



# News Release



**FOR IMMEDIATE RELEASE**

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## **KB HOME RELEASES FIRST SUSTAINABILITY REPORT**

### **Company outlines environmentally friendly accomplishments, ongoing challenges and commitments for the future**

**LOS ANGELES (July 24, 2008)** – KB Home (NYSE: KBH), one of America’s largest homebuilders, today announced its first ever sustainability report, available at [www.kbhome.com/sustainability](http://www.kbhome.com/sustainability). The *KB Home Sustainability Report* is a comprehensive review of the Company’s progress toward sustainability, identifying both ongoing initiatives and operational challenges, as well as KB Home’s future commitments and actions.

“Our business requires a delicate balance between the societal need for affordably priced new homes and the environmental need to use our limited natural resources wisely,” said Jeffrey Mezger, president and chief executive officer of KB Home. “The opportunities for KB Home to make a measurable impact in this area are immense, and we are committed to making sustainability an integral part of how we do business.”

In 2007, KB Home launched its *My Home. My Earth.*™ strategic environmental initiative, which focuses on ways the Company can become a leading environmentally friendly national company while creating a companywide culture of sustainability. The Company’s inaugural sustainability report is an important step in that process.

The report details KB Home’s perspective on the environment, how it empowers homebuyers to participate in sustainability, and initiatives undertaken in 2007 that advanced the Company’s sustainability commitments.

In compiling the report, the company followed the Global Reporting Initiative (GRI) Guidelines. GRI is considered by many to be the current standard framework for sustainability reporting, providing a high level of accountability and transparency.

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More than 85% of the total energy consumption during a home's life cycle stems from the energy used in day-to-day living. KB Home's greatest opportunity to reduce the carbon footprint of its homes is to provide energy-efficient features and educate homebuyers about how to conserve energy over the lifetime of their homes.

From 2001 through 2007, KB Home built 53,541 highly energy-efficient homes, including 44,136 ENERGY STAR® qualified homes and 9,405 ComfortWise® certified homes. According to U.S. Environmental Protection Agency formulas, these homes reduce greenhouse gas emissions by over 140,000 metric tons annually, estimated to be equivalent to removing over 26,000 cars from our roads each year. The annual savings on utility bills can be up to \$24 million.

Additionally, KB Home announced that every new home built by the Company beginning in 2008 would feature only ENERGY STAR® qualified appliances. This policy means that, going forward, the carbon footprint of every one of the Company's homes – as well as its owners' energy bills – will be reduced, at no additional cost to its homebuyers.

Even without the more stringent requirements for ENERGY STAR® qualified homes, new home construction built to today's standard building and energy codes produces homes that are up to 30% more energy efficient than homes built as recently as the 1990s, according to the U.S. Department of Energy.

"Due to the many strides made in our industry, today's new homes have a significantly smaller carbon footprint than older homes," added Mr. Mezger. "Which means every day we're making a difference as buyers move into more efficient homes."

As part of KB Home's customer-focused Built to Order™ home buying process, which gives buyers the ability to choose options that personalize their own home, homebuyers can increase their home's energy efficiency by adding products from the *My Home. My Earth.* line of KB Home Studio options.

KB Home continues to develop and implement new ways to minimize the environmental impact of its construction operations. The sustainability report details a number of these from across the Company, including minimizing waste in its construction process, increasing the use of building materials made with recycled content, using building materials more efficiently, planning more sustainable communities, and preserving natural resources.

The report also details a number of specific, measurable actions the Company will take in support of its sustainability objectives, most notably:

- Establish a companywide standard that all homes will be fully compliant with today's ENERGY STAR® certification requirements beginning with new communities opening in 2009.

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- Construct all new homes utilizing low-VOC paint and low-VOC carpet beginning in 2009.
- Establish a National Community Advisory Board to advise senior executives on its companywide and national efforts in 2009.
- Develop key performance indicators for sustainability, as well as the systems for measuring them.
- Provide public updates on the progress KB Home has made toward its sustainability commitments and actions.

The *KB Home Sustainability Report* discusses in detail all the Company's sustainability-related accomplishments, challenges and commitments. The complete report is available at [www.kbhome.com/sustainability](http://www.kbhome.com/sustainability).

### **About KB Home**

KB Home, one of the nation's largest homebuilders, has been building quality homes for families for more than 50 years. Headquartered in Los Angeles, the Company has operating divisions in nine states, building communities from coast to coast. KB Home, ranked the #1 homebuilder in FORTUNE magazine's 2008 list of *America's Most Admired Companies*®, 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 or complete mortgage services offered through Countrywide KB Home Loans, call 888-KB-HOMES or visit [www.kbhome.com](http://www.kbhome.com).

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