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FOR IMMEDIATE RELEASE

## **Orleans Homebuilders, Inc. Announces Adjournment of Hearing Considering Other Options, Including Stand-Alone Plan of Reorganization**

**Bensalem, Pa., May 4, 2010** –/PRNewswire-FirstCall/ -- Orleans Homebuilders, Inc. (the “Company”, or “Orleans”) (Pink Sheets: OHBIQ.PK), which develops, builds and markets high-quality single-family homes and townhouses and whose operations in Pennsylvania and New Jersey date back more than 90 years, announced today that it has requested an approximately two week adjournment of the hearing originally scheduled for May 4, 2010, in United States Bankruptcy Court for the District of Delaware on its motion for, among other things, establishment of bidding procedures for other offers for the purchase of substantially all of the assets of the Company pursuant to the terms of the previously announced Asset Purchase Agreement with NVR, Inc (“NVR”). NVR has agreed to this extension, and the Bankruptcy Court has rescheduled the hearing for May 21, 2010, at 11:30 a.m. The principal reason for the adjournment is to afford the Company more time to consider other options for the Company, including on-going discussions with the Company's senior secured lender group, the official committee of unsecured creditors and other constituencies regarding a stand-alone plan of reorganization, as opposed to a prompt sale under section 363 of the Bankruptcy Code. The Company emphasized that there can be no assurance at the present time as to the outcome of these, or any other, discussions.

Regarding the adjournment, Mitchell B. Arden, a Managing Director and Shareholder of Phoenix Management who has been serving as Orleans’ Chief Restructuring Officer since March 4, 2010, stated: “The Company has been in active dialogue with a number of parties regarding strategic options. The conversations have been productive and the two week adjournment is designed to provide additional time to consider these options. Ultimately, a stand-alone plan of reorganization that recognizes the Company’s going concern value may represent a better outcome for the Company and its customers, contractors/suppliers, employees and lenders. We appreciate the support of NVR and other constituencies as we evaluate these options.”

The Company and most of its operating subsidiaries filed voluntary petitions to commence the Chapter 11 process on March 1, 2010 in the U.S. Bankruptcy Court for the District of Delaware in Wilmington. The filing does not include certain of the Company’s subsidiaries, including its mortgage services subsidiary, Alambry Funding, Inc., which provides mortgage brokerage services for customers and financial institutions but which does not underwrite any customer mortgages. All of the debtors in the Chapter 11 proceedings are borrowers under the Debtor-in Possession Loan Agreement entered into on April 21, 2010 (the “DIP Loan Agreement”). As security for the DIP Loan Agreement, the borrowers provided the lenders a security interest in all of their assets, with a few minor exceptions. The debtors’ execution and delivery of the DIP Loan Agreement was approved by the Bankruptcy Court on April 16, 2010.

The Company is providing information about the reorganization at [www.orleanshomesreorg.com](http://www.orleanshomesreorg.com).

### **About Orleans Homebuilders, Inc.**

Orleans Homebuilders, Inc. develops, builds and markets high-quality single-family homes, townhouses and condominiums. From its headquarters in suburban Philadelphia, the Company serves a broad

customer base including first-time, move-up, luxury, empty-nester and active adult homebuyers. The Company currently operates in the following 11 distinct markets: Southeastern Pennsylvania; Central and Southern New Jersey; Orange County, New York; Charlotte, Raleigh and Greensboro, North Carolina; Richmond and Tidewater, Virginia; Chicago, Illinois; and Orlando, Florida. The Company's Charlotte, North Carolina operations also include adjacent counties in South Carolina. Orleans Homebuilders employs approximately 225 people.

### **Forward-Looking Statements**

Certain information included herein and in other Company statements, reports and SEC filings is or may be forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements concerning any sale of the Company or its assets; potential restructurings of the Company's liabilities; required bankruptcy court approvals; potential strategic transactions, including refinancing, recapitalization and sale transactions involving the Company; payments to trade creditors, employees, or customers; anticipated and potential asset sales; anticipated liquidity; and strategic transactions and alternatives including but not limited to the sale or restructuring of the Company. Such forward-looking information involves important risks and uncertainties that could significantly affect actual results and cause them to differ materially from expectations expressed herein and in other Company statements, reports and SEC filings. These risks and uncertainties include the Company's ability to operate under the terms of the DIP Loan Agreement; the Company's ability to obtain court approval with respect to motions relating to the bankruptcy filings; the ability of the Company to develop, confirm and consummate one or more plans of reorganization with respect to the Chapter 11 proceeding; the ability of the Company to obtain and maintain normal terms with vendors and service providers and to maintain contracts critical to its operations; the ability of the Company to continue to attract buyers of its homes; the ability to continue normal business operations; the potential adverse impact of the Chapter 11 proceedings; the ability of the Company to attract, motivate and/or retain key executives and employees; access to liquidity; local, regional and national economic conditions; the effects of governmental regulation; the competitive environment in which the Company operates; fluctuations in interest rates; changes in home prices; the availability of capital; our ability to engage in a financing or strategic transaction; the availability and cost of labor and materials; our dependence on certain key employees; and weather conditions. In addition, the Company does not anticipate that it will make any distribution with respect to its currently outstanding equity securities, whether in connection with the bankruptcy proceedings or otherwise. Additional information concerning factors the Company believes could cause its actual results to differ materially from expected results is contained in Item 1A of the Company's Annual Report on Form 10-K/A for the fiscal year ended June 30, 2008 filed with the SEC and subsequently filed Quarterly Reports on Form 10-Q, as well as the Current Reports on Form 8-K and press releases filed with the Securities and Exchange Commission on August 14, 2009, October 6, 2009, November 5, 2009, December 9, 2009, December 23, 2009, February 1, 2010 February 19, 2010, March 3, 2010, March 11, 2010, March 22, 2010, April 20, 2010, April 22, 2010 and April 27, 2010.

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