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**KB HOME AND MARTHA STEWART LIVING OMNIMEDIA BUILD COMMUNITY
IN THE ROLLING HILLS OF GEORGIA**

Martha Stewart-Designed Homes to Be Built in South Fulton County

LOS ANGELES and NEW YORK (April 12, 2006) – KB Home (NYSE: KBH) and Martha Stewart Living Omnimedia, Inc. (NYSE: MSO) today announced plans for their second community. *KB Home Hampton Oaks: Created with Martha Stewart* will be built just outside of Atlanta, Georgia. The community, located along the banks of the Chattahoochee River in South Fulton County, is scheduled to open this summer and will feature approximately 800 homes spanning 480 acres, more than one third of which are rolling hills.

This is the second community created by one of the nation's leading builders in partnership with the unrivaled expert on taste, style and design. The first community, *KB Home Twin Lakes: Created with Martha Stewart*, was unveiled March 12, 2006, in Cary, North Carolina. *Twin Lakes*, which will feature 650 homes, received nearly 3,500 visitors during the opening weekend.

"Within a few weeks of offering the homes in Cary we sold all the lots we could sell in the grand opening phase," said Bruce Karatz, chief executive of KB Home. "This initial response from consumers shows that KB Home builds what people want to buy. We are changing the way homes are bought and sold in America and we firmly believe this momentum will continue into South Fulton County."

The *Hampton Oaks* community will offer homes ranging in size from 1,800 square feet to 4,600 square feet. The homes are priced from the low \$200s to the low \$400s. Like the *Twin Lakes* community, the exterior of the *Hampton Oaks* homes will have characteristics from Martha Stewart's homes in New York State and Maine. Martha's influence is present in the interior of the homes as well, with specialized flooring, bathroom and kitchen fixtures, lighting, paint colors, cabinetry selections and other special touches such as distinctive mantles, shelving, molding and wainscoting.

The KB Home *Hampton Oaks: Created with Martha Stewart* community is situated in the rolling terrain of South Fulton County. It includes nature trails and communal gardens, taking full advantage of the area's beautiful natural surroundings. Members of the community can enjoy tennis at the four tennis courts, take a dip in the 2,500 square foot pool or relax at the handsomely appointed club house. Landscaping packages designed by Martha's personal gardener are also available to KB Home homebuyers.

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KB Home/Martha Stewart Hampton Oaks

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“Atlanta is a dynamic and fast growing city with a very diverse population,” stated Martha Stewart, MSLO Founder. “We are very excited about participating in this growth by providing a new community of beautifully designed and sensibly appointed and affordably priced homes in partnership with KB Home. This development of tasteful homes, set in a gorgeous area famous for its rolling hills, will be extremely appealing.”

“We are excited to offer our homebuyers the opportunity to own a dream home inspired by an icon of design and built by a quality and reputable homebuilder,” said Larry Lippincott, president of the KB Home Atlanta division. “South Fulton County provides a perfect setting for these one-of-a-kind homes. The area offers a magnificent countryside setting with convenient access to great restaurants and cultural hotspots in downtown Atlanta and to the Hartsfield-Jackson Atlanta International Airport.”

Model homes are scheduled to be completed in early summer 2006. At that time prospective buyers will be able to view the model homes and select their favorite home site and floor plan. They will then visit the KB Home Studio where they will choose from over 5,000 design options to customize their new homes. Although homes do not come furnished, the models will be dressed and decorated with Martha Stewart Living Omnimedia products.

The Rolling Hills of South Fulton County

South Fulton County is an untapped area of nearly 125,000 acres, featuring rolling fields along the banks of the Chattahoochee River.

The KB Home *Hampton Oaks: Created with Martha Stewart* community is situated just minutes away from popular destinations including Atlanta’s downtown, midtown and Buckhead areas. The convenient Camp Creek Marketplace features 100 different shops and restaurants. South Fulton is home to an award-winning school system with elite private and religious schools nearby.

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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