



BEAZER HOMES

Beazer Homes Announces March Quarter EPS of \$2.56, Up 33%; Record Backlog Exceeds \$1 Billion for the First Time

April 24, 2002

ATLANTA, Apr 24, 2002 /PRNewswire-FirstCall via COMTEX/ -- Beazer Homes USA, Inc. (NYSE: BZH) (www.beazer.com) today announced results for the quarter ended March 31, 2002, the second quarter of its 2002 fiscal year. Highlights of the quarter, compared to the same period of the prior year, are as follows:

- * Record March quarter EPS: \$2.56 (up 33% vs. \$1.92 in prior year)
- * Record March quarter home closings: 2,439 (up 30%)
- * All-time record quarterly net income: \$24.2 million (up 38%)
- * Debt to total capitalization: 50% (down from 53%)
- * All-time record quarterly new orders: 3,142 (up 4%)
- * All-time record backlog: 4,825 homes (up 19%), sales value \$1,014 million (up 26%)

(Note: Results for the quarter ended March 31, 2002 do not include Crossmann Communities, Inc., which the Company acquired on April 17, 2002, subsequent to the end of the quarter.)

Record Earnings For March Quarter; New Orders and Backlog Set All-Time

Records

Ian J. McCarthy, President and Chief Executive Officer of Beazer Homes, said, "We are extremely pleased to announce another record-breaking quarter. Earnings per share of \$2.56 for the second quarter of fiscal 2002 were up 33% from the second quarter of fiscal 2001 and represent a March quarter record for Beazer, as well as matching our all-time quarterly EPS record set in the fourth quarter of fiscal 2001."

Mr. McCarthy also said, "During the quarter we had 2,439 home closings, a March quarterly record, up 30% over the prior year. More importantly, we had 3,142 new orders, an all-time record for any quarter, up 4% over last year's March quarter. This increase is noteworthy given that last year's March quarter was particularly strong, setting our prior all-time quarterly record. New orders for the March 2001 quarter were up 19% over March 2000. We believe that the continued strength of our new orders reflects a fundamentally high level of demand driven by strong demographic trends, especially in the first-time homebuyer segment of the market, combined with an extremely low level of housing inventory available in nearly all markets."

Mr. McCarthy added, "With record new orders in the March quarter, our backlog of homes sold but not yet closed at March 31, 2002 set an all-time record of 4,825 homes, up 19% over March 2001, while the sales value of backlog passed the billion dollar mark for the first time, at \$1.014 billion."

Subsequent to March Quarter Beazer Closes Crossmann Acquisition Mr. McCarthy stated, "On April 17, 2002, we closed the acquisition of Crossmann Communities, which will now add to the dramatic growth in our existing operations. Both the closing of the acquisition and the beginning of the process of integrating the two companies have gone extremely smoothly. Crossmann brings to Beazer an experienced management team and a strong land bank in a new region, the Midwest United States. With an average sales price under \$140,000, it also strengthens Beazer's focus on serving the affordable segment of the first-time homebuyer market efficiently and profitably."

Beazer Ends March Quarter in Strong Financial Position

David S. Weiss, Executive Vice President and Chief Financial Officer of Beazer Homes, said, "We ended the March 2002 quarter with a debt to total capitalization ratio of 50%, down from 53% at March 31, 2001. Interest coverage (earnings before interest, taxes, depreciation and amortization divided by interest incurred) for the last twelve months was over five times. These very strong financial statistics reflect our commitment to maintaining a conservative financial position. This commitment remains intact with the completion of the Crossmann acquisition and we expect our net debt to total capitalization to improve further by the end of this fiscal year. This includes both the impact of the merger as well as our issuance of \$350 million of 8-3/8% Senior Notes due in 2012, which was completed concurrent with the closing of the merger on April 17, 2002."

Mr. Weiss added, "We appreciate that the rating agencies have recognized this commitment, as Moody's reaffirmed the ratings of our senior notes of Ba2 and Standard & Poor's upgraded our senior notes from BB- to BB. We believe that these actions reflect the conservatism with which we manage our financial position, as well as the consistency of our performance with our communicated goals and strategies."

Mr. Weiss concluded, "In addition to maintaining our conservative financial position after closing the acquisition of Crossmann Communities, we also reiterate our expectations for its accretion. We expect that the acquisition will be neutral to earnings per share in the second half of fiscal 2002, principally due to purchase accounting adjustments, and will add \$1.00 per share to EPS for fiscal 2003. As previously disclosed, these figures do not reflect any benefits from synergies that we expect to begin recognizing during fiscal 2003."

Beazer Expects Continued Growth in Earnings

Mr. McCarthy said, "This is an extremely exciting time to be one of the largest homebuilders in the United States. The combined effects of strong demographic trends, constraints on housing supply and industry consolidation have produced, and we believe will continue to produce, dramatic increases in earnings for the top ten public homebuilders like Beazer. Over the past three years we have seen significant shifts in mortgage interest rates, which rose 200 basis points during 1999 and 2000, as well as a downturn in the overall economy in 2001. Through all of this we have produced consistent and dramatic increases in our earnings that are continuing in fiscal 2002."

Mr. McCarthy also said, "With the record results in our March 2002 quarter, earnings per share for the last twelve months are now \$9.66 per share. This figure exceeds our prior target for fiscal 2002 EPS of \$9.50 per share. We expect to continue to report increased earnings over fiscal 2001 for the second half of fiscal 2002. As a result, we are now increasing our target for fiscal 2002 earnings to \$10.00 per share."

Mr. McCarthy concluded, "Both our earnings for the last twelve months as well as our target for fiscal 2002 exceed our previously announced five-year plan, announced in 1999, of achieving EPS of \$9.00 per share by fiscal 2004. During this summer, after the close of our June quarter and further progress in the integration of Crossmann Communities, we intend to update our target earnings for fiscal 2003, which will include growth in our existing operations and estimates of the benefits of synergies from Crossmann. We also intend to update our longer term strategic targets to incorporate both the strong performance of our existing operations and further growth from the combination with Crossmann."

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, Indiana, Kentucky, Maryland, Nevada, New Jersey, North Carolina, Ohio, 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		Six Months Ended	
	March 31,		March 31,	
	2002	2001	2002	2001
INCOME STATEMENT				
Revenues	\$503,312	\$374,297	\$993,029	\$739,347
Costs and expenses:				
Home construction and land sales	401,742	296,729	794,047	591,693
Interest	8,176	7,066	15,938	14,064
Selling, general and administrative expense	55,139	41,428	107,691	81,524
Operating income	38,255	29,074	75,353	52,066
Other income/(expense)	1,378	(375)	2,232	129
Income before income taxes	39,633	28,699	77,585	52,195
Income taxes	15,456	11,192	30,258	20,356
Net income	\$24,177	\$17,507	\$47,327	\$31,839
Net income per share:				
Basic	\$2.84	\$2.15	\$5.59	\$3.92
Diluted	\$2.56	\$1.92	\$5.02	\$3.52
Weighted average shares outstanding, in thousands:				
Basic	8,524	8,151	8,464	8,126
Diluted	9,459	9,132	9,419	9,038
Interest incurred	\$9,646	\$8,619	\$17,789	\$16,272
Depreciation and amortization	\$1,870	\$2,044	\$3,837	\$4,128

SELECTED BALANCE SHEET DATA

	March 31,	
	2002	2001
Inventory	\$923,831	\$719,254
Total assets	1,018,456	786,832
Total debt	395,522	342,121
Shareholders' equity	399,393	302,589

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,	
	2002	2001	2002	2001
Closings:				
Southeast region	718	705	1,506	1,280
West region	1,081	751	2,065	1,517
Central region	257	148	492	308
Mid-Atlantic region	383	270	741	611
Total closings	2,439	1,874	4,804	3,716
New orders, net of cancellations:				
Southeast region	1,098	1,271	2,051	1,908
West region	1,273	1,035	2,246	1,739
Central region	358	305	590	449
Mid-Atlantic region	413	417	765	730
Total new orders	3,142	3,028	5,652	4,826
Backlog at end of period	4,825	4,039		
Dollar value of backlog at end of period	\$1,013,648	\$802,212		
Active subdivisions:				
Southeast region	147	127		
West region	76	68		
Central region	29	30		
Mid-Atlantic region	38	39		
Total active subdivisions	290	264		

SUPPLEMENTAL FINANCIAL DATA:	Quarter Ended		Six Months Ended	
	March 31,		March 31,	
	2002	2001	2002	2001
Revenues				
Home sales	\$495,057	\$359,057	\$977,093	\$720,176
Land and lot sales	2,900	11,618	5,524	11,948
Mortgage origination revenue	7,851	5,458	15,360	10,778
Intercompany elimination - mortgage	(2,496)	(1,836)	(4,948)	(3,555)
Total revenues	\$503,312	\$374,297	\$993,029	\$739,347
Cost of home construction and land sales				
Home sales	\$401,806	\$290,039	\$794,987	\$586,459
Land and lot sales	2,432	8,526	4,008	8,789
Intercompany elimination - mortgage	(2,496)	(1,836)	(4,948)	(3,555)
Total costs of home construction and land sales	\$401,742	\$296,729	\$794,047	\$591,693
Selling, general and administrative				
Homebuilding operations	\$50,818	\$38,329	\$99,178	\$75,446
Mortgage origination operations	4,321	3,099	8,513	6,078
Total selling, general and administrative	\$55,139	\$41,428	\$107,691	\$81,524

SOURCE Beazer Homes USA, Inc.

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