



BEAZER HOMES

Beazer Homes Announces Record EPS of \$4.15 For Year Ended September 30, 1999; Record Year End Dollar Backlog of \$482 million Up 39

November 2, 1999

ATLANTA, Nov. 2 /PRNewswire/ -- Beazer Homes USA, Inc. (NYSE: BZH) (www.beazer.com) today announced results for the year and quarter ended September 30, 1999. Highlights of the year and quarter, compared to the same periods of the prior year, are as follows:

Year Ended September 30, 1999

- Diluted EPS: \$4.15 (up 56% vs. \$2.66 in prior year)
- Home closings: 7,589 (up 24%); total revenues \$1,394 million (up 43%)
- Earnings before interest, taxes, depreciation and amortization (EBITDA) \$91.5 million (up 53%)
- Net income: \$36.9 million (up 59%)
- New orders: 7,535 (up 9%)
- Backlog: 2,558 units or \$482 million (up 24% and 39%, respectively) Quarter Ended September 30, 1999
- Diluted EPS: \$1.57 (up 15% vs. \$1.37 in prior year)
- Home closings: 2,431 (up 10%); total revenues: \$454 million (up 24%)
- EBITDA: \$32.9 million (up 21%)
- Net income: \$13.9 million (up 16%)
- New orders: 1,694 (up 10%)

Record Earnings in 1999 and Record Backlog Going Into 2000

Ian J. McCarthy, President and Chief Executive Officer of Beazer Homes, said, "Fiscal 1999 was an excellent year for Beazer Homes and, based on our record year end backlog, we enter fiscal 2000 with strong prospects for future growth."

Mr. McCarthy continued, "Our record earnings in fiscal 1999 benefited both from a strong homebuilding environment and from the fruition of profitability improvement initiatives that we began two years ago. Reflecting the benefits of our design centers, mortgage origination operations and our focus on Value Created (our version of economic value added), our EBITDA margin increased from 6.1% in 1998 to 6.6% in 1999. With the completion of the rollout of these initiatives to our Mid-Atlantic operations, acquired in fiscal 1999, we believe that we should see continued improvement in our profit margin in 2000."

Mr. McCarthy also said, "We end fiscal 1999 with a backlog of 2,558 homes (up 24%) with a dollar value of \$482 million (up 39%), both year end company records. This backlog reflects an accelerating order trend in fiscal 1999. New orders for the quarter ended September 30, 1999 of 1,694 homes were up 10% over 1998, while orders for the March and June quarters had been up 4% and 8%, respectively."

Beazer Ends 1999 With Strengthened Financial Position

David S. Weiss, Executive Vice President and Chief Financial Officer of Beazer Homes, said, "We end fiscal 1999 in an extremely strong financial position. Our debt to total capitalization is down to a conservative 48%. Earlier this year it had temporarily risen above our target 50% ratio following completion of our \$90 million acquisition of Trafalgar House in December 1998. That acquisition, which was made at a discount to book value, has proven to be extremely successful, producing an even better return and more accretion in its first year than we expected. We have often said that we would see our debt to capitalization rise slightly after taking advantage of this sort of opportunity, but that it would be with a plan to bring it back in line with our target. That is exactly what we have done this year."

Mr. Weiss continued, "As we enter fiscal 2000 we are very well positioned to take advantage of future opportunities. In addition to our low overall leverage, we had no borrowings outstanding under our \$200 million revolving credit facility. We recognize that volatility in capital markets and short-term fluctuations in housing will create challenges and opportunities. We intend to be the company in the best position to take advantage of those opportunities."

Beazer Prepared For Long-Term Positive Prospects For Housing

Mr. McCarthy said, "With a head start on others, we enter a new century here at Beazer with the first quarter of our fiscal 2000. Our record backlog gives us a lot of forward momentum as we enter the new fiscal year and a new century. We look forward with a very positive impression of the long-term prospects for growth in housing. Population growth, driven by immigration, is expected to keep single-family housing starts during the coming decade at or above the record levels that we have seen in the 1990s. This growth, however, will not be evenly spread throughout the United States. It will be concentrated in the South and West, with special emphasis on the 'gateway' states of California, Florida and Texas, states where we have major operations."

Mr. McCarthy continued, "Americans' number one dream continues to be 'own my own home.' With our strong position in the growth markets of the United States, our focus on providing value to first-time and move-up homebuyers, and our market leadership position on the internet, Beazer is uniquely qualified to serve this growing demand. We look forward to the coming years with optimism and excitement."

Beazer Homes USA, Inc., based in Atlanta, Georgia, is one of the country's ten largest single-family homebuilders, with operations in Arizona, California, Florida, Georgia, Maryland, Nevada, New Jersey, North Carolina, South Carolina, Tennessee, Texas and Virginia.

Note: Certain statements in this Press Release are "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to, changes in general economic conditions, fluctuations in interest rates, increases in raw materials and labor costs, levels of competition and other factors described in the Company's Annual Report for the year ended September 30, 1998.

BEAZER HOMES USA, INC.
CONSOLIDATED OPERATING AND FINANCIAL DATA
(Dollars in thousands, except per share amounts)

Financial Data:

| | Quarter Ended September 30, | | Year Ended September 30, | |
|--|--------------------------------|-----------|-----------------------------|-----------|
| | 1999 | 1998 | 1999 | 1998 |
| INCOME STATEMENT | | | | |
| Revenues | \$454,189 | \$365,650 | \$1,394,074 | \$977,409 |
| Costs and expenses: | | | | |
| Home construction and land sales | 373,810 | 301,029 | 1,153,442 | 811,203 |
| Interest | 7,700 | 6,799 | 25,469 | 19,031 |
| Selling, general and administrative expense | 48,674 | 38,662 | 153,363 | 110,259 |
| Operating income | 24,005 | 19,160 | 61,800 | 36,916 |
| Other income (expense) | (893) | 126 | (1,256) | 578 |
| Income before income taxes | 23,112 | 19,286 | 60,544 | 37,494 |
| Income taxes | 9,201 | 7,328 | 23,610 | 14,293 |
| Net income | \$13,911 | \$11,958 | \$36,934 | \$23,201 |
| Dividends and other payments to preferred shareholders | \$--- | \$1,000 | \$3,343 | \$4,000 |
| Net income to common shareholders: | | | | |
| Basic | \$13,911 | \$10,958 | \$33,591 | \$19,201 |
| Diluted | \$13,911 | \$11,958 | \$36,934 | \$23,201 |
| Net income per share: | | | | |
| Basic | \$1.63 | \$1.86 | \$4.85 | \$3.27 |
| Diluted | \$1.57 | \$1.37 | \$4.15 | \$2.66 |
| Weighted average shares outstanding, in thousands: | | | | |
| Basic | 8,541 | 5,887 | 7,320 | 5,864 |
| Diluted | 8,862 | 8,746 | 8,895 | 8,731 |
| Interest incurred | \$6,893 | \$5,819 | \$26,874 | \$21,259 |
| Depreciation and amortization | \$2,059 | \$1,151 | \$5,508 | \$3,269 |

SELECTED BALANCE SHEET DATA

September 30,

| | 1999 | 1998 |
|----------------------|---------|----------|
| Cash | \$--- | \$67,608 |
| Inventory | 532,559 | 405,095 |
| Total assets | 592,137 | 525,591 |
| Total debt | 215,000 | 215,000 |
| Stockholders' equity | 234,422 | 199,224 |

BEAZER HOMES USA, INC.
CONSOLIDATED OPERATING AND FINANCIAL DATA (Continued)
(Dollars in thousands)

Operating Data:

| SELECTED OPERATING DATA | Quarter Ended | | Year Ended | |
|--|---------------|-----------|---------------|-------|
| | September 30, | | September 30, | |
| | 1999 | 1998 | 1999 | 1998 |
| Closings: | | | | |
| Southeast region | 1,069 | 909 | 3,108 | 2,493 |
| Southwest region | 803 | 1,099 | 2,857 | 2,981 |
| Central region | 170 | 197 | 597 | 639 |
| Mid-Atlantic region | 389 | --- | 1,027 | --- |
| Total closings | 2,431 | 2,205 | 7,589 | 6,113 |
| New orders, net of cancellations (A): | | | | |
| Southeast region | 606 | 763 | 3,041 | 2,888 |
| Southwest region | 646 | 643 | 2,900 | 3,245 |
| Central region | 130 | 130 | 485 | 749 |
| Mid-Atlantic region | 312 | --- | 1,109 | --- |
| Total new orders | 1,694 | 1,536 | 7,535 | 6,882 |
| Backlog at end of period | | | | |
| | 2,558 | 2,057 | | |
| Dollar value of backlog at end of period | | | | |
| | \$481,514 | \$347,304 | | |
| Active subdivisions: | | | | |
| Southeast region | 111 | 113 | | |
| Southwest region | 63 | 59 | | |
| Central region | 26 | 31 | | |
| Mid-Atlantic region | 41 | --- | | |
| Total active subdivisions | 241 | 203 | | |

| SUPPLEMENTAL FINANCIAL DATA: | Quarter Ended | | Year Ended | |
|--|---------------|-----------|---------------|-----------|
| | September 30, | | September 30, | |
| | 1999 | 1998 | 1999 | 1998 |
| Revenues | | | | |
| Home sales | \$446,036 | \$357,264 | \$1,376,557 | \$956,018 |
| Land and lot sales | 5,998 | 6,309 | 10,553 | 16,834 |
| Mortgage origination revenue | 3,742 | 3,412 | 13,059 | 8,295 |
| Intercompany elimination - mortgage | (1,587) | (1,335) | (6,095) | (3,738) |
| Total revenues | \$454,189 | \$365,650 | \$1,394,074 | \$977,409 |
| Cost of home construction and land sales | | | | |
| Home sales | \$371,098 | \$296,993 | \$1,151,460 | \$799,425 |
| Land and lot sales | 4,299 | 5,371 | 8,077 | 15,516 |
| Intercompany elimination - mortgage | (1,587) | (1,335) | (6,095) | (3,738) |
| Total costs of home | | | | |

| | | | | |
|---|-----------|-----------|-------------|-----------|
| construction and land sales | \$373,810 | \$301,029 | \$1,153,442 | \$811,203 |
| Selling, general and administrative | | | | |
| Homebuilding operations | \$46,473 | \$37,018 | \$145,201 | \$105,946 |
| Mortgage origination operations | 2,201 | 1,644 | 8,162 | 4,313 |
| Total selling, general and administrative | \$48,674 | \$38,662 | \$153,363 | \$110,259 |

(A) New orders for the years ended September 30, 1999 and 1998 do not include 555 and 96, respectively, homes in backlog acquired in business acquisitions.

SOURCE Beazer Homes USA, Inc.