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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 8, 2003

HOVNANIAN ENTERPRISES, INC.  
(Exact Name of Registrant as Specified in Charter)

Delaware ----- (State or Other Jurisdiction of Incorporation)	1-8551 ----- (Commission File Number)	22-1851059 ----- (I.R.S. Employer Identification No.)
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10 Highway 35, P.O. Box 500  
Red Bank, New Jersey 07701  
(Address of Principal Executive Offices) (Zip Code)

(732) 747-7800  
(Registrant's telephone number, including area code)

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

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Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) EXHIBITS.

Exhibit 99.1 Earnings Press Release - Fiscal Fourth Quarter and  
Year Ended October 31, 2003.

Item 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On December 8, 2003, Hovnanian Enterprises, Inc. issued a press release announcing its preliminary financial results for the fiscal fourth quarter and year ended October 31, 2003. A copy of the Earnings Press Release is attached as Exhibit 99.1.

The information in this Current Report on Form 8-K and the Exhibit attached hereto is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The Earnings Press Release contains information about EBITDA, a non-GAAP financial measure. The most directly comparable GAAP financial measure to EBITDA is net income. A reconciliation of EBITDA to net income is contained in the Earnings Press Release.

Management believes EBITDA to be relevant and useful information as EBITDA is a standard measure commonly reported and widely used by analysts, investors and others to measure our financial performance and our ability to service our debt obligations. EBITDA is also one of several metrics used by our management to measure the cash generated from our operations. EBITDA does not take into account substantial costs of doing business, such as income taxes and interest expense. While many in the financial community consider EBITDA to be an important measure of comparative operating performance, it should be considered in addition to, but not as a substitute for, income before income taxes, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with accounting principles generally accepted in the United States that are presented on the financial

statements included in the Company's reports filed with the SEC. Additionally, our calculation of EBITDA may be different than the calculation used by other companies and, therefore, comparability may be affected.

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#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOVNANIAN ENTERPRISES, INC.  
(Registrant)

By: /s/ J. Larry Sorsby

-----  
Name: J. Larry Sorsby  
Title: Executive Vice President and  
Chief Financial Officer

Date: December 8, 2003

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#### INDEX TO EXHIBITS

Exhibit Number	Exhibit
- - - - -	- - - - -
Exhibit 99.1	Earnings Press Release - Fiscal Fourth Quarter and Year Ended October 31, 2003.

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HOVNIANIAN ENTERPRISES, INC.

NEWS RELEASE

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CONTACT: Kevin C. Hake	Brian A. Cheripka
Vice President and Treasurer	Assistant Director of Investor Relations
732-747-7800	732-747-7800

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HOVNIANIAN ENTERPRISES ANNOUNCES 83% INCREASE IN FISCAL 2003 EPS;  
ACHIEVES RECORD REVENUES, EARNINGS, DELIVERIES AND BACKLOG;  
RAISES PROJECTION FOR FISCAL 2004

HIGHLIGHTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2003

- o Net earnings reached a record \$7.85 per diluted share, an 83% increase from \$4.28 per diluted share in fiscal 2002. Hovnianian achieved record net earnings of \$257.4 million for fiscal 2003, an 87% increase above the net earnings of \$137.7 million in 2002.
- o Net earnings per diluted share have grown at a compound annual rate of 74% over the past three years and 47% over the past five years. Excluding earnings from acquisitions closed within the last twelve months, more than 90% of the growth in earnings were generated from the Company's organic operations.
- o Earnings for fiscal 2003 represent a return on beginning equity (ROE) of 45.8%, and an after tax return on beginning capital of 24.3%.
- o Total revenues increased 26% to \$3.2 billion in fiscal 2003 and the Company's pre-tax margin rose to 12.9% from 8.8% in fiscal 2002.
- o Management is increasing its projection for fiscal 2004 earnings to \$9.00 per diluted share, representing a \$0.75 increase over the previous projection of \$8.25 per diluted share for the year.
- o Homebuilding gross margin increased 350 basis points from 22.0% in 2002 to 25.5% in 2003.
- o EBITDA grew 61% to \$500.6 million in fiscal 2003, covering interest 7.5 times for the year. The Company's ratio of net recourse debt-to-capitalization at fiscal year-end was 45.4%, after taking into consideration approximately \$120 million of excess cash on the balance sheet.
- o Net contracts for the full year in fiscal 2003 increased 35% to \$3.29 billion on 12,285 homes compared to \$2.43 billion on 9,394 homes in fiscal 2002. The dollar value of net contracts for the fourth quarter increased 34% from 2002 to \$854 million.
- o Contract backlog as of October 31, 2003 was 5,761 homes with a sales value of \$1.53 billion, up 49% from the number of homes in last year's backlog.

RED BANK, NJ, December 8, 2003 -- Hovnianian Enterprises, Inc. (NYSE: HOV), a leading national homebuilder, announced today record financial results for its fiscal fourth quarter and year ended

October 31, 2003. In fiscal 2003, net income increased 87% to \$257.4 million, or \$7.85 per diluted share, compared to \$137.7 million, or \$4.28 per diluted share for fiscal 2002. Pre-tax earnings rose 82% to \$411.5 million in fiscal 2003 from \$225.7 million in fiscal 2002.

Consolidated earnings before interest expenses, income taxes, depreciation, amortization and other non-cash write-offs and charges ("EBITDA") for fiscal 2003 totaled \$500.6 million, a 61% increase from fiscal 2002.

The Company's ratio of net recourse debt-to-capitalization was 45.4%, at October 31, 2003, after taking more than \$120 million of excess cash into consideration. The average ratio of net debt to capitalization for the year was 47.4%. Shareholders' equity grew 46% to \$820 million at October 31, 2003 from \$563 million at the end of fiscal 2002.

Total revenue grew 26% to \$3.20 billion in fiscal 2003 from \$2.55 billion in fiscal 2002. Home deliveries increased 21% to 11,531 homes from 9,514 homes in the prior year. Total selling, general and administrative expense, including corporate expense, as a percentage of total revenue increased to 10.0% in fiscal 2003, from 9.7% last year. Earnings before taxes from Financial Services improved 26% to \$22.9 million in fiscal 2003 from \$18.2 million in the prior year.

#### FOURTH QUARTER PERFORMANCE

Revenue for the fourth quarter ended October 31, 2003 was \$1.05 billion compared to 2002's fourth quarter revenue of \$831.4 million. For fiscal 2003's fourth quarter, the Company reported net income of \$91.2 million, or \$2.79 per diluted share. This represents a 68% increase from \$54.4 million, or \$1.66 per diluted share, achieved in the fourth quarter of the previous fiscal year.

Sales continued to show strength through the end of the fiscal year, with fourth quarter net contracts up 36% year-to-year, from 2,413 homes to 3,271 homes. Deliveries in 2003's final quarter were 3,684 homes with a sales value of \$1.02 billion. This compares to 2,959 homes delivered with a sales value of \$805.3 million in the 4th quarter of fiscal 2002. Homebuilding gross margin, excluding land sales, increased to 25.9% in the fourth quarter of fiscal 2003, an increase of 40 basis points from 25.5% in the third quarter of 2003 and up 240 bps from 23.5% in the last quarter of fiscal 2002.

#### COMMENTS FROM MANAGEMENT

"We had another great year and are extremely pleased with the financial success we have achieved in fiscal 2003," said Ara K. Hovnanian, President and Chief Executive Officer of Hovnanian Enterprises. "For a sixth consecutive year we were able to achieve record growth in earnings while continuing to strengthen our financial position and improve our balance sheet. In fiscal 2003, we achieved a return on beginning equity of 45.8% and a return on beginning capital of 24.3%. These returns are among the highest in the industry and validate the success of our market concentration strategy, process improvement initiatives and diverse product offering", he added.

"I am very proud of the performance of our divisions and our excellent team of associates that have executed our strategy in each of our markets. Our financial success in fiscal 2003 clearly demonstrates the depth and vision of our organization and reflects our ability to match the right product to the right land opportunity. Our diverse product strategy allows us to build a broad array of products ranging from townhomes, condominiums, first time, move-up, luxury, and active adult homes. In addition, we are one of a few large builders that specialize in urban infill opportunities. As a result, we have efficiently been able to develop communities in areas where the supply and demand trends are favorable," said Mr.

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Hovnanian. "Throughout 2003, we have benefited from the ability to raise prices in certain communities and from the advantages of being a dominant builder in each of our markets. This is reflected in our financial performance, as our divisions have maximized earnings while carefully controlling our inventory position and balance sheet commitment," he added.

There was no outstanding balance on the Company's \$590 million unsecured revolving credit facility at the end of the year, and the Company had more than \$120 million in excess cash. This cash balance does not include the proceeds from the Company's recent senior note offering, which closed in early November. "The \$215 million issuance of the 6 1/2% senior notes strengthens our balance sheet and provides additional flexibility as we fund our growth and open new communities," said J. Larry Sorsby, Executive Vice President and Chief Financial Officer. "Through conservative management of our balance sheet we have been able to achieve record growth while simultaneously reducing our leverage. We expect to operate at or below a 50% average net recourse debt to capitalization ratio in fiscal 2004," he added.

"Over the past 12 months, we have successfully completed five acquisitions which have expanded our geographic footprint and provide us with a platform for accelerating future earnings growth," Mr. Hovnanian continued. "As we enter 2004, we continue to view selective acquisitions as the best way to enter new markets and have ample capacity to pursue selective growth opportunities. We remain focused on a two pronged growth strategy consisting of achieving more than 15% organic growth in earnings from our existing markets and making financially sound acquisitions in new markets," he added.

#### LOOKING AHEAD

"Since we do not factor any increase in home prices into our projections, we expect to benefit as the general economy continues to recover and meaningful job creation returns to our markets", stated Mr. Hovnanian. "Historically, the housing industry performs very well in a recovering economy, even with an accompanying increase in interest rates. Most importantly, we believe the significant consolidation and market share gains of the past several years will likely continue, to the benefit of the larger builders. Our own organic market share gains and acquisitions have contributed to our industry leading growth in earnings. We expect to continue to gain share in our markets, which will allow for our continued profitable growth, regardless of any changes in overall housing activity," he continued.

"Our current operating platform provides great confidence as we look ahead," said Mr. Hovnanian. "We will continue to focus on organic growth through the opening of additional communities in our current markets. At the same time, the acquisitions we have made over the past 12 months will begin to enhance our business as we deploy the additional capital necessary to grow their operations. We remain committed to our business strategy of becoming a dominant builder in each of our markets, and to deploying a wide array of products as a means to gain market share and achieve organic growth. Our diverse product offering and sizeable land position gives us confidence that we will be able to meet our future growth objectives," he said.

Net contracts for the month of November, which were announced last week, increased 55% from the same period in the prior year. "We are entering fiscal 2004 with the highest year-end backlog of home sales in our 44 year history and we are increasing our projection for earnings to \$9.00 per diluted share. Our revenues are expected to reach \$3.9 billion on more than 14,600 home deliveries," Mr. Hovnanian said. "With a backlog of \$1.5 billion, combined with the new communities we anticipate opening, we are well positioned to post another year of record earnings, sales, closings and backlog," Mr. Hovnanian stated.

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#### IN CLOSING

"Our talented team of Associates and trade partners has enabled us to achieve record financial results in 2003 and we remain focused on accomplishing our strategic goals for the future. We are confident that we will be able to achieve our targeted return on investment while we continue to grow our earnings," Mr. Hovnanian concluded.

Hovnanian Enterprises will webcast its fiscal year end earnings conference call at 11:00 a.m. EST tomorrow morning, December 9th, hosted by Ara K. Hovnanian, President and Chief Executive Officer of the Company. The webcast can be accessed live through the Investor Relations section of Hovnanian Enterprises' website at <http://www.khov.com>. For those who are not available to listen to the live webcast, an archive of the broadcast will be available under the "webcast" section of the Investors News page on the Hovnanian website at <http://www.khov.com>. The archive will be available for 12 months.

The Company has updated its summary projection for the fiscal year ending October 31, 2004. The summary projection is available on the Company Projection page of the Investors section of the Company's website at <http://www.khov.com>.

Hovnanian Enterprises, Inc., founded in 1959 by Kevork S. Hovnanian, Chairman, is headquartered in Red Bank, New Jersey. The Company is one of the nation's largest homebuilders with operations in Arizona, California, Florida, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia and West Virginia. The Company's homes are marketed and sold under the trade names K. Hovnanian, Washington Homes, Goodman Homes, Matzel & Mumford, Diamond Homes, Westminster Homes, Fortis Homes, Forecast Homes, Parkside Homes, Brighton Homes, Parkwood Builders, Summit Homes, Great Western Homes and Windward Homes. As the developer of K. Hovnanian's Four Seasons communities, the Company is also one of the nation's largest builders of active adult homes.

Additional information on Hovnanian Enterprises, Inc., including a summary investment profile and the Company's 2002 annual report, can be accessed through the Investors page of the Hovnanian Web site at <http://www.khov.com>. To be added to Hovnanian's investor e-mail or fax lists, please send an email to [IR@khov.com](mailto:IR@khov.com) or sign up at <http://www.khov.com>.

#### NON-GAAP FINANCIAL MEASURES:

EBITDA IS NOT A GENERALLY ACCEPTED ACCOUNTING PRINCIPLE (GAAP) FINANCIAL MEASURE. THE MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURE IS NET INCOME. THE RECONCILIATION OF EBITDA TO NET INCOME IS PRESENTED IN A TABLE ATTACHED TO THIS EARNINGS RELEASE.



-----  
-----  
(Unaudited)  
Total  
Revenues  
\$1,045,588  
\$ 831,410  
\$3,201,857  
\$2,551,106  
Costs and  
Expenses  
899,442  
739,011  
2,790,339  
2,325,376  
-----  
-----  
-----

Income  
Before  
Income  
Taxes  
146,146  
92,399  
411,518  
225,730  
Provision  
for Taxes  
54,897  
37,961  
154,138  
88,034 ---  
-----  
-----  
-----

Net Income  
\$ 91,249 \$  
54,438 \$  
257,380 \$  
137,696  
=====

Per Share  
Data:  
Basic:  
Income per  
common  
share \$  
2.97 \$  
1.75 \$  
8.31 \$  
4.53  
Weighted  
Average  
Number of  
Common  
Shares  
Outstanding  
30,709  
31,089  
30,960  
30,405  
Assuming  
Dilution:  
Income per  
common  
share \$  
2.79 \$  
1.66 \$  
7.85 \$  
4.28  
Weighted  
Average  
Number of  
Common  
Shares  
Outstanding

32,659  
32,886  
32,769  
32,155

HOVNANIAN ENTERPRISES, INC.  
OCTOBER 31, 2003  
Homebuilding Gross Margin  
(Dollars in Thousands)

Homebuilding  
Gross  
Margin  
Homebuilding  
Gross  
Margin  
Three  
Months  
Ended  
Twelve  
Months  
Ended

October 31,  
October 31,  
-----  
-----  
-----  
-----  
-----  
-- 2003  
2002 2003  
2002 -----  
-----  
-----  
-----  
-----

(Unaudited)  
Sale of  
Homes  
\$1,025,042  
\$ 805,282  
\$3,129,830  
\$2,462,095  
Cost of  
Sales  
759,087  
616,330  
2,331,393  
1,919,941 -  
----- -  
----- -  
----- -  
-----

Homebuilding  
Gross  
Margin \$  
265,955 \$  
188,952 \$  
798,437 \$  
542,154  
=====

=====

Gross  
Margin  
Percentage  
25.9% 23.5%  
25.5% 22.0%  
Land Sales  
Gross  
Margin Land  
Sales Gross  
Margin





Taxes	
54,897	
37,961	
154,138	
88,034	
Interest	
expense	
19,350	
18,018	
63,658	
60,371	----
-----	
-----	
EBIT 1	
\$165,496	
\$110,417	
\$475,176	
\$286,101	
Depreciation	
1,768	1,504
6,714	6,506
Amortization	
Debt Fees	
364	314
2,978	2,119
Amortization	
of	
Intangibles	
4,082	1,167
13,047	
3,889	Asset
Write-off	
2,723	412
2,723	
12,412	----
-----	
-----	
EBITDA2	
\$174,433	
\$113,814	
\$500,638	
\$311,027	
=====	
=====	
=====	
=====	
INTEREST	
INCURRED \$	
18,100	\$
15,404	\$
66,332	\$
57,406	
EBITDA TO	
INTEREST	
INCURRED	
9.6	7.4
7.5	
5.4	

- (1) EBIT is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income. EBIT represents earnings before interest expense and income taxes.
- (2) EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income. EBITDA represents earnings before interest expense, income taxes, depreciation, amortization and other non-cash, non-recurring write-offs and charges.

Months  
 Ended  
 Twelve  
 Months  
 Ended  
 October,  
 31  
 October,  
 31 -----  
 -----  
 -----  
 -----  
 -----

2003 2002  
 2003 2002  
 -----  
 -----  
 -----

(Unaudited)  
 Interest  
 Capitalized  
 at

Beginning  
 of Period  
 \$26,083  
 \$24,773  
 \$22,159  
 \$25,124  
 Plus  
 Interest  
 Incurred  
 18,100  
 15,404  
 66,332  
 57,406  
 Less  
 Interest  
 Expensed  
 19,350  
 18,018  
 63,658  
 60,371 ---  
 -----  
 -----

Interest  
 Capitalized  
 at End of  
 Period  
 \$24,833  
 \$22,159  
 \$24,833  
 \$22,159  
 =====  
 =====  
 =====  
 =====

HOVNANIAN ENTERPRISES, INC.  
 SUMMARY FINANCIAL PROJECTION  
 (Dollars in Millions except per share or where noted)  
 (Unaudited)

Projection  
 Fiscal  
 Year  
 Fiscal  
 Year  
 Fiscal  
 Year

Fiscal  
Year  
10/31/01  
10/31/02  
10/31/03  
10/31/04 -  
-----  
-----  
- - - - -  
-----

Total  
Revenues  
(\$  
Billion)  
\$1.74  
\$2.55  
\$3.20  
\$3.90  
Income  
Before  
Income  
Taxes  
\$106.4  
\$225.7  
\$411.5  
\$474.2  
Pre-tax  
Margin  
6.1% 8.8%  
12.9%  
12.2% Net  
Income  
\$63.7  
\$137.7  
\$257.4  
\$295.0  
Earnings  
Per Share  
(FULLY  
DILUTED)  
\$2.29  
\$4.28  
\$7.85  
\$9.00

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In Thousands)

October 31,  
October 31,  
ASSETS 2003  
2002 -----  
-----  
--

Homebuilding:  
Cash and  
cash  
equivalents  
\$ 121,913 \$  
262,675 ----  
-----  
-----  
Inventories  
- At the  
lower of

cost or fair  
value: Sold  
and unsold  
homes and  
lots under  
development  
1,184,907  
803,829 -----  
-----  
----- Land  
and land  
options held  
for future  
development  
or sale  
270,502  
171,081 -----  
-----

Consolidated  
Inventory  
Not Owned:  
Specific  
performance  
options  
56,082  
67,183  
Variable  
interest  
entities  
100,327  
Other  
options  
48,226  
39,489 -----  
-----

----- Total  
Consolidated  
Inventory  
Not Owned  
204,635  
106,672 -----  
-----

----- Total  
Inventories  
1,660,044  
1,081,582 --  
-----

-----  
Receivables,  
deposits,  
and notes  
42,506  
26,276 -----  
-----

-----  
Property,  
plant, and  
equipment -  
net 26,263  
19,242 -----  
-----

----- Senior  
residential  
rental  
properties -  
net 9,118  
9,504 -----  
-----

----- Prepaid  
expenses and  
other assets  
97,407  
86,582 -----  
-----

-----  
Goodwill and  
indefinite  
life  
intangibles  
82,658

82,275 -----  
 -----  
 -----  
 Definite  
 life  
 intangibles  
 56,978 -----  
 -----  
 ----- Total  
 Homebuilding  
 2,096,887  
 1,568,136 --  
 -----  
 -----  
 Financial  
 Services:  
 Cash and  
 cash  
 equivalents  
 6,308 7,315  
 Mortgage  
 loans held  
 for sale  
 224,052  
 91,451 Other  
 assets 3,945  
 11,226 -----  
 -----  
 ----- Total  
 Financial  
 Services  
 234,305  
 109,992 -----  
 -----  
 ----- Income  
 Taxes  
 Receivable -  
 Including  
 deferred tax  
 benefits  
 1,179 -----  
 -----  
 --- Total  
 Assets  
 \$2,332,371  
 \$1,678,128  
 =====  
 =====

HOVNIANIAN ENTERPRISES, INC. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS  
 (In Thousands)

October 31,  
 October 31,  
 LIABILITIES  
 AND  
 STOCKHOLDERS'  
 EQUITY 2003  
 2002 -----  
 -----  
 -----  
 Homebuilding:  
 Nonrecourse  
 land  
 mortgages \$  
 43,795 \$  
 11,593  
 Accounts  
 payable and  
 other  
 liabilities  
 229,986  
 198,290  
 Customers'  
 deposits

58,376  
 40,422  
 Nonrecourse  
 mortgages  
 secured by  
 operating  
 properties  
 710 3,274  
 Liabilities  
 from  
 inventory  
 not owned  
 94,780  
 97,983 -----  
 -----  
 ----- Total  
 Homebuilding  
 427,647  
 351,562 ----  
 -----  
 -----  
 Financial  
 Services:  
 Accounts  
 payable and  
 other  
 liabilities  
 5,917 4,857  
 Mortgage  
 warehouse  
 line of  
 credit  
 166,711  
 85,498 -----  
 -----  
 ----- Total  
 Financial  
 Services  
 172,628  
 90,355 -----  
 -----  
 ----- Notes  
 Payable:  
 Term loan  
 115,000  
 115,000  
 Senior notes  
 387,166  
 396,390  
 Senior  
 subordinated  
 notes  
 300,000  
 150,000  
 Accrued  
 interest  
 15,675 9,555  
 -----  
 -----  
 Total Notes  
 Payable  
 817,841  
 670,945 ----  
 -----  
 -----  
 Income Taxes  
 Payable -  
 Net of  
 deferred tax  
 benefits 777  
 -----  
 -----  
 Total  
 Liabilities  
 1,418,116  
 1,113,639 --  
 -----  
 -----  
 Minority  
 interest  
 from

inventory  
not owned  
90,252 -----  
-----

-----  
Minority  
interest  
from  
consolidated  
joint  
ventures  
4,291 1,940  
-----

-----  
Stockholders'

Equity:  
Preferred  
Stock, \$.01  
par value-  
authorized  
100,000

shares; none  
issued

Common  
Stock, Class

A, \$.01 par  
value-  
authorized

87,000,000  
shares;  
issued

28,016,497  
shares in

2003 and  
27,453,994  
shares in

2002  
(including

5,390,218  
shares in

2003 and  
4,343,240  
shares in

2002 held in  
Treasury)

280 275

Common  
Stock, Class

B, \$.01 par  
value

(convertible  
to Class A  
at time of

sale) -  
authorized

13,000,000  
shares;  
issued

7,768,508  
shares in

2003 and  
7,788,061  
shares in

2002 (both  
years  
include

345,874  
shares held  
in Treasury)

78 78 Paid  
in Capital

163,712  
152,977

Retained  
Earnings

705,182  
447,802

Deferred  
Compensation

(21)

Treasury



Stock - at  
 cost  
 (49,540)  
 (38,562) ---  
 -----  
 -----  
 Total  
 Stockholders'  
 Equity  
 819,712  
 562,549 ----  
 -----  
 -----  
 Total  
 Liabilities  
 and  
 Stockholders'  
 Equity \$  
 2,332,371 \$  
 1,678,128  
 =====  
 =====

HOVNIANIAN ENTERPRISES, INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF INCOME  
 (In Thousands Except Per Share Data)

Year Ended --  
 -----  
 -----  
 -----  
 --- October  
 October  
 October 31,  
 2003 31, 2002  
 31, 2001 ----  
 -----  
 -----  
 -- Revenues:  
 Homebuilding:  
 Sale of homes  
 \$3,129,830  
 \$2,462,095  
 \$1,693,717  
 Land sales  
 and other  
 revenues  
 20,742 48,241  
 16,845 -----  
 -----  
 -----  
 Total  
 Homebuilding  
 3,150,572  
 2,510,336  
 1,710,562  
 Financial  
 Services  
 51,285 40,770  
 31,428 -----  
 -----  
 -----  
 Total  
 Revenues  
 3,201,857  
 2,551,106  
 1,741,990 ---  
 -----  
 -----  
 --- Expenses:  
 Homebuilding:  
 Cost of sales  
 2,342,324  
 1,955,838  
 1,355,381  
 Selling,





31ST -----

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-- 2003  
2002 %  
CHANGE  
2003 2002  
% CHANGE  
2003 2002  
% CHANGE -

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Northeast

Homes 799

494 61.7%

847 675

25.5%

2,218

1,397

58.8%

Dollars

219,102

154,623

41.7%

279,252

205,079

36.2%

581,864

416,264

39.8% Avg.

Price

274,220

313,003

(12.4%)

329,695

303,821

8.5%

262,337

297,970

(12.0%)

SOUTHEAST

Homes 841

555 51.5%

787 818

(3.8%)

1,761

1,221

44.2%

Dollars

230,807

138,802

66.3%

202,345

207,671

(2.6%)

526,348

331,682

58.7% Avg.

Price

274,444

250,093

9.7%

257,109

253,877

1.3%

298,892

271,648

10.0%

SOUTHWEST  
 Homes 803  
 269 198.5%  
 912 287  
 217.8% 989  
 277 257.0%  
 Dollars  
 142,411  
 55,893  
 154.8%  
 172,298  
 67,403  
 155.6%  
 157,656  
 60,532  
 160.4%  
 Avg. Price  
 177,349  
 207,779  
 (14.6%)  
 188,923  
 234,854  
 (19.6%)  
 159,410  
 218,528  
 (27.1%)  
 WEST Homes  
 828 1,074  
 (22.9%)  
 1,138  
 1,126 1.1%  
 793 955  
 (17.0%)  
 Dollars  
 261,608  
 283,607  
 (7.8%)  
 371,147  
 316,412  
 17.3%  
 264,536  
 267,305  
 (1.0%)  
 Avg. Price  
 315,951  
 264,067  
 19.6%  
 326,140  
 281,005  
 16.1%  
 333,589  
 279,900  
 19.2%  
 OTHER  
 Homes --  
 21 -- --  
 53 -- -- 7  
 -- Dollars  
 -- 3,206 -  
 - -- 8,717  
 -- -- 945  
 -- Avg.  
 Price --  
 152,679 --  
 -- 164,472  
 -- --  
 134,986 --  
 TOTAL  
 Homes  
 3,271  
 2,413  
 35.6%  
 3,684  
 2,959  
 24.5%  
 5,761  
 3,857  
 49.4%  
 Dollars  
 853,927  
 636,131





298,892  
271,648  
10.0%  
SOUTHWEST  
Homes  
2,525  
1,047  
141.2%  
2,431  
1,033  
135.3% 989  
277 257.0%  
Dollars  
480,609  
227,302  
111.4%  
481,634  
240,181  
100.5%  
157,655  
60,532  
160.4%  
Avg. Price  
190,340  
217,098  
(12.3%)  
198,122  
232,508  
(14.8%)  
159,409  
218,528  
(27.1%)  
WEST Homes  
3,822  
3,468  
10.2%  
3,984  
3,220  
23.7% 793  
955  
(17.0%)  
Dollars  
1,144,582  
917,615  
24.7%  
1,190,516  
852,373  
39.7%  
264,536  
267,305  
(1.0%)  
Avg. Price  
299,472  
264,595  
13.2%  
298,824  
264,712  
12.9%  
333,589  
279,900  
19.2%  
OTHER  
Homes 2  
193  
(99.0%) 9  
311  
(97.1%) --  
7 --  
Dollars  
313 30,067  
(99.0%)  
1,261  
48,963  
(97.4%) --  
945 --  
Avg. Price  
156,700  
155,790  
0.6%  
140,111  
157,437



