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**KB HOME AND MARTHA STEWART LIVING OMNIMEDIA
ANNOUNCE FIRST COMMUNITY IN COLORADO**
Martha Stewart–Designed Homes to Be Built in Stapleton

DENVER (May 4, 2007) – KB Home (NYSE: KBH) and Martha Stewart Living Omnimedia, Inc. (NYSE: MSO) today announced plans to bring homes designed by Martha Stewart and built by KB Home to Denver. *KB Home Stapleton: Homes Created with Martha Stewart* is the tenth project announced by one of the nation’s leading homebuilders in partnership with the unrivaled expert on taste, style and design. The community is scheduled to open fall 2007.

“I am proud to be announcing yet another KB Home community created with Martha Stewart,” said Jeff Mezger, president and CEO of KB Home. “These uniquely designed and quality built homes are meeting our customers’ needs with their distinctive interiors and exteriors. Denver’s Stapleton neighborhood is the perfect setting for this community as it offers new style homes to a diverse customer base.”

KB Home Stapleton: Homes Created with Martha Stewart is located in Denver’s Stapleton neighborhood, the largest urban redevelopment project in the country. The 2-story homes, designed exclusively for Stapleton, range from 1,593 to 2,084 square feet and feature 3 to 4 bedrooms and 2.5 to 3 bathrooms.

“I’m so pleased to offer our beautiful, impeccably designed, and affordable homes in Denver’s rapidly growing Stapleton neighborhood. Denver is a vibrant city with a vast number of things to do, especially for those who enjoy the outdoors,” said Martha Stewart. “Now, with our superb homes in our first Martha Stewart-KB Home community in Colorado, the ‘Mile-High City’ is more attractive than ever.”

Starting in the mid \$300s, the five available floor plans feature covered front patios and porches, spacious kitchens and alley-accessible garages. Inspired by Martha Stewart’s own homes on the eastern seaboard, the homes have three distinct exterior styles: Katonah, Skylands and Lily Pond. Interior details include special Martha touches such as wainscoting, picture-frame molding, open shelving, tray ceilings and beadboard.

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- Katonah is a fresh approach to traditional Colonial style. Influenced by Martha Stewart's renovations to her home in Katonah, New York, these designs highlight her favorite Colonial details including front pillars, decorative molding and unique window shapes.
- Skylands, named after Martha Stewart's 1925 stone home nestled on the coast of Maine, blends nature and elegance. These homes feature clean lines and multiple textures to create a contemporary look.
- Lily Pond showcases vintage-style architectural details inspired by Martha Stewart's beach cottage on the eastern shore of Long Island. These homes mix cedar-shake-style siding and colorful trim options for old-world charm.

"Stapleton offers a variety of homes for almost every income, taste and lifestyle," said Denise Gammon, senior vice president – residential development for master developer Forest City, Stapleton, Inc. "We look forward to working with KB Home to launch this fresh new product in one of the nation's most widely acclaimed urban communities."

At the KB Home Studio, located in Centennial, homebuyers will be able to select from more than 5,000 options including brand-name cabinetry, countertops, flooring, lighting, fixtures, appliances and more.

Stapleton, one of Denver's fastest growing communities, includes a variety of parks, schools and shops. Stapleton is defining what makes a great community with an expansive 1,116-acre park system, large public swimming pools, a 123-acre nature center, walking and hiking trails, off-leash dog park and popular farmers market. Centrally located 10 minutes from downtown Denver, the community also showcases numerous village shops and restaurants, outdoor concerts and family-friendly events including the Stapleton Under the Stars movie series.

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 domestic 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." Kaufman & Broad S.A., a subsidiary publicly traded on the Premier Marché of Euronext Paris, is one of the leading homebuilders in France. 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.

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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. It is organized into four business segments: our Publishing, Internet and Broadcasting media platforms and our Merchandising product lines. 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 features two television programs and a radio channel 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 more information visit: www.marthastewart.com.

About Stapleton

Stapleton is a tapestry of homes, shops, offices, parks and schools in a pedestrian-friendly urban community. Since Forest City Stapleton, Inc., the project's master developer, commenced redevelopment of the former international airport in May 2001, more than 2,700 single-family residences are now occupied, nearly two million square feet of retail have opened and five new schools are open within walking distance of new parks and open space.

When fully completed in 10 to 15 years, Stapleton is projected to have 30,000 residents and thirteen million square feet of new commercial uses supporting 35,000 jobs, all of which will be enhanced by more than 1,100 acres of new parks and open space. For information, go to www.StapletonDenver.com or visit the Stapleton Visitor Center, located at 7480 East 29th Avenue in Stapleton's East 29th Avenue Town Center, 303.355.9600.

Forest City Stapleton, Inc. is a subsidiary of Forest City Enterprises, Inc., a \$9.0 billion NYSE-listed (NYSE: FCEA and FCEB) national real estate company.

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