

CENTEX CORP  
Form DEFA14A  
June 20, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A  
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No. \_\_\_\_\_)

Filed by the Registrant  
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material under Rule 14a-12

Confidential, for use of the Commission only  
(as permitted by Rule 14a-6(e)(2))

Centex Corporation  
3333 Holding Corporation

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(Name of Registrants As Specified in Their Charters)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:\*

4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing party:

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4) Date filed:

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\* Set forth the amount on which the filing fee is calculated and state how it was determined.

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June 16, 2003

Dear Shareholder:

At the Company's 2003 Annual Meeting of Stockholders, we are seeking your approval of the Centex Corporation 2003 Equity Incentive Plan. As described in the Proxy Statement we recently mailed to you, the purposes of the Plan are to align the interests of Centex's employees and directors to the interests of Centex's stockholders by rewarding outstanding contributions to the success and profitability of Centex. The Plan will also strengthen Centex's ability to attract and retain talented employees and directors.

**THE 2003 EQUITY INCENTIVE PLAN IS IMPORTANT  
WE URGE YOU TO VOTE FOR IT**

The 2003 Equity Incentive Plan (the "Plan") is intended to provide Centex the means by which to pay long-term equity incentive compensation to its employees and directors. Awards to be made under the Plan will be PERFORMANCE-BASED stock and stock unit awards and stock options, except for limited grants to new employees. Taking an industry-leadership position, effective April 1, 2003, Centex began expensing newly issued stock options. All stock options granted under the Plan must have an exercise price per share that is not less than the fair market value of the common stock on the date of grant and a term of no more than ten years.

As you are aware, the Company's net earnings have grown at a compounded rate of 40% over the last eight years. Our stock has also done well, increasing in price by over 65% since the beginning of the calendar year. Despite this success, the stock still sells at a single-digit multiple. Our PERFORMANCE-BASED compensation and long-term incentive plans have played an important role in our strong performance. We believe that this excellent performance will continue.

Our employees who have earned stock options fully recognize the Company's exceptional prospects as well as the modest valuation of the stock. Accordingly, it is not surprising that they are holding their options for longer periods. Unfortunately, those decisions have caused the number of options held compared to outstanding shares, or overhang, to escalate. This overhang should be reduced over time as this mis-valuation of the stock is corrected.

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Page 2  
June 16, 2003

We are asking our investors to vote for a new stock plan authorization. That authorization is important for us to be able to provide appropriate performance-based incentives to our employees. Voting against this proposal would be tantamount to penalizing Centex employees for their belief that the Company's excellent performance will be ultimately reflected in a higher stock price.

**THE PLAN IS IN THE INTEREST OF STOCKHOLDERS**

The Plan is administered by a Compensation Committee composed of independent directors who approve the amount and terms of the awards.

The Plan is performance-based; awards are made upon the attainment of annual performance goals.

The Plan does not permit stock option repricing.

The Plan does not permit option reloads (the grant of additional options to preserve upside following option exercise).

The Plan requires the exercise price of all options to be at least 100% of fair market value on the date of grant. We have made every effort to responsibly address the issues most commonly raised by stockholders in formulating the Plan. We have committed, over time, to repurchasing shares to offset option exercise dilution. We believe performance-based compensation plans are a key component to the impressive financial results and shareholder value creation of the Company, both historically and prospectively.

If you haven't already done so, please vote by completing and returning the proxy card(s) included with your materials by mail, telephone or the internet.

**Please vote FOR the proposals recommended by the Centex Corporation Board of Directors.**

Thank you for your consideration.

Sincerely,

Laurence E. Hirsch  
Chairman and Chief Executive Officer  
Centex Corporation

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