

## 2013 FIRST HALF RESULTS

APPROVED BY THE BOARD OF DIRECTORS

- **Business almost unchanged over the first half**
  - ✓ Total revenues: €446.6 million (excl. VAT) vs €456.0 million (excl. VAT) in H1 2012
  - ✓ Increase in Housing orders in volume +4.0%
- **Gross margin rate still high, continued deleveraging**
  - ✓ Gross margin rate: 19.2% vs 19.3% in H1 2012
  - ✓ Net financial debt: €40.6 million vs €81.2 million at November 30, 2012
- **Continued positive outlook for future business**
  - ✓ Property portfolio: 15,529 housing units, nearly three years of business
  - ✓ Housing backlog in value: €1,069 million (excl. VAT), nearly 13 months of business
- **Outlook for 2013 confirmed: continued solid financial performance in a challenging economy**

**Paris, July 12, 2013** - Kaufman & Broad S.A. today announced its results for the first half of 2013 (from December 1, 2012 to May 31, 2013).

### Key consolidated data

(€ million)	H1 2013	H1 2012	Change	Q2 2013	Q2 2012	Change
Revenues (excluding VAT)	<b>446.6</b>	456.0	-2.1%	<b>241.6</b>	240.7	+0.4%
Gross margin	<b>85.6</b>	87.8	-2.5%	<b>46.3</b>	46.3	-
Gross margin rate	<b>19.2%</b>	19.3%	-0.1pt	<b>19.2%</b>	19.3%	-0.1pt
Current operating profit	<b>30.4</b>	31.2	-2.6%	<b>17.1</b>	17.0	+0.8%
Current operating margin	<b>6.8%</b>	6.8%	-	<b>7.1%</b>	7.1%	-
Attributable net income	<b>17.3</b>	19.3	-10.2%	<b>9.0</b>	10.3	-12.3%

Commenting on these results, Guy Nafilyan, Chairman of the Board of Kaufman & Broad S.A., stated: "In the first half, Kaufman & Broad's revenues remained almost unchanged, in an economic environment that remains challenging. In the second quarter, group revenues rose slightly compared to the same quarter of the previous year."

*Sales activity in turn remained steady, particularly in Île-de-France. Over the entire first half, Housing orders were up 4.0% in volume. This positive trend has increased since the beginning of the third quarter.*

*This performance can be attributed to Kaufman & Broad adjusting its commercial offer to market conditions, with a steady increase since 2011 in orders placed from first-time homebuyers and a strong increase in social housing orders.*

*Reflecting this strategy, the average price of the orders placed from first-time homebuyers in the first half of 2013 was €182,000 (excl. VAT), compared to €205,000 in 2011, i.e., a decline of 11%. Overall, the average price of orders placed in the first half was down 6%. This decline was driven by better control of land and construction costs.*

*In this context, the financial indicators remained solid: the gross margin rate remained at high levels, and net financial debt continued to decline. Debt has been cut in half compared to the end of November 2012.*

*The property portfolio remained high and represented nearly three years of business. The Housing backlog represented nearly 13 months of business, a level unchanged from the end of first quarter 2013.*

*As it announced early this year, Kaufman & Broad will continue in 2013 to develop housing intended for first-time buyers eligible for the new Zero-Interest Plus Loan, and for investors in the context of the new incentive implemented in January 2013.*

*Kaufman & Broad will also continue to offer housing intended for students and seniors who benefit from the "Censi-Bouvard" incentive, and housing for investors as part of the new incentive to be established to develop intermediate rental housing units that will benefit from a VAT rate of 10%.*

*In commercial real estate, Kaufman & Broad today is managing several projects that represent nearly 63,000 sq.m of useable floor area for revenues of approximately €400 million, projects that are expected to be developed in 2014.*

*Over the entire fiscal year 2013, Kaufman & Broad maintained its objective to keep its financial performance at levels close to those achieved in 2012 by continuing to pay off its debt."*

➤ **Total revenues almost unchanged over the half, Housing revenues up in the second quarter**

**Revenues** totaled €446.6 million (excl. VAT) in the first half of 2013, as opposed to €456.0 million (excl. VAT) in the first half of 2012.

**Housing** revenues totaled €436.6 million in the first half of 2013, representing 97.8% of total revenues. Île-de-France alone represented 42.4% of revenues. In the second quarter alone, Housing revenues were up 1.6%, from €234.3 million to €237.9 million.

**Apartments** revenues totaled €421.1 million. Revenues from **Single-family homes in communities** came in at €15.5 million.

Over the same period, **Commercial property** generated revenues of €6.0 million and **Showroom** revenues totaled €3.4 million.

Deliveries during the first half of 2013 were 2,544 equivalent housing units (EHUs), versus 2,427 in the first half of 2012, representing an increase of 4.8%.

### ➤ **Growth in volume of Housing orders and in commercial offer**

In the first half of 2013, 2,595 housing units were ordered, compared to 2,496 in the first half of 2012, an increase of 4.0% **in volume**. Housing orders **in value** were down 2.6% to €481.8 million (incl. VAT). This drop reflects the decrease in the average price of housing orders, in line with Kaufman & Broad's strategy to adapt its offer to market conditions.

Orders in Île-de-France accounted for 49.1% in volume and 51.6% in value for all housing orders, compared to 45.8% and 52.2% for the first half of 2012.

Over one year, the percentage of orders in value placed with second-time buyer rose from 11% to 14%. During the same periods, orders from investors under the "Scellier" / "Duflot" incentive declined from 23% to 20%.

**Commercial offer** was up: at May 31, 2013, it represented 3,541 housing units versus 3,192 units at May 31, 2012, i.e., an increase of 10.9%.

**Office orders** in value amounted to €11.0 million (incl. VAT) in the first half of 2013.

### ➤ **Unchanged gross margin rate and current operating margin**

The **gross margin** was €85.6 million, compared to €87.8 million in H1 2012. The **gross margin rate** remained unchanged at 19.2%.

**Current operating profit** totaled €30.4 million in the first half of 2013, representing 6.8% of revenues, a level equivalent to the level in the first half of 2012. Current operating expenses remained unchanged at 12.4% of revenues.

The **cost of net financial debt** amounted to €0.1 million compared to €1.4 million in the first half of 2012 reflecting the decrease in average net debt and the cost of debt.

**Attributable net income** totaled €17.3 million.

➤ **Continued deleveraging**

At May 31, 2013, **active cash flow** (available cash and investment securities) totaled €194.9 million, an increase of €41.2 million compared to November 30, 2012.

**Working capital requirements** stood at €130.6 million at May 31, 2013 and accounted for 12.8% of revenues based on a 12-month rolling period, versus 14.0% at end-November 2012.

**Net financial debt** has been cut by half compared to November 30, 2012 and totaled €40.6 million. The continued deleveraging can 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.

➤ **Continued positive outlook for future business**

At May 31, 2013, the **Housing property portfolio** represented 15,529 lots, including 6,161 in Île-de-France and 9,368 in the Regions, i.e. nearly three years of business.

The **Housing backlog** amounted to €1,069.2 million Euros (excl. VAT). It represents nearly 13 months of business.

At May 31, 2013, Kaufman & Broad had 175 **housing programs on the market**, 47 of which were in Île-de-France and 128 in the Regions, compared to 159 programs at May 31, 2012.

In the next quarter, the group expects to introduce 16 **new programs** representing 684 housing units (2 new programs in Île-de-France, representing 78 housing units, and 14 new programs in the Regions, representing 606 housing units).

➤ **Next regular publication:** third quarter 2013 results on October 1, 2013.

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## Glossary

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

**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).

**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.

**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.

**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.

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

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

**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.

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.13-0247 on April 2, 2013.

Kaufman & Broad S.A.  
**Consolidated income statement\***  
(in € thousands)  
\* Approved by the Board of Directors

	<b>First half 2013</b>	<b>First half 2012</b>
<b>Revenues</b>	<b>446,555</b>	<b>456,018</b>
Cost of sales	- 360,971	- 368,211
<b>Gross margin</b>	<b>85,584</b>	<b>87,807</b>
Selling expenses	- 14,439	- 14,091
General and administrative expenses	- 31,735	- 31,011
Technical and customer service expenses	- 9,141	- 8,045
Other income and expenses	98	- 3,470
<b>Current operating profit</b>	<b>30,369</b>	<b>31,190</b>
Other non-recurring income and expenses	- 9	- 16
<b>Operating income</b>	<b>30,360</b>	<b>31,174</b>
Cost of net financial debt	- 126	- 1,404
Other financial income and expenses	-	850
Income tax (expenses)/income	- 8,195	- 6,328
Share of income (loss) of equity affiliates and joint ventures	373	64
<b>Income (loss) attributable to shareholders</b>	<b>22,413</b>	<b>24,356</b>
Minority interest	5,079	5,042
<b>Attributable net income</b>	<b>17,334</b>	<b>19,314</b>
<b>Earnings (loss) per share (€)*</b>	<b>0.80</b>	<b>0.89</b>

*(\*) based on the number of shares comprising the share capital of Kaufman & Broad .SA, i.e, 21 584 658 shares*

**Kaufman & Broad S.A.**  
**Consolidated balance sheet\***

(in € thousands)

\* Approved by the Board of Directors

<b>ASSETS</b>	<b>May 31, 2013</b>	<b>Nov. 30, 2012</b>
Goodwill	68,511	68,511
Intangible assets	84,531	84,897
Property, plant and equipment	5,396	5,604
Equity affiliates and joint ventures	7,342	4,373
Other non-current financial assets	994	1,262
<b>Non-current assets</b>	<b>166,774</b>	<b>164,647</b>
Inventory	285,093	284,469
Accounts receivable	251,094	268,189
Other receivables	140,227	180,141
Cash and cash equivalents	194,940	153,763
Prepaid expenses	1,468	1,008
<b>Current assets</b>	<b>872,822</b>	<b>887,570</b>
<b>TOTAL ASSETS</b>	<b>1,039,596</b>	<b>1,052,217</b>
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<b>EQUITY AND LIABILITIES</b>	<b>May 31, 2013</b>	<b>Nov. 30, 2012</b>
Authorized capital	5,612	5,612
Additional paid-in capital	133,846	135,910
Interim dividends	-	- 48,455
Attributable net income	17,334	47,624
Attributable shareholders' equity	156,793	140,691
Minority interest	10,523	8,420
<b>Shareholders' equity</b>	<b>167,316</b>	<b>149,111</b>
Non-current provisions	25,425	24,510
Borrowings and other non-current financial liabilities (> 1 year)	235,019	234,435
Deferred tax liabilities	63,739	55,586
<b>Non-current liabilities</b>	<b>324,183</b>	<b>314,631</b>
Current provisions	244	1,000
Other current financial liabilities (< 1 year)	529	458
Accounts payable	475,159	473,624
Other payables	70,534	111,776
Deferred income	1,631	1,616
<b>Current liabilities</b>	<b>548,097</b>	<b>588,474</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,039,596</b>	<b>1,052,217</b>

# Kaufman & Broad S.A.

## Additional Information

	Single-family homes in communities		
	H1 2013	H1 2012	H1 2011
Net orders (in units)	133	97	12
Net orders (in € thousands, including VAT)	35,969	23,025	5,616
Backlog (in € thousands, excluding VAT)	69,489	37,768	34,483
Backlog (in months of business)*	28.7	13.5	4.3
Deliveries (in EHUs)	75	36	143

	Apartments		
	H1 2013	H1 2012	H1 2011
Net orders (in units)	2,462	2,399	3,282
Net orders (in € thousands, including VAT)	445,832	471,584	680,310
Backlog (in € thousands, excluding VAT)	999,700	1,092,592	1,110,116
Backlog (in months of business)*	12.4	13.7	15.1
Deliveries (in EHUs)	2,469	2,391	2,425

	Commercial property		
	H1 2013	H1 2012	H1 2011
Net orders (in sq.m)	3,639	5,334	11,489
Net orders (in € thousands, including VAT)	10,980	13,823	41,660
Backlog (in € thousands, excluding VAT)	33,885	44,402	23,745

\*calculated in relation to revenues over a 12-month rolling period



## Kaufman & Broad S.A.

Additional Information  
(Quarterly)

	Single-family homes in communities		
	Q2 2013	Q2 2012	Q2 2011
Net orders (in units)	75	56	3
Net orders (in € thousands, including VAT)	21,026	14,993	1,491
Deliveries (in EHUs)	36	21	67

	Apartments		
	Q2 2013	Q2 2012	Q2 2011
Net orders (in units)	1,437	1,409	2,207
Net orders (in € thousands, including VAT)	266,746	273,896	408,067
Deliveries (in EHUs)	1,391	1,255	1,136

	Commercial property		
	Q2 2013	Q2 2012	Q2 2011
Net orders (in sq.m)	3,547	5,270	-
Net orders (in € thousands, including VAT)	10,821	13,687	-