



News release



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KB Home and Martha Stewart Bring Successful Collaboration to Los Angeles County

Los Angeles (March 27, 2007) –KB Home (NYSE: KBH) and Martha Stewart Living Omnimedia (NYSE: MSO) have announced they will build their first community in Los Angeles County, *KB Home Terreno Vista: Homes created with Martha Stewart*. The latest neighborhood in their highly successful collaboration, *Terreno Vista* is scheduled to open in fall 2007 in Lancaster, California and is the second community in California.

Terreno Vista will bring Martha Stewart style to KB homebuyers in the Los Angeles area. Inspired by Martha Stewart's personal homes in Maine and New York, the 97 homes in *Terreno Vista* will be 1-and-2 stories and range from 1,875 to 2,968 square feet. Prices are anticipated to start in the low \$300s.

"In just one year of this collaboration with Martha Stewart and her team, we have seen incredible momentum and tremendous response from homebuyers across the country," said Jeff Mezger, president and CEO of KB Home. "We are already announcing plans for our ninth community together and see only opportunity ahead as we continue to grow our partnership. We are thrilled to be able to offer this unique neighborhood to Los Angeles-area homebuyers."

Martha's influence is seen in the many options available to homebuyers, such as specialized flooring, bathroom and kitchen fixtures, lighting, paint colors, cabinetry selections, and other special touches such as distinctive mantels, shelving, molding and wainscoting. To provide additional design inspiration, model homes will contain furniture and decorative accents from Martha Stewart Living Omnimedia.

"I'm delighted to be building this wonderful new community of specially designed Martha Stewart/KB homes in Lancaster, California," said MSLO Founder Martha Stewart. "Terreno Vista buyers will find beautiful and affordably priced homes in an area distinguished by glorious weather, as well as easy access to the cultural offerings of Los Angeles."

Lancaster is the county's fastest growing city, but still boasts a small town feel. The city offers affordable living within an hour's drive of Los Angeles, with ready access to three

major interstate freeways. Located in Southern California's High Desert, the area features easy access to a variety of year-round, outdoor activities including hiking, skiing, biking and more.

Terreno Vista and the surrounding area also benefit from the National Soccer Center directly adjacent to the southern boundary of the community. The soccer center consists of 160 acres with 34 playing fields and a 6,000-square-foot recreational building.

KB Home and Martha Stewart Living Omnimedia have already collaborated on eight exclusive communities nationwide. They currently have opened communities in Fairburn, Georgia (Hampton Oaks); Cary, North Carolina (Twin Lakes); Perris, California (Olive Grove) and Katy, Texas (WoodCreek Reserve) and have announced plans for Orlando, Florida (Avellino); Woodstock, Georgia (Wynchase); Ormond Beach, Florida (Deer Creek) 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>