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FOR IMMEDIATE RELEASE

## **Orleans Homebuilders, Inc. Receives Court Approval on First-Day Motions, Interim Approval of up to \$11 Million in New Financing**

**Bensalem, Pa., March 5, 2010** --PRNewswire-FirstCall/ -- Orleans Homebuilders, Inc. (the “Company”, or “Orleans”) (Amex: OHB), 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 received Court approval on several key motions that will allow the continued operation of its homebuilding and management services operations. Importantly, the Court gave interim approval for up to \$26 million of the Company’s \$40 million debtor-in-possession (DIP) financing line, including up to \$11 million of cash funding and up to \$15 million of letters of credit. The Company intends to use the proceeds of the financing for, among other things, its ordinary course business expenses.

The Court approved the Company’s motions to pay prepetition employee wage and benefit charges, as well as motions to maintain the Company’s existing cash management systems and to use its cash collateral. In addition, the Court approved the Company’s motions for the continuation of the Mortgage Plus Program and home warranty programs, and approved payment of prepetition amounts owed to homeowners’ and condo associations. Finally, the Court approved a motion to honor prepetition claims for certain critical vendors, among other items. Copies of signed orders will be available electronically at [www.orleanshomesreorg.com](http://www.orleanshomesreorg.com).

The Company and most of its operating subsidiaries filed voluntary petitions to commence the Chapter 11 process on March 1 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.

The Company is providing information about the reorganization at [www.orleanshomesreorg.com](http://www.orleanshomesreorg.com). For the next few days, a call center will be open from 8:00 am to 6:00 pm, Eastern Standard Time, at (888) 215-9315. Messages may also be left on that number during other times.

### **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 300 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 the ability of the Company to enter into new financing arrangements, including without limitation the DIP financing; required bankruptcy court approvals; potential restructurings of the Company's liabilities; any value that may be provided by the Company's unsecured creditors or its equity holders; payments on its 8.52% Trust Preferred Securities and the Junior Subordinated Notes; 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; anticipated increase in net new orders, conditions in or recovery of the housing market, and economic conditions; the Company's long-term opportunities; the timing of future filings by the Company of its Annual and Quarterly Reports and the continued listing of the Company's common stock on the NYSE Amex Exchange; continuing overall economic conditions and conditions in the housing and mortgage markets and industry outlook; anticipated or expected operating results, revenues, sales, net new orders, backlog, pace of sales, spec unit levels, and traffic; future or expected liquidity, financial resources, debt or equity financings, amendments to or extensions of our existing revolving Credit Facility; strategic transactions and alternatives including but not limited to the sale of the Company; the anticipated impact of bank reappraisals; future impairment charges; future tax valuation allowance and its value; anticipated or possible federal and state stimulus plans or other possible future government support for the housing and financial services industries; anticipated cash flow from operations; reductions in land expenditures; the Company's ability to meet its internal financial objectives or projections, and debt covenants; the Company's future liquidity, capital structure and finances; and the Company's response to market conditions. 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 continue as a going concern; the Company's ability to enter into the DIP financing facility and to operate under terms of the DIP financing facility; the Company's ability to obtain court approval with respect to motions relating to the bankruptcy filings, including "first-day" motions; 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. 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 and February 19, 2010.

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