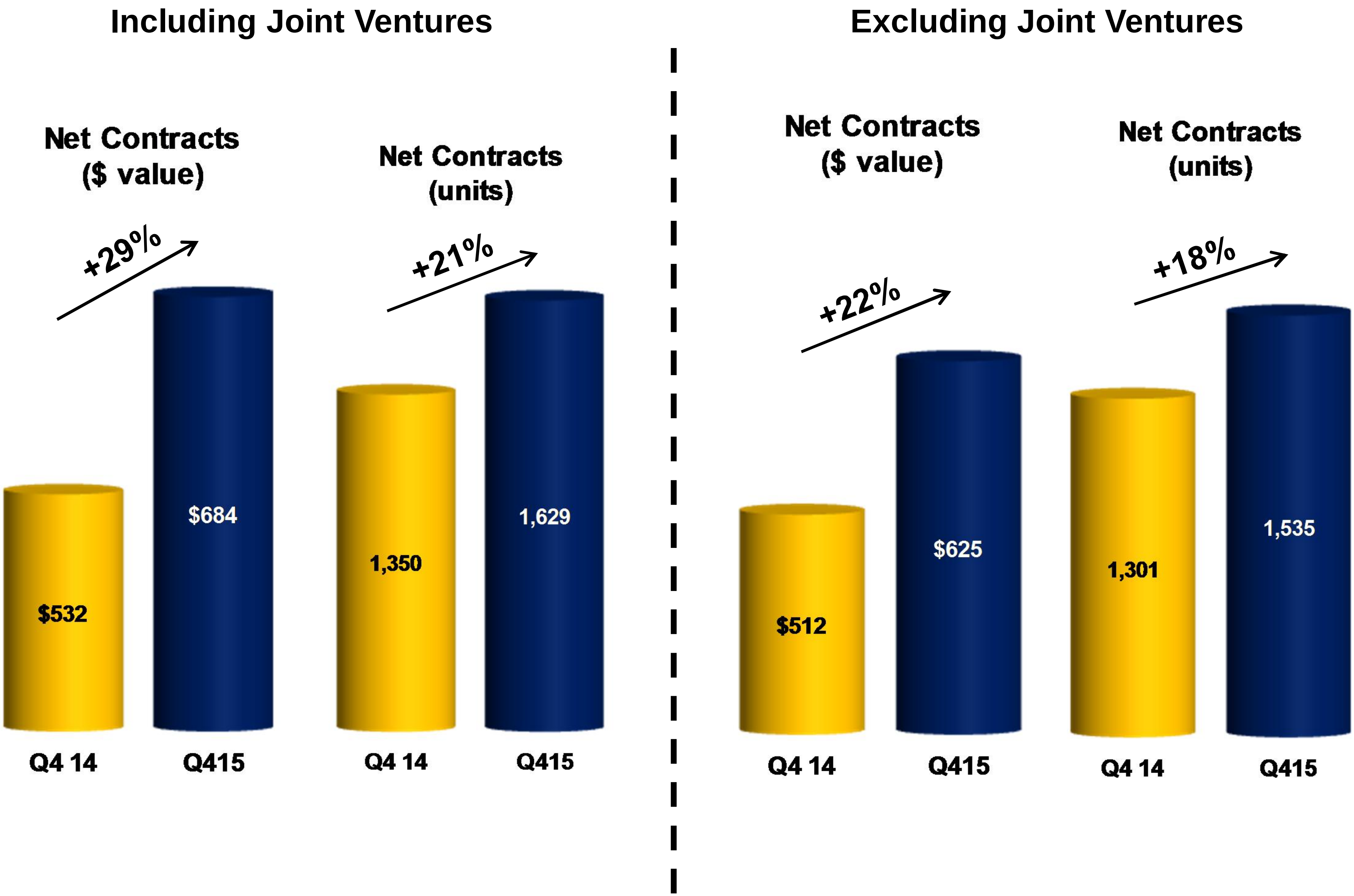
Review of Financial Results
Fourth Quarter Fiscal 2015



Note: All statements in this presentation 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 forward looking statements include but are not limited to (I) statements related to the Company's goals and expectations with respect to its financial results for the current or future financial periods, including total revenues; gross margin; selling, general and administrative (SG&A) expense as a percentage of total revenues and adjusted pre-tax profit and (ii) the illustrative modeling scenarios provided with respect to inventory, inventory turnover, deliveries, homebuilding revenue, homebuilding gross margin, SG&A, interest, consolidated pretax earnings, homebuilding cash, homebuilding debt, stockholders' equity and net debt to capital. Although we believe that any 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. By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as result of a variety of factors. Such risks, uncertainties and other factors include, but are not limited to, (1) changes in general and local economic, industry and business conditions and impacts of the sustained homebuilding downturn; (2) adverse weather and other environmental conditions and natural disasters; (3) levels of indebtedness and restrictions on the Company's operations and activities imposed by the agreements governing the Company's outstanding indebtedness; (4) the Company's sources of liquidity; (5) changes in credit ratings; (6) changes in market conditions and seasonality of the Company's business; (7) the availability and cost of suitable land and improved lots; (8) shortages in, and price fluctuations of, raw materials and labor; (9) regional and local economic factors, including dependency on certain sectors of the economy, and employment levels affecting home prices and sales activity in the markets where the Company builds homes; (10) fluctuations in interest rates and the availability of mortgage financing; (11) changes in tax laws affecting the after-tax costs of owning a home; (12) operations through joint ventures with third parties; (13) government regulation, including regulations concerning development of land, the home building, sales and customer financing processes, tax laws and the environment; (14) product liability litigation, warranty claims and claims made by mortgage investors; (15) levels of competition; (16) availability and terms of financing to the Company; (17) successful identification and integration of acquisitions; (18) significant influence of the Company's controlling stockholders; (19) availability of net operating loss carryforwards; (20) utility shortages and outages or rate fluctuations; (21) geopolitical risks, terrorist acts and other acts of war; and (22) certain risks, uncertainties and other factors described in detail in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2014 and subsequent filings with the Securities and Exchange Commission. 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.

Solid Net Contract Growth

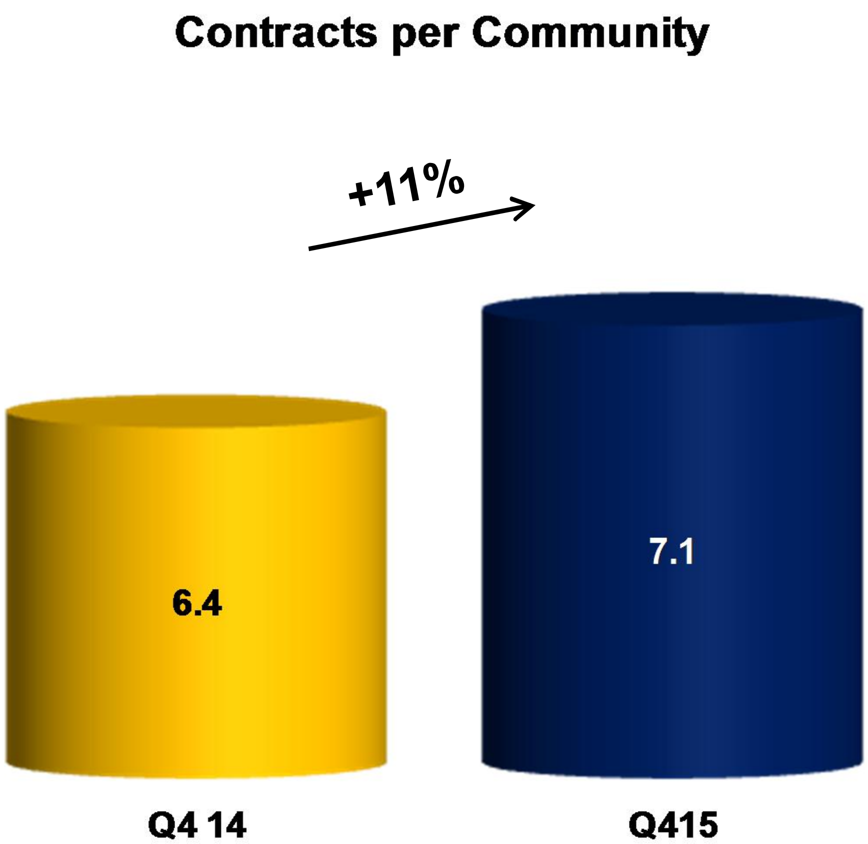
($ in millions)



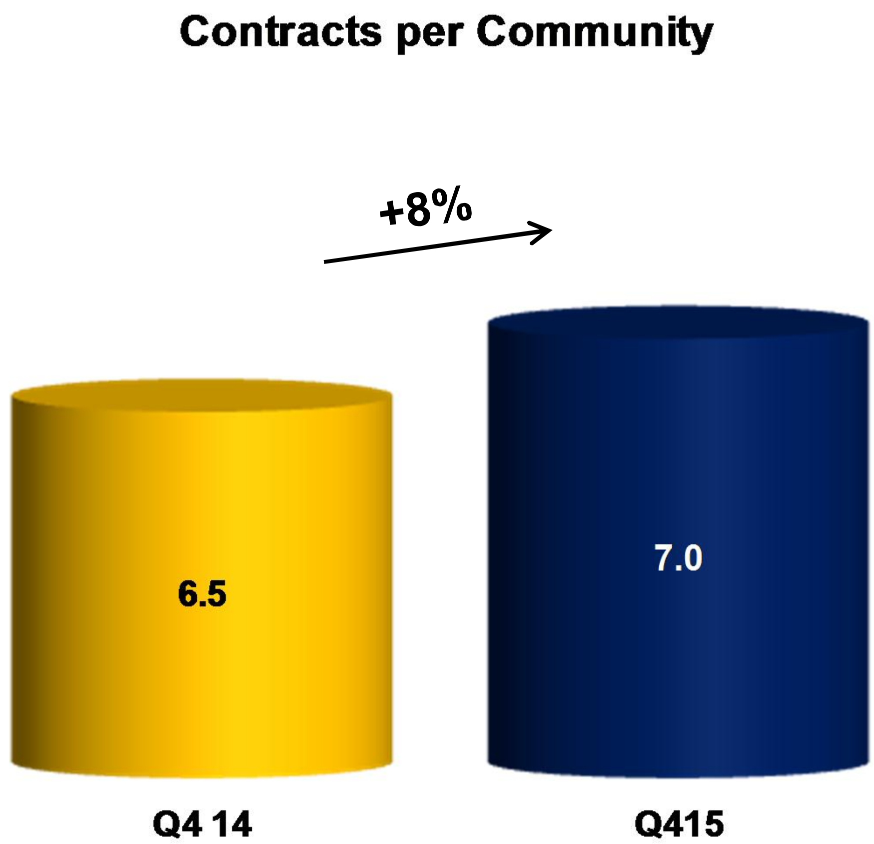
Growth in Sales Pace Per Community

($ in millions)

Including Joint Ventures



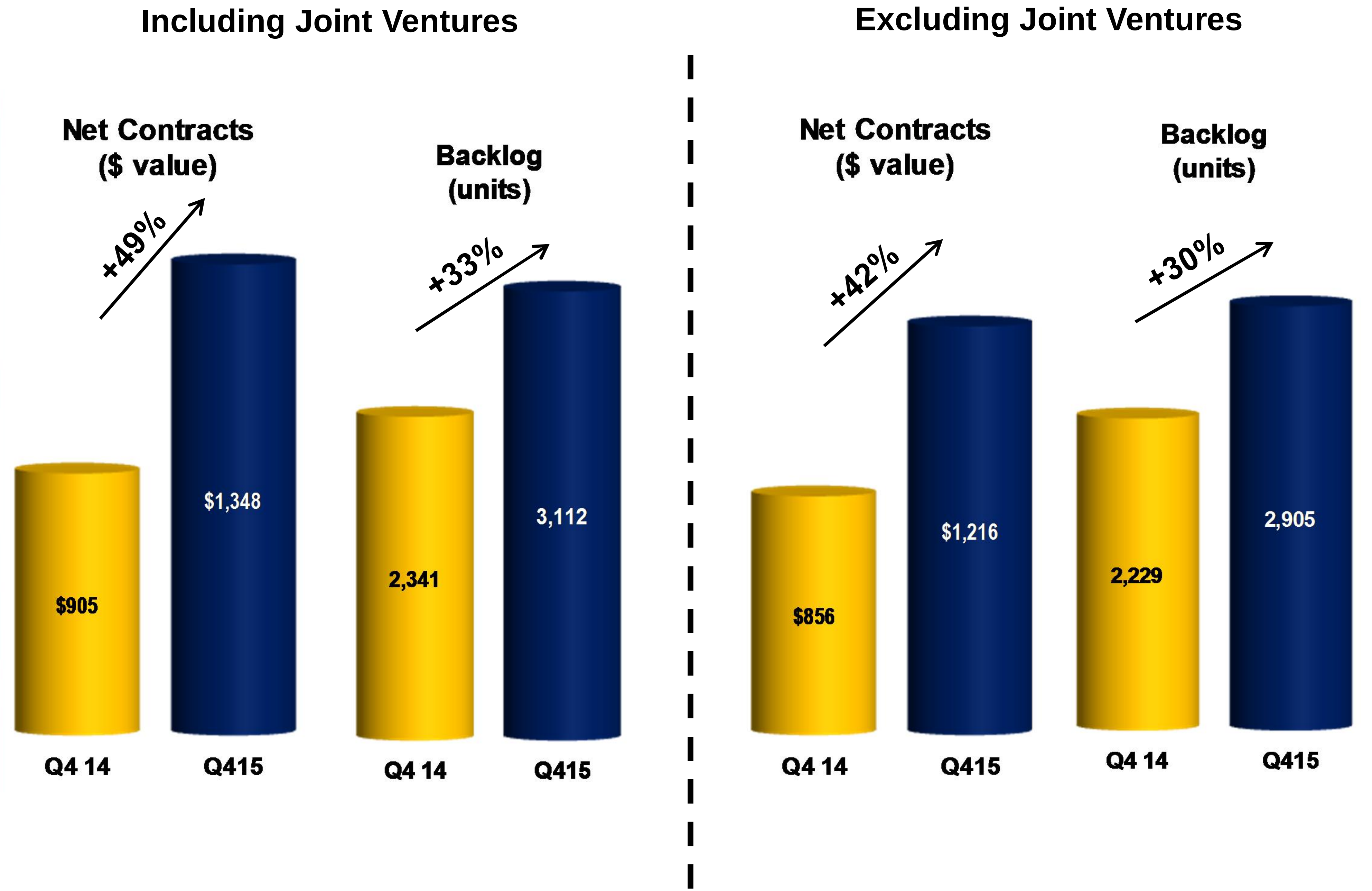
Excluding Joint Ventures



Community count increased 9% year-over-year

Strength in Backlog Suggests Further Revenue Growth

($ in millions)



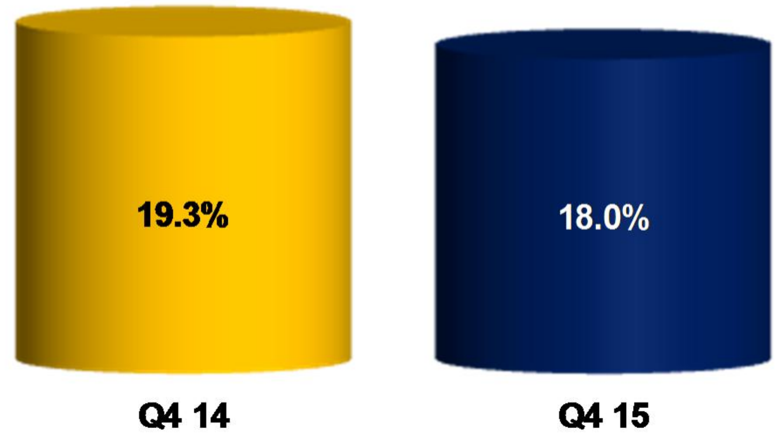
Operating Results

Total Revenues

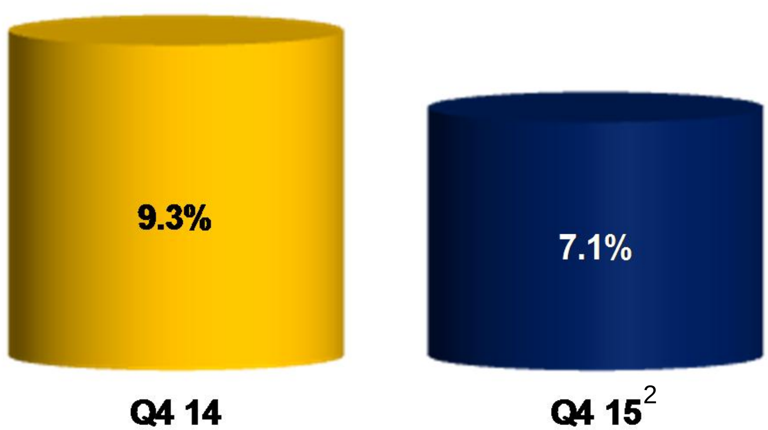
$ in millions

Homebuilding Gross Margin

Up 20 bps sequentially
And 40 bps above guidance

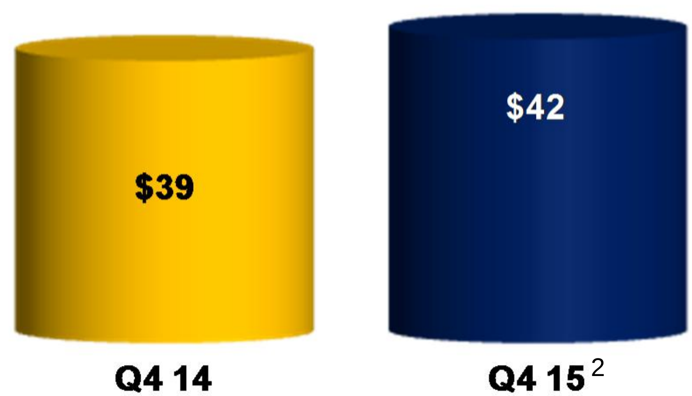


Total SG&A as a % of Total Revenues



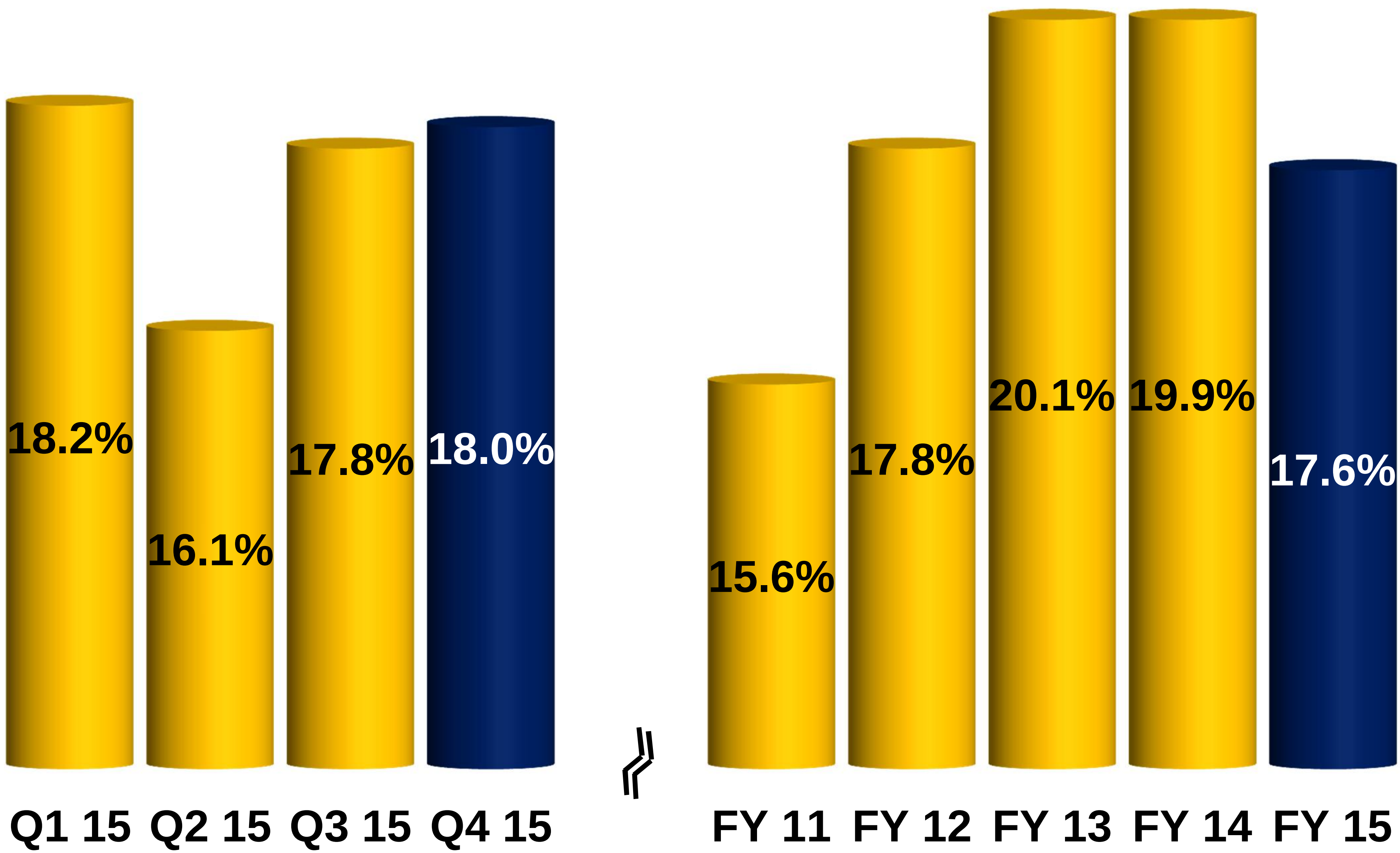
Adjusted Pre-Tax Profit [1]

Guidance was $22 million



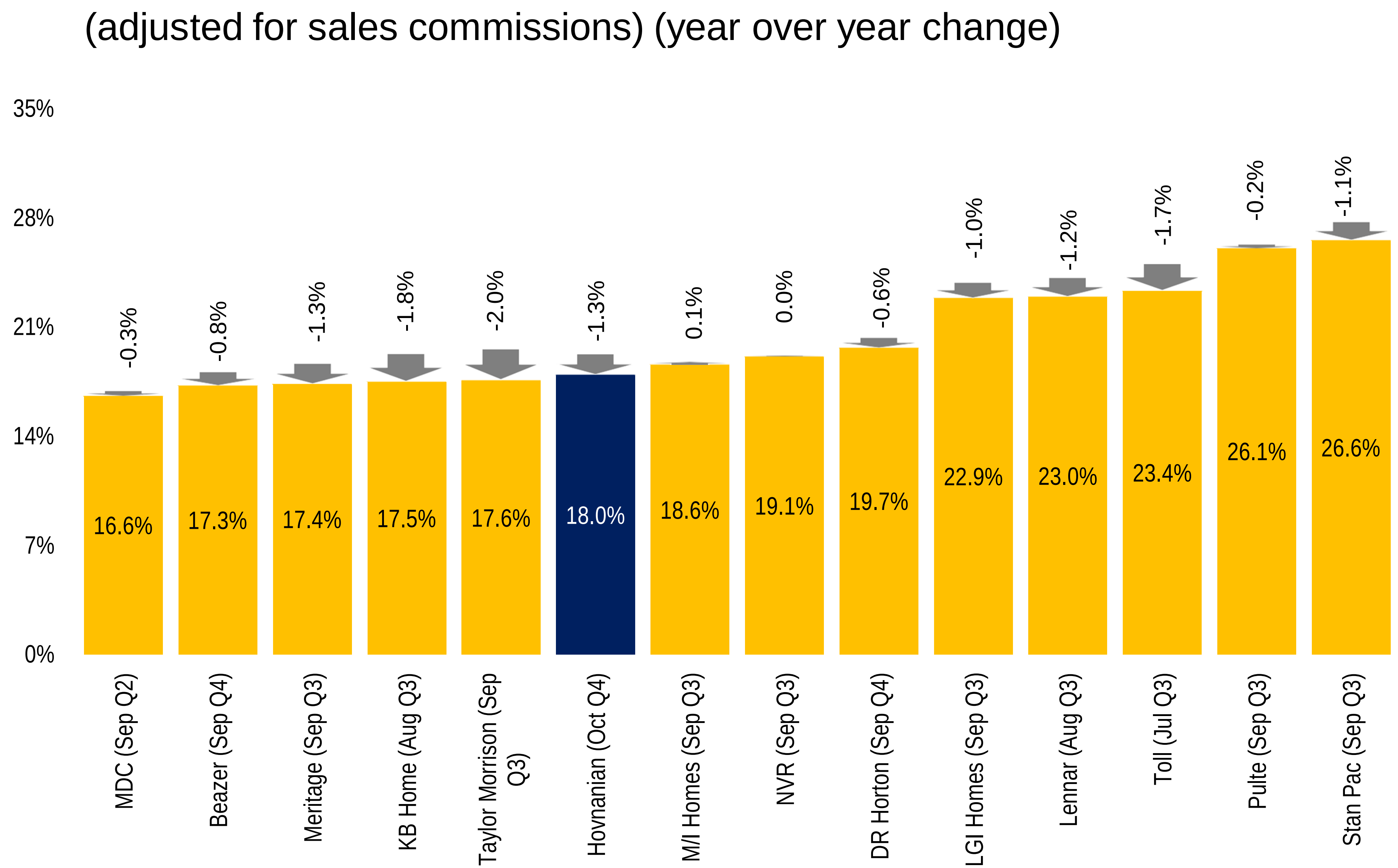
Note: Excluding unconsolidated joint ventures.
(1) Excluding land related charges and losses on extinguishment of debt.
(2) Includes $15.2 million of benefit due to a substantial reduction in our construction defect reserve based on our annual actuarial study.

Gross Margin Trends



Excludes interest related to homes sold and land charges.
During the fourth quarter of 2015, there were $10.5 million of impairment reversals related to deliveries, compared to $15.4 million in the fourth quarter of 2014.

Adjusted Gross Margin Percentage, Most Recent Quarter

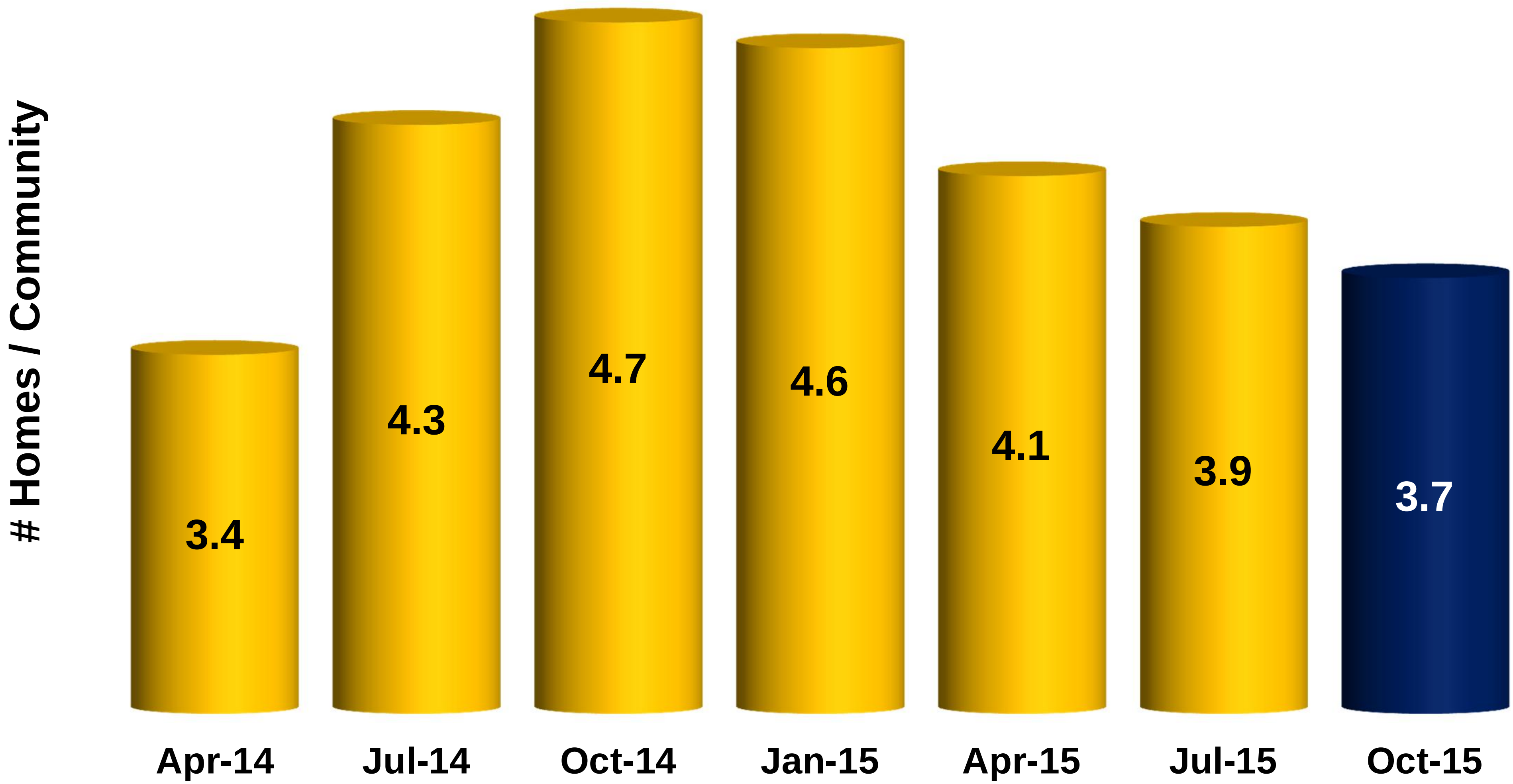


Note: Hovnanian sales commission was 3.6% in the most recent quarter. Reduced KB Home, Lennar, LGI Homes, MDC, Meritage, M/I Homes, Standard Pacific and Taylor Morrison publicly reported results by full 3.6% because all of their sales commissions are reported in SG&A. Reduced DR Horton and Toll publicly reported results by 1.8% because only some of their sales commissions were reported in SG&A. Beazer reports commission separately and is reduced by 4.1%.

Note: Excluding interest and impairments.
Source: Company SEC filings and press releases as of 09/09/15.

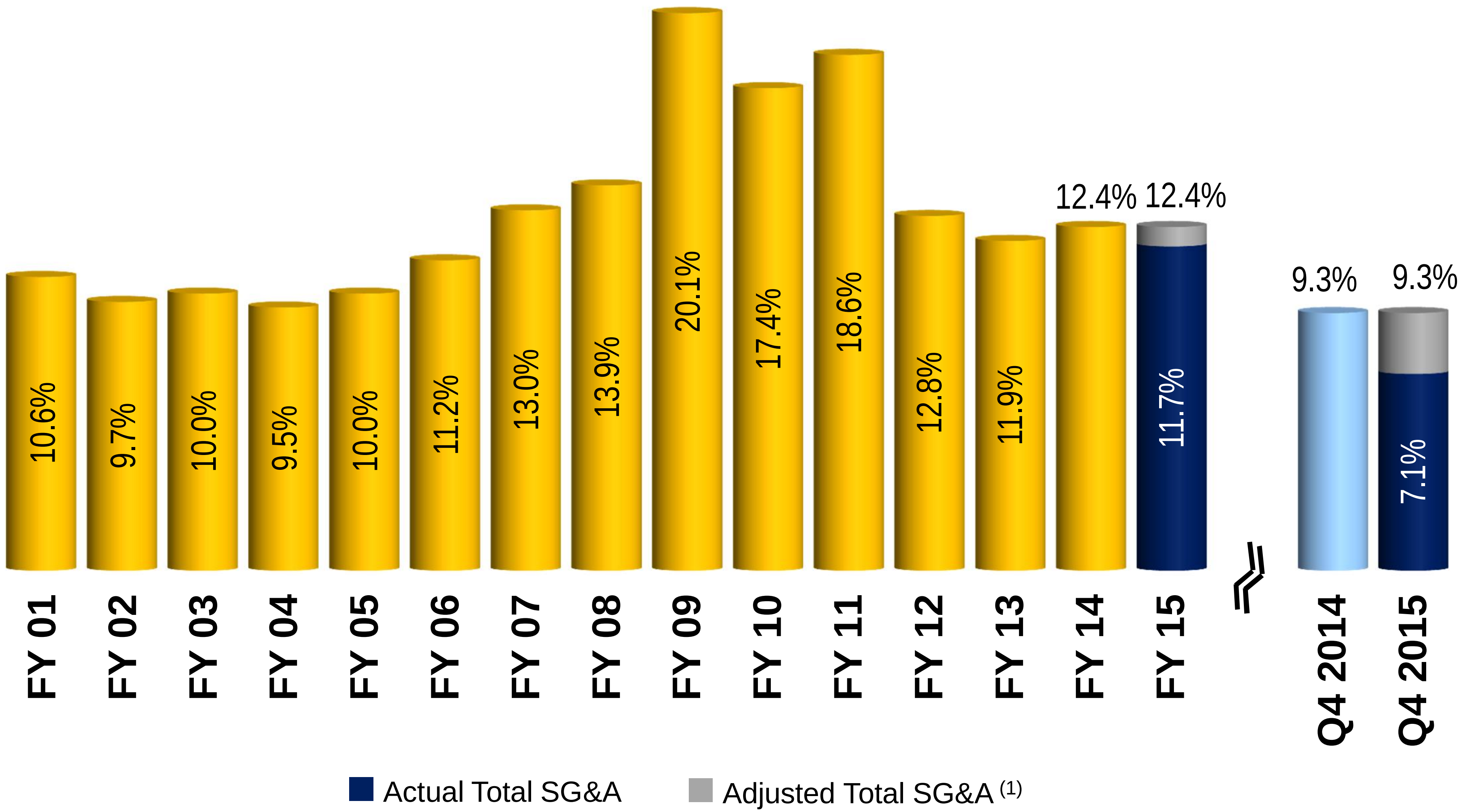
Spec Homes per Community

- *820 spec homes at 10/31/15, excluding models*
- *4.6 average spec homes per community since 1997*



Excluding unconsolidated joint ventures and models.

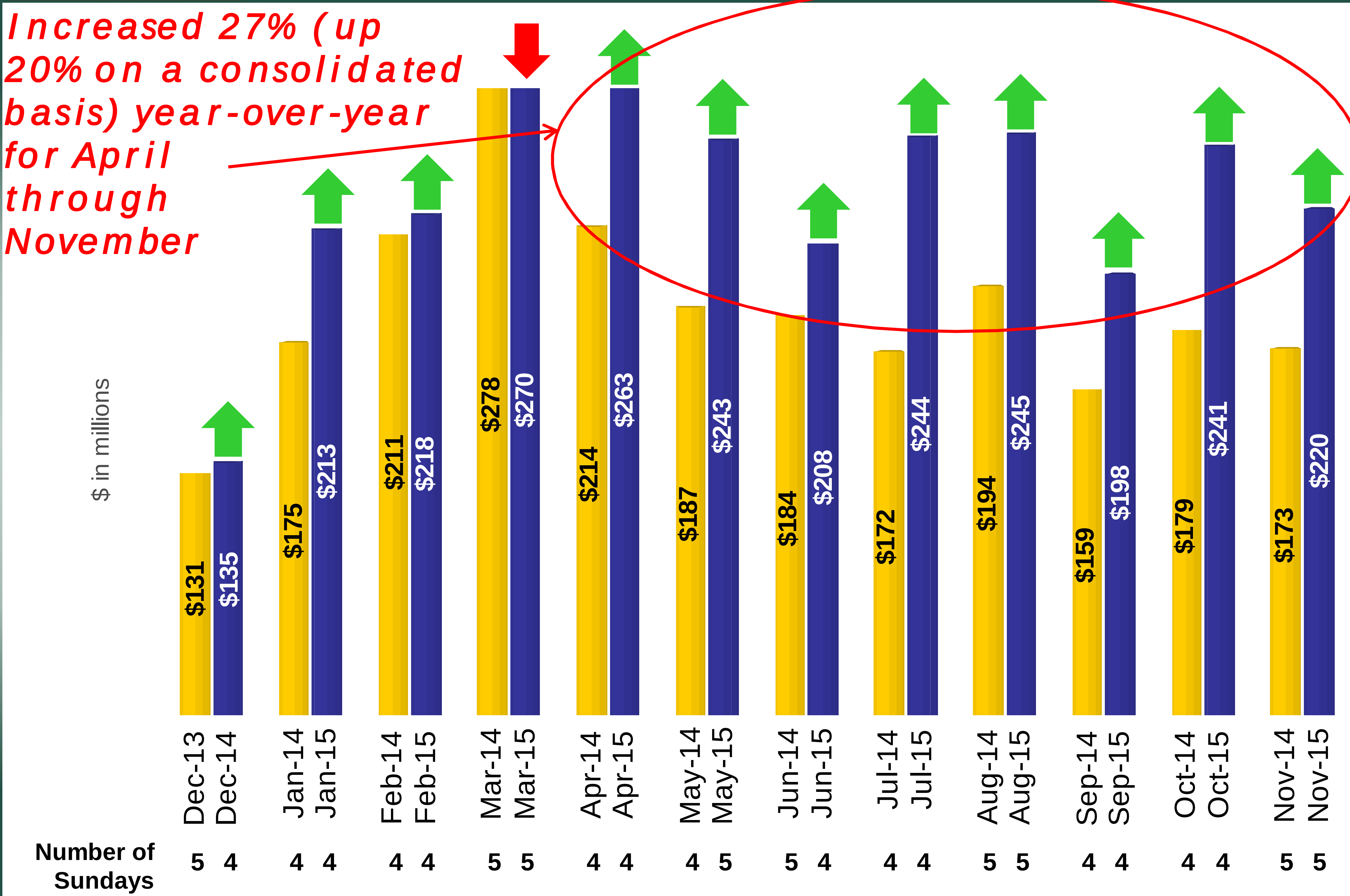
Total SG&A as a Percentage of Total Revenues



(1) Includes $15.2 million of benefit due to a substantial reduction in our construction defect reserve based on our annual actuarial study.

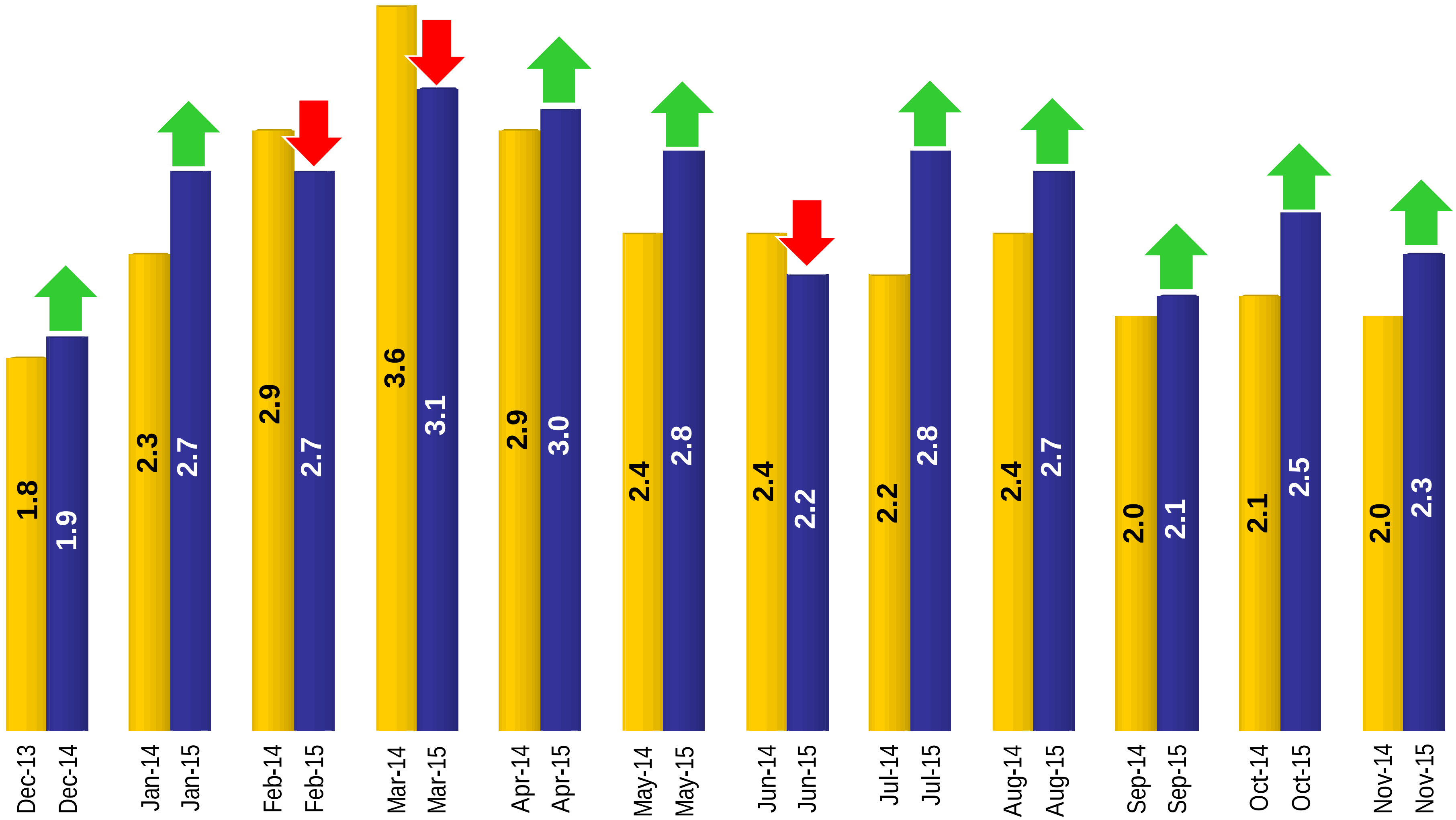
Total SG&A includes homebuilding selling, general and administrative costs and corporate general and administrative costs.

Dollar Amount of Net Contracts Per Month



Includes unconsolidated joint ventures.

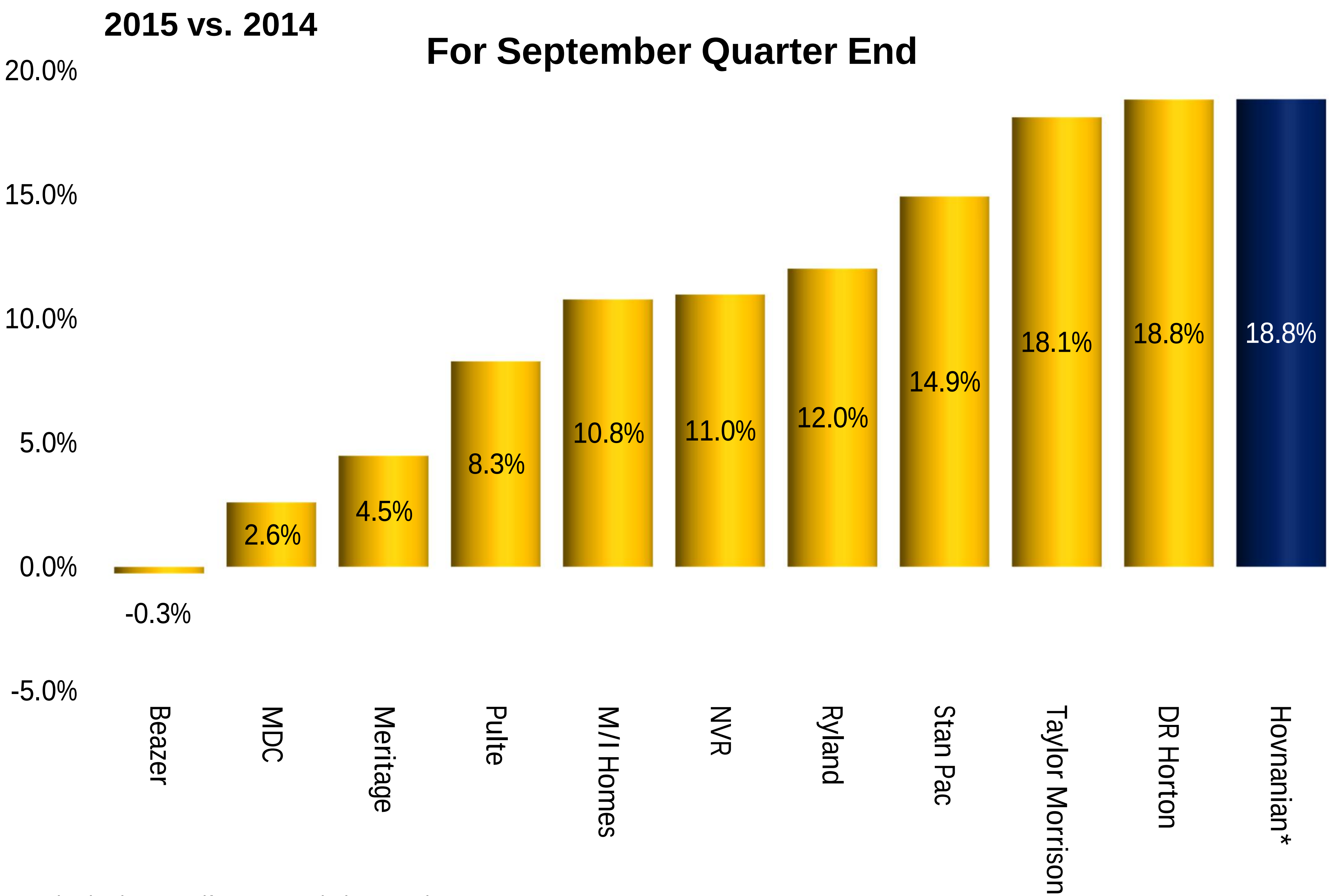
Number of Monthly Net Contracts Per Active Selling Community



	Dec-13	Dec-14	Jan-14	Jan-15	Feb-14	Feb-15	Mar-14	Mar-15	Apr-14	Apr-15	May-14	May-15	Jun-14	Jun-15	Jul-14	Jul-15	Aug-14	Aug-15	Sep-14	Sep-15	Oct-14	Oct-15	Nov-14	Nov-15
Number of Sundays	5	4	4	4	4	4	5	5	4	4	4	5	5	4	4	4	5	5	4	4	4	4	5	5
Monthly Net Contracts	350	390	470	554	582	570	728	672	597	652	474	583	489	480	461	595	483	573	419	475	448	581	422	517

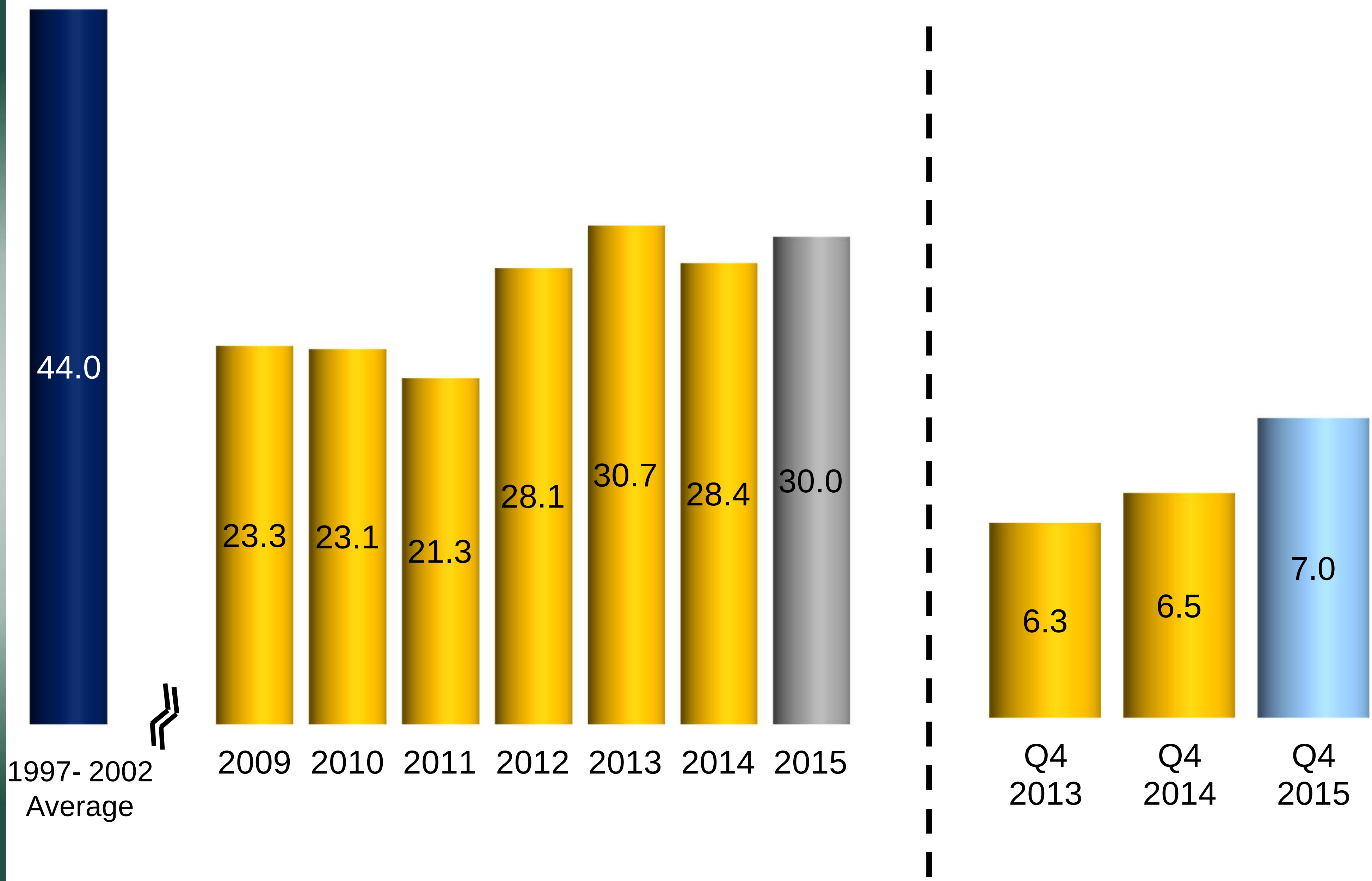
Includes unconsolidated joint ventures.

Year – Over – Year Change in Net Contracts



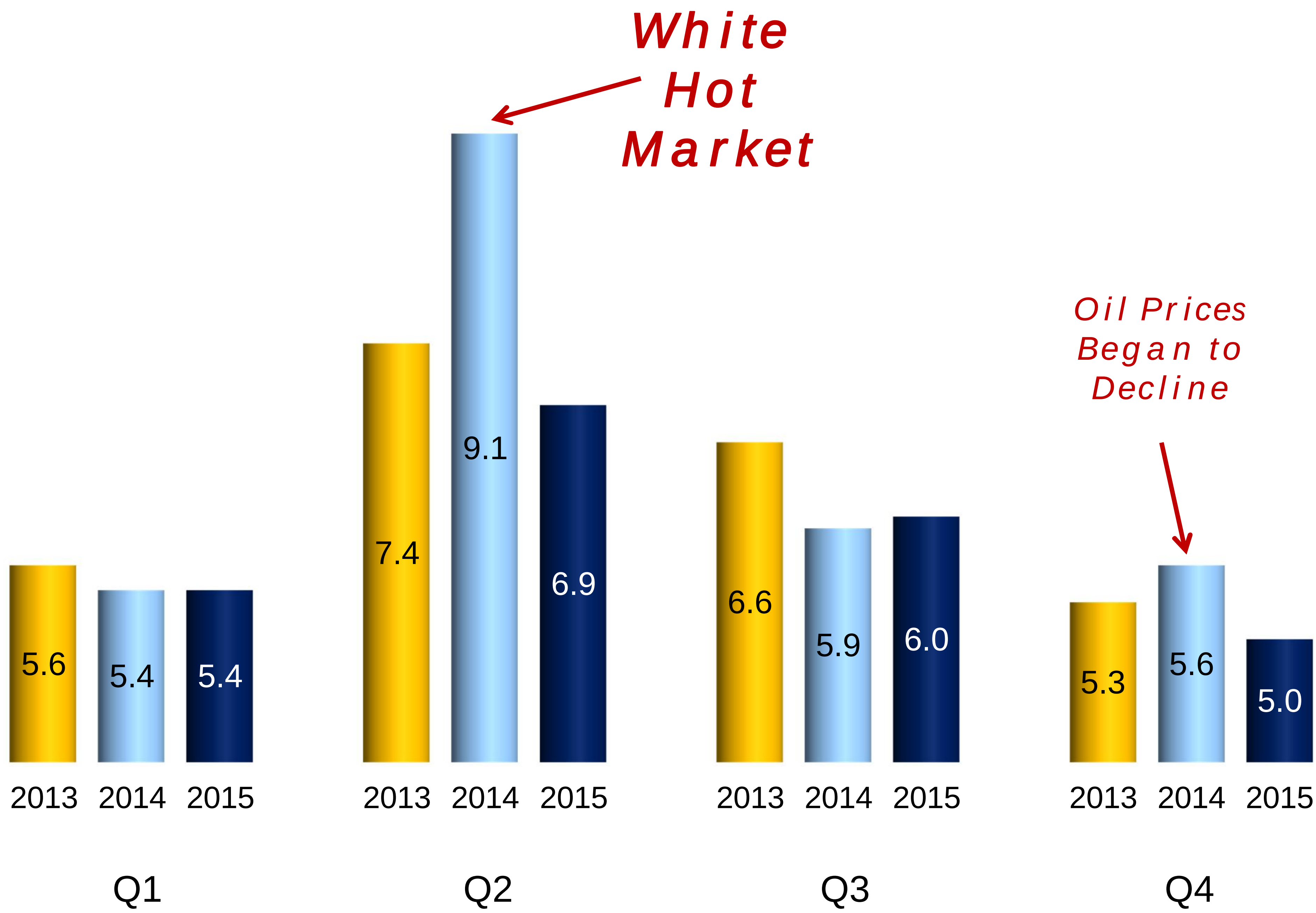
** Hovnanian is shown as if quarter ended September 30, 2015*
Excludes unconsolidated joint ventures.

Net Contracts Per Active Selling Community



Note: Annual Net Contracts per Active Selling Community calculated based on a five quarter average of active selling communities, excluding unconsolidated joint ventures.

Houston Quarterly Net Contracts per Community



Hovnanian Houston Operations

- Houston Exposure as of October 31, 2015

	Houston as a % of Company Total
TTM Home Sale Revenues	16%
Homebuilding Inventory	10%

- Houston Lot Position as of October 31, 2015

		Months Supply	
	Houston # Lots	Houston	Company Average[1]
Owned Lots	1,631	17	32
Optioned Lots	1,392	14	40
Total Lots	3,023	31	72

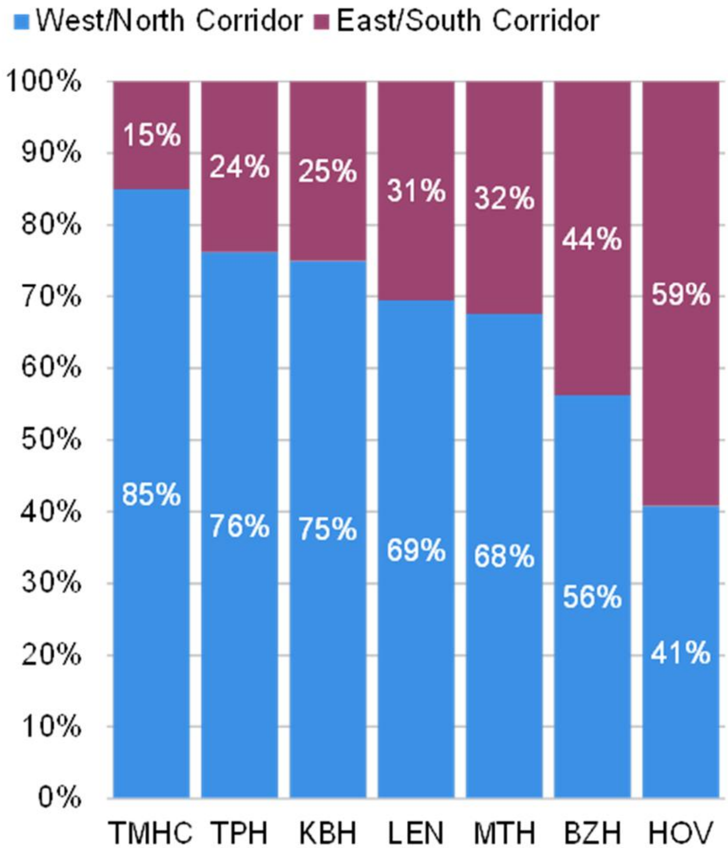
- Option Deposit
  - Houston $3,000 per lot vs. Company Average $5,000 per lot

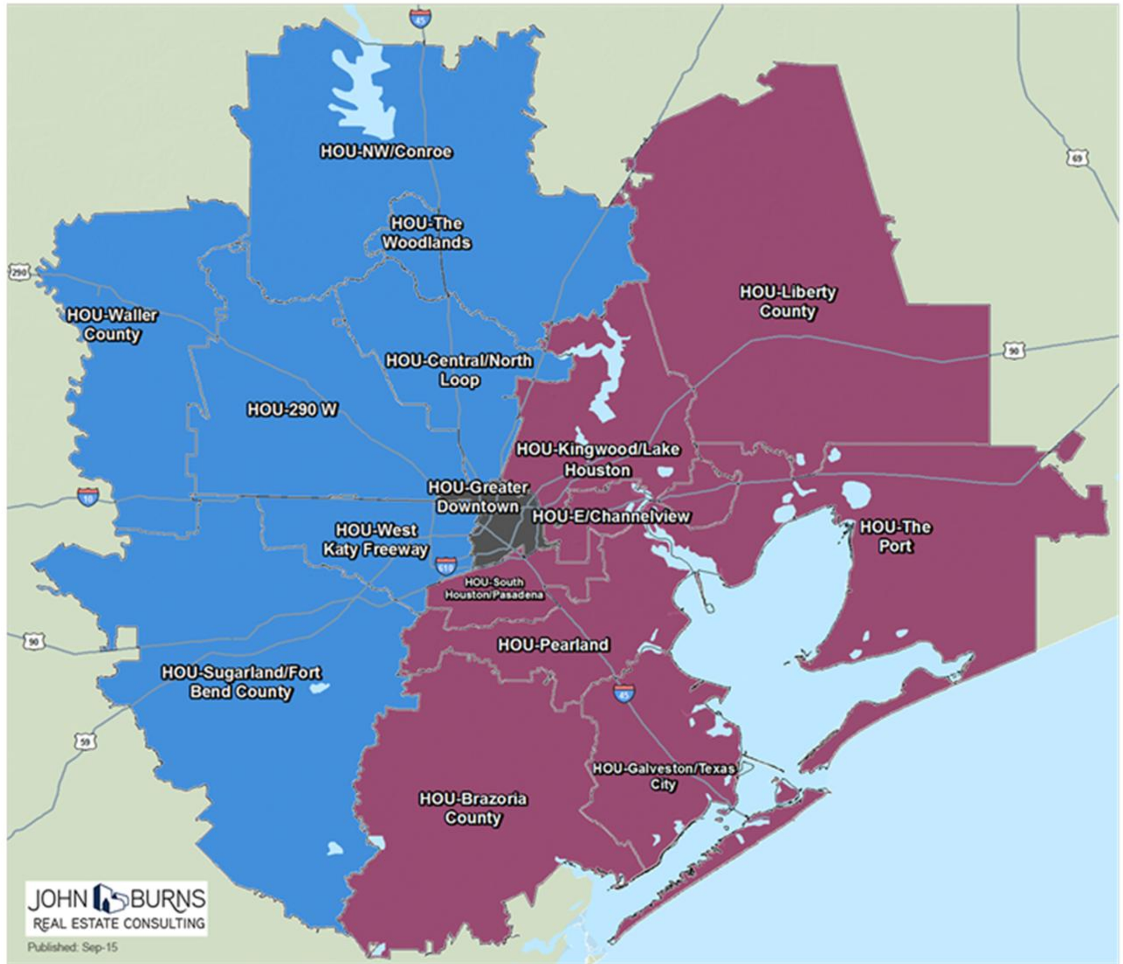
[1] *Excluding Houston and Mothballed lots*

Houston Submarket Exposure

Houston Submarket Exposure

% of total Houston communities





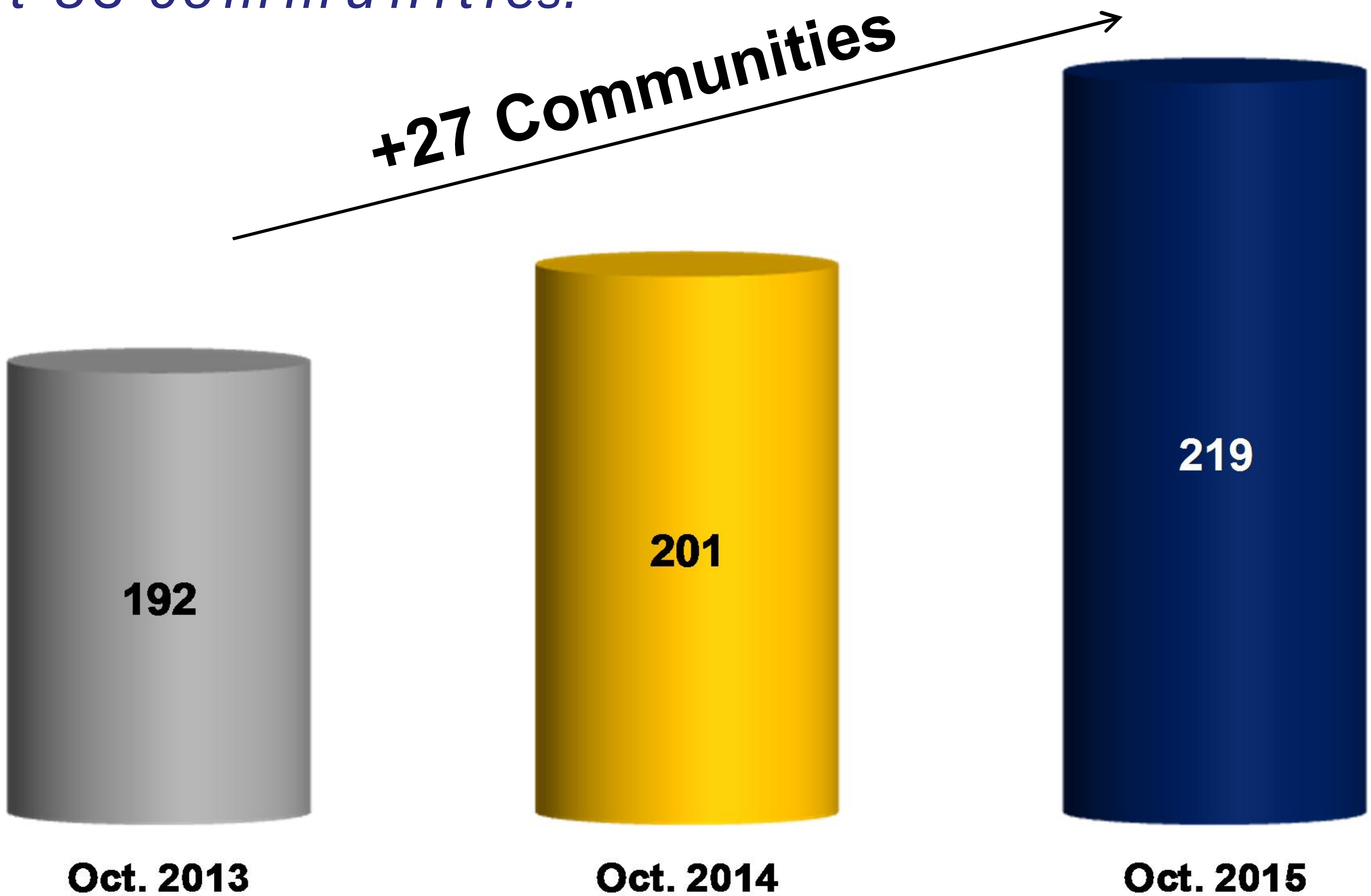
West/North Corridor: HOU-Central/North Loop, HOU-290 W, HOU-The Woodlands, HOU-Sugarland/Fort Bend County, HOU-Waller County, HOU-NW/Conroe, HOU-Other, HOU-West Katy Freeway

East/South Corridor: HOU-E/Channelview, HOU-South Houston/Pasadena, HOU-Pearland, HOU-Liberty County, HOU-Galveston/Texas City, HOU-Brazoria County, HOU-The Port, HOU-Kingwood/Lake Houston

Source: John Burns Real Estate Consulting, LLC (Pub: Sep-15)

Active Selling Communities

In the trailing twelve months, we opened 101 communities and closed out 83 communities.



	Oct. 2013	Oct. 2014	Oct. 2015
Unconsolidated Joint Ventures*	**10**	**10**	**10**

Active selling communities are open for sale communities with 10 or more home sites available.
**Unconsolidated joint venture communities are not included above.*

Land Positions by Geographic Segment

October 31, 2015

 # Lots

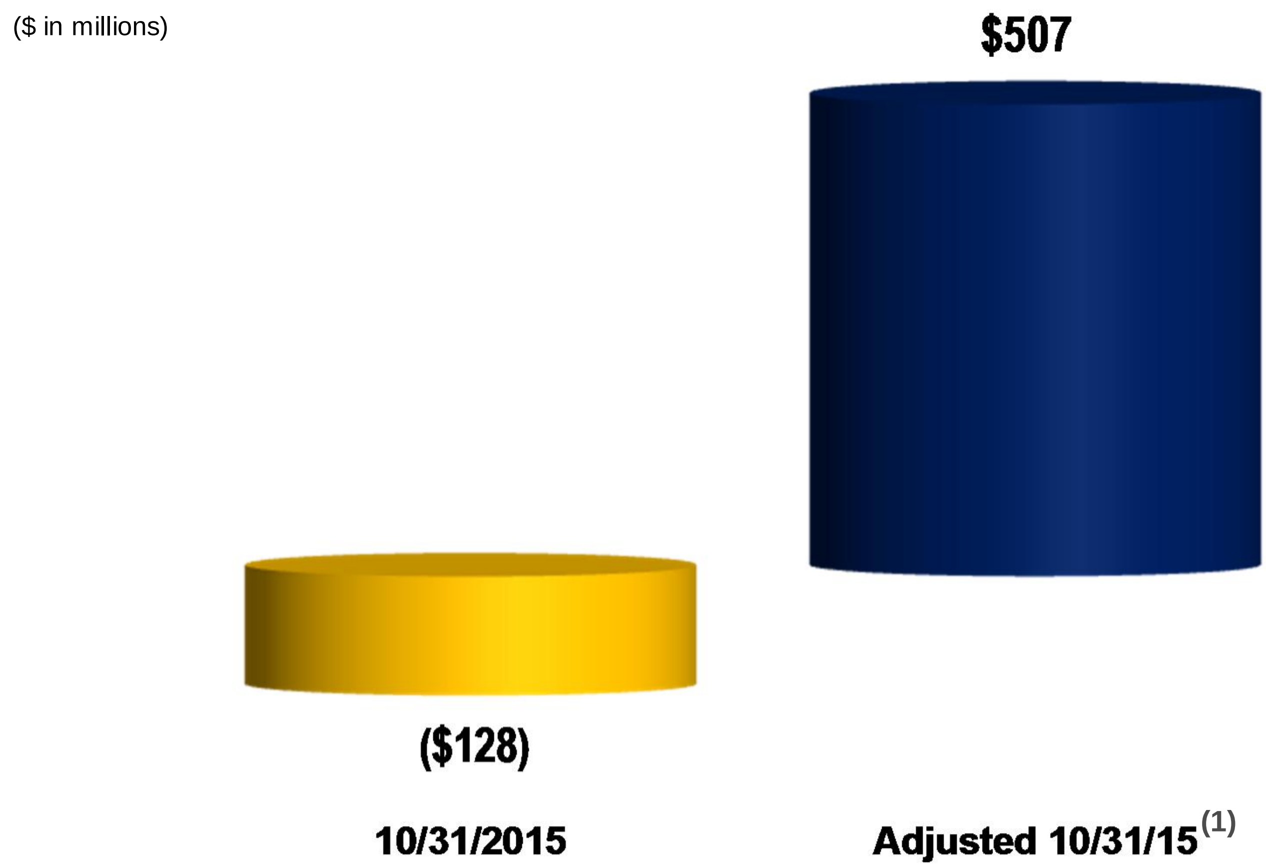
Segment	Owned: Excluding Mothballed Lots	Owned: Mothballed Lots	Optioned	Total
Northeast	1,497	855	3,258	5,610
Mid-Atlantic	2,489	280	2,819	5,588
Midwest	2,889	108	1,313	4,310
Southeast	1,756	362	4,145	6,263
Southwest	2,928	0	3,978	6,906
West	1,714	3,734	410	5,858
Total	13,273	5,339	15,923	34,535

- *Option deposits as of October 31, 2015 were $83 million*
- *$16 million invested in pre-development expenses as of October 31, 2015*
- *95% of options are newly identified lots*
- *Excluding mothballed lots, 84% of owned and optioned lots are newly identified lots*

Excluding unconsolidated joint ventures.
Newly identified lots are lots controlled after January 31, 2009.

Adjusted Hovnanian Stockholders' Equity

- *Deferred tax asset will shield approximately $2 billion of future pretax earnings from federal income taxes which will help accelerate repairing our balance sheet*



As of December 3, 2015, stock was trading at 50% discount to adjusted book value (2)

Note: Reversed $285 million of valuation allowance in the 2014 fourth quarter.

(1) Total Hovnanian Stockholders' Deficit of $(128) million with $635 million valuation allowance added back to Stockholders' Equity. The $635 million valuation allowance consisted of a $441 million federal valuation allowance and a $194 million state valuation allowance.

(2) Based on closing price of $1.71 on December 3, 2015.

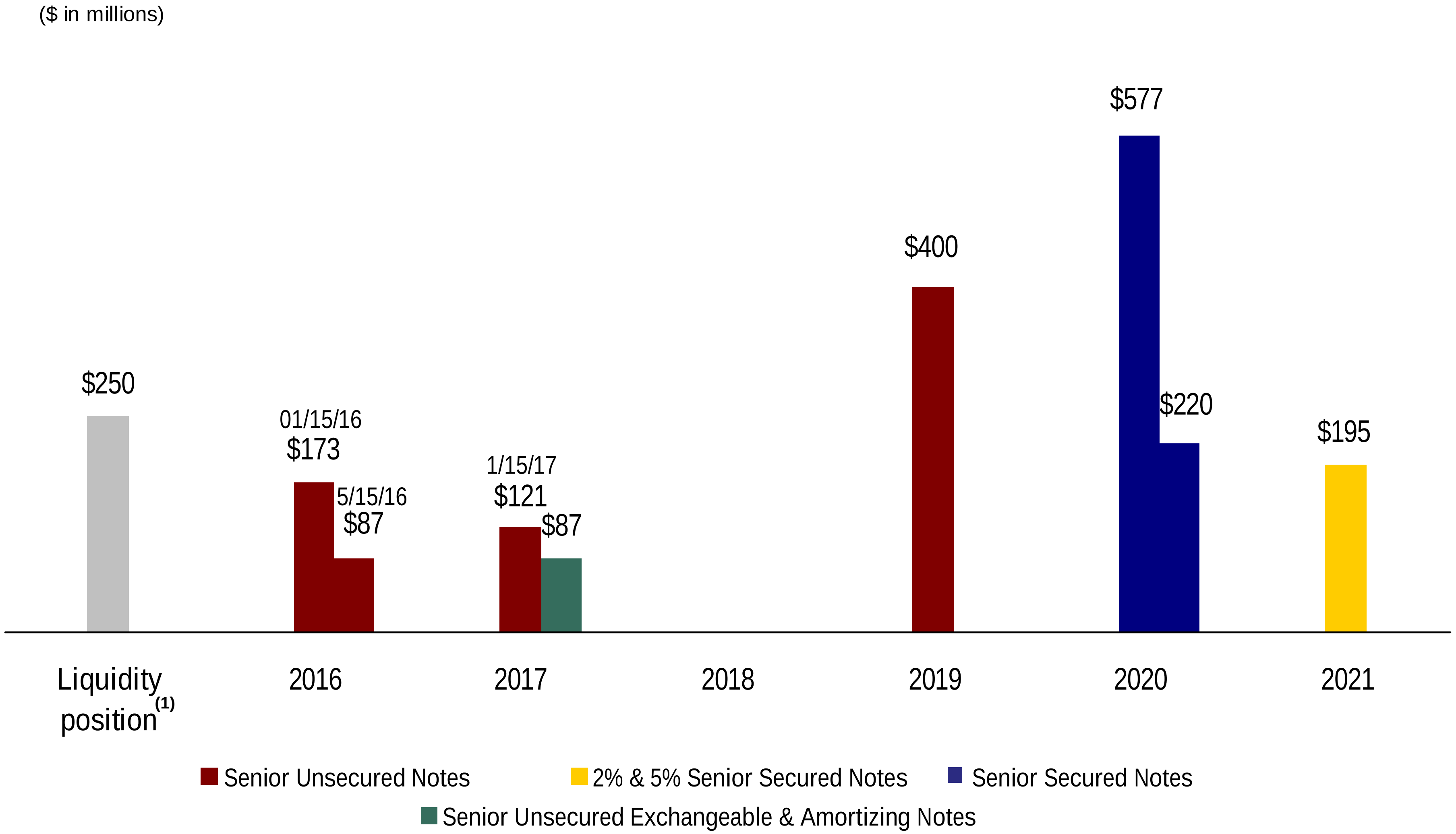
Liquidity Position and Target

We are comfortable operating at the lower end of the range

Note: Liquidity position includes homebuilding cash and cash equivalents (which includes unrestricted cash and restricted cash to collateralize letters of credit) and revolving credit facility availability.

Debt Maturity Profile

October 31, 2015 ***($ in millions)***



Note: Shown on a calendar year basis, at face value.

[1] Liquidity position is $248 million of homebuilding cash (including unrestricted cash and restricted cash collateralizing letters of credit), and $2 million of availability under revolving credit facility as of October 31, 2015

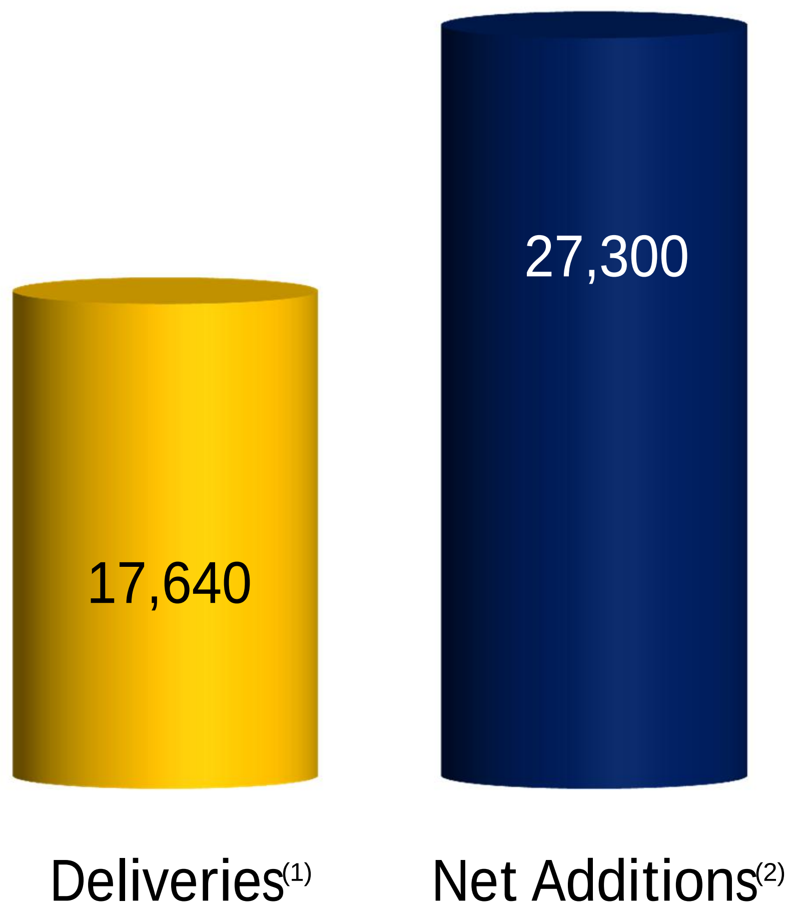
Liquidity Levers

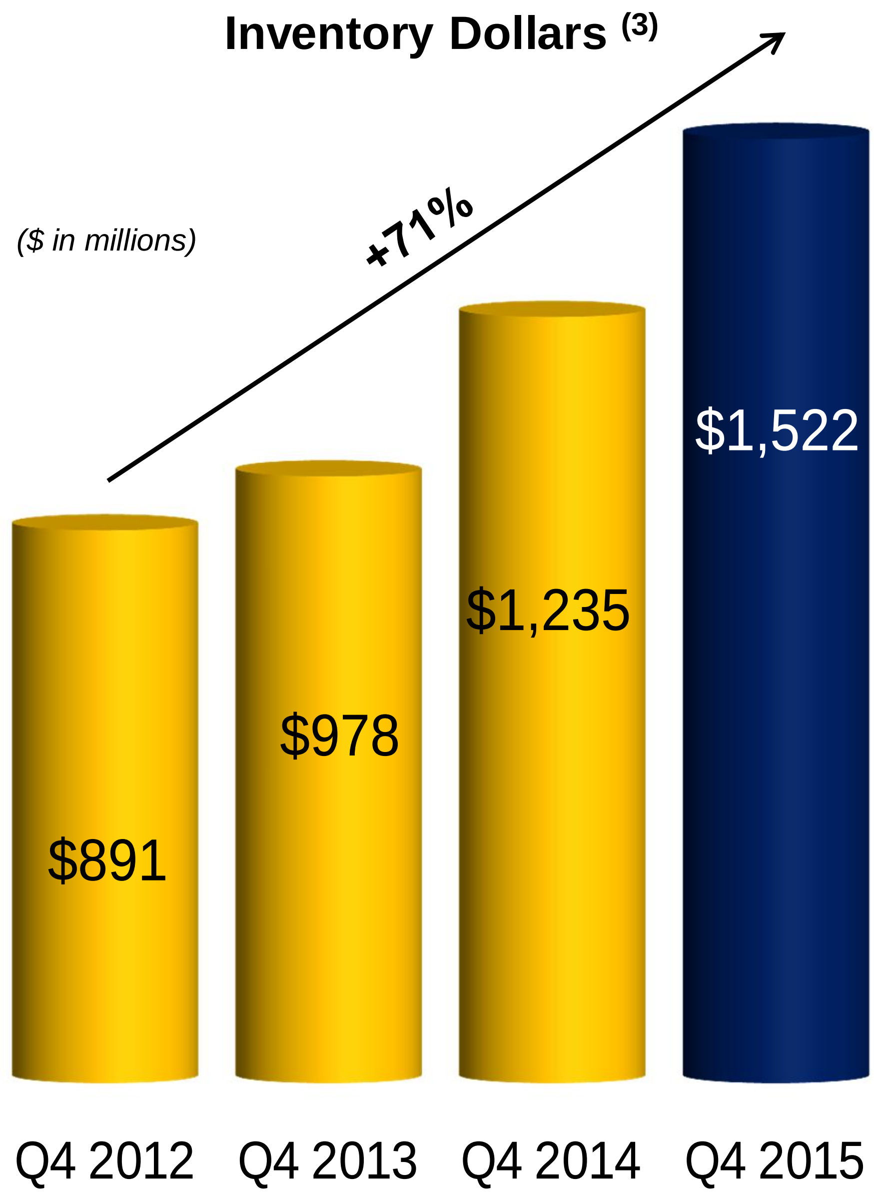
- Alternative capital sources readily available to address near-term maturities and allow continued growth of contemplated business plan without requiring high yield market

1. Recent land banking transactions
   - $125 million land bank with Domain Real Estate Partners, an affiliate of DW Partners
   - $175 million land bank with GSO Capital Partners, an affiliate of The Blackstone Group
2. Joint ventures
   - Over $300 million of committed capital since beginning of 2015
3. Non-recourse project specific loans
   - $144 million of loans outstanding
4. Model sale leasebacks
   - Hovnanian has raised $43 million from model sale leasebacks during 2015

Increasing Lots Controlled

Net additions of approximately 9,700 lots in excess of deliveries, over twelve quarters





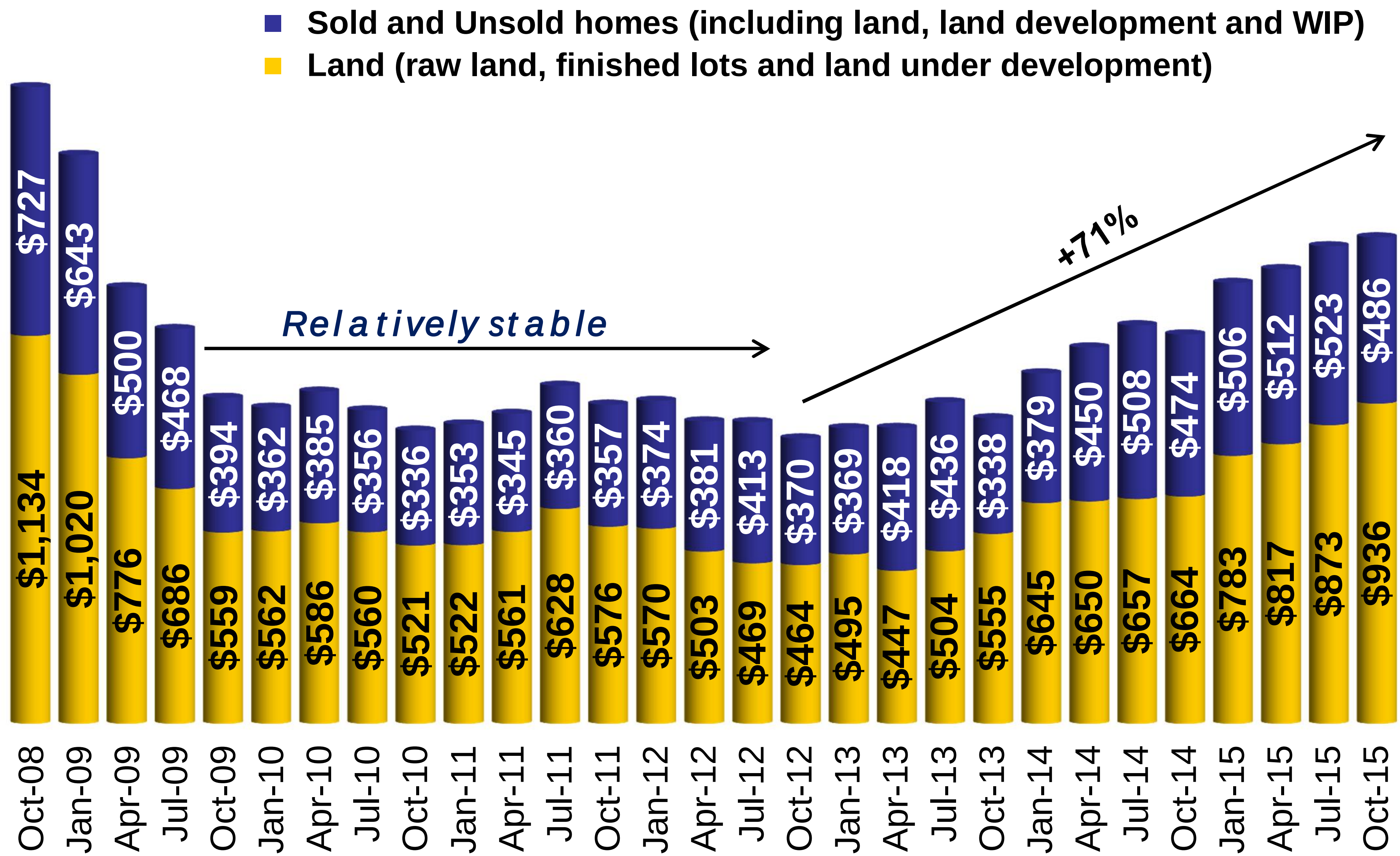
(1) *Deliveries include unconsolidated joint ventures.*

(2) *Net additions include new options, new lots purchased but not previously optioned and walk aways from new options, including unconsolidated joint ventures*

(3) *Total inventories less inventory not owned.*

Inventory Breakdown

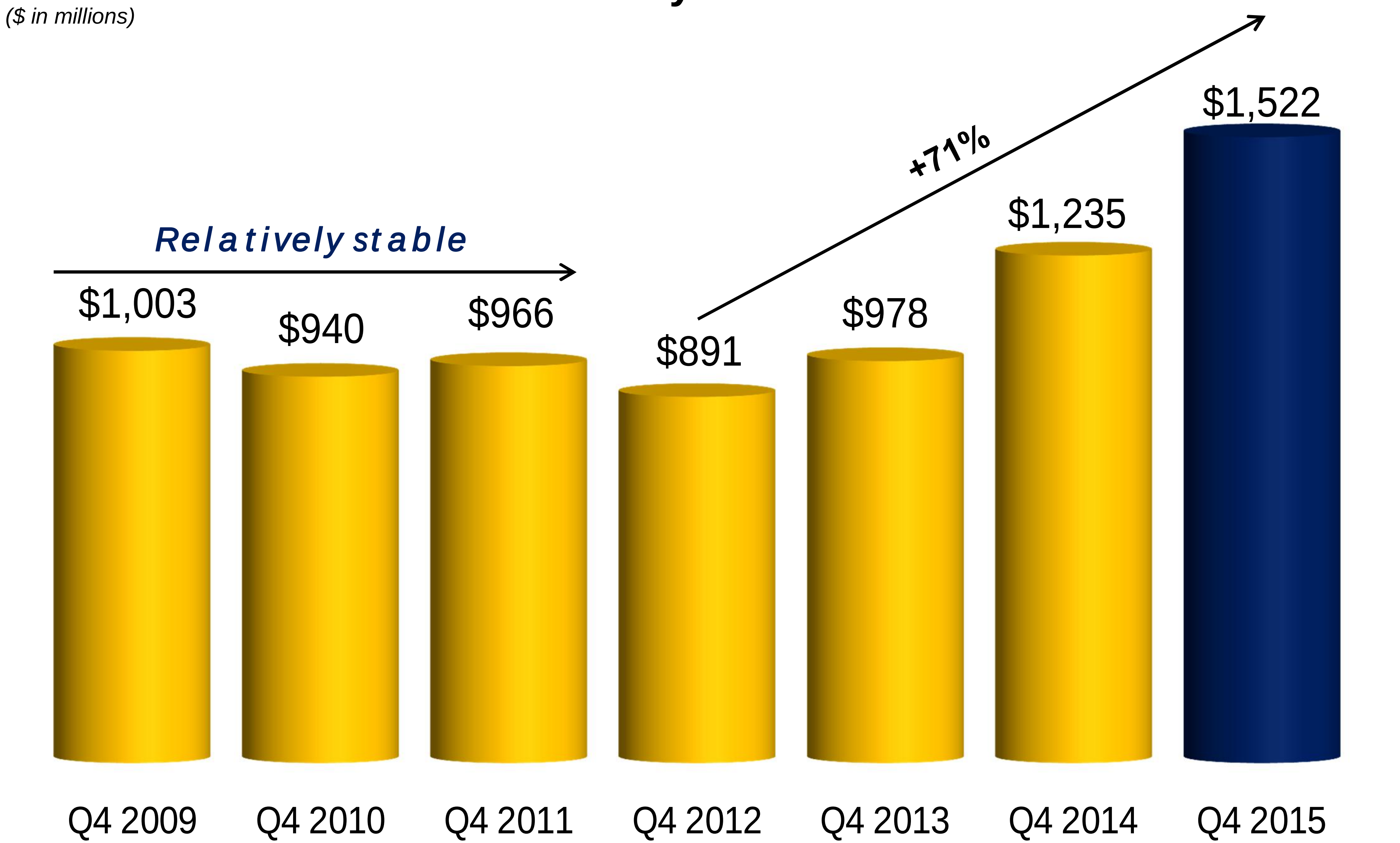
$ in Millions



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

Increasing Lots Controlled

Inventory Dollars (1)

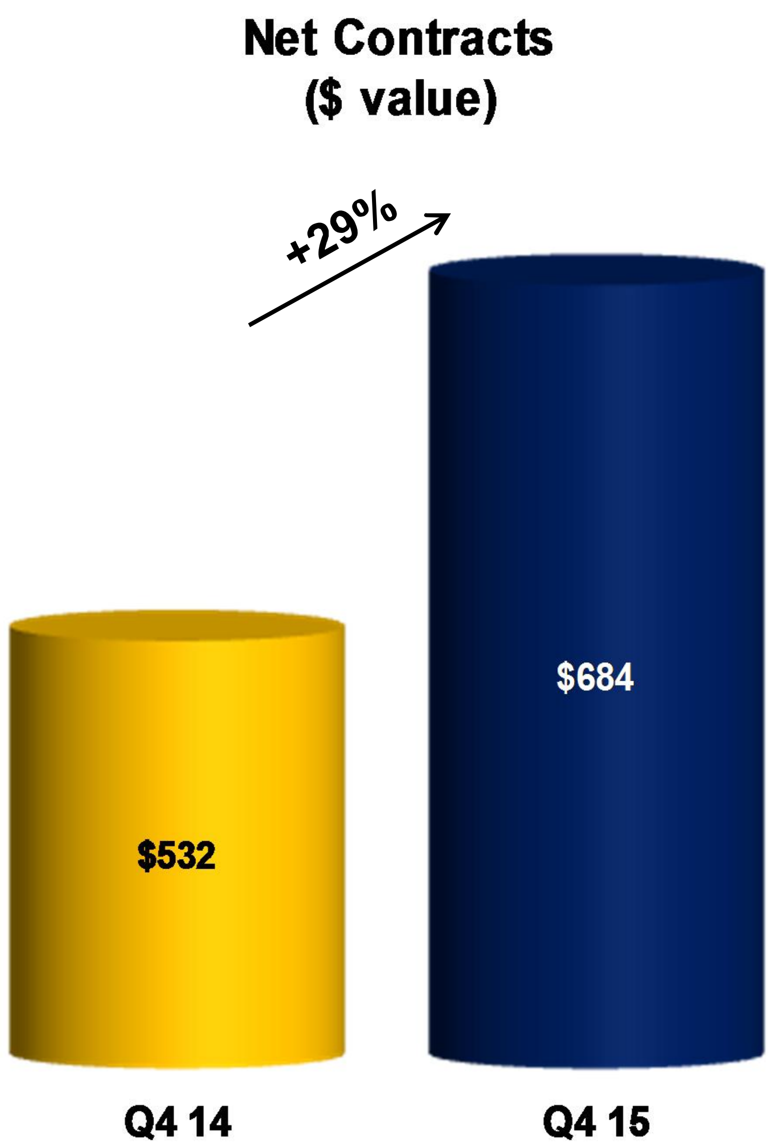


(1) Total inventories less inventory not owned.

Solid Net Contract Growth

($ in millions)

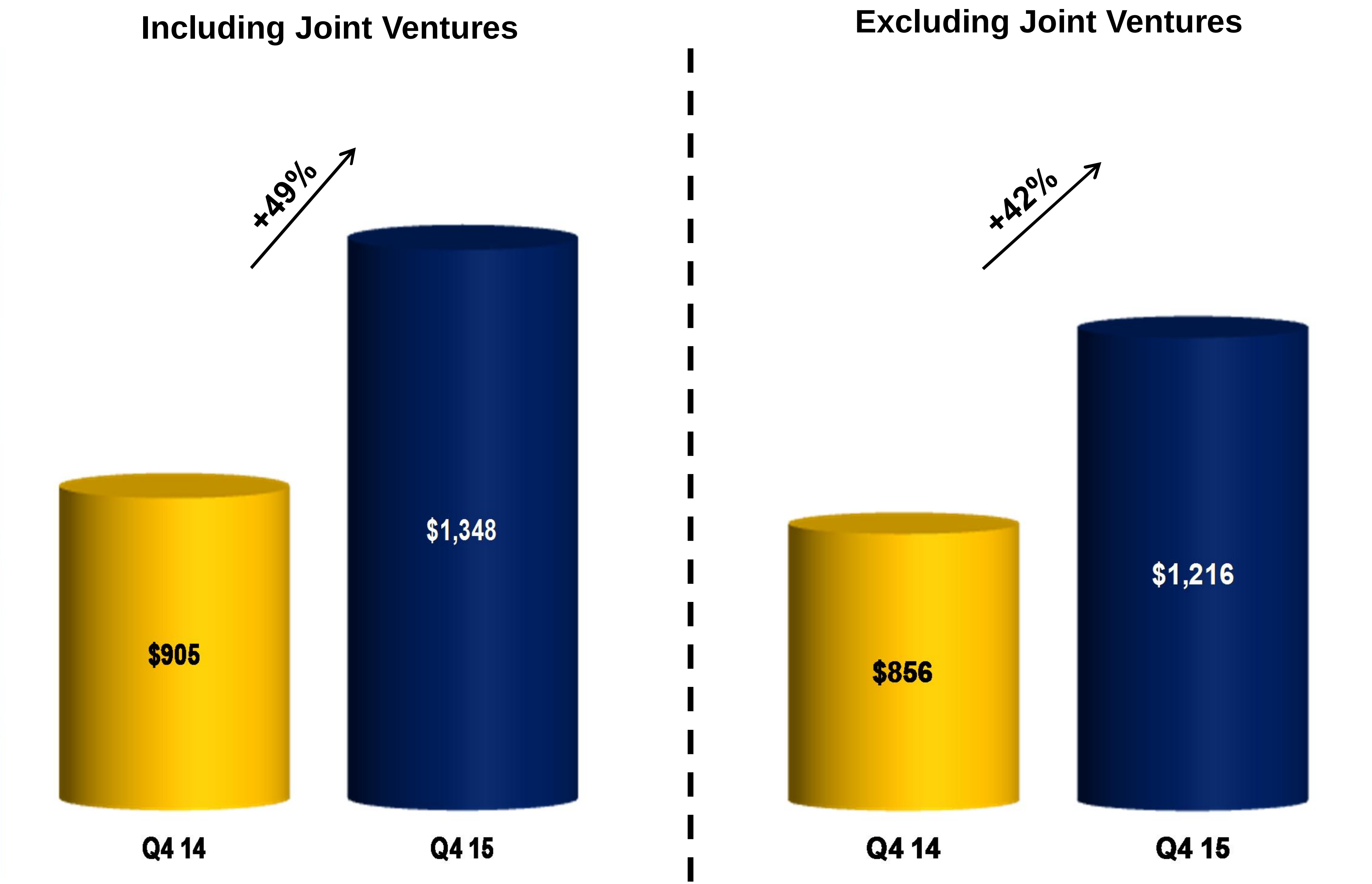
Including Joint Ventures



Excluding Joint Ventures

Strength in Backlog Suggests Further Revenue Growth

($ in millions)



Reiterating Full Year Guidance for 2016

	FY 2016
Total Revenues ($ billions)	$2.7 to $3.1
Gross Margin	16.8% to 18.0%
Total SG&A as percentage of Total Revenues	9.8% to 10.2%
Adjusted Pre Tax Profit[1] ($ millions)	$40 to $100

(1) Excluding land related charges, gains or losses on extinguishment of debt and other non-recurring items such as legal settlements.

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Appendix

Collateral for 7.25% 1st Lien Notes and 9.125% 2nd Lien Note Due 2020

As of October 31, 2015
($ in Thousands)

Cash and cash equivalents	$197,100
Inventory	$784,700
Total Collateral for 7.25% 1st Lien and 9.125% 2nd Lien Notes due 2020	**$981,800**
Principal for 7.25% 1st Lien and 9.125% 2nd Lien Notes due 2020	$797,000
Collateral Ratio	**1.23X**
Assets in Excess of 7.25% 1st Lien and 9.125% 2nd Lien Notes due 2020	$184,800

Coverage for 2% and 5% 1st Lien Notes Due 2021

As of October 31, 2015
($ in Thousands)

Cash and cash equivalents	$50,900
Inventory	$140,100
Total Collateral for 2% and 5% First Lien Notes due 2021	**$191,000**
Principal for 2% and 5% First Lien Notes due 2021	$195,000
Collateral Ratio	0.98X
Total Collateral for 2% and 5% First Lien Notes due 2021	$191,000
plus equity interest in Joint Ventures	$57,300
Total Assets Available for 2% and 5% First Lien Notes due 2021	**$248,300**
Principal for 2% and 5% First Lien Notes due 2021	$195,000
Asset Coverage Ratio	**1.27X**
Assets in Excess of 2% and 5% First Lien Notes due 2021	$53,300

Coverage for Unsecured Bonds

As of October 31, 2015
($ in Thousands)

Total Assets	$2,602,298
less Income Tax Receivables	($290,279)
less Inventory Not Owned	($122,225)
less Financial Services Assets	($159,981)
Assets Available to All Notes	**$2,029,813**
less non-recourse mortgages	($143,863)
less principal for 2% and 5% First Lien Notes due 2021	($195,000)
less principal for 7.25% 1st Lien and 9.125% 2nd Lien Notes due 2020	($797,000)
Assets available to all Unsecured Notes	**$893,950**
All Unsecured Notes (1)	$780,319
Asset Coverage Ratio (2)	**1.15X**

(1) *Excluding exchangeable notes and revolving credit facility.*
(2) *Does not take into account other liabilities.*

Fourth Quarter Results

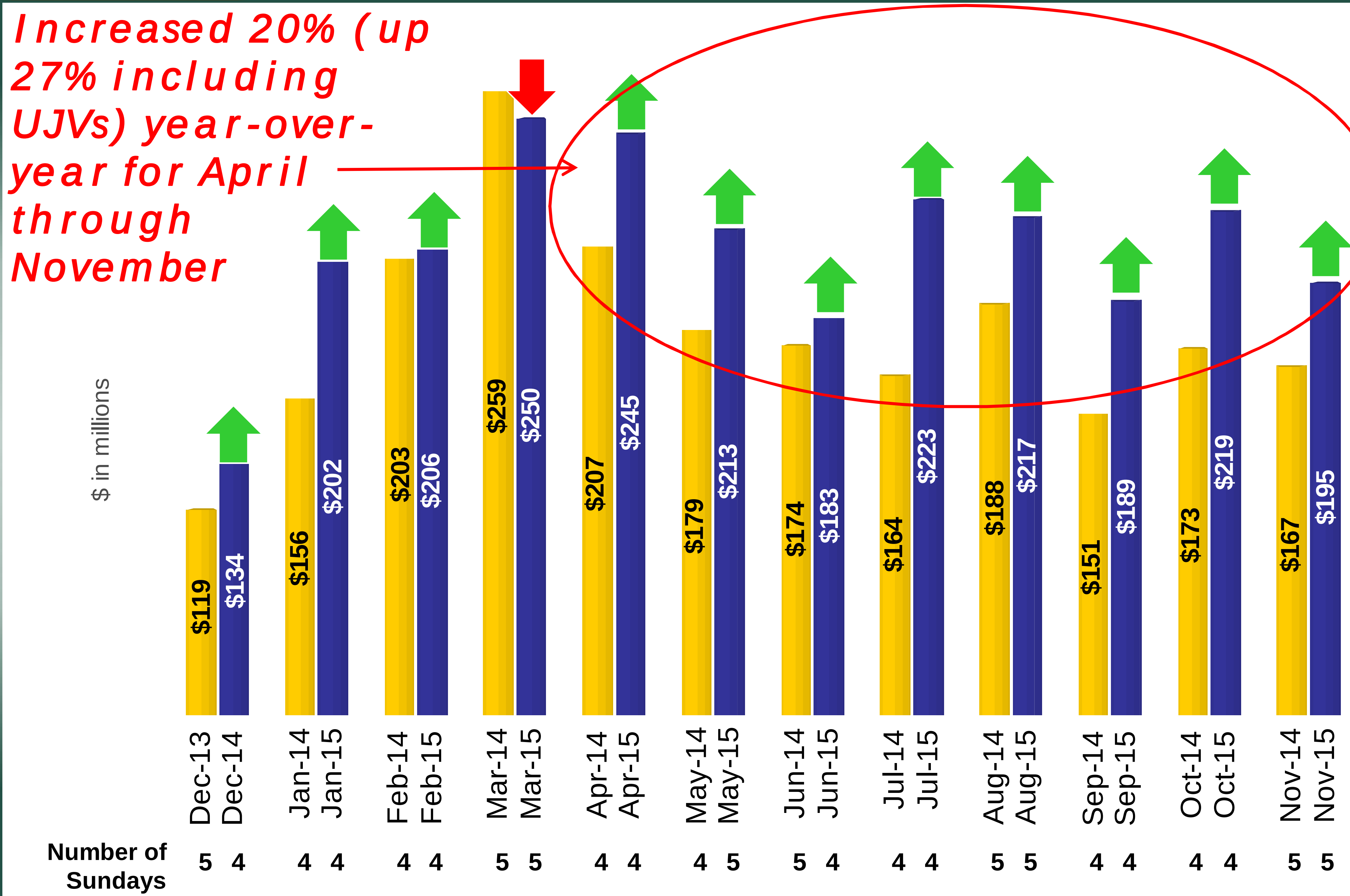
- *Strong contract backlog coupled with positive sales trends bodes well for expected revenue and profitability growth during 2016*

($ in millions)

		2015	2014	% Change	
	Forwarding-looking indicators				
1)	Net Contracts ($ value)[1]	$625	$512	22%	✓
2)	Net Contracts (units)[1]	1,535	1,301	18%	✓
3)	Communities[1]	219	201	9%	✓
4)	Contracts per Community[1]	7.0	6.5	8%	✓
5)	Backlog ($ value)[1]	$1,216	$856	42%	✓
6)	Backlog (units)[1]	2,905	2,229	30%	✓
	Backward-looking indicators				
7)	Deliveries[1]	1,727	1,762	-2%	
8)	Total Revenues	$693	$698	-1%	
9)	Homebuilding Gross Margin	18.0%	19.3%	-130 bps	
10)	Total SG&A as a Percentage of Total Revenues	7.1%	9.3%	-220 bps	
11)	Adjusted Pre-Tax Profit[2]	$42	$39	8%	

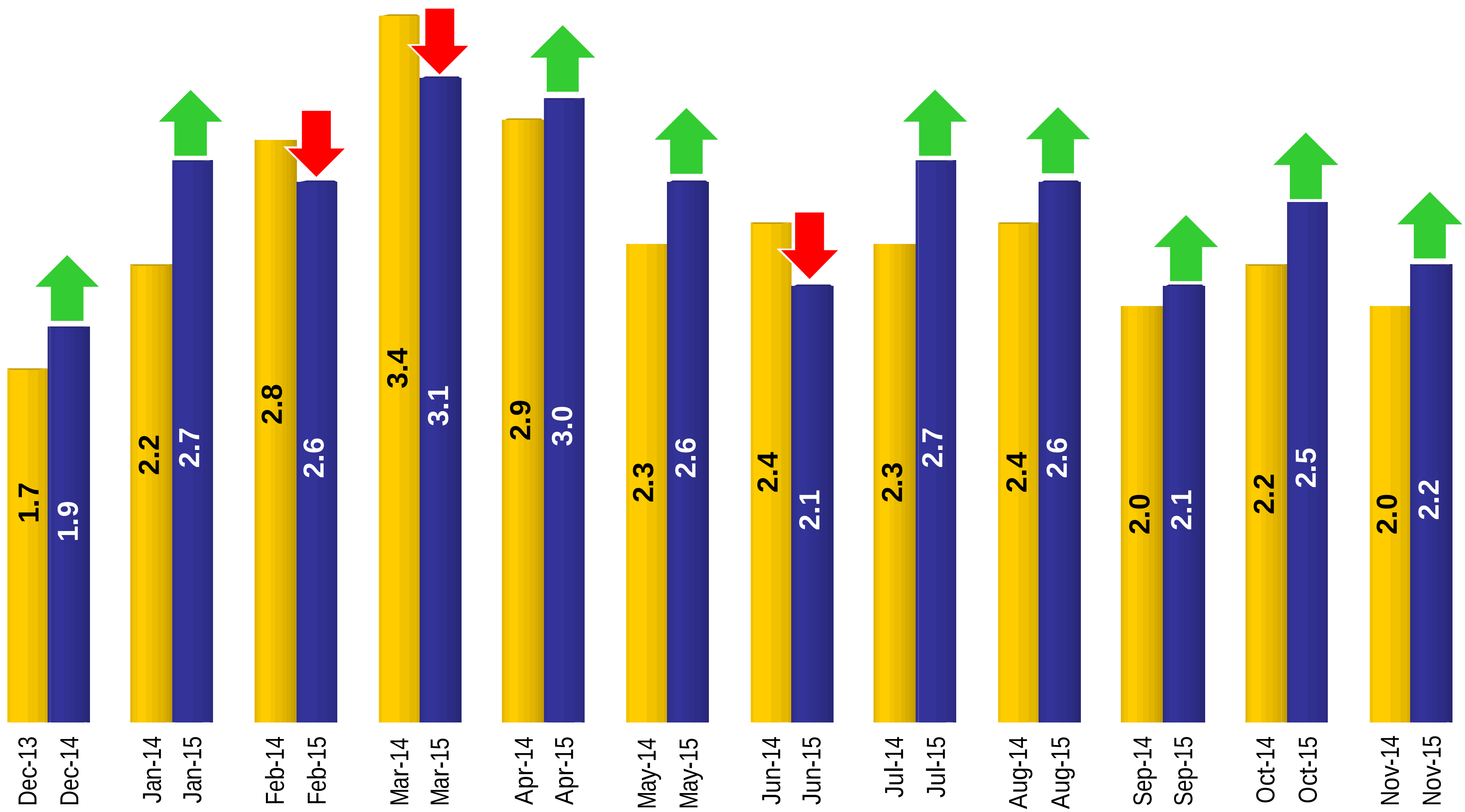
(1) Excludes unconsolidated joint ventures.
(2) Excluding land related charges and gains or losses on extinguishment of debt.

Dollar Amount of Net Contracts Per Month



Excludes unconsolidated joint ventures.

Number of Monthly Net Contracts Per Active Selling Community



Number of Sundays	5	4	4	4	4	4	5	5	4	4	4	5	5	4	4	4	5	5	4	4	4	4	5	5
	Dec-13	Dec-14	Jan-14	Jan-15	Feb-14	Feb-15	Mar-14	Mar-15	Apr-14	Apr-15	May-14	May-15	Jun-14	Jun-15	Jul-14	Jul-15	Aug-14	Aug-15	Sep-14	Sep-15	Oct-14	Oct-15	Nov-14	Nov-15
Monthly Net Contracts	321	380	426	531	550	539	681	634	578	623	446	529	466	442	445	562	460	531	402	460	439	544	408	477

Excludes unconsolidated joint ventures.

Land Positions by Geographic Segment

October 31, 2015

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	380	3.9	2.3	8.6	14.8	$243
Mid-Atlantic	854	2.9	0.3	3.3	6.5	$152
Midwest	958	3.0	0.1	1.4	4.5	$95
Southeast	675	2.6	0.5	6.1	9.3	$120
Southwest	2,263	1.3	0.0	1.8	3.1	$180
West	377	4.5	9.9	1.1	15.5	$146
Total	5,507	2.4	1.0	2.9	6.3	$936

Excluding unconsolidated joint ventures.

Mothballed Lots

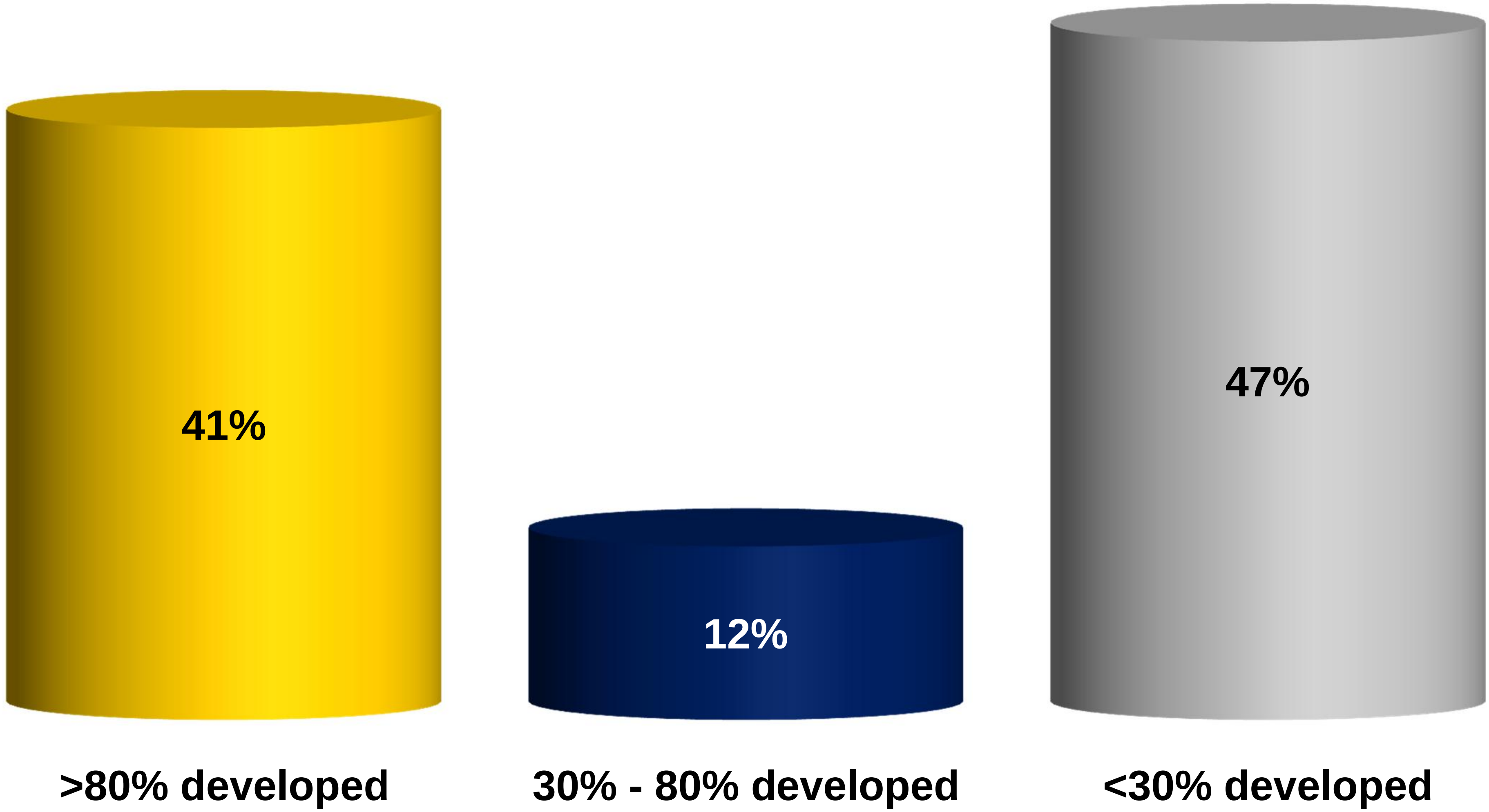
As of October 31, 2015	# of Lots
Northeast (NJ, PA)	855*
Mid-Atlantic (DE, MD, VA, WV)	280
Midwest (IL, MN, OH)	108
Southeast (FL, GA, NC, SC)	362
Southwest (AZ, TX)	0
West (CA)	3,734
Total	5,339*

- *In 31 communities with a book value of $103 million net of impairment balance of $335 million*
- *Unmothballed approximately 4,800 lots in 82 communities since January 31, 2009*

* *Unmothballed 278 lots in New Jersey during first quarter of fiscal 2016, reducing Northeast to 577 lots and total to 5,061 lots*

Owned Lots % Development Costs Spent

As of October 31, 2015



Excluding unconsolidated joint ventures.

Credit Quality of Homebuyers

Fiscal Year 2015:

- Average LTV: 84%
- Average CLTV: 84%
- ARMs: 5.5%
- FICO Score: 744
- Capture Rate: 75%

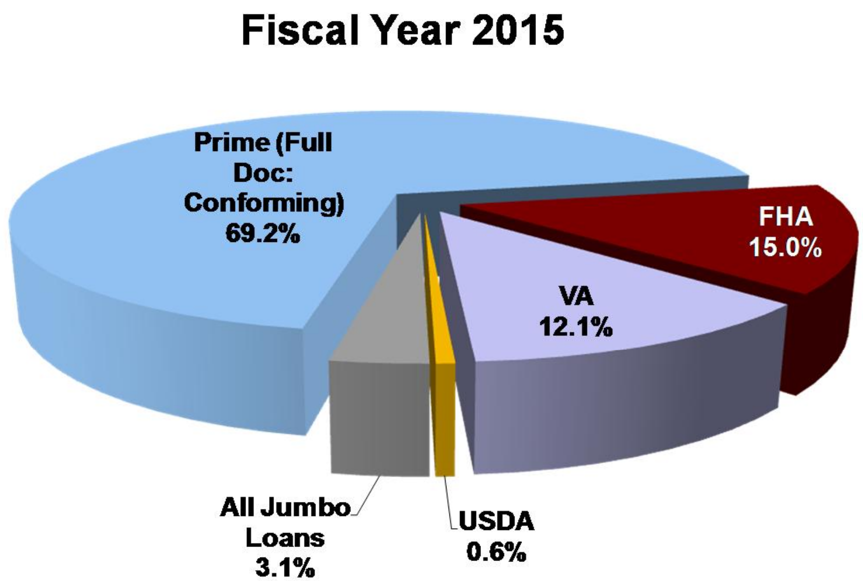
Fiscal Year 2014:

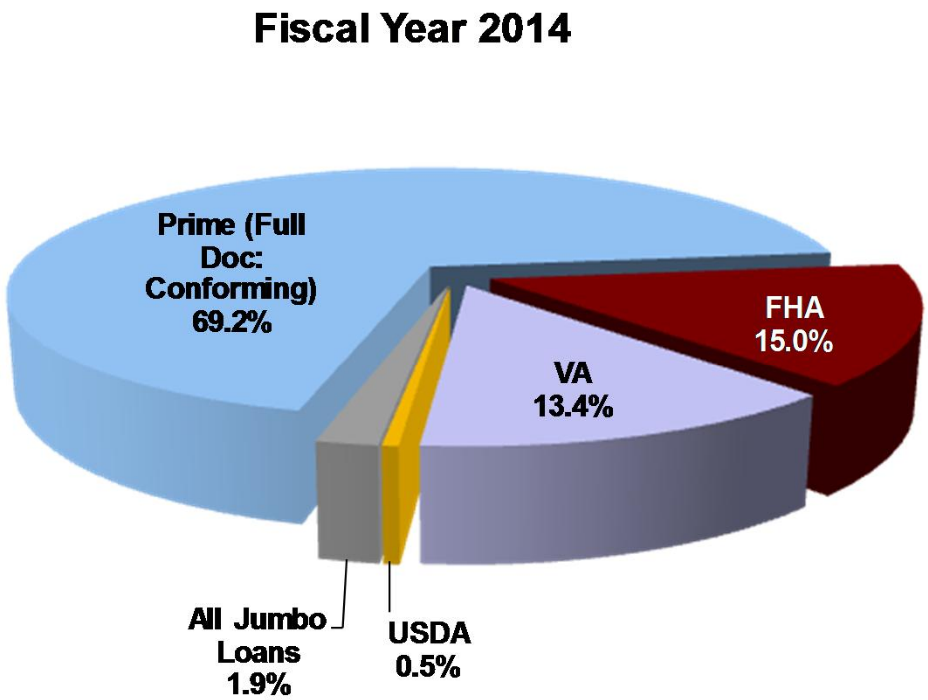
- Average LTV: 84%
- Average CLTV: 84%
- ARMs: 5.5%
- FICO Score: 745
- Capture Rate: 65%

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

Hovnanian Mortgage Breakdown*

FHA Percentages					
2010	2011	2012	2013	2014	2015
38.0%	34.1%	27.8%	21.5%	15.0%	15.0%



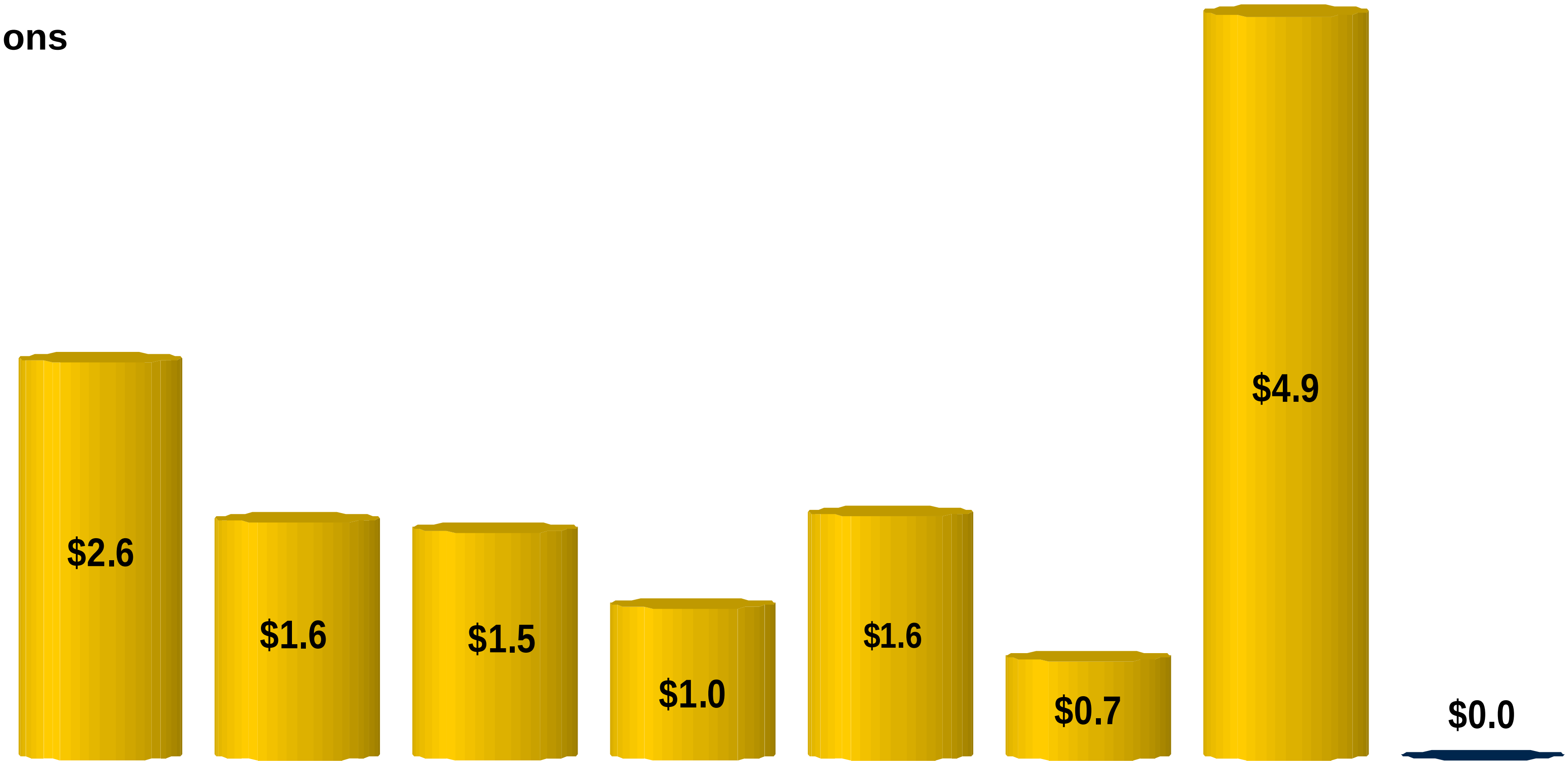


Loans originated by our wholly-owned mortgage banking subsidiary.

Payments for Loan Repurchases and Make Whole Requests

As of October 31, 2015

$ in millions



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Settlements	**28 loans**	**28 loans**	**17 loans**	**29 loans**	**10 loans**	**18 loans**[(1)]	**108 loans**	**1 loan**
Repurchase Inquires	**45 loans**	**41 loans**	**98 loans**	**39 loans**	**66 loans**	**58 loans**	**78 loans**	**2 loans**

- **As of October 31, 2015, reserve for loan repurchases and make whole requests was $8.0 million.**

[(1)] 13 of 18 loans were small second lien repurchases.

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

Hovnanian®
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