



## **KB Home Announces Final Results of its Tender Offer for its 6 3/8% Senior Notes Due 2011**

LOS ANGELES, Aug 20, 2009 (BUSINESS WIRE) -- KB Home (NYSE:KBH), one of America's premier homebuilders, today announced the expiration and final results of its tender offer to purchase up to \$250,000,000 in aggregate principal amount (the "Maximum Tender Amount") of its 6 3/8% Senior Notes Due 2011 (the "2011 Notes"). The tender offer was made pursuant to an Offer to Purchase dated July 23, 2009, which sets forth a more detailed description of the terms of the tender offer.

As of 9:00 a.m., New York City time, on August 20, 2009, the aggregate principal amount of 2011 Notes tendered was \$316,075,000. Because the aggregate principal amount of 2011 Notes tendered exceeded the Maximum Tender Amount, tendered notes will be purchased on a pro rata basis. As a result, KB Home accepted \$250,000,000 in aggregate principal amount of 2011 Notes for payment, with settlement expected today. The proration factor, as determined pursuant to the Offer to Purchase, is approximately 79%. As previously announced, KB Home intends to apply the net proceeds from its public offering of \$265 million in aggregate principal amount of 9.100% Senior Notes due 2017, which closed on July 30, 2009, toward the payment of accepted 2011 Notes.

Holders whose 2011 Notes have been accepted for payment and who tendered before the "Early Tender Date" of 5:00 p.m., New York City time, on August 5, 2009, will receive \$1,010 per \$1,000 principal amount of notes accepted for payment, which includes the Early Tender Premium of \$30 per \$1,000 principal amount. Holders whose 2011 Notes have been accepted for payment and who tendered after the Early Tender Date will receive \$980 per \$1,000 principal amount of notes accepted for payment.

Citi served as dealer manager for the tender offer. Global Bondholder Services Corporation served as the depository and information agent.

For additional information regarding the terms of the tender offer, please contact Citi at (800)-558-3745 (toll free) or (212)-723-6106 (collect). Requests for documents and questions regarding the tender of securities may be directed to Global Bondholder Services Corporation at (866)-540-1500 (toll free) or (212)-430-3774 (collect).

Copies of the Offer to Purchase and the Letter of Transmittal related to the tender offer may also be obtained at no charge from Global Bondholder Services Corporation.

This announcement does not constitute an offer to buy or the solicitation of an offer to sell securities. The tender offer has been made solely by means of the Offer to Purchase and the related Letter of Transmittal. In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer has been deemed to be made on behalf of KB Home by the dealer manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

### **Corporate Profile**

KB Home, one of the nation's leading homebuilders, has delivered hundreds of thousands of quality homes for families since its founding in 1957. The Company is distinguished by its Built to Order(TM) homebuilding approach that puts a custom home experience within reach of its customers at an affordable price. KB Home's award-winning homes and communities meet the needs of first-time homebuyers with flexible designs that also appeal to move-up buyers and active adults. Los Angeles-based KB Home was named the #1 homebuilder on FORTUNE(R) magazine's 2009 "World's Most Admired Companies" list. This marks the second year in a row and the third time in the past four years that KB Home has achieved the top ranking. The Company trades under the ticker symbol "KBH," and was the first homebuilder listed on the New York Stock Exchange. For more information about any of KB Home's new home communities call 888-KB-HOMES or visit [www.kbhome.com](http://www.kbhome.com).

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

Certain matters discussed in this press release, including any statements that are predictive in nature or concern future market and economic conditions, business and prospects, 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. The most important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to: general economic and business conditions; adverse market conditions that could result in additional inventory impairments or abandonment charges and operating losses, including an oversupply of unsold homes and declining home prices, among other things; conditions in the capital and credit markets (including consumer mortgage lending standards, the availability of consumer mortgage financing and mortgage foreclosure rates); material prices and availability; labor costs and availability; changes in interest rates; inflation; our debt level; weak consumer confidence; increases in competition; weather conditions, significant natural disasters and other environmental factors; government actions and regulations directed at or affecting the housing market, the homebuilding industry, or construction activities; the availability and cost of land in desirable areas; legal or regulatory proceedings or claims; the ability and/or willingness of participants in our unconsolidated joint ventures to fulfill their obligations; our ability to access capital, including our capacity under our credit facility; our ability to use the net deferred tax assets we have generated; our ability to successfully implement our current and planned product transition, geographic and market positioning and cost reduction strategies; consumer interest in our new product designs; 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.

SOURCE: KB Home

KB Home

Kelly Masuda, Investor Contact

(310) 893-7434

[kmasuda@kbhome.com](mailto:kmasuda@kbhome.com)

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