



News release



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KB Home and Martha Stewart Bring “New Urbanism” Neighborhood to Orlando

Orlando, FL (January 5, 2007) –KB Home (NYSE: KBH) and Martha Stewart Living Omnimedia (NYSE: MSO) have announced their first “new urbanism” neighborhood, *KB Home Avellino: Homes Created with Martha Stewart*. This latest community in their successful collaboration is located south of Windermere, Florida, in Orange County and is scheduled to open spring 2007.

Avellino will reflect the elements of new urbanist design to create a traditional neighborhood feeling in an established urban environment. The community will be built as a walkable neighborhood with sidewalks to encourage pedestrian activity. Additionally, homes will feature front porches and will be built on smaller lots to encourage activity in public open spaces and parks. The community will include both single-family homes and townhomes.

“This location is the perfect backdrop to showcase the first Martha-designed community in Florida,” said George Glance, president of KB Home Orlando division. “Known as ‘A Great Place to Live’ for its easygoing small-town lifestyle, Windermere offers the hometown charm of quaint stores, restaurants and ample recreational amenities. The quality and value of a KB home coupled with these beautiful Martha Stewart designs are an unbeatable combination.”

Avellino will feature 14 floorplans for homes and townhomes ranging from 1,594 to 2,700 square feet. Pricing for the single-family homes is anticipated to start in the low \$300s and pricing for the townhomes is anticipated to start in the mid \$200s. The community will offer a total of 143 homesites. Residents will enjoy neighborhood amenities that include a community garden, pool, cabana and children’s playground.

“We are pleased to be offering with KB Home another Martha Stewart community of beautiful, well designed and affordable homes in what is a rapidly growing part of Florida. This community will feature very appealing elements, including inviting front porches and extensive design details such as specialized flooring and woodwork that provide a welcoming accent to any home,” said Robin Marino, president of merchandising, Martha Stewart Living Omnimedia.

Martha's design sensibility can also be seen in the many unique options available to homebuyers, including specialized flooring, bathroom and kitchen fixtures, lighting, paint colors, cabinetry, distinctive mantles, shelving, molding and wainscoting. To provide additional design inspiration, model homes will feature furniture and decor from Martha Stewart Living Omnimedia.

Avellino offers easy access to Highway 50, the East West Expressway, and the Florida Turnpike, as well as access to West Orange Trail - miles of trails for hiking, biking and horseback riding.

The two companies have already collaborated on a handful of exclusive communities nationwide. Communities are currently open in Fairburn, Georgia (Hampton Oaks) and Cary, North Carolina (Twin Lakes), with additional communities announced in Katy, Texas (WoodCreek Reserve); Perris, California (Olive Grove); 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>