

KB HOME  
Form FWP  
March 20, 2014

ISSUER FREE WRITING PROSPECTUS

RELATING TO PRELIMINARY PROSPECTUS SUPPLEMENT

DATED MARCH 19, 2014

FILED PURSUANT TO RULE 433

REGISTRATION NUMBER 333-176930

**KB HOME**

**\$400,000,000 4.75% Senior Notes due 2019**

**Final Pricing Term Sheet**

**March 20, 2014**

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.

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|--------------------------------------|--|
| <b>Issuer:</b>                       | KB Home  |
| <b>Securities:</b>                   | 4.75% Senior Notes due 2019 ( Notes )                                |
| <b>Amount:</b>                       | \$400,000,000  |
| <b>Coupon (Interest Rate):</b>       | 4.750%   |
| <b>Yield:</b>                        | 4.748%   |
| <b>Spread to Benchmark Treasury:</b> | 304 bps  |
| <b>Benchmark Treasury:</b>           | UST 1.50% due February 28, 2019                                      |
| <b>Scheduled Maturity Date:</b>      | May 15, 2019   |
| <b>Public Offering Price:</b>        | 100.000%   |
| <b>Gross Proceeds:</b>               | \$400,000,000  |
| <b>Underwriting Discount:</b>        | 1.125% of principal amount   |
| <b>Payment Dates:</b>                | May 15 and November 15 of each year, commencing on November 15, 2014 |
| <b>Record Dates:</b>                 | May 1 and November 1 of each year                                    |

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**Redemption**

The Notes will be redeemable, in whole at any time or from time to time in part, at the Issuer's option on any date of redemption (each, a Redemption Date). Prior to February 15, 2019 (three months prior to the maturity of the Notes), the redemption price for the Notes to be redeemed will be equal to the greater of:

(a) 100% of the principal amount of the Notes to be redeemed on that Redemption Date, and

(b) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be 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 the case of both clause (a) and (b) above, accrued and unpaid interest on the principal amount of the Notes being redeemed to, but excluding, such Redemption Date.

On or after February 15, 2019 (three months prior to the maturity of the Notes) and until their maturity, the redemption price for the Notes to be redeemed will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest on the principal amount of the Notes being redeemed to, but excluding, such 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 excluding, the repurchase date.

**CUSIP**

48666KAU3

**ISIN:**

US48666KAU34

**Distribution:**

SEC Registered (Registration No. 333-176930)

**Listing:**

None

**Trade Date:**

March 20, 2014

**Settlement Date:**

March 25, 2014 (T+3)

**Joint Book-Running Managers:**

Citigroup Global Markets Inc.

Credit Suisse Securities (USA) LLC

Merrill Lynch, Pierce, Fenner & Smith

Incorporated

Deutsche Bank Securities Inc.

**Increased Offering Size**

The Issuer has increased the aggregate amount of Notes offered as described in the Preliminary Prospectus Supplement from \$300.0 million to \$400.0 million, resulting in net cash proceeds to the Issuer (after deducting

underwriting discounts and estimated fees and expenses) of \$394.4 million. The additional net proceeds will be used for general corporate purposes, including without limitation land acquisition and land development.

**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](http://www.sec.gov). Alternatively, copies may be obtained by contacting Citigroup at the following address: Citigroup, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, email: [batprospectusdept@citi.com](mailto:batprospectusdept@citi.com) (tel: 800-831-9146) or Credit Suisse at the following address: Attention: Prospectus Department, One Madison Avenue, New York, New York 10010, e-mail: [newyork.prospectus@credit-suisse.com](mailto:newyork.prospectus@credit-suisse.com).**

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