



News release



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KB Home and Martha Stewart Unveil Second Community Collaboration offers 800 homes spanning 480 acres outside of Atlanta

LOS ANGELES and NEW YORK (July 25, 2006) – KB Home Chairman and CEO Bruce Karatz and Martha Stewart Living Omnimedia, Inc. today unveiled their co-branded community outside Atlanta, Georgia. The community, known as *KB Home Hampton Oaks: Homes Created with Martha Stewart*, will open to the public on Saturday, July 29, 2006.

The *Hampton Oaks* community will feature approximately 800 homes spanning 480 acres, more than one third of which is rolling hills. Seventeen different floor plans are available for one- and two-story homes, ranging from 1,930 to 4,624 square feet. The homes are priced from the low \$200s to the low \$400s.

“I am excited about the opening of our second Martha Stewart branded community here in the beautiful setting of Fairburn, Georgia. I have no doubt these homes will appeal to a variety of home buyers with their smart designs inspired by Martha’s own homes and our KB Home quality craftsmanship,” said Bruce Karatz, CEO and chairman of KB Home. “Just as in Cary, North Carolina, these communities are setting a new trend in home buying.”

As with the homes in the *Twin Lakes* community, the exteriors of the *Hampton Oaks* homes will have characteristics from Martha Stewart’s homes. Martha’s influence is present in the interiors of the model 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 all of which are available to home buyers. Although homes do not come furnished, the model homes will contain furniture and decorative options from Martha Stewart Living Omnimedia.

Martha Stewart, MSLO Founder, stated: “We’re delighted to be a part of this community in South Fulton County. It has so much to offer people—attractive, well-designed and affordably priced homes set in a gorgeous landscape--and all in close proximity to a truly vibrant city. Martha Stewart Living Omnimedia is proud to be in a partnership responsible for creating such wonderful places that enable more people to live comfortably, well and economically.”

The *KB Home Hampton Oaks: Created with Martha Stewart* community is situated in the rolling terrain of South Fulton County. The community was planned around hundreds of Magnolia and Fir trees and preserves the natural surroundings.

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The community also features:

- A community clubhouse for gathering, socializing, and entertaining
- A community garden offering plots for homeowners, bringing families together to plant their choice of vegetables, flowers, and herbs
- A rustic 100+ year old barn, renovated and remodeled after Martha's Bedford barn
- Nature trails
- lighted tennis courts
- Junior Olympic size swimming pool and kids pool
- Family playground
- Landscaping packages designed by Martha's personal gardener

The Rolling Hills of South Fulton County

South Fulton County is an untapped area of nearly 125,000 acres. The KB Home *Hampton Oaks: Created with Martha Stewart* community is situated near popular destinations including the Hartsfield-Jackson Atlanta airport and 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. 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>.

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