

- **Company Fact Sheet - June, 2007**

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, Merchandising, Internet, and Broadcasting.

In April 2007, we launched our redesigned marthastewart.com website. In addition to getting a fresh look and feel, the site is easier to search and navigate. It also offers rich multimedia content, including access to our library of content, more than 5,000 recipes, menu suggestions, videos, and links to web resources handpicked by Martha and her team of experts. We will continue to introduce new features that offer more personalization and enhance users' sense of community.

In April 2007, we announced a long-term endorsement by Martha Stewart of SVP Worldwide's sewing machine lines under the Singer, Husqvarna Viking and Pfaff brands. Martha has been sewing all her life and sewing is well represented in our crafts content and on *The Martha Stewart Show*. This endorsement agreement is a natural extension of MSLO's growing presence in the crafts market.

In May 2007, we announced an agreement to sell a co-branded food line with Costco, a company that shares our commitment to delivering the highest quality product at the best price. We're working with Costco's private label team on a program of fresh and frozen foods, which we expect to roll out in 2008, though a few items may be available a little earlier.

In May 2007, we launched our *Martha Stewart Crafts* line with EK Success. The line features paper-based craft and storage products and will initially be sold exclusively in Michaels stores, the country's largest arts & crafts chain with more than 900 stores in the U.S. and Canada. Distribution to independent craft and scrapbooking stores is scheduled for later in 2007. The line is also available on our website, which will feature *Martha Stewart Crafts* tools, templates, and paper products as well as MSLO's inventive scrapbooking content and ideas to inspire and guide consumers through the creation of their own projects.

In May 2007, we launched *Martha Stewart Colors*, our Martha Stewart-branded interior and exterior paint color program, at more than 1,375 Lowe's home improvement stores nationwide. The Lowe's deal is an important building block in the company's strategic expansion of its merchandising business in the home improvement category.

In June 2007, we announced the hiring of Wenda Harris Millard in the newly created position of President, Media. In this position, she will oversee MSLO's media businesses, which include Publishing, Internet and Broadcasting. She will focus on expanding the company's presence in the digital space and creating cross-platform opportunities for marketers to leverage the brand's passionate consumer connection. Ms. Millard comes to MSLO from Yahoo!, where she has been Chief Sales Officer since 2001 and is widely recognized for her pivotal role in introducing marketers to the digital world.

Later this year, we will be launching our line of *Martha Stewart Collection* home merchandise developed exclusively for Macy's. The line will encompass a broad range of home goods-including bed and bath textiles, housewares, casual dinnerware, flatware and glassware, cookware, holiday decorating and tree-trimming items. It is expected to debut in late summer 2007 in Macy's stores across America, as well as on [macys.com](http://macys.com). Our *Martha Stewart Collection* with Macy's was the first of many licensing deals that we forged in 2006 and are launching in 2007. In addition to the aforementioned initiatives, we are introducing area rugs with Safavieh, modular carpet tiles with FLOR, and ceiling fans and lighting with Generation Brands to provide our customers with a complete assortment of home decorating products.

MSLO is widely recognized as a design leader and is being honored with the AIGA Corporate Leadership Award by the American Institute of Graphic Arts, an influential group that is the oldest and most professional design association in the United States. The Corporate Leadership Award is the AIGA's highest level of recognition for a corporation and has been bestowed upon fewer than 20 corporations in the past century. The award will be presented at the 2007 annual AIGA Design Legends Gala on September 19<sup>th</sup> in New York City.

## **Publishing**

Our Publishing business is made up of our magazines and books. Our magazines include *Martha Stewart Living*, *Everyday Food*, *Martha Stewart Weddings*, *Body + Soul*, *Blueprint* and special interest

publications.

*Martha Stewart Living*, our flagship magazine, is the foundation of our publishing business, which serves as a significant generator of content for our asset library. *Martha Stewart Living* offers reference-quality and original how-to information from our core content areas in a unique upscale editorial and aesthetic environment. It has been recognized as a distinguished lifestyle magazine, winning three National Magazine Awards given by the American Society of Magazine Editors (ASME). *Martha Stewart Living* has also received 155 Society of Publication Designers (SPD) awards and the Acres of Diamonds Awards for Magazine Development. In 2007, it was No. 9 on Adweek's "Hot List" honoring magazines with a track record of advertising and circulation growth, taking into account ad performance over the past three years; this is the seventh year *Living* has been included in on the "Hot List." In 2006, Adweek named the magazine's publishing team "Executive Team of the Year" while Advertising Age honored MSLO President and CEO Susan Lyne as "Publishing Executive of the Year." Finally, *Martha Stewart Living* topped Ad Week's first-ever Brand Blazers list of magazines that are doing the best job of extending the brand.

*Everyday Food*, a digest-sized magazine, was created for the supermarket shopper and the everyday cook, featuring quick, easy recipes. It has also received awards from the Society of Publication Designers and was named "Launch of the Year" in 2005 by Advertising Age in its annual "A-List" which recognizes the best magazines of the year. In 2006 and 2007, the magazine was named No. 1 in its category on *Adweek's* annual hot list and reached profitability a year ahead of schedule.

*Martha Stewart Weddings* targets the upscale bride and serves as an important vehicle for introducing young women to our brands. The magazine has also received the ASME's National Magazine Award for General Excellence among publications with a 250,000-500,000 circulation.

*Body + Soul* focuses on whole living, and provides readers with key lifestyle tenets including balanced fitness, whole health, and inner growth and rejuvenation. It is the leading magazine in its category.

*Blueprint: Design Your Life* is our new lifestyle publication for women ages 25-39. It is created for today's modern, multi-tasking woman and gives her inspirational ideas and practical steps for developing personal style in every facet of her life. In helping women decide how to decorate, dress, entertain, and organize their lives, the magazine builds on *Martha Stewart Living's* core areas of expertise and adds fashion, beauty, health, fitness, travel, technology, and culture. In concert with the publication of its third issue, *Blueprint* introduced a daily blog called *Bluelines* on [blueprintmag.com](http://blueprintmag.com). In 2006, on the strength of two test issues, Media Industry Newsletter named *Blueprint* one of the hottest launches of the year. We will be publishing six issues of *Blueprint* in 2007.

In addition to our magazines, we also publish books on a range of subjects relating to our areas of expertise. In March 2007, we published *Everyday Food: Great Food Fast*, which rose to the top of *The New York Times* bestseller list in the paperback "Advice/How-To" category. *Martha Stewart's Homekeeping Handbook: The Essential Guide to Caring for Everything in Your Home* was similarly well received when it was published in November 2006. The book, which *The Washington Post* described as "the ultimate housekeeping resource," climbed high on bestseller lists across the country and was honored as an outstanding book of 2006 by the American Institute of Graphic Arts. Other recent titles include the bestselling *Martha Stewart's Baking Handbook*, and *The Martha Rules: 10 Essentials for Achieving Success as You Start, Grow or Manage a Business* by Martha Stewart. *The Martha Rules* is a business handbook which outlines how to identify one's own entrepreneurial voice and channel one's skills and passions into a successful business venture.

## Merchandising

Through our Merchandising business segment, MSLO sells products at multiple price points through several distribution channels. *Martha Stewart Everyday*, our mass-market brand, offers essential products through Home, Garden, Kitchen, Holiday, Decorating, Keeping, and Colors lines at Kmart and at Sears Canada. *Martha Stewart Furniture*, MSLO's specialty-tier brand targeting a high-end consumer, includes several collections of bedroom, dining room, and living room furniture created in conjunction with Bernhardt Furniture Company. *Martha Stewart Collection* home merchandise, a new line of home products, is being developed exclusively for Macy's more upscale, traditional customer. It is expected to debut in late summer 2007 in Macy's stores across America, as well as on [macys.com](http://macys.com). We will be introducing a range of new branded product lines throughout 2007, including area rugs with Safavieh, modular carpet tiles with FLOR, ceiling fans and lighting with Generation Brands. We have already unveiled a broad new paint program with Lowe's and a *Martha Stewart Crafts* line of paper-based crafting products and storage supplies.

In addition, MSLO collaborates with KB Home, one of the country's leading homebuilders, to design and style homes in communities across the country. We currently offer homes in Martha Stewart communities in Cary, North Carolina; Fairburn, Georgia; Perris, California; Katy, Texas; and Atlanta, GA. Additional community openings are expected in 2007. The exteriors of the Martha Stewart-created KB

Homes are inspired by Martha Stewart's homes in New York State and Maine. Her influence is present in the interior of the homes as well, with distinctive mantles, shelving, molding and wainscoting. *Business Week* called the new Martha Stewart-created home with KB Home a "smash alliance" and named them one of the top 20 most "innovative products" for 2006.

Over the years, our products have received numerous awards and honors. In 2006, the American Society of Furniture Designers awarded prestigious Pinnacle Awards to two pieces in the *Martha Stewart Furniture* collection with Bernhardt. The *Martha Stewart Furniture* line has also been recognized with the Elle Décor International Design Award in the furniture category and has received the honor of Best New Collection by InFurniture magazine, the monthly magazine for the furniture industry. HFN'S Brand Awareness Survey named Martha Stewart and the associated product lines as the #1 brand in the Textiles Area. *Martha Stewart Everyday* and *Martha Stewart Everyday* have been honored with Edison Awards for Best New Products. The *Martha Stewart Everyday* brand was included in the Advertising Age Marketing 100, and was awarded the Home Textile Design Award by the Fashion Institute of Technology and Home Textiles Today. Martha Stewart Living Omnimedia, Inc. also has received the Edison Achievement Award as well as Edison's two Best New Products Awards.

## **Internet**

Our Internet business segment consists of advertiser-supported, free content, our direct-to-consumer floral business, and our new line of branded Martha Stewart digital photography products with Kodak on our [marthastewart.com](http://marthastewart.com) website. The site will also feature tools and templates for *Martha Stewart Crafts* products and other forms of personal expression, as well as e-commerce links to products.

With the April 2007 relaunch, users now have access to our extraordinary archive of evergreen content across brands, our data base of more than 5,000 recipes, video, and much, much more. In 2006, page views were up 41% to 38 million per month. Yearly unique visitors to our website spend on average 17 minutes per visit. We will continue to expand our digital offerings throughout 2007, with improvements that will allow for more personalization and enhanced community.

The content portion of our website focuses on delivering "how-to" information to our customers, including our popular recipe finder. It also offers consumers a convenient way to order or renew magazine subscriptions, purchase flowers and access products, including our digital photography products with Kodak. Launched in September 2006, the new line with Kodak features an array of digital photography products, including cards, invitations, hang tags, stationery, stickers, Photo Books and calendars--created by the MSLO design team under Martha Stewart's direction and supervision. The new products are available on the KODAK EASYSHARE Gallery web site and on [marthastewart.com](http://marthastewart.com).

## **Broadcasting**

Our Broadcasting business segment consists of our operations relating to the production of television programming, the domestic and international distribution of that programming in existing and repurposed formats, and the operations of our satellite radio channel.

The cornerstone of our Broadcasting business segment is our nationally syndicated daily lifestyles series, *The Martha Stewart Show*, which is shot live, in front of a studio audience. It provides a forum for Martha to inspire and teach viewers who look to her for how-to instruction in a broad range of areas, including cooking, entertaining, gardening, decorating and crafts. The series is produced by Martha Stewart Living Omnimedia, Inc. and distributed by NBC Universal Domestic Television Distribution to more than 90% of the country. Martha Stewart and Mark Burnett are executive producers and Bernie Young serves as co-executive producer. The Emmy Award-winning show will begin its third season in September.

The Television segment also includes *Everyday Food*, a nationally syndicated half-hour program on PBS. The show, which will begin its fourth season in January 2008, brings to life recipes featured in *Everyday Food* magazine and the bestselling cookbook *Everyday Food: Great Food Fast*. The *Everyday Food* television program offers practical advice for preparing quick and delicious meals. Each half-hour episode, featuring five individuals who all have cooked professionally in the kitchens of *Martha Stewart Living*, is designed to provide solutions to the challenges of everyday cooking and includes easy-to-make recipes along with smart tips and kitchen techniques.

Our Broadcasting business segment also features our satellite radio programs on the *Martha Stewart Living Radio* channel on SIRIUS Satellite Radio, which reaches six million subscribers. Our channel provides programming designed for women listeners and their families, 24 hours a day, seven days a week.

Our principal executive offices are located at 11 West 42nd Street, New York, New York 10036, and our telephone number is (212) 827-8000. Our address on the World Wide Web is [marthastewart.com](http://marthastewart.com).

Martha Stewart Living Omnimedia is listed on the New York Stock Exchange under the ticker symbol MSO.