

2012 annual results

(UNAUDITED AND NOT APPROVED BY THE BOARD OF DIRECTORS)

2012: Results in line with projections announced at the beginning of the year

- **Business level maintained over the entire year**
 - ✓ Total revenues: €1,030.0 million (-1.4% vs. 2011)
 - ✓ Housing revenues: +1.8% vs. 2011, +5.5% in Q4
 - ✓ Housing orders in volume: -14.4% over the year, -5.7% in Q4
 - ✓ Average take-up rate for new programs launched in Q4: 26.3%
- **Solid financial indicators, net financial debt continues to fall**
 - ✓ Gross margin rate: +0.2 points, to 19.6%
 - ✓ Attributable net income: €47.6 million, stable vs. 2011 (€47.5 million)
 - ✓ Net financial debt: €81.2 million (vs. €163.7 million at end 2011)
- **Good outlook for future business**
 - ✓ Housing property portfolio: over 16,000 lots, 3 years of business
 - ✓ Housing backlog in value: €1.1 billion, 13 months of business

2013: Financial performance comparable to 2012 in a challenging economic climate

Paris, January 25, 2013 - Kaufman & Broad SA today announces its financial results for 2012 (from December 1, 2011 to November 30, 2012), and its fourth quarter results (from September 1, 2012 to November 30, 2012).

Key consolidated data

<i>(€ million)</i>	Fiscal Year 2012	Fiscal Year 2011	Change	Q4 2012	Q4 2011	Change
Revenues (excluding VAT)	1,030.0	1,044.3	-1.4%	354.4	365.3	-3.0%
Gross margin	202.1	202.8	-0.3%	71.6	71.6	-
Gross margin rate	19.6%	19.4%	+0.2pts	20.2%	19.6%	+0.6pts
Current operating profit	85.3	89.1	-4.3%	36.8	38.4	-4.1%
Current operating margin	8.3%	8.5%	-0.2pts	10.4%	10.5%	-0.1pts
Attributable net income	47.6	47.5	+0.2%	19.8	19.7	+0.1%

Commenting on these results, Guy Nafilyan, Chairman and Chief Executive Officer of Kaufman & Broad S.A., stated: *"As we had announced at the beginning of the fiscal year, financial performance for 2012 is comparable to 2011 as regards the gross margin rate, operating margin and attributable net income. After taking into account €48.5 million in interim dividends, net financial debt declined by half.*

This performance, with a slight rise in Housing revenues, took place in a real estate market that has been declining sharply in general since the beginning of the year.

The real estate portfolio remained at a high level, and backlog accounted for 13 months of business.

In this context, Kaufman & Broad will keep developing homes in 2013 that are designed for first-time buyers who can take advantage of the new "Zero-interest Plus Loan" program and investors through the new incentive that was implemented in January 2013. Moreover, Kaufman & Broad will continue to grow by offering homes designed for students and seniors, who continue to benefit from the "Censi-Bouvard" incentive.

As regards commercial property, Kaufman & Broad will file building permits for three projects in Île-de-France - all large-scale - in Boulogne-Billancourt and Paris, which will contain over 55,000 sq.m of office space.

In a more challenging economic and social climate, in 2013, Kaufman & Broad wants to keep its financial performance at the same level as 2012 by bringing its operating expenses under control, its Working capital requirements and continuing to pay off its debt."

➤ **1.8% increase in Housing revenues over one year**

Total revenues for 2012 were €1,030.0 million (excluding VAT), versus €1,044.3 million (excluding VAT) in 2011, down 1.4%.

Housing revenues, which account for 97.1% of total revenues, increased 1.8% compared to 2011, to €1,000.7 million (excluding VAT). Île-de-France's share of those revenues was 45.5%, compared to 38.0% in 2011.

Revenues in the **Apartments** segment rose 5.6% to €976.7 million, representing 97.6% of total revenues for the Housing business. Revenues for the **Single-family homes in communities** segment totaled €23.9 million, versus €58.1 million in 2011. **Showroom** revenues totaled €6.7 million and revenues from the **Commercial property** business totaled €21.1 million.

For the fourth quarter alone, Housing revenues totaled €345.3 million (excluding VAT), an increase of 5.5% over the fourth quarter of 2011.

During 2012, 5,669 equivalent housing units (EHUs) were delivered, compared to 5,653 EHUs in 2011, an increase of 0.3%.

➤ **Fall in housing order over the year, slight increase in commercial offer**

Over the entire year, housing orders **in volume** fell 14.4% (5,487 housing units ordered versus 6,408 orders in 2011). Orders **in value** amounted to €1,096.0 million (including VAT), down 19.2% compared to 2011. This decline should be considered in connection with the 25% fall in housing starts for the same period.

Orders in Île-de-France accounted for 45.5% in volume and 46.2% in value for all housing orders, compared to 33.9% and 39.8% for all of 2011.

In the fourth quarter of 2012, housing orders in volume totaled 1,460, down 5.7% compared to the same quarter in 2011. In value, they totaled €317.6 million (including VAT) versus €347.5 million (including VAT) in the fourth quarter of 2011.

The **average monthly take-up rate** for new programs launched during the fourth quarter of 2012 was 26.3%.

The **commercial offer** totaled 3,222 housing units versus 3,067 housing units as of November 30, 2011.

Office orders in value accounted for €13.8 million (including VAT) during fiscal year 2012.

➤ **Stability of gross margin and increased gross margin rate**

During all of 2012, the **gross margin** totaled €202.1 million, almost unchanged from 2011 (€202.8 million). As a percentage of revenues, it totaled 19.6%, versus 19.4% in 2011. In the fourth quarter of 2012, the gross margin rate was 20.2%, up 0.6 points compared to the fourth quarter of 2011.

Current operating expenses came to €116.9 million (11.3% of revenues), compared to €113.7 million in 2011 (10.9% of revenues).

Current operating income totaled €85.3 million for the year, compared to €89.1 million in 2011. In the fourth quarter of 2012 alone, it totaled €36.8 million, down 4.1% compared to the same period in 2011. The **current operating margin rate** was, respectively, 8.3% in 2012 and 10.4% in the fourth quarter.

The cost of net financial debt totaled €4.1 million, versus €11.5 million in 2011. The €7.4 million drop can be explained mostly by the reduction in average net financial debt.

Attributable net income totaled €47.6 million, compared to €47.5 million in 2011. In the fourth quarter, net income was €19.8 million, versus €19.7 million in the same quarter of 2011.

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

Operating cash flow amounted to €156.0 million in 2012, compared to €70.6 million in 2011, and experienced considerable improvement in **operating working capital requirements**, which went from €168.3 million to €109.8 million the following year.

As of November 30, 2012, **cash and cash equivalents** (available cash and investment securities) amounted to €153.8 million, compared to €138.9 million as of November 30, 2011. The group's financial capacity at end November 2012 totaled €206.7 million.

Working capital requirements totaled €144.4 million, down nearly 30% compared to November 30, 2011, and represented 14.0% of revenues, compared to 19.7% at end November 2011.

Net financial debt totaled €81.2 million as of November 30, 2012, half of its amount as of November 30, 2011. This deleveraging may be explained by good control over working capital requirements resulting from the group's selective policy applied to the launching of new programs since the fourth quarter of 2011.

➤ **Good outlook for future business**

The group actively continued to regenerate the **Housing property portfolio**. As of November 30, 2012, it represented 16,049 lots, of which 6,188 are in Île-de-France and 9,861 in the Regions, for potential revenues corresponding to three years of business.

Commercial property reserves include **55,000** sq.m of office space. They represent potential revenues of €365 million over the next three years.

As of November 30, 2012, **total backlog** amounted to €1,122.6 million (excluding VAT), down 6.9% compared to November 30, 2011. The **Housing backlog** totaled €1,091.1 million (excluding VAT), representing 13.1 months of business.

As of the same date, Kaufman & Broad had 163 housing programs **on the market**, of which 39 were in Île-de-France and 124 in the Regions, compared to 168 programs as of November 30, 2011.

In the first quarter of 2013, Kaufman & Broad will develop 18 new programs (7 in Île-de-France and 11 in the Regions) amounting to a total of 786 housing units. Throughout 2013, the group plans to develop 96 new programs amounting to nearly 5,800 housing units.

The financial statements for the fiscal year will be approved by the Board of Directors on February 15, 2013.

- **Next regular publication:** first quarter 2013 results on April 25, 2013.

Glossary

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 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.

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

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.

Property portfolio: all real estate for which a deed or commitment to sell has been signed.

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 KBBSA 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 not approved by the Board of Directors

	Fiscal year 2012	Fiscal year 2011
Revenues	1,030,046	1,044,255
Cost of sales	(827,912)	(841,460)
Gross margin	202,134	202,795
Selling expenses	(29,242)	(27,375)
General and administrative expenses	(62,935)	(62,086)
Technical and customer service expenses	(16,301)	(15,634)
Other income and expenses	(8,375)	(8,632)
Current operating profit	85,281	89,069
Other non-recurring income and expenses	1,528	782
Operating income	86,809	89,851
Cost of net financial debt	(4,121)	(11,522)
Other financial income and expenses	(109)	6,915
Income tax (expenses)/income	(25,814)	(28,709)
Share of income (loss) of equity affiliates and joint ventures	(61)	955
Income (loss) attributable to shareholders	56,704	57,490
Minority interest	9,080	9,977
Attributable net income	47,624	47,513
Earnings (loss) per share (€)	2.21	2.20

Kaufman & Broad S.A.
Consolidated balance sheet*

(in € thousands)

*Unaudited and not approved by the Board of Directors

ASSETS	Nov. 30, 2012	Nov. 30, 2011
Goodwill	68,511	68,511
Intangible assets	84,897	83,010
Property, plant and equipment	5,604	5,883
Equity affiliates and joint ventures	4,373	3,473
Other non-current financial assets	1,262	2,551
Non-current assets	164,647	163,428
Inventories	284,469	235,556
Accounts receivable	268,189	305,673
Other receivables	180,141	189,766
Cash and cash equivalents	153,763	138,878
Prepaid expenses	1,008	805
Current assets	887,570	870,678
TOTAL ASSETS	1,052,217	1,034,106
EQUITY AND LIABILITIES	Nov. 30, 2012	Nov. 30, 2011
Capital stock	5,612	5,612
Additional paid-in capital	135,910	95,251
Interim dividends	(48,455)	-
Attributable net income	47,624	47,513
Attributable shareholders' equity	140,691	148,376
Minority interest	8,420	8,470
Shareholders' equity	149,111	156,846
Non-current provisions	24,510	24,424
Borrowings and other non-current financial liabilities (> 1 year)	234,535	283,284
Deferred tax liabilities	55,586	35,205
Non-current liabilities	314,631	342,913
Current provisions	1,000	-
Other current financial liabilities (< 1 year)	458	19,337
Accounts payable	473,624	409,668
Other liabilities	111,776	103,985
Deferred income	1,616	1,357
Current liabilities	588,474	534,347
TOTAL EQUITY AND LIABILITIES	1,052,217	1,034,106

Kaufman & Broad S.A.

Additional information
(Cumulative as of November 30)

	Single-family homes in communities		
	2012	2011	2010
Net orders (in units)	244	91	334
Net orders (in € thousands, including VAT)	55,655	30,148	101,832
Backlog (in € thousands, excluding VAT)	53,484	30,350	62,132
Backlog (in months of business)	26.8	6.3	5.9
Deliveries (in EHUs)	102	239	508

	Apartments		
	2012	2011	2010
Net orders (in units)	5,243	6,317	6,317
Net orders (in € thousands, including VAT)	1,040,325	1,326,735	1,291,906
Backlog (in € thousands, excluding VAT)	1,037,621	1,130,031	954,768
Backlog (in months of business)	12.7	14.7	14.5
Deliveries (in EHUs)	5,567	5,414	4,886

	Commercial property		
	2012	2011	2010
Net orders (in sq.m)	-	-	-
Net orders (in € thousands, including VAT)	13,791	106,652	3,165
Backlog (in € thousands, excluding VAT)	30,974	41,016	1,469

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**Additional information
(Quarterly)**

	Single-family homes in communities		
	Q4 2012	Q4 2011	Q4 2010
Net orders (in units)	56	26	70
Net orders (in € thousands, including VAT)	16,082	7,244	21,334
Deliveries (in EHUs)	42	47	115

	Apartments		
	Q4 2012	Q4 2011	Q4 2010
Net orders (in units)	1,404	1,522	1,584
Net orders (in € thousands, including VAT)	301,567	340,212	335,637
Deliveries (in EHUs)	2,030	1,764	1,812

	Commercial property		
	Q4 2012	Q4 2011	Q4 2010
Net orders (in sq.m)	-	-	-
Net orders (in € thousands, including VAT)	-	64,992	3,165