

KB HOME
Form FWP
February 01, 2012

ISSUER FREE WRITING PROSPECTUS

RELATING TO PRELIMINARY PROSPECTUS SUPPLEMENT

DATED FEBRUARY 1, 2012

FILED PURSUANT TO RULE 433

REGISTRATION NUMBER 333-176930

KB HOME

\$350,000,000 8.00% Senior Notes due 2020

Final Pricing Term Sheet

February 1, 2012

This Final Pricing Term Sheet is qualified in its entirety by reference to the Preliminary Prospectus Supplement. The information in this Final Pricing Term Sheet supplements the Preliminary Prospectus Supplement and supersedes the information in the Preliminary Prospectus Supplement to the extent inconsistent with the information in the Preliminary Prospectus Supplement.

Issuer:	KB HOME
Securities:	8.00% Senior Notes due 2020 (Notes)
Amount:	\$350,000,000
Coupon (Interest Rate):	8.00%
Yield:	8.25%
Spread to Benchmark Treasury:	640 bps
Benchmark Treasury:	UST 1.849% due November 15, 2021
Scheduled Maturity Date:	March 15, 2020
Public Offering Price:	98.523%
Gross Proceeds:	\$344,830,500
Underwriting Discount:	1.625% of principal amount
Net Proceeds to Issuer before Estimated Expenses:	\$339,143,000
Net Proceeds to Issuer after Estimated Expenses:	\$338,443,000
Payment Dates:	March 15 and September 15 of each year, commencing on September 15, 2012
Record Dates:	March 1 and September 1 of each year

Redemption

The Notes will be redeemable in whole at any time or in part from time to time, at the Issuer's option, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Notes to be redeemed; or

(2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed (exclusive of interest accrued to the applicable redemption date), discounted to such redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the Preliminary Prospectus Supplement), plus 50 basis points, plus in each case accrued and unpaid interest on the Notes being redeemed to the redemption date.

**Change of Control
Triggering Event:**

Upon a change of control triggering event, the Issuer will be required to make an offer to repurchase all outstanding Notes at a price in cash equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest to, but not including, the repurchase date.

CUSIP:

48666K AQ2

ISIN:

US48666KAQ22

Distribution:

SEC Registered (Registration No. 333-176930)

Listing:

None

Trade Date:

February 1, 2012

Settlement Date:

February 7, 2012 (T+4)

**Joint Book-Running
Managers:**

Citigroup Global Markets Inc.

Credit Suisse Securities (USA) LLC

Merrill Lynch, Pierce, Fenner & Smith

Incorporated Deutsche Bank Securities Inc.

Co-Manager:

Wells Fargo Securities, LLC

Increased Offering Size and Tender Offers Amendment

The Issuer has increased the aggregate amount of Notes offered as described in the Preliminary Prospectus Supplement from \$250.0 million to \$350.0 million, resulting in net cash proceeds to the Issuer (after deducting underwriting discounts and estimated fees and expenses) of \$338.4 million.

The Issuer also announced on February 1, 2012 that it has amended the previously announced tender offers for its 5-1/4% Senior Notes due 2014 (the 2014 Notes), 5-7/8% Senior Notes due 2015 and 6-1/4% Senior Notes due 2015 (together, the 2015 Notes) to increase the Maximum Tender Amounts (as defined in the Preliminary Prospectus Supplement) to \$340.0 million, and extended the Early Tender Premium on the 2014 Notes to the Expiration Date. The Early Tender Premium for the 2015 Notes was not extended. The Issuer intends to use the net proceeds from the Note offering to purchase such increased amount of notes in the tender offers, if accepted, subject to the terms and conditions of the tender offers described in the Offer to Purchase dated January 19, 2012 and related Letter of Transmittal, as amended or supplemented. Any additional net proceeds to the Issuer may be used for general corporate purposes as described in the Preliminary Prospectus Supplement under Use of Proceeds.

The Issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, copies may be obtained by contacting Citigroup Global Markets Inc. at the following address: Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220 or by telephone at 1-877-858-5407 or by e-mail at batprospectusdept@citi.com.

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