



## **Beazer Homes USA Forms Joint Venture with Corporación GEO to Develop Affordable Housing Throughout USA**

December 9, 1997

Atlanta, Georgia and Mexico City, December 9, 1997 - Beazer Homes USA, Inc. (NYSE: BZH) and Corporación GEO, S.A. de C.V. (MM: CORPGEO), Mexico's largest builder of affordable homes, today announced that they have signed a joint venture agreement to develop affordable housing throughout the United States.

The joint venture, GEO-Beazer, L.P., will focus exclusively on the development, construction and sale of affordable housing throughout the U.S. priced between \$35,000 and \$45,000. The venture will initially focus on markets along the Mexican border in Texas and it is anticipated that the first project will be in El Paso, Texas. Subsequent markets are expected to include further expansion throughout Texas, Arizona, Florida and Puerto Rico. The venture will be owned 60% by GEO and 40% by Beazer and will initially be capitalized with approximately \$13 million of equity. Debt will be utilized to finance individual projects.

Ian McCarthy, President and Chief Executive Officer of Beazer Homes, said, "We have always focused on affordability of housing as a critical issue in the U.S. housing market. We are therefore very excited to be joining with Corporación GEO to address this issue together. GEO is the largest and most profitable affordable housing builder in Latin America and we look forward to combining our expertise to successfully expand this venture throughout the U.S. We believe that affordable housing is the most under-served segment in the U.S. housing market with the fastest growing demand. Our joint venture will be uniquely qualified to meet the demands of this rapidly expanding market."

GEO's Chief Executive Officer, Miguel Gomez Mont said, "We are very pleased to have Beazer Homes as our partner in the U.S. We have found a company and a management team much like our own with similar culture, values and ideals. We believe that together, Beazer and GEO are best positioned to capture the vast opportunities that exist in the U.S. affordable housing market. Combining our affordable housing expertise with Beazer's local experience and knowledge will create a partnership that we believe will truly change the affordable housing market in the U.S."

Mr. Gomez Mont said, "We expect that the joint venture will have a significant presence in the U.S. in the next few years. By the year 2001, GEO-Beazer has targeted building over 3,000 homes annually, having revenues in excess of \$150 million and operating margins of approximately 20%. The communities in the U.S. will include all of the amenities that we currently provide in Mexico and Chile, including community centers, commercial areas and plenty of recreational space."

GEO Chairman Luis Orvanaños stated, "We are extremely pleased with our partnership with Beazer Homes. Our entrance into the U.S. is further proof of the success of the strategic plan we designed in 1994 with our advisors, Violy, Byorum & Partners. The first step was to strengthen our core Mexican operations by lowering costs, improving technology and implementing global best practices. We then focused our attention on international expansion by identifying our target markets and opportunities throughout the Americas. The success of our Chilean operations combined with the initiation of GEO-Beazer will further create new platforms for growth for all GEO shareholders."

Violy, Byorum & Partners acted as exclusive financial advisor to Corporación GEO in the establishment of the joint venture.

Corporación GEO is Latin America's largest builder of affordable homes with operations in Mexico and Chile. The Company is engaged in all aspects of design, development, construction, marketing, sales and delivery of homes and is committed to providing superior quality of life for all of its homebuyers. GEO's developments typically include educational, recreational, healthcare and shopping facilities.

Beazer Homes USA, Inc., based in Atlanta, Georgia, is the sixth largest single family detached homebuilder in the U.S., with operations in Arizona, California, Florida, Georgia, Nevada, North Carolina, South Carolina, Tennessee and Texas.

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