

Forestar Acknowledges 13D Filing and Reaffirms Commitment to Maximizing Long-Term Shareholder Value

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AUSTIN, Texas--(BUSINESS WIRE)--Nov. 17, 2014-- Forestar Group Inc. ("Forestar") (NYSE: FOR) today acknowledged that SpringOwl Associates LLC and Cove Street Capital, LLC have filed a Schedule 13D with the Securities and Exchange Commission reporting that they have acquired beneficial ownership of approximately 6.2% of the company's common stock.

"As a company, we have maintained, and will continue to encourage open communication with all Forestar shareholders. In fact, we have had discussions with both SpringOwl and Cove Street and expect we will continue to do so. In addition, we are committed to maximizing long-term shareholder value. Consistent with that goal, the company's strategy is focused on recognizing and responsibly delivering the greatest value from every acre and growing through strategic and disciplined investments. We are successfully executing our strategy and we are on target to deliver our *Growing FORward* initiatives which has increased earnings, returns and the value of the company," said Jim DeCosmo, president and chief executive officer of Forestar.

"The Board and management team are convinced that the execution of our strategy and *Growing FORward* strategic initiatives will maximize and grow long-term shareholder value," concluded Mr. DeCosmo.

About Forestar Group

Forestar Group Inc. operates in three business segments: real estate, oil and gas and other natural resources. At third quarter-end 2014, the real estate segment owns directly or through ventures almost 120,000 acres of real estate located in ten states and 13 markets in the U.S. The real estate segment has 11 real estate projects representing approximately 24,400 acres currently in the entitlement process, and 73 entitled, developed and under development projects in eight states and 13 markets encompassing over 11,300 acres, comprised of almost 17,800 planned residential lots and approximately 2,000 commercial acres. The oil and gas segment includes approximately 948,000 net acres of oil and gas mineral interests, with approximately 590,000 acres of fee ownership located principally in Texas, Louisiana, Alabama, and Georgia and approximately 358,000 net acres of leasehold interests principally located in Nebraska, Kansas, Oklahoma, North Dakota and Texas. These leasehold interests include about 8,000 net mineral acres in the core of the prolific Bakken and Three Forks formations. The other natural resources segment includes sale of wood fiber and management of our recreational leases, and approximately 1.5 million acres of groundwater resources, including a 45% nonparticipating royalty interest in groundwater produced or withdrawn for commercial purposes from approximately 1.4 million acres in Texas, Louisiana, Georgia and Alabama and about 20,000 acres of groundwater leases in central Texas. Forestar's address on the World Wide Web is www.forestargroup.com.

Forward Looking Statements

This release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are typically identified by words or phrases such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast," and other words and terms of similar meaning. These statements reflect management's current views with respect to future events and are subject to risk and uncertainties. We note that a variety of factors and uncertainties could cause our actual results to differ significantly from the results discussed in the forward-looking statements, including but are not limited to: general economic, market, or business conditions; changes in commodity prices; opportunities (or lack thereof) that may be presented to us and that we may pursue; fluctuations in costs and expenses including development costs; demand for new housing, including impacts from mortgage credit rates or availability; lengthy and uncertain entitlement processes; cyclicity of our businesses; accuracy of accounting assumptions; competitive actions by other companies; changes in laws or regulations; and other factors, many of which are beyond our control. Except as required by law, we expressly disclaim any obligation to publicly revise any forward-looking statements contained in this news release to reflect the occurrence of events after the date of this news release.

Source: Forestar Group Inc.

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