



News release



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Martha Stewart Living Omnimedia and KB Home Celebrate Opening of First West Coast Community

PERRIS, CA (January 29, 2007) - Martha Stewart Living Omnimedia (MSO) and KB Home (KBH) today celebrated their first co-branded community on the West Coast in Perris, California. Founder of Martha Stewart Living Omnimedia, Martha Stewart and President and CEO of KB Home, Jeff Mezger were on hand to commemorate the occasion.

KB Home Olive Grove: Homes Created with Martha Stewart offers 1-and 2-story floorplans ranging from 1,875 to 2,968 square feet. Prices start in the mid \$300s.

“We are excited to be celebrating our third Martha Stewart community, the first of its kind in California,” said Jeff Mezger, president and CEO of KB Home. “This partnership between Martha Stewart Living Omnimedia and KB Home is a powerful one. We have paired a homebuilding company that offers unsurpassed value and quality homes with a renowned home lifestyle expert.”

The community features homes inspired by Martha’s personal residences in Maine, Connecticut and New York. Martha’s influence is present in the interiors of the three model homes with specialized flooring, bathroom and kitchen fixtures, lighting, paint colors, cabinetry selections and other special touches such as distinctive mantles, shelving, molding and wainscoting all of which are available to home buyers. Although homes do not come furnished, the model homes contain furniture and decorative options from Martha Stewart Living Omnimedia.

“We are delighted to open, in collaboration with KB Home, a beautiful community to the West Coast. It can be enormously challenging for people in California to find a home that is attractive, well-designed and affordable. Olive Grove provides just that opportunity with the added appeal of gorgeous grounds, playing fields for sports enthusiasts and walking trails—and all in close proximity to the vibrant city of Riverside and the desert and mountains,” stated Robin Marino, president of merchandising at Martha Stewart Living Omnimedia.

Olive Grove is part of the May Ranch master plan which includes two elementary schools and a middle school. May Ranch also features several parks that include soccer fields, basketball courts, tot lots, softball fields and walking trails.

Perris is located in the heart of Southern California, between San Diego and Los Angeles. The community is close to the city of Riverside with shopping, dining and entertainment nearby. Southern California's beaches, desert and mountain resorts are an easy drive as well as the Ontario International Airport. The Lake Perris State Recreation Area offers fishing, boating, water-skiing, mountain bike trails, hiking, camping, and picnicking.

The two companies have already collaborated on a handful of exclusive communities nationwide. They currently have opened communities in Fairburn, Georgia (Hampton Oaks) and Cary, North Carolina (Twin Lakes) and have announced plans for Katy, Texas (WoodCreek Reserve); Woodstock, Georgia (Wynchase) and a second community in Raleigh, North Carolina (Wynbrooke). For more information homebuyers can 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 domestic 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." Kaufman & Broad S.A., a subsidiary publicly-traded on the Premier Marché of Euronext Paris, is one of the leading homebuilders in France. 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 <http://www.kbhome.com>.

About Martha Stewart Living Omnimedia, Inc.

Martha Stewart Living Omnimedia, Inc. (MSLO) is a leading provider of original "how-to" information, inspiring and engaging consumers with unique lifestyle content and high-quality products. MSLO is organized into four business segments: Publishing, Broadcasting, Merchandising, and Internet. Martha Stewart Living Omnimedia, Inc. is listed on the New York Stock Exchange under the ticker symbol MSO. For more information visit <http://www.marthastewart.com>