



BEAZER HOMES

Beazer Homes Announces Record Second Quarter Earnings, New Orders and Backlog

April 25, 2000

ATLANTA, April 25 /PRNewswire/ -- Beazer Homes USA, Inc. (NYSE: BZH) (www.beazer.com) today announced results for the quarter ended March 31, 2000, the second quarter of its 2000 fiscal year. Highlights of the quarter, compared to the same period of the prior year, are as follows:

- Diluted EPS: \$1.02 (up 12% vs. \$0.91 in prior year's March quarter, which excludes the effect of inducements related to Preferred Stock in 1999; up 21% vs. prior year's March EPS of \$0.84, as reported)
- Total revenues: \$333 million (up 2%)
- Earnings before interest, taxes, depreciation and amortization (EBITDA) \$22.3 million (up 9%)
- EBITDA Margin: 6.7% (up 70 basis points)
- Net income: \$8.8 million (up 9%)
- New orders: 2,539 (up 8%), a company record
- Dollar Backlog: \$635 million (up 10%), a company record

Record Second Quarter Earnings, New Orders and Backlog

Ian McCarthy, President and Chief Executive Officer of Beazer Homes, said, "We are pleased to announce record earnings for the quarter ended March 31, 2000. We are also extremely pleased to report record new orders and backlog that will help fuel our growth through the remainder of fiscal 2000 and into 2001."

Mr. McCarthy continued, "Our earnings per share for the March 2000 quarter increased by 12% while revenues increased only 2%. This improvement in our earnings reflects an increase in our gross margin and improved operating efficiency throughout our organization. The margin improvement demonstrates our ability to successfully raise prices. The average price of homes closed increased 3%, compared to the same quarter of the prior year, while the average price of homes in backlog has increased 6%."

Mr. McCarthy also said, "We are especially pleased to report record quarterly new orders of 2,539 homes, up 8% over last year's March quarter. Our number of new orders increased, while our number of active subdivisions was down 5%, which means that our sales velocity increased even more on a 'same-store' basis. This increased sales velocity demonstrates the success of many of our recently opened subdivisions, as well as the continued strong demographic and economic trends in nearly all of our markets. With our positive order trend during the quarter, our dollar backlog is now up 10% to \$635 million, a new company record."

Beazer Completes 500,000 Share Repurchase Program

The Company also announced that it has completed its program to repurchase 500,000 shares of its common stock that it announced in November 1999. The average repurchase price was \$18.38 per share.

David Weiss, Executive Vice President and Chief Financial Officer of Beazer Homes, said, "Our program to repurchase 6% of our common stock was completed at a 35% discount to our current book value of \$28.17 per share and at 4.0 times our last twelve months' earnings of \$4.59 per share. The total amount of the repurchases was \$9.2 million. Even with the repurchases of our common stock, we continue to maintain one of the strongest balance sheets in the homebuilding industry. We have reduced our debt to total capitalization ratio from 58% in last year's March quarter to 56% currently. We expect to further reduce our leverage by the end of our September fiscal year, as we close the homes in our record backlog."

"Clicks and Sticks": Beazer's e-Commerce Initiatives

Mr. McCarthy said, "Our March quarterly results demonstrate the continued growth that we are achieving. This growth is consistent with a plan that we introduced over a year ago to double our home closings by 2004 and more than double our earnings. We believe this plan will be dramatically enhanced by a series of initiatives currently underway at Beazer to make us the leader in e-business for the homebuilding industry. We call these initiatives 'Clicks and Sticks', emphasizing both the technological and the physical aspects of our business that are changing as we embrace the new economy."

Mr. McCarthy continued, "Our award-winning website, beazer.com, is the flagship for these initiatives, however it is only the tip of the iceberg. We will soon be rolling out mybeazerhome.com, a personal web page for all of our prospective, current and past homebuyers. Through mybeazerhome.com we will offer numerous targeted goods and services to our homebuyers, both expanding our relationship with them and striving to make them customers for life. We are also currently developing workwithbeazer.com, our B2B link to suppliers and subcontractors, which will supplement our B2B initiatives that are part of our alliance with BuildNet."

Mr. McCarthy concluded, "The internet is revolutionizing the way the world conducts business, including homebuilding. At Beazer, we have always been an innovator in the industry and we intend to be on the cutting edge of this revolution."

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, 1999.

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

FINANCIAL DATA

	Quarter Ended March 31,		Six Months Ended March 31,	
	2000	1999	2000	1999
INCOME STATEMENT				
Revenues	\$332,961	\$327,345	\$641,706	\$569,455
Costs and expenses:				
Home construction and land sales	275,723	272,021	531,471	473,186
Interest	6,072	6,262	11,595	11,297
Selling, general and administrative expense	36,187	35,871	70,460	64,118
Operating income	14,979	13,191	28,180	20,854
Other income (expense)	(510)	(45)	(1,388)	(92)
 Income before income taxes	 14,469	 13,146	 26,792	 20,762
Income taxes	5,643	5,061	10,449	7,993
Net income	\$8,826	\$8,085	\$16,343	\$12,769
 Dividends and other payments to preferred shareholders	 \$---	 \$2,009	 \$---	 \$3,009
Net income to common shareholders:				
Basic	\$8,826	\$6,076	\$16,343	\$9,760
Diluted	\$8,826	\$6,290	\$16,343	\$10,187
 Net income per share:				
Basic	\$1.06	\$0.93	\$1.94	\$1.57
Diluted	\$1.02	\$0.84(A)	\$1.88	\$1.43(A)
 Weighted average shares outstanding, in thousands:				
Basic	8,308	6,550	8,403	6,219
Diluted	8,619	7,471	8,710	7,139
 Interest incurred	\$7,659	\$7,080	\$14,290	\$13,019
Depreciation and amortization	\$1,730	\$1,053	\$3,493	\$2,061

SELECTED BALANCE SHEET DATA

	March 31,	
	2000	1999
Inventory	\$611,604	\$553,015
Total assets	673,803	608,418
Total debt	310,000	290,000
Stockholders' equity	242,777	209,287

(A) Diluted EPS figures for 1999 include the effect of inducements related

to the partial conversion of the Company's Preferred Stock. Excluding these adjustments, diluted EPS would have been \$0.91 and \$1.44 for the quarter and six months ended March 31, 1999, respectively.

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

OPERATING DATA

SELECTED OPERATING DATA	Quarter Ended		Six Months Ended	
	March 31,		March 31,	
	2000	1999	2000	1999
Closings:				
Southeast region	664	708	1,215	1,243
Southwest region	706	725	1,391	1,320
Central region	129	128	251	264
Mid-Atlantic region	250	240	503	370
Total closings	1,749	1,801	3,360	3,197
New orders, net of cancellations:				
Southeast region	990	958	1,527	1,555
Southwest region	981	866	1,601	1,476
Central region	200	130	288	208
Mid-Atlantic region	368	404	628	468
Total new orders	2,539	2,358	4,044	3,707(B)
Backlog at end of period	3,242	3,122		
Dollar value of backlog				
at end of period	\$635,328	\$579,332		
Active subdivisions:				
Southeast region	114	122		
Southwest region	68	65		
Central region	25	32		
Mid-Atlantic region	42	42		
Total active subdivisions	249	261		

SUPPLEMENTAL FINANCIAL DATA:	Quarter Ended		Six Months Ended	
	March 31,		March 31,	
	2000	1999	2000	1999
Revenues				
Home sales	\$325,612	\$325,244	\$629,196	\$565,041
Land and lot sales	5,151	363	8,456	1,002
Mortgage origination revenue	3,627	3,314	6,734	5,850
Intercompany elimination				
- mortgage	(1,429)	(1,576)	(2,680)	(2,438)
Total revenues	\$332,961	\$327,345	\$641,706	\$569,455
Cost of home construction and land sales				
Home sales	\$273,336	\$273,260	\$526,074	\$474,835
Land and lot sales	3,816	337	8,077	791
Intercompany elimination				
- mortgage	(1,429)	(1,576)	(2,680)	(2,438)
Total costs of home construction and land sales	\$275,723	\$272,021	\$531,471	\$473,188

Selling, general and administrative				
Homebuilding operations	\$33,767	\$33,778	\$66,176	\$60,291
Mortgage origination operations	2,420	2,093	4,285	3,827
Total selling, general and administrative	\$36,187	\$35,871	\$70,461	\$64,118

(B) New orders for the six months ended March 31, 1999 do not include 555 homes in backlog acquired in a business acquisition.

SOURCE Beazer Homes USA, Inc.

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