

# D.R. HORTON, INC., AMERICA'S BUILDER, REPORTS FISCAL 2007 SECOND QUARTER RESULTS

04/19/07

FORT WORTH, Texas, Apr 19, 2007 (BUSINESS WIRE) -- D.R. Horton, Inc. (NYSE:DHI), America's Builder, the largest homebuilder in the United States, Thursday (April 19, 2007), reported net income for its second fiscal quarter ended March 31, 2007 of \$51.7 million (\$0.16 per diluted share), which included pre-tax charges to cost of sales of \$67.3 million (\$0.13 per diluted share) for inventory impairments and \$13.9 million (\$0.03 per diluted share) for write-offs of deposits and pre-acquisition costs related to land option contracts that the Company does not intend to pursue. Net income for the same quarter of fiscal 2006 was \$352.8 million (\$1.11 per diluted share). Homebuilding revenue for the second quarter of fiscal 2007 totaled \$2.6 billion, compared to \$3.5 billion in the same quarter of fiscal 2006. Homes closed in the current quarter totaled 9,792, compared to 12,570 homes closed in the year ago quarter.

For the six months ended March 31, 2007, net income totaled \$161.4 million (\$0.51 per diluted share), which included pre-tax charges to cost of sales of \$108.2 million (\$0.21 per diluted share) for inventory impairments and \$50.6 million (\$0.10 per diluted share) for write-offs of deposits and pre-acquisition costs related to land option contracts that the Company does not intend to pursue. Net income for the six months ended March 31, 2006 was \$662.9 million (\$2.09 per diluted share). Homebuilding revenue for the six months ended March 31, 2007 totaled \$5.4 billion compared to \$6.4 billion for the same period of fiscal 2006. Homes closed in the six-month period totaled 19,994, compared to 22,461 homes closed in the same period of fiscal 2006.

The Company's sales backlog of homes under contract at March 31, 2007 was 16,885 homes (\$4.8 billion), compared to 24,017 homes (\$7.1 billion) at March 31, 2006. As previously reported, net sales orders for the second quarter ended March 31, 2007 totaled 9,983 homes (\$2.6 billion), compared to 15,771 homes (\$4.4 billion) for the same quarter of fiscal 2006. Net sales orders for the first six months of fiscal 2007 were 18,754 homes (\$4.9 billion), compared to 27,234 homes (\$7.5 billion) for the same period of fiscal 2006.

Donald R. Horton, Chairman of the Board, said, "Market conditions in the homebuilding industry continue to be challenging in most of our markets as inventory levels of both new and existing homes remain high, and further increases in the use of sales incentives continue to put pressure on profit margins. Our focus on managing our balance sheet in a disciplined manner resulted in positive cash flows from operations for the third consecutive quarter. We also improved our ratio of homebuilding debt to total capitalization, net of cash, to 40.9% from 43.9% a year ago."

The Company will host a conference call on Thursday, April 19, 2007 at 10:00 a.m. Eastern Daylight Time. The dial-in number is 800-374-9096, and the call will also be webcast from [www.drhorton.com](http://www.drhorton.com) on the "Investor Relations" page.



Gross profit:				
Home sales	884.6	447.1	1,660.3	961.3
Land/lot sales	34.1	5.6	67.5	13.0
Inventory impairments and land option cost write-offs	(7.1)	(81.2)	(10.9)	(158.8)
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	911.6	371.5	1,716.9	815.5
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Selling, general and administrative expense				
	364.9	296.0	690.5	591.3
Loss on early retirement of debt				
	10.6	-	15.0	-
Other (income)				
	(5.6)	(0.6)	(10.5)	(1.7)
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Operating income from Homebuilding				
	541.7	76.1	1,021.9	225.9
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Financial Services:				
Revenues	71.1	41.9	132.4	108.4
General and administrative expense				
	49.4	38.4	96.8	83.4
Interest expense				
	7.8	6.8	15.9	16.4
Other (income)				
	(13.4)	(10.6)	(27.6)	(25.9)
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Operating income from Financial Services				
	27.3	7.3	47.3	34.5
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Income before income taxes				
	569.0	83.4	1,069.2	260.4
Provision for income taxes				
	216.2	31.7	406.3	99.0
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Net income				
	\$352.8	\$51.7	\$662.9	\$161.4
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Basic:				
Net income per share	\$1.13	\$0.16	\$2.12	\$0.51
	=====	=====	=====	=====
Weighted average number of common shares				
	312.4	313.9	312.7	313.7
	=====	=====	=====	=====

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Weighted average number of				
common shares	316.7	316.1	317.1	315.8
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Other Consolidated  
Financial Data:

Interest amortized to home and land/lot cost of sales	\$60.6	\$56.4	\$104.4	\$110.7
	=====	=====	=====	=====
Depreciation and amortization	\$13.7	\$16.3	\$26.4	\$32.0
	=====	=====	=====	=====
Interest incurred	\$89.1	\$85.2	\$166.5	\$172.9
	=====	=====	=====	=====

D.R. HORTON, INC.  
CONSOLIDATED BALANCE SHEET  
(UNAUDITED)

As of  
March 31, 2007

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(In millions)

ASSETS

Homebuilding:	
Cash and cash equivalents	\$68.2
Inventories:	
Construction in progress and finished homes	4,182.7
Residential land and lots - developed and under development	6,725.3
Land held for development	204.3
Consolidated land inventory not owned	96.9
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	11,209.2
Property and equipment, net	125.1
Earnest money deposits and other assets	760.8
Goodwill	578.9
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	12,742.2
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Financial Services:

	768.3
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Total assets	\$13,510.5

LIABILITIES

Homebuilding:	
Accounts payable	\$777.5
Accrued expenses and other liabilities	960.5
Notes payable	4,592.4

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6,330.4

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Financial Services:	
Accounts payable and other liabilities	29.2
Notes payable	508.1

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537.3

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6,867.7

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Minority interests	103.3
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STOCKHOLDERS' EQUITY

Common stock	3.2
Additional capital	1,677.7
Retained earnings	4,954.3
Treasury stock, at cost	(95.7)

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6,539.5

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Total liabilities and stockholders' equity	\$13,510.5
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D.R. HORTON, INC.  
(\$'s in millions)

	2006		2007	
	Homes	Value	Homes	Value
Northeast	1,990	\$510.8	1,564	\$409.2
Southeast	2,040	523.5	1,429	315.7
South Central	4,151	704.0	2,734	490.2
Southwest	3,537	918.0	2,171	499.8
California	2,697	1,236.1	1,107	533.5
West	1,356	470.8	978	350.9
	15,771	\$4,363.2	9,983	\$2,599.3

NET SALES ORDERS

Six Months Ended March 31,

	2006		2007	
	Homes	Value	Homes	Value
Northeast	3,684	\$967.7	2,719	\$722.3
Southeast	3,835	992.0	2,801	637.3
South Central	6,888	1,176.6	4,657	838.7
Southwest	6,250	1,654.6	4,470	985.8
California	4,329	1,949.0	2,443	1,106.2
West	2,248	790.1	1,664	601.9
	27,234	\$7,530.0	18,754	\$4,892.2

HOMES CLOSED

Three Months Ended March 31,

	2006		2007	
	Homes	Value	Homes	Value

Southeast	2,051	531.6	1,433	343.3
South Central	3,202	532.8	2,668	477.4
Southwest	2,446	649.9	2,505	598.8
California	1,919	878.5	1,038	476.7
West	1,001	362.4	735	259.1

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12,570 \$3,472.3 9,792 \$2,521.5  
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HOMES CLOSED

Six Months Ended March 31,

	2006		2007	
	Homes	Value	Homes	Value
Northeast	3,427	\$916.5	2,834	\$747.0
Southeast	3,623	921.7	2,922	708.7
South Central	5,536	928.3	5,190	927.9
Southwest	4,551	1,216.4	4,883	1,185.6
California	3,451	1,604.8	2,621	1,172.3
West	1,873	673.7	1,544	541.1

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22,461 \$6,261.4 19,994 \$5,282.6  
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SALES ORDER BACKLOG

As of March 31,

	2006		2007	
	Homes	Value	Homes	Value
Northeast	4,151	\$1,200.1	2,787	\$772.2
Southeast	3,331	979.8	2,027	562.5
South Central	4,327	772.5	3,680	688.6
Southwest	6,767	1,821.0	5,341	1,350.4
California	3,800	1,748.0	1,910	975.5
West	1,641	582.5	1,140	445.5

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SOURCE: D.R. Horton, Inc.

D.R. Horton, Inc., Fort Worth Stacey Dwyer, EVP, 817-390-8200

