

Technical Olympic USA



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Forward-Looking Statements

This presentation contains forward-looking statements, including but not limited to operational and earnings guidance for 2006. These forward-looking statements may be affected by the risks and uncertainties in our business. All such forward-looking statements contained in this presentation are qualified in their entirety by cautionary statements and risk factors set forth in our Form 10-K for the fiscal year ended December 31, 2004 and our other SEC filings, all of which are publicly available. These factors and others have affected historical results, may affect future results, and may cause future results to differ materially from those expressed in any such forward-looking statement. We have no obligation to update any forward-looking statement contained in this presentation.

This presentation also includes non-GAAP financial measures as defined in Regulation G. The reconciliation of these non-GAAP financial measures and their most comparable GAAP financial measures and the other information required by Regulation G are included in our earnings release or Form 10-K for the year ended December 31, 2004, both of which are posted on our web site at www.tousa.com.

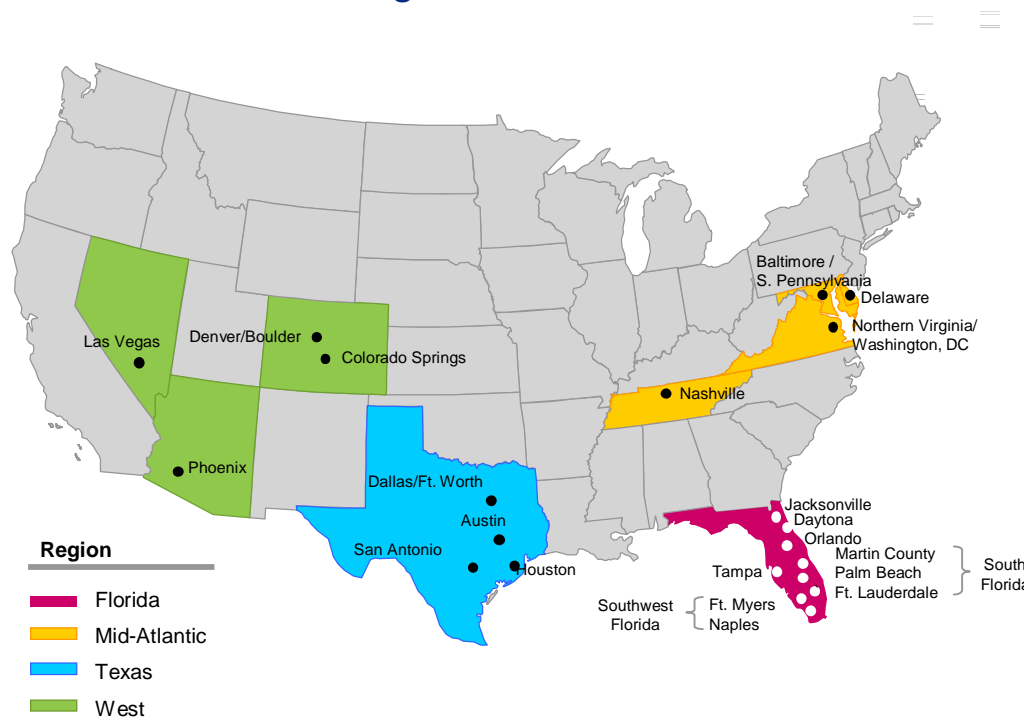
Technical Olympic USA

- è Nation's 12th largest public homebuilder with more than 9,400 homes delivered and revenues of \$2.5 billion in 2005
- è Building a wide range of homes in the attractive, growing markets of Florida, the Mid-Atlantic, Texas and the West
- è Diverse customer base includes first-time, move-up, relocating, active-adult and empty-nester homebuyers
- è Technical Olympic USA is 67% owned by Technical Olympic S.A., a large publicly-traded construction and real estate corporation based in Greece
- è Recent joint venture to acquire Transeastern homebuilding operations in Florida

Well Positioned in Top Markets

We are a large national builder focusing on strong markets...

- è Current markets have demonstrated solid population and income growth trends
 - ÿ population growth in our eight states of operations was 28% from 1990 to 2000 vs national average of 13%
 - ÿ average median income growth in those states was 13% from 1989 to 1999 vs national average of 4%



2004 Total Permit Activity

1	Florida	255,893
2	California	207,390
3	Texas	184,483
4	Georgia	107,644
5	North Carolina	93,077
6	Arizona	90,644
7	Virginia	63,220
8	Illinois	59,321
9	Ohio	50,108
10	Michigan	54,721

Source: U.S. Housing Markets, published by Meyers Group

Top 3 states account for 31% of total permit activity in the United States

Florida Region



LTM December 31, 2005

(\$s in thousands)	LTM December 31, 2005				
	2004 Permits	Deliveries	Market Share	Home Sales Revenue	Avg. Sales Price
Florida Region*	255,893	2,785	1.1%	\$829,384	\$298

* joint ventures not included

Florida population growth projected at 14.0% vs National 8.4% through 2010

Mid-Atlantic Region



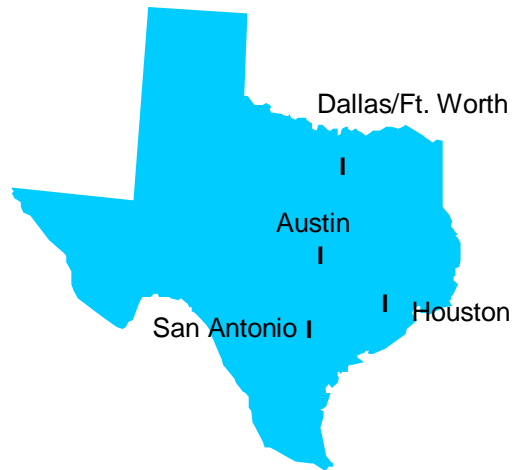
LTM December 31, 2005

(\$s in thousands)	LTM December 31, 2005				
	2004 Permits	Deliveries	Market Share	Home Sales Revenue	Avg. Sales Price
Mid-Atlantic Region*	116,295	882	0.8%	\$290,330	\$329

* joint ventures not included

Mid-Atlantic population growth projected at 8.6% vs National 8.4% through 2010

Texas Region



LTM December 31, 2005

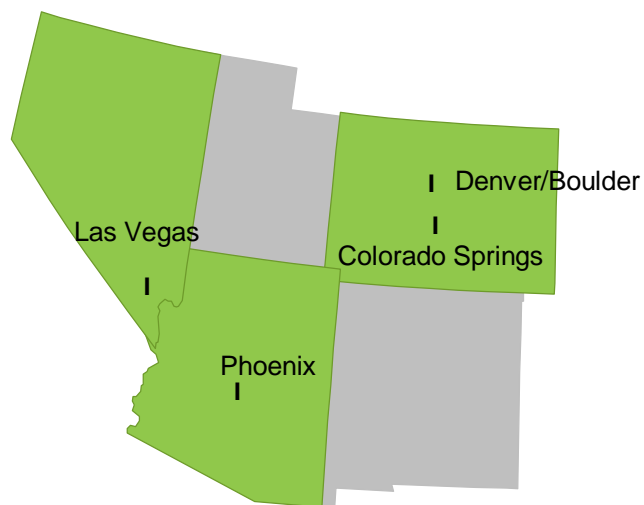
(\$s in thousands)

	2004 Permits	Deliveries	Market Share	Home Sales Revenue	Avg. Sales Price
Texas Region*	184,483	2,059	1.1%	\$500,637	\$243

* joint ventures not included

Texas population growth projected at 13.6% vs National 8.4% through 2010

West Region



LTM December 31, 2005

(\$s in thousands)	LTM December 31, 2005				
	2004 Permits	Deliveries	Market Share	Home Sales Revenue	Avg. Sales Price
West Region*	181,445	2,228	1.2%	\$646,291	\$266

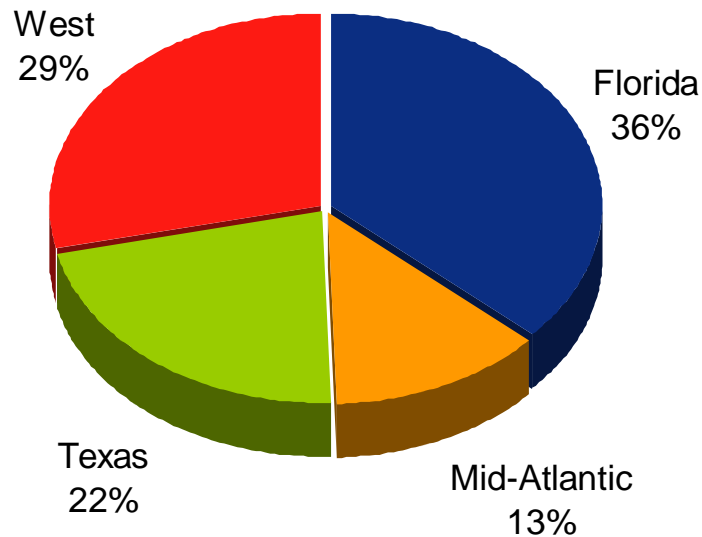
* joint ventures not included

West population growth projected at 13.6% vs National 8.4% through 2010

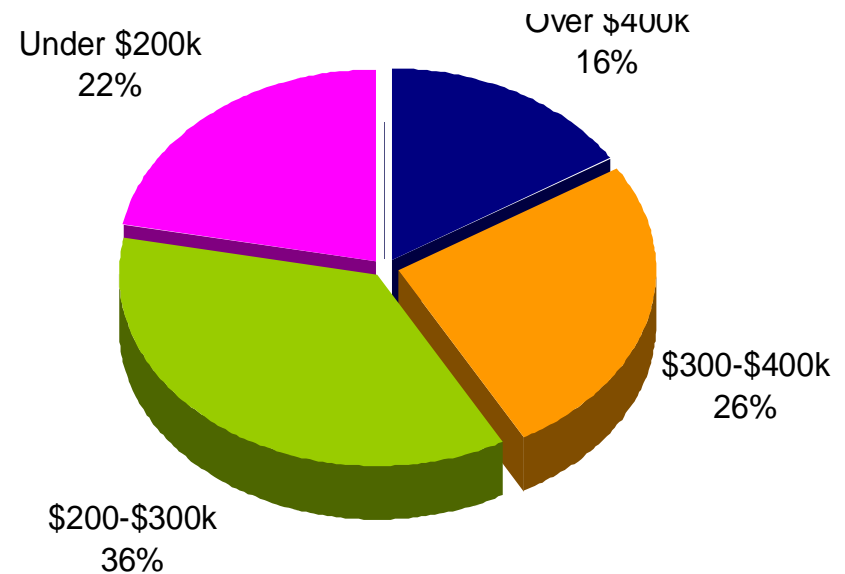
Geographic and Customer Diversification

Customer and product diversification allows us to maximize growth within each of our markets...

2005 Homebuilding Revenue by Geography



2005 Home Sales Revenue by Price

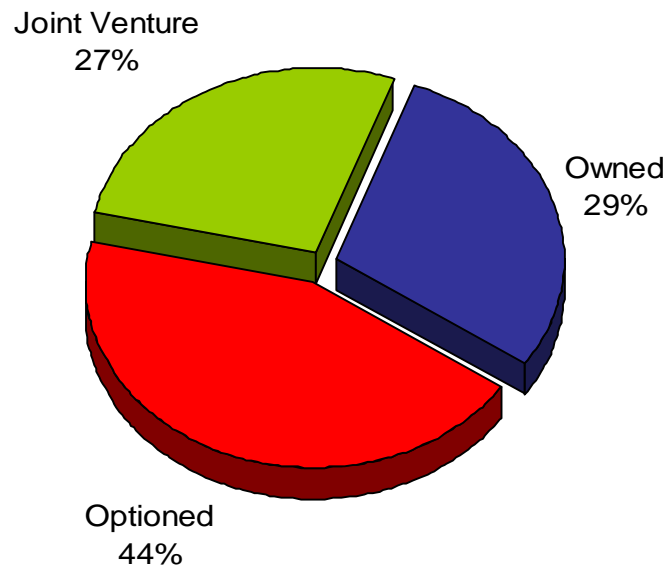


...as well as mitigate downturns in any one market or price segment

Strong Land Positions and Homesite Acquisition Strategy

We believe that land is one of our most valuable assets and we focus on acquiring attractive locations...

Homesites Supply at December 31, 2005



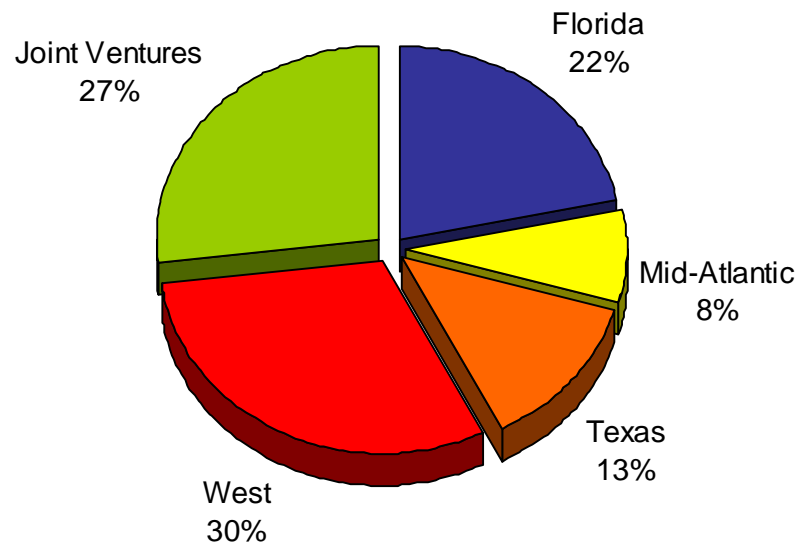
Total Homesites: 94,700

- è Control 5-7 year homesite supply
- è Own 1-2 year supply of homesites, option the balance through joint venture and land banks
- è Lower risk through option/joint venture

...which, combined with our conservative land acquisition strategy, maximizes our financial performance

Homesites by Region

Homesites Supply at December 31, 2005



Florida	20,500
Mid-Atlantic	7,300
Texas	12,400
West	29,100
Joint Ventures	25,400
Total	94,700

- è Geographic Diversity
- è Well positioned in key markets
- è Constant pruning of assets
- è Development Impediments
 - ÿ Lengthening entitlement process
 - ÿ Development delays
 - ÿ Permitting process

PROFIT GROWTH INITIATIVES

SECTION TWO

Phoenix, AZ

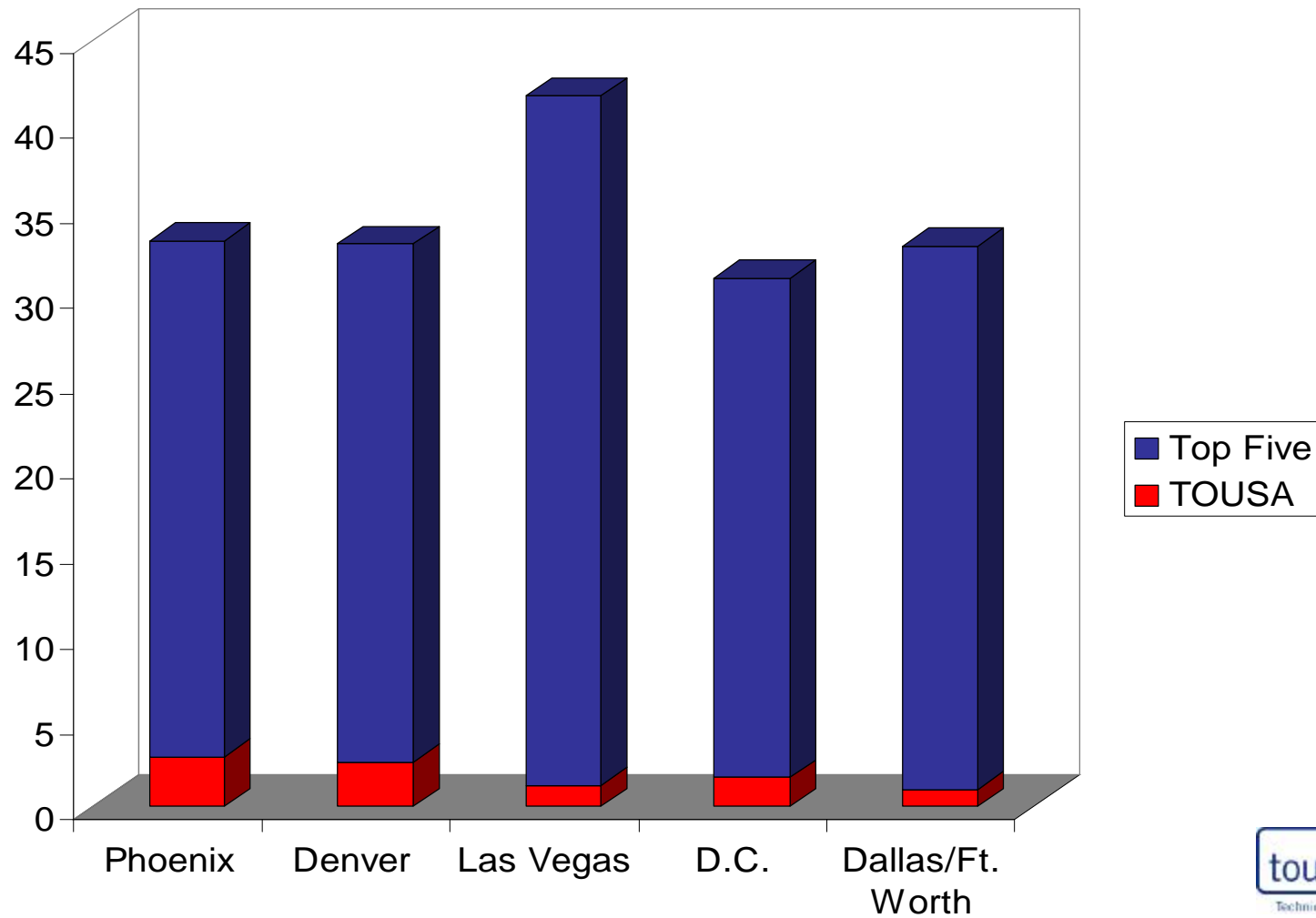
Approx. Sq. Footage: 1,900

Approx. Price: \$240,000



Market Share Expansion

We have ample opportunity in many of our markets to gain market share



Improving Margins

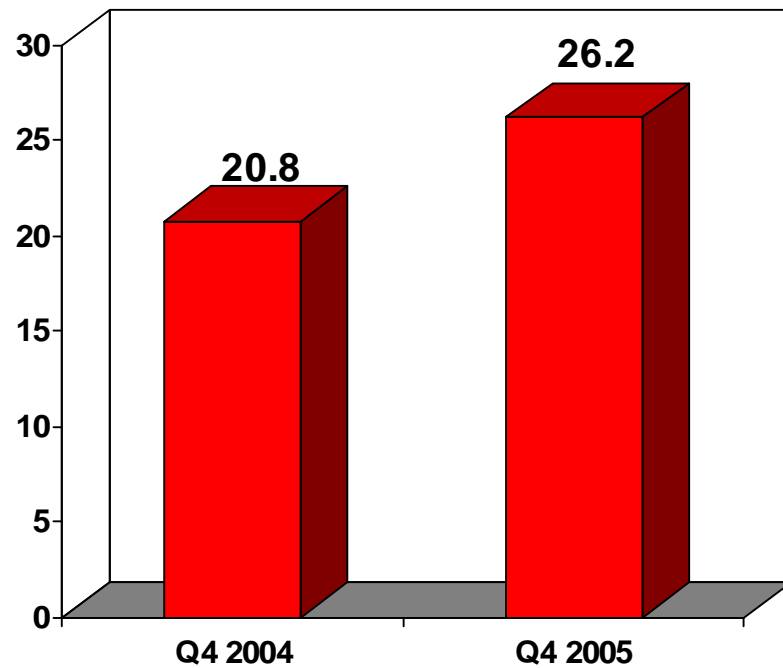
Company	Gross Margin	Net Profit Margin
Toll Brothers	28.40%	10.50%
MDC Holdings	28.20%	9.80%
Standard Pacific	24.40%	9.40%
DR Horton	22.80%	9.20%
Lennar	25.20%	9.00%
Pulte	23.80%	8.50%
Hovnanian	25.50%	8.40%
Average	24.34%	8.18%
Ryland	24.20%	8.10%
Centex	28.00%	7.80%
Meritage	20.00%	6.80%
KB Home	24.00%	6.80%
Beazer	21.50%	6.40%
TOUSA – Year (2004)	20.40%	4.50%
TOUSA – Year (2005)	24.80%	8.12%

*Excludes profits from land sales
 Data as of 12-31-04,
 Source: Big Builder and Public Filings



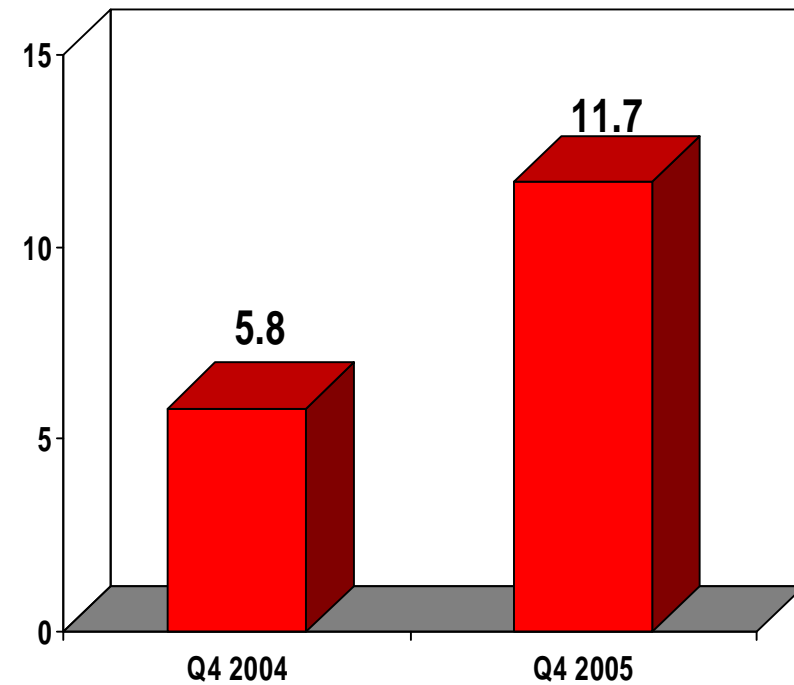
Initiatives Are Beginning to Payoff

Gross Margin*



+ 540 BPs

Net Margin*



+ 590 BPs

Net Profit Margin Improvement Initiatives

è Revenues

- ÿ Continuing to grow market share
- ÿ Phasing sales

è Cost of Goods Sold

- ÿ Focus on “value engineering”
- ÿ Manage spec building

è Sales, General and Administrative

- ÿ Consistent application of internal/external sales commission methods
- ÿ “Cost awareness” culture and control overhead spends

è Joint Venture Income

- ÿ Management Fees
- ÿ Earnings from JV's

Risk Sharing through Structured Financing

Advantages

- è Risk Sharing
- è Extend Our Capital Resources
- è Allow us to Participate in Large and Long Transactions
- è Circumstances Determine Off Balance Sheet

Examples

- è Joint Venture – Land Development – Several builders join to develop property and either sell or build out lots
- è Joint Venture – Land Development and Home Construction – Financial partners join with builder to develop land and build out project
- è Land Bank Transactions – Financial partner funds land development and enters into finished lot option agreement with builder

Land banking to improve returns

Scenario	GM%	IRR	RONA
Buy 50 Lots w/Cash	21.9%	23.3%	21.0%
“Generic” Land Bank	19.1%	36.2%	35.1%

Unconsolidated Joint Venture Activity

è Income Statement

- ÿ Revenue not included
- ÿ Overhead costs of managing included in SG&A
- ÿ Management fees included in other income
- ÿ Earnings of joint venture included in other income

è Disclosure

- ÿ Most comprehensive
- ÿ Segregate land/home construction

Joint Venture Combined

At December 31, 2005 (in millions)

Joint Venture Assets	<u>\$1,597</u>
Joint Venture Equity	
TOUSA	\$252
Partners	<u>\$242</u>
	<u>\$494</u>
Joint Venture Backlog	<u>\$1,526</u>

Joint Venture Income Statement

Year Ended December 31, 2005 (in millions)

Joint Venture Revenues	\$588
Net Earnings	36
TOUSA Share of:	
Net Earnings	\$20
Management Fee	<u>\$26</u>
Income From Joint Ventures	\$46

Financial Overview

SECTION THREE

Fairfax, VA

Approx. Sq. Footage: 2,300

Approx. Price: \$620,000



Historical Operating Performance

	For the Quarter Ended			For the Year Ended		
	12/31/05	12/31/04	% Change	12/31/05	12/31/04	% Change
Deliveries (combined)	2,803	2,327	20%	9,435	7,337	29%
Average Sales Price (consolidated)	\$ 303	\$ 275	10%	\$ 298	\$ 275	8%
(\$ Millions)						
REVENUES:						
Sales of homes	\$ 609	\$ 616		\$ 2,267	\$ 1,985	
Sales of land/lots	40	55		195	116	
Total Revenues	650	670	(3%)	2,462	2,101	17%
COST OF SALES						
Cost of sales – homes	450	488		1,707	1,592	
Cost of sales - land/lots	33	33		150	80	
	483	520		1,857	1,672	
Gross Profit	166	150		605	428	
S,G & A	76	76		323	253	
(Income) from joint ventures	(22)	(3)		(46)	(3)	
Other (income) expense	(3)	(1)		(9)	(3)	
Homebuilding pretax income	115	77	50%	336	182	85%
Net Income	76	49	55%	218	120	82%
EPS (Diluted)	\$ 1.23	\$ 0.85	45%	\$ 3.68	\$ 2.08	77%

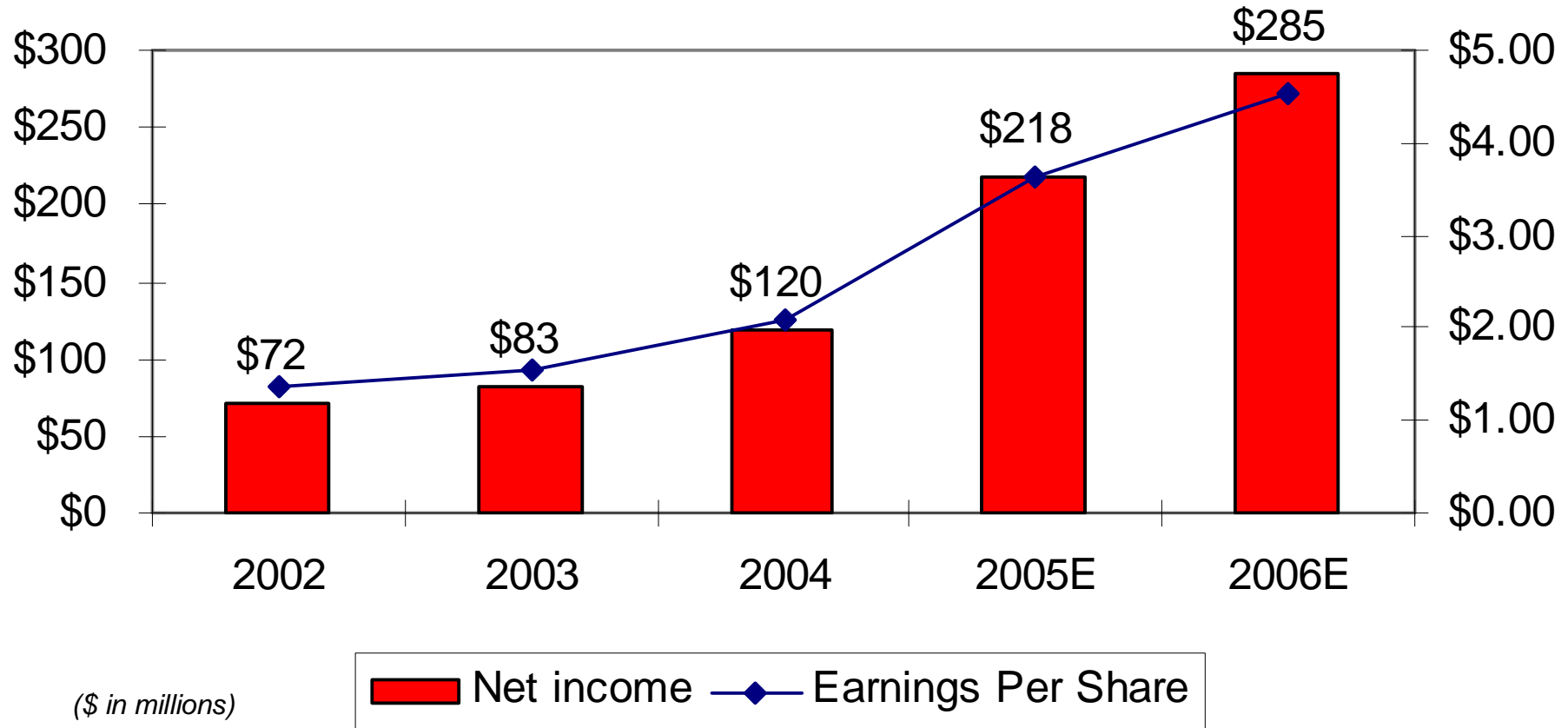
Capitalization Breakdown

December 31, 2005

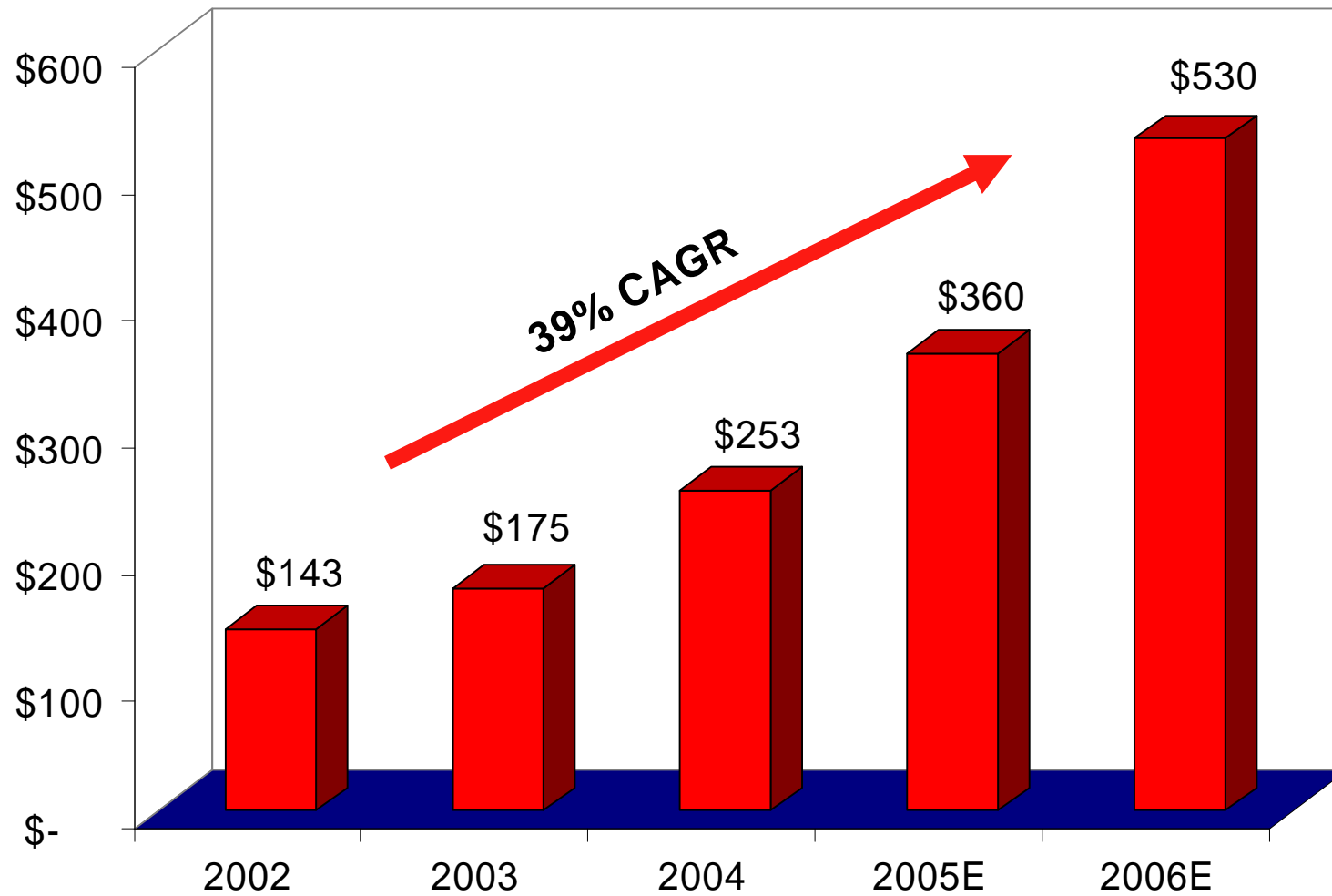
\$ in millions

Unrestricted cash	\$	26.2
Restricted cash		3.1
Total cash and cash equivalents		29.3
Debt:		
\$600 mm Revolving Credit Facility		65.0
9% Senior Notes due 2010		296.7
7.5% Senior Subordinated Notes due 2011		125.0
10.375% Senior Subordinated Notes due 2012		184.6
7.5% Senior Subordinated Notes due 2015		205.3
Total Homebuilding Debt		876.6
Stockholders' Equity		971.3
Total Capitalization	\$	1,821.7
Net Homebuilding Debt / Capitalization (%)		46.7%
Book Value		\$16.4

Rapid Net Income and EPS Growth



Driving EBITDA Growth



Homes in Backlog at December 31st

Region	<u>2005</u>	<u>2004</u>	<u>△</u>
Florida	2,937	2,896	1%
Mid-Atlantic	246	346	(29%)
Texas	1,238	543	128%
West	<u>851</u>	<u>1,309</u>	(35%)
Consolidated	5,272	5,094	3%
Joint Ventures	<u>4,749</u>	<u>669</u>	610%
	<u>10,021</u>	<u>5,763</u>	74%
% of Projected Deliveries the following year	65-69%*	60%	

* Estimated deliveries of 14,500-15,500 in 2006

Significant Growth

	2004	2005E	% Change	2006E	% Change
Deliveries	7,337	9,435	29%	14,500- 15,500	58-63%
Revenue (billions)	\$2.14	\$2.50	17%	\$2.80	12%
Net Income (millions)	\$120	\$218	82%	\$285	31%
Earnings Per Share	\$2.08	\$3.68	77%	\$4.52	23%
EBITDA	\$253	\$424	68%	\$530	25%

Note: Assumes 59.5 million shares in 2005 and 63 million shares in 2006.

Recent Accomplishments

- è \$600 million revolving credit and \$100 million warehouse credit facilities (October '04)
- è NYSE Listing (November '04)
- è \$200 million Senior Subordinated Notes (December '04)
- è Sunbelt Joint Venture (December '04)
- è 25% Stock Dividend (March '05)
- è Completed Acquisition of TEP (August '05)
- è 2.9 Million Share Stock Offering (September '05)

Technical Olympic USA

BREAKING NEW GROUND



Technical Olympic USA