

M I HOMES INC  
Form 10-Q  
May 06, 2008

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2008

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-12434

M/I HOMES, INC.  
(Exact name of registrant as specified in its charter)

Ohio  
(State or other jurisdiction  
of incorporation or  
organization)

31-1210837  
(I.R.S. Employer  
Identification No.)

3 Easton Oval, Suite 500, Columbus, Ohio  
43219  
(Address of principal executive offices) (Zip  
Code)

(614) 418-8000  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  
Accelerated filer

Non-accelerated filer  
Smaller reporting company

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(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No  X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common shares, par value \$.01 per share: 14,018,489 shares outstanding as of April 30, 2008

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M/I HOMES, INC.  
FORM 10-Q

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M/I HOMES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2008 (Unaudited)	December 31, 2007
(Dollars in thousands, except par values)		
<b>ASSETS:</b>		
Cash	\$ 1,615	\$ 1,506
Cash held in escrow	11,607	21,239
Mortgage loans held for sale	29,923	54,127
Inventories	747,850	797,329
Property and equipment - net	30,806	35,699
Investment in unconsolidated limited liability companies	34,087	40,343
Income tax receivable	20,241	53,667
Deferred income taxes	57,456	67,867
Other assets	25,076	31,270
Assets of discontinued operation	3,232	14,598
<b>TOTAL ASSETS</b>	<b>\$ 961,893</b>	<b>\$ 1,117,645</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 53,175	\$ 66,242
Accrued compensation	2,905	9,509
Customer deposits	6,660	6,932
Other liabilities	54,405	58,473
Community development district obligations	12,276	12,410
Obligation for consolidated inventory not owned	7,413	7,433
Liabilities of discontinued operation	6,661	14,286
Notes payable banks - homebuilding operations	42,000	115,000
Note payable bank - financial services operations	11,200	40,400
Mortgage notes payable	6,640	6,703
Senior notes – net of discount of \$1,024 and \$1,088, respectively, at March 31, 2008 and December 31, 2007	198,976	198,912
<b>TOTAL LIABILITIES</b>	<b>402,311</b>	<b>536,300</b>
Commitments and contingencies	-	-
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred shares - \$.01 par value; authorized 2,000,000 shares; issued 4,000 shares	96,325	96,325
Common shares - \$.01 par value; authorized 38,000,000 shares; issued 17,626,123 shares	176	176
Additional paid-in capital	79,967	79,428
Retained earnings	454,778	477,339
Treasury shares – at cost – 3,608,279 and 3,621,333 shares, respectively, at March 31, 2008 and December 31, 2007	(71,664)	(71,923)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>559,582</b>	<b>581,345</b>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	961,893	\$	1,117,645
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See Notes to Unaudited Condensed Consolidated Financial Statements.

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M/I HOMES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)	Three Months Ended March 31,	
	2008 (Unaudited)	2007 (Unaudited)
Revenue	\$ 156,085	\$ 216,569
Costs, expenses and other income:		
Land and housing	131,568	170,181
Impairment of inventory and investment in unconsolidated LLCs	21,107	1,145
General and administrative	17,558	20,741
Selling	13,726	17,131
Interest	4,439	4,028
Other Income	(5,555)	-
Total costs, expenses and other income	182,843	213,226
(Loss) income before income taxes	(26,758)	3,343
(Benefit) provision for income taxes	(6,608)	1,272
(Loss) income from continuing operations	(20,150)	2,071
Discontinued operation, net of tax	380	158
Net (loss) income	(19,770)	2,229
Preferred dividends	2,437	-
Net (loss) income to common shareholders	\$ (22,207)	\$ 2,229
Earnings per common share:		
Basic:		
(Loss) earnings from continuing operations	\$ (1.61)	\$ 0.15
Earnings from discontinued operation	\$ 0.03	\$ 0.01
Basic (loss) earnings	\$ (1.58)	\$ 0.16
Diluted:		
(Loss) earnings from continuing operations	\$ (1.61)	\$ 0.15
Earnings from discontinued operation	\$ 0.03	\$ 0.01
Diluted (loss) earnings	\$ (1.58)	\$ 0.16
Weighted average shares outstanding:		
Basic	14,007	13,943
Diluted	14,007	14,120
Dividends per common share	\$ 0.10	\$ 0.10

See Notes to Unaudited Condensed Consolidated Financial Statements.





M/I HOMES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Three Months Ended March 31, 2008 (Unaudited)						Total Shareholders' Equity	
	Preferred Shares Shares	Outstanding Amount	Common Shares Shares	Outstanding Amount	Additional Paid-in Capital	Retained Earnings		Treasury Shares
(Dollars in thousands, except per share amounts)								
Balance at December 31, 2007	4,000\$	96,325	14,004,790	\$ 176	\$ 79,428	\$ 477,339	\$ (71,923)	\$ 581,345
Net loss						(19,770)		(19,770)
Dividends on preferred shares, \$609.375 per share						(2,437)		(2,437)
Dividends on commons shares, \$0.10 per common shares						(354)		(354)
Income tax benefit from stock options and deferred compensation distributions					(92)			(92)
Stock options exercised			900		(10)		18	8
Stock-based compensation expense					825			825
Deferral of executive and director compensation					57			57
Executive and director deferred compensation distributions			12,154		(241)		241	-
Balance at March 31, 2008	4,000\$	96,325	14,017,844	\$ 176	\$ 79,967	\$ 454,778	\$ (71,664)	\$ 559,582