



News release



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For more information contact:
Caroline Shaw, 310-231-4142
cshaw@kbhome.com

**THE BRAND NEW ORLEANS:
KB HOME OPENS FIRST NEW RESIDENTIAL COMMUNITY SINCE KATRINA**

NEW ORLEANS, LA (August 28, 2006) – KB Home (NYSE:KBH), the only national homebuilder building houses and seeking land permits in New Orleans, announced today that it has begun sales in its first residential community in New Orleans. The community called River Garden currently has one model complete and eleven more homes under construction.

Located within minutes of downtown New Orleans, the seventy-three homes will all be built in traditional New Orleans architecture. Fifty-eight of the homes will be market priced (from the \$300s) and 15 of the homes will be designated “affordable” and priced by the Housing Authority of New Orleans.

“I believe that our effort in New Orleans is a small step in the rebuild and recovery of this great American city. I hope that the people of New Orleans find our homes in River Garden to be beautiful. I know they will be of high quality,” said KB Home Chairman and CEO Bruce Karatz.

This unique community offers single family and attached homes featuring 12 floor plans from 1,257 to 2,305 square feet priced from the low \$300s. New homeowners will be across from a city park, have views of downtown New Orleans, and be walking distance to the Magazine Street shopping district and Warehouse and Arts district.

“This community also serves as an example of the first concrete residential development coming back to New Orleans. One of the motivations for us eight months ago to announce that we were going to build in New Orleans is that we knew housing was one of the main problems facing the city. We had hoped, and continue to hope, that our efforts there will serve as a catalyst for other builders to come to New Orleans and help the rebuild,” Karatz added.

KB Home is also building town homes in Guste Island about a thirty minute drive from downtown. This community will have 112 town homes priced at \$150,000. The company expects to open this community for sales in late October. Four other communities are also underway in Baton Rouge, LA.

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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, Louisiana 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 leading homebuilders in France. In fiscal 2005, the Company delivered homes to 37,140 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 ranked the #1 homebuilder in *Fortune* Magazine's 2006 list of America's Most Admired Companies, 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 (888-KB-CASAS) or visit <http://www.kbhome.com> (<http://www.kbcasa.com>).

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