

D.R. HORTON, INC. REPORTS A 54% INCREASE IN THIRD QUARTER NET INCOME AND A RECORD \$2.9 BILLION BACKLOG AT JUNE 30, 2002

07/22/02

Quarter Highlights

- Net income increased 54% to \$105.9 million
- Homes closed increased 44% to 7,877 homes
- Consolidated revenue increased 61% to \$1.8 billion
- Sales backlog increased 30% to a record \$2.9 billion
- Earnings per share increased 12% to \$0.67 per share
- Stockholders' equity exceeded \$2.1 billion
- Homebuilding debt to total capitalization (net of cash) improved to 55.9% from 57.9%

ARLINGTON, Texas, July 22 /PRNewswire-FirstCall/ -- D.R. Horton, Inc. (NYSE: DHI) Monday (July 22, 2002), reported that third quarter net income increased 54% to \$105.9 million (\$0.67 per share), from \$68.8 million (\$0.60 per share) in fiscal 2001. Third quarter consolidated revenue increased 61% to \$1.8 billion, from \$1.1 billion in fiscal 2001. Homebuilding revenue for the quarter increased 61% to \$1,779.6 million (7,877 homes closed), compared to \$1,102.0 million (5,467 homes closed) for the same period of fiscal 2001.

For the nine months ended June 30, 2002, net income increased 58% to \$268.3 million (\$1.94 per share), compared to \$170.2 million (\$1.48 per share) for the same period of fiscal 2001. Consolidated revenue for the nine months increased 57% to \$4.6 billion, from \$2.9 billion for the same period of fiscal 2001. Homebuilding revenue for the nine months increased 57% to \$4.5 billion (20,207 homes closed), compared to \$2.9 billion (14,087 homes closed) for the same period of fiscal 2001.

As previously reported, net sales orders for the third quarter established an all-time quarterly record of \$2.0 billion (9,065 homes), an increase of 68% compared to \$1.2 billion (6,014 homes) for the same quarter of fiscal 2001. Net sales orders for the first nine months of fiscal 2002 increased 41% to \$4.9 billion (22,826 homes), compared to \$3.5 billion (16,955 homes) for the same period of fiscal 2001. The Company's backlog of homes under contract at June 30, 2002 totaled \$2.9 billion (13,586 homes), up 30% from \$2.3 billion (10,608 homes) at June 30, 2001.

The Company expects earnings per share for the fiscal year ended September 30, 2002 of approximately \$2.77 to \$2.82.

Donald R. Horton, Chairman of the Board, said, "It has been another exciting quarter for the Company. We continue to experience strong sales demand as evidenced by the third quarter's 68% sales increase, which contributed to a record backlog of \$2.9 billion. The Company's continued sales momentum combined with our record backlog, ensure that fiscal 2002 will be our 25th consecutive year of growth and profitability, and position us for another record year in fiscal year 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.

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. 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; 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		Nine months ended	
	June 30,		June 30,	
	2001	2002	2001	2002

(In millions, except per share amounts)

Homebuilding:

Revenues

Home sales	\$1,090.2	\$1,750.2	\$2,799.9	\$4,410.3
Land/lot sales	11.8	29.4	68.0	80.5

Land/lot sales	10.7	25.9	54.8	70.1
	882.8	1,442.0	2,299.5	3,643.9
Gross profit				
Home sales	218.1	334.1	555.2	836.5
Land/lot sales	1.1	3.5	13.2	10.4
	219.2	337.6	568.4	846.9
Selling, general and administrative expense	109.1	177.0	295.1	444.9
Interest expense	2.1	1.5	6.6	5.2
Other expense	5.0	3.8	14.1	4.0
Operating income from homebuilding	103.0	155.3	252.6	392.8
Financial services:				
Revenues	19.0	28.9	47.6	77.7
Selling, general and administrative expense	12.5	18.2	32.5	48.3
Interest expense	1.6	1.2	3.6	3.5
Other (income)	(2.2)	(4.7)	(4.9)	(10.6)
Operating income from financial services	7.1	14.2	16.4	36.5
Income before income taxes	110.1	169.5	269.0	429.3
Provision for income taxes	41.3	63.6	100.9	161.0
Income before cumulative effect of change in accounting principle	\$68.8	\$105.9	\$168.1	\$268.3
Cumulative effect of change in accounting principle, net of income taxes	---	---	2.1	---
Net income	\$68.8	\$105.9	\$170.2	\$268.3
Amounts per share - basic:				
Income before cumulative effect of change in accounting principle	\$0.61	\$0.72	\$1.49	\$2.06
Cumulative effect of change in accounting principle, net of income taxes	---	---	0.02	---
Net income	\$0.61	\$0.72	\$1.51	\$2.06
Amounts per share - diluted:				
Income before cumulative effect of change in accounting principle	\$0.60	\$0.67	\$1.46	\$1.94

Net income per share	\$0.60	\$0.67	\$1.48	\$1.94
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Weighted average number of shares:

Basic	113.4	146.3	113.0	130.2
Diluted	115.3	159.0	114.9	139.3

Other Homebuilding Financial Data

Interest in home and land cost of sales	\$24.0	\$37.8	\$60.7	\$89.6
Depreciation and amortization	\$6.1	\$6.7	\$17.5	\$16.7
Interest Incurred	\$34.1	\$58.3	\$94.9	\$141.6

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

June 30, 2002

(In millions)

ASSETS

Homebuilding:

Cash and cash equivalents	\$42.8
Inventories	4,381.7
Property and equipment (net)	73.3
Other assets	347.3
Excess of cost over net assets acquired (net)	586.4
	5,431.5

Financial services:

Cash and cash equivalents	13.1
Mortgage loans held for sale	288.5
Other assets	17.6
	319.2
	\$5,750.7

LIABILITIES

Homebuilding:

Accounts payable and other liabilities	\$625.2
Notes payable	2,750.3
	3,375.5

Financial services:

Accounts payable and other liabilities	10.9
Notes payable	204.6
	215.5
	3,591.0
Minority interests	20.4

Unearned compensation	(7.0)
Retained earnings	795.7
	2,139.3
	\$5,750.7

D.R. HORTON, INC.
(\$'s in millions)

NET SALES CONTRACTS

	Three Months Ended June 30,				Nine Months Ended June 30,			
	2001		2002		2001		2002	
	Units	\$'s	Units	\$'s	Units	\$'s	Units	\$'s
Mid-Atlantic	674	\$146.7	960	\$201.3	2,084	\$459.4	2,471	\$512.0
Midwest	520	139.2	543	126.8	1,441	374.8	1,394	341.1
Southeast	868	152.9	976	161.9	2,266	404.8	2,680	438.6
Southwest	2,453	411.0	3,520	590.5	6,927	1,142.2	9,537	1,583.7
West	1,499	364.7	3,066	954.1	4,237	1,089.4	6,744	2,014.1
	6,014	\$1,214.5	9,065	\$2,034.6	16,955	\$3,470.6	22,826	\$4,889.5

HOMES CLOSED

	Three Months Ended June 30,				Nine Months Ended June 30,			
	2001		2002		2001		2002	
	Units	\$'s	Units	\$'s	Units	\$'s	Units	\$'s
Mid-Atlantic	725	\$158.8	788	\$167.3	1,950	\$432.3	2,016	\$431.0
Midwest	437	105.2	472	119.4	1,311	313.6	1,323	333.5
Southeast	818	143.6	838	139.1	1,976	348.3	2,516	429.7
Southwest	2,277	378.9	3,062	516.4	5,955	981.7	7,971	1,352.9
West	1,210	303.7	2,717	808.0	2,895	724.0	6,381	1,863.2
	5,467	\$1,090.2	7,877	\$1,750.2	14,087	\$2,799.9	20,207	\$4,410.3

SALES CONTRACT BACKLOG

	As of June 30,			
	2001		2002	
	Units	\$'s	Units	\$'s
Mid-Atlantic	957	\$234.7	1,277	\$271.3
Midwest	1,030	286.6	989	270.4
Southeast	1,629	288.2	1,628	262.4
Southwest	4,161	711.9	5,868	984.4
West	2,831	740.0	3,824	1,159.7

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