Hovnanian Enterprises, Inc.

Review of Financial Results
First Quarter Fiscal 2012

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. 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, 2011. 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.

First Quarter Results

($ in millions)

		2012	2011	% Change
1)	Net Contracts[1]	1,079	850	27%
2)	Communities[1]	220	201	9%
3)	Contracts per Community[1]	4.9	4.2	17%
4)	Deliveries[1]	1,012	892	13%
5)	Backlog[1]	1,730	1,352	28%
6)	Total Revenues	$270	$253	7%
7)	Land Related Charges[2]	$3	$14	-79%
8)	Gain on Extinguishment of Debt	$25	$0	
9)	Net Loss	($18)	($64)	
10)	Homebuilding Cash[3]	$202	$399	

(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.
(3) Homebuilding cash includes $35.7 million and $88.3 million, for 2012 and 2011 respectively, of restricted cash required to collateralize letters of credit.

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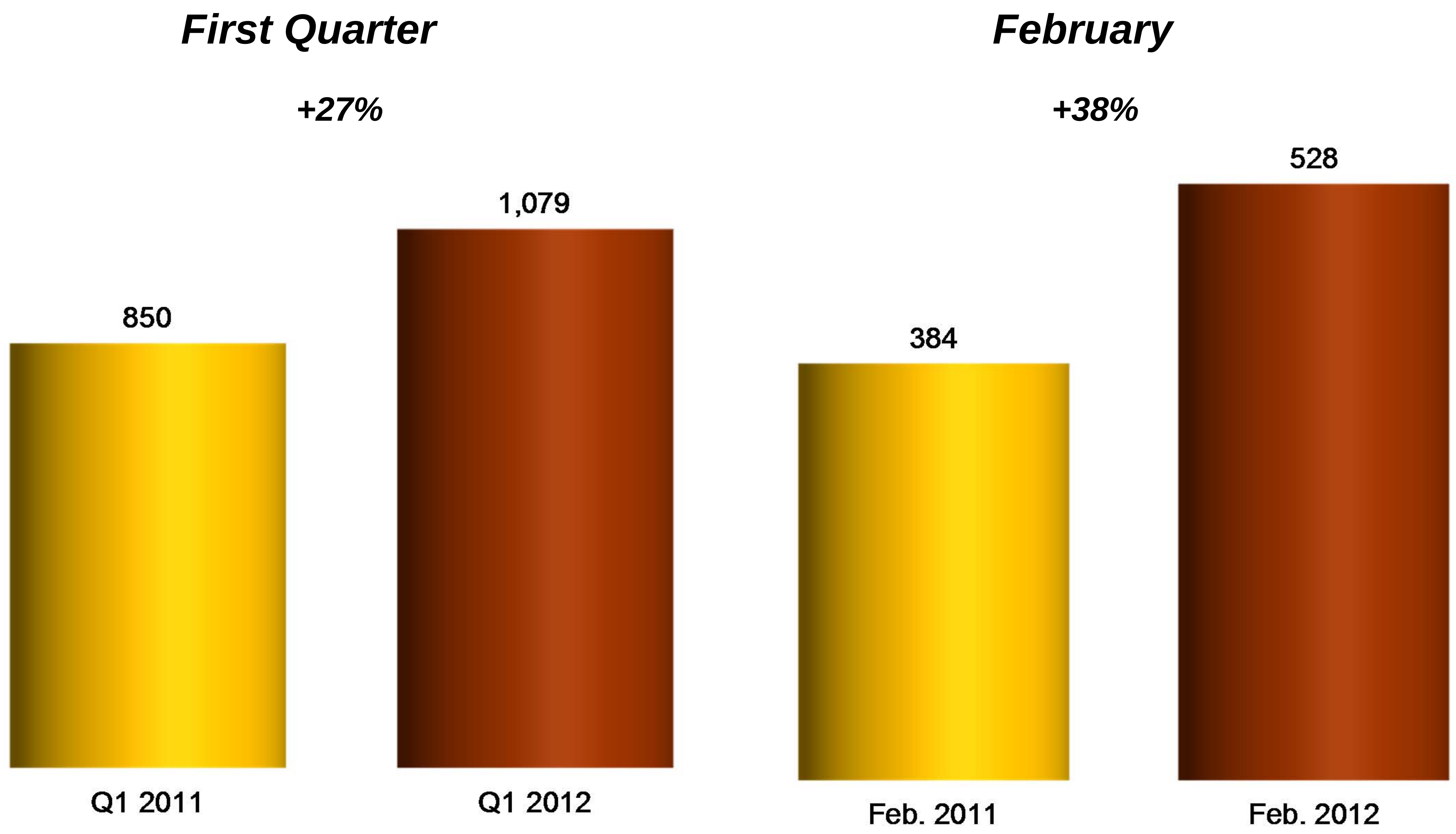
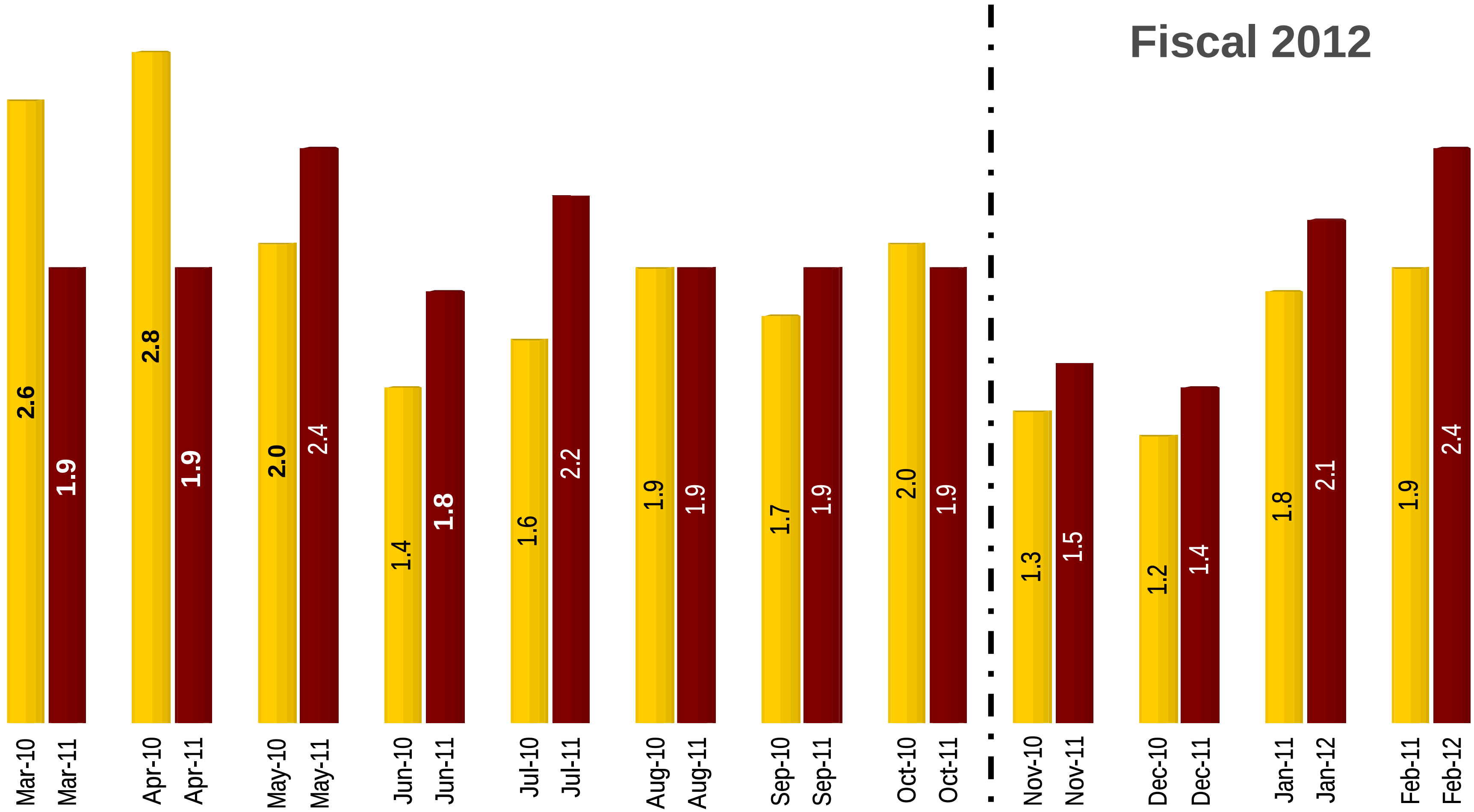
Year-Over-Year Increases in Net Contracts



Including unconsolidated joint ventures.

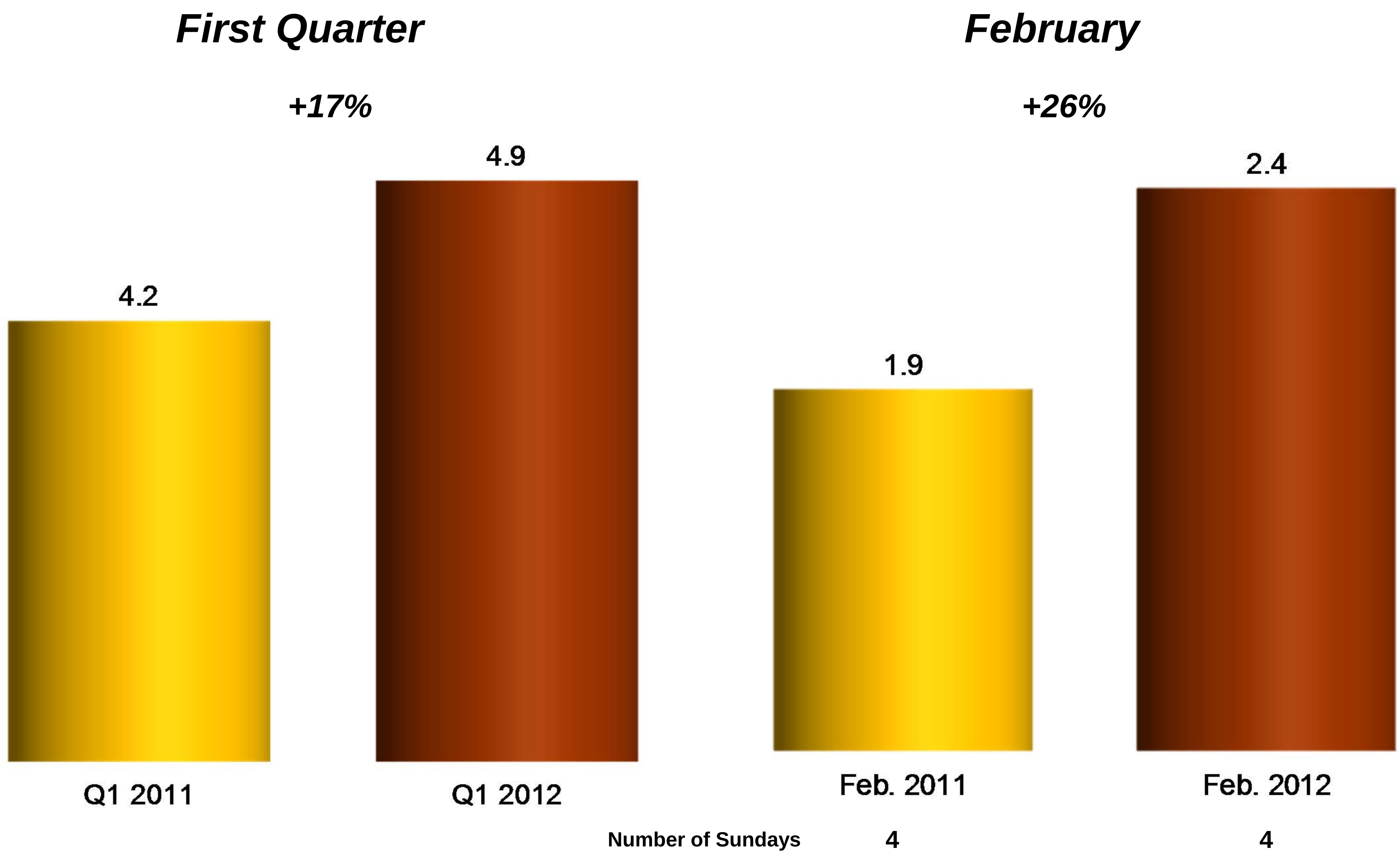
Monthly Net Contracts Per Active Selling Community



	Mar-10	Mar-11	Apr-10	Apr-11	May-10	May-11	Jun-10	Jun-11	Jul-10	Jul-11	Aug-10	Aug-11	Sep-10	Sep-11	Octl-10	Oct-11	Nov-10	Nov-11	Dec-10	Dec-11	Jan-11	Jan-12	Feb-11	Feb-12
Monthly Net Contracts	477	390	518	392	390	501	276	359	307	437	377	384	359	382	403	409	248	325	239	297	363	457	384	528

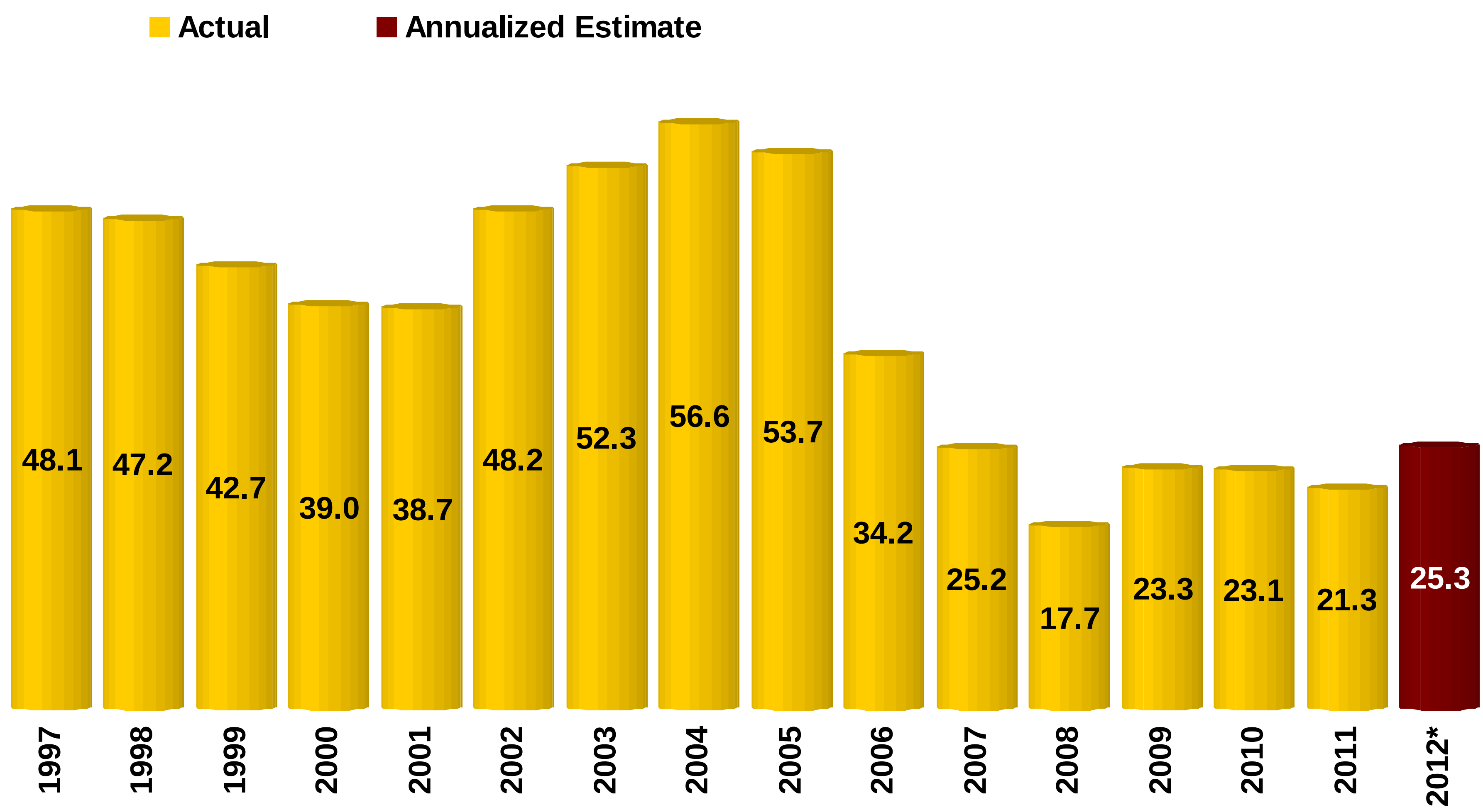
Includes unconsolidated joint ventures.

Year-Over-Year Increases in Net Contracts Per Active Selling Community



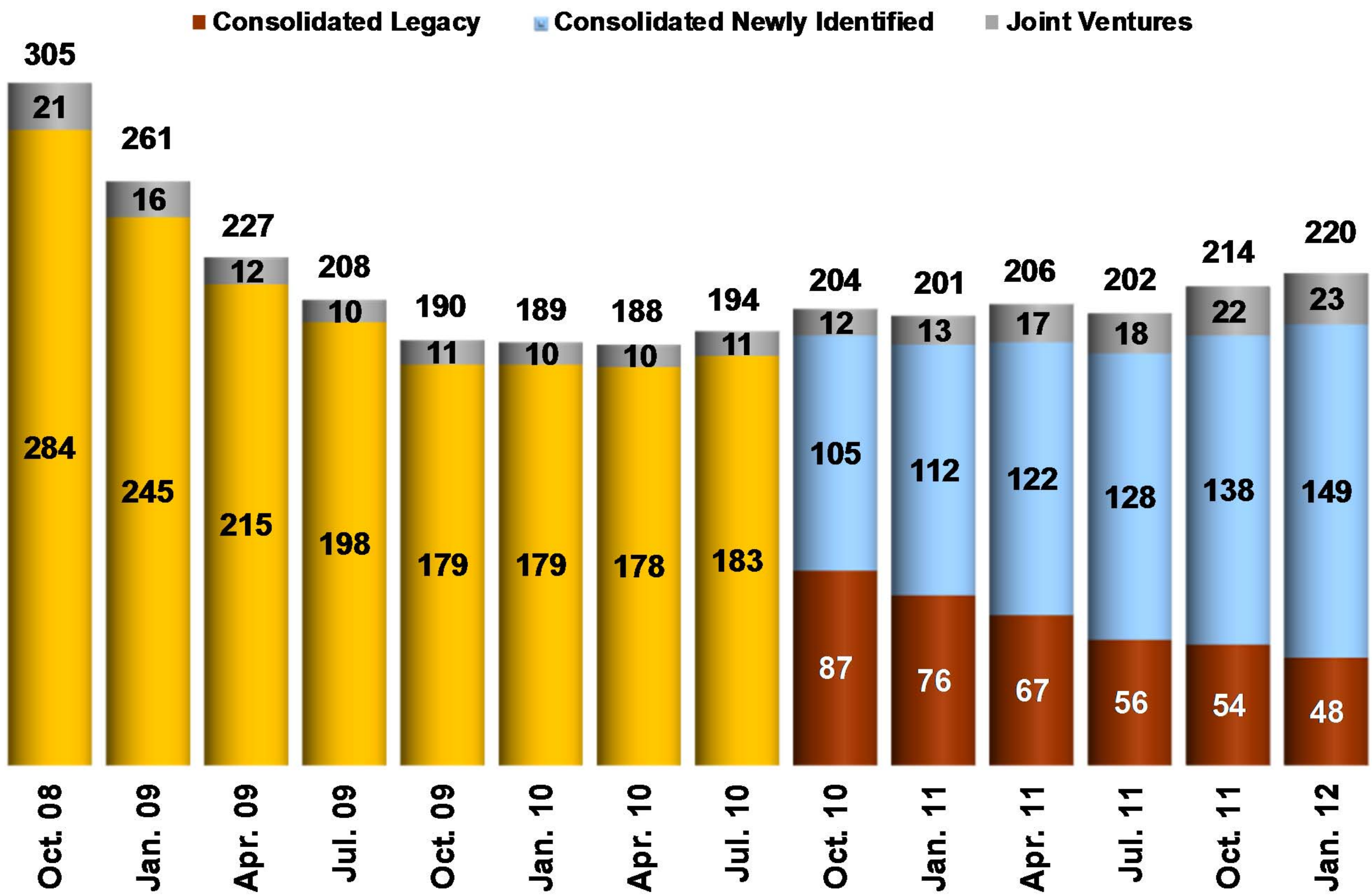
Including unconsolidated joint ventures.

Annual Net Contracts Per Active Selling Community



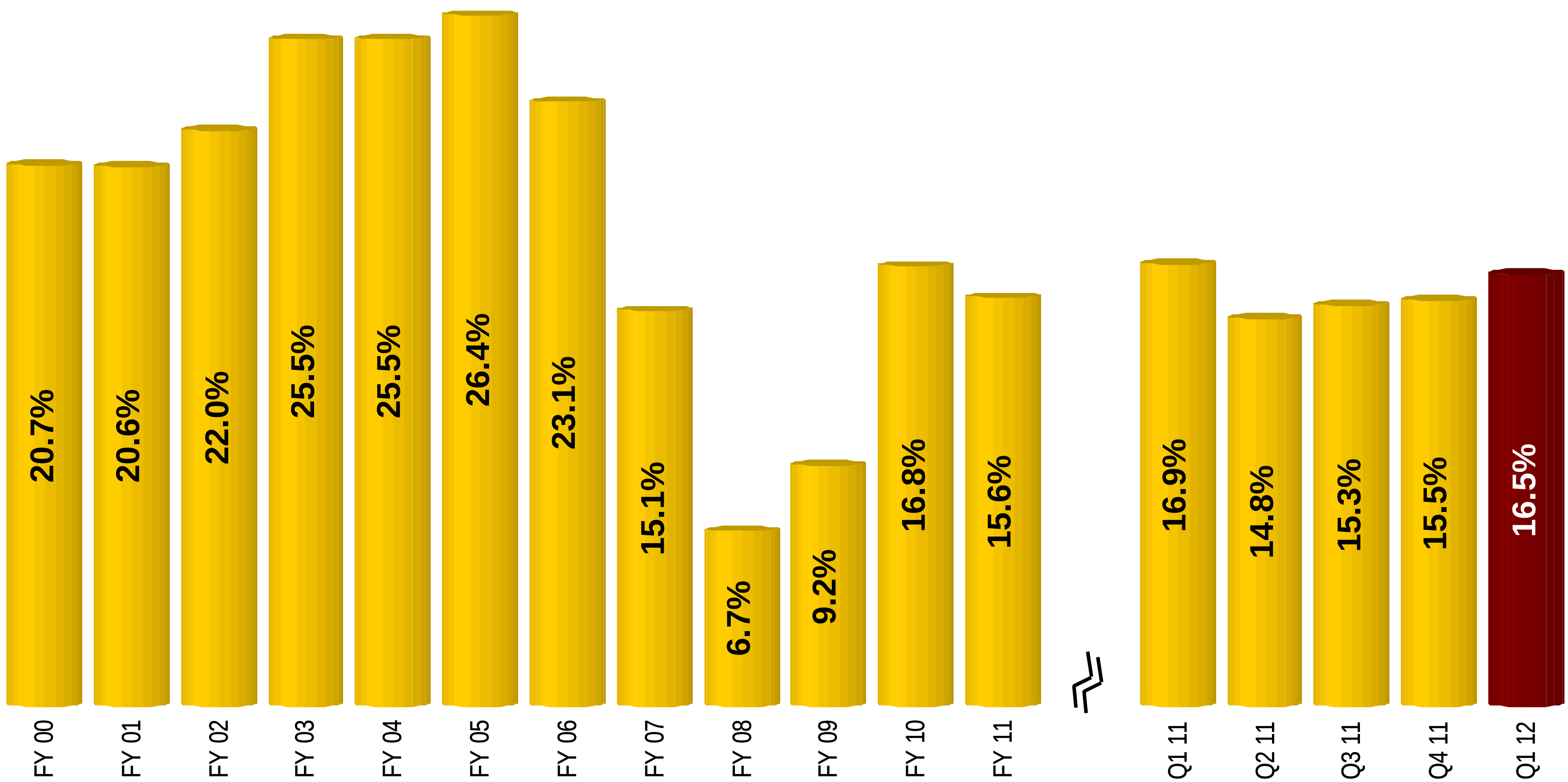
Calculated based on a five quarter average of active selling communities, excluding unconsolidated joint ventures.
2012 is annualized net contract pace based on sales pace in first four months of fiscal 2012.*

Active Selling Communities



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

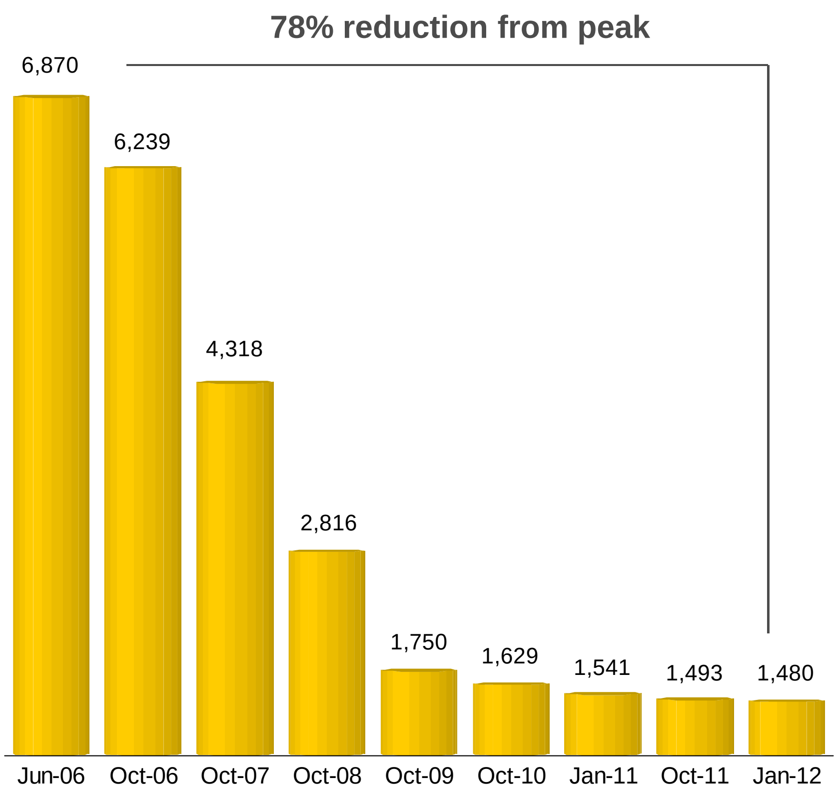
Gross Margin



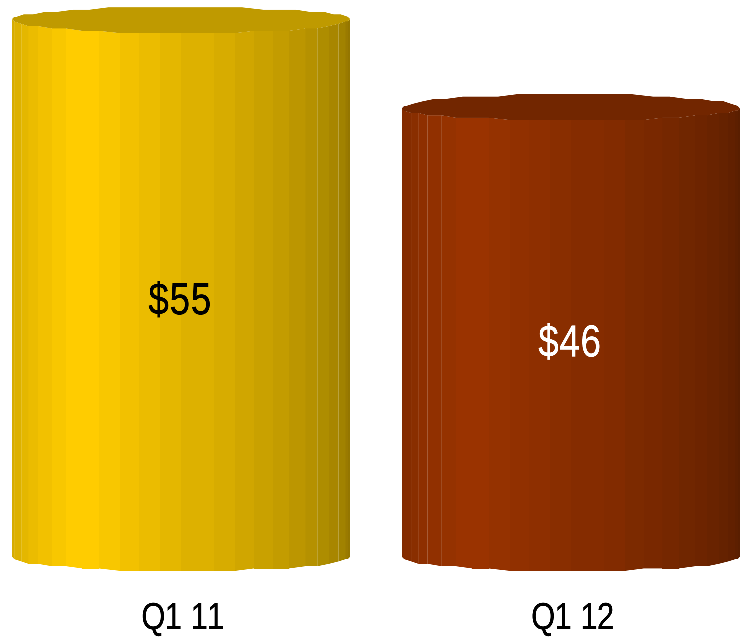
Excludes interest related to homes sold.

Continued Reductions in Overhead

Staffing Levels (1)



Total SG&A (2)



	Q1 11	Q1 12
Total SG&A as a % of Total Revenues	**21.9%**	**17.1%**

(1) Full time associates only.
(2) Total SG&A includes homebuilding, selling, general and administrative and corporate general and administrative expenses.

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Reloading Our Land Position

Lots Purchased or Optioned Since January 31, 2009

	Lots	Communities
Purchased	7,500	246(1)
Optioned	6,400	
Joint Venture	3,100	28
Total	**17,000**	**274**

Roll Forward from 10/31/11 to 01/31/12(2)

Total Additions	450
Walk Aways	-350
Net Change	100

Notes: (1) Excludes 72 communities where we walked away from all of the lots in those communities.
(2) First quarter 2012 total additions included 450 new options and no lots purchased but not controlled prior to 11/01/11.

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Quarterly Change in Newly Identified Lots

	Gross Additions	Change Net of Walk Aways
First Quarter 2011	+1,900	+200
Second Quarter 2011	+1,900	+200
Third Quarter 2011	+1,500	+600
Fourth Quarter 2011	+1,700	+900
First Quarter 2012	+450	+100

Land Positions by Geographic Segment

	January 31, 2012			
	# Lots			
	Owned			
Segment	**Excluding Mothballed Lots**	**Mothballed Lots**	**Optioned**	**Total**
Northeast	1,828	1,150	1,446	4,424
Mid-Atlantic	3,153	305	1,874	5,332
Midwest	891	102	1,184	2,177
Southeast	1,314	512	823	2,649
Southwest	2,142	0	3,055	5,197
West	1,444	5,025	757	7,226
Total	10,772	7,094	9,139	27,005

Excluding unconsolidated joint ventures.

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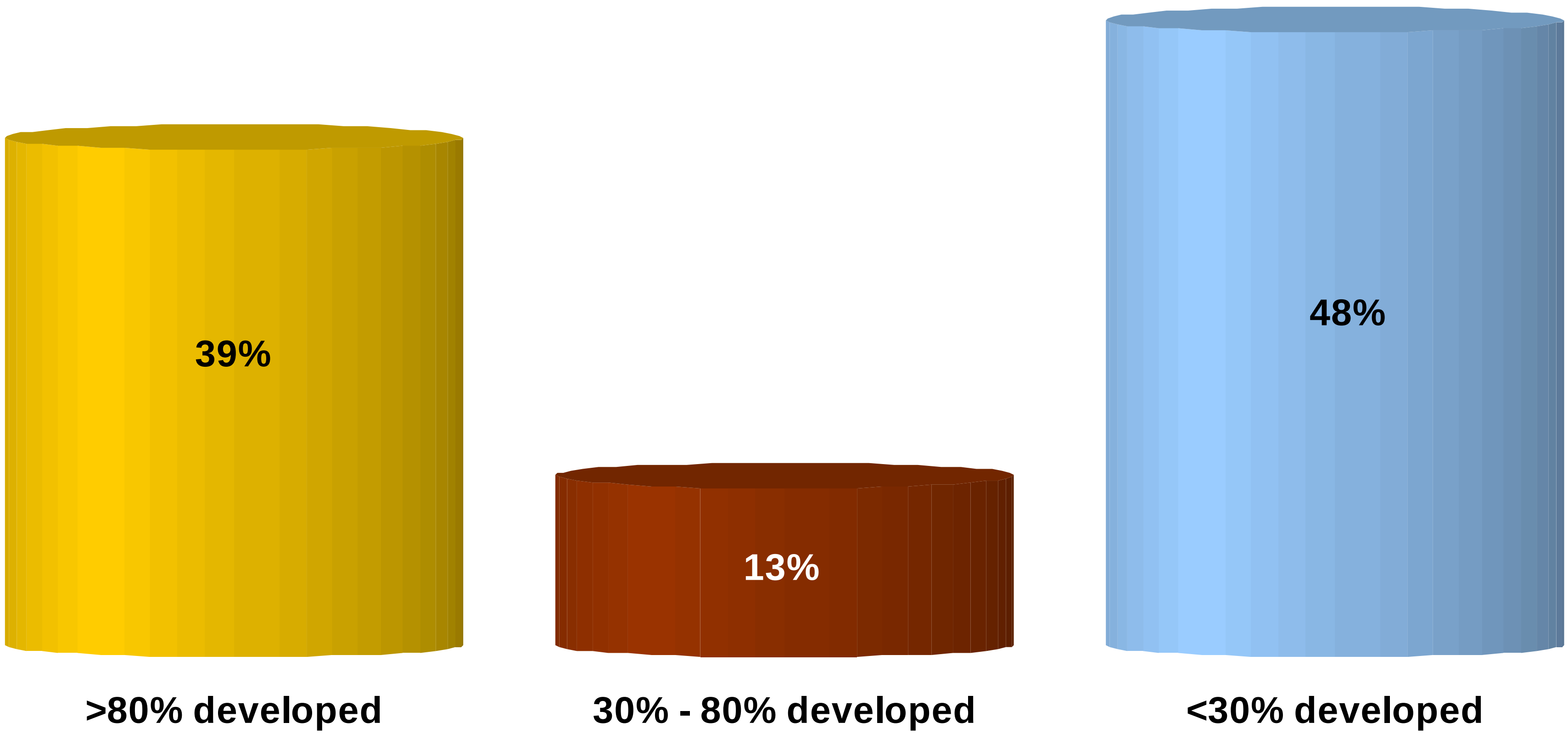
Owned Lots % Development Costs Spent

As of January 31, 2012



- **These categories have remained relatively stable since the fourth quarter of 2010**

Excluding unconsolidated joint ventures.

Land Related Charges by Segment

First Quarter 2012

($ in millions)	Impairments	Walk-Aways	Total
Northeast (NJ, PA)	**$2.4**	**$0.0**	**$2.4**
Mid-Atlantic (DE, MD, VA, WV)	**$0.3**	**$0.1**	**$0.4**
Midwest (IL, MN, OH)	**$0.1**	**$0.0**	**$0.1**
Southeast (FL, GA, NC, SC)	**$0.3**	**$0.1**	**$0.4**
Southwest (AZ, TX)	**$0.0**	**$0.0**	**$0.0**
West (CA)	**$0.0**	**$0.0**	**$0.0**
Total	**$3.1**	**$0.2**	**$3.3**

Mothballed Lots

As of January 31, 2012

	# of Lots
Northeast (NJ, PA)	**1,150**
Mid-Atlantic (DE, MD, VA, WV)	**305**
Midwest (IL, MN, OH)	**102**
Southeast (FL, GA, NC, SC)	**512**
Southwest (AZ, TX)	**0**
West (CA)	**5,025**
Total	**7,094**

- *In 57 communities with a book value of $138 million net of impairment balance of $494 million*
- *Unmothballed approximately 3,000 lots in 54 communities since January 31, 2009*

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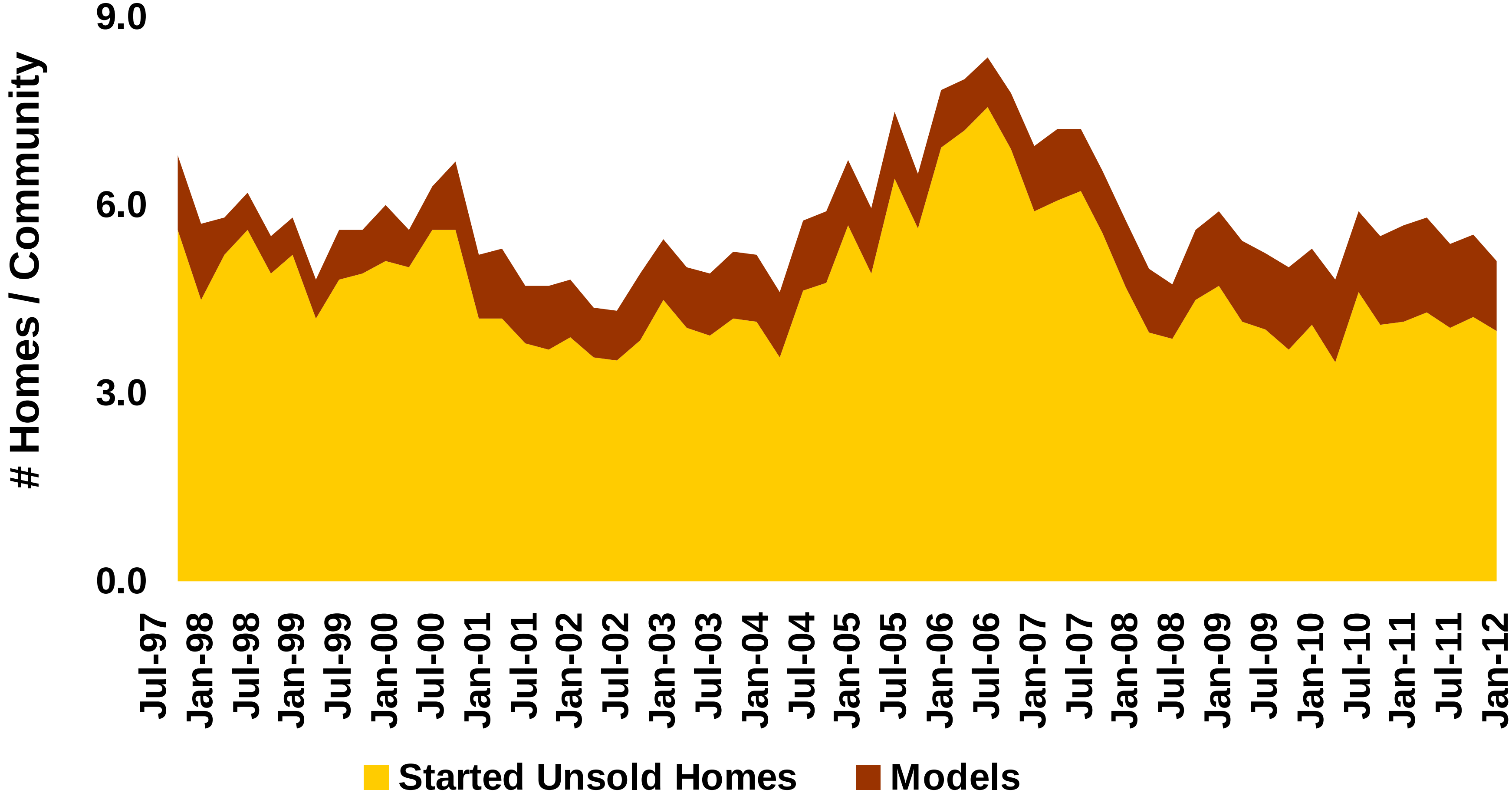
Unsold Homes per Community

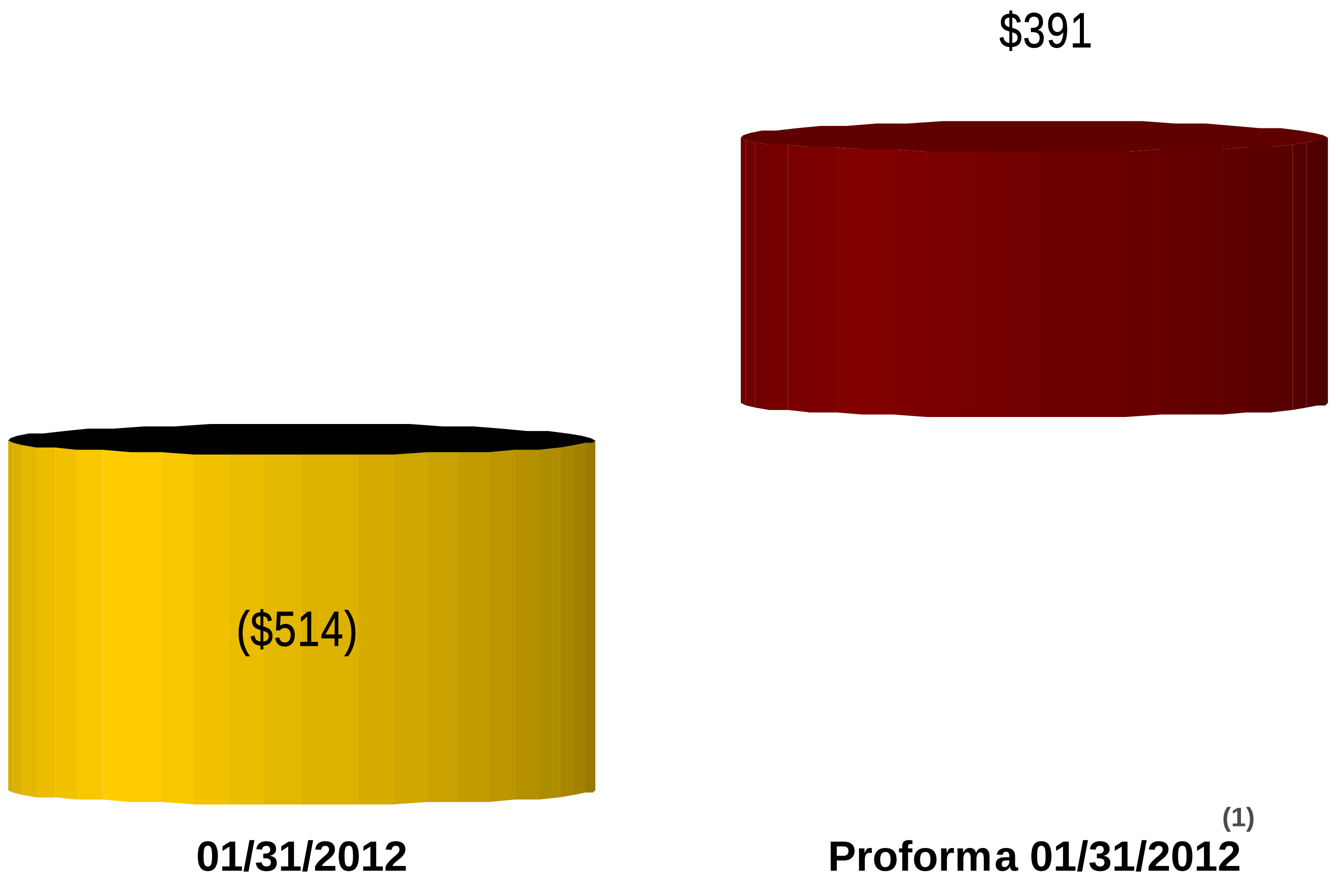
- 779 started unsold homes at 01/31/12, excluding models
- 4.8 average started unsold homes per community since 1997
- As of January 31, 2012, 4.0 started unsold homes per community



Excluding unconsolidated joint ventures.

Proforma Hovnanian Stockholders' Equity

$ in millions



(1) Total Hovnanian Stockholders' Deficit of $(514) million with $905 million valuation allowance added back to Stockholders' Equity .

Credit Quality of Homebuyers

First Quarter 2012:

- Average LTV: 87%
- Average CLTV: 87%
- ARMs: 4.3%
- FICO Score: 732
- Capture Rate: 79%

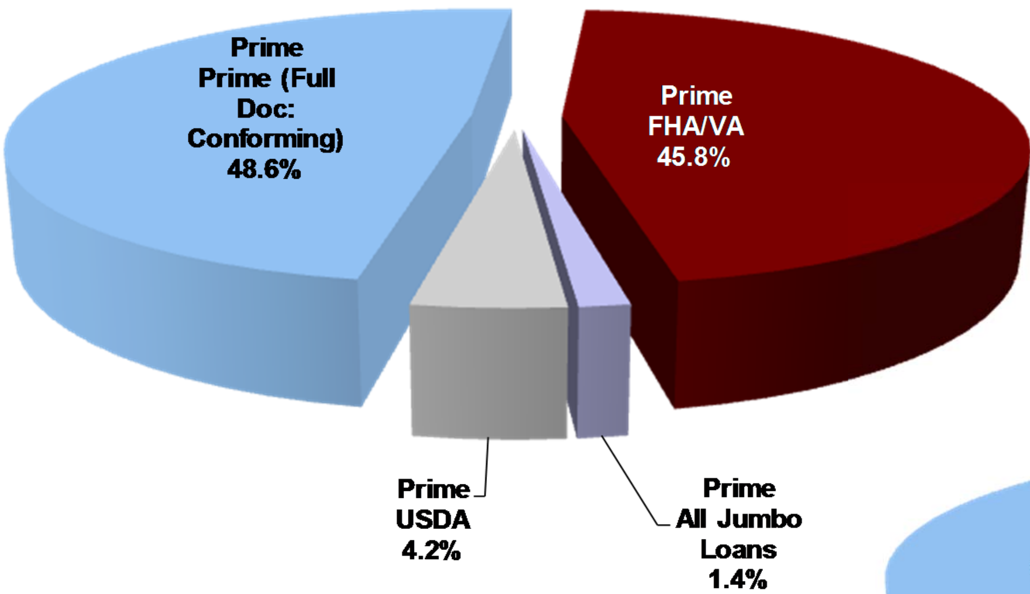
Fiscal Year 2011:

- Average LTV: 86%
- Average CLTV: 87%
- ARMs: 4.9%
- FICO Score: 736
- Capture Rate: 77%

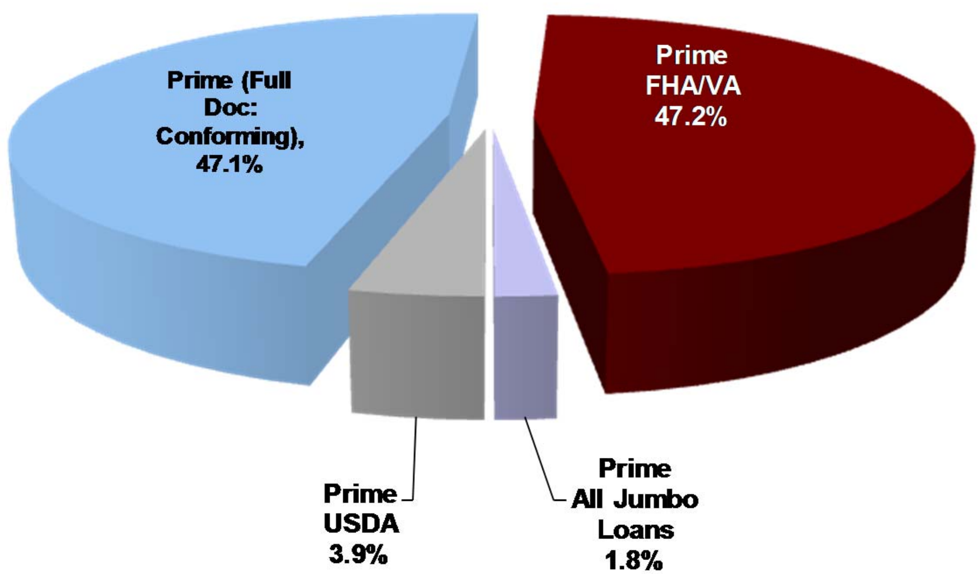
**Loans originated by our wholly-owned mortgage banking subsidiary.*

Hovnanian Mortgage Breakdown*

First Quarter 2012

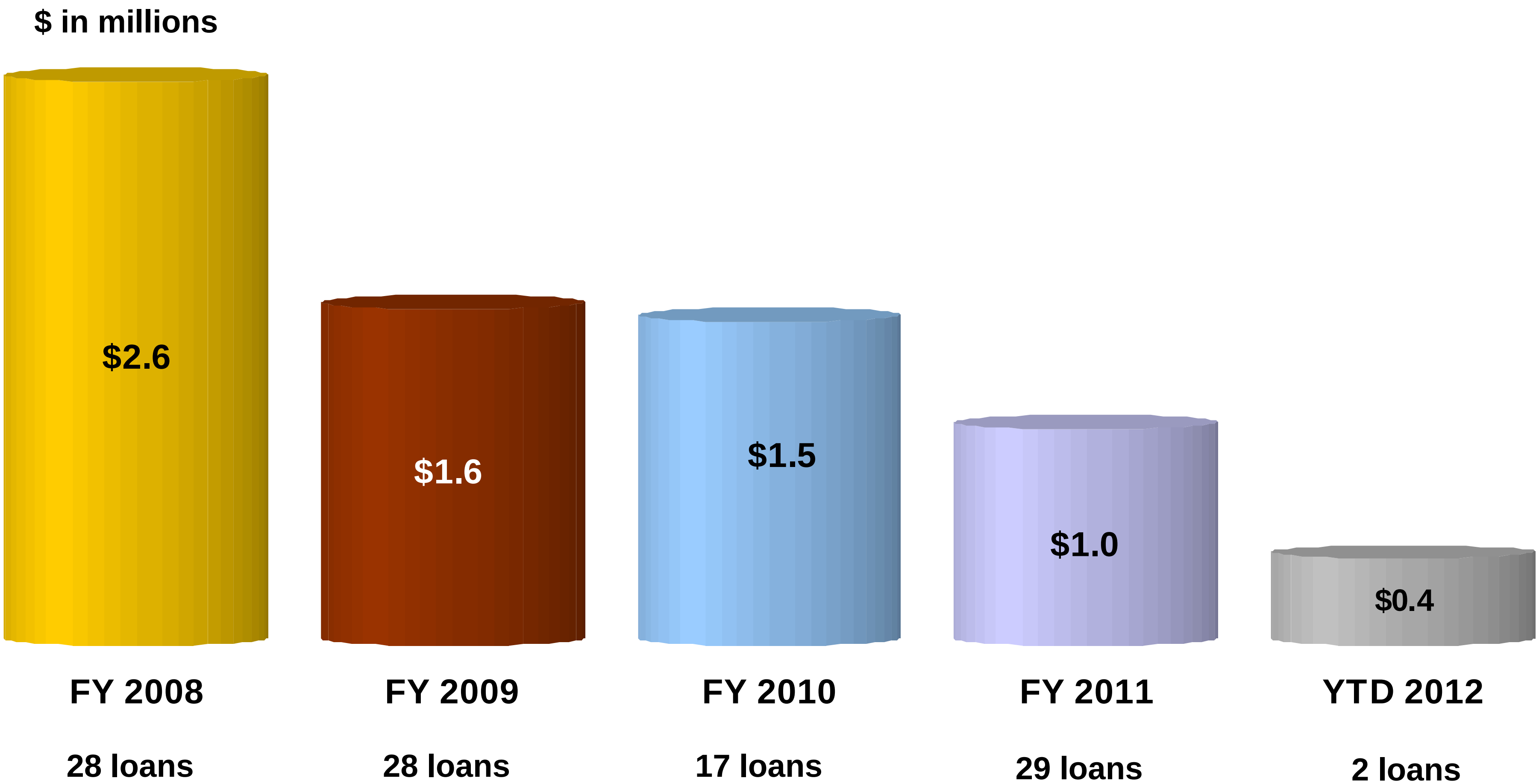


Fiscal 2011



*Loans originated by our wholly-owned mortgage banking subsidiary.
Note: During 2010, there were no Alt-A, Sub-prime or construction to permanent loans.
During First Quarter 2012 and all of Fiscal 2011, there were no Alt-A, Sub-prime, Broker or construction to permanent loans.

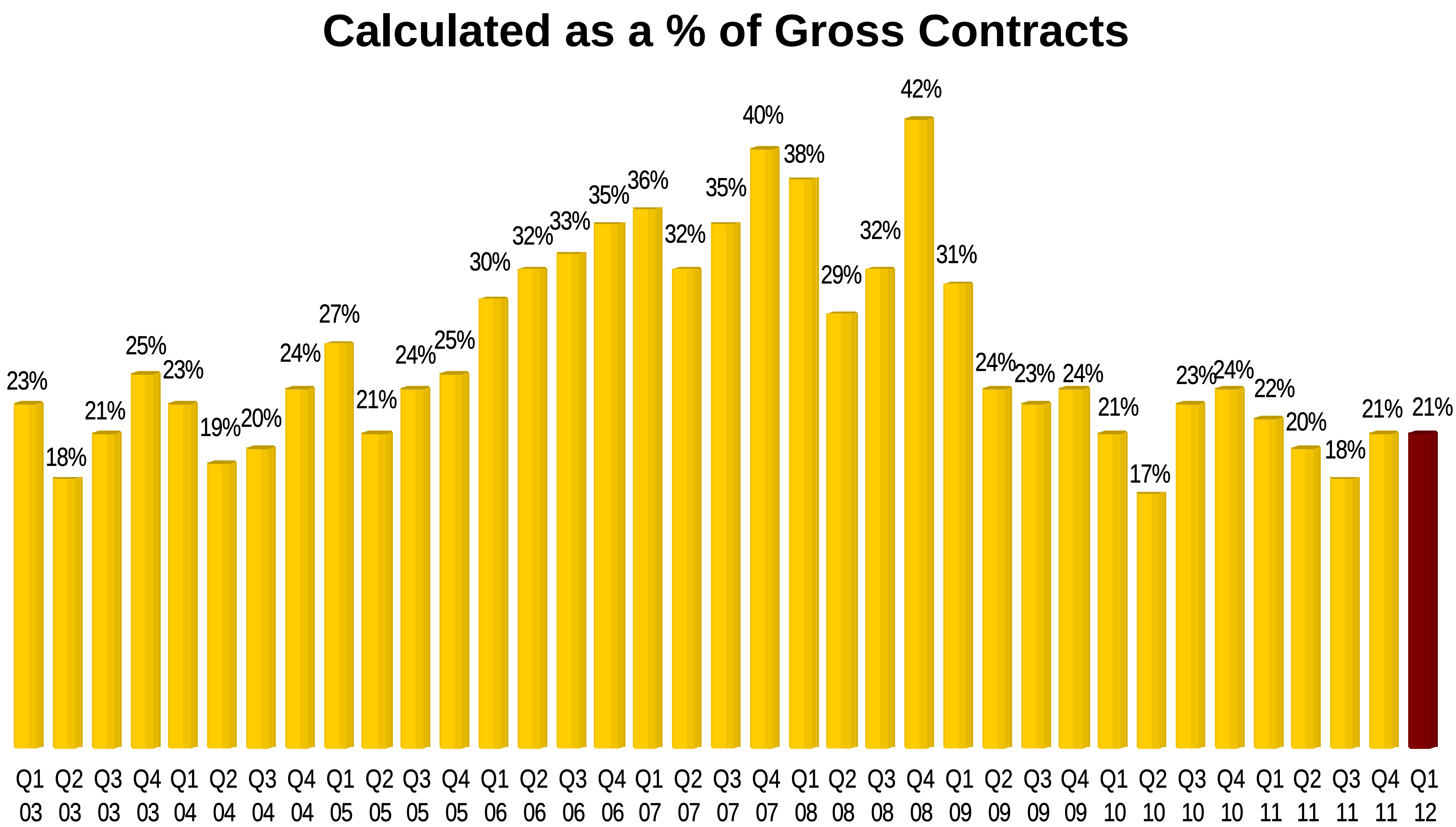
Payments for Loan Repurchases and Make Whole Requests



- **As of January 31, 2012, reserve for loan repurchases and make whole requests was $6.4 million.**

Note: It is our policy to estimate and reserve for potential losses when we sell the loans to investors. All of these losses had been adequately reserved for in prior periods.

Cancellation Rates

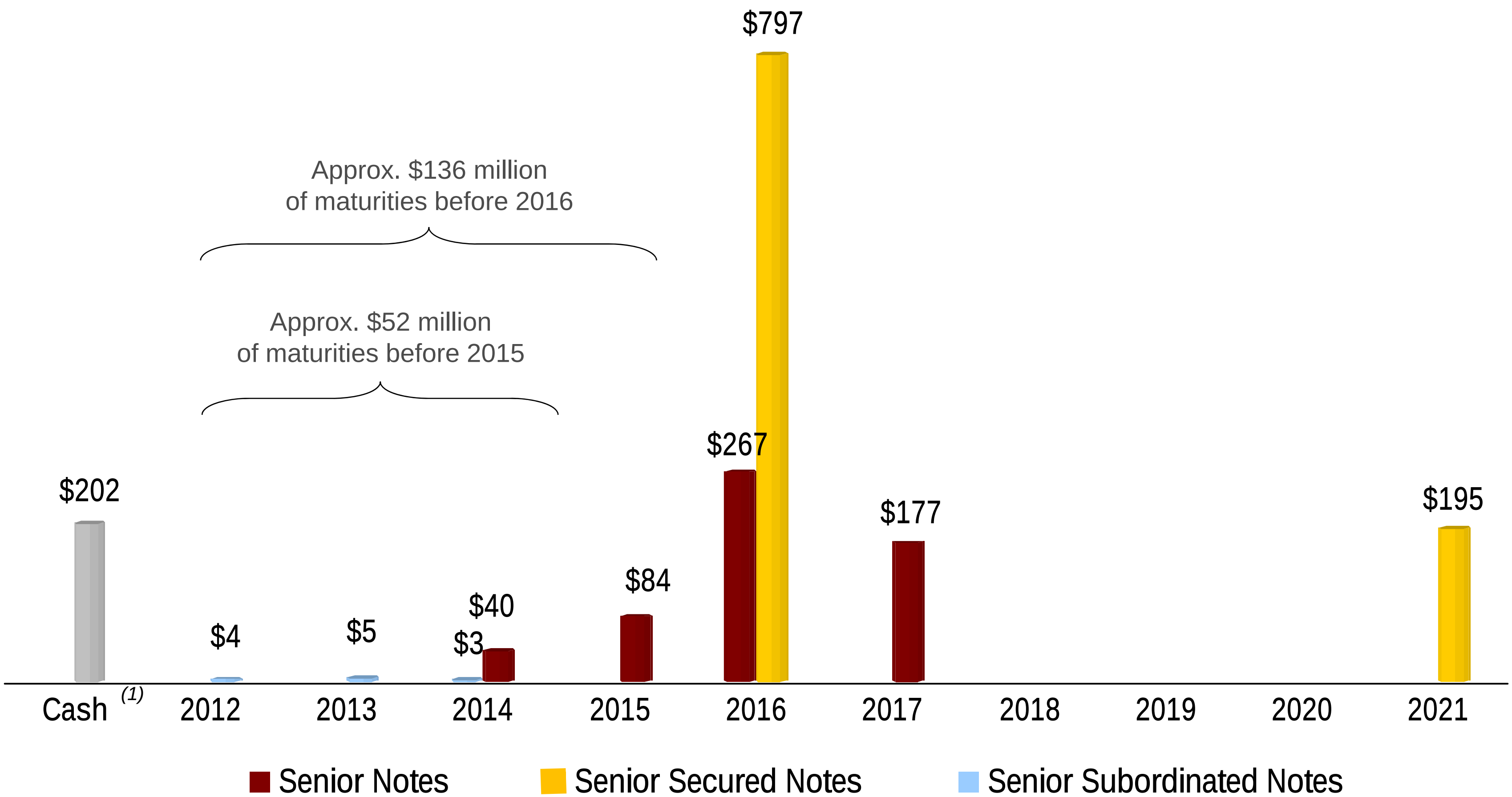


Excluding unconsolidated joint ventures.

Debt Maturity Profile

as of January 31, 2012 *($ in millions)*

In November 2011, exchanged $195 million of unsecured debt for new secured debt with lower coupon.



Note: shown on a calendar year basis.

(1) *Includes $35.7 million of restricted cash; excludes financial services cash at January 31, 2012.*

Potential Liquidity Management Levers

- *Delay/reduce land purchases and takedowns*
- *Sell excess land*
- *Enter into model sale leasebacks*
- *Enter into additional joint ventures*
  - *For new deals*
  - *For existing deals*
- *Enter into land banking deals*
  - *On new land transactions*
  - *On existing owned land*
- *Issue equity for cash or debt*
- *Limit started unsold homes*
- *Reduce land development spending*

Appendix

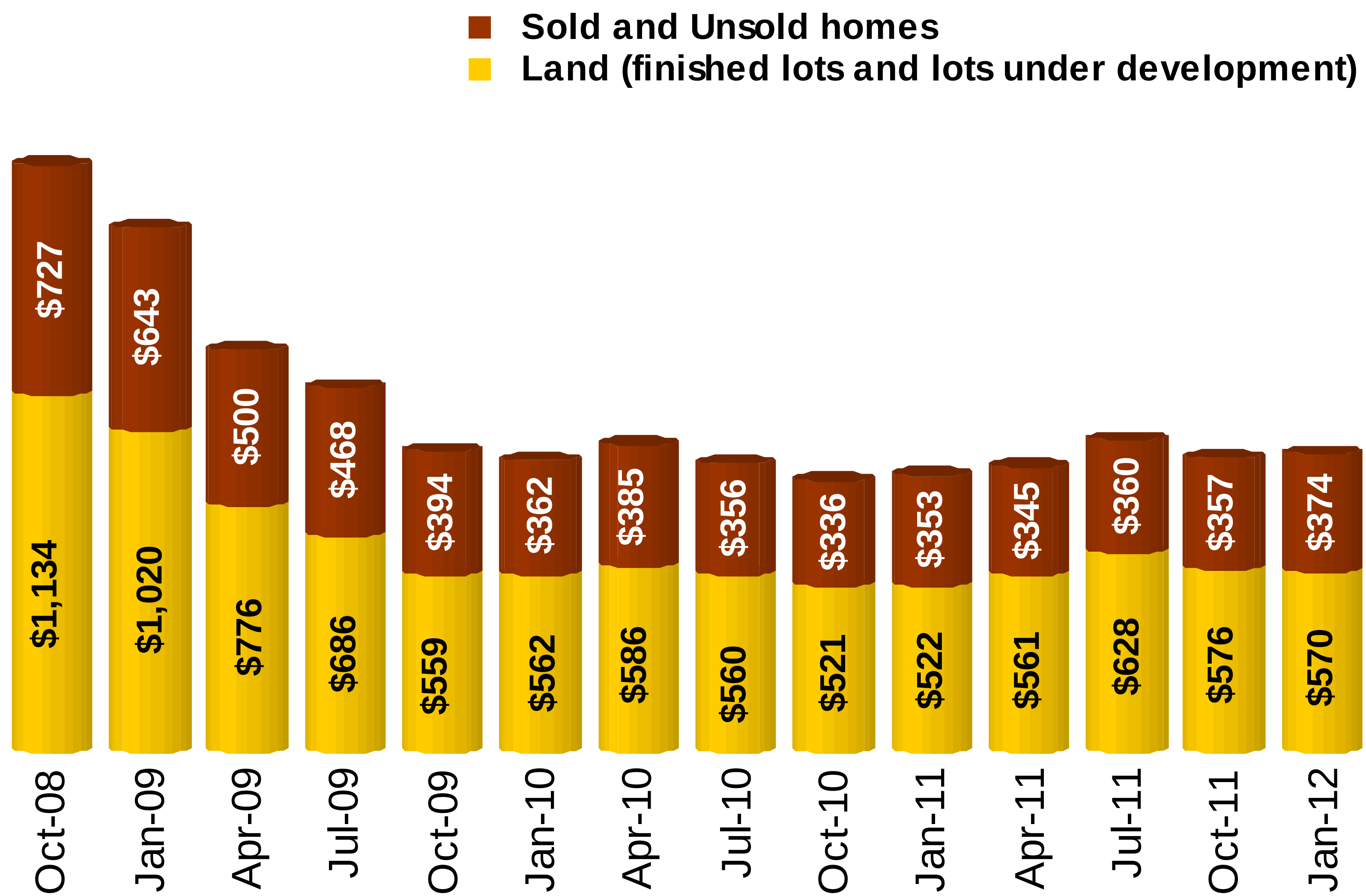
Land Positions by Geographic Segment

January 31, 2012

Segment	TTM Deliveries	Years Supply: Owned: Excluding Mothballed Lots	Years Supply: Owned: Mothballed Lots	Years Supply: Optioned	Years Supply: Total	Investment in Land (finished lots and lots under development) ($ in millions)
Northeast	374	4.9	3.1	3.9	11.8	$231
Mid-Atlantic	529	6.0	0.6	3.5	10.1	$87
Midwest	359	2.5	0.3	3.3	6.1	$20
Southeast	358	3.7	1.4	2.3	7.4	$47
Southwest	1,754	1.2	0.0	1.7	3.0	$82
West	502	2.9	10.0	1.5	14.4	$103
Total	3,876	2.8	1.8	2.4	7.0	$570

Inventory Breakdown

$ in Millions



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

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