SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2 ON
FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 4, 1998

BEAZER HOMES USA, INC.
(Exact name of Registrant as specified in its charter)

Delaware	58-2086934
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5775 Peachtree Dunwoody Road, Suite B-200, Atlanta, Georgia 30342
(Address of principal executive offices) (Zip code)

(404) 250-3420
(Registrant's telephone number including area code)

5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342
(Former name and former address, if
changed since last report)

This Amendment No. 2 amends Item 7 of the Current Report on Form 8-K/A dated December 4, 1998 (the "Current Report") of Beazer Homes USA, Inc. ("Beazer" or the "Company") filed with the Securities and Exchange Commission on December 13, 1998, relating to the Company's acquisition of the residential assets of Trafalgar House Property, Inc. and subsidiaries ("Trafalgar House"), the US homebuilding operations of Kvaerner PLC, to include the information set forth below:

Item 7. Financial Statements, Pro Forma Information and Exhibits

(a) Financial Statements of Business Acquired.

In accordance with Item 7(a), attached as Exhibit 99.1 is the statement of net assets to be acquired of Trafalgar House as of December 31, 1997 and the related statement of revenues and direct expenses for the year ended December 31, 1997 and independent auditors' report thereon. Attached as Exhibit 99.2 is the unaudited statement of net assets to be acquired of Trafalgar House as of September 30, 1998, and the related unaudited statements of revenues and direct expenses for the nine months ended September 30, 1998 and 1997, and the accompanying notes.

(b) Pro Forma Financial Information.

In accordance with Item 7(b), attached as Exhibit 99.3 is the unaudited pro forma condensed combined balance sheet as of September 30, 1998 and the unaudited pro forma condensed combined statement of operations for the year ended September 30, 1998.

(c) Exhibits.

23.3	Consent of Arthur Andersen LLP, Independent Public Accountants
99.1	Statement of net assets to be acquired of Trafalgar House as of December 31, 1997 and the related audited statement of revenues and direct expenses for the year ended December 31, 1997 and independent auditors' report thereon.
99.2	Unaudited statement of net assets to be acquired of Trafalgar House as of September 30, 1998, and the related unaudited statements of revenues and direct expenses for the nine months ended September 30, 1998 and 1997 and the accompanying notes.
99.3	Unaudited pro forma condensed combined balance sheet as of September 30, 1998 and the related unaudited pro forma condensed combined statement of operations for the year ended September 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Beazer Homes USA, Inc.

February 15, 1999	By: /s/ David S. Weiss
Date	David S. Weiss, Executive Vice President and Chief Financial Officer

Exhibit 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report on Trafalgar House Property, Inc. and Subsidiaries--Residential Homebuilding Operations dated December 15, 1998 for the year ended December 31, 1997 and to all references to our Firm included in this Form 8-K/A.

/s/ Arthur Andersen LLP
Arthur Andersen LLP

New York, New York
February 15, 1999

EXHIBIT 99.1

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES
RESIDENTIAL HOMEBUILDING OPERATIONS

FINANCIAL STATEMENTS OF NET ASSETS TO BE ACQUIRED
AS OF DECEMBER 31, 1997
TOGETHER WITH AUDITORS' REPORT

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Trafalgar House Property, Inc.:

We have audited the accompanying statement of net assets to be acquired of the residential homebuilding operations of Trafalgar House Property, Inc. and subsidiaries (the "Company"), as of December 31, 1997, and the related statement of revenues and direct expenses for the year then ended. These statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, certain assets of the residential homebuilding operations of the Company were acquired and certain related liabilities were assumed by Beazer Homes Corp., in December 1998 pursuant to the Sale and Purchase Agreement dated October 26, 1998. Accordingly, the accompanying financial statements were prepared to present the net assets to be acquired and the related revenues and direct expenses for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Form 8-K of Beazer Homes USA, Inc., and are not intended to be a complete presentation of the Company's assets, liabilities, revenues and expenses.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets to be acquired of the residential homebuilding operations of Trafalgar House Property, Inc. and subsidiaries as of December 31, 1997, and the related revenues and direct expenses for the year then ended in conformity with generally accepted accounting principles.

/s/ Arthur Andersen
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New York, New York
December 15, 1998

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES

RESIDENTIAL HOMEBUILDING OPERATIONS

STATEMENT OF NET ASSETS TO BE ACQUIRED

DECEMBER 31, 1997

(000's omitted)

ASSETS	
REAL ESTATE DEVELOPMENT:	
Residential housing under construction and other development costs	$ 67,152
Land and land improvement costs	57,145
FIXED ASSETS, net	372
INVESTMENT IN AND LOANS TO JOINT VENTURE	696
OTHER ASSETS (Note 3)	3,229
Total assets	128,594
LIABILITIES	
ACCOUNTS PAYABLE AND ACCRUED EXPENSES (Note 4)	10,631
OTHER LIABILITIES	2,365
Total liabilities	12,996
COMMITMENTS AND CONTINGENCIES (Note 6)	
Net assets to be acquired	$ 115,598

The accompanying notes are an integral part of this statement.

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES

RESIDENTIAL HOMEBUILDING OPERATIONS

STATEMENT OF REVENUES AND DIRECT EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1997

(000's omitted)

REVENUES:	
Residential home sales	$ 165,576
Share of joint venture income	975
Total revenues	166,551
DIRECT EXPENSES:	
Cost of residential home sales	151,556
Selling, general and administrative expenses	9,004
Total direct expenses	160,560
Excess of revenues over direct expenses	$ 5,991

The accompanying notes are an integral part of this statement.

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES

RESIDENTIAL HOMEBUILDING OPERATIONS

NOTES TO FINANCIAL STATEMENTS OF NET ASSETS TO BE ACQUIRED

DECEMBER 31, 1997

(000's omitted)

1. ORGANIZATION AND BUSINESS

Trafalgar House Property, Inc. and Subsidiaries (the "Company") is an indirect wholly owned subsidiary of Kvaerner ASA ("Kvaerner"). The Company's residential homebuilding operations principally engage in the development and sale of residential real estate in the states of New Jersey, Pennsylvania, Maryland and Virginia.

In October 1998, the Company entered into the Sale and Purchase Agreement, dated October 26, 1998 (the "Sale Agreement") with Beazer Homes Corp. ("Beazer") for Beazer to acquire certain assets and assume certain liabilities of the residential homebuilding operations of the Company. This transaction closed on December 4, 1998 for a sales price of approximately $99,300. Beazer assigned its rights and obligations to acquire certain of the assets included in the accompanying Statement of Net Assets to be Acquired to an unaffiliated third party.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The financial statements were prepared to present the net assets to be acquired by Beazer of the Company's residential homebuilding operations and the related revenues and direct expenses for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Form 8-K of Beazer Homes USA, Inc.

The abbreviated financial statements of the Company's residential homebuilding operations to be acquired are presented in lieu of full financial statements of the Company's entire residential homebuilding business as the Company does not maintain a stand-alone capital structure for such business and due to the lack of appropriate and reasonable intercompany management and interest charges. The Statement of Net Assets to be Acquired excludes any amounts related to the capitalization of the Company as well as any cash accounts. The Statement of Revenues and Direct Expenses excludes only those costs not directly involved in the revenue-producing activities of the residential homebuilding operations, such as corporate overhead charges, interest and income taxes. Accordingly, the accompanying financial statements are not intended to be a complete presentation of the assets, liabilities, revenues and expenses of the Company or of the Company's residential homebuilding business. Further, the accompanying financial statements are not indicative of the Company's financial condition or results of operations on a stand-alone basis and are not indicative of the Company's financial condition or results of operations under ownership of an entity other than Kvaerner.

REAL ESTATE DEVELOPMENT

Residential real estate held for development and sale is carried at historical cost and reviewed periodically for impairment. All direct costs and allocated indirect costs incurred during the period of development are capitalized. Development costs are relieved through cost of sales on a specific identification basis and a per unit allocation basis, as applicable.

REVENUE RECOGNITION

Revenues from residential home sales are accounted for on the full accrual method. Under the full accrual method of accounting, revenues are recognized when a sale is consummated, title is transferred to the buyer and adequate consideration has been received. Option revenues and lot premiums are recognized on a lot-specific basis.

OTHER LIABILITIES

Other liabilities represent liabilities for the cost to complete projects where the last home has been settled. Cost to complete includes site work required to enable the release of performance bonds and letters of credit related to development activities and ongoing customer service obligations which arise during the warranty period.

All homes sold by the Company are enrolled in a homeowner's warranty program with Residential Warranty Corporation. The Company is responsible for defects for one full year on the entire house with an additional one-year on mechanical, heating, ventilating and air-conditioning systems. Residential Warranty Corporation warrants any structural defects for years three through ten.

INVESTMENT IN JOINT VENTURE

The Company is a 50% partner in the Trafalgar-Astrab Associates joint venture, which is developing residential real estate for sale. The investment in joint venture is accounted for under the equity method, after considering priority distributions to the joint venture partners.

FIXED ASSETS

Fixed assets are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture and fixtures	5 years
Equipment and vehicles	4 years
Computer equipment	3 years

USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates and assumptions for the Company relate to the recoverable value of the real estate development assets and the liabilities associated with certain commitments and contingencies.

3. OTHER ASSETS

Other assets consisted of the following at December 31, 1997:

Land deposits	$ 674
Project escrows	2,444
Prepaids and other	111
	$ 3,229

4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at December 31, 1997:

Land creditors	$ 304
Sales deposits	1,709
Trade creditors and accrued expenses	8,618
	$ 10,631

Land creditors consist of notes payable to land sellers which are secured by mortgages on the underlying land. Interest rates range from 0% to 7.75%.

5. CASH FLOW INFORMATION

Cash flow information related to the net assets to be acquired is as follows:

Cash flows from operating activities:	
Excess of revenues over direct expenses	$ 5,991
Adjustments to reconcile excess of revenues over direct expenses to net cash provided by operating activities-	
Changes in operating assets and liabilities-	
Increase in residential housing under construction and other development costs	(1,773)
Decrease in land and land improvement costs	9,257
Increase in other assets	(44)
Decrease in accounts payable and accrued expenses	(1,536)
Decrease in other liabilities	(1,785)
Net cash provided by operating activities	10,110
Cash flows from investing activities:	
Purchase of fixed assets	(305)
Net distributions from Joint Venture	2,376
Net cash provided by investing activities	2,071
Net cash transferred to the Company	$ 12,181

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company owns land parcels for future development and has made deposits related to option agreements to acquire land parcels. Land parcels vary in terms of the extent of entitlements obtained that are necessary to commence development, which will impact the timing and ability to develop such parcels, and ultimately the Company's ability to recover its investments. The realization of assets related to nonrefundable deposits, acquisition costs and capitalized development costs is dependent on the Company successfully obtaining various government approvals related to entitlements, sewer access and environmental remediation.

The Company was contingently liable in the amount of $43,100 as of December 31, 1997 in connection with letters of credit and surety bonds created to satisfy performance bond requirements of certain townships and counties in which the Company is developing properties and other obligations.

As of December 31, 1997, the Company had costs to complete of approximately $1,300 and customer service provisions of approximately $500 related to ongoing projects, which have been recorded as a reduction of residential housing under construction and other development costs. In addition, as of December 31, 1997, the Company had project completion liabilities of approximately $1,900 and customer service liabilities of approximately $500, which primarily represent the costs to complete projects where the last home has been settled.

EXHIBIT 99.2

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES
RESIDENTIAL HOMEBUILDING OPERATIONS

FINANCIAL STATEMENTS OF NET ASSETS TO BE ACQUIRED
AS OF SEPTEMBER 30, 1998
(Unaudited)

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES

RESIDENTIAL HOMEBUILDING OPERATIONS

STATEMENT OF NET ASSETS TO BE ACQUIRED

SEPTEMBER 30, 1998

(000's omitted)

(Unaudited)

ASSETS	
REAL ESTATE DEVELOPMENT:	
Residential housing under construction and other development costs	$ 73,789
Land and land improvement costs	63,658
FIXED ASSETS, net	312
OTHER ASSETS (Note 3)	3,844
Total assets	141,603
LIABILITIES	
ACCOUNTS PAYABLE AND ACCRUED EXPENSES (Note 4)	20,143
OTHER LIABILITIES	1,859
Total liabilities	22,002
COMMITMENTS AND CONTINGENCIES (Note 6)	
Net assets to be acquired	$ 119,601

The accompanying notes are an integral part of this statement.

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES

RESIDENTIAL HOMEBUILDING OPERATIONS

STATEMENTS OF REVENUES AND DIRECT EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997

(000's omitted)

(Unaudited)

	1998	1997
REVENUES:		
Residential home sales	$ 151,214	$ 124,698
Share of joint venture income	418	616
Total revenues	151,632	125,314
DIRECT EXPENSES:		
Cost of residential home sales	137,234	114,527
Selling, general and administrative expenses	7,372	7,265
Total direct expenses	144,606	121,792
Excess of revenues over direct expenses	$ 7,026	$ 3,522

The accompanying notes are an integral part of these statements.

TRAFALGAR HOUSE PROPERTY, INC. AND SUBSIDIARIES

RESIDENTIAL HOMEBUILDING OPERATIONS

NOTES TO FINANCIAL STATEMENTS OF NET ASSETS TO BE ACQUIRED

SEPTEMBER 30, 1998

(000's omitted)

(Unaudited)

1. ORGANIZATION AND BUSINESS

Trafalgar House Property, Inc. and Subsidiaries (the "Company") is an indirect wholly owned subsidiary of Kvaerner ASA ("Kvaerner"). The Company's residential homebuilding operations principally engage in the development and sale of residential real estate in the states of New Jersey, Pennsylvania, Maryland and Virginia.

In October 1998, the Company entered into the Sale and Purchase Agreement dated October 26, 1998 (the "Sale Agreement") with Beazer Homes Corp. ("Beazer") for Beazer to acquire certain assets and assume certain liabilities of the residential homebuilding operations of the Company. This transaction closed on December 4, 1998 for a sales price of approximately $99,300. Beazer assigned its rights and obligations to acquire certain of the assets included in the accompanying Statement of Net Assets to be Acquired to an unaffiliated third party.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The financial statements were prepared to present the net assets to be acquired by Beazer of the Company's residential homebuilding operations and the related revenues and direct expenses for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Form 8-K of Beazer Homes USA, Inc.

The abbreviated financial statements of the Company's residential homebuilding operations to be acquired are presented in lieu of full financial statements of the Company's entire residential homebuilding business as the Company does not maintain a stand-alone capital structure for such business and due to the lack of appropriate and reasonable intercompany management and interest charges. The Statement of Net Assets to be Acquired excludes any amounts related to the capitalization of the Company as well as any cash accounts. The Statements of Revenues and Direct Expenses exclude only those costs not directly involved in the revenue-producing activities of the residential homebuilding operations, such as corporate overhead charges, interest and income taxes. Accordingly, the accompanying financial statements are not intended to be a complete presentation of the assets, liabilities, revenues and expenses of the Company or of the Company's residential homebuilding business. Further, the accompanying financial statements are not indicative of the Company's financial condition or results of operations on a stand-alone basis and are not indicative of the Company's financial condition or results of operations under ownership of an entity other than Kvaerner.

REAL ESTATE DEVELOPMENT

Residential real estate held for development and sale is carried at historical cost and reviewed periodically for impairment. All direct costs and allocated indirect costs incurred during the period of development are capitalized. Development costs are relieved through cost of sales on a specific identification basis or a per unit allocation basis, as applicable.

REVENUE RECOGNITION

Revenues from residential home sales are accounted for on the full accrual method. Under the full accrual method of accounting, revenues are recognized when a sale is consummated, title is transferred to the buyer and adequate consideration has been received. Option revenues and lot premiums are recognized on a lot-specific basis.

OTHER LIABILITIES

Other liabilities represent liabilities for the cost to complete projects where the last home has been settled. Cost to complete includes site work required to enable the release of performance bonds and letters of credit related to development activities and ongoing customer service obligations which arise during the warranty period.

All homes sold by the Company are enrolled in a homeowner's warranty program with Residential Warranty Corporation. The Company is responsible for defects for one full year on the entire house with an additional one year on mechanical, heating, ventilating and air-conditioning systems. Residential Warranty Corporation warrants any structural defects for years three through ten.

INVESTMENT IN JOINT VENTURE

The Company is a 50% partner in the Trafalgar-Astrab Associates joint venture, which is developing residential real estate for sale. The investment in joint venture is accounted for under the equity method, after considering priority distributions to the joint venture partners.

FIXED ASSETS

Fixed assets are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture and fixtures	5 years
Equipment and vehicles	4 years
Computer equipment	3 years

USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates and assumptions for the Company relate to the recoverable value of the real estate development assets and the liabilities associated with certain commitments and contingencies.

3. OTHER ASSETS

Other assets consisted of the following at September 30, 1998:

Land deposits	$ 1,212
Project escrows	2,469
Prepaids and other	163
	$ 3,844

4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at September 30, 1998:

Land creditors	$ 1,054
Sales deposits	4,755
Trade creditors and accrued expenses	14,334
	$ 20,143

Land creditors consist of notes payable to land sellers which are secured by mortgages on the underlying land. Interest rates range from 0% to 7.75%.

5. CASH FLOW INFORMATION

Cash flow information related to the net assets to be acquired is as follows:

	1998	1997
Cash flows from operating activities:		
Excess of revenues over direct expenses	$ 6,926	$ 3,522
Adjustments to reconcile excess of revenues over direct expenses to net cash provided by operating activities-		
Changes in operating assets and liabilities-		
Increase in residential housing under construction and other development costs	(6,637)	(848)
(Increase) decrease in land and land improvement costs	(6,513)	7,457
Increase in other assets	(615)	(319)
Increase in accounts payable and accrued expenses	9,512	4,524
Decrease in other liabilities	(506)	(1,661)
Net cash provided by operating activities	2,167	12,675
Cash flows from investing activities:		
Purchase of fixed assets	(58)	(292)
Net distributions from Joint Venture	824	1,270
Net cash provided by investing activities	766	978
Net cash transferred to the Company	$ 2,933	$ 13,653

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company owns land parcels for future development and has made deposits related to option agreements to acquire land parcels. Land parcels vary in terms of the extent of entitlements obtained that are necessary to commence development, which will impact the timing and ability to develop such parcels, and ultimately the Company's ability to recover its investments. The realization of assets related to nonrefundable deposits, acquisition costs and capitalized development costs is dependent on the Company successfully obtaining various government approvals related to entitlements, sewer access and environmental remediation.

The Company was contingently liable in the amount of $39,000 as of September 30, 1998 in connection with letters of credit and surety bonds created to satisfy performance bond requirements of certain townships and counties in which the Company is developing properties and other obligations.

As of September 30, 1998, the Company had costs to complete of approximately $1,100 and customer service provisions of approximately $600 related to ongoing projects, which have been recorded as a reduction of residential housing under construction and other development costs. In addition, as of September 30, 1998, the Company had project completion liabilities of approximately $1,200 and customer service liabilities of approximately $600, which primarily represent the costs to complete projects where the last home has been settled.

EXHIBIT 99.3

The following unaudited pro forma condensed financial information as of and for the year ended September 30, 1998 has been prepared to reflect Beazer's purchase of certain net assets of the residential homebuilding operations of Trafalgar House Property, Inc. and Subsidiaries ("THPI") on December 4, 1998 for approximately $90 million in cash (not including $1.8 million of direct acquisition costs), as if this acquisition had occurred at September 30, 1998 for purposes of the pro forma balance sheet and on October 1, 1997 for purposes of the pro forma statement of operations. The acquisition has been accounted for as a purchase and, accordingly the purchase price has been tentatively allocated to reflect the fair value of assets and liabilities acquired. Such allocation resulted principally in a reduction in inventory from THPI's historical carrying value and no residual goodwill. Pro forma adjustments have been made in the accompanying statements to reflect the impact of purchase accounting and other items that Company management believes reasonable under the circumstances.

The unaudited pro forma condensed financial information is provided for comparative purposes only and does not purport to be indicative of the results that would actually have been obtained had the acquisition been effected on October 1, 1997, or of the results which may be obtained in the future. The unaudited pro forma condensed financial information should be read in conjunction with the historical financial statements and notes thereto of Beazer, which are incorporated by reference in the Company's Annual Report on Form 10-K for the year ended September 30, 1998, and the historical financial statements of THPI included herein.

BEAZER HOMES USA, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 1998

	Beazer Historical	THPI (1)	Pro forma Adjustments	Beazer Pro forma Combined
Revenues	$ 977,409	$192,869	$ (777) (2)	$1,169,501
Costs and expenses:				
Home construction and land sales	811,203	174,263	(15,486) (3)	969,980
Interest	19,031	--	6,700 (4)	25,731
Selling, general and administrative expense	110,259	9,111	8,827 (5)	128,197
Operating income	36,916	9,495	(818)	45,593
Other income	578	--	777 (2)	1,355
Income before income taxes	37,494	9,495	(41)	46,948
Income taxes	14,293	--	3,602 (6)	17,895
Net income	$ 23,201	$ 9,495	$ (3,643)	$ 29,053
Preferred dividends	$ 4,000			$ 4,000
Net income to common shareholders	$ 19,201			$ 25,053
Net income per share:				
Basic	$ 3.27			$ 4.27
Diluted	$ 2.66			$ 3.33
Weighted average shares outstanding, in thousands:				
Basic	5,864,182			$5,864,182
Diluted	8,730,863			$8,730,863

Footnote:

(1) Represents the statement of revenues and direct expenses of the acquired assets of THPI. The amounts were derived as follows:

	Year ended December 31, 1997 (audited)	Less: 9 months ended September 30, 1997 (unaudited)	Plus: 9 months ended September 30, 1998 (unaudited)	Year ended September 30, 1998 (unaudited)
Revenues	$ 166,551	$ 125,314	$ 151,632	$ 192,869
Costs and expenses:				
Home construction and land sales	151,556	114,527	137,234	174,263
Interest	--	--	--	--
Selling, general and administrative expense	9,004	7,265	7,372	9,111
Operating income	5,991	3,522	7,026	9,495
Other income	--	--	--	--
Income before income taxes	5,991	3,522	7,026	9,495
Income taxes	--	--	--	--
Net income	$ 5,991	$ 3,522	$ 7,026	$ 9,495

(2) To reclassify THPI joint venture income to other income to conform to Beazer's presentation.

(3) To adjust cost of home construction and land sales for a) purchase price adjustments resulting from the acquisition of THPI's net assets at a price of $29 million below the historical book value of the net assets acquired (This pro forma adjustment has been computed to adjust THPI's gross profit margin before interest to Beazer's expected profit margin of 17.3%) and b) to reclassify $8.9 million from cost of home

construction and land sales to SG&A to conform to Beazer's classification.

(4) To impute interest expense on the cash purchase price based upon the Company's effective borrowing rate for the year (7.7 %)

(5) To adjust selling, general and administrative expense to reflect the reduction in depreciation expense of the combined entity as a result of certain assets disposed of as a part of the acquisition and to reclassify certain costs from home construction and land sales into SG&A--see note 3.

(6) To impute income tax expense based upon Beazer's marginal income tax rate.

BEAZER HOMES USA, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
SEPTEMBER 30, 1998

	Beazer Historical	THPI (1)	Pro forma Adjustments		Pro forma Combined
ASSETS					
Cash and cash equivalents	$67,608	--	$ (67,608)	(2)	--
Accounts receivable	16,949	--	--		$ 16,949
Inventory	405,095	$138,659	(37,615)	(3)	506,139
Deferred tax asset	3,283	--	--		3,283
Property, plant and equipment, net	12,332	312	(150)	(4)	12,494
Goodwill, net	8,853	--	--		8,853
Other assets	11,471	2,632	--		14,103
Total Assets	$525,591	$141,603	$(105,373)		$561,821
LIABILITIES AND STOCKHOLDERS' EQUITY					
Trade accounts payable	$61,942	$19,089	--		$ 81,031
Other liabilities	49,425	2,913	--		52,338
Revolving credit facility	--	--	$ 14,228	(2)	14,228
Senior Notes	215,000	--	--		215,000
Total Liabilities	326,367	22,002	14,228		362,597
Stockholders' Equity:					
Preferred stock (par value $0.01 per share, 5,000,000 shares authorized, 2,000,000 issued and outstanding, $50,000 aggregate liquidation preference)	20	--	--		20
Common stock (par value $0.01 per share, 30,000,000 shares authorized, 9,559,200 issued, 6,267,423 outstanding)	93	--	--		93
Paid-in-capital	192,729	119,601	(119,601)	(5)	192,729
Retained earnings	64,003	--	--		64,003
Unearned restricted stock	(5,638)	--	--		(5,638)
Treasury stock, at cost (3,291,777 shares)	(51,983)	--	--		(51,983)
Total Stockholders' Equity	199,224	119,601	(119,601)		199,224
Total Liabilities and Stockholders' Equity	$525,591	$141,603	$(105,373)		$561,821

Footnotes:

(1) Represents the historical book value of THPI's assets and liabilities.

(2) To reflect the funding of the purchase price of the acquisition including approximately $1.8 million of transaction costs associated with the acquisition offset by assets purchased directly from THPI by a third party - see note 3.

(3) To adjust THPI's acquired inventory to its estimated fair market value. The historical book value of THPI's inventory is further reduced by approximately $10.6 million to account for certain parcels of land not acquired by Beazer, but purchased directly from THPI by a third party .

(4) To adjust THPI's property, plant and equipment to its estimated fair market value.

(5) To eliminate THPI's historical stockholder's equity.