

FORESTAR PRICES PUBLIC OFFERING OF COMMON STOCK

09/25/19

ARLINGTON, Texas--(BUSINESS WIRE)-- Forestar Group Inc. (NYSE: FOR) ("Forestar") announced today the pricing of an underwritten public offering of 5,250,000 shares of its common stock, offered at a price to the public of \$17.50 per share. The gross proceeds from this offering to Forestar are expected to be approximately \$91.9 million, before deducting underwriting discounts and commissions and estimated offering expenses payable by Forestar. Forestar has granted the underwriters a 30-day option to purchase up to an additional 787,500 shares of its common stock. The offering is expected to close on or about September 30, 2019, subject to customary closing conditions.

Citigroup and J.P. Morgan are joint book-running managers and representatives of the underwriters for this offering. Mizuho Securities, Wells Fargo Securities and TD Securities are also acting as joint book-running managers for the offering. BTIG, Fifth Third Securities, Moelis & Company, Synovus and The Buckingham Research Group are acting as co-managers for the offering.

All of the shares to be sold in the offering are being sold by Forestar, with the proceeds to be used for general corporate purposes, including to fund land acquisition and development activities.

A shelf registration statement on Form S-3 relating to the shares of common stock described above has been previously filed with and declared effective by the U.S. Securities and Exchange Commission ("SEC"). This press release does not constitute an offer to sell, or the solicitation of an offer to buy, these securities, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale is not permitted.

This offering is being made by means of a prospectus supplement and related prospectus. A preliminary prospectus supplement relating to the offering has been filed with the SEC and is available on its website at www.sec.gov. Copies of the final prospectus supplement, when available, and accompanying prospectus may be obtained by contacting: Citigroup, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 (tel: 800-831-9146); or J.P. Morgan Securities LLC, c/o J.P. Morgan Securities LLC, Attention: Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 (tel: 866-803-9204).

About Forestar Group Inc.

Forestar Group Inc. is a residential lot development company with operations in 50 markets in 20 states at June 30, 2019 and is a majority-owned subsidiary of D.R. Horton, Inc. (NYSE: DHI), the largest homebuilder by volume in the United States since 2002.

Forward-Looking Statements

Portions of this document may contain “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements are identified by their use of terms and phrases such as “believe,” “anticipate,” “could,” “estimate,” “likely,” “intend,” “may,” “plan,” “expect,” and similar expressions, including references to assumptions. These statements reflect Forestar’s current views with respect to future events and are subject to risks and uncertainties. Forestar notes that a variety of factors and uncertainties could cause its actual results to differ significantly from the results discussed in the forward-looking statements. Factors and uncertainties that might cause such differences include, but are not limited to: the effect of D.R. Horton’s controlling level of ownership on Forestar and its stockholders and holders of notes; Forestar’s ability to realize the potential benefits of the strategic relationship with D.R. Horton; the effect of Forestar’s strategic relationship with D.R. Horton on its ability to maintain relationships with its vendors and customers; demand for new housing, which can be affected by a number of factors including the availability of mortgage credit, job growth and fluctuations in interest rates; competitive actions by other companies; accuracy of estimates and other assumptions related to investment in and development of real estate, the expected timing and pricing of land and lot sales and related cost of real estate sales; Forestar’s ability to hire and retain key personnel; changes in governmental policies, laws or regulations and actions or restrictions of regulatory agencies; general economic, market or business conditions where Forestar’s real estate activities are concentrated; Forestar’s ability to achieve its strategic initiatives; Forestar’s ability to obtain future entitlement and development approvals; Forestar’s partners’ ability to fund their capital commitments and otherwise fulfill their operating and financial obligations; Forestar’s ability to obtain or the availability of surety bonds to secure its performance related to construction and development activities and the pricing of bonds; obtaining reimbursements and other payments from special improvement districts and other agencies and timing of such payments; the levels of resale housing inventory in Forestar’s development projects and the regions in which they are located; fluctuations in costs and expenses, including impacts from shortages in materials or labor; the opportunities (or lack thereof) that may be presented to Forestar and that it may pursue; the strength of Forestar’s information technology systems and the risk of cybersecurity breaches; the conditions of the capital markets and Forestar’s ability to raise capital to fund expected growth; and Forestar’s ability to comply with its debt covenants, restrictions and limitations. Additional information about issues that could lead to material changes in performance and risk factors that have the potential to affect Forestar is contained in its transition report on Form 10-KT and its most recent quarterly reports on Form 10-Q, all of which are filed with the Securities and Exchange Commission.

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Forestar Group Inc.

Charles D. Jehl, Chief Financial Officer

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"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.

