

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): May 28, 2003

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.)

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)

Item 7. Financial Statements, Pro Forma Financial Information and
Exhibits
(c) Exhibits.
Exhibit 99.1
Earnings Press Release - Second Quarter Ended April 30,
2003.

Item 9. Regulation FD Disclosure
The information contained in this Item 9 is being furnished
pursuant to Item 12. "Results of Operations and Financial Condition" in
accordance with SEC Release 33-8216; 34-47583; IC-25983; March 27, 2003.
The information in this Current Report is being furnished and
shall not be deemed "filed" for purposes of Section 18 of the Securities
Exchange Act of 1934, as amended, or otherwise subject to the liability of
that Section. The information in this Current Report shall not be deemed
incorporated by reference into any registration statement or other filing
under the Securities Act of 1933, as amended, or the Exchange Act.
On May 28, 2003, the Company issued a press release announcing
its preliminary financial results for the second quarter ended April 30, 2003.
A copy of the Earnings Press Release is attached as Exhibit 99.1.
The Earnings Press Release contains information about EBITDA, a
non-GAAP financial measure. The most directly comparable GAAP financial
measure to EBITDA is income before income taxes. A reconciliation of EBITDA
to income 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 obligation. 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.

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: May 28, 2003

INDEX TO EXHIBITS

Exhibit Number
Exhibit

Exhibit 99.1
Earnings Press Release - Second Quarter Ended April 30, 2003.

2

2

3

4

Hovnanian Enterprises Reports 100% Increase in Second Quarter EPS, With Record Second Quarter Revenues, Earnings, Net Contracts and Backlog; Raises Fiscal 2003 Earnings Projection and Issues 2004 EPS Projection

Highlights for the Quarter Ended April 30, 2003

- - Net earnings totaled \$52.6 million for the quarter, a 103% increase in earnings from the record level achieved in last year's second quarter. Revenues increased 21% to \$679.8 million. The Company's pretax margin rose to 12.4% from 7.4% in the prior year's second quarter.

- - The Company reported earnings of \$1.60 per fully diluted share, significantly ahead of analyst estimates and double the \$0.80 per share earned in last year's second quarter. These results reflect healthy consumer demand and the Company's focus on profitability improvements.

- - Management is increasing its projection for fiscal 2003 earnings to the range of \$6.50 to \$6.75 per share from \$5.25 to \$5.50 per share and is providing an initial projection of \$7.50 in earnings per share for fiscal 2004. The revised 2003 estimate represents a range of net income from \$211 million to \$219 million, a 53% to 59% increase from fiscal 2002.

- - Hovnanian closed the acquisition of Summit Homes, a "build-on-your-lot" homebuilding company with operations in Ohio, Western Pennsylvania and West Virginia. This acquisition provides a successful and profitable platform for growth, and is an excellent fit with the Company's strategy of diversifying further into wider segments of the housing market.

- - The Company's consolidated homebuilding gross margin for the second quarter, excluding land sales, was 25.6%, an increase of 490 basis points from the second quarter of fiscal 2002.

- - Deliveries increased to 2,496 homes, an all-time record for the Company in the second quarter, eclipsing 2002's record second quarter by 16%. Net contracts climbed 16% from last year's results to 3,389 homes valued at \$909.7 million.

- - Contract backlog at April 30, 2003 was an all-time record 5,300 homes with a sales value of \$1.4 billion, an increase of 18% from the same period last year. The number of homes in contract backlog, combined with the number of home deliveries year-to-date, is equal to more than 90% of aggregate forecasted deliveries for fiscal 2003.

- - The Company's total number of active selling communities increased 24% to 244 at April 30, 2003 from 196 communities at October 31, 2002.

RED BANK, N.J., May 28 /PRNewswire-FirstCall/ -- Hovnanian Enterprises, Inc. (NYSE: HOV), a leading national homebuilder, reported net income of \$52.6 million, or \$1.60 per fully diluted share, on \$679.8 million in total revenue for the second quarter ended April 30, 2003. Analysts who cover the Company's stock had published earnings estimates ranging from \$1.15 to \$1.27 per diluted share for Hovnanian's fiscal second quarter. Last year's second quarter net income was \$25.9 million, or \$0.80 per fully diluted share, on revenue of \$561.0 million. Pretax earnings from Financial Services increased to \$4.7 million, up 32% from last year's second quarter.

During the quarter, Hovnanian completed the acquisition of Summit Homes, a privately held homebuilder headquartered in Canton, Ohio. This acquisition marks Hovnanian's entry into the Ohio market and expands the Company's "build-on-your-lot" homebuilding operations. The contracts, deliveries, revenues, and earnings from the Summit Homes operation from the date of closing were included in the results for the second quarter of 2003.

For the six months ended April 30, 2002, revenue reached \$1.31 billion, up 29% compared to \$1.02 billion in the year earlier period. Net income for the first six months of fiscal 2002 increased 121% to \$97.3 million, or \$2.95 per fully diluted share compared to \$44.1 million or \$1.40 per share in 2002. The dollar value of year-to-year net contracts during the six-month period increased by 24.8% and the number of home deliveries rose by 22.3%.

Comments from Management

"Fiscal 2003 continues to be a strong year, and we are very proud of our exceptional financial and operating performance in the second quarter," said Ara K. Hovnanian, President and Chief Executive Officer of the Company.

"Our ability to consistently deliver a solid financial performance is testimony to our strategy and growth objectives. While acquisitions continue to play a role in the growth and diversification of our business, over 96% of our earnings this quarter, or \$1.54 per diluted share, were generated from growth in our organic operations, excluding the acquisitions of Summit Homes, Brighton Homes and Parkside Homes, which occurred during this fiscal year. Healthy consumer demand for new homes and our ability to increase home prices in certain communities have contributed to our strong results. In addition, our process improvement initiatives continue to gain momentum and we remain focused on applying best practices throughout our organization. The result is a 490 basis point improvement in our homebuilding margin for the quarter, compared with last year's second quarter. Once again we have exceeded our internal forecast and the market's expectations for earnings, and doubled our prior year's second quarter earnings per share," he added.

"Our strong second quarter results and a record sales backlog with improved margins allow us to increase our projections for the current fiscal year to a range of earnings between \$6.50 and \$6.75 per fully diluted share," Mr. Hovnanian stated. "This revised earnings projection represents a 52% to 58% increase from last year's record earnings of \$4.28 per share. Fiscal 2003 revenue is expected to climb to nearly \$3.0 billion, and deliveries are anticipated to exceed 10,500 homes," he said. "Assuming economic conditions remain similar to those we are currently experiencing, we are projecting that our fiscal 2004 earnings will increase to \$7.50 per diluted share," he said. "Despite weakness in the economy, we continue to experience solid demand for new homes in most of our markets. We will be announcing our new home orders for the month of May next week, and month-to-date results indicate that it has been another strong month for the Company. We are encouraged by the depth of our backlog as we head into the second half of fiscal 2003," Mr. Hovnanian concluded.

In the first week following the end of the second quarter, Hovnanian issued \$150 million of 7.75% senior subordinated notes due in 2013. Net proceeds were used to pay off the outstanding balance of the Company's unsecured revolving credit facility, to fund ongoing operations and to finance the Company's continued growth. The outstanding balance on the revolving credit facility at the end of the quarter was \$29.8 million. "Favorable conditions in the public debt markets provided an opportunity to lock in long-term subordinated debt at a very attractive rate," said J. Larry Sorsby, Executive Vice President and Chief Financial Officer. "This long-term debt allows us to maintain ample liquidity under our \$513 million unsecured revolving credit facility," he added.

"Hovnanian's improved financial strength was recognized by two major rating agencies in the second quarter, with Standard & Poor's upgrading the Company's senior debt rating to 'BB' and Moody's Investors Service increasing their ratings outlook to positive. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the second quarter rose 74% to \$104.1 million from \$59.9 million in the second quarter of 2002," Mr. Sorsby said. The most directly comparable GAAP financial measure is income before income taxes. The reconciliation of EBITDA to income before income taxes is presented in a table attached to this earnings release. "EBITDA covered the amount of interest incurred in the quarter by 6.8 times. The Company's ratio of net recourse debt-to-equity was 1.05 to 1.0 at April 30, 2003. This compares with a net recourse debt-to-equity ratio of 1.36 to 1.0 at the end of the second quarter in 2002, after taking \$25 million of excess cash into consideration. The Summit Homes acquisition had no significant impact on the Company's leverage, and we continue to anticipate that the Company's average net leverage ratio for fiscal 2003 will be approximately 1.0 to 1.0," he concluded.

Shareholders' equity grew 8% during the quarter to \$655.8 million, or \$21.94 a share, as of April 30, 2003 from \$607.3 million at the end of January 2003. The Company repurchased 250,000 shares of Hovnanian Class A common stock during the second quarter at an average price of \$29.02. The Company also retired 750,000 shares of Hovnanian Class A common stock during the quarter, at no cost, under the terms of the Company's agreement to acquire Forecast Homes which closed in January 2002.

As of April 30th, Hovnanian adopted FASB Interpretation No. 46, commonly referred to as FIN 46, with respect to variable interest entities created after January 31, 2003. The application of FIN 46 significantly alters the method for evaluating whether certain entities should be consolidated on the Company's balance sheet, if such entities are deemed to be variable interest entities (VIEs). The FIN 46 evaluation extends to VIEs in which the Company has no ownership, but with which the Company has executed lot option contracts. The application of FIN 46 as of April 30, 2003 led to the consolidation of three VIEs in which the Company has no ownership, and resulted in the consolidation of \$40.9 million in land inventory in those entities, on which the Company holds a lot option contract for the majority of the lots, and \$35.8 million of minority interest ownership in those entities. In accordance with the requirements of FIN 46, the Company expects to apply the consolidation provisions of FIN 46 to all of the Company's VIEs no later than October 31, 2003.

In Closing

"We have achieved significant growth, both organically and through strategic acquisitions, and once again we expanded and diversified our Company's operations while simultaneously maintaining our strong balance sheet," commented Mr. Hovnanian. "Our financial achievements are an indication of the significant progress we are making in our efforts to become a better and more efficient homebuilding company," he said.

Hovnanian Enterprises will webcast its second quarter earnings conference call at 11:00 a.m. EDT tomorrow morning, May 29th, 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' Web site at www.khov.com and via www.streetevents.com. For those who are not available to listen to the live webcast, a replay will be available on both websites.

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 California, 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 and Summit 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 or sign up at <http://www.khov.com>.

Note: All statements in this Press Release that are not historical facts should be considered as "forward-looking statements" within the meaning of the Private Securities Litigation 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 business conditions, (2) weather conditions, (3) changes in market conditions, (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 homebuilding process and the environment, (6) fluctuations in interest rates and the availability of mortgage financing, (7) increases in raw materials and labor costs, (8) the availability and cost of suitable land and improved lots, (9) levels of competition, (10) availability of financing to the Company, (11) terrorist acts and other acts of war and (12) other factors described in detail in the Company's Form 10-K for the year ended October 31, 2002.

Hovnanian Enterprises, Inc.
April 30, 2003
Statements of Consolidated Income
(Dollars in Thousands, Except Per Share)

	Three Months Ended, April 30,		Six Months Ended, April 30,	
	2003	2002	2003	2002
	-----	-----	-----	-----
	(Unaudited)			
Total Revenues	\$679,817	\$560,998	\$1,307,452	\$1,015,060
Costs and Expenses	595,389	519,425	1,151,888	943,690
	-----	-----	-----	-----
Income Before Income Taxes	84,428	41,573	155,564	71,370
Provision for Taxes	31,860	15,663	58,235	27,299
	-----	-----	-----	-----
Net Income	\$52,568	\$25,910	\$97,329	\$44,071
	=====	=====	=====	=====

Per Share Data:

Basic:

Income per common

share	\$1.69	\$0.84	\$3.11	\$1.48
Weighted Average Number of Common Shares Outstanding	31,143	30,736	31,256	29,836
Assuming Dilution: Income per common share	\$1.60	\$0.80	\$2.95	\$1.40
Weighted Average Number of Common Shares Outstanding	32,761	32,570	32,944	31,511

Hovnanian Enterprises, Inc.
April 30, 2003
Homebuilding Gross Margin
(Dollars in Thousands)

	Homebuilding Gross Margin Three Months Ended April 30, 2003		Homebuilding Gross Margin Six Months Ended April 30, 2003	
	2002	2002	2002	2002
	----- (Unaudited) -----			
Sale of Homes	\$666,553	\$532,386	\$1,274,054	\$975,484
Cost of Sales	496,130	422,256	953,656	773,457
Homebuilding Gross Margin	<u>\$170,423</u>	<u>\$110,130</u>	<u>\$320,398</u>	<u>\$202,027</u>
Gross Margin Percentage	25.6%	20.7%	25.1%	20.7%
	Land Sales Gross Margin Three Months Ended April 30, 2003		Land Sales Gross Margin Six Months Ended April 30, 2003	
	2002	2002	2002	2002
	----- (Unaudited) -----			
Land and Lot Sales	\$1,298	\$18,118	\$9,750	\$18,539
Cost of Sales	1,089	14,270	6,741	14,552
Land and Lot Gross Margin	<u>\$209</u>	<u>\$3,848</u>	<u>\$3,009</u>	<u>\$3,987</u>

Hovnanian Enterprises, Inc.
April 30, 2003
Reconciliation of EBITDA to Income Before Income Taxes
(Dollars in Thousands)

	Three Months Ended April 30, 2003		Six Months Ended April 30, 2003	
	2002	2002	2002	2002
	----- (Unaudited) -----			
Income Before Income Taxes	84,428	41,573	155,564	71,370
Interest expense	13,425	12,802	27,104	26,504
EBIT	<u>97,853</u>	<u>54,375</u>	<u>182,668</u>	<u>97,874</u>
Depreciation	1,656	1,684	3,225	3,342
Amortization Debt Fees	316	1,242	637	1,489
Amortization of Intangibles	2,962	1,167	4,629	1,556
Writedowns	1,326	1,424	1,484	2,329
EBITDA	<u>104,113</u>	<u>59,892</u>	<u>192,643</u>	<u>106,590</u>
INTEREST INCURRED	15,305	14,779	30,425	26,256
EBITDA TO INTEREST INCURRED	6.8	4.1	6.3	4.1

Hovnanian Enterprises, Inc.
April 30, 2003
Interest Incurred, Expensed and Capitalized

(Dollars is Thousands)

	Three Months Ended		Six Months Ended	
	April, 30		April, 30	
	2003	2002	2003	2002

(Unaudited)

Interest Capitalized at Beginning of Period	\$23,600	\$22,899	\$22,159	\$25,124
Plus Interest Incurred	15,305	14,779	30,425	26,256
Less Interest Expensed	13,425	12,802	27,104	26,504
Interest Capitalized at End of Period	\$25,480	\$24,876	\$25,480	\$24,876

Hovnanian Enterprises, Inc.
Summary Financial Projection
(Dollars in Millions except per share or where noted)
(Unaudited)

	Fiscal Year	Fiscal Year	Trailing 12 Mos.	Fiscal Year	
	10/31/01	10/31/02	4/30/03	03 Projection *	
Total Revenues (\$ Billion)	\$1.74	\$2.55	\$2.84	\$2.86	-- \$3.00
Income Before Income Taxes	\$106.4	\$226.6	\$309.9	\$340.3	-- \$353.2
Pre-tax Margin	6.1%	8.9%	10.9%	11.3%	-- 11.7%
Net Income	\$63.7	\$137.7	\$191.0	\$211.0	-- \$219.0
Earnings Per Share (fully diluted)	\$2.29	\$4.28	\$5.78	\$6.50	-- \$6.75

* 2003 Projection is based on two quarters of actual data and two quarters of projected results.

HOVNANIAN ENTERPRISES, INC.
(DOLLARS IN THOUSANDS EXCEPT AVG. PRICE)
Communities Under Development
Three Months - 4/30/03

Net Contracts
Three Months Ended
30-Apr-03

	2003	2002	% Change
NE Region			
Homes	639	551	16.0%
Dollars	204,943	165,148	24.1%
Avg. Price	320,725	299,724	7.0%
N. Carolina			
Homes	475	492	(3.5%)
Dollars	87,700	89,394	(1.9%)
Avg. Price	184,632	181,694	1.6%
Metro D.C.			
Homes	474	518	(8.5%)
Dollars	160,624	164,098	(2.1%)
Avg. Price	338,869	316,792	7.0%
California			
Homes	1,069	972	10.0%
Dollars	312,469	261,002	19.7%
Avg. Price	292,300	268,521	8.9%
Texas			
Homes	732	328	123.2%
Dollars	143,979	73,145	96.8%
Avg. Price	196,692	223,003	(11.8%)
Other			
Homes	N/A	61	N/A
Dollars	N/A	9,053	N/A
Avg. Price	N/A	148,403	N/A
Total			
Homes	3,389	2,922	16.0%
Dollars	909,715	761,840	19.4%
Avg. Price	268,432	260,726	3.0%

Deliveries
Three Months Ended
30-Apr-03

		2003	2002	% Change
NE Region	Homes	462	478	(3.3%)
	Dollars	148,155	145,249	2.0%
	Avg. Price	320,682	303,868	5.5%
N. Carolina	Homes	301	353	(14.7%)
	Dollars	54,070	64,784	(16.5%)
	Avg. Price	179,635	183,524	(2.1%)
Metro D.C.	Homes	320	295	8.5%
	Dollars	102,092	78,333	30.3%
	Avg. Price	319,038	265,536	20.1%
California	Homes	893	728	22.7%
	Dollars	255,469	178,688	43.0%
	Avg. Price	286,080	245,451	16.6%
Texas	Homes	520	223	133.2%
	Dollars	106,767	52,820	102.1%
	Avg. Price	205,321	236,861	(13.3%)
Other	Homes	N/A	81	N/A
	Dollars	N/A	12,512	N/A
	Avg. Price	N/A	154,469	N/A
Total	Homes	2,496	2,158	15.7%
	Dollars	666,553	532,386	25.2%
	Avg. Price	267,048	246,703	8.2%

Contract Backlog *
30-Apr-03

		2003	2002	% Change
NE Region*	Homes	2,024	1,614	25.4%
	Dollars	538,742	452,910	19.0%
	Avg. Price	266,177	280,613	(5.1%)
N. Carolina	Homes	641	661	(3.0%)
	Dollars	122,091	125,292	(2.6%)
	Avg. Price	190,469	189,550	0.5%
Metro D.C.*	Homes	890	1,002	(11.2%)
	Dollars	301,523	303,252	(0.6%)
	Avg. Price	338,790	302,647	11.9%
California	Homes	1,100	812	35.5%
	Dollars	336,741	231,803	45.3%
	Avg. Price	306,128	285,472	7.2%
Texas	Homes	645	324	99.1%
	Dollars	128,786	78,334	64.4%
	Avg. Price	199,669	241,773	(17.4%)
Other	Homes	N/A	88	N/A
	Dollars	N/A	13,660	N/A
	Avg. Price	N/A	155,227	N/A
Total	Homes	5,300	4,501	17.8%
	Dollars	1,427,883	1,205,251	18.5%
	Avg. Price	269,412	267,774	0.6%

DELIVERIES INCLUDE EXTRAS

* Hovnanian acquired sales backlog during the second quarter equal to
532 homes valued at \$62.7 million.

HOVNANIAN ENTERPRISES, INC.
(DOLLARS IN THOUSANDS EXCEPT AVG. PRICE)
Communities Under Development
Six Months - 4/30/03

Net Contracts
Six Months Ended

30-Apr-03

2003 2002 % Change

	2003	2002	% Change
NE Region			
Homes	1,007	944	6.7%
Dollars	320,391	274,837	16.6%
Avg. Price	318,164	291,141	9.3%
N. Carolina			
Homes	775	778	(0.4%)
Dollars	142,379	143,188	(0.6%)
Avg. Price	183,715	184,046	(0.2%)
Metro D.C.			
Homes	760	781	(2.7%)
Dollars	254,981	243,091	4.9%
Avg. Price	335,502	311,257	7.8%
California			
Homes	1,901	1,273	49.3%
Dollars	546,086	345,124	58.2%
Avg. Price	287,263	271,111	6.0%
Texas			
Homes	1,085	521	108.3%
Dollars	212,905	116,972	82.0%
Avg. Price	196,226	224,514	(12.6%)
Other			
Homes	2	135	(98.5%)
Dollars	313	20,418	(98.5%)
Avg. Price	156,700	151,243	3.6%
Total			
Homes	5,530	4,432	24.8%
Dollars	1,477,055	1,143,630	29.2%
Avg. Price	267,099	258,039	3.5%

Deliveries
Six Months Ended
30-Apr-03

2003 2002 % Change

	2003	2002	% Change
NE Region			
Homes	893	899	(0.7%)
Dollars	284,918	278,018	2.5%
Avg. Price	319,057	309,253	3.2%
N. Carolina			
Homes	600	651	(7.8%)
Dollars	108,539	121,465	(10.6%)
Avg. Price	180,898	186,582	(3.0%)
Metro D.C.			
Homes	644	558	15.4%
Dollars	205,743	148,725	38.3%
Avg. Price	319,477	266,532	19.9%
California			
Homes	1,756	1,168	50.3%
Dollars	494,164	293,330	68.5%
Avg. Price	281,415	251,139	12.1%
Texas			
Homes	879	460	91.1%
Dollars	179,429	107,346	67.2%
Avg. Price	204,129	233,361	(12.5%)
Other			
Homes	9	172	(94.8%)
Dollars	1,261	26,600	(95.3%)
Avg. Price	140,111	154,651	(9.4%)
Total			
Homes	4,781	3,908	22.3%
Dollars	1,274,054	975,484	30.6%
Avg. Price	266,483	249,612	6.8%

Contract Backlog *

30-Apr-03

2003 2002 % Change

	2003	2002	% Change
NE Region*			
Homes	2,024	1,614	25.4%
Dollars	538,742	452,910	19.0%
Avg. Price	266,177	280,613	(5.1%)
N. Carolina			
Homes	641	661	(3.0%)
Dollars	122,091	125,292	(2.6%)
Avg. Price	190,469	189,550	0.5%
Metro D.C.*			
Homes	890	1,002	(11.2%)

	Dollars	301,523	303,252	(0.6%)
	Avg. Price	338,790	302,647	11.9%
California	Homes	1,100	812	35.5%
	Dollars	336,741	231,803	45.3%
	Avg. Price	306,128	285,472	7.2%
Texas*	Homes	645	324	99.1%
	Dollars	128,786	78,334	64.4%
	Avg. Price	199,669	241,773	(17.4%)
Other	Homes	N/A	88	N/A
	Dollars	N/A	13,660	N/A
	Avg. Price	N/A	155,227	N/A
Total	Homes	5,300	4,501	17.8%
	Dollars	1,427,883	1,205,251	18.5%
	Avg. Price	269,412	267,774	0.6%

DELIVERIES INCLUDE EXTRAS

* Hovnanian acquired sales backlog during the 6-month period equal to 694 homes valued at \$93.8 million.

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

ASSETS	April 30, 2003	October 31, 2002
	(unaudited)	
Homebuilding:		
Cash and cash equivalents.....	\$ 18,565	\$ 262,675
Inventories - At the lower of cost or fair value:		
Sold and unsold homes and lots under development.....	1,013,294	803,829
Land and land options held for future development or sale.....	240,268	171,081
Consolidated Inventory Not Owned:		
Specific performance options.....	59,523	67,183
Variable interest entities.....	40,923	
Other options.....	61,110	39,489
Total Inventories.....	1,415,118	1,081,582
Receivables, deposits, and notes	37,577	26,276
Property, plant, and equipment - net.....	26,191	19,242
Senior residential rental properties - net...	9,311	9,504
Prepaid expenses and other assets.....	83,340	86,582
Goodwill and indefinite life intangibles.....	82,275	82,275
Definite life intangibles.....	63,503	
Total Homebuilding.....	1,735,880	1,568,136
Financial Services:		
Cash and cash equivalents.....	4,961	7,315
Mortgage loans held for sale.....	82,916	91,451
Other assets.....	3,708	11,226
Total Financial Services.....	91,585	109,992

Income Taxes Receivable - Including deferred tax benefits.....	34,800	
Total Assets.....	\$1,862,265	\$1,678,128
	=====	=====

See notes to consolidated financial statements (unaudited).

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

LIABILITIES AND STOCKHOLDERS' EQUITY	April 30, 2003	October 31, 2002
	(unaudited)	
Homebuilding:		
Nonrecourse land mortgages.....	\$ 29,506	\$ 11,593
Accounts payable and other liabilities.....	189,391	198,290
Customers' deposits.....	52,868	40,422
Nonrecourse mortgages secured by operating properties.....	3,210	3,274
Liabilities from inventory not owned.....	108,471	97,983
Total Homebuilding.....	383,446	351,562
Financial Services:		
Accounts payable and other liabilities.....	4,835	4,857
Mortgage warehouse line of credit.....	78,823	85,498
Total Financial Services.....	83,658	90,355
Notes Payable:		
Revolving and term credit agreements.....	144,800	115,000
Senior notes.....	396,647	396,390
Senior subordinated notes.....	150,000	150,000
Accrued interest.....	10,127	9,555
Total Notes Payable.....	701,574	670,945
Income Taxes Payable - Net of deferred tax benefits.....		777
Total Liabilities.....	1,168,678	1,113,639
Minority interest.....	37,799	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 27,797,055 shares at April 30, 2003 and 27,453,994 shares at October 31, 2002 (including 5,342,599 shares at April 30, 2003 and 4,343,240 shares at October 31, 2002 held in Treasury).....	278	275
Common Stock, Class B, \$.01 par value (convertible to Class A at time of sale) authorized 13,000,000 shares; issued 7,784,372 shares at April 30, 2003 and 7,788,061 shares at October 31, 2002 (including 345,874 shares at April 30, 2003 and October 31, 2002 held in Treasury).....	78	78
Paid in Capital.....	156,124	152,977
Retained Earnings.....	545,131	447,802
Deferred Compensation.....		(21)
Treasury Stock - at cost.....	(45,823)	(38,562)
Total Stockholders' Equity.....	655,788	562,549
Total Liabilities and Stockholders' Equity.....	\$1,862,265	\$1,678,128
	=====	=====

See notes to consolidated financial statements (unaudited).

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

	Three Months Ended April 30,		Six Months Ended April 30,	
	2003	2002	2003	2002
Revenues:				
Homebuilding:				
Sale of homes.....	\$666,553	\$532,386	\$1,274,054	\$ 975,484
Land sales and other revenues.....	2,365	19,936	12,004	21,913
Total Homebuilding.....	668,918	552,322	1,286,058	997,397
Financial Services.....	10,899	8,676	21,394	17,663
Total Revenues.....	679,817	560,998	1,307,452	1,015,060
Expenses:				
Homebuilding:				
Cost of sales.....	497,219	436,526	960,397	788,009
Selling, general and administrative	59,598	47,646	113,899	85,295
Inventory impairment loss.....	1,326	1,424	1,484	2,329
Total Homebuilding.....	558,143	485,596	1,075,780	875,633
Financial Services.....	6,173	5,103	11,994	10,462
Corporate General and Administration.	13,464	10,629	28,048	21,505
Interest.....	13,425	12,802	27,104	26,504
Other Operations.....	4,184	5,295	8,962	9,586
Total Expenses.....	595,389	519,425	1,151,888	943,690
Income Before Income Taxes.....	84,428	41,573	155,564	71,370
State and Federal Income Taxes:				
State.....	3,335	1,534	6,435	3,407
Federal.....	28,525	14,129	51,800	23,892
Total Taxes.....	31,860	15,663	58,235	27,299
Net Income.....	\$ 52,568	\$ 25,910	\$ 97,329	\$ 44,071
Per Share Data:				
Basic:				
Income per common share before.....	\$ 1.69	\$ 0.84	\$ 3.11	\$ 1.48
Weighted average number of common shares outstanding.....	31,143	30,736	31,256	29,836
Assuming dilution:				
Income per common share.....	\$ 1.60	\$ 0.80	\$ 2.95	\$ 1.40
Weighted average number of common shares outstanding.....	32,761	32,570	32,944	31,511

See notes to consolidated financial statements (unaudited).

SOURCE Hovnanian Enterprises, Inc.

-0- 05/28/2003

/CONTACT: Kevin C. Hake, Vice President and Treasurer, or Brian A. Cheripka, Assistant Director of Investor Relations, +1-732-747-7800, both of Hovnanian Enterprises/
/First Call Analyst: /
/Web site: <http://www.khov.com> /
(HOV)