



News release

FOR IMMEDIATE RELEASE

For more information contact:
Daniel Weidman 310-231-4142
dweidman@kbhome.com

KB HOME ENTERS MARYLAND, VIRGINIA WITH LAUNCH OF MID-ATLANTIC DIVISION
Veteran Homebuilding Executive Mark Kinsley Named Division President

LOS ANGELES (Sept 19, 2005) – KB Home (NYSE: KBH), one of the nation’s premier homebuilders, announced today that it has established a Mid-Atlantic Division in an effort to expand into the rapidly growing Washington, D.C.-area housing market. KB Home’s entry into Maryland and Virginia brings the number of markets in which KB Home builds to 39 and greatly increases its presence in the eastern U.S., where it already has divisions throughout Florida, Georgia, North Carolina and South Carolina. KB Home plans to open five communities in this region in 2006.

“We are establishing operations in the Washington, D.C. area because of its vibrant job and population growth, and the communities surrounding our nation’s capital are still some the most desirable areas to live in the country,” said KB Home Chairman and CEO Bruce Karatz. “We are excited about the opportunity to continue our strategic national expansion.”

The division’s first community, Martin’s Chase, will be located in Loudoun County, Virginia, and will feature approximately 147 single-family homes. KB Home will begin sales in Martin’s Chase in early 2006. Additionally, KB Home is teaming up with Centex to build 2,000 homes for a mixed-use infill community on the 180-acre Crown Farm property, which will be annexed into Gaithersburg, Maryland. The community will feature retail space, a new high school and variety of home designs. KB Home will build approximately 1,000 homes, including town homes, single-family homes and multi-family units. The land for the new school is being donated by the builders to the Montgomery County School system. Sales are scheduled to begin in late 2007.

- more -

Mark Kinsley, who has successfully served as president of KB Home's New Mexico division since 2002, is the Mid-Atlantic division president. Kinsley joined KB Home in 1998 through the acquisition of Pridemark Homes in Colorado, where he was director of sales, and later vice president of land. Kinsley brings nearly 30 years of experience in real estate development, construction management and business finance to the Mid-Atlantic division.

"Moving into the fast-growing areas outside our nation's capital represents a tremendous opportunity for KB Home to offer quality homes to the residents of Maryland and Virginia," said Kinsley. "I look forward to working closely with community leaders and local officials to understand their housing needs and address how KB Home can be a partner in the process of building new communities in one of the country's most historic areas."

About KB Home

Building homes for nearly half a century, KB Home is one of America's premier homebuilders with domestic operating divisions in some of the fastest-growing regions and states: West Coast—California; Southwest—Arizona, Nevada and New Mexico; Central—Colorado, Illinois, Indiana and Texas; and Southeast—Florida, Georgia, North Carolina and South Carolina. Kaufman & Broad S.A., the Company's publicly-traded French subsidiary, is one of the largest homebuilders in France. In fiscal 2004, the Company delivered homes to 31,646 families in the United States and France. KB Home also offers complete mortgage services through Countrywide KB Home Loans, a joint venture with Countrywide Financial Corporation. Founded in 1957, and winner of the 2004 American Business Award for Best Overall Company, KB Home is a Fortune 500 company listed on the New York Stock Exchange under the ticker symbol "KBH." For more information about any of KB Home's new home communities, call 888-KB-HOMES or visit <http://www.kbhome.com>.

###