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KB HOME TEAMS WITH MARTHA STEWART FOR NATIONAL HALLOWEEN PROMOTION

Homebuilder to “haunt” its model homes with Martha Stewart Halloween decorations and products

LOS ANGELES (October 14, 2005) – KB Home (NYSE: KBH), one of the nation’s premier homebuilders, announced today an exclusive national relationship with Martha Stewart Living Omnimedia, Inc. (NYSE: MSO) in which 500 model homes at KB Home communities across the country will be decked out in Martha Stewart’s classic Halloween collection of decorations and products just in time for some ghostly holiday fun.

Throughout the month of October, new home shoppers are invited to visit any KB Home community to tour decorated model homes showcasing popular favorites from Martha Stewart’s Halloween collection. Included are scary window silhouettes of skeletons and witches, floating ghosts, colorful funkies™, life-size skeletons, a spooky sounds CD and more. These easy-to-use products will help haunt any home for Halloween.

Halloween has become the second most popular holiday in the U.S. for decorating the home. Now whether planning to scare the neighborhood kids or looking for a festive color scheme to dress up the family room, buyers can see first-hand how Martha’s decorations look within an actual home. They can then go shopping online at MarthaStewart.com/shop to pick out the items that work for their own Halloween festivities.

“It is a treat for KB Home to be teaming up with Martha for Halloween. She is the ultimate authority when it comes to preparing a home for any holiday,” said KB Home Chairman and CEO Bruce Karatz. “Our ‘haunted’ homes will offer everyone the chance to see first-hand how Martha’s fun and spooky decorations will look in their home, as well as offer some fun touring the models and getting helpful tips and treats for the holiday.”

Martha Stewart’s classic Halloween collection is available exclusively at www.marthastewart.com/shop. In addition, visitors at every KB Home community will be invited to receive two free preview issues of *Martha Stewart Living* magazine.

The items from Martha Stewart’s collection will be displayed at KB Home communities across the country throughout October. KB Home model homes and sales centers are open seven days a week. To locate a KB Home community near you, call 888-KB-HOMES or go to www.kbhome.com.

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KB Home/Martha Stewart Announcement

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About Martha Stewart Living Omnimedia, Inc.

Martha Stewart Living Omnimedia, Inc. is a leading provider of original how-to information that turns dreamers into doers, inspiring and engaging consumers with unique content and high-quality products for the home. MSLO's creative experts develop content within eight core areas – Home, Cooking and Entertaining, Gardening, Crafts, Holiday, Keeping, Weddings and Baby and Kids – that provide consumers with ideas and products to celebrate their homes and the domestic arts. MSLO is organized into four business segments: Publishing, Television, Merchandising, and Internet/Direct Commerce.

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 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 largest homebuilders in France. In fiscal 2004, the Company delivered homes to 31,646 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 winner of the 2004 American Business Award for Best Overall Company, 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>.

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