



News release



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TOWNHOMES DESIGNED BY MARTHA STEWART AND KB HOME OPEN TO THE PUBLIC

CARY, NC (June 21, 2006) – The nation’s first townhomes created by KB Home and Martha Stewart Living Omnimedia will open to the public on Saturday, June 24. The townhomes will feature the same exterior characteristics as the single-family homes in KB Home Twin Lakes: Created with Martha Stewart, the nation’s first Martha Stewart community. The community, located in Cary, North Carolina, will offer a total of 650 homes and townhomes.

Approximately 168 townhomes, designed to provide affordably priced but elegant living near the high-tech Research Triangle Park, will be built in Twin Lakes. The model townhome, inspired by Martha’s home in Katonah, N.Y., will include four individual units with distinctive floor plans and will be merchandised with Martha Stewart Signature products. The exterior of the townhomes will resemble a large single family home, fitting in nicely with the other design collections at Twin Lakes.

“The townhomes are a great addition to the already popular Twin Lakes community and provide even more options to Triangle homebuyers,” said Trish Hanchette, president of KB Home’s Raleigh division. “The Twin Lakes townhomes offer designs and customization options that set them apart from every other townhome on the market.”

Prices are expected to range from the 150’s to the 170’s. Four floor plans are offered from 1,378 to 1,695 square feet. Homebuyers can choose from three exteriors inspired by Martha’s homes in New York, Connecticut and Maine.

Martha Stewart design features include large bathrooms with shower and/or tub options, sitting rooms along with master bedroom plans as well as large kitchens with special cabinetry placement and styles.

In addition to the appeal of Martha Stewart’s design, the townhomes will also have convenient access to the Twin Lakes amenities that include a pool, club house, tennis courts and community center. The proximity of the townhomes to Research Triangle Park, a high-tech employment center, makes the community appealing to a variety of homeowners.

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.

The grand opening for the public is Saturday, June 24 from 10 a.m. to 6 p.m.

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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