



LES NOUVEAUX CONSTRUCTEURS

CONCEVONS VOTRE ESPACE DE VIE



2011 Results

*Boulogne
Architects: Bartolo & Villemard*

Thursday, March 29, 2012



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Olivier Mitterrand



Arche Horizon – Nanterre
Architected: Farshid
Moussavi



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Introduction

Olivier Mitterrand

Boulogne
Architects: Bartolo & Villemard



LNC in 2011

Solid results

- Sales up sharply
 - Strong 30% increase in orders to €821m
 - Commercial real estate: sale of the office building in Boulogne
- Good visibility for business in 2012
 - Backlog of €784m (up 51% vs. 2010), representing 17 months of business
 - Land potential of €1,441m (up 34%), representing 30 months of business
- Revenue generally stable
 - Clear second-half improvement in Germany and Spain
- Sharp 24% rise in recurring operating profit
- Balance sheet still solid



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Financial Review

Paul-Antoine Lecocq



Montrouge
Architects: cabinet EDCM



2011 Financial Highlights

In € millions	2011	2010
Net revenue	524.1	540.0
Gross profit	128.7	110.4
<i>Gross margin</i>	24.6%	20.4%
Recurring operating profit	29.9	24.1
<i>Recurring operating margin</i>	5.7%	4.5%
Net profit, Group share	15.1	15.1

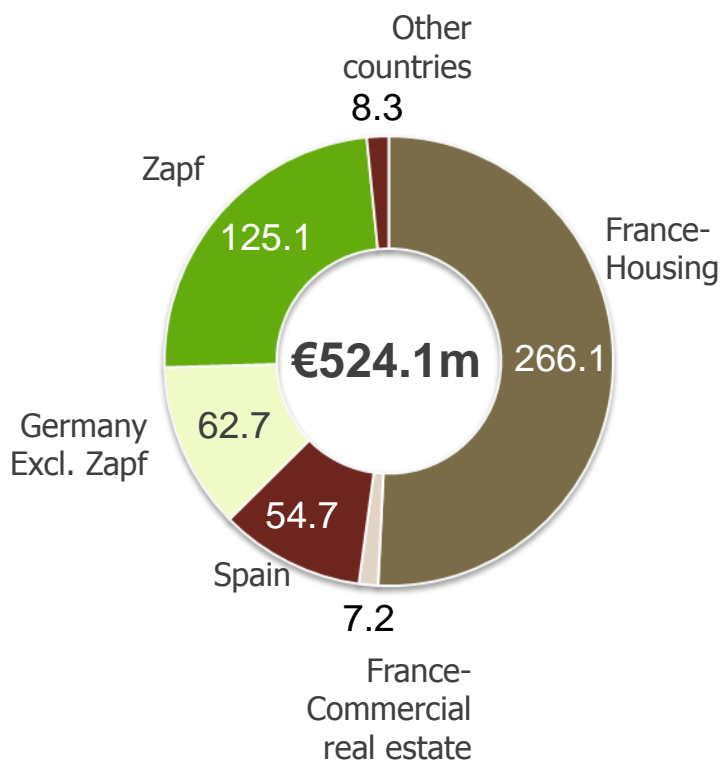
In € millions	Dec. 31, 2011	Dec. 31, 2010
Working capital requirement	161.0	148.5
Net debt	29.3	35.3
Consolidated equity	208.3	196.3



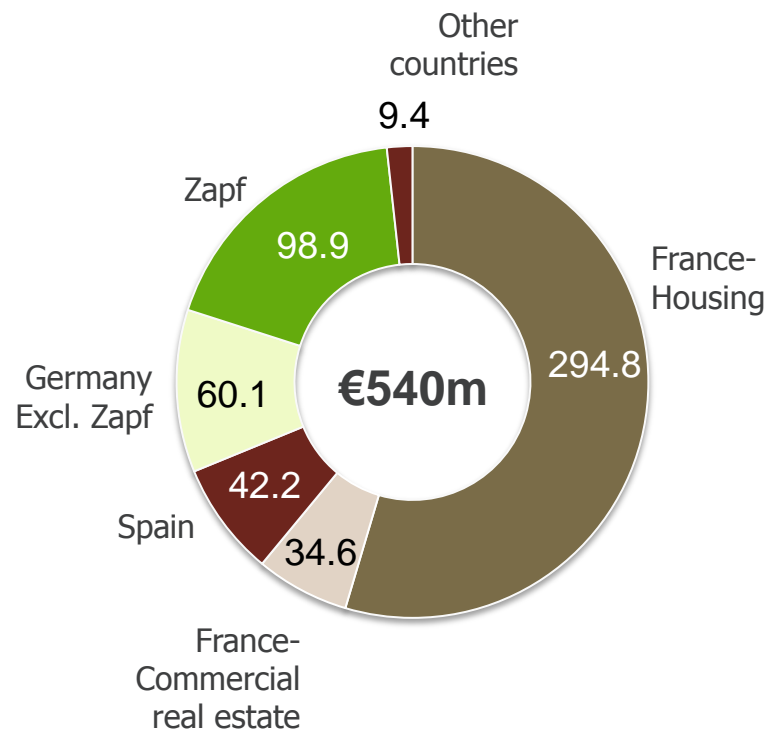
Revenue

2011

in €m



2010





Geographic breakdown of profitability

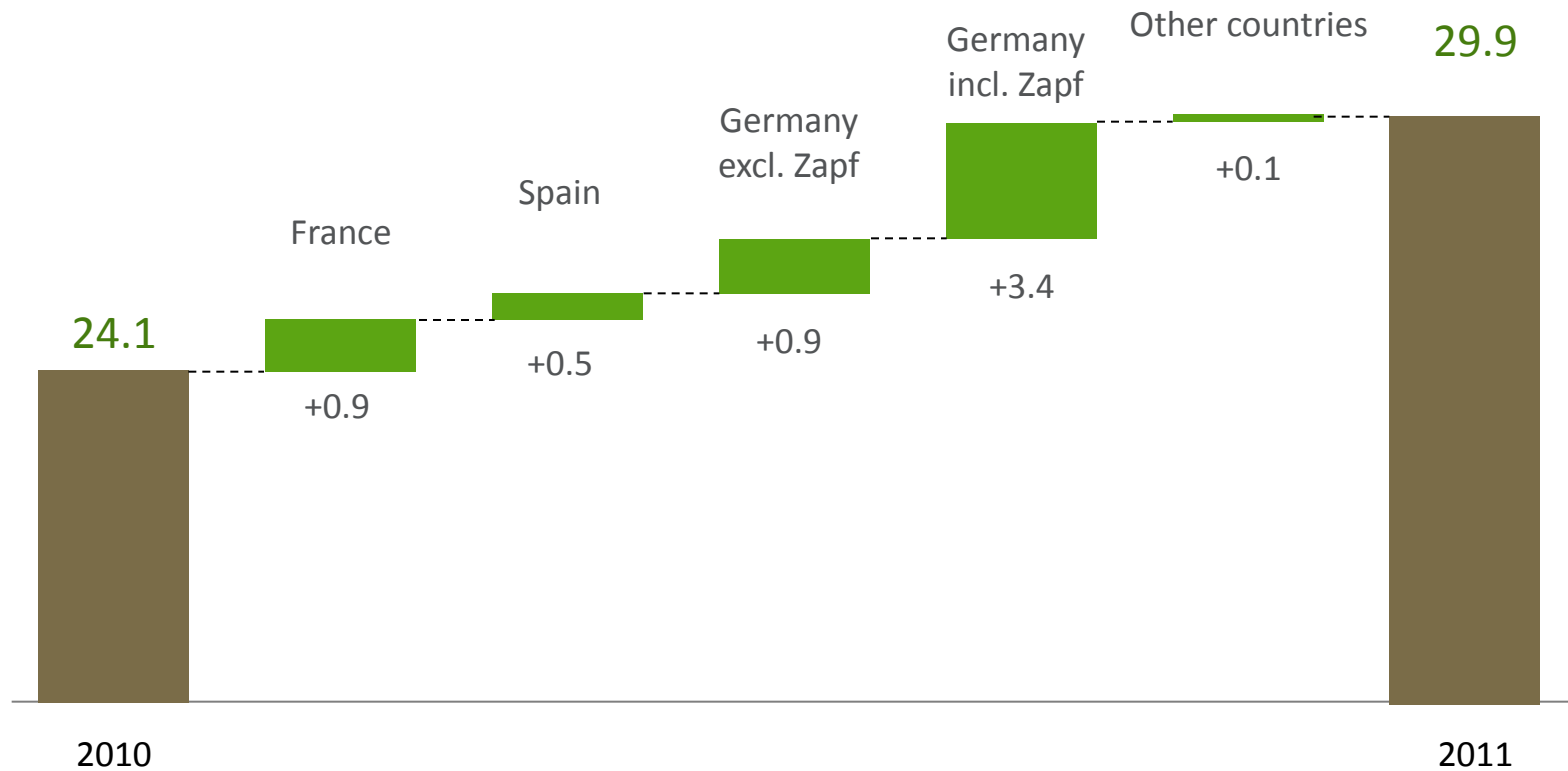
	2011		2010		Change
	In €m	% of revenue	In €m	% of revenue	In €m
Gross profit	128,7	24.6%	110.4	20.4%	19.0
France - Housing	63.1	23.7%	54.8	18.6%	8.3
France – Commercial real estate	3.0	41.7%	2.7	7.8%	0.3
Spain	7.9	14.4%	9.3	22.0%	-1.4
Germany- excluding Zapf	13.6	21.7%	11.9	19.8%	1.7
Zapf	39.2	31.3%	30.7	31.0%	8.5
Other countries	1.9	22.9%	1.0	10.6%	1.6

Recurring operating profit/(loss)	29,9	5.7%	24.1	4.5%	5.5
France - Housing	15.1	5.7%	15.1	5.1%	0
France – Commercial real estate	0.5	6.9%	(0.4)	-1.2%	0.9
Spain	5.0	9.1%	4.5	10.7%	0.1
Germany - excluding Zapf	3.9	6.2%	3	5.0%	0.9
Zapf	5.7	4.6%	2.3	2.3%	3.4
Other countries	(0.3)	-3.6%	(0.4)	-4.3%	0.2



Change in recurring operating profit

In €m





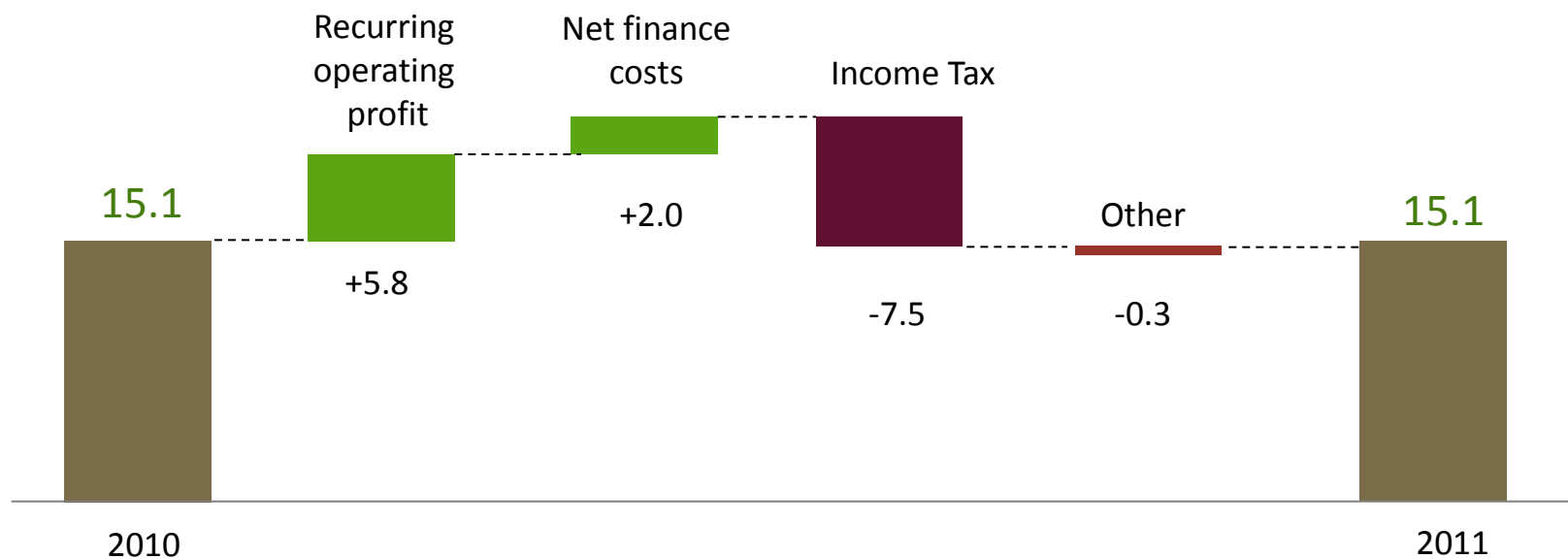
Breakdown of cost of debt

	2011	2010
In € millions		
Cost of gross debt	5.5	7.1
Capitalized interest (IAS 23)	2.9	1.9
Total interest paid	8.4	9.0
Average gross debt	146	162
Average interest rate on gross debt	5.8%	5.5%
Average 3-month Euribor	1.4%	0.8%



Net profit, Group share

In € millions

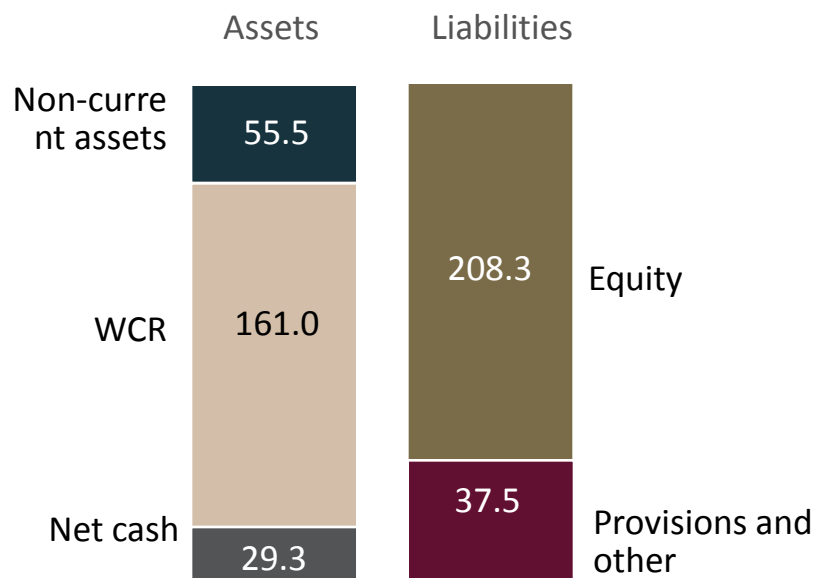




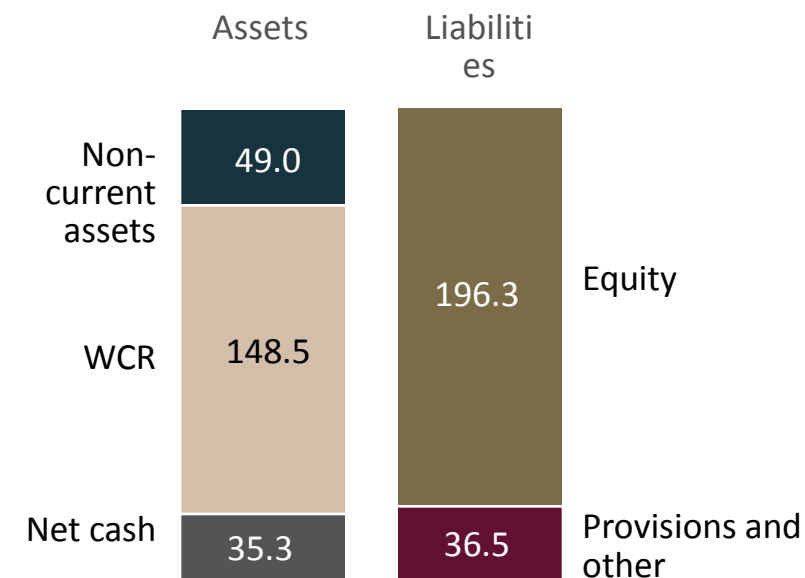
Summary balance sheet structure

In € millions

Balance sheet at Dec. 31, 2011



Balance sheet at Dec. 31, 2010

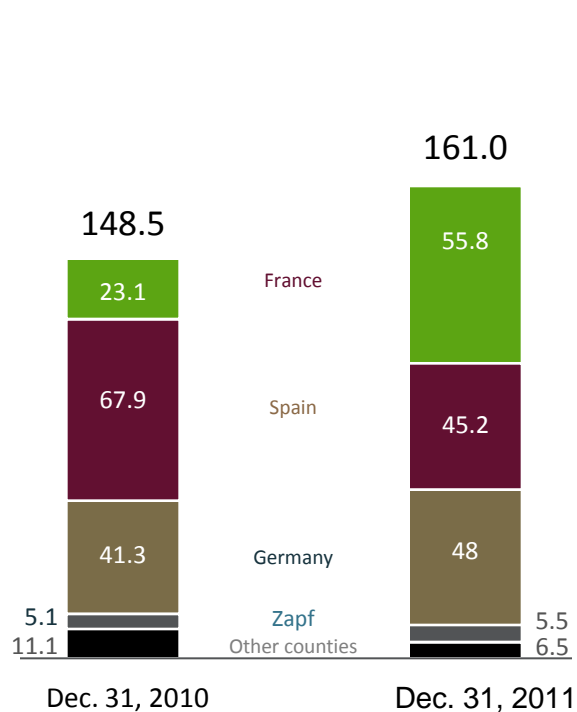




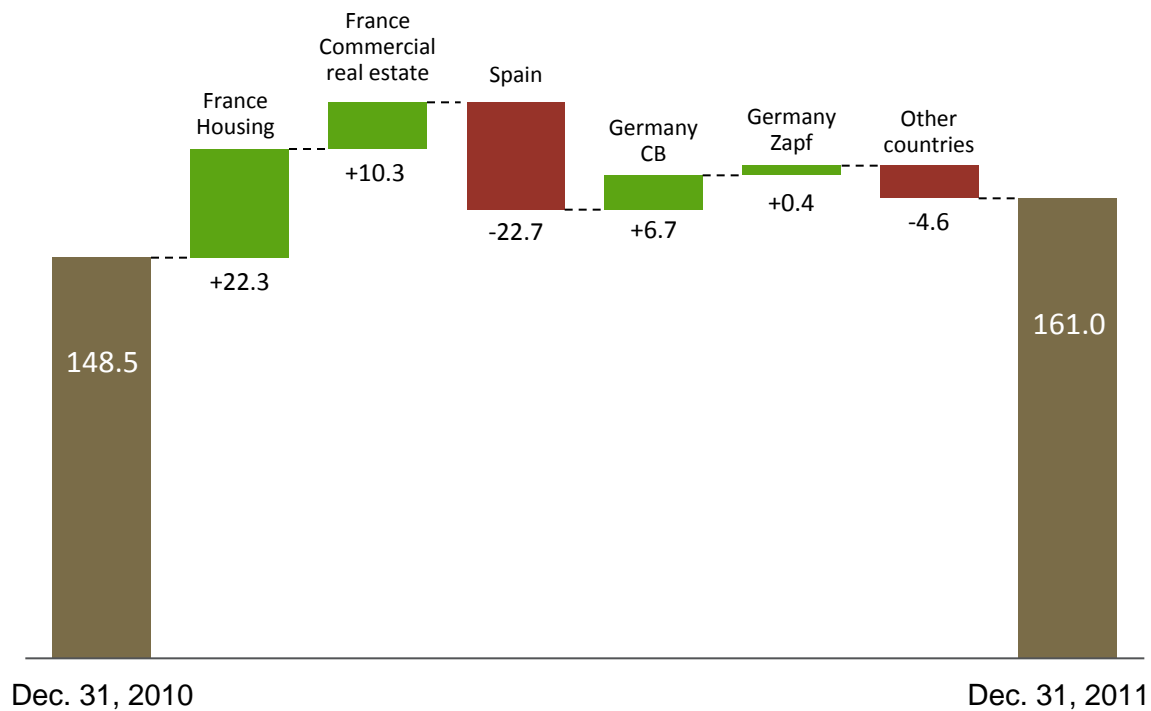
Working capital requirement

In € millions

WCR by country

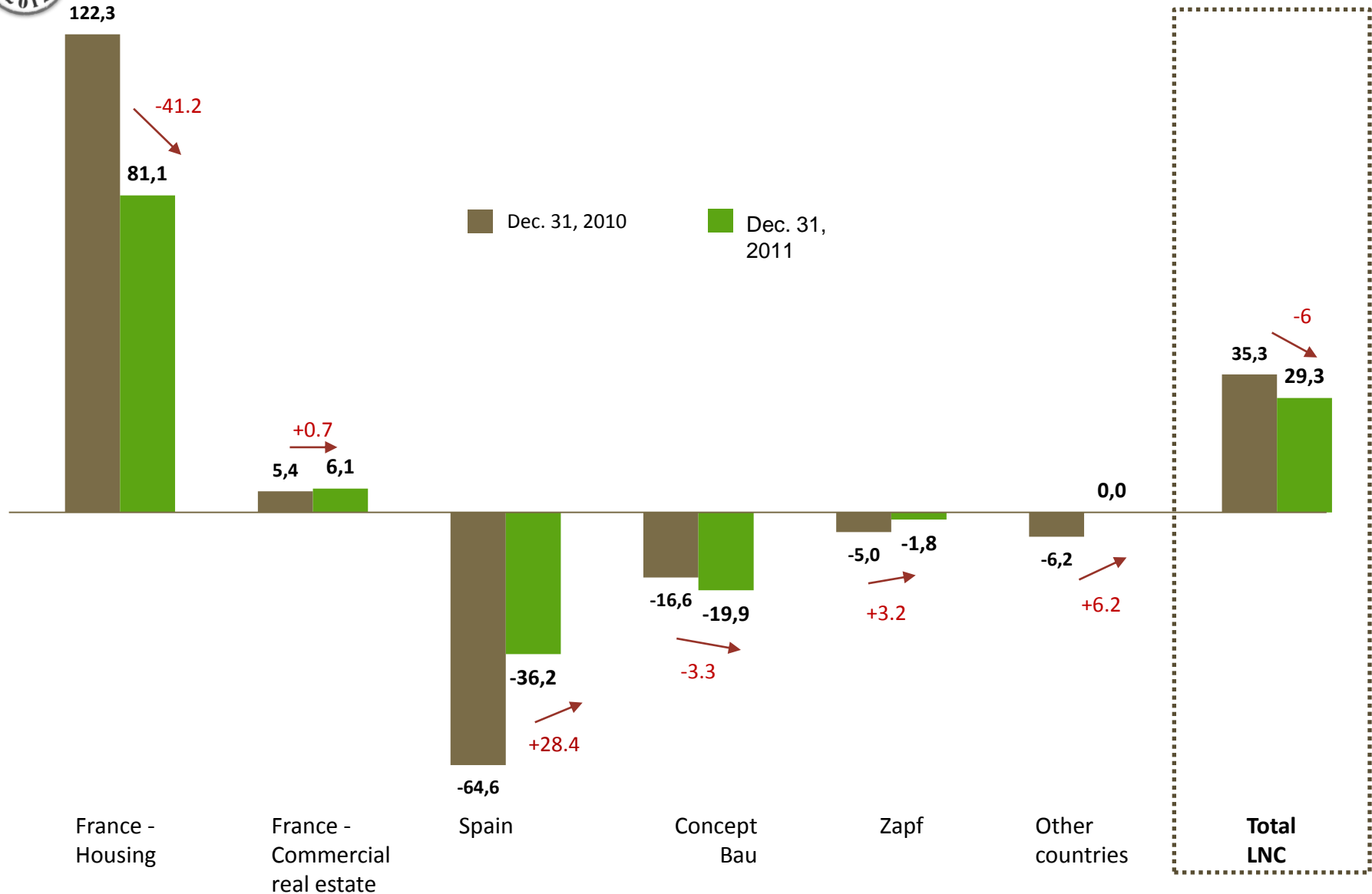


Analysis of WCR





Cash position by country





Financial Structure

in € millions	Dec. 31, 2011	Dec. 31, 2010	Change
Non-current debt	(71.1)	(47.5)	(23.6)
Current debt	(63.3)	(102.0)	38.7
Adjustment of developer contributions	12.1	12.3	(0.2)
Gross debt	(122.3)	(137.2)	14.9
Cash	151.6	172.5	(20.9)
Net debt	29.3	35.3	(6.0)
Equity	208.3	196.3	11.6
Net debt / equity	NM	NM	

Equity at Dec. 31, 2011	€m	%
France	164.7	79%
Spain	4.8	2%
Germany - Concept Bau	25.4	12%
Germany - ZAPF	22.4	11%
Portugal- Poland-Indonesia	(9.0)	-4%



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LNC in its markets

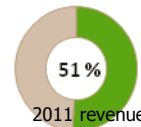
Fabrice Desrez
Moïse Mitterrand

*Bussy-Saint-Georges – "Entrée de ville"
Architect: Michel Macary SCAU*



LNC in France

Housing – Excellent sales results



- Sharp improvement in orders in a contracting market: €505m up 23%
 - 2,247 orders vs 1,817 in 2010
- Faster launches: 39 programs offered for sale in 2011 vs 30 in 2010



Architect: Pierre Phily

Issy-les-Moulineaux Haut de Seine

121 units

Offered for sale in September 2011

70 orders in 3 months

€8,450 per sq.m parking space incl.



Architect: Hervé Vincent

Lyon - Rhône

162 units

Offered for sale in Nov. 2010

140 orders in 16 months

€4,343 sq.m parking spaces incl.



Francis Miltat Architects

Stains Seine Saint Denis

90 units

Offered for sale in May 2011

53 orders in 3 months

€2,963 per sq.m parking space incl.



Architect : Emmanuel Dujardin

Chateauneuf Les Martigues Bouches du Rhône

288 units

Offered for sale in Oct. 2011

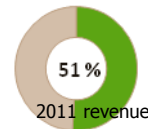
38 orders in 3 months

€2,567 sq.m parking spaces incl.



LNC in France

Housing – Development



- Ongoing growth initiatives: €1,092 up 54% vs Dec. 31, 2010
• 5,497 units at Dec. 31, 2011 vs 3,525 units at Dec. 31, 2010
- A large number of successes in development project bids

Nanterre - Haut de Seine



210 units

Architect: Farshid Moussavi

Vourles - Rhône



50 units

Architect: Maurice Angel

Chaville - Haut de Seine



160 units

Architects: Nada Breitman & Marc Breitman

Trappes - Yvelines



119 units

Architect: Architectonia/Hugues Jirou



LNC in France

Housing – Initial trends in 2012



- Fewer visits to sales offices
- Slower pace of sales
- Continuing demand



Architect: cabinet GERU

Le Mesnil Saint Denis Yvelines

21 single-family homes

71 apartments

Offered for sale: mid-March 2012

€4,080 per sq.m parking space
included



LNC in France

Housing – Adapting to the new market environment in 2012



- Homes more affordable to most households ⇒ Lower costs
- Greater centralization at the national level to optimize processes
- New business opportunities carefully selected
- Special arrangement for hard-to-sell programs

Marseille - Bouches du Rhône



78 units

Architect: M2DC

Louvres - Val d'Oise



62 units

Architect: Atelier BLM / Elliott LAFFITTE



LNC in France

Commercial real estate development



- Creation of LNC Entreprise: a new development driver
- Boulogne (92): sale of a major project to an investor
 - Offices - 7,000 sq.m
 - Delivery scheduled for Q3 2013
- Projects being brought to market
 - Montrouge (92): Offices – 24,500 sq.m – Building permit obtained
 - Châtenay-Malabry (92): Offices – 10,000 sq. m. – Building permit obtained
- Projects under consideration
 - Achères (78) -Nanterre (92)- Noisy le Grand (93) - Paris
- Land potential sharply higher
 - €140m at Dec. 31, 2011 vs €76m at Dec. 31, 2010

Chatenay -Malabry



Architect : Hubert Godet

Achères



Architect: Eric Haour



LNC in Germany: Concept Bau-Premier

Successful new programs in Munich



- Revenue higher at €62.7m 149 units delivered in 2011
 - Substantial percentage of high-unit price apartments
- Good sales performance
 - Success of programs offered for sale in Munich
 - Orders: 274 units vs 147 units in 2010
 - 42% increase in backlog to €94m at Dec. 31, 2011
- Effective refocusing on Munich
 - Expiration of an option to buy a lot in Frankfurt
 - Land potential: 260 units at Dec. 31, 2011 vs 483 at Dec. 31, 2010

Munich - Cosimastrasse



Achatz Architekten

Munich –Lichtblicke Thalkirchen



GKK + Architekten



LNC in Germany: Zapf

Very good level of sales

ZAPF



- Improved results
 - Sharp 26.5% rise in revenue to €125.1m
 - Higher margins in the second half
 - Backlog : €59m up 20%
- Prefabricated garages: 60% of revenue
 - Sales: 15,251 units in 2011 vs 10,183 in 2010, up 50%
 - German market leader: 20% share of prefabricated garages
 - Stronger capacity with the acquisition of Estelit's assets
- Company specialized in prefabricated row houses
 - 313 homes delivered in 2011 vs 215 in 2010, up 45%



Munich - Ika Freudenberg



Conception: Zapf



LNC in Spain

Delivery of the first two affordable housing programs



- Higher revenue
 - First two affordable housing programs delivered: 114 housing units
- Net debt reduced from €64m to €36m
- Orders lower: 239 housing units in 2011 vs 314 in 2010
 - Mainly affordable housing programs: 159 housing units
 - Block sale to a banking establishment: 42 units +1 lot
- Fewer completed, unsold units
 - 46 housing units at Dec. 31, 2011 vs 115 at Dec. 31, 2010

Madrid – Residencial Arrayan



Architects: Jesus David Ramos Pino
y Carlos Parra Cuenca

Madrid – Paracuellos Residencial Mirador De Quevedo



Architects: Cano_&_Escario





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Conclusion

Olivier Mitterrand

Lyon – "Yves Farges"
Architecte: Hervé Vincent



Conclusion

Adapting to the market in 2012

- **Adjusting the strategy**
 - Ongoing effort to align the products with demand
 - Constant focus on profitability
 - Greater vigilance with regard to land acquisition criteria
- **Continuing to refocus the business on France**
 - France: 85% of land potential (including commercial real estate)
 - Development in French cities with high potential for population and economic growth
 - Significant backlog for 2012 ⇒ Good visibility for the year
- **Goal of developing the commercial real estate segment**
 - Major projects underway
 - Ability to select and manage opportunities
- **Solid financial structure**
- **Recommended dividend: €0.50 per share**