



BEAZER HOMES

Beazer Homes Announces December Quarter EPS of \$2.47, Up 53%; EPS of \$9.02 for Calendar 2001 Exceeds Five-Year Plan For 2004; Backlog of \$815 Million Up 42

January 23, 2002

ATLANTA, Jan. 23 /PRNewswire-FirstCall/ -- Beazer Homes USA, Inc. (NYSE: BZH) (www.beazer.com) today announced results for the quarter ended December 31, 2001, the first quarter of its 2002 fiscal year. Highlights of the quarter, compared to the same period of the prior year, are as follows:

- Record December quarter EPS: \$2.47 (up 53% vs. \$1.61 in prior year)
- Record December quarter home closings: 2,365 (up 28%); total revenues \$490 million (up 34%)
- Record December quarter gross margin, before interest: 19.9% (up 70 basis points)
- Record December quarter earnings before interest, taxes, depreciation and amortization (EBITDA): \$47.7 million (up 46%)
- Record December quarter EBITDA margin: 9.7% (up 80 basis points)
- Record December quarter net income: \$23.2 million (up 62%)
- Record December quarter new orders: 2,510 (up 40%)
- Record December quarter end backlog: 4,122 homes (up 43%), sales value \$815 million (up 42%)

Record Earnings For December Quarter; Calendar 2001 EPS Exceeds Five-Year Target

Ian J. McCarthy, President and Chief Executive Officer of Beazer Homes, said, "We are extremely pleased to announce another record-breaking quarter and the start of what we expect to be another record-breaking year. Earnings per share of \$2.47 for the first quarter of fiscal 2002 were up 53% from the first quarter of fiscal 2001 and represent a December quarter record for Beazer."

Mr. McCarthy continued, "With the record results for the December quarter, earnings per share for calendar 2001 were \$9.02 per share. During fiscal 1999, we set an ambitious five-year target to double our EPS to \$9.00 per share by 2004. We have now exceeded this target three years early. We expect to continue to improve on this performance through fiscal 2002."

Record December New Orders and Quarter End Backlog

Mr. McCarthy said, "Major factors that give us confidence in continued earnings improvements for the balance of fiscal 2002 are our record new orders and backlog for the December quarter. For the quarter ended December 31, 2001, we had 2,510 new orders for homes, a 40% increase over the December 2000 quarter. New orders for the quarter were up in not only all four of our regions but also in every state. New orders were particularly strong in Arizona, California, Florida, Nevada, Tennessee and Texas, each posting an increase of over 25%. We believe that this industry-leading order strength results from our focus on the first-time homebuyer segment in all of our markets."

Mr. McCarthy continued, "With the strong increase in new orders in the December quarter, our backlog of homes sold but not closed was up 43% at December 31, 2001. We now have 4,122 homes in backlog with a sales value of \$815 million. We believe that this strong backlog is the best indicator of future increases in earnings in fiscal 2002."

Gross Profit Margin Increases and SG&A % Improves

David S. Weiss, Executive Vice President and Chief Financial Officer, said, "We reported a gross profit margin, before interest, of 19.9% for the quarter ended December 31, 2001. This represents a 70 basis point improvement over the prior December quarter and a 20 basis point improvement, on a sequential basis, over the September 2001 quarter. The improvement in our gross profit margin reflects the continued strong demand in the first-time homebuyer segment that we serve. In addition, the overall supply of housing available for sale remains at historically low levels, reflecting the impact of land and capital constraints on smaller homebuilders. We believe that these factors will continue to contribute to significant sales activity and strong margins for Beazer and other large public homebuilders in 2002."

Mr. Weiss continued, "In addition to the increase in our gross profit margin, the record December quarter results also reflect an improvement in our selling, general and administrative expenses as a percentage of revenues. For the quarter, our SG&A expense declined 30 basis points as a percentage of revenue compared to the prior December quarter. This improvement reflects the increased efficiency in our business that has resulted from profit improvement initiatives and investments in technology that we have made over the past few years. We project that this 30 basis point improvement, compared to last year, will continue throughout fiscal 2002."

Beazer Maintains Strong Financial Position

Mr. Weiss stated, "Our balance sheet and credit statistics at December 31, 2001 demonstrate our continued commitment to maintaining a strong financial position. Our debt to total capitalization ratio of 53% remains in our target low 50% range. Our interest coverage (EBITDA divided by interest incurred) for the last twelve months increased to 5.0 times, compared to 3.7 times for calendar 2000. Our total debt at December 31, 2001 represented only 2.4 times our last twelve months' EBITDA."

Mr. Weiss also said, "Our conservative balance sheet and strong credit statistics support the growth that we continue to experience in our business, which growth is demonstrated by our 43% increase in backlog. We remain committed to maintaining a strong financial position, even while significantly expanding our business."

Beazer Exceeds \$9.00 Target in Calendar 2001 and Targets EPS of \$9.50 in Fiscal 2002

Mr. McCarthy said, "Having achieved our \$9.00 EPS target for 2004 three years early, we now expect to re-evaluate and update our five-year plan during fiscal 2002. For now, we have set our short-term sights on continuing to show earnings improvement for the full 2002 fiscal year. Last year we set a short-term target for 2002 earnings of \$9.00 per share. We reiterated that target at the end of fiscal 2001, even after considering the potential impact of the tragic events of September 11th. At this point, we are raising that target. Our new EPS target for fiscal 2002 is now \$9.50 per share. Our improved financial performance, strong order growth and increased level of backlog give us optimism in the prospects of achieving this target, absent significant, adverse economic changes."

Beazer Homes USA, Inc., based in Atlanta, Georgia, is one of the country's ten largest single-family homebuilders with operations in Arizona, California, Colorado, Florida, Georgia, Maryland, Nevada, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas and Virginia. Beazer Homes also provides mortgage origination and title 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, 2001.

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

FINANCIAL DATA

| | Quarter Ended December 31, | |
|---|-------------------------------|-----------|
| | 2001 | 2000 |
| INCOME STATEMENT | | |
| Revenues | \$489,717 | \$365,050 |
| Costs and expenses: | | |
| Home construction and land sales | 392,305 | 294,964 |
| Interest | 7,762 | 6,998 |
| Selling, general and administrative expense | 52,552 | 40,096 |
| Operating income | 37,098 | 22,992 |
| Other income | 854 | 504 |
| Income before income taxes | 37,952 | 23,496 |
| Income taxes | 14,802 | 9,164 |
| Net income | \$23,150 | \$14,332 |
| Net income per share: | | |
| Basic | \$2.76 | \$1.77 |
| Diluted | \$2.47 | \$1.61 |
| Weighted average shares outstanding, in thousands: | | |
| Basic | 8,402 | 8,102 |
| Diluted | 9,363 | 8,917 |

| | | |
|-------------------------------|---------|---------|
| Interest incurred | \$8,143 | \$7,653 |
| Depreciation and amortization | \$1,967 | \$2,084 |

SELECTED BALANCE SHEET DATA

| | December 31, | |
|----------------------|--------------|-----------|
| | 2001 | 2000 |
| Inventory | \$918,509 | \$668,368 |
| Total assets | 1,005,338 | 729,692 |
| Total debt | 431,248 | 310,383 |
| Shareholders' equity | 375,361 | 285,250 |

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

OPERATING DATA

| | Quarter Ended December 31, | |
|---|-------------------------------|-----------|
| SELECTED OPERATING DATA | 2001 | 2000 |
| Closings: | | |
| Southeast region | 788 | 575 |
| West region | 984 | 766 |
| Central region | 235 | 160 |
| Mid-Atlantic region | 358 | 341 |
| Total closings | 2,365 | 1,842 |
| New orders, net of cancellations: | | |
| Southeast region | 953 | 637 |
| West region | 973 | 704 |
| Central region | 232 | 144 |
| Mid-Atlantic region | 352 | 313 |
| Total new orders | 2,510 | 1,798 |
| Backlog at end of period | 4,122 | 2,885 |
| Dollar value of backlog at end of period | \$814,684 | \$572,573 |
| Active subdivisions: | | |
| Southeast region | 133 | 122 |
| West region | 81 | 68 |
| Central region | 32 | 29 |
| Mid-Atlantic region | 41 | 37 |
| Total active subdivisions | 287 | 256 |

| | Quarter Ended December 31, | |
|--|-------------------------------|-----------|
| SUPPLEMENTAL FINANCIAL DATA | 2001 | 2000 |
| Revenues | | |
| Home sales | \$482,036 | \$361,119 |
| Land and lot sales | 2,624 | 330 |
| Mortgage origination revenue | 7,509 | 5,320 |
| Intercompany elimination - mortgage | (2,452) | (1,719) |
| Total revenues | \$489,717 | \$365,050 |
| Cost of home construction and land sales | | |
| Home sales | \$393,181 | \$296,420 |
| Land and lot sales | 1,576 | 263 |
| Intercompany elimination - mortgage | (2,452) | (1,719) |
| Total costs of home construction and land sales | \$392,305 | \$294,964 |
| Selling, general and administrative | | |
| Homebuilding operations | \$48,360 | \$37,117 |
| Mortgage origination operations | 4,192 | 2,979 |

Total selling, general and
administrative

\$52,552

\$40,096

SOURCE Beazer Homes USA, Inc.

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