



September 18, 2017

## **KB Home Announces Repayment of Senior Notes**

LOS ANGELES--(BUSINESS WIRE)-- KB Home (NYSE: KBH) today announced it repaid the remaining \$165 million in aggregate principal amount of its 9.100% Senior Notes due 2017 at their maturity on September 15, 2017. The Company used internally generated cash to retire the notes.

"We are pleased to have surpassed the initial debt reduction goal we shared at our investor conference last year. By repaying the full amount of our 2017 senior notes with cash flow from operations, including the partial redemption of the notes we completed earlier this year, we exceeded one of the milestones of our three-year returns-focused growth plan - reducing our debt balance by a minimum of \$250 million," said Jeffrey Mezger, chairman, president and chief executive officer. "Eliminating this debt, which was our most expensive, will allow us to meaningfully reduce our interest incurred, helping to support future improvement in our gross margins. Overall, we are confident in our ability to make continued progress on the targets under our returns-focused growth plan, and increase long-term stockholder value."

### **About KB Home**

KB Home (NYSE: KBH) is one of the largest homebuilders in the United States, with nearly 600,000 homes delivered since our founding in 1957. We operate in 36 markets in 7 states, primarily serving first-time and first move-up homebuyers, as well as active adults. We are differentiated in offering customers the ability to personalize what they value most in their home, from choosing their lot, floor plan, and exterior, to selecting design and décor choices in our KB Home Studios. In addition, we are an industry leader in sustainability, building innovative and highly energy- and water-efficient homes. We invite you to learn more about KB Home by visiting [www.kbhome.com](http://www.kbhome.com), calling 888-KB-HOMES, or connecting with us on [Facebook.com/KBHome](https://www.facebook.com/KBHome) or [Twitter.com/KBHome](https://www.twitter.com/KBHome).

### **Forward-Looking and Cautionary Statements**

Certain matters discussed in this press release, including any statements that are predictive in nature or concern our future financial and operational performance, or our future actions and their expected results are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and projections about future events and are not guarantees of future performance. We do not have a specific policy or intent of updating or revising forward-looking statements. Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors, including, but not limited to the following: general economic, employment and business conditions; conditions in the capital, credit and financial markets; our ability to access external financing sources and raise capital through the issuance of common

stock, debt or other securities, and/or project financing, on favorable terms; material and trade costs and availability; changes in interest rates; our debt level, including our ratio of debt to capital, and our ability to adjust our debt level and maturity schedule; our compliance with the terms of our revolving credit facility; weak or declining consumer confidence, either generally or specifically with respect to purchasing homes; competition from other sellers of new and resale homes; weather events, significant natural disasters and other climate and environmental factors; the availability and cost of land in desirable areas; our warranty claims experience with respect to homes previously delivered and actual warranty costs incurred; costs and/or charges arising from regulatory compliance requirements or from legal, arbitral or regulatory proceedings, investigations, claims or settlements, including unfavorable outcomes in any such matters resulting in actual or potential monetary damage awards, penalties, fines or other direct or indirect payments, or injunctions, consent decrees or other voluntary or involuntary restrictions or adjustments to our business operations or practices that are beyond our current expectations and/or accruals; our ability to successfully implement our current and planned strategies and initiatives related to our product, geographic and market positioning, gaining share and scale in our served markets; our operational and investment concentration in markets in California; consumer interest in our new home communities and products, particularly from first-time homebuyers and higher-income consumers; our ability to generate orders and convert our backlog of orders to home deliveries and revenues, particularly in key markets in California; our ability to successfully implement our returns-focused growth plan and achieve the associated revenue, margin, profitability, cash flow, community reactivation, land sales, business growth, asset efficiency, return on invested capital, return on equity, net debt-to-capital ratio and other financial and operational targets and objectives; and other events outside of our control. Please see our periodic reports and other filings with the Securities and Exchange Commission for a further discussion of these and other risks and uncertainties applicable to our business.

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