



July 31, 2017

KB Home Announces Increase in Revolving Credit Facility to \$500 Million and Extension of Maturity Date

LOS ANGELES--(BUSINESS WIRE)-- KB Home (NYSE: KBH) today announced it completed an amendment to its unsecured revolving credit facility to increase the borrowing availability to \$500 million from \$275 million, with a \$250 million letter of credit sublimit, and extend the maturity date to July 2021 from August 2019. The amended credit facility also contains an accordion feature under which the borrowing availability can be further increased to \$600 million, subject to additional lender commitments.

"We are taking another important step forward in executing on our returns-focused growth plan, by increasing the capacity of our credit facility. With this added liquidity and financial flexibility, we expect to further improve our asset efficiency, as we productively deploy excess cash and utilize the credit facility to meet our short-term capital needs," said Jeffrey Mezger, chairman, president and chief executive officer. "We appreciate the support from our banking partners, and the confidence in the strength of our business that the commitment to a substantially larger credit facility reflects."

Citibank, N.A. is serving as the Administrative Agent for the amended credit facility. Joint Lead Arrangers and Joint Bookrunners are Citigroup Global Markets Inc., Bank of the West, Credit Suisse Securities (USA), LLC, Deutsche Bank Securities, Inc., and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Lenders are Citibank, N.A.; Bank of America, N.A., Bank of the West, Credit Suisse AG, Cayman Islands Branch, and Deutsche Bank AG New York Branch, which are also serving as Syndication Agents; and MUFG Union Bank, N.A., Wells Fargo Bank, N.A., ZB, N.A. dba California Bank & Trust, and Texas Capital Bank, N.A.

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, calling 888-KB-HOMES, or connecting with us on [Facebook.com/KBHome](https://www.facebook.com/KBHome) or [Twitter.com/KBHome](https://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; 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; 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 amended credit facility; 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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