

BEAZER HOMES USA INC
Form FWP
January 07, 2010

Issuer Free Writing Prospectus filed pursuant to Rule 433 supplementing the
Preliminary Prospectus Supplement dated January 5, 2010 and the
Prospectus dated January 4, 2010
Registration No. 333-163110
January 6, 2010

US\$50,000,000

Beazer Homes USA, Inc.

7½% Mandatory Convertible Subordinate Notes due 2013

The information in this pricing term sheet supplements, updates and supercedes the information in the Preliminary Prospectus Supplement. Terms used but not otherwise defined herein shall have the meanings assigned to such terms cited in the Preliminary Prospectus Supplement.

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| Issuer: | Beazer Homes USA, Inc. |
| Title of Securities: | 7½% Mandatory Convertible Subordinate Notes due 2013 |
| Size: | \$50,000,000 plus \$7,500,000 over-allotment |
| Interest Rate: | 7.50% |
| Premium: | 22.00% |
| Conversion Date: | January 15, 2013 |
| Call Protection: | Non-call life |
| Principal Amount: | \$25 per note |
| Public Offering Price: | \$25 per note; \$50,000,000 total |
| Underwriting Discount: | \$0.75 per note; \$1,500,000 total |
| Proceeds to Issuer (before expenses): | \$24.25 per note; \$48,500,000 total (\$55,775,000 total if the underwriters exercise their over-allotment option in full) |
| Threshold Appreciation Price: | \$5.61 |
| Initial Price: | \$4.60 |
| Minimum Conversion Rate: | 4.4547 common shares per note |
| Maximum Conversion Rate: | 5.4348 common shares per note |

| | |
|-------------------------------------|--|
| Ranking: | Subordinated |
| Conversion Settlement: | Shares of common stock |
| Dividend Protection: | Standard dividend protection |
| Covenant Event Conversion: | Company option to require all holders to convert at maximum rate if a covenant event is deemed to occur (consolidated tangible net worth of less than \$85 million as of last day of immediately preceding fiscal quarter) |
| Joint Book-Running Managers: | Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC |
| Joint Lead Managers: | Deutsche Bank Securities Inc. and UBS Securities LLC |
| Co-Manager: | Moelis & Company LLC |

| Allocation: | <u>Underwriter</u> | <u>Principal Amount of Notes</u> |
|--------------------|------------------------------------|----------------------------------|
| | Citigroup Global Markets Inc. | \$17,500,000 |
| | Credit Suisse Securities (USA) LLC | \$15,000,000 |
| | Deutsche Bank Securities Inc. | \$6,250,000 |
| | UBS Securities LLC | \$6,250,000 |
| | Moelis & Company LLC | \$5,000,000 |

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|--------------------------------|---|
| Trade Date: | January 6, 2010 |
| Settlement Date: | January 12, 2010 |
| CUSIP and ISIN Numbers: | CUSIP: 07556Q 402 ISIN: US07556Q4029 |
| Interest Payments: | Interest will accrue from January 12, 2010 and will be payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on April 15, 2010. |
| Distribution: | SEC Registered |

Fundamental Change Conversion Rate. The following table sets forth the fundamental change conversion rate per note for each hypothetical stock price and fundamental change effective date set forth below:

Stock Price on Effective Date

| | 1.00 \$ | 3.00 \$ | 4.00 \$ | 4.50 \$ | 4.60 \$ | 4.75 \$ | 5.00 \$ | 5.25 \$ | 5.50 \$ | 5.61 \$ | 6.00 \$ | 7.00 \$ | 10.00 \$ | 1.00 \$ |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
| 2.063 | 4.6289 | 4.4833 | 4.4372 | 4.4302 | 4.4192 | 4.4041 | 4.3912 | 4.3804 | 4.3753 | 4.3633 | 4.3436 | 4.3373 | 4.3373 | 4.3373 |
| 3.350 | 4.8158 | 4.6219 | 4.5551 | 4.5443 | 4.5284 | 4.5049 | 4.4847 | 4.4678 | 4.4613 | 4.4405 | 4.4074 | 4.3851 | 4.3851 | 4.3851 |
| 4.4061 | 5.0873 | 4.8262 | 4.7216 | 4.7024 | 4.6764 | 4.6373 | 4.6027 | 4.5732 | 4.5622 | 4.5270 | 4.4702 | 4.4292 | 4.4292 | 4.4292 |
| 4.4348 | 5.4348 | 5.4348 | 5.4348 | 5.4348 | 5.2632 | 5.0000 | 4.7619 | 4.5455 | 4.4547 | 4.4547 | 4.4547 | 4.4547 | 4.4547 | 4.4547 |

The exact stock price and fundamental change effective dates may not be set forth on the table, in which case:
 if the applicable stock price is between two stock price amounts on the table or the fundamental change effective date is between two dates on the table, the fundamental change conversion rate will be determined by straightline interpolation between the fundamental change conversion rates set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 365-day year;
 if the applicable stock price is in excess of \$50.00 per share (subject to adjustment), then the fundamental change conversion rate will be the applicable minimum conversion rate, subject to adjustment; and
 if the applicable stock price is less than \$1.00 per share (subject to adjustment), then the fundamental change conversion rate will be the applicable maximum conversion rate, subject to adjustment.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, prospectuses may be obtained from: Citigroup Global Markets Inc., Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, NY 11220 (Attention: Prospectus Department; Telephone: (800) 831-9146; E-mail: batprospectusdept@citi.com) or Credit Suisse Securities (USA) LLC, Prospectus Department, One Madison Avenue, New York, NY 10010 (Telephone: (800) 221-1037).