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KB Home Enters Largest U.S. New Home Market With Acquisition of Atlanta-Based Colony Homes

LOS ANGELES, Mar 10, 2003 /PRNewswire-FirstCall via COMTEX/ -- KB Home (NYSE: KBH), one of the nation's largest homebuilders, today announced that it has acquired Colony Homes, one of the largest privately owned homebuilders in the Southeast. In 2002, Colony generated revenues of \$244 million, delivering 1,872 homes, including 1,052 in Atlanta, 544 in Raleigh and 276 in Charlotte. The Atlanta-based company controls approximately 8,200 lots across its three markets.

"This acquisition positions KB Home as a true market leader from coast-to-coast," said Bruce Karatz, chairman and CEO of KB Home. "KB Home has long been a market leader in the West, Southwest and Central United States, and we envision no less for our Southeast operations. With the acquisition of Colony along with our recent moves in Florida, we will have grown from having no position in the region to becoming a formidable player in the five biggest new home markets in the Southeast in just 19 months-and our future looks even brighter. We look forward to the growth this exciting region has to offer as we continue to expand and diversify KB Home's U.S. operations."

KB Home gained a foothold in the Southeast in July 2001 with the acquisition of Trademark Home Builders in Jacksonville, Florida, followed in 2002 by launching operations in Tampa and establishing the company in Orlando with the acquisition of American Heritage Homes. Atlanta, Tampa, Charlotte, Orlando and Raleigh were the largest new home permit markets in the Southeast in 2002 with Atlanta topping the nationwide list.

Karatz added: "Colony is a first-rate homebuilder with a strong history and outstanding reputation for providing quality homes at affordable prices. The company's performance-driven management philosophy and efficient operating systems mirror our own, making them a perfect fit and welcome addition to the KB Home team."

Colony ended 2002 as the second-largest single family homebuilder in Atlanta in the moderately priced (under \$225,000) market. Sharing KB Home's commitment to building homes for first-time and first-move-up homebuyers, Colony also ranked first in Raleigh and ninth in its newest market, Charlotte in the same category. With an average home price of \$130,000, nearly 70% of Colony's customers are first-time buyers. Founded 28 years ago in Atlanta by Tom Bradbury, the company has grown to more than 250 employees and has provided homes to over 8,500 families.

"In KB Home, we found a company whose employees, like Colony's, work hard every day to ensure that honesty, integrity and other core values are reflected in all aspects of the operation," said Bradbury. "The merger of Colony and KB Home passed a vigorous and vital test of culture compatibility."

"We are thrilled to be joining forces with one of the nation's premier homebuilders for first-time buyers," said Ron Peiffer, CEO of Colony Homes. "The potential for growth in the Southeast region is immense, and with KB Home's reputation and resources behind us there is no limit to what we can accomplish in the years ahead."

KB Home is one of America's largest homebuilders with domestic operating divisions in the following regions and states: West Coast -- California; Southwest -- Arizona, Nevada and New Mexico; Central -- Colorado and Texas; and Southeast -- Florida, Georgia and North Carolina. Kaufman & Broad S.A., the Company's majority-owned subsidiary, is one of the largest homebuilders in France. In fiscal 2002, the Company delivered 25,565 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 1-888-KB-HOMES or visit the Company's Web site at www.kbhome.com.

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