

For immediate release

Press release – Kaufman & Broad refinances its existing senior debt – *Estimated financial and operating performance for the three months ended February 28, 2014*

Paris, March 19, 2014 - Kaufman and Broad SA (the “**Company**”) announces the conclusion of an agreement to refinance its senior debt by means of a new senior facilities agreement for a total amount of approximately €200,000,000 which will replace its existing senior facilities agreement. In addition, the Company announces that its projected revenues for the three months ended February 28, 2014 will be in line with its revenues for the three months ended February 28, 2013.

About the new Senior Credit Facility

The Company will repay in full outstanding indebtedness under its existing senior facilities agreement dated July 9, 2007 (as amended) pursuant to a new senior facilities agreement dated March 19, 2014 (the “New Senior Facilities Agreement”), entered into with banking institutions led by Crédit Agricole Corporate and Investment Bank, as global coordinator.

The refinancing, which is being conducted contemporaneously with the launch by the Company’s parent, Financière Gaillon 8 SA, of the refinancing of its entire acquisition debt, aims to strengthen the Company’s financial structure.

The implementation of the New Senior Facilities Agreement is conditioned on the success of this refinancing by Financière Gaillon 8 SA.

The New Senior Facilities Agreement will mature in five years and includes:

- a new revolving credit facility of up to €50,000,000 aggregate principal amount; and
- a new senior credit facility of €50,000,000 aggregate principal amount available under a Facility A tranche (“Facility A”) and of €100,000,000 aggregate principal amount available under a Facility B tranche (“Facility B”).

The security and guarantees granted pursuant to the New Senior Facilities Agreement are similar to those granted under the existing Senior Facilities Agreement.

The Company is the sole borrower under the New Senior Facilities Agreement.

Amortization

Loans under Facility A will be repayable in nine installments due every six months (the first eight installments being equal in amount), commencing on March 31, 2015 until the applicable termination date. Loans under Facility B will be repayable on the termination date.

Interest

The new senior credit facilities will bear interests at a rate *per annum* equal to EURIBOR plus certain mandatory costs (if any) and an applicable margin. The margin for each facility may be reduced by reference to the ratio of total net debt to EBITDA or if the Borrower meets certain credit ratings.

Prepayment

The New Senior Facilities Agreement includes customary mandatory and voluntary prepayment provisions.

Covenants

The New Senior Facilities Agreement includes certain customary, subject to certain exceptions, affirmative and negative covenants, including incurrence covenants.

Financial covenants

The financial covenants under the New Senior Facilities Agreement include (i) a maximum net leverage ratio of total net debt to consolidated EBITDA of 3.0:1.0 and (ii) a maximum net gearing ratio of total net debt to equity of 1.0:1.0.

Furthermore, with the exception of certain permitted debt, any debt incurred by the Company or its subsidiaries (including pursuant to the general debt basket, capitalized lease obligations basket and basket for local lines of credit) must not cause the total net leverage of the Company and its subsidiaries (the “**Borrower Group**”) to equal or exceed 1.0x. In addition, any future acquisition by the Company or any of its subsidiaries must meet certain conditions in addition to those imposed by the restricted payments covenant, including that the total net leverage ratio of the Borrower Group be below 1.2x after giving *pro forma* effect to such acquisition. Furthermore, any distribution (other than from the Company to its shareholders) must satisfy the total net leverage test for the Borrower Group (being less than 1.0x) after giving *pro forma* effect to such distribution in addition to the customary restrictions in the restricted payments covenant.

Hedging

Under the New Senior Facilities Agreement, the Company agreed to, within 90 days from the issue date, enter into one or more hedging agreements to hedge against interest rate fluctuations in respect of 50% of the aggregate commitment under the new senior credit facilities.

KAUFMAN BROAD

Financial and operating performance for the three months ended February 28, 2014

The Company expects its revenue for the three months ended February 28, 2014 to be largely in line with its revenue for the three months ended February 28, 2013, which amounted to €205.0 million. It expects its gross margin for the three months ended February 28, 2014 will decrease compared to its gross margin for the three months ended February 28, 2013. This expected decrease is due mainly to lower margins realized on remaining units of certain older Housing programs in the Regions. First quarter revenues and gross margin are affected by seasonality factors.

The Company received 1,085 Housing orders in the three months ended February 28, 2014, in line with the 1,083 Housing orders for the three months ended February 28, 2013. Total orders in value amounted to €218.1 million (including VAT) in the three months ended February 28, 2014, up €24.1 million, or 12.4%, from €194.0 million (including VAT) in the three months ended February 28, 2013.

The Company continues to expect that the historically low levels of orders recorded in the market for the past two years will be reflected in the operating income of its Housing operations during the financial year ending November 30, 2014. Furthermore, the launch of some of its programs was delayed, as previously announced, due to municipal elections in France, which are scheduled to take place in March, 2014.

This information has been prepared by the Company and has not been audited, reviewed or verified by its statutory auditors. The Company's preliminary results are subject to inherent uncertainties and may vary substantially from actual results, which we will be published on or about April 24, 2014.

About Kaufman & Broad

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.

Disclaimer - This document contains forward-looking information. This information is liable to be affected by known or unknown factors that Kaufman & Broad SA cannot easily control or project, which may make 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.14-0121 le March 6, 2014.

For more information about Kaufman & Broad SA: www.ketb.com.

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