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KB HOME AND DISNEY COLLABORATE TO BRING DISNEY MAGIC INTO NEW HOMES

Disney Home Products to be Offered in KB Home Studios; Disney-Themed Rooms in KB Home Models Launches National Sweepstakes

Los Angeles and Glendale, CA (September 26, 2007) — KB Home (NYSE: KBH), one of the nation's largest homebuilders, and Disney Consumer Products (NYSE: DIS) announced today a unique collaboration to offer Disney Home product options to KB Home homebuyers. Disney Home products will be offered at KB Home Studios, the retail-like design centers in which KB Home homebuyers select options to personalize their new homes, beginning in 2008.

"We are honored to be teaming up with Disney, an industry leader who shares both our passion for quality and our commitment to families," said Jeffrey Mezger, president and chief executive officer of KB Home. "Our Built to Order business model is all about choice, and together with Disney we are offering even more options for the whole family."

Beginning in 2008, KB Home homebuyers will be able to create custom Disney rooms in their own new homes by selecting among the many Disney options to be offered at KB Home Studios. Incorporating Disney Home product into the design of a room blends cherished Disney memories into the every day spaces of a home. Disney Home product options may include flooring, window coverings, lighting and more. Designs will feature many of the most beloved Disney characters and franchises.

"This collaboration reinforces Disney's place in the hearts and homes of our customers, while further positioning Disney Home as a leading lifestyle brand," said Pamela Lifford, executive vice president, Global Home for Disney Consumer Products. "We're excited about the opportunity to showcase Disney Home products in KB Home Studios across the country."

KB Home Magical Dream Sweepstakes

To kick-off the collaboration, KB Home is launching an eight-week *Magical Dream Sweepstakes* in which Disney fans can come to any KB Home community and enter to win one of ten children's bedrooms with Disney-themed furniture. Beginning this weekend, the public is invited to visit select KB Home model homes across the country to see first-hand the children's rooms that have been transformed into Disney dream bedrooms. Each room features décor and furnishings from Disney's most popular

characters and movie franchises including *Cinderella* and other *Disney Princesses*, Disney*Pixar *Cars* and *Pirates of the Caribbean*. This marks the first time that Disney Home products will be showcased through a national homebuilder.

In addition, customers who visit any KB Home community beginning this weekend and throughout the eight-week promotion will receive Disney-themed merchandise including children's lunch boxes, watches, notebooks, crayons and more.

"Almost 60% of KB Home homebuyers are families with children," said Wendy Marlett, senior vice president of sales and marketing for KB Home. "Collaborating with this incredible brand that has universal appeal to families will not only drive traffic to our communities but will also allow us to offer something that no other homebuilder can – a little Disney magic built into their new KB home."

Spectacular Disney-themed events at select KB Home communities are currently planned, including princess and pirate parties. KB Home will also feature Disney characters in their upcoming sales, marketing and advertising campaigns. Homebuyers can visit www.kbhome.com or call 888-KB-HOMES to receive more information on local Disney-themed KB Home events and to find the nearest KB Home models featuring Disney Home products.

For more information on the sweepstakes, visit www.kbhome.com or call 1-888-KB-HOMES

About 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 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." 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 www.kbhome.com.

About Disney Consumer Products

Disney Consumer Products (DCP) is the business segment of The Walt Disney Company (NYSE: DIS) that extends the Disney brand to merchandise ranging from apparel, toys, home décor and books and magazines to interactive games, food and beverages, stationery, electronics and animation art. This is accomplished through the work of DCP's various lines of business: Disney Toys, Disney Apparel, Disney Food, Health & Beauty, Disney Home, Disney Stationery, Disney Publishing, Disney Interactive Studios, Baby Einstein, and www.disneyshopping.com. The Disney Store, which debuted in 1987, also falls under DCP, through stores currently owned and operated by unaffiliated third parties under licensing agreements in North America and Japan, and wholly-owned stores in Europe. For more information, please visit www.disneyconsumerproducts.com.

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