

## FIRST QUARTER RESULTS 2012

(NOT APPROVED BY THE BOARD OF DIRECTORS AND UNAUDITED)

- **Good return on new sales in a context of fewer offerings**
  - ✓ Revenues : €215.3m (excl. VAT) vs €232.9m (excl. VAT) at Q1 2011
  - ✓ Average monthly take-up rate of new programs : 38.7%
  - ✓ Number of Housing orders : 1,031 orders booked (vs 1,264 at Q1 2011)
- **Good level of financial indicators**
  - ✓ Gross margin rate : 19.3% (up +0.3 points)
  - ✓ Attributable net income : +24.2% at €9.0m
  - ✓ Net financial debt : €122.1m (vs €163.7m at Nov. 30, 2011)
- **Continued positive outlook for future business**
  - ✓ Property portfolio : almost 16,900 housing units (3 years of business)
  - ✓ Housing backlog in value : +11.7% at €1.1 billion (excl. VAT)
- **Outlook for 2012 : continued solid financial performance in an uncertain economy**

Paris, April 19, 2012 - Kaufman & Broad S.A. today announced its results for the first quarter of 2012 (from December 1, 2011 to February 29, 2012).

### Key consolidated data

| (in millions of euros)          | <b>1<sup>st</sup> quarter<br/>2012</b> | <b>1<sup>st</sup> quarter<br/>2011</b> | <b>Change</b> |
|---------------------------------|--|--|---------------|
| Revenues (excl.VAT)             | <b>215.3</b>                           | 232.9                                  | - 7.6%        |
| Gross margin                    | <b>41.5</b>                            | 44.2                                   | - 6.2%        |
| <i>Gross margin rate</i>        | <b>19.3%</b>                           | <b>19.0%</b>                           | + 0.3 pts     |
| Current operating profit        | <b>14.2</b>                            | 17.9                                   | - 20.8%       |
| <i>Current operating margin</i> | <b>6.6%</b>                            | 7.7%                                   | - 1.1 pts     |
| Attributable net income         | <b>9.0</b>                             | 7.3                                    | + 24.2%       |

Commenting on these results, Guy Nafilyan, Chairman and Chief Executive Officer of Kaufman & Broad S.A., said: *"As announced when we published our 2011 annual results, the commercial activity of the first quarter of the 2012 fiscal year was impacted by a small number of new housing programs launched.*

*In the first quarter of 2012, 1,056 new housing units were put on the market, versus 1,754 in the first quarter of 2011, a drop of almost 40%.*

*In terms of revenues, business was also impacted by poor weather conditions in January, which halted work at all French sites for 10 days.*

*Nevertheless, the two-fold increase in orders in value for single-family homes in communities and the marked increase in orders by first-time buyers demonstrated the robust performance and relevance of Kaufman & Broad's product offering. The average monthly take-up rate of new programs introduced during the first quarter of 2012 was 38.7%, a particularly high level.*

*As also announced, financial indicators performed well, as reflected in the increase in the gross margin rate, the sharp rise in net income and the continued decline in net financial debt.*

*The renewal of the property portfolio continues positively. Today it represents three years of business. Housing backlog in value rose almost 12% year-on-year to €1.1 billion.*

*In an uncertain economy, where housing demand nevertheless continues to outstrip supply, Kaufman & Broad's strategy is to focus more on first-time buyers, who benefit from the "Zero-Interest-Plus Loan" program, and develop new avenues for growth such as assisted living for seniors, student housing and commercial property.*

*The soundness of Kaufman & Broad's fundamentals gives the company a solid position for 2012, whether this will involve adapting to market changes or seizing new opportunities for growth. Accordingly, the Group expects more robust sales in the second quarter than the first quarter, and our financial performance for the entire year will most likely be comparable to that of 2011."*

#### ◆ Revenues down 7.6%

**Total revenues** in the first quarter of 2012 were €215.3 million (excluding VAT), down 7.6% compared with the first quarter of 2011. Program progress was impacted by challenging weather conditions throughout the month of January.

**Housing** revenues amounted to €210.3 million, down 8.6%. They accounted for 97.7% of total revenues. Île-de-France accounted for 42.1% of Housing revenues.

Revenues for the **Apartment** segment totaled €205.3 million, down 3.0%. They accounted for 97.6% of Housing revenues. Revenues for the **Single-family Homes in Communities** segment came in at €5.0 million. **Commercial Property** revenues stood at €3.2 million, while **Showroom** revenues amounted to €1.0 million.

Deliveries during the period were 1,151 equivalent housing units (EHUs), versus 1,365 EHUs in the first quarter of 2011.

#### ◆ Drop in orders largely due to a reduced product offering

In the first quarter of 2012, 1,031 housing units were ordered, compared with 1,264 in 2011. **Housing orders in value** fell by 25.6%, from €276.4 million (including VAT) in the first quarter of 2011 to €205.7 million (including VAT) in the first quarter of 2012. This slowdown is primarily due to the decline in new housing programs as a result of the current economic climate. There were 1,056 housing units for sale in the first quarter of 2012, versus 1,754 in the first quarter of 2011, a drop of 40%.

In value, orders for Single-family Homes in Communities doubled compared with the first quarter of 2011.

Orders by first-time homebuyers rose in the first quarter of 2012 and accounted for 31% of orders in value, versus 27% in the first quarter of 2011. This was due to the "Zero-Interest Plus Loan."

The average monthly take-up rate of new programs introduced during the first quarter of 2012 was 38.7%, still very high and comparable to that of 2011.

#### ◆ Increase in gross margin rate and attributable net income

**Gross margin** stood at €41.5 million, down 6.2% over the first quarter of 2011. The **gross margin rate** rose by 0.3 points to stand at 19.3%.

**Current operating profit** came to €14.2 million. It accounted for 6.6% of revenues in the first quarter of 2012, versus 7.7% for the same period in 2011.

The **cost of net financial debt** stood at €0.8 million, versus €5.1 million in the first quarter of 2011. This substantial year-on-year decrease of 84.2% was due to the reduction in average net financial debt and the drop in interest rates.

The "**Other financial income**" item, which amounted to €0.9 million, benefited from Kaufman & Broad's early redemption in February 2012 of a portion of its long-term debt.

**Attributable net income** stood at €9.0 million, compared with €7.3 million in the first quarter of 2011, an increase of 24.2%.

## ◆ Continued debt reduction

At February 29, 2012, **cash flow** amounted to €160.2 million, up €21.3 million over November 30, 2011.

**Working capital** stood at €179.8 million at February 29, 2012 and accounted for 17.5% of revenues based on a 12-month rolling period, versus 19.7% at end November 2011.

**Net financial debt** came in at €122.1 million at February 29, 2012, a drop of €41.7 million over November 30, 2011, partly due to the repayment during the first quarter of almost €28 million of the Senior debt.

## ◆ Continued positive outlook for future business

The group actively continued to develop its property portfolio. Accordingly, Kaufman & Broad signed land purchase options during the first quarter to take the company's property portfolio to 16,855 housing units, representing more than three years of business.

**Housing backlog** amounted to €1,122.8 million (excluding VAT) at February 29, 2012, versus €1,005.5 million (excluding VAT) at February 28, 2011, an increase of 11.7%.

At February 29, 2012, Kaufman & Broad had **160 housing programs on the market**, of which 39 were in Île-de-France and 121 in the Regions for a total of 2,838 housing units for sale, versus 2,400 at February 28, 2011.

In the next quarter, the Group expects to introduce **37 new programs** representing almost 3,000 housing units (10 new programs in Île-de-France, representing 805 housing units, and 27 new programs in the Regions, representing 2,159 housing units).

◆ **Next regular publication:** 2012 first-half results on July 19, 2012.

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**Glossary**

**Take-up rate:** represents the number of orders in related to the average commercial offer for the period.

**Property portfolio:** This represents all real estate for which any commitment (such as a purchase option,...) has been signed.

**Orders:** Measured in volume (Units) and in value, orders reflect the group's commercial activity. Orders are recognized in revenue based on the time necessary for the "conversion" of an order into a signed and notarized deed, which is the point at which income is generated. In addition, for apartment programs including mixed buildings (apartments/business premises/commercial premises/office space) all surface areas are converted to equivalent housing units.

**Units:** Units are used to define the number of housing units or equivalent housing units (for mixed programs) of any given program. The number of equivalent housing units is determined by comparing the surface area by type (business premises/retail space/offices) with the previously obtained average surface area of housing units.

**EHU:** EHU (Equivalent Housing Units delivered) directly reflect sales. The number of "EHU" is a function of multiplying (i) the number of housing units of a given program for which the notarized sales deeds have been signed, by (ii) the ratio between the group's property expenses and construction expenses incurred on the said program and the total expense budget for said program.

**Commercial offer:** This represents the total inventory of properties available for sale as of the date in question, i.e. all unordered housing units as of this date (deducted of the Number of programs that has not entered the marketing phase).

**Gross margin:** This corresponds to revenues less the cost of sales. Cost of sales consists of the price of land parcels, the related property costs and construction costs.

**Backlog:** The backlog is a summary at any given moment, which enables a forecast of future revenues for the coming months.

*For more than 40 years, Kaufman & Broad has been designing, building and selling single-family homes in communities, apartments and offices on behalf of third parties. Kaufman & Broad is a leading French property builder and developer in view of its size, earnings and power of its brand.*

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This document contains forward-looking information. This information is liable to be affected by known or unknown factors that KBSA cannot easily control or forecast, which may render the results materially different from those stated, implied or projected by the company. These risks specifically include those listed under "Risk Factors" in the Registration Document filed with the AMF under number D.12-0252 on March 30, 2012.

## KAUFMAN & BROAD S.A.

### Consolidated income statement\*

(in € thousands)

\*Not approved by the Board of Directors and unaudited

|   | 1 <sup>st</sup> quarter<br>2012 | 1 <sup>st</sup> quarter<br>2011 |
|---|---------------------------------|---------------------------------|
| <b>Revenues</b>   | <b>215,314</b>                  | <b>232,945</b>                  |
| Cost of sales   | (173,850)                       | (188,754)                       |
| <b>Gross margin</b>   | <b>41,464</b>                   | <b>44,191</b>                   |
| Selling expenses  | (6,365)                         | (5,902)                         |
| Administrative expenses   | (15,691)                        | (15,064)                        |
| Technical expenses and customer services                        | (3,978)                         | (3,808)                         |
| Other income and expenses                                       | (1,248)                         | (1,504)                         |
| <b>Current operating profit</b>                                 | <b>14,182</b>                   | <b>17,913</b>                   |
| Other non-current income and expenses                           | (2)                             | 369                             |
| <b>Operating income</b>   | <b>14,180</b>                   | <b>18,282</b>                   |
| Cost of net financial debt                                      | (808)                           | (5,110)                         |
| Other income and expenses                                       | 850                             | -                               |
| Income tax (expenses) / income                                  | (2,359)                         | (2,123)                         |
| Share of income (loss ) of equity affiliates and joint ventures | (136)                           | 609                             |
| <b>Income attributable to shareholders</b>                      | <b>11,727</b>                   | <b>11,658</b>                   |
| Minority interests  | 2,709                           | 4,398                           |
| <b>Attributable net income</b>                                  | <b>9,018</b>                    | <b>7,260</b>                    |
| <b>Earnings per share (€)</b>                                   | <b>0.42</b>                     | <b>0.34</b>                     |

**KAUFMAN & BROAD S.A.**  
**Consolidated balance sheet\***  
(in € thousands)

\*Not approved by the Board of Directors and unaudited

| <b>ASSETS</b>  | <b>02/29/2012</b> | <b>11/30/2011</b> |
|--|-------------------|-------------------|
| Goodwill   | 68,511            | 68,511            |
| Intangible assets  | 83,151            | 83,010            |
| Property, plant and equipment  | 6,022             | 5,883             |
| Equity affiliates and joint ventures                                 | 3,500             | 3,473             |
| Other non-current financial assets                                   | 2,568             | 2,551             |
| <b>Non-current assets</b>  | <b>163,752</b>    | <b>163,428</b>    |
| Inventories  | 255,462           | 235,556           |
| Accounts receivable  | 276,603           | 305,673           |
| Other receivables  | 159,576           | 189,766           |
| Cash and cash equivalents  | 160,188           | 138,878           |
| Prepaid expenses   | 1,192             | 805               |
| <b>Current assets</b>  | <b>853,021</b>    | <b>870,678</b>    |
| <b>TOTAL ASSETS</b>  | <b>1,016,773</b>  | <b>1,034,106</b>  |
| <b>EQUITY AND LIABILITIES</b>  | <b>02/29/2012</b> | <b>11/30/2011</b> |
| Capital stock  | 5,612             | 5,612             |
| Additional paid-in capital   | 141,390           | 95,251            |
| Attributable net income  | 9,018             | 47,513            |
| Attributable shareholders' equity                                    | 156,020           | 148,376           |
| Minority interests   | 10,190            | 8,470             |
| <b>Shareholders' equity</b>  | <b>166,210</b>    | <b>156,846</b>    |
| Provisions   | 23,235            | 24,424            |
| Borrowings and other non-current financial liabilities<br>(> 1 year) | 273,679           | 283,284           |
| Deferred tax liabilities   | 37,126            | 35,205            |
| <b>Non-current liabilities</b>                                       | <b>334,040</b>    | <b>342,913</b>    |
| Other current financial liabilities (< 1 year)                       | 8,596             | 19,337            |
| Accounts payable   | 430,768           | 409,668           |
| Other payables   | 75,574            | 103,985           |
| Deferred income  | 1,585             | 1,357             |
| <b>Current liabilities</b>   | <b>516,523</b>    | <b>534,347</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  | <b>1,016,773</b>  | <b>1,034,106</b>  |

## KAUFMAN & BROAD S.A.

### Additional Information

|  | <b>Single-family Homes<br/>in Communities</b> |                |                |
|--|---|----------------|----------------|
|  | <b>Q1 2012</b>                                | <b>Q1 2011</b> | <b>Q1 2010</b> |
| Net orders (in units)                      | <b>41</b>                                     | 9              | 144            |
| Net orders (in € thousands, including VAT) | <b>8,032</b>                                  | 4,125          | 37,755         |
| Backlog (in € thousands, excluding VAT)    | <b>32,340</b>                                 | 49,918         | 101,389        |
| Backlog (in months of business)*           | <b>8.7</b>                                    | 5.3            | 8.6            |
| Deliveries (in EHUs)                       | <b>15</b>                                     | 76             | 124            |

|  | <b>Apartments</b> |                |                |
|--|-------------------|----------------|----------------|
|  | <b>Q1 2012</b>    | <b>Q1 2011</b> | <b>Q1 2010</b> |
| Net orders (in units)                      | <b>990</b>        | 1,255          | 1,073          |
| Net orders (in € thousands, including VAT) | <b>197,689</b>    | 272,243        | 229,493        |
| Backlog (in € thousands, excluding VAT)    | <b>1,090,481</b>  | 955,590        | 698,894        |
| Backlog (in months of business)*           | <b>14.2</b>       | 13.6           | 10.6           |
| Deliveries (in EHUs)                       | <b>1,136</b>      | 1,289          | 980            |

|  | <b>Commercial Property</b> |                |                |
|--|----------------------------|----------------|----------------|
|  | <b>Q1 2012</b>             | <b>Q1 2011</b> | <b>Q1 2010</b> |
| Net orders (in sq. m)                      | <b>64</b>                  | 11,489         | -              |
| Net orders (in € thousands, including VAT) | <b>136</b>                 | 41,910         | -              |
| Backlog (in € thousands, excluding VAT)    | <b>37,723</b>              | 35,926         | 605            |

*\* calculated on the basis of 12-month rolling revenues*