

# **D.R. HORTON, INC. REPORTS A 57% INCREASE IN FOURTH QUARTER NET INCOME AND A YEAR-END RECORD \$2.8 BILLION BACKLOG AT SEPTEMBER 30, 2002**

11/12/02

## Fourth Quarter Highlights

- \* Home sales orders increased 93% to \$2.0 billion (8,665 homes)
- \* Consolidated revenue increased 41% to \$2.2 billion
- \* Net income increased 57% to \$136.4 million
- \* Earnings per share (diluted) increased 24% to \$.92

## Fiscal Year 2002 Highlights

- \* Consolidated revenue increased 51% to \$6.7 billion
- \* Net income increased 57% to \$404.7 million
- \* Earnings per share (diluted) increased 29% to \$2.87
- \* Sales backlog increased 46% to \$2.8 billion
- \* Stockholders' equity increased 82% to \$2.3 billion
- \* Homebuilding debt to total capitalization (net of cash) improved to 51.3% from 54.0%

ARLINGTON, Texas, Nov. 12 /PRNewswire-FirstCall/ -- D.R. Horton, Inc. (NYSE: DHI) Tuesday (November 12, 2002), reported the highest quarterly earnings in Company history. Net income for the fourth quarter increased 57% to \$136.4 million (\$0.92 per share), from \$86.8 million (\$0.74 per share) for the same quarter of fiscal 2001. Fourth quarter consolidated revenue increased 41% to \$2.2 billion, from \$1.5 billion in the fourth quarter of fiscal 2001. Homebuilding revenue for the quarter increased 41% to \$2.1 billion (9,554 homes closed), compared to \$1.5 billion (7,284 homes closed) for the year ago quarter.

For the fiscal year ended September 30, 2002, net income increased 57% to \$404.7 million (\$2.87 per share), compared to \$257.0 million (\$2.23 per share) for fiscal 2001. Consolidated revenue for the year increased 51% to \$6.7 billion, from \$4.5 billion for fiscal 2001. Homebuilding revenue for the year increased 51% to \$6.6 billion (29,761 homes closed), compared to \$4.4 billion (21,371 homes closed) for fiscal 2001.

orders for the fourth quarter were \$2.0 billion (8,665 homes), an increase of 93% compared to \$1.0 billion (5,224 homes) for the same quarter of fiscal 2001. Net sales orders for fiscal year 2002 increased 53% to \$6.9 billion (31,491 homes), compared to \$4.5 billion (22,179 homes) for fiscal 2001.

The Company expects earnings per share (diluted) for the quarter ended December 31, 2002 to be in the range of \$0.64 to \$0.66 (approximately 159 million diluted shares). The Company expects earnings per share (diluted) for fiscal year 2003 to be in the range of \$3.40 to \$3.45 (approximately 160 million diluted shares). This range represents a 18% to 20% 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).

The Company will host a conference call this morning at 10:00 a.m. EST. The dial-in number is 800-374-9096. The call will also be webcast from [www.drhorton.com](http://www.drhorton.com) on the "Investor Relations" page.

Donald R. Horton, Chairman of the Board, said, "It has been another record-breaking year for D.R. Horton, and we are excited to have just completed our 'Silver Anniversary Year' celebrating 25 consecutive years of growth and increased profitability. We are extremely proud of our employees, and we would like to thank each of them for their hard work and dedication. As we start on our next 25 years, our strong fourth quarter sales and our record backlog at year end position us for another record breaking 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, Regency, 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.

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 Company's expected earnings per share for the quarter ending December 31, 2002 and the 2003 fiscal year, expected fiscal year 2003 revenues and the expectation of another record year in fiscal year 2003 due to the Company's 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; changes in income tax laws affecting mortgage interest deductibility; 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 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 most recent quarterly reports on Form 10-Q, which are filed with the Securities and Exchange Commission.

D.R. HORTON, INC.

CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

	Three months ended		Fiscal year ended	
	September 30,		September 30,	
	2001	2002	2001	2002
	(In millions, except per share amounts)			
Homebuilding:				
Revenues				
Home sales	\$1,489.9	\$2,119.3	\$4,289.8	\$6,529.6
Land/lot sales	25.7	15.2	93.7	95.6
	1,515.6	2,134.5	4,383.5	6,625.2
Cost of sales				
Home sales	1,206.0	1,708.3	3,450.8	5,282.1
Land/lot sales	21.6	12.3	76.3	82.3
	1,227.6	1,720.6	3,527.1	5,364.4
Gross profit				
Home sales	283.9	411.0	839.0	1,247.5
Land/lot sales	4.1	2.9	17.4	13.3
	288.0	413.9	856.4	1,260.8
Selling, general and administrative expense	136.9	201.8	432.0	646.8
Interest expense	2.2	0.8	8.8	6.0
Other expense	20.7	13.0	34.8	16.9
Operating income from				

Revenues	24.4	35.9	72.0	113.6
Selling, general and administrative expense	14.9	19.5	47.4	67.8
Interest expense	1.7	2.0	5.3	5.5
Other (income)	(2.8)	(5.5)	(7.7)	(16.1)
Operating income from financial services	10.6	19.9	27.0	56.4
Income before income taxes	138.8	218.2	407.8	647.5
Provision for income taxes	52.0	81.8	152.9	242.8
Income before cumulative effect of change in accounting principle	\$86.8	\$136.4	\$254.9	\$404.7
Cumulative effect of change in accounting principle, net of income taxes	---	---	2.1	---
Net income	\$86.8	\$136.4	\$257.0	\$404.7
Amounts per share -- basic:				
Income before cumulative effect of change in accounting principle	\$0.75	\$0.93	\$2.24	\$3.01
Cumulative effect of change in accounting principle, net of income taxes	---	---	0.02	---
Net income per share	\$0.75	\$0.93	\$2.26	\$3.01
Amounts per share -- diluted:				
Income before cumulative effect of change in accounting principle	\$0.74	\$0.92	\$2.21	\$2.87
Cumulative effect of change in accounting principle, net of income taxes	---	---	0.02	---
Net income per share	\$0.74	\$0.92	\$2.23	\$2.87
Weighted average number of shares:				
Basic	115.1	146.5	113.5	134.3
Diluted	117.1	148.8	115.4	141.6

Other Consolidated Financial Data

Interest in home and land cost of sales	\$30.7	\$46.6	\$91.4	\$136.1
Depreciation and amortization	\$12.7	\$14.2	\$31.2	\$32.8
Interest incurred	\$37.9	\$59.2	\$136.3	\$204.3

(In millions)

ASSETS

Homebuilding:

Cash and cash equivalents	\$232.3	\$92.1
Inventories	2,804.4	4,343.1
Property and equipment (net)	53.1	71.9
Other assets	181.7	430.4
Excess of cost over net assets acquired (net)	136.2	579.2
	3,407.7	5,516.7

Financial services:

Cash and cash equivalents	7.0	12.2
Mortgage loans held for sale	222.8	464.1
Other assets	14.7	24.5
	244.5	500.8
	\$3,652.2	\$6,017.5

LIABILITIES

Homebuilding:

Accounts payable and other liabilities	\$498.6	\$834.0
Notes Payable	1,701.7	2,487.0
	2,200.3	3,321.0

Financial services:

Accounts payable and other liabilities	10.2	14.3
Notes payable	182.6	391.4
	192.8	405.7
	2,393.1	3,726.7

Minority interests	8.9	20.9
--------------------	-----	------

STOCKHOLDERS' EQUITY

Common stock	0.8	1.5
Additional capital	704.8	1,349.6
Unearned compensation	---	(4.4)
Retained earnings	544.6	923.2
	1,250.2	2,269.9
	\$3,652.2	\$6,017.5

D.R. HORTON, INC.

(\$'s in millions)

NET SALES CONTRACTS

Three Months Ended September 30, Fiscal Year Ended September 30,

2001                      2002                      2001                      2002

Midwest	410	106.5	515	123.4	1,851	481.3	1,909	464.4
Southeast	741	125.9	1,038	178.4	3,007	530.8	3,718	617.0
Southwest	2,306	394.3	3,206	547.8	9,233	1,536.4	12,743	2,131.5
West	1,095	274.7	2,996	958.7	5,332	1,364.1	9,740	2,972.8
	5,224	\$1,032.0	8,665	\$1,996.4	22,179	\$4,502.6	31,491	\$6,885.9

HOMES CLOSED

Three Months Ended September 30, Fiscal Year Ended September 30,

	2001		2002		2001		2002	
	Units	\$'s	Units	\$'s	Units	\$'s	Units	\$'s
Mid-Atlantic	807	\$175.0	934	\$194.6	2,757	\$607.2	2,950	\$625.7
Midwest	522	130.3	588	155.2	1,833	443.9	1,911	488.7
Southeast	906	160.5	997	166.2	2,882	508.8	3,513	595.8
Southwest	2,947	498.6	3,888	644.4	8,902	1,480.3	11,859	1,997.3
West	2,102	525.5	3,147	958.9	4,997	1,249.6	9,528	2,822.1
	7,284	\$1,489.9	9,554	\$2,119.3	21,371	\$4,289.8	29,761	\$6,529.6

SALES CONTRACT BACKLOG

As of September 30,

	2001		2002	
	Units	\$'s	Units	\$'s
Mid-Atlantic	822	\$190.3	1,253	\$264.8
Midwest	918	262.8	916	238.5
Southeast	1,464	253.6	1,669	274.7
Southwest	4,235	738.0	5,186	887.8
West	1,824	489.1	3,673	1,159.4
	9,263	\$1,933.8	12,697	\$2,825.2

WEBSITE ADDRESS: [www.DRHORTON.com](http://www.DRHORTON.com)

Make Your Opinion Count - [Click Here](#)

<http://tbutton.prnewswire.com/prn/11690X82766534>

SOURCE D.R. Horton, Inc.