KAUFMAN & BROAD

PRESS RELEASE – FOR IMMEDIATE RELEASE

Paris, November 25, 2009 – Kaufman & Broad SA announces the signature of an amendment to its Senior Facilities Agreement providing it with greater flexibility, to be optimally prepared for the recovery of the French housing market.

The amendment provides, in particular, for the replacement of the cashflow cover ratio with minimum cashflow requirements and the prepayment by the Company of part of its debt under the Senior Facilities Agreement in January 2010 and, if certain conditions are met, following the publication of the Company's consolidated financial statements for the accounting quarter ending on 31 August 2010, up to a total maximum amount of €25,000,000. Details of the amendment are provided in the appendix hereto.

Commenting on this amendment, Guy Nafilyan, Chairman and Chief Executive Officer of Kaufman & Broad, said: "*This amendment, which demonstrates the banking pool's support for the Company's strategy launched in late 2008 and reinforced in first-half 2009, brings greater flexibility to the Senior Facilities Agreement, by being more responsive to the changes in our business environment. The first results of the above-mentioned strategy, in particular our success in reducing the number of unsold units in inventory, allows us to repay part of our debt. Kaufman & Broad will pursue this strategy with the utmost determination for all of 2010.*"

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

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APPENDIX

The main changes to the existing Senior Facilities Agreement provided for in the amendment are as follows:

- o Replacement of the cashflow cover ratio with minimum Cashflow (as defined below) requirements calculated on a consolidated basis for each accounting quarter starting from 31 May 2010 until the final maturity date of the agreement in 2016. The levels of Cashflow will be calculated on a trailing basis as from 1 December 2008 by aggregating the Cashflow for each accounting quarter from 1 December 2008 until the relevant testing date, and are set as follows:

	Nov. 2010	Nov. 2011	Nov. 2012	Nov. 2013	Nov. 2014	Nov. 2015
Minimum Cashflow[1]	€ 136 millions	€ 121 millions	€ 212 millions	€ 333 millions	€ 445 millions	€ 545 millions

[1]*Cashflow means EBITDA plus the amount of any decrease or minus the amount of any increase in working capital (excluding income taxes), plus/minus any income tax received/paid in cash, minus/plus the negative/positive cash impact of exceptional losses/gains, minus all capital expenditures paid in cash, minus the "*quote part des sociétés mises en équivalence*" (starting with the financial year ending on 30 November 2011), minus the amount of any dividends paid in cash to any minority shareholder of the members of the Group, minus the amount of any share buy back, plus the amount of any dividends received in cash (other than intra-group dividends and to the extent not already taken into account in calculating EBITDA), plus the "*résultat des interest minoritaires*" (starting with the financial year ending 30 November 2011) and plus net cash receipts of assets' disposals;*

*EBITDA means the consolidated profit of the Group before in particular any deduction of income taxes, financial profit (including the Net Cash Interest defined below, any exchange rate related gains and losses and any other financial items), Group's share of the profits of associates and joint-ventures (for the financial year ending 30 November 2010 only), other exceptional and/or non recurring items, before deducting any estimated charges (including in particular any amortizations, impairments or depreciations, any provisions, adjustments arising from fair value, incomes or charges relating to non cash employee share, incentive or remuneration schemes) and any gains or losses arising on the disposals of assets, and starting with the financial year ending 30 November 2011, less the "*résultat des intérêts minoritaires*";*

Net Cash Interest means interest payable in cash and the amount of discount element of any financial indebtedness payable in cash less interest payable in cash to the members of the Group (other than from other members of the Group).

The cash flow amounts mentioned above do not constitute forecasts or estimates of actual future cashflow or profits.

- o Mandatory partial prepayments of the facilities granted to the Company: a first prepayment in January 2010 for an amount of €15,000,000 (less, if applicable, the prepayment of all or part of the shareholder's loan made to the Company by Financière Gaillon 8 in July 2008) and a second prepayment in October 2010 upon publication of the Group's consolidated accounts for the accounting period ending 31 August 2010, for an amount of €10,000,000 if the Net Debt[2] at 31 August 2010 is equal to or less than €347,000,000 or, if the Net Debt at 31 August 2010 exceeds €347,000,000, the difference (if positive) between €10,000,000 and the amount of Net Debt at 31 August 2010 in excess of €347,000,000.

[2] *Net Debt means the aggregate outstanding principal or capital amount of all external financial indebtedness of the Group (excluding some of the subordinated debt and some off balance sheet commitments) less the cash and cash equivalents of the Group.*

The level of Net Debt mentioned above does not constitute a forecast or estimate of actual future net debt; no guarantee is given that this level will be achieved.