

D.R. HORTON, INC. REPORTS A 47% INCREASE IN THIRD QUARTER NET INCOME AND A RECORD \$4.0 BILLION BACKLOG AT JUNE 30, 2003

07/16/03

Quarter Highlights * Earnings per diluted share increased 48% to \$0.99 * Net income increased 47% to \$155.6 million * Sales backlog increased 37% to a record \$4.0 billion (16,901 homes) * Net sales orders increased 29% to \$2.6 billion (10,811 homes) * Consolidated revenue increased 22% to \$2.2 billion * Homes closed increased 14% to 9,005 homes * Homebuilding debt to total capitalization (net of cash) improved 1,000 basis points to 45.9% from 55.9%

ARLINGTON, Texas, July 16 /PRNewswire-FirstCall/ -- D.R. Horton, Inc. (NYSE: DHI) Wednesday (July 16, 2003), reported that net income for the quarter ended June 30, 2003 increased 47% to \$155.6 million (\$0.99 per diluted share), from \$105.9 million (\$0.67 per diluted share) for the same period in fiscal 2002. Third quarter consolidated revenue increased 22% to \$2.2 billion, from \$1.8 billion in fiscal 2002. Homes closed increased 14% to 9,005 homes from 7,877 in the year ago quarter.

For the nine months ended June 30, 2003, net income increased 47% to \$395.2 million (\$2.62 per diluted share), compared to \$268.3 million (\$1.94 per diluted share) for the same period of fiscal 2002. Consolidated revenue for the nine months increased 28% to \$5.9 billion, from \$4.6 billion for the same period of fiscal 2002. Homebuilding revenue for the nine months increased 28% to \$5.7 billion (24,407 homes closed), compared to \$4.5 billion (20,207 homes closed) for the same period of fiscal 2002.

As previously reported, net sales orders for the third quarter established an all-time quarterly record of \$2.6 billion (10,811 homes), an increase of 29% compared to \$2.0 billion (9,065 homes) for the same quarter of fiscal 2002. Net sales orders for the first nine months of fiscal 2003 increased 38% to a record \$6.8 billion (28,611 homes), compared to \$4.9 billion (22,826 homes) for the same period of fiscal 2002. The Company's backlog of homes under contract at June 30, 2003 totaled a record \$4.0 billion (16,901 homes), up 37% from \$2.9 billion (13,586 homes) at June 30, 2002.

The Company reiterates earnings per share guidance for the fiscal year ended September 30, 2003 of approximately \$3.85 to \$3.90, and is issuing preliminary guidance for the fiscal year ended September 30, 2004 of approximately \$4.25 to \$4.30.

Donald R. Horton, Chairman of the Board, said, "It has been another exciting quarter for the Company. In addition to record home sales orders, backlog, revenues, and profits, we saw significant improvement in our balance sheet structure as our homebuilding debt to total capitalization (net of cash) improved by 1,000 basis points. The Company's continued sales momentum combined with our record \$4.0 billion backlog, ensure that fiscal 2003 will be our 26th consecutive year of growth and profitability, and position us for another record year in fiscal year 2004."

Founded in 1978, D.R. Horton, Inc. is engaged in the construction and sale of high quality homes designed principally for the entry-level and first time move-up markets. D.R. Horton currently builds and sells homes under the D.R. Horton, Arappco, Cambridge, Continental, Dietz-Crane, Dobson, Emerald, Melody, Milburn, Schuler, SGS Communities, Stafford, Torrey, Trimark, and Western Pacific names in 20 states and 44 markets, with a geographic presence in the Midwest, Mid-Atlantic, Southeast, Southwest and Western regions of the United States. The Company also provides mortgage financing and title services for homebuyers through its mortgage and title subsidiaries.

Portions of this document may constitute "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Although D.R. Horton believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. All forward-looking statements are based upon information available to D.R. Horton on the date this release was issued. D.R. Horton does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements in this release relate to our earnings per share guidance for 2003 and 2004, continued sales momentum and our assurance of another consecutive year of growth and profitability in 2003, and our expectations as to our position for 2004 based on our record earnings and record backlog position. Factors that may cause the actual results to be materially different from the future results expressed by the forward-looking statements include, but are not limited to: changes in general economic, real estate and business conditions; changes in interest rates and the availability of mortgage financing; governmental regulations and environmental matters; the Company's substantial leverage; competitive conditions within the industry; the availability of capital to the Company on favorable terms; the Company's ability to integrate its acquisitions and successfully effect the cost savings, operating efficiencies and revenue enhancements that are believed available and otherwise to successfully effect its other growth strategies. Additional information about issues that could lead to material changes in performance is contained in D.R. Horton's annual report on Form 10-K and the most recent Form 10-Q, both of which were filed with the Securities and Exchange Commission.

D.R. HORTON, INC.

CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

Three months ended		Nine months ended	
June 30,		June 30,	
2002	2003	2002	2003

(In millions, except per share amounts)

	1,779.6	2,166.8	4,490.8	5,742.2
Cost of sales				
Home sales	1,416.1	1,676.3	3,573.8	4,429.6
Land/lot sales	25.9	50.5	70.1	162.1
	1,442.0	1,726.8	3,643.9	4,591.7
Gross profit				
Home sales	334.1	432.6	836.5	1,123.6
Land/lot sales	3.5	7.4	10.4	26.9
	337.6	440.0	846.9	1,150.5
Selling, general and administrative expense	177.0	208.0	444.9	574.4
Interest expense	1.5	1.7	5.2	2.1
Other expense	3.8	3.4	4.0	3.1
Operating income from homebuilding	155.3	226.9	392.8	570.9
Financial services:				
Revenues	28.9	45.6	77.7	123.6
Selling, general and administrative expense	18.2	25.3	48.3	69.6
Interest expense	1.2	1.7	3.5	5.3
Other (income)	(4.7)	(5.4)	(10.6)	(16.4)
Operating income from financial services	14.2	24.0	36.5	65.1
Income before income taxes	169.5	250.9	429.3	636.0
Provision for income taxes	63.6	95.3	161.0	240.8
Net income	\$105.9	\$155.6	\$268.3	\$395.2
Amounts per share - basic:				
Net income	\$0.72	\$1.07	\$2.06	\$2.70
Weighted average number of common shares	146.3	146.0	130.2	146.3
Amounts per share - diluted:				
Net income	\$0.67	\$0.99	\$1.94	\$2.62
Weighted average number of common shares	159.0	157.5	139.3	151.4

Other Consolidated

Financial Data

Interest amortized to home and

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

June 30, 2003

(In millions)

ASSETS

Homebuilding:

Cash and cash equivalents	\$264.2
Inventories	4,997.3
Property and equipment (net)	75.7
Other assets	418.6
Excess of cost over net assets acquired (net)	581.2
	6,337.0

Financial services:

Cash and cash equivalents	32.1
Mortgage loans held for sale	525.5
Other assets	21.5
	579.1
	\$6,916.1

LIABILITIES

Homebuilding:

Accounts payable and other liabilities	\$918.1
Notes payable	2,667.0
	3,585.1

Financial services:

Accounts payable and other liabilities	12.2
Notes payable	414.0
	426.2
	4,011.3
Minority interests	69.5

STOCKHOLDERS' EQUITY

Common stock	1.6
Additional capital	1,576.7
Unearned compensation	(2.7)
Retained earnings	1,289.2
Treasury stock	(29.5)

2,835.3

\$6,916.1

Three Months Ended June 30,				Nine Months Ended June 30,			
2002		2003		2002		2003	
Units	\$'s	Units	\$'s	Units	\$'s	Units	\$'s

Mid-

Atlantic	960	\$201.3	952	\$216.1	2,471	\$512.0	2,666	\$577.1
Midwest	543	126.8	503	138.0	1,394	341.1	1,454	385.6
Southeast	976	161.9	1,213	237.7	2,680	438.6	3,314	623.0
Southwest	3,520	590.5	4,317	715.5	9,537	1,583.7	11,561	1,924.6
West	3,066	954.1	3,826	1,311.1	6,744	2,014.1	9,616	3,246.0

9,065	\$2,034.6	10,811	\$2,618.4	22,826	\$4,889.5	28,611	\$6,756.3
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HOMES CLOSED

Three Months Ended June 30,				Nine Months Ended June 30,			
2002		2003		2002		2003	
Units	\$'s	Units	\$'s	Units	\$'s	Units	\$'s

Mid-

Atlantic	788	\$167.3	833	\$175.0	2,016	\$431.0	2,241	\$463.7
Midwest	472	119.4	468	118.2	1,323	333.5	1,335	335.3
Southeast	838	139.1	1,099	194.9	2,516	429.7	3,025	519.8
Southwest	3,062	516.4	3,581	607.7	7,971	1,352.9	9,938	1,677.9
West	2,717	808.0	3,024	1,013.1	6,381	1,863.2	7,868	2,556.5

7,877	\$1,750.2	9,005	\$2,108.9	20,207	\$4,410.3	24,407	\$5,553.2
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SALES CONTRACT BACKLOG

As of June 30,			
2002		2003	
Units	\$'s	Units	\$'s

Mid-Atlantic	1,277	\$271.3	1,678	\$378.3
Midwest	989	270.4	1,035	288.9
Southeast	1,628	262.4	1,958	377.9
Southwest	5,868	984.4	6,809	1,134.4
West	3,824	1,159.7	5,421	1,848.9

13,586	\$2,948.2	16,901	\$4,028.4
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SOURCE D.R. Horton, Inc.