Hovnanian Enterprises, Inc.

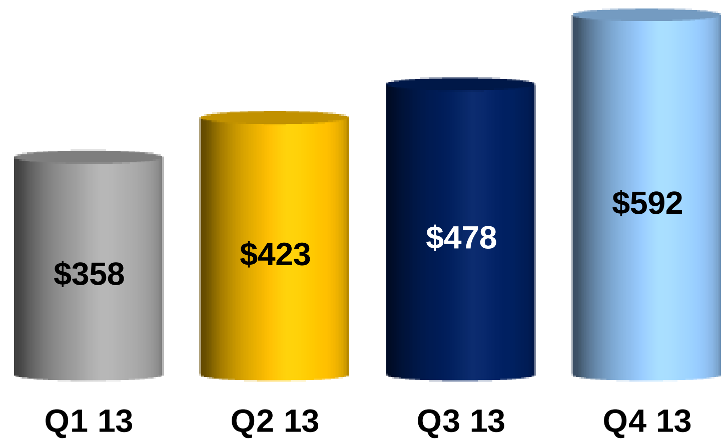
Review of Financial Results
Fourth Quarter Fiscal 2013

Note: **All statements in this presentation that are not historical facts should be considered as "forward-looking statements." Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although we believe that our plans, intentions and expectations reflected in, or suggested by, such forward looking statements are reasonable, we can give no assurance that such plans, intentions, or expectations will be achieved. Such risks, uncertainties and other factors include, but are not limited to, (1) changes in general and local economic and industry and business conditions and impacts of the sustained homebuilding downturn, (2) adverse weather and other environmental conditions and natural disasters, (3) changes in market conditions and seasonality of the Company's business, (4) changes in home prices and sales activity in the markets where the Company builds homes, (5) government regulation, including regulations concerning development of land, the home building, sales and customer financing processes, tax laws, and the environment, (6) fluctuations in interest rates and the availability of mortgage financing, (7) shortages in, and price fluctuations of, raw materials and labor, (8) the availability and cost of suitable land and improved lots, (9) levels of competition, (10) availability of financing to the Company, (11) utility shortages and outages or rate fluctuations, (12) levels of indebtedness and restrictions on the Company's operations and activities imposed by the agreements governing the Company's outstanding indebtedness, (13) the Company's sources of liquidity, (14) changes in credit ratings, (15) availability of net operating loss carryforwards, (16) operations through joint ventures with third parties, (17) product liability litigation, warranty claims and claims by mortgage investors, (18) successful identification and integration of acquisitions, (19) significant influence of the Company's controlling stockholders, (20) changes in tax laws affecting the after-tax costs of owning a home, (21) geopolitical risks, terrorist acts and other acts of war, and (22) other factors described in detail in the Company's Annual Report on Form 10-K for the year ended October 31, 2012. Except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.**

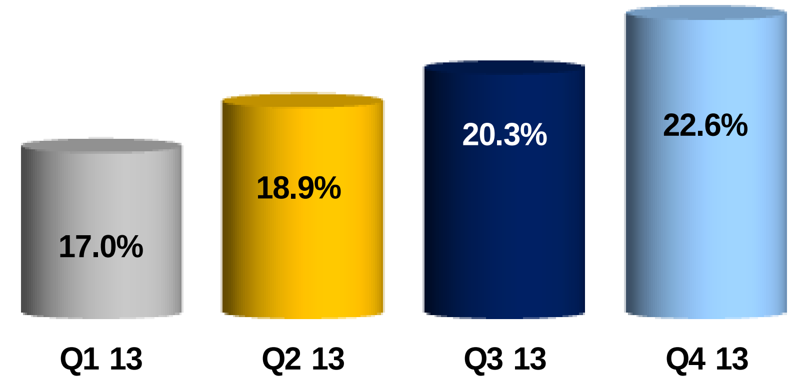
Improving Operating Results

Total Revenues

$ in millions

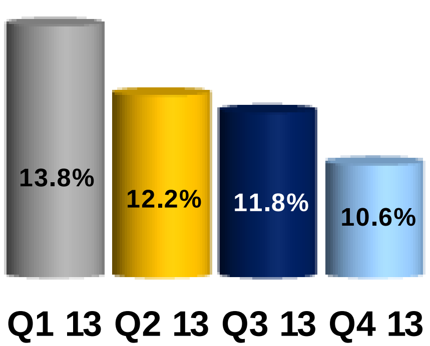


Homebuilding Gross Margin

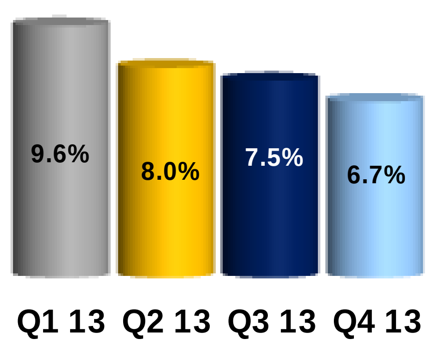


Total SG&A & Interest Expenses as a % of Total Revenues

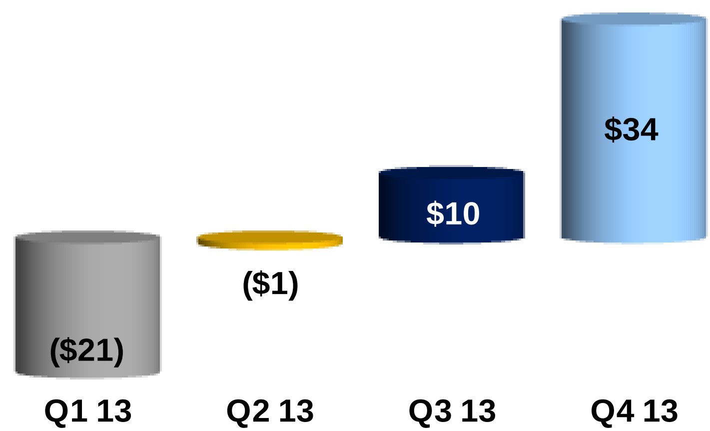
SG&A



Interest



Pre-tax Income (Loss)



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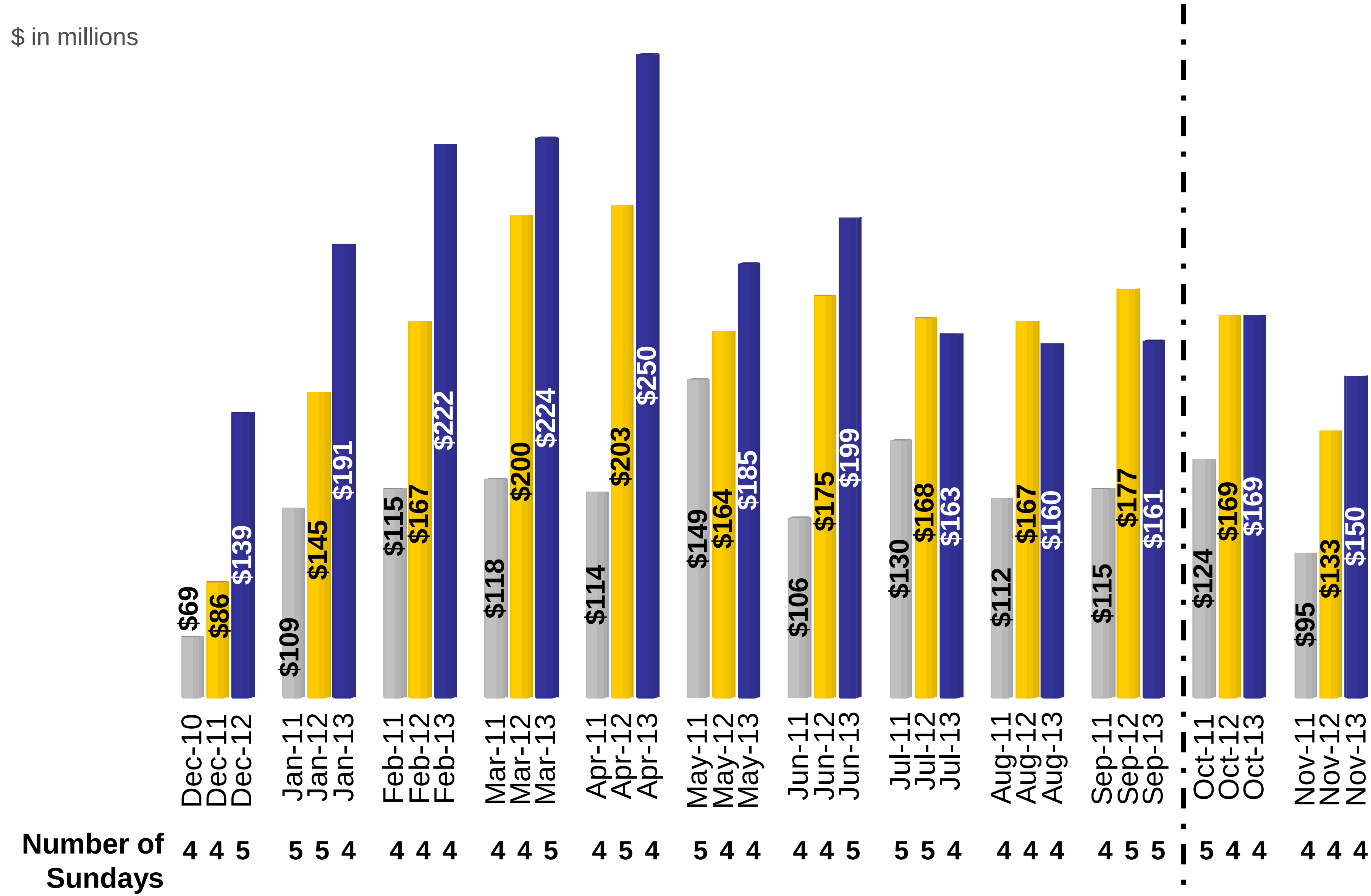
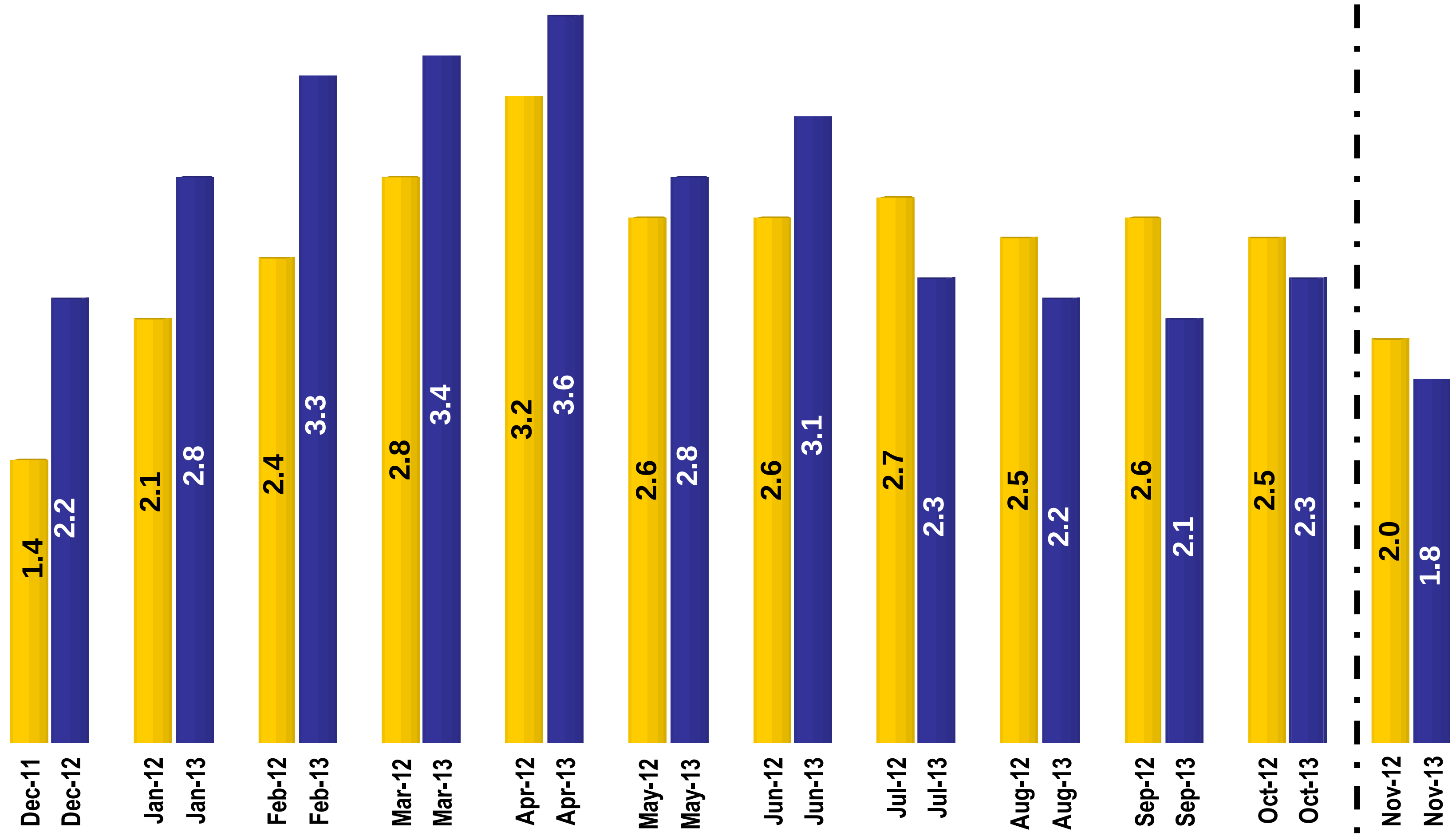
Dollar Amount of Net Contracts Per Month



Includes unconsolidated joint ventures.

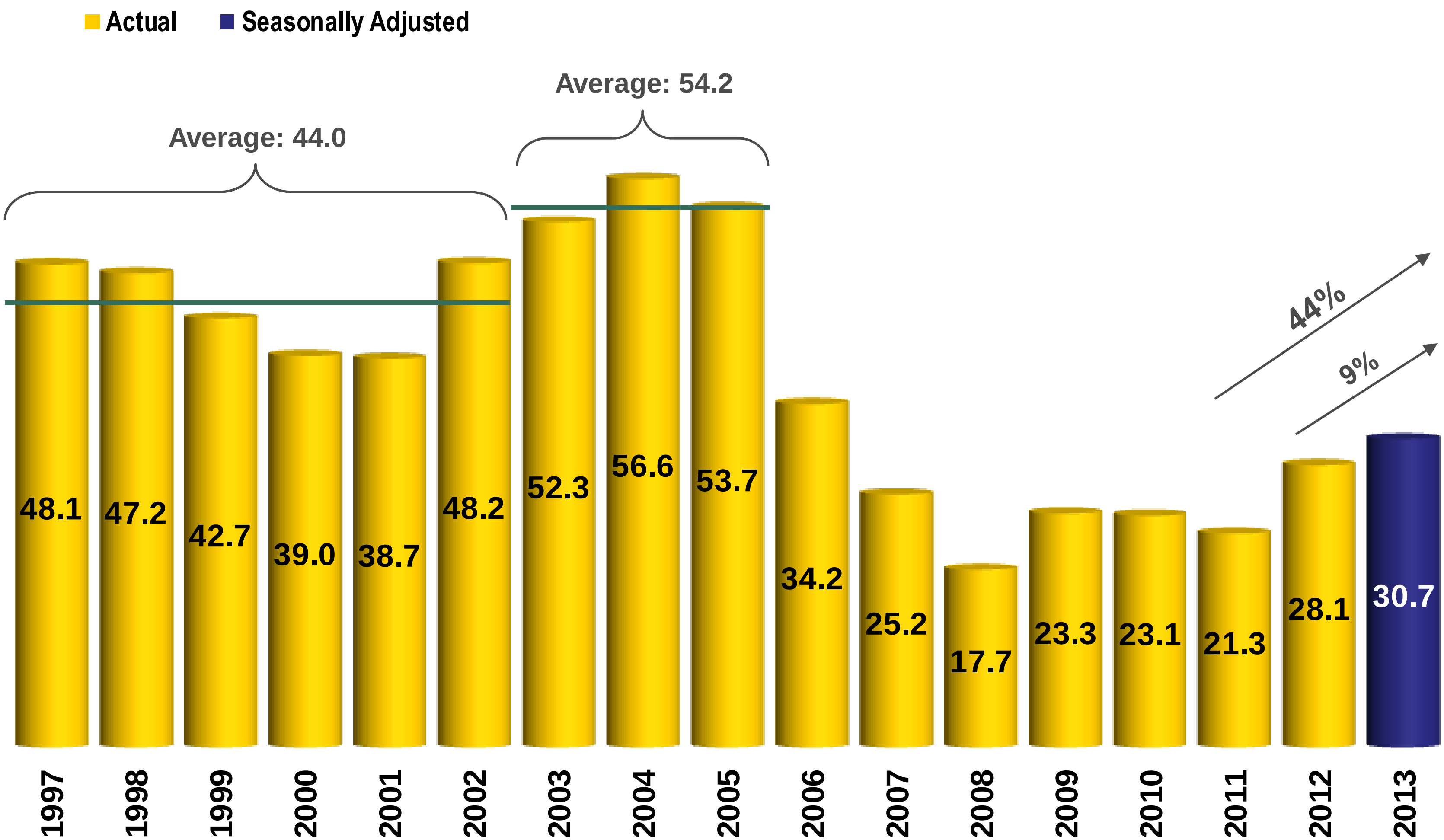
Monthly Net Contracts Per Active Selling Community



Number of Sundays	4	5	5	4	4	4	4	5	5	4	4	4	4	5	5	4	4	4	5	5	4	4	4	4
	Dec-11	Dec-12	Jan-12	Jan-13	Feb-12	Feb-13	Mar-12	Mar-13	Apr-12	Apr-13	May-12	May-13	Jun-12	Jun-13	Jul-12	Jul-13	Aug-12	Aug-13	Sep-12	Sep-13	Oct-12	Oct-13	Nov-12	Nov-13
Monthly Net Contracts	297	409	457	550	528	622	612	640	635	688	506	534	506	583	529	451	484	433	495	417	464	465	385	382

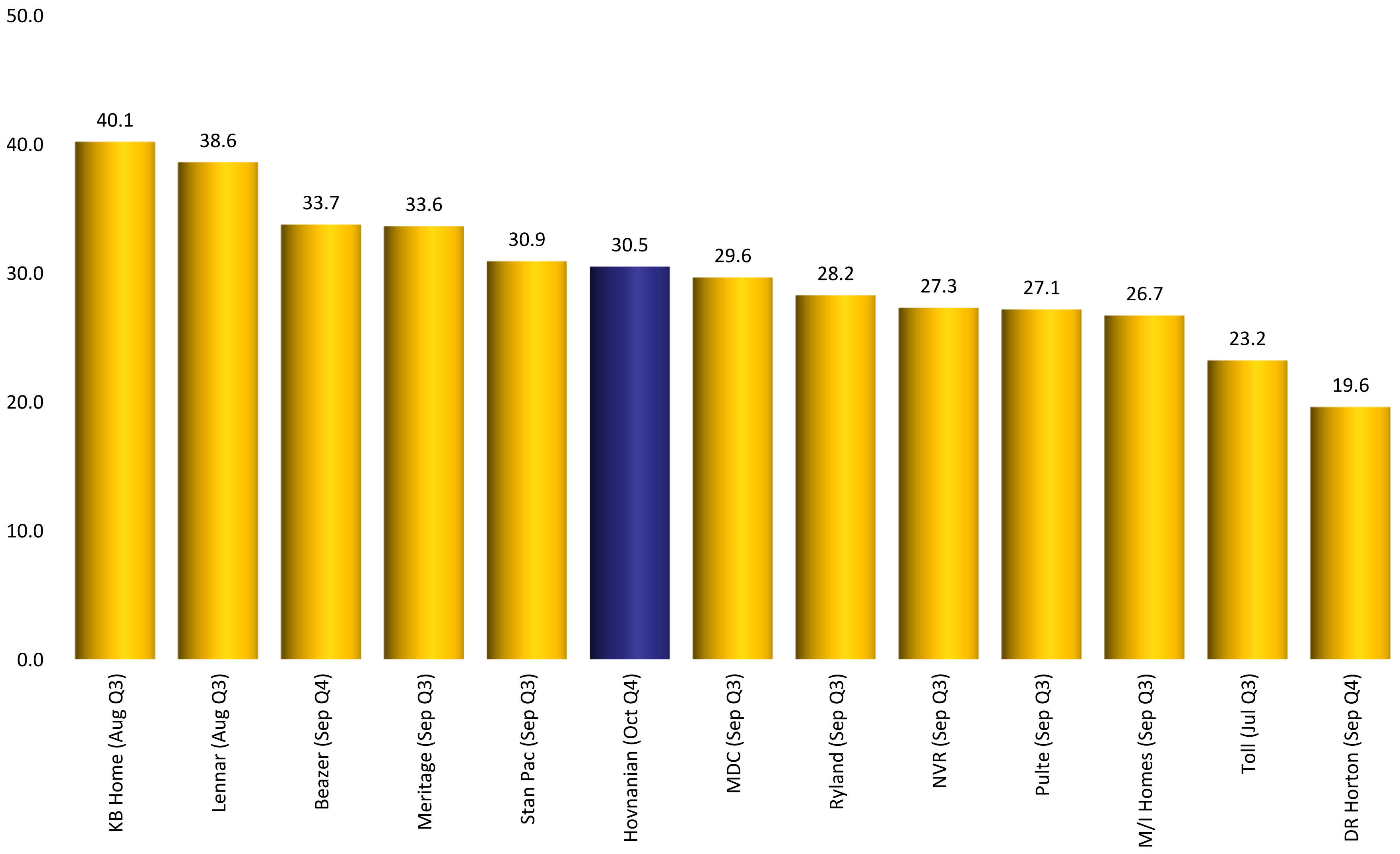
Includes unconsolidated joint ventures.

Annual Net Contracts Per Active Selling Community



Calculated based on a five quarter average of active selling communities, excluding unconsolidated joint ventures.

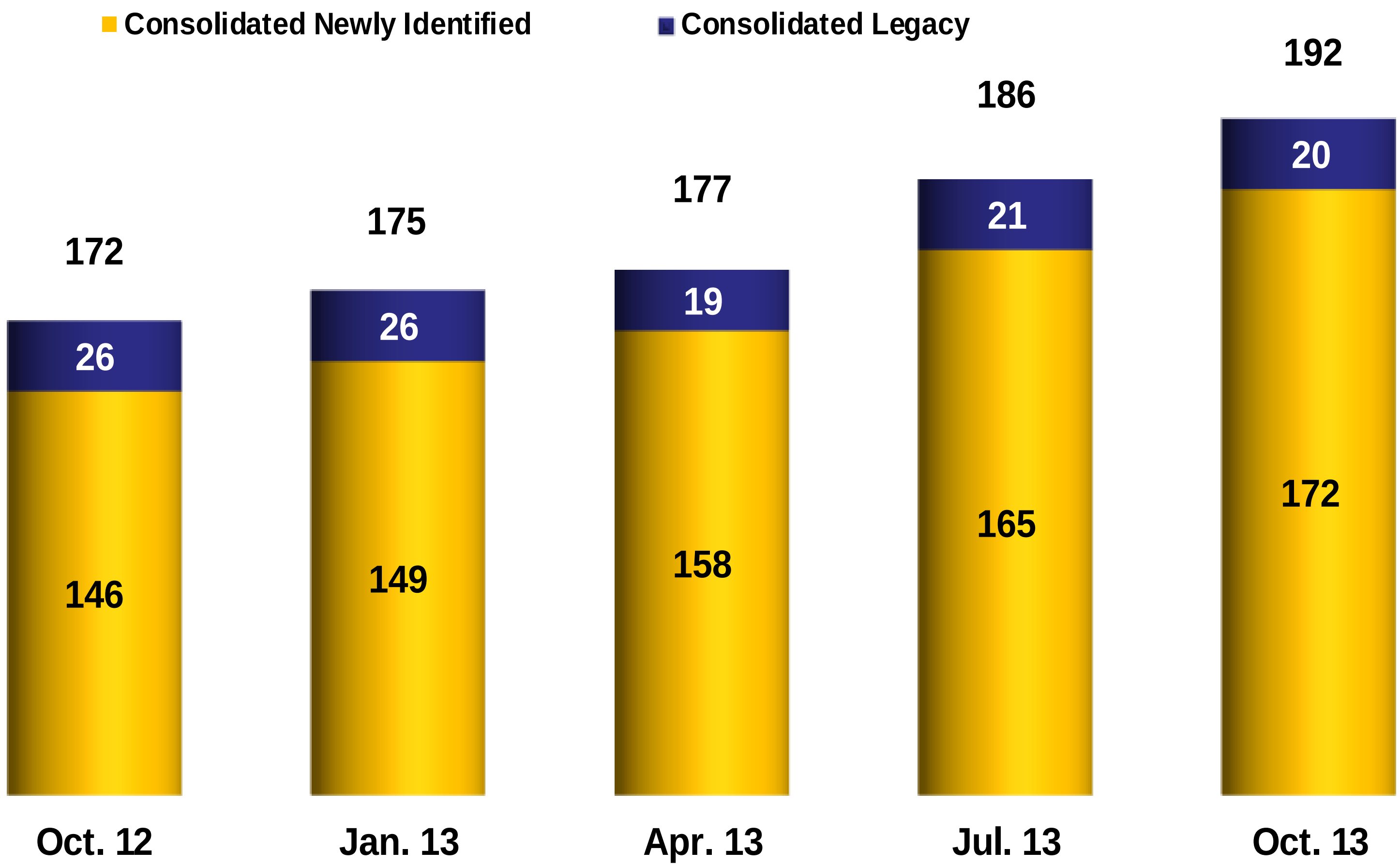
Net Contracts per Community, Trailing Twelve Months



Calculated based on year-end average of actual selling communities, excluding unconsolidated joint ventures.
Source: Company SEC filings, press releases as of 12/12/13

Active Selling Communities

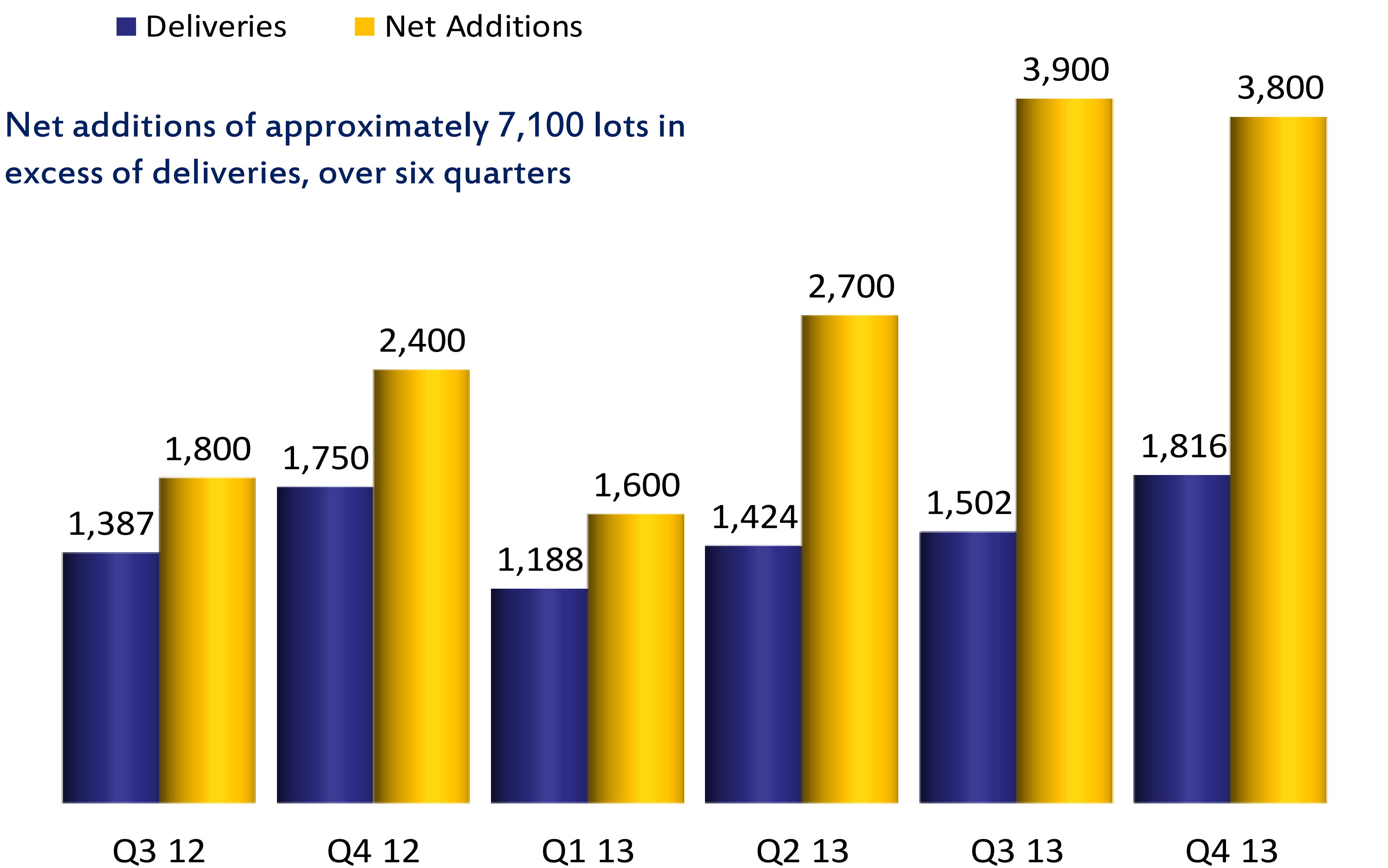
During fiscal 2013, we opened 91 communities and closed out 71 communities.



Unconsolidated Joint Ventures	17	18	13	12	10

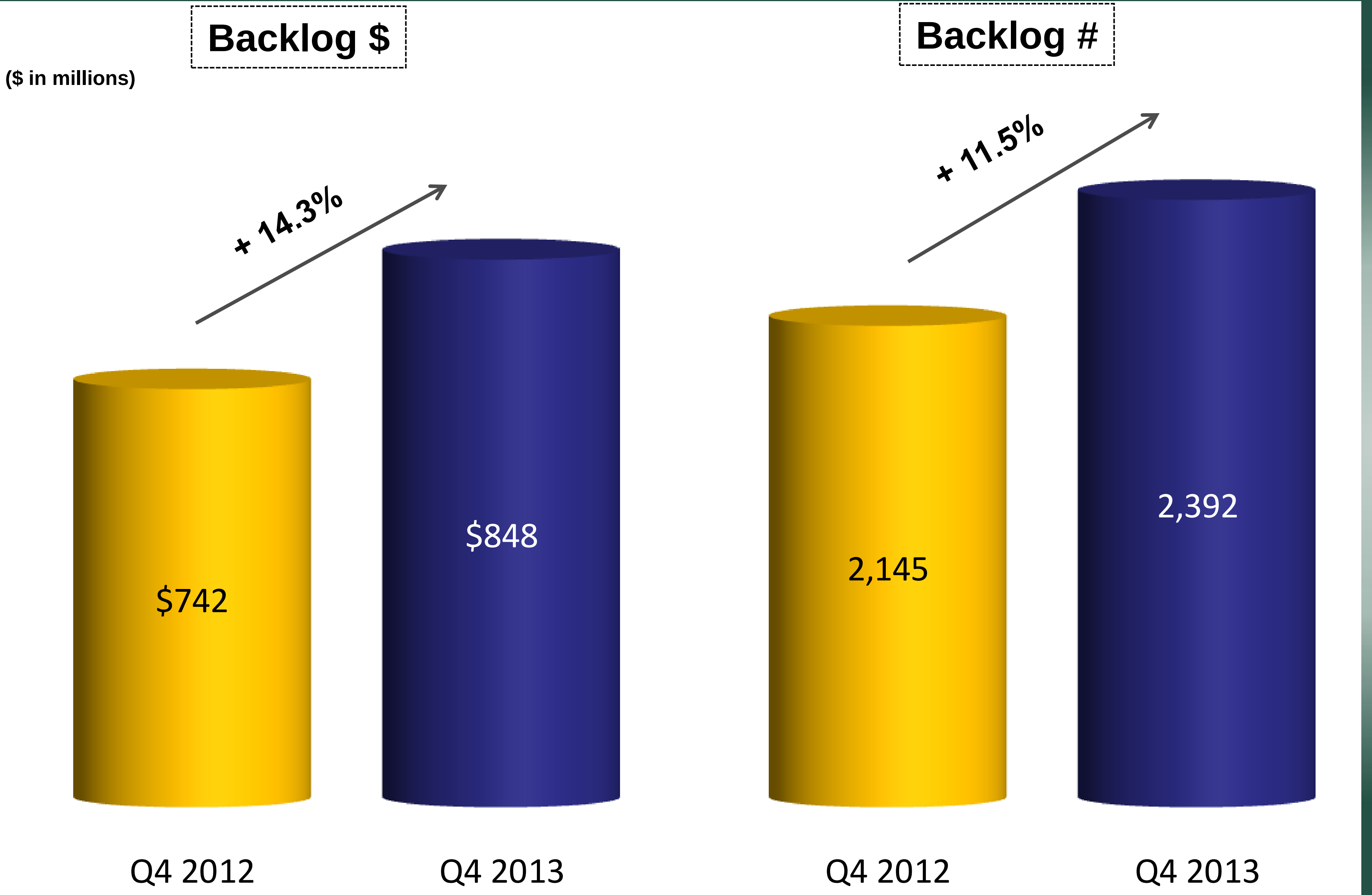
Active selling communities are open for sale communities with 10 or more home sites available.

Increasing Lots Controlled



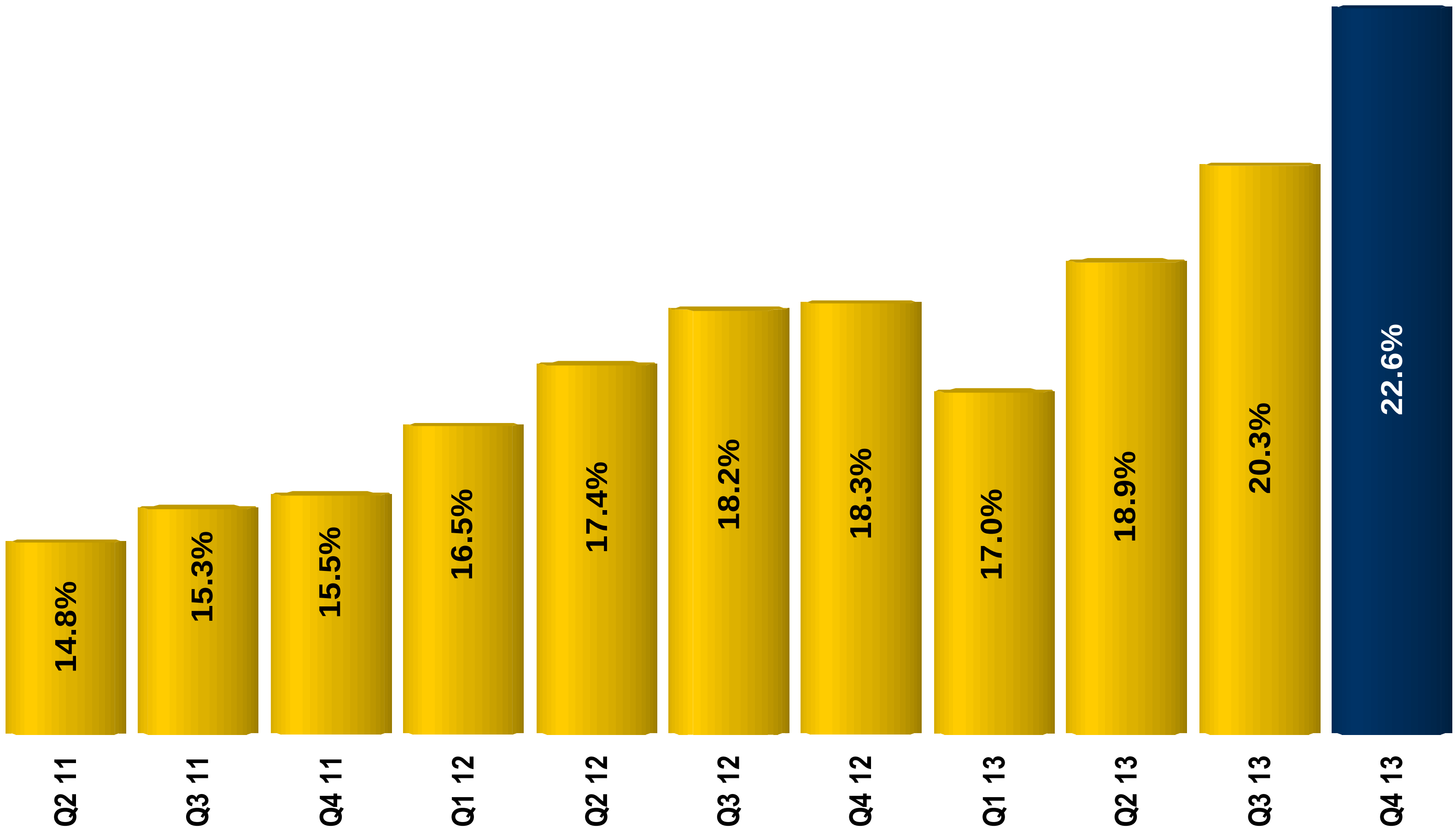
Note: Net additions include new options, new lots purchased but not previously optioned and walk aways from new options, including unconsolidated joint ventures.
Note: Deliveries include unconsolidated joint ventures.

Backlog Growth Should Lead to Increased Revenues



Includes unconsolidated joint ventures.

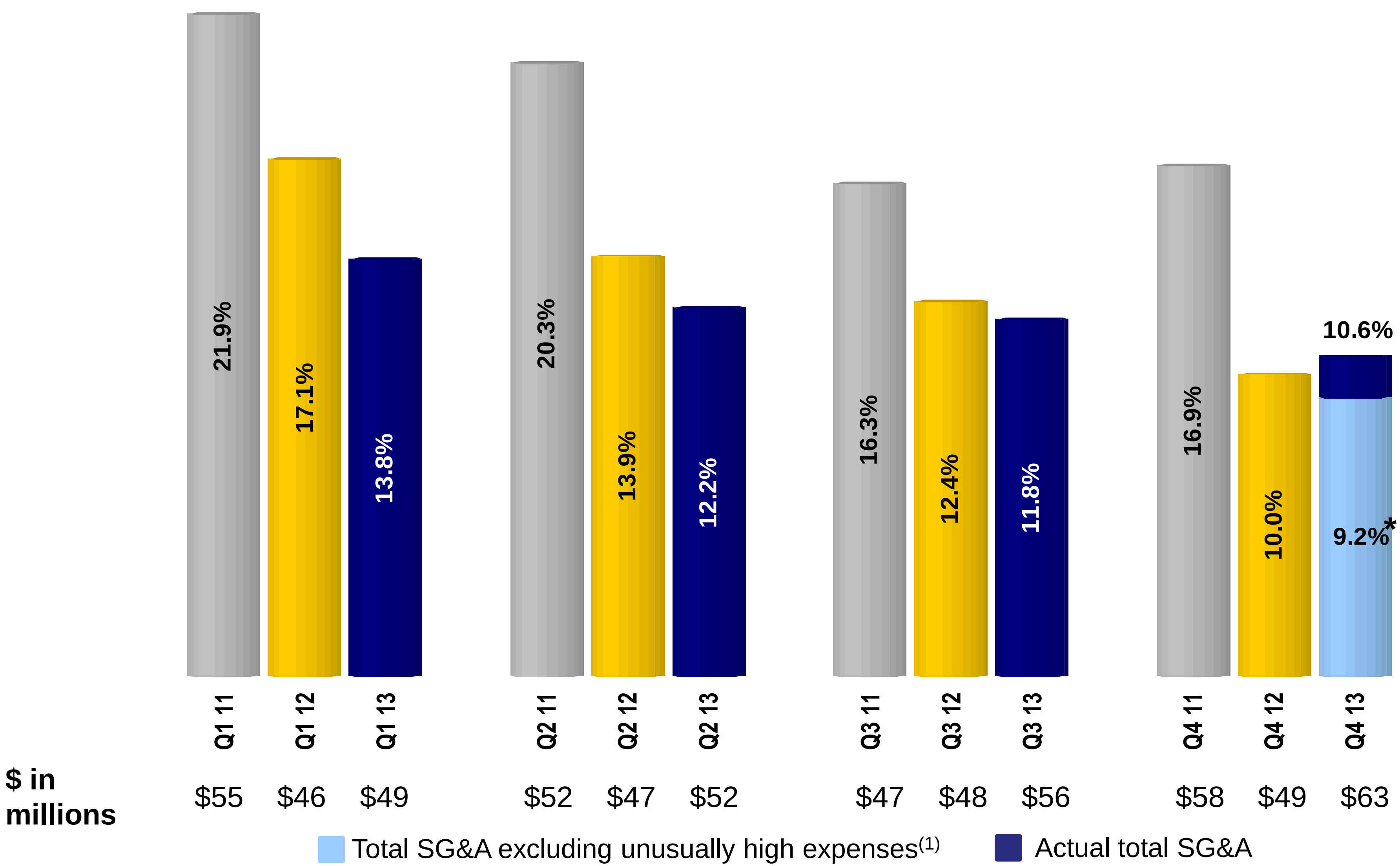
Gross Margin Improvements



	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13	Q4 13
% of Deliveries from Newly Acquired Land	**39%**	**43%**	**58%**	**58%**	**61%**	**67%**	**71%**	**74%**	**76%**	**77%**	**76%**

Excludes interest related to homes sold.
During the fourth quarter of 2013, there were $19.2 million of impairment reversals related to deliveries, compared to $20.7 million in the fourth quarter of 2012.

Leveraging our SG&A Expenses



Note: Total SG& A as a percentage of total revenues. Total SG&A includes homebuilding selling, general and administrative and corporate general and administrative.
** Hovnanian excludes $8.5 million of unusually high expenses due to a substantial increase in our construction defect reserve based on our annual actuarial study, as well as a reserve for a receivable from a prior year land sale.*

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Reloading Our Land Position

Lots Purchased or Optioned Since January 31, 2009

	Lots	Communities
Purchased	16,100	507(1)
Optioned	13,300	
Joint Venture	4,500	35
Total	**33,900**	**542**

Roll Forward First Quarter

Total Additions	1,800
Walk Aways	-200
Net Change	1,600

Roll Forward Second Quarter

Total Additions	3,100
Walk Aways	-400
Net Change	2,700

Roll Forward Third Quarter(2)

Total Additions	4,100
Walk Aways	-200
Net Change	3,900

Roll Forward Fourth Quarter

Total Additions	4,500
Walk Aways	-700
Net Change	3,800

As of October 31, 2013 approximately 22,500 lots remaining.

Notes: *(1) Excludes 112 communities where we walked away from all of the lots in those communities.*
(2) Third quarter 2013 total additions included 4,000 new options and 100 lots purchased but not controlled prior to 05/01/13.

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Land Positions by Geographic Segment

October 31, 2013

 # Lots

	Owned			
Segment	**Excluding Mothballed Lots**	**Mothballed Lots**	**Optioned**	**Total**
Northeast	1,088	1,003	2,677	4,768
Mid-Atlantic	2,353	280	2,965	5,598
Midwest	2,488	108	1,948	4,544
Southeast	860	495	2,480	3,835
Southwest	2,337	0	4,723	7,060
West	715	4,599	730	6,044
Total	9,841	6,485	15,523	31,849

- *86% of options are newly identified lots*
- *Excluding mothballed lots, 79% of owned and optioned lots are newly identified lots*

Excluding unconsolidated joint ventures.

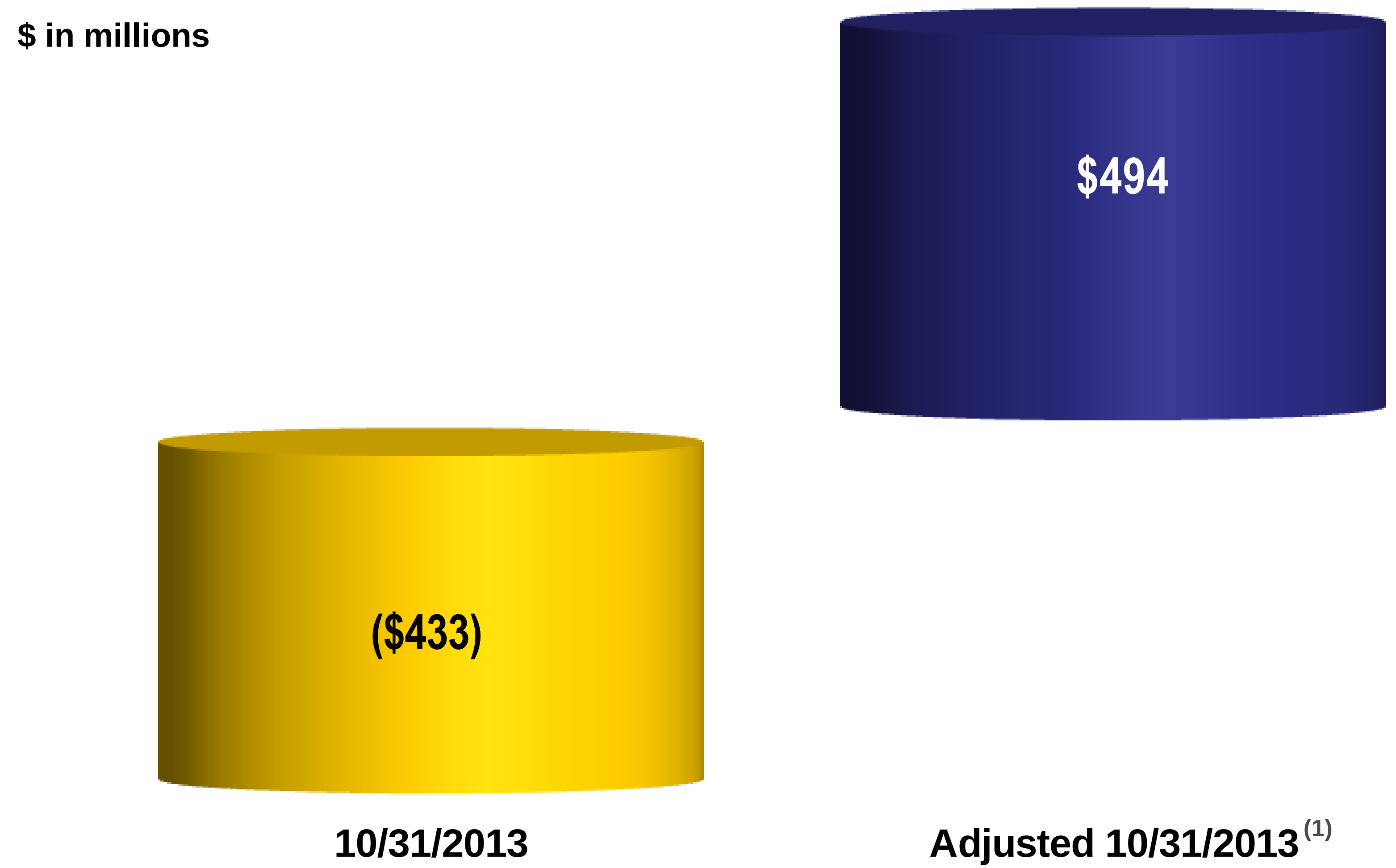
Mothballed Lots

As of October 31, 2013

	# of Lots
Northeast (NJ, PA)	1,003
Mid-Atlantic (DE, MD, VA, WV)	280
Midwest (IL, MN, OH)	108
Southeast (FL, GA, NC, SC)	495
Southwest (AZ, TX)	0
West (CA)	4,599
Total	6,485

- *In 50 communities with a book value of $116 million net of impairment balance of $432 million*
- *Unmothballed approximately 3,600 lots in 63 communities since January 31, 2009*

Adjusted Hovnanian Stockholders' Equity



(1) *Total Hovnanian Stockholders' Deficit of $(433) million with $927 million valuation allowance added back to Stockholders' Equity .*

Credit Quality of Homebuyers

Fiscal Year 2013:

- Average LTV: 85%
- Average CLTV: 85%
- ARMs: 3.1%
- FICO Score: 746
- Capture Rate: 71%

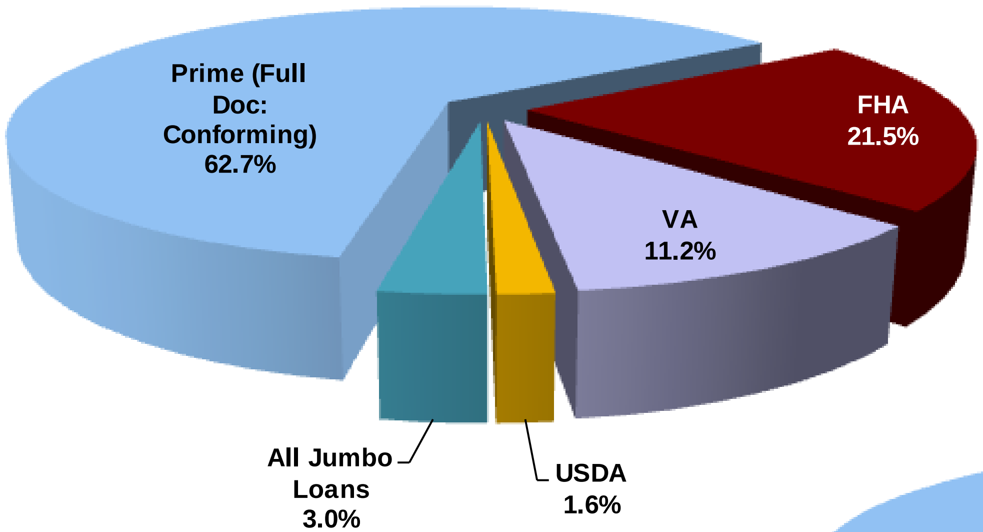
Fiscal Year 2012:

- Average LTV: 87%
- Average CLTV: 87%
- ARMs: 2.3%
- FICO Score: 739
- Capture Rate: 76%

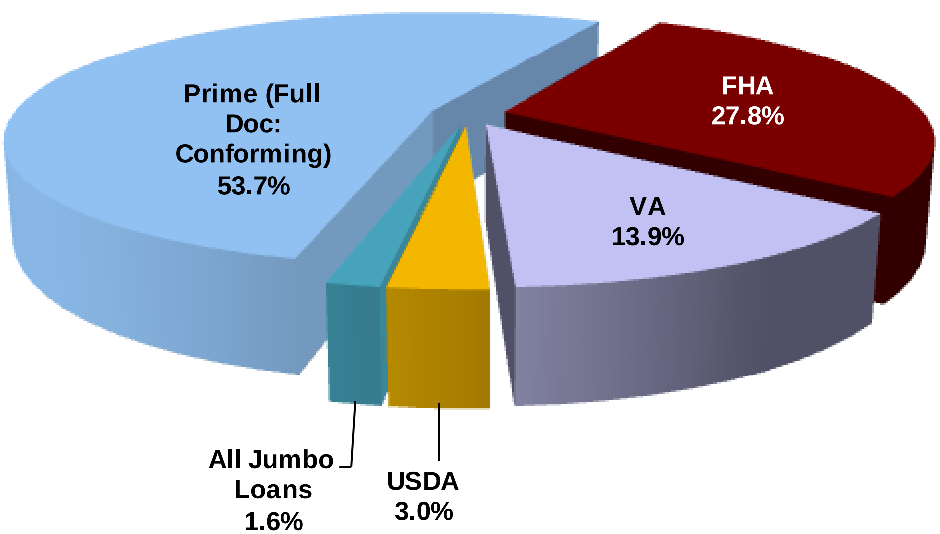
**Loans originated by our wholly-owned mortgage banking subsidiary.*

Hovnanian Mortgage Breakdown*

Fiscal Year 2013



Fiscal Year 2012

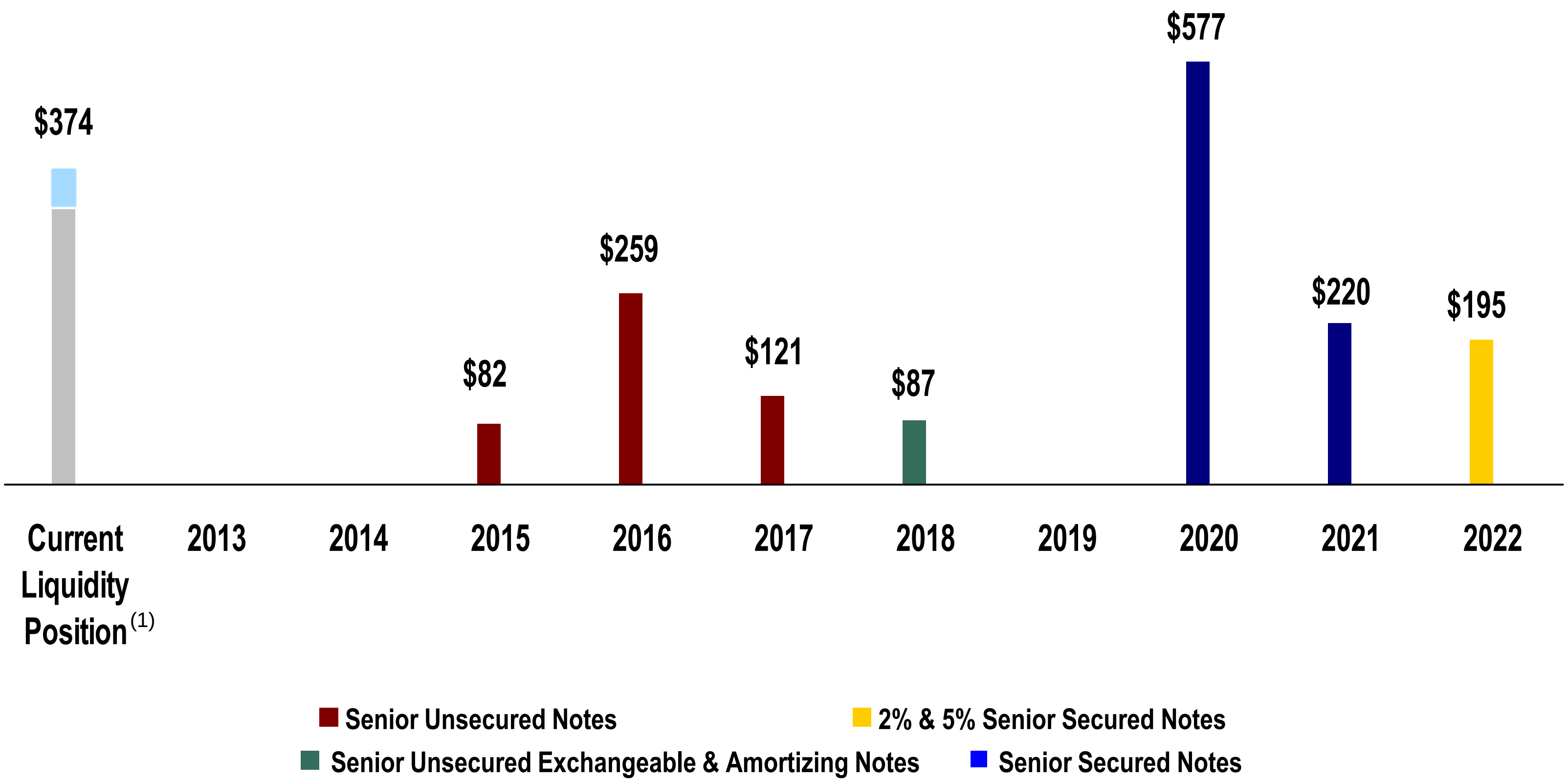


Loans originated by our wholly-owned mortgage banking subsidiary.

Debt Maturity Profile

October 31, 2013 *($ in millions)*

Since October 2008, reduced debt by more than $975 million



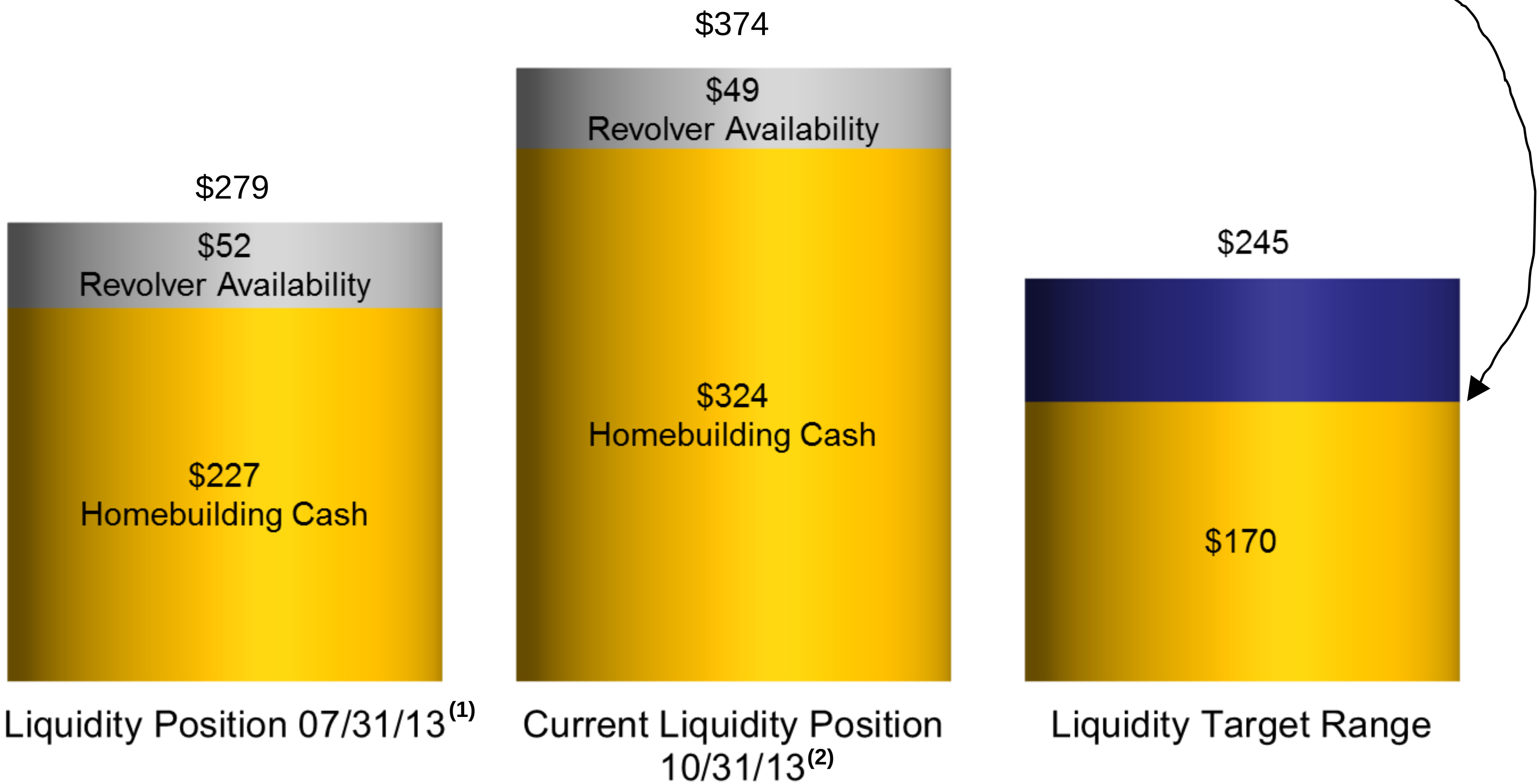
Note: Shown on a fiscal year basis, at face value. Excludes TEU.

(1) Current Liquidity Position is $324.3 million of homebuilding cash, including $5.2 million of restricted cash required to collateralize letters of credit, and $49.2 million of availability under revolving credit facility as of October 31, 2013.

Liquidity Target

($ in Millions)

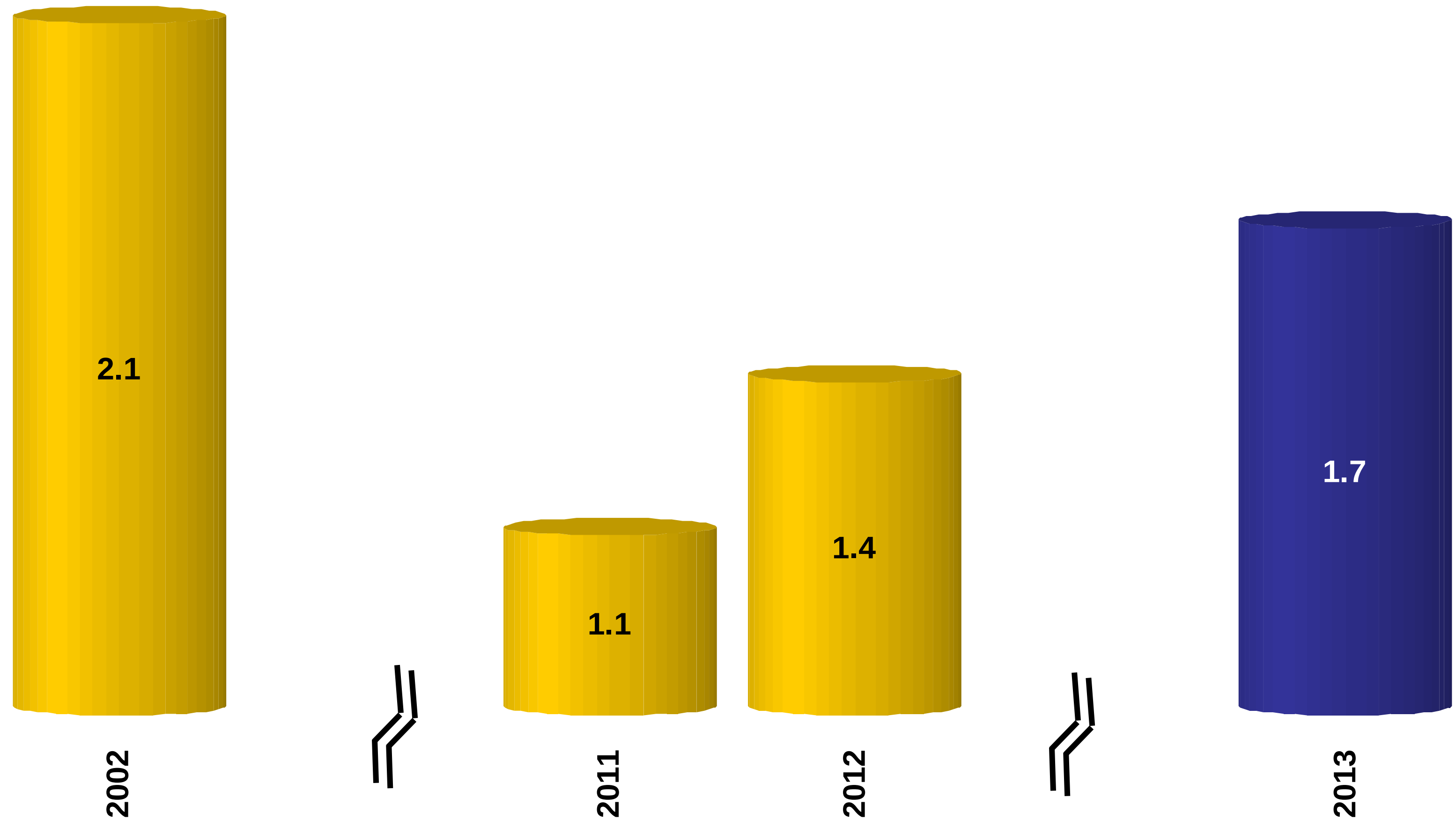
We are comfortable at the lower end of the range



(1) Liquidity Position 07/31/13 is $226.7 million of homebuilding cash, including $5.2 million of restricted cash required to collateralize letters of credit, and $52.2 million of availability under revolving credit facility as of July 31, 2013.

(2) Current Liquidity Position 10/31/13 is $324.3 million of homebuilding cash, including $5.2 million of restricted cash required to collateralize letters of credit, and $49.2 million of availability under revolving credit facility as of October 31, 2013.

Inventory Turnover



Inventory turnover derived by dividing cost of sales, excluding capitalized interest, by the five quarter average homebuilding inventory, excluding capitalized interest and inventory not owned.

Appendix

Fourth Quarter Results

($ in millions)

		2013	2012	% Change
1)	Net Contracts ($ value)[1]	$490	$513	-4%
2)	Net Contracts (units)[1]	1,315	1,443	-9%
3)	Communities[1]	202	189	7%
4)	Contracts per Community[1]	6.5	7.6	-14%
5)	Backlog ($ value)[1]	$848	$742	14%
6)	Backlog (units)[1]	2,392	2,145	12%
7)	Deliveries[1]	1,816	1,750	4%
8)	Total Revenues	$592	$487	22%
9)	Homebuilding Gross Margin	22.6%	18.3%	+430 bps
10)	Total SG&A as a Percentage of Total Revenues	10.6%	10.0%	+60 bps
11)	Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with the Debt Exchange Offer and Gain on Extinguishment of Debt (2)	$36	($8)	

(1) Includes unconsolidated joint ventures.
(2) Includes inventory impairment loss and lot option write-offs, as well as unconsolidated joint venture investment and land-related charges.

Land Positions by Geographic Segment

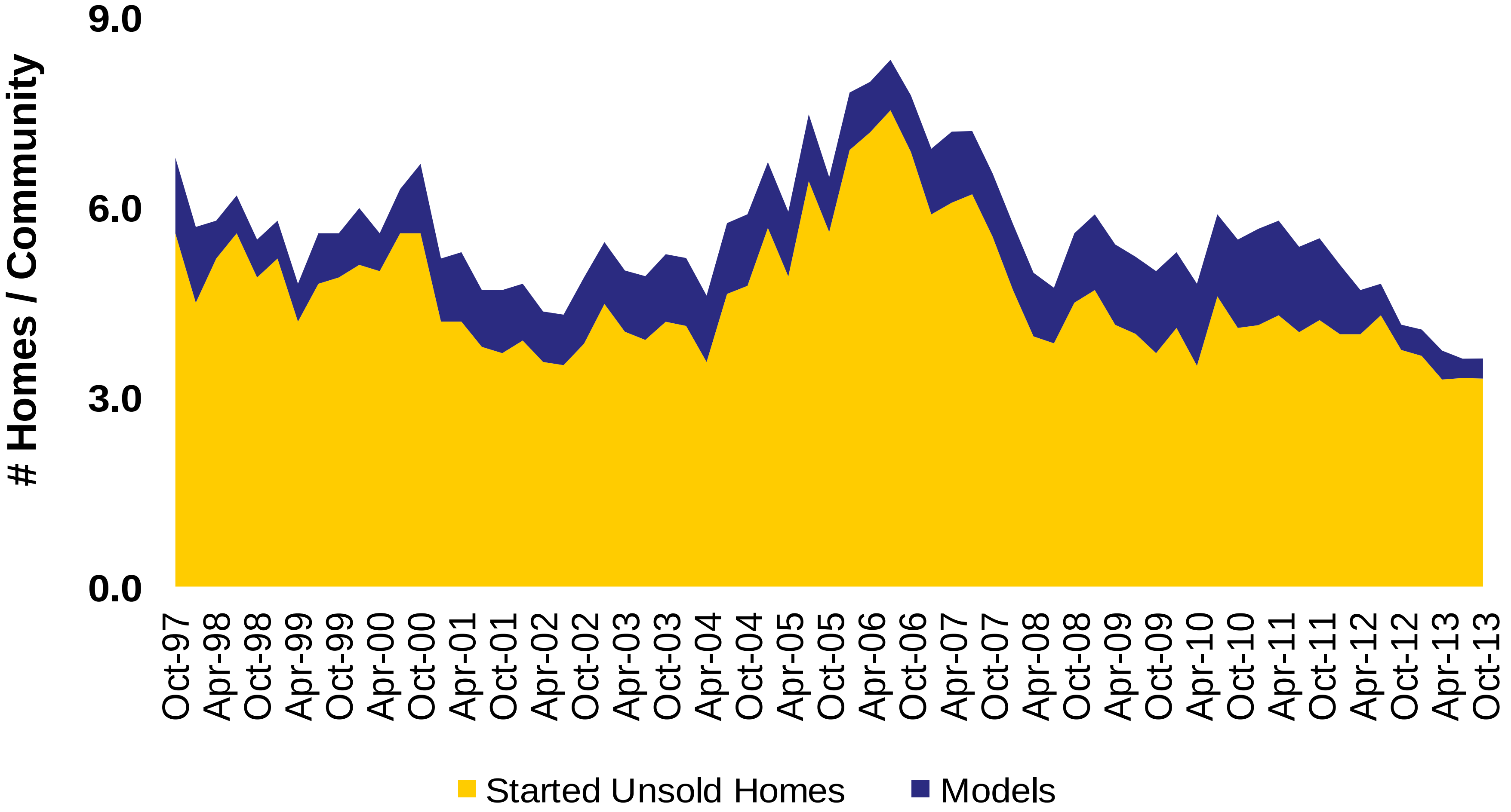
October 31, 2013

Segment	TTM Deliveries	Years Supply — Owned: Excluding Mothballed Lots	Years Supply — Owned: Mothballed Lots	Years Supply — Optioned	Years Supply — Total	Investment in Land (raw land, finished lots and lots under development) ($ in millions)
Northeast	617	1.8	1.6	4.3	7.7	$184
Mid-Atlantic	623	3.8	0.4	4.8	9.0	$93
Midwest	657	3.8	0.2	3.0	6.9	$47
Southeast	535	1.6	0.9	4.6	7.2	$38
Southwest	2,331	1.0	0.0	2.0	3.0	$113
West	503	1.4	9.1	1.5	12.0	$80
Total	5,266	1.9	1.2	2.9	6.0	$555

Excluding unconsolidated joint ventures.

Unsold Homes per Community

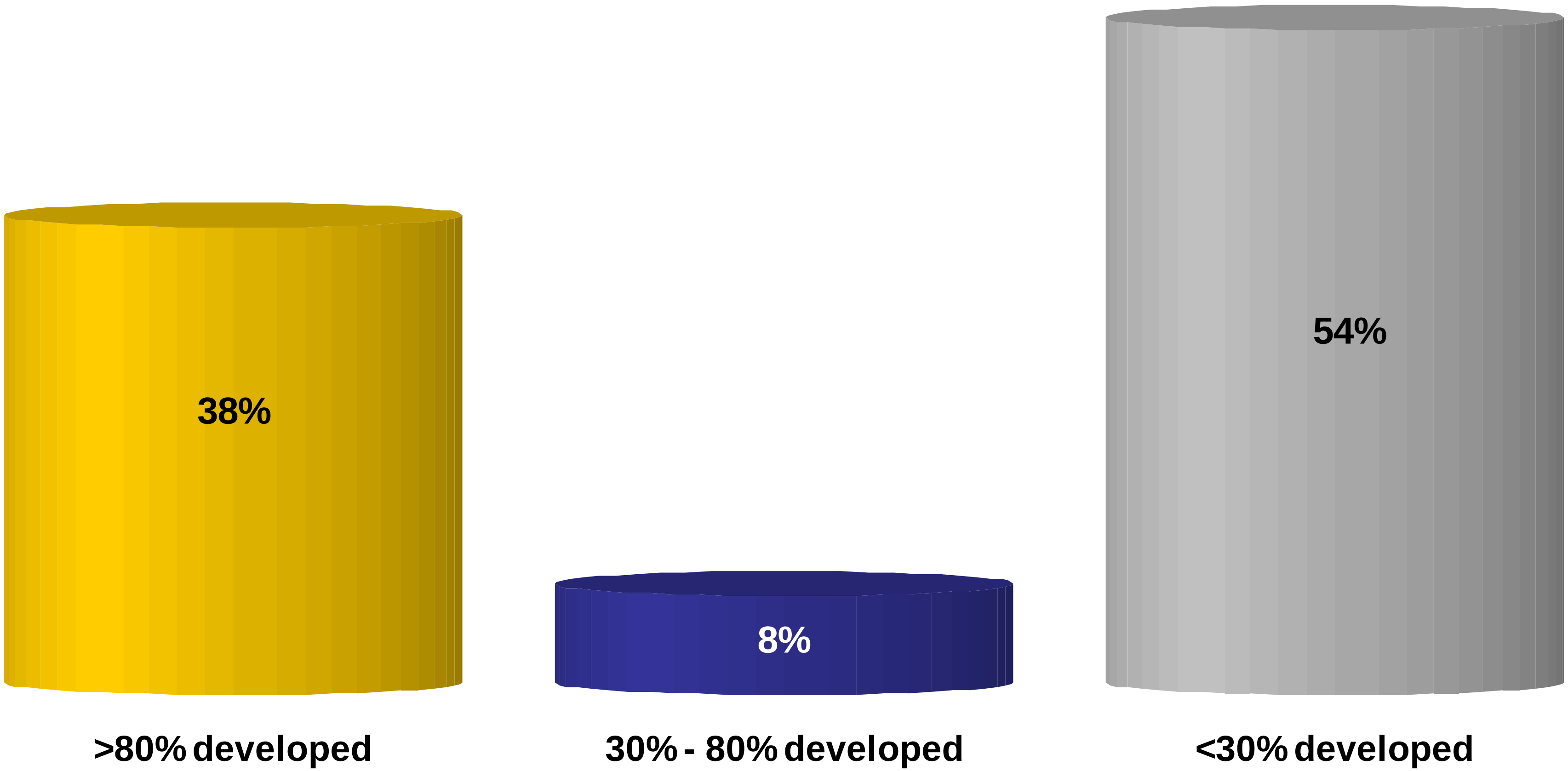
- 633 started unsold homes at 10/31/13, excluding models
- 4.7 average started unsold homes per community since 1997
- As of October 31, 2013, 3.3 started unsold homes per community



Excluding unconsolidated joint ventures.

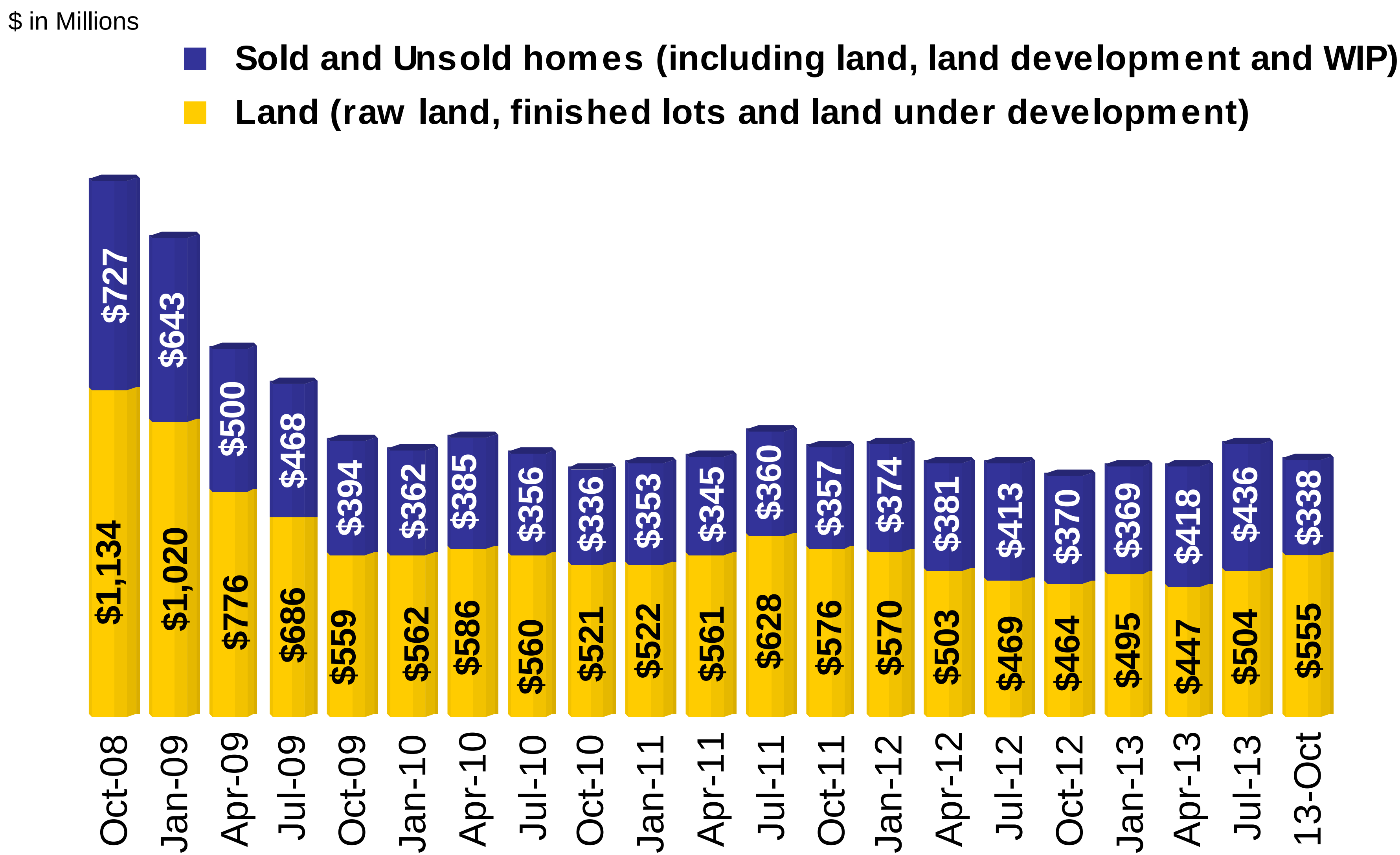
Owned Lots % Development Costs Spent

As of October 31, 2013



Excluding unconsolidated joint ventures.

Inventory Breakdown



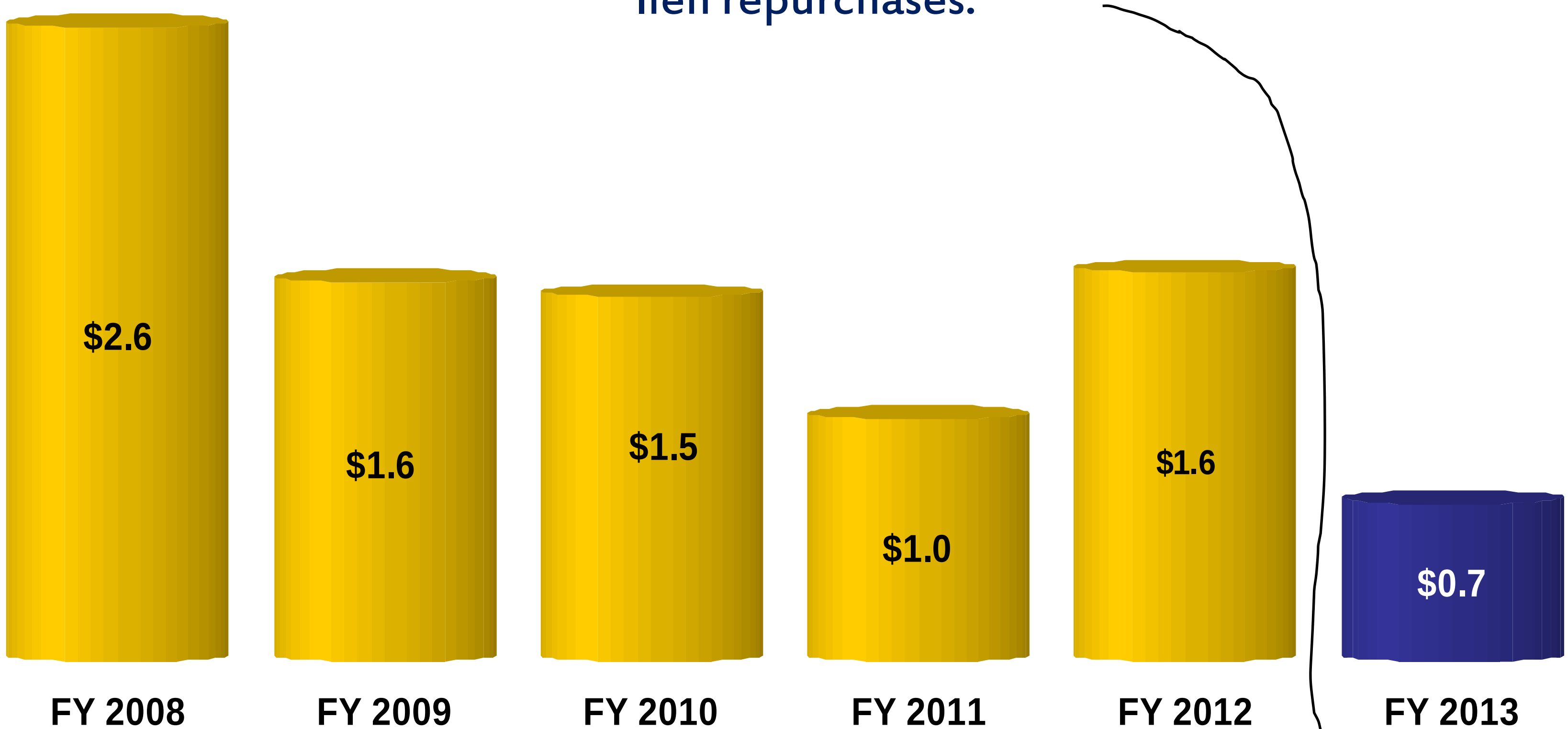
Excluding Inventory Not Owned, on-your-lot construction, assets outside the US and option deposits and pre-development costs.

Payments for Loan Repurchases and Make Whole Requests

As of October 31, 2013

$ in millions

13 of 18 loans were small second lien repurchases.



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Settlements	**28 loans**	**28 loans**	**17 loans**	**29 loans**	**10 loans**	**18 loans**
Repurchase Inquires	**45 loans**	**41 loans**	**98 loans**	**39 loans**	**66 loans**	**58 loans**

- **As of October 31, 2013, reserve for loan repurchases and make whole requests was $11.0 million.**

Note: All of these losses had been adequately reserved for in prior periods.

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