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KB HOME AND MARTHA STEWART INTRODUCE NEW ACTIVE ADULT COMMUNITY IN LA QUINTA, CALIFORNIA

Announcement event features cupcake-decorating contest judged by Stewart

La Quinta, Calif. (November 9, 2008) - Martha Stewart Living Omnimedia (NYSE: MSO) and KB Home (NYSE: KBH) today announced their newest project—an active adult community in La Quinta, California. These new KB homes created with Martha Stewart will represent KB Home’s first community built exclusively for adults 55 and over.

"I'm very excited about our newest Martha Stewart community with KB Home created especially for mature adults who lead active lives," said Martha Stewart. "As in all of our communities, these homes will be affordable and beautifully designed with an eye to practical details. In addition, the clubhouse activities and meeting areas will help cultivate friendship and camaraderie among residents."

Approximately 100 guests, including area residents, media representatives and numerous local elected officials, attended the special announcement event this afternoon. Attendees enjoyed a luncheon and had the opportunity to participate in a cupcake-decorating contest judged by Martha Stewart. Stewart selected the winner of the contest and presented the top three with gift baskets including an autographed copy of her latest book, *Martha Stewart's Cooking School*, courtesy of Martha Stewart Living Omnimedia and KB Home.

"Our business is based on understanding the preferences of homebuyers in the market segments we serve, and the active adult market is no exception," said Steve Ruffner, president of KB Home's Southern California division. "Our collaboration with Martha Stewart brings something new and exciting to this market. Active adults in the market for new homes appreciate Martha's design aesthetic. Her focus on detail and creating homes that are both beautiful and highly functional meets their needs and aligns perfectly with their lifestyle and taste."

Upon completion, the community will feature one-story ranch style homes. Homebuyers can choose from a variety of floor plans to choose from, ranging in size from 1,300 to 1,800 square feet, offering two to three bedrooms, two to three baths and two-car garages. The community will be gated and include an expansive clubhouse, which will

offer residents a variety of recreational activities, meeting spaces and areas to enjoy with family and friends.

The homes will feature new exterior elevations inspired by Martha Stewart's many trips to Mexico, and the local landscape. Classic California Spanish style facades will be enhanced with ceramic tile work, awnings, eight foot shutters and expansive covered patios with great outdoor living spaces. The interiors will be open, cool and bright, with thoughtful design options like wainscoting, picture-frame molding, open shelving, and bead board. The community is projected to open in fall 2009.

In addition to offering unique design features inspired by Martha Stewart, the homes in La Quinta will also be environmentally friendly. All homes will be ENERGY STAR® qualified and engineered to heat and cool efficiently and use less energy resources. Additionally, all homes will include low-E windows and ENERGY STAR® qualified appliances.

To join the interest list for the Martha Stewart / KB Home community at La Quinta, and for more information about KB Home or other KB Home Martha Stewart communities, visit www.kbhome.com or call 1-888-KB-HOMES.

About KB Home

KB Home, one of the nation's largest homebuilders, has been building quality homes for families for more than 50 years. Headquartered in Los Angeles, the Company has operating divisions in nine states, building communities from coast to coast. KB Home, ranked the #1 homebuilder in FORTUNE magazine's 2008 list of *America's Most Admired Companies®*, 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 offered through Countrywide KB Home Loans, LLC, 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 lifestyle content and distinctive products. The Publishing segment encompasses four 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, recipes, online workshops, community and personalization, as well as wedding-planning tools powered by WeddingWire. The Broadcasting segment produces such programming as the Emmy-winning daily, nationally syndicated television series, "The Martha Stewart Show," and Martha Stewart Living Radio, channel 112 on SIRIUS Satellite Radio. In addition to its media properties, MSLO offers high-quality Martha Stewart products through licensing agreements with carefully selected companies, including the *Martha Stewart Collection* exclusively at Macy's, *Martha Stewart Everyday* at Kmart, *Martha Stewart Crafts* with EK Success at Wal-Mart, Michaels and independent retailers, *Martha Stewart for 1-800-Flowers.com* and a co-branded food line with Costco. In April 2008, Emeril Lagasse joined the Martha Stewart family of brands; MSLO acquired the assets related to Lagasse's media and merchandising business, including television programming, cookbooks, and emerils.com website and his licensed kitchen and food products. For additional information about MSLO, visit www.marthastewart.com.