

RESULTS FOR THE FIRST NINE MONTHS OF 2013

UNAUDITED AND NOT APPROVED BY THE BOARD OF DIRECTORS

- **Business stable over the first nine months**
 - ✓ Total revenues: €679.3 million
 - ✓ Housing orders in volume: 3,943 units
- **Mixed economic performance**
 - ✓ Gross margin rate: 19.2%
 - ✓ Attributable net income: €23.8 million (-14.6%); Q3: €6.5 million (-24.4%)
 - ✓ Net financial debt: €43.1 million (-47.0% vs Nov. 2012)
- **Numerous developments underway**
 - ✓ Housing property portfolio: 3 years of business (around 16,000 lots)
 - ✓ Creation of the position of Director of the Managed accommodations business
 - ✓ Opening of new location in Lille
 - ✓ Continued development of Commercial property projects
- **Outlook for 2013:** stable revenues and gross margin slightly lower compared to 2012.

Paris, October 1st, 2013 - Kaufman & Broad S.A. announces its results for the first nine months of fiscal year 2013 (December 1, 2012 to August 31, 2013).

Key consolidated data

<i>(€ million)</i>	9 months 2013	9 months 2012	Change	Q3 2013	Q3 2012	Change
Revenues (excluding VAT)	679.3	675.7	+0.5%	232.8	219.7	+6.0%
Gross margin	130.3	130.5	-0.2%	44.7	42.7	+4.6%
<i>Gross margin rate</i>	19.2%	19.3%	-0.1 pt	19.2%	19.4%	-0.2 pt
Current operating income	45.3	48.4	-6.5%	14.9	17.2	-13.5%
<i>Current operating margin</i>	6.7%	7.2%	-0.5 pt	6.4%	7.9%	-1.5 pt
Attributable net income	23.8	27.8	-14.6%	6.5	8.5	-24.4%

Commenting on these results, Nordine Hachemi, Chief Executive Officer of Kaufman & Broad S.A., stated: *"For the first nine months of the fiscal year, Kaufman & Broad stabilized its business activities. These results, which were achieved in a real estate market characterized by a lack of visibility, confirm the quality of the Brand's position with regard to the core products, which are in high-quality locations and marketed at prices corresponding to the expectations of all our customers.*

Our development dynamic is built on this solid foundation and on our ability to continue building up our property portfolio from current levels representing three years of business. It has also led to our opening of a new location in Lille, in the heart of a huge population center. In addition, we decided to take advantage of the good outlook presented by our managed accommodations business by strengthening our teams with the arrival of a major professional in the sector. Finally, we are continuing the development of several commercial property projects, which should become a reality during the coming quarters.

During all of fiscal year 2013, revenues are expected to remain at a level comparable to that of 2012, while gross margin is expected to be slightly down."

➤ **Housing revenues: stable for the first nine months (+0.7%)**

Revenues for the first nine months of 2013 totaled €679.3 million (excluding VAT) compared with €675.7 million (excluding VAT) for the comparable period of 2012. During the third quarter of 2013, they increased 6.0%, from €219.7 million (excluding VAT) to €232.8 million (excluding VAT).

Housing revenues amounted to €660.2 million (excluding VAT), up 0.7% compared with August 31, 2012, when they totaled €655.4 million (excluding VAT). Housing accounts for 97.2% of total revenues. Île-de-France accounted for 44.5% of Housing revenues. In the third quarter alone, Housing revenues increased 6.1%, to €223.6 million (excluding VAT).

Apartments revenues totaled €630.9 million, down 1.4%. Revenues from **Single-family homes in communities** almost doubled totaling €29.3 million, compared to €15.4 million at August 31, 2012.

Commercial property revenues totaled €13.5 million. Finally, the balance of €5.6 million is accounted for primarily by **Showroom** revenues.

During the first nine months of 2013, 3,902 housing units (EHU) were delivered, versus 3,597 housing units (EHU) during the same period of 2012.

➤ **Slight drop in housing orders**

For the first nine months of 2013, **housing orders** in volume totaled 3,943 versus 4,027 at August 31, 2012, a decline of 2.1%. In value, there was a decline of 4.4%, to €744.2 million (including VAT).

Orders in Île-de-France accounted for 46.7% in volume and 49.5% in value of all housing orders, compared to 45.8% and 47.5% for the first nine months of 2012.

In the third quarter, 1,348 housing units were ordered, for a total of €262.4 million (including VAT) versus 1,531 housing units ordered for €283.7 million (including VAT) over the same period of 2012, with social housing blocks having significantly declined in the third quarter of 2013.

Over one year, the share of block orders fell from 33% to 24% whereas orders made by investors rose from 31% to 38%. The share of orders under the Scellier and Duflot incentives remained at 22%.

The **average monthly take-up rate** of new programs launched during the third quarter of 2013 was 39.8%.

Commercial offer totaled 3,379 housing units versus 3,782 housing units at August 31, 2012.

Office orders in value accounted for €11.5 million (including VAT) over nine months.

➤ **Gross margin rate: stable at 19.2%**

For the first nine months of the year, the **gross margin** totaled €130.3 million, compared to €130.5 million at August 31, 2012. The **gross margin rate** remained stable at 19.2%. For the third quarter, the gross margin increased 4.6% compared with the same period in 2012 and the margin rate was 19.2%, versus 19.4% in the third quarter of 2012.

Current operating profit amounted to €45.3 million over nine months and accounted for 6.7% of revenues, compared to 7.2% for the same period in 2012. In the third quarter alone, current operating profit was 6.4%, compared to 7.9% in the third quarter of 2012.

The **cost of net financial debt** totaled €0.8 million, versus €2.8 million for the first nine months of 2012. This marked improvement may be explained for the most part by the reduction in average net financial debt.

Attributable net income totaled €23.8 million for the first nine months of 2013, down 14.6% compared to the same period in 2012. It was down 24.4% in the third quarter of 2013 alone and totaled €6.5 million.

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

Net financial debt was reduced by €38.2 million compared to November 30, 2012 and totaled €43.1 million at August 31, 2013.

Working capital requirement totaled €141.7 million at August 31, 2013. It accounted for 13.7% of revenues based on a twelve-month rolling period, versus 14.0% at November 30, 2012.

At August 31, 2013, **cash and cash equivalents** (available cash and investment securities) totaled €194.6 million, an increase of €40.8 million from November 30, 2012. Kaufman & Broad's financial capacity at the end of August 2013 totaled €247.3 million.

➤ **Numerous developments underway**

In **Housing, backlog** totaled €1,067.6 million (excluding VAT), compared to €1,166.7 million (excluding VAT) at August 31, 2012. It represents nearly 13 months of business.

At the end of the third quarter of 2013, Kaufman & Broad had 172 **housing programs on the market** (169 at August 31, 2012), 46 of which were in Île-de-France and 126 in the Regions.

In the next quarter, 27 **new programs** are scheduled to launch, representing 1,882 housing units (8 new programs in Île-de-France representing 694 housing units and 18 new programs in the Regions representing 1,188 housing units).

At August 31, 2013, the **property portfolio** totaled 16,236 housing units, for potential revenues corresponding to three years of business. Kaufman & Broad intends to continue building up its property portfolio starting from current levels, which are already high.

In addition, a position of **Director of Managed accommodations** (student, tourist and corporate accommodations, senior residences) was created and given to Daphné Teulade, the former Director of Development and Planning at GDP Vendôme Immobilier. In this position, she will be in charge of the development and coordination of that business. Since 2000, Kaufman & Broad has completed about 20 managed accommodations (representing around 3,000 lots) and intends to accelerate its development in this area.

In **Commercial property**, Kaufman & Broad is continuing the development of several projects representing nearly 63,000 sq.m of floor area for revenues of around €400 million on which work should begin during the coming quarters.

Finally, the opening of a **new location in Lille** is an expression of Kaufman & Broad's desire to have a presence at the heart of a huge population center in order to develop the entire range of products offered by the Group.

- **Next regular publication:** 2013 annual results, second half of January, 2014.

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 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.

Contacts

Chief Financial Officer

Bruno Coche

+33 (1) 41 43 44 73

Infos-invest@ketb.com

Press Relations

Delphine Peyrat - Wise Conseil

+33 (6) 38 81 40 00

dpeyratstricker@wiseconseil.com

Website : www.ketb.com

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)

*Unaudited and not approved by the Board of Directors

	9 months 2013	9 months 2012
Revenues	679,313	675,672
Cost of sales	(549,054)	(545,174)
Gross margin	130,259	130,498
Selling expenses	(21,527)	(21,346)
General and administrative expenses	(46,836)	(44,745)
Technical and customer service expenses	(13,356)	(11,591)
Other income and expenses	(3,250)	(4,379)
Current operating income	45,290	48,437
Other non-recurring income and expenses	(7)	(17)
Operating income	45,282	48,420
Cost of net financial debt	(780)	(2,779)
Other income and expenses	-	850
Income tax (expenses)/income	(13,093)	(12,112)
Share of income (loss) of equity affiliates and joint ventures	353	196
Income (loss) attributable to shareholders	31,762	34,575
Minority interest	7,976	6,731
Attributable net income	23,786	27,844
Earnings per share (€) ^(*)	1.10	1.29

^(*) Based on the number of shares comprising Kaufman & Broad SA share capital (21,584,658 shares)

Kaufman & Broad S.A.
Consolidated balance sheet *

(in € thousands)

*Unaudited and not approved by the Board of Directors

ASSETS	Aug. 31, 2013	Nov. 30, 2012
Goodwill	68,511	68,511
Intangible assets	84,290	84,897
Property, plant and equipment	5,788	5,604
Equity affiliates and joint ventures	7,287	4,373
Other non-current financial assets	951	1,262
Non-current assets	166,827	164,647
Inventory	285,415	284,469
Accounts receivable	237,325	268,189
Other receivables	135,132	180,141
Cash and cash equivalents	194,607	153,763
Prepaid expenses	1,252	1,008
Current assets	853,731	887,570
TOTAL ASSETS	1,020,558	1,052,217
EQUITY AND LIABILITIES	Aug. 31, 2013	Nov. 30, 2012
Authorized capital	5,612	5,612
Additional paid-in capital	133,102	135,910
Interim dividends	-	(48,455)
Attributable net income	23,786	47,624
Attributable shareholders' equity	162,500	140,691
Minority interest	8,761	8,420
Shareholders' equity	171,261	149,111
Non-current provisions	25,352	24,510
Borrowings and other non-current financial liabilities (> 1 year)	236,449	234,535
Deferred tax liabilities	68,733	55,586
Non-current liabilities	330,534	314,631
Current provisions	146	1,000
Other current financial liabilities (< 1 year)	1,212	458
Accounts payable	458,721	473,624
Other payables	57,190	111,776
Deferred income	1,495	1,616
Current liabilities	518,763	588,474
TOTAL EQUITY AND LIABILITIES	1,020,558	1,052,217

Kaufman & Broad S.A.

Additional Information
(cumulative at August 31)

	Single-family homes in communities		
	9 months 2013	9 months 2012	9 months 2011
Net orders (in units)	279	188	65
Net orders (in € thousands, including VAT)	78,082	39,573	22,903
Backlog (in € thousands, excluding VAT)	90,796	47,427	36,300
Backlog (in months of business)*	28.8	21.6	5.7
Deliveries (in EHUs)	140	60	192

	Apartments		
	9 months 2013	9 months 2012	9 months 2011
Net orders (in units)	3,664	3,839	4,795
Net orders (in € thousands, including VAT)	666,133	738,757	986,523
Backlog (in € thousands, excluding VAT)	976,790	1,119,302	1,163,126
Backlog (in months of business)*	12.1	14.0	15.4
Deliveries (in EHUs)	3,762	3,537	3,650

	Commercial property		
	9 months 2013	9 months 2012	9 months 2011
Net orders (in sq.m)	3,953	5,334	11,489
Net orders (in € thousands, including VAT)	11,482	13,823	41,660
Backlog (in € thousands, excluding VAT)	26,913	37,419	19,588

* calculated in relation to twelve-month rolling revenues

KAUFMAN & BROAD S.A.

Additional Information (Quarterly)

	Single-family homes in communities		
	Q3 2013	Q3 2012	Q3 2011
Net orders (in units)	146	91	53
Net orders (in € thousands, including VAT)	42,113	16,549	17,288
Deliveries (in EHUs)	65	24	49

	Apartments		
	Q3 2013	Q3 2012	Q3 2011
Net orders (in units)	1,202	1,440	1,513
Net orders (in € thousands, including VAT)	220,301	267,173	306,213
Deliveries (in EHUs)	1,293	1,146	1,225

	Commercial property		
	Q3 2013	Q3 2012	Q3 2011
Net orders (in sq.m)	315	-	-
Net orders (in € thousands, including VAT)	502	-	-