



News release

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For more information contact:

Kate Mulhearn: (310) 231-4147
kmulhearn@kbhome.com

Bruce Karatz of KB Home Named 2005 Ernst & Young Master Entrepreneur Of The Year®

LOS ANGELES, June 29, 2005 – KB Home (NYSE: KBH), one of the nation's premier homebuilders, announced today that Chairman and CEO Bruce Karatz, was named Master Entrepreneur at the Ernst & Young Entrepreneur Of The Year® 2005 Awards in Greater Los Angeles. Karatz received the prestigious recognition during a black tie gala on June 28 at the Beverly Hilton Hotel.

A true visionary in the homebuilding industry, Karatz was recognized for his extraordinary level of entrepreneurship, civic mindedness, and leadership over decades of change.

During his 30 year tenure with KB Home, Karatz has worked to transform the industry and helped nearly 400,000 families achieve the American Dream of owning a home. In 2004 he was ranked the top homebuilding executive on *Builder* magazine's list of the most influential people in homebuilding, coming in sixth behind Alan Greenspan, Franklin Raines, President George W. Bush, Jerry Howard and Andres Duany. Under his leadership, KB Home delivered 31,646 homes in 2004, compared to fewer than 4,000 when he became CEO in 1986 and less than 7,000 when he was named Chairman in 1993.

In the last decade, Karatz has led the company's focus on geographic diversity by taking the company from building in just 3 states to 13 states, combining organic expansion and strategic acquisitions in 36 of the top markets in the nation. In 2004, the company reported \$7.05 billion in revenues (up from \$5.03 billion in 2003). Karatz's leadership of KB Home has paved the way for continued growth and success. The path is aligned with clear goals, a comprehensive strategy and a well-structured business model for the entire organization to follow no matter how large it becomes.

Karatz's business building strategy also focuses on strong local involvement in the communities where KB Home builds as well as embracing innovative brand building opportunities. Among many recent activities, the company built a brand new home for one very deserving family on ABC's *Extreme Makeover: Home Edition*; Karatz mentored a small business owner on CNN's reality business program, *The Turnaround* and Karatz and KB Home were recently featured on the History Channel's *History's Business* program.

"We are pleased to present Bruce Karatz with this distinguished recognition of his lifetime of entrepreneurial accomplishments," said Tony Radaich, Ernst & Young Entrepreneur Of The Year program director for Los Angeles. "He is a world-class entrepreneur who has made a significant impact on the homebuilding industry as well as our local communities."

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Karatz will be eligible for consideration for the Entrepreneur Of The Year 2005 national program. Winners in several national categories, as well as the overall national Ernst & Young Entrepreneur Of The Year, will be announced at the annual awards gala in Palm Springs, Calif. on November 19, 2005.

About The Ernst & Young Entrepreneur Of The Year® Program

The Ernst & Young Entrepreneur Of The Year Program was created and is produced by professional services firm Ernst & Young LLP. As the first award of its kind, Ernst & Young Entrepreneur Of The Year recognizes outstanding entrepreneurs who are building and leading dynamic and growing businesses. The program honors entrepreneurs through regional, national and global award programs in over 100 cities and 35 countries.

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. 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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