

D.R. HORTON, INC. REPORTS A 52% INCREASE IN FISCAL YEAR 2003 FIRST QUARTER NET INCOME

01/16/03

Quarter Highlights

- * Net sales orders increased 66% to \$1.7 billion (7,252 homes)
- * Sales backlog increased 56% to \$2.9 billion (12,435 homes)
- * Net income increased 52% to \$111.8 million
- * Consolidated revenue increased 50% to \$1.7 billion
- * Homes closed increased 32% to 7,514 units
- * Earnings per share increased 21% to \$0.75
- * Homebuilding debt to total capitalization (net of cash) improved to 51.5% from 55.9% a year ago
- * Approximately \$900 million in cash and undrawn credit facility

ARLINGTON, Texas, Jan. 16 /PRNewswire-FirstCall/ -- D.R. Horton, Inc. (NYSE: DHI) Thursday (January 16, 2003), reported that net income for the quarter ended December 31, 2002 increased 52% to \$111.8 million (\$0.75 per diluted share), compared to \$73.4 million (\$0.62 per diluted share) for the quarter ended December 31, 2001. First quarter consolidated revenue increased 50% to \$1.7 billion from \$1.2 billion in the year ago quarter. Homes closed for the first quarter increased 32% to 7,514 homes from 5,691 homes a year ago.

The Company reported a record December 31 sales backlog of \$2.9 billion (12,435 homes), an increase of 56% from \$1.8 billion (8,716 homes) a year ago. The Company previously reported that net sales orders for the quarter increased 66% to \$1.7 billion (7,252 homes) from \$1.0 billion (5,144 homes) for the same period last year.

The Company expects diluted earnings per share for the quarter ended March 31, 2003 to be in the range of \$0.73 to \$0.76 (approximately 159 million diluted shares). The Company expects diluted earnings per share for fiscal year 2003 to be in the range of \$3.50 to \$3.55 (approximately 157 million diluted shares). This range represents a 22% to 24% increase in earnings per share over the \$2.87 reported in fiscal year 2002, and is based on projected revenues of approximately \$8.0 billion (approximately 35,000 homes closed).

D.R. Horton's earnings release conference call will be today at 12:30 p.m. EST. The number is 800-374-9096, and the call will also be available through a webcast at www.DRHORTON.com.

Donald R. Horton, Chairman of the Board, said, "We are extremely pleased with the Company's first quarter performance, where once again we grew our net income at a faster pace than our revenues. The excellent results of our first quarter, our record backlog at December 31 and our strong liquidity position of approximately \$900 million provide a solid foundation for achieving another record year in 2003."

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 the expectation of another record year in fiscal year 2003, and the Company's diluted earnings per share expectations for the quarter ending March 31, 2003 and the year ending September 30, 2003. 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 which is filed with the Securities and Exchange Commission.

D.R. HORTON, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended	
	December 31,	
	2001	2002
(In millions, except per share amounts)		
Homebuilding:		
Revenues		
Home sales	\$1,125.7	\$1,666.4
Land/lot sales	9.3	40.3
	1,135.0	1,706.7
Cost of sales		
Home sales	898.9	1,333.7
Land/lot sales	7.9	34.8
	906.8	1,368.5
Gross profit		
Home sales	226.8	332.7
Land/lot sales	1.4	5.5
	228.2	338.2
Selling, general and administrative expenses	118.4	179.2
Interest expense	1.2	0.4
Other (income)	2.6	(0.2)
Operating income from homebuilding	106.0	158.8
Financial Services:		
Revenues	24.9	38.2
Selling, general and administrative expenses	15.1	22.0
Interest expense	1.3	2.0
Other (income)	(3.0)	(5.9)
Operating income from financial services	11.5	20.1
Income before income taxes	117.5	178.9
Provision for income taxes	44.1	67.1
Net income	\$73.4	\$111.8
Amounts per share - basic:		
Net income	\$0.64	\$0.76
Weighted average number of common shares	115.4	146.5
Amounts per share - diluted:		
Net income	\$0.62	\$0.75
Weighted average number of common shares	117.5	148.5
Consolidated Financial Data:		
Interest amortized to home and land/lot cost of sales	\$22.3	\$39.5
Depreciation and amortization	5.3	9.0
Interest incurred	38.0	58.8

2002 2002

(In millions)

ASSETS

Homebuilding:

Cash and cash equivalents	\$92.1	\$180.0
Inventories	4,343.1	4,580.5
Property and equipment (net)	71.9	77.1
Other assets	430.4	376.2
Excess of cost over net assets acquired	579.2	579.0
	5,516.7	5,792.8

Financial services:

Cash and cash equivalents	12.2	14.7
Mortgage loans held for sale	464.1	431.8
Other assets	24.5	19.3
	500.8	465.8
	\$6,017.5	\$6,258.6

LIABILITIES

Homebuilding:

Accounts payable and other liabilities	\$834.0	\$814.2
Notes payable	2,487.0	2,699.6
	3,321.0	3,513.8

Financial services:

Accounts payable and other liabilities	14.3	13.8
Notes payable	391.4	338.3
	405.7	352.1
	3,726.7	3,865.9

Minority interests	20.9	18.6
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STOCKHOLDERS' EQUITY

Common stock	1.5	1.5
Additional capital	1,349.6	1,350.2
Unearned compensation	(4.4)	(3.8)
Retained earnings	923.2	1,026.2
	2,269.9	2,374.1
	\$6,017.5	\$6,258.6

D.R. HORTON, INC.

(\$'s in millions)

NET SALES ORDERS

Three months ended December 31,

2001 2002

	Units	\$'s	Units	\$'s
Mid-Atlantic	628	\$128.1	721	\$146.0
Midwest	388	96.9	429	106.9
Southeast	735	118.3	949	169.8
Southwest	2,332	379.2	2,771	468.9
West	1,061	298.9	2,382	806.9
	5,144	\$1,021.4	7,252	\$1,698.5

HOMES CLOSED

Three months ended December 31,

2001 2002

Units	\$'s	Units	\$'s
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Mid-Atlantic	595	\$125.1	665	\$134.2
Midwest	463	118.7	426	109.5
Southeast	888	154.9	947	157.3
Southwest	2,571	432.6	3,080	517.9
West	1,174	294.4	2,396	747.5
	5,691	\$1,125.7	7,514	\$1,666.4

SALES BACKLOG

	December 31,			
	2001		2002	
	Units	\$'s	Units	\$'s
Mid-Atlantic	855	\$193.3	1,309	\$276.6
Midwest	843	241.0	919	235.9
Southeast	1,311	216.9	1,671	287.3
Southwest	3,996	684.6	4,877	838.7
West	1,711	493.7	3,659	1,218.8
	8,716	\$1,829.5	12,435	\$2,857.3

SOURCE D.R. Horton, Inc.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding D.R. Horton's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.