



January 25, 2002

KB Home to Build New Division in Tampa

LOS ANGELES, Calif. (January 25, 2002) - KB Home (NYSE: KBH), one of the nation's largest homebuilders, has announced its entry into Tampa, Florida. The start-up division will expand KB Home's presence in the Florida market, an initiative launched last July with the company's acquisition of Trademark Homebuilders in Jacksonville.

"Tampa is a growing, vital region, which makes it a perfect fit for us," said Bruce Karatz, chairman and CEO of KB Home. "We have a strong track record building a leadership position in every region in which we operate. Launching a start-up division in Tampa is a logical extension of our recent expansion into the Florida market. Further, this ground up operation affords us great opportunities to provide the best quality homes at the best price for our West Florida customers."

The third largest city in Florida, Tampa serves as the center of business and industry on the state's Gulf Coast. Tourism, finance, biomedical and health care all contribute to the region's robust economy. Last year, the City of Tampa issued more than 11,000 permits for single-family homes.

Joining KB Home to launch the Tampa division is Marshall Gray, who will serve as division president. A native of Florida, Marshall comes to KB Home with substantial expertise transforming start-up initiatives into robust homebuilding organizations.

KB Home has a strong track record with ground up operations. KB Home's Austin, Dallas, Denver, Las Vegas and Phoenix divisions all began as entrepreneurial operations. In fact, KB Home's Austin division-which was established five years ago as a start-up-is now recognized as the number one homebuilder in the area.

KB Home plans to have its first communities open in Tampa by the end of fiscal 2002.

KB Home is one of America's largest homebuilders with domestic operating divisions in some of the fastest-growing areas of the country including California, Arizona, Nevada, New Mexico, Colorado, Texas and Florida. 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. It also operates a full-service mortgage company for the convenience of its buyers. 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 kbhome.com.

For more information contact:

Debra Hotaling
(310) 231-4015
dhotaling@kbhome.com

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