



Countrywide®



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COUNTRYWIDE TO ACQUIRE MORTGAGE SUBSIDIARY OF KB HOME; LENDER AND BUILDER FORM JOINT VENTURE

*Partnership marks shift in industry paradigm
and unparalleled product array for KB Home customers*

LOS ANGELES AND CALABASAS, CA (June 30, 2005) -- KB Home (NYSE: KBH), one of the nation's largest homebuilders, and Countrywide Financial Corporation (NYSE: CFC), the nation's leading home loan lender, have agreed to enter into a transaction whereby KB Home will sell substantially all of the assets of its mortgage subsidiary, KB Home Mortgage Company, to Countrywide Home Loans, the principal subsidiary of Countrywide Financial Corporation. The two industry leaders also simultaneously announced the formation of a 50-50 joint venture which will make residential loans to KB Home customers. The terms of the agreement were not disclosed.

"KB Home has set aggressive goals for our core homebuilding business, and Countrywide is uniquely capable of serving KB Home's large and growing customer base in current and future markets as we continue to execute KB Home's signature commitment to choice and customer satisfaction," said KB Home Chairman and CEO Bruce Karatz. "Homebuilding and financing have evolved into substantially larger and more sophisticated businesses in the 40 years since KB Home pioneered in-house lending services for our customers. We believe the transition to working directly with an established lending leader makes sense for the benefit of customers and business."

Countrywide's unparalleled array of home loans are designed to meet diverse financing needs and will now be available to KB homebuyers through dedicated professional Countrywide loan counselors serving KB Home's 500+ communities across the United States. KB homebuyers will benefit from a shared focus on customer satisfaction and a seamless home buying experience. The joint venture will offer the same array of products as Countrywide, which will have day-to-day oversight of the joint venture.

KB Home is the largest homebuilder to link with a national lender in a venture of this size and scope. In 1965, KB Home was the first large homebuilder to offer in-house mortgage services for the convenience of its customers. At that time, the company delivered less than 3,000 homes

in four states. This year, KB Home expects to deliver nearly 40,000 homes in 13 states across the nation and France, where it is among the largest homebuilders.

“We are extremely pleased to have KB Home entrust Countrywide with its customers,” said Countrywide Financial Corporation Chairman and CEO Angelo Mozilo. “This partnership is a testament to Countrywide’s best-of-class capabilities. Our breadth of products, state of the art technology and outstanding staff across the country offer KB Home and its customers a new level of efficiency and home loan offerings.”

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. 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.” KB Home offers financing for the convenience of its buyers through Countrywide Home Loans. For more information about any of KB Home’s new home communities, call 888-KB-HOMES or visit <http://www.kbhome.com>.

About Countrywide Financial Corporation

Founded in 1969, Countrywide Financial Corporation (NYSE: CFC) – America’s #1 residential lender as ranked by *Inside Mortgage Finance* (Jan. 28, 2005), Copyright 2005 – is a member of the S&P 500 and Fortune 500. Countrywide, through its subsidiaries, provides mortgage banking and diversified financial services in domestic and international markets. Mortgage banking businesses include loan production and servicing principally through Countrywide Home Loans, Inc., which originates, purchases, securitizes, sells, and services residential loans. The company is headquartered in Calabasas, California and has a workforce of nearly 45,000 employees with over 800 offices. For more information about the company, visit Countrywide’s Web site at <http://www.countrywide.com>.

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This Press Release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding management’s beliefs, estimates, projections, and assumptions with respect to, among other things, the Company’s future operations, business plans and strategies, as well as industry and market conditions, all of which are subject to change. Actual results and operations for any future period may vary materially from those projected herein and from past results discussed herein. Factors which could cause actual results to differ materially from historical results or those anticipated include, but are not limited to: competitive and general economic conditions in each of our business segments; general economic conditions in the United States and abroad; loss of investment grade rating that may result in an increase in the cost of debt or loss of access to corporate debt markets; reduction in government support of homeownership; the level and volatility of interest rates; changes in interest rate paths; the legal, regulatory and legislative environments in the markets in which the Company operates; and other risks detailed in documents filed by the Company with the Securities and Exchange Commission from time to time. Words like “believe,” “expect,” “anticipate,” “promise,” “plan,” and other expressions or words of similar meanings, as well as future or conditional verbs such as “will,” “would,” “should,” “could,” or “may” are generally intended to identify forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements

ATTN: Television News Directors and Editors

Interviews of Countrywide Financial Corporation Chairman and CEO Angelo Mozilo and KB Home Chairman and CEO Bruce Karatz, plus b-roll footage are available by satellite feed.

DATE: June 30, 2005
TIME: 9:00 – 9:30 a.m. ET (6:00 – 6:30 a.m. PT)
15:00 – 15:30 p.m. ET (Noon – 12:30 p.m. PT)
LOCATION: AMC 9/ TR5 Ku band analog 14100 V/11800 H

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