

RESULTS FOR THE FIRST NINE MONTHS OF 2012

NON-APPROVED BY THE BOARD OF DIRECTORS AND UNAUDITED

- **Business relatively stable over the first nine months**
 - ✓ Housing revenues over 9 months: €655.4 million (excluding VAT)
 - ✓ Housing orders in volume: -17.1% over 9 months, -2.2% in the 3rd quarter
 - ✓ Average monthly take-up rate for new programs launched in the 3rd quarter: nearly 40%
- **Solid financial indicators, continued deleveraging resulting in net positive cash flow**
 - ✓ Gross margin: satisfactory level maintained (19.3%)
 - ✓ Attributable net income: €27.8 million (+0.3% vs. 9 months 2011)
 - ✓ Positive net cash flow of €3.2 million at August 31, 2012
- **Positive outlook for future business**
 - ✓ Housing property portfolio: 17,050 lots, or 3 years of business
 - ✓ Housing backlog in value: €1.2 billion, over 14 months of business
- **Financial outlook for 2012 confirmed**

Paris, September 28, 2012 - Kaufman & Broad S.A. announced today its results for the first nine months of fiscal year 2012 (December 1, 2011 to August 31, 2012).

Key consolidated data

<i>(€ million)</i>	9 months 2012	9 months 2011	Change	Q3 2012	Q3 2011	Change
Revenues (excluding VAT)	675.7	679.0	-0.5%	219.7	224.5	-2.2%
Gross margin	130.5	131.2	-0.5%	42.7	44.0	-2.9%
<i>Gross margin rate</i>	19.3%	19.3%	-	19.4%	19.6%	-0.2 pt
Current operating income	48.4	50.6	-4.4%	17.2	18.0	-4.1%
<i>Current operating margin</i>	7.2%	7.5%	-0.3 pt	7.9%	8.0%	-0.1 pt
Attributable net income	27.8	27.8	-	8.5	14.1	-39.5%

Commenting on these earnings, Guy Nafilyan, Chairman and CEO of Kaufman & Broad S.A., stated:

“Revenues over the first nine months of the year were stable compared with 2011. Orders in volume in the third quarter were at a good level, comparable to the same period of 2011 in a real estate market in decline in France since the beginning of the year.

Financial indicators remain solid, with the gross margin rate stabilized at a satisfactory level. There has been a significant degree of deleveraging, which resulted in, as of August 31, net positive cash flow of over €3 million.

The renewal of the Housing property portfolio continued and still represents three years of business.

The Housing backlog represents 14 months of business.

In an overall environment that remains challenging but where housing supply is still inadequate, the strategy of Kaufman & Broad is to strengthen its business, which is focused on first-time buyers, and to accelerate its new lines of development, such as senior living facilities, student residences, affordable housing and commercial property.

In this context, Kaufman & Broad confirms that in 2012, its financial performance remained comparable to 2011”.

➤ **Housing revenues stable over the first nine months (-0.1%)**

Revenues over the first nine months of 2012 totaled €675.7 million (excluding VAT) versus €679.0 million (excluding VAT) over the comparable period of 2011.

Housing revenues amounted to €655.4 million (excluding VAT), stable in relation to the same period in 2011, when they totaled €656.1 million (excluding VAT). They represent 97.0% of total revenues. Île-de-France accounted for 46.6% of Housing revenues.

Revenues from **Apartments** totaled €639.9 million, an increase of 5.1%. Revenues from **Single-family homes in communities** amounted to €15.4 million, compared to €47.2 million at August 31, 2011.

During the first nine months of 2012, 3,597 equivalent housing units (EHUs) were delivered, versus 3,842 equivalent housing units (EHUs) over the same period in 2011.

Over the same nine-month period, **Showroom** revenues totaled €4.6 million and revenues from **Commercial Property** totaled €14.7 million.

➤ **Stability of housing orders in volume over the third quarter**

In the third quarter, **housing unit orders** in volume amounted to 1,531, versus 1,566 housing units ordered in the third quarter of 2011. In value, orders totaled €283.7 million (including VAT), versus €323.5 million (including VAT) in the third quarter of 2011.

Over the first nine months, 4,027 housing units were ordered, versus 4,860 at August 31, 2011, a decline of 17.1%. Housing unit orders in value fell 22.9%, to €778.3 million (including VAT).

This decline may be explained in part the shift in housing programs begun (5,290 housing units over three quarters in 2012, versus 7,080 housing units over the same period in 2011, for a decline of 25.3%).

Orders in Île-de-France represent 45.8% in volume and 47.5% in value of total housing unit orders, compared to 32.5% and 39.3% over the first nine months of 2011.

In accordance with the Kaufman & Broad marketing strategy, the portion of orders placed under the "Scellier" program with investors continues to be reduced to the benefit of first-time buyers. Over the first nine months of 2012, Scellier orders represented 20% of orders in value for the group, compared to 32% for the same period in 2011.

The **average monthly take-up rate** for new operations begun during the third quarter of 2012 was 39.9%, a very high level compared to 22.1% for the third quarter of 2011.

Office orders in value totaled €13.8 million (including VAT) over nine months.

The **commercial offer** totaled 3,782 housing units, versus 3,288 housing units at August 31, 2011.

➤ **Gross margin rate: satisfactory level maintained (19.3%)**

Over the first nine months of fiscal year 2012, the **gross margin** totaled €130.5 million. Expressed as a percentage of revenues, the **gross margin rate** was 19.3%, which was stable in comparison to the same period in 2011. Over the third quarter, it was 19.4%, versus 19.6% in the third quarter of 2011.

Current operating income amounted to €48.4 million over the first nine months and represented 7.2% of revenues, versus 7.5% over the same period in 2011. Over the third quarter alone, the current operating margin was 7.9%, almost stable in relation to the third quarter of 2011.

The **cost of net financial debt** amounted to €2.8 million, compared to €9.7 million over the nine months of 2011. This significant improvement may be explained for the most part by the reduction in average net financial debt.

Attributable net income totaled €27.8 million over the first nine months of 2012, a level comparable to the same period in 2011.

➤ **Continued deleveraging and working capital requirement reduction**

Net financial debt was reduced by €166.9 million in relation to November 30, 2011, thus resulting in a positive **net cash flow** of €3.2 million at August 31, 2012. This deleveraging may be explained by the gaining of control of net working capital parameters, which is a result of the group's selective policy applied to the launching of new programs since the fourth quarter of 2011.

Working capital requirement amounted to €79.7 million at August 31, 2012. It represented 7.7% of revenues over a twelve-month rolling period, versus 19.7% at November 30, 2011, and identical to August 31, 2011 (7.7%).

At August 31, 2012, **active cash flow** (available cash and investment securities) totaled €278.3 million, an increase of €139.4 million in relation to November 30, 2011. Kaufman & Broad's financial capacity at end August 2012 totaled €381 million.

➤ **Positive outlook for future business**

The group actively continued to regenerate the **Housing property portfolio**. At August 31, 2012, it represented 17,050 lots, for potential revenues corresponding to three years of business.

At August 31, 2012, the **Housing backlog** totaled €1,166.7 million (excluding VAT), versus €1,199.4 million (excluding VAT) at August 31, 2011. The backlog represents over 14 months of business.

As of the same date, Kaufman & Broad had 169 housing programs in the selling process (compared to 177 at August 31, 2011) of which 44 were in Île-de-France and 125 in the Regions.

In the next quarter, 22 **program launches** are scheduled, representing 1,544 housing units (5 launches in Île-de-France representing 659 housing units and 17 launches in the Regions representing 885 housing units).

➤ **Next regular publication:** 2012 annual results, January 25, 2013.

Glossary

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

Property portfolio: all real estate for which a deed or commitment to sell 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, apartment programs that include mixed-use buildings (apartments/business premises/retail space/offices), all floor space is converted into housing equivalents.

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 calculated as a ratio of the surface area by type (business premises/retail space/offices) to the average surface area of the housing units previously obtained.

EHU: EHUs (Equivalent Housing Units delivered) directly reflect sales. The number of EHUs 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: the total inventory of properties available for sale as of the date in question, i.e. all unordered housing units as of this date (less the programs that have not entered the marketing phase).

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

Backlog: 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)

*Unaudited and non-approved by the Board of Directors

	9 months 2012	9 months 2011
Revenues	675,672	678,973
Cost of sales	(545,174)	(547,815)
Gross margin	130,498	131,158
Selling expenses	(21,346)	(18,995)
General and administrative expenses	(44,745)	(43,844)
Technical and customer service expenses	(11,591)	(11,313)
Other income and expenses	(4,379)	(6,362)
Current operating income	48,437	50,644
Other non-recurring income /(expenses)	(17)	759
Operating income	48,420	51,403
Cost of net financial debt	(2,779)	(9,719)
Other financial income /(expenses)	850	7,224
Income tax (expenses)/income	(12,112)	(14,801)
Share of income (loss) of equity affiliates and joint ventures	196	806
Income (loss) attributable to shareholders	34,575	34,913
Minority interest	6,731	7,149
Attributable net income	27,844	27,764
Earnings (loss) per share (€)	1.29	1.29

KAUFMAN & BROAD S.A.

Consolidated balance sheet*

(in € thousands)

*Unaudited and non-approved by the Board of Directors

ASSETS	Aug. 31, 2012	Nov. 30, 2011
Goodwill	68,511	68,511
Intangible assets	83,970	83,010
Property, plant and equipment	5,065	5,883
Equity affiliates and joint ventures	4,072	3,473
Other non-current financial assets	1,135	2,551
Non-current assets	162,753	163,428
Inventories	247,573	235,556
Accounts receivable	198,922	305,673
Other receivables	140,613	189,766
Cash and cash equivalents	278,261	138,878
Prepaid expenses	1,001	805
Current assets	866,370	870,678
TOTAL ASSETS	1,029,123	1,034,106
EQUITY AND LIABILITIES	Aug. 31, 2012	Nov. 30, 2011
Capital stock	5,612	5,612
Additional paid-in capital	137,829	95,251
Attributable net income	27,844	47,513
Attributable shareholders' equity	171,285	148,376
Minority interest	7,594	8,470
Shareholders' equity	178,879	156,846
Provisions	22,816	24,424
Borrowings and other non-current financial liabilities (> 1 year)	274,640	283,284
Deferred tax liabilities	46,365	35,205
Non-current liabilities	343,821	342,913
Other current financial liabilities (< 1 year)	432	19,337
Accounts payable	426,456	409,668
Other payables	77,676	103,985
Deferred income	1,859	1,357
Current liabilities	506,423	534,347
TOTAL EQUITY AND LIABILITIES	1,029,123	1,034,106

KAUFMAN & BROAD S.A.

Additional information
(cumulative at August 31)

	Single-family homes in communities		
	9 months 2012	9 months 2011	9 months 2010
Net orders (in units)	188	65	264
Net orders (in € thousands, including VAT)	39,573	22,903	80,498
Backlog (in € thousands, excluding VAT)	47,427	36,300	75,057
Backlog (in months of business)*	21.6	5.7	6.4
Deliveries (in EHUs)	60	192	393

	Apartments		
	9 months 2012	9 months 2011	9 months 2010
Net orders (in units)	3,839	4,795	4,733
Net orders (in € thousands, including VAT)	738,757	986,523	956,269
Backlog (in € thousands, excluding VAT)	1,119,302	1,163,126	969,401
Backlog (in months of business)*	14.0	15.4	16.1
Deliveries (in EHUs)	3,537	3,650	3,074

	Commercial property		
	9 months 2012	9 months 2011	9 months 2010
Net orders (in sq.m)	-	-	-
Net orders (in € thousands, including VAT)	13,823	41,660	-
Backlog (in € thousands, excluding VAT)	37,419	19,588	-

* calculated in relation to 12-month rolling revenues

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Additional information
(Quarterly)

	Single-family homes in communities		
	Q3 2012	Q3 2011	Q3 2010
Net orders (in units)	91	53	60
Net orders (in € thousands, including VAT)	16,549	17,288	19,459
Deliveries (in EHUs)	24	49	136

	Apartments		
	Q3 2012	Q3 2011	Q3 2010
Net orders (in units)	1,440	1,513	1,672
Net orders (in € thousands, including VAT)	267,173	306,213	342,302
Deliveries (in EHUs)	1,146	1,225	1,128

	Commercial property		
	Q3 2012	Q3 2011	Q3 2010
Net orders (in sq.m)	-	-	-
Net orders (in € thousands, including VAT)	-	-	-