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## **KB Home Executives Increase Share Ownership**

LOS ANGELES, Mar 8, 2002 (BUSINESS WIRE) -- KB Home (NYSE: KBH) today announced that 12 senior corporate and divisional managers have increased their personal ownership of the Company's common stock.

The transactions announced today are part of a series of transactions carried out under KB Home's executive stock ownership policy, an ongoing program designed to further the Company's strategy of closely aligning the interests of management and shareholders. The policy requires senior corporate and divisional managers to achieve specified ownership levels in the Company's common stock. Executives must meet their required ownership levels within three years of becoming subject to the policy, and must sustain those levels throughout their employment.

Target ownership levels vary by participant. Since the policy's inception in 1998, the ownership levels have ranged from one to four times the executive's annual salary, depending upon their position with the Company. In 2001, all original participants achieved their ownership targets. In January 2002, the Company increased the target levels requiring all participants, except the Chief Executive Officer, to own the equivalent of their total annual cash compensation (salary and bonus) in the Company's common stock. The Company's Chief Executive Officer is required to own the equivalent of two times his annual cash compensation in the Company's stock. The number of participants in the policy was also broadened in January 2002 to include 21 senior corporate and divisional executives.

The increased ownership levels and increased executive participation in the stock ownership policy demonstrates the Company's continuing commitment to further strengthening the bond between management and the Company's other stockholders, as well as management's conviction in the sustainable success of the Company.

In purchasing the shares announced today, the Company's executives exercised options previously awarded under the Company's employee stock incentive plans. Although certain shares were sold in the transactions to cover taxes and the exercise price of the options, each executive's share ownership increased overall. Subsequent to the exercises, each participating executive received replacement options at current fair market value for a portion of the options exercised.

The option exercises, including the acquisition of new shares and the sale of shares to cover the exercise price and tax liability of several of the participating individuals, will be reported today on filings with the Securities and Exchange Commission. The Company expects that individuals who are subject to the executive stock ownership policy may exercise additional options from time to time in the future in order to achieve their ownership goals.

KB Home is one of America's largest homebuilders with domestic operating divisions in some of the fastest-growing areas of the country including Arizona, California, Colorado, Florida, Nevada, New Mexico and Texas. Kaufman & Broad S.A., the Company's majority-owned subsidiary, is one of the largest homebuilders in France. In fiscal 2001, the Company delivered homes to 24,868 families in the United States and France. Founded in 1957, 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 the Company's Web site at [www.kbhome.com](http://www.kbhome.com).

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