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PAI PARTNERS ENTERS INTO AGREEMENTS ON THE ACQUISITION OF A CONTROLLING INTEREST IN KAUFMAN & BROAD SA

PAI partners (PAI) has entered into agreements to acquire all of KB Home's equity interest in Kaufman & Broad SA, as well as part of Guy Nafilyan's (Chairman and Chief Executive Officer of Kaufman & Broad SA) shareholdings, at a price per Kaufman & Broad SA share of 55 euros, so that, upon closing of the transactions, PAI would hold at least 50.01% of the share capital and voting rights of Kaufman & Broad SA on a fully diluted basis. The shares of Kaufman & Broad SA are listed on *Eurolist by Euronext*TM Paris.

The acquisition of this controlling interest is subject to anti-trust clearance and to certain pre-closing transactions being carried out – in particular a 4.83 euro per share distribution of an interim dividend in cash, which will be deducted from the 55 euros price per share, the transfer to Kaufman & Broad SA of the trademarks currently owned and licensed by KB Home, and the launch by Kaufman & Broad SA of a tender offer on its outstanding high yield notes coupled with a consent solicitation to remove restrictive covenants, all of which require the approval of Kaufman & Broad SA Board of Directors – and to other customary conditions.

PAI intends to offer to purchase all remaining shares of Kaufman & Broad SA at the same price per share promptly after the acquisition of the controlling block.

PAI representative says

“Kaufman & Broad SA is a leading company in the real estate development market in France; it has an outstanding track record of growth and generates superior margins. We will support the incumbent management, which will remain in place, in its plans to expand the business including through acquisitions.”

Regarding PAI partners

PAI is a leading European private equity firm with offices in Paris, London, Madrid, Milan and Munich. PAI manages and advises dedicated buyout funds with an aggregate equity value of around €7 billion.

In recent years, PAI has led several high profile European leveraged buyouts of sector-leading companies. Acquisitions have included: Antargaz, the leading LPG distributor in France (€520 million); Chr. Hansen, the worldwide leader in natural ingredients to the food industry (€1.1 billion); Coin, the market leading apparel retailer in Italy (€640 million); Cortefiel, the market leading apparel retailer in Spain (€1.5 billion); Elis, the European leader in the textile rental and well-being services industry (€1.5 billion); FTE, the worldwide leader in advanced clutch actuation systems for cars and light vehicles (€370 million); Global Closure Systems, the worldwide leader in speciality and beverage closure systems (€583 million); Kwik-Fit, Europe's largest automotive fast-fit services provider (€1.2 billion); Lafarge Roofing, world leader in roofing materials and solutions (€2.4 billion); Perstorp, the world leading producer of added value ingredients for the paint, resin and coatings industries (€1 billion); Saeco, the leading European coffee machine manufacturer (€825 million); Saur, a leader in the water distribution, sanitation and waste management in France (€1 billion); Spie, a leading multitechnical services company (€1 040 million), United Biscuits, the #2 biscuits manufacturer in Europe (€2.4 billion); Vivarte, the leading specialist retailer of footwear and clothing in France (€1.5 billion) and Yoplait, the #2 worldwide producer of fresh dairy products.

PAI is characterized by its operational approach to ownership combined with industrial and sector expertise. PAI provides portfolio companies with the financial and strategic support required to pursue their development and enhance strategic value creation.

For further information on PAI partners: www.paipartners.com.

Regarding KB Home

Celebrating its 50th anniversary in the homebuilding industry, KB Home is one of America's largest homebuilders. Headquartered in Los Angeles, the Company has domestic operating divisions in 15 states, building communities from coast to coast. KB Home is a Fortune 500 company listed on the New York Stock Exchange under the ticker symbol "KBH." Kaufman & Broad SA, a subsidiary publicly-traded on Euronext Paris, is one of the leading homebuilders in France. For more information about any of KB Home's new home communities or complete mortgage services through Countrywide KB Home Loans, call 888-KB-HOMES or visit <http://www.kbhome.com>.

Regarding Kaufman & Broad SA

For nearly 40 years, Kaufman & Broad has been designing, building and selling single-family homes and apartments, as well as office properties on behalf of third parties. Its size, profitability and strong brand name have made Kaufman & Broad one of France's leading developers and builders of homes.

For further information on Kaufman & Broad SA: www.ketb.com.

PAI partners contact

Sandrine Gallien
Hudson Sandler
+44 20 7796 4133

KB Home contact

Kelly Masuda
+1 310 893-7434
kmasuda@kbhome.com