

KAUFMAN BROAD

Press release – For immediate release

Paris, November 16, 2008 – Following an article published in the press, Kaufman & Broad wishes to clarify that its debt carries no principal repayment obligations in the short- or medium-term. However, in the current economic context, Kaufman & Broad is discussing with its banks an adjustment to its financial covenants. A constructive dialogue has begun in this regard.

An extraordinary shareholders' meeting will be held on November 24 to provide the Group with the authorizations that would be necessary to implement a share capital increase. To date, no decision relating to such a transaction has been made.

Kaufman & Broad notes that in light of the decline of the real estate market it launched a number of measures, from the start of 2008 and which have been reinforced in the last few months, relating to reducing the costs of its operations and operating expenses, as well as abandoning certain projects no longer meeting its profitability criteria. The same strategy enabled it to satisfactorily navigate through the real estate crisis in the 90's.

For nearly 40 years, Kaufman & Broad has been designing, building and selling single-family homes and apartments, as well as office properties on behalf of third parties. Its size, profitability and strong brand name have made Kaufman & Broad one of France's leading developers and builders of homes.

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