



News Release



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KB HOME MAKES MAJOR LAND PURCHASE IN SOUTHERN CALIFORNIA FROM LEWIS OPERATING CORP.

Transaction yields new home opportunities in Eastvale and North Fontana

WILDOMAR, Calif. (June 3, 2010) – KB Home (NYSE: KBH), one of America’s premier homebuilders, and Lewis Operating Corp., today announced their entry into agreements in which KB Home will purchase 664 home sites from the Lewis Group of Companies. The land purchase includes 174 home sites at the Shady Trails master plan in North Fontana and 490 home sites that will comprise a new master plan called The Enclave, which is located adjacent to KB Home’s popular Alpine at Willow Ranch community in Eastvale.

KB Home plans to introduce eight new communities to the master plans, with the openings scheduled later this year. The communities will feature new designs from The Open Series™, KB Home’s innovative line of new homes that bring affordability and flexibility back to today’s housing market. These home designs are Built to Order™, energy-efficient and affordably priced to compete with resale and foreclosure homes.

“Our relationship with the Lewis Group of Companies spans more than 20 years and we are pleased to be working with them once again on this significant land purchase for KB Home,” said Steve Ruffner, president of KB Home’s Southern California division. “This is an exciting opportunity for both organizations, and for area homebuyers who will soon have a broad array of new floor plans from The Open Series™ to choose from in these highly desirable locations in Southern California.”

“KB Home has a strong history of delivering quality and value to homebuyers and our two organizations have worked well together throughout the years,” said Randall Lewis, executive vice-president, Lewis Operating Corp. “We look forward to seeing KB Home bring these beautiful new neighborhoods to fruition, including a brand new master plan in Eastvale.”

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KB Home has conducted extensive research with homebuyers across the country to develop The Open Series™. These studies have revealed that today's buyers are looking for homes that offer great room living, flexible floor plans that provide them the power to add or subtract bedrooms, multi-use spaces and storage areas. These new homes will be built to exacting ENERGY STAR® guidelines, making them among the most energy-efficient new homes available today. ENERGY STAR qualified homes are up to 45% more energy-efficient than homes built as recently as 10 years ago, allowing buyers to reduce their carbon footprint and monthly utility bills for years to come.

KB Home homebuyers can look forward to personalizing their new homes at the KB Home Studio, a retail-like design center where buyers choose the features to customize their new homes. Each home is Built to Order™, with countless options to choose from—flooring, appliances, countertops, cabinets, lighting, window coverings, crown molding, and other fine details like paint colors, door designs, fixtures, hardware and more.

For more information on KB Home or any one of KB Home's new home communities visit www.kbhome.com or call 888-KB-HOMES.

About KB Home

KB Home, one of the nation's premier homebuilders, has delivered over half a million quality homes for families since its founding in 1957. The Los Angeles-based company is distinguished by its Built to Order™ homebuilding approach that puts a custom home experience within reach of its customers at an affordable price. KB Home's award-winning home designs and communities meet the needs of first-time, move-up and active adult homebuyers. KB Home was named to FORTUNE® magazine's 2010 list of the World's Most Admired Companies for the sixth consecutive year, and ranked #1 for "Innovation" among homebuilders. 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.

About Lewis Operating Corp.

Lewis Operating Corp. is a member of the Lewis Group of Companies. Founded in 1955, the Upland, California based Lewis Group of Companies is one of the nation's largest privately held real estate organizations engaged in the acquisition, ownership, development and management of residential and commercial real estate throughout California and Nevada. The Lewis Group has developed more than fourteen million square feet of retail, office and industrial space, and more than 65,000 single family homes and apartments, many of which are part of Lewis-developed master planned communities. For more information about the Lewis Group of Companies visit www.lewisop.com.

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