

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: 2007-12-10 | Period of Report: 2007-12-07
SEC Accession No. 000006207-07-00025

(HTML Version on secdatabase.com)

FILER

AMREP CORP.

CIK: **6207** | IRS No.: **590936128** | State of Incorp.: **OK** | Fiscal Year End: **0430**
Type: **8-K** | Act: **34** | File No.: **001-04702** | Film No.: **071295699**
SIC: **7389** Business services, nec

Mailing Address
300 ALEXANDER PARK
SUITE 204
PRINCETON NJ 08540

Business Address
300 ALEXANDER PARK
SUITE 204
PRINCETON NJ 08540
(609) 716-8200

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 7, 2007

AMREP CORPORATION

(Exact Name of Registrant as Specified in Charter)

Oklahoma	1-4702	59-0936128
-----	-----	-----
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification Number)

300 Alexander Park, Suite 204, Princeton, New Jersey 08540

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (609) 716-8200

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On December 7, 2007, AMREP Corporation issued a press release that reported its results of operations for the three and six month periods ended October 31, 2007. The press release is being furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

The information in this Form 8-K and the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits:

99.1 Press Release, dated December 7, 2007, issued by AMREP Corporation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMREP CORPORATION

Date: December 10, 2007

By: /s/ Peter M. Pizza

Peter M. Pizza
Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
Number

Description

99.1

Press release, dated December 7, 2007, issued by
AMREP Corporation.

FOR: AMREP Corporation
300 Alexander Park, Suite 204
Princeton, NJ 08540

CONTACT: Peter M. Pizza
Vice President and Chief Financial Officer
(609) 716-8210

AMREP REPORTS SECOND QUARTER AND SIX MONTH RESULTS

Princeton, New Jersey, December 7, 2007 - AMREP Corporation (NYSE:AXR) today reported net income of \$3,467,000, or \$0.55 per share, for its fiscal 2008 second quarter ended October 31, 2007, compared to net income of \$16,062,000, or \$2.42 per share, for its fiscal 2007 second quarter ended October 31, 2006. For the first six months of fiscal 2008, net income was \$9,730,000, or \$1.50 per share, compared to net income of \$31,866,000, or \$4.79 per share, in the same period of fiscal 2007. Results for the first six months of 2008 included a loss on discontinued operations of \$57,000, or \$.01 per share, that reflected costs incurred in connection with the settlement of all litigation related to the Company's water utility subsidiary that were in addition to costs estimated and accrued for this matter in the fourth quarter of 2007, while the results for the same period in 2007 were entirely from continuing operations. Revenues were \$42,090,000 and \$93,449,000 in the second quarter and first six months of 2008 compared to \$56,055,000 and \$114,324,000 in the same periods last year.

Revenues from land sales at the Company's AMREP Southwest subsidiary were \$3,161,000 and \$21,311,000 for the three and six month periods ended October 31, 2007 compared to \$31,707,000 and \$64,197,000 for the same periods of the prior year. These decreases were the result of a substantial decline in land sales in the Company's principal market of Rio Rancho, New Mexico, due to the softening of the real estate market in the greater Albuquerque-metro and Rio Rancho areas. The number of permits for new home construction in both markets was down significantly for the first ten months of calendar 2007 compared to the same period in 2006, with Rio Rancho showing a decrease of almost 50%. The Company believes that this decline reflected the well-publicized problems of the national homebuilding industry, including fewer sales of both new and existing homes, increasing numbers of mortgage delinquencies and foreclosures and a tightening of mortgage availability. As a result of these factors, builders have slowed the pace of building on land previously purchased from the Company in Rio Rancho and, in some cases, have delayed or cancelled the purchase of additional land. These factors are also believed to have contributed to a decline in sales of undeveloped land to both builders and investors.

In Rio Rancho, the Company sells both developed and undeveloped lots to national, regional and local homebuilders, commercial and industrial property developers and others. The Company sold 10 acres of developed land and 11 acres of undeveloped land at average selling prices of \$274,000 and \$38,000 per acre in the second quarter of 2008 compared to sales of 61 acres of developed land and 324 acres of undeveloped land at average selling prices of \$270,000 and \$47,000 per acre in the same period in 2007. In the six months ended October 31, 2007, the Company sold 44 acres of developed land and 302 acres of undeveloped land at average selling prices of \$282,000 and \$30,000 per acre compared to sales of 127 acres of developed land and 573 acres of undeveloped land at average selling prices of \$270,000 and \$52,000 per acre in the comparable period of the prior fiscal year. See Attachment 2 for additional information.

2

Variations in the average selling price per acre of developed land in the three and six month periods of 2008 compared to 2007 were generally due to a change in the mix and the stage of development of specific projects from which the land was sold. The Company offers developed and undeveloped land in Rio Rancho from a number of different projects and selling prices may vary from project to project and within projects depending on location, the stage of development and other factors. The decrease in the average selling price of undeveloped land in the second quarter and first six months of 2008 was primarily attributable to a higher proportion of undeveloped investment land sold in the current year from locations in Rio Rancho that are further removed from developed areas and thus generally have lower average selling prices. The average gross profit percentage on land sales decreased from 75% and 70% for the second quarter and first six

months of 2007 to 50% and 66% for the same periods of 2008. The reduced gross profit percentages in fiscal 2008 were principally attributable to a change in the mix of sales between developed and undeveloped lots sold in each of the periods, with sales in both the three and six month periods of fiscal 2008 including a higher percentage of revenues from sales of developed lots which generally have lower gross profit percentages than undeveloped lots. Revenues and related gross profits from land sales can vary significantly from period to period as a result of many factors, including the nature and timing of specific transactions, and prior results are not necessarily a good indication of what may occur in future periods.

During the second quarter of 2008, the Company sold a commercial rental property in Rio Rancho that resulted in a pre-tax gain of \$1,873,000. In addition, the Company recognized pre-tax income of \$618,000 from the forfeiture of a customer deposit under a land sale contract. During the first quarter of 2007, the Company sold certain investment assets, including the Company's office building in Rio Rancho, which in the aggregate contributed a pre-tax gain of \$4,107,000.

Revenues from the Company's Kable Media Services operations, including both Fulfillment Services and Newsstand Distribution Services, increased from \$22,913,000 and \$43,740,000 for the second quarter and first six months of fiscal 2007 to \$35,574,000 and \$67,852,000 for the same periods in 2008. These increases were attributable to the January 2007 acquisition of Palm Coast Data Holdco, Inc. by Kable. Revenues from Fulfillment Services operations, including the revenues of Palm Coast, were \$32,028,000 and \$61,011,000 for the second quarter and first six months of 2008 compared to \$18,965,000 and \$36,537,000 in the same periods of the prior year. The increase in Fulfillment Services revenues resulting from the Palm Coast acquisition (\$14,207,000 and \$27,326,000 in the second quarter and first six months) was partly offset by decreases in revenues from other parts of Kable's Fulfillment Services business that resulted from competitive market pressures and customer losses that occurred in earlier periods. Revenues from Kable's Newsstand Distribution Services operations decreased from \$3,948,000 and \$7,203,000 for the second quarter and first six months of 2007 to \$3,546,000 and \$6,841,000 for the same periods in 2008, due primarily to reduced billings and lower commission rates.

AMREP Corporation's AMREP Southwest Inc. subsidiary is a major landholder and leading developer of real estate in New Mexico, and its Kable Media Services, Inc. subsidiary distributes magazines to wholesalers and provides subscription fulfillment and related services to publishers and others.

Attachment 1

AMREP Corporation
and Subsidiaries
Financial Highlights

(Unaudited)

	Three Months Ended October 31,	
	2007	2006
	-----	-----
Revenues	\$ 42,090,000	\$ 56,055,000
Net income:		
Continuing operations	\$ 3,467,000	\$ 16,062,000
Discontinued operations	-	-
	-----	-----
	\$ 3,467,000	\$ 16,062,000
Earnings per share - Basic and Diluted:		
Continuing operations	\$ 0.55	\$ 2.42
Discontinued operations	-	-
	-----	-----
	\$ 0.55	\$ 2.42

Weighted average number of common shares outstanding	6,327,000	6,649,000
	-----	-----
	Six Months Ended October 31,	

	2007	2006
	----	----
Revenues	\$ 93,449,000	\$114,324,000
Net income:		
Continuing operations	\$ 9,787,000	\$ 31,866,000
Discontinued operations	(57,000)	-
	-----	-----
	\$ 9,730,000	\$ 31,866,000
Earnings per share - Basic and Diluted:		
Continuing operations	\$ 1.51	\$ 4.79
Discontinued operations	(0.01)	-
	-----	-----
	\$ 1.50	\$ 4.79
	-----	-----
Weighted average number of common shares outstanding	6,490,000	6,646,000
	-----	-----

4

Attachment 2

The Company's land sales in Rio Rancho, New Mexico have been as follows:

<TABLE>	<C>	<C>	<C>	<C>	<C>	<C>
<S>	2007			2006		
	Acres Sold	Revenues (in 000's)	Revenues Per Acre (in 000's)	Acres Sold	Revenues (in 000's)	Revenues Per Acre (in 000's)
	-----	-----	-----	-----	-----	-----
Three months ended						
October 31:						
Developed						
Residential	10	\$ 2,740	\$ 274	30	\$ 7,954	\$ 265
Commercial	-	-	-	31	8,504	274
	-----	-----	-----	-----	-----	-----
Total Developed	10	2,740	274	61	16,458	270
Undeveloped	11	421	38	324	15,249	47
	-----	-----	-----	-----	-----	-----
Total	21	\$ 3,161	\$ 151	385	\$ 31,707	\$ 82
	-----	-----	-----	-----	-----	-----
Six months ended						
October 31:						
Developed						
Residential	30	\$ 9,468	\$ 316	83	\$ 22,456	\$ 271
Commercial	14	2,921	209	44	11,798	268
	-----	-----	-----	-----	-----	-----
Total Developed	44	12,389	282	127	34,254	270
Undeveloped	302	8,922	30	573	29,943	52
	-----	-----	-----	-----	-----	-----
Total	346	\$ 21,311	\$ 62	700	\$ 64,197	\$ 92
	-----	-----	-----	-----	-----	-----

</TABLE>

The Company offers developed and undeveloped land in Rio Rancho from a number of different projects and selling prices may vary from project to project and within projects depending on location, the stage of development and other factors.