



**LES NOUVEAUX CONSTRUCTEURS**

CONCEVONS VOTRE ESPACE DE VIE



Chaville - Architects: Marc Breitman and Nada Breitman

# First-Half 2011 Earnings



Wir bauen Werte



CONSORTIUM FRANÇAIS DE L'HABITATION



LES NOUVEAUX CONSTRUCTEURS  
Entreprise

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Olivier Mitterrand

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Paul-Antoine Lecocq

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Fabrice Desrez - Moïse Mitterrand - Olivier Mitterrand

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Olivier Mitterrand





**Montrouge** - Architect: Cabinet ECDM



**Boulogne** - Architect: Bartolo & Villemard



**Marseille** - Architect: Cabinet Archimed

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## Introduction Olivier Mitterrand





# LNC in First-Half 2011

Higher margins in France

## Improved business performance

- ◆ Sales stable in a contracting market
  - Net orders of €302 million, compared with €300 million in H1 2010
  - H1 2011 revenue not representative of the full year
- ◆ Backlog up sharply
  - €636 million at June 30, 2011: up 23% since year-end 2010
- ◆ Land potential of €1.337 billion at June 30, 2011: up 24% since year-end 2010
  - Land potential has doubled over the past 2 years
  - Development in the Ile-de-France and in Commercial Real Estate

## Improved margins

- ◆ France - Housing: solid increase in margins
  - Gross profit: 22.6% of revenue vs. 16.0% of revenue in H1 2010
  - Recurring operating profit: 6.9% of revenue vs. 3.0% in H1 2010
- ◆ Foreign subsidiaries: deliveries concentrated in the second half of the year





Nymphenburg - Architect: Armin Reinhart



La Grande Motte - Architect: Antoine Soler



Châtenay-Malabry - Architect: Hubert Godet

## 2

## Financial Review

Paul-Antoine Lecocq





# Financial Review

## Highlights

in € millions	H1 2011	H1 2010
Revenue	178.0	220.0
Gross profit	42.7	41.6
Gross margin	24.0%	18.9%
Recurring operating profit	0.0	2.9
Recurring operating margin	0.0%	1.3%
Net profit, Group share	0.1	2.1

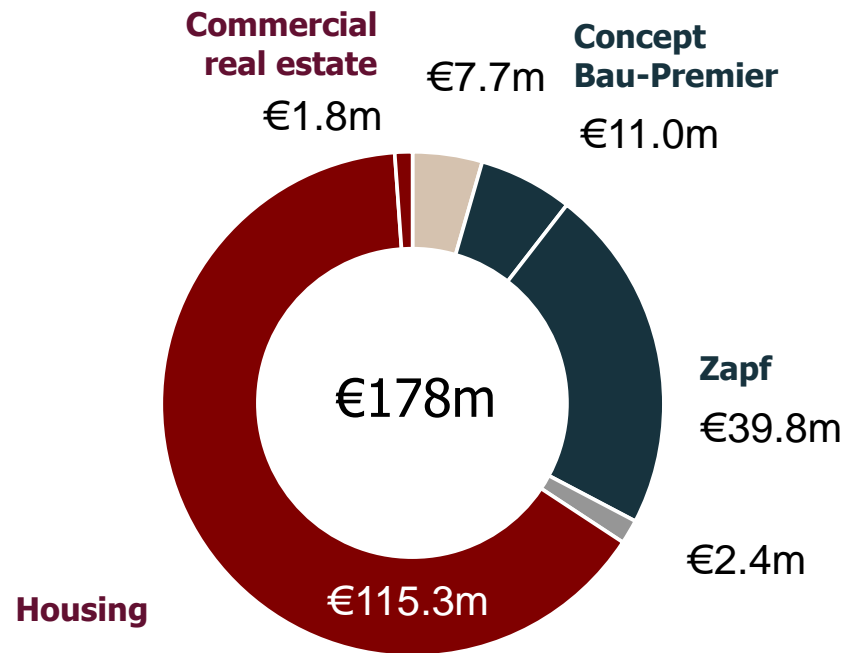
in € millions	June 30, 2011	Dec. 31, 2010
Working capital requirement	195.7	148.5
Net debt (Net cash)	21.3	(35.3)
Net debt / Equity	11%	NA



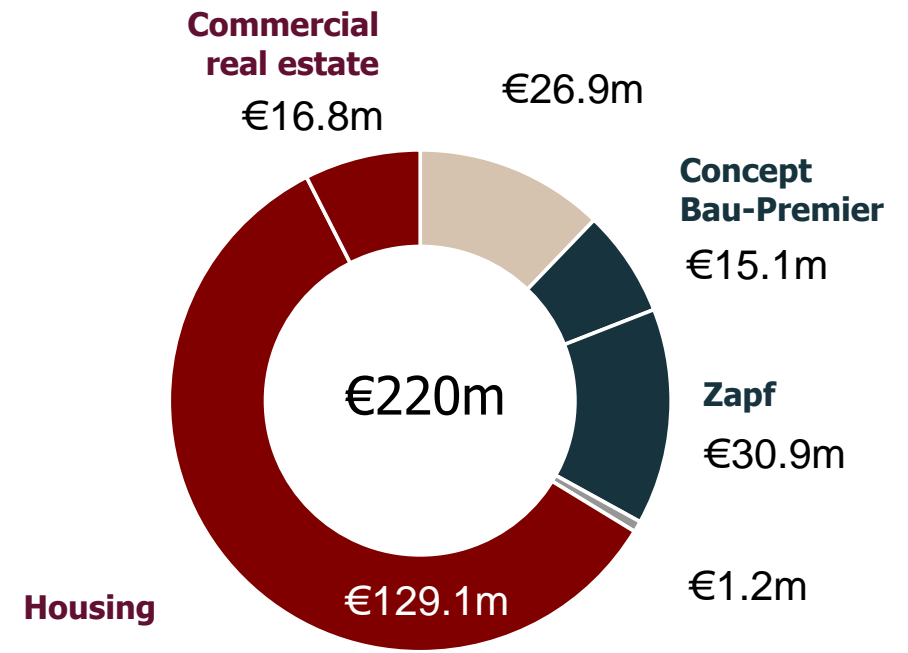
# Financial Review

## Revenue

H1 2011



H1 2010



France

Spain

Germany

Other countries





# Financial Review

## Gross profit and recurring operating profit

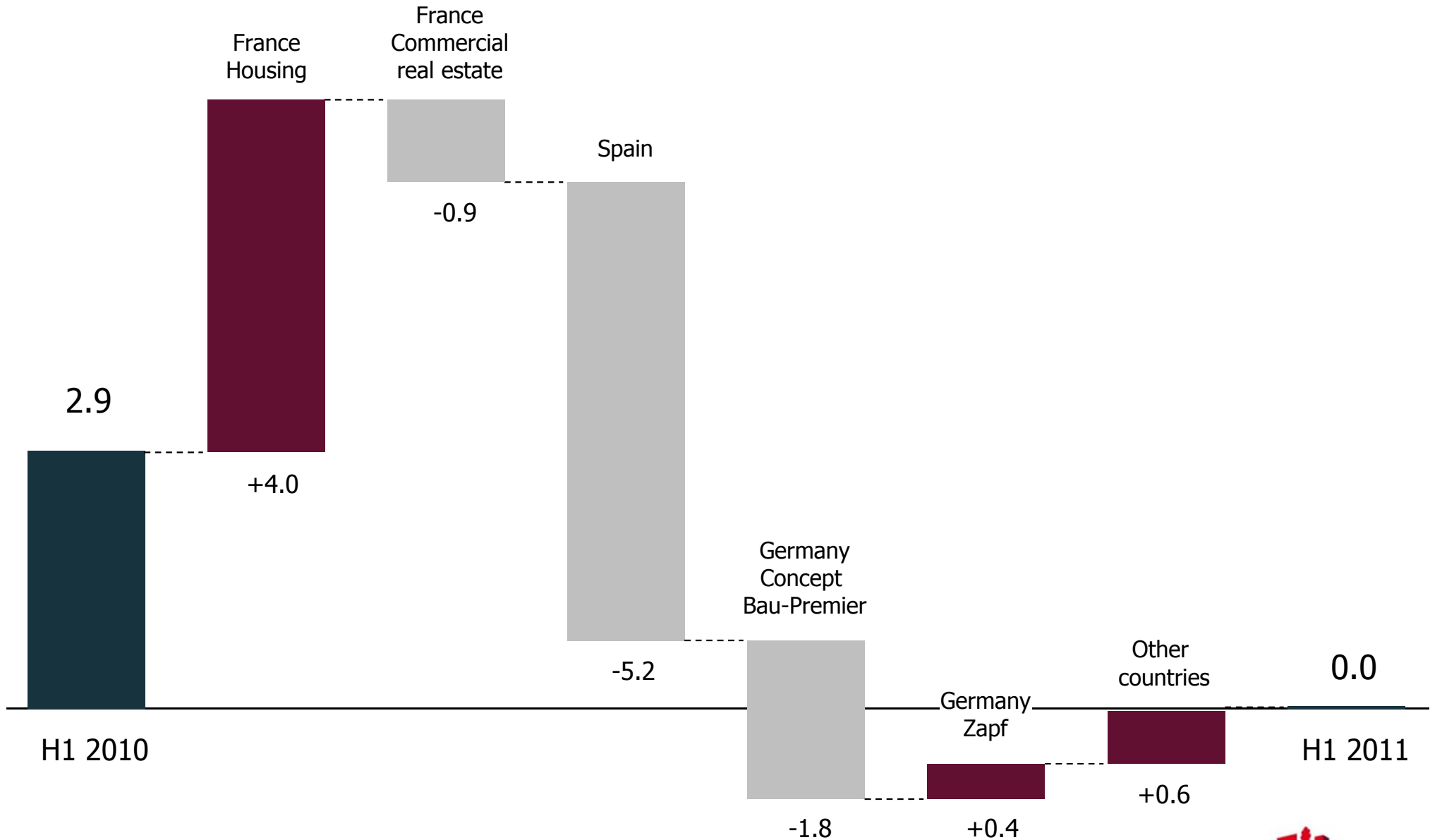
	H1 2011		H1 2010		Change in €m
	in €m	% revenue	in €m	% revenue	
<b>Gross profit</b>	<b>42.7</b>	<b>24.0%</b>	<b>41.6</b>	<b>18.9%</b>	<b>+1.1</b>
France - Housing	26.1	22.6%	20.6	16.0%	+5.5
France - Commercial real estate	0.5	27.8%	1.7	10.1%	-1.2
Spain	0.5	6.5%	6.1	22.6%	-5.6
Germany - Concept Bau-Premier	2.5	22.7%	3.4	22.5%	-0.9
Germany - Zapf	12.3	30.9%	10.0	32.4%	+2.3
Other countries	0.8	33.3%	(0.1)	-12.0%	+0.9
<b>Recurring operating profit</b>	<b>0.0</b>	<b>0.0%</b>	<b>2.9</b>	<b>1.3%</b>	<b>-2.9</b>
France - Housing	7.9	6.9%	3.9	3.0%	+4.0
France - Commercial real estate	(0.5)	-27.8%	0.4	2.4%	-0.9
Spain	(1.2)	-15.6%	4.0	14.9%	-5.2
Germany - Concept Bau-Premier	(2.1)	-19.1%	(0.3)	-2.0%	-1.8
Germany - Zapf	(3.8)	-9.5%	(4.2)	-13.6%	+0.4
Other countries	(0.3)	-12.5%	(0.9)	-75.0%	+0.6



# Financial Review

## Recurring operating profit

in € millions





# Financial Review

## Cost of net debt

in € millions	H1 2011	H1 2010
Cost of gross debt	2.6	4.4
Capitalized interest (IAS 23)	1.5	0.5
Total interest paid	4.1	4.9
Average gross debt	146	190
Average interest rate on gross debt	5.6%	5.2%

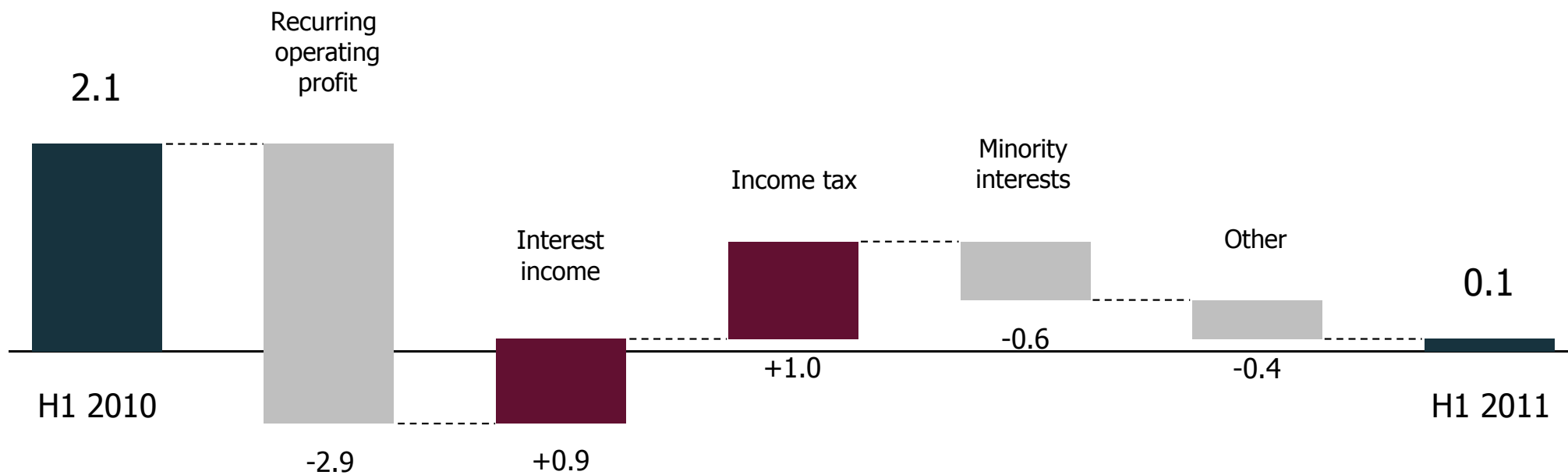
- ◆ Lower average gross debt
- ◆ Higher interest rates
  - Average 3-month Euribor: 1.3% in H1 2011 vs. 0.7% in H1 2010



# Financial Review

## Net profit, Group share

in € millions



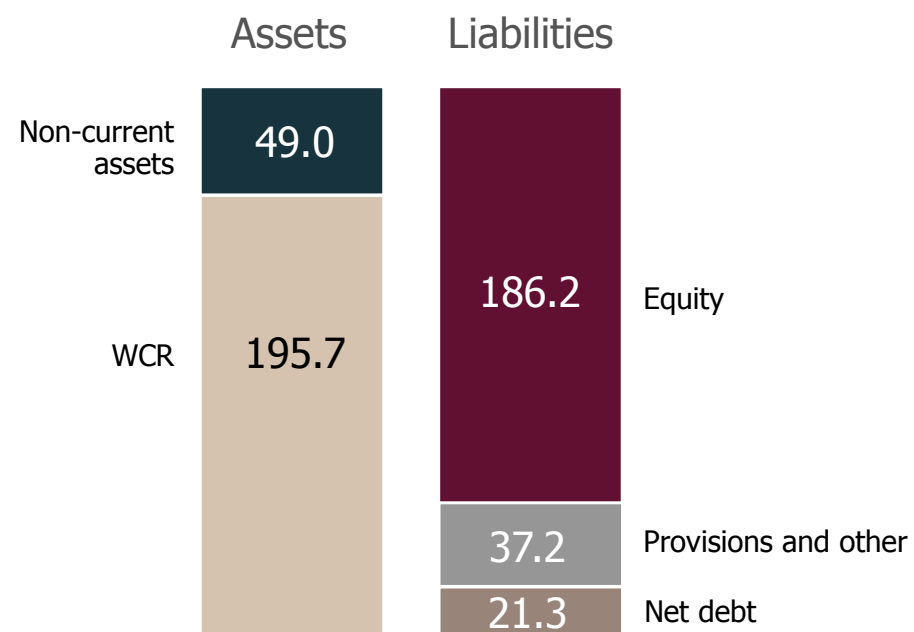


# Financial Review

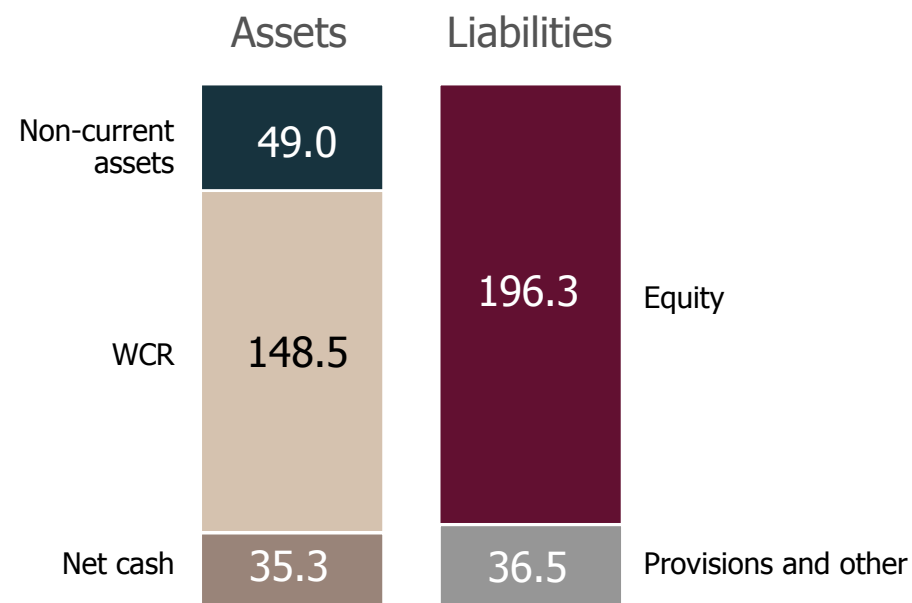
## Summary balance sheet

in € millions

Balance sheet at June 30, 2011



Balance sheet at December 31, 2010



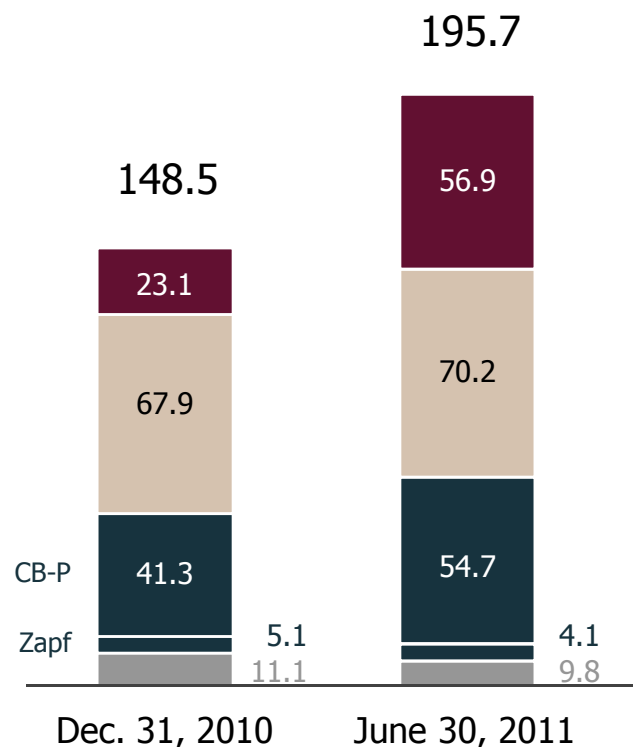


# Financial Review

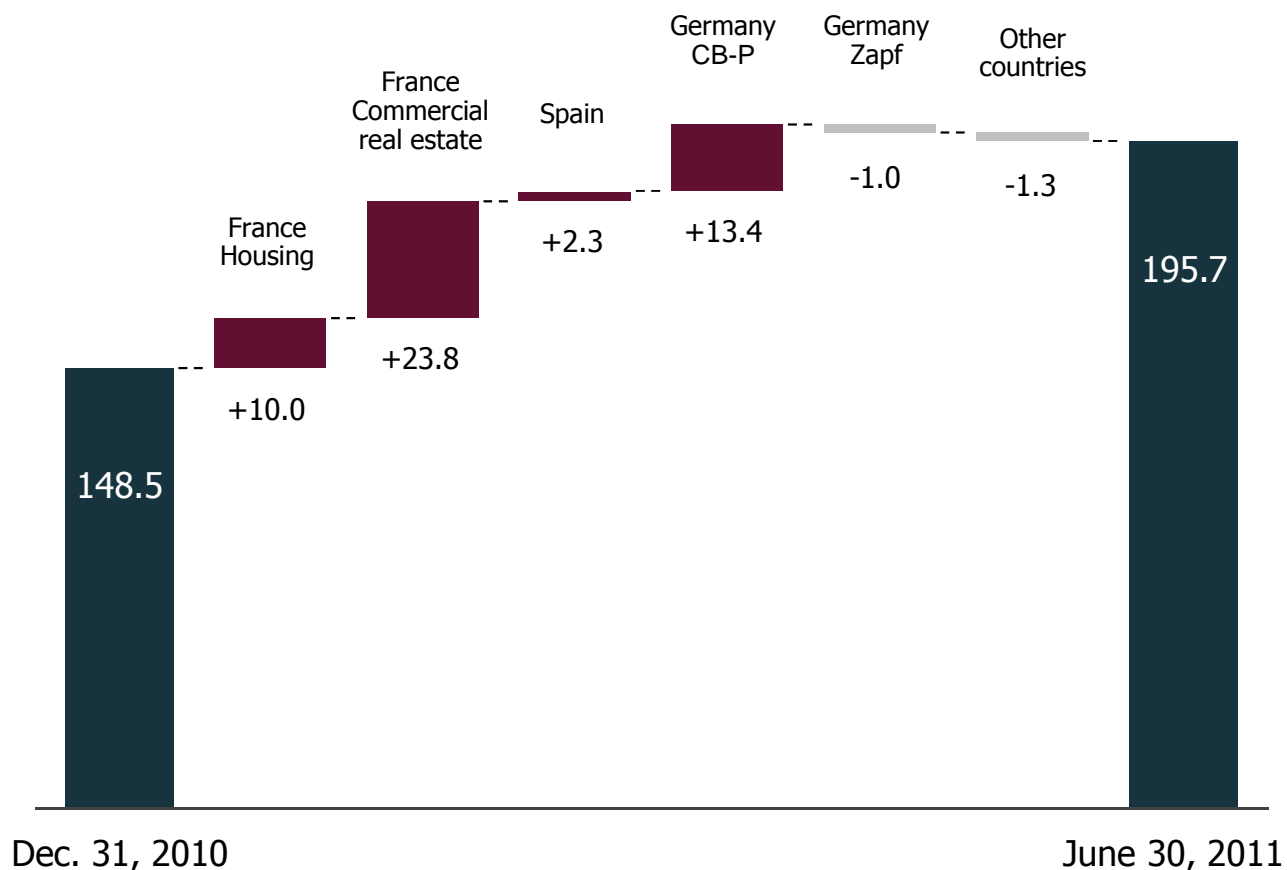
## Working capital requirement

in € millions

WCR by country



Analysis of WCR



■ France 
 ■ Spain 
 ■ Germany 
 ■ Other countries

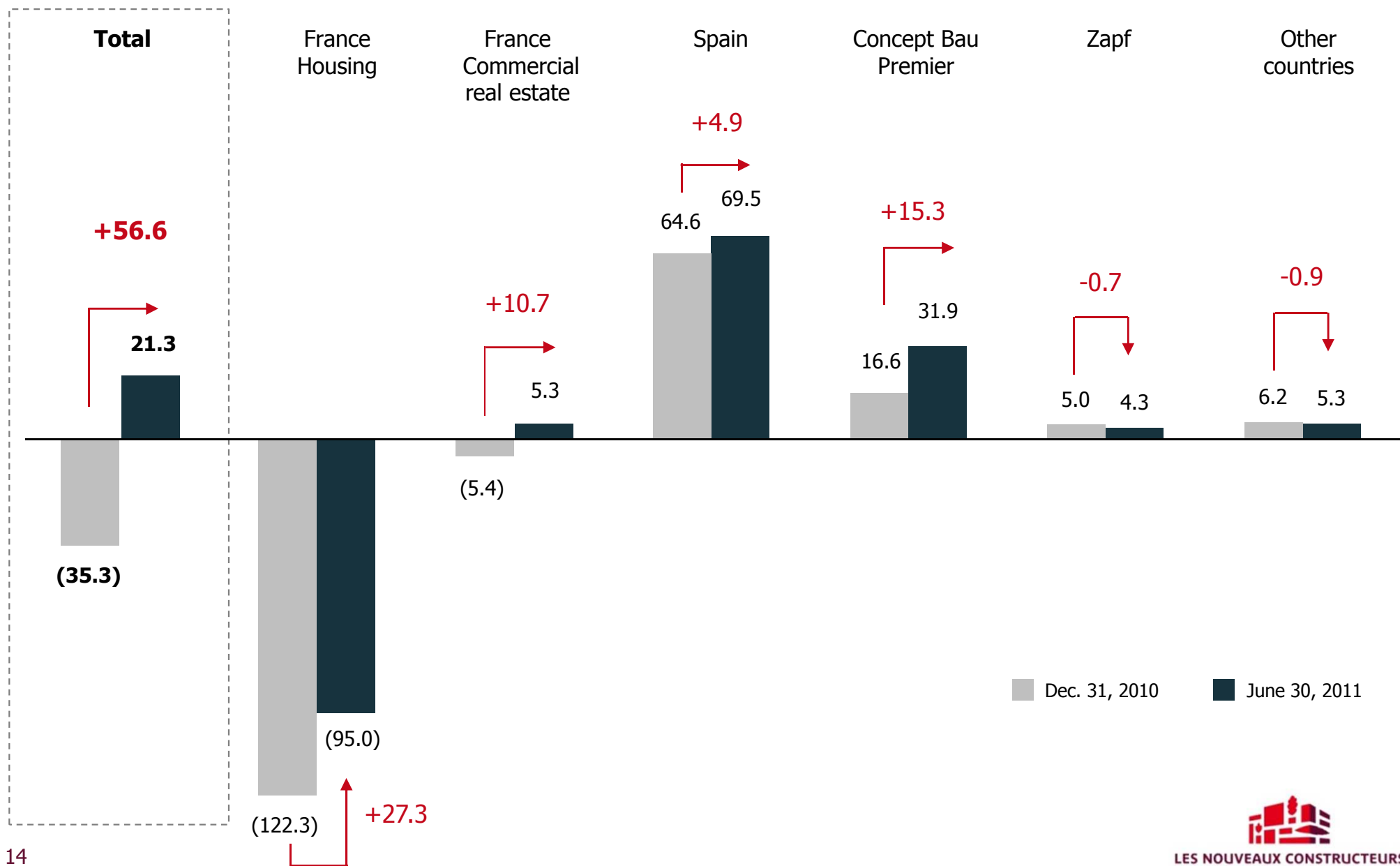




# Financial Review

## Net debt by country

in € millions





# Financial Review

## Financial structure

in € millions	June 30, 2011	Dec. 31, 2010	Change
Non-current debt	85.6	47.5	+38.1
Current debt	85.0	102.0	-17.0
Adjustment of developer contributions	(14.6)	(12.3)	-2.3
Gross debt	156.0	137.2	+18.8
Cash	134.7	172.5	-37.8
Net debt / (Net cash)	21.3	(35.3)	+56.6
Equity	186.2	196.3	-10.1
Net debt to equity	11.4%	NA	

Equity at June 30, 2011	186.2	100%
France	165.3	89%
Spain	1.2	1%
Germany - Concept Bau-Premier	20.0	11%
Germany - Zapf	14.1	8%
Other countries	(14.4)	-8%



**Berlin** - Architect: Ben Hoffmann



**Lyon** - Architect: Cabinet Sud Architectes



**Madrid** - Architect: Cano & Escario

### 3

## LNC in its Markets

Fabrice Desrez - Moïse Mitterrand - Olivier Mitterrand





# LNC in France

Housing - Good sales

H1 revenue 65%

- ◆ 818 orders in H1 2011 vs. 843 in H1 2010
  - Sales to individual homebuyers comparable to 2010 in a contracted market
- ◆ 17 programs launched in the first half
- ◆ 24 launches scheduled for the second half, vs. 13 in H2 2010

## Issy-les-Moulineaux



Architect: Pierre Phily

121 units

Offered for sale on September 29, 2011

€8,450 per sq.m parking space included

## Lyon 7<sup>th</sup>



Architect: Cabinet Hervé Vincent

162 units

Offered for sale in September 2010

42 orders in 6 months

€4,262 per sq.m parking space included

## Romainville



Architect: Jean-Martin Gruss

60 units

Offered for sale on June 25, 2011

22 orders in 2 months

€4,114 per sq.m parking space included

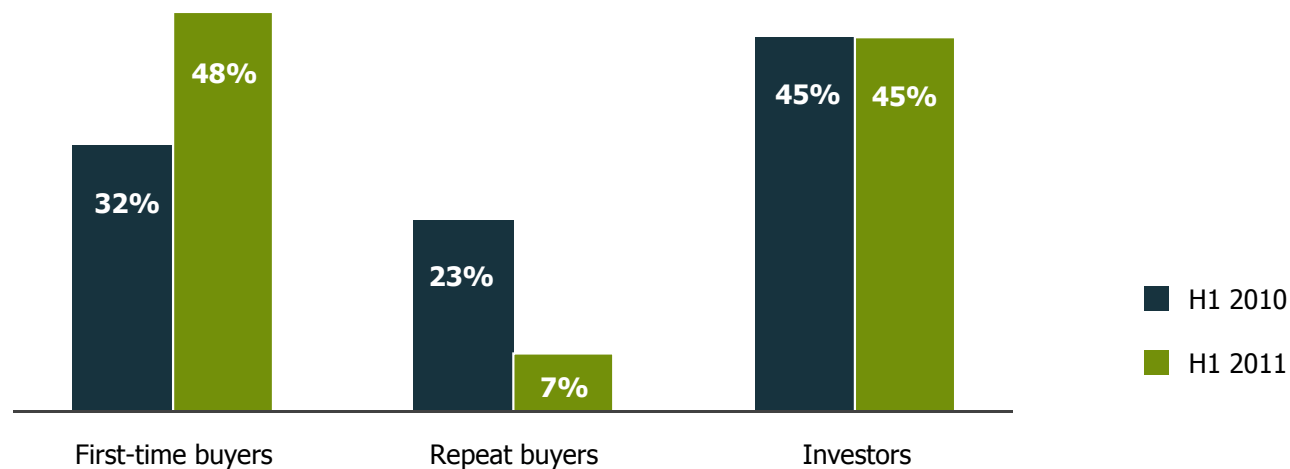


# LNC in France

## Housing - Change in buyer profiles

H1 revenue 65%

- ◆ Sales to investors: H1 2011 on a par with H1 2010
- ◆ Increase in first-time buyers



- ◆ Changes in government measures



# LNC in France

## Housing - Good development results

- ◆ Land potential up 11% from year-end 2010
  - 3,910 housing units at June 30, 2011 vs. 3,525 units at Dec. 31, 2010
  - 94% of the land potential certified to France's BBC energy-efficiency standards
- ◆ A number of successful land purchases
- ◆ Reinforced project selection criteria

### Chaville



Architects: Marc Breitman and Nada Breitman

Number of units: **197**

To be offered for sale in **November 2011**

Proposed price: **€7,400 per sq.m parking space included**

### Lyon Confluence



Architect: Cabinet AFAA - Philippe Audart

Number of units: **55**

Offered for sale on **September 17, 2011**

Proposed price: **€5,200 per sq.m parking space included**



# LNC in France

Housing - Cabrita acquisition

H1 revenue 65%



- ◆ Ongoing development in Southern France
- ◆ Property development company based in Toulouse
  - France's fourth largest region: especially favorable demographic and economic environment
  - Production capacity: 150 to 200 homes a year
  - 18 employees
- ◆ Acquisition of all outstanding shares on July 28, 2011
  - Consolidated in LNC's accounts as from August 1, 2011
- ◆ High quality programs

## Toulouse - Beauzelle



Architect: Tae-Hoon Yoon

Number of units: **114**

Offered for sale in **April 2011** - 25 orders in 5 months

Proposed price: **€3,332 per sq.m** parking space included

## Toulouse - Route de Launaguet



Architect: Cabinet ARUA

Number of units: **31**

To be offered for sale in **October 2011**

Proposed price: **€3,464 per sq.m** parking space included





# LNC in France

Investment in commercial real estate

H1 revenue 1%



## ◆ A dual ambition: business development and market recognition

- Creation of **LNC Entreprise**

## ◆ Boulogne (92): exclusive negotiations with an investor

- Mixed-use program with offices (7,000 sq.m) and apartments (35 units)

**Boulogne**



Architect: Bartolo & Villemard

## ◆ Development priorities

- Montrouge (92)
  - 26,000 sq.m - building permit applied for
- Châtenay-Malabry (92)
  - Offices (10,000 sq.m) and apartments (140 units) - building permit applied for
- Champs-sur-Marne (77) - Nanterre (92) - Achères (78)

**Achères**



Architect: Eric Haour

## ◆ Land potential up sharply in H1 2011

- €189 million at June 30, 2011 vs. €76 million at Dec. 31, 2010



# LNC in Germany: Concept Bau-Premier

Successful new programs

H1 revenue 6%



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## ◆ Solid sales performance

- Orders: 94 housing units in H1 2011 vs. 70 in H1 2010
- Successful new programs
  - Cosimastrasse
  - Nymphenburg II
  - Ika Freudenberg, Gauting and Poing, in cooperation with Zapf
- Backlog: €95 million at June 30, 2011 vs. €66 million at Dec. 31, 2010

### Munich - Cosimastrasse



Architect: Atelier Achatz Architekten

## ◆ Munich: strengthening land potential in a still promising market

- 4 lots acquired in H1 2011 - 148 apartments
- 534 housing units at June 30, 2011 vs. 483 at Dec. 31, 2010

### Munich - Gauting



Conception: Zapf

## ◆ Deliveries: major delivery program scheduled for H2 2011





# LNC in Germany: Zapf

Strong business performance

H1 revenue 22%



## ◆ Company specialized in prefabricated row houses

- Sales: 255 houses in H1 2011 vs. 178 in H1 2010
- Ongoing synergies with Concept Bau-Premier
  - 3 projects underway for Concept Bau-Premier

## ◆ Prefabricated garages: building the business

- Sales: 8,164 units in H1 2011 vs. 6,052 in H1 2010, an increase of 35%
- 20% share of the German market for prefabricated garages
- Negotiations well underway to acquire additional capacity
  - North Rhine-Westphalia: additional capacity of 2,000 units a year
  - Reduced transport costs and optimized production resources

## ◆ Higher margins expected in the second half

- 18 homes delivered in H1 2011 - Around 300 scheduled for the full year

Munich - Ika Freudenberg



Conception: Zapf





# LNC in Spain

H1 revenue 4%

Delivery of the first two affordable housing programs in H2



## ◆ Sales: a more difficult market in 2011

- Orders: 60 homes in H1 2011, vs. 138 in H1 2010
  - New affordable housing programs: 34 units
- Fewer completed, unsold homes
  - 96 units at June 30, 2011, vs. 115 at Dec. 31, 2010

Madrid



Architect: Jose Carlos Rasines

## ◆ Higher revenue and margins expected in the second half

- 34 homes delivered in H1 2011 - Around 200 scheduled for the full year
- 4 programs scheduled for delivery in H2 2011, of which two affordable housing programs and two sold at market prices

Barcelona



Architect: Cabinet SOB Arquitectos

## ◆ Land potential: increase in lots for affordable housing programs

- Acquisition of 4 lots
  - In Greater Madrid and the Barcelona region
  - Approximately 210 affordable apartments
- 568 units at June 30, 2011 vs. 395 at Dec. 31, 2010



LES NOUVEAUX CONSTRUCTEURS



Villeurbanne - Architect: Thierry Roche



Montpellier - Architect: Jacques Ferrier



Marseille - Architect: M2DC

# 4

## Conclusion Olivier Mitterrand





# Conclusion

Solid outlook for the second half

## ◆ Continuing to refocus on France

- Increasing the sales offering with a focus on margins
- Major development initiatives
  - Toulouse: LNC's sixth regional market in France
  - Creation of a Greater Paris Programs Department
- Creation of a centralized Product Department to optimize technical resources and ensure innovative architecture

## ◆ Commercial real estate: major projects underway

- Ambitious development objectives
- Creation of **LNC Entreprise**

## ◆ Affirming LNC's positioning

- Operations in French metropolitan areas with strong demographic and economic potential
- Moving upmarket
- Maintaining a good balance between investors and individual homebuyers
- Greater selectivity in confirmed land purchases





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