



## **Beazer Homes Reports EPS of \$.87 For Quarter Ended September 30, 1997 - Up 14.5% Over Prior Year**

November 4, 1997

Atlanta, Georgia, November 4, 1997 - Beazer Homes USA, Inc. (NYSE: BZH) today announced results for the quarter ended September 30, 1997, the fourth quarter of its 1997 fiscal year.

The Company reported earnings per share of \$.87 for the quarter ended September 30, 1997, an increase of 14.5% compared to EPS of \$.76 for the quarter ended September 30, 1996. Revenues increased 7.4% and net income increased 9.4%, both compared to the same quarter of the prior year.

The Company also reported that it had 1,389 new orders for the quarter, a 13.4% increase over the prior year. Home closings for the quarter increased 9.0% to 2,130 homes. As a result of a lower level of backlog at the beginning of the quarter and the increase in home closings, backlog at the end of the quarter of 1,192 homes was down 16.4% (9.6% in dollar value) compared to the prior year.

Ian McCarthy, President and Chief Executive Officer of Beazer Homes, said, "We are pleased to report a strong increase in earnings during the quarter. Earnings per share, homes closed and revenues each set new Company records. We are also especially pleased that earnings per share were up by more than our increase in revenues and homes closed. This reflects the progress that we have made in our profitability improvement initiatives, as well as the positive impact of our stock buyback earlier this year."

Mr. McCarthy continued, "New orders were up during the quarter in each of our southeast, southwest and central regions, with particular strength in Texas, which reported a 24.6% increase in new orders. This order growth reflects expansion in our existing markets, especially Texas, as well as comparison to a weakening order trend at this time last year. At September 30, 1997 we had 197 active subdivisions, compared to 192 at September 30, 1996."

For the year ended September 30, 1997, the Company reported earnings per share of \$1.15 (determined based upon primary shares outstanding). Earnings include the effect of a \$6.3 million writedown to two properties in Nevada. Earnings per share excluding the writedown would be \$1.70 on a fully diluted basis compared to \$2.01 for the year ended September 30, 1996.

David S. Weiss, Executive Vice President and Chief Financial Officer of Beazer Homes, explained, "Earnings were down for the year, principally as a result of issues in our Nevada operations. These issues resulted in a writedown to two properties in the second fiscal quarter of 1997 and reduced margins in both the second and the third quarters. We have addressed the issues in Nevada through changes in management, additional controls and the writedown."

Mr. Weiss continued, "During the quarter ended September 30, 1997, our EBIT margin increased to 5.5% from 5.3% for the quarter ended September 30, 1996. In addition our gross margin, before interest, improved sequentially to 15.6% from 15.2% in the quarter ended June 30, 1997. We believe that our profitability initiatives, such as the opening of design centers and mortgage origination operations, will result in a continued improvement in margins in 1998."

Mr. Weiss also said, "At September 30, 1997 our debt to total capitalization was 44.7%, up slightly from last year but still well below the industry average. The increase results, in part, from our stock repurchase program. As a result of our stock repurchases, as well as our earnings for the year, our book value was up to \$20.75 per share at September 30, 1997."

Mr. McCarthy concluded, "We are pleased to be ending fiscal 1997 on a positive note, with orders increasing, margins improving and an increase in earnings that exceeds the related increase in revenues. As a result of the improving order trend and increasing margins, we are optimistic about the prospect for an improvement in earnings per share for the 1998 fiscal year."

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

Contact: David S. Weiss  
Executive Vice President and Chief Financial Officer  
(404)250-3420