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Financière Gaillon 8 S.A.

Press release

Financière Gaillon 8 S.A. announces the successful sale of part of its stake in Kaufman & Broad at 31.50 euros per share

- Sale of Kaufman & Broad shares for an amount of approximately 257 million euros (i.e. 8,143,758 shares), excluding the exercise of the over-allotment option, in a private placement to institutional investors
- Over-allotment option representing up to 10% of the total number of shares initially offered (i.e. 814,376 shares) exercisable until May 27, 2016
- Placement price: 31.50 euros per share
- The Placement has been multiple times oversubscribed and attracted high quality institutional investors from France and internationally
- This Placement will allow Kaufman & Broad to significantly increase its free float and increase the liquidity of its shares
- Share buy-back by Kaufman & Broad (for an amount of 50 million euros) and purchase of Kaufman & Broad shares by Artimus Participations (for an amount of approximately 30 million euros) at the Placement price concurrently with the Placement
- The net proceeds from the Placement, the share buy-back by Kaufman & Broad and the purchase of Kaufman & Broad shares by Artimus Participations will be used by Financière Gaillon 8 to redeem in full the Senior Notes due 2019 issued by Financière Gaillon 8 on March 31st, 2014 for an amount of 370 million euros
- After the Placement and the above-mentioned purchases, Financière Gaillon 8 will hold 35.76 % of Kaufman & Broad's share capital, in case of full exercise of the over-allotment option

Paris, April 27, 2016 - Financière Gaillon 8 announces today the sale of part of the shares it currently holds in Kaufman & Broad, for an amount of approximately 257 million euros (i.e., 39.08 % of Kaufman & Broad's share capital) in a private placement to institutional investors by way of a bookbuilding (the "**Placement**"). The final Placement amount may be increased to approximately 282 million euros in case of full exercise of the over-allotment option on May 27, 2016 at the latest.

The Placement price has been set at 31.50 euros per share.

The settlement-delivery of the Placement is planned on April 29, 2016.

BNP Paribas, Goldman Sachs International and Crédit Agricole Corporate and Investment Bank acted as global coordinators, lead managers and joint bookrunners of the Placement, and Natixis as joint bookrunner (together, the "**Joint Bookrunners**"). Rothschild & Cie acted as financial advisor to Financière Gaillon 8 in the context of the Placement.

Kaufman & Broad will concurrently purchase its own shares from Financière Gaillon 8, at the Placement price, for an amount of 50 million euros (representing 1,587,301 shares), pursuant to the

share buy-back program authorized by Kaufman & Broad shareholders at the General Meeting of April 15, 2016. The shares purchased by Kaufman & Broad will be allocated in priority to the following purposes: (i) external growth transactions paid in whole or in part in shares and (ii) hedging employees' bonus share plans.

Furthermore, Artimus Participations, a company held by certain managers and employees of the Group (including Mr. Nordine Hachemi, its CEO), will proceed with the acquisition of a stake in Kaufman & Broad from Financière Gaillon 8, at the Placement price, representing a number of shares corresponding to an amount of approximately 30 million euros (representing 944,444 shares). The managers and employees of Kaufman & Broad who are shareholders of Artimus Participations committed to hold their participation in Artimus Participations for a period of 2 years, subject to certain exceptions.

Following the Placement, the share buy-back by Kaufman & Broad and the share purchase by Artimus Participations, Financière Gaillon 8 will hold a stake representing 39.67 % of the share capital and 59.74 % of the voting rights of Kaufman & Broad excluding the over-allotment option and 35.76 % of the share capital and 55.48 % of the voting rights of Kaufman & Broad in case of full exercise of the over-allotment option. Following the Placement, Kaufman & Broad's free float will amount to approximately 45.16 % of Kaufman & Broad's share capital and 35.04 % of the voting rights, which may be increased to 49.07 % of the share capital and 39.13 % of the voting rights in the event the over-allotment option is exercised in full.

Following the Placement, the share buy-back by Kaufman & Broad and the share purchase by Artimus Participations, the allocation of the share capital and the voting rights of Kaufman & Broad, before and after the exercise of the over-allotment option, will be as follows:

Shareholders	After the Placement (before exercise of the over-allotment option)				After the Placement (assuming full exercise of the over-allotment option)			
	Number of shares	Number of voting rights	% of share capital	% of voting rights	Number of shares	Number of voting rights	% of share capital	% of voting rights
Companies owned by funds managed by PAI Partners ⁽¹⁾	8,413,956	16,679,472	40.38%	60.27%	7,599,580	15,050,720	36.47%	56.04%
Kaufman & Broad S.A.	1,714,806	-	8.23%	-	1,714,806	-	8.23%	-
FCPE Kaufman & Broad Actionnariat	265,118	265,118	1.27%	0.96%	265,118	265,118	1.27%	0.99%
Artimus Participations ⁽²⁾	1,033,165	1,033,165	4.96%	3.73%	1,033,165	1,033,165	4.96%	3.85%
Public	9,409,994	9,696,062	45.16%	35.04%	10,224,370	10,510,438	49.07%	39.13%
TOTAL	20,837,039	27,673,817	100.00%	100.00%	20,837,039	26,859,441	100.00%	100.00%

⁽¹⁾ Financière Gaillon 8 S.A. will hold 39.67 % of the authorized capital and 59.74 % of the voting rights (i.e. 16,531,022 voting rights) before potential exercise of the over-allotment option and 35.76 % of the authorized capital and 55.48 % of the voting rights (i.e. 14,902,270 voting rights) assuming full exercise of the over-allotment option.

⁽²⁾ Including (i) shares of Kaufman & Broad awarded under the bonus share plans of Kaufman & Broad that will be contributed by the employees and managers investing in Artimus Participations to Artimus Participations and (ii) shares of Kaufman & Broad that will be attributed to Artimus Participations following contribution by such employees and managers to Artimus Participations of their shares in Financière de Neuilly.

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Financière Gaillon 8 committed to hold for a period of 180 days the remaining part of its stake in Kaufman & Broad, subject to certain exceptions or with the prior consent of the global coordinators.

Kaufman & Broad also committed not to issue any financial instrument for a period of 180 days, subject to certain exceptions or with the prior consent of the global coordinators.

In addition, Artimus Participations committed to hold its participation in Kaufman & Broad for a period of 180 days, subject to certain exceptions or with prior consent of the global coordinators.

The net proceeds from the Placement, the share buy-back by Kaufman & Broad and the purchase of Kaufman & Broad shares by Artimus Participations will be used by Financière Gaillon 8 to redeem in full the Senior Notes due 2019 issued by Financière Gaillon 8 on March 31st, 2014 for an amount of 370 million euros.

Finally, trading of the Kaufman & Broad shares on Euronext Paris, which was suspended during the day of April 27, 2016, pending publication of a press release, will resume on April 28, 2016.

This press release does not constitute and shall not be considered as an offer to the public, a sale offer, an offer to subscribe nor the solicitation of an offer to buy or subscribe for, and the Placement does not constitute, in any circumstances, a public offering, in any country, including France.

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Each of BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International and Natixis is acting on behalf of Financière Gaillon 8 and of Kaufman & Broad and no one else in connection with any offering of the shares and will not be responsible to any other person for providing the protections afforded to any of its clients or for providing advice in relation to any offering of the shares.

Goldman Sachs International, acting as a stabilisation manager (or any institution acting on its behalf) (the "Stabilisation Manager"), acting in the name and on behalf of the Joint Bookrunners, may, during a period of 30 calendar days following the date on which the placement price is determined, i.e., according to the indicative calendar, from April 28, 2016 up to and including May 28, 2016, effect transactions with a view to maintaining the market price of Kaufman & Broad's shares in a manner consistent with applicable laws and regulations and, in particular, EU Commission Regulation No. 2273/03 of 22 December 2003. However, there is no assurance that the Stabilisation Manager will effect any stabilisation activities and if begun, such stabilisation activities may be ended at any time. Any stabilisation activities may affect the price of Kaufman & Broad's shares and could result in a market price for the shares higher than that which might otherwise prevail.