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): June 2, 2009

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

Delaware	**1-8551**	**22-1851059**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

110 West Front Street
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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On June 2, 2009, Hovnanian Enterprises, Inc. issued a press release announcing its preliminary financial results for the fiscal second quarter ended April 30, 2009. A copy of the press release is attached as Exhibit 99.

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 and Adjusted EBITDA, which are non-GAAP financial measures. The most directly comparable GAAP financial measure is net income (loss). The reconciliation of EBITDA and Adjusted EBITDA to net loss is contained in the Earnings Press Release. The Earnings Press Release contains information about (Loss) Income Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt, which is a non-GAAP financial measure. The most directly comparable GAAP financial measure is Loss Before Income Taxes. The reconciliation of Loss Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt to Loss Before Income Taxes 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 Securities and Exchange Commission. Additionally, our calculation of EBITDA may be different than the calculation used by other companies, and, therefore, comparability may be affected.

Management believes (Loss) Income Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt to be relevant and useful information because it provides a better metric of the Company's operating performance. (Loss) Income Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt should be considered in addition to, but not as a substitute for, income before income taxes, net income 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 Securities and Exchange Commission. Additionally, our calculation of (Loss) Income Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt may be different than the calculation used by other companies, and, therefore, comparability may be affected.

The Earnings Press Release also contains information about Cash Flow, which is a non-GAAP financial measure. The most directly comparable GAAP financial measure is Net Cash provided by (or used in) Operating Activities. As discussed in the Earnings Press Release, Cash Flow is equivalent to the amount of Net Cash provided by (or used in) Operating Activities for the period, as reported on the Consolidated Statement of Cash Flows, excluding changes in mortgage notes receivable at the mortgage company, plus (or minus) the amount of Net Cash provided by (or used in) Investing Activities. Management believes the amount of Cash Flow in any period is relevant and useful information as Cash Flow is a standard measure commonly reported and widely used by analysts, investors and others to measure our financial performance and our ability to service and repay our debt obligations. Cash Flow is also one of several metrics used by our management to measure the cash generated from (our used in) our operations and to gauge our ability to service and repay our debt obligations. For our Company, the change in the balance of mortgage notes receivable held at the mortgage company, which is included in

Operating Activities, is added back to the calculation because it is generally offset by a similar amount of change in the amount outstanding under the mortgage warehouse line of credit (included as a Financing Activity), and would inaccurately distort the amount of Cash Flow reported if it were included. Unlike EBITDA, Cash Flow takes into account the payment of current income taxes and interest costs that are due and payable in the period. Cash Flow should be considered in addition to, but not as a substitute for, EBITDA, 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 Securities and Exchange Commission. Additionally, our calculation of Cash Flow may be different than the calculation used by other companies, and, therefore, comparability may be affected.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit 99 Earnings Press Release – Second Fiscal Quarter Ended April 30, 2009.

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, Chief Financial Officer and Treasurer

Date: June 2, 2009

INDEX TO EXHIBITS

Exhibit Number	Exhibit
Exhibit 99	Earnings Press Release – Second Fiscal Quarter Ended April 30, 2009.

HOVNANIAN ENTERPRISES, INC. News Release

Contact: J. Larry Sorsby
Executive Vice President & CFO
732-747-7800

Jeffrey T. O'Keefe
Director of Investor Relations
732-747-7800

HOVNANIAN ENTERPRISES REPORTS SECOND QUARTER FISCAL 2009 RESULTS

RED BANK, NJ, June 2, 2008 – Hovnanian Enterprises, Inc. (NYSE: HOV), a leading national homebuilder, reported results for its second quarter and six months ended April 30, 2009.

RESULTS FOR THE THREE AND SIX MONTH PERIODS ENDED APRIL 30, 2009:

- Total revenues were $398.0 million for the second quarter of fiscal 2009 compared with $776.4 million in last year's second quarter. For the first six months of fiscal 2009, total revenues were $771.8 million compared with $1.9 billion for the same period in the prior year.

- For the second quarter of fiscal 2009, the after-tax net loss was $118.6 million, or $1.50 per common share, compared with a net loss of $340.7 million, or $5.29 per common share, in the prior year's second quarter. For the first half of fiscal 2009, the after-tax net loss was $297.0 million, or $3.80 per share compared with a net loss of $471.7 million, or $7.43, in the first six months a year ago.

- During the second quarter of fiscal 2009, total repurchases of unsecured senior and senior subordinated notes amounted to $525.0 million. Excluding the $71.1 million of face value of the 6.0% senior subordinated notes due in January 2010 that were purchased at an average price of 92.2%, the average price of the remaining debt repurchases was 31.5%. As a result, a $311.3 million gain on extinguishment of debt was recorded during the second quarter of fiscal 2009.

- Pre-tax land-related charges during the second quarter of fiscal 2009 were $318.9 million, including land impairments of $301.1 million, write-offs of predevelopment costs and land deposits of $9.1 million and $8.7 million representing the write down of our investments in certain unconsolidated joint ventures.

- Deliveries, excluding unconsolidated joint ventures, were 1,388 homes for the 2009 second quarter, a 44% decline from 2,494 homes in the same quarter a year ago. For the first half of 2009, deliveries, excluding unconsolidated joint ventures, declined 57% to 2,596 homes compared with 6,098 home deliveries in the first six months of fiscal 2008.

- The number of net contracts for the second quarter of fiscal 2009, excluding unconsolidated joint ventures, declined 29% to 1,586 homes compared with the second quarter of the prior year. For the sixth month period ended April 30, 2009, the number of net contracts, excluding unconsolidated joint ventures, was 2,547 homes, a 32% decline, compared with the same period a year ago.

- At April 30, 2009, there were 215 active selling communities, excluding unconsolidated joint ventures, a decline of 164 active communities, or 43%, from the end of the prior year's second quarter.

- Net contracts per community increased 25% from 5.9 in last year's second quarter to 7.4 net contracts per community in the second quarter of fiscal 2009.

- The contract cancellation rate, excluding unconsolidated joint ventures, for the second quarter of fiscal 2009 was 24%, compared with the contract cancellation rate of 29% in last year's second quarter and 31% in the first quarter of fiscal 2009.

- The pre-tax loss was $97.4 million for the 2009 second quarter and $275.2 million for the first six months of fiscal 2009. Excluding land-related charges and the gain from extinguishment of debt, the pre-tax loss was $89.7 million and $215.0 million, respectively, for the three month and six month periods ended April 30, 2009.

- The FAS 109 current and deferred tax valuation allowance charge to earnings was $42.2 million during the second quarter of 2009 and $121.6 million year to date and as of April 30, 2009, the total valuation allowance is $797.1 million. This FAS 109 charge is a non-cash valuation allowance against the tax assets for GAAP purposes. For tax purposes, the tax deductions associated with the tax assets may be carried forward for 20 years.

CASH AND INVENTORY AS OF APRIL 30, 2009:

- At April 30, 2009, homebuilding cash was $779.2 million and the balance on the revolving credit facility was $100.0 million. Cash flow during the second quarter of fiscal 2009, excluding the $208.4 million spent on debt repurchases, was $47.5 million, similar to $56.1 million of cash flow in the second quarter of the prior year.

- The total land position, as of April 30, 2009, decreased by 17,303 lots, or 33%, compared to April 30, 2008, reflecting decreases of 3,411 owned lots and 13,892 optioned lots.

- As of April 30, 2009, lots controlled under option contracts totaled 13,299 and owned lots totaled 21,853. The total land position of 35,152 lots represents a 71% decline from the peak total land position at April 30, 2006.

- Started unsold homes, excluding models, declined 41%, to 892 at April 30, 2009 compared to 1,503 at April 30, 2008.

OTHER KEY OPERATING DATA:

- Contract backlog, as of April 30, 2009, excluding unconsolidated joint ventures, was 1,858 homes with a sales value of $592.8 million, a decrease of 52% compared to April 30, 2008.

- Homebuilding gross margin, before interest expense included in cost of sales, was 8.3% for the second quarter of 2009, compared to 6.8% in the fiscal 2008 second quarter and 5.7% in the 2009 first quarter.

- Pre-tax income from Financial Services was $2.5 million in the second quarter of fiscal 2009 and $4.1 million for the first half of fiscal 2009.

- During the second quarter of fiscal 2009, home deliveries through unconsolidated joint ventures were 71 homes, compared with 196 homes in the second quarter of fiscal 2008. During the first half of fiscal 2009, home deliveries through unconsolidated joint ventures were 146 homes compared with 351 homes during the same period in the prior year.

COMMENTS FROM MANAGEMENT:

"Although the home sales environment remains challenging amid increasingly high levels of unemployment and uncertainty about the overall US economy, our monthly net contracts per community have increased in each of the past two quarters and in six of the past seven months," commented Ara K. Hovnanian, President and Chief Executive Officer.

"Our contract cancellation rate of 24% for the second quarter is at a more normalized level, the likes of which we have not reported since the third quarter of 2005," continued Mr. Hovnanian. "The combination of historically low mortgage rates and steep corrections in home prices have pushed affordability close to an all time high across the country. Although we lowered our sales prices further which resulted in the land impairments we took during the second quarter, we have seen more stability in home prices over the most recent six weeks. In spite of these encouraging signs, we remain concerned that the combination of the expiration of the $8,000 federal tax credit in November of this year, the depletion of the state funds allocated for the $10,000 California state tax credit for new home buyers and the potential increase in existing home listings due to another wave of foreclosures as the recent moratoriums on foreclosures have ended could have a dampening effect on our future contract pace. We are hopeful that our government will realize the importance of taking action to both increase the amount of the tax credit and extend its term."

"Notwithstanding the presence of a small number of positive trends, we remain extremely focused on maximizing liquidity and reducing our debt levels," stated J. Larry Sorsby, Chief Financial Officer. "Through a debt exchange and the repurchases of debt in the open market this fiscal year, we reduced both our future principal payments and annual interest payments by $620 million and $41 million, respectively. Our near-term maturities consist of only $29 million in face value that comes due in 2010 and another $159 million that matures in 2012. Going forward, we have debt covenants that limit the amount of additional debt we may repurchase. While we are pleased with the reduction in debt we have achieved to date, we are cognizant of our deteriorating stockholders' equity and the resulting increase to our already highly leveraged position."

"We will continue to make every operational decision with cash flow implications in mind. A laser focus on generating and preserving cash, coupled with a modestly improving macro homebuilding environment will enable us to weather the remainder of the downturn and position ourselves to take advantage of opportunities that will abound in the eventual housing market recovery," concluded Mr. Hovnanian.

WEBCAST INFORMATION:

Hovnanian Enterprises will webcast its fiscal 2009 second quarter financial results conference call at 11:00 a.m. E.T. on Wednesday, June 3, 2009. 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 "Audio Archives" section of the Investor Relations page on the Hovnanian Website at http://www.khov.com. The archive will be available for 12 months.

ABOUT HOVNANIAN ENTERPRISES:

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, Delaware, Florida, Georgia, Illinois, Kentucky, Maryland, Minnesota, 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® Homes®, Matzel & Mumford, Brighton Homes, Parkwood Builders, Town & Country Homes, Oster Homes, First Home Builders of Florida and CraftBuilt 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 2008 annual report, can be accessed through the "Investor Relations" section of the Hovnanian Enterprises' website at http://www.khov.com. To be added to Hovnanian's investor e-mail or fax lists, please send an e-mail to IR@khov.com or sign up at http://www.khov.com.

NON-GAAP FINANCIAL MEASURES:

Consolidated earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and before inventory impairment loss and land option write-offs and gain on extinguishment of debt ("Adjusted EBITDA") are not U.S. generally accepted accounting principles (GAAP) financial measures. The most directly comparable GAAP financial measure is net income (loss). The reconciliation of EBITDA and Adjusted EBITDA to net loss is presented in a table attached to this earnings release.

Cash flow is a non-GAAP financial measure. The most directly comparable GAAP financial measure is Net Cash provided by (or used in) Operating Activities. The Company uses cash flow to mean the amount of Net Cash provided by (or used in) Operating Activities for the period, as reported on the Consolidated Statement of Cash Flows, excluding changes in mortgage notes receivable at the mortgage company, plus (or minus) the amount of Net Cash provided by (or used in) Investing Activities. For the second quarter of 2009, cash flow was $47.5 million, which was derived from $73.9 million from net cash provided by operating activities less the change in mortgage notes receivable of $24.4 million less $2.0 million of net cash used in investing activities. For the second quarter of 2008, cash flow was $56.1 million, which was derived from $34.1 million from net cash provided by operating activities plus the decrease in mortgage notes receivable of $31.6 million less $9.6 million of net cash used in investing activities.

Loss Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt is a non-GAAP financial measure. The most directly comparable GAAP financial measure is Loss Before Income Taxes. The reconciliation of Loss Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt to Loss Before Income Taxes is presented in a table attached to this earnings release.

Note: All statements in this Press Release that are not historical facts should be considered as "forward-looking statements" within the meaning of the "Safe Harbor" Provisions 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, 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, (2) adverse weather 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, 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) operations through joint ventures with third parties, (14) product liability litigation and warranty claims, (15) successful identification and integration of acquisitions, (16) significant influence of the Company's controlling stockholders, (17) geopolitical risks, terrorist acts and other acts of war and (18) other factors described in detail in the Company's Form 10-K for the year ended October 31, 2008 and in the Company's Form 10-Q for the quarter ended January 31, 2009.

(Financial Tables Follow)

Hovnanian Enterprises, Inc.
April 30, 2009
Statements of Consolidated Operations
(Dollars in Thousands, Except Per Share)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Total Revenues	$397,999	$776,439	$771,783	$1,870,140
Costs and Expenses (a)	796,532	1,116,480	1,405,073	2,373,936
Gain on Extinguishment of Debt	311,268	-	390,788	-
Loss from Unconsolidated Joint Ventures	(10,094)	(3,397)	(32,683)	(8,436)
Loss Before Income Taxes	(97,359)	(343,438)	(275,185)	(512,232)
Income Tax Provision (Benefit)	21,262	(2,727)	21,846	(40,578)
Net Loss	$(118,621)	$(340,711)	$(297,031)	$(471,654)
Per Share Data:				
Basic and Assuming Dilution:				
Loss Per Common Share	$(1.50)	$(5.29)	$(3.80)	$(7.43)
Weighted Average Number of Common Shares Outstanding (b)	79,146	64,410	78,154	63,455

(a) Includes inventory impairment loss and land option write-offs.
(b) For periods with a net loss, basic shares are used in accordance with GAAP rules.

Hovnanian Enterprises, Inc.
April 30, 2009
Reconciliation of Loss Before Income Taxes Excluding Land-Related
Charges, Intangible Impairments and Gain on Extinguishment of Debt to Loss Before Income Taxes
(Dollars in Thousands)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Loss Before Income Taxes	$(97,359)	$(343,438)	$(275,185)	$(512,232)
Inventory Impairment Loss and Land Option Write-Offs	310,194	245,860	420,375	336,028
Unconsolidated Joint Venture Investment, Intangible and Land-Related Charges	8,727	5,145	30,551	9,152
Gain on Extinguishment of Debt	(311,268)	-	(390,788)	-
Loss Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt (a)	$(89,706)	$(92,433)	$(215,047)	$(167,052)

(a) Loss Before Income Taxes Excluding Land-Related Charges, Intangible Impairments and Gain on Extinguishment of Debt is a non-GAAP financial measure. The most directly comparable GAAP financial measure is Loss Before Income Taxes.

Hovnanian Enterprises, Inc.
April 30, 2009
Gross Margin
(Dollars in Thousands)

	Homebuilding Gross Margin Three Months Ended April 30,		Homebuilding Gross Margin Six Months Ended April 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Sale of Homes	$381,698	$755,684	$740,750	$1,807,502
Cost of Sales, Excluding Interest [(a)]	350,178	704,613	688,608	1,686,181
Homebuilding Gross Margin, Excluding Interest	31,520	51,071	52,142	121,321
Homebuilding Cost of Sales Interest	24,785	33,103	47,389	61,066
Homebuilding Gross Margin, Including Interest	$6,735	$17,968	$4,753	$60,255
Gross Margin Percentage, Excluding Interest	8.3%	6.8%	7.0%	6.7%
Gross Margin Percentage, Including Interest	1.8%	2.4%	0.6%	3.3%

	Land Sales Gross Margin Three Months Ended April 30,		Land Sales Gross Margin Six Months Ended April 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Land Sales	$3,101	$3,740	$5,900	$26,493
Cost of Sales, Excluding Interest [(a)]	970	2,232	3,215	24,228
Land Sales Gross Margin, Excluding Interest	2,131	1,508	2,685	2,265
Land Sales Interest	1,255	1,469	1,780	2,094
Land Sales Gross Margin, Including Interest	$876	$39	$905	$171

[(a)] Does not include cost associated with walking away from land options or inventory impairment losses which are recorded as Inventory impairment loss and land option write-offs in the Condensed Consolidated Statements of Operations.

Hovnanian Enterprises, Inc.
April 30, 2009
Reconciliation of Adjusted EBITDA to Net Loss
(Dollars in Thousands)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Net Loss	$(118,621)	$(340,711)	$(297,031)	$(471,654)
Income Tax Provision (Benefit)	21,262	(2,727)	21,846	(40,578)
Interest Expense	44,564	35,034	91,923	64,162
EBIT (a)	(52,795)	(308,404)	(183,262)	(448,070)
Depreciation	3,988	4,508	9,286	9,105
Amortization of Debt Costs	1,571	503	3,231	1,096
Amortization of Intangibles	-	292	-	1,227
EBITDA (b)	(47,236)	(303,101)	(170,745)	(436,642)
Inventory Impairment Loss and Land Option Write-offs	310,194	245,860	420,375	336,028
Gain on Extinguishment of Debt	(311,268)	-	(390,788)	-
Adjusted EBITDA (c)	$(48,310)	$(57,241)	$(141,158)	$(100,614)
Interest Incurred	$47,588	$41,206	$101,098	$86,122
Adjusted EBITDA to Interest Incurred	(1.02)	(1.39)	(1.40)	(1.17)

(a) EBIT is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net loss. EBIT represents earnings before interest expense and income taxes.
(b) EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net loss. EBITDA represents earnings before interest expense, income taxes, depreciation and amortization.
(c) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net loss. Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation, amortization, inventory impairment loss and land option write-offs and gain on extinguishment of debt.

Hovnanian Enterprises, Inc.
April 30, 2009
Interest Incurred, Expensed and Capitalized
(Dollars in Thousands)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Interest Capitalized at Beginning of Period	$176,258	$171,430	$170,107	$155,642
Plus Interest Incurred	47,588	41,206	101,098	86,122
Less Interest Expensed	44,564	35,034	91,923	64,162
Interest Capitalized at End of Period (a)	$179,282	$177,602	$179,282	$177,602

(a) The Company incurred significant inventory impairments in recent quarters, which are determined based on total inventory including capitalized interest. However, the capitalized interest amounts are shown gross before allocating any portion of impairments to capitalized interest.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands Except Share Amounts)

ASSETS	April 30, 2009 (unaudited)	October 31, 2008 (1)
Homebuilding:		
Cash and cash equivalents	$779,178	$838,207
Restricted cash and cash equivalents	19,026	4,324
Inventories - at the lower of cost or fair value:		
Sold and unsold homes and lots under development	893,577	1,342,584
Land and land options held for future development or sale	493,105	644,067
Consolidated inventory not owned:		
Specific performance options	33,443	10,610
Variable interest entities	38,185	77,022
Other options	53,218	84,799
Total consolidated inventory not owned	124,846	172,431
Total inventories	1,511,528	2,159,082
Investments in and advances to unconsolidated joint ventures	42,170	71,097
Receivables, deposits, and notes	53,457	78,766
Property, plant, and equipment – net	83,273	92,817
Prepaid expenses and other assets	134,234	156,595
Total homebuilding	2,622,866	3,400,888
Financial services:		
Cash and cash equivalents	3,958	9,849
Restricted cash	4,094	4,005
Mortgage loans held for sale or investment	59,273	90,729
Other assets	2,941	5,025
Total financial services	70,266	109,608
Income taxes receivable – including net deferred tax benefits	-	126,826
Total assets	$2,693,132	$3,637,322

(1) Derived from the audited balance sheet as of October 31, 2008.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands Except Share Amounts)

LIABILITIES AND STOCKHOLDERS' EQUITY	April 30, 2009 (unaudited)	October 31, 2008 (1)
Homebuilding:		
Nonrecourse land mortgages	$820	$820
Accounts payable and other liabilities	319,739	420,695
Customers' deposits	22,315	28,676
Nonrecourse mortgages secured by operating properties	21,911	22,302
Liabilities from inventory not owned	89,463	135,077
Total homebuilding	454,248	607,570
Financial services:		
Accounts payable and other liabilities	8,792	10,559
Mortgage warehouse line of credit	49,181	84,791
Total financial services	57,973	95,350
Notes payable:		
Revolving credit agreement	100,000	-
Senior secured notes	624,474	594,734
Senior notes	1,066,919	1,511,071
Senior subordinated notes	196,030	400,000
Accrued interest	65,026	72,477
Total notes payable	2,052,449	2,578,282
Income tax payable	40,427	-
Total liabilities	2,605,097	3,281,202
Minority interest related to inventory not owned	25,903	24,880
Minority interest in consolidated joint ventures	734	976
Stockholders' equity:		
Preferred stock, $.01 par value – authorized 100,000 shares; issued 5,600 shares at April 30, 2009 and at October 31, 2008 with a liquidation preference of $140,000	135,299	135,299
Common stock, Class A, $.01 par value – authorized 200,000,000 shares; issued 74,250,353 shares at April 30, 2009 and 73,803,879 shares at October 31, 2008 (including 11,694,720 shares at April 30, 2009 and October 31, 2008 held in Treasury)	743	738
Common stock, Class B, $.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued 15,331,376 shares at April 30, 2009 and 15,331,494 shares at October 31, 2008 (including 691,748 shares at April 30, 2009 and October 31, 2008 held in Treasury)	153	153
Paid in capital – common stock	446,786	418,626
Accumulated deficit	(406,326)	(109,295)
Treasury stock – at cost	(115,257)	(115,257)
Total stockholders' equity	61,398	330,264
Total liabilities and stockholders' equity	$2,693,132	$3,637,322

(1) Derived from the audited balance sheet as of October 31, 2008.

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands Except Per Share Data)
(Unaudited)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
Revenues:				
Homebuilding:				
Sale of homes	$381,698	$755,684	$740,750	$1,807,502
Land sales and other revenues	7,274	8,203	13,687	36,113
Total homebuilding	388,972	763,887	754,437	1,843,615
Financial services	9,027	12,552	17,346	26,525
Total revenues	397,999	776,439	771,783	1,870,140
Expenses:				
Homebuilding:				
Cost of sales, excluding interest	351,148	706,845	691,823	1,710,409
Cost of sales interest	26,040	34,572	49,169	63,160
Inventory impairment loss and land option write-offs	310,194	245,860	420,375	336,028
Total cost of sales	687,382	987,277	1,161,367	2,109,597
Selling, general and administrative	60,822	97,646	131,866	197,815
Total homebuilding	748,204	1,084,923	1,293,233	2,307,412
Financial services	6,510	8,450	13,258	19,320
Corporate general and administrative	18,359	20,530	49,269	41,685
Other interest	18,524	462	42,754	1,002
Other operations	4,935	1,823	6,559	3,290
Intangible amortization	-	292	-	1,227
Total expenses	796,532	1,116,480	1,405,073	2,373,936
Gain on extinguishment of debt	311,268	-	390,788	-
Loss from unconsolidated joint ventures	(10,094)	(3,397)	(32,683)	(8,436)
Loss before income taxes	(97,359)	(343,438)	(275,185)	(512,232)
State and federal income tax provision (benefit):				
State	21,221	11,942	21,776	14,225
Federal	41	(14,669)	70	(54,803)
Total taxes	21,262	(2,727)	21,846	(40,578)
Net loss	$(118,621)	$(340,711)	$(297,031)	$(471,654)
Per share data:				
Basic and assuming dilution:				
Loss per common share	$(1.50)	$(5.29)	$(3.80)	$(7.43)
Weighted average number of common shares outstanding	79,146	64,410	78,154	63,455

HOVNANIAN ENTERPRISES, INC.
(DOLLARS IN THOUSANDS EXCEPT AVG. PRICE)
(UNAUDITED)

Communities Under Development
Three Months - 4/30/2009

		Net Contracts(1) Three Months Ended April 30,			Deliveries Three Months Ended April 30,			Contract Backlog April 30,		
		2009	2008	% Change	2009	2008	% Change	2009	2008	% Change
Northeast										
	Home	227	334	(32.0)%	191	347	(45.0)%	478	846	(43.5)%
	Dollars	$104,653	$140,651	(25.6)%	$83,752	$168,590	(50.3)%	$211,943	$406,002	(47.8)%
	Avg.Price	$461,026	$421,114	9.5%	$438,492	$485,850	(9.7)%	$443,395	$479,908	(7.6)%
Mid-Atlantic										
	Home	242	287	(15.7)%	199	337	(40.9)%	381	607	(37.2)%
	Dollars	$87,208	$107,067	(18.5)%	$70,887	$134,494	(47.3)%	$155,537	$280,566	(44.6)%
	Avg.Price	$360,368	$373,056	(3.4)%	$356,216	$399,092	(10.7)%	$408,234	$462,216	(11.7)%
Midwest										
	Home	156	196	(20.4)%	114	257	(55.6)%	324	589	(45.0)%
	Dollars	$33,498	$43,023	(22.1)%	$23,887	$55,092	(56.6)%	$66,064	$117,474	(43.8)%
	Avg.Price	$214,731	$219,500	(2.2)%	$209,535	$214,366	(2.3)%	$203,901	$199,447	2.2%
Southeast										
	Home	127	197	(35.5)%	141	444	(68.2)%	109	430	(74.7)%
	Dollars	$31,073	$44,144	(29.6)%	$32,834	$109,182	(69.9)%	$30,106	$122,663	(75.5)%
	Avg.Price	$244,669	$224,076	9.2%	$232,865	$245,905	(5.3)%	$276,202	$285,263	(3.2)%
Southwest										
	Home	545	739	(26.3)%	520	645	(19.4)%	357	699	(48.9)%
	Dollars	$109,971	$169,331	(35.1)%	$113,514	$143,649	(21.0)%	$75,153	$163,929	(54.2)%
	Avg.Price	$201,783	$229,137	(11.9)%	$218,296	$222,712	(2.0)%	$210,513	$234,521	(10.2)%
West										
	Home	289	473	(38.9)%	223	464	(51.9)%	209	406	(48.5)%
	Dollars	$69,205	$142,561	(51.5)%	$56,824	$144,677	(60.7)%	$53,973	$137,054	(60.6)%
	Avg.Price	$239,464	$301,397	(20.5)%	$254,816	$311,804	(18.3)%	$258,244	$337,569	(23.5)%
Consolidated Total										
	Home	1,586	2,226	(28.8)%	1,388	2,494	(44.3)%	1,858	3,577	(48.1)%
	Dollars	$435,608	$646,777	(32.6)%	$381,698	$755,684	(49.5)%	$592,776	$1,227,688	(51.7)%
	Avg.Price	$274,659	$290,556	(5.5)%	$274,999	$303,001	(9.2)%	$319,040	$343,217	(7.0)%
Unconsolidated Joint Ventures										
	Home	61	205	(70.2)%	71	196	(63.8)%	221	389	(43.2)%
	Dollars	$24,643	$81,114	(69.6)%	$22,522	$70,013	(67.8)%	$147,587	$197,607	(25.3)%
	Avg.Price	$403,967	$395,673	2.1%	$317,211	$357,209	(11.2)%	$667,814	$507,987	31.5%
Total										
	Home	1,647	2,431	(32.3)%	1,459	2,690	(45.8)%	2,079	3,966	(47.6)%
	Dollars	$460,251	$727,891	(36.8)%	$404,220	$825,697	(51.0)%	$740,363	$1,425,295	(48.1)%
	Avg.Price	$279,448	$299,420	(6.7)%	$277,053	$306,951	(9.7)%	$356,114	$359,378	(0.9)%

DELIVERIES INCLUDE EXTRAS

Notes:
(1) Net contracts are defined as new contracts signed during the period for the purchase of homes, less cancellations of prior contracts.

HOVNANIAN ENTERPRISES, INC.
(DOLLARS IN THOUSANDS EXCEPT AVG. PRICE)
(UNAUDITED)

Communities Under Development
Six Months - 4/30/2009

		Net Contracts(1) Six Months Ended April 30,			Deliveries Six Months Ended April 30,			Contract Backlog April 30,		
		2009	2008	% Change	2009	2008	% Change	2009	2008	% Change
Northeast										
	Home	366	532	(31.2)%	385	661	(41.8)%	478	846	(43.5)%
	Dollars	$169,998	$224,067	(24.1)%	$169,988	$328,936	(48.3)%	$211,943	$406,002	(47.8)%
	Avg.Price	$464,475	$421,180	10.3%	$441,527	$497,634	(11.3)%	$443,395	$479,908	(7.6)%
Mid-Atlantic										
	Home	378	488	(22.5)%	382	634	(39.7)%	381	607	(37.2)%
	Dollars	$129,467	$180,491	(28.3)%	$139,882	$260,052	(46.2)%	$155,537	$280,566	(44.6)%
	Avg.Price	$342,505	$369,859	(7.4)%	$366,183	$410,177	(10.7)%	$408,234	$462,216	(11.7)%
Midwest										
	Home	260	298	(12.8)%	227	468	(51.5)%	324	589	(45.0)%
	Dollars	$52,334	$61,760	(15.3)%	$50,760	$101,672	(50.1)%	$66,064	$117,474	(43.8)%
	Avg.Price	$201,285	$207,248	(2.9)%	$223,612	$217,248	2.9%	$203,901	$199,447	2.2%
Southeast										
	Home	244	352	(30.7)%	298	2,073	(85.6)%	109	430	(74.7)%
	Dollars	$51,136	$86,567	(40.9)%	$66,849	$502,364	(86.7)%	$30,106	$122,663	(75.5)%
	Avg.Price	$209,574	$245,926	(14.8)%	$224,326	$242,337	(7.4)%	$276,202	$285,263	(3.2)%
Southwest										
	Home	827	1,284	(35.6)%	890	1,336	(33.4)%	357	699	(48.9)%
	Dollars	$170,468	$293,716	(42.0)%	$200,119	$307,833	(35.0)%	$75,153	$163,929	(54.2)%
	Avg.Price	$206,129	$228,750	(9.9)%	$224,853	$230,414	(2.4)%	$210,513	$234,521	(10.2)%
West										
	Home	472	783	(39.7)%	414	926	(55.3)%	209	406	(48.5)%
	Dollars	$99,724	$257,966	(61.3)%	$113,152	$306,645	(63.1)%	$53,973	$137,054	(60.6)%
	Avg.Price	$211,280	$329,460	(35.9)%	$273,314	$331,150	(17.5)%	$258,244	$337,569	(23.5)%
Consolidated Total										
	Home	2,547	3,737	(31.8)%	2,596	6,098	(57.4)%	1,858	3,577	(48.1)%
	Dollars	$673,127	$1,104,567	(39.1)%	$740,750	$1,807,502	(59.0)%	$592,776	$1,227,688	(51.7)%
	Avg.Price	$264,282	$295,576	(10.6)%	$285,343	$296,409	(3.7)%	$319,040	$343,217	(7.0)%
Unconsolidated Joint Ventures										
	Home	104	313	(66.8)%	146	351	(58.4)%	221	389	(43.2)%
	Dollars	$38,765	$133,861	(71.0)%	$47,034	$136,581	(65.6)%	$147,587	$197,607	(25.3)%
	Avg.Price	$372,740	$427,671	(12.8)%	$322,151	$389,120	(17.2)%	$667,814	$507,987	31.5%
Total										
	Home	2,651	4,050	(34.5)%	2,742	6,449	(57.5)%	2,079	3,966	(47.6)%
	Dollars	$711,892	$1,238,428	(42.5)%	$787,784	$1,944,083	(59.5)%	$740,363	$1,425,295	(48.1)%
	Avg.Price	$268,537	$305,785	(12.2)%	$287,303	$301,455	(4.7)%	$356,114	$359,378	(0.9)%

DELIVERIES INCLUDE EXTRAS

Notes:
(1) Net contracts are defined as new contracts signed during the period for the purchase of homes, less cancellations of prior contracts.