Contact: J. Larry Sorsby Executive Vice President & CFO 732-747-7800 Jeffrey T. O'Keefe Vice President, Investor Relations 732-747-7800

HOVNANIAN ENTERPRISES REPORTS FISCAL 2012 RESULTS

Fourth Quarter Net Income, Excluding Debt Extinguishment Charge, Exceeds Consensus Estimate

Reports First Quarterly Pre-Tax Profit, Excluding Gains or Losses on Extinguishment of Debt, Since the Industry Downturn Began in 2006

RED BANK, NJ, December 13, 2012 – Hovnanian Enterprises, Inc. (NYSE: HOV), a leading national homebuilder, reported results for its fourth quarter and year ended October 31, 2012.

RESULTS FOR THREE AND TWELVE MONTH PERIODS ENDED OCTOBER 31, 2012:

- Total revenues were \$487.0 million in the fiscal 2012 fourth quarter up 42.6% compared with \$341.6 million in the prior year's fourth quarter. For all of fiscal 2012, total revenues were \$1.5 billion, up 30.9%, compared with \$1.1 billion during all of fiscal 2011.
- The dollar value of net contracts, including unconsolidated joint ventures, for the fourth quarter ended October 31, 2012 increased 46.3% to \$513.4 million compared with \$350.9 million in the 2011 fourth quarter. The number of net contracts increased 22.8% to 1,443 homes for the three months ended October 31, 2012 from 1,175 homes in the fourth quarter of the prior year.
- In all of fiscal 2012, the dollar value of net contracts, including unconsolidated joint ventures, increased 43.9% to \$1.9 billion compared with \$1.3 billion in all of fiscal 2011 and the number of net contracts increased 30.1% to 5,838 homes compared with 4,488 homes of the previous year.
- Deliveries, including unconsolidated joint ventures, were 1,750 homes during the fourth quarter of 2012, up 40.6% compared with 1,245 homes in the same period of the prior year. During the twelve months ended October 31, 2012, deliveries, including unconsolidated joint ventures, were 5,356 homes compared with 4,216 homes during the twelve month period a year ago, an increase of 27.0%.
- Contract backlog, as of October 31, 2012, including unconsolidated joint ventures, was \$742.2 million for 2,145 homes, which was an increase of 34.4% and 29.0%, respectively, compared to October 31, 2011.
- Homebuilding gross margin percentage, before interest expense included in cost of sales, increased 280 basis points to 18.3% for the fourth quarter ended October 31, 2012, compared to 15.5% in last year's fourth quarter. The fourth quarter of fiscal 2012 represented the sixth sequential increase in quarterly gross margin percentage. During all of 2012, homebuilding gross margin percentage, before interest expense included in cost of sales, was 17.8% compared with 15.6% in same period of the prior year.

- Total SG&A was \$48.7 million, or 10.0% of total revenues, for the three months ended October 31, 2012 compared to \$57.8 million, or 16.9% of total revenues, during the same quarter a year ago and \$48.1 million, or 12.4% of total revenues, in the third quarter of 2012. During all of fiscal 2012, total SG&A was \$190.3 million, or 12.8% of total revenues, compared with \$211.4 million, or 18.6% of total revenues, last year.
- Consolidated pre-tax land-related charges in the fiscal 2012 fourth quarter were \$5.3 million compared with \$59.9 million in the prior year's fourth quarter. For all of fiscal 2012 consolidated pre-tax land-related charges were \$12.5 million compared with \$101.7 million during all of 2011.
- Excluding land-related charges and gains or losses on extinguishment of debt, the pre-tax income in the fiscal 2012 fourth quarter was \$8.1 million compared with a pre-tax loss of \$45.2 million in the previous year's fourth quarter. After \$5.3 million in land-related charges, the pre-tax income, excluding gains or losses on extinguishment of debt, was \$2.8 million for the fourth quarter of fiscal 2012. For the twelve months ended October 31, 2012, excluding land-related charges, expenses associated with the debt exchange offer and gains or losses on extinguishment of debt, the pre-tax loss was \$55.0 million compared with \$194.1 million last year.
- The pre-tax loss for the fourth quarter ended October 31, 2012, including an \$87.0 million loss on extinguishment of debt, was \$84.2 million compared with \$97.8 million in the 2011 fourth quarter. For the twelve months ended October 31, 2012, the pre-tax loss, including gains or losses on extinguishment of debt, was \$101.2 million compared with \$291.6 million for all of the prior year.
- The net loss was \$84.4 million during the fourth quarter of 2012, or \$0.59 per common share, compared with a net loss of \$98.3 million, or \$0.90 per common share, in the 2011 fourth quarter. For all of fiscal 2012, the net loss was \$66.2 million, or \$0.52 per common share, compared with a net loss of \$286.1 million, or \$2.85 per common share, in the prior year. The net loss in the fiscal 2012 fourth quarter and for the full year included an \$87.0 million loss on extinguishment of debt, associated with the 2012 fourth quarter \$797 million debt refinancing.
- The contract cancellation rate, including unconsolidated joint ventures, for the fourth quarter ended October 31, 2012 was 23%, compared with 21% in last year's fourth quarter.
- During November of 2012, the dollar value of net contracts and the number of net contracts, including unconsolidated joint ventures, increased 38.1% and 18.5% respectively to \$131.5 million compared with \$95.2 million and to 385 homes from 325 homes in the same month last year.
- The valuation allowance was \$937.9 million as of October 31, 2012. The valuation allowance is a noncash reserve 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 from the date the deductions were incurred.

LIQUIDITY AND INVENTORY AS OF OCTOBER 31, 2012:

- After spending \$127.9 million during the fourth quarter of 2012 on land and land development, homebuilding cash increased \$36.9 million from the third quarter to \$289.0 million, as of October 31, 2012, including \$30.7 million of restricted cash required to collateralize letters of credit.
- As of October 31, 2012, the land position, including unconsolidated joint ventures, was 29,619 lots, consisting of 11,418 lots under option and 18,201 owned lots.

- Refinanced \$797 million of secured senior notes during the fourth quarter of fiscal 2012, which reduces annual cash interest payments by approximately \$17 million and extends the maturity of the refinanced debt from 2016 until 2020.
- Announced an increase of our land banking arrangement with GSO Capital Partners LP, the credit arm of The Blackstone Group, for up to an additional \$125 million of total acquisition and future development costs.

COMMENTS FROM MANAGEMENT:

"We are very happy to report a pre-tax profit before debt extinguishment gains or losses for the first time in 25 quarters. The fourth quarter marked the sixth sequential increase in our quarterly gross margin percentage, and our gross margin has improved 350 basis points over that period," said Ara K. Hovnanian, Chairman of the Board, President and Chief Executive Officer. "During fiscal 2012, we were able to generate significant operating leverage by holding our total SG&A and interest expenses at a fairly constant dollar amount, while growing our revenues by more than 30%. As a result, our SG&A as a percentage of total sales declined to 10.0% during the fourth quarter, which by historical standards we consider a normalized level. Furthermore, our sales growth continued with a 46% increase in dollar value of net contracts for the quarter and a 34% increase in dollar value of our backlog."

"After the worst downturn that the homebuilding industry has ever seen, I do not think there is any question that the industry is finally in a period of modest recovery. Building homes creates jobs for carpenters, electricians, plumbers and many other trades, as well as jobs in related industries like manufacturing appliances and home furnishings. A sustained recovery in the homebuilding sector will help drive overall improvement in the U.S. economy and that will encourage even more consumers to buy a home," concluded Mr. Hovnanian.

WEBCAST INFORMATION:

Hovnanian Enterprises will webcast its fiscal 2012 fourth quarter financial results conference call at 11:00 a.m. E.T. on Thursday, December 13, 2012. The webcast can be accessed live through the "Investor Relations" section of Hovnanian Enterprises' Website at <u>http://www.khov.com</u>. 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 <u>http://www.khov.com</u>. The archive will be available for 12 months.

ABOUT HOVNANIAN ENTERPRISES[®], INC.:

Hovnanian Enterprises, Inc., founded in 1959 by Kevork S. Hovnanian, 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, Maryland, Minnesota, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia, Washington, D.C. 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 and Oster 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 2011 annual report, can be accessed through the "Investor Relations" section of the Hovnanian

Enterprises' website at <u>http://www.khov.com</u>. To be added to Hovnanian's investor e-mail or fax lists, please send an e-mail to <u>IR@khov.com</u> or sign up at <u>http://www.khov.com</u>.

NON-GAAP FINANCIAL MEASURES:

Consolidated earnings before interest expense and income taxes ("EBIT") and before depreciation and amortization ("EBITDA") and before inventory impairment loss and land option write-offs, expenses associated with debt exchange offer and loss (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 loss. The reconciliation of EBIT, EBITDA and Adjusted EBITDA to net loss is presented in a table attached to this earnings release.

Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with Debt Exchange Offer and Loss (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 Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with Debt Exchange Offer and Loss (Gain) on Extinguishment of Debt to Loss Before Income Taxes is presented in a table attached to this earnings release.

FORWARD-LOOKING STATEMENTS

All statements in this press release 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, 2011 and the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 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.

(Financial Tables Follow)

Hovnanian Enterprises, Inc. October 31, 2012 Statements of Consolidated Operations

(Dollars in Thousands, Except Per Share Data)

(Donars in Thousands, Except i er Share Data)				
	Three Mor	ths Ended	Twelve Mo	onths Ended
	Octob	er 31,	Octob	er 31,
	2012	2011	2012	2011
	(Unau	dited)	(Unau	dited)
Total Revenues	\$487,045	\$341,625	\$1,485,353	\$1,134,907
Costs and Expenses (a)	487,296	447,477	1,562,936	1,425,065
(Loss) Gain on Extinguishment of Debt	(87,033)	10,563	(29,066)	7,528
Gain (Loss) from Unconsolidated Joint Ventures	3,077	(2,479)	5,401	(8,958)
Loss Before Income Taxes	(84,207)	(97,768)	(101,248)	(291,588)
Income Tax Provision (Benefit)	203	580	(35,051)	(5,501)
Net Loss	\$(84,410)	\$(98,348)	\$(66,197)	\$(286,087)
Per Share Data:				
Basic:				
Loss Per Common Share	\$(0.59)	\$(0.90)	\$(0.52)	\$(2.85)
Weighted Average Number of				
Common Shares Outstanding (b)	142,249	108,740	126,350	100,444
Assuming Dilution:				
Loss Per Common Share	\$(0.59)	\$(0.90)	\$(0.52)	\$(2.85)
Weighted Average Number of				
Common Shares Outstanding (b)	142,249	108,740	126,350	100,444
-				

(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. October 31, 2012

Reconciliation of Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with the Debt Exchange Offer and Loss (Gain) on Extinguishment of Debt to Loss Before Income Taxes (Dollars in Thousands)

		nths Ended per 31,		onths Ended oer 31,
	2012	2011	2012	2011
	(Unau	idited)	(Unau	dited)
Loss Before Income Taxes	\$(84,207)	\$(97,768)	\$(101,248)	\$(291,588)
Inventory Impairment Loss and Land Option Write-Offs	5,300	59,873	12,530	101,749
Expenses Associated with the Debt Exchange Offer	-	-	4,694	-
Unconsolidated Joint Venture Investment and Land-Related Charges	-	3,289	-	3,289
Loss (Gain) on Extinguishment of Debt	87,033	(10,563)	29,066	(7,528)
Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with the Debt Exchange Offer				
and Loss (Gain) on Extinguishment of Debt (a)	\$8,126	\$(45,169)	\$(54,958)	\$(194,078)

(a) Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with the Debt Exchange Offer, and Loss (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. October 31, 2012 Gross Margin (Dollars in Thousands)

(Donars in Thousands)						
	Homebuilding C	Bross Margin	Homebuilding	Gross Margin		
	Three Montl	ns Ended	Twelve Months Ended			
	October	: 31,	Octobe	er 31,		
	2012	2011	2012	2011		
	(Unaudi	ited)	(Unauc	lited)		
Sale of Homes	\$469,275	\$313,136	\$1,405,580	\$1,072,474		
Cost of Sales, Excluding Interest (a)	383,275	264,747	1,155,643	905,253		
Homebuilding Gross Margin, Excluding Interest	86,000	48,389	249,937	167,221		
Homebuilding Cost of Sales Interest	14,014	15,345	48,843	57,016		
Homebuilding Gross Margin, Including Interest	\$71,986	\$33,044	\$201,094	\$110,205		
Gross Margin Percentage, Excluding Interest	18.3%	15.5%	17.8%	15.6%		
Gross Margin Percentage, Including Interest	15.3%	10.6%	14.3%	10.3%		
	Land Sales Gr	oss Margin	Land Sales G	ross Margin		
	Three Montl	ns Ended	Twelve Mor	ths Ended		
	October	: 31,	Octobe	October 31,		
	2012	2011	2012	2011		
	(Unaudi	ited)	(Unauc	lited)		
Land Sales	\$3,051	\$18,529	\$31,788	\$26,745		
Cost of Sales, Excluding Interest (a)	2,358	3,005	24,158	8,648		
Land Sales Gross Margin, Excluding Interest	693	15,524	7,630	18,097		
Land Sales Interest	433	15,527	5,695	17,660		
Land Sales Gross Margin, Including Interest	\$260	\$(3)	\$1,935	\$437		

(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 Consolidated Statements of Operations.

Hovnanian Enterprises, Inc.

October 31, 2012

Reconciliation of Adjusted EBITDA to Net Loss

(Dollars in Thousands)

	Three Mont	hs Ended	Twelve Mor	nths Ended
	Octobe	r 31,	Octobe	er 31,
	2012	2011	2012	2011
	(Unaud	ited)	(Unauc	dited)
Net Loss	\$(84,410)	\$(98,348)	\$(66,197)	\$(286,087)
Income Tax Provision (Benefit)	203	580	(35,051)	(5,501)
Interest Expense	39,701	53,962	152,433	171,845
EBIT (a)	(44,506)	(43,806)	51,185	(119,743)
Depreciation	1,513	2,174	6,223	9,340
Amortization of Debt Costs	905	1,041	3,713	3,978
EBITDA (b)	(42,088)	(40,591)	61,121	(106,425)
Inventory Impairment Loss and Land Option Write-offs	5,300	59,873	12,530	101,749
Expenses Associated with Debt Exchange Offer	-	-	4,694	-
Loss (Gain) on Extinguishment of Debt	87,033	(10,563)	29,066	(7,528)
Adjusted EBITDA (c)	\$50,245	\$8,719	\$107,411	\$(12,204)
Interest Incurred	\$36,733	\$39,225	\$147,048	\$156,998
Adjusted EBITDA to Interest Incurred	1.37	0.22	0.73	(0.08)

(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, expenses associated with debt exchange offer, and loss (gain) on extinguishment of debt.

Hovnanian Enterprises, Inc.

October 31, 2012 Interest Incurred, Expensed and Capitalized (Dollars in Thousands)

	Three Mont Octobe		Twelve Months Ended October 31,		
	2012	2011	2012	2011	
	(Unaud	ited)	(Unaud	ited)	
Interest Capitalized at Beginning of Period	\$119,024	\$136,178	\$121,441	\$136,288	
Plus Interest Incurred	36,733	39,225	147,048	156,998	
Less Interest Expensed	39,701	53,962	152,433	171,845	
Interest Capitalized at End of Period (a)	\$116,056	\$121,441	\$116,056	\$121,441	

(a)The Company incurred significant inventory impairments in recent years, 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 CONSOLIDATED BALANCE SHEETS (In Thousands)

ASSETS(Unaudited)(1)Homebuilding: Cash and cash equivalents\$258,323\$244,356Restricted cash41,73273,539Inventories: Sold and unsold homes and lots under development671,851720,149Land and land options held for future development or sale218,996245,529Consolidated inventory not owned: Specific performance options-2,434Other options90,619-Total consolidated inventory not owned90,6192,434Total inventories981,466968,112Investments in and advances to unconsolidated joint ventures61,08357,826Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,66467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash214,9096,384 Restricted cashTotal financial services164,63485,106Total financial services164,63485,106Total financial services164,63485,106Total financial services164,63485,106Total financial services164,63485,106Total financial services164,63485,106		October 31, 2012	October 31, 2011
Cash and cash equivalents $$258,323$ $$2244,356$ Restricted cash $41,732$ $73,539$ Inventories:Sold and unsold homes and lots under development $671,851$ $720,149$ Land and land options held for future development or sale $218,996$ $245,529$ Consolidated inventory not owned: $90,619$ $-$ Specific performance options $90,619$ $-$ Total consolidated inventory not owned $90,619$ $-$ Total consolidated inventory not owned $90,619$ $2,434$ Total inventories $981,466$ $968,112$ Investments in and advances to unconsolidated joint ventures $61,083$ $57,826$ Receivables, deposits, and notes $61,794$ $52,277$ Property, plant, and equipment – net $48,524$ $53,266$ Prepaid expenses and other assets $66,694$ $67,698$ Total homebuilding $1,519,616$ $1,517,074$ Financial services: $22,470$ $4,079$ Cash and cash equivalents $22,470$ $4,079$ Mortgage loans held for sale $117,024$ $72,172$ Other assets $164,634$ $85,106$	ASSETS	(Unaudited)	(1)
Restricted cash41,73273,539Inventories: Sold and unsold homes and lots under development671,851720,149Land and land options held for future development or sale218,996245,529Consolidated inventory not owned: Specific performance options90,619		\$258,323	\$244,356
Sold and unsold homes and lots under development671,851720,149Land and land options held for future development or sale218,996245,529Consolidated inventory not owned: Specific performance options-2,434Other options90,619-Total consolidated inventory not owned90,6192,434Total inventories981,466968,112Investments in and advances to unconsolidated joint ventures61,08357,826Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,69467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash14,9096,384 8,22,470Mortgage loans held for sale Unter assets14,6096,384 8,5106Total financial services164,63485,106		· · · · · · · · · · · ·	
Land and land options held for future development or sale218,996245,529Consolidated inventory not owned: Specific performance options2,434Other options90,619Total consolidated inventory not owned90,6192,434981,466Market and advances to unconsolidated joint ventures61,083Specific performance options, and notes61,794Specific performance, and other assets66,694Specific performance, and other assets66,694Specific performance, and other assets14,509Specific performance, and the performance options22,470Specific performance, and other assets14,009Specific performance, and the performance options21,2172Specific performance, and the p			
Consolidated inventory not owned: Specific performance options2,434Other options90,619Total consolidated inventory not owned90,6192,43490,619Total inventories981,466981,466968,112Investments in and advances to unconsolidated joint ventures61,08357,82661,794Receivables, deposits, and notes61,79452,27797Property, plant, and equipment – net48,52453,26666,694Prepaid expenses and other assets66,69467,6981,519,616Total homebuilding1,519,616Financial services: Cash and cash equivalents14,9096,38422,47040,0996,384Restricted cash22,470Mortgage loans held for sale Un231117,02472,17210,2312,47110,231Total financial services164,63485,106	Sold and unsold homes and lots under development	671,851	720,149
Specific performance options2,434Other options90,619Total consolidated inventory not owned90,6192,434Total inventories981,466968,112Investments in and advances to unconsolidated joint ventures61,08357,826Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,69466,69467,698Total homebuilding1,519,6161,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash Mortgage loans held for sale Other assets14,909 117,024Total financial services164,634Total financial services164,634	Land and land options held for future development or sale	218,996	245,529
Total consolidated inventory not owned90,6192,434Total inventories981,466968,112Investments in and advances to unconsolidated joint ventures61,08357,826Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,69467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash Mortgage loans held for sale14,909 117,0246,384 72,172 10,231Total financial services164,63485,106	Specific performance options	-	2,434
Total inventories981,466968,112Investments in and advances to unconsolidated joint ventures61,08357,826Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,69467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash Mortgage loans held for sale14,9096,384Cher assets14,9096,384Total financial services10,2312,471Total financial services164,63485,106	Other options	90,019	-
Investments in and advances to unconsolidated joint ventures61,08357,826Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,69467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash14,9096,384Restricted cash22,4704,079Mortgage loans held for sale10,2312,471Other assets164,63485,106	Total consolidated inventory not owned	90,619	2,434
Receivables, deposits, and notes61,79452,277Property, plant, and equipment – net48,52453,266Prepaid expenses and other assets66,69467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents Restricted cash14,9096,384Mortgage loans held for sale22,4704,079Other assets10,2312,471Total financial services164,63485,106	Total inventories	981,466	968,112
Property, plant, and equipment – net $48,524$ $53,266$ Prepaid expenses and other assets $66,694$ $67,698$ Total homebuilding $1,519,616$ $1,517,074$ Financial services: Cash and cash equivalents Restricted cash Mortgage loans held for sale $14,909$ $6,384$ $22,470$ Mortgage loans held for sale Other assets $117,024$ $72,172$ $2,471$ Total financial services $164,634$ $85,106$	Investments in and advances to unconsolidated joint ventures	61,083	57,826
Prepaid expenses and other assets66,69467,698Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents14,9096,384Restricted cash Mortgage loans held for sale22,4704,079Mortgage loans held for sale117,02472,172Other assets10,2312,471Total financial services164,63485,106	Receivables, deposits, and notes	61,794	52,277
Total homebuilding1,519,6161,517,074Financial services: Cash and cash equivalents14,9096,384Restricted cash22,4704,079Mortgage loans held for sale117,02472,172Other assets10,2312,471Total financial services164,63485,106	Property, plant, and equipment – net	48,524	53,266
Financial services: Cash and cash equivalents14,9096,384Restricted cash22,4704,079Mortgage loans held for sale117,02472,172Other assets10,2312,471Total financial services164,63485,106	Prepaid expenses and other assets	66,694	67,698
Cash and cash equivalents 14,909 6,384 Restricted cash 22,470 4,079 Mortgage loans held for sale 117,024 72,172 Other assets 10,231 2,471 Total financial services 164,634 85,106	Total homebuilding	1,519,616	1,517,074
Restricted cash 22,470 4,079 Mortgage loans held for sale 117,024 72,172 Other assets 10,231 2,471 Total financial services 164,634 85,106	Financial services:		
Mortgage loans held for sale117,02472,172Other assets10,2312,471Total financial services164,63485,106			
Other assets 10,231 2,471 Total financial services 164,634 85,106			
Total assets \$1,684,250 \$1,602,180	Total financial services	164,634	85,106
	Total assets	\$1,684,250	\$1,602,180

(1) Derived from the audited balance sheet as of October 31, 2011.

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

Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180	(In Thousands Except Share Amounts)		
LIABILITIES AND EQUITY Homebuilding: Nonrecourse land mortgages S28,302 S26,121 Accounts payable and other liabilities 206,510 303,633 Customes' deposits 208,510 303,633 Customes' deposits 208,510 303,633 Customes' deposits 37,609 455,224 308,600 Financial services: 37,609 4455,224 308,600 Financial services: 37,609 4455,224 308,600 Financial services: 445,094 445,094 64,246 Notes payable and other liabilities 37,609 445,177 Mortgage warehouse line of credit 445,094 64,246 Notes payable: 37,736 97,7369 786,585 Service notes 4458,736 802,862 Service notes 458,736 802,862 Service notes 458,736 802,862 Service notes 458,736 802,862 Customes' deposits 56,691 13,233 Accrued interest 20,199 21,331 Total notes payable 1,562,395 1,624,101 Income taxes payable 6,882 41,829 Total liabilities 2,169,595 2,098,782 Equity: Hovmanian Enterprises, Inc. stockholders' equity deficit: Preferred stock. S.01 par value - authorized 100,000 shares; issued and outstanding 130,005,304 shares at October 31, 2012 and 2011 Common stock, Class A, 501 par value - authorized 100,000 shares; issued and outstanding 130,005,304 shares at October 31, 2012 and 2014 (492 shares at October 31, 2012 and 152,292 Cummon stock, Class A, 501 par value - authorized 200,000,000 shares; issued and outstanding 130,005,304 shares at October 31, 2012 and 2014 (1,552,305 Custome stock, Class A, 501 par value - authorized 200,000,000 shares; issued and outstanding 130,000 shares; issued and outstanding 130,000 shares; issued at October 31, 2012 and 152,292 Common stock, Class A, 501 par value - counterised 200,000,000 shares; issued and outstanding 130,000 shares; issued at October 31, 2012 and 152,292 Common stock, Class A, 501 par value - counterised 200,000,000 shares; issued and outstanding 130,000 Shares; issued and outstanding 130,299 Common stock, Class A, 501 par value - counterised 200,000,000 shares; issued and outstanding 130,000 Shares; issued and deficit (1,175,703) (1,115,269) (1,152,57) Cual inabilities 230 9 9 21 Coal inabilities 230 9 22 10 24			
Homebuilding: Noncourse land motrgages Accounts puble and other liabilities\$38,302 \$26,121 \$26,510\$26,510 \$30,633Accounts puble and other liabilities28,346 \$16,67016,670 \$33,34616,670 \$33,346Noncourse motrgages secured by operating properties23,346 \$12,77,79116,470 \$2,434Total homebuilding455,224368,606Financial services: Accounts puble and other liabilities37,609 \$49,72914,517 \$49,729Total financial services145,09464,246Notes payable: berior anotizing notes977,360 \$48,736786,585 \$80,862Senior secured notes977,360 \$48,736786,585 \$80,862Senior anotizing notes23,149 \$1,249-Total financial services6,091 \$1,32313,323 \$2,2149Total notes payable: testior subordinated amortizing notes6,091 \$1,32313,323 \$2,212Total notes payable1,562,3951,624,001Income taxes payable1,562,3951,624,001Income taxes payable6,882 \$41,82941,829Total liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, \$31, 2012 and 2011 \$1,2012 and 2011 (including 691,748 shares at October 31, 2011 (including 73,75591,906 \$1,2012 and 252,912 shares at October 31, 2012 and 152,99Common stock, Class A, S, Ol par value - authorized 200,000,000 shares; issued and outstanding 130,025,304 shares at October 31, 2012 and 152,2012 and 152,202 a		(Unaudited)	(1)
Nonrecourse land mortgages \$226,121 Accounts payable and other liabilities 296,510 303,633 Castoners' deposits 23,846 16,670 Nonrecourse mortgages secured by operating properties 18,775 19,748 Liabilities from inventory not owned 77,791 2,434 Total homebuilding 455,224 368,606 Financial services: 37,009 14,517 Accounts payable and other liabilities 37,009 14,519 Acceure notes 977,369 766,585 Senior secured notes 977,369 786,585 Senior secured notes 978,6585 23,149 - Senior costangoable notes 76,851 - 766,851 - Total instructing notes 23,149 - 766,851 - - 766,851 - - 766,851 - - 766,851 - - 766,851 - - 766,851 - - 766,851 - - 162,4101 - 163,235 1.624,101 -	LIABILITIES AND EQUITY		
Accounts payable and other liabilities296,510303,633Customer's deposits23,84616,670Nonrecourse mortgages secured by operating properties18,77519,748Liabilities from inventory not owned77,7912,434Total homebuilding455,224368,666Financial services:76,0914,517Mortgage warehouse line of credit107,48549,729Total financial services145,09464,246Notes payable:977,369786,585Senior secured notes977,369786,585Senior secured notes23,149-Total induces and the secure of the secure of the secure of notes76,851Senior secured notes23,149-TeU senior subordinated amortizing notes6,09113,323Total notes payable0.68241,829Total notes payable0.68241,829Total notes payable6,68241,829Total notes payable0.64,7351.624,101Income taxes payable6,68241,829Total notes payable0.64,7351.624,101Income taxes payable0.64,7322.109,755Contal inabilities2.169,5952.098,782Equity:Hovanaina Enterprises, Inc. stockholders' equity deficit:135,299Preference of 31, 2012 and 2011115,2011 (including 1,30015415,352,4142,312 and 2011, respectively, held in Treasury1,30013,005,354, hares at October 31, 2012 and 2011, respectively, held in Treasury1,30 <t< td=""><td></td><td></td><td></td></t<>			
Customers' deposits23,84616,670Nonrecourse mortgages secured by operating properties18,77519,748Liabilities from inventory not owned77,7912,434Total homebuilding455,224368,606Financial services:37,60914,517Accounts payable and other liabilities37,60914,517Mortgage warehouse line of credit107,48549,729Total financial services145,09464,246Notes payable:97,369786,585Senior secured notes97,369786,585Senior secured notes23,149-Senior secured notes76,851-Total financial services115,20,3111,323Accrued interest20,19921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Total liabilities2,169,5952,098,782Equity:Hovnanian Enterprises, Inc. stockholders' equity deficit:135,299135,299Preference of 12,0021 and 20112011 including 13,2021 and 2011, respectively, held in Treasury 13,000,000,000 shares; issued and outstanding 13,232,212 shares at October 31, 2012 and 2011, respectively, held in Treasury)154153Paid in capital - common stock668,735591,696101,07,073 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury)154153Paid in capital - common stock668,735591,696Accumulated deficit(1175,703)(11,109,506)(1152,575)<			
Nonrecourse mortgages secured by operating properties18.77519.748Liabilities from inventory not owned77.7912.434Total homebuilding455.224368.606Financial services:37.609114.517Accounts payable and other liabilities37.609114.517Mortgage warehouse line of credit107.48549.729Total financial services145.09464.246Notes payable:977.369786.585Senior secured notes977.369786.585Senior anotizing notes23.149-Senior subordinated amortizing notes76,65113.232Total inotes payable1.562.3951.624,101Income taxes payable6.88241.829Total inotes payable6.88241.829Total inotes payable1.562.3951.624,101Income taxes payable6.88241.829Total inotes payable1.562.3951.624,101Income taxes payable6.88241.829Total inotes payable1.562.3951.624,101Income taxes payable0.1000 shares; issued 3.600 shares with a liquidation preference of 12.002 and 2011135.299Common stock, Class A, S.01 par value – authorized 100.000 shares; issued and outstanding 135.299135.299Common stock, Class A, S.01 par value – authorized 100.000 shares; issued and outstanding 15.520.11 shares at October 31, 2012 and 2011154.101Common stock, Class A, S.01 par value – authorized 100.000 shares; issued and outstanding 15.520.91 shares at October 31, 2012 and 2011, respectively, held in Treasury <td< td=""><td></td><td></td><td></td></td<>			
Liabilities from inventory not owned 77,791 2,434 Total homebuilding 455,224 368,606 Financial services: 37,609 14,517 Accounts payable in of credit 107,485 49,729 Total financial services: 145,094 64,246 Notes payable: 977,369 786,585 Senior scurved notes 977,369 786,585 Senior cxchangeable notes 977,369 786,585 Senior cxchangeable notes 76,851 - Total financial amortizing notes 6,091 13,323 Accrued interest 20,199 21,331 Total notes payable 6,882 41,829 Total hobe, Sol par value convertible to Class 2,169,595 2,098,782 Equity: Hownainan Enterprises, Inc. stockholders' equity deficit: 135,299 135,299 Preferred stock, Sol par value convertible to Class A a true of sile on unstorized 135,299 135,299 Common stock, Class A, S.Ol par value (convertible to Class A a true of sile on unstorized 30,000,000 shares; issued and outstanding 15,550,101 shares at October 31, 2012 and 2011 including 11,700,763 and 11,694,720 shares at October 31, 2012 and 2011, respectivdy, held in Treasury 1,300 <t< td=""><td>•</td><td></td><td></td></t<>	•		
Total homebuilding455,224368,606Financial services: Accounts payable and other liabilities37,60914,517Mortgage warehouse line of credit107,48549,729Total financial services145,09464,246Notes payable: Senior secured notes977,369786,585Senior secured notes977,369786,585Senior secured notes977,369786,585Senior secured notes23,149-Senior subordinated amortizing notes76,851-Senior subordinated amortizing notes76,851-Accrued interest20,19921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Total liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Prefered stock, \$01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$14,0,000 at October 31, 2012 and 2011 Common stock, Class A, \$201 par value - authorized 100,000 shares; issued and outstanding 13,055,304 shares at October 31, 2012 and 2011, especificity, held in Treasury) Common stock, Class A, \$201 par value convertible to Class A at une of sale) - authorized 30,000,000 shares; issued and outstanding 61,353,010 shares at October 31, 2012 and 2011, held in Treasury)1,300921Conton stock Accumulated deficit Treasury stock - at cost668,325591,666Noncontrolling interest in consolidated joint ventures23092Total Havanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)			,
Financial services: Accounts payable and other liabilities37,609 14,517 107,48514,517 49,729Total financial services145,09464,246Notes payable: Stenior secured notes977,369 23,149786,585 28,736802,802 23,149Senior secured notes23,149 2,8107-Senior subordinated amortizing notes76,851 20,199-Senior subordinated amortizing notes76,851 20,199-Accrued interest20,199 21,331-Total notes payable1,562,3951,624,101Income taxes payable6,882 41,82941,829Total liabilities2,169,5952,098,782Equity: Hovmanian Enterprises, Inc. stockholders' equity deficit: Prefered stock, S.01 par value – authorized 100,000 shares; issued and outstanding 13,055,304 shares at October 31, 2012 and 2011 20,000,000 shares; issued and outstanding 13,000,000 shares; issued and outstanding 13,0203 and 11,644,720 shares at October 31, 2012 and 2011 (including 61,748 shares at October 31, 2012 and 2011 (including 69,748 shares at October 31, 2012 and 2011 (includ	Liabilities from inventory not owned	//,/91	2,434
Accounts payable and other liabilities $37,609$ $14,517$ Mortgage warehouse line of credit $107,485$ $49,729$ Total financial services $145,094$ $64,246$ Notes payable: $5cnior secure dotes977,369786,585Senior onces458,736802,862Senior secure dotes23,149-Senior secure dotes76,851-Senior sculmated amortizing notes6,09113,323Accrued interest20,019921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Total liabilities2,169,5952,098,782Equity:Hovnanian Enterprises, Inc. stockholders' equity deficit:17,60,763 and 11,694,720 shares at October 31, 2012 and 201120,000,000 shares; issued 5,600 shares with a liquidationpreference of $14,00,001 at October 31, 2012 and 201120,000,000 shares; issued and outstanding130,055,304 shares at October 31, 2012 and 2011, respectively, held in Treasury)1,300921Common stock, Class A, S, 01 par value – authorized 200,000,000 shares; issued and outstanding130,000,000 shares; issued and outstanding135,209135,299Common stock, Class B, S, 01 par value – authorized 200,000,000 shares; issued and outstanding135,2010 shares at October 31, 2012 and 2011, respectively, held in Treasury)1,3002011 held in Treasury)1,300921Common stock, Class B, S, 01 par value – authorized30,000,000 shares; issued and outstanding1,530,01 shares at October 31, 2012 and2,011 (including 69,748 shares at Oc$	Total homebuilding	455,224	368,606
Mortgage warehouse line of credit107,485 $49,729$ Total financial services145,094 $64,246$ Notes payable: Senior secured notes977,369786,585Senior amortizing notes23,149-Senior exchangeable notes76,851-Senior exchangeable notes76,851-TEU senior exchangeable notes6,09113,323Accrued interest20,19921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Total notes payable6,88241,829Total notes payable2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preference of S14,000 and October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class A, S.01 par value - authorized 200,000,000 shares; issued and outstanding 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, S.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, S.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 11,757,7031300921Total In capital - common stock Accumulated deficit668,735591,696 (1,175,773)131,297Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total Hovnanian	Financial services:		
Total financial services145,094 $64,246$ Notes payable: Senior secured notes977,369786,585Senior amorizing notes23,149-Senior secured notes76,851-Senior secured notes76,851-Senior secured notes76,851-Senior secured notes76,851-Senior exchangeable notes76,851-TEU senior subordinated amortizing notes6,09113,323Accrued interest20,19921,331Total notes payable6,88241,829Total notes payable6,88241,829Total liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, S.O1 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011 common stock, Class A, S.O1 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 13,52,212 shares at October 31, 2012 and 2011, respectively, held in Treasury 1,300921Common stock, Class A, S.O1 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,25,212 shares at October 31, 2012 and 211, respectively, held in Treasury 1,300154153Paid in capital - common stock Accumulated deficit(1175,703)(1109,506)Total Having interest in consolidated joint ventures23092Total lovanian Enterprises, Inc. stockholders' equity deficit(485,375)(496,602)Total equity deficit(485,345) <t< td=""><td>Accounts payable and other liabilities</td><td>37,609</td><td>14,517</td></t<>	Accounts payable and other liabilities	37,609	14,517
Notes payable: Senior notes977,369786,585Senior notes438,736802,862Senior notes23,149-Senior amorizing notes23,149-Senior exchangeable notes76,851-TEU senior subordinated amortizing notes6,09113,323Accrued interest20,19921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Cotal liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred tock, S,01 par value - authorized 100,000 shares; issued and outstanding 13,000,000 shares; issued and outstanding 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class A, S,01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class A, S,01 par value (convertible to Class A) to 1,522,212 shares at October 31, 2011 (including 611,77,003) (1109,506)154153Paid in capital - common stock Accumulated deficit668,735591,696Paid in capital - common stock Accumulated deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total lequity deficit(485,345)(496,602)Total lequity deficit(485,345)(496,602)Total liabilities and equity\$1,602,180\$1,602,180	Mortgage warehouse line of credit	107,485	49,729
Notes payable: Senior notes977,369786,585Senior notes438,736802,802Senior rotes23,149-Senior exchangeable notes76,851-TEU senior subordinated amortizing notes6,09113,323Accrued interest20,19921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Contal liabilities2,169,5952,098,782Equity: Hornanian Enterprises, Inc. stockholders' equity deficit: Preferred tock, \$.01 par value - authorized 100,000 shares; issued on utstanding 13,000,000 shares at October 31, 2012 and 2011135,299Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class A time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class A time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, 501 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock (Class B, 501 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2011 held in Treasury)154153Paid in capital - common stock Accumulated deficit(485,575)(496,694)Noncontrolling interest in con	Total financial services	145,094	64,246
Senior secured notes $977,369$ $786,585$ Senior notes $458,736$ $802,862$ Senior amortizing notes $23,149$ -Senior exchangeable notes $76,851$ -TEU senior subordinated amortizing notes $6,091$ $13,323$ Accrued interest $20,199$ $21,331$ Total notes payable $1,562,395$ $1,624,101$ Income taxes payable $6,882$ $41,829$ Cortal liabilities $2,169,595$ $2,098,782$ Equity:Hovnanian Enterprises, Inc. stockholders' equity deficit: $135,299$ $135,299$ Preferred stock, \$01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011 $135,299$ $135,299$ Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 13,005,304 shares at October 31, 2012 and 2011, respectively, held in Treasury) $1,300$ 921 Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 211, respectively, held in Treasury) $1,300$ 921 Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 211, respectively, held in Treasury) $1,300$ 921 Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 211, respectively, held in Treasury) $1,300$ 921 Total including 1350,101 shares at O			,
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Senior amortizing notes23,149Senior exchangeable notes76,851TEU senior subordinated amortizing notes6,091Accrued interest20,19921,33120,199Total notes payable1,562,395Income taxes payable6,88241,829Total liabilities2,169,595Equity:Hornanian Enterprises, Inc. stockholders' equity deficit:Preferred stock, \$,01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011Preferred stock, \$,01 par value - authorized 200,000,000 shares; issued and outstanding 130,055,304 shares at October 31, 2012 and 2011, respectively, held in Treasury)Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 13,052,99130,055,304 shares at October 31, 2012 and 2011, respectively, held in Treasury) 0.000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2 11,r60,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) 0.0000,000 shares; issued and outstanding 15,352,212 shares at October 31, 2012 and 2 11,r60,763 and 11,694,720 shares at October 31, 2012 and 2 15,252,212 shares at October 31, 2011 (including 691,748 shares at October 31, 2012 and 2011 held in Treasury)Paid in capital - common stock Accumulated deficit reasury stock - at costTotal Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602) <td></td> <td></td> <td></td>			
Senior exchangeable notes76,851 6.091-TEU senior subordinated amortizing notes6.09113,323Accrued interest20,19921,331Total notes payable1,562,3951,624,101Income taxes payable6,88241,829Total liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011 Common stock, Class A. 5.01 par value - authorized 200,000,000 shares; issued and outstanding 130,055,304 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class A. 5.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B. 5.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 11 held in Treasury)154153Paid in capital - common stock A cacumulated deficit Treasury stock - at cost(115,360) (115,3267)(115,360) (115,3267)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,345) (496,694)(496,602)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total equity deficit\$1,684,250\$1,602,180		,	
TEU senior subordinated amortizing notes 6.091 $13,233$ $20,199$ Accrued interest $20,199$ $21,331$ Total notes payable $1,562,395$ $1,624,101$ Income taxes payable $6,882$ $41,829$ Total liabilities $2,169,595$ $2,098,782$ Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, S.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preferred stock, S.01 par value - authorized 200,000,000 shares; issued and outstanding $135,299$ $135,299$ I30,055,304 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, S.01 par value (convertible to Class A at time of sale) – authorized $30,000,000$ shares; issued and outstanding $15,350,101$ shares at October 31, 2012 and 2011 including $68,735$ $591,696$ $Accumulated deficit(11,75,703)(1,109,506)(115,360)154153153Paid in capital - common stockA cast A cost668,735591,696(115,7703)(1,109,506)(115,360)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,602)Total equity deficit(485,345)(496,602)Total equity deficit(485,345)(496,602)Total equity deficit$1,602,180$1,602,180$			-
Accrued interest $20,199$ $21,331$ Total notes payable $1,562,395$ $1,624,101$ Income taxes payable $6,882$ $41,829$ Total liabilities $2,169,595$ $2,098,782$ Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, S,01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preferred stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 130,055,304 shares at October 31, 2012 and 2011135,299Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 152,52,212 shares at October 31, 2011 (including 691,748 shares at October 31, 2012 and 152,527]154153 Paid in capital - common stock Accumulated deficit Treasury stock - at cost(115,360)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,755)(496,694) Noncontrolling interest in consolidated joint ventures23092 Total equity deficit(485,345)(496,602) Total liabilities and equity\$1,602,180			13,323
Income taxes payable6,88241,829Total liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011 Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 113,055,304 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,252,212 shares at October 31, 2012 and 2011 held in Treasury) Paid in capital - common stock Accumulated deficit Treasury stock - at cost154153 163Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180			
Total liabilities2,169,5952,098,782Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011135,299135,299Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 130,055,304 shares at October 31, 2012 and 92,141,492 shares at October 31, 2011 (including 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) - authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 2011 held in Treasury)1.541.53Paid in capital - common stock Accumulated deficit Treasury stock - at cost668,735591,696Accumulated deficit Treasury stock - at cost(115,360) (115,257)(115,360) (115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575) (496,694)(485,345) (496,602)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345) (496,602)\$1,602,180	Total notes payable	1,562,395	1,624,101
Equity: Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011 (Samma 130,055,304 shares at October 31, 2012 and 92,141,492 shares at October 31, 2011 (including 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) (Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 15,252,212 shares at October 31, 2011 (including 691,748 shares at October 31, 2012 and 2011 held in Treasury)1,300 154921Paid in capital - common stock Accumulated deficit Treasury stock - at cost668,735 (115,360)591,696 (115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575) (496,694)(496,602) (496,602)Total liabilities and equity\$1,684,250 \$1,602,180\$1,602,180	Income taxes payable	6,882	41,829
Hovianian Enterprises, Inc. stockholders' equity deficit:Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011135,299Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 130,055,304 shares at October 31, 2012 and 92,141,492 shares at October 31, 2011 (including 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury)1,300921Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 15,252,212 shares at October 31, 2011 (including 691,748 shares at October 31, 2012 and 2011 held in Treasury)154153Paid in capital - common stock Accumulated deficit Treasury stock - at cost(1,175,703) (1,109,506) (115,257)(1,109,506) (115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575) (496,694)(485,345) (496,602)Noncontrolling interest in consolidated joint ventures23092Total liabilities and equity\$1,684,250\$1,602,180	Total liabilities	2,169,595	2,098,782
Hovianian Enterprises, Inc. stockholders' equity deficit:Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011135,299Common stock, Class A, \$.01 par value - authorized 200,000,000 shares; issued and outstanding 130,055,304 shares at October 31, 2012 and 92,141,492 shares at October 31, 2011 (including 11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury)1,300921Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 15,252,212 shares at October 31, 2011 (including 691,748 shares at October 31, 2012 and 2011 held in Treasury)154153Paid in capital - common stock Accumulated deficit Treasury stock - at cost(1,175,703) (1,109,506) (115,257)(1,109,506) (115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575) (496,694)(485,345) (496,602)Noncontrolling interest in consolidated joint ventures23092Total liabilities and equity\$1,684,250\$1,602,180	Equita	,,,	, <u>, ,</u> _
11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury)1,300921Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and 15,252,212 shares at October 31, 2011 (including 691,748 shares at October 31, 2012 and 2011 held in Treasury)154153Paid in capital - common stock Accumulated deficit Treasury stock - at cost668,735591,696(1,175,703)(1,109,506) (115,360)(115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180	 Hovnanian Enterprises, Inc. stockholders' equity deficit: Preferred stock, \$.01 par value - authorized 100,000 shares; issued 5,600 shares with a liquidation preference of \$140,000 at October 31, 2012 and 2011 Common stock, Class A, \$.01 par value – authorized 200,000,000 shares; issued and outstanding 	135,299	135,299
Paid in capital - common stock668,735591,696Accumulated deficit(1,175,703)(1,109,506)Treasury stock - at cost(115,360)(115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180	11,760,763 and 11,694,720 shares at October 31, 2012 and 2011, respectively, held in Treasury) Common stock, Class B, \$.01 par value (convertible to Class A at time of sale) – authorized 30,000,000 shares; issued and outstanding 15,350,101 shares at October 31, 2012 and	1,300	921
Accumulated deficit(1,175,703)(1,109,506)Treasury stock - at cost(115,360)(115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180			
Treasury stock - at cost(115,360)(115,257)Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180			
Total Hovnanian Enterprises, Inc. stockholders' equity deficit(485,575)(496,694)Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180			
Noncontrolling interest in consolidated joint ventures23092Total equity deficit(485,345)(496,602)Total liabilities and equity\$1,684,250\$1,602,180	Treasury stock - at cost	(115,360)	(115,257)
Total equity deficit (485,345) (496,602) Total liabilities and equity \$1,684,250 \$1,602,180	Total Hovnanian Enterprises, Inc. stockholders' equity deficit	(485,575)	(496,694)
Total liabilities and equity \$1,684,250 \$1,602,180	Noncontrolling interest in consolidated joint ventures	230	92
	Total equity deficit	(485,345)	(496,602)
(1) Derived from the audited balance sheet as of October 31, 2011.	Total liabilities and equity	\$1,684,250	\$1,602,180
	(1) Derived from the audited balance sheet as of October 31, 2011.		

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

	Three Months Ended		Twelve Months End	
Revenues:	2012	2011	2012	2011
Homebuilding: Sale of homes	\$469,275	\$313,136	\$1,405,580	\$1,072,474
Land sales and other revenues	5,025	19,257	41,038	32,952
Total homebuilding	474,300	332,393	1,446,618	1,105,426
Financial services	12,745	9,232	38,735	29,481
Total revenues	487,045	341,625	1,485,353	1,134,907
Expenses:				
Homebuilding:				
Cost of sales, excluding interest Cost of sales interest	385,633 14,447	267,752 30,872	1,179,801 54,538	913,901 74,676
Inventory impairment loss and land option	14,447	50,872	54,558	/4,070
write-offs	5,300	59,873	12,530	101,749
Total cost of sales	405,380	358,497	1,246,869	1,090,326
Selling, general and administrative	37,477	46,512	142,087	161,456
Total homebuilding expenses	442,857	405,009	1,388,956	1,251,782
Financial services	6,998	5,177	23,648	21,371
Corporate general and administrative	11,271	11,329	48,232	49,938
Other interest	25,254	23,090	97,895	97,169
Other operations	916	2,872	4,205	4,805
Total expenses	487,296	447,477	1,562,936	1,425,065
(Loss) gain on extinguishment of debt	(87,033)	10,563	(29,066)	7,528
Income (loss) from unconsolidated joint ventures	3,077	(2,479)	5,401	(8,958)
Loss before income taxes	(84,207)	(97,768)	(101,248)	(291,588)
State and federal income tax provision (benefit):				
State Federal	133	425	(35,328)	(3,924)
Federal	70	155	277	(1,577)
Total income taxes	203	580	(35,051)	(5,501)
Net loss	\$(84,410)	\$(98,348)	\$(66,197)	\$(286,087)
Per share data:				
Basic: Loss per common share	\$(0.59)	\$(0.90)	\$(0.52)	\$(2.85)
Weighted-average number of common				
shares outstanding	142,249	108,740	126,350	100,444
Assuming dilution:	¢(0,50)	¢(0,00)	¢(0.50)	¢(2.95)
Loss per common share Weighted-average number of common	\$(0.59)	\$(0.90)	\$(0.52)	\$(2.85)
shares outstanding	142,249	108,740	126,350	100,444

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

(UNAUDITED)						nths - October				
		Net ContractsDeliveriesContractThree Months EndingThree Months EndingBacklogOctober 31,October 31,October 31,								
	-	2012	2011	% Change	2012	2011	% Change	2012	2011	% Change
Northeast										
(includes unconsolidated	Home	174	160	8.8%	202	174	16.1%	294	366	(19.7)%
joint ventures)	Dollars	\$94,408	\$75,093	25.7%	\$100,906	\$87,743	15.0%	\$140,954	\$163,778	(13.9)%
(NJ, PA)	Avg. Price	\$542,575	\$469,331	15.6%	\$499,535	\$504,270	(0.9%)	\$479,435	\$447,481	7.1%
Mid-Atlantic							_			_
(includes unconsolidated	Home	203	175	16.0%	275	141	95.0%	366	370	(1.1)%
joint ventures)	Dollars	\$88,474	\$68,491	29.2%	\$115,262	\$52,470	119.7%	\$163,198	\$153,953	6.0%
(DE, MD, VA, VW)	Avg. Price	\$435,833	\$391,377	11.4%	\$419,135	\$372,128	12.6%	\$445,896	\$416,089	7.2%
Midwest										
(includes unconsolidated	Home	176	132	33.3%	215	154	39.6%	499	300	66.3%
joint ventures)	Dollars	\$48,795	\$31,064	57.1%	\$52,299	\$35,401	47.7%	\$115,918	\$63,317	83.1%
(IL, MN, OH)	Avg. Price	\$277,244	\$235,333	17.8%	\$243,251	\$229,877	5.8%	\$232,301	\$211,057	10.1%
Southeast										
(includes unconsolidated	Home	197	116	69.8%	224	139	61.2%	283	168	68.5%
joint ventures)	Dollars	\$54,466	\$27,646	97.0%	\$55,639	\$34,180	62.8%	\$79,340	\$43,570	82.1%
(FL, GA, NC, SC)	Avg. Price	\$276,477	\$238,328	16.0%	\$248,388	\$245,899	1.0%	\$280,353	\$259,345	8.1%
Southwest										
(includes unconsolidated	Home	511	437	16.9%	640	502	27.5%	506	331	52.9%
joint ventures)	Dollars	\$153,700	\$101,549	51.4%	\$170,913	\$126,204	35.4%	\$160,840	\$86,388	86.2%
(AZ, TX)	Avg. Price	\$300,783	\$232,378	29.4%	\$267,052	\$251,402	6.2%	\$317,866	\$260,991	21.8%
West	Ŭ	. ,	. ,		. ,	. ,		. ,	. ,	
(includes unconsolidated	Home	182	155	17.4%	194	135	43.7%	197	128	53.9%
joint ventures)	Dollars	\$73,566	\$47,015	56.5%	\$76,143	\$40,047	90.1%	\$81,973	\$41,348	98.3%
(CA)	Avg. Price	\$404,209	\$303,323	33.3%	\$392,490	\$296,644	32.3%	\$416,107	\$323,031	28.8%
Grand Total	0	, , ,	1 9		, ,	1		1 - 7		
(includes unconsolidated	Home	1,443	1,175	22.8%	1,750	1,245	40.6%	2,145	1,663	29.0%
joint ventures)	Dollars	\$513,409	\$350,858	46.3%	\$571,162	\$376,045	51.9%	\$742,223	\$552,354	34.4%
joint (enteres)	Avg. Price	\$355,793	\$298,603	19.2%	\$326,378	\$302,044	8.1%	\$346,025	\$332,143	4.2%
Consolidated Total	11.8.11.00	\$222,772	¢ = >0,000	17.270	<i>\$020,010</i>	¢20 2 ,011	0.17,0	¢010,0 2 0	¢00 2 ,110	
(excludes unconsolidated	Home	1,289	1,016	26.9%	1,532	1,095	39.9%	1,889	1,387	36.2%
joint ventures)	Dollars	\$440,865	\$278,423	58.3%	\$469.275	\$313,136	49.9%	\$632,318	\$440,200	43.6%
joint vontures)	Avg. Price	\$342,021	\$274,038	24.8%	\$306,315	\$285,969	7.1%	\$334,737	\$317,376	5.5%
Unconsolidated	1115.11100	ψ <i>5τ2</i> ,0 <i>2</i> 1	φ274,050	24.370	ψ500,515	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	/.1/0	φ55-τ,151	φ317,370	5.570
Joint Ventures	Home	154	159	(3.1)%	218	150	45.3%	256	276	(7.2)%
	Dollars	\$72,544	\$72,435	0.2%	\$101,887	\$62,909	62.0%	\$109,905	\$112,154	(7.2)%
	Avg. Price	\$471,065	\$72,433 \$455,566	3.4%	\$467,372	\$02,909 \$419,393	11.4%	\$429,316	\$406,355	5.7%
DELIVERIES INCLUDE		φ+/1,003	φ+33,300	3.4%	φ 4 07,372	φ+17,373	11.470	\$ 4 29,310	φ+00,555	5.1%
DELIVERIES INCLUDE	а ел і каз									

Communities Under Development

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)

(UNAUDITED)						hs - October 31,				
			Net Contracts lve Months End October 31,	ling		Deliveries lve Months End October 31,			Contract Backlog October 31,	_
		2012	2011	% Change	2012	2011	% Change	2012	2011	% Change
Northeast										
(includes unconsolidated	Home	646	628	2.9%	718	573	25.3%	294	366	(19.7)%
joint ventures)	Dollars	\$333,788	\$286,690	16.4%	\$356,611	\$276,012	29.2%	\$140,954	\$163,778	(13.9)%
(NJ, PA)	Avg. Price	\$516,700	\$456,513	13.2%	\$496,673	\$481,696	3.1%	\$479,435	\$447,481	7.1%
Mid-Atlantic										
(includes unconsolidated	Home	828	654	26.6%	832	546	52.4%	366	370	(1.1)%
joint ventures)	Dollars	\$352,048	\$252,982	39.2%	\$342,802	\$205,584	66.7%	\$163,198	\$153,953	6.0%
(DE, MD, VA, WV)	Avg. Price	\$425,179	\$386,823	9.9%	\$412,022	\$376,527	9.4%	\$445,896	\$416,089	7.2%
Midwest										
(includes unconsolidated	Home	814	493	65.1%	615	479	28.4%	499	300	66.3%
joint ventures)	Dollars	\$197,040	\$109,896	79.3%	\$144,439	\$103,017	40.2%	\$115,918	\$63,317	83.1%
(IL, MN, OH)	Avg. Price	\$242,064	\$222,913	8.6%	\$234,860	\$215,067	9.2%	\$232,301	\$211,057	10.1%
Southeast	0							. ,		
(includes unconsolidated	Home	681	450	51.3%	566	370	53.0%	283	168	68.5%
joint ventures)	Dollars	\$176,735	\$109,459	61.5%	\$140,965	\$89,724	57.1%	\$79,340	\$43,570	82.1%
(FL, GA, NC, SC)	Avg. Price	\$259,523	\$243,242	6.7%	\$249,055	\$242,497	2.7%	\$280,353	\$259,345	8.1%
Southwest										
(includes unconsolidated	Home	2,178	1,720	26.6%	2,003	1,726	16.0%	506	331	52.9%
joint ventures)	Dollars	\$590,208	\$404,715	45.8%	\$515,757	\$418,631	23.2%	\$160,840	\$86,388	86.2%
(AZ, TX)	Avg. Price	\$270,986	\$235,299	15.2%	\$257,492	\$242,544	6.2%	\$317,866	\$260,991	21.8%
West	Ū									
(includes unconsolidated	Home	691	543	27.3%	622	522	19.2%	197	128	53.9%
joint ventures)	Dollars	\$266,288	\$167,860	58.6%	\$225,663	\$151,849	48.6%	\$81,973	\$41,348	98.3%
(CA)	Avg. Price	\$385,366	\$309,134	24.7%	\$362,802	\$290,898	24.7%	\$416,107	\$323,031	28.8%
Grand Total										
(includes unconsolidated	Home	5,838	4,488	30.1%	5,356	4,216	27.0%	2,145	1,663	29.0%
joint ventures)	Dollars	\$1,916,107	\$1,331,602	43.9%	\$1,726,237	\$1,244,817	38.7%	\$742,223	\$552,354	34.4%
5	Avg. Price	\$328,213	\$296,703	10.6%	\$322,300	\$295,260	9.2%	\$346,025	\$332,143	4.2%
Consolidated Total	Ū				. ,			. ,		
(excludes unconsolidated	Home	5,137	4,023	27.7%	4,676	3,832	22.0%	1,889	1,387	36.2%
joint ventures)	Dollars	\$1,597,698	\$1,129,785	41.4%	\$1,405,580	\$1,072,474	31.1%	\$632,318	\$440,200	43.6%
· ·	Avg. Price	\$311,018	\$280,831	10.7%	\$300,595	\$279,873	7.4%	\$334,737	\$317,376	5.5%
Unconsolidated		,	P.		,	,		*	,	
Joint Ventures	Home	701	465	50.8%	680	384	77.1%	256	276	(7.2)%
	Dollars	\$318,409	\$201,817	57.8%	\$320,657	\$172,343	86.1%	\$109,905	\$112,154	(2.0)%
	Avg. Price	\$454,221	\$434,015	4.7%	\$471,554	\$448,810	5.1%	\$429,316	\$406,355	5.7%
DELIVERIES INCLUDE										

Communities Under Development

Notes:

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