in place). Block sales to institutional investors, mainly social housing operators, were down sharply: they represented 939 units, compared to 1,352 units in the first half of 2009, which included a portion of the block sales negotiated at year-end 2008 as part of the government's decision at the time to have 30,000 homes purchased by social housing operators.

¹ Revenue basis over 12-month period.

<i>Breakdown of new home reservations by client</i>	H1 2010	H1 2009	Change %
Home buyers (number of units)	1,660	1,687	-2%
<i>o/w: - first-time buyers</i>	1,306	1,260	+4%
<i>- other home buyers</i>	354	427	-17%
Private investors (number of units)	2,671	2,755	-3%
Institutional investors (number of units)	939	1,352	-31%
Total new home reservations (number of units)	5,270	5,794	-9%

In value terms, new home reservations amounted to €1,048 million including VAT, representing a 3% increase compared to the first half of 2009. Excluding block sales to institutional investors and Iselection sales,¹ the average price including VAT of homes sold was €209 thousand for an average floor area of 59 sq.m. The rise in the average price of new homes sold observed during the period may be attributed, in particular, to the increase in the average size of new homes, together with geographic mix factors (a greater portion of reservations in the Paris region, where average prices are higher, including a sizable residential project in the Paris' 17th arrondissement).

<i>Average sale price & floor area</i>	H1 2010	H1 2009
Average price of new homes per sq.m (€incl. VAT)*	3,536	3,342
Average floor area of new homes (sq.m)*	59.0	56.5
Average price of new homes (per unit, €incl. VAT)*	208.8	188.9

* Excluding block sales and Iselection.

Unsold completed stock held by the Group remains very low, amounting to 186 homes as of June 30, 2010. In the first half of 2010, the level of pre-commercialization recorded at the time construction work was launched remained high (77% on average).

- **Subdivision** reservations totaled 1,415 units, a 48% jump compared to the first quarter of 2009. This increase was attributable to a 13% increase in sales to individuals, thanks to the Pass Foncier® scheme, the doubling of the maximum amount of the zero-rate loan and the decline in mortgage rates. The growth in subdivision reservations is also due to the sharp turnaround in net grouped sales to developers (204 units). The development sector sought land in order to resume building operations for new homes. The average price of net reservations from individuals amounted to €72 thousand, close to the level in the second half of 2009.

The Group launched 69 residential programs during the first half of 2010, compared to 46 program launches in the first half of 2009. This acceleration of commercial launches helps meeting a robust market demand, and, for the first time since the end of 2008, has helped to replenish Nexity's residential available supply, which is now higher than at year-end 2009. The Residential's division's **business potential for new homes**² as of June 30, 2010 corresponded to the equivalent of 20,400 units,³ 7% higher than its level as of December 31, 2009. Business potential for subdivisions amounted to 8,400 units.

¹ Sales of new homes as an operator, excluding commercialization on behalf of third parties.

² The business potential includes current supply for sale, future supply corresponding to project tranches not yet commercialized on acquired land, and supply not yet launched associated with land secured through options.

³ Excluding Villes & Projets operations portfolio.

- In northern Italy, Nexity Residenziale enjoyed a very strong first half, with the signing of 111 options to purchase (*proposte d'acquisto*) and 48 purchase agreements (*compromessi*), corresponding to revenue figures including VAT of €61 million and €10 million, respectively.

Commercial division

- The total amount of investments in the French commercial real estate market reached €3.6 billion in the first half of 2010, up 34% year-on-year.¹ Following a strong fourth quarter in 2009 (€3.5 billion) and a lackluster start to the year (€1.4 billion in the first quarter of 2010), the second quarter of 2010 saw a notable rebound (€2.2 billion). Whereas, over the last several months, investors had only been interested in well-located leased assets, they are now also beginning to turn to assets located in Paris' first ring. Prime yields continued their decline, to between 5.10% and 6.00% in Paris CBD, thus a drop of more than 100 basis points year-on-year, with declining yields now also affecting logistics platforms and offices in Paris' first ring.

The rental market picked up slightly in the first half, with take-up of office space in the Paris region of close to one million square meters (up 16% compared to the first half of 2009). Users are looking to position themselves ahead of deliveries of new buildings in order to cope with the anticipated gradual dwindling of new rental supply, but seem to be waiting before making a commitment at this stage in light of uncertainty about the economic situation.

The vacancy rate was stable in the Paris region at 6.8%, while the level of immediate supply was also unchanged (3.6 million sq.m as of June 30, 2010). The scarcity of definite future supply by late 2011 is becoming apparent, due to the low level of speculative project launches. Average rents for new-build or refurbished space in the Paris region were stable, with an upward trend in Paris CBD and La Défense in the second quarter.

- New order intake recorded by Nexity in the first half of 2010 came to €73.5 million excluding VAT. This total includes an order valued at €49.3 million for a shopping mall with a floor area of nearly 40,000 sq.m in Levallois-Perret (Hauts-de-Seine), adjoining the Courcellor II building currently being refurbished by the Group. Also worth mentioning is an order for a logistic platform and other business premises in Nanteuil-le-Haudouin (Oise), as part of a project initiated by Villes & Projets, the Group's urban renewal division. Negotiations for a number of other projects are currently in the advanced stage.

Services and Distribution division

In the Services business, the number of residential units managed as of June 30, 2010 came to almost 940,000, including 80,000 units outside France (in Germany, Belgium, Poland and Switzerland). As for commercial real estate, total space under management amounted to 7.7 million square meters as of June 30, 2010 compared to 8.4 million as of December 31, 2009.

¹ Source: CBRE.

<i>Residential housing and commercial units under management</i>	June 30, 2010	Dec. 31, 2009	Change %
Rental management (number of units)	207,500	208,900	-1%
Condominium management (number of units)	730,600	758,500	-4%
RESIDENTIAL: Number of units managed	938,100	967,400	-3%
COMMERCIAL: Rental management (sq.m)	7,715,000	8,440,000	-9%

Within the **Distribution** segment, activity in the networks of agencies was robust, thanks in particular to low mortgage rates (3.38% on average in June 2010 according to Crédit Logement). The first half of 2010 thus saw growth of 25% in reported transactions in the Century 21 network compared to the first half of 2009 (which marked a low point for this network's activity). The number of franchise network agencies was stable compared to March 31, 2010, with 1,381 agencies as of end-June (a reduction of 24 agencies compared to December 31, 2009).

<i>Franchise networks (number of agencies)</i>	June 30, 2010	March 31, 2010	Dec. 31, 2009
Century 21 France	860	857	872
Guy Hoquet l'Immobilier	521	526	533
Total number of agencies	1,381	1,383	1,405

Iselection continued to benefit from the extension of the Scellier tax benefits to investments made under the LMNP scheme for non-professional landlords of furnished property. As a vendor of real estate savings products on behalf of third-party real estate developers, Iselection sold 1,182 units during the first half of 2010, thus 125 more units than in the first half of 2009.

Urban renewal division (Nexity Villes & Projets)

As of June 30, 2010, **Nexity Villes & Projets** had a non-commercialized **land potential** of 781,000 sq.m,¹ after a total of 45,000 sq.m was commercialized in the first half of the year in connection with projects located in Nantes and in Nanteuil-le-Haudouin. The proportion of floor areas intended for residential operations amounted to 49% of the total, compared with 51% intended for offices, retail space, logistic platforms and other business premises.

Operations initiated by Villes & Projets generated revenue for the Group's real estate development activities of €93 million in the first half of 2010, compared to €109 million in the first half of 2009.

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

H1 2010 REVENUE*

<i>In millions of euros</i>	H1 2010	H1 2009	Change %
Residential	785.8	806.4	-3%
Commercial	183.8	263.7	-30%
Services & Distribution	264.7	240.2	+10%
Other activities	1.9	2.0	-
Group revenue	1,236.2	1,312.3	-6%

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

In the first half of 2010, revenue recorded by Nexity Group came to 1,236 million, down 6% compared to the first half of 2009.

- The Residential division posted revenue of 786 million euros, down 3% compared to the first half of 2009. Revenue from new home development activity in France fell by 4% to €717 million: the decline observed in the second quarter (-10%) more than offset gains made in the first quarter (+4%). This trend is in line with the Group's forecasts, which anticipate a decline in Residential division revenue over the course of the year, due to the lower level of business activity in 2008, prior to the rebound recorded in 2009. The subdivision business reported revenue of €58 million, growing by 3% in relation to the first half of 2009. The Group's residential development business in Italy, whose revenue and profit are recognized upon completion, contributed €11 million to revenue, with a first delivery during the period.
- Revenue from the Commercial division totaled €184 million, down 30% compared to the figure for the same period in 2009, due to the decline in the order backlog for the Group's Commercial division (€556 million as of December 31, 2009 versus €970 million a year earlier), mainly affecting orders for logistic platforms as well as business outside France. With respect to the latter category, extremely challenging market conditions (especially in Spain and in Italy) were reflected in the absence of significant new projects launches this year, thus affecting revenue recorded for the first half of 2010, while this figure had benefited from progress made on office buildings projects in Barcelona and Milan delivered in 2009 (€2m in revenue for H1 2010 versus €58m a year earlier).
- The Services and Distribution division posted revenue of €265 million, an increase of 10% compared to the first half of 2009. In the Services business, revenue fell by 3% to €209 million, with a decline in interests generated by client working capital accounts, the impact of which was only partially offset by the improvement in transaction revenue. In the Distribution segment, revenue increased twofold (€56m compared to €24m in H1 2009), due to the turnaround in the Iselection business (€40m compared to €10m a year earlier), whose activity as an operator for new homes has made significant headway.

H1 2010 CONSOLIDATED RESULTS

<i>€ millions</i>	H1 2010	H1 2009	Change %
Revenue	1,236.2	1,312.3	-6%
Operating profit	80.2	94.1	-15%
<i>Operating margin</i>	6.5%	7.2%	
Net financial expense	(11.0)	(23.5)	-
Corporate income tax	(24.4)	(25.9)	
Recurring profit after tax (before equity-accounted investments)	44.8	44.8	-
Profit from equity-accounted investments	21.7	(25.2)	-
Net profit attributable to minority interests	2.3	-	
Group share of net profit	64.2	19.6	X 3.3
Earnings per share (€)	1.20	0.37	

Operating profit amounted to €80.2 million. The operating margin was 6.5% in the first half of 2010. The target of current operating margin at 7% for the year as a whole is confirmed.

The net financial expense amounted to €11.0 million, compared to €23.5 million in H1 2009. This decrease is mainly attributable to the Group's net cash position, which became positive in 2009. The fact that there was still a net financial expense in this context is due primarily to the existence of interest rate hedges on loans drawn down by the Group, which limited the benefit of declining interest rates on the gross borrowings outstanding. Conversely, the remuneration of short-term cash positions held by the Group has been very low.

The income tax expense, estimated on the basis of the forecast average effective annual tax rate, was €24.4 million compared to €25.9 million in H1 2009.

Recurring profit after tax and before equity-accounted investments, the most relevant measure to compare results from this year to the previous one, taking into account the reverse profitability performance of companies consolidated using the equity method, was stable at €44.8 million compared to the first half of 2009.

The contribution of equity-accounted investments was €21.7 million. In this amount, Eurosic's contribution was €22.5 million, compared with a €25.2 million expense for the first half of 2009. This change essentially reflects the impact of the appreciation in the fair value of properties held by this real estate investment company over the period. For information, Nexity values its equity stake in Eurosic on the basis of the company's Net Asset Value.

The Group share of net profit amounted to €64.2 million.

OPERATING PROFIT BY DIVISION

<i>€ millions</i>		H1 2010	H1 2009	Change %
Residential		56.2	66.2	-15%
	<i>% of revenue</i>	7.2%	8.2%	
Commercial		10.6	22.8	-54%
	<i>% of revenue</i>	5.8%	8.6%	
Services and Distribution		20.7	7.2	x 3
	<i>% of revenue</i>	7.8%	3.0%	
Other activities		(7.3)	(2.1)	ns
Operating profit		80,2	94,1	-15%
	<i>% of revenue</i>	6.5%	7.2%	

As of June 30, 2010, operating profit for the **Residential** division amounted to €56.2 million, resulting in an operating margin of 7.2%, versus 8.2% for the first half of 2009. This change is consistent with the Group's expectations: it is explained primarily by the decrease in the average price of reservations recorded in 2008. The increase in average prices recorded as from 2009 should lead to a progressive improvement in the operating margin.

Operating profit for the **Commercial** division was €10.6 million, compared to €22.8 million in H1 2009. The operating margin for this division was 5.8%, as a result of transactions negotiated under less advantageous conditions than during the 2006-2007 period, coupled with less adequate coverage of overhead costs due to the decline in business activity.

Operating profit for the **Services and Distribution** division was €20.7 million, representing a margin of 7.8%. The operating margin for the Services business was 5.7% for the period compared to 5.4% in the first half of 2009. The Distribution businesses reported a profit of €8.8 million, a sharp improvement compared to the net loss recorded in the first half of 2009, thanks to the strong upturn in the business of Iselection.

Other activities posted an operating loss of €7.3 million, which comprises in particular holding company expenses, expenses incurred by Villes & Projets¹ and Nexity-Reim, and expenses related to share-based payments.

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

GROUP CASH FLOW

<i>€ millions</i>	H1 2010	H1 2009
Cash flow from operations before WCR, interest and tax (excluding dividends from equity-accounted investments)	78.5	95.5
Change in operating WCR	56.0	(65.9)
Interest and tax payment	(5.3)	(34.6)
Net cash generated (used in) operating activities	129.2	(5.0)
Operating capital expenditure	(2.8)	(2.6)
Free cash flow	126.4	(7.6)
Dividends received from equity-accounted companies	0.7	8.6
Net cash from (used in) financial investment activities	(10.9)	500.4
<i>o/w proceeds from the sale of the stake in Crédit Foncier de France</i>	-	539.6
Dividend paid	(85.7)	(79.5)
Net cash from (used in) financing operations (excluding dividend)	(57.0)	(417.1)
Net change in cash and cash equivalents	(26.5)	4.8

Cash flow from operations (excluding dividends received from equity-accounted investments) before changes in WCR, tax and financial expenses amounted to €78.5 million, compared to €95.5 million in H1 2009. This change is explained by the decline in business activity in the first half of 2010, in terms of both volume and profitability, compared to the year earlier period.

Free cash flow amounted to €126.4 million. This figure, although cash flow from operations declined, is explained above all by the fact that operating working capital requirements fell considerably during the first half of the year (down €56 million), nearly the reverse of the increase of €66 million seen a year earlier. This change is also attributable to the decline in interest paid (€9 million) and to the tax expense effectively paid (given the reimbursement during the period of a tax receivable in the amount of €24.5 million recognized as of December 31, 2009).

Net cash used in financial investment activities (€10.9 million) includes in particular an additional investment in Aegide, a company (33.6%-owned by the Group) specializing in the development and management of serviced homes for the elderly, and the financing of a portion of the Group's share repurchase plan.

The dividend payment in respect of 2009 profit represents an outflow of €85.7 million. Net cash used in financing operations mainly includes the repayment of debt net of new borrowings and financial liabilities (€57 million).

WORKING CAPITAL REQUIREMENTS BY DIVISION

<i>€ millions</i>	June 30, 2010	Dec. 31, 2009	Change in €m
Residential	492.4	559.5	(67.2)
Commercial	(46.3)	(48.8)	+2.6
Services and Distribution	(14.7)	(18.5)	3.9
Other activities and tax	62.4	84.7	(22.3)
Total WCR	493.8	576.9	(83.1)

As of June 30, 2010, the Group's working capital requirement, including tax, was €493.8 million, €83 million lower than its level as of December 31, 2009. This level should be a low point for the Group's working capital requirement.

WCR for the Residential division amounted to €492.4 million, compared to €559.5 million as of December 31, 2009 and €698.3 million at year-end 2008. This decline is related to the high take-up rates for projects observed in the first half of 2010 and the relatively slow replenishment of supply.

The negative WCR position for the Commercial division, due to a payment schedule not in sync with progress made on construction projects, remains unchanged as of June 30, 2010 compared to December 31, 2009. However, the WCR of this division should revert to more normative levels in the near future.

WCR for the Services and Distribution division was a negative amount of €14.7 million, compared to a negative amount of €18.5 million as of December 31, 2009. WCR relating to Other activities and tax (€62.4 million) mainly includes capital committed in two investment operations and a negative WCR relating to tax of €7.5 million.

As of June 30, 2010, the Group also maintained, among its current assets and on behalf of its property management clients, an outstanding cash balance of €532.5 million. This position, which was neutralized in liabilities by a debt of the same amount, had no impact on the Group's WCR.

GOODWILL

<i>€ millions</i>	June 30, 2010	Dec. 31, 2009
Residential	226.6	226.8
Commercial	51.9	51.9
Services	560.8	560.8
Distribution	207.1	207.4
Total goodwill	1,046.5	1,046.9

Goodwill amounted to €1,046.5 million and thus remained stable compared to December 31, 2009. This item comprises €226.6 million relating to the Residential division, €51.9 million relating to the Commercial division, €560.8 million relating to Services, and €207.1 million relating to Distribution.

Given the absence of indications of impairment losses during the first half of the year, no impairment tests were performed for the preparation of the interim financial statements for the period ended June 30, 2010.

EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted investments amounted to €197.6 million as of June 30, 2010, compared to €179.1 million as of December 31, 2009. This increase is mainly due to the appreciation in the value of Nexity's stake in Eurosic, which is adjusted on the basis of the Net Asset Value of the real estate investment company and recognized in the Group's balance sheet as of June 30, 2010. The revaluation of Eurosic's assets performed by independent experts as of June 30, 2010 mainly explains the €22.5 million gain recorded in the first half of 2010.

In addition, the Group's stake in the property company was raised to 32.1% as of June 30, 2010 from 31.7% six months earlier, as a result of the option exercised by Nexity to receive the dividend paid by Eurosic in respect of 2009 profit in the form of shares rather than in cash.

GROUP FINANCIAL STRUCTURE

As of June 30, 2010, the Group share of consolidated shareholders' equity amounted to €1,867.3 million. The change in this item relative to December 31, 2009 is mainly due to the payment of the dividend in respect of fiscal year 2009 (€85.7 million) together with profit recognized for the first half of 2010 (€64.2 million). As of June 30, 2010, the Group's consolidated equity (including minority interests) came to €1,874.8 million.

The Group had a positive net cash position of €134.8 million as of June 30, 2010, comprised of gross cash in the amount of €587.3 million and gross debt of €452.5 million.

<i>€ millions</i>	June 30, 2010	Dec. 31, 2009	Change in €m
Bank borrowings	440.0	500.9	(60.9)
Other financial borrowings and financial receivables	12.5	9.3	3.2
Deposit account	(100.1)	(101.5)	1.4
Net cash and cash equivalents, bank overdrafts	(487.2)	(513.8)	26.6
Net debt (net cash)	(134.8)	(105.1)	(29.7)
Shareholders' equity*	1,873.5	1,896.6	(23.1)

* Including minority interests.

In particular, the Group has access to a €285 million corporate credit line granted to Nexity-Logement by its long-standing banking pool, with a maturity of December 31, 2013. This facility was drawn down in the amount of €22.5 million as of June 30, 2010.

As of June 30, 2010, the Group had total bank borrowings of €440 million, consisting of €259 million in corporate loans, €159 million loans allocated to operations, and €22 million corresponding to the fair value adjustment of derivatives and the amortization of borrowing costs.

As of this same date, the undrawn and available amount of the Group's corporate credit lines was €340 million.

Furthermore, as of June 30, 2010, the Group met all of its financial covenants under the agreements relating to its credit lines.

The Group plans to make use of its available funds and its debt capacity to finance the development of its existing as well as additional business activities in the real estate sector, in France and in continental Europe. Accordingly, the Group is considering various expansion or external growth opportunities as well as the possibility of a closely monitored shift in the risk profile of certain development projects or land acquisitions.

On June 22, 2010, the Group announced a share buy-back plan in an amount equivalent to up to 4.50% of its share capital,¹ with a view to the cancellation of these shares, under authorizations granted by the Shareholders' Meeting of May 12, 2010. As of June 30, 2010, 137,000 shares had been bought back at an average price of €23.65. As of July 23, 2010, and since this plan was launched, 622,700 shares had been bought back at an average price of €24.39. These acquisitions were carried out by an investment services provider acting independently.

¹ As of 31 May 2010.

BACKLOG - ORDER BOOK AS OF JUNE 30, 2010

€ millions (excl. VAT)	June 30, 2010	Dec. 31, 2009	Change %
New homes*	2,019	1,807	+12%
Subdivisions	261	237	+10%
Residential division backlog	2,280	2,044	+12%
Commercial division backlog	453	556	-19%
Total Group backlog	2,733	2,600	+5%

* Including Italy.

As of June 30, 2010, the Group's total order backlog amounted to €2,733 million, increasing by 5% compared to December 31, 2009, and represented 15 months of revenue from Nexity's development activities.¹ In the Residential division, the order backlog came to €2,280 million, up 12% compared to year-end 2009, and represented 15 months of revenue.¹ In the Commercial division, the order backlog was €453 million as of June 30, 2010, representing 14 months of revenue from its activities.¹

OUTLOOK FOR 2010

- Residential division: 10% market share based on an expected market of nearly 100,000 new homes
- Commercial division: new order intake target of €150m
- Consolidated revenue for 2010 expected to be around €2.5 billion
- Current operating margin target of 7%
- Objective of proposing a dividend payment of €1.60 per share in respect of fiscal year 2010

FINANCIAL CALENDAR & PRACTICAL INFORMATION

- Q3 2010 Revenue and business activity - Wednesday, October 27, 2010 after the market close
- A conference call on H1 2010 Business activity and Results will be accessible in English at 3:00 p.m. CET on Thursday, July 29, 2010, by dialing the following numbers:
 - Dial-in number (France) + 33 (0) 1 70 99 35 15 Access code: Nexity
 - Dial-in number (rest of Europe) + 44 (0) 207 153 20 27 Access code: Nexity
 - Dial-in number (United States) + 1 (0) 480 629 98 70 Access code: Nexity

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

+44 (0) 20 79 59 67 20 (Access code: 143124#)

The presentation accompanying this conference can be accessed at the following address: <http://www.thomson-webcast.net/uk/dispatching/?nexity100729>. This presentation will be available on the Group's Web site as of 9 a.m. CET on July 29, 2010.

¹ Revenue basis - previous 12-month period.

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. 10-0398 on May 3, 2010 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.

About Nexity

The largest fully integrated provider of real estate solutions in France, Nexity uses its comprehensive range of sector-specific skills and expertise to serve the private individuals, companies and local authorities that make up its customer base. As well as being a leader across the entire spectrum of real estate businesses - development (homes, offices, logistic platforms, hotels, retail and other business premises), real estate services for private individuals and companies, franchise networks, urban renewal projects, and real estate asset management - Nexity is today able to provide global responses to the needs of its customers. Nexity is present throughout France, and in other European countries.

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

Index membership: SBF80, SBF120, CACmid100, Next150 and MSCI SmallCap France

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

ISIN code: FR0010112524

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CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

IN THOUSANDS OF EUROS	06/30/2010	06/30/2009
Revenue	1,236,162	1,312,260
Purchases	(828,860)	(893,891)
Personnel costs	(205,697)	(196,306)
Other operating expenses	(102,214)	(107,696)
Taxes (other than income tax)	(13,983)	(15,241)
Depreciation and amortization	(5,206)	(4,983)
Operating profit	80,202	94,143
Financial expense	(16,132)	(29,688)
Financial income	5,147	6,226
Net financial expense	(10,985)	(23,462)
Pre-tax recurring profit	69,217	70,681
Income taxes	(24,418)	(25,934)
Share of profits of associates (equity-accounted investments)	21,738	(25,163)
Consolidated net profit	66,537	19,584
Net profit - Group share	64,155	19,586
Net profit - Minority interests	2,382	(2)

CONSOLIDATED BALANCE SHEET FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

ASSETS (IN THOUSANDS OF EUROS)	06/30/2010	12/31/2009
Non-current assets		
Goodwill	1,046,533	1,046,935
Other intangible assets	12,668	12,479
Property, plant and equipment	28,606	31,114
Equity-accounted investments	197,554	179,113
Other financial assets	36,443	28,151
Deferred tax assets	37,845	38,550
Total non-current assets	1,359,649	1,336,342
Current assets		
Inventories and work in progress	1,029,584	1,107,988
Trade and other receivables	272,593	390,747
Tax accounts receivable	-	29,402
Other current assets ⁽¹⁾	913,214	995,999
Other financial receivables	112,198	118,417
Cash and cash equivalents	539,535	575,068
Total current assets	2,867,124	3,217,621
TOTAL ASSETS	4,226,773	4,553,963
⁽¹⁾ of which cash held in client working capital accounts (Services division)	532,527	581,421

CONSOLIDATED BALANCE SHEET FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

LIABILITIES AND EQUITY (IN THOUSANDS OF EUROS)	06/30/2010	12/31/2009
Share capital	269,218	267,909
Additional paid-in capital	1,301,362	1,365,732
Treasury shares	(5,320)	(2,101)
Reserves and retained earnings	237,841	309,718
Net profit	64,155	(49,858)
Equity - Group share	1,867,256	1,891,400
Minority interests	7,557	5,214
Consolidated shareholders' equity	1,874,813	1,896,614
Non-current liabilities		
Long-term borrowings and financial debt	241,130	242,271
Employee benefits	19,311	18,562
Deferred tax liabilities	-	292
Total non-current liabilities	260,441	261,125
Current liabilities		
Short-term borrowings, financial and operating cycle debt ⁽¹⁾	275,757	346,096
Current provisions	94,194	102,857
Trade and other payables	583,302	670,949
Current tax liabilities	7,469	9,793
Other current liabilities ⁽²⁾	1,130,797	1,266,529
Total current liabilities	2,091,519	2,396,224
TOTAL LIABILITIES and EQUITY	4,226,773	4,553,963
⁽¹⁾ of which bank overdrafts	52,264	61,252
⁽²⁾ of which client working capital accounts (Services division)	532,527	581,421

Appendices

REVENUE BY DIVISION

RESIDENTIAL

<i>€ millions</i>	H1 2010	H1 2009	Change %
New homes	716.7	749.7	-4%
Subdivisions	58.1	56.5	+3%
International	10.9	0.2	-
Residential	785.8	806.4	-3%

COMMERCIAL

<i>€ millions</i>	H1 2010	H1 2009	Change %
Office buildings	177.3	186.2	-5%
Logistic platforms and other business premises	4.7	19.6	-76%
International	1.9	57.9	-
Commercial	183.8	263.7	-30%

SERVICES & DISTRIBUTION

<i>€ millions</i>	H1 2010	H1 2009	Change %
Services	208.6	215.9	-3%
Distribution	56.1	24.3	X 2.3
Services & Distribution	264.7	240.2	+10%

QUARTERLY PROGRESSION OF REVENUE BY DIVISION

<i>€ millions</i>	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Residential	329.0	477.4	417.9	602.8	342.9	442.9		
Commercial	123.7	140.0	106.4	105.8	81.7	102.1		
Services & Distribution	112.4	127.8	123.5	166.4	130.3	134.4		
Other activities	0.9	1.1	1.6	1.2	1.0	0.9		
Revenue	566.0	746.3	649.4	876.2	555.9	680.3		

OPERATING PROFIT BY DIVISION

RESIDENTIAL

<i>€ millions</i>		H1 2010	H1 2009	Change %
New homes		52.2	68.9	-24%
	<i>% of revenue</i>	7.2%	9.2%	
Subdivisions		3.1	(2.7)	ns
	<i>% of revenue</i>	5.3%	ns	
International		0.9	-	ns
	<i>% of revenue</i>	8.2%	ns	
Residential		56.2	66.2	-15%
	<i>% of revenue</i>	7.2%	8.2%	

COMMERCIAL

<i>€ millions</i>		H1 2010	H1 2009	Change %
Office buildings		12.3	19.5	-37%
	<i>% of revenue</i>	6.9%	10.4%	
Logistic platforms and other business premises		(0.4)	1.1	ns
	<i>% of revenue</i>	-	5.7%	
International		(1.3)	2.2	ns
	<i>% of revenue</i>	-	3.8%	
Commercial		10.6	22.8	-54%
	<i>% of revenue</i>	5.8%	8.6%	

SERVICES & DISTRIBUTION

<i>€ millions</i>		H1 2010	H1 2009	Change %
Services		11.9	11.6	+4%
	<i>% of revenue</i>	5.7%	5.4%	
Distribution		8.8	(-4.4)	ns
	<i>% of revenue</i>	15.7%	ns	
Services & Distribution		20.7	7.2	X 2,9
	<i>% of revenue</i>	7.8%	3.0%	

OTHER ACTIVITIES

<i>€ millions</i>		H1 2010	H1 2009	Change %
Other activities		(7.3)	(2.1)	ns