

CENTEX CORP
Form 10-Q
November 02, 2005

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

(Mark One)

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

For The Quarterly Period Ended September 30, 2005

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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

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 26, 2005: 127,748,525 shares of common stock, par value \$.25 per share.

**Centex Corporation and Subsidiaries
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September 30, 2005**

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

	<i>For the Three Months Ended September</i>	
	<i>30,</i>	
	2005	2004
Revenues		
Home Building	\$ 2,888,409	\$ 2,131,577
Financial Services	326,232	276,923
Construction Services	391,922	452,228
Other, including Intersegment Eliminations	23,167	24,296
	3,629,730	2,885,024
 Costs and Expenses		
Home Building	2,435,731	1,851,702
Financial Services	272,501	223,671
Construction Services	388,064	447,310
Other, including Intersegment Eliminations	26,054	26,598
Corporate General and Administrative	23,558	19,019
Interest Expense	3,072	4,711
	3,148,980	2,573,011
 Earnings from Unconsolidated Entities	6,130	3,886
 Earnings from Continuing Operations Before Income Taxes	486,880	315,899
Income Taxes	152,065	112,540
 Earnings from Continuing Operations	334,815	203,359
Earnings (Loss) from Discontinued Operations, net of Taxes of \$17,130 and \$5,364	(285)	7,253
 Net Earnings	\$ 334,530	\$ 210,612
 Basic Earnings Per Share		
Continuing Operations	\$ 2.60	\$ 1.64
Discontinued Operations		0.06

	\$	2.60	\$	1.70
Diluted Earnings Per Share				
Continuing Operations	\$	2.49	\$	1.55
Discontinued Operations				0.06
	\$	2.49	\$	1.61
Average Shares Outstanding				
Basic		128,565,026		124,036,791
Dilutive Securities:				
Options		5,714,941		6,732,011
Other		246,969		212,342
Diluted		134,526,936		130,981,144
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 Earnings
(Dollars in thousands, except per share data)
(unaudited)

	<i>For the Six Months Ended September</i>	
	<i>30,</i>	
	2005	2004
Revenues		
Home Building	\$ 5,287,586	\$ 4,030,673
Financial Services	630,068	551,244
Construction Services	757,977	886,445
Other, including Intersegment Eliminations	47,857	83,717
	6,723,488	5,552,079
Costs and Expenses		
Home Building	4,506,418	3,534,981
Financial Services	528,607	440,418
Construction Services	751,507	877,515
Other, including Intersegment Eliminations	53,505	78,677
Corporate General and Administrative	44,160	38,604
Interest Expense	5,696	9,117
	5,889,893	4,979,312
Earnings from Unconsolidated Entities	18,628	12,112
Earnings from Continuing Operations Before Income Taxes	852,223	584,879
Income Taxes	290,251	209,673
Earnings from Continuing Operations	561,972	375,206
Earnings from Discontinued Operations, net of Taxes of \$19,723 and \$6,890	6,228	12,639
Net Earnings	\$ 568,200	\$ 387,845
Basic Earnings Per Share		
Continuing Operations	\$ 4.37	\$ 3.03
Discontinued Operations	0.05	0.10
	\$ 4.42	\$ 3.13

Diluted Earnings Per Share

Continuing Operations	\$	4.17	\$	2.86
Discontinued Operations		0.05		0.10
	\$	4.22	\$	2.96

Average Shares Outstanding

Basic		128,618,235		123,806,272
Dilutive Securities:				
Options		5,714,903		6,921,348
Other		392,516		394,950
Diluted		134,725,654		131,122,570

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)
(unaudited)

	Centex Corporation and Subsidiaries	
	September	
	30, 2005	March 31, 2005
Assets		
Cash and Cash Equivalents	\$ 254,000	\$ 502,586
Restricted Cash	472,671	377,789
Receivables -		
Residential Mortgage Loans Held for Investment, net	8,536,728	7,914,426
Residential Mortgage Loans Held for Sale	2,013,955	1,775,324
Construction Contracts	322,326	302,035
Trade, including Notes of \$34,057 and \$57,071	424,276	490,199
Inventories -		
Housing Projects	7,689,927	6,234,005
Land Held for Development and Sale	280,153	205,190
Land Held Under Option Agreements Not Owned	699,191	456,917
Other	8,579	33,439
Investments -		
Joint Ventures and Other	283,891	163,944
Financial Services		
Property and Equipment, net	162,857	159,722
Other Assets -		
Deferred Income Taxes	346,093	180,127
Goodwill	217,413	216,537
Mortgage Securitization Residual Interest	64,823	70,120
Deferred Charges and Other, net	286,236	251,459
Assets of Discontinued Operations		677,260
	\$ 22,063,119	\$ 20,011,079
Liabilities and Stockholders Equity		
Accounts Payable	\$ 793,165	\$ 590,276
Accrued Liabilities	1,483,107	1,519,390
Debt -		
Centex	3,738,981	3,107,917
Financial Services	10,644,828	9,721,146
Payables to (Receivables from) Affiliates		
Liabilities of Discontinued Operations		334,072
Commitments and Contingencies		
Minority Interests	670,996	457,521
Stockholders Equity -		
Preferred Stock: Authorized 5,000,000 Shares, None Issued	33,728	33,327

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Common Stock: \$.25 Par Value; Authorized 300,000,000 Shares; Outstanding 127,730,446 and 127,729,725 Shares		
Capital in Excess of Par Value	484,270	407,995
Unamortized Value of Deferred Compensation	(98)	(197)
Retained Earnings	4,540,235	3,982,306
Treasury Stock, at Cost; 7,182,005 and 5,577,686 Shares	(334,096)	(213,801)
Accumulated Other Comprehensive Income	8,003	71,127
Total Stockholders Equity	4,732,042	4,280,757
	\$ 22,063,119	\$ 20,011,079

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, 2005	Centex* March 31, 2005	September 30, 2005	Financial Services March 31, 2005
\$ 241,445	\$ 490,308	\$ 12,555	\$ 12,278
50,332	53,339	422,339	324,450
		8,536,728	7,914,426
		2,013,955	1,775,324
322,326	302,035		
224,257	292,630	200,019	197,569
7,689,927	6,234,005		
280,153	205,190		
699,191	456,917		
3,984	27,133	4,595	6,306
283,891	163,944		
745,003	572,290		
119,875	116,487	42,982	43,235
188,503	161,055	157,590	19,072
205,676	204,800	11,737	11,737
		64,823	70,120
210,678	172,100	75,558	79,359
	677,260		
\$ 11,265,241	\$ 10,129,493	\$ 11,542,881	\$ 10,453,876
\$ 780,366	\$ 569,100	\$ 12,799	\$ 21,176
1,344,466	1,381,488	138,641	137,902
3,738,981	3,107,917	10,644,828	9,721,146
		96,464	(44,958)
	334,072		
669,386	456,159	1,610	1,362

33,728	33,327	1	1
484,270	407,995	275,467	275,467
(98)	(197)		
4,540,235	3,982,306	364,887	333,568
(334,096)	(213,801)		
8,003	71,127	8,184	8,212
4,732,042	4,280,757	648,539	617,248
\$ 11,265,241	\$ 10,129,493	\$ 11,542,881	\$ 10,453,876

* *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,	
		2005	2004
Cash Flows	Operating Activities		
	Net Earnings	\$ 568,200	\$ 387,845
	Adjustments-		
	Depreciation and Amortization	33,880	28,396
	Stock-based Compensation	34,492	23,964
	Provision for Losses on Residential Mortgage Loans Held for Investment	49,035	51,084
	Deferred Income Tax Benefit	(164,506)	(11,361)
	Undistributed Earnings of Joint Ventures	(6,214)	8,726
	Undistributed Earnings of Financial Services		
	Minority Interest, net of Taxes	(299)	1,229
	Gain on Sale of Discontinued Operations	(10,740)	
	Changes in Assets and Liabilities, Excluding Effect of Dispositions		
	(Increase) Decrease in Restricted Cash	(94,882)	(16,141)
	Decrease (Increase) in Receivables	23,121	(55,811)
	Decrease (Increase) in Residential Mortgage Loans Held for Sale	(238,631)	253,315
	Increase in Housing Projects and Land Held for Development and Sale	(1,543,671)	(977,952)
	Decrease (Increase) in Other Inventories	1,654	40,665
	Increase (Decrease) in Accounts Payable and Accrued Liabilities	122,806	2,913
	(Increase) Decrease in Other Assets, net	(36,418)	24,695
	Increase (Decrease) in Payables to Affiliates		
	Other		(3,231)
		(1,262,173)	(241,664)
Cash Flows	Investing Activities		
	Payment (Issuance) on Notes Receivable, net	23,014	(2,591)
	Increase in Residential Mortgage Loans Held for Investment	(671,337)	(732,773)
	Investments in and Advances to Joint Ventures	(198,534)	(104,022)
	Distributions from Joint Ventures	85,214	66,646
	(Increase) Decrease in Investment and Advances to Financial Services		
	Purchases of Property and Equipment, net	(31,006)	(25,031)
	Proceeds from Dispositions	331,388	9,267
	Other	(1,387)	(596)
		(462,648)	(789,100)
Cash Flows	Financing Activities		
	Increase (Decrease) in Short-term Debt, net Centex	1,586,440	94,086

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Issuance of Long-term Debt	971,874	392,902
Repayment of Long-term Debt	(301,151)	(10,648)
Financial Services		
Issuance of Long-term Debt	1,055,206	1,867,799
Repayment of Long-term Debt	(1,722,150)	(1,421,116)