



News release

For Immediate Release

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KB HOME NAMED TO FORBES 2005 LIST OF SUPERCHARGED COMPANIES

Homebuilder Joins Exclusive Group of Eight Firms Derived From Forbes Platinum 400 Ranking

LOS ANGELES (January 4, 2005) – KB Home (NYSE: KBH), one of the nation's premier homebuilders, announced today that the company earned a coveted position on the Forbes 2005 list of Supercharged Companies, which included only seven other major retailers, transportation, health care and chemical firms.

According to Forbes, Supercharged Companies are those that are expected to increase their performance in the next 12 months by a greater percentage than they had grown in the latest 12 months, in terms of both earnings per share and sales. Only eight companies from the Forbes Platinum 400, or America's Best Big Companies, earned the Supercharged title.

"It is an honor to be recognized by Forbes for our financial performance in 2004 and for the predictions and expectations for the upcoming year," said KB Home Chairman and CEO Bruce Karatz. "I would also like to congratulate the other seven companies that were recognized due to equally impressive numbers. This distinction is a reflection of our record-breaking achievements of \$7 billion in revenues, \$481 million in net income, 31,646 homes delivered, and nearly \$5 billion in backlog, in addition to forecasts that prompted KB Home to raise its 2005 earnings guidance by 27 percent."

KB Home recently reported record FY 2004 numbers, including all-time high revenues, which were up 21 percent from 2003. The company's net income was up 30 percent from 2003. In terms of growth, KB Home delivered 16 percent more homes in 2004 than the prior year. Additionally, its backlog dollar value was up 57 percent from year-end 2003, and the number of backlog units was up 38 percent from year-end 2003. In conjunction with KB Home's strong financial results, the company's stock price increased approximately 50 percent in 2004.

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News release

Forbes Supercharged Page 2 of 2

KB Home ranked number 63 on the Forbes Platinum 400 list, also known as America's Best Big Companies. For more information about KB Home's recent rankings, link to: <http://www.forbes.com>.

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 majority-owned 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. It also operates a full-service mortgage company for the convenience of its buyers. 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>.

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