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

Ormond Beach, Fla. - (September 14, 2007) – Martha Stewart Living Omnimedia, Inc. (MSO) and KB Home (KBH) today celebrated the opening of their first co-branded community in Florida. *KB Home Deer Creek: Homes Created with Martha Stewart* is located in Ormond Beach in the Daytona Beach area. Founder of Martha Stewart Living Omnimedia, Martha Stewart and President and CEO of KB Home, Jeff Mezger kicked-off the community opening by hosting a private block party for 150 sweepstakes winners. Guests enjoyed refreshments, entertainment, hands-on craft demonstrations and tours of three model homes decorated by the Martha Stewart design team.

The community will open to the public on Saturday, September 15 at 10 a.m.

“This location is the perfect backdrop to showcase the first Martha inspired community in Florida,” said Jeff Mezger, president and chief executive officer of KB Home. “The quality and value of a KB home coupled with the Martha inspired designs are an unbeatable combination.”

Deer Creek offers 1-and 2-story floor plans that offer 3 to 6 bedrooms and 2.5 to 3 bathrooms. The six floor plans range from 2,500 to 3,800 square feet, with pricing starting in the low \$300s. The more traditional styles were inspired by Martha Stewart’s homes on the eastern seaboard. Dunemere, available for the first time, and designed especially for Florida homebuyers, has an exterior that illustrates Martha’s appreciation of coastal architecture. Local design is evident in other details including stucco and wood exteriors, intricate latticework, and louvered window shutters.

Stated MSLO Founder Martha Stewart, “We are pleased to be offering unique home designs for the Florida landscape. The *Deer Creek* community offers potential homebuyers the opportunity to be different.”

Also exclusive to *Deer Creek* homebuyers are front doors designed by Martha Stewart exclusively for KB Home and showcased in the three model homes. The Martha Stewart doors are inspired by the detail seen in Martha’s homes in New York and Maine.

Deer Creek, part of a master-planned community, offers residents walking trails, a pool and a cabana as well as a fitness center, basketball and volleyball facilities and a children’s playground.

KB Home and Martha Stewart Living Omnimedia have collaborated on nine exclusive communities nationwide. These include Cary, North Carolina (Twin Lakes); Fairburn, Georgia (Hampton Oaks); Perris, California (Olive Grove); Katy, Texas (WoodCreek Reserve); Woodstock, GA (Wynchase); Lancaster, CA (Terreno Vista); Denver, Colorado (Stapleton); Raleigh, North Carolina (Wynbrooke) and Ormond Beach, Florida (Deer Creek).

About Ormond Beach

Ormond Beach is known for miles of pristine rivers, forests, beaches and a tremendous amount of recreational activities for all ages. The nearby Tomoka State Park offers everything from camping, canoeing and picnicking. The Leisure Services Department of Ormond Beach was named one of the top four in the nation in 2002.

The city was recently named one of the “100 Best Places to Retire” by *Where to Retire* Magazine and rated one of the top 100 cities to relocate by National Strategy Group. The area earned the nickname “The Birthplace of Speed” as some of the first (1902) automobile races were held on the compacted sand of Ormond Beach. Pioneers in the industry tested their inventions in the area.

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 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." 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 www.kbhome.com.

About Martha Stewart Living Omnimedia, Inc.

Martha Stewart Living Omnimedia, Inc. (NYSE: MSO) is a diversified media and merchandising company, inspiring and engaging consumers with unique content and distinctive products. The Publishing segment encompasses five magazines, including the company's flagship publication, *Martha Stewart Living*, periodic special issues and books. The marthastewart.com website provides consumers with instant access to MSLO's multimedia library, search and find capabilities, and more. The Broadcasting division produces the Emmy-winning daily, national syndicated program, “The Martha Stewart Show” and Martha Stewart Living Radio, channel 112 on SIRIUS Satellite Radio. In addition to its media properties, MSLO offers beautiful, practical and superior quality Martha Stewart products through licensing agreements with carefully selected companies. For additional information, visit www.marthastewart.com.

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