BEAZER HOMES USA INC
Form 424B5
July 12, 2012
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Registration No. 333-172483

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JUNE 20, 2011

22,000,000 Shares

Beazer Homes USA, Inc.

Common Stock

We are selling 22,000,000 shares of our common stock.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to 3,300,000 additional shares of our common stock at the public offering price less the underwriting discounts.

Our common stock is listed on the New York Stock Exchange under the symbol BZH. The closing price on the New York Stock Exchange on July 10, 2012 was $2.98 per share.

Concurrently with this offering of common stock, pursuant to a separate prospectus supplement, we are offering 4,000,000 7.50% tangible equity units (or 4,600,000 tangible equity units if the underwriters exercise their over-allotment option in full with respect to the tangible equity units offering). The completion of this offering is not contingent on the completion of the offering of the tangible equity units, and the completion of the offering of the tangible equity units is not contingent on the completion of this offering.

Investing in our common stock involves risks. See Risk Factors beginning on page S-10 of this prospectus supplement and any risk factors described in the documents we incorporate by reference.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Beazer Homes USA, Inc.
Per Share	$2.90	$0.145	$2.755

Total	$63,800,000	$3,190,000	$60,610,000

Delivery of the shares, in book-entry form, will be made on or about July 16, 2012.

Joint Book-Running Managers

Credit Suisse **Goldman, Sachs & Co.** **Deutsche Bank Securities** **UBS Investment Bank**

Co-Managers

KKR **Moelis & Company**

The date of this prospectus supplement is July 10, 2012

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any free writing prospectus we have authorized for use in connection with this offering. We have not, and the underwriters have not, authorized anyone else to provide you with different or additional information. You should not rely upon any information or representation not contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any such free writing prospectus. We are not, and the underwriters are not, making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where the offer, sale or solicitation is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and any such free writing prospectus is accurate only as of its date (or, with respect to any document that is incorporated by reference, the date of that document), even though this prospectus supplement, the accompanying prospectus or any such free writing prospectus may be delivered or securities may be sold on a later date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which information does not apply to the common stock we are offering. To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

In this prospectus supplement, we, us, our, the Company or Beazer Homes refer to Beazer Homes USA, Inc. and its subsidiaries, unless we s otherwise or the context indicates otherwise.

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SUMMARY

This summary highlights selected information about us contained elsewhere or incorporated by reference in this prospectus supplement. It may not contain all the information that may be important to you in deciding whether to invest in our common stock. You should carefully read this entire prospectus supplement and the accompanying prospectus, together with the information to which we refer and the information incorporated by reference herein, including the financial data and related notes and the Risk Factors section, before making an investment decision.

Beazer Homes USA, Inc.

We are a geographically diversified homebuilder with active operations in 16 states. Our homes are designed to appeal to homeowners at various price points across various demographic segments and are generally offered for sale in advance of their construction. Our objective is to provide our customers with homes that incorporate exceptional value and quality while seeking to maximize our return on invested capital over time.

Our principal executive offices are located at 1000 Abernathy Road, Suite 260, Atlanta, Georgia 30328, telephone (770) 829-3700. We also provide information about our active communities through our Internet website located at http://www.beazer.com. Information on our website is not a part of and shall not be deemed incorporated by reference in this prospectus supplement.

Recent Developments

Market and Company Update

Over the past four quarters, we have demonstrated significant improvement in new home orders, home closings and backlog. We believe these improvements have arisen both as a result of improving market conditions for new home sales, and due to the business improvement and operational strategies we have employed. In particular, we have placed significant emphasis on increasing sales per community per month and on broadening the base of communities contributing to sales. Over the past year, our trailing four quarter sales per community per month has increased from approximately 1.7 at June 30, 2011 to 2.2 at June 30, 2012. At the same time, the proportion of our communities generating fewer than 3 sales in a quarter has declined from 27% in the fiscal third quarter of 2011 to 10% in the third quarter of fiscal 2012.

There is much reported evidence of strengthening conditions in the housing market, from increases in new home sales, to increases in existing home sales to improvements in home prices in many markets. At the same time, new home sales activity remains at very low levels despite historic levels of housing affordability, low mortgage interest rates and improving job growth. Consistent with expectations of many market participants and analysts, we believe that national housing starts will likely increase markedly over the next several years. In particular we expect improvements in housing start activity to be robust in Florida, California, Texas, North Carolina and Arizona.

While pursuing our business improvement and operational strategies, we have employed a very cautious land acquisition strategy to ensure operational resources have been focused on existing community performance. Given the success of our efforts and the improvement in the overall housing market, we believe now is an appropriate time to pursue growth in new communities more aggressively. In particular, we believe we can generate attractive returns on incremental capital deployed into the markets most likely to grow significantly in the next several years, which will assist us in accelerating a return to profitability. Over the past year, we have taken steps to broaden and deepen our local management teams in these markets, and we have compiled a significant pipeline of prospective new community transactions in all of our markets.

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While it is possible that we could return to profitability without additional equity financing, we believe strengthening the balance sheet with additional capital will allow us to better participate in the emerging housing recovery. As such, we intend to use the proceeds of this offering, together with the proceeds from the concurrent offering of tangible equity units, if completed, to fund an expansion in our new home community count and for general corporate purposes, including the repayment of outstanding indebtedness. Please see Use of Proceeds.

Third Quarter Results

For our third fiscal quarter ended June 30, 2012, we expect to report significant year-over-year increases in net new home orders, home closings and backlog from continuing operations, representing our fourth consecutive quarter with year-over-year increases in such metrics. The expected changes in net new home orders, closings and backlog for the third quarter of fiscal 2012 compared to the same period in fiscal 2011 for each of our operating regions is set forth below:

Unit Data by Segment

	Quarter Ended June 30,								
	New Orders, net			Closings			Backlog		
	2012	2011	Change	2012	2011	Change	2012	2011	Change
West	730	447	63%	455	273	67%	1,064	637	67%
East	486	466	4%	382	311	23%	891	837	6%
Southeast	339	302	12%	272	207	31%	466	346	35%
Total	1,555	1,215	28%	1,109	791	40%	2,421	1,820	33%

We expect to report revenue for the third fiscal quarter ended June 30, 2012 of between $250 million and $260 million. Further, we expect to report an unrestricted cash balance as of June 30, 2012 of between $220 million and $240 million.

We are currently in the process of finalizing our consolidated financial results for our third fiscal quarter ended June 30, 2012, and therefore, our actual results for the third quarter are not yet available. The preliminary financial and operating data for the presented above quarter ended June 30, 2012 are subject to change pending finalization, and actual results could differ as we finalize such results.

Concurrent Offering of Tangible Equity Units

Concurrently with this offering, pursuant to a separate prospectus supplement, we are offering 4,000,000 of our 7.50% tangible equity units in an underwritten public offering (4,600,000 if the underwriters fully exercise their option to purchase additional tangible equity units to cover over-allotments, if any). Assuming no exercise of the underwriters over-allotment option with respect to the tangible equity units offering, we estimate that the net proceeds of the tangible equity units offering, after deducting the underwriting discount and estimated expenses, will be approximately $96.5 million, although there can be no assurance that the tangible equity units offering will be completed.

Completion of this offering is not contingent on the completion of the tangible equity units offering and the completion of the tangible equity units offering is not contingent on the completion of this offering.

Other Potential Refinancing Opportunities

Subject to both market conditions and the successful completion of this offering and the concurrent offering of tangible equity units, we expect to pursue additional refinancing transactions designed to strengthen the Company s balance sheet by reducing interest expense, extending debt maturities and improving our financial flexibility. These refinancings could include the issuance of secured or unsecured debt to repay, redeem or discharge existing debt. In connection with these refinancings, we intend to redeem all of our 12.0% senior secured notes due 2017 and continue to seek other refinancing opportunities, which may include the repurchase, redemption or repayment of certain of our other indebtedness, including our 6.875% senior notes due 2015. Further, we may engage in selective repurchases or other transactions to reduce amounts outstanding of our unsecured debt.

We believe these transactions, if consummated, will provide us with additional financial flexibility as we strive to accelerate our return to sustainable profitability. Whether we pursue a particular refinancing alternative is subject to market and other conditions, and we can make no assurances that we will be able to complete any refinancing transaction on terms that are acceptable to us or at all.

Secured Revolving Credit Agreement

While we believe we possess sufficient liquidity to participate in a housing recovery, we are mindful of potential short-term, or seasonal, requirements for enhanced liquidity that may arise. As such, we have negotiated a commitment letter with four financial institutions for a proposed $150 million secured revolving credit agreement, which would replace our existing credit facility. This commitment letter remains subject to certain conditions, including the successful completion of this offering and the concurrent offering of tangible equity units.

The proposed revolving credit facility is subject to certain conditions, including the negotiation, execution and delivery of definitive documentation and there having not occurred any event that would have a material adverse effect on our business or financial condition. As such, we can make no assurances that we will be able to complete the proposed credit facility on terms that are acceptable to us or at all.

Impact of Transactions on Use of our NOLs; NOL Protections to Remain in Place

In recent years, we have generated significant net operating losses and unrealized tax losses (collectively, NOLs). These NOLs generally may be carried forward for a 20-year period to offset future taxable income and reduce our federal income tax liability. In addition, we believe we have significant built-in losses in our assets (i.e. an excess tax basis over fair market value) that may result in tax losses as such assets are sold. Built-in losses, if and when recognized, generally will result in tax losses that may then be deducted or carried forward.

At March 31, 2012, our cumulative NOLs and our estimated built-in losses gave rise to a total deferred tax asset of $480.1 million, net of certain deferred tax liabilities. All but $6.1 million of these deferred tax assets were reduced by a valuation allowance required under GAAP and therefore do not currently contribute to book value. Until we generate taxable income, these NOLs are likely to become larger. Under GAAP, as long as a future ownership change under Section 382 of the Internal Revenue Code, as amended, does not occur, we will be able to remove all or a portion of the valuation allowance associated with these deferred tax assets upon achievement of sustained profitability.

Because we cannot predict when or to what extent we will return to profitability we have previously taken significant steps to protect our ability to utilize these tax assets in future years. We carefully monitor potential Section 382 ownership shifts. Prior to any impact from the proposed transactions, our rolling equity shift was approximately 19%, with 12% due to expire in May of 2013. If both of the common stock and concurrent tangible equity unit transactions are completed as currently contemplated in this prospectus supplement, we estimate that the Section 382 ownership shift will increase to less than 35%.

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In 2011, in order to preserve the tax benefits of our deferred tax assets, our shareholders approved the following two protective mechanisms, which are designed to prevent an unintentional Section 382 ownership shift:

- an amendment to our certificate of incorporation that generally operates to prevent or cancel a transfer of our common stock if the effect would be to (i) increase the ownership of our common stock by any person from less than 4.95% to 4.95% or more; or (ii) increase the percentage of our common stock owned by a person owning 4.95% or more of our common stock; and

- a rights agreement that is intended to act as a deterrent to any person desiring to acquire 4.95% or more of our common stock.

Our Board of Directors expects to continue to use these deferred tax protections for the forseeable future. For more information regarding our NOL protections, please see Description of Capital Stock.

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The Offering

Common Stock Offered by Us	22,000,000 shares
Underwriters Option to Purchase Additional Shares from Us	3,300,000 shares
Common Stock to be Outstanding After this Offering	123,116,819 shares
Use of proceeds	We expect to receive net proceeds from this offering of approximately $60.1 million (or approximately $69.2 million if the underwriters exercise their option to purchase additional shares in full), after deducting underwriting discounts and estimated transaction expenses payable by us. In addition, we expect that the net proceeds from the concurrent tangible equity units offering will be approximately $96.5 million (or approximately $111.1 million if the underwriters exercise their over-allotment option in full), after deducting underwriting discounts and estimated transaction expenses payable by us. In addition, there can be no assurance that the tangible equity unit offering will be completed or what the terms of the tangible equity units will be.
	We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent offering of tangible equity units, if completed, as growth capital, including for potential land investments of approximately $100 million in Florida, California, Texas, North Carolina and Arizona, and for general corporate purposes, including the repayment of outstanding indebtedness. Pending the application of the net proceeds, we may invest the proceeds in short-term, interest bearing instruments and other investment-grade securities. See Use of Proceeds.
Listing	Our shares of common stock are listed on the New York Stock Exchange, or the NYSE, under the symbol BZH.
Risk Factors	An investment in our common stock involves various risks, and prospective investors should carefully consider the matters discussed under the caption entitled Risk Factors beginning on page S-10 of this prospectus supplement as well as the risk factors described in our Form 10-K for the year ended September 30, 2011, which are incorporated by reference herein.

The number of shares of common stock to be outstanding after this offering is based on 101,116,819 shares outstanding as of July 6, 2012, and excludes (i) 2,198,789 shares of common stock equivalents underlying awards outstanding as of July 6, 2012 granted under our incentive compensation plans, (ii) 2,043,876 shares of common stock issuable upon conversion of our 7 $^{1}/2$% Mandatory Convertible Subordinated Notes due 2013 and (iii) 784,858 shares of common stock issuable upon conversion of our tangible equity unit prepaid stock purchase contracts related to our 7.25% tangible equity units. The number of shares of common stock to be outstanding

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after this offering also does not include any shares of common stock issuable upon settlement of any tangible equity unit prepaid stock purchase contracts related to the concurrent offering of tangible equity units.

Unless otherwise indicated, all information in this prospectus supplement assumes no exercise of the underwriters option to purchase an additional 3,300,000 shares of our common stock from us.

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Summary Historical Consolidated Financial and Operating Data

Our summary historical consolidated financial and operating data set forth below as of and for each of the three years ended September 30, 2009, 2010 and 2011 and the six months ended March 31, 2011 and 2012 are derived from our audited consolidated financial statements and our unaudited condensed consolidated financial statements, respectively. These historical results are not necessarily indicative of the results to be expected in the future. You should also read our historical financial statements and related notes in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012, as well as the sections in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 entitled Management s Discussion and Analysis of Financial Condition and Results of Operations, which are incorporated herein by reference.

	Fiscal Year Ended September 30,			Six Months Ended March 31,	
($ in millions)	**2009**	**2010**	**2011**	**2011**	**2012**
				(unaudited)	
Statement of Operations Data(1):					
Total revenue	$ 962	$ 991	$ 742	$ 235	$ 380
Gross profit	16	84	48	10	42
Operating loss	(239)	(113)	(132)	(73)	(34)
Net (loss) from continuing operations	(173)	(30)	(200)	(102)	(37)
Operating Statistics:					
Number of new orders, net of cancellations	4,016	4,405	3,927	1,706	2,236
Units in backlog at end of period(2)	1,148	772	1,450	1,396	1,975
Number of closings(3)	4,152	4,421	3,249	1,082	1,711
Average sales price per home closed (in thousands)	$ 230.9	$ 222.1	$ 219.4	$ 213.0	$ 220.0
Balance Sheet Data (end of period):					
Cash, cash equivalents, and restricted cash	$ 557	$ 576	$ 647	$ 453	$ 534
Inventory	1,318	1,204	1,204	1,269	1,206
Total assets	2,029	1,903	1,977	1,853	1,858
Total debt	1,509	1,212	1,489	1,287	1,434
Stockholders equity	197	397	198	296	218
Supplemental Financial Data:					
Cash provided by/(used in):					
Operating activities	$ 94	$ 70	$ (179)	$ (187)	$ (80)
Investing activities	(80)	(6)	(260)	(38)	(13)
Financing activities	(91)	(34)	273	70	(20)
EBIT(4)	(57)	(38)	(80)	(51)	(13)
Adjusted EBITDA(4)	108	60	(28)	(24)	
Interest incurred(5)	133	127	131	65	65
EBIT/interest incurred(4)(5)	(0.4)x	(0.3)x	(0.6)x	(0.8)x	(0.2)x
Adjusted EBITDA/interest incurred(4)(5)					