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KB HOME BECOMES FIRST BUILDER IN HOUSTON AWARDED NHQ CERTIFICATION FOR EXCEPTIONAL QUALITY AND CUSTOMER SATISFACTION

Landmark Quality Management Program Provides Third-Party Certification and Increases Customer Satisfaction

January 31, 2006, Upper Marlboro, Md. —The NAHB Research Center today announced the National Housing Quality (NHQ) Certification of KB Home Houston. The Houston based division of national home builder KB Home, earned the designation following a rigorous NAHB Research Center audit of the implementation of their quality assurance systems. KB Home is the only NHQ certified builder in the city of Houston, joining the elite group of builders who have successfully completed the distinguished program since its launch in early 2005. Additional KB Home divisions participating in the program are working toward certification in 2006, signaling KB Home's corporate commitment to the NHQ program.

Formally launched at the 2005 International Builders' Show, the NHQ Certified Builder program is designed to increase efficiency and consistency in building practices. The program provides a rigorous and complete review of a builder's business practices, and ensures that all elements of the company's quality assurance system are incorporated to provide greater customer satisfaction. To achieve certification, KB Home's Houston division conducted field and office training to implement their quality program, work more efficiently with their trade contractors, and maintain the continuous improvement efforts required by all NHQ Programs.

NAHB Research Center president Michael Luzier said, "I am excited about how the NHQ Certified Builder program is developing and the increased efficiencies and customer satisfaction that participating builders are

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achieving. This program will continue to play a vital role the evolution of quality assurance in home building, and I would like to thank KB Home's Houston division for taking part in it."

KB Home –Houston's Only Builder Certified for Quality

KB Home's Houston division delivered more than 2,700 homes throughout the greater Houston area in 2005. Despite the impressive production numbers, KB Home's top priority is delighting homeowners. In 2005, KB Home Houston earned a customer satisfaction index of 99.2 percent.

"KB Home's consistent focus on providing superior customer service for our homebuyers throughout all phases of the homebuying experience is the cornerstone of our commitment to quality," said Kyle Davison, KB Home's South Central Texas Division President. "As Houston's only NHQ Certified home builder, KB Home is very proud to accept this award in recognition of our commitment to quality."

KB Home has been a pioneer in quality assurance in the home building industry. In November 2003, KB Home Chairman and CEO Bruce Karatz announced that the company would become the first large builder in the country to implement the NHQ Certified Trade Contractor program nationwide. This partnership will serve to provide greater efficiency, consistency, and effectiveness to the benefit of KB Home's customers. As a result of program implementation, all of KB Home's trade partners will be required to complete quality assurance management training, and are on their way towards achieving NHQ certification.

About the National Housing Quality Program: The NAHB Research Center launched the NHQ Program in 1993. The NHQ Program has introduced many of the concepts of the worldwide quality revolution to home building and remodeling, and provides numerous opportunities for collaboration among the various industry stakeholders. NHQ activities include the Certified Builder Program, Certified Trade Contractor Program, Manufacturer Training Certification program, and co-sponsorship of the National Housing Quality Award Program. Builders interested in starting on the path to quality certification can visit www.nahbrc.org/quality, email quality@nahbrc.org, or call Rita Knab, NHQ program coordinator, at (800) 638-8556, ext. 6225.

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ABOUT THE NAHB RESEARCH CENTER: Located in Upper Marlboro, Md., the NAHB Research Center promotes innovation in housing technology to improve the quality, durability, affordability, and environmental performance of homes and home building products. Created over 40 years ago as a subsidiary of the National Association of Home Builders (NAHB), the NAHB Research Center has established itself as the source for reliable, objective information and research on housing construction and development issues. Through its various testing and certification services, the Research Center seal is internationally-recognized as a mark of product quality and an assurance of product performance.

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NOTE TO EDITORS ON STYLE USAGE: To identify this company and its work correctly, first reference should be "NAHB Research Center." If clarification of the acronym is necessary, the phrase, "a subsidiary of the National Association of Home Builders (NAHB)," can follow. In subsequent mentions, "Research Center" is the only acceptable and accurate alternative reference.

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, Maryland, North Carolina, South Carolina and Virginia. 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>.