

RESULTS FOR THE FIRST NINE MONTHS

- **Increase in the Total backlog by 23.5% vs. end-August 2014 and in the Housing portfolio by 18.0% vs. end-2014**
- **Confirmation of outlook for the year**

• Key elements of sales activity

- Total orders in value:
€967.2 M (including VAT),
+23.7% vs. 9-month 2014
Of which Housing:
€826.2 M including VAT (+7.3 %)
- Housing orders in volume:
4,431 units,
+12.2% vs. 9-month 2014

• Key financial items

- 9-month revenues:
€696.3 M vs. €654.5 M in 2014
- 9-month gross margin:
€132.2 M vs. €124.1 M in 2014
- 9-month attributable net income:
€19.5 M vs. €19.2 M in 2014
- Net cash position:
€30.1 M vs. €2.1 M at end-2014

• Key growth indicators

- Total backlog at August 31:
€1,291.5 M
+23.5% vs. end-August 2014
Of which Housing:
€1,101.7 M (+9.9%)
- Housing property portfolio:
20,877 lots (+18.0% vs. end-2014)

Today, Kaufman & Broad SA published its results for the first nine months of fiscal year 2015 ended August 31, 2015. Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad, made the following statement:

“During the first nine months of the year, Kaufman & Broad has actively continued its growth initiative. Accordingly, total backlog at the end of August is up 23.5%.

In Housing, the property portfolio increased by almost 18.0% compared to end-2014 to reach 20,877 lots, or over three years of business. Sales momentum remains strong: over nine months, the commercial offer has increased 11%.

The share of private investors' orders in value continued to increase in the 3rd quarter: it is up 35.5% compared to the first nine months of 2014 and has benefitted from a favorable financial and fiscal environment.

In the Service sector, Kaufman & Broad has placed 25,000 sq.m of office space on the market and is continuing to develop various logistics projects.

This operational performance has been achieved while maintaining a satisfactory level of profitability: the gross margin stabilized at 19% during the first nine months of the year. The financial structure continued to strengthen, mainly thanks to effective management of the working capital requirement.

We are on track to achieve the annual prospects for revenues and a gross margin comparable to those of 2014.”



Sales activity

- Housing segment

In the first nine months of 2015, housing orders totaled 4,431 housing units, up 12.2% compared to the same period in 2014. In value, they recorded a rise of 7.3% and amounted to €826.2 million (including VAT).

Throughout the first nine months of 2015, 4,264 apartment units were ordered for a sum of €787.1 million (including VAT), up 11.8% in volume and 8.1% in value. Orders for single-family homes in communities totaled 167 units, compared to 137 units in the same period in 2014 (€39.0 million (including VAT) versus €42.0 million (including VAT) in 2014).

Structure of the customer-base

In the first nine months of 2015, investors' orders in value were up 35.5% compared to the same period in 2014, representing 42.1% of the total (including 37% as part of the "Pinel" incentive). Orders from homebuyers accounted for 32.9% breaking down to 21.6% from first-time homebuyers, and 11.3% from second-time homebuyers. Block orders were 25.0% (26.3% at end-August 2014).

- Services segment

Throughout the first nine months of 2015, the Services segment recorded €140.9 million (including VAT) in orders.

Construction work is in progress on the "YOU" building (9,300 sq.m), located in the EcoQuartier - Île Seguin - Rives de Seine in Boulogne-Billancourt and sold before completion at end-2013 to Boursorama for its future headquarters.

Construction was launched this summer on the "UNITED" building (7,500 sq.m) located in Clichy (92) and sold before completion in the 2nd quarter to two real estate investment entities (SCPI) managed by Amundi.

TNS Sofres set up its new headquarters in the CAP 14 building (8,200 sq.m) located in Paris' 14th arrondissement. The TNS Sofres lease was signed at the end of 2014, coinciding with the delivery of the building to OPCIMMO, the OPCIMMO (collective real estate investment scheme) for the general public managed by Amundi.


Design and implementation studies were launched for the construction of the "A9B" building (22,600 sq.m), the future headquarters of Groupe SNI, located in Paris' 13th arrondissement – ZAC Paris Rive Gauche.

Additionally, work also began this summer on the creation of the future administration center for the municipality of Saint-Brieuc on the island of La Providence.

Concerning the Logistics business, construction works are in progress on the new Petit Bateau logistics platform (43,000 sq.m in the Aube logistics park). Moreover, 240,000 sq.m of logistics platforms are currently on the market.

- Forward indicators of the sales and development activity

On August 31, 2015, the Housing backlog amounted to 1,101.7 million (excluding VAT), i.e., close to 14 months' business activity. The Services backlog totaled €189.6 million (excluding VAT).



At the end of August 2015, Kaufman & Broad had 178 housing programs on the market representing 3,747 housing units, compared to 165 programs and 3,382 housing units at the end of August 2014.

The Housing property portfolio comprises 20,877 lots, representing potential revenues corresponding to over 3 years of business. It rose 18.0% compared to that of end-November 2014.

In the 4th quarter of 2015, the group plans to launch 35 new programs including 12 launches in Île-de-France representing 1,053 lots and 23 launches in the Regions representing 2,235 lots.

Financial results

- Operating activities

Total revenues amounted to €696.3 million (excluding VAT), up 6.4% compared to the first nine months of 2014.

Housing revenues amounted to €620.4 million (excluding VAT), compared to €628.3 million (excluding VAT) in the first nine months of 2014. This corresponds to 89.1% of the group's revenues.

Revenues from the Apartments business were up 2.1% compared to the first nine months of 2014 to €581.4 million (excluding VAT). Revenues generated by the Single-family homes in communities segment totaled €39.0 million (excluding VAT), compared to €58.8 million (excluding VAT) at August 31, 2014.

Revenues generated by the Services segment amounted to €71.6 million (excluding VAT) in the first nine months of 2015, compared to €21.3 million (excluding VAT) for the same period in 2014. Other businesses generated revenues of €4.3 million (HT).

- Profitability indicators

The gross margin for the first nine months of 2015 totaled €132.2 million, compared to €124.1 million in 2014. The gross margin rate amounted to 19.0%, remaining stable compared to the same period in 2014.

Current operating expenses for the first nine months amounted to €84.9 million (12.2% of revenues) versus €85.9 million for the same period in 2014 (13.1% of revenues).

Current operating income totaled €47.3 million, compared to €38.2 million in the first nine months of 2014. The current operating margin was 6.8% versus 5.8% in the first nine months of 2014.

Attributable net income for the first nine months totaled €19.5 million, versus €19.2 million in 2014.

- Financial structure and liquidity

Net financial debt was reduced by €72.5 million compared to end-August 2014 and, accordingly, net cash flow was €30.1 million at August 31, 2015.

Cash assets (available cash and investment securities) totaled €174.2 million, compared to €150.0 million at November 30, 2014.

Working capital requirement totaled €83.4 million (7.4% of revenues over 12 months rolling), compared to €108.4 million at November 30, 2014 (10.0% of revenues).



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• **Next regular publication date:**

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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 measured by its size, earnings and the strength of its brand.

Warning: 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 on March 31, 2015 under number D.15-0258.

Glossary

Housing segment: covers the promotion of Single-family homes in communities (grouped single-family homes), Apartments (which may include mixed apartment buildings / business premises / retail space / office space), corporate, tourist and student residences.

Services segment: includes office, retail (excluding small areas, building ground floors in particular), hotel and logistics activities.

Orders: measured in volume (Units) and in value, orders reflect the group's sales 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: 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 notarized sales deeds have been signed by (ii) the ratio between the group's property expenses and construction expenses incurred on 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 relevant date, i.e., all unordered housing units as of such 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, the related property costs and construction costs.

Backlog: a summary at any given moment used for forecasting future revenues for the coming months.

Property portfolio: all real estate for which a deed or contract of sale has been signed.

APPENDICES

• Financial data

Key consolidated data

<i>in € thousands</i>	Q3 2015	9-month 2015	Q3 2014**	9-month 2014**
Revenues	231,028	696,283	227,945	654,512
• of which Housing	206,924	620,410	218,258	628,286
• of which Commercial property	22,927	71,580	8,258	21,256
• of which Other	1,177	4,292	1,428	4,970
Gross margin	43,999	132,174	43,228	124,145
Gross margin rate (%)	19.0%	19.0%	19.0%	19.0%
Current operating income	17,558	47,321	16,804	38,228
Current operating margin (%)	7.6%	6.8%	7.4%	5.8%
Attributable net income	7,478	19,483	7,949	19,171
Attributable net income per share (€/share) *	0.35	0.90	0.37	0.89

* Based on the number of shares composing the capital of Kaufman & Broad SA, i.e., 21,584,658 shares

** Financial statements restated following a change in accounting method: recognition under operating expenses of the marketing costs of sales offices and model areas previously recognized under cost of sales.

Consolidated income statement*

<i>in € thousands</i>	Q3 2015	9-month 2015	Q3 2014**	9-month 2014**
Revenues	231,028	696,283	227,945	654,512
Cost of sales	(187,029)	(564,109)	(184,171)	(530,368)
Gross margin	43,999	132,174	43,228	124,145
Selling expenses	(6,300)	(20,867)	(6,940)	(21,534)
Administrative expenses	(12,166)	(39,068)	(12,516)	(38,057)
Technical and customer service expenses	(4,223)	(13,425)	(4,024)	(13,362)
Development and program expenses	(3,751)	(11,492)	(2,944)	(12,964)
Current operating income	17,558	47,321	16,804	38,228
Other non-recurring income and expenses	(5)	(5)	(3)	132
Operating income	17,553	47,316	16,801	38,361
Cost of net financial debt	(544)	(1,355)	25	406
Other income and expenses	-	-	-	-
Income tax	(4,661)	(13,582)	(5,735)	(11,788)
Share of income (loss) of equity affiliates and joint ventures	412	1,155	206	899
Income (loss) attributable to shareholders	12,761	33,535	11,297	27,879
Minority interests	5,283	14,052	3,348	8,700
Attributable net income	7,478	19,483	7,949	19,179

* Unaudited and not approved by the Board of Directors.

** Financial statements restated following a change in accounting method: recognition under operating expenses of the marketing costs of sales offices and model areas previously recognized under cost of sales.

Consolidated balance sheet*

in € thousands

August 31, 2015

November 30,
2014 **

ASSETS

Goodwill	68,511	68,511
Intangible Assets	85,784	85,075
Property, plant and equipment	5,264	4,323
Equity affiliates and joint ventures	7,015	11,376
Other non-current financial assets	2,021	1,843
Non-current assets	168,596	171,127
Inventories	304,704	320,540
Accounts receivable	252,185	336,561
Other receivables	116,328	176,604
Cash and cash equivalents	174,198	149,993
Prepaid expenses	908	1,437
Current assets	848,323	985,135
TOTAL ASSETS	1,016,919	1,156,262

EQUITY AND LIABILITIES

Authorized capital	5,612	5,612
Additional paid-in capital	171,463	163,410
Attributable net income	19,483	37,930
Attributable shareholders' equity	196,558	206,952
Minority interests	9,581	8,667
Shareholders' equity	206,139	215,621
Non-current provisions	21,953	21,485
Borrowings and other non-current financial liabilities (> 1 year)	131,393	135,815
Deferred tax liabilities	53,097	42,303
Non-current liabilities	206,442	199,603
Current provisions	898	2,168
Other current financial liabilities (< 1 year)	12,667	12,101
Accounts payable	527,765	618,202
Other payables	61,672	106,858
Deferred income	1,337	1,709
Current liabilities	604,338	741,038
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,016,919	1,156,262

* Unaudited and not approved by the Board of Directors.

** Financial statements restated following a change in accounting method: recognition under operating expenses of the marketing costs of sales offices and model areas previously recognized under cost of sales.

Operational data

Housing	Q3 2015	9-month 2015	Q3 2014	9-month 2014
Revenues (€ M, excluding VAT)	206.9	620.4	218.3	628.3
· of which Apartments	194.6	581.4	199.8	569.4
· of which Single-family homes in communities	12.3	39.0	18.4	58.8
Deliveries (EHUs)	1,260	3,797	1,343	3,813
· of which Apartments	1,207	3,640	1,269	3,589
· of which Single-family homes in communities	53	157	74	224
Net orders (number)	1,401	4,431	1,349	3,950
· of which Apartments	1,343	4,264	1,297	3,813
· of which Single-family homes in communities	58	167	52	137
Net orders (€ M, including VAT)	273.5	826.1	244.8	770.0
· of which Apartments	255.8	787.1	230.6	728.0
· of which Single-family homes in communities	17.7	39.0	14.1	42.0
Commercial offer at period end (number)	3,747		3,382	
Backlog at period end				
· In value (€ M, excluding VAT)	1,101.7		1,002.2	
- of which Apartments	1,056.8		931.3	
- of which Single-family homes in communities	44.9		70.9	
· In months of business	14.4		12.9	
Property portfolio at period end	20 877		19 295	
Services	Q3 2015	9-month 2015	Q3 2014	9-month 2014
Revenues (€ M, excluding VAT)	22.9	71.6	8.3	21.3
Net orders (€ M, including VAT)	30.4	140.9	-	11.5
Backlog at period end (€ M, excluding VAT)	189.6		43.2	