

CENTEX CORP
Form 10-Q
November 05, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2008**
or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____**

**Commission File Number: 1-6776
CENTEX CORPORATION
(Exact name of registrant as specified in its charter)
Nevada
(State of incorporation)
75-0778259
(I.R.S. Employer Identification No.)
2728 N. Harwood, Dallas, Texas 75201
(Address of principal executive offices) (Zip Code)
(214) 981-5000
(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, 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

(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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of business on October 27, 2008: 124,313,681 shares of common stock, par value \$.25 per share.

**Centex Corporation and Subsidiaries
Form 10-Q Table of Contents
September 30, 2008**

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Centex Corporation and Subsidiaries
Statements of Consolidated Operations
(Dollars in thousands, except per share data)
(unaudited)

	<i>For the Three Months Ended September</i>	
	<i>30,</i>	
	2008	2007
Revenues		
Home Building	\$ 952,596	\$ 2,105,484
Financial Services	52,409	80,700
	1,005,005	2,186,184
Costs and Expenses		
Home Building	1,057,333	3,026,395
Financial Services	96,567	134,782
Other	(304)	(223)
Corporate General and Administrative	53,435	34,540
Interest Expense	4,973	
	1,212,004	3,195,494
Loss from Unconsolidated Entities	(12,902)	(36,840)
Interest and Other Income	7,856	22,957
Loss from Continuing Operations Before Income Taxes	(212,045)	(1,023,193)
Income Tax Benefit	(10,425)	(378,432)
Loss from Continuing Operations	(201,620)	(644,761)
Earnings from Discontinued Operations, net of Tax Provision of \$18,313 and \$572	29,630	928
Net Loss	\$ (171,990)	\$ (643,833)
Basic and Diluted Earnings (Loss) Per Share		
Continuing Operations	\$ (1.62)	\$ (5.27)
Discontinued Operations	0.24	0.01

\$ (1.38) \$ (5.26)

Average Shares Outstanding

Basic and Diluted

124,278,555

122,301,587

Cash Dividends Per Share

\$ **0.04**

\$ 0.04

See Notes to Consolidated Financial Statements.

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Centex Corporation and Subsidiaries
Statements of Consolidated Operations
(Dollars in thousands, except per share data)
(unaudited)

	<i>For the Six Months Ended September</i>	
	<i>30,</i>	
	2008	2007
Revenues		
Home Building	\$ 2,002,295	\$ 3,909,304
Financial Services	128,832	178,666
	2,131,127	4,087,970
Costs and Expenses		
Home Building	2,221,936	4,981,941
Financial Services	166,923	217,779
Other	(1,110)	(223)
Corporate General and Administrative	112,074	79,521
Interest Expense	11,153	
	2,510,976	5,279,018
Loss from Unconsolidated Entities	(33,199)	(62,193)
Interest and Other Income	18,256	33,183
Loss from Continuing Operations Before Income Taxes	(394,792)	(1,220,058)
Income Tax Benefit	(24,060)	(443,216)
Loss from Continuing Operations	(370,732)	(776,842)
Earnings from Discontinued Operations, net of Tax Provision of \$38,544 and \$3,121	48,643	5,050
Net Loss	\$ (322,089)	\$ (771,792)
Basic and Diluted Earnings (Loss) Per Share		
Continuing Operations	\$ (2.98)	\$ (6.37)
Discontinued Operations	0.39	0.04
	\$ (2.59)	\$ (6.33)

Average Shares Outstanding

Basic and Diluted	124,255,085	121,888,041
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Cash Dividends Per Share

\$ 0.08	\$ 0.08
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See Notes to Consolidated Financial Statements.

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Centex Corporation and Subsidiaries
Consolidated Balance Sheets with Consolidating Details
(Dollars in thousands, except per share data)
(unaudited)

	Centex Corporation and Subsidiaries	
	September	March 31,
	30, 2008	2008
Assets		
Cash and Cash Equivalents	\$ 1,298,932	\$ 586,810
Restricted Cash	49,557	51,440
Receivables -		
Mortgage Loans, net	419,332	515,880
Trade and Other, including Notes of \$21,701 and \$17,388	303,080	823,861
From Affiliates		
Inventories -		
Housing Projects	3,887,442	4,628,860
Land Held for Development and Sale	624,118	558,756
Land Held Under Option Agreements Not Owned	148,395	147,792
Other	17,135	27,023
Investments -		
Joint Ventures	209,888	206,822
Unconsolidated Subsidiaries		
Property and Equipment, net	59,701	77,931
Other Assets -		
Deferred Income Taxes, net	64,662	191,246
Goodwill	48,034	51,622
Deferred Charges and Other, net	154,315	172,300
Assets of Discontinued Operations		96,989
	\$ 7,284,591	\$ 8,137,332
Liabilities and Stockholders Equity		
Accounts Payable	\$ 133,177	\$ 259,170
Accrued Liabilities	1,709,838	1,805,519
Senior Notes and Other Debt	3,103,567	3,325,167
Financial Services Mortgage Warehouse Facilities	300,326	337,053
Liabilities of Discontinued Operations		34,001
Commitments and Contingencies		
Minority Interests	64,292	77,761
Stockholders Equity -		
Preferred Stock, Authorized 5,000,000 Shares, None Issued		
Common Stock, \$.25 Par Value; Authorized 300,000,000		
Shares; Outstanding 124,286,179 and 123,278,881 Shares	31,940	31,763
Capital in Excess of Par Value	84,979	95,088
Retained Earnings	2,033,658	2,365,634
Treasury Stock, at Cost; 3,473,756 and 3,774,643 Shares	(177,186)	(193,824)

Total Stockholders Equity	1,973,391	2,298,661
	\$ 7,284,591	\$ 8,137,332

See Notes to Consolidated Financial Statements.

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Centex Corporation and Subsidiaries
Consolidated Balance Sheets with Consolidating Details
(Dollars in thousands)
(unaudited)

September 30, 2008	Centex*	September 30, 2008	Financial Services
	March 31, 2008		March 31, 2008
\$ 1,260,604	\$ 562,766	\$ 38,328	\$ 24,044
27,410	28,562	22,147	22,878
		419,332	515,880
294,655	800,275	8,425	23,586
		40,856	(43,463)
3,887,442	4,628,860		
624,118	558,756		
148,395	147,792		
8,279	16,173	8,856	10,850
209,888	206,822		
187,708	292,647		
52,132	65,298	7,569	12,633
14,154	119,590	50,508	71,656
42,670	42,670	5,364	8,952
139,798	145,719	14,517	26,581
	96,989		
\$ 6,897,253	\$ 7,712,919	\$ 615,902	\$ 673,597
\$ 129,003	\$ 250,096	\$ 4,174	\$ 9,074
1,627,299	1,727,684	82,539	77,835
3,103,567	3,325,167	300,326	337,053
	34,001		
63,993	77,310	299	451
31,940	31,763	1	1
84,979	95,088	527,467	478,467
2,033,658	2,365,634	(298,904)	(229,284)
(177,186)	(193,824)		

1,973,391	2,298,661	228,564	249,184
\$ 6,897,253	\$ 7,712,919	\$ 615,902	\$ 673,597

* *In the supplemental data presented above, Centex represents the consolidation of all subsidiaries other than those included in Financial Services. Transactions between Centex and Financial Services have been eliminated from the Centex Corporation and Subsidiaries balance sheets.*

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Centex Corporation and Subsidiaries
Statements of Consolidated Cash Flows with Consolidating Details
(Dollars in thousands)
(unaudited)

	Centex Corporation and Subsidiaries For the Six Months Ended September 30,	
	2008	2007
Cash Flows Operating Activities		
Net Loss	\$ (322,089)	\$ (771,792)
Adjustments		
Depreciation and Amortization	20,359	26,239
Stock-based Compensation	14,266	21,939
Provision for Losses on Mortgage Loans and Real Estate Owned	5,599	60,647
Impairments and Write-off of Assets	151,052	1,111,989
Deferred Income Tax Provision (Benefit)	114,514	(375,859)
Loss of Joint Ventures and Unconsolidated Subsidiaries	33,199	62,193
Distributions of Earnings of Joint Ventures and Unconsolidated Subsidiaries	8,401	1,669
Gain on Sale of Assets	(84,745)	(18,408)
Changes in Assets and Liabilities, Excluding Effect of Dispositions		
Decrease (Increase) in Restricted Cash	1,883	26,006
Decrease (Increase) in Trade Receivables, Notes and Other	520,916	(114,782)
Decrease in Mortgage Loans Held for Sale	54,725	653,352
Decrease in Receivables from Affiliates		
Decrease (Increase) in Housing Projects and Land Held for Development and Sale	498,177	(52,739)
Decrease in Other Inventories	8,752	8,975
Decrease in Accounts Payable and Accrued Liabilities	(231,560)	(341,686)
Decrease (Increase) in Other Assets, net	18,221	21,958
Other	(564)	(282)
	811,106	319,419
Cash Flows Investing Activities		
(Issuance of) Payments received on Notes Receivable	(3,128)	2,188
Decrease in Construction Loans	32,823	34,591
Investment in and Advances to Joint Ventures	(50,667)	(100,548)
Distributions of Capital from Joint Ventures	5,414	48,417
Distributions from (Investment in and Advances to) Unconsolidated Subsidiaries		
Purchases of Property and Equipment, net	(1,951)	(4,615)
Proceeds from Dispositions	188,782	10,813
Other		(3,563)
	171,273	(12,717)

Cash Flows Financing Activities

Decrease in Restricted Cash		(577)
Decrease in Short-term Debt, net Centex	(40,777)	(862,201)
Issuance of Long-term Debt		107
Repayment of Long-term Debt	(217,705)	(245,776)
Proceeds from Stock Option Exercises	624	26,346
Excess Tax (Shortfall) Benefit from Stock-Based Awards	(2,526)	2,413
Purchases of Common Stock, net (Dividends Paid) and Capital Contributions Received	(14)	(411)
	(9,887)	(9,668)
	(270,285)	(1,089,767)
Net Increase (Decrease) in Cash and Cash Equivalents	712,094	(783,065)
Cash and Cash Equivalents at Beginning of Period ⁽¹⁾	586,838	882,754
Cash and Cash Equivalents at End of Period ⁽²⁾	\$ 1,298,932	\$ 99,689

See Notes to Consolidated Financial Statements.

(1) Amount includes

cash and cash
equivalents of
discontinued
operations of
\$28 as of
March 31, 2008
and \$220 as of
March 31, 2007.

(2) Amount includes

cash and cash
equivalents of
discontinued
operations of \$0
as of September
30, 2008 and
\$20 as of
September 30,
2007.

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Centex Corporation and Subsidiaries
Statements of Consolidated Cash Flows with Consolidating Details
(Dollars in thousands)
(unaudited)

Centex *		Financial Services	
<i>For the Six Months Ended September 30,</i>		<i>For the Six Months Ended September 30,</i>	
2008	2007	2008	2007
\$ (322,089)	\$ (771,792)	\$ (5,920)	\$ (24,310)
17,909	23,101	2,450	3,138
14,266	21,939	5,599	60,647
151,052	1,111,989	21,148	(18,570)
93,366	(357,289)	54,725	653,352
39,119	86,503	(65,319)	(6,239)
72,101	16,669	731	(2,115)
(39,379)	(18,408)	14,203	7,379
1,152	28,121	54,725	653,352
506,713	(122,161)	(65,319)	(6,239)
498,177	(52,739)	5,395	4,101
3,357	4,874		
(228,998)	(320,087)		