Hovnanian® Enterprises, Inc.

Review of Financial Results Third Quarter Fiscal 2013

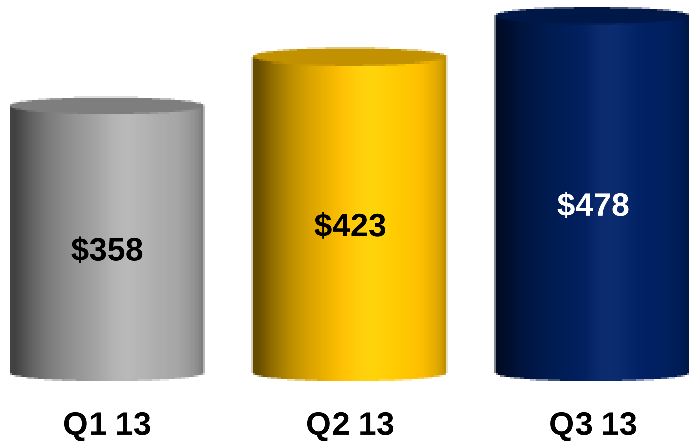
Note: **All statements in this presentation that are not historical facts should be considered as "forward-looking statements." Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different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

Hovnanian® Enterprises, Inc.

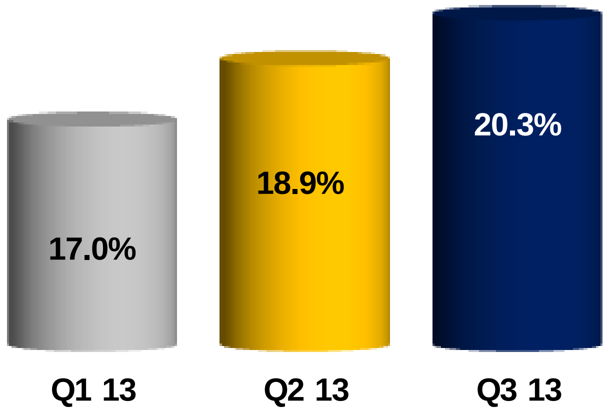
Improving Operating Results

Total Revenues

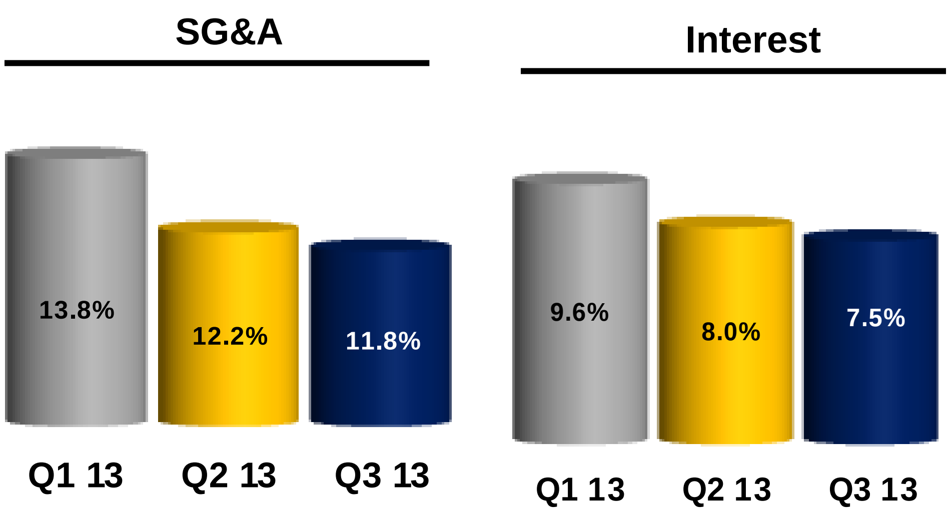
$ in millions



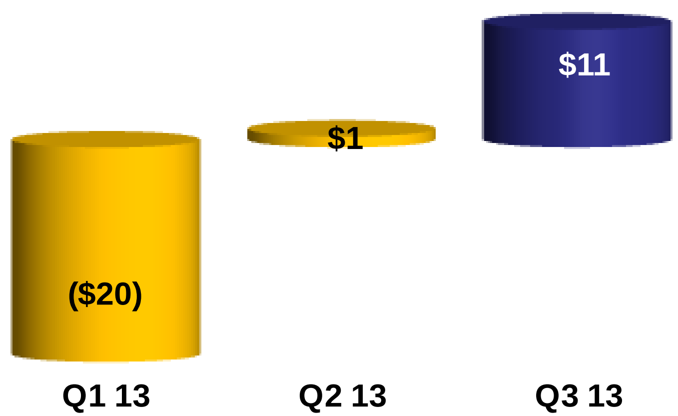
Homebuilding Gross Margin



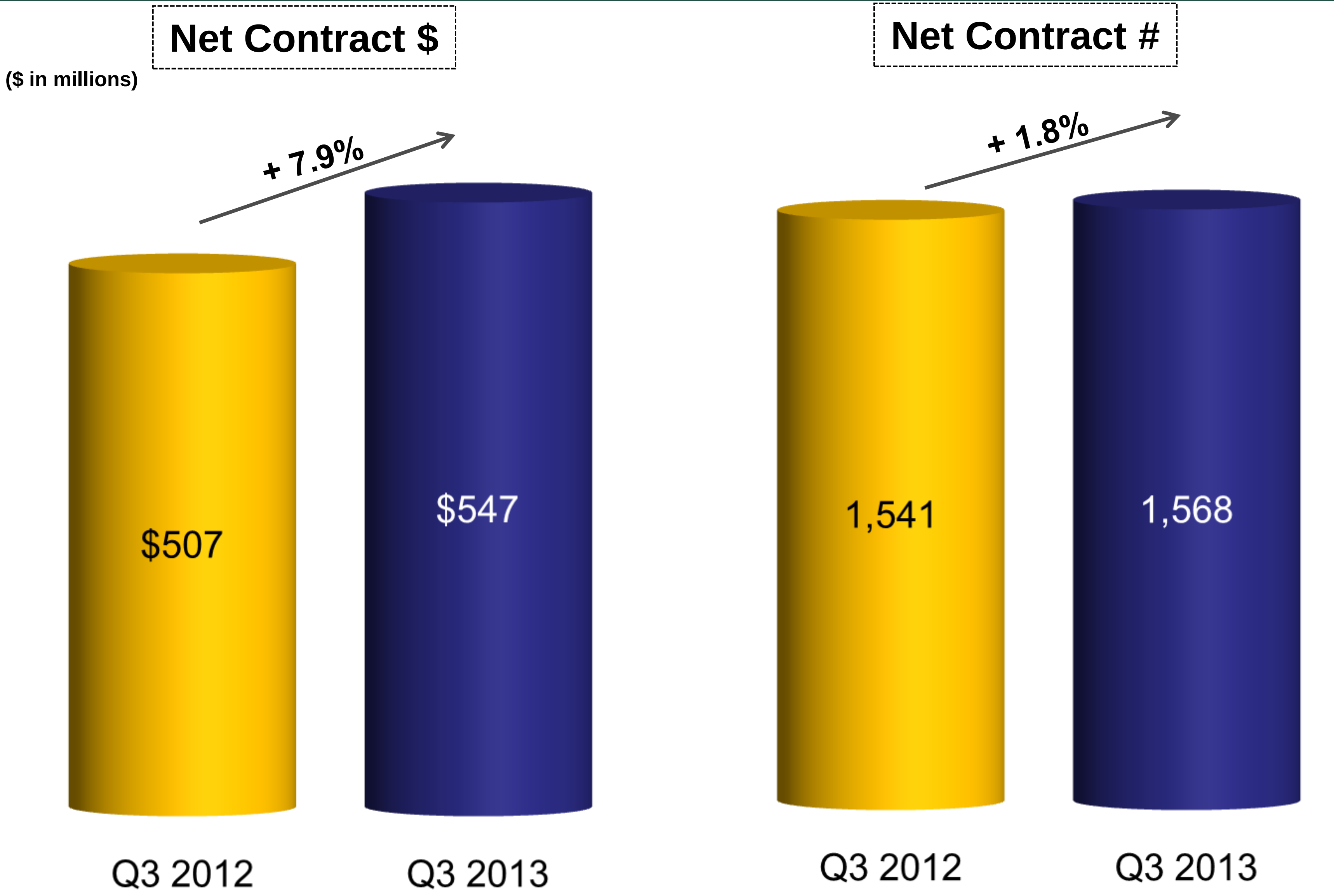
Total SG&A & Interest Expenses as a % of Total Revenues



Pre-tax Income (Loss) Excluding Land Related Charges, Expenses Associated with Debt Exchange Offer and Gain on Extinguishment of Debt

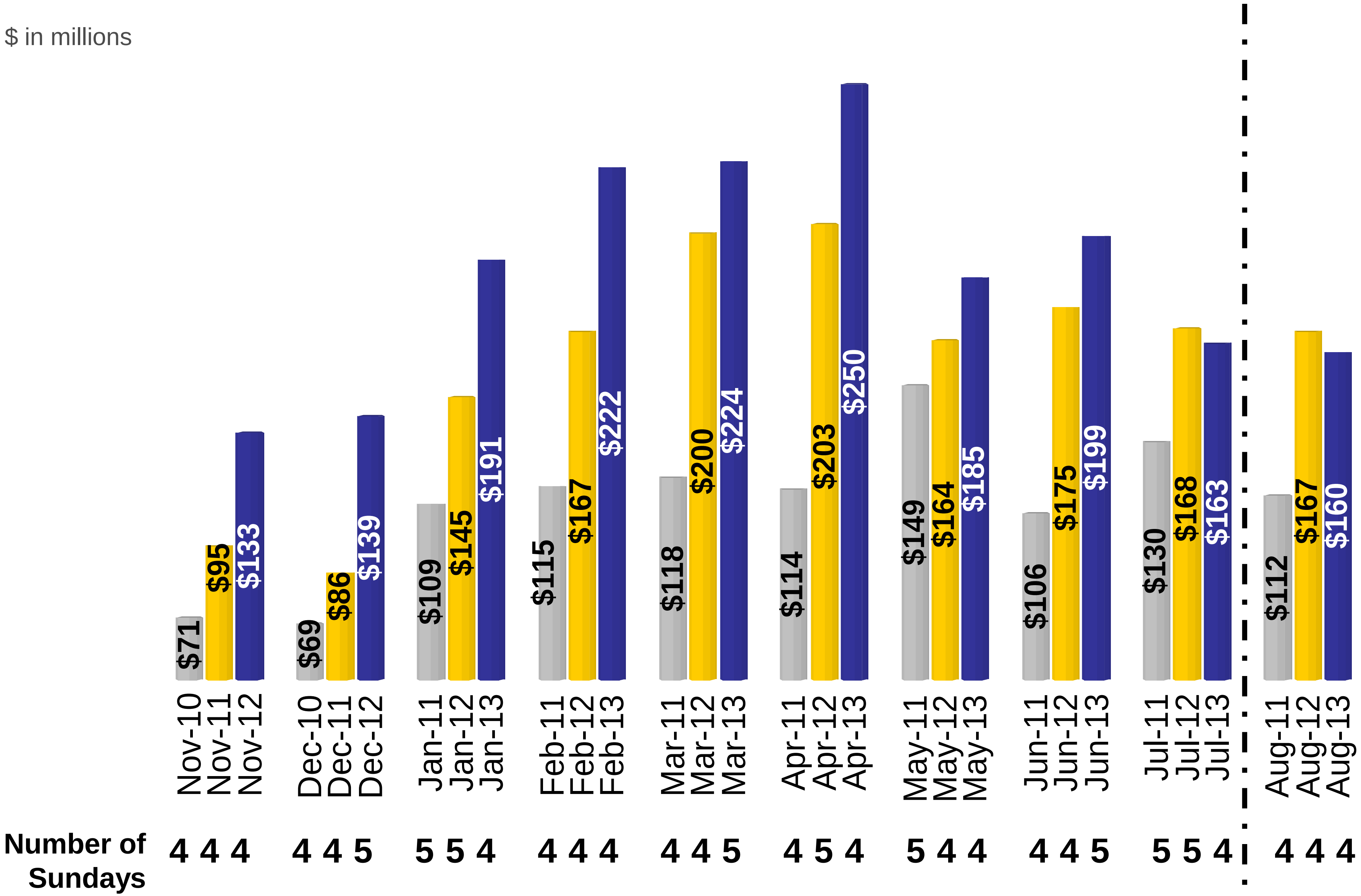


Third Quarter Net Contracts



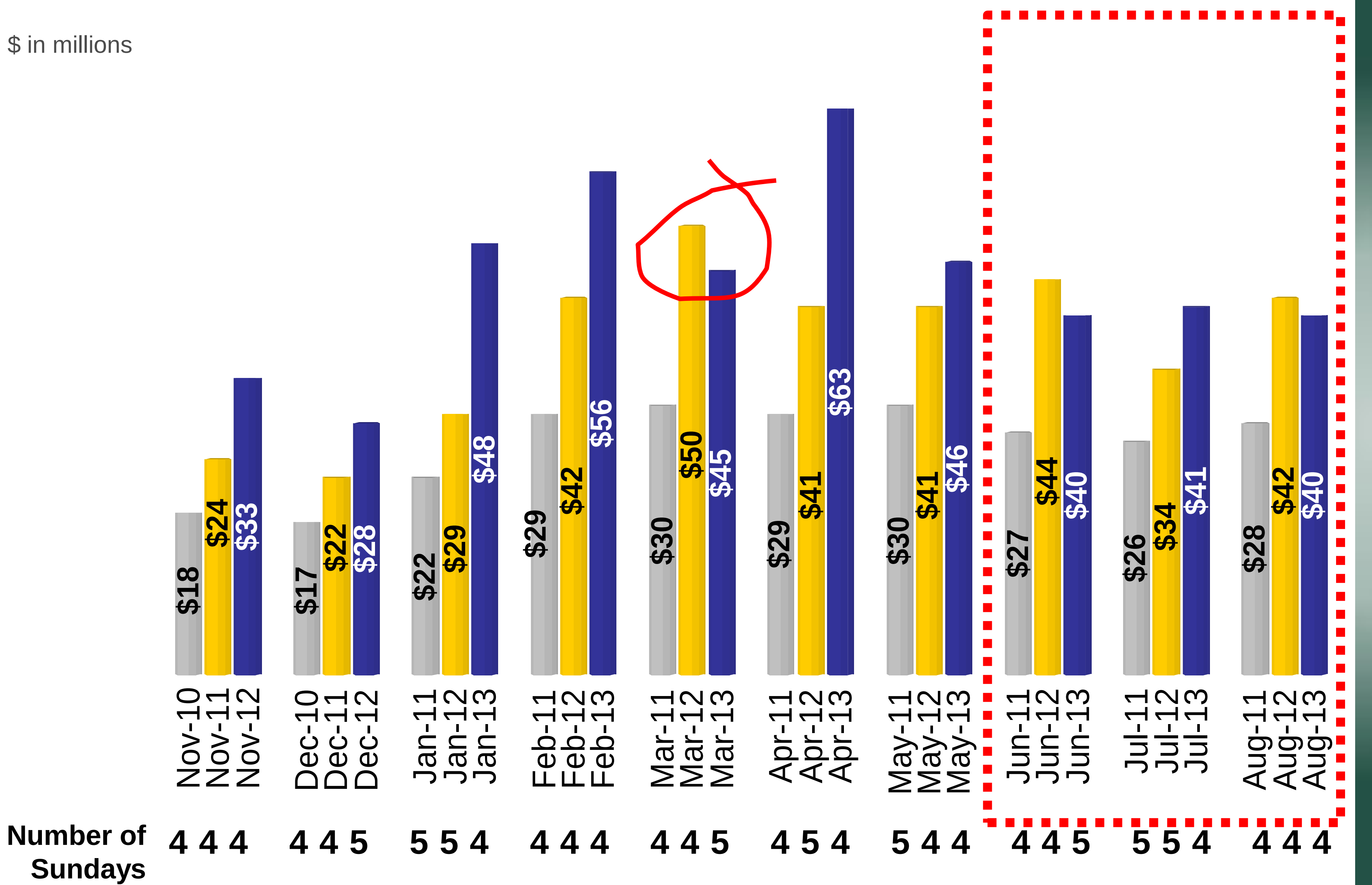
Includes unconsolidated joint ventures.

Dollar Amount of Net Contracts Per Month



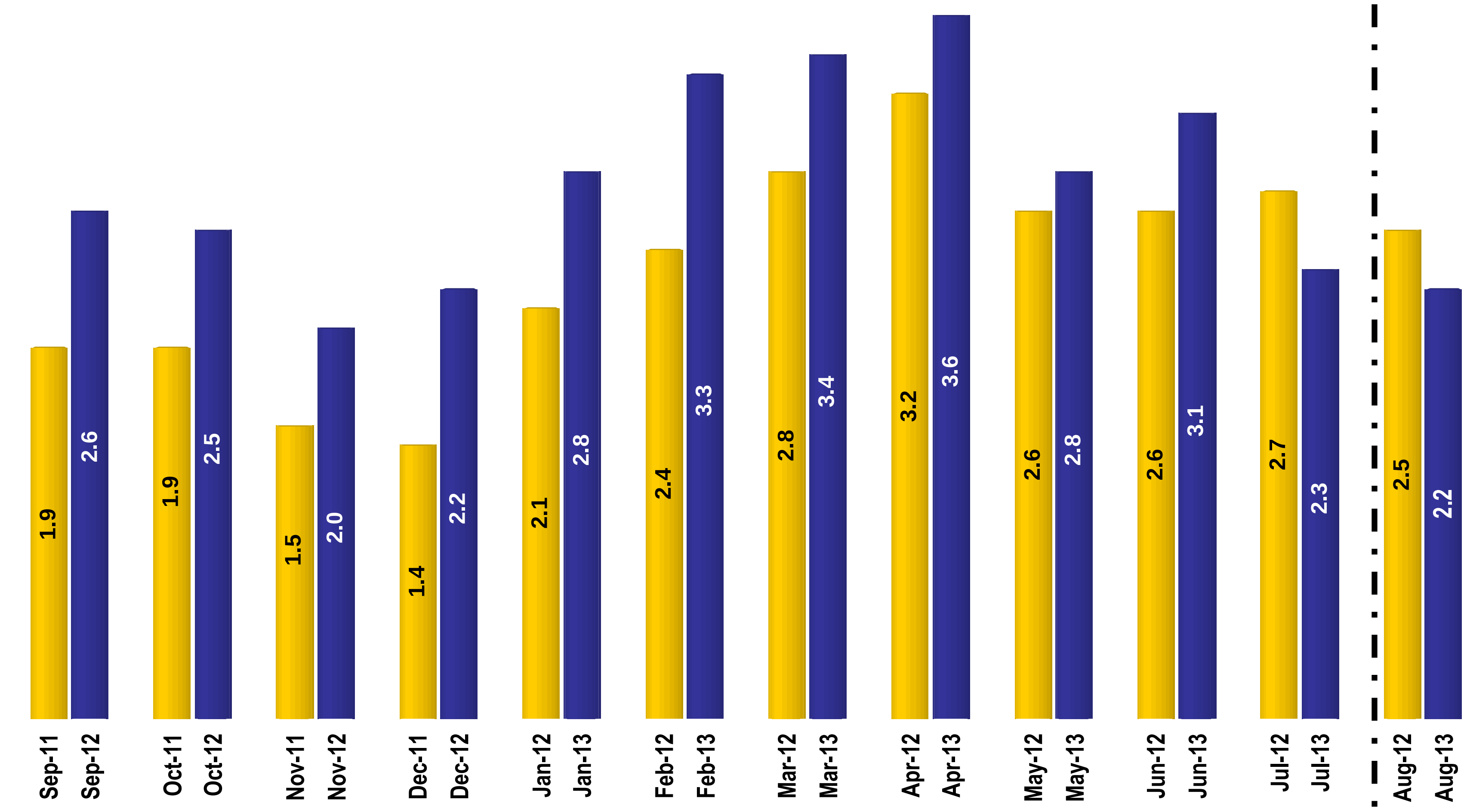
Includes unconsolidated joint ventures.

Average Weekly Dollar Amount of Net Contracts Per Month



Includes unconsolidated joint ventures.

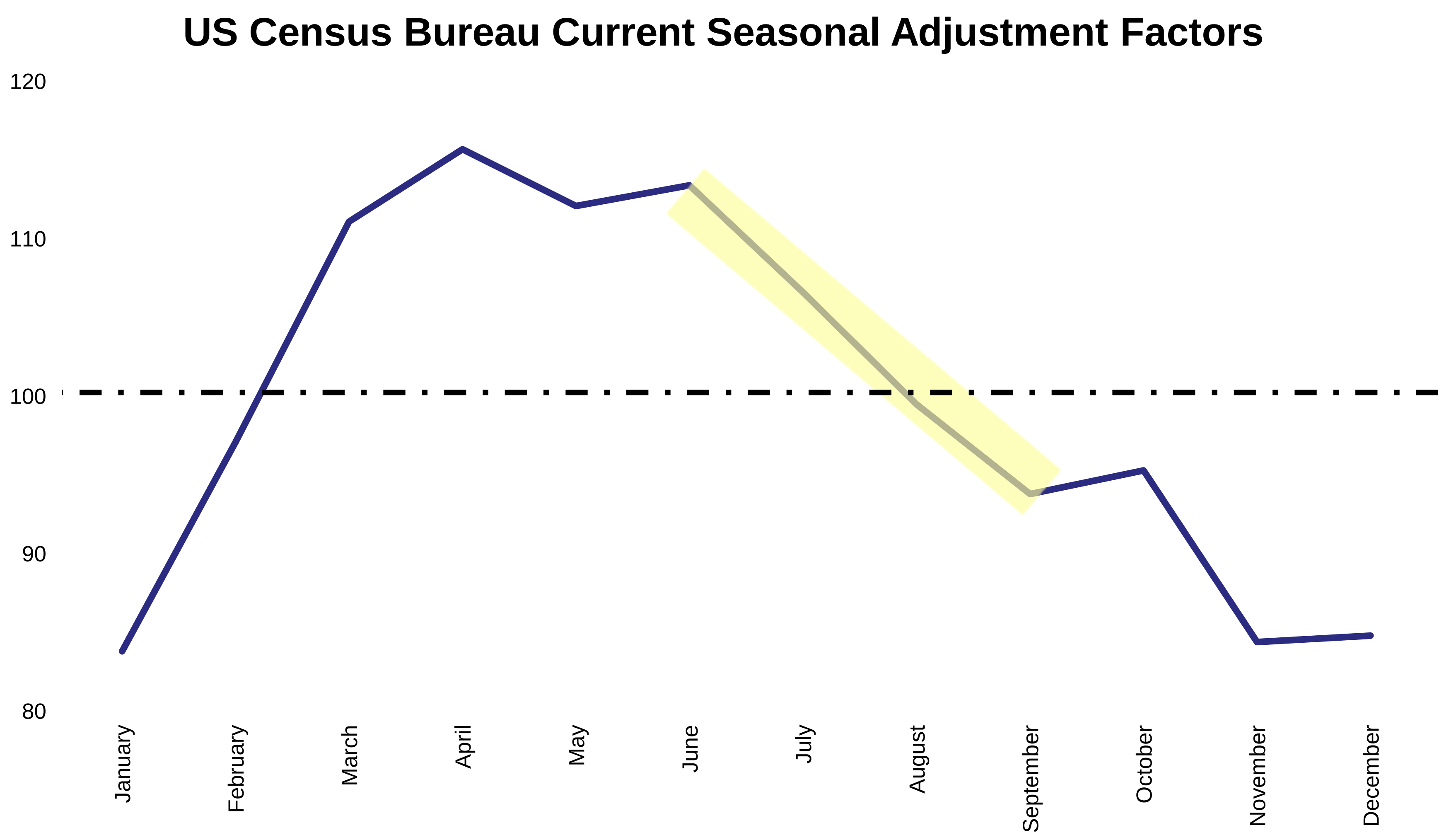
Monthly Net Contracts Per Active Selling Community



Number of Sundays	4	5	5	4	4	4	4	5	5	4	4	4	4	5	5	4	4	4	4	5	5	4	4	4
	Sep-11	Sep-12	Oct-11	Oct-12	Nov-11	Nov-12	Dec-11	Dec-12	Jan-12	Jan-13	Feb-12	Feb-13	Mar-12	Mar-13	Apr-12	Apr-13	May-12	May-13	Jun-12	Jun-13	Jul-12	Jul-13	Aug-12	Aug-13
Monthly Net Contracts	382	495	409	464	325	385	297	409	457	550	528	622	612	640	635	688	506	534	506	583	529	451	484	433

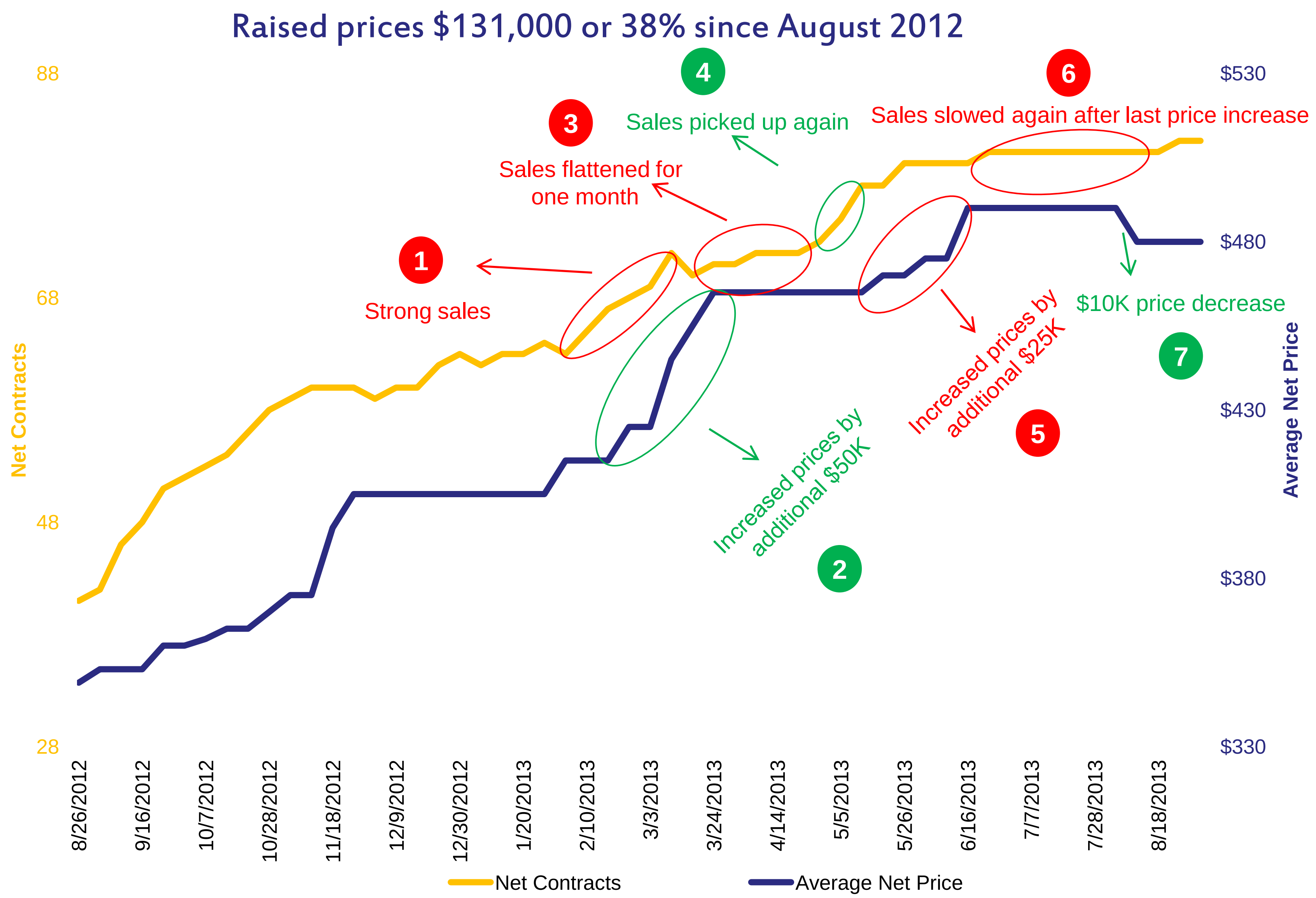
Includes unconsolidated joint ventures.

Seasonality

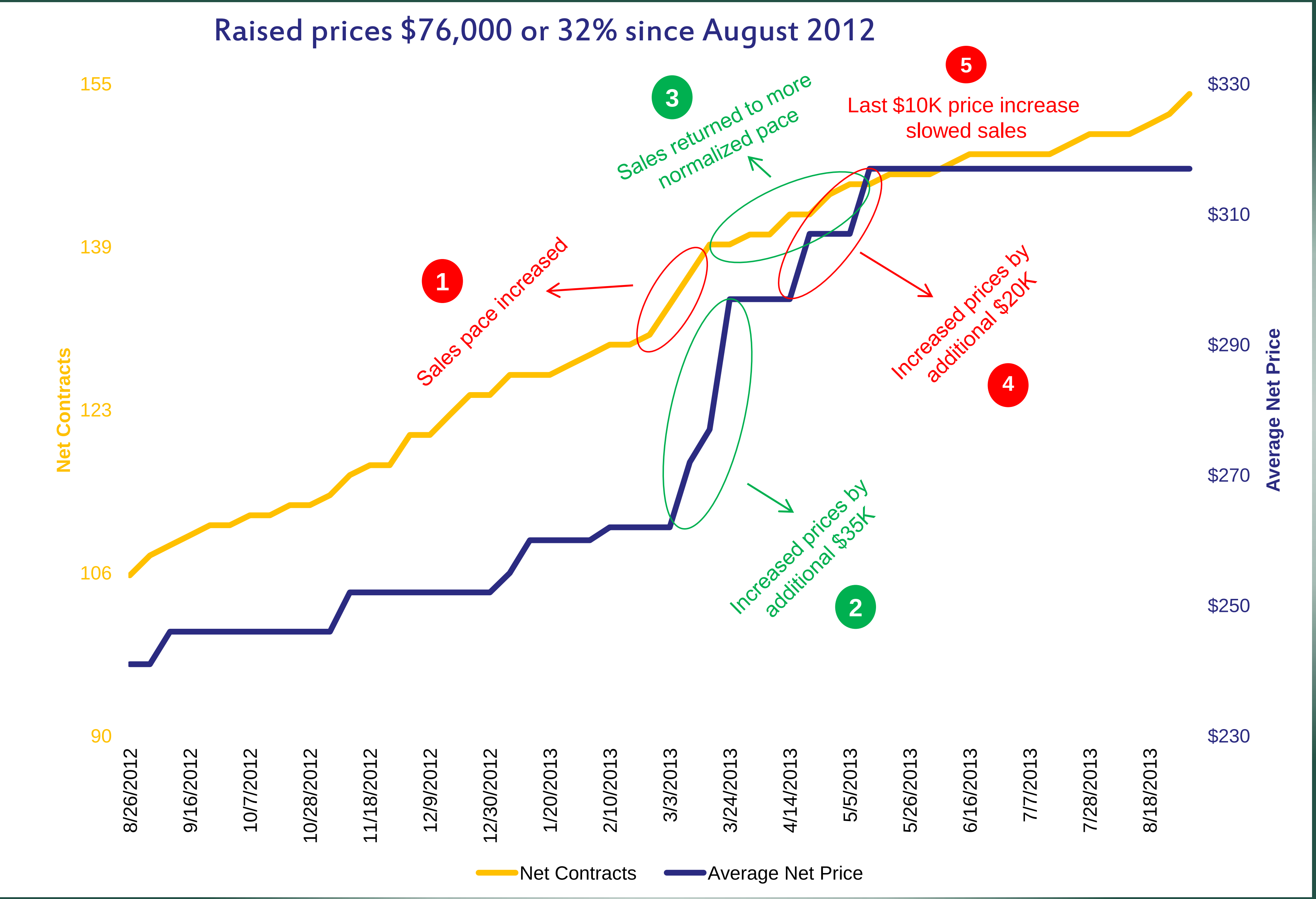


Source: US Census Bureau

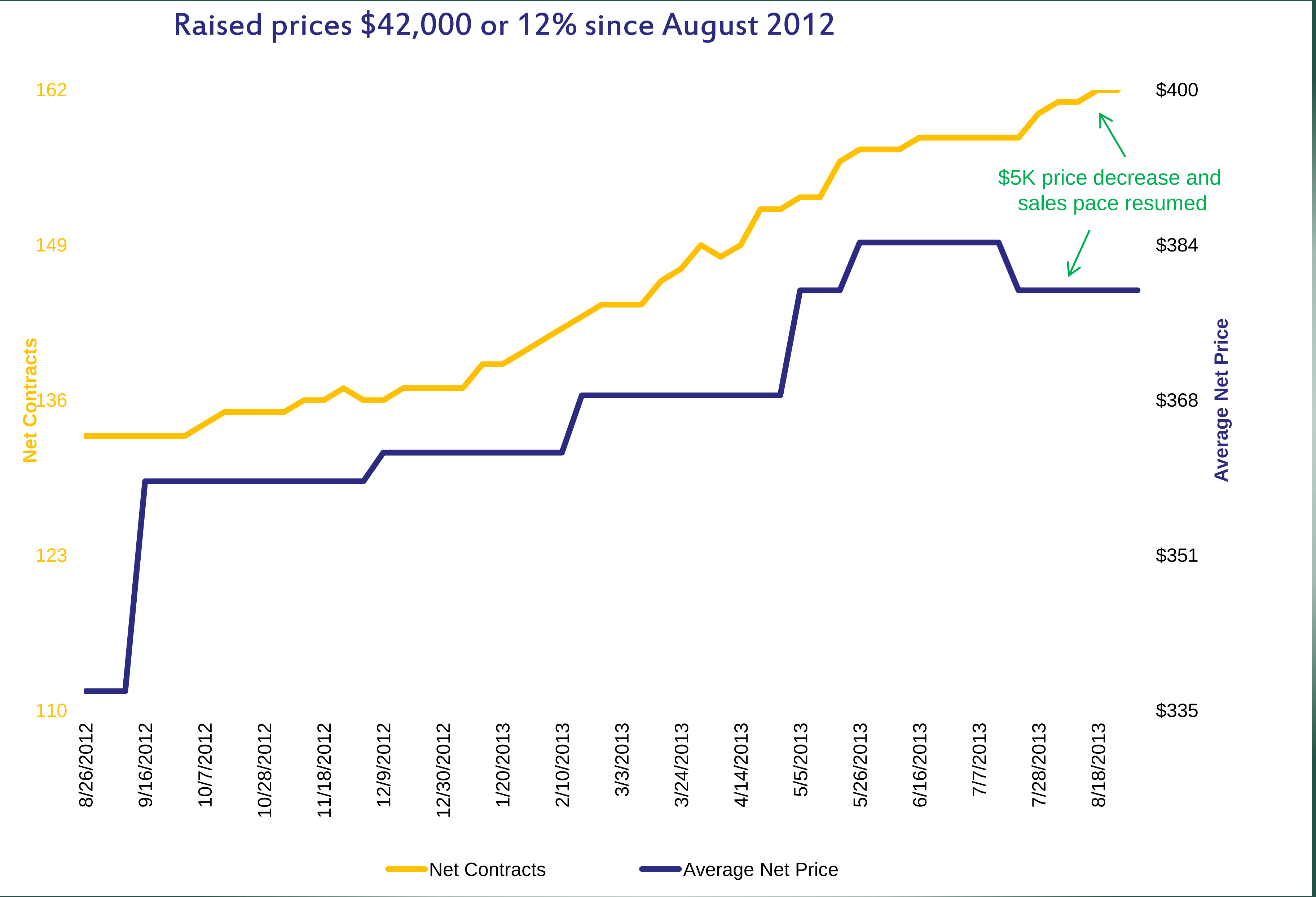
Roseville, California Community



Lake Elsinore, California Community



Woodbridge, Virginia Community



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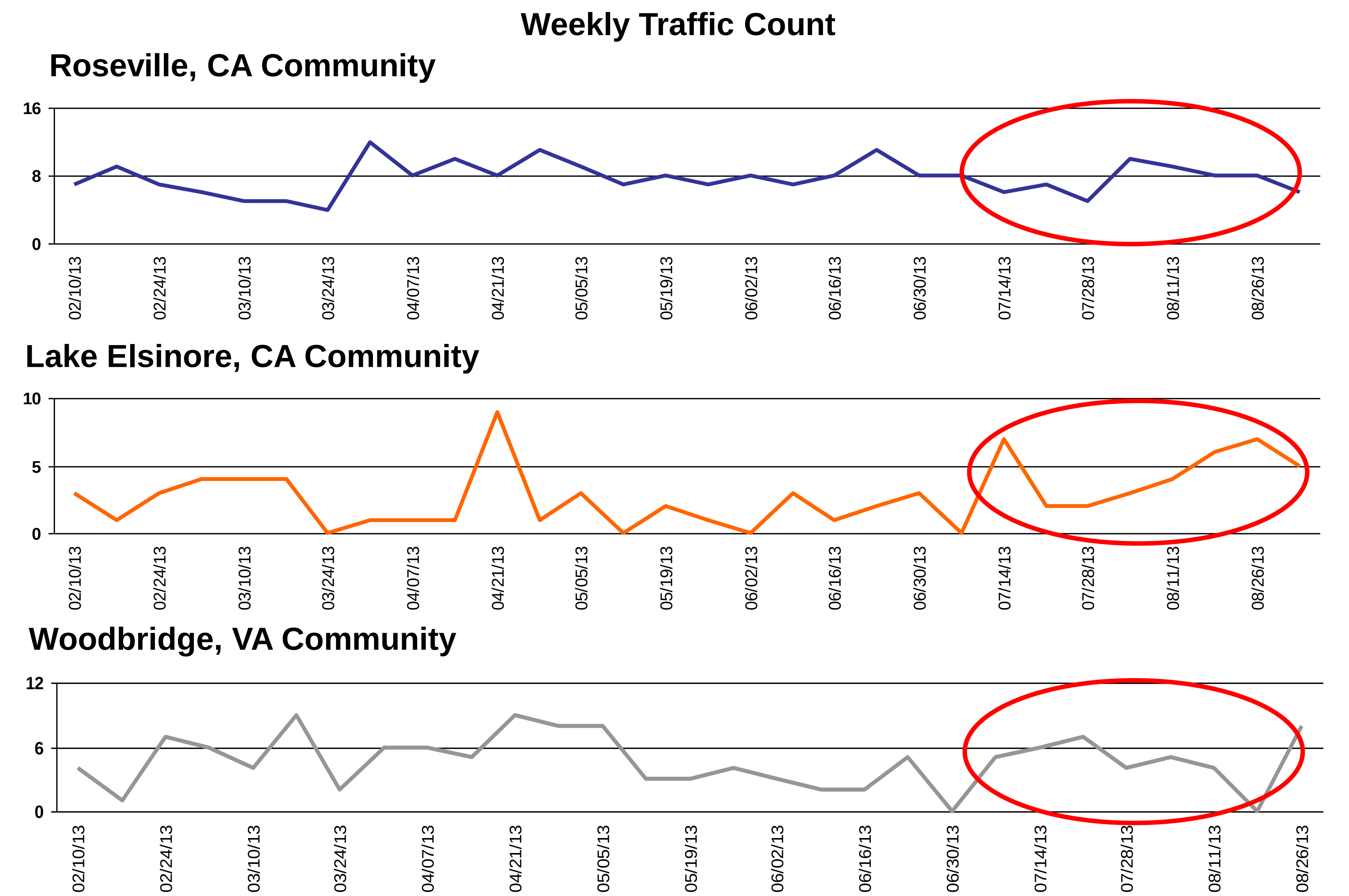
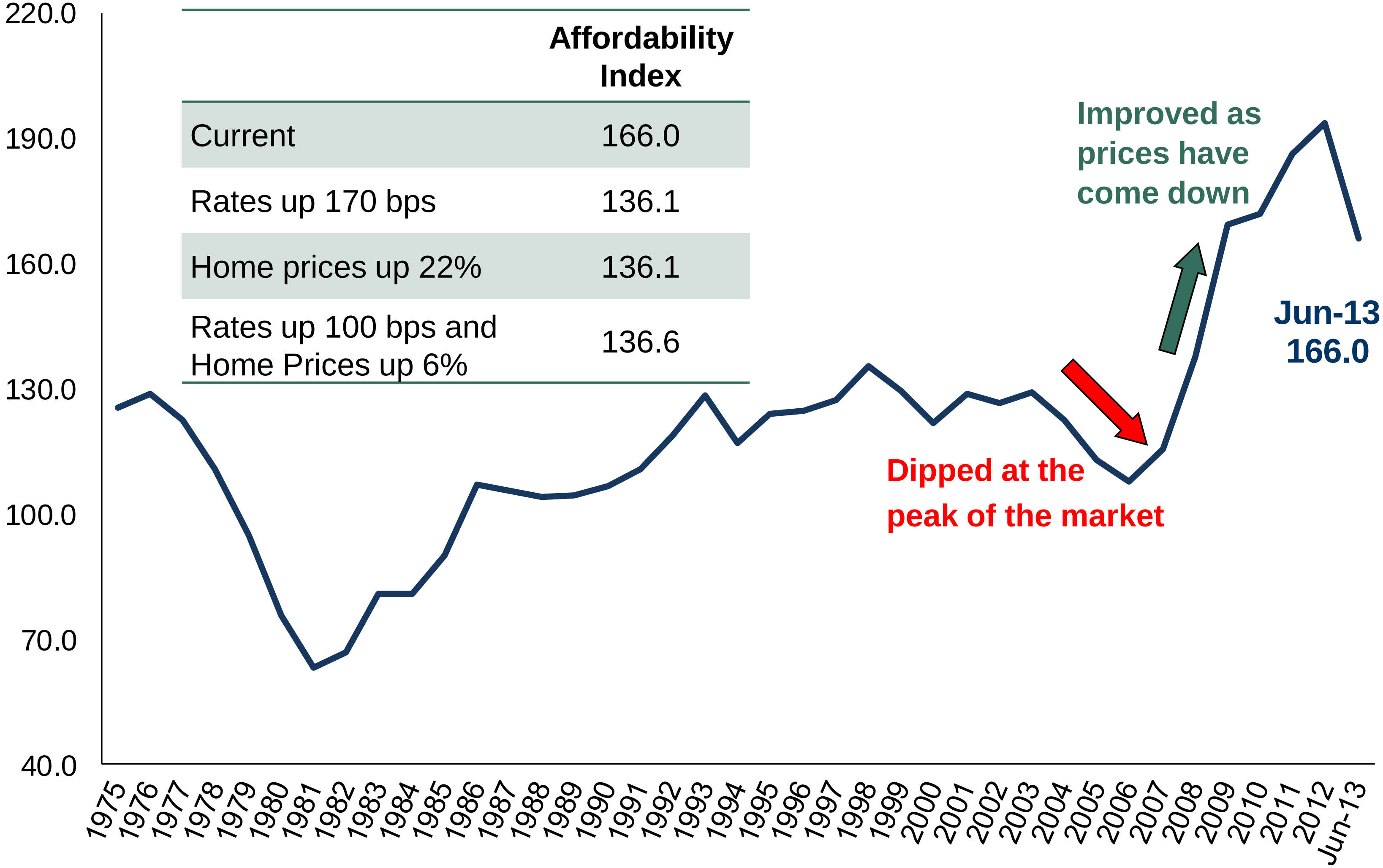
Traffic Remained Steady



Affordability Index

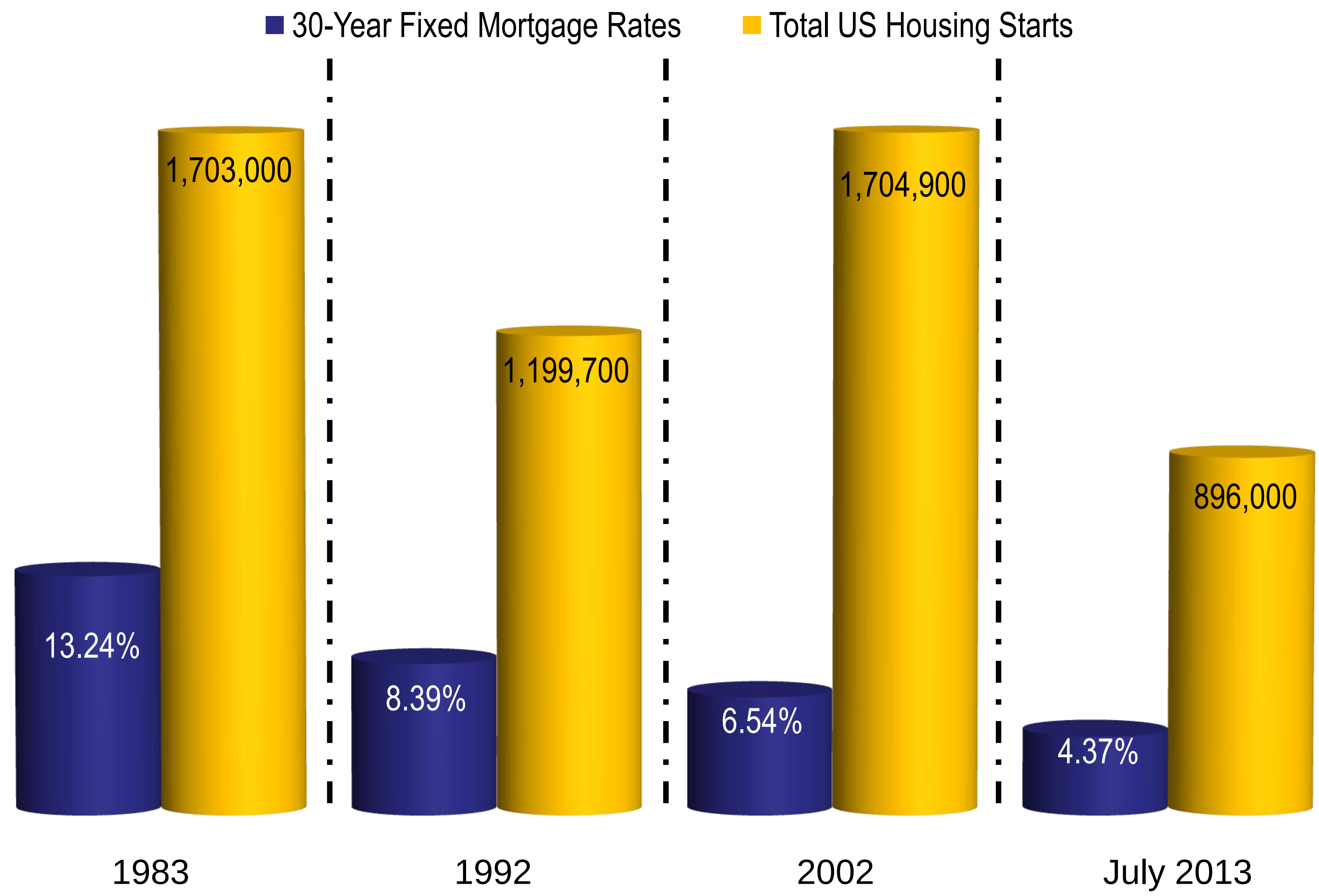
“The higher the affordability Index the better.”

	Affordability Index
Current	166.0
Rates up 170 bps	136.1
Home prices up 22%	136.1
Rates up 100 bps and Home Prices up 6%	136.6



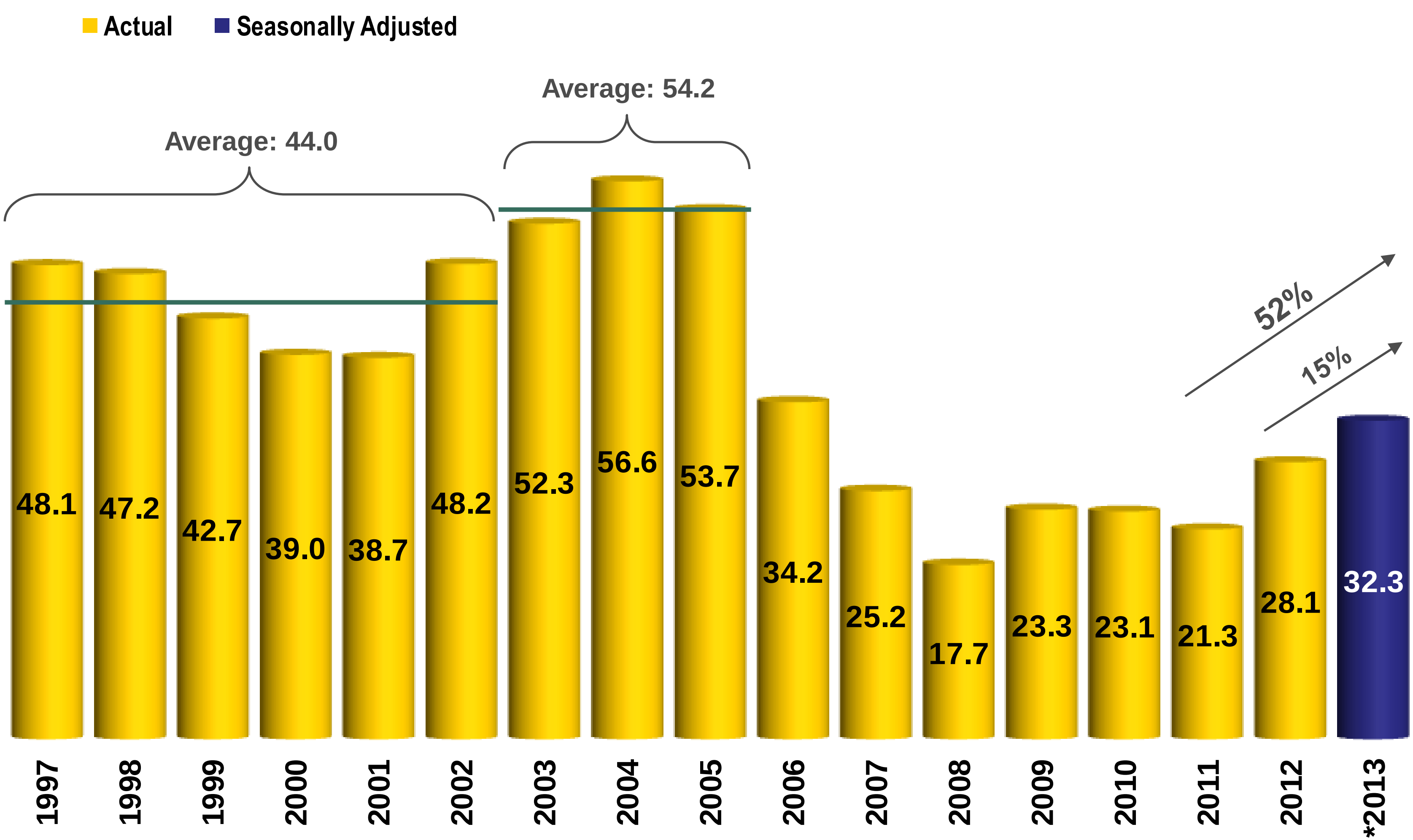
Note: Based on a 25% qualifying ratio for monthly housing expense to gross monthly income with a 20% down payment.
Source: NAR, Freddie Mac and US Census Bureau.

Mortgage Rates and Housing Starts, During Prior Housing Recoveries



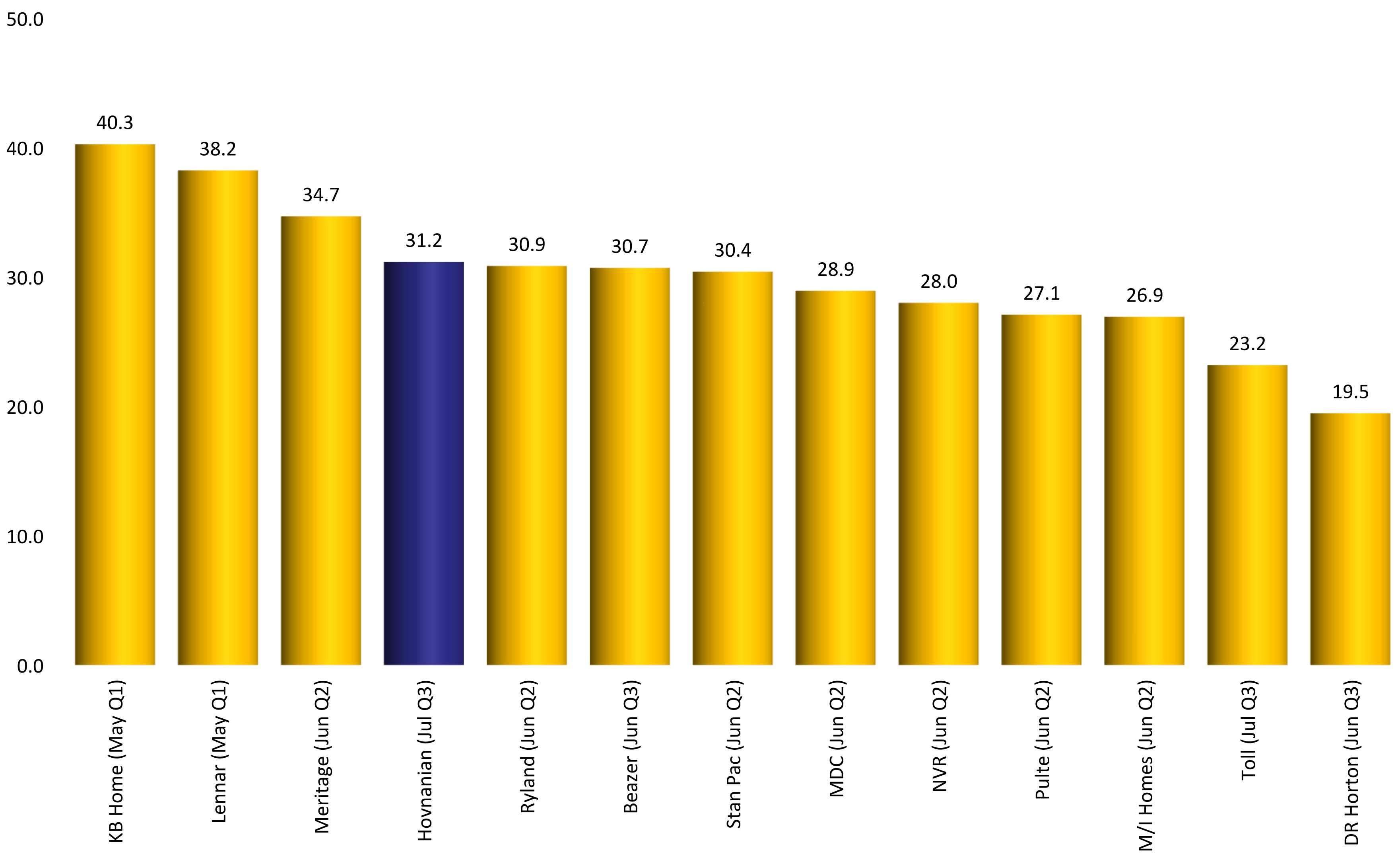
Source: US Census Bureau and Freddie Mac

Annual Net Contracts Per Active Selling Community



**2013 is seasonally adjusted net contract pace based on sales pace in first nine months of fiscal 2013.*
Calculated based on a five quarter average of active selling communities, excluding unconsolidated joint ventures.

Net Contracts per Community, Trailing Twelve Months

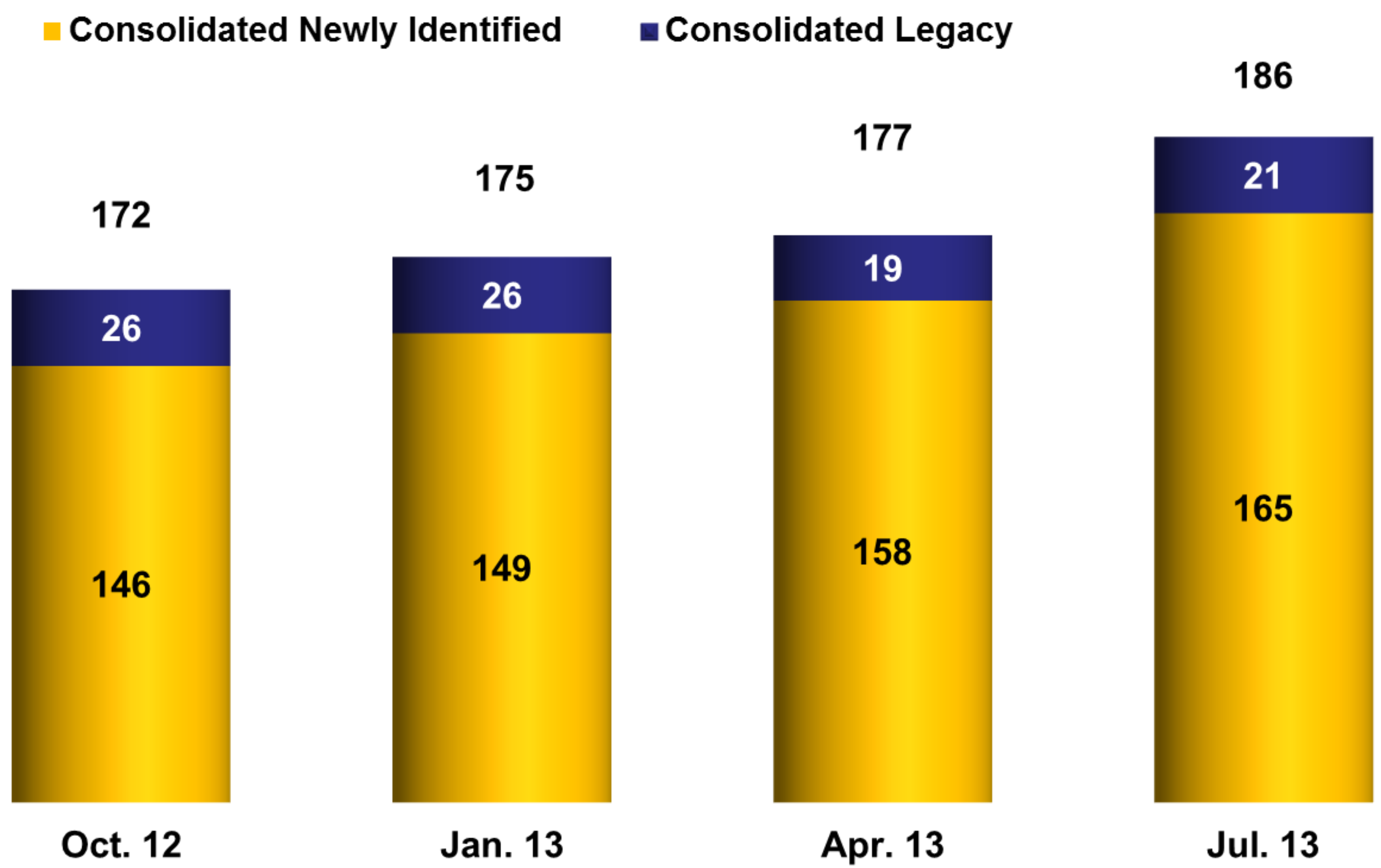


Excludes unconsolidated joint ventures.

Source: Company SEC filings, press releases as of 09/09/13

Active Selling Communities

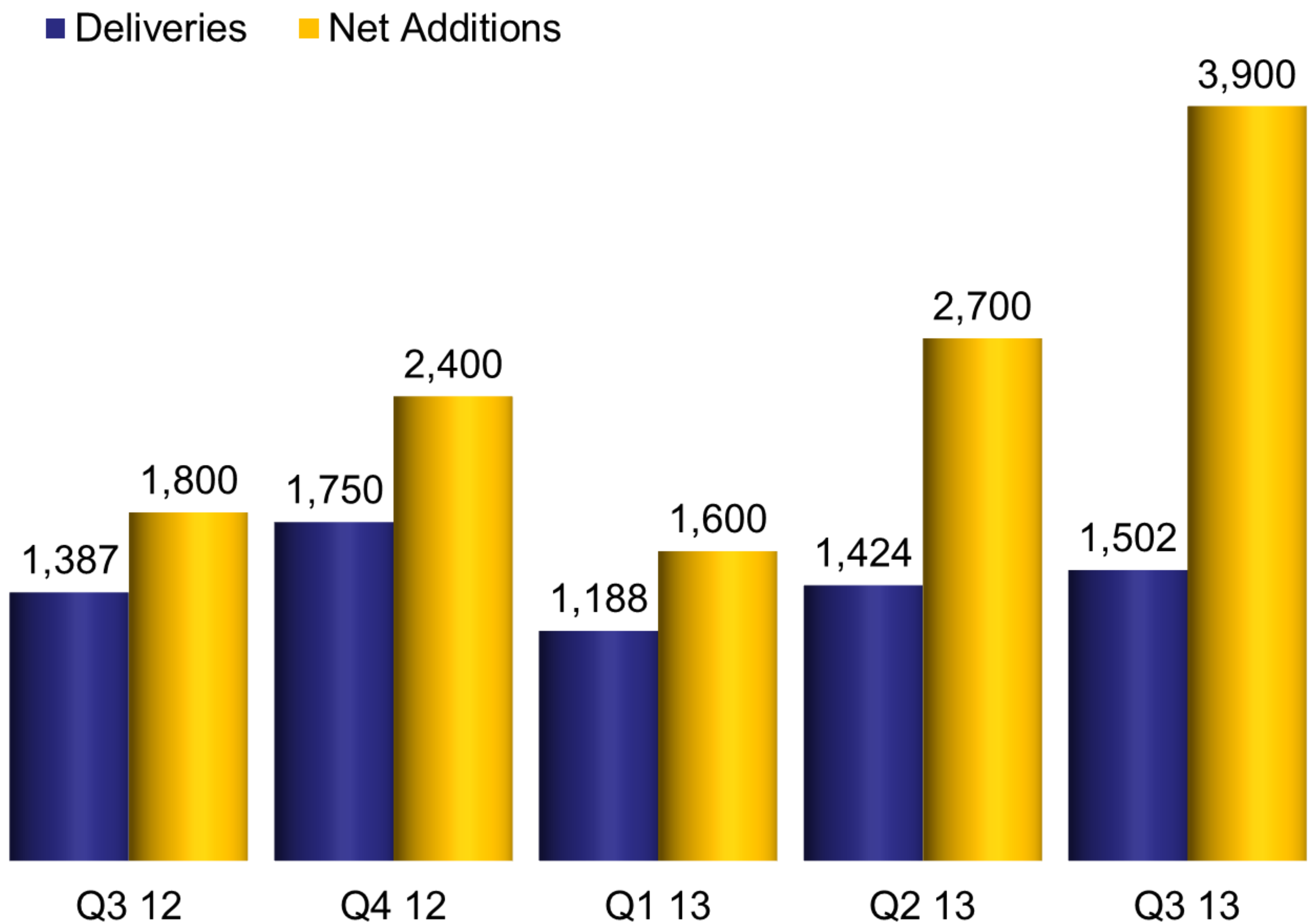
During fiscal 2013 to date, we have opened 76 communities and closed out 62 communities.



Unconsolidated Joint Ventures	17	18	13	12

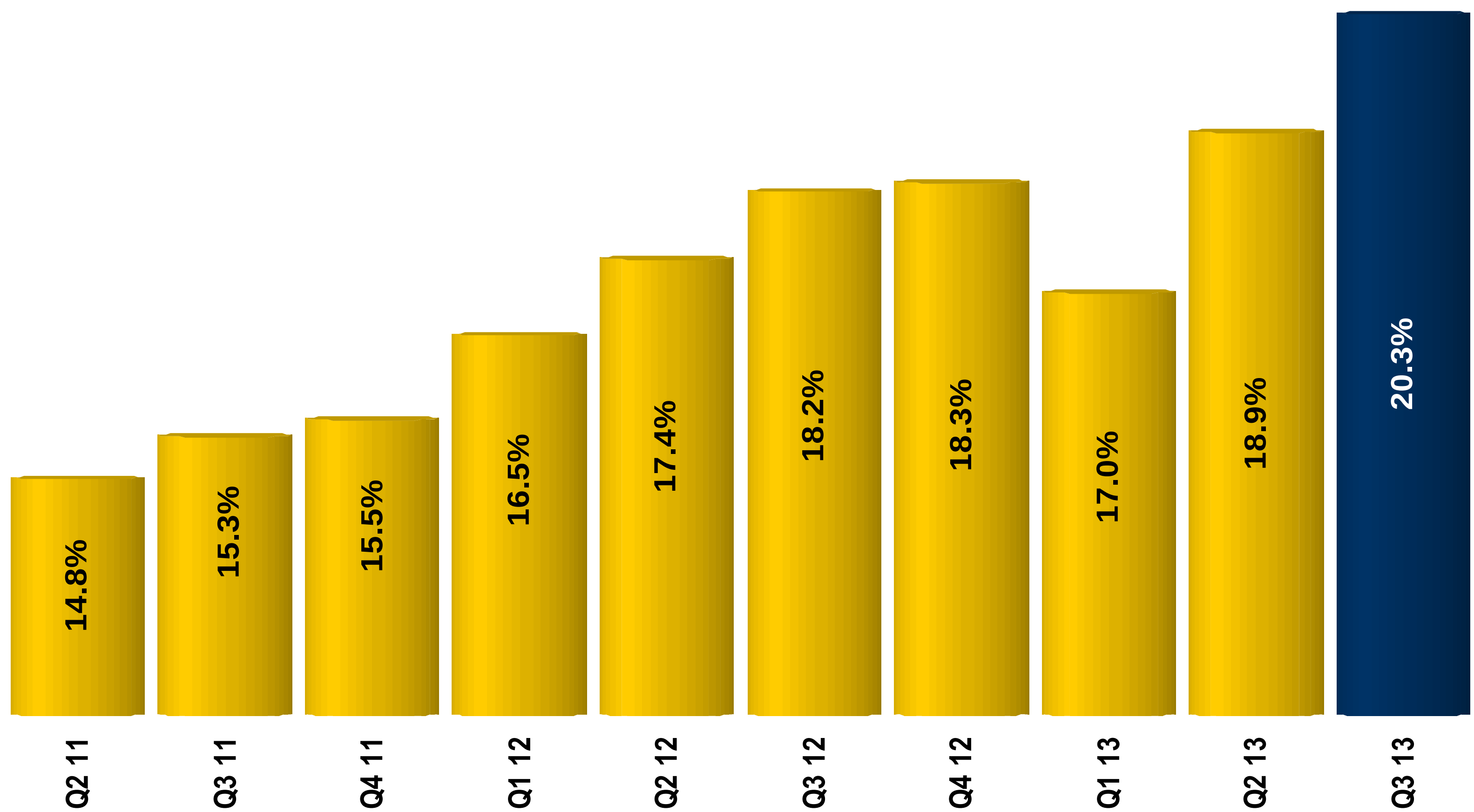
Active selling communities are open for sale communities with 10 or more home sites available.

Increasing Lots Controlled



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

Gross Margin Improvements

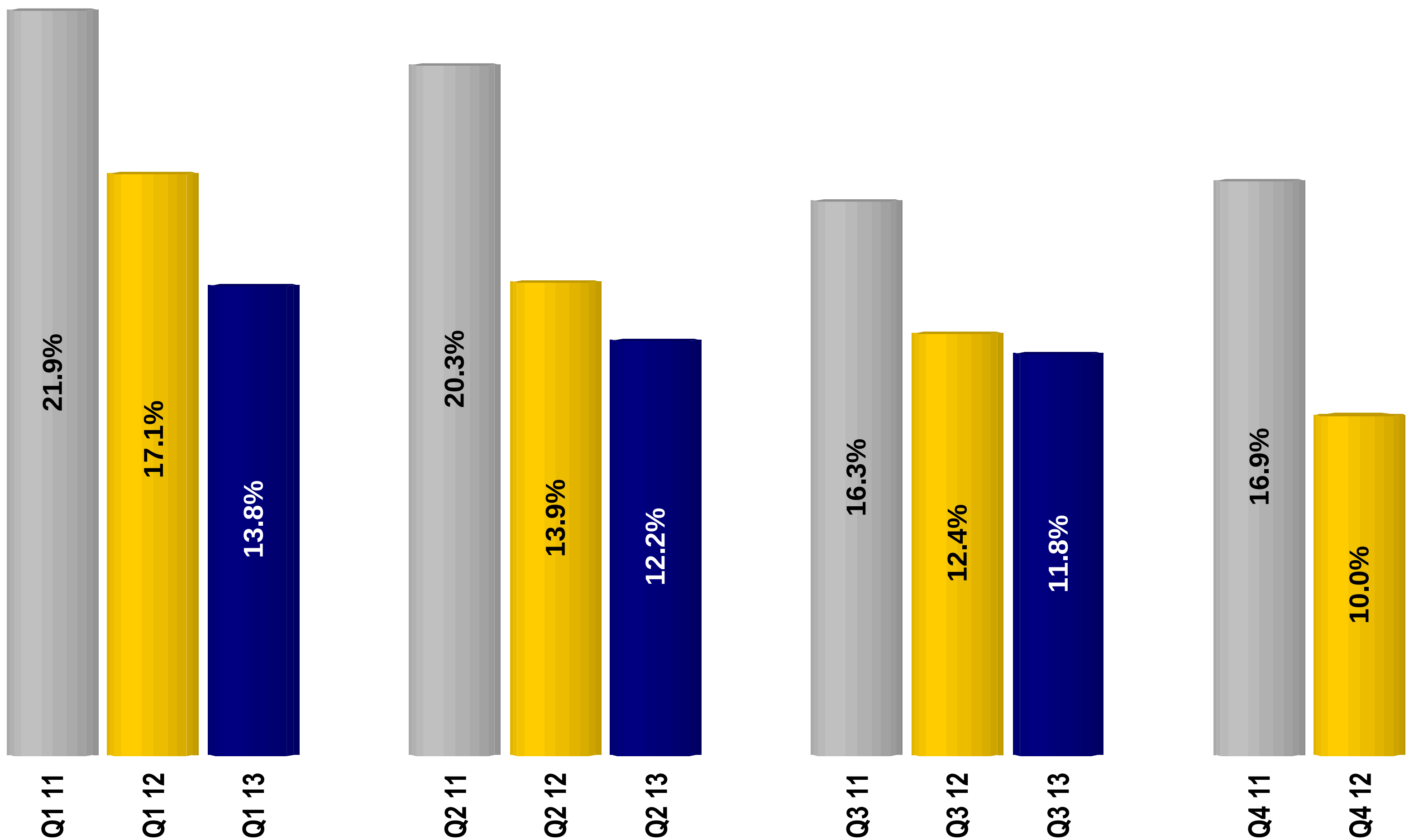


% of Deliveries from Newly Acquired Land	**39%**	**43%**	**58%**	**58%**	**61%**	**67%**	**71%**	**74%**	**76%**	**77%**

Excludes interest related to homes sold.

During the third quarter of 2013, there were $13.7 million of impairment reversals related to deliveries, compared to $17.3 million in the third quarter of 2012.

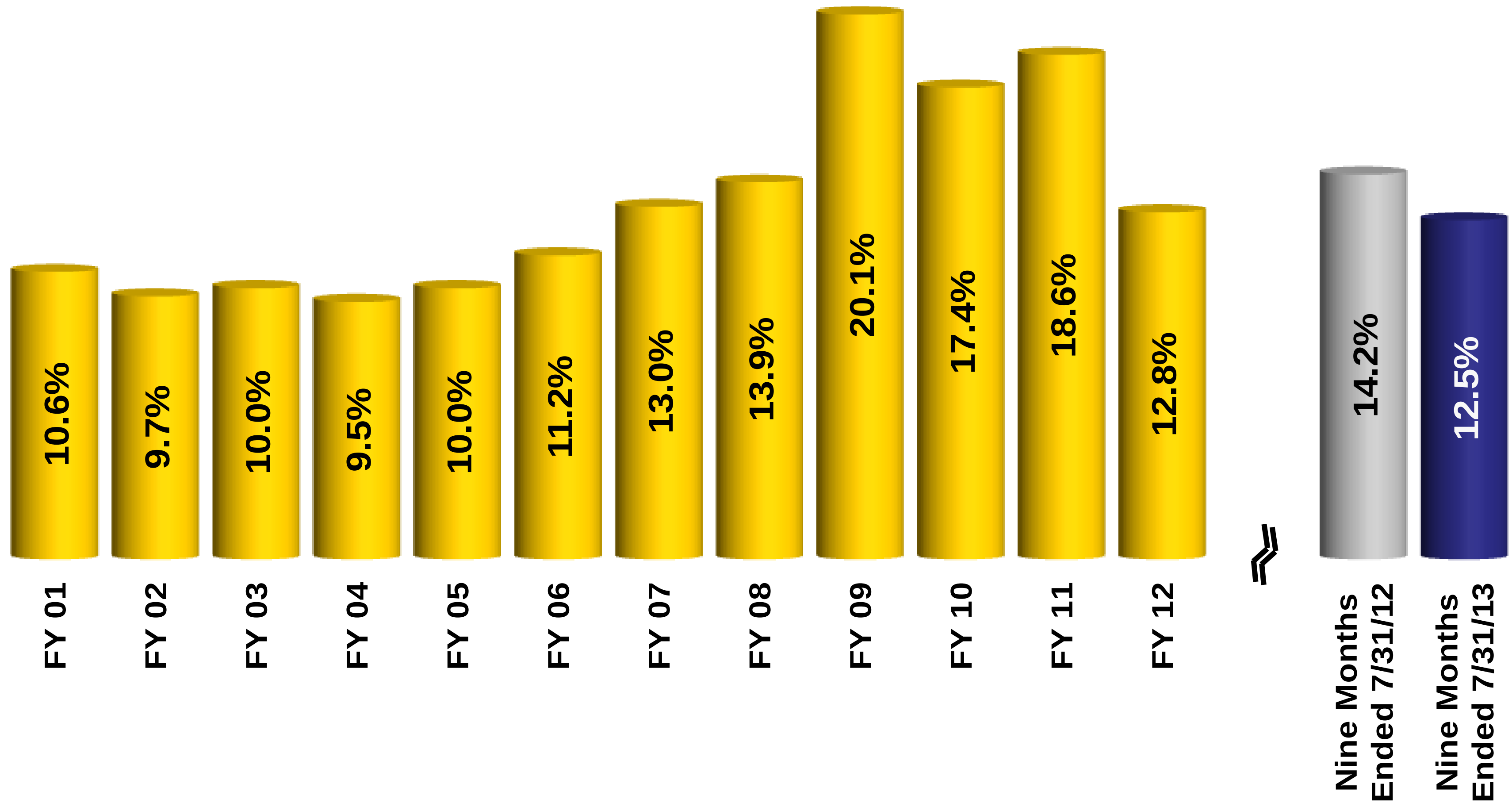
Leveraging our SG&A Expenses



$ in millions	$55	$46	$49	$52	$47	$52	$47	$48	$56	$58	$49

Note: Total SG& A as a percentage of total revenues. Total SG&A includes homebuilding selling, general and administrative and corporate general and administrative.

Total SG&A as a Percentage of Total Revenues



Note: Total SG& A as a percentage of total revenues. Total SG&A includes homebuilding selling, general and administrative and corporate general and administrative.

Hovnanian Enterprises, Inc.

Reloading Our Land Position

Lots Purchased or Optioned Since January 31, 2009

	Lots	Communities
Purchased	14,500	462[1]
Optioned	11,200	
Joint Venture	4,400	35
Total	**30,100**	**497**

Roll Forward First Quarter[2]

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

Roll Forward Second Quarter[3]

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

Roll Forward Third Quarter[4]

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

As of July 31, 2013 approximately 20,100 lots remaining.

Notes: (1) Excludes 103 communities where we walked away from all of the lots in those communities.
(2) First quarter 2013 total additions included 1,800 new options and no lots purchased but not controlled prior to 11/01/12.
(3) Second quarter 2013 total additions included 3,100 new options and no lots purchased but not controlled prior to 02/01/13.
(4) Third quarter 2013 total additions included 4,000 new options and 100 lots purchased but not controlled prior to 05/01/13.

Land Positions by Geographic Segment

July 31, 2013

 # Lots

Segment	**Owned** Excluding Mothballed Lots	**Owned** Mothballed Lots	**Optioned**	**Total**
Northeast	1,314	948	2,174	4,436
Mid-Atlantic	2,389	280	2,633	5,302
Midwest	2,105	108	1,576	3,789
Southeast	855	612	1,647	3,114
Southwest	2,268	0	4,669	6,937
West	667	4,767	734	6,168
Total	9,598	6,715	13,433	29,746

- *83% of options are newly identified lots*
- *Excluding mothballed lots, 76% of owned and optioned lots are newly identified lots*

Excluding unconsolidated joint ventures.

Mothballed Lots

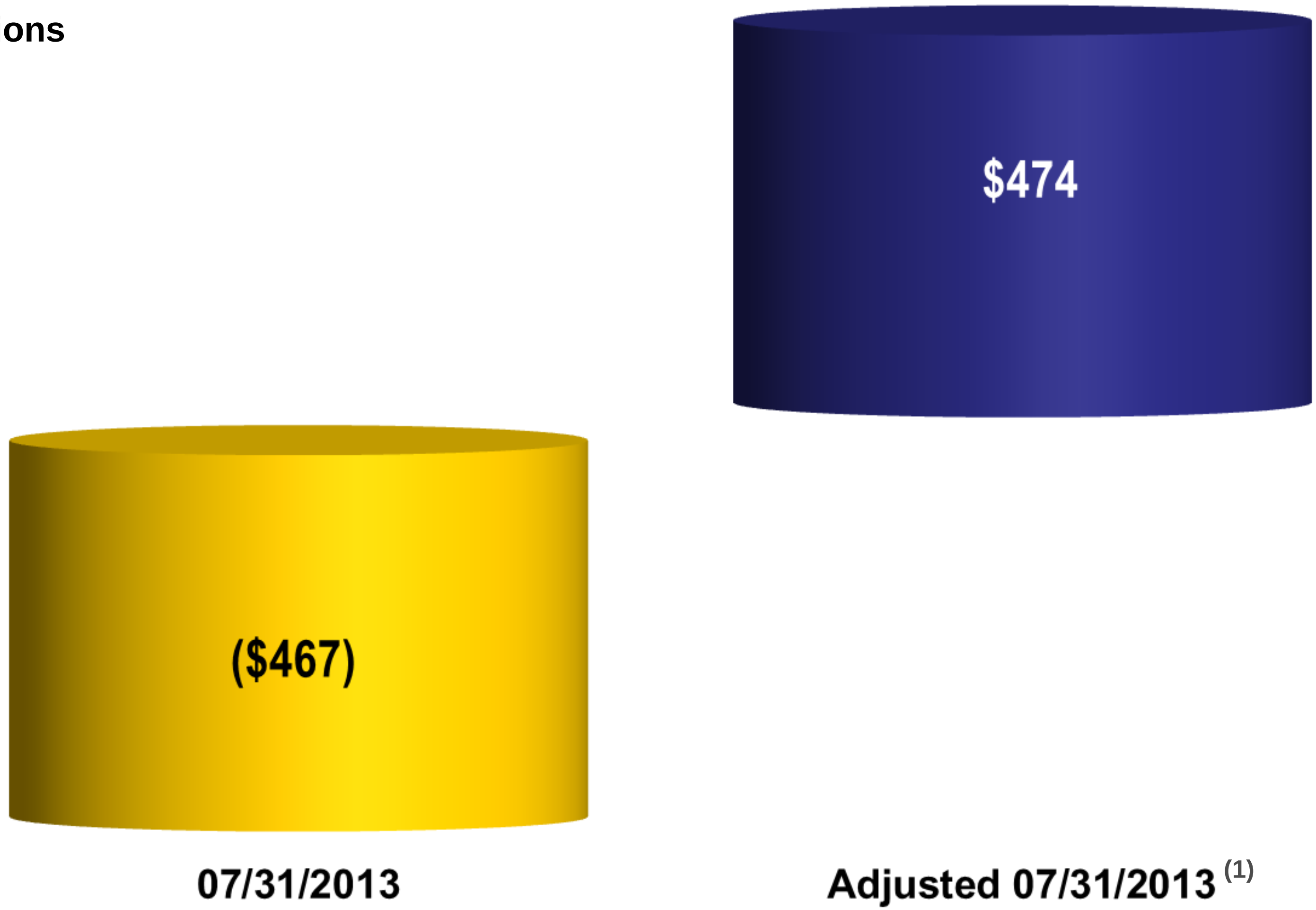
As of July 31, 2013

	# of Lots
Northeast (NJ, PA)	948
Mid-Atlantic (DE, MD, VA, WV)	280
Midwest (IL, MN, OH)	108
Southeast (FL, GA, NC, SC)	612
Southwest (AZ, TX)	0
West (CA)	4,767
Total	6,715

- *In 51 communities with a book value of $125 million net of impairment balance of $443 million*
- *Unmothballed approximately 3,500 lots in 62 communities since January 31, 2009*

Adjusted Hovnanian Stockholders' Equity

$ in millions



(1) Total Hovnanian Stockholders' Deficit of $(467) million with $941 million valuation allowance added back to Stockholders' Equity .

Credit Quality of Homebuyers

Third Quarter 2013:

- Average LTV: 85%
- Average CLTV: 85%
- ARMs: 3.8%
- FICO Score: 746
- Capture Rate: 73%

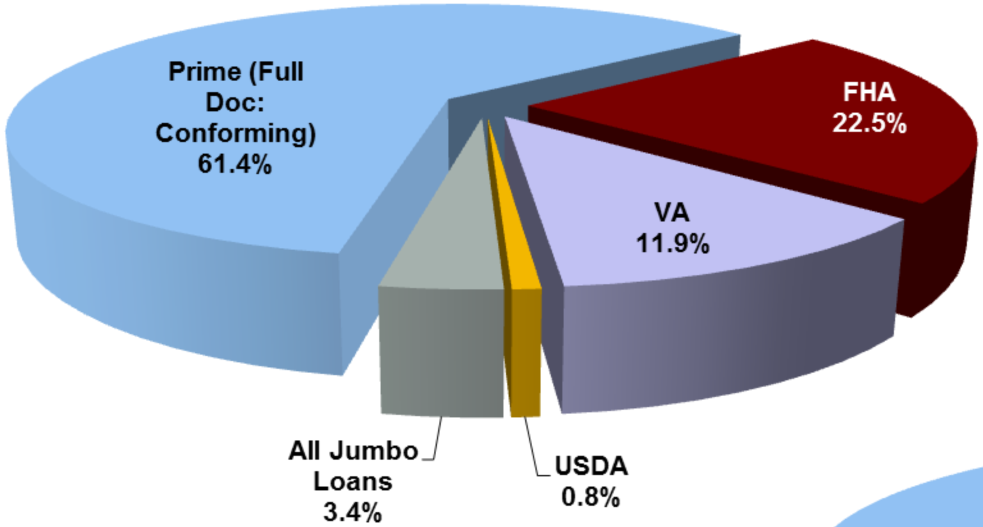
Fiscal Year 2012:

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

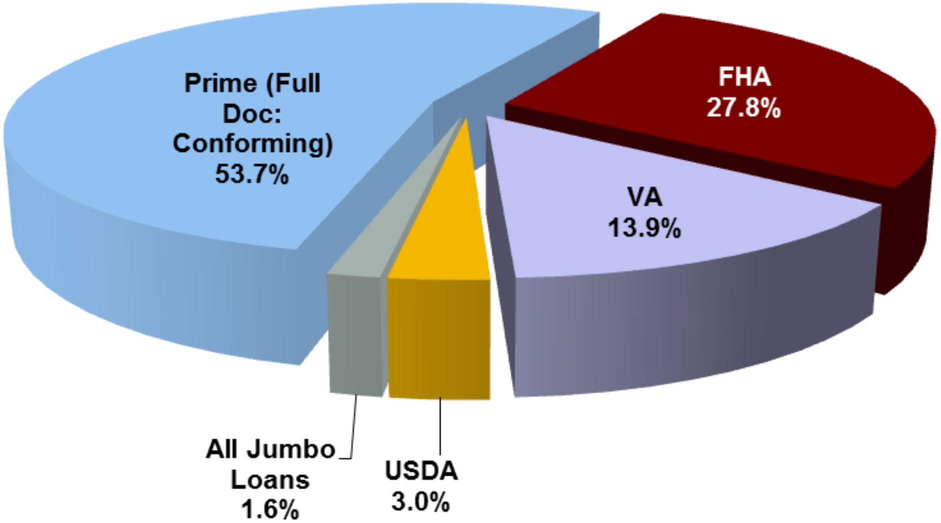
**Loans originated by our wholly-owned mortgage banking subsidiary.*

Hovnanian Mortgage Breakdown*

Third Quarter 2013



Fiscal 2012

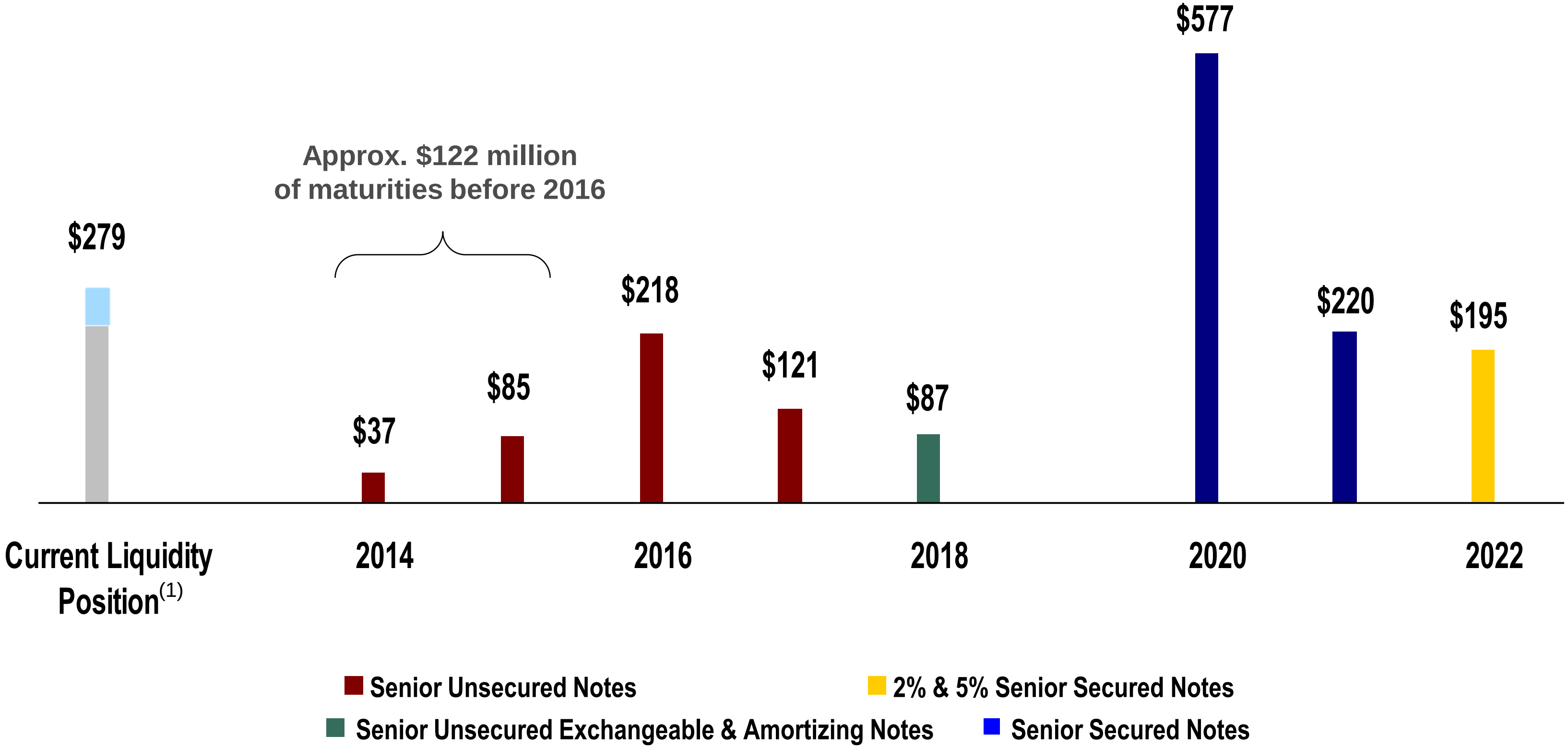


**Loans originated by our wholly-owned mortgage banking subsidiary.*

Debt Maturity Profile

July 31, 2013 ***($ in millions)***

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

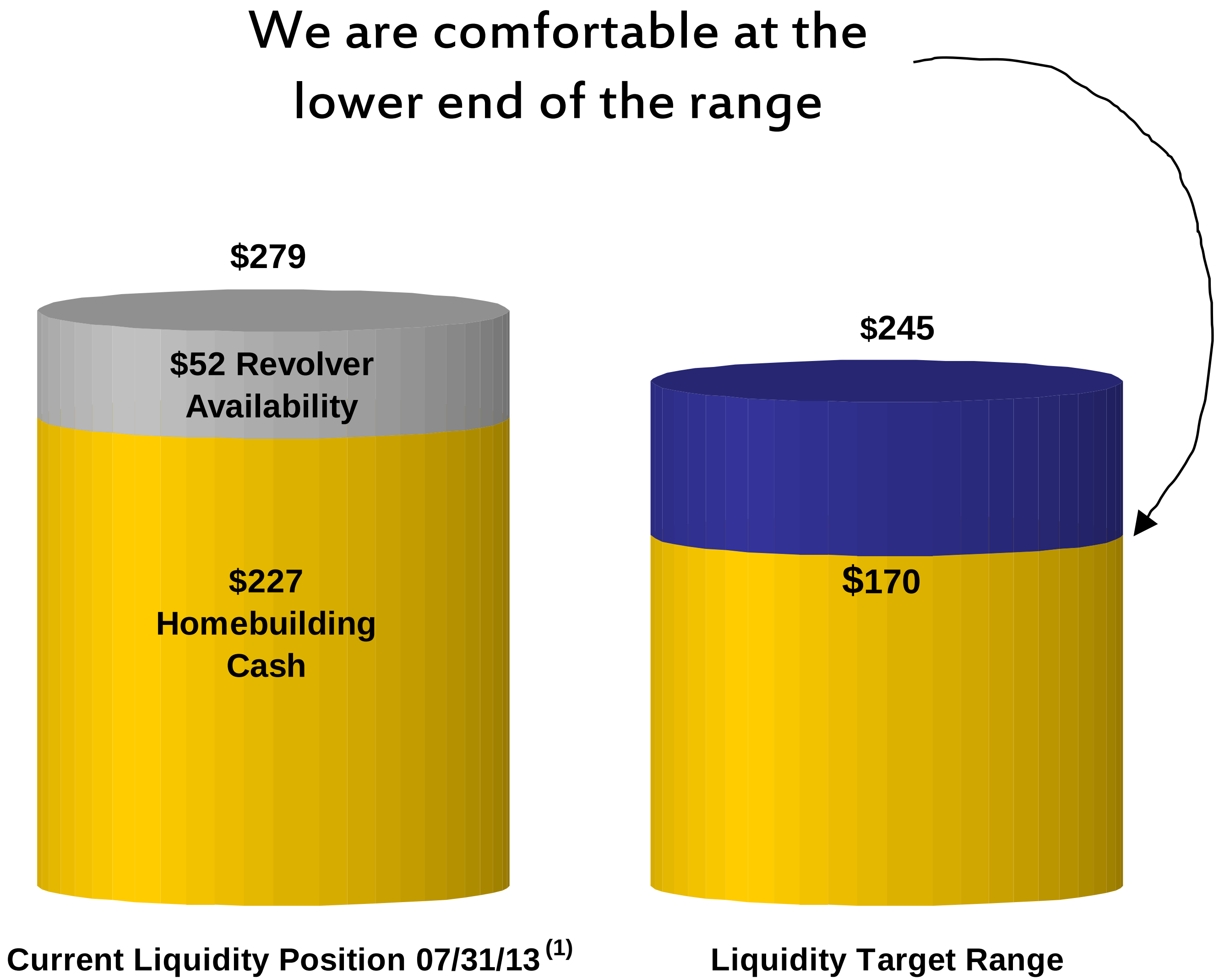


Note: Shown on a fiscal year basis, at face value. Excludes TEU.

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

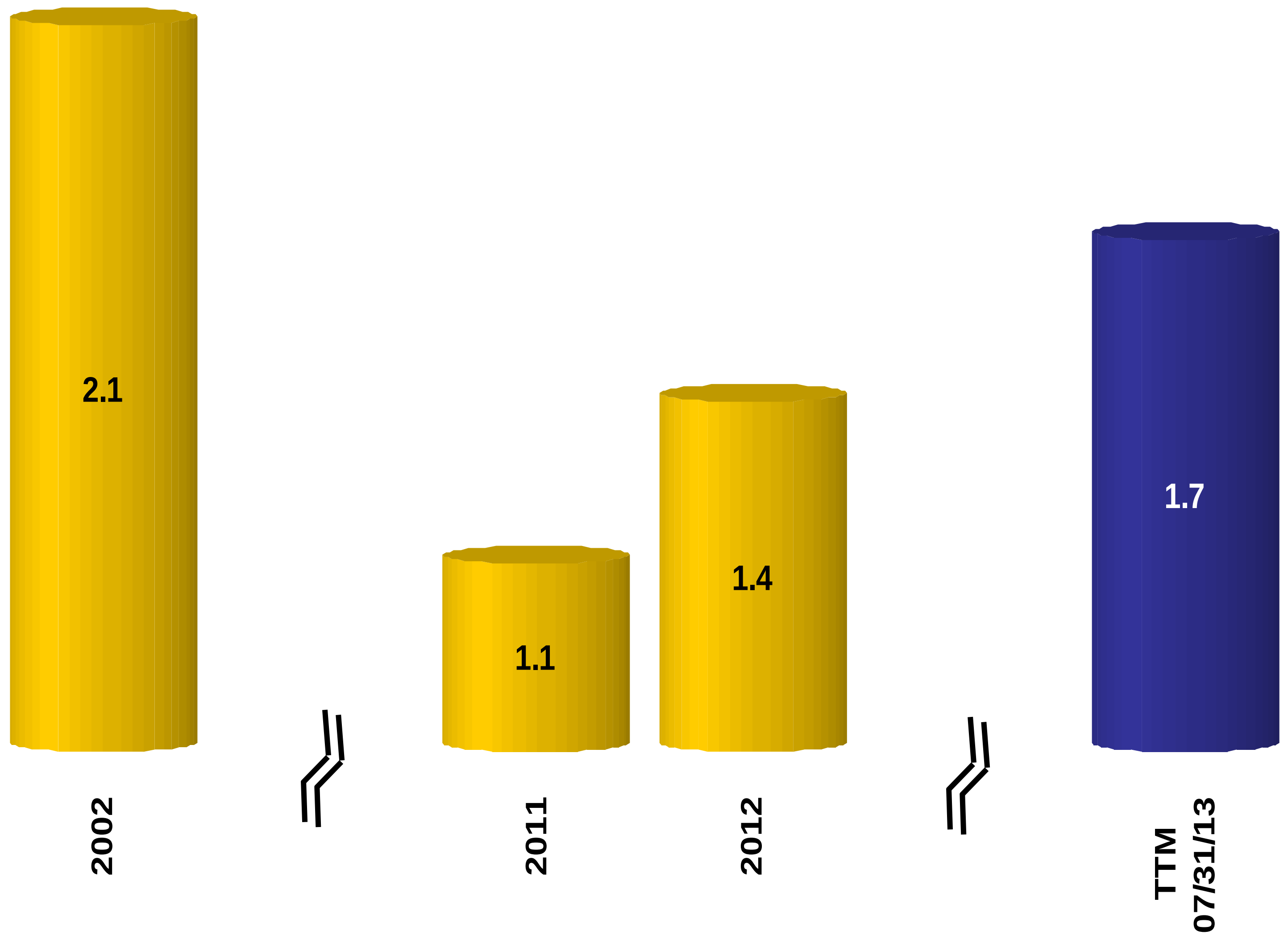
Liquidity Target

($ in Millions)



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

Inventory Turnover



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

Appendix

Hovnanian Enterprises, Inc.

Third Quarter Results

($ in millions)

		2013	2012	% Change
1)	Net Contracts ($ value)[1]	$547	$507	8%
2)	Net Contracts (units)[1]	1,568	1,541	2%
3)	Communities[1]	198	194	2%
4)	Contracts per Community[1]	7.9	7.9	0%
5)	Backlog ($ value)[1]	$1,032	$814	27%
6)	Backlog (units)[1]	2,893	2,452	18%
7)	Deliveries[1]	1,502	1,387	8%
8)	Total Revenues	$478	$387	24%
9)	Homebuilding Gross Margin	20.3%	18.2%	+210 bps
10)	Total SG&A as a Percentage of Total Revenues	11.8%	12.4%	-60 bps
11)	Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with the Debt Exchange Offer and Gain on Extinguishment of Debt (2)	$11	($7)	

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

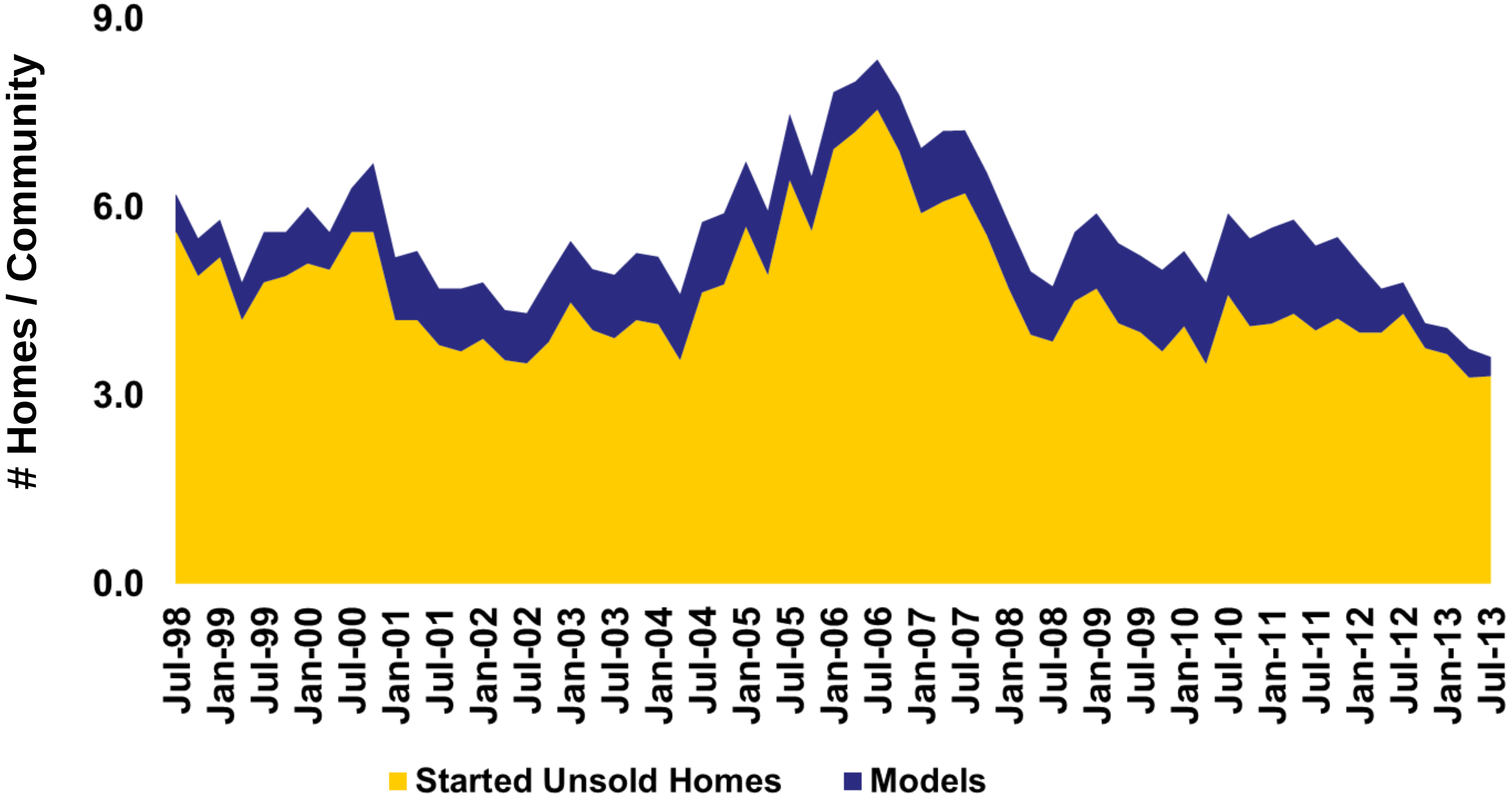
Land Positions by Geographic Segment

July 31, 2013

Segment	TTM Deliveries	Years Supply – Owned – Excluding Mothballed Lots	Years Supply – Owned – Mothballed Lots	Years Supply – Optioned	Years Supply – Total	Investment in Land (raw land, finished lots and lots under development) ($ in millions)
Northeast	557	2.4	1.7	3.9	8.0	$177
Mid-Atlantic	628	3.8	0.4	4.2	8.4	$85
Midwest	611	3.4	0.2	2.6	6.2	$31
Southeast	572	1.5	1.1	2.9	5.4	$28
Southwest	2,265	1.0	0.0	2.1	3.1	$97
West	557	1.2	8.6	1.3	11.1	$86
Total	5,190	1.8	1.3	2.6	5.7	$504

Unsold Homes per Community

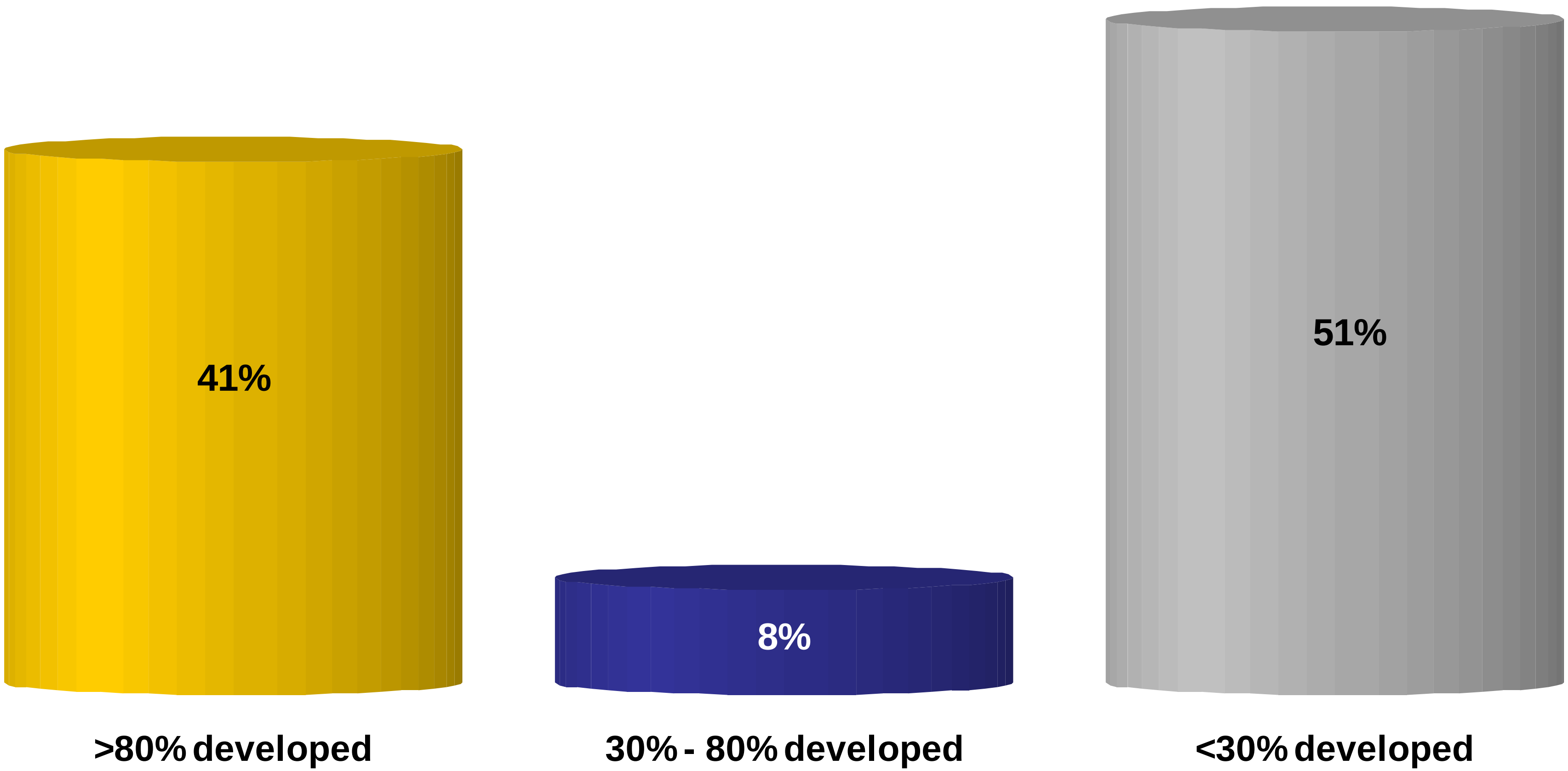
- *615 started unsold homes at 07/31/13, excluding models*
- *4.7 average started unsold homes per community since 1997*
- *As of July 31, 2013, 3.3 started unsold homes per community*



Excluding unconsolidated joint ventures.

Owned Lots % Development Costs Spent

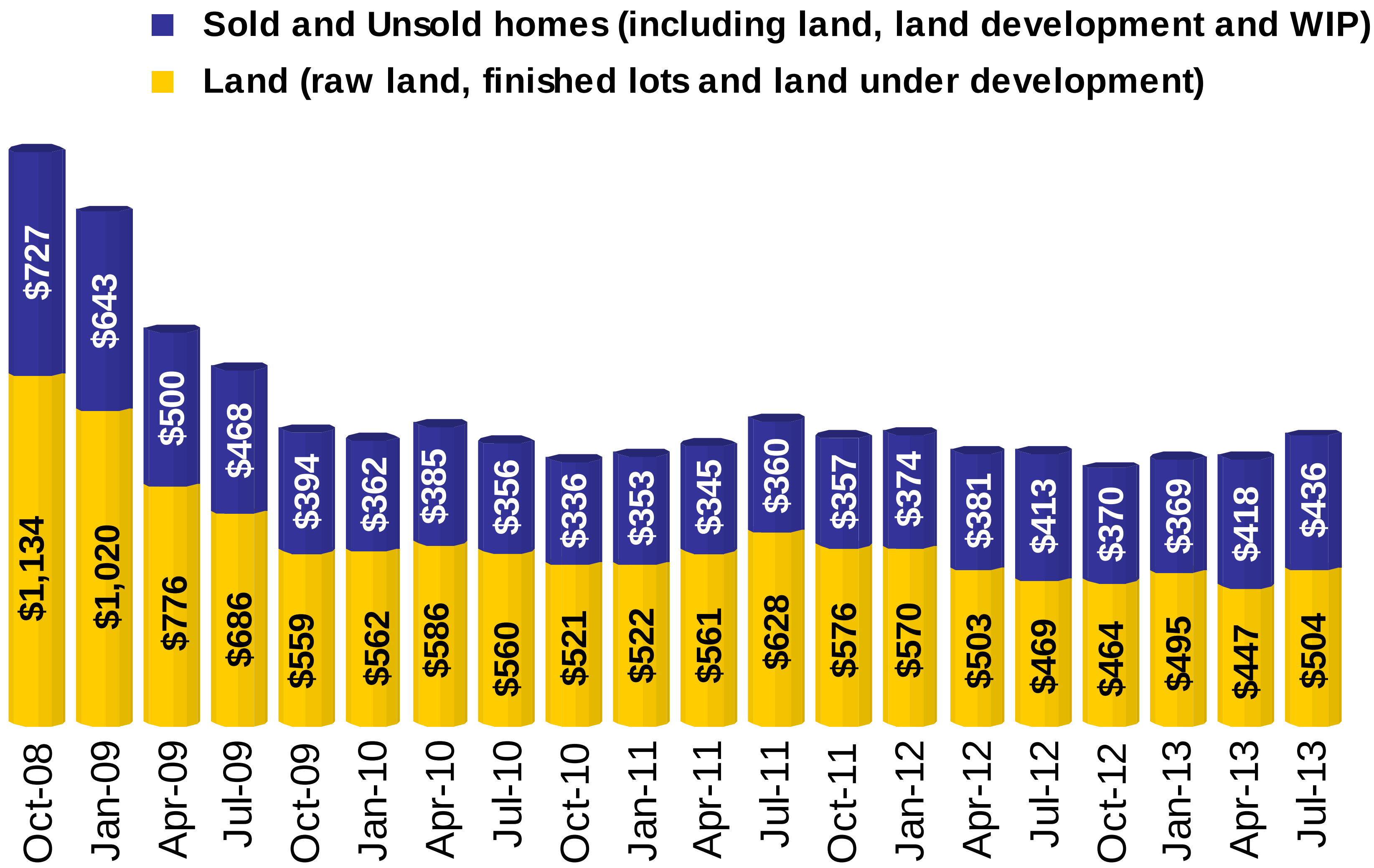
As of July 31, 2013



Excluding unconsolidated joint ventures.

Inventory Breakdown

$ in Millions



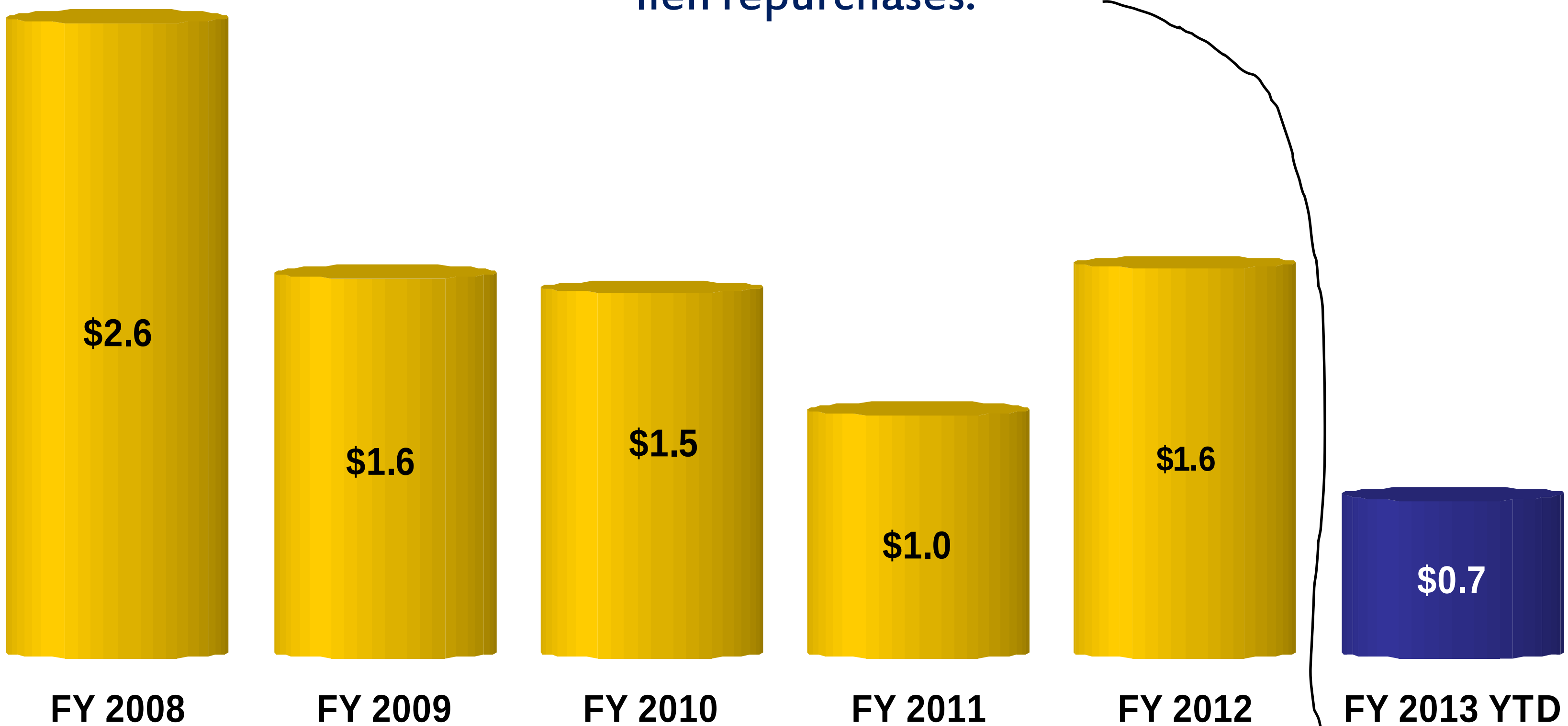
Excluding Inventory Not Owned, on-your-lot construction, assets outside the US and option deposits and pre-development costs.

Payments for Loan Repurchases and Make Whole Requests

As of July 31, 2013

$ in millions

13 of 18 loans were small second lien repurchases.



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 YTD
Settlements	**28 loans**	**28 loans**	**17 loans**	**29 loans**	**10 loans**	**18 loans**
Repurchase Inquires	**45 loans**	**41 loans**	**98 loans**	**39 loans**	**66 loans**	**30 loans**

- **As of July 31, 2013, reserve for loan repurchases and make whole requests was $10.4 million.**

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

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