



BEAZER HOMES

Beazer Homes Announces Record Second Quarter EPS of \$1.92, Up 88%; New Orders and Backlog Both Set Company Records

April 24, 2001

ATLANTA, April 24 /PRNewswire Interactive News Release/ -- Beazer Homes USA, Inc. (NYSE: BZH) (www.beazer.com) today announced results for the quarter ended March 31, 2001, the second quarter of its 2001 fiscal year. Highlights of the quarter, compared to the same period of the prior year, are as follows:

- Diluted EPS: \$1.92 (up 88% vs. \$1.02 in prior year)
- Home closings: 1,874 (up 7%); total revenues \$374 million (up 12%)
- Gross margin, before interest, on home sales: 19.2% (up 310 basis points)
- Earnings before interest, taxes, depreciation and amortization (EBITDA): \$37.8 million (up 70%)
- EBITDA Margin: 10.1% (up 340 basis points)
- Net income: \$17.5 million (up 98%)
- Record new orders: 3,028 (up 19%)

* Record backlog: 4,039 homes (up 25%), sales value \$802 million (up 26%)

Record Earnings For March Quarter

Ian J. McCarthy, President and Chief Executive Officer of Beazer Homes, said, "We are extremely pleased to announce record second fiscal quarter earnings of \$1.92 per share for March 2001, an 88% increase over last year. This increase reflects a dramatic improvement in our operating profit margin, driven by a significant increase in gross margin on home sales. The gross margin, before interest, on home sales for the quarter was 19.2%, a Company record and up 310 basis points over March 2000."

Mr. McCarthy continued, "The increase in our gross margin for the quarter reflects the continued strong demand that we have been experiencing for our homes, especially in the first-time buyer segment. As a result of this strong demand, we have been able to increase prices in most of our markets. In addition, our costs of construction have declined, both because of reduced costs for some raw materials and efficiencies that we have been able to achieve through the increased use of technology in our operations."

Record New Orders and Backlog Demonstrate Continued Strong Demand Mr. McCarthy said, "Both our new orders of 3,028 homes during the quarter and our backlog of 4,039 homes at March 31 set all-time Company records. As with our margin improvement, these records demonstrate the continued strength in demand that we are experiencing for our homes, especially in the first-time buyer segment."

Mr. McCarthy continued, "We believe that the population increases in the US over the past decade, concentrated in the South and West, will continue to fuel this strong demand. In addition, capital restrictions and land constraints have restrained the ability of smaller homebuilders to build homes to meet this demand. This has restricted the overall supply of homes in the market, leaving the number of months supply of unsold homes in the US at nearly its lowest level in the past forty years."

Mr. McCarthy also said, "The inability of smaller homebuilders to build enough homes to meet a growing demand has provided an opportunity for Beazer and other large public homebuilders to gain dramatic market share. We expect this trend to continue and possibly accelerate over the next year. We have the right product in the right location, targeted for a growing segment of the population, at a time when there is a short supply of housing available. We also have a strong balance sheet and the capital resources to take advantage of the growth that we see."

Beazer Strengthens Credit Statistics and Financial Position

David S. Weiss, Executive Vice President and Chief Financial Officer, said, "With our record results for the quarter ended March 31, 2001, our credit statistics, already among the best in the homebuilding industry, have strengthened further. For the quarter, our margin of earnings before interest, taxes, depreciation and amortization (EBITDA) to revenues was 10.1%, up 340 basis points from the prior year's March quarter. Our interest coverage, measured as EBITDA divided by interest incurred, is now 4.1 times for the last twelve months, up from 3.4 times in fiscal 2000."

Mr. Weiss continued, "While fueling the growth and improved performance that we are currently experiencing, we have continued to closely control our balance sheet. Our debt to total capitalization at March 31, 2001 was 53%, down from 56% at the end of the March 2000 quarter. We expect this leverage to further decrease by the end of our September 2001 fiscal year."

Mr. Weiss explained, "One of the ways that we control our balance sheet is by continually evaluating our land holdings. With the increasing constraints in land availability, we have used our purchasing power to acquire larger tracts of land and profitably sell sections of these to other builders who offer

homes at a different price point. During the March quarter, we recognized a profit of \$3.1 million on land sales of \$11.6 million. We will continue to use our land acquisition expertise and purchasing power to enhance our profitability and control our balance sheet through land sales. While doing so, we still intend to maintain a strong land position to fuel further growth. We currently control approximately 29,000 lots, a three and a half year supply of land, acquired at attractive prices principally over the last three years."

Mr. Weiss concluded, "In addition to reducing our overall level of leverage during the March quarter, we recently strengthened our financial position by extending the maturity on a portion of our debt. We have added \$15 million (\$10 million in March and \$5 million in April) to the \$75 million four-year term loan (now \$90 million) that we closed during the December 2000 quarter with a group of banks. The proceeds of the additional term loan were used to refinance borrowings under our \$250 million revolving credit facility, which had only \$42 million outstanding at March 31, 2001. By adding to borrowings under the term loan, we have reduced our reliance on short term borrowings to a minimal level and increased our financial flexibility."

Outlook

Mr. McCarthy stated, "After our record March quarter, our earnings for the last twelve months are now \$6.73 per share. This figure exceeds the high end of the range (\$6.25 to \$6.50) that we have previously indicated we expected to achieve in fiscal 2001. In addition, our record backlog gives us increased confidence in our ability to continue to report increased earnings in the remainder of fiscal 2001. As a result, we are now increasing our expectation for fiscal 2001 earnings to the range of \$7.00 to \$7.25 per share. We also expect to end our September 2001 fiscal year with an increased level of backlog and a higher number of active subdivisions than at the end of fiscal 2000. This should give us the ability to continue to grow earnings in fiscal 2002 as we move toward our previously stated target of \$9.00 per share by fiscal 2004."

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, Pennsylvania, South Carolina, Tennessee, Texas and Virginia. Beazer Homes also provides mortgage origination, title and insurance services to its homebuyers.

Note: Certain statements in this Press Release are "forward-looking

statements" within the meaning of the Private Securities Litigation Reform 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, 2000.

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

FINANCIAL DATA

	Quarter Ended		Six Months Ended	
	March 31,		March 31,	
	2001	2000	2001	2000
INCOME STATEMENT				
Revenues	\$374,297	\$332,961	\$739,347	\$641,706
Costs and expenses:				
Home construction and land sales	296,729	275,723	591,693	531,471
Interest	7,066	6,072	14,064	11,595
Selling, general and administrative expense	41,428	36,187	81,524	70,460
Operating income	29,074	14,979	52,066	28,180
Other income/(expense)	(375)	(510)	129	(1,388)
Income before income taxes	28,699	14,469	52,195	26,792
Income taxes	11,192	5,643	20,356	10,449
Net income	\$17,507	\$8,826	\$31,839	\$16,343
Net income to common shareholders:				
Basic	\$17,507	\$8,826	\$31,839	\$16,343
Diluted	\$17,507	\$8,826	\$31,839	\$16,343
Net income per share:				
Basic	\$2.15	\$1.06	\$3.92	\$1.94
Diluted	\$1.92	\$1.02	\$3.52	\$1.88
Weighted average shares outstanding, in thousands:				
Basic	8,151	8,308	8,126	8,403

Diluted	9,132	8,619	9,038	8,710
Interest incurred	\$8,619	\$7,659	\$16,272	\$14,290
Depreciation and amortization	\$2,044	\$1,730	\$4,128	\$3,493

SELECTED BALANCE SHEET DATA	March 31,	
	2001	2000
Inventory	\$719,254	\$611,604
Total assets	786,832	673,803
Total debt	342,121	310,000
Shareholders' equity	302,589	242,777

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,	
	2001	2000	2001	2000
Closings:				
Southeast region	705	664	1,280	1,215
Southwest region	751	706	1,517	1,391
Central region	148	129	308	251
Mid-Atlantic region	270	250	611	503
Total closings	1,874	1,749	3,716	3,360
New orders, net of cancellations:				
Southeast region	1,271	990	1,908	1,527
Southwest region	1,035	981	1,739	1,601
Central region	305	200	449	288
Mid-Atlantic region	417	368	730	628
Total new orders	3,028	2,539	4,826	4,044
Backlog at end of period	4,039	3,242		
Dollar value of backlog at end of period	\$802,212	\$635,328		
Active subdivisions:				
Southeast region	127	114		
Southwest region	68	68		
Central region	30	25		
Mid-Atlantic region	39	42		
Total active subdivisions	264	249		

SUPPLEMENTAL FINANCIAL DATA:	Quarter Ended		Six Months Ended	
	March 31,		March 31,	
	2001	2000	2001	2000
Revenues				
Home sales	\$359,057	\$325,612	\$720,176	\$629,196
Land and lot sales	11,618	5,151	11,948	8,456
Mortgage origination revenue	5,458	3,627	10,778	6,734
Intercompany elimination - mortgage	(1,836)	(1,429)	(3,555)	(2,680)
Total revenues	\$374,297	\$332,961	\$739,347	\$641,706
Cost of home construction and land sales				
Home sales	\$290,039	\$273,336	\$586,459	\$526,074

Land and lot sales	8,526	3,816	8,789	8,077
Intercompany elimination - mortgage	(1,836)	(1,429)	(3,555)	(2,680)
Total costs of home construction and land sales	\$296,729	\$275,723	\$591,693	\$531,471
Selling, general and administrative				
Homebuilding operations	\$38,329	\$33,767	\$75,446	\$66,175
Mortgage origination operations	3,099	2,420	6,078	4,285
Total selling, general and administrative	\$41,428	\$36,187	\$81,524	\$70,460

SOURCE Beazer Homes USA, Inc.

CONTACT: David S. Weiss, Executive Vice President and Chief Financial Officer of Beazer Homes USA, Inc., 404-250-3420, or dweiss@beazer.com /