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**KB HOME UNVEILS FIRST MARTHA STEWART-BRANDED COMMUNITY**

***First ever community designed by KB Home and Martha Stewart opens in Cary, N.C.***

**LOS ANGELES and NEW YORK (March 9, 2006)** – KB Home Chairman and CEO Bruce Karatz and Martha Stewart Living Omnimedia, Inc. Founder Martha Stewart today will unveil the two companies' co-branded community outside Raleigh, North Carolina. The community, known as *KB Home Twin Lakes: Homes Created with Martha Stewart*, will open to the public on Sunday, March 12, 2006. First announced in October 2005, Twin Lakes is the first of several communities that the two companies will build and design across the U.S.

The exterior of the Cary, NC-homes have characteristics similar to homes lived in by Martha Stewart in New York State and Maine. The interiors of the model homes feature many design elements and living solutions that have been chosen directly by Martha and her design team. These include specialized flooring, bathroom and kitchen fixtures, lighting, paint colors, cabinetry selections and other special touches such as distinctive mantles, shelving, molding and wainscoting.

"I am very proud to unveil this community to the world," said KB Home Chairman and CEO Bruce Karatz. "KB Home's award-winning in-house architectural team collaborated with Martha to create what we believe is truly a signature community, above any other. Martha and MSLO's design experts were involved in all decisions related to the aesthetics of the homes so homebuyers will be purchasing homes that are built by a quality and reputable homebuilder and also designed by an icon in the industry."

The community currently features eight model homes and will eventually feature approximately 650 homes ranging from 1,500 to 4,100 square feet. Each model home is furnished, painted, dressed and decorated with Martha Stewart Living Omnimedia products. The homes are priced from the low \$200s to the mid \$400s.

Stated Martha Stewart, MSLO Founder: "We are delighted to introduce new homes that feature unusual details, innovative styling and practical, modern functionality. Look for decorative open shelving, extra-large closets, spacious foyers, functional laundry rooms, and durable exteriors including stamped concrete driveways and stone walks and terraces. Consumers will appreciate the thought and planning we have put into each home, making each one a truly wonderful place to live. We look forward to collaborating on many more homes in additional communities throughout the United States."

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## **KB Home/Martha Stewart Grand Opening**

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Earlier this year, the Town of Cary, N.C. topped *Money* magazine's rankings of the "most desirable places to live in the eastern United States." This beautiful town has 14 major universities within an hour's drive and North Carolina's famed Research Triangle Park, whose tenants include Cisco, Ericsson, IBM and Nortel.

In February, KB Home and MSLO announced plans to open new communities in Atlanta, GA; Houston, TX; Charlotte, NC; Las Vegas, NV; Southern California; Orlando, FL; and Daytona Beach, FL.

The companies also revealed plans for *Martha's Choices*<sup>™</sup> items, interior and exterior home products or design options designed by Martha Stewart and MSLO designers that will provide a broad selection of design, style and functionality. The companies are working together to identify business partners to manufacture *Martha's Choices* products, which will be designed by MSLO and offered to KB Home homebuyers in a range of categories such as floor coverings, door selections, hardware, closet organizers, lighting fixtures, bathroom fixtures, kitchen cabinets, and window treatments. *Martha's Choices* items are expected to be available by spring 2007.

### **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 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/Direct Commerce. Martha Stewart Living Omnimedia, Inc. is listed on the New York Stock Exchange under the ticker symbol MSO.

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