

Forestar Group Inc.
Form 424B5
February 19, 2013
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-179612**

Subject to completion, dated February 19, 2013.

Preliminary Prospectus Supplement to Prospectus dated March 5, 2012

Forestar Group Inc.

\$110,000,000

% Convertible Senior Notes due 2020

Forestar Group Inc. is offering \$110,000,000 aggregate principal amount of its % convertible senior notes due 2020.

The notes will bear interest at a rate of % per annum. We will pay interest on the notes on March 1 and September 1 of each year, beginning September 1, 2013. The notes will mature on March 1, 2020.

Holders may convert their notes at their option prior to the close of business on the business day immediately preceding November 1, 2019 but only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2013 (and only during such calendar quarter), if the last reported sale price (as defined herein) of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five consecutive business day period after any ten consecutive trading day period (the measurement period) in which the trading price (as defined herein) per \$1,000 principal amount of notes for each trading day of such measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after November 1, 2019 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances.

Upon conversion of a note, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, as described herein. The conversion rate will initially equal shares of our common stock per \$1,000 principal amount of the notes (which is equivalent to an initial conversion price of approximately \$ per share of our common stock). The conversion rate will be subject to adjustment upon the occurrence of certain events, but will not be adjusted for any accrued and unpaid interest. In addition, if a make-whole fundamental change (as defined herein) occurs, we will, in some cases and subject to certain limitations, increase the conversion rate for a holder that converts its notes in connection with such make-whole fundamental change.

Subject to certain exceptions, holders may require us to repurchase for cash all or part of their notes upon the occurrence of a fundamental change (as defined herein) at a price equal to 100% of the principal amount of the notes being repurchased, plus any accrued and unpaid interest to, but not including, the relevant repurchase date. We may not redeem the notes prior to the maturity date.

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The notes will be our general unsecured senior obligations and will rank equally with all of our existing and future senior debt. The notes will be effectively subordinated to all of our existing and future secured debt, to the extent of the lesser of the value of the collateral securing such debt and the obligations secured thereby, and structurally subordinated to the obligations of our subsidiaries, whether or not secured.

For a more detailed description of the notes, see [Description of Notes](#) beginning on page S-40.

The notes will be evidenced by a global note deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company. Except as described herein, beneficial interests in the global note will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants.

We do not intend to apply for a listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system. Shares of our common stock are traded on the New York Stock Exchange under the symbol [FOR](#). The closing sale price of our common stock on February 15, 2013 was \$20.00 per share.

Investing in the notes involves certain risks. See [Risk Factors](#) beginning on page S-13 to read about important factors you should consider before investing in the notes.

| | Per Note | Total |
|---|----------|-------|
| Public offering price(1) | % | \$ |
| Underwriting discounts and commissions | % | \$ |
| Proceeds, before expenses, to Forestar Group Inc. | % | \$ |

(1) Plus accrued interest, if any, from February , 2013.

To the extent the underwriters sell more than \$110,000,000 principal amount of notes, the underwriters will have the option to purchase, up to 30 days from the date of initial issuance of the notes, up to an additional \$15,000,000 principal amount of notes from Forestar Group Inc. at the public offering price less the underwriting discount.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus or this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry form through the facilities of The Depository Trust Company against payment in New York, New York on or about February , 2013.

Sole Book-Running Manager

Goldman, Sachs & Co.

Co-managers

KeyBanc Capital Markets

JMP Securities

Capital One Southcoast

J.P. Morgan

UBS Investment Bank

Prospectus Supplement dated February , 2013

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Except as otherwise indicated or unless the context otherwise requires, the terms “we”, “us”, “Forestar”, “our”, “our company”, and the “Company” refer to Forestar Group Inc. and its consolidated subsidiaries, including Forestar (USA) Real Estate Group Inc. References to “Forestar Group” refer to Forestar Group Inc. only and references to “Forestar USA” refer to Forestar (USA) Real Estate Group Inc. only. Forestar Group does not conduct any operations other than with respect to its ownership of Forestar USA and its subsidiaries.

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ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about this offering in two separate documents. The accompanying prospectus provides general information about us and the securities we may offer from time to time. This prospectus supplement describes the specific details regarding this offering. Additional information is incorporated by reference in this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized anyone else to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer and sale thereof is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any related free writing prospectus or any document incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of our securities.

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AVAILABLE INFORMATION AND INCORPORATION BY REFERENCE

This prospectus supplement and the accompanying prospectus are part of the registration statement on Form S-3 we filed with the SEC under the Securities Act of 1933, as amended (the Securities Act) and do not contain all the information set forth in the registration statement. Whenever a reference is made in this prospectus supplement or the accompanying prospectus to any of our contracts, agreements or other documents, the reference may not be complete and you should refer to the exhibits that are a part of the registration statement or the exhibits to the reports or other documents incorporated by reference in this prospectus supplement and the accompanying prospectus for a copy of such contract, agreement or other document.

Forestar Group files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document filed by Forestar Group at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Forestar Group's SEC filings are also available to the public from the SEC's web site at www.sec.gov or from our web site at www.forestargroup.com. However, the information on our web site does not constitute a part of this prospectus supplement.

The SEC allows us to incorporate by reference the information that Forestar Group files with the SEC, which means that we can disclose important information to you by referring to that information. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings made by Forestar Group with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the date of this prospectus supplement and until this offering is completed (other than current reports furnished under Item 2.02 or Item 7.01 of Form 8-K and corresponding information furnished under Item 9.01 of Form 8-K or included as an exhibit filed on such form that are related to such items):

Forestar Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which was filed with the SEC on March 7, 2012;

Forestar Group's Quarterly Reports on Form 10-Q for the three month period ended March 31, 2012, which was filed with the SEC on May 10, 2012, the three and six month periods ended June 30, 2012, which was filed with the SEC on August 9, 2012, and the three and nine month periods ended September 30, 2012, which was filed with the SEC on November 9, 2012;

Forestar Group's Current Reports on Form 8-K, which were filed with the SEC on January 24, 2012, February 7, 2012, February 14, 2012, February 22, 2012, May 9, 2012, May 29, 2012, June 4, 2012, June 19, 2012, June 29, 2012, August 15, 2012, September 17, 2012, September 28, 2012, November 26, 2012 and February 15, 2013 (in each case, to the extent filed); and

the portions of Forestar Group's Definitive Proxy Statement, which was filed with the SEC on March 28, 2012, incorporated by reference by Forestar Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

The agreements incorporated by reference into this prospectus supplement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

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may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time and no such representations or warranties are being made herein. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this prospectus supplement not misleading. We will provide to each person, including any beneficial owner, to whom an prospectus supplement is delivered, without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus supplement, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this prospectus supplement. You should direct requests for documents to:

Forestar Group Inc.

6300 Bee Cave Road

Building Two, Suite 500

Austin, Texas 78746

Attention: Investor Relations

Phone: (512) 433-5210

You should rely only upon the information provided in this prospectus supplement or incorporated by reference into this prospectus supplement and we have not authorized anyone to provide you with different information. You should not assume that the information in this prospectus supplement, including any information incorporated by reference, is accurate as of any date other than the date of this prospectus supplement.

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MARKET AND INDUSTRY DATA

Market data and other statistical information used throughout this prospectus supplement are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data is also based on our good faith estimates, which are derived from management's review of internal data and information, as well as independent sources. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompany prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. 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 and references to assumptions. These statements reflect our 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. Factors and uncertainties that might cause such differences include, but are not limited to:

general economic, market or business conditions in Texas or Georgia, where our real estate activities are concentrated;

our ability to achieve some or all of our strategic initiatives;

the opportunities (or lack thereof) that may be presented to us and that we may pursue;

our ability to hire and retain key personnel;

significant customer concentration;

future residential, multifamily or commercial entitlements, development approvals and the ability to obtain such approvals;

obtaining approvals of reimbursements and other payments from special improvement districts and the timing of such payments;

accuracy of estimates and other assumptions related to investment in real estate, the expected timing and pricing of land and lot sales and related cost of real estate sales, impairment of long-lived assets, income taxes, share-based compensation and oil and natural gas reserves;

the levels of resale housing inventory and potential impact of foreclosures in our mixed-use development projects and the regions in which they are located;

fluctuations in costs and expenses;

demand for new housing, which can be affected by a number of factors including the availability of mortgage credit;

competitive actions by other companies;

changes in governmental policies, laws or regulations and actions or restrictions of regulatory agencies;

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our realization of the expected benefits of acquiring CREDO Petroleum Corporation (Credo);

risks associated with oil and gas drilling production activities;

fluctuations in oil and natural gas commodity prices;

government regulation of exploration and production technology, including hydraulic fracturing;

the results of financing efforts, including our ability to obtain financing with favorable terms, or at all;

our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our senior secured credit facility and other agreements, including the indenture that will govern the notes offered hereby;

our partners' ability to fund their capital commitments and otherwise fulfill their operating and financial obligations;

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the effect of limitations, restrictions and natural events on our ability to harvest and deliver timber;

inability to obtain permits for, or changes in laws, governmental policies or regulations effecting, water withdrawal or usage;

the final resolutions or outcomes with respect to our contingent and other liabilities related to our business; and

our ability to execute our growth strategy and deliver acceptable returns from acquisitions and other investments.

Other factors, including the factors in the sections entitled "Risk Factors" in this prospectus supplement, the accompanying prospectus and in our public filings with the SEC that are incorporated by reference herein, may also cause actual results to differ materially from those expressed in, or implied by, these forward-looking statements. New factors emerge from time to time and it is not possible for us to predict all such factors, nor can we assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

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SUMMARY

The following summary contains basic information about us and this offering. It likely does not contain all the information that is important to you. For a more complete understanding of us and this offering, we encourage you to read this entire document carefully, including the sections entitled Risk Factors in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2011 and in our Quarterly Report on Form 10-Q for the three and nine month periods ended September 30, 2012, and our financial statements and accompanying notes that are incorporated by reference into this prospectus supplement.

Our Company

We are a real estate and natural resources company with a strategy focused on recognizing and responsibly delivering the greatest value from every acre and growing our business through strategic and disciplined investments. Our management team identifies and delivers multiple dimensions of value from land and natural resources, both above the ground (real estate development and timber) and below the ground (oil, natural gas and water). Our land and natural resources are principally located in growing real estate markets and active oil and gas basins. We believe the combination of our strategy, our portfolio of well-located real estate and natural resources and our experienced management team well positions us to benefit from improving market conditions and to take advantage of acquisition and development opportunities, including those created by the dislocation in real estate markets.

We operate in three business segments:

Real estate. Our real estate segment conducts a wide array of project planning and management activities related to the acquisition, entitlement, development and sale of real estate, primarily for single-family residential, mixed-use communities and multifamily apartments. Additionally, we sell land for commercial uses to national retailers and local commercial developers. As of December 31, 2012, we owned directly or through ventures approximately 136,000 acres of real estate located in ten states and fourteen markets, and operate across the real estate value chain from acquisition, management and sales of undeveloped land, through entitlement, development and operation of single-family and multifamily residential and other income producing assets.

Mineral resources. As of December 31, 2012, our mineral resources segment leased portions of our 590,000 net mineral acres owned to oil and gas companies in return for lease bonus, delay rental and royalty payments, often with the option to participate in oil and gas production that might occur on our acreage. In addition, we have approximately 162,000 net acres of leasehold and overriding royalty interests principally located in Nebraska, Kansas, Oklahoma, North Dakota and Texas. These leasehold interests include approximately 6,000 net mineral acres in the core of the prolific Bakken and Three Forks formations. Additionally, we have interests in approximately 1.5 million acres of water rights, including a 45% nonparticipating royalty interest in nearly 1.4 million acres in Texas, Louisiana, Georgia and Alabama, and approximately 20,000 acres of groundwater leases in Central Texas.

Fiber resources. As of December 31, 2012, our fiber resources segment sought to maximize the value of the approximately 121,000 acres of timberlands we owned directly or through ventures and the approximately 17,000 acres of timberlands under lease, through fiber sales and recreational leases.

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We believe that our well located portfolio of assets, combined with our experienced management team's thoughtful and customized approach to recognizing and responsibly delivering the greatest value from these assets, has enabled us to pursue growth opportunities and well positions our business for the future.

Recent Developments

On February 13, 2013, we announced our financial results for the quarter and year ended December 31, 2012 and certain related financial and other information. The following presents certain of our preliminary financial results for the quarter and year ended December 31, 2012. In addition, certain supplemental financial and other information for the quarters and the years ended December 31, 2012 and 2011 has been included on [Annex A](#) in this prospectus supplement. We have not yet finalized our financial statements as of and for the quarter and year ended December 31, 2012, including all disclosures required by Generally Accepted Accounting Principles in the United States (GAAP), and our auditors have not yet completed their audit of these financial statements. Accordingly, financial information as of and for the quarter and year ended December 31, 2012 is subject to further revisions as we finalize our financial statements as of and for the year ended December 31, 2012, including all disclosures required by GAAP, and as our auditors conduct their audit of these financial statements. Actual results for such periods may differ materially from the preliminary results presented below.

Preliminary Results for the Quarter and the Year Ended December 31, 2012

Net income was \$12.9 million, or \$0.36 per diluted share, for the year ended December 31, 2012, compared with net income of \$7.2 million, or \$0.20 per diluted share, for the year ended December 31, 2011. Net income for the year ended December 31, 2012 includes after-tax expenses of approximately (\$4.1) million, or (\$0.12) per share, associated with the Credo acquisition, and an after-tax loss of (\$2.9) million, or (\$0.08) per share, associated with loss on extinguishment of debt related to the amendment and extension of our term loan under our senior secured credit facility. Net income for the year ended December 31, 2011, includes an after-tax gain of \$40.2 million, or \$1.12 per share, related to sale of about 57,000 acres of timberland, an after-tax loss of (\$29.4) million, or (\$0.82) per share, principally related to non-cash asset impairments associated with the acquisition of certain assets from our CL Realty and TEMCO ventures and an after-tax loss of (\$2.1) million, or (\$0.06) per share, associated with proposed private debt offerings.

Net income was \$10.0 million, or \$0.28 per share, for the quarter ended December 31, 2012, compared with net loss of (\$22.9) million, or (\$0.65) per share, for the quarter ended December 31, 2011. Net income for the quarter ended December 31, 2012 includes after-tax expenses of approximately (\$0.4) million, or (\$0.01) per share, associated with the Credo acquisition. Net loss for the quarter ended December 31, 2011 includes an after-tax loss of (\$28.9) million, or (\$0.82) per share, principally related to non-cash asset impairments associated with the acquisition of certain assets from our CL Realty and TEMCO ventures.

Real Estate

In our real estate segment, we sold 1,365 fully developed residential lots at an average price of \$52,000 per lot for the year ended December 31, 2012, with average lot prices up 10% compared with 2011, and sold 95 commercial acres for approximately \$131,000 per acre. In addition, we acquired a multifamily development site in Charlotte, NC for approximately \$5.8 million in the quarter ended December 31, 2012, and sold two stabilized multifamily communities, Broadstone Memorial and Las

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Brisas, generating approximately \$40 million in cash flow for the year ended December 31, 2012. Earnings in our real estate segment were \$21.6 million and \$53.6 million for the quarter and the year ended December 31, 2012, respectively, compared with \$(25.0) million and \$(25.7) million for the quarter and the year ended December 31, 2011, respectively. Real estate segment earnings for the quarter ended December 31, 2012 were higher compared with the prior year period, principally due to \$8.2 million in earnings associated with our venture's gain on sale of the Las Brisas multifamily community in Austin, TX, higher residential lot sales and increased commercial tract sales. In addition, results in our real estate segment for the quarter and the year ended December 31, 2011 were negatively impacted by (\$44.5) million and (\$45.2) million in non-cash asset impairment charges, principally related to the acquisition of certain assets from our CL Realty and TEMCO ventures.

Mineral Resources

In our mineral resources segment, oil production was up over 144% for the year ended December 31, 2012, compared with the year ended December 31, 2011, and we leased approximately 8,910 net mineral acres to exploration and production companies. In addition, oil production was up over 245% in the quarter ended December 31, 2012, compared with the quarter ended December 31, 2011, including over 116,500 barrels of production from the acquisition of Credo, and we leased almost 5,000 net mineral acres to exploration and production companies for almost \$300 per acre. Proven reserves as of December 31, 2012 were 5.6 million barrels of oil equivalent (BOE), up over 87% compared to proven reserves as of December 31, 2011, principally due to the acquisition of Credo, which accounted for 3.7 million BOE of proven reserves as of December 31, 2012. Earnings in our mineral resources segment were \$5.7 million and \$21.6 million for the quarter and the year ended December 31, 2012, respectively, compared with \$3.7 million and \$16.0 million for the quarter and the year ended December 31, 2011, respectively. For the years ended December 31, 2012 and 2011, mineral resource segment earnings include \$5.0 million and \$3.8 million, respectively, in costs principally associated with development of our water resource initiatives. Earnings in our mineral resources segment increased in the quarter and the year ended December 31, 2012, compared with the prior year periods, principally due to higher oil production primarily due to the Credo acquisition and higher lease bonus revenues, which offset lower oil and gas pricing and increased costs.

Fiber Resources

In our fiber resources segment, we sold approximately 494,000 tons of fiber for the year ended December 31, 2012, compared to 323,000 for the year ended December 31, 2011. Earnings in our fiber resources segment were \$2.3 million and \$5.0 million for the quarter and the year ended December 31, 2012, respectively, compared with \$0.1 million and \$1.9 million for the quarter and the year ended December 31, 2011, respectively. Earnings in our fiber resources segment increased for the quarter and the year ended December 31, 2012, compared with prior year periods, principally due to increased fiber sales activity and higher pricing. Recreational leasing activity remained strong during the quarter ended December 31, 2012, with over 99% of available land leased for recreation.

Credo Acquisition

On September 28, 2012, we acquired 100% of the outstanding common stock of Credo in an all cash transaction for \$14.50 per share, representing an equity purchase price of approximately \$146.4 million. In addition, we paid in full approximately \$8.8 million of Credo's outstanding indebtedness.

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Organizational Structure

The following chart presents the ownership structure for certain of our significant subsidiaries and ventures. This chart does not contain all of our subsidiaries and ventures, some of which are guarantors under our senior secured credit facility.

Our principal executive offices are located at 6300 Bee Cave Road, Building Two, Suite 500, Austin, Texas 78746-5149. Our telephone number is (512) 533-5200.

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The Offering

With respect to the discussion of the terms of the notes on the cover page, in this section and in the section entitled "Description of Notes", the words "we", "our", "us" and the "Company" refer only to Forestar Group Inc. and not to any of its subsidiaries.

| | |
|-------------------|--|
| Issuer | Forestar Group Inc., a Delaware corporation. |
| Notes Offered | \$110,000,000 principal amount of % Convertible Senior Notes due 2020 (plus up to an additional \$15,000,000 principal amount for purchase by the underwriters pursuant to their option to purchase additional notes). |
| Maturity Date | March 1, 2020, unless earlier repurchased or converted. |
| Interest | % per year payable semiannually in arrears in cash on March 1 and September 1 of each year, beginning September 1, 2013. |
| Ranking | The notes will be our general unsecured senior obligations and will rank equally with all of our existing and future senior debt. The notes will be effectively subordinated to all of our existing and future secured debt, to the extent of the lesser of the value of the collateral securing such debt and the obligations secured thereby, and structurally subordinated to the obligations of our subsidiaries, whether or not secured. |
| Conversion Rights | <p>Holder may convert their notes at their option prior to the close of business on the business day immediately preceding November 1, 2019, but only under the following circumstances:</p> <p>during any calendar quarter commencing after the calendar quarter ending on June 30, 2013 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;</p> <p>during the five consecutive business day period after any ten consecutive trading day period in which the trading price per \$1,000 principal amount of notes for each trading day of such measurement period was less than 98% of the product of the last reported sale</p> |

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price of our common stock and the applicable conversion rate on each such trading day; or

upon the occurrence of specified corporate events described under Description of Notes Conversion Rights Conversion upon Specified Corporate Events .

On or after November 1, 2019, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances.

The initial conversion rate for the note is _____ shares of our common stock per \$1,000 principal amount of notes. This is equivalent to an initial conversion price of approximately \$ _____ per share of our common stock. The conversion rate is subject to adjustment as described in this prospectus supplement.

In addition, if certain corporate events occur prior to the maturity date, subject to certain limitations, we will increase the conversion rate for a holder who elects to convert its notes in connection with such corporate events as described under Description of Notes Additional Shares Delivered upon Conversion upon Make-Whole Fundamental Change . There will be no increase in the conversion rate if the stock price paid (or deemed to be paid) in such corporate event is less than \$ _____ or greater than \$ _____ (in each case, subject to adjustment).

Settlement upon Conversion

We may elect to pay or deliver, as the case may be, to holders in full satisfaction of our conversion obligation:

solely shares of our common stock, together with cash in lieu of fractional shares, which we refer to as a physical settlement ;

solely cash without any delivery of shares of our common stock, which we refer to as a cash settlement ; or

a combination of cash and shares of our common stock, which we refer to as a combination settlement .

The amount of cash, if we elect a cash settlement, or the amount of cash and the number of shares of our common stock, if any, if we elect a combination settlement, will be based on a daily conversion value (as defined herein)

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for each of the 60 consecutive trading days during the observation period (as defined herein).

All conversions occurring on or after

November 1, 2019 will be settled using the same settlement method. Prior to November 1, 2019 (but subject to Description of Notes Irrevocable Election of Net Share Settlement and Description of Notes Irrevocable Election of Full Physical Settlement), we will use the same settlement method for all conversions occurring on the same conversion date, but we will not have any obligation to use the same settlement method with respect to conversions that occur on different conversion dates. That is, we may choose for one conversion date to settle conversions in physical settlement, and choose for another conversion date cash settlement or combination settlement. If we elect a settlement method, we will inform holders so converting through the trustee of such settlement method we have selected no later than the close of business on the scheduled trading day immediately following the related conversion date (or, in the case of any conversions occurring on or after November 1, 2019, no later than November 1, 2019).

Notwithstanding the foregoing, we will deliver cash in lieu of any fractional share of our common stock issuable upon conversion based on (i) if we elect physical settlement and (a) the relevant conversion date occurs prior to November 1, 2019, the daily volume-weighted average price (VWAP) on the relevant conversion date or, if such conversion date is not a trading day, the immediately preceding trading day and (b) the relevant conversion date occurs on or after November 1, 2019, the daily VWAP on the second trading day prior to the maturity date, or (ii) in the case of any other settlement method, the daily VWAP on the last trading day of the relevant observation period. We will calculate the whole number of shares and the amount of any fractional share due upon conversion of a note based on the entire principal amount of such note that is converted.

A holder will not receive any additional cash payment or additional shares of our common stock representing accrued and unpaid interest

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| Sinking Fund | upon conversion of such holder's note, except in limited circumstances. Instead, interest will be deemed paid by the cash, shares of our common stock or combination thereof delivered to such holder upon conversion. |
| No Optional Redemption by the Company | None. |
| Fundamental Change Repurchase Right of Holders | The notes may not be redeemed by us prior to the maturity date. |
| Events of Default | Subject to certain exceptions, if we undergo a fundamental change (as defined below under "Description of Notes - Fundamental Change Permits Holders to Require Us to Repurchase Notes"), a holder will have the option to require us to repurchase all or any portion of such holder's notes. The fundamental change repurchase price will be 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but not including, the fundamental change repurchase date (each as defined herein). We will pay cash for all notes so repurchased. |
| No Prior Market | Except as noted below, if an event of default on the notes occurs, the principal amount of the notes, plus accrued and unpaid interest thereon, if any, may be declared immediately due and payable, subject to certain conditions set forth in the indenture governing the notes. If the event of default relates to our failure to comply with the reporting obligations in the indenture governing the notes, if we so elect, the sole remedy for the first 180 days following such event of default consists exclusively of the right to receive additional interest, as described in "Description of Notes - Events of Default". The notes will automatically become due and payable in the case of certain types of bankruptcy or insolvency events of default involving us. |
| No Prior Market | The notes will be new securities for which there is no established trading market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so, and may discontinue market making at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained. |

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Book-Entry Form

We will issue the notes in fully registered form in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The notes will be evidenced by one or more global notes deposited with the trustee for the notes, as custodian for DTC. Beneficial interests in the global notes will be shown on, and transfers of those beneficial interests can only be made through, records maintained by DTC and its participants. See Description of Notes Global Note, Book-Entry Form .

New York Stock Exchange Symbol

Our common stock is listed on The New York Stock Exchange (NYSE) under the symbol FOR .

Use of Proceeds

We estimate that the net proceeds of this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional notes) after deducting the underwriters' commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds of this offering, along with cash on hand, to repay outstanding borrowings under our revolving line of credit under our senior secured credit facility, to fund anticipated investments in oil and gas wells of approximately \$72.5 million and other strategic growth opportunities, including opportunistic real estate acquisitions and investments in real estate development, and for general corporate purposes. See Use of Proceeds .

Affiliates of Goldman, Sachs & Co., Capital One Southcoast, Inc., J.P. Morgan Securities LLC and KeyBanc Capital Markets Inc. are lenders under our revolving line of credit under our senior secured credit facility and, accordingly, will receive a portion of the net proceeds from this offering through the repayment by us of amounts outstanding under our revolving line of credit under our senior secured credit facility. In addition, an affiliate of KeyBanc Capital Markets Inc. acted as the sole arranger and sole book runner under our senior secured credit facility. See Underwriting (Conflicts of Interest) .

United States Federal Income Tax Considerations

You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the notes and the shares of our common stock into which the notes may be converted in

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light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. For a discussion of certain U.S. federal income tax considerations, see the discussion under the heading Certain United States Federal Income Tax Considerations .

Trustee, Registrar, Paying Agent and Conversion Agent

U.S. Bank National Association.

Risk Factors

Investment in the notes and any shares of our common stock issuable upon conversion thereof involves risk. You should carefully consider the information contained in Risk Factors and all other information included in this prospectus supplement and the documents incorporated by reference herein before investing in the notes.

Conflicts of Interest

An affiliate of each of KeyBanc Capital Markets Inc. and J.P. Morgan Securities LLC, each underwriters in this offering, is each expected to receive more than 5% of the net proceeds of this offering in connection with the repayment by us of amounts outstanding under our revolving line of credit under our senior secured credit facility. See Use of Proceeds . Thus, each of KeyBanc Capital Markets Inc. and J.P. Morgan Securities LLC, has a conflict of interest as defined in Rule 5121 (Public Offerings of Securities with Conflicts of Interest) of the Financial Industry Regulatory Authority, Inc. (Rule 5121). Accordingly, this offering is being made in compliance with the requirements of Rule 5121. As required by Rule 5121, each of KeyBanc Capital Markets Inc. and J.P. Morgan Securities LLC will not confirm sales to any account over which it exercises discretionary authority without the specific written approval of the account holder.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

We derived the following summary financial data from our audited financial statements for the years ended December 31, 2009, 2010 and 2011. We derived the summary financial data as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 from our unaudited condensed consolidated financial statements. The results of operations for interim periods are not necessarily indicative of the results to be expected for any future period. Our audited financial statements for the years ended December 31, 2009, 2010 and 2011 and our unaudited financial statements for the three and nine month periods ended September 30, 2011 and 2012 are incorporated by reference herein.

This information is only a summary. You should read the data set forth in the table below in conjunction with the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012, &