

# D.R. HORTON REITERATES PROPOSAL TO ACQUIRE 75% OF FORESTAR GROUP'S COMMON STOCK FOR \$16.25 PER SHARE

06/22/17

*D.R. Horton Believes Its Proposal Will Provide Superior Value to Forestar Shareholders over Amended Agreement with Starwood Capital Group*

*Provides Forestar with Significant Growth Opportunity to Become Leading National Land Developer Through Strategic Alignment with Largest U.S. Homebuilder*

ARLINGTON, Texas--(BUSINESS WIRE)-- [D.R. Horton, Inc.](#) (NYSE:DHI) ("D.R. Horton"), America's Builder, said today that it believes its proposal to acquire 75% of Forestar (NYSE:FOR) for \$16.25 per share in cash and to grow Forestar into a leading publicly-traded national land developer will provide Forestar shareholders with greater overall value than the amended agreement between Forestar and Starwood Capital Group.

Donald R. Horton, Chairman of the Board, said, "We are confident that our proposal is superior to the amended agreement with Starwood and remain fully committed to closing a Forestar transaction in the best interests of both companies' shareholders. We have completed our due diligence and have submitted a fully negotiated Merger Agreement, Master Supply Agreement and Stockholder Agreement to the Forestar Board of Directors. We urge the Forestar Board to formally declare our proposal to be a 'Superior Proposal,' and to proceed to a definitive agreement with D.R. Horton and postpone the shareholder meeting scheduled for July 7, 2017."

Slides with further detail about the D.R. Horton proposal are available at [investor.drhorton.com/FOR](http://investor.drhorton.com/FOR).

Moelis & Company is serving as financial advisor to D.R. Horton in connection with this proposal, and Gibson, Dunn & Crutcher LLP is serving as legal counsel.

## **About D.R. Horton, Inc.**

D.R. Horton, Inc., America's Builder, has been the largest homebuilder by volume in the United States for fifteen consecutive years. Founded in 1978 in Fort Worth, Texas, D.R. Horton has operations in 78 markets in 26 states across the United States and closed 43,075 homes in the twelve-month period ended March 31, 2017. The Company is engaged in the construction and sale of high-quality homes through its diverse brand portfolio that includes D.R. Horton, [Emerald Homes](#), [Express Homes](#) and [Freedom Homes](#) ranging from \$100,000 to over \$1,000,000. D.R. Horton also provides [mortgage financing](#) and [title services](#) for homebuyers through its mortgage and title subsidiaries.

## **Forward-Looking Statements**

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 D.R. Horton's belief that its proposal to grow Forestar into a leading publicly-traded national land developer will provide Forestar shareholders with greater overall value than the amended agreement between Forestar and Starwood Capital Group, and its commitment to closing a Forestar transaction in the best interests of both companies' shareholders.

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: our ability to enter into mutually satisfactory definitive transaction agreements with Forestar, obtain any requisite approval from Forestar stockholders, and satisfy any conditions to closing of such proposed transaction; other risks related to the completion of the proposed transaction and actions related thereto; the cyclical nature of the homebuilding industry and changes in economic, real estate and other conditions; constriction of the credit markets, which could limit our ability to access capital and increase our costs of capital; reductions in the availability of mortgage financing provided by government agencies, changes in government financing programs, a decrease in our ability to sell mortgage loans on attractive terms or an increase in mortgage interest rates; the risks associated with our land and lot inventory; home warranty and construction defect claims; the effects of a health and safety incident; the effects of negative publicity; supply shortages and other risks of acquiring land, building materials and skilled labor; the impact of an inflationary, deflationary or higher interest rate environment; reductions in the availability of performance bonds; increases in the costs of owning a home; the effects of governmental regulations and environmental matters on our homebuilding operations; the effects of governmental regulations on our financial services operations; our significant debt and our ability to comply with related debt covenants, restrictions and limitations; competitive conditions within the homebuilding and financial services industries; our ability to execute our growth strategies, acquisitions or investments successfully; the effects of the loss of key personnel; and information technology failures and data security breaches. 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 our most recent quarterly report on Form 10-Q, both of which are filed with the Securities and Exchange Commission (the "SEC").

#### **Additional Information**

In connection with the possible completion of D.R. Horton's proposed transaction with Forestar, it is expected that the parties would cause the filing with the SEC of a registration statement on Form S-4 that would include a proxy statement/prospectus to be distributed to Forestar stockholders. SECURITY HOLDERS ARE ADVISED TO READ THE REGISTRATION STATEMENT AND PROXY STATEMENT/PROSPECTUS IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. The registration statement, proxy statement/prospectus and other relevant documents will be available at no cost at the SEC's website at <http://www.sec.gov> and on D.R. Horton's website at [investor.drhorton.com](http://investor.drhorton.com). Copies may also be obtained at no cost by contacting D.R. Horton's Investor Relations department by telephone at (817) 390-8200 or by email at [InvestorRelations@drhorton.com](mailto:InvestorRelations@drhorton.com).

D.R. Horton and its directors and certain of its executive officers may be deemed to be participants in any solicitation in connection with the proposed transaction with Forestar. Information regarding D.R. Horton's directors and executive officers is available in D.R. Horton's proxy statement for the 2017 Annual Meeting of Stockholders, filed with the SEC on December 9, 2016. Other information regarding D.R. Horton participants in any proxy solicitation in connection with the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC. As of the date hereof, the D.R. Horton participants do not own any securities of Forestar.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20170622005569/en/>

D.R. Horton

Investor Relations:

Jessica Hansen, 817-390-8195

Vice President of Investor Relations

[jlhansen@drhorton.com](mailto:jlhansen@drhorton.com)

or

Media Relations:

Sard Verbinnen & Co

Liz Zale, 212-687-8080

[lzale@sardverb.com](mailto:lzale@sardverb.com)

or

Kelly Kimberly, 832-680-5120

[kkimberly@sardverb.com](mailto:kkimberly@sardverb.com)

Source: D.R. Horton

"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.

