



News release

FOR IMMEDIATE RELEASE

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Reward Offered for Missing Costumed Character \$500 for Returning “Happy Home” to Her Happy Home

Los Angeles (March 8, 2005) – Motivational Systems, Inc. (MSI) is offering a \$500 reward to anyone finding and returning the costume for KB Home’s beloved character, Happy Home. Happy Home was lost Saturday, February 26, while in transport to a KB Home event in Las Vegas.



“Happy Home is an important member of the KB Home team,” said Veronica Kelly, service operations manager for MSI, the company transporting the mascot at the time of its disappearance. “Happy Home is in demand at many events and we’re hoping someone in the community might be able to help us locate her so she can resume her busy schedule.”

Happy Home can often be seen at company events including new community openings and charity events sponsored by KB Home. The endearing character is a particular favorite with children. She also has her own online page featuring printable coloring pages for children, <http://www.kbhome.com/KidsCorner~ParentID~4.aspx>.

Happy Home is a bright yellow house costume approximately 4-foot high featuring a big smile with rosy cheeks, bright blue window shutters, vividly colored flowers and a blue bird of happiness resting on the rooftop. Anyone finding Happy Home is requested to contact Veronica Kelly at (702) 491-8583.

This is the second recent Happy Home mystery. KB Home is also working on tracking down the source of an apparent “identity theft” in which the copyrighted character has been replicated by an unidentified balloon company and marketed to other builders. An impersonator was spotted at an event for another homebuilder and KB Home is now working to determine the source of the copied-character.

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“We know that Happy Home’s vibrant, cheerful appearance makes her a favorite in any crowd,” says Wendy Marlett, Senior Vice President of Marketing and Communications for KB Home. “Happy Home’s home is KB Home and that’s where we want to keep her.”

About KB Home

Building homes for nearly half a century, KB Home is one of America's premier homebuilders with domestic operating divisions in the following regions and states: West Coast -- California; Southwest -- Arizona, Nevada and New Mexico; Central -- Colorado, Illinois, Indiana and Texas; and Southeast -- Florida, Georgia, North Carolina and South Carolina. Kaufman & Broad S.A., the Company's publicly-traded subsidiary, is one of the largest homebuilders in France. In fiscal 2004, the Company delivered 31,646 homes in the United States and France. It also operates KB Home Mortgage Company, 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 <http://www.kbhome.com>.

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