



News release



FOR IMMEDIATE RELEASE:

For more information contact:

Caroline Shaw with KB Home
(310) 231-4165
cshaw@kbhome.com

Chris Sammons with The Shaw Group Inc.
(225) 932-2546
chris.sammons@shawgrp.com

KB HOME / SHAW LOUISIANA FRAME NEW HOUSES IN NEW ORLEANS

NEW ORLEANS, LA (June 21, 2006) – KB Home (NYSE: KBH) and The Shaw Group Inc. (NYSE:SGR) today announced that new construction has begun on the first major residential property in Orleans Parish since Hurricane Katrina hit the city last August. Seventy-three homes will be built by KB Home/Shaw Louisiana in the River Garden area located in the historic Garden District of New Orleans. This is the first community to have ground broken under the development by the joint venture since it was announced in December 2005.

The homes will be built in traditional New Orleans architecture. Fifty-eight of the homes will be market-priced and 15 homes will be designated “affordable” and priced by the Housing Authority of New Orleans. There will be various floor plans but the first model home to be opened in August, 2006 will be more than 1,800 square feet with three bedrooms and two-and-a-half baths.

“At KB Home, we are proud to be the only national homebuilder building houses and seeking land permits in the greater NOLA area,” said Steven Davis, KB Home Gulf Coast Regional President. “As a New Orleans native, I am personally gratified to see this first community underway. These homes will be reflective of the beautiful homes traditionally seen in the area, with KB Home quality workmanship behind them.”

David Landers, President of Shaw Home Louisiana, said, “Since Katrina came ashore, Shaw has been committed to proactively and aggressively restoring our state and we are particularly pleased to begin residential construction at River Garden. These homes will provide quality housing options for New Orleans citizens and our hope is that River Garden will serve as a blueprint for future housing developments in the city.”

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About KB Home

Building homes for nearly half a century, KB Home is one of America's premier homebuilders with domestic operating divisions in some of the fastest-growing regions and states: West Coast—California; Southwest—Arizona, Nevada and New Mexico; Central—Colorado, Illinois, Indiana, Louisiana and Texas; and Southeast—Florida, Georgia, Maryland, North Carolina, South Carolina and Virginia. Kaufman & Broad S.A., the Company's publicly-traded French subsidiary, is one of the leading homebuilders in France. In fiscal 2005, the Company delivered homes to 37,140 families in the United States and France. KB Home also offers complete mortgage services through Countrywide KB Home Loans, a joint venture with Countrywide Financial Corporation. Founded in 1957, and ranked the #1 homebuilder in *Fortune* Magazine's 2006 list of America's Most Admired Companies, 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 888-KB-HOMES (888-KB-CASAS) or visit <http://www.kbhome.com> (<http://www.kbcasa.com>).

About The Shaw Group Inc.

The Shaw Group Inc. is a leading global provider of technology, engineering, procurement, construction, maintenance, fabrication, manufacturing, consulting, remediation, and facilities management services for government and private sector clients in the energy, chemical, environmental, infrastructure and emergency response markets. Headquartered in Baton Rouge, Louisiana, with over \$3 billion in annual revenues, Shaw employs approximately 22,000 people at its offices and operations in North America, South America, Europe, the Middle East and the Asia-Pacific region. For further information, please visit Shaw's website at www.shawgrp.com.

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